



2023 EARNINGS RESULTS

FOURTH QUARTER 2023

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 cash dividends, dividend framework and target percentage return to shareholders of our Adjusted Funds Available for Distribution (Adjusted FAD) through cash dividends and share repurchase; future goals and prospects, including our 2025 goals and targets relating to timberlands investments, operational excellence improvements, increase in annual lumber production, growth of our Natural Climate Solutions business annual Adjusted EBITDA performance, growth of our base cash dividend, reductions of greenhouse gas emissions, and achievement of external ESG recognitions; our expectations concerning future development of markets in our Natural Climate Solutions business and 2024 approvals of new forest carbon projects; and our first quarter 2024 outlook and expectations concerning earnings and Adjusted EBITDA for each of our businesses and expected key drivers, as well as our full year 2024 expectations for the following: fee harvest volumes, basis of real estate sold and Adjusted EBITDA for our Real Estate, Energy and Natural Resources business, interest expense, consolidated tax rate, cash taxes, non-operating pension and post-employment expense, cash contribution for pension and post-employment plans and capital expenditures. Forward-looking statements may be identified by our use of certain words in such statements, including without limitation words such as "expected," "outlook," and "targeted," and similar words and terms and phrases using such terms and words, as well as references to future dates and events. 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. The realization of our expectations and the accuracy of our assumptions are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. 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; our ability to hire and retain capable employees; 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 as it relates to the cost of pension benefits 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 2022 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 by providing helpful context in understanding the company's performance. 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.

2023 CONSOLIDATED RESULTS

\$ Millions	2022	2023	
Adjusted EBITDA	FY	FY	Change
Timberlands	\$ 784	\$ 646	\$ (138)
Real Estate, Energy & Natural Resources	329	320	(9)
Wood Products	2,737	905	(1,832)
Unallocated Items	(196)	(177)	19
Total Adjusted EBITDA¹	\$ 3,654	\$ 1,694	\$ (1,960)
Net Contribution to Earnings Before Special Items	\$ 3,067	\$ 1,132	\$ (1,935)

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 31](#).
2. Includes other operating costs, 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 30](#). Income taxes attributable to special items are included in Special items, after-tax.

\$ Millions (except EPS)	2022	2023
Consolidated Statement of Operations	FY	FY
Net sales	\$ 10,184	\$ 7,674
Costs of sales	6,564	5,992
Gross margin	3,620	1,682
SG&A expenses	491	518
Other expense, net ²	62	32
Net Contribution to Earnings Before Special Items	\$ 3,067	\$ 1,132
Interest expense, net ³	(270)	(280)
Income taxes ⁴	(550)	(103)
Net Earnings Before Special Items⁴	\$ 2,247	\$ 749
Special items, after-tax ⁴	(367)	90
Net Earnings	\$ 1,880	\$ 839
Diluted EPS Before Special Items⁴	\$ 3.02	\$ 1.02
Diluted EPS	\$ 2.53	\$ 1.15

2023 Q4 CONSOLIDATED RESULTS

\$ Millions	2023	2023	
Adjusted EBITDA	Q3	Q4	Change
Timberlands	\$ 143	\$ 143	\$ —
Real Estate, Energy & Natural Resources	94	67	(27)
Wood Products	328	159	(169)
Unallocated Items	(56)	(48)	8
Total Adjusted EBITDA¹	\$ 509	\$ 321	\$ (188)
Net Contribution to Earnings Before Special Items	\$ 365	\$ 192	\$ (173)

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 31](#).
2. Includes other operating costs, 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)	2023	2023
Consolidated Statement of Operations	Q3	Q4
Net sales	\$ 2,022	\$ 1,774
Costs of sales	1,520	1,432
Gross margin	502	342
SG&A expenses	129	136
Other expense, net ²	8	14
Net Contribution to Earnings Before Special Items	\$ 365	\$ 192
Interest expense, net ³	(72)	(72)
Income taxes ⁴	(54)	1
Net Earnings Before Special Items⁴	\$ 239	\$ 121
Special items, after-tax ⁴	—	98
Net Earnings	\$ 239	\$ 219
Diluted EPS Before Special Items⁴	\$ 0.33	\$ 0.16
Diluted EPS	\$ 0.33	\$ 0.30



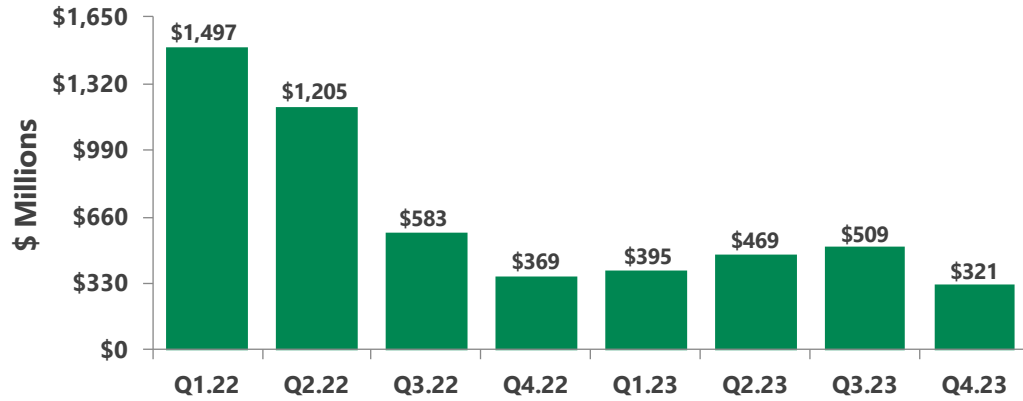
EARNINGS BEFORE SPECIAL ITEMS

\$ Millions (except EPS)	2023 Q3			2023 Q4		
	Pretax Earnings	After-Tax Earnings	Diluted EPS	Pretax Earnings	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$ 293	\$ 239	\$ 0.33	\$ 120	\$ 121	\$ 0.16
Special Items:						
Gain on sale of timberlands	—	—	—	84	83	0.12
Insurance recovery	—	—	—	14	10	0.01
Legal benefit	—	—	—	25	25	0.03
Legal expense	—	—	—	(27)	(20)	(0.02)
Total Special Items	—	—	—	96	98	0.14
Earnings Including Special Items (GAAP)	\$ 293	\$ 239	\$ 0.33	\$ 216	\$ 219	\$ 0.30

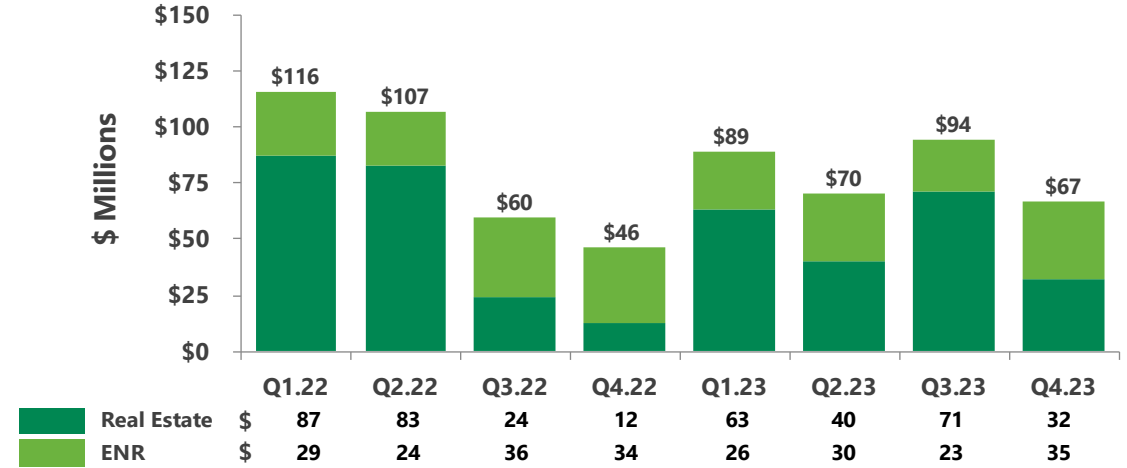


ADJUSTED EBITDA¹

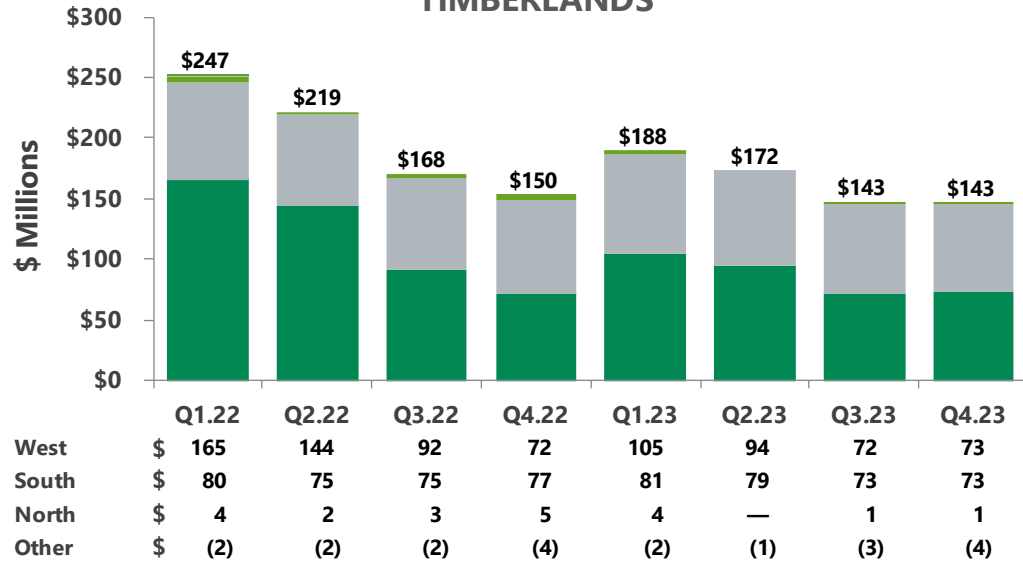
TOTAL COMPANY²



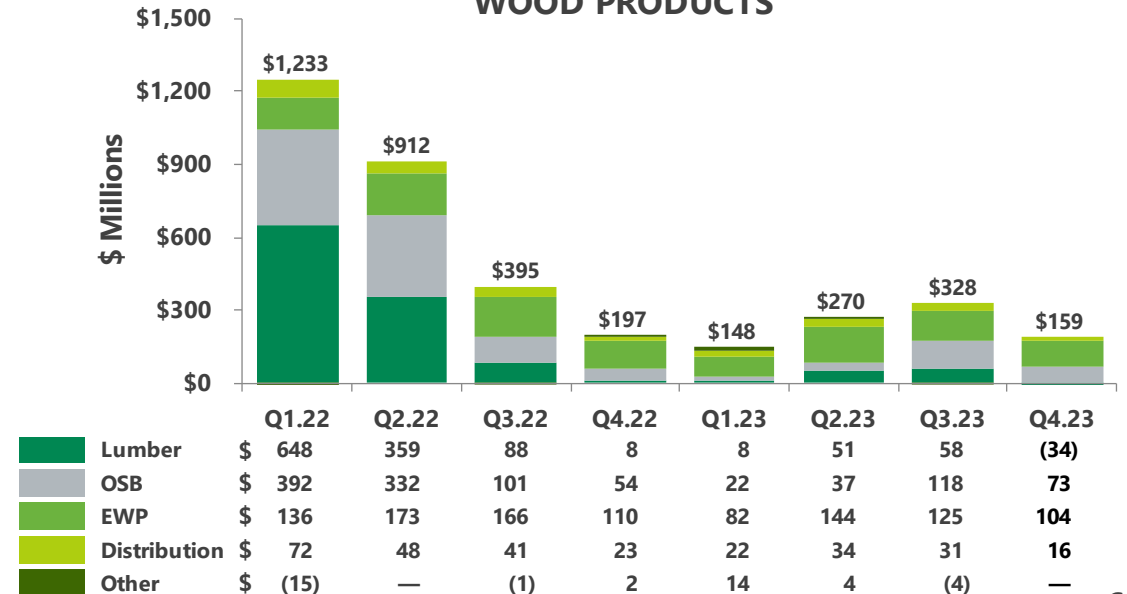
REAL ESTATE & ENR



TIMBERLANDS



WOOD PRODUCTS



1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 31](#), [Slide 32](#), [Slide 33](#), [Slide 34](#) and [Slide 35](#).
 2. Total Company Adjusted EBITDA includes Timberlands; Real Estate, Energy & Natural Resources; Wood Products and Unallocated.

TIMBERLANDS SEGMENT

TIMBERLANDS (\$ Millions)	2023	2023
Adjusted EBITDA by Region	Q3	Q4
West	\$ 72	\$ 73
South	73	73
North	1	1
Other	(3)	(4)
Total Adjusted EBITDA¹	\$ 143	\$ 143

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 32](#).
2. Fourth quarter 2023 excludes an \$84 million gain on sale of timberlands and a \$25 million legal benefit. These are included in Special items, pretax.
3. Adjusted EBITDA divided by total sales.
4. Net contribution to earnings before special items divided by total sales.

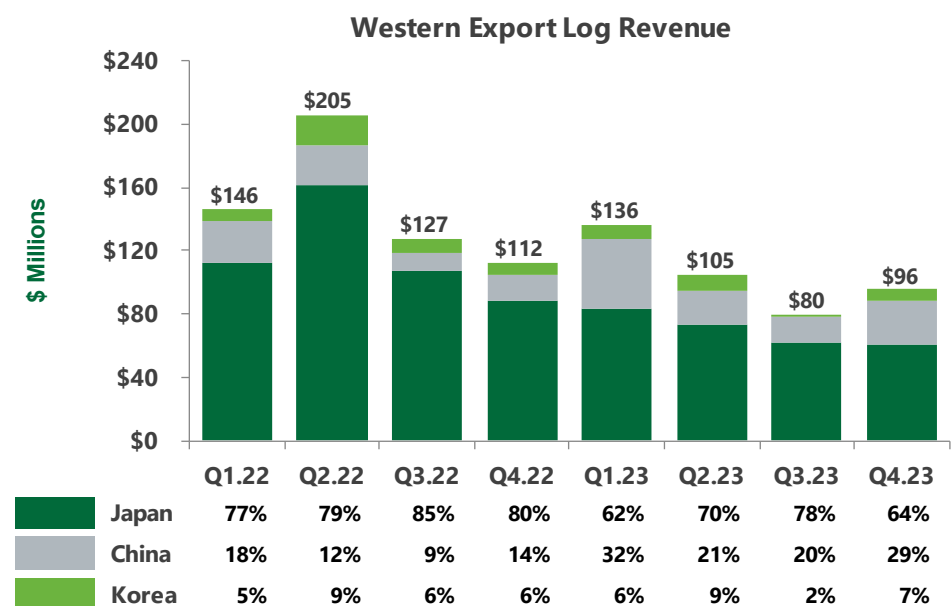
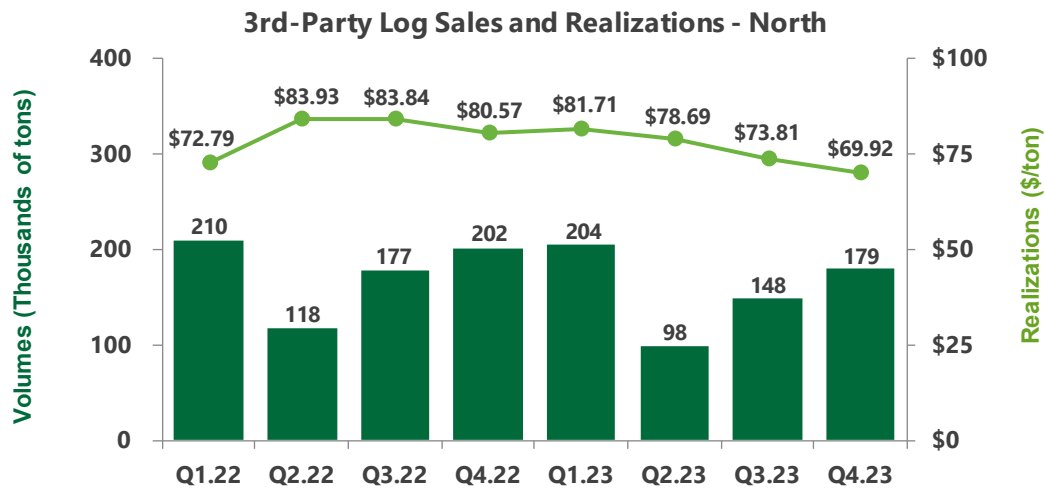
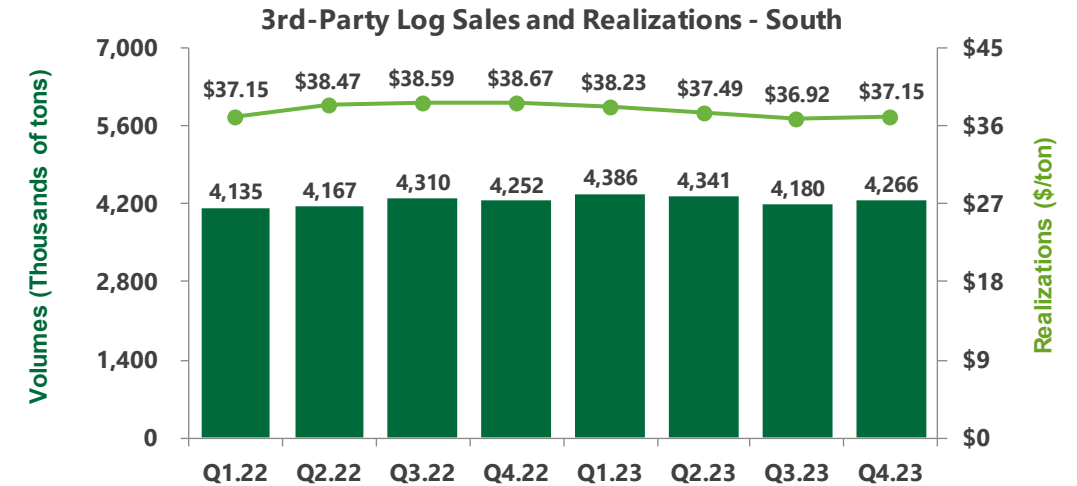
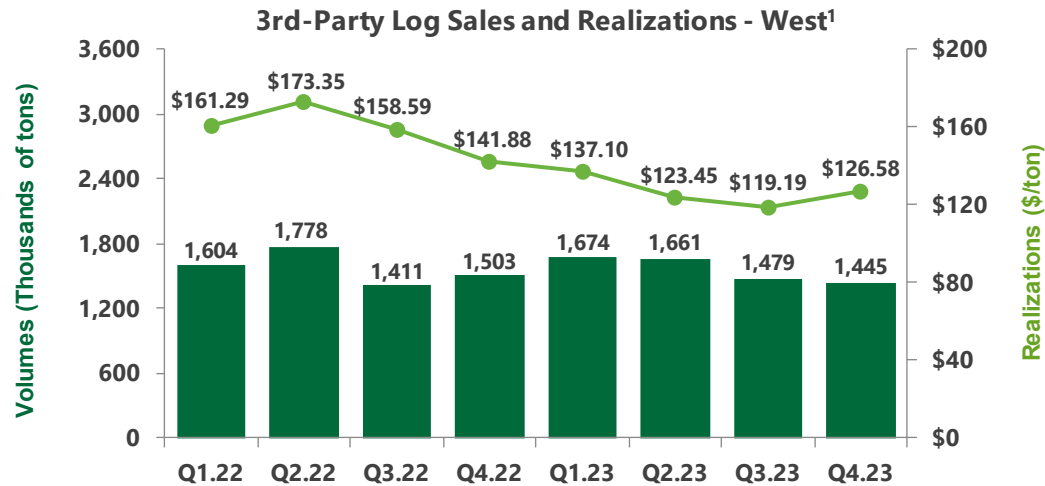
TIMBERLANDS (\$ Millions)	2023	2023
Segment Statement of Operations	Q3	Q4
Third-party sales	\$ 380	\$ 395
Intersegment sales	141	139
Total Sales	521	534
Costs of sales	417	429
Gross margin	104	105
SG&A expenses	26	26
Other expense, net ²	—	2
Net Contribution to Earnings Before Special Items	\$ 78	\$ 77
Special items, pretax ²	—	109
Net Contribution to Earnings	\$ 78	\$ 186
Adjusted EBITDA¹	\$ 143	\$ 143
Adjusted EBITDA Margin Percentage³	27%	27%
Operating Margin Percentage⁴	15%	14%



TIMBERLANDS KEY DRIVERS: 2023 Q4 vs. 2023 Q3

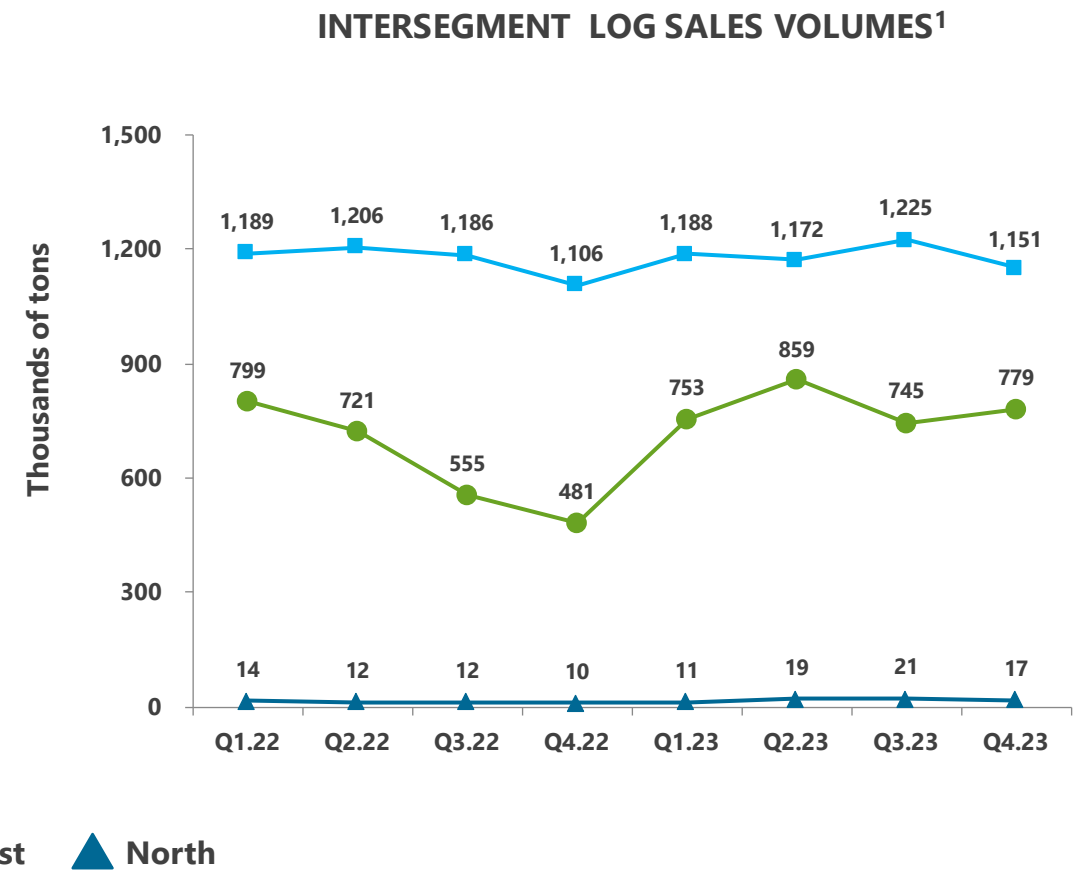
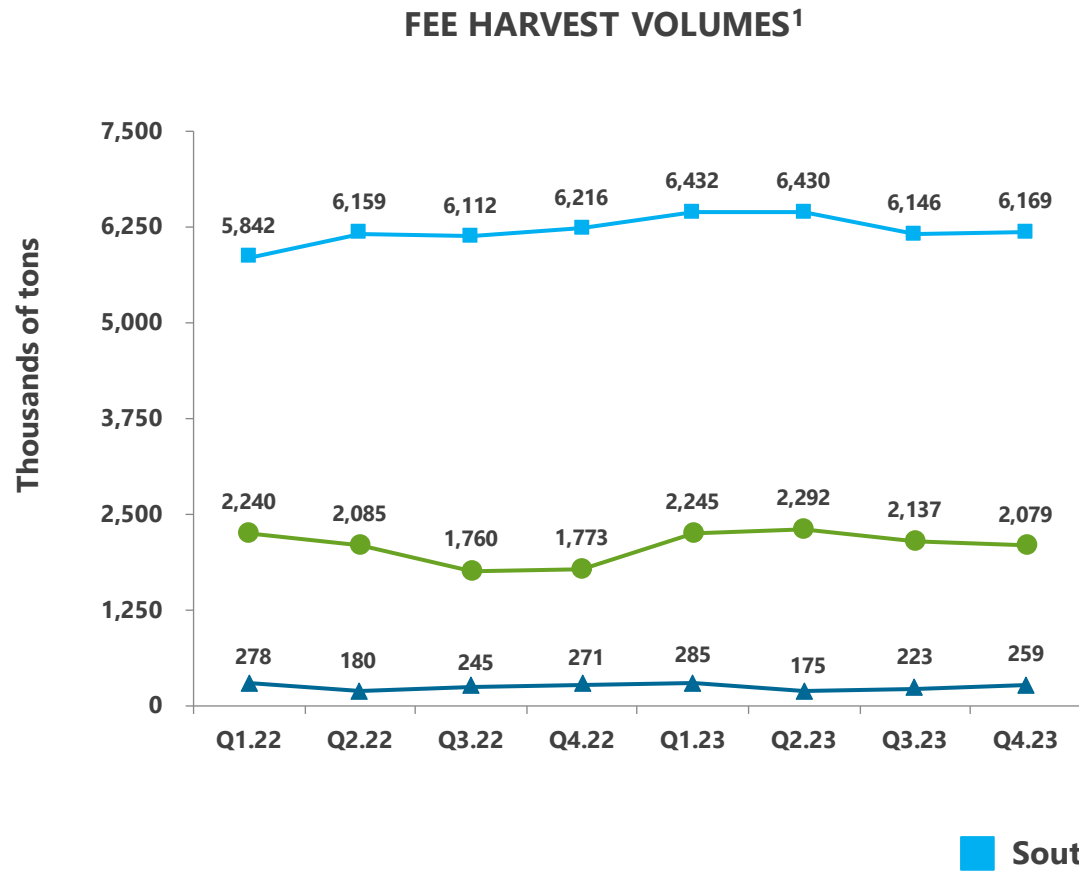
REGION	KEY DRIVERS
WEST	<ul style="list-style-type: none">• Fee Harvest Volumes: Slightly lower• Domestic Sales Volumes: Lower, flexed volumes to China• Export Sales Volumes: Significantly higher, primarily for China• Sales Realizations: Moderately higher, primarily due to higher China export sales volumes• Per Unit Log and Haul Costs: Moderately higher• Forestry and Road Costs: Moderately lower, seasonal
SOUTH	<ul style="list-style-type: none">• Fee Harvest Volumes: Comparable• Sales Realizations: Comparable• Per Unit Log and Haul Costs: Comparable• Forestry and Road Costs: Slightly lower, seasonal
NORTH	<ul style="list-style-type: none">• Fee Harvest Volumes: Significantly higher• Sales Realizations: Moderately lower

SALES VOLUMES, REALIZATIONS AND EXPORT 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



1. During the third and fourth quarter of 2022, fee harvest volumes and intersegment log sales volumes in the West were affected by the work stoppage in Washington and Oregon that was resolved on October 28, 2022.

REAL ESTATE, ENERGY & NATURAL RESOURCES (ENR) SEGMENT

REAL ESTATE & ENR (\$ Millions)	2023	2023
Adjusted EBITDA by Business	Q3	Q4
Real Estate	\$ 71	\$ 32
Energy & Natural Resources	23	35
Total Adjusted EBITDA¹	\$ 94	\$ 67

KEY DRIVERS: 2023 Q4 vs. 2023 Q3

Real Estate

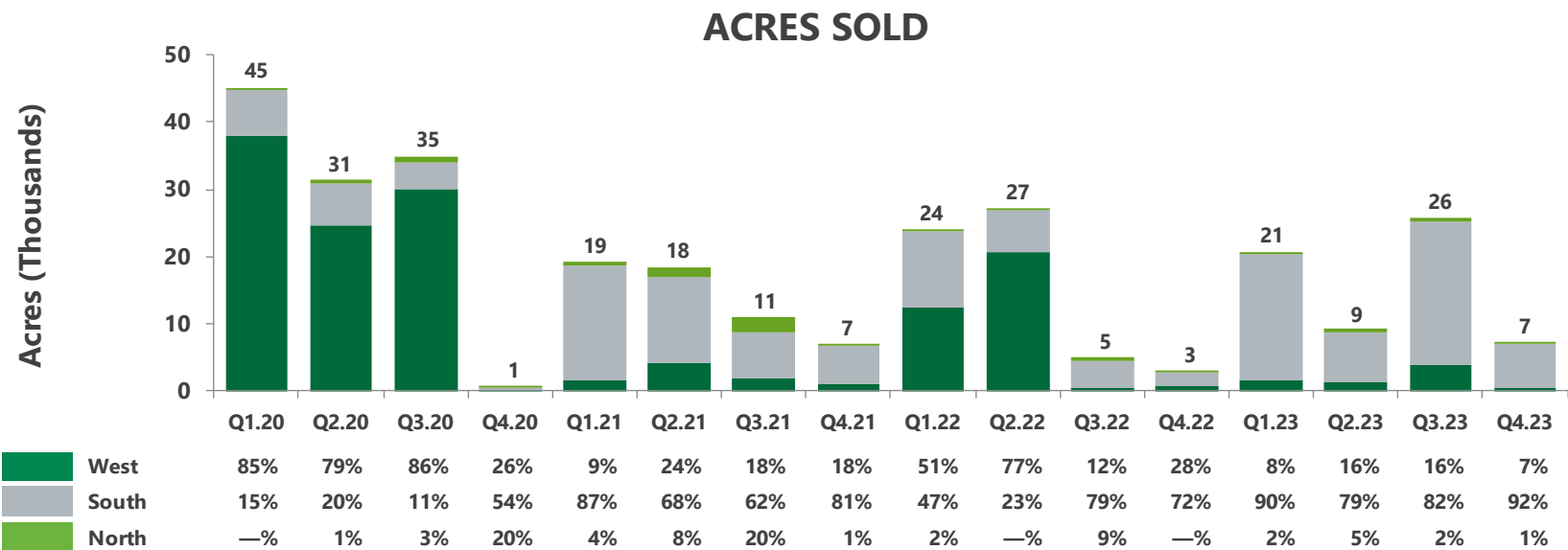
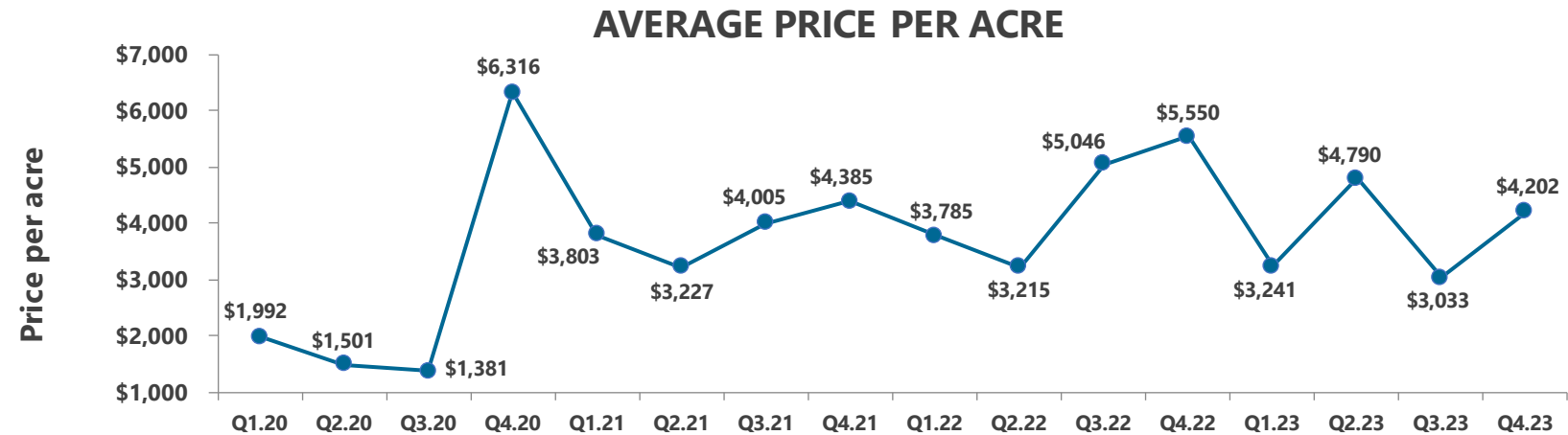
Timing and mix of acres sold

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 33](#).

REAL ESTATE & ENR (\$ Millions)	2023	2023
Segment Statement of Operations	Q3	Q4
Total sales	\$ 105	\$ 77
Costs of sales	43	21
Gross margin	62	56
SG&A expenses	6	6
Net Contribution to Earnings	\$ 56	\$ 50
Adjusted EBITDA¹	\$ 94	\$ 67



REAL ESTATE, ENERGY & NATURAL RESOURCES (ENR) SEGMENT



WOOD PRODUCTS SEGMENT

WOOD PRODUCTS (\$ Millions)	2023	2023
Adjusted EBITDA by Business	Q3	Q4
Lumber	\$ 58	\$ (34)
OSB	118	73
Engineered Wood Products	125	104
Distribution	31	16
Other	(4)	—
Total Adjusted EBITDA¹	\$ 328	\$ 159

- 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 34](#).
- Fourth quarter 2023 excludes a \$14 million insurance recovery. This is 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)	2023	2023
Segment Statement of Operations	Q3	Q4
Total sales	\$ 1,537	\$ 1,302
Costs of sales	1,195	1,127
Gross margin	342	175
SG&A expenses	58	59
Other expense, net ²	7	11
Net Contribution to Earnings Before Special Items	\$ 277	\$ 105
Special items, pretax ²	—	14
Net Contribution to Earnings	\$ 277	\$ 119
Adjusted EBITDA¹	\$ 328	\$ 159
Adjusted EBITDA Margin Percentage³	21%	12%
Operating Margin Percentage⁴	18%	8%

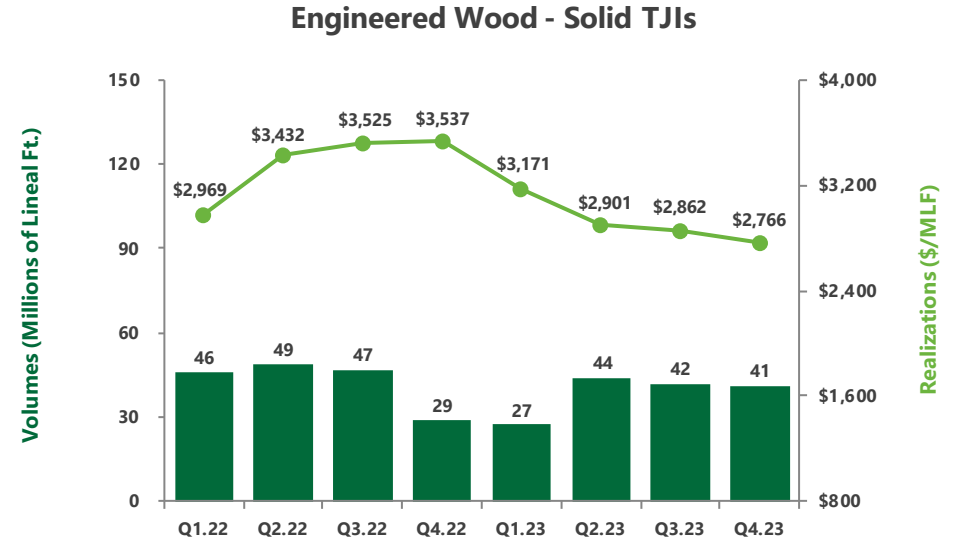
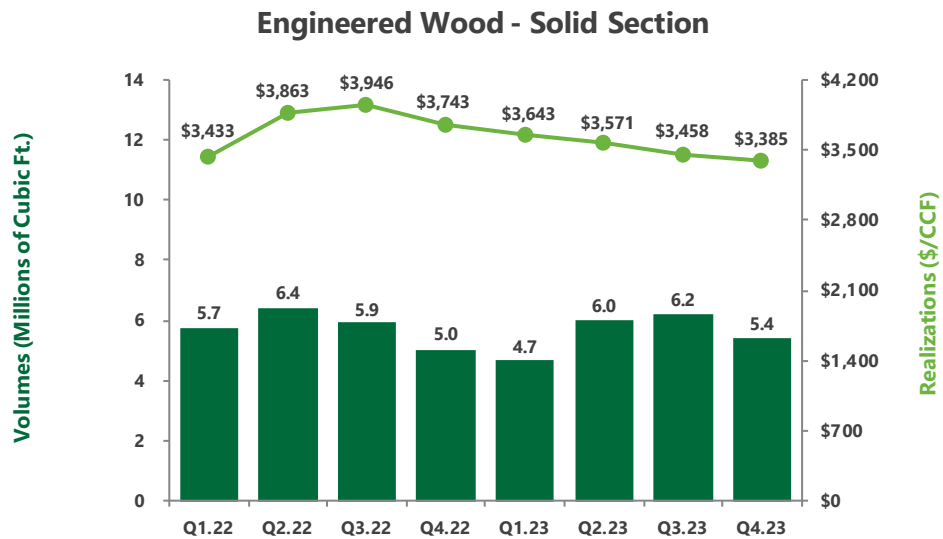
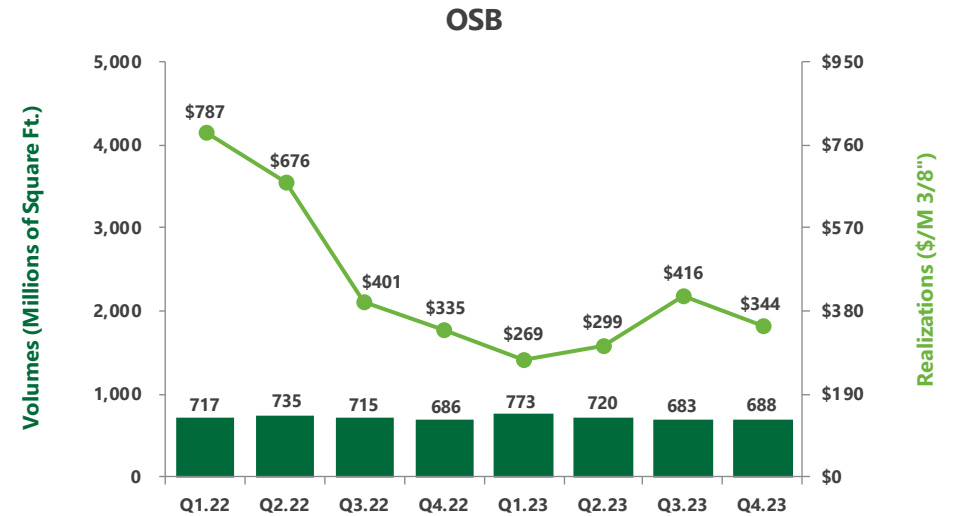
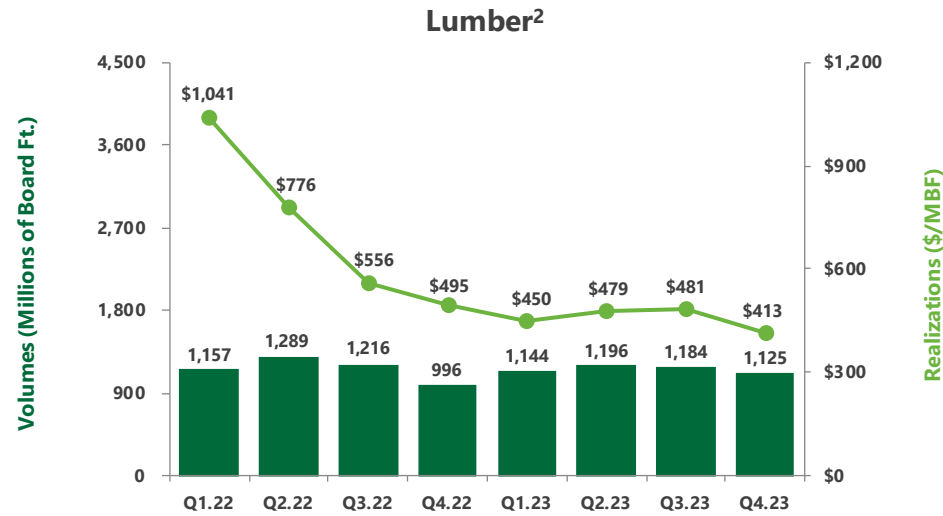


WOOD PRODUCTS KEY DRIVERS: 2023 Q4 vs. 2023 Q3

BUSINESS	KEY DRIVERS
LUMBER	<ul style="list-style-type: none">• Sales Realizations: Decreased 14%• Sales Volumes: Moderately lower, reduced production levels, partially driven by holiday downtime taken at Pacific Northwest mills• Unit Manufacturing Costs: Moderately higher• Log Costs: Comparable
ORIENTED STRAND BOARD	<ul style="list-style-type: none">• Sales Realizations: Decreased 17%• Sales Volumes: Comparable• Unit Manufacturing Costs: Moderately lower• Fiber Costs: Comparable
ENGINEERED WOOD PRODUCTS	<ul style="list-style-type: none">• Sales Realizations: Slightly lower for most products• Sales Volumes: Lower• Unit Manufacturing Costs: Slightly lower• Raw Material Costs: Slightly higher
DISTRIBUTION	<ul style="list-style-type: none">• Decrease in commodity realizations and seasonally lower sales volumes



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.

2. During the third and fourth quarter of 2022, lumber sales volumes were affected by the work stoppage in Washington and Oregon that was resolved on October 28, 2022.

UNALLOCATED ITEMS

UNALLOCATED ITEMS (\$ Millions) ¹	2023	2023
	Q3	Q4
Unallocated corporate function expenses and variable compensation expense	\$ (33)	\$ (35)
Liability classified share-based compensation	2	(2)
Foreign exchange gains	—	—
Elimination of intersegment profit in inventory and LIFO	(4)	3
Non-operating pension and other post-employment benefit costs	(12)	(12)
Other, including interest income	1	6
Net Charge to Earnings Before Special Items	\$ (46)	\$ (40)
Special items, pretax ²	—	(27)
Net Charge to Earnings	\$ (46)	\$ (67)
Adjusted EBITDA³	\$ (56)	\$ (48)

UNALLOCATED ITEMS (\$ Millions) ¹	2023	2023
	Q3	Q4
Costs of sales ⁴	\$ (6)	\$ 6
G&A expense ⁵	(38)	(45)
Other expense, net	(2)	(1)
Net Charge to Earnings Before Special Items	\$ (46)	\$ (40)
Special items, pretax ²	—	(27)
Net Charge to Earnings	\$ (46)	\$ (67)

1. Unallocated items are gains or charges not related to or allocated to an individual operating segment.
2. Fourth quarter 2023 excludes \$27 million of legal expense. This is included in Special items, pretax.
3. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 35](#).
4. Costs of sales is composed primarily of elimination of intersegment profit in inventory and LIFO and incentive compensation.
5. G&A expense is comprised primarily of share-based compensation, pension service costs, corporate function expenses and incentive compensation.



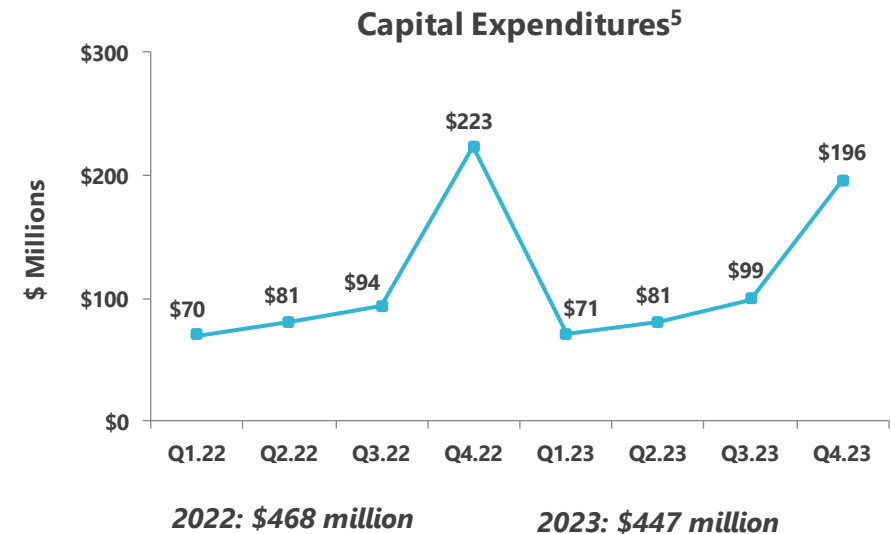
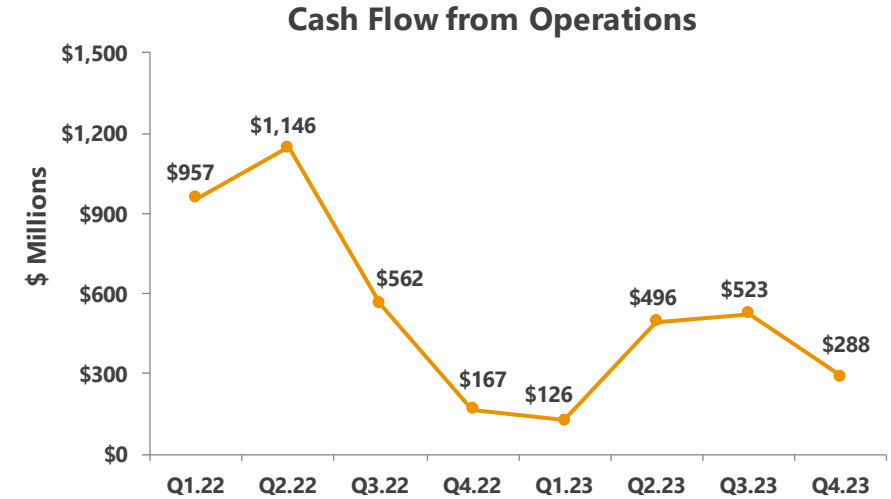
FINANCIAL ITEMS

KEY FINANCIAL METRICS (\$ Millions)	2023	2023
	Q3	Q4
Ending cash balance	\$ 1,173	\$ 1,164
Ending short-term investments balance	\$ 668	\$ —
Total debt	\$ 5,679	\$ 5,069
Net debt to Adjusted EBITDA (LTM) ¹	2.2	2.3
Net debt to enterprise value ²	15%	13%

2023 SHARE REPURCHASES (\$ Millions)					
	Q1	Q2	Q3	Q4	FY
Share repurchases ³	\$ 35	\$ 50	\$ 25	\$ 15	\$ 125

SCHEDULED DEBT MATURITIES AS OF DECEMBER 31, 2023 (\$ Millions)					
	2024	2025	2026	2027	2028
Debt maturities ⁴	\$ —	\$ 210	\$ 1,022	\$ 300	\$ 250

1. LTM = last twelve months. A reconciliation to GAAP is set forth on [Slide 36](#).
2. Total debt, net of cash and cash equivalents and short-term investments, divided by enterprise value. Enterprise value is defined as total debt, net of cash and cash equivalents and short-term investments, plus market capitalization as of the end of the quarter.
3. Average price paid per share for first quarter, second quarter, third quarter, fourth quarter and full year 2023 were \$31.25, \$29.59, \$32.67, \$31.01 and \$30.79, respectively. As of March 31, 2023, there were 27,139 unsettled shares (approximately \$1 million), as of September 30, 2023, there were 32,757 unsettled shares (approximately \$1 million), and as of December 31, 2023, there were 13,866 unsettled shares (approximately \$1 million). There were no unsettled shares as of June 30, 2023.
4. In December 2023, we entered into a \$250 million senior unsecured term loan that will mature in December 2028.
5. Total capital expenditures is inclusive of capitalized interest.




ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION


Allocation Framework and Cash Return Calculation

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION¹
Allocation Framework

Return 75-80% of Adjusted FAD to Shareholders




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



SUPPLEMENTAL DIVIDEND² AND/OR SHARE REPURCHASE
to achieve targeted return of 75-80% of annual Adjusted FAD

20-25% of Adjusted 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 37](#).
2. Normally declared and paid annually in the first quarter, based on prior year results.

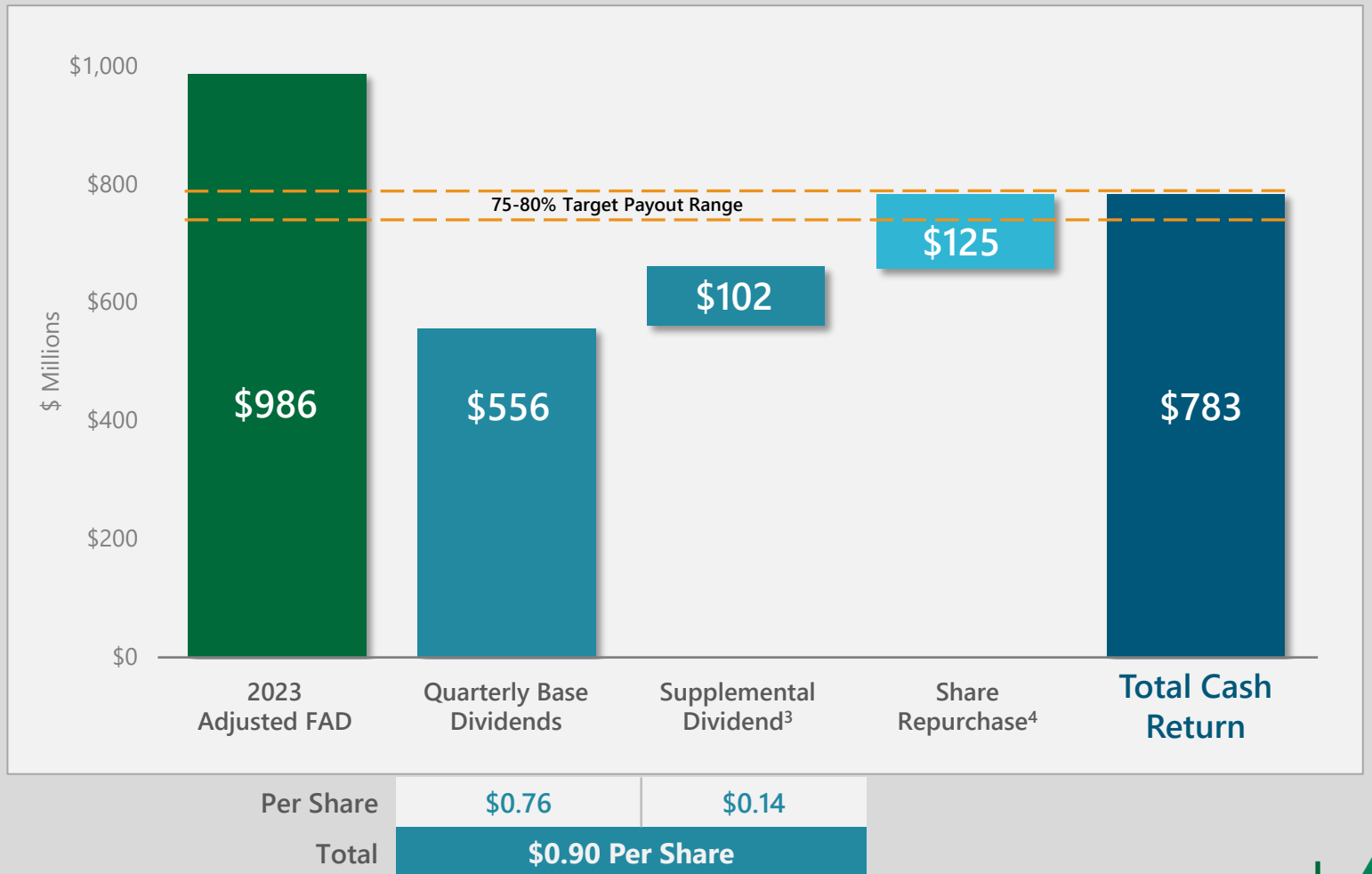
ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION¹

Returning \$783 Million in Total Cash Based on 2023 Results

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION	
(\$ millions)	2023
Net Cash from Operations	\$ 1,433
Capital Expenditures ²	(447)
2023 Adjusted FAD	\$ 986



RETURNING ~80% OF ADJUSTED FAD TO SHAREHOLDERS BASED ON 2023 RESULTS



1. Our definition of Adjusted funds available for distribution (Adjusted FAD) and a reconciliation to GAAP are set forth on [Slide 37](#).
2. Capital expenditures is inclusive of \$7 million of capitalized interest.
3. On January 25, 2024, our board of directors declared a supplemental dividend of \$0.14 per share payable on February 27, 2024, to shareholders of record on February 16, 2024. The supplemental dividend payout of \$102 million assumes 730 million shares outstanding.
4. Share repurchase activity in 2023 totaled \$125 million at an average price of \$30.79 per share.



RETURNING CASH TO SHAREHOLDERS

Demonstrating The Power of Our Cash Return Framework

**NEARLY
\$4.6 BILLION
RETURNED
TO SHAREHOLDERS
BASED ON
2021-2023 RESULTS
THROUGH DIVIDENDS AND
SHARE REPURCHASE**



ALLOCATION OF CASH RETURNS

BASED ON 2021-2023 RESULTS

\$1.6 Billion
Base
Dividends

\$2.2 Billion
Supplemental
Dividends¹

\$775 Million
Share
Repurchase

Annual Payout of Adjusted FAD

2021 = 79%

2022 = 75%

2023 = ~80%

DIVIDEND YIELD Calendar Year²

2021	3.4%
2022	6.2%
2023	4.8%

1. Supplemental dividends associated with 2021 results include a \$0.50 per share interim distribution made in fourth quarter 2021 and a \$1.45 per share distribution made in first quarter 2022. Supplemental dividends associated with 2022 results include a \$0.90 per share distribution made in first quarter 2023. Supplemental dividends associated with 2023 results include a \$0.14 per share distribution declared on January 25, 2024 and payable on February 27, 2024 to shareholders of record on February 16, 2024.
2. Dividend yield calculations assume a share price of \$34.77, the closing price on December 29, 2023.



2025 YEAR-END TARGETS

Making Progress Against Our Multi-Year Targets

INVESTMENT THESIS



UNMATCHED
PORTFOLIO



INDUSTRY-LEADING
PERFORMANCE



STRONG
ESG FOUNDATION



DISCIPLINED
CAPITAL ALLOCATION

TARGETS

Grow Timberlands Portfolio

by \$1 billion of disciplined investments

Grow Natural Climate Solutions

to a \$100 million EBITDA business

Capture OpX Improvements

of \$175-250 million from 2022-2025

Grow Lumber Production

by 5% annually through organic investments

Science-Based GHG Reduction Targets

advancements against our targets

External Recognitions

maintain and enhance leadership

Return 75-80% of Annual Adjusted FAD

through dividends and share repurchase

Grow Base Dividend

by 5% annually from 2022-2025

ACCOMPLISHMENTS

- ✓ **Invested ~\$530 million** including strategic acquisitions in Washington, the Carolinas and Mississippi in 2022 and 2023
- ✓ **Generated \$47 million¹ of EBITDA in 2023** monetized first forest carbon credits and making progress on first two CCS projects

- ✓ **\$77 million of OpX Improvements** captured across our businesses in 2022 and 2023
- ✓ **Ranked #1 for EBITDA Margin** across all Wood Products businesses (YTD Q3.23)

- ✓ **Reduced Scope 1 & 2 GHG Emissions** by 5% in 2022, compared to 2020 baseline
- ✓ **Joined the Climate Pledge** committed to Net-Zero emissions by 2040

- ✓ **~\$4.6 billion of Total Cash Returned** to shareholders, based on 2021-2023 results
- ✓ **Increased Base Dividend by >5%** in 2022 and 2023

1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 38](#). Adjusted EBITDA for Natural Climate Solutions is included in Real Estate and ENR segment results.



TIMBERLANDS GROWTH STRATEGY UPDATE

Disciplined Approach to Growing the Value of Our Timberlands

TARGET

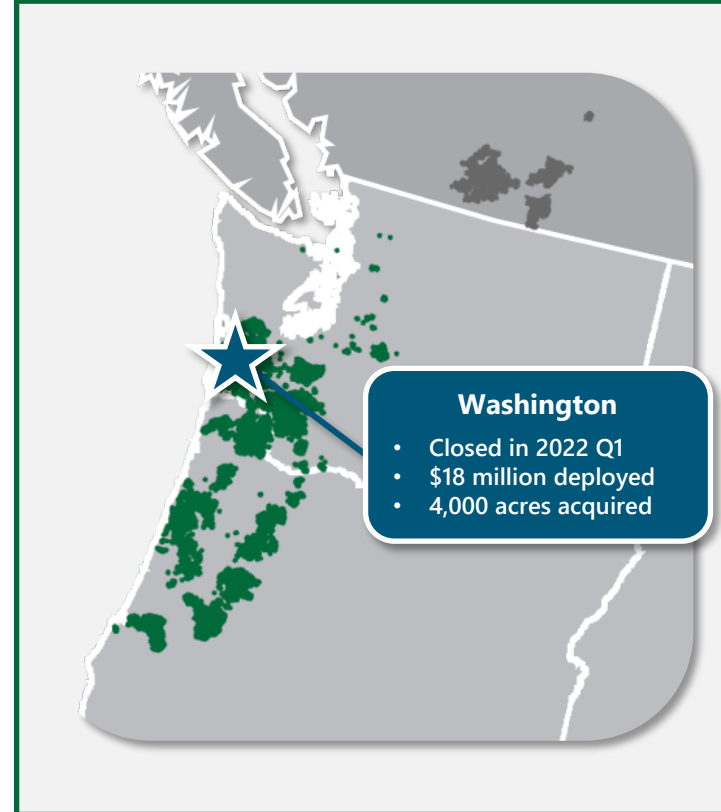
\$1 Billion of Disciplined
Investments from 2022 to 2025

PROGRESS

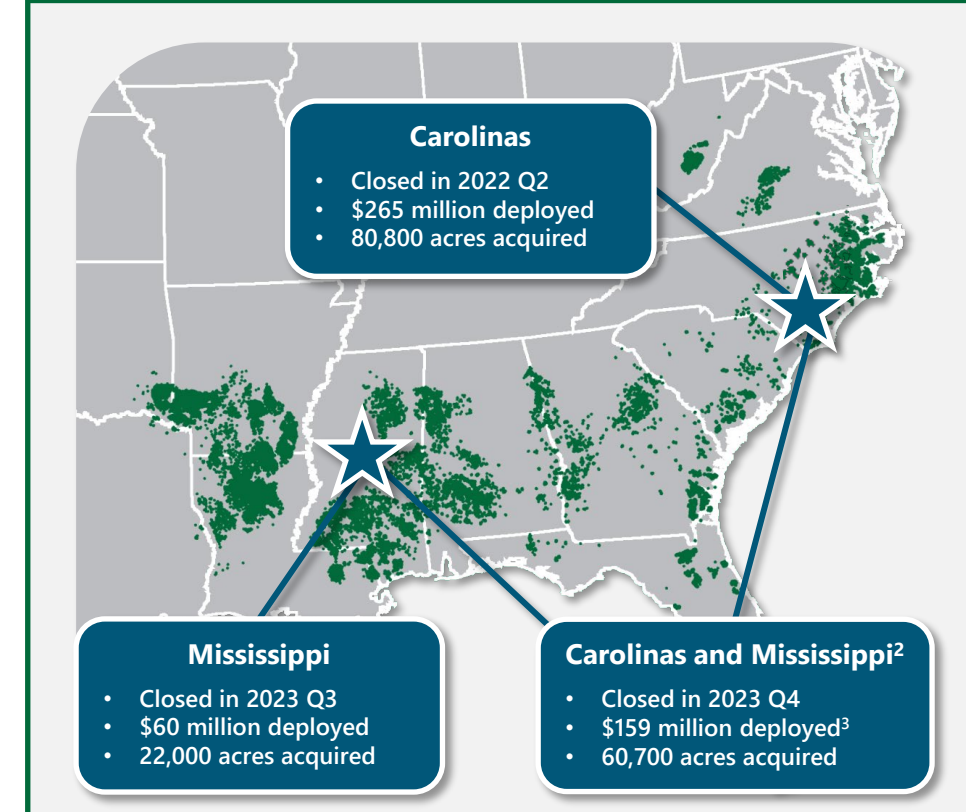
~\$530 Million¹

Including announced acquisitions in
Washington
Carolinas
Mississippi

WEST



SOUTH



1. Includes several smaller bolt-on acquisitions, not separately announced.
2. Timberlands acquired in fourth quarter 2023 in the Carolinas and Mississippi were associated with a purchase and sale agreement, structured as a tax-efficient like-kind exchange.
3. Reflects final purchase price after closing adjustments.



Acquired Property
Approximate Location



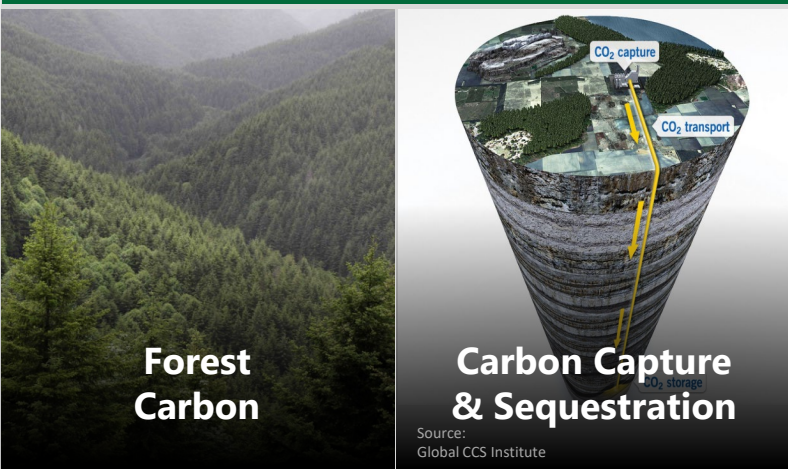
NATURAL CLIMATE SOLUTIONS

Leveraging Our Scale and Growing EBITDA as Markets Develop

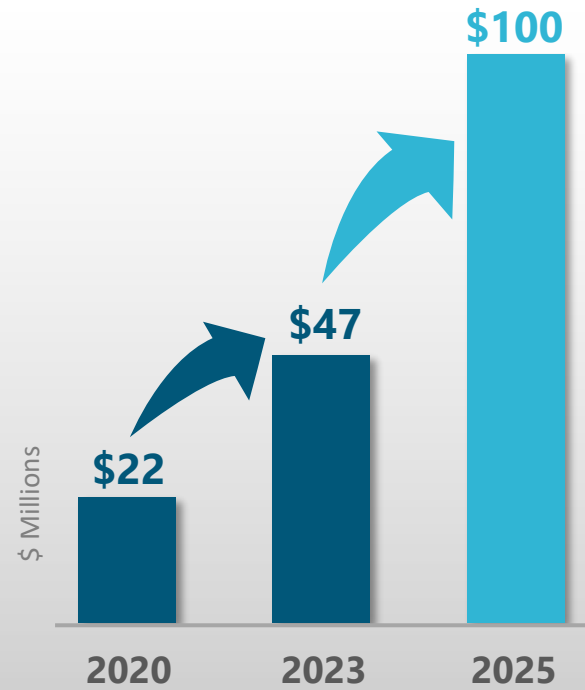
GROWING OUR CURRENT BUSINESSES



EXPANDING OUR BUSINESS MODEL



BUILDING A \$100 MILLION BUSINESS BY YEAR-END 2025 Adjusted EBITDA¹



1. Our definition of Adjusted EBITDA and a reconciliation to GAAP are set forth on [Slide 38](#). Adjusted EBITDA for Natural Climate Solutions is included in Real Estate and ENR segment results.

KEY UPDATES

- Initial growth primarily from Mitigation, Conservation and Renewable Energy businesses
- Future upside beyond 2025 as markets continue to develop
- Forest Carbon:** First project approved, and initial credits monetized – expecting approval of additional projects in 2024
- Carbon Capture and Sequestration:** Two agreements in place for projects in Louisiana and Mississippi – negotiating additional projects
- Renewable Energy:** 6 operating wind sites and over 50 agreements in place for solar projects in the U.S. South
- Mitigation:** 16 active banks on more than 26,000 acres

OUTLOOK: 2024 Q1

SEGMENT	EXPECTED EARNINGS ¹ & ADJUSTED EBITDA	KEY DRIVERS		
TIMBERLANDS	Comparable to 2023 Q4	West Fee Harvest Volumes: Moderately higher Sales Realizations: Slightly lower, due to mix Per Unit Log and Haul Costs: Significantly lower Forestry and Road Costs: Moderately lower, seasonal	South Fee Harvest Volumes: Moderately lower Sales Realizations: Comparable Per Unit Log and Haul Costs: Comparable Forestry and Road Costs: Moderately lower, seasonal	North Fee Harvest Volumes: Comparable Sales Realizations: Moderately higher
REAL ESTATE, ENERGY & NATURAL RESOURCES	Adjusted EBITDA ~\$15 million higher than 2023 Q4 Earnings comparable to 2023 Q4	Real Estate Timing and mix of sales		
WOOD PRODUCTS	Slightly higher than 2023 Q4, excluding the effect of changes in average sales realizations for lumber and oriented strand board	Lumber Sales Volumes: Higher Log Costs: Slightly lower Unit Manufacturing Costs: Moderately lower	OSB Sales Volumes: Moderately higher Fiber Costs: Slightly higher Unit Manufacturing Costs: Slightly lower	Engineered Wood Products Sales Volumes: Moderately higher, primarily for solid section products Sales Realizations: Slightly lower for most products Raw Material Costs: Slightly lower Distribution Higher

1. Earnings before special items.



2024 OUTLOOK



DRIVER	FY 2024 OUTLOOK
FEE HARVEST VOLUMES	<p>Approximately 35.5 million tons</p> <ul style="list-style-type: none"> • South: Slightly higher than 2023 • West: Slightly higher than 2023 • North: Slightly higher than 2023
REAL ESTATE & ENR ADJUSTED EBITDA	Approximately \$320 million
BASIS OF REAL ESTATE SOLD	35-45% of Real Estate sales
INTEREST EXPENSE	Approximately \$275 million
CONSOLIDATED TAX RATE	13-16% expense, excluding special items
CASH TAXES	Comparable to overall tax expense
NON-OPERATING PENSION AND POST-EMPLOYMENT EXPENSE	Approximately \$45 million, noncash
CASH CONTRIBUTION FOR PENSION AND POST-EMPLOYMENT PLANS	Approximately \$20 million
CAPITAL EXPENDITURES	\$440 million



WOOD PRODUCTS SALES REALIZATIONS: CURRENT VS. 2023 Q4

WEYERHAEUSER'S AVERAGE SALES REALIZATIONS

Approximate Change
As of January 19, 2024

 LUMBER¹	Q1 QTD vs. Q4 AVERAGE	+\$20/MBF HIGHER	WY's SENSITIVITY CHANGE IN REALIZATIONS \$10/MBF ≈ \$50 million EBITDA ANNUALLY
	CURRENT vs. Q4 AVERAGE	+\$20/MBF HIGHER	
 OSB²	Q1 QTD vs. Q4 AVERAGE	+\$15/MSF HIGHER	WY's SENSITIVITY CHANGE IN REALIZATIONS \$10/MSF ≈ \$30 million EBITDA ANNUALLY
	CURRENT vs. Q4 AVERAGE	+\$15/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.



SUPPLEMENTAL TIMBERLANDS INFORMATION

Adjusted EBITDA¹ Per Acre

WESTERN TIMBERLANDS	2021	2022	2023
	FY	FY	FY
Adjusted EBITDA ¹ (\$ Millions)	\$ 387	\$ 473	\$ 344
Acres (Thousands)	2,577	2,546	2,539
Reported Adjusted EBITDA Per Acre	\$ 150	\$ 186	\$ 135
Adjusted EBITDA attributable to Western ENR ² (\$ Millions)	17	20	15
Total Adjusted EBITDA Per Acre³	\$ 157	\$ 194	\$ 141

SOUTHERN TIMBERLANDS	2021	2022	2023
	FY	FY	FY
Adjusted EBITDA ¹ (\$ Millions)	\$ 301	\$ 307	\$ 306
Acres (Thousands)	6,776	6,823	6,756
Reported Adjusted EBITDA Per Acre	\$ 44	\$ 45	\$ 45
Adjusted EBITDA attributable to Southern ENR ² (\$ Millions)	62	92	91
Total Adjusted EBITDA Per Acre³	\$ 54	\$ 58	\$ 59

1. Our definition of Adjusted EBITDA is set forth on [Slide 31](#).
2. Reported in the company's Real Estate, Energy & Natural Resources segment.
3. To improve comparability with peer disclosures, amounts shown include Adjusted EBITDA from both Timberlands and Energy & Natural Resources businesses.



EARNINGS SUMMARY

\$ Millions (except EPS)	2022				2023			
Adjusted EBITDA by Segment	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Timberlands	\$ 247	\$ 219	\$ 168	\$ 150	\$ 188	\$ 172	\$ 143	\$ 143
Real Estate, Energy & Natural Resources	116	107	60	46	89	70	94	67
Wood Products	1,233	912	395	197	148	270	328	159
Unallocated Items	(99)	(33)	(40)	(24)	(30)	(43)	(56)	(48)
Total Adjusted EBITDA¹	\$ 1,497	\$ 1,205	\$ 583	\$ 369	\$ 395	\$ 469	\$ 509	\$ 321
DD&A, basis of real estate sold, non-operating pension and post-employment costs, and interest income and other	(169)	(168)	(129)	(121)	(156)	(133)	(144)	(129)
Net Contribution to Earnings Before Special Items	\$ 1,328	\$ 1,037	\$ 454	\$ 248	\$ 239	\$ 336	\$ 365	\$ 192
Interest expense, net	(72)	(65)	(67)	(66)	(66)	(70)	(72)	(72)
Income taxes ²	(278)	(184)	(77)	(11)	(22)	(28)	(54)	1
Net Earnings Before Special Items³	\$ 978	\$ 788	\$ 310	\$ 171	\$ 151	\$ 238	\$ 239	\$ 121
Special items, after-tax ²	(207)	—	—	(160)	—	(8)	—	98
Net Earnings	\$ 771	\$ 788	\$ 310	\$ 11	\$ 151	\$ 230	\$ 239	\$ 219
Diluted EPS Before Special Items³	\$ 1.31	\$ 1.06	\$ 0.42	\$ 0.24	\$ 0.21	\$ 0.32	\$ 0.33	\$ 0.16
Diluted EPS	\$ 1.03	\$ 1.06	\$ 0.42	\$ 0.02	\$ 0.21	\$ 0.31	\$ 0.33	\$ 0.30

1. See [Slide 31](#) for our definition of Adjusted EBITDA.
2. Income taxes excludes taxes related to special items.
3. A reconciliation to GAAP EPS is set forth on [Slide 29](#).



EARNINGS PER SHARE RECONCILIATION

	2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Diluted EPS Before Special Items	\$ 1.31	\$ 1.06	\$ 0.42	\$ 0.24	\$ 0.21	\$ 0.32	\$ 0.33	\$ 0.16
Special Items:								
Environmental remediation charge	—	—	—	—	—	(0.01)	—	—
Gain on sale of timberlands	—	—	—	—	—	—	—	0.12
Insurance recovery	—	—	—	—	—	—	—	0.01
Legal benefit	—	—	—	—	—	—	—	0.03
Legal expense	—	—	—	—	—	—	—	(0.02)
Loss on debt extinguishment	(0.28)	—	—	—	—	—	—	—
Pension settlement charge	—	—	—	(0.21)	—	—	—	—
Restructuring, impairments and other charges	—	—	—	(0.01)	—	—	—	—
Diluted EPS (GAAP)	\$ 1.03	\$ 1.06	\$ 0.42	\$ 0.02	\$ 0.21	\$ 0.31	\$ 0.33	\$ 0.30



EARNINGS BEFORE SPECIAL ITEMS RECONCILIATION

\$ Millions (except EPS)	2022			2023		
	Pretax Earnings	After-Tax Earnings	Diluted EPS	Pretax Earnings	After-Tax Earnings	Diluted EPS
Earnings Before Special Items	\$ 2,796	\$ 2,247	\$ 3.02	\$ 852	\$ 749	\$ 1.02
Special Items:						
Environmental remediation charge	—	—	—	(11)	(8)	(0.01)
Gain on sale of timberlands	—	—	—	84	83	0.12
Insurance recovery	—	—	—	14	10	0.01
Legal benefit	—	—	—	25	25	0.03
Legal expense	—	—	—	(27)	(20)	(0.02)
Loss on debt extinguishment	(276)	(207)	(0.28)	—	—	—
Pension settlement charge	(205)	(152)	(0.20)	—	—	—
Restructuring, impairments and other charges	(10)	(8)	(0.01)	—	—	—
Total Special Items	(491)	(367)	(0.49)	85	90	0.13
Earnings Including Special Items (GAAP)	\$ 2,305	\$ 1,880	\$ 2.53	\$ 937	\$ 839	\$ 1.15



ADJUSTED EBITDA RECONCILIATION

By Segment

\$ Millions	2020	2021	2022					2023				
	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Timberlands	\$ 610	\$ 693	\$ 247	\$ 219	\$ 168	\$ 150	\$ 784	\$ 188	\$ 172	\$ 143	\$ 143	\$ 646
Real Estate & ENR	241	296	116	107	60	46	329	89	70	94	67	320
Wood Products	1,527	3,357	1,233	912	395	197	2,737	148	270	328	159	905
Unallocated Items	(177)	(252)	(99)	(33)	(40)	(24)	(196)	(30)	(43)	(56)	(48)	(177)
Adjusted EBITDA ¹	\$ 2,201	\$ 4,094	\$ 1,497	\$ 1,205	\$ 583	\$ 369	\$ 3,654	\$ 395	\$ 469	\$ 509	\$ 321	\$ 1,694
Depletion, depreciation & amortization	(472)	(477)	(122)	(119)	(119)	(120)	(480)	(126)	(126)	(122)	(126)	(500)
Basis of real estate sold	(141)	(71)	(31)	(39)	(7)	(7)	(84)	(33)	(13)	(34)	(13)	(93)
Special items in operating income	122	97	—	—	—	(10)	(10)	—	(11)	—	96	85
Operating Income (GAAP)	\$ 1,710	\$ 3,643	\$ 1,344	\$ 1,047	\$ 457	\$ 232	\$ 3,080	\$ 236	\$ 319	\$ 353	\$ 278	\$ 1,186
Non-operating pension and other post-employment benefit costs	(290)	(19)	(15)	(11)	(12)	(216)	(254)	(9)	(12)	(12)	(12)	(45)
Interest income and other	5	5	(1)	1	9	16	25	12	18	24	22	76
Net Contribution to Earnings	\$ 1,425	\$ 3,629	\$ 1,328	\$ 1,037	\$ 454	\$ 32	\$ 2,851	\$ 239	\$ 325	\$ 365	\$ 288	\$ 1,217
Interest expense, net	(351)	(313)	(72)	(65)	(67)	(66)	(270)	(66)	(70)	(72)	(72)	(280)
Loss on debt extinguishment	(92)	—	(276)	—	—	—	(276)	—	—	—	—	—
Income taxes	(185)	(709)	(209)	(184)	(77)	45	(425)	(22)	(25)	(54)	3	(98)
Net Earnings (GAAP)	\$ 797	\$ 2,607	\$ 771	\$ 788	\$ 310	\$ 11	\$ 1,880	\$ 151	\$ 230	\$ 239	\$ 219	\$ 839

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

Timberlands

\$ Millions	2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
West	\$ 165	\$ 144	\$ 92	\$ 72	\$ 105	\$ 94	\$ 72	\$ 73
South	80	75	75	77	81	79	73	73
North	4	2	3	5	4	—	1	1
Other	(2)	(2)	(2)	(4)	(2)	(1)	(3)	(4)
Total Timberlands Adjusted EBITDA¹	\$ 247	\$ 219	\$ 168	\$ 150	\$ 188	\$ 172	\$ 143	\$ 143
West	(28)	(26)	(24)	(23)	(28)	(29)	(27)	(27)
South	(35)	(37)	(36)	(38)	(38)	(37)	(37)	(37)
North	(2)	(2)	(1)	(3)	(2)	(1)	(1)	(2)
Other	—	(1)	—	—	—	(1)	—	—
Total depletion, depreciation & amortization	\$ (65)	\$ (66)	\$ (61)	\$ (64)	\$ (68)	\$ (68)	\$ (65)	\$ (66)
Special items	—	—	—	—	—	—	—	109
Operating Income and Net Contribution to Earnings (GAAP)	\$ 182	\$ 153	\$ 107	\$ 86	\$ 120	\$ 104	\$ 78	\$ 186

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	2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Real Estate	\$ 87	\$ 83	\$ 24	\$ 12	\$ 63	\$ 40	\$ 71	\$ 32
Energy & Natural Resources	29	24	36	34	26	30	23	35
Total Real Estate & ENR Adjusted EBITDA¹	\$ 116	\$ 107	\$ 60	\$ 46	\$ 89	\$ 70	\$ 94	\$ 67
Depletion, depreciation & amortization	(4)	(3)	(5)	(5)	(3)	(5)	(4)	(4)
Basis of real estate sold	(31)	(39)	(7)	(7)	(33)	(13)	(34)	(13)
Special items	—	—	—	(10)	—	—	—	—
Operating Income and Net Contribution to Earnings (GAAP)	\$ 81	\$ 65	\$ 48	\$ 24	\$ 53	\$ 52	\$ 56	\$ 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.



ADJUSTED EBITDA RECONCILIATION

Wood Products

\$ Millions	2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Lumber	\$ 648	\$ 359	\$ 88	\$ 8	\$ 8	\$ 51	\$ 58	\$ (34)
OSB	392	332	101	54	22	37	118	73
EWP	136	173	166	110	82	144	125	104
Distribution	72	48	41	23	22	34	31	16
Other	(15)	—	(1)	2	14	4	(4)	—
Total Wood Products Adjusted EBITDA^{1, 2}	\$ 1,233	\$ 912	\$ 395	\$ 197	\$ 148	\$ 270	\$ 328	\$ 159
Lumber	(28)	(27)	(28)	(29)	(30)	(30)	(30)	(30)
OSB	(9)	(10)	(10)	(10)	(10)	(11)	(10)	(11)
EWP	(10)	(9)	(10)	(10)	(9)	(9)	(9)	(10)
Distribution	(1)	(2)	(1)	(1)	(1)	(2)	(1)	(2)
Other	(3)	(1)	(2)	—	(3)	—	(1)	(1)
Total depletion, depreciation & amortization	\$ (51)	\$ (49)	\$ (51)	\$ (50)	\$ (53)	\$ (52)	\$ (51)	\$ (54)
Special items	—	—	—	—	—	—	—	14
Operating Income and Net Contribution to Earnings (GAAP)	\$ 1,182	\$ 863	\$ 344	\$ 147	\$ 95	\$ 218	\$ 277	\$ 119

- 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	2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Unallocated Adjusted EBITDA¹	\$ (99)	\$ (33)	\$ (40)	\$ (24)	\$ (30)	\$ (43)	\$ (56)	\$ (48)
Total depletion, depreciation & amortization	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(2)
Special items included in operating loss	—	—	—	—	—	(11)	—	(27)
Operating Loss (GAAP)	\$ (101)	\$ (34)	\$ (42)	\$ (25)	\$ (32)	\$ (55)	\$ (58)	\$ (77)
Non-operating pension and other post-employment benefit costs	(15)	(11)	(12)	(216)	(9)	(12)	(12)	(12)
Interest income and other	(1)	1	9	16	12	18	24	22
Net Charge to Earnings (GAAP)	\$ (117)	\$ (44)	\$ (45)	\$ (225)	\$ (29)	\$ (49)	\$ (46)	\$ (67)

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	2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Debt to Adjusted EBITDA (LTM)^{1, 2}	0.9	0.8	0.8	1.0	1.7	2.2	2.2	2.3
Total debt	\$ 5,053	\$ 5,053	\$ 5,053	\$ 5,053	\$ 5,053	\$ 5,797	\$ 5,679	\$ 5,069
Less: cash and cash equivalents and short-term investments	1,205	1,723	1,920	1,581	797	1,760	1,841	1,164
Net Debt	\$ 3,848	\$ 3,330	\$ 3,133	\$ 3,472	\$ 4,256	\$ 4,037	\$ 3,838	\$ 3,905
Adjusted EBITDA (LTM)	\$ 4,490	\$ 4,122	\$ 3,959	\$ 3,654	\$ 2,552	\$ 1,816	\$ 1,742	\$ 1,694
Depletion, depreciation & amortization	(481)	(480)	(481)	(480)	(484)	(491)	(494)	(500)
Basis of real estate sold	(75)	(90)	(86)	(84)	(86)	(60)	(87)	(93)
Special items in operating income	97	97	65	(10)	(10)	(21)	(21)	85
Operating Income (LTM) (GAAP)	\$ 4,031	\$ 3,649	\$ 3,457	\$ 3,080	\$ 1,972	\$ 1,244	\$ 1,140	\$ 1,186
Non-operating pension and other post-employment benefit costs	(26)	(36)	(43)	(254)	(248)	(249)	(249)	(45)
Interest income and other	3	2	10	25	38	55	70	76
Net Contribution to Earnings (LTM)	\$ 4,008	\$ 3,615	\$ 3,424	\$ 2,851	\$ 1,762	\$ 1,050	\$ 961	\$ 1,217
Interest expense, net of capitalized interest	(306)	(293)	(281)	(270)	(264)	(269)	(274)	(280)
Loss on debt extinguishment	(276)	(276)	(276)	(276)	—	—	—	—
Income taxes	(729)	(589)	(582)	(425)	(238)	(79)	(56)	(98)
Net Earnings (LTM) (GAAP)	\$ 2,697	\$ 2,457	\$ 2,285	\$ 1,880	\$ 1,260	\$ 702	\$ 631	\$ 839

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 and short-term investments divided by the last twelve months of Adjusted EBITDA. See [Slide 31](#) for our definition of Adjusted EBITDA.



FUNDS AVAILABLE FOR DISTRIBUTION RECONCILIATION

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION (\$ Millions)	2020	2021	2022	2023
	FY	FY	FY	FY
Net Cash from Operations	\$ 1,529	\$ 3,159	\$ 2,832	\$ 1,433
Capital Expenditures	(281)	(441)	(468)	(447)
Funds Available for Distribution¹	\$ 1,248	\$ 2,718	\$ 2,364	\$ 986
Cash from product remediation insurance recoveries	(8)	—	(37)	—
Cash tax refund associated with contribution to our U.S. qualified pension plan	—	(95)	—	—
Adjusted Funds Available for Distribution²	\$ 1,240	\$ 2,623	\$ 2,327	\$ 986

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	2022	2023
	FY	FY	FY	FY
Total Natural Climate Solutions Adjusted EBITDA¹	\$ 22	\$ 38	\$ 43	\$ 47
Depletion, depreciation & amortization	(1)	(1)	(1)	(1)
Basis of real estate sold	(9)	(10)	(10)	(11)
Operating Income (GAAP)	\$ 12	\$ 27	\$ 32	\$ 35

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.

