



Boise Cascade Company

Fourth Quarter 2020 Earnings Webcast

February 23, 2021

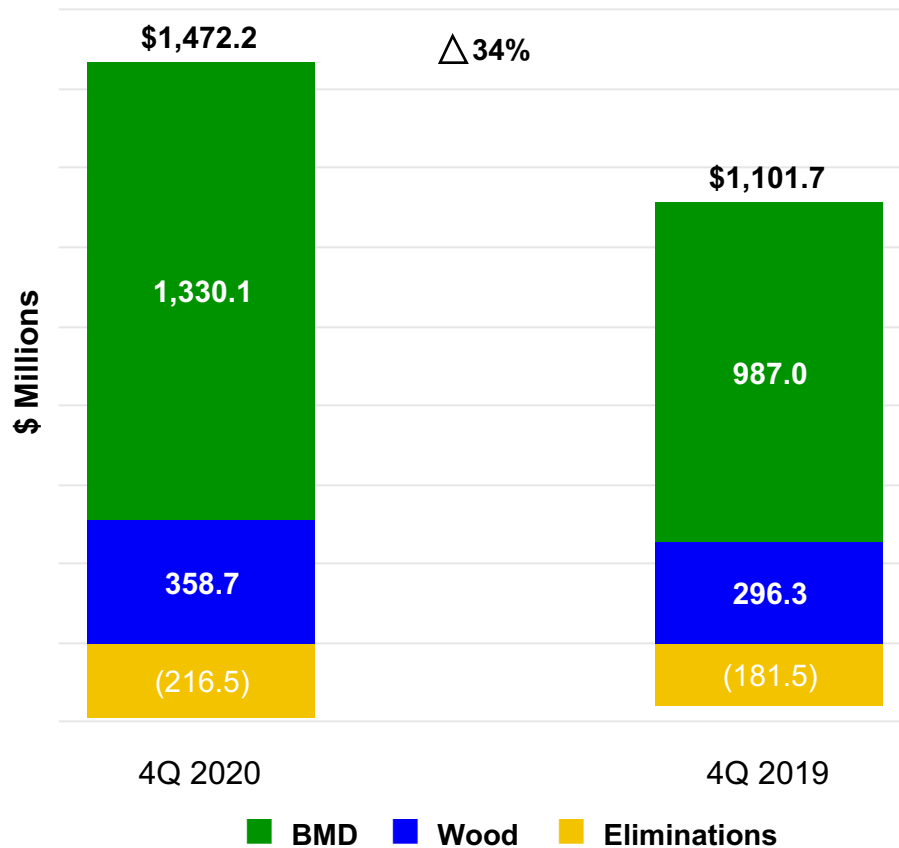
Forward-Looking Statements

- ◆ 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, changes in the competitive position of our products, commodity input costs, the effect of general economic conditions, the effect of COVID-19, 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.

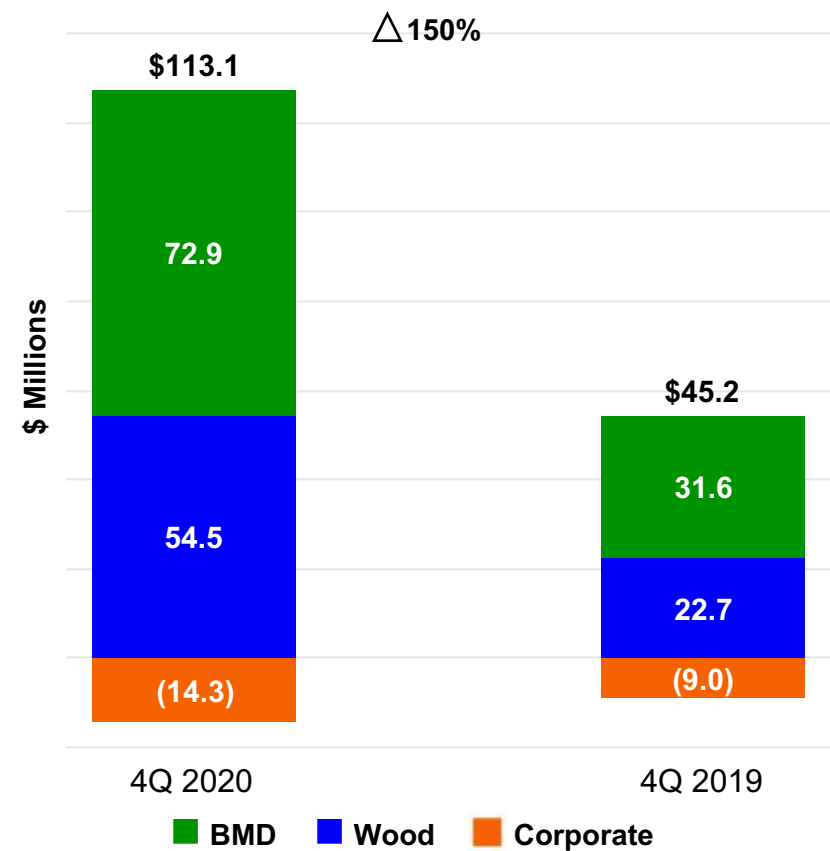
- ◆ 4Q20 sales were \$1.5 billion, up 34% from 4Q19.
- ◆ 4Q20 net income was \$26.0 million, or \$0.66 per share, compared to net income of \$14.6 million, or \$0.37 per share, in 4Q19.
 - Current year results include the following non-cash items that negatively effected earnings due to the elimination of our qualified defined benefit pension plan:
 - \$6.2 million of pre-tax pension settlement charges, or \$0.12 per share after-tax.
 - \$38.8 million of income tax expense, or \$0.98 per share, related to the release of stranded tax effects.
- ◆ Wood Products reported 4Q20 segment income of \$40.8 million, compared to \$8.1 million in 4Q19.
 - Higher plywood sales prices, lumber sales prices, and I-joists sales volumes, offset partially by higher wood fiber costs and lower net sales prices of EWP.
- ◆ BMD reported 4Q20 segment income of \$67.1 million, up from \$26.3 million in 4Q19.
 - Gross margin increase of \$45.4 million resulting from improved gross margins on commodity products and higher sales of general line products and EWP.
 - Increased selling and distribution expenses of \$4.1 million.

4Q 2020 Financial Highlights

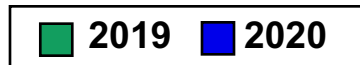
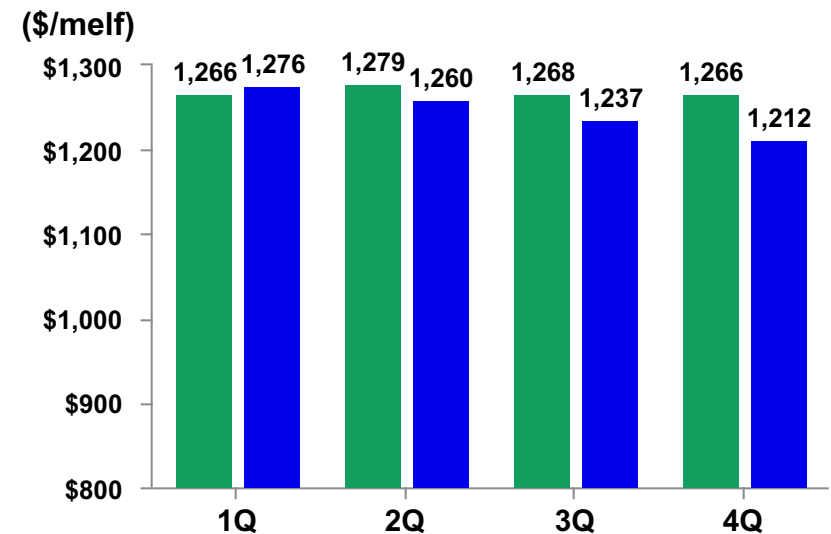
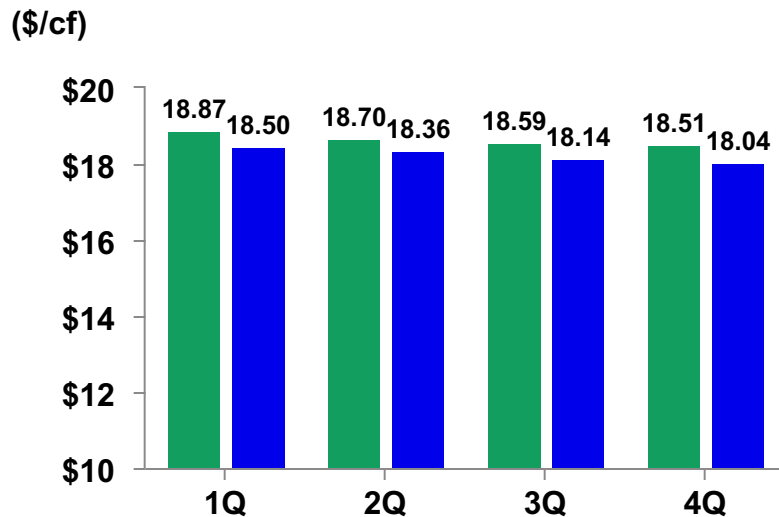
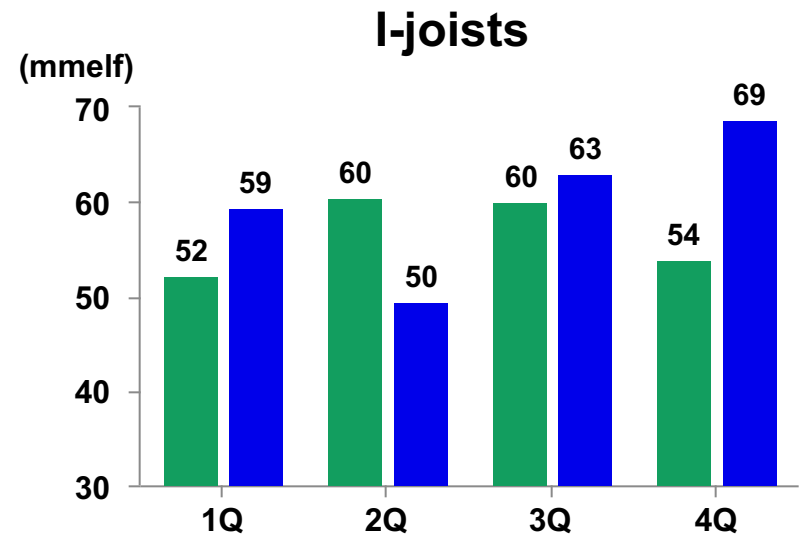
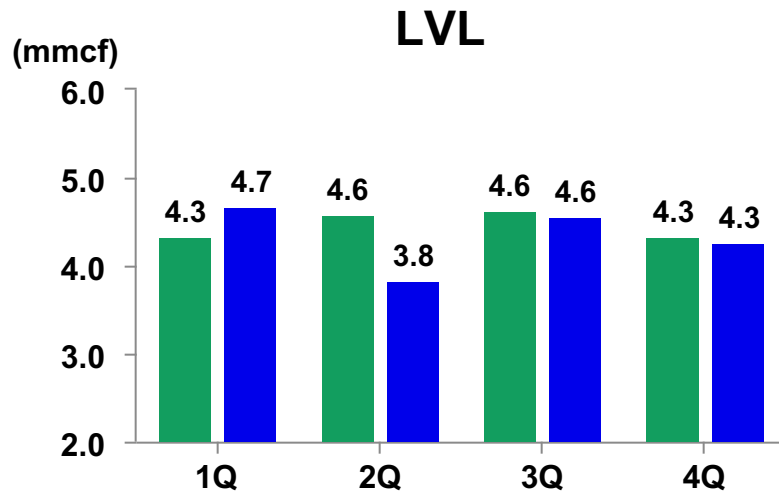
Sales



Adjusted EBITDA



Wood Products EWP

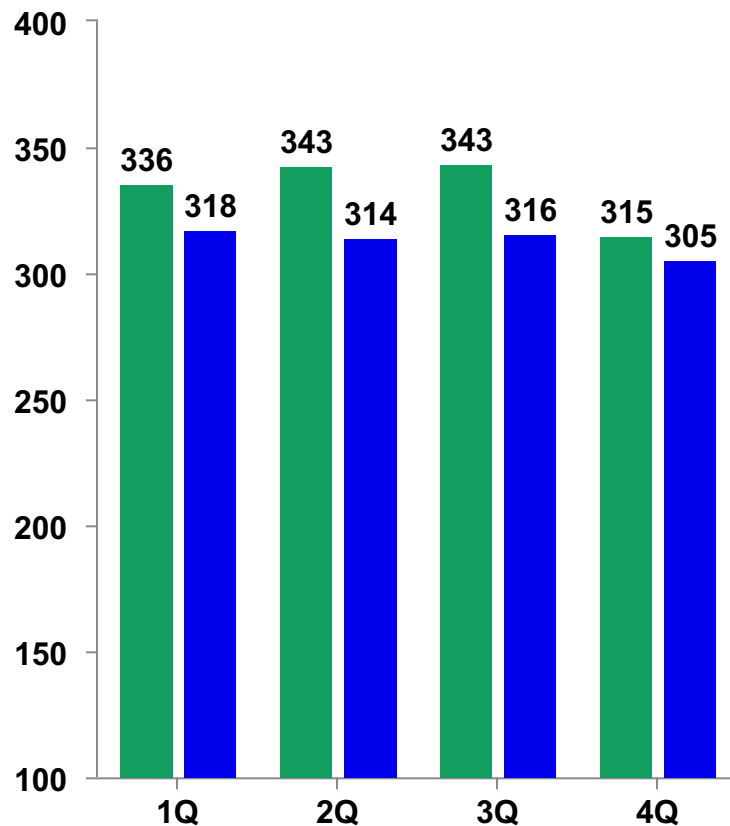


February 23, 2021

Wood Products Plywood

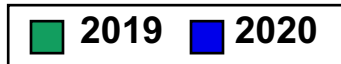
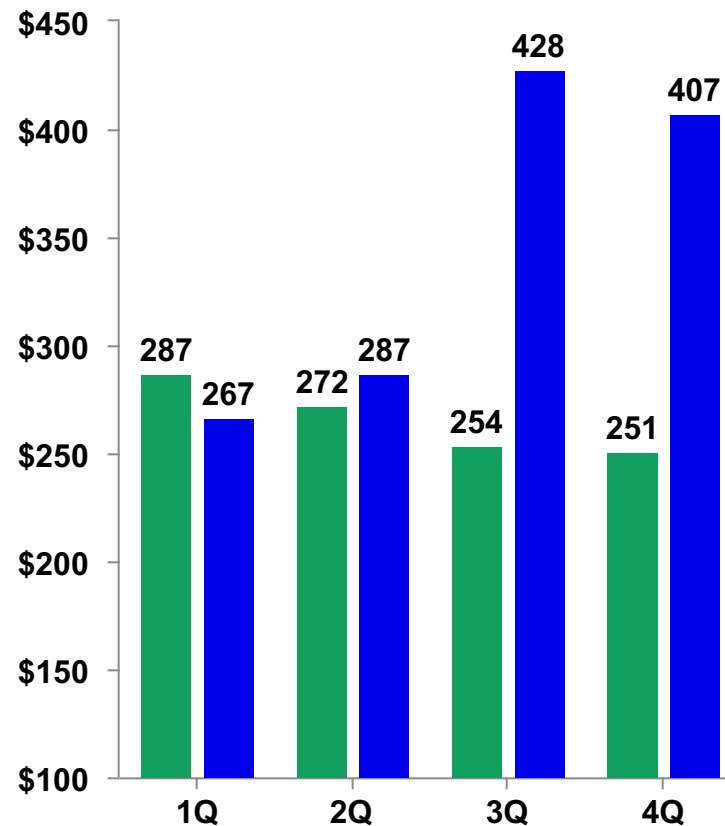
Sales Volume

(mmsf 3/8" basis)



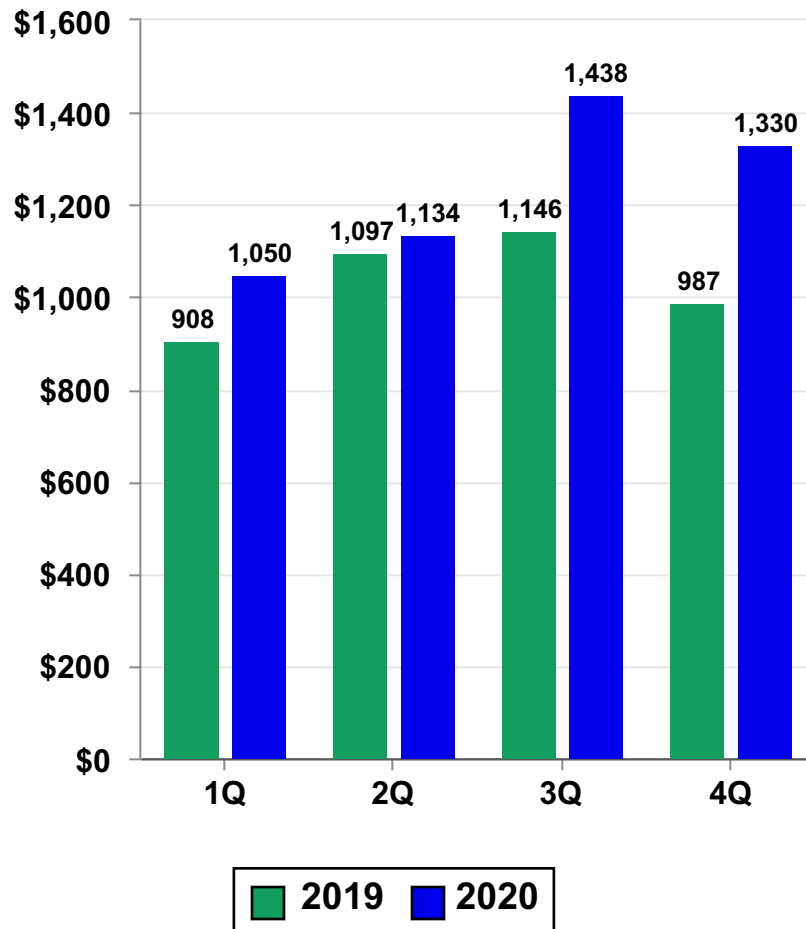
Net Sales Price

(\$/msf 3/8" basis)

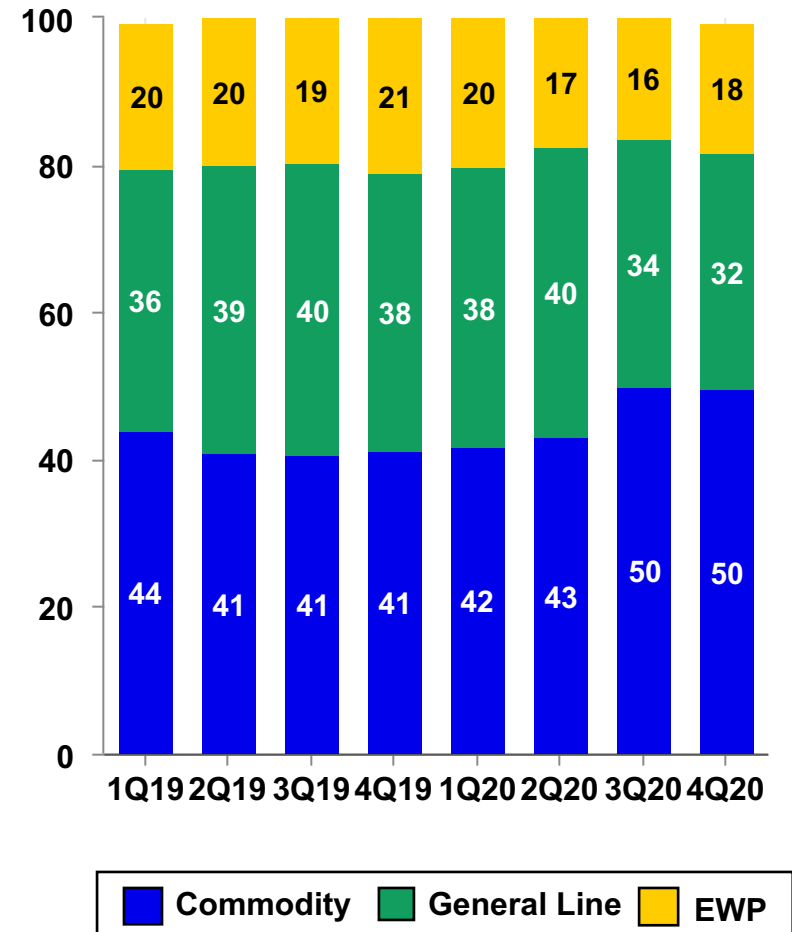


Building Materials Distribution Sales

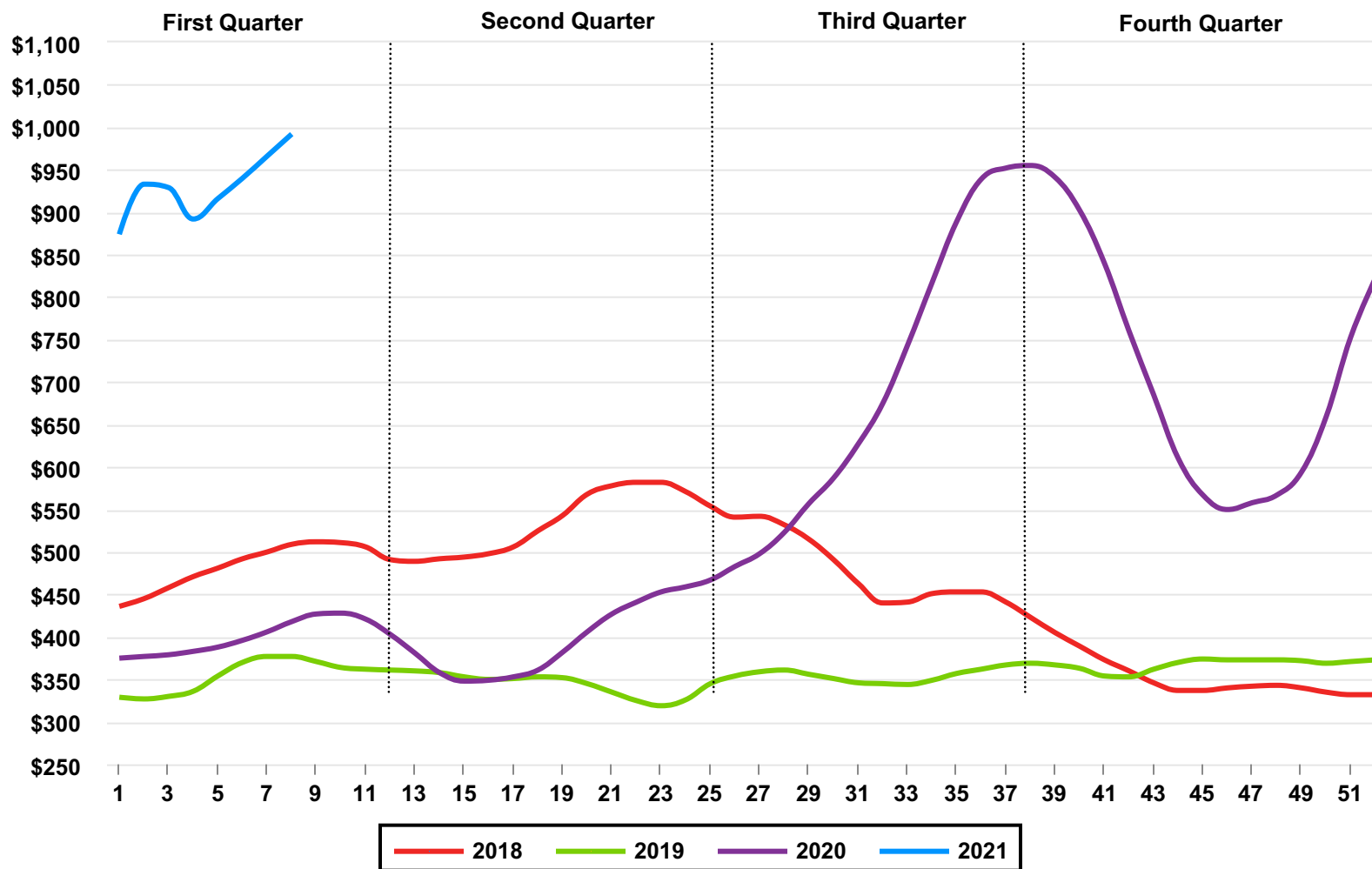
(\$ Millions)



(% of Sales)

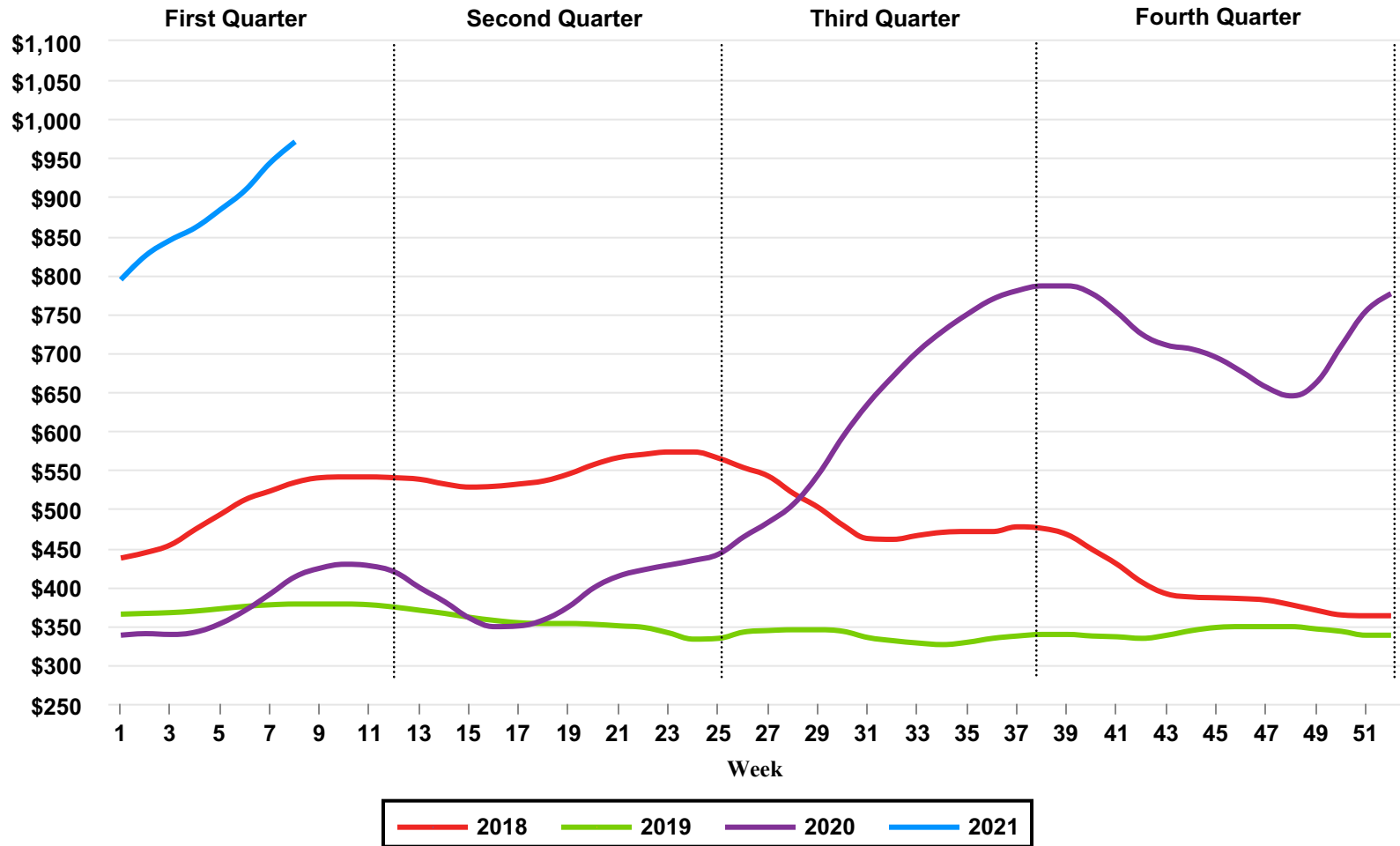


Lumber Composite Price



Source: Random Lengths

Panel Composite Price



Source: Random Lengths

Working Capital

| (\$ Millions) | <u>12/31/2020</u> | <u>9/30/2020</u> | <u>Change</u> |
|-------------------------------------|-------------------|------------------|----------------|
| Receivables | \$ 391.1 | \$ 437.9 | \$ (46.8) |
| Inventory | 503.5 | 454.3 | 49.2 |
| Other current assets ^(a) | <u>8.9</u> | <u>17.4</u> | <u>(8.5)</u> |
| | 903.5 | 909.6 | (6.1) |
| Accounts payable | 308.9 | 382.7 | (73.8) |
| Accrued liabilities ^(b) | <u>198.6</u> | <u>210.8</u> | <u>(12.2)</u> |
| | 507.4 | 593.5 | (86.0) |
| Net working capital | <u>\$ 396.0</u> | <u>\$ 316.1</u> | <u>\$ 79.9</u> |

(a) Excludes cash and tax related items.

(b) Excludes income taxes payable, interest payable, and dividends payable.

Debt and Liquidity Highlights



(\$ Millions)

Net Debt

| | 12/31/2020 | 9/30/2020 |
|-------------------------|----------------|------------------|
| Total debt | \$ 443.8 | \$ 443.6 |
| Cash & cash equivalents | (405.4) | (503.9) |
| Net debt (cash) | <u>\$ 38.4</u> | <u>\$ (60.4)</u> |

Liquidity Position

| | | |
|-------------------------------|-----------------|-----------------|
| Bank line excess availability | \$ 345.2 | \$ 345.4 |
| Cash & cash equivalents | 405.4 | 503.9 |
| Total liquidity | <u>\$ 750.6</u> | <u>\$ 849.3</u> |



- ◆ Final 2020 U.S. housing starts were 1.38 million, up 7% from 1.29 in 2019. Current consensus estimate for 2021 U.S. housing starts is 1.51, up 9% from 2020 levels. Longer-term impact of COVID-19 on residential construction and residential repair-and-remodeling is uncertain, but near term demand remains favorable.
- ◆ Operational focus in Wood Products:
 - Order files at manufacturing level remain extended, particularly EWP.
 - Anticipate completion of Florien log utilization center project in 1H21.
 - Expect reduced production levels at Elgin plywood in early 2021.
- ◆ Pursuing continued organic growth in BMD:
 - Commitment to our model on customer service, stocking levels and deliveries.
 - Increasing capacity in Nashville and Birmingham markets.
 - Working to open second Texas door assembly shop in Houston by 2H21.
- ◆ Commodity pricing in first quarter 2021 has remained elevated. Future pricing will depend on the economic impacts of the pandemic, industry capacity restoration, and the balance of industry supply/demand in an unpredictable environment.
- ◆ Our focus remains on the health and safety of our employees and continuing to provide strong support of our customers.



Boise Cascade®



Appendix

February 23, 2021

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 and loss on extinguishment of debt. The following table reconciles net income to EBITDA and Adjusted EBITDA for the three months ended December 31, 2020 and 2019, and September 30, 2020:

| (\$ Millions) | Three Months Ended | | |
|---|--------------------|---------|----------|
| | 4Q20 | 4Q19 | 3Q20 |
| Net income | \$ 26.0 | \$ 14.6 | \$ 103.2 |
| Interest expense | 6.2 | 6.6 | 7.0 |
| Interest income | — | (1.1) | (0.1) |
| Income tax provision | 61.4 | 4.7 | 34.6 |
| Depreciation and amortization | 19.9 | 20.5 | 20.0 |
| EBITDA | \$ 113.4 | \$ 45.4 | \$ 164.7 |
| Change in fair value of interest rate swaps | (0.3) | (0.1) | (0.1) |
| Loss on extinguishment of debt | — | — | 14.0 |
| Adjusted EBITDA | \$ 113.1 | \$ 45.2 | \$ 178.6 |

The following table reconciles segment income to EBITDA for the three months ended December 31, 2020 and 2019, and September 30, 2020:

| (\$ Millions) | Three Months Ended | | |
|---------------------------------|--------------------|----------------|-----------------|
| | 4Q20 | 4Q19 | 3Q20 |
| Wood Products | | | |
| Segment income | \$ 40.8 | \$ 8.1 | \$ 66.0 |
| Depreciation and amortization | 13.7 | 14.6 | 13.9 |
| Segment EBITDA | <u>\$ 54.5</u> | <u>\$ 22.7</u> | <u>\$ 80.0</u> |
| Building Materials Distribution | | | |
| Segment income | \$ 67.1 | \$ 26.3 | \$ 107.9 |
| Depreciation and amortization | 5.8 | 5.3 | 5.7 |
| Segment EBITDA | <u>\$ 72.9</u> | <u>\$ 31.6</u> | <u>\$ 113.6</u> |