

2021

WEYERHAEUSER

EARNINGS RESULTS

THIRD QUARTER 2021 | October 29, 2021



FORWARD-LOOKING STATEMENTS

This presentation contains statements concerning the company's future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, with respect to: future quarterly cash dividends and dividend framework and targeted percentage return to shareholders of Adjusted Funds Available for Distribution (Adjusted FAD); our fourth quarter 2021 outlook and expectations concerning earnings and Adjusted EBITDA for each of our businesses and expected key drivers. Forward-looking statements may be identified by our use of certain words in such statements, including without limitation words such as "expect," or "expected," "outlook," "target," or "targeted," and similar words and terms and phrases using such terms and words. They may use the positive, negative or another variation of those and similar words. These forward-looking statements are based on our current expectations and assumptions and are not guarantees of future events or performance. These risks and uncertainties include, without limitation: the effect of general economic conditions, including employment rates, interest rate levels, inflation, housing starts, general availability of financing for home mortgages and the relative strength of the U.S. dollar; the effect of COVID-19 and other viral or disease outbreaks, including but not limited to any related regulatory restrictions or requirements, and their potential effects on our business, results of operations, cash flows, financial condition and future prospects; market demand for the company's products, including market demand for our timberland properties with higher and better uses, which is related to, among other factors, the strength of the various U.S. business segments and U.S. and international economic conditions; changes in currency exchange rates, particularly the relative value of the U.S. dollar to the Japanese yen, the Chinese yuan, and the Canadian dollar, and the relative value of the euro to the yen; restrictions on international trade and tariffs imposed on imports or exports; the availability and cost of shipping and transportation; economic activity in Asia, especially Japan and China; performance of our manufacturing operations, including maintenance and capital requirements; potential disruptions in our manufacturing operations; the level of competition from domestic and foreign producers; the successful execution of our internal plans and strategic initiatives, including restructuring and cost reduction initiatives; the successful and timely execution and integration of our strategic acquisitions, including our ability to realize expected benefits and synergies, and the successful and timely execution of our strategic divestitures, each of which is subject to a number of risks and conditions beyond our control including, but not limited to, timing and required regulatory approvals or the occurrence of any event, change or other circumstances that could give rise to a termination of any acquisition or divestiture transaction under the terms of the governing transaction agreements; raw material availability and prices; the effect of weather; changes in global or regional climate conditions and governmental response to such changes; the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters; energy prices; transportation and labor availability and costs; federal tax policies; the effect of forestry, land use, environmental and other governmental regulations; legal proceedings; performance of pension fund investments and related derivatives; the effect of timing of employee retirements and changes in the market price of our common stock on charges for share-based compensation; the accuracy of our estimates of costs and expenses related to contingent liabilities and the accuracy of our estimates of charges related to casualty losses; changes in accounting principles; and other risks and uncertainties identified in our 2020 Annual Report on Form 10-K, as well as those set forth from time to time in our other public statements, reports, registration statements, prospectuses, information statements and other filings with the SEC.

It is not possible to predict or identify all risks and uncertainties that might affect the accuracy of our forward-looking statements and, consequently, our descriptions of such risks and uncertainties should not be considered exhaustive. There is no guarantee that any of the events anticipated by these forward-looking statements will occur, and if any of the events do occur, there is no guarantee what effect they will have on the company's business, results of operations, cash flows, financial condition and future prospects.

Forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Nothing on our website is intended to be included or incorporated by reference into, or made a part of, this presentation.

Also included in this presentation are certain non-GAAP financial measures, which management believes complement the financial information presented in accordance with U.S. generally accepted accounting principles. Management believes such non-GAAP measures may be useful to investors. Our non-GAAP financial measures may not be comparable to similarly named or captioned non-GAAP financial measures of other companies due to potential inconsistencies in how such measures are calculated. A reconciliation of each presented non-GAAP measure to its most directly comparable GAAP measure is provided in the appendices to this presentation.

2021 Q3 CONSOLIDATED RESULTS

\$ Millions	2021	2021	
Adjusted EBITDA	Q2	Q3	Change
Timberlands	\$ 180	\$ 165	\$ (15)
Real Estate, Energy & Natural Resources	91	60	(31)
Wood Products	1,386	565	(821)
Unallocated Items	(84)	(44)	40
Total Adjusted EBITDA¹	\$ 1,573	\$ 746	\$ (827)
Net Contribution to Earnings Before Special Items	\$ 1,430	\$ 613	\$ (817)

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 22](#).
2. Includes other operating (costs) income, net; non-operating pension and other post-employment benefit costs; and interest income and other.
3. Interest expense is net of capitalized interest.
4. An explanation of special items and a reconciliation to GAAP are set forth on [Slide 4](#). Income taxes attributable to special items are included in Special items, after-tax.

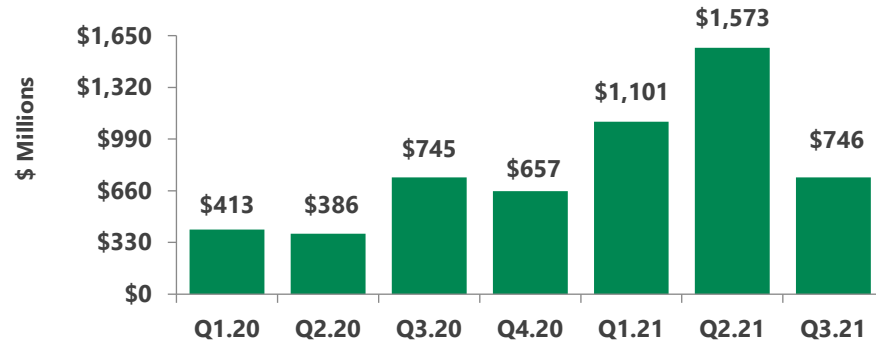
\$ Millions (except EPS)	2021	2021
Consolidated Statement of Operations Before Special Items	Q2	Q3
Net sales	\$ 3,144	\$ 2,345
Costs of sales	1,583	1,589
Gross margin	1,561	756
SG&A expenses	119	122
Other expense, net ²	12	21
Net Contribution to Earnings Before Special Items	\$ 1,430	\$ 613
Interest expense, net ³	(78)	(79)
Income taxes	(324)	(84)
Net Earnings Before Special Items⁴	\$ 1,028	\$ 450
Special items, after-tax ⁴	—	32
Net Earnings	\$ 1,028	\$ 482
Diluted EPS Before Special Items⁴	\$ 1.37	\$ 0.60
Diluted EPS	\$ 1.37	\$ 0.64

EARNINGS BEFORE SPECIAL ITEMS

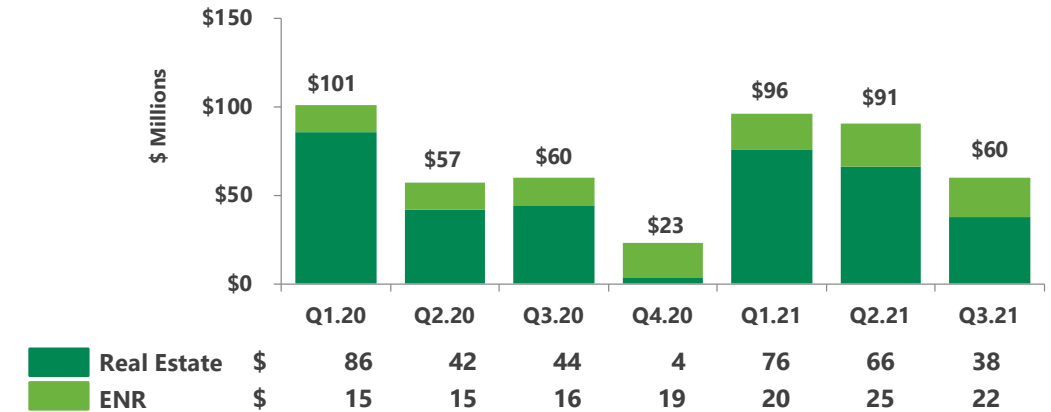
\$ Millions (except EPS)	2021 Q2			2021 Q3		
	Pretax Earnings	After-Tax Earnings	Diluted EPS	Pretax Earnings	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$ 1,352	\$ 1,028	\$ 1.37	\$ 534	\$ 450	\$ 0.60
Special Items:						
Gain on sale of timberlands	—	—	—	32	32	0.04
Total Special Items	—	—	—	32	32	0.04
Earnings Including Special Items (GAAP)	\$ 1,352	\$ 1,028	\$ 1.37	\$ 566	\$ 482	\$ 0.64

ADJUSTED EBITDA¹

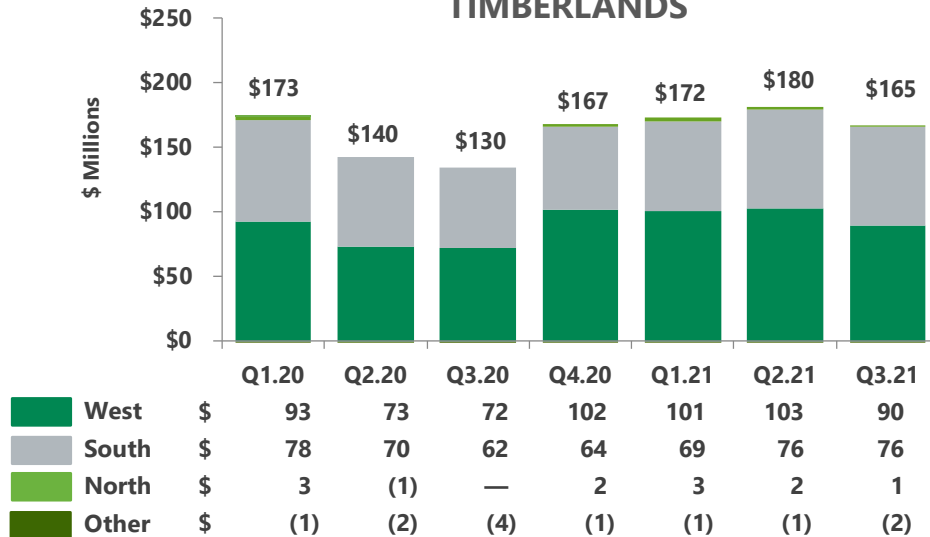
TOTAL COMPANY²



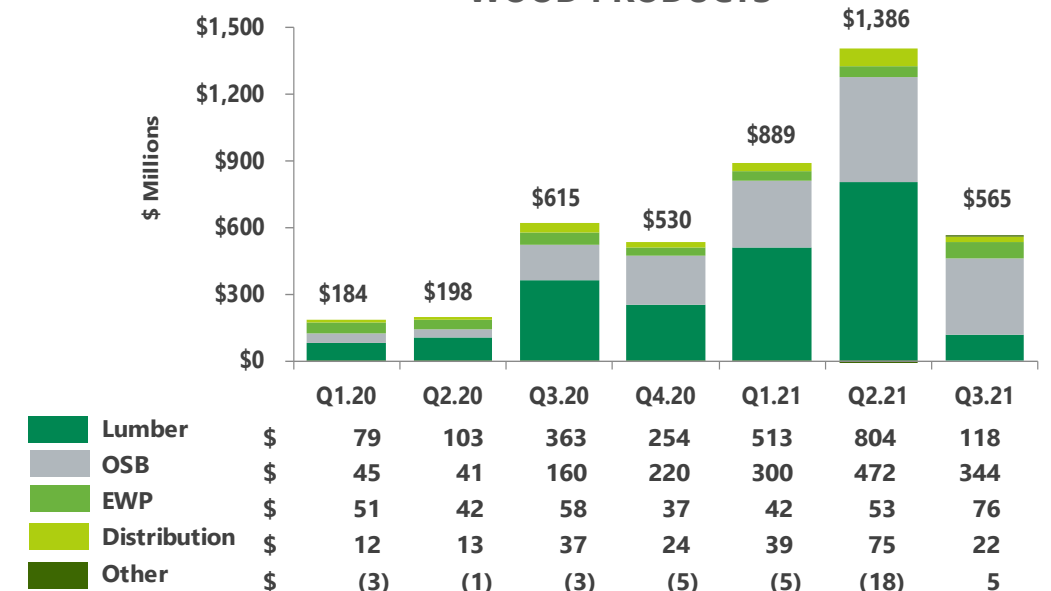
REAL ESTATE & ENR



TIMBERLANDS



WOOD PRODUCTS



1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 22](#), [Slide 23](#), [Slide 24](#), [Slide 25](#) and [Slide 26](#).
 2. Total Company Adjusted EBITDA includes Timberlands; Real Estate, Energy & Natural Resources; Wood Products and Unallocated.
 October 29, 2021

TIMBERLANDS SEGMENT

TIMBERLANDS (\$ Millions)	2021	2021
Adjusted EBITDA by Region	Q2	Q3
West	\$ 103	\$ 90
South	76	76
North	2	1
Other	(1)	(2)
Total Adjusted EBITDA¹	\$ 180	\$ 165

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 23](#).
2. Third quarter 2021 excludes a \$32 million gain on sale of timberlands. This is included in Special items, pretax.
3. Adjusted EBITDA divided by total sales.
4. Net contribution to earnings before special items divided by total sales.

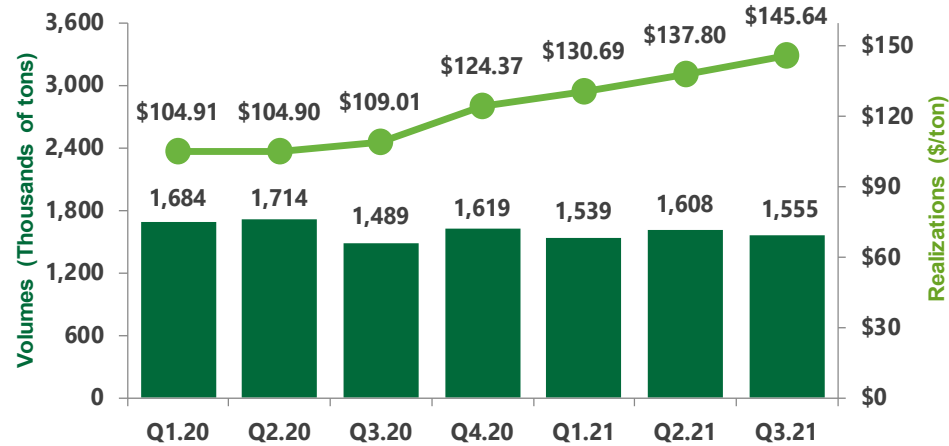
TIMBERLANDS (\$ Millions)	2021	2021
Segment Statement of Operations	Q2	Q3
Third-party sales	\$ 405	\$ 423
Intersegment sales	136	129
Total Sales	541	552
Costs of sales	407	428
Gross margin	134	124
SG&A expenses	23	24
Other (income) expense, net ²	(2)	(1)
Net Contribution to Earnings Before Special Items	\$ 113	\$ 101
Special items, pretax	—	32
Net Contribution to Earnings	\$ 113	\$ 133
Adjusted EBITDA¹	\$ 180	\$ 165
Adjusted EBITDA Margin Percentage³	33%	30%
Operating Margin Percentage⁴	21%	18%

TIMBERLANDS KEY DRIVERS: 2021 Q3 vs. 2021 Q2

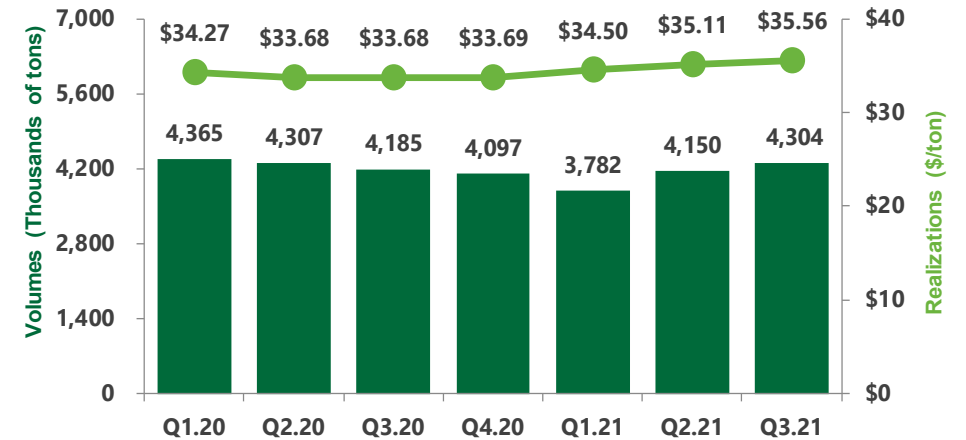
REGION	KEY DRIVERS
WEST	<ul style="list-style-type: none">• Fee Harvest Volumes: Modestly lower, continued salvage operations and fire-related operating restrictions• Domestic Sales Volumes: Modestly lower, reduced fee harvest volumes• Export Sales Realizations: Moderately higher• Per Unit Log and Haul Costs: Higher• Forestry and Road Costs: Slightly lower
SOUTH	<ul style="list-style-type: none">• Fee Harvest Volumes: Slightly higher, operations affected by persistent wet conditions and weather events• Sales Realizations: Slightly higher for sawlogs and fiber logs• Per Unit Log and Haul Costs: Slightly higher• Forestry and Road Costs: Slightly higher
NORTH	<ul style="list-style-type: none">• Fee Harvest Volumes: Significantly higher, coming out of spring break-up conditions• Sales Realizations: Significantly lower, mix

SALES VOLUMES, REALIZATIONS AND EXPORT REVENUE

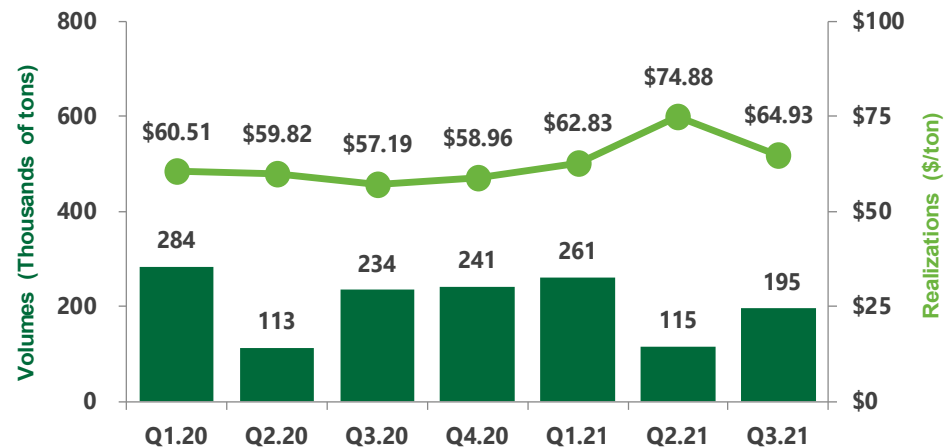
3rd-Party Log Sales and Realizations - West¹



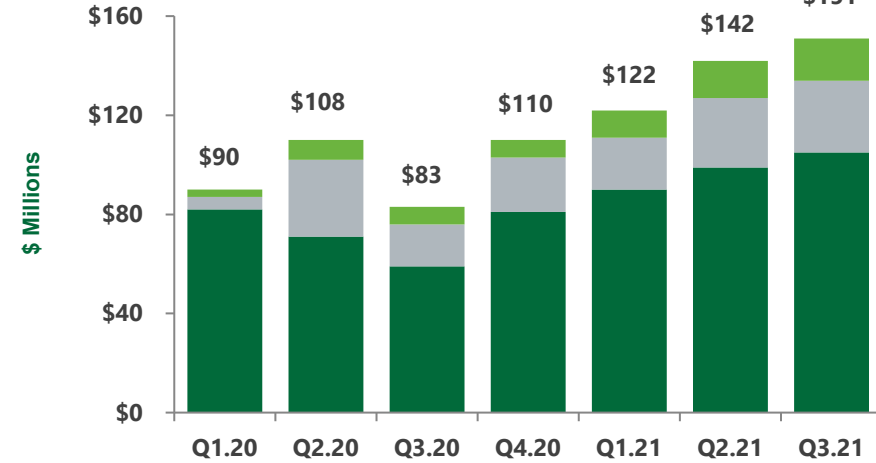
3rd-Party Log Sales and Realizations - South



3rd-Party Log Sales and Realizations - North



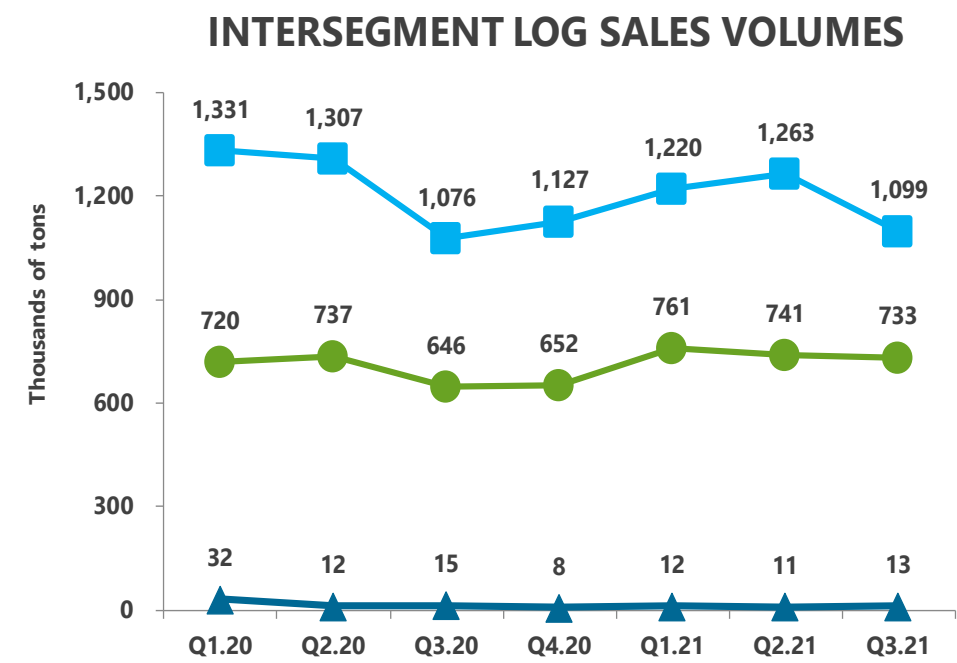
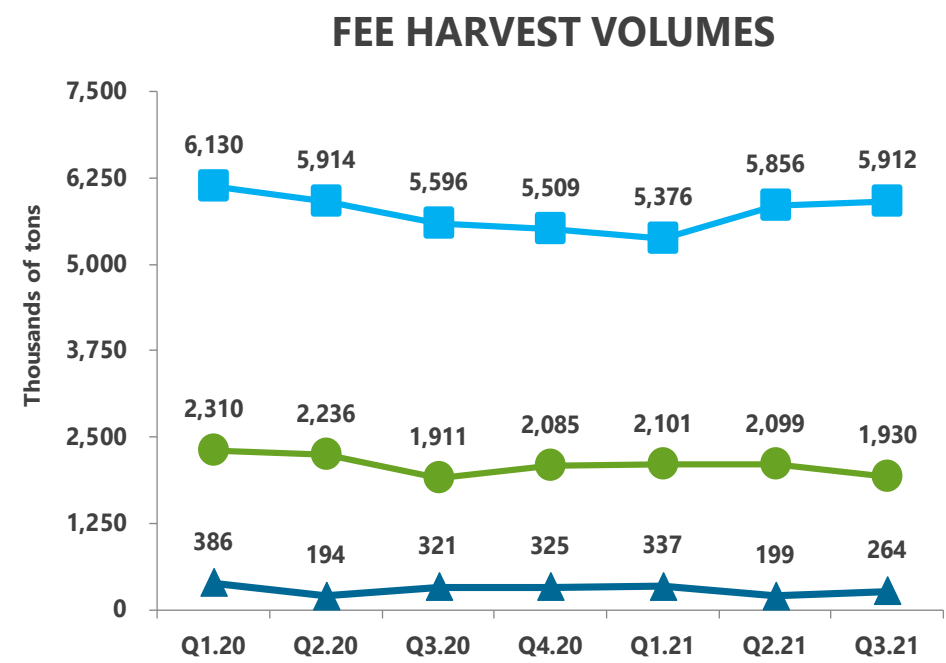
Western Export Log Revenue



Japan	91%	65%	71%	74%	74%	70%	70%
China	6%	28%	21%	20%	17%	20%	19%
Korea	3%	7%	8%	6%	9%	10%	11%

1. Western logs are primarily transacted in MBF but are converted to ton equivalents for external reporting purposes.

FEE HARVEST VOLUMES AND INTERSEGMENT SALES VOLUMES



■ South ● West ▲ North

REAL ESTATE, ENERGY & NATURAL RESOURCES (ENR) SEGMENT

REAL ESTATE & ENR (\$ Millions)	2021	2021
Adjusted EBITDA by Business	Q2	Q3
Real Estate	\$ 66	\$ 38
Energy & Natural Resources	25	22
Total Adjusted EBITDA¹	\$ 91	\$ 60

KEY DRIVERS: 2021 Q3 vs. 2021 Q2

Real Estate

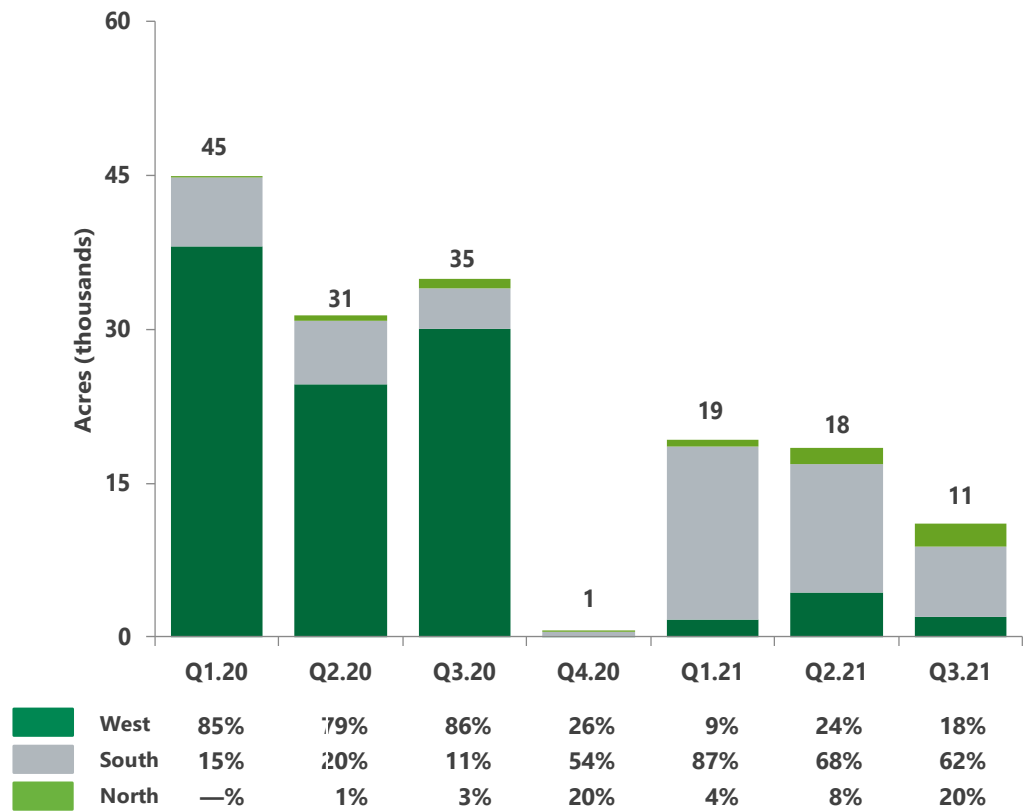
Timing of real estate sales and mix of properties sold

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 24](#).

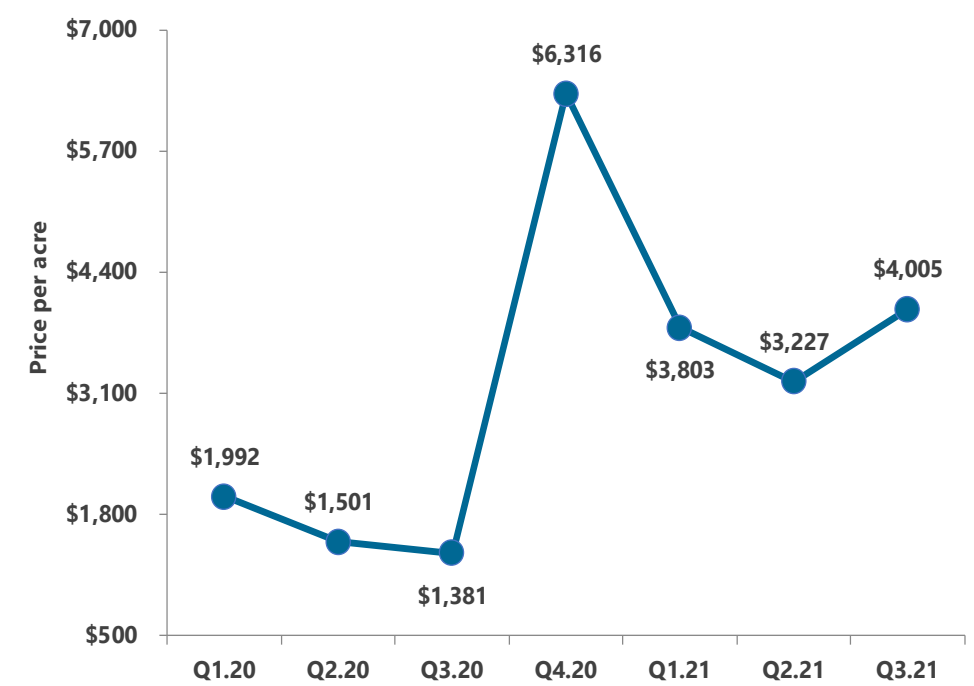
REAL ESTATE & ENR (\$ Millions)	2021	2021
Segment Statement of Operations	Q2	Q3
Total sales	\$ 110	\$ 69
Costs of sales	41	18
Gross margin	69	51
SG&A expenses	6	6
Net Contribution to Earnings	\$ 63	\$ 45
Adjusted EBITDA¹	\$ 91	\$ 60

REAL ESTATE, ENERGY & NATURAL RESOURCES (ENR) SEGMENT

ACRES SOLD



AVERAGE PRICE PER ACRE



WOOD PRODUCTS SEGMENT

WOOD PRODUCTS (\$ Millions)	2021	2021
Adjusted EBITDA by Business	Q2	Q3
Lumber	\$ 804	\$ 118
OSB	472	344
Engineered Wood Products	53	76
Distribution	75	22
Other	(18)	5
Total Adjusted EBITDA¹	\$ 1,386	\$ 565

1. Adjusted EBITDA for Wood Products businesses include earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 25](#).

2. Adjusted EBITDA divided by total sales.

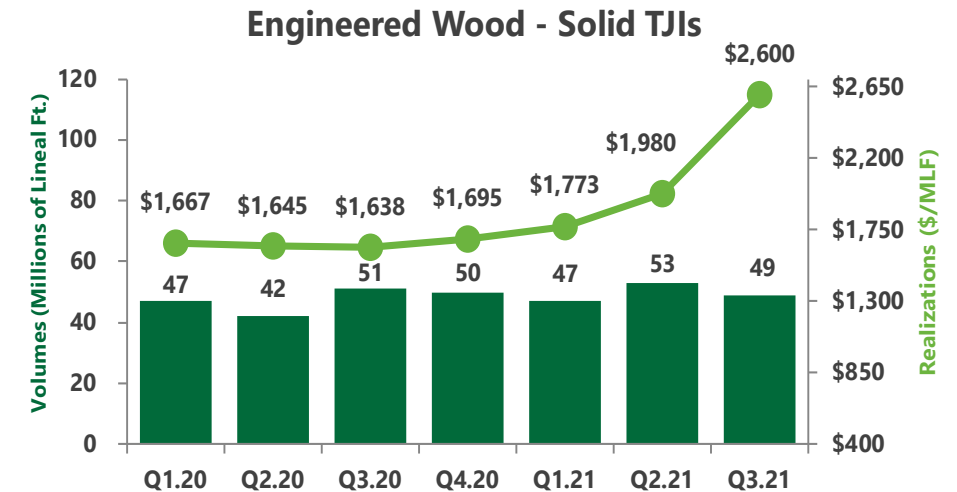
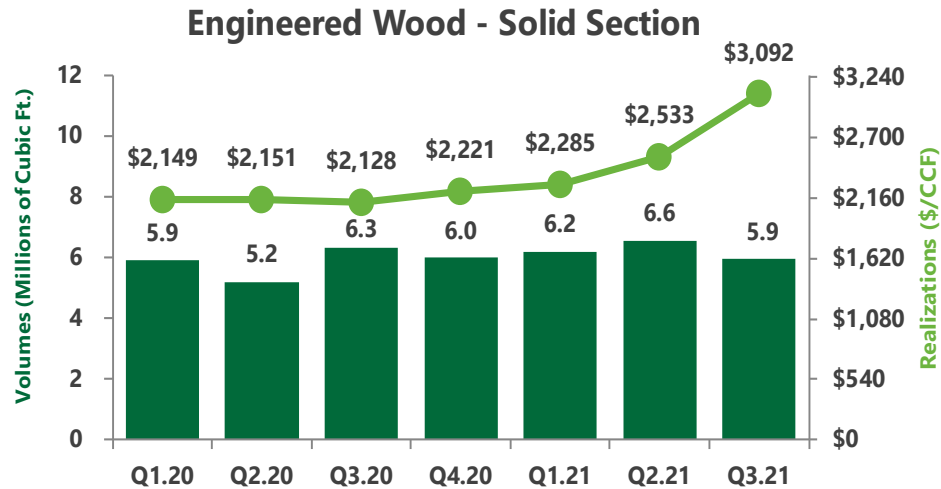
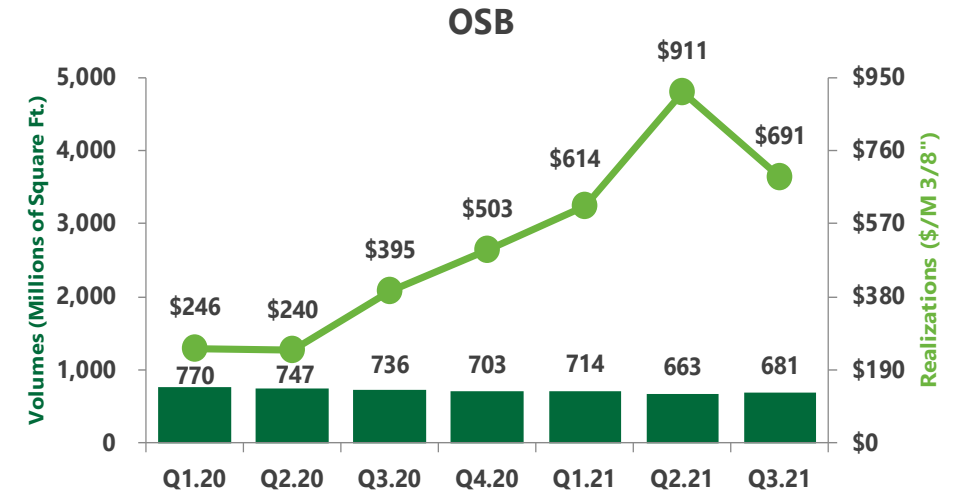
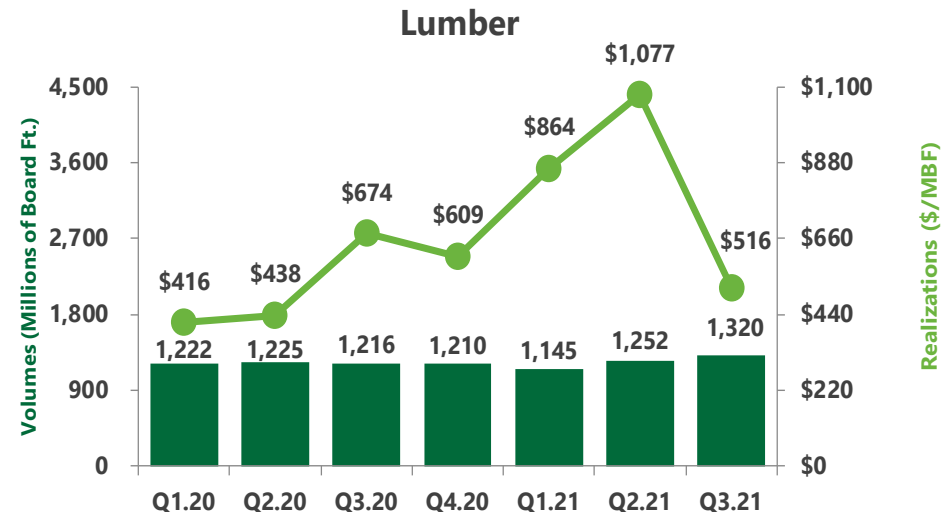
3. Net contribution to earnings divided by total sales.

WOOD PRODUCTS (\$ Millions)	2021	2021
Segment Statement of Operations	Q2	Q3
Total sales	\$ 2,629	\$ 1,853
Costs of sales	1,229	1,270
Gross margin	1,400	583
SG&A expenses	56	55
Other expense, net	6	11
Net Contribution to Earnings	\$ 1,338	\$ 517
Adjusted EBITDA¹	\$ 1,386	\$ 565
Adjusted EBITDA Margin Percentage²	53%	30%
Operating Margin Percentage³	51%	28%

WOOD PRODUCTS KEY DRIVERS: 2021 Q3 vs. 2021 Q2

BUSINESS	KEY DRIVERS
LUMBER	<ul style="list-style-type: none"> • Sales Realizations: Decreased 52% • Sales Volumes: Increased moderately, improved home center takeaway partially offset by weather-related downtime • Log Costs: Increased slightly, primarily for Canadian logs
ORIENTED STRAND BOARD	<ul style="list-style-type: none"> • Sales Realizations: Decreased 24% • Sales and Production Volumes: Modestly higher, less downtime for planned maintenance • Unit Manufacturing Costs: Increased slightly, primarily resin costs • Fiber Costs: Comparable
ENGINEERED WOOD PRODUCTS	<ul style="list-style-type: none"> • Sales Realizations: Improved significantly for most products, capturing benefit of previously announced price increases • Sales and Production Volumes: Moderately lower for most products due to planned annual maintenance • Raw Material Costs: Higher for OSB webstock, resin and veneer
DISTRIBUTION	<ul style="list-style-type: none"> • Sales Volumes: Lower for most products • Product Margin: Significantly lower, primarily for lumber and OSB

THIRD-PARTY SALES VOLUMES AND REALIZATIONS¹



1. Sales volumes include sales of internally produced products and products purchased for resale primarily through our Distribution business.

UNALLOCATED ITEMS

UNALLOCATED ITEMS (\$ Millions) ¹	2021	2021
	Q2	Q3
Unallocated corporate function expenses and variable compensation expense	\$ (36)	\$ (33)
Liability classified share-based compensation	—	(1)
Foreign exchange gains (losses)	(1)	5
Elimination of intersegment profit in inventory and LIFO	(28)	12
Non-operating pension and other post-employment benefit costs	(1)	(5)
Other, including interest income	(18)	(28)
Net Charge to Earnings	\$ (84)	\$ (50)
Adjusted EBITDA²	\$ (84)	\$ (44)

UNALLOCATED ITEMS (\$ Millions) ¹	2021	2021
	Q2	Q3
Costs of sales ³	\$ (42)	\$ (2)
G&A expense ⁴	(31)	(35)
Other expense, net	(11)	(13)
Net Charge to Earnings	\$ (84)	\$ (50)

1. Unallocated items are gains or charges not related to or allocated to an individual operating segment.
2. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 26](#).
3. Costs of sales is composed primarily of elimination of intersegment profit in inventory and LIFO and incentive compensation.
4. G&A expense is comprised primarily of share-based compensation, pension service costs, corporate function expenses and incentive compensation.

FINANCIAL ITEMS

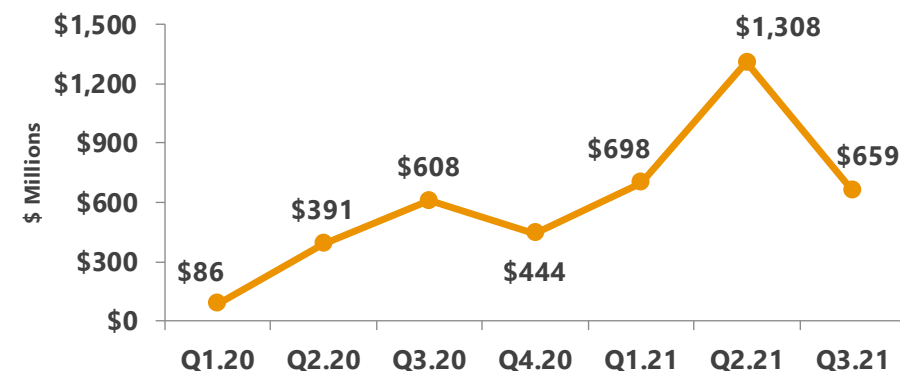
KEY FINANCIAL METRICS (\$ Millions)	2021	2021
	Q2	Q3
Ending Cash Balance	\$ 1,777	\$ 2,326
Total Debt ¹	\$ 5,250	\$ 5,250
Net Debt to Adjusted EBITDA (LTM) ²	0.9	0.7
Net Debt to Enterprise Value ³	12%	10%

Scheduled Debt Maturities as of September 30, 2021

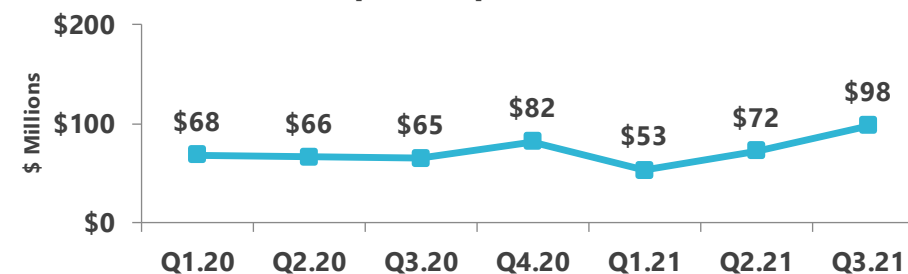
(\$ Millions)	2021	2022	2023	2024	2025
Debt Maturities	\$ 150	\$ —	\$ 1,051	\$ —	\$ 436

1. Total debt for second and third quarter 2021 includes \$150 million for the current portion of long-term debt. Our \$150 million 9.00 percent notes were repaid at maturity on October 1, 2021.
2. LTM = last twelve months. A reconciliation to GAAP is set forth on [Slide 27](#).
3. Total debt, net of cash and cash equivalents, divided by enterprise value. Enterprise value is defined as total debt, net of cash and cash equivalents, plus market capitalization as of the end of the quarter.

Cash Flow from Operations



Capital Expenditures



2020: \$281 million

2021 YTD: \$223 million

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION¹

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION (\$ Millions)	2021	
	Q3	Q3 YTD
Net Cash from Operations	\$ 659	\$ 2,665
Capital Expenditures ²	(98)	(223)
Adjustments to FAD	—	—
Adjusted Funds Available for Distribution	\$ 561	\$ 2,442

CASH DIVIDENDS (\$ Millions)	2021
Q3 YTD Base Cash Dividends	\$ 382
Interim Supplemental Dividend ³	375
Total YTD Cash Dividends	\$ 757

1. Our definition of Adjusted funds available for distribution (Adjusted FAD) and a reconciliation to GAAP are set forth on [Slide 28](#).
2. We anticipate our capital expenditures for 2021 will be slightly below \$460 million as a result of supply chain and contract labor constraints.
3. On September 22, 2021, our board of directors declared a one-time interim supplemental dividend of \$0.50 per share that was paid on October 19, 2021.

TARGETED RETURN OF CASH TO SHAREHOLDERS

Based on 2021 Results



Adjusted FAD

75-80% Payout



Targeted Return to Shareholders



Quarterly Base Cash Dividends



Interim Supplemental Dividend³



**Significant
Remaining
Supplemental
Dividend**



Payable in Q1 2022

OUTLOOK: 2021 Q4 vs. 2021 Q3

SEGMENT	EXPECTED EARNINGS & ADJUSTED EBITDA	KEY DRIVERS		
TIMBERLANDS	Comparable to 2021 Q3	West Fee Harvest Volumes: Moderately higher Domestic Sales Realizations: Moderately lower Per Unit Log and Haul Costs: Lower Forestry and Road Costs: Comparable	South Fee Harvest Volumes: Slightly higher Sales Realizations: Slightly higher Per Unit Log and Haul Costs: Slightly higher Forestry and Road Costs: Moderately higher	North Fee Harvest Volumes: Slightly lower Sales Realizations: Slightly lower, mix
REAL ESTATE, ENERGY & NATURAL RESOURCES	Significantly lower than 2021 Q3	Timing of real estate transactions Continue to expect full year 2021 Adjusted EBITDA of approximately \$290 million Basis as a percentage of real estate sales now expected to be 25 to 30 percent for the full year		
WOOD PRODUCTS	Higher than 2021 Q3, excluding the effect of changes in average sales realizations for lumber and oriented strand board	Lumber Sales Volumes: Modestly lower Log Costs: Slightly lower Unit Manufacturing Costs: Improved	OSB Sales Volumes: Moderately higher Fiber Costs: Moderately higher Operating Rates and Unit Manufacturing Costs: Improved	Engineered Wood Products Sales Realizations: Lower for plywood, comparable for solid section and I-joist products Raw Material Costs: Significantly lower, primarily for OSB webstock Distribution Higher, improved commodity margins, partially offset by seasonally lower sales volumes



WOOD PRODUCTS SALES REALIZATIONS: CURRENT VS. 2021 Q3

WEYERHAEUSER'S AVERAGE SALES REALIZATIONS			
Approximate Change As of October 22, 2021			
LUMBER¹ 	Q4 QTD vs. Q3 AVERAGE	+\$5/MBF HIGHER	WY's SENSITIVITY CHANGE IN REALIZATIONS \$10/MBF ≈ \$50 million EBITDA ANNUALLY
	CURRENT vs. Q3 AVERAGE	+\$20/MBF HIGHER	
OSB² 	Q4 QTD vs. Q3 AVERAGE	-\$225/MSF LOWER	WY's SENSITIVITY CHANGE IN REALIZATIONS \$10/MSF ≈ \$30 million EBITDA ANNUALLY
	CURRENT vs. Q3 AVERAGE	-\$220/MSF LOWER	

1. Changes in average realizations typically lag changes in industry benchmark pricing due to length of order files.

2. WY reports OSB realizations in MSF 3/8". Changes in average realizations typically lag changes in industry benchmark pricing due to length of order files.

EARNINGS SUMMARY

\$ Millions (except EPS)		2020				2021		
Adjusted EBITDA by Segment		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Timberlands		\$ 173	\$ 140	\$ 130	\$ 167	\$ 172	\$ 180	\$ 165
Real Estate, Energy & Natural Resources		101	57	60	23	96	91	60
Wood Products		184	198	615	530	889	1,386	565
Unallocated Items		(45)	(9)	(60)	(63)	(56)	(84)	(44)
Total Adjusted EBITDA¹		\$ 413	\$ 386	\$ 745	\$ 657	\$ 1,101	\$ 1,573	\$ 746
DD&A, basis of real estate sold, non-operating pension and post-employment costs, and interest income and other ²		(193)	(159)	(162)	(131)	(152)	(143)	(133)
Net Contribution to Earnings Before Special Items		\$ 220	\$ 227	\$ 583	\$ 526	\$ 949	\$ 1,430	\$ 613
Interest expense, net ³		(85)	(92)	(88)	(86)	(79)	(78)	(79)
Income taxes ⁴		3	(58)	(109)	(79)	(189)	(324)	(84)
Net Earnings Before Special Items⁵		\$ 138	\$ 77	\$ 386	\$ 361	\$ 681	\$ 1,028	\$ 450
Special items, after-tax ⁴		12	(5)	(103)	(69)	—	—	32
Net Earnings		\$ 150	\$ 72	\$ 283	\$ 292	\$ 681	\$ 1,028	\$ 482
Diluted EPS Before Special Items⁵		\$ 0.18	\$ 0.11	\$ 0.52	\$ 0.48	\$ 0.91	\$ 1.37	\$ 0.60
Diluted EPS		\$ 0.20	\$ 0.10	\$ 0.38	\$ 0.39	\$ 0.91	\$ 1.37	\$ 0.64

1. See [Slide 22](#) for our definition of Adjusted EBITDA.

2. Fourth quarter 2020 excludes a pension settlement charge. This is included in Special items, after-tax.

3. Interest expense is net of capitalized interest and excludes charges for early extinguishment of debt for the second, third and fourth quarter in 2020. These charges are included in Special items, after-tax.

4. Income taxes excludes taxes related to special items.

5. A reconciliation to GAAP EPS is set forth on [Slide 21](#).

EARNINGS PER SHARE RECONCILIATION

	2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Diluted EPS Before Special Items	\$ 0.18	\$ 0.11	\$ 0.52	\$ 0.48	\$ 0.91	\$ 1.37	\$ 0.60
Special Items:							
Pension settlement charge	—	—	—	(0.26)	—	—	—
Early extinguishment of debt charges	—	(0.02)	(0.03)	(0.07)	—	—	—
Legal benefit	0.02	—	—	—	—	—	—
Product remediation recovery	—	0.01	—	—	—	—	—
Gain on sale of timberlands	—	—	—	0.24	—	—	0.04
Timber casualty loss	—	—	(0.11)	—	—	—	—
Diluted EPS (GAAP)	\$ 0.20	\$ 0.10	\$ 0.38	\$ 0.39	\$ 0.91	\$ 1.37	\$ 0.64

ADJUSTED EBITDA RECONCILIATION

By Segment

\$ Millions	2018		2019		2020			2021			
	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	LTM ¹
Timberlands	\$ 902	\$ 680	\$ 173	\$ 140	\$ 130	\$ 167	\$ 610	\$ 172	\$ 180	\$ 165	\$ 684
Real Estate & ENR	264	274	101	57	60	23	241	96	91	60	270
Wood Products	987	476	184	198	615	530	1,527	889	1,386	565	3,370
Unallocated Items	(121)	(154)	(45)	(9)	(60)	(63)	(177)	(56)	(84)	(44)	(247)
Adjusted EBITDA²	\$ 2,032	\$ 1,276	\$ 413	\$ 386	\$ 745	\$ 657	\$ 2,201	\$ 1,101	\$ 1,573	\$ 746	\$ 4,077
Depletion, depreciation & amortization	(486)	(510)	(123)	(117)	(115)	(117)	(472)	(118)	(120)	(118)	(473)
Basis of real estate sold	(124)	(116)	(62)	(34)	(40)	(5)	(141)	(27)	(24)	(11)	(67)
Special items in operating income	(28)	1	12	8	(80)	182	122	—	—	32	214
Operating Income (GAAP)	\$ 1,394	\$ 651	\$ 240	\$ 243	\$ 510	\$ 717	\$ 1,710	\$ 956	\$ 1,429	\$ 649	\$ 3,751
Non-operating pension and other post-employment benefit costs	(272)	(516)	(9)	(10)	(9)	(262)	(290)	(8)	(1)	(5)	(276)
Interest income and other	60	30	1	2	2	—	5	1	2	1	4
Net Contribution to Earnings	\$ 1,182	\$ 165	\$ 232	\$ 235	\$ 503	\$ 455	\$ 1,425	\$ 949	\$ 1,430	\$ 645	\$ 3,479
Interest expense, net	(375)	(378)	(85)	(103)	(111)	(144)	(443)	(79)	(78)	(79)	(380)
Income taxes ³	(59)	137	3	(60)	(109)	(19)	(185)	(189)	(324)	(84)	(616)
Net Earnings (Loss) (GAAP)	\$ 748	\$ (76)	\$ 150	\$ 72	\$ 283	\$ 292	\$ 797	\$ 681	\$ 1,028	\$ 482	\$ 2,483

1. LTM = last twelve months.

2. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold and special items. Adjusted EBITDA should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.

3. The income tax effects of special items can be found in a reconciliation set forth on [Slide 4](#).

ADJUSTED EBITDA RECONCILIATION

Timberlands

\$ Millions	2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
West	\$ 93	\$ 73	\$ 72	\$ 102	\$ 101	\$ 103	\$ 90
South	78	70	62	64	69	76	76
North	3	(1)	—	2	3	2	1
Other	(1)	(2)	(4)	(1)	(1)	(1)	(2)
Total Timberlands Adjusted EBITDA¹	\$ 173	\$ 140	\$ 130	\$ 167	\$ 172	\$ 180	\$ 165
West	(28)	(27)	(25)	(26)	(28)	(28)	(24)
South	(37)	(36)	(34)	(34)	(34)	(37)	(38)
North	(3)	(1)	(2)	(2)	(2)	(2)	(2)
Other	—	(1)	—	(1)	—	—	—
Total depletion, depreciation & amortization	\$ (68)	\$ (65)	\$ (61)	\$ (63)	\$ (64)	\$ (67)	\$ (64)
Special items	—	—	(80)	182	—	—	32
Operating Income (Loss) and Net Contribution (Charge) to Earnings (GAAP)	\$ 105	\$ 75	\$ (11)	\$ 286	\$ 108	\$ 113	\$ 133

1. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold and special items. Adjusted EBITDA should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.

ADJUSTED EBITDA RECONCILIATION

Real Estate, Energy & Natural Resources

\$ Millions	2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Real Estate	\$ 86	\$ 42	\$ 44	\$ 4	\$ 76	\$ 66	\$ 38
Energy & Natural Resources	15	15	16	19	20	25	22
Total Real Estate & ENR Adjusted EBITDA¹	\$ 101	\$ 57	\$ 60	\$ 23	\$ 96	\$ 91	\$ 60
Depletion, depreciation & amortization	(3)	(4)	(3)	(4)	(3)	(4)	(4)
Basis of real estate sold	(62)	(34)	(40)	(5)	(27)	(24)	(11)
Operating Income and Net Contribution to Earnings (GAAP)	\$ 36	\$ 19	\$ 17	\$ 14	\$ 66	\$ 63	\$ 45

1. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold and special items. Adjusted EBITDA should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.

ADJUSTED EBITDA RECONCILIATION

Wood Products

\$ Millions	2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Lumber	\$ 79	\$ 103	\$ 363	\$ 254	\$ 513	\$ 804	\$ 118
OSB	45	41	160	220	300	472	344
EWP	51	42	58	37	42	53	76
Distribution	12	13	37	24	39	75	22
Other	(3)	(1)	(3)	(5)	(5)	(18)	5
Total Wood Products Adjusted EBITDA^{1, 2}	\$ 184	\$ 198	\$ 615	\$ 530	\$ 889	\$ 1,386	\$ 565
Lumber	(27)	(26)	(28)	(26)	(28)	(28)	(26)
OSB	(9)	(8)	(9)	(9)	(8)	(9)	(8)
EWP	(10)	(10)	(9)	(10)	(10)	(9)	(10)
Distribution	(1)	(2)	(1)	(2)	(1)	(1)	(2)
Other	(3)	(1)	(2)	(2)	(2)	(1)	(2)
Total depletion, depreciation & amortization	\$ (50)	\$ (47)	\$ (49)	\$ (49)	\$ (49)	\$ (48)	\$ (48)
Special items	—	8	—	—	—	—	—
Operating Income and Net Contribution to Earnings (GAAP)	\$ 134	\$ 159	\$ 566	\$ 481	\$ 840	\$ 1,338	\$ 517

- Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold and special items. Adjusted EBITDA should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.
- Adjusted EBITDA for each Wood Products business includes earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price.

ADJUSTED EBITDA RECONCILIATION

Unallocated

\$ Millions	2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total Unallocated Adjusted EBITDA¹	\$ (45)	\$ (9)	\$ (60)	\$ (63)	\$ (56)	\$ (84)	\$ (44)
Total depletion, depreciation & amortization	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Special items included in operating income (loss)	12	—	—	—	—	—	—
Operating Loss (GAAP)	\$ (35)	\$ (10)	\$ (62)	\$ (64)	\$ (58)	\$ (85)	\$ (46)
Non-operating pension and other post-employment benefit costs	(9)	(10)	(9)	(262)	(8)	(1)	(5)
Interest income and other	1	2	2	—	1	2	1
Net Charge to Earnings (GAAP)	\$ (43)	\$ (18)	\$ (69)	\$ (326)	\$ (65)	\$ (84)	\$ (50)

1. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold and special items. Adjusted EBITDA should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.

NET DEBT TO ADJUSTED EBITDA RECONCILIATION

\$ Millions	2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net Debt to Adjusted EBITDA (LTM)^{1,2}	4.5	4.1	2.9	2.3	1.5	0.9	0.7
Total debt	\$ 7,426	\$ 6,299	\$ 5,974	\$ 5,475	\$ 5,475	\$ 5,250	\$ 5,250
Less: cash and cash equivalents	1,458	643	787	495	1,016	1,777	2,326
Net Debt	\$ 5,968	\$ 5,656	\$ 5,187	\$ 4,980	\$ 4,459	\$ 3,473	\$ 2,924
Adjusted EBITDA (LTM)	\$ 1,324	\$ 1,367	\$ 1,804	\$ 2,201	\$ 2,889	\$ 4,076	\$ 4,077
Depletion, depreciation & amortization	(510)	(503)	(483)	(472)	(467)	(470)	(473)
Basis of real estate sold	(130)	(131)	(147)	(141)	(106)	(96)	(67)
Special items in operating income	33	41	(92)	122	110	102	214
Operating Income (LTM) (GAAP)	\$ 717	\$ 774	\$ 1,082	\$ 1,710	\$ 2,426	\$ 3,612	\$ 3,751
Non-operating pension and other post-employment benefit costs	(55)	(55)	(49)	(290)	(289)	(280)	(276)
Interest income and other	21	17	13	5	5	5	4
Net Contribution to Earnings (LTM)	\$ 683	\$ 736	\$ 1,046	\$ 1,425	\$ 2,142	\$ 3,337	\$ 3,479
Interest expense, net of capitalized interest	(356)	(368)	(388)	(443)	(437)	(412)	(380)
Income taxes ³	36	(61)	(167)	(185)	(377)	(641)	(616)
Net Earnings (LTM) (GAAP)	\$ 363	\$ 307	\$ 491	\$ 797	\$ 1,328	\$ 2,284	\$ 2,483

1. LTM = last twelve months.
2. Net debt to Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Net debt to Adjusted EBITDA, as we define it, is long-term debt and borrowings on line of credit, net of cash and cash equivalents divided by the last twelve months of Adjusted EBITDA. See [Slide 22](#) for our definition of Adjusted EBITDA.
3. The income tax effects of special items can be found in a reconciliation set forth on [Slide 4](#).

FUNDS AVAILABLE FOR DISTRIBUTION RECONCILIATION

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION (\$ Millions)	2018	2019	2020	2021			
	FY	FY	FY	Q1	Q2	Q3	YTD
Net Cash from Operations	\$ 1,112	\$ 966	\$ 1,529	\$ 698	\$ 1,308	\$ 659	\$ 2,665
Capital Expenditures	(427)	(384)	(281)	(53)	(72)	(98)	(223)
Funds Available for Distribution ¹	\$ 685	\$ 582	\$ 1,248	\$ 645	\$ 1,236	\$ 561	\$ 2,442
Cash for product remediation payments (from product remediation insurance recoveries)	96	(68)	(8)	—	—	—	—
Cash contribution to our U.S. qualified pension plan	300	—	—	—	—	—	—
Adjusted Funds Available for Distribution ²	\$ 1,081	\$ 514	\$ 1,240	\$ 645	\$ 1,236	\$ 561	\$ 2,442

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.