

# Weyerhaeuser

## Investor Meetings

June 2020

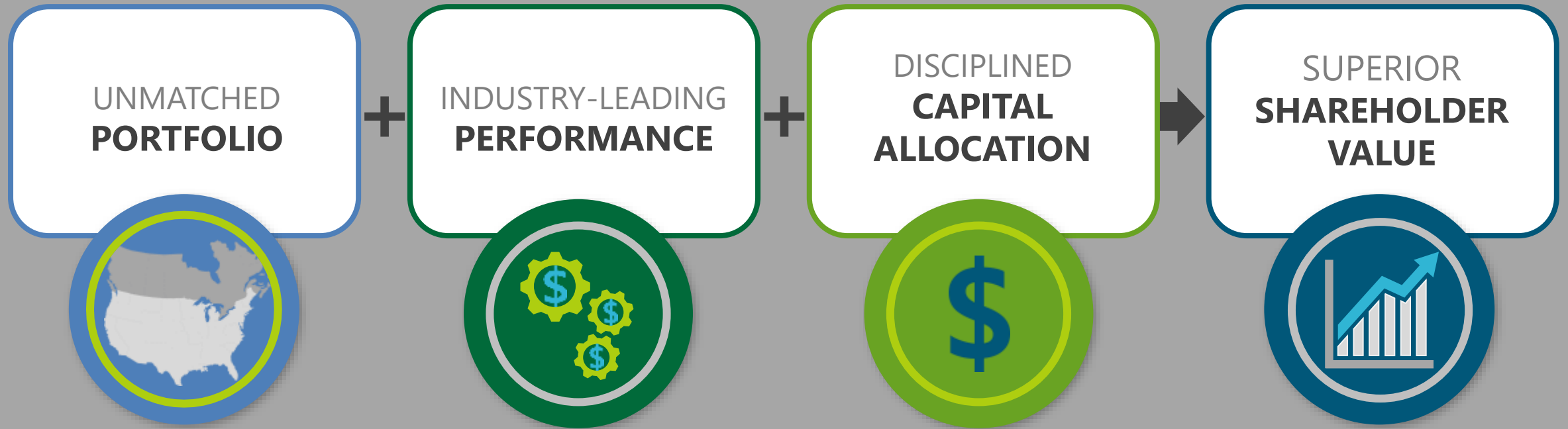


# FORWARD LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

This presentation contains statements and depictions that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including, without limitation, with respect to: future goals and prospects; business strategies; factors affecting market supply of lumber; key initiatives; levels of demand and market drivers for our products, including expected growth in U.S. housing demand and repair and remodel activity; market dynamics, demand and pricing outlook for our saw logs and our lumber and oriented strand board products; growth and opportunity for log export markets; HBU acres; the timing and amount of reinitiating our cash dividends and dividend sustainability; capital structure, financial ratios, credit ratings and future debt maturities; and our outlook for 2020 capital expenditures across the company and 2020 Op Ex targets. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements may be identified by our use of certain words in such statements, including without limitation words such as “anticipate,” “believe,” “committed,” “continue,” “continued,” “could,” “forecast,” “growing,” “estimate,” “outlook,” “goal,” “will,” “plan,” “expect,” “sustainable,” “maintain,” “target,” “would” and similar words and terms and phrases using such terms and words. Depictions or illustrations that constitute forward-looking statements may be identified by graphs, charts or other illustrations indicating expected or predicted occurrences of events, conditions, performance or achievements at a future date or during future time periods. We may refer to assumptions, goals or targets, or we may reference expected performance through, or events to occur by or at, a future date, and such references may also constitute forward-looking statements. Forward-looking statements are based on our current expectations and assumptions. The realization of our expectations and the accuracy of our assumptions are subject to a number of risks and uncertainties that are difficult to predict and often are beyond the company’s control. These and other factors could cause one or more of our expectations to be unmet, one or more of our assumptions to be materially inaccurate or actual results to differ materially from those expressed or implied in our forward-looking statements, or all of the foregoing. Such uncertainties and other factors include, without limitation: the effect of general economic conditions, including employment rates, interest rate levels, 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 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; 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; raw material availability and prices; the effect of weather; changes in global or regional climate conditions and governmental response to such changes; the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters; energy prices; transportation and labor availability and costs; federal tax policies; the effect of forestry, land use, environmental and other governmental regulations; legal proceedings; performance of pension fund investments and related derivatives; the effect of timing of employee retirements and changes in the market price of our common stock on charges for share-based compensation; the accuracy of our estimates of costs and expenses related to contingent liabilities; changes in accounting principles; and other risks and uncertainties identified in our 2019 Annual Report on Form 10-K, as well as those set forth from time to time in our other public statements, reports, registration statements, prospectuses, information statements and other filings with the SEC. It is not possible to predict or identify all risks and uncertainties that might affect the accuracy of our forward looking-statements and, consequently, our descriptions of such risks and uncertainties should not be considered exhaustive. There is no guarantee that any of the events anticipated by these forward-looking statements will occur, and if any of the events do occur, there is no guarantee what effect they will have on the company’s business, results of operations, cash flows, financial condition and future prospects. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Nothing on our website is intended to be included or incorporated by reference into, or made a part of, this presentation. Also included in this presentation are certain non-GAAP financial measures, which management believes complement the financial information presented in accordance with U.S. generally accepted accounting principles. Management believes such non-GAAP measures may be useful to investors. Our non-GAAP financial measures may not be comparable to similarly named or captioned non-GAAP financial measures of other companies due to potential inconsistencies in how such measures are calculated. A reconciliation of each presented non-GAAP measure to its most directly comparable GAAP measure is provided in the appendices to this presentation.



# WEYERHAEUSER INVESTMENT THESIS



Strong ESG Foundation | Our Forests and Wood Products are Natural Climate Solutions



# WELL POSITIONED TO NAVIGATE COVID-19 DISRUPTIONS

- ✓ **STRONG SAFETY CULTURE** with high employee engagement
- ✓ **DYNAMICALLY ALIGNING PRODUCTION** with profitable demand
- ✓ **PROVEN ABILITY TO DELIVER** industry-leading performance through adverse markets
- ✓ **FAVORABLE COST STRUCTURE** and focus on operational excellence
- ✓ **SOLID BALANCE SHEET** and strong financial position
- ✓ **AGILE, INNOVATIVE TEAMS** committed to efficiently serving customers

Enacted prudent measures to maintain liquidity and financial flexibility



# UNMATCHED PORTFOLIO

Our Quality, Diversity and Scale Cannot Be Replicated



# WHO WE ARE

A Tax-Efficient Timber REIT with Three Industry-Leading Businesses



## TIMBERLANDS

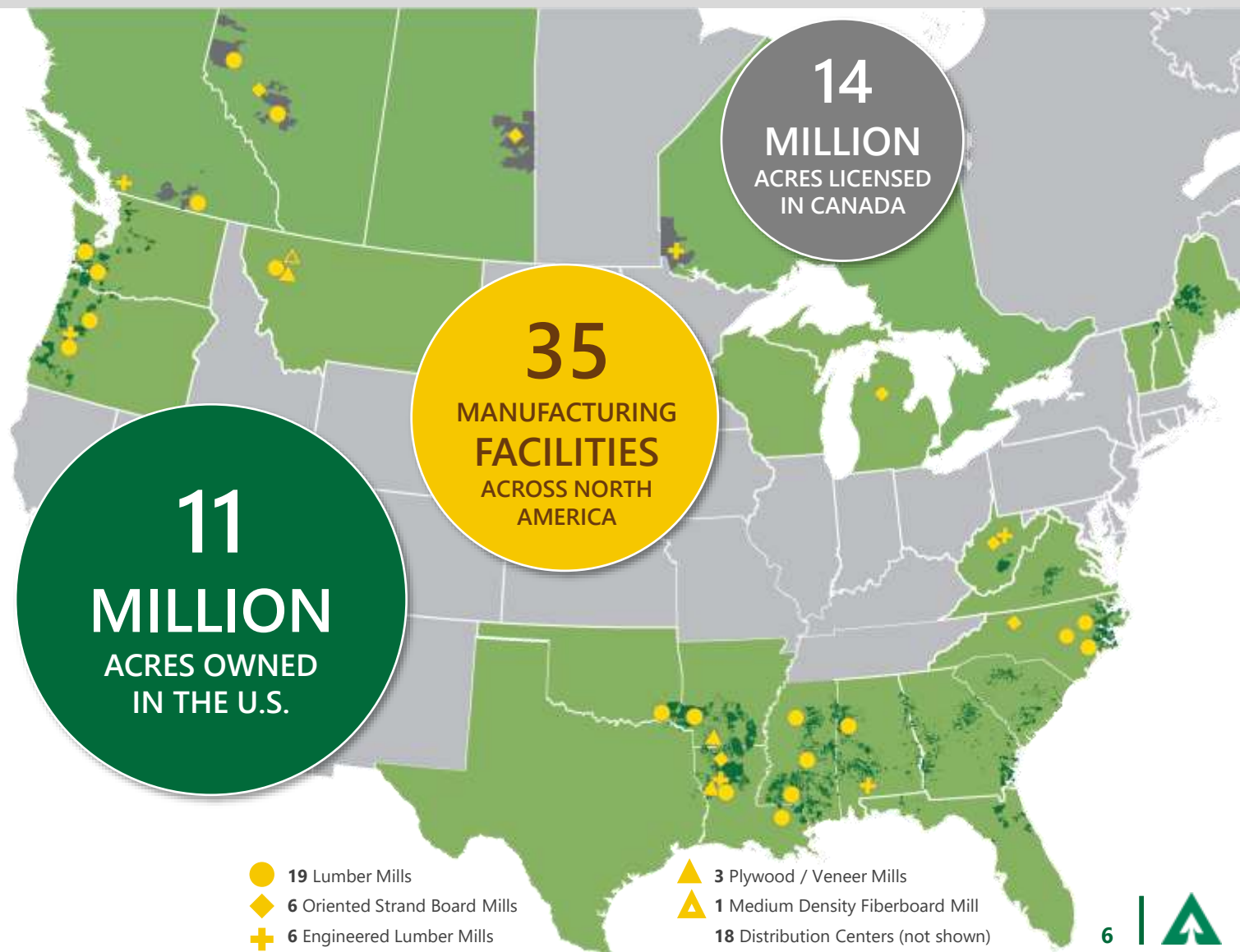
We are the largest private  
timberland owner in North America

## REAL ESTATE, ENERGY & NATURAL RESOURCES

We deliver the most value from every acre

## WOOD PRODUCTS

We are a scale, low-cost  
wood products manufacturer



# WHAT WE DO

Create and Capture Superior Value at Every Step



**Proprietary seedlings**  
yield superior growth,  
wood quality and survival  
characteristics



**Customized planting**  
deploys the best genetic  
material for each acre  
on our land base



**Targeted silviculture**  
generates superior  
volume and value in  
each geography



**Healthy forests**  
are diverse, productive,  
and grown sustainably to  
financial maturity



**Premium land sales**  
capturing every acre's  
highest value



**Steady royalty  
and lease income**  
maximizes the value of  
surface and  
subsurface assets



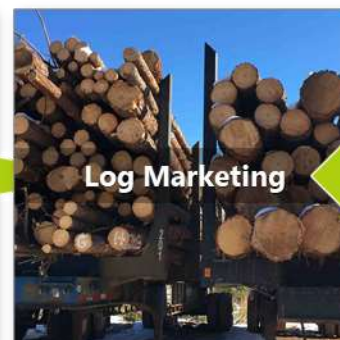
**Diverse customer mix**  
that fully values our quality,  
scale, reliability, and  
sustainable practices



**Low-cost producer**  
to ensure top margin  
for lumber, panels and  
engineered wood



**Optimal raw materials**  
are cost effectively  
sourced internally and  
externally to maximize  
mill margins



**Delivered log model**  
captures maximum value  
from each tree using  
data-driven optimization



**Superior efficiency**  
and logistics capabilities  
for low-cost and  
reliable operations

# HOW WE DO IT

## Strong ESG Foundation



### ENVIRONMENTAL STEWARDSHIP



Sustainable Forest  
Management  
Environmental Impact  
Carbon Footprint



### SOCIAL RESPONSIBILITY



Safety & Human Capital  
Workplace Culture  
Community Investment  
& Engagement



### CORPORATE GOVERNANCE



Best Practices in  
Governance  
Board Composition  
Ethics & Integrity

Sustainability is a core value

For more information, see our full [ESG Presentation](#) and visit [www.wy.com/sustainability](http://www.wy.com/sustainability).



# ENVIRONMENTAL STEWARDSHIP

Sustainable Forestry • Carbon Sequestration • Reduced Environmental Footprint



## TIMBERLANDS

WE PLANT ABOUT  
**150**  
MILLION  
TREES  
EVERY YEAR



WE HARVEST  
**ONLY 2%**  
of our forests each year



WE LEAVE  
**TREE**  
**BUFFERS**  
ALONG  
WATERWAYS TO  
PROTECT  
AQUATIC  
HABITAT



**100%**  
OF OUR  
**TIMBERLANDS**  
**ARE REFORESTED**  
AFTER HARVEST



**100%**  
OF OUR  
**TIMBERLANDS**  
**ARE CERTIFIED**



TO THE  
SUSTAINABLE  
FORESTRY  
INITIATIVE  
SFI-00008

WE PARTICIPATE IN

**18**  
**HABITAT**  
**CONSERVATION**  
**PLANS**

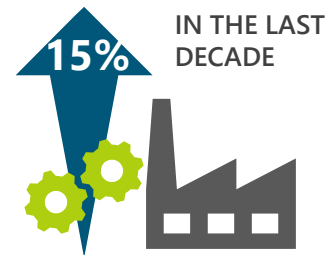


IN NORTH AMERICA



## MANUFACTURING

OUR MILLS HAVE  
**IMPROVED**  
**ENERGY**  
**EFFICIENCY**



ON AVERAGE  
WE USE

**95%**  
OF EVERY  
LOG



WE STORE  
the equivalent of  
**9 MILLION**  
METRIC TONS  
of **CO<sub>2</sub>**

IN OUR  
**WOOD PRODUCTS**  
EVERY YEAR

That's like taking  
**2 MILLION**  
**CARS**  
OFF THE ROAD  
every year!



**98%**  
OF OUR WASTE IS  
REUSED OR  
RECYCLED



WE REDUCED OUR  
**GREENHOUSE GAS**  
**EMISSIONS**  
BY MORE THAN



OVER THE LAST TWO DECADES

WE MEET NEARLY  
**70%**  
OF OUR OWN  
**ENERGY NEEDS**  
USING  
**RENEWABLE**  
**BIOMASS**



100+ years of expertise in sustainable forestry

Minimizing our environmental footprint



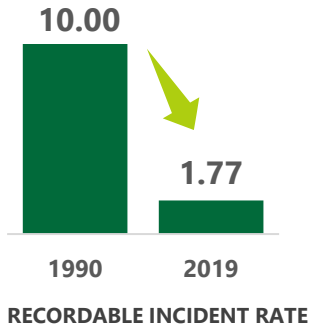
# SOCIAL RESPONSIBILITY & GOVERNANCE

Human Capital Management • Ethics • Board Composition



## HUMAN CAPITAL MANAGEMENT

### WE DRIVE SIGNIFICANT SAFETY IMPROVEMENT



WE  
REDUCED  
INJURY SEVERITY  
BY **35%**  
IN 2019

**91%**  
OF JOB OFFERS  
EXTENDED WERE  
**ACCEPTED**  
IN 2019



OUR  
VOLUNTARY  
**TURNOVER**  
WAS ONLY  
**7%**  
IN 2019



## GOVERNANCE

**ETHISPHERE**  
NAMED BY ONE OF THE  
**WORLD'S**  
**MOST ETHICAL**  
COMPANIES



OUR  
**GOVERNANCE**  
**PRACTICES**  
ALIGN WITH  
**INVESTOR**  
**STEWARDSHIP**  
**GROUP**  
**PRINCIPLES**

**95%**  
OF ALL SALARIED  
EMPLOYEES HAVE AN  
**INDIVIDUAL**  
**DEVELOPMENT**  
**PLAN**

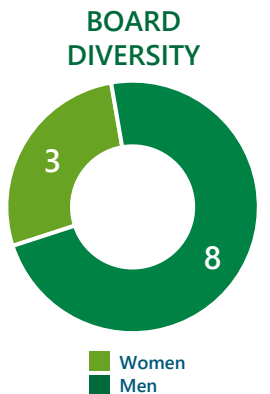


**900+**  
**LEADERS**  
HAVE COMPLETED  
AT LEAST ONE  
**DEVELOPMENT**  
**PROGRAM**  
IN THE LAST FIVE YEARS



**300+**  
**LEADERS**  
HAVE COMPLETED  
**UNCONSCIOUS**  
**BIAS**  
**TRAINING**

WE'VE  
APPOINTED  
**6 NEW**  
**DIRECTORS**  
TO OUR BOARD  
SINCE 2015



Our strong ESG performance helps us attract and retain top, diverse talent



# TIMBERLANDS



**SUPERIOR  
HOLDINGS  
CREATE VALUE  
TODAY AND  
TOMORROW**

- ✓ Unrivaled portfolio that cannot be replicated
- ✓ Diversified holdings at scale
- ✓ Unmatched timber-growing expertise
- ✓ Superior supply chain
- ✓ Enduring value across market cycles
- ✓ Enhancing portfolio over time



# OUR TIMBERLANDS PORTFOLIO

Unmatched Quality, Scale and Diversification



## High value Douglas-fir

- Premium land west of the Cascade mountains
- Sawlogs are approximately 90% of harvest
- Unique Japan export presence



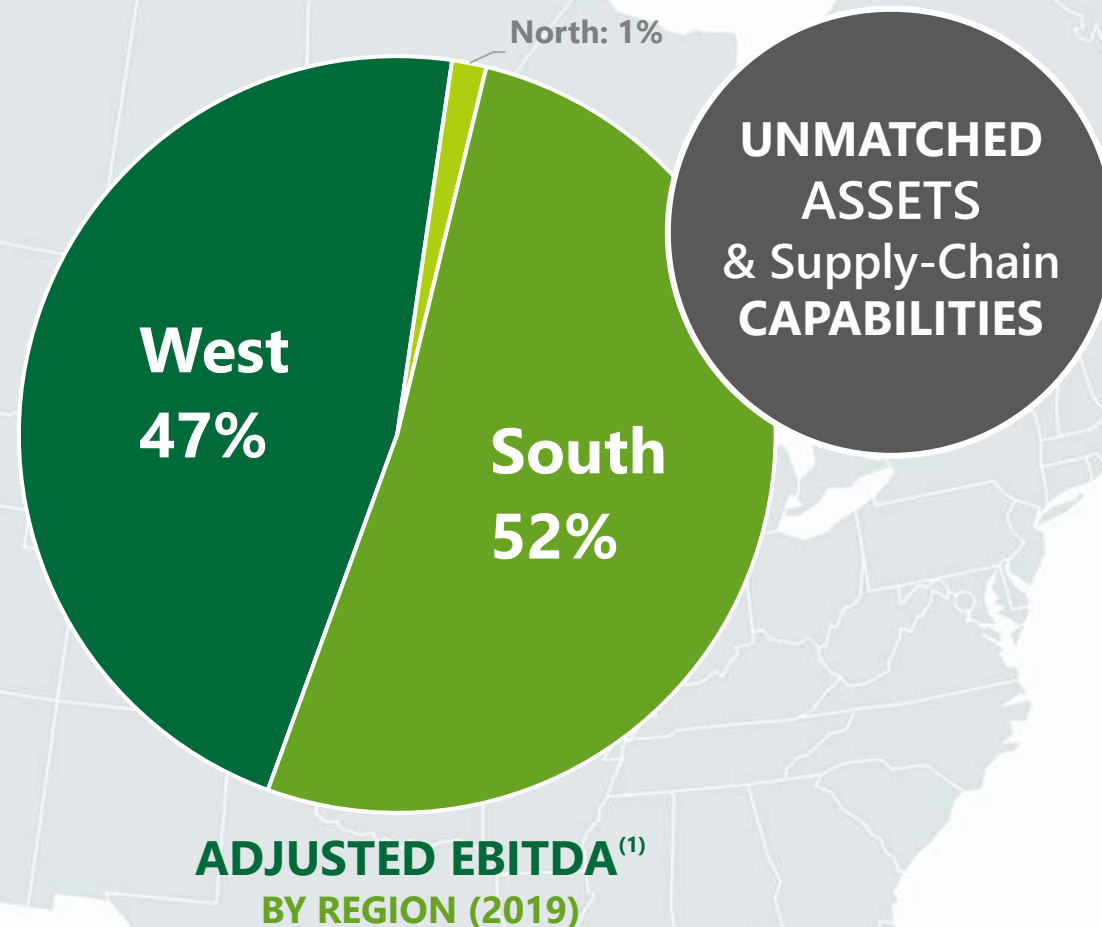
## Premium Southern yellow pine

- Superior quality pine plantation
- Balanced mix of grade and fiber logs
- Scale operations in every major region



## Diverse hardwoods and softwoods

- Premium hardwood sawlogs
- Maximizing value with over 50 product grades



(1) See appendix for reconciliation to GAAP amounts and definition of Adjusted EBITDA. North includes Other. Approximate total acres as of March 31, 2020.



# TIMBERLANDS CUSTOMERS

Capture Full Value Through a Diverse Customer Mix



## TIMBERLANDS REVENUE BY END MARKET (2019)



**THIRD-PARTY  
DOMESTIC CUSTOMERS**



**WEYERHAEUSER  
MILLS**



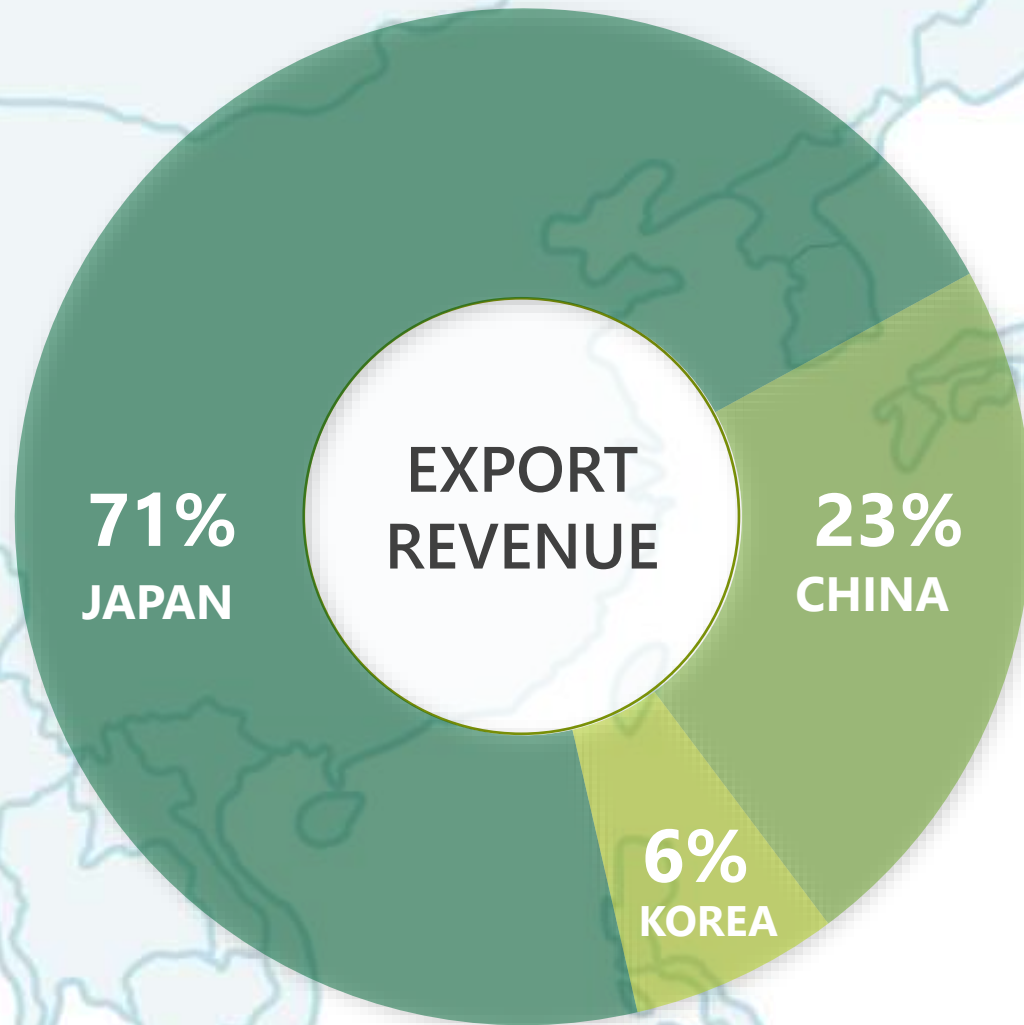
**EXPORT  
CUSTOMERS**

We flex supply to meet dynamic customer demands and capture market opportunities



# TIMBERLANDS EXPORT MARKETS

Unrivaled Market Position and Supply Chain Expertise



## UNIQUE JAPAN BUSINESS

- Multi-decade relationships supplying steady post & beam housing market
- Western timberlands ownership provides premium logs at unrivalled scale
- Largest log export facility in North America creates substantial supply chain advantage and efficiencies

## OTHER EXPORT MARKETS

- Direct-to-customer strategy facilitates consistent demand
- Flexibility to quickly respond to shifts in global wood demand
- Future growth opportunities

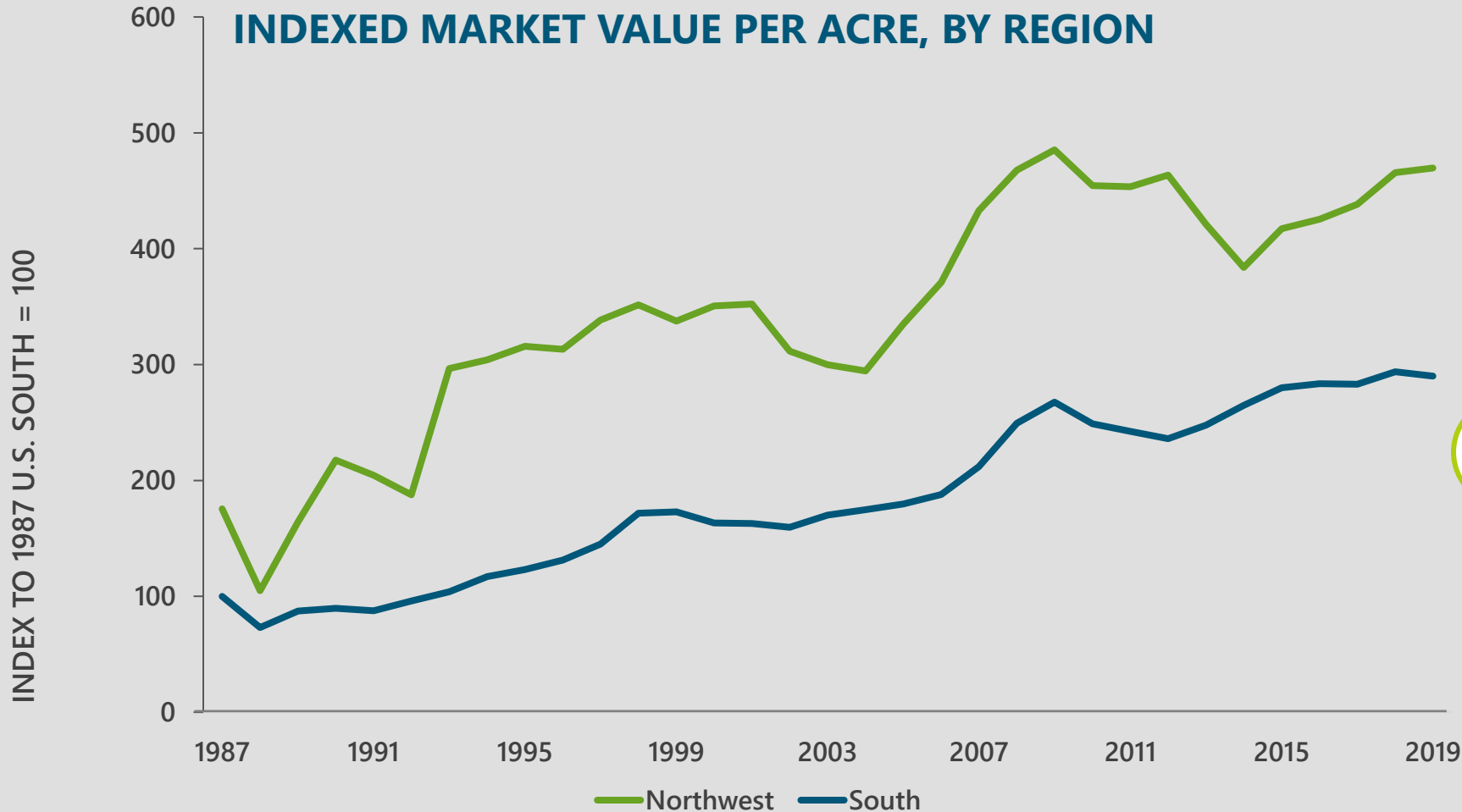


# TIMBERLANDS

## Enduring Value Across Market Cycles



**NCREIF TIMBERLAND INDEX**  
**INDEXED MARKET VALUE PER ACRE, BY REGION**



**Perpetually  
Growing  
Asset**



**Low  
Correlation  
With Other  
Asset  
Classes**

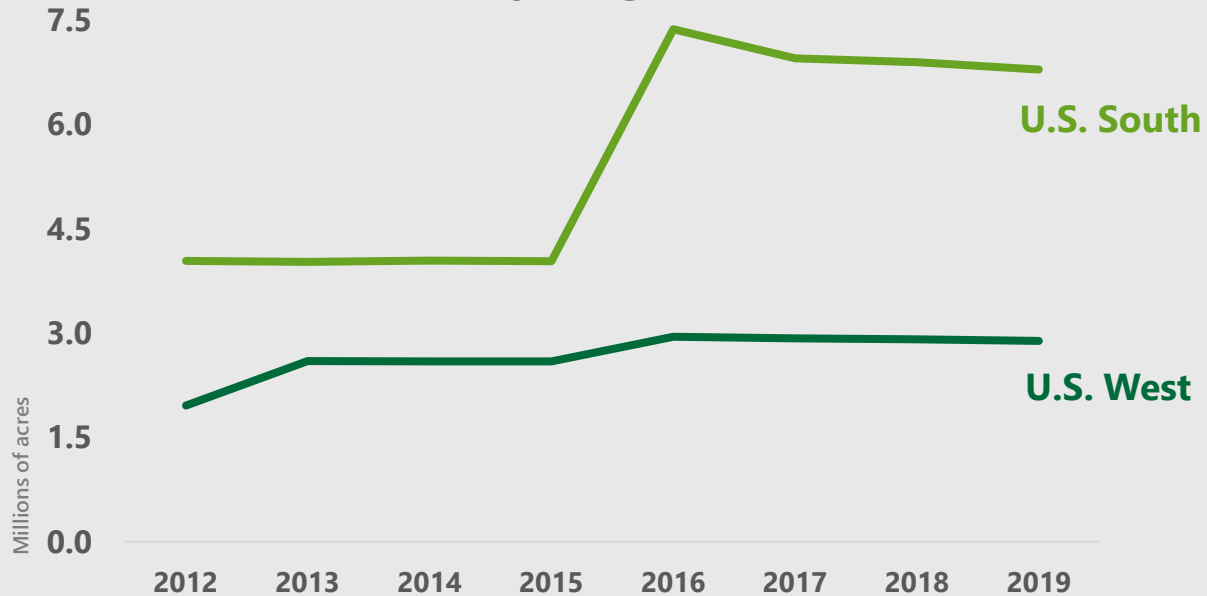


# TIMBERLANDS PORTFOLIO MANAGEMENT

Disciplined and Opportunistic



## Timberland Acres By Region



NEARLY  
**70%**  
INCREASE  
SINCE 2012

OVER  
**45%**  
INCREASE  
SINCE 2012

- ✓ Continue to strategically optimize and upgrade portfolio
- ✓ Strong deal sourcing, diligence and execution expertise
- ✓ Maximize portfolio value and returns


## Strategic Divestitures



**\$1.6**  
BILLION OF  
PROCEEDS



# REAL ESTATE, ENERGY & NATURAL RESOURCES

A photograph of a forest landscape with large, dark, moss-covered rocks in the foreground and middle ground. The background shows a dense forest of evergreen trees under a cloudy sky. A white circular graphic is overlaid on the left side of the image, containing the text "MAXIMIZE THE VALUE OF EVERY ACRE WE OWN".

**MAXIMIZE  
THE VALUE OF  
EVERY ACRE  
WE OWN**

- ✓ Continually evaluate every acre
- ✓ Deliver a significant premium to timber value
- ✓ Capture the full value of surface and subsurface assets
- ✓ Generate consistent and reliable cash flow

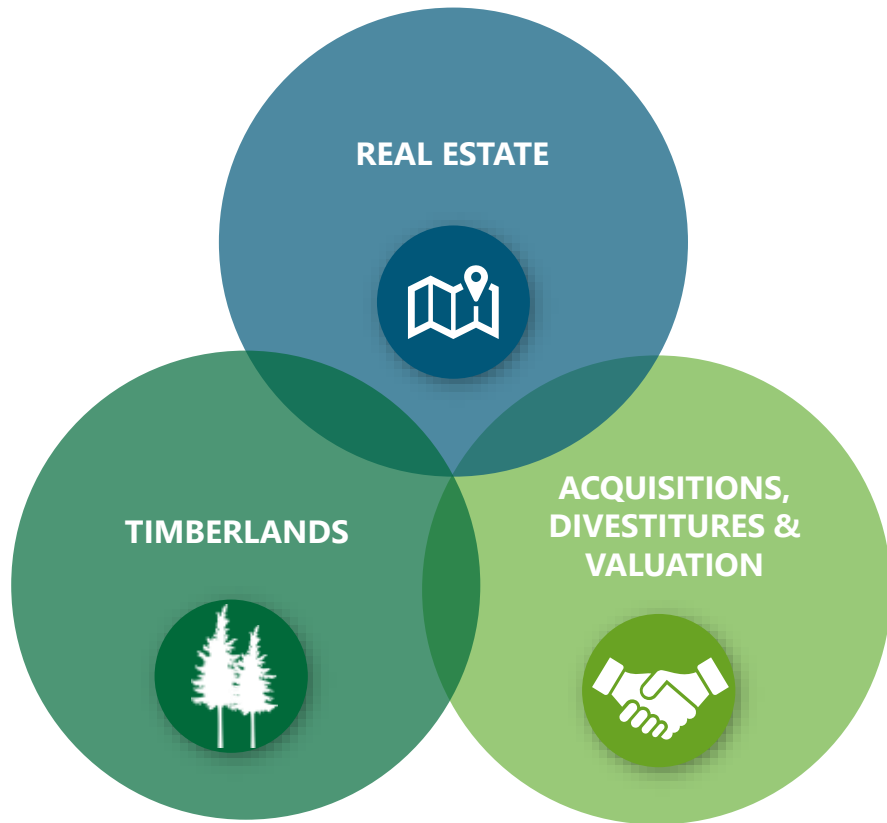


# REAL ESTATE

Unlock Higher and Better Use (HBU) Value



## Asset Value Optimization (AVO) PROCESS



**Nimble Business Model**



**Low Operating Costs**



**Minimal Capital Investment**

**CONTINUALLY  
EVALUATE EVERY ACRE**



**1.3 MILLION ACRES**  
with HBU attributes

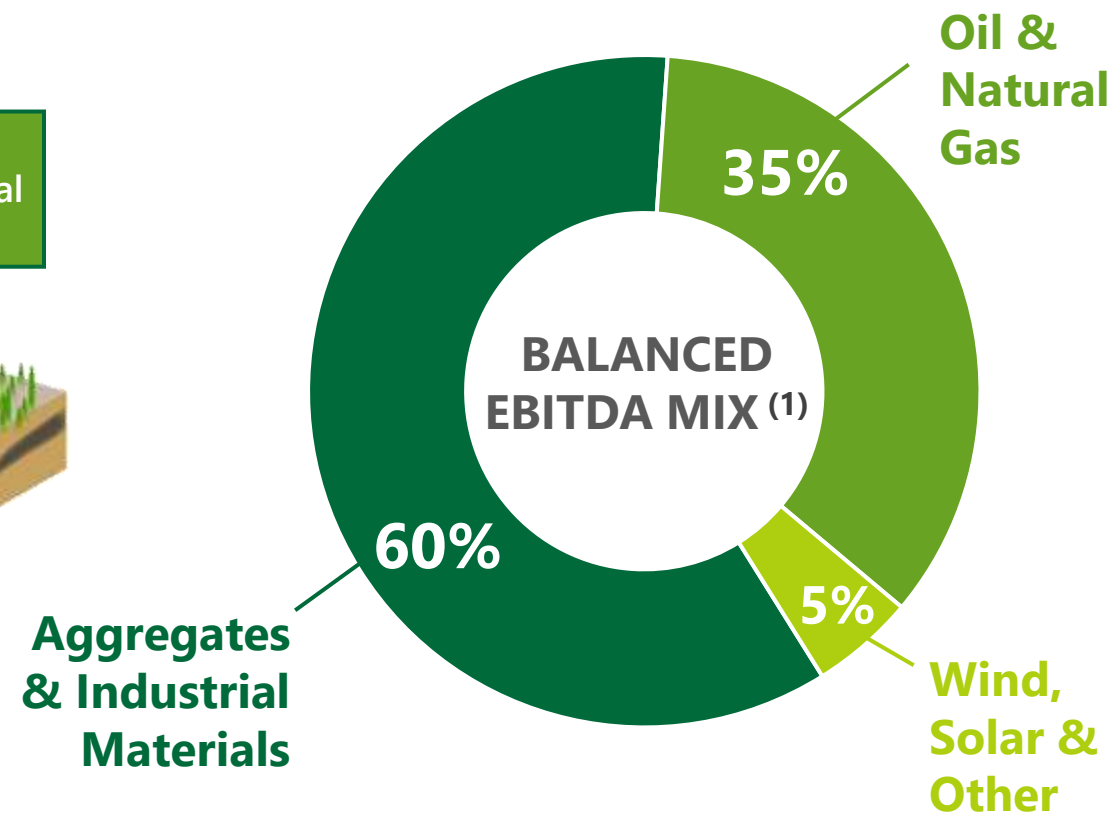
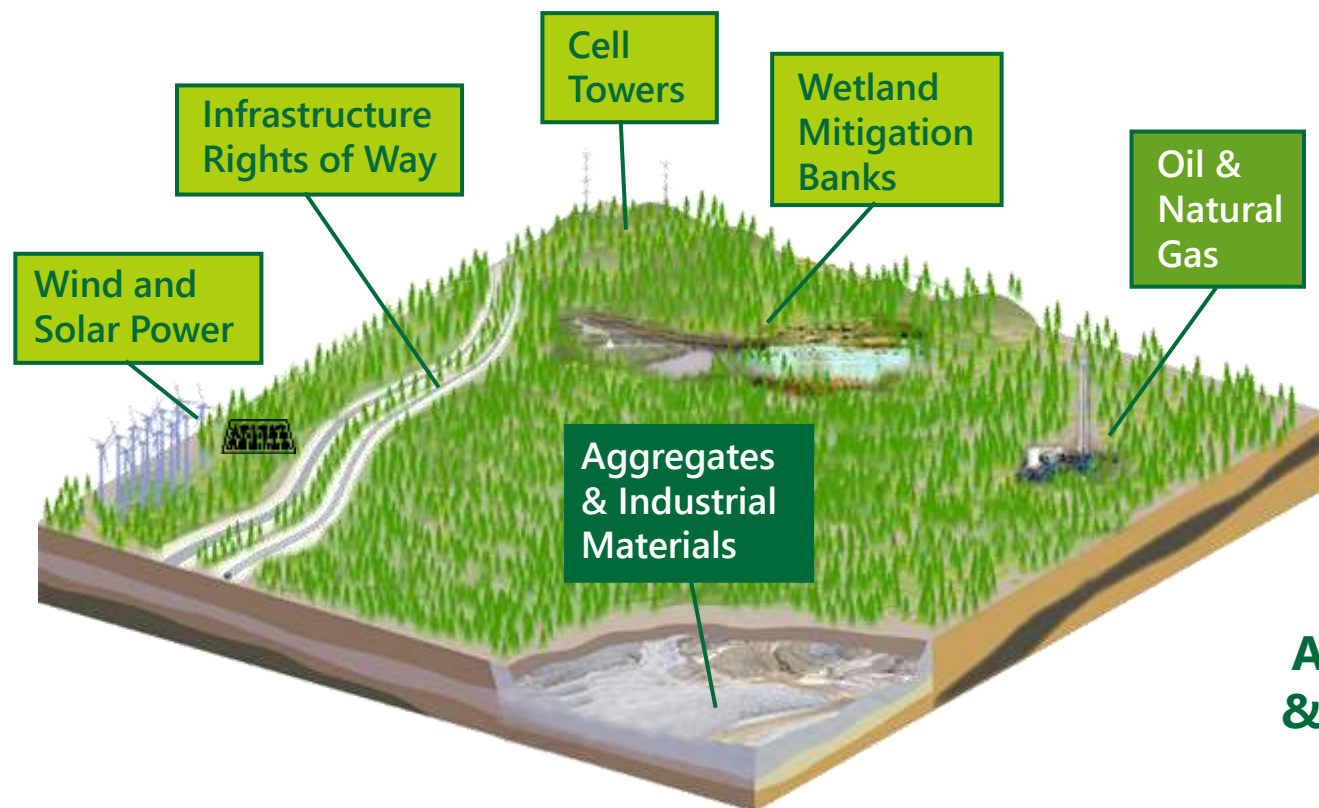
**55–65%**  
**Premium to Timber Value**  
SINCE INCEPTION  
consistently exceeding 30% target

**≤1%**  
of timberland acres  
SOLD ANNUALLY



# ENERGY & NATURAL RESOURCES

Maximize the Value of Surface and Sub-Surface Rights



(1) See appendix for reconciliation to GAAP amounts. Percentages are approximate based on 2019 full year results.



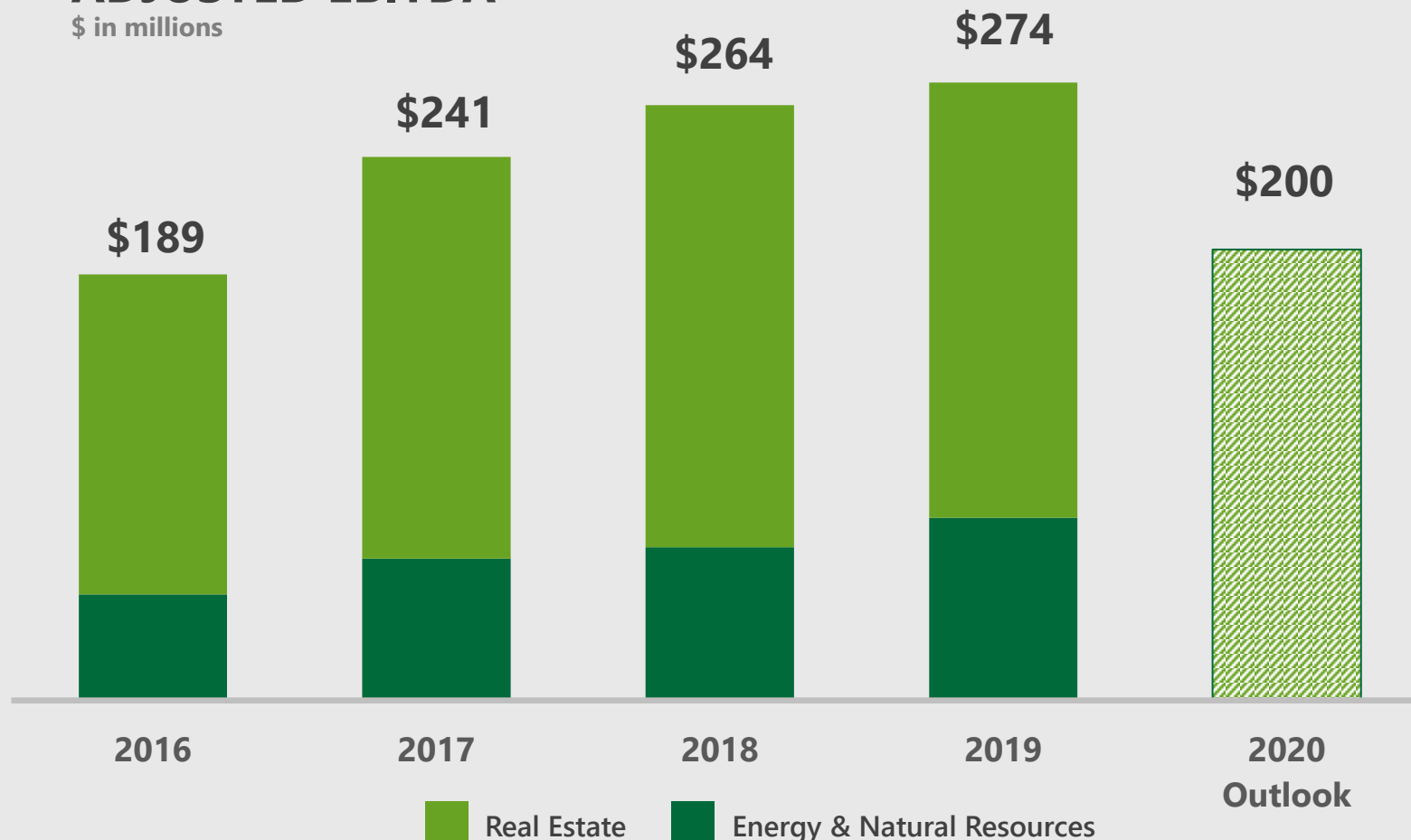
# REAL ESTATE, ENERGY & NATURAL RESOURCES

Consistent, Reliable Cash Generation



## ADJUSTED EBITDA<sup>(1)</sup>

\$ in millions



- ✓ Record Adjusted EBITDA in 2019
- ✓ Reduced 2020 outlook due to:
  - Michigan and Montana divestitures
  - Social distancing measures
  - Tightening credit availability
- ✓ Demand for Real Estate properties remains solid

(1) See appendix for reconciliation to GAAP amounts.



# WOOD PRODUCTS



**MAXIMIZING  
MARGIN  
THROUGH THE  
BUSINESS  
CYCLE**

- ✓ Unmatched scale, brand and reputation
- ✓ Diversified mix of high-quality products
- ✓ Diverse customer mix and demand drivers
- ✓ Relentless focus on industry-leading cost structure
- ✓ Superior returns through the cycle: "Black at the bottom"



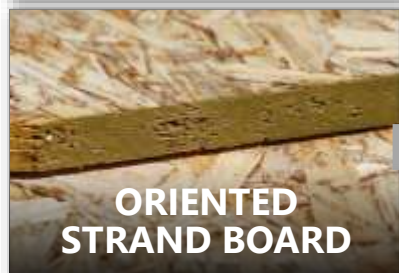
# WOOD PRODUCTS PORTFOLIO

Industry-Leading Scale, Diversification and Quality



## 2<sup>nd</sup> largest producer in North America

- 19 lumber mills
- 5.2 BBF capacity



## 4<sup>th</sup> largest producer in North America

- 6 oriented strand board mills
- 3.0 BSF capacity



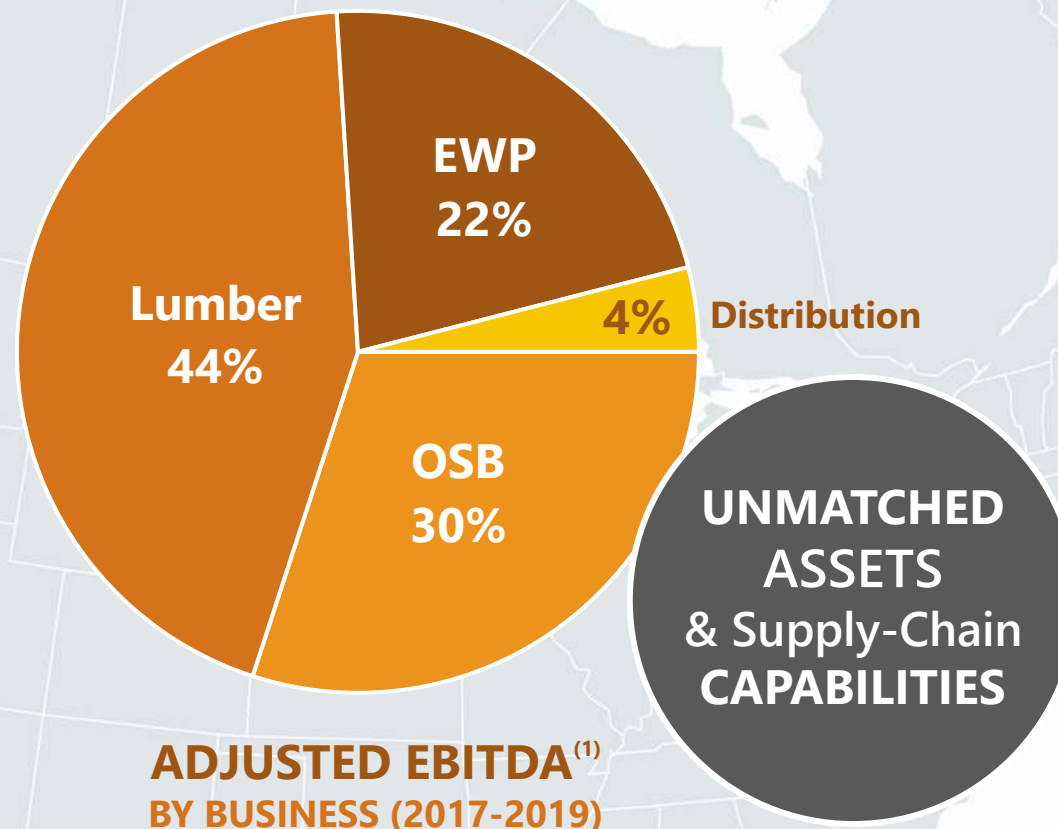
## #1 engineered wood capacity in North America

- 6 engineered wood mills (42 MMCF capacity)
- 3 veneer/plywood mills (610 MMSF capacity)
- 1 medium density fiber mill (265 MMSF capacity)



## Located in the largest homebuilding markets

- 18 distribution centers



(1) See appendix for reconciliation to GAAP amounts.

Statistics for full year 2019. Source: Competitor reports, public filings, APA. Production capacity for engineered wood represents total solid section press capacity. Three Weyerhaeuser facilities also produce I-Joists to meet market demand. In 2019, approximately 25 percent of Weyerhaeuser's total press production was converted into I-Joists.

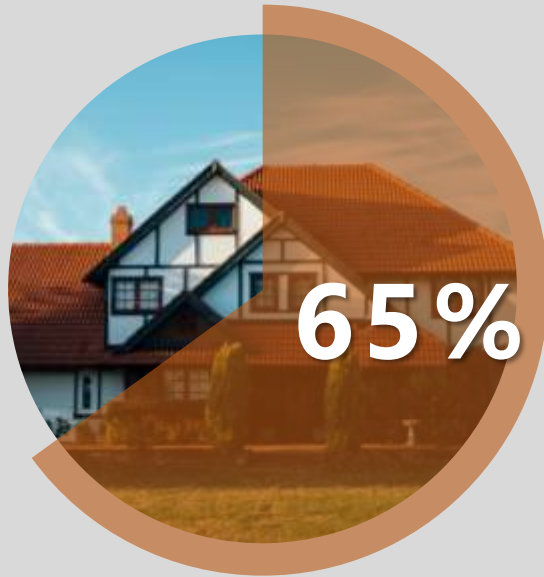


# WOOD PRODUCTS

## Diverse Demand Drivers and Customer Mix



### PERCENT OF SALES BY END MARKET (2019)



**NEW RESIDENTIAL:  
SINGLE & MULTI-FAMILY**



**REPAIR & REMODEL:  
PROFESSIONAL AND DIY**



**NON-RESIDENTIAL CONSTRUCTION  
AND INDUSTRIAL USES**

**Customers value our quality, scale, reliability and sustainable practices**

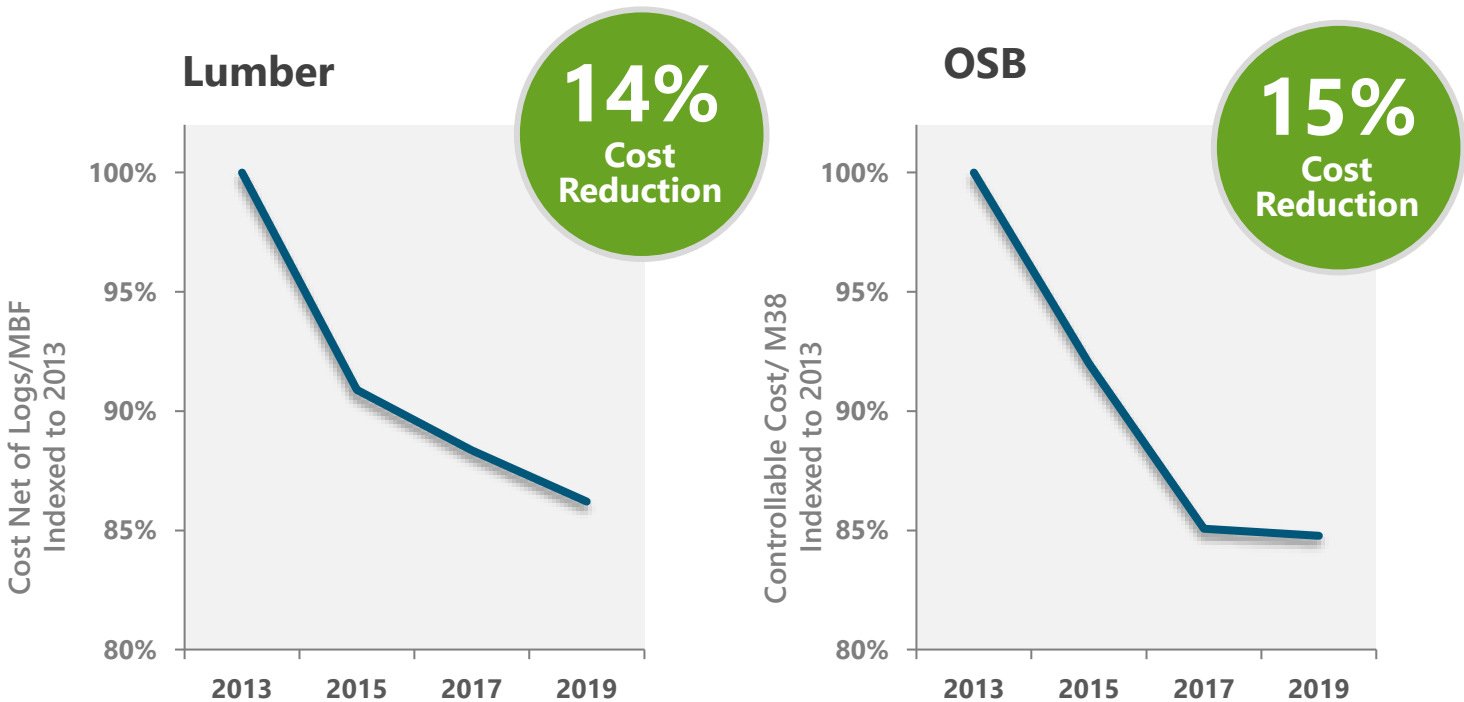


# WOOD PRODUCTS

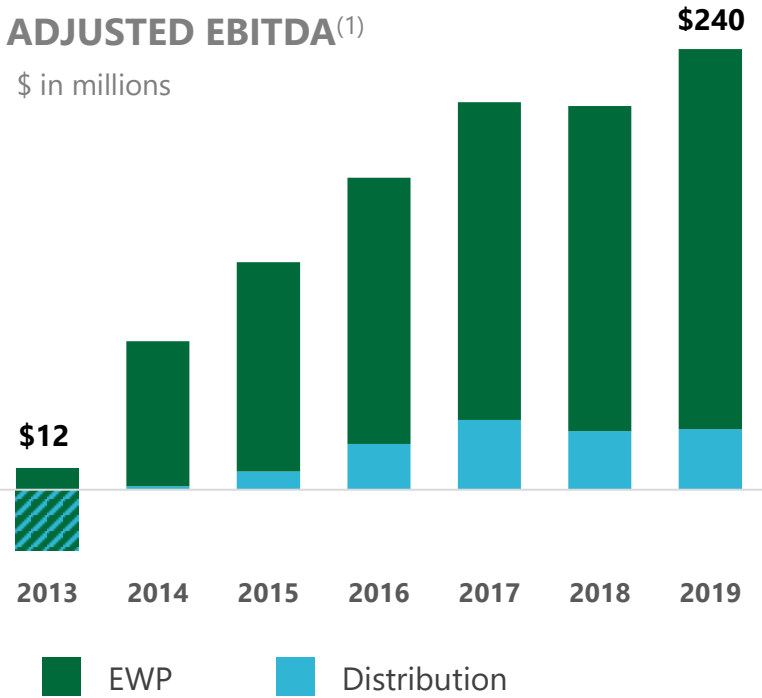
Positioned for Superior Performance Through the Cycle



## Achieved Industry-Leading Cost Structure



## Improved EWP & Distribution EBITDA Through Market Headwinds



Achieved “Black at the Bottom”

(1) See appendix for reconciliation to GAAP amounts.





# INDUSTRY-LEADING PERFORMANCE

Significant, Sustainable Margin Improvement Through the Cycle



# OPERATIONAL EXCELLENCE 1.0

Achieved \$650 Million of Margin Improvements Since 2014



## TIMBERLANDS

### HARVEST & HAUL

Increase efficiency and reduce cost

### SILVICULTURE

Optimize site prep, thinning and fertilization

### MERCHANDISING

Right product from the right log

### MARKETING

Right product to the right customer



## WOOD PRODUCTS

### CONTROLLABLE COSTS

Efficient labor, maintenance & raw material usage

### RELIABILITY

Maximum uptime, highest quality product

### RECOVERY

Higher log utilization

### PRODUCT MIX

Aligned with customer demand



**WESTERN  
TIMBERLANDS  
HIGHEST**  
EBITDA PER ACRE  
VS PEERS  
FOR LAST  
8 YEARS

**LUMBER  
HIGHEST**  
MARGIN  
VS PEERS  
IN 2019

**OSB  
HIGHEST**  
MARGIN  
VS PEERS  
FOR LAST  
3 YEARS

**EWP  
HIGHEST**  
MARGIN  
VS PEERS  
FOR LAST  
5 YEARS

**DISTRIBUTION  
LARGEST**  
MARGIN  
IMPROVEMENT  
VS PEERS  
SINCE 2011

Margin refers to Adjusted EBITDA margins as shown on the following slide. See appendix for reconciliation to GAAP amounts.



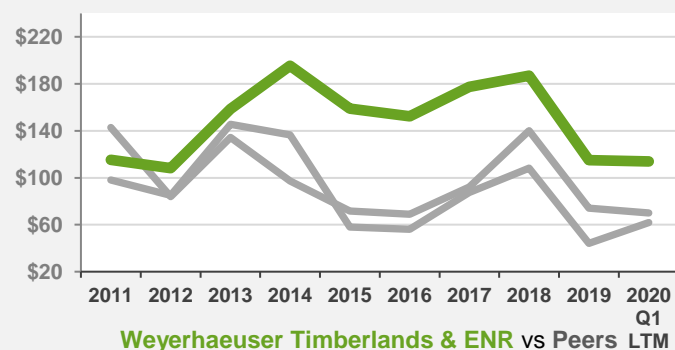
# DRIVING SUPERIOR RELATIVE PERFORMANCE

## Our OpX Scorecard

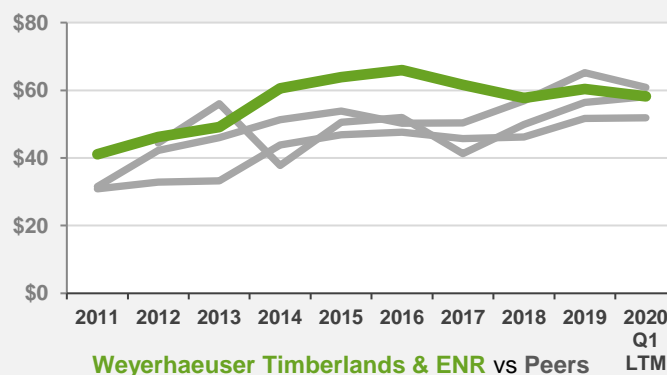


### TIMBERLANDS ADJUSTED EBITDA<sup>(1,2)</sup> PER ACRE

#### WEST

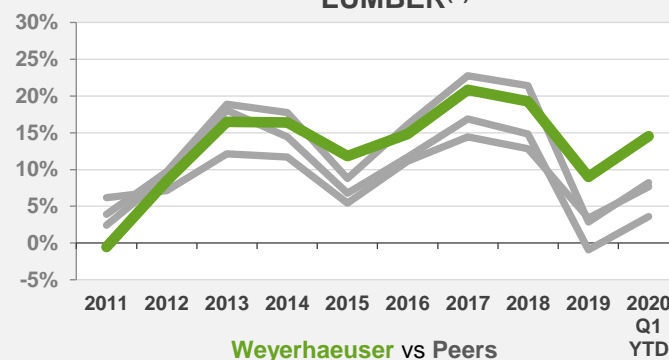


#### SOUTH

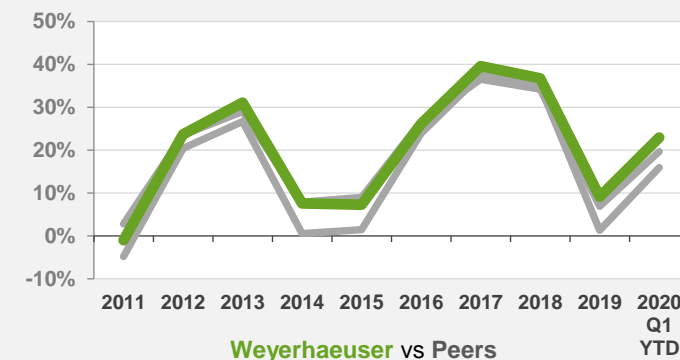


### WOOD PRODUCTS ADJUSTED EBITDA MARGIN<sup>(1,3)</sup>

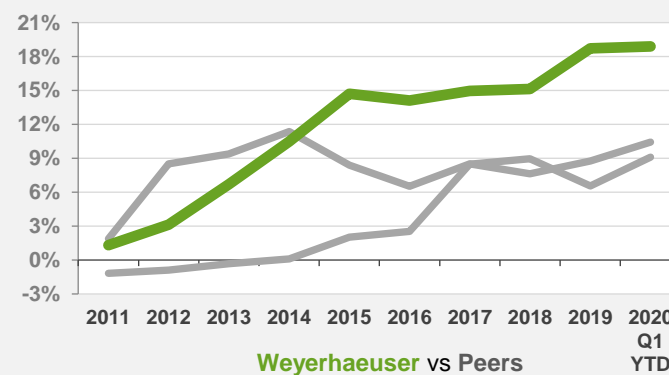
#### LUMBER<sup>(4)</sup>



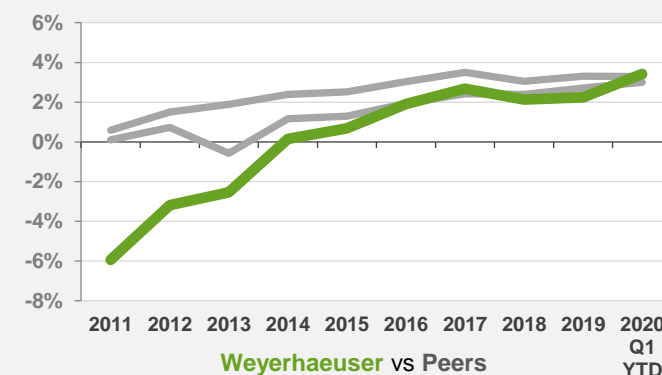
#### ORIENTED STRAND BOARD



#### ENGINEERED WOOD PRODUCTS



#### DISTRIBUTION



Source for competitor data: public SEC filings, National Council of Real Estate Investment Fiduciaries (NCREIF). Results include only North American operations.

(1) See appendix for reconciliation to GAAP amounts.

(2) Timberlands peers include NCREIF, PotlatchDeltic, and Rayonier. To improve comparability with peer disclosures, amounts shown for Weyerhaeuser include Timberlands EBITDA and non-timber income currently reported in the company's Energy & Natural Resources business.

(3) Wood Products peers include BlueLink, Boise Cascade, Canfor, Interfor, Louisiana Pacific, Norbord and West Fraser.

(4) 2017-2020 Q1 YTD lumber margins include expenses for softwood lumber countervailing and anti-dumping duties for all companies shown.



# OPX 2.0

## Evolving Our Approach to Operational Excellence



DELIVERING VALUE TO SHAREHOLDERS THROUGH SUPERIOR EXECUTION + ONGOING IMPROVEMENT

TARGET  
\$50-70  
MILLION  
IN 2020

### MARGIN IMPROVEMENT

#### TOP LINE

Capture Maximum Value  
for Every Product

#### BOTTOM LINE

Deliver and Maintain  
Industry-Leading Cost Structure

BLACK AT THE BOTTOM • #1 IN EVERY BUSINESS LINE

### FUTURE VALUE

Drive Improvements  
Today that Create  
Future Value



Superior Execution on:  
Silviculture Prescriptions  
Reliability Programs

### COST AVOIDANCE

Avoid Future  
Costs or Cost  
Increases



Procurement Optimization  
Shared/Repurposed Assets  
Reduced Employee Turnover

### EFFICIENCY

Enable Highest-  
Value Use of  
Resources



Simplify/Standardize Tools  
Automate Manual Work  
Leverage Technology/Data





# **DISCIPLINED CAPITAL ALLOCATION**

Long-Term Commitment to Balancing Three Key Priorities

# DISCIPLINED CAPITAL ALLOCATION

Appropriate and Temporary Adjustments to Navigate Uncertain Environment



RETURN CASH  
TO SHAREHOLDERS

INVEST IN  
OUR BUSINESSES

MAINTAIN AN APPROPRIATE  
CAPITAL STRUCTURE

## CORE ALLOCATION



Sustainable  
Dividend



Disciplined Capital  
Expenditures



Investment Grade  
Credit Rating

## OPPORTUNISTIC ALLOCATION



Share  
Repurchases



Value-Enhancing  
Growth Opportunities



Liability  
Management



# ACTIONS TO PRESERVE FINANCIAL FLEXIBILITY AND LIQUIDITY

Well-Positioned to Successfully Navigate Uncertain Markets



<b>REDUCING PRODUCTION</b>	<ul style="list-style-type: none"><li>• Reducing 2020 Southern harvest by approximately 10%</li><li>• Dynamically adjusting Wood Products production to align with profitable demand<ul style="list-style-type: none"><li>• Increased lumber and OSB operating rates in May vs. April</li><li>• Lumber: Expect approximately 10% lower production in Q2 vs. Q1</li><li>• OSB: Expect 5-10% lower production in Q2 vs. Q1</li><li>• EWP: Expect 20-30% lower production in Q2 vs. Q1</li></ul></li></ul>
<b>ENHANCED LIQUIDITY</b>	<ul style="list-style-type: none"><li>• Issued \$750 million of 4.0% notes to refinance 2021 maturities</li><li>• Precautionary revolver draw</li></ul>
<b>REDUCING CAPEX</b>	<ul style="list-style-type: none"><li>• \$90 million reduction</li></ul>
<b>REDUCING NON-ESSENTIAL OPERATING EXPENSES</b>	<ul style="list-style-type: none"><li>• \$55 million reduction</li><li>• Deferring \$25 million of federal payroll tax payments</li></ul>
<b>REDUCING MANAGEMENT AND BOARD COMPENSATION</b>	<ul style="list-style-type: none"><li>• 30% base salary reduction for CEO</li><li>• 10% base salary reduction for remainder of senior management team</li><li>• 20% reduction in board of directors' fees</li></ul>
<b>TEMPORARILY SUSPENDED QUARTERLY DIVIDEND</b>	<ul style="list-style-type: none"><li>• Committed to reinitiating a quarterly cash dividend as soon as practicable</li></ul>



# RETURNING CASH TO SHAREHOLDERS

Key Component of Long-Term Capital Allocation Strategy



**RETURNED  
NEARLY  
\$8 BILLION**  
TO SHAREHOLDERS  
SINCE 2014



THROUGH DIVIDENDS AND  
SHARE REPURCHASE

**Temporarily suspended quarterly dividend**  
to preserve liquidity and financial flexibility



**Committed to reinitiating a quarterly  
cash dividend as soon as practicable**  
at an appropriate and sustainable level in the context  
of the company's cash flow and business conditions



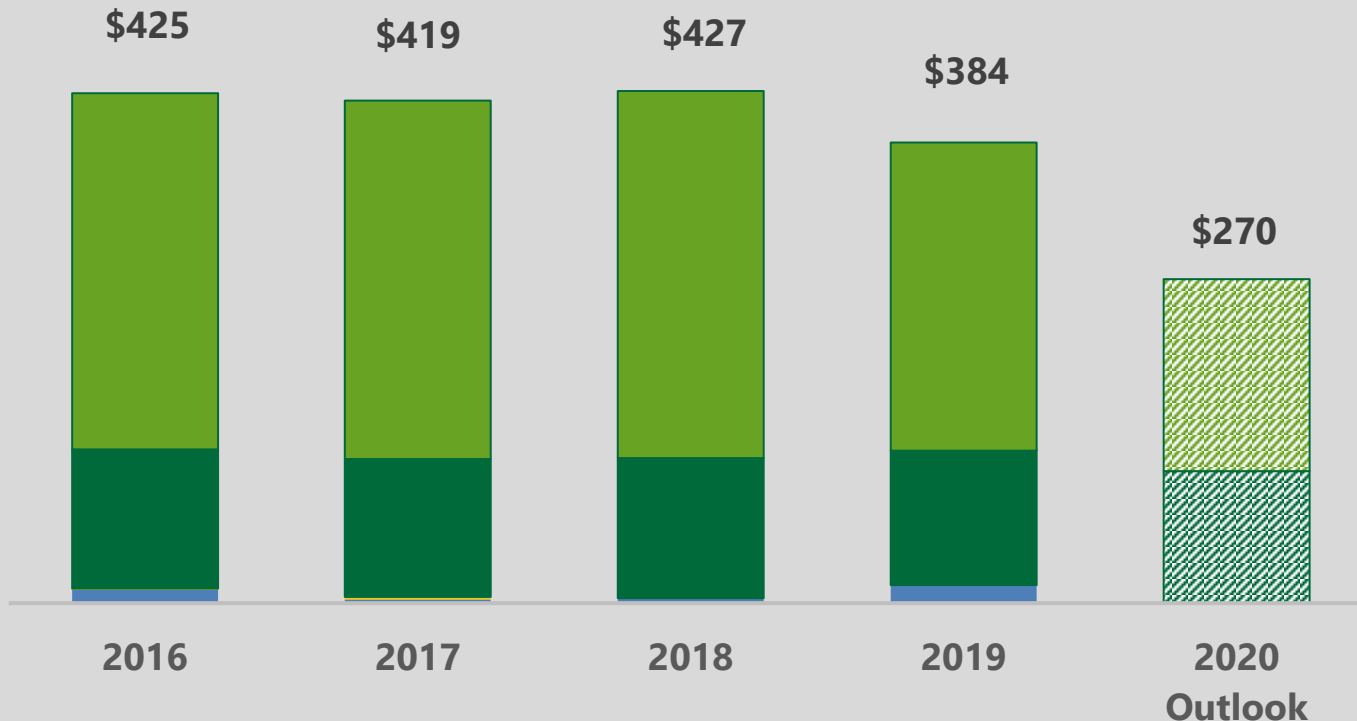
# DISCIPLINED INVESTMENTS

## Sustain and Enhance Our Operations



### CAPITAL EXPENDITURES

\$ in millions



### REVISED 2020 OUTLOOK


- Wood Products - \$160 million**
  - Maintenance capex
  - Projects to improve costs and reliability
- Timberlands - \$110 million**
  - Reforestation and silviculture
  - Roads and infrastructure
- Corporate – Very minimal**
  - IT system upgrades
- Real Estate & ENR – Very minimal**
  - Primarily entitlement activities

Reducing 2020 CapEx by \$90 Million by Deferring Discretionary Projects

# MAINTAIN AN APPROPRIATE CAPITAL STRUCTURE

Solid Balance Sheet and Financial Flexibility






### INVESTMENT GRADE CREDIT PROFILE

**Baa2** Moody's

**BBB-** Standard & Poor's

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**3.5x** Target Net debt/Adjusted EBITDA over the cycle



### SOLID LIQUIDITY


**Precautionary** \$550 million draw on \$1.5 billion revolver

**Completed** \$750 million bond offering to refinance 2021 maturities



### STRONG ASSET COVERAGE

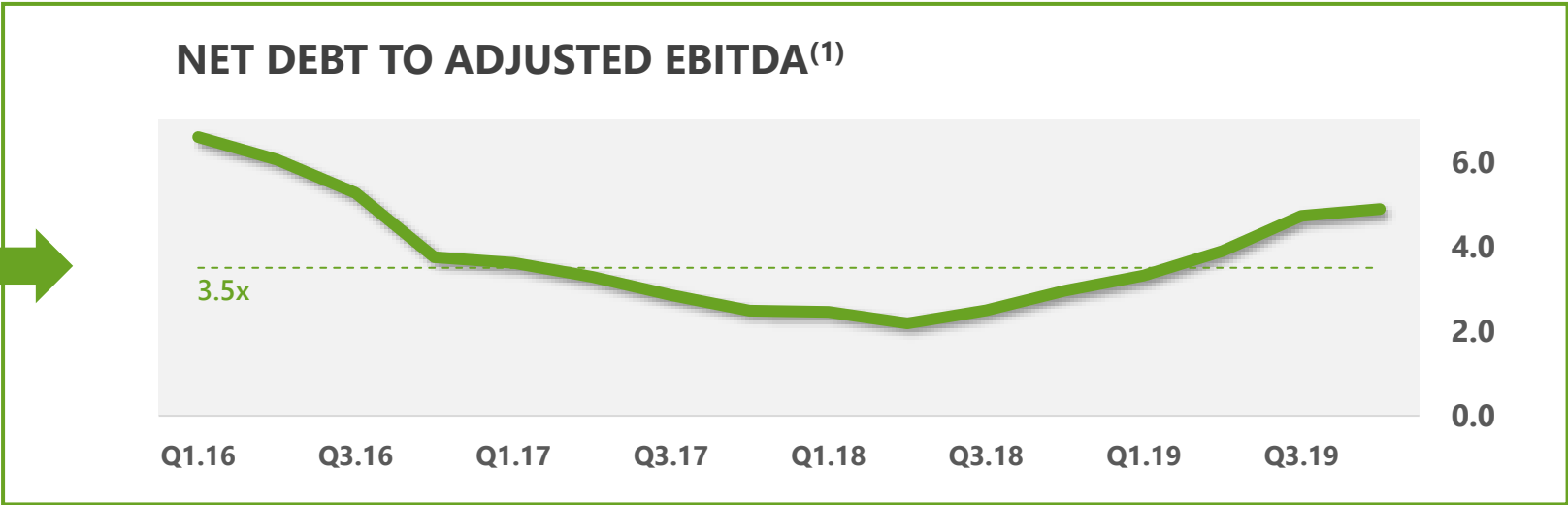
**Nearly 85%** of business assets are in Timberlands



### OPPORTUNISTIC LIABILITY MGMT

**Reduced** future pension obligations

**Redeemed** \$569 million notes due March 2021



(1) Last twelve months Adjusted EBITDA for each quarter presented. See appendix for reconciliation to GAAP amounts.





# **SUPERIOR SHAREHOLDER VALUE**

Capitalizing on Strong Portfolio and Operational Performance

# SIGNIFICANT UNCERTAINTY ACROSS OUR MARKETS

As COVID-19 Drives Reduced Construction Activity



## HOUSING STARTS

- ↓ Rising unemployment
- ↓ Tighter credit availability
- ↓ Decreased consumer confidence
- ↔ Construction restrictions easing
- ↑ Renewed preference for single-family

## REPAIR & REMODEL

- ↑ Solid do-it-yourself demand
- ↓ Tighter credit availability
- ↔ Construction restrictions easing

## LUMBER

- ↓ Lower construction activity
- ↑ Mill curtailments and closures have reduced industry supply
- ↔ Short-term resurgence as restrictions ease and work in process is completed

## ORIENTED STRAND BOARD

- ↓ Lower construction activity
- ↑ Mill curtailments have reduced industry supply
- ↔ Short-term resurgence as restrictions ease and work in process is completed

## WESTERN LOGS

- ↓ Lower domestic wood products production
- ↓ Expect demand to soften in Japan
- ↑ Improved China demand and pricing

## SOUTHERN LOGS

- ↓ Lower domestic wood products production
- ↔ Stable fiber demand
- ↑ Reduced industry harvest volumes



# SOLID UNDERLYING MARKET FUNDAMENTALS

Driven by Continued Demand for U.S. Housing



## HOUSING STARTS

- ↑ Underbuilt housing stock
- ↑ Favorable demographics
- ↑ Affordable offerings, low interest rates
- ↓ Supply-side constraints remain
- ↑ Growing preference for single-family



## LUMBER

- ↑ Increased demand as construction activity rebounds
- ↑ B.C. mill closures have reduced industry capacity



## WESTERN LOGS

- ↑ Domestic wood products production will rebound
- ↔ Solid Japan market
- ↑ China market recovering



## REPAIR & REMODEL

- ↑ Aging housing stock
- ↑ Rising home equity, low interest rates
- ↔ Solid building materials retail demand
- ↔ Shift to remote work may drive home improvement demand



## ORIENTED STRAND BOARD

- ↑ Increased demand as construction activity rebounds
- ↑ Industry curtailments reduced supply



## SOUTHERN LOGS

- ↑ Domestic wood products production will rebound
- ↑ New Southern lumber capacity
- ↑ Emerging Southern export opportunity



# OUR WORKING FORESTS ARE PART OF THE CLIMATE SOLUTION

An Endlessly Renewable Resource that Absorbs and Stores Carbon

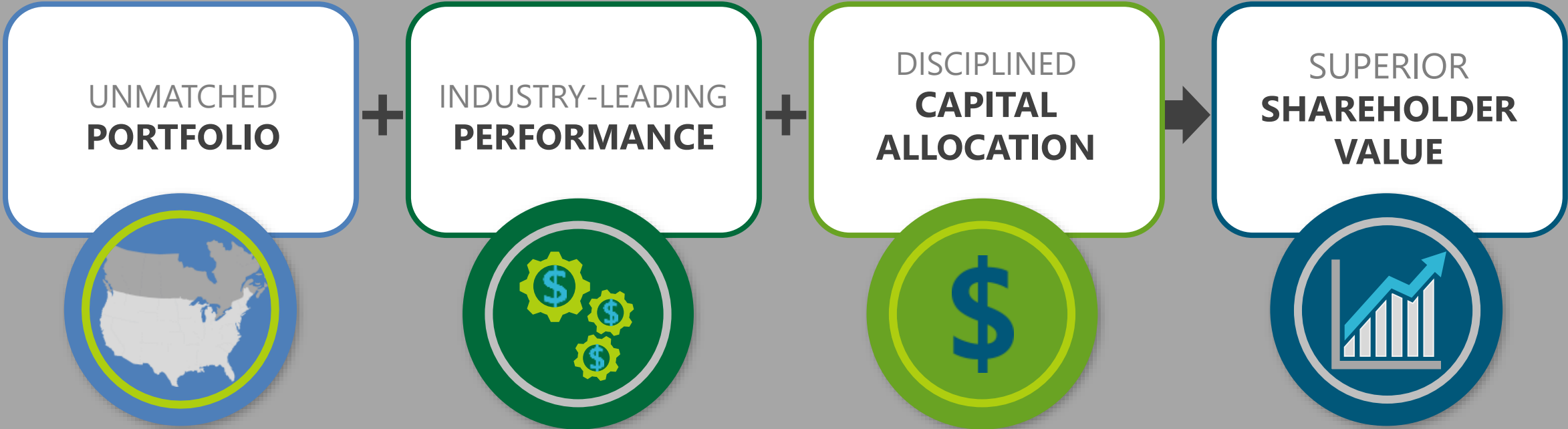


## WOOD IS THE ULTIMATE Green-Building Material

- ✓ Stores carbon
- ✓ Endlessly renewable
- ✓ Lower GHG emissions than concrete & steel

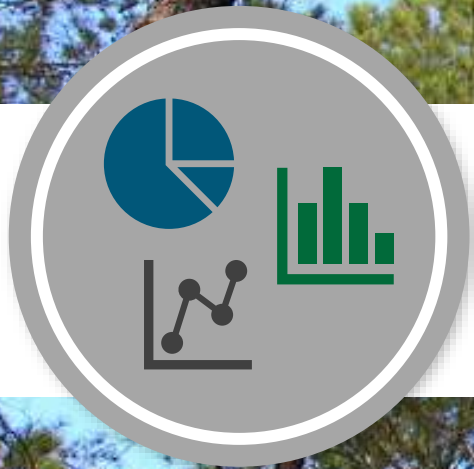


# WEYERHAEUSER INVESTMENT THESIS



Strong ESG Foundation | Our Forests and Wood Products are Natural Climate Solutions





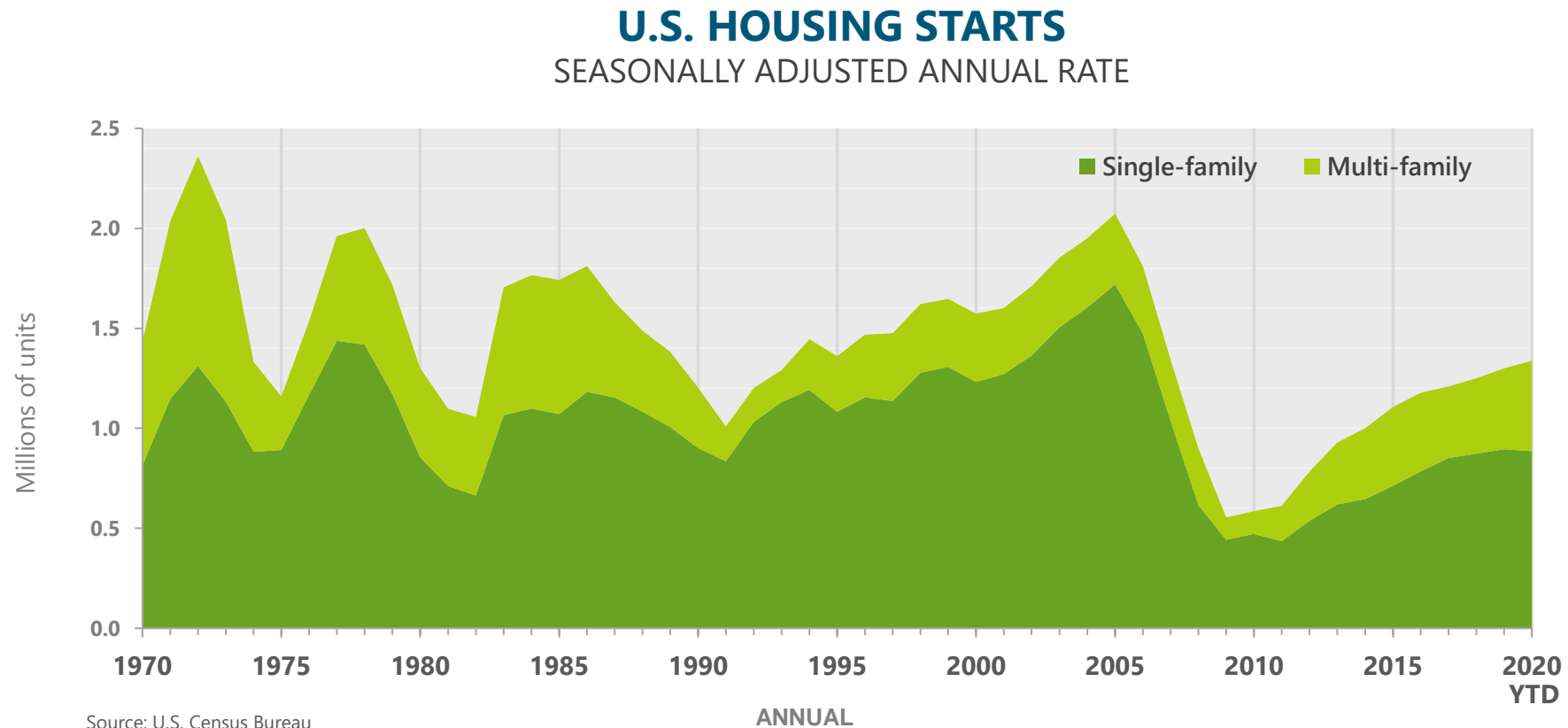
# APPENDIX

Market Overview and Supplemental Information



# EXPECT CONTINUED LONG-TERM GROWTH IN U.S. HOUSING

- U.S. housing activity impacted by rising unemployment, weaker consumer confidence and tightening credit
- Expect growth to resume as economic fundamentals recover
- Historically low mortgage rates
- Growing preference for single-family homes

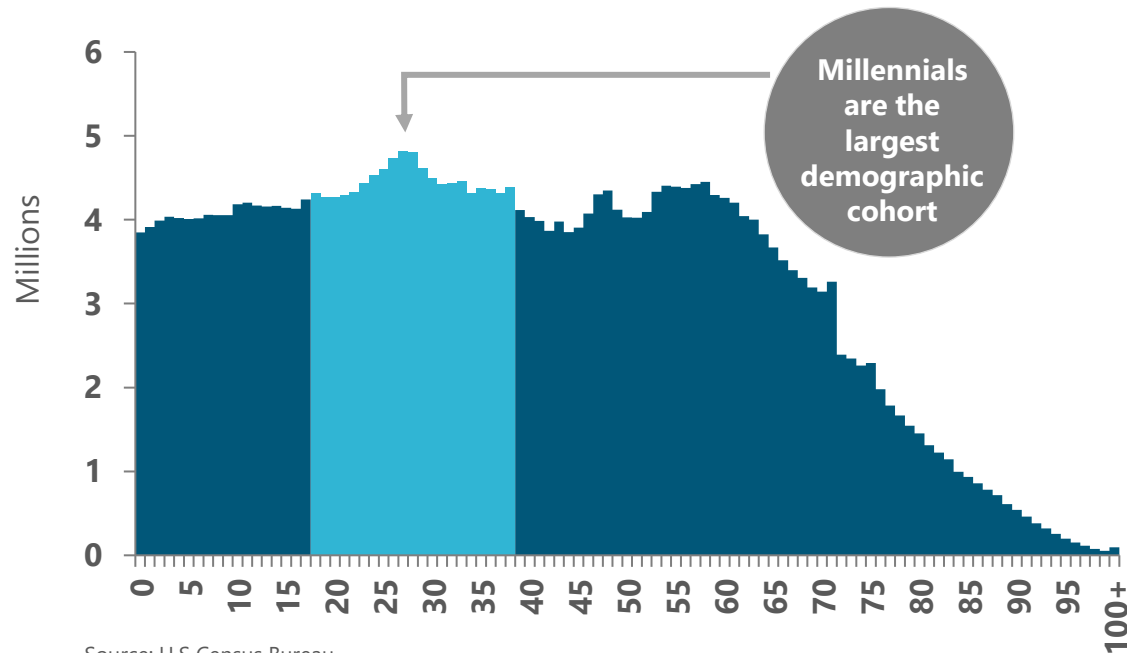


# LEVEL OF CONSTRUCTION REMAINS BELOW HOUSING NEED

- Growing housing “deficit” as current pace of building activity is not sufficient to meet demand
- Favorable demographics with millennials entering prime homebuying years

## U.S. POPULATION BY AGE

AS OF JULY 1, 2018



Source: U.S Census Bureau

## ANNUAL U.S. HOUSING NEED

MILLIONS OF UNITS

DRIVER	BASELINE AVERAGE DEMAND
New Household Formations	1.1
Replace Lost or Obsolete Units	0.3
Second Home Demand	0.1
Natural Vacancy Rate	0.1
<b>ANNUAL NEW UNITS REQUIRED</b>	<b>1.6</b>

Source: Freddie Mac, 2018

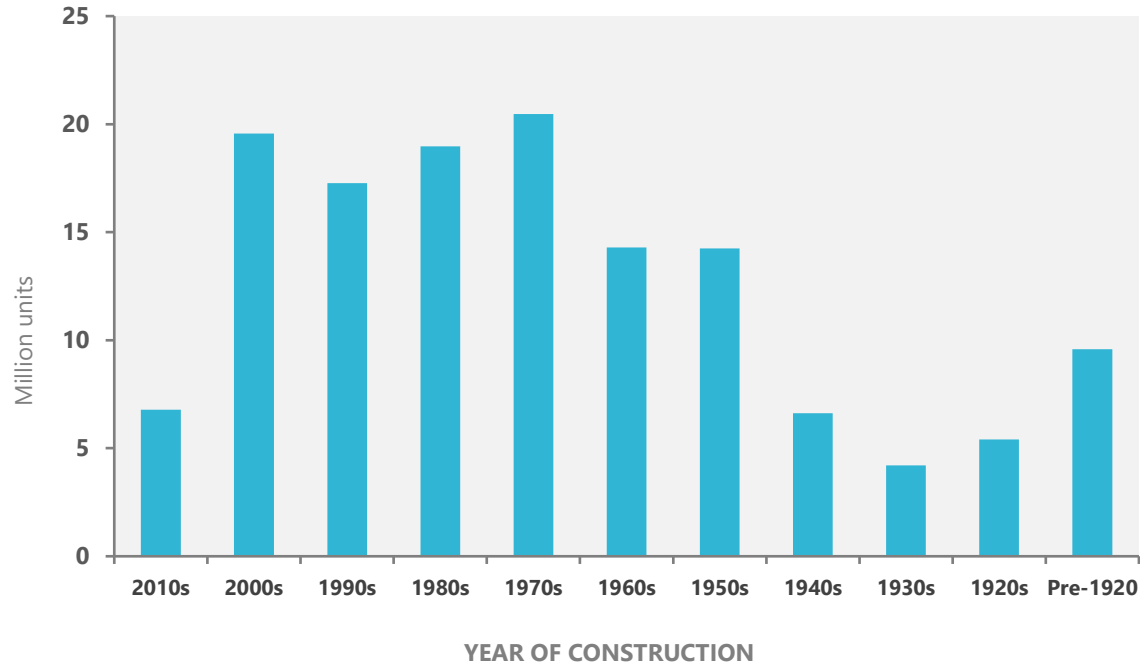


# STEADY REPAIR & REMODEL ACTIVITY

- Housing stock continues to age, with median age of approximately 40 years old
- Solid do-it-yourself demand
- Large remodel projects challenged by social distancing measures and tighter credit availability

## U.S. HOUSING STOCK

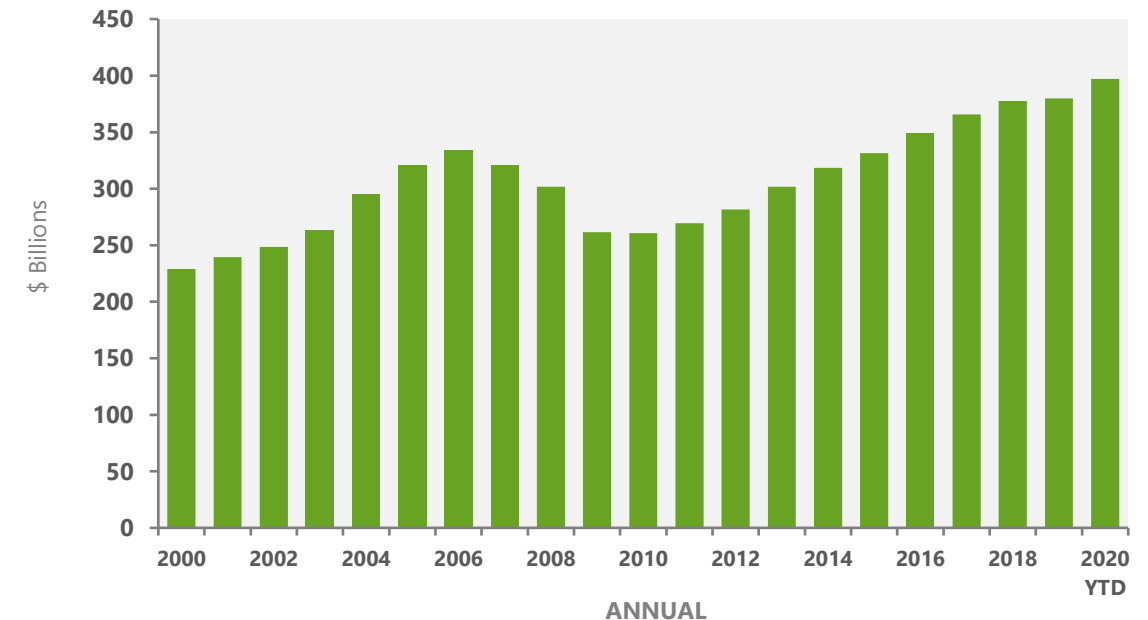
UNITS BY VINTAGE



Source: U.S. Census Bureau 2017 American Housing Survey

## U.S. RETAIL BUILDING MATERIALS SALES

TOTAL SPENDING



Source: U.S. Census Bureau  
YTD as of April 2020

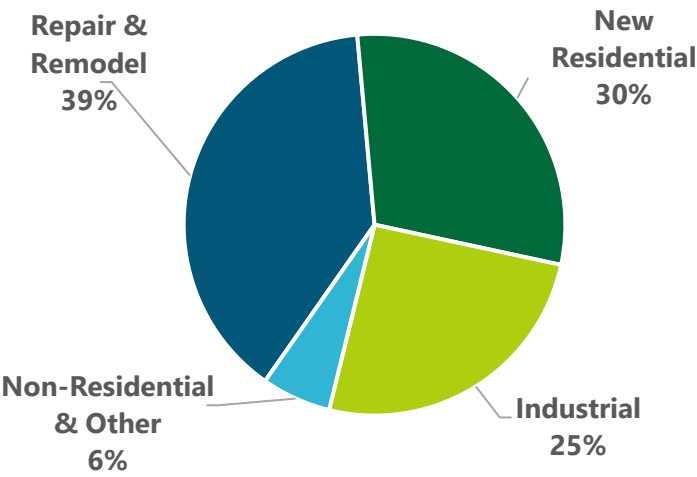


# LUMBER DEMAND UNEVEN

- Lower construction activity due to economic impacts from COVID-19
- Solid repair and remodel activity supported by do-it-yourself demand
- Industry curtailments and closures have reduced available supply
- Expect choppy demand and pricing as market conditions evolve
- Rising focus on sustainability may drive higher non-residential usage over time

## NORTH AMERICAN LUMBER CONSUMPTION

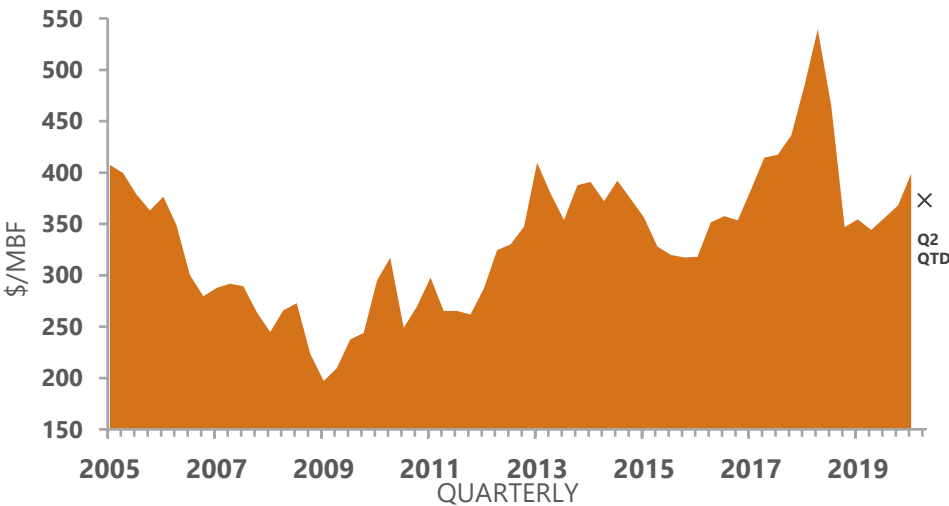
BY END USE, 2019



Source: FEA

## LUMBER PRICING

FRAMING LUMBER COMPOSITE



Source: Random Lengths  
Q2 QTD as of 5/22/2020

## WEYERHAEUSER'S AVERAGE LUMBER SALES REALIZATIONS

*Approximate change*  
AS OF MAY 22, 2020

Q2 QTD vs. Q1 AVERAGE	➔	(\$10)/MBF LOWER
CURRENT vs. Q1 AVERAGE	➔	+\$35/MBF HIGHER



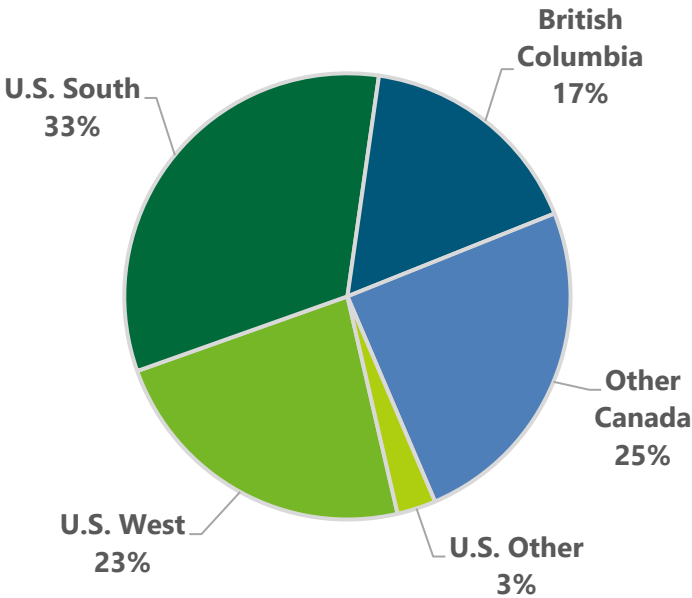
# LUMBER

## Mill Curtailments and Closures Have Reduced Industry Capacity

- Significant North American lumber capacity curtailed in 2020 due to economic impacts from COVID-19
- Structural decline in British Columbia log supply drove numerous mill closures in 2019
- Canadian lumber exports to the U.S. remain subject to duties

### NORTH AMERICAN LUMBER PRODUCTION

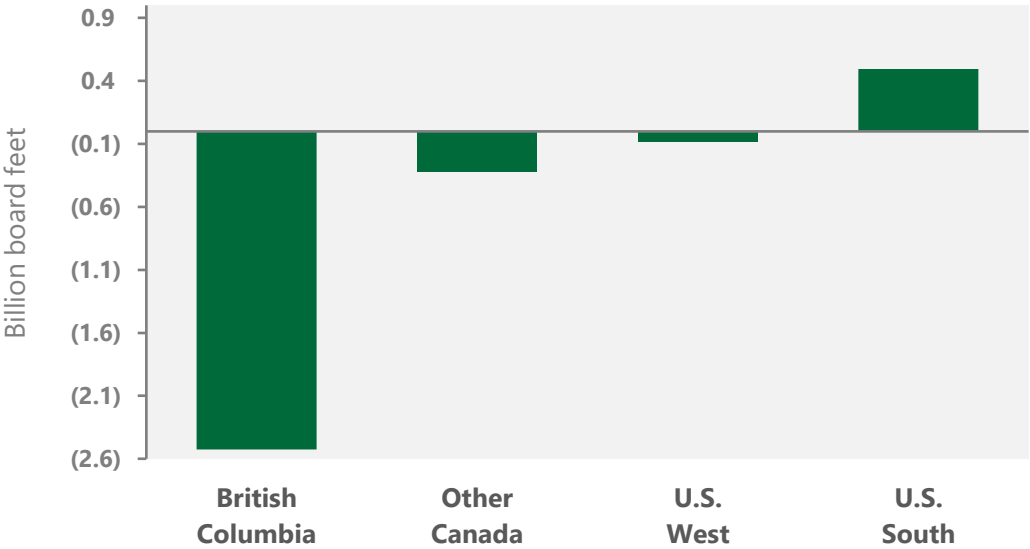
BY REGION, 2019



Source: FEA  
Total North American softwood lumber production 59 BBF in 2019

### CHANGE IN LUMBER PRODUCTION

BY REGION, 2019



Source: WWPA

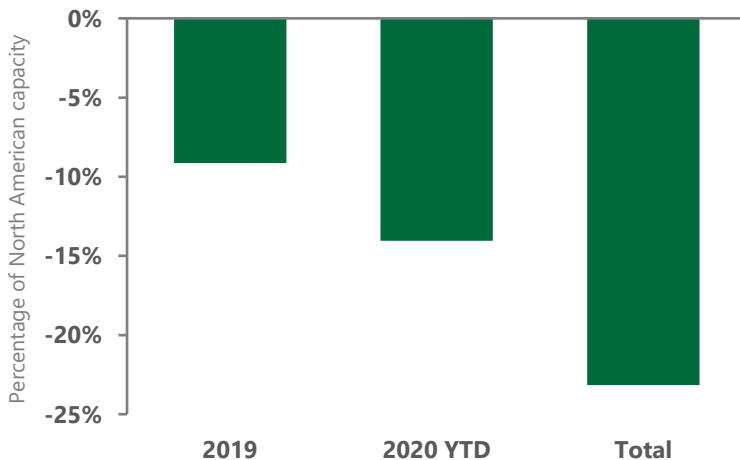


# OSB DEMAND UNEVEN

- Lower new residential construction activity with economic impacts of COVID-19
- Industry curtailments have reduced available supply
- Expect choppy demand and pricing as market conditions evolve

## NORTH AMERICAN OSB

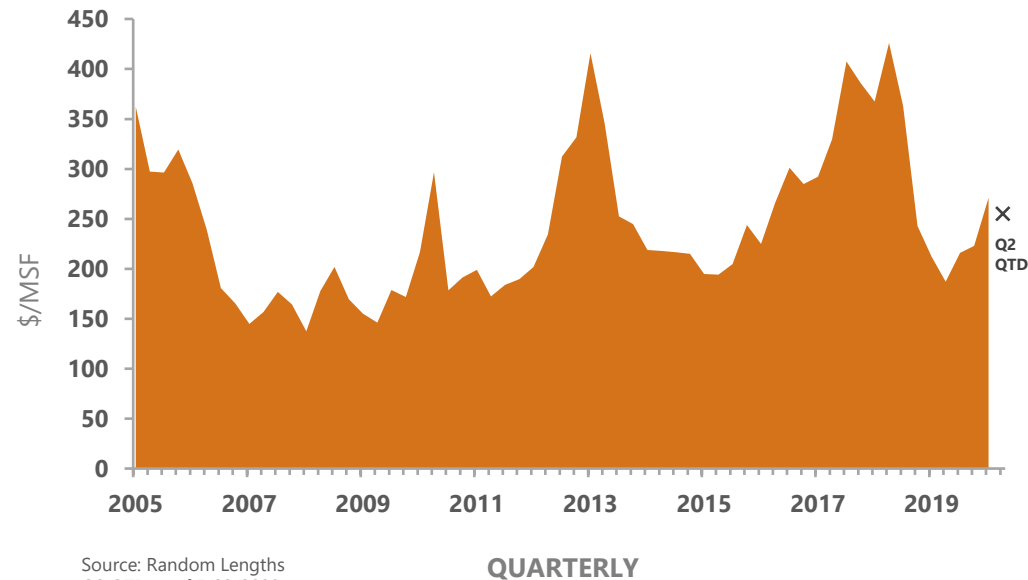
ANNOUNCED  
INDUSTRY CURTAILMENTS  
2019-2020 YTD (APRIL)



Source: Company Reports, FEA

## ORIENTED STRAND BOARD PRICING

NORTH CENTRAL OSB



## WEYERHAEUSER'S AVERAGE OSB SALES REALIZATIONS

*Approximate change*

AS OF MAY 22, 2020

Q2 QTD vs.  
Q1 AVERAGE → (\$10)/MSF  
LOWER

CURRENT vs.  
Q1 AVERAGE → (\$15)/MSF  
LOWER

WY's  
SENSITIVITY

AT TYPICAL OPERATING RATES

**\$10/MSF**

≈ **\$30 million**

EBITDA

ANNUALLY



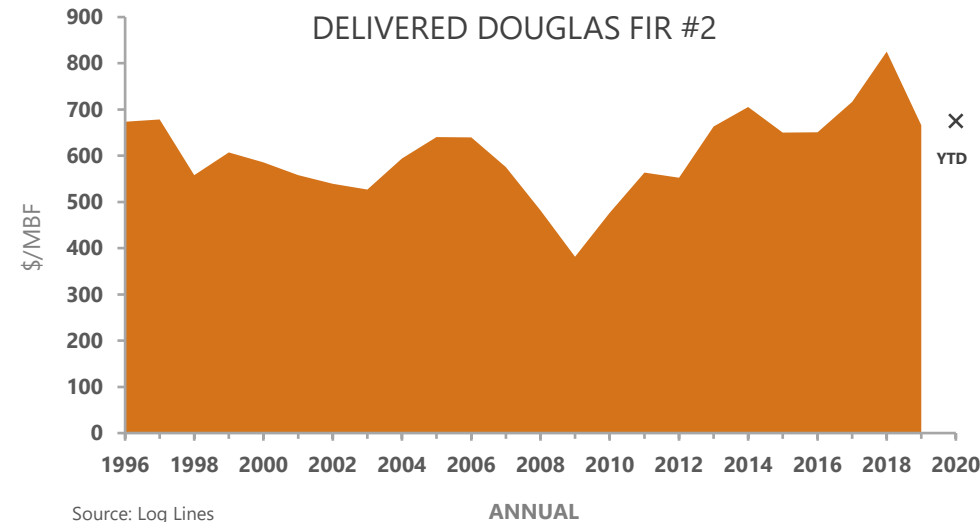
# WESTERN LOGS

## Export Demand Mitigating Weaker Domestic Markets

- Lower domestic log demand due to lower wood products production
- Improved Chinese demand and pricing
- Japanese demand steady, but softening expected
- Able to rapidly flex volume in response to changing markets

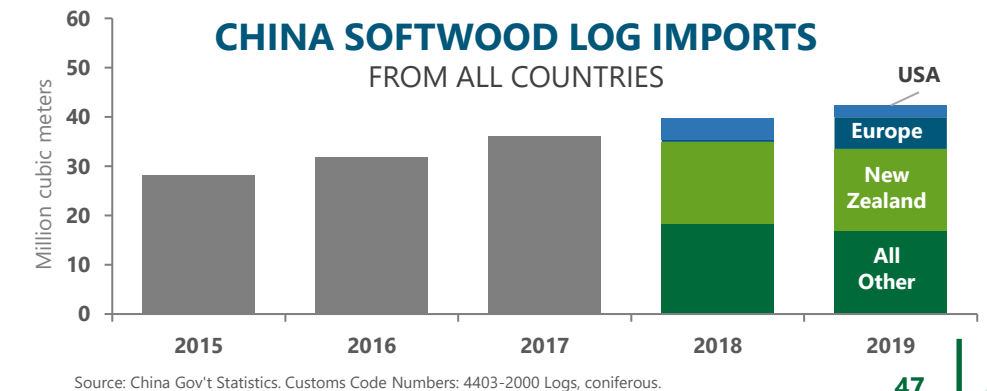
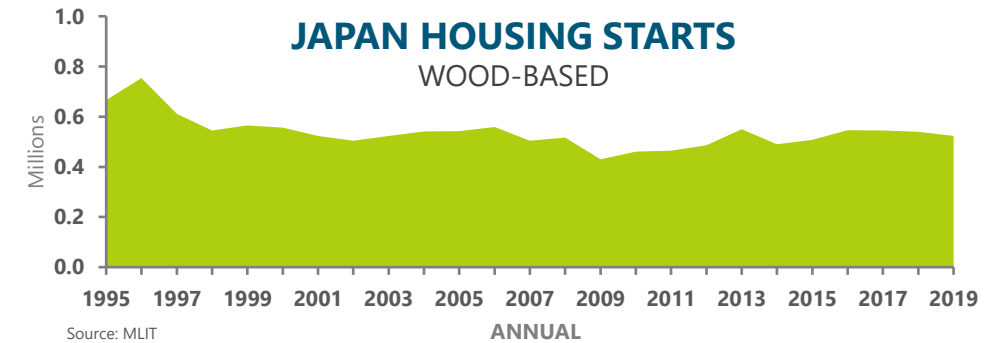
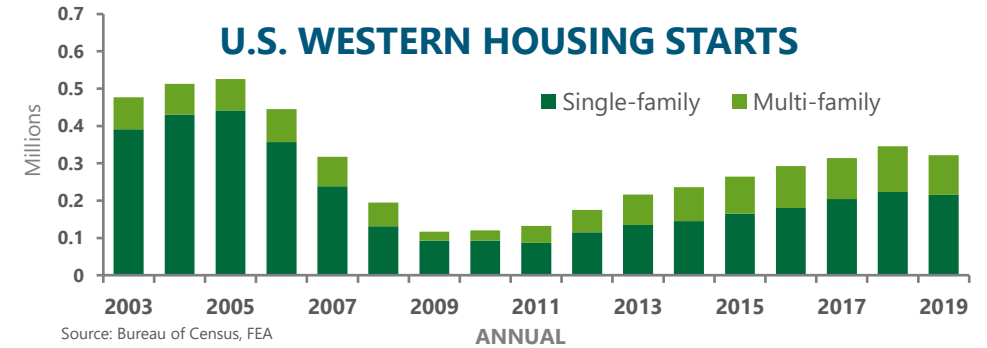
### WESTERN SAWLOG PRICING

DELIVERED DOUGLAS FIR #2



Source: Log Lines  
YTD as of April 2020

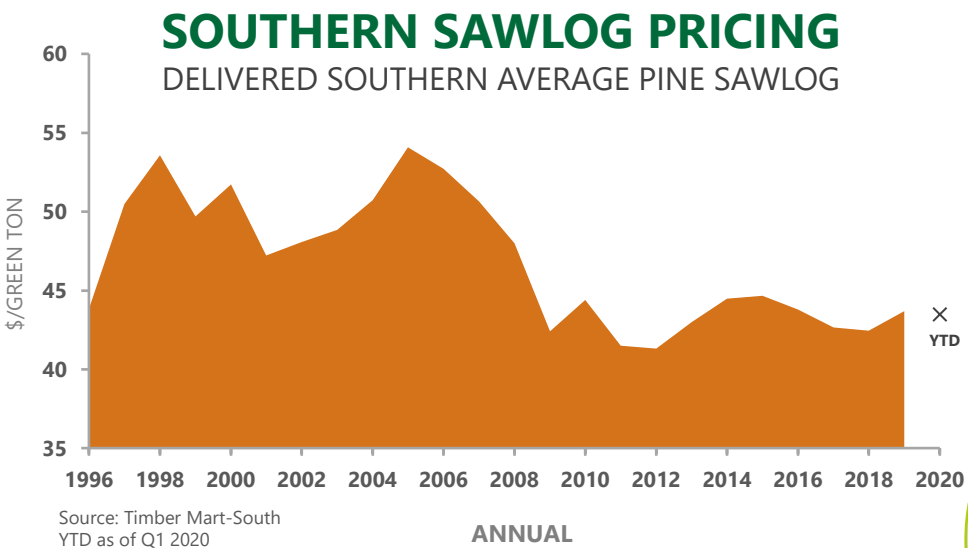
**WY's  
SENSITIVITY  
\$20/MBF  
≈ \$30 million  
EBITDA  
ANNUALLY**



# SOUTHERN LOGS

## Softer Sawlog Markets, but Solid Fiber Demand

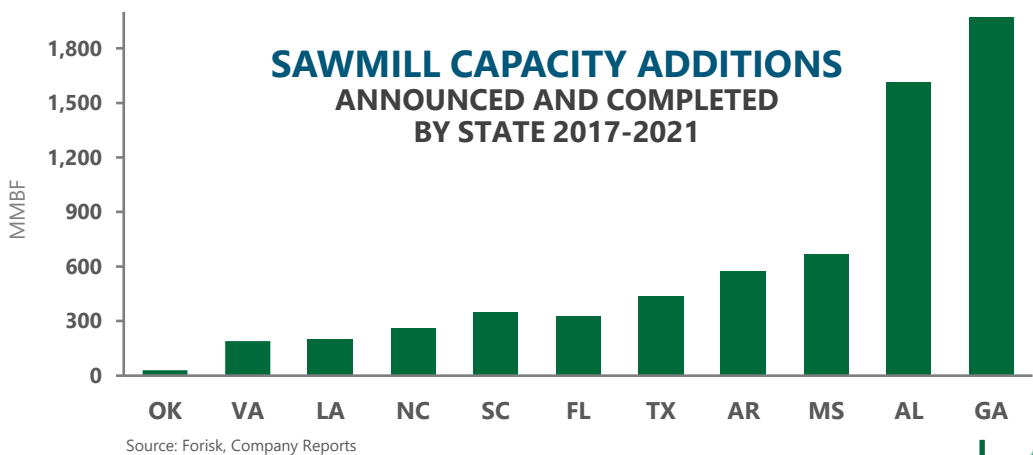
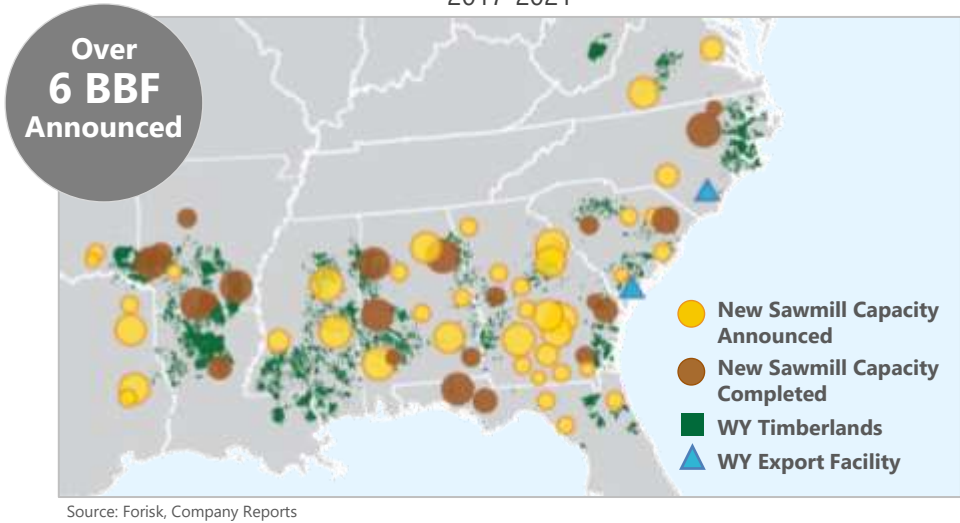
- Industry harvest volumes decreasing in response to lower domestic wood products production
- Fiber market remains stable with demand for hygiene products
- WY's timberlands are well positioned to benefit as domestic sawlog demand rebounds and export opportunities become more meaningful



**WY's SENSITIVITY**  
\$5/ton  
≈ \$70 million  
EBITDA  
ANNUALLY

### U.S. SOUTH CAPACITY ADDITIONS

2017-2021

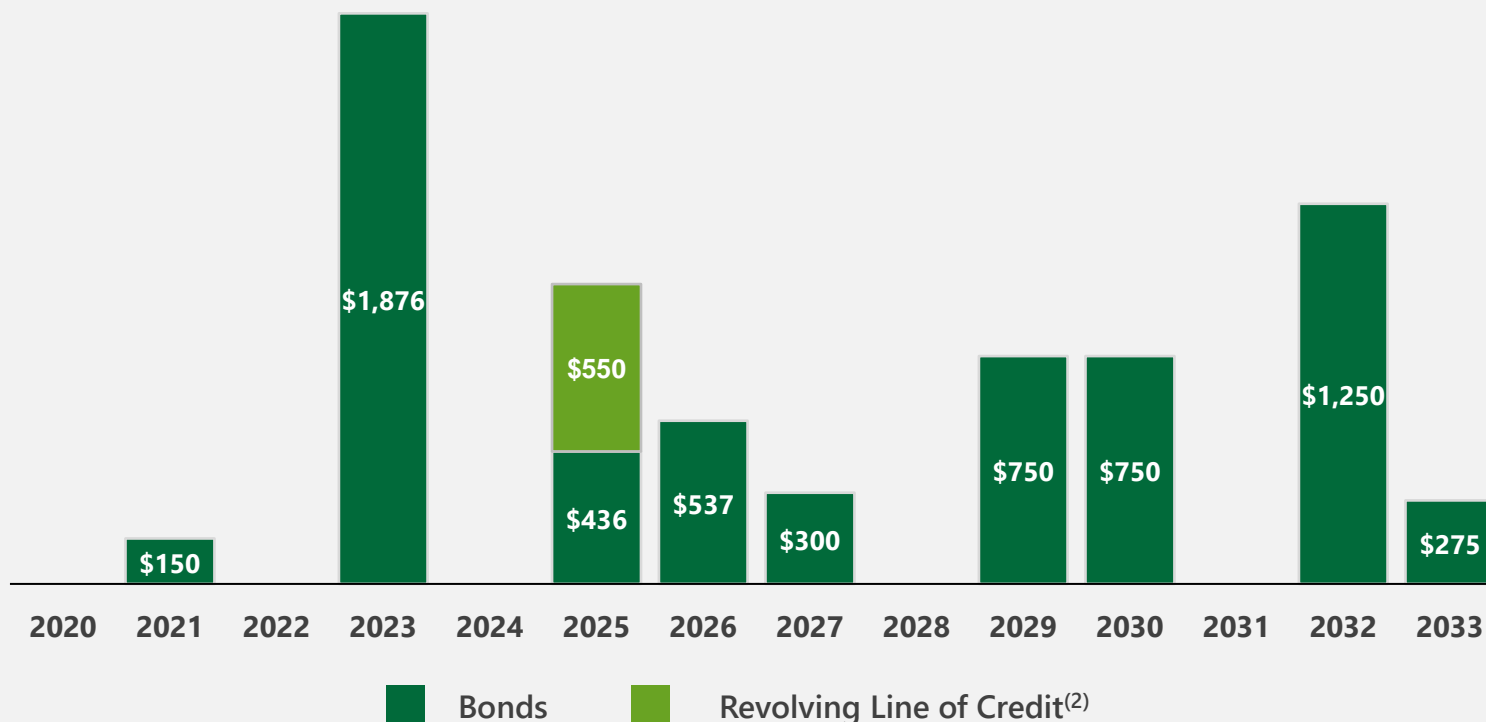


# WELL-LADDERED DEBT PROFILE

After 2021 Repayments, No Additional Debt Maturities Until 2023

## DEBT MATURITY PROFILE<sup>(1)</sup>

\$ in millions



- ✓ Precautionary \$550 million draw on \$1.5 billion revolver
- ✓ Completed \$750 million bond offering to refinance 2021 maturities
- ✓ \$6.3 billion of long-term debt outstanding
  - 96% fixed rate
  - Weighted average maturity of 7 years
  - Weighted average interest rate of 5.8%

1. \$860 million WestRock note maturing 2023 includes extension option.  
2. Revolver balance as of March 31, 2020. Revolver capacity is \$1.5 billion.



# ENVIRONMENTAL, SOCIAL & GOVERNANCE

## External Recognition


### LISTINGS ON ESG INDICES

#### WE ARE THE ONLY

North American forestry or  
wood products company

MEMBER OF

**Dow Jones  
Sustainability Indices**

In collaboration with  **SAM**  
RobecoSAM brand



**STOXX** INNOVATIVE. GLOBAL. INDICES.



FTSE4Good

### ESG RATINGS AND RANKINGS

Corporate Responsibility  
Magazine  
**NAMED US ONE OF THE  
100 BEST  
CORPORATE CITIZENS**



ETHISPHERE  
named us one of the  
**World's Most Ethical  
Companies®**

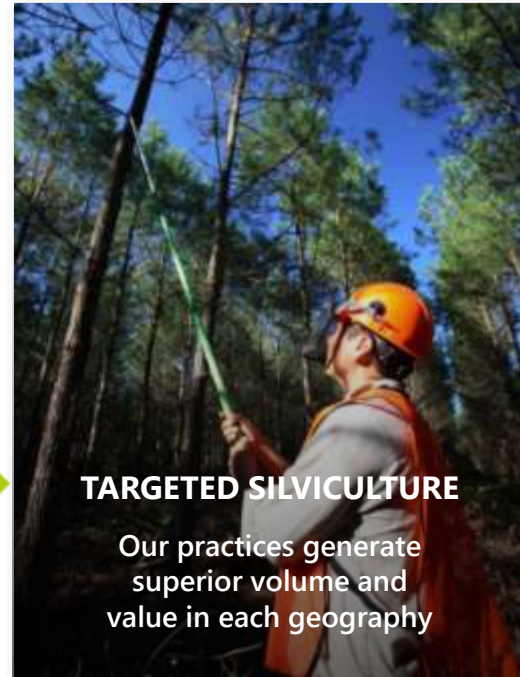
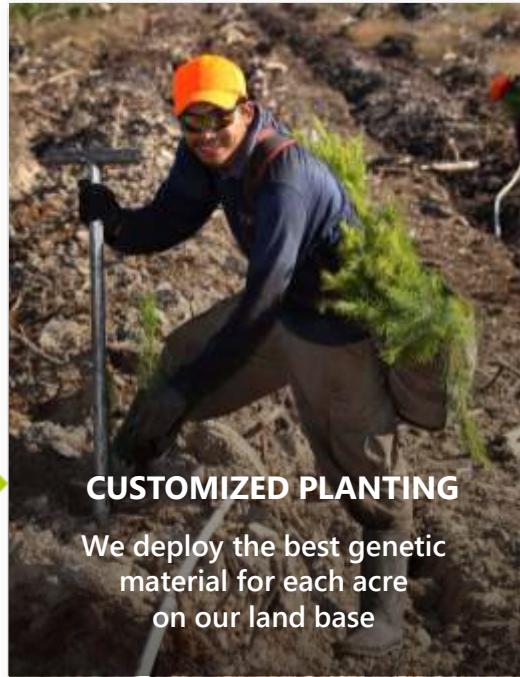


We have a  
**"WINNING"** rating from  
2020 Women on Boards



# WE ARE TIMBER-GROWING EXPERTS

Deeply Committed to Environmental Stewardship



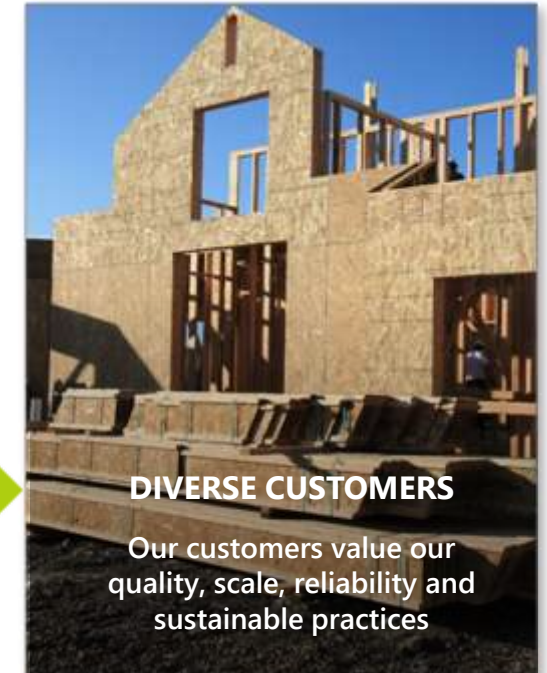
# OUR TIMBER SUPPLY-CHAIN EXPERTISE IS UNRIVALED

We Capture Maximum Value At Each Step



# OUR WOOD PRODUCTS SUPPLY CHAIN IS EFFICIENT

We Drive Out Cost and Maximize Value From Raw Materials to End Use



# OUR VISION >

Working together to be the world's premier timber, land, and forest products company



## HOW WE WIN

### CORE VALUES

Safety  
Integrity  
Citizenship  
Sustainability  
Inclusion



### RELENTLESS FOCUS

Develop our people  
Drive operational excellence  
Deliver the most value from every acre  
Optimize capital



### KEY BEHAVIORS

Act with urgency  
Be accountable  
Be courageous  
Keep it simple  
Be innovative



## WHAT IT LOOKS LIKE

### WEYERHAEUSER A TRULY GREAT COMPANY



Great place to work  
Great customer focus  
Great shareholder value  
Great community support

## WHY WE MATTER



We manage the most sustainable, versatile resource on earth: forests. We're experts at using trees to make products people need, and we do it the right way so our forests will last forever.



# ADJUSTED EBITDA RECONCILIATION

## Total Company

\$ Millions	2016	2017	2018	2019
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$ 1,583</b>	<b>\$ 2,080</b>	<b>\$ 2,032</b>	<b>\$ 1,276</b>
Depletion, depreciation & amortization	(512)	(521)	(486)	(510)
Basis of real estate sold	(109)	(81)	(124)	(116)
Unallocated pension service costs	(5)	(4)	—	—
Special items included in operating income	(135)	(343)	(28)	1
<b>Operating Income (GAAP)</b>	<b>\$ 822</b>	<b>\$ 1,131</b>	<b>\$ 1,394</b>	<b>\$ 651</b>
Non-operating pension and other postretirement benefit (costs) credits	48	(62)	(272)	(516)
Interest income and other	65	40	60	30
<b>Net Contribution to Earnings</b>	<b>\$ 935</b>	<b>\$ 1,109</b>	<b>\$ 1,182</b>	<b>\$ 165</b>
Interest expense, net	(431)	(393)	(375)	(378)
Income taxes	(89)	(134)	(59)	137
<b>Net Earnings from Continuing Operations</b>	<b>\$ 415</b>	<b>\$ 582</b>	<b>\$ 748</b>	<b>\$ (76)</b>
Earnings from discontinued operations, net of income taxes	612	—	—	—
<b>Net Earnings (GAAP)<sup>2</sup></b>	<b>\$ 1,027</b>	<b>\$ 582</b>	<b>\$ 748</b>	<b>\$ (76)</b>

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, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.

2. Net earnings for 2018 and 2019 includes net charges of \$122 million and \$354 million, respectively, of after-tax non-operating special items which are reported in non-operating pension and other postretirement benefit (costs) credits, interest income and other, interest expense, net, and income taxes.



# NET DEBT TO ADJUSTED EBITDA RECONCILIATION

## Total Company

\$ Millions	2016				2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Net Debt to Adjusted EBITDA (LTM) <sup>1,2,3</sup></b>	<b>6.7</b>	<b>6.1</b>	<b>5.3</b>	<b>3.7</b>	<b>3.6</b>	<b>3.3</b>	<b>2.9</b>	<b>2.5</b>	<b>2.5</b>	<b>2.2</b>	<b>2.5</b>	<b>3.0</b>	<b>3.3</b>	<b>3.9</b>	<b>4.7</b>	<b>4.9</b>
Total debt	\$7,715	\$8,013	\$8,310	\$6,610	\$6,606	\$6,604	\$5,995	\$5,992	\$5,928	\$5,924	\$5,921	\$6,344	\$6,401	\$6,293	\$6,590	\$6,377
Less: Cash and equivalents	411	485	769	676	455	701	497	824	598	901	348	334	259	212	153	139
<b>Net Debt</b>	<b>\$7,304</b>	<b>\$7,528</b>	<b>\$7,541</b>	<b>\$5,934</b>	<b>\$6,151</b>	<b>\$5,903</b>	<b>\$5,498</b>	<b>\$5,168</b>	<b>\$5,330</b>	<b>\$5,023</b>	<b>\$5,573</b>	<b>\$6,010</b>	<b>\$6,142</b>	<b>\$6,081</b>	<b>\$6,437</b>	<b>\$6,238</b>
<b>Adjusted EBITDA (LTM) <sup>2,3</sup></b>	<b>\$1,097</b>	<b>\$1,234</b>	<b>\$1,427</b>	<b>\$1,583</b>	<b>\$1,701</b>	<b>\$1,794</b>	<b>\$1,929</b>	<b>\$2,080</b>	<b>\$2,170</b>	<b>\$2,301</b>	<b>\$2,237</b>	<b>\$2,032</b>	<b>\$1,853</b>	<b>\$1,559</b>	<b>\$1,362</b>	<b>\$1,276</b>
Depletion, depreciation & amortization	(345)	(398)	(457)	(512)	(541)	(537)	(531)	(521)	(508)	(498)	(488)	(486)	(489)	(494)	(507)	(510)
Basis of real estate sold	(25)	(37)	(54)	(109)	(106)	(103)	(108)	(81)	(79)	(91)	(113)	(124)	(160)	(171)	(149)	(116)
Unallocated pension service costs	6	3	(1)	(5)	(5)	(5)	(4)	(4)	(2)	(2)	(1)	—	—	—	—	—
Special items in operating income	(96)	(115)	(129)	(135)	(73)	(264)	(457)	(343)	(339)	(149)	58	(28)	(40)	(20)	33	1
<b>Operating Income (LTM) (GAAP) <sup>1</sup></b>	<b>\$637</b>	<b>\$687</b>	<b>\$786</b>	<b>\$822</b>	<b>\$976</b>	<b>\$885</b>	<b>\$829</b>	<b>\$1,131</b>	<b>\$1,242</b>	<b>\$1,561</b>	<b>\$1,693</b>	<b>\$1,394</b>	<b>\$1,164</b>	<b>\$874</b>	<b>\$739</b>	<b>\$651</b>
Equity earnings (loss) from joint ventures	5	12	21	22	17	10	2	1	1	1	—	—	—	—	—	—
Non-operating pension and other post-retirement benefit costs	24	32	41	48	12	(6)	(35)	(62)	(64)	(69)	(70)	(272)	(718)	(715)	(713)	(516)
Interest income and other	36	37	43	43	43	42	38	39	42	44	46	60	58	53	46	30
<b>Net Contribution to Earnings (LTM) <sup>1</sup></b>	<b>\$702</b>	<b>\$768</b>	<b>\$891</b>	<b>\$935</b>	<b>\$1,048</b>	<b>\$931</b>	<b>\$834</b>	<b>\$1,109</b>	<b>\$1,221</b>	<b>\$1,537</b>	<b>\$1,669</b>	<b>\$1,182</b>	<b>\$504</b>	<b>\$212</b>	<b>\$72</b>	<b>\$165</b>
Interest expense, net of capitalized interest	(354)	(383)	(410)	(431)	(435)	(421)	(405)	(393)	(387)	(379)	(374)	(375)	(389)	(388)	(386)	(378)
Income taxes	56	24	(42)	(89)	(102)	(105)	(56)	(134)	(140)	(171)	(183)	(59)	75	177	159	137
<b>Net Earnings (Loss) from Continuing Operations (LTM) <sup>1</sup></b>	<b>\$404</b>	<b>\$409</b>	<b>\$439</b>	<b>\$415</b>	<b>\$511</b>	<b>\$405</b>	<b>\$373</b>	<b>\$582</b>	<b>\$694</b>	<b>\$987</b>	<b>\$1,112</b>	<b>\$748</b>	<b>\$190</b>	<b>\$1</b>	<b>(\$155)</b>	<b>(\$76)</b>
Earnings from discontinued operations, net of income taxes	82	101	107	612	592	554	489	—	—	—	—	—	—	—	—	—
<b>Net Earnings (Loss) (LTM) (GAAP) <sup>1</sup></b>	<b>\$486</b>	<b>\$510</b>	<b>\$546</b>	<b>\$1,027</b>	<b>\$1,103</b>	<b>\$959</b>	<b>\$862</b>	<b>\$582</b>	<b>\$694</b>	<b>\$987</b>	<b>\$1,112</b>	<b>\$748</b>	<b>\$190</b>	<b>\$1</b>	<b>(\$155)</b>	<b>(\$76)</b>
Dividends on preference shares	(44)	(44)	(33)	(22)	(11)	—	—	—	—	—	—	—	—	—	—	—
<b>Net Earnings (Loss) to Common Shareholders (LTM) (GAAP) <sup>1</sup></b>	<b>\$442</b>	<b>\$466</b>	<b>\$513</b>	<b>\$1,005</b>	<b>\$1,092</b>	<b>\$959</b>	<b>\$862</b>	<b>\$582</b>	<b>\$694</b>	<b>\$987</b>	<b>\$1,112</b>	<b>\$748</b>	<b>\$190</b>	<b>\$1</b>	<b>(\$155)</b>	<b>(\$76)</b>

1. LTM – last twelve months.

2. Net debt to Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Net debt to Adjusted EBITDA, as we define it, is long-term debt and borrowings on line of credit, net of cash and cash equivalents divided by the last twelve months of Adjusted EBITDA.

3. 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, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures. 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q1 2020 LTM
Western Timberlands and Energy & Natural Resources (ENR)	\$283	\$263	\$380	\$579	\$470	\$449	\$520	\$544	\$332	\$329
Less: EBITDA attributable to Western ENR <sup>1</sup>	4	5	7	8	11	6	12	12	14	15
<b>Western Timberlands</b>	<b>279</b>	<b>258</b>	<b>373</b>	<b>571</b>	<b>459</b>	<b>443</b>	<b>508</b>	<b>532</b>	<b>318</b>	<b>314</b>
Southern Timberlands and ENR	290	339	372	457	472	469	428	398	410	394
Less: EBITDA attributable to Southern ENR <sup>1</sup>	64	41	44	47	42	43	45	47	58	54
<b>Southern Timberlands</b>	<b>226</b>	<b>298</b>	<b>328</b>	<b>410</b>	<b>430</b>	<b>426</b>	<b>383</b>	<b>351</b>	<b>352</b>	<b>340</b>
<b>Northern Timberlands</b>	<b>29</b>	<b>28</b>	<b>32</b>	<b>47</b>	<b>41</b>	<b>26</b>	<b>23</b>	<b>19</b>	<b>15</b>	<b>11</b>
<b>Other Timberlands</b>	<b>(15)</b>	<b>(8)</b>	<b>46</b>	<b>2</b>	<b>7</b>	<b>6</b>	<b>22</b>	<b>—</b>	<b>(5)</b>	<b>(5)</b>
<b>Adjusted EBITDA including Legacy Plum Creek operations<sup>1,2</sup></b>	<b>\$519</b>	<b>\$576</b>	<b>\$779</b>	<b>\$1,030</b>	<b>\$937</b>	<b>\$901</b>	<b>\$936</b>	<b>\$902</b>	<b>\$680</b>	<b>\$660</b>
Less: EBITDA attributable to Plum Creek <sup>3</sup>	175	203	235	291	260	36	—	—	—	—
<b>Weyerhaeuser Timberlands Adjusted EBITDA<sup>1</sup></b>	<b>\$344</b>	<b>\$373</b>	<b>\$544</b>	<b>\$739</b>	<b>\$678</b>	<b>\$865</b>	<b>\$936</b>	<b>\$902</b>	<b>\$680</b>	<b>\$660</b>
Depletion, Depreciation & Amortization	(138)	(143)	(168)	(207)	(208)	(366)	(356)	(319)	(301)	(296)
Special Items	—	—	—	—	—	—	(48)	—	(32)	(32)
<b>Operating Income (GAAP)</b>	<b>\$206</b>	<b>\$230</b>	<b>\$376</b>	<b>\$532</b>	<b>\$470</b>	<b>\$499</b>	<b>\$532</b>	<b>\$583</b>	<b>\$347</b>	<b>\$332</b>
Interest Income and Other	4	3	4	—	—	—	—	—	—	—
Loss Attributable to Non-Controlling Interest	—	1	—	—	—	—	—	—	—	—
<b>Net Contribution to Earnings</b>	<b>\$210</b>	<b>\$234</b>	<b>\$380</b>	<b>\$532</b>	<b>\$470</b>	<b>\$499</b>	<b>\$532</b>	<b>\$583</b>	<b>\$347</b>	<b>\$332</b>

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, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.

2. Results exclude Real Estate, Energy & Natural Resources, which was reported as part of legacy Weyerhaeuser's Timberlands segment. West includes Plum Creek Washington and Oregon operations. South includes Plum Creek Southern Resources. North includes Plum Creek Northern Resources less Washington and Oregon. Results from Longview Timber are included in Other for 2013 and in Western Timberlands for 2014 and forward. Other also includes results from international operations and certain administrative charges.

3. Results represent Plum Creek Timberlands EBITDA from October 1, 2011 through February 18, 2016.



# ADJUSTED EBITDA RECONCILIATION

## Wood Products

\$ Millions	2011	2012	2013	2014	2015	2016 <sup>1</sup>	2017	2018	2019	Q1 2020 YTD
Lumber	(\$7)	\$130	\$317	\$319	\$212	\$289	\$459	\$459	\$183	\$79
OSB	(4)	143	247	46	41	183	359	329	59	45
EWP	6	17	45	79	114	145	173	177	207	51
Distribution	(37)	(29)	(33)	2	10	25	38	32	33	12
Other	(1)	(15)	(2)	—	(5)	(1)	(12)	(10)	(6)	(3)
<b>Adjusted EBITDA<sup>2</sup></b>	<b>(\$43)</b>	<b>\$246</b>	<b>\$574</b>	<b>\$446</b>	<b>\$372</b>	<b>\$641</b>	<b>\$1,017</b>	<b>\$987</b>	<b>\$476</b>	<b>\$184</b>
Depletion, Depreciation & Amortization	(151)	(133)	(123)	(119)	(106)	(129)	(145)	(149)	(191)	(50)
Special Items	(52)	6	(10)	—	(8)	—	(303)	—	68	—
<b>Operating Income (GAAP)</b>	<b>(\$246)</b>	<b>\$119</b>	<b>\$441</b>	<b>\$327</b>	<b>\$258</b>	<b>\$512</b>	<b>\$569</b>	<b>\$838</b>	<b>\$353</b>	<b>\$134</b>
Interest Income and Other	3	1	—	—	—	—	—	—	—	—
<b>Net Contribution to Earnings</b>	<b>(\$243)</b>	<b>\$120</b>	<b>\$441</b>	<b>\$327</b>	<b>\$258</b>	<b>\$512</b>	<b>\$569</b>	<b>\$838</b>	<b>\$353</b>	<b>\$134</b>

1. Amounts presented reflect the results of operations acquired in our merger with Plum Creek Timber, Inc. beginning on the merger date of February 19, 2016.

2. Adjusted EBITDA is a non-GAAP measure that management uses to evaluate the performance of the company. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures. 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	2016	2017	2018	2019
Real Estate	\$142	\$178	\$196	\$193
Energy & Natural Resources	47	63	68	81
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$189</b>	<b>\$241</b>	<b>\$264</b>	<b>\$274</b>
Depletion, Depreciation & Amortization	(13)	(15)	(14)	(14)
Basis of Real Estate Sold	(109)	(81)	(124)	(116)
Special Items in Operating Income	(14)	—	—	—
<b>Operating Income (GAAP)</b>	<b>\$53</b>	<b>\$145</b>	<b>\$126</b>	<b>\$144</b>
Interest Income and Other	2	1	1	—
<b>Net Contribution to Earnings</b>	<b>\$55</b>	<b>\$146</b>	<b>\$127</b>	<b>\$144</b>

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, unallocated pension service costs and special items. Adjusted EBITDA excludes results from joint ventures. Adjusted EBITDA should not be considered in isolation from and is not intended to represent an alternative to our GAAP results.

