



INVESTOR PRESENTATION

February 2019



FORWARD LOOKING STATEMENTS

This presentation contains statements concerning Louisiana-Pacific Corporation's (LP) future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to, the following: changes in governmental fiscal and monetary policies, including tariffs, and levels of employment; changes in general economic conditions; changes in the cost and availability of capital; changes in the level of home construction and repair activity; changes in competitive conditions and prices for our products; changes in the relationship between supply of and demand for building products; changes in the relationship between supply of and demand for raw materials, including wood fiber and resins, used in manufacturing our products; changes in the cost of and availability of energy, primarily natural gas, electricity and diesel fuel; changes in the cost of and availability of transportation; changes in other significant operating expenses; changes in exchange rates between the U.S. dollar and other currencies, particularly the Canadian dollar, Brazilian real and Chilean peso; changes in general and industry-specific environmental laws and regulations; changes in tax laws, and interpretations thereof; changes in circumstances giving rise to environmental liabilities or expenditures; the resolution of existing and future product-related litigation and other legal proceedings; 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. Investors are cautioned that many of the assumptions upon which LP's forward-looking statements are based are likely to change after the forward-looking statements are made, including for example commodity prices, which LP cannot control, and production volumes and costs, some aspects of which LP may not be able to control. These and other factors that could cause or contribute to actual results differing materially from those contemplated by such forward-looking statements are discussed in greater detail in the company's Securities and Exchange Commission filings.

STATEMENT RELATING TO THE USE OF NON-GAAP FINANCIAL MEASURES

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

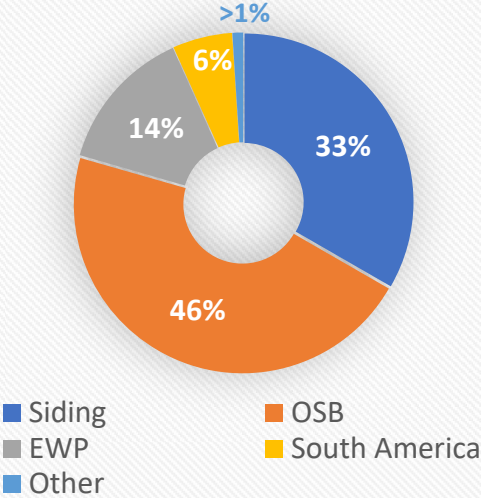
OUR MISSION

To be the leading building solutions company serving large, profitable and growing markets – where we can create and sustain competitive advantage through a distinctive customer value proposition, our strong and growing brand equity and focus on innovative, high performance products, with the ultimate goal of delivering top-tier total shareholder returns.

CREATING A LEADING BUILDING SOLUTIONS COMPANY

\$3B proven leader in engineered wood technologies with market-leading positions

2018 Revenue by Segment



A LEADER IN OUR MARKETS

Siding

- #1 producer of treated engineered wood siding with strong national presence
- Capacity expansion projects underway



OSB

- Leading producer of value-add OSB
- Positioned to compete in all geographic markets



Engineered Wood Products

- #3 producer in North America and #1 producer of solid sawn I-Joist
- A leader supplier to dealers and two-step distribution



South America

- Only producer of OSB, OSB Siding and I-Joist in South America
- Growing demand for wood-based residential construction
- Expanding production capacity in Brazil and Chile



UNIQUE SPECIALTY PRODUCTS THAT ADD VALUE

Market Demand:
Aesthetics



LP SmartSide®
TRIM & SIDING

Smoother texture, straight edge, and Narrow Panel for use with SmartSide Trim

Market Demand:
Energy Efficiency



LP TechShield®
RADIANT BARRIER SHEATHING

The #1 brand of radiant barrier blocking up to 97% of radiant heat to lower attic temperatures and reduce home cooling costs

Market Demand:
Fire Resistance in Multifamily Construction



LP FlameBlock®
FIRE-RATED SHEATHING

Meets fire codes and exceeds expectations with more strength, labor savings, and design flexibility

Market Demand:
Durability



LP Legacy®
PREMIUM SUB-FLOORING

Premium sub-flooring and one of the strongest, stiffest sub-flooring in the market

Introduced in Q1 2018

Market Demand:
Productivity



LP SolidStart®
ENGINEERED WOOD

Consistently strong, durable and reliable building components replacing lumber in pre-fab panels



STRATEGIC PILLARS

<p><u>Build</u> best-in-class operations, supply chain and commercial capabilities to achieve full potential of LP's corporate portfolio</p>	<p><u>Focus</u> capital and talent on attractive customer segments willing to pay for <i>specialty</i> building solutions</p>	<p><u>Innovate</u> to create offers that are differentiated, deliver value to LP's customers, and creates value for LP</p>	<p><u>Actively manage</u> corporate portfolio via organic growth / M&A to create new growth avenues and reduce performance volatility</p>
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Strengthening Capabilities to Support Strategic Pillars

World Class Talent Dev. & Mgt.	Flexible, Low-cost Assets	Optimized Supply Chain	Customer Value-Centric	Product Renewal/ Innovation	BD, M&A and Strategic Integration
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LP'S TOP PRIORITIES ARE GROWING SIDING, IMPROVING OSB PERFORMANCE, AND RETURNING CAPITAL TO SHAREHOLDERS

Siding Strategy/Value Drivers:

- Expand siding capacity: significant optionality including opportunities within existing LP asset base
- Target customers/channels to enhance net margins
- Accelerate growth in less cyclical repair and remodel segment
- Refresh retail strategy
- Optimize mix in single family new construction to grow volumes with big builders

OSB Strategy/Value Drivers:

- Drive value-added product growth
- Effective and focused capital deployment
- Enhancing overall equipment effectiveness (“OEE”)
- Aggressively grow LP FlameBlock
- Execute LP Legacy flooring strategy

Return Capital to Shareholders:

- Execute remaining existing \$38M and new \$600M share repurchase
- Increase dividend
- Return over time 50%+ of cash flow from operations in excess of capex to sustain our core business and grow Siding and value-added OSB

**TRANSFORMING TO BECOME THE LEADING
BUILDING SOLUTIONS COMPANY**

MOVE TO BUILDING SOLUTIONS TO REDUCE VOLATILITY

Producing more consistent and sustainable results, greater growth opportunities, stronger margin profile and increased shareholder value

Legacy LP

- Commodity OSB focus
- Limited value-added / specialty product portfolio
- Subject to OSB pricing and market cycle fluctuations
- Lower margin profile
- Matrix organizational structure



LP Transformation

- Focus on higher value-add and higher margin Siding and specialty products, while improving competitiveness of OSB
- Growing and diversified portfolio
- Decoupling from volatility of OSB commodity cycle
- Focus on innovation - Entekra, Flameblock
- Line management structure driving ownership, accountability and results

NEW PRODUCT INNOVATION

Accelerate Shift to Higher-Margin New Products

- Effectively launch LP Smooth Strand to unlock new builders and regions requiring smooth aesthetics
- Launch integrated Weather Resistant Barrier panel

Leverage Innovation as a Catalyst for Growth

- Increase range through the addition of new innovation products to pipeline (fencing, Fire Rated Siding, Inside/Outside Corners, CamoQuest)
- Exploring Pre-Finished in LP SmartSide for expanded value-added offerings
- Continuing to feed the innovation pipeline to meet customer needs



PROGRAMMATIC M&A – PART OF THE TRANSFORMATION

Strategic Role for M&A

- Accelerate organic trajectory
- Enable active portfolio management to transition to Building Solutions
- Grow adjacencies to LP's core business
- Enter innovative segments, creating new avenues for growth
- Enhance capabilities needed to deliver our strategy

Doing M&A Right

- Choose where to play
 - 75% of growth comes from the momentum in the markets in which we operate or choose to enter through M&A
- Use "programmatic" M&A
 - Value creation with coordinated deals done with clear strategic rationale
- Take a "Strategy-First" approach
 - Anchor M&A in themes that support the corporate strategy
- Consider the hierarchy of cash use
 - Pursue M&A if value creation prospects are greater than that of dividends or share buybacks

Recent M&A

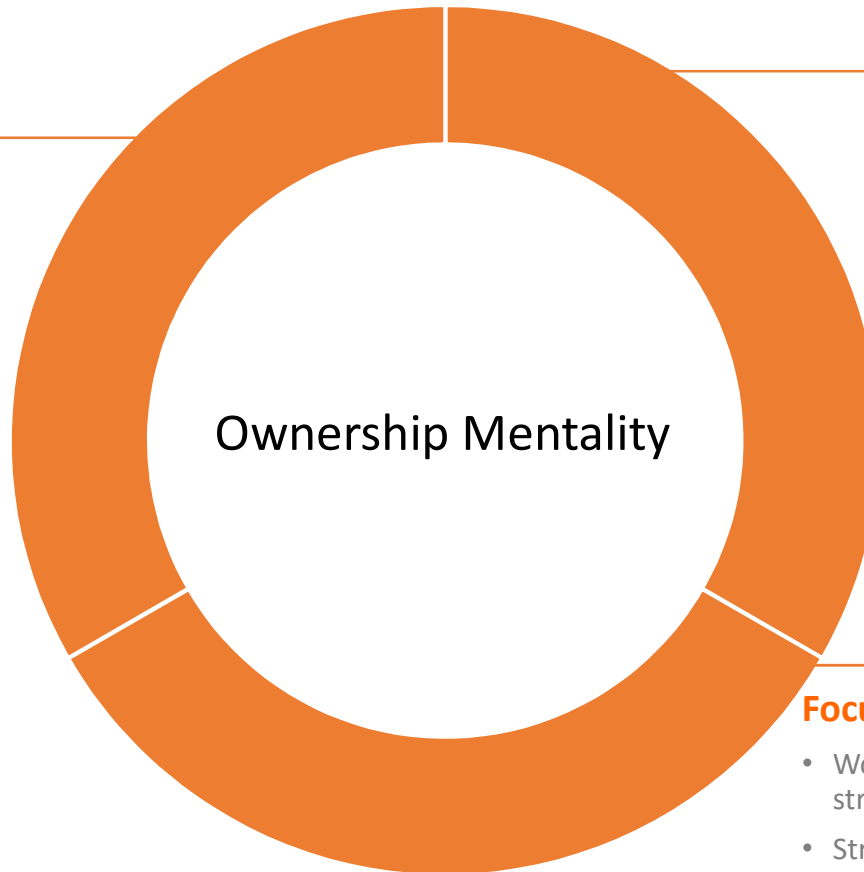
- Barrier Technologies – October 2017
 - Capital allocated: \$22M
 - Strategic Rationale: Help LP accelerate its growth into new markets
 - Trend for more fire resistance in residential and commercial buildings continues to escalate, driven by changing building codes and their enforcement
- Entekra Investment – May 2018
 - Capital allocated: \$45M
 - Strategic Rationale: Logical extension of our strategy to position LP as a leading building solutions company

BUILDING A PERFORMANCE BASED CULTURE

TRANSFORMING LP'S CORPORATE CULTURE

Thinking and Acting Like Owners

- Results-driven, value maximization focused, accountable, empowered, action oriented and calculated risk-taking
- Shared ambition and goals across the organization



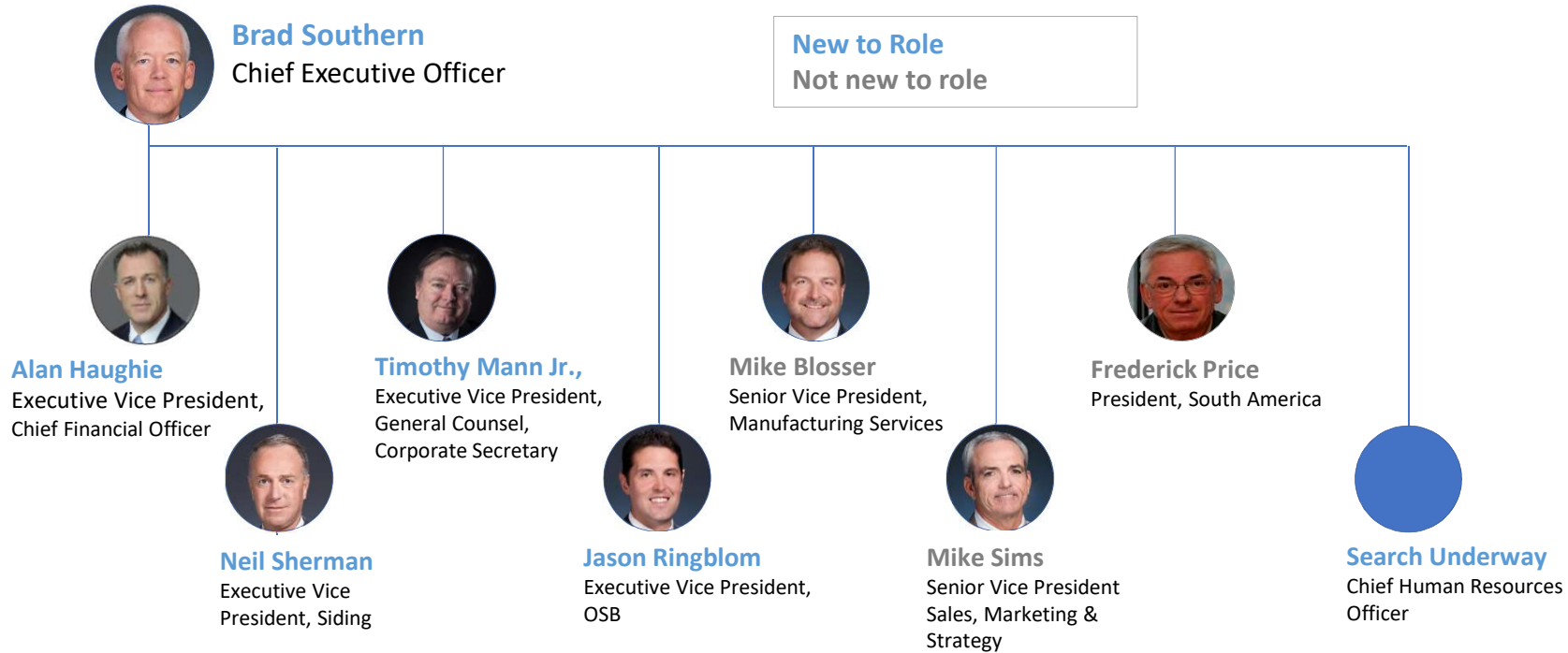
Investing in Talent

- Added resources to support corporate and business training efforts
- Assessments and rotating 360 review process
- Focus on attracting transformational external talent for critical roles

Focus on Value Creation

- Work defined and prioritized according to strategic demand
- Strict governance driving accountability
- Aligned objectives and metrics – adjusted budget, value agenda, transformation strategy
- Incentive plans and executive compensation aligned with strategic goals - base, bonus and LTI

REFRESHED LEADERSHIP TEAM DRIVING TRANSFORMATION



35 of top 50 members of the Company are either new to the Company or new to their role

Q4 AND FULL YEAR 2018 RESULTS

Q4 AND FULL YEAR 2018 HIGHLIGHTS

Siding

- Record full-year sales and EBITDA, driven by 12% revenue growth in Smart Side Strand (8% volume, 5% price)
- Continued progress in Q4 with 10%+ Smart Side Strand revenue growth (5% volume, 5% price)
- Siding segment results were negatively impacted in the fourth quarter by increased marketing investment associated with accelerating repair and remodel channel penetration and new product introductions, and a number of headwinds we expect to be temporary, including downtime at its SmartSide Fiber and CanExel facilities and the Dawson Creek mill conversion
- Management re-affirms Smart Side Strand long-term revenue growth target of 12-14%

OSB

- Improved penetration of value-added OSB products from 36% in 2017 to 38% in 2018 and enhanced OEE by 3.9 points, resulting in lower unit cash costs

EWP

- Increased sales by 7% and Adjusted EBITDA by 10% for the full year 2018

South America

- Increased sales by 4% and Adjusted EBITDA by 20% for the full year 2018

Corporate

- Consolidated satellite offices to corporate HQ and began transition from matrix to line management structure

HIGHLIGHTS

(\$ in millions, except per share amounts)



	Q4 2018	Q4 2017	YTD 2018	YTD 2017
Net Sales	589	711	2,828	2,734
Net Income	17	131	395	390
Diluted EPS	0.12	0.89	2.73	2.66
Adj. income from continuing operations	27	105	397	339
Adj. diluted EPS from continuing operations	0.19	0.71	2.75	2.32
Adj. EBITDA	65	203	660	678
Adj. EBITDA Margin	11.0%	28.5%	23.3%	24.8%

- New share repurchase of \$600M
- Increased quarterly dividend by 4%

FINANCIAL RESULTS

(\$ in millions, except per share amounts)



	FOURTH QUARTER		FULL YEAR	
	2018	B/(W) Pr Yr	2018	B/(W) Pr Yr
Sales	589	(122)	2,828	94
Cost of Sales	496	-	2,084	86
Gross Profit	93	(122)	744	8
Selling and administrative	57	(11)	209	(18)
Impairments of long-lived assets	11	(3)	11	(4)
Other operating charges and credits	9	(8)	(2)	7
Income from operations	16	(144)	526	(7)
Non-operating income (expense)	1	9	(2)	21
Provision for taxes	1	22	(122)	(3)
Equity in affiliates	(1)	(1)	(3)	(3)
Income from continuing operations	17	(114)	399	8
Discontinued operations	-	-	(4)	(3)
Net Income	17	(114)	395	5
Earnings per share - diluted	0.12	(0.77)	2.73	0.07
Weighted average shares - diluted	146.1	(5.5)	144.4	(2.0)

SALES AND ADJUSTED EBITDA BY SEGMENT

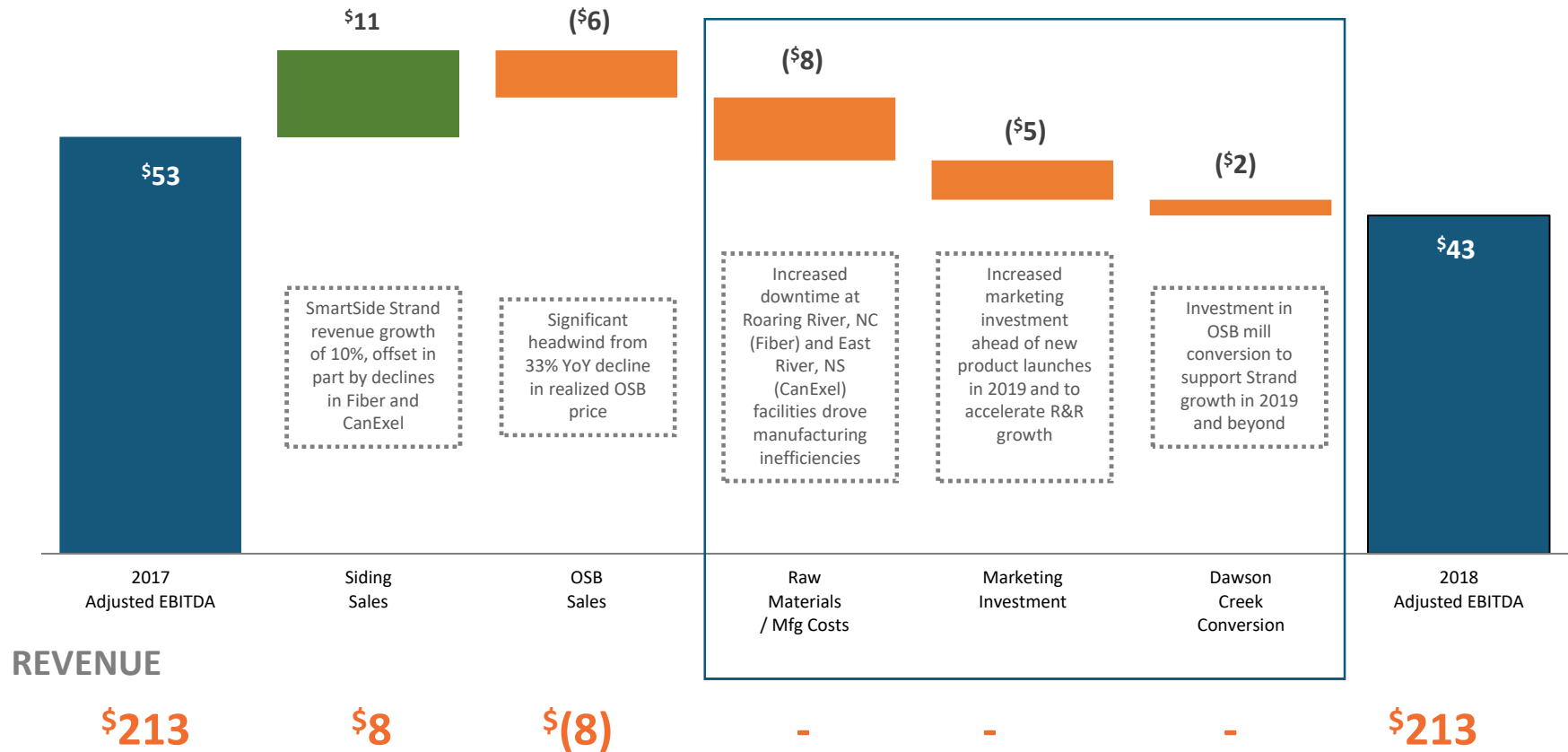
(\$ in millions)



	FOURTH QUARTER		FULL YEAR	
	2018	B/(W) Pr Yr	2018	B/(W) Pr Yr
Sales				
SIDING	213	-	942	58
OSB	255	(103)	1,305	2
EWP	76	(16)	391	25
SOUTH AMERICA	39	(1)	161	6
OTHER	6	(2)	29	(1)
INTERSEGMENT	-	-	-	4
	589	(122)	2,828	94
Adj. EBITDA				
SIDING	42	(12)	235	15
OSB	41	(113)	455	(35)
EWP	2	(5)	35	3
SOUTH AMERICA	8	(2)	40	7
OTHER	(1)	(1)	(2)	(3)
UNALLOCATED	(27)	(5)	(103)	(5)
	65	(138)	660	(18)

SIDING COMPARISON – Q4 2018 VERSUS Q4 2017

(\$ in millions)



Q4 Adjusted EBITDA was impacted by downtime at Fiber and CanExel facilities, increased marketing investment in anticipation of new product introductions, and the Dawson Creek mill conversion

WE REMAIN CONFIDENT IN LONG-TERM STRAND SIDING REVENUE GROWTH OF 12-14%



OVERVIEW OF 2018 CASHFLOW

\$928M + **\$511M**
 Cash available at year end 2017 + Cash from operations in 2018



\$(215)M
 CapEx



\$1,224M
 Available for share repurchases, dividends, M&A



\$878M
 Cash available at year end 2018

CAPITAL RETURN	M&A	OTHER NET OUTFLOW
\$(212)M Share Repurchases	\$(45)M Entekra Acquisition	\$(15)M
\$(74)M Dividends		

- Reinstited Dividend
- Over \$200M in Share Repurchases
- Developed Capital Allocation Priorities

CAPITAL ALLOCATION PLAN

TRANSFORMATION IS IN PROGRESS

- **Business Transformation**

- LP continues its transformation from a commodity OSB producer to a more stable, cash generative business by significantly improving its revenue and EBITDA mix

- **Additional Opportunities for Improvement**

- We remain focused on further improving our business mix by growing the Siding segment as well as focusing on reducing unit costs across our business
- We have also identified ~\$75M of EBITDA improvement opportunities we intend to capture by 2021 driven by improved OEE, supply chain optimization, and line management and infrastructure optimization

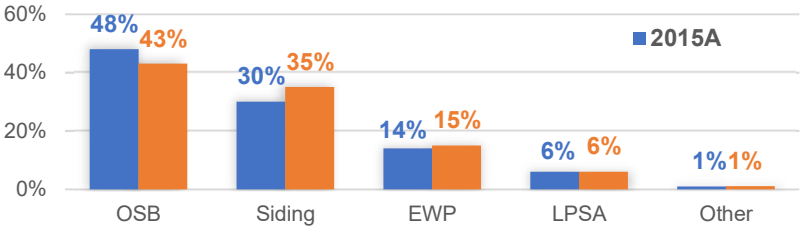
- **Revised Capital Structure and Capital Allocation Plan**

- As a result of these developments, we are transitioning to a more appropriate capital structure and a more shareholder-focused capital allocation plan
- At year end 2018 we had \$1,028M of excess liquidity, comprised of \$678M of excess cash and \$350M of potential incremental debt capacity
- We commit to using this excess liquidity to repurchase \$638M of stock in 2019 and pay shareholders \$75M of dividends in 2019
- In addition, we expect to generate significant operating cash flow in a variety of macro environments and therefore have the capacity to commit to return to shareholders over time at least 50% of cash flow from operations in excess of capital expenditures required to sustain our core business and grow Siding and OSB value-add

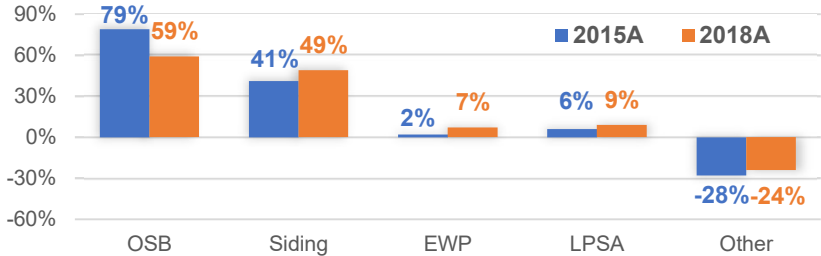
LP HAS SUBSTANTIALLY IMPROVED ITS BUSINESS MIX...



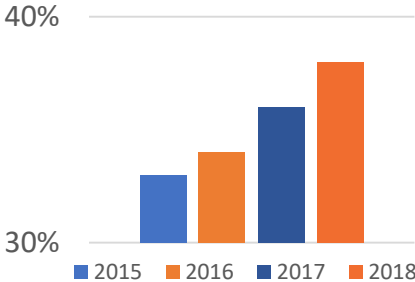
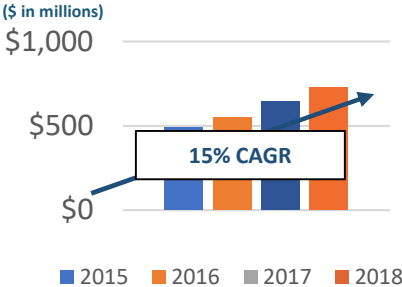
SALES MIX¹
2015 VS. 2018



EBITDA MIX¹
2015 VS. 2018



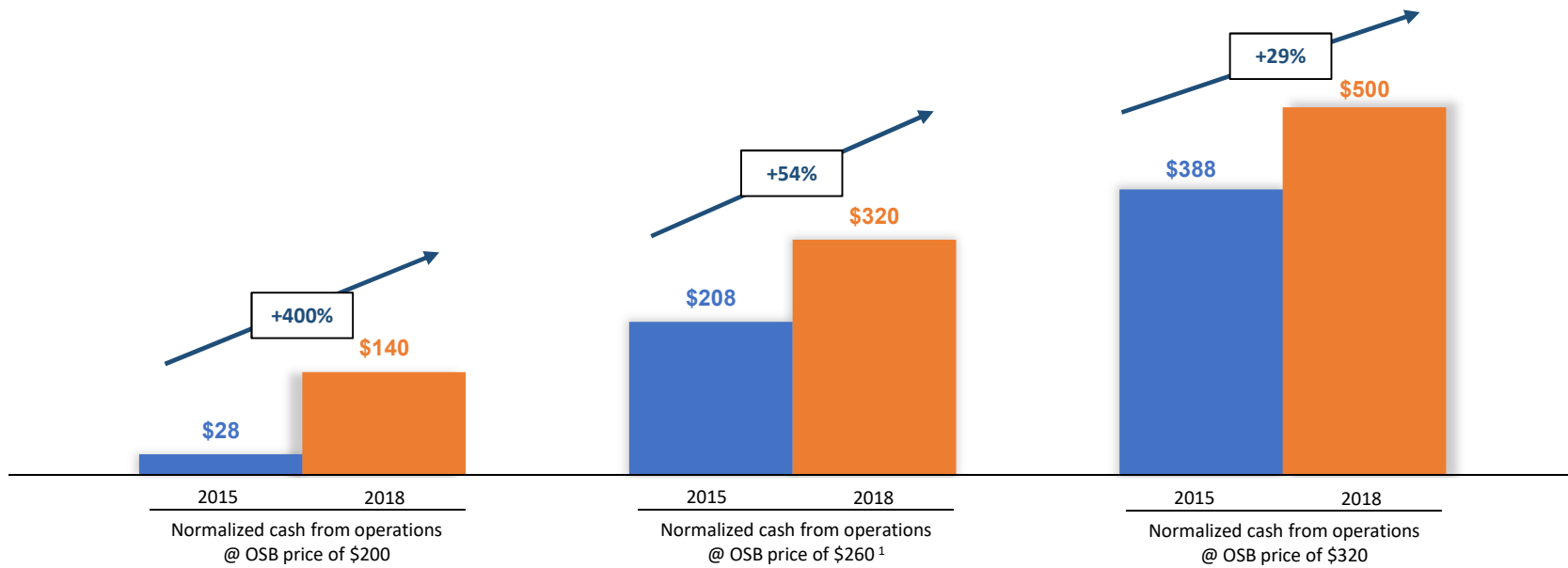
SMARTSIDE STRAND SALES



1. OSB at cycle average pricing = \$260 / MSF 7/16" Random Length average and 98% commodity realization.

... RESULTING IN SIGNIFICANT CASH FLOW GENERATION POTENTIAL UNDER A VARIETY OF OSB PRICES

The scenarios below do not reflect our targeted additional \$100M+ of after-tax cash flow by 2021, driven by (1) organic growth in Siding and South America, (2) benefits from improved OEE, supply chain optimization, and transition of management structure, offset in part by (3) annual labor and benefits inflation



\$30M
Less cash generated per \$10 drop in average annual OSB price

\$30M
more cash generated per \$10 increase in average annual OSB price

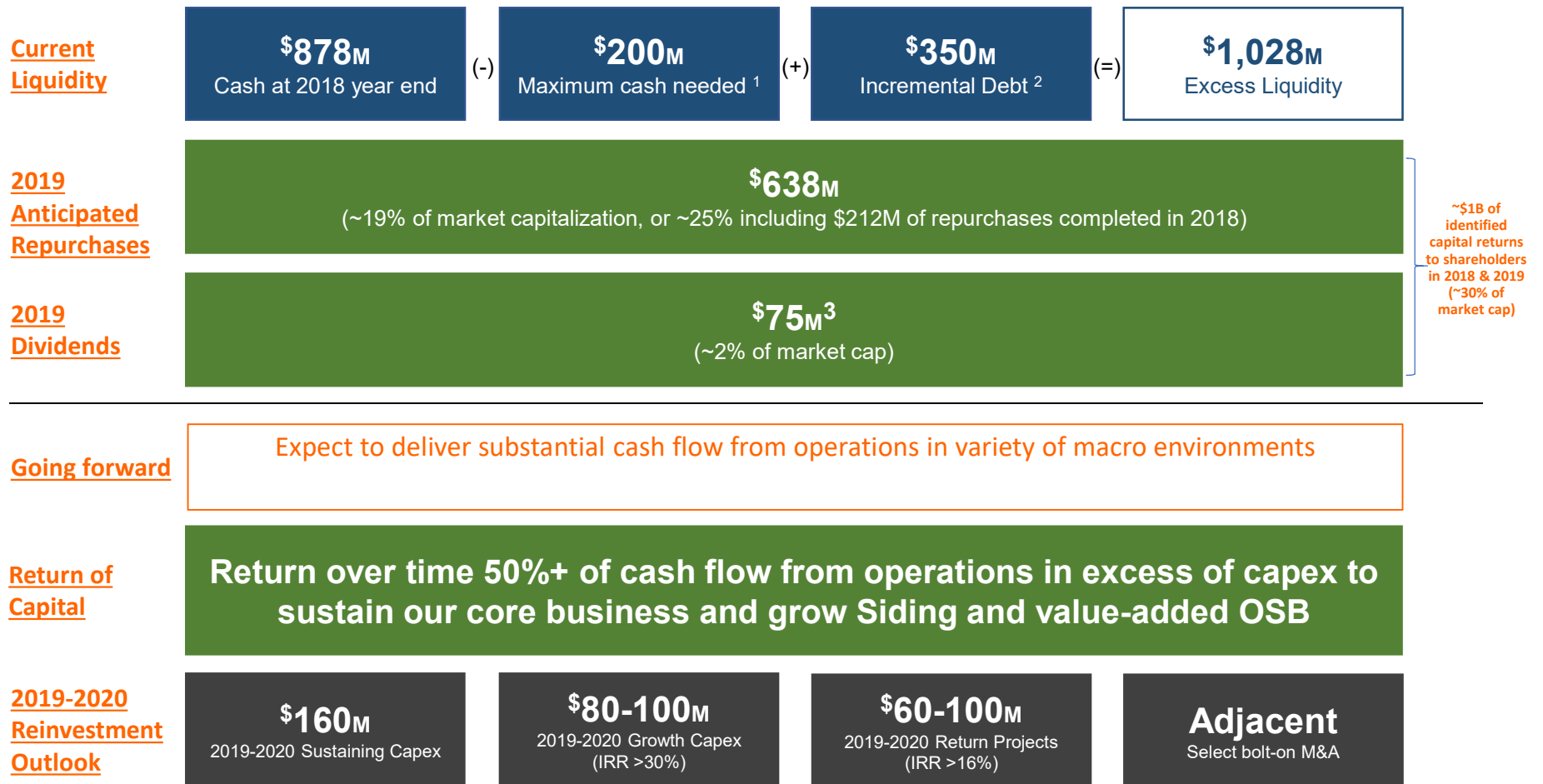
1. Calculated as 2018 cash flow from operations of \$511M, less \$180M after-tax impact of OSB prices at 7/16" cycle average (instead of 2018 realized price), less \$23M of non-recurring 2018 tax attributes, plus \$25M of non-recurring after-tax 2018 pension contributions, less, for the purposes of this calculation, \$13M of after-tax interest income. The \$180M of after-tax OSB price impact is calculated as the difference between 2018 7/16" OSB price of \$323 / MSF and cycle average 7/16" OSB price of \$260 / MSF (\$63 / MSF difference) multiplied by LP's 7/16" basis sales volume of 3.8MMSF and taxed at 25%. (see reconciliation on page 31)

WE SEE SUBSTANTIAL EFFICIENCY OPPORTUNITIES TO CAPTURE BY 2021

Category	Details	EBITDA Impact
Plant Operations	<ul style="list-style-type: none"> Sustainably improve Overall Equipment Effectiveness (OEE), resulting in improved efficiency of Siding and OSB mills through increased volume, run time and quality 	~\$40M
Supply Chain Optimization	<ul style="list-style-type: none"> Apply best practices in procurement, logistics and working capital across \$1.1B addressable spend 	~\$25M (~\$8M incremental impact per year)
Line Management and infrastructure Optimization	<ul style="list-style-type: none"> Operational functional support for each business segment now reporting directly to business leadership Siding, OSB and EWP have full P&L and strategic execution responsibility Infrastructure support functions are being optimized, resulting in improved service levels at lower cost 	~\$10M
Total Annual EBITDA Impact:		<u>~\$75M</u>

CAPITAL ALLOCATION PLAN

As a result of LP’s improved business mix and more stable cash flow profile, we are transitioning to a more efficient capital allocation plan with an increased focus on returning cash to shareholders



- Liquidity requirement of \$400M, comprised of \$200M cash on balance sheet and \$200M of revolver capacity.
- To achieve target through the cycle leverage EBITDA = 2x. Through the cycle refers to the trailing 5 year EBITDA
- Based upon December 31, 2018 shares outstanding with a 4% dividend increase.

2019 GUIDANCE

Capital Investment

\$150M – \$180M

Strand Siding Revenue Growth

12-14%

OSB OEE improvement¹

1.7 pts

LONG-TERM TARGETS

Volume from value-added OSB

50%+

Annual Siding Strand Revenue Growth

12-14%

Overall Siding EBITDA Margin

20%+

% Cash Flow from Operations to be returned to shareholders in excess of capital expenditures to sustain our core business and grow Siding and value-added OSB

50%+



1. Each percentage point of OEE improvement will either generate additional profit of ~ 6M (at cycle average OSB price of \$260 on 7/16" basis) or reduce manufacturing costs by ~ \$3M.