



**Boise Cascade**



# **Boise Cascade Company**

## **Third Quarter 2013**

### **Earnings Webcast**

**October 21, 2013**



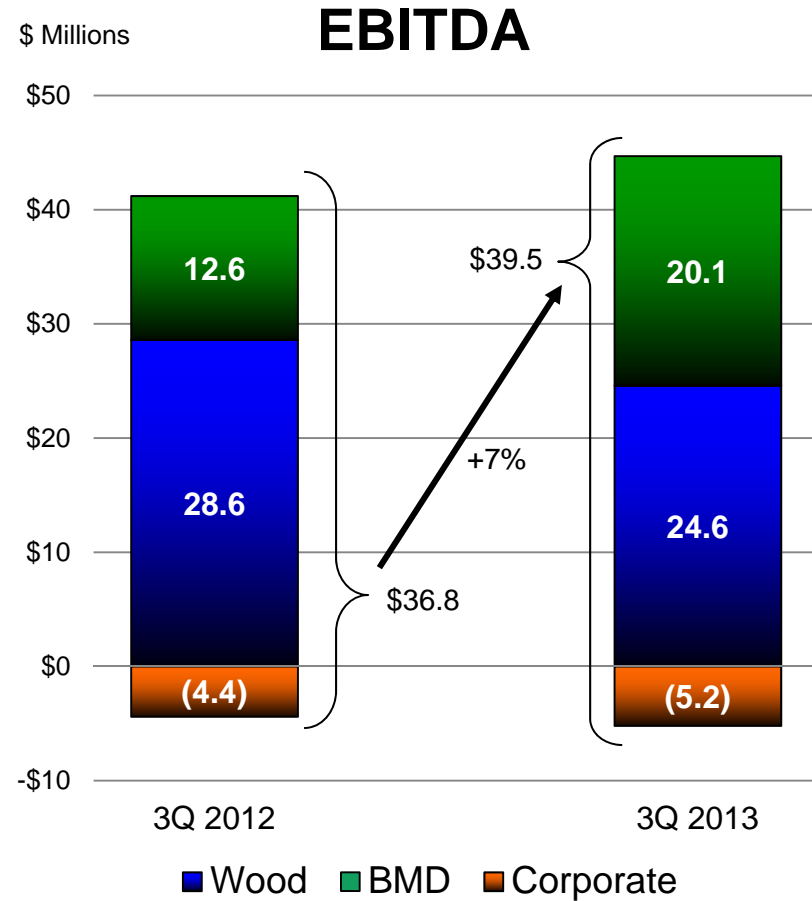
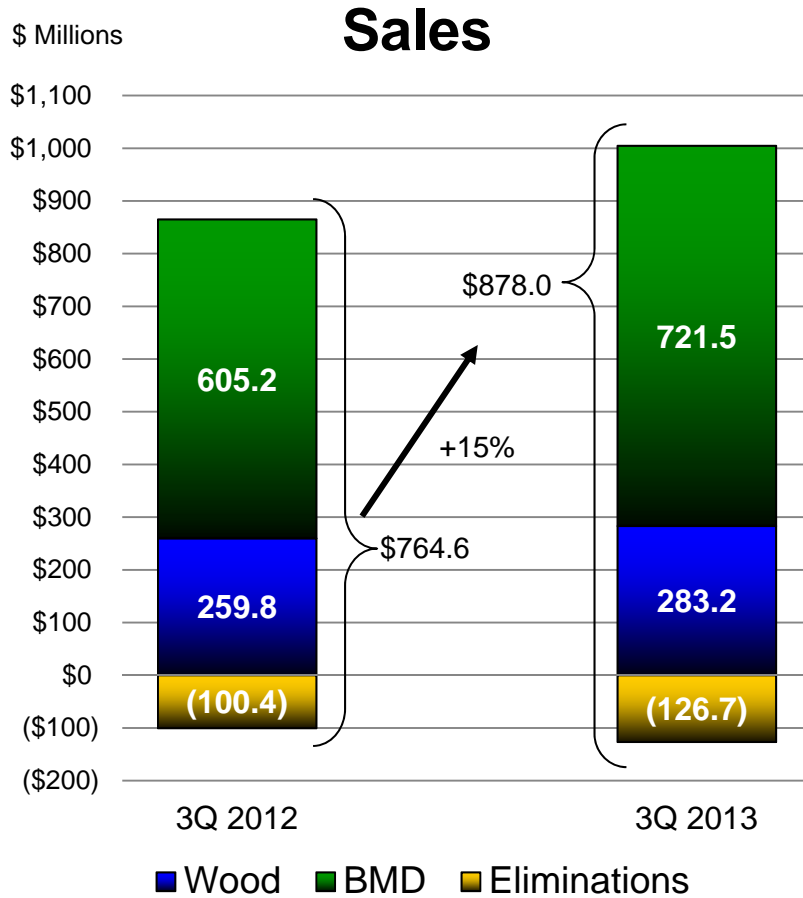
## Forward-Looking Statements

- ◆ 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 EBITDA and segment income to segment EBITDA are included as an appendix and are posted on the company's website at [www.bc.com](http://www.bc.com).

- ◆ Third quarter sales were \$878.0 million, up 15% from 3Q12:
  - Revenues in Building Materials Distribution grew 19%, driven principally by higher volumes
  - Continued EWP volume growth versus prior year quarter
  - Modest decline in plywood pricing compared with prior year quarter
- ◆ Third quarter net income was \$15.9 million, or \$0.39 per share
- ◆ Repurchased 3.9 million shares for \$100 million
- ◆ Issued \$50 million of additional 6 3/8% senior notes at a 5.6% yield
- ◆ Increased committed bank line capacity to \$350 million
- ◆ Completed acquisition of two plywood facilities in southeastern United States



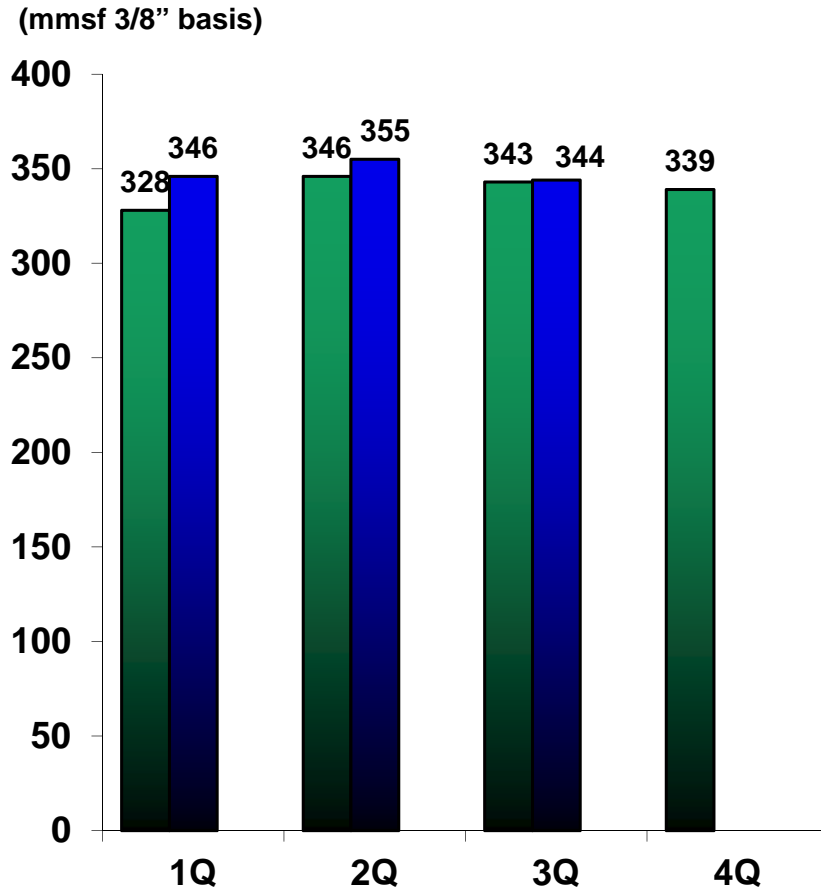
# 3Q 2013 Financial Highlights



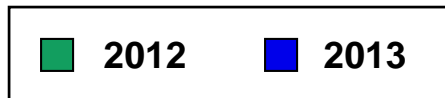
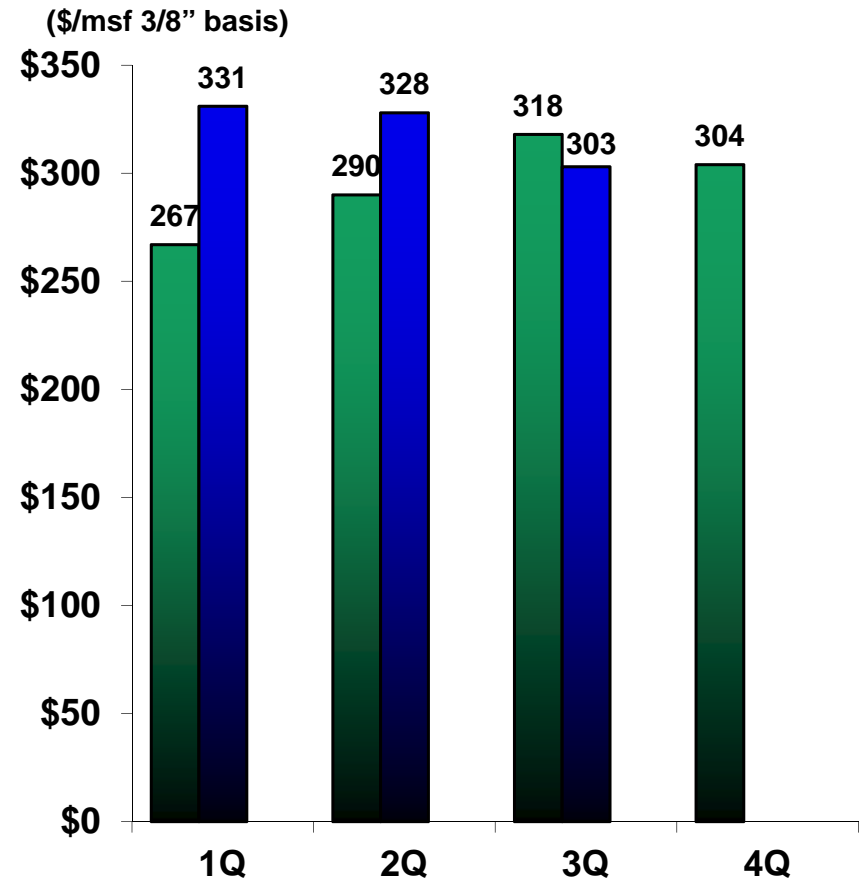


# Wood Products Plywood

## Sales Volume

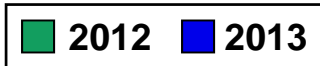
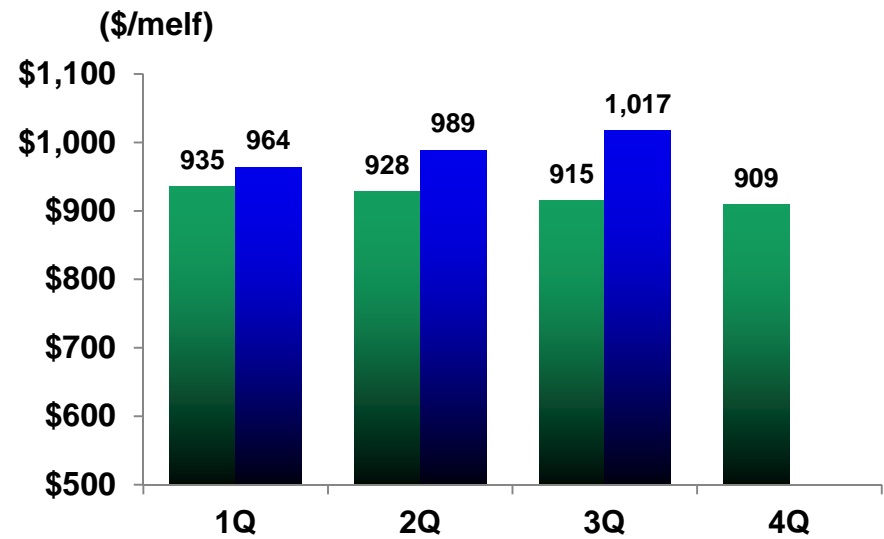
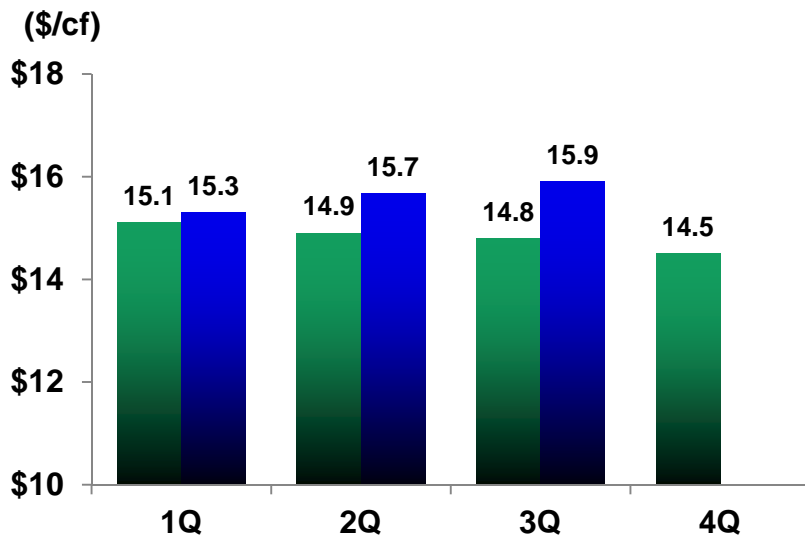
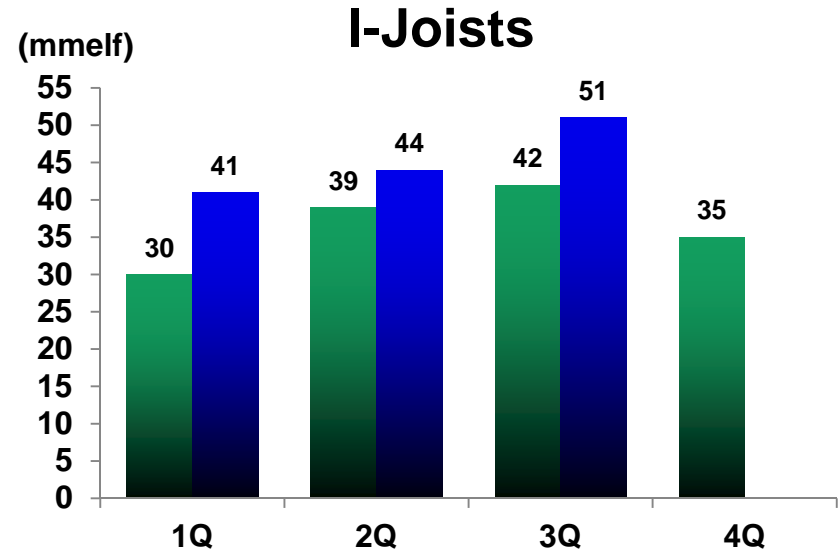
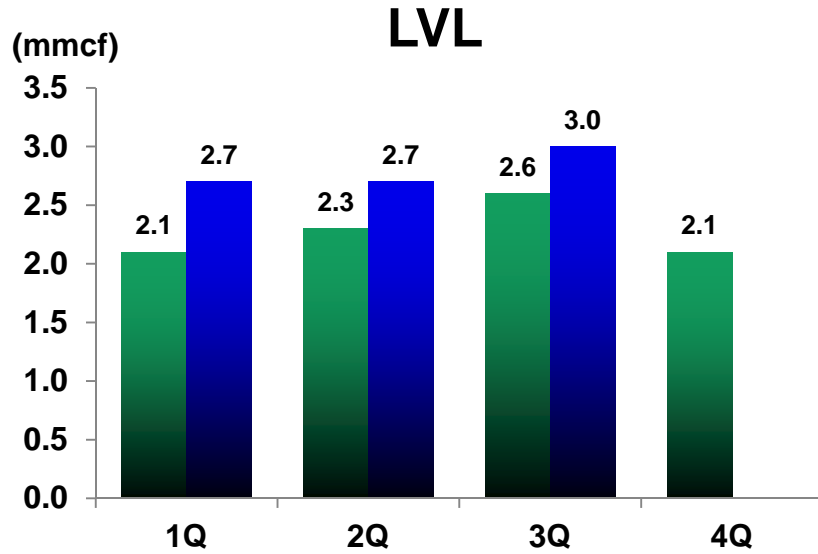


## Net Sales Price





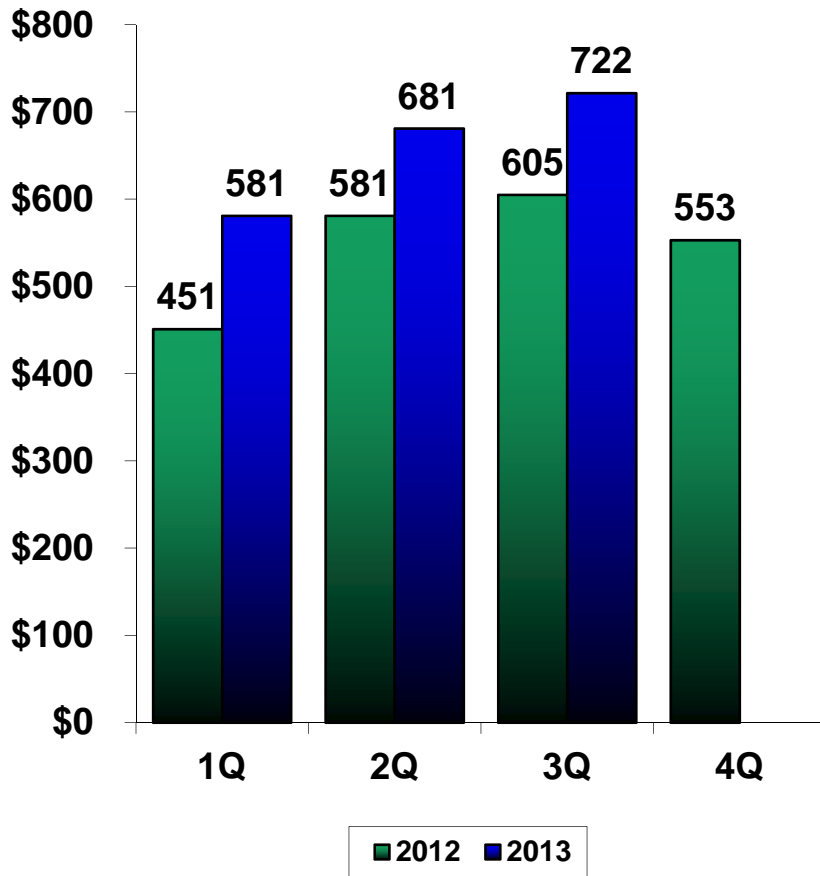
# Wood Products EWP



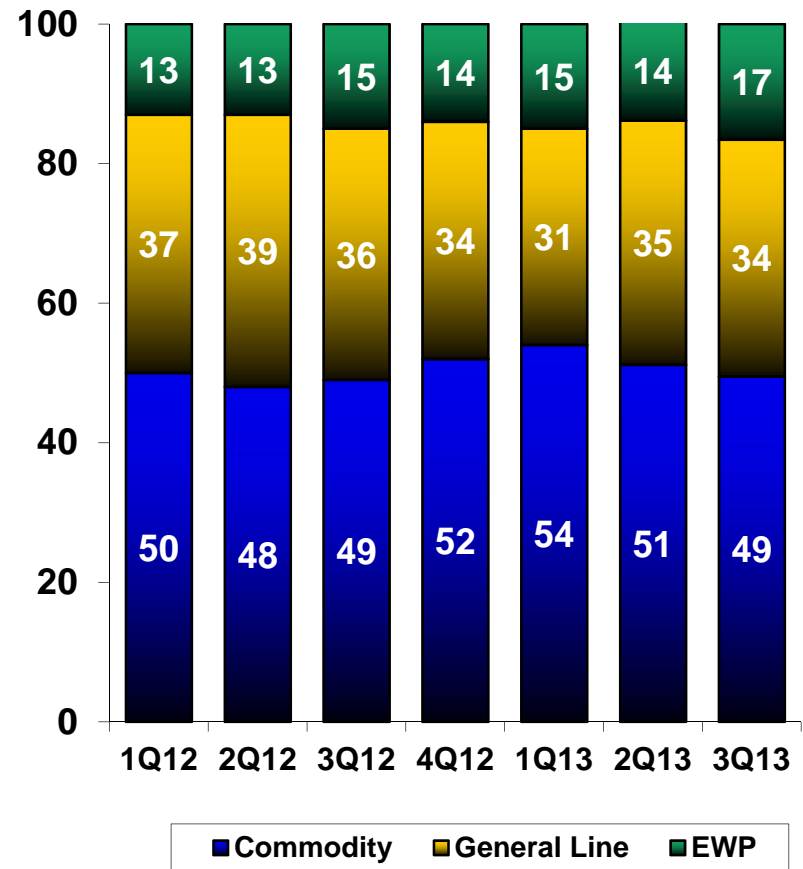


# Building Materials Distribution Sales

(\$ Millions)



(% of Sales)





## Working Capital

(\$ Millions)	<u>9/30/2013</u>	<u>6/30/2013</u>	<u>Change</u>
Receivables	\$ 213.0	\$ 212.8	\$ 0.2
Inventory	369.2	368.4	0.8
Other current assets (excluding cash and deferred taxes)	9.0	11.9	(2.9)
	<u>591.2</u>	<u>593.1</u>	<u>(1.9)</u>
Accounts payable	193.8	197.2	(3.4)
Accrued liabilities	108.0	75.7	32.3
	<u>301.8</u>	<u>272.9</u>	<u>28.9</u>
Net working capital (excluding cash and deferred taxes)	<u>\$ 289.4</u>	<u>\$ 320.2</u>	<u>\$ (30.8)</u>





## Debt and Liquidity Highlights

<b>(\$ Millions)</b>	<b><u>9/30/2013</u></b>	<b><u>6/30/2013</u></b>
<u>Net Debt</u>		
Long-term debt	\$ 326.7	\$ 250.0
Cash & cash equivalents	<u>(157.0)</u>	<u>(232.7)</u>
Net debt	<u>\$ 169.7</u>	<u>\$ 17.3</u>
 <u>Liquidity Position</u>		
ABL excess availability	\$ 274.7	\$ 290.7
Cash & cash equivalents	<u>157.0</u>	<u>232.7</u>
Total liquidity	<u>\$ 431.7</u>	<u>\$ 523.4</u>



- ◆ The current consensus estimate for 2013 U.S. housing starts is 930,000 vs. 780,000 in 2012.
- ◆ We believe the long-term demand fundamentals for housing are still sound based on demographics in the U.S. and expect normalized housing starts to return to 1.4 to 1.5 million starts over the next few years.
- ◆ We are focused on meeting our customers' needs as demand continues to strengthen.
- ◆ For the remainder of fourth quarter and moving into first quarter of next year, pricing for commodity wood products we manufacture and/or distribute (e.g., plywood, OSB, dimension lumber) could be volatile in response to industry operating rates, inventory levels in various distribution channels, and seasonal demand patterns.
- ◆ We are in the process of a dryer replacement at our Oakdale, Louisiana, plywood operation, which is expected to be completed in January 2014 at a total cost of approximately \$8 million.



**Boise Cascade**



# **Appendix**

**October 21, 2013**

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 September 30, 2013 and 2012, and June 30, 2013:

(\$ Millions)	<u>3Q13</u>	<u>3Q12</u>	<u>2Q13</u>
Net income	\$ 15.9	\$ 23.5	\$ 10.4
Interest expense	5.2	4.8	4.8
Interest income	(0.1)	(0.1)	(0.1)
Income tax provision	9.6	0.1	6.8
Depreciation and amortization	9.0	8.5	8.8
EBITDA	<u>\$ 39.5</u>	<u>\$ 36.8</u>	<u>\$ 30.7</u>

Segment EBITDA represents segment income before depreciation and amortization. The following table reconciles segment income to segment EBITDA for the three months ended September 30, 2013 and 2012, and June 30, 2013:

<b>(\$ Millions)</b>	<u><b>3Q13</b></u>	<u><b>3Q12</b></u>	<u><b>2Q13</b></u>
<b>Wood Products</b>			
Segment income	\$ 17.9	\$ 22.5	\$ 23.0
Depreciation and amortization	<u>6.7</u>	<u>6.2</u>	<u>6.5</u>
Segment EBITDA	<u><u>\$ 24.6</u></u>	<u><u>\$ 28.6</u></u>	<u><u>\$ 29.6</u></u>
<b>Building Materials Distribution</b>			
Segment income	\$ 17.9	\$ 10.3	\$ 3.3
Depreciation and amortization	<u>2.2</u>	<u>2.3</u>	<u>2.2</u>
Segment EBITDA	<u><u>\$ 20.1</u></u>	<u><u>\$ 12.6</u></u>	<u><u>\$ 5.5</u></u>