



# Louisiana-Pacific Corporation

Q4 2017 Financial Results  
February 13, 2018

These slides were prepared and should be read in conjunction with the earnings release by LP's management on February 13, 2018 relating to LP's financial condition and results of operations as of and for the quarter and year ended December 31, 2017. LP does not intend to update these slides. Accordingly, you should not assume that the information contained in these slides will continue to be accurate as of any date after February 13, 2018. Please refer to LP Form 8K filed on February 13, 2018 for the reconciliation of Adjusted income, EBITDA and Adjusted EBITDA



# Forward Looking Statements

This presentation contains statements concerning Louisiana Pacific Corporation's (LP) future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, including the level of interest rates and housing starts, market demand for the company's products, and prices for structural products; the effect of forestry, land use, environmental and other governmental regulations; the ability to obtain regulatory approvals; and the risk of losses from fires, floods and other natural disasters. These and other factors that could cause or contribute to actual results differing materially from such forward-looking statements are discussed in greater detail in the company's Securities and Exchange Commission filings.



# Statement Relating to the Use of Non-GAAP Financial Measures

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



# Financial Results

Dollar amounts in millions, except per share amounts

	<u>Q4 2017</u>	<u>Q3 2017</u>	<u>Q4 2016</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
<b>Net sales</b>	\$ 710.6	\$ 718.3	\$ 550.0	\$ 2,733.9	\$ 2,233.4
<b>Income from continuing operations</b>	\$ 130.7	\$ 110.9	\$ 42.7	\$ 391.1	\$ 150.3
<b>Net income</b>	\$ 130.5	\$ 109.8	\$ 42.2	\$ 389.8	\$ 149.8
<b>Diluted EPS from continuing operations</b>	\$ 0.89	\$ 0.76	\$ 0.29	\$ 2.67	\$ 1.03
<b>Diluted EPS</b>	\$ 0.89	\$ 0.75	\$ 0.29	\$ 2.66	\$ 1.03
<b><u>Non-GAAP financial results</u></b>					
<b>Adjusted operating income</b>	\$ 167.2	\$ 159.7	\$ 52.6	\$ 538.2	\$ 213.0
<b>Adjusted income from continuing operations</b>	\$ 106.6	\$ 102.1	\$ 32.8	\$ 341.2	\$ 129.5
<b>Adjusted diluted EPS from continuing operations</b>	\$ 0.73	\$ 0.70	\$ 0.23	\$ 2.33	\$ 0.89
<b>Adjusted EBITDA from continuing operations</b>	\$ 199.0	\$ 192.2	\$ 84.5	\$ 666.8	\$ 346.1
<b>Adjusted EBITDA Margin</b>	28.0%	26.8%	15.4%	24.4%	15.5%
<b>Average shares outstanding</b>					
<b>Diluted</b>	146.6	146.5	145.5	146.4	145.3

Note: Refer to LP Form 8K filed on February 13, 2018 for the reconciliation of Adjusted income from continuing operations, EBITDA from continuing operations, Adjusted EBITDA from continuing operations and Adjusted EBITDA Margin



# Siding

## Dollar amounts in millions

	<u>Q4 2017</u>	<u>Q3 2017</u>	<u>Q4 2016</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
<b>Sales</b>	\$ 212.8	\$ 226.2	\$ 169.0	\$ 884.0	\$ 752.3
<b>Operating income<sup>a</sup></b>	\$ 45.3	\$ 52.8	\$ 22.2	\$ 186.8	\$ 126.1
<b>Adjusted EBITDA<sup>b</sup></b>	\$ 52.7	\$ 61.1	\$ 29.1	\$ 218.6	\$ 154.4
<b>Adjusted EBITDA Margin</b>	24.8%	27.0 %	17.2%	24.7%	20.5%
<b>Percentage Changes:</b>					
<b>Sales</b>		(6)%	26%		18%
<b>Adjusted EBITDA</b>		(14)%	81%		42%
<b>Volume</b>					
<b>Smart Side</b>		(3)%	16%		10%
<b>CanExel</b>		(38)%	3%		10%
<b>OSB</b>		(35)%	12%		24%
<b>Price</b>					
<b>Smart Side</b>		2 %	6%		5%
<b>CanExel</b>		(2)%	8%		3%
<b>OSB</b>		2 %	34%		27%

<sup>a</sup> Operating income equals sales less cost of sales and selling and administration directly associated with the segment.

<sup>b</sup> Adjusted EBITDA from continuing operations



# OSB

Dollar amounts in millions

	<u>Q4 2017</u>	<u>Q3 2017</u>	<u>Q4 2016</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
<b>Sales</b>	\$ 358.2	350.9	\$ 275.8	\$ 1,302.5	\$ 1,027.7
<b>Operating income<sup>a</sup></b>	\$ 136.3	126.4	\$ 59.5	\$ 425.7	\$ 186.2
<b>Adjusted EBITDA<sup>b</sup></b>	\$ 153.4	141.8	\$ 73.8	\$ 488.2	\$ 245.8
<b>Adjusted EBITDA Margin</b>	42.8%	40.4 %	26.8 %	37.5%	23.9 %
<b>Percentage Changes:</b>					
<b>Sales</b>		2 %	30 %		27 %
<b>Adjusted EBITDA</b>		8 %	108 %		99 %
<b><u>Volume</u></b>		(2)%	(3)%		(1)%
<b><u>Price</u></b>		4 %	34 %		29 %

<sup>a</sup> Operating income equals sales less cost of sales and selling and administration directly associated with the segment.

<sup>b</sup> Adjusted EBITDA from continuing operations



# Engineered Wood Products

Dollar amounts in millions

	<u>Q4 2017</u>	<u>Q3 2017</u>	<u>Q4 2016</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
<b>Sales</b>	\$ 91.5	\$ 98.1	\$ 66.4	\$ 365.9	\$ 296.9
<b>Operating income (loss)<sup>a</sup></b>	\$ 2.9	\$ 6.3	\$ (3.8)	\$ 14.9	\$ (5.8)
<b>Adjusted EBITDA<sup>b</sup></b>	\$ 7.2	\$ 10.4	\$ (1.2)	\$ 31.0	\$ 7.5
<b>Adjusted EBITDA Margin</b>	7.9%	10.6 %	(1.8)%	8.5%	2.5%
<b>Percentage Changes:</b>					
<b>Sales</b>		(7)%	38 %		23%
<b>Adjusted EBITDA</b>		(31)%	NM		313%
<b><u>Volume</u></b>					
<b>LVL</b>		(3)%	20 %		11%
<b>LSL</b>		(6)%	42 %		18%
<b>I-Joist</b>		(8)%	17 %		11%
<b><u>Price</u></b>					
<b>LVL</b>		1 %	8 %		5%
<b>LSL</b>		1 %	10 %		5%
<b>I-Joist</b>		— %	7 %		5%

<sup>a</sup> Operating income (loss) equals sales less cost of sales and selling and administration directly associated with the segment.

<sup>b</sup> Adjusted EBITDA from continuing operations



# South America

Dollar amounts in millions

	<u>Q4 2017</u>	<u>Q3 2017</u>	<u>Q4 2016</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
<b>Sales</b>	\$ 40.5	\$ 38.3	\$ 33.7	\$ 155.3	\$ 136.9
<b>Operating income<sup>a</sup></b>	\$ 7.9	\$ 5.8	\$ 1.7	\$ 24.3	\$ 17.0
<b>Adjusted EBITDA<sup>b</sup></b>	\$ 10.2	\$ 8.2	\$ 3.7	\$ 33.4	\$ 25.6
<b>Adjusted EBITDA Margin</b>	25.2%	21.4 %	11.0 %	21.5%	18.7 %
<b>Percentage Changes:</b>					
<b>Sales</b>		6 %	20 %		13 %
<b>Adjusted EBITDA</b>		24 %	176 %		30 %
<b>Volume</b>					
<b>OSB</b>		(4)%	(1)%		7 %
<b>Siding</b>		48 %	32 %		(5)%
<b>Price</b>					
<b>OSB</b>		5 %	19 %		9 %
<b>Siding</b>		7 %	6 %		6 %

<sup>a</sup> Operating income equals sales less cost of sales and selling and administration directly associated with the segment.

<sup>b</sup> Adjusted EBITDA from continuing operations





# Balance Sheet and Other Statistics

Dollar amounts in millions

	December 31, 2017		December 31, 2016
Cash	\$ 928.0	\$	659.3
Accounts receivable	\$ 142.5	\$	108.3
Inventory	\$ 259.1	\$	234.6
Property, plant and equipment, net	\$ 926.1	\$	891.4
Accounts payable	\$ 237.1	\$	191.5
Debt	\$ 375.9	\$	377.0
Capital expenditures	\$ 148.6	\$	124.8