Boise Cascade

Boise Cascade Company

Fourth Quarter 2015
Earnings Webcast

February 18, 2016

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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, our pending acquisition of two engineered lumber facilities, 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 (loss) to segment EBITDA are included as an appendix.

Executive Summary

- Fourth quarter sales were $876.5 million, up 2% from 4Q14.
- Fourth quarter net income was $2.3 million, or $0.06 per share, down 85% from 4Q14 net income of $15.7 million, or $0.40 per share.
- Wood Products reported 4Q15 EBITDA of $8.8 million.
- BMD reported 4Q15 EBITDA of $18.3 million.
- Capital allocation:
  - Announced acquisition of two engineered lumber facilities for $215 million in cash:
    - 4 million cubic feet of LVL capacity in Thorsby, AL.
    - 80 million lineal feet of I-joists and 5 million cubic feet of LVL capacity in Roxboro, NC. LVL at Roxboro is idle.
  - Continuing accelerated strategic capital program.
  - Temporarily suspended share repurchases during the quarter. 1.3 million shares remain on the authorization.

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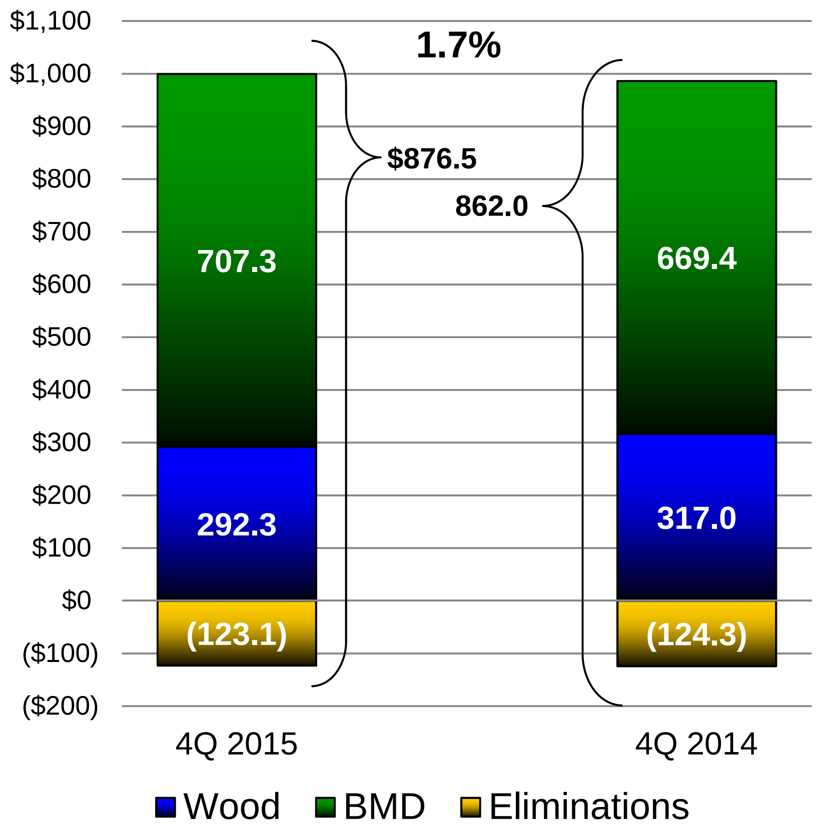
4Q 2015 Financial Highlights

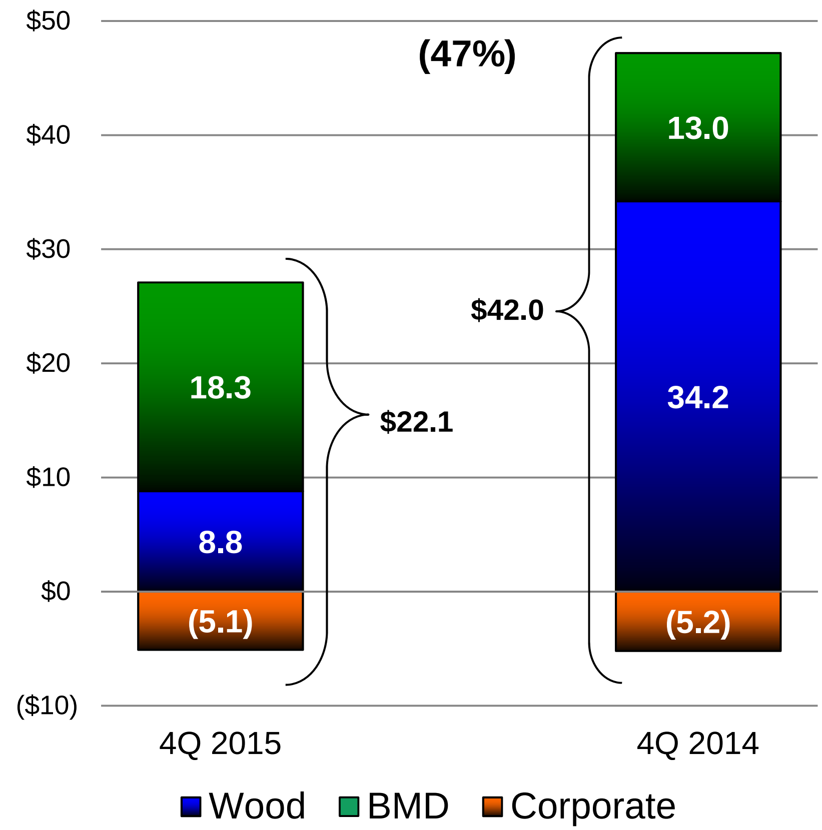
$ Millions

Sales

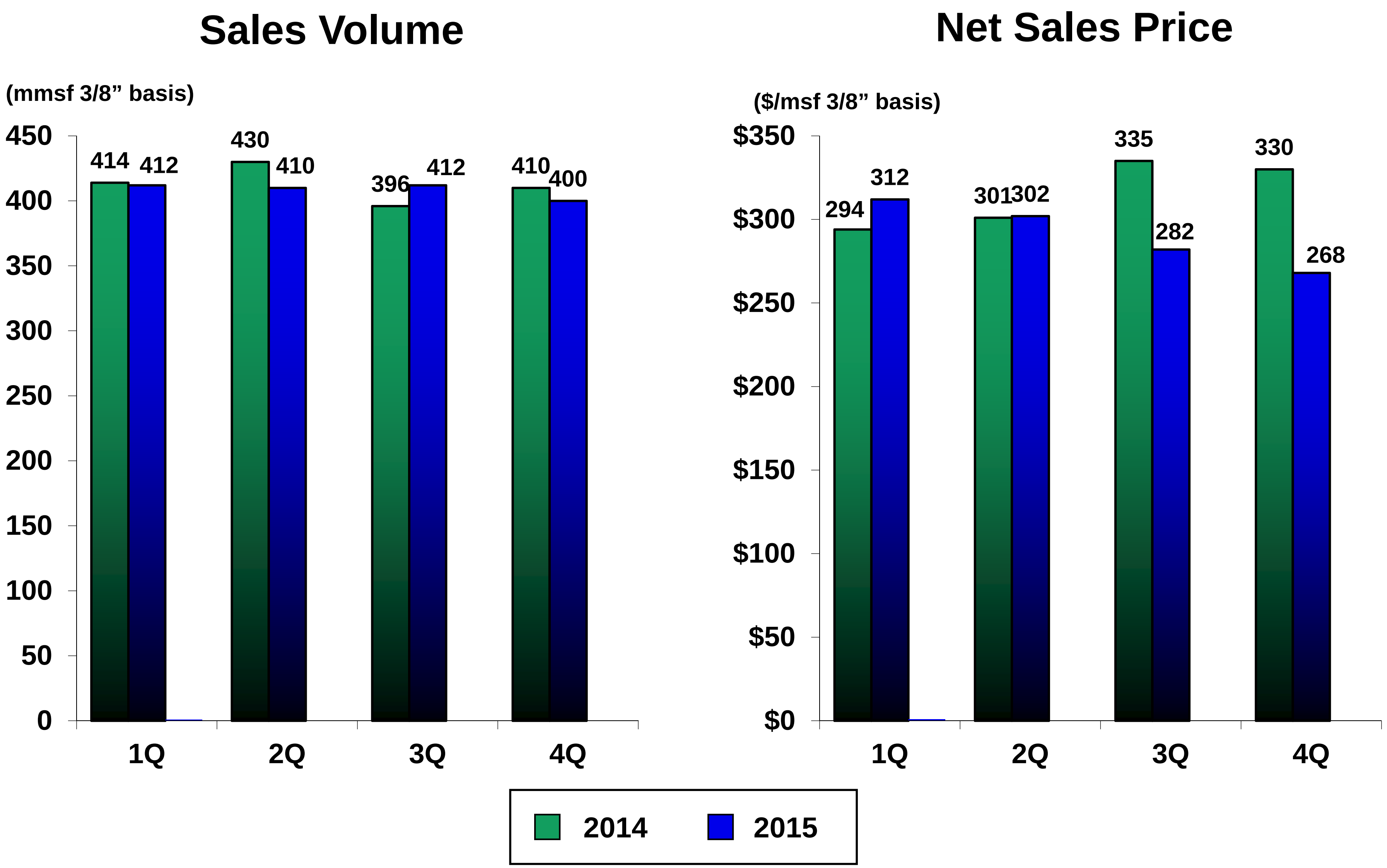


$ Millions

EBITDA



Wood Products Plywood



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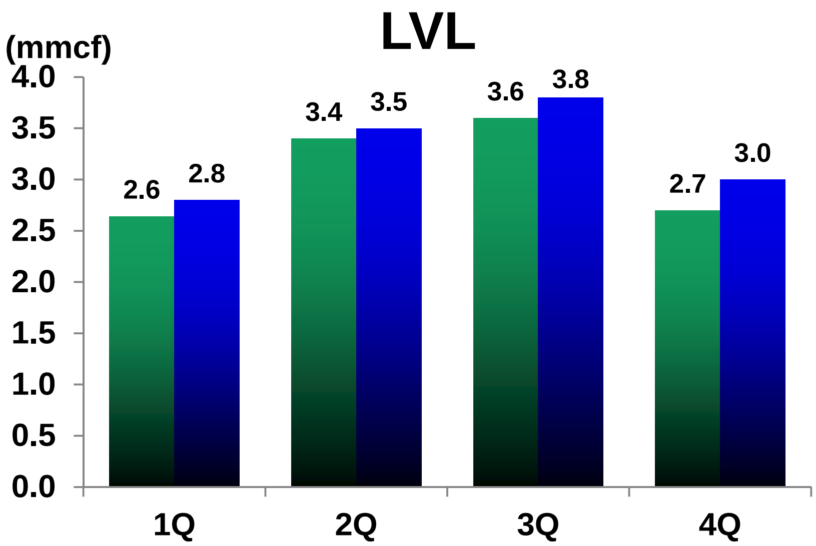
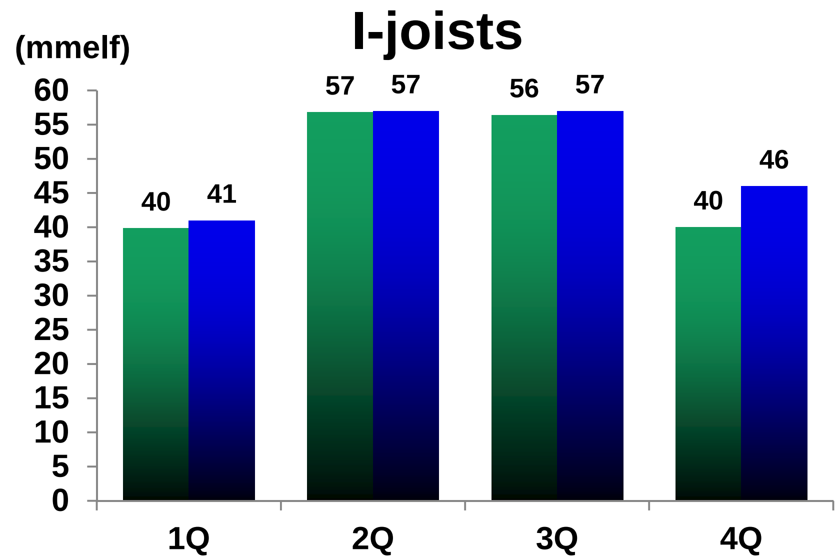
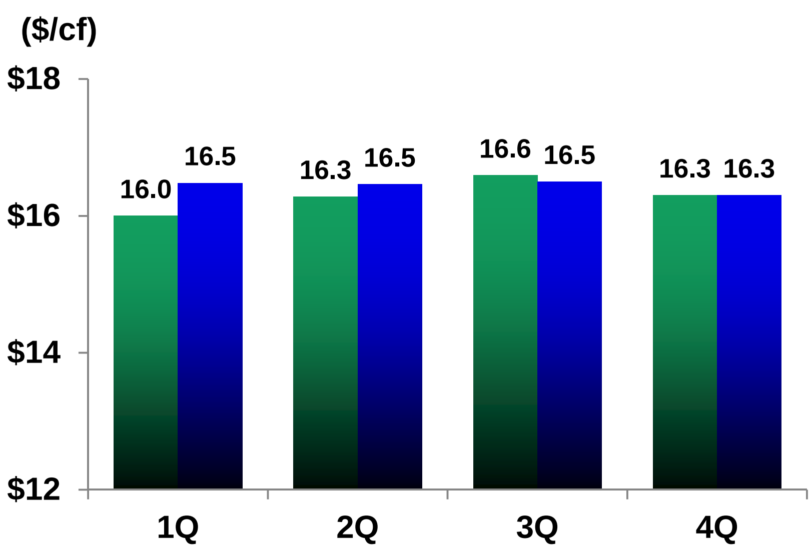
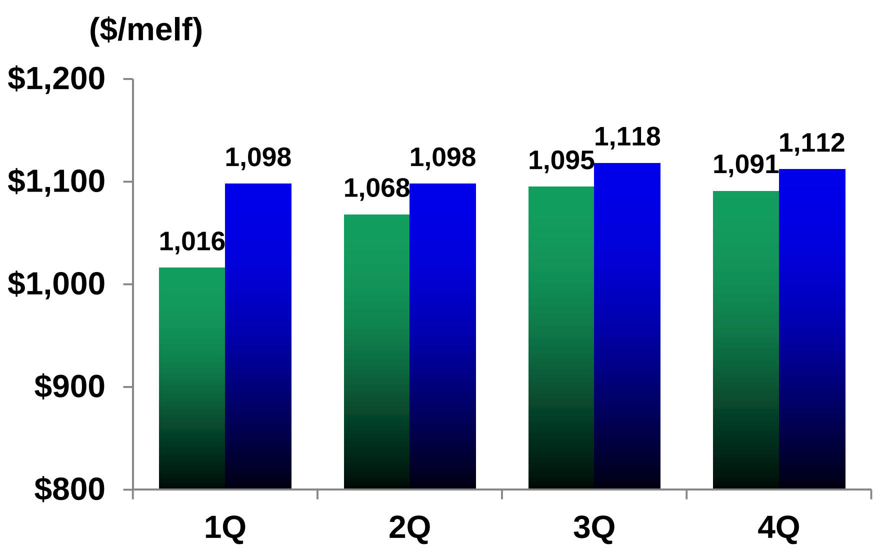
Wood Products EWP





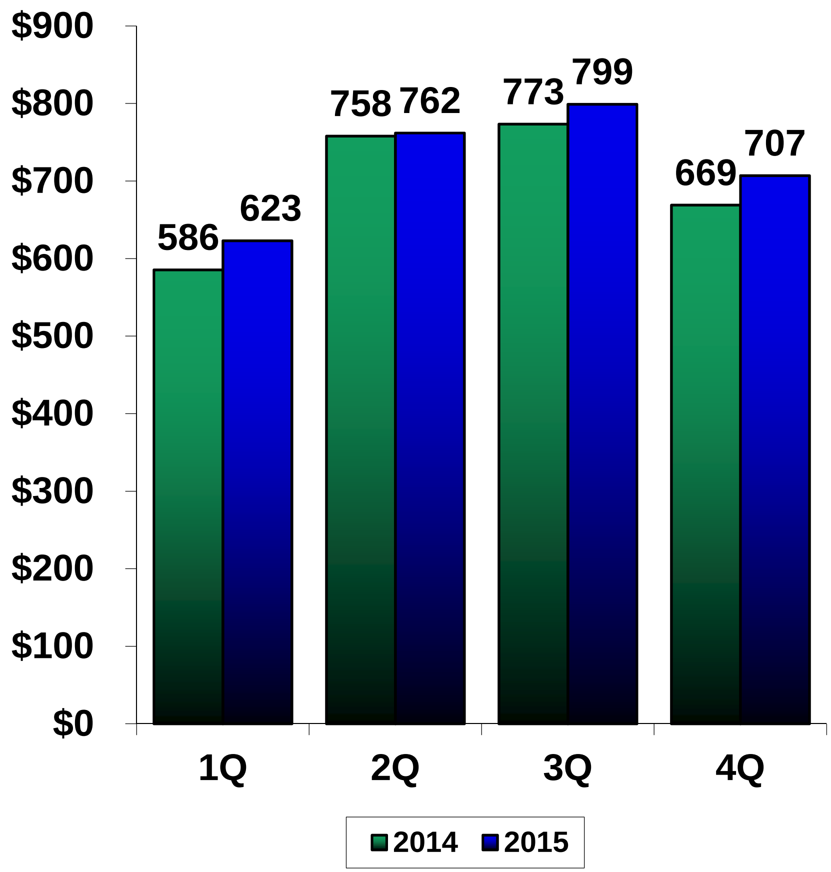




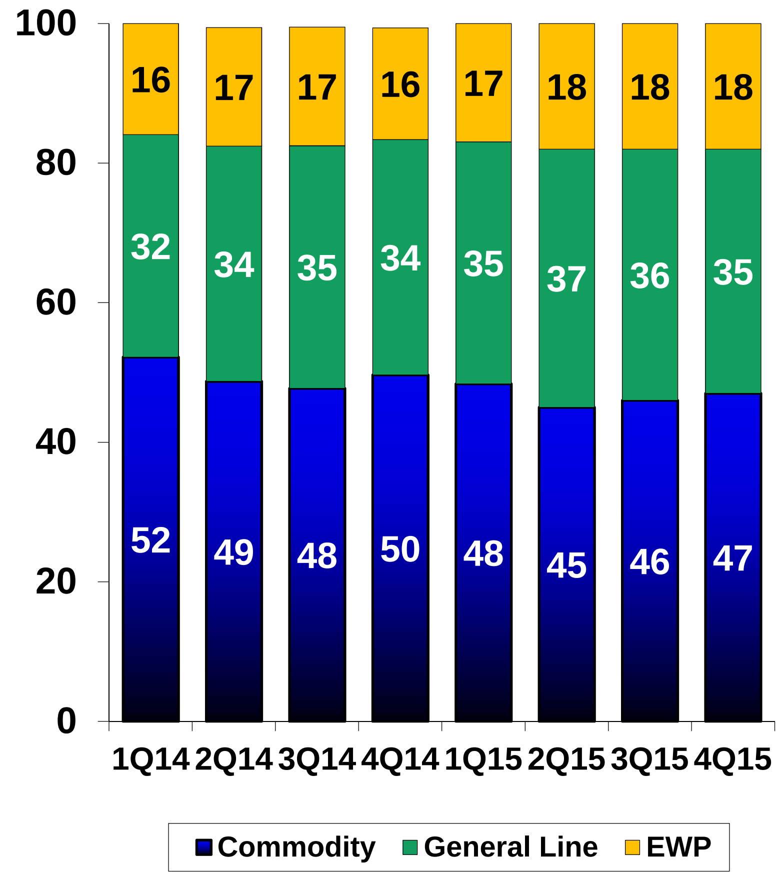
2014 2015

Building Materials Distribution Sales

($ Millions)



(% of Sales)



Working Capital

Balance Sheet Items

($ Millions)	12/31/2015	9/30/2015	Change
Receivables	$ 199.1	$ 240.3	$ (41.2)
Inventory	384.9	404.6	(19.8)
Other current assets [(a)]	4.3	7.1	(2.9)
	588.2	652.0	(63.8)
Accounts payable	160.5	222.3	(61.8)
Accrued liabilities [(b)]	94.8	98.6	(3.8)
	255.3	320.8	(65.6)
Net working capital	$ 332.9	$ 331.2	$ 1.7

(a) Excludes cash and tax related items

(b) Excludes income taxes payable and interest payable

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Debt and Liquidity Highlights

($ Millions)	12/31/2015	9/30/2015
Net Debt		
Long-term debt	$ 344.6	$ 344.3
Cash & cash equivalents	(184.5)	(212.8)
Net debt	$ 160.1	$ 131.5
Liquidity Position		
ABL excess availability	$ 258.6	$ 292.7
Cash & cash equivalents	184.5	212.8
Total liquidity	$ 443.1	$ 505.5

Outlook

- Current consensus estimate for 2016 U.S. housing starts is currently 1.25 million, up about 13% from 1.11 million in 2015.
- Long-term demand fundamentals expected to support recovery in U.S. housing to 1.4 to 1.5 million starts over next few years.
- Optimistic that we can continue to grow revenue and earnings with improvement in the general economy and new residential construction:
  - Continued improvements in manufacturing operations from our BIC management process.
  - Growth in EWP sales as single-family new residential construction activity increases and acquired facilities are integrated.
  - 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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Appendix

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 December 31, 2015 and 2014, and September 30, 2015, and the years ended December 31, 2015 and 2014:

	Three Months Ended			Year Ended	
($ Millions)	**4Q15**	**4Q14**	**3Q15**	**2015**	**2014**
Net income	$ 2.3	$ 15.7	$ 22.0	$ 52.2	$ 80.0
Interest expense	5.7	5.5	5.7	22.5	22.0
Interest income	(0.1)	(0.1)	(0.1)	(0.3)	(0.2)
Income tax provision (benefit)	(0.3)	7.4	12.6	28.5	43.3
Depreciation and amortization	14.5	13.4	14.2	55.6	51.4
EBITDA	$ 22.1	$ 42.0	$ 54.5	$ 158.5	$ 196.6

Appendix

Segment EBITDA represents segment income (loss) before depreciation and amortization. The following table reconciles segment income (loss) to EBITDA for the three months ended December 31, 2015 and 2014, and September 30, 2015, and the years ended December 31, 2015 and 2014 :

	Three Months Ended			Year Ended	
($ Millions)	**4Q15**	**4Q14**	**3Q15**	**2015**	**2014**
Wood Products					
Segment income (loss)	$ (2.3)	$ 23.5	$ 21.9	$ 64.2	$ 108.4
Depreciation and amortization	11.1	10.7	11.0	43.3	41.5
Segment EBITDA	$ 8.8	$ 34.2	$ 32.9	$ 107.5	$ 149.8
Building Materials Distribution					
Segment income	$ 15.1	$ 10.4	$ 22.7	$ 60.8	$ 56.7
Depreciation and amortization	3.2	2.7	3.1	11.9	9.8
Segment EBITDA	$ 18.3	$ 13.0	$ 25.8	$ 72.7	$ 66.5
Corporate					
Segment loss	$ (5.3)	$ (5.2)	$ (4.3)	$ (22.1)	$ (19.9)
Depreciation and amortization	0.2	0.1	0.1	0.4	0.2
Segment EBITDA	$ (5.1)	$ (5.2)	$ (4.2)	$ (21.7)	$ (19.8)