



**Boise Cascade**



# **Boise Cascade Company**

## **Fourth Quarter 2012**

### **Earnings Webcast**

**March 7, 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 and net debt (cash), which are non-GAAP financial measures within the meaning of the Securities and Exchange Commission's Regulation G. Reconciliations of net income (loss) to EBITDA, segment income (loss) to segment EBITDA, and total debt to net debt (cash) are included as an appendix and are posted on the company's website at [www.bc.com](http://www.bc.com).



- ◆ U.S. housing starts increased to 780,000 in 2012, up 28% from 2011.
- ◆ Our Wood Products and Building Materials Distribution (BMD) segments both showed strong sales and earnings leverage with the increase in demand in 2012:
  - Wood Products' sales and EBITDA increased \$231 million and \$67 million, respectively.
  - BMD's sales and EBITDA increased \$411 million and \$22 million, respectively.
- ◆ We completed the refinance of our long-term debt in late October, lowering the interest rate and extending the maturity.
- ◆ We finished the year with \$54 million of cash and \$196 million of unused bank line capacity, for total available liquidity of \$250 million.
- ◆ Successfully completed our initial public offering in early February, raising \$263 million of net proceeds.



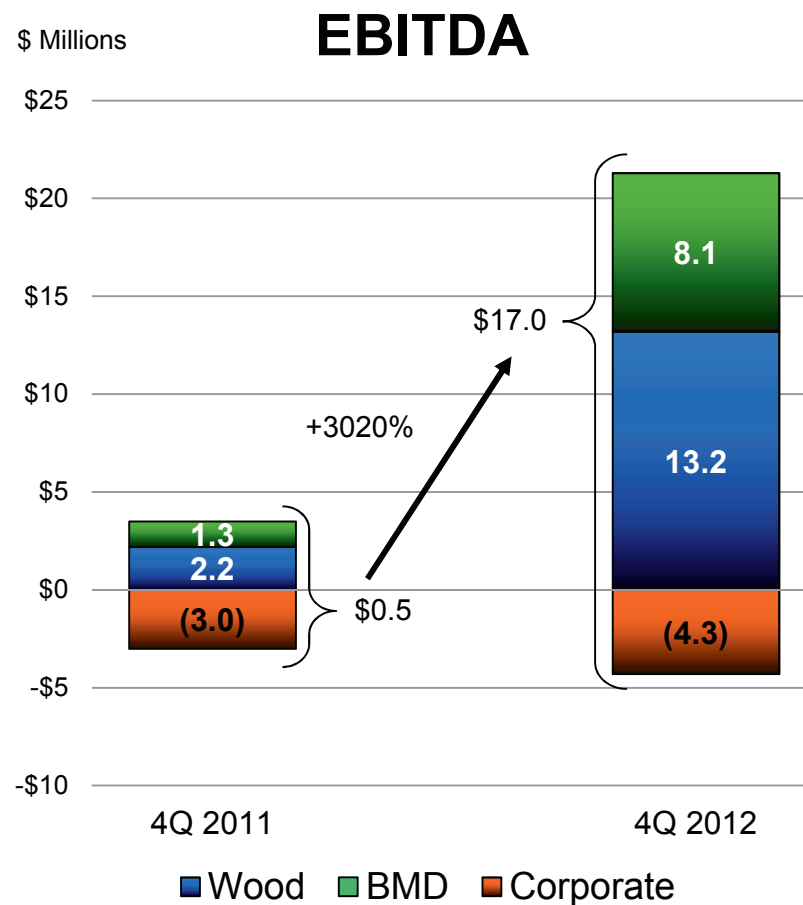
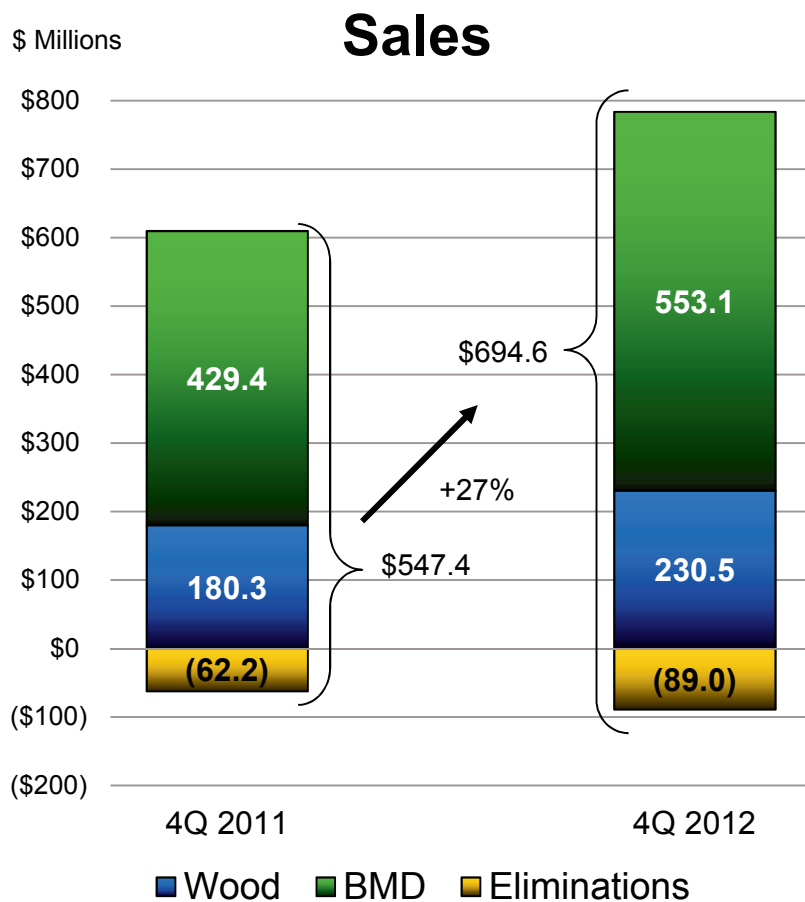
## Shareholder Value Priorities

---

- ◆ Drive strong organic growth in both Wood Products manufacturing and Building Materials Distribution:
  - Strategic capital focused on veneer self-sufficiency in Wood Products
  - Working capital necessary for profitable growth in BMD
- ◆ Pursue acquisition opportunities that can leverage our market position and organization's capabilities
- ◆ Return capital to our shareholders in line with business results and investment opportunities

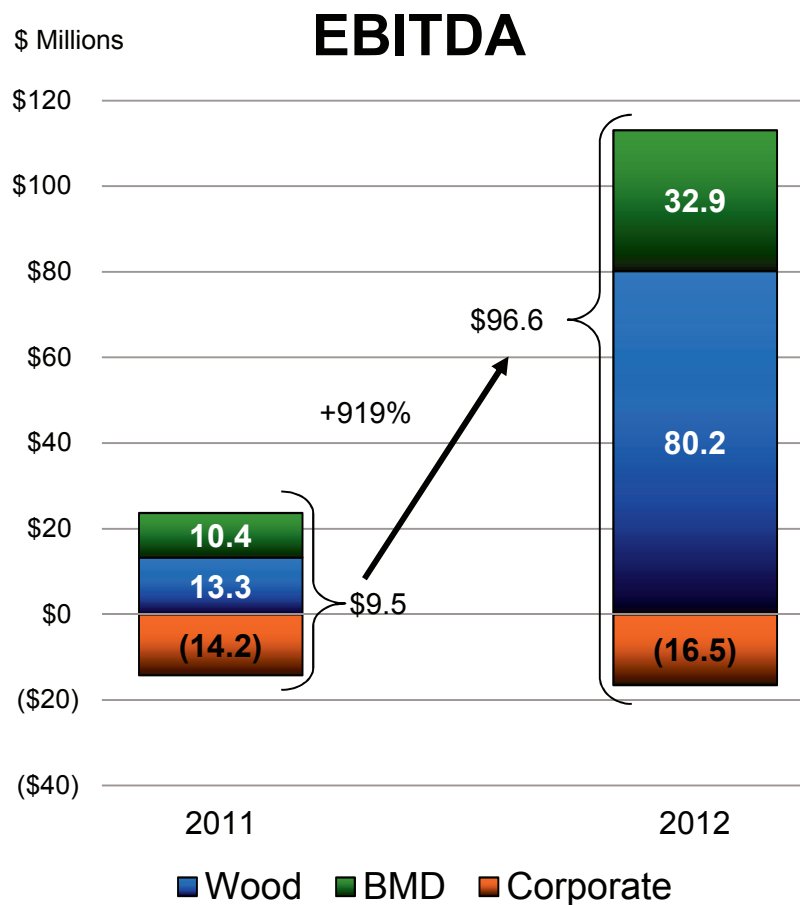
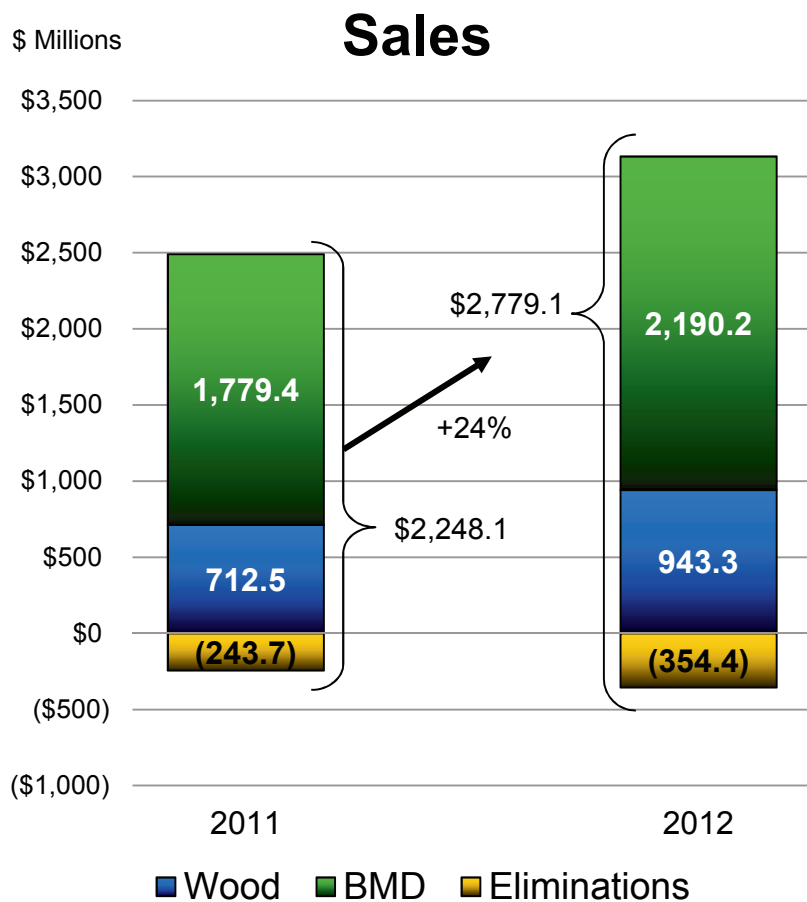


# 4Q 2012 Financial Highlights





# 2012 Financial Highlights

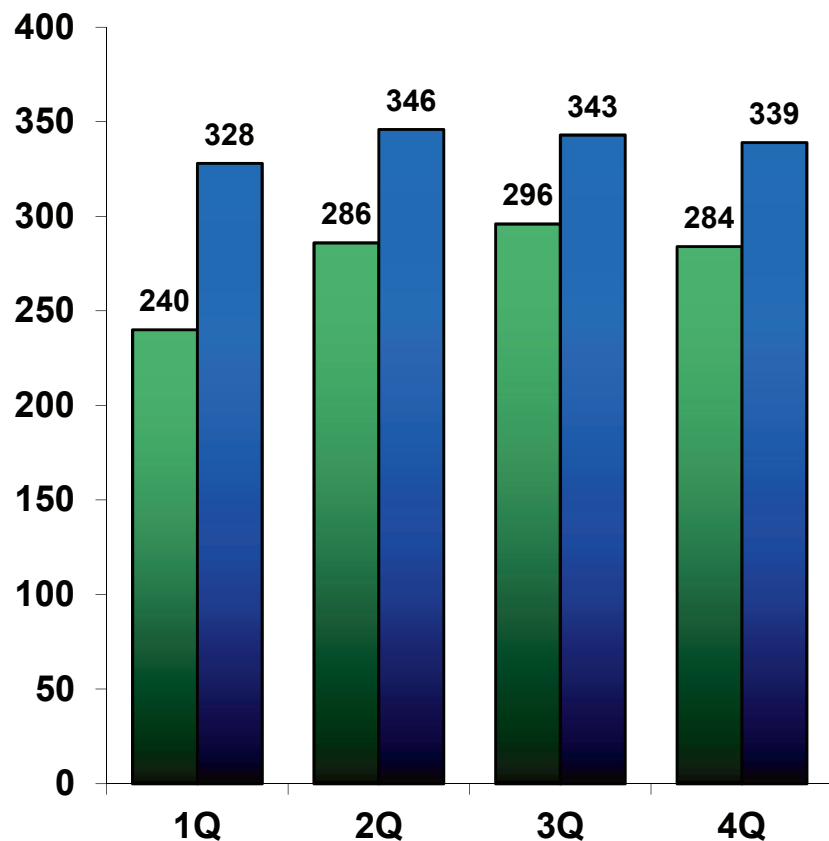




# Wood Products Plywood

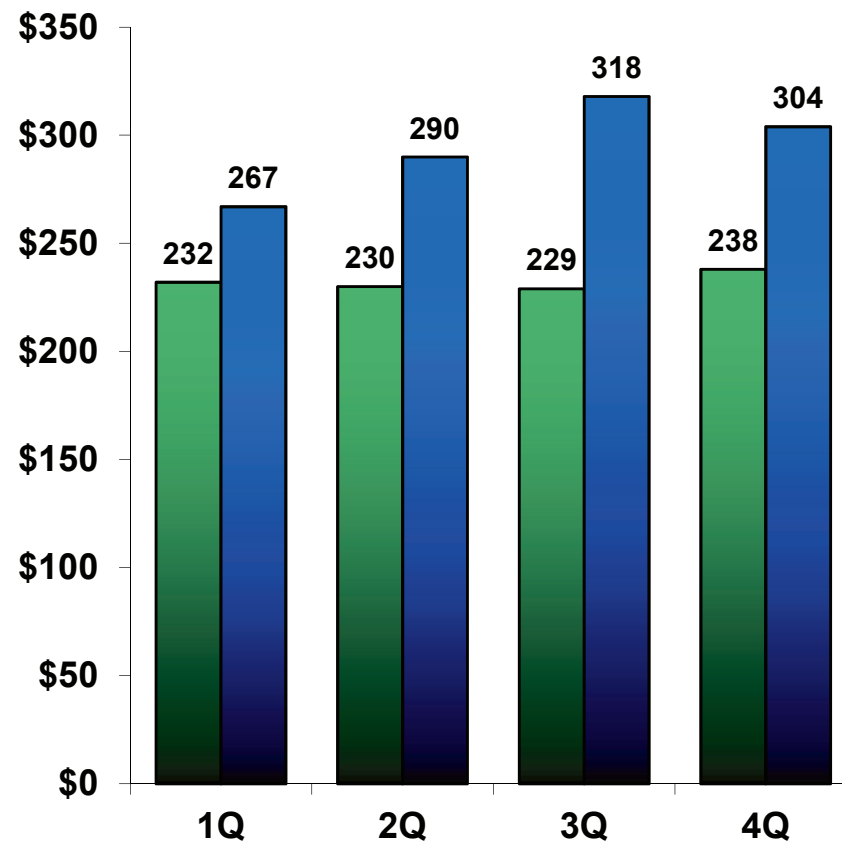
## Sales Volume

(mmsf 3/8" basis)



## Net Sales Price

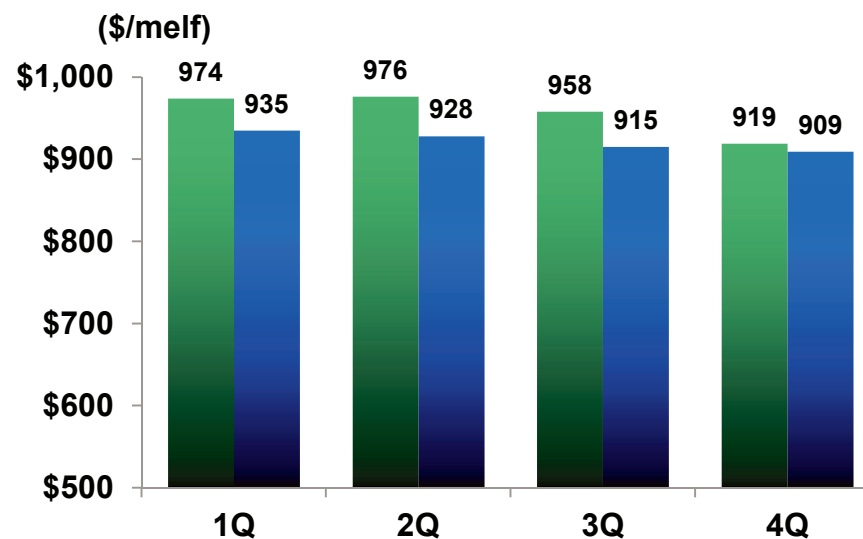
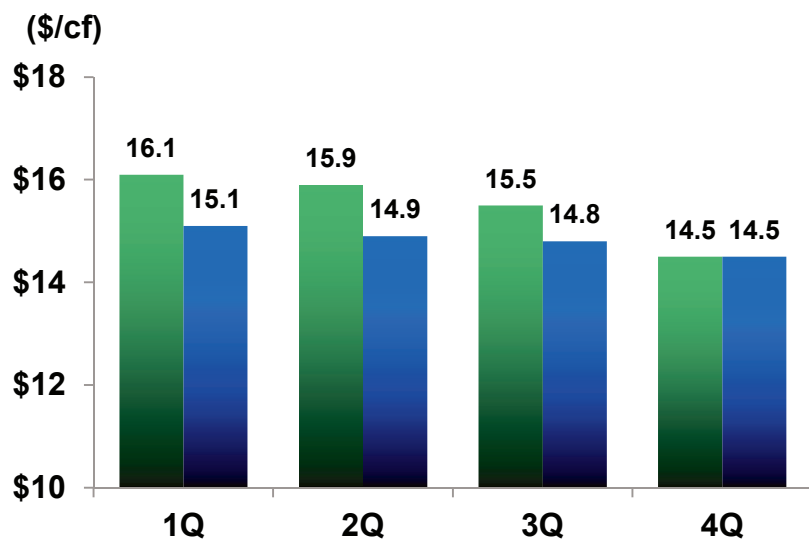
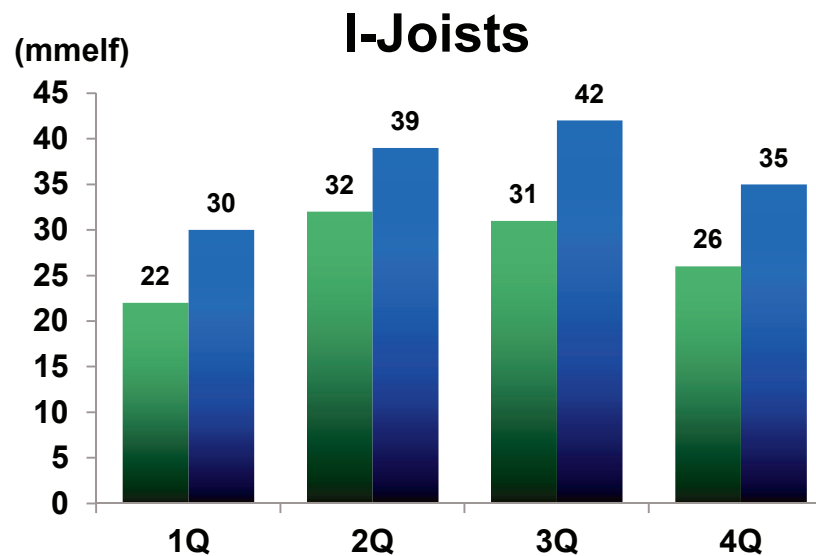
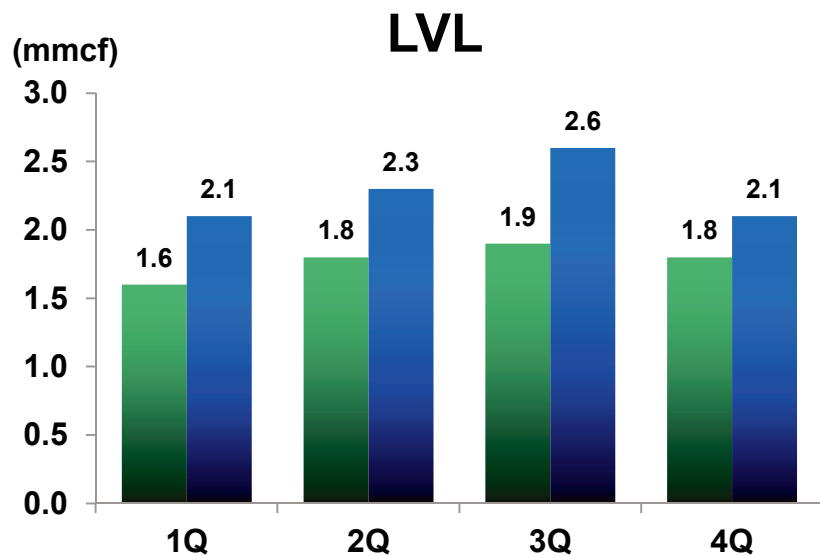
(\$/msf 3/8" basis)



2011 2012



# Wood Products EWP

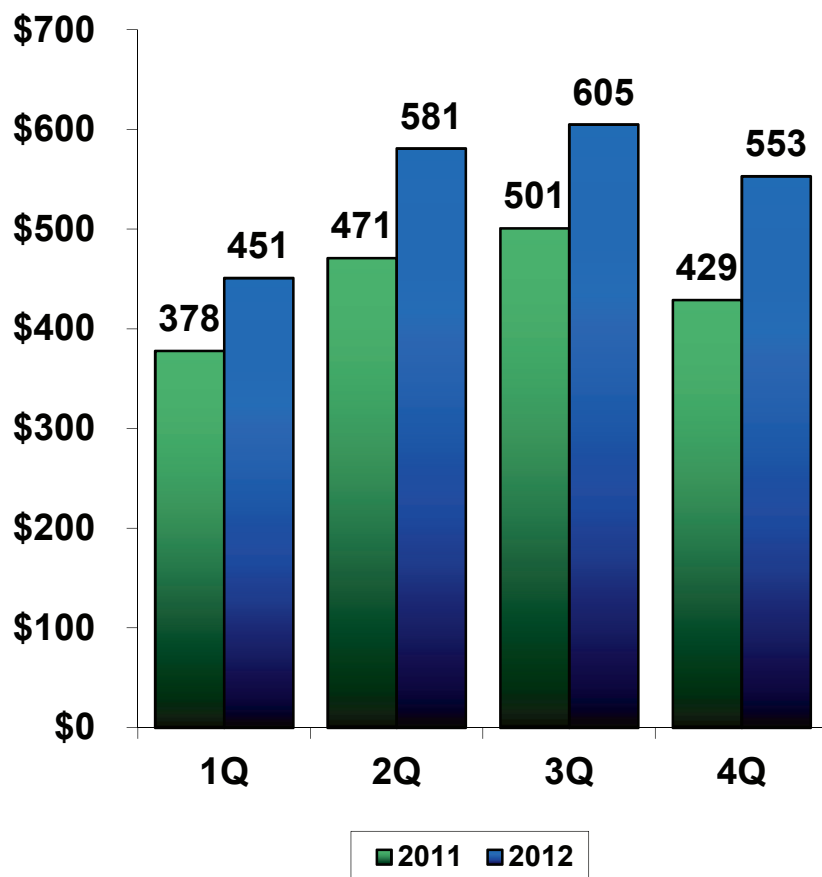




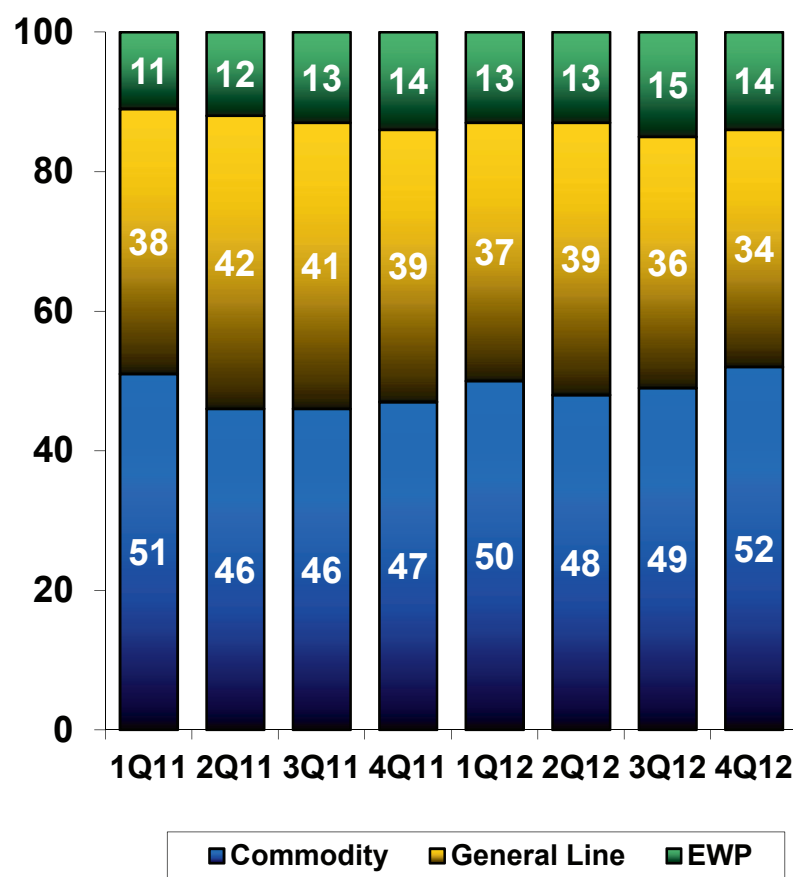


# Building Materials Distribution Sales

(\$ Millions)



(% of Sales)





## Debt and Liquidity Highlights

(\$ Millions)	Pro Forma for IPO	12/31/2012	12/31/2011
<u>Net Debt</u>			
Long-term debt	\$ 250.0	\$ 275.0	\$ 219.6
Cash & cash equivalents <sup>1</sup>	(292.5)	(54.5)	(182.5)
Net debt (cash) <sup>1</sup>	<u>\$ (42.5)</u>	<u>\$ 220.5</u>	<u>\$ 37.1</u>
<u>Liquidity Position</u>			
ABL excess availability <sup>2</sup>	\$ 195.6	\$ 195.6	\$ 141.8
Cash & cash equivalents <sup>1</sup>	292.5	54.5	182.5
Total liquidity <sup>1</sup>	<u>\$ 488.1</u>	<u>\$ 250.1</u>	<u>\$ 324.3</u>

<sup>1</sup> Reconciliation of GAAP measures to non-GAAP, as well as a reconciliation of actual 12/31/12 amounts to pro forma for IPO, are provided as an appendix.

<sup>2</sup> Net of a \$31.3 million availability threshold at 12/31/2011.

## Working Capital

(\$ Millions)	<u>2012</u>	<u>2011</u>	<u>Change</u>
Receivables	\$ 141.6	\$ 123.9	\$ 17.7
Inventory	325.8	284.0	41.8
Other Current Assets (excluding cash)	<u>5.5</u>	<u>4.9</u>	<u>0.7</u>
	473.0	412.8	60.2
Accounts Payable	142.1	117.9	24.2
Accrued Liabilities	<u>94.0</u>	<u>60.1</u>	<u>34.0</u>
	236.2	178.0	58.2
Net Working Capital (excluding cash)	<u><u>\$ 236.8</u></u>	<u><u>\$ 234.8</u></u>	<u><u>\$ 2.0</u></u>



## Cash Flow Highlights

(\$ Millions)	<u>2012</u>	<u>2011</u>
Net Cash Provided By (Used For) Operations	\$ 80.1	\$ (43.0)
Net Cash Used For Investment	(29.4)	(36.6)
Net Cash Used For Financing	<u>(178.7)</u>	<u>(2.5)</u>
Net Decrease in Cash	(127.9)	(82.1)
Cash Balance at Beginning of Period	<u>182.5</u>	<u>264.6</u>
Cash Balance at End of Period	<u>\$ 54.5</u>	<u>\$ 182.5</u>



- ◆ The current consensus estimate for 2013 U.S. housing starts is 990,000 vs. 780,000 in 2012.
- ◆ We believe the long-term demand fundamentals for housing are still sound based on demographics in the U.S.
- ◆ We are focused on meeting our customers' needs as demand continues to strengthen.
- ◆ Pricing for the commodity wood products we manufacture and/or distribute (e.g., plywood, OSB, dimension lumber) continues to be favorable as a result of improved demand. Capacity restarts have been announced by a number of industry participants.
- ◆ Pricing for our engineered wood products is improving in response to higher demand and higher operating rates, as well as producer input cost pressures.
- ◆ Our IPO and recent financing activities position us well for revenue and earnings leverage in 2013 and beyond.



**Boise Cascade**



# **Appendix**

**March 7, 2013**

Net debt (cash) includes long- and short-term debt owed to third parties, less cash and cash equivalents. The following table reconciles pro forma and actual total debt to net debt (cash) at December 31, 2012 and 2011:

(\$ Millions)	Proforma		
	for IPO	12/31/2012	12/31/2011
Long-term debt	\$ 250.0 <sup>(A)</sup>	\$ 275.0	\$ 219.6
Less cash and cash equivalents	<u>(292.5) <sup>(B)</sup></u>	<u>(54.5)</u>	<u>(182.5)</u>
Net debt (cash)	<u>\$ (42.5)</u>	<u>\$ 220.5</u>	<u>\$ 37.1</u>

(A) Long-term debt at 12/31/2012	\$ 275.0
Payment on Revolving Credit Facility with proceeds from IPO	<u>(25.0)</u>
Pro forma long-term debt	<u>\$ 250.0</u>

(B) Cash and cash equivalents at 12/31/12	\$ 54.5
Plus net proceeds from IPO	263.0
Less payment on Revolving Credit Facility with proceeds from IPO	<u>(25.0)</u>
Pro forma cash	<u>\$ 292.5</u>



EBITDA represents income (loss) before interest (interest expense and interest income), income taxes, and depreciation and amortization. The following table reconciles net income (loss) to EBITDA for the three months ended December 31, 2012 and 2011, and September 30, 2012:

(\$ Millions)	<u>4Q12</u>	<u>4Q11</u>	<u>3Q12</u>
Net income (loss)	\$ 1.3	\$ (13.8)	\$ 23.5
Interest expense	7.3	4.8	4.8
Interest income	(0.1)	(0.1)	(0.1)
Income tax provision	0.1	0.1	0.1
Depreciation and amortization	8.5	9.5	8.5
EBITDA	<u>\$ 17.0</u>	<u>\$ 0.5</u>	<u>\$ 36.8</u>



The following table reconciles net income (loss) to EBITDA for the years ended December 31, 2012 and 2011:

(\$ Millions)	Year Ended December 31	
	2012	2011
Net income (loss)	\$ 41.5	\$ (46.4)
Interest expense	21.8	19.0
Interest income	(0.4)	(0.4)
Income tax provision	0.3	0.2
Depreciation and amortization	33.4	37.0
EBITDA	<u>\$ 96.6</u>	<u>\$ 9.5</u>

Segment EBITDA represents segment income (loss) before depreciation and amortization. The following table reconciles segment income (loss) to segment EBITDA for the three months ended December 31, 2012 and 2011, and September 30, 2012:

<b>(\$ Millions)</b>	<b><u>4Q12</u></b>	<b><u>4Q11</u></b>	<b><u>3Q12</u></b>
Building Materials Distribution			
Segment income (loss)	\$ 5.9	\$ (0.8)	\$ 10.3
Depreciation and amortization	<u>2.2</u>	<u>2.2</u>	<u>2.3</u>
Segment EBITDA	<u>\$ 8.1</u>	<u>\$ 1.3</u>	<u>\$ 12.6</u>
Wood Products			
Segment income (loss)	\$ 7.0	\$ (5.1)	\$ 22.5
Depreciation and amortization	<u>6.3</u>	<u>7.3</u>	<u>6.2</u>
Segment EBITDA	<u>\$ 13.2</u>	<u>\$ 2.2</u>	<u>\$ 28.6</u>

The following table reconciles segment income (loss) to segment EBITDA for the years ended December 31, 2012 and 2011:

(\$ Millions)	<b>Year Ended December 31</b>	
	<b>2012</b>	<b>2011</b>
<b>Building Materials Distribution</b>		
Segment income	\$ 24.0	\$ 2.0
Depreciation and amortization	<u>8.8</u>	<u>8.4</u>
Segment EBITDA	<u><u>\$ 32.9</u></u>	<u><u>\$ 10.4</u></u>
<b>Wood Products</b>		
Segment income (loss)	\$ 55.8	\$ (15.1)
Depreciation and amortization	<u>24.4</u>	<u>28.4</u>
Segment EBITDA	<u><u>\$ 80.2</u></u>	<u><u>\$ 13.3</u></u>