

An aerial photograph of a vast, green forested landscape. In the center, a small, irregularly shaped lake is surrounded by dense trees. The terrain is hilly and covered in a thick canopy of green. A large, semi-transparent geometric overlay, consisting of several overlapping triangles and polygons in shades of blue and grey, is positioned on the right side of the image. Two horizontal tan-colored bars are overlaid on the bottom left of the image, containing the text 'INVESTOR' and 'PRESENTATION' in white, bold, sans-serif capital letters.

# INVESTOR PRESENTATION

April 2022



**Financial Information:** The financial information related to West Fraser contained in this Presentation is derived from our Q1 2022 Interim Financial Statements, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and is discussed in our Managements’ Discussion and Analysis (“MD&A”) for the three months ended March 31, 2022 (our “Q1 2022 MD&A”). Additional information is also discussed in our MD&A for year ended December 31, 2021 (our “2021 Annual MD&A”). This Presentation uses various Non-GAAP and other specified financial measures, including “Adjusted EBITDA”, “Adjusted EBITDA by segment”, “Adjusted EBITDA margin”, “available liquidity”, “net debt to capital”, and “expected capital expenditures”. Additional information relating to the use of these Non-GAAP and other specified financial measures, including required reconciliations, is set out in the section of our Q1 2022 MD&A entitled “Non-GAAP and Other Specified Financial Measures”. Our Q1 2022 MD&A and 2021 Annual MD&A are available on the Company’s website at [www.westfraser.com](http://www.westfraser.com), on SEDAR at [www.sedar.com](http://www.sedar.com) and on the EDGAR section of the SEC website at [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml).


**Forward Looking Statements:** This Presentation includes statements and information that constitutes “forward-looking information” within the meaning of Canadian securities laws and “forward-looking statements” within the meaning of United States securities laws (collectively, “forward-looking statements”). Forward-looking statements include statements that are forward-looking or predictive in nature and are dependent upon or refer to future events or conditions. These forward-looking statements generally include statements which reflect management’s expectations regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of West Fraser and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods. Forward-looking statements are included in the following slides in this Presentation:

• 2022 Outlook	• Summary	• Reasons to Invest in West Fraser	• Lower-variability Specialty OSB Business
• Realizing Growth and Geographic Expansion in Europe	• U.S. Housing Start Estimates	• U.S. Leading Indicator of Remodeling Activity	• Mass Timber
• North American OSB Capacity	• West Fraser’s Growth Strategy	• ~\$175M Dudley Mill Expansion	• ~\$200M Inverness Mill Expansion
• ~\$300M Acquisition of Angelina	• ~\$280M Acquisition of GP OSB Mill	• Committing to SBTi Process	• Committing Capital to Achieve GHG Goals
• Analyst Estimates	• Estimated Earnings Sensitivity		

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts, and other forward-looking statements will not occur. Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: (1) assumptions in connection with the economic and financial conditions in the U.S., Canada, Europe and globally and consequential demand for our products, including the impact of the conflict in the Ukraine and increases in interest rates and global supply chain issues; (2) risks inherent in our product concentration and cyclicity; (3) effects of competition and product pricing pressures, including continued access to log supply and fibre resources at competitive prices and the impact of third-party certification standards; (4) effects of variations in the price and availability of manufacturing inputs and energy, including continued access to log supply and fibre resources at competitive prices and the impact of third-party certification standards and the impact of inflationary pressures on the costs of these manufacturing costs, including increases in stumpage fees and log costs; (5) availability and costs of transportation services, including truck and rail services, and port facilities, and impacts on transportation services of wildfires and severe weather events, and the impacts of increased energy prices on costs of transportation services; (6) various events that could disrupt operations, including natural, man-made or catastrophic events, including wildfires and any state of emergency and/or evacuation orders and ongoing relations with employees; (7) risks inherent to customer dependence; (8) impact of future cross border trade rulings or agreements; (9) implementation of important strategic initiatives and identification, completion and integration of acquisitions; (10) impact of changes to, or non-compliance with, environmental or other regulations; (11) the impact of the COVID-19 pandemic on our operations and on customer demand, supply and distribution and other factors; (12) government restrictions, standards or regulations intended to reduce greenhouse gas emissions; (13) changes in government policy and regulation and the impact of these actions on our timber supply; (14) impact of weather and climate change on our operations or the operations or demand of our suppliers and customers; (15) ability to implement new or upgraded information technology infrastructure; (16) impact of information technology service disruptions or failures; (17) impact of any product liability claims in excess of insurance coverage; (18) risks inherent to a capital intensive industry; (19) impact of future outcomes of tax exposures; (20) potential future changes in tax laws, including tax rates; (21) effects of currency exposures and exchange rate fluctuations; (22) future operating costs; (23) availability of financing, bank lines, securitization programs and/or other means of liquidity; (24) continued integration of the Norbord business; (25) continued access to timber supply in the traditional territories of Indigenous Nations; (26) the extent to which shareholders tender under our SIB, and the prices at which shares are tendered; (27) a determination by us that the conditions for completion of the SIB have not been satisfied, (28) the risks described in our 2021 Annual MD&A, as supplemented by our Q1 2022 MD&A; and (29) other risks detailed from time-to-time in our annual information forms, annual reports, MD&A, quarterly reports and material change reports filed with and furnished to securities regulators.

In addition, actual outcomes and results of these statements will depend on a number of factors, including those matters described above, and may differ materially from those anticipated or projected. This list of important factors affecting forward-looking statements is not exhaustive, and reference should be made to the other factors discussed in public filings with securities regulatory authorities. Accordingly, readers should exercise caution in relying upon forward-looking statements, and we undertake no obligation to update or revise any forward-looking statements publicly, whether written or oral, to reflect subsequent events or circumstances except as required by applicable securities laws.



A construction worker wearing a red long-sleeved shirt, a white hard hat, and safety glasses is working on a wooden frame structure. He is holding a vertical wooden beam with both hands. The background shows a clear blue sky and the skeletal structure of a building under construction. The text "Q1 2022 Earnings Summary" is overlaid on the right side of the image.

# Q1 2022 Earnings Summary

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# Consolidated Financial Results

US\$ Millions Adjusted EBITDA*	Q1-22	Q4-21
Lumber	\$ 796	\$ 240
EWP – North America	730	343
Pulp & Paper	(15)	(14)
EWP – Europe	78	61
Corporate/Other	3	(15)
<b>Total</b>	<b>\$ 1,592</b>	<b>\$ 615</b>
Adjusted EBITDA margin**	<b>51%</b>	<b>30%</b>

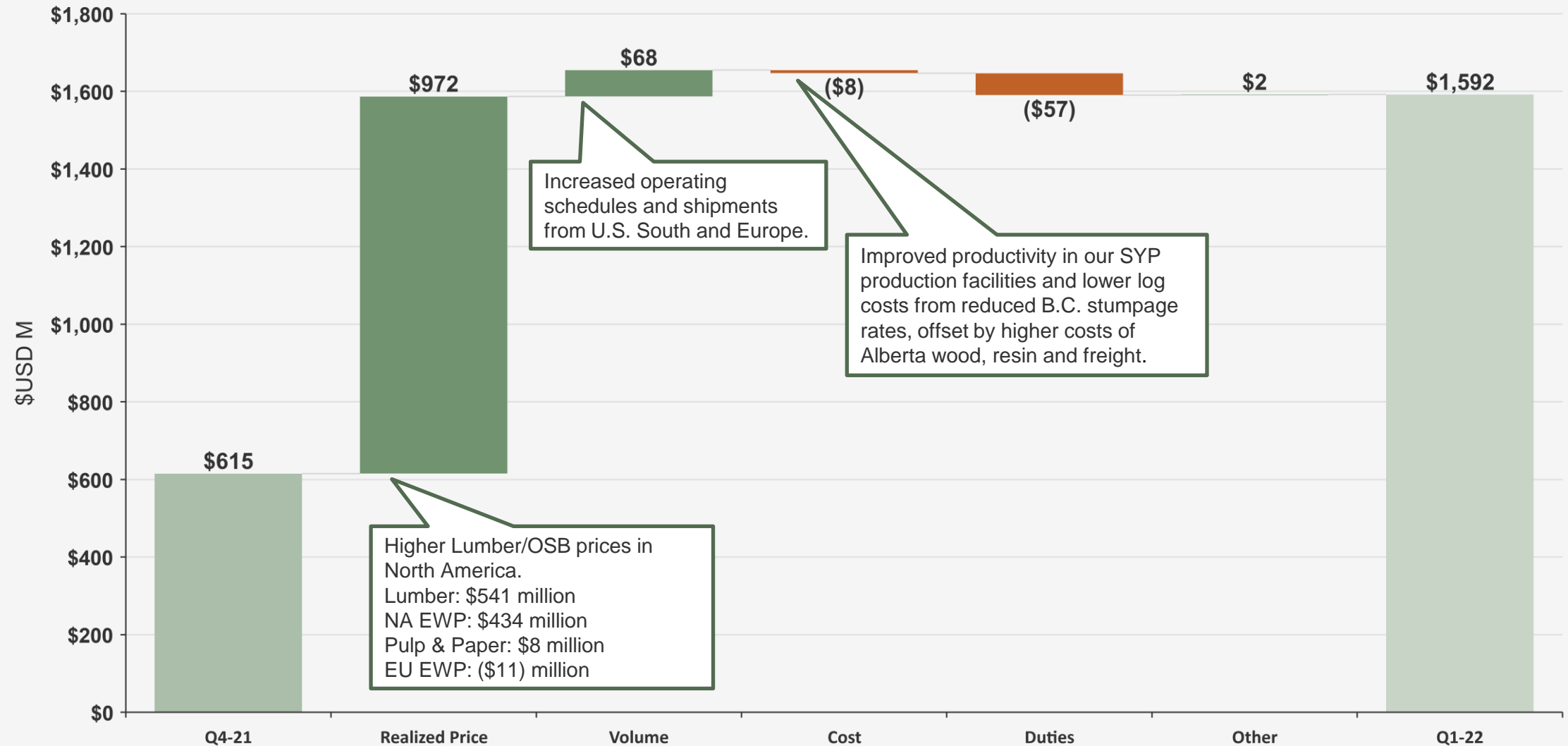
US\$ Millions (except EPS)	Q1-22	Q4-21
Sales	\$ 3,110	\$ 2,038
Costs and expenses	(1,683)	(1,588)
<b>Operating earnings</b>	<b>1,427</b>	<b>450</b>
Finance expense	(7)	(1)
Other	-	(11)
<b>Earnings before Tax</b>	<b>\$ 1,420</b>	<b>\$ 438</b>
Tax provision	(330)	(104)
<b>Earnings</b>	<b>\$ 1,090</b>	<b>\$ 334</b>
<b>Diluted EPS</b>	<b>\$10.25</b>	<b>\$3.13</b>

\* Adjusted EBITDA and adjusted EBITDA by segment are non-GAAP financial measures. See the "Non-GAAP and Other Specified Financial Measures" section of our Q1 2022 MD&A for more information on these measures, including reconciliations to the most directly comparable IFRS measures.

\*\* Adjusted EBITDA margin is calculated as adjusted EBITDA divided by sales. See slide 58 for more information on this measure.



# Q1 Consolidated Adjusted EBITDA Reconciliation



\* Note: Reconciliation items are rounded to the nearest million.





## Q1-22 versus Q4-21

<i>US\$ millions unless otherwise indicated</i>	Q1 2022	Q4 2021	Change	Comments
Lumber Shipments (MMfbm)	1,369	1,305	+64	Higher SYP shipments, with a full quarter from Angelina, more than offset transportation constraints on SPF shipments from Western Canada
NA OSB Shipments (MMsf 3/8")	1,429	1,543	(114)	Limited availability of railcars to service Western Canada and Ontario production locations
EU OSB Shipments (MMsf 3/8")	296	178	+118	Recovery from pronounced seasonal slowdown in UK/Europe late in the prior quarter
Adjusted EBITDA	\$1,592	\$615	\$977	Higher North American lumber/OSB prices coupled with EU shipments recovery
Cash flow from operations	\$563	\$290	\$273	Higher earnings, partially offset by seasonal increase in working capital and payment of cash taxes
Capital Expenditure	\$93	\$401	(\$308)	Continuing to execute on strategic capital; prior quarter included \$276 million asset purchase of Allendale OSB mill
Net Debt/(Cash)*	(\$1,288)	(\$1,039)	(\$249)	Higher cash flow from operations; significant financial flexibility and wide margin of safety maintained
Net Debt to Total Capital*	(18%)	(16%)	(2%)	
Cumulative duties on deposit	\$706	\$662	+\$44	Duty deposits continue to accumulate

***Strong results in the face of challenging conditions***

\* Net debt/(cash) is calculated as total debt less cash and cash equivalents. Net debt to total capital is a non-GAAP capital management measure calculated by dividing net debt by total capital, expressed as a percentage.



# 2022 Outlook

US\$ unless indicated otherwise		2022	2021	Commentary
SPF Shipments (MMfbm)		2,800 - 3,000	3,176	Reduced from original 3,000-3,200 as Q1 transportation/logistics challenges were more acute and of longer duration than expected.
SYP Shipments (MMfbm)		3,000 - 3,200	2,649	Gain from capital program and execute on investments, including new Angelina mill production.
N.A. OSB Shipments* (MMsf 3/8")		6,100 – 6,400	5,674	Include a full year of OSB shipments, recapture from temporary curtailments, continue to ramp production at Chambord mill.
Europe OSB Shipments* (MMsf 3/8")		1,100 -1,300	1,010	Include a full year of OSB shipments, continue to ramp production at Inverness mill and ramp production at Genk mill.
Capital Expenditures** (M)		\$500 - \$600	\$401***	Pull forward planned investments and execute on current strategic projects, including some carry-over of 2021 spending plans and ~\$70M investment at Allendale OSB mill.
Costs	Fiber	↔	↑	Fiber costs in Canada are closely tied to highly variable lumber and OSB prices and therefore are difficult to forecast.
	Transportation	↑	↑	
	Labour	↑	↑	Inflationary pressures within supply chains, including logistics, labour and chemicals, are expected to persist near-term.
	Resin	↑	↑	

***Increased capital program to drive productivity, reliability and growth***

\* 2021 N.A. and Europe OSB shipments capture shipments for the period after the Norbord acquisition.

\*\* Capital Expenditures is a supplemental financial measure that represents our best estimate of the amount of cash outflows relating to additions to capital assets for the year based on our current outlook.

\*\*\* 2021 Capital Expenditures provided above do not include the asset acquisition of the idled OSB mill near Allendale, SC for \$276 million.



## Q1 2022 Recap

- ✓ Managed operational impact from ongoing transportation challenges in Western Canada
- ✓ Continued strength in liquidity
- ✓ Continuing to move ahead with additional strategic capital
- ✓ Repurchased 2.57 million WFG shares for \$233 million
- ✓ Commitment to science-based targets and the Science Based Targets Initiative (SBTi)

## Looking Forward

- ✓ Facing Q2 transportation challenges but fundamentals for wood product demand continue to show signs of strength
- ✓ Ongoing focus on operational excellence and operationalizing the benefits of strategic capital
- ✓ Ramp up Dudley, Chambord, Inverness Phase 2, Genk, Angelina and ramp investing activities at recently acquired Allendale mill
- ✓ Execute on \$1.25 billion substantial issuer bid
- ✓ Enhance ESG disclosure
- ✓ Convert to Unbleached Kraft Pulp (“UKP”) production at Hinton Pulp mill

***Continued transformation into a leading global wood products company***



A construction worker wearing a white hard hat, an orange safety vest over a grey shirt, and black gloves is using a power tool to cut a piece of wood. The worker is focused on the task, with wood shavings visible. The background shows a wooden framework of a building under construction. The text "Why Investors Should Own West Fraser Shares" is overlaid on the right side of the image, with a white horizontal line underneath it.

# Why Investors Should Own West Fraser Shares

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# Reasons to Invest in West Fraser Timber Co.

## One of the world's largest producers of sustainable wood-based building products



Offers **financial resilience** through a portfolio that is **product and geographically diverse**



Serves markets with **strong fundamentals**



Has a track record of **disciplined and balanced capital allocation**



Has the **scope, scale, and expertise** to unlock further growth



Is positioned to benefit from **strong ESG and sustainability fundamentals**



Has an **attractive record of creating shareholder value**



# Resilience from Product and Geographic Diversity

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# Product & Geographic Diversification



## Lumber 34 locations

SPF 3.4 Bfbm

SYP 3.6 Bfbm

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Total 7.0 Bfbm



## North America EWP 19 locations

OSB: 7,360 MMsf 3/8"

Plywood: 860 MMsf 3/8"

MDF: 250 MMsf 3/4"

LVL: 3.0 MMcf



## Pulp, Paper & Energy 5 locations

NBSK: 520 Mtonnes

BCTMP: 690 Mtonnes

Newsprint: 135 Mtonnes

Energy: 870 GWhrs



## UK and Europe EWP 4 locations

OSB 1,505 MMsf 3/8"

Particleboard 565 MMsf 3/8"

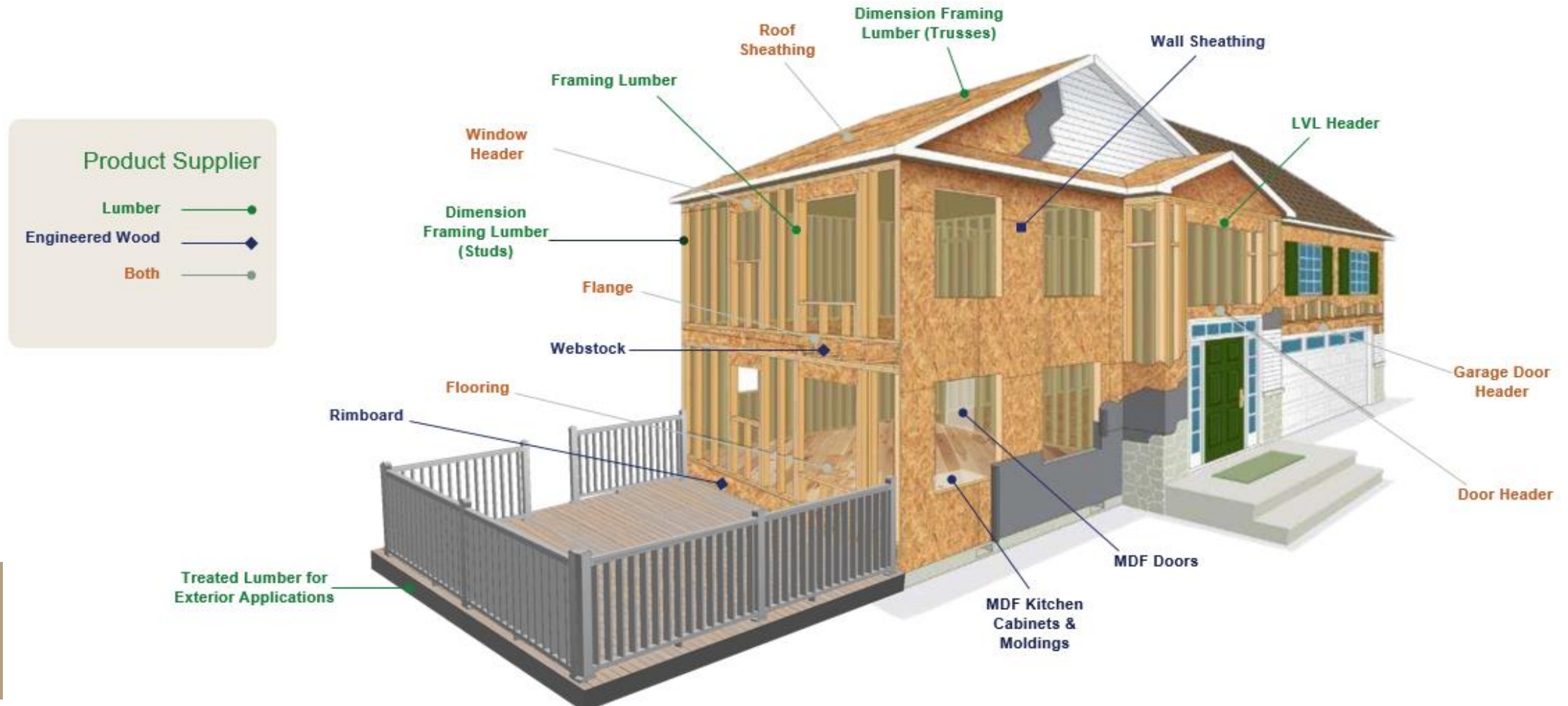
MDF 380 MMsf 3/8"



*Portfolio diversified across products and regions*



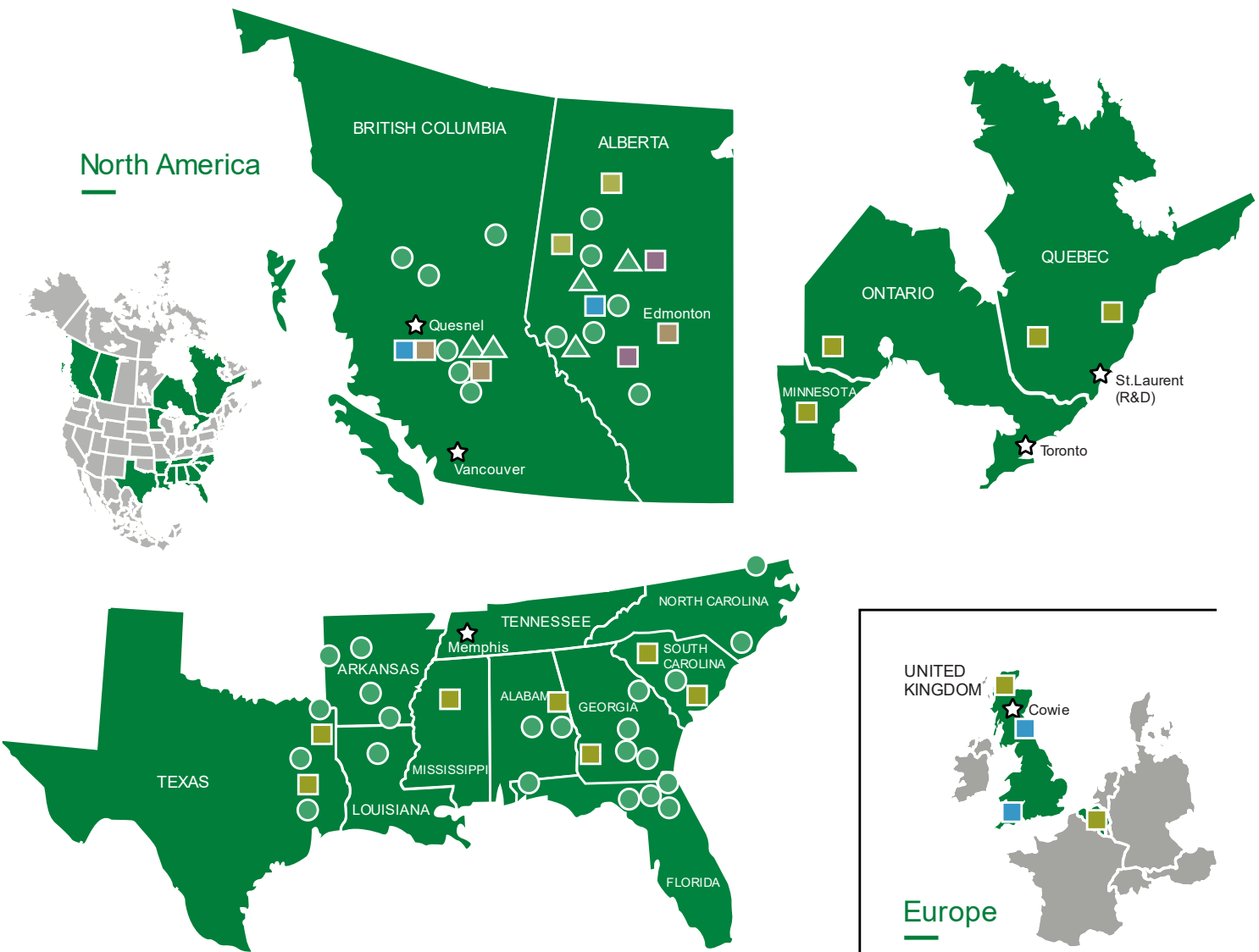
# More Relevant, Efficient and Valuable to Principal Homebuilder, Building Construction, and Pro-Dealer Customer Segments





# Operating Footprint on Two Continents

- ☆ CORPORATE OFFICES
- LUMBER
- ▲ PULP & NEWSPRINT
- ENGINEERED WOOD
  - PLYWOOD
  - MDF, ParticleBoard & Furniture
  - VENEER & LVL
  - OSB

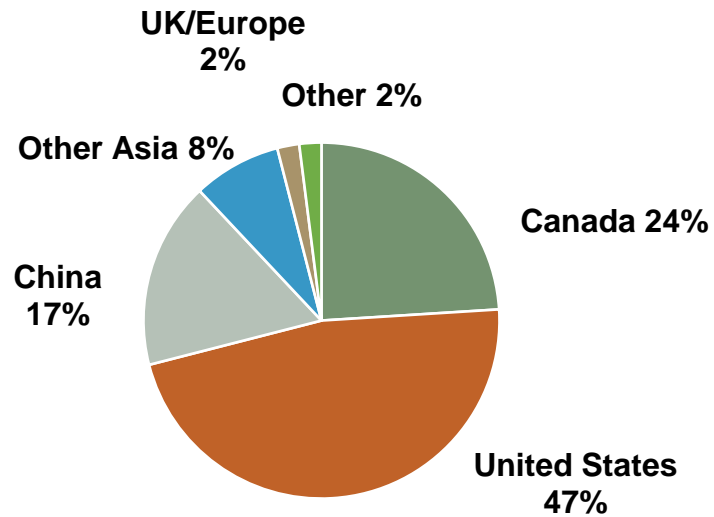




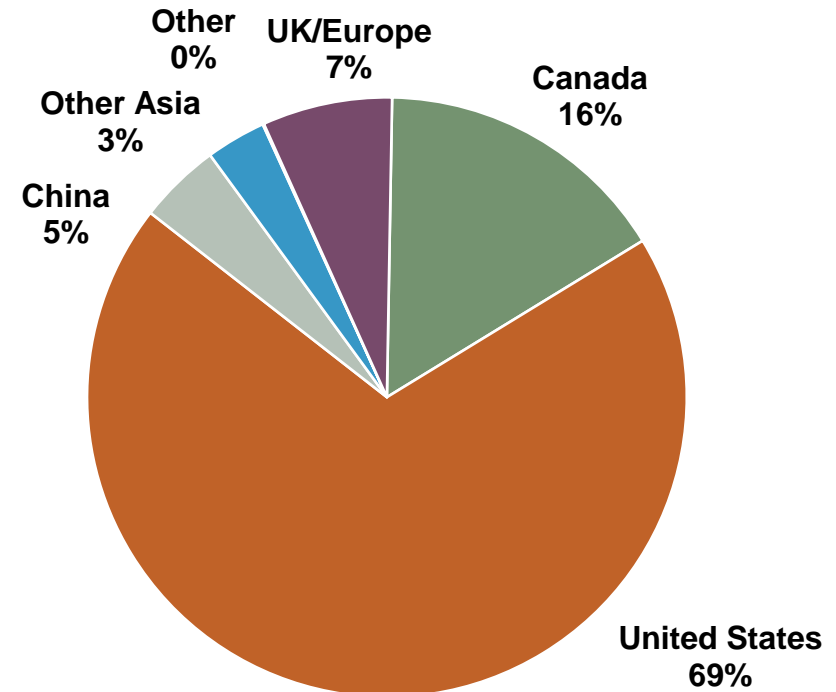
# Regionally Diversified West Fraser Revenue Mix\*

- Expanding exposure to growth markets tied to U.S. housing
- Addition of Norbord has expanded Europe exposure to be nearly 10% of 2021 revenue

**2011: USD \$2.8B\*\***



**2021: USD \$10.5B**



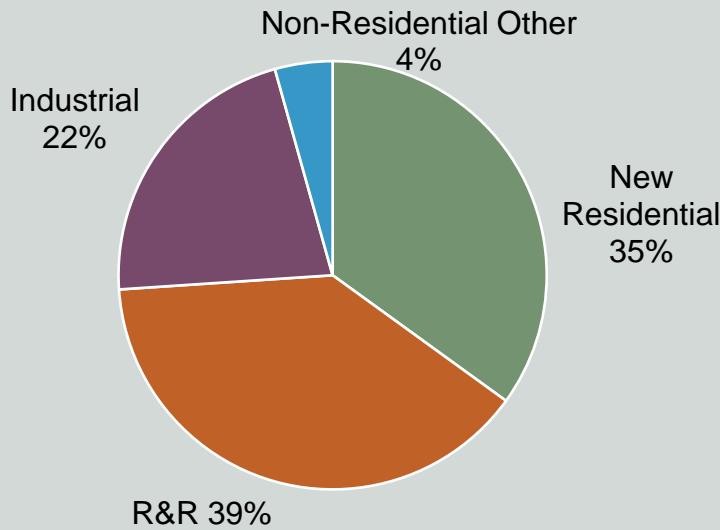
\* Revenue distribution is based on location of product delivery.

\*\* Revenue converted to USD from CAD using 1.011 average USD per CAD FX rate.

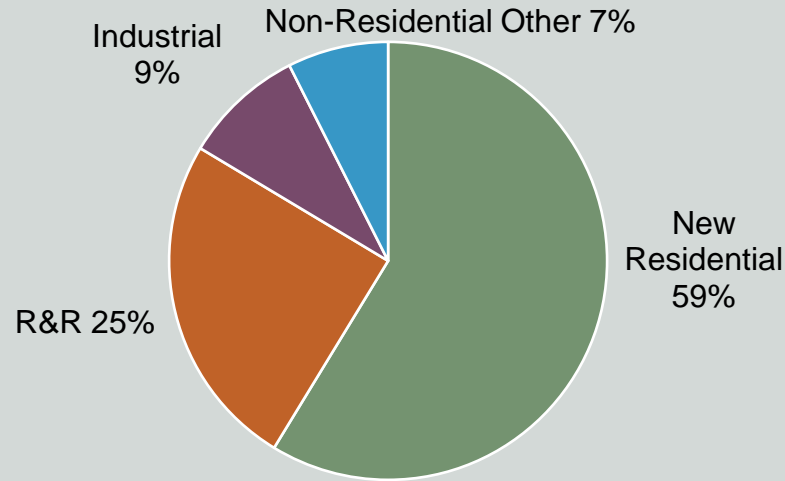


# Diverse Industry End-Use Demand with Majority Driven by New Residential and Lower-Volatility R&R Markets

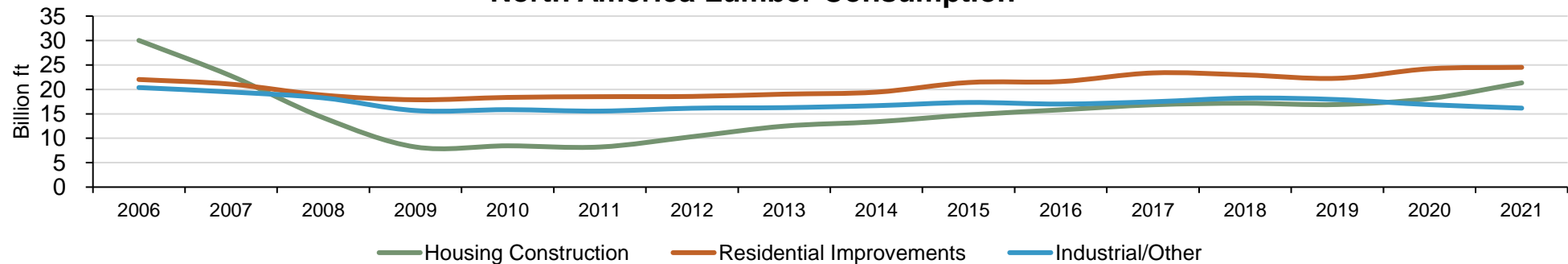
North America Lumber End Use 2021



North America Structural Panel End Use 2021



North America Lumber Consumption



Source: FEA

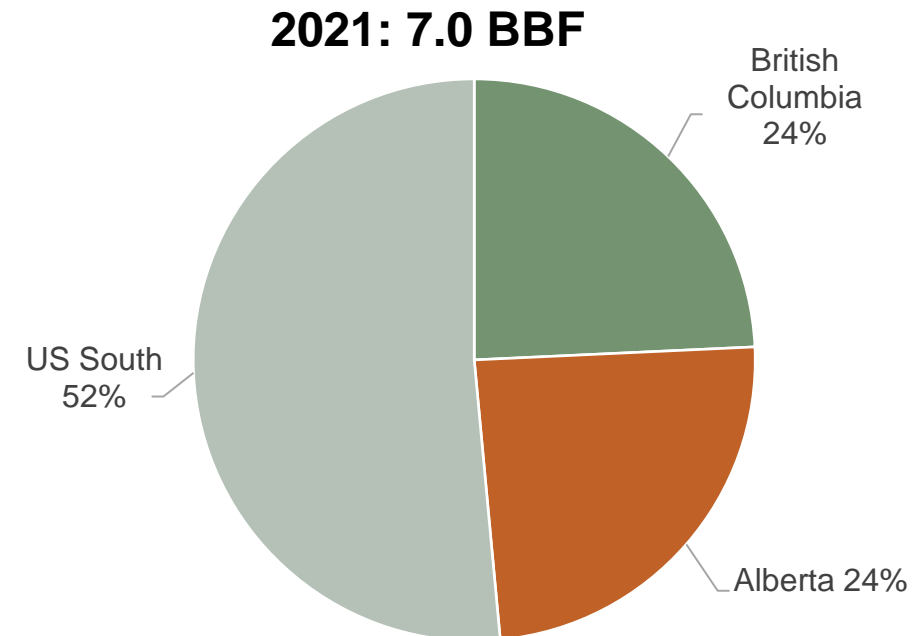
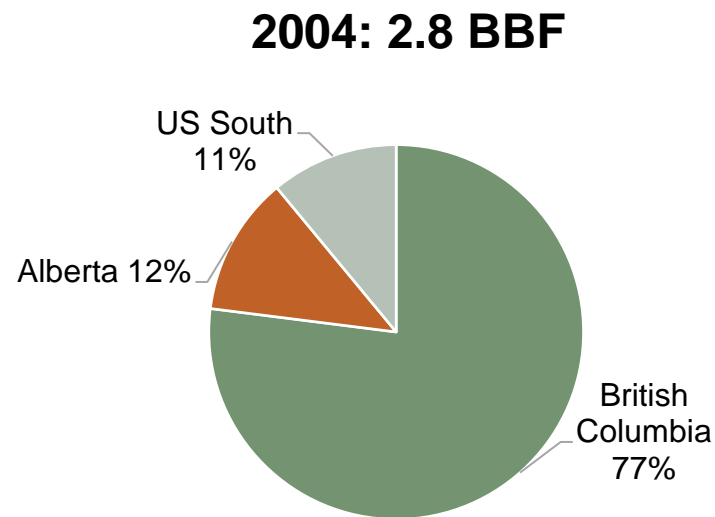






# Shifting West Fraser Lumber Capacity to Lower-risk Regions

- US South growth to ~52% of capacity (from ~11% in 2004)
  - Lower-cost region
  - Not subject to US trade risk
- Exposure to higher-cost BC fiber reduced, now ~24% of capacity (from ~77% in 2004)



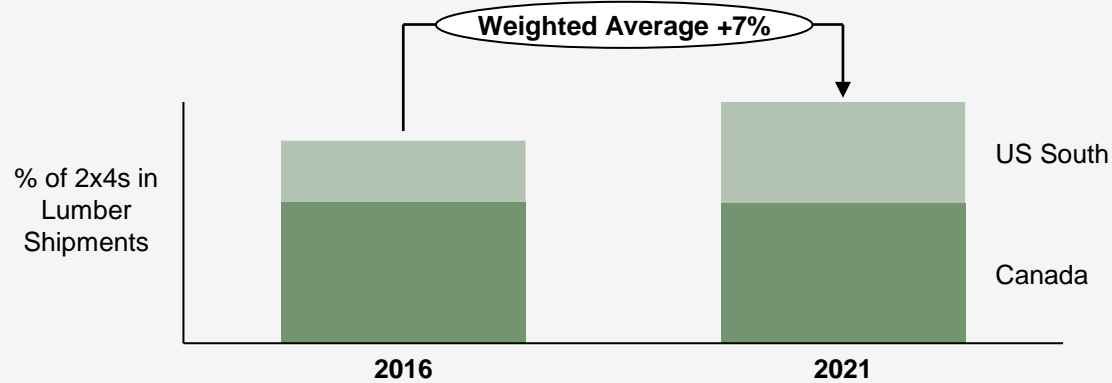
Source: West Fraser



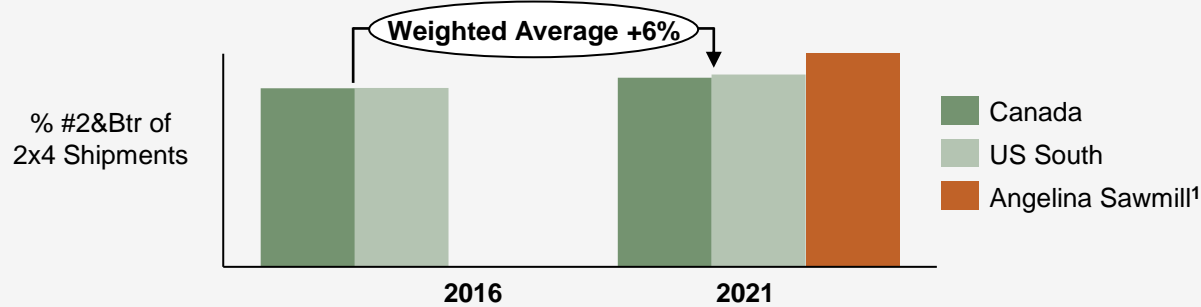


# Improving Mix of Lumber Products

## U.S. South is Increasing Mix of 2x4s...



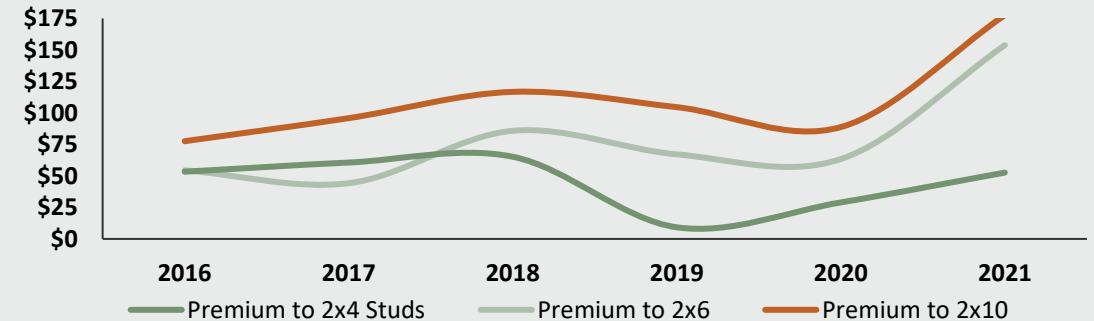
## ...and Improving Mix of Higher Grade 2x4s



Source: West Fraser analysis

- West Fraser pursued a U.S. south expansion strategy given expectations of medium- to long-term fiber supply constraints in B.C.
- B.C was historically a heavy producer of 2x4s, suggesting industry 2x4 shortages under a U.S. housing recovery scenario
- Acquisitions in the U.S. – Gilman (2017) and Angelina (2021) – increase value through a greater mix of 2x4s and higher mix of premium grades
- Additional growth in higher value products achieved through investments in planer modernizations, automatic grading machines, and upgraded continuous drying kiln technologies

## SYP 2x4 #2&Btr Price Premiums per Mfbm



Source: FEA

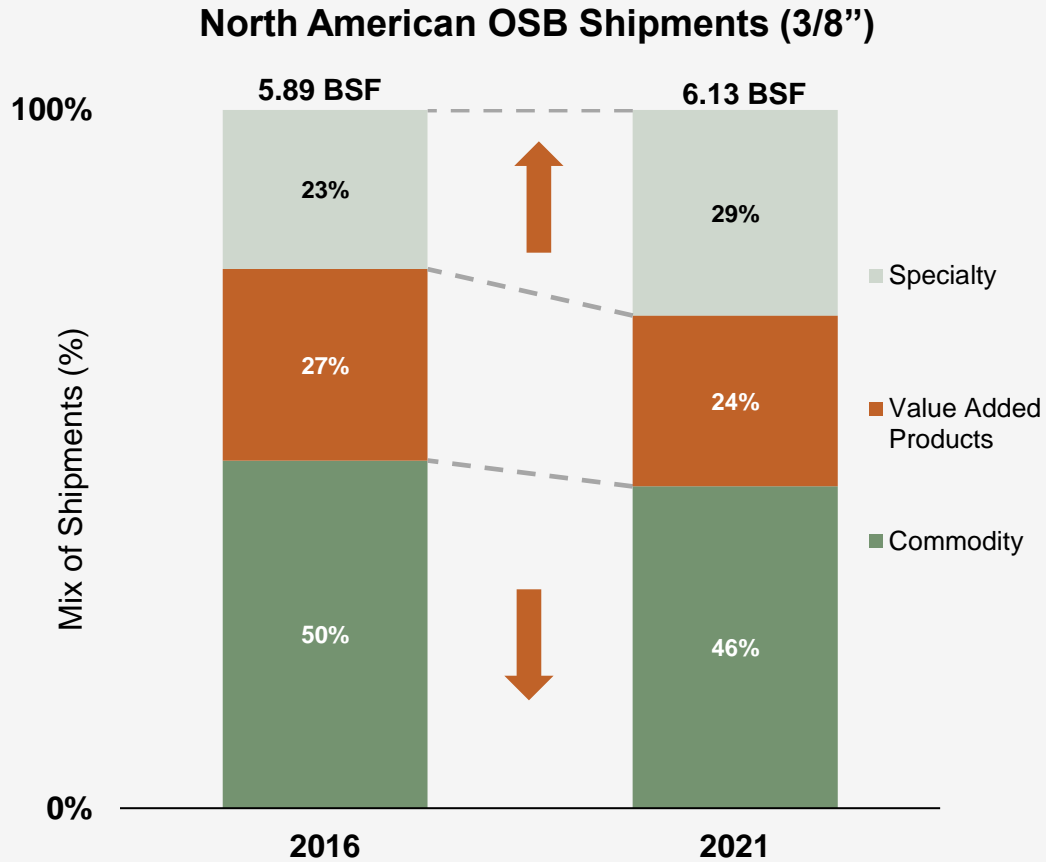


**U.S. South expansion strategy focused on higher value lumber products**

<sup>1</sup> The Angelina sawmill acquisition was completed on December 1, 2021



# Lower-variability Specialty OSB Business



- Specialty OSB products include products sold to industrial and export markets
- Industrial customers use OSB in their production processes, such as for upholstered furniture, transportation applications and i-joist manufacturing
- Specialty OSB pricing is generally less volatile, providing more stable margins through the cycle

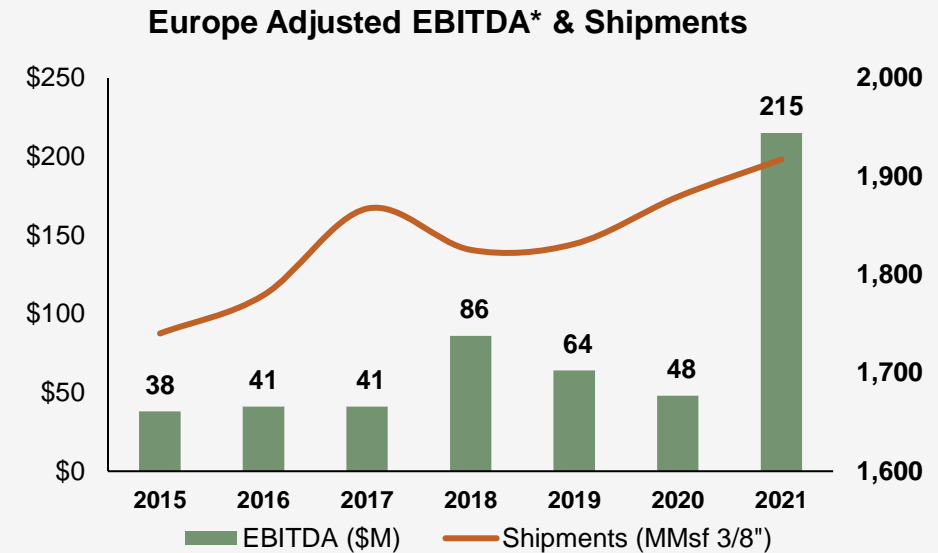
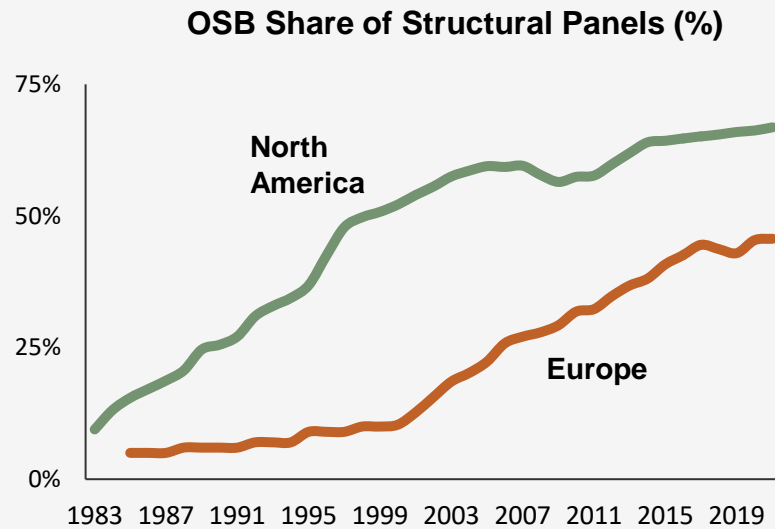


*Focus on expanding mix of lower-variability Specialty business*



# Realizing Growth and Geographic Diversification in Europe

- Europe EWP is driven by panel demand in the UK and Europe, which is de-linked from North American markets, tending to generate more stable results
- Strong European panel prices and increasing OSB shipments from the Inverness expansion drove record results in 2021
- Future shipment growth is expected from the ramp-up of the Inverness Phase 2 investment, ramping of the expanded Genk mill and a continuation of the substitution trend of OSB for imported plywood



Source: European Panel Federation and West Fraser estimates

*OSB substitution of imported plywood remains a meaningful EU growth opportunity*

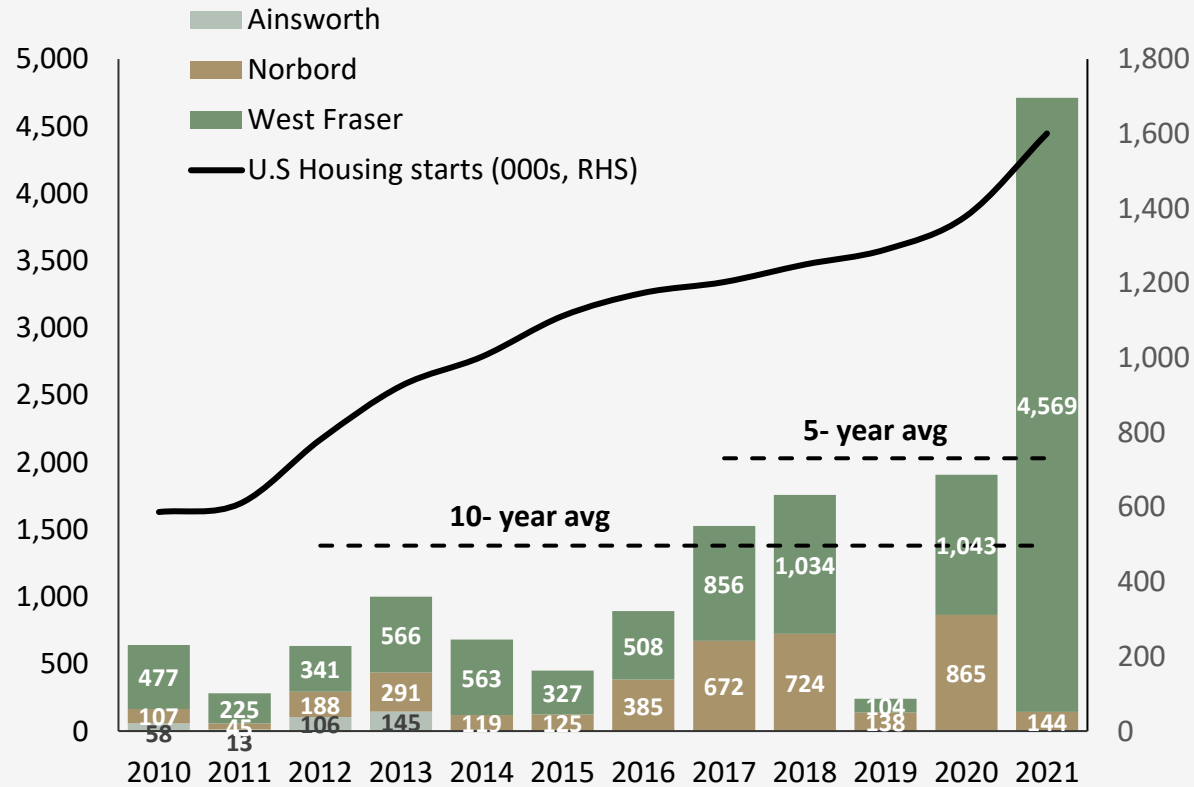
\* 2021 includes proforma Q1 2021 Norbord EU results and includes \$7M PPA inventory adjustment.



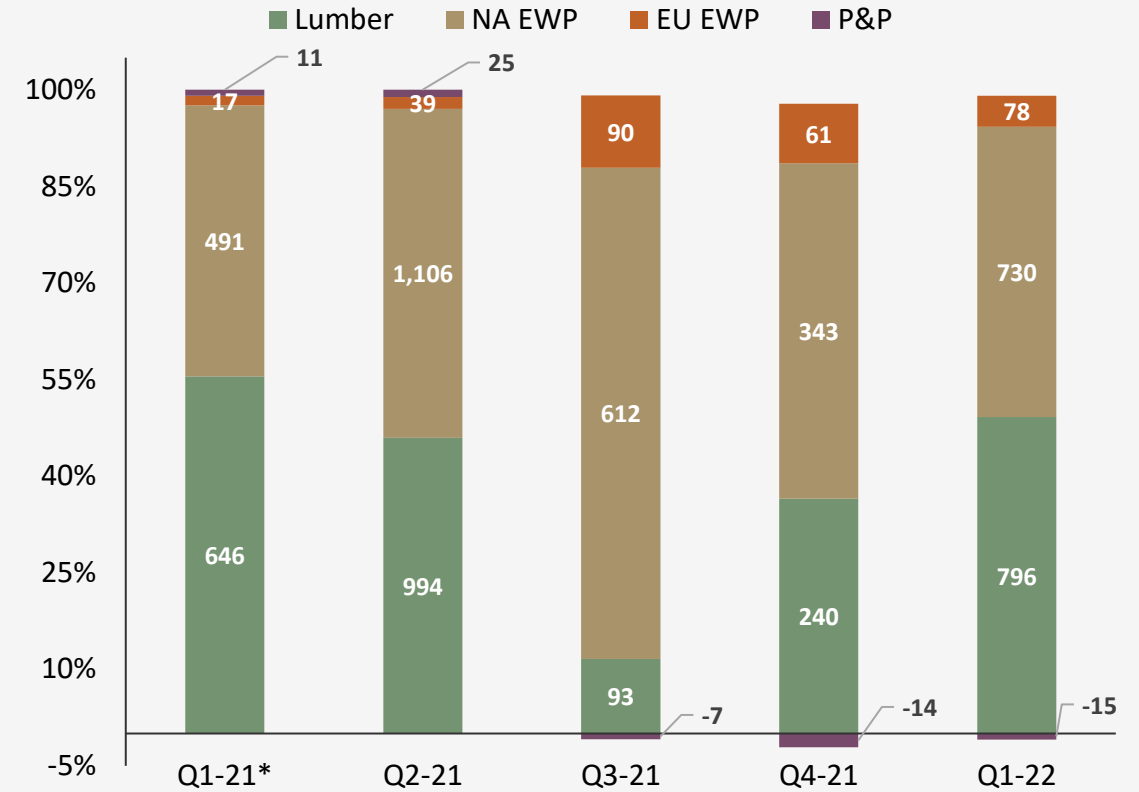


# Historic Adjusted EBITDA

Proforma Historical Combined Adj EBITDA (US\$ millions)



Segment Adj EBITDA Mix (US\$ millions, excl. Corporate)



Source: U.S. Census Bureau, West Fraser, Norbord filings

**Substantial Adjusted EBITDA generation through the cycle with demonstrated differences in cyclicality across the segments**

\* Q1-21 is proforma Adjusted EBITDA that includes Norbord results from January 1, 2021 to January 31, 2021.  
Note: Excludes the proforma effect for the acquisition of 11 sawmills between 2010 and 2017 by West Fraser.

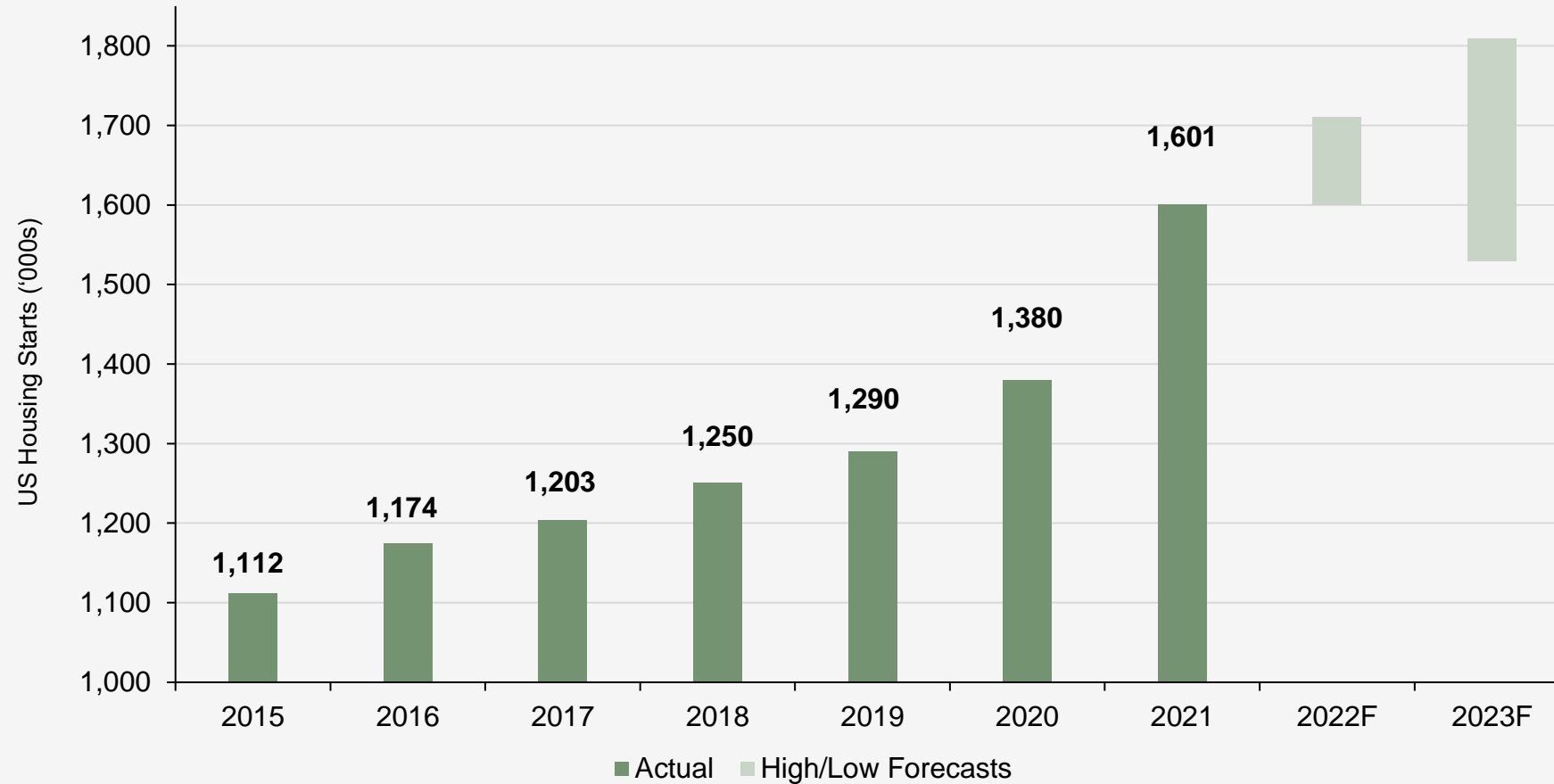


# Serving Markets with Attractive Fundamentals

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# U.S. Housing Start Estimates (Thousands)



Source: U.S. Census Bureau, industry analysts

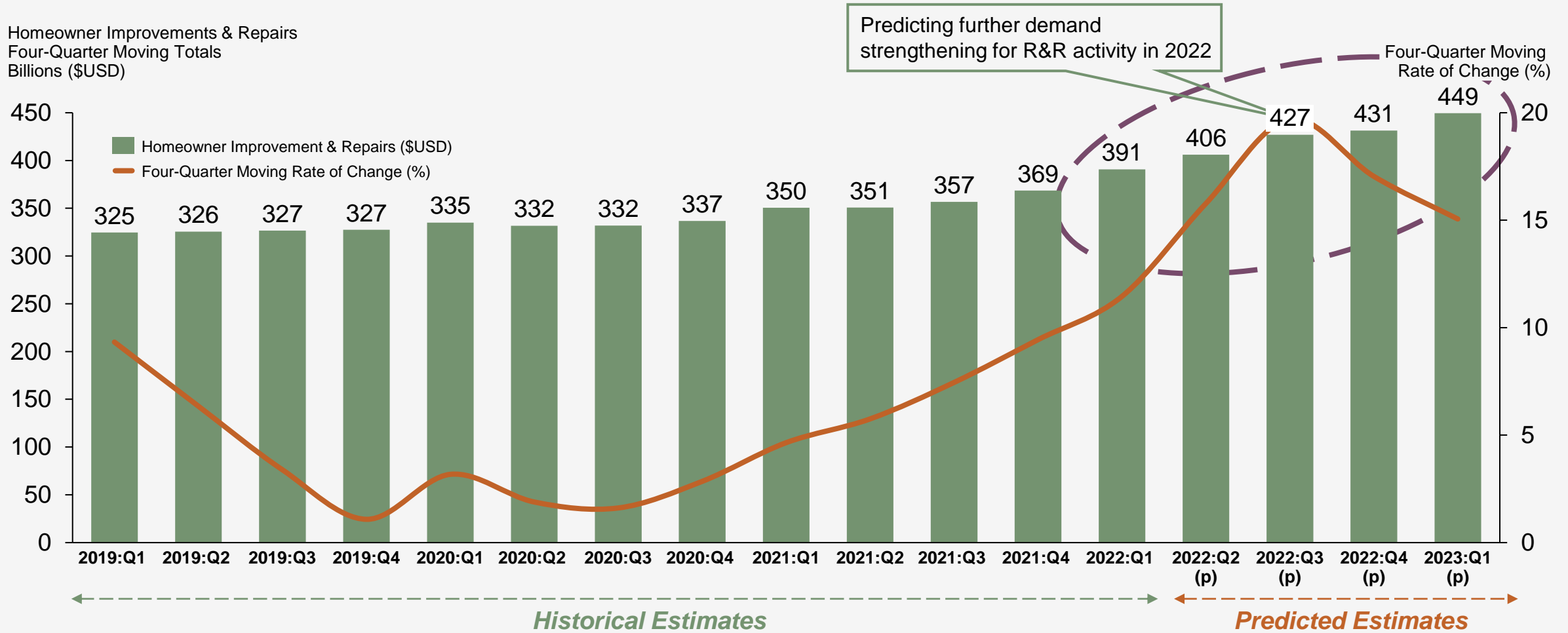
***Industry analysts expect further growth in U.S. housing starts in 2022, albeit moderated from 2021 extremes***





# U.S. Leading Indicator of Remodeling Activity

Homeowner Improvements & Repairs  
Four-Quarter Moving Totals  
Billions (\$USD)



Source: Joint Center for Housing Studies of Harvard University. Accessed April 2022.

***Demand from housing repair and remodeling is predicted to strengthen in 2022***



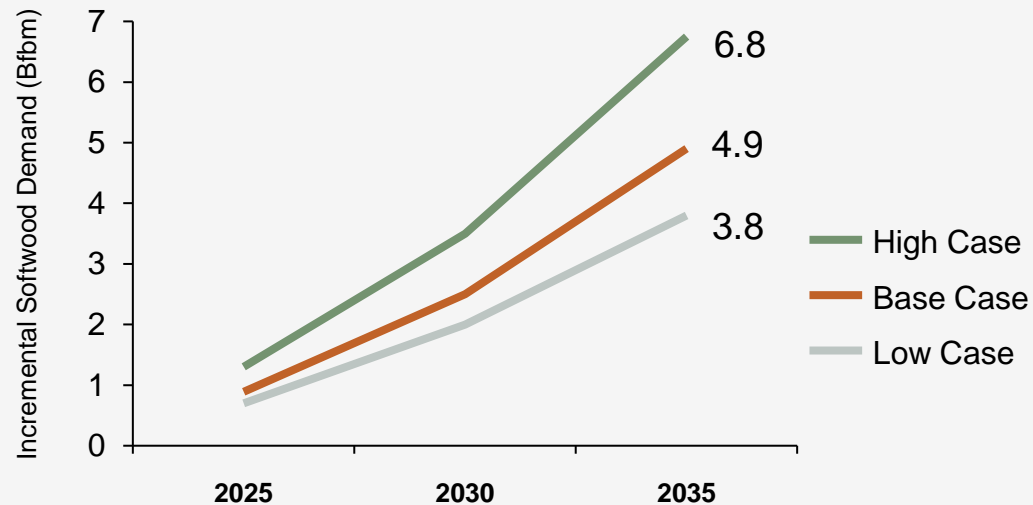




# Mass Timber – Another Driver of Sustainable Wood Product Demand

*U.S. incremental lumber demand from mass timber is projected to be between 3.77 – 6.75 Billion Board Feet (Bfbm) by 2035, representing the equivalent demand of ~315k – 560k additional new housing starts\**

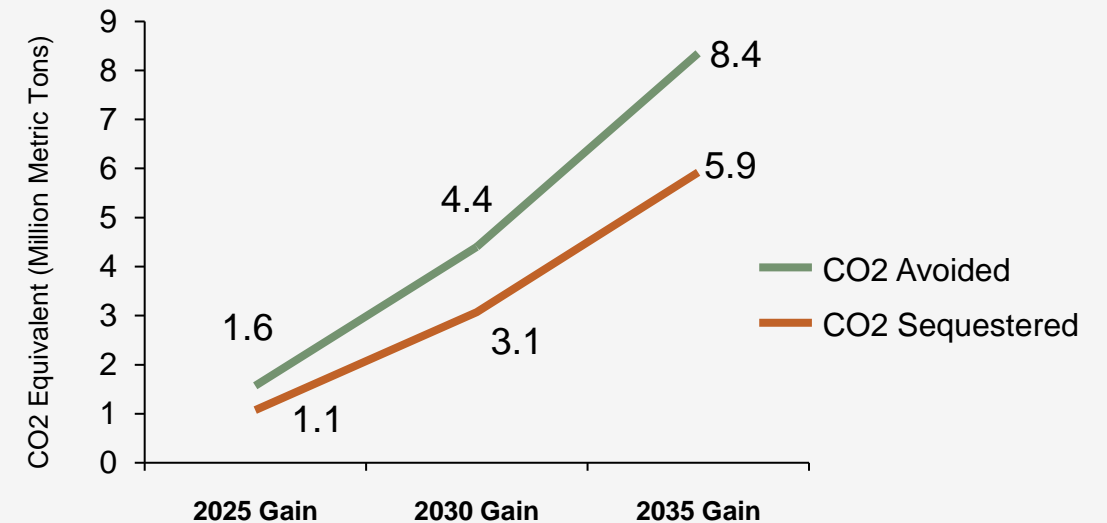
**Mass Timber - U.S. Incremental Lumber Demand**



- Between 2025 and 2035, mass timber is forecast to drive **~3.8 – 6.8 Bfbm** of additional lumber demand in N.A.

Source: SLB Mass Timber Demand Outlook, 2020 FP Innovations, 10/20

**Mass Timber (Base Case) – Carbon Sequestration Projections**



- Using the base case of 4.9 Bfbm of incremental lumber demand, this represents **~8.4 MM tonnes** of CO2 avoided and **~5.9 MM tonnes** of CO2 sequestered from mass timber

Source: SLB Mass Timber Demand Outlook; WoodWorks Carbon Calculator Documentation



***Mass timber to provide longer-term vector of demand growth***

\* Note: Assumes 70%/30% single family (SF)/multi-family (MF) mix and 15,000/5,000 bfm of lumber consumed per SF/MF house.



# Lumber and OSB Supply Overview

## Lumber

- Aggregate North American production growth constrained by log availability, particularly B.C.
- U.S. South is region with most potential for production growth, though contractor and equipment availability is constrained
- Economics of investing in additional capacity have been challenged by a moderate and extended recovery in housing starts since global financial crisis
- Notwithstanding these challenges, West Fraser completed its Opelika, Alabama expansion in 2020, is expanding production capacity at its Dudley, Georgia mill and ramping production at its recently acquired Angelina, Texas mill



## OSB

- It is an estimated three to five year process to construct a greenfield OSB mill, followed by an 18-24 month ramp to full production
- Capital requirements are significant for a large-scale greenfield OSB mill, making economics of investing in additional capacity challenging
- In 2020, to address increased customer demand, West Fraser announced the restart of its OSB mill in Chambord, Quebec
- In 2021, West Fraser acquired the idled OSB mill near Allendale, South Carolina and is undertaking approximately 9-months of capital investment to ready the mill for an eventual restart.



# Illustrative Ecosystem of U.S. South Lumber Mill

*By building a new sawmill adjacent to an existing mill we are able to utilize existing infrastructure and skilled labour, enabling a faster ramp-up while reducing financial, operational and execution risks*

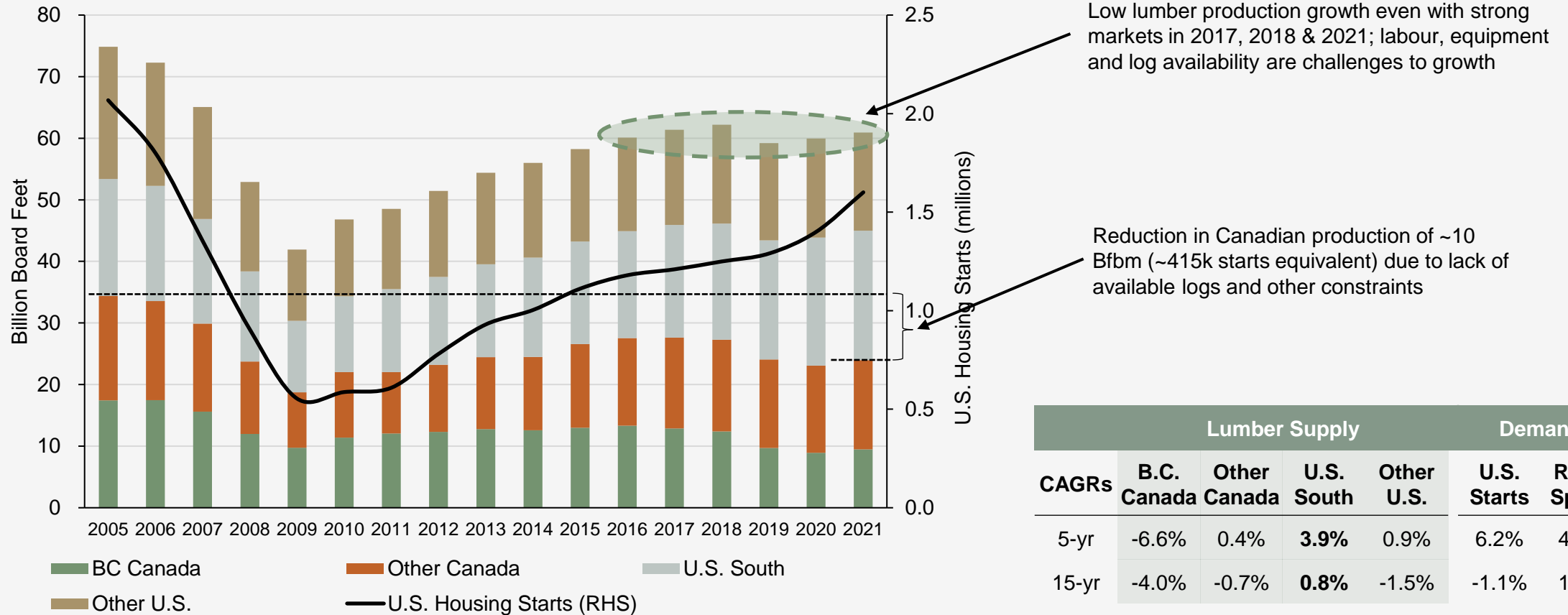
## Approximate resources for 250 MMfbm U.S. south mill:

- 130-140 employees
- 1MM tons of logs
- 40k logging truck loads
- 400-500k tons of residuals
- 16-20k residual truck loads
- 25-30k finished goods truck loads





# This is not 2005 – Today's North American Lumber Supply



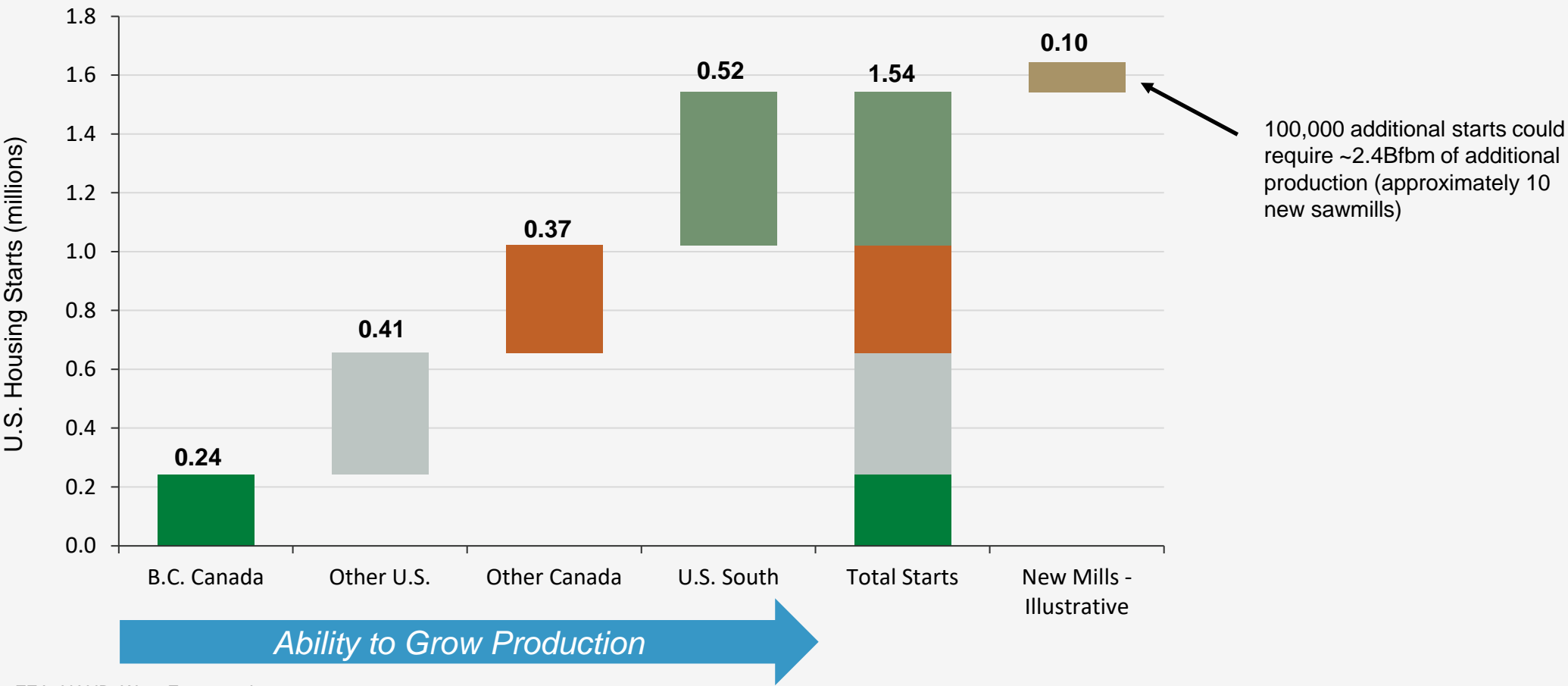
Source: FEA, West Fraser estimates



*Canadian available supply ~10 Bfbm lower than in 2005*



# North American Lumber Production in 2021 Housing Starts Equivalent\*



Source: FEA, NAHB, West Fraser estimates



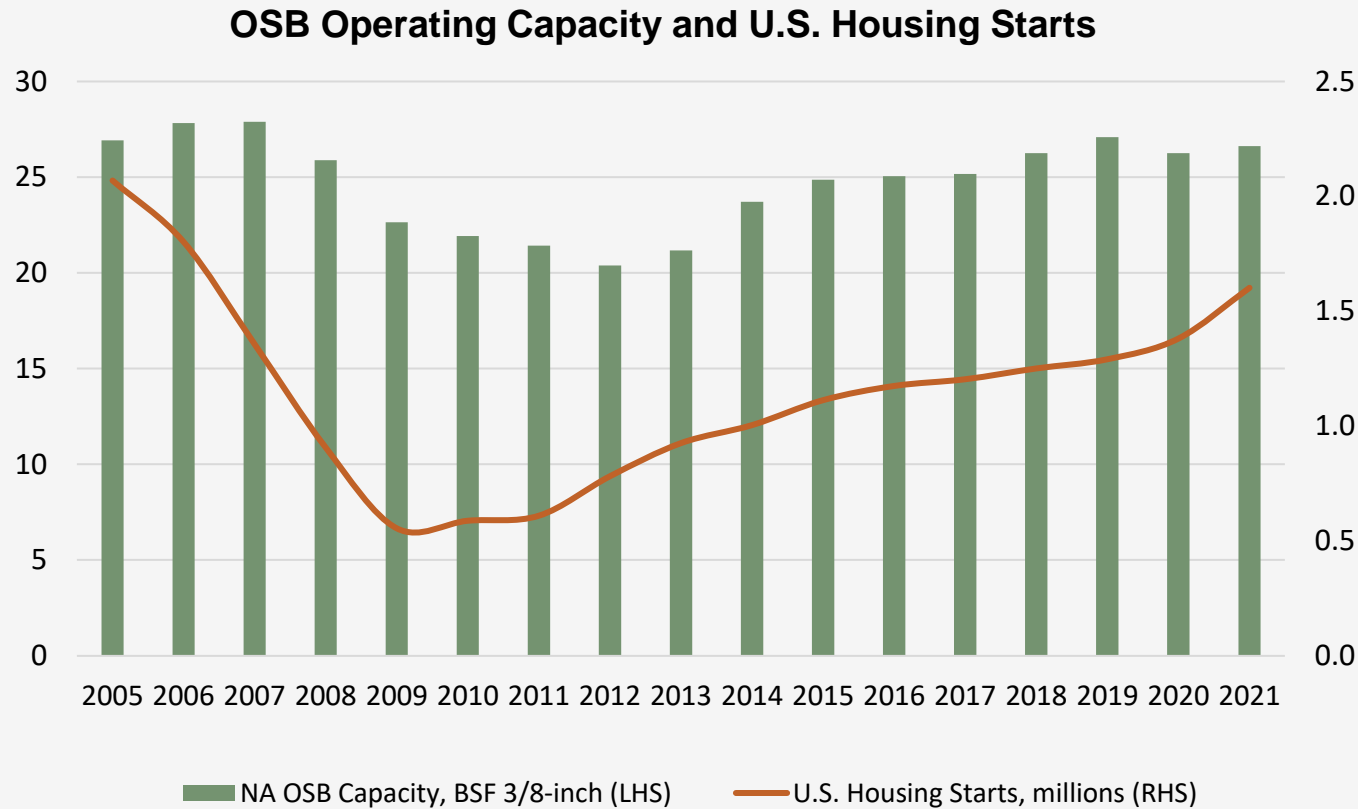
**North American lumber production is currently sized for ~1.5 million U.S. housing starts**

\* Note: Assumes 50% of incremental production is of grades suitable for new home construction with 70%/30% single family (SF)/multi-family (MF) mix and 15,000/5,000 fbm of lumber consumed per SF/MF house.





# North American OSB Operating Capacity\*



Source: FEA, West Fraser analysis

- Some industry capacity curtailed in late 2019 has re-started while some remains idled; one mill was permanently closed in 2020
- West Fraser re-started its OSB mill in Chambord, Quebec in March 2021
- The Chambord mill is ramping towards its stated annual OSB capacity of 550MMSF (3/8" basis), which is expected to take 18-24 months
- West Fraser acquired the idled Allendale, South Carolina mill in 2021 and expects to invest in the mill over approximately nine months for an eventual restart; the mill has estimated stated annual OSB capacity of 760MMSF (3/8" basis)
- Debottlenecking and other strategic projects are expected to add incremental production to select mills within West Fraser's OSB mill portfolio

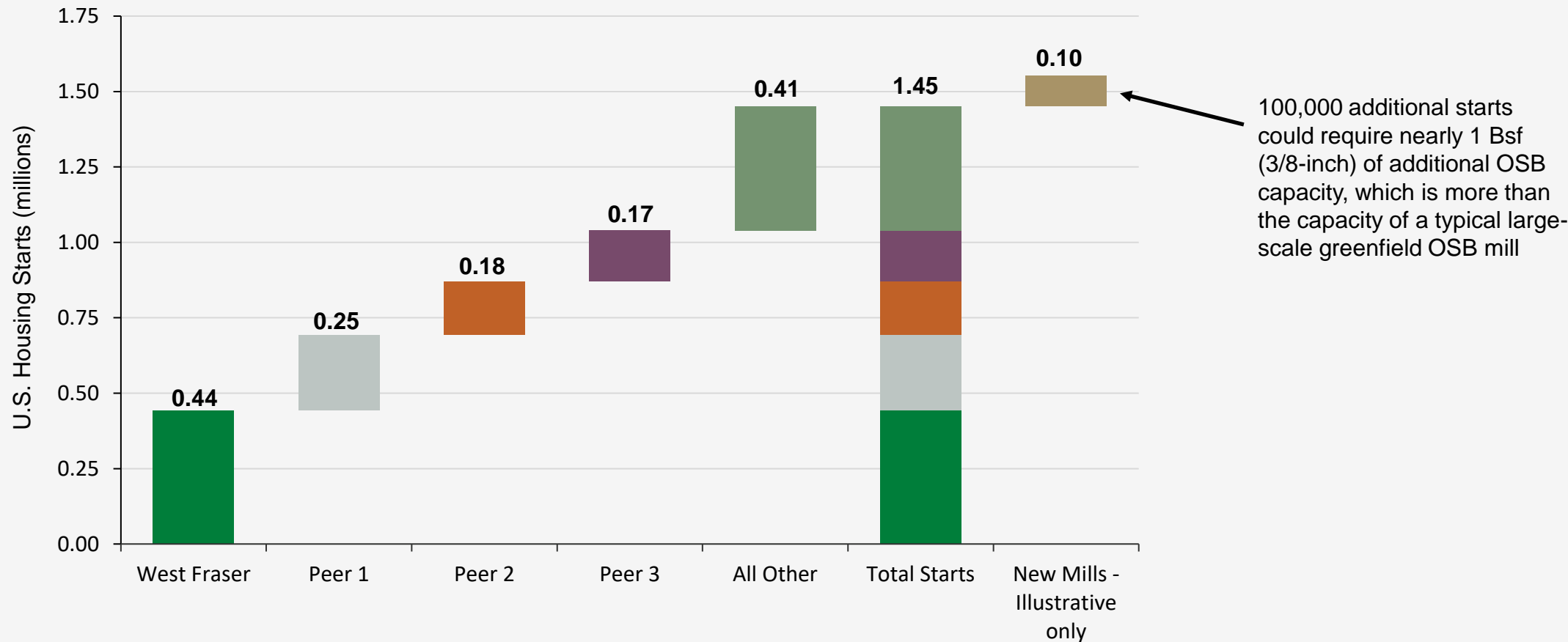


***All but one West Fraser OSB mill (Allendale) currently operating***

\* Note: Operating capacity above reflects the nameplate capacity of mills that are in operation as well as West Fraser's Allendale OSB mill, which is undergoing investment for future operation.



# North American OSB Capacity in 2021 Housing Starts Equivalent\*



Source: FEA, NAHB, West Fraser analysis



*North American OSB capacity is currently sized for ~1.5 million U.S. housing starts*

\* Note: Analysis includes full capacities from West Fraser's Chambord, Quebec mill and the currently idled Allendale, South Carolina mill. Assumes 50% of N.A. OSB production is for new home construction with 70%/30% single family (SF)/multi-family (MF) mix, 11,000/3,667 sf (3/8") of OSB consumed per SF/MF house and 96% operating rates; 100% of greenfield production assumed to be allocated to new home construction.



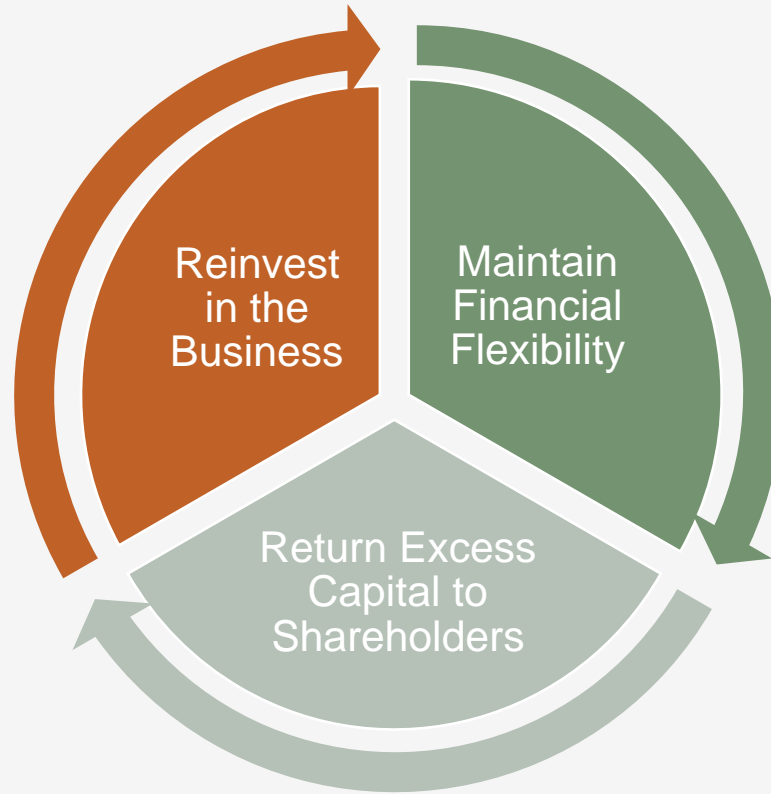
# **Disciplined and Balanced Allocator of Capital**

---



# Capital Allocation Priorities

- Replace end-of-life assets
- Maintain low-cost position
- Strategically enhance product mix, productivity and capacity



- Maintain investment-grade rating
- Maintain cash buffer to aid the pursuit of opportunistic M&A and larger-scale strategic growth initiatives

- Repurchase shares when they trade at a discount to estimated intrinsic value
- Pay a stable, sustainable dividend



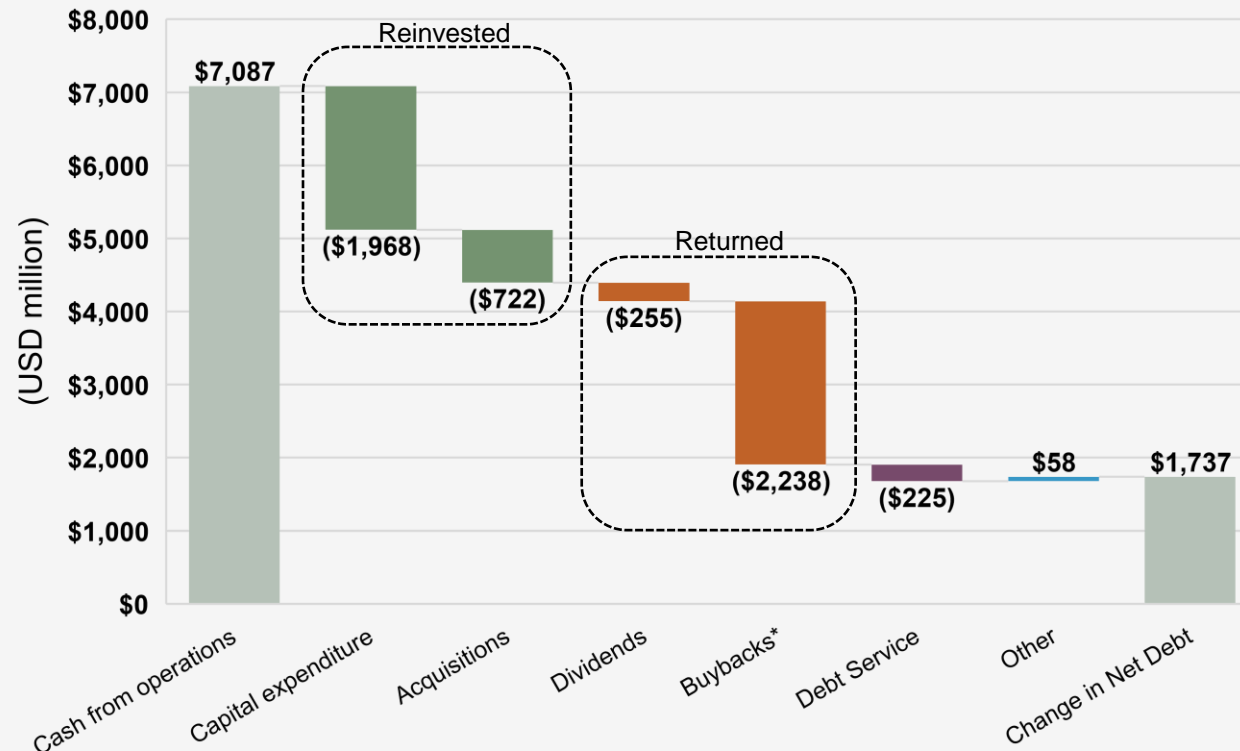




# Capital Allocation Lookback

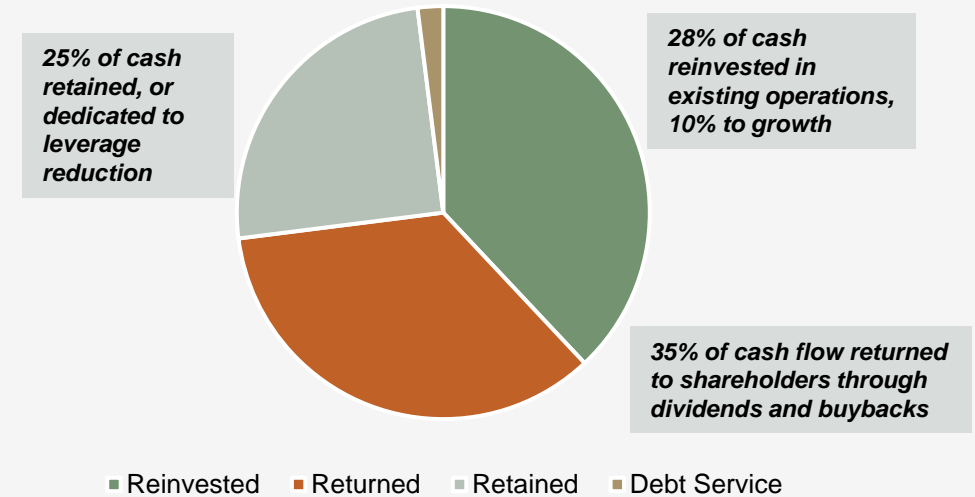
- Multi year history of cash flow generation is strong
- Significant investments in maintaining, expanding and improving the business at ~40% of cash generated
- Excess capital returned to shareholders of ~35% of cash flow, heavily weighted to buybacks, influenced by the SIB

2016 through Q1-2022, including 2021 SIB (US\$792M)



\* Net of share issuances

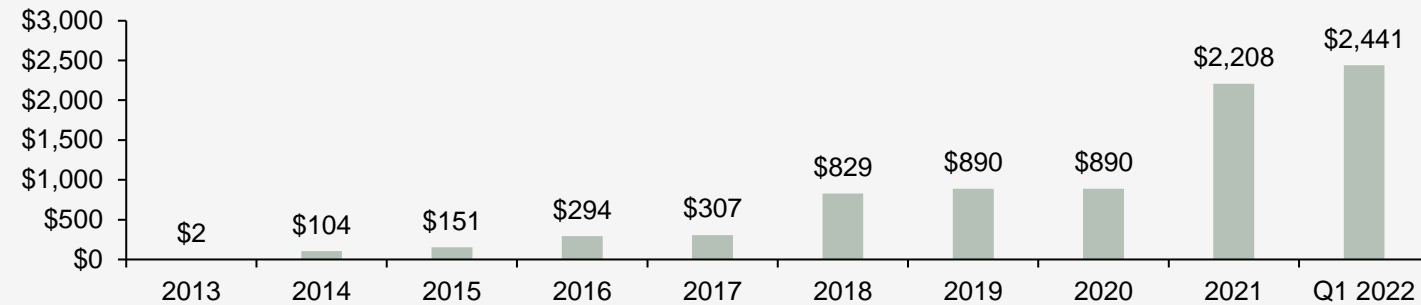
Balanced Capital Allocation



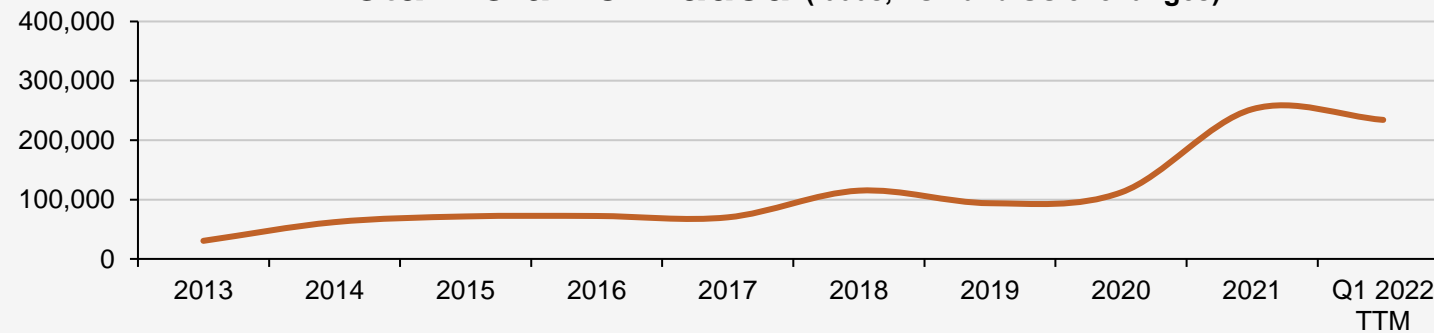


# Share Repurchases

**Cumulative Investment in Repurchases\*** (US\$ million)



**Total Volume Traded** ('000s, TSX and US exchanges)



Source: Bloomberg

**Average repurchase price (CAD\$):**

2013	\$44.60
2014	\$51.86
2015	\$55.57
2016	\$44.06
2017	\$68.45
2018	\$83.13
2019	\$68.30
2020	NA
2021	\$95.29
Q1-2022	\$114.47

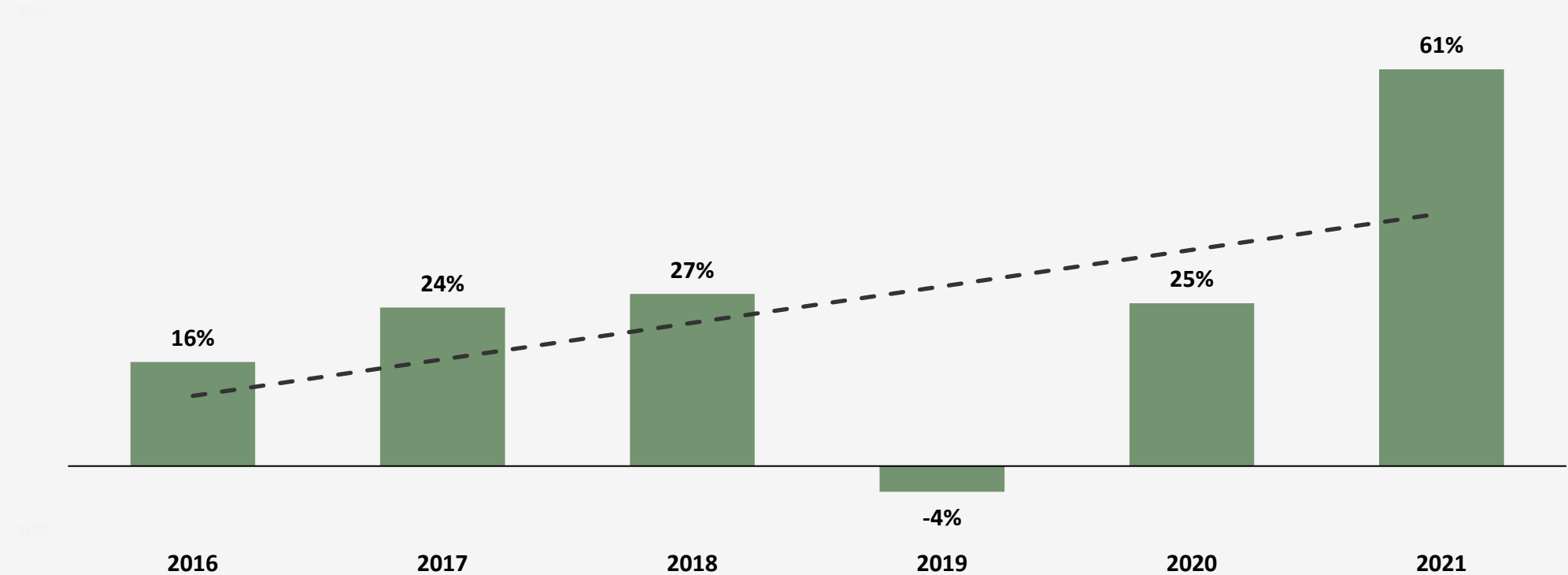
*Actively buying back shares, while trading liquidity has increased materially*

\* Cumulative investment in repurchases is calculated as the sum of all historical cash outflows for share repurchases.



# Macro Lookback on Capital Reinvested

## Return on Capital Employed (ROCE %)\*



Source: Bloomberg, West Fraser analysis



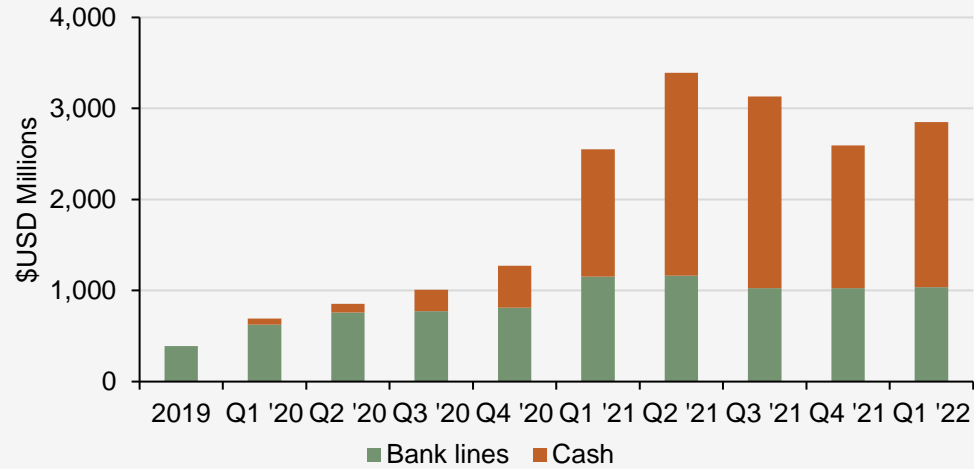
*Favorable ROCE trend and results*

\* Note: ROCE = GAAP EBIT / (Total Assets – Current Liabilities).

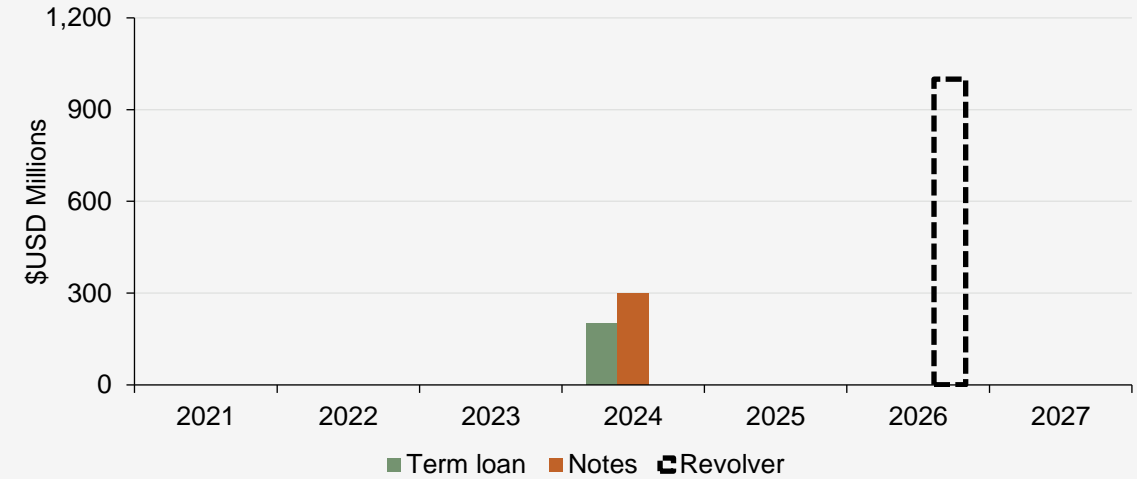


# Liquidity (\$millions)

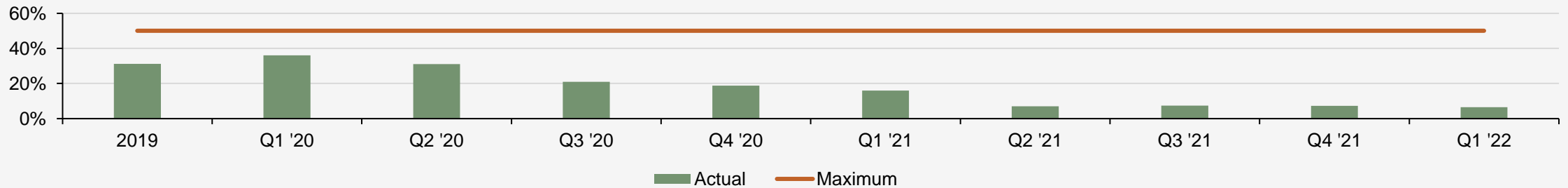
Available Liquidity\*



Scheduled Maturities



Debt to Capitalization



***Strong balance sheet and liquidity support financial flexibility***

\* Available liquidity is a non-GAAP capital management measure calculated as the sum of cash and short-term investments and funds available under committed and uncommitted bank credit facilities.  
Note: Cash consists of cash and short-term investments less cheques issued in excess of funds on deposit.



# Scope, Scale and Expertise to Unlock Growth

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# West Fraser's Growth Strategy

- Our **objective** is to be the premier wood building products company in North America, resulting in long-term value creation.
- Our **strategy** to achieve this objective is to develop and maintain a highly disciplined organization relentlessly focused on **continuous improvement** in safety and productivity across all our operations.
- We will **continually invest in our people and our business** to achieve best-in-class productivity and returns that enable continued growth.



## WEST FRASER'S VALUES & BELIEFS

West Fraser makes renewable wood products for the world



### Our business strategy is simple:

- Low cost
- Reinvest profits
- Prudent balance sheet



### Our goals are to develop and maintain:

- **Excellence** in performance and people
- **Leadership** in our field
- **Challenge** & satisfaction
- **Responsibility** in communities in which we work
- **Profitability**
- **Growth**



# ~\$175M Dudley Mill Expansion – Brownfield Reinvestment with Estimated Payback Less than 7 Years

	Pre- project	Proforma
Capital (2020-2021)	~\$175M	
Lumber Production (MMfbm)	100	270
Grade (#2&Btr)	72%	80%
Productivity (FBM/Manhour)	Increase 200+%	
Recovery (Ton/Mfbm)	Decrease 20+%	
Total Cash Cost (\$/Mfbm)	Decrease 20+%	
Trend EBITDA (\$MM)	Increase ~7x	

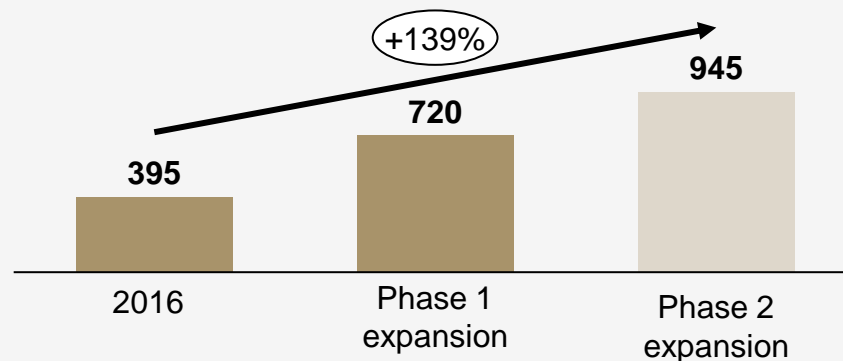




# ~\$200M Inverness Mill Expansion – Brownfield Reinvestment with Estimated Payback Less than 5 Years



**Inverness Capacity** (in MMsf-3/8")



## Inverness Investments

**Phase 1 investment** of US\$147 million

- New continuous press line started up in Q4/2017
- New finishing end commissioned in Q1/2019

**Phase 2 investment** of US\$46 million (£35 million)

- 2nd wood room and drying line installation complete in Q3/2020 and now commissioned
- Continuous press continues to ramp towards Phase 2 capacity







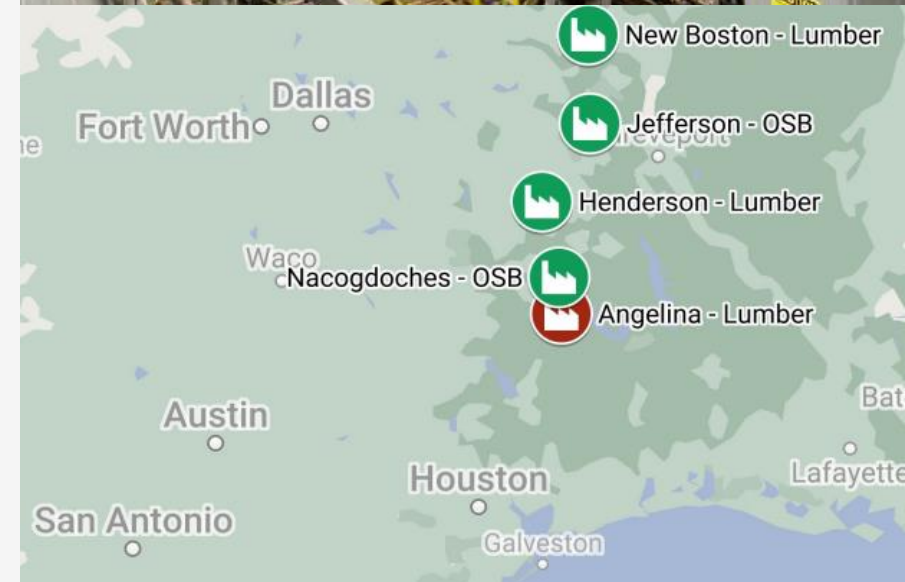
# ~\$300M Acquisition of Angelina Forest Products Sawmill in Lufkin, Texas

## Strategic Rationale

- Enhances West Fraser's lumber mill portfolio
  - ✓ Turn-key, modern lumber mill already generating cash flow; mill started production in late 2019
  - ✓ Located near abundant, low-cost fiber, expected to be a first quartile mill
  - ✓ Existing ecosystem with transport/logistics, local workforce and outlet for residuals

## Financial Alternative to Greenfield Investment – Key Metrics

- \$303 million purchase price, net of cash acquired, expected to progress toward full production capacity of 305 MMBF over next three to four years
  - ✓ Transaction includes approximately \$19 million of working capital and \$24 million of supplemental tax attributes, generating ~13% IRR at mid-cycle pricing
  - ✓ Adjusted EBITDA multiple ~6.4x at full production and mid-cycle pricing; embeds \$13 million of annual synergies that are expected within two years



Source: Google Maps





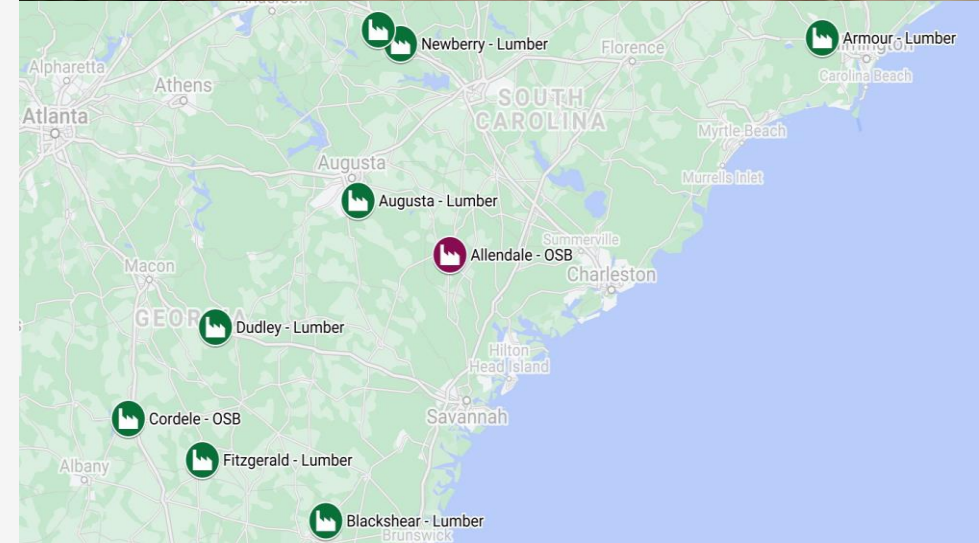
# ~\$280M Acquisition of GP OSB Mill near Allendale, South Carolina

## Strategic Rationale

- Large-scale mill enhances West Fraser's OSB mill portfolio, will provide greater flexibility to better meet customer demand
  - ✓ Georgia-Pacific mill idled since late 2019; opportunity for West Fraser to utilize internal expertise reinvesting in and restarting idled OSB mills
  - ✓ Strategically located near abundant, low-cost fiber, expected to be a first quartile mill when running at full production

## Attractive Alternative to Greenfield Investment

- \$280 million purchase price, including \$4 million of working capital, for mill with estimated 760 MMSF (3/8-inch basis) stated capacity
  - ✓ Estimated \$70 million of capital investment required to upgrade and optimize the mill in preparation for restart
  - ✓ Expect capital investment to be complete and mill ready for restart within approximately nine months of closing date based on current demand conditions
  - ✓ Total investment expected to be at a significant discount to the costs of an equivalent greenfield OSB mill and require a shorter time to initial production



Source: Google Maps





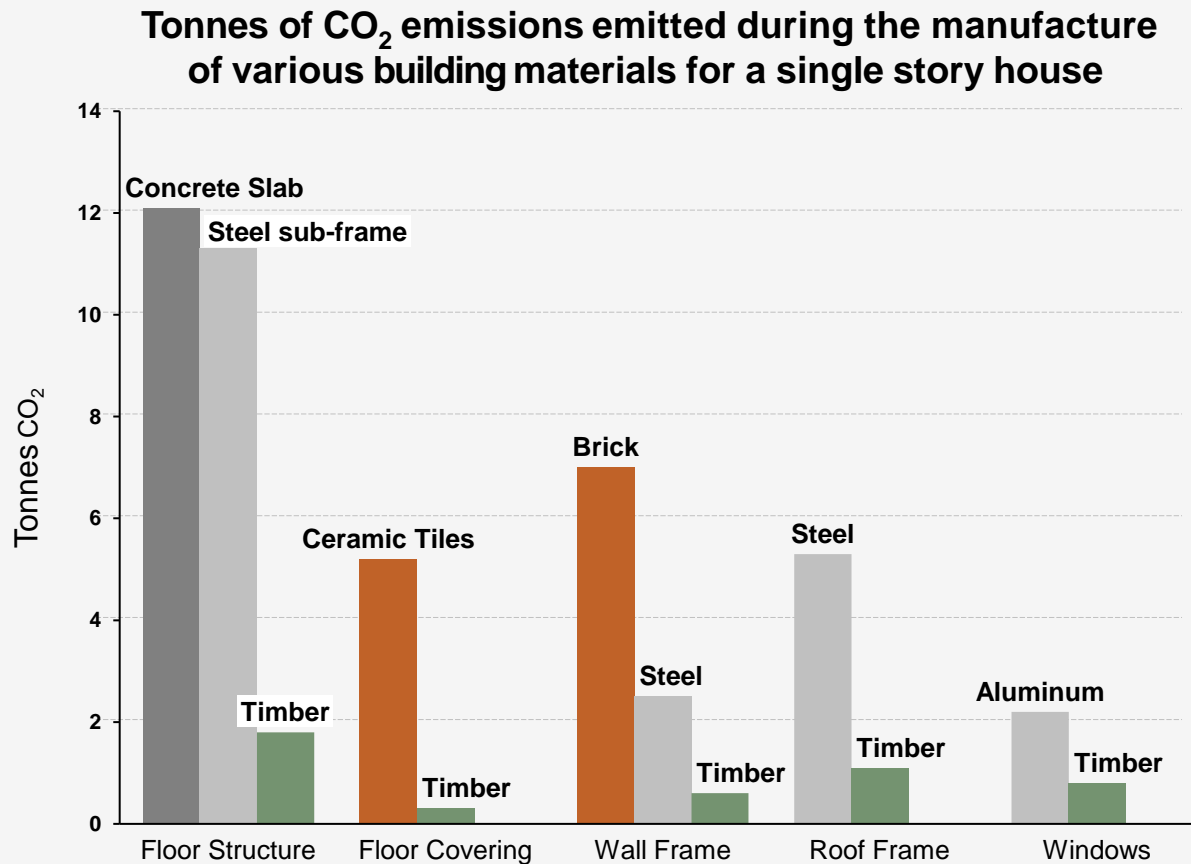


# Positioned to Benefit from Strong ESG Fundamentals

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# Building with Wood Offers Significant Environmental Benefits



Sources: InWood International Magazine, Issue 55, Feb-Mar 2004; Frontiers of Architectural Research, September 2013; West Fraser analysis.

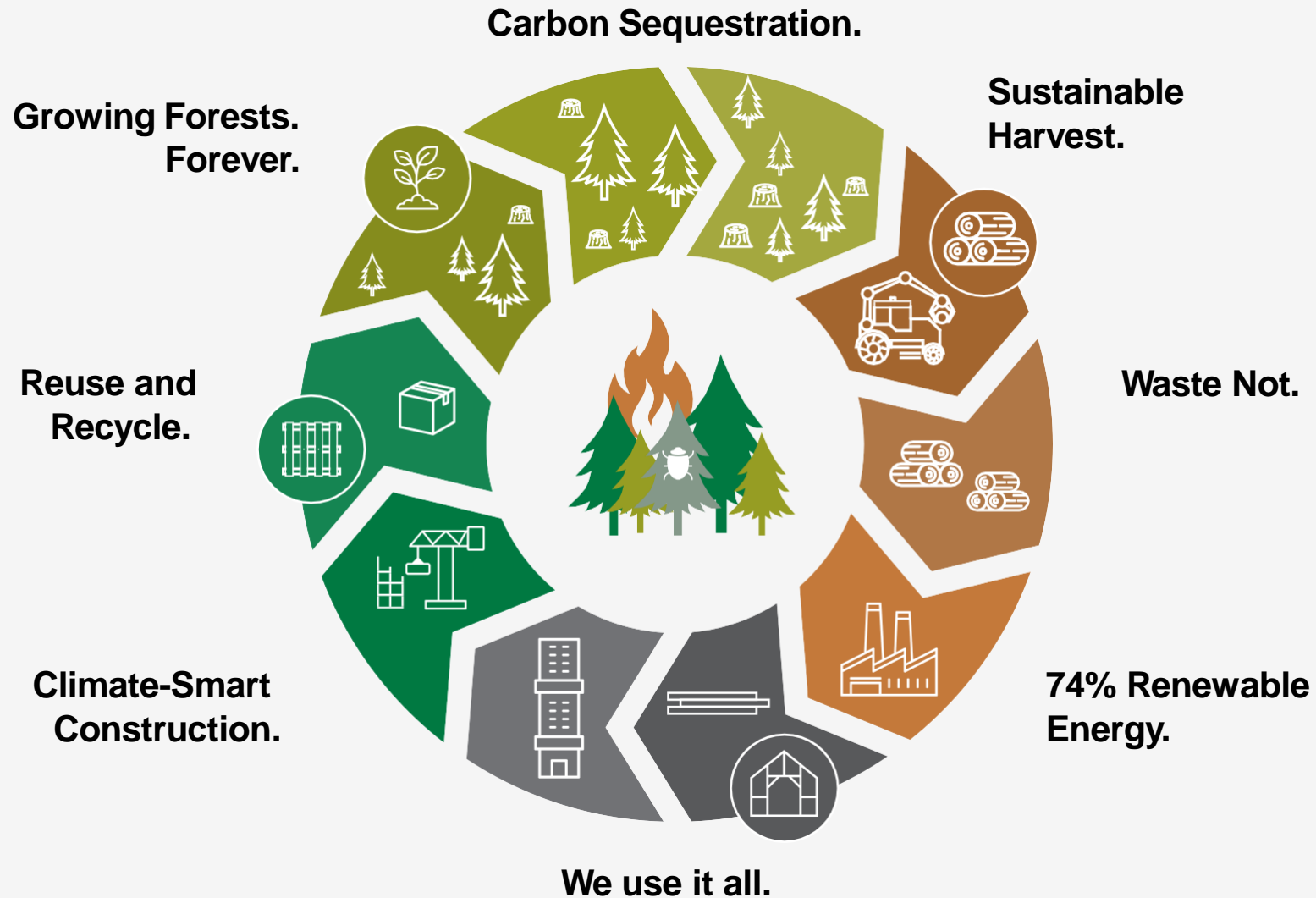
*In Addition to Sequestering Carbon, Wood Product Manufacturing Has a Lighter Carbon Footprint*

- West Fraser is positioned to benefit from strong ESG fundamentals, including the role forest products play in storing carbon
- We strive to make sustainability more than just a statement – it is a central principle upon which our people operate
- The world needs sustainable, renewable building materials that sequester carbon in the fight against climate change
- Forest products are more important than ever as a truly natural solution and preferred choice for building in a low-carbon economy





# Circular Economy – Responsible, Resourceful and Climate-Smart





# Key Achievements



Achieved  
**2 billion trees  
planted**  
milestone in 2021

**Stored 17.5 tonnes**

of carbon (CO<sub>2</sub>e) in 2020 production for  
lumber and OSB

**Recognized with a SFI Leadership  
in Conservation Award,**

in collaboration with the Nature  
Conservancy of Canada

**Certified 100% responsible fibre sourcing**

Powered by



**renewable energy**

**Added solar power to our energy mix**



**Harvested  
less than 1%**

of West Fraser's managed forest  
area (annually)

**Recover, reuse & repurpose:**

**99%**

of a log utilized

**94%**

of water recycled



Cut scope 1 & 2 GHG emissions

**by 15% since 2005**



# Our People

8%

of West Fraser's  
Canadian employees  
self-identify as  
Indigenous

## Diversity and Inclusion



22%

of all West Fraser  
employees self-identify  
with an under-represented  
racial or ethnic identity

Defined an Indigenous  
Peoples Policy

Committed to Progressive  
Aboriginal Relations Certification  
from the Canadian Council for  
Aboriginal Businesses

Diversity, Equity &  
Inclusion Policy revision



In 2021, reduced  
injuries through increased  
focus on lockout verification,  
hazard/risk assessments &  
implementation of improved  
equipment safeguards

40% decrease in  
Recordable  
Incident Rate  
(vs. 2017)

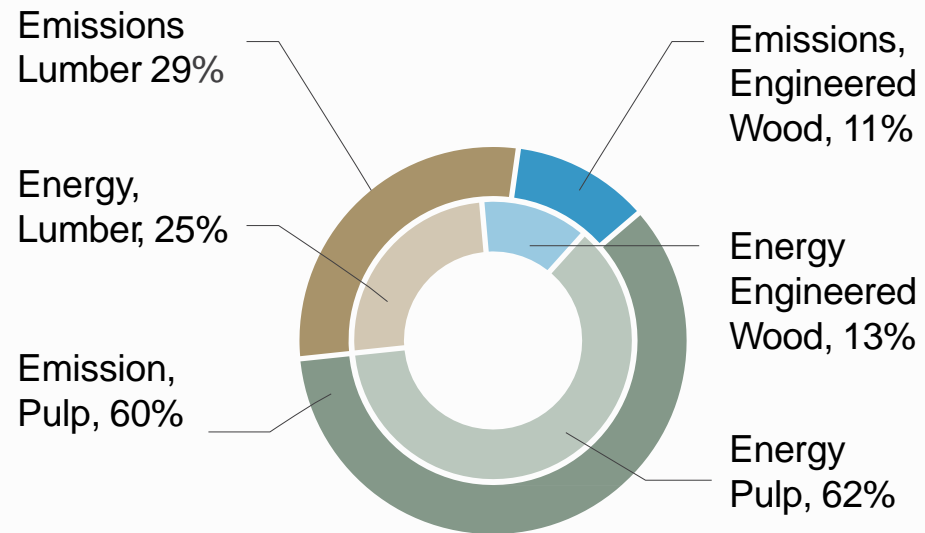


45%  
of board  
members are  
women

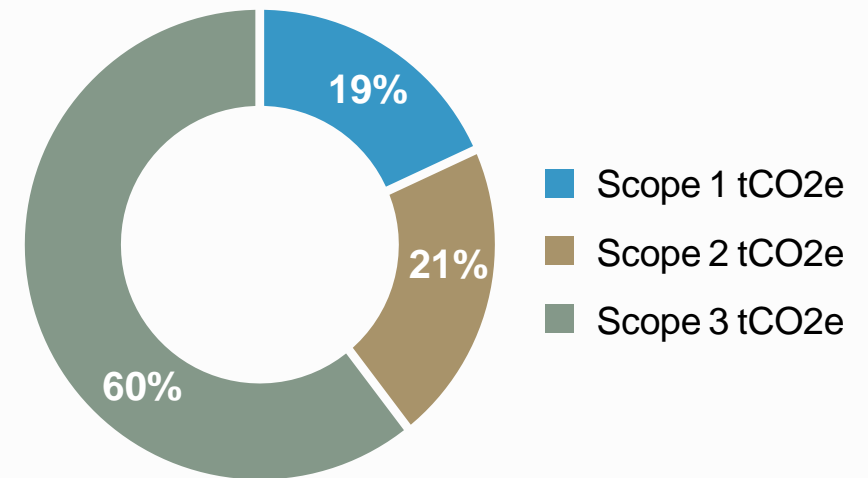


# Caring for the Earth: GHG Emissions

**Scope 1 & 2 Emissions (1.59 ktCO<sub>2</sub>e) and Energy (63.0 kGJ)  
2020 Apportioned by Product Segment**



**Scope 1, 2, 3 Emissions Screening 2020**



**15%**

**Scope 1 & 2 GHG  
emission v. 2005**

**850 GWH**

**Renewable energy  
generation capacity**





# Committing to the SBTi Process

Joining the SBTi signals our commitment to global climate action, aligning with the Paris Agreement goals, to materially reduce GHGs, across all our operations by 2030

On **Feb 15, 2022**, West Fraser commitment to science-based targets and the Science Based Targets Initiative (SBTi).

Building on existing performance, this is an important step in our sustainability leadership journey and ESG performance strategy.

**West Fraser is committing to reducing:**

- **Scope 1** GHG emissions and **Scope 2** GHG emissions **46.2% by 2030** from a 2019 base year (1.5°C Scenario)
- **Scope 3** GHG emissions by **25% by 2030** from a 2020 base year (well-below 2°C Scenario)







# Committing Capital to Achieve GHG Goals

SBTi promotes best practice in science-based target setting and independently assesses companies' targets



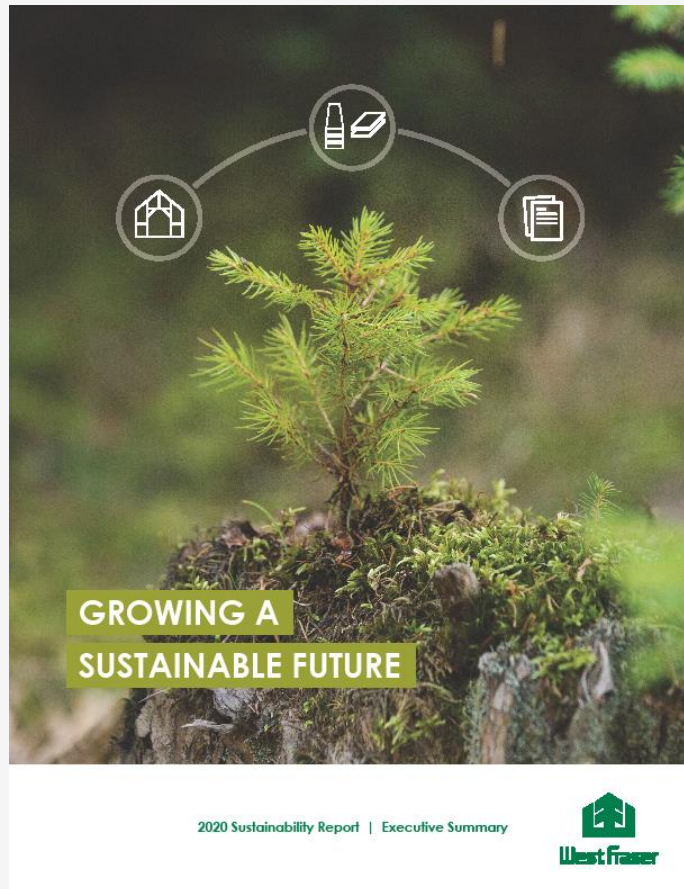
Company capital plans from **2022** forward will invest:

- **\$50M** annual average in GHG reduction projects and opportunities
- Approximately **\$400M** before **2030** to achieve targets





# Sustainability Reporting



## Full 2020 Sustainability Report

*SASB, GRI & TCFD disclosures*

[westfraser.com/responsibility/sustainability-report](https://westfraser.com/responsibility/sustainability-report)

## Sustainability Report Highlights

[Westfraser.com/responsibility/sustainability-report/executive-summary](https://Westfraser.com/responsibility/sustainability-report/executive-summary)

*Attractive ESG attributes, significantly upgraded reporting*



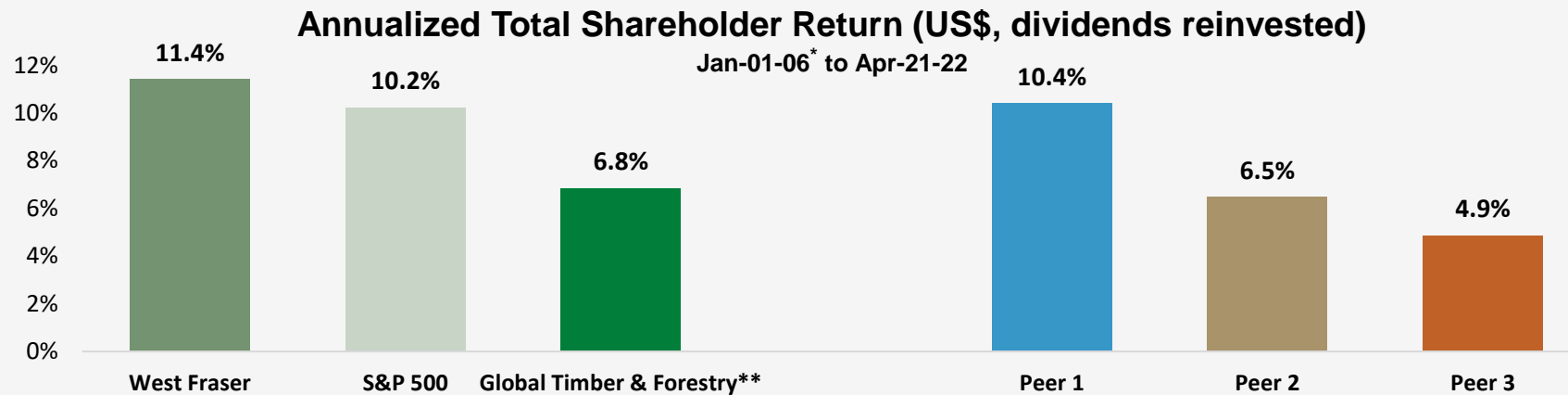
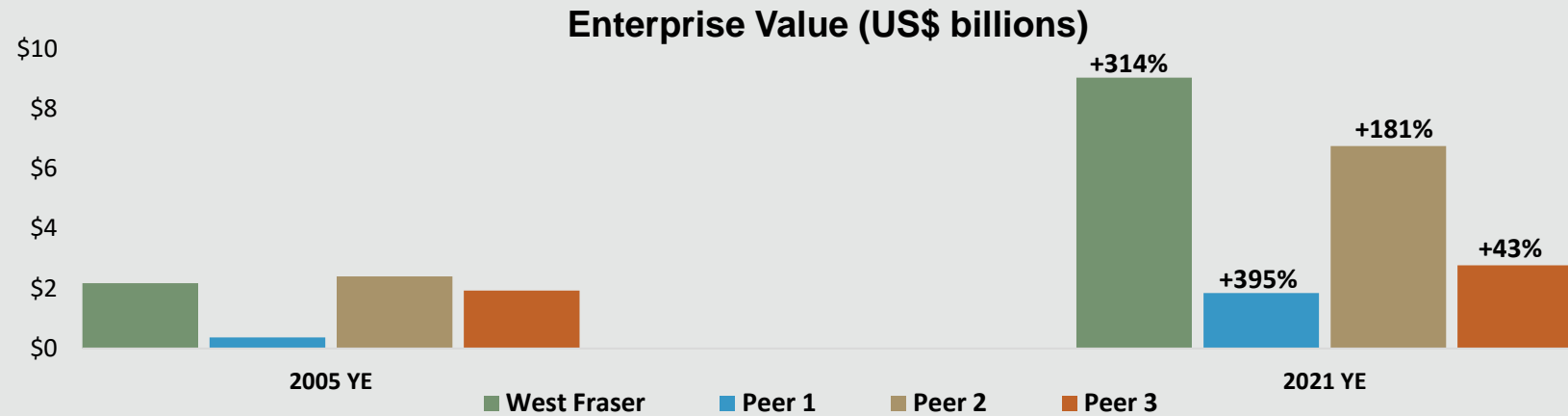


# Attractive Record of Creating Shareholder Value

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# Performance vs. Peers and Relevant Indices



Source: Bloomberg



*Attractive shareholder returns outperforming peers*

\* January 1, 2006 starting date selected as it approximates the peak of the last housing cycle in new construction.

\*\* S&P Global Timber & Forestry Index (basket of 25 of the largest publicly-traded companies engaged in ownership, management or the supply chain of forests and timberlands, including makers of forest products, paper and paper packaging).





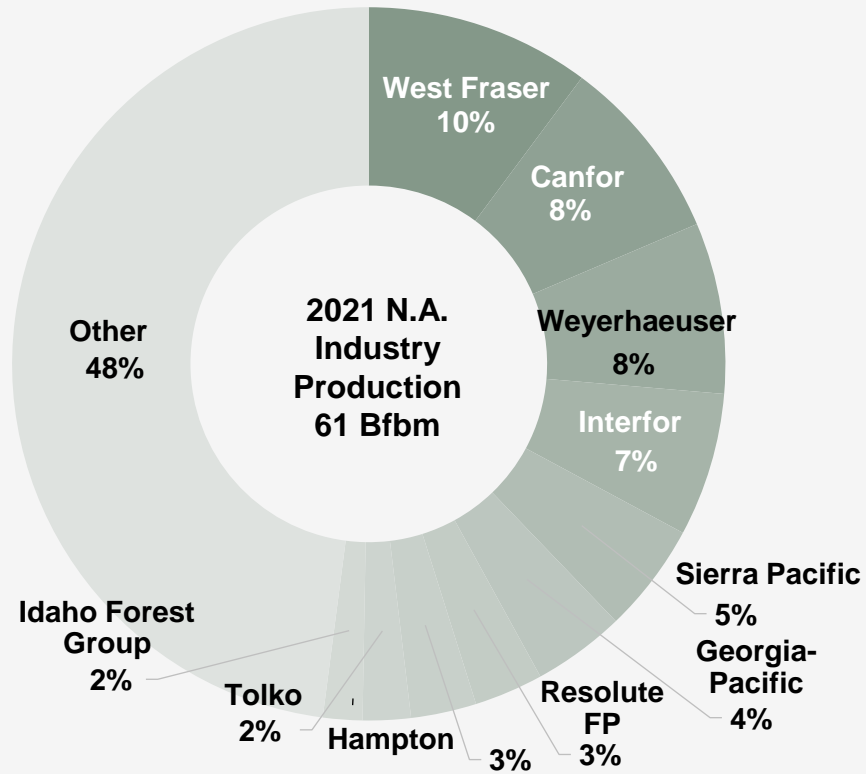
# Appendix

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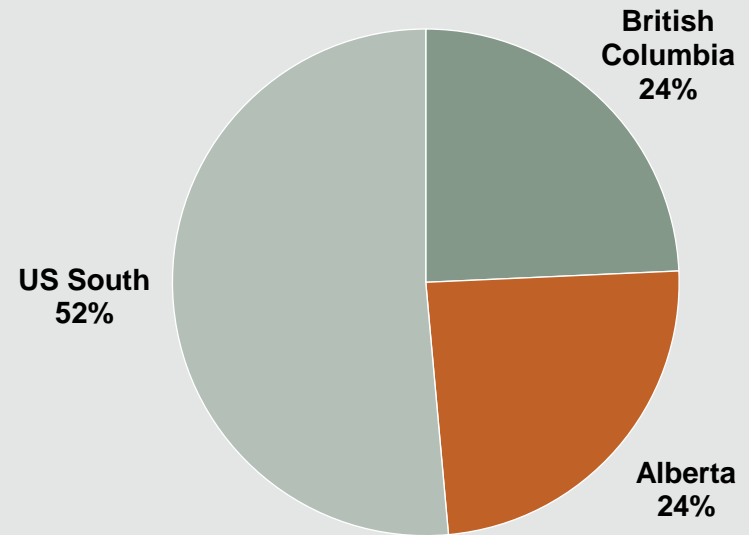


# West Fraser is North America's Largest Lumber Producer



Source: FEA, Public filings

## West Fraser 2021 Capacity 7.0 Billion feet

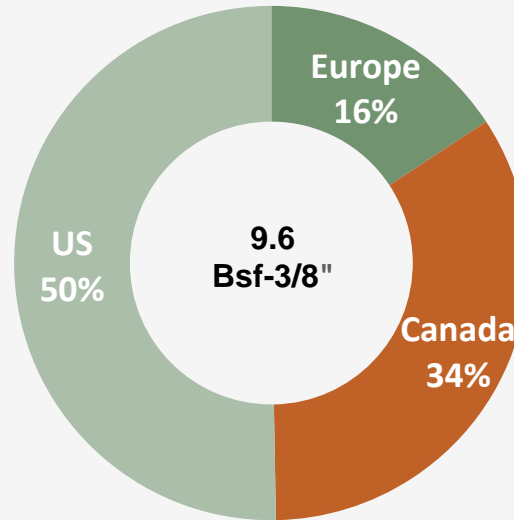


*Lumber capacity concentrated in low-cost timber regions*

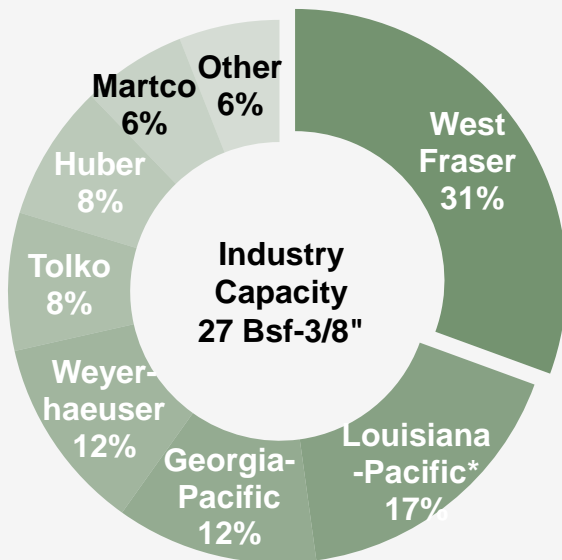


# West Fraser is a Leading OSB Producer

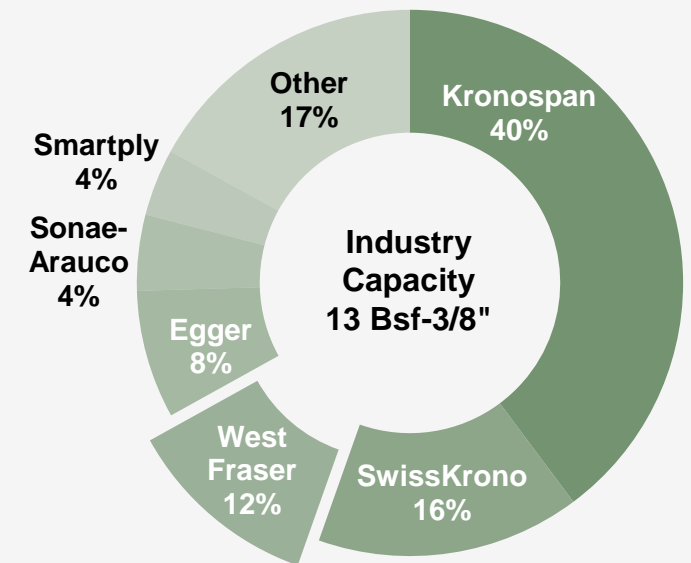
## West Fraser OSB Capacity by Region



## North American OSB Industry\*



## European OSB Industry

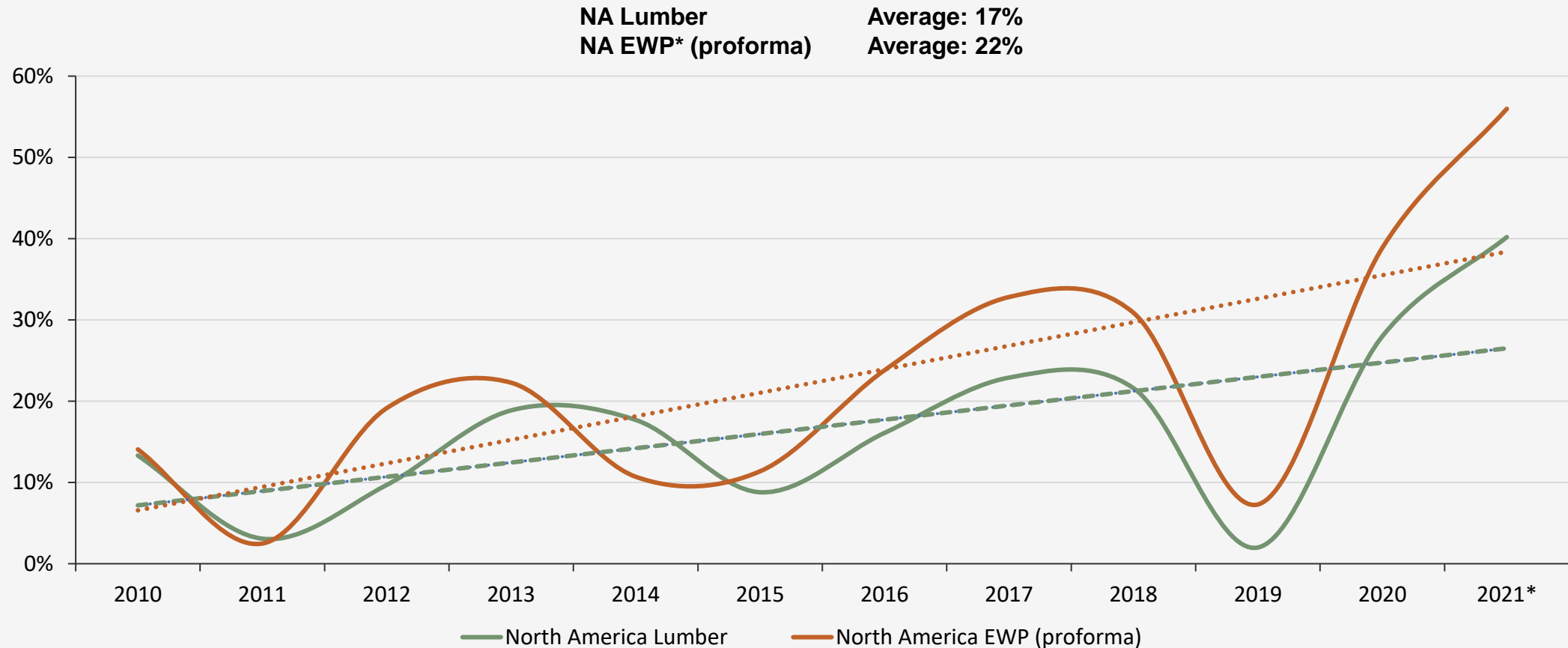


Source: Company documents and other public filings – stated capacities as at December 31, 2021, plus estimated stated capacity of currently idled Allendale mill.

\* Excluding OSB siding capacity.



# West Fraser North America Lumber and EWP Adjusted EBITDA Margin<sup>1</sup>



Note: Lumber adjusted EBITDA is after duties; North America EWP includes Norbord historic North American OSB results.

\* 2021 cost of products sold for EWP was increased and Adjusted EBITDA decreased by an \$86 million one-time charge related to inventory purchase price accounting, lowering 2021 adjusted EBITDA margin ~190 bps

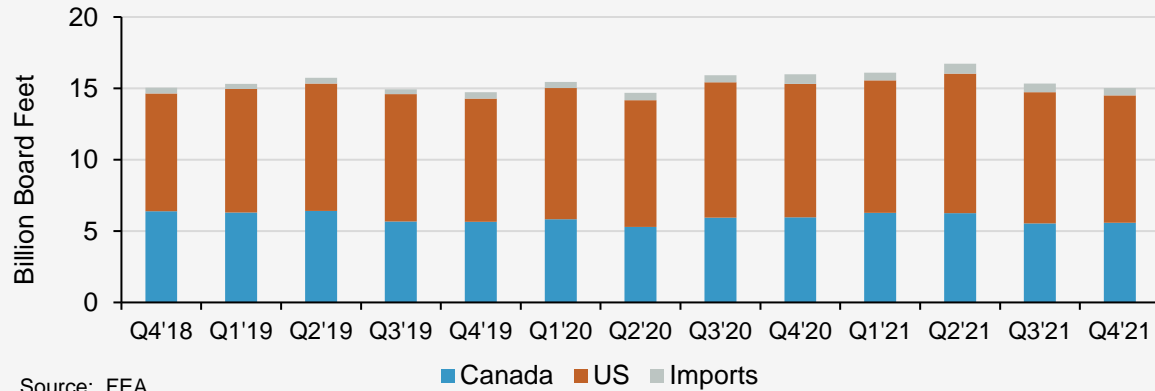
***Improving demand, capital and operational execution supporting margin gains***

<sup>1</sup> Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by sales. See the “Non-GAAP and Other Specified Financial Measures” section of our MD&A for more information on Adjusted EBITDA, including a reconciliation to the most directly comparable IFRS measure. We believe that disclosing this measure assists readers in measuring performance relative to other entities that operate in similar industries and understanding the ongoing cash generating potential of our business. EBITDA margin and Adjusted EBITDA are not standardized financial measures under IFRS and may not be comparable to similar financial measures disclosed by other issuers.

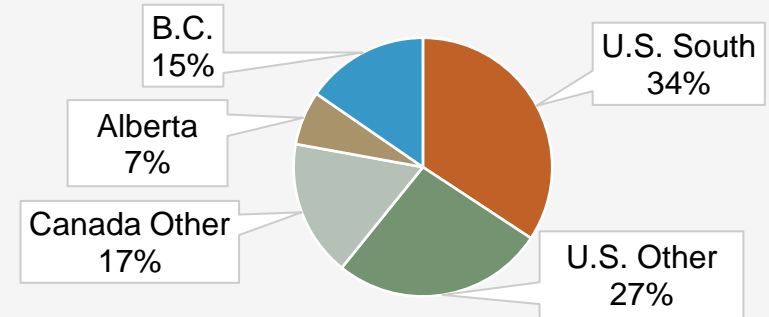


# Lumber Supply Conditions

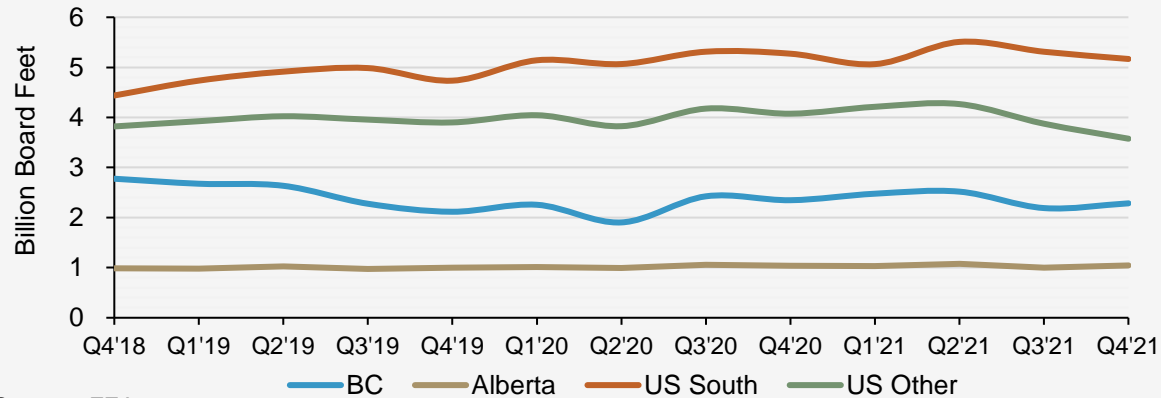
### Total North America Lumber Supply (Production)



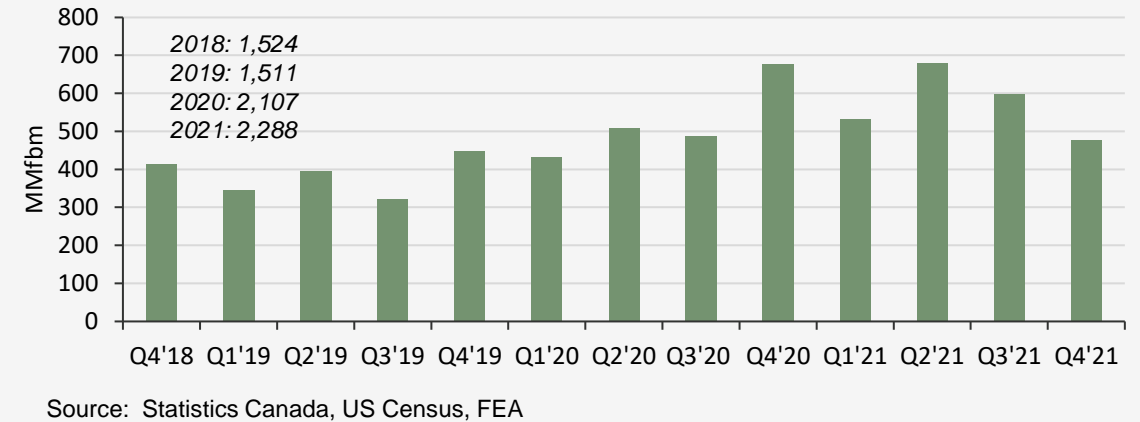
### North America Lumber Supply (Production) – 2021



### North America Lumber Supply (Production)



### North America Offshore Lumber Imports

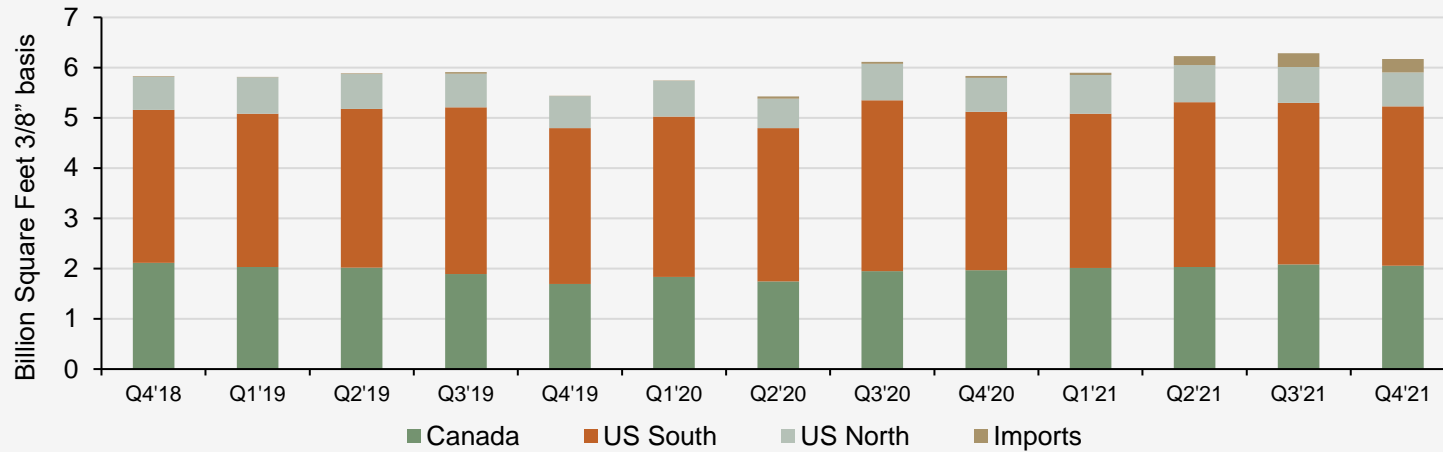


*Supply growth largely limited to US south where fiber is abundant*



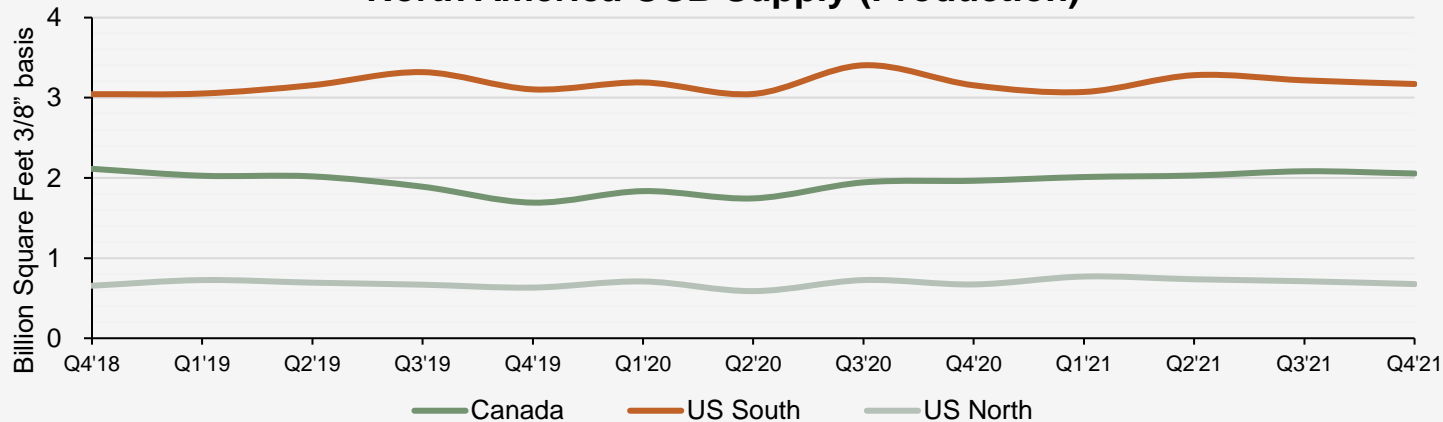
# OSB Supply Conditions

**Total North America OSB Supply (Production)**



Source: FEA

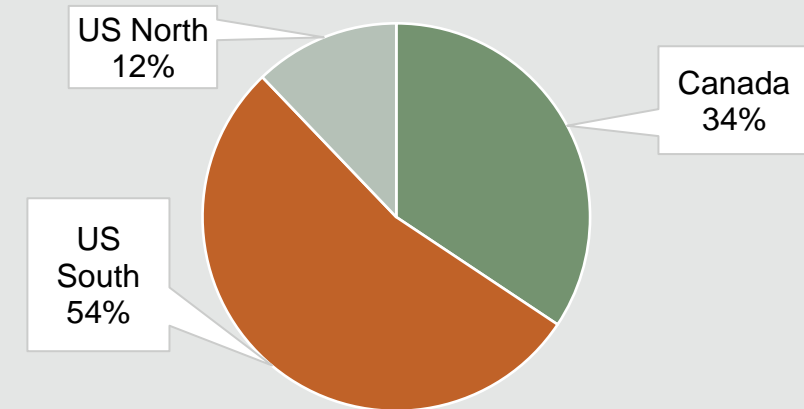
**North America OSB Supply (Production)**



Source: FEA

*Wood supply shortage led to permanent closure of one BC mill in 2020; two other mills re-started in 2021 (Quebec and B.C.) while one remains idled*

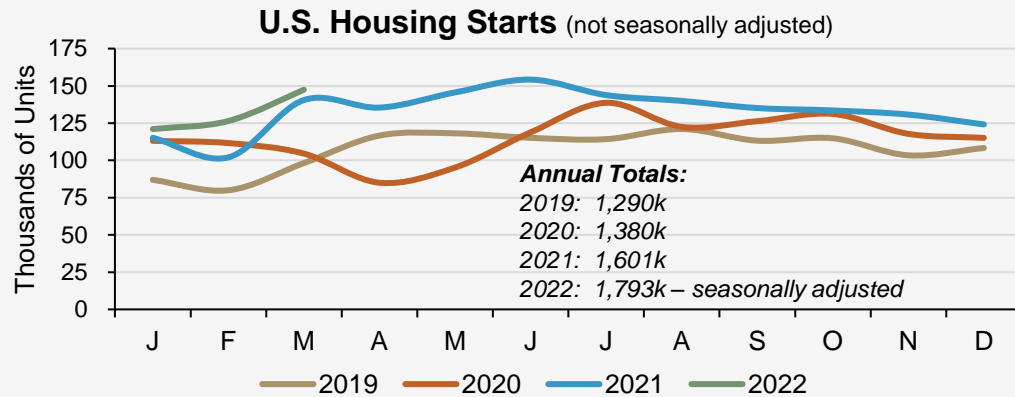
**North America OSB Supply (Production) - 2021**



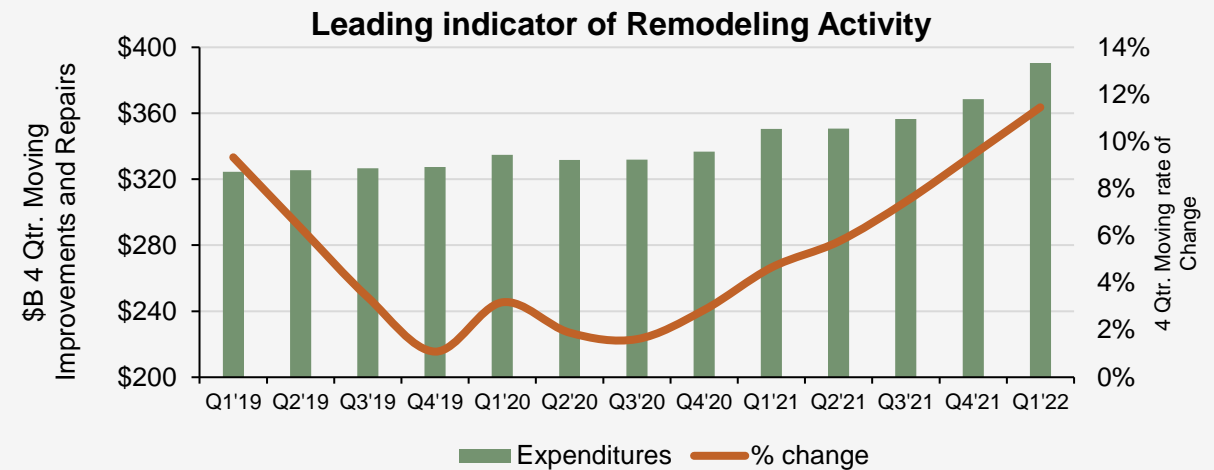
Source: FEA



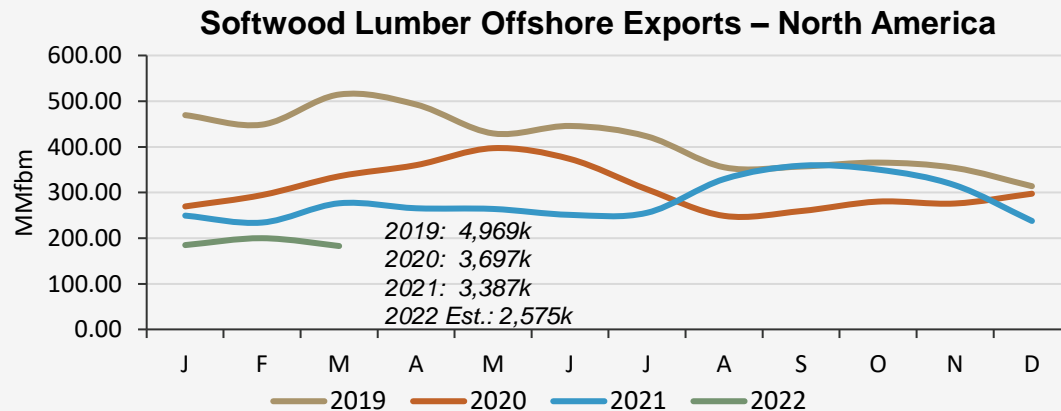
# Demand Conditions for Wood Building Products



Source: US Census Bureau



Source: Harvard Joint Centre for Housing Studies. Accessed April 2022.



Source: FEA, Statistics Canada, US Census Bureau

- Housing starts are near highest levels since 2006 supporting lumber, OSB, plywood, LVL and MDF demand
- Continued positive trend in repair and renovation demand growth, supported by an aging housing stock
- Relatively modest lumber shipments being directed outside of North American markets given strong domestic demand

**Market demand fundamentals remain strong for wood products**



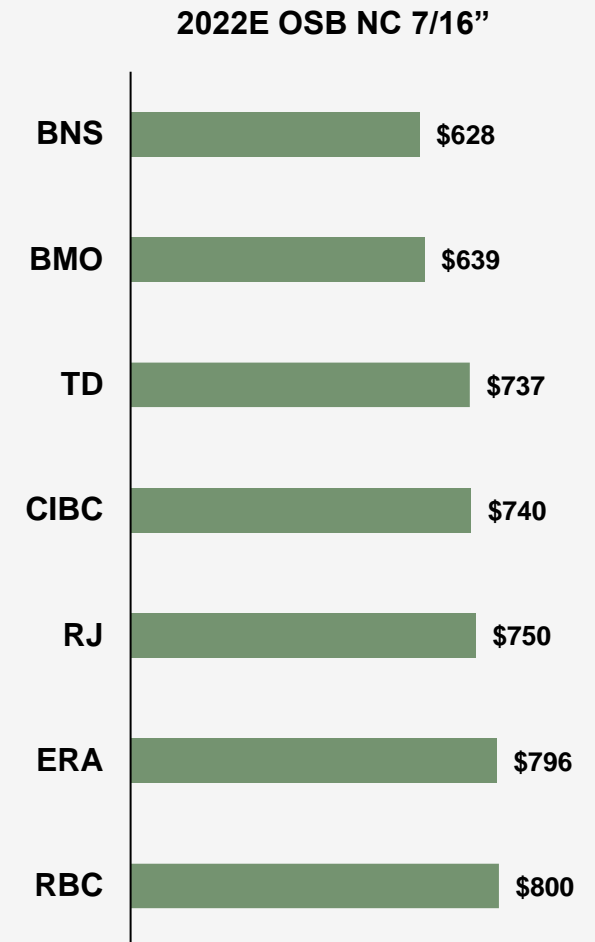
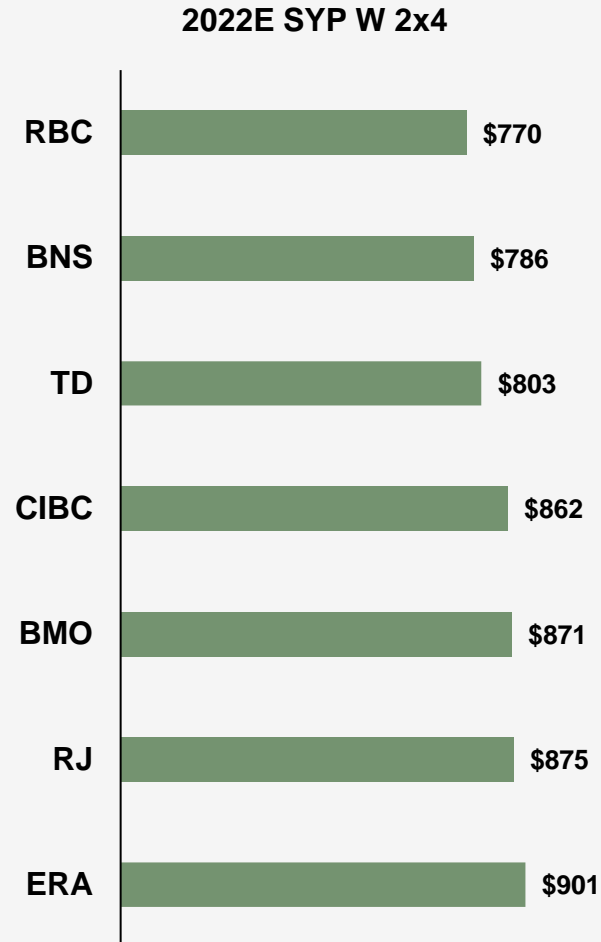
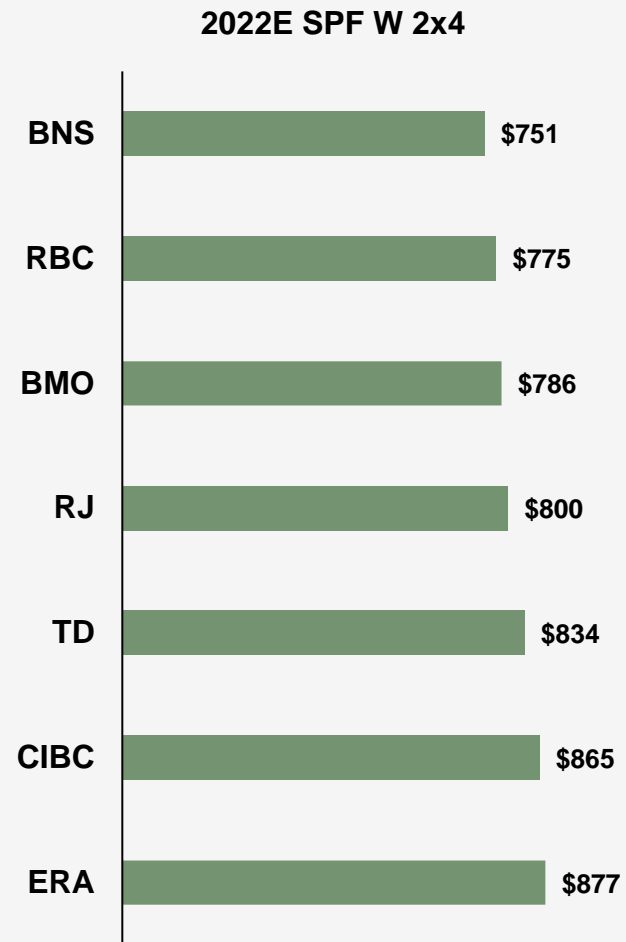
# Analyst Coverage

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<b>ERA Forest Products Research</b>	John Cooney	(604) 267-3021   jcooney@era-research.com
<b>Raymond James</b>	Daryl Swetlishoff	(604) 659-8246   daryl.swetlishoff@raymondjames.ca
<b>RBC Capital Markets</b>	Paul Quinn	(604) 257-7048   paul.c.quinn@rbccm.com
<b>Scotia Capital</b>	Benoit Laprade	(514) 287-3627   benoit.laprade@scotiabank.com
<b>TD Securities</b>	Sean Steuart	(416) 308-3399   sean.steuart@tdsecurities.com





# Analyst Estimates (SPF & SYP US\$/Mfbm; OSB US\$/Msf)



Source: Analyst reports as of April 20, 2022



# Modeling EBITDA

## Estimated Earnings Sensitivity to Key Variables

(based on annual shipment volumes - \$ millions)

Factor	Variation	Change in pre-tax earnings <sup>1</sup>
Lumber price	\$10 (per Mfbm)	51
NA OSB price	\$10 (per Msf)	63
Europe OSB price	£10 (per Msf)	12
NBSK price	\$10 (per tonne)	3
BCTMP price	\$10 (per tonne)	6
U.S. / CAD \$ exchange rate <sup>2</sup>	\$0.01 (per \$ CAD)	15

Notes:

1. Each sensitivity has been calculated on the basis that all other variables remain constant and is based on changes in our realized sales prices.
2. Represents the impact on USD equivalent of net CAD revenues and expenses for the initial \$0.01 change. Additional changes are substantially, but not exactly, linear.

Source: West Fraser



# West Fraser Timber Co. Ltd.

These materials have been prepared by Management of the Company. No regulatory authority has approved or disapproved of the contents of these materials. These materials do not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company, and shall not constitute an offer, solicitation or sale of the Company's securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Securities of the Company may not be offered or sold in the United States absent their prior registration or qualification or an applicable exemption from the applicable registration or qualification requirements.

**TSX and NYSE: WFG**  
**WestFraser.com**





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**Currency:** In this presentation, all amounts are in U.S. dollars, unless otherwise indicated.

**Terminology:** References in this presentation to “MMfbm” or “mmfbm” mean million board feet, “Bfbm” mean billion board feet, “Bsf-3/8” mean billion square feet on a 3/8-inch basis, “SPF” means spruce-pine-fir and “SYP” means southern yellow pine. For any other technical terms used in this presentation, please see the Glossary of Industry Terms found in our most recent Annual Report.