



**BUILDING  
SOLUTIONS**

**INVESTOR PRESENTATION**

May 10, 2021

# 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 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 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 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 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 May 4, 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.

# INTRODUCTION





## LP BUILDING SOLUTIONS

- **Founded in 1972** and headquartered in Nashville, Tennessee
- **Pioneered U.S. production of Oriented Strand Board (OSB) panels in 1982**
- World leader in **strand-based engineered wood siding** products
- Primary applications are new **residential construction** and **repair & remodel (R&R)**
- Committed to careful **stewardship** and **efficient use** of natural resources
- Operates **25 mills** in the U.S., Canada, Chile and Brazil and **employs 4,500 people**



# LP IS A LEADER IN OUR MARKETS



## Siding

- #1 producer of engineered wood siding
- Consistent growth above housing market
- Proven pricing power
- Long runway for growth

## OSB

- Leading producer of value-added OSB
- Disciplined and efficient production
- Capable of significant cash generation

## Engineered Wood

- Leading supplier of Laminated Veneer Lumber, Laminated Strand Lumber, and I-Joists

## South America

- Dominant producer of OSB, Siding, and I-Joists
- Changing the way houses are built

## Off-Site Framing

- Disruptive innovation in off-site framing
- Significantly faster and more efficient than traditional framing

# What is LP's Strategy?

To transform from a **commodity forest products company** to a leading and growing **specialty building solutions company**

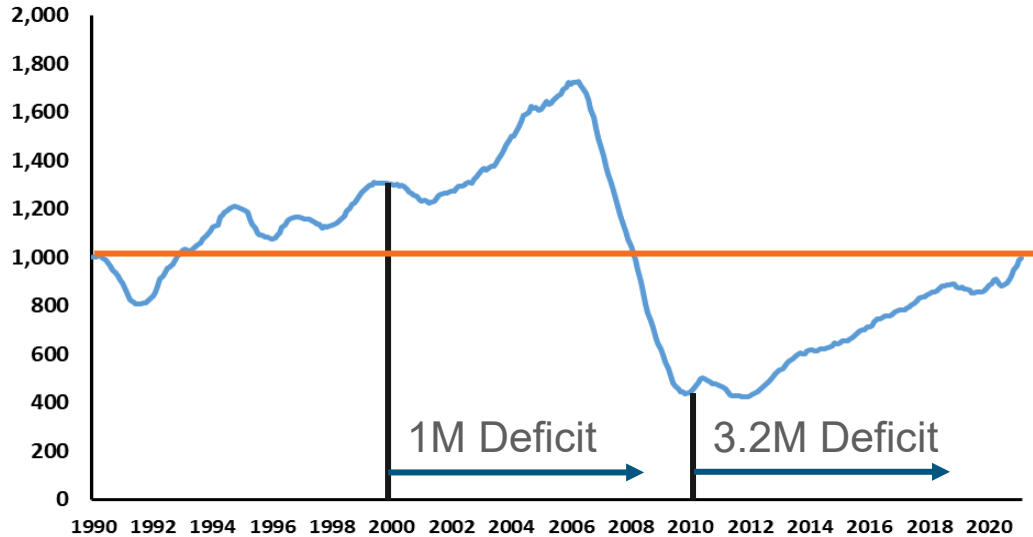


## How we are achieving it:

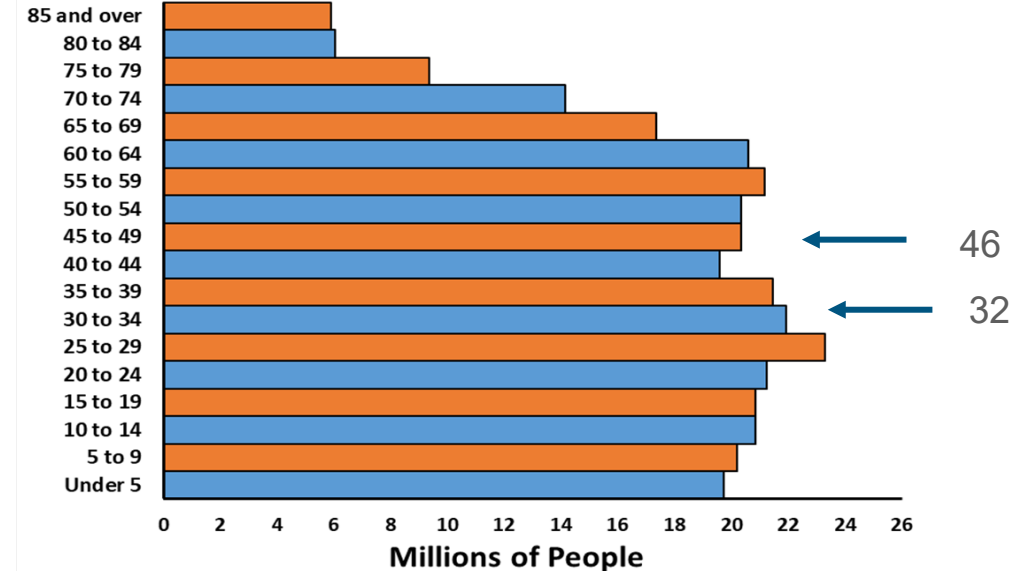
- **Growth**
  - Expand brand awareness and addressable markets
  - Grow LP® SmartSide® Trim & Siding, Structural Solutions, and LP South America market share in expanding markets
- **Innovation**
  - Solve problems for our customers
  - New products like ExpertFinish®, Entekra, LP Elements® Performance Fencing
  - Structural Solutions products like LP Legacy® Premium Sub-Flooring and LP WeatherLogic® Air and Water Barrier increase margin and lower volatility
  - Designed to improve labor efficiency
- **Operational Excellence**
  - Balance supply and demand with discipline and efficiency
  - Outstanding cost control
- **Shareholder-Focused Capital Allocation**

# LP WELL POSITIONED TO BENEFIT FROM STRONG HOUSING MARKET

U.S Single Family Housing Starts (TTM, 1990-2020)



U.S Population Age Structure



Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2018.

- Single-family homes are underbuilt over the past 10 or 20 years compared to the average of 1M SF starts per year since 1990
- US Population has grown from 250M in 1990 to 330M now, as the number of people per household has declined slightly, exacerbating the undersupply of Single-Family homes
- Historic underbuilding has led to a rising median age of the U.S. housing stock, providing long-term support for R&R spending growth
- Demand for Single-Family homes has increased recently due to COVID-driven shift from high-density urban areas to suburban areas

- Longer term demographics suggest significant growth in age cohorts of median overall and first-time home buyers
- The median home buyer is 46 years old, an age cohort that will contract slightly then grow for 15 years
- The median first-time home buyer is 32 years old, an age cohort that will grow significantly for the next 5 years.



**STRATEGY: SMARTSIDE**





# SmartSide®

TRIM & SIDING



# HIGH-PERFORMING

Products

## SHARE GROWTH

in all market segments

## RANGE OF PRODUCTS

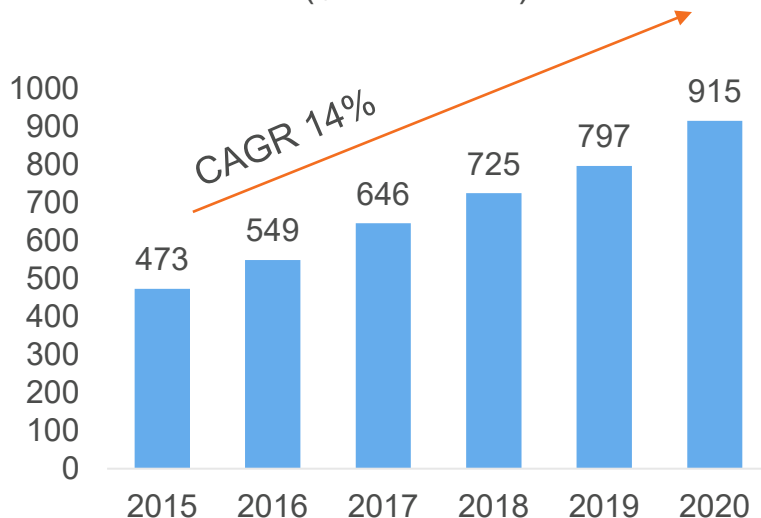
Meet the needs of diverse customers

## EXPANDING CAPACITY

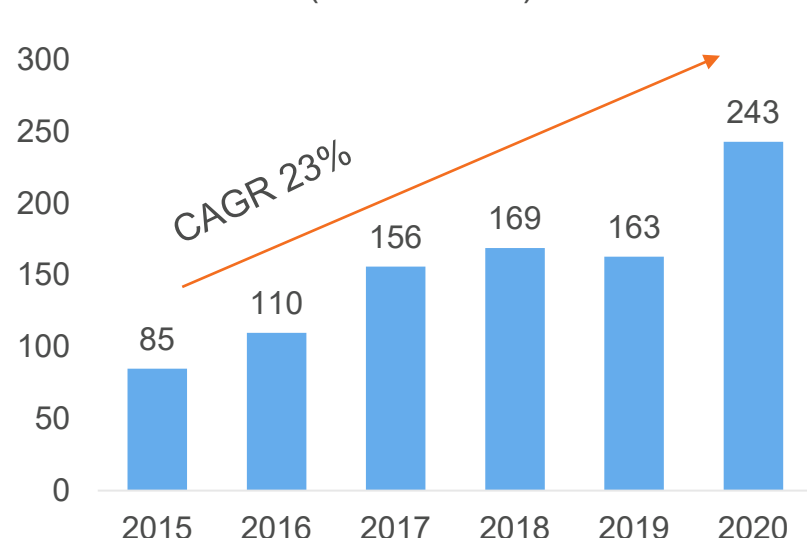
to meet growing demand

# TRACK RECORD OF CONSISTENT GROWTH

SmartSide® Siding Revenue  
(\$ in millions)



SmartSide® Siding Adjusted EBITDA<sup>1</sup>  
(\$ in millions)



(1) This is a non-GAAP financial measure. See "Use of Non-GAAP Information"

- LP® SmartSide® Trim & Siding offers game-changing durability, beauty and workability
- A complete portfolio of products available in a large variety of widths, lengths, textures and colors
  - Lap siding
  - Panel siding
  - Trim and fascia
  - Soffit
  - Shakes
  - Cedar and smooth textures
  - 16 ExpertFinish® colors
- Siding growth drivers
  - Marketing and demand generation
  - Customer-driven innovation
  - Price/value realization
  - Supply chain optimization

**DELIVERING FOR BUILDERS, REMODELERS & FABRICATORS WITH ROOM TO GROW**



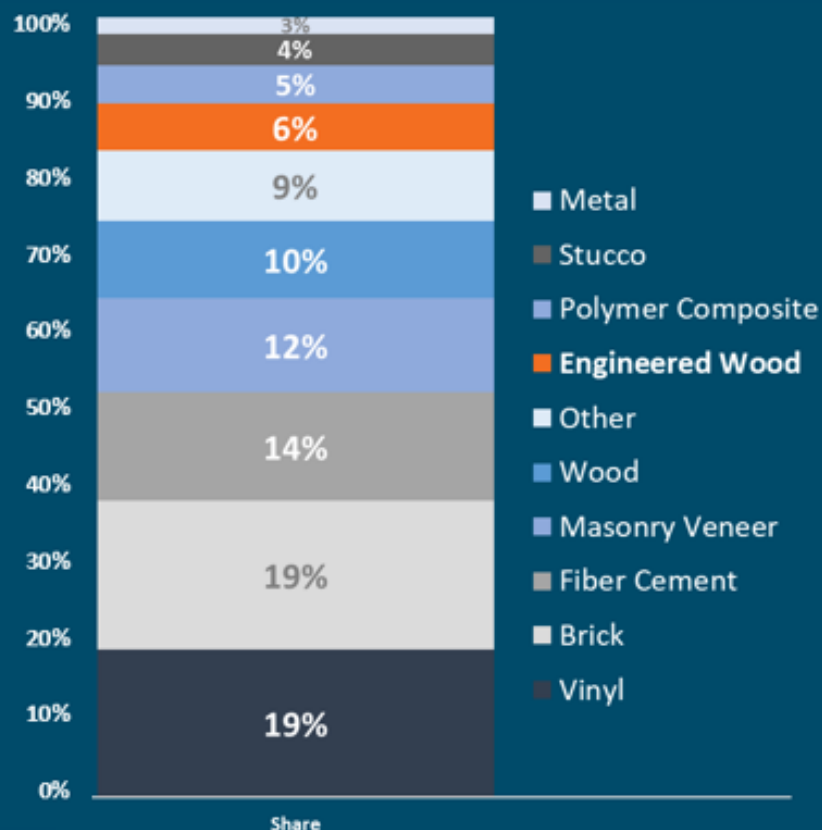
- **Durable, reliable, easy to install and low maintenance products**
  - Superior protection against hail, wind, moisture, fungal decay, and termites, industry-leading warranty
  - Works/cuts like traditional wood – no special tools required
  - Pre-finished siding in a variety of color options and styles
- **Growth for their business and reputation**
  - Marketing campaigns that build homeowner awareness
  - Partnerships to promote LP® SmartSide® and the builder’s brand
  - BuildSmart™ Loyalty Program
- **Specialized products enhanced and warranted for shed applications**
  - LP® SmartSide® Panels with SmartFinish® and SilverTech®
  - ProStruct® Roofing with SilverTech®
  - ProStruct® Flooring with SmartFinish®

	<b>Addressable Market</b>	<b>LP Share</b>
<b>Repair and Remodel</b>	\$3.1B	10%
<b>Single Family New Const.</b>	\$1.9B	13%
<b>Outdoor Buildings Solutions</b>	\$1.0B	17%



### Share of Total Siding & Trim

(Excluding Outdoor Building Structures)



# LONG RUNWAY FOR FUTURE GROWTH

	Total Siding & Trim Market	Addressable Wood-Like Siding & Trim Market
Residential Repair & Remodel	\$4.7B	\$3.1B
Residential New Construction	\$3.5B	\$1.9B
Multi-Family (New Construction)	\$1.5B	\$ .4B
Outdoor Building Structures	\$1.5B	\$ 1.0B
<b>TOTALS</b>	<b>\$11.2B</b>	<b>\$6.4B</b>

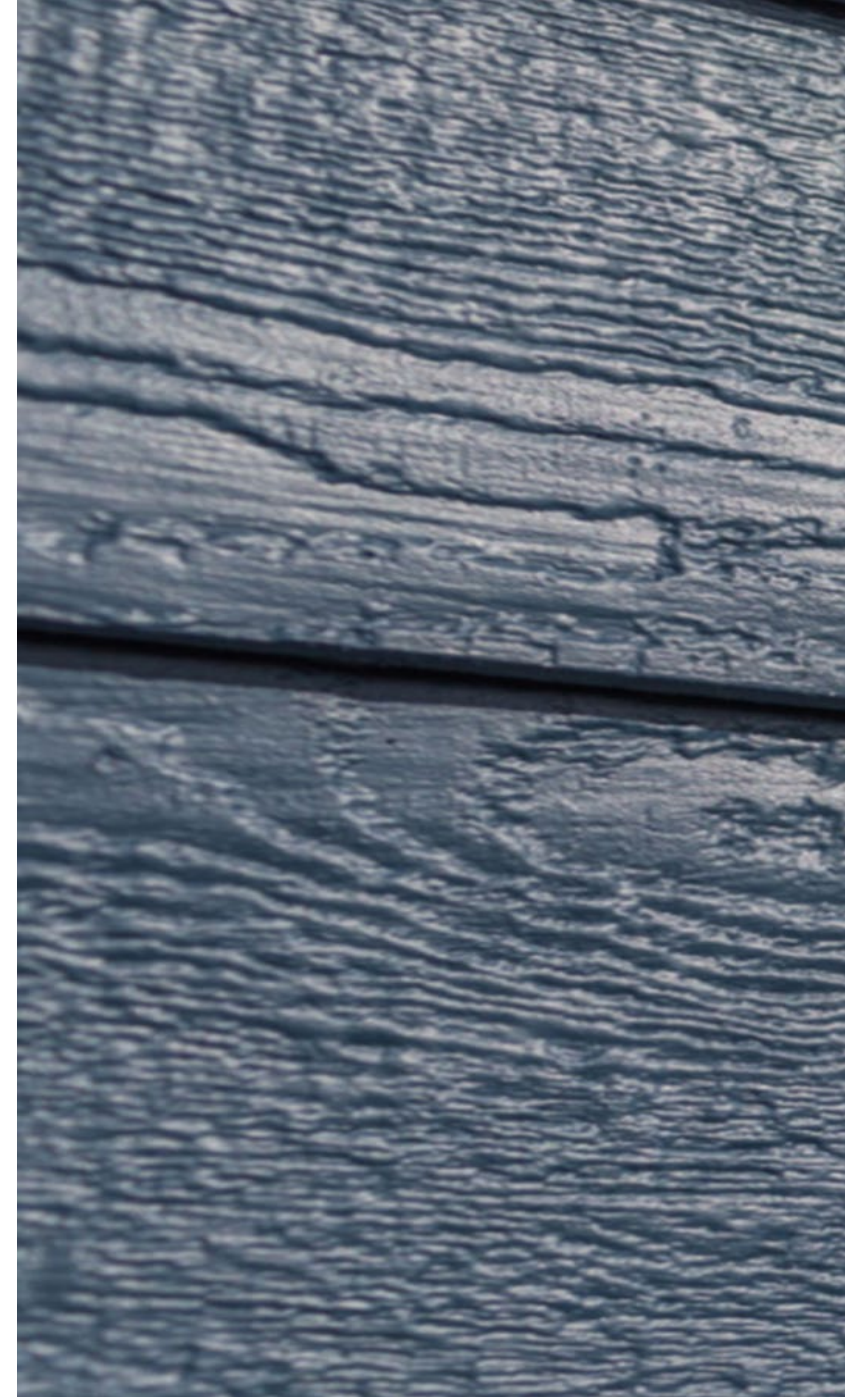
- Based on cladding and trim share, LP currently has **12% share** of the total **\$6.4B** addressable siding and trim market
- Market share by segment is measured against “**Addressable Market**” defined as demand for engineered wood, vinyl, stucco, fiber cement and wood



# SIDING - WHY BE EXCITED

- Strong Housing and Home Improvement demographics **support demand**
- Consistent and **profitable growth**
  - **50% YoY retail sales growth** in 2020
    - Strengthen the brand
    - Access to where remodelers shop
    - Gain market share and maintain margins
  - **14% Sales CAGR** since 2015
  - **23% adj. EBITDA<sup>1</sup> CAGR** since 2015
  - **Only 12% of the addressable market** – significant room to grow
- Announced **capacity plans** at Houlton and Sagola

(1) This is a non-GAAP financial measure. See "Use of Non-GAAP Information"

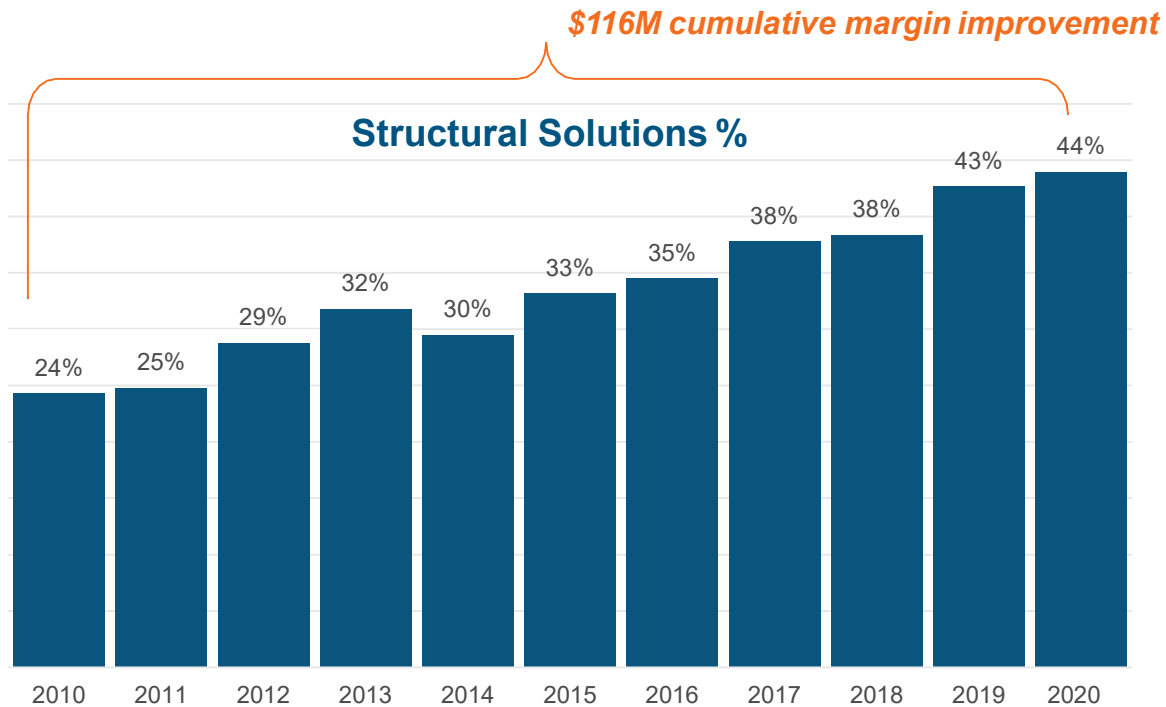


**STRATEGY: OSB**



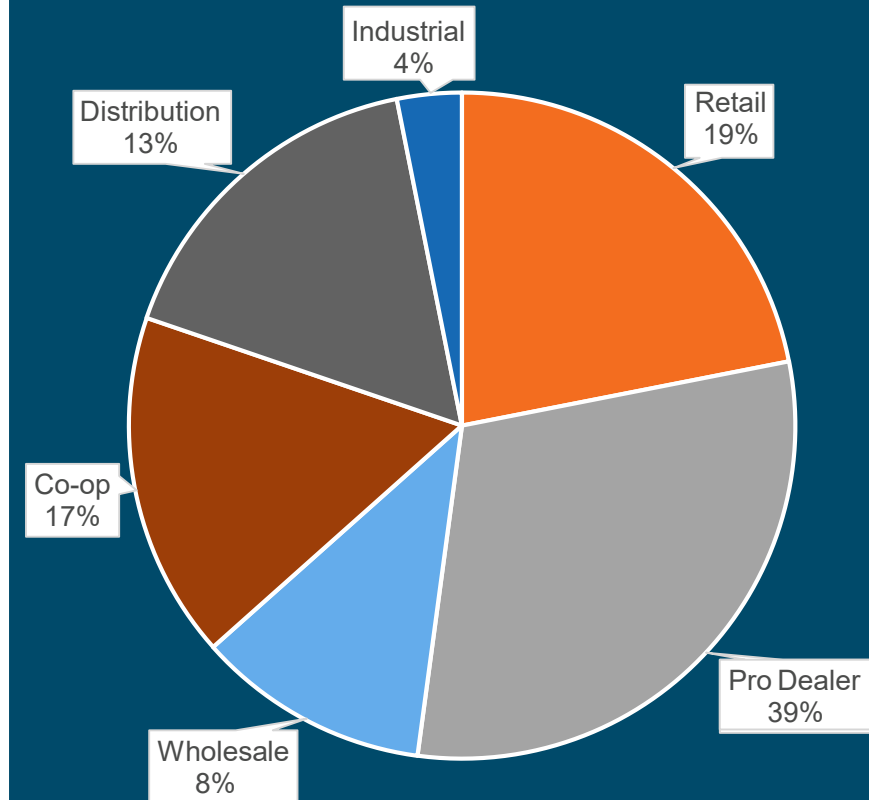
# DIVERSIFY OSB PORTFOLIO

- Structural Solutions mix has improved by **20 points** over the past **10 years**
- **Diversified channel strategy** provides access to all end use segments
  - Contract ~**60-70% of capacity** annually
  - Prices typically tied to weekly Random Lengths publication



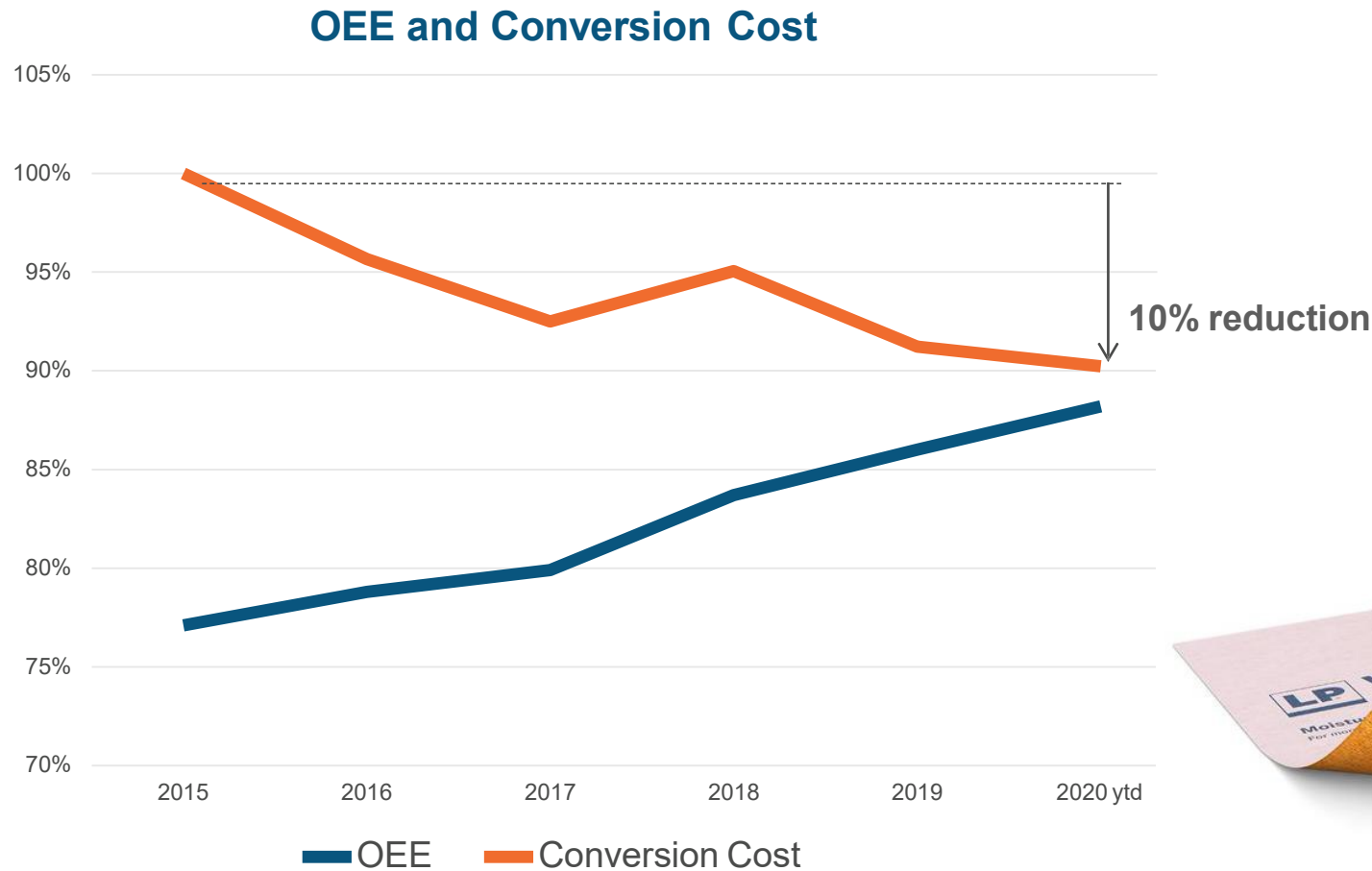
## 2020 Customer Sales By Channel

*Top 30 Customers*



# OVERALL EQUIPMENT EFFECTIVENESS (OEE)

- One point of OEE improvement equals ~40 MMSF of additional capacity
- Per msf overhead costs have improved by 10% vs. 2015 on substantially lower production volume (~500 MMSF)





# OSB - WHY BE EXCITED

- Housing demographics will **strengthen demand** for OSB
- **No longer** a “boom and bust” business
  - Committed to **matching capacity to demand**
  - Proven track record of **OEE improvement**
  - Proven track record of **cost containment**
  - Proven track record of **growing specialty sales mix**
- **Announced Peace Valley restart** to respond to strong housing market
- **Adjusted EBITDA<sup>1</sup>** over the past five years has totaled **\$1.6B**

(1) This is a non-GAAP financial measure. See “Use of Non-GAAP Information”





# **STRATEGY – RECENT ANNOUNCEMENTS**



# STRATEGIC UPDATE

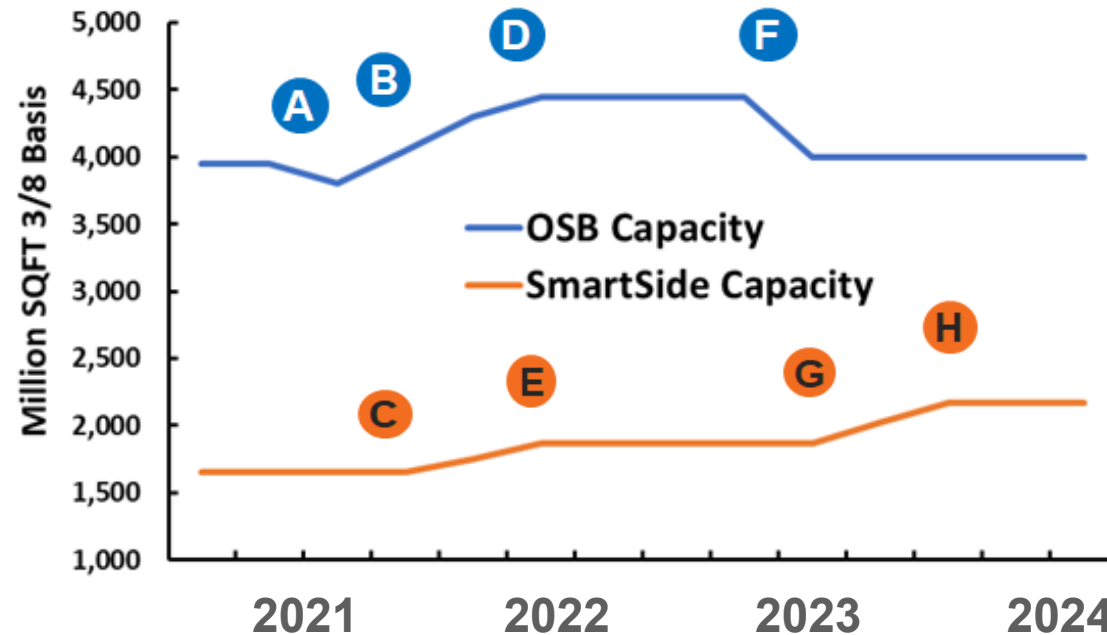
- **Phased, integrated SmartSide and OSB capacity expansion strategy:**
  - Houlton OSB/LSL plant converting to SmartSide
  - Sagola slated to follow Houlton
- **Evaluating strategic alternatives for EWP segment**
- **Peace Valley OSB mill restart to supply strengthening housing market**





# PHASED, INTEGRATED SMARTSIDE & OSB CAPACITY & GROWTH STRATEGY

OSB and SmartSide Capacity Through 2024



- A. Houlton OSB Shutdown <sup>1</sup>
- B. Peace Valley OSB Ramp-Up <sup>2</sup>
- C. Houlton SmartSide Ramp-up <sup>3,4</sup>
- D. Peace hits full Capacity <sup>2</sup>
- E. Houlton full SmartSide capacity <sup>4</sup>
- F. Sagola OSB Shutdown <sup>5</sup>
- G. Sagola SmartSide Ramp-up <sup>6</sup>
- H. Sagola full SmartSide Capacity <sup>6,7</sup>

**Footnotes:**

1. Houlton OSB Capacity is roughly 250MMSF
2. Peace Valley OSB Capacity is about 800MMSF, and will ramp up to full production capability by Q2-22
3. Siding capacity following conversion is typically 75-85% of pre-conversion OSB capacity
4. Houlton SmartSide capacity will be roughly 220MMSF
5. Sagola OSB capacity is 420MMSF
6. Sagola SmartSide capacity will be roughly 300MMSF
7. Q3-23 Sagola SmartSide startup consistent with 11% volume CAGR

# Q1-21 EARNINGS







# Q1 2021 HIGHLIGHTS

- **LP<sup>®</sup> SmartSide<sup>®</sup> sales increased by 49%**
- **Volume of Smooth, ExpertFinish and Shakes more than doubled**
- **OSB sales increased by \$319M to \$539M on 7% lower volumes**
- **OSB Structural Solutions mix increased to 47%**
- **LPSA net sales increased by 47%, Adjusted EBITDA by \$14M**



# Q1 2021 FINANCIAL RESULTS

Increasing CapEx investments to meet growing demand

Declared dividend of \$0.16 per share

\$32M remaining under \$300M buyback authority as of May 3, 2021

Additional buyback authority for \$1 Billion

**\$1.0B**

Net Sales  
+74%

**\$461M**

Adj. EBITDA  
5x

**\$314M**

Op. CF  
+\$323M

**\$3.01**

Adj. EPS  
+\$2.67

**49%**

SmartSide  
Growth

**+\$333M**

OSB Price  
Adj. EBITDA  
Impact

**\$122M**

Share  
Buybacks

**\$17M**

Dividends

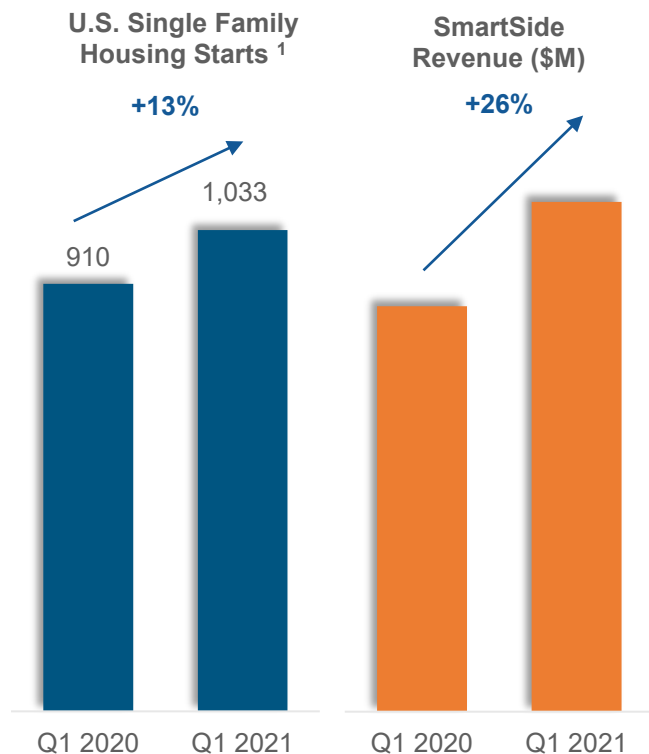
# Q1 2021 VS Q1 2020 SUMMARY

(\$ in millions)

		Revenue	Adj. EBITDA
<b>Q1 2020 Actual</b>		<b>\$ 585</b>	<b>\$ 83</b>
OSB price	+165% YoY	333	333
SmartSide growth	+49% YoY	93	51
All other		6	(6)
<b>Q1 2021 Actual</b>		<b>\$1,017</b>	<b>\$ 461</b>

# TRANSFORMATION

## SmartSide Growth (TTM)



## 2021 Q1 vs 2020 Q1

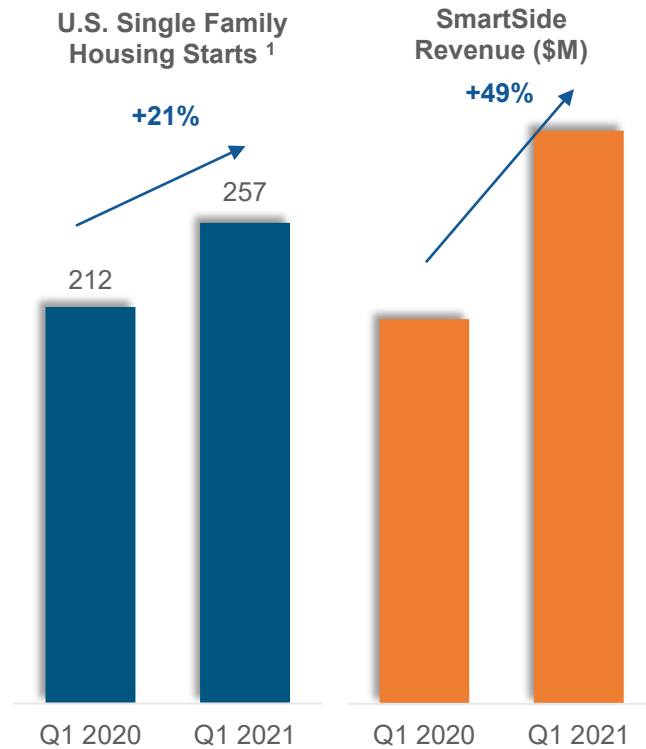
Segment	Growth	Efficiency	Total
Siding	\$53	\$1	\$54
OSB	\$1	\$(4)	\$(3)
LPSA & Corporate <sup>2</sup>	<u>\$14</u>	<u>\$0</u>	<u>\$14</u>
<b>Total Q1 Adj. EBITDA Impact</b>	<b>\$68</b>	<b>\$(3)</b>	<b>\$65</b>

<sup>1</sup> Actual U.S. housing starts data from U.S. Census Bureau as reported on April 16, 2021

<sup>2</sup> Beginning in 2021, EWP excluded from transformation impacts and LPSA includes Adj. EBITDA growth (excluding foreign currency movements)

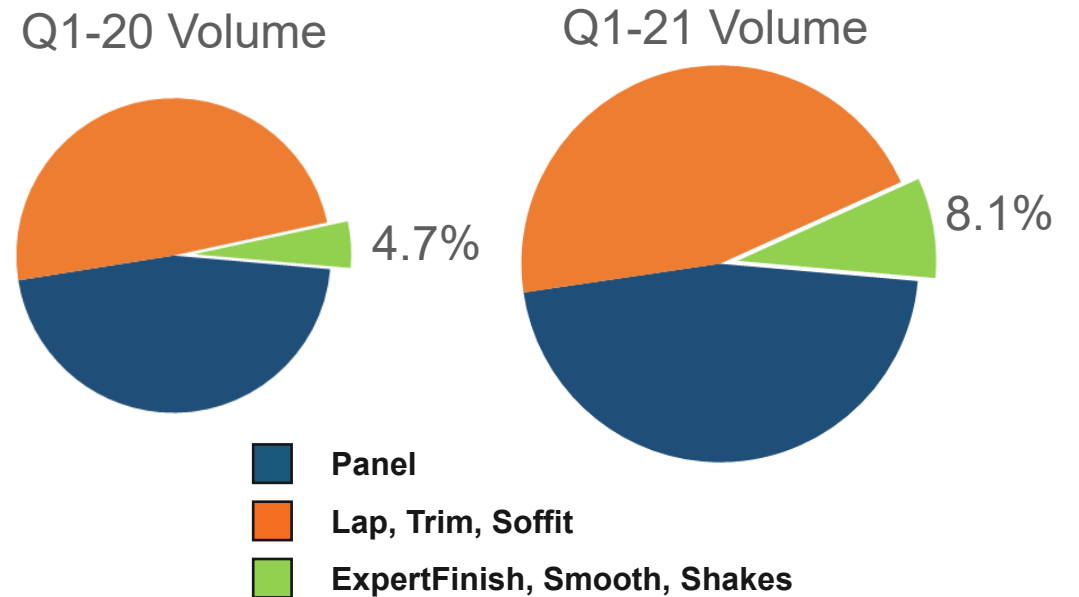
# TRANSFORMATION: SMARTSIDE GROWTH

## Compared to Single-Family Starts



<sup>1</sup> Actual U.S. housing starts data from U.S. Census Bureau as reported on April 16, 2021

## Growth of ExpertFinish, Smooth & Shakes

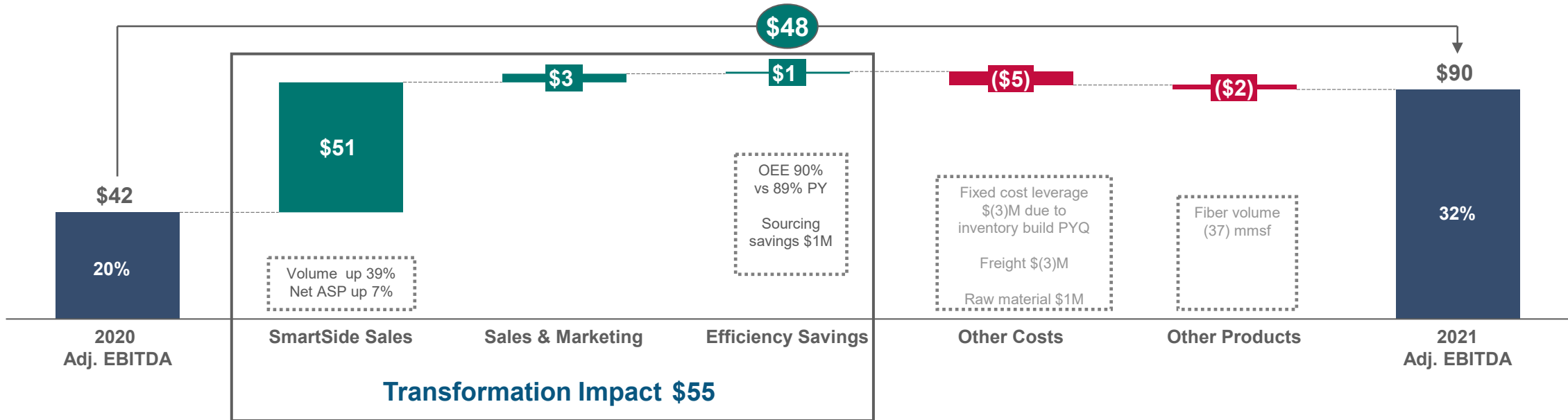


**Total Volume Growth = 39%**  
**EF, Smooth & Shake Volume Growth = 140%**



# SIDING – Q1 2021 VS Q1 2020

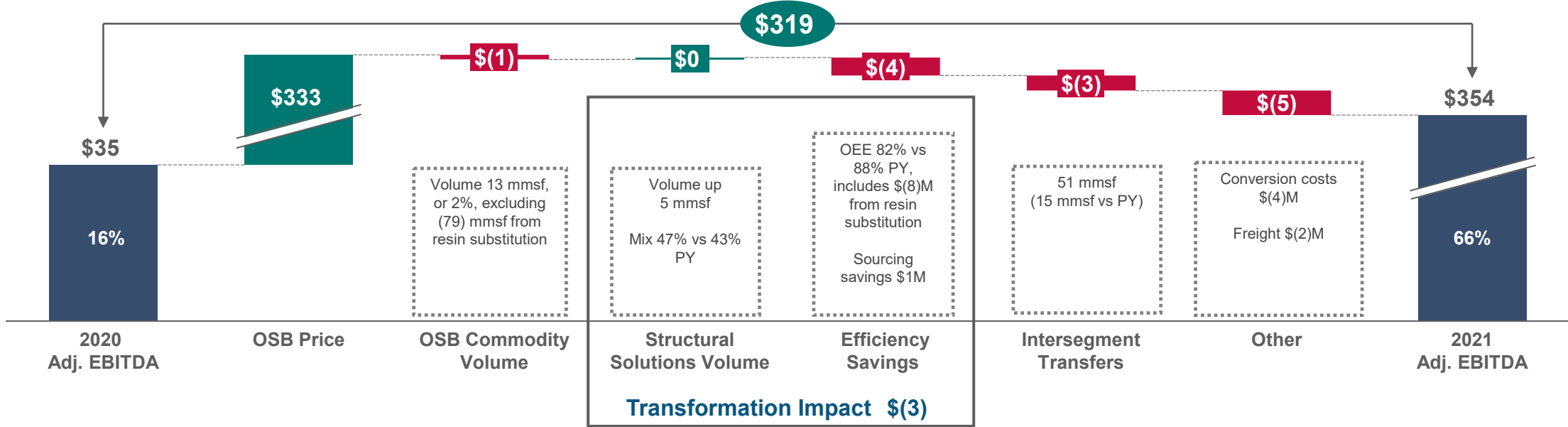
(\$ in millions)



Revenue	\$212	\$93	-	-	-	(\$20)	\$285
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# OSB – Q1 2021 VS Q1 2020

(\$ in millions)



Revenue	\$220	\$333	\$3	\$1	(\$17)	-	-	\$539
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## 2021 CAPEX GUIDANCE

Full-Year Capital Investment	\$230M - \$250M
Houlton Conversion	\$90 - \$95M
Other Strategic Growth Capital	\$40 - \$45M
Sustaining Maintenance Capital	\$100M - \$110M

## Q2 2021 REVENUE & Adj. EBITDA

SmartSide YoY Revenue Growth	>30%
OSB Revenue Compared to Q1 2021	>30% Increase
LP Consolidated Adjusted EBITDA	>\$580M

# APPENDIX



# REVENUE AND ADJUSTED EBITDA BY SEGMENT

(\$ in millions)

	Three Months Ended March 31,	
	2021	2020
<b>Sales</b>		
Siding	\$ 285	\$ 212
OSB	539	220
EWP	123	99
South America	53	36
Other	18	18
Intersegment	—	—
	<b>\$ 1,017</b>	<b>\$ 585</b>
<b>Adjusted EBITDA</b>		
Siding	\$ 90	\$ 42
OSB	354	35
EWP	7	9
South America	21	7
Other	(5)	(3)
Unallocated	(6)	(7)
	<b>\$ 461</b>	<b>\$ 83</b>



# CASH FLOW

(\$ in millions)

	Three Months Ended March 31,	
	2021	2020
<b>Beginning cash</b>	\$ 535	\$ 195
Adjusted EBITDA	461	83
Working Capital	(118)	(74)
Interest (net)	(9)	(10)
Cash taxes (net)	(21)	
Other operating	2	(8)
<b>Operating cash flow</b>	<b>314</b>	<b>(9)</b>
Cap Ex	(34)	(24)
Borrowing of long-term debt	—	350
Share buybacks	(122)	—
Dividends	(17)	(16)
Business acquisitions & divestiture	2	—
Other investing and financing	(21)	(7)
<b>Net change in cash</b>	<b>122</b>	<b>293</b>
<b>Ending cash</b>	<b>\$ 658</b>	<b>\$ 488</b>

# RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

(\$ in millions)

	Three Months Ended March 31,	
	2021	2020
<b>Net income</b>	<b>\$ 320</b>	<b>\$ 33</b>
Add (deduct):		
Noncontrolling interest	1	—
Income attributed to LP	320	33
Provision for income taxes	96	9
Depreciation and amortization	29	28
Stock-based compensation expense	1	2
Loss on impairment attributed to LP	—	7
Other operating credits and charges, net	—	2
Loss on early debt extinguishment	11	—
Interest expense	5	5
Investment income	—	2
Other non-operating items	(1)	(5)
<b>Adjusted EBITDA</b>	<b>\$ 461</b>	<b>\$ 83</b>

# RECONCILIATION OF NET INCOME TO ADJUSTED INCOME

(\$ in millions)

	Three Months Ended March 31,	
	2021	2020
<b>Net income</b>	\$ 320	\$ 33
Add (deduct):		
Noncontrolling interest	1	—
Income attributed to LP	320	33
Loss on impairment attributed to LP	—	7
Other operating credits and charges, net	—	2
Loss on early debt extinguishment	11	—
Reported tax provision	96	9
Adjusted income before tax	427	51
Normalized tax provision at 25%	(107)	(13)
<b>Adjusted Income</b>	<b>\$ 320</b>	<b>\$ 38</b>
Diluted share outstanding	107	113
<b>Adjusted Diluted EPS</b>	<b>\$ 3.01</b>	<b>\$ 0.34</b>