



**BUILDING
SOLUTIONS**

Q2 RESULTS

August 3, 2021

FORWARD-LOOKING STATEMENTS

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

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

STATEMENT RELATING TO THE USE OF NON-GAAP FINANCIAL MEASURES

During the course of this presentation, certain non-GAAP financial measures will be presented. Non-GAAP financial measures should be considered only as a supplement to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the earnings release filed as an exhibit to LP's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 3, 2021, and the Appendix of this presentation for a reconciliation of non-GAAP financial measures. It should be noted that other companies may present similarly titled measures differently, and therefore, such measures as presented by LP may not be comparable to similarly-titled measures reported by other companies.

HIGHLIGHTS



Q2 2021 FINANCIAL RESULTS

Increasing CapEx investments to meet growing demand

Declared dividend of \$0.18 per share

\$572M remaining under \$1B buyback authority as of August 2, 2021

\$1.3B

Net Sales
+142%

\$684M

Adj.
EBITDA¹
7x

\$457M

Op. CF
+\$328M

\$4.74

Adj. EPS¹
+\$4.31

39%

Siding Solutions
Growth

+\$554M

OSB Price
Adj. EBITDA¹
Impact

\$465M

Share
Buybacks

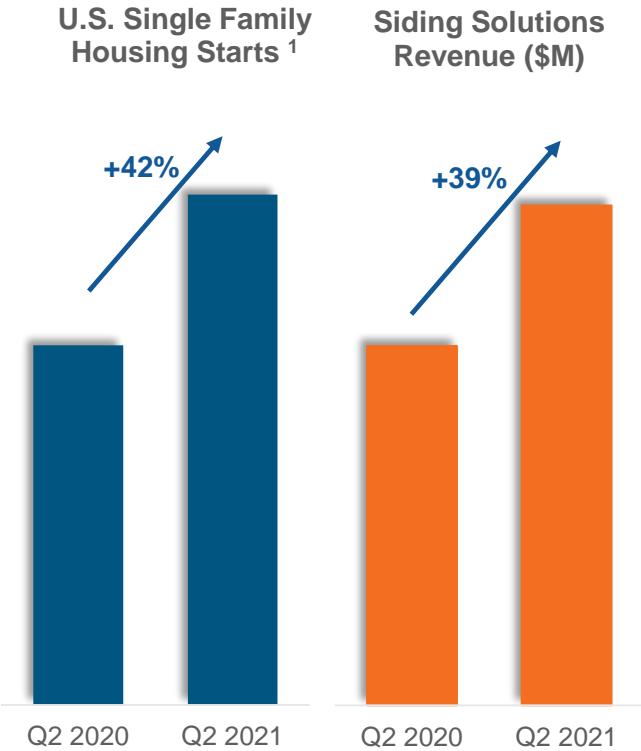
\$16M

Dividends

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

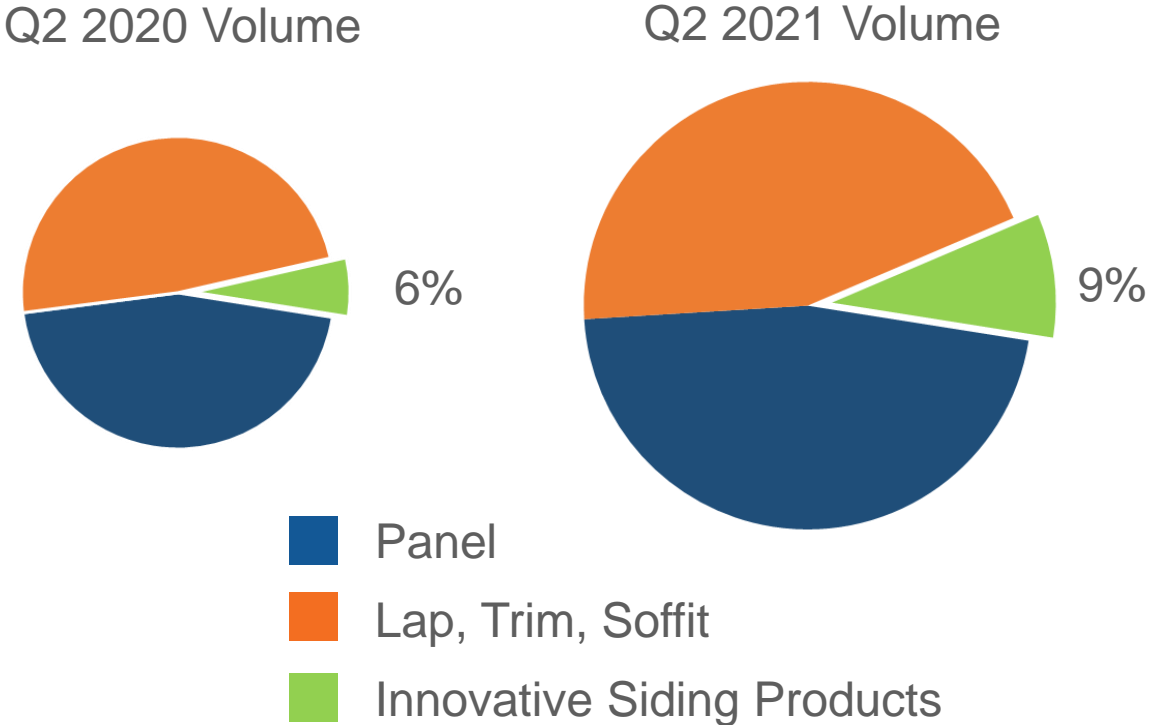
SIDING GROWTH AND INNOVATION

Siding Growth



¹ Actual U.S. housing starts data from U.S. Census Bureau as reported on July 20, 2021

Siding Innovation



Total Volume Growth = 27%
Innovative Volume Growth = 86%

Q2 2021 VS Q2 2020 SUMMARY

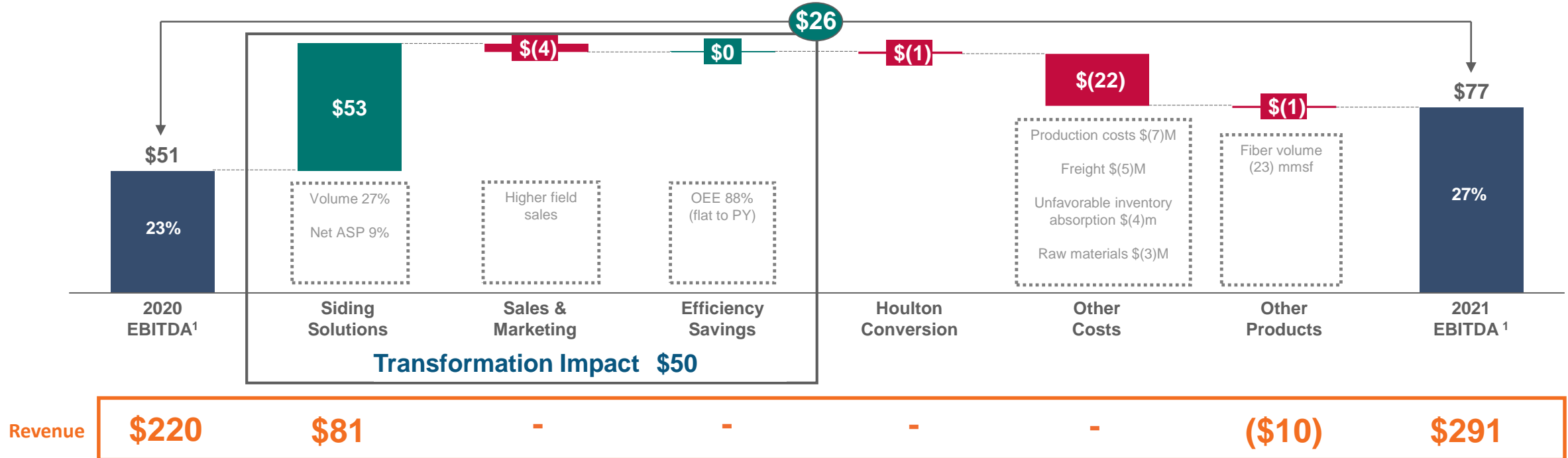
(\$ in millions)

Q2 2021 vs Q2 2020	Revenue	EBITDA ¹
Q2 2020 Actual	\$ 548	\$ 97
OSB price	554	554
Siding Solutions growth	81	50
South America, EWP, & Entekra	136	38
Inflationary costs (wages, raw materials, freight)	0	(24)
Mill spending	0	(18)
All other	6	(13)
Q2 2021 Actual	\$1,325	\$684

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

SIDING – Q2 2021 VS Q2 2020

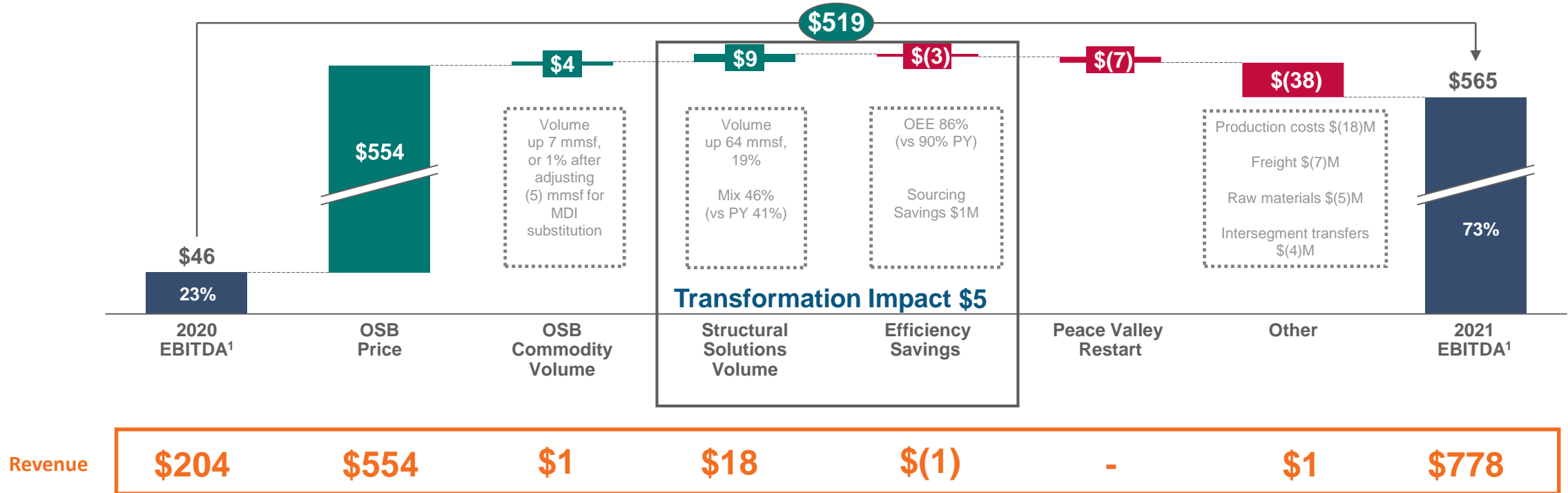
(\$ in millions)



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OSB – Q2 2021 VS Q2 2020

(\$ in millions)



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2021 CAPEX GUIDANCE

Full-Year Capital Investment	\$270M
Houlton Conversion	\$95M
Peace Valley	\$10M
Other Strategic Growth Capital	\$45M
Sustaining Maintenance Capital	\$120M

Q3 2021 REVENUE & ADJ. EBITDA

Siding Solutions YoY Revenue Growth	~ 10%
OSB Revenue Compared to Q2 2021	~ 10% Decrease
LP Consolidated Adjusted EBITDA	>\$530M

APPENDIX



FINANCIAL PERFORMANCE

(\$ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Sales	\$ 1,325	\$ 548	\$ 2,342	\$ 1,133
Cost of sales	(619)	(431)	(1,157)	(908)
Gross profit	707	117	1,185	225
SG&A	(57)	(50)	(105)	(105)
Impairments	—	(8)	—	(15)
Other charges and credits	3	(6)	3	(8)
Income from operations	653	53	1,083	97
Non-operating income (expense)	(9)	(3)	(24)	(5)
Provision for taxes	(147)	(19)	(244)	(28)
Net income	497	31	817	64
Noncontrolling interest	—	2	1	2
Net income attributed to LP	\$ 498	\$ 33	\$ 818	\$ 66
Diluted EPS from continuing operations	\$ 4.90	\$ 0.29	\$ 7.85	\$ 0.58
Adjusted Diluted EPS	\$ 4.74	\$ 0.43	\$ 7.70	\$ 0.77
Average Shares Outstanding - Diluted	102	113	104	113

RECONCILIATION OF NET INCOME TO NON-GAAP ADJUSTED EBITDA

(\$ in millions)

	Three Months Ended June30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income	\$ 497	\$ 31	\$ 817	\$ 64
Add (deduct):				
Noncontrolling interest	—	2	1	2
Income attributed to LP	498	33	818	66
Provision for income taxes	147	19	244	28
Depreciation and amortization	29	28	58	56
Stock-based compensation expense	4	1	5	3
Loss on impairment attributed to LP	—	7	—	14
Other operating credits and charges, net	(3)	(4)	(3)	(2)
Product-line discontinuance charges	—	10	—	10
Loss on early debt extinguishment	—	—	11	—
Interest expense	4	6	9	12
Investment income	—	(4)	(1)	(3)
Other non-operating items	6	1	5	(4)
Adjusted EBITDA	\$ 684	\$ 97	\$ 1,145	\$ 180

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

(\$ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income	\$ 497	\$ 31	\$ 817	\$ 64
Add (deduct):				
Noncontrolling interest	—	2	1	2
Income attributed to LP	498	33	818	66
Loss on impairment attributed to LP	—	7	—	14
Other operating credits and charges, net	(3)	(4)	(3)	(2)
Product line discontinuance charges	—	10	—	10
Loss on early debt extinguishment	—	—	11	—
Reported tax provision	147	19	244	28
Adjusted income before tax	642	65	1,069	116
Normalized tax provision at 25%	(160)	(16)	(267)	(29)
Adjusted Income	\$ 481	\$ 49	\$ 802	\$ 87
Diluted share outstanding	102	113	104	113
Adjusted Diluted EPS	\$ 4.74	\$ 0.43	\$ 7.70	\$ 0.77

REVENUE AND ADJUSTED EBITDA BY SEGMENT

(\$ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Sales				
Siding	\$ 291	\$ 220	\$ 576	\$ 432
OSB	778	204	1,317	424
EWP	158	79	280	178
South America	74	38	126	74
Other	26	7	43	25
Intersegment	—	—	(1)	—
	\$ 1,325	\$ 548	\$ 2,342	\$ 1,133
Adjusted EBITDA				
Siding	\$ 77	\$ 51	\$ 168	\$ 93
OSB	565	46	919	81
EWP	18	3	26	12
South America	34	11	54	18
Other	(4)	(5)	(8)	(8)
Unallocated	(7)	(9)	(14)	(16)
	\$ 684	\$ 97	\$ 1,145	\$ 180

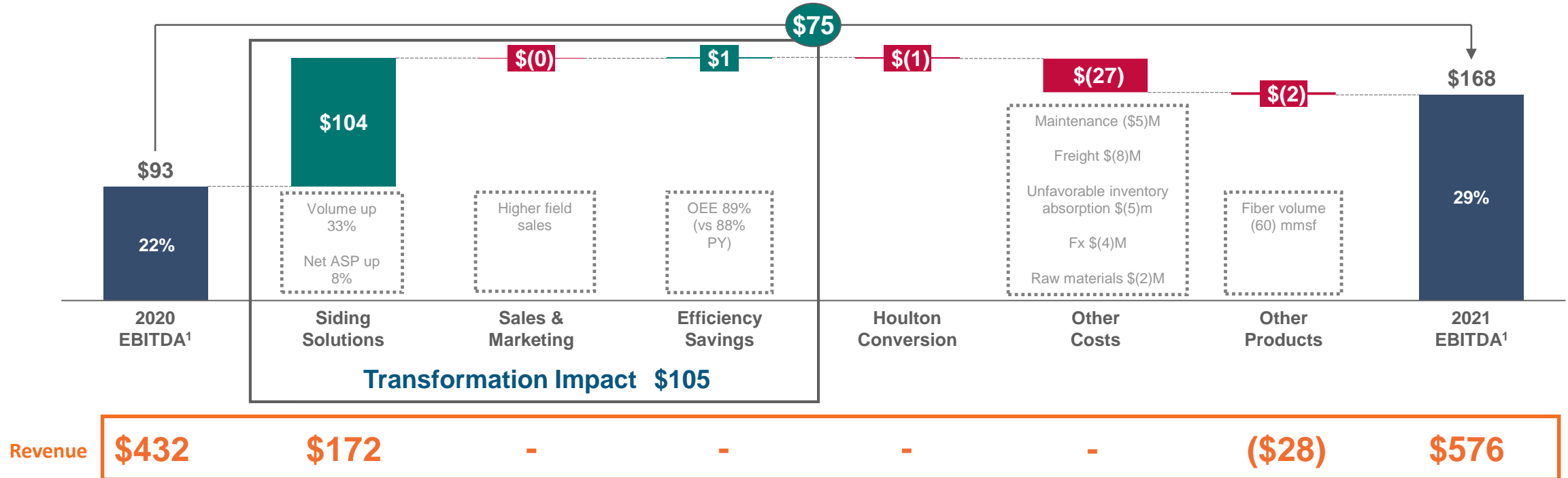
CASH FLOW

(\$ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Beginning cash	\$ 658	\$ 488	\$ 535	\$ 195
Adjusted EBITDA	684	97	1,145	180
Working Capital	(26)	34	(145)	(47)
Interest (net)	—	(2)	(9)	(12)
Cash taxes (net)	(200)	(4)	(221)	(2)
Other operating	(1)	4	1	1
Operating cash flow	457	129	772	120
Cap Ex	(32)	(15)	(65)	(39)
(Repayment) borrowing of long-term debt	—	(350)	—	—
Share buybacks	(465)	—	(588)	—
Dividends	(16)	(17)	(33)	(33)
Business acquisitions & divestiture	—	14	2	14
Other investing and financing	1	10	(20)	2
Net change in cash	(55)	(229)	68	64
Ending cash	\$ 603	\$ 259	\$ 603	\$ 259

SIDING – YTD 2021 VS YTD Q2 2020

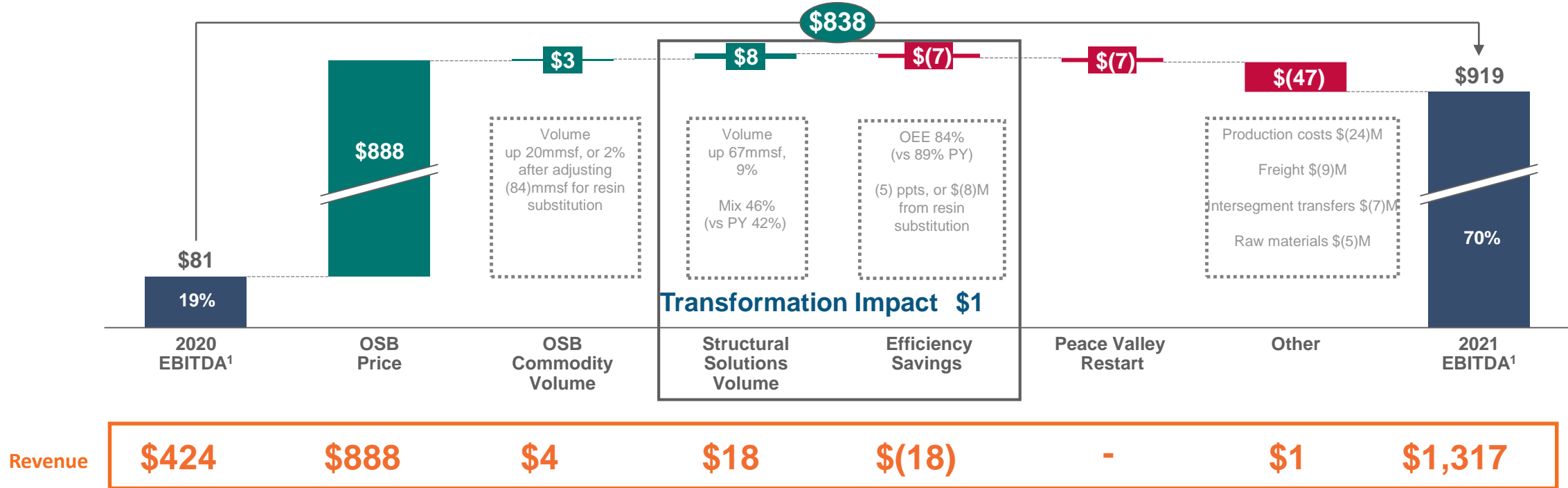
(\$ in millions)



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OSB – YTD 2021 VS YTD Q2 2020

(\$ in millions)



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