



Boise Cascade



Boise Cascade Company

Fourth Quarter 2014

Earnings Webcast

February 19, 2015



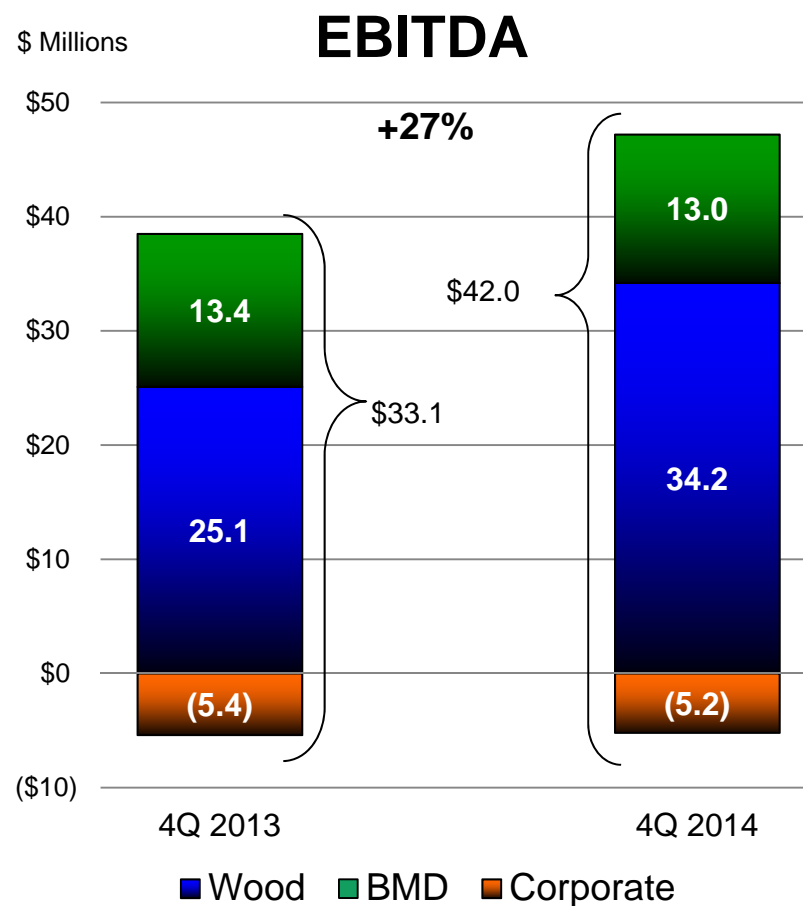
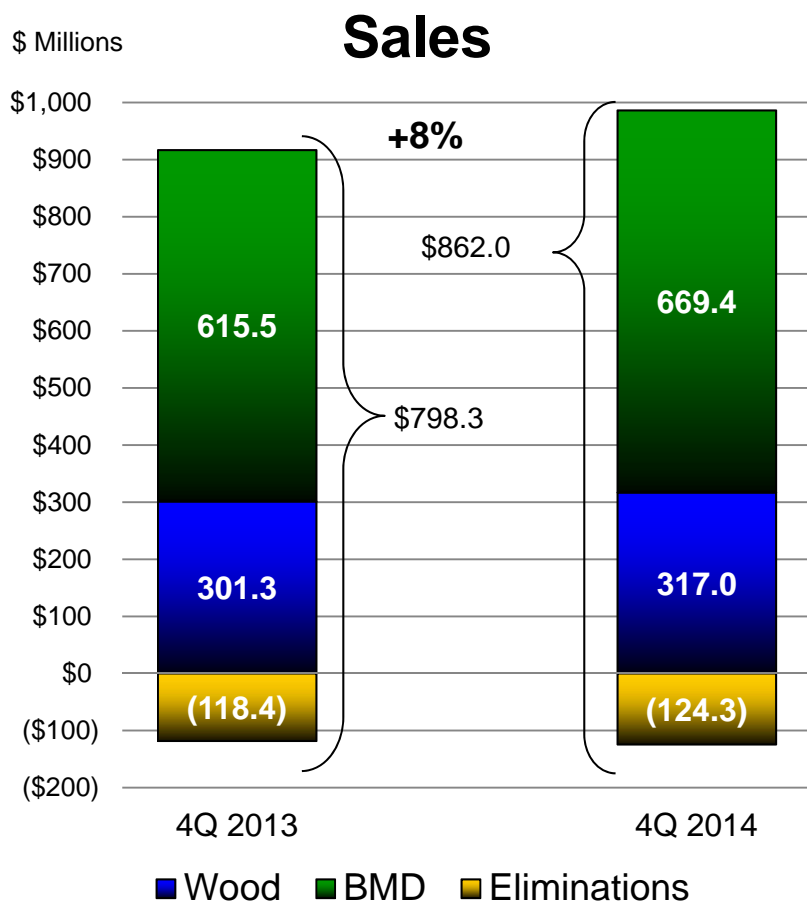
Forward-Looking Statements

- ◆ 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 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 adjusted net income and to EBITDA and segment income to segment EBITDA are included as an appendix.



- ◆ Fourth quarter sales were \$862.0 million, up 8% from 4Q13.
- ◆ Full year 2014 sales were \$3.6 billion, up 9% from 2013.
- ◆ Fourth quarter net income was \$15.7 million, or \$0.40 per share, up 60% from 4Q13.
- ◆ Full year 2014 net income was \$80.0 million, up 66% from adjusted 2013 net income. Full year EPS for 2014 was \$2.03.
- ◆ Plywood pricing continued to be favorable in 2014.
- ◆ EWP prices and volume increased as housing activity improved in 2014.
- ◆ Sales in Building Materials Distribution grew 7% with earnings leverage coming from gross margin expansion.
- ◆ Succession plan is being executed. Board of directors transition largely complete.

4Q 2014 Financial Highlights

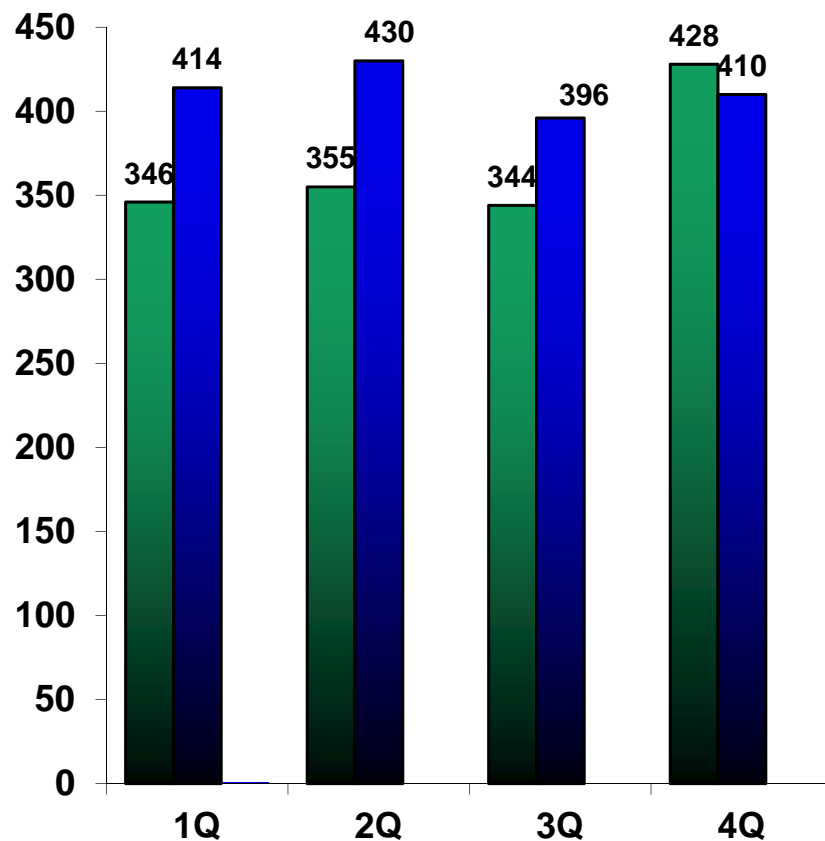




Wood Products Plywood

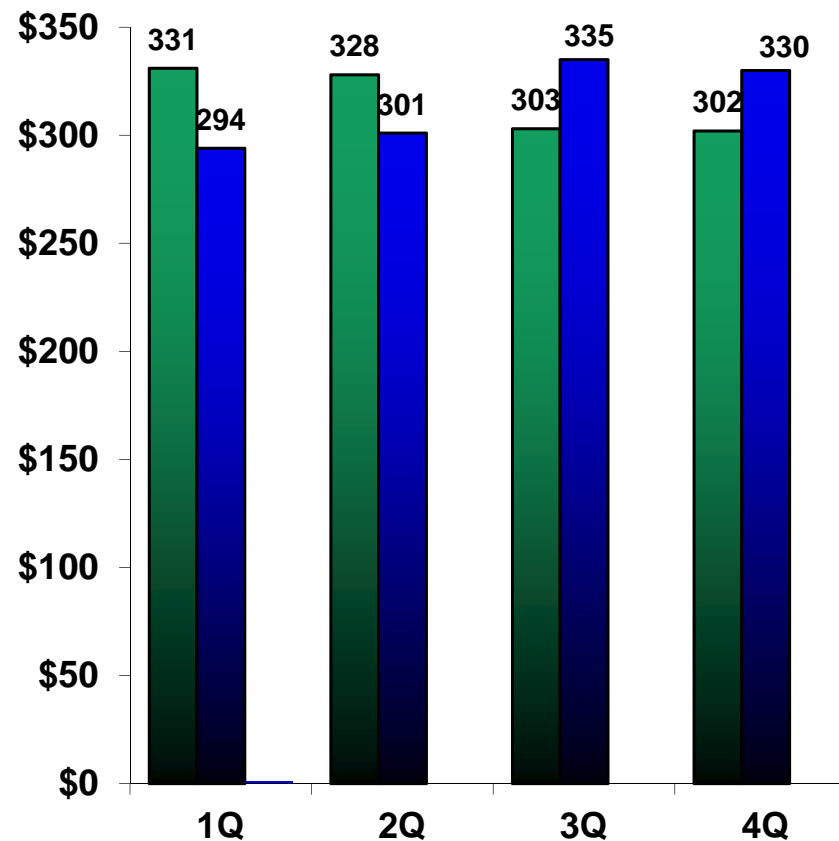
Sales Volume

(mmsf 3/8" basis)



Net Sales Price

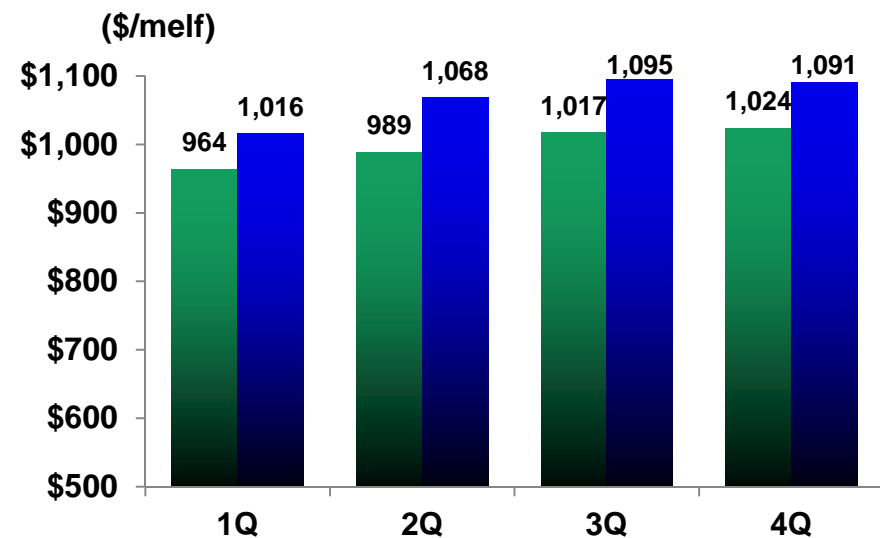
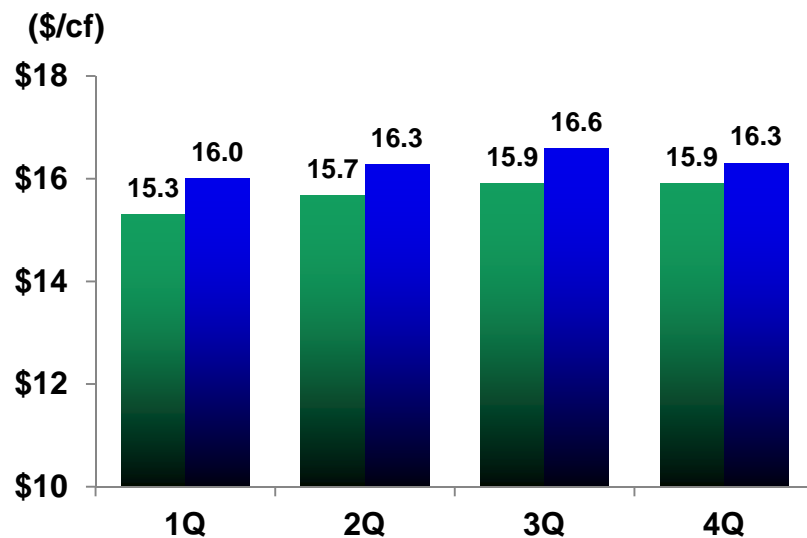
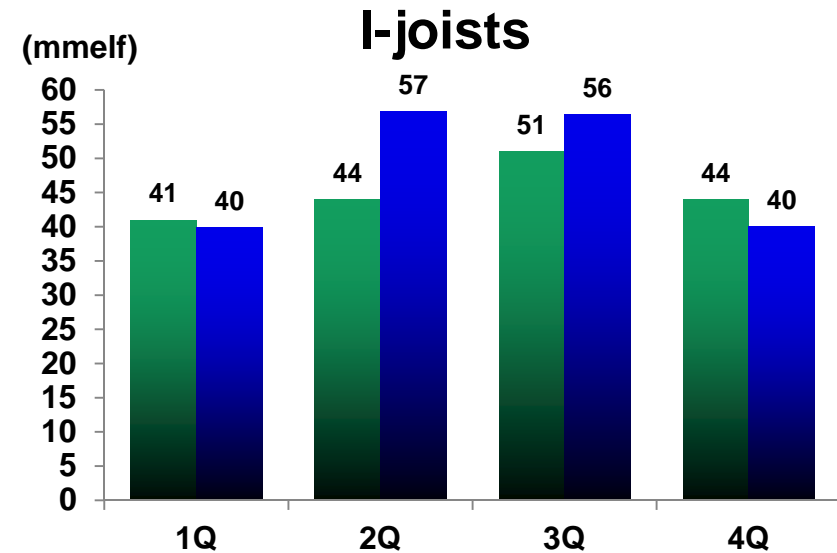
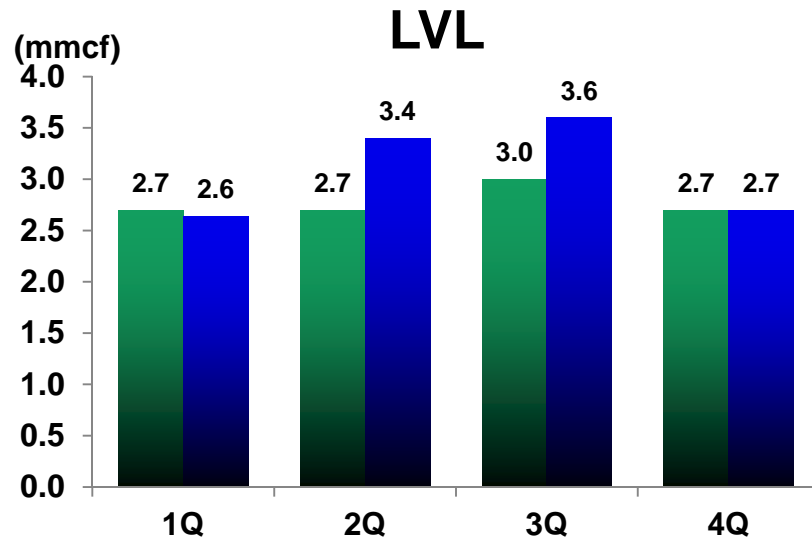
(\$/msf 3/8" basis)



2013 2014



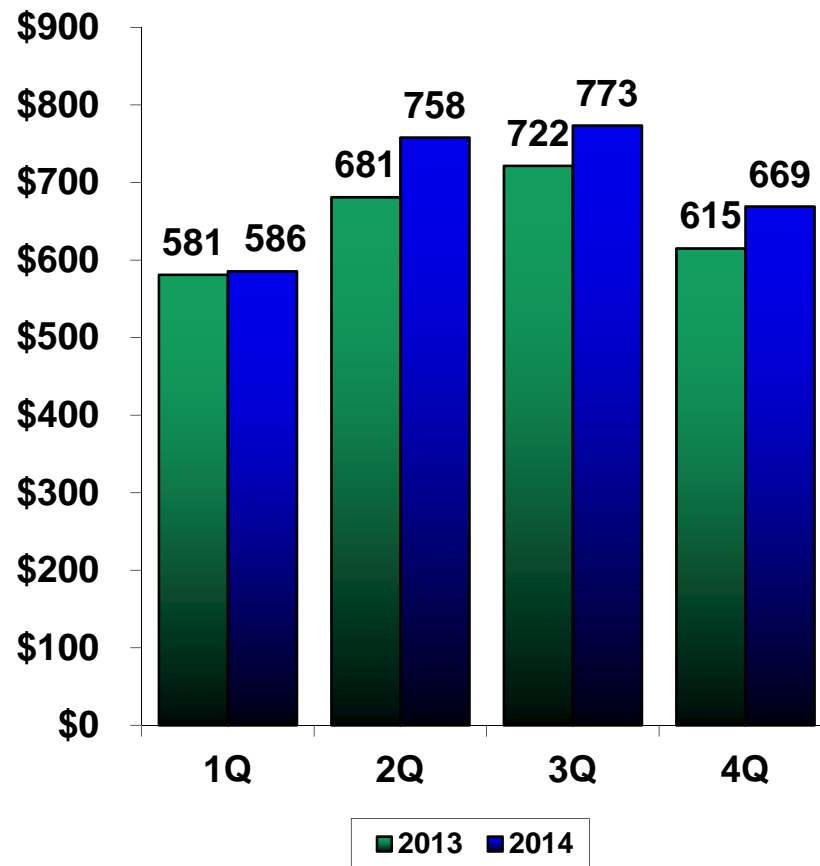
Wood Products EWP



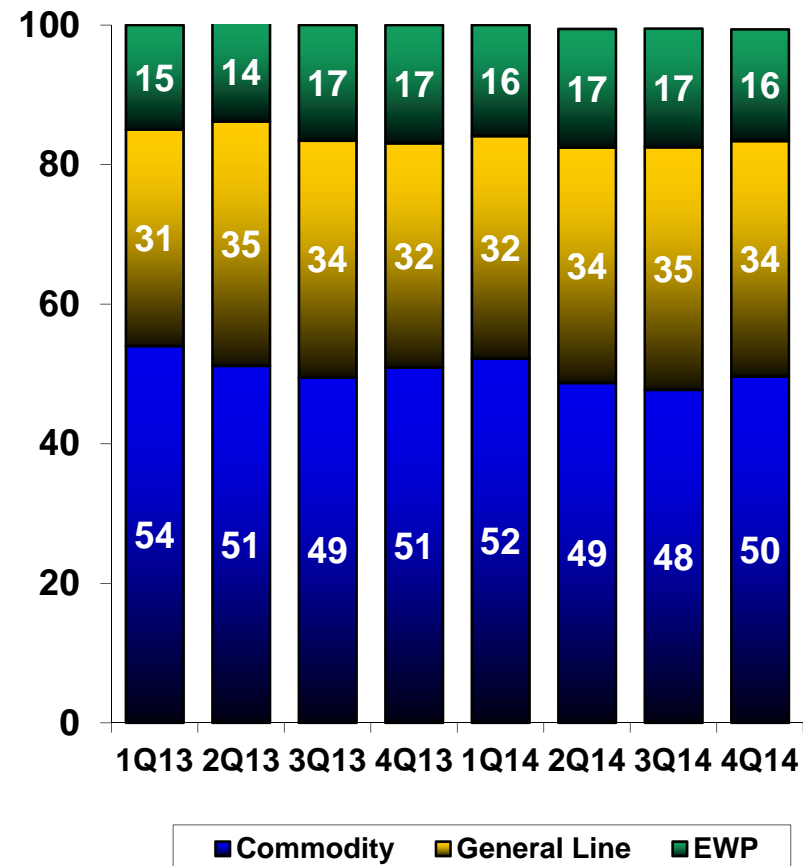


Building Materials Distribution Sales

(\$ Millions)



(% of Sales)





Balance Sheet Items

(\$ Millions)	<u>12/31/2014</u>	<u>9/30/2014</u>	<u>Change</u>
Receivables	\$ 180.4	\$ 221.1	\$ (40.7)
Inventory	394.5	398.9	(4.4)
Other current assets ^(a)	5.3	8.9	(3.6)
	<u>580.2</u>	<u>628.8</u>	<u>(48.6)</u>
Accounts payable	152.4	188.4	(36.0)
Accrued liabilities ^(b)	99.5	109.7	(10.2)
	<u>251.9</u>	<u>298.1</u>	<u>(46.2)</u>
Net working capital	<u>\$ 328.3</u>	<u>\$ 330.7</u>	<u>\$ (2.4)</u>

(a) Excludes cash and tax related items

(b) Excludes income taxes payable and interest payable



Debt and Liquidity Highlights

(\$ Millions)	<u>12/31/2014</u>	<u>9/30/2014</u>	<u>12/31/2013</u>
<u>Net Debt</u>			
Long-term debt	\$ 301.4	\$ 301.5	\$ 301.6
Cash & cash equivalents	<u>(163.5)</u>	<u>(170.0)</u>	<u>(118.2)</u>
Net debt	<u>\$ 137.9</u>	<u>\$ 131.5</u>	<u>\$ 183.4</u>
 <u>Liquidity Position</u>			
ABL excess availability	\$ 266.8	\$ 328.2	\$ 258.3
Cash & cash equivalents	<u>163.5</u>	<u>170.0</u>	<u>118.2</u>
Total liquidity	<u>\$ 430.3</u>	<u>\$ 498.2</u>	<u>\$ 376.6</u>



- ◆ The current consensus estimate for 2015 U.S. housing starts is 1.16 million, up about 16% from 1.00 million in 2014. We are planning for 1.1 million this year.
- ◆ We believe the long-term demand fundamentals for housing are still sound based on demographics in the U.S. and expect housing starts to return to 1.4 to 1.5 million starts over the next few years.
- ◆ Reconfirming mid-cycle guidance of \$270 million of EBITDA.
- ◆ We expect our business to continue to improve as housing further recovers in 2015:
 - Continued improvements in manufacturing operations from our BIC management process
 - Growth in EWP sales as single-family new residential construction activity increases
 - Growth in BMD's revenues and earnings with increased new construction and repair-and-remodel activity



Boise Cascade



Appendix

February 19, 2015

EBITDA represents income before interest (interest expense and interest income), income taxes, and depreciation and amortization. The following table reconciles net income to EBITDA for the three months ended December 31, 2014 and 2013, and September 30, 2014, and the years ended December 31, 2014 and 2013:

(\$ Millions)	Three Months Ended			Year Ended	
	4Q14	4Q13	3Q14	2014	2013
Net income	\$ 15.7	\$ 9.8	\$ 32.3	\$ 80.0	\$ 116.9
Interest expense	5.5	5.6	5.5	22.0	20.4
Interest income	(0.1)	(0.0)	(0.1)	(0.2)	(0.2)
Income tax provision (benefit)	7.4	5.9	18.1	43.3	(38.8)
Depreciation and amortization	13.4	11.8	13.2	51.4	38.0
EBITDA	<u>\$ 42.0</u>	<u>\$ 33.1</u>	<u>\$ 69.1</u>	<u>\$ 196.6</u>	<u>\$ 136.4</u>

Segment EBITDA represents segment income before depreciation and amortization. The following table reconciles segment income to EBITDA for the three months ended December 31, 2014 and 2013, and September 30, 2014, and the years ended December 31, 2014 and 2013:

(\$ Millions)	Three Months Ended			Year Ended	
	<u>4Q14</u>	<u>4Q13</u>	<u>3Q14</u>	<u>2014</u>	<u>2013</u>
Wood Products					
Segment income	\$ 23.5	\$ 15.9	\$ 40.6	\$ 108.4	\$ 77.7
Depreciation and amortization	<u>10.7</u>	<u>9.2</u>	<u>10.7</u>	<u>41.5</u>	<u>28.7</u>
Segment EBITDA	<u>\$ 34.2</u>	<u>\$ 25.1</u>	<u>\$ 51.3</u>	<u>\$ 149.8</u>	<u>\$ 106.3</u>
Building Materials Distribution					
Segment income	\$ 10.4	\$ 10.8	\$ 21.1	\$ 56.7	\$ 39.9
Depreciation and amortization	<u>2.7</u>	<u>2.6</u>	<u>2.4</u>	<u>9.8</u>	<u>9.2</u>
Segment EBITDA	<u>\$ 13.1</u>	<u>\$ 13.4</u>	<u>\$ 23.5</u>	<u>\$ 66.5</u>	<u>\$ 49.2</u>

Adjusted net income represents net income before certain unusual items. The year ended December 31, 2013 includes a \$68.7 million income tax benefit associated with the recording of net deferred tax assets upon the Company's conversion from a limited liability company to a corporation. The following table reconciles net income to adjusted net income for the years ended December 31, 2014 and 2013:

	Year-ended December 31,	
	2014	2013
	(in thousands, except per-share amounts)	
Net income (GAAP basis)	\$ 80,009	\$ 116,936
Impact of deferred tax benefit	-	(68,666)
Adjusted net income (non-GAAP basis)	<u>\$ 80,009</u>	<u>\$ 48,270</u>
Weighted average common shares outstanding:		
Basic	39,412	40,203
Diluted	39,492	40,226
Adjusted net income (non-GAAP basis), per share:		
Basic	<u>\$2.03</u>	<u>\$1.20</u>
Diluted	<u>\$2.03</u>	<u>\$1.20</u>