



Boise Cascade



Boise Cascade Company

Second Quarter 2014

Earnings Webcast

July 24, 2014



Forward-Looking Statements

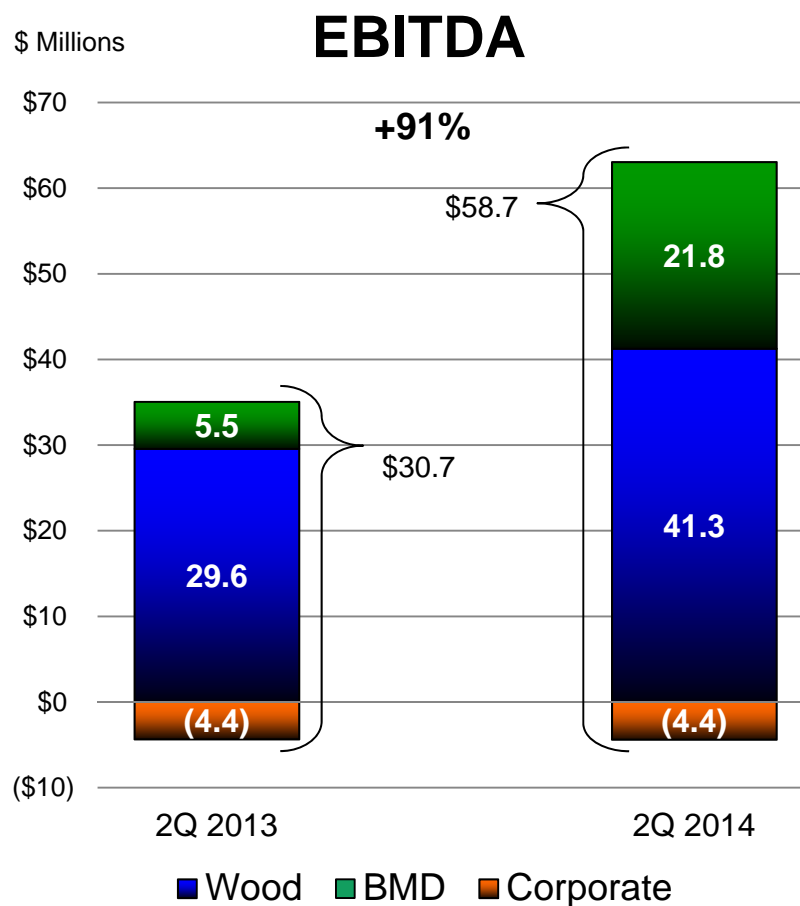
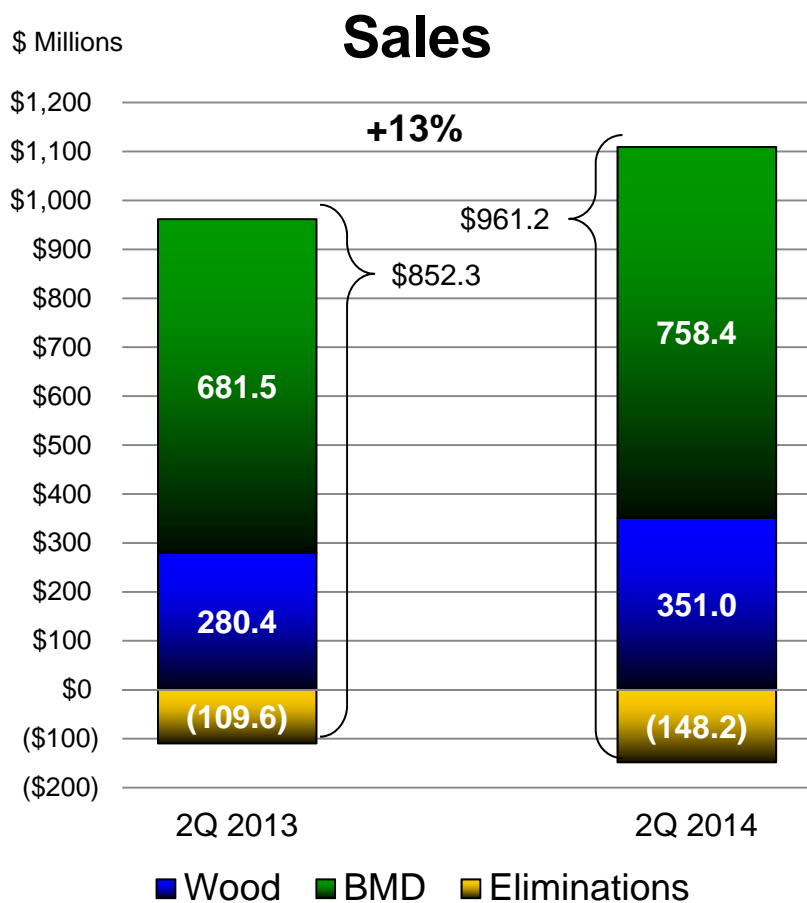
- ◆ This presentation includes statements about our expectations of future operational and financial performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The accuracy of such statements is subject to a number of risks, uncertainties, 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, which is a non-GAAP financial measure within the meaning of the Securities and Exchange Commission's Regulation G. Reconciliations of net income to EBITDA and segment income to segment EBITDA are included as an appendix and are posted on the company's website at www.bc.com.



- ◆ Second quarter activity was much better than first quarter. There may have been some recapture of business lost in first quarter due to weather.
- ◆ U.S. housing starts increased 12% from the same period last year.
- ◆ Second quarter sales were \$961.2 million, up 13% from the prior year quarter.
- ◆ Second quarter net income was \$26.4 million, or \$0.67 per share.
- ◆ Tone of business remains positive as we move into third quarter.
- ◆ Consensus U.S. housing starts estimate for 2014 is 1.04 million units. Expect recovery to continue in 2015 with consensus at 1.23 million units.



2Q 2014 Financial Highlights

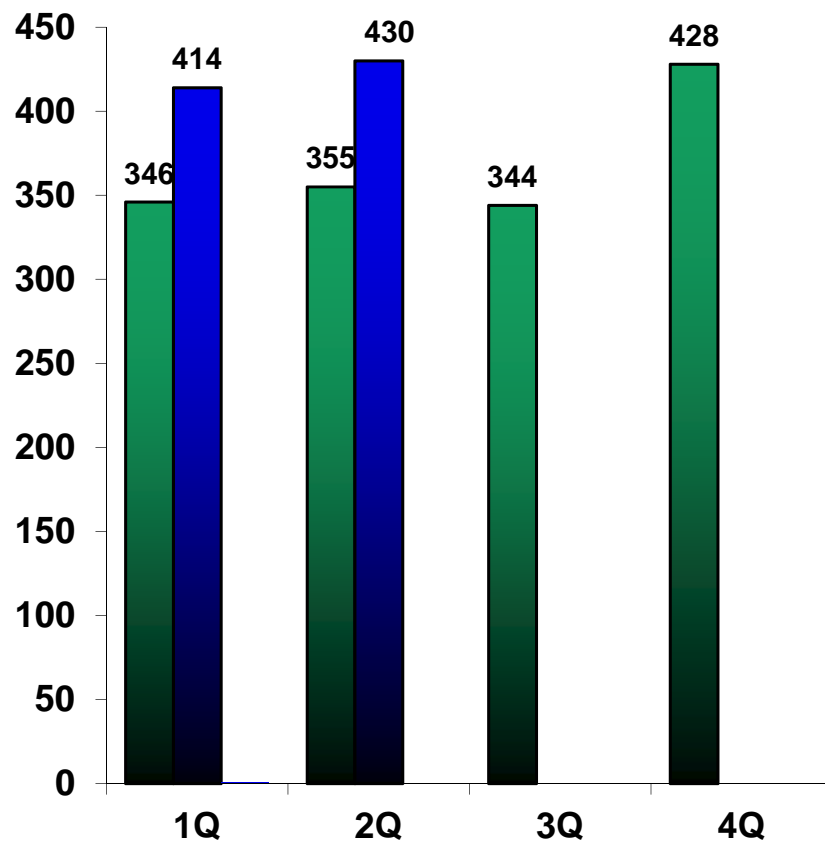




Wood Products Plywood

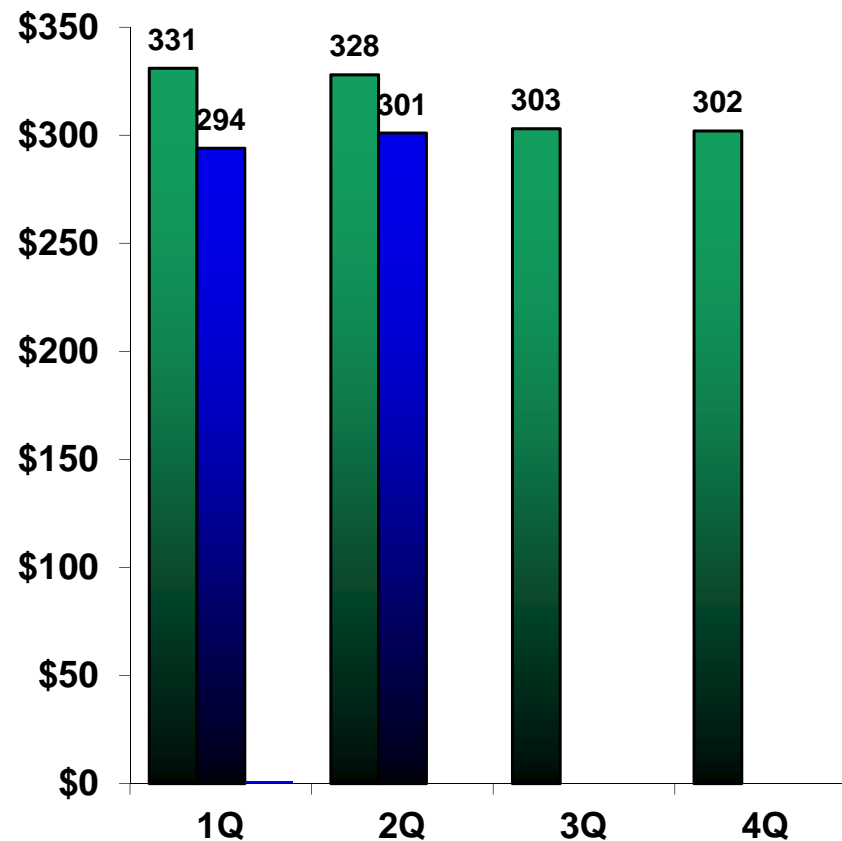
Sales Volume

(mmsf 3/8" basis)



Net Sales Price

(\$/msf 3/8" basis)

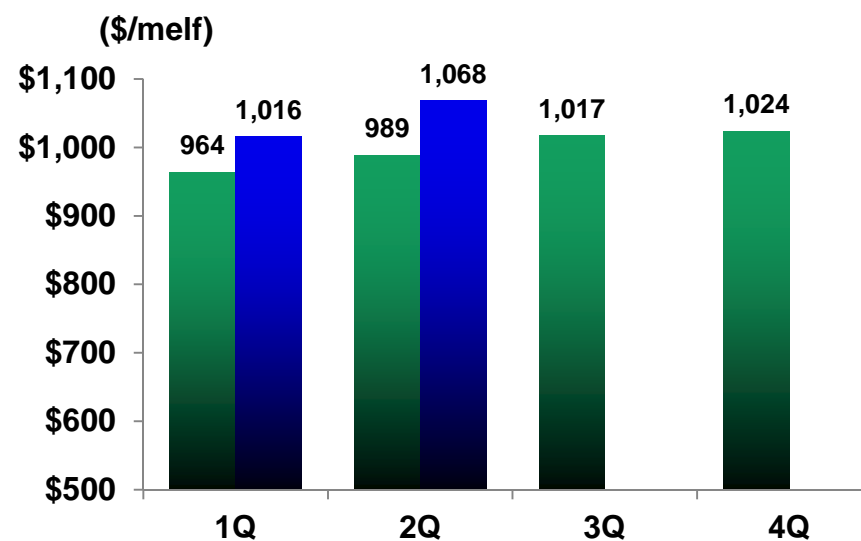
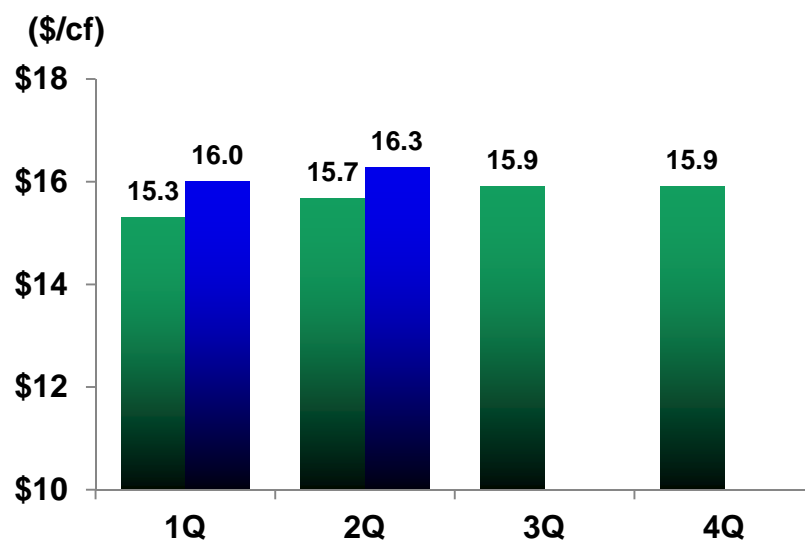
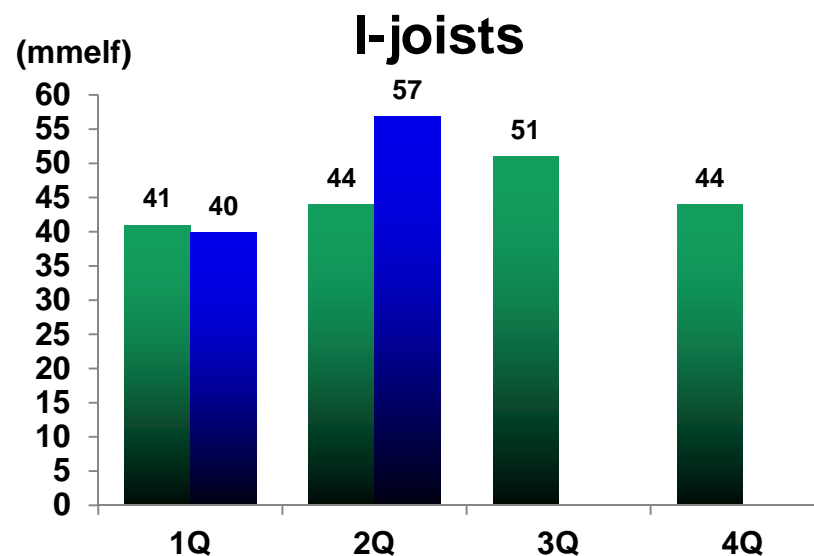
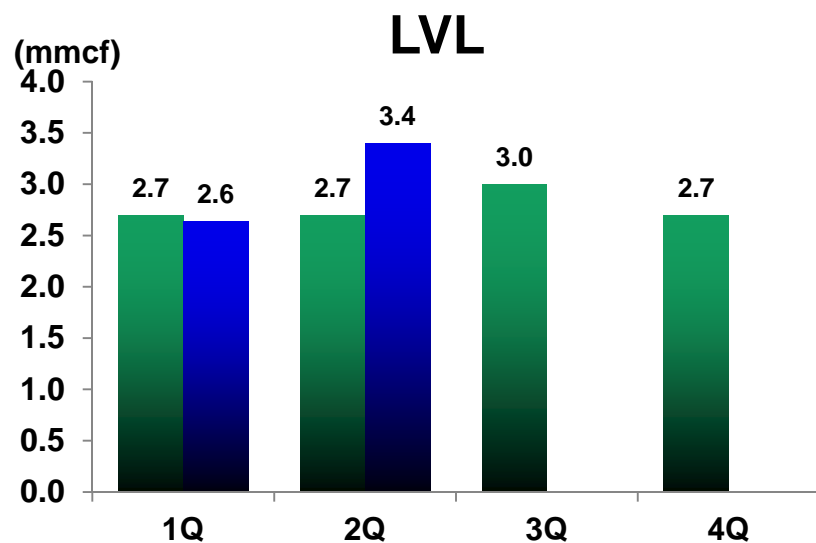


2013 2014



Boise Cascade

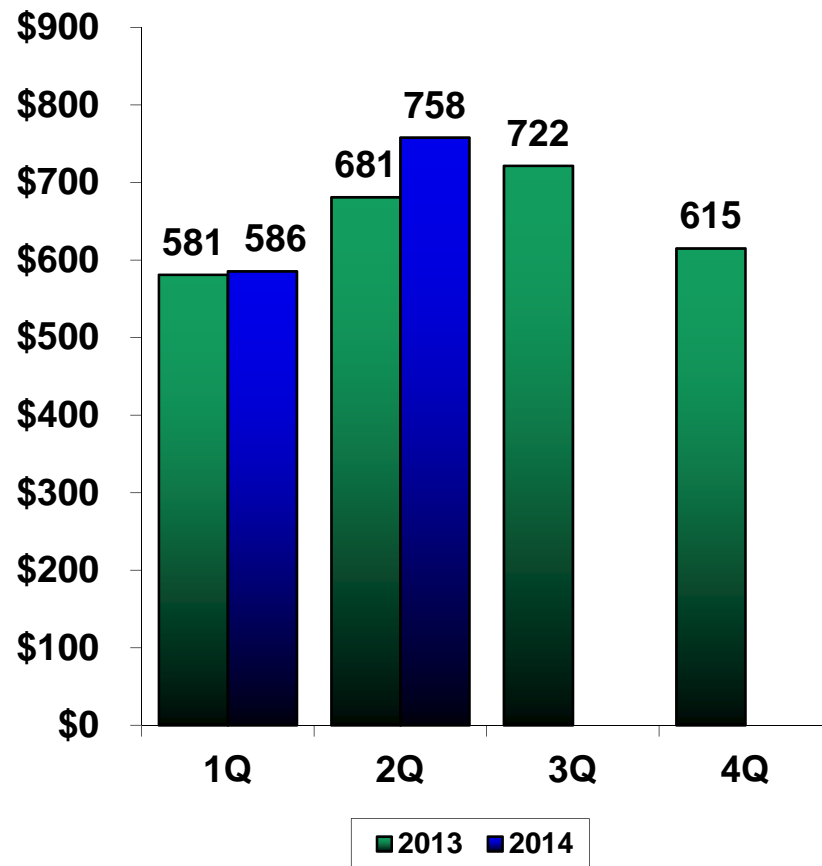
Wood Products EWP



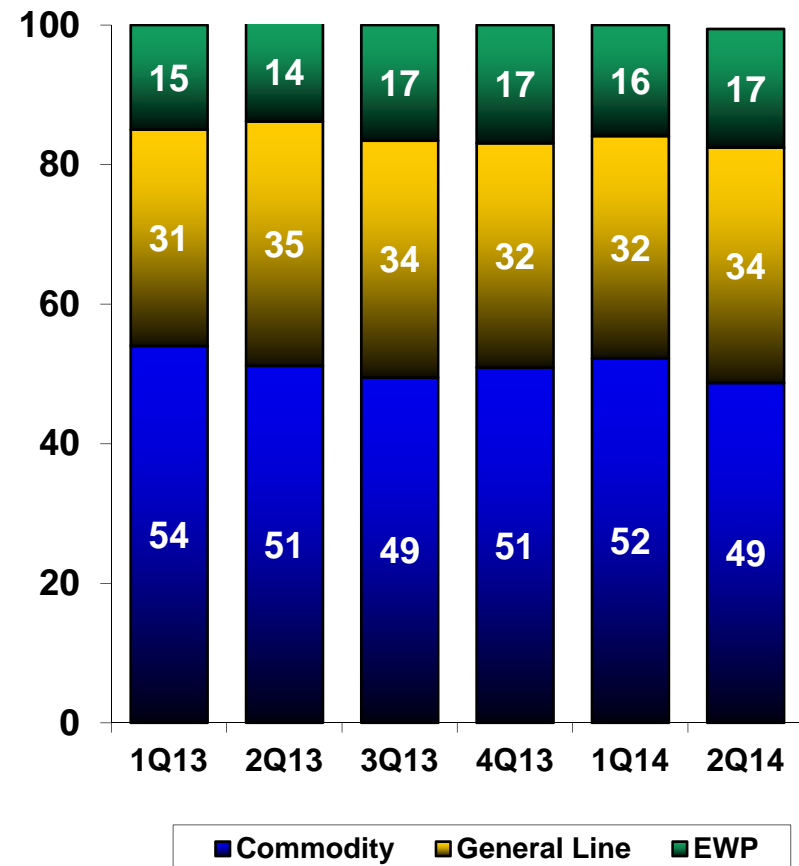


Building Materials Distribution Sales

(\$ Millions)



(% of Sales)





Balance Sheet Items

(\$ Millions)	<u>6/30/2014</u>	<u>3/31/2014</u>	<u>Change</u>
Receivables	\$ 226.0	\$ 206.8	\$ 19.2
Inventory	410.6	421.1	(10.5)
Other current assets*	8.7	9.7	(1.0)
	<u>645.3</u>	<u>637.5</u>	<u>7.8</u>
Accounts payable	206.7	199.6	7.1
Accrued liabilities	100.0	86.6	13.4
	<u>306.7</u>	<u>286.2</u>	<u>20.5</u>
Net working capital*	<u>\$ 338.6</u>	<u>\$ 351.3</u>	<u>\$ (12.7)</u>

*Excludes cash and deferred taxes



Debt and Liquidity Highlights

(\$ Millions)

6/30/20143/31/2014Net Debt

Long-term debt

\$ 301.5

\$ 301.6

Cash & cash equivalents

(129.9)

(86.0)

Net debt

\$ 171.6

\$ 215.6

Liquidity Position

ABL excess availability

\$ 342.0

\$ 341.3

Cash & cash equivalents

129.9

86.0

Total liquidity

\$ 471.9

\$ 427.3



- ◆ The current consensus estimate for 2014 U.S. housing starts is 1.04 million, up about 12% from 925,000 in 2013.
- ◆ We believe the long-term demand fundamentals for housing are still sound based on demographics in the U.S. and expect housing starts to return to 1.4 to 1.5 million starts over the next few years.
- ◆ We are focused on meeting our customers' needs as demand continues to strengthen.
- ◆ We expect our business to continue to demonstrate year-over-year improvement in the second half of 2014:
 - Full year benefit of acquisition of plywood operations we completed September 30, 2013
 - Growth in EWP sales as single-family new residential construction further improves
 - Growth in Building Materials Distribution revenues and earnings with increased new construction and repair-and-remodel activity



Boise Cascade



Appendix

July 24, 2014



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, 2014 and 2013:

(\$ Millions)	2Q14	2Q13
Net income	\$ 26.4	\$ 10.4
Interest expense	5.5	4.8
Interest income	(0.1)	(0.1)
Income tax provision	14.3	6.8
Depreciation and amortization	12.5	8.8
EBITDA	<u>\$ 58.7</u>	<u>\$ 30.7</u>

Segment EBITDA represents segment income before depreciation and amortization. The following table reconciles segment income to EBITDA for the three months ended June 30, 2014 and 2013:

(\$ Millions)	<u>2Q14</u>	<u>2Q13</u>
Wood Products		
Segment income	\$ 31.2	\$ 23.0
Depreciation and amortization	<u>10.0</u>	<u>6.5</u>
Segment EBITDA	<u><u>\$ 41.3</u></u>	<u><u>\$ 29.6</u></u>
Building Materials Distribution		
Segment income	\$ 19.4	\$ 3.3
Depreciation and amortization	<u>2.4</u>	<u>2.2</u>
Segment EBITDA	<u><u>\$ 21.8</u></u>	<u><u>\$ 5.5</u></u>