



Boise Cascade



Boise Cascade Company

Third Quarter 2016

Earnings Webcast

October 24, 2016



Forward-Looking Statements

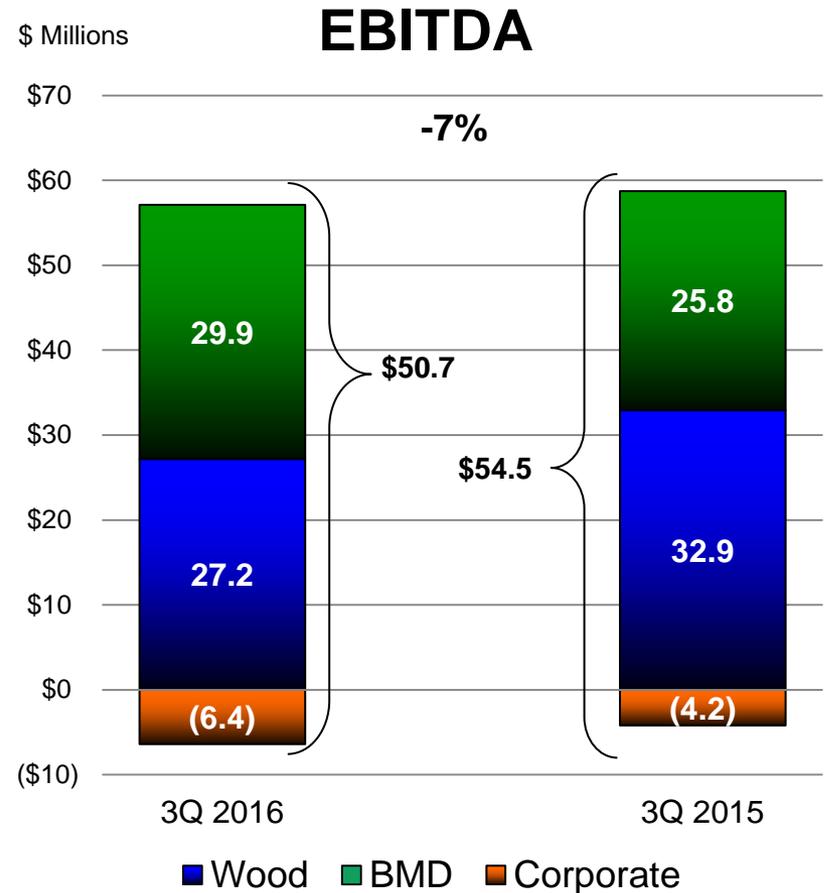
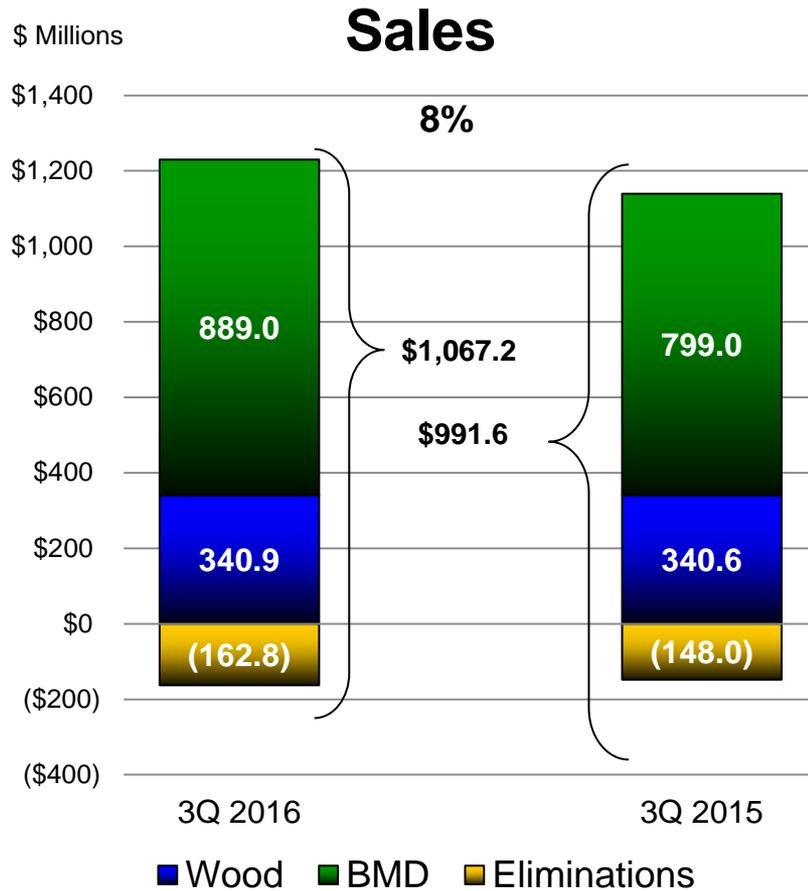
- ◆ This presentation includes statements about our expectations of future operational and financial performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The accuracy of such statements is subject to a number of risks, uncertainties, and assumptions that could cause our actual results to differ materially from those projected, including, but not limited to, prices for building products, the ongoing integration of the two recently acquired engineered wood products facilities, the effect of general economic conditions, 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, which is a non-GAAP financial measure within the meaning of the Securities and Exchange Commission's Regulation G. Reconciliations of net income to EBITDA and segment income (loss) to segment EBITDA are included as an appendix.



- ◆ Third quarter sales were \$1,067.2 million, up 8% from 3Q15.
- ◆ Third quarter net income was \$10.0 million, or \$0.26 per share, down 55% from 3Q15 net income of \$22.0 million, or \$0.56 per share. Net income included a \$9.5 million pre-tax loss on debt extinguishment.
- ◆ Wood Products reported 3Q16 income of \$11.6 million, or EBITDA of \$27.2 million:
 - Plywood product line continues to be challenging
 - Strong OSB pricing negatively impacting I-joist input costs
 - Progress on integration and recommissioning of acquired EWP facilities
- ◆ BMD reported 3Q16 income of \$26.4 million, or EBITDA of \$29.9 million:
 - Housing start and R&R trends providing favorable backdrop
 - Commodity pricing relatively stable in third quarter



3Q 2016 Financial Highlights

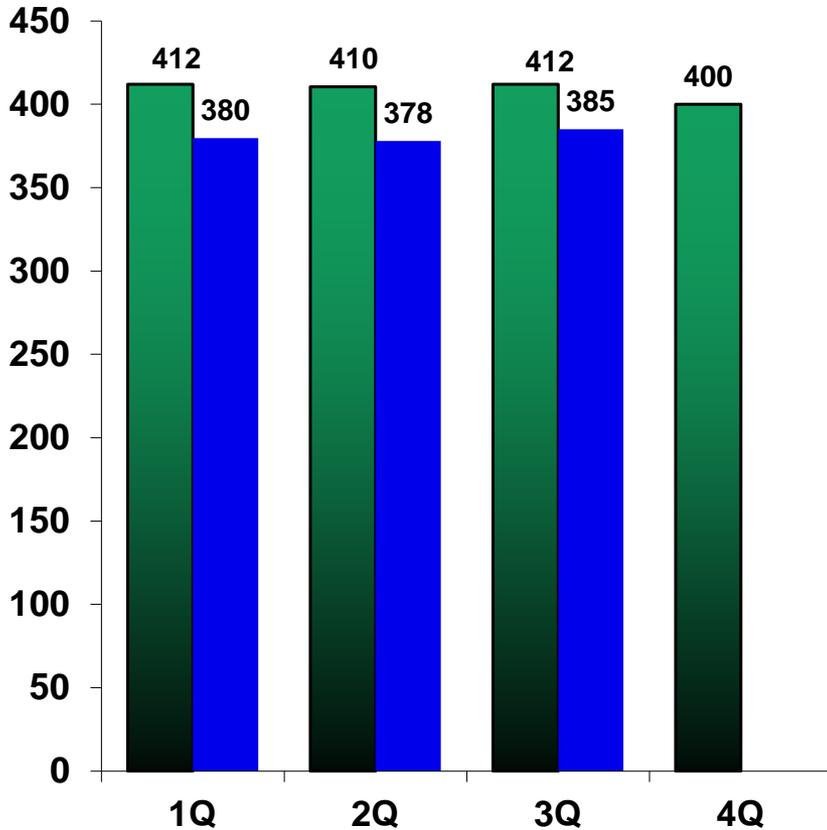




Wood Products Plywood

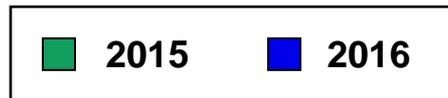
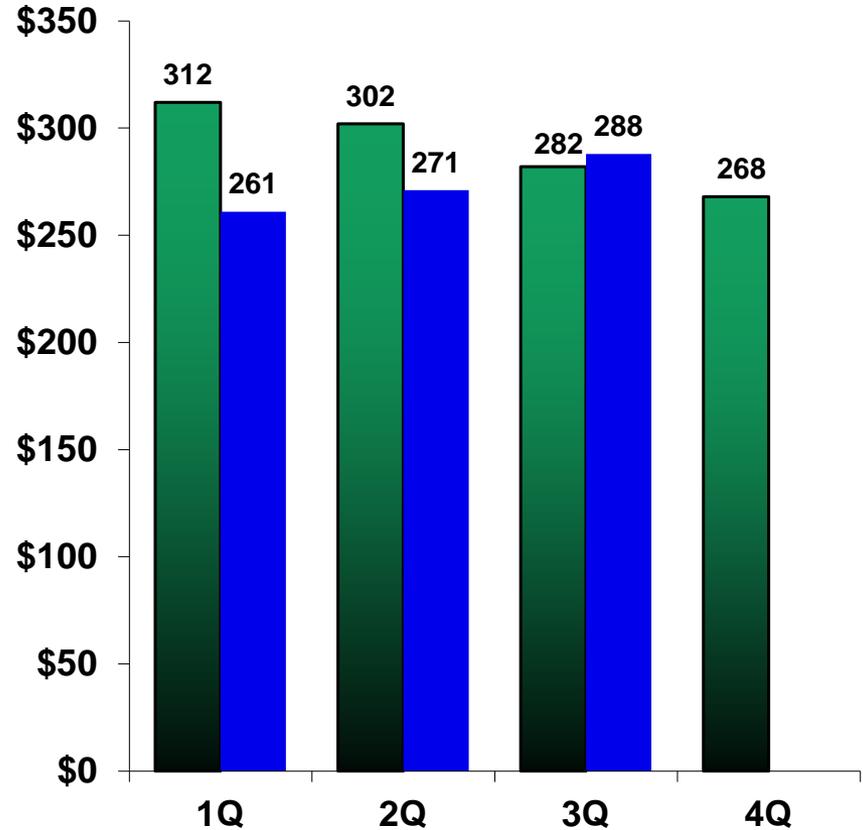
Sales Volume

(mmsf 3/8" basis)



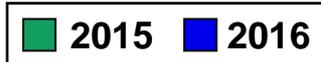
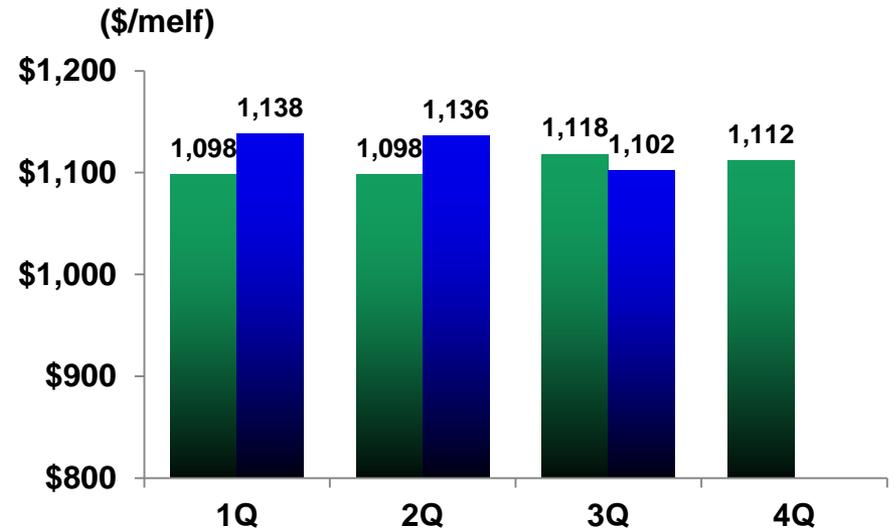
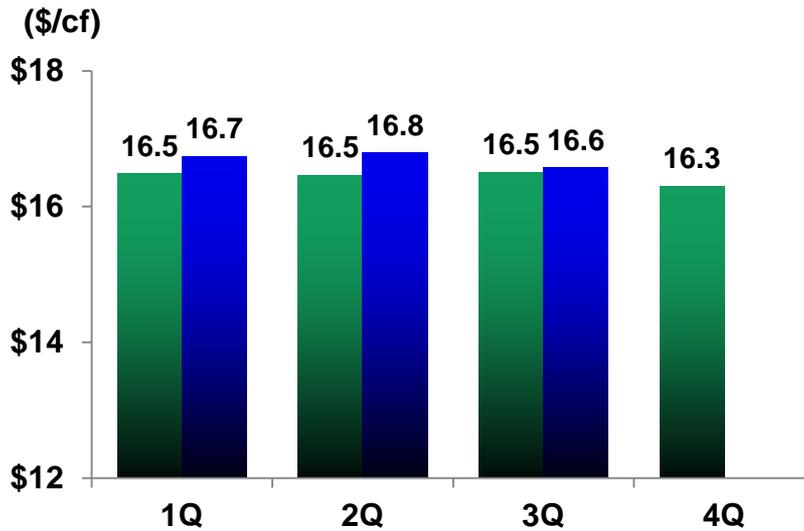
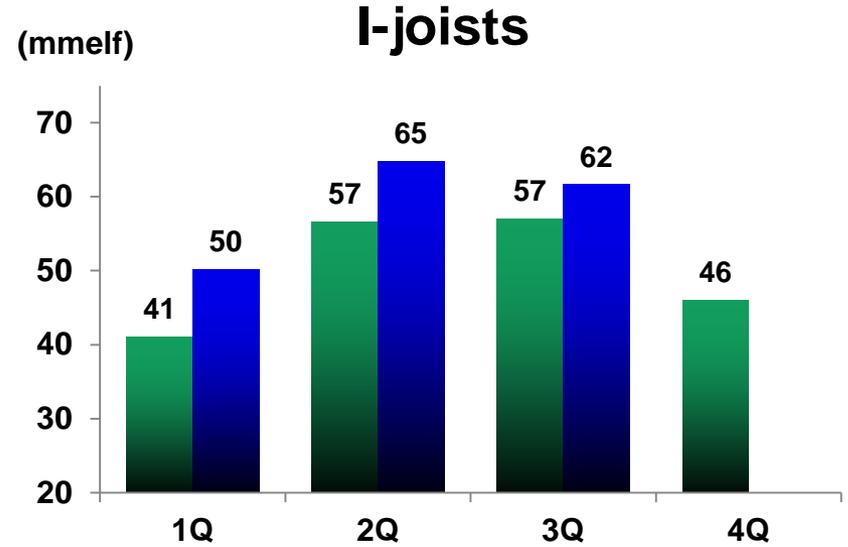
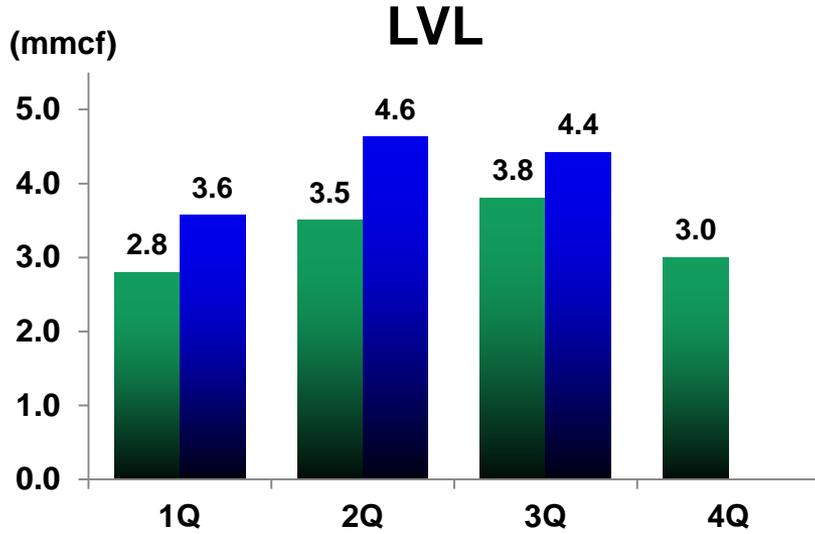
Net Sales Price

(\$/msf 3/8" basis)





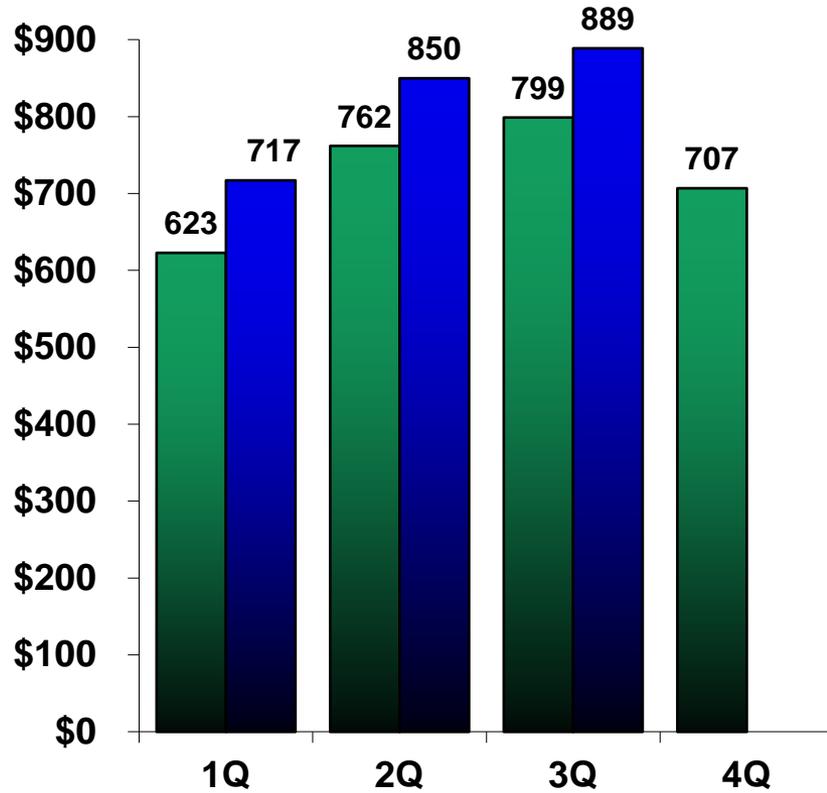
Wood Products EWP





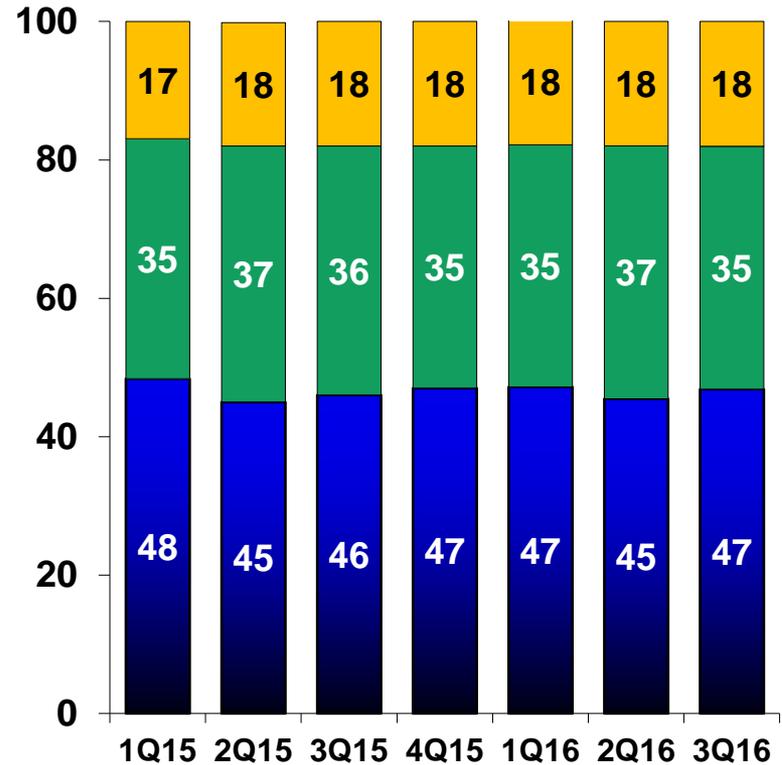
Building Materials Distribution Sales

(\$ Millions)



■ 2015 ■ 2016

(% of Sales)



■ Commodity ■ General Line ■ EWP



Balance Sheet Items

(\$ Millions)	<u>9/30/2016</u>	<u>6/30/2016</u>	<u>Change</u>
Receivables	\$ 272.3	\$ 286.5	\$ (14.2)
Inventory	451.1	462.0	(10.9)
Other current assets ^(a)	9.8	10.8	(1.0)
	<u>733.2</u>	<u>759.2</u>	<u>(26.0)</u>
Accounts payable	247.3	249.7	(2.4)
Accrued liabilities ^(b)	110.7	101.9	8.8
	<u>358.0</u>	<u>351.6</u>	<u>6.4</u>
Net working capital	<u>\$ 375.3</u>	<u>\$ 407.7</u>	<u>\$ (32.4)</u>

(a) Excludes cash and tax related items.

(b) Excludes income taxes payable, interest payable, and current portion of debt.



Debt and Liquidity Highlights

(\$ Millions)

Net Debt

	<u>9/30/2016</u>	<u>6/30/2016</u>
Total debt	\$ 581.6	\$ 464.6
Cash & cash equivalents	(131.2)	(96.1)
Restricted cash	(122.9)	-
Net debt	<u>\$ 327.5</u>	<u>\$ 368.5</u>

Liquidity Position

ABL excess availability	\$ 354.8	\$ 319.1
Cash & cash equivalents	131.2	96.1
Total liquidity	<u>\$ 486.0</u>	<u>\$ 415.2</u>



- ◆ Current consensus estimate for 2016 U.S. housing starts is 1.18 million, up about 6% from 1.11 million in 2015.
- ◆ Long-term demand fundamentals expected to support recovery in U.S. housing to 1.4 to 1.5 million starts over next few years.
- ◆ Expect fourth quarter to be challenging for Wood Products:
 - Elevated OSB input costs for I-joists
 - Seasonal declines in demand for EWP and plywood
 - Chester, SC, plywood outage
 - Costs associated with recommissioning Roxboro, NC, EWP facility
- ◆ BMD continues to execute well. Fourth quarter will be influenced by weather and commodity prices.
- ◆ Optimistic about positioning for 2017.



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Appendix

October 24, 2016

EBITDA represents income before interest (interest expense, interest income, change in fair value of interest rate swaps, and loss on extinguishment of debt), income taxes, and depreciation and amortization. The following table reconciles net income to EBITDA for the three months ended September 30, 2016 and 2015, and June 30, 2016:

(\$ Millions)	<u>Three Months Ended</u>		<u>June 30,</u> <u>2016</u>
	<u>September 30</u>		
	<u>2016</u>	<u>2015</u>	
Net income	\$ 10.0	\$ 22.0	\$ 19.2
Interest expense	7.1	5.7	6.4
Interest income	(0.1)	(0.1)	(0.0)
Change in fair value of interest rate swaps	(0.8)	-	1.5
Loss on extinguishment of debt	9.5	-	-
Income tax provision	5.5	12.6	10.7
Depreciation and amortization	19.5	14.2	18.6
EBITDA	<u>\$ 50.7</u>	<u>\$ 54.5</u>	<u>\$ 56.4</u>

The following table represents segment income (loss) to EBITDA for the three months ended September 30, 2016 and 2015, and June 30, 2016:

(\$ Millions)	Three Months Ended September 30		June 30,
	2016	2015	2016
Wood Products			
Segment income	\$ 11.6	\$ 21.9	\$ 16.3
Depreciation and amortization	15.6	11.0	14.8
Segment EBITDA	<u>\$ 27.2</u>	<u>\$ 32.9</u>	<u>\$ 31.1</u>
Building Materials Distribution			
Segment income	\$ 26.4	\$ 22.7	\$ 29.1
Depreciation and amortization	3.5	3.1	3.4
Segment EBITDA	<u>\$ 29.9</u>	<u>\$ 25.8</u>	<u>\$ 32.5</u>
Corporate			
Segment loss	\$ (6.7)	\$ (4.3)	\$ (7.5)
Depreciation and amortization	0.3	0.1	0.4
Segment EBITDA	<u>\$ (6.4)</u>	<u>\$ (4.2)</u>	<u>\$ (7.1)</u>