



Boise Cascade



Boise Cascade Company

First Quarter 2015 Earnings Webcast

April 23, 2015



Forward-Looking Statements

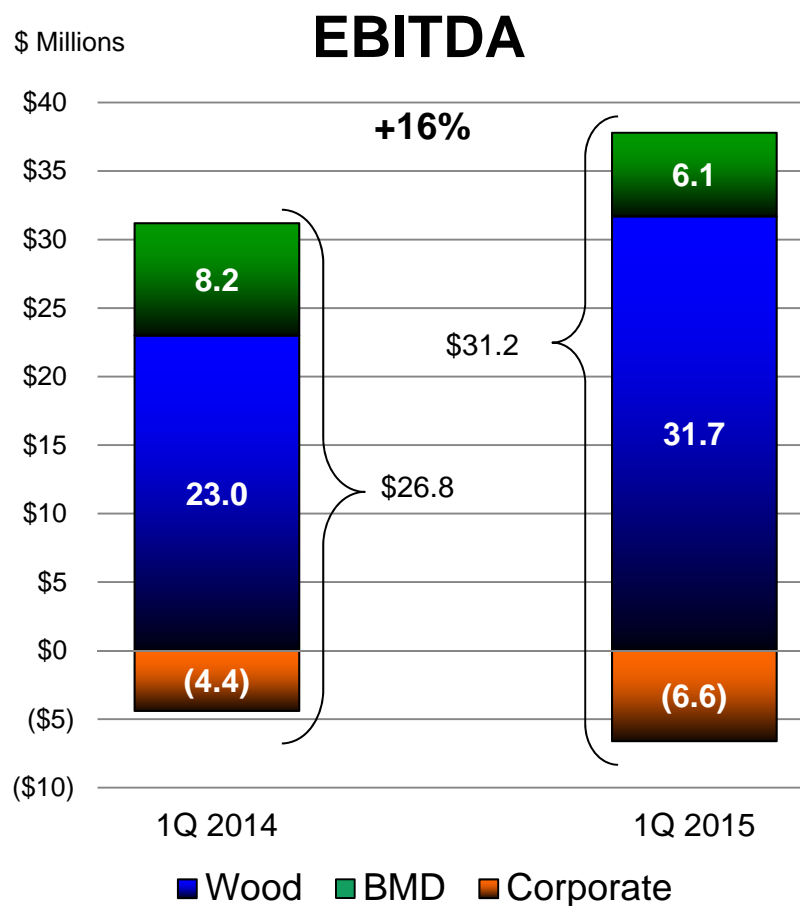
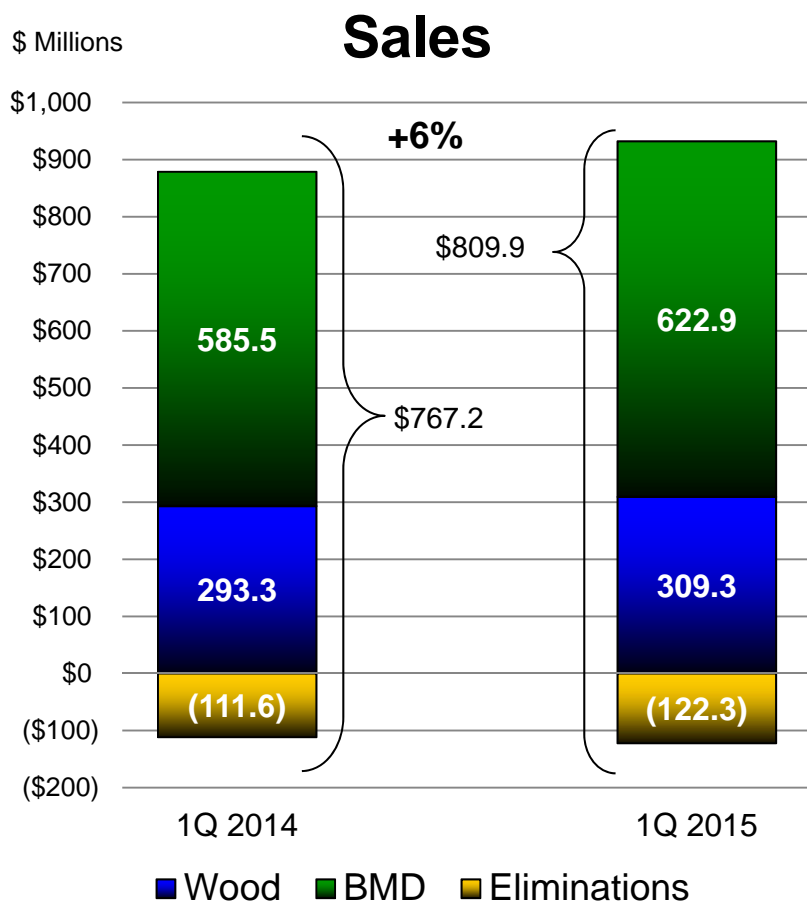
- ◆ This presentation includes statements about our expectations of future operational and financial performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The accuracy of such statements is subject to a number of risks, uncertainties, 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.



- ◆ Consensus housing start forecast for 2015 has fallen to 1.14 million. Now closer to our 1.1 million expectation.
- ◆ First quarter sales were \$809.9 million, up 6% from 1Q14.
- ◆ First quarter net income was \$7.6 million, or \$0.19 per share, up 37% from 1Q14 net income of \$5.6 million, or \$0.14 per share.
- ◆ Wood Products results in line with our expectations:
 - Plywood pricing up from 1Q14 and in line with full year 2014 average.
 - EWP volumes and prices continue on positive trajectory.
- ◆ BMD results modestly below earlier expectations with weaker commodity pricing.
- ◆ Remain optimistic 2015 will show another uptick in new residential construction.



1Q 2015 Financial Highlights

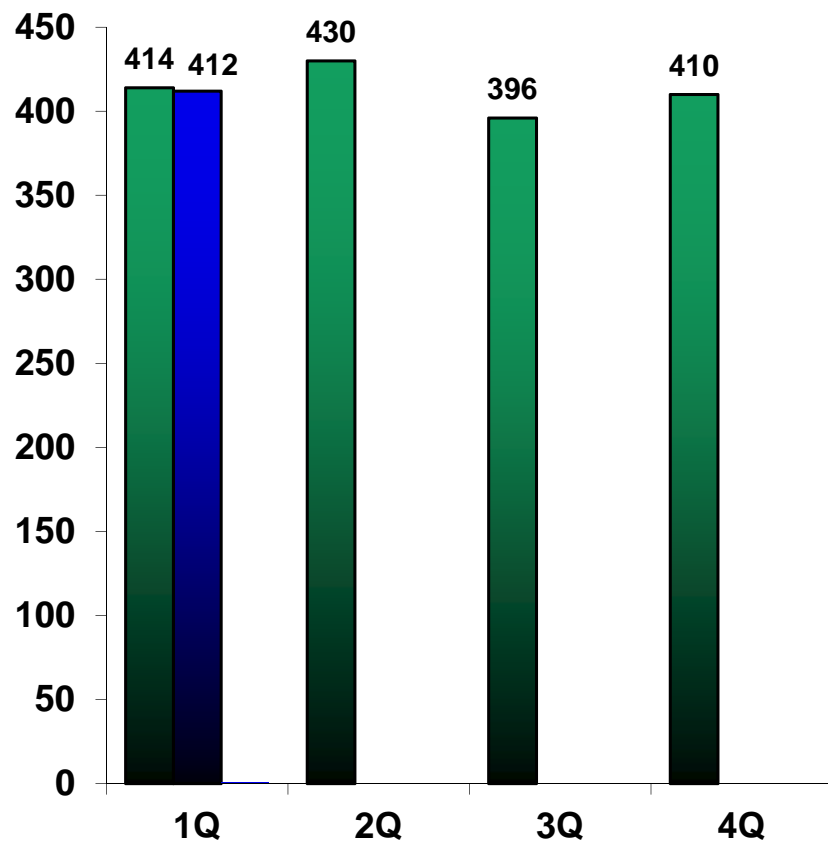




Wood Products Plywood

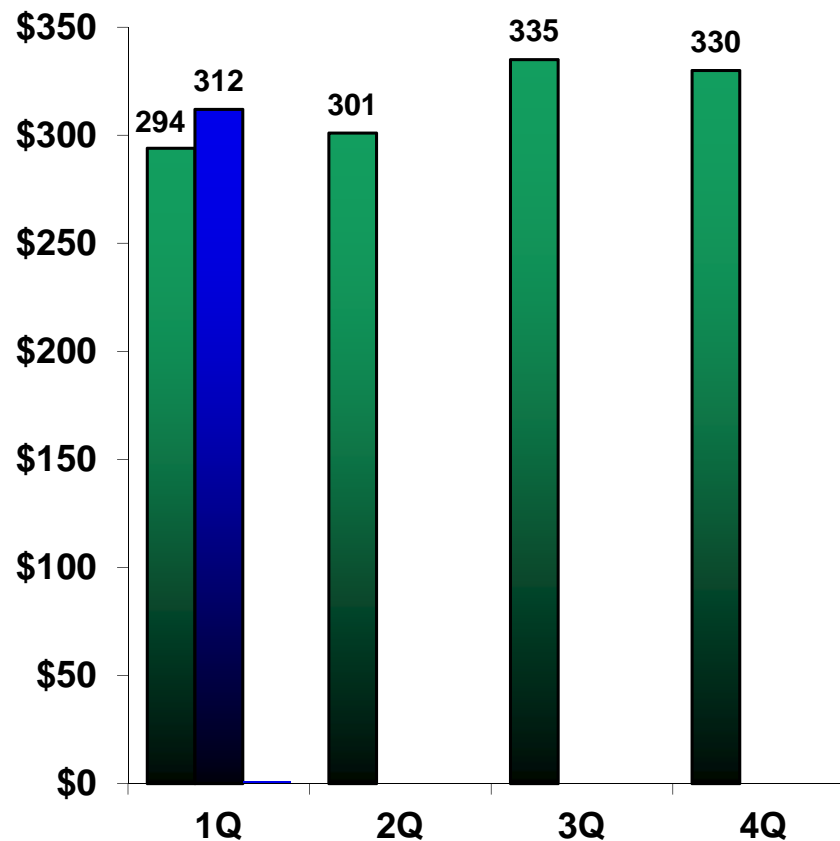
Sales Volume

(mmsf 3/8" basis)



Net Sales Price

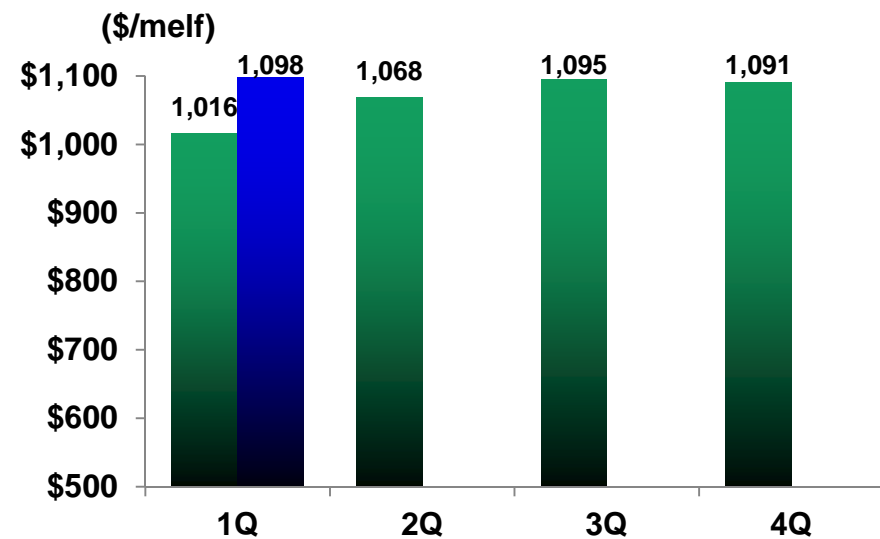
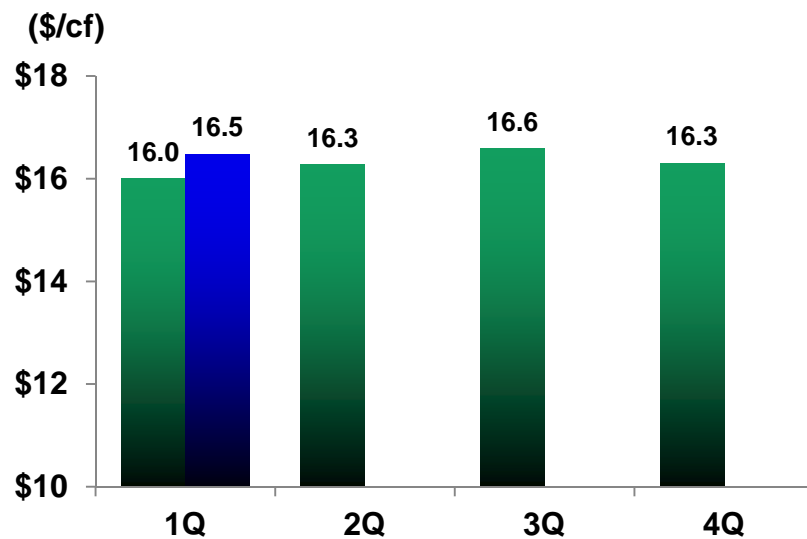
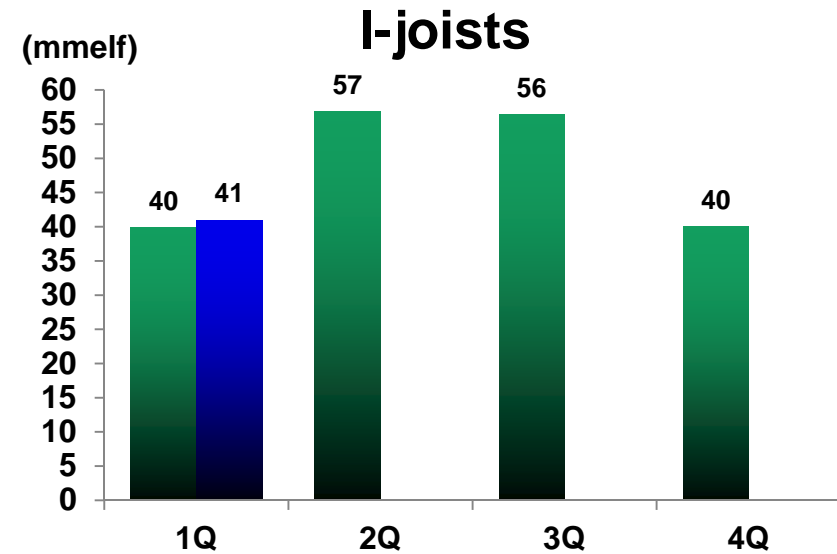
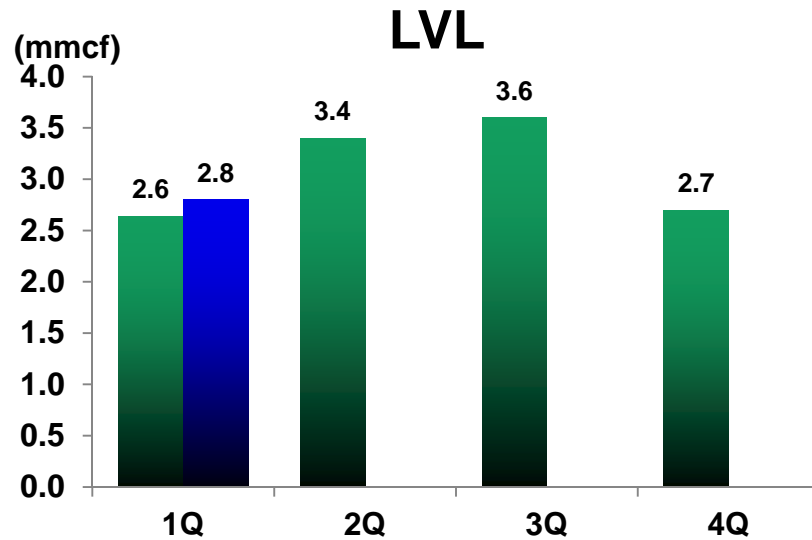
(\$/msf 3/8" basis)



2014 2015



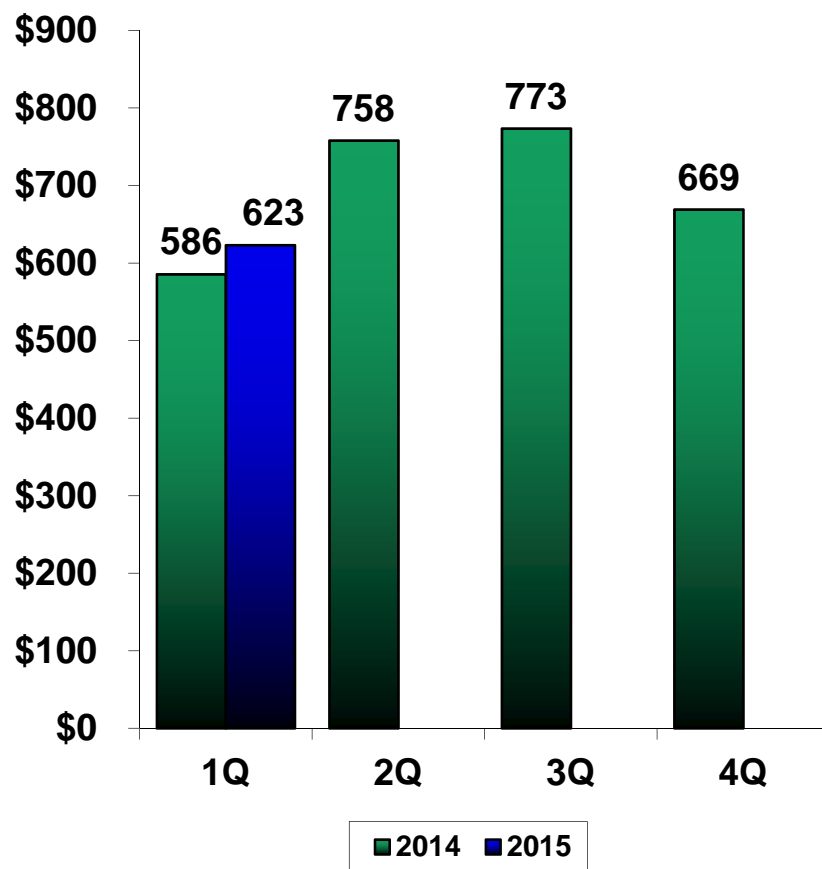
Wood Products EWP



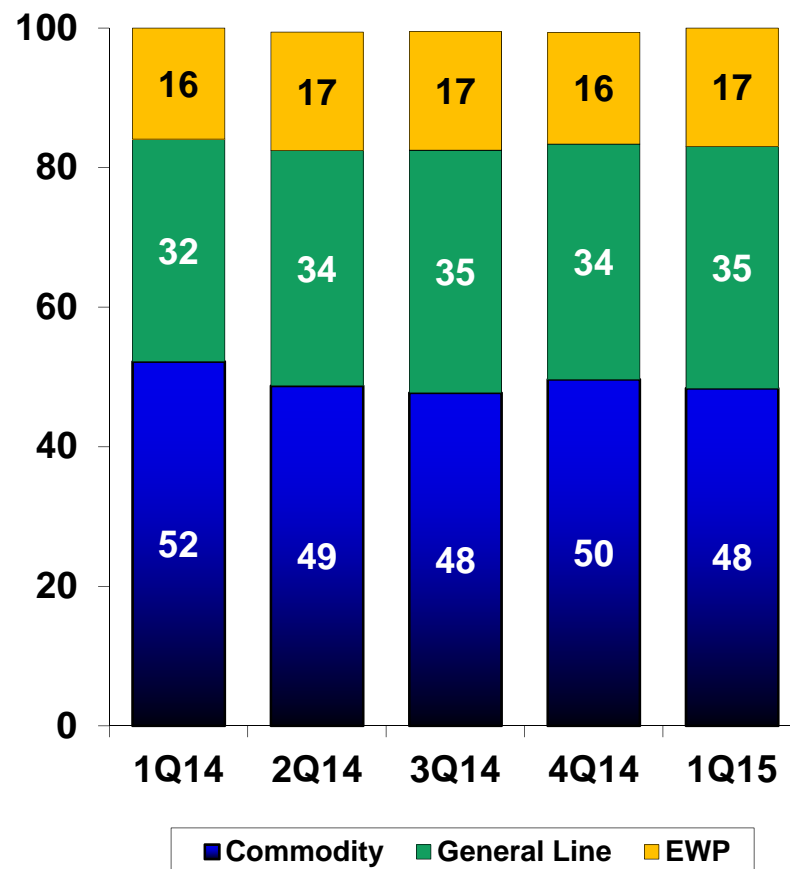


Building Materials Distribution Sales

(\$ Millions)



(% of Sales)





Balance Sheet Items

(\$ Millions)	<u>3/31/2015</u>	<u>12/31/2014</u>	<u>Change</u>
Receivables	\$ 219.6	\$ 180.4	\$ 39.2
Inventory	432.5	394.5	38.0
Other current assets ^(a)	<u>7.6</u>	<u>5.3</u>	<u>2.3</u>
	659.7	580.2	79.5
Accounts payable	211.5	152.4	59.1
Accrued liabilities ^(b)	<u>73.3</u>	<u>99.5</u>	<u>(26.2)</u>
	284.8	251.9	32.9
Net working capital	<u>\$ 374.9</u>	<u>\$ 328.3</u>	<u>\$ 46.6</u>

(a) Excludes cash and tax related items

(b) Excludes income taxes payable and interest payable



Debt and Liquidity Highlights

(\$ Millions)	<u>3/31/2015</u>	<u>12/31/2014</u>
<u>Net Debt</u>		
Long-term debt	\$ 301.4	\$ 301.4
Cash & cash equivalents	<u>(134.5)</u>	<u>(163.5)</u>
Net debt	<u>\$ 166.9</u>	<u>\$ 137.9</u>
 <u>Liquidity Position</u>		
ABL excess availability	\$ 342.0	\$ 266.8
Cash & cash equivalents	<u>134.5</u>	<u>163.5</u>
Total liquidity	<u>\$ 476.5</u>	<u>\$ 430.3</u>



- ◆ Current consensus estimate for 2015 U.S. housing starts is currently 1.14 million, up about 14% from 1.00 million in 2014. Our expectation is 1.1 million.
- ◆ Long-term demand fundamentals expected to support recovery in U.S. housing to 1.4 to 1.5 million starts over next few years.
- ◆ Additional capital projects to support organic growth in Wood Products expected to achieve a 3.5 to 4.0 year payback.
- ◆ We expect our business to continue to improve as housing further recovers in 2015:
 - Continued improvements in manufacturing operations from our BIC management process
 - Growth in EWP sales as single-family new residential construction activity increases
 - Growth in BMD's revenues and earnings with increased new construction and repair-and-remodel activity



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Appendix

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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 March 31, 2015 and 2014, and December 31, 2014:

(\$ Millions)	1Q15	1Q14	4Q14
Net income	\$ 7.6	\$ 5.6	\$ 15.7
Interest expense	5.5	5.5	5.5
Interest income	(0.1)	(0.1)	(0.1)
Income tax provision	4.6	3.5	7.4
Depreciation and amortization	13.6	12.3	13.4
EBITDA	<u>\$ 31.2</u>	<u>\$ 26.8</u>	<u>\$ 42.0</u>

Segment EBITDA represents segment income before depreciation and amortization. The following table reconciles segment income to EBITDA for the three months ended March 31, 2015 and 2014, and December 31, 2014 :

(\$ Millions)	Three Months Ended		
	1Q15	1Q14	4Q14
Wood Products			
Segment income	\$ 20.9	\$ 13.0	\$ 23.5
Depreciation and amortization	<u>10.8</u>	<u>10.0</u>	<u>10.7</u>
Segment EBITDA	<u>\$ 31.7</u>	<u>\$ 23.0</u>	<u>\$ 34.2</u>
Building Materials Distribution			
Segment income	\$ 3.3	\$ 5.9	\$ 10.4
Depreciation and amortization	<u>2.7</u>	<u>2.3</u>	<u>2.7</u>
Segment EBITDA	<u>\$ 6.1</u>	<u>\$ 8.2</u>	<u>\$ 13.0</u>