**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

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# FORM 10-Q

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**Quarterly Report Pursuant to Section 13 or 15(d)**

**of the Securities Exchange Act of 1934**

**For the Quarterly Period Ended March 31, 2020**
**Commission File Number 1-7107**

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# LOUISIANA-PACIFIC CORPORATION
**(Exact name of registrant as specified in its charter)**

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| | |
|---|---|
| **Delaware** | **93-0609074** |
| **(State or other jurisdiction of incorporation or organization)** | **(IRS Employer Identification No.)** |

**414 Union Street, Suite 2000, Nashville, TN 37219**
**(Address of principal executive offices) (Zip Code)**
**Registrant's telephone number, including area code: (615) 986 - 5600**

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Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $1 par value | LPX | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | x | Accelerated filer | o |
| Non-accelerated filer | o | Smaller reporting company | o |
| Emerging growth company | o | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 112,206,179 shares of Common Stock, $1 par value, outstanding as of April 30, 2020. *Except as otherwise specified and unless the context otherwise requires, references to "LP", the "Company", "we", "us", and "our" refer to Louisiana-Pacific Corporation and its subsidiaries.*

## ABOUT FORWARD-LOOKING STATEMENTS

Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the Exchange Act) provide a “safe harbor” for forward-looking statements to encourage companies to provide prospective information about their businesses and other matters as long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the statements. This quarterly report on Form 10-Q contains, and other reports and documents filed by us with the Securities and Exchange Commission (SEC) may contain forward-looking statements. These statements are based upon the beliefs and assumptions of, and on information available to, our management.

The following statements are or may constitute forward-looking statements: (1) statements preceded by, followed by or that include words like “may,” “will,” “could,” “should,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” "project," “potential,” “continue,” "likely," or “future” or the negative or other variations thereof and (2) other statements regarding matters that are not historical facts, including without limitation, plans for product development, forecasts of future costs and expenditures, possible outcomes of legal proceedings, capacity expansion, and other growth initiatives and the adequacy of reserves for loss contingencies.

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 pandemics, such as the recent COVID-19 pandemic and quarantines) on the economy, demand for our products or our operations, including the responses 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 COVID-19 pandemic;
- 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 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;
- 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 disruptions, transportation interruptions, supply interruptions and public health issues (including pandemics and quarantines);
- 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 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;
- 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 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

In addition to the foregoing and any risks and uncertainties specifically identified in the text surrounding forward-looking statements, any statements in the reports and other documents filed by us with the SEC that warn of risks or uncertainties associated with future results, events, or circumstances identify important factors that could cause actual results, events, and circumstances to differ materially from those reflected in the forward-looking statements.

## ABOUT THIRD-PARTY INFORMATION

In this quarterly report on Form 10-Q, we rely on and refer to information regarding industry data obtained from market research, publicly available information, industry publications, U.S. government sources, and other third parties. Although we believe the information is reliable, we cannot guarantee the accuracy or completeness of the information and have not independently verified it.

## PART I FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

**Condensed Consolidated Statements of Income**
Dollar amounts in millions, except per share amounts
(Unaudited)

| | Three Months Ended March 31, | |
|---|---|---|
| | **2020** | **2019** |
| **Net sales** | $ 585 | $ 582 |
| Cost of sales | (477) | (501) |
| Gross profit | 108 | 81 |
| Selling, general, and administrative expenses | (55) | (56) |
| Impairment of long-lived assets | (7) | (1) |
| Other operating credits and charges, net | (2) | (2) |
| **Income from operations** | 44 | 22 |
| Interest (expense) income | (7) | 1 |
| Other non-operating items | 5 | 11 |
| **Income before income taxes** | 42 | 34 |
| Provision for income taxes | (9) | (7) |
| **Net income** | $ 33 | $ 26 |
| Net loss attributed to noncontrolling interest | — | 1 |
| **Net income attributed to LP** | $ 33 | $ 27 |
| | | |
| **Basic net income per share of common stock:** | | |
| Net income per share - basic | $ 0.29 | $ 0.20 |
| **Diluted net income per share of common stock:** | | |
| Net income per share - diluted | $ 0.29 | $ 0.20 |
| | | |
| Average shares of common stock used to compute net income per share: | | |
| Basic | 112 | 131 |
| Diluted | 113 | 132 |

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

**Condensed Consolidated Statements of Comprehensive Income**
Dollar amounts in millions
(Unaudited)

| | Three Months Ended March 31, | |
|---|---|---|
| | **2020** | **2019** |
| **Net income** | **$ 33** | **$ 26** |
| Other comprehensive income, net of tax | | |
| Foreign currency translation adjustments | (23) | 2 |
| Amortization of pension and post-retirement prior service costs and net loss | 1 | 1 |
| Other comprehensive income (loss), net of tax | (22) | 2 |
| **Comprehensive income** | **11** | **28** |
| Comprehensive income associated with noncontrolling interest | — | — |
| **Comprehensive income attributed to LP** | $ 11 | $ 29 |

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

**Condensed Consolidated Balance Sheets**
Dollar amounts in millions
(Unaudited)

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 488 | $ 181 |
| Receivables, net of allowance for doubtful accounts of $1 million at March 31, 2020, and December 31, 2019, respectively | 172 | 164 |
| Inventories | 284 | 265 |
| Prepaid expenses and other current assets | 11 | 9 |
| Assets held for sale | 21 | — |
| **Total current assets** | **976** | **619** |
| Timber and timberlands | 56 | 63 |
| Property, plant, and equipment, net | 930 | 965 |
| Operating lease assets | 43 | 44 |
| Goodwill and other intangible assets | 53 | 53 |
| Investments in and advances to affiliates | 12 | 10 |
| Restricted cash | — | 14 |
| Other assets | 62 | 67 |
| **Total assets** | **$ 2,132** | **$ 1,835** |
| **LIABILITIES AND EQUITY** | | |
| Accounts payable and accrued liabilities | 208 | 242 |
| Other current liabilities | 6 | 2 |
| **Total current liabilities** | **214** | **244** |
| Long-term debt | 698 | 348 |
| Deferred income taxes | 65 | 73 |
| Non-current operating lease liabilities | 34 | 36 |
| Other long-term liabilities | 127 | 133 |
| **Total liabilities** | **1,138** | **834** |
| Redeemable noncontrolling interest | 10 | 10 |
| **Stockholders' equity:** | | |
| Common stock, $1 par value, 200,000,000 shares authorized; shares 129,665,899 and 112,170,565 shares issued and outstanding, respectively, as of March 31, 2020; and 129,665,899 and 111,945,021 shares issued and outstanding, respectively, as of December 31, 2019 | 130 | 130 |
| Additional paid-in capital | 448 | 454 |
| Retained earnings | 983 | 966 |
| Treasury stock, 17,495,334 shares and 17,720,878 shares, at cost as of March 31, 2020, and December 31, 2019, respectively | (402) | (406) |
| Accumulated comprehensive loss | (175) | (153) |
| **Total stockholders' equity** | **984** | **991** |
| **Total liabilities and stockholders' equity** | **$ 2,132** | **$ 1,835** |

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

**Condensed Consolidated Statements of Cash Flows**
Dollar amounts in millions
(Unaudited)

| | Three Months Ended March 31, | |
|---|---|---|
| | **2020** | **2019** |
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Net income | $ 33 | $ 26 |
| Adjustments to net income: | | |
| Depreciation and amortization | 28 | 31 |
| Impairment of long-lived assets | 7 | 1 |
| Gain on acquisition | — | (14) |
| Deferred taxes | (4) | (6) |
| Other adjustments, net | (5) | 3 |
| Changes in assets and liabilities (net of acquisitions): | | |
| Receivables | (31) | (35) |
| Prepaid expenses and other current assets | (1) | — |
| Inventories | (36) | (36) |
| Accounts payable and accrued liabilities | (16) | (15) |
| Income taxes payable, net of receivables | 16 | (9) |
| ***Net cash used in operating activities*** | **(9)** | **(54)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Property, plant, and equipment additions | (24) | (43) |
| Cash acquired in acquisition | — | 40 |
| Other investing activities | — | (1) |
| ***Net cash used in investing activities*** | **(24)** | **(4)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | |
| Borrowing of long-term debt | 350 | — |
| Payment of cash dividends | (16) | (17) |
| Purchase of stock | — | (438) |
| Other financing activities | (5) | (4) |
| ***Net cash provided by (used in) financing activities*** | **329** | **(459)** |
| EFFECT OF EXCHANGE RATE ON CASH, CASH EQUIVALENTS AND RESTRICTED CASH | (3) | — |
| Net increase (decrease) in cash, cash equivalents and restricted cash | 293 | (517) |
| Cash, cash equivalents, and restricted cash at beginning of period | 195 | 892 |
| **Cash, cash equivalents, and restricted cash at end of period** | **$ 488** | **$ 375** |
| | | |
| **Supplemental cash flow information:** | | |
| Cash paid for income taxes | $ — | $ 21 |
| Cash paid for interest, net of cash received | $ 10 | $ 5 |
| Unpaid capital expenditures | $ 7 | $ 21 |

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

**Condensed Consolidated Statements of Stockholders' Equity**
Dollar and share amounts in millions, except per share amounts
(Unaudited)

| | Common Stock | | Treasury Stock | | Additional Paid-in Capital | Retained Earnings | Accumulated Comprehensive Loss | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | | | | |
| **Balance, December 31, 2019** | **130** | **$ 130** | **18** | **$ (406)** | **$ 454** | **$ 966** | **$ (153)** | **$ 991** |
| Net income | | | | | | 33 | | 33 |
| Dividends paid ($0.145 per share) | | | | | | (16) | | (16) |
| Issuance of shares under stock plans | | | — | 8 | (8) | | | — |
| Taxes paid related to net settlement of stock-based awards | | | | (4) | | | | (4) |
| Compensation expense associated with stock-based compensation | | | | | 2 | | | 2 |
| Other comprehensive loss | | | | | | | (22) | (22) |
| **Balance, March 31, 2020** | **130** | **$ 130** | **18** | **$ (402)** | **$ 448** | **$ 983** | **$ (175)** | **$ 984** |

| | Common Stock | | Treasury Stock | | Additional Paid-in Capital | Retained Earnings | Accumulated Comprehensive Loss | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | | | | |
| **Balance, December 31, 2018** | **153** | **$ 153** | **16** | **$ (378)** | **$ 458** | **$ 1,613** | **$ (146)** | **$ 1,700** |
| Net income | | | | | | 27 | | 27 |
| Dividends paid ($0.135 per share) | | | | | | (17) | | (17) |
| Issuance of shares under stock plans | | | — | 8 | (8) | | | — |
| Taxes paid related to net settlement of stock-based awards | | | — | (4) | | | | (4) |
| Purchase of stock | (12) | (12) | 2 | (38) | (80) | (308) | | (438) |
| Compensation expense associated with stock-based compensation | | | | | 2 | | | 2 |
| Other comprehensive loss | | | — | | | | 2 | 2 |
| **Balance, March 31, 2019** | **141** | **$ 141** | **18** | **$ (412)** | **$ 373** | **$ 1,314** | **$ (144)** | **$ 1,273** |

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1. NATURE OF OPERATIONS AND BASIS FOR PRESENTATION

**Nature of Operations**

Louisiana-Pacific Corporation and our subsidiaries are a leading provider of high-performance building solutions serving the new home construction, repair and remodeling, and outdoor structures markets. In addition to our U.S. operations, the Company also maintains manufacturing facilities in Canada, Chile, and Brazil through foreign subsidiaries and joint ventures. The principal customers for our building solutions are retailers, wholesalers, and homebuilding and industrial businesses in North America and South America, with limited sales to Asia, Australia, and Europe. References to "LP," "the Company," "we," "our," and "us" refer to Louisiana-Pacific Corporation and its consolidated subsidiaries as a whole.

**Basis for Presentation**

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) for interim financial information. Accordingly, they do not include all the information and footnotes required by U.S. GAAP for complete consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and are of a normal and recurring nature. These Condensed Consolidated Financial Statements and notes hereto should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC on February 13, 2020 (2019 Annual Report on Form 10-K). Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year. All dollar amounts are shown in millions except per share.

**COVID-19 Impact**

In March 2020, the World Health Organization (WHO) characterized the outbreak of COVID-19 as a global pandemic and recommended containment and mitigations measures. In response to this declaration and the rapid global spread of COVID-19, national, state, and local governments have taken extraordinary, wide-ranging actions to contain the outbreak and spread of COVID-19, including quarantines, "stay-at-home" orders and similar mandates imposing varying degrees of restrictions on social and commercial activity to promote social distancing.

The pandemic and the resulting containment did not materially impact our results for the three months ended March 31, 2020, due to our ability to continue operations and deliver orders through the end of the period. However, the COVID-19 pandemic and actions taken in response thereto are continuing to have a significant adverse effect on many sectors of the economy, including new home building and repair and remodel activity. We have reduced mill operating schedules to balance production and demand. While this reduction in production is currently expected to be temporary, the duration of the COVID-19 pandemic, the actions to contain the pandemic and treat its impacts, and the effects on our operations are highly uncertain and cannot be predicted at this time. Therefore, while we expect the reduced production to negatively impact our business, results of operations, cash flows and financial position, the related financial impact cannot be reasonably estimated at this time.

In March 2020, we borrowed $350 million under our revolving credit facility with American AgCredit, PCA, as administrative agent and CoBank, ACB, as a letter of credit issuer, and various lenders (the "Credit Facility") as a precautionary measure, to ensure funds are available to meet our obligations for a substantial period of time in response to the COVID-19 pandemic. Additionally, on May 1, 2020, we entered into an amendment to our amended and restated credit agreement with various lenders and American AgCredit, PCA, as administrative agent (the "Amended Credit Facility") to provide an incremental $200 million revolving credit facility.

As of March 31, 2020, we had $488 million of cash and cash equivalents. Additionally, in response to the current business environment as impacted by COVID-19, we are taking precautionary measures and adjusting our operational needs, including a significant reduction in capital spending and discretionary spending.

As a result of the economic and business impact of COVID-19, we may be required to revise certain accounting estimates and judgments such as, but not limited to, those related to the valuation of goodwill, intangibles, long-lived assets, accounts receivable, and inventory, which could have a material adverse effect on our financial position and results of operations.

**Recently Adopted Accounting Policies**

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses* (Topic 326*)*. This ASU sets forth a "current expected credit loss" (CECL) model, which requires the measurement of all expected credit losses for financial instruments or other assets (e.g., trade receivables), held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. The Company adopted ASU 2016-13 on January 1, 2020. This adoption did not have a material impact on the Company's Consolidated Financial Statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other* (Topic 350). The standard simplifies the accounting for goodwill impairments by eliminating step 2 from the goodwill impairment test. The Company adopted ASU 2017-14 on January 1, 2020. This adoption did not have a material impact on the Company's Consolidated Financial Statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement* (Topic 820). The standard amends ASC 820 to add and remove disclosure requirements related to fair value measurement. The Company adopted ASU 2018-13 on January 1, 2020. This adoption did not have a material impact on the Company's Consolidated Financial Statements.

In August 2018, the FASB issued ASU 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract (Subtopic 350-40)*. The standard provides additional guidance on the accounting for costs of implementation activities performed in a cloud computing arrangement that is a service contract. The Company adopted ASU 2018-15 on January 1, 2020, using the prospective transition method. This adoption did not have a material impact on the Company's Consolidated Financial Statements.

**Accounting Standards Issued But Not Yet Adopted**

In August 2018, the FASB issued ASU 2018-14, *Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans,* which amends ASC 715 to add, remove, and clarify disclosure requirements related to defined benefit pension and other postretirement plans. The amended guidance modifies the disclosure requirements for employers that sponsor defined benefit pension or other post-retirement plans by removing and adding certain disclosures for these plans. The eliminated disclosures include (a) the amounts in accumulated OCI expected to be recognized in net periodic benefit costs over the next fiscal year, and (b) the effects of a one percentage point change in assumed health care cost trend rates on the net periodic benefit costs and the benefit obligation for post-retirement health care benefits. Additional disclosures include descriptions of significant gains and losses affecting the benefit obligation for the period. The amended guidance is effective for fiscal years ending after December 15, 2020. Early adoption is permitted. The adoption of this guidance will modify our disclosures but is not expected to have a material effect on our Consolidated Financial Statements.

In December 2019, the FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*. This ASU simplifies the accounting for income taxes by, among other things, eliminating certain existing exceptions related to the general approach in ASC 740 relating to franchise taxes, reducing complexity in the interim-period accounting for year-to date loss limitations and changes in tax laws, and clarifying the accounting for transactions outside of business combination that result in a step-up in the tax basis of goodwill. The transition requirements are primarily prospective and the effective date is for interim and annual reporting periods beginning after December 15, 2020, with early adoption permitted. We are currently evaluating the impact of the new guidance on our Condensed Consolidated Financial Statements.

## NOTE 2. REVENUE

The following table presents our reportable segment revenues, disaggregated by revenue source. We disaggregate revenue from contracts with customers into major product lines. We have determined that disaggregating revenue into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. During the three months ended March 31, 2020, our LP CanExel® prefinished siding was reclassified from Siding to Other, reflecting changes in organizational structure and, accordingly, the information that the chief operating decision maker uses to evaluate performance and allocate resources to our business segments. All prior periods presented have been adjusted for comparability.

As noted in the segment reporting information in Note 19 below, our reportable segments are: Siding, Oriented Strand Board (OSB), Engineered Wood Products (EWP), and South America.

| | Three Months Ended March 31, 2020 | | | | | | |
|---|---|---|---|---|---|---|---|
| **By product type and family:** | **Siding** | **OSB** | **EWP** | **South America** | **Other** | **Inter-segment** | **Total** |
| Value-add | | | | | | | |
| SmartSide® Strand siding | $ 191 | $ — | $ — | $ 3 | $ — | $ — | $ 194 |
| SmartSide® Fiber siding | 19 | — | — | — | — | — | 19 |
| CanExel® siding | — | — | — | — | 11 | — | 11 |
| OSB - Structural Solutions | — | 103 | 1 | 32 | — | — | 136 |
| LVL | — | — | 36 | — | — | — | 36 |
| LSL | — | — | 12 | — | — | — | 12 |
| I-Joist | — | — | 37 | — | — | — | 37 |
| | 210 | 103 | 86 | 35 | 11 | — | 445 |
| Commodity | | | | | | | |
| OSB - commodity | — | 113 | — | — | — | — | 113 |
| Plywood | — | — | 6 | — | — | — | 6 |
| | — | 113 | 6 | — | — | — | 119 |
| Other | | | | | | | |
| Other products | 2 | 4 | 7 | 1 | 7 | — | 21 |
| | $ 212 | $ 220 | $ 99 | $ 36 | $ 18 | $ — | $ 585 |

| By product type and family: | Siding | OSB | EWP | South America | Other | Inter-segment | Total |
|---|---|---|---|---|---|---|---|
| | **Three Months Ended March 31, 2019** | | | | | | |
| Value-add | | | | | | | |
| SmartSide® Strand siding | $ 187 | $ — | $ — | $ 6 | $ — | $ — | $ 193 |
| SmartSide® Fiber siding | 26 | — | — | — | — | — | 26 |
| CanExel® siding | — | — | — | — | 17 | — | 17 |
| OSB - Structural Solutions | — | 98 | 2 | 38 | — | — | 138 |
| LVL | — | — | 31 | — | — | — | 31 |
| LSL | — | — | 13 | — | — | (1) | 12 |
| I-Joist | — | — | 26 | — | — | — | 26 |
| | 213 | 98 | 72 | 44 | 17 | (1) | 443 |
| Commodity | | | | | | | |
| OSB - commodity | 3 | 107 | 2 | — | — | — | 112 |
| Plywood | — | — | 7 | — | — | — | 7 |
| | 3 | 107 | 9 | — | — | — | 119 |
| Other | | | | | | | |
| Other products | 3 | 3 | 9 | 1 | 4 | — | 20 |
| | $ 219 | $ 208 | $ 90 | $ 45 | $ 21 | $ (1) | $ 582 |

Revenue is recognized when obligations under the terms of a contract (purchase orders) with our customers are satisfied; generally, this occurs with the transfer of control of our products. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods. The shipping cost incurred by us to deliver products to our customers is recorded in cost of sales. The expected costs associated with our warranties continue to be recognized as an expense when the products are sold. We recognize revenue as of a point in time.

Our businesses routinely incur customer program costs to obtain favorable product placement, to promote sales of products and to maintain competitive pricing. Customer program costs and incentives, including rebates and promotion and volume allowances, are accounted for as deductions from net sales at the time the program is initiated. These reductions of revenue are recorded at the time of sale or the implementation of the program based on management’s best estimates. Estimates are based on historical and projected experience for each type of program or customer. Volume allowances are accrued based on management’s estimates of customer volume achievement and other factors incorporated into customer agreements, such as new product purchases, store sell-through, and merchandising support. Management adjusts accruals when circumstances indicate (typically as a result of a change in volume expectations).

We ship some of our products to customers' distribution centers on a consignment basis. We retain title to our products stored at the distribution centers. As our products are removed from the distribution centers by retailers and shipped to retailers’ stores, title passes from us to the retailers. At that time, we invoice the retailers and recognize revenue for these consignment transactions. We do not offer a right of return for products shipped to the retailers’ stores from the distribution centers.

## NOTE 3. EARNINGS PER SHARE

Basic earnings per share is based upon the weighted-average number of shares of common stock outstanding. Diluted earnings per share is based upon the weighted-average number of shares of common stock outstanding, plus all potentially dilutive securities that were assumed to be converted into common shares at the beginning of the period under the treasury stock method. This method requires that the effect of potentially dilutive common stock equivalents (stock options, stock-settled appreciation rights (SSARs), restricted stock units, and performance stock units) be excluded from the calculation of diluted earnings per share for the periods in which losses are reported because the effect is anti-dilutive.

The following table sets forth the computation of basic and diluted earnings per share (in millions, except per share amounts):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Net income attributed to LP | | |
| Weighted average common shares outstanding - basic | 112 | 131 |
| Dilutive effect of employee stock plans | 1 | 1 |
| Shares used for diluted earnings per share | 113 | 132 |
| Earnings per share: | | |
| Basic earnings | $ 0.29 | $ 0.20 |
| Diluted earnings | $ 0.29 | $ 0.20 |

## NOTE 4. FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. We are required to classify these financial assets and liabilities into two groups: recurring—measured on a periodic basis and non-recurring—measured on an as-needed basis.

Available for sale securities, which primarily consist of auction rate securities (ARS), were $4 million and $5 million as of March 31, 2020, and December 31, 2019, respectively. Due to the lack of observable market quotations on a portion of our ARS portfolio, we evaluate the structure of our ARS holdings and current market estimates of fair value, including fair value estimates, from issuing banks that rely exclusively on Level 3 inputs.

Trading securities consist of rabbi trust financial assets, which are recorded in other assets in our Condensed Consolidated Balance Sheets. The assets of the rabbi trust are invested in mutual funds and are reported at fair value based on active market quotations, which represent Level 1 inputs. The assets of the rabbi trust were $4 million at March 31, 2020, and December 31, 2019.

We estimated our 4.875% Senior Notes due in 2024 (2024 Senior Notes) to have a fair value of $310 million as of March 31, 2020, based upon market quotations. Our 2024 Senior Notes and other long-term debt were categorized as Level 1 in the U.S. GAAP fair value hierarchy. Fair values were based on trading activity among the Company’s lenders and the average bid and ask price as determined using published rates.

The outstanding amounts borrowed under our Credit Facility of $350 million approximated fair value at March 31, 2020.

Carrying amounts reported on the balance sheet for cash and cash equivalents, accounts receivables, and accounts payable approximate fair value due to the short-term maturity of these items.

During the three months ended March 31, 2020 and 2019, no adjustments were recognized associated with the fair value of these assets.

**NOTE 5. RECEIVABLES**

Receivables consisted of the following:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Trade receivables | $ 135 | $ 111 |
| Income tax receivable | 19 | 35 |
| Other receivables | 19 | 19 |
| Allowance for doubtful accounts | (1) | (1) |
| Total | $ 172 | $ 164 |

Trade receivables are primarily generated by sales of our products to our wholesale and retail customers. Other receivables as of March 31, 2020, and December 31, 2019, primarily consist of sales tax receivables, vendor rebates, a receivable associated with an affiliate, and other miscellaneous receivables.

**NOTE 6. INVENTORIES**

Inventories are valued at the lower of cost or net realizable value. Inventory cost includes materials, labor, and operating overhead. The major types of inventories are as follows (work in process is not material and is included in Semi-finished inventory below):

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Logs | $ 66 | $ 47 |
| Other raw materials | 30 | 32 |
| Semi-finished inventory | 25 | 26 |
| Finished products | 163 | 160 |
| Total | $ 284 | $ 265 |

**NOTE 7. ASSETS HELD FOR SALE**

In February 2020, the Company entered into a joint agreement with Maibec, Inc. (Maibec) to sell LP’s East River facility located in Nova Scotia, Canada, as well as the assets and brand rights for CanExel®, the fiber-based prefinished siding product manufactured there. The closing of this transaction is subject to customary closing conditions and is expected to occur by December 31, 2020. As a result, the assets and liabilities associated with this business have met the criteria to be classified as held-for-sale in our Condensed Consolidated Balance Sheet as of March 31, 2020. Upon reclassification to held-for-sale in the first quarter of 2020, we recorded a pre-tax impairment charge of $2 million in "Impairment of long-lived assets" on our Condensed Consolidated Statement of Income to reduce the carrying value of this business to fair value less cost to sell. The sale of the East River facility and assets and brand rights for CanExel® did not meet the criteria for classification as discontinued operations.

The total carrying value of assets related to the East River facility and CanExel® as of March 31, 2020, was $19 million, including $2 million of trade receivables, net, $12 million of inventories, and $5 million of property, plant, and equipment, net. The total carrying value of total liabilities related to the East River facility and CanExel® as of March 31, 2020, was $2 million, which primarily consisted of accounts payable.

Additionally, during the three months ended March 31, 2020, we classified $2 million of assets related to a non-operating facility as held-for-sale.

## NOTE 8. GOODWILL AND OTHER INTANGIBLES

Goodwill and indefinite-lived intangible assets are not amortized and are subject to assessment for impairment by applying a fair value based test on an annual basis or more frequently, if circumstances indicate a potential impairment. The Company's annual assessment date is October 1. Changes in goodwill and other intangible assets as of March 31, 2020, are provided in the following table:

| | Timber licences[1] | Goodwill | Developed Technology | Trademark |
|---|---|---|---|---|
| Beginning balance December 31, 2019 | $ 38 | $ 30 | $ 20 | $ 3 |
| Acquisition | — | — | — | — |
| Amortization | (1) | — | — | — |
| Ending balance March 31, 2020 | $ 37 | $ 30 | $ 20 | $ 3 |

[1]Timber licenses are included in Timber and Timberlands on the Condensed Consolidated Balance Sheets.

## NOTE 9. REDEEMABLE NONCONTROLLING INTEREST

Redeemable noncontrolling interest is interest in subsidiaries that is redeemable outside of our control either for cash or other assets. These interests are classified as mezzanine equity and measured at the greater of estimated redemption value or carrying value at the end of each reporting period. Net income (loss) attributed to noncontrolling interest is recorded in the Consolidated Statements of Income. Any adjustments to the redemption value of redeemable noncontrolling interest are recognized in either net income or through accumulated paid-in capital, depending on the nature of the underlying security (preferred or common units).

The balance of the redeemable noncontrolling interest was $10 million as of March 31, 2020, and December 31, 2019.

## NOTE 10. LONG TERM DEBT

The following table summarizes our outstanding debt:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| 2024 Senior Notes | $ 350 | $ 350 |
| Credit Facility | 350 | — |
| Financing leases | 1 | 1 |
| Unamortized debt costs | (3) | (3) |
| Total | 698 | 348 |
| Less: current portion | — | — |
| Long-term portion | $ 698 | $ 348 |

In May 2020, we entered an amendment to our Credit Facility. The Credit Facility provides for revolving credit facilities in the aggregate principal amount of up to $550 million, with a $60 million sub-limit for letters of credit. The initial $350 million revolving facility provided pursuant to the Credit Facility (Revolving A Loan) terminates, and all loans made thereunder become due, on June 27, 2024. The incremental $200 million revolving facility provided pursuant to the Credit Facility in May 2020 (Revolving B Loan) terminates, and all loans made thereunder become due, on May 1, 2023. Certain of LP's existing and future wholly owned domestic subsidiaries may guaranty our obligations under the Credit Facility and, subject to certain limited exceptions, provide security through a lien on substantially all of the personal property of these subsidiaries. In March 2020, we borrowed $350 million under the Credit Facility.

Revolving borrowings under the Credit Facility accrue interest, at our option, at either a "base rate" plus a margin of 0.875% to 2.00% for Revolving A Loans and 1.125% to 2.250% for Revolving B Loans or LIBOR plus a margin of

1.875% to 3.00% for Revolving A Loans and 2.125% to 3.250% for Revolving B Loans. The Credit Facility also includes an unused commitment fee, due quarterly, ranging from 0.3% to 0.6% for both Revolving A Loans and Revolving B Loans. The applicable margins and fees within these ranges are based on our ratio of consolidated EBITDA to cash interest charges. The “base rate” is the highest of (i) the Federal funds rate plus 0.5%, (ii) the U.S. prime rate, and (iii) one-month LIBOR plus 1.0%. As of March 31, 2020, the weighted average interest rate was 2.7%.

The Credit Facility contains various restrictive covenants and customary events of default. The Credit Facility also contains financial covenants that requires us and our consolidated subsidiaries to have, as of the end of each quarter, (i) a capitalization ratio (i.e., funded debt less unrestricted cash to total capitalization) of no more than 57.5% and (ii) a net worth of at least $475 million plus 70% of consolidated net income after December 31, 2019, without a deduction for net losses.

In September 2016, we issued $350 million aggregate principal amount of the 2024 Senior Notes, which mature on September 15, 2024. We may, at our option on one or more occasions, redeem all or any portion of these notes at the redemption prices set forth in the indenture governing the 2024 Senior Notes, plus accrued and unpaid interest, if any, to, but not including, the date of redemption. The indenture governing the 2024 Senior Notes contains certain covenants that, among other things, limit our ability to grant liens to secure indebtedness, engage in sale and leaseback transactions and merge or consolidate or sell all or substantially all of our assets. If we are subject to a "change of control," as defined in the indenture, we are required to offer to repurchase the 2024 Senior notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, thereon to, but not including, the date of purchase. The indenture governing the 2024 Senior Notes contains customary events of default, including failure to make required payments on the 2024 Senior Notes, failure to comply with certain agreements or covenants contained in the indenture, failure to pay or acceleration of certain other indebtedness and certain events of bankruptcy and insolvency. An event of default in the indenture allows either the indenture trustee or the holders of at least 25% in aggregate principal amount of the then-outstanding 2024 Senior Notes to accelerate, or in certain cases, automatically causes the acceleration of, the amounts due under the 2024 Senior Notes.

As of March 31, 2020, we were in compliance with all financial covenants under the Credit Facility and 2024 Senior Notes.

On March 17, 2020, LP entered into a letter of credit facility agreement (Letter of Credit Facility) with Bank of America, N.A., which provides for the funding of letters of credit up to an aggregate outstanding amount of $20.0 million, which may be secured by certain cash collateral of LP. The Letter of Credit Facility includes an unused commitment fee, due quarterly, ranging from 0.50% to 1.875% of the daily available amount to be drawn on each letter of credit issued under the Letter of Credit Facility. The Letter of Credit Facility is subject to similar affirmative, negative and financial covenants as those set forth in the Credit Facility, including capitalization ratio and minimum net worth covenants.

**NOTE 11. INCOME TAXES**

For interim periods, accounting standards require that income tax expense be determined by applying the estimated annual effective income tax rate to year-to-date results unless this method does not result in a reliable estimate of year-to-date income tax expense. Each period, the income tax accrual is adjusted to the latest estimate, and the difference from the previously accrued year-to-date balance is adjusted to the current quarter. Changes in profitability estimates in various jurisdictions will impact our quarterly effective income tax rates.

The tax provision for income taxes for the three months ended March 31, 2020 and 2019, reflected an estimated annual effective tax rate of 26%, excluding discrete items discussed below. The total effective tax rate for the three months ended March 31, 2020 and 2019, including discrete items, was 22% and 21%, respectively.

We recorded a net discrete tax benefit of $2 million during the first three months of 2020 and 2019. In both periods, the discrete benefits related primarily to excess tax benefits from stock-based compensation.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted into law and provides for changes to the U.S. tax code that impact businesses. Some of the key income tax changes that could have an impact on LP include relaxation of the interest deduction limitation rules, the expansion of the Net Operating Loss utilization rules, and the eligibility of Qualified Improvement Property for bonus depreciation. As of March 31, 2020, we have made a reasonable estimate of the effects on our current and deferred tax balances, if any. As further guidance is released and the implications are better understood, we will adjust this estimate as necessary.

**NOTE 12. STOCK-BASED COMPENSATION**

We have stock award plans covering certain key employees and directors, which provide for awards of stock options, SSARs, restricted stock units, and performance stock units. In addition, we offer an Employee Stock Purchase Plan to employees.

The fair value of our restricted stock, restricted stock units, and performance stock units is the closing stock price of the Company's common stock the day preceding the grant date.

During the first three months of 2020, we granted 239,617 and 250,178 of performance and restricted stock units, respectively, at an average grant date fair value of $31.75 per share.

We recognized $2 million in stock-based compensation expense for the three months ended March 31, 2020 and 2019, respectively. At March 31, 2020, there was $18 million of unrecognized compensation expense related to unvested performance stock units, restricted stock units, and SSARs attributable to future service that had not yet been recognized.

**NOTE 13. COMMITMENTS AND CONTINGENCIES**

We maintain reserves for various contingent liabilities as follows:

| | March 31, 2020 | December 31, 2019 |
|---|---|---|
| Environmental reserves | $ 9 | $ 10 |
| Other reserves | — | — |
| Total contingencies | 9 | 10 |
| Current portion (included in other current liabilities) | (2) | (2) |
| Long-term portion (included in other long-term liabilities) | $ 7 | $ 8 |

Estimates of our loss contingencies are based on various assumptions and judgments. Due to the numerous uncertainties and variables associated with these assumptions and judgments, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. We regularly monitor our estimated exposure to contingencies and, as additional information becomes known, may change our estimates significantly. While no estimate of the range of any such change can be made at this time, the amount that we may ultimately pay in connection with these matters could materially exceed, in either the near term or the longer term, the amounts accrued to date. Our estimates of our loss contingencies do not reflect potential future recoveries from insurance carriers except to the extent that recovery may, from time to time, be deemed probable as a result of an insurer's agreement to payment terms.

**Environmental Matters**

We maintain a reserve for undiscounted estimated environmental loss contingencies. This reserve is primarily for estimated future costs of remediation of hazardous or toxic substances at numerous sites currently or previously owned by the Company. Our estimates of our environmental loss contingencies are based on various assumptions and judgments, the specific nature of which varies considering the particular facts and circumstances surrounding each environmental loss contingency. These estimates typically reflect assumptions and judgments as to the probable nature, magnitude and timing of the required investigation, remediation and/or monitoring activities and the probable cost of these activities, and in some cases reflect assumptions and judgments as to the obligation or willingness and ability of third parties to bear a proportionate or allocated share of the cost of these activities. Due to the numerous uncertainties and variables associated with these assumptions and judgments, and the effects of changes in governmental regulation and environmental technologies, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. We regularly monitor our estimated exposure to environmental loss contingencies and, as additional information becomes known, may change our estimates significantly. However, no estimate of the range of any such change can be made at this time.

**Other Proceedings**

We and our subsidiaries are parties to other legal proceedings. Based on the information currently available, management believes the resolution of such proceedings will not have a material adverse effect on our financial position, results of operations, cash flows, or liquidity.

**NOTE 14. IMPAIRMENT OF LONG-LIVED ASSETS**

We continue to review the carrying values of our long-lived assets for potential impairments and believe we have adequate support for the carrying value of our long-lived assets. If demand and pricing for our products continue at levels significantly below cycle average demand and pricing, or should we decide to invest capital in alternative projects, or should changes occur related to our wood supply for our mills, it is possible that future impairment charges will be required. As of March 31, 2020, we believe the current impacts of the COVID-19 pandemic did not warrant an impairment of our goodwill, intangibles, or long-lived assets. However, the long-term effects of the COVID-19 pandemic on the demand and pricing of our products may result in future impairment charges, including curtailed facilities.

We also review from time to time potential dispositions of various assets in light of current and anticipated economic and industry conditions, our strategic plan, and other relevant factors. Because a determination to dispose of particular assets can require management to make assumptions regarding the transaction structure of the disposition and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, we may be required to record impairment charges in connection with decisions to dispose of assets.

During the three months ended March 31, 2020, we recorded $5 million in pre-tax impairment charges related to our fiber producing assets at a Siding facility. These impairment charges reflect the announced, accelerated conversion of this facility from fiber production to pre-finishing in February 2020. Additionally, we recorded $2 million in pre-tax impairment charges related to the reclassification of our East River facility as held-for-sale during the three months ended March 31, 2020.

**NOTE 15. PRODUCT WARRANTIES**

We offer warranties on the sale of most of our products and record an accrual for estimated future claims. Such accruals are based upon historical experience and management's estimate of the level of future claims. The activity in warranty reserves for the three months ended March 31, 2020 and 2019, is summarized in the following table:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Beginning balance | $ 8 | $ 14 |
| Accrued to expense | 1 | — |
| Payments made | (1) | (1) |
| Total warranty reserves | 8 | 13 |
| Current portion of warranty reserves (included in other current liabilities) | (2) | (3) |
| Long-term portion of warranty reserves (included in other long-term liabilities) | $ 6 | $ 10 |

We continue to monitor warranty and other claims associated with these products and believe as of March 31, 2020, that the warranty reserve balances associated with these matters are adequate to cover future warranty payments. However, it is possible that additional changes may be required in the future.

**NOTE 16. DEFINED BENEFIT PENSION PLANS**The following table summarizes our net periodic pension cost for our defined benefit pension and postretirement plans during the three months ended March 31, 2020 and 2019:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Service cost | $ 1 | $ 1 |
| Other components of net periodic pension cost[1]: | | |
| Interest cost | 3 | 4 |
| Expected return on plan assets | (4) | (4) |
| Amortization of prior service cost | — | — |
| Amortization of net loss | 1 | 1 |
| Net periodic pension cost | $ 1 | $ 2 |

[1]Other components of net periodic pension cost are included in Other non-operating items on our Condensed Consolidated Statements of Income.

## NOTE 17. ACCUMULATED COMPREHENSIVE INCOME (LOSS)

Other comprehensive income activity, net of tax, is provided in the following table for the three months ended March 31, 2020 and 2019:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| **Pension**[1] | | |
| Balance at beginning of period | $ (89) | $ (93) |
| Amounts reclassified from accumulated other comprehensive loss to income [2] | 1 | 1 |
| Total other comprehensive income | 1 | 1 |
| Balance at end of period | (88) | (92) |
| **Translation Adjustments** | | |
| Balance at beginning of period | (67) | (57) |
| Translation adjustments | (23) | 2 |
| Balance at end of period | (90) | (55) |
| **Other** | | |
| Balance at beginning of period | 3 | 4 |
| Other comprehensive loss before reclassifications | — | (1) |
| Total other comprehensive loss | — | (1) |
| Balance at end of period | 3 | 3 |
| Accumulated other comprehensive loss, end of period | $ (175) | $ (144) |

[1] Amounts are presented net of tax

[2] Amounts of actuarial loss and prior service cost are components of net periodic benefit cost.

## NOTE 18. OTHER OPERATING AND NON-OPERATING INCOME

**Other operating credit and charges, net**

During the first three months ended March 31, 2020 and 2019, we recorded a charge of $2 million on severance and other charges related to certain reorganizations within the corporate offices.

**Non-operating income**

Non-operating income is comprised of the following components:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Interest income | $ — | $ 4 |
| SERP market adjustments | (1) | 1 |
| Interest expense | (6) | (5) |
| Amortization of debt charges | — | — |
| Capitalized interest, net of reversals | — | 1 |
| **Interest expense, net** | **(7)** | **1** |
| | | |
| Net periodic pension cost, excluding service cost | (1) | (1) |
| Gain on acquisition of controlling interest | — | 14 |
| Foreign currency gain (loss) | 6 | (2) |
| **Other non-operating items** | **5** | **11** |

## NOTE 19. SELECTED SEGMENT DATA

We operate in four segments: Siding, OSB, EWP, and South America. Our business units have been aggregated into these four segments based upon the similarity of economic characteristics, customers, and distribution methods. Our results of operations are summarized below for each of these segments separately as well as for the "other" category, which comprises other products that are not individually significant. During the three months ended March 31, 2020, our LP CanExel® prefinished siding was reclassified from Siding to Other, reflecting changes in organizational structure and, accordingly, the information that the chief operating decision maker uses to evaluate performances and allocate resources to the segments. All prior periods presented have been adjusted for comparability.

We evaluate the performance of our business segments based on net sales and Adjusted EBITDA. Accordingly, our chief operating decision maker evaluates performance and allocates resources based primarily on net sales and Adjusted EBITDA for our business segments. Adjusted EBITDA is a non-GAAP financial measure and is defined as income attributed to LP before interest expense, net, provision for income taxes, depreciation and amortization, and excludes stock-based compensation expense, impairment of long-lived assets, other operating credits and charges, net, and other non-operating items.

Information about our product segments is as follows:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| **Net sales** | | |
| Siding | $ 212 | $ 219 |
| OSB | 220 | 208 |
| EWP | 99 | 90 |
| South America | 36 | 45 |
| Other | 18 | 21 |
| Intersegment sales | — | (1) |
| **Total sales** | $ 585 | $ 582 |
| **PROFIT BY SEGMENT** | | |
| **Net income** | $ 33 | $ 26 |
| Add (deduct): | | |
| Net loss attributed to noncontrolling interest | — | 1 |
| Income attributed to LP | 33 | 27 |
| Provision for income taxes | 9 | 7 |
| Depreciation and amortization | 28 | 31 |
| Stock-based compensation expense | 2 | 2 |
| Impairment of long-lived assets | 7 | 1 |
| Other operating credits and charges, net | 2 | 2 |

| | | |
|---|---|---|
| Interest expense, net | 7 | (1) |
| Other non-operating items | (5) | (11) |
| **Adjusted EBITDA** | $ 83 | $ 58 |
| Siding | 42 | 39 |
| OSB | 35 | 8 |
| EWP | 9 | 7 |
| South America | 7 | 10 |
| Other | (3) | 1 |
| Corporate | (7) | (7) |
| **Adjusted EBITDA** | 83 | 58 |

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our Consolidated Financial Statements and related Notes and other financial information appearing elsewhere in this quarterly report on Form 10-Q. The following discussion includes statements that are forward-looking statements that are based on the beliefs of our management, as well as assumptions made by, and information currently available to our management.

### Recent Developments

In March 2020, the WHO declared the outbreak of COVID-19 as a global pandemic and recommended containment and mitigations measures. In response to this declaration and the rapid global spread of COVID-19, national, state, and local governments have taken extraordinary wide-ranging actions to contain and combat the outbreak and spread of COVID-19, including quarantines, "stay-at-home" orders, and similar mandates imposing varying degrees of restrictions on social and commercial activity in an effort to promote social distancing.

The pandemic and the resulting containment did not materially impact our results for the three months ended March 31, 2020, due to our ability to continue operations and deliver orders through the end of the period. However, the COVID-19 pandemic and actions taken in response thereto are continuing to have a significant adverse effect on many sectors of the economy, including new home building and remodeling activity. We have taken the following measures:

- We are following national, state, and local guidelines, while also continuing to provide our products to support critical infrastructure needs. Employees able to work from home have been doing so since March 16, 2020. All manufacturing facilities have been declared essential by the relevant authorities. We have instituted rigorous cleaning and social distancing protocols as outlined by the Centers for Disease Control and Prevention and WHO.
- We have reduced mill operating schedules to balance production and demand. While we currently expect any negative impact on sales to be temporary, the duration of the COVID-19 pandemic, the actions to contain the pandemic and treat its impacts, and the effects on our operations are highly uncertain and cannot be predicted at this time.
- We are taking precautionary measures and adjusting our operational needs, including a reduction of our 2020 capital expenditure plans by 50% to approximately $70 million for the year, or an average of $15 million per quarter from the second quarter of 2020 through the fourth quarter of 2020.
- In March 2020, we borrowed $350 million under the Credit Facility as a precautionary measure, to ensure funds are available to meet our obligations for a substantial period of time in response to the COVID-19 pandemic.
- On May 1, 2020, we entered into an amendment to our Credit Facility to provide for the Revolving B Loan.

### General

We are a leading provider of high-performance building solutions serving the new home construction, repair and remodeling, and outdoor structures markets. We also market and sell our products to primarily retail home centers, wholesalers, distributors, and homebuilding and industrial businesses. Our manufacturing facilities are primarily located in the U.S. and Canada, and we also operate two facilities in Chile and one facility in Brazil.

To serve these markets, we operate in four segments: Siding, OSB, EWP, and South America.

*Demand for our Building Products*

Demand for our products correlates to a significant degree to the level of new home construction activity in North America, which historically has been characterized by significant cyclicality. The U.S. Department of Census reported on April 16, 2020, that actual single housing starts were 12% higher for the first quarter of 2020 than in the same period of 2019. The impact of the COVID-19 pandemic is continuing to have a significant adverse effect on many sectors of the economy, including new housing starts and repair and remodels. While we expect demand for new home construction and repair and remodel activity to be impacted, the results of operations, cash flows, financial position, and the related financial impacts cannot be reasonably estimated at this time.

*Supply and Demand for OSB*

OSB is sold as a commodity for which sales prices fluctuate daily based on market factors over which we have little or no control. We cannot predict whether the prices of our OSB products will remain at current levels or increase or decrease in the future.

For additional factors affecting our results, refer to the Management Discussion and Analysis of Financial Condition and Results of Operations overview contained in our 2019 Annual Report on Form 10-K , and to “About Forward-Looking Statements” and “Risk Factors” in this quarterly report on Form 10-Q.

**Critical Accounting Policies and Significant Estimates**

Note 1 of the Notes to the Consolidated Financial Statements included in our 2019 Annual Report on Form 10-K, is a discussion of our significant accounting policies and significant accounting estimates and judgments. Throughout the preparation of the financial statements, we employ significant judgments in the application of accounting principles and methods. These judgments are primarily related to the assumptions used to arrive at various estimates.

While there have been no changes in the application of principles, methods, and assumptions used to determine our significant estimates, we may be required to revise certain accounting estimates and judgments related to the economic and business impact of the COVID-19 pandemic, such as, but not limited to, those related to the valuation of goodwill, intangibles, long-lived assets, accounts receivable, and inventory, which could have a material adverse effect on our financial position and results of operations.

**Non-GAAP Financial Measures and Other Key Performance Indicators**

In evaluating our business, we utilize non-GAAP financial measures that fall within the meaning of SEC Regulation G and Regulation S-K Item 10(e), which we believe provide users of the financial information with additional meaningful comparison to prior reported results. Non-GAAP financial measures do not have standardized definitions and are not defined by U.S. GAAP. In this quarterly report on Form 10-Q, we disclose income attributed to LP before interest expense, provision for income taxes, depreciation and amortization, and exclude stock-based compensation expense, impairment of long-lived assets, other operating credits and charges, net, loss on early debt extinguishment, investment income, and other non-operating items as Adjusted EBITDA (Adjusted EBITDA) which is a non-GAAP financial measure. We have included Adjusted EBITDA in this report because we view it as an important supplemental measure of our performance and believe that it is frequently used by interested persons in the evaluation of companies that have different financing and capital structures and/or tax rates. We also disclose income attributed to LP, which excludes impairment of long-lived assets, interest outside of normal operations, other operating credits and charges, net, gain (loss) on acquisition, other non-operating credits and charges, net, and adjusts for a normalized tax rate (Adjusted Income). We also disclose Adjusted Diluted EPS, calculated as Adjusted Income divided by diluted shares outstanding. We believe that Adjusted Diluted EPS and Adjusted Income are useful measures for evaluating our ability to generate earnings and that providing this measure should allow interested persons to more readily compare the earnings for past and future periods.

Neither Adjusted EBITDA, Adjusted Income, nor Adjusted Diluted EPS is a substitute for the U.S. GAAP measure of net income or for any other U.S. GAAP measures of operating performance. It should be noted that other companies may present similarly-titled measures differently and, therefore, as presented by us, these measures may not be comparable to similarly-titled measures reported by other companies. Adjusted EBITDA, Adjusted Income, and Adjusted Diluted EPS have material limitations as performance measures because they exclude items that are actually incurred or experienced in connection with the operations of our business.

The following table presents significant items by operating segment and reconciles Net income to Adjusted EBITDA:

| | Three Months Ended March 31, | |
|---|---|---|
| | **2020** | **2019** |
| **Net income** | **$ 33** | **$ 26** |
| Add (deduct): | | |
| Net loss attributed to noncontrolling interest | — | 1 |
| Income attributed to LP | 33 | 27 |
| Provision for income taxes | 9 | 7 |
| Depreciation and amortization | 28 | 31 |
| Stock-based compensation expense | 2 | 2 |
| Impairment of long-lived assets | 7 | 1 |
| Other operating credits and charges, net | 2 | 2 |
| Interest expense, net | 7 | (1) |
| Other non-operating items | (5) | (11) |
| **Adjusted EBITDA** | **$ 83** | **$ 58** |
| | | |
| Siding | $ 42 | $ 39 |
| OSB | 35 | 8 |

| | | |
|---|---|---|
| EWP | 9 | 7 |
| South America | 7 | 10 |
| Other | (3) | 1 |
| Corporate | (7) | (7) |
| **Adjusted EBITDA** | **$ 83** | **$ 58** |

The following table provides the reconciliation of Net income to Adjusted Income:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| **Net income** | **$ 33** | **$ 26** |
| Add (deduct): | | |
| Net loss attributed to noncontrolling interest | — | 1 |
| Income attributed to LP | **33** | **27** |
| Impairment of long-lived assets | 7 | 1 |
| Other operating credits and charges, net | 2 | 2 |
| Gain on acquisition of controlling interest | — | (14) |
| Reported tax provision | 9 | 7 |
| Adjusted income before tax | 51 | 23 |
| Normalized tax provision at 25% | (13) | (6) |
| **Adjusted Income** | **$ 38** | **$ 17** |
| Diluted shares outstanding | 113 | 132 |
| **Adjusted Diluted EPS** | **$ 0.34** | **$ 0.13** |

In addition, management monitors certain key performance indicators to evaluate our business performance, which include our Overall Equipment Effectiveness (OEE) and our performance relative to housing starts, as provided by reports from the U.S. Department of Census. These key performance indicators are further described on page 34 of this quarterly report on Form 10-Q and are incorporated herein by reference.

## Results of Operations

Our results of operations for each of our segments are discussed below, as are the results of operations for the "other" category, which comprises other products that are not individually significant. See Note 19 of the Notes to the Condensed Consolidated Financial Statements included in Item 1 of this quarterly report on Form 10-Q for further information regarding our segments.

*SIDING*

The Siding segment consists of LP SmartSide® trim and siding and LP Outdoor Building Solutions® innovative products for premium outdoor buildings. During the three months ended March 31, 2020, our LP CanExel® prefinished siding was reclassified from Siding to Other, reflecting changes in organizational structure and, accordingly, the information that the chief operating decision maker uses to evaluate performance and allocate resources to our business segments. All prior periods presented have been adjusted for comparability.

Segment sales, Adjusted EBITDA, and Adjusted EBITDA margin for this segment were as follows:

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | 2020 | 2019 | Change |
| Net sales | $ 212 | $ 219 | (3)% |
| Adjusted EBITDA | 42 | 39 | 8 % |
| Adjusted EBITDA margin | 20% | 18% | |

Sales in this segment by product line were as follows:

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | 2020 | 2019 | Change |
| SmartSide® Strand siding | $ 191 | $ 187 | 2 % |
| SmartSide® Fiber siding | 19 | 26 | (27)% |
| Other | 2 | 6 | (67)% |
| Total | $ 212 | $ 219 | (3)% |

Percent changes in average sales prices and unit shipments for the three months ended March 31, 2020, compared to the three months ended March 31, 2019, were as follows:

| | Three Months Ended March 31, 2020 versus 2019 | |
|---|---|---|
| | Average Selling Price | Unit Shipments |
| SmartSide® Strand siding | (1)% | 3 % |
| SmartSide® Fiber siding | 4 % | (28)% |

SmartSide® Strand net sales increased $4 million (or two percent) compared to the corresponding period in 2019, primarily due to SmartSide® Strand volume growth of three percent, offset partially by an increase in customer program costs. The increase in SmartSide® Strand siding revenue reflects the increased market penetration in key markets.

SmartSide® Fiber net sales decreased $7 million (or 27%) compared to the corresponding period in 2019, primarily due to the announced conversion of our Roaring River facility to a strand prefinishing facility during the first quarter 2020. The decrease in SmartSide® Fiber volume reflects the impact of the announced discontinuation of this product line.

Adjusted EBITDA increased by $3 million (or eight percent) primarily due to the increased SmartSide® Strand revenue, including increased production at our Dawson Creek facility after the prior year conversion to SmartSide® Strand, partially offset by a decrease in SmartSide® Fiber sales.

*OSB*

The OSB segment manufactures and distributes OSB structural panel products including LP OSB, LP TechShield® radiant barrier, LP TopNotch® sub-flooring, LP Legacy® super tough, moisture-resistant sub-flooring and LP FlameBlock® fire-rated sheathing.

Segment sales, Adjusted EBITDA, and Adjusted EBITDA Margin for this segment were as follows:

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | 2020 | 2019 | Change |
| Net sales | $ 220 | $ 208 | 6% |
| Adjusted EBITDA | 35 | 8 | 338% |
| Adjusted EBITDA Margin | 16% | 4% | |

Sales in this segment by product line were as follows:

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | 2020 | 2019 | Change |
| OSB - commodity | $ 113 | $ 107 | 6% |
| OSB - Structural Solutions | 103 | 98 | 5% |
| Other | 4 | 3 | 33% |
| Total | $ 220 | $ 208 | 6% |

Percent changes in average gross sales prices and unit shipments for the three months ended March 31, 2020, compared to the three months ended March 31, 2019, were as follows:

| | Three Months Ended March 31, 2020 versus 2019 | |
|---|---|---|
| | Average Selling Price | Unit Shipments |
| OSB - commodity | 13% | (9)% |
| OSB - Structural Solutions | 5% | 1 % |

Net sales increased $12 million (or six percent) primarily due to $18 million of increased commodity prices. These increases were partially offset by a reduction in shipments reflecting the change in overall market demand and supply compared to the first quarter of 2019. The Structural Solutions volume mix was 43% for the three months ended March 31, 2020 and 2019.

Adjusted EBITDA increased by $27 million primarily due to the improvement in commodity prices and a reduction in raw material costs.

*EWP*

The EWP segment consists of LP SolidStart® I-Joist (I-Joist), Laminated Veneer Lumber (LVL), Laminated Strand Lumber (LSL), and other related products. This segment also includes the sales of I-Joist and LVL products produced by our joint venture and sales of plywood produced as a by-product of the LVL production process.

Segment sales, Adjusted EBITDA, and Adjusted EBITDA margin for this segment were as follows:

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | 2020 | 2019 | Change |
| Net sales | $ 99 | $ 90 | 10% |
| Adjusted EBITDA | 9 | 7 | 29% |
| Adjusted EBITDA margin | 9% | 8% | |

Sales in this segment by product line were as follows:

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | 2020 | 2019 | Change |
| I-Joist | 37 | 26 | 42 % |
| LVL | $ 36 | $ 31 | 16 % |
| LSL | 12 | 13 | (8)% |
| Other, including OSB, plywood and related products | 14 | 20 | (30)% |
| Total | $ 99 | $ 90 | 10 % |

Percent changes in average gross sales prices and unit shipments for the quarter ended March 31, 2020, compared to the quarter ended March 31, 2019, were as follows:

| | Three Months Ended March 31, 2020 versus 2019 | |
|---|---|---|
| | Average Selling Price | Unit Shipments |
| I-Joist | (1)% | 42 % |
| LVL | 2 % | 17 % |
| LSL | 3 % | (12)% |

Net sales and Adjusted EBITDA increased $9 million (or 10%) and $2 million (or 29%), respectively, primarily due to increased shipments of I-Joist and LVL and reductions in customer program costs, and partially offset by shipment decreases for LSL.

*SOUTH AMERICA*

Our South America segment manufactures and distributes OSB structural panel and siding products in South America and certain export markets. This segment has manufacturing operations in two countries, Chile and Brazil, and operates sales offices in Chile, Brazil, Peru, Columbia, and Argentina.

Segment sales, Adjusted EBITDA, and Adjusted EBITDA margin for this segment were as follows:

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | 2020 | 2019 | Change |
| Net sales | $ 36 | $ 45 | (20)% |
| Adjusted EBITDA | 7 | 10 | (30)% |
| Adjusted EBITDA margin | 19% | 22% | |

Sales in this segment by product line were as follows:

| | Three Months Ended March 31, | | |
| --- | --- | --- | --- |
| | 2020 | 2019 | Change |
| OSB -Structural Solutions | $ 32 | $ 38 | (16)% |
| Siding | 3 | 6 | (50)% |
| Other | 1 | 1 | — % |
| Total | $ 36 | $ 45 | (20)% |

Percent changes in average sales prices and unit shipments for the quarter ended March 31, 2020, compared to the quarter ended March 31, 2019, were as follows:

| | Three Months Ended March 31, 2020 versus 2019 | |
| --- | --- | --- |
| | Average Selling Price | Unit Shipments |
| OSB | (16)% | 1 % |
| Siding | (18)% | (37)% |

Net sales and Adjusted EBITDA decreased $9 million (or 20%) and $3 million (or 30%), respectively, due to a reduction in export sales, unscheduled downtime at a Chilean mill, and unfavorable foreign currency fluctuations.

*OTHER PRODUCTS*

Our other products segment includes LP CanExel® prefinished siding, our off-site construction operation Entekra Holdings, LLC (Entekra), remaining timber and timberlands, and other minor products, services, and closed operations, which are not classified as discontinued operations. During the three months ended March 31, 2020, our LP CanExel® prefinished siding was reclassified from Siding to Other, reflecting changes in the organizational structure of the business.

Other net sales were $18 million for the first three months of 2020 as compared to $21 million for the corresponding period in 2019. Adjusted EBITDA was $(3) million for the first three months of 2020 as compared to $1 million for the corresponding period in 2019.

*INCOME TAXES*

We recorded an estimated tax provision of $9 million and $7 million in the first three months ended March 31, 2020 and 2019, respectively. For 2020 and 2019, the primary differences between the U.S. statutory rate of 21% and the effective rate relate to state income tax, foreign tax rates, tax credits, and stock-based compensation.

Each quarter the income tax accrual is adjusted to the latest estimate, and the difference from the previously accrued year-to-date balance is recorded in the current quarter.

On March 27, 2020, the CARES Act was enacted into law and provides for changes to the U.S. tax code that impacts businesses. Some of the key income tax changes that could have an impact to LP include relaxation of the interest deduction limitation rules, the expansion of the Net Operating Loss utilization rules, and the eligibility of Qualified Improvement Property for bonus depreciation. As of March 31, 2020, we have made a reasonable estimate of the effects on our current and deferred tax balances, if any. As further guidance is released and the implications are better understood, we will adjust this estimate as necessary.

**Legal and Environmental Matters**

For a discussion of legal and environmental matters involving us and the potential impact thereof on our financial position, results of operations and cash flows, see Items 3, 7 and 8 in our 2019 Annual Report on Form 10-K and Note 13 of the Notes to the Condensed Consolidated Financial Statements included in Item 1 of this quarterly report on Form 10-Q.

**Liquidity and Capital Resources**

OVERVIEW

Our principal sources of liquidity are existing cash and investment balances, cash generated by our operations, and our ability to borrow under such credit facilities as we may have in effect from time to time. We may also, from time to time, issue and sell equity, debt or hybrid securities, or engage in other capital market transactions.

Our principal uses of liquidity are paying the costs and expenses associated with our operations, servicing outstanding indebtedness, paying dividends, and making capital expenditures. We may also, from time to time, prepay or repurchase outstanding indebtedness or shares or acquire assets or businesses that are complementary to our operations. Any such repurchases may be commenced, suspended, discontinued or resumed, and the method or methods of effecting any such repurchases may be changed at any time, or from time to time, without prior notice.

OPERATING ACTIVITIES

During the first three months of 2020 and 2019, we used $9 million and $54 million, respectively, of cash in operating activities. The improvement in cash used in operations was primarily related to an increase in OSB pricing and a reduction in income taxes paid in the three months ended March 31, 2020.

INVESTING ACTIVITIES

During the first three months of 2020 and 2019, we used $24 million and $4 million, respectively, of cash used in investing activities. Capital expenditures in the first three months of 2020 were $24 million, primarily related to growth and maintenance capital. Capital expenditures in the first three months of 2019 were $43 million, primarily related to the expansion of our siding business and growth and maintenance capital. Additionally, we acquired $40 million of cash in the first three months of 2019 related to the acquisition of a controlling interest in Entekra and the resulting consolidation of Entekra's financial results.

As a result of the outbreak of the COVID-19 pandemic, we reduced capital expenditure plans by 50% to roughly $70 million for the year. We expect to fund our capital expenditures through cash on hand, cash generated from operations, and cash borrowed under our Credit Facility, as necessary.

FINANCING ACTIVITIES

During the first three months of 2020, cash provided by financing activities was $329 million. In March 2020, we borrowed $350 million under our Credit Facility. We did this as a precautionary measure to ensure funds are available to meet our obligations for a substantial period of time in response to the COVID-19 pandemic. We intend to hold the proceeds from the Credit Facility borrowings on our Condensed Consolidated Balance Sheets and may use the proceeds in the future for working capital, general corporate expenses, or other purposes as permitted by the Credit Facility. As of March 31, 2020, the weighted average interest rate on outstanding amounts borrowed under our Credit Facility was 2.7%.

Additionally, we used $16 million to pay cash dividends and $5 million to repurchase stock from employees in connection with income tax withholding requirements associated with our employee stock-based compensation plans.

During the first three months of 2019, cash used in financing activities was $459 million, primarily related to $438 million to repurchase stock through our share purchase program, $17 million to pay cash dividends, and $4 million to repurchase stock from employees in connection with income tax withholding requirements associated with our employee stock-based compensation plans.

CREDIT FACILITY AND LETTER OF CREDIT FACILITY

The Credit Facility provides for revolving credit facilities in the aggregate principal amount of up to $550 million, with a $60 million sub-limit for letters of credit. The Revolving A Loan terminates, and all loans thereunder become due, on June 27, 2024. The Revolving B Loan terminates, and all loans made thereunder become due, on May 1, 2023. As of March 31, 2020, we had $350 million outstanding under this Credit Facility.

The Credit Facility contains a various restrictive covenants and customary events of default. The Credit Facility also contains financial covenants that requires us and our consolidated subsidiaries to have, as of the end of each quarter, (i) a capitalization ratio (i.e., funded debt less unrestricted cash to total capitalization) of no more than 57.5% and (ii) a net worth of at least $475 million plus 70% of consolidated net income after December 31, 2019, without deduction for net losses. As of March 31, 2020, we were in compliance with all financial covenants under the Credit Facility. The Credit Facility contains customary events of default, the occurrence of which could result in the acceleration of our obligation to repay the indebtedness outstanding thereunder.

On March 17, 2020, LP entered into the Letter of Credit Facility with Bank of America, N.A., which provides for the funding of letters of credit up to an aggregate outstanding amount of $20.0 million, which may be secured by certain cash collateral of LP. The Letter of Credit Facility includes an unused commitment fee, due quarterly, ranging from 0.50% to 1.875% of the daily available amount to be drawn on each letter of credit issued under the Letter of Credit Facility. The Letter of Credit Facility is subject to similar affirmative, negative and financial covenants as those set forth in the Credit Facility, including capitalization ratio and minimum net worth covenants.

OTHER LIQUIDITY MATTERS

Off-Balance Sheet Arrangements

As of March 31, 2020, we had standby letters of credit outstanding of $12 million related to collateral for environmental impact on owned properties, deposit for forestry license, and insurance collateral, including workers' compensation.

**Potential Impairments**

We continue to review our mills and investments for potential impairments and believe we have adequate support for the carrying value of our assets as of March 31, 2020. If demand and pricing for our products continue at levels significantly below cycle average demand and pricing, or should we decide to invest capital in alternative projects, or should changes occur related to our wood supply for these locations, it is possible that future impairment charges will be required. As of March 31, 2020, we believe the current impacts of the COVID-19 pandemic did not warrant impairments of our goodwill, intangibles, or long-lived assets. However, the long-term effects of the COVID-19 pandemic on the demand and pricing of our products may result in future impairment charges.

We also review from time to time possible dispositions of various assets in light of current and anticipated economic and industry conditions, our strategic plan, and other relevant factors. Because a determination to dispose of particular assets can require management to make assumptions regarding the transaction structure of the disposition and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, we may be required to record impairment charges in connection with decisions to dispose of assets.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Our international operations have exposure to foreign currency rate risks, primarily due to fluctuations in the Canadian dollar, Brazilian real and the Chilean peso. Although we have in the past entered into foreign exchange contracts associated with certain of our indebtedness and may continue to enter into foreign exchange contracts associated with major equipment purchases to manage a portion of the foreign currency rate risk, we historically have not entered into material currency rate hedges with respect to our exposure from operations, although we may do so in the future.

Some of our products are sold as commodities, and therefore sales prices fluctuate daily based on market factors over which we have little or no control. The most significant commodity product we sell is OSB. Based upon an assumed North America annual production capacity in the OSB segment of 3.7 billion square feet (3/8" basis) or 3.2 billion square feet (7/16" basis), a $1 change in the annual average price per thousand square feet on a 7/16" basis would change annual pre-tax profits by approximately $3 million.

We are exposed to market risk associated with changes in interest rates on our variable rate long-term debt. As of March 31, 2020, we had outstanding borrowings of approximately $350 million under our Credit Facility, all of such borrowings were subject to variable interest rates. If the variable rates on this debt were one percent higher than the rate applicable to the borrowing during the three month period ended March 31, 2020, there would not have been a material impact to our interest expense due to the timing of our Credit Facility borrowings. We do not currently have any derivative or hedging arrangements, or other known exposures, to changes in interest rates.

We historically have not entered into material commodity futures and swaps, although we may do so in the future.

## ITEM 4. CONTROLS AND PROCEDURES.

**Evaluation of Disclosure Controls and Procedures**

As of March 31, 2020, our Chief Executive Officer and Chief Financial Officer have carried out, with the participation of the Company's Disclosure Practices Committee and the Company's management, an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Exchange Act. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2020, LP's disclosure controls and procedures were effective.

**Changes in Internal Control Over Financial Reporting**

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2020, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES**
**KEY PERFORMANCE INDICATORS**

We consider the following items to be key performance indicators because LP's management uses these metrics to evaluate our business and trends, measure our performance, and make strategic decisions and believes that the key performance indicators presented provide additional perspective and insights when analyzing the core operating performance of LP. These key performance indicators should not be considered superior to, as a substitute for or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented herein. These measures may not be comparable to similarly-titled performance indicators used by other companies.

We monitor housing starts as a leading indicator of demand for many of our products, and we believe that this is a useful measure for evaluating our ability to generate sales and that providing this measure should allow interested persons to more readily compare the earnings for past and future periods. Other companies may present housing start data differently and, therefore, as presented by us, our housing start data may not be comparable to similarly-titled performance indicators used or reported by other companies.

| | Quarter Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| **Housing starts[1]:** | | |
| Single-Family | 212 | 189 |
| Multi-Family | 113 | 77 |
| | 325 | 266 |

[1] Actual U.S. Housing starts data reported by U.S. Census Bureau as published through April 16, 2020.

The following table set forth North American sales volume for the quarters ended March 31, 2020 and 2019:

| | Three Months Ended March 31, 2020 | | | | Three Months Ended March 31, 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| **Sales Volume** | Siding | OSB | EWP | Total | Siding | OSB | EWP | Total |
| SmartSide® Strand siding (MMSF) | 291 | — | — | 291 | 284 | — | — | 284 |
| SmartSide® Fiber siding (MMSF) | 38 | — | — | 38 | 53 | — | — | 53 |
| OSB - commodity (MMSF) | — | 522 | — | 522 | 17 | 571 | 9 | 598 |
| OSB - Structural Solutions (MMSF) | — | 396 | — | 396 | 1 | 390 | 5 | 396 |
| LVL (MCF) | — | — | 1,753 | 1,753 | — | — | 1,504 | 1,504 |
| LSL (MCF) | — | — | 699 | 699 | — | — | 797 | 797 |
| I-Joist (MMLF) | — | — | 26 | 26 | — | — | 18 | 18 |

We measure the OEE at each of our mills to track improvements in the utilization and productivity of our manufacturing assets. OEE is a composite metric that considers asset uptime (adjusted for capital project downtime and similar events), production rates, and finished product quality. It should be noted that other companies may present OEE differently and, therefore, as presented by us, OEE may not be comparable to similarly-titled measures reported by other companies. We believe that when used in conjunction with other metrics, OEE can be a useful measure for evaluating our ability to generate profits, and that providing this measure should allow interested persons to more readily monitor operational improvements. The OEE for the three months ended March 31, 2020 and 2019 for each of our segments is listed below:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2020 | 2019 |
| Siding | 89% | 85% |
| OSB | 88% | 87% |
| EWP | 88% | 85% |
| South America | 69% | 77% |

## PART II-OTHER INFORMATION

**Item 1. Legal Proceedings.**

The description of certain legal and environmental matters involving LP set forth in Item 1 of this quarterly report on Form 10-Q under “Note 13” to the Notes to the Condensed Consolidated Financial Statements contained herein is incorporated herein by reference.

**Item 1A. Risk Factors.**

You should be aware that the occurrence of any of the events described in this Risk Factors section and elsewhere in this quarterly report on Form 10-Q or in any other of our filings with the SEC could have a material adverse effect on our business, financial position, results of operations and cash flows. In evaluating us, you should consider carefully, among other things, the risks described below, and the matters described in “About Forward-Looking Statements.” The following risk factors amend, restate, and supplement the risk factors discussed in the Company’s 2019 Annual Report on Form 10-K.

*Our business, financial condition, and results of operations may be adversely affected by global pandemics, including the recent COVID-19 pandemic.* Our business, financial condition and results of operations may be adversely affected if a global pandemic, such as the recent COVID-19 pandemic, interferes with the ability of our employees, suppliers, customers, distributors, financing sources or others to conduct business or negatively affects consumer confidence or the global economy.

In December 2019, COVID-19 was reported to have surfaced in Wuhan, China. In January 2020, COVID-19 spread to other countries, including the United States. In March 2020, the World Health Organization characterized the outbreak of COVID-19 as a global pandemic and recommended containment and mitigation measures, the United States declared a national emergency concerning the pandemic, and multiple states and municipalities have declared public health emergencies. Along with these declarations, there have been extraordinary and wide-ranging actions taken by international, federal, state and local public health and governmental authorities to contain and combat the outbreak and spread of COVID-19 in regions across the United States and the world, including quarantines, and “stay-at-home” orders and similar mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations.

The pandemic is a widespread health crisis that has affected large segments of the global economy, resulting in a rapidly changing market and economic activities. The pandemic and any preventative or protective actions that governments or we may take with respect to COVID-19 may have a material adverse effect on our business or our supply of raw materials, production, distribution channels, and customers, including business shutdowns or disruptions for an indefinite period of time, reduced operations, restrictions on manufacturing or shipping products or reduced consumer demand. Any resulting financial impact cannot be estimated reasonably at this time but may materially affect our business, financial condition, or results of operations. The extent to which COVID-19 affects our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions to contain the pandemic or treat its impact, among others.

We are uncertain of the potential full magnitude or duration of the business and economic impacts from the unprecedented public health effort to contain and combat the spread of COVID-19, which include, among other things, significant volatility in financial markets and a sharp decrease in the value of equity securities, including our common stock.

*Our business primarily relies on North American new home construction and repair, which are impacted by risks associated with fluctuations in the housing market. Downward changes in the general economy, the housing market or other business conditions could adversely affect our results of operations, cash flows, and financial condition.* The housing market is sensitive to changes in economic conditions and other factors, such as the level of employment, access to labor, consumer confidence, consumer income, availability of financing, interest rate, and inflation levels, and growth of the gross domestic product.

Adverse changes in any of these conditions generally, or in any of the markets where we operate, could decrease demand for our products and could adversely impact our businesses by: causing consumers to delay or decrease homeownership; making consumers more price-conscious resulting in a shift in demand to smaller homes; making consumers more reluctant to make investments in their existing homes; or making it more challenging to secure loans for major renovations or new home construction. Although the U.S. new home construction market is improving, demand for new homes is still recovering after the 2007-2009 U.S. economic recession and continues to remain below average historical levels. While we believe long-term housing market fundamentals remain positive, including low interest rates and a relatively constrained supply of homes available for sale, we expect that overall economic conditions in the United States will be negatively impacted by the spread of COVID-19, as discussed above, though the magnitude and duration of any such impact are unknown and highly uncertain. If conditions in the overall housing market or in a specific market or submarket worsen in the future beyond our current expectations, such changes could have a material adverse effect on our financial position, results of operations, and cash flows. Additionally, higher interest rates, high levels of unemployment, restrictive lending practices, heightened regulation, and increased foreclosures could have a material adverse effect on our financial position, results of operations, and cash flows.

*We have a high degree of product concentration in OSB*. OSB accounted for about 39%, 54%, and 54% of our North American sales in 2019, 2018, and 2017, respectively, and we expect OSB sales to continue to account for a substantial portion of our revenues and profits in the future. The concentration of our business in the OSB market further increases our sensitivity to commodity pricing and price volatility. Historical prices for our commodity products have been volatile, and we, like other participants in the building products industry, have limited influence over the timing and extent of price changes for our products. Commodity product pricing is significantly affected by the relationship between supply and demand in the building products industry. Product supply is influenced primarily by fluctuations in available manufacturing capacity. Demand is affected by the state of the economy in general and a variety of other factors, including the level of new residential construction activity and home repair and remodeling activity, changes in the availability and cost of mortgage financing. In this competitive environment, with so many variables for which we do not control, we cannot guarantee that pricing for our OSB products will not decline from current levels. The continued development of builder and consumer preference for our OSB products (commodity and Structural Solutions) over competitive products is critical to sustaining and expanding demand for our products. Therefore, a failure to maintain and increase builder and consumer acceptance of our OSB products could have a material adverse effect on our financial position, liquidity, results of operations, and cash flows.

*Intense competition in the building products industry could prevent us from increasing or sustaining our net sales and profitability*. The markets for our products are highly competitive. Our competitors range from very large, fully integrated forest and building products firms to smaller firms that may manufacture only one or a few types of products. Many of our competitors may have greater financial and other resources, greater product diversity, and better access to raw materials than we do, and certain of the mills operated by our competitors may be lower-cost producers than the mills operated by us. Increased competition in any of the markets in which we compete would likely cause pricing pressures in those markets. Any of these factors could have a material adverse effect on our financial position, results of operations, and cash flows.

*Our reliance on third-party wholesale distribution channels could impact our business.* We offer our products directly and through a variety of third-party wholesale distributors and dealers. Adverse changes in the financial or business condition of these wholesale distributors and dealers or our customers, including as a result of the impacts arising from the COVID-19 pandemic, could subject us to losses and affect our ability to bring our products to market. One or more of our customers may experience financial difficulty, file for bankruptcy protection or go out of business as a result of the current events surrounding the COVID-19 pandemic, which could result in an increase in customer financial difficulties that affect us. The direct impact on us could include reduced revenues and write-offs of accounts receivable, and negatively impact our operating cash flow. While we currently cannot estimate what those effects will be, if they are severe, the indirect impact could include impairments of intangible assets and reduced liquidity, among others. Any such adverse changes could have a material adverse effect on our business, financial position, liquidity, results of operations, and cash flows. Further, our ability to effectively manage inventory levels at wholesale distributor locations may be impaired under such arrangements, which could increase expenses associated with excess and obsolete inventory and negatively impact cash flows.

*Our results of operations may be adversely affected by potential shortages of raw materials and increases in raw material costs.* The most significant raw material used in our operations is wood fiber. Wood fiber is subject to commodity pricing, which fluctuates based on market factors over which we have no control. In addition, the cost of various types of wood fiber that we purchase in the market has at times fluctuated greatly because of governmental, economic or industry conditions, and may be affected by increased demand resulting from initiatives to increase the use of biomass materials in the production of heat, power, bio-based products, and biofuels. Wood fiber supply could also be influenced by natural events, such as forest fires, severe weather conditions, insect epidemics, and other natural disasters, which may increase wood fiber costs, restrict access to wood fiber, or force production curtailments.

In addition to wood fiber, we also use a significant quantity of various resins in our manufacturing processes. Resin product costs are influenced by changes in the prices or availability of raw materials used to produce resins, primarily petroleum products, as well as demand for and availability of resin products. The selling prices of our products have not always increased in response to raw material cost increases. We are unable to determine to what extent, if any, we will be able to pass any future raw material cost increases through to our customers through product price increases. Our inability to pass increased costs through to our customers could have a material adverse effect on our financial condition, results of operations, and cash flows.

Many of the Canadian forestlands from which we obtain wood fiber also are subject to the constitutionally protected treaty or common-law rights of the aboriginal peoples of Canada. Most of British Columbia is not covered by treaties and, as a result, the claims of British Columbia’s aboriginal peoples relating to forest resources are largely unresolved, although many aboriginal groups are actively engaged in treaty discussions with the governments of British Columbia and Canada. Final or interim resolution of claims brought by aboriginal groups are expected to result in additional restrictions on the sale or harvest of timber and may increase operating costs and affect timber supply and prices in Canada

*We mostly depend on third parties for transportation services and increases in costs, and the availability of transportation could materially and adversely affect our business and operations.* Our business depends on the transportation of many products, both domestically and internationally. We rely primarily on third parties for transportation of the products we manufacture and/or distribute as well as for delivery of our raw materials. In particular, a significant portion of the goods we manufacture and raw materials we use are transported by railroad or trucks, which are highly regulated. If any of our third-party transportation providers were to fail to deliver the goods we manufacture or distribute in a timely manner, including as a result of the impacts arising from the COVID-19 pandemic, we may be unable to sell those products at full value or at all. Similarly, if any of these providers were to fail to deliver raw materials to us in a timely manner, we may be unable to manufacture our products in response to customer demand. In addition, if any of these third parties were to cease operations or cease doing business with us, we may be unable to replace them at a reasonable cost. Any failure of a third-party transportation provider to deliver raw materials or finished products in a timely manner could harm our reputation, negatively affect our customer relationships and have a material adverse effect on our financial condition and results of operations. In addition, an increase in transportation rates or fuel surcharges could materially and adversely affect our sales and profitability.

*We may experience difficulties in the launch or production ramp-up of new products, which could adversely affect our business.* As we ramp up manufacturing processes for newly introduced products, we may experience difficulties, including manufacturing disruptions, delays or other complications, which could adversely impact our ability to serve our customers, our reputation, our costs of production and, ultimately, our financial position, results of operations and cash flows.

*Unplanned events may interrupt our manufacturing operations, which may adversely affect our business.* The manufacturing of our products is subject to unplanned events such as explosions, fires, inclement weather, natural disasters, accidents, equipment failures, labor disruptions, transportation interruptions, supply interruptions, and public health issues (including pandemics and quarantines). Operational interruptions could significantly curtail the production capacity of a facility for a period of time. We have redundant capacity and capability to produce many of our products within our manufacturing platform to mitigate our business risk from such interruptions, but major or prolonged interruptions could compromise our ability to meet our customers' needs. Delayed delivery of our products to customers who require on-time delivery from us may cause customers to purchase alternative products at a higher cost, reschedule their own production, or incur other incremental costs. Customers may be able to pursue financial claims against us for their incremental costs, and we may incur costs to correct such problems in addition to any liability resulting from such claims. Interruptions may also harm our reputation among actual and potential customers, potentially resulting in a loss of business. To the extent these losses are not covered by insurance, our financial position, results of operations, and cash flows could be adversely affected by such events.

*We are subject to significant environmental regulation and environmental compliance expenditures and liabilities.* Our businesses are subject to many environmental laws and regulations, particularly with respect to discharges of pollutants and other emissions on or into the land, water and air, and the disposal and remediation of hazardous substances or other contaminants and the restoration and reforestation of timberlands. Compliance with these laws and regulations is a significant factor in our business. We have incurred and expect to continue to incur significant expenditures to comply with applicable environmental laws and regulations. Moreover, the environmental laws and regulations to which we are subject could become more stringent in the future, which could result in additional compliance costs or restrictions on our ability to manufacture our products or operate our business. Our failure to comply with applicable environmental laws and regulations and permit requirements could result in civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, installation of pollution control equipment, or remedial actions.

Some environmental laws and regulations impose liability and responsibility on present and former owners, operators, or users of facilities and sites for contamination at such facilities and sites, without regard to causation or knowledge of contamination. In addition, we occasionally evaluate various alternatives with respect to our facilities, including possible dispositions or closures. Investigations undertaken in connection with these activities may lead to discoveries of contamination that must be remediated, and closures of facilities may trigger compliance requirements that are not applicable to operating facilities. Consequently, we cannot guarantee that existing or future circumstances or developments with respect to contamination will not require significant expenditures by us.

*We are subject to various environmental, product liability, and other legal proceedings, matters, and claims. The outcome of these proceedings, matters, and claims, and the magnitude of related costs and liabilities are subject to uncertainties.* We currently are, or from time to time in the future may be, involved in a number of environmental matters and legal proceedings, including legal proceedings involving antitrust, warranty or non-warranty product liability claims, negligence and other claims, including claims for wrongful death, personal injury and property damage alleged to have arisen out of the use by others of our or our predecessors' products or the release by us or our predecessors of hazardous substances. The conduct of our business involves the use of hazardous substances and the generation of contaminants and pollutants. In addition, the end-users of many of our products are members of the general public. Environmental matters and other legal matters and proceedings, including class action settlements relating to certain of our products, have in the past caused and, in the future, may cause us to incur substantial costs. The actual or alleged existence of defects in any of our products could also subject us to significant product liability claims. We have established contingency reserves in our Consolidated Financial Statements with respect to the estimated costs of existing environmental matters and legal proceedings to the extent that our management has determined that such costs are both probable and reasonably estimable as to amount. However, such reserves are based upon various estimates and assumptions relating to future events and circumstances, all of which are subject to inherent uncertainties. We regularly monitor our estimated exposure to environmental and litigation loss contingencies and, as additional information becomes known, may change our estimates significantly. However, no estimate of the range of any such change can be made at this time. We may incur costs in respect of existing and future environmental matters and legal proceedings as to which no contingency reserves have been established. We cannot assure you that we will have sufficient resources available to satisfy the related costs and expenses associated with these matters and proceedings.

*Warranty claims relating to our products and exceeding our warranty reserves could have a material adverse effect on our business.* We have offered, and continue to offer, various warranties on our products. Although we maintain reserves for warranty-related claims and we have established and recorded product-related warranty reserves on our Consolidated Financial Statements, we cannot guarantee that warranty expense levels or the results of any warranty-related legal proceedings will not exceed our reserves. If our warranty reserves are significantly exceeded, the costs associated with such warranties could have a material adverse effect on our financial position, results of operations, and cash flows.

*Because our intellectual property and other proprietary information may become publicly available, we are subject to the risk that competitors could copy our products or processes*. Our success depends, in part, on the proprietary nature of our technology, including non-patentable intellectual property, such as our process technology. To the extent that a competitor can reproduce or otherwise capitalize on our technology, it may be difficult, expensive, or impossible for us to obtain adequate legal or equitable relief. Also, the laws of some foreign countries may not protect our intellectual property to the same extent as do the laws of the United States. In addition to patent protection of intellectual property rights, we consider elements of our product designs and processes to be proprietary and confidential and/or trade secrets. To safeguard our confidential information, we rely on employee, consultant, and vendor nondisclosure agreements and contractual provisions and a system of internal and technical safeguards to protect our proprietary information. However, any of our registered or unregistered intellectual property rights may be subject to challenge or possibly exploited by others in the industry, which could materially adversely affect our financial position, results of operations, cash flows, and competitive position.

*We have not independently verified the results of third-party research or confirmed assumptions or judgments upon which it may be based, and the forecasted and other forward-looking information contained therein is subject to inherent uncertainties.* We refer in our annual reports, quarterly reports and other documents that we file with the SEC to historical, forecasted and other forward-looking information published by sources such as *Resource Information Systems, Inc*. (RISI), *Forest Economic Advisors, LLC (FEA)*, *Random Lengths Publications, Inc. (Random Lengths)* and the U.S. Census Bureau that we believe to be reliable. However, we have not independently verified this information and, with respect to the forecasted and forward-looking information, have not independently confirmed the assumptions and judgments upon which it is based. Forecasted and other forward-looking information is necessarily based on assumptions regarding future occurrences, events, conditions and circumstances and subjective judgments relating to various matters and is subject to inherent uncertainties. Actual results may differ materially from the results expressed or implied by, or based upon, such forecasted and forward-looking information.

*Cybersecurity risks related to the technology used in our operations and other business processes, as well as security breaches of company, customer, employee, and vendor information, could adversely affect our business.* We rely on various information technology systems to capture, process, store, and report data and interact with customers, vendors, and employees. Despite careful security and controls design, implementation, updating, and internal and independent third-party assessments, our information technology systems, and those of our third-party providers, could become subject to security breaches, cyber-attacks, employee misconduct, computer viruses, misplaced or lost data, programming and/or human errors or other similar events. Network, system, and data breaches could result in misappropriation of sensitive data or operational disruptions, including interruption to systems availability and denial of access to and misuse of applications required by our customers to conduct business with us. In addition, hardware and operating system software and applications that we procure from third parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of the systems. Misuse of internal applications, theft of intellectual property, trade secrets, or other corporate assets, and inappropriate disclosure of confidential information could stem from such incidents. A breach in cybersecurity could result in manipulation and destruction of sensitive data, cause critical systems to malfunction, be damaged or shut down, and lead to disruption to our operations and production downtimes, potentially for lengthy periods of time. Theft of personal or other confidential data and sensitive proprietary information could also occur as a result of a breach in cybersecurity, exposing us to costs and liabilities associated with privacy and data security laws in the jurisdictions in which we operate. Additionally, a breach could expose us, our customers, our suppliers, and our employees to risks of misuse of such information. Such negative consequences of cyberattacks or security breaches could adversely affect our reputation, competitive position, business, or results of operations. The lost profits and increased costs related to cyber or other security threats or disruptions may not be fully insured against or indemnified by other means. A security failure could also impact our ability to operate our businesses effectively, adversely affect our reported financial results, impact our reputation, and expose us to potential liability or litigation. We may be required to expend additional resources to continue to enhance our security measures to investigate and remediate any security vulnerabilities.

From time to time, we may implement new technology systems or replace and/or upgrade our current information technology systems. These upgrades or replacements may not improve our productivity to the levels anticipated and may subject us to inherent costs and risks associated with implementing, replacing and updating these systems, including potential disruption of our internal control structure, substantial capital expenditures, demands on management time and other risks of delays or difficulties in transitioning to new systems or of integrating new systems into other existing systems. Our inability to prevent information technology system disruptions or to mitigate the impact of such disruptions could have an adverse effect on us.

*Because we have operations outside the United States and report our earnings in U.S. dollars, unfavorable fluctuations in currency values and exchange rates could have a material adverse effect on our results of operations*. Because our reporting currency is the U.S. dollar, our non-U.S. operations face the additional risk of fluctuating currency values and exchange rates. Such operations may also face hard currency shortages and controls on currency exchange. Changes in the value of foreign currencies (principally Canadian dollars, Brazilian reals, and Chilean pesos) could have an adverse effect on our results of operations. We have, in the past, entered into foreign exchange contracts associated with certain of our indebtedness and may continue to enter into foreign exchange contracts associated with major equipment purchases to manage a portion of the foreign currency rate risk. We historically have not entered into currency rate hedges with respect to our exposure from operations, although we may do so in the future. There can be no assurance that fluctuation in foreign currencies and other foreign exchange risks will not have a material adverse effect on our financial position, results of operations or cash flows.

*Covenants and events of default in our debt instruments could limit our ability to undertake certain types of transactions and adversely affect our liquidity.* Our Credit Facility and the indenture governing our 2024 Senior Notes contain a number of restrictive covenants that impose operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including, among others, restrictions on our ability to incur indebtedness, grant liens to secure indebtedness, engage in sale and leaseback transactions and merge or consolidate or sell all or substantially all of our assets.

In addition, restrictive covenants in our Credit Facility require us to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we may be unable to meet them.

A breach of the covenants or restrictions under our Credit Facility or under the indenture governing the 2024 Senior Notes could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt. A payment default or an acceleration following an event of default under our Credit Facility or our indenture for our 2024 Senior Notes could trigger an event of default under the other indebtedness obligation, as well as any other debt to which a cross-acceleration or cross-default provision applies, which could result in the principal of and the accrued and unpaid interest on all such debt becoming due and payable. In addition, an event of default under our Credit Facility could permit the lenders under our Credit Facility to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay any amounts due and payable under our Credit Facility, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

As a result of these restrictions, we may be:

- limited in how we conduct our business and grow in accordance with our strategy;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

In addition, our financial results, our level of indebtedness, and our credit ratings could adversely affect the availability and terms of any additional or replacement financing.

More detailed descriptions of our revolving credit facility and the indenture governing our 2024 Senior Notes are included in filings made by us with the SEC, along with the documents themselves, which provide the full text of these covenants.

*Our defined benefit plan funding requirements or plan settlement expense could impact our financial results and cash flow.* We have several pension plans in the U.S. and Canada, covering many of the Company's employees. Benefit accruals under our defined benefit pension plan in the U.S. were frozen as of January 1, 2010. Significant changes in interest rates, decreases in the fair value of plan assets, and timing and amount of benefit payments could affect the funded status of our plans and could increase future funding requirements of the plans. A significant increase in future funding requirements could have a negative impact on our financial position, results of operations, and cash flows. These plans allow eligible retiring employees to receive lump-sum distributions of benefits earned. Under applicable accounting rules, if annual lump sum distributions exceed an actuarially determined threshold of the total of the annual service and interest costs, we would be required to recognize, in the current period of operations, a settlement expense of a portion of the unrecognized actuarial loss, which could have a negative impact on our results of operations.

*In addition to the risks discussed above, we are subject to a variety of other risks as a publicly traded U.S. manufacturing company*. As a publicly-traded U.S. manufacturing company, we are subject to a variety of other risks, each of which could adversely affect our financial position, results of operations or cash flows, or the price of our common stock. These risks include but are not limited to:

- the effects of global economic uncertainty or recession, including the impact of the COVID-19 pandemic and the responses of governmental authorities thereto;
- the ability to attract and retain key management and other personnel and develop effective succession plans;
- pursuing growth through acquisitions, including the ability to identify acceptable acquisition candidates, finance and consummate acquisitions on favorable terms and successfully integrate acquired assets or businesses;
- compliance with a wide variety of health and safety laws and regulations and changes to such laws and regulations;
- the exertion of influence over us, individually or collectively, by a few entities with concentrated ownership of our stock;
- taxation by multiple jurisdictions and the impact of such taxation on the effective tax rate and the amount of taxes paid;
- changes in tax laws and regulations;
- new or modified legislation related to health care;
- compliance with Section 404 of the Sarbanes-Oxley Act of 2002, including the potential impact of compliance failures; and
- failure to meet the expectations of investors, including as a result of factors beyond the control of an individual company.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On February 6, 2020, LP's Board of Directors authorized LP to repurchase up to $200 million of LP's common stock. LP may initiate, discontinue or resume purchases of its common stock under this authorization in the open market, in privately negotiated transactions or otherwise at any time or from time to time without prior notice. As of May 6, 2020, no purchases have occurred under this authorization.

## Item 3. Defaults Upon Senior Securities.

None.

## Item 4. Mine Safety Disclosures.

Not applicable.

## Item 5. Other Information.

None.

**Item 6. Exhibits.**

| | |
|---|---|
| 10.1 | Form of 2020 Performance Shares Award Agreement under the 2013 Omnibus Stock Award Plan. |
| 31.1 | Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. |
| 31.2 | Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. |
| 32.1 | Certifications pursuant to § 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.* |
| 101.SCH | XBRL Taxonomy Extension Schema Document.* |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document.* |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document.* |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document.* |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document.* |

*Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this quarterly report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

LOUISIANA-PACIFIC CORPORATION

| | | | |
|---|---|---|---|
| Date: | May 6, 2020 | BY: | /S/ W. BRADLEY SOUTHERN |
| | | | **W. Bradley Southern** |
| | | | **Chief Executive Officer** |
| Date: | May 6, 2020 | BY: | /S/ ALAN J.M. HAUGHIE |
| | | | **Alan J.M. Haughie** |
| | | | **Executive Vice President and** |
| | | | **Chief Financial Officer** |

NAI-1506302775v5

**PERFORMANCE SHARES AWARD AGREEMENT**

| | |
|---|---|
| Corporation: | Louisiana-Pacific Corporation, a Delaware corporation ("***Corporation***") |
| Awardee: | **[Employee name]** ("***Participant***") |
| Plan: | Louisiana-Pacific Corporation 2013 Omnibus Stock Award Plan (the "***Plan***") |
| Target Award: | Target number of **[XXX]** Share units, each unit representing a right to receive one Share subject to the terms and conditions of this Agreement ("***Performance Shares***") |
| Grant Date: | __________ ___, 20___ ("***Grant Date***") |

Corporation and Participant agree as follows:

1. Defined Terms. Capitalized terms used but not otherwise defined in this Performance Shares Award Agreement (this "***Agreement***") and the Statement of Performance Objectives have the meanings given them in the Plan. As used in this Agreement and the Statement of Performance Objectives:

(a) "***Performance Objectives***" means the performance goals established by the Administrator for the Performance Period as described in the Statement of Performance Objectives.

(b) "***Performance Period***" shall mean the period commencing on __________, 20__ and ending on ____________, 20__. Generally, Performance Period should commence on January 1 of "year 1" and end on December 31 of "year 3."

(c) "***Statement of Performance Objectives***" shall mean the statement of Performance Objectives as approved by the Administrator with respect to the Performance Shares on the Grant Date and thereafter communicated to Participant.

(d) "***Vesting Date***" shall mean _________, 20__. For purposes of clarity, Vesting Date (i.e., the date through which Participant must be continuously employed to receive a payout) to be specifically defined as the third anniversary of the Grant Date.

2. Grant of Award of Performance Shares. As of the Grant Date, Corporation has granted to Participant an Award covering the number of Performance Shares set forth above, payment of which depends on Corporation's performance as set forth in the Statement of Performance Objectives, as determined and certified by the Administrator in its sole discretion. Subject to the attainment of the Performance Objectives, Participant may earn between 0% and 200% of the target award of Performance Shares.

3. Acknowledgment. Participant acknowledges that the Award of Performance Shares is subject to the terms and conditions set forth in this Agreement, in the Statement of Performance Objectives and in the Plan.

4. Normal Earning of Performance Shares. Except as otherwise provided herein, Performance Shares covered by this Agreement shall only be earned and result in payment, at the time described in **Section 6**, after completion of the Performance Period and only if they are earned as provided in this **Section 4**. Except as otherwise provided herein, no Performance Shares will result in payment unless Participant remains continuously employed by Corporation or a Subsidiary through the Vesting Date. For purposes of this Agreement, "continuously employed" means the absence of any interruption or termination of Participant's employment with Corporation or with a Subsidiary. Continuous employment shall not be considered interrupted or terminated in the case of sick leave, military leave or any other leave of absence approved by Corporation or in the case of transfers between locations of Corporation and its Subsidiaries.

5. Alternative Earning of Performance Shares; Forfeiture.

(a) Effect of Death or Disability. If Participant dies or becomes Disabled prior to the Vesting Date, then, if the Performance Shares have not previously Vested or been forfeited, a number of Performance Shares shall be earned and result in payment, at the time described in **Section 6**, in an amount equal to the product of (i) (A) if the date of such death or Disability occurs after the last day of the Performance Period, the number of Performance Shares that would have resulted in payment in accordance with the terms of **Section 4** if Participant had remained in the continuous employ of Corporation or a Subsidiary from the Grant Date until the Vesting Date, or (B) if the date of such death or Disability occurs on or before the last day of the Performance Period, the target number of Performance Shares, multiplied by (ii) a fraction (in no case greater than 1), the numerator of which is the number of whole months from the first day of the Performance Period through the date of such death or Disability, and the denominator of which is 36.

(b) Effect of Change of Control. In the event a Change of Control occurs prior to the Vesting Date and while Participant is in continuous employment with Corporation or any Subsidiary, then, to the extent the Performance Shares have not previously been forfeited, the Performance Shares covered by this Agreement shall be deemed earned (i) if the date of such Change of Control occurs after the last day of the Performance Period, the number of Performance Shares that would have resulted in payment in accordance with the terms of **Section 4** if Participant had remained in the continuous employ of Corporation or a Subsidiary from the Grant Date until the Vesting Date, or (ii) if the date of such Change of Control occurs on or before the last day of the Performance Period, at the target level of performance. Performance Shares that are earned as described in this **Section 5(b)** will be paid at the time described in **Section 6**.

(c) Effect of Retirement. If Participant experiences a termination of employment because of Participant's Retirement (as defined below) on or after the first anniversary of the Grant Date but prior to the Vesting Date, then, if the Performance Shares have not previously Vested or been forfeited, a number of Performance Shares shall be earned and result in payment, at the time described in **Section 6**, in an amount equal to the number of Performance Shares that would have resulted in payment in accordance with the terms of **Section 4** or **Section 5(b)** (as applicable) if Participant had remained in the continuous employ of Corporation or a Subsidiary from the Grant Date until the Vesting Date or the occurrence of a Change of Control (whichever occurs first). For purposes of this Agreement, "Retirement" shall mean the voluntary termination of Participant's employment with Corporation and its Subsidiaries if (i) Participant is then at least age 55 and has completed at least twenty (20) years of continuous service with Corporation or a Subsidiary, (ii) Participant is then at least age 60 and has completed at least ten (10) years of continuous service with Corporation or a Subsidiary or (iii) Participant is then at least age 65 and has completed at least five (5) years of continuous service with Corporation or a Subsidiary.

(d) Forfeiture. In the event that Participant ceases to be continuously employed by Corporation or a Subsidiary prior to the Vesting Date and before the occurrence of a Change of Control, in a manner other than as specified in **Sections 5(a) or 5(c)** hereof, Participant will immediately and automatically forfeit all Performance Shares subject to the Award, and Participant will cease to have any rights with respect to such Performance Shares. In addition, any Performance Shares that are not earned pursuant to **Section 4**, or alternatively in **Section 5**, shall be forfeited.

6. Form and Time of Payment of Performance Shares.

(a) General. Payment of any Performance Shares that become earned as set forth herein will be made in the form of Shares. Except as provided in **Section 6(b)**, payment shall be made between the Vesting Date and March 15, 20__, The payment date should be no later than March 15 of the year following the year in which the Performance Period ends (i.e., “year 4”). after the determination and certification by the Administrator of the level of the attainment of the Performance Objectives.

(b) Alternative Payment Events. Notwithstanding **Section 6(a)**, to the extent the Performance Shares are earned due to Participant’s death or Disability or a Change of Control as provided in **Section 5**, then payment of the Shares will be made within 74 days of such death, Disability or Change of Control (as applicable). Notwithstanding anything herein to the contrary, the Shares will be paid in all events within the short-term deferral period for purposes of Section 409A of the Code.

7. Dividend Equivalents, Voting and Other Rights. During the Performance Period for any Award of Performance Shares, Participant will not have any rights as a stockholder with respect to the Performance Shares (until the time Shares have been issued in settlement of the Performance Shares as described in **Section 6)**. From and after the Grant Date and until the earlier of (a) the time when the Performance Shares Vest and are paid in accordance with **Section 6** hereof or (b) the time when Participant’s right to receive Shares in payment of the Performance Shares is forfeited, on the ex-dividend date with respect to any cash or other distribution or dividend (if any) to holders of Shares generally, Participant shall be credited with additional Performance Shares equal in value, as determined by the Administrator, to such distribution (rounded to the nearest whole number of Performance Shares). Any Performance Shares credited pursuant to the immediately preceding sentence shall be subject to the same applicable terms and conditions (including Vesting, payment and forfeitability) as apply to the Performance Shares based on which they were credited, and such amounts shall be paid in Shares at the same time as the Performance Shares to which they relate.

8. Performance Shares Nontransferable. Until payment is made to Participant as provided herein, neither Performance Shares granted hereby nor any interest therein or in the Shares related thereto shall be transferable other than by will or the laws of decent and distribution.

9. Tax Withholding. To the extent that Corporation or any Subsidiary is required to withhold any federal, state, or local taxes of any kind required by law with respect to the payment of earned Performance Shares pursuant to this Agreement, it shall be a condition that Participant made arrangements satisfactory to Corporation for the satisfaction of any such withholding tax obligations. Corporation will not be required to make any such payment until such obligations are satisfied. Participant may elect that all or any part of such withholding requirement be satisfied by retention by Corporation of a portion of the Shares that may be issued in connection with earned Performance Shares. If such election is made, the Shares so retained shall be credited against such withholding requirement at the fair market value per Share of such Shares on the date of such delivery. In no event will the fair market value of the Shares to

be withheld pursuant to this **Section 9** to satisfy applicable withholding taxes exceed the minimum amount of taxes required to be withheld.

10. Miscellaneous.

(a) Compliance With Law. Corporation shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, that notwithstanding any other provision of the Plan and this Agreement, Corporation shall not be obligated to issue any Shares pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

(b) Compliance With Section 409A of the Code. To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to Participant. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by Corporation without the consent of Participant). If the event triggering the right to payment under this Agreement is Participant's "separation from service" with Corporation or any Subsidiary within the meaning of Section 409A(a)(2)(A)(i) of the Code and Participant is a "specified employee" as determined pursuant to procedures adopted by Corporation in compliance with Section 409A of the Code, then, to the extent necessary to comply with the provisions of Section 409A of the Code, issuance of the Shares will be made to Participant on the earlier of the first day of the seventh month after the date of Participant's "separation of service" with Corporation and its Subsidiaries within the meaning of Section 409A(a)(2)(A)(i) or the date of Participant's death.

(c) Interpretation. Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service. Except as expressly provided in this Agreement, capitalized terms used herein will have the meaning ascribed to such terms in the Plan.

(d) No Employment Rights. The grant of the Award of Performance Shares under this Agreement to Participant is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the Award of Performance Shares and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained in this

Agreement shall confer upon Participant any right to be employed or remain employed by Corporation or any of its Subsidiaries, nor limit or affect in any manner the right of Corporation or any of its Subsidiaries to terminate the employment or adjust the compensation of Participant.

(e) Relation to Other Benefits. Any economic or other benefit to Participant under this Agreement or the Plan shall not be taken into account in determining any benefits to which Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by Corporation or any of its Subsidiaries and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of Corporation or any of its Subsidiaries.

(f) Amendments. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that (i) no amendment shall materially adversely affect the rights of Participant under this Agreement without Participant's written consent, and (ii) Participant's consent shall not be required to an amendment that is deemed necessary by Corporation to ensure compliance with Section 409A of the Code or Section 10D of the Exchange Act.

(g) Adjustments. The Performance Shares and the number of Shares issuable for the Performance Shares and the other terms and conditions of the Award evidenced by this Agreement are subject to adjustment as provided in Section 12 of the Plan.

(h) Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

(i) Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Administrator acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement.

(j) Successors and Assigns. Without limiting the provisions of this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of Participant, and the successors and assigns of Corporation.

(k) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

(l) Repayment Obligation.

(i) Notwithstanding anything in this Agreement to the contrary, Participant acknowledges and agrees that this Agreement and the Award described herein (and any settlement thereof) are subject to the terms and conditions of Corporation's clawback policy (if any) as may be in effect from time to time specifically to implement Section 10D of the Exchange Act and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange on which the Shares may be traded) (the "***Compensation Recovery Policy***"), and that relevant sections of this Agreement shall be deemed superseded by and subject to the terms and conditions of the Compensation Recovery Policy from and after the effective date thereof.

(ii) Without limiting the foregoing, in the event that (A) Corporation issues a restatement of financial results to correct a material error, (B) the Administrator determines, in good faith, that Participant's fraud or willful misconduct was a significant contributing factor to the need to issue such restatement and (C) some or all of the Performance Shares that were granted and/or earned during the three-year period prior to such restatement would not have been granted and/or earned, as applicable, based upon the restated financial results, Participant shall immediately forfeit to Corporation (as applicable) any outstanding Performance Shares, return to Corporation any Shares received under this Award and/or the pre-tax income derived from any disposition of the Shares previously received in settlement of Performance Shares that would not have been granted and/or earned based upon the restated financial results (the "***Repayment Obligation***"). This Repayment Obligation shall be in addition to any Compensation Recovery Policy that is adopted by Corporation or any compensation recovery that is otherwise required by applicable law; provided, however, that there shall be no duplication of recovery under this Agreement and any of 15 U.S.C. Section 7243 (Section 304 of the Sarbanes-Oxley Act of 2002) or Section 10D of the Exchange Act.

(m) Acknowledgement. Participant acknowledges that Participant (i) has received a copy of the Plan, (ii) has had an opportunity to review the terms of this Agreement and the Plan, (iii) understands the terms and conditions of this Agreement and the Plan and (iv) agrees to such terms and conditions.

(n) Electronic Delivery. Corporation may, in its sole discretion, deliver any documents related to the Performance Shares and Participant's participation in the Plan, or future awards that may be granted under the Plan, by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by Corporation or another third party designated by Corporation.

***[signature page follows]***

IN WITNESS WHEREOF, Corporation has caused this Agreement to be executed on its behalf by its duly authorized officer and Participant has executed this Agreement, effective as of the Grant Date first written above.

**Corporation:**

**LOUISIANA-PACIFIC CORPORATION**

____________________________________

By: **[officer name]**

Its: **[officer title]**

**Participant:**

**[Participant name]**

Exhibit 31.1

CERTIFICATION

I, W. Bradley Southern, certify that:

1. I have reviewed this report on Form 10-Q of Louisiana-Pacific Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 6, 2020

/S/ W. BRADLEY SOUTHERN

W. BRADLEY SOUTHERN

Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Alan Haughie, certify that:

1. I have reviewed this report on Form 10-Q of Louisiana-Pacific Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 6, 2020

/s/ Alan J.M. Haughie

Alan J.M. Haughie
Chief Financial Officer

**Exhibit 32.1**

LOUISIANA-PACIFIC CORPORATION
411 Union Street, Suite 2000
Nashville, TN 37219-1700
(615)986-5600

May 6, 2020

Securities and Exchange Commission
100 F Street NE.
Washington, D.C. 20549

Re: Certification Pursuant to § 906 of the Sarbanes-Oxley Act of 2002

Ladies and Gentlemen:

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, in connection with the filing of the Form 10-Q of Louisiana-Pacific Corporation (the "Company") for the three months ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/S/ W. BRADLEY SOUTHERN

Name: W. BRADLEY SOUTHERN
Title: Chief Executive Officer

/S/ ALAN J.M. HAUGHIE

Name: Alan J.M. Haughie
Title: Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Louisiana-Pacific Corporation and will be retained by Louisiana-Pacific Corporation and furnished to the Securities and Exchange Commission or its staff upon request.