UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Quarterly Period Ended September 30, 2022

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission File Number 1-7107

LOUISIANA-PACIFIC CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**93-0609074**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

1610 West End Avenue, Suite 200, Nashville, TN 37203
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (615) 986 - 5600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $1 par value	LPX	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 71,695,455 shares of common stock, $1 par value, outstanding as of October 31, 2022.

Except as otherwise specified and unless the context otherwise requires, references to "LP," the "Company," "we," "us," and "our" refer to Louisiana-Pacific Corporation and its subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), provide a "safe harbor" for forward-looking statements to encourage companies to provide prospective information about their businesses and other matters as long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the statements. This quarterly report on Form 10-Q contains, and other reports and documents we file with, or furnish to, the Securities and Exchange Commission (SEC) may contain forward-looking statements. These statements are based upon the beliefs and assumptions of, and on information available to, our management.

The following statements are or may constitute forward-looking statements: (1) statements preceded by, followed by, or that include words like "may," "will," "could," "should," "believe," "expect," "anticipate," "intend," "plan," "estimate," "project," "potential," "continue," "likely," or "future" or the negative or other variations thereof and (2) other statements regarding matters that are not historical facts, including without limitation, plans for product development, forecasts of future costs and expenditures, possible outcomes of legal proceedings, capacity expansion, and other growth initiatives and the adequacy of reserves for loss contingencies.

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, which may be amplified by the invasion of Ukraine by Russia, the sanctions (including their duration), and other measures being imposed in response to this conflict, as well as any escalation or expansion of economic disruption or the conflict's current scope:

- 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 the supply of and demand for raw materials, including wood fiber and resins, used in manufacturing our products;
- changes in the cost and availability of energy, primarily natural gas, electricity, and diesel fuel;
- changes in the cost 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;
- challenges to 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, environmental proceedings and remediation efforts, and other legal or environmental proceedings or matters;
- 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;
- cybersecurity events affecting our information technology systems or those of our third-party providers and the related costs and impact of any disruption on our business; and
- acts of public authorities, war, civil unrest, natural disasters, fire, floods, earthquakes, inclement weather, and other matters beyond our control.

In addition to the foregoing and any risks and uncertainties specifically identified in the text surrounding forward-looking statements, any statements in the reports and other documents filed by us with the SEC that warn of risks or uncertainties associated with future results, events, or circumstances identify important factors that could cause actual results, events, and circumstances to differ materially from those reflected in the forward-looking statements.

The forward-looking statements that we make or that are made by others on our behalf are based on our knowledge of our business and operating environment and assumptions that we believe to be or will believe to be reasonable when such forward-looking statements are or will be made. As a consequence of the factors described above, the other risks, uncertainties, and factors we disclose below and in the reports and other documents filed by us with the SEC, other risks not known to us at this time, changes in facts, assumptions not being realized or other circumstances, our actual results may differ materially from those discussed in or implied or contemplated by our forward-looking statements. Consequently, this cautionary statement qualifies all forward-looking statements we make or that are made on our behalf, including those made herein and incorporated by reference herein. We cannot assure that the results or developments expected or anticipated by us will be realized or, even if substantially realized, that those results or developments will result in the expected consequences for us or affect us, our business, our operations, or our operating results in the manner or to the extent we expect. We caution readers not to place undue reliance on such forward-looking statements, which speak only as of their dates. We undertake no obligation to revise or update any of the forward-looking statements to reflect subsequent events or circumstances except to the extent required by applicable law.

ABOUT THIRD-PARTY INFORMATION

In this quarterly report on Form 10-Q, we rely on and refer to information regarding industry data obtained from market research, publicly available information, industry publications, U.S. government sources, and other third parties. Although we believe the information is reliable, we cannot guarantee the accuracy or completeness of the information and have not independently verified it.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Condensed Consolidated Statements of Income

Dollar and share amounts in millions, except per share amounts

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Net sales	**$ 852**	**$ 1,018**	**$ 3,149**	**$ 3,080**
Cost of sales	(620)	(513)	(1,778)	(1,423)
Gross profit	232	505	1,370	1,657
Selling, general, and administrative expenses	(67)	(58)	(196)	(155)
Other operating credits and charges, net	7	2	17	5
Income from operations	**172**	**448**	**1,191**	**1,507**
Interest expense	(3)	(4)	(9)	(12)
Investment income	5	—	8	1
Other non-operating items	(3)	(2)	(11)	(13)
Income before income taxes	**172**	**442**	**1,178**	**1,482**
Provision for income taxes	(44)	(111)	(284)	(350)
Equity in unconsolidated affiliate	1	1	4	3
Income from continuing operations	**129**	**332**	**898**	**1,134**
Income from discontinued operations, net of income taxes	97	33	196	47
Net income	**$ 226**	**$ 365**	**$ 1,093**	**$ 1,182**
Net loss attributed to noncontrolling interest	—	—	1	1
Net income attributed to LP	**$ 226**	**$ 365**	**$ 1,094**	**$ 1,183**
Net income attributed to LP per share of common stock:				
Income per share continuing operations - basic	$ 1.75	$ 3.55	$ 11.23	$ 11.34
Income per share discontinued operations - basic	1.32	0.35	2.45	0.47
Net income per share - basic	$ 3.07	$ 3.90	$ 13.67	$ 11.81
Income per share continuing operations - diluted	$ 1.74	$ 3.52	$ 11.16	$ 11.26
Income per share discontinued operations - diluted	1.31	0.35	2.43	0.47
Net income per share - diluted	$ 3.05	$ 3.87	$ 13.59	$ 11.73
Average shares of common stock used to compute net income per share:				
Basic	74	94	80	100
Diluted	74	94	80	101

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Comprehensive Income
Dollar amounts in millions
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Net income	**$ 226**	**$ 365**	**$ 1,093**	**$ 1,182**
Other comprehensive income, net of tax				
Foreign currency translation adjustments	(13)	(21)	(22)	(21)
Changes in defined benefit pension plans	3	2	6	3
Other comprehensive income (loss), net of tax	(9)	(19)	(16)	(18)
Comprehensive income	**216**	**346**	**1,077**	**1,164**
Comprehensive loss associated with noncontrolling interest	—	—	1	1
Comprehensive income attributed to LP	**$ 216**	**$ 346**	**$ 1,078**	**$ 1,165**

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

Condensed Consolidated Balance Sheets
Dollar amounts in millions
(Unaudited)

	September 30, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	$ 469	$ 358
Receivables, net of allowance for doubtful accounts of $1 million as of September 30, 2022, and December 31, 2021	171	169
Inventories	337	278
Prepaid expenses and other current assets	24	17
Current assets of discontinued operations	—	68
Total current assets	**1,001**	**890**
Timber and timberlands	39	42
Property, plant, and equipment, net	1,215	1,039
Operating lease assets	44	50
Goodwill and other intangible assets	37	39
Investments in and advances to affiliates	7	7
Restricted cash	14	13
Other assets	23	25
Deferred tax asset	4	2
Long-term assets of discontinued operations	—	87
Total assets	**$ 2,383**	**$ 2,194**
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities	$ 342	$ 304
Income tax payable	88	13
Current liabilities of discontinued operations	—	34
Total current liabilities	**430**	**351**
Long-term debt	346	346
Deferred income taxes	107	86
Non-current operating lease liabilities	40	44
Contingency reserves, excluding current portion	26	24
Other long-term liabilities	69	63
Long-term liabilities of discontinued operations	—	42
Total liabilities	**$ 1,019**	**$ 955**
Redeemable noncontrolling interest	3	4
Stockholders' equity:		
Common stock, $1 par value, 200,000,000 shares authorized; 87,986,865 and 71,690,061 shares issued and outstanding, respectively, as of September 30, 2022; and 102,415,883 and 85,636,154 shares issued and outstanding, respectively, as of December 31, 2021	88	102
Additional paid-in capital	459	458
Retained earnings	1,395	1,239
Treasury stock, 16,296,804 shares and 16,779,729 shares, at cost as of September 30, 2022, and December 31, 2021, respectively	(390)	(390)
Accumulated comprehensive loss	(190)	(174)
Total stockholders' equity	**1,361**	**1,235**
Total liabilities and stockholders' equity	**$ 2,383**	**$ 2,194**

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Cash Flows
Dollar amounts in millions
(Unaudited)

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,093	$ 1,182
Adjustments to net income:		
Depreciation and amortization	99	88
Gain on sale of assets	(157)	—
Deferred taxes	27	15
Loss on early debt extinguishment	—	11
Other adjustments, net	34	7
Changes in assets and liabilities (net of acquisitions and divestitures):		
Receivables	(20)	(59)
Prepaid expenses and other current assets	(11)	(5)
Inventories	(72)	(66)
Accounts payable and accrued liabilities	40	64
Income taxes payable, net of receivables	70	46
Net cash provided by operating activities	**1,103**	**1,283**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant, and equipment additions	(282)	(133)
Proceeds from sales of assets	265	—
Other investing activities	3	3
Net cash used in investing activities	**(14)**	**(131)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowing of long-term debt	—	350
Repayment of long-term debt, including redemption premium	—	(359)
Payment of cash dividends	(53)	(50)
Purchase of stock	(900)	(987)
Other financing activities	(15)	(12)
Net cash used in financing activities	**(968)**	**(1,058)**
EFFECT OF EXCHANGE RATE ON CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(11)	(10)
Net increase in cash, cash equivalents, and restricted cash	111	84
Cash, cash equivalents, and restricted cash at beginning of period	371	535
Cash, cash equivalents, and restricted cash at end of period	**$ 482**	**$ 620**
Supplemental cash flow information:		
Cash paid for income taxes, net of cash received	$ 242	$ 305
Cash paid for interest, net of cash received	$ 14	$ 16
Unpaid capital expenditures	$ 44	$ 42

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Stockholders' Equity
Dollar and share amounts in millions, except per share amounts
(Unaudited)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2021	**102**	**$ 102**	**17**	**$ (390)**	**$ 458**	**$ 1,239**	**$ (174)**	**$ 1,235**
Net income attributed to LP	—	—	—	—	—	484	—	484
Dividends paid ($0.22 per share)	—	—	—	—	—	(19)	—	(19)
Issuance of shares under stock plans	—	—	(1)	14	(14)	—	—	—
Taxes paid related to net settlement of stock-based awards	—	—	—	(15)	—	—	—	(15)
Purchase of stock	(2)	(2)	—	—	—	(102)	—	(104)
Compensation expense associated with stock-based compensation	—	—	—	—	7	—	—	7
Other comprehensive income	—	—	—	—	—	—	24	24
Balance, March 31, 2022	**101**	**$ 101**	**16**	**$ (391)**	**$ 451**	**$ 1,601**	**$ (149)**	**$ 1,613**
Net income attributed to LP	—	—	—	—	—	384	—	384
Dividends paid ($0.22 per share)	—	—	—	—	—	(18)	—	(18)
Issuance of shares under stock plans	—	—	—	2	—	—	—	2
Taxes paid related to net settlement of stock-based awards	—	—	—	(1)	—	—	—	(1)
Purchase of stock	(7)	(7)	—	—	—	(463)	—	(471)
Compensation expense associated with stock-based compensation	—	—	—	—	7	—	—	7
Other comprehensive loss	—	—	—	—	—	—	(31)	(31)
Balance, June 30, 2022	**94**	**$ 94**	**16**	**$ (390)**	**$ 457**	**$ 1,505**	**$ (181)**	**$ 1,484**
Net income attributed to LP	—	—	—	—	—	226	—	226
Dividends paid (0.22 per share)	—	—	—	—	—	(16)	—	(16)
Issuance of shares under stock plans	—	—	—	—	—	—	—	—
Purchase of stock	(6)	(6)	—	—	—	(320)	—	(325)
Compensation expense associated with stock-based compensation	—	—	—	—	2	—	—	2
Other comprehensive loss	—	—	—	—	—	—	(9)	(9)
Balance, September 30, 2022	**88**	**$ 88**	**16**	**$ (390)**	**$ 459**	**$ 1,395**	**$ (190)**	**$ 1,361**

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2020	**124**	**$ 124**	**17**	**$ (397)**	**$ 452**	**$ 1,206**	**$ (151)**	**$ 1,234**
Net income attributed to LP	—	—	—	—	—	320	—	320
Dividends paid ($0.16 per share)	—	—	—	—	—	(17)	—	(17)
Issuance of shares under stock plans	—	—	—	11	(11)	—	—	—
Taxes paid related to net settlement of stock-based awards	—	—	—	(6)	—	—	—	(6)
Purchase of stock	(2)	(2)	—	—	—	(120)	—	(122)
Compensation expense associated with stock-based compensation	—	—	—	—	1	—	—	1
Other comprehensive loss	—	—	—	—	—	—	(6)	(6)
Balance, March 31, 2021	**121**	**$ 121**	**17**	**$ (393)**	**$ 443**	**$ 1,390**	**$ (157)**	**$ 1,404**
Net income attributed to LP	—	—	—	—	—	498	—	498
Dividends paid ($0.16 per share)	—	—	—	—	—	(16)	—	(16)
Issuance of shares under stock plans	—	—	—	2	(1)	—	—	1
Purchase of stock	(7)	(7)	—	—	—	(458)	—	(465)
Compensation expense associated with stock-based compensation	—	—	—	—	4	—	—	4
Other comprehensive income	—	—	—	—	—	—	8	8
Balance, June 30, 2021	**114**	**$ 114**	**17**	**$ (390)**	**$ 446**	**$ 1,413**	**$ (149)**	**$ 1,433**
Net income attributed to LP	—	—	—	—	—	365	—	365
Dividends paid ($0.18 per share)	—	—	—	—	—	(17)	—	(17)
Purchase of stock	(7)	(7)	—		—	(392)	—	(399)
Compensation expense associated with stock-based compensation	—	—	—	—	5	—	—	5
Other comprehensive income	—	—	—	—	—	—	(19)	(19)
Balance, September 30, 2021	**107**	**$ 107**	**17**	**$ (390)**	**$ 451**	**$ 1,369**	**$ (168)**	**$ 1,368**

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF OPERATIONS AND BASIS FOR PRESENTATION

Nature of Operations

Louisiana-Pacific Corporation and our subsidiaries are a leading provider of high-performance building solutions that meet the demands of builders, remodelers, and homeowners worldwide. Serving the new home construction, repair and remodeling, and outdoor structures markets, we have leveraged our expertise to become an industry leader known for innovation, quality, and reliability. The Company operates 22 plants in our continuing operations across the U.S., Canada, Chile, and Brazil through foreign subsidiaries, and it operates facilities through joint ventures. The principal customers for our building solutions are retailers, wholesalers, and homebuilding and industrial businesses in North America and South America, with limited sales to Asia, Australia, and Europe. References to "LP," the "Company," "we," "our," and "us" refer to Louisiana-Pacific Corporation and its consolidated subsidiaries as a whole.

In August 2022, LP and one of its wholly-owned subsidiaries sold the assets related to the Engineered Wood Products (EWP) segment to Pacific Woodtech Corporation, a Washington corporation, and Pacific Woodtech Canada Holdings Limited, a British Columbia limited company (collectively, the Purchaser) for $217 million in gross cash proceeds after taking into account working capital adjustments (including $3 million received subsequent to September 30, 2022). Upon closing, the Company entered into a transition services agreement (TSA) with the Purchaser, pursuant to which the Company agreed to support the various activities of the EWP segment for a period not to exceed eight months. We have classified the related assets and liabilities associated with the EWP segment as discontinued operations in our Condensed Consolidated Balance Sheets. The results of our EWP segment have been presented as discontinued operations in our Condensed Consolidated Statements of Income for all periods presented. See Note 7 –Discontinued Operations for additional information.

Basis for Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) for interim financial information. Accordingly, they do not include all the information and footnotes required by U.S. GAAP for complete consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and are of a normal and recurring nature. These Condensed Consolidated Financial Statements and related Notes should be read in conjunction with our annual report on Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on February 22, 2022 (2021 Annual Report on Form 10-K). Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year.

NOTE 2. REVENUE

The following table presents our reportable segment revenues, disaggregated by revenue source. We disaggregate revenue from contracts with customers into major product lines. We have determined that disaggregating revenue into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

As noted in the segment reporting information in Note 17 below, our reportable segments are Siding, Oriented Strand Board (OSB), and South America (dollar amounts in millions).

	Three Months Ended September 30, 2022					
By product type and family:	**Siding**	**OSB**	**South America**	**Other**	**Inter-segment**	**Total**
Value-add						
Siding Solutions	$ 393	$ —	$ 6	$ —	$ —	$ 399
OSB - Structural Solutions	—	205	47	—	—	251
	393	205	53	—	—	650
Commodity						
OSB - commodity	—	180	—	—	—	180
Other						
Other products	1	3	—	17	—	22
	$ 394	$ 388	$ 53	$ 17	$ (1)	$ 852

	Three Months Ended September 30, 2021					
By product type and family:	**Siding**	**OSB**	**South America**	**Other**	**Inter-segment**	**Total**
Value-add						
Siding Solutions	$ 310	$ —	$ 9	$ —	$ —	$ 319
OSB - Structural Solutions	—	307	65	—	—	372
	310	307	75	—	—	691
Commodity						
OSB - commodity	—	290	—	—	—	290
Other						
Other products	3	4	2	30	(1)	38
	$ 312	$ 600	$ 76	$ 30	$ (1)	$ 1,018

Nine Months Ended September 30, 2022						
By product type and family:	**Siding**	**OSB**	**South America**	**Other**	**Inter-segment**	**Total**
Value-add						
Siding Solutions	$ 1,079	$ —	$ 18	$ —	$ —	$ 1,097
OSB - Structural Solutions	—	995	172	—	(2)	1,165
	1,079	995	190	—	(2)	2,262
Commodity						
OSB - commodity	—	801	—	—	(1)	801
Other						
Other products	4	9	—	72	—	86
	$ 1,083	$ 1,805	$ 190	$ 72	$ (2)	$ 3,149

Nine Months Ended September 30, 2021						
By product type and family:	**Siding**	**OSB**	**South America**	**Other**	**Inter-segment**	**Total**
Value-add						
Siding Solutions	$ 879	$ —	$ 29	$ —	$ —	$ 908
OSB - Structural Solutions	—	912	171	—	—	1,082
	879	912	200	—	—	1,991
Commodity						
OSB - commodity	—	997	—	—	—	997
Other						
Other products	9	9	3	73	(2)	93
	$ 889	$ 1,917	$ 203	$ 73	$ (2)	$ 3,080

Revenue is recognized when obligations under the terms of a contract *(i.e.*, purchase orders) with our customers are satisfied; generally, this occurs with the transfer of control of our products at a point in time. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods. The shipping cost incurred by us to deliver products to our customers is recorded in cost of sales. The expected costs associated with our warranties continue to be recognized as an expense when the products are sold.

Our businesses routinely incur customer program costs to obtain favorable product placement, promote sales of products, and maintain competitive pricing. Customer program costs and incentives, including rebates and promotion and volume allowances, are accounted for as deductions from net sales at the time the program is initiated. These reductions from revenue are recorded at the time of sale or the implementation of the program based on management's best estimates. Estimates are based on historical and projected experience for each type of program or customer. Volume allowances are accrued based on management's estimates of customer volume achievement and other factors incorporated into customer agreements, such as new product purchases, store sell-through, and merchandising support. Management adjusts accruals when circumstances indicate (typically as a result of a change in volume expectations).

We ship some of our products to customers' distribution centers on a consignment basis. We retain title to our products stored at the distribution centers. As our products are removed from the distribution centers by retailers and shipped to retailers' stores, title passes from us to the retailers. At that time, we invoice the retailers and recognize revenue for these consignment transactions. We do not offer a right of return for products shipped to the retailers' stores from the distribution centers.

NOTE 3. EARNINGS PER SHARE

Basic earnings per share is based upon the weighted-average number of shares of common stock outstanding. Diluted earnings per share is based upon the weighted-average number of shares of common stock outstanding, plus all potentially dilutive securities that were assumed to be converted into common shares at the beginning of the period under the treasury stock method. This method requires that the effect of potentially dilutive common stock equivalents (stock options, stock-settled appreciation rights (SSARs), restricted stock units, and performance stock units) be excluded from the calculation of diluted earnings per share for the periods in which losses are reported because the effect is anti-dilutive.

The following table sets forth the computation of basic and diluted earnings per share (dollar and share amounts in millions, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Income from continuing operations	$ 129	$ 332	$ 898	$ 1,134
Net loss attributed to noncontrolling interest	—	—	1	1
Income attributed to LP from continuing operations	129	332	898	1,135
Income for discontinued operations, net of income taxes	97	33	196	47
Net income attributed to LP	**$ 226**	**$ 365**	**$ 1,094**	**$ 1,183**
Weighted average common shares outstanding - basic	74	94	80	100
Dilutive effect of employee stock plans	—	—	1	1
Shares used for diluted earnings per share	**74**	**94**	**80**	**101**
Net income attributed to LP per share - basic:				
Continuing operations	$ 1.75	$ 3.55	$ 11.23	$ 11.34
Discontinued operations	1.32	0.35	2.45	0.47
Net income attributed to LP per share - basic	$ 3.07	$ 3.90	$ 13.67	$ 11.81
Net income attributed to LP per share – diluted:				
Continuing operations	$ 1.74	$ 3.52	$ 11.16	$ 11.26
Discontinued operations	1.31	0.35	2.43	0.47
Net income attributed to LP per share - diluted	$ 3.05	$ 3.87	$ 13.59	$ 11.73

NOTE 4. FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. We are required to classify these financial assets and liabilities into two groups: (i) recurring—measured on a periodic basis, and (ii) non-recurring—measured on an as-needed basis.

Trading securities consist of rabbi trust financial assets, which are recorded in Other assets in our Condensed Consolidated Balance Sheets. The assets of the rabbi trust are invested in mutual funds and are reported at fair value based on active market quotations, which represent Level 1 inputs.

The fair value of the 3.625% Senior Notes due in 2029 (2029 Senior Notes) was estimated to be $276 million and $358 million as of September 30, 2022, and December 31, 2021, respectively, based on market quotations. The 2029 Senior Notes and other long-term debt are categorized as Level 1 in the U.S. GAAP fair value hierarchy. Fair values are based on trading activity among the Company's lenders and the average bid and ask price is determined using published rates.

There were no outstanding amounts borrowed under our Amended Credit Facility (defined below) as of September 30, 2022.

Carrying amounts reported on the balance sheet for cash and cash equivalents, accounts receivables, and accounts payable approximate fair value due to the short-term maturity of these items.

NOTE 5. RECEIVABLES

Receivables consisted of the following (dollar amounts in millions):

	September 30, 2022	December 31, 2021
Trade receivables	$ 147	$ 156
Other receivables	24	13
Income tax receivable	—	1
Allowance for doubtful accounts	(1)	(1)
Total	$ 171	$ 169

Trade receivables are primarily generated by sales of our products to our wholesale and retail customers. Other receivables as of September 30, 2022, and December 31, 2021, primarily consist of sales tax receivables, vendor rebates, and other miscellaneous receivables.

NOTE 6. INVENTORIES

Inventories are valued at the lower of cost or net realizable value. Inventory cost includes materials, labor, and operating overhead. The major types of inventories (work in process is not material and is included in Semi-finished inventory) are as follows (dollar amounts in millions):

	September 30, 2022	December 31, 2021
Logs	$ 45	$ 50
Other raw materials	95	57
Semi-finished inventory	25	20
Finished products	172	150
Total	$ 337	$ 278

NOTE 7. DISCONTINUED OPERATIONS

Engineered Wood Products (EWP)

On August 1, 2022, the Company completed the sale of the assets related to the EWP segment to the Purchaser. As a result of the sale, the Company received $217 million in gross cash proceeds after taking into account working capital adjustments (including $3 million received subsequent to September 30, 2022). The Company paid $12 million in direct transaction costs, resulting in net proceeds of $205 million. The net carrying value of the EWP assets at the time of sale was $87 million, which resulted in a pre-tax gain of approximately $118 million within Income from discontinued operations in the Condensed Consolidated Statements of Income.

Upon closing, the Company entered into the TSA with the Purchaser, pursuant to which the Company agreed to support the various activities of the EWP segment for a period not to exceed eight months. During the three months ended September 30, 2022, the Company collected $33 million on the Purchaser's behalf pursuant to the TSA. As of September 30, 2022, the Company has $14 million due to the Purchaser, which is included in the Condensed Consolidated Balance Sheets.

The Company has classified the results of its EWP segment as discontinued operations in its Condensed Consolidated Statements of Income and we have classified the related assets and liabilities associated with the EWP segment as discontinued operations in our Condensed Consolidated Balance Sheets.

EWP Joint Ventures

In March 2022, we sold our 50% equity interest in two joint ventures that produce I-joists to Resolute Forest Products Inc. for $59 million. The total net carrying value of our equity method investment at the date of sale was $19 million, and we recognized a gain associated with the sale of $39 million within Income from discontinued operations in the Condensed Consolidated Statements of Income.

The following table presents the financial results of the EWP segment (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net sales	**$ 67**	**$ 201**	**$ 455**	**$ 481**
Cost of sales	(54)	(156)	(352)	(403)
Gross profit	13	45	103	78
Selling, general, and administrative expenses	(2)	(5)	(12)	(15)
Income from operations of discontinued operations	**12**	**40**	**91**	**64**
Other non-operating items	—	5	—	(1)
Gain on disposal before income taxes	118	—	158	—
Income from discontinued operations before income taxes	**130**	**44**	**249**	**63**
Provision for income taxes	(33)	(11)	(53)	(16)
Income from discontinued operations, net of income taxes	**$ 97**	**$ 33**	**$ 196**	**$ 47**

The following summarizes the total cash provided by operations and total cash used for investing activities related to the EWP segment and included in the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2022 and 2021 (in millions):

	Nine Months Ended September 30,	
	2022	2021
Net cash provided by discontinued operating activities	$ 18	$ 30
Net cash provided by (used in) discontinued investing activities	$ 258	$ (25)

Net cash provided by discontinued investing activities for the nine months ended September 30, 2022, includes $59 million of proceeds from the sale of our 50% equity interest in two joint ventures that produce I-joists and $202 million of net proceeds from the sale of the EWP segment assets.

The following table presents the aggregate carrying amounts of discontinued operations related to the EWP segment in the Condensed Consolidated Balance Sheets (in millions):

	December 31, 2021
Carrying amounts of assets included as part of discontinued operations:	
Accounts receivable, net	$ 22
Inventories	46
Timber and timberlands	42
Property, plant, and equipment, net	30
Operating lease assets	1
Investments in and advances to affiliates	14
Total assets classified as discontinued operations in the Condensed Consolidated Balance Sheet	**$ 156**
Carrying amounts of liabilities included as part of discontinued operations:	
Accounts payable and accrued liabilities	$ 34
Other liabilities	42
Total liabilities classified as discontinued operations in the Condensed Consolidated Balance Sheet	**$ 76**

NOTE 8. GOODWILL AND OTHER INTANGIBLES

Goodwill and indefinite-lived intangible assets are not amortized and are subject to assessment for impairment by applying a fair value-based test on an annual basis, or more frequently if circumstances indicate a potential impairment. The Company’s annual assessment date is October 1.

Changes in goodwill and other intangible assets for the nine months ended September 30, 2022, are provided in the following table (dollar amounts in millions):

	Timber licenses[1]	Goodwill	Developed Technology	Trademarks
Beginning balance December 31, 2021	$ 30	$ 19	$ 17	$ 2
Amortization	(2)	—	(1)	—
Ending balance September 30, 2022	**$ 28**	**$ 19**	**$ 16**	**$ 2**

[1]Timber licenses are included in Timber and timberlands on the Condensed Consolidated Balance Sheets.

NOTE 9. REDEEMABLE NONCONTROLLING INTEREST

Redeemable noncontrolling interest is interest in subsidiaries that is redeemable outside of our control, either for cash or other assets. These interests are classified as mezzanine equity and measured at the greater of estimated redemption value or carrying value at the end of each reporting period. Net loss attributed to noncontrolling interest is recorded in the Condensed Consolidated Statements of Income. Any adjustments to the redemption value of redeemable noncontrolling interest are recognized in either net income or through accumulated paid-in capital, depending on the nature of the underlying security (preferred or common units).

The components of redeemable noncontrolling interest as of September 30, 2022, were as follows (dollar amounts in millions):

Beginning balance December 31, 2021	$ 4
Net loss attributed to noncontrolling interest	(1)
Ending balance September 30, 2022	**$ 3**

NOTE 10. INCOME TAXES

For interim periods, we recognize income tax expense by applying the estimated annual effective income tax rate to year-to-date results unless this method does not result in a reliable estimate of year-to-date income tax expense. Each period, the income tax accrual is adjusted to the latest estimate, and the difference from the previously accrued year-to-date balance is adjusted in the current quarter. Changes in profitability estimates in various jurisdictions will impact our quarterly effective income tax rates.

The tax provision for income taxes from continuing operations for the nine months ended September 30, 2022 and 2021, reflected an estimated annual effective tax rate of 25% and 24%, respectively, excluding discrete items discussed below. The total effective tax rate for continuing operations for the three and nine months ended September 30, 2022, was 26% and 24%, compared to 25% and 24% for the comparable periods in 2021, respectively.

We recognized net discrete tax benefits of $9 million and $7 million in the nine months ended September 30, 2022 and 2021, respectively. The discrete tax benefits primarily relate to excess tax benefits from stock-based compensation and changes to estimates in the prior year including our deferred tax rate.

NOTE 11. COMMITMENTS AND CONTINGENCIES

We maintain reserves for various contingent liabilities as follows (dollar amounts in millions):

	September 30, 2022	December 31, 2021
Environmental reserves	$ 27	$ 25
Other reserves	—	—
Total contingencies	27	25
Current portion (included in Accounts payable and accrued liabilities)	(1)	(1)
Long-term portion	$ 26	$ 24

Estimates of our loss contingencies are based on various assumptions and judgments. Due to the numerous uncertainties and variables associated with these assumptions and judgments, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. We regularly monitor our estimated exposure to contingencies and, as additional information becomes known, may change our estimates significantly. While no estimate of the range of any such change can be made at this time, the amount that we may ultimately pay in connection with these matters could materially exceed, in either the near term or the longer term, the amounts accrued to date. Our estimates of our loss contingencies do not reflect potential future recoveries from insurance carriers except to the extent that recovery may, from time to time, be deemed probable as a result of an insurer's agreement to payment terms.

Environmental Matters

We maintain a reserve for undiscounted estimated environmental loss contingencies. This reserve is primarily for estimated future costs of remediation of hazardous or toxic substances at numerous sites currently or previously owned by the Company. Our estimates of our environmental loss contingencies are based on various assumptions and judgments, the specific nature of which varies considering the particular facts and circumstances surrounding each environmental loss contingency. These estimates typically reflect assumptions and judgments as to the probable nature, magnitude, and timing of the required investigation, remediation, and/or monitoring activities and the probable cost of these activities, and in some cases, reflect assumptions and judgments as to the obligation or willingness and ability of third parties to bear a proportionate or allocated share of the cost of these activities. Due to the numerous uncertainties and variables associated with these assumptions and judgments, and the effects of changes in governmental regulation and environmental technologies, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. We regularly monitor our estimated exposure to environmental loss contingencies and, as additional information becomes known, may change our estimates significantly.

Other Proceedings

From time to time, we and our subsidiaries are parties to certain legal proceedings. Based on the information currently available, management believes the resolution of such proceedings will not have a material effect on our financial position, results of operations, cash flows, or liquidity.

NOTE 12. IMPAIRMENT OF LONG-LIVED ASSETS

We review the carrying values of our long-lived assets for potential impairments and believe we have adequate support for the carrying values of our long-lived assets. If demand and pricing for our products fall to levels significantly below cycle average demand and pricing, should we decide to invest capital in alternative projects, or should changes occur related to our wood supply for our mills, it is possible that future impairment charges will be required. As of September 30, 2022, there were no indications of impairment.

We also review from time to time potential dispositions of various assets, considering current and anticipated economic and industry conditions, our strategic plan, and other relevant factors. Because a determination to dispose of particular assets can require management to make assumptions regarding the transaction structure of the disposition and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, we may be required to record impairment charges in connection with decisions to dispose of assets.

NOTE 13. PRODUCT WARRANTIES

We offer warranties on the sale of most of our products and record an accrual for estimated future claims. Such accruals are based upon historical experience and management's estimate of the level of future claims. The activity in warranty reserves for the three and nine months ended September 30, 2022 and 2021, is summarized in the following table (dollar amounts in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Beginning balance	$ 7	$ 8	$ 7	$ 8
Accrued to expense	1	—	3	1
Payments made	(1)	—	(2)	(1)
Total warranty reserves	8	8	8	8
Current portion of warranty reserves (included in Accounts payable and accrued liabilities)	(2)	(2)	(2)	(2)
Long-term portion of warranty reserves (included in Other long-term liabilities)	$ 6	$ 6	$ 6	$ 6

We continue to monitor warranty and other claims associated with our products and believe, as of September 30, 2022, that the warranty reserve balances associated with these matters are adequate to cover future warranty payments. However, it is possible that additional changes may be required in the future.

NOTE 14. DEFINED BENEFIT PENSION PLANS

The following table summarizes our net periodic pension cost for our defined benefit pension and postretirement plans during the three and nine months ended September 30, 2022 and 2021 (dollar amounts in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Service cost	$ 1	$ —	$ 3	$ 1
Other components of net periodic pension cost[1]:				
Interest cost	2	2	5	5
Expected return on plan assets	(2)	(3)	(5)	(10)
Amortization of prior service cost	—	—	—	—
Amortization of net loss	1	1	4	4
Loss due to settlement	4	—	4	—
Net periodic pension cost	$ 7	$ 1	$ 11	$ 2

[1]Other components of net periodic pension cost are included in Other non-operating items on our Condensed Consolidated Statements of Income.

In November 2021, the Company initiated the termination of our frozen U.S. and Canadian defined benefit pension plans (collectively, the Plan), which would result in the full settlement of the Company's Plan obligations.

During the three months ended September 30, 2022, we made lump-sum pension distributions and purchased non-participating group annuity contracts totaling $33 million which triggered partial settlement accounting for the Plan. Accordingly, reflected in the table above is a non-cash pre-tax loss due to settlement of $4 million for the three and nine months ended September 30, 2022 representing the recognition of a pro rata portion of the unrecognized loss recorded within Accumulated comprehensive loss.

The changes recognized in Other comprehensive loss were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net actuarial gain (loss) and prior service (cost) arising during the period, net of tax	$ (1)	$ —	$ (1)	$ —
Amortization of actuarial loss, prior service cost and settlements, net of tax	$ 4	$ 2	$ 7	$ 3
Total amounts recognized in Other comprehensive income	$ 3	$ 2	$ 6	$ 3

Remaining Plan participants will receive their full accrued benefits from Plan assets by electing either lump-sum distributions or annuity contracts with a qualifying third-party annuity provider. The remaining distribution of Plan assets pursuant to the termination will not be made until the Plan termination satisfies all regulatory requirements. The remaining Plan termination is expected to be substantially complete in the fourth quarter of 2022 and result in pension settlement expense, which will be determined based on prevailing market conditions, the actual lump-sum distributions, and annuity purchase rates at the date of distribution. Upon final settlement, we expect to recognize pre-tax pension settlement charges that will include (1) a non-cash charge for the recognition of all pre-tax actuarial losses in Accumulated comprehensive loss ($93 million as of September 30, 2022) and (2) any cash contributions to settle the Plan’s obligations ($9 million net projected benefit obligation as of September 30, 2022). The actual amount of the settlement charges and any potential cash contribution will depend on various factors, including interest rates, Plan asset returns, and the lump-sum election rate.

NOTE 15. ACCUMULATED COMPREHENSIVE LOSS

Accumulated comprehensive loss is provided in the following table for the three months ended September 30, 2022 and 2021 (dollar amounts in millions):

	Pension	Translation Adjustments	Other	Total
Balance at June 30, 2022	$ (74)	$ (105)	$ (1)	$ (181)
Reclassified to income statement, net of taxes[1]	3	—	—	3
Translation adjustments	—	(13)	—	(13)
Balance at September 30, 2022	**$ (71)**	**$ (118)**	**$ (1)**	**$ (190)**

	Pension	Translation Adjustments	Other	Total
Balance at June 30, 2021	$ (80)	$ (68)	$ (2)	$ (149)
Reclassified to income statement, net of taxes[1]	2	—	—	2
Translation adjustments	—	(21)	—	(21)
Balance at September 30, 2021	**$ (78)**	**$ (89)**	**$ (2)**	**$ (168)**

1 Amounts of actuarial loss and prior service cost are components of net periodic benefit cost. See Note 14 above for additional details.

Accumulated comprehensive loss is provided in the following table for the nine months ended September 30, 2022 and 2021 (dollar amounts in millions):

	Pension	Translation Adjustments	Other	Total
Balance at December 31, 2021	$ (76)	$ (96)	$ (1)	$ (174)
Reclassified to income statement, net of taxes[1]	6	—	—	6
Translation adjustments	—	(22)	—	(22)
Balance at September 30, 2022	**$ (71)**	**$ (118)**	**$ (1)**	**$ (190)**

	Pension	Translation Adjustments	Other	Total
Balance at December 31, 2020	$ (81)	$ (68)	$ (2)	$ (151)
Reclassified to income statement, net of taxes[1]	3	—	—	3
Translation adjustments	—	(21)	—	(21)
Balance at September 30, 2021	**$ (78)**	**$ (89)**	**$ (2)**	**$ (168)**

1 Amounts of actuarial loss and prior service cost are components of net periodic benefit cost. See Note 14 above for additional details.

NOTE 16. OTHER OPERATING AND NON-OPERATING ITEMS

Other operating credits and charges, net

Other operating credits and charges, net, is comprised of the following components (dollar amounts in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Insurance recoveries	$ 2	$ 1	$ 15	$ 3
Reorganization charges	(4)	(1)	(5)	(1)
Environmental costs	—	—	(2)	—
Other	9	1	9	3
Other operating credits and charges, net	**$ 7**	**$ 2**	**$ 17**	**$ 5**

Other non-operating items

Other non-operating items is comprised of the following components (dollar amounts in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net periodic pension cost, excluding service cost	$ (1)	$ —	$ (4)	$ —
Pension settlement charges	(4)	—	(4)	—
Loss on early debt extinguishment	—	—	—	(11)
Foreign currency gain (loss)	$ 2	$ (2)	$ (3)	$ (2)
Other	$ 1	$ —	$ 1	$ —
Other non-operating items	**$ (3)**	**$ (2)**	**$ (11)**	**$ (13)**

NOTE 17. SELECTED SEGMENT DATA

We operate in three segments: Siding, OSB, and South America. Our business units have been aggregated into these three segments based upon the similarity of economic characteristics, customers, and distribution methods. Our results of operations are summarized below for each of these segments separately, as well as for the “Other” category, which comprises other products that are not individually significant. On June 21, 2022, LP reached an agreement for the sale of its EWP segment assets which subsequently closed on August 1, 2022. As a result of this transaction, the results of the EWP segment have been reclassified to discontinued operations and EWP is no longer a reportable segment of the Company. See "Note 7 –Discontinued Operations" for additional information.

We evaluate the performance of our business segments based on net sales and Adjusted EBITDA. Accordingly, our chief operating decision maker evaluates performance and allocates resources based primarily on net sales and Adjusted EBITDA for our business segments. Adjusted EBITDA is a non-GAAP financial measure and is defined as income attributed to LP from continuing operations before interest expense, provision for income taxes, depreciation and amortization, and excludes stock-based compensation expense, loss on impairment attributed to LP, product-line discontinuance charges, other operating credits and charges, net, loss on early debt extinguishment, investment income, pension settlement charges, and other non-operating items.

Information about our business segments is as follows (dollar amounts in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net sales				
Siding	$ 394	$ 312	$ 1,083	$ 889
OSB	388	600	1,805	1,917
South America	53	76	190	203
Other	17	30	72	73
Intersegment sales	(1)	(1)	(2)	(2)
Total sales	**$ 852**	**$ 1,018**	**$ 3,149**	**3,080**
PROFIT BY SEGMENT				
Net income	**$ 226**	**$ 365**	**$ 1,093**	**$ 1,182**
Add (deduct):				
Net loss attributed to noncontrolling interest	—	—	1	1
Income from discontinued operations, net of income taxes	(97)	(33)	(196)	(47)
Income attributed to LP from continuing operations	129	332	898	1,135
Provision for income taxes	44	111	284	350
Depreciation and amortization	32	28	96	85
Stock-based compensation expense	2	5	15	10
Other operating credits and charges, net	(7)	(2)	(17)	(5)
Loss on early debt extinguishment	—	—	—	11
Interest expense	3	4	9	12
Investment income	(5)	—	(8)	(1)
Other non-operating items	(1)	2	7	2
Pension settlement charges	4	—	4	—
Adjusted EBITDA	**$ 200**	**$ 480**	**$ 1,289**	**$ 1,600**
Siding	$ 90	$ 73	$ 251	$ 240
OSB	113	381	1,021	1,300
South America	14	37	65	91
Other	(7)	(3)	(19)	(11)
Corporate	(11)	(8)	(29)	(22)
Adjusted EBITDA	**$ 200**	**$ 480**	**$ 1,289**	**$ 1,600**

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our Condensed Consolidated Financial Statements and related Notes and other financial information appearing elsewhere in this quarterly report on Form 10-Q. The following discussion includes statements that are forward-looking statements that are based on the beliefs of our management, as well as assumptions made by and information currently available to our management. See "Cautionary Statement Regarding Forward-Looking Statements."

General

We are a leading provider of high-performance building solutions that meet the demands of builders, remodelers, and homeowners worldwide. We have leveraged our expertise serving the new home construction, repair and remodeling, and outdoor structures markets to become an industry leader known for innovation, quality, and reliability. Our manufacturing facilities are located in the U.S., Canada, Chile, and Brazil.

To serve these markets, we operate in three segments: Siding, OSB, and South America.

In March 2022, we sold our 50% equity interest in two joint ventures that produce I-joists to Resolute for $59 million. The joint ventures were comprised of Resolute-LP Engineered Wood Larouche Inc. in Larouche, Quebec, and Resolute-LP Engineered Wood St-Prime Limited Partnership in Saint-Prime, Quebec. The total net carrying value of our equity method investment at the date of sale was $19 million. We recognized a gain on the sale of $39 million during the nine months ended September 30, 2022, within Income from discontinued operations in the Condensed Consolidated Statements of Income.

In August 2022, LP completed the sale of the EWP segment assets to the Purchaser in exchange for the Purchaser's payment to the Company of $217 million in gross cash proceeds after taking into account working capital adjustments (including $3 million received subsequent to September 30, 2022). Upon closing, the Company entered into the TSA with the Purchaser, pursuant to which the Company agreed to support the various activities of the EWP segment for a period not to exceed eight months. We have classified the related assets and liabilities associated with the EWP segment as discontinued operations in our Condensed Consolidated Balance Sheets. The results of our EWP segment have been presented as discontinued operations in our Condensed Consolidated Statements of Income for all periods presented. See "Note 7 – Discontinued Operations" of the Notes to the Condensed Consolidated Financial Statements included in Item 1 of this quarterly report on Form 10-Q for additional information.

Demand for our Building Products

Demand for our products correlates positively with new home construction and repair and remodeling activity in North America, which historically has been characterized by significant cyclicality. The U.S. Department of Census reported on October 19, 2022, that actual single housing starts were 18% lower for the three months ended September 30, 2022, and 6% lower for the nine months ended September 30, 2022, as compared to the same periods in 2021. Repair and remodeling activity is difficult to reasonably measure, but many indications, including the increase in LP's retail sales, suggest that repair and remodeling activity is continuing to grow.

Future economic conditions in the United States and the demand for homes are uncertain due to inflationary impacts on the economy, including interest rates, employment levels, consumer confidence, and financial markets, among other things. Additionally, we have experienced increases in material prices, supply disruptions, and labor shortages, which will be a challenge as we continue to work to meet the demands of builders, remodelers, and homeowners worldwide. The potential effect of these factors on our future operational and financial performance is uncertain. As a result, our past performance may not be indicative of future results.

Supply and Demand for OSB

OSB is a commodity product, and it is subject to competition from manufacturers worldwide. Product supply is influenced primarily by fluctuations in available manufacturing capacity and imports. The ratio of overall OSB demand to capacity generally drives price. We cannot predict whether the prices of our OSB products will remain at current levels or increase or decrease in the future.

For additional factors affecting our results, refer to the "Overview" within our "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and our "Risk Factors" section contained in our 2021 Annual Report on Form 10-K, and to the "Cautionary Statement Regarding Forward-Looking Statements" section in this quarterly report on Form 10-Q.

Critical Accounting Policies and Significant Estimates

Note 1 of the Notes to the Condensed Consolidated Financial Statements included in our 2021 Annual Report on Form 10-K is a discussion of our significant accounting policies and significant accounting estimates and judgments. Throughout the preparation of the financial statements, we employ significant judgments in the application of accounting principles and methods. These judgments are primarily related to the assumptions used to arrive at various estimates.

There have been no changes in the application of principles, methods, and assumptions used to determine our significant estimates since December 31, 2021.

Non-GAAP Financial Measures and Other Key Performance Indicators

In evaluating our business, we utilize non-GAAP financial measures that fall within the meaning of SEC Regulation G and Regulation S-K Item 10(e), which we believe provide users of the financial information with additional meaningful comparison to prior reported results. Non-GAAP financial measures do not have standardized definitions and are not defined by U.S. GAAP. In this quarterly report on Form 10-Q, we disclose income attributed to LP from continuing operations before interest expense, provision for income taxes, depreciation and amortization, and exclude stock-based compensation expense, loss on impairment attributed to LP, product-line discontinuance charges, other operating credits and charges, net, loss on early debt extinguishment, investment income, pension settlement charges, and other non-operating items as Adjusted EBITDA from continuing operations (Adjusted EBITDA), which is a non-GAAP financial measure. We have included Adjusted EBITDA in this report because we view it as an important supplemental measure of our performance and believe that it is frequently used by interested persons in the evaluation of companies that have different financing and capital structures and/or tax rates. We also disclose income attributed to LP from continuing operations, excluding loss on impairment attributed to LP, product-line discontinuance charges, interest expense outside of normal operations, other operating credits and charges, net, loss on early debt extinguishment, gain (loss) on acquisition, pension settlement charges, and adjusting for a normalized tax rate as Adjusted Income from continuing operations (Adjusted Income). We also disclose Adjusted Diluted EPS from continuing operations (Adjusted Diluted EPS), calculated as Adjusted Income divided by diluted shares outstanding. We believe that Adjusted Diluted EPS and Adjusted Income are useful measures for evaluating our ability to generate earnings and that providing these measures should allow interested persons to more readily compare the earnings for past and future periods.

Adjusted EBITDA, Adjusted Income, and Adjusted Diluted EPS are not substitutes for the U.S. GAAP measures of net income and net income attributed to LP from continuing operations per diluted share or for any other U.S. GAAP measures of operating performance. It should be noted that other companies may present similarly titled measures differently, and therefore, as presented by us, these measures may not be comparable to similarly titled measures reported by other companies. Adjusted EBITDA, Adjusted Income, and Adjusted Diluted EPS have material limitations as performance measures because they exclude items that are actually incurred or experienced in connection with the operation of our business.

The following table reconciles Net income to Adjusted EBITDA (dollar amounts in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	**$ 226**	**$ 365**	**$ 1,093**	**$ 1,182**
Add (deduct):				
Net loss attributed to noncontrolling interest	—	—	1	1
Income from discontinued operations, net of income taxes	(97)	(33)	(196)	(47)
Income attributed to LP from continuing operations	129	332	898	1,135
Provision for income taxes	44	111	284	350
Depreciation and amortization	32	28	96	85
Stock-based compensation expense	2	5	15	10
Other operating credits and charges, net	(7)	(2)	(17)	(5)
Loss on early debt extinguishment	—	—	—	11
Interest expense	3	4	9	12
Investment income	(5)	—	(8)	(1)
Other non-operating items	(1)	2	7	2
Pension settlement charges	4	—	4	—
Adjusted EBITDA	**$ 200**	**$ 480**	**$ 1,289**	**$ 1,600**
Siding	$ 90	$ 73	$ 251	$ 240
OSB	113	381	1,021	1,300
South America	14	37	65	91
Other	(7)	(3)	(19)	(11)
Corporate	(11)	(8)	(29)	(22)
Adjusted EBITDA	**$ 200**	**$ 480**	**$ 1,289**	**$ 1,600**

The following table provides the reconciliation of Net income to Adjusted Income (dollar amounts in millions, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	**$ 226**	**$ 365**	**$ 1,093**	**$ 1,182**
Add (deduct):				
Net loss attributed to noncontrolling interest	—	—	1	1
Loss from discontinued operations	(97)	(33)	(196)	(47)
Income attributed to LP from continuing operations	129	332	898	1,135
Other operating credits and charges, net	(7)	(2)	(17)	(5)
Loss on early debt extinguishment	—	—	—	11
Pension settlement charges	4	—	4	—
Reported tax provision	44	111	284	350
Adjusted income before tax	170	442	1,171	1,492
Normalized tax provision at 25%	(42)	(111)	(293)	(373)
Adjusted Income	**$ 127**	**$ 331**	**$ 878**	**$ 1,119**
Diluted shares outstanding	74	94	80	101
Diluted net income attributed to LP from continuing operations per share	**$ 1.74**	**$ 3.52**	**$ 11.16**	**$ 11.26**
Adjusted Diluted EPS	**$ 1.72**	**$ 3.52**	**$ 10.91**	**$ 11.08**

Key Performance Indicators

In addition, management monitors certain key performance indicators to evaluate our business performance, which include our Overall Equipment Effectiveness (OEE) and our sales volume relative to housing starts, as provided by reports from the U.S. Department of Census.

The following tables set forth: (1) housing starts, (2) our North American sales volume, and (3) OEE. We consider the following items to be key performance indicators because LP's management uses these metrics to evaluate our business and trends, measure our performance, and make strategic decisions, and believes that the key performance indicators presented provide additional perspective and insights when analyzing the core operating performance of LP. These key performance indicators should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, the U.S. GAAP financial measures presented herein. These measures may not be comparable to similarly-titled performance indicators used by other companies.

We monitor housing starts, which is a leading external indicator of residential construction in the United States that correlates with the demand for many of our products. We believe that this is a useful measure for evaluating our results and that providing this measure should allow interested persons to more readily compare our sales volume for past and future periods to an external indicator of product demand. Other companies may present housing start data differently, and therefore, housing starts data presented by us may not be comparable to similarly-titled indicators reported by other companies.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Housing starts[1]:				
Single-Family	242	296	812	861
Multi-Family	146	123	416	352
	388	419	1,228	1,213

[1] Actual U.S. Housing starts data reported by U.S. Census Bureau as published through October 19, 2022.

We monitor sales volumes for our products in our Siding and OSB segments, which we define as the number of units of our products sold within the applicable period. Evaluating sales volume by product type helps us identify and address changes in product demand, broad market factors that may affect our performance, and opportunities for future growth. It should be noted that other companies may present sales volumes differently and, therefore, as presented by us, sales volumes may not be comparable to similarly-titled measures reported by other companies. We believe that sales volumes can be a useful measure for evaluating and understanding our business.

The following table sets forth sales volumes for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30, 2022				Three Months Ended September 30, 2021			
Sales Volume	Siding	OSB	South America	Total	Siding	OSB	South America	Total
Siding Solutions (MMSF)	471	—	9	480	432	—	11	443
OSB - commodity (MMSF)	—	544	—	544	—	533	—	533
OSB - Structural Solutions (MMSF)	—	460	127	587	—	419	149	567

	Nine Months Ended September 30, 2022				Nine Months Ended September 30, 2021			
Sales Volume	Siding	OSB	South America	Total	Siding	OSB	South America	Total
Siding Solutions (MMSF)	1,340	—	25	1,365	1,241	—	79	1,320
OSB - commodity (MMSF)	—	1,441	—	1,441	—	1,470	—	1,470
OSB - Structural Solutions (MMSF)	—	1,499	420	1,919	—	1,222	418	1,640

We measure the OEE of each of our mills to track improvements in the utilization and productivity of our manufacturing assets. OEE is a composite metric that considers asset uptime (adjusted for capital project downtime and similar events), production rates, and finished product quality. It should be noted that other companies may present OEE differently and, therefore, as presented by us, OEE may not be comparable to similarly-titled measures reported by other companies. We believe that when used in conjunction with other metrics, OEE can be a useful measure for evaluating our ability to generate profits, and providing this measure should allow interested persons to more readily monitor operational improvements. OEE for the three and nine months ended September 30, 2022 and 2021, for each of our segments is listed below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Siding	76 %	74 %	75 %	73 %
OSB	70 %	74 %	72 %	75 %
South America	64 %	80 %	72 %	77 %

Results of Operations

Our results of operations are separately discussed below for each of our segments, as well as for the "Other" category, which comprises other products that are not individually significant. See Note 17 of the Notes to the

Condensed Consolidated Financial Statements included in Item 1 of this quarterly report on Form 10-Q for further information regarding our segments.

Siding

The Siding segment serves diverse end markets with a broad product offering of engineered wood siding, trim, and fascia, including LP® SmartSide® Trim & Siding, LP® SmartSide® ExpertFinish® Trim & Siding, LP BuilderSeries® Lap Siding, and LP® Outdoor Building Solutions® (collectively referred to as Siding Solutions).

Segment sales, Adjusted EBITDA, and Adjusted EBITDA margin for this segment were as follows (dollar amounts in millions):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Net sales	$ 394	$ 312	26 %	$ 1,083	$ 889	22 %
Adjusted EBITDA	90	73	24 %	251	240	4 %
Adjusted EBITDA margin	23 %	23 %		23 %	27 %	

Sales in this segment by product line were as follows (dollar amounts in millions):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Siding Solutions	$ 393	$ 310	27 %	$ 1,079	$ 879	23 %
Other	1	3	(37) %	4	9	(55) %
Total	**$ 394**	**$ 312**	**26 %**	**$ 1,083**	**$ 889**	**22 %**

Percent changes in average sales prices and unit shipments for the three and nine months ended September 30, 2022, compared to the corresponding periods in 2021, were as follows:

	Three Months Ended September 30, 2022 versus 2021		Nine Months Ended September 30, 2022 versus 2021	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
Siding Solutions	16 %	9 %	14 %	8 %

The combined effects of list price increases and improving mix of innovative products drove year-over-year increases in the average net selling price for the three and nine months ended September 30, 2022. The volume increases for the three and nine months ended September 30, 2022 are attributable to steady customer demand and production increases made possible by the ongoing ramp-up of the Houlton facility as well as increasing operational efficiency at other Siding facilities.

Adjusted EBITDA year-over-year increase of $17 million for the three months ended September 30, 2022 reflects price and volume growth largely offset by $32 million of raw material, freight and labor inflation and $4 million of facility maintenance costs. The year-over-year increase in Adjusted EBITDA of $11 million for the nine months ended September 30, 2022 reflects price and volume growth, offset primarily by $89 million of raw material, freight, and labor inflation, $8 million of facility maintenance costs, and $19 million of discretionary investments in support of future growth, including siding mill conversions and sales and marketing costs.

OSB

The OSB segment manufactures and distributes OSB structural panel products, including our value-added OSB portfolio known as LP Structural Solutions (which includes LP® TechShield® Radiant Barrier, LP WeatherLogic® Air & Water Barrier, LP Legacy® Premium Sub-Flooring, and LP® FlameBlock® Fire-Rated Sheathing) and LP® TopNotch® Sub-Flooring. OSB is manufactured using wood strands arranged in layers and bonded with resins.

Segment sales, Adjusted EBITDA, and Adjusted EBITDA margin for this segment were as follows (dollar amounts in millions):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Net sales	$ 388	$ 600	(35)%	$ 1,805	$ 1,917	(6)%
Adjusted EBITDA	113	381	(70)%	1,021	1,300	(21)%
Adjusted EBITDA margin	29 %	63 %		57 %	68 %	

Sales in this segment by product line were as follows (dollar amounts in millions):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	% Change	2022	2021	% Change
OSB - Structural Solutions	$ 205	$ 307	(33) %	$ 995	$ 912	9 %
OSB - commodity	180	290	(38) %	801	997	(20) %
Other	3	4	(11) %	9	9	1 %
Total	**$ 388**	**$ 600**	**(35)%**	**$ 1,805**	**$ 1,917**	**(6)%**

Percent changes in average net sales prices and unit shipments for the three and nine months ended September 30, 2022, compared to the corresponding periods in 2021, were as follows:

	Three Months Ended September 30, 2022 versus 2021		Nine Months Ended September 30, 2022 versus 2021	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
OSB - Structural Solutions	(39)%	10 %	(11)%	23 %
OSB - commodity	(39)%	2 %	(18)%	(2)%

OSB average net selling prices decreased year-over-year by 39% on 5% higher OSB sales volume for the three months ended September 30, 2022, resulting in a 35% decrease in net sales. OSB average net selling prices decreased year-over-year by 14% on 9% higher OSB sales volume for the nine months ended September 30, 2022, resulting in a 6% decrease in net sales.

The year-over-year decrease in Adjusted EBITDA of $268 million for the three months ended September 30, 2022 reflects $252 million from lower prices, $25 million of increased raw material and wage inflation, and $10 million facility maintenance costs, partially offset by $29 million from higher sales volume and the positive incremental margin generated by Structural Solutions products compared to commodity OSB products. The year-over-year decrease in Adjusted EBITDA of $279 million for the nine months ended September 30, 2022 reflects $325 million from lower prices, $68 million of increased raw material and wage inflation, and $12 million facility maintenance costs, offset partially by $140 million from higher sales volume.

South America

Our South America segment manufactures and distributes OSB structural panel and siding products in South America and certain export markets. This segment has manufacturing operations in two countries, Chile and Brazil, and operates sales offices in Chile, Brazil, Peru, Colombia, Argentina, and Paraguay.

Segment sales, Adjusted EBITDA, and Adjusted EBITDA margin for this segment were as follows (dollar amounts in millions):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	% Change	2022	2021	% Change
Net sales	$ 53	$ 76	(30)%	$ 190	$ 203	(6)%
Adjusted EBITDA	14	37	(62)%	65	91	(28)%
Adjusted EBITDA margin	26 %	49 %		34 %	45 %	

Sales in this segment by product line were as follows (dollar amounts in millions):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	% Change	2022	2021	% Change
OSB - Structural Solutions	$ 47	$ 65	(28) %	$ 172	$ 171	1 %
Siding	6	9	(32) %	18	29	(38) %
Other	—	2	(67) %	—	3	(97) %
Total	**$ 53**	**$ 76**	**(30)%**	**$ 190**	**$ 203**	**(6)%**

Percent changes in average sales prices and unit shipments for the three and nine months ended September 30, 2022, compared to the corresponding periods in 2021, were as follows:

	Three Months Ended September 30, 2022 versus 2021		Nine Months Ended September 30, 2022 versus 2021	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
OSB - Structural Solutions	(19)%	(14)%	— %	— %
Siding	(18)%	(21)%	(13)%	(68)%

Net sales in South America decreased year-over-year by 30% for the three months ended September 30, 2022, predominantly driven by lower OSB sales volumes and $10 million of unfavorable currency movements. Net sales decreased year-over-year by 6% for the nine months ended September 30, 2022, due in large part to lower Siding sales volumes and prices.

The year-over-year decrease in Adjusted EBITDA of $23 million and $26 million for the three and nine months ended September 30, 2022, respectively, reflects lower sales volumes, higher raw material costs, and unfavorable currency movements.

Other Products

Our Other products segment includes off-site framing operation Entekra Holdings LLC (Entekra), remaining timber and timberlands, and other minor products, services, and closed operations, which do not qualify as discontinued operations. Other net sales were $17 million and $72 million for the three and nine months ended September 30, 2022, respectively, as compared to $30 million and $73 million for the corresponding periods in 2021. The decrease in net sales for the three months ended September 30, 2022 is primarily due to lower Entekra revenue.

Adjusted EBITDA was $(7) million and $(19) million for the three and nine months ended September 30, 2022, respectively, as compared to $(3) million and $(11) million for the corresponding periods in 2021.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses were $67 million and $196 million for the three and nine months ended September 30, 2022, respectively, compared to $58 million and $155 million for the corresponding periods in 2021. The increase in 2022 is due to increased labor, travel, sales and marketing, and corporate overhead costs primarily driven by the reduction of restrictions related to the COVID-19 pandemic and costs associated with stock compensation and performance incentives.

Income Taxes

We recognized an estimated tax provision from continuing operations of $44 million and $284 million for the three and nine months ended September 30, 2022, respectively, compared to $111 million and $350 million for the corresponding periods of 2021. The total effective tax rate for continuing operations for the three and nine months ended September 30, 2022, was 26% and 24% compared to 25% and 24% for the comparable periods in 2021, respectively. Each quarter the income tax accrual is adjusted to the latest estimate, and the difference from the previously accrued year-to-date balance is recorded in the current quarter. For 2022 and 2021, the primary difference between the U.S. statutory rate of 21% and the effective rate relates to state income tax.

Legal and Environmental Matters

For a discussion of legal and environmental matters involving us and the potential impact thereof on our financial position, results of operations, and cash flows, see Items 3, 7, and 8 in our 2021 Annual Report on Form 10-K and Note 11 of the Notes to the Condensed Consolidated Financial Statements included in Item 1 of this quarterly report on Form 10-Q.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity are existing cash and investment balances, cash generated by our operations, and our ability to borrow under such credit facilities as we may have in effect from time to time. We may also, from time to time, issue and sell equity, debt, or hybrid securities or engage in other capital market transactions.

Our principal uses of liquidity are paying the costs and expenses associated with our operations, servicing outstanding indebtedness, paying dividends, and making capital expenditures. We may also, from time to time, prepay or repurchase outstanding indebtedness or shares or acquire assets or businesses that are complementary to our operations. Any such repurchases may be commenced, suspended, discontinued, or resumed, and the method or methods of effecting any such repurchases may be changed, at any time, or from time to time, without prior notice.

We expect to fund our capital expenditures through cash on hand, cash generated from operations, and available borrowing under our Amended Credit Facility (as defined below), as necessary.

Operating Activities

During the nine months ended September 30, 2022 and 2021, cash provided by operations was $1,103 million and $1,283 million, respectively. The decrease in cash provided by operations was primarily related a lower income from operations offset by improvements in working capital.

Investing Activities

During the nine months ended September 30, 2022 and 2021, cash used in investing activities was $14 million and $131 million, respectively. During the nine months ended September 30, 2022, we received $265 million in proceeds from sales of assets, primarily associated with the sale of the EWP segment assets and the sale of our 50% equity interest in two joint ventures.

Capital expenditures for the nine months ended September 30, 2022 and 2021, were $282 million and $133 million, respectively, primarily related to siding conversion expenditures and growth and maintenance capital.

Financing Activities

During the nine months ended September 30, 2022, cash used in financing activities was $968 million. On November 2, 2021, LP's Board of Directors authorized a share repurchase plan under which LP may repurchase shares of its common stock totaling up to $500 million (the Second 2021 Share Repurchase Program). In May 2022, LP's Board of Directors authorized a share repurchase plan under which LP was authorized to repurchase shares of LP's common stock totaling up to $600 million (the 2022 Share Repurchase Program). During the nine months ended September 30, 2022, we used $900 million to repurchase shares of LP common stock ($500 million from the Second 2021 Share Repurchase Program and $400 million from the 2022 Share Repurchase Program). Additionally, we paid cash dividends of $53 million and used $15 million to repurchase stock from employees in connection with income tax withholding requirements associated with our employee stock-based compensation plans.

During the nine months ended September 30, 2021, cash used in financing activities was $1,058 million. During the nine months ended September 30, 2021, we used $300 million to repurchase shares of LP common stock under the share repurchase program authorized by LP's Board of Directors in 2020 and $687 million to repurchase shares of LP common stock under the repurchase program authorized by LP's Board of Directors in May 2021. Additionally, we paid cash dividends of $50 million and used $6 million to repurchase stock from employees in connection with income tax withholding requirements associated with our employee stock-based compensation plans. In March 2021, we issued $350 million in aggregate principal amount of the 2029 Senior Notes, and in February 2021, LP delivered to holders of the 2024 Senior Notes a conditional notice of redemption to redeem on March 27, 2021, all of the 2024 Senior Notes outstanding at a redemption price of 102.438% of the principal amount thereof plus accrued and unpaid interest up to, but not including, the redemption date. The redemption notice became irrevocable on March 11, 2021, and the 2024 Senior Notes were fully redeemed on March 27, 2021. In connection with these aforementioned financing activities, we paid $13 million in redemption premiums and debt issuance costs.

Credit Facility and Letter of Credit Facility

In June 2021 and August 2021, we entered into the third and fourth amendments to our revolving credit facility, dated as of June 27, 2019 (Credit Facility), with American AgCredit, PCA, as administrative agent, and CoBank, ACB, as letter of credit issuer (as amended, the Amended Credit Facility). The Amended Credit Facility provides for a revolving credit facility in the principal amount of up to $550 million, with a $60 million sub-limit for letters of credit. The Amended Credit Facility, and all loans thereunder, become due on June 8, 2027. As of September 30, 2022, we had no amounts outstanding under the Amended Credit Facility.

The Amended Credit Facility contains various restrictive covenants and customary events of default, the occurrence of which could result in the acceleration of our obligation to repay the indebtedness outstanding thereunder. The Amended Credit Facility also contains financial covenants that require us and our consolidated subsidiaries to have, as of the end of each quarter, a capitalization ratio (*i.e.*, funded debt less unrestricted cash to total capitalization) of no more than 57.5%. As of September 30, 2022, we were in compliance with all financial covenants under the Amended Credit Facility.

In March 2020, LP entered into the Letter of Credit Facility, which provides for the funding of letters of credit up to an aggregate outstanding amount of $20 million, which may be secured by certain cash collateral of LP. The Letter of Credit Facility includes an unused commitment fee, due quarterly, ranging from 0.50% to 1.875% of the daily available amount to be drawn on each letter of credit issued under the Letter of Credit Facility. The Letter of Credit Facility is subject to similar affirmative, negative, and financial covenants as those set forth in the Amended Credit Facility, including the capitalization ratio covenant. As of September 30, 2022, we were in compliance with all financial covenants under the Letter of Credit Facility.

Other Liquidity Matters

Off-Balance Sheet Arrangements

As of September 30, 2022, we had standby letters of credit of $13 million outstanding related to collateral for environmental impact on owned properties, a deposit for a forestry license, and insurance collateral, including workers' compensation.

Potential Impairments

We review the carrying values of our long-lived assets for potential impairments and believe we have adequate support for the carrying values of our long-lived assets as of September 30, 2022.

If demand and pricing for our products fall to levels significantly below cycle average demand and pricing, should we decide to invest capital in alternative projects, or should changes occur related to our wood supply for our mills, it is possible that future impairment charges will be required. As of September 30, 2022, there were no indications of impairment.

We also review from time to time potential dispositions of various assets, considering current and anticipated economic and industry conditions, our strategic plan, and other relevant factors. Because a determination to dispose of particular assets can require management to make assumptions regarding the transaction structure of the disposition and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, we may be required to record impairment charges in connection with decisions to dispose of assets.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our international operations have exposure to foreign currency rate risks, primarily due to fluctuations in the Canadian dollar, the Brazilian real, and the Chilean peso. Although we have in the past entered into foreign exchange contracts associated with certain of our indebtedness and may continue to enter into foreign exchange contracts associated with major equipment purchases to manage a portion of the foreign currency rate risk, we historically have not entered into material currency rate hedges with respect to our exposure from operations, although we may do so in the future.

Some of our products are sold as commodities, and therefore sales prices fluctuate daily based on market factors over which we have little or no control. The most significant commodity product we sell is OSB. There have been no material changes to the assumed production capacity and annual average price sensitivity previously disclosed under the caption “Item 7A. Quantitative and Qualitative Disclosures about Market Risk” in our 2021 Annual Report on Form 10-K.

We are exposed to market risk associated with changes in interest rates on our variable rate long-term debt. As of September 30, 2022, we had no outstanding amounts borrowed under our Amended Credit Facility. We do not currently have any derivative or hedging arrangements, or other known exposures, to changes in interest rates.

We historically have not entered into material commodity futures and swaps, although we may do so in the future.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of September 30, 2022, our Chief Executive Officer and Chief Financial Officer carried out, with the participation of the Company's management, a review and evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Exchange Act. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2022, LP’s disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter, ended September 30, 2022, that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II-OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The description of certain legal and environmental matters involving LP set forth in Item 1 of this quarterly report on Form 10-Q under Note 11 of the Notes to the Condensed Consolidated Financial Statements contained herein is incorporated herein by reference.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this quarterly report on Form 10-Q, an investor should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in the Company’s 2021 Annual Report on Form 10-K and Part II, "Item 1A. Risk Factors" in the Company's quarterly reports on Form 10-Q for the quarters ended March 31, 2022 and June 30, 2022. There have been no material changes to the risk factors previously disclosed under the caption "Item 1A. Risk Factors" in Part I of our 2021 Annual Report on Form 10-K and in Part II of our quarterly reports on Form 10-Q for the quarters ended March 31, 2022 and June 30, 2022.

The risks, as described in our 2021 Annual Report on Form 10-K and our quarterly reports on Form 10-Q for the quarters ended March 31, 2022 and June 30, 2022, are not the only risks facing the Company. Additional risks and uncertainties not currently known to us or that we currently deem immaterial also may materially adversely affect our business, financial condition, operating results, or cash flows.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On May 3, 2022, LP's Board of Directors authorized the 2022 Share Repurchase Program. Repurchases of such shares may be effected, among other ways, in open market transactions, privately negotiated transactions, or through a series of forward purchase agreements, option contracts, or similar agreements and contracts, including a Rule 10b5-1 plan, in accordance with the rules and regulations of the SEC. The timing and amount of repurchase transactions are subject to the Company's discretion and will depend on a variety of factors, including market and business conditions and other considerations.

The following amounts of our common stock were repurchased under this authorization during the quarter ended September 30, 2022:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Purchase Plans or Programs[1]	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (*in millions*)
July 1, 2022 - July 31, 2022	2,702,207	$ 57.18	2,702,207	$ 371
August 1, 2022 - August 31, 2022	2,730,497	$ 60.00	2,730,497	$ 207
September 1, 2022 - September 30, 2022	126,763	$ 54.96	126,763	$ 200
Total for Third Quarter 2022	5,559,467		5,559,467	

[1] On May 3, 2022, LP's Board of Directors authorized the 2022 Share Repurchase Program under which LP may repurchase shares of its common stock totaling up to $600 million. As of September 30, 2022, LP had used $400 million under the 2022 Share Repurchase Program.

ITEM 6. EXHIBITS

2.1	Asset Purchase Agreement, dated as of June 21, 2022, by and among Louisiana-Pacific Corporation, Louisiana-Pacific Canada LTD, Pacific Woodtech Corporation and Pacific Woodtech Canada Holdings Limited. Incorporated herein by reference to Exhibit 2.1 to LP's Current Report on Form 8-K filed on June 22, 2022.***
31.1	Certifications of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. *
31.2	Certifications of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. *
32	Certifications pursuant to § 906 of the Sarbanes-Oxley Act of 2002. **
101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.*
101.SCH	XBRL Taxonomy Extension Schema Document.*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.*
104	Cover Page Interactive Data File (embedded with Inline XBRL document and contained in Exhibit 101)*

*Filed herewith.

** Furnished herewith.

*** Disclosure schedules and certain exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Asset Purchase Agreement as filed identifies such schedules and exhibits, including the general nature of their contents. Louisiana-Pacific Corporation will furnish a copy of any omitted attachment to the Securities and Exchange Commission on a confidential basis upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this quarterly report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

LOUISIANA-PACIFIC CORPORATION

Date:	November 3, 2022	BY:	/S/ W. BRADLEY SOUTHERN **W. Bradley Southern** **Chief Executive Officer**
Date:	November 3, 2022	BY:	/S/ ALAN J.M. HAUGHIE **Alan J.M. Haughie** **Executive Vice President and** **Chief Financial Officer**

Exhibit 31.1

CERTIFICATIONS

I, W. Bradley Southern, certify that:

1. I have reviewed this report on Form 10-Q of Louisiana-Pacific Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2022

/S/ W. BRADLEY SOUTHERN

W. BRADLEY SOUTHERN
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Alan Haughie, certify that:

1. I have reviewed this report on Form 10-Q of Louisiana-Pacific Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 3, 2022

/s/ ALAN J.M. HAUGHIE

ALAN J.M. HAUGHIE
Chief Financial Officer

Exhibit 32

Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. § 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, in connection with the filing of the Quarterly Report on Form 10-Q of Louisiana-Pacific Corporation (the "Company") for quarter ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Date: November 3, 2022

/S/ W. BRADLEY SOUTHERN

Name: W. BRADLEY SOUTHERN
Title: Chief Executive Officer

/S/ ALAN J.M. HAUGHIE

Name: Alan J.M. Haughie
Title: Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Louisiana-Pacific Corporation and will be retained by Louisiana-Pacific Corporation and furnished to the Securities and Exchange Commission or its staff upon request.