



Boise Cascade®



Boise Cascade Company

Third Quarter 2023 Earnings Webcast

October 31, 2023

Forward-Looking Statements



Boise Cascade®

- ◆ 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, our ability to efficiently and effectively integrate the BROSCO acquisition, 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.

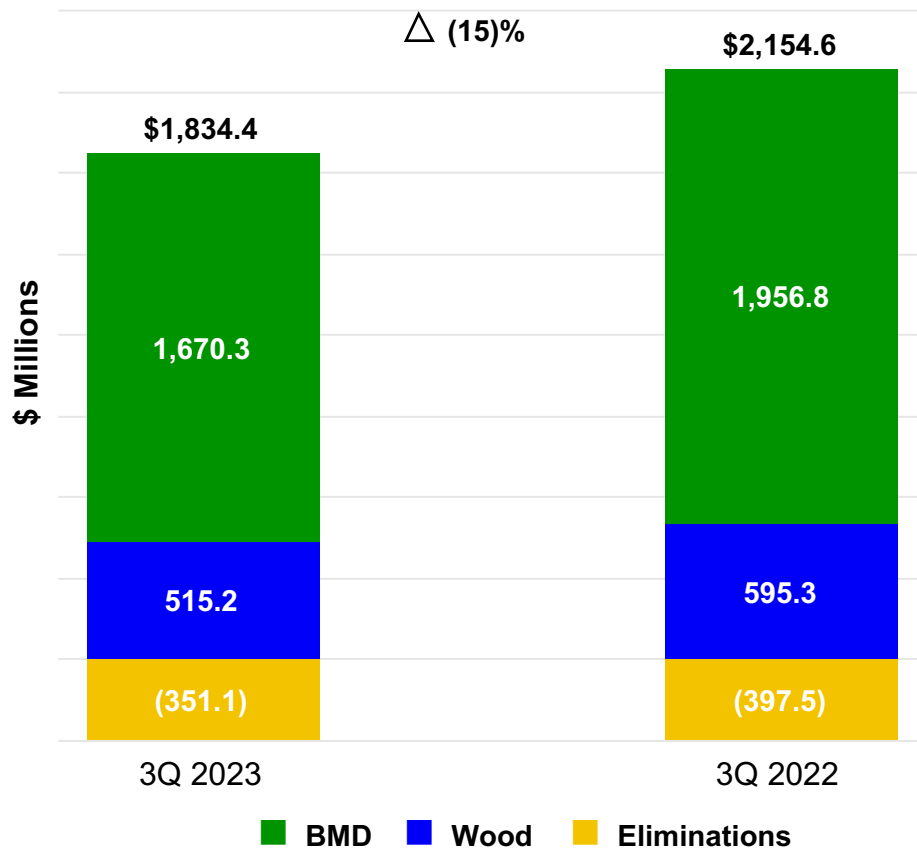
- ◆ Solid operating and financial performance
 - Good execution in both businesses
 - Resilient economy in rising rate environment
 - Stronger than anticipated new residential construction activity

- ◆ Consolidated Results
 - 3Q23 sales were \$1.8 billion, down 15% from 3Q22
 - 3Q23 net income was \$143.1 million, or \$3.58 per share, compared to net income of \$219.6 million, or \$5.52 per share, in 3Q22

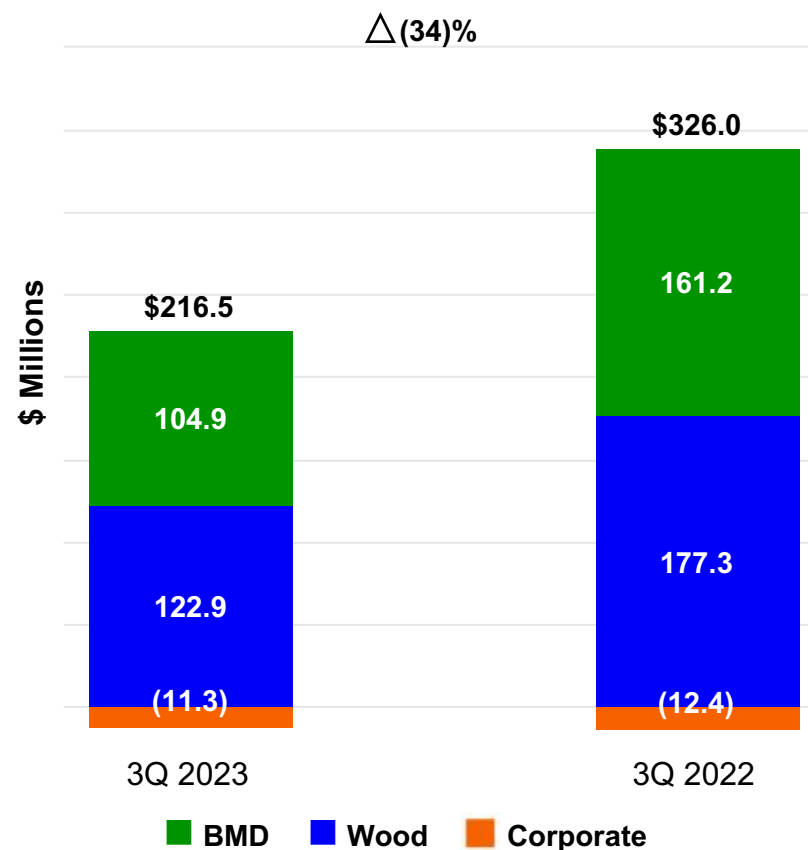
- ◆ Completed acquisition of BROSCO on October 2nd

3Q 2023 Financial Highlights

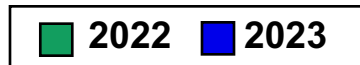
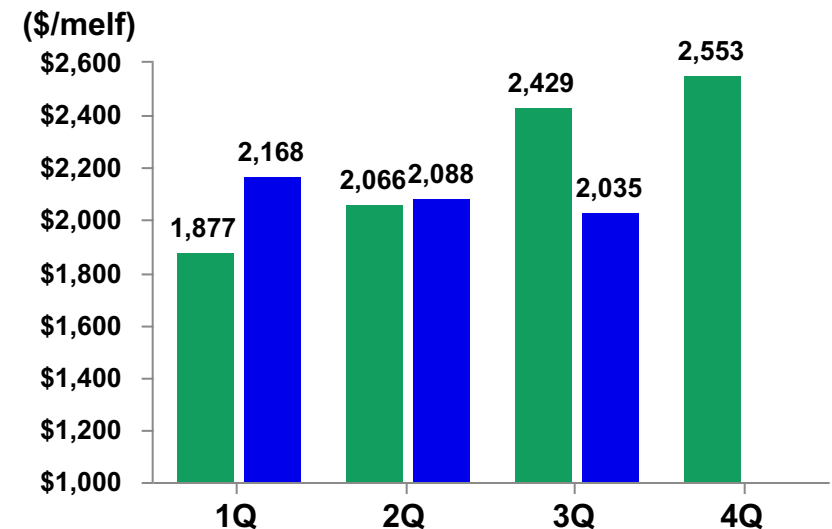
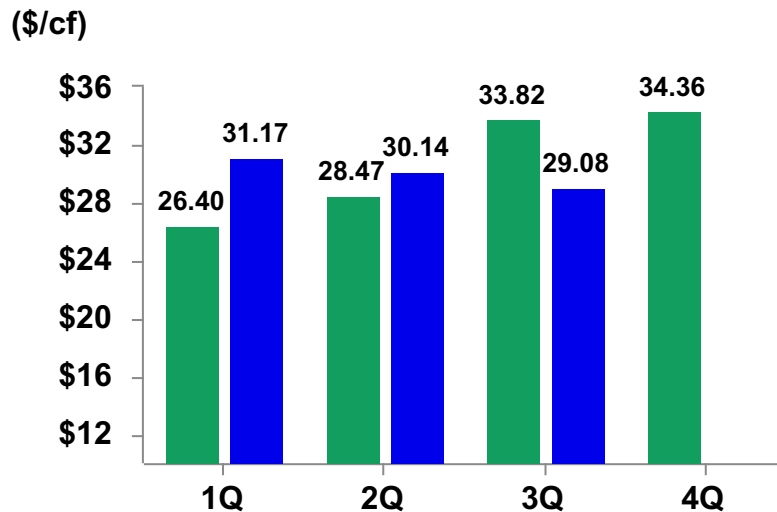
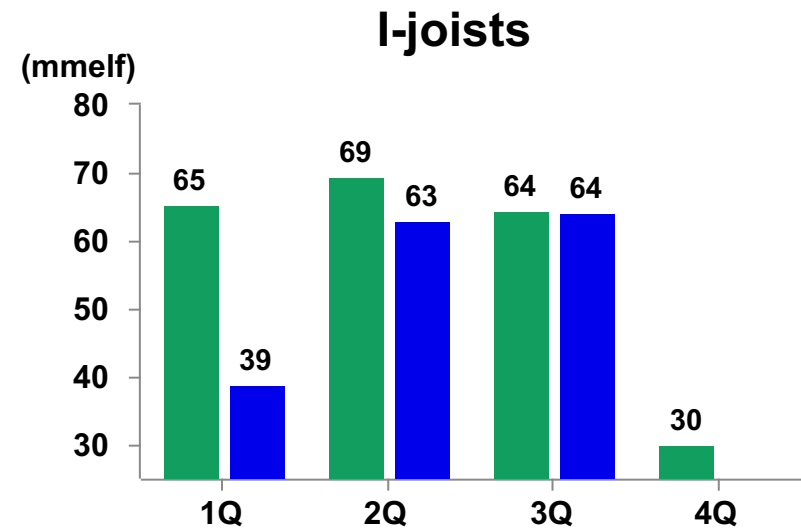
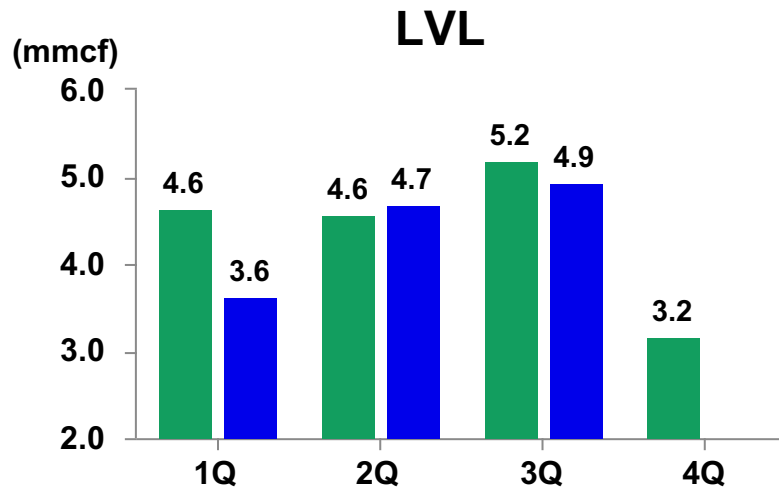
Sales



Adjusted EBITDA



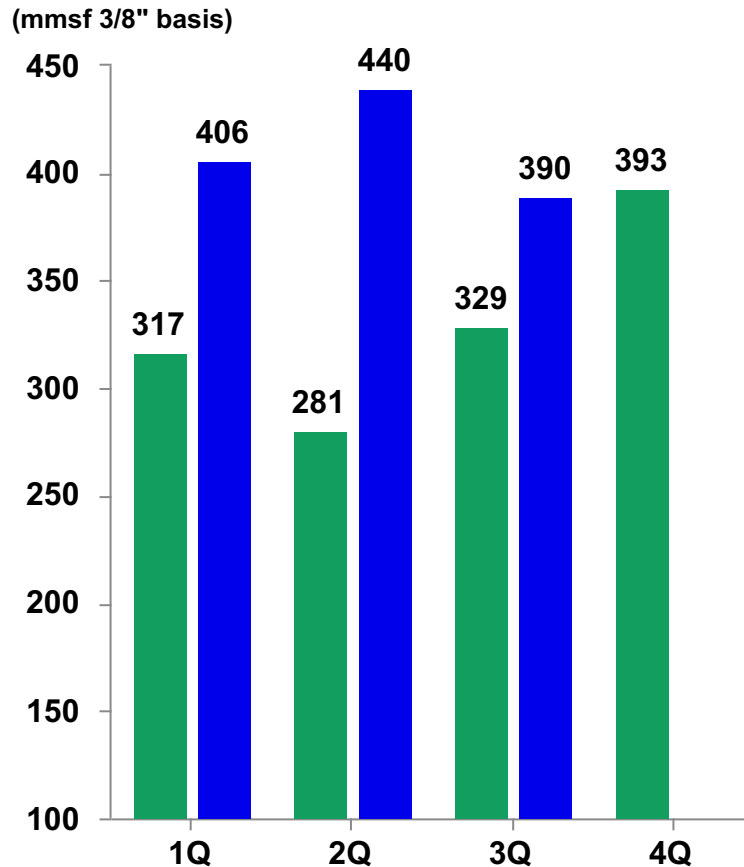
Wood Products EWP



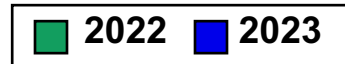
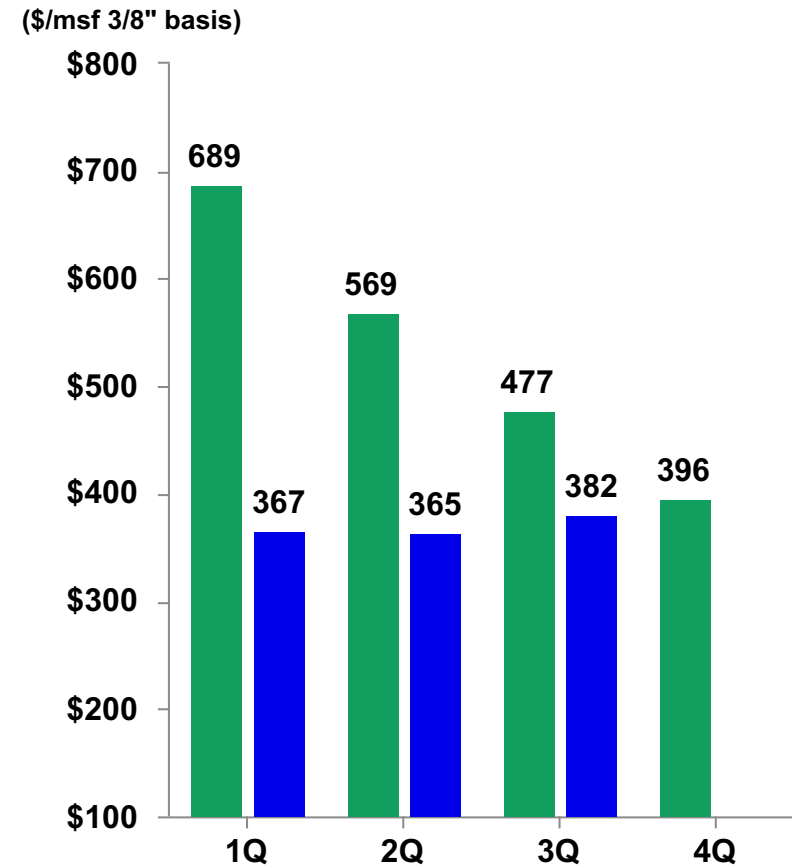
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Wood Products Plywood

Sales Volume

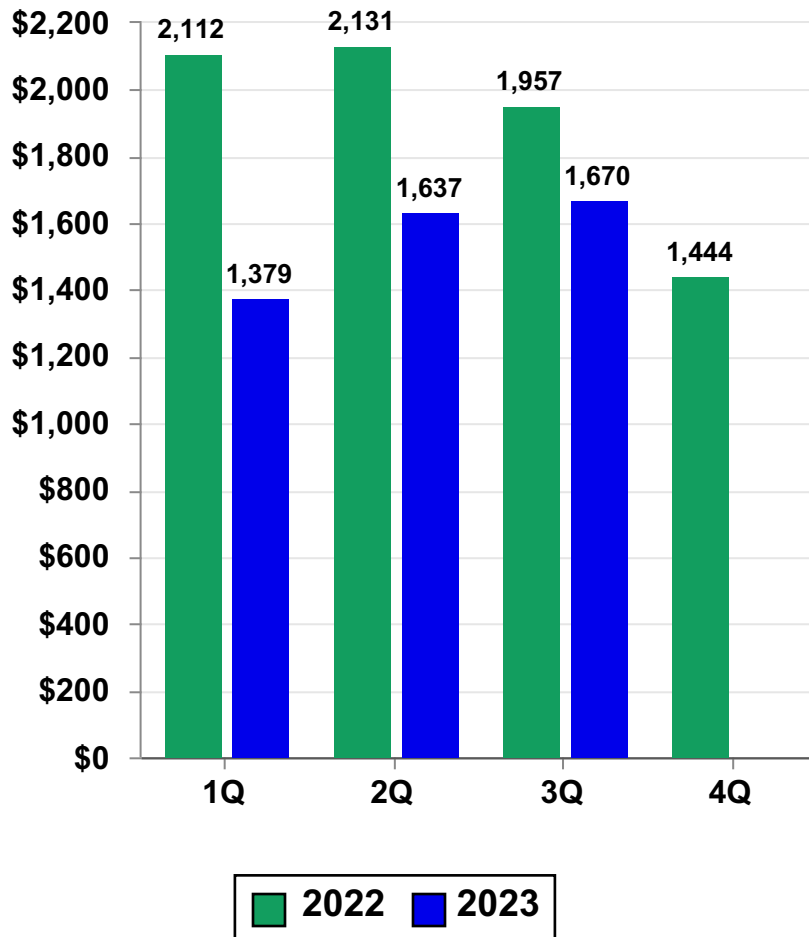


Net Sales Price

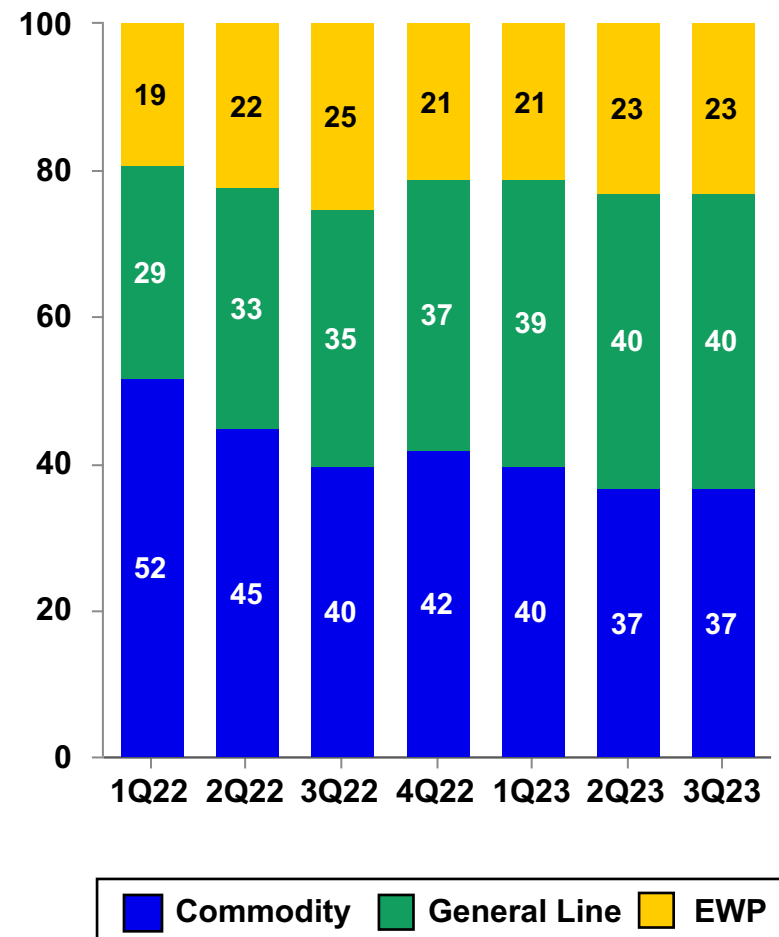


Building Materials Distribution Sales

(\$ Millions)

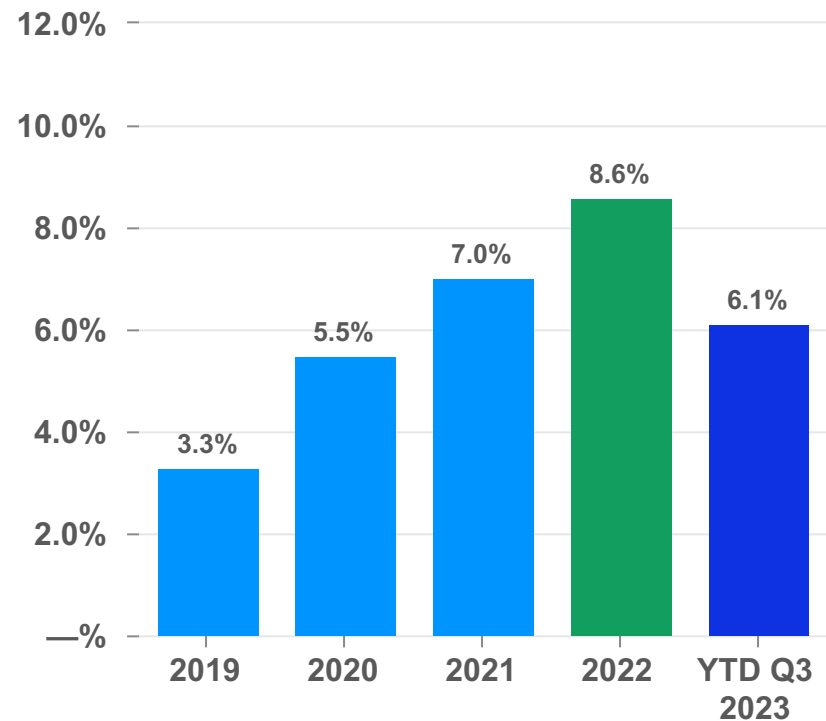
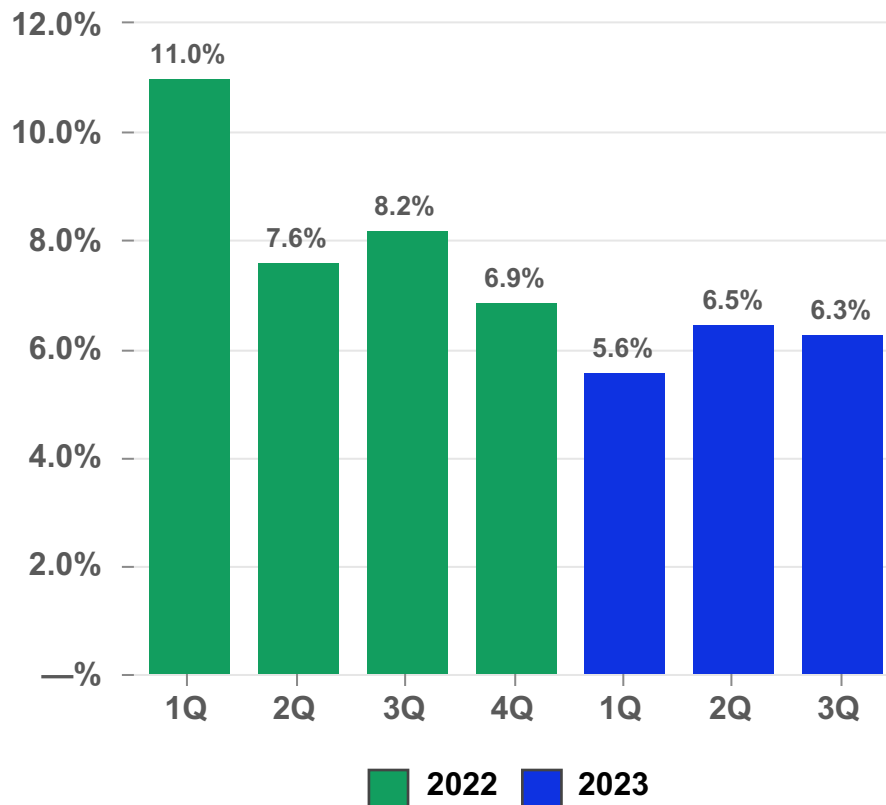


(% of Sales)

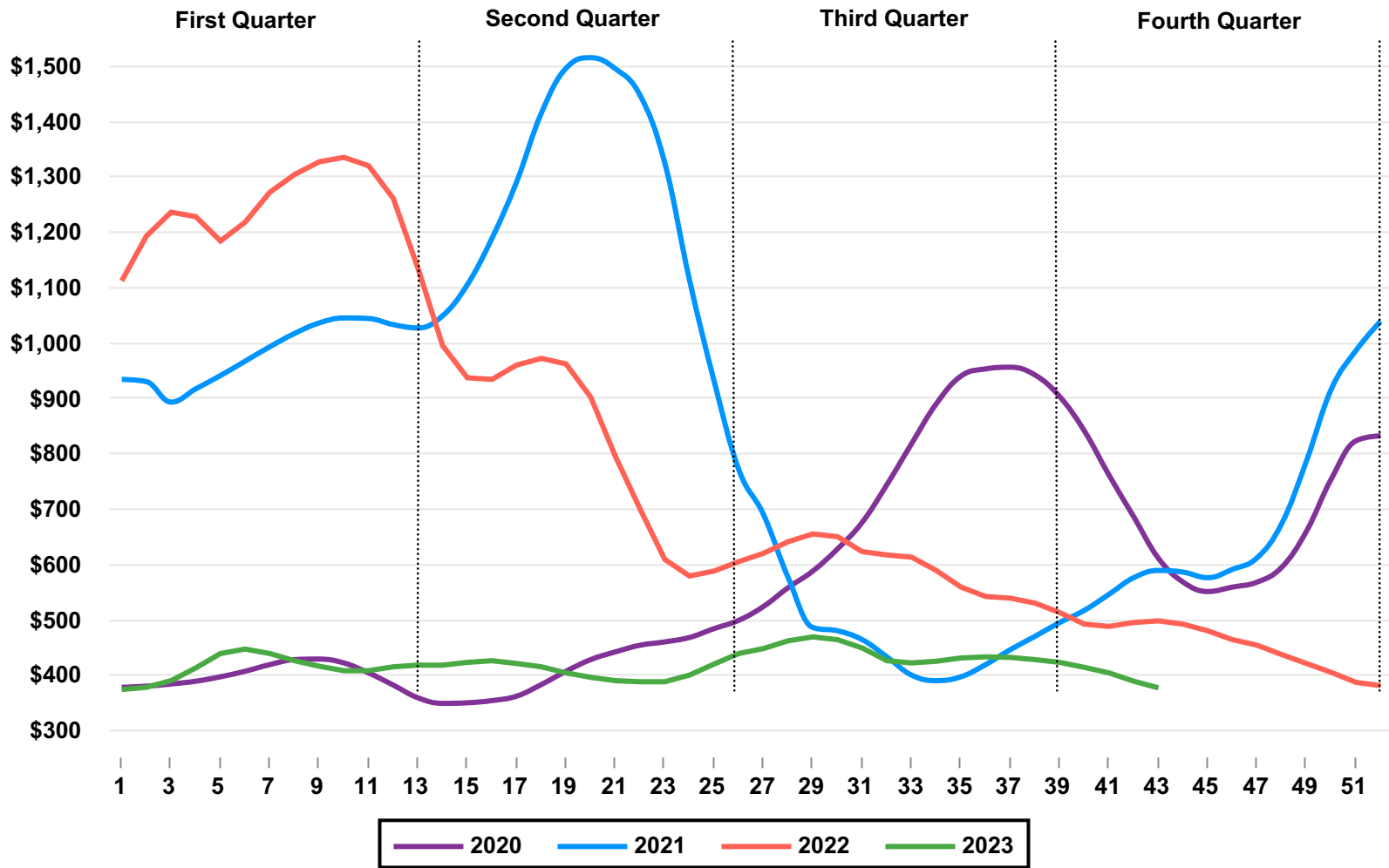


Building Materials Distribution EBITDA

(EBITDA % of sales)

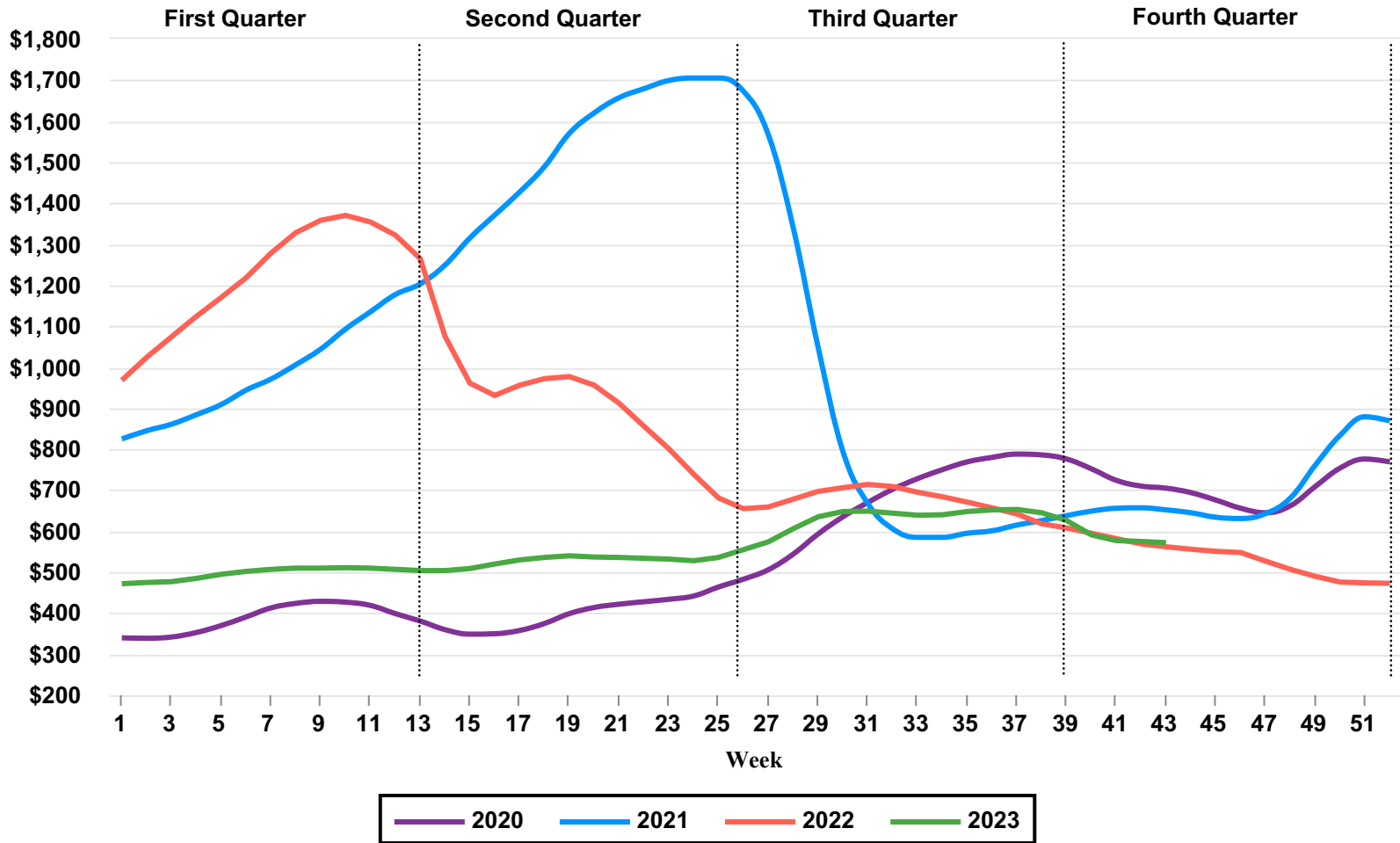


Lumber Composite Price



Source: Random Lengths

Panel Composite Price



Source: Random Lengths

◆ Capital Expenditures

- \$99 million YTD Sept 2023
 - Wood - \$31 million
 - BMD - \$68 million
- \$190 million - \$210 million planned for 2023
 - Wood - \$65 million - \$70 million
 - BMD - \$125 million - \$140 million

◆ Shareholder Returns

- \$141 million in dividends paid YTD Sept 2023
- Board authorization of 4Q quarterly dividend of \$0.20 per share and special dividend of \$5.00 per share
- Estimate full year 2023 dividends paid to be approximately \$347 million
- 2.0 million shares available for repurchase under share repurchase program

Brockway-Smith (BROSCO) Acquisition



- ◆ On October 2, 2023, closed on previously announced acquisition of Brockway-Smith Company (BROSCO), a leading wholesale distributor specializing in doors and millwork, for \$168 million, inclusive of working capital of \$51 million, which is subject to post-closing adjustments.
- ◆ Funded the transaction and closing-related expenses from existing cash on hand.
- ◆ Two full-scale distribution centers in Hatfield, MA and Portland, ME. All BROSCO operating assets and real estate were included in the purchase price.
- ◆ LTM September revenue and EBITDA of approximately \$191 million and \$19 million, respectively.
- ◆ In addition to distributing interior and exterior doors, BROSCO also offers mouldings, railings, windows, stair parts and composite products across the Northeast region.
- ◆ Strategic Rationale:
 - Tuck-in acquisition clearly aligned with growth strategy
 - Further expands millwork capabilities into the Northeast U.S.
 - Enhances BMD's general line product mix

- ◆ Current estimates for 2023 housing starts are 1.4 million units, compared with actual starts of 1.55 million in 2022.
 - 2024 forecasts range from 1.3 million to 1.4 million units
 - Economic uncertainties, escalating mortgage rates, and home affordability will influence near-term demand
- ◆ Moderation of year-over-year growth in renovation spending.
- ◆ Focus on strategy and execution on growth initiatives.
- ◆ Expect fourth quarter 2023 results to be impacted by seasonally slower demand and modest EWP price erosion.



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Appendix

October 31, 2023

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 September 30, 2023 and 2022, and June 30, 2023:

(\$ Millions)	Three Months Ended		
	3Q23	3Q22	2Q23
Net income	\$ 143.1	\$ 219.6	\$ 146.3
Interest expense	6.4	6.4	6.3
Interest income	(13.8)	(3.2)	(11.5)
Income tax provision	49.0	76.0	49.4
Depreciation and amortization	31.5	28.4	30.7
EBITDA	\$ 216.1	\$ 327.2	\$ 221.3
Change in fair value of interest rate swaps	0.3	(1.1)	(0.3)
Adjusted EBITDA	<u>\$ 216.5</u>	<u>\$ 326.0</u>	<u>\$ 221.0</u>

The following table reconciles segment income to EBITDA for the three months ended September 30, 2023 and 2022, and June 30, 2023:

(\$ Millions)	Three Months Ended		
	3Q23	3Q22	2Q23
Wood Products			
Segment income	\$ 99.6	\$ 156.0	\$ 104.0
Depreciation and amortization	23.4	21.3	23.0
Segment EBITDA	<u>\$ 122.9</u>	<u>\$ 177.3</u>	<u>\$ 127.0</u>
Building Materials Distribution			
Segment income	\$ 97.1	\$ 154.4	\$ 98.6
Depreciation and amortization	7.8	6.8	7.4
Segment EBITDA	<u>\$ 104.9</u>	<u>\$ 161.2</u>	<u>\$ 105.9</u>