



# Why Invest in PotlatchDeltic

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INVESTOR PRESENTATION

Q1 2022



BEGIN YOUR DISCOVERY

# Why Invest in PotlatchDeltic

PotlatchDeltic's high-quality, well-managed portfolio of assets is ideally positioned to take advantage of favorable industry fundamentals. We have the **HIGHEST DIRECT LEVERAGE** to lumber prices of the timber REITs along with the **STABILITY** of timberlands, which support a sustainable and growing dividend.



**High Quality  
Timberlands**



**Top 10 Lumber  
Producer in the U.S.**



**Stratifying Land  
to Deliver Value**



\$4 BILLION TIMBER REIT

# PotlatchDeltic is a \$4 Billion Timber Real Estate Investment Trust (REIT) Focused on:



GROWING &  
HARVESTING TREES  
SUSTAINABLY



BEING PART OF THE  
SOLUTION TO  
CLIMATE CHANGE



MANUFACTURING  
LUMBER & PLYWOOD



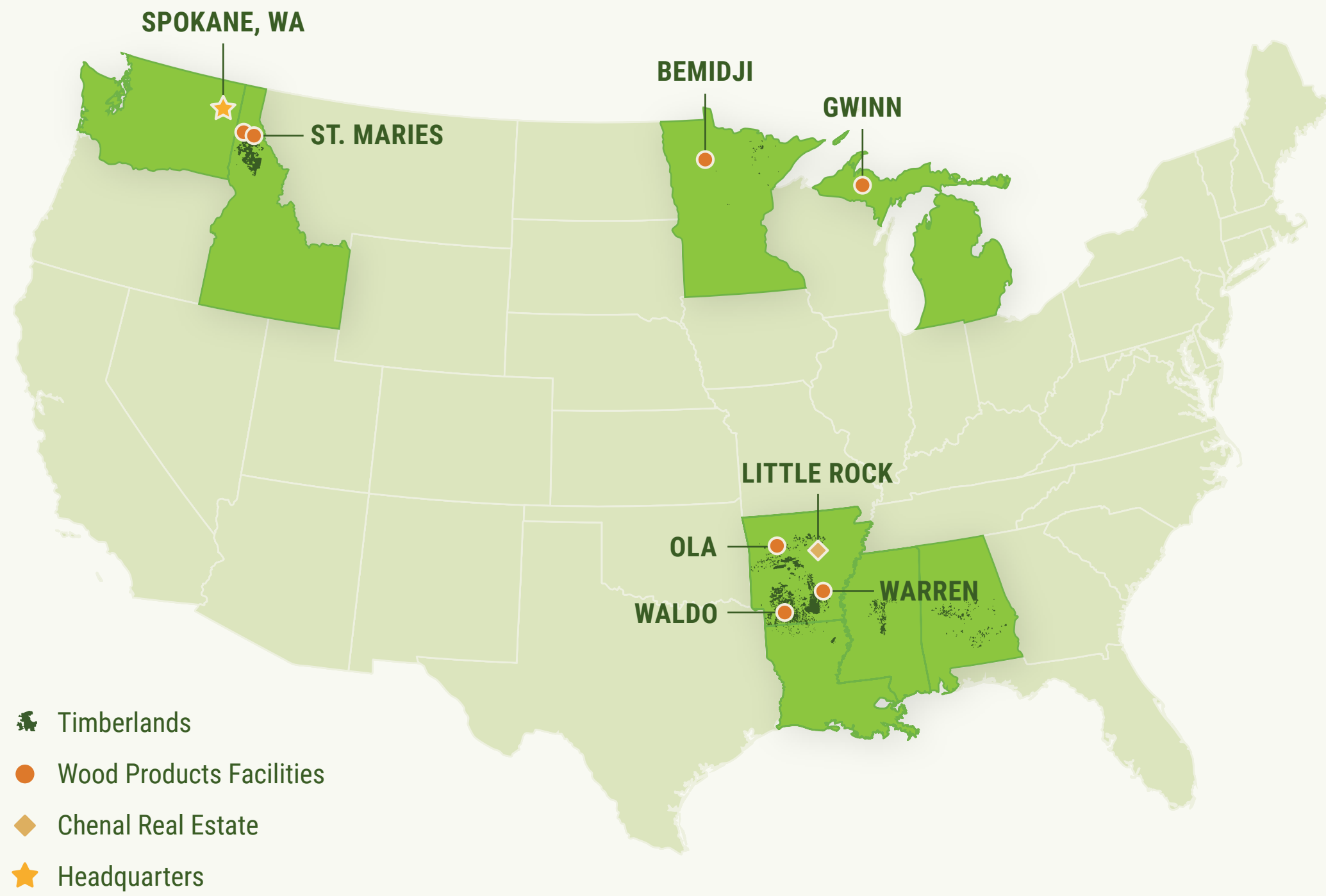
SELLING DEVELOPED  
& RURAL LAND

1.8

Million Acres  
of Timberland

7

Manufacturing  
Facilities that Produce  
Lumber and Plywood





THREE BUSINESS SEGMENTS

# We Operate Three Business Segments

## Timberlands

We own 1.8 million acres of timberland in Idaho and the U.S. South that we manage on a sustainable basis using **ENVIRONMENTAL BEST PRACTICES**.



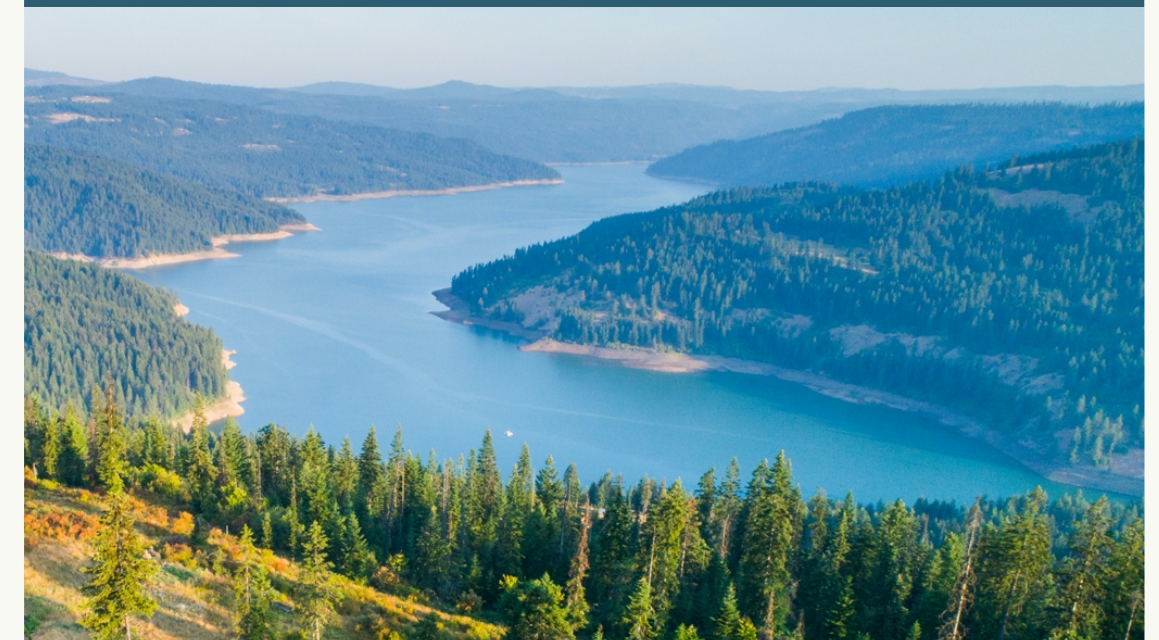
## Wood Products

We rank as a top 10 lumber producer in the U.S. with 1.1 billion board feet of capacity. We also own an industrial grade plywood mill with 150 million square feet of capacity. We are focused on growing our Wood Products business through **HIGH RETURN CAPITAL PROJECTS**.



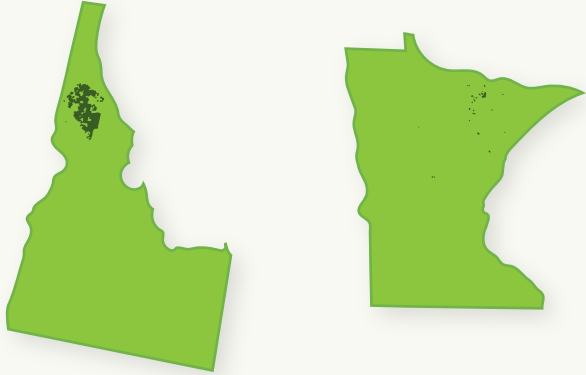

## Real Estate

We identify and monetize acres that have a **HIGHER VALUE** than timberland through rural land sales and a master-planned community in Little Rock, Arkansas.





# Timberlands Ownership By State

REGION	STATE	ACRES <sup>1</sup>
 NORTHERN	IDAHO	626
	MINNESOTA	11
		637
 SOUTHERN	ARKANSAS	950
	MISSISSIPPI	98
	ALABAMA	87
	LOUISIANA	31
		1,166



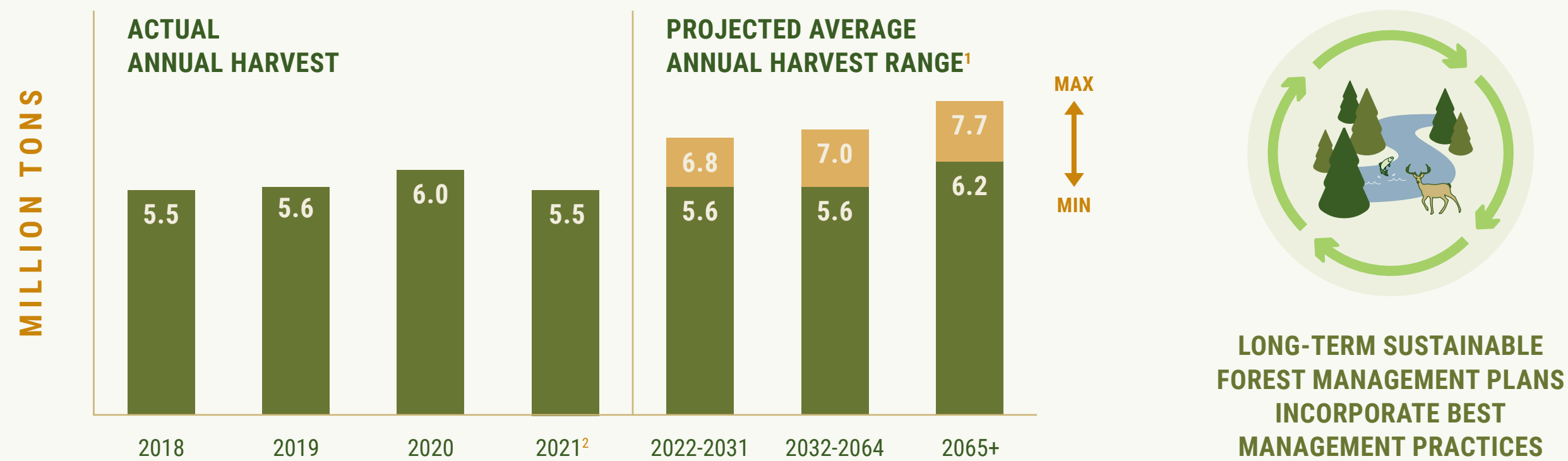
We manage our timberlands on a sustainable basis, leveraging decades of experience, and we are a leader in forest stewardship.

<sup>1</sup> | Acres in thousands; as of December 31, 2021.



# Sustainable Timberland Management

## HISTORICAL AND PROJECTED SUSTAINABLE HARVEST



Timberlands are managed using 50-year strategic management plans based on harvest schedule models. Timber inventory data are utilized in growth and yield models, which optimize long-term harvesting and best forest management practices and project sustainable harvest volumes over the 50-year time horizon.

**Harvested 3.8%**  
OF TIMBERLANDS, INCLUDING  
THINNING<sup>3</sup>

**100%**  
SFI CERTIFIED  
**~70%**  
FSC CERTIFIED  
IN AR & LA

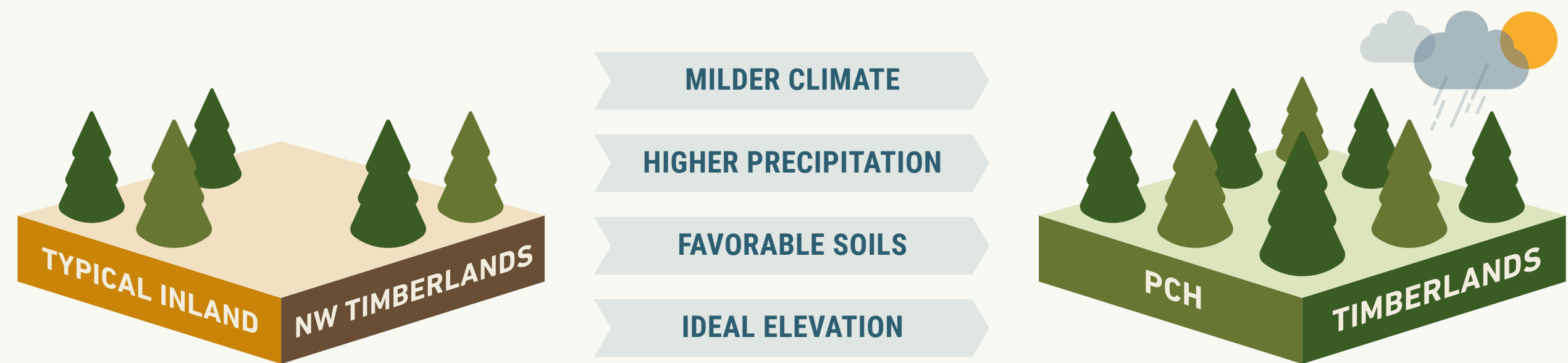
**22 Million**  
SEEDLINGS PLANTED<sup>4</sup>

<sup>1</sup> | Does not include the effect of future acquisitions or dispositions; reflects large 2020 Minnesota sale.  
<sup>2</sup> | The Ola, Arkansas sawmill fire reduced harvest in 2021.  
<sup>3</sup> | 2020 data.  
<sup>4</sup> | 2021 data.



# Idaho Timberlands are Highly Profitable and Productive

## PCH TIMBERLANDS SIGNIFICANTLY OUTPERFORM AVERAGE INLAND NORTHWEST TIMBERLANDS



## EBITDDA EXCEEDS W. OREGON & WASHINGTON



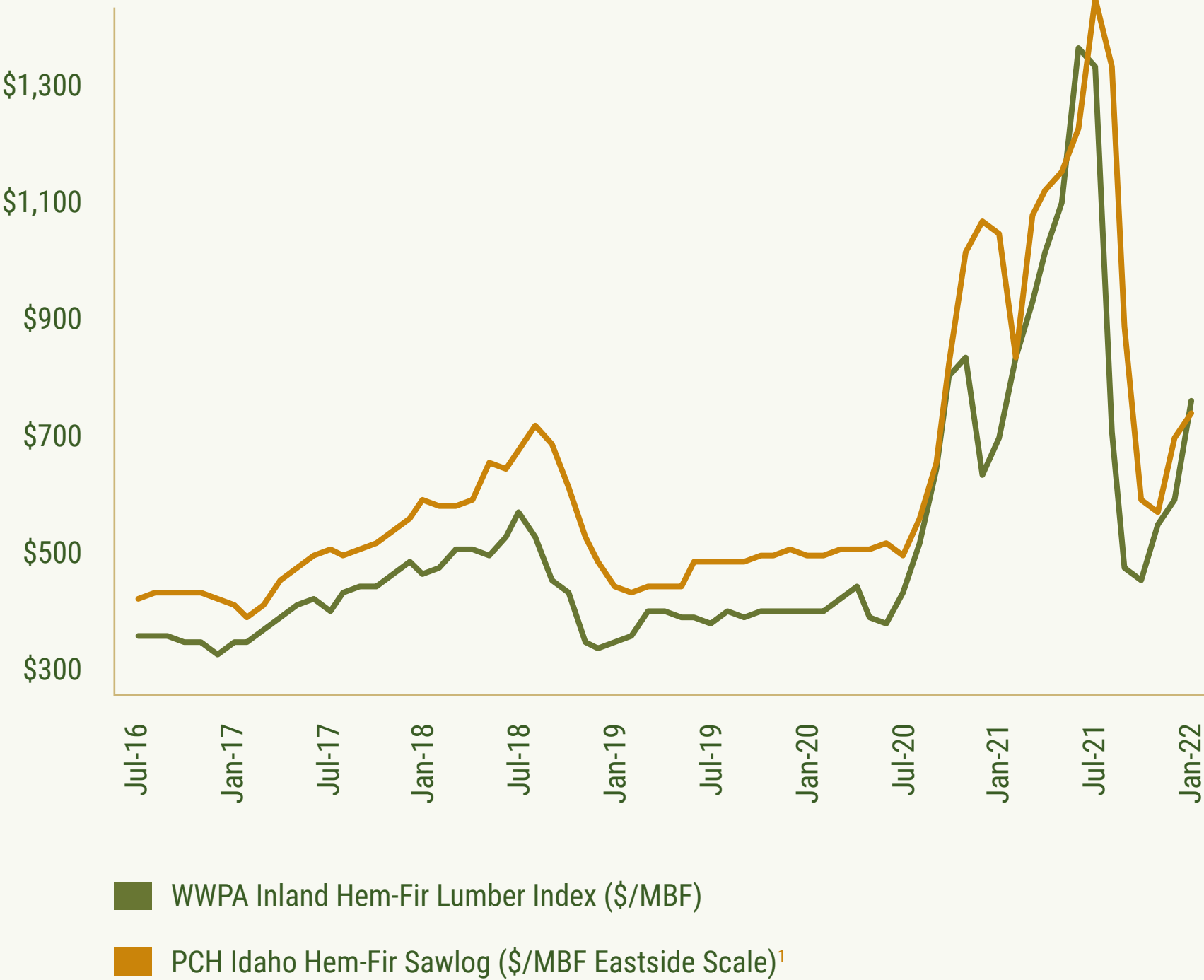
We are the largest private landowner in Idaho where we own the **most productive timberlands** in the Inland Northwest. High value sawlogs represent over 90% of our Idaho harvest volume and we **index about 75% of our sawlogs to the price of lumber**.



<sup>1</sup> | EBITDDA is a non-GAAP measure; see appendix for definition and reconciliations to GAAP; WY EBITDDA obtained from public filings.



# Significant Portion of Idaho Sawlogs Indexed to Lumber



**5-Year**  
ROLLING  
AGREEMENT

**Covers ~75%**  
OF IDAHO LOGS

PRICES RESET ON  
**1 Month Lag**



**Unique in Industry**



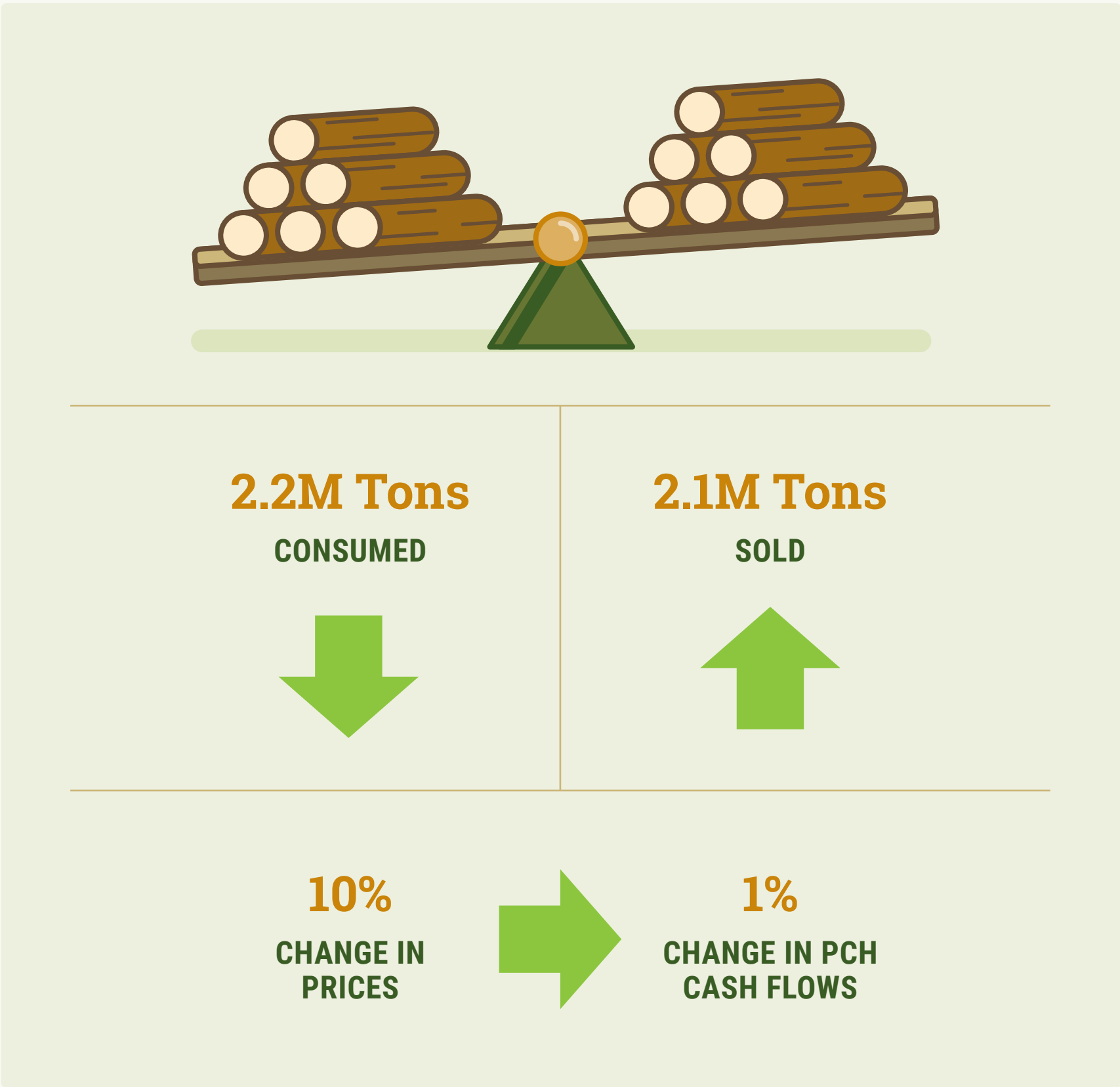
**In Place Since 2013**

<sup>1</sup> | Idaho sawlogs are sold on a Scribner Eastside log scale basis; the price conversion factor is approximately 1.25X, so \$600/MBF Eastside = ~\$750/MBF Westside.



# We are Naturally Hedged in the U.S. South

## PCH SAWLOG CONSUMPTION VS. PCH SAWLOG SALES



  
**MAJOR SPECIES**  
SOUTHERN YELLOW  
PINE, MIXED  
HARDWOODS

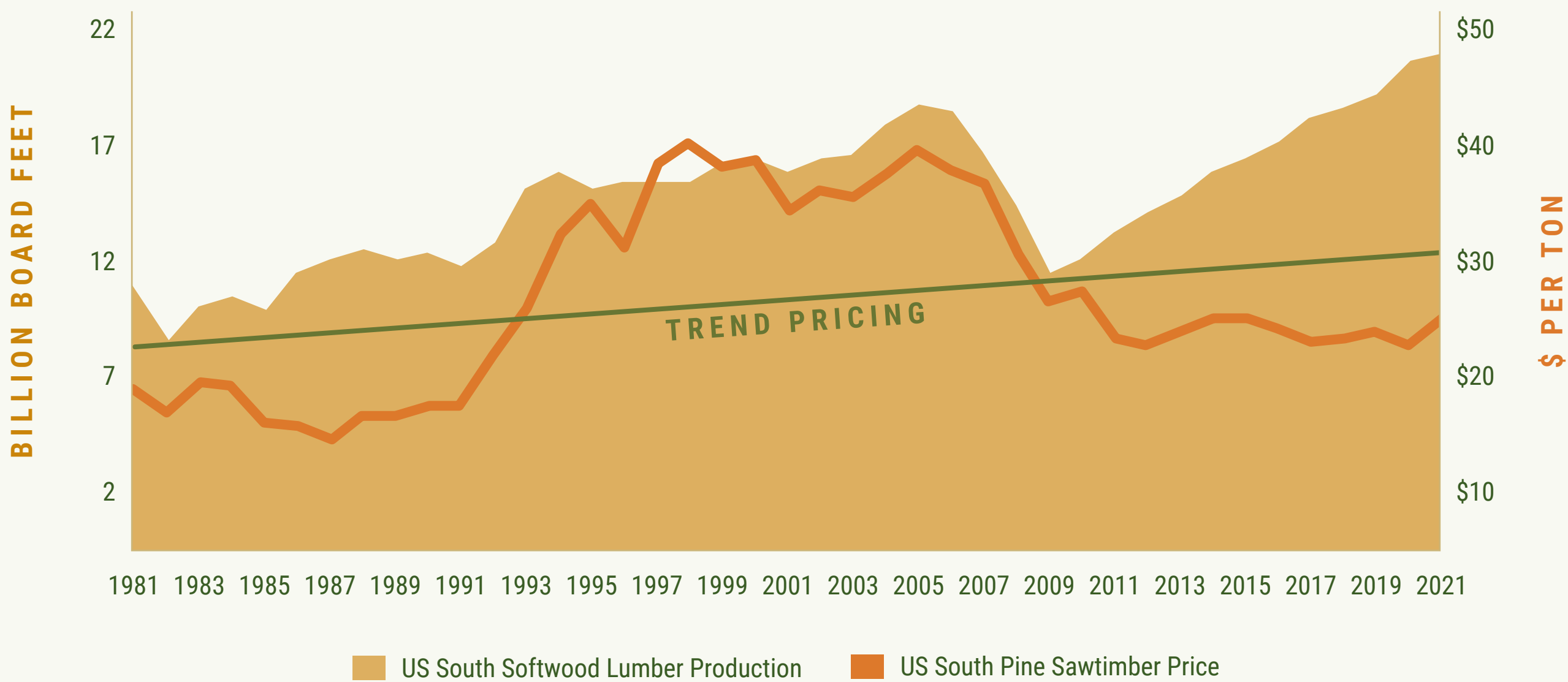
**52%**  
**SAWLOGS**  


  
**AVERAGE 50%**  
OF SAWLOGS USED  
INTERNALLY



# The Hedge is Important Because Southern Sawlog Prices Remain Below Trend Levels

SOUTHERN PINE SAWTIMBER STUMPAGE PRICE VS LUMBER PRODUCTION<sup>1</sup>



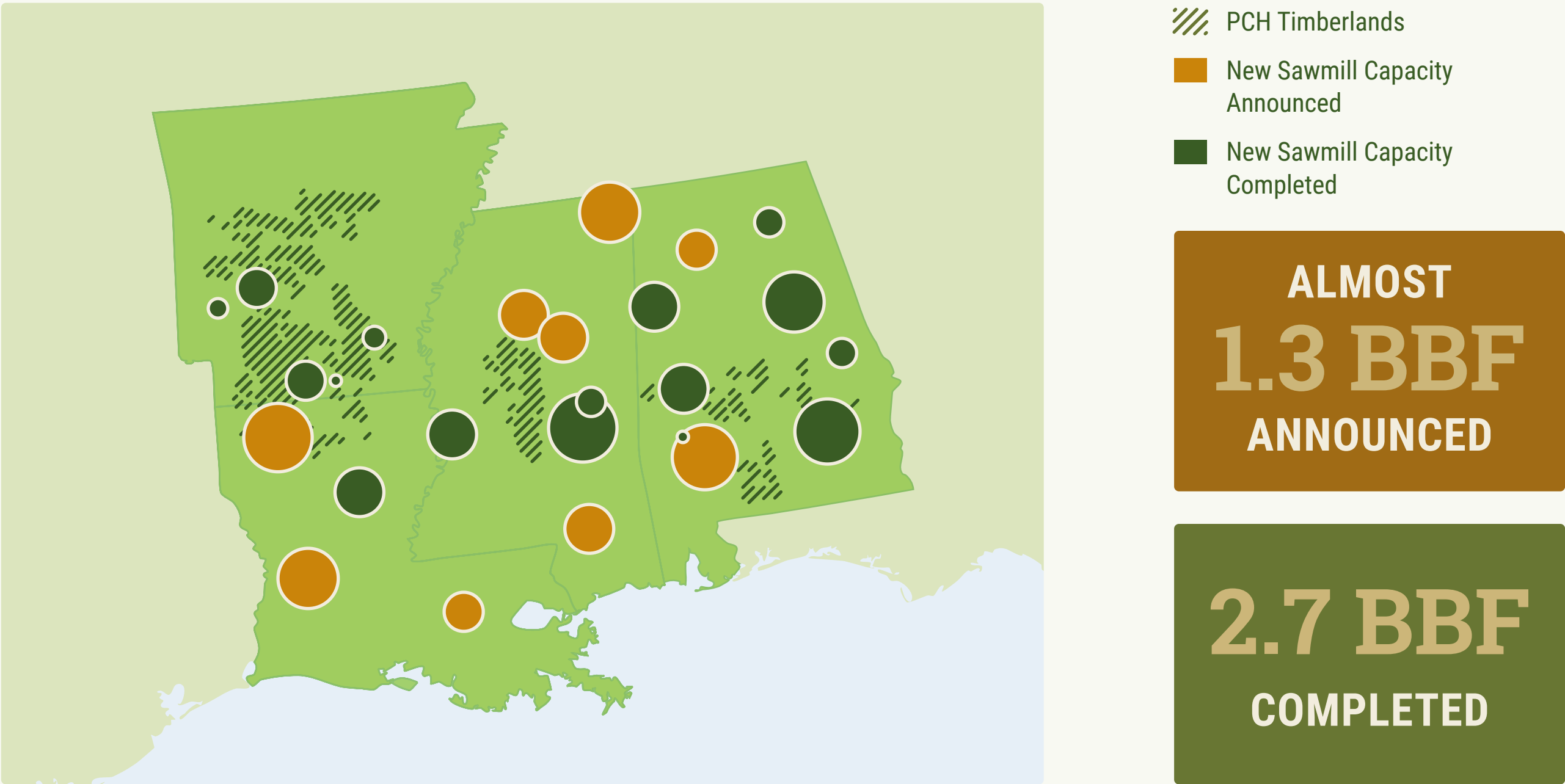
Southern yellow pine sawlog prices remain below trend levels because of oversupply. The oversupply situation has its roots in conversion of southern row crop land to timberland through CRP incentives over 30 years ago and increased productivity of southern acres due to improved silvicultural practices (genetically modified seedlings, plantations, fertilization).

<sup>1</sup> | Source: USDA, WWPA, Timber Mart-South; 2021 production estimate based on 10 months of actual production.



# Sawmill Capacity Additions Should Continue to Tighten Log Markets

CENTRAL SOUTH CAPACITY ADDITIONS SINCE 2017<sup>1</sup>



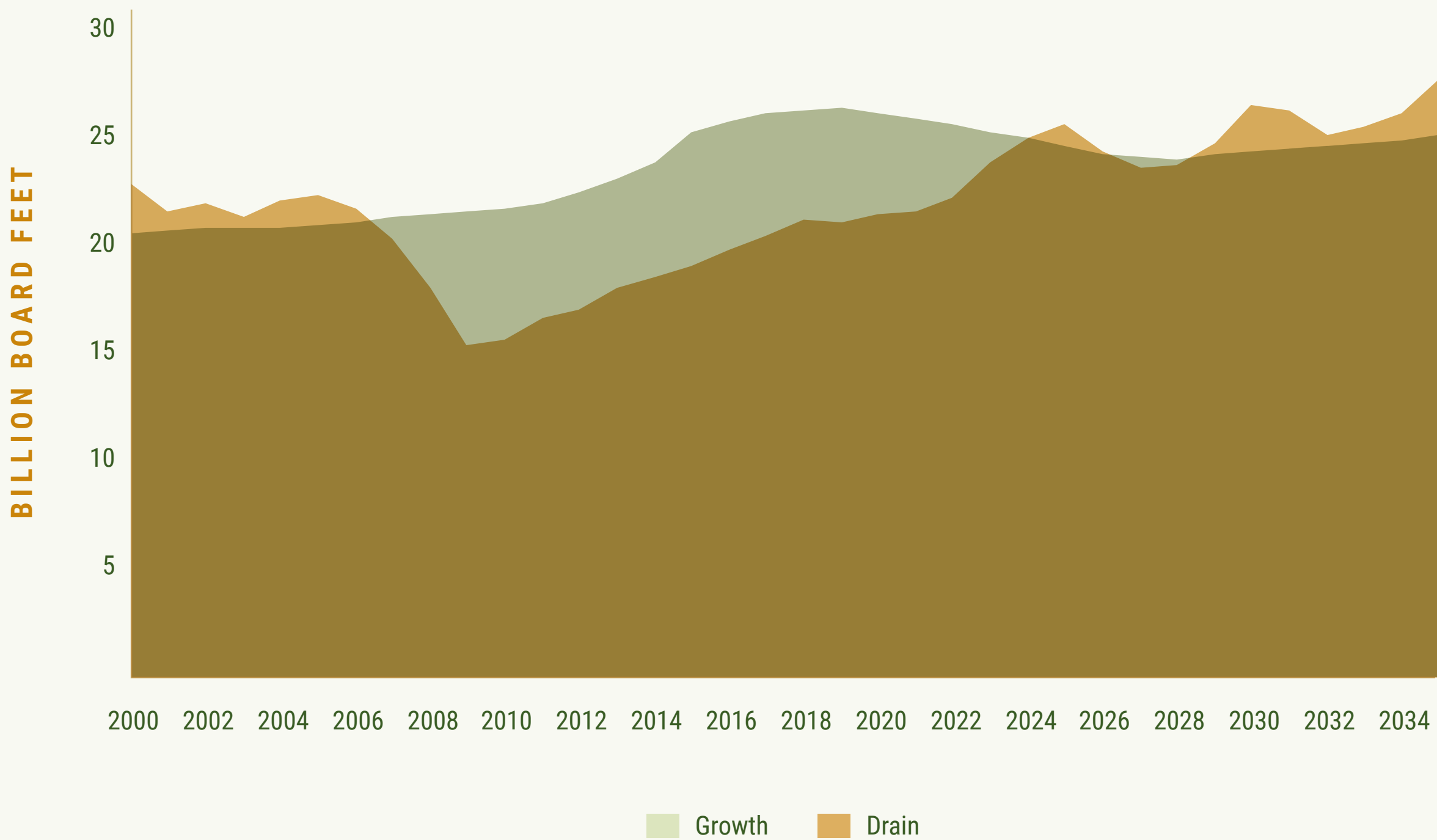
Fiber supply constraints in the U.S. Northwest and declining annual allowable cut in British Columbia, combined with available low-cost fiber in the U.S. South has driven capacity expansion to the southern region. Delays in new equipment and labor shortages are delaying completion and startup of capacity expansion projects.

<sup>1</sup> | Source: ERA Forest Products Research.



# Sawmill Capacity Additions are Expected to Tighten Growth/Harvest Ratios

U.S. SOUTH SAWLOG GROWTH VS. DRAIN<sup>1</sup>



<sup>1</sup> | Source: FEA Data Center.



# Climate Change Opportunities In Southern Timberlands

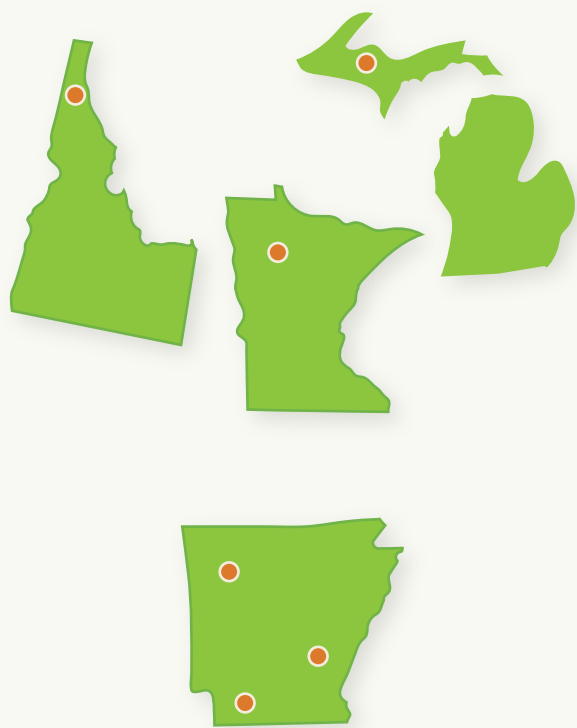
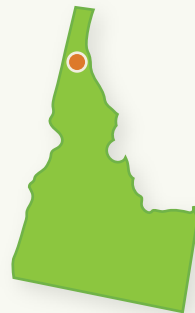
POTENTIAL FOR HIGHER SOUTHERN TIMBERLAND GROWTH RATES



Climate change could drive additional timberland productivity but also create demand for low carbon footprint wood-based construction. Weather and labor constraints could also increase costs.



# Wood Products Facilities Located Close to Major End Markets

REGION	FACILITY	CAPACITY <sup>1</sup>
	ST. MARIES, IDAHO	185 MMBF
	BEMIDJI, MINNESOTA	140 MMBF
	GWINN, MICHIGAN	185 MMBF
	OLA, ARKANSAS <sup>2</sup>	150 MMBF
	WALDO, ARKANSAS	190 MMBF
	WARREN, ARKANSAS	220 MMBF
L U M B E R		1,070 MMBF
	ST. MARIES, IDAHO	150 MMSF
		150 MMSF



We own 6 sawmills located in Arkansas, Idaho, Michigan and Minnesota that have capacity to produce nearly 1.1 billion board feet of lumber annually. Our plywood facility in St. Maries, Idaho produces specialty plywood for industrial applications.

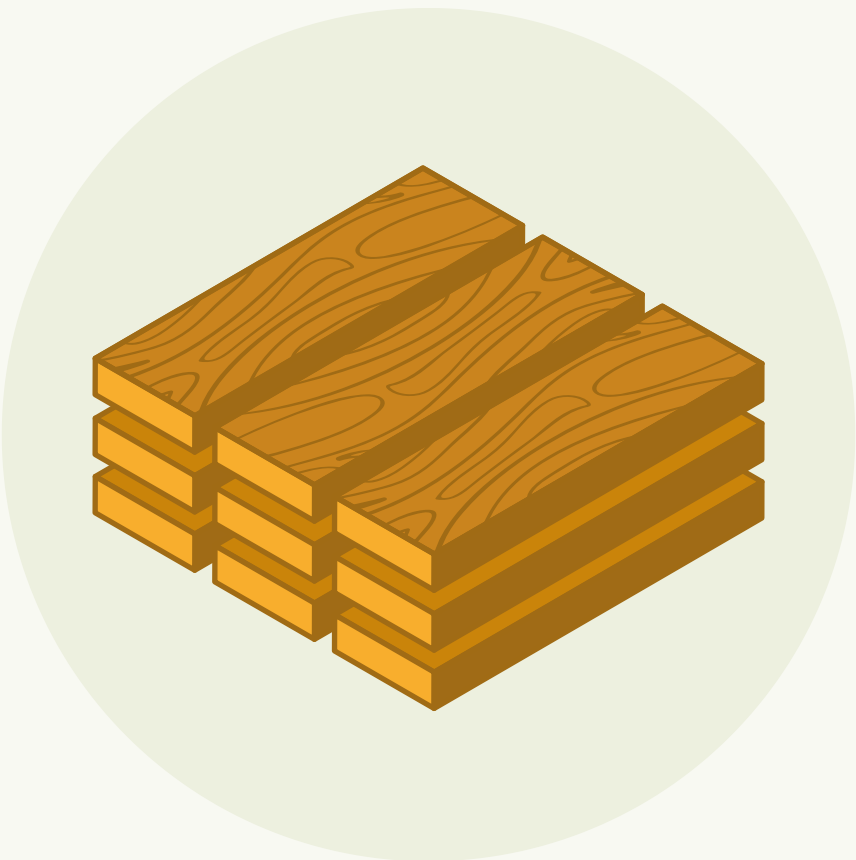
<sup>1</sup> | Capacity as of December 31, 2021; Capacity represents the proven annual production capabilities of the facility under normal operating conditions and producing a normal product mix. Excludes overtime.

<sup>2</sup> | In June 2021, a fire occurred in the sawmill’s large-log primary breakdown machine center. Reconstruction is underway and we expect to restart the large-log line in the third quarter of 2022. The sawmill’s annual capacity is estimated to be 150 MMBF after the start-up phase is completed in 2023. Actual production was averaging approximately 130 MMBF prior to the fire.



# Our Wood Products Capacity is Growing Through Acquisitions and Productivity Improvements

PCH LUMBER VOLUMES ARE GROWING



2021

6 SAWMILLS

1,100 MMBF SHIPPED<sup>1</sup>

2015

4 SAWMILLS

624 MMBF SHIPPED

Our lumber shipments have increased 76% in six years as a result of **HIGH-RETURN CAPITAL PROJECTS** and the addition of two sawmills in the 2018 Deltic merger.



+476  
MMBF



+76%  
MMBF



+2.5%  
ORGANIC CAGR

<sup>1</sup> | Shipping during 2021 was impacted by a fire at our Ola, Arkansas sawmill in June 2021. 2021 shipments are pro forma to include an estimate of our Ola, Arkansas sawmill's shipments had the fire not occurred in June 2021.

# Continuous Capital Investments Meet Hurdle Rates, Improve Productivity, Lower Costs, and Reduce Environmental Impact

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**St. Maries Plywood Patch Automation.** Equipment is being installed at our St. Maries Plywood mill to automate the patching of our specialty panels which are used in industrial applications. This project is expected to be complete in Q2 2022. The ~\$4 million investment for this equipment will result in lower chemical usage while enabling the mill to profitably increase production resulting in an expected 41% return. The automation will also improve employee health and safety through repositioning repetitive motion jobs.

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**Warren Kilns Replacement.** The five antiquated batch kilns at Warren were replaced with two state of the art continuous drying kilns in 2019. The new kilns improved lumber quality, resulting in a higher premium grade percentage, and removed a bottleneck, increasing production 25 MMBF per year. This ~\$16 million investment is expected to yield a 22% return.

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**Planer Auto Grader Upgrades.** We recently upgraded the automatic planer graders at five of our six sawmills to utilize artificial intelligence. As a result, the accuracy of the automatic planer graders increased, resulting in a higher premium grade percentage and higher sales price realizations. We invested ~\$2 million and are expecting a return greater than 55%.



# Ola Sawmill Rebuild Should Increase Production and Lower Cash Processing Costs

KEY CAPITAL PROJECTS

	TOTAL CAPITAL <sup>1</sup>	PAID BY INSURANCE	NOTES	
LARGE-LOG LINE	\$21-23M	Yes	Modern design Simplify process and maintenance	15-20% INCREASE IN PRODUCTION
LOG SINGULATOR	\$3.8M	No	55% IRR Project Improves recovery and reduces labor	8-12% IMPROVEMENT IN RECOVERY
TRIMMER OPTIMIZATION	\$1.7M	No	19% IRR Project Increases production and reduces labor	15-20% REDUCTION IN PROCESS COSTS

In June 2021, a fire occurred in the sawmill’s large-log primary breakdown machine center. Reconstruction is underway and we expect to re-start the large log line in the third quarter of 2022 with a ramp-up period through the remainder of 2022. The sawmill’s annual capacity is estimated to be 150 MMBF after the start-up phase is completed in 2023. Actual production was averaging approximately 130 MMBF prior to the fire. The upgrades will simplify the process and align technology with our timberlands.

<sup>1</sup> | Large-log line: \$8M in 2021 and \$13-\$15M in 2022. Log singulator: \$1.6M in 2021 and \$2.2M in 2022. Trimmer optimization: \$0.6M in 2021 and \$1.1M in 2022.

# We are Relentlessly Focused on Continuously Improving our Environmental Performance





# We Have Identified 102,000 Rural Acres That We Intend to Sell Over Time at a Premium to Timberland Value

RURAL REAL ESTATE



102,000



ACRES

PROGRAM FOCUS  
SHIFTED  
from Minnesota  
to the South<sup>1</sup>

Legacy  
Deltic Land  
EXCEEDING  
EXPECTATIONS

LARGE PROPORTION  
OF SALES HAVE  
Conservation  
Outcomes

Our rural land sales efforts have focused on lands that we have identified as non strategic or that have a higher and better use than timberland management. These higher uses can be the result of conservation objectives or demand for rural recreational real estate. We are proud to have a significant amount of conservation outcomes from our land sales, totaling approximately 240,000 acres since 2004. Since 2018, approximately 70% of our rural land sales acreage has been for conservation outcomes, with the remaining 30% for recreational purposes.

<sup>1</sup> | Completed sale of ~72,000 acres in Minnesota for ~\$48MM in Q4 2020; 11,000 acres remain in Minnesota at December 31, 2021.

# Interest in Solar Opportunities on our Timberlands

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## LAND SALES FOR SOLAR



Solar energy is gaining traction, particularly in southern states, as a renewable power alternative. Energy providers and private companies are building entity-scale solar farms to reduce greenhouse gas emissions, take advantage of government incentives, and provide access to energy from renewable sources. The US Department of Energy (DOE) recently released a study that shows that solar energy has the potential to power 40% of the nation's electricity, up from about 3% today.

We have identified 30,000 acres of our existing ownership that could have the site qualities and characteristics conducive to solar uses that might help fulfill the coming need.

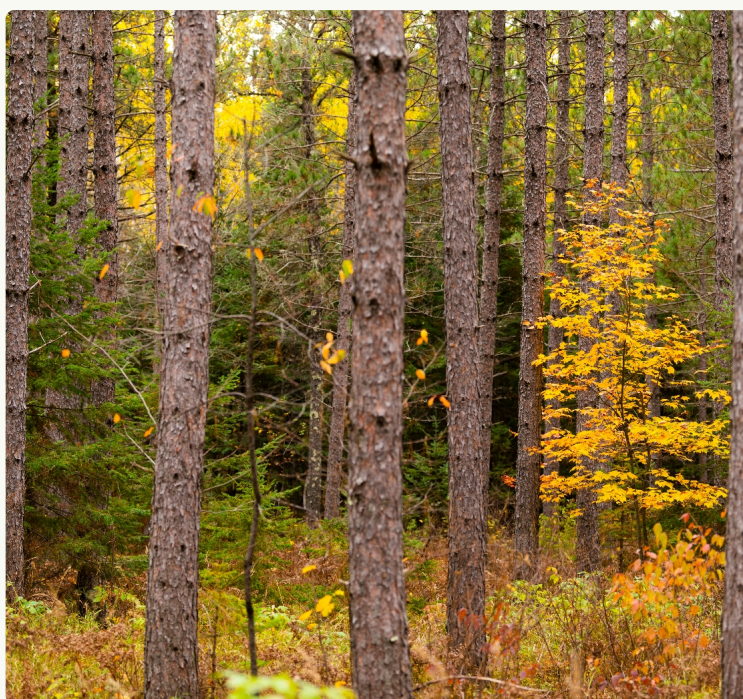
As of January 1, 2022, we have 5,000 acres, valued at approximately \$50 million, that is already committed to solar outcomes.



# Creating Significant Conservation Outcomes Through Rural Land Transactions

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## BOUNDARY WATERS – “PLAN B”



The “Plan B” transaction involved the Boundary Waters Canoe Area Wilderness (BWCAW), a renowned recreational paradise in the northern third of Superior National Forest. Minnesota School Trust Lands held 82,400 acres of lands granted at statehood to support public education that were embedded within BWCAW, and that had not been accessible in order to generate revenue for the schools. The U.S. Forest Service (USFS) wanted to incorporate the lands into the BWCAW for recreational access. The solution was a creative three way land swap with The Conservation Fund (TCF) purchasing 40,000 acres of neighboring PotlatchDeltic land over five phases, which would then be exchanged in phases for equally valued School Trust Lands inside the wilderness area.

TCF would then sell those lands within the wilderness to the USFS for incorporation into the BWCAW. The transactions will ensure that the new Minnesota School Trust lands serve as long term revenue sources for the schools, keep working forests as working forests, support jobs and local communities, and enable the lakefront lands placed within the BWCAW to be preserved for recreational access.

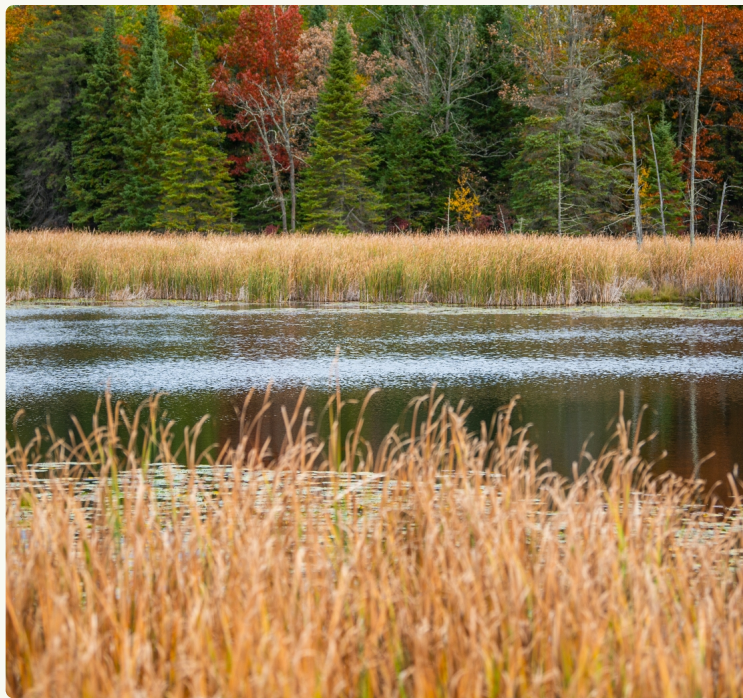
**WATCH VIDEO:** [HTTPS://YOUTU.BE/BWKK7EUZC64](https://youtu.be/BWKK7EUZC64) >>



# Creating Significant Conservation Outcomes Through Rural Land Transactions

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## MISSISSIPPI RIVER NORTHWOODS



A transaction with The Trust for Public Land (TPL), with a subsequent sale to Crow Wing County, resulted in wildlife habitat conservation on nearly 2,000 acres along the Mississippi River. The area is known as the Mississippi River Northwoods and was the largest remaining stretch of the Mississippi River unprotected from development in north central Minnesota.

The land connected with other properties to provide a nine mile stretch of waterfront that protects eagle and red shouldered hawk nests and provides critical habitat along the Mississippi River Flyway, used by 60% of North America's migratory birds. In addition, the lands provided perpetual public recreation benefits for hunting, fishing, wildlife viewing, hiking and canoeing.





# We Also Develop and Sell Building Lots in a Highly Desirable 4,800 Acre Master-Planned Community

## CHENAL MASTER-PLANNED COMMUNITY LITTLE ROCK, ARKANSAS



**~60%**  
COMMERCIAL SOLD



**335 ACRES REMAINING**  
\$250,000/ACRE

**~70%**  
RESIDENTIAL SOLD



**1,600 LOTS REMAINING**  
\$80,000/LOT

- PREMIER MASTER-PLANNED COMMUNITY
- LOT SALES TO PRIVATE/REGIONAL BUILDERS
- MOST INFRASTRUCTURE \$ COMPLETE
- COMMERCIAL - OFFICE/MULTIFAMILY/RETAIL

**20%**  
OF NEIGHBORHOODS SET  
ASIDE AS GREEN SPACES

PROMOTING A  
**Healthy Lifestyle**  
FOR RESIDENTS

**15%**  
GREENSPACE BETWEEN  
NEIGHBORHOODS

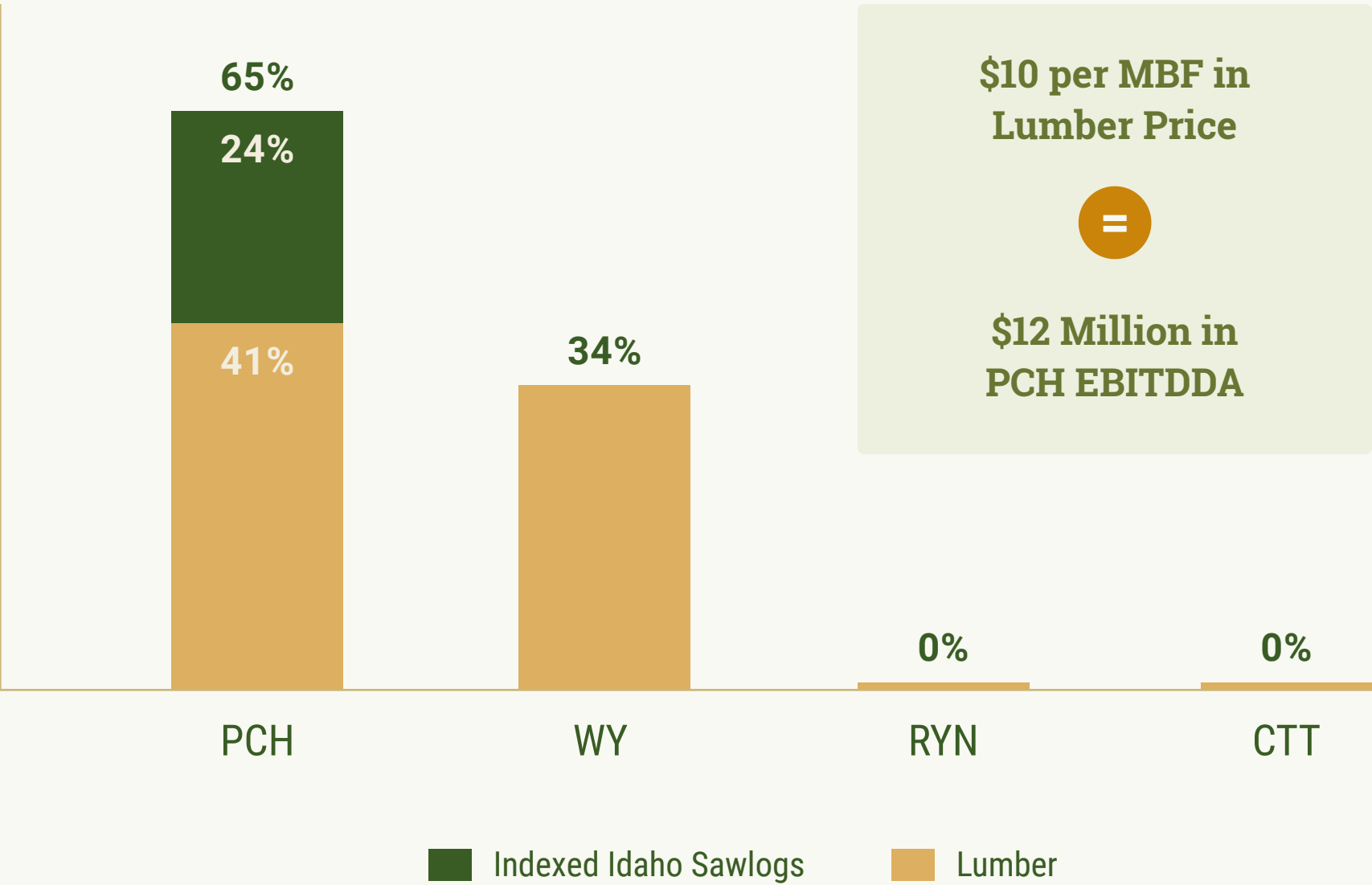
Our Chenal Valley master-planned community in west Little Rock is one of the premier real estate developments in Arkansas. We develop and sell both residential and commercial property, while incorporating several environmentally conscious practices into the development process.



# We are the Best Timber REIT Play on Housing Because Our Integrated Strategy Provides the Highest Direct Leverage to Lumber Prices



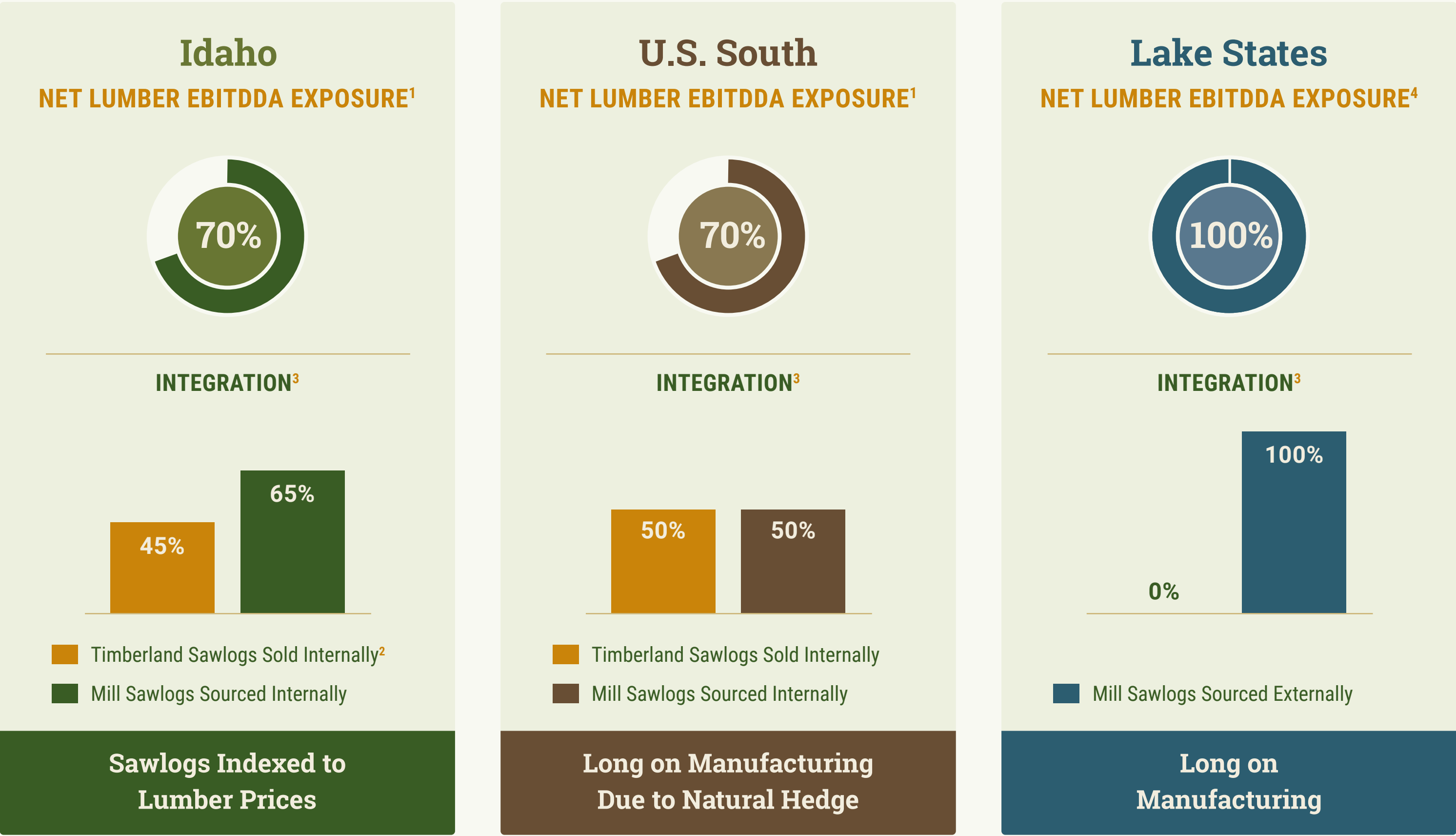
## HIGHEST DIRECT LEVERAGE TO LUMBER PRICES<sup>1</sup>



<sup>1</sup> | Source: Public filings 2016-2021.



# Our Footprint Maximizes the Benefit of Structurally Higher Lumber Prices on a Regional Basis

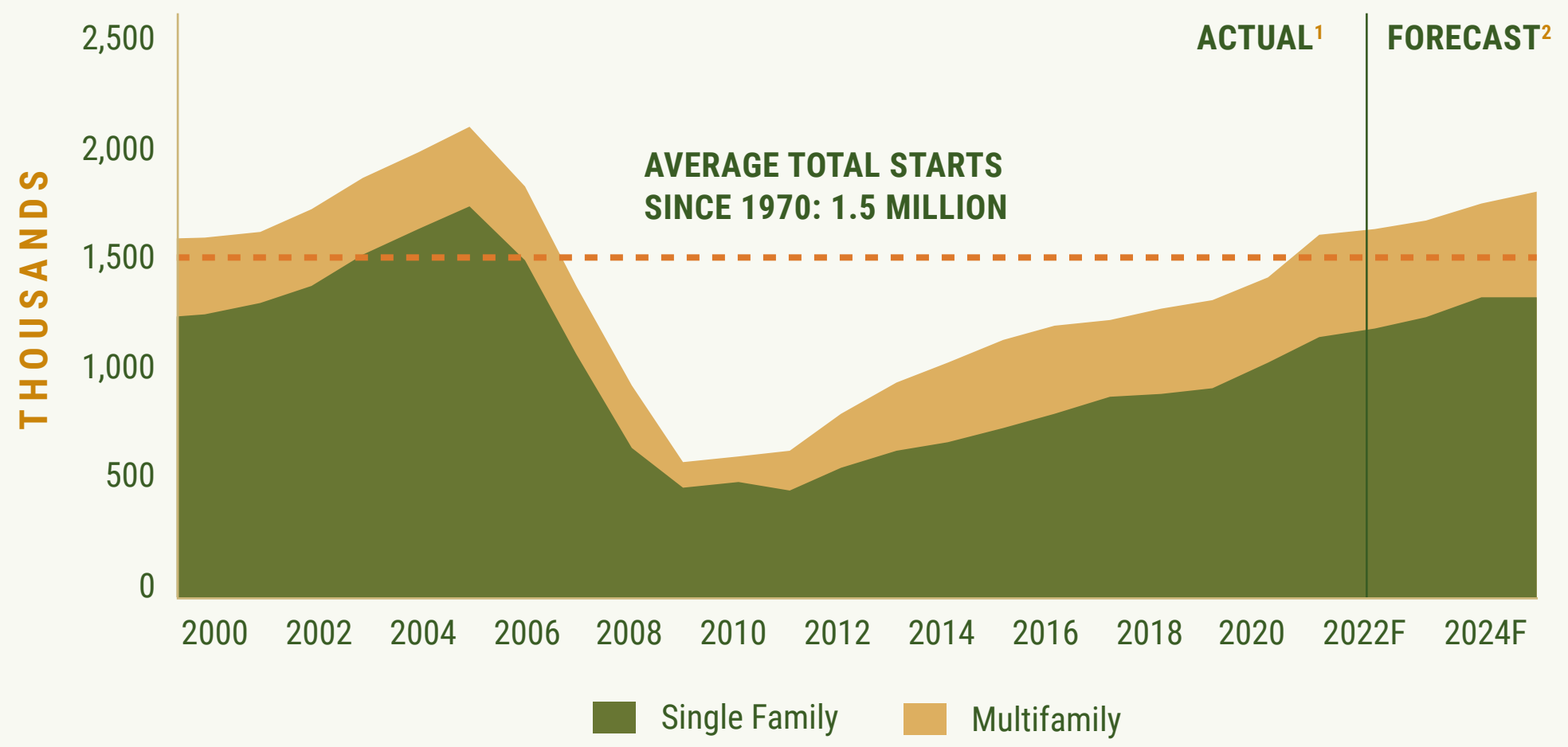


<sup>1</sup> | 5-year average EBITDDA exposure of Timberlands and Wood Products segment.  
<sup>2</sup> | The sawlog prices are indexed to the price of lumber along with additional 30% of volume sold externally.  
<sup>3</sup> | Based on 2021 results.  
<sup>4</sup> | As of the end of 2020 after completing the last large Minnesota timberland sale.



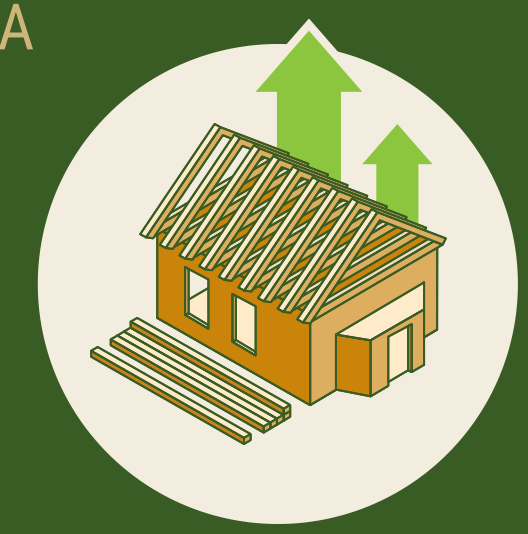
# PotlatchDeltic is Well Positioned to Take Advantage of Favorable Housing Fundamentals

## U.S. HOUSING STARTS



**“New residential construction is on the cusp of a multiyear boom.”**

- FEA



**Millennials Shifting to Home Ownership**



**Resale Home Inventory Remains Low**



**Repair and Remodel Expected to Remain Strong**

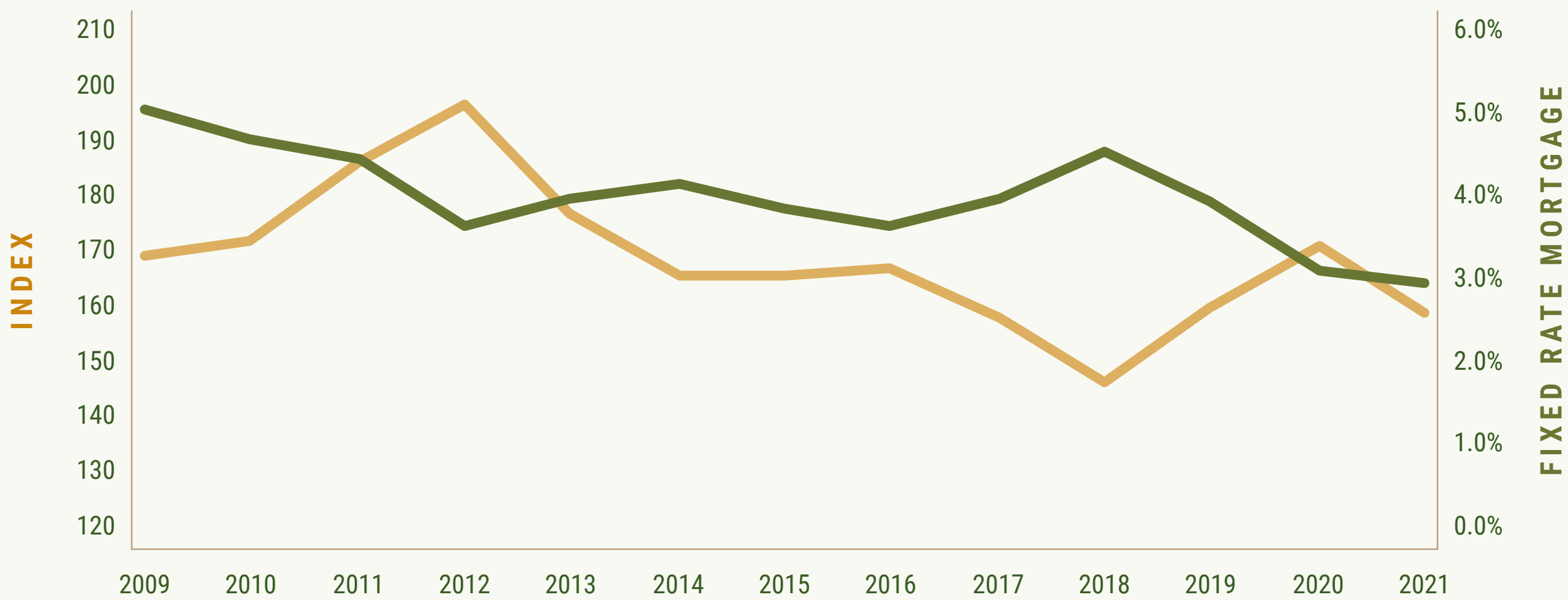
<sup>1</sup> | Source: U.S. Census Bureau.

<sup>2</sup> | Source: FEA.



# Low Mortgage Rates Support Housing Affordability

HOUSING AFFORDABILITY INDEX & 30-YEAR FIXED RATE MORTGAGE<sup>1</sup>

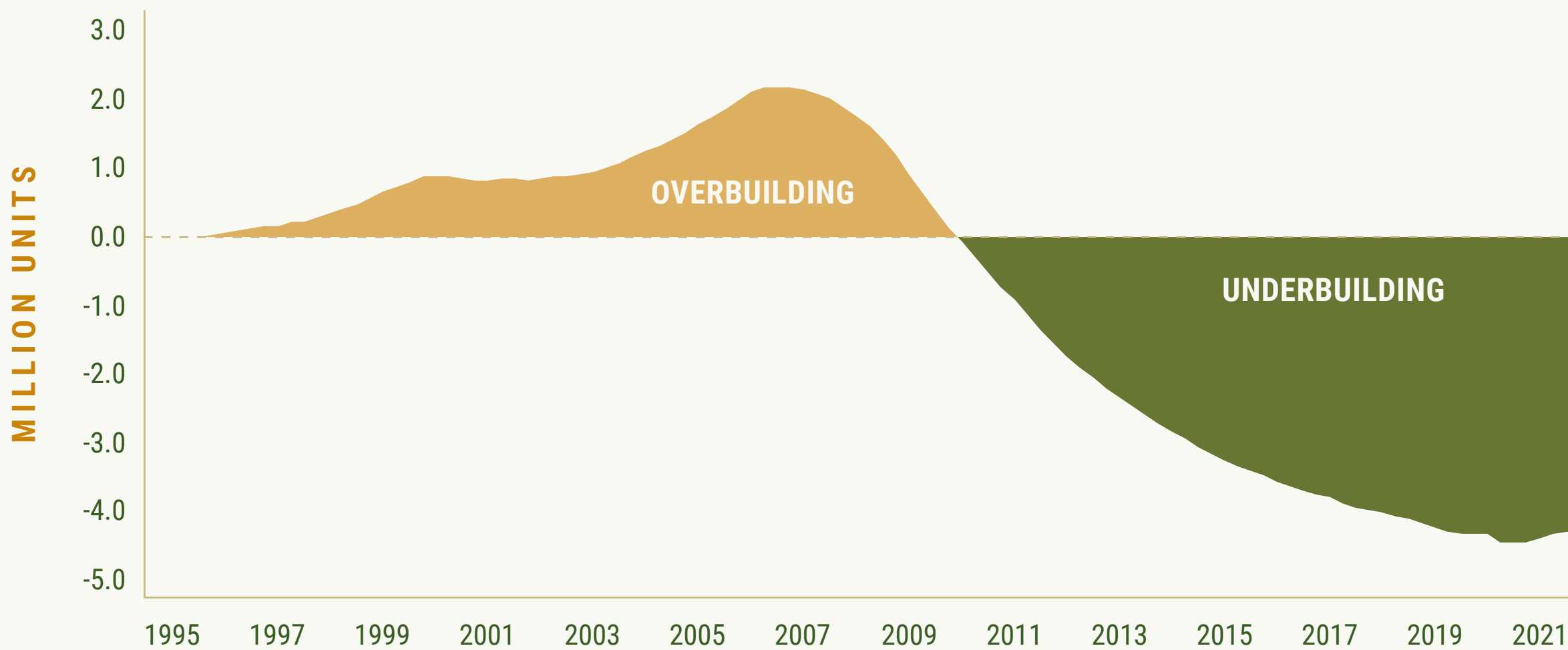


Housing remains affordable relative to historical levels despite the recent rise in home prices and uptick in mortgage rates. A tight labor market characterized by upward pressure on wages should offset some of the impact. Rising interest rates is a key risk given the recent change in the Federal Reserve’s posture.

<sup>1</sup> | Source: Freddie Mac & National Association of Realtors.

# Cumulative Underbuilding of U.S. Homes in Last Decade

CUMULATIVE UNDERBUILDING OF U.S. HOMES IN LAST DECADE<sup>1</sup>



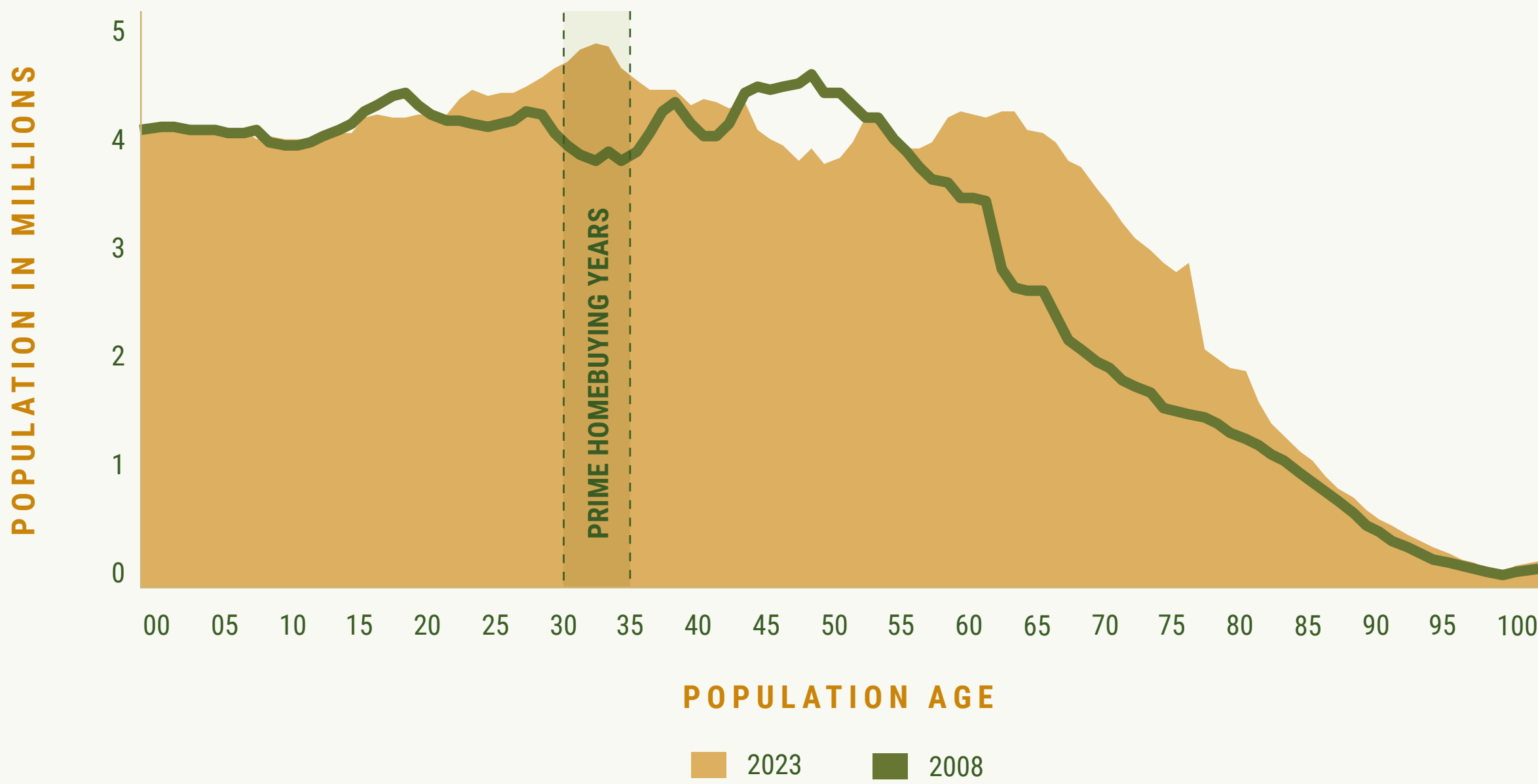
Overbuilding occurred in the U.S. single family market in 2005-2008. Since then, we have had a prolonged period of underbuilding, supported by lower household formation. When the loss of existing units is combined with the underbuilding relative to household formation, the cumulative housing deficit is even more substantial.

<sup>1</sup> | Source: FEA.



# Strong Millennial Demographic Tailwind

U.S. POPULATION DISTRIBUTION BY AGE 2008 VS 2023<sup>1</sup>

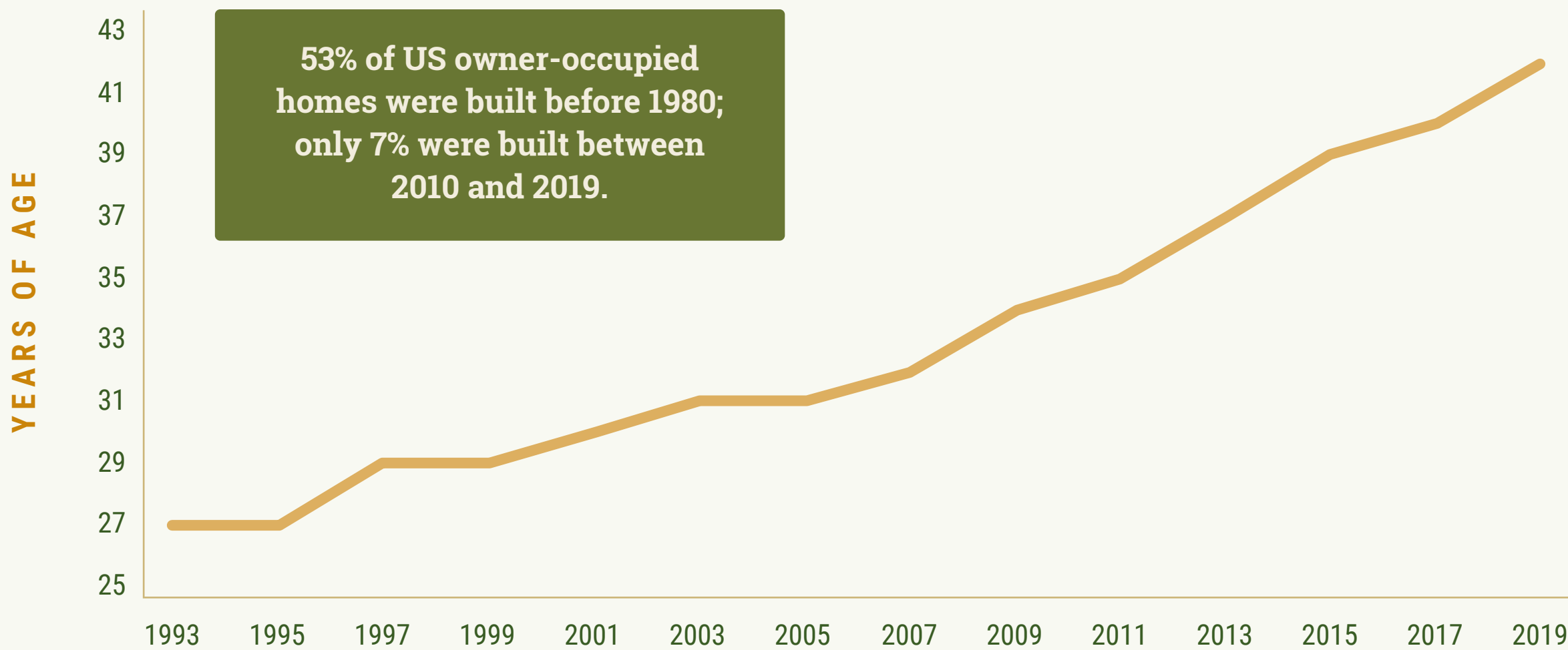


Millennials account for 38% and largest demographic share of home buyers and have driven the market as first-time home buyers and trade-up buyers. This multi-year trend should continue both in the entry level market and as “move-up” buyers as Millennials have children.

<sup>1</sup> | Source: FEA Data Center.

# U.S. Housing Stock Has Aged Considerably

MEDIAN AGE OF OWNER-OCCUPIED HOUSING<sup>1</sup>



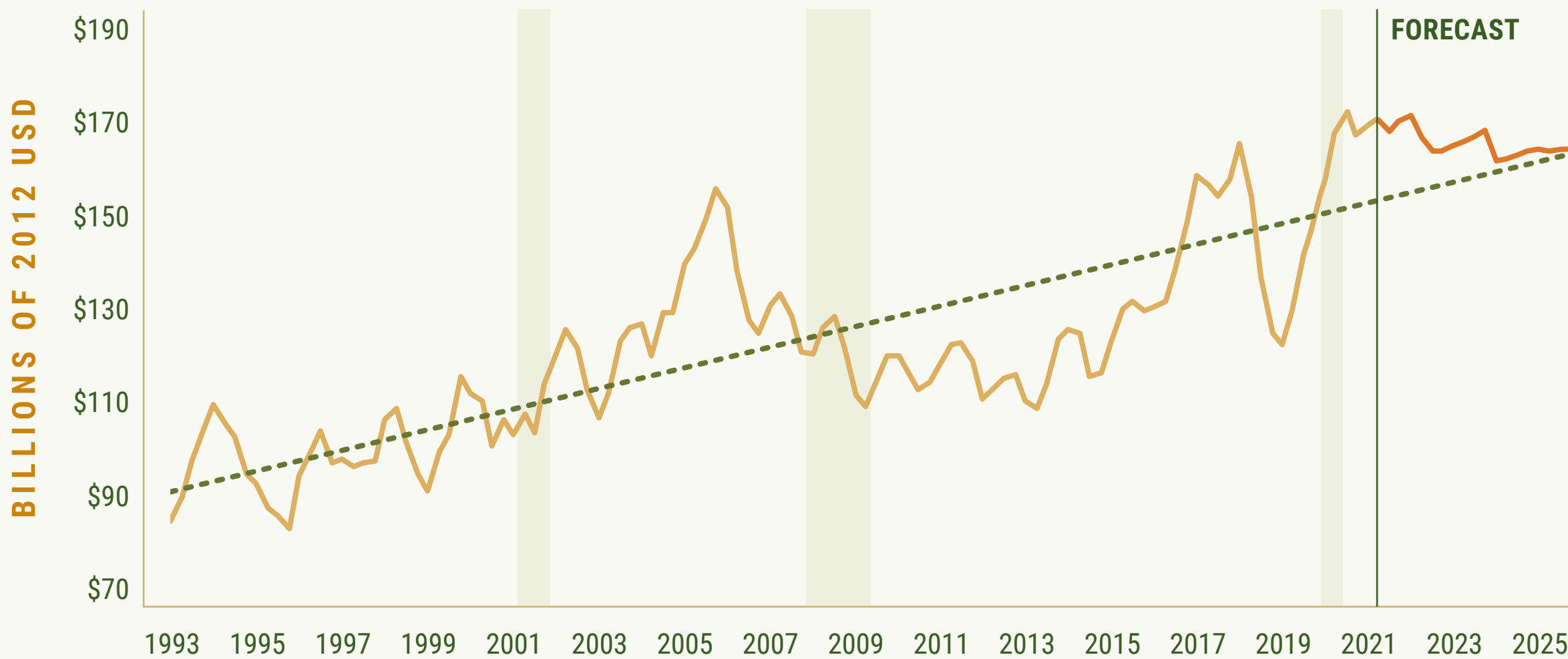
Aging housing stock signals a rising market for repair and remodeling. The median age of homes has steadily increased since the Great Recession. The share of homes that are over 50 years old has grown to over 37% just as Millennials enter their prime home buying years.

<sup>1</sup> | Source: NAHB.



# Residential Improvement Spending Supports Lumber Demand

RESIDENTIAL IMPROVEMENT SPEND<sup>1</sup>

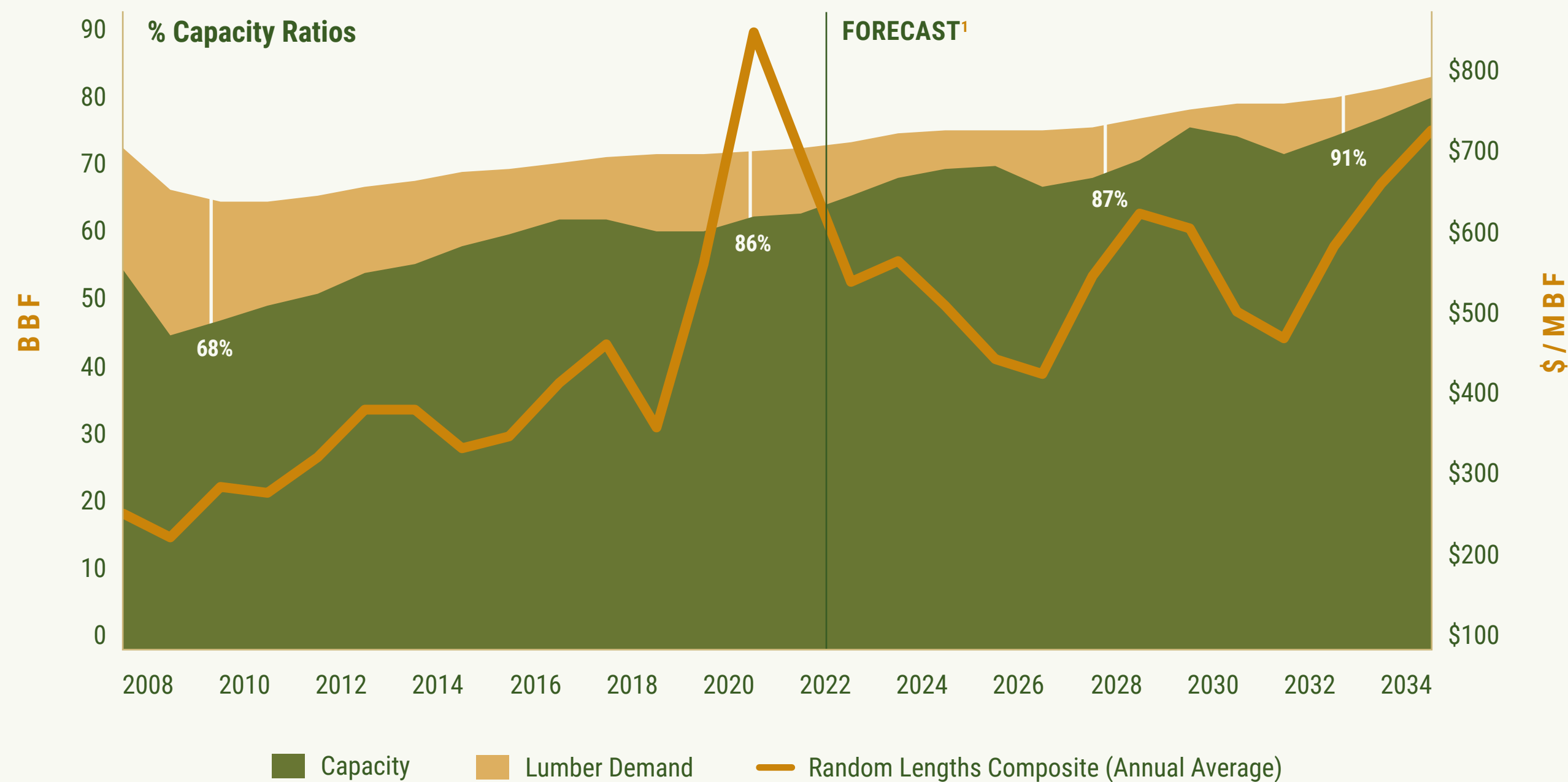


Residential remodeling benefits from strong housing markets, limited housing supply, and aging housing stock. The significant growth in homeowner equity is likely to fuel continued strong repair and remodel activity. Rising cost of labor and building materials and higher interest rates could create some headwinds.

<sup>1</sup> | Source: FEA.

# Lumber Prices are Expected to Remain Above Historical Averages Due to Growing Lumber Demand and Constrained Supply

NORTH AMERICAN LUMBER DEMAND VS CAPACITY (BBF) WITH RL COMPOSITE

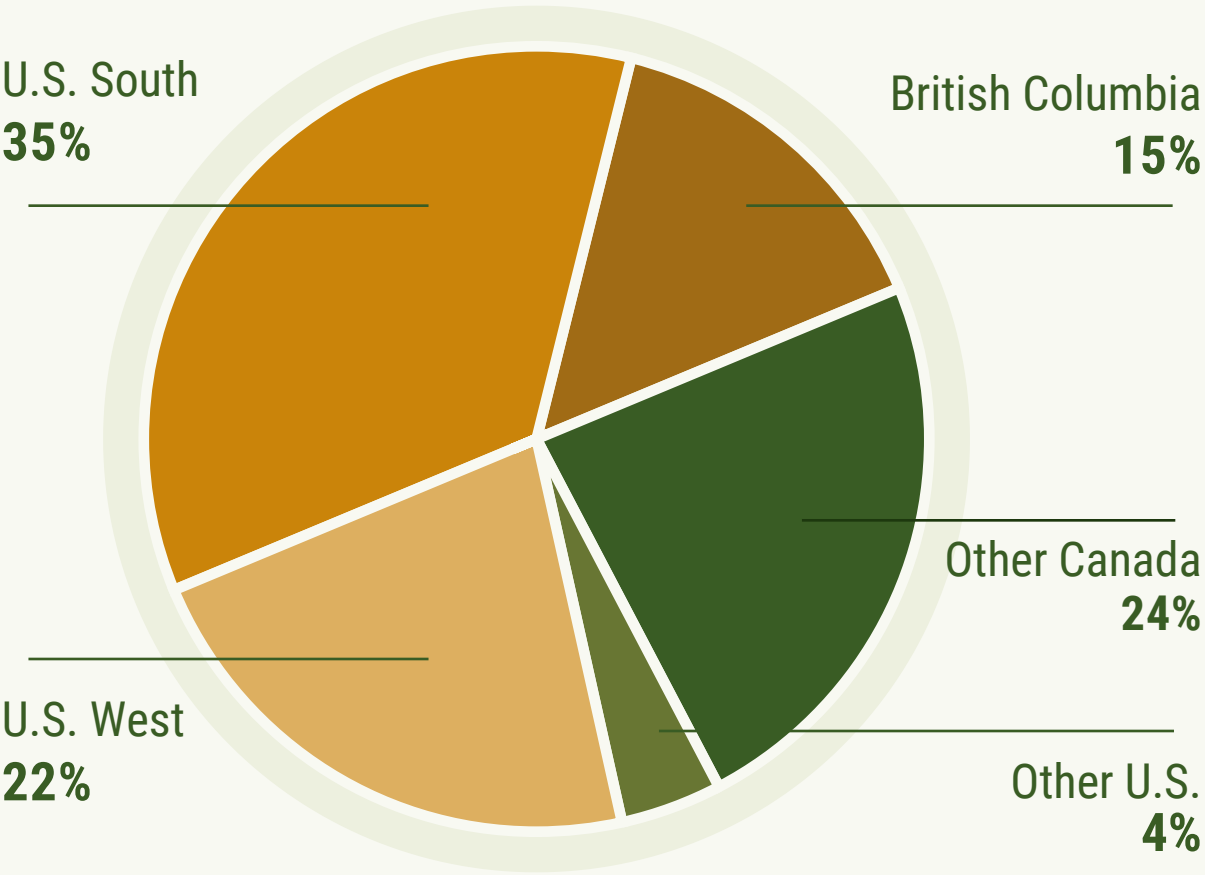


1 | Source: FEA.

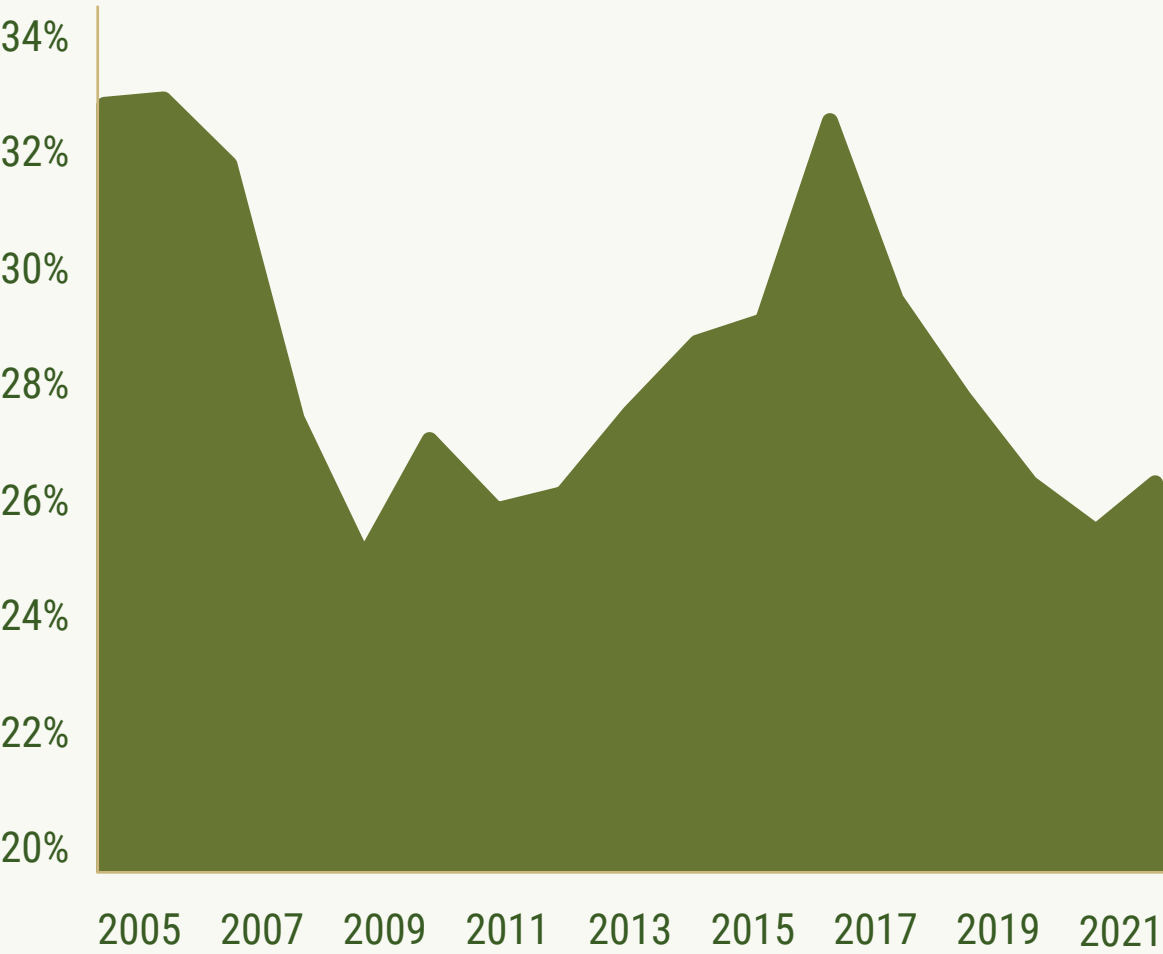


# North American Lumber Supply/Demand

LUMBER PRODUCTION BY REGION



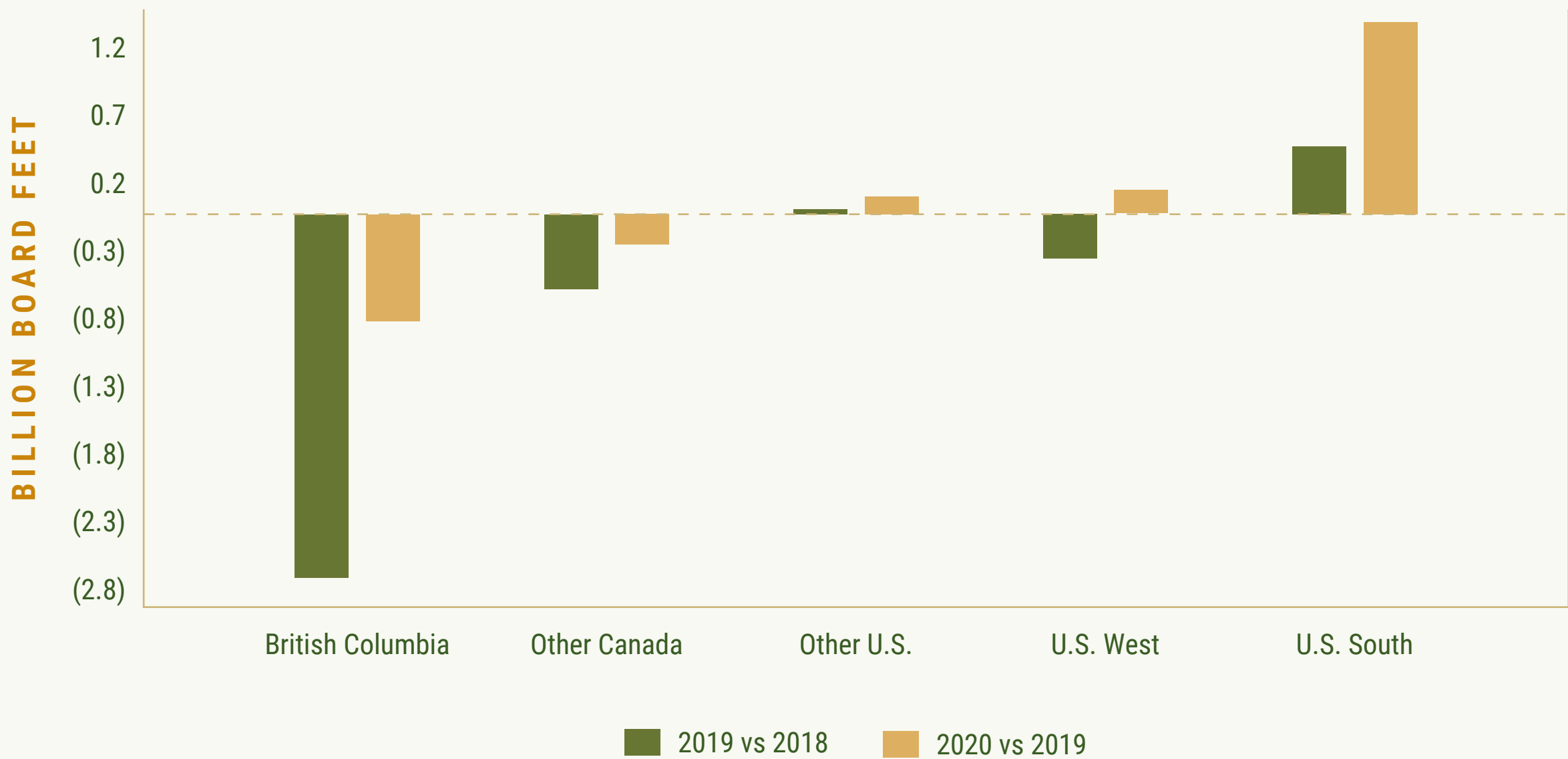
CANADIAN SHARE OF U.S. MARKET



Over 60% of North American lumber production is in the U.S., with the U.S. South accounting for 35% overall. The Canadian share of the U.S. market was impacted by the Great Recession and the mountain pine beetle infestation, which resulted in ~2BBF of capacity closures in 2019. Canadian imports into the U.S. remain subject to a duty with a 17.90% rate. High prices in 2020 should result in a lower duty rate In late 2022 after the Third Administrative Review (AR3) with the lower rate in effect through most of 2023.

# Lumber Production Shifting to the U.S. South

ANNUAL CHANGE IN LUMBER PRODUCTION 2018-2020<sup>1</sup>



Lumber production in British Columbia has been declining due to the mortality impact from the mountain pine beetle and reduced annual allowable harvest levels. Production in the U.S. South has increased due to available low cost fiber combined with productivity improvements and capacity expansions.

<sup>1</sup> | Source: FEA.

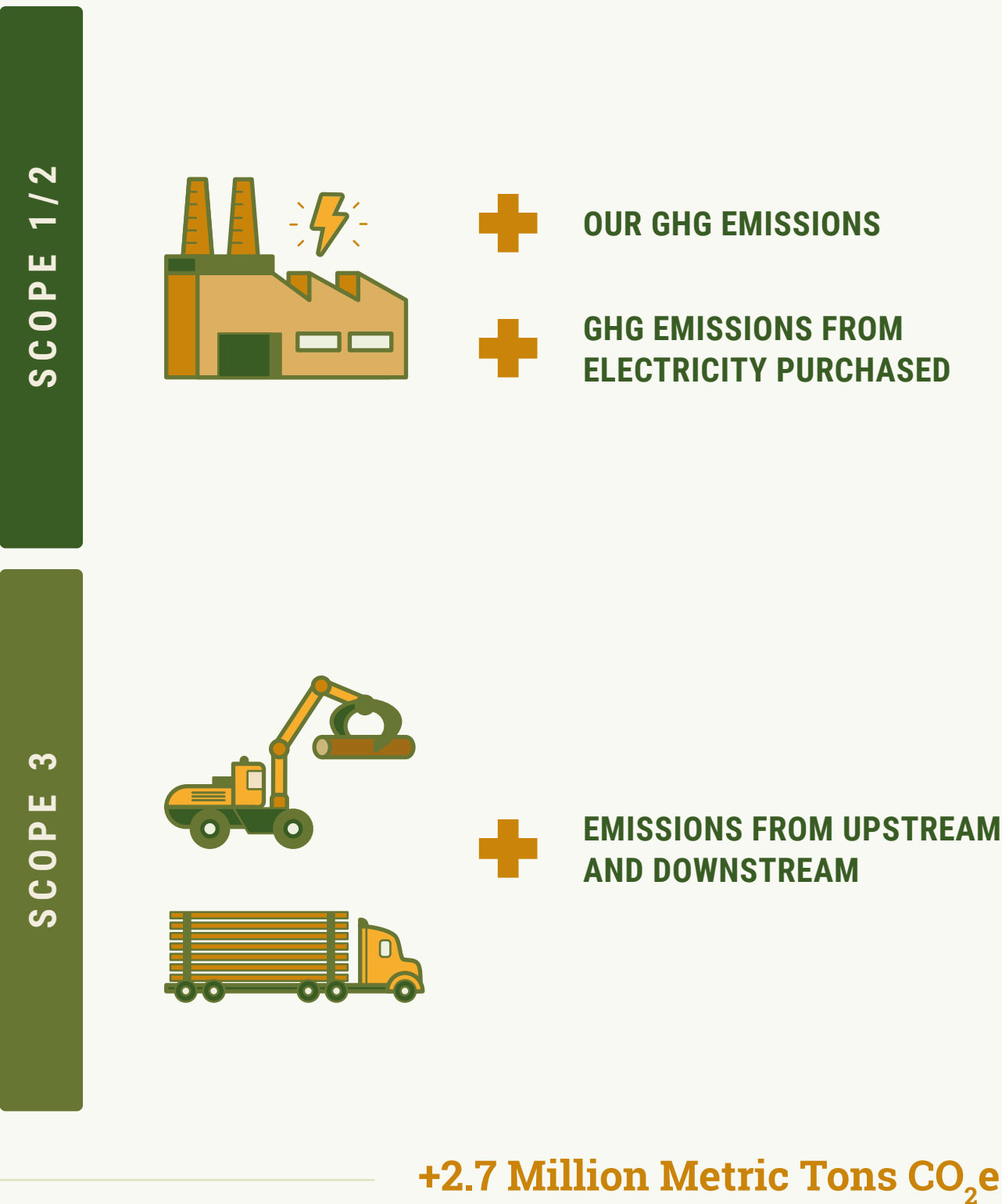


# Our Sustainably Managed Timberlands are Part of the Solution to Climate Change

## NET CARBON ATMOSPHERIC REMOVALS & STORAGE<sup>1</sup>



## GREENHOUSE GAS EMISSIONS<sup>1</sup>



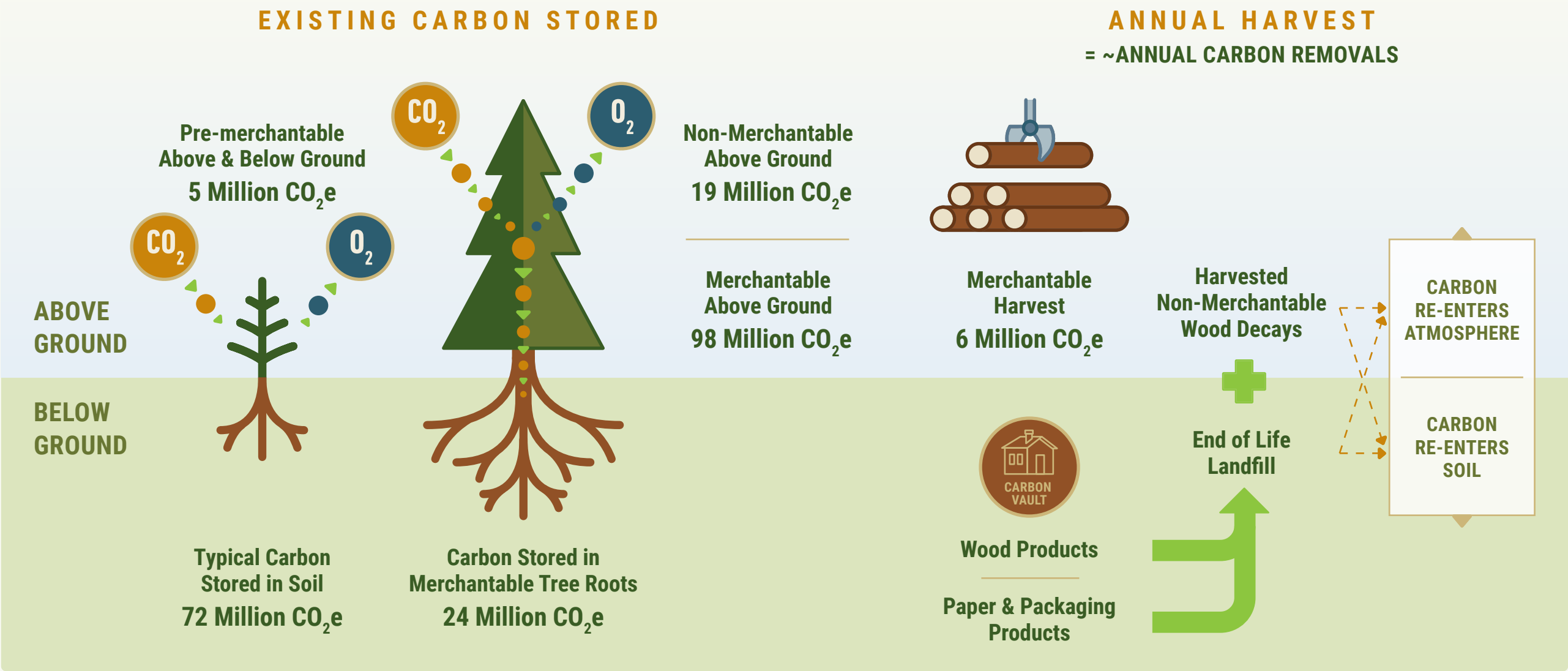
<sup>1</sup> | Data as of 2020. Carbon removals using year-end 2020 land base. Greenhouse gas emissions preliminary estimates using NCASI screening tool.

# Our Carbon Removal and Storage Life Cycle

ANNUAL CARBON REMOVAL

■ ~8 Million CO<sub>2</sub>e in 2020<sup>1</sup>

WE RENEW THE CYCLE WITH GROWTH AND PLANT SEEDLINGS ANNUALLY.



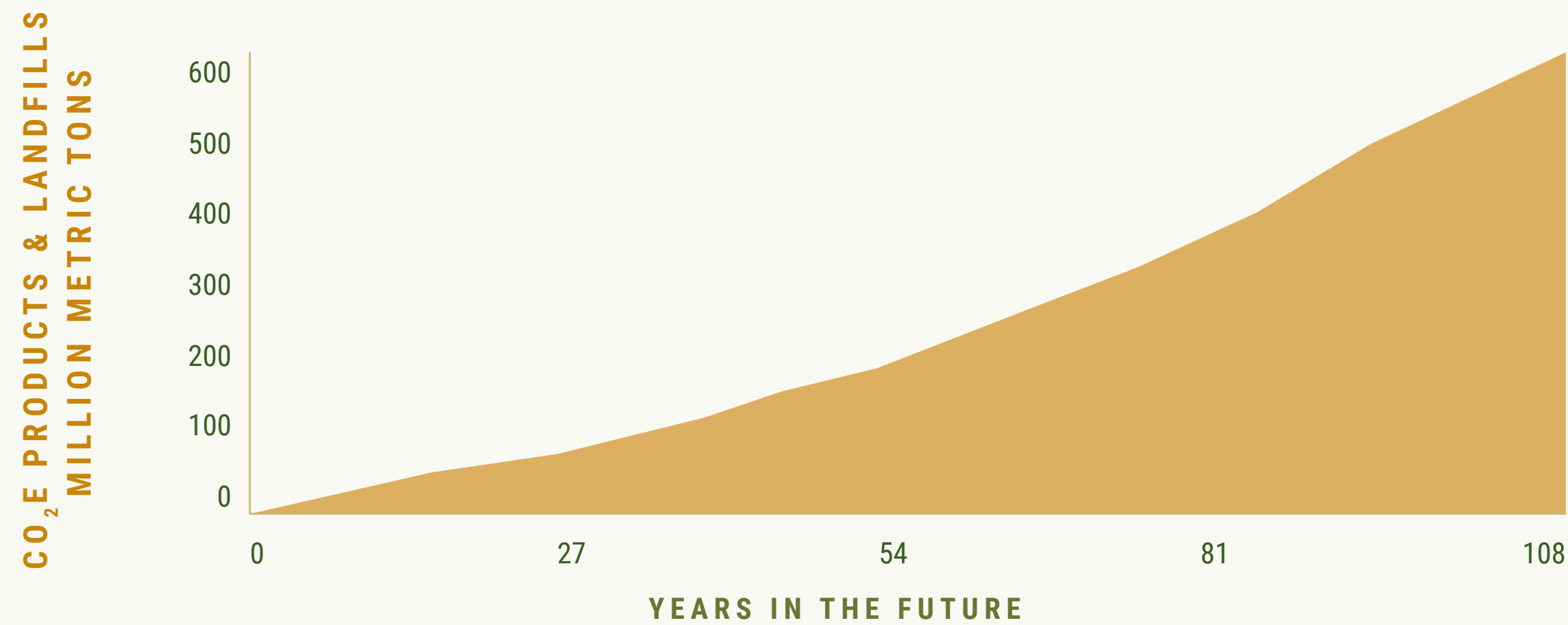
Our carbon removal life cycle includes annual carbon dioxide removals from the atmosphere, the release of oxygen, and the storage of carbon in our standing timber and soils. Replanting, land use changes, fire, and mortality can impact both removals and storage. Once harvested, the carbon in the logs follows its life to short lived or long lived storage in products and the eventual disposal and release to air or soil. Greenhouse gas emissions along that life cycle offset some of the benefits.

<sup>1</sup> | 2020 updated. CO<sub>2</sub>e in metric tons. Carbon removals using year-end 2020 land base.



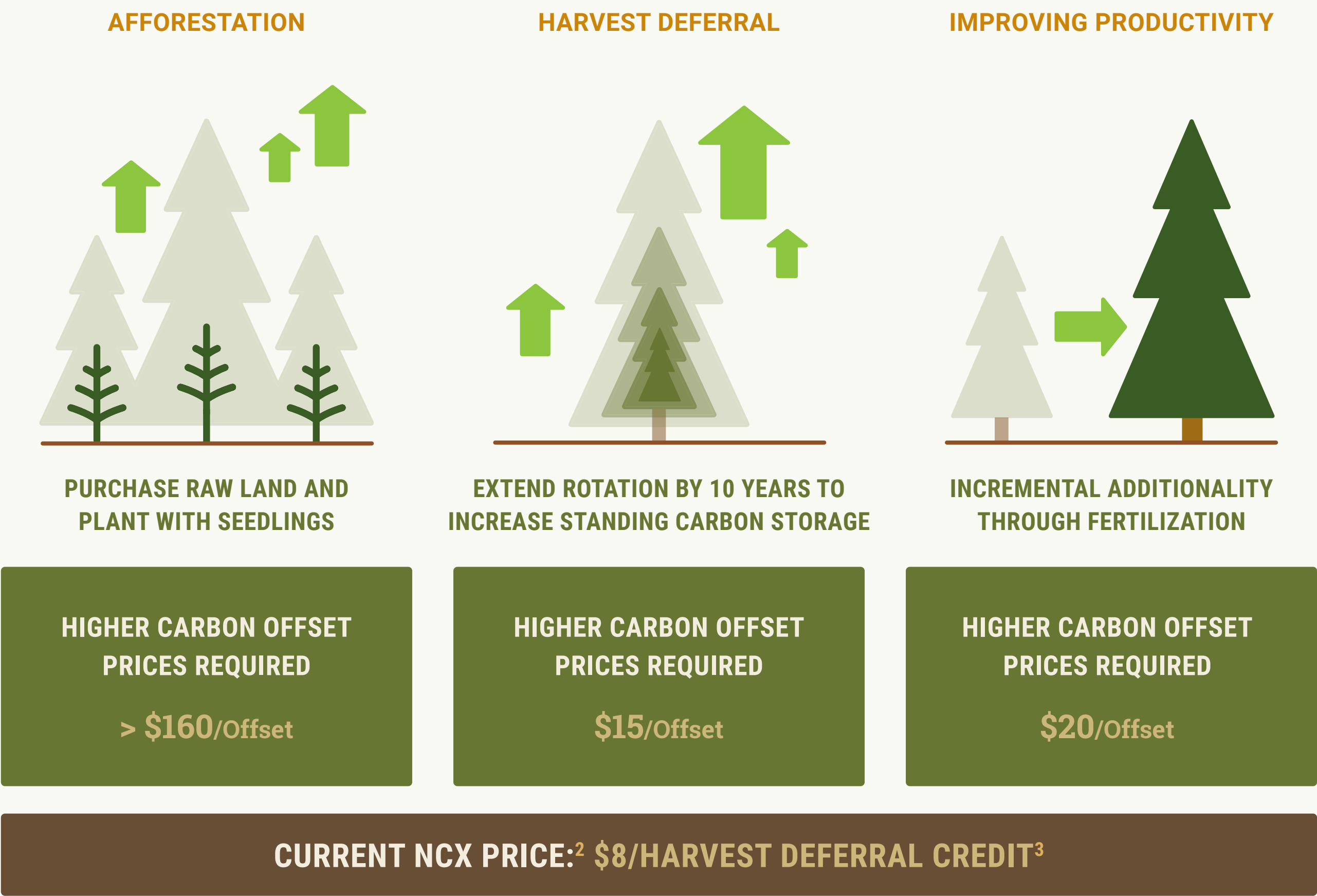
# Our Carbon Storage in Wood Products

CARBON STORAGE - CUMULATIVE HARVEST OVER MULTIPLE ROTATIONS



When multiple cycles of tree growing and harvest, or rotations, overlap carbon storage in wood products, the result is cumulative carbon storage that accumulates and increases over time. Wood products manufacturing converts the logs into long lived wood products storing about 50% of the carbon and acting like a “carbon vault.” Carbon from harvested logs remains in wood and paper products until the end of their use. The rate of decrease in storage is dependent on the mix of products. Approximately 68% of total tree carbon in a sawlog sized tree is transported to a sawmill and 50% of that amount is captured in solid wood products such as lumber and plywood as a long lived carbon vault. The total tree carbon that is used for pulp and paper products has a shorter life span. Pulp and paper products have a rate of decay or release that is high initially as products are used, recycled or disposed of and the rate slows substantially after initial use because of the portion that is stored in landfills for a very long time.

# Carbon Pricing Inadequate for Additionality Initiatives<sup>1</sup>



<sup>1</sup> | Scenarios assess approximate price per offset to meet return requirements. Examples are for Southern timberlands with Idaho timberlands requiring five times the \$/offset for the harvest deferral scenario. Afforestation scenario assumes bare land purchased for \$1,000 per acre with growth solely for carbon storage over a 50 year period. Adding harvest assumption at end of 50 years would reduce price to \$140/offset.

<sup>2</sup> | Price as of 2/3/2022.

<sup>3</sup> | Harvest Deferral Credits are an NCX specific unit of measure and are not equivalent to a “permanent ton” carbon offset. The conversion of Harvest Deferral Credits to carbon offsets results in a carbon offset price less than \$8/offset.



# Climate Change Risks and Opportunities

## PHYSICAL RISKS AND OPPORTUNITIES

TYPE	RISK/OPPORTUNITY	DESCRIPTION
GROWTH	Increased productivity and yield in tree growth due to higher CO <sub>2</sub>	Shorter rotations and opportunities for increased manufacturing capacity in areas benefiting from higher growth.
WEATHER	Increased severity of extreme weather including heavy precipitation, tornadoes, and flooding	Potential damage to timberlands, roads, or facilities. Risk of difficulty accessing timberlands at times and log disruptions to mills.
WILDFIRE	Increased risk of wildfire, especially in the Inland Northwest	Increased costs for firefighting and for measures to reduce fire risk.

## TRANSITION, REGULATORY RISKS AND OPPORTUNITIES

TYPE	RISK/OPPORTUNITY	DESCRIPTION
REGULATORY	Policy for biogenic energy from wood residuals from sustainably managed forests	Increased internal use of residuals and higher residual demand from pellet markets. Growth of residual demand for biochar markets.
MARKETS	Development of carbon offset markets	Potential new revenue streams from sale of carbon credits.
MARKETS	Increase in demand for products that have a lower GHG footprint	Increased demand for wood products from policies, standards and consumer preferences for buildings with greater use of low embodied carbon materials.
MARKETS/REGULATORY	Development of new products and substitutes	Increased demand for mass timber in tall buildings. Growth of domestic mass timber production.
TECHNOLOGY	Resource efficiency gains in sawmilling	Advance in technology could reduce wood residuals and improve productivity of sawmills.
OPERATIONAL	Change in energy costs	Higher natural gas prices or renewable energy could reduce wood residuals and improve productivity of sawmills.
REGULATORY	Change in regulatory requirements regarding air, water, or waste	Increased air monitoring/pollution control equipment in priority area designations. Increased water monitoring or effluent quality requirements in Arkansas due to Sparta aquifer.
REGULATORY	Increased pricing of GHG emissions/carbon tax	Increased costs for wood products facilities or capital costs to shift to technologies that reduce GHG emissions.

# Demand for Lumber Used in Nonresidential Construction is Also Poised for Growth as Environmentally Beneficial Tall Wood Buildings Take Market Share from Steel and Concrete

## BENEFITS OF MASS TIMBER IN TALL BUILDINGS



### CARBON VAULT



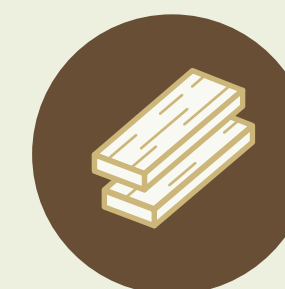
**Wood is  
50% Carbon  
BY WEIGHT**

### LUMBER CO<sub>2</sub> PRODUCTION INTENSITY<sup>1</sup>

**25%**  
LESS THAN  
CONCRETE

**50%**  
LESS THAN  
STEEL

### SUBSTITUTION<sup>2</sup>



**SUBSTITUTION  
COULD PREVENT  
14 to 31%  
OF GHG EMISSIONS**

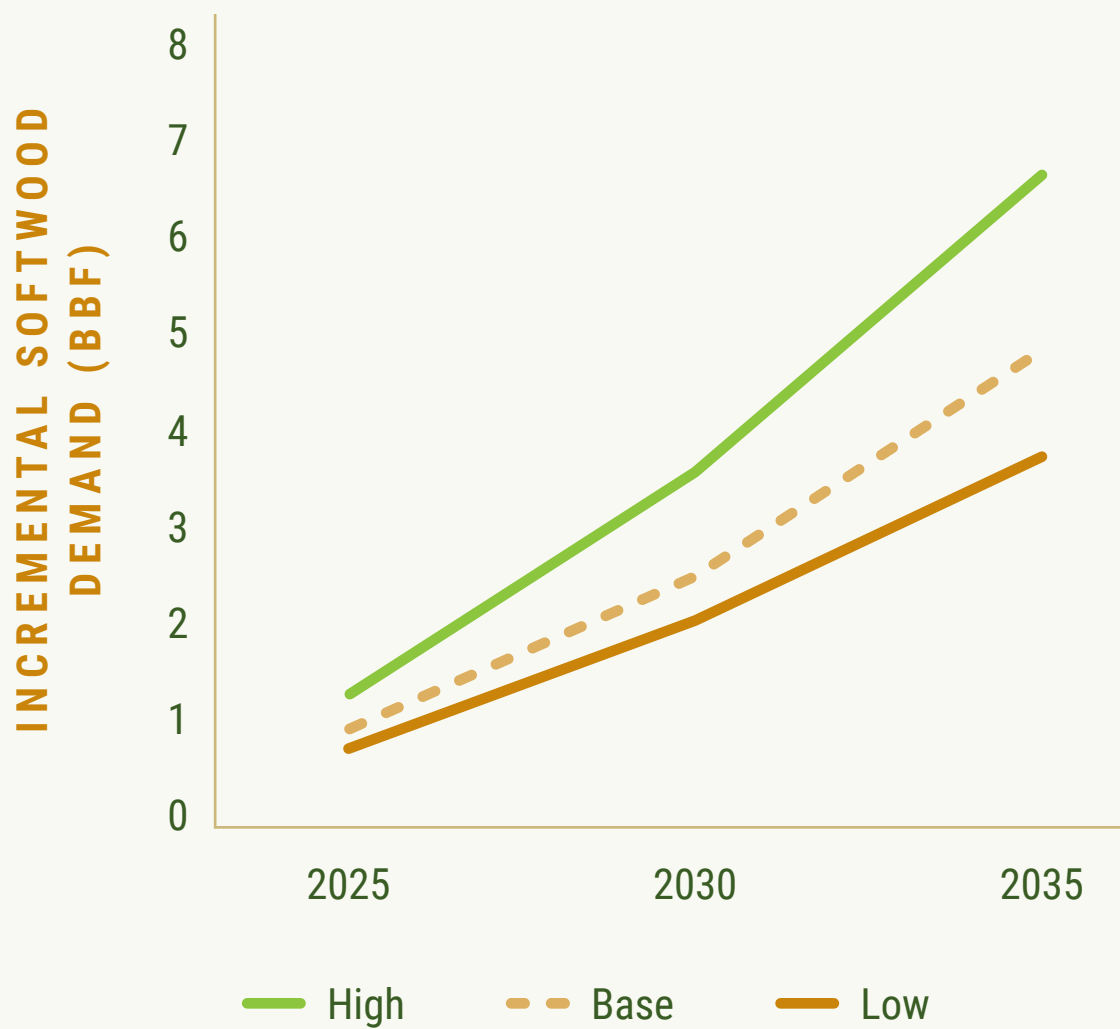
<sup>1</sup> | Source: The economic emissions benefits of engineered wood products in a low-carbon future, MIT Joint Program on the Science and Policy of Global Change, June 2018.

<sup>2</sup> | Source: Chadwick Dearing Oliver, Nedat T. Nassar, Bruce R. Lippke, James B. McCarter (2014) Carbon, Fossil Fuel, And Biodiversity Mitigation with Wood and Forests, Journal of Sustainable Forestry.



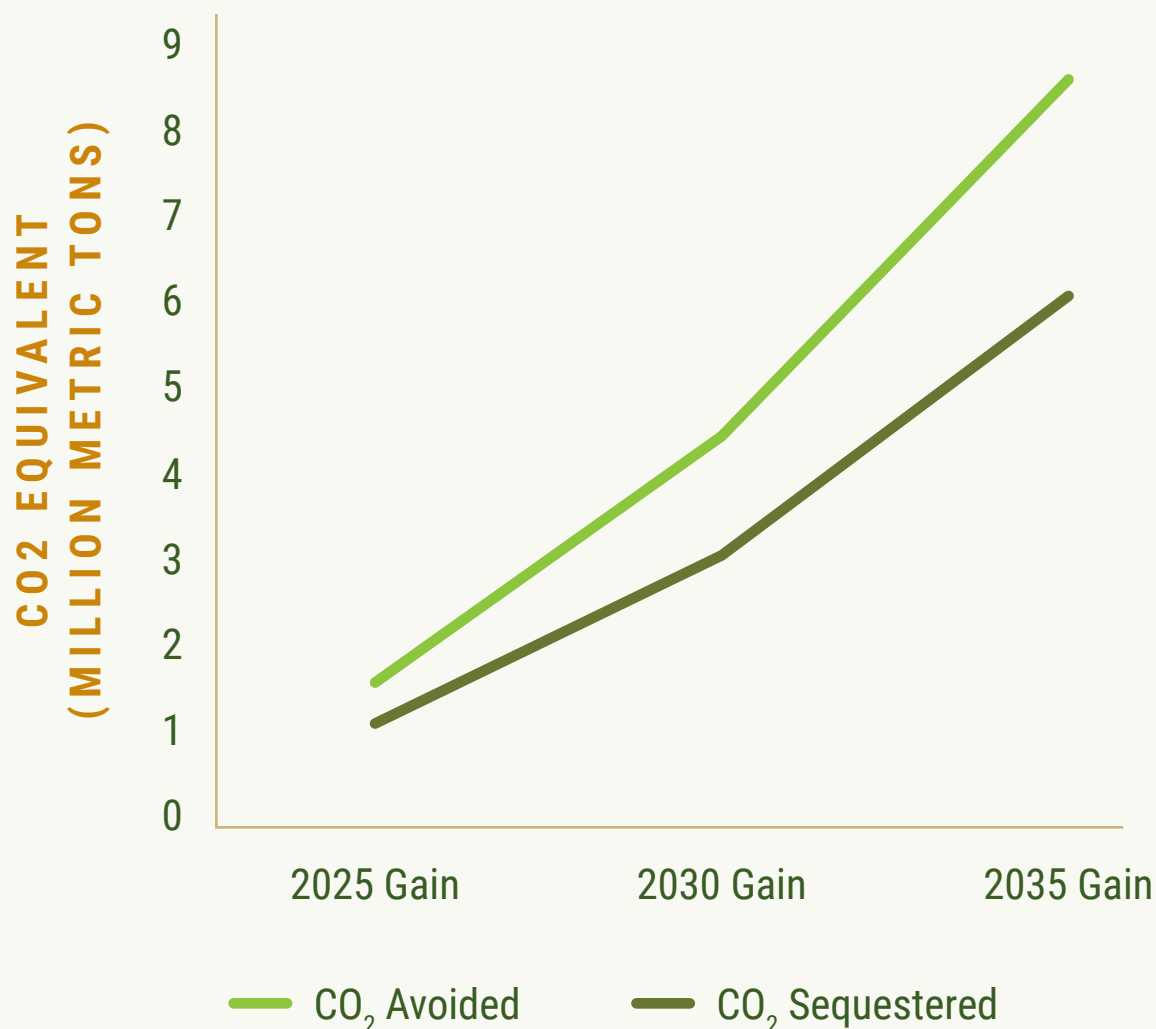
# Favorable Outlook for Mass Timber as Natural Climate Solution


PROJECTED U.S. INCREMENTAL  
MASS TIMBER DEMAND<sup>1</sup>



TOTAL INCREMENTAL  OF  
**3.77-6.75**  
BBF

PROJECTED U.S. INCREMENTAL  
CARBON IMPACT<sup>2</sup>



TOTAL INCREMENTAL  OF  
**~8.4 Million tons**  
of CO<sub>2</sub> avoided<sup>3</sup>

<sup>1</sup> | SLB Mass Timber Demand Outlook, 2020 FP Innovations, October, 2020.

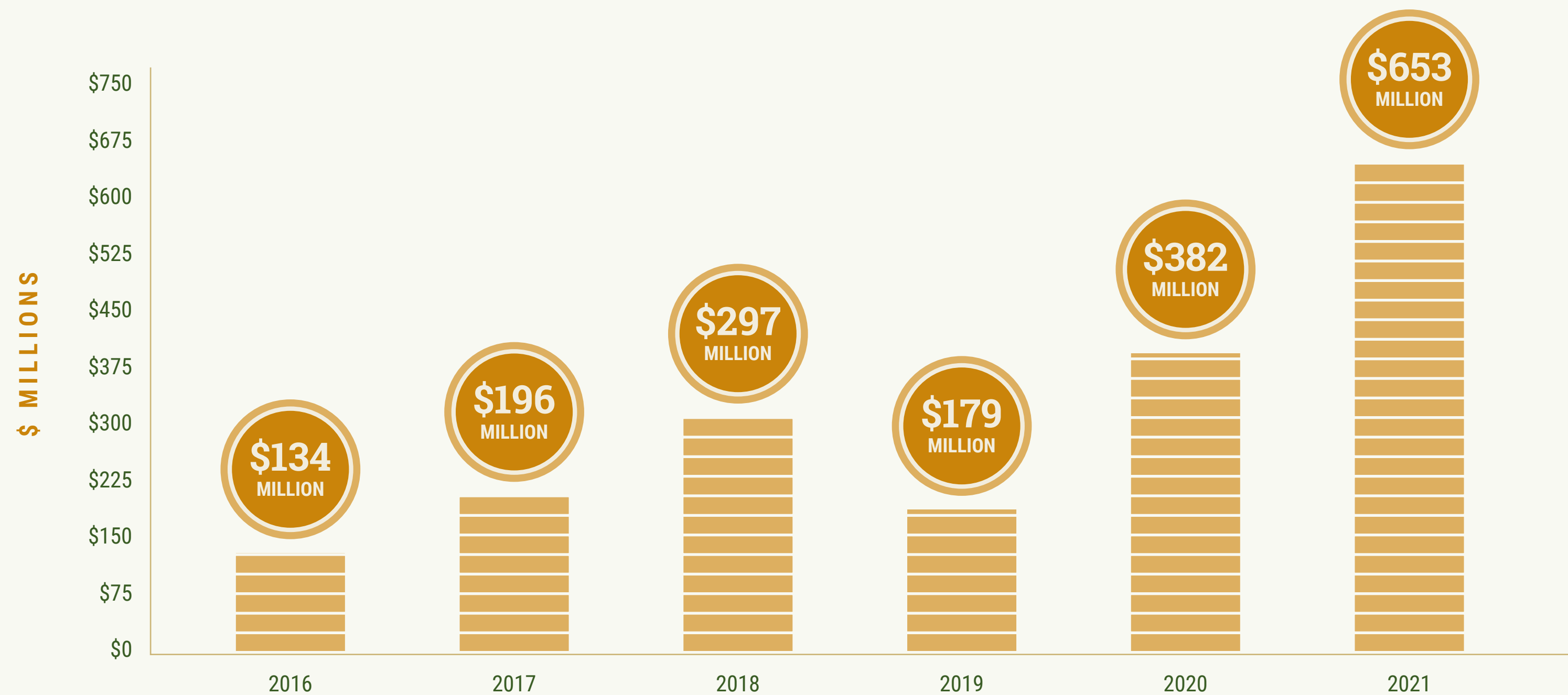
<sup>2</sup> | Source: Woodworks Carbon Calculator Documentation.

<sup>3</sup> | Source: 2020 FP Innovations. Modeled on base case.



# The Power of our Strategy is Evidenced by our Strong Financial Performance

## POTLATCHDELTIC HISTORICAL ADJUSTED EBITDDA<sup>1</sup>



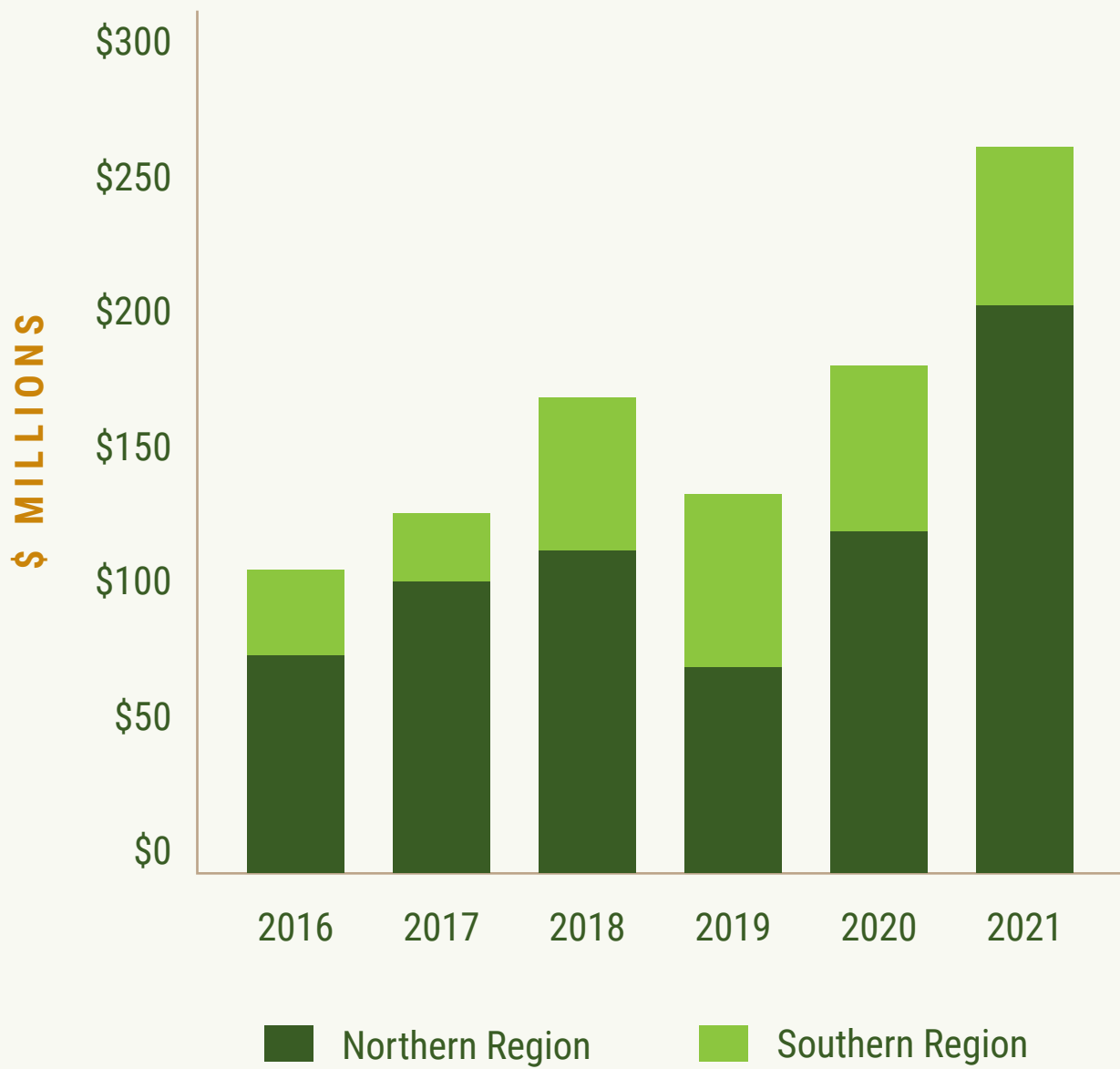
Our well-managed portfolio of assets and our business strategy are well-aligned with favorable housing fundamentals. Our **HIGHEST DIRECT LEVERAGE** to lumber prices resulted in record annual Adjusted EBITDDA in 2020 and 2021.

<sup>1</sup> | Non-GAAP measure; definition and reconciliations to GAAP can be found in this section.

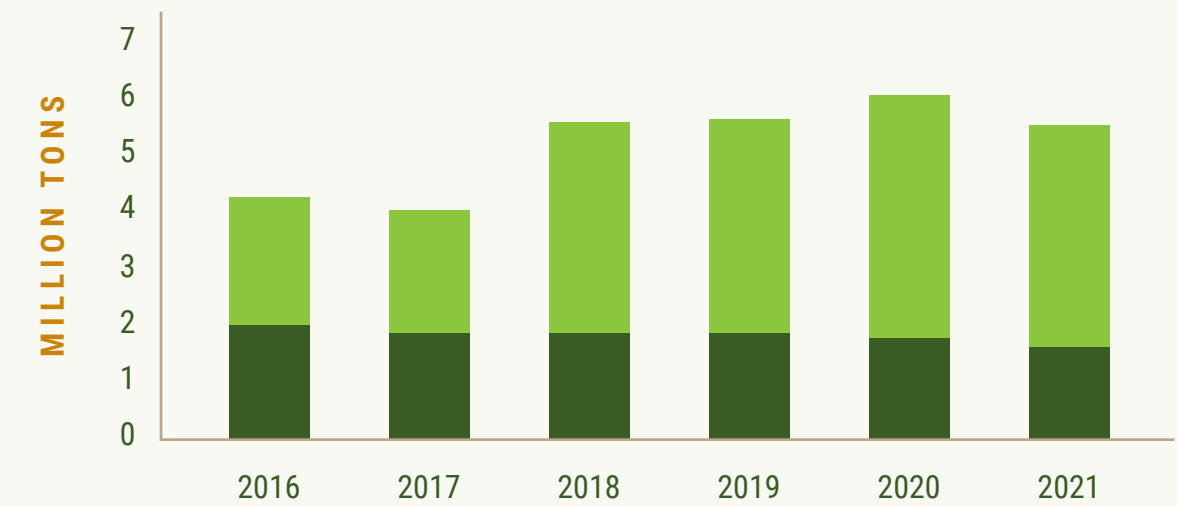


# Timberlands Segment Adjusted EBITDDA

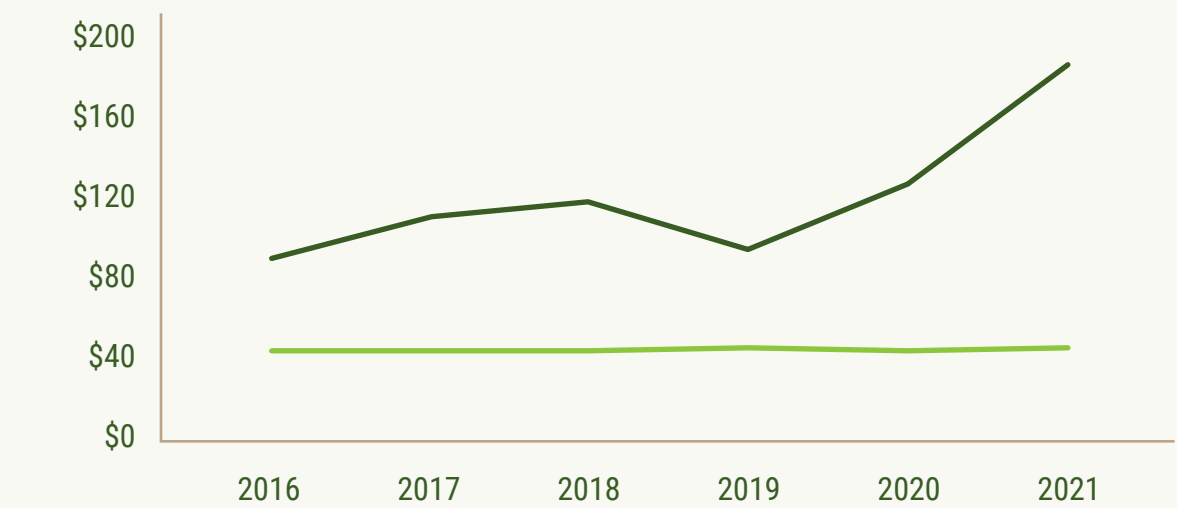
TIMBERLANDS ADJUSTED EBITDDA HISTORY<sup>1,2</sup>



TIMBERLANDS HARVEST<sup>2</sup>



SAWLOG PRICES



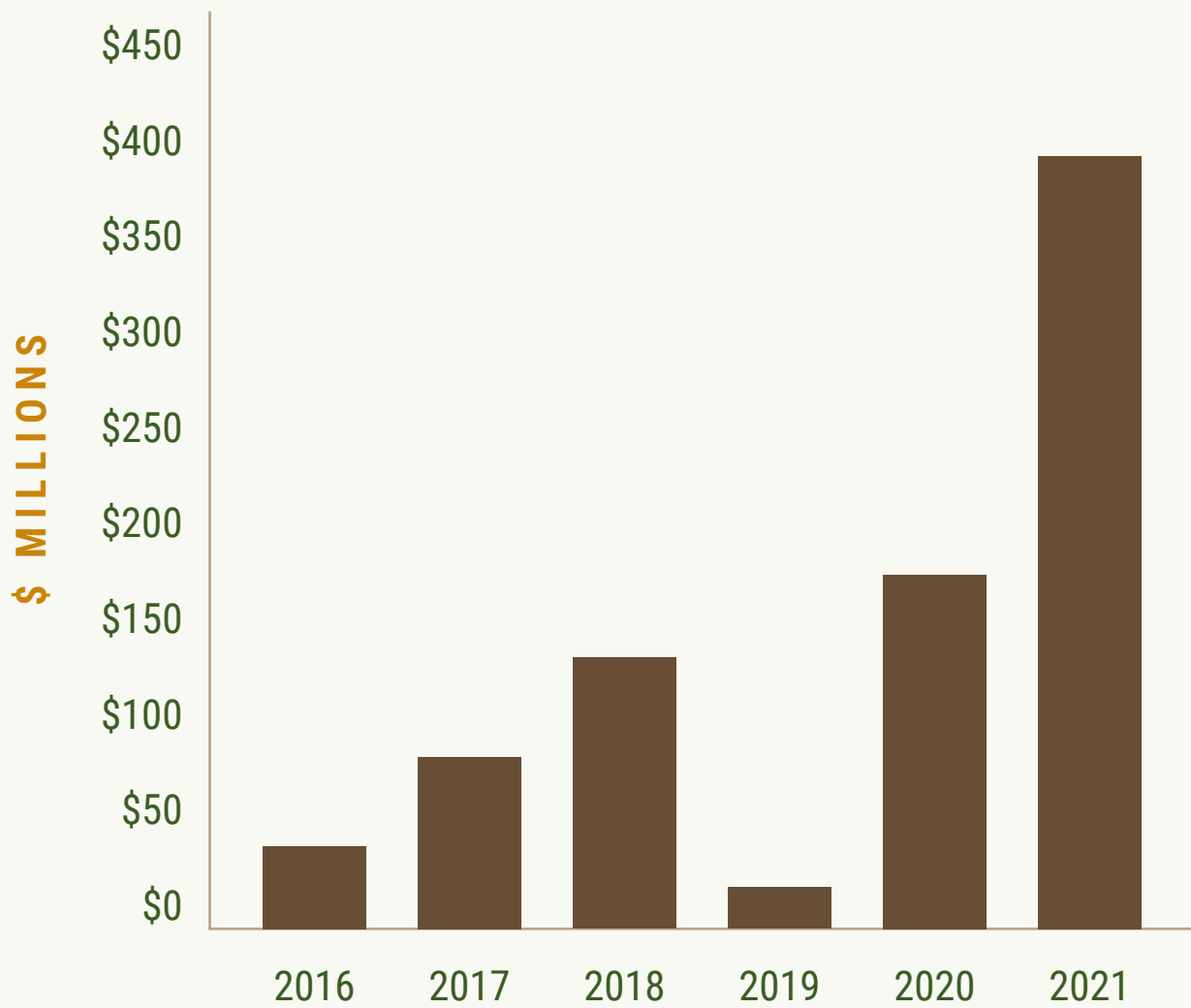
Our Timberlands adjusted EBITDDA has increased due to higher log prices in Idaho and expansion of our ownership in the central U.S. South. Timberlands provide stability and support a sustainable growing dividend.

<sup>1</sup> | Non-GAAP measure; definition and reconciliations to GAAP can be found in this section.

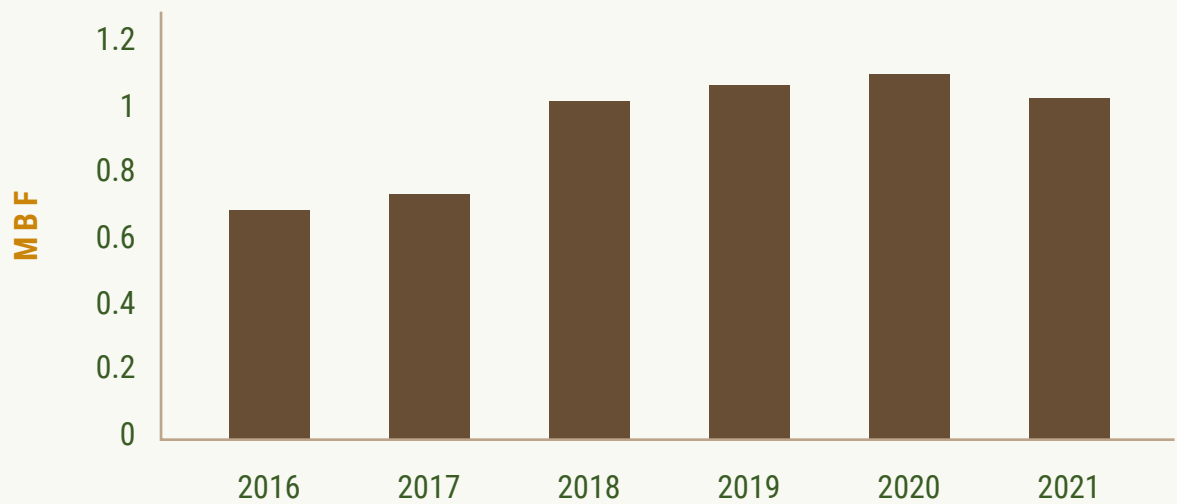
<sup>2</sup> | Deltic included for 10 months in 2018; extraordinary wet weather reduced 2019 harvest, Ola Arkansas sawmill fire reduced 2021 harvest.

# Wood Products Segment Adjusted EBITDDA

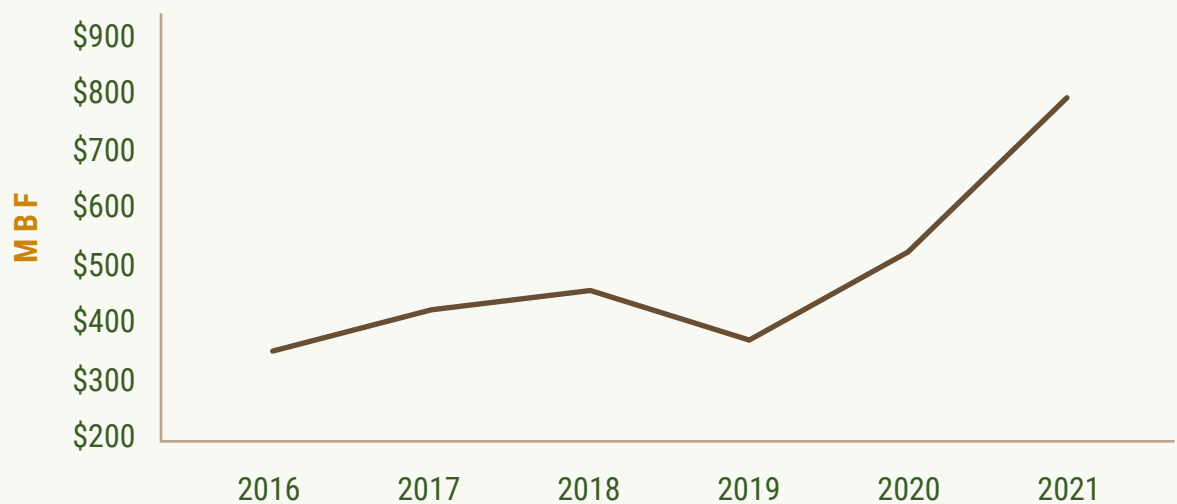
WOOD PRODUCTS ADJUSTED EBITDDA HISTORY<sup>1,2</sup>



WOOD PRODUCT SHIPMENTS (MBF)<sup>2</sup>



WOOD PRODUCTS LUMBER PRICES (MBF)



Our Wood Products adjusted EBITDDA has increased due to strong lumber prices and capacity expansion. We added two sawmills in the 2018 Deltic merger, and we regularly invest in high return capital projects. We expect lumber prices to be **STRUCTURALLY HIGHER** due to favorable housing fundamentals and constrained supply.

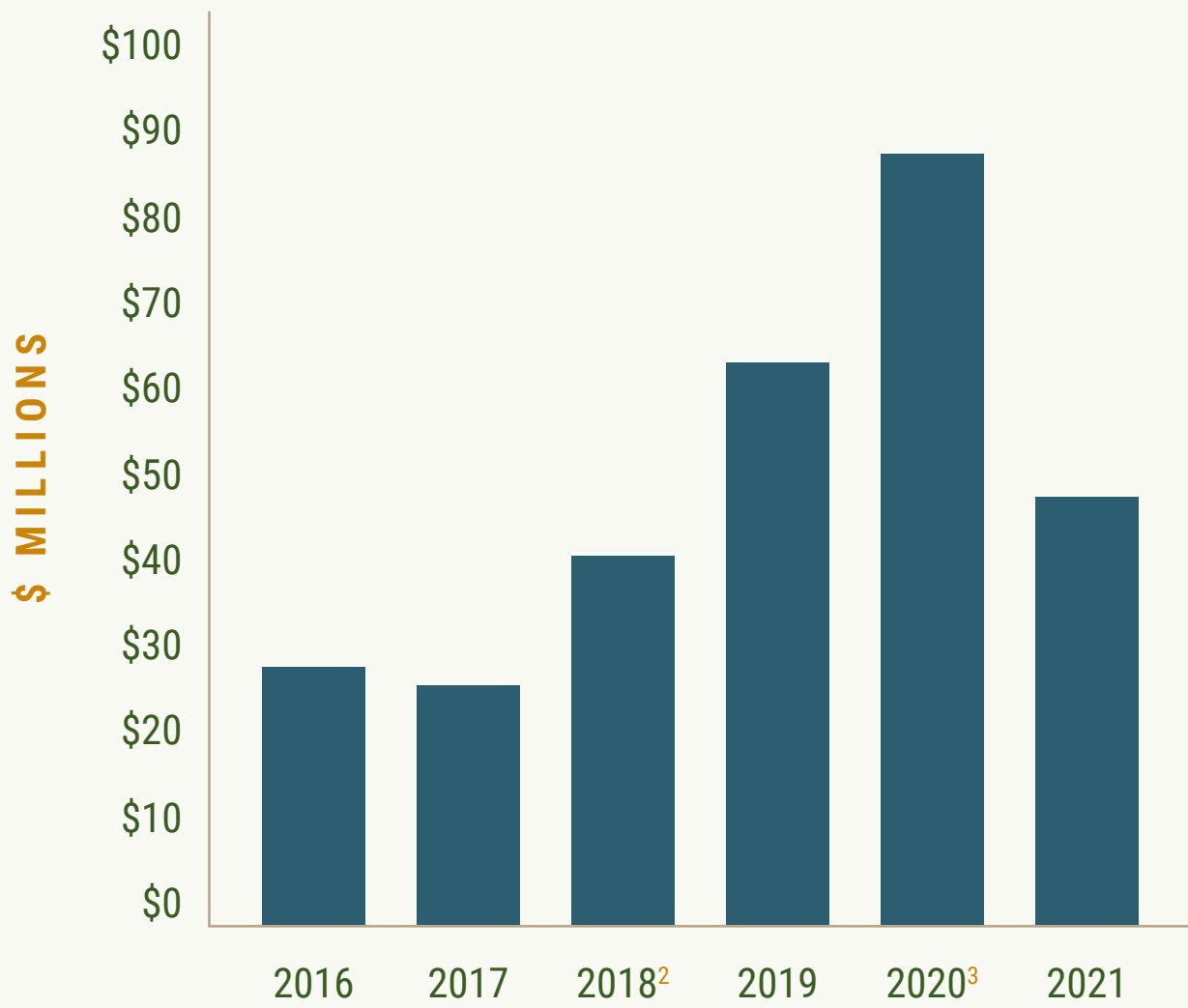
<sup>1</sup> | Non-GAAP measure; definition and reconciliations to GAAP can be found in this section.

<sup>2</sup> | Deltic included for 10 months in 2018.

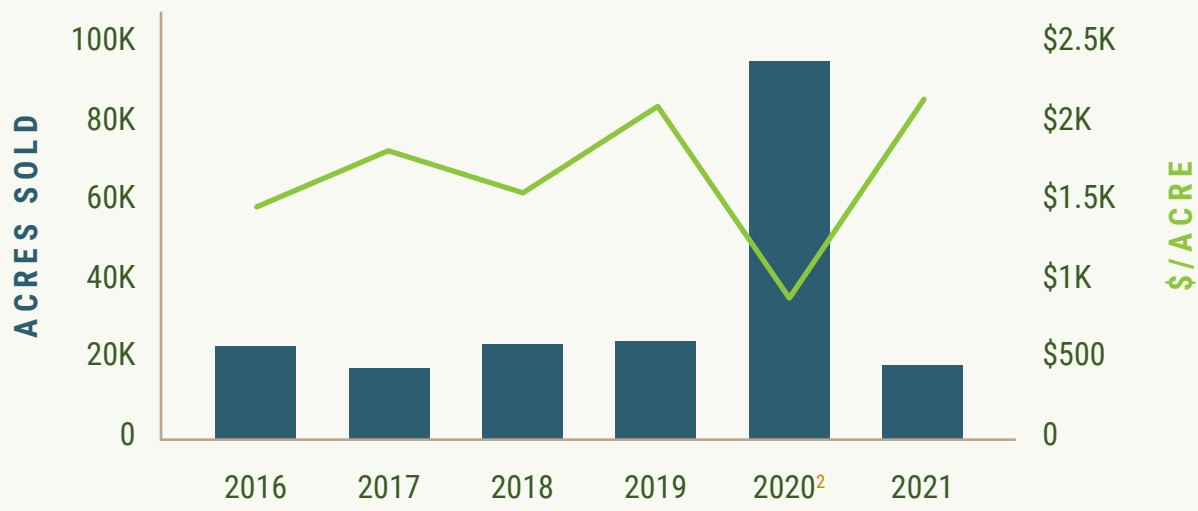


# Real Estate Segment Adjusted EBITDDA

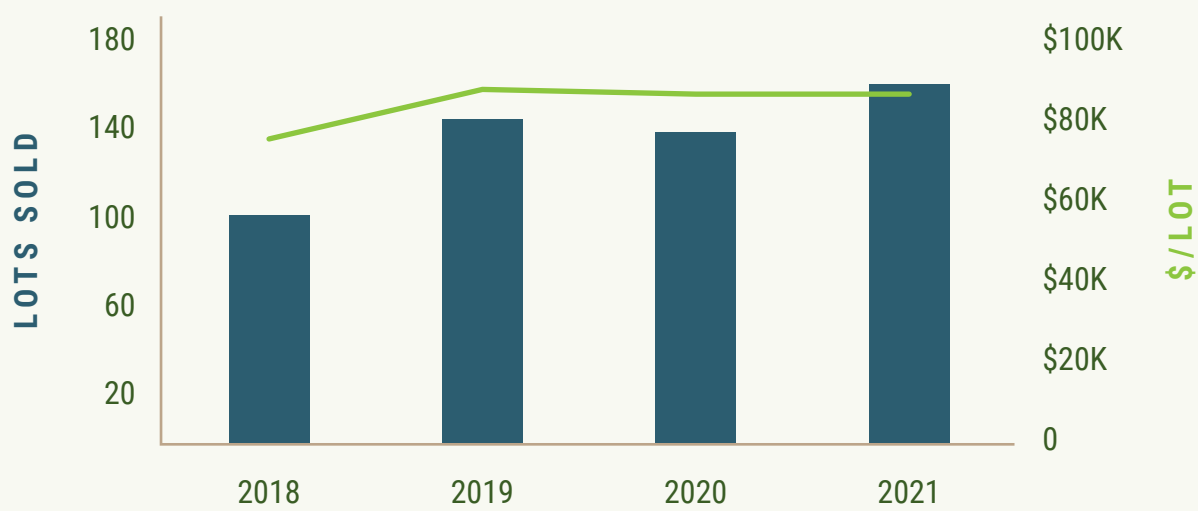
REAL ESTATE ADJUSTED EBITDDA HISTORY<sup>1</sup>



RURAL SALES (Excludes the acres sold in the 2016 Central Idaho liquidation transaction)



RESIDENTIAL SALES



Our Real Estate team creates value with opportunistic rural land sales and effective management of our Chenal Valley master-planned community in Little Rock, Arkansas. Notable sales included approximately 1,800 acres in Arkansas for nearly \$20 million in 2019 and approximately 72,000 acres in Minnesota to The Conservation Fund for nearly \$48 million in 2020.

<sup>1</sup> | Non-GAAP measure; definition and reconciliations to GAAP can be found in this section.  
<sup>2</sup> | Deltic included for 10 months in 2018.  
<sup>3</sup> | Completed sale of ~72,000 acres in Minnesota for ~\$48MM in Q4 2020.

# Adjusted EBITDDA Reconciliation

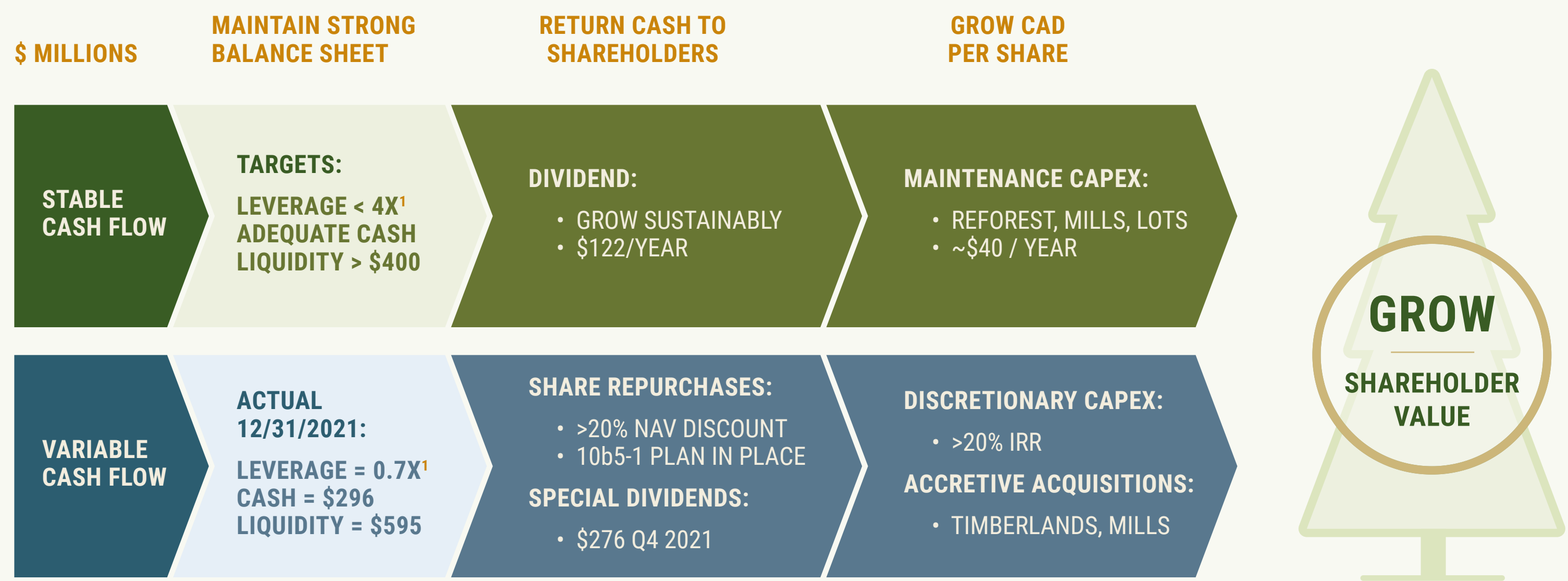
		\$ MILLIONS					
		2016	2017	2018	2019	2020	2021
TIMBERLANDS	Northern Timberlands operating income	\$65	\$94	\$105	\$63	\$114	\$197
	Depreciation, depletion and amortization	10	8	9	8	8	8
	Northern Timberlands EBITDDA	\$75	\$102	\$114	\$71	\$122	\$205
	Southern Timberlands operating income	\$17	\$12	\$16	\$25	\$18	\$20
	Depreciation, depletion and amortization	14	13	40	38	43	38
	Southern Timberlands EBITDDA	\$31	\$25	\$56	\$63	\$61	\$58
Timberlands Segment Adjusted EBITDDA		\$106	\$127	\$170	\$134	\$183	\$263
WOOD PRODUCTS	Operating income (loss)	\$25	\$73	\$108	(\$10)	\$152	\$363
	Depreciation, no-cash impairments & eliminations	7	7	23	23	24	31
	Wood Products Segment Adjusted EBITDDA	\$32	\$80	\$131	\$13	\$176	\$394
REAL ESTATE	Operating income <sup>1</sup>	\$19	\$19	\$23	\$43	\$60	\$20
	Basis of real estate sold and depreciation	8	7	17	20	27	28
	Real Estate Segment Adjusted EBITDDA	\$27	\$26	\$40	\$63	\$87	\$48
CORPORATE	Corporate expense	(\$28)	(\$43)	(\$63)	(\$37)	(\$50)	(\$48)
	Depreciation and eliminations	(3)	(2)	(5)	6	(14)	(4)
	Special items <sup>2</sup>	-	8	24	-	-	-
	Total Adjusted EBITDDA	\$134	\$196	\$297	\$179	\$382	\$653

<sup>1</sup> | Excludes the 2016 central Idaho timberland sale.

<sup>2</sup> | Special items include Deltic merger costs of \$3 million and environmental charge of \$5 million in 2017 and Deltic merger costs of \$22 million and inventory purchase price adjustment of \$2 million in 2018.



# We are Focused on Growing Shareholder Value Over the Long Term Through a Balanced Capital Allocation Strategy



2014-2021

DIVIDENDS	SHARE REPURCHASES	ACQUISITIONS	CAPEX
\$993	\$46	\$1.9	\$331
MILLION <sup>2</sup>	MILLION	BILLION	MILLION

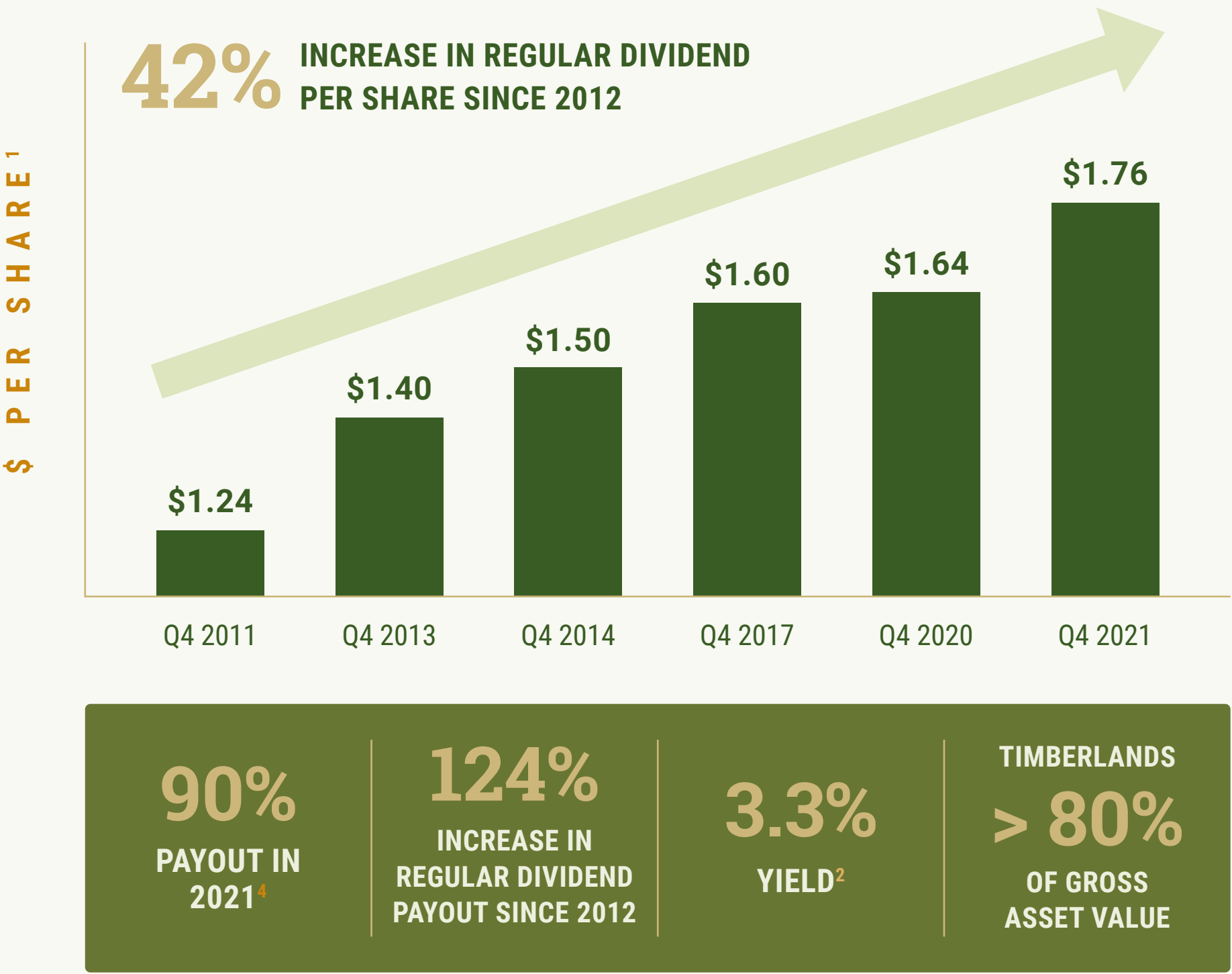
1 | EBITDDA leverage is a non-GAAP measure and target is through a cycle; see appendix for definition.

2 | Includes a \$4 per share, or \$276 million, special dividend.

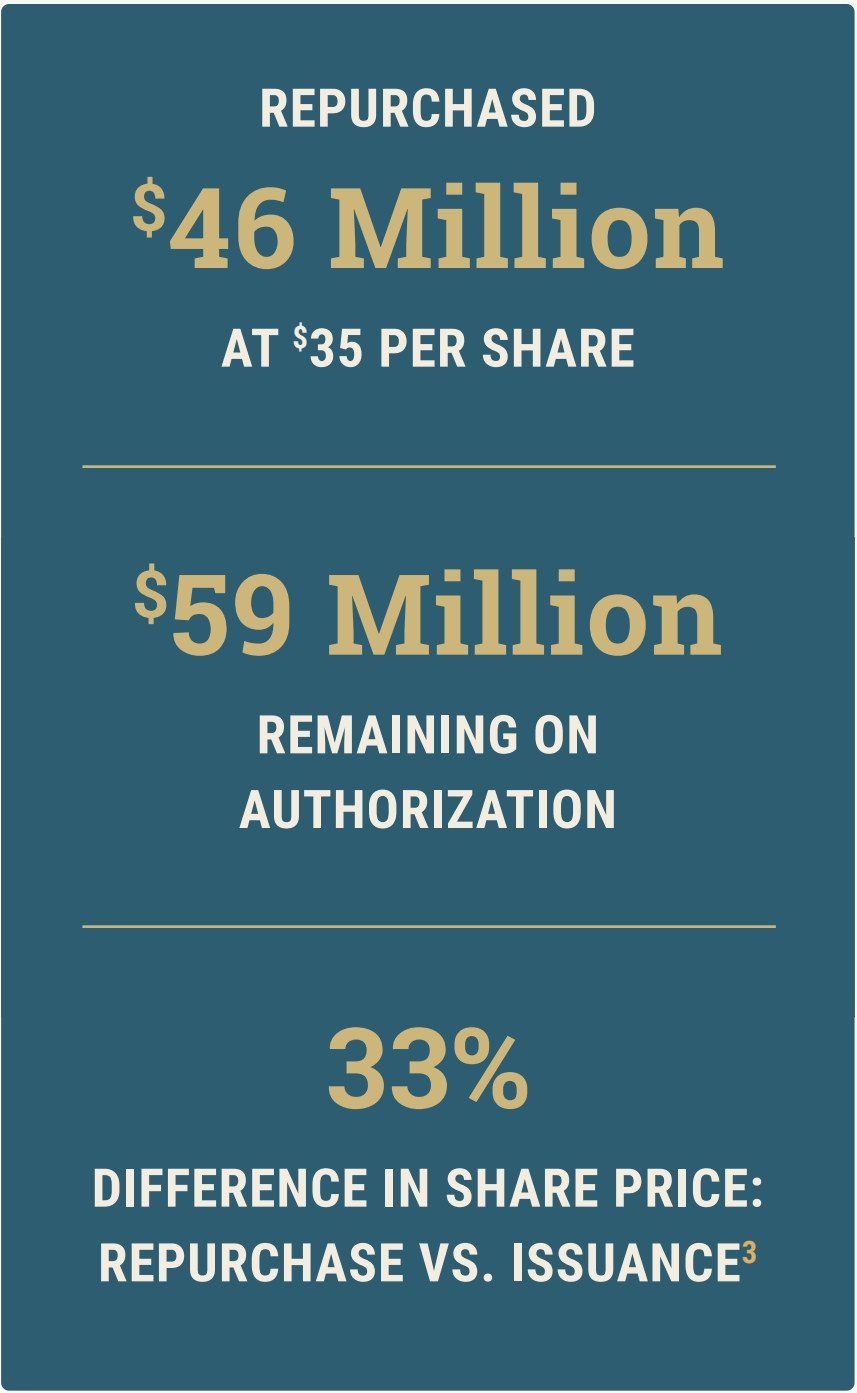


# Returning Cash to Shareholders Through a Sustainable, Growing Dividend and Opportunistic Share Repurchases is a Key Part of our Value Proposition

## SUSTAINABLE AND GROWING DIVIDENDS



## OPPORTUNISTIC SHARE REPURCHASES

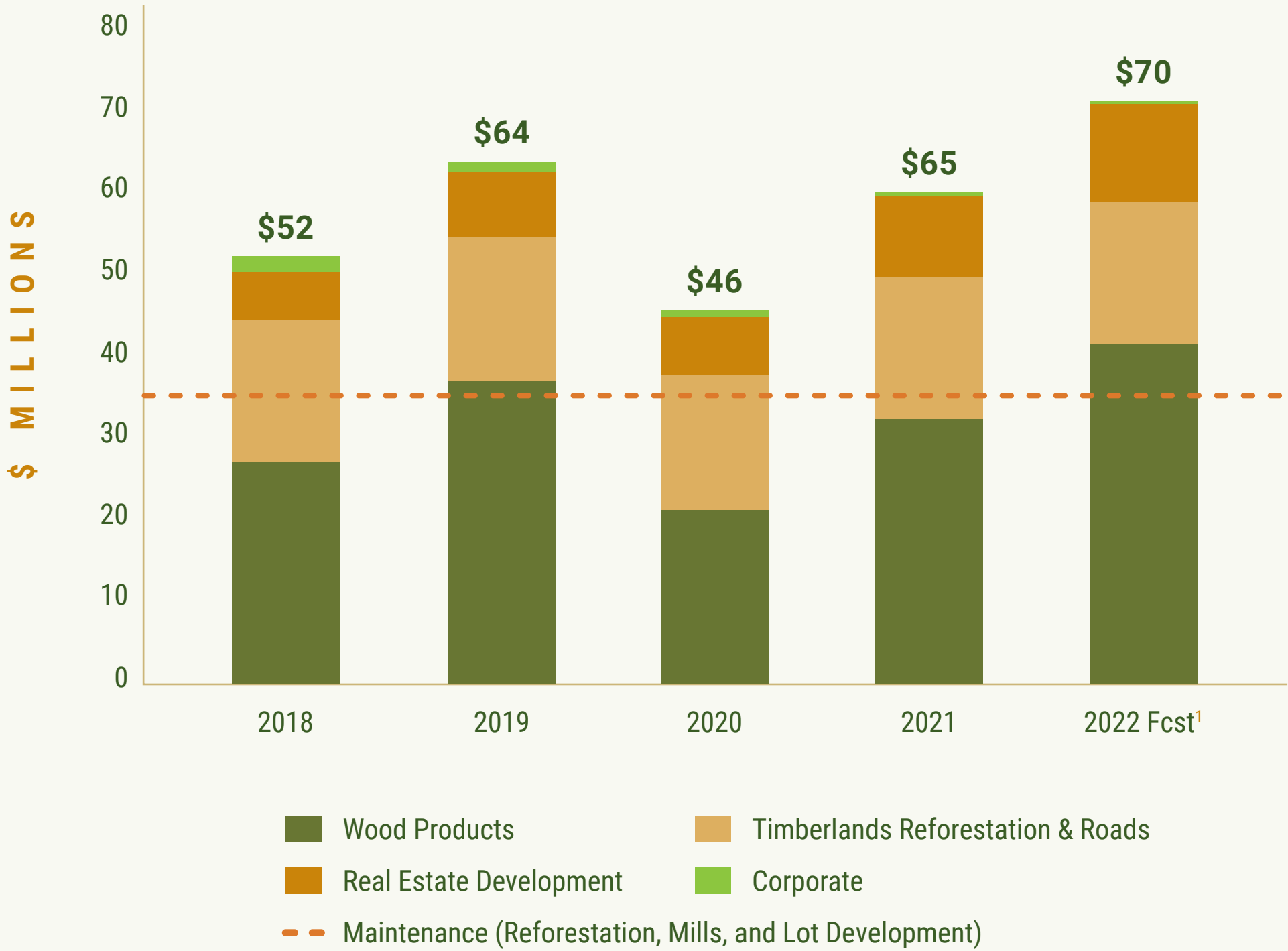


<sup>1</sup> | Annual run rate.  
<sup>2</sup> | Based on closing stock price of \$53.79 on February 1, 2022.  
<sup>3</sup> | We issued 22 million shares at \$52 per share in 2018 to consummate the Deltic Timber merger.  
<sup>4</sup> | Includes \$276 million special dividend.



# We are Growing Our Business in a Disciplined Way Over Time

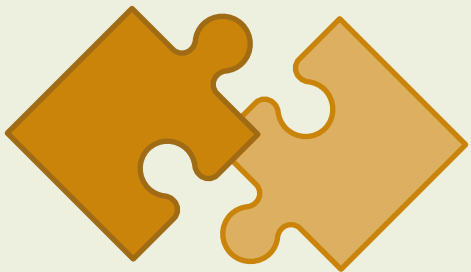
## CAPITAL EXPENDITURES



## KEY MERGERS & ACQUISITIONS



MISSISSIPPI/ALABAMA  
ACQUISITIONS 2014



DELTIC TIMBER  
MERGER 2018



LOUTRE TIMBER  
MERGER 2021

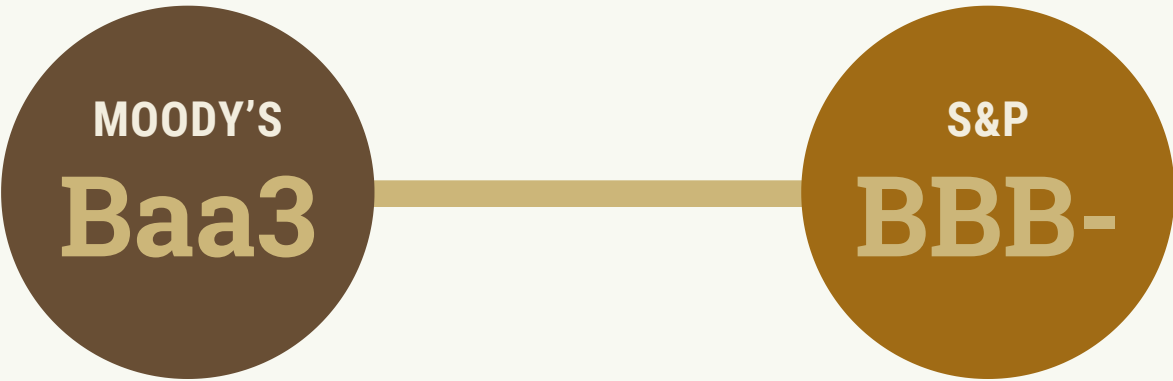
<sup>1</sup> | 2022 Forecast based on current management expectations. Includes \$15M for the Ola, Arkansas sawmill rebuild. The Ola Sawmill rebuild funding is mostly covered by insurance.



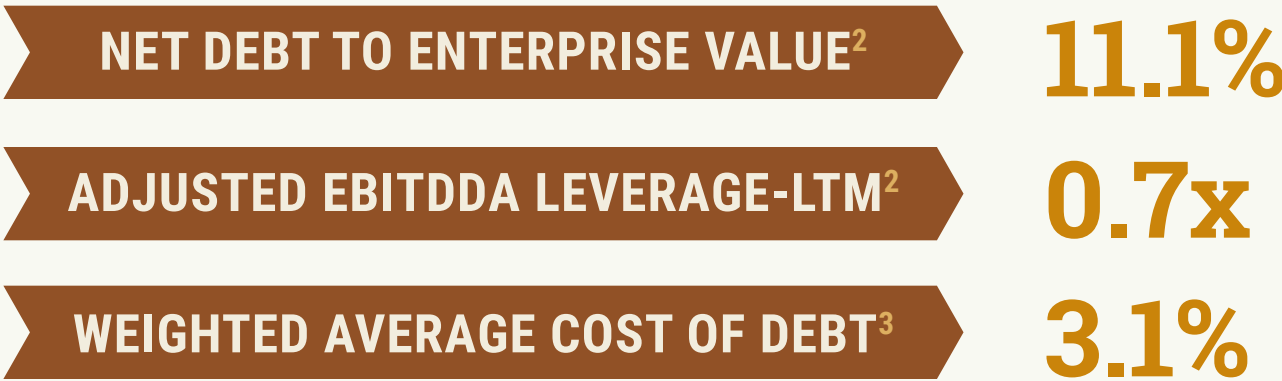
# Maintaining a Strong Balance Sheet and Ample Liquidity Provides the Flexibility to be Opportunistic

\$ MILLIONS	Market Cap <sup>1</sup>	Debt	Cash	Enterprise Value	\$595 Million
	\$3,715	\$758	(\$296)	\$4,177	LIQUIDITY

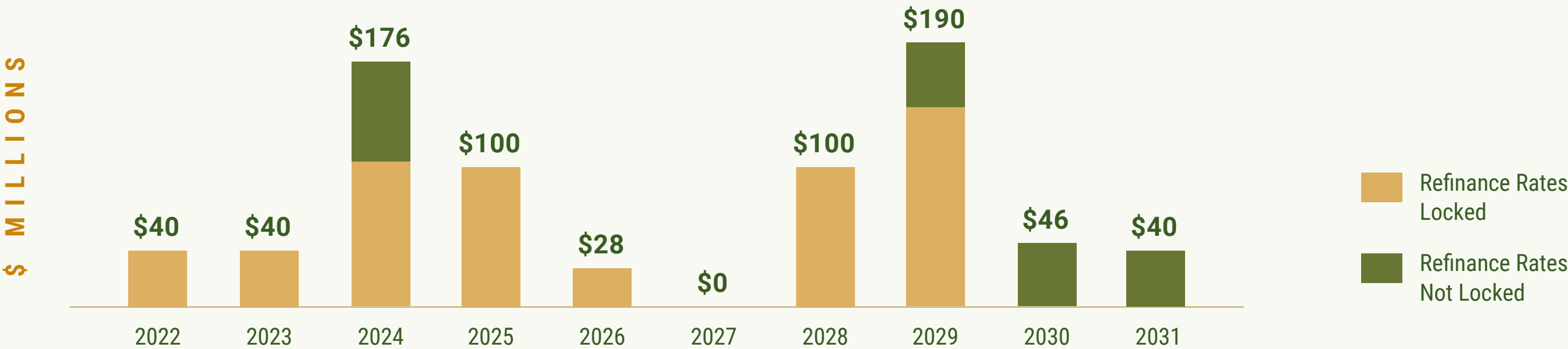
## INVESTMENT GRADE



## DEBT METRICS



## NO SIGNIFICANT NEAR-TERM DEBT MATURITIES



<sup>1</sup> | Based on closing stock price of \$53.79 at February 1, 2022.  
<sup>2</sup> | Adjusted EBITDDA leverage and net debt to enterprise value are non-GAAP measures. See appendix for definitions.  
<sup>3</sup> | Weighted average cost of debt excludes amortization of deferred issuance costs and credit facility fees and includes annual estimated patronage credit on term loan debt.



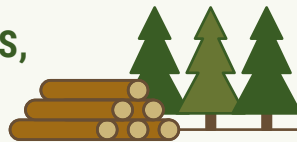
# We are Committed to Environmental and Social Responsibility and to Responsible Governance

## ENVIRONMENTAL<sup>1</sup>



LONG-TERM SUSTAINABLE FOREST MANAGEMENT PLANS INCORPORATE BEST MANAGEMENT PRACTICES

HARVESTED **3.2%** OF TIMBERLANDS, INCLUDING THINNING



**22 Million** SEEDLINGS PLANTED

FORESTRY PRACTICES **100% Third Party Certified**

PROTECTED ENDANGERED SPECIES AND PROMOTED BIOLOGICAL DIVERSITY



PROTECTED **2,300** MILES OF RIVERS AND STREAMS

RENEWABLE ENERGY **43%** OF TOTAL USED AT FACILITIES

## SOCIAL<sup>1</sup>



FOCUSED ON DIVERSITY AND INCLUSION



WOMEN CONSTITUTE **30%** OF OUR SALARIED ROLES



WORKFORCE DEVELOPMENT

OUR WOOD PRODUCTS TCIR IS **1.6** OUR SAFETY ASPIRATION IS **Zero** INCIDENTS



VPP STATUS AT **4 of 7** FACILITIES

CONNECTED TO OUR COMMUNITIES



NEARLY ALL TIMBERLANDS AVAILABLE FOR PUBLIC ACCESS AND RECREATION

## GOVERNANCE<sup>1</sup>



INDEPENDENT BOARD OF DIRECTORS



**33%** WOMEN DIRECTORS

**ESG Governance** INCORPORATES CROSS-FUNCTIONAL TEAMS AND BOARD OVERSIGHT



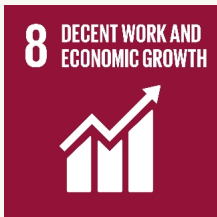
COMPREHENSIVE POLICIES REFLECT OUR HIGH STANDARDS AND ETHICS

ENTERPRISE RISK MANAGEMENT FRAMEWORK, INCLUDING CLIMATE RISKS



PUBLIC ADVOCACY AND PARTICIPATION IN **Over 30** RESEARCH ORGANIZATIONS AND COALITIONS

## CORE UNITED NATIONS SDGS



## SUPPORTED UNITED NATIONS SDGS

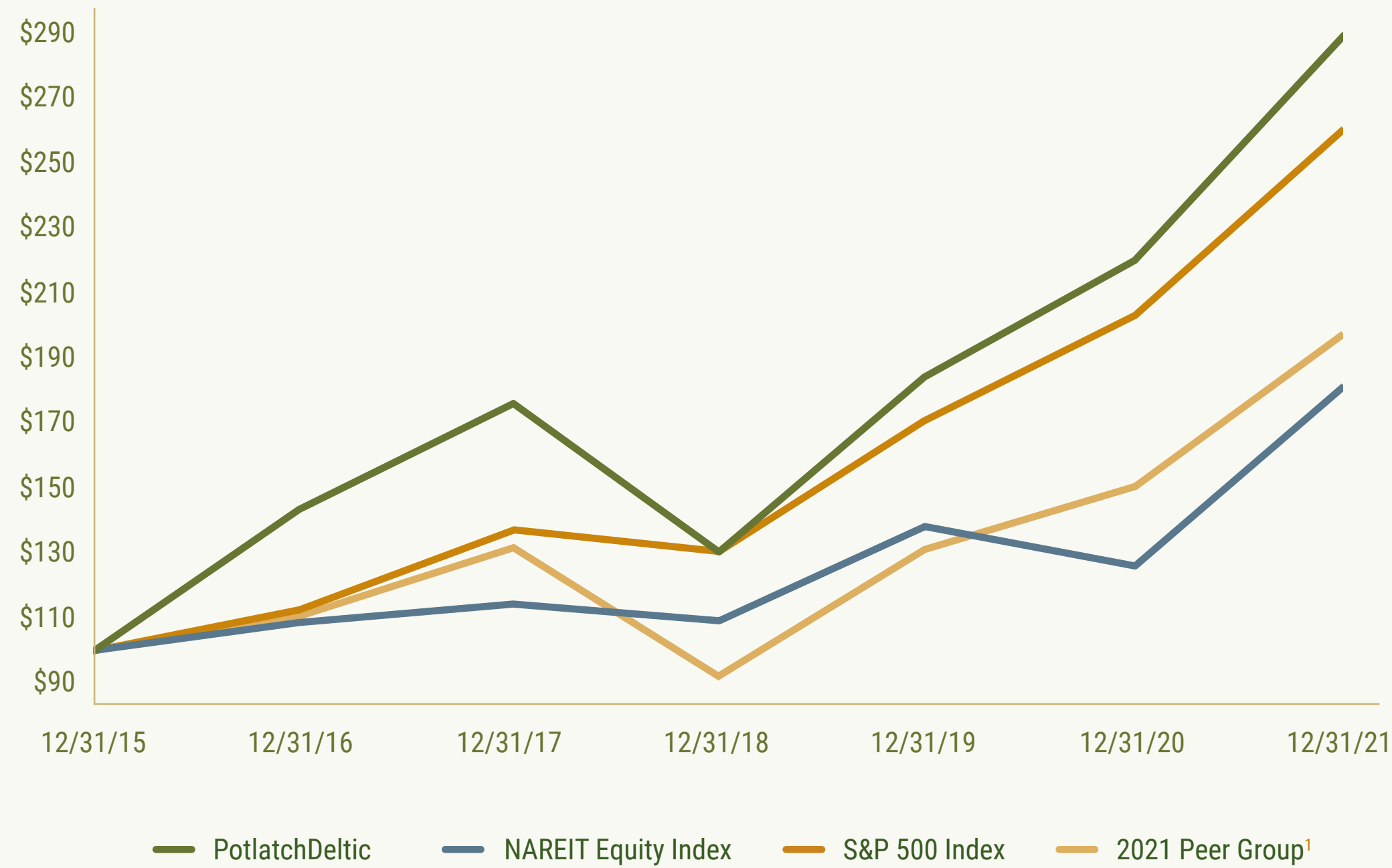


<sup>1</sup> | Data from 2020 ESG Report. Percentage women Directors as of December 31, 2021. Seedlings planted and women in salaried roles are for 2021.

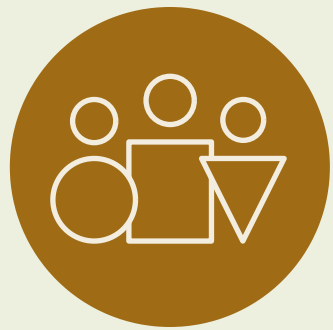


# Superior Financial, ESG and Capital Allocation Performance Benefits all PotlatchDeltic Stakeholders, Now and Long into the Future

## TOTAL SHAREHOLDER RETURN



Environmental  
Responsibility



Social  
Responsibility



Responsible  
Governance

<sup>1</sup> | Peer Group: RYN, JOE, UFPI, WY.



# Definitions

## **TOTAL ADJUSTED EBITDAA**

is a non-GAAP measure and is calculated as net income adjusted for interest expense, income taxes, depletion, depreciation and amortization, basis of real estate sold, non-operating pension and other post-retirement benefit costs, pension settlement charge, gains and losses on disposition of fixed assets, net gains and losses on fire damage, and other special items.

Throughout this presentation, references to EBITDDA are intended to be Adjusted EBITDDA.

## **ADJUSTED EBITDDA LEVERAGE**

is a non-GAAP measure and is calculated as net debt divided by Total Adjusted EBITDDA.

## **SEGMENT ADJUSTED EBITDDA**

is a non-GAAP measure and is calculated as segment operating income (loss) adjusted for depletion, depreciation and amortization, basis of real estate sold, gains and losses on disposition of fixed assets, non-cash impairments and other special items.

## **CASH AVAILABLE FOR DISTRIBUTION (CAD)**

is a non-GAAP measure and is calculated as cash from operations minus capital expenditures and timberland acquisitions not classified as strategic.

## **NET DEBT TO ENTERPRISE VALUE**

is a non-GAAP measure and is calculated as net debt divided by enterprise value. Net Debt is a non-GAAP measure and, is calculated as long-term debt (plus long-term debt due within a year), less cash and cash equivalents.

## **SFI®**

is Sustainable Forestry Initiative®

## **FSC®**

is Forest Stewardship Council®



# Forward-Looking Statements & Non-GAAP Measures

## FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as amended, including without limitation, statements about the company's business model, effect of change in lumber prices on annual EBITDDA, expected continuation of favorable industry fundamentals, estimated future harvest volumes, timberland productivity, percentage of acres harvested and number of seedlings planted each year, percent of Idaho sawlogs indexed to the price of lumber, amount of carbon removed and sequestered and greenhouse gas emitted each year, climate change risks and opportunities, maintenance of third-party environmental and safety certifications, percentage of merchantable timber inventory that is comprised of sawlogs, percent of sawlogs used internally, manufacturing capacity and expansions, effect of change in log prices on company cash generation, U.S. South sawlog growth versus drain projections, lumber volume growth trends, forecasted lumber shipments and prices, North American lumber demand and production, anticipated efficiency gains and reduced costs upon completion of the Ola sawmill rebuild, and expected dates for restarting the mill and reaching full operation, projected U.S. demand for mass timber and benefits and carbon impact resulting from mass timber use, expectations regarding the US/Canadian softwood lumber import duties, anticipated European lumber imports, forecasted real estate sales, real estate business potential and land development potential, capital allocation, growing dividend and dividend yield, share repurchases, future capital expenditures and anticipated return on capital expenditures, debt metrics and anticipated interest rates, investment grade credit rating, future company performance, the U.S. housing market, including housing starts, housing resales and affordability, repair and remodel activity, and similar matters. These forward-looking statements are based on current expectations, estimates, assumptions and projections that are subject to change, and actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, changes in: timberland values, timber harvest levels on the company's lands, timber prices, policy regarding governmental timber sales, the United States and international economies, U.S. job growth, U.S. bank lending practices, the level of domestic construction activity, international tariffs, quotas, and trade agreements involving wood products, domestic and international demand for wood products, production and production capacity in the forest products industry, competitive pricing pressures for the company's products, general and industryspecific environmental laws and regulations, fuel and energy costs, raw material and other costs, and tax laws that could reduce the benefits associated with REIT status. Results may also differ materially because of unanticipated manufacturing interruptions, unforeseen environmental liabilities or expenditures, climate change and weather conditions, an inability to satisfy complex rules in order to remain qualified as a REIT, other events beyond our control, such as the impact of disease epidemics and pandemics, such as the outbreak of Covid-19 and its variants, governmental responses to such outbreaks, and anticipated recovery from the pandemic on our business, suppliers, customers and employees, and other risks and uncertainties described from time to time in the company's public filings with the Securities and Exchange Commission. All forward-looking statements are made as of the date of this presentation, and the company does not undertake to update any forward-looking statements.

## NON-GAAP MEASURES

This presentation presents non-U.S. GAAP financial information. A reconciliation of those numbers to U.S. GAAP is included in this presentation which is available on the company's website at [www.PotlatchDeltic.com](http://www.PotlatchDeltic.com).





**Jerry Richards**

**VICE PRESIDENT & CHIEF FINANCIAL OFFICER**

**509.835.1521**

**POTLATCHDELTIC.COM**

**NASDAQ: PCH**

**Q1 2022**