



Boise Cascade®



Boise Cascade Company

Second Quarter 2022 Earnings Webcast

August 2, 2022

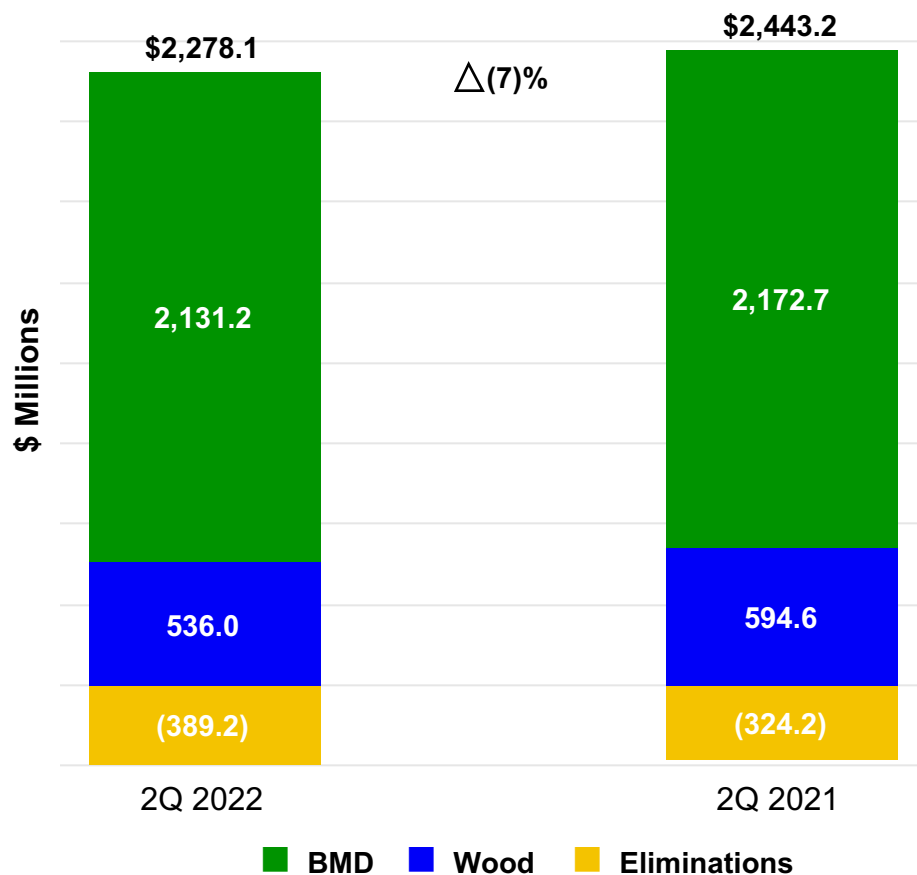
Forward-Looking Statements

- ◆ This presentation includes statements about our expectations of future operational and financial performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding our Outlook. The accuracy of such statements is subject to a number of risks, uncertainties, and assumptions that could cause our actual results to differ materially from those projected, including, but not limited to, prices for building products, changes in the competitive position of our products, commodity input costs, the effect of general economic conditions, our ability to efficiently and effectively integrate the Coastal Plywood acquisition, the effect of COVID-19 and related variants, mortgage rates and availability, housing demand, housing vacancy rates, governmental regulations, unforeseen production disruptions, as well as natural disasters.
- ◆ These and other factors that could cause actual results to differ materially from such forward-looking statements are discussed in greater detail in our filings with the Securities and Exchange Commission.
- ◆ Forward-looking statements speak only as of the date of this presentation. We undertake no obligation to revise them in light of new information. Finally, we undertake no obligation to review or confirm analyst expectations or estimates that might be derived from this presentation.
- ◆ This presentation includes references to EBITDA and Adjusted EBITDA, which are non-GAAP financial measures within the meaning of the Securities and Exchange Commission's Regulation G. Reconciliations of net income to EBITDA and Adjusted EBITDA and segment income to segment EBITDA are included as an appendix.

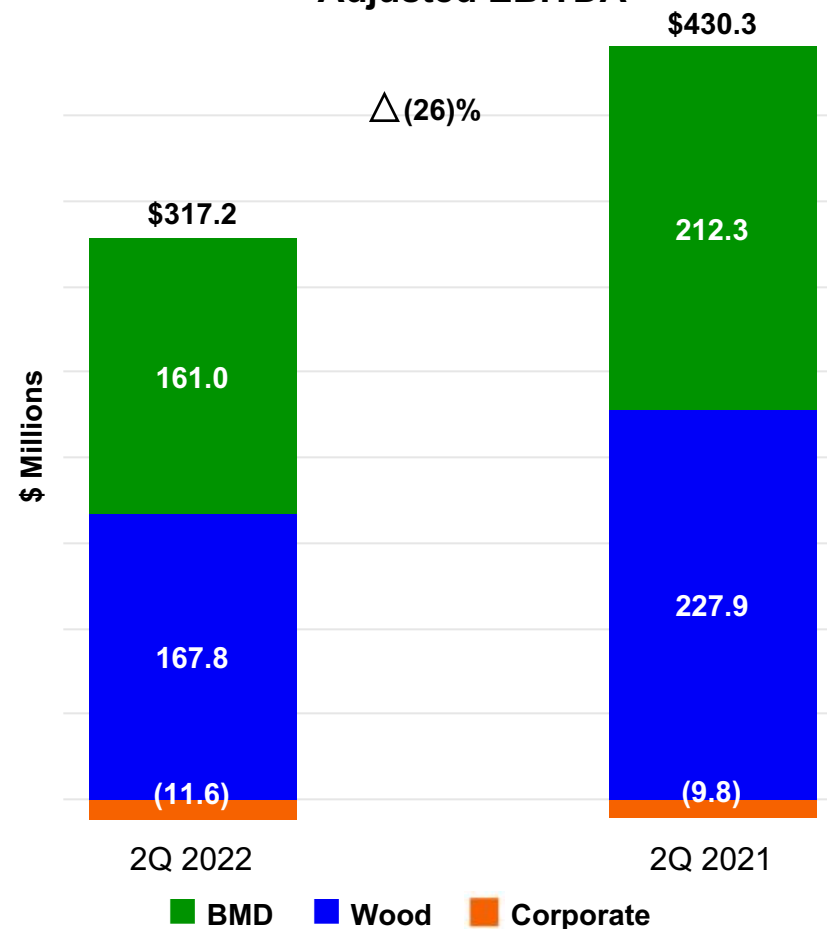
- ◆ Wood Products completed acquisition of Coastal Plywood on July 25th.
- ◆ 2Q22 sales were \$2.3 billion, down 7% from 2Q21.
- ◆ 2Q22 net income was \$218.1 million, or \$5.49 per share, compared to net income of \$302.6 million, or \$7.62 per share, in 2Q21.
- ◆ Wood Products reported 2Q22 segment EBITDA of \$167.8 million, compared to \$227.9 million in 2Q21.
 - Lower plywood sales prices and lower plywood and EWP sales volumes, offset partially by higher EWP sales prices.
- ◆ BMD reported 2Q22 segment EBITDA of \$161.0 million on sales of \$2.1 billion, compared to \$212.3 million of segment EBITDA on sales of \$2.2 billion in 2Q21.
 - Gross margin decrease of \$44.5 million, resulting from decline in commodity prices, offset partially by improved gross margin percentages for EWP and general line products.

2Q 2022 Financial Highlights

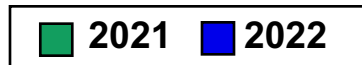
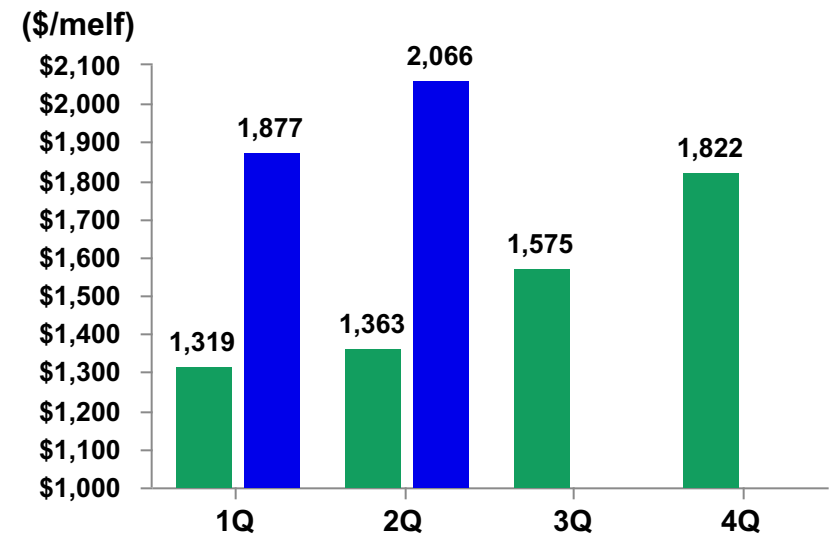
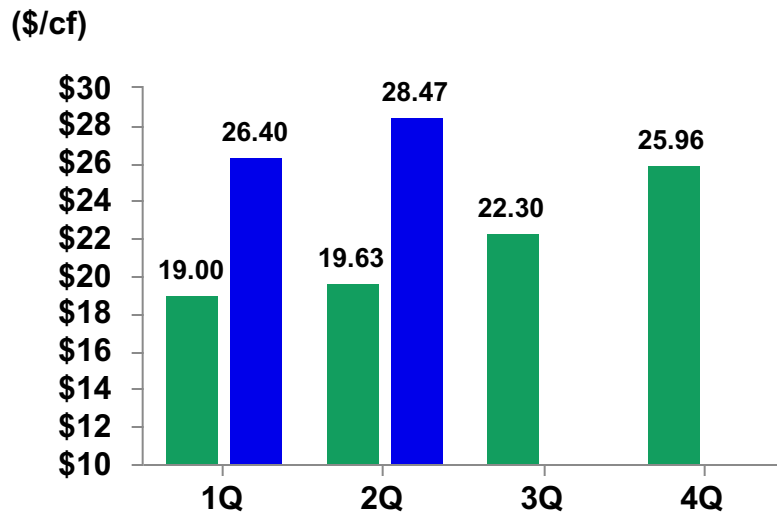
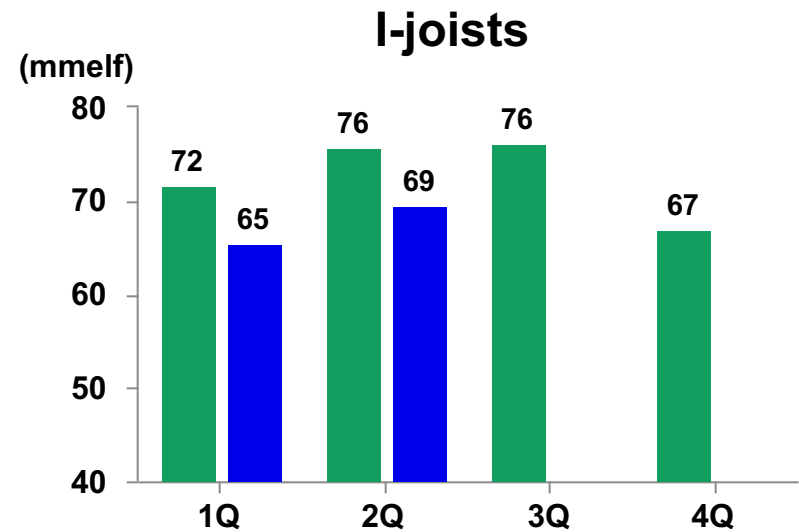
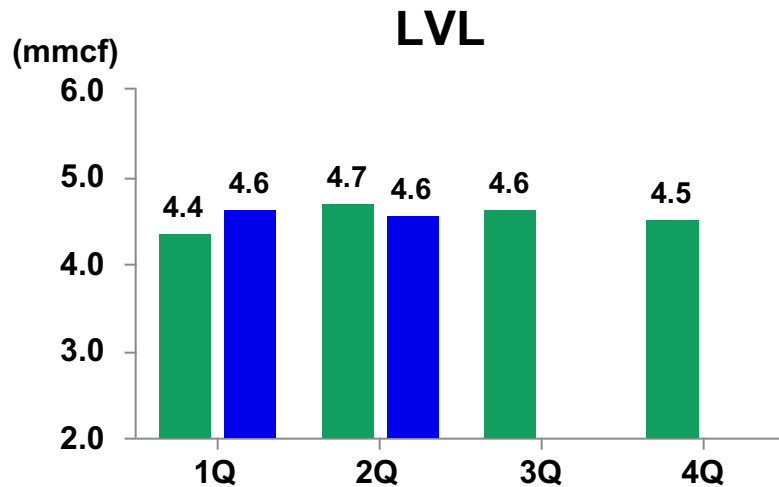
Sales



Adjusted EBITDA



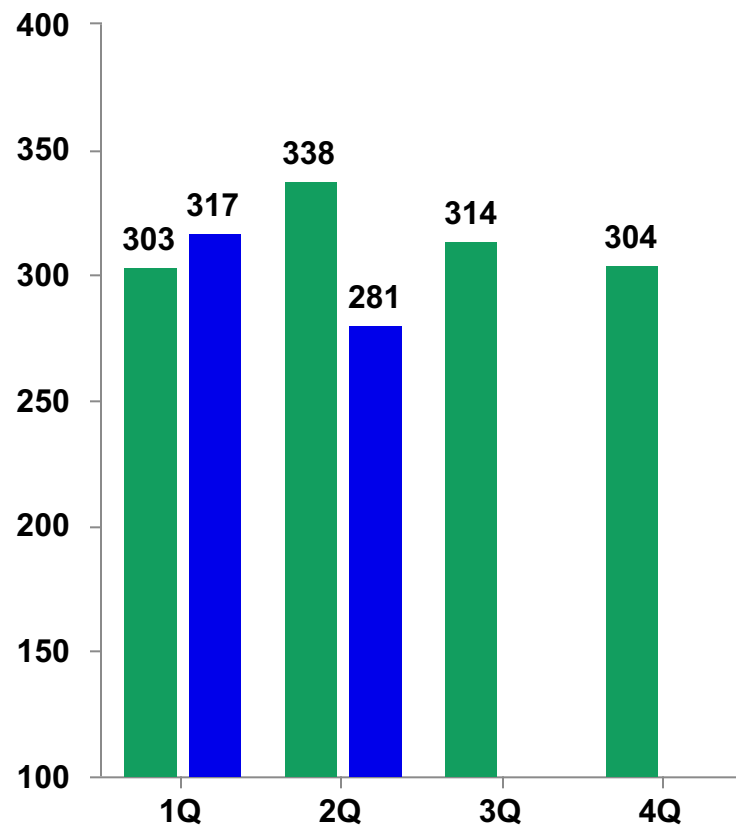
Wood Products EWP



Wood Products Plywood

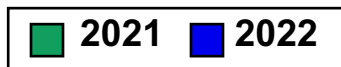
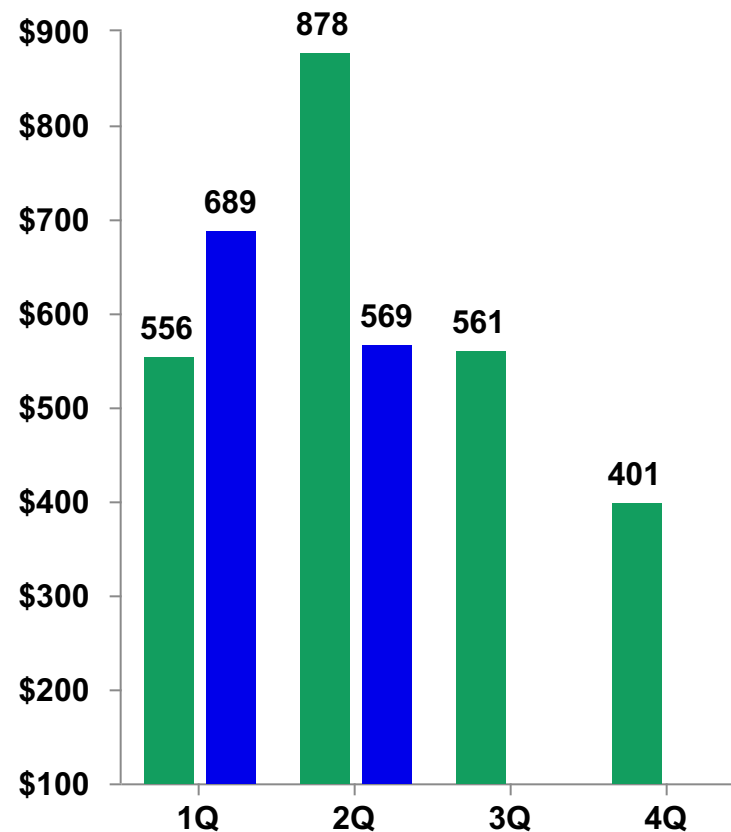
Sales Volume

(mmsf 3/8" basis)



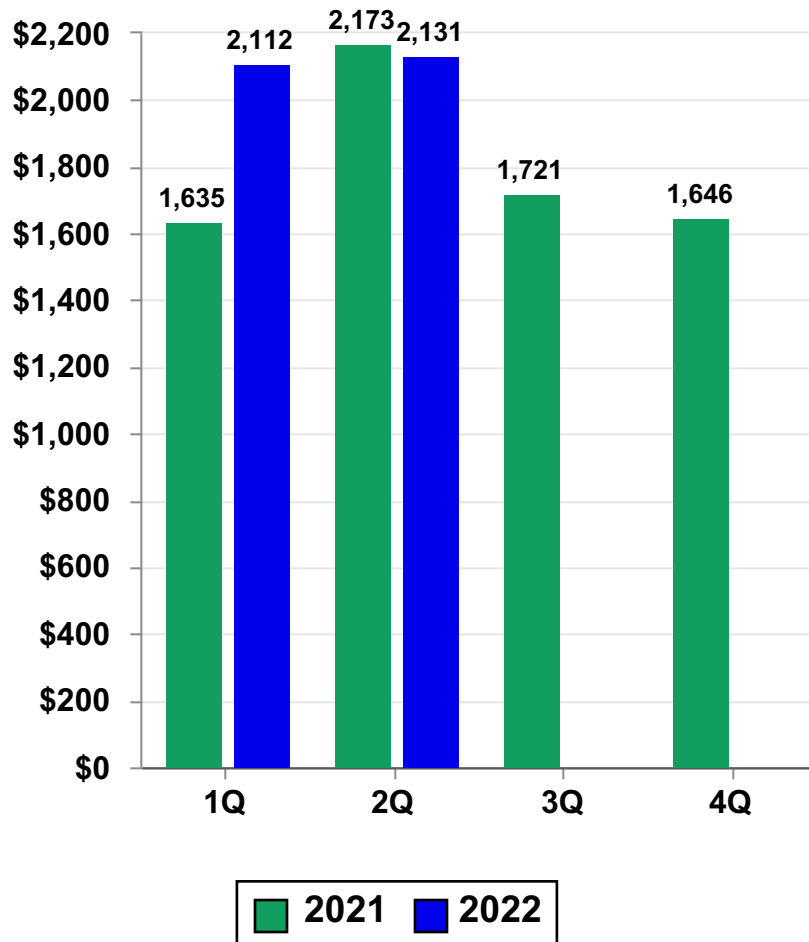
Net Sales Price

(\$/msf 3/8" basis)

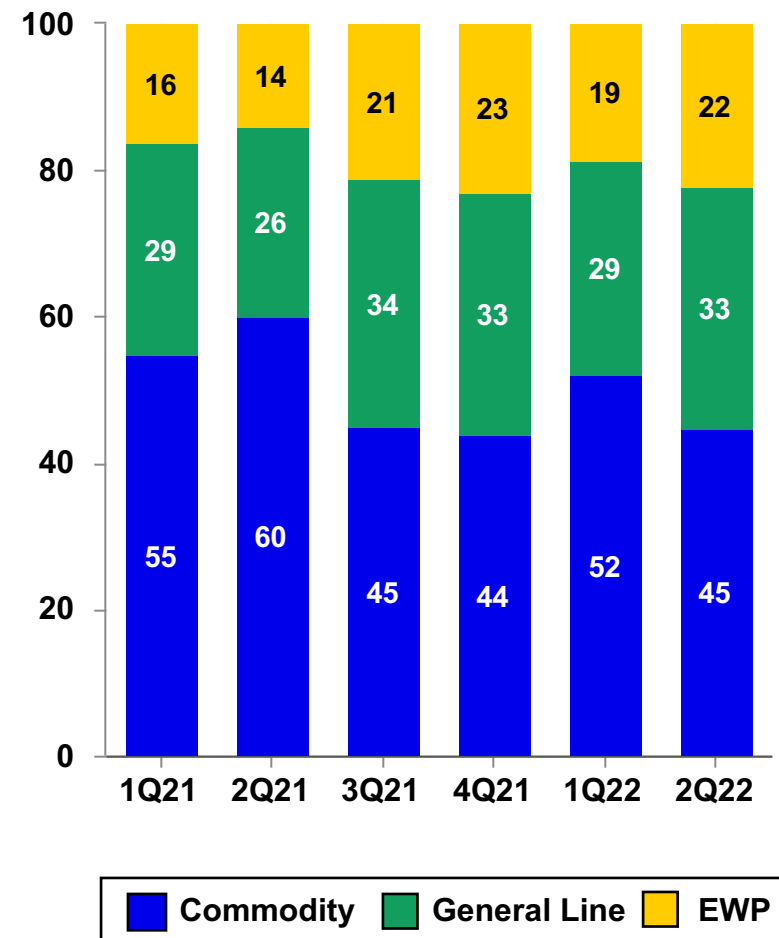


Building Materials Distribution Sales

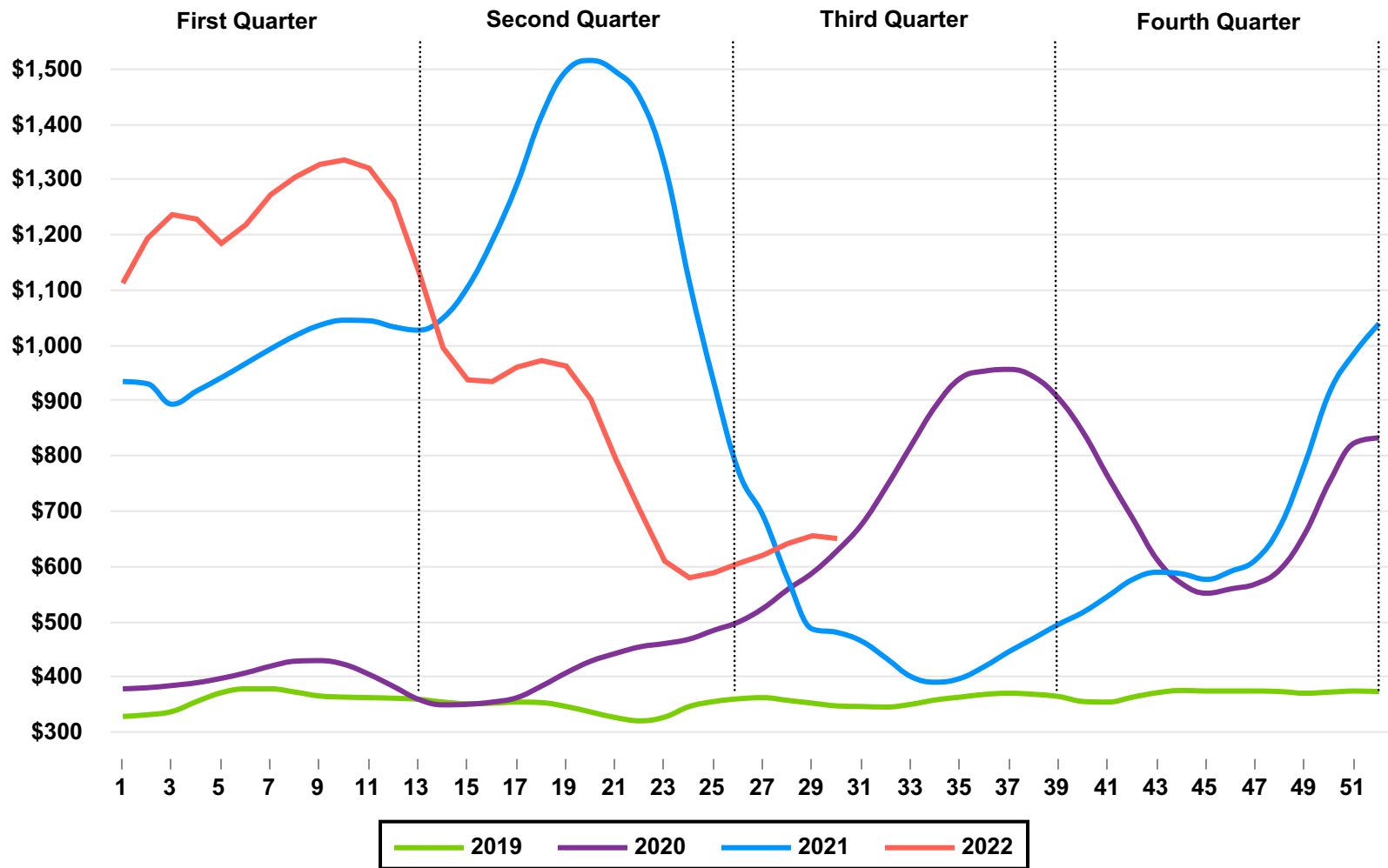
(\$ Millions)



(% of Sales)



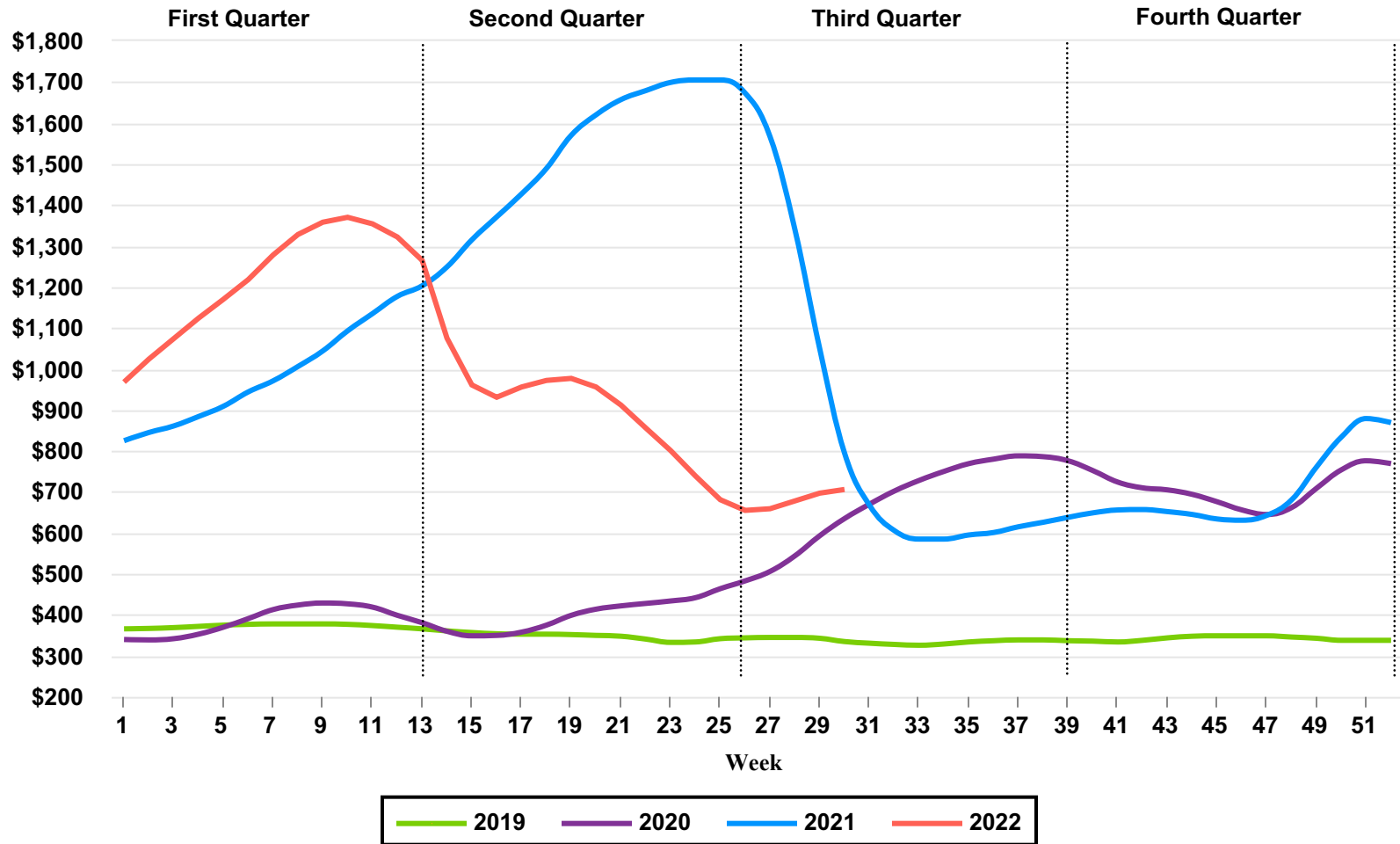
Lumber Composite Price



Source: Random Lengths

August 2, 2022

Panel Composite Price



Source: Random Lengths

Debt and Liquidity Highlights



(\$ Millions)

6/30/2022

3/31/2022

Net Debt

| | | |
|-------------------------|-------------------|-------------------|
| Total debt | \$ 445.0 | \$ 444.8 |
| Cash & cash equivalents | (1,033.0) | (922.7) |
| Net debt (cash) | <u>\$ (588.0)</u> | <u>\$ (477.9)</u> |

Liquidity Position

| | | |
|-------------------------------|-------------------|-------------------|
| Bank line excess availability | \$ 346.0 | \$ 346.0 |
| Cash & cash equivalents | 1,033.0 | 922.7 |
| Total liquidity | <u>\$ 1,379.0</u> | <u>\$ 1,268.7</u> |

August 2, 2022

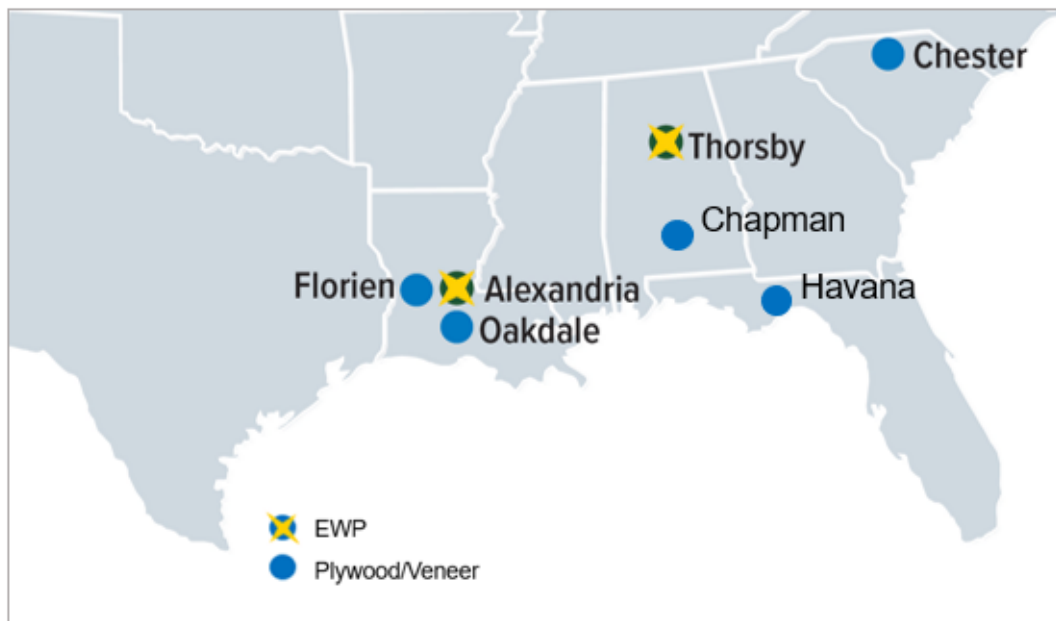
Coastal Plywood Acquisition - Transaction Summary

- ◆ On July 25th closed on the purchase of Coastal Plywood Company for \$517 million, inclusive of estimated working capital at closing of \$27 million.
- ◆ Two manufacturing locations:
 - **Chapman, AL:** 240 MMSF of plywood capacity
 - **Havana, FL:** 290 MMSF of plywood capacity
- ◆ Funded transaction with cash
- ◆ Asset-sale structure for tax purposes resulting in estimated NPV tax benefit from step-up between \$65 million and \$75 million



Coastal Plywood Acquisition - Strategic Rationale & Fit

- ◆ Improves ability to support southern and eastern housing construction
- ◆ Provides incremental stress rated veneer
 - Removes constraint for full utilization of existing southeast U.S. EWP production capacity
 - Provides avenue for EWP capacity growth
- ◆ Havana plywood operation improves our mix of specialty plywood products and is well positioned geographically to support southeast U.S. demand for plywood



Coastal Plywood Acquisition - Expectations & Plans



- ◆ EPS accretive in 2022
- ◆ EBITDA impacts
 - Coastal's three-year average EBITDA (excluding extraordinary 2021) was ~\$50 million
 - Expect mid-cycle EBITDA impact of \$80 million when fully integrated
- ◆ Southeast operations capital spending of ~\$50 million over three-year period
 - ~\$25 million for veneer equipment related spending at Chapman and EWP capacity expansion at Alexandria & Thorsby
 - ~\$25 million for improvements at Florien & Oakdale in support of veneer for EWP
- ◆ Incremental run-rate capacity from 2021 levels
 - By Year End 2023: 1.4 mmcf LVL billets (+5%), 425 mmsf plywood (+34%)
 - By Year End 2025: 3.4 mmcf LVL billets (+12%), 345 mmsf plywood (+27%)
- ◆ Provides further platform for growth for our BMD segment, other EWP opportunities in multi-family and light commercial applications, and continued product development in mass timber applications

- ◆ Current estimates for 2022 housing starts around 1.6 million, flat from 2021 levels.
 - Expect pace of new residential construction to slow in the second half of 2022.
 - At or near low-double digit declines in 2023 anticipated by many economists.
- ◆ Primary drivers of repair-and-remodeling activity expected to continue to be supportive of homeowners' further investment in their residences.
- ◆ Operational focus in Wood Products
 - Integration of Coastal Plywood operations.
 - Completion of Chester dryer project in third quarter.
- ◆ Organic growth and execution focus in BMD
 - Build out and start up of recently announced organic expansion projects; solid pipeline of additional organic growth opportunities that we expect to announce in future quarters.
 - Maintain service levels and effectively manage price uncertainty across product lines.



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Appendix

August 2, 2022

EBITDA represents income before interest (interest expense and interest income), income taxes, and depreciation and amortization. Additionally, we disclose Adjusted EBITDA, which further adjusts EBITDA to exclude the change in fair value of interest rate swaps. The following table reconciles net income to EBITDA and Adjusted EBITDA for the three months ended June 30, 2022 and 2021, and March 31, 2022:

| (\$ Millions) | Three Months Ended | | |
|---|--------------------|-----------------|-----------------|
| | 2Q22 | 2Q21 | 1Q22 |
| Net income | \$ 218.1 | \$ 302.6 | \$ 302.6 |
| Interest expense | 6.3 | 6.3 | 6.3 |
| Interest income | (1.4) | (0.1) | (0.1) |
| Income tax provision | 73.9 | 101.0 | 98.9 |
| Depreciation and amortization | 20.7 | 20.4 | 20.5 |
| EBITDA | \$ 317.6 | \$ 430.3 | \$ 428.2 |
| Change in fair value of interest rate swaps | (0.4) | 0.0 | (2.1) |
| Adjusted EBITDA | <u>\$ 317.2</u> | <u>\$ 430.3</u> | <u>\$ 426.1</u> |

The following table reconciles segment income to EBITDA for the three months ended June 30, 2022 and 2021, and March 31, 2022:

| (\$ Millions) | Three Months Ended | | |
|---------------------------------|--------------------|-----------------|-----------------|
| | 2Q22 | 2Q21 | 1Q22 |
| Wood Products | | | |
| Segment income | \$ 154.1 | \$ 213.8 | \$ 190.1 |
| Depreciation and amortization | 13.7 | 14.1 | 13.6 |
| Segment EBITDA | <u>\$ 167.8</u> | <u>\$ 227.9</u> | <u>\$ 203.8</u> |
| Building Materials Distribution | | | |
| Segment income | \$ 154.3 | \$ 206.3 | \$ 225.9 |
| Depreciation and amortization | 6.7 | 5.9 | 6.6 |
| Segment EBITDA | <u>\$ 161.0</u> | <u>\$ 212.3</u> | <u>\$ 232.5</u> |