



# INVESTOR PRESENTATION

MAY 2025

# 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 ("MD&A") under the heading "Risks and Uncertainties", which is available on [www.interfor.com](http://www.interfor.com) and under Interfor's profile on [www.sedarplus.ca](http://www.sedarplus.ca). Material factors and assumptions used to develop the forward-looking information in this report include the timing and value of proceeds received from the disposition of B.C. Coast forest tenures; regulatory approvals, charges related to the exit of Quebec operations; impact of tariffs on Canadian lumber imports to the U.S.; availability and cost of logs; competition; currency exchange sensitivity; environment; government regulation; health and safety; Indigenous reconciliation; information technology and cyber security; labour availability; logistics availability and cost; natural and man-made disasters and climate change; price volatility; residual fibre revenue; softwood lumber trade; and tax exposures. 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 MD&A which are available on [www.interfor.com](http://www.interfor.com) and under Interfor's profile on [www.sedarplus.ca](http://www.sedarplus.ca).

## 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 28 strategically located facilities
- High exposure to US South and Eastern 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, labour and equipment lead times

## Top quartile operating margins and returns on capital

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

## Growth and diversification focused strategy

- Long-standing strategy of growth; 10-year lumber production volume CAGR of 6%
- Acquisitions since 2021 have increased production capacity by ~57%

## Balanced capital allocation and optimized capital structure

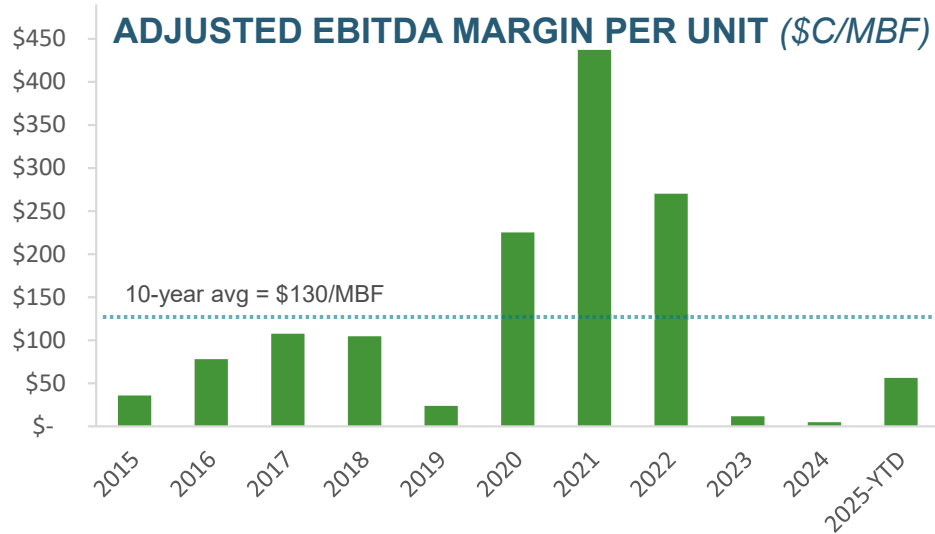
- Disciplined approach across growth capex, M&A and returns to shareholders
- Well structured balance sheet and ~\$306 million of liquidity as of March 31, 2025

## Positive ESG and carbon story

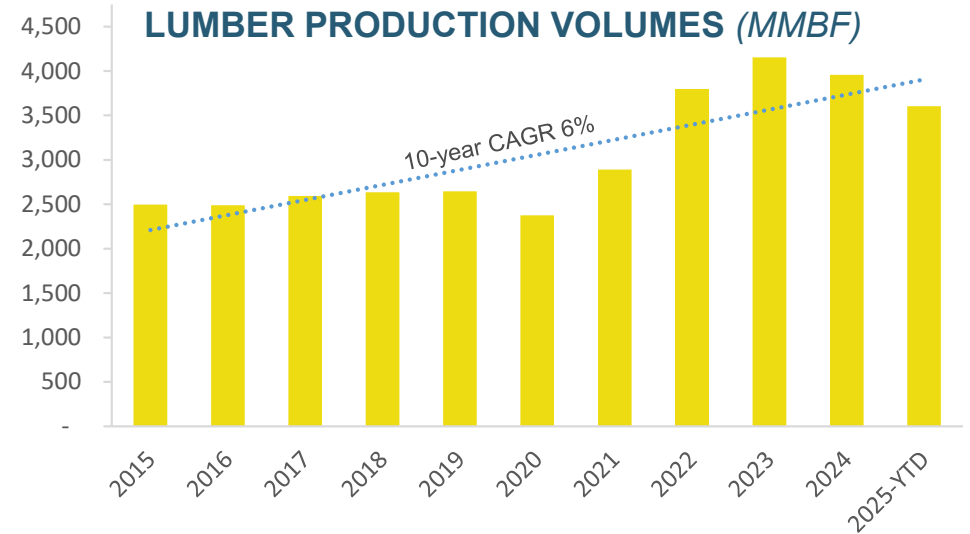
- Sustainable forest management and harvesting practices
- Lumber is a climate-friendly building product with opportunity to displace concrete/steel

# INVESTOR VALUE PROPOSITION

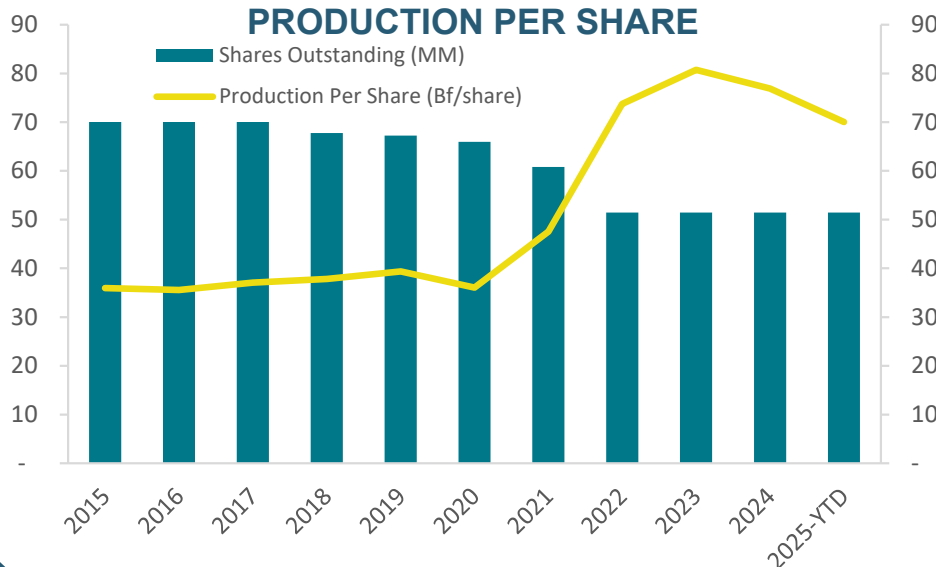
## Attractive Earnings Through the Cycle



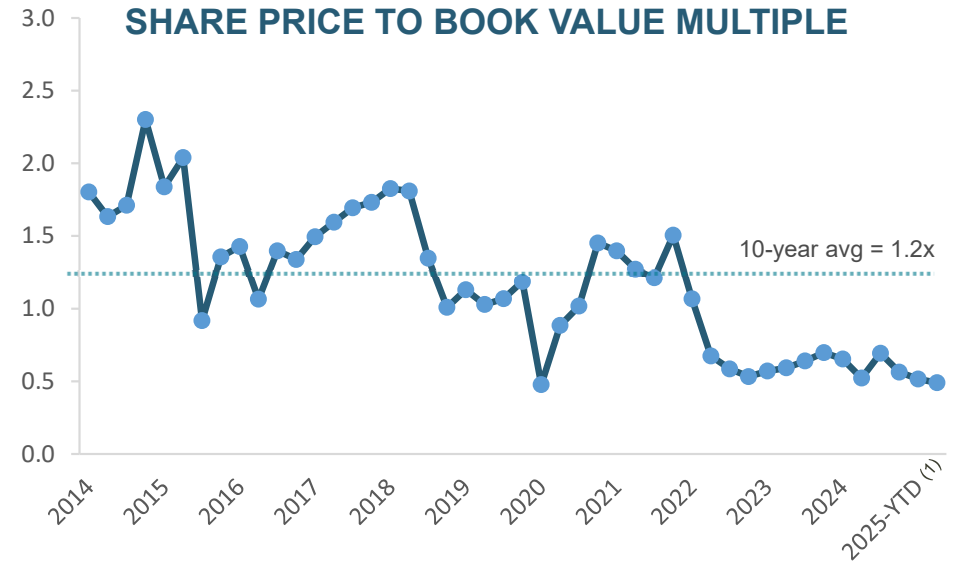
## Consistently Growing Volumes



## Increased Leverage to Production



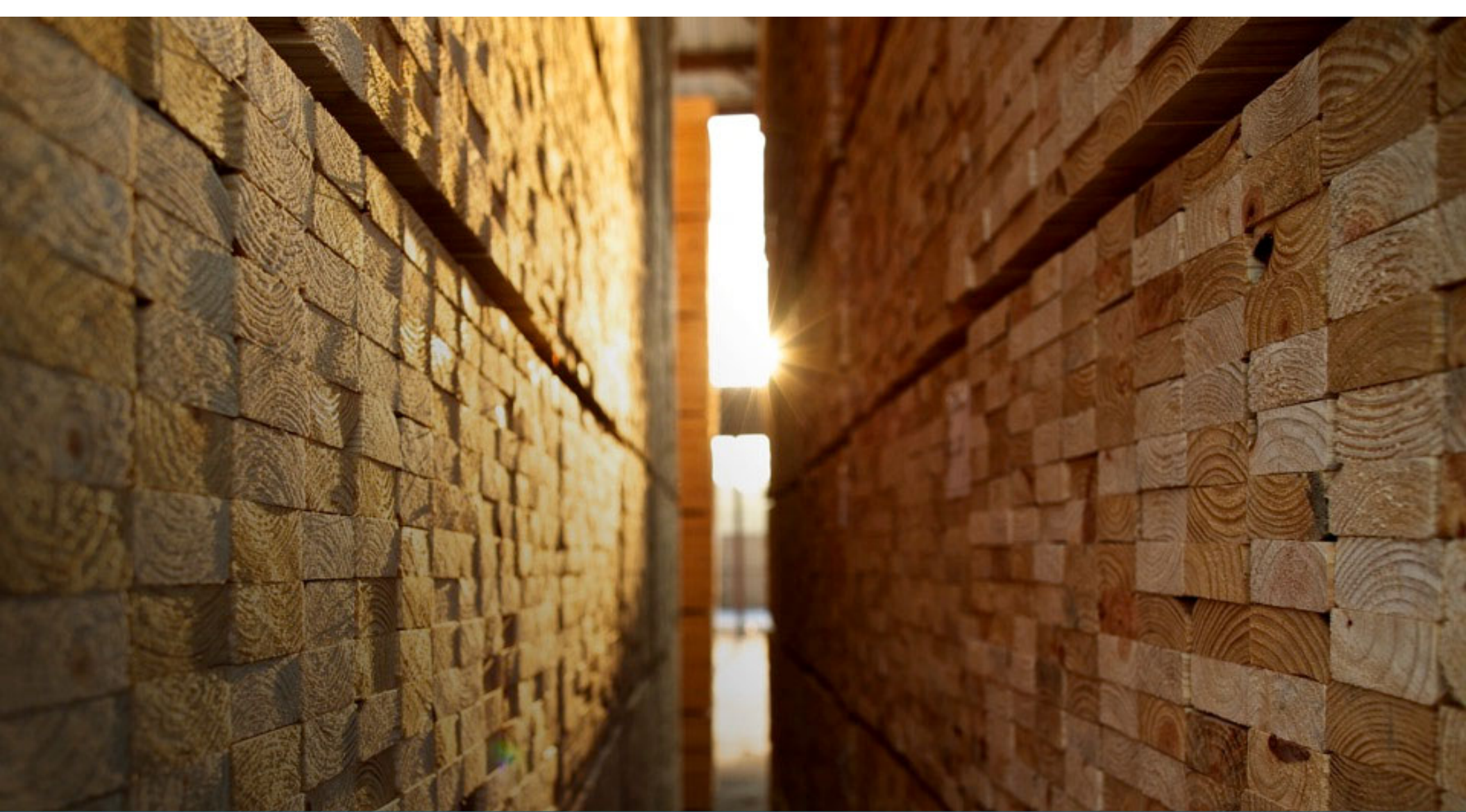
## Attractive Valuation Metrics



**INTERFOR**

(1) Market and book value prices per share as of each quarter-end, except 2025 book value as of March 31, 2025 and market price as of May 2, 2025.





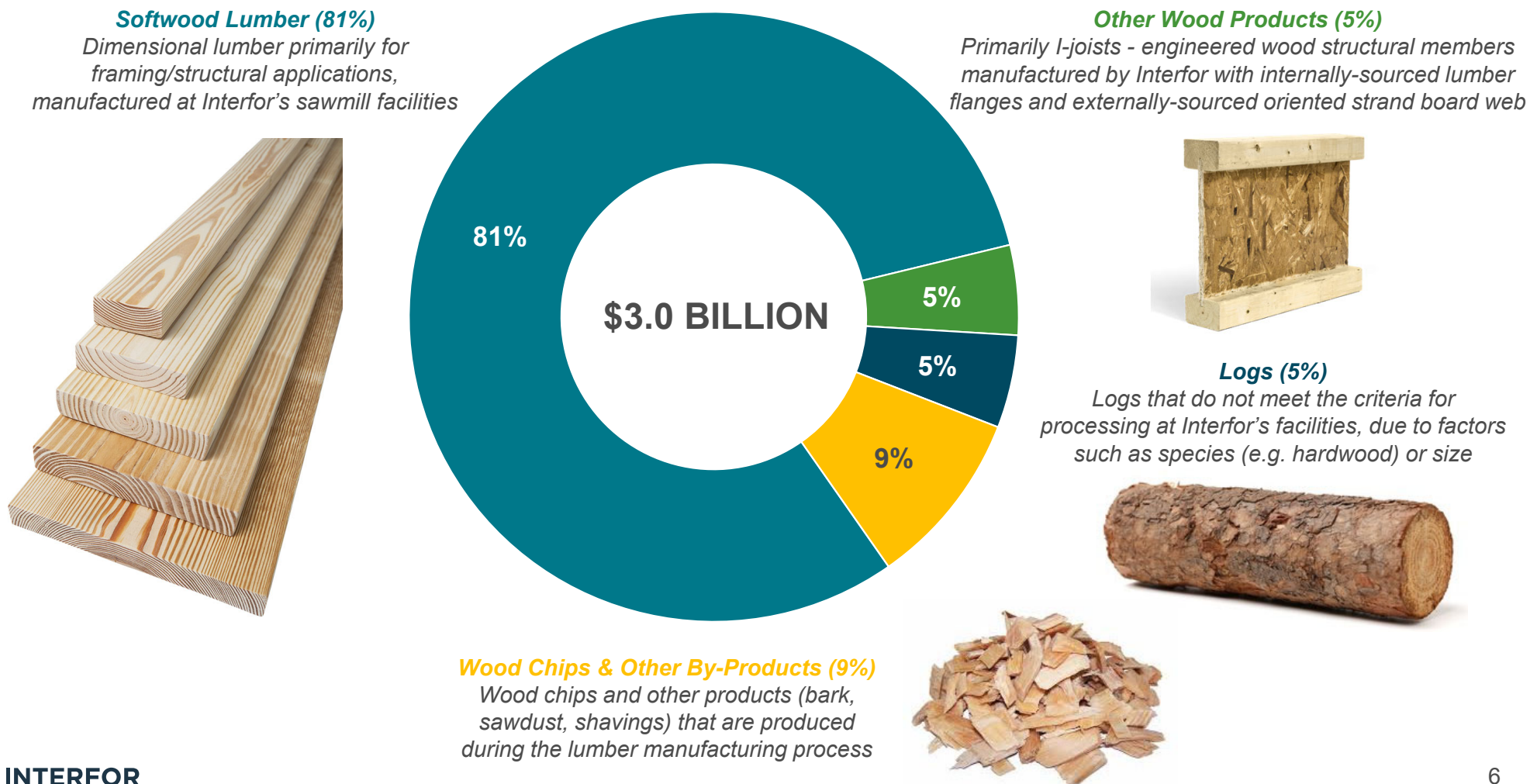
# PURE-PLAY NORTH AMERICAN LUMBER PRODUCER

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# PURE-PLAY LUMBER PRODUCER

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

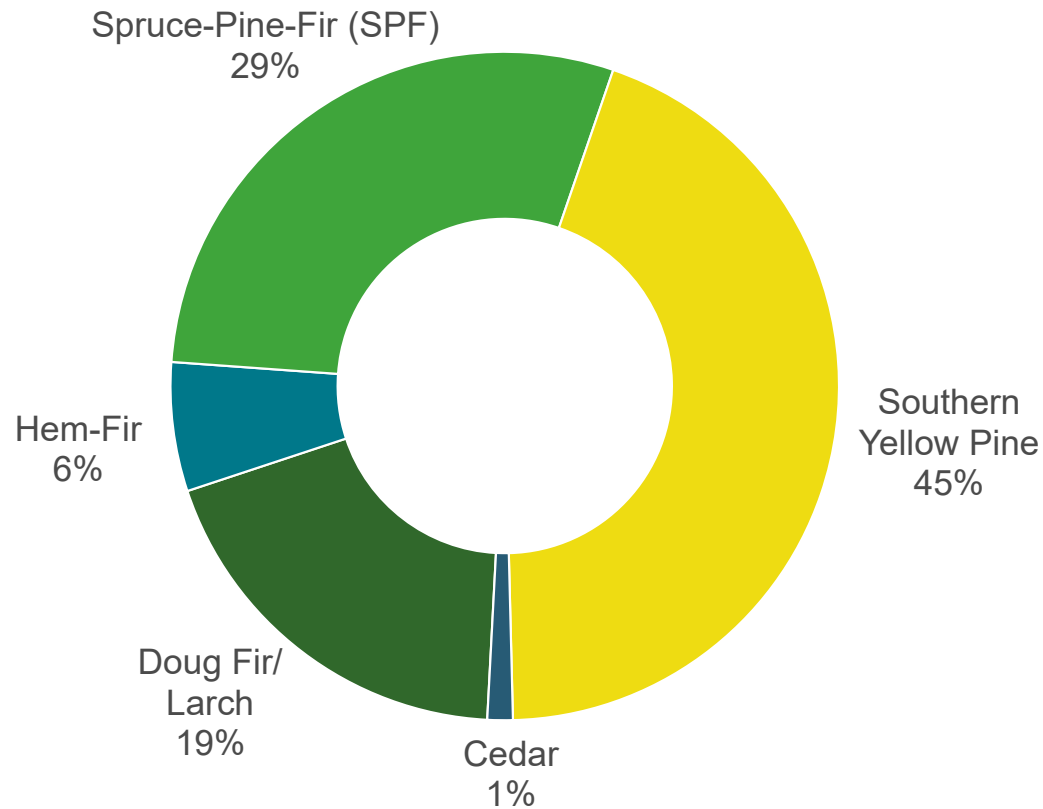
## INTERFOR 2024 REVENUES BY SOURCE



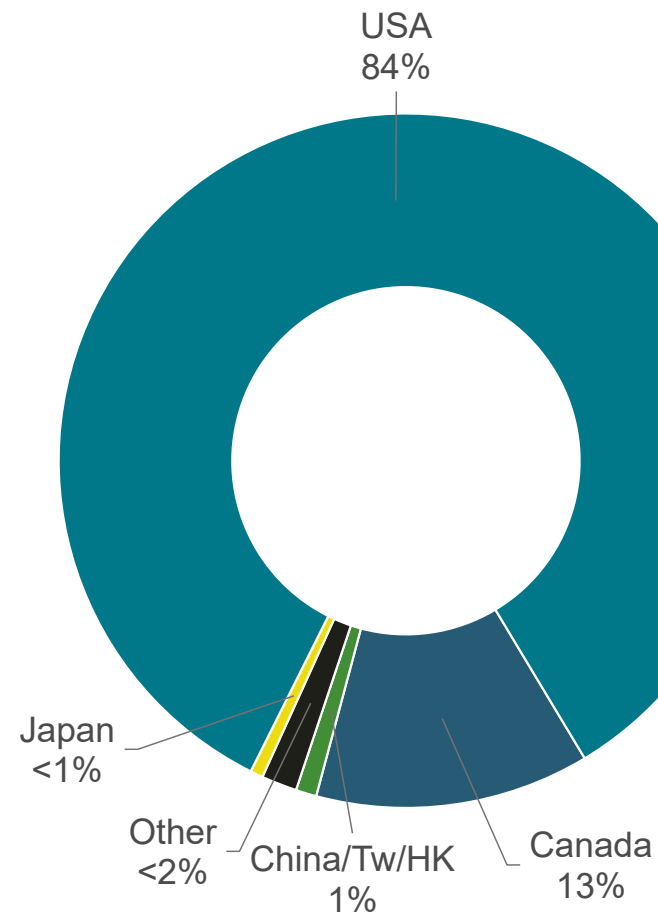
# LUMBER SPECIES & MARKETS

*Diverse lumber species mix; high leverage to key US market*

**INTERFOR  
LUMBER SALES BY SPECIES (1)**



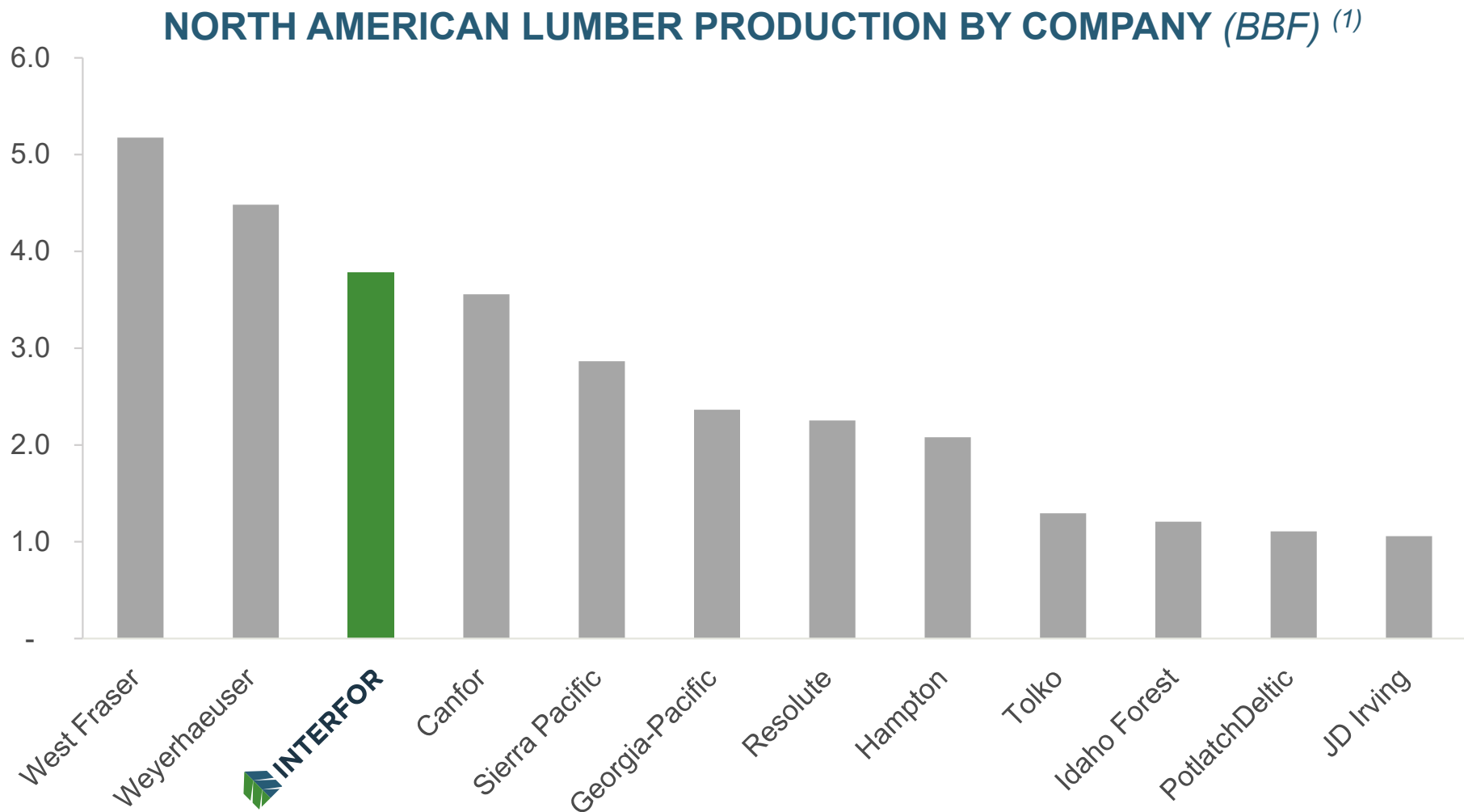
**INTERFOR  
LUMBER SALES BY MARKET (1)**





# LUMBER INDUSTRY LANDSCAPE

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



Source: FEA's Top Producer Survey / Company Reports.

(1) Reflects last twelve months ended March 31, 2025 for Interfor, Potlatch, West Fraser and Weyerhaeuser. Reflects 2024 per FEA for all others, except Resolute and Tolko includes estimate of US production volumes and Hampton includes estimate of Canadian production volumes.



# INTERFOR OPERATIONS

## BC INTERIOR

**750 MMBF (16%)**

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

## US NORTHWEST

**550 MMBF (12%)**

- 3 stud mills
- Douglas-Fir, Hem-Fir
- Efficient, modern, low-cost, well-capitalized

## EASTERN CANADA

**1,080 MMBF (23%)**

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

## US SOUTH <sup>(1)</sup>

**2,335 MMBF (50%)**

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

***4.7 Billion board feet of lumber production capacity, with operations in all major timber baskets <sup>(1)</sup>***



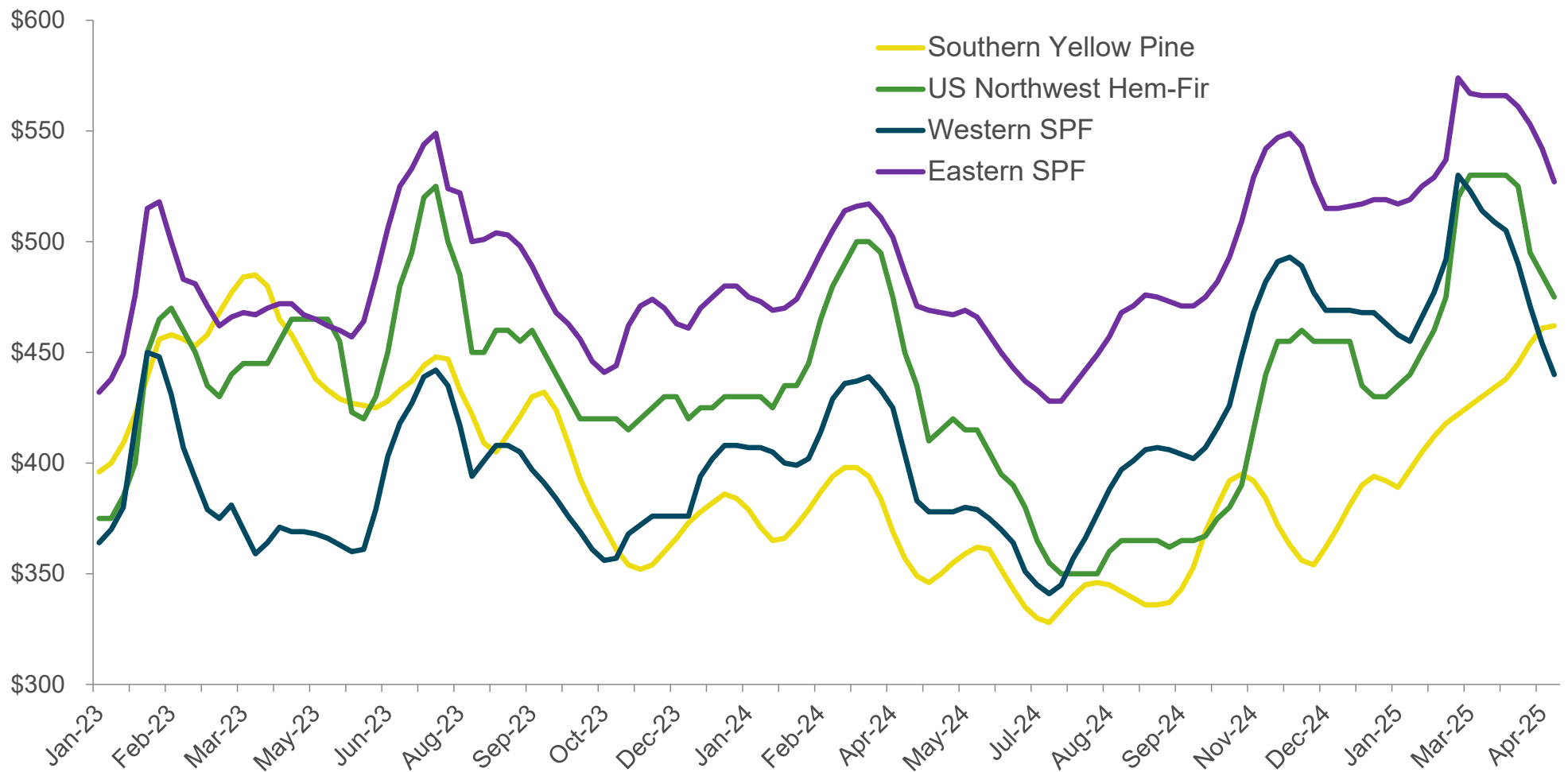
# COMPELLING LUMBER MARKET FUNDAMENTALS

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# LUMBER PRICES

*Recent pricing increasing from multi-year lows, driven in large part by supply-side adjustments in 2024*

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

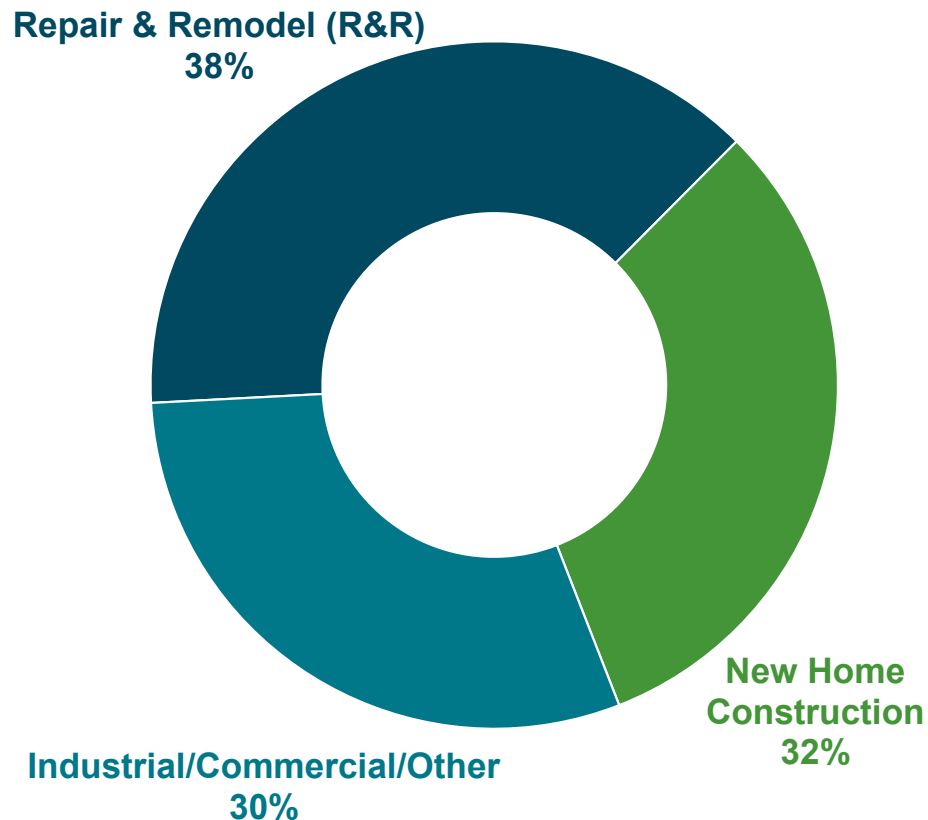




# LUMBER DEMAND

*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
- Household balance sheets in good shape

### New Home Construction

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

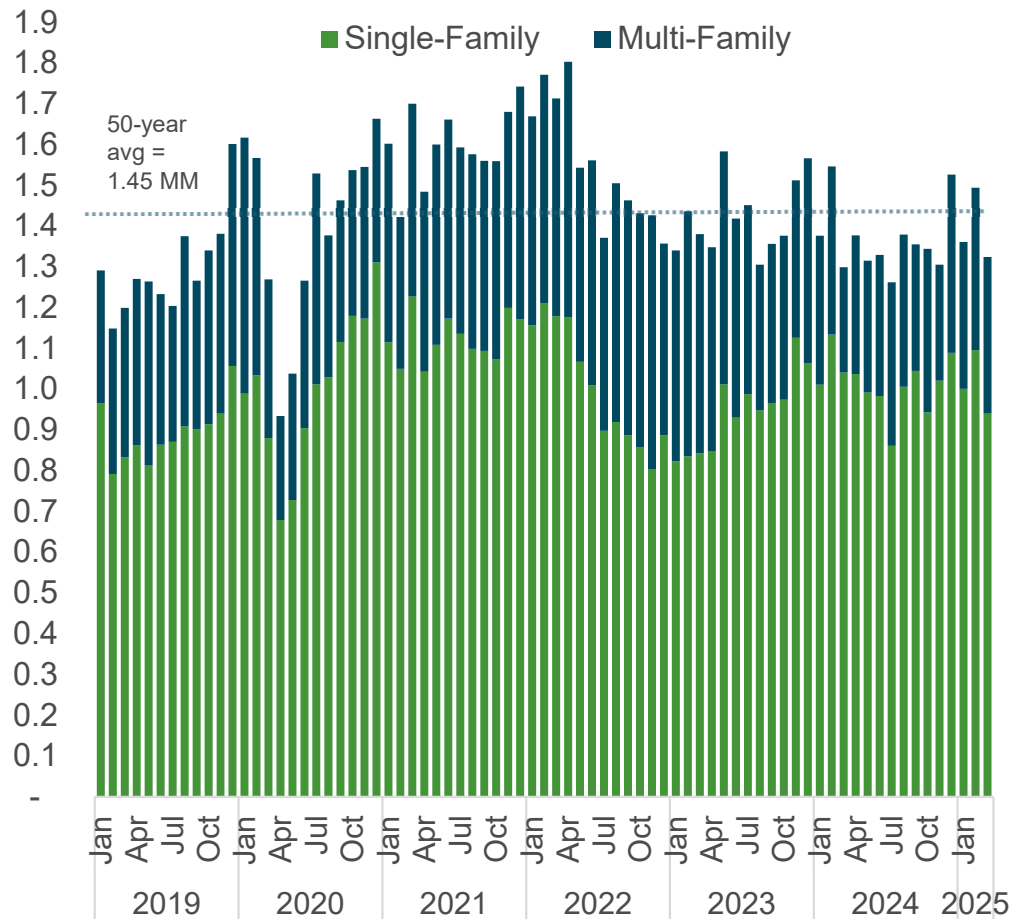
### Industrial / Commercial

- Steady demand in-line with overall economic activity

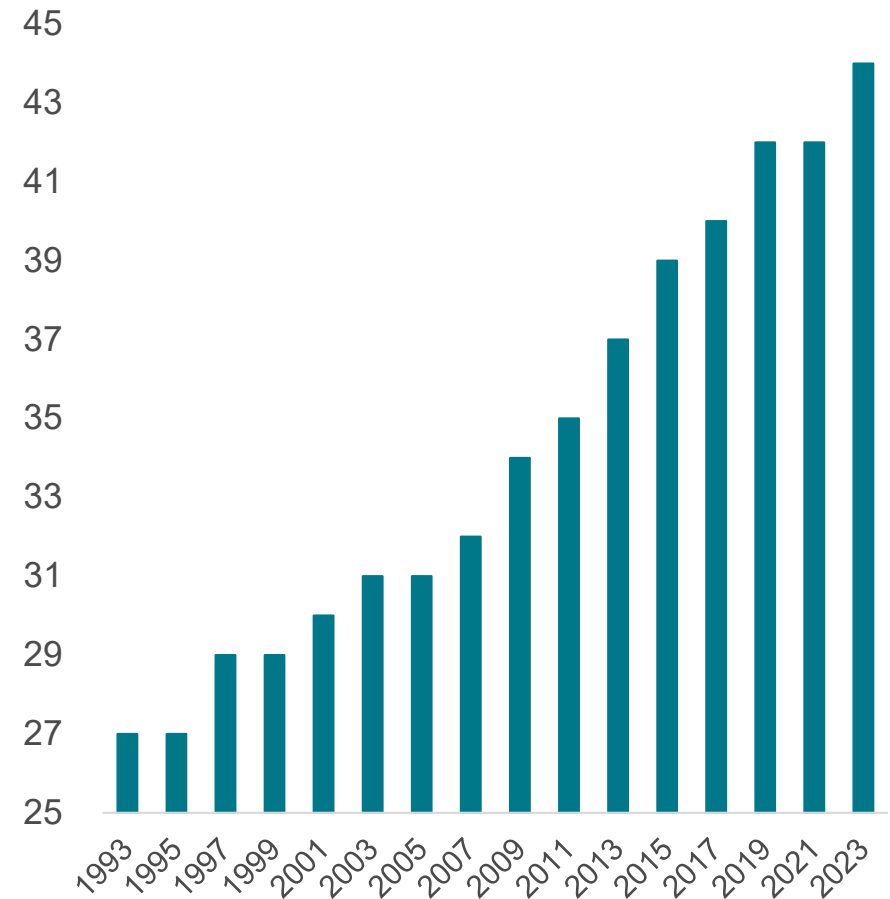
# LUMBER DEMAND: KEY DRIVERS

*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 declines in other regions*

## NORTH AMERICAN LUMBER PRODUCTION (BBF)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
US - South	20.8	20.9	22.1	22.1	22.1
US - West	14.5	14.7	14.1	13.7	13.7
US - Other	1.7	1.7	1.6	1.6	1.6
Canada – All Except BC	14.1	14.5	13.6	13.3	13.6
Canada - BC	8.9	9.2	7.9	6.9	6.7
<b>Domestic Production</b>	<b>60.0</b>	<b>61.0</b>	<b>59.2</b>	<b>57.5</b>	<b>57.1</b>
Offshore Imports	2.9	3.2	3.8	3.6	3.1
Offshore Exports	(3.7)	(3.4)	(2.7)	(2.7)	(2.7)
<b>Supply Available For NA Demand</b>	<b>59.2</b>	<b>60.8</b>	<b>60.4</b>	<b>58.4</b>	<b>57.5</b>

### 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 (>46% 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 continue easing going forward.

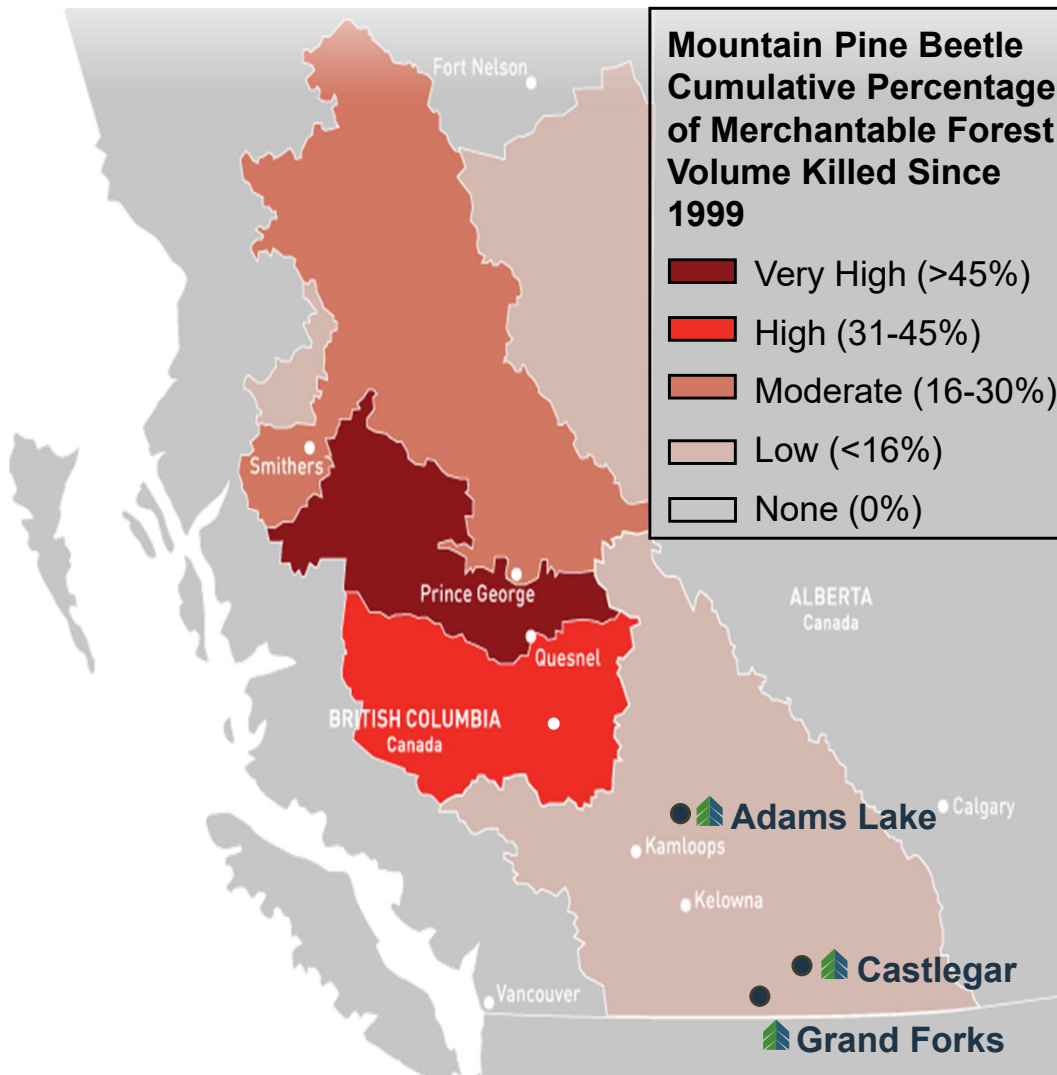
### OFFSHORE EXPORTS

Lower exports driven by reduced demand from Asia, but has since stabilized.

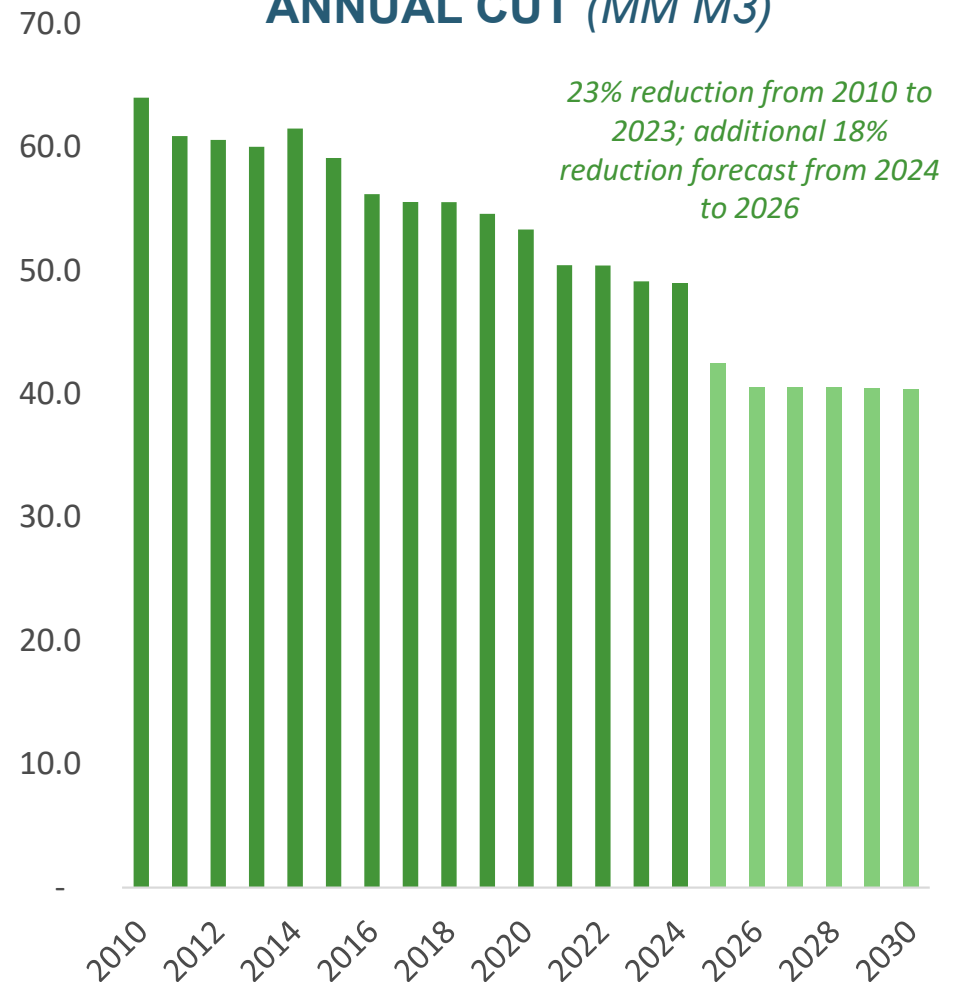


# LUMBER SUPPLY: BC INTERIOR

*Over 47% of BC industry capacity curtailed since 2018 due to declining log supply. However, Interfor well-positioned in southern BC.*



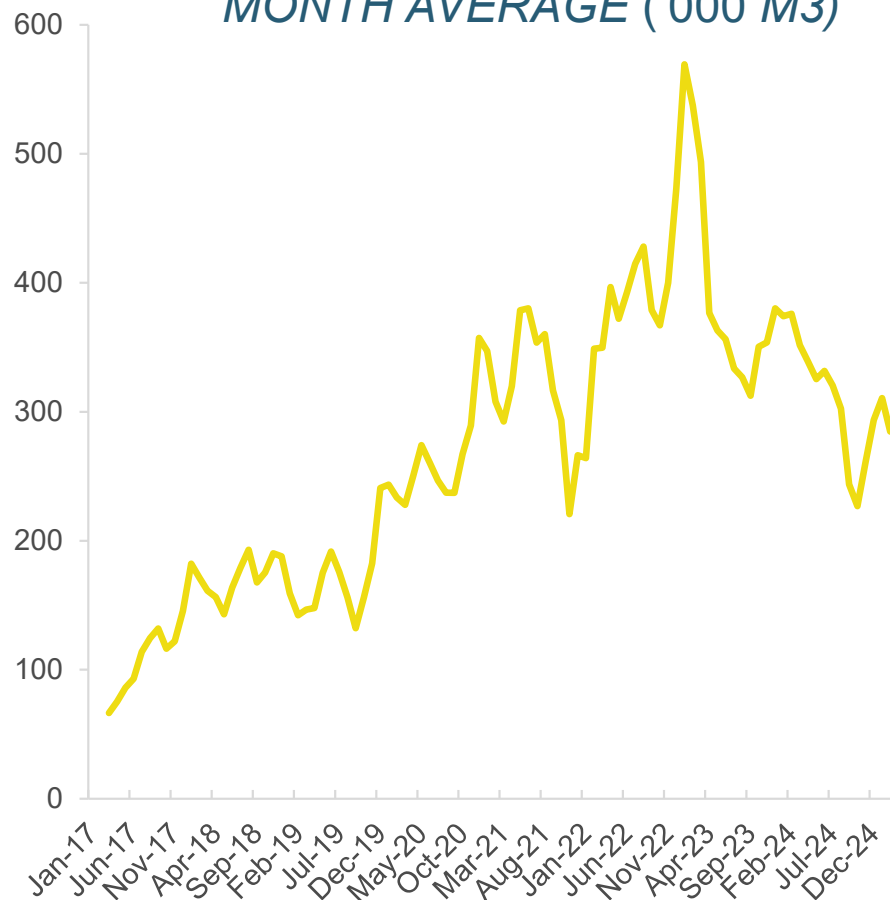
## BC INTERIOR ALLOWABLE ANNUAL CUT (MM M3)



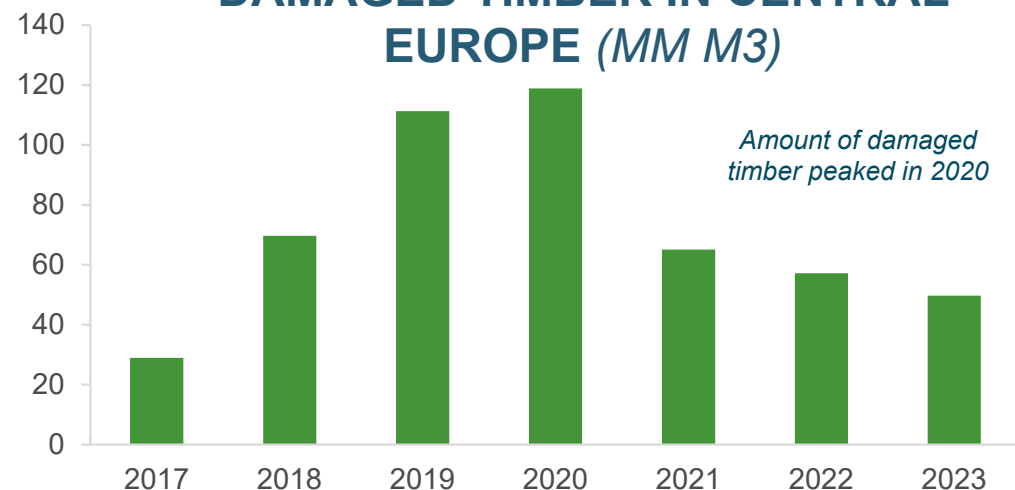
# LUMBER SUPPLY: EUROPEAN IMPORTS

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

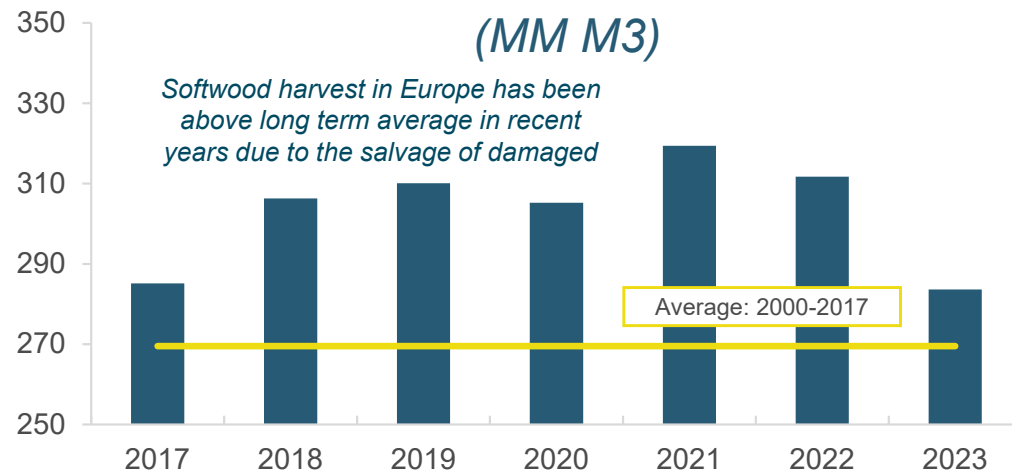
**US LUMBER IMPORTS FROM EUROPE – TRAILING THREE MONTH AVERAGE ('000 M3)**



**DAMAGED TIMBER IN CENTRAL EUROPE (MM M3)**



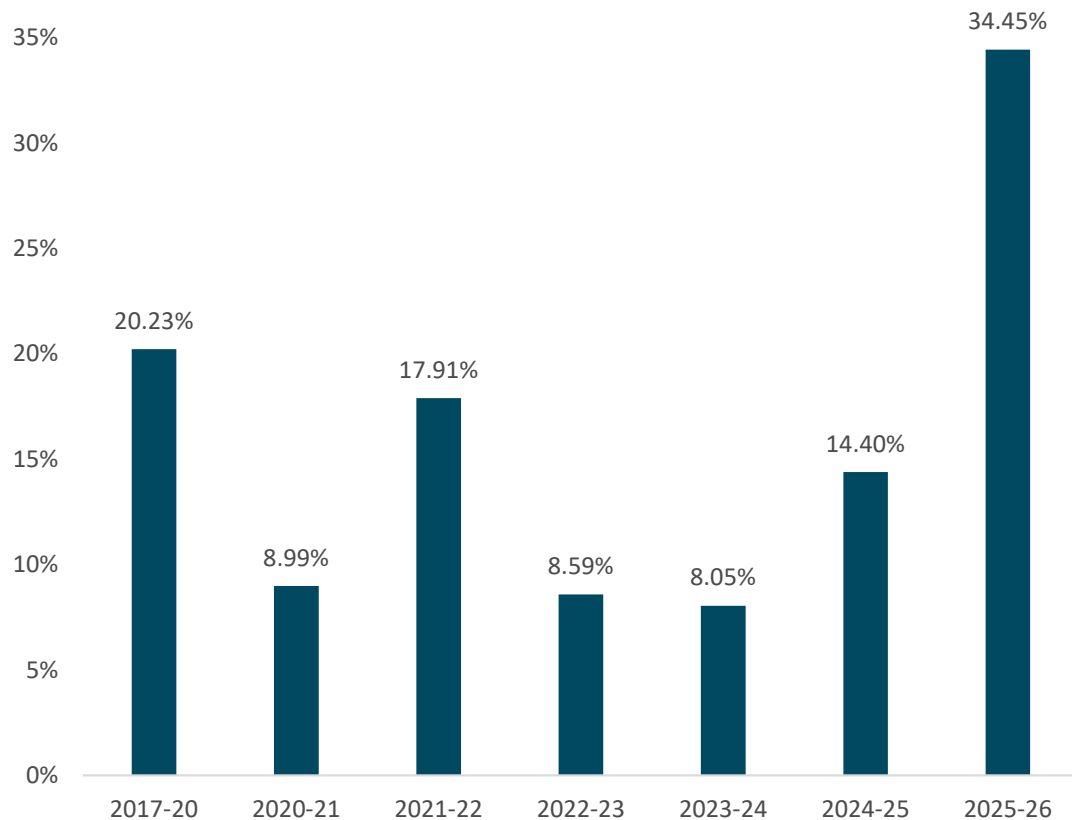
**EUROPEAN SOFTWOOD HARVEST (MM M3)**



# SOFTWOOD LUMBER DISPUTE & TARIFFS

*Limited exposure to duties or tariffs with ~60% of lumber capacity based in the US*

## U.S. COUNTERVAILING & ANTI-DUMPING CASH DEPOSIT RATES APPLICABLE TO INTERFOR <sup>(1)</sup>



## INTERFOR SOFTWOOD LUMBER DUTIES HIGHLIGHTS

**US\$607 MM**

*Duties on Deposit*

*Duties paid by Interfor to the US Gov.; ~70% are off-balance sheet*

**~C\$12/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*





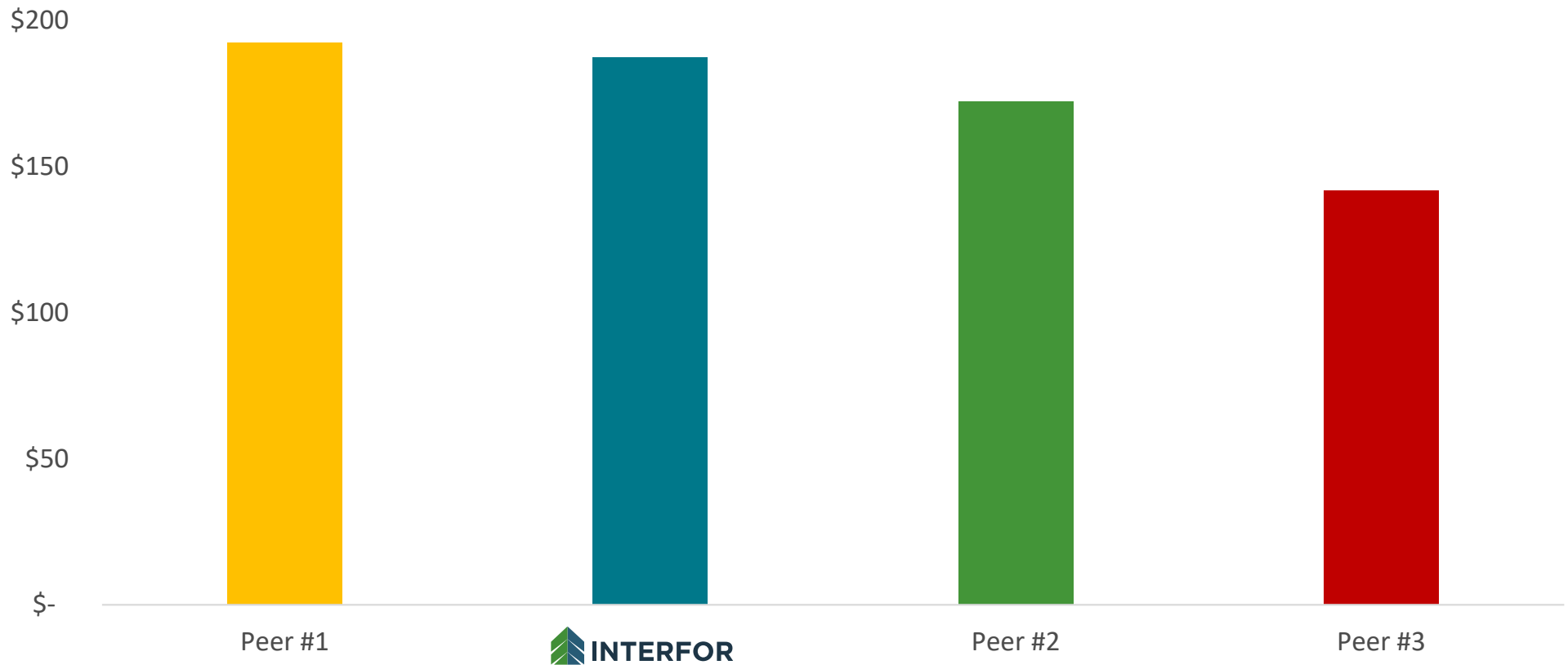
# TOP-TIER MARGINS & RETURNS ON CAPITAL

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# TOP QUARTILE OPERATING MARGINS

*Focus on operational excellence reflected in superior margin performance*

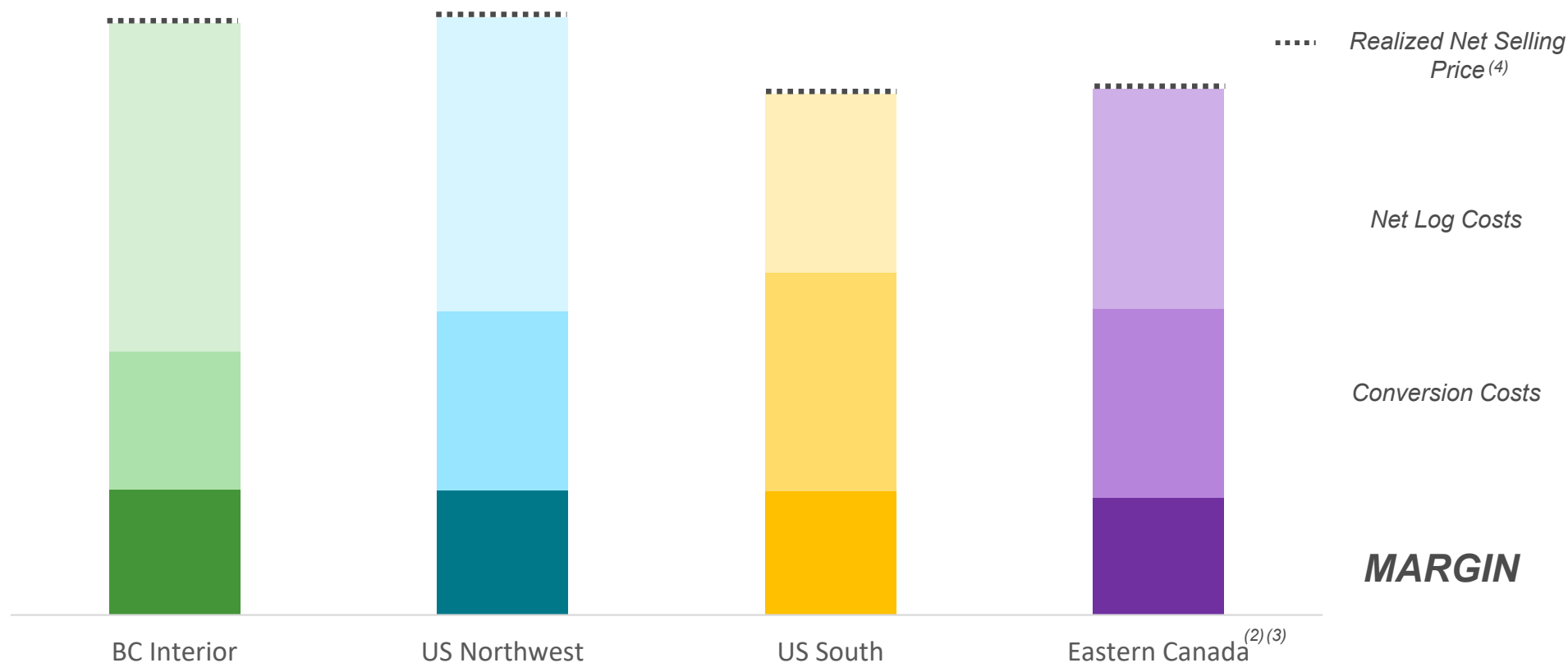
## LUMBER SEGMENT AVG. ADJ. EBITDA MARGINS – 2019 TO 2024 (C\$/MBF) <sup>(1)(2)</sup>



# INTERFOR REGIONAL OPERATING MARGINS

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

## INTERFOR CASH MARGIN (C\$/MBF) <sup>(1)</sup>



(1) Average of 2016-2024

(2) Eastern Canada includes historical results pre-acquisition of EACOM.

(3) Does not include the acquisition of Chaleur by Interfor on November 30, 2022.

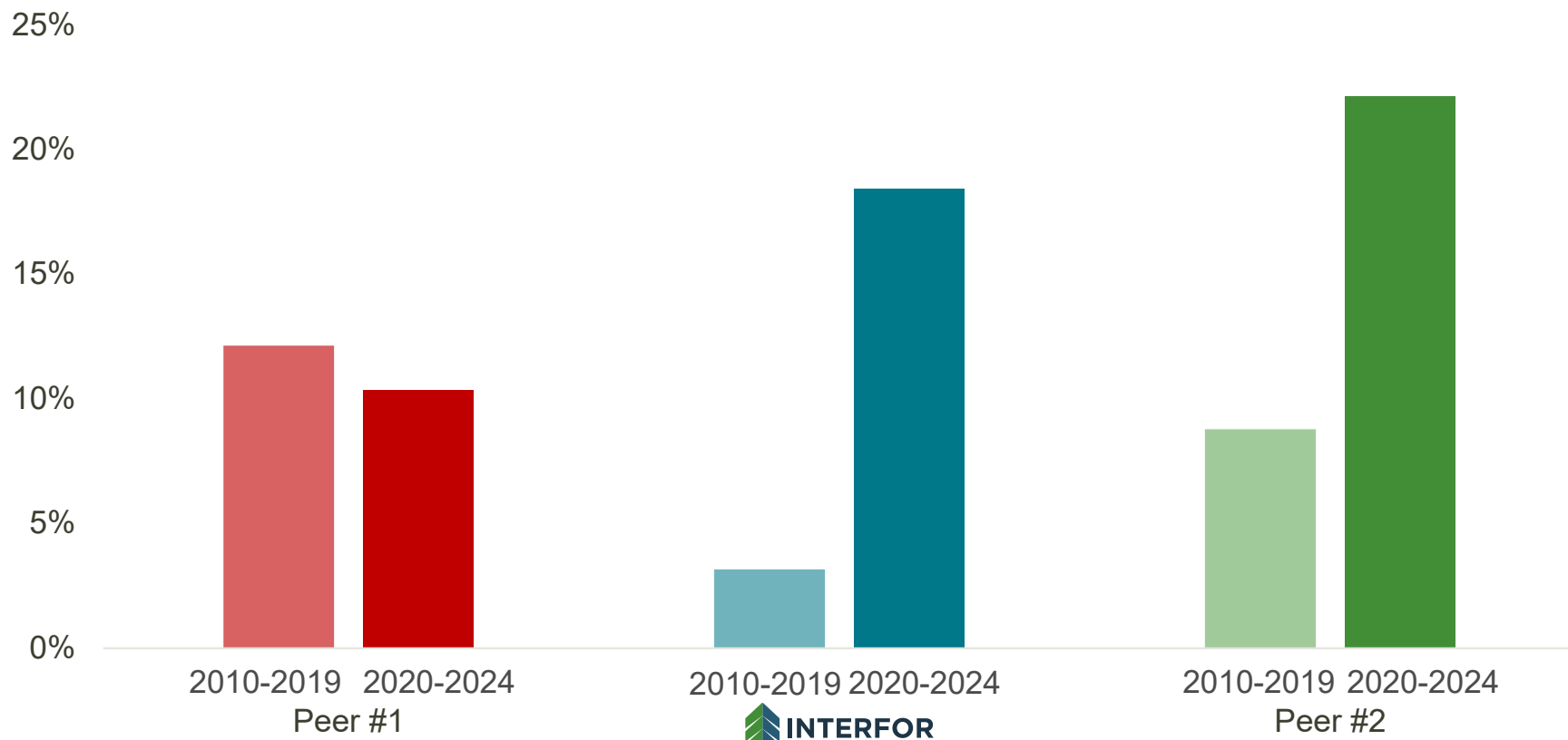
(4) Realized price for Interfor (ie. after deduction of freight, duties, tariffs and discounts)



# FOCUS ON RETURN ON CAPITAL

*Improvement in relative performance vs. peers in recent years; driven by disciplined and balanced capital deployment*

## EBIT RETURN ON CAPITAL EMPLOYED (%) <sup>(1)</sup>



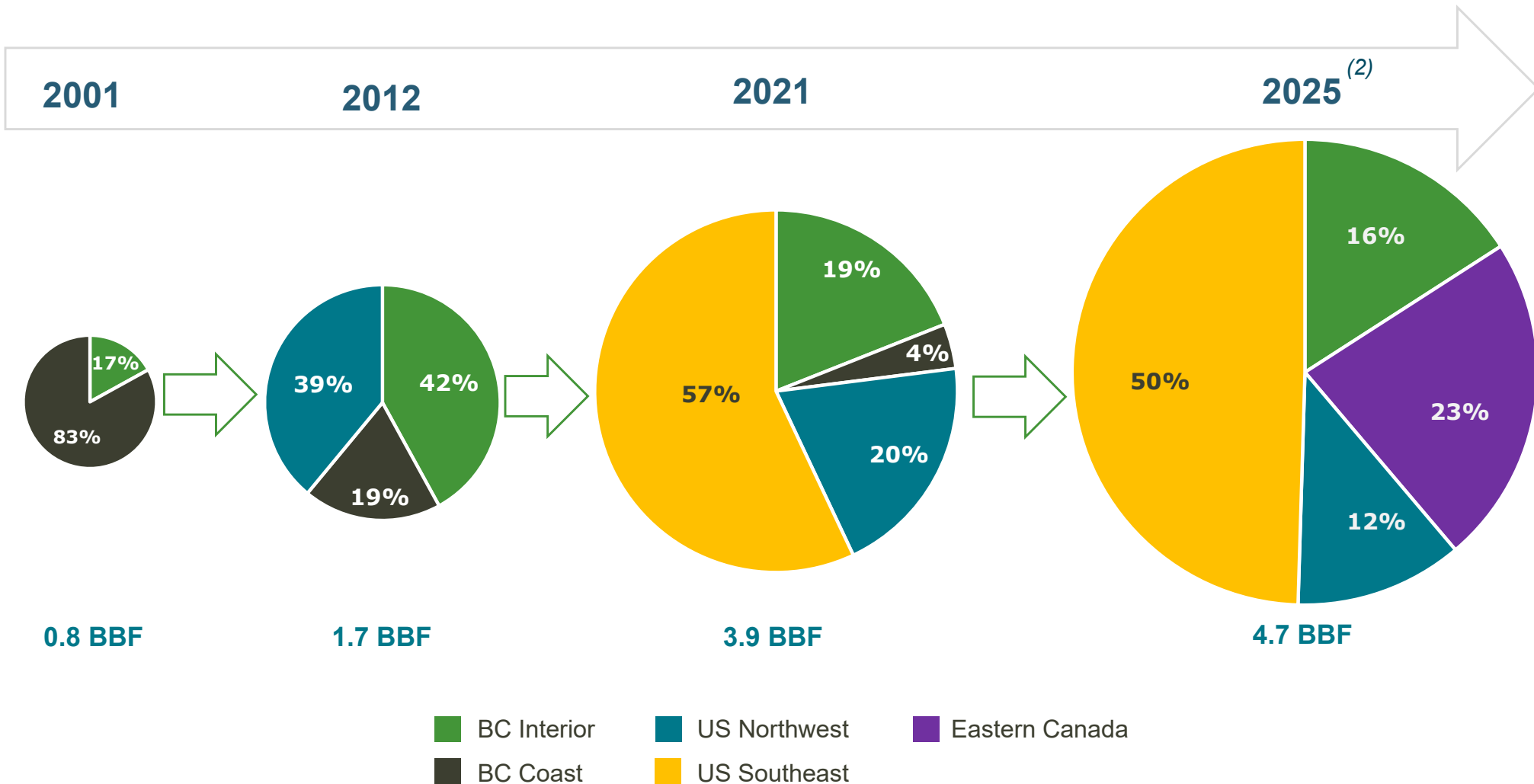


# GROWTH AND DIVERSIFICATION STRATEGY

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# GROWTH & DIVERSIFICATION

*Long-standing strategy of growth and geographic lumber diversification <sup>(1)</sup>*





# INTERNAL GROWTH: MULTI-YEAR CAPEX PLAN

*Mill rebuilds, machine center upgrades, debottlenecking & optimization projects*

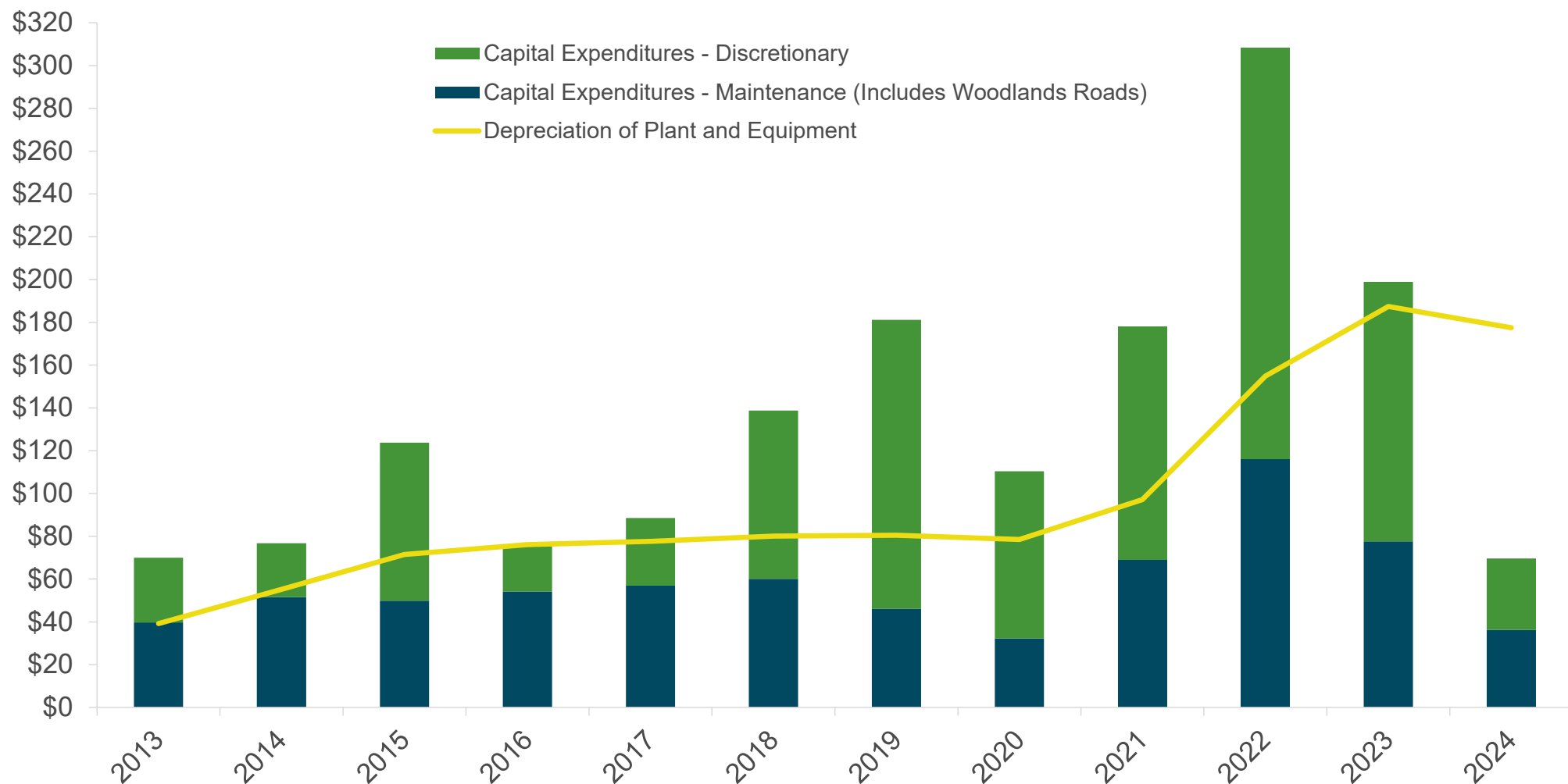




# INTERNAL GROWTH: CAPEX SPENDING PROFILE

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

## HISTORICAL CAPITAL EXPENDITURES (\$MM)







# BALANCED CAPITAL ALLOCATION & OPTIMIZED CAPITAL STRUCTURE

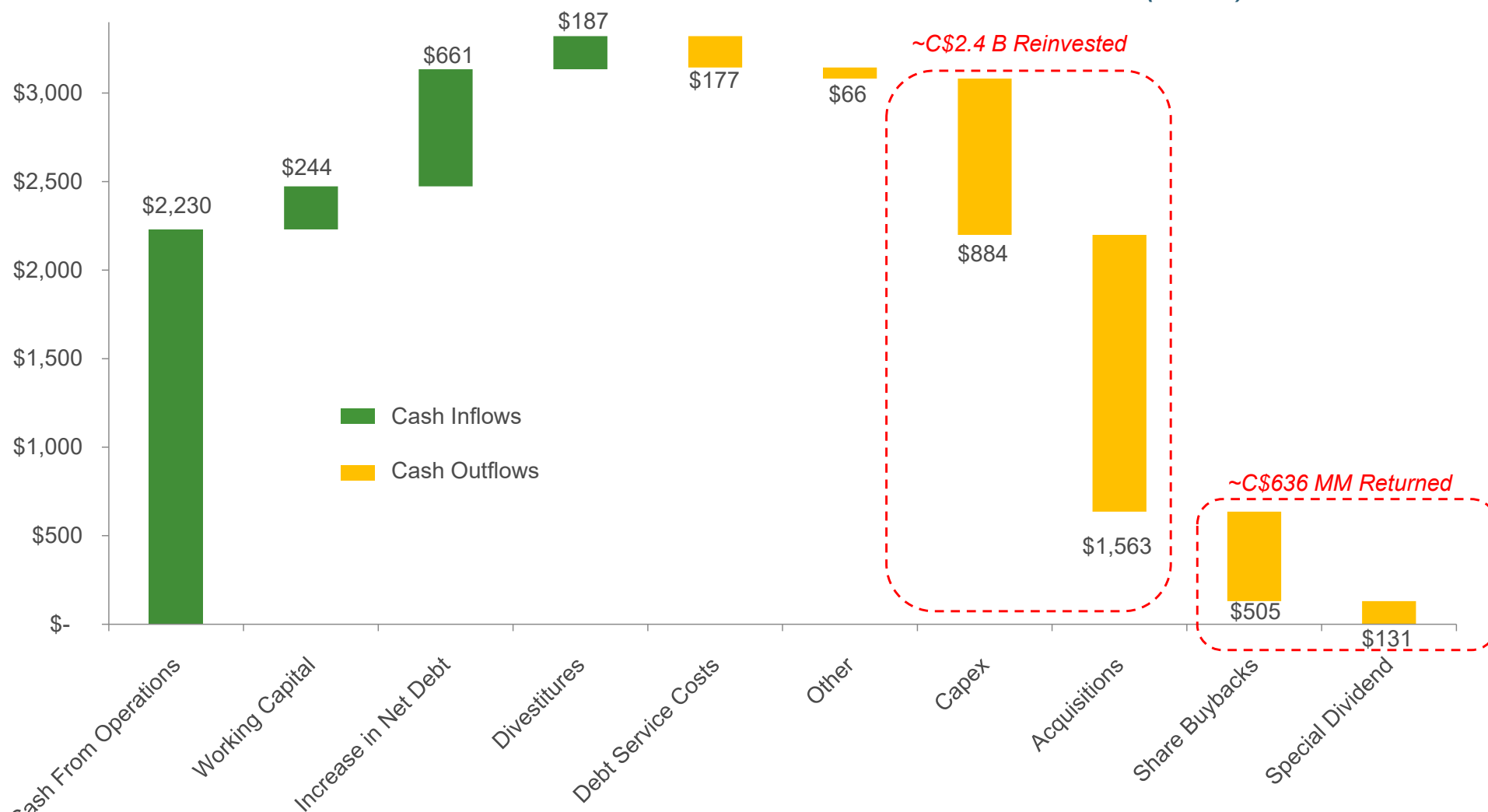
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# BALANCED CAPITAL ALLOCATION

*Capital deployed in a disciplined and balanced manner to maximize returns*

## CAPITAL DEPLOYMENT SUMMARY – 2020 TO 2025 (\$MM) <sup>(1)</sup>



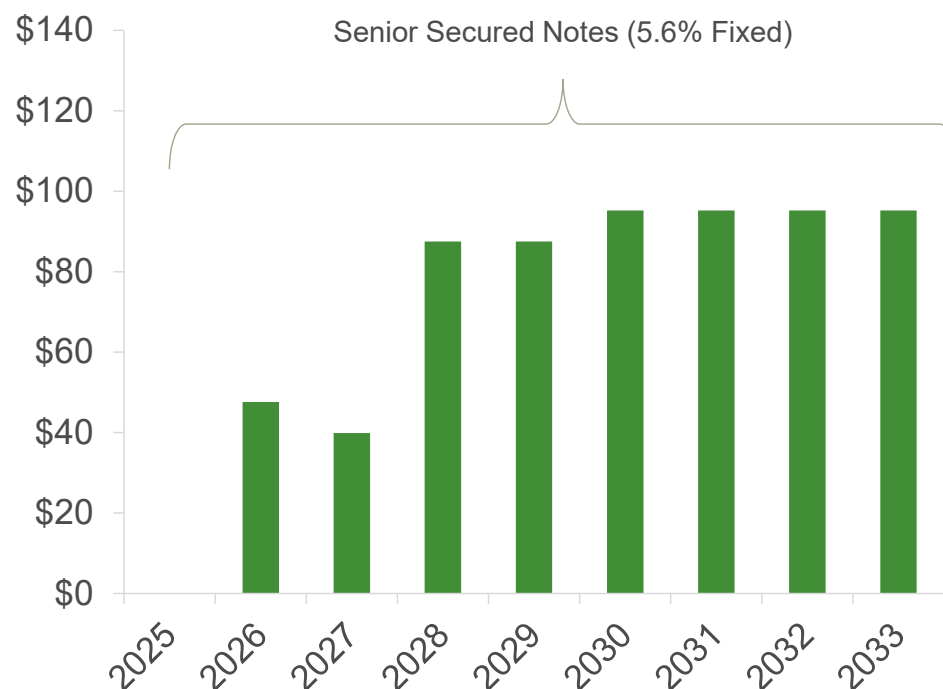
# OPTIMIZED & LOW-COST CAPITAL STRUCTURE

*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 MARCH 31, 2025 (\$MM)

Cash	\$16
Debt – Senior Secured Notes	\$644
Debt – Revolving Term Line <sup>(1)</sup>	\$258
Net Debt	\$886
Book Equity	\$1,490
Invested Capital	\$2,376
<b>NET DEBT/INVESTED CAPITAL (%)</b>	<b>37%</b>
Available Liquidity <sup>(2)</sup>	\$306
Lumber Duties on Deposit	US\$607

## SENIOR SECURED NOTES MATURITY SCHEDULE AS OF MARCH 31, 2025 (\$MM)

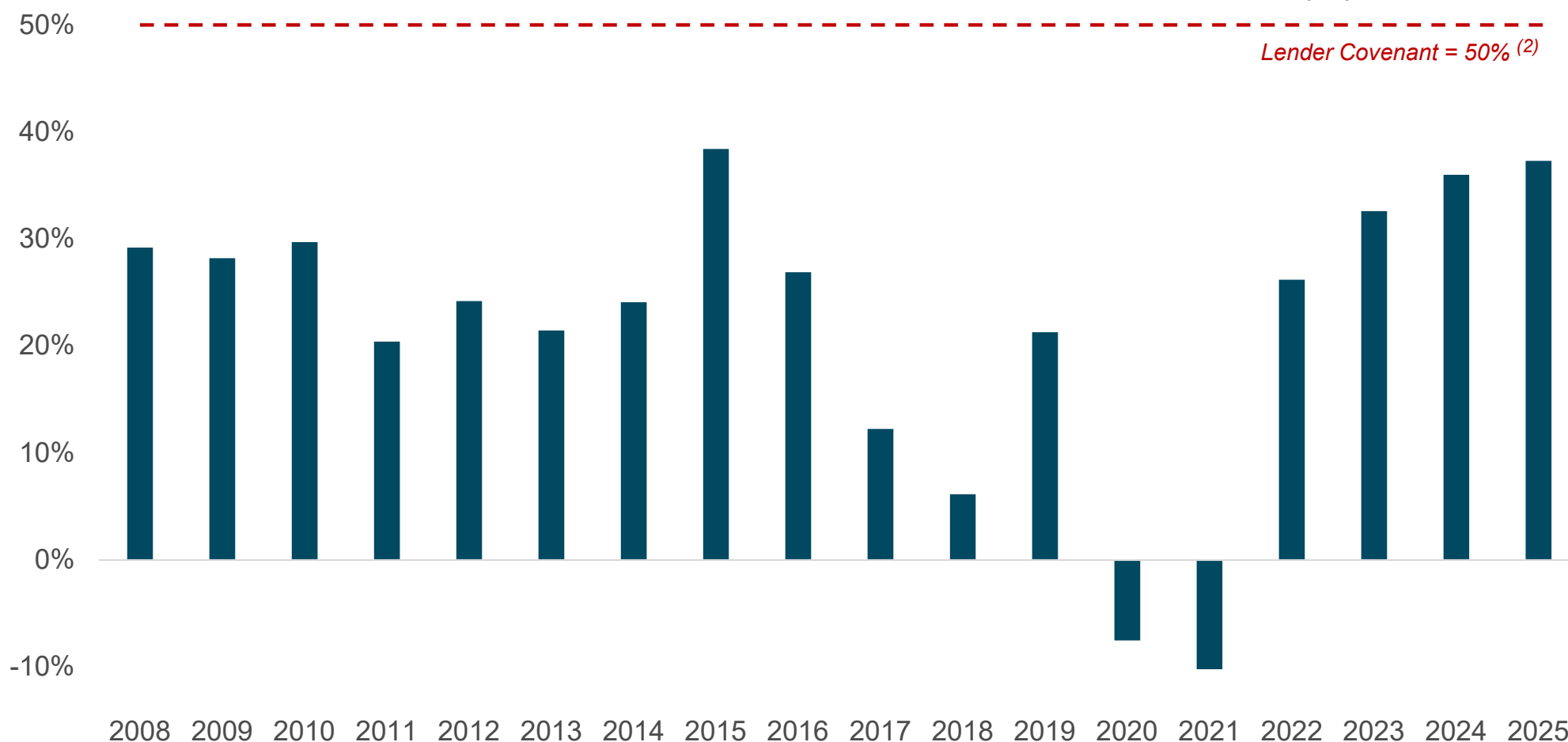




# CONSERVATIVE LEVERAGE MAINTAINED

***Conservative leverage maintained to provide flexibility through all markets.  
Near-term leverage expected to benefit from non-operating cash flows,  
including net proceeds from disposition of Coastal BC business***

**HISTORICAL NET DEBT – TO – INVESTED CAPITAL RATIO (%) <sup>(1)</sup>**





A young pine tree sapling with vibrant green needles stands prominently in the center-right of the frame. It is growing out of a mound of brown, textured soil and a pile of dry, brown pine needles. The background is a soft-focus forest scene with various shades of green and brown, suggesting a natural, wooded environment. A semi-transparent dark blue horizontal band spans the width of the image, positioned below the sapling. The text 'POSITIVE ESG & CARBON STORY' is written in white, bold, sans-serif capital letters across this band. A short, thick yellow horizontal line is located at the bottom left corner of the image, just below the blue band.

# POSITIVE ESG & CARBON STORY



# BUILDING VALUE SUSTAINABLY

## Respecting Nature. Building Sustainably.

*A Sustainability Strategy to Invest in our Future.*

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

Commitment to investing in our people, operations and sustainable forestry.

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



**CONTACT INFORMATION & RESOURCES**



# ANALYST COVERAGE

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## **ADDITIONAL RESOURCES**

