



# Boise Cascade Company

## Third Quarter 2020 Earnings Webcast

November 2, 2020

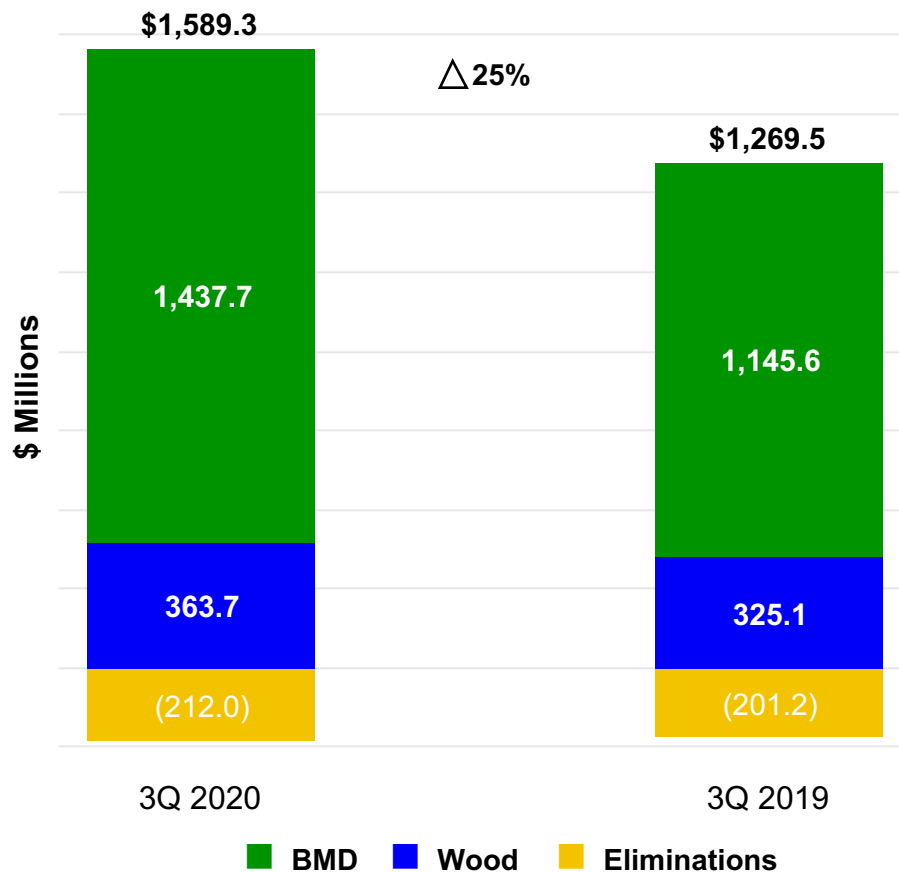
# Forward-Looking Statements

- ◆ 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.

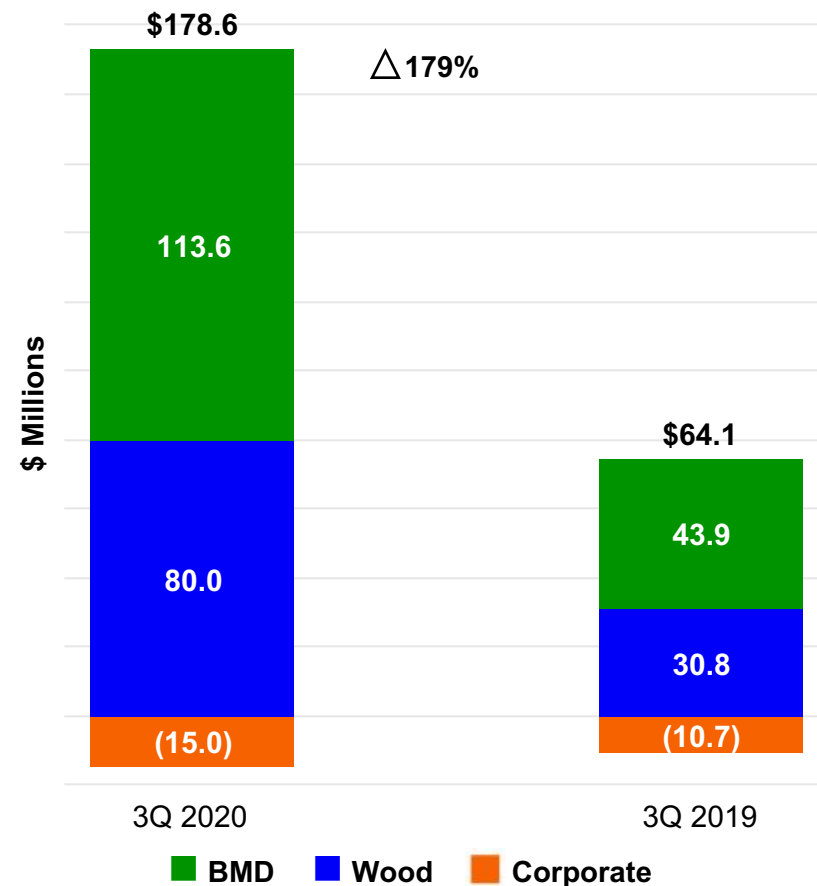
- ◆ 3Q20 sales were \$1.6 billion, up 25% from 3Q19.
- ◆ 3Q20 net income was \$103.2 million, or \$2.61 per share, compared to net income of \$27.2 million, or \$0.69 per share, in 3Q19.
  - Current year results include \$10.5 million of net after-tax losses, or \$0.27 per share, on the extinguishment of debt.
  - Prior year results include \$1.0 million of net after-tax losses, or \$0.03 per share, from a non-cash pension settlement charge.
- ◆ Wood Products reported 3Q20 segment income of \$66.0 million, compared to \$15.6 million in 3Q19.
  - Higher plywood sales prices, offset partially by higher wood fiber costs and lower net sales prices of EWP.
- ◆ BMD reported 3Q20 segment income of \$107.9 million, up from \$38.7 million in 3Q19.
  - Gross margin increase of \$86.7 million resulting from improved gross margins on commodity products.
  - Increased selling and distribution expenses of \$14.3 million.

# 3Q 2020 Financial Highlights

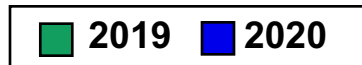
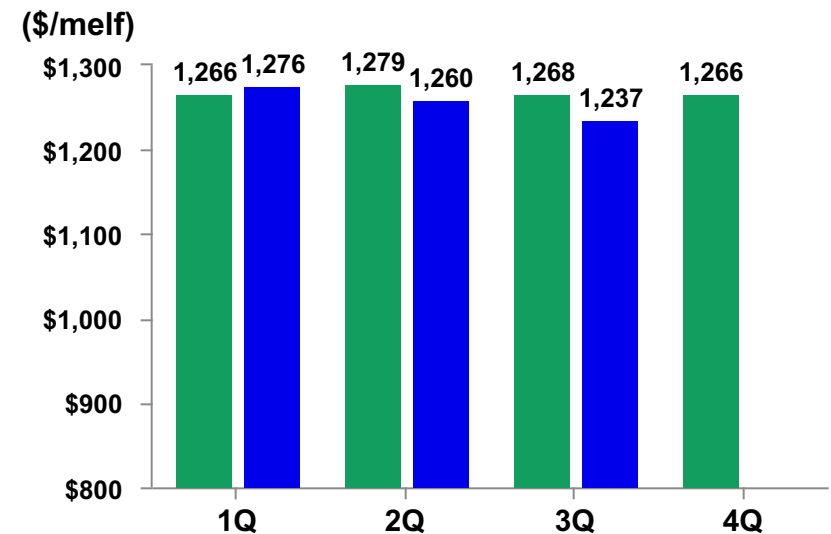
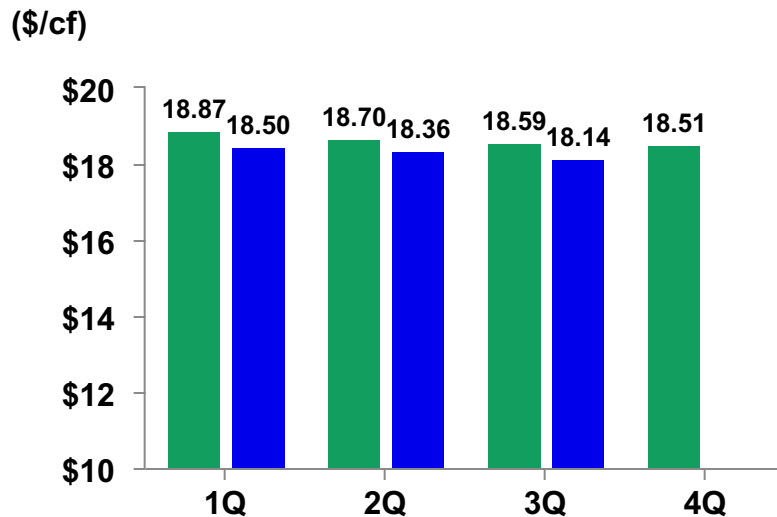
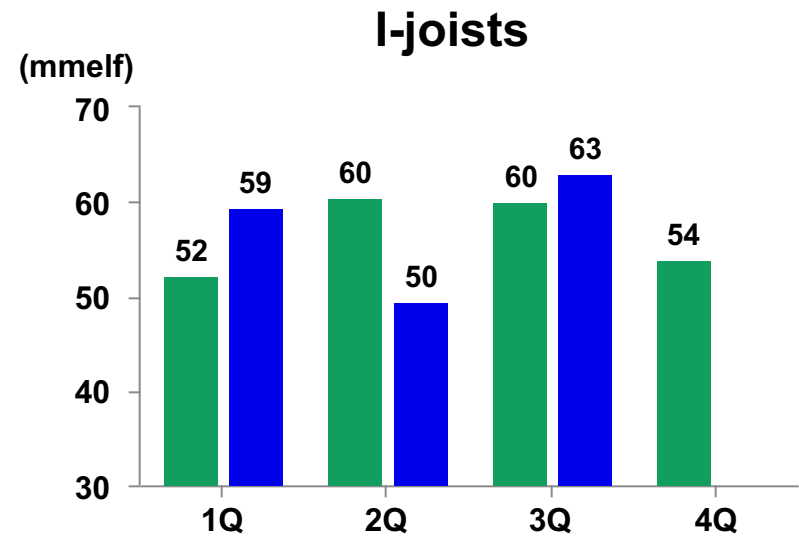
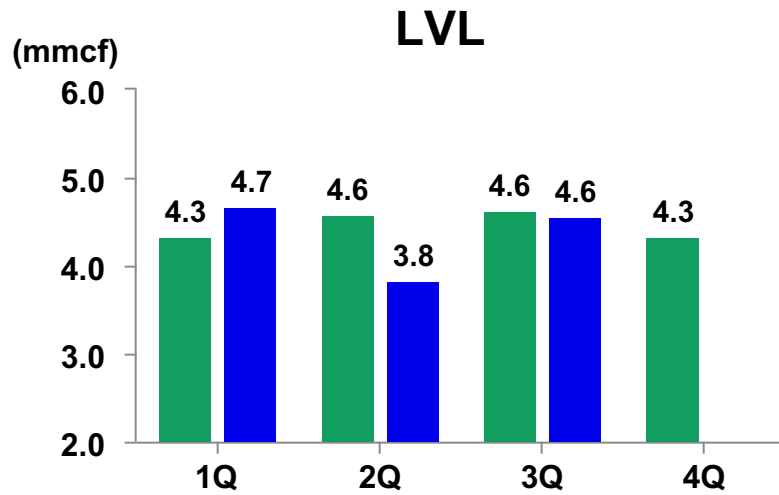
## Sales



## Adjusted EBITDA



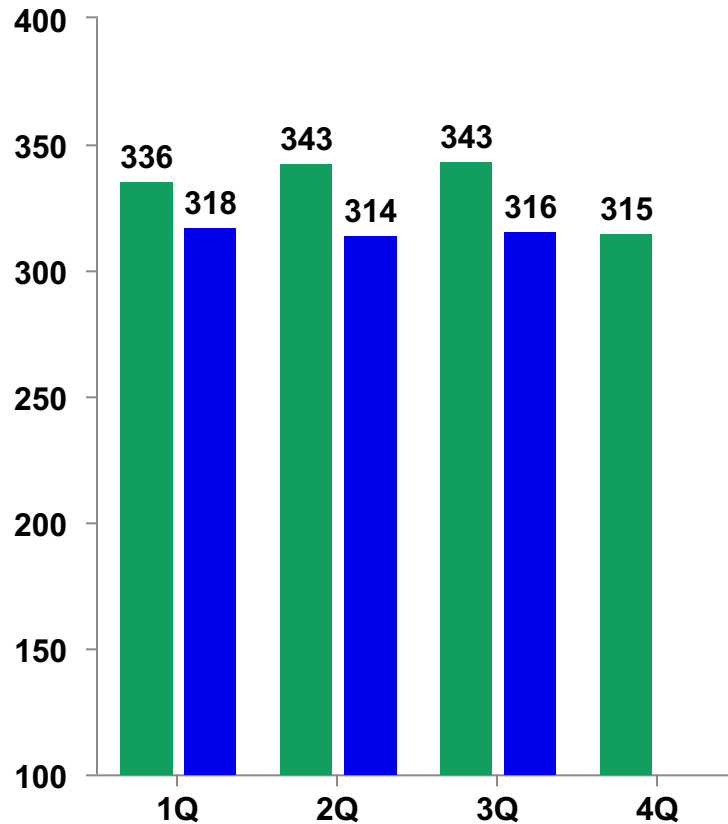
# Wood Products EWP



# Wood Products Plywood

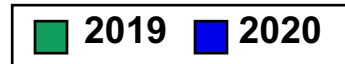
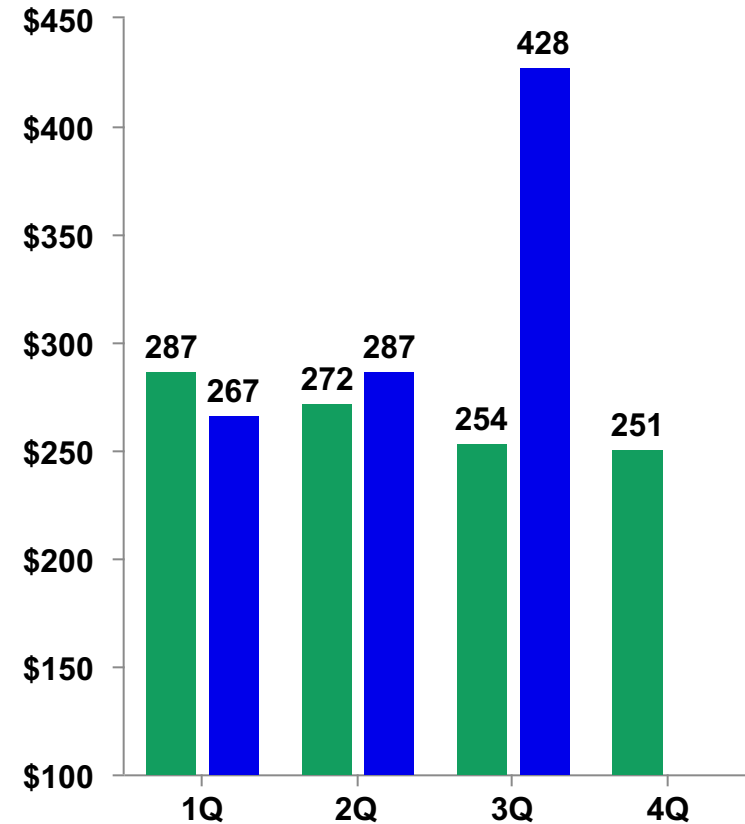
## Sales Volume

(mmsf 3/8" basis)



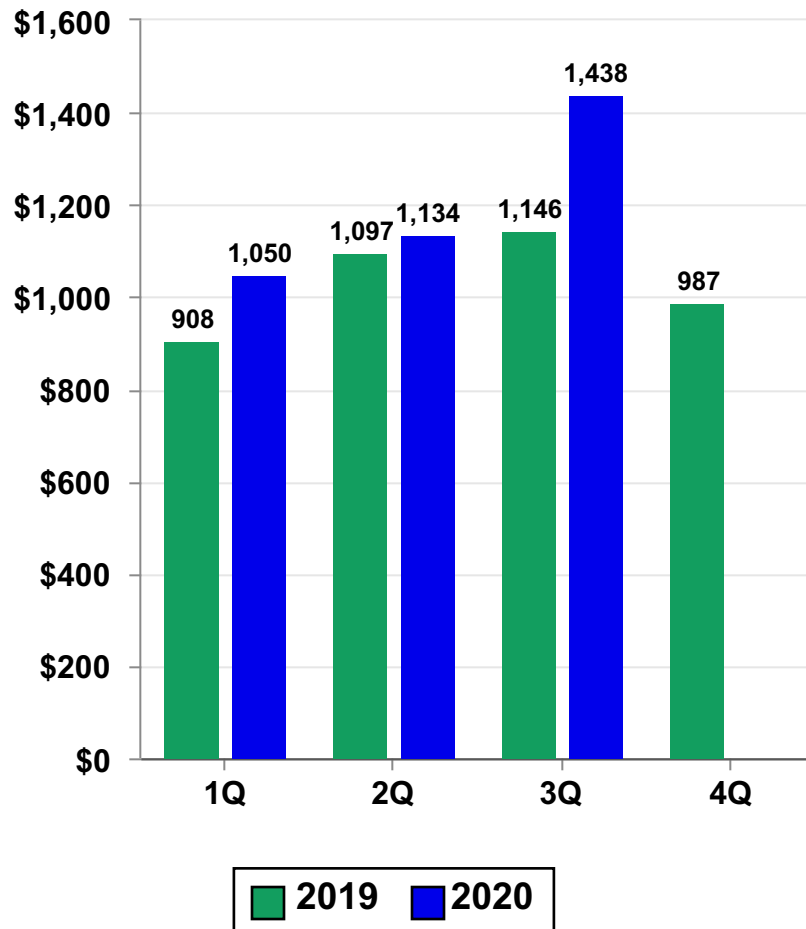
## Net Sales Price

(\$/msf 3/8" basis)

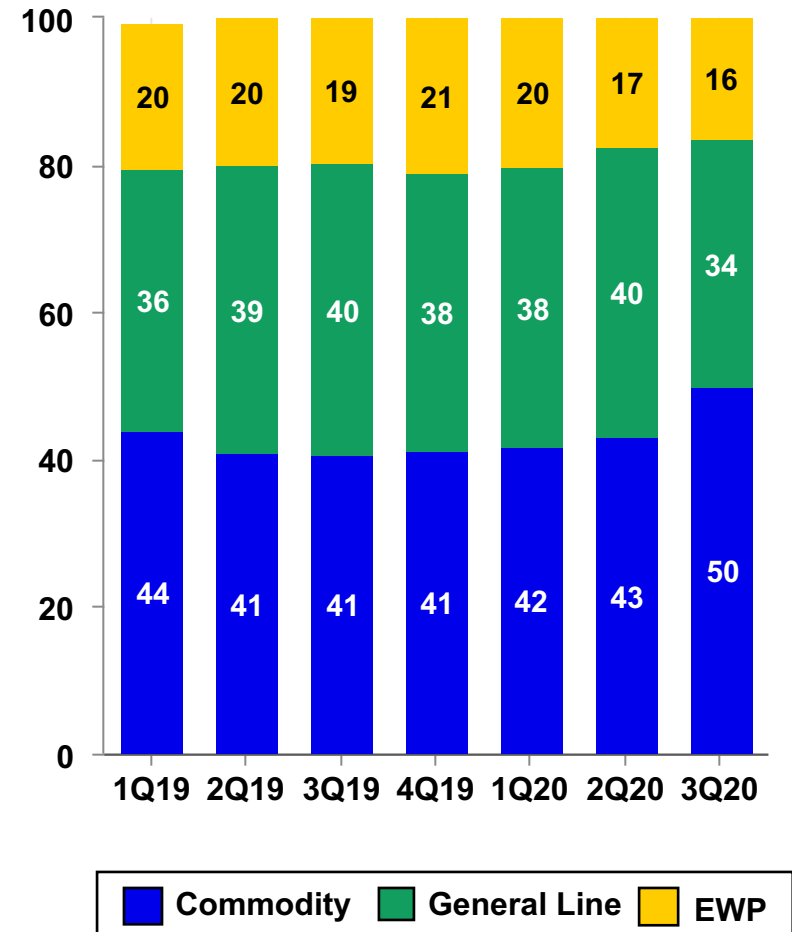


# Building Materials Distribution Sales

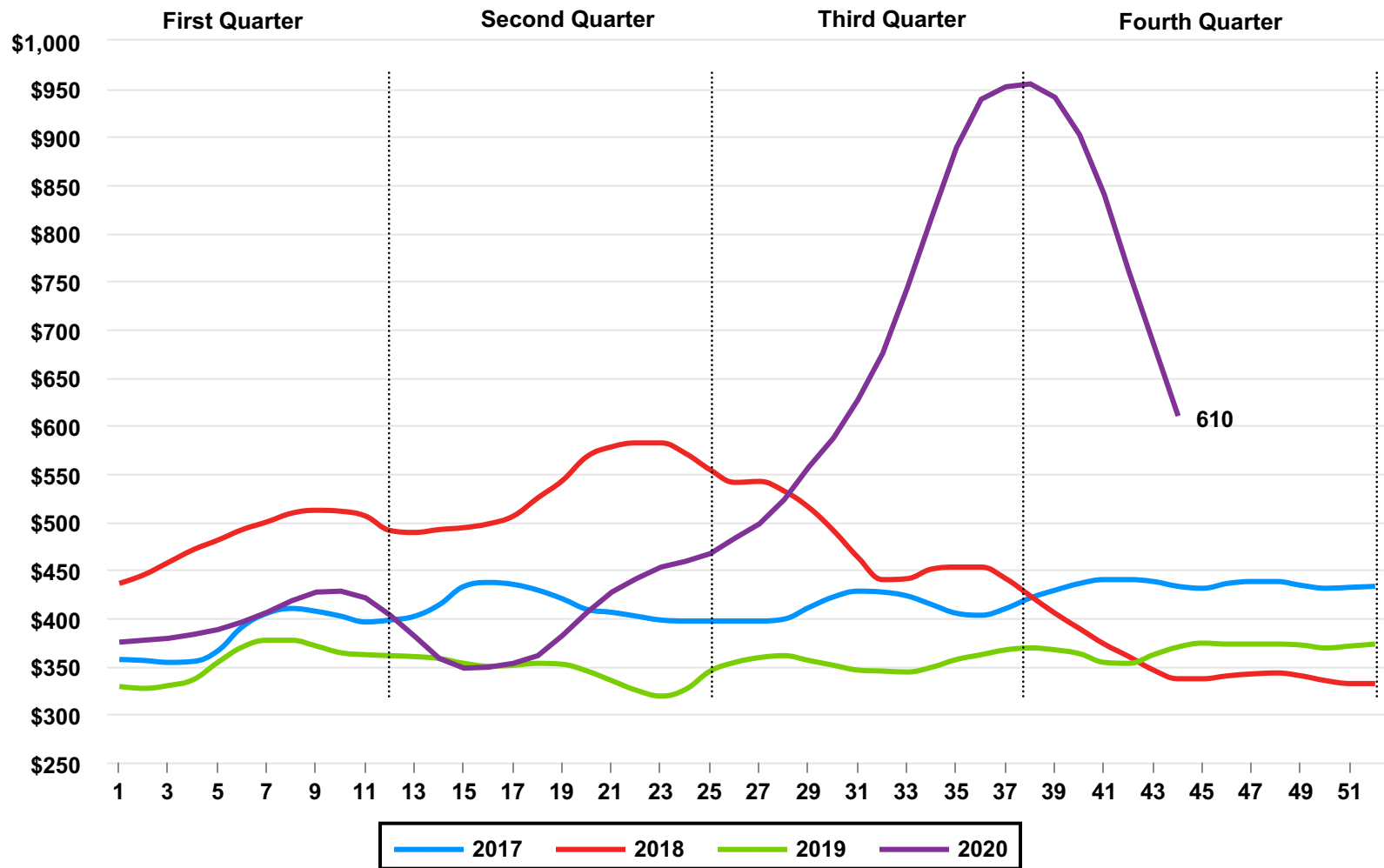
(\$ Millions)



(% of Sales)



# Lumber Composite Price

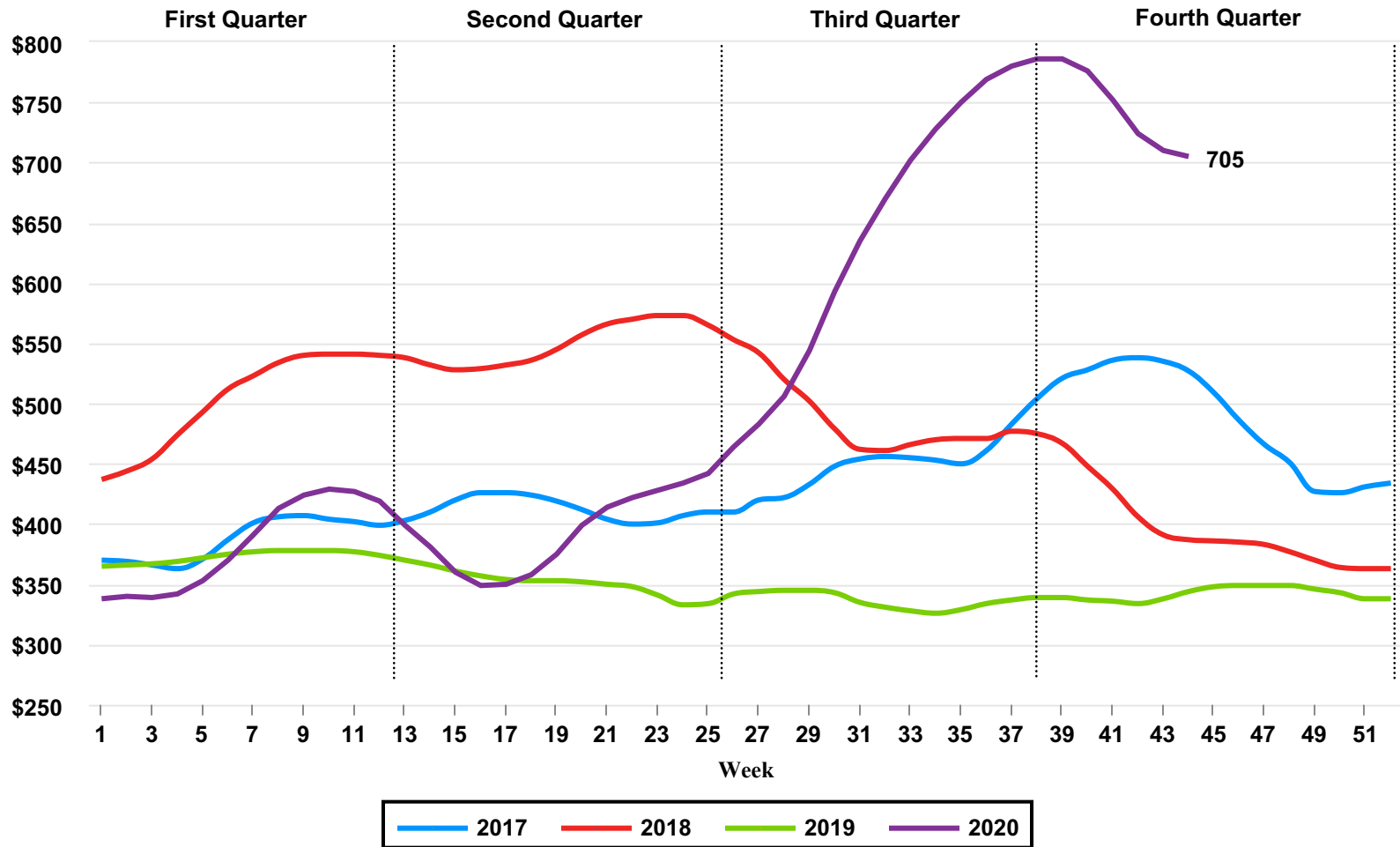


Source: Random Lengths

November 2, 2020



# Panel Composite Price



Source: Random Lengths

# Working Capital

(\$ Millions)	9/30/2020	6/30/2020	Change
Receivables	\$ 437.9	\$ 360.9	\$ 77.0
Inventory	454.3	456.1	(1.8)
Other current assets <sup>(a)</sup>	17.4	14.7	2.7
	<u>909.6</u>	<u>831.7</u>	<u>77.9</u>
Accounts payable	382.7	322.7	60.0
Accrued liabilities <sup>(b)</sup>	210.8	148.5	62.2
	<u>593.5</u>	<u>471.2</u>	<u>122.3</u>
Net working capital	<u>\$ 316.1</u>	<u>\$ 360.5</u>	<u>\$ (44.4)</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

	<u>9/30/2020</u>	<u>6/30/2020</u>
Total debt	\$ 443.6	\$ 440.2
Cash & cash equivalents	<u>(503.9)</u>	<u>(361.4)</u>
Net debt (cash)	<u>\$ (60.4)</u>	<u>\$ 78.7</u>

## Liquidity Position

Bank line excess availability	\$ 345.4	\$ 345.4
Cash & cash equivalents	<u>503.9</u>	<u>361.4</u>
Total liquidity	<u>\$ 849.3</u>	<u>\$ 706.8</u>

- ◆ Current consensus estimate for 2020 U.S. housing starts is 1.32, up 2% from 2019 levels. Longer-term impact of COVID-19 on residential housing preferences and new construction is uncertain, but near term demand remains favorable.
- ◆ Operational focus in Wood Products:
  - Order files at manufacturing level have extended, particularly EWP.
  - Adjusting operating rates to match production levels to demand.
  - Potential 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.
  - Purchase and improvement of property in Gallatin, TN to expand Nashville market.
- ◆ Commodity pricing in early fourth quarter 2020 has declined from abnormally high pricing levels during third quarter 2020. 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

November 2, 2020

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 September 30, 2020 and 2019, and June 30, 2020:

(\$ Millions)	Three Months Ended		
	3Q20	3Q19	2Q20
Net income	\$ 103.2	\$ 27.2	\$ 33.6
Interest expense	7.0	6.5	6.6
Interest income	(0.1)	(0.8)	(0.2)
Income tax provision	34.6	9.7	11.3
Depreciation and amortization	20.0	21.0	19.9
EBITDA	\$ 164.7	\$ 63.5	\$ 71.3
Change in fair value of interest rate swaps	(0.1)	0.6	0.5
Loss on extinguishment of debt	14.0	—	—
Adjusted EBITDA	\$ 178.6	\$ 64.1	\$ 71.8

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

(\$ Millions)	Three Months Ended		
	3Q20	3Q19	2Q20
Wood Products			
Segment income	\$ 66.0	\$ 15.6	\$ 17.1
Depreciation and amortization	13.9	15.3	13.9
Segment EBITDA	<u>\$ 80.0</u>	<u>\$ 30.8</u>	<u>\$ 31.0</u>
Building Materials Distribution			
Segment income	\$ 107.9	\$ 38.7	\$ 43.2
Depreciation and amortization	5.7	5.3	5.6
Segment EBITDA	<u>\$ 113.6</u>	<u>\$ 43.9</u>	<u>\$ 48.8</u>