



INVESTOR PRESENTATION

NOVEMBER 2023

FORWARD-LOOKING INFORMATION & NON-GAAP MEASURES

Forward-Looking Information:

This presentation contains forward-looking information about Interfor Corporation's ("Interfor" or the "Company") business outlook, objectives, plans, strategic priorities and other information that is not historical fact. A statement contains forward-looking information when the Company uses what it knows and expects today, to make a statement about the future. Statements containing forward-looking information in this presentation, include but are not limited to, statements regarding production capacity, facility restart plans and ramp-up timelines, pro-forma capacity, expected earnings and returns, pro-forma debt ratios, liquidity, borrowing capacity, regulatory approvals and other relevant factors. Readers are cautioned that actual results may vary from the forward-looking information in this presentation, and undue reliance should not be placed on such forward-looking information. Risk factors that could cause actual results to differ materially from the forward-looking information in this presentation are described in Interfor's annual Management's Discussion & Analysis under the heading "Risks and Uncertainties", which is available on www.interfor.com and under Interfor's profile on www.sedar.com. Material factors and assumptions used to develop the forward-looking information in this presentation include volatility in the selling prices for lumber, logs and wood chips; the Company's ability to compete on a global basis; the availability and cost of log supply; natural or man-made disasters; currency exchange rates; changes in government regulations; Indigenous reconciliation; the softwood lumber trade dispute between Canada and the U.S.; environmental impacts of the Company's operations; labour disruptions; information systems security; and the existence of a public health crisis. Unless otherwise indicated, the forward-looking statements in this presentation are based on the Company's expectations at the date of this presentation. Interfor undertakes no obligation to update such forward-looking information or statements, except as required by law. The Company's independent auditor, KPMG LLP, has not audited, reviewed or performed any procedures with respect to any interim financial results and other data included in this presentation, and accordingly does not express an opinion or any other form of assurance with respect thereto.

Non-GAAP Measures:

This presentation makes reference to certain non-GAAP measures, such as EBITDA, Adjusted EBITDA and Net debt to invested capital, which are used by the Company and certain investors to evaluate operating performance and financial position. These non-GAAP measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Definitions and reconciliations of terms can be found in Interfor's annual and quarterly Management's Discussion & Analysis which are available on www.interfor.com and under Interfor's profile on www.sedar.com.

Currency:

All financial references in this presentation are expressed in Canadian dollars, unless otherwise noted.

INTERFOR INVESTMENT HIGHLIGHTS



Pure-play North American lumber producer of scale

- Top three softwood lumber producer in North America, with 32 strategically located facilities
- High exposure to US South, Eastern Canada and Atlantic Canada with attractive log costs

Compelling lumber market fundamentals

- Diversified demand across end-use segments, including housing and repair & remodel
- Supply growth constrained by availability of fibre and labour, and equipment lead times

Top tier operating margins and returns on capital

- Industry leading EBITDA margins and returns on capital employed
- Well capitalized, high-margin portfolio of sawmills

Growth-focused strategy

- Long-standing strategy of growth; 10-year lumber production volume CAGR of 11%
- Acquisitions since 2021 have increased production capacity by 69%

Balanced capital allocation and optimized capital structure

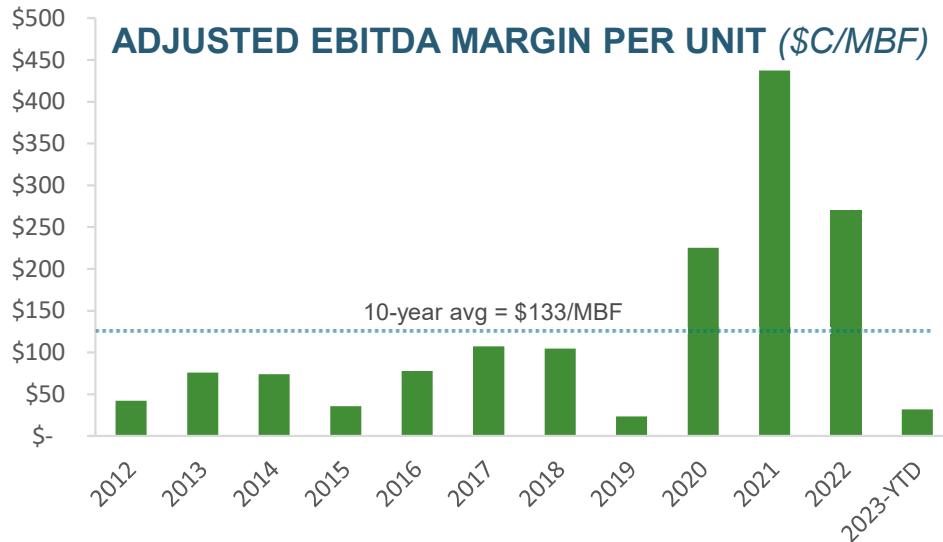
- Disciplined approach across growth capex, M&A and returns to shareholders
- Well structured balance sheet and ~\$418 Million of liquidity as of September 30, 2023

Positive ESG and carbon story

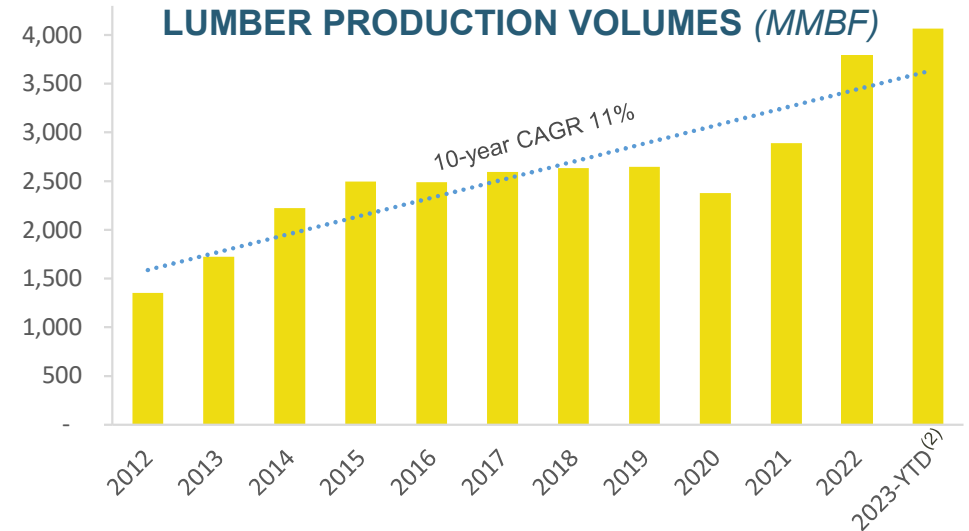
- Sustainable forest management and harvesting practices
- Lumber is a climate-friendly building product with opportunity to displace concrete/steel

INVESTOR VALUE PROPOSITION

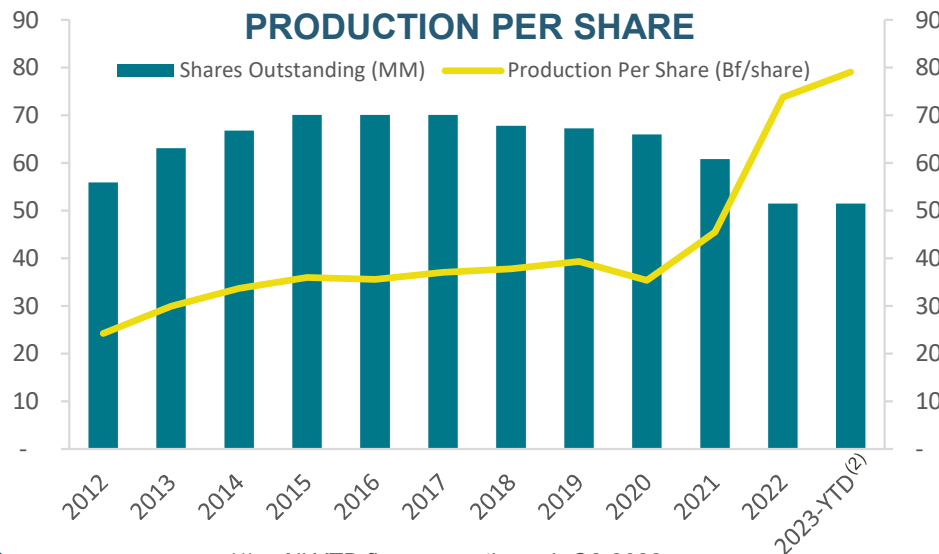
Attractive Earnings Through the Cycle



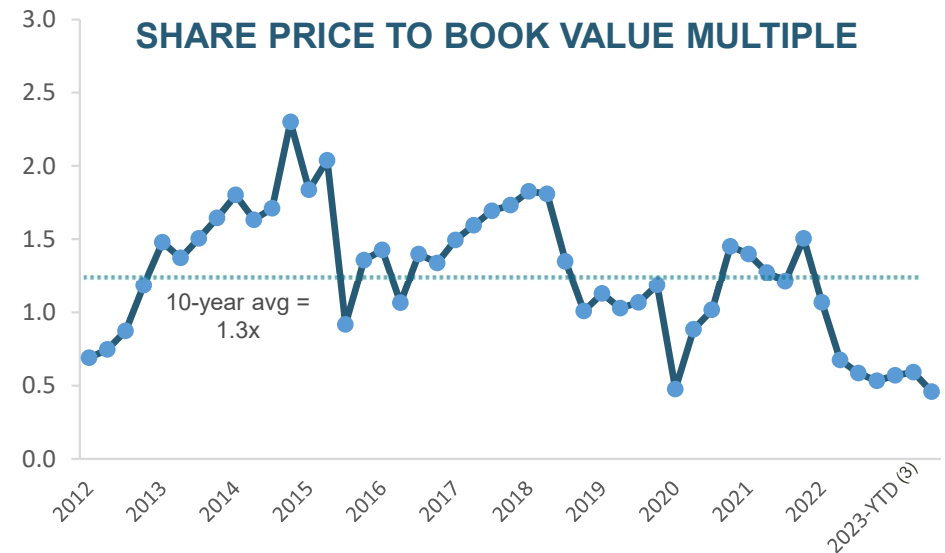
Consistently Growing Volumes



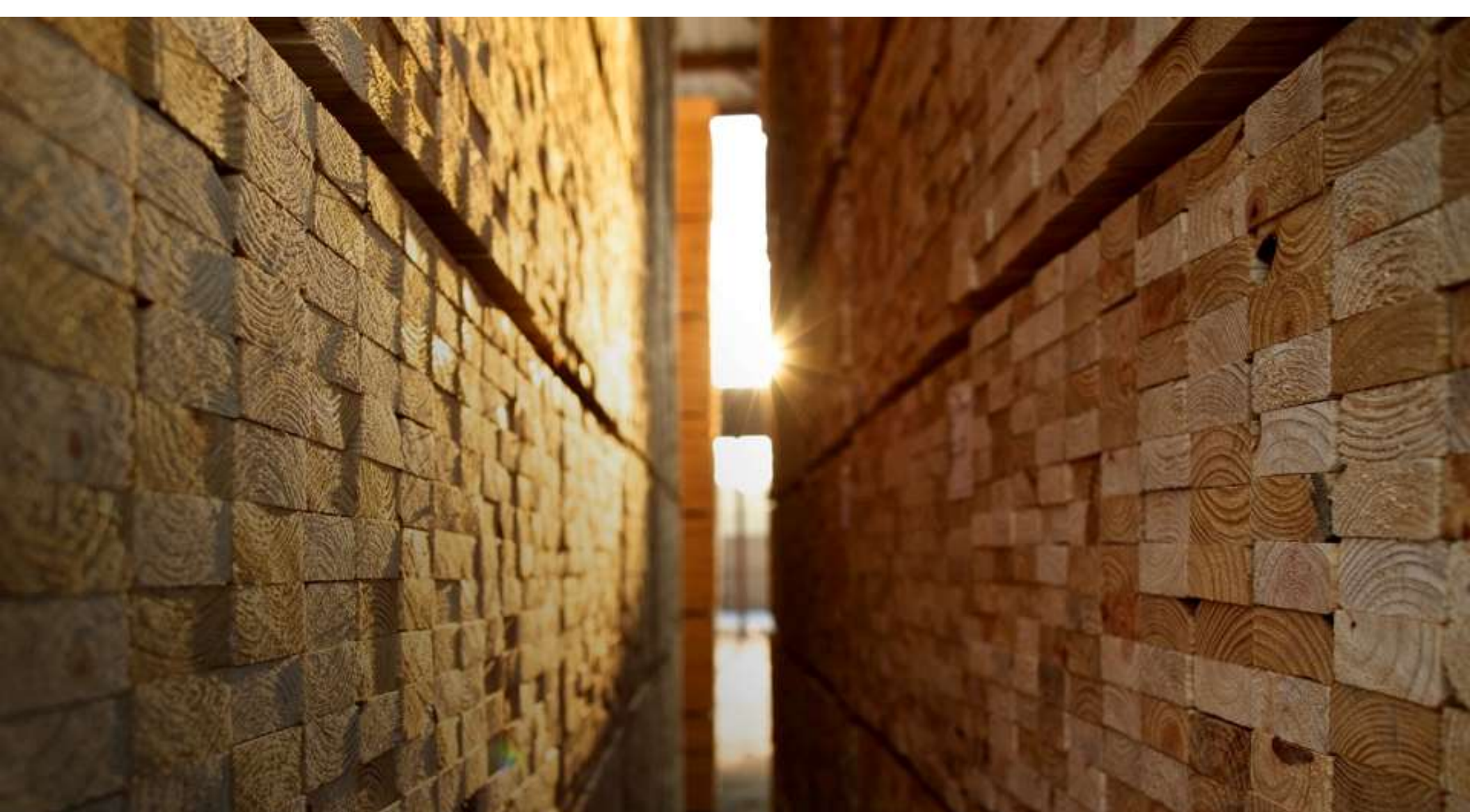
Increasing Leverage to Production



Attractive Valuation Metrics



- (1) All YTD figures are through Q3-2023.
- (2) Annualized Q3-2023-YTD production volume.
- (3) Market and book value prices per share as of each calendar quarter-end, except 2023 book value as of September 30 and market price as of October 27.



PURE-PLAY NORTH AMERICAN LUMBER PRODUCER

PURE-PLAY LUMBER PRODUCER

Interfor is a North American focused, pure-play softwood lumber producer

INTERFOR 2022 REVENUES BY SOURCE

Softwood Lumber (85%)

Dimensional lumber primarily for framing/structural applications, manufactured at Interfor's sawmill facilities



Other Wood Products (4%)

Primarily I-joists - engineered wood structural members manufactured by Interfor with internally-sourced lumber flanges and externally-sourced oriented strand board web



Logs (5%)

Logs that do not meet the criteria for processing at Interfor's facilities, due to factors such as species (e.g. hardwood) or size



85%

\$4.6 BILLION

4%

5%

6%

Wood Chips & Other By-Products (6%)

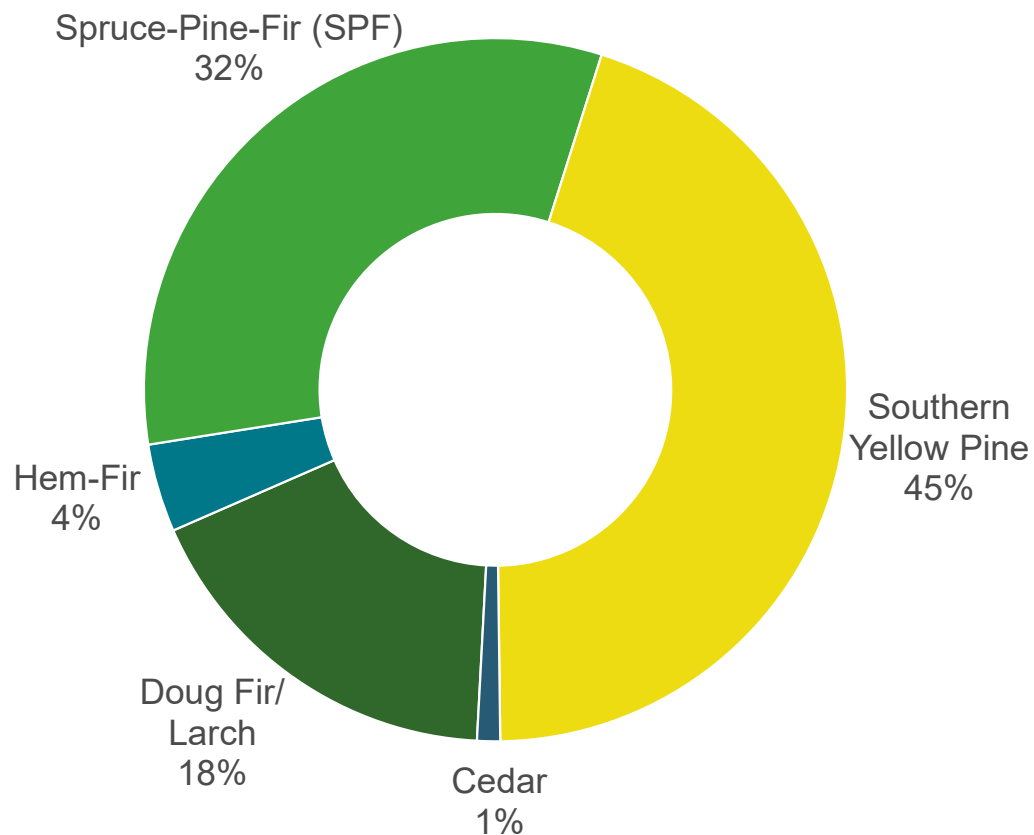
Wood chips and other products (bark, sawdust, shavings) that are produced during the lumber manufacturing process



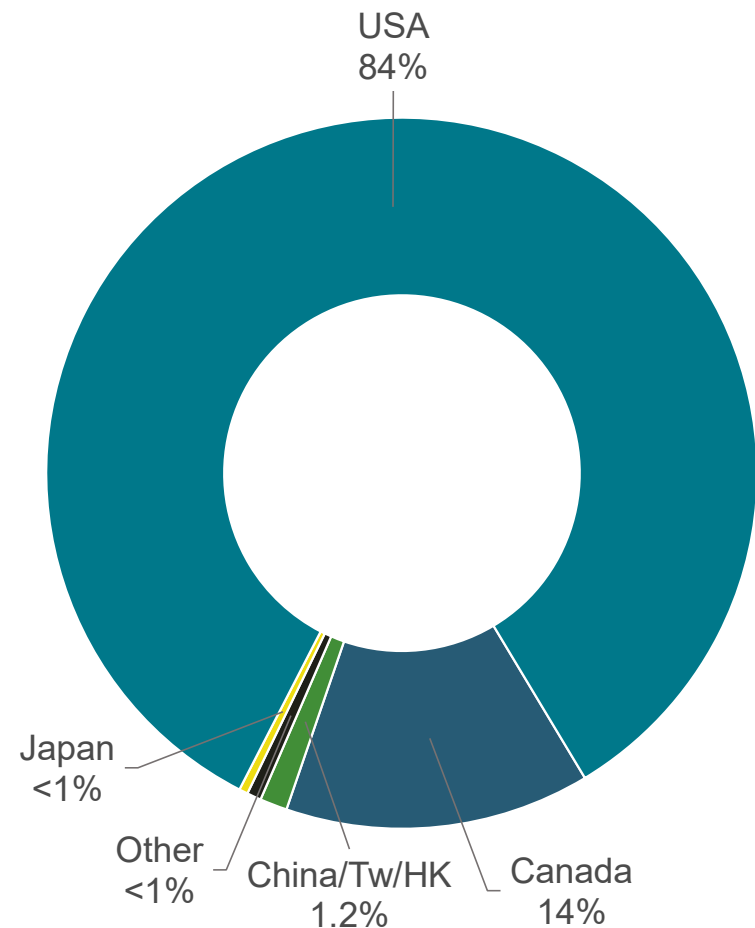
LUMBER SPECIES & MARKETS

Diverse lumber species mix; high leverage to key US market

INTERFOR LUMBER SALES BY SPECIES (1)



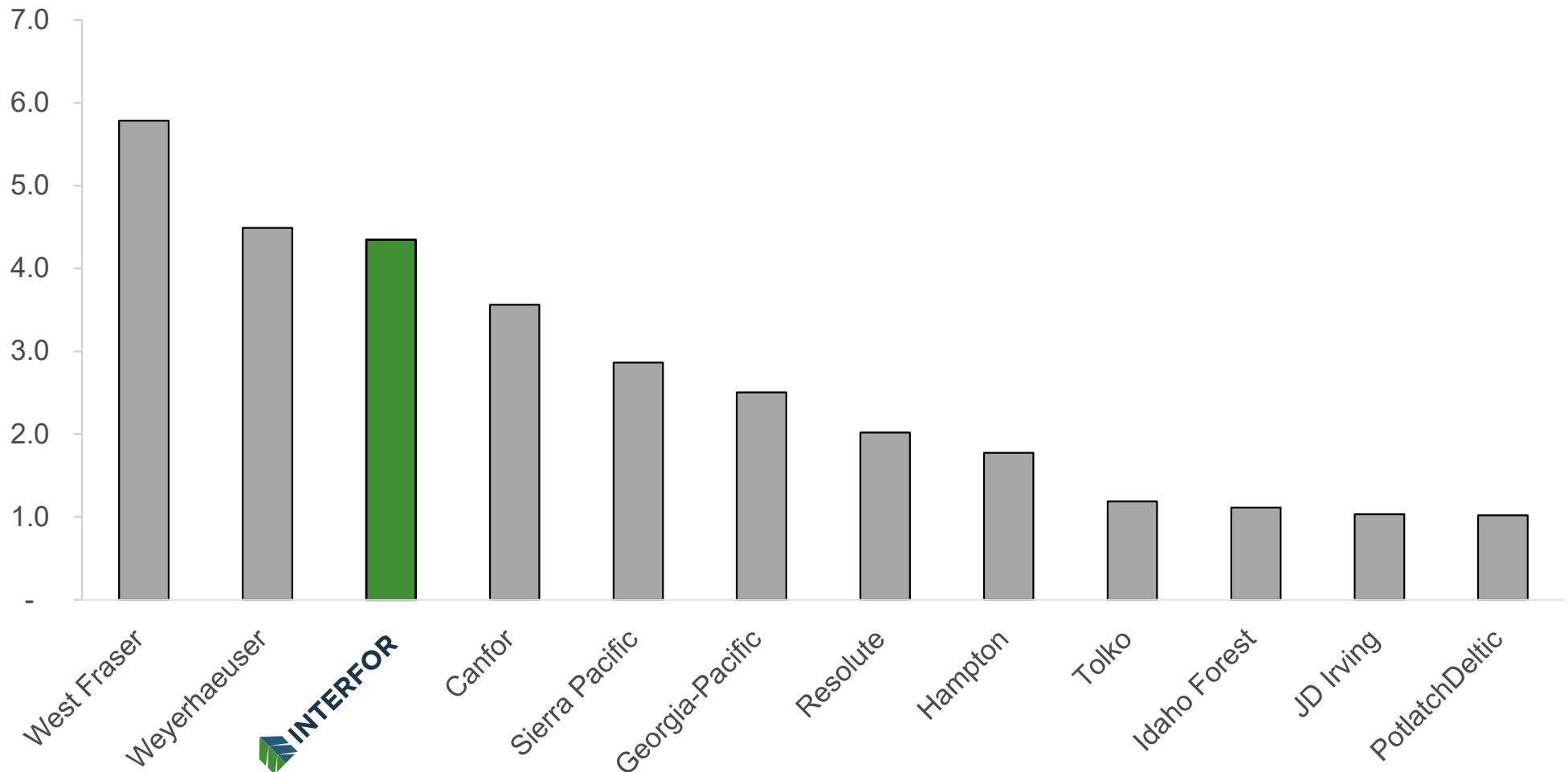
INTERFOR LUMBER SALES BY MARKET (1)



LUMBER INDUSTRY LANDSCAPE

Interfor is a top three producer in North America and the only publicly traded pure-play lumber producer of scale

NORTH AMERICAN LUMBER PRODUCTION BY COMPANY – 2022 (BBF) ⁽¹⁾



Source: International Wood Markets/FEA Canada Wood Markets Monthly March 2023.

(1) Figures are pro forma for publicly announced permanent curtailments and M&A transactions in 2021, 2022 & 2023 (e.g., includes the acquisition of Chaleur by Interfor on November 30, 2022, the announced closure of a BC mill by Canfor on January 26, 2023, and the acquisition of Spray Lake by West Fraser on September 06, 2023).

INTERFOR OPERATIONS

BC INTERIOR

750 MMBF (14%)

- 3 dimension mills; 1 remanufacturing facility (Sumas, WA)
- Douglas-Fir, Hem-Fir, SPF, Cedar
- Efficient, modern, low-cost, well-capitalized

US NORTHWEST

770 MMBF (15%)

- 3 stud mills; 1 dimension mill
- Douglas-Fir, Hem-Fir
- Efficient, modern, low-cost, well-capitalized

EASTERN CANADA

985 MMBF (19%)

- 4 stud mills; 3 dimension mills; 1 I-Joist facility; 1 remanufacturing facility
- Spruce – Pine – Fir (SPF)
- Efficient, well-run, well-maintained

ATLANTIC CANADA

350 MMBF (7%)

- 2 stud mills; woodlands management division
- Spruce – Pine – Fir (SPF)
- Efficient, modern, low-cost, well-capitalized

US SOUTH

2,335 MMBF (45%)

- 12 dimension mills; 1 stud mill
- Southern Yellow Pine (SYP)
- Ongoing capex investment upside

5.2 Billion board feet of lumber production capacity, with operations in all major timber baskets

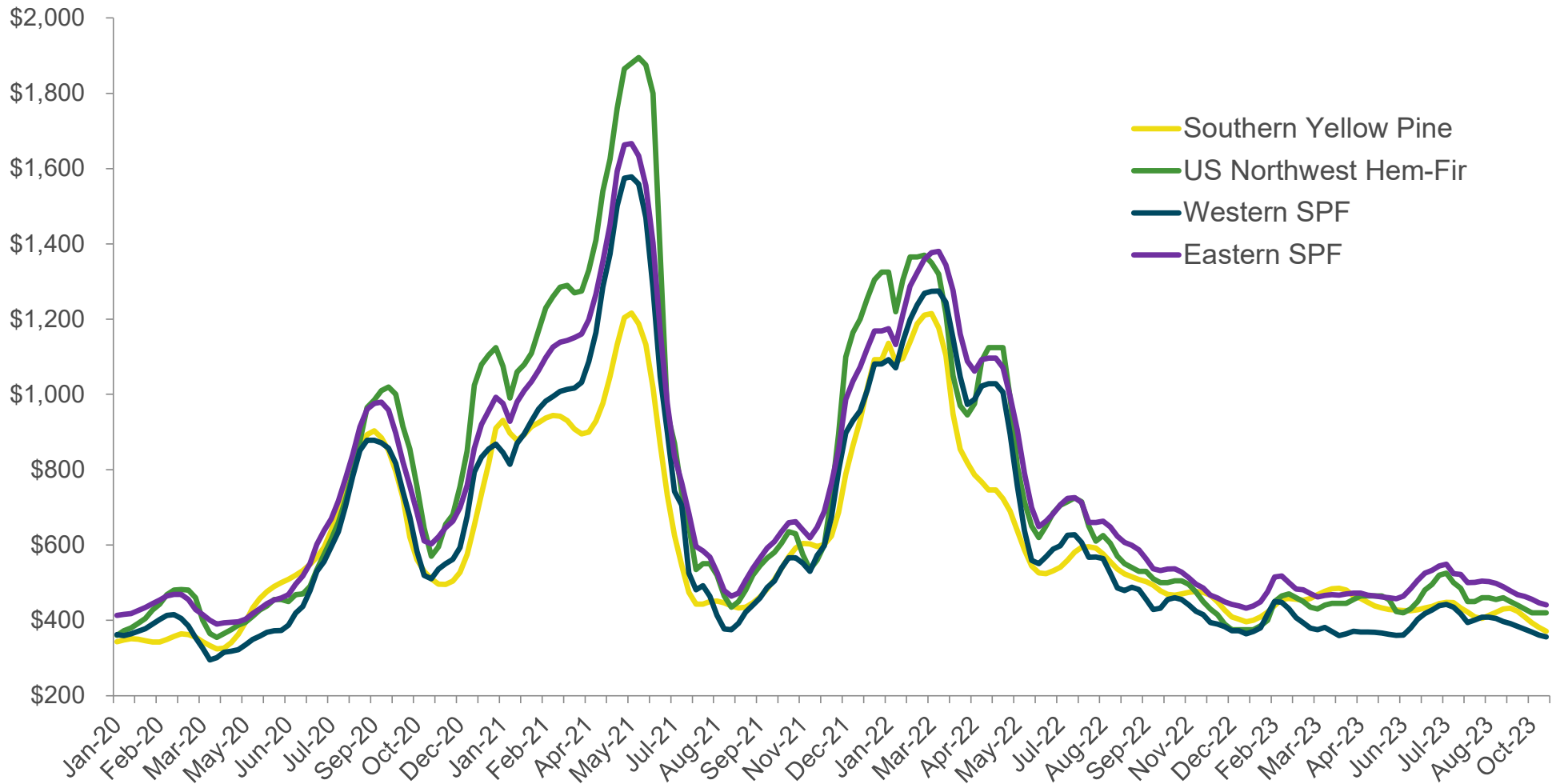


COMPELLING LUMBER MARKET FUNDAMENTALS

LUMBER PRICES

Recent prices finding support with ongoing volatility expected near-term

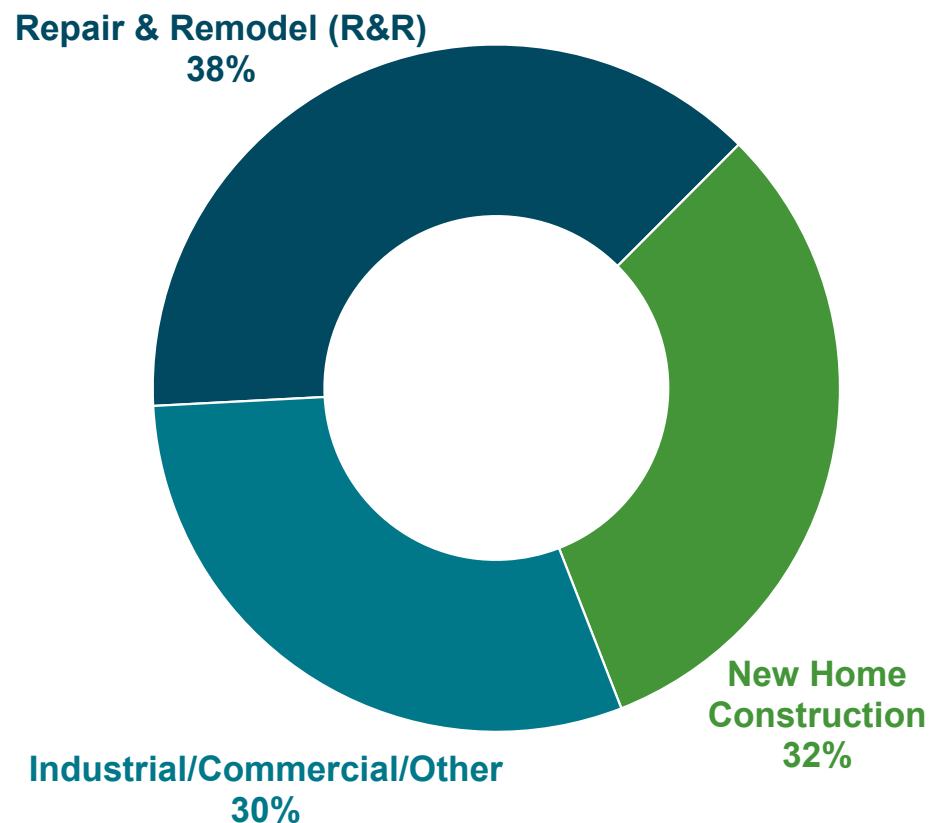
NORTH AMERICAN BENCHMARK LUMBER PRICES (US\$/MBF)



LUMBER DEMAND

Diversified end-use demand drivers across R&R, industrial and housing

NORTH AMERICAN LUMBER DEMAND BY END-USE



KEY DEMAND DRIVERS

Repair & Remodel

- Housing stock > 40 years old on average
- Strong household balance sheets

New Home Construction

- Strong fundamentals, despite near-term affordability headwind
- More than a decade of underbuilding
- Favorable demographics

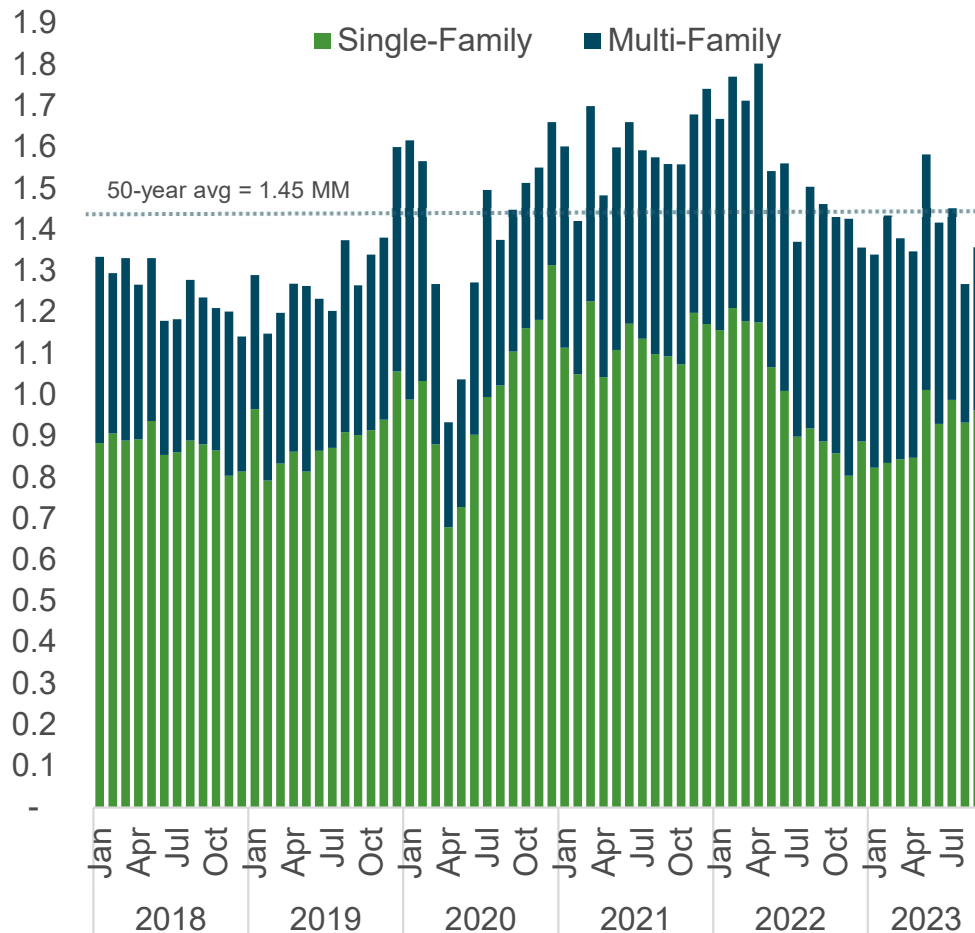
Industrial / Commercial

- Steady demand in-line with overall economic activity

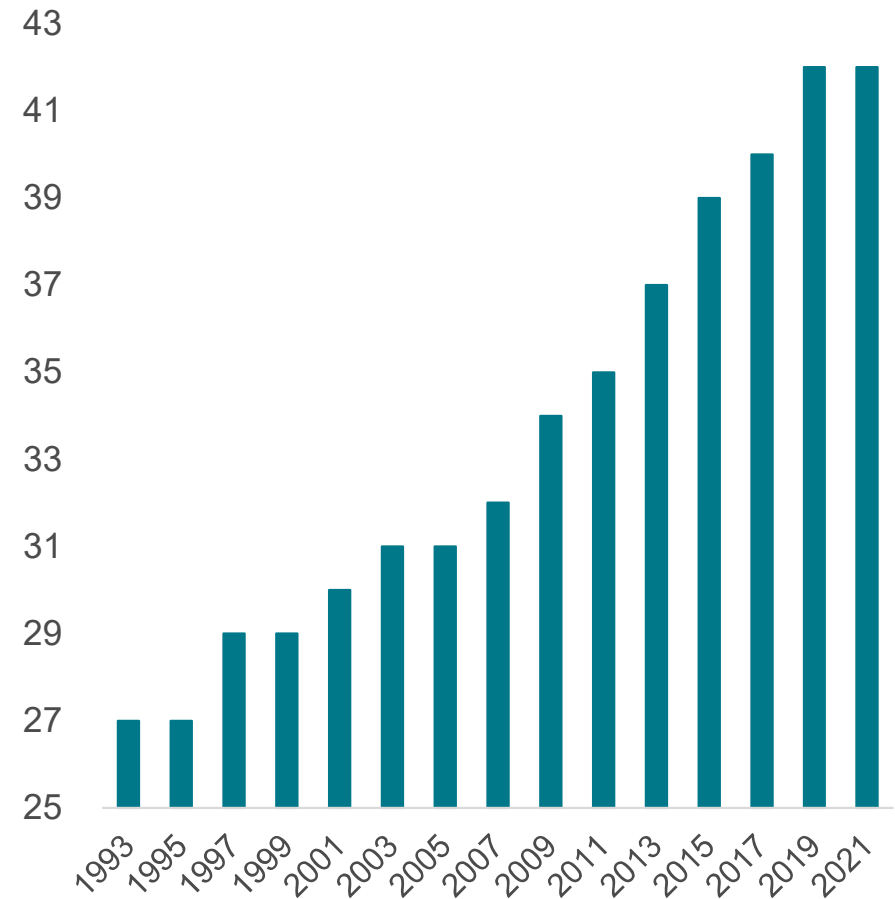
LUMBER DEMAND: KEY DRIVERS

Underlying housing fundamentals remain favourable, despite near-term volatility

US HOUSING STARTS (MILLIONS SEASONALLY ADJUSTED)



AGE OF US HOUSING STOCK (MEDIAN AGE IN YEARS)



LUMBER SUPPLY

Measured supply growth in the US South, offset by ongoing declines in BC

NORTH AMERICAN LUMBER PRODUCTION (BBF)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u> ⁽¹⁾
US - South	19.4	20.8	20.9	22.1	22.2
US - West	14.3	14.5	14.7	14.1	13.5
US - Other	1.5	1.7	1.7	1.6	1.6
Canada – All Except BC	14.4	14.1	14.5	13.6	13.1
Canada - BC	9.7	8.9	9.2	7.9	7.0
Domestic Production	59.2	60.0	61.0	59.2	57.5
Offshore Imports	2.1	2.9	3.2	3.8	3.9
Offshore Exports	(5.0)	(3.7)	(3.4)	(2.7)	(2.7)
Supply Available For NA Demand	56.3	59.2	60.8	60.3	58.7

US SOUTH

Measured growth (five-year CAGR of only 3%), limited by labour availability and long equipment lead times

US WEST & CANADA (NON-BC)

Relatively stable; good balance between available timber supply and manufacturing capacity

BRITISH COLUMBIA (BC)

Ongoing permanent reductions due to impacts of Mountain Pine Beetle forest infestation (~40% decline in production since 2018)

OFFSHORE IMPORTS

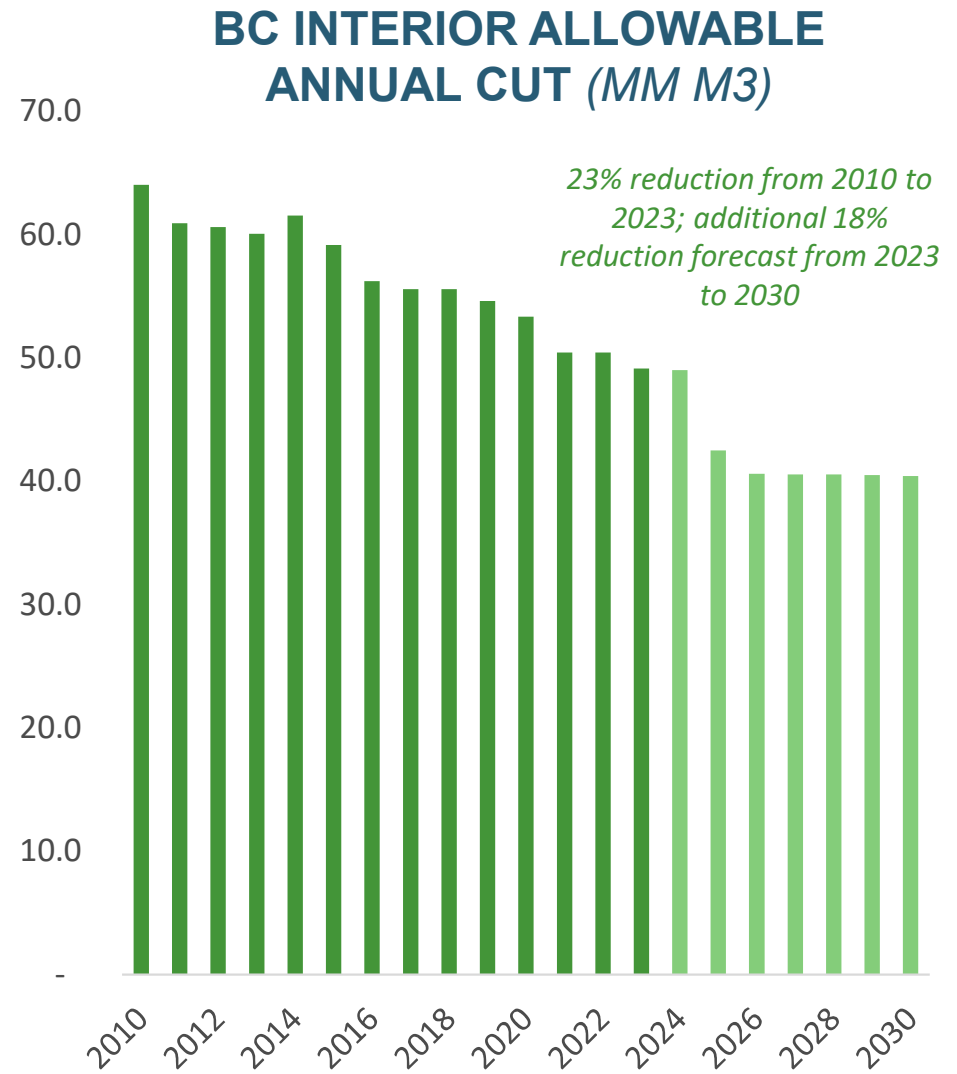
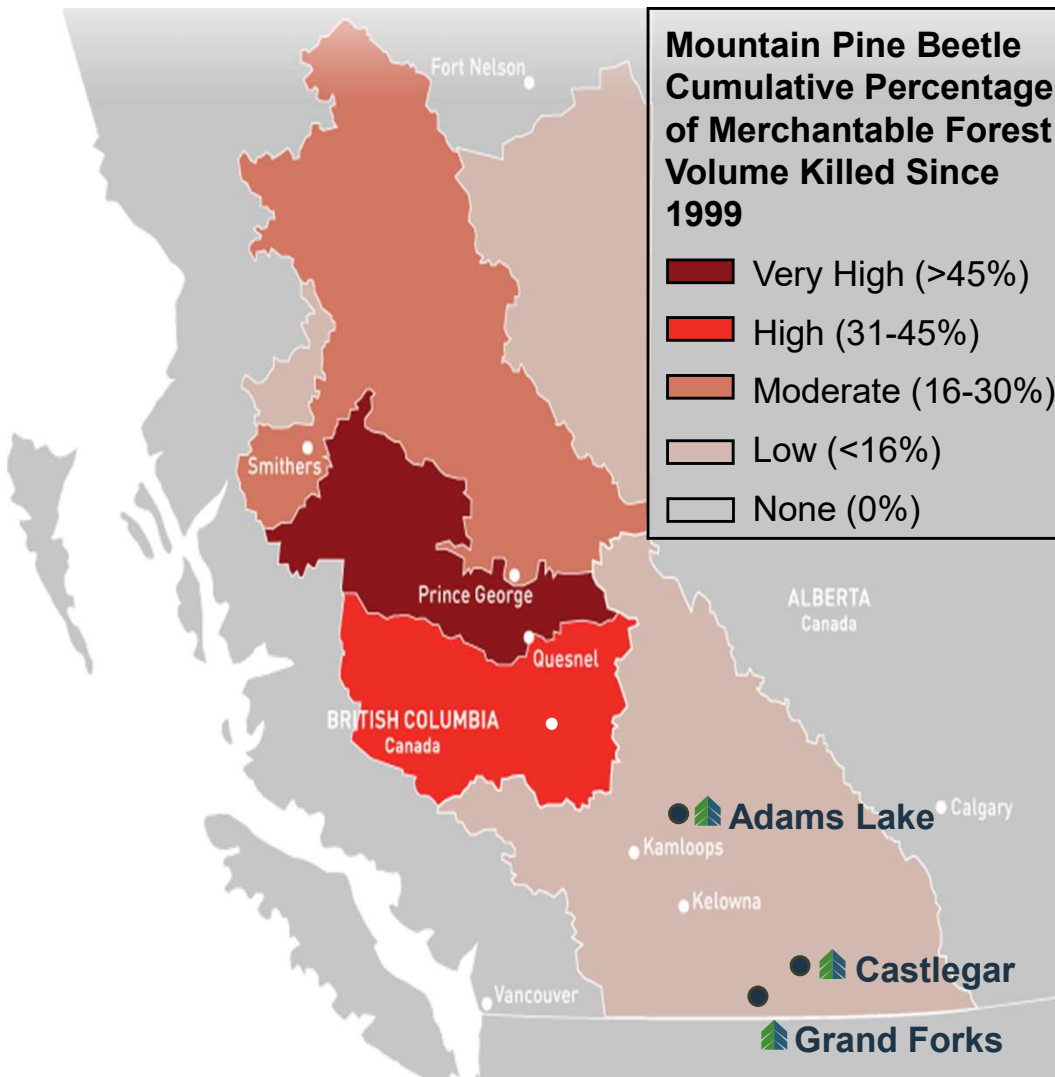
Growth in European imports driven by strong North American markets, combined with temporarily low log costs in Europe due to a spruce bark beetle outbreak. Import volumes expected to ease going forward.

OFFSHORE EXPORTS

Lower exports in recent years has been driven by reduced demand from Asia.

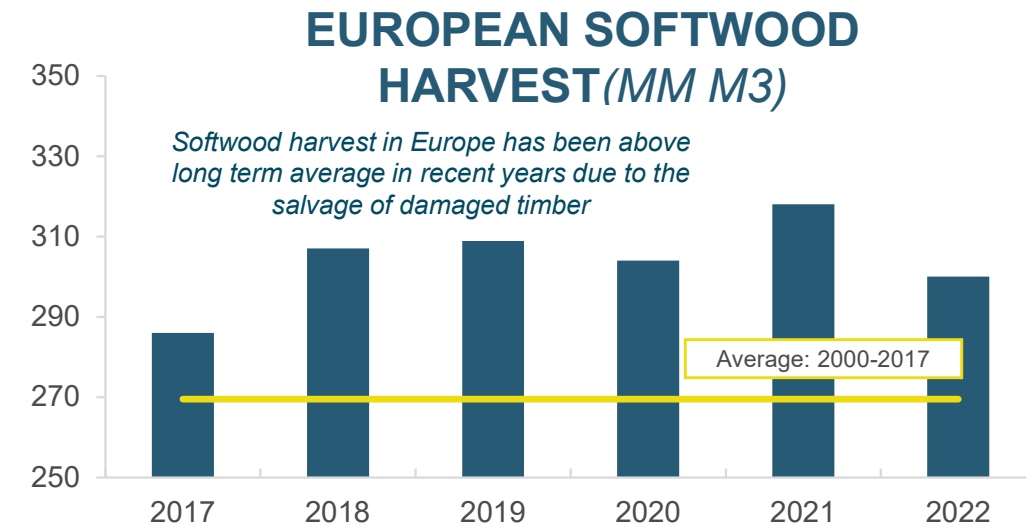
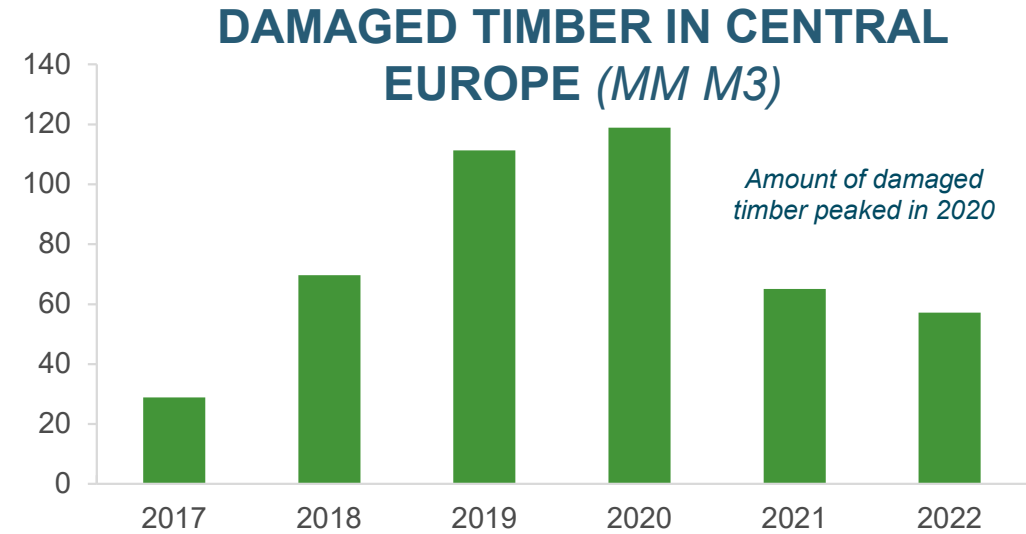
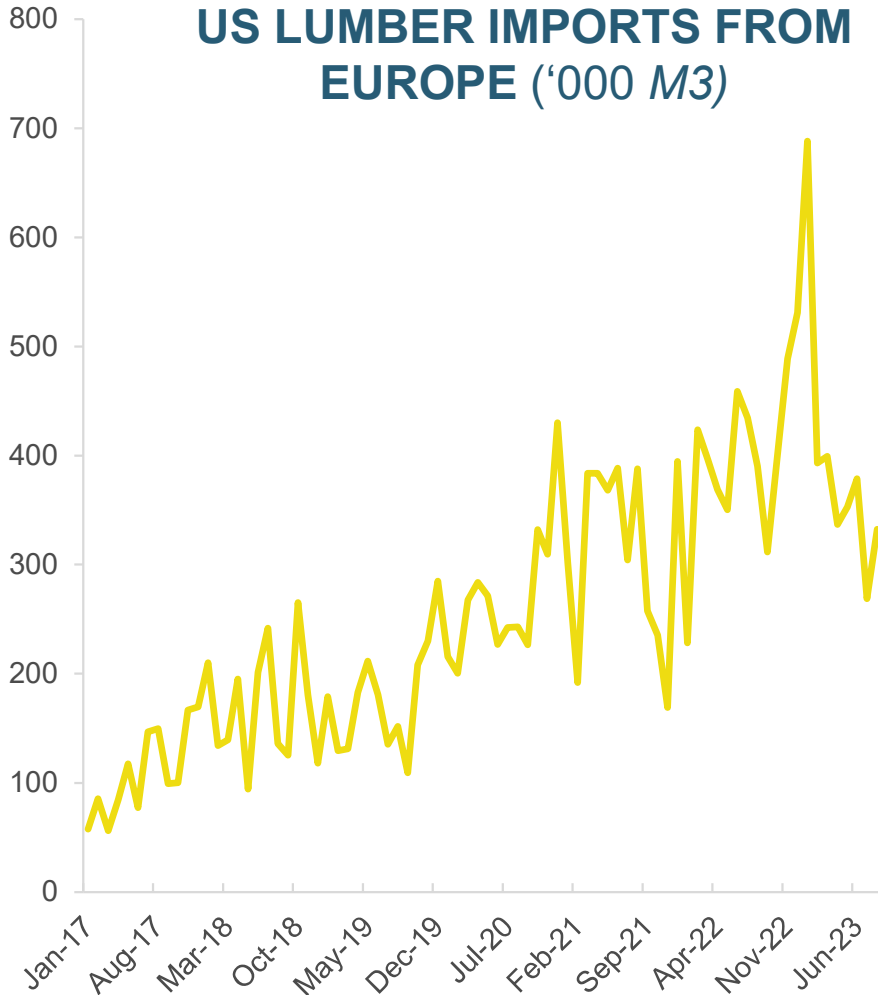
LUMBER SUPPLY: BC INTERIOR

Declining BC industry log supply, but Interfor well-positioned in southern BC



LUMBER SUPPLY: EUROPEAN IMPORTS

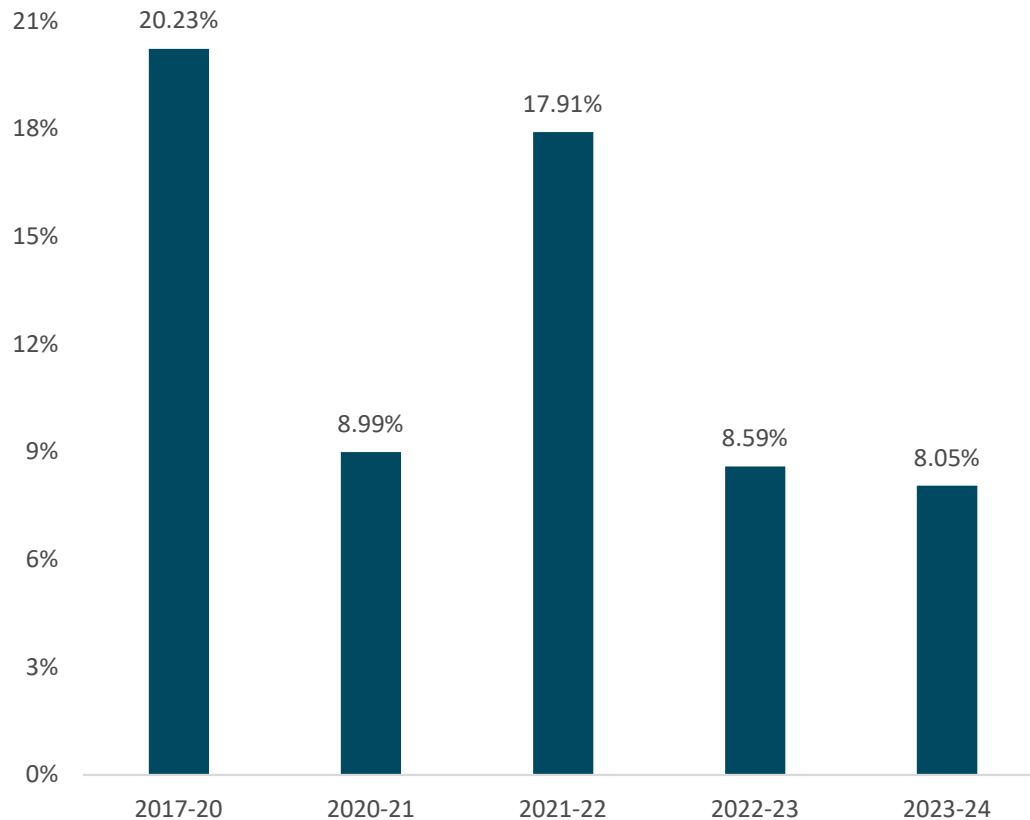
European imports surged in late 2022/early 2023, but have since declined notably



SOFTWOOD LUMBER DISPUTE

Limited exposure to duties with 60% of lumber capacity based in the US

U.S. COUNTERVAILING & ANTI-DUMPING CASH DEPOSIT RATES APPLICABLE TO INTERFOR ⁽¹⁾



INTERFOR SOFTWOOD LUMBER DUTIES HIGHLIGHTS

US\$540 MM

Duties on Deposit

Duties paid by Interfor and held in trust by the US Gov.; ~70% are off-balance sheet

~C\$10/Share

Potential Value

After-tax basis assuming 100% refund of all duties on deposit

~25% of Shipments

Exposed to Duties

Shipments into the US from Canada as a % of Interfor's total company-wide shipments

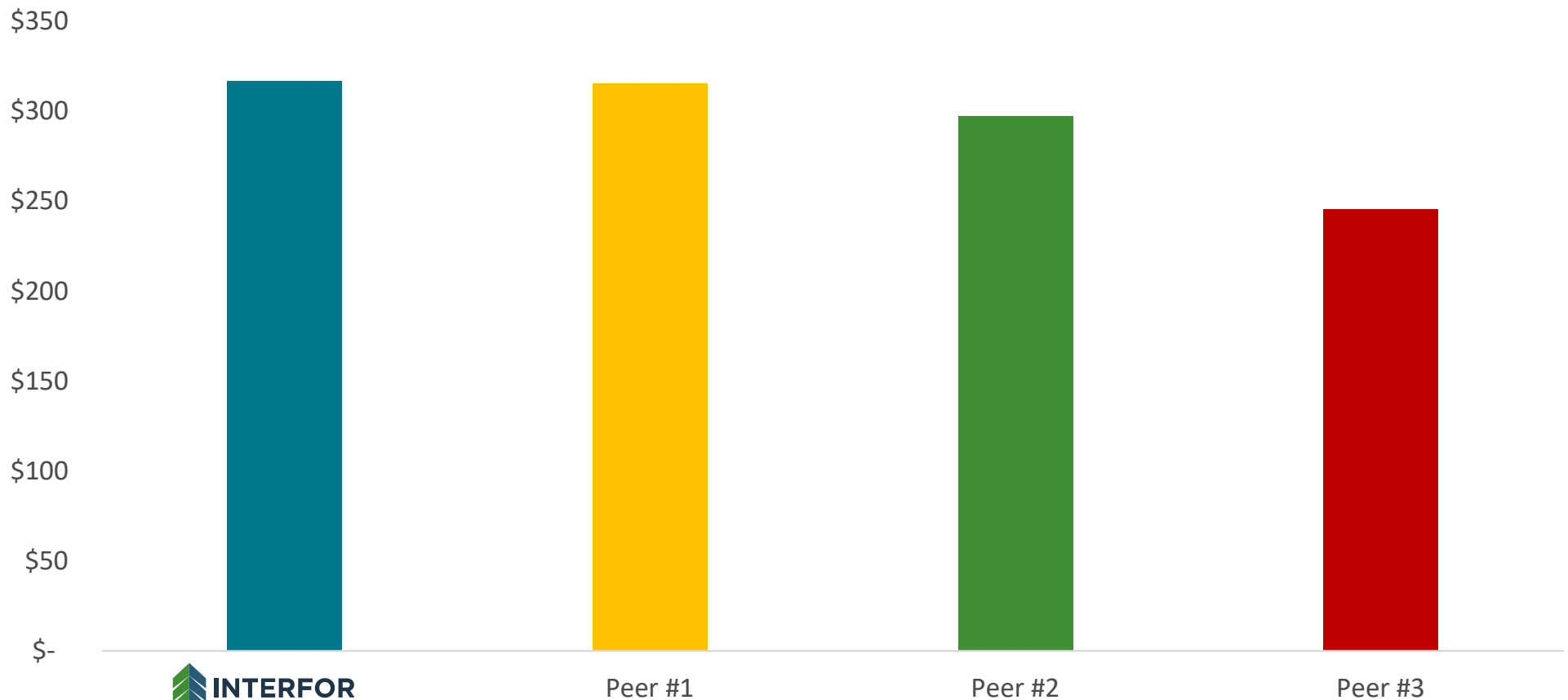


TOP-TIER MARGINS & RETURNS ON CAPITAL

INDUSTRY LEADING OPERATING MARGINS

Focus on operational excellence reflected in superior margin performance

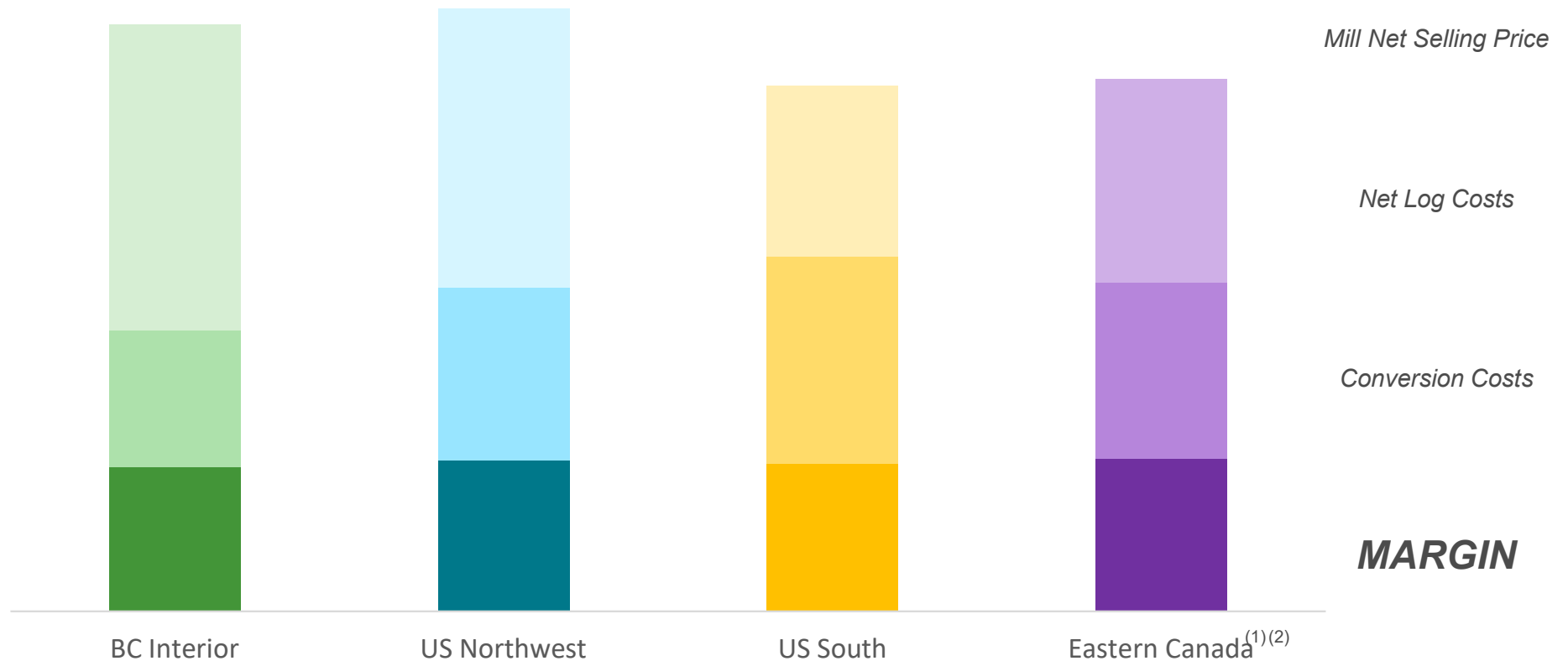
LUMBER SEGMENT ADJ. EBITDA MARGINS – 2020 TO 2022 (C\$/MBF) ⁽¹⁾



INTERFOR REGIONAL OPERATING MARGINS

Consistent margins across regions over time, but achieved via different routes

INTERFOR CASH MARGIN (AVG. OF 2016-2022) (C\$/MBF)

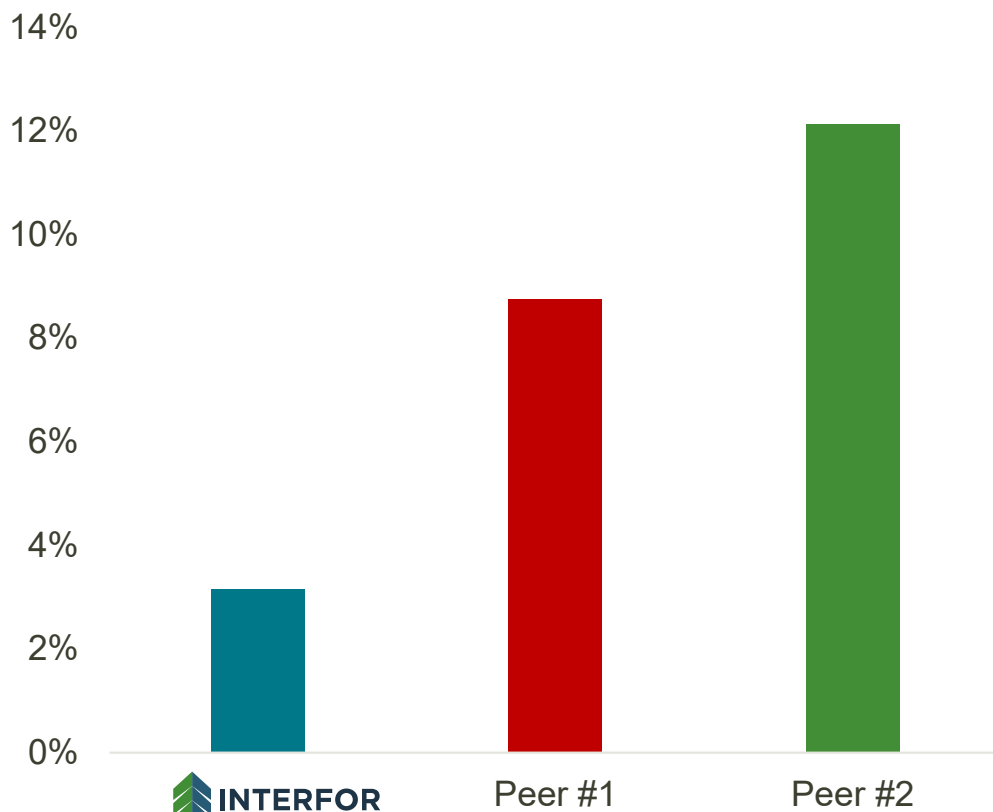


FOCUS ON RETURN ON CAPITAL

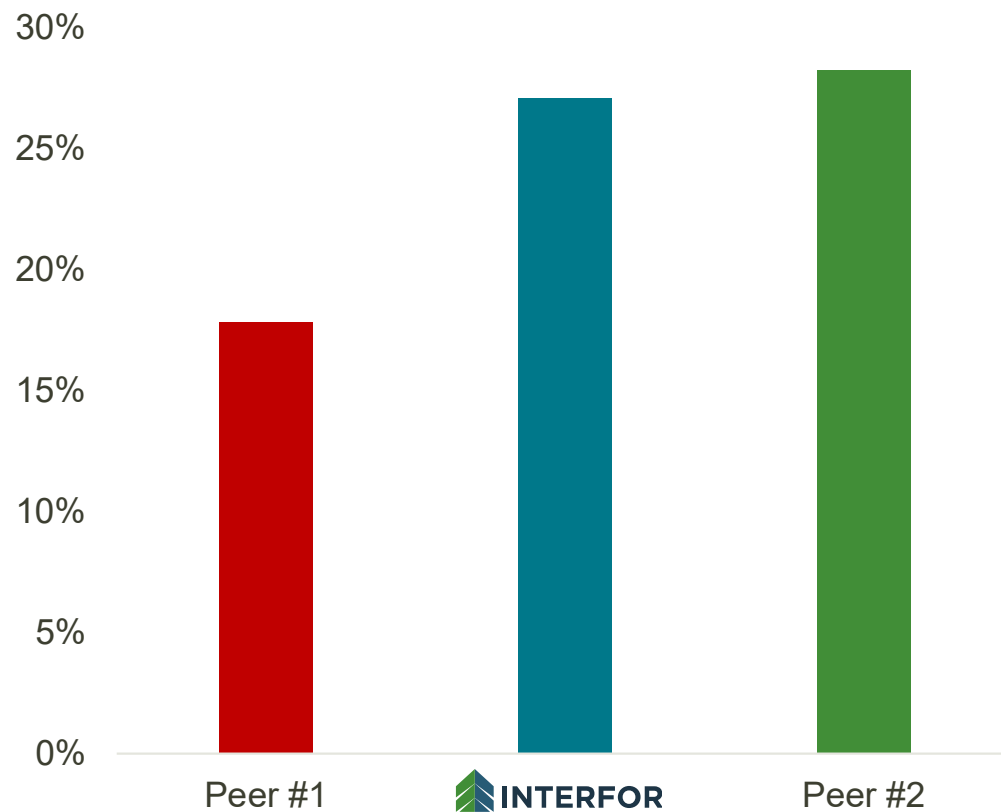
Disciplined and balanced capital deployment is having an impact; improvement in relative performance vs. peers in recent years

EBIT RETURN ON CAPITAL EMPLOYED (%) ⁽¹⁾

(2010-2019 AVERAGE)



(2020-2023 AVERAGE) ⁽²⁾

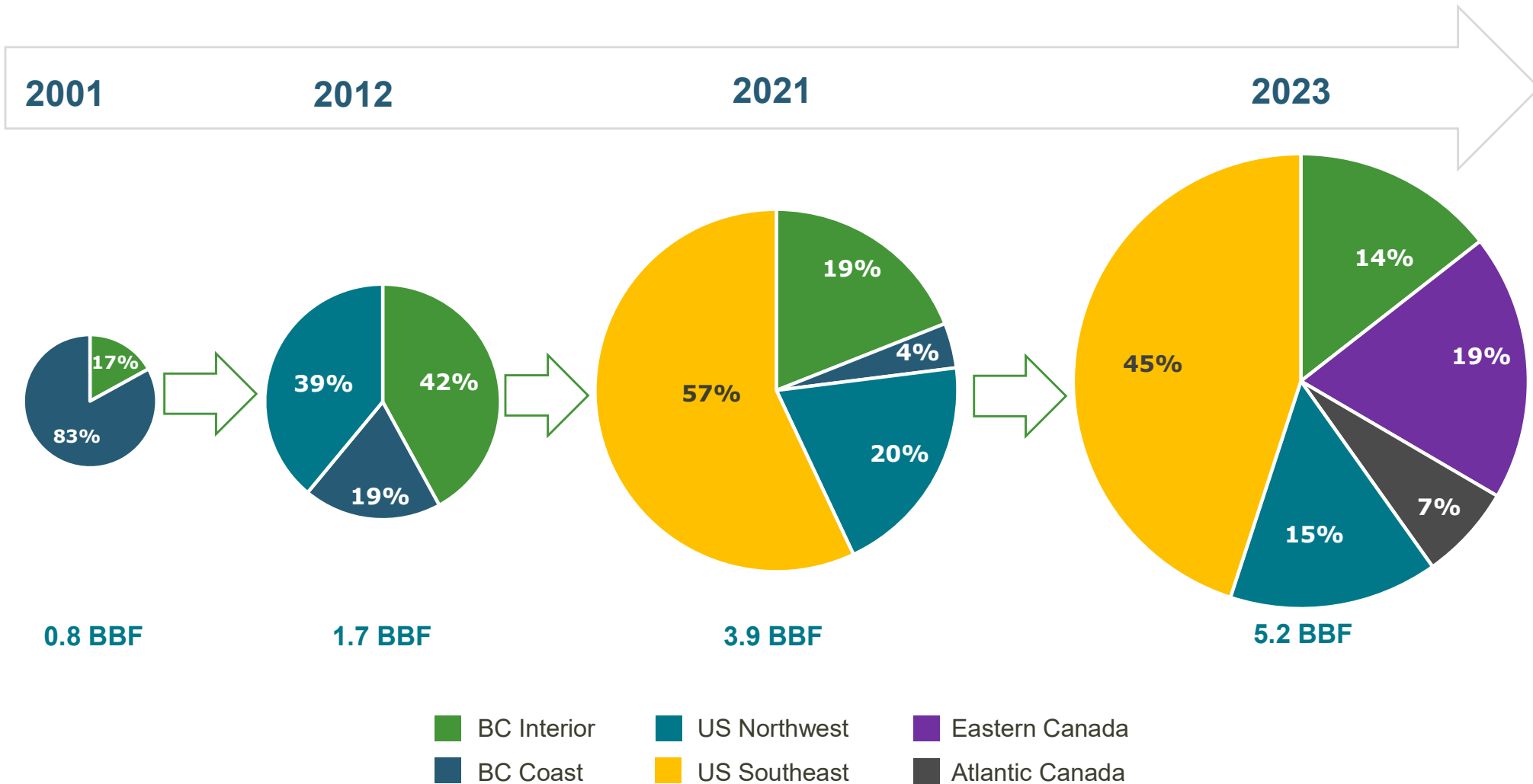




GROWTH-FOCUSED STRATEGY

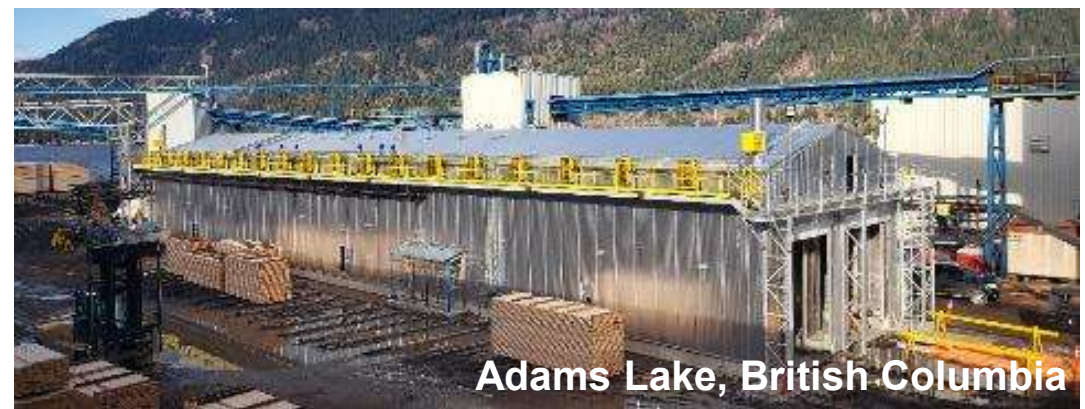
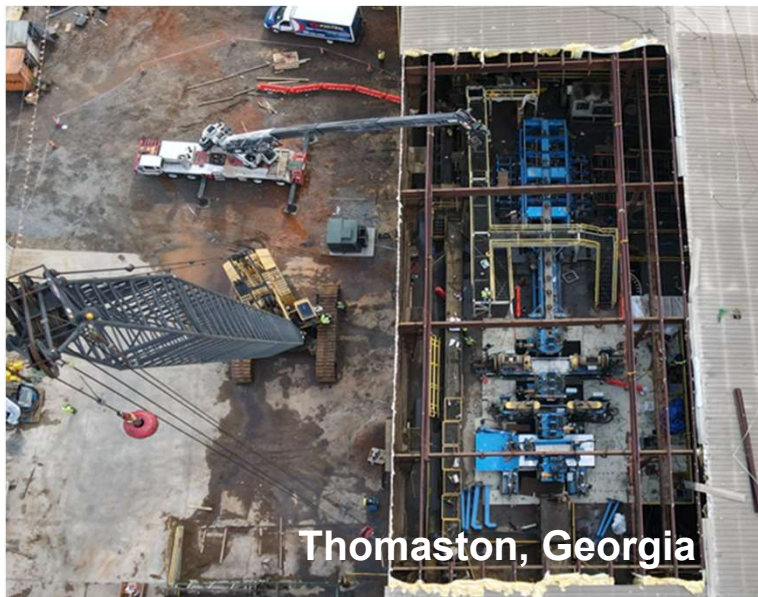
GROWTH & DIVERSIFICATION STRATEGY

Long-standing strategy of growth and geographic lumber diversification (1)



INTERNAL GROWTH: MULTI-YEAR CAPEX PLAN

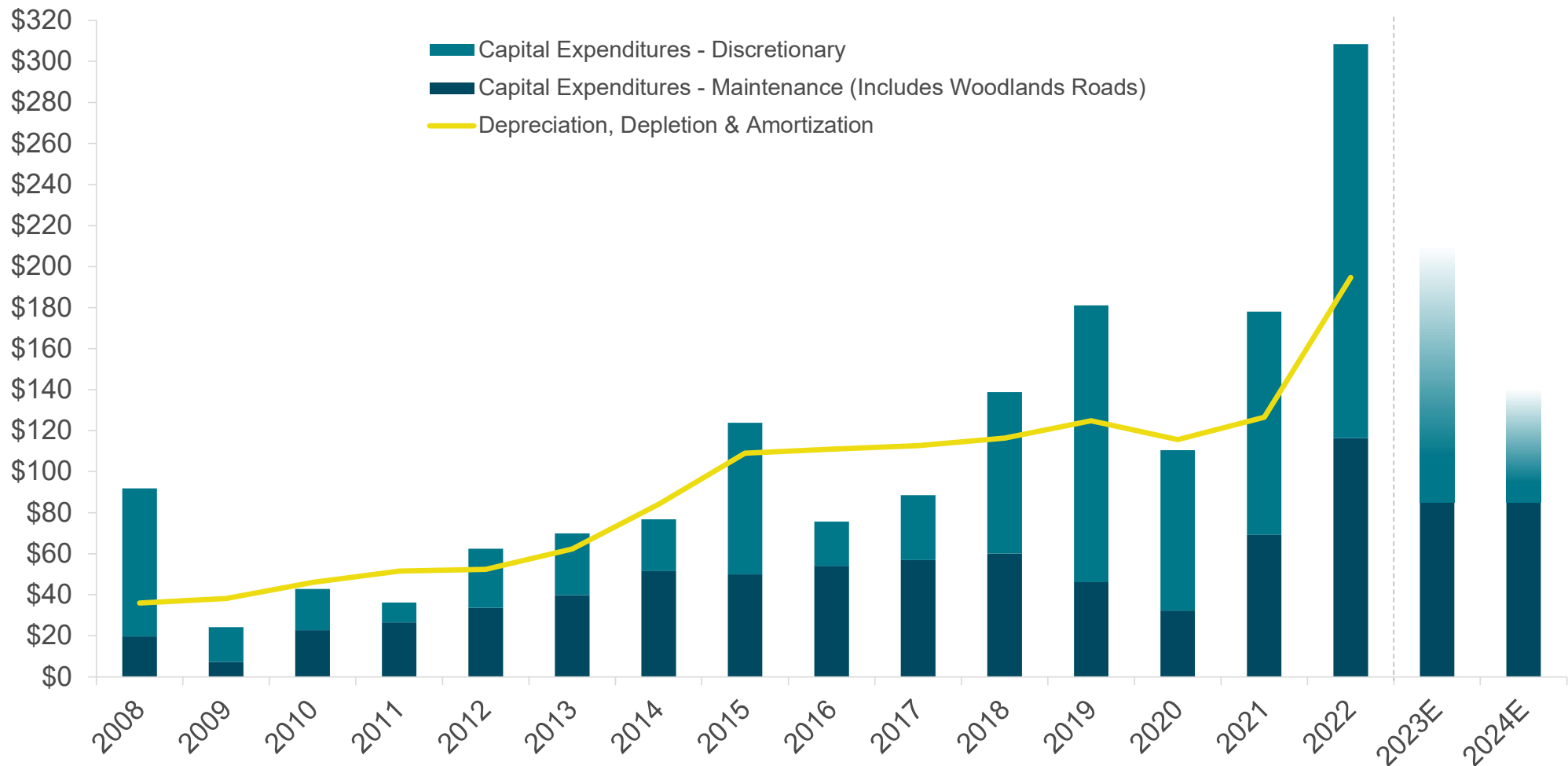
Mill rebuilds, machine center upgrades, debottlenecking & optimization projects



INTERNAL GROWTH: CAPEX SPENDING PROFILE

Strategic investments resulting in a well-capitalized, high-margin sawmill portfolio

HISTORICAL CAPITAL EXPENDITURES & OUTLOOK (\$MM)



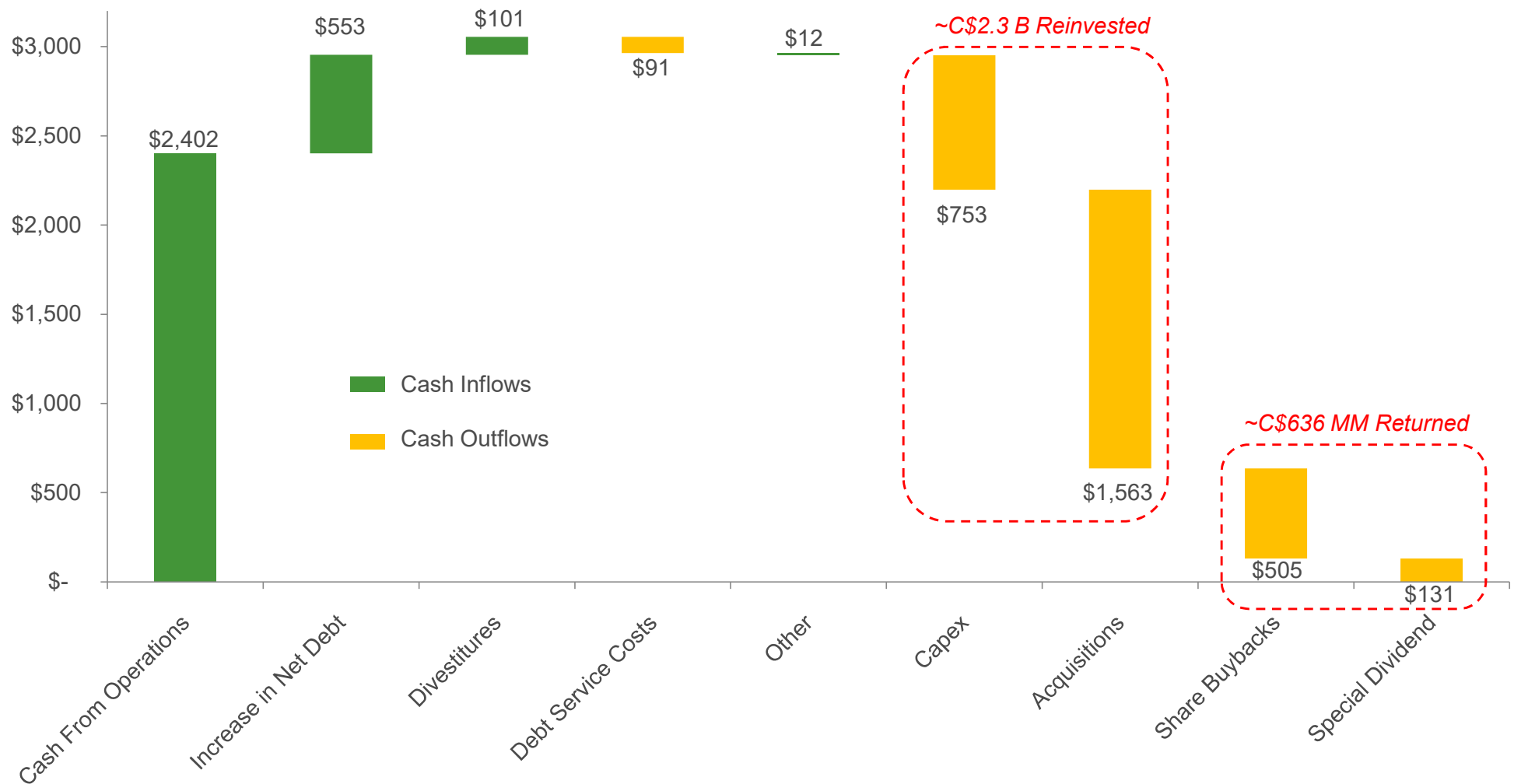


BALANCED CAPITAL ALLOCATION & OPTIMIZED CAPITAL STRUCTURE

BALANCED CAPITAL ALLOCATION

Capital deployed in a disciplined and balanced manner to maximize returns

CAPITAL DEPLOYMENT SUMMARY – 2020 TO 2023 (\$MM) ⁽¹⁾



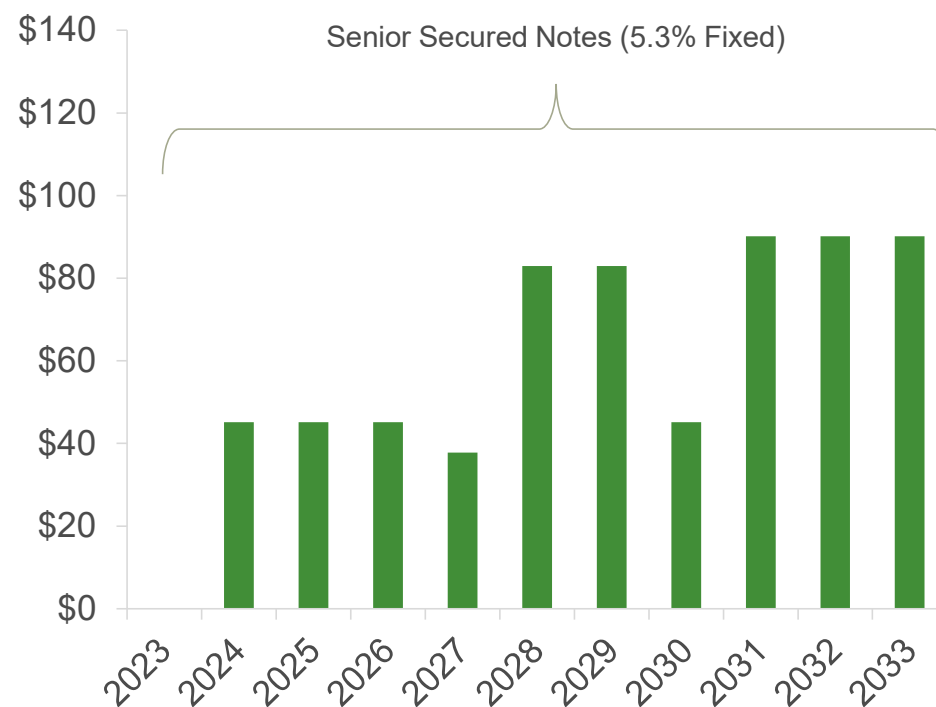
OPTIMIZED & LOW-COST CAPITAL STRUCTURE

Efficient, flexible and low-cost capital structure. Combination of long-term, laddered maturity, fixed-rate debt and flexible variable-rate revolving facility

CAPITAL STRUCTURE AS OF SEPTEMBER 30, 2023 (\$MM)

Cash	\$99
Debt – Senior Secured Notes	\$654
Debt – Revolving Term Line ⁽¹⁾	\$223
Net Debt	\$778
Book Equity	\$1,928
Invested Capital	\$2,706
NET DEBT/INVESTED CAPITAL (%)	28.70%
Available Liquidity ⁽²⁾	\$418
Lumber Duties on Deposit	US\$540

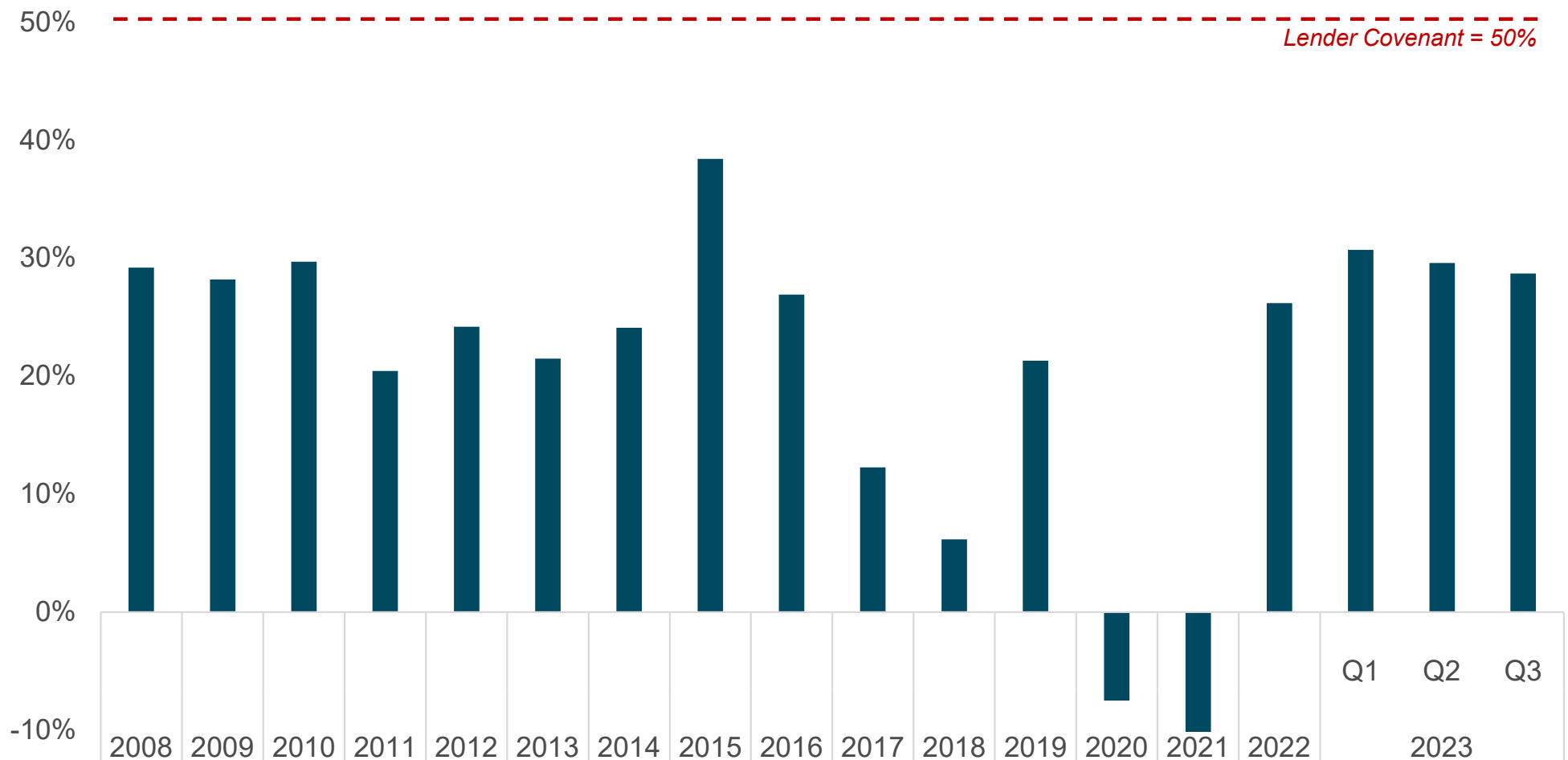
SENIOR SECURED NOTES MATURITY SCHEDULE AS OF SEPTEMBER 30, 2023 (\$MM)



CONSERVATIVE LEVERAGE MAINTAINED

Conservative leverage maintained to provide flexibility through all markets. Near-term leverage expected to benefit from income tax refunds and net proceeds from disposition of Coastal BC forest tenures

HISTORICAL NET DEBT – TO – INVESTED CAPITAL RATIO (%) ⁽¹⁾





POSITIVE ESG & CARBON STORY

BUILDING VALUE SUSTAINABLY

Respecting Nature. Building Sustainably.

A Sustainability Strategy to Match our Growth Ambition.

Long-standing strategy of purposeful growth and geographic lumber diversification.

Commitment to growing in a way that makes the world a better place.

Dedicated ESG leader and renewed sustainability strategy rolled out in 2022.

OUR VISION & PURPOSE

Embracing a culture of sustainability excellence and world-leading sustainability practices to advance renewable wood products as part of the climate solution

OUR GOALS



Climate

Our goal is to have a positive influence on the climate and environment



People

Our goal is to develop a workforce that reflects the diversity and strengths of our communities



Safety

Our goal is that everyone returns home safely

CLIMATE - ACTIONS

Interfor recognizes the global significance of climate change and our role in tackling this important issue by reducing our own environmental impacts and advancing sustainable wood products as part of the climate solution.

KEY CLIMATE ACTIONS

GHG Reductions: Target to reduce our Scope 1 & 2 emissions 40% by 2030.

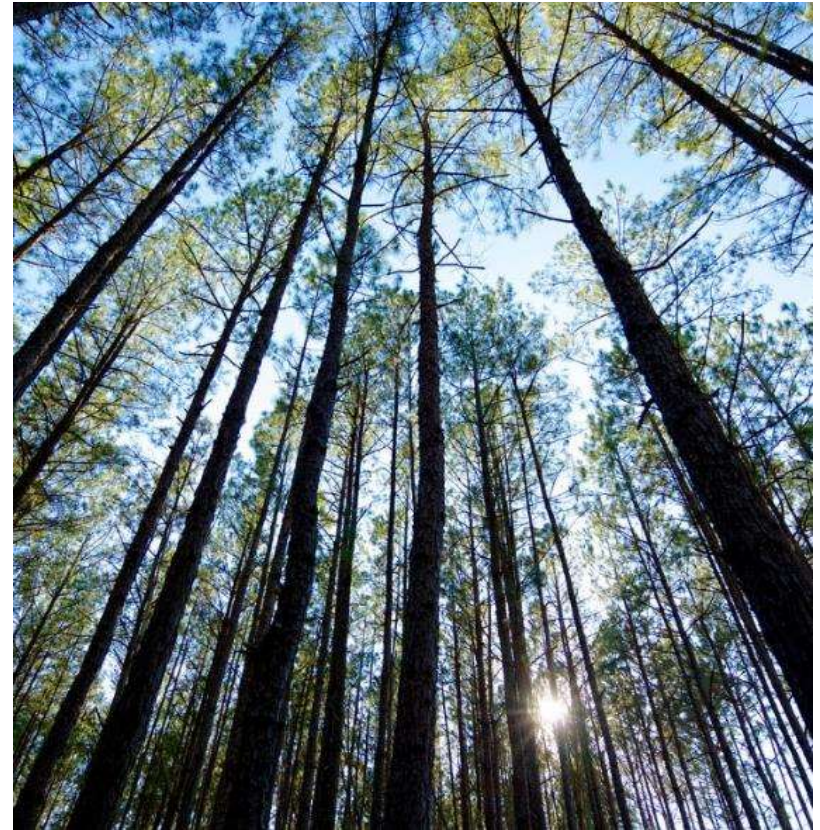
Sustainable Forestry: 100% of the forests managed by Interfor are certified.

Renewable Energy: >80% of our energy supply is from renewable sources.

Waste and Water Targets: Setting reduction targets by the end of 2023.

Climate Risk Analysis & Climate Resilience Strategies: Disclosed annually.

Infrastructure & Technology: >\$130M invested per year contributing to increased efficiency and environmental performance.



CLIMATE – OPPORTUNITIES

Building with **wood** is part of the **natural climate solution**.

Sustainable forest management, including the production of timber, fiber and energy, has been recognized by the United Nation's International Panel on Climate Change as the **largest sustained climate-mitigation benefit** over the long term.

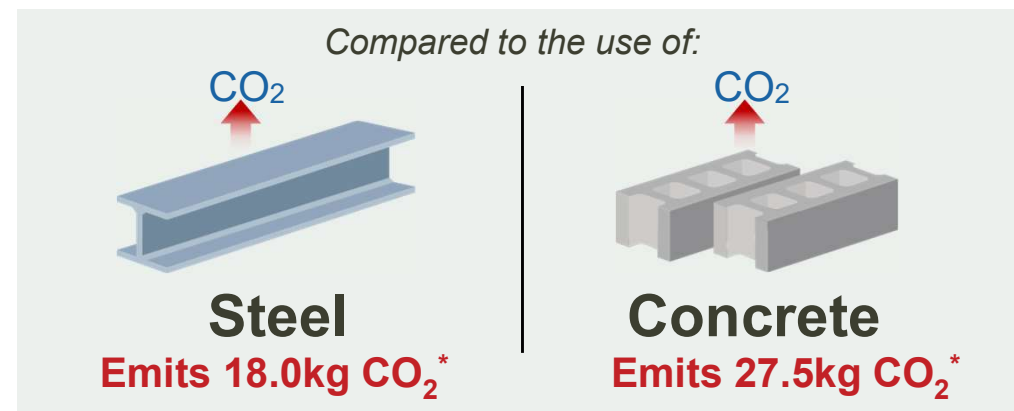


Brock Commons Tallwood House



1m² of a building constructed using wood wall studs

Stores net 16.7kg CO₂*



* Carbon stored minus production emissions


PEOPLE – DIVERSITY & DEVELOPMENT


Interfor builds value for employees by providing a career where they contribute, grow and prosper.

We have a culture of promoting from within and investing in our people.


We value diversity and inclusivity and we have set targets to increase diversity in our leadership and workforce by 2025.

2022 HIGHLIGHTS

 More than **\$2.1 million** spent on learning and education.

 **332** courses offered through our online learning management system.

 More than **28,000** hours of learning completed by employees.

 **61%** of openings filled by internal promotions.

TARGETS & PERFORMANCE

YEAR	TARGET	PERFORMANCE	
	(by end of 2025)	2021	2022
Women on our Board of Directors	30%	27%	27%
Employees in leadership & development programs from an under-represented group	40%	28%	28%
Hourly trades/skilled workforce from an under-represented group	30%	21%	26%
Women in our hourly workforce	15%	7%	7%
Women supervisors and superintendents	15%	6%	9%

PEOPLE – PARTNERSHIPS & COMMUNITIES

INDIGENOUS PARTNERSHIPS

- We **respect** the deep connection Indigenous Peoples have to the land and work with them to develop **strong relationships** and are **committed to reconciliation**.
- Since 2010 we have signed nearly **150 individual agreements** with 47 Indigenous communities, with 23 new agreements signed in 2022.



LOCAL COMMUNITIES

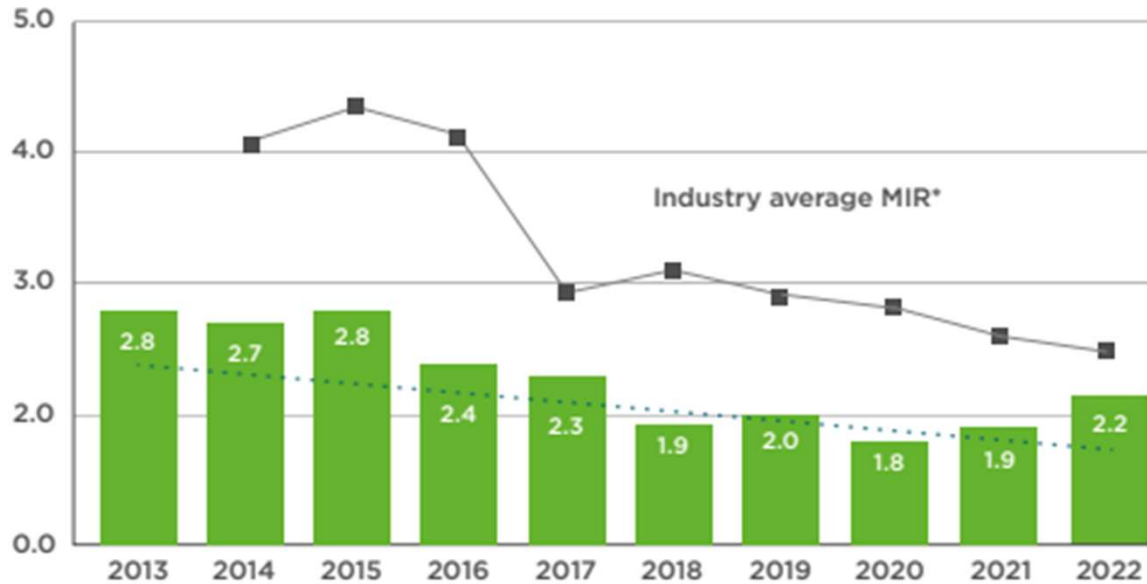
- More than **\$1.2 million** in donations annually.
- Announced a **formal partnership** with Habitat for Humanity International.
- We use **stakeholder engagement strategy plans** and other formal frameworks to engage and share information.
- We actively participate in **local and regional forums**.



SAFETY

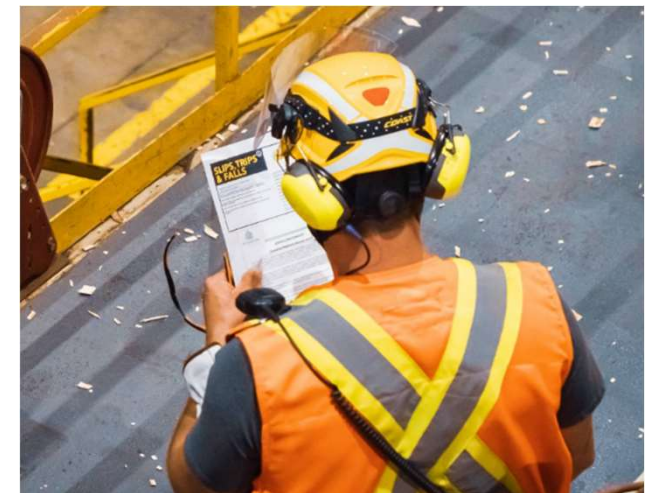
Interfor demonstrates industry-leading safety performance and continuously strives to foster a strong safety culture.

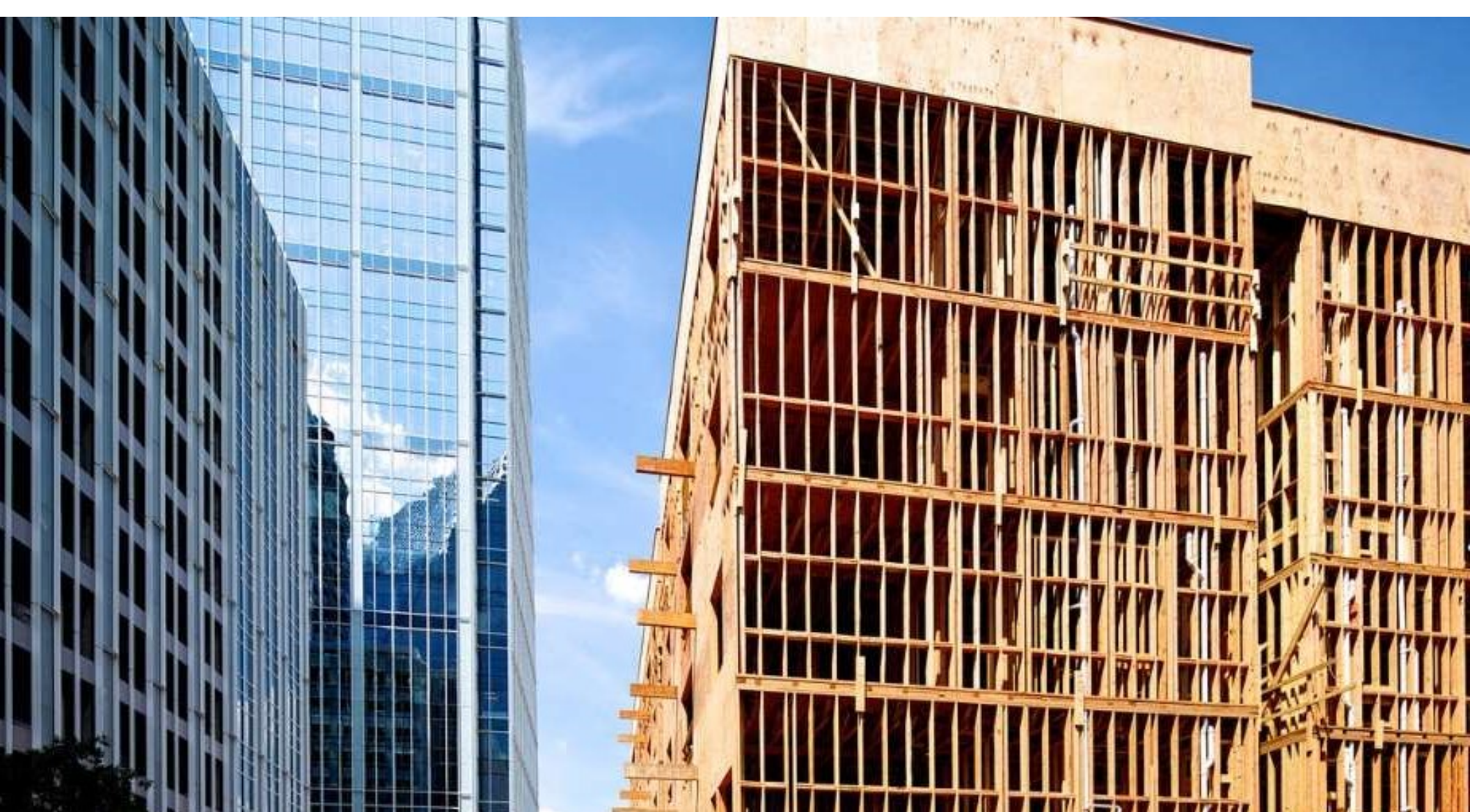
INTERFOR MEDICAL INCIDENT RATE



Medical Incident Rate represents the rate of recordable incidents per 100 employees working full time in a year.

- Over the past 10 years we've reduced our **Medical Incident Rate (MIR)** by nearly 30%.
- **Target:** Continue reducing our MIR by 3% every year as we grow.
- Performance has continually exceeded industry average.





CONTACT INFORMATION & RESOURCES



ANALYST COVERAGE

BMO CAPITAL MARKETS	Ketan Mamtora	(212) 883-5102	ketan.mamtora@research.bmo.com
CIBC CAPITAL MARKETS	Hamir Patel	(604) 331-3047	hamir.patel@cibc.com
EQUITY RESEARCH ASSOCIATES	Kevin Mason	(604) 886-5741	kmason@equityresearchassociates.com
RAYMOND JAMES	Daryl Swetlishoff	(604) 659-8246	daryl.swetlishoff@raymondjames.ca
RBC CAPITAL MARKETS	Paul Quinn	(604) 257-7048	paul.c.quinn@rbccm.com
TD SECURITIES	Sean Steuart	(416) 308-3399	sean.steuart@tdsecurities.com

CONTACTS & RESOURCES

RICK POZZEBON

EVP & Chief Financial Officer

604-689-6804

richard.pozzebon@interfor.com

MIKE MACKAY

VP, Corporate Development & Treasury

604-689-6846

mike.mackay@interfor.com

BRYAN FAST

**Director, Corporate Development &
Investor Relations**

604-451-2823

bryan.fast@interfor.com

ADDITIONAL RESOURCES

