



2021 FACT BOOK | Performance Highlights



WEYERHAEUSER 2021 FACT BOOK

This publication provides information for security analysts, investors and others researching the financial performance of our company. The information presented here is as of December 31, 2021, unless indicated otherwise, and is intended to be read in conjunction with our [2021 Annual Report and Form 10-K](#).

SELECTED FINANCIAL DATA

DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER-SHARE FIGURES			
	2021	2020	2019
Net sales	\$ 10,201	\$ 7,532	\$ 6,554
Adjusted EBITDA ⁽¹⁾	\$ 4,094	\$ 2,201	\$ 1,276
Net earnings (loss)	\$ 2,607	\$ 797	\$ (76)
Basic earnings (loss) per share	\$ 3.48	\$ 1.07	\$ (0.10)
Diluted earnings (loss) per share	\$ 3.47	\$ 1.07	\$ (0.10)
Number of common shares outstanding at year-end (in thousands)	747,301	747,385	745,300
Cash flow from operations	\$ 3,159	\$ 1,529	\$ 966
Capital expenditures	\$ 441	\$ 281	\$ 384
Adjusted funds available for distribution ⁽²⁾	\$ 2,623	\$ 1,240	\$ 514
Total assets	\$ 17,652	\$ 16,311	\$ 16,406
Total long-term debt, including current portion, and borrowings on line of credit ⁽³⁾	\$ 5,099	\$ 5,475	\$ 6,377
Dividends paid per share	\$ 1.18	\$ 0.51	\$ 1.36
Number of employees	9,200	9,400	9,400

(1) Adjusted EBITDA, as we define it, is operating income from continuing operations adjusted for depreciation, depletion, amortization, basis of real estate sold, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures. A reconciliation of Adjusted EBITDA by segment to net earnings is on page 14.

(2) Our definition of Adjusted funds available for distribution (Adjusted FAD) and a reconciliation to GAAP are set forth on page 15.

(3) Does not include nonrecourse debt held by our Variable Interest Entities (VIEs).

Adjusted EBITDA by Segment

DOLLAR AMOUNTS IN MILLIONS			
	2021	2020	2019
Timberlands	\$ 693	\$ 610	\$ 680
Real Estate, Energy & Natural Resources	296	241	274
Wood Products	3,357	1,527	476
Unallocated Items	(252)	(177)	(154)
Total	\$ 4,094	\$ 2,201	\$ 1,276

Capital Spending by Segment

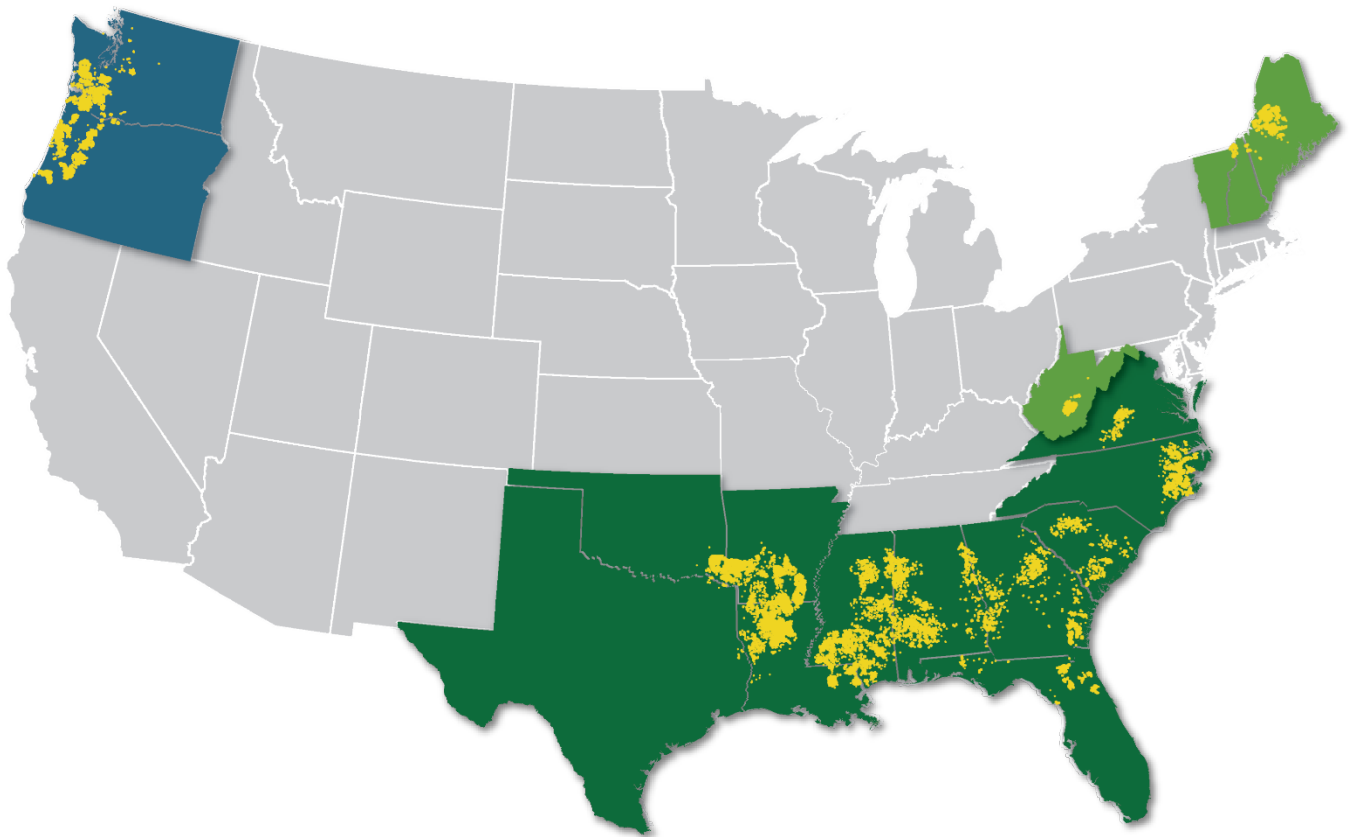
DOLLAR AMOUNTS IN MILLIONS			
	2021	2020	2019
Timberlands	\$ 114	\$ 104	\$ 112
Real Estate, Energy & Natural Resources	—	—	—
Wood Products	320	176	257
Unallocated Items	7	1	15
Total	\$ 441	\$ 281	\$ 384

TIMBERLANDS

OUR TIMBERLANDS SEGMENT:

- plants seedlings to reforest harvested areas using the most effective regeneration method for the site and species (natural regeneration is employed and managed in parts of Canada and the northern U.S.);
- manages our timberlands as the trees grow to maturity;
- harvests trees to be converted into lumber, wood products, pellets, pulp and paper;
- manages the health of our forests to sustainably maximize harvest volumes, minimize risks and protect unique environmental, cultural, historical and recreational value; and
- offers recreational access.

TIMBERLANDS AS OF THE END OF 2021⁽¹⁾



(1) Approximate total acres as of December 31, 2021. We also have renewable, long-term licenses on 14.1 million acres of Canadian timberlands.

OUR TIMBERLANDS LOCATIONS

Summary of 2021 Timberland Ownership

GEOGRAPHIC AREA			THOUSANDS OF ACRES AT DECEMBER 31, 2021
	FEE OWNERSHIP	LONG-TERM CONTRACTS	TOTAL ACRES ⁽¹⁾
U.S.:			
West			
Oregon	1,451	—	1,451
Washington	1,126	—	1,126
Total West	2,577	—	2,577
South			
Alabama	445	198	643
Arkansas	1,204	18	1,222
Florida	218	81	299
Georgia	587	50	637
Louisiana	1,007	353	1,360
Mississippi	1,119	39	1,158
North Carolina	558	—	558
Oklahoma	489	—	489
South Carolina	272	—	272
Texas	14	2	16
Virginia	122	—	122
Total South	6,035	741	6,776
North			
Maine	833	—	833
New Hampshire	24	—	24
Vermont	86	—	86
West Virginia	254	—	254
Total North	1,197	—	1,197
Total Company	9,809	741	10,550

Canadian Licensed Timberlands

GEOGRAPHIC AREA		THOUSANDS OF ACRES AT DECEMBER 31, 2021
		TOTAL ACRES
Province:		
Alberta		5,399
British Columbia		1,147
Ontario ⁽²⁾		2,574
Saskatchewan ⁽²⁾		4,987
Total Canada		14,107

(1) Acres include all conservation and non-harvestable areas.

(2) License is managed by partnership.

OUR TIMBERLANDS PRODUCTS

PRODUCTS	HOW THEY'RE USED
Delivered logs: <ul style="list-style-type: none"> Grade logs Fiber logs 	Grade logs are made into lumber, plywood, veneer and other products used in residential homes, commercial structures, furniture, industrial and decorative applications. Fiber logs are sold to pulp, paper and oriented strand board mills to make products used for printing, writing, packaging, homebuilding and consumer products, as well as into renewable energy and pellets.
Timber	Standing timber is sold to third parties through stumpage sales.
Recreational leases	Timberlands are leased or permitted for recreational purposes.
Other products	Seed and seedlings grown in the U.S. and chips.

Net Sales and Net Contribution to Earnings for Timberlands

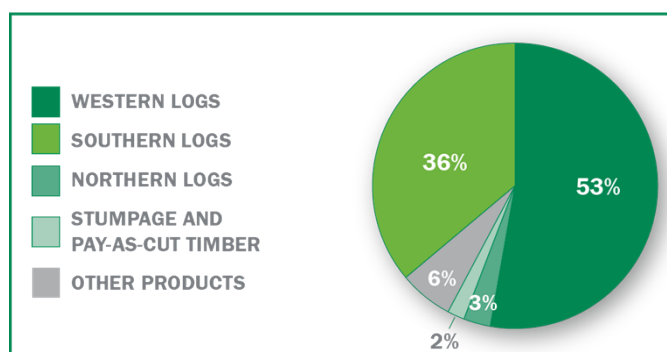
DOLLAR AMOUNTS IN MILLIONS				
	2021	2020	2019	
Net sales to unaffiliated customers:				
Delivered logs ⁽¹⁾ :				
West	\$ 869	\$ 720	\$ 740	
South	589	573	640	
North	52	52	92	
Total	1,510	1,345	1,472	
Stumpage and pay-as-cut timber	31	19	42	
Recreational lease revenue	65	63	61	
Other products ⁽²⁾	30	39	43	
Subtotal net sales to unaffiliated customers	1,636	1,466	1,618	
Intersegment net sales	535	471	503	
Total net sales	\$ 2,171	\$ 1,937	\$ 2,121	
Costs of sales	1,650	1,491	1,649	
Gross margin	521	446	472	
Selling expenses	2	2	1	
General and administrative expenses	92	93	94	
Gain on sale of timberlands	(32)	(182)	(48)	
Charges for integration and restructuring, closures and asset impairments	—	—	80	
Other operating income, net	(5)	78	(2)	
Operating income and Net contribution to earnings	464	\$ 455	\$ 347	
Adjusted EBITDA⁽³⁾	693	\$ 610	\$ 680	

(1) In November 2019, we sold our Michigan timberlands and in March 2020, we sold our Montana timberlands, both of which were previously reported in the North region.

(2) Other products include sales of seeds and seedlings from our nursery operations and wood chips.

(3) Reconciliation of Adjusted EBITDA by segment to net earnings is on page 14.

Percentage of 2021 Sales Dollars to Unaffiliated Customers



TIMBERLANDS HARVEST VOLUMES AND PUBLISHED PRICES

Our fee harvest volumes are managed sustainably across all regions to ensure the preservation of long-term economic value of the timber and to capture maximum value from the markets. This is accomplished by ensuring annual harvest schedules target financially mature timber and reforestation activities align with the growing of timber through its life cycle to financial maturity.

Timberlands Fee Harvest Volumes

FEE HARVEST VOLUMES IN THOUSANDS OF TONS			
	2021	2020	2019
West	8,084	8,542	9,237
South	23,304	23,149	26,278
North ⁽¹⁾	1,085	1,226	2,042
Total	32,473	32,917	37,557

Timberlands Fee Harvest Volumes Percentage of Grade & Fiber

PERCENTAGE OF GRADE AND FIBER				
		2021	2020	2019
West	Grade	92%	90%	89%
	Fiber	8%	10%	11%
South	Grade	49%	48%	49%
	Fiber	51%	52%	51%
North ⁽¹⁾	Grade	51%	49%	37%
	Fiber	49%	51%	63%
Total	Grade	62%	60%	59%
	Fiber	38%	40%	41%

Summary of Published Delivered Log Prices (Mill Basis)

FOR THE THREE-YEAR PERIOD ENDED DECEMBER 31, 2021				
SELECTED PRODUCT PRICES (\$/MBF)				
	2021	2020	2019	
Domestic logs — #2 Sawlog bark on⁽²⁾:				
Douglas fir	\$ 822	\$ 714	\$ 665	
Southern pine large	\$ 354	\$ 329	\$ 328	
Export logs — #2 Sawlog bark on⁽³⁾:				
Coastal - Douglas fir - Longview	\$ 1,060	\$ 860	\$ 836	
Coastal - Hemlock	\$ 613	\$ 530	\$ 525	

WE CERTIFY
100%
OF OUR
TIMBERLANDS
& WOOD PRODUCTS
FACILITIES TO



STANDARDS

ON AVERAGE,
WE PLANT BETWEEN

130-150
MILLION
SEEDLINGS
EACH YEAR



ON AVERAGE, WE HARVEST

ONLY 2%
OF OUR
TIMBERLANDS
EACH YEAR, AND
100%
ARE REFORESTED

(1) In November 2019, we sold our Michigan timberlands and in March 2020, we sold our Montana timberlands.

(2) Source: Loglines, Timber-Mart South

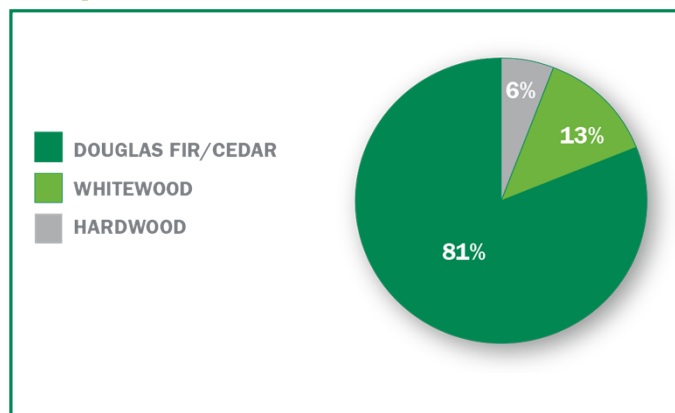
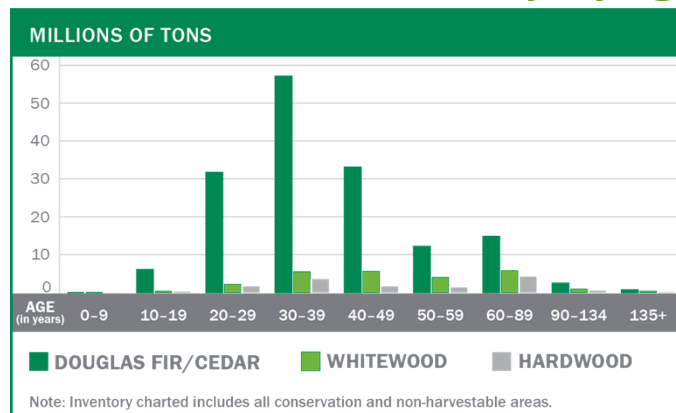
(3) Source: Weyerhaeuser, Loglines

STANDING GROSS TIMBER INVENTORY INFORMATION

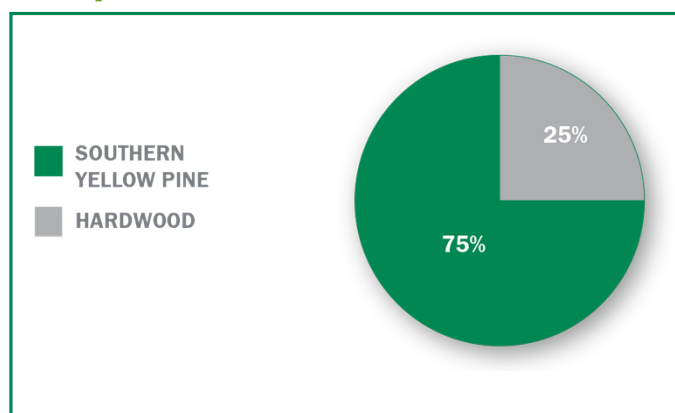
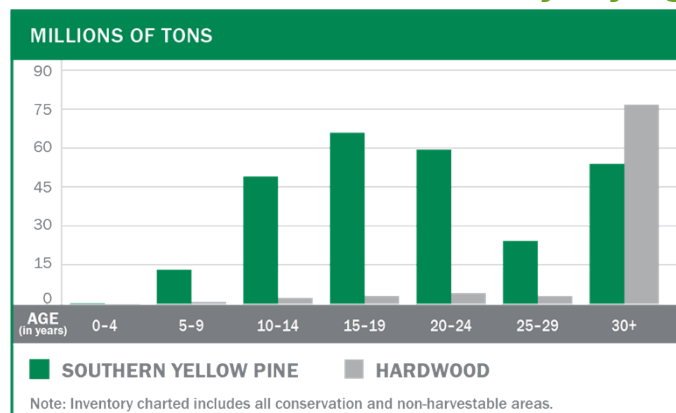
United States

TOTAL INVENTORY AT DECEMBER 31, 2021 ⁽¹⁾		
GEOGRAPHIC AREA		MILLIONS OF TONS
West	Douglas fir/Cedar	158
	Whitewood	25
	Hardwood	13
South	Southern yellow pine	266
	Hardwood	89
North	Conifer	17
	Hardwood	25
Total U.S.		593

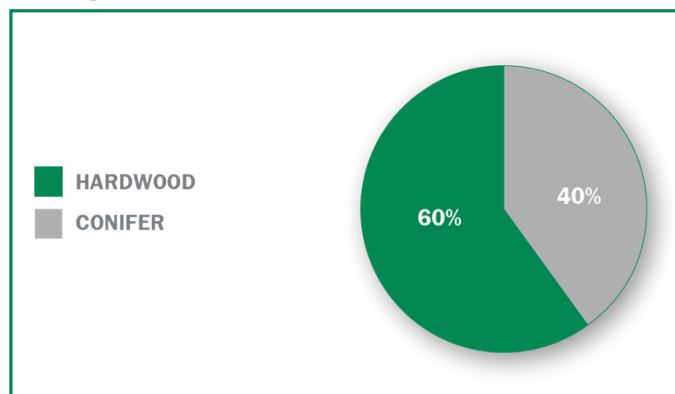
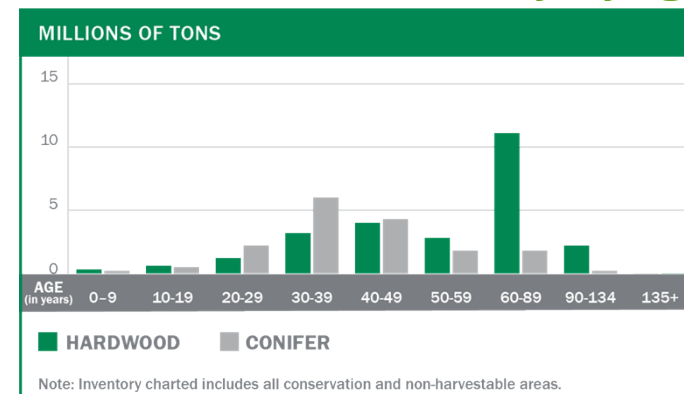
2021 Western U.S. Inventory: By Age and Species



2021 Southern U.S. Inventory: By Age and Species



2021 Northern U.S. Inventory: By Age and Species



(1) Inventory includes all conservation and non-harvestable areas.

REAL ESTATE, ENERGY & NATURAL RESOURCES

OUR REAL ESTATE, ENERGY & NATURAL RESOURCES SEGMENT:

- maximizes the value of our timberland ownership through application of our asset value optimization (AVO) process,
- captures the full value of surface and subsurface attributes on our land base, including conservation, mitigation banking, renewable energy, aggregates and industrial materials and natural gas; and
- capitalizes on emerging natural climate solutions, including forest carbon and carbon capture and storage.

SOURCES OF REVENUE

SOURCES	ACTIVITIES
Real Estate	Select timberland tracts are sold for recreational, conservation, commercial, mitigation banking, or residential purposes.
Energy and Natural Resources	<ul style="list-style-type: none"> ▪ Rights are granted to explore, extract and sell construction aggregates (rock, sand and gravel), industrial materials and natural gas. ▪ Ground leases and easements are granted to wind and solar developers to generate renewable electricity from our timberlands. ▪ Rights are granted to access and utilize timberland acreage for communications, pipeline, powerline and transportation rights of way.

Net Sales and Net Contribution to Earnings for Real Estate, Energy & Natural Resources

DOLLAR AMOUNTS IN MILLIONS				
		2021	2020	2019
Net sales:				
Real estate	\$	246	202	225
Energy and natural resources		98	74	88
Subtotal sales to unaffiliated buyers		344	276	313
Intersegment sales		—	—	1
Total segment net sales⁽¹⁾	\$	344	\$ 276	\$ 314
Costs of sales		109	165	145
Gross margin		210	111	169
General and administrative expenses		25	25	27
Other operating income, net		—	—	(2)
Operating income	\$	210	\$ 86	\$ 144
Interest income and other		—	—	—
Net contribution to earnings	\$	210	\$ 86	\$ 144
Adjusted EBITDA⁽²⁾	\$	296	\$ 241	\$ 274

Real Estate Statistics

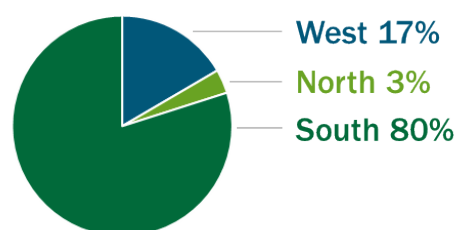
FOR THE THREE-YEAR PERIOD ENDED DECEMBER 31, 2021				
		2021	2020	2019
Acres sold		55,827	111,898	113,315
Average price per acre	\$	3,725	\$ 1,690	\$ 1,848

(1) Amounts include net sales to unaffiliated buyers as well as intersegment sales.

(2) Reconciliation of Adjusted EBITDA by segment to net earnings is on page 14.

**1.2 MILLION
ACRES**
WITH HIGHER AND BETTER USE
(HBU) ATTRIBUTES*

HBU ACREAGE BY REGION



* As of December 31, 2021.

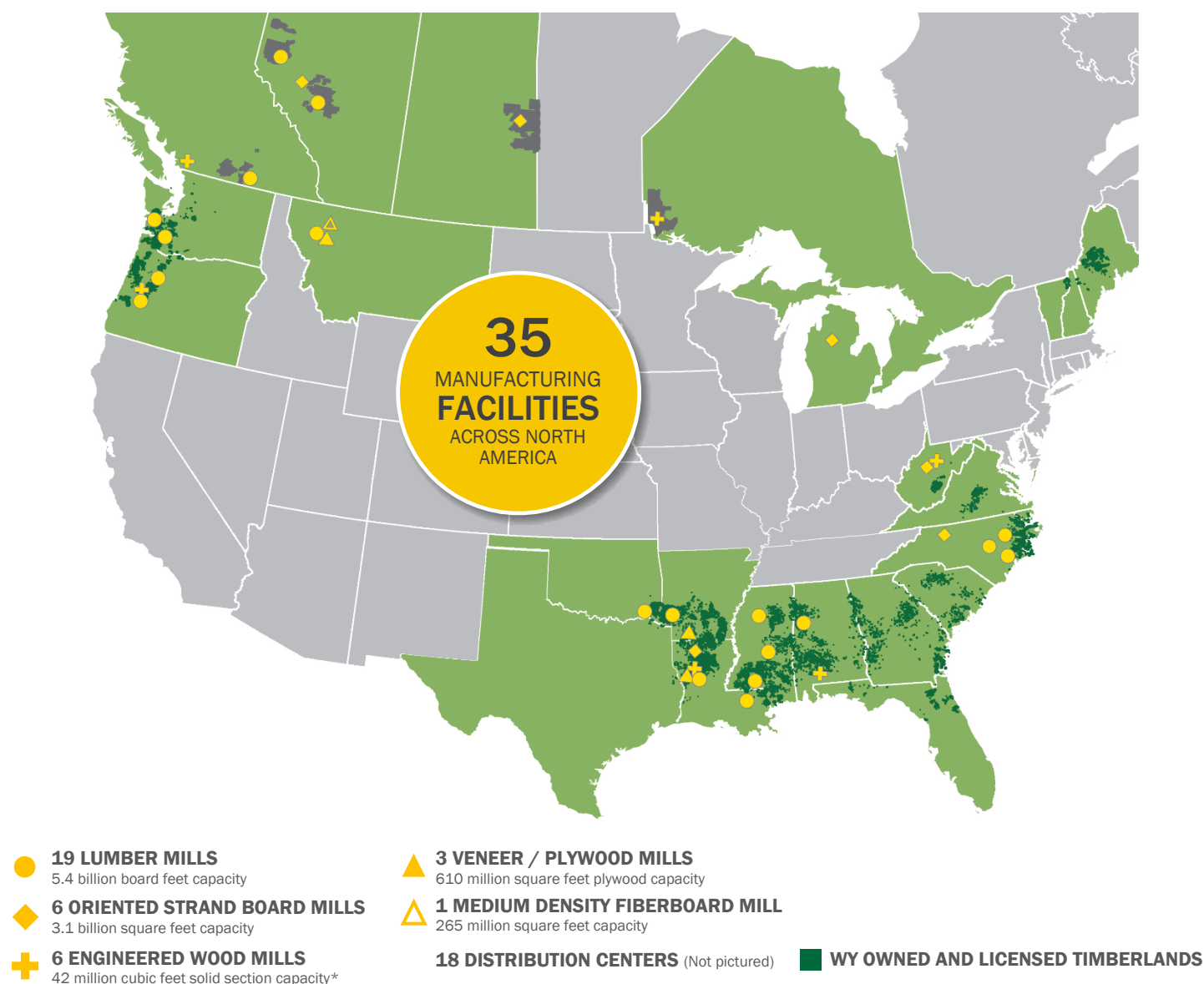
WOOD PRODUCTS

OUR WOOD PRODUCTS SEGMENT:

- manufactures high-quality structural lumber, oriented strand board (OSB), engineered wood products and other specialty products for the residential, multi-family, industrial, light commercial, and repair and remodel markets;
- distributes our products as well as complementary building products that we purchase from other manufacturers; and
- exports our structural lumber and engineered wood products, primarily to Asia.

OUR WOOD PRODUCTS OPERATIONS

We operate manufacturing facilities in the United States and Canada. We distribute through a combination of Weyerhaeuser distribution centers and third-party distributors. Information about the locations, capacities and production of our manufacturing facilities is included below.



* This represents total press capacity. Three facilities also produce I-joists to meet market demand. In 2021, approximately 25 percent of the total press production was converted into 190 million lineal feet of I-joist.

WOOD PRODUCTS MILL LOCATION AND CAPACITIES

Structural Lumber

Total capacity	5.4 billion board feet
Total facilities	19

Western United States

BOARD FEET IN MILLIONS	
Cottage Grove, OR	425
Kalispell, MT	120
Longview, WA	450
Raymond, WA	215
Santiam, OR	475

Total capacity: 1.7 billion board feet
Total facilities: 5

Southern United States

BOARD FEET IN MILLIONS	
Bruce, MS	270
Dierks, AR	390
Dodson, LA	230
Greenville, NC	260
Holden, LA	160
Idabel, OK	245
McComb, MS	300
Millport, AL	320
New Bern, NC	100
Philadelphia, MS	250
Plymouth, NC	250

Total capacity: 2.8 billion board feet
Total facilities: 11

Canada

BOARD FEET IN MILLIONS	
Drayton Valley, AB	280
Grande Prairie, AB	310
Princeton, BC	300

Total capacity: 0.9 billion board feet
Total facilities: 3

Engineered Wood Products

CUBIC FEET IN MILLIONS

Buckhannon, WV ⁽¹⁾	7
Eugene, OR ⁽²⁾	6
Evergreen, AL ⁽²⁾	7
Kenora, ON ⁽¹⁾	11
Natchitoches, LA ⁽²⁾	8
Vancouver, BC ⁽¹⁾	4

Total capacity: 42 million cubic feet (if press capacity is utilized for solid section)
Total facilities: 6

(1) Buckhannon, WV, Kenora, ON, and Vancouver, BC, only produce solid section.
(2) Eugene, OR; Evergreen, AL; and Natchitoches, LA, produce solid section and engineered I-joists to meet market demand. 2021 production of I-joists was 190 million lineal feet.

Panels

Oriented Strand Board (OSB)

SQUARE FEET (3/8") IN MILLIONS

Arcadia, LA	425
Edson, AB	460
Elkin, NC	430
Grayling, MI	550
Hudson Bay, SK	600
Sutton, WV	675

Total capacity: 3.1 billion square feet
Total facilities: 6

Medium Density Fiberboard (MDF)

SQUARE FEET (3/4") IN MILLIONS

Columbia Falls, MT	265
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Total capacity: 265 million square feet
Total facilities: 1

Plywood

SQUARE FEET (3/8") IN MILLIONS

Emerson, AR	210
Kalispell, MT	150
Zwolle, LA	250

Total capacity: 610 million square feet
Total facilities: 3

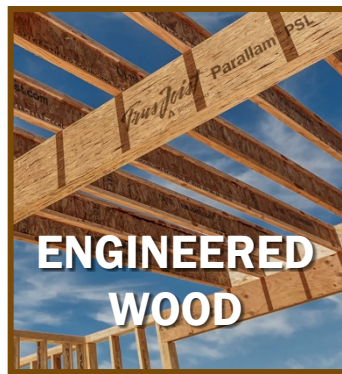
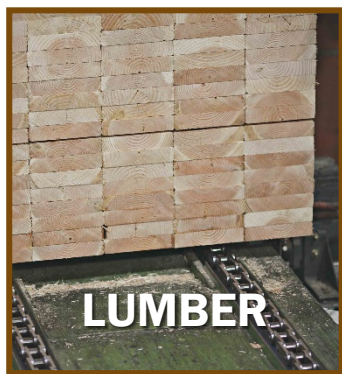
Wood Products Production

PRODUCTION IN MILLIONS			
	2021	2020	2019
Structural lumber – board feet	4,815	4,666	4,705
Oriented strand board – square feet (3/8")	2,865	3,013	2,969
Engineered solid section – cubic feet ⁽¹⁾	24.0	23.0	22.6
Engineered I-joists – lineal feet ⁽¹⁾	190	175	182
Softwood plywood – square feet (3/8") ⁽²⁾	263	347	386
Medium density fiberboard – square feet (3/4")	206	200	202

(1) Weyerhaeuser engineered solid section facilities may also produce engineered I-joist.
(2) All Weyerhaeuser plywood facilities also produce veneer.

OUR WOOD PRODUCTS

PRODUCTS	HOW THEY'RE USED
Structural lumber	Structural framing for new residential, repair and remodel, treated applications, industrial and commercial structures.
Engineered wood products	Structural elements for residential, multi-family and commercial structures such as floor and roof joists, headers, beams, subflooring and sheathing.
Solid section	<p>Laminated Veneer Lumber — Microllam® Beams and headers, I-joist flanges, concrete forming, scaffold planks, signposts and light poles, custom applications and factory-built structures.</p> <p>Parallel Strand Lumber — Parallam® Columns and posts, exposed applications, headers and beams, railroad ties and timbers, concrete forming, wood bridges, custom applications.</p> <p>Laminated Strand Lumber — TimberStrand® Beams and columns, factory-built structures (window, door and garage door headers), rim board, wall studs and plates, furniture and millwork, concrete forming, truss chords, custom applications.</p>
I-joists	Engineered for dimensional stability, they are lightweight, come in long lengths, and are used for framing purposes.
Structural panels	Structural sheathing, subflooring and stair tread for residential, multi-family and commercial structures.
Oriented strand board (OSB)	OSB uses wood strands that are oriented in a cross pattern and bonded together with adhesives under heat and pressure. Used in structural wall and roof sheathing, subflooring, stair treads, webstock and a variety of industrial applications.
Softwood plywood	Plywood is manufactured from thin sheets of cross-laminated veneer bonded together with adhesives using heat and pressure. Used in building and construction panels, as well as appearance panels.
Medium density fiberboard (MDF)	MDF is manufactured from wood fiber that is bonded together with adhesives using heat and pressure. Used in furniture and cabinet components, architectural moldings, doors, store fixtures, core material for hardwood plywood, face material for softwood plywood, commercial wall paneling and substrate for laminate flooring.
Other products	Wood chips and other byproducts.
Complementary building products	Complementary building products such as cedar, decking, siding, insulation and rebar sold in our distribution facilities.



WOOD PRODUCTS SALES AND PUBLISHED PRICES

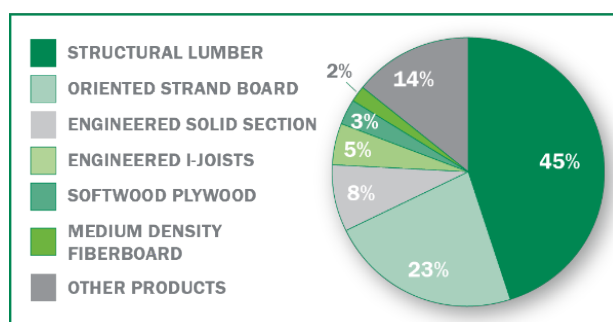
Net Sales and Net Contribution to Earnings for Wood Products

DOLLAR AMOUNTS IN MILLIONS			
	2021	2020	2019
Net sales:			
Structural lumber	\$ 3,721	\$ 2,602	\$ 1,892
Oriented strand board	1,840	1,013	632
Engineered solid section	679	505	510
Engineered I-joists	447	316	323
Softwood plywood	210	171	161
Medium density fiberboard	186	171	166
Other products produced ⁽¹⁾	348	336	337
Complementary building products	790	676	602
Total net sales	\$ 8,221	\$ 5,790	\$ 4,623
Cost of sales	4,808	4,221	4,098
Gross margin	3,413	1,569	525
Selling expenses	84	77	80
General and administrative expenses	138	136	139
Product remediation recoveries, net	(37)	(8)	(68)
Other operating income, net	17	23	21
Operating income and Net contribution to earnings	\$ 3,211	\$ 1,340	\$ 353
Adjusted EBITDA⁽²⁾	\$ 3,357	\$ 1,527	\$ 476

(1) Other products produced sales include wood chips, other byproducts and third-party residual log sales from our Canadian Forestlands operations.

(2) Reconciliation of Adjusted EBITDA by segment to net earnings is on page 14.

Percentage of 2021 Net Sales Dollars in Wood Products



Published Lumber Prices

\$/MBF			
	2021	2020	2019
2x4 Douglas fir (kiln dried)	\$ 973	\$ 670	\$ 417
2x4 Douglas fir (green)	\$ 891	\$ 606	\$ 361
2x4 Southern yellow pine (kiln dried)	\$ 870	\$ 573	\$ 383
2x4 Spruce-pine-fir (mill)	\$ 817	\$ 556	\$ 359

Source: Random Lengths

Published Oriented Strand Board Prices

\$/MSF			
	2021	2020	2019
OSB (7/16") North Central	\$ 806	\$ 442	\$ 210

Source: Random Lengths

ON AVERAGE, WE USE

95%
OF EVERY
LOG



WE MEET OVER

70%
OF OUR OWN
ENERGY NEEDS
USING
**RENEWABLE
BIOMASS**



99%

OF OUR WASTE IS
REUSED
OR
RECYCLED



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Sustainability and citizenship are part of our core values. In addition to practicing sustainable forestry, we focus on increasing energy and resource efficiency, reducing greenhouse gas emissions, conserving natural resources and offering sustainable products that meet our customers' needs. We are also recognized for our leading performance in the areas of ethics, citizenship and gender equality.

WE REDUCED
GREENHOUSE GASES
BY 57%
BETWEEN 2000 AND 2020,
EXCEEDING
OUR ORIGINAL GOAL



OUR NEW
GHG EMISSION
REDUCTION TARGET
HAS BEEN VERIFIED BY THE
SCIENCE BASED
TARGET INITIATIVE'S
HIGHEST LEVEL OF AMBITION



WE REMOVE THE EQUIVALENT OF
32 MILLION
METRIC TONS
OF CO₂
IN OUR FORESTS &
WOOD PRODUCTS ANNUALLY



That's like taking
7 MILLION cars off
the road every year!



2021 ACCOMPLISHMENTS

We Released Our Inaugural Peer-Leading Carbon Record: Weyerhaeuser is a Net Carbon-Negative Operator.

With millions of acres of timberlands that naturally sequester carbon dioxide (CO₂) and store it as solid carbon, our forests, as well as our wood products that keep CO₂ stored for the life of the products, help to limit the concentration of CO₂ in the atmosphere. In fact, our forests and wood products remove more than four times the amount of CO₂ than we emit in our operations each year, making Weyerhaeuser's operations significantly net carbon negative.

We Are Leading on the Path to Net-Zero Emissions.

We have made great progress in reducing our greenhouse gas ("GHG") emissions over the years, having exceeded by 17% our last GHG reduction goal of 40% reduced emissions against a 2000 baseline. Our current GHG emissions reduction target recently received approval from the Science Based Targets initiative ("SBTi") at the highest level of ambitions. Our targets put us among a select group of companies leading on the path to net-zero emissions by 2050, further strengthening our position as an industry leader in ESG.

We Launched Our New Natural Climate Solutions Business.

The scale and geographic scope of our land assets puts us in a unique position to use our asset base to make a positive impact on climate change. In 2021, we launched our new Natural Climate Solutions business to leverage our resources and expertise to help others meet their goals for reduced carbon emissions. Part of our Real Estate, Energy and Natural Resources segment, this new business expands our current activities in conservation and mitigation banking, as well as leasing land for renewable energy projects, including wind and solar. In addition, we are strategically positioned to participate in emerging opportunities focused on mitigating the impacts of climate change, including:

- Forest carbon offset markets, where carbon credits are created through incremental carbon sequestration over a base line and sold to buyers in need of such credits; and
- Carbon capture and storage, which involves leasing of surface and subsurface ownership to safely and permanently store transported carbon emissions from their source.

Adjusted EBITDA Reconciliation by Segment

The table below reconciles Adjusted EBITDA by segment to net earnings during the year ended 2021

DOLLAR AMOUNTS IN MILLIONS					
	TIMBERLANDS	REAL ESTATE & ENR	WOOD PRODUCTS	UNALLOCATED ITEMS	TOTAL
Net earnings					\$ 2,607
Interest expense, net of capitalized interest					313
Income taxes					709
Net contribution (charge) to earnings	\$ 464	\$ 210	\$ 3,211	\$ (256)	\$ 3,629
Non-operating pension and other post-employment benefit costs	—	—	—	19	19
Interest income and other	—	—	—	(5)	(5)
Operating income (loss)	464	210	3,211	(242)	3,643
Depreciation, depletion and amortization	261	15	196	5	477
Basis of real estate sold	—	71	—	—	71
Special items included in operating income (loss) ⁽¹⁾⁽²⁾⁽³⁾	(32)	—	(50)	(15)	(97)
Adjusted EBITDA	\$ 693	\$ 296	\$ 3,357	\$ (252)	\$ 4,094

(1) Operating income (loss) for Timberlands includes a pretax special item consisting of a \$32 million gain on sale of timberlands.

(2) Operating income (loss) for Wood Products includes pretax special items consisting of a \$37 million product remediation insurance recovery and a \$13 million insurance recovery.

(3) Operating income (loss) for Unallocated Items includes a pretax special item consisting of a \$15 million noncash legal benefit.

The table below reconciles Adjusted EBITDA by segment to net earnings during the year ended 2020

DOLLAR AMOUNTS IN MILLIONS					
	TIMBERLANDS	REAL ESTATE & ENR	WOOD PRODUCTS	UNALLOCATED ITEMS	TOTAL
Net earnings					\$ 797
Interest expense, net of capitalized interest ⁽¹⁾					443
Income taxes					185
Net contribution (charge) to earnings	\$ 455	\$ 86	\$ 1,340	\$ (456)	\$ 1,425
Non-operating pension and other post-employment benefit costs ⁽²⁾	—	—	—	290	290
Interest income and other	—	—	—	(5)	(5)
Operating income (loss)	455	86	1,340	(171)	1,710
Depreciation, depletion and amortization	257	14	195	6	472
Basis of real estate sold	—	141	—	—	141
Special items included in operating income (loss) ⁽³⁾⁽⁴⁾⁽⁵⁾	(102)	—	(8)	(12)	(122)
Adjusted EBITDA	\$ 610	\$ 241	\$ 1,527	\$ (177)	\$ 2,201

(1) Interest expense, net of capitalized interest includes a pretax special item of \$92 million of charges related to the early extinguishment of debt.

(2) Non-operating pension and other post-employment benefit costs includes pretax special items consisting of a \$253 million noncash settlement charges related to the transfer of pension plan assets and liabilities through the purchase of a group annuity contract.

(3) Operating income (loss) for Timberlands includes pretax special items consisting of a \$182 gain on sale of certain southern Oregon timberlands and an \$80 million timber casualty loss.

(4) Operating income (loss) for Wood Products includes a pretax special item consisting of a \$8 million product remediation insurance recovery.

(5) Operating income (loss) for Unallocated Items includes a pretax special item consisting of a \$12 million noncash legal benefit.

The table below reconciles Adjusted EBITDA by segment to net earnings during the year ended 2019

DOLLAR AMOUNTS IN MILLIONS					
	TIMBERLANDS	REAL ESTATE & ENR	WOOD PRODUCTS	UNALLOCATED ITEMS	TOTAL
Net earnings					\$ (76)
Interest expense, net of capitalized interest					378
Income taxes ⁽¹⁾					(137)
Net contribution (charge) to earnings	\$ 347	\$ 144	\$ 353	\$ (679)	\$ 165
Non-operating pension and other post-employment benefit costs ⁽²⁾	—	—	—	516	516
Interest income and other ⁽³⁾	—	—	—	(30)	(30)
Operating income (loss)	347	144	353	(193)	651
Depreciation, depletion and amortization	301	14	191	4	510
Basis of real estate sold	—	116	—	—	116
Special items included in operating income (loss) ⁽⁴⁾	32	—	(68)	35	(1)
Adjusted EBITDA	\$ 680	\$ 274	\$ 476	\$ (154)	\$ 1,276

(1) Interest expense, net of capitalized interest includes a pretax special item of \$12 million related to a charge for the early extinguishment of debt.

(2) Non-operating pension and other post-employment benefit costs includes pretax special items consisting of \$455 million noncash settlement charges related to the transfers of pension plan assets and liabilities to an insurance company through the purchase of group annuity contracts.

(3) Operating income (loss) for Timberlands includes pretax special items consisting of an \$80 million noncash impairment charge related to the agreement to sell our Montana timberlands and a \$48 million gain on sale of our Michigan timberlands.

(4) Operating income (loss) for Wood Products includes a pretax special item consisting of a \$68 million product remediation insurance recovery.

(5) Operating income (loss) for Unallocated Items includes pretax special items consisting of \$35 million of legal charges.

Adjusted Funds Available for Distribution (FAD) Reconciliation

DOLLAR AMOUNTS IN MILLIONS			
	2021	2020	2019
Net cash from operations	\$ 3,159	\$ 1,529	\$ 966
Capital expenditures	(441)	(281)	(384)
Funds Available for Distribution⁽¹⁾	\$ 2,718	\$ 1,248	\$ 582
Cash for product remediation payments (from product remediation insurance recoveries)	—	(8)	(68)
Cash contribution to our U.S. qualified pension plan	(95)	—	—
Adjusted Funds Available for Distribution⁽²⁾	\$ 2,623	\$ 1,240	\$ 514

(1) Funds available for distribution (FAD) is a non-GAAP measure that management uses to evaluate the company's liquidity. FAD, as we define it, is net cash from operations adjusted for capital expenditures. FAD measures cash generated during the period (net of capital expenditures) that is available for dividends, repurchases of common shares, debt reduction, acquisitions, and other discretionary and nondiscretionary capital allocation activities. FAD should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.

(2) Adjusted funds available for distribution (Adjusted FAD) is a non-GAAP measure that management uses to evaluate the company's liquidity. Adjusted FAD, as we define it, is net cash from operations adjusted for capital expenditures and significant non-recurring items. Adjusted FAD measures cash generated during the period (net of capital expenditures and significant non-recurring items) that is available for dividends, repurchases of common shares, debt reduction, acquisitions, and other discretionary and nondiscretionary capital allocation activities. Adjusted FAD should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.



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