



# Boise Cascade Company

## Fourth Quarter 2021 Earnings Webcast

February 23, 2022

# Forward-Looking Statements

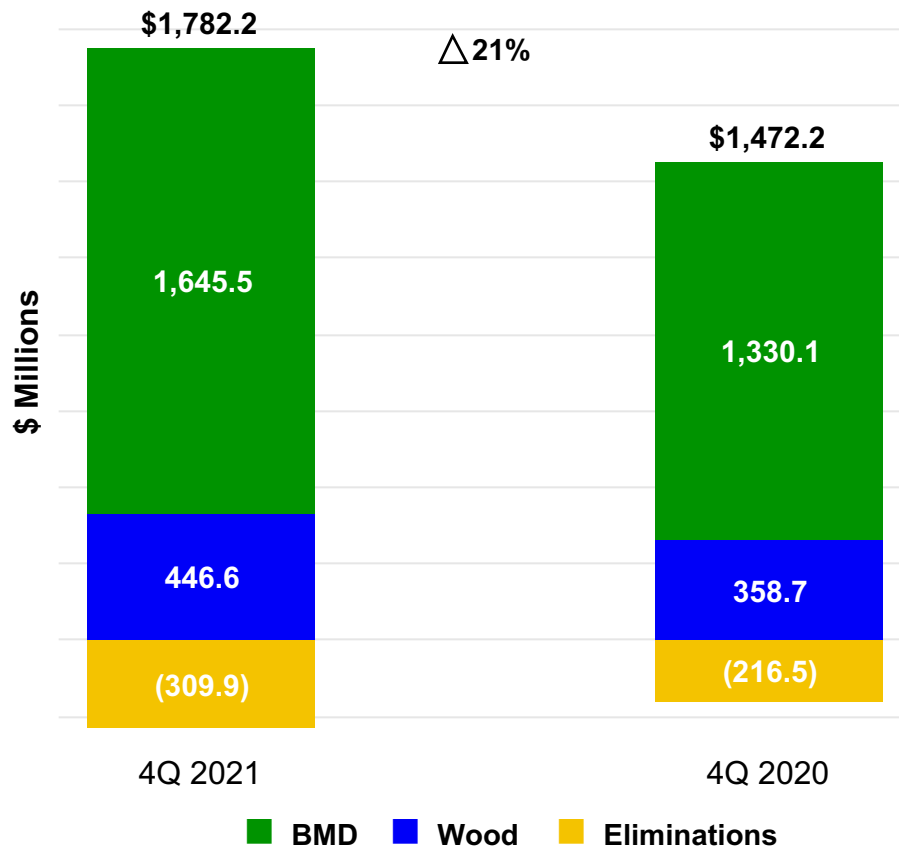
- ◆ This presentation includes statements about our expectations of future operational and financial performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding our Outlook. The accuracy 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.

- ◆ 4Q21 sales were \$1.8 billion, up 21% from 4Q20.
- ◆ 4Q21 net income was \$169.1 million, or \$4.26 per share, compared to net income of \$26.0 million, or \$0.66 per share, in 4Q20.
  - Prior year results included non-cash items related to termination of our qualified defined benefit pension plan that negatively effected earnings by \$1.10 per share.
- ◆ Wood Products reported 4Q21 segment income of \$98.4 million, compared to \$40.8 million in 4Q20.
  - Higher EWP sales prices, offset partially by higher wood fiber costs and other manufacturing costs.
- ◆ BMD reported 4Q21 segment income of \$138.0 million, up from \$67.1 million in 4Q20.
  - Gross margin increase of \$94.1 million resulting from improved gross margins across all product lines, offset partially by increased selling and distribution expenses of \$22.0 million.

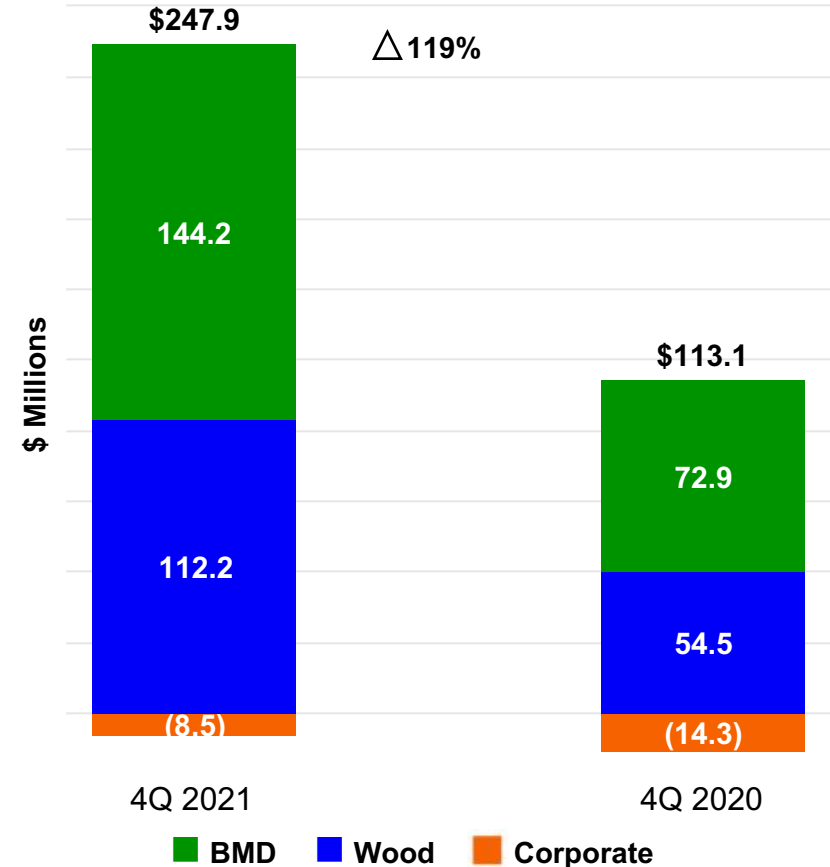
# 4Q 2021 Financial Highlights



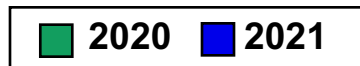
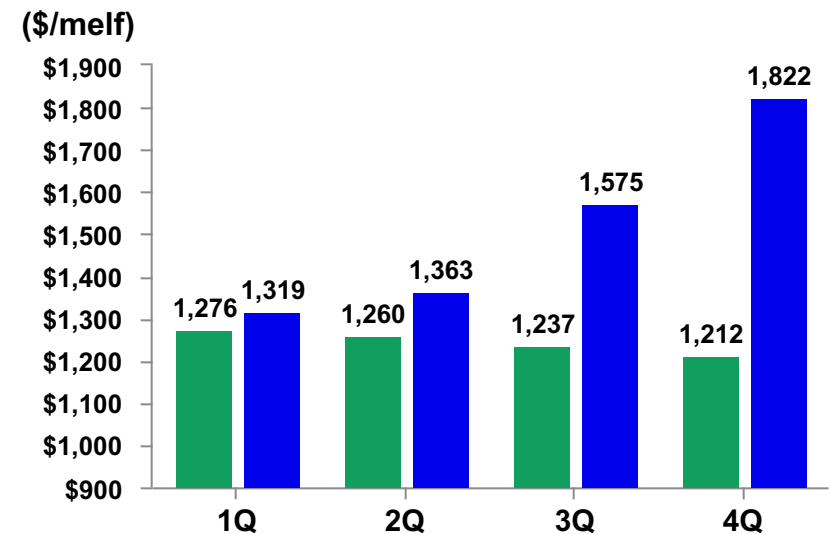
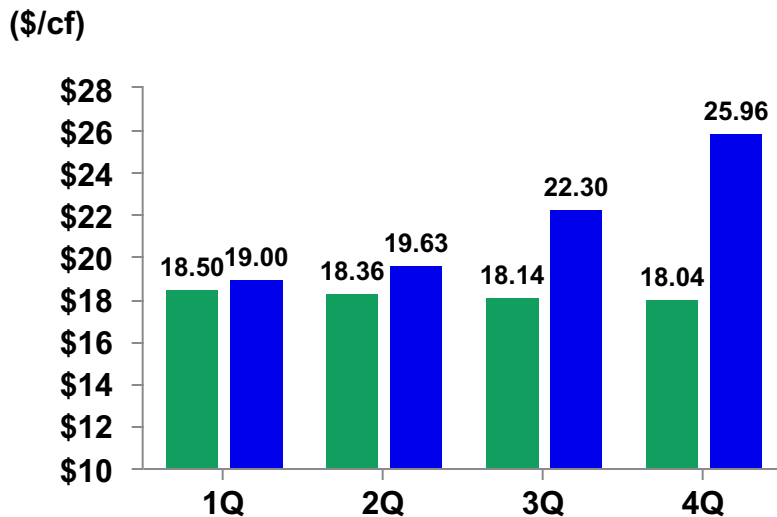
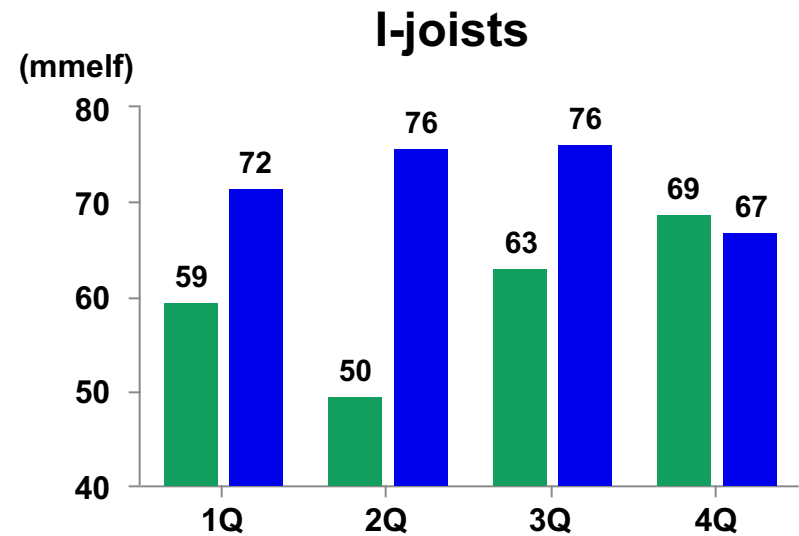
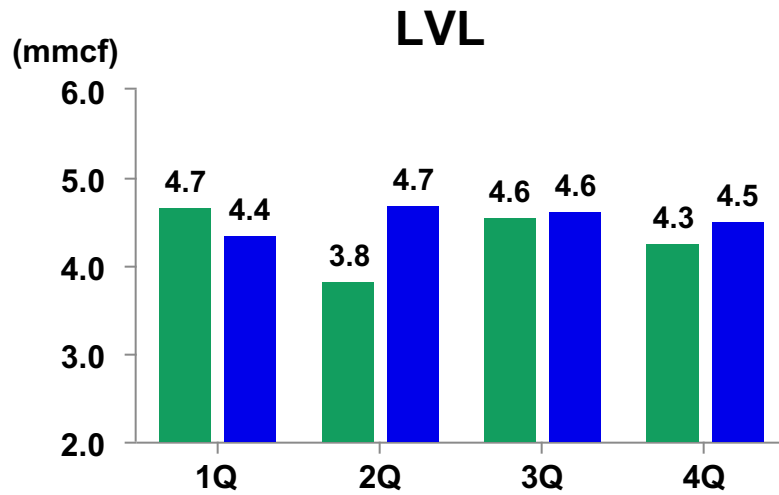
## Sales



## Adjusted EBITDA



# Wood Products EWP

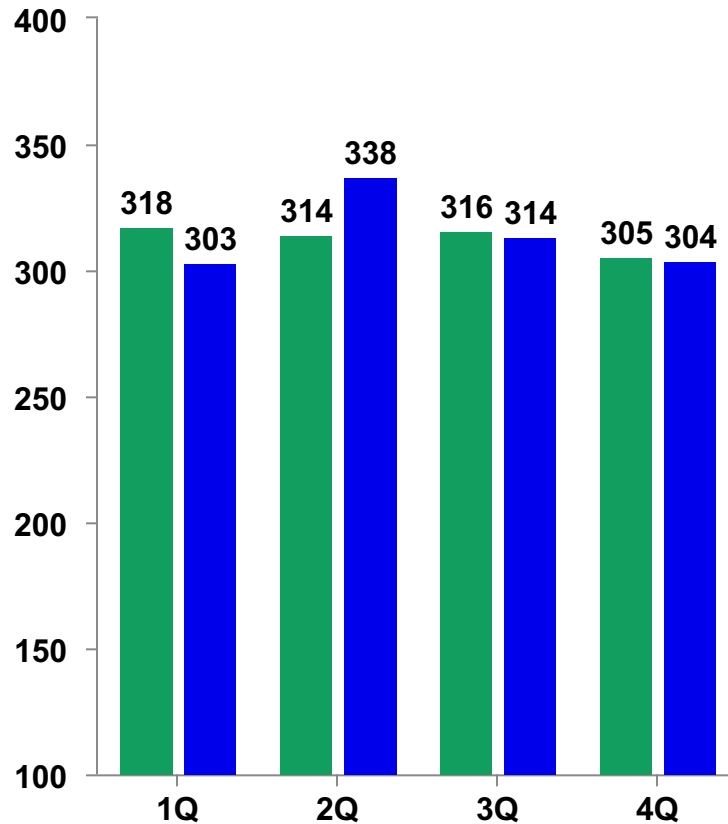


February 23, 2022

# Wood Products Plywood

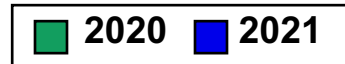
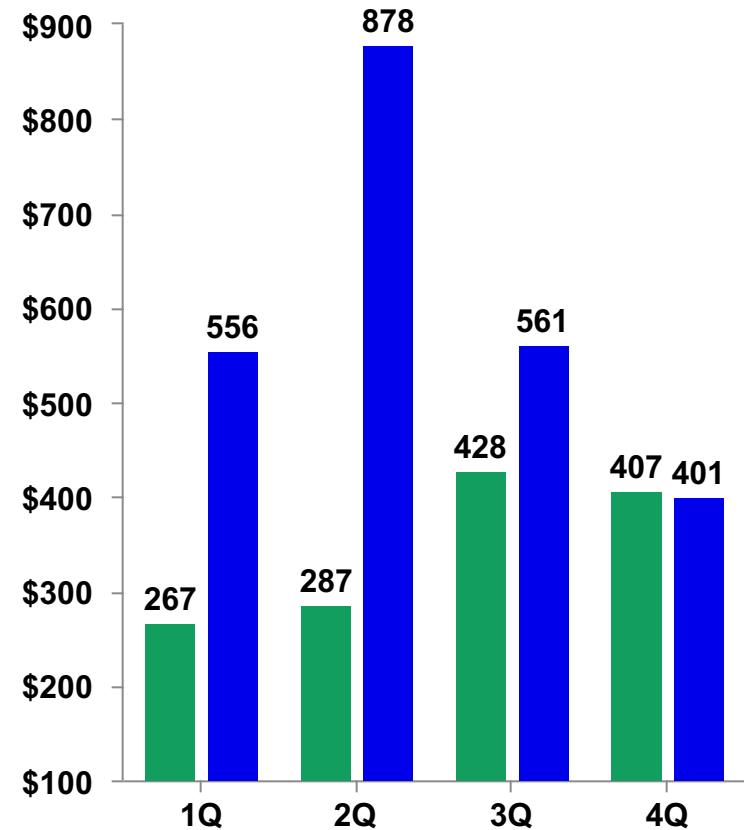
## Sales Volume

(mmsf 3/8" basis)



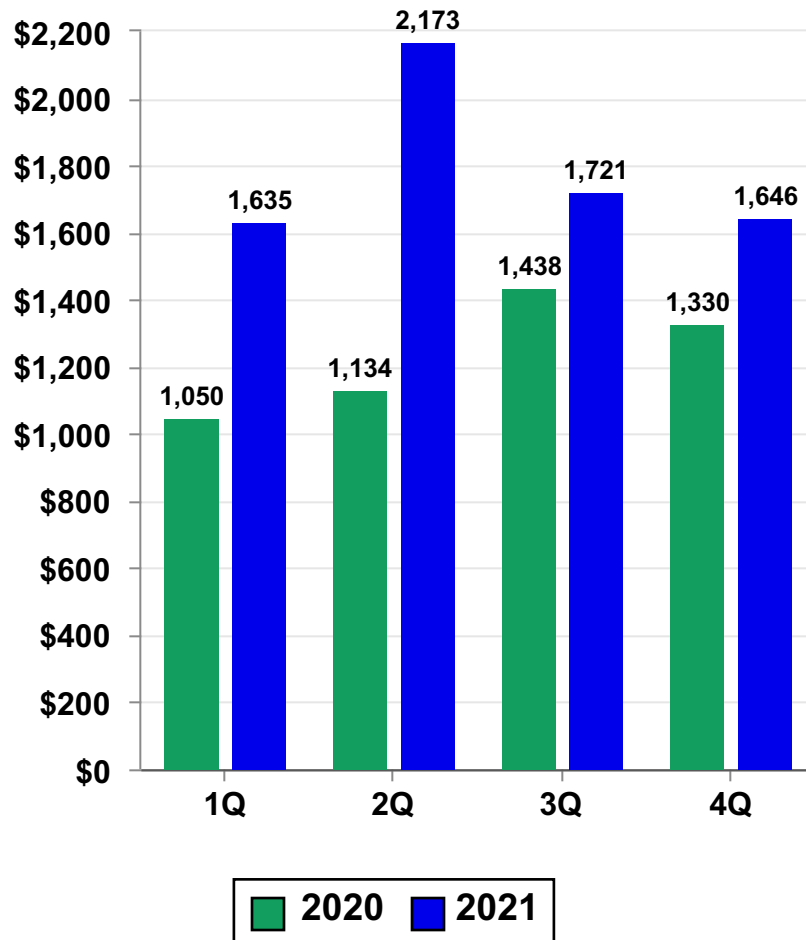
## Net Sales Price

(\$/msf 3/8" basis)

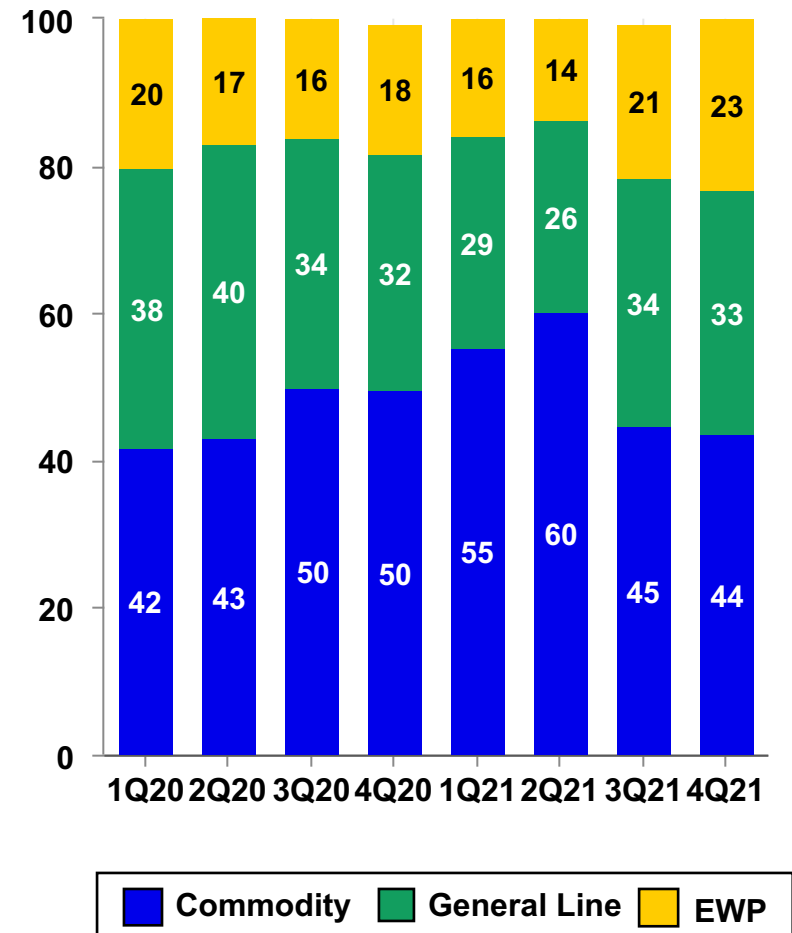


# Building Materials Distribution Sales

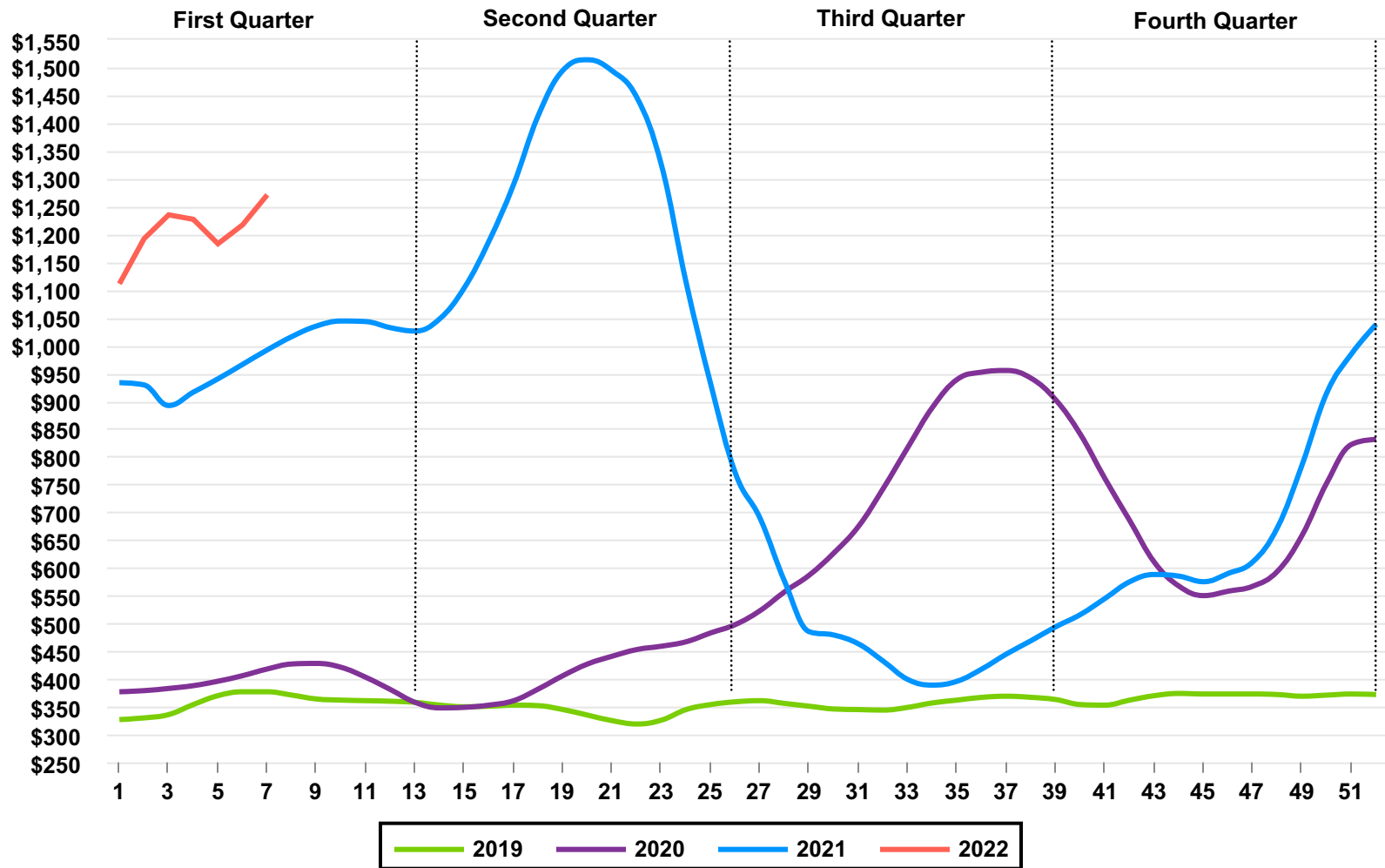
(\$ Millions)



(% of Sales)

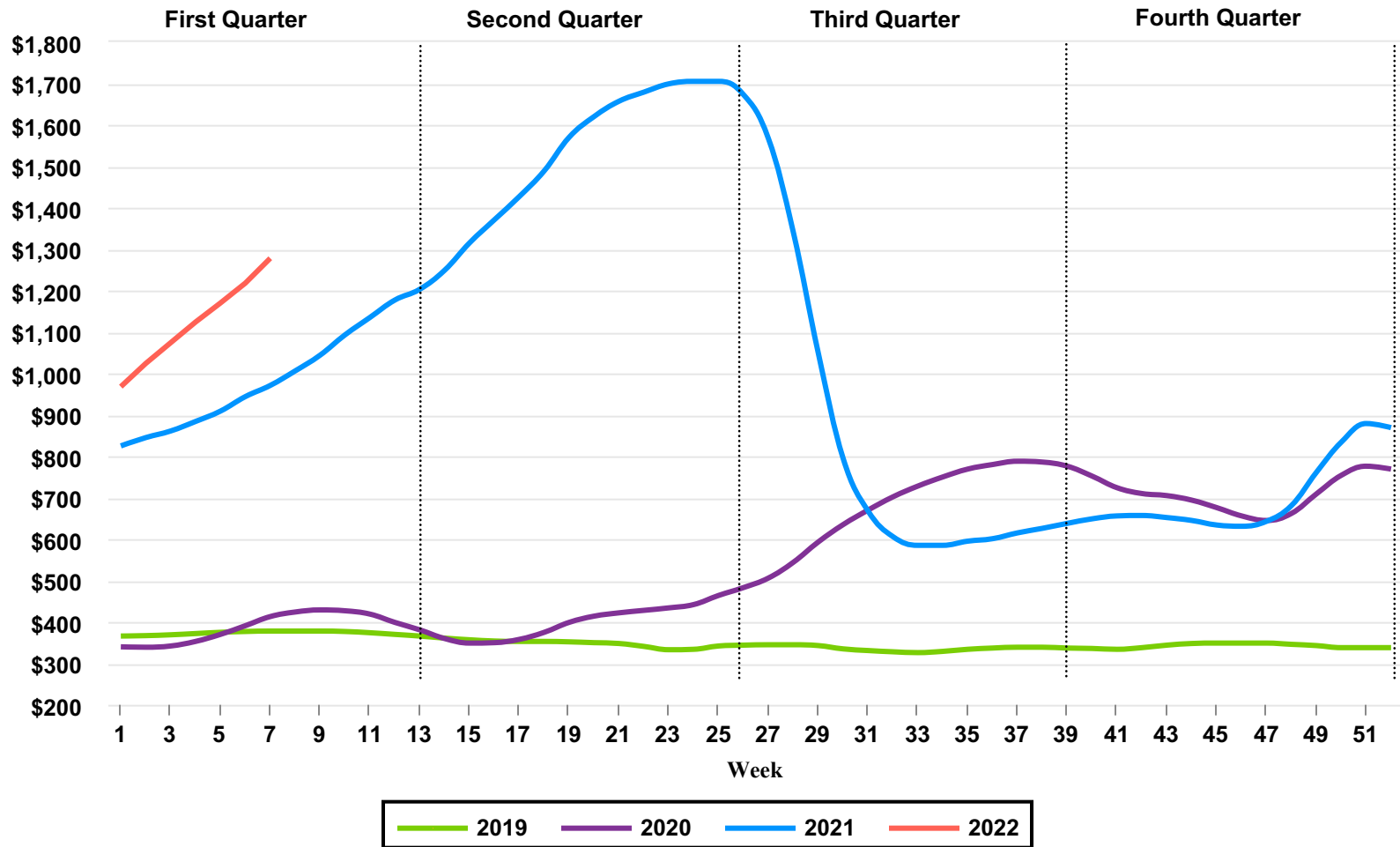


# Lumber Composite Price



Source: Random Lengths

# Panel Composite Price



Source: Random Lengths

# Working Capital

(\$ Millions)	<u>12/31/2021</u>	<u>9/30/2021</u>	<u>Change</u>
Receivables	\$ 462.2	\$ 490.9	\$ (28.7)
Inventory	660.7	644.4	16.3
Other current assets <sup>(a)</sup>	<u>12.0</u>	<u>15.8</u>	<u>(3.8)</u>
	1,134.9	1,151.1	(16.2)
Accounts payable	336.5	413.3	(76.8)
Accrued liabilities <sup>(b)</sup>	<u>294.4</u>	<u>281.9</u>	<u>12.5</u>
	630.9	695.2	(64.3)
Net working capital	<u>\$ 504.1</u>	<u>\$ 455.9</u>	<u>\$ 48.2</u>

(a) Excludes cash and tax related items.

(b) Excludes income taxes payable and interest payable.

# Debt and Liquidity Highlights



(\$ Millions)

## Net Debt

	12/31/2021	9/30/2021
Total debt	\$ 444.6	\$ 444.4
Cash & cash equivalents	(748.9)	(786.9)
Net debt (cash)	<u>\$ (304.3)</u>	<u>\$ (342.5)</u>

## Liquidity Position

Bank line excess availability	\$ 346.0	\$ 345.3
Cash & cash equivalents	748.9	786.9
Total liquidity	<u>\$ 1,094.9</u>	<u>\$ 1,132.2</u>

- ◆ Final 2021 U.S. housing starts were 1.60 million, up 16% from 1.38 million in 2020. Current consensus estimate for 2022 housing starts is 1.60 million. Many factors continue to provide a favorable backdrop for residential construction and repair-and-remodel spending.
- ◆ Continued organizational mindset of patience and flexibility as supply chain, labor, and mortgage rate increases create challenges and uncertainties.
- ◆ Operational focus in Wood Products
  - Solid demand and pricing momentum for EWP.
  - Capital spending focus on veneer production to support EWP growth.
- ◆ Organic growth and execution focus in BMD
  - Build out and start up of recently announced organic expansion projects.
  - EWP and general line product pricing expected to remain firm; capture opportunities and mitigate risks from volatile commodity pricing.
- ◆ ESG Reporting



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# Appendix

February 23, 2022

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. The following table reconciles net income to EBITDA and Adjusted EBITDA for the three months ended December 31, 2021 and 2020, and September 30, 2021:

(\$ Millions)	Three Months Ended		
	4Q21	4Q20	3Q21
Net income	\$ 169.1	\$ 26.0	\$ 91.7
Interest expense	6.3	6.2	6.3
Interest income	—	—	(0.1)
Income tax provision	52.7	61.4	31.2
Depreciation and amortization	20.5	19.9	20.3
EBITDA	\$ 248.6	\$ 113.4	\$ 149.4
Change in fair value of interest rate swaps	(0.7)	(0.3)	(0.1)
Adjusted EBITDA	<u>\$ 247.9</u>	<u>\$ 113.1</u>	<u>\$ 149.3</u>

The following table reconciles segment income to EBITDA for the three months ended December 31, 2021 and 2020, and September 30, 2021:

(\$ Millions)	Three Months Ended		
	4Q21	4Q20	3Q21
Wood Products			
Segment income	\$ 98.4	\$ 40.8	\$ 122.1
Depreciation and amortization	13.9	13.7	13.9
Segment EBITDA	<u>\$ 112.2</u>	<u>\$ 54.5</u>	<u>\$ 136.0</u>
Building Materials Distribution			
Segment income	\$ 138.0	\$ 67.1	\$ 16.6
Depreciation and amortization	6.3	5.8	6.0
Segment EBITDA	<u>\$ 144.2</u>	<u>\$ 72.9</u>	<u>\$ 22.6</u>