



Boise Cascade



Boise Cascade Company

Fourth Quarter 2016

Earnings Webcast

February 24, 2017



Forward-Looking Statements

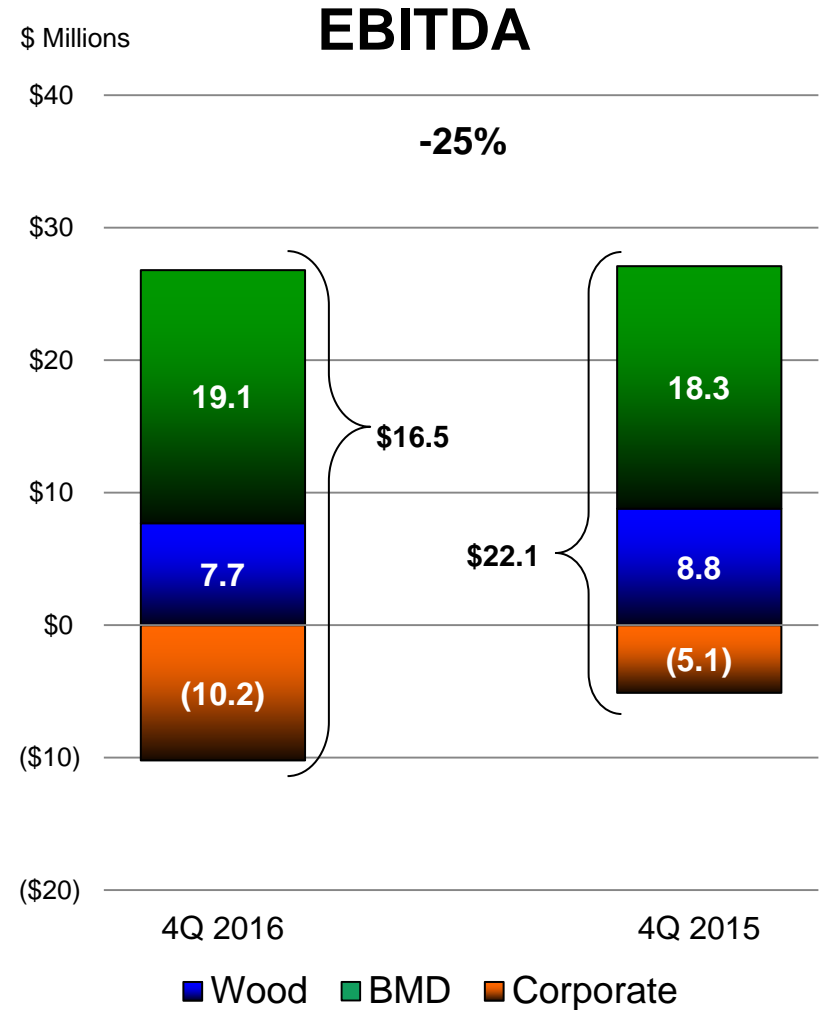
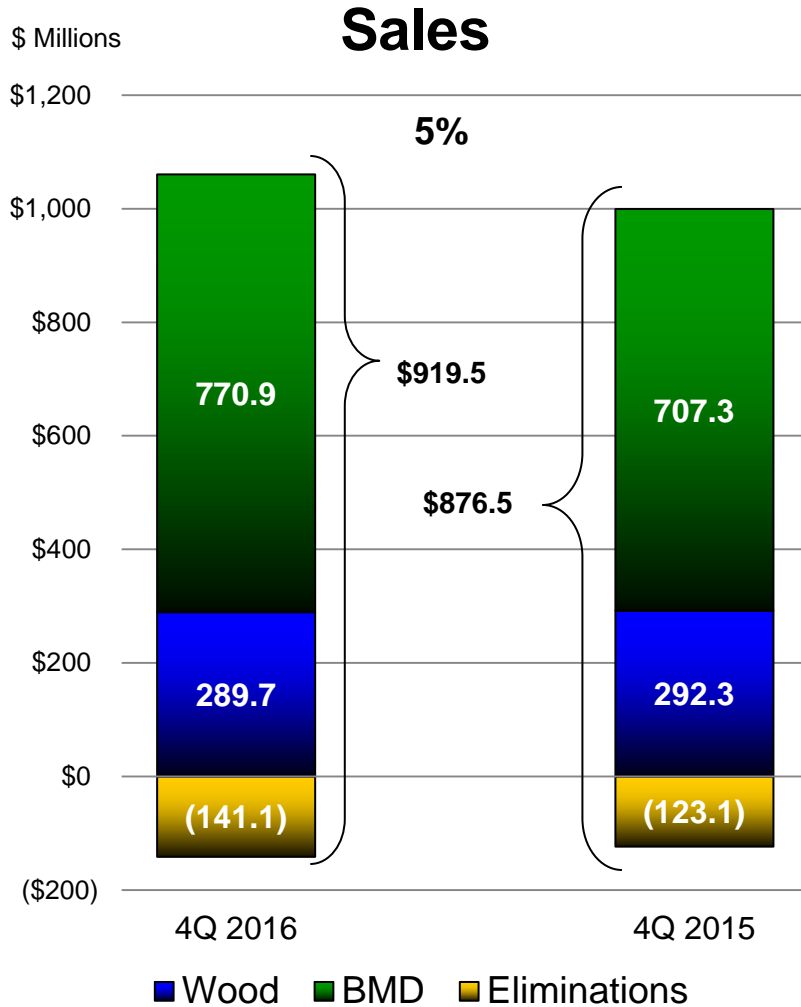
- ◆ This presentation includes statements about our expectations of future operational and financial performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The accuracy of such statements is subject to a number of risks, uncertainties, and assumptions that could cause our actual results to differ materially from those projected, including, but not limited to, prices for building products, restart and integration of the Roxboro EWP mill, 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 to EBITDA and Adjusted EBITDA and segment income (loss) to segment EBITDA are included as an appendix.



- ◆ Fourth quarter sales were \$919.5 million, up 5% from 4Q15.
- ◆ Fourth quarter net income was \$4.1 million, or \$0.11 per share. Reported net income included \$3.1 million of net after-tax gains, or \$0.08 per share, from certain items impacting results.
- ◆ Wood Products reported 4Q16 segment loss of \$7.8 million:
 - Lower EWP sales realizations
 - Strong OSB pricing squeezing I-joist margins
 - Challenging restart of Roxboro facility LVL production
- ◆ BMD reported 4Q16 segment income of \$15.4 million:
 - Revenue driven increase in gross margin dollars
 - Good operating expense management

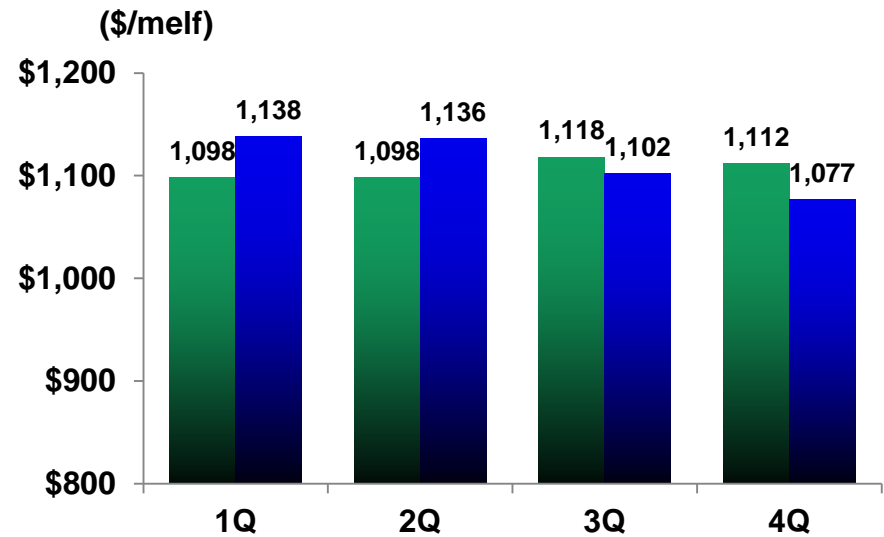
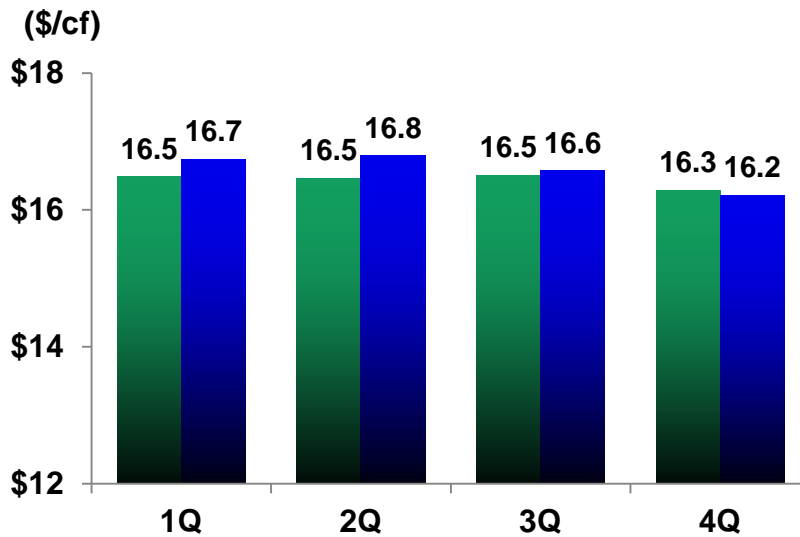
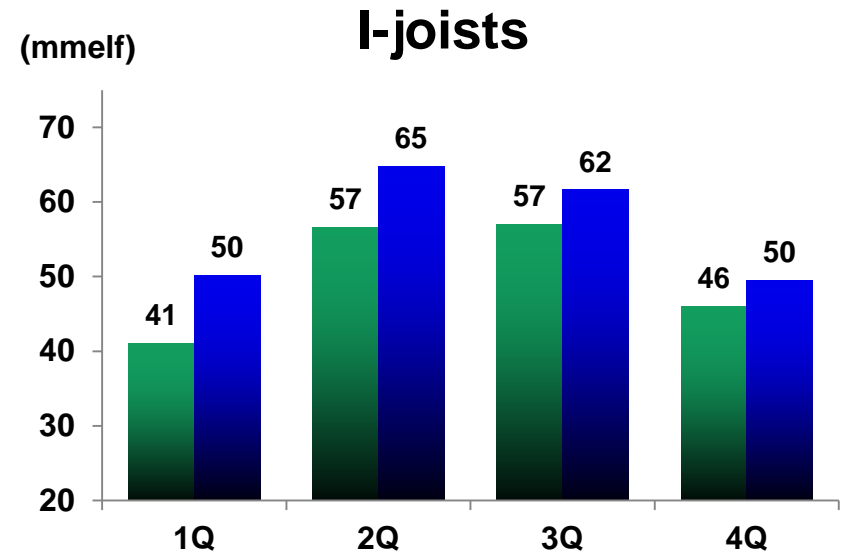
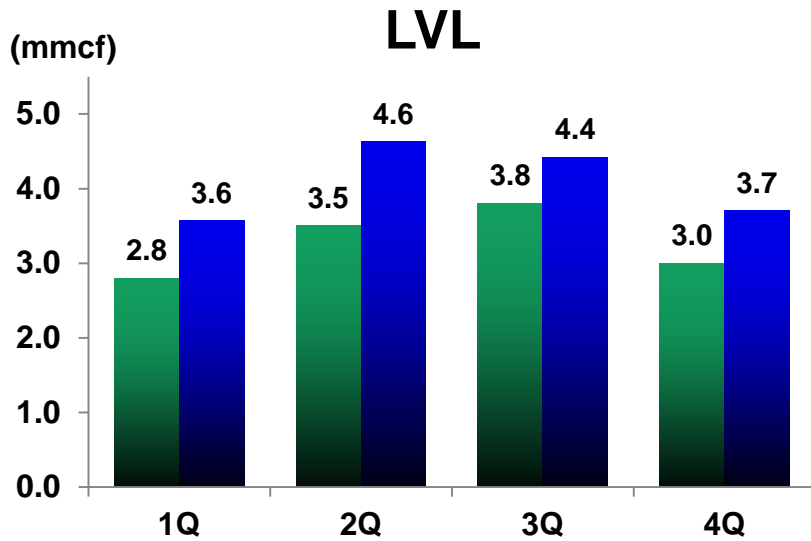


4Q 2016 Financial Highlights





Wood Products EWP

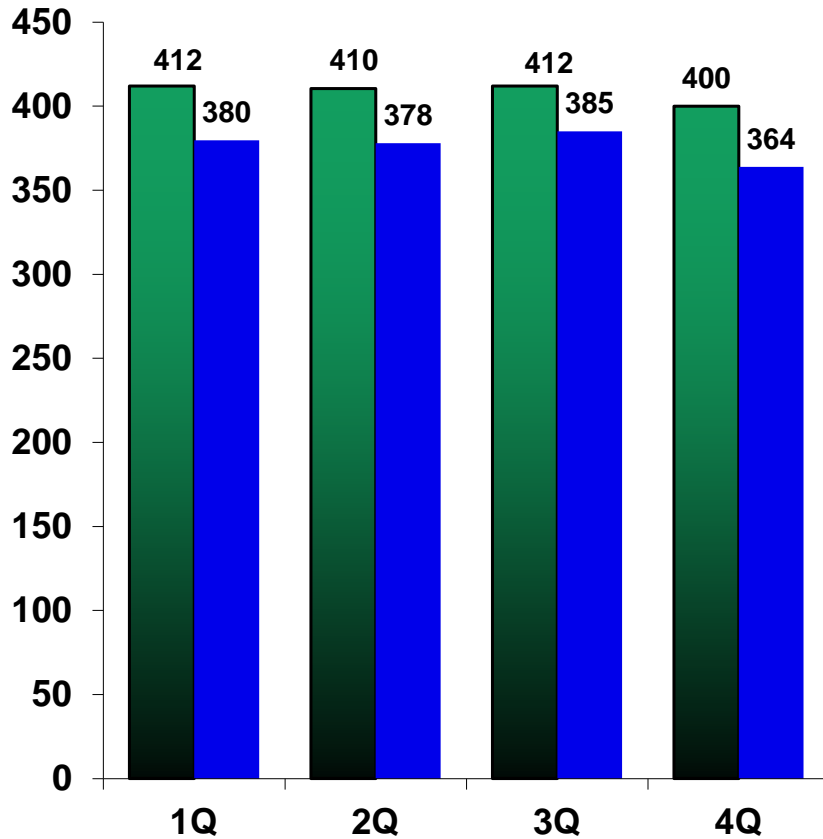




Wood Products Plywood

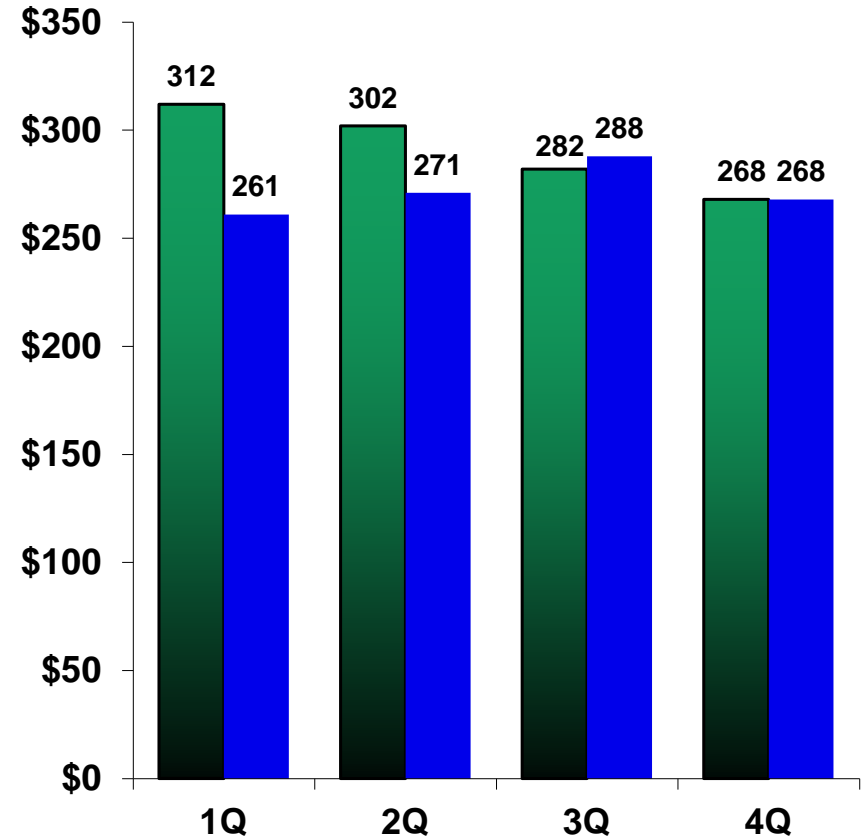
Sales Volume

(mmsf 3/8" basis)



Net Sales Price

(\$/msf 3/8" basis)



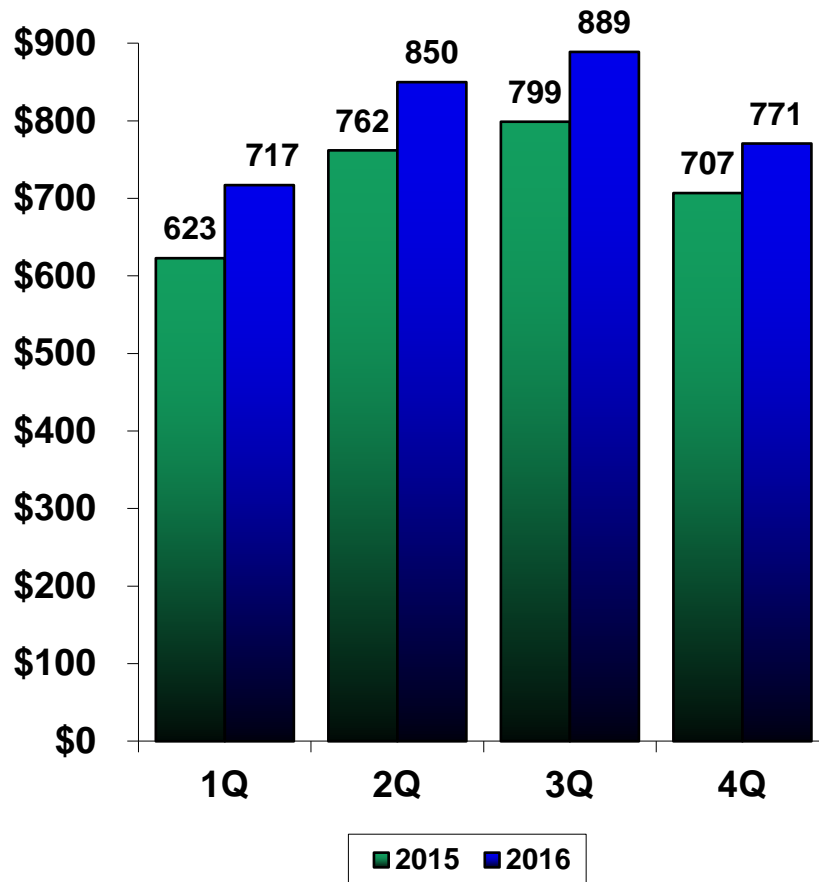
2015

2016

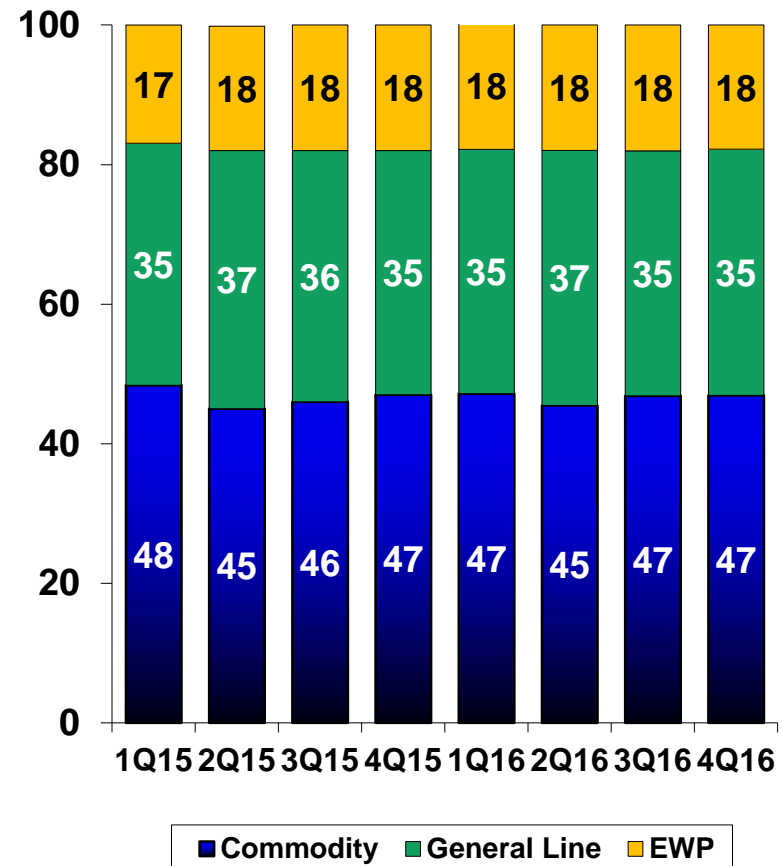


Building Materials Distribution Sales

(\$ Millions)



(% of Sales)





Balance Sheet Items

(\$ Millions)	<u>12/31/2016</u>	<u>9/30/2016</u>	<u>Change</u>
Receivables	\$ 210.6	\$ 272.3	\$ (61.7)
Inventory	433.5	451.1	(17.6)
Other current assets ^(a)	<u>5.9</u>	<u>9.8</u>	<u>(3.9)</u>
	650.0	733.2	(83.3)
Accounts payable	195.9	247.3	(51.4)
Accrued liabilities ^(b)	<u>109.6</u>	<u>110.7</u>	<u>(1.1)</u>
	305.6	358.0	(52.4)
Net working capital	<u>\$ 344.4</u>	<u>\$ 375.3</u>	<u>\$ (30.8)</u>

(a) Excludes cash and tax related items.

(b) Excludes income taxes payable, interest payable, and current portion of debt.



Debt and Liquidity Highlights

(\$ Millions)	<u>12/31/2016</u>	<u>9/30/2016</u>
<u>Net Debt</u>		
Total debt	\$ 437.6	\$ 581.6
Cash & cash equivalents	(104.0)	(131.2)
Restricted cash	-	(122.9)
Net debt	<u>\$ 333.7</u>	<u>\$ 327.5</u>
 <u>Liquidity Position</u>		
Bank line excess availability	\$ 327.2	\$ 354.8
Cash & cash equivalents	104.0	131.2
Total liquidity	<u>\$ 431.2</u>	<u>\$ 486.0</u>



- ◆ Current consensus estimate for 2017 U.S. housing starts is 1.26 million, up about 8% from 1.17 million in 2016.
- ◆ Long-term demand fundamentals expected to support recovery in U.S. housing to 1.4 to 1.5 million starts over next few years.
- ◆ Expect improved performance for Wood Products, but work to do:
 - Raise EWP and plywood net sales realizations.
 - Direct higher proportion of veneer into EWP.
 - Capture benefits of recent capital projects.
 - Recommission Roxboro, NC, EWP facility.
- ◆ BMD continues to execute well.
- ◆ Optimistic about positioning for 2017.



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Appendix

February 24, 2017



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 and loss on extinguishment of debt. The following table reconciles net income to EBITDA and Adjusted EBITDA for the three months ended December 31, 2016 and 2015, and September 30, 2016, and the years ended December 31, 2016 and 2015:

(\$ Millions)	Three Months Ended			Year Ended	
	4Q16	4Q15	3Q16	2016	2015
Net income	\$ 4.1	\$ 2.3	\$ 10.0	\$ 38.3	\$ 52.2
Interest expense	7.3	5.7	7.1	26.7	22.5
Interest income	(0.2)	(0.1)	(0.1)	(0.4)	(0.3)
Income tax provision (benefit)	(14.1)	(0.3)	5.5	5.0	28.5
Depreciation and amortization	19.6	14.5	19.5	72.8	55.6
EBITDA	<u>\$ 16.7</u>	<u>\$ 22.1</u>	<u>\$ 42.0</u>	<u>\$ 142.5</u>	<u>\$ 158.5</u>
Change in fair value of interest rate swaps	(5.0)	-	(0.8)	(4.2)	-
Loss on extinguishment of debt	4.8	-	9.5	14.3	-
Adjusted EBITDA	<u>\$ 16.5</u>	<u>\$ 22.1</u>	<u>\$ 50.7</u>	<u>\$ 152.5</u>	<u>\$ 158.5</u>



The following table reconciles segment income (loss) to EBITDA for the three months ended December 31, 2016 and 2015, and September 30, 2016, and the years ended December 31, 2016 and 2015:

(\$ Millions)	Three Months Ended			Year Ended	
	4Q16	4Q15	3Q16	2016	2015
Wood Products					
Segment income (loss)	\$ (7.8)	\$ (2.3)	\$ 11.6	\$ 25.9	\$ 64.2
Depreciation and amortization	15.5	11.1	15.6	57.5	43.3
Segment EBITDA	<u>\$ 7.7</u>	<u>\$ 8.8</u>	<u>\$ 27.2</u>	<u>\$ 83.5</u>	<u>\$ 107.5</u>
Building Materials Distribution					
Segment income	\$ 15.4	\$ 15.1	\$ 26.4	\$ 84.4	\$ 60.8
Depreciation and amortization	3.7	3.2	3.5	13.8	11.9
Segment EBITDA	<u>\$ 19.1</u>	<u>\$ 18.3</u>	<u>\$ 29.9</u>	<u>\$ 98.1</u>	<u>\$ 72.7</u>
Corporate					
Segment loss	\$ (10.7)	\$ (5.3)	\$ (6.7)	\$ (30.6)	\$ (22.1)
Depreciation and amortization	0.4	0.2	0.3	1.6	0.4
Segment EBITDA	<u>\$ (10.2)</u>	<u>\$ (5.1)</u>	<u>\$ (6.4)</u>	<u>\$ (29.0)</u>	<u>\$ (21.7)</u>