



Boise Cascade®



Boise Cascade Company

Fourth Quarter 2019

Earnings Webcast

February 25, 2020

Forward-Looking Statements

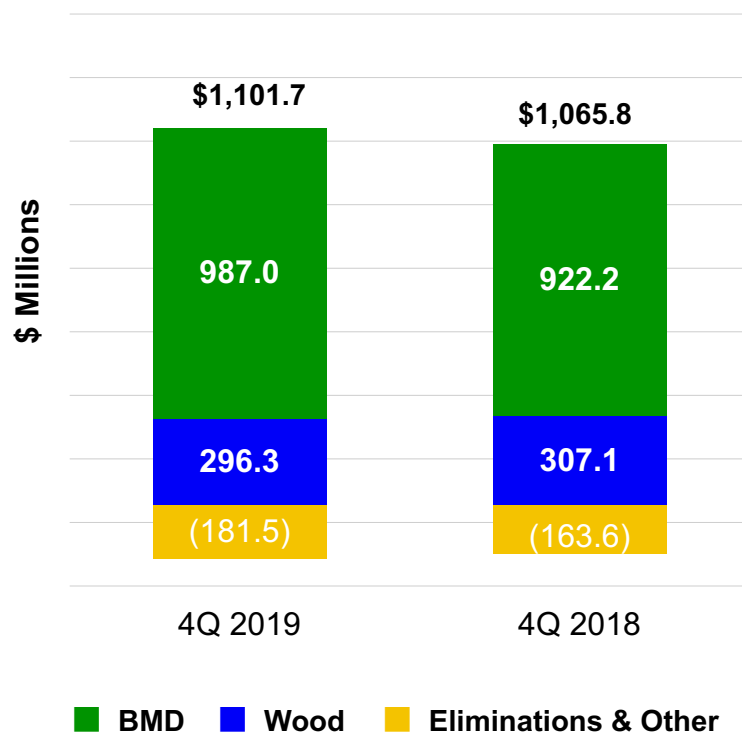
- ◆ This presentation includes statements about our expectations of future operational and financial performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The accuracy of such statements is subject to a number of risks, uncertainties, 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, 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 (loss) to EBITDA and Adjusted EBITDA and segment income (loss) to segment EBITDA are included as an appendix.

- ◆ 4Q19 sales were \$1.1 billion, up 3% from 4Q18.
- ◆ 4Q19 net income was \$14.6 million, or \$0.37 per share, compared to net loss of \$72.2 million, or \$1.85 per share, in 4Q18.
 - Prior year results included the following:
 - \$55.0 million and \$2.8 million of pre-tax accelerated depreciation and other closure related costs, respectively, or \$1.11 per share after-tax, due to permanent curtailment of LVL production at Roxboro facility
 - \$24.0 million of pre-tax impairment and sale-related losses, or \$0.46 per share after-tax, from sale of Moncure facility
- ◆ Wood Products reported 4Q19 segment income of \$8.1 million, compared to segment loss \$86.6 million in 4Q18.
 - Improved EWP volumes and prices, lower OSB and log costs, but lower plywood prices
 - Prior year accelerated depreciation and impairment and sale related losses discussed above
- ◆ BMD reported 4Q19 segment income of \$26.3 million, up from \$8.9 million in 4Q18.
 - Improved gross margins on commodity products

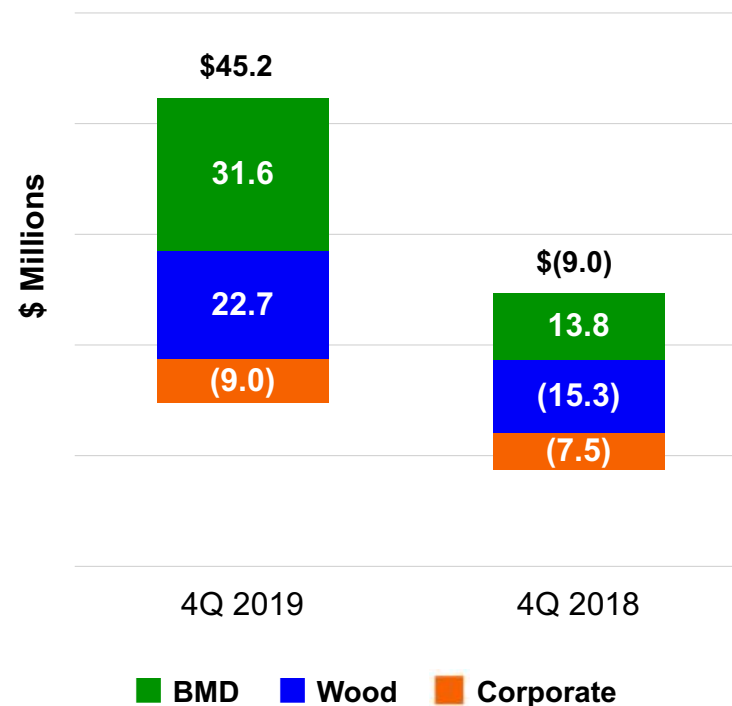
4Q 2019 Financial Highlights

Sales

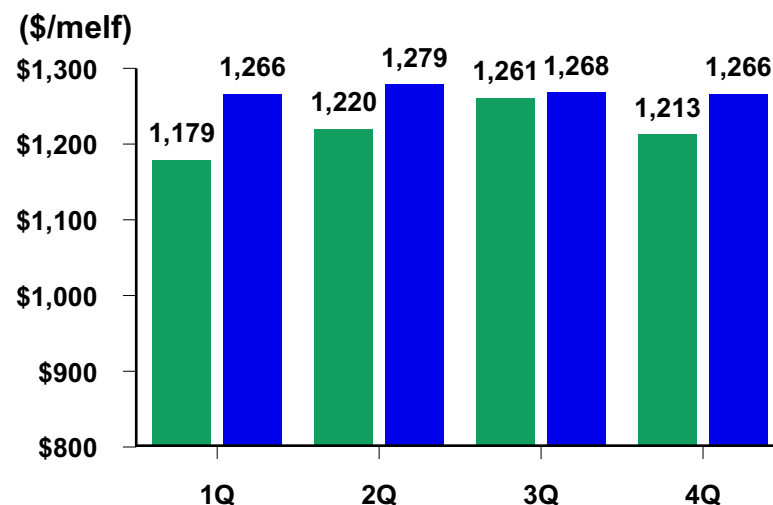
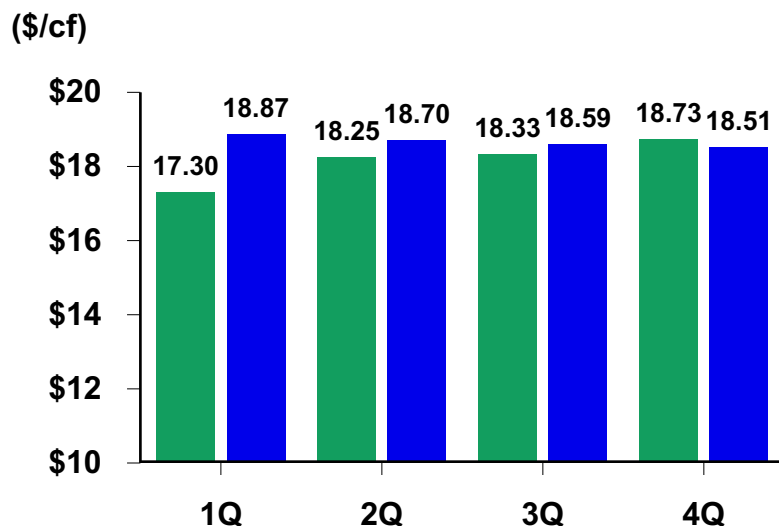
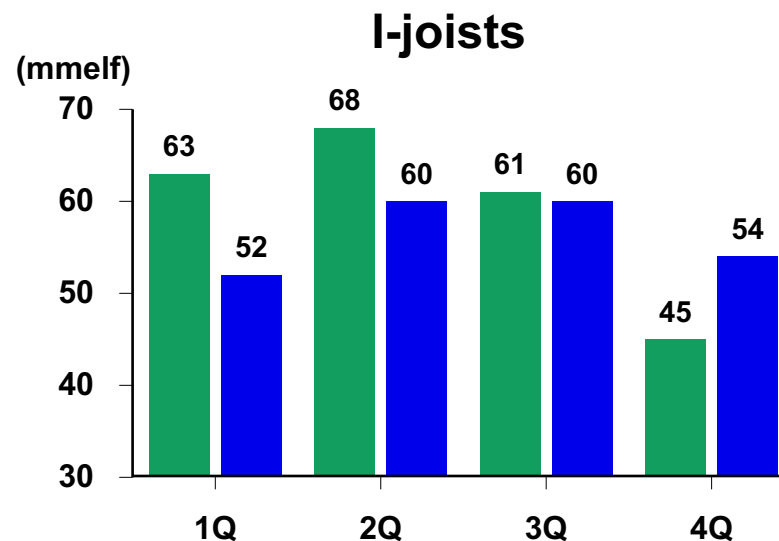
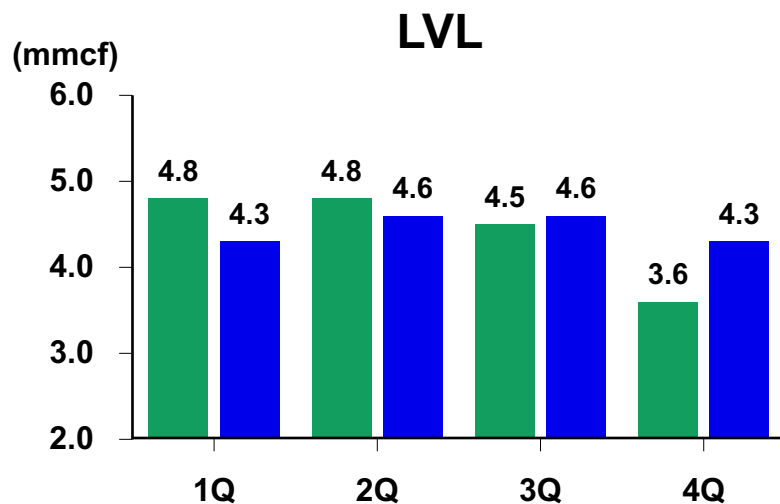
△ 3%



Adjusted EBITDA



Wood Products EWP

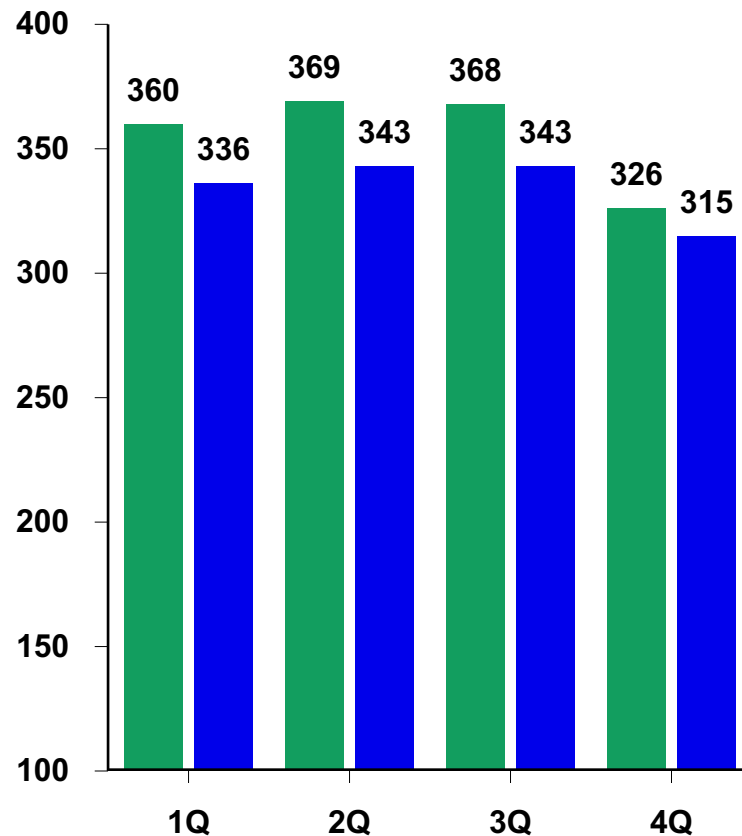


2018 2019

Wood Products Plywood

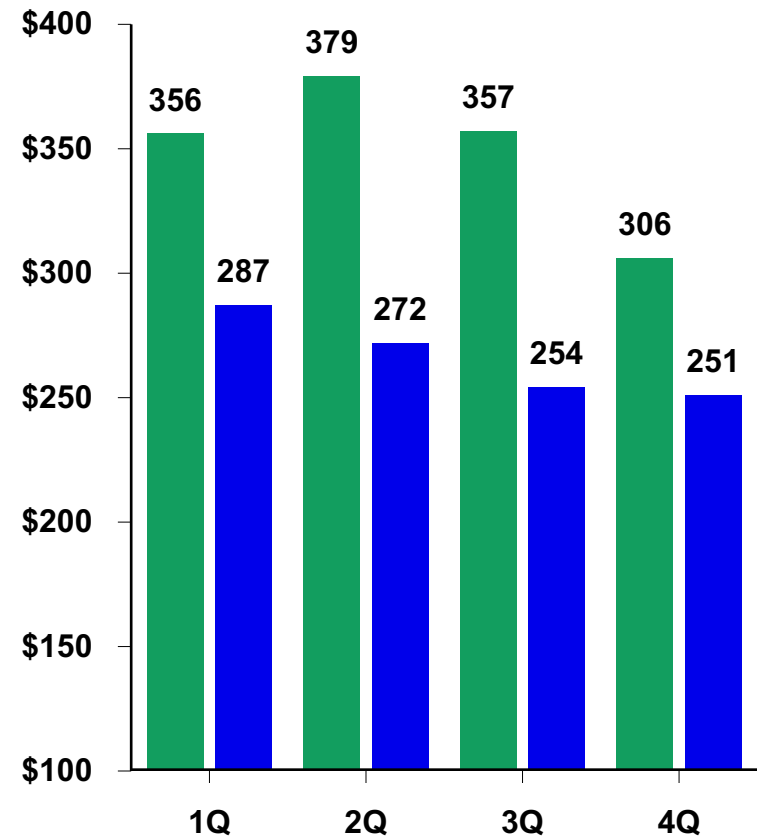
Sales Volume

(mmsf 3/8" basis)



Net Sales Price

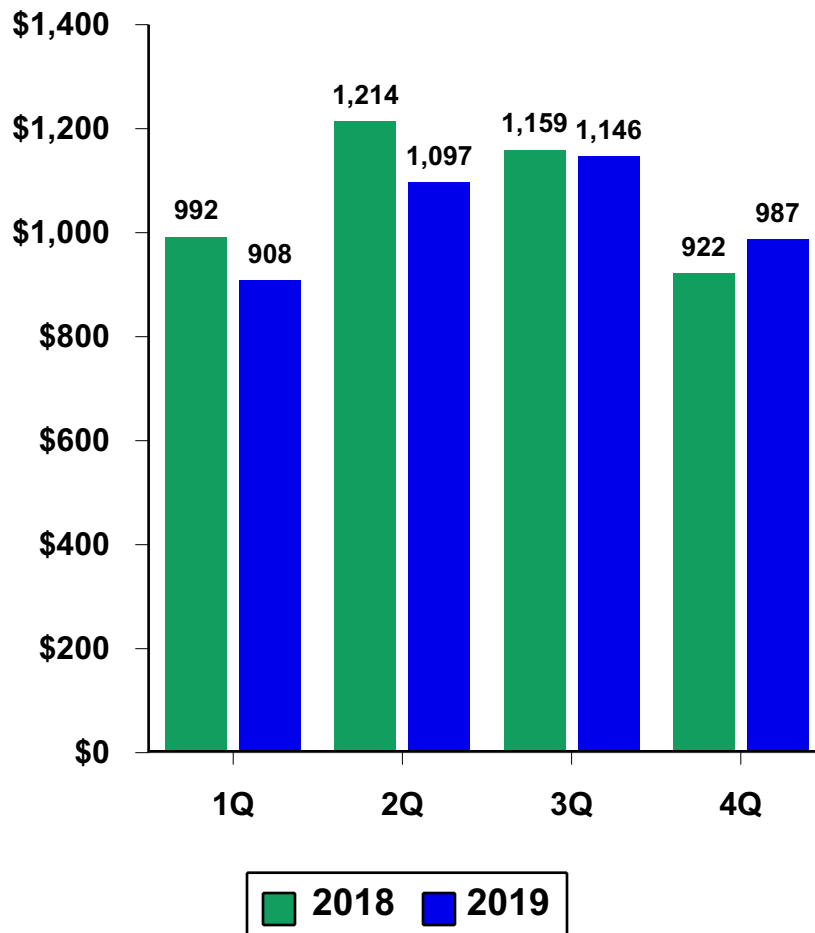
(\$/msf 3/8" basis)



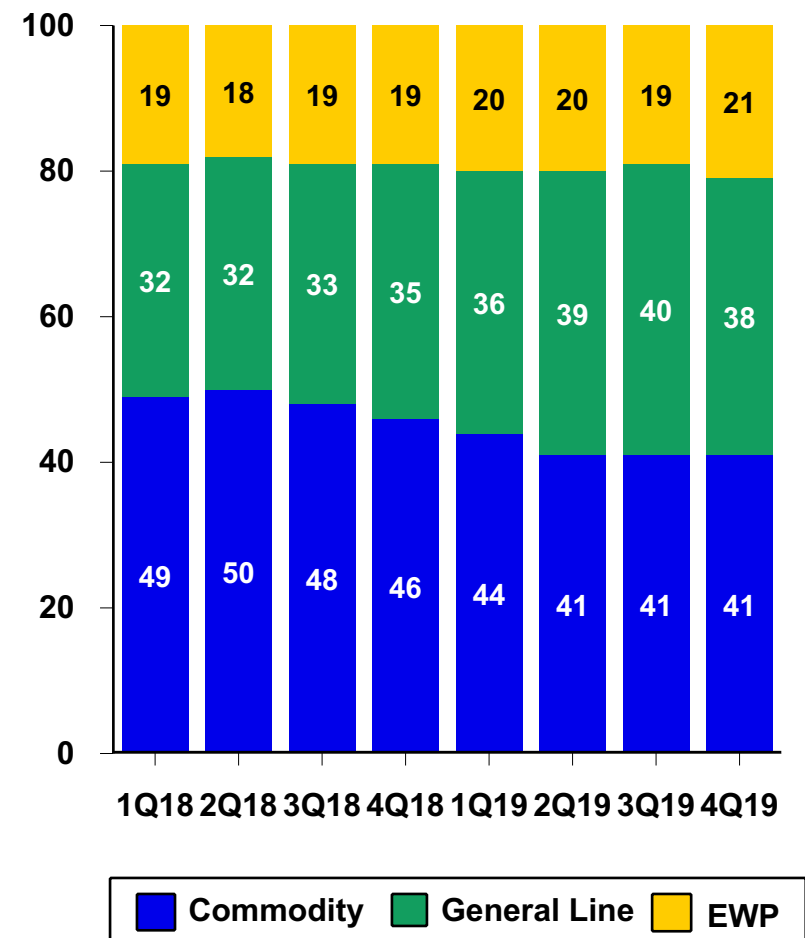
■ 2018 ■ 2019

Building Materials Distribution Sales

(\$ Millions)



(% of Sales)



Working Capital

(\$ Millions)	12/31/2019	9/30/2019	Change
Receivables	\$ 231.6	\$ 311.9	\$ (80.3)
Inventory	497.6	492.6	5.0
Other current assets ^(a)	7.7	13.5	(5.8)
	<u>737.0</u>	<u>818.1</u>	<u>(81.1)</u>
Accounts payable	224.6	289.1	(64.5)
Accrued liabilities ^(b)	153.7	153.9	(0.2)
	<u>378.3</u>	<u>443.0</u>	<u>(64.7)</u>
Net working capital	<u>\$ 358.7</u>	<u>\$ 375.1</u>	<u>\$ (16.4)</u>

(a) Excludes cash and tax related items.

(b) Excludes income taxes payable and interest payable.

Debt and Liquidity Highlights

(\$ Millions)	12/31/2019	9/30/2019
<u>Net Debt</u>		
Total debt	\$ 440.5	\$ 440.3
Cash & cash equivalents	(285.2)	(306.4)
Net debt	<u>\$ 155.3</u>	<u>\$ 133.8</u>
<u>Liquidity Position</u>		
Bank line excess availability	\$ 336.7	\$ 365.4
Cash & cash equivalents	285.2	306.4
Total liquidity	<u>\$ 621.9</u>	<u>\$ 671.8</u>



- ◆ Final 2019 U.S. housing starts were 1.29 million, up 3% from 1.25 million in 2018. Current consensus estimate for 2020 U.S. housing starts is 1.34 million, up 4% from 2019. Pace of housing recovery being constrained by a number of factors, including affordability and construction labor availability.
- ◆ Pursuing continued organic and acquisition-driven growth in BMD.
- ◆ Operational focus in Wood Products:
 - Upgrading log processing equipment at our Florien, Louisiana facility.
 - Optimizing veneer flows into EWP.
 - Driving operational changes to increase returns on invested capital.
- ◆ Plywood pricing challenging early in first quarter 2020, but improving.
- ◆ Retaining more cash than normal to support internal growth initiatives, potential acquisitions, and anticipated working capital needs in early 2020.



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Appendix

February 25, 2020

EBITDA represents income (loss) 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 (loss) to EBITDA and Adjusted EBITDA for the three months ended December 31, 2019 and 2018, and September 30, 2019:

(\$ Millions)	Three Months Ended		
	4Q19	4Q18	3Q19
Net income (loss)	\$ 14.6	\$ (72.2)	\$ 27.2
Interest expense	6.6	6.7	6.5
Interest income	(1.1)	(0.6)	(0.8)
Income tax provision (benefit)	4.7	(21.2)	9.7
Depreciation and amortization	20.5	76.5	21.0
EBITDA	\$ 45.4	\$ (10.9)	\$ 63.5
Change in fair value of interest rate swaps	(0.1)	1.9	0.6
Adjusted EBITDA	\$ 45.2	\$ (9.0)	\$ 64.1

The following table reconciles segment income (loss) to EBITDA for the three months ended December 31, 2019 and 2018, and September 30, 2019:

(\$ Millions)	Three Months Ended		
	4Q19	4Q18	3Q19
Wood Products			
Segment income (loss)	\$ 8.1	\$ (86.6)	\$ 15.6
Depreciation and amortization	14.6	71.3	15.3
Segment EBITDA	<u>\$ 22.7</u>	<u>\$ (15.3)</u>	<u>\$ 30.8</u>
Building Materials Distribution			
Segment income	\$ 26.3	\$ 8.9	\$ 38.7
Depreciation and amortization	5.3	4.9	5.3
Segment EBITDA	<u>\$ 31.6</u>	<u>\$ 13.8</u>	<u>\$ 43.9</u>