


Boise Cascade
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Boise Cascade Company Reports First Quarter 2021 Results

BOISE, Idaho - Boise Cascade Company ("Boise Cascade," the "Company," "we," or "our") (NYSE: BCC) today reported net income of \$149.2 million, or \$3.76 per share, on sales of \$1.8 billion for the first quarter ended March 31, 2021, compared with net income of \$12.2 million, or \$0.31 per share, on sales of \$1.2 billion for the first quarter ended March 31, 2020. First quarter 2020 results included \$15.0 million and \$1.7 million, respectively, of pre-tax accelerated depreciation and other curtailment related costs, or \$0.32 per share after-tax, due to the permanent curtailment of I-joist production at our Roxboro, North Carolina, facility.

"I am very proud of our associates across the Company and am inspired by their tireless efforts to work safely and support the needs of our customer and supplier partners during these extraordinary market conditions. Their dedication and execution were key to delivering tremendous financial results in the first quarter," commented Nate Jorgensen, CEO. "Our proven Values have served us incredibly well as we have navigated through the pandemic and will continue to be our foundation moving forward. We also effectively deployed our succession planning process as we start 2021, and I am confident that Jeff and Kelly, supported by their strong teams, are ready to lead in their new roles. The demand outlook for new residential construction remains strong. We are looking forward to the future and the continued execution of our strategy."

First Quarter 2021 Highlights

| | 1Q 2021 | 1Q 2020 | % change |
|---|---|--------------|----------|
| | (in thousands, except per-share data and percentages) | | |
| Consolidated Results | | | |
| Sales | \$ 1,821,316 | \$ 1,170,534 | 56 % |
| Net income | 149,156 | 12,200 | 1,123 % |
| Net income per common share - diluted | 3.76 | 0.31 | 1,113 % |
| Adjusted EBITDA ¹ | 224,935 | 59,619 | 277 % |
| Segment Results | | | |
| Wood Products sales | \$ 432,335 | \$ 320,061 | 35 % |
| Wood Products income | 97,052 | 3,763 | 2,479 % |
| Wood Products EBITDA ¹ | 110,398 | 33,366 | 231 % |
| Building Materials Distribution sales | 1,634,777 | 1,049,997 | 56 % |
| Building Materials Distribution income | 120,219 | 29,302 | 310 % |
| Building Materials Distribution EBITDA ¹ | 126,038 | 34,646 | 264 % |

¹ For reconciliations of non-GAAP measures, see summary notes at the end of this press release.

As both a manufacturer and a distributor, our first quarter 2021 financial results were favorably impacted by higher commodity wood products pricing compared to pricing in the same period last year. The momentum of robust construction activity experienced in the latter half of 2020 continued throughout first quarter 2021, with stronger than

typical demand during the winter months. Across commodity product lines, product demand in the first quarter exceeded supply, and certain producers also struggled with production due to raw material constraints or winter storms, causing significant increases in commodity products prices. While not subject to the significant price fluctuations of commodity products, demand also exceeded supply for many of the general line products and engineered wood products (EWP) distributed by Building Materials Distribution (BMD). Our BMD warehouse sales were strong throughout the first quarter as our retail lumberyard customers relied on our broad base of inventory and high service levels to minimize their working capital investment given historically high commodity product prices. In addition, we have had strong demand from our home center customers in response to elevated repair and remodel and "do-it-yourself" activity as people are spending more time at home during the pandemic.

In the first quarter 2021, total U.S. housing starts increased 10% compared to the same period in 2020. Single-family housing starts, the primary driver of our sales volumes, also increased 20%.

Wood Products

Wood Products' sales, including sales to BMD, increased \$112.3 million, or 35%, to \$432.3 million for the three months ended March 31, 2021, from \$320.1 million for the three months ended March 31, 2020. The increase in sales was driven primarily by higher plywood and lumber prices, as well as higher sales volumes for I-joists. Net sales prices for I-joists and LVL (collectively referred to as EWP) also increased compared to the prior period. These increases were offset partially by lower sales volumes for LVL and plywood. The lower volume for plywood sales reflects our continued work to optimize veneer into EWP production, as well as rolling curtailments at our Elgin plywood facility as we manage environmental permits and log supply availability, periodic short-term disruptions related to COVID-19, and a significant winter storm in Louisiana during February 2021. Comparative average net selling prices and sales volume changes for EWP and plywood are as follows:

| | <u>1Q 2021 vs. 1Q 2020</u> | <u>1Q 2021 vs. 4Q 2020</u> |
|-----------------------------------|----------------------------|----------------------------|
| Average Net Selling Prices | | |
| LVL | 3% | 5% |
| I-joists | 3% | 9% |
| Plywood | 108% | 37% |
| Sales Volumes | | |
| LVL | (7)% | 2% |
| I-joists | 20% | 4% |
| Plywood | (5)% | (1)% |

Wood Products' segment income increased \$93.3 million to \$97.1 million for the three months ended March 31, 2021, from \$3.8 million for the three months ended March 31, 2020. The increase in segment income was due primarily to higher plywood, lumber and EWP sales prices, as well as higher I-joists sales volumes. In addition, first quarter 2020 results included accelerated depreciation and amortization expense and loss on curtailment of facility of \$15.0 million and \$1.7 million, respectively, related to the permanent curtailment of I-joist production at our Roxboro, North Carolina facility. These improvements were offset partially by higher wood fiber and other manufacturing costs.

Building Materials Distribution

BMD's sales increased \$584.8 million, or 56%, to \$1,634.8 million for the three months ended March 31, 2021, from \$1,050.0 million for the three months ended March 31, 2020. Compared with the same quarter in the prior year, the overall increase in sales was driven by sales volume and sales price increases of 34% and 22%, respectively. By product line, commodity sales increased 106%, general line product sales increased 19%, and sales of EWP (substantially all of which is sourced through our Wood Products segment) increased 21%.

BMD segment income increased \$90.9 million to \$120.2 million for the three months ended March 31, 2021, from \$29.3 million in the comparative prior year quarter. The improvement in segment income was driven by a gross margin increase of \$115.3 million, resulting primarily from improved sales volumes and gross margins on

substantially all product lines, particularly commodity products, compared with first quarter 2020. The margin improvement was offset partially by increased selling and distribution expenses and general and administrative expenses of \$20.5 million and \$3.4 million, respectively.

Unallocated Corporate Costs

Unallocated corporate expenses increased \$4.5 million to \$12.0 million for the three months ended March 31, 2021, from \$7.5 million for the same period in the prior year. The increase was due primarily to higher employee-related expenses, most of which relates to incentive compensation.

Balance Sheet and Liquidity

Boise Cascade ended first quarter 2021 with \$457.0 million of cash and cash equivalents and \$345.3 million of undrawn committed bank line availability, for total available liquidity of \$802.3 million. The Company had \$444.0 million of outstanding debt at March 31, 2021.

We expect capital expenditures in 2021 to total approximately \$90 million to \$100 million. Included in our capital spending range is the completion of a log utilization center project at our Florien plywood and veneer plant, a new door assembly operation in Houston, and expansion of our distribution capabilities in the Nashville market. This level of capital expenditures could increase or decrease as a result of a number of factors, including acquisitions, efforts to accelerate organic growth, exercise of lease purchase options, our financial results, future economic conditions, availability of engineering and construction resources, and timing and availability of equipment purchases.

Dividends

On May 6, 2021, our board of directors declared a quarterly dividend of \$0.10 per share on our common stock, payable on June 15, 2021, to stockholders of record on June 1, 2021.

Future dividend declarations, including amount per share, record date and payment date, will be made at the discretion of our board of directors and will depend upon, among other things, legal capital requirements and surplus, our future operations and earnings, general financial condition, contractual obligations, restrictions imposed by our asset-based credit facility and the indenture governing our senior notes, applicable laws, and other factors that our board of directors may deem relevant.

Outlook

Wood Products continues to experience periodic short-term disruptions at many locations due to COVID-19 as we continue efforts to increase production rates in response to strong end-product demand, particularly for our EWP. In addition, we have experienced COVID-19 related short-term disruptions at our BMD locations, and our activity levels across our distribution network continue to vary widely as COVID-19 or weather impacts geographies across the U.S. to differing degrees. Furthermore, supply side constraints across product lines and lean inventories throughout the supply chain have limited the industry's ability to meet underlying demand. We continue to conduct business with modifications to mill and distribution center housekeeping and cleanliness protocols, employee travel, employee work locations, and virtualization or cancellation of certain sales and marketing events, among other modifications. In addition, we continue to actively monitor evolving developments and may take actions that alter our business operations as may be required by federal, state, or local authorities, or that we determine are in the best interests of our employees, customers, suppliers, communities, and stockholders.

While there continues to be a heightened level of economic uncertainty due to the pandemic, low mortgage rates, continuation of work-from-home practices by many in the economy, and demographics in the U.S. have created a favorable demand environment for new residential construction, particularly single-family housing starts, which we expect to continue in 2021 and into next year. Furthermore, with homeowners spending more time at home, repair and remodel spending may remain elevated as homeowners invest in existing homes. As of April 2021, the Blue Chip Economic Indicators consensus forecast for 2021 and 2022 single- and multi-family housing starts in the U.S. were 1.55 million and 1.54 million units, respectively, compared with actual housing starts of 1.38 million in 2020, as reported by the U.S. Census Bureau. Although we believe that current U.S. demographics support the higher level of forecasted housing starts, and many national home builders are reporting strong near-

term backlogs, supply induced constraints on residential construction and repair-and-remodeling activity may continue to extend build times and limit activity.

Strong demand when coupled with capacity constraints in first quarter 2021 created supply/demand imbalances in the marketplace and historically high pricing levels for commodity lumber and panel products. Future commodity product pricing will be dependent on the impact of COVID-19 on residential construction, capacity restoration and industry operating rates, net import and export activity, transportation constraints or disruptions, inventory levels in various distribution channels, and seasonal demand patterns. As a wholesale distributor of a broad mix of commodity products and a manufacturer of certain commodity products, our sales and profitability are influenced by changes in commodity product prices.

About Boise Cascade

Boise Cascade Company is one of the largest producers of engineered wood products and plywood in North America and a leading U.S. wholesale distributor of building products. For more information, please visit the Company's website at www.bc.com.

Webcast and Conference Call

Boise Cascade will host a webcast and conference call to discuss first quarter earnings on Friday, May 7, 2021, at 11 a.m. Eastern.

To participate in the conference call, dial 844-795-4410 and use participant passcode 5849652 (international callers should dial 661-378-9637). To join the webcast, go to the Investor Relations section at www.bc.com and select the Event Calendar link.

A replay of the conference call will be available from Friday, May 7, 2021, at 2 p.m. Eastern through Friday, May 14, 2021, at 2 p.m. Eastern. Replay numbers are 855-859-2056 for U.S. callers and 404-537-3406 for international callers with a passcode of 5849652. The archived webcast will be available in the Investor Relations section of Boise Cascade's website.

Use of Non-GAAP Financial Measures

We refer to the terms EBITDA and Adjusted EBITDA in this earnings release and the accompanying Quarterly Statistical Information as supplemental measures of our performance and liquidity that are not required by or presented in accordance with generally accepted accounting principles in the United States (GAAP). We define EBITDA as income (loss) 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.

We believe EBITDA and Adjusted EBITDA are meaningful measures because they present a transparent view of our recurring operating performance and allow management to readily view operating trends, perform analytical comparisons, and identify strategies to improve operating performance. We also believe EBITDA and Adjusted EBITDA are useful to investors because they provide a means to evaluate the operating performance of our segments and our Company on an ongoing basis using criteria that are used by our management and because they are frequently used by investors and other interested parties when comparing companies in our industry that have different financing and capital structures and/or tax rates. EBITDA and Adjusted EBITDA, however, are not measures of our liquidity or financial performance under GAAP and should not be considered as alternatives to net income (loss), income (loss) from operations, or any other performance measure derived in accordance with GAAP or as alternatives to cash flow from operating activities as a measure of our liquidity. The use of EBITDA and Adjusted EBITDA instead of net income (loss) or segment income (loss) have limitations as analytical tools, including: the inability to determine profitability; the exclusion of interest expense, interest income, and associated significant cash requirements; and the exclusion of depreciation and amortization, which represent unavoidable operating costs. Management compensates for these limitations by relying on our GAAP results. Our measures of EBITDA and Adjusted EBITDA are not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the methods of calculation.

Forward-Looking Statements

This press release includes statements about our expectations of future operational and financial performance that are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Statements preceded or followed by, or that otherwise include, the words "believes," "expects," "anticipates," "intends," "project," "estimates," "plans," "forecast," "is likely to," and similar expressions or future or conditional verbs such as "will," "may," "would," "should," and "could" are generally forward-looking in nature and not historical facts. Such statements are based upon the current beliefs and expectations of our management and are subject to significant risks and uncertainties. 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, the effect of COVID-19, 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 press release. 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 release.

Boise Cascade Company
Consolidated Statements of Operations
(in thousands, except per-share data) (unaudited)

Three Months Ended

March 31

**December 31,
2020**

2021

2020

2020

| | | | |
|---|--------------------------|-------------------------|-------------------------|
| Sales | \$ 1,821,316 | \$ 1,170,534 | \$ 1,472,231 |
| Costs and expenses | | | |
| Materials, labor, and other operating expenses (excluding depreciation) | 1,450,434 | 992,270 | 1,233,182 |
| Depreciation and amortization | 19,539 | 35,332 | 19,909 |
| Selling and distribution expenses | 120,917 | 99,463 | 102,366 |
| General and administrative expenses | 25,262 | 16,084 | 17,737 |
| Loss on curtailment of facility | — | 1,669 | — |
| Other (income) expense, net | (97) | 169 | (103) |
| | <u>1,616,055</u> | <u>1,144,987</u> | <u>1,373,091</u> |
| Income from operations | <u>205,261</u> | <u>25,547</u> | <u>99,140</u> |
| Foreign currency exchange gain (loss) | 154 | (873) | 556 |
| Pension expense (excluding service costs) | (19) | (387) | (6,466) |
| Interest expense | (5,875) | (6,421) | (6,167) |
| Interest income | 59 | 655 | 41 |
| Change in fair value of interest rate swaps | 1,024 | (2,314) | 255 |
| | <u>(4,657)</u> | <u>(9,340)</u> | <u>(11,781)</u> |
| Income before income taxes | 200,604 | 16,207 | 87,359 |
| Income tax provision | (51,448) | (4,007) | (61,358) |
| Net income | <u><u>\$ 149,156</u></u> | <u><u>\$ 12,200</u></u> | <u><u>\$ 26,001</u></u> |
| Weighted average common shares outstanding: | | | |
| Basic | 39,355 | 39,163 | 39,317 |
| Diluted | 39,630 | 39,405 | 39,587 |
| Net income per common share: | | | |
| Basic | <u>\$ 3.79</u> | <u>\$ 0.31</u> | <u>\$ 0.66</u> |
| Diluted | <u>\$ 3.76</u> | <u>\$ 0.31</u> | <u>\$ 0.66</u> |
| Dividends declared per common share | <u>\$ 0.10</u> | <u>\$ 0.10</u> | <u>\$ 0.10</u> |

Wood Products Segment
Statements of Operations
(in thousands, except percentages) (unaudited)

| | Three Months Ended | | |
|---|-----------------------|-----------------|------------------|
| | March 31 | | December 31, |
| | 2021 | 2020 | 2020 |
| Segment sales | \$ 432,335 | \$ 320,061 | \$ 358,661 |
| Costs and expenses | | | |
| Materials, labor, and other operating expenses (excluding depreciation) | 308,608 | 274,034 | 292,425 |
| Depreciation and amortization | 13,346 | 29,603 | 13,669 |
| Selling and distribution expenses | 8,999 | 7,984 | 8,147 |
| General and administrative expenses | 4,319 | 3,012 | 3,508 |
| Loss on curtailment of facility | — | 1,669 | — |
| Other (income) expense, net | 11 | (4) | 64 |
| | 335,283 | 316,298 | 317,813 |
| Segment income | \$ 97,052 | \$ 3,763 | \$ 40,848 |
| | (percentage of sales) | | |
| Segment sales | 100.0 % | 100.0 % | 100.0 % |
| Costs and expenses | | | |
| Materials, labor, and other operating expenses (excluding depreciation) | 71.4 % | 85.6 % | 81.5 % |
| Depreciation and amortization | 3.1 % | 9.2 % | 3.8 % |
| Selling and distribution expenses | 2.1 % | 2.5 % | 2.3 % |
| General and administrative expenses | 1.0 % | 0.9 % | 1.0 % |
| Loss on curtailment of facility | — % | 0.5 % | — % |
| Other (income) expense, net | — % | — % | — % |
| | 77.6 % | 98.8 % | 88.6 % |
| Segment income | 22.4 % | 1.2 % | 11.4 % |

**Building Materials Distribution Segment
Statements of Operations**

(in thousands, except percentages) (unaudited)

| | Three Months Ended | | |
|---|--------------------------|-------------------------|-------------------------|
| | March 31 | | December 31, |
| | 2021 | 2020 | 2020 |
| Segment sales | \$1,634,777 | \$1,049,997 | \$ 1,330,078 |
| Costs and expenses | | | |
| Materials, labor, and other operating expenses (excluding depreciation) | 1,387,351 | 917,841 | 1,156,836 |
| Depreciation and amortization | 5,819 | 5,344 | 5,846 |
| Selling and distribution expenses | 111,920 | 91,423 | 94,162 |
| General and administrative expenses | 9,581 | 6,135 | 6,322 |
| Other (income) expense, net | (113) | (48) | (169) |
| | <u>1,514,558</u> | <u>1,020,695</u> | <u>1,262,997</u> |
| Segment income | <u>\$ 120,219</u> | <u>\$ 29,302</u> | <u>\$ 67,081</u> |

(percentage of sales)

| | | | |
|---|---------------------|---------------------|---------------------|
| Segment sales | 100.0 % | 100.0 % | 100.0 % |
| Costs and expenses | | | |
| Materials, labor, and other operating expenses (excluding depreciation) | 84.9 % | 87.4 % | 87.0 % |
| Depreciation and amortization | 0.4 % | 0.5 % | 0.4 % |
| Selling and distribution expenses | 6.8 % | 8.7 % | 7.1 % |
| General and administrative expenses | 0.6 % | 0.6 % | 0.5 % |
| Other (income) expense, net | — % | — % | — % |
| | <u>92.6 %</u> | <u>97.2 %</u> | <u>95.0 %</u> |
| Segment income | <u>7.4 %</u> | <u>2.8 %</u> | <u>5.0 %</u> |

Segment Information

(in thousands) (unaudited)

| | Three Months Ended | | |
|---------------------------------|---------------------|---------------------|---------------------|
| | March 31 | | December 31, |
| | 2021 | 2020 | 2020 |
| Segment sales | | | |
| Wood Products | \$ 432,335 | \$ 320,061 | \$ 358,661 |
| Building Materials Distribution | 1,634,777 | 1,049,997 | 1,330,078 |
| Intersegment eliminations | (245,796) | (199,524) | (216,508) |
| Total net sales | \$ 1,821,316 | \$ 1,170,534 | \$ 1,472,231 |
| Segment income | | | |
| Wood Products | \$ 97,052 | \$ 3,763 | \$ 40,848 |
| Building Materials Distribution | 120,219 | 29,302 | 67,081 |
| Total segment income | 217,271 | 33,065 | 107,929 |
| Unallocated corporate costs | (12,010) | (7,518) | (8,789) |
| Income from operations | \$ 205,261 | \$ 25,547 | \$ 99,140 |
| Segment EBITDA (a) | | | |
| Wood Products | \$ 110,398 | \$ 33,366 | \$ 54,517 |
| Building Materials Distribution | 126,038 | 34,646 | 72,927 |

See accompanying summary notes to consolidated financial statements and segment information.

Boise Cascade Company
Consolidated Balance Sheets
(in thousands) (unaudited)

| | March 31, 2021 | December 31, 2020 |
|---|-----------------------|--------------------------|
| ASSETS | | |
| Current | | |
| Cash and cash equivalents | \$ 456,982 | \$ 405,382 |
| Receivables | | |
| Trade, less allowances of \$1,840 and \$1,111 | 540,197 | 375,865 |
| Related parties | 416 | 201 |
| Other | 12,261 | 15,067 |
| Inventories | 611,700 | 503,480 |
| Prepaid expenses and other | 11,304 | 8,860 |
| Total current assets | 1,632,860 | 1,308,855 |
| Property and equipment, net | 456,067 | 461,456 |
| Operating lease right-of-use assets | 60,065 | 62,447 |
| Finance lease right-of-use assets | 28,744 | 29,523 |
| Timber deposits | 10,025 | 11,761 |
| Goodwill | 60,382 | 60,382 |
| Intangible assets, net | 16,268 | 16,574 |
| Deferred income taxes | 7,329 | 7,460 |
| Other assets | 6,997 | 7,260 |
| Total assets | \$ 2,278,737 | \$ 1,965,718 |

Boise Cascade Company
Consolidated Balance Sheets (continued)
(in thousands, except per-share data) (unaudited)

| | March 31, 2021 | December 31, 2020 |
|--|---------------------|---------------------|
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current | | |
| Accounts payable | | |
| Trade | \$ 457,132 | \$ 307,653 |
| Related parties | 1,026 | 1,199 |
| Accrued liabilities | | |
| Compensation and benefits | 87,907 | 118,400 |
| Income taxes payable | 60,677 | 8,101 |
| Interest payable | 5,011 | 8,477 |
| Other | 84,761 | 80,172 |
| Total current liabilities | 696,514 | 524,002 |
| Debt | | |
| Long-term debt | 444,001 | 443,792 |
| Other | | |
| Compensation and benefits | 27,176 | 25,951 |
| Operating lease liabilities, net of current portion | 53,437 | 56,001 |
| Finance lease liabilities, net of current portion | 31,059 | 31,607 |
| Deferred income taxes | 15,783 | 18,263 |
| Other long-term liabilities | 15,506 | 15,303 |
| | 142,961 | 147,125 |
| Commitments and contingent liabilities | | |
| Stockholders' equity | | |
| Preferred stock, \$0.01 par value per share; 50,000 shares authorized, no shares issued and outstanding | — | — |
| Common stock, \$0.01 par value per share; 300,000 shares authorized, 44,698 and 44,568 shares issued, respectively | 447 | 446 |
| Treasury stock, 5,367 shares at cost | (138,909) | (138,909) |
| Additional paid-in capital | 537,431 | 538,006 |
| Accumulated other comprehensive loss | (1,082) | (1,078) |
| Retained earnings | 597,374 | 452,334 |
| Total stockholders' equity | 995,261 | 850,799 |
| Total liabilities and stockholders' equity | \$ 2,278,737 | \$ 1,965,718 |

Boise Cascade Company
Consolidated Statements of Cash Flows
(in thousands) (unaudited)

| | Three Months Ended March 31 | |
|---|------------------------------------|--------------------------|
| | 2021 | 2020 |
| Cash provided by (used for) operations | | |
| Net income | \$ 149,156 | \$ 12,200 |
| Items in net income not using (providing) cash | | |
| Depreciation and amortization, including deferred financing costs and other | 19,950 | 35,859 |
| Stock-based compensation | 2,092 | 1,674 |
| Pension expense | 19 | 555 |
| Deferred income taxes | (2,244) | 1,197 |
| Change in fair value of interest rate swaps | (1,024) | 2,314 |
| Loss on curtailment of facility (excluding severance) | — | 1,438 |
| Other | 4 | 155 |
| Decrease (increase) in working capital | | |
| Receivables | (161,833) | (108,229) |
| Inventories | (108,220) | (39,045) |
| Prepaid expenses and other | (2,444) | (3,205) |
| Accounts payable and accrued liabilities | 125,064 | 55,629 |
| Pension contributions | (78) | (726) |
| Income taxes payable | 52,565 | (2,111) |
| Other | (756) | (172) |
| Net cash provided by (used for) operations | <u>72,251</u> | <u>(42,467)</u> |
| Cash provided by (used for) investment | | |
| Expenditures for property and equipment | (13,301) | (18,563) |
| Proceeds from sales of assets and other | 136 | 103 |
| Net cash used for investment | <u>(13,165)</u> | <u>(18,460)</u> |
| Cash provided by (used for) financing | | |
| Dividends paid on common stock | (4,440) | (4,645) |
| Tax withholding payments on stock-based awards | (2,729) | (3,309) |
| Other | (317) | (1,364) |
| Net cash used for financing | <u>(7,486)</u> | <u>(9,318)</u> |
| Net increase (decrease) in cash and cash equivalents | 51,600 | (70,245) |
| Balance at beginning of the period | 405,382 | 285,237 |
| Balance at end of the period | <u>\$ 456,982</u> | <u>\$ 214,992</u> |

Summary Notes to Consolidated Financial Statements and Segment Information

The Consolidated Statements of Operations, Segment Statements of Operations, Consolidated Balance Sheets, Consolidated Statements of Cash Flows, and Segment Information presented herein do not include the notes accompanying the Company's Consolidated Financial Statements and should be read in conjunction with the Company's 2020 Form 10-K and the Company's other filings with the Securities and Exchange Commission. Net income for all periods presented involved estimates and accruals.

- (a) 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 March 31, 2021 and 2020, and December 31, 2020:

| | Three Months Ended | | |
|---|---------------------------|------------------|---------------------|
| | March 31 | | December 31, |
| | 2021 | 2020 | 2020 |
| | (in thousands) | | |
| Net income | \$ 149,156 | \$ 12,200 | \$ 26,001 |
| Interest expense | 5,875 | 6,421 | 6,167 |
| Interest income | (59) | (655) | (41) |
| Income tax provision | 51,448 | 4,007 | 61,358 |
| Depreciation and amortization | 19,539 | 35,332 | 19,909 |
| EBITDA | 225,959 | 57,305 | 113,394 |
| Change in fair value of interest rate swaps | (1,024) | 2,314 | (255) |
| Adjusted EBITDA | \$ 224,935 | \$ 59,619 | \$ 113,139 |

The following table reconciles segment income and unallocated corporate costs to EBITDA and adjusted EBITDA for the three months ended March 31, 2021 and 2020, and December 31, 2020:

| | Three Months Ended | | |
|---|---------------------------|-------------------------|--------------------------|
| | March 31 | | December 31, |
| | 2021 | 2020 | 2020 |
| | (in thousands) | | |
| Wood Products | | | |
| Segment income | \$ 97,052 | \$ 3,763 | \$ 40,848 |
| Depreciation and amortization | 13,346 | 29,603 | 13,669 |
| EBITDA | <u>\$ 110,398</u> | <u>\$ 33,366</u> | <u>\$ 54,517</u> |
| Building Materials Distribution | | | |
| Segment income | \$ 120,219 | \$ 29,302 | \$ 67,081 |
| Depreciation and amortization | 5,819 | 5,344 | 5,846 |
| EBITDA | <u>\$ 126,038</u> | <u>\$ 34,646</u> | <u>\$ 72,927</u> |
| Corporate | | | |
| Unallocated corporate costs | \$ (12,010) | \$ (7,518) | \$ (8,789) |
| Foreign currency exchange gain (loss) | 154 | (873) | 556 |
| Pension expense (excluding service costs) | (19) | (387) | (6,466) |
| Change in fair value of interest rate swaps | 1,024 | (2,314) | 255 |
| Depreciation and amortization | 374 | 385 | 394 |
| EBITDA | <u>(10,477)</u> | <u>(10,707)</u> | <u>(14,050)</u> |
| Change in fair value of interest rate swaps | (1,024) | 2,314 | (255) |
| Corporate adjusted EBITDA | <u>\$ (11,501)</u> | <u>\$ (8,393)</u> | <u>\$ (14,305)</u> |
| Total Company adjusted EBITDA | <u>\$ 224,935</u> | <u>\$ 59,619</u> | <u>\$ 113,139</u> |