

2021

WEYERHAEUSER

EARNINGS RESULTS

FOURTH QUARTER 2021 | January 28, 2022



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 first quarter 2022 outlook and expectations concerning earnings and Adjusted EBITDA for each of our businesses and expected key drivers; our 2022 outlook concerning fee harvest volumes, full-year Adjusted EBITDA and basis of real estate sold for our Real Estate, Energy & Natural Resources business, interest expense, consolidated tax rate and cash taxes, non-operating pension and post-employment expense and cash contribution for pension and post-employment plans, capital expenditures; and plans, ambitions and projections relating to our new Natural Climate Solutions business. Forward-looking statements may be identified by our use of certain words in such statements, including without limitation words such as "beyond," "continue," "expect," "extend," "grow," "outlook," "target," "upside," 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 CONSOLIDATED RESULTS

\$ Millions	2020	2021	
Adjusted EBITDA	FY	FY	Change
Timberlands	\$ 610	\$ 693	\$ 83
Real Estate, Energy & Natural Resources	241	296	55
Wood Products	1,527	3,357	1,830
Unallocated Items	(177)	(252)	(75)
Total Adjusted EBITDA¹	\$ 2,201	\$ 4,094	\$ 1,893
Net Contribution to Earnings Before Special Items	\$ 1,556	\$ 3,532	\$ 1,976

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 27](#).
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 26](#). Income taxes attributable to special items are included in Special items, after-tax.

\$ Millions (except EPS)	2020	2021
Consolidated Statement of Operations Before Special Items	FY	FY
Net sales	\$ 7,532	\$ 10,201
Costs of sales	5,447	6,103
Gross margin	2,085	4,098
SG&A expenses	430	491
Other expense, net ²	99	75
Net Contribution to Earnings Before Special Items	\$ 1,556	\$ 3,532
Interest expense, net ³	(351)	(313)
Income taxes ⁴	(243)	(693)
Net Earnings Before Special Items⁴	\$ 962	\$ 2,526
Special items, after-tax ⁴	(165)	81
Net Earnings	\$ 797	\$ 2,607
Diluted EPS Before Special Items⁴	\$ 1.29	\$ 3.37
Diluted EPS	\$ 1.07	\$ 3.47

2021 Q4 CONSOLIDATED RESULTS

\$ Millions	2021	2021	
Adjusted EBITDA	Q3	Q4	Change
Timberlands	\$ 165	\$ 176	\$ 11
Real Estate, Energy & Natural Resources	60	49	(11)
Wood Products	565	517	(48)
Unallocated Items	(44)	(68)	(24)
Total Adjusted EBITDA¹	\$ 746	\$ 674	\$ (72)
Net Contribution to Earnings Before Special Items	\$ 613	\$ 540	\$ (73)

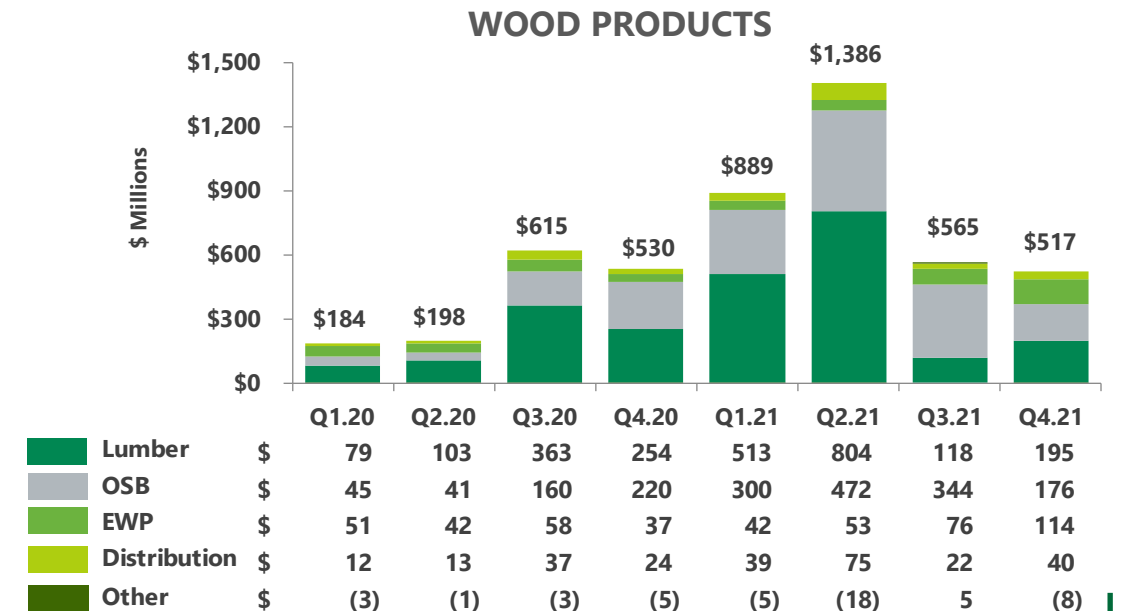
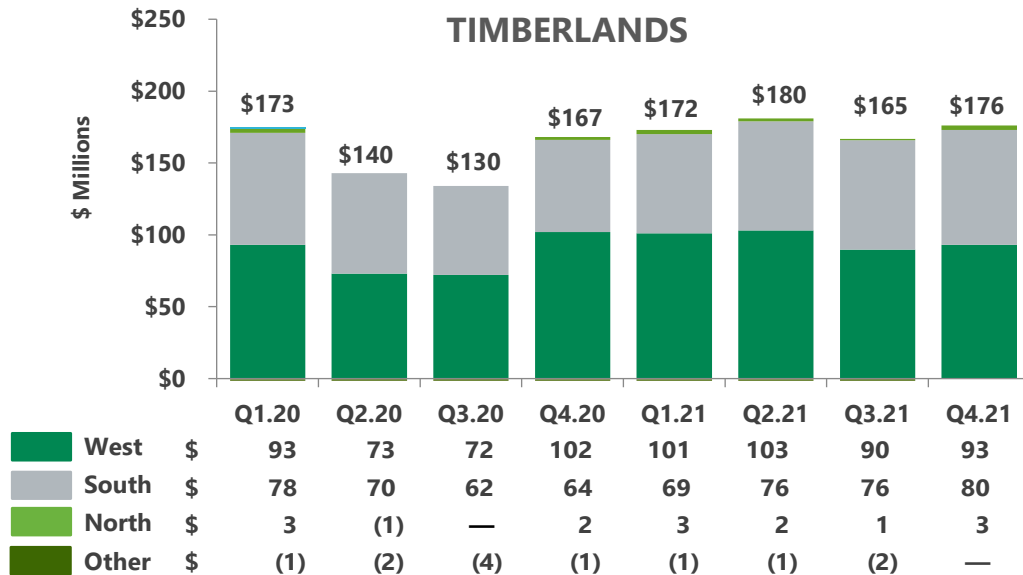
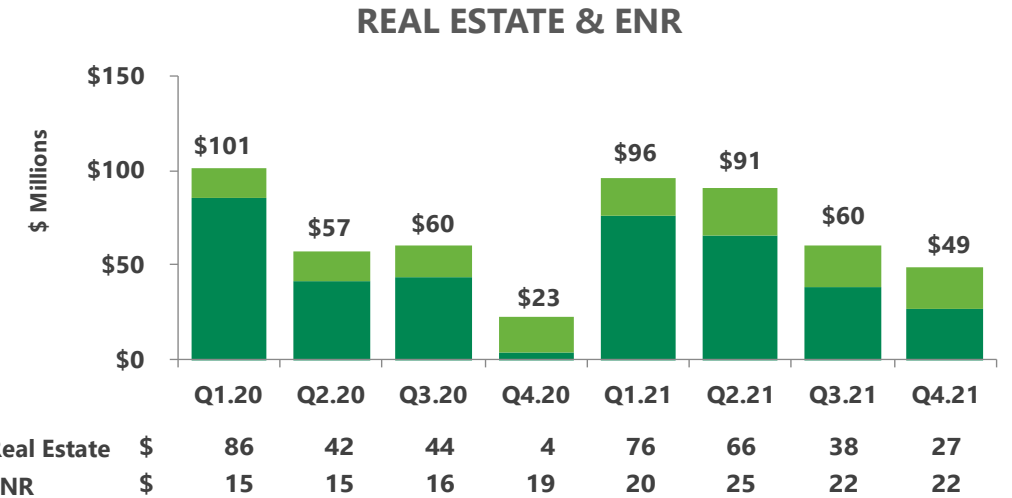
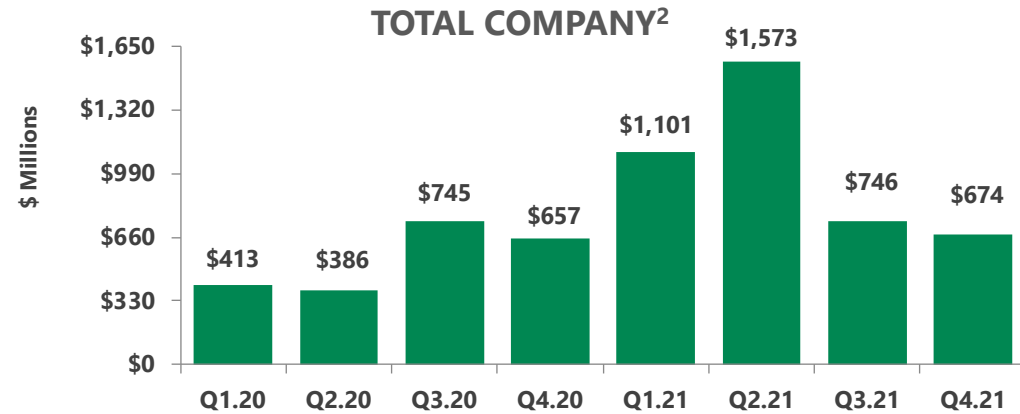
1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 27](#).
2. Includes other operating (costs) income, net; non-operating pension and other post-employment benefit costs; and interest income and other.
3. Interest expense is net of capitalized interest.
4. An explanation of special items and a reconciliation to GAAP are set forth on [Slide 5](#). 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	Q3	Q4
Net sales	\$ 2,345	\$ 2,206
Costs of sales	1,589	1,501
Gross margin	756	705
SG&A expenses	122	140
Other expense, net ²	21	25
Net Contribution to Earnings Before Special Items	\$ 613	\$ 540
Interest expense, net ³	(79)	(77)
Income taxes ⁴	(84)	(96)
Net Earnings Before Special Items⁴	\$ 450	\$ 367
Special items, after-tax ⁴	32	49
Net Earnings	\$ 482	\$ 416
Diluted EPS Before Special Items⁴	\$ 0.60	\$ 0.49
Diluted EPS	\$ 0.64	\$ 0.55

EARNINGS BEFORE SPECIAL ITEMS

\$ Millions (except EPS)	2021 Q3			2021 Q4		
	Pretax Earnings	After-Tax Earnings	Diluted EPS	Pretax Earnings	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$ 534	\$ 450	\$ 0.60	\$ 463	\$ 367	\$ 0.49
Special Items:						
Legal benefit	—	—	—	15	12	0.01
Product remediation recovery	—	—	—	37	28	0.04
Gain on sale of timberlands	32	32	0.04	—	—	—
Insurance recovery	—	—	—	13	9	0.01
Total Special Items	32	32	0.04	65	49	0.06
Earnings Including Special Items (GAAP)	\$ 566	\$ 482	\$ 0.64	\$ 528	\$ 416	\$ 0.55

ADJUSTED EBITDA¹



1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 27](#), [Slide 28](#), [Slide 29](#), [Slide 30](#) and [Slide 31](#).
 2. Total Company Adjusted EBITDA includes Timberlands; Real Estate, Energy & Natural Resources; Wood Products and Unallocated.

TIMBERLANDS SEGMENT

TIMBERLANDS (\$ Millions)	2021	2021
Adjusted EBITDA by Region	Q3	Q4
West	\$ 90	\$ 93
South	76	80
North	1	3
Other	(2)	—
Total Adjusted EBITDA¹	\$ 165	\$ 176

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 28](#).
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.

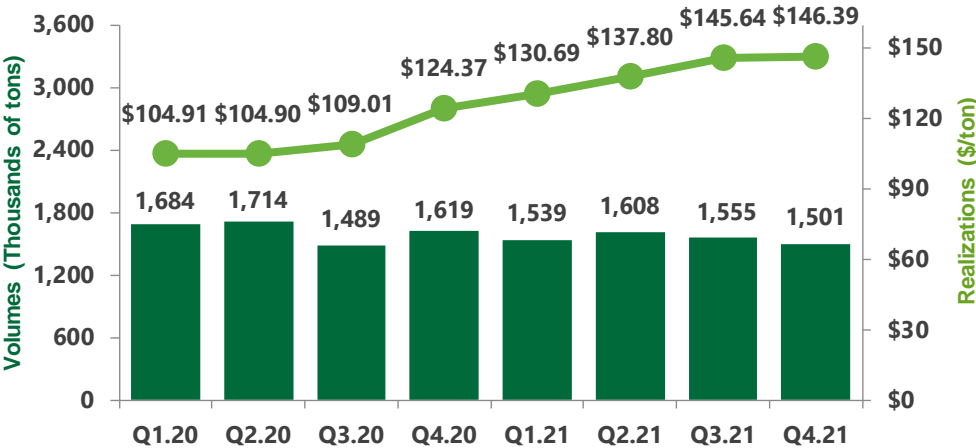
TIMBERLANDS (\$ Millions)	2021	2021
Segment Statement of Operations	Q3	Q4
Third-party sales	\$ 423	\$ 429
Intersegment sales	129	136
Total Sales	552	565
Costs of sales	428	432
Gross margin	124	133
SG&A expenses	24	24
Other (income) expense, net ²	(1)	(1)
Net Contribution to Earnings Before Special Items	\$ 101	\$ 110
Special items, pretax	32	—
Net Contribution to Earnings	\$ 133	\$ 110
Adjusted EBITDA ¹	\$ 165	\$ 176
Adjusted EBITDA Margin Percentage ³	30%	31%
Operating Margin Percentage ⁴	18%	19%

TIMBERLANDS KEY DRIVERS: 2021 Q4 vs. 2021 Q3

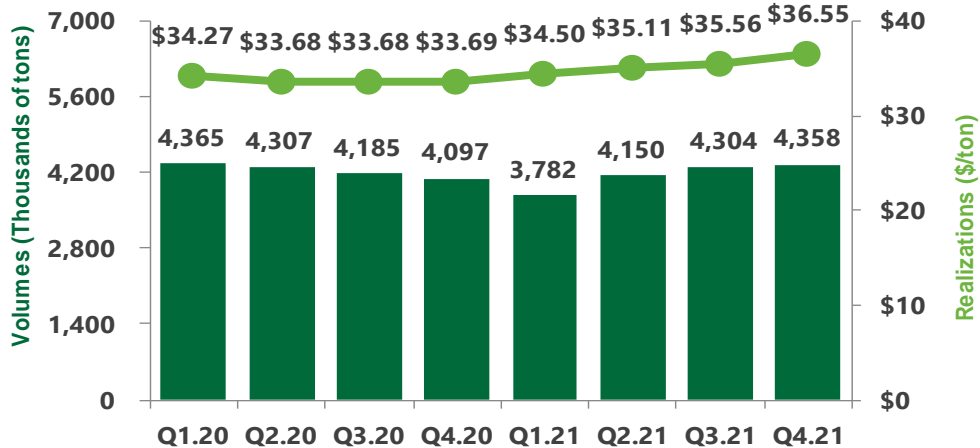
REGION	KEY DRIVERS
WEST	<ul style="list-style-type: none">• Fee Harvest Volumes: Slightly higher• Sales Volumes: Modestly lower for Domestic and Japan, significantly higher for China• Sales Realizations: Comparable for Domestic, slightly higher for Japan, slightly lower for China• Per Unit Log and Haul Costs: Lower• Forestry and Road Costs: Modestly lower
SOUTH	<ul style="list-style-type: none">• Fee Harvest Volumes: Modestly higher, improved weather conditions• Sales Realizations: Slightly higher for sawlogs and fiber logs• Per Unit Log and Haul Costs: Slightly higher, primarily for transportation costs• Forestry and Road Costs: Comparable
NORTH	<ul style="list-style-type: none">• Fee Harvest Volumes: Significantly higher, favorable weather conditions• Sales Realizations: Slightly higher, primarily for hardwood logs

SALES VOLUMES, REALIZATIONS AND EXPORT REVENUE

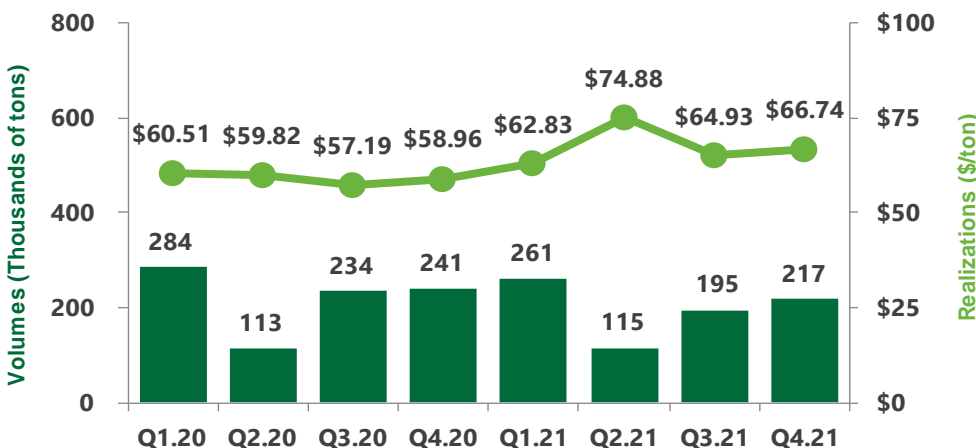
3rd-Party Log Sales and Realizations - West¹



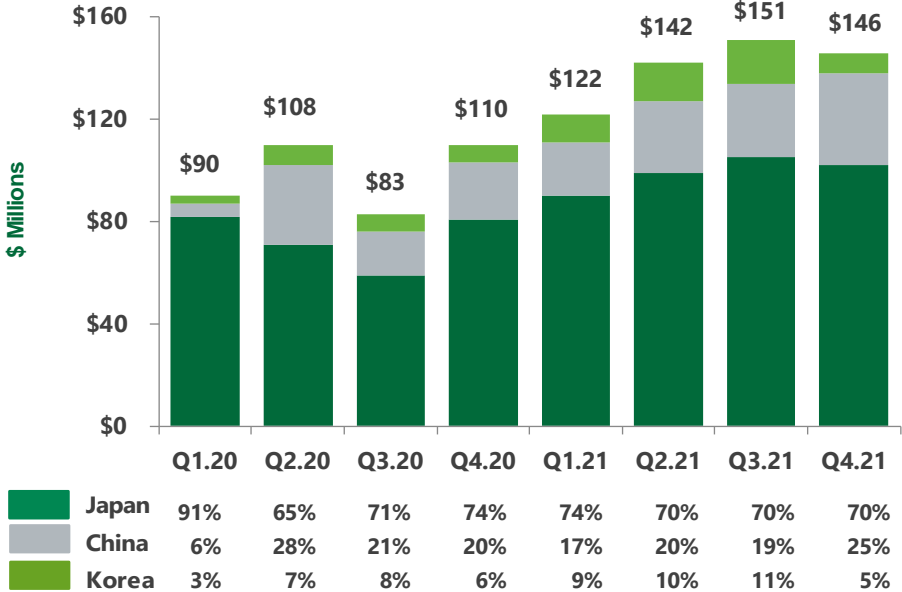
3rd-Party Log Sales and Realizations - South



3rd-Party Log Sales and Realizations - North

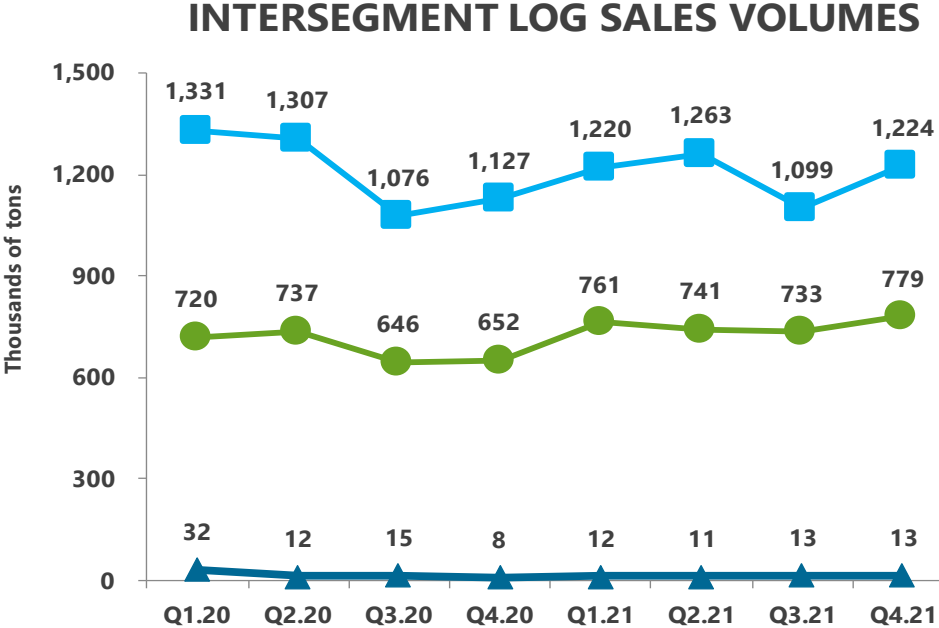
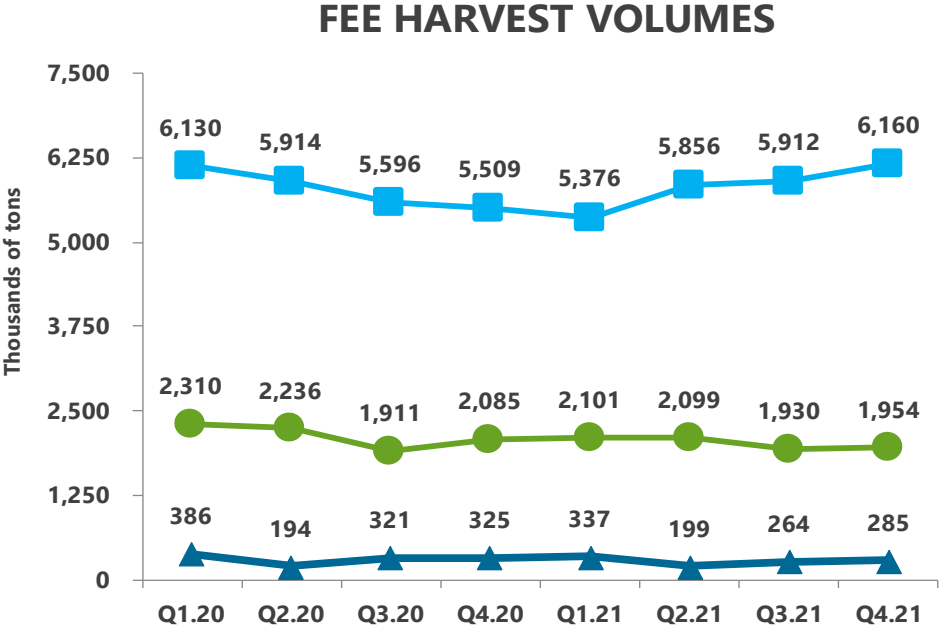


Western Export Log Revenue



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	Q3	Q4
Real Estate	\$ 38	\$ 27
Energy & Natural Resources	22	22
Total Adjusted EBITDA¹	\$ 60	\$ 49

KEY DRIVERS: 2021 Q4 vs. 2021 Q3

Real Estate

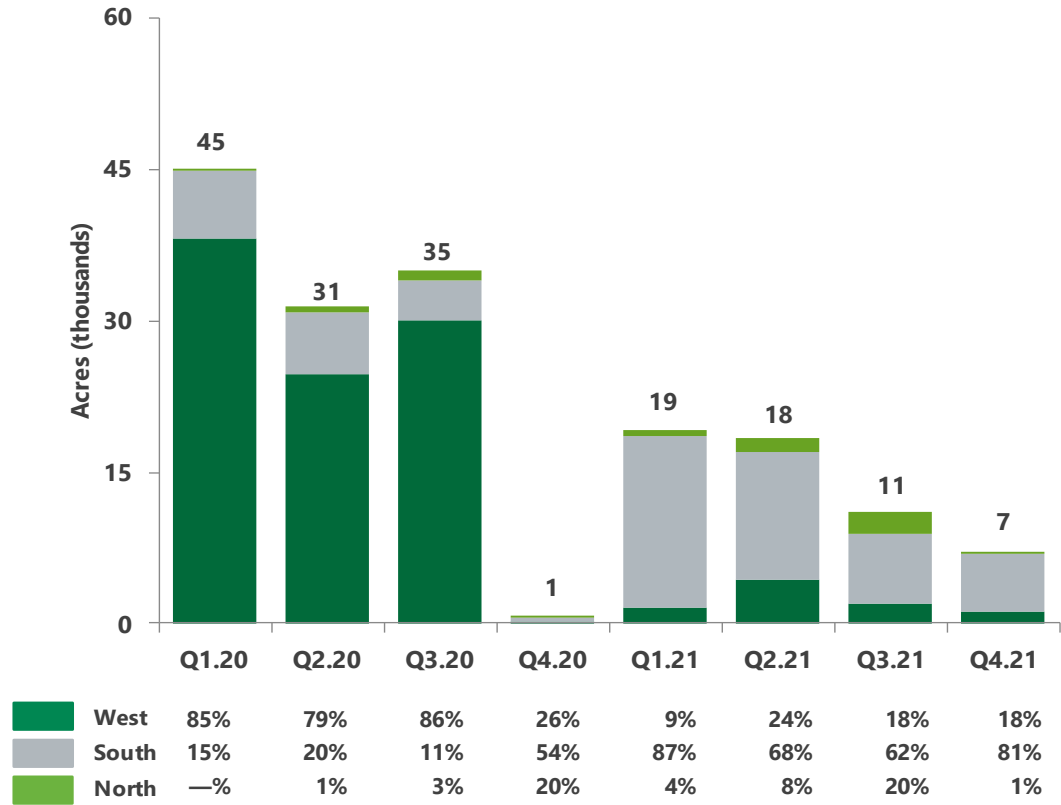
Timing of real estate sales

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 29](#).

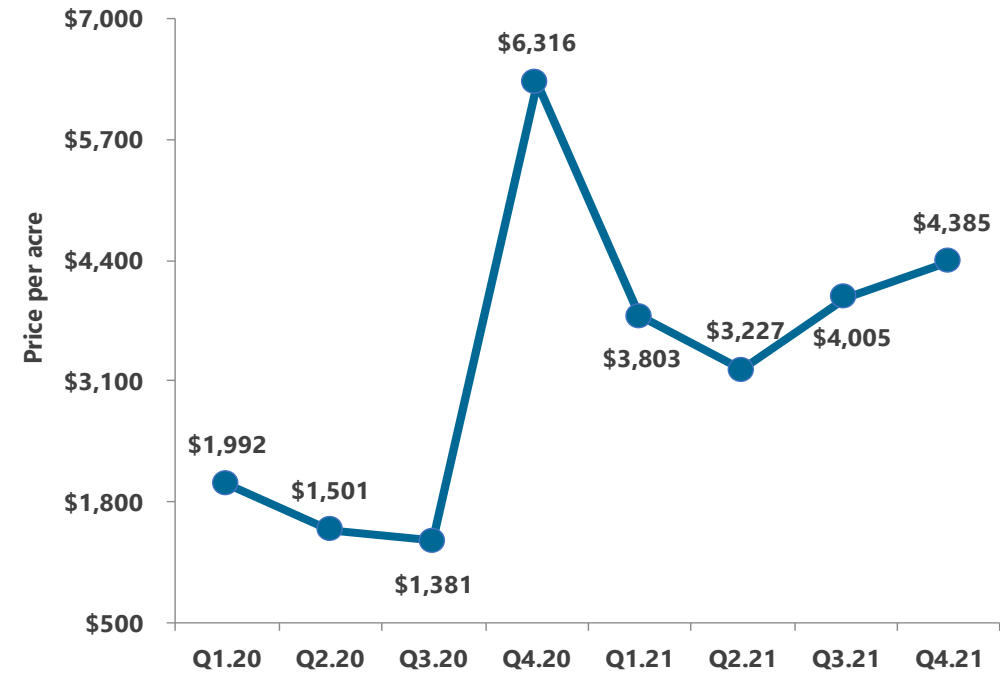
REAL ESTATE & ENR (\$ Millions)	2021	2021
Segment Statement of Operations	Q3	Q4
Total sales	\$ 69	\$ 59
Costs of sales	18	16
Gross margin	51	43
SG&A expenses	6	7
Net Contribution to Earnings	\$ 45	\$ 36
Adjusted EBITDA¹	\$ 60	\$ 49

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	Q3	Q4
Lumber	\$ 118	\$ 195
OSB	344	176
Engineered Wood Products	76	114
Distribution	22	40
Other	5	(8)
Total Adjusted EBITDA¹	\$ 565	\$ 517

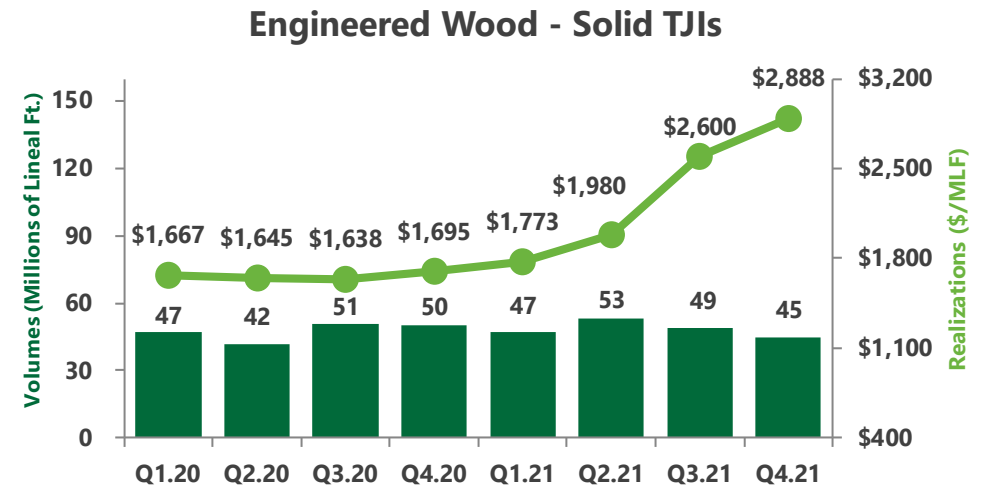
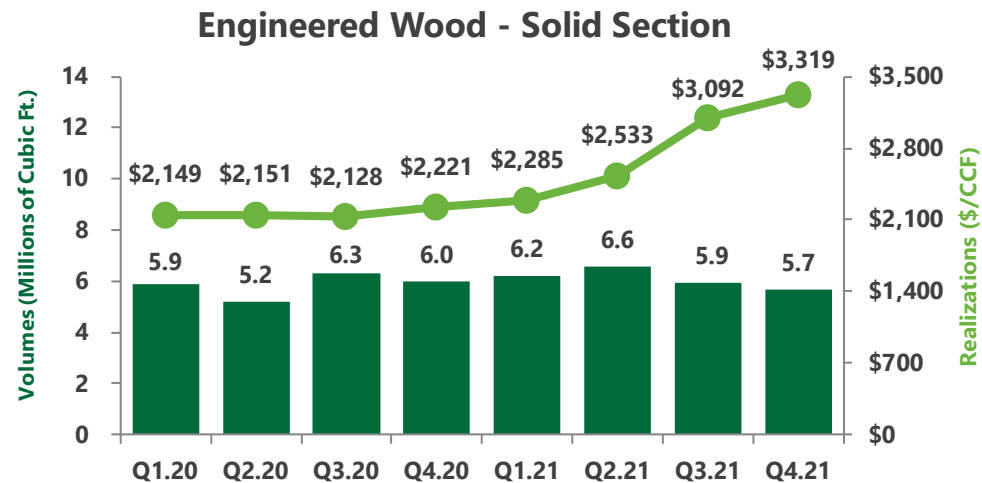
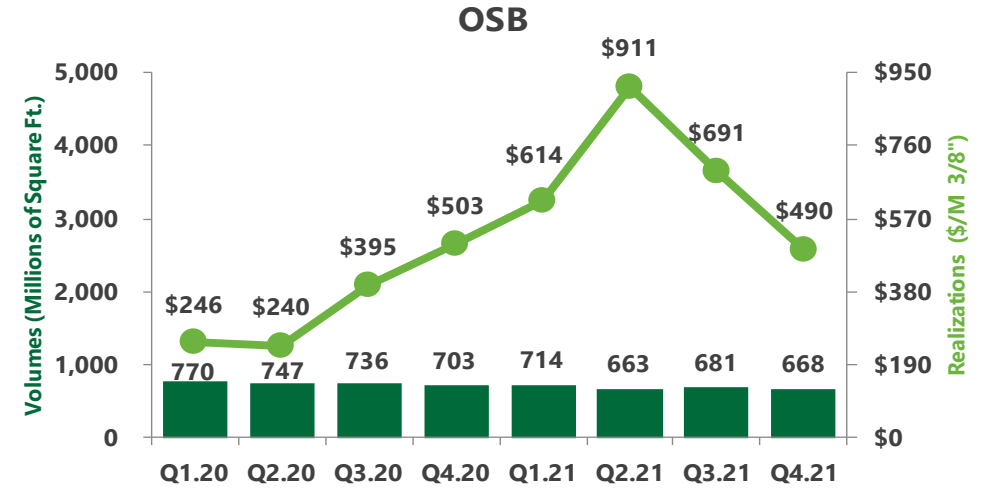
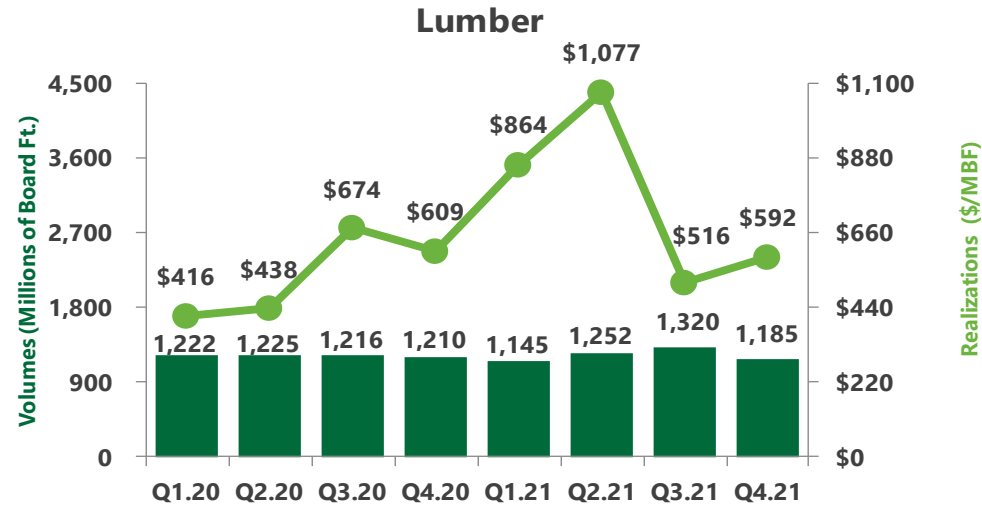
- Adjusted EBITDA for Wood Products businesses include earnings on internal sales, primarily from the manufacturing businesses to Distribution. These sales occur at market price. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 30](#).
- Fourth quarter 2021 excludes a \$37 million product remediation insurance recovery and a \$13 million insurance recovery. These are included in Special items, pretax.
- Adjusted EBITDA divided by total sales.
- Net contribution to earnings before special items divided by total sales.

WOOD PRODUCTS (\$ Millions)	2021	2021
Segment Statement of Operations	Q3	Q4
Total sales	\$ 1,853	\$ 1,718
Costs of sales	1,270	1,185
Gross margin	583	533
SG&A expenses	55	57
Other expense, net ²	11	10
Net Contribution to Earnings Before Special Items	\$ 517	\$ 466
Special items, pretax	—	50
Net Contribution to Earnings	\$ 517	\$ 516
Adjusted EBITDA¹	\$ 565	\$ 517
Adjusted EBITDA Margin Percentage³	30%	30%
Operating Margin Percentage⁴	28%	27%

WOOD PRODUCTS KEY DRIVERS: 2021 Q4 vs. 2021 Q3

BUSINESS	KEY DRIVERS
LUMBER	<ul style="list-style-type: none"> • Sales Realizations: Increased 15% • Sales Volumes: Significantly lower, adverse weather conditions in Canada and lower inventory drawdown than 2021 Q3 • Production Volumes: Moderately lower, downtime at Princeton mill related to British Columbia weather disruptions • Unit Manufacturing Costs: Moderately higher, lower production volumes • Log Costs: Comparable
ORIENTED STRAND BOARD	<ul style="list-style-type: none"> • Sales Realizations: Decreased 29% • Sales Volumes: Slightly lower, adverse weather conditions in Canada • Unit Manufacturing Costs: Improved, less downtime for planned maintenance • Fiber Costs: Moderately higher
ENGINEERED WOOD PRODUCTS	<ul style="list-style-type: none"> • Sales Realizations: Improved for most products, capturing benefit of previously announced price increases • Sales and Production Volumes: Lower for most products due to planned annual maintenance • Raw Material Costs: Significantly lower, primarily for OSB webstock
DISTRIBUTION	<ul style="list-style-type: none"> • Sales Volumes: Seasonally lower for most products • Product Margin: Significantly higher, 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
	Q3	Q4
Unallocated corporate function expenses and variable compensation expense	\$ (33)	\$ (35)
Liability classified share-based compensation	(1)	(4)
Foreign exchange gains (losses)	5	3
Elimination of intersegment profit in inventory and LIFO	12	10
Non-operating pension and other post-employment benefit costs	(5)	(5)
Other, including interest income	(28)	(41)
Net Charge to Earnings Before Special Items	\$ (50)	\$ (72)
Special items, pretax	—	15
Net Charge to Earnings	\$ (50)	\$ (57)
Adjusted EBITDA ²	\$ (44)	\$ (68)

UNALLOCATED ITEMS (\$ Millions) ¹	2021	2021
	Q3	Q4
Costs of sales ³	\$ (2)	\$ (4)
G&A expense ⁴	(35)	(49)
Other expense, net ⁵	(13)	(19)
Net Charge to Earnings Before Special Items	\$ (50)	\$ (72)
Special items, pretax	—	15
Net Charge to Earnings	\$ (50)	\$ (57)

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 31](#).
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.
5. Fourth quarter 2021 excludes a \$15 million noncash legal benefit. This is included in Special items, pretax.

FINANCIAL ITEMS

KEY FINANCIAL METRICS (\$ Millions)	2021	2021
	Q3	Q4
Ending Cash Balance	\$ 2,326	\$ 1,879
Total Debt ¹	\$ 5,250	\$ 5,099
Net Debt to Adjusted EBITDA (LTM) ²	0.7	0.8
Net Debt to Enterprise Value ³	10%	9%

2021 Share Repurchases

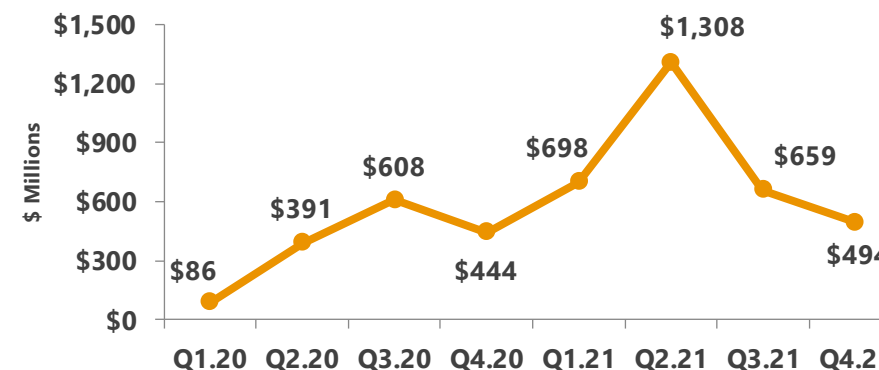
(\$ Millions)	Q1	Q2	Q3	Q4	FY
Share Repurchases ⁴	\$ —	\$ —	\$ 26	\$ 74	\$ 100

Scheduled Debt Maturities as of December 31, 2021

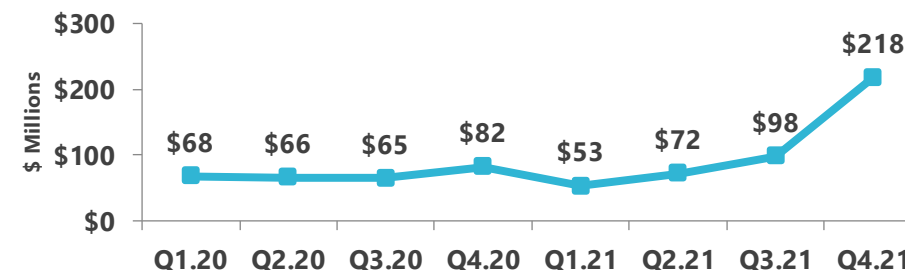
(\$ Millions)	2022	2023	2024	2025	2026
Debt Maturities	\$ —	\$ 1,051	\$ —	\$ 436	\$ 312

1. Total debt for 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 32](#).
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.
4. Average share price for third quarter, fourth quarter, and full year 2021 were \$33.82, \$37.60 and \$36.52, respectively.

Cash Flow from Operations



Capital Expenditures



2020: \$281 million

2021: \$441 million

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION

Allocation Framework and Cash Return Calculation

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION¹ ALLOCATION FRAMEWORK

Return 75-80% of Adj. FAD to Shareholders



SUSTAINABLE BASE DIVIDEND

supported by Timberlands and Real Estate & ENR cash flow, even at bottom of the cycle



SUPPLEMENTAL DIVIDEND² AND/OR SHARE REPURCHASE

to achieve targeted return of 75-80% of annual Adjusted FAD

20-25% of Adj. FAD



EXCESS CASH

available for growth, debt paydown and additional share repurchase

TARGETED RETURN OF CASH TO SHAREHOLDERS

Calculated on an Annual Basis



Adjusted FAD

75-80% Payout



Targeted Return to Shareholders



Quarterly Base Cash Dividends



Cash Available for Allocation Between Supplemental Dividend² and/or Opportunistic Share Repurchase



To Achieve
75-80%
Payout

1. Our definition of Adjusted funds available for distribution (Adjusted FAD) is set forth on [Slide 33](#).
2. Normally declared and paid annually in the first quarter, based on prior year results.



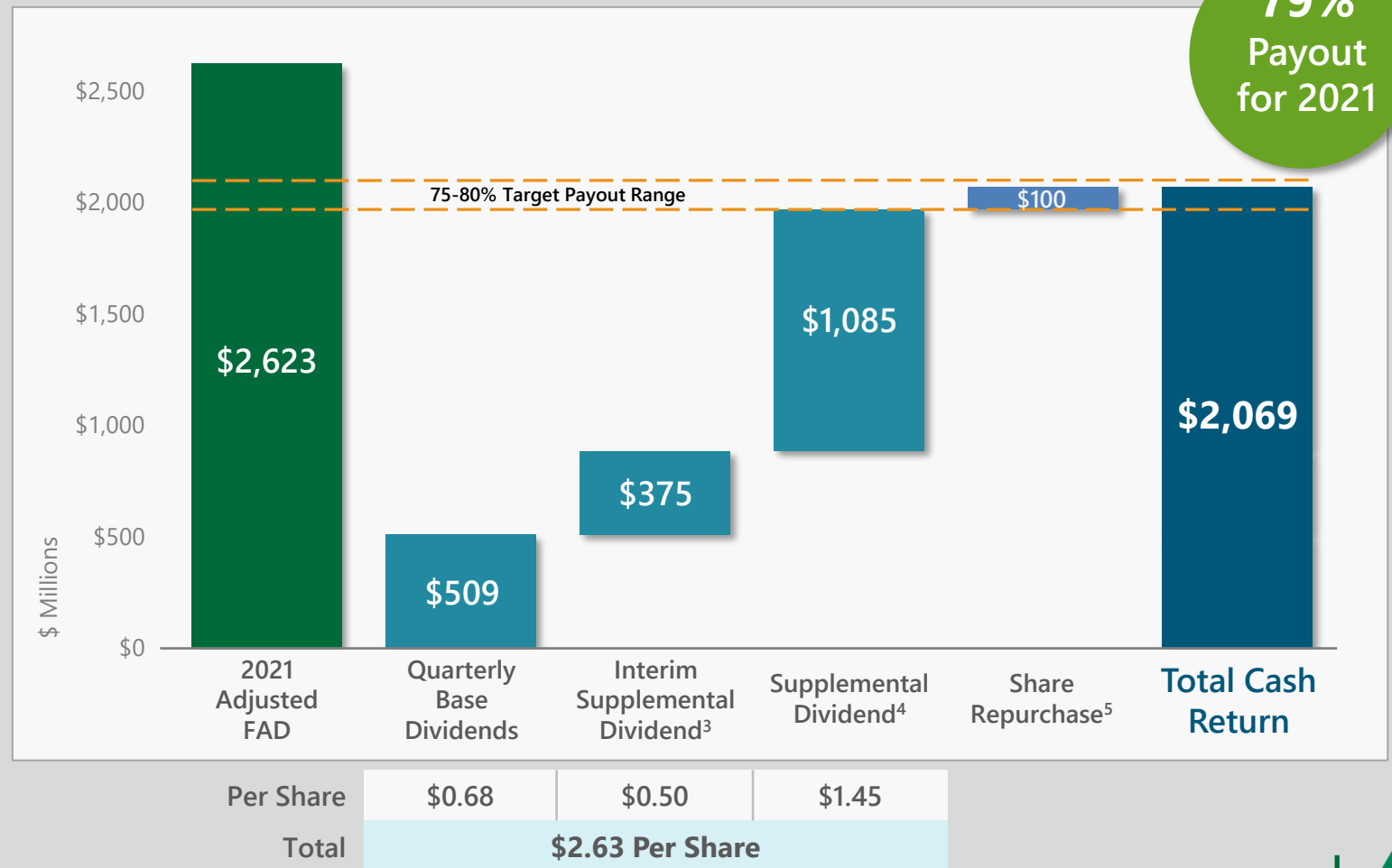
ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION

Returning Over \$2 Billion of Cash Based on 2021 Results

Adjusted Funds Available for Distribution ¹		
(\$ Millions)	Q4	2021
Net Cash from Operations	\$494	\$3,159
Capital Expenditures	(\$218)	(\$441)
Adjustments to FAD ²	(\$95)	(\$95)
2021 Adjusted FAD	\$181	\$2,623



RETURNING 79% OF ADJUSTED FAD TO SHAREHOLDERS BASED ON 2021 RESULTS



- Our definition of Adjusted funds available for distribution (Adjusted FAD) and a reconciliation to GAAP are set forth on [Slide 33](#).
- Adjustments to FAD include a \$95 million tax refund received in fourth quarter 2021 associated with our \$300 million voluntary contribution to our U.S. qualified pension plan in 2018.
- 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.
- On January 28, 2022, our board of directors declared a supplemental dividend of \$1.45 per share payable on February 28, 2022, to shareholders of record on February 18, 2022. The supplemental dividend payout of \$1.085 billion assumes 748 million shares outstanding.
- Share repurchase activity in 2021 totaled \$100 million at an average price of \$36.52 per share.



OUTLOOK: 2022 Q1 vs. 2021 Q4

SEGMENT	EXPECTED EARNINGS & ADJUSTED EBITDA	KEY DRIVERS		
TIMBERLANDS	Significantly higher than 2021 Q4	West Fee Harvest Volumes: Significantly higher Domestic Sales Realizations: Significantly higher Per Unit Log and Haul Costs: Moderately lower Forestry and Road Costs: Significantly lower	South Fee Harvest Volumes: Slightly lower Sales Realizations: Comparable Per Unit Log and Haul Costs: Slightly higher Forestry and Road Costs: Significantly lower	North Fee Harvest Volumes: Slightly lower Sales Realizations: Slightly lower
REAL ESTATE, ENERGY & NATURAL RESOURCES	Slightly higher than 2021 Q1	Real Estate Increase in acres sold		
WOOD PRODUCTS	Comparable to 2021 Q4, excluding the effect of changes in average sales realizations for lumber and oriented strand board	Lumber Sales Volumes: Slightly lower Log Costs: Moderately higher Unit Manufacturing Costs: Slightly lower	OSB Sales Volumes: Modestly higher Fiber Costs: Moderately higher Unit Manufacturing Costs: Comparable	Engineered Wood Products Sales Realizations: Comparable Production and Sales Volumes: Higher Distribution Moderately lower sales volumes

2022 OUTLOOK

DRIVER	FY 2022 OUTLOOK
FEE HARVEST VOLUME	<p>Approximately 34.5 million tons</p> <ul style="list-style-type: none"> • South: Moderately higher than 2021 • West: Slightly higher than 2021 • North: Moderately lower than 2021
REAL ESTATE & ENR ADJUSTED EBITDA	\$300 million
BASIS OF REAL ESTATE SOLD	35-45% of Real Estate sales
INTEREST EXPENSE	\$305 million
CONSOLIDATED TAX RATE	19-23% expense, excluding special items
CASH TAXES	Comparable to overall tax expense
NON-OPERATING PENSION AND POST-EMPLOYMENT EXPENSE	Approximately \$60 million, noncash
CASH CONTRIBUTION FOR PENSION AND POST-EMPLOYMENT PLANS	Approximately \$30 million
CAPITAL EXPENDITURES	\$440 million

NATURAL CLIMATE SOLUTIONS

Leveraging Our Unmatched Scale

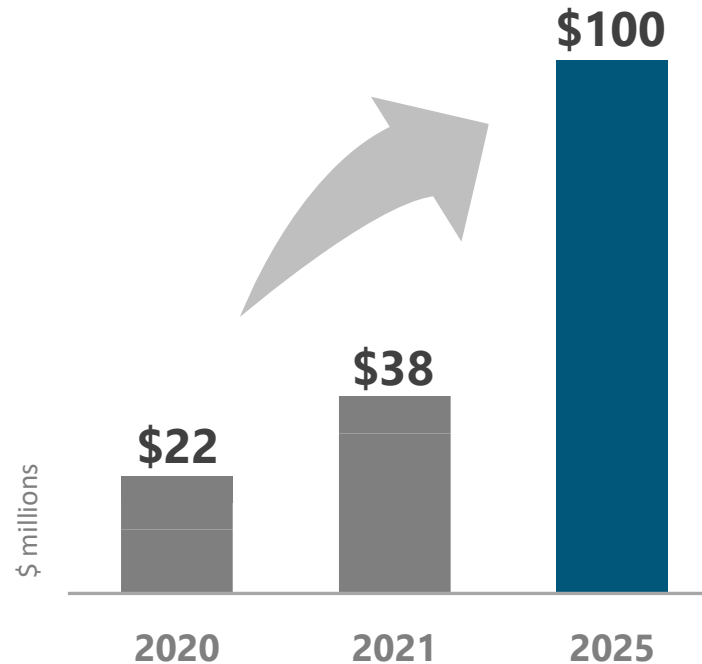
GROWING OUR CURRENT BUSINESS



EXTENDING OUR BUSINESS MODEL



BUILDING A \$100 MILLION BUSINESS Adjusted EBITDA¹





1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 34](#). Adjusted EBITDA for Natural Climate Solutions is included in Real Estate and ENR segment results.

KEY UPDATES

- 2021 growth primarily from current Mitigation, Conservation and Renewable Energy businesses
- Announced first Forest Carbon pilot project in Maine
- Signed agreement for potential development of 1 GW of solar projects in southeastern U.S.
- Future upside beyond 2025 as markets continue to develop



WOOD PRODUCTS SALES REALIZATIONS: CURRENT VS. 2021 Q4

WEYERHAEUSER'S AVERAGE SALES REALIZATIONS			
Approximate Change As of January 21, 2022			
LUMBER¹ 	Q1 QTD vs. Q4 AVERAGE	+\$345/MBF HIGHER	WY's SENSITIVITY CHANGE IN REALIZATIONS \$10/MBF ≈ \$50 million EBITDA ANNUALLY
	CURRENT vs. Q4 AVERAGE	+\$395/MBF HIGHER	
OSB² 	Q1 QTD vs. Q4 AVERAGE	+\$85/MSF HIGHER	WY's SENSITIVITY CHANGE IN REALIZATIONS \$10/MSF ≈ \$30 million EBITDA ANNUALLY
	CURRENT vs. Q4 AVERAGE	+\$110/MSF HIGHER	

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	Q4
Timberlands	\$ 173	\$ 140	\$ 130	\$ 167	\$ 172	\$ 180	\$ 165	\$ 176
Real Estate, Energy & Natural Resources	101	57	60	23	96	91	60	49
Wood Products	184	198	615	530	889	1,386	565	517
Unallocated Items	(45)	(9)	(60)	(63)	(56)	(84)	(44)	(68)
Total Adjusted EBITDA¹	\$ 413	\$ 386	\$ 745	\$ 657	\$ 1,101	\$ 1,573	\$ 746	\$ 674
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)	(134)
Net Contribution to Earnings Before Special Items	\$ 220	\$ 227	\$ 583	\$ 526	\$ 949	\$ 1,430	\$ 613	\$ 540
Interest expense, net ³	(85)	(92)	(88)	(86)	(79)	(78)	(79)	(77)
Income taxes ⁴	3	(58)	(109)	(79)	(189)	(324)	(84)	(96)
Net Earnings Before Special Items⁵	\$ 138	\$ 77	\$ 386	\$ 361	\$ 681	\$ 1,028	\$ 450	\$ 367
Special items, after-tax ⁴	12	(5)	(103)	(69)	—	—	32	49
Net Earnings	\$ 150	\$ 72	\$ 283	\$ 292	\$ 681	\$ 1,028	\$ 482	\$ 416
Diluted EPS Before Special Items⁵	\$ 0.18	\$ 0.11	\$ 0.52	\$ 0.48	\$ 0.91	\$ 1.37	\$ 0.60	\$ 0.49
Diluted EPS	\$ 0.20	\$ 0.10	\$ 0.38	\$ 0.39	\$ 0.91	\$ 1.37	\$ 0.64	\$ 0.55

1. See [Slide 27](#) 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 25](#).

EARNINGS PER SHARE RECONCILIATION

	2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Diluted EPS Before Special Items	\$ 0.18	\$ 0.11	\$ 0.52	\$ 0.48	\$ 0.91	\$ 1.37	\$ 0.60	\$ 0.49
Special Items:								
Pension settlement charge	—	—	—	(0.26)	—	—	—	—
Early extinguishment of debt charges	—	(0.02)	(0.03)	(0.07)	—	—	—	—
Legal benefits	0.02	—	—	—	—	—	—	0.01
Product remediation recoveries	—	0.01	—	—	—	—	—	0.04
Gain on sale of timberlands	—	—	—	0.24	—	—	0.04	—
Insurance recovery	—	—	—	—	—	—	—	0.01
Timber casualty loss	—	—	(0.11)	—	—	—	—	—
Diluted EPS (GAAP)	\$ 0.20	\$ 0.10	\$ 0.38	\$ 0.39	\$ 0.91	\$ 1.37	\$ 0.64	\$ 0.55

EARNINGS BEFORE SPECIAL ITEMS RECONCILIATION

\$ Millions (except EPS)	2020			2021		
	Pretax Earnings	After-Tax Earnings	Diluted EPS	Pretax Earnings	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$ 1,205	\$ 962	\$ 1.29	\$ 3,219	\$ 2,526	\$ 3.37
Special Items:						
Gain on sale of timberlands	182	182	0.24	32	32	0.04
Insurance recovery	—	—	—	13	9	0.01
Pension settlement charge	(253)	(193)	(0.26)	—	—	—
Early extinguishment of debt charges	(92)	(92)	(0.12)	—	—	—
Legal benefits	12	12	0.02	15	12	0.01
Product remediation recoveries	8	6	0.01	37	28	0.04
Timber casualty loss	(80)	(80)	(0.11)	—	—	—
Total Special Items	(223)	(165)	(0.22)	97	81	0.10
Earnings Including Special Items (GAAP)	\$ 982	\$ 797	\$ 1.07	\$ 3,316	\$ 2,607	\$ 3.47

ADJUSTED EBITDA RECONCILIATION

By Segment

\$ Millions	2018	2019	2020					2021				
	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Timberlands	\$ 902	\$ 680	\$ 173	\$ 140	\$ 130	\$ 167	\$ 610	\$ 172	\$ 180	\$ 165	\$ 176	\$ 693
Real Estate & ENR	264	274	101	57	60	23	241	96	91	60	49	296
Wood Products	987	476	184	198	615	530	1,527	889	1,386	565	517	3,357
Unallocated Items	(121)	(154)	(45)	(9)	(60)	(63)	(177)	(56)	(84)	(44)	(68)	(252)
Adjusted EBITDA¹	\$ 2,032	\$ 1,276	\$ 413	\$ 386	\$ 745	\$ 657	\$ 2,201	\$ 1,101	\$ 1,573	\$ 746	\$ 674	\$ 4,094
Depletion, depreciation & amortization	(486)	(510)	(123)	(117)	(115)	(117)	(472)	(118)	(120)	(118)	(121)	(477)
Basis of real estate sold	(124)	(116)	(62)	(34)	(40)	(5)	(141)	(27)	(24)	(11)	(9)	(71)
Special items in operating income	(28)	1	12	8	(80)	182	122	—	—	32	65	97
Operating Income (GAAP)	\$ 1,394	\$ 651	\$ 240	\$ 243	\$ 510	\$ 717	\$ 1,710	\$ 956	\$ 1,429	\$ 649	\$ 609	\$ 3,643
Non-operating pension and other post-employment benefit costs	(272)	(516)	(9)	(10)	(9)	(262)	(290)	(8)	(1)	(5)	(5)	(19)
Interest income and other	60	30	1	2	2	—	5	1	2	1	1	5
Net Contribution to Earnings	\$ 1,182	\$ 165	\$ 232	\$ 235	\$ 503	\$ 455	\$ 1,425	\$ 949	\$ 1,430	\$ 645	\$ 605	\$ 3,629
Interest expense, net	(375)	(378)	(85)	(103)	(111)	(144)	(443)	(79)	(78)	(79)	(77)	(313)
Income taxes ²	(59)	137	3	(60)	(109)	(19)	(185)	(189)	(324)	(84)	(112)	(709)
Net Earnings (Loss) (GAAP)	\$ 748	\$ (76)	\$ 150	\$ 72	\$ 283	\$ 292	\$ 797	\$ 681	\$ 1,028	\$ 482	\$ 416	\$ 2,607

- 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.
- The income tax effects of special items can be found in a reconciliation set forth on [Slide 5](#).

ADJUSTED EBITDA RECONCILIATION

Timberlands

\$ Millions	2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
West	\$ 93	\$ 73	\$ 72	\$ 102	\$ 101	\$ 103	\$ 90	\$ 93
South	78	70	62	64	69	76	76	80
North	3	(1)	—	2	3	2	1	3
Other	(1)	(2)	(4)	(1)	(1)	(1)	(2)	—
Total Timberlands Adjusted EBITDA¹	\$ 173	\$ 140	\$ 130	\$ 167	\$ 172	\$ 180	\$ 165	\$ 176
West	(28)	(27)	(25)	(26)	(28)	(28)	(24)	(25)
South	(37)	(36)	(34)	(34)	(34)	(37)	(38)	(38)
North	(3)	(1)	(2)	(2)	(2)	(2)	(2)	(2)
Other	—	(1)	—	(1)	—	—	—	(1)
Total depletion, depreciation & amortization	\$ (68)	\$ (65)	\$ (61)	\$ (63)	\$ (64)	\$ (67)	\$ (64)	\$ (66)
Special items	—	—	(80)	182	—	—	32	—
Operating Income (Loss) and Net Contribution (Charge) to Earnings (GAAP)	\$ 105	\$ 75	\$ (11)	\$ 286	\$ 108	\$ 113	\$ 133	\$ 110

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	Q4
Real Estate	\$ 86	\$ 42	\$ 44	\$ 4	\$ 76	\$ 66	\$ 38	\$ 27
Energy & Natural Resources	15	15	16	19	20	25	22	22
Total Real Estate & ENR Adjusted EBITDA¹	\$ 101	\$ 57	\$ 60	\$ 23	\$ 96	\$ 91	\$ 60	\$ 49
Depletion, depreciation & amortization	(3)	(4)	(3)	(4)	(3)	(4)	(4)	(4)
Basis of real estate sold	(62)	(34)	(40)	(5)	(27)	(24)	(11)	(9)
Operating Income and Net Contribution to Earnings (GAAP)	\$ 36	\$ 19	\$ 17	\$ 14	\$ 66	\$ 63	\$ 45	\$ 36

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	Q4
Lumber	\$ 79	\$ 103	\$ 363	\$ 254	\$ 513	\$ 804	\$ 118	\$ 195
OSB	45	41	160	220	300	472	344	176
EWP	51	42	58	37	42	53	76	114
Distribution	12	13	37	24	39	75	22	40
Other	(3)	(1)	(3)	(5)	(5)	(18)	5	(8)
Total Wood Products Adjusted EBITDA^{1, 2}	\$ 184	\$ 198	\$ 615	\$ 530	\$ 889	\$ 1,386	\$ 565	\$ 517
Lumber	(27)	(26)	(28)	(26)	(28)	(28)	(26)	(30)
OSB	(9)	(8)	(9)	(9)	(8)	(9)	(8)	(9)
EWP	(10)	(10)	(9)	(10)	(10)	(9)	(10)	(9)
Distribution	(1)	(2)	(1)	(2)	(1)	(1)	(2)	(1)
Other	(3)	(1)	(2)	(2)	(2)	(1)	(2)	(2)
Total depletion, depreciation & amortization	\$ (50)	\$ (47)	\$ (49)	\$ (49)	\$ (49)	\$ (48)	\$ (48)	\$ (51)
Special items	—	8	—	—	—	—	—	50
Operating Income and Net Contribution to Earnings (GAAP)	\$ 134	\$ 159	\$ 566	\$ 481	\$ 840	\$ 1,338	\$ 517	\$ 516

- 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	Q4
Total Unallocated Adjusted EBITDA¹	\$ (45)	\$ (9)	\$ (60)	\$ (63)	\$ (56)	\$ (84)	\$ (44)	\$ (68)
Total depletion, depreciation & amortization	(2)	(1)	(2)	(1)	(2)	(1)	(2)	—
Special items included in operating loss	12	—	—	—	—	—	—	15
Operating Loss (GAAP)	\$ (35)	\$ (10)	\$ (62)	\$ (64)	\$ (58)	\$ (85)	\$ (46)	\$ (53)
Non-operating pension and other post-employment benefit costs	(9)	(10)	(9)	(262)	(8)	(1)	(5)	(5)
Interest income and other	1	2	2	—	1	2	1	1
Net Charge to Earnings (GAAP)	\$ (43)	\$ (18)	\$ (69)	\$ (326)	\$ (65)	\$ (84)	\$ (50)	\$ (57)

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	Q4
Net Debt to Adjusted EBITDA (LTM)^{1,2}	4.5	4.1	2.9	2.3	1.5	0.9	0.7	0.8
Total debt	\$ 7,426	\$ 6,299	\$ 5,974	\$ 5,475	\$ 5,475	\$ 5,250	\$ 5,250	\$ 5,099
Less: cash and cash equivalents	1,458	643	787	495	1,016	1,777	2,326	1,879
Net Debt	\$ 5,968	\$ 5,656	\$ 5,187	\$ 4,980	\$ 4,459	\$ 3,473	\$ 2,924	\$ 3,220
Adjusted EBITDA (LTM)	\$ 1,324	\$ 1,367	\$ 1,804	\$ 2,201	\$ 2,889	\$ 4,076	\$ 4,077	\$ 4,094
Depletion, depreciation & amortization	(510)	(503)	(483)	(472)	(467)	(470)	(473)	(477)
Basis of real estate sold	(130)	(131)	(147)	(141)	(106)	(96)	(67)	(71)
Special items in operating income	33	41	(92)	122	110	102	214	97
Operating Income (LTM) (GAAP)	\$ 717	\$ 774	\$ 1,082	\$ 1,710	\$ 2,426	\$ 3,612	\$ 3,751	\$ 3,643
Non-operating pension and other post-employment benefit costs	(55)	(55)	(49)	(290)	(289)	(280)	(276)	(19)
Interest income and other	21	17	13	5	5	5	4	5
Net Contribution to Earnings (LTM)	\$ 683	\$ 736	\$ 1,046	\$ 1,425	\$ 2,142	\$ 3,337	\$ 3,479	\$ 3,629
Interest expense, net of capitalized interest	(356)	(368)	(388)	(443)	(437)	(412)	(380)	(313)
Income taxes ³	36	(61)	(167)	(185)	(377)	(641)	(616)	(709)
Net Earnings (LTM) (GAAP)	\$ 363	\$ 307	\$ 491	\$ 797	\$ 1,328	\$ 2,284	\$ 2,483	\$ 2,607

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 27](#) for our definition of Adjusted EBITDA.
3. The income tax effects of special items can be found in a reconciliation set forth on [Slide 5](#).

FUNDS AVAILABLE FOR DISTRIBUTION RECONCILIATION

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION (\$ Millions)	2018	2019	2020	2021
	FY	FY	FY	FY
Net Cash from Operations	\$ 1,112	\$ 966	\$ 1,529	\$ 3,159
Capital Expenditures	(427)	(384)	(281)	(441)
Funds Available for Distribution ¹	\$ 685	\$ 582	\$ 1,248	\$ 2,718
Cash for product remediation payments (from product remediation insurance recoveries)	96	(68)	(8)	—
Cash contribution to (cash tax refund associated with contribution to) our U.S. qualified pension plan	300	—	—	(95)
Adjusted Funds Available for Distribution ²	\$ 1,081	\$ 514	\$ 1,240	\$ 2,623

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.

ADJUSTED EBITDA RECONCILIATION

Natural Climate Solutions

\$ Millions	2020		2021
	FY		FY
Total Natural Climate Solutions Adjusted EBITDA¹	\$	22	\$ 38
Depletion, depreciation & amortization		(1)	(1)
Basis of real estate sold		(9)	(10)
Operating Income (GAAP)	\$	12	\$ 27

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.

We have not provided a reconciliation of forecasted Adjusted EBITDA related to Natural Climate Solutions to the most comparable GAAP measure because Adjusted EBITDA excludes the impact of certain items described in the definition above and management cannot estimate the impact these items will have on Adjusted EBITDA without unreasonable effort. We believe that the probable significance of providing this forward-looking non-GAAP financial measure without a reconciliation to operating income is that investors and analysts will have certain information that we believe is useful and meaningful regarding our Natural Climate Solutions business, but they will not have that information on a GAAP basis. As a result, investors and analysts may be unable to accurately compare the expected impact to our historical results or the results or expected results of other companies that may have treated such matters differently. Management believes that, given the inherent uncertainty of forward-looking statements, investors and analysts will be able to understand and appropriately take into account the limitations in the information we have provided. Investors are cautioned that we cannot predict the occurrence, timing or amount of all non-GAAP items that we exclude from Adjusted EBITDA. Accordingly, the actual effect of these items, when determined, could potentially be significant to the calculation of Adjusted EBITDA over the medium-term.