



Louisiana - Pacific Corporation

Q3 2018 Financial Results November 6, 2018

These slides were prepared and should be read in conjunction with the earnings release by LP's management on November 6, 2018 relating to LP's financial condition and results of operations as of and for the quarter ended September 30, 2018. LP does not intend to update these slides. Accordingly, you should not assume that the information contained in these slides will continue to be accurate as of any date after November 6, 2018.



Statement Relating to the Use of Non-GAAP Financial Measures

During the course of this presentation, certain non-U.S. GAAP financial information will be presented. Reconciliation of those numbers to U.S. GAAP financial measures are available on the company's website at www.lpcorp.com under the Investor Relations Presentations section.



Forward Looking Statements

This presentation contains statements concerning Louisiana-Pacific Corporation's (LP) 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: changes in governmental fiscal and monetary policies, tariffs and levels of employment; changes in general economic conditions; changes in the cost and availability of capital; changes in the level of home construction and repair 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 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; changes in other significant operating expenses; changes in exchange rates between the U.S. dollar and other currencies, particularly the Canadian dollar, Brazilian real and Chilean peso; changes in general and industry-specific environmental laws and regulations; changes in tax laws, and interpretations thereof; changes in circumstances giving rise to environmental liabilities or expenditures; the resolution of existing and future product-related litigation and other legal proceedings; and acts of public authorities, war, civil unrest, natural disasters, fire, floods, earthquakes, inclement weather and other matters beyond our control. These and other factors that could cause or contribute to actual results differing materially from those contemplated by such forward-looking statements are discussed in greater detail in the company's Securities and Exchange Commission filings.



Financial Results

Dollar amounts in millions, except per share amounts

	<u>Q3 2018</u>	<u>Q2 2018</u>	<u>Q3 2017</u>	<u>YTD 2018</u>	<u>YTD 2017</u>
Net sales	\$ 736.8	\$ 810.8	\$ 718.3	\$ 2,238.9	\$ 2,023.3
Income from continuing operations	\$ 124.1	\$ 162.9	\$ 110.9	\$ 381.9	\$ 260.3
Net income	\$ 124.0	\$ 162.7	\$ 109.8	\$ 377.6	\$ 259.2
Diluted EPS from continuing operations	\$ 0.86	\$ 1.11	\$ 0.76	\$ 2.62	\$ 1.78
Diluted EPS	\$ 0.86	\$ 1.11	\$ 0.75	\$ 2.59	\$ 1.77
<u>Non-GAAP financial results</u>					
Adjusted income	\$ 119.9	\$ 157.2	\$ 102.1	\$ 369.8	\$ 234.6
Adjusted diluted EPS	\$ 0.83	\$ 1.08	\$ 0.70	\$ 2.54	\$ 1.60
Adjusted EBITDA	\$ 193.4	\$ 242.0	\$ 194.4	\$ 594.8	\$ 475.0
Adjusted EBITDA Margin	26%	30%	27%	27%	23%
Average shares outstanding					
Diluted	143.9	146.2	146.5	145.6	146.3

Note: Refer to LP Form 8K filed on November 6, 2018 for the reconciliation of Adjusted income, EBITDA, Adjusted EBITDA and Adjusted EBITDA margin

Siding

Dollar amounts in millions



	<u>Q3 2018</u>	<u>Q2 2018</u>	<u>Q3 2017</u>	<u>YTD 2018</u>	<u>YTD 2017</u>
Sales	\$ 240.8	\$ 261.6	\$ 226.2	\$ 729.4	\$ 671.2
Operating income^a	\$ 59.8	\$ 62.7	\$ 53.3	\$ 167.8	\$ 142.9
Adjusted EBITDA	\$ 68.3	\$ 71.4	\$ 61.6	\$ 193.4	\$ 167.2
Adjusted EBITDA Margin	28%	27%	27%	27%	25%
Percentage Changes:					
Sales		(8)%	6%		9%
Adjusted EBITDA		(4)%	11%		16%
<u>Volume</u>					
Smart Side - strand		(6)%	10%		8%
Smart Side - fiber		8%	(5)%		(11)%
CanExel		(44)%	(42)%		(22)%
OSB		(27)%	(24)%		(10)%
<u>Price</u>					
Smart Side - strand		2%	5%		5%
Smart Side - fiber		2%	11%		9%
CanExel		—%	(5)%		4%
OSB		(24)%	(11)%		16%

^a Operating income equals sales less cost of sales and selling and administration directly associated with the segment.



OSB

Dollar amounts in millions

	<u>Q3 2018</u>	<u>Q2 2018</u>	<u>Q3 2017</u>	<u>YTD 2018</u>	<u>YTD 2017</u>
Sales	\$ 349.1	\$ 387.4	\$ 350.9	\$ 1,049.8	\$ 944.3
Operating income^a	\$ 114.8	\$ 157.4	\$ 126.8	\$ 369.6	\$ 290.6
Adjusted EBITDA	\$ 130.5	\$ 171.1	\$ 142.2	\$ 414.1	\$ 336.0
Adjusted EBITDA Margin	37%	44%	41%	39%	36%
Percentage Changes:					
Sales		(10)%	(1)%		11%
Adjusted EBITDA		(24)%	(8)%		23%
<u>Volume</u>					
OSB - commodity		—%	(4)%		(2)%
OSB - value add		9%	8%		1%
<u>Price</u>					
OSB - commodity		(14)%	(4)%		12%
OSB - value add		(11)%	3%		13%

^a Operating income equals sales less cost of sales and selling and administration directly associated with the segment.



Engineered Wood Products

Dollar amounts in millions

	<u>Q3 2018</u>	<u>Q2 2018</u>	<u>Q3 2017</u>	<u>YTD 2018</u>	<u>YTD 2017</u>
Sales	\$ 104.8	\$ 109.1	\$ 98.1	\$ 314.6	\$ 274.4
Operating income^a	\$ 8.5	\$ 8.6	\$ 6.5	\$ 19.9	\$ 12.6
Adjusted EBITDA	\$ 12.4	\$ 13.0	\$ 10.6	\$ 32.7	\$ 24.4
Adjusted EBITDA Margin	12%	12%	11%	10%	9%
Percentage Changes:					
Sales		(4)%	7%		15%
Adjusted EBITDA		(5)%	17%		34%
<u>Volume</u>					
LVL		(12)%	(10)%		(3)%
LSL		—%	30%		28%
I-Joist		9%	4%		5%
<u>Price</u>					
LVL		2%	9%		9%
LSL		5%	13%		10%
I-Joist		1%	5%		8%

^a Operating income equals sales less cost of sales and selling and administration directly associated with the segment.



South America

Dollar amounts in millions

	<u>Q3 2018</u>	<u>Q2 2018</u>	<u>Q3 2017</u>	<u>YTD 2018</u>	<u>YTD 2017</u>
Sales	\$ 34.5	\$ 45.3	\$ 38.3	\$ 122.2	\$ 114.8
Operating income^a	\$ 6.5	\$ 9.6	\$ 5.8	\$ 25.0	\$ 16.4
Adjusted EBITDA	\$ 8.6	\$ 11.9	\$ 8.2	\$ 31.7	\$ 23.2
Adjusted EBITDA Margin	25%	26%	21%	26%	20%
Percentage Changes:					
Sales		(24)%	(10)%		6%
Adjusted EBITDA		(28)%	5%		37%
<u>Volume</u>					
OSB		(15)%	(17)%		(10)%
Siding		(49)%	(3)%		12%
<u>Price</u>					
OSB		(5)%	7%		18%
Siding		(4)%	2%		6%

^a Operating income equals sales less cost of sales and selling and administration directly associated with the segment.



Balance Sheet and Other Statistics

Dollar amounts in millions

	September 30, 2018	December 31, 2017
Cash	\$ 986.7	\$ 928.0
Accounts receivable	\$ 143.5	\$ 142.5
Inventory	\$ 284.4	\$ 259.1
Property, plant and equipment, net	\$ 976.2	\$ 926.1
Accounts payable	\$ 213.7	\$ 237.1
Debt	\$ 353.8	\$ 375.9
Capital expenditures	\$ 150.4	\$ 148.6