



Boise Cascade



Boise Cascade Company

Second Quarter 2013

Earnings Webcast

July 23, 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 adjusted net income, which are non-GAAP financial measures within the meaning of the Securities and Exchange Commission's Regulation G. Reconciliations of net income to EBITDA, segment income (loss) to segment EBITDA, and net income to adjusted net income are included as an appendix and are posted on the company's website at www.bc.com.

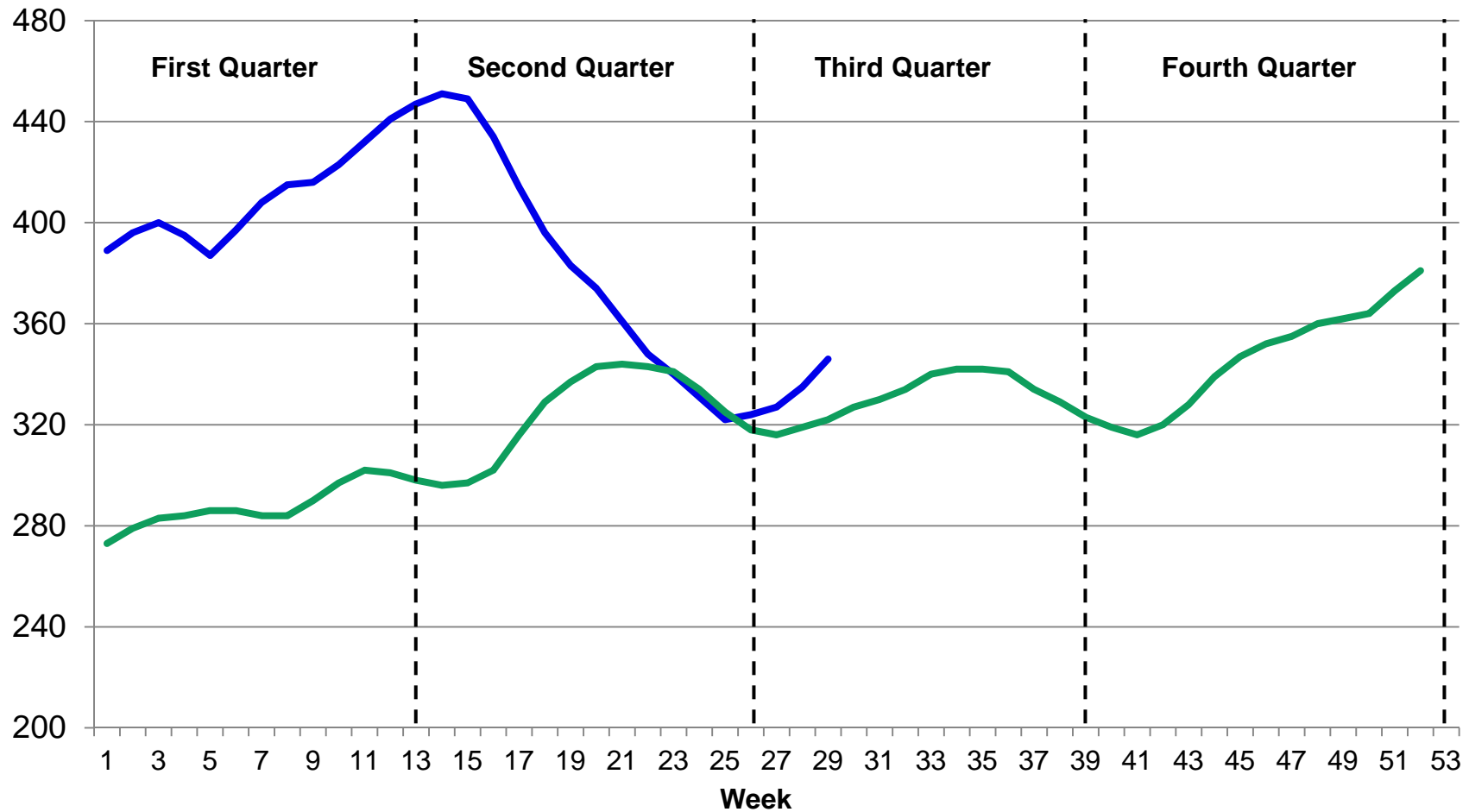


- ◆ Total U.S. housing starts increased approximately 17% compared with 2Q12. Single-family starts increased approximately 14%
- ◆ Second quarter sales were \$852.3 million, up 16% from 2Q12:
 - Higher plywood average net sales realization
 - Continued robust EWP volume growth versus prior year quarter
 - Price increases on many products purchased and sold by Building Materials Distribution (BMD)
- ◆ Second quarter net income was \$10.4 million, or \$0.24 per share
- ◆ Commodity pricing began a steep descent early in the second quarter with composite panel and lumber prices dropping more than 25% by quarter end
- ◆ Announced agreement to acquire two plywood facilities in southeastern United States

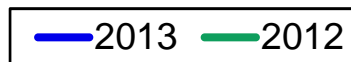


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Composite Lumber Price



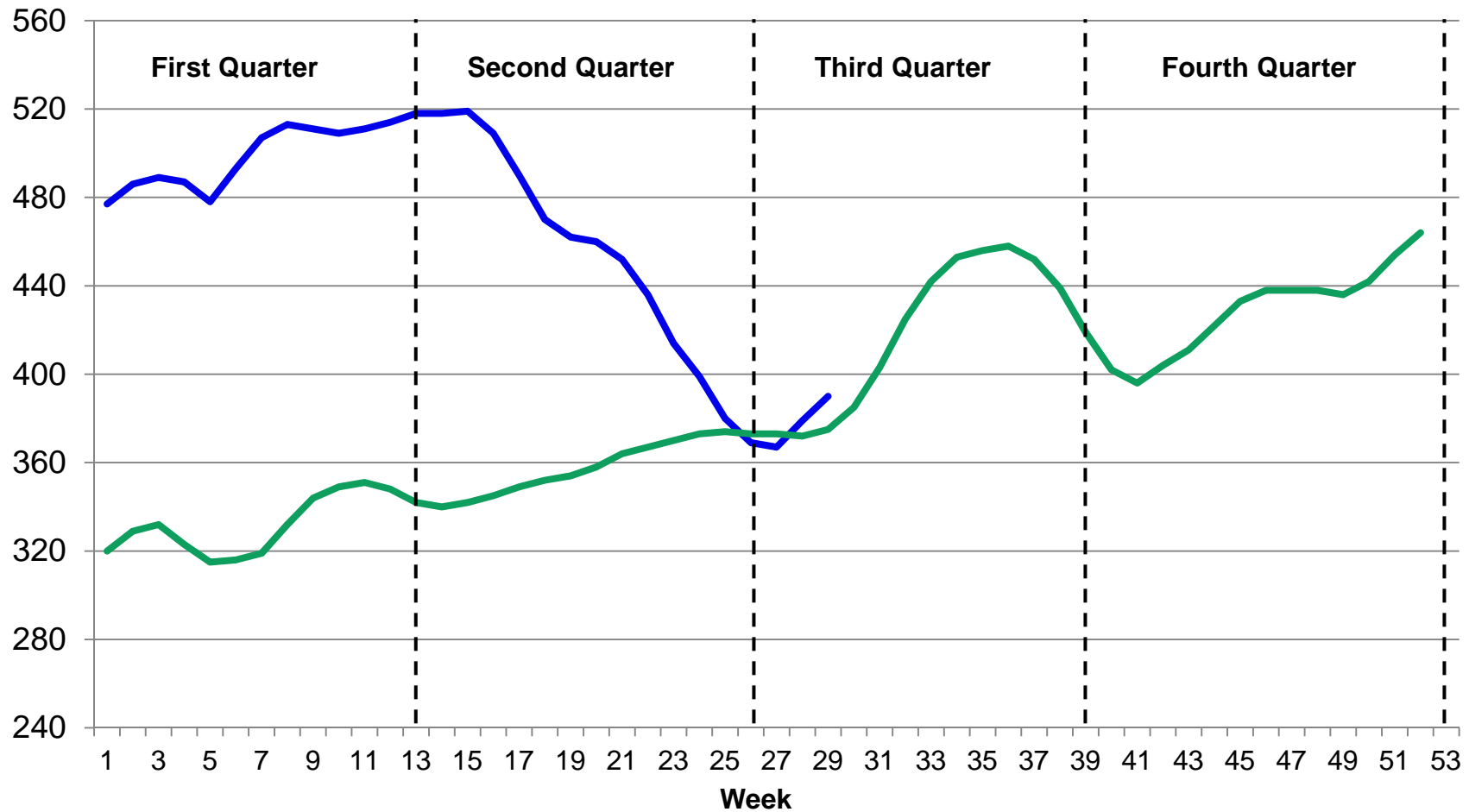
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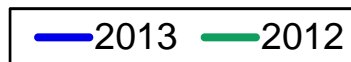


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Panel Composite Price

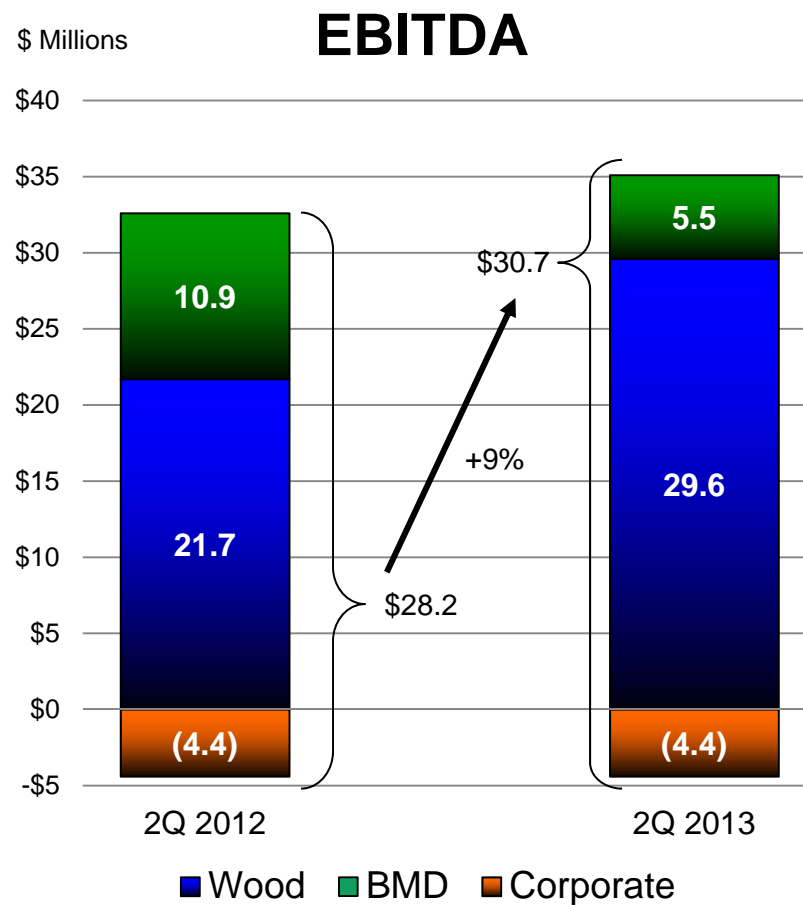
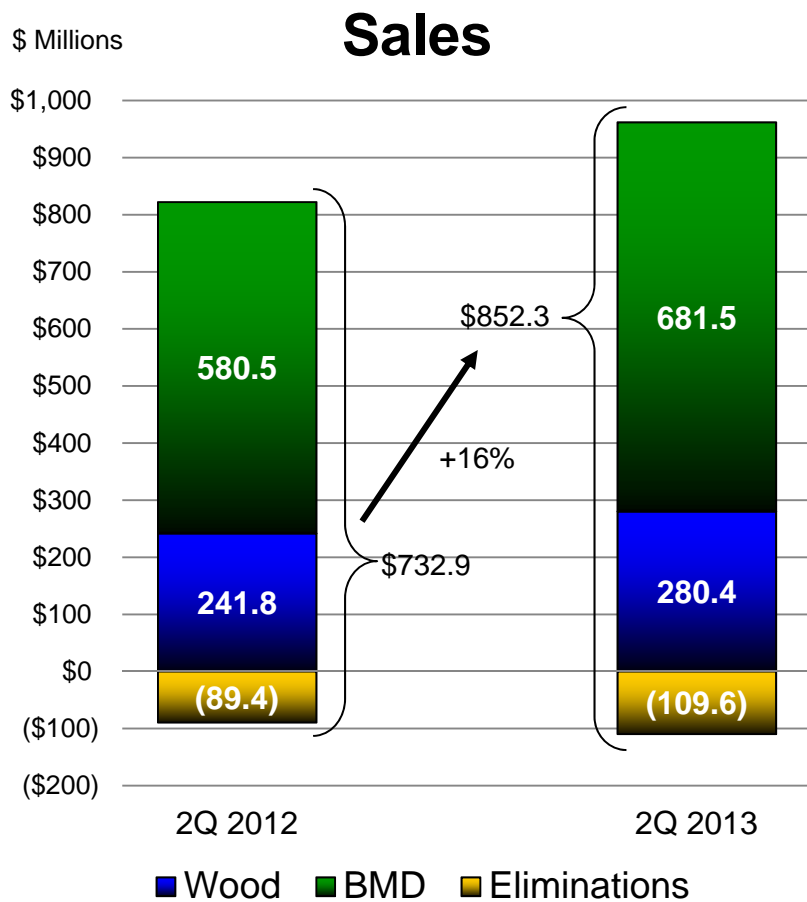


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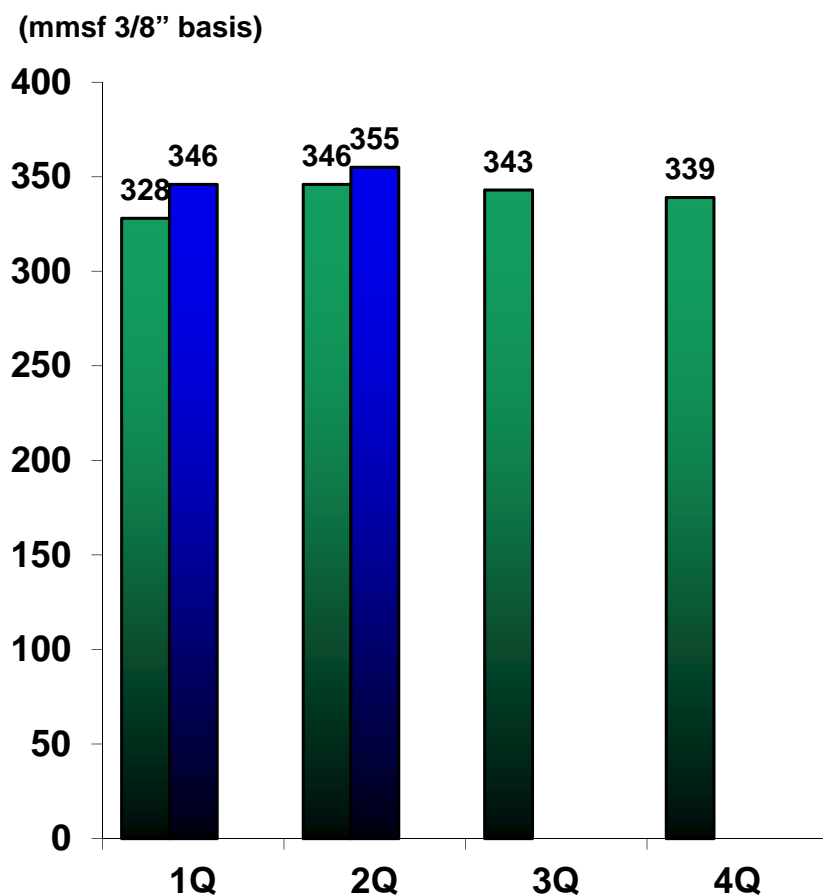


2Q 2013 Financial Highlights

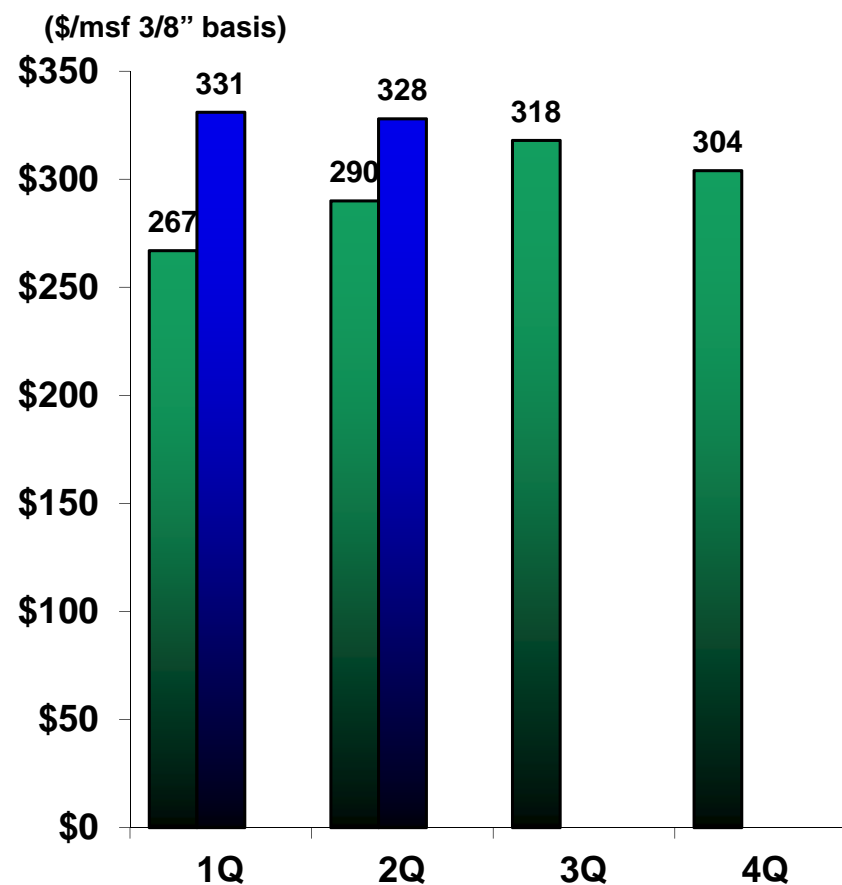


Wood Products Plywood

Sales Volume



Net Sales Price

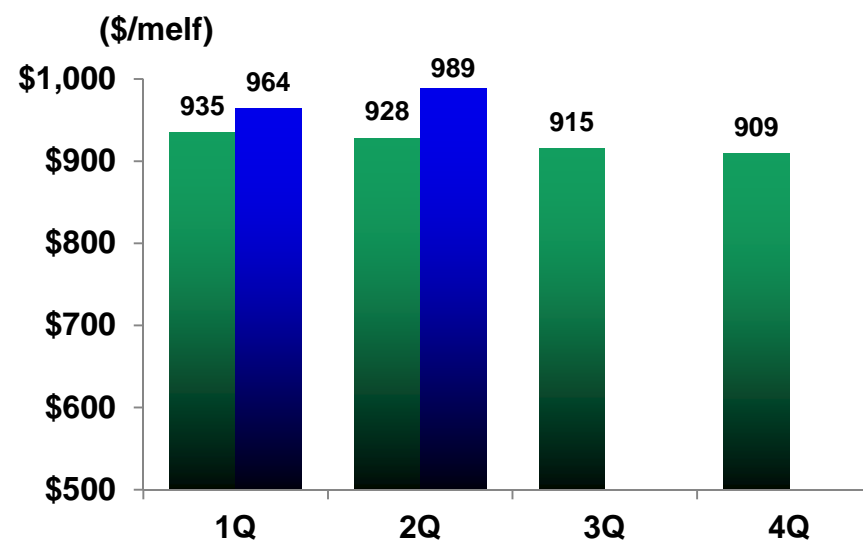
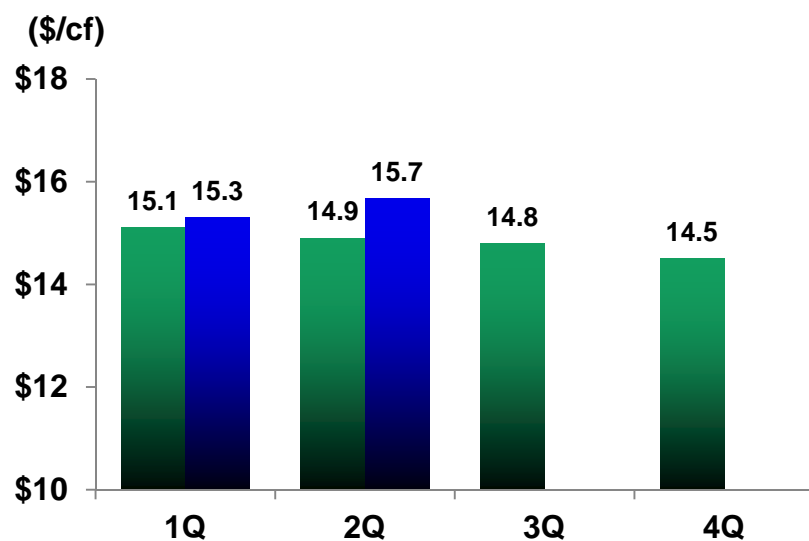
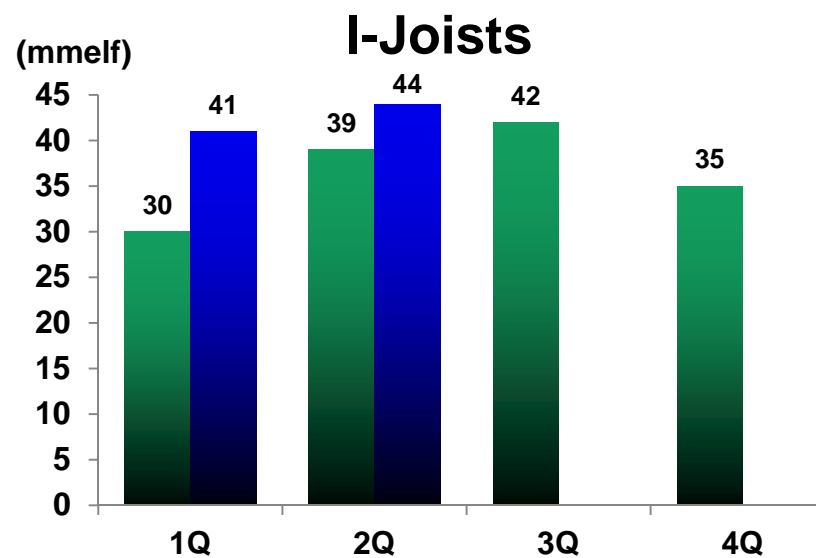
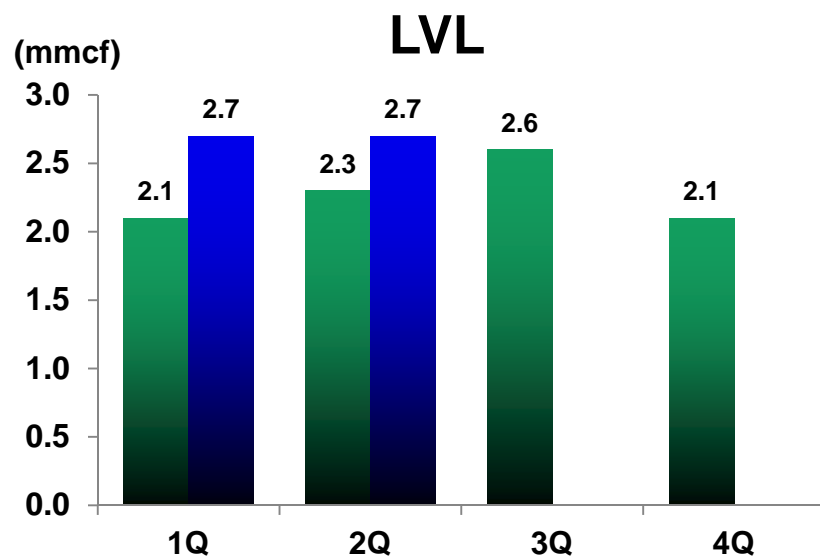


2012 2013



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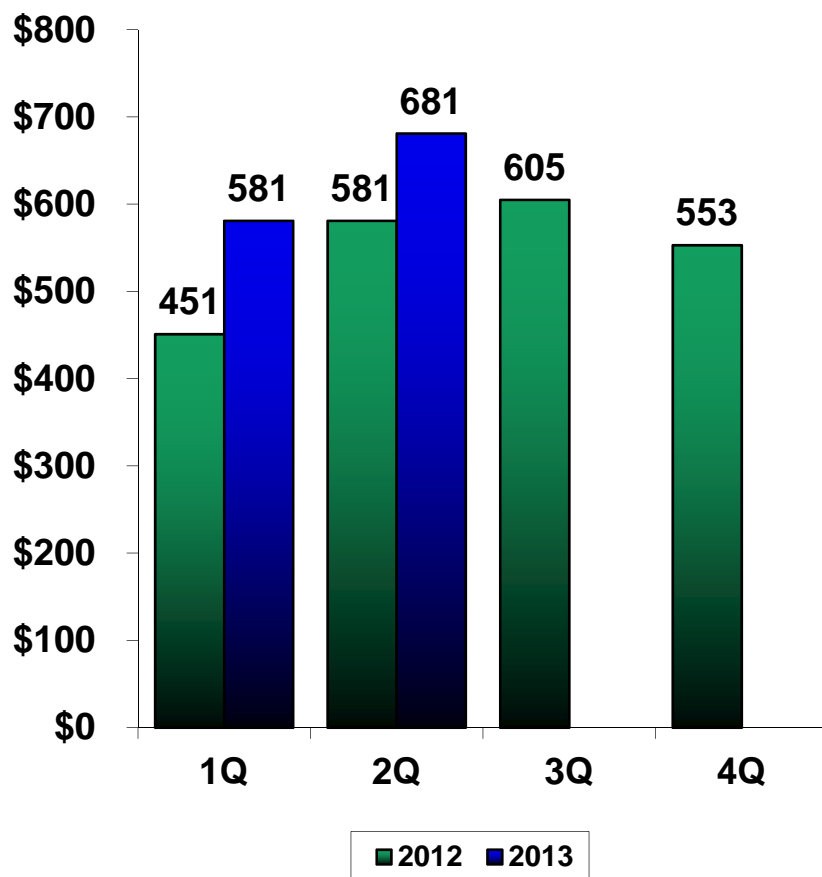
Wood Products EWP



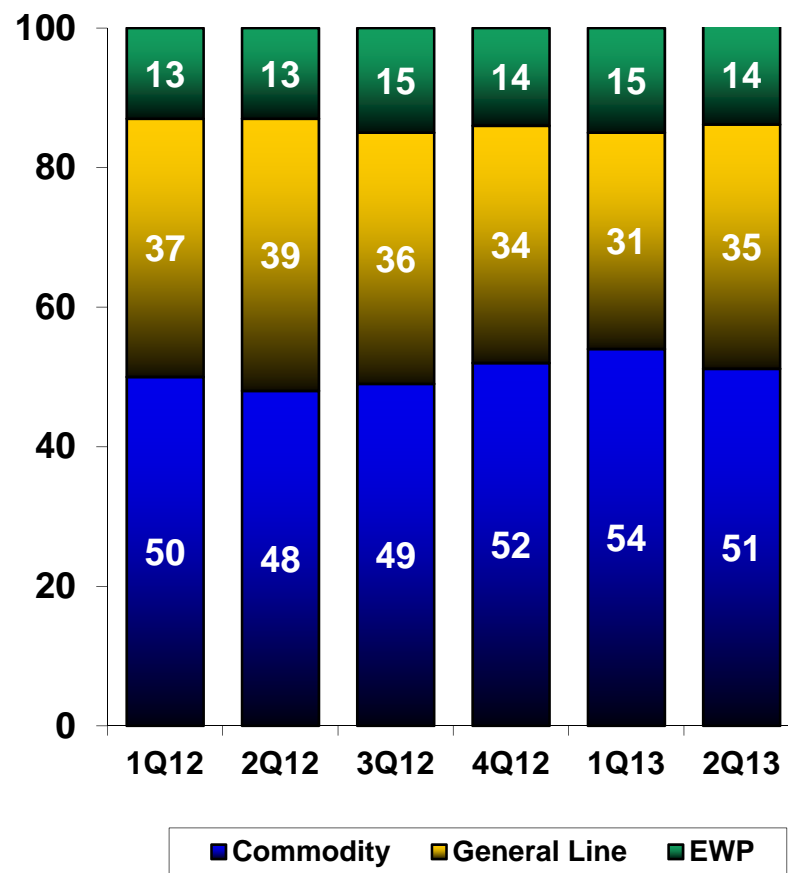


Building Materials Distribution Sales

(\$ Millions)



(% of Sales)



Working Capital

(\$ Millions)	<u>6/30/2013</u>	<u>3/31/2013</u>	<u>Change</u>
Receivables	\$ 212.8	\$ 209.9	\$ 2.9
Inventory	368.4	387.1	(18.7)
Other current assets (excluding cash and deferred taxes)	<u>11.9</u>	<u>8.3</u>	<u>3.6</u>
	593.1	605.3	(12.2)
Accounts payable	197.2	218.5	(21.3)
Accrued liabilities	<u>75.7</u>	<u>82.6</u>	<u>(6.9)</u>
	272.9	301.1	(28.2)
Net working capital (excluding cash and deferred taxes)	<u>\$ 320.2</u>	<u>\$ 304.2</u>	<u>\$ 16.0</u>

Debt and Liquidity Highlights

(\$ Millions)	<u>6/30/2013</u>	<u>3/31/2013</u>
<u>Net Debt</u>		
Long-term debt	\$ 250.0	\$ 250.0
Cash & cash equivalents	<u>(232.7)</u>	<u>(233.5)</u>
Net debt	<u>\$ 17.3</u>	<u>\$ 16.5</u>
 <u>Liquidity Position</u>		
ABL excess availability	\$ 290.7	\$ 290.2
Cash & cash equivalents	<u>232.7</u>	<u>233.5</u>
Total liquidity	<u>\$ 523.4</u>	<u>\$ 523.8</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) have improved modestly since quarter end. Future pricing could be volatile in response to operating rates and inventory levels in various distribution channels.
- ◆ Pricing for our engineered wood products is improving in response to higher demand and higher operating rates.
- ◆ Acquisition of southeastern plywood operations expected to close late third quarter.



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Appendix

July 23, 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 June 30, 2013 and 2012, and March 31, 2013:

(\$ Millions)	<u>2Q13</u>	<u>2Q12</u>	<u>1Q13</u>
Net income	\$ 10.4	\$ 15.0	\$ 80.8
Interest expense	4.8	4.8	4.9
Interest income	(0.1)	(0.1)	(0.1)
Income tax provision (benefit)	6.8	0.1	(61.1)
Depreciation and amortization	8.8	8.3	8.5
EBITDA	<u>\$ 30.7</u>	<u>\$ 28.2</u>	<u>\$ 33.0</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 June 30, 2013 and 2012, and March 31, 2013:

(\$ Millions)	<u>2Q13</u>	<u>2Q12</u>	<u>1Q13</u>
Wood Products			
Segment income	\$ 23.0	\$ 15.5	\$ 20.8
Depreciation and amortization	<u>6.5</u>	<u>6.1</u>	<u>6.3</u>
Segment EBITDA	<u>\$ 29.6</u>	<u>\$ 21.7</u>	<u>\$ 27.1</u>
Building Materials Distribution			
Segment income	\$ 3.3	\$ 8.7	\$ 8.0
Depreciation and amortization	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>
Segment EBITDA	<u>\$ 5.5</u>	<u>\$ 10.9</u>	<u>\$ 10.2</u>

First quarter 2013 includes \$68.7 million of income tax benefit associated with recording net deferred tax assets upon our conversion from a limited liability company to a corporation. The following table reconciles GAAP net income to adjusted non-GAAP net income for the three months ended June 30, 2013 and 2012, and March 31, 2013:

(\$ Millions, except per-share amounts)	<u>2Q13</u>	<u>2Q12</u>	<u>1Q13</u>
Net income (GAAP basis)	\$ 10.4	\$ 15.0	\$ 80.8
Impact of deferred tax benefit	-	-	(68.7)
Adjusted net income (non-GAAP basis)	<u>\$ 10.4</u>	<u>\$ 15.0</u>	<u>\$ 12.1</u>
Weighted average common shares outstanding			
Basic	43,229	29,700	37,569
Diluted	43,233	29,700	37,569
Adjusted net income (non-GAAP basis), per share:			
Basic	\$ 0.24	\$ 0.51	\$ 0.32
Diluted	\$ 0.24	\$ 0.51	\$ 0.32