



**BUILDING
SOLUTIONS**

Q3 2020 EARNINGS PRESENTATION

November 3, 2020

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: impacts from public health issues (including global pandemics, such as the 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 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, 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 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.

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 November 3, 2020 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

Q3 2020 HIGHLIGHTS

Transformation Continues

- Nearly a year ahead of pace to hit 2021 targets
- \$69M of year-to-date EBITDA impact:
 - Growth \$41M
 - Efficiency \$28M
- LP[®] SmartSide[®] revenue growth of 22% compared with Q3-19, as single-family housing starts improved 11%

Strong Cash Generation

- \$273M EBITDA, \$224M improvement vs. Q3 2019
- \$218 operating cash flow, \$159M improvement vs. Q3 2019

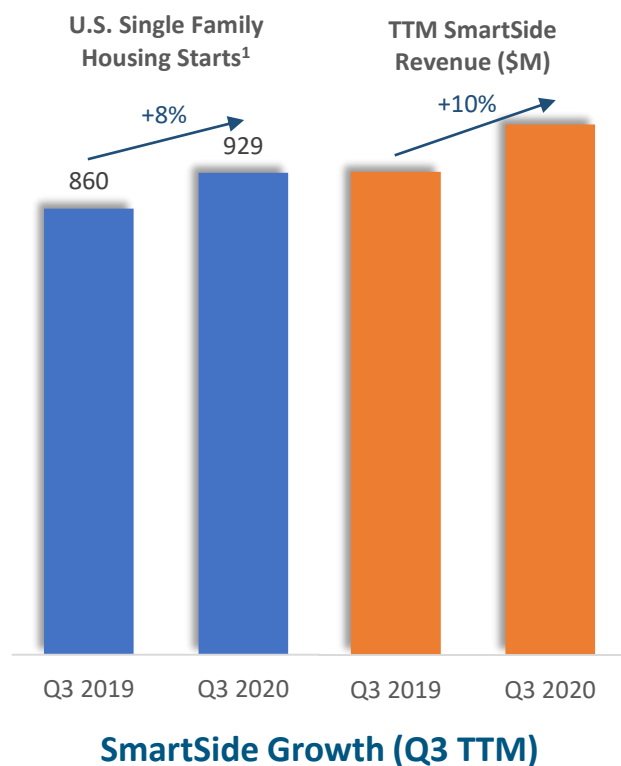
Resilient Operations Despite Challenges

- No operational interruptions from the few COVID-19 cases at facilities
- High OEE helped offset impacts of multiple hurricanes



TRANSFORMATION

2020 Q3 YTD vs 2019 Q3 YTD



Segment	Growth	Efficiency	Total
2019 EBITDA Impact	\$28	\$40	\$68
Siding	\$34	\$6	\$40
OSB	\$7	\$14	\$21
EWP, LPSA, Corporate	\$0	\$8	\$8
2020 EBITDA Impact	\$41	\$28	\$69
Cumulative EBITDA Impact	\$69	\$68	\$137
2021 EBITDA Target ²	\$90	\$75	\$165

¹ Actual U.S. housing starts data from U.S. Census Bureau as reported on October 20, 2020

² LP is targeting incremental cash flow improvements of approximately \$100M by 2021, comprising \$90M of EBITDA generated from growth, \$75M of EBITDA from efficiency savings, offset by \$30M of underlying labor and benefits inflation, assuming a 25% tax rate

Q3 2020 VERSUS Q3 2019 SUMMARY

(\$ in millions)

	<u>Revenue</u>	<u>Adj. EBITDA</u>	
Q3 2019	\$ 603	\$ 49	
OSB			
Price	179	179	OSB average selling price +97%
Volume	(7)	(2)	OSB commodity sales vol (5)%
Transformation			
SmartSide® Growth	47	23	Volume +19%, Price +3%
Other Growth & Efficiency Benefits	(3)	17	Structural Solutions mix up 1 pt to 44%, offset by (13) mmsf volume; OEE \$6M; Sourcing \$3M
Fiber and CanExel discontinuation	(37)	(6)	Strategic exit of fiber and CanExel
South America	9	4	Incl. adverse FX impact: revenue \$(7)M, EBITDA \$(1)M
RM Inflation	-	9	Wood prices 2% lower, resin prices 14% lower
Other	4	-	EWP revenue \$(2)M and EBITDA \$(2)M Entekra ramp-up: \$5M sales
Q3 2020	\$ 795	\$ 273	
<i>Total change Q3 2019 to Q3 2020</i>	<i>\$ 192</i>	<i>\$ 224</i>	

Investor Day Guidance

EBITDA \$257M - \$264M

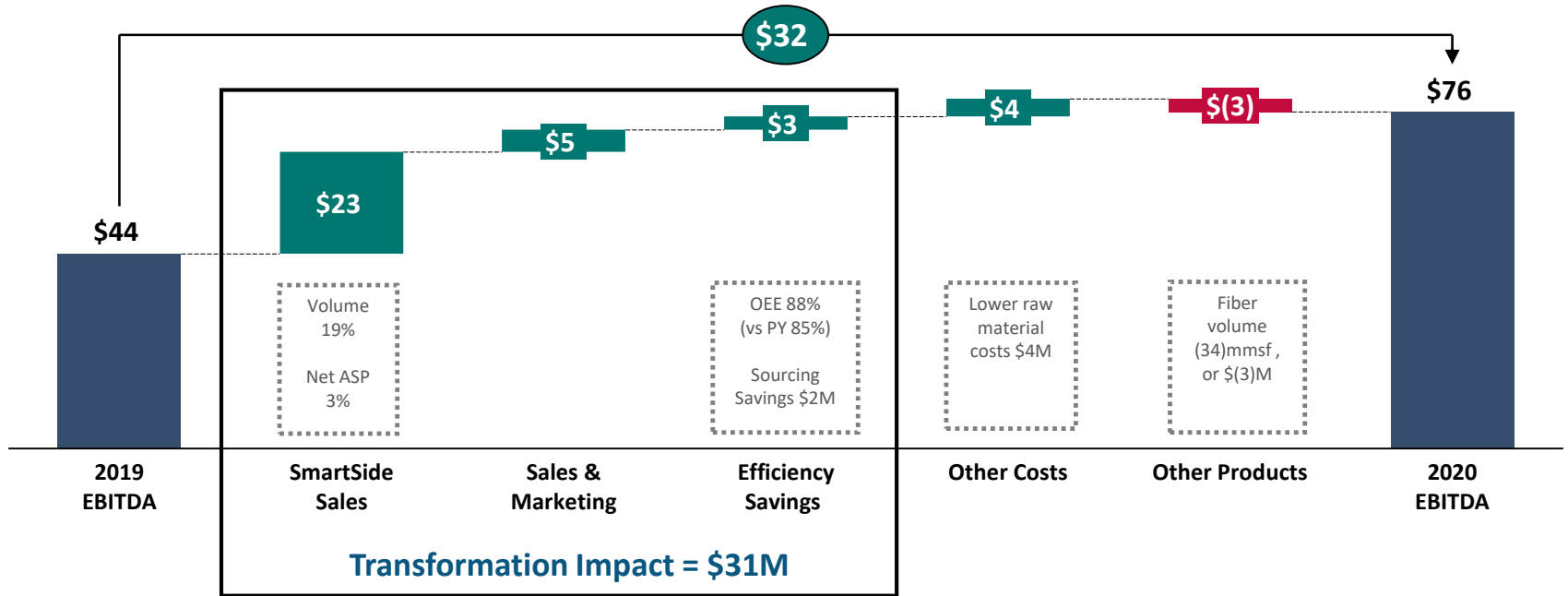
FINANCIAL PERFORMANCE

(\$ in millions, except per share amount)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	B/(W) 2019	2020	B/(W) 2019
Sales	\$ 795	\$ 192	\$ 1,928	\$ 155
Cost of sales	(503)	26	(1,411)	129
Gross profit	292	217	517	284
SG&A	(52)	6	(157)	15
Impairments	(1)	4	(16)	(10)
Other charges and credits	3	6	(5)	(3)
Income from operations	242	234	339	286
Non-operating income (expense)	(5)	—	(10)	(13)
Provision for taxes	(60)	(57)	(88)	(75)
Net income	177	176	241	199
Noncontrolling interest	—	(1)	2	(1)
Net income attributed to LP	\$ 177	\$ 175	\$ 243	\$ 197
Diluted EPS from continuing operations	\$ 1.57	\$ 1.55	\$ 2.15	\$ 1.79
Adjusted Diluted EPS	\$ 1.56	\$ 1.48	\$ 2.32	\$ 2.00
Average Shares Outstanding - Diluted	113	(9)	113	(13)

SIDING – Q3 2020 VS Q3 2019

(\$ in millions)



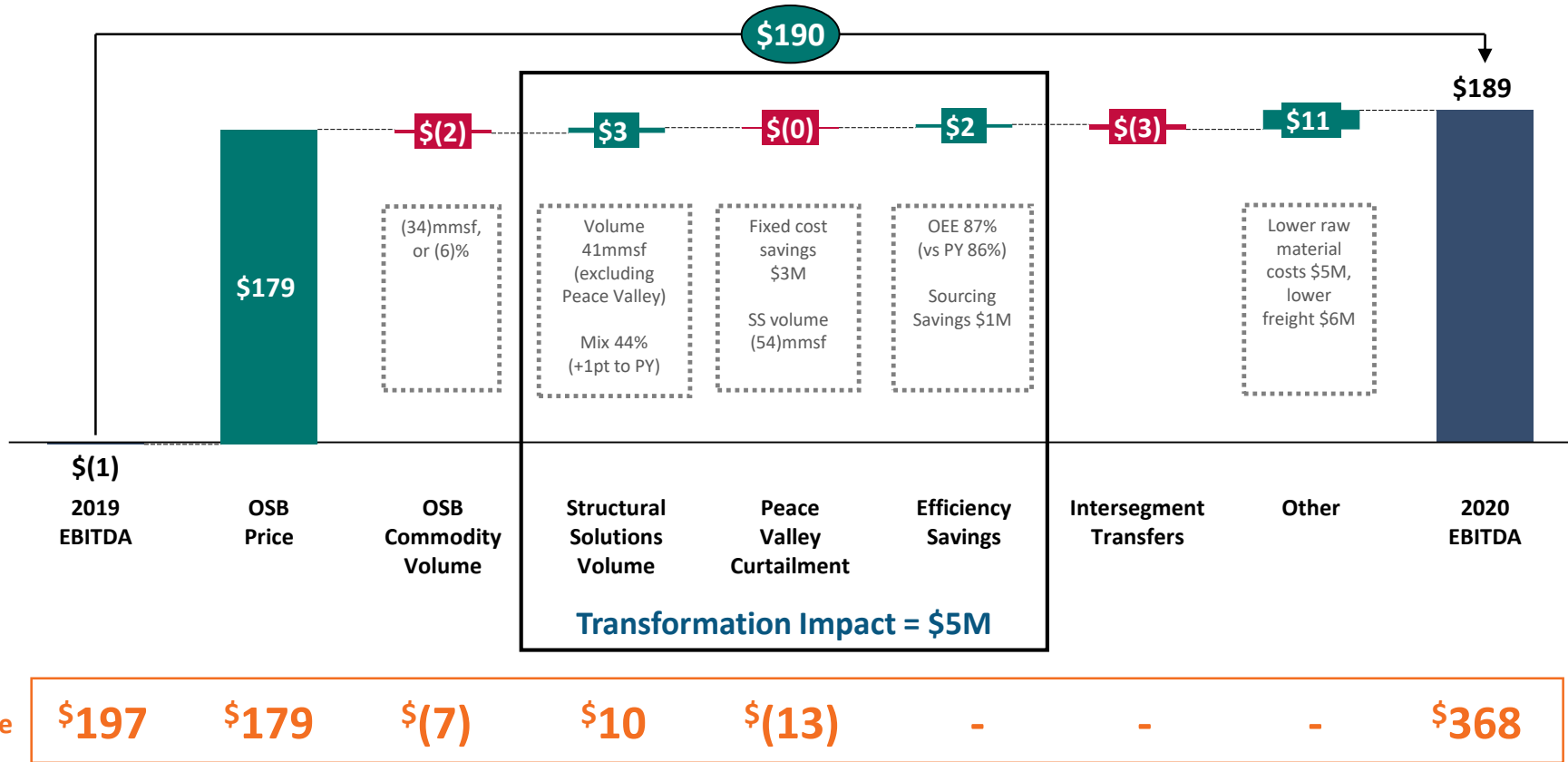
Revenue	\$244	\$47	-	-	-	\$(23)	\$268
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Margin % **18%**

28%

OSB – Q3 2020 VS Q3 2019

(\$ in millions)



CASH FLOW

(\$ in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Beginning cash	\$ 259	\$ 362	\$ 195	\$ 892
Adjusted EBITDA	273	49	453	160
Working Capital	(11)	21	(58)	(54)
Interest (net)	(7)	(5)	(19)	(10)
Cash taxes (net)	(45)	—	(48)	(29)
Other operating	8	(6)	10	(9)
Operating cash flow	218	59	338	58
Cap Ex	(14)	(37)	(53)	(118)
Share buybacks	(29)	(42)	(29)	(480)
Dividends	(16)	(16)	(49)	(50)
Business acquisitions & divestiture	1	—	15	33
Other investing and financing	1	(8)	3	(16)
Net change in cash	161	(44)	225	(574)
Ending cash	\$ 420	\$ 318	\$ 420	\$ 318

APPENDIX

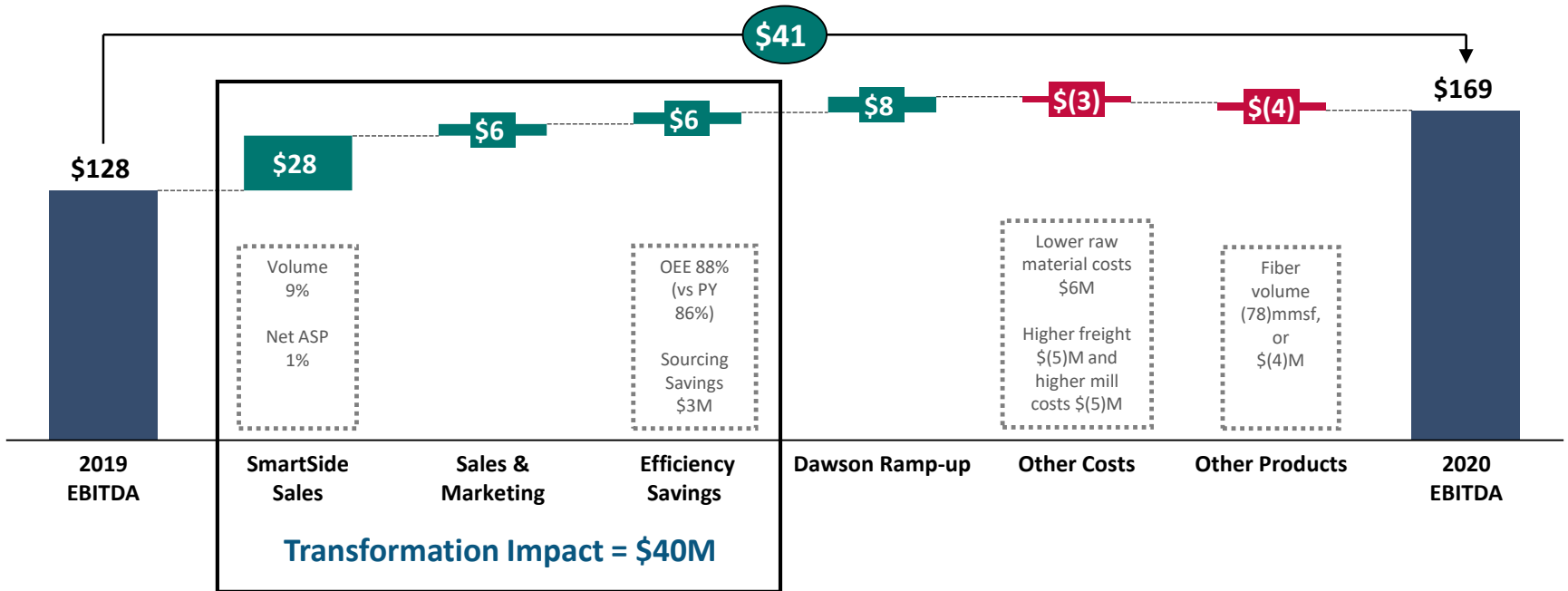
REVENUE AND EBITDA BY SEGMENT

(\$ in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	B/(W) 2019	2020	B/(W) 2019
Sales				
Siding	\$ 268	\$ 24	\$ 700	\$ 5
OSB	368	171	792	187
EWP	103	(2)	281	(22)
South America	45	9	119	(2)
Other	11	(10)	36	(17)
Intersegment	—	1	—	4
	\$ 795	\$ 192	\$ 1,928	\$ 155
Adjusted EBITDA				
Siding	\$ 76	\$ 32	\$ 169	\$ 41
OSB	189	190	270	266
EWP	9	3	21	(1)
South America	11	4	29	2
Other	(5)	(4)	(13)	(12)
Unallocated	(7)	(1)	(23)	(3)
	\$ 273	\$ 224	\$ 453	\$ 293

SIDING – YTD 2020 VS YTD 2019

(\$ in millions)



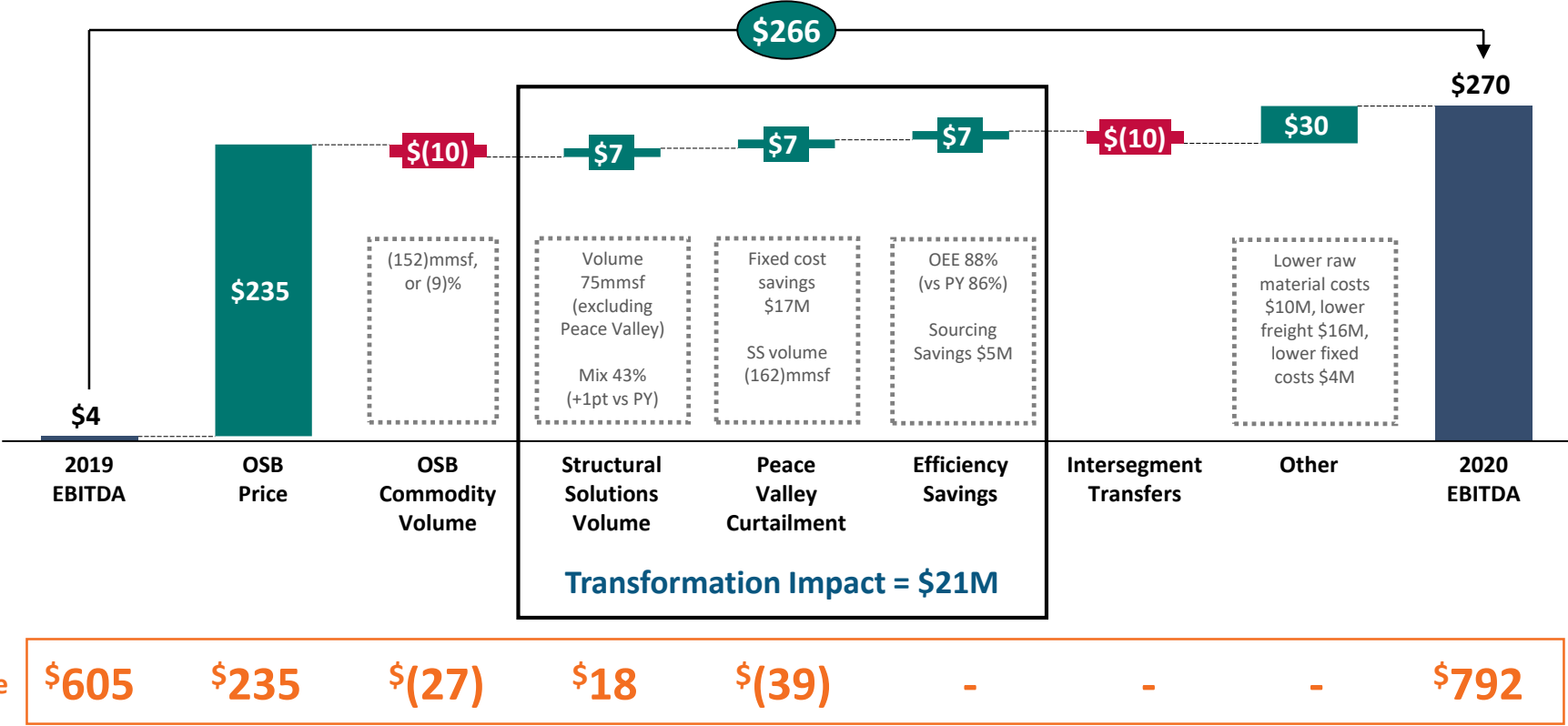
Revenue	\$695	\$57	-	-	-	-	\$(52)	\$700
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Margin % **18%**

24%

OSB – YTD 2020 VS YTD 2019

(\$ in millions)



RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

(\$ in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income	\$ 177	\$ 1	\$ 241	\$ 42
Add (deduct):				
Noncontrolling interest	—	1	2	3
Income attributed to LP	177	2	243	46
Provision for income taxes	60	3	88	13
Depreciation and amortization	28	29	84	89
Stock-based compensation expense	5	2	8	6
Loss on impairment attributed to LP	1	5	15	6
Other operating credits and charges, net	(2)	3	(4)	2
Product-line discontinuance charges	(1)	—	9	—
Interest expense	5	6	17	14
Investment income	—	(2)	(3)	(9)
Other non-operating items	—	1	(4)	(8)
Adjusted EBITDA	\$ 273	\$ 49	\$ 453	\$ 160

RECONCILIATION OF NET INCOME TO ADJUSTED INCOME

(\$ in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income	\$ 177	\$ 1	\$ 241	\$ 42
Add (deduct):				
Noncontrolling interest	—	1	2	3
Income attributed to LP	177	2	243	46
Loss on impairment attributed to LP	1	5	15	6
Other operating credits and charges, net	(2)	3	(4)	2
Product-line discontinuance	(1)	—	9	—
Gain on acquisition of controlling interest	—	—	—	(14)
Reported tax provision	60	3	88	13
Adjusted income before tax	235	13	351	53
Normalized tax provision at 25%	(59)	(3)	(88)	(13)
Adjusted Income	\$ 176	\$ 10	\$ 263	\$ 40
Diluted share outstanding	113	122	113	126
Adjusted Diluted EPS	\$ 1.56	\$ 0.08	\$ 2.32	\$ 0.32