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**Weyerhaeuser reports third quarter results**

- **Net earnings of \$99 million, or \$0.13 per diluted share**
- **Net earnings before special items of \$59 million, or \$0.08 per diluted share**
- **Announced agreement to sell 555,000 acres of Michigan timberlands for \$300 million**

**SEATTLE** (Oct. 25, 2019) — [Weyerhaeuser Company](#) (NYSE: WY) today reported third quarter net earnings of \$99 million, or 13 cents per diluted share, on net sales of \$1.7 billion. This compares with net earnings of \$255 million, or 34 cents per diluted share, on net sales of \$1.9 billion for the same period last year.

Excluding a net after-tax benefit of \$40 million for special items, primarily relating to a product remediation insurance recovery, the company reported third quarter net earnings of \$59 million, or eight cents per diluted share. This compares with net earnings before special items of \$214 million for the same period last year and \$123 million for the second quarter of 2019.

Adjusted EBITDA for the third quarter of 2019 was \$308 million compared with \$505 million for the same period last year and \$343 million for the second quarter of 2019.

“In the third quarter, we again delivered strong operating performance despite challenging market conditions,” said Devin W. Stockfish, president and chief executive officer. “We also announced the pending sale of 555,000 acres in Michigan, which will further optimize our timberlands portfolio. Looking forward, we continue to expect that U.S. housing activity will follow a modest growth trajectory. We remain intently focused on achieving operational excellence in every aspect of our business and fully capitalizing on every available market opportunity to drive value for our shareholders.”

**WEYERHAEUSER FINANCIAL HIGHLIGHTS**

(millions, except per share data)

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Q2</b>	<b>Q3</b>	<b>Q3</b>
Net sales	\$1,692	\$1,671	\$1,910
Net earnings	\$128	\$99	\$255
Net earnings per diluted share	\$0.17	\$0.13	\$0.34
Weighted average shares outstanding, diluted	746	747	757
Net earnings before special items <sup>(1)(2)</sup>	\$123	\$59	\$214
Net earnings per diluted share before special items <sup>(1)</sup>	\$0.16	\$0.08	\$0.28
Adjusted EBITDA <sup>(1)</sup>	\$343	\$308	\$505

(1) Net earnings before special items is a non-GAAP measure that management believes provides helpful context in understanding the company's earnings performance. Additionally, 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. Net earnings before special items and Adjusted EBITDA should not be considered in isolation from, and are not intended to represent an alternative to, our GAAP results. Reconciliations of Net earnings before special items and Adjusted EBITDA to GAAP earnings are included within this release.

(2) Second quarter 2019 after-tax special items include a \$5 million benefit from finalizing the noncash settlement charge incurred in first quarter 2019 related to the transfer of pension assets and liabilities through the purchase of a group annuity contract. Third quarter 2019 after-tax special items include a \$51 million benefit related to a product remediation insurance recovery and an \$11 million legal charge. Third quarter 2018 after-tax special items include a \$41 million tax benefit related to a voluntary contribution to our US qualified pension plan.

## TIMBERLANDS

### FINANCIAL HIGHLIGHTS

(millions)	2019 Q2	2019 Q3	Change
Net sales	\$532	\$523	(\$9)
Contribution to pretax earnings	\$102	\$72	(\$30)
Adjusted EBITDA	\$175	\$154	(\$21)

**Q3 2019 Performance** – In the West, average sales realizations for domestic and export logs declined and domestic sales volumes were seasonally lower. Log and haul costs increased as Western harvest activity shifted to higher elevation units. In the South, average sales realizations decreased slightly compared with the second quarter due to mix, and higher fee harvest volumes were partially offset by slightly higher forestry spending.

**Q4 2019 Outlook** – Weyerhaeuser expects fourth quarter earnings will be comparable with the third quarter and Adjusted EBITDA will be slightly lower. In the South, the company anticipates lower fee harvest volumes and slightly lower average log sales realizations. In the West, the company expects seasonally lower road and unit logging costs and modestly higher average domestic sales realizations, partially offset by lower log sales volumes.

In September 2019, the company announced an agreement to sell its 555,000 acres of Michigan timberlands. The transaction is subject to customary closing conditions and is expected to close in the fourth quarter of 2019.

## REAL ESTATE, ENERGY & NATURAL RESOURCES

### FINANCIAL HIGHLIGHTS

(millions)	2019 Q2	2019 Q3	Change
Net sales	\$81	\$69	(\$12)
Contribution to pretax earnings	\$35	\$32	(\$3)
Adjusted EBITDA	\$71	\$60	(\$11)

**Q3 2019 Performance** – Earnings and Adjusted EBITDA decreased due to lower real estate sales. The number of acres sold declined and the average price per acre increased due to geographic mix.

**Q4 2019 Outlook** – Weyerhaeuser anticipates fourth quarter earnings and Adjusted EBITDA will be lower than the third quarter. The company continues to expect full year 2019 Adjusted EBITDA for the segment will be approximately \$270 million.

## WOOD PRODUCTS

### FINANCIAL HIGHLIGHTS

(millions)	2019 Q2	2019 Q3	Change
Net sales	\$1,210	\$1,204	(\$6)
Contribution to pretax earnings	\$81	\$143	\$62
Pretax benefit for special items	\$—	(\$68)	(\$68)
Contribution to pretax earnings before special items	\$81	\$75	(\$6)
Adjusted EBITDA	\$128	\$123	(\$5)

**Q3 2019 Performance** – Seasonally higher sales volumes for most products were more than offset by higher unit manufacturing costs, primarily due to scheduled downtime in engineered wood products and modest hurricane-related downtime in the company's Southern lumber operations.

Average sales realizations for oriented strand board and lumber were comparable with the second quarter average, reflecting the company's regional mix. Although the published North Central benchmark price for oriented strand board improved during the third quarter, published pricing for other regions trended lower. Similarly, third quarter price improvement for Southern yellow pine lumber trailed the benchmark Framing Lumber Composite.

Third quarter special items consist of a \$68 million pretax benefit from product remediation insurance proceeds.

**Q4 2019 Outlook** – Weyerhaeuser anticipates fourth quarter earnings before special items and Adjusted EBITDA for Wood Products will be lower than the third quarter, but higher than the fourth quarter of 2018, before any improvement in average sales realizations. The company expects seasonally lower sales volumes across most products, higher Western log costs, and modest improvement in other operating costs.

## **ABOUT WEYERHAEUSER**

[Weyerhaeuser Company](#), one of the worlds largest private owners of [timberlands](#), began operations in 1900. We own or control approximately 12 million acres of timberlands in the U.S., and manage additional timberlands under long-term licenses in Canada. We manage these timberlands on a [sustainable basis](#) in compliance with internationally recognized forestry standards. We are also one of the largest manufacturers of [wood products](#). Our company is a real estate investment trust. In 2018, we generated \$7.5 billion in net sales and employed approximately 9,300 people who serve customers worldwide. We are listed on the Dow Jones Sustainability North America Index. Our common stock trades on the New York Stock Exchange under the symbol WY. Learn more at [www.weyerhaeuser.com](http://www.weyerhaeuser.com).

## **EARNINGS CALL INFORMATION**

Weyerhaeuser will hold a live conference call at 7 a.m. Pacific (10 a.m. Eastern) on October 25, 2019, to discuss third quarter results.

To access the live webcast and presentation online, go to the [Investor Relations](#) section on [www.weyerhaeuser.com](http://www.weyerhaeuser.com) on October 25, 2019.

To join the conference call from within North America, dial 855-223-0757 (access code: 8899987) at least 15 minutes prior to the call. Those calling from outside North America should dial 574-990-1206 (access code: 8899987). Replays will be available for two weeks at 855-859-2056 (access code: 8899987) from within North America and at 404-537-3406 (access code: 8899987) from outside North America.

## FORWARD-LOOKING STATEMENTS

This news release 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, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, including with respect to the following: our earnings, earnings before special items, Adjusted EBITDA; average log sale realizations; log sale volumes; fee harvest volumes as well as road and logging costs in our timber business; sales volumes as well as log and manufacturing operating costs for Wood Products. These statements generally are identified by words such as "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," and expressions such as "will be," "will continue," "will likely result," and similar words and expressions. These statements are based on our current expectations and assumptions and are not guarantees of future 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, but are not limited to:

- the effect of general economic conditions, including employment rates, interest rate levels, housing starts, availability of financing for home mortgages and strength of the U.S. dollar;
- market demand for our 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;
- 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;
- our operational excellence 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;
- 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 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;
- changes in accounting principles; and
- other matters described under "Risk Factors" in our annual reports on Form 10-K, as well as those set forth from time to time in our other public statements and other reports and filings with the Securities and Exchange Commission.

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.

## RECONCILIATION OF ADJUSTED EBITDA TO NET EARNINGS (LOSS)

We reconcile Adjusted EBITDA to net earnings (loss) for the consolidated company and to operating income (loss) for the business segments, as those are the most directly comparable U.S. GAAP measures for each.

The table below reconciles Adjusted EBITDA for the quarter ended June 30, 2019:

(millions)	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					\$ 128
Interest expense, net of capitalized interest					91
Income taxes					(37)
<b>Net contribution to earnings (loss)</b>	<b>\$ 102</b>	<b>\$ 35</b>	<b>\$ 81</b>	<b>\$ (36)</b>	<b>\$ 182</b>
Non-operating pension and other postretirement benefit costs <sup>(1)</sup>	—	—	—	10	10
Interest income and other	—	—	—	(6)	(6)
<b>Operating income (loss)</b>	<b>102</b>	<b>35</b>	<b>81</b>	<b>(32)</b>	<b>186</b>
Depreciation, depletion and amortization	73	3	47	1	124
Basis of real estate sold	—	33	—	—	33
<b>Adjusted EBITDA</b>	<b>\$ 175</b>	<b>\$ 71</b>	<b>\$ 128</b>	<b>\$ (31)</b>	<b>\$ 343</b>

(1) Non-operating pension and other postretirement benefit costs includes a pretax special item consisting of a \$6 million benefit from finalizing the noncash settlement charge incurred in first quarter 2019 related to the transfer of pension assets and liabilities through the purchase of a group annuity contract.

The table below reconciles Adjusted EBITDA for the quarter ended September 30, 2019:

(millions)	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					\$ 99
Interest expense, net of capitalized interest					91
Income taxes					3
<b>Net contribution to earnings (loss)</b>	<b>\$ 72</b>	<b>\$ 32</b>	<b>\$ 143</b>	<b>\$ (54)</b>	<b>\$ 193</b>
Non-operating pension and other postretirement benefit costs	—	—	—	15	15
Interest income and other	—	—	—	(6)	(6)
<b>Operating income (loss)</b>	<b>72</b>	<b>32</b>	<b>143</b>	<b>(45)</b>	<b>202</b>
Depreciation, depletion and amortization	82	4	48	1	135
Basis of real estate sold	—	24	—	—	24
Special items included in operating income (loss) <sup>(1)</sup>	—	—	(68)	15	(53)
<b>Adjusted EBITDA</b>	<b>\$ 154</b>	<b>\$ 60</b>	<b>\$ 123</b>	<b>\$ (29)</b>	<b>\$ 308</b>

(1) Operating income (loss) includes pretax special items consisting of a \$68 million product remediation insurance recovery and a \$15 million legal charge.

The table below reconciles Adjusted EBITDA for the quarter ended September 30, 2018:

(millions)	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					\$ 255
Interest expense, net of capitalized interest					93
Income taxes <sup>(1)</sup>					(15)
<b>Net contribution to earnings (loss)</b>	<b>\$ 126</b>	<b>\$ 36</b>	<b>\$ 213</b>	<b>\$ (42)</b>	<b>\$ 333</b>
Non-operating pension and other postretirement benefit costs	—	—	—	17	17
Interest income and other	—	—	—	(13)	(13)
<b>Operating income (loss)</b>	<b>126</b>	<b>36</b>	<b>213</b>	<b>(38)</b>	<b>337</b>
Depreciation, depletion and amortization	80	4	37	1	122
Basis of real estate sold	—	46	—	—	46
<b>Adjusted EBITDA</b>	<b>\$ 206</b>	<b>\$ 86</b>	<b>\$ 250</b>	<b>\$ (37)</b>	<b>\$ 505</b>

(1) Income taxes includes a \$41 million tax benefit related to our \$300 million pension contribution. There were no pretax special items in third quarter 2018.

## RECONCILIATION OF NET EARNINGS BEFORE SPECIAL ITEMS TO NET EARNINGS

We reconcile net earnings before special items to net earnings and net earnings per diluted share before special items to net earnings per diluted share, as those are the most directly comparable U.S. GAAP measures. We believe the measures provide meaningful supplemental information for investors about our operating performance, better facilitate period to period comparisons, and are widely used by analysts, lenders, rating agencies and other interested parties.

The table below reconciles net earnings before special items to net earnings:

(millions)	2019 Q2	2019 Q3	2018 Q3
<b>Net earnings</b>	<b>\$128</b>	<b>\$99</b>	<b>\$255</b>
Legal charge	—	11	—
Pension settlement charge	(5)	—	—
Product remediation recovery	—	(51)	—
Tax adjustment	—	—	(41)
<b>Net earnings before special items</b>	<b>\$123</b>	<b>\$59</b>	<b>\$214</b>

The table below reconciles net earnings per diluted share before special items to net earnings per diluted share:

	2019 Q2	2019 Q3	2018 Q3
<b>Net earnings per diluted share</b>	<b>\$0.17</b>	<b>\$0.13</b>	<b>\$0.34</b>
Legal charge	—	0.02	—
Pension settlement charge	(0.01)	—	—
Product remediation recovery	—	(0.07)	—
Tax adjustment	—	—	(0.06)
<b>Net earnings per diluted share before special items</b>	<b>\$0.16</b>	<b>\$0.08</b>	<b>\$0.28</b>

## Q3.2019 Analyst Package

Preliminary results (unaudited)

## Consolidated Statement of Operations

	Q1	Q2	Q3		Year-to-Date	
	March 31, 2019	June 30, 2019	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
in millions						
<b>Net sales</b>	<b>\$ 1,643</b>	<b>\$ 1,692</b>	<b>\$ 1,671</b>	<b>\$ 1,910</b>	<b>\$ 5,006</b>	<b>\$ 5,840</b>
Costs of sales	1,322	1,390	1,399	1,452	4,111	4,247
<b>Gross margin</b>	<b>321</b>	<b>302</b>	<b>272</b>	<b>458</b>	<b>895</b>	<b>1,593</b>
Selling expenses	21	21	20	20	62	66
General and administrative expenses	89	80	85	78	254	236
Research and development expenses	1	2	1	2	4	6
Product remediation recoveries, net	—	—	(68)	—	(68)	—
Other operating costs, net	36	13	32	21	81	68
<b>Operating income</b>	<b>174</b>	<b>186</b>	<b>202</b>	<b>337</b>	<b>562</b>	<b>1,217</b>
Non-operating pension and other postretirement benefit costs	(470)	(10)	(15)	(17)	(495)	(54)
Interest income and other	10	6	6	13	22	36
Interest expense, net of capitalized interest	(107)	(91)	(91)	(93)	(289)	(278)
Earnings (loss) before income taxes	(393)	91	102	240	(200)	921
Income taxes	104	37	(3)	15	138	(80)
<b>Net earnings (loss)</b>	<b>\$ (289)</b>	<b>\$ 128</b>	<b>\$ 99</b>	<b>\$ 255</b>	<b>\$ (62)</b>	<b>\$ 841</b>

## Per Share Information

	Q1	Q2	Q3		Year-to-Date	
	March 31, 2019	June 30, 2019	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Earnings (loss) per share, basic and diluted	\$ (0.39)	\$ 0.17	\$ 0.13	\$ 0.34	\$ (0.08)	\$ 1.11
Dividends paid per common share	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.34	\$ 1.02	\$ 0.98
Weighted average shares outstanding (in thousands):						
Basic	746,603	745,486	745,626	754,986	745,901	756,531
Diluted	746,603	746,232	746,514	757,389	745,901	759,116
Common shares outstanding at end of period (in thousands)	744,767	744,905	745,071	749,199	745,071	749,199

## Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization (Adjusted EBITDA)

	Q1	Q2	Q3		Year-to-Date	
	March 31, 2019	June 30, 2019	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
in millions						
<b>Net earnings (loss)</b>	<b>\$ (289)</b>	<b>\$ 128</b>	<b>\$ 99</b>	<b>\$ 255</b>	<b>\$ (62)</b>	<b>\$ 841</b>
Non-operating pension and other postretirement benefit costs	470	10	15	17	495	54
Interest income and other	(10)	(6)	(6)	(13)	(22)	(36)
Interest expense, net of capitalized interest	107	91	91	93	289	278
Income taxes	(104)	(37)	3	(15)	(138)	80
<b>Operating income</b>	<b>174</b>	<b>186</b>	<b>202</b>	<b>337</b>	<b>562</b>	<b>1,217</b>
Depreciation, depletion and amortization	123	124	135	122	382	361
Basis of real estate sold	48	33	24	46	105	80
Special items included in operating income	20	—	(53)	—	(33)	28
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 365</b>	<b>\$ 343</b>	<b>\$ 308</b>	<b>\$ 505</b>	<b>\$ 1,016</b>	<b>\$ 1,686</b>

<sup>(1)</sup> 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. Our definition of Adjusted EBITDA may be different from similarly titled measures reported by other companies. Adjusted EBITDA should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.

## Q3.2019 Analyst Package

Preliminary results (unaudited)

## Special Items Included in Net Earnings (Income Tax Affected)

in millions	Q1	Q2	Q3		Year-to-Date	
	March 31, 2019	June 30, 2019	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Net earnings (loss)</b>	<b>\$ (289)</b>	<b>\$ 128</b>	<b>\$ 99</b>	<b>\$ 255</b>	<b>\$ (62)</b>	<b>\$ 841</b>
Early extinguishment of debt charge <sup>(1)</sup>	9	—	—	—	9	—
Environmental remediation charge	—	—	—	—	—	21
Legal charges	15	—	11	—	26	—
Pension settlement charges	345	(5)	—	—	340	—
Product remediation recoveries, net	—	—	(51)	—	(51)	—
Tax adjustment	—	—	—	(41)	—	(41)
<b>Net earnings before special items<sup>(2)</sup></b>	<b>\$ 80</b>	<b>\$ 123</b>	<b>\$ 59</b>	<b>\$ 214</b>	<b>\$ 262</b>	<b>\$ 821</b>

  

	Q1	Q2	Q3		Year-to-Date	
	March 31, 2019	June 30, 2019	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Net earnings (loss) per diluted share</b>	<b>\$ (0.39)</b>	<b>\$ 0.17</b>	<b>\$ 0.13</b>	<b>\$ 0.34</b>	<b>\$ (0.08)</b>	<b>\$ 1.11</b>
Early extinguishment of debt charge <sup>(1)</sup>	0.01	—	—	—	0.01	—
Environmental remediation charge	—	—	—	—	—	0.03
Legal charges	0.02	—	0.02	—	0.04	—
Pension settlement charges	0.47	(0.01)	—	—	0.46	—
Product remediation recoveries, net	—	—	(0.07)	—	(0.07)	—
Tax adjustment	—	—	—	(0.06)	—	(0.06)
<b>Net earnings per diluted share before special items<sup>(2)</sup></b>	<b>\$ 0.11</b>	<b>\$ 0.16</b>	<b>\$ 0.08</b>	<b>\$ 0.28</b>	<b>\$ 0.36</b>	<b>\$ 1.08</b>

<sup>(1)</sup> During first quarter 2019, we recorded a \$12 million pretax (\$9 million after-tax) charge related to the early extinguishment of debt. This charge is included in Interest expense, net of capitalized interest in the Consolidated Statement of Operations.

<sup>(2)</sup> Net earnings before special items is a non-GAAP measure that management believes provides helpful context in understanding the company's earnings performance. Net earnings before special items should not be considered in isolation from, and is not intended to represent an alternative to, our GAAP results.

## Selected Total Company Items

in millions	Q1	Q2	Q3		Year-to-Date	
	March 31, 2019	June 30, 2019	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<b>Pension and postretirement costs:</b>						
Pension and postretirement service costs	\$ 8	\$ 8	\$ 8	\$ 10	\$ 24	\$ 28
Non-operating pension and other postretirement benefit costs	470	10	15	17	495	54
<b>Total company pension and postretirement costs</b>	<b>\$ 478</b>	<b>\$ 18</b>	<b>\$ 23</b>	<b>\$ 27</b>	<b>\$ 519</b>	<b>\$ 82</b>



## Consolidated Balance Sheet

in millions	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2018
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 259	\$ 212	\$ 153	\$ 334
Receivables, less discounts and allowances	398	408	368	337
Receivables for taxes	163	157	149	137
Inventories	451	425	393	389
Assets held for sale	—	—	251	—
Prepaid expenses and other current assets	141	132	141	152
Current restricted financial investments held by variable interest entities	362	362	362	253
Total current assets	1,774	1,696	1,817	1,602
Property and equipment, net	1,917	1,901	1,860	1,857
Construction in progress	102	134	187	136
Timber and timberlands at cost, less depletion	12,586	12,516	12,192	12,671
Minerals and mineral rights, less depletion	291	288	284	294
Deferred tax assets	18	33	31	15
Other assets	444	461	461	312
Restricted financial investments held by variable interest entities	—	—	—	362
<b>Total assets</b>	<b>\$ 17,132</b>	<b>\$ 17,029</b>	<b>\$ 16,832</b>	<b>\$ 17,249</b>
<b>LIABILITIES AND EQUITY</b>				
Current liabilities:				
Current maturities of long-term debt	\$ —	\$ —	\$ —	\$ 500
Current debt (nonrecourse to the company) held by variable interest entities	302	302	—	302
Borrowings on line of credit	245	140	440	425
Accounts payable	243	271	242	222
Accrued liabilities	411	510	487	490
Total current liabilities	1,201	1,223	1,169	1,939
Long-term debt, net	6,156	6,153	6,150	5,419
Deferred tax liabilities	34	17	25	43
Deferred pension and other postretirement benefits	542	515	506	527
Other liabilities	398	397	383	275
<b>Total liabilities</b>	<b>8,331</b>	<b>8,305</b>	<b>8,233</b>	<b>8,203</b>
<b>Total equity</b>	<b>8,801</b>	<b>8,724</b>	<b>8,599</b>	<b>9,046</b>
<b>Total liabilities and equity</b>	<b>\$ 17,132</b>	<b>\$ 17,029</b>	<b>\$ 16,832</b>	<b>\$ 17,249</b>

Weyerhaeuser Company

Q3.2019 Analyst Package

Preliminary results (unaudited)

	Consolidated Statement of Cash Flows					
	Q1 March 31, 2019	Q2 June 30, 2019	Q3 September 30, 2019	Q3 September 30, 2018	Year-to-Date September 30, 2019      September 30, 2018	
in millions						
<b>Cash flows from operations:</b>						
Net earnings (loss)	\$ (289)	\$ 128	\$ 99	\$ 255	\$ (62)	\$ 841
Noncash charges to earnings (loss):						
Depreciation, depletion and amortization	123	124	135	122	382	361
Basis of real estate sold	48	33	24	46	105	80
Deferred income taxes, net	(123)	(43)	2	86	(164)	111
Pension and other postretirement benefits	478	18	23	27	519	82
Share-based compensation expense	9	7	7	13	23	31
Change in:						
Receivables, less allowances	(77)	(10)	40	46	(47)	(55)
Receivables and payables for taxes	(31)	6	7	(124)	(18)	(109)
Inventories	(60)	28	30	27	(2)	(9)
Prepaid expenses and other current assets	(5)	8	2	(6)	5	(7)
Accounts payable and accrued liabilities	(82)	127	(58)	(63)	(13)	(133)
Pension and postretirement benefit contributions and payments	(14)	(13)	(9)	(323)	(36)	(355)
Other	9	(17)	(10)	(19)	(18)	(18)
<b>Net cash from operations</b>	<b>\$ (14)</b>	<b>\$ 396</b>	<b>\$ 292</b>	<b>\$ 87</b>	<b>\$ 674</b>	<b>\$ 820</b>
<b>Cash flows from investing activities:</b>						
Capital expenditures for property and equipment	\$ (41)	\$ (71)	\$ (87)	\$ (94)	\$ (199)	\$ (238)
Capital expenditures for timberlands reforestation	(18)	(13)	(11)	(11)	(42)	(45)
Proceeds from note receivable held by variable interest entities	253	—	—	—	253	—
Other	18	1	1	(10)	20	19
<b>Net cash from investing activities</b>	<b>\$ 212</b>	<b>\$ (83)</b>	<b>\$ (97)</b>	<b>\$ (115)</b>	<b>\$ 32</b>	<b>\$ (264)</b>
<b>Cash flows from financing activities:</b>						
Cash dividends on common shares	\$ (254)	\$ (253)	\$ (253)	\$ (256)	\$ (760)	\$ (741)
Net proceeds from issuance of long-term debt	739	—	—	—	739	—
Payments of long-term debt	(512)	—	—	—	(512)	(62)
Proceeds from borrowings on line of credit	245	140	490	—	875	—
Payments on line of credit	(425)	(245)	(190)	—	(860)	—
Payments on debt held by variable interest entities	—	—	(302)	—	(302)	—
Proceeds from exercise of stock options	2	2	4	4	8	52
Repurchases of common shares	(60)	—	—	(273)	(60)	(273)
Other	(8)	(4)	(3)	—	(15)	(8)
<b>Net cash from financing activities</b>	<b>\$ (273)</b>	<b>\$ (360)</b>	<b>\$ (254)</b>	<b>\$ (525)</b>	<b>\$ (887)</b>	<b>\$ (1,032)</b>
Net change in cash and cash equivalents	\$ (75)	\$ (47)	\$ (59)	\$ (553)	\$ (181)	\$ (476)
Cash and cash equivalents at beginning of period	334	259	212	901	334	824
Cash and cash equivalents at end of period	\$ 259	\$ 212	\$ 153	\$ 348	\$ 153	\$ 348
Cash paid during the period for:						
Interest, net of amount capitalized	\$ 127	\$ 59	\$ 124	\$ 113	\$ 310	\$ 285
Income taxes	\$ 50	\$ 1	\$ (5)	\$ 22	\$ 46	\$ 80

## Q3.2019 Analyst Package

Preliminary results (unaudited)

Segment Statement of Operations <sup>(1)</sup>

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
Sales to unaffiliated customers	\$ 431	\$ 401	\$ 398	\$ 459	\$ 1,230	\$ 1,425
Intersegment sales	125	131	125	128	381	409
<b>Total net sales</b>	<b>556</b>	<b>532</b>	<b>523</b>	<b>587</b>	<b>1,611</b>	<b>1,834</b>
Costs of sales	413	405	429	436	1,247	1,289
<b>Gross margin</b>	<b>143</b>	<b>127</b>	<b>94</b>	<b>151</b>	<b>364</b>	<b>545</b>
Selling expenses	1	—	—	1	1	2
General and administrative expenses	22	25	24	23	71	69
Research and development expenses	1	1	1	2	3	5
Other operating income, net	(1)	(1)	(3)	(1)	(5)	(7)
<b>Operating income and Net contribution to earnings</b>	<b>\$ 120</b>	<b>\$ 102</b>	<b>\$ 72</b>	<b>\$ 126</b>	<b>\$ 294</b>	<b>\$ 476</b>

<sup>(1)</sup> In January 2019, we changed the way we report our Canadian Forestlands operations, which are primarily operated to supply Weyerhaeuser's Canadian Wood Products manufacturing facilities. As a result, we no longer report related intersegment sales in the Timberlands segment and we now record the minimal associated third-party log sales in the Wood Products segment. These collective transactions did not contribute any earnings to the Timberlands segment. We have conformed prior year presentations with the current year.

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization<sup>(2)</sup>

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
<b>Operating income</b>	<b>\$ 120</b>	<b>\$ 102</b>	<b>\$ 72</b>	<b>\$ 126</b>	<b>\$ 294</b>	<b>\$ 476</b>
Depreciation, depletion and amortization	73	73	82	80	228	238
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>\$ 193</b>	<b>\$ 175</b>	<b>\$ 154</b>	<b>\$ 206</b>	<b>\$ 522</b>	<b>\$ 714</b>

<sup>(2)</sup> See definition of Adjusted EBITDA (a non-GAAP measure) on page 1.

## Selected Segment Items

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
Total decrease (increase) in working capital <sup>(3)</sup>	\$ (24)	\$ 46	\$ 2	\$ (32)	\$ 24	\$ (2)
Cash spent for capital expenditures	\$ (26)	\$ (25)	\$ (28)	\$ (25)	\$ (79)	\$ (82)

<sup>(3)</sup> Represents the change in prepaid assets, accounts receivable, accounts payable, accrued liabilities and log inventory for the Timberlands and Real Estate & ENR segments combined.

Segment Statistics<sup>(4)</sup>

		Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
Third Party Net Sales (millions)	Delivered logs:						
	West	\$ 205	\$ 194	\$ 172	\$ 238	\$ 571	\$ 766
	South	159	156	168	157	483	472
	North	29	17	24	25	70	70
	Total delivered logs	393	367	364	420	1,124	1,308
	Stumpage and pay-as-cut timber	9	10	10	13	29	39
	Recreational and other lease revenue	15	15	15	16	45	44
	Other revenue	14	9	9	10	32	34
	<b>Total</b>	<b>\$ 431</b>	<b>\$ 401</b>	<b>\$ 398</b>	<b>\$ 459</b>	<b>\$ 1,230</b>	<b>\$ 1,425</b>
Delivered Logs	West	\$ 106.92	\$ 104.07	\$ 99.07	\$ 125.67	\$ 103.50	\$ 129.91
Third Party Sales	South	\$ 35.35	\$ 35.45	\$ 35.03	\$ 34.88	\$ 35.27	\$ 34.75
Realizations (per ton)	North	\$ 59.68	\$ 62.10	\$ 57.35	\$ 60.97	\$ 59.37	\$ 62.00
Delivered Logs	West	1,920	1,864	1,729	1,897	5,513	5,900
Third Party Sales	South	4,499	4,400	4,795	4,521	13,694	13,591
Volumes (tons, thousands)	North	494	263	429	414	1,186	1,131
Fee Harvest Volumes	West	2,385	2,455	2,183	2,305	7,023	7,108
(tons, thousands)	South	6,492	6,367	6,802	6,478	19,661	19,859
	North	627	378	560	537	1,565	1,509

<sup>(4)</sup> Western logs are primarily transacted in MBF but are converted to ton equivalents for external reporting purposes.

## Q3.2019 Analyst Package

Preliminary results (unaudited)

## Segment Statement of Operations

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
<b>Net sales</b>	<b>\$ 118</b>	<b>\$ 81</b>	<b>\$ 69</b>	<b>\$ 96</b>	<b>\$ 268</b>	<b>\$ 205</b>
Costs of sales	56	39	32	54	127	103
<b>Gross margin</b>	<b>62</b>	<b>42</b>	<b>37</b>	<b>42</b>	<b>141</b>	<b>102</b>
General and administrative expenses	7	7	6	6	20	19
Other operating income, net	—	—	(1)	—	(1)	—
<b>Operating income and Net contribution to earnings</b>	<b>\$ 55</b>	<b>\$ 35</b>	<b>\$ 32</b>	<b>\$ 36</b>	<b>\$ 122</b>	<b>\$ 83</b>

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization<sup>(1)</sup>

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
<b>Operating income</b>	<b>\$ 55</b>	<b>\$ 35</b>	<b>\$ 32</b>	<b>\$ 36</b>	<b>\$ 122</b>	<b>\$ 83</b>
Depreciation, depletion and amortization	3	3	4	4	10	11
Basis of real estate sold	48	33	24	46	105	80
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 106</b>	<b>\$ 71</b>	<b>\$ 60</b>	<b>\$ 86</b>	<b>\$ 237</b>	<b>\$ 174</b>

<sup>(1)</sup> See definition of Adjusted EBITDA (a non-GAAP measure) on page 1.

## Selected Segment Items

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
Cash spent for capital expenditures	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

## Segment Statistics

		Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
Net Sales (millions)	Real Estate	\$ 96	\$ 59	\$ 45	\$ 76	\$ 200	\$ 148
	Energy and Natural Resources	22	22	24	20	68	57
	Total	\$ 118	\$ 81	\$ 69	\$ 96	\$ 268	\$ 205
Acres Sold	Real Estate	38,834	47,031	18,057	61,681	103,922	99,742
Price per Acre	Real Estate	\$ 2,424	\$ 1,063	\$ 2,415	\$ 1,209	\$ 1,806	\$ 1,452
Basis as a Percent of Real Estate Net Sales	Real Estate	50%	56%	53%	61%	53%	54%

## Q3.2019 Analyst Package

Preliminary results (unaudited)

Segment Statement of Operations <sup>(1)</sup>

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
<b>Net sales</b>	<b>\$ 1,094</b>	<b>\$ 1,210</b>	<b>\$ 1,204</b>	<b>\$ 1,355</b>	<b>\$ 3,508</b>	<b>\$ 4,210</b>
Costs of sales	967	1,070	1,067	1,080	3,104	3,225
<b>Gross margin</b>	<b>127</b>	<b>140</b>	<b>137</b>	<b>275</b>	<b>404</b>	<b>985</b>
Selling expenses	19	20	20	18	59	61
General and administrative expenses	35	34	35	32	104	97
Research and development expenses	—	1	—	—	1	1
Product remediation recoveries, net	—	—	(68)	—	(68)	—
Other operating costs, net	4	4	7	12	15	14
<b>Operating income and Net contribution to earnings</b>	<b>\$ 69</b>	<b>\$ 81</b>	<b>\$ 143</b>	<b>\$ 213</b>	<b>\$ 293</b>	<b>\$ 812</b>

<sup>(1)</sup> In January 2019, we changed the way we report our Canadian Forestlands operations, which are primarily operated to supply Weyerhaeuser's Canadian Wood Products manufacturing facilities. As a result, we now record the minimal associated third-party log sales in the Wood Products segment. These transactions do not contribute any earnings to the Wood Products segment. We have conformed prior year presentations with the current year.

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization<sup>(2)</sup>

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
<b>Operating income</b>	<b>\$ 69</b>	<b>\$ 81</b>	<b>\$ 143</b>	<b>\$ 213</b>	<b>\$ 293</b>	<b>\$ 812</b>
Depreciation, depletion and amortization	46	47	48	37	141	109
Special items	—	—	(68)	—	(68)	—
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>\$ 115</b>	<b>\$ 128</b>	<b>\$ 123</b>	<b>\$ 250</b>	<b>\$ 366</b>	<b>\$ 921</b>

<sup>(2)</sup> See definition of Adjusted EBITDA (a non-GAAP measure) on page 1.

## Segment Special Items Included in Net Contribution to Earnings (Pretax)

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
Product remediation recoveries, net	\$ —	\$ —	\$ 68	\$ —	\$ 68	\$ —

## Selected Segment Items

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
Total decrease (increase) in working capital <sup>(3)</sup>	\$ (155)	\$ 75	\$ 32	\$ 71	\$ (48)	\$ (152)
Cash spent for capital expenditures	\$ (30)	\$ (53)	\$ (65)	\$ (79)	\$ (148)	\$ (199)

<sup>(3)</sup> Represents the change in prepaid assets, accounts receivable, accounts payable, accrued liabilities and inventory for the Wood Products segment.

## Segment Statistics

in millions, except for third party sales realizations		Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
Structural Lumber (volumes presented in board feet)	Third party net sales	\$ 444	\$ 495	\$ 487	\$ 581	\$ 1,426	\$ 1,831
	Third party sales realizations	\$ 392	\$ 388	\$ 389	\$ 491	\$ 390	\$ 511
	Third party sales volumes <sup>(4)</sup>	1,133	1,274	1,253	1,184	3,660	3,585
	Production volumes	1,145	1,193	1,189	1,106	3,527	3,446
Engineered Solid Section (volumes presented in cubic feet)	Third party net sales	\$ 116	\$ 134	\$ 138	\$ 132	\$ 388	\$ 400
	Third party sales realizations	\$ 2,218	\$ 2,214	\$ 2,188	\$ 2,208	\$ 2,206	\$ 2,150
	Third party sales volumes <sup>(4)</sup>	5.2	6.1	6.3	6.0	17.6	18.6
	Production volumes	5.9	6.0	5.3	6.3	17.2	19.0
Engineered I-joists (volumes presented in lineal feet)	Third party net sales	\$ 70	\$ 86	\$ 90	\$ 91	\$ 246	\$ 261
	Third party sales realizations	\$ 1,709	\$ 1,662	\$ 1,665	\$ 1,668	\$ 1,676	\$ 1,629
	Third party sales volumes <sup>(4)</sup>	41	52	54	54	147	160
	Production volumes	44	47	48	46	139	154
Oriented Strand Board (volumes presented in square feet 3/8")	Third party net sales	\$ 160	\$ 156	\$ 159	\$ 215	\$ 475	\$ 724
	Third party sales realizations	\$ 223	\$ 213	\$ 214	\$ 321	\$ 217	\$ 335
	Third party sales volumes <sup>(4)</sup>	717	733	740	669	2,190	2,162
	Production volumes	729	736	747	665	2,212	2,146
Softwood Plywood (volumes presented in square feet 3/8")	Third party net sales	\$ 44	\$ 44	\$ 42	\$ 53	\$ 130	\$ 158
	Third party sales realizations	\$ 383	\$ 380	\$ 346	\$ 439	\$ 369	\$ 446
	Third party sales volumes <sup>(4)</sup>	115	115	121	122	351	355
	Production volumes	98	104	100	106	302	308
Medium Density Fiberboard (volumes presented in square feet 3/4")	Third party net sales	\$ 38	\$ 45	\$ 44	\$ 48	\$ 127	\$ 138
	Third party sales realizations	\$ 846	\$ 833	\$ 831	\$ 828	\$ 836	\$ 835
	Third party sales volumes <sup>(4)</sup>	44	55	53	59	152	165
	Production volumes	45	61	47	61	153	168

<sup>(4)</sup> Volumes include sales of internally produced products and products purchased for resale primarily through our distribution business.

## Q3.2019 Analyst Package

Preliminary results (unaudited)

Unallocated items are gains or charges not related to, or allocated to, an individual operating segment. They include all or a portion of items such as share-based compensation, pension and postretirement costs, elimination of intersegment profit in inventory and LIFO, foreign exchange transaction gains and losses, interest income and other as well as legacy obligations.

## Contribution to Earnings

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
Unallocated corporate function and variable compensation expense	\$ (19)	\$ (12)	\$ (19)	\$ (19)	\$ (50)	\$ (56)
Liability classified share-based compensation	(4)	—	(1)	4	(5)	2
Foreign exchange gain (loss)	(3)	2	(1)	(2)	(2)	(2)
Elimination of intersegment profit in inventory and LIFO	(5)	(5)	6	—	(4)	(18)
Other, net	(39)	(17)	(30)	(21)	(86)	(80)
<b>Operating income (loss)</b>	<b>(70)</b>	<b>(32)</b>	<b>(45)</b>	<b>(38)</b>	<b>(147)</b>	<b>(154)</b>
Non-operating pension and other postretirement benefit costs	(470)	(10)	(15)	(17)	(495)	(54)
Interest income and other	10	6	6	13	22	36
<b>Net contribution to earnings (loss)</b>	<b>\$ (530)</b>	<b>\$ (36)</b>	<b>\$ (54)</b>	<b>\$ (42)</b>	<b>\$ (620)</b>	<b>\$ (172)</b>

Adjusted Earnings before Interest, Tax, Depreciation, Depletion and Amortization<sup>(1)</sup>

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
<b>Operating income (loss)</b>	<b>\$ (70)</b>	<b>\$ (32)</b>	<b>\$ (45)</b>	<b>\$ (38)</b>	<b>\$ (147)</b>	<b>\$ (154)</b>
Depreciation, depletion and amortization	1	1	1	1	3	3
Special items	20	—	15	—	35	28
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ (49)</b>	<b>\$ (31)</b>	<b>\$ (29)</b>	<b>\$ (37)</b>	<b>\$ (109)</b>	<b>\$ (123)</b>

<sup>(1)</sup> See definition of Adjusted EBITDA (a non-GAAP measure) on page 1.

## Unallocated Special Items Included in Net Contribution to Earnings (Pretax)

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
Environmental remediation insurance charge	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (28)
Legal charges	(20)	—	(15)	—	(35)	—
<b>Special items included in operating income (loss)</b>	<b>(20)</b>	<b>—</b>	<b>(15)</b>	<b>—</b>	<b>(35)</b>	<b>(28)</b>
Pension settlement charges <sup>(2)</sup>	(455)	6	—	—	(449)	—
<b>Special items included in net contribution to earnings (loss)</b>	<b>\$ (475)</b>	<b>\$ 6</b>	<b>\$ (15)</b>	<b>\$ —</b>	<b>\$ (484)</b>	<b>\$ (28)</b>

<sup>(2)</sup> During first quarter 2019, we recorded a \$455 million pretax noncash settlement charge related to the transfer of pension assets and liabilities through the purchase of a group annuity contract. This charge was updated based on final pension asset and liability amounts during second quarter 2019, resulting in a \$6 million pretax benefit for the quarter and a net \$449 million pretax charge for year-to-date 2019.

## Unallocated Selected Items

in millions	Q1.2019	Q2.2019	Q3.2019	Q3.2018	YTD.2019	YTD.2018
Cash spent for capital expenditures	\$ (3)	\$ (6)	\$ (5)	\$ (1)	\$ (14)	\$ (2)