



# Louisiana-Pacific Corporation

Q2 2017 Financial Results  
August 1, 2017

These slides were prepared and should be read in conjunction with the earnings release by LP's management on August 1, 2017 relating to LP's financial condition and results of operations as of and for the quarter ended June 30, 2017. LP does not intend to update these slides. Accordingly, you should not assume that the information contained in these slides will continue to be accurate as of any date after August 1, 2017.

# Forward Looking Statements

This presentation contains statements concerning Louisiana Pacific Corporation's (LP) future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, including the level of interest rates and housing starts, market demand for the company's products, and prices for structural products; the effect of forestry, land use, environmental and other governmental regulations; the ability to obtain regulatory approvals; and the risk of losses from fires, floods and other natural disasters. These and other factors that could cause or contribute to actual results differing materially from such forward-looking statements are discussed in greater detail in the company's Securities and Exchange Commission filings.

# Statement Relating to the Use of Non-GAAP Financial Measures

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



# Financial Results

Dollar amounts in millions, except per share amounts

	<u>Q2 2017</u>	<u>Q1 2017</u>	<u>Q2 2016</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
<b>Net sales</b>	\$ 694.1	\$ 610.9	\$ 582.4	\$1,305.0	\$1,087.0
<b>Net income</b>	\$ 94.5	\$ 55.0	\$ 31.7	\$ 149.5	\$ 42.0
<b>Diluted EPS</b>	\$ 0.65	\$ 0.38	\$ 0.22	\$ 1.02	\$ 0.29
<b><u>Non-GAAP financial results</u></b>					
<b>Adjusted net income</b>	\$ 84.1	\$ 48.4	\$ 40.0	\$ 132.5	\$ 49.5
<b>Adjusted diluted EPS</b>	\$ 0.58	\$ 0.33	\$ 0.28	\$ 0.91	\$ 0.34
<b>Adjusted EBITDA</b>	\$ 163.5	\$ 112.2	\$ 98.9	\$ 275.7	\$ 150.7
<b>Adjusted EBITDA Margin</b>	23.6%	18.4%	17.0%	21.1%	13.9%
<b>Average shares outstanding</b>					
<b>Diluted</b>	146.2	145.9	145.2	146.0	145.1

Note: Refer to LP Form 8K filed on August 1, 2017 for the reconciliation of Adjusted income, EBITDA, Adjusted EBITDA and Adjusted EBITDA margin



# Siding

Dollar amounts in millions

	<u>Q2 2017</u>	<u>Q1 2017</u>	<u>Q2 2016</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
<b>Sales</b>	\$ 231.0	\$ 214.0	\$ 207.2	\$ 445.0	\$ 388.5
<b>Operating income<sup>a</sup></b>	\$ 48.5	\$ 40.2	\$ 41.8	\$ 88.7	\$ 68.7
<b>Adjusted EBITDA</b>	\$ 56.2	\$ 48.5	\$ 49.2	\$ 104.7	\$ 83.6
<b>Adjusted EBITDA Margin</b>	24.3%	22.7%	23.7%	23.5%	21.5%
<b>Percentage Changes:</b>					
<b>Sales</b>		8%	11%		15%
<b>Adjusted EBITDA</b>		16%	14%		25%
<b><u>Volume</u></b>					
<b>Smart Side</b>		1%	3%		9%
<b>CanExel</b>		4%	10%		13%
<b><u>Price</u></b>					
<b>Smart Side</b>		2%	5%		4%
<b>CanExel</b>		(3)%	(6)%		—%

<sup>a</sup> Operating income equals sales less cost of sales, depreciation and amortization and selling and administration directly associated with the segment.



# OSB

Dollar amounts in millions

	<u>Q2 2017</u>	<u>Q1 2017</u>	<u>Q2 2016</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
<b>Sales</b>	\$ 325.0	\$ 268.4	\$ 252.8	\$ 593.4	\$ 469.8
<b>Operating income<sup>a</sup></b>	\$ 102.6	\$ 60.4	\$ 44.0	\$ 163.0	\$ 59.3
<b>Adjusted EBITDA</b>	\$ 117.7	\$ 75.3	\$ 59.0	\$ 193.0	\$ 89.0
<b>Adjusted EBITDA Margin</b>	36.2%	28.1%	23.3%	32.5%	18.9%
<b>Percentage Changes:</b>					
<b>Sales</b>		21%	29%		26%
<b>Adjusted EBITDA</b>		56%	99%		117%
<b><u>Volume</u></b>		11%	2%		1%
<b><u>Price</u></b>		10%	26%		26%

<sup>a</sup> Operating income equals sales less cost of sales, depreciation and amortization and selling and administration directly associated with the segment.



# Engineered Wood Products

Dollar amounts in millions

	<u>Q2 2017</u>	<u>Q1 2017</u>	<u>Q2 2016</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
<b>Sales</b>	\$ 94.2	\$ 82.1	\$ 78.0	\$ 176.3	\$ 149.8
<b>Operating income (loss)<sup>a</sup></b>	\$ 5.1	\$ 0.6	\$ 0.5	\$ 5.7	\$ (2.0)
<b>Adjusted EBITDA</b>	\$ 8.9	\$ 4.5	\$ 3.9	\$ 13.4	\$ 4.7
<b>Adjusted EBITDA Margin</b>	9.4%	5.5%	5.0%	7.6%	3.1%
<b>Percentage Changes:</b>					
<b>Sales</b>		15%	21%		18%
<b>Adjusted EBITDA</b>		98%	128%		185%
<b><u>Volume</u></b>					
<b>LVL / LSL</b>		8%	11%		8%
<b>I-Joist</b>		16%	11%		11%
<b><u>Price</u></b>					
<b>LVL / LSL</b>		4%	4%		3%
<b>I-Joist</b>		2%	3%		3%

<sup>a</sup> Operating income (loss) equals sales less cost of sales, depreciation and amortization and selling and administration directly associated with the segment.



# South America

## Dollar amounts in millions

	<u>Q2 2017</u>	<u>Q1 2017</u>	<u>Q2 2016</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
<b>Sales</b>	\$ 38.7	\$ 37.8	\$ 41.0	\$ 76.5	\$ 71.5
<b>Operating income<sup>a</sup></b>	\$ 5.5	\$ 5.1	\$ 6.9	\$ 10.6	\$ 12.0
<b>Adjusted EBITDA</b>	\$ 7.7	\$ 7.3	\$ 9.1	\$ 15.0	\$ 16.1
<b>Adjusted EBITDA Margin</b>	19.9%	19.3%	22.2%	19.6%	22.5%
<b>Percentage Changes:</b>					
<b>Sales</b>		2%	(6)%		7%
<b>Adjusted EBITDA</b>		5%	(15)%		(7)%
<b><u>Volume</u></b>					
<b>Chile</b>		(9)%	(17)%		—%
<b>Brazil</b>		33%	24%		13%
<b><u>Price</u></b>					
<b>Chile</b>		(1)%	2%		3%
<b>Brazil</b>		—%	1%		6%
<b><u>Local Currency price</u></b>					
<b>Chile</b>		1%	—%		(2)%
<b>Brazil</b>		2%	(7)%		(9)%

<sup>a</sup> Operating income equals sales less cost of sales, depreciation and amortization and selling and administration directly associated with the segment.





# Balance Sheet and Other Statistics

Dollar amounts in millions, except per share amounts

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
<b>Total cash and investments</b>	\$ 758.7	\$ 677.3
<b>Working capital</b>	\$ 925.1	\$ 787.7
<b>Net cash (debt)</b>	\$ 399.7	\$ 317.0
<b>Capital expenditures</b>	\$ 45.7	\$ 124.8

# APPENDIX

Note: Refer to LP Form 8K filed on August 1, 2017 for the reconciliation of Adjusted income, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin.



# Appendix

## Dollar amounts in millions

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
<u>Calculation of "Working Capital"</u>		
Current assets	\$ 1,155.7	\$ 1,016.5
Current liabilities	(230.6)	(228.8)
Working capital	<u>\$ 925.1</u>	<u>\$ 787.7</u>
<u>Calculation of "Net Cash (Debt)"</u>		
Long-term debt	\$ (352.6)	\$ (374.4)
Deferred debt costs	(4.9)	(5.3)
Current portion of long-term debt	(23.5)	(2.6)
Notes receivable from asset sales (current and long-term)*	22.0	22.0
Total cash and investments	<u>758.7</u>	<u>677.3</u>
Net cash and investments	<u>\$ 399.7</u>	<u>\$ 317.0</u>
<u>Calculation of "Total Cash and Investments"</u>		
Cash and cash equivalents	\$ 740.0	\$ 659.3
Restricted cash	13.2	13.2
Long-term investments	5.5	4.8
Total cash and investments	<u>\$ 758.7</u>	<u>\$ 677.3</u>

\* Portion of the notes receivable which equates to the limited recourse notes payable