



**BUILDING  
SOLUTIONS**

**Q3 RESULTS**

November 2, 2021

# FORWARD-LOOKING STATEMENTS

This news release contains statements concerning LP's future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to, the following: impacts from public health issues (including global pandemics, such as the ongoing COVID-19 pandemic) on the economy, demand for our products or our operations, including the actions and recommendations of governmental authorities to contain such public health issues; changes in governmental fiscal and monetary policies, including tariffs, and levels of employment; changes in general economic conditions, including impacts from the ongoing COVID-19 pandemic; changes in the cost and availability of capital; changes in the level of home construction and repair and remodel activity; changes in competitive conditions and prices for our products; changes in the relationship between supply of and demand for building products; changes in the financial or business conditions of third-party wholesale distributors and dealers; changes in the relationship between supply of and demand for raw materials, including wood fiber and resins, used in manufacturing our products; changes in the cost of and availability of energy, primarily natural gas, electricity, and diesel fuel; changes in the cost of and availability of transportation; impact of manufacturing our products internationally; difficulties in the launch or production ramp-up of newly introduced products; unplanned interruptions to our manufacturing operations, such as explosions, fires, inclement weather, natural disasters, accidents, equipment failures, labor shortages or disruptions, transportation interruptions, supply interruptions, public health issues (including pandemics and quarantines), riots, civil insurrection or social unrest, looting, protests, strikes and street demonstrations; changes in other significant operating expenses; changes in currency values and exchange rates between the U.S. dollar and other currencies, particularly the Canadian dollar, Brazilian real and Chilean peso; changes in, and compliance with, general and industry-specific laws and regulations, including environmental and health and safety laws and regulations, the U.S. Foreign Corrupt Practices Act and anti-bribery laws, laws related to our international business operations, and changes in building codes and standards; changes in tax laws, and interpretations thereof; changes in circumstances giving rise to environmental liabilities or expenditures; warranty costs exceeding our warranty reserves; challenge or exploitation of our intellectual property or other proprietary information by others in the industry; changes in the funding requirements of our defined benefit pension plans; the resolution of existing and future product-related litigation and other legal proceedings; the effect of covenants and events of default contained in our debt instruments; the amount and timing of any repurchases of our common stock and the payment of dividends on our common stock, which will depend on market and business conditions and other considerations; and acts of public authorities, war, civil unrest, natural disasters, fire, floods, earthquakes, inclement weather and other matters beyond our control.

For additional information about factors that could cause actual results, events, and circumstances to differ materially from those described in the forward-looking statements, please refer to LP's filings with the Securities and Exchange Commission. Except as required by law, LP undertakes no obligation to update any such forward-looking statements to reflect new information, subsequent events or circumstances.

# STATEMENT RELATING TO THE USE OF NON-GAAP FINANCIAL MEASURES

During the course of this presentation, certain non-GAAP financial measures will be presented. Non-GAAP financial measures should be considered only as a supplement to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the earnings release filed as an exhibit to LP's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 2, 2021, and the Appendix of this presentation for a reconciliation of non-GAAP financial measures. It should be noted that other companies may present similarly titled measures differently, and therefore, such measures as presented by LP may not be comparable to similarly-titled measures reported by other companies.

# HIGHLIGHTS





# Q3 2021 HIGHLIGHTS

- Siding Solutions sales increased by 19%
- Volume of innovative Siding products almost 3x of the prior year
- OSB sales increased by \$232M to \$600M
- LPSA net sales increased by 69%, Adjusted EBITDA<sup>1</sup> more than tripled

<sup>1</sup> This is a non-GAAP financial measure. See "Statement Relating to the Use of Non-GAAP Financial Measures" and "Reconciliation of Net Income to Non-GAAP Adjusted EBITDA"

# Q3 2021 FINANCIAL RESULTS

CapEx investments  
\$68m

EWP and South  
America delivered  
record quarters

\$157M remaining  
under \$1B buyback  
authority as of  
November 1, 2021

**\$1.2B**

Net Sales  
+53%

**\$522M**

Adj.  
EBITDA<sup>1</sup>  
+\$249M

**\$511M**

Op. CF  
+\$293M

**\$3.87**

Adj. EPS<sup>1</sup>  
+\$2.31

**19%**

Siding Solutions  
Growth

**+\$225M**

OSB Price  
Adj. EBITDA<sup>1</sup>  
Impact

**\$399M**

Share  
Buybacks

**\$17M**

Dividends

<sup>1</sup> This is a non-GAAP financial measure. See "Statement Relating to the Use of Non-GAAP Financial Measures" and "Reconciliation of Net Income to Non-GAAP Adjusted EBITDA" and Reconciliation of Net Income to Non-GAAP Adjusted Income and Adjusted Diluted EPS"

# Q3 2021 VS. Q3 2020 SUMMARY

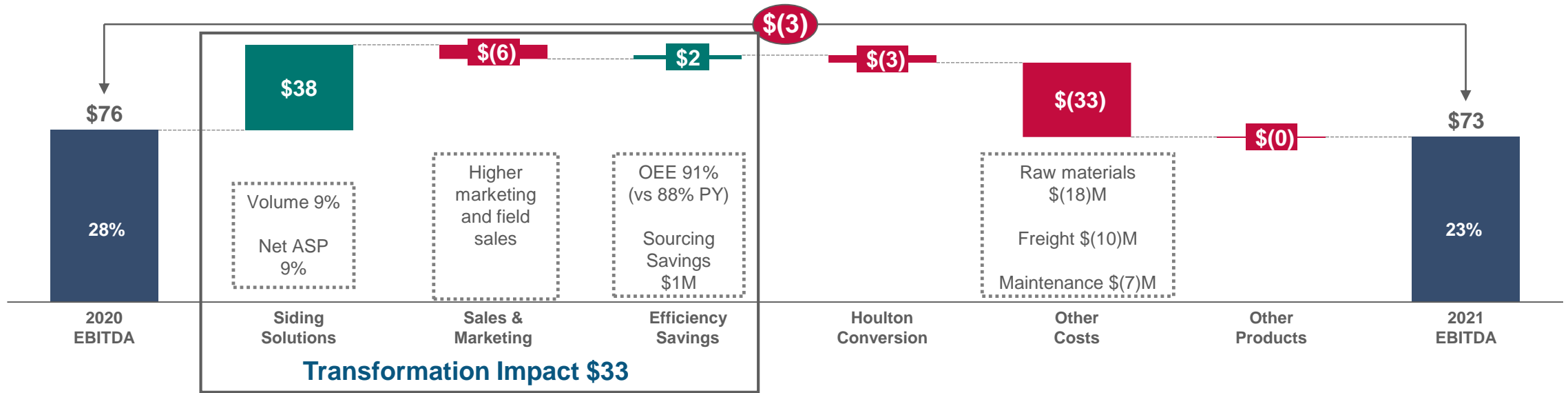
(\$ in millions)

Q3 2021 vs Q3 2020	Revenue	Adj. EBITDA <sup>1</sup>
Q3 2020 Actual	\$ 795	\$ 273
OSB price	225	225
Siding Solutions growth	49	31
South America, EWP, & Entekra	148	60
Inflationary costs (wages, raw materials, freight)	0	(58)
Houlton conversion and PV restart	0	(10)
All other	2	1
Q3 2021 Actual	\$1,219	\$522

<sup>1</sup> This is a non-GAAP financial measure. See "Statement Relating to the Use of Non-GAAP Financial Measures" and "Reconciliation of Net Income to Non-GAAP Adjusted EBITDA"

# SIDING – Q3 2021 VS. Q3 2020

(\$ in millions)

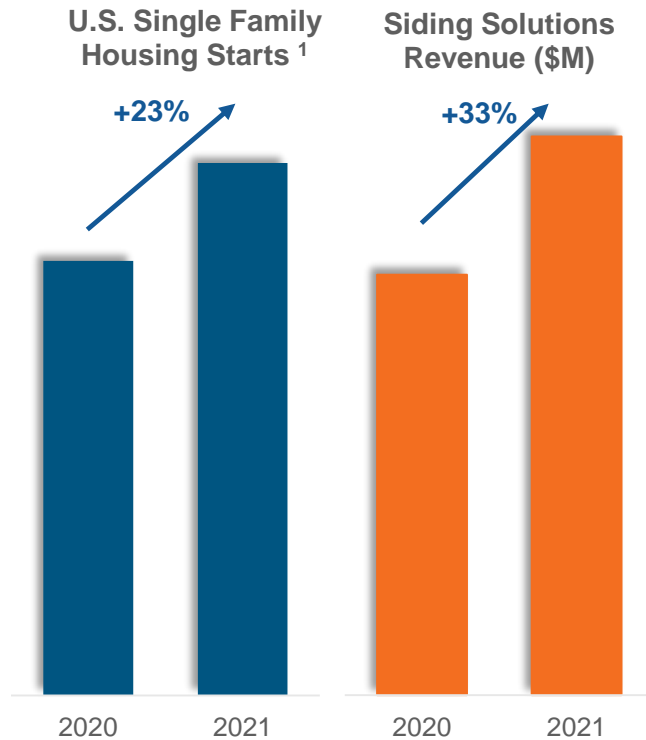


Revenue	\$268	\$49	-	-	-	-	(\$5)	\$312
---------	-------	------	---	---	---	---	-------	-------



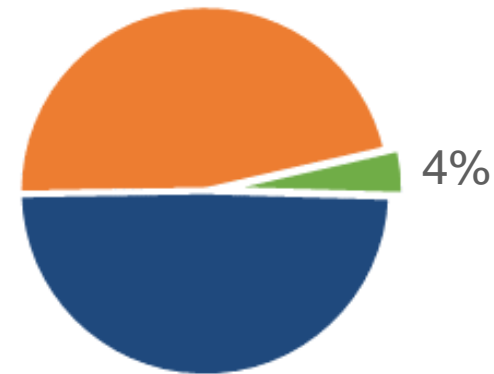
# SIDING GROWTH AND INNOVATION

## Siding Growth (September TTM)

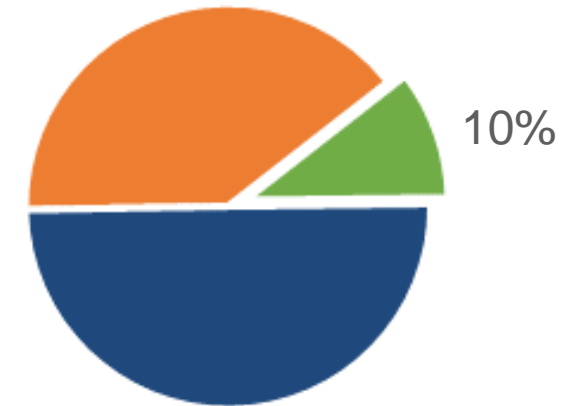


## Siding Innovation

Q3 2020 Volume



Q3 2021 Volume



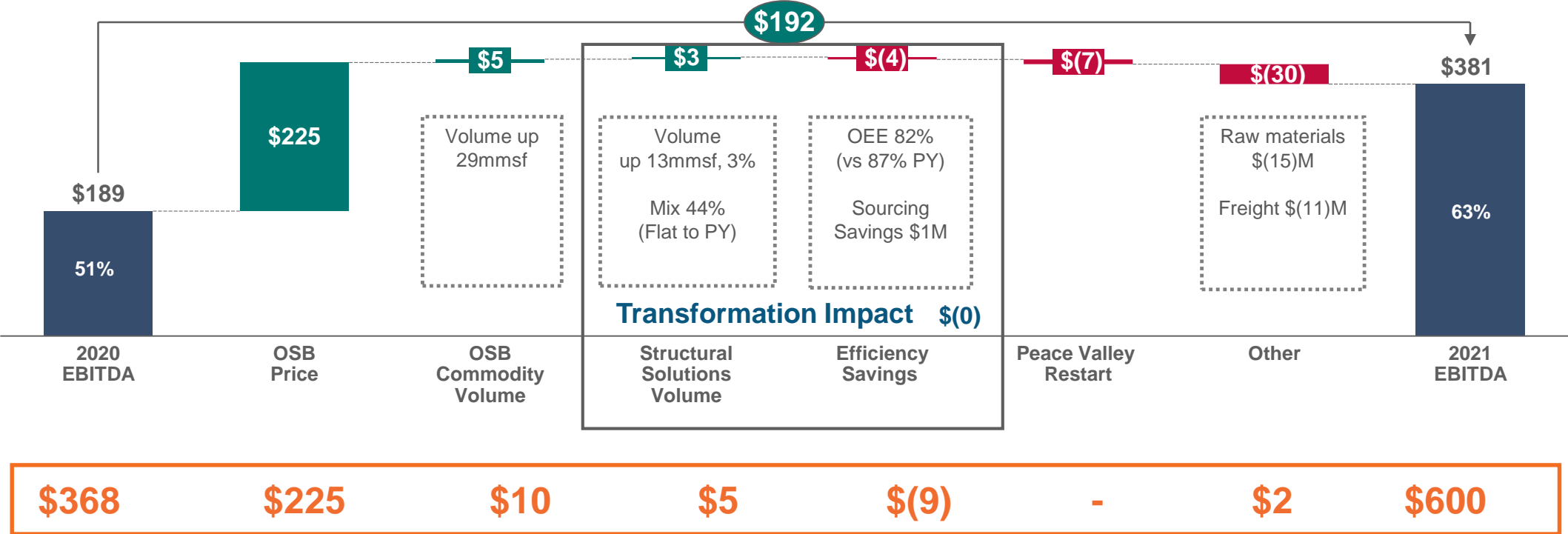
- Panel
- Lap, Trim, Soffit
- Innovative Siding Products

**Total Volume Growth = 9%**  
**Innovative Volume Growth = 178%**

<sup>1</sup> Actual U.S. housing starts data from U.S. Census Bureau as reported on October 19, 2021

# OSB – Q3 2021 VS. Q3 2020

(\$ in millions)



## 2021 CAPEX GUIDANCE

Full-Year Capital Investment	\$250M
Houlton Conversion	\$95M
Sagola Conversion	\$20M
Other Strategic Growth Capital	\$25M
Sustaining Maintenance Capital	\$110M

## Q4 2021 REVENUE & ADJ. EBITDA

Siding Solutions YoY Revenue Growth	< 5%
OSB Revenue Compared to Q3 2021*	~ 30% Decrease
LP Consolidated Adjusted EBITDA	> \$200M

\* Provided the average OSB price for the fourth quarter is equal to the current quarter-to-date average OSB price

# APPENDIX



# FINANCIAL PERFORMANCE

(\$ in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>Sales</b>	\$ 1,219	\$ 795	\$ 3,561	\$ 1,928
<b>Cost of sales</b>	(670)	(503)	(1,827)	(1,411)
<b>Gross profit</b>	549	292	1,734	517
<b>SG&amp;A</b>	(63)	(52)	(168)	(157)
<b>Impairments</b>	—	(1)	—	(16)
<b>Other charges and credits</b>	2	3	5	(5)
<b>Income from operations</b>	488	242	1,571	339
<b>Non-operating income (expense)</b>	(1)	(5)	(25)	(10)
<b>Provision for taxes</b>	(123)	(60)	(366)	(88)
<b>Equity in unconsolidated affiliate</b>	1	—	3	—
<b>Net income</b>	365	177	1,182	241
<b>Noncontrolling interest</b>	—	—	1	2
<b>Net income attributed to LP</b>	\$ 365	\$ 177	\$ 1,183	\$ 243
<b>Net income per share - diluted</b>	\$ 3.87	\$ 1.57	\$ 11.73	\$ 2.15
<b>Adjusted Diluted EPS</b>	\$ 3.87	\$ 1.56	\$ 11.57	\$ 2.32
<b>Average Shares Outstanding - Diluted</b>	94	113	101	113

# RECONCILIATION OF NET INCOME TO NON-GAAP ADJUSTED EBITDA

(\$ in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>Net income</b>	\$ 365	\$ 177	\$ 1,182	\$ 241
Add (deduct):				
Noncontrolling interest	—	—	1	2
Income attributed to LP	365	177	1,183	243
Provision for income taxes	123	60	366	88
Depreciation and amortization	30	28	88	84
Stock-based compensation expense	5	5	10	8
Loss on impairment attributed to LP	—	1	—	15
Other operating credits and charges, net	(2)	(2)	(5)	(4)
Product-line discontinuance charges	—	(1)	—	9
Loss on early debt extinguishment	—	—	11	—
Interest expense	4	5	12	17
Investment income	—	—	(1)	(3)
Other non-operating items	(2)	—	3	(4)
<b>Adjusted EBITDA</b>	\$ 522	\$ 273	\$ 1,667	\$ 453

# RECONCILIATION OF NET INCOME TO NON-GAAP ADJUSTED INCOME AND DILUTED EPS

(\$ in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>Net income</b>	\$ 365	\$ 177	\$ 1,182	\$ 241
Add (deduct):				
Noncontrolling interest	—	—	1	2
Income attributed to LP	365	177	1,183	243
Loss on impairment attributed to LP	—	1	—	15
Other operating credits and charges, net	(2)	(2)	(5)	(4)
Product line discontinuance charges	—	(1)	—	9
Loss on early debt extinguishment	—	—	11	—
Reported tax provision	123	60	366	88
Adjusted income before tax	486	235	1,555	351
Normalized tax provision at 25%	(121)	(59)	(389)	(88)
<b>Adjusted Income</b>	<b>\$ 364</b>	<b>\$ 176</b>	<b>\$ 1,166</b>	<b>\$ 263</b>
Diluted share outstanding	94	113	101	113
<b>Adjusted Diluted EPS</b>	<b>\$ 3.87</b>	<b>\$ 1.56</b>	<b>\$ 11.57</b>	<b>\$ 2.32</b>

# REVENUE AND ADJUSTED EBITDA BY SEGMENT

(\$ in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>Sales</b>				
Siding	\$ 312	\$ 268	\$ 889	\$ 700
OSB	600	368	1,917	792
EWP	201	103	481	281
South America	76	45	203	119
Other	30	11	73	36
Intersegment	(1)	—	(2)	—
	<b>\$ 1,219</b>	<b>\$ 795</b>	<b>\$ 3,561</b>	<b>\$ 1,928</b>
<b>Adjusted EBITDA</b>				
Siding	\$ 73	\$ 76	\$ 240	\$ 169
OSB	381	189	1,300	270
EWP	42	9	68	21
South America	37	11	91	29
Other	(3)	(5)	(11)	(13)
Unallocated	(8)	(7)	(22)	(23)
	<b>\$ 522</b>	<b>\$ 273</b>	<b>\$ 1,667</b>	<b>\$ 453</b>



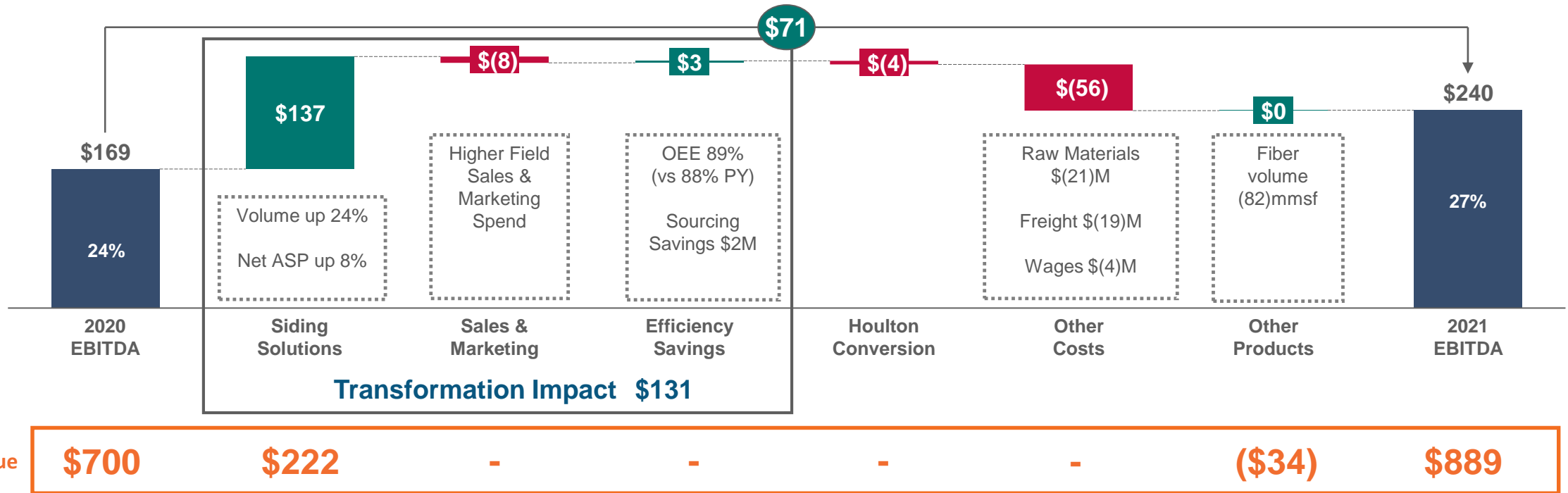
# CASH FLOW

(\$ in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>Beginning cash</b>	\$ 603	\$ 259	\$ 535	\$ 195
Adjusted EBITDA	522	273	1,667	453
Change in Working Capital	84	(11)	(61)	(64)
Interest (net)	(7)	(7)	(16)	(13)
Cash taxes (net)	(84)	(45)	(305)	(47)
Other operating	(4)	8	(3)	9
<b>Operating cash flow</b>	<b>511</b>	<b>218</b>	<b>1,283</b>	<b>338</b>
Cap Ex	(68)	(14)	(133)	(53)
Share buybacks	(399)	(29)	(987)	(29)
Dividends	(17)	(16)	(50)	(49)
Business acquisitions & divestiture	—	1	2	15
Other investing and financing	(11)	1	(30)	3
<b>Net change in cash</b>	<b>17</b>	<b>161</b>	<b>84</b>	<b>225</b>
<b>Ending cash</b>	<b>\$ 620</b>	<b>\$ 420</b>	<b>\$ 620</b>	<b>\$ 420</b>

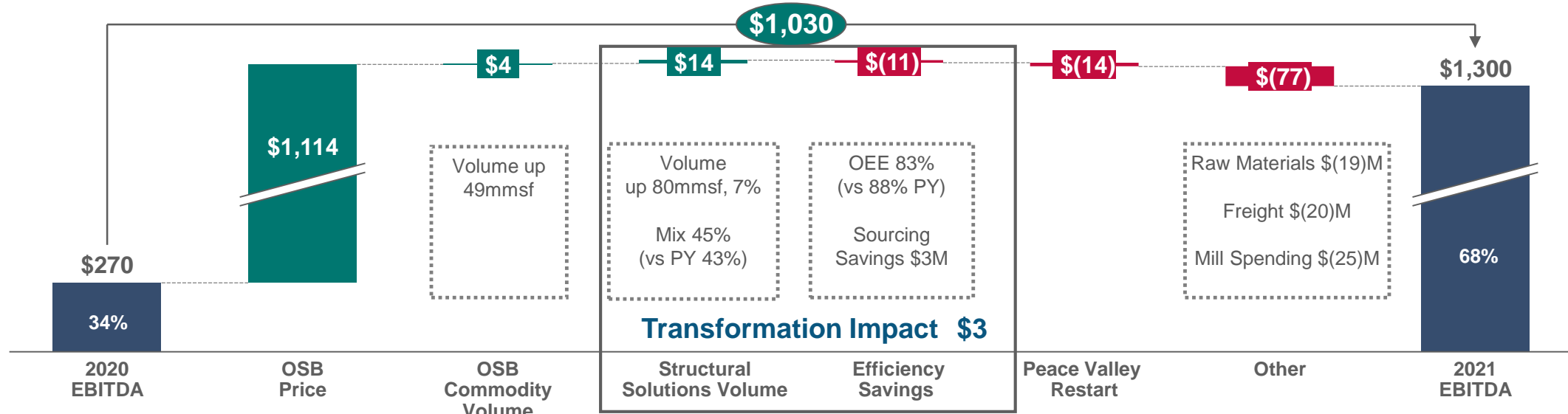
# SIDING – YTD 2021 VS. YTD 2020

(\$ in millions)



# OSB – YTD 2021 VS. YTD Q3 2020

(\$ in millions)



Revenue

\$792	\$1,114	\$21	\$26	\$(38)	-	\$1	\$1,917
-------	---------	------	------	--------	---	-----	---------