

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2024

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to  
Commission File Number 1-32729

**PotlatchDeltic Corporation**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

82-0156045

(IRS Employer  
Identification No.)

601 West First Avenue, Suite 1600  
Spokane, Washington  
(Address of principal executive offices)

99201  
(Zip Code)

(509) 835-1500

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class Common Stock (\$1 par value)	Trading symbol(s) PCH	Name of each exchange on which registered Nasdaq Global Select Market
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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>	Non-accelerated Filer	<input type="checkbox"/>
Smaller Reporting Company	<input type="checkbox"/>	Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The number of shares of common stock of the registrant outstanding (in thousands) at October 31, 2024, was 78,763.

**POTLATCHDELTIC CORPORATION AND CONSOLIDATED SUBSIDIARIES**

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## Part I – FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

**PotlatchDeltic Corporation and Consolidated Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
**(Unaudited)**

(in thousands, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenues	\$ 255,131	\$ 265,509	\$ 803,929	\$ 769,572
Costs and expenses:				
Cost of goods sold	227,556	226,303	722,189	665,716
Selling, general and administrative expenses	20,403	19,303	61,882	55,118
CatchMark merger-related expenses	—	—	—	2,453
Gain on fire damage	—	(16,326)	—	(39,436)
	247,959	229,280	784,071	683,851
Operating income	7,172	36,229	19,858	85,721
Interest expense, net	(9,635)	(7,971)	(18,049)	(15,783)
Non-operating pension and other postretirement employee benefits	200	(228)	602	(685)
Other	1,516	370	1,348	638
Income (loss) before income taxes	(747)	28,400	3,759	69,891
Income taxes	4,056	(4,725)	12,923	(7,650)
Net income	<u>\$ 3,309</u>	<u>\$ 23,675</u>	<u>\$ 16,682</u>	<u>\$ 62,241</u>
Net income per share:				
Basic	\$ 0.04	\$ 0.30	\$ 0.21	\$ 0.78
Diluted	\$ 0.04	\$ 0.29	\$ 0.21	\$ 0.78
Dividends per share	\$ 0.45	\$ 0.45	\$ 1.35	\$ 1.35
Weighted-average shares outstanding				
Basic	79,173	80,132	79,494	80,102
Diluted	79,277	80,379	79,563	80,279

The accompanying notes are an integral part of these condensed consolidated financial statements.

**PotlatchDeltic Corporation and Consolidated Subsidiaries**  
**Condensed Consolidated Statements of Comprehensive Income (Loss)**  
**(Unaudited)**

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	\$ 3,309	\$ 23,675	\$ 16,682	\$ 62,241
Other comprehensive income (loss), net of tax:				
Pension and other postretirement employee benefits	(230)	(132)	(689)	(607)
Cash flow hedges	(28,713)	28,464	(9,177)	28,848
Other comprehensive income (loss), net of tax	(28,943)	28,332	(9,866)	28,241
Comprehensive income (loss)	<u>\$ (25,634)</u>	<u>\$ 52,007</u>	<u>\$ 6,816</u>	<u>\$ 90,482</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**PotlatchDeltic Corporation and Consolidated Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
**(Unaudited)**

(in thousands, except per share amounts)	September 30, 2024	December 31, 2023
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 161,131	\$ 230,118
Customer receivables, net	29,550	21,892
Inventories, net	79,894	78,665
Other current assets	50,623	46,258
Total current assets	321,198	376,933
Property, plant and equipment, net	395,908	372,832
Investment in real estate held for development and sale	51,769	56,321
Timber and timberlands, net	2,375,157	2,440,398
Intangible assets, net	14,306	15,640
Other long-term assets	148,766	169,132
<b>Total assets</b>	<b>\$ 3,307,104</b>	<b>\$ 3,431,256</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 90,290	\$ 82,383
Current portion of long-term debt	165,113	175,615
Current portion of pension and other postretirement employee benefits	4,535	4,535
Total current liabilities	259,938	262,533
Long-term debt	869,486	858,113
Pension and other postretirement employee benefits	64,902	67,856
Deferred tax liabilities, net	23,936	36,641
Other long-term obligations	36,817	35,015
Total liabilities	1,255,079	1,260,158
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, authorized 4,000 shares, no shares issued	—	—
Common stock, \$1 par value, 200,000 shares authorized, 78,862 and 79,365 shares issued and outstanding	78,862	79,365
Additional paid-in capital	2,312,586	2,303,992
Accumulated deficit	(432,589)	(315,291)
Accumulated other comprehensive income	93,166	103,032
Total stockholders' equity	2,052,025	2,171,098
<b>Total liabilities and stockholders' equity</b>	<b>\$ 3,307,104</b>	<b>\$ 3,431,256</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**PotlatchDeltic Corporation and Consolidated Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**

(in thousands)	Nine Months Ended September 30,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income		
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation, depletion and amortization	\$ 16,682	\$ 62,241
Basis of real estate sold	86,369	90,327
Change in deferred taxes	73,522	21,624
Pension and other postretirement employee benefits	(11,896)	(3,979)
Equity-based compensation expense	3,431	4,833
Gain on fire damage	8,468	6,472
Interest received under swaps with other-than-insignificant financing element	—	(39,436)
Other, net	(22,503)	(18,651)
Change in working capital and operating-related activities, net	6,953	5,648
Real estate development expenditures	(7,036)	(24,107)
Funding of pension and other postretirement employee benefits	(5,305)	(7,243)
Proceeds from insurance recoveries	(7,303)	(2,176)
Net cash from operating activities	<u>143,062</u>	<u>117,308</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment additions	(52,178)	(28,068)
Timberlands reforestation and roads	(19,290)	(17,013)
Acquisition of timber and timberlands	(32,303)	(1,676)
Proceeds from property insurance	—	1,356
Interest received under swaps with other-than-insignificant financing element	20,934	17,279
Other, net	752	700
Net cash from investing activities	<u>(82,085)</u>	<u>(27,422)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distributions to common stockholders	(106,942)	(107,880)
Repurchase of common stock	(27,413)	(11,406)
Other, net	(3,179)	(2,315)
Net cash from financing activities	<u>(137,534)</u>	<u>(121,601)</u>
Change in cash, cash equivalents and restricted cash	(76,557)	(31,715)
Cash, cash equivalents and restricted cash at beginning of period	237,688	345,591
Cash, cash equivalents and restricted cash at end of period	<u>\$ 161,131</u>	<u>\$ 313,876</u>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Accrued property, plant and equipment additions	\$ 985	\$ 20,141
Accrued timberlands reforestation and roads	\$ 2,365	\$ 2,834
Repurchase of common stock pending settlement	\$ —	\$ 1,723

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the *Condensed Consolidated Balance Sheets* that sum to the total of the amounts shown above in the *Condensed Consolidated Statements of Cash Flows*.

(in thousands)	September 30, 2024	September 30, 2023
Cash and cash equivalents	\$ 161,131	\$ 302,799
Restricted cash included in other current and long-term assets <sup>1</sup>	—	11,077
Total cash, cash equivalents, and restricted cash	<u>\$ 161,131</u>	<u>\$ 313,876</u>

<sup>1</sup>Amounts included in restricted cash represent proceeds held by a qualified intermediary that were or are intended to be reinvested in timber and timberlands. At September 30, 2024 and 2023, \$0 and \$1.8 million, respectively, was classified as Other current assets.

The accompanying notes are an integral part of these condensed consolidated financial statements.

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**PotlatchDeltic Corporation and Consolidated Subsidiaries**  
**Condensed Consolidated Statements of Stockholders' Equity**  
**(Unaudited)**

(in thousands, except per share amounts)	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount	\$	\$	\$
<b>Balance, December 31, 2023</b>	79,365	\$ 79,365	\$ 2,303,992	\$ (315,291)	\$ 103,032
Net loss	—	—	—	(305)	—
Shares issued for stock compensation	143	143	(143)	—	—
Equity-based compensation expense	—	—	2,560	—	—
Pension plans and OPEB obligations, net of tax	—	—	—	—	2,560
Cash flow hedges, net of tax	—	—	—	—	(229)
Dividends on common stock, \$0.45 per share	—	—	—	(35,779)	—
Other transactions, net	—	—	90	(88)	2
<b>Balance, March 31, 2024</b>	79,508	79,508	2,306,499	(351,463)	118,728
Net income	—	—	—	13,678	—
Shares issued for stock compensation	4	4	(4)	—	—
Equity-based compensation expense	—	—	2,962	—	—
Repurchase of common stock	(610)	(610)	—	(24,402)	—
Pension plans and OPEB obligations, net of tax	—	—	—	—	(230)
Cash flow hedges, net of tax	—	—	—	—	3,611
Dividends on common stock, \$0.45 per share	—	—	—	(35,677)	—
Other transactions, net	—	—	98	(103)	(5)
<b>Balance, June 30, 2024</b>	78,902	78,902	2,309,555	(397,967)	122,109
Net income	—	—	—	3,309	—
Shares issued for stock compensation	16	16	(16)	—	—
Equity-based compensation expense	—	—	2,946	—	—
Repurchase of common stock	(56)	(56)	—	(2,344)	—
Pension plans and OPEB obligations, net of tax	—	—	—	—	(230)
Cash flow hedges, net of tax	—	—	—	—	(28,713)
Dividends on common stock, \$0.45 per share	—	—	—	(35,486)	—
Other transactions, net	—	—	101	(101)	—
<b>Balance, September 30, 2024</b>	<u>78,862</u>	<u>\$ 78,862</u>	<u>\$ 2,312,586</u>	<u>\$ (432,589)</u>	<u>\$ 93,166</u>
	<u><u>78,862</u></u>	<u><u>\$ 78,862</u></u>	<u><u>\$ 2,312,586</u></u>	<u><u>\$ (432,589)</u></u>	<u><u>\$ 93,166</u></u>
	<u><u><u>78,862</u></u></u>	<u><u><u>\$ 78,862</u></u></u>	<u><u><u>\$ 2,312,586</u></u></u>	<u><u><u>\$ (432,589)</u></u></u>	<u><u><u>\$ 93,166</u></u></u>

(in thousands, except per share amounts)	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount	\$	\$	\$
<b>Balance, December 31, 2022</b>	79,683	\$ 79,683	\$ 2,294,797	\$ (208,979)	\$ 97,652
Net income	—	—	—	16,260	—
Shares issued for stock compensation	233	233	(233)	—	—
Equity-based compensation expense	—	—	2,279	—	—
Pension plans and OPEB obligations, net of tax	—	—	—	—	(131)
Cash flow hedges, net of tax	—	—	—	—	(17,335)
Dividends on common stock, \$0.45 per share	—	—	—	(35,962)	—
Other transactions, net	—	—	84	(85)	(1)
<b>Balance, March 31, 2023</b>	79,916	79,916	2,296,927	(228,766)	80,186
Net income	—	—	—	22,306	—
Shares issued for stock compensation	4	4	(4)	—	—
Equity-based compensation expense	—	—	1,577	—	1,577
Repurchase of common stock	(9)	(9)	—	(385)	—
Pension plans and OPEB obligations, net of tax	—	—	—	—	(394)
Cash flow hedges, net of tax	—	—	—	—	(344)
Dividends on common stock, \$0.45 per share	—	—	—	(35,958)	—
Other transactions, net	—	—	93	(93)	—
<b>Balance, June 30, 2023</b>	79,911	79,911	2,298,593	(242,896)	97,561
Net income	—	—	—	23,675	—
Equity-based compensation expense	—	—	2,616	—	2,616
Repurchase of common stock	(283)	(283)	—	(12,452)	—
Pension plans and OPEB obligations, net of tax	—	—	—	—	(132)
Cash flow hedges, net of tax	—	—	—	—	28,464
Dividends on common stock, \$0.45 per share	—	—	—	(35,960)	—
Other transactions, net	—	—	92	(92)	—
<b>Balance, September 30, 2023</b>	<u>79,628</u>	<u>\$ 79,628</u>	<u>\$ 2,301,301</u>	<u>\$ (267,725)</u>	<u>\$ 125,893</u>
	<u><u>79,628</u></u>	<u><u>\$ 79,628</u></u>	<u><u>\$ 2,301,301</u></u>	<u><u>\$ (267,725)</u></u>	<u><u>\$ 125,893</u></u>
	<u><u><u>79,628</u></u></u>	<u><u><u>\$ 79,628</u></u></u>	<u><u><u>\$ 2,301,301</u></u></u>	<u><u><u>\$ (267,725)</u></u></u>	<u><u><u>\$ 125,893</u></u></u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

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## **Notes to Condensed Consolidated Financial Statements**

### **NOTE 1. BASIS OF PRESENTATION**

#### **General**

PotlatchDeltic Corporation and its subsidiaries (collectively referred to in this report as the company, us, we or our) is a leading timberland Real Estate Investment Trust (REIT) with operations in nine states. We are engaged in activities associated with timberland management, including the sale of timber, the ownership and management of over 2.1 million acres of timberlands and the purchase and sale of timberlands. We are also engaged in the manufacturing and sale of wood products and the development of real estate. Our timberlands, real estate development projects and all of our wood products facilities are located within the continental United States. The primary market for our products is the United States. We converted to a REIT effective January 1, 2006.

#### **Condensed Consolidated Financial Statements**

The accompanying unaudited *Condensed Consolidated Financial Statements* provide an overall view of our results and financial condition and reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of our financial position, results of operations and cash flows for the interim periods presented. Except as otherwise disclosed in these *Notes to Condensed Consolidated Financial Statements*, such adjustments are of a normal, recurring nature. Intercompany transactions and accounts have been eliminated in consolidation. The *Condensed Consolidated Financial Statements* have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission pertaining to interim financial statements. Certain disclosures normally provided in accordance with accounting principles generally accepted in the United States (GAAP) have been omitted. This Quarterly Report on Form 10-Q should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on February 15, 2024. Results of operations for interim periods should not be regarded as necessarily indicative of the results that may be expected for the full year.

#### **Use of Estimates**

The preparation of our *Condensed Consolidated Financial Statements* in conformity with GAAP requires management to make estimates and requires judgments affecting the amounts reported in the financial statements and the accompanying notes. Actual results may differ materially from our estimates.

#### **Commitments and Contingencies**

At any given time, we are subject to claims and actions incidental to the operations of our business. Based on information currently available, we do not expect that any sums we may have to pay in connection with any legal proceeding would have a material adverse effect on our consolidated financial position or net cash flow. Additionally, during the three and nine months ended September 30, 2024, there were no significant changes to our obligation under the Thomson Reservoir Project. At September 30, 2024, we have \$2.2 million accrued for our estimated remaining contribution to the project, all of which is included in Accounts payable and accrued liabilities in our *Condensed Consolidated Balance Sheets*. For further information on the project, refer to *Note 18: Commitments and Contingencies* in the *Notes to Consolidated Financial Statements* in our Annual Report on Form 10-K for the year ended December 31, 2023.

#### **Recently Adopted Accounting Standards**

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. ASU 2023-07 provides updates to qualitative and quantitative reportable segment disclosure requirements, including enhanced disclosures about significant segment expense categories that are regularly reported to the chief operating decision maker and included in each reported measure of a segment's profit or loss and increased interim disclosure requirements, among others. The adoption of this ASU on January 1, 2024, including the required retrospective application for all periods presented in the financial statements, will be reflected in our annual financial statements for the year ended December 31, 2024, and interim financial statements beginning in 2025. The application of this new guidance is not expected to have an impact on the company's consolidated financial condition, results of operations, or cash flows, as the guidance pertains to disclosure only.

#### **Recent Accounting Standards Not Yet Adopted**

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 provides qualitative and quantitative updates to the rate reconciliation and income taxes paid disclosures, among others, in order to enhance the transparency of income tax disclosures, including consistent categories and greater disaggregated information in the rate reconciliation and disaggregated by jurisdiction of income taxes paid. The ASU is effective for fiscal years beginning after December 15, 2024, may be applied prospectively or retrospectively, and early adoption is permitted. Management is evaluating this ASU and currently does not expect it will have an impact on the company's consolidated financial condition, results of operations, or cash flows, as the guidance pertains to disclosure only.

## NOTE 2. SEGMENT INFORMATION

Our operations are organized into three reportable segments: Timberlands, Wood Products and Real Estate. Management activities in the Timberlands segment include planting and harvesting trees and building and maintaining roads. The Timberlands segment also generates revenues from non-timber resources such as hunting leases, recreation permits and leases, mineral rights contracts and carbon sequestration. The Wood Products segment manufactures and sells lumber and plywood. The Real Estate segment includes the sale of land holdings deemed non-strategic or identified as having higher and better use alternatives, a master planned community development and a country club.

Our Timberlands segment supplies our Wood Products segment with a portion of its wood fiber needs. These intersegment revenues are based on prevailing market prices and typically represent a sizable portion of the Timberlands segment's total revenues. Our other segments generally do not generate intersegment revenues. These intercompany transactions are eliminated in consolidation.

The reportable segments follow the same accounting policies used for our Condensed Consolidated Financial Statements, with the exception of the valuation of inventories, which are reported using the average cost method for purposes of reporting segment results.

The following table presents our revenues by major product:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Timberlands</b>				
Northern region				
Sawlogs	\$ 46,236	\$ 48,538	\$ 120,606	\$ 138,685
Pulpwood	232	330	512	1,102
Other	365	362	1,051	995
<b>Total Northern revenues</b>	<b>46,833</b>	<b>49,230</b>	<b>122,169</b>	<b>140,782</b>
Southern region				
Sawlogs	31,711	31,863	97,236	91,419
Pulpwood	18,383	17,503	49,346	48,641
Stumpage	3,899	7,057	15,619	20,438
Other	4,306	4,155	12,514	12,383
<b>Total Southern revenues</b>	<b>58,299</b>	<b>60,578</b>	<b>174,715</b>	<b>172,881</b>
<b>Total Timberlands revenues</b>	<b>105,132</b>	<b>109,808</b>	<b>296,884</b>	<b>313,663</b>
<b>Wood Products</b>				
Lumber	107,473	132,852	345,084	379,939
Residuals and Panels	31,939	32,256	96,505	105,633
<b>Total Wood Products revenues</b>	<b>139,412</b>	<b>165,108</b>	<b>441,589</b>	<b>485,572</b>
<b>Real Estate</b>				
Rural real estate	24,409	11,616	114,788	34,005
Development real estate	10,912	4,289	21,274	16,498
Other	3,380	3,247	9,478	9,576
<b>Total Real Estate revenues</b>	<b>38,701</b>	<b>19,152</b>	<b>145,540</b>	<b>60,079</b>
<b>Total segment revenues</b>	<b>283,245</b>	<b>294,068</b>	<b>884,013</b>	<b>859,314</b>
Intersegment Timberlands revenues <sup>1</sup>	(28,114)	(28,559)	(80,084)	(89,736)
Other intersegment revenues	—	—	—	(6)
<b>Total consolidated revenues</b>	<b>\$ 255,131</b>	<b>\$ 265,509</b>	<b>\$ 803,929</b>	<b>\$ 769,572</b>

<sup>1</sup> Intersegment revenues represent logs sold by our Timberlands segment to our Wood Products segment.

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Management uses Adjusted EBITDDA to evaluate the operating performance and effectiveness of operating strategies of our segments and allocation of resources to them. EBITDDA is calculated as net income (loss) before interest expense, net, income taxes, basis of real estate sold, depreciation, depletion and amortization. Adjusted EBITDDA further excludes certain specific items that are considered to hinder comparison of the performance of our businesses either year-on-year or with other businesses. Our calculation of Adjusted EBITDDA may not be comparable to that reported by other companies.

The following table summarizes information for each of the company's reportable segments and includes a reconciliation of Total Adjusted EBITDDA to income (loss) before income taxes. Corporate information is included to reconcile segment data to the Condensed Consolidated Financial Statements.

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Adjusted EBITDDA:</b>				
Timberlands	\$ 35,824	\$ 42,062	\$ 104,696	\$ 118,017
Wood Products	(9,581)	15,039	(16,525)	26,975
Real Estate	31,861	14,165	127,657	45,867
Corporate	(12,203)	(11,696)	(36,624)	(32,958)
Eliminations and adjustments	1	(3,292)	(407)	1,599
<b>Total Adjusted EBITDDA</b>	<b>45,902</b>	<b>56,278</b>	<b>178,797</b>	<b>159,500</b>
Interest expense, net <sup>1</sup>	(9,635)	(7,971)	(18,049)	(15,783)
Depreciation, depletion and amortization	(25,487)	(30,248)	(85,150)	(89,099)
Basis of real estate sold	(12,905)	(6,109)	(73,522)	(21,624)
CatchMark merger-related expenses	—	—	—	(2,453)
Gain on fire damage	—	16,326	—	39,436
Non-operating pension and other postretirement employee benefits	200	(228)	602	(685)
Loss on disposal of assets	(338)	(18)	(267)	(39)
Other	1,516	370	1,348	638
<b>Income (loss) before income taxes</b>	<b>\$ (747)</b>	<b>\$ 28,400</b>	<b>\$ 3,759</b>	<b>\$ 69,891</b>
<b>Depreciation, depletion and amortization:</b>				
Timberlands	\$ 16,778	\$ 19,267	\$ 51,193	\$ 55,623
Wood Products	8,395	10,740	33,138	32,723
Real Estate	138	120	412	397
Corporate	176	121	407	356
	25,487	30,248	85,150	89,099
Bond discounts and deferred loan fees <sup>1</sup>	406	410	1,219	1,228
<b>Total depreciation, depletion and amortization</b>	<b>\$ 25,893</b>	<b>\$ 30,658</b>	<b>\$ 86,369</b>	<b>\$ 90,327</b>
<b>Basis of real estate sold:</b>				
Real Estate	\$ 12,908	\$ 6,111	\$ 73,530	\$ 21,629
Eliminations and adjustments	(3)	(2)	(8)	(5)
<b>Total basis of real estate sold</b>	<b>\$ 12,905</b>	<b>\$ 6,109</b>	<b>\$ 73,522</b>	<b>\$ 21,624</b>

<sup>1</sup>Bond discounts and deferred loan fees are reported within interest expense, net on the Condensed Consolidated Statements of Operations.

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**NOTE 3. EARNINGS PER SHARE**

The following table reconciles the number of shares used in calculating basic and diluted earnings per share:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Basic weighted-average shares outstanding	79,173	80,132	79,494	80,102
Incremental shares due to:				
Performance shares	30	182	19	137
Restricted stock units	74	65	50	40
Diluted weighted-average shares outstanding	79,277	80,379	79,563	80,279

For stock-based awards, the dilutive effect is calculated using the treasury stock method. Under this method, the dilutive effect is computed as if the awards were exercised at the beginning of the period (or at time of issuance, if later) and assumes the related proceeds were used to repurchase common stock at the average market price during the period. Related proceeds include future compensation cost associated with the stock award.

For the three and nine months ended September 30, 2024, there were approximately 50,000 and 138,000 stock-based awards, respectively, that were excluded from the calculation of diluted earnings per share as they were anti-dilutive. For the three and nine months ended September 30, 2023, there were approximately 2,000 and 28,000 stock-based awards, respectively, that were excluded from the calculation of diluted earnings per share as they were anti-dilutive. Anti-dilutive stock-based awards could be dilutive in future periods.

**Share Repurchase Program**

On August 31, 2022, our board of directors authorized management to repurchase up to \$200.0 million of our common stock with no set time limit for the repurchase (the 2022 Repurchase Program). Shares under the 2022 Repurchase Program may be repurchased in open market transactions, including pursuant to trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934 (a Trading Plan), or through privately negotiated transactions. The timing, manner, price and amount of repurchases will be determined according to, and subject to, the terms of a Trading Plan, and, subject to the terms of a Trading Plan, the 2022 Repurchase Program may be suspended, terminated or modified at any time for any reason.

During the three and nine months ended September 30, 2024, we repurchased 56,851 and 666,475 shares of our common stock, respectively, for total consideration of \$2.4 million and \$27.4 million, respectively, under the 2022 Repurchase Plan. During the three and nine months ended September 30, 2023, we repurchased 282,988 and 291,749 shares of our common stock, respectively, for total consideration of \$12.7 million and \$13.1 million, respectively, under the 2022 Repurchase Plan. At September 30, 2024, we had remaining authorization of \$97.6 million for future stock repurchases under the 2022 Repurchase Program. Transaction costs are not counted against authorized funds.

We record share repurchases upon trade date as opposed to the settlement date. We record a liability to account for repurchases that have not been cash settled. We retire shares upon repurchase. Any excess repurchase price over par is recorded in accumulated deficit.

**NOTE 4. CERTAIN BALANCE SHEET COMPONENTS**

**Inventories**

(in thousands)	September 30, 2024	December 31, 2023
Logs	\$ 34,745	\$ 39,011
Lumber, panels and veneer	35,547	34,621
Materials and supplies	28,282	23,713
Total inventories	98,574	97,345
Less: LIFO reserve	(18,680)	(18,680)
Total inventories, net	\$ 79,894	\$ 78,665

**Property, plant and equipment**

(in thousands)	September 30, 2024	December 31, 2023
Property, plant and equipment	\$ 692,163	\$ 681,914
Less: accumulated depreciation	(296,255)	(309,082)
Total property, plant and equipment, net	\$ 395,908	\$ 372,832

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**Timber and timberlands**

(in thousands)	September 30, 2024	December 31, 2023
Timber and timberlands	\$ 2,281,659	\$ 2,347,300
Logging roads	93,498	93,098
Total timber and timberlands, net	<u>\$ 2,375,157</u>	<u>\$ 2,440,398</u>

On June 17, 2024, we completed the sale of 34,100 acres of four-year average age Southern timberlands to Forest Investment Associates (FIA) for \$56.7 million. Additionally, in January 2024, we acquired 16,000 acres of mature timberlands in Arkansas for \$31.4 million, including transaction costs. We funded the acquisition with cash on hand.

**Accounts payable and accrued liabilities**

(in thousands)	September 30, 2024	December 31, 2023
Accrued payroll and benefits	\$ 20,770	\$ 24,473
Accounts payable	18,527	12,521
Deferred revenue <sup>1</sup>	14,084	10,455
Accrued interest	6,625	8,344
Accrued taxes	6,375	5,712
Other current liabilities	23,909	20,878
Total accounts payable and accrued liabilities	<u>\$ 90,290</u>	<u>\$ 82,383</u>

<sup>1</sup> Deferred revenue predominately relates to hunting and other access rights on our timberlands, payments received for lumber shipments where control of goods has not transferred, member-related activities at an owned country club and any post-close obligations for real estate sales. These deferred revenues are recognized over the term of the respective contract, which is typically twelve months or less, except for country club initiation fees which are recognized over the average life of club membership.

**NOTE 5. DEBT**

**TERM LOANS**

At September 30, 2024, our total outstanding principal on our long-term debt of \$1.0 billion included \$971.0 million of term loans under our Second Amended and Restated Term Loan Agreement (Amended Term Loan Agreement) with our primary lender. Approximately \$165.7 million of our outstanding long-term debt was classified as current at September 30, 2024 on our accompanying *Condensed Consolidated Balance Sheets*, including a \$65.7 million revenue bond that matured in October 2024 and a \$100.0 million term loan that matures in August 2025. Certain borrowings under the Amended Term Loan Agreement are at the one-month Secured Overnight Financing Rate (SOFR)-indexed variable rates, plus an applicable margin between 1.61% and 2.30%. We have entered into SOFR-indexed interest rate swaps to fix the interest rate on these variable rate term loans. See *Note: 6 Derivative Instruments* for additional information.

On November 1, 2024, we entered into a tenth amendment to the Amended Term Loan Agreement, which provided for a new 8-year term loan of \$38.0 million maturing on November 1, 2032, a new 9-year term loan of \$38.0 million maturing on November 1, 2033, and a new 10-year term loan of \$100.0 million maturing on November 1, 2034 (collectively, the New Term Loans). The proceeds of the New Term Loans were used to refinance a \$110.0 million term loan under the Amended Term Loan agreement that matured on November 1, 2024, and to replenish cash used to repay the \$65.7 million revenue bond that matured in October 2024.

The New Term Loans bear interest at a rate equal to daily simple SOFR plus an applicable margin ranging between 2.20% and 2.30% per annum depending on their respective maturity date. The New Term Loans provide for a cost-of-capital reset at year five whereby the applicable margin may be reset at the sole discretion of the lender. In connection with the New Term Loans, we terminated \$125.0 million of our forward-starting interest rate swaps and transferred the value realized from their termination into three new daily simple SOFR-indexed interest rate swaps to fix the interest rates associated with the New Term Loans. See *Note 6: Derivative Instruments* for additional information.

**CREDIT AGREEMENT**

On May 18, 2023, we entered into a First Amendment to the Third Amended and Restated Credit Agreement (Amended Credit Agreement). The Amended Credit Agreement provides for loans based on SOFR instead of the London Inter-Bank Offered Rate, or LIBOR, provides us the option to borrow based on a daily SOFR or term SOFR basis, and provides mechanics relating to the transition from the use of SOFR to a replacement benchmark rate upon the occurrence of certain transition events.

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The Amended Credit Agreement provides for a \$300.0 million revolving line of credit that matures February 14, 2027. As provided in the Amended Credit Agreement, borrowing capacity may be increased by up to an additional \$500.0 million. The revolving line of credit also includes a sublimit of \$75.0 million for the issuance of standby letters of credit and a sublimit of \$25.0 million for swing line loans. Usage under either or both sub facilities reduces availability under the revolving line of credit. We may utilize borrowings under the Amended Credit Agreement to, among other things, refinance existing indebtedness and provide funding for working capital requirements, capital projects, acquisitions and other general corporate expenditures. At September 30, 2024, there were no borrowings under the revolving line of credit and approximately \$0.6 million of our revolving line of credit was utilized for outstanding letters of credit.

We were in compliance with all debt and credit agreement covenants at September 30, 2024.

## NOTE 6. DERIVATIVE INSTRUMENTS

From time to time, we enter into derivative financial instruments to manage certain cash flow and fair value risks. Derivatives designated and qualifying as a hedge of the exposure to variability in the cash flows of a specific asset or liability that is attributable to a particular risk, such as interest rate risk, are considered cash flow hedges. All our cash flow hedges are expected to be highly effective in achieving offsetting cash flows attributable to the hedged interest rate risk through the term of the hedges.

At September 30, 2024, we had interest rate swaps associated with \$761.0 million of SOFR-indexed term loan debt. These cash flow hedges convert variable rates ranging from one-month SOFR plus 1.61% to 2.30%, to fixed rates ranging from 2.14% to 4.83% before patronage credits from lenders. Additionally, at September 30, 2024, we had \$200.0 million of forward-starting interest rate swaps designated as cash flow hedges for expected future debt refinancings that require settlement on the stated maturity date.

On October 22, 2024, we terminated \$125.0 million of the forward-starting interest rate swaps and transferred the value realized from their termination into three new interest rate swaps to hedge the variability in future cash flows on the New Term Loans. These new daily simple SOFR-indexed interest rate swaps effectively fixed the interest rates associated with the New Term Loans between 4.02% and 4.28%, before patronage credits from lenders, depending on the maturity date of the associated term loan. Following these transactions, we had one remaining forward-starting interest rate swap of \$75.0 million available to fix the interest rate on future debt refinancings. See [Note 5: Debt](#) for additional information.

The gross fair values of derivative instruments at September 30, 2024 and December 31, 2023 were \$111.7 million and \$129.1 million, respectively, all of which were classified in Other assets, non-current on our [Condensed Consolidated Balance Sheets](#). Derivative instruments that mature within one year, as a whole, are classified as current.

The following table details the effect of derivatives on the [Condensed Consolidated Statements of Operations](#) and the [Condensed Consolidated Statements of Comprehensive Income \(Loss\)](#):

(in thousands)	Location	Three Months Ended September 30,		Nine Months Ended September 30,		
		2024	2023	2024	2023	
<b>Derivatives designated in cash flow hedging relationships:</b>						
Interest rate contracts						
Income (loss) recognized in other comprehensive income (loss), net of tax		\$ (23,130)	\$ 33,607	\$ 7,574	\$ 42,353	
Amounts reclassified from accumulated other comprehensive income to income, net of tax <sup>1</sup>	Interest expense, net	\$ 5,583	\$ 5,143	\$ 16,751	\$ 13,505	
Interest expense, net		\$ 9,635	\$ 7,971	\$ 18,049	\$ 15,783	

<sup>1</sup>Realized gains and losses on interest rate contracts consist of realized net cash received or paid and interest accruals on the interest rate swaps during the periods in addition to amortization of amounts out of other comprehensive income related to certain terminated hedges and adjustments to interest expense resulting from amortization of inception value of certain off-market designated hedges. For the nine months ended September 30, 2024 and 2023, we amortized approximately \$8.0 million and \$7.7 million, respectively, of the off-market designated hedges which is included in Other, net within operating activities in the [Condensed Consolidated Statements of Cash Flows](#). Net cash received or paid is included within Interest expense, net in the [Condensed Consolidated Statements of Operations](#).

At September 30, 2024, the amount of net gains expected to be reclassified into earnings in the next 12 months is approximately \$12.3 million. However, this expected amount to be reclassified into earnings is subject to volatility as the ultimate amount recognized in earnings is based on the SOFR rates at the time of net swap cash payments.

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## NOTE 7. FAIR VALUE MEASUREMENTS

The following table presents the estimated fair values of our financial instruments:

(in thousands)	September 30, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Derivative assets related to interest rate swaps (Level 2)	\$ 111,735	\$ 111,735	\$ 129,125	\$ 129,125
Long-term debt, including current portion (Level 2):				
Term loans	\$ (970,407)	\$ (969,050)	\$ (969,919)	\$ (965,718)
Revenue bonds	(65,735)	(65,735)	(65,735)	(64,786)
Total long-term debt <sup>1</sup>	\$ (1,036,142)	\$ (1,034,785)	\$ (1,035,654)	\$ (1,030,504)
Company owned life insurance asset (COLI) (Level 3)	\$ 6,046	\$ 6,046	\$ 5,220	\$ 5,220

<sup>1</sup>The carrying amount of long-term debt includes principal and unamortized discounts.

The fair value of interest rate swaps is determined using a discounted cash flow analysis, based on third-party sources, on the expected cash flows of each derivative. The analysis reflects the contractual terms of the derivatives, including the period to maturity and uses observable market-based inputs, including interest rate forward curves.

The fair value of our long-term debt is estimated based upon quoted market prices for similar debt issues or estimated based on average market prices for comparable debt when there is no quoted market price.

The contract value of our company owned life insurance is based on the amount at which it could be redeemed and, accordingly, approximates fair value.

We believe that our other financial instruments, including cash and cash equivalents, restricted cash, receivables and payables have net carrying values that approximate their fair values with only insignificant differences. This is primarily due to the short-term nature of these instruments.

## NOTE 8. EQUITY-BASED COMPENSATION

We issue new shares of common stock to settle performance share awards (PSAs), restricted stock units (RSUs) and deferred compensation stock equivalent units. At September 30, 2024 approximately 1.5 million shares were available for future use under our long-term incentive plans.

Share-based compensation activity during the nine months ended September 30, 2024 included the following:

	Granted	Vested	Forfeited
Performance Share Awards (PSAs)	130,536	—	2,767
Restricted Stock Units (RSUs)	121,726	45,014	1,657

Approximately 0.1 million shares of common stock were issued to employees during the nine months ended September 30, 2024, as a result of PSA and RSU vesting during 2023 and 2024.

The following table details compensation expense and the related income tax benefit for company specific equity-based awards:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Equity-based compensation expense:</b>				
Performance share awards	\$ 1,635	\$ 1,483	\$ 4,628	\$ 3,623
Restricted stock units	1,260	1,084	3,691	2,702
Deferred compensation stock equivalent units expense	51	49	149	147
Total equity-based compensation expense	\$ 2,946	\$ 2,616	\$ 8,468	\$ 6,472
Total tax benefit recognized for equity-based expense	\$ 197	\$ 135	\$ 554	\$ 394

[Table of Contents](#)**Performance Share Awards**

The weighted-average grant date fair value of PSAs granted during the nine months ended September 30, 2024, was \$52.92 per share. PSAs granted under the stock incentive plans have a three-year performance period and shares are issued at the end of the period if the performance measures are met. The number of shares actually issued, as a percentage of the amount subject to the PSA, could range from 0% to 200%. PSAs granted under the stock incentive plans do not have voting rights unless and until shares are issued upon settlement. If shares are issued at the end of the performance measurement period, the recipients will receive dividend equivalents in the form of additional shares of common stock at the date of settlement equal to the dividends that would have been paid on the shares earned had the recipients owned the shares during the three-year period. The share awards are not considered participating securities.

The following table presents the key inputs used in the Monte Carlo simulation to calculate the fair value of the performance share awards granted in 2024:

Stock price as of valuation date	\$ 44.67
Risk-free rate	4.20%
Expected volatility	27.71%
Expected dividend yield <sup>1</sup>	—
Expected term (years)	3.00

<sup>1</sup>Full dividend reinvestment assumed.

**Restricted Stock Units**

The weighted-average fair value of all RSUs granted during the nine months ended September 30, 2024, was \$44.31 per share. The fair value of RSUs granted equaled our common share price on the date of grant factoring in any required post-vesting holding periods. The RSU awards granted accrue dividend equivalents based on dividends paid during the RSU vesting period. Recipients will receive dividend equivalents in the form of additional shares of common stock at the date the vested RSUs are settled. Any forfeited RSUs will not receive dividends. The share awards are not considered participating securities.

**NOTE 9. INCOME TAXES**

As a REIT, we generally are not subject to federal and state corporate income taxes on income from investments in real estate, including our timberlands, that we distribute to our stockholders. We conduct certain activities through our PotlatchDeltic taxable REIT subsidiaries (each, a TRS) which are subject to corporate level federal and state income taxes. These activities are principally comprised of our wood products manufacturing operations and certain real estate investments. Therefore, income tax expense or benefit is primarily due to pre-tax book income or loss of the TRS, as well as permanent book versus tax differences and discrete items.

During the second quarter of 2023, we reduced our federal effected deferred blended state tax rate. This reduction was a result of changes in tax laws enacted in the second quarter of 2023 in certain states in which our TRSs operate. The change resulted in a \$1.0 million reduction to our net deferred tax liability and an offsetting reduction to tax expense, all of which was recorded as a discrete item in the second quarter of 2023.

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## NOTE 10. LEASES

We lease certain equipment, office space and land. Lease assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease.

The following table presents supplemental balance sheet information related to lease assets and liabilities:

(in thousands)	Classification	September 30, 2024	December 31, 2023
<b>Assets</b>			
Operating lease assets			
Other long-term assets		\$ 10,927	\$ 10,169
Finance lease assets <sup>1</sup>	Property, plant and equipment, net	12,436	11,281
Total lease assets		\$ 23,363	\$ 21,450
<b>Liabilities</b>			
Current:			
Operating lease liabilities	Accounts payable and accrued liabilities	\$ 3,032	\$ 2,575
Finance lease liabilities	Accounts payable and accrued liabilities	5,285	4,525
Noncurrent:			
Operating lease liabilities	Other long-term obligations	7,727	7,590
Finance lease liabilities	Other long-term obligations	7,069	6,699
Total lease liabilities		\$ 23,113	\$ 21,389

<sup>1</sup>Finance lease assets are presented net of accumulated amortization of \$13.6 million and \$9.6 million at September 30, 2024 and December 31, 2023, respectively.

The following table presents the components of lease expense:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating lease costs <sup>1</sup>	\$ 893	\$ 772	\$ 2,593	\$ 2,454
Finance lease costs:				
Amortization of leased assets	1,441	1,206	4,061	3,768
Interest expense	152	115	431	339
Net lease costs	\$ 2,486	\$ 2,093	\$ 7,085	\$ 6,561

<sup>1</sup>Excludes short-term leases and variable lease costs, which are immaterial.

The following table presents supplemental cash flow information related to leases:

(in thousands)	Nine Months Ended September 30,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 2,757	\$ 2,498
Operating cash flows for finance leases	431	339
Financing cash flows for finance leases	4,142	3,662
Leased assets exchanged for new lease liabilities:		
Operating leases	2,989	2,407
Finance leases	5,215	2,604

## NOTE 11. PENSION AND OTHER POSTRETIREEMENT EMPLOYEE BENEFITS

The following table details the components of net periodic cost (benefit) of our pension plans and other postretirement employee benefit plans (OPEB):

(in thousands)	Three Months Ended September 30,		OPEB	
	2024	2023	2024	2023
Service cost	\$ 1,321	\$ 1,355	\$ 22	\$ 27
Interest cost	3,124	3,139	220	294
Expected return on plan assets	(3,237)	(3,028)	—	—
Amortization of prior service cost	5	10	—	—
Amortization of actuarial (gain) loss	19	(21)	(331)	(166)
Total net periodic cost	\$ 1,232	\$ 1,455	\$ (89)	\$ 155

(in thousands)	Nine Months Ended September 30,					
	Pension		OPEB		2024	2023
	2024	2023	2024	2023		
Service cost	\$ 3,964	\$ 4,066	\$ 69	\$ 82		
Interest cost	9,369	9,414	658	881		
Expected return on plan assets	(9,711)	(9,081)	—	—		
Amortization of prior service cost	15	32	—	—		
Amortization of actuarial (gain) loss	59	(63)	(992)	(498)		
Net periodic cost	\$ 3,696	\$ 4,368	\$ (265)	\$ 465		

During the nine months ended September 30, 2024 and 2023, funding of non-qualified pension and other postretirement employee benefit plans was \$3.3 million and \$2.2 million, respectively. During the nine months ended September 30, 2024 and 2023, we made contributions to our qualified pension benefit plan of \$4.0 million and \$0, respectively.

#### NOTE 12. COMPONENTS OF ACCUMULATED OTHER COMPREHENSIVE INCOME

The following table details changes in amounts included in our Accumulated Other Comprehensive Income (AOCI) by component on our Condensed Consolidated Balance Sheets, net of tax:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Pension and Other Postretirement Employee Benefits</b>				
Balance at beginning of period	\$ (19,384)	\$ (28,969)	\$ (18,925)	\$ (28,494)
Reclassifications from AOCI to earnings:				
Other <sup>1</sup>	(307)	(177)	(918)	(529)
Tax effect	77	45	229	133
Net of tax amount	(230)	(132)	(689)	(396)
Other reclassifications	—	—	—	(211)
Balance at end of period	(19,614)	(29,101)	(19,614)	(29,101)
<b>Cash Flow Hedges</b>				
Balance at beginning of period	141,493	126,530	121,957	126,146
Unrecognized gains (losses) arising in AOCI during the period:				
Gross	(23,502)	34,334	7,695	43,207
Tax effect	372	(727)	(121)	(899)
Reclassifications from AOCI to earnings:				
Gross <sup>2</sup>	(5,708)	(5,266)	(17,124)	(13,829)
Tax effect	125	123	373	324
Net of tax amount	(28,713)	28,464	(9,177)	28,803
Other reclassifications	—	—	—	45
Balance at end of period	112,780	154,994	112,780	154,994
Accumulated other comprehensive income, end of period	\$ 93,166	\$ 125,893	\$ 93,166	\$ 125,893

<sup>1</sup> Included in the computation of net periodic pension costs.

<sup>2</sup> Included in Interest expense, net on the Condensed Consolidated Statement of Operations.

See Note 11: Pension and Other Postretirement Employee Benefits and Note 6: Derivative Instruments for additional information.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### **Forward-Looking Information**

This report contains, in addition to historical information, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, expectations regarding economic conditions, including interest rates and the effect of changes in the federal funds rate on mortgage interest rates; expected seasonal fluctuations in our business segments; expected effectiveness of our hedging instruments and swaps; amount of net earnings on cash flow hedges expected to be reclassified into earnings in the next 12 months; expected return on pension assets; future share repurchases and dividend payments; anticipated cash balances, cash flows from operations and expected liquidity; potential uses of our credit facility; expectations regarding debt obligations, interest payments and debt refinancing; maintenance of our investment grade credit rating; expectations regarding the United States (U.S.) housing market and home repair and remodeling activity; the lumber and log markets and pricing; lumber shipment volumes; timber harvest volumes; rural real estate and real estate development sales; sufficiency of cash and any necessary borrowings to meet operating requirements; expected 2024 and future capital expenditures; expected duration of the ramp-up phase of the expansion and modernization project at our Waldo, Arkansas sawmill and resulting increases in production capacity and reduction in operating costs; expectations regarding our ability to capitalize on actions that governments and businesses are taking on climate change and their commitments towards reducing greenhouse gas emissions; and similar matters.

Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often involve use of words such as anticipates, approximately, believe, can, continue, could, estimates, expects, future, intends, long-term, may, near-term will, or similar words or terminology. These forward-looking statements reflect our current views regarding future events based on estimates and assumptions and are therefore subject to known and unknown risks and uncertainties and are not guarantees of future performance. The realization of our expectations and the accuracy of our assumptions are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to:

- the effect of general economic conditions in the U.S. and international economies, including employment rates, interest rate levels, discount rates, housing starts, and the general availability of financing for home mortgages;
- availability of labor and developable land;
- changes in the level of residential and commercial construction and remodeling activity;
- changes in tariffs, quotas and trade agreements involving wood products;
- changes in demand for our products and real estate;
- changes in timber prices, harvest levels, and timberland values;
- changes in silviculture, production and production capacity in the forest products industry;
- competitive pricing pressures for our products;
- disruptions or inefficiencies in our supply chain and/or operations and unanticipated manufacturing disruptions;
- the effect of weather on our harvesting and manufacturing activities;
- the risk of loss from fire at our facilities and on our timberland;
- the impact of pandemic disease or other human health threats, floods, windstorms, hurricanes, pest infestation, fungal disease, or other natural disasters;
- changes in the cost or availability of shipping and transportation;
- changes in principal expenses, continued elevated inflation and the extent to which such elevated inflation will continue and impact our principal expenses;
- unforeseen environmental liabilities or expenditures;
- changes in general and industry-specific environmental laws and regulations, and interpretations thereof by regulatory agencies;
- our ability to obtain certification for our carbon credit project and to sell carbon credits;
- changes in standards and requirements governing carbon credit certification;
- our ability to achieve the increased capacity and reduced operating costs expected from the modernization of the Waldo, Arkansas sawmill; and
- the failure of announced real estate transactions to close on time, at the price and on the terms discussed, or at all.

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For a discussion of some of the factors that may affect our business, results and prospects and a nonexclusive listing of forward-looking statements, refer to *Cautionary Statement Regarding Forward-Looking Information* on page 1 and *Risk Factors* in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023. Investors should not interpret the disclosure of a risk to imply that the risk has not already materialized. Forward-looking statements contained in this report present our views only as of the date of this report. Except as required under applicable law, we do not intend to issue updates concerning any future revisions of our views to reflect events or circumstances occurring after the date of this report.

### **Our Company**

We are a leading timberland REIT with ownership and management of over 2.1 million acres of timberland. We also own six sawmills and an industrial grade plywood mill, a residential and commercial real estate development business and a rural timberland sales program. Our operations are organized into three business segments: Timberlands, Wood Products and Real Estate. Our Timberlands segment supplies our Wood Products segment with a portion of its wood fiber needs. These intersegment revenues are based on prevailing market prices and typically represent a sizable portion of the Timberlands segment's total revenues. Our other segments generally do not generate intersegment revenues. In the discussion of our consolidated results of operations, our revenues and expenses are reported after elimination of intersegment revenues and expenses. In the *Business Segment Results* discussion below, each segment's revenues and expenses, as applicable, are presented before elimination of intersegment revenues and expenses.

Our business segments have been and will continue to be influenced by a variety of factors, including tariffs, quotas and trade agreements, changes in timber prices and in harvest levels from our timberlands, competition, timberland valuations, demand for our non-strategic timberland for higher and better use purposes, lumber and plywood prices, weather conditions, disruptions or inefficiencies in our supply chain including the availability of transportation, the efficiency and level of capacity utilization of our Wood Products manufacturing operations, changes in our principal expenses such as log costs, inflation, asset dispositions or acquisitions, impact of pandemics (such as COVID-19 and its variants), fires at our Wood Products facilities or on our timberlands, other natural disasters, government regulation and enforcement actions, and other factors.

Additionally, governments and businesses across the globe are taking action on climate change and are making significant commitments towards reducing greenhouse gas emissions to net zero. Achieving these commitments will require governments and companies to take major steps to modify operations, invest in low-carbon activities and purchase offsets to reduce environmental impacts. We believe we are well positioned to provide products and services that entities may utilize to achieve these commitments through natural climate solutions, including forest carbon offsets, carbon capture and storage projects, selling or leasing timberlands to third parties for renewable energy projects such as for solar power generation facilities, selling pulpwood and sawmill residuals for green energy production, and other emerging technologies that allows wood fiber to be used in applications ranging from biofuels to bioplastics.

### **Non-GAAP Measures**

To supplement our financial statements presented in accordance with generally accepted accounting principles in the United States (GAAP), we present certain non-GAAP measures on a consolidated basis, including Total Adjusted EBITDDA and Cash Available for Distribution (CAD), which are defined and further explained and reconciled to the nearest GAAP measure in the *Liquidity and Performance Measures* section below. The presentation of these non-GAAP financial measures should be considered only as supplemental to, and are not intended to be considered in isolation or as a substitute for, or superior to, financial measures prepared in accordance with GAAP. Our definitions of these non-GAAP measures may differ from similarly titled measures and may not be comparable to other similarly titled non-GAAP measures presented by other companies due to potential inconsistencies in methods of calculation.

See *Note 2: Segment Information* in the *Notes to the Condensed Consolidated Financial Statements* for information related to the use of Adjusted EBITDDA for our segments.

### **Business and Economic Trends Affecting Our Operations**

The operating results of our Timberlands, Wood Products and Real Estate business segments have been and will continue to be affected by the cyclical nature of the forest products industry. Log and pulpwood sales volumes in our Timberlands segment are typically lower in the first half of each year as winter rains in the Southern region and spring thaw in the Northern region limit timber harvesting operations due to softened roadbeds and wet logging conditions that restrict access to logging sites. The third quarter is typically our Timberlands segment's strongest production quarter. Demand for our manufactured wood products typically decreases in the winter months when construction activity is slower, while demand typically increases during the spring, summer and fall when construction activity is generally higher.

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The demand for timber is directly affected by the underlying demand for lumber and other wood products, as well as by the demand for pulp, paper and packaging. Our Timberlands and Wood Products segments are impacted by both demand for new homes and home improvement and repair of existing homes in the United States. Our Timberlands segment is also influenced by the availability of harvestable timber. In general, our Idaho log market is typically in balance but can be tensioned from time to time, while Southern log markets generally have more available supply.

Rural real estate dispositions and acquisitions can also be adversely affected when access to any properties to be sold or considered for acquisition is limited due to adverse weather conditions. Development real estate sales occur throughout the year and depend on when our development of residential neighborhoods and commercial lots are substantially completed. The timing of these sales can also be impacted by contractor availability to complete the necessary infrastructure and other improvements.

Interest rates impact our business primarily through their effect on mortgage rates and the broader U.S. economy, and their influence on our capital allocation activities. According to economic data from Freddie Mac, between the end of 2011 and the end of 2021, the average 30-year fixed mortgage rate, which is correlated with long-term interest rates, was below 4.0% before beginning to rise late in the first quarter of 2022, peaking at approximately 7.8% in October 2023, and ending 2023 at approximately 6.6%. The first half of 2024 continued to experience stubbornly high mortgage rates before easing modestly late in the third quarter of 2024 following the U.S. Federal Reserve's reduction of key benchmark interest rates by 50 basis points in September 2024. Inflation, which continues to slow, unemployment rates and the overall condition of the economy are factors that can influence the U.S. Federal Reserve's decision to adjust interest rates.

Single-family housing supply continues to remain well below the historical average as housing affordability remains a barrier to home ownership. In October 2024, the U.S. Census Bureau reported total housing starts during the third quarter of 2024 averaged over 1.3 million on a seasonally-adjusted annual basis, which was slightly lower than the second quarter of 2024. While single-family housing starts averaged approximately 963,000 units on a seasonally-adjusted annual basis during the third quarter of 2024, which was 4.1% lower than the second quarter of 2024, single-family housing starts on a seasonally-adjusted annual basis averaged just over 1.0 million units for August and September of 2024. Additionally, authorized building permits for single-family housing averaged nearly 960,000 units on a seasonally-adjusted annual basis during the third quarter of 2024, which was on par with the second quarter of 2024.

The National Association of Home Builders/Wells Fargo Housing Market Index (HMI) published in September 2024 reported that builders' confidence for newly built single-family homes was 41 that month, up from 37 in December 2023. This broke a string of four consecutive monthly declines. Even though there is increased builder confidence for new construction, builders continue to face several supply-side challenges, including a scarcity of buildable lots and skilled labor, along with higher material costs that continue to increase the cost of building homes. Overall, we continue to believe long-term underlying housing fundamentals remain favorable due to an undersupply of homes, lower than historical-average existing inventory for sale, and a large millennial demographic in their prime home-buying years. We believe these fundamentals will become more favorable if the Federal Reserve reduces its key benchmark interest rates, and those rate reductions have the effect of reducing mortgage rates.

The repair and remodel sector is the largest market segment for lumber demand. Near term headwinds on the repair and remodel market appear to have been driven by elevated interest rates, which raise the cost of discretionary projects, coupled with the low turnover of existing homes, which typically spurs repair and remodel activity. While spending in the sector for residential home remodeling has moderated, we believe future interest rate reductions along with long-term favorable underlying fundamentals, including solid household balance sheets, strong levels of home equity, an aging existing housing stock, and expected increases in sales of existing homes will stimulate repair and remodel demand for our products.

In our Timberlands segment, a significant portion of our Idaho sawlog prices are indexed on a one-month lag to lumber prices. The Northern region experienced a decline in sawlog prices during the third quarter of 2024 compared to the third quarter of 2023, primarily because of lower indexed lumber prices. In the Southern region, sawlog and pulpwood prices remained relatively stable. Our total harvest volume of over 1.9 million tons in the third quarter of 2024 was slightly lower than the third quarter of 2023, primarily due to decreased stumpage sales in the South. We expect to harvest between 1.8 and 1.9 million tons during the fourth quarter of 2024, with approximately 81% of the volume in the Southern region.

During the third quarter of 2024, we completed the construction phase of the expansion and modernization of our Waldo, Arkansas sawmill (the Waldo Modernization Project). The Waldo Modernization Project included upgrades to the log yard and planer, a new saw line, and a new continuous dry kiln and is expected to increase the sawmill's annual capacity and reduce its operating costs significantly. The sawmill, which continued to operate during the construction, took limited downtime early in the third quarter to tie in the new equipment and restarted in mid-August 2024. We anticipate it will take between 6 and 12 months to reach the sawmill's expected new capacity of 275 million board feet per year.

In our Wood Products segment, lumber markets remained tepid during the third quarter of 2024, leading to continued pricing pressure. We shipped 267 million board feet of lumber during the third quarter of 2024 which was lower than the third quarter of 2023 primarily as a result of the planned downtime and restart at our Waldo, Arkansas sawmill during the third quarter of

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2024. We expect to ship between 275 and 285 million board feet of lumber during the fourth quarter of 2024, which takes into account the expected production ramp-up at the Waldo sawmill.

Our Real Estate segment benefited from increased rural real estate acres sold and increased residential lot sales in Chenal Valley during the third quarter of 2024. We expect to sell approximately 5,500 rural acres and 40 residential lots in Chenal Valley during the fourth quarter of 2024.

### Consolidated Results

The following table sets forth changes in our *Condensed Consolidated Statements of Operations*. Our *Business Segment Results* provide a more detailed discussion of our segments:

(in thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Revenues	\$ 255,131	\$ 265,509	\$ (10,378)	\$ 803,929	\$ 769,572	\$ 34,357
Costs and expenses:						
Cost of goods sold	227,556	226,303	1,253	722,189	665,716	56,473
Selling, general and administrative expenses	20,403	19,303	1,100	61,882	55,118	6,764
CatchMark merger-related expenses	—	—	—	—	2,453	(2,453)
Gain on fire damage	—	(16,326)	16,326	—	(39,436)	39,436
	247,959	229,280	18,679	784,071	683,851	100,220
Operating income	7,172	36,229	(29,057)	19,858	85,721	(65,863)
Interest expense, net	(9,635)	(7,971)	(1,664)	(18,049)	(15,783)	(2,266)
Non-operating pension and other postretirement employee benefits	200	(228)	428	602	(685)	1,287
Other	1,516	370	1,146	1,348	638	710
Income (loss) before income taxes	(747)	28,400	(29,147)	3,759	69,891	(66,132)
Income taxes	4,056	(4,725)	8,781	12,923	(7,650)	20,573
Net income	\$ 3,309	\$ 23,675	\$ (20,366)	\$ 16,682	\$ 62,241	\$ (45,559)
Total Adjusted EBITDDA <sup>1</sup>	\$ 45,902	\$ 56,278	\$ (10,376)	\$ 178,797	\$ 159,500	\$ 19,297

<sup>1</sup>See *Liquidity and Performance Measures* for a reconciliation of Total Adjusted EBITDDA to net income (loss), the closest comparable GAAP measure, for each of the periods presented.

### Third Quarter 2024 Compared with Third Quarter 2023

#### Revenues

Revenues were \$255.1 million, a \$10.4 million decrease compared with the third quarter of 2023 primarily due to lower lumber prices, lower lumber shipments as a result of the planned downtime and restart at our Waldo, Arkansas sawmill, and lower Northern sawlog prices. These decreases were partially offset by increased rural acres and residential lots sold, and a higher average price per residential lot in Chenal Valley due to a greater mix of premium lots sold during the third quarter of 2024.

#### Cost of goods sold

Cost of goods sold increased \$1.3 million compared with the third quarter of 2023 mainly due to increased rural real estate acres and residential lots sold, and increased log and haul costs associated with higher harvest activity. These increases were partially offset by lower raw material, production, and shipping costs primarily at our Waldo, Arkansas sawmill due to its planned downtime early in the third quarter of 2024 and restart in mid-August following the completion of the construction phase of the expansion and modernization project.

#### Selling, general and administrative expenses

Selling, general and administrative expenses increased \$1.1 million compared to the third quarter of 2023 primarily due to professional service fees, including costs for implementation of new systems, and employee-related costs.

#### Gain on fire damage

During the third quarter of 2023, we recognized insurance recoveries of \$16.3 million for fire damage at our Ola, Arkansas sawmill. The claim with insurance carriers was finalized by the end of 2023.

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### **Interest expense, net**

Interest expense, net increased \$1.7 million compared to the third quarter of 2023 primarily due to less interest income earned on lower average cash and cash equivalents held in interest bearing accounts.

### **Income taxes**

Income taxes are primarily due to income or loss from our PotlatchDeltic taxable REIT subsidiaries (TRS). For the three months ended September 30, 2024, we recorded an income tax benefit of \$4.1 million on TRS loss before tax of \$15.6 million. For the three months ended September 30, 2023, we recorded income tax expense of \$4.7 million on TRS income before tax of \$18.4 million, which included the \$16.3 million gain on fire damage.

### **Total Adjusted EBITDDA**

Total Adjusted EBITDDA for the third quarter of 2024 decreased \$10.4 million compared to the third quarter of 2023 primarily due to lower lumber prices, lower lumber shipments, lower Northern sawlog prices and increased logging and hauling costs driven by increased harvest activity. The decrease in Total Adjusted EBITDDA was partially offset by increased rural acres and residential lots sold at a higher average price per residential lot in Chenal Valley. Refer to the [Business Segment Results](#) below for further discussions on activities for each of our segments. See [Liquidity and Performance Measures](#) for a reconciliation of Total Adjusted EBITDDA to net income (loss), the closest comparable GAAP measure, for each of the periods presented.

## **Year to Date 2024 Compared with Year to Date 2023**

### **Revenues**

Revenues were \$803.9 million, an increase of \$34.4 million compared with the first nine months of 2023 primarily due to increased rural real estate acres sold, including the 34,100-acre rural timberland sale for \$56.7 million in the second quarter of 2024, increased lumber shipments, increased Southern harvest volumes, and higher residential price per lot in Chenal Valley. These increases were partially offset by lower lumber prices and a decrease in Northern harvest volumes and sawlog prices.

### **Cost of goods sold**

Cost of goods sold increased \$56.5 million compared with the first nine months of 2023 primarily due to increased rural real estate acres sold. These increases were partially offset by lower logging and hauling costs primarily due to lower Northern harvest volume, which more than offset an increase in the South due to higher harvest volumes.

### **Selling, general and administrative expenses**

Selling, general and administrative expenses increased \$6.8 million compared to the first nine months of 2023 primarily due to employee-related costs and professional service fees, including costs for implementation of new systems. Additionally, the prior year included a \$1.0 million reduction in stock compensation expense due to forfeiture of a former employee's stock awards.

### **Gain on fire damage**

During the first nine months of 2023, we recognized insurance recoveries of \$39.4 million for fire damage at our Ola, Arkansas sawmill. The claim with insurance carriers was finalized by the end of 2023.

### **Interest expense, net**

Interest expense, net increased \$2.3 million compared to the first nine months of 2023 primarily due to less interest income earned on lower average cash and cash equivalents held in interest bearing accounts.

### **Income taxes**

Income taxes are primarily due to income or loss from our PotlatchDeltic TRS. For the nine months ended September 30, 2024, we recorded an income tax benefit of \$12.9 million on TRS loss before tax of \$51.1 million. For the nine months ended September 30, 2023, we recorded income tax expense of \$7.7 million on TRS income before tax of \$33.8 million, which included the \$39.4 million gain on fire damage. Income taxes for the nine months ended September 30, 2023 also included an approximate \$1.0 million tax benefit from the reduction of our blended deferred tax rate during the second quarter of 2023.

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**Total Adjusted EBITDDA**

Total Adjusted EBITDDA for the first nine months of 2024 increased \$19.3 million compared to the first nine months of 2023 primarily due to increased rural real estate acres sold and increased average price per residential lot in Chenal Valley. The increase in Total Adjusted EBITDDA was partially offset by lower lumber prices, lower Northern sawlog harvest volumes and prices, and higher selling, general and administrative expenses. Refer to the [Business Segment Results](#) below for further discussions on activities for each of our segments. See [Liquidity and Performance Measures](#) for a reconciliation of Total Adjusted EBITDDA to net income (loss), the closest comparable GAAP measure, for each of the periods presented.

**Business Segment Results**

**Timberlands Segment**

(in thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Revenues <sup>1</sup>	\$ 105,132	\$ 109,808	\$ (4,676)	\$ 296,884	\$ 313,663	\$ (16,779)
Costs and expenses:						
Logging and hauling	56,829	54,918	1,911	157,158	161,287	(4,129)
Other	10,294	10,843	(549)	28,057	28,354	(297)
Selling, general and administrative expenses	2,185	1,985	200	6,973	6,005	968
Timberlands Adjusted EBITDDA <sup>2</sup>	<u>\$ 35,824</u>	<u>\$ 42,062</u>	<u>\$ (6,238)</u>	<u>\$ 104,696</u>	<u>\$ 118,017</u>	<u>\$ (13,321)</u>

<sup>1</sup>Prior to elimination of intersegment fiber revenues of \$28.1 million and \$28.6 million for the three months ended September 30, 2024 and 2023, and \$80.1 million and \$89.7 million for the nine months ended September 30, 2024 and 2023, respectively.

<sup>2</sup>Management uses Adjusted EBITDDA to evaluate the performance of the segment. See [Note 2: Segment Information](#) in the [Notes to Condensed Consolidated Financial Statements](#).

**Timberlands Segment Statistics**

Harvest Volumes (in tons)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Northern region						
Sawlog	420,896	376,607	44,289	1,107,630	1,166,570	(58,940)
Pulpwood	5,964	7,081	(1,117)	13,716	23,099	(9,383)
Total	426,860	383,688	43,172	1,121,346	1,189,669	(68,323)
Southern region						
Sawlog	668,557	661,225	7,332	2,052,287	1,906,805	145,482
Pulpwood	591,527	558,905	32,622	1,592,771	1,531,620	61,151
Stumpage	266,516	400,426	(133,910)	984,120	1,074,380	(90,260)
Total	1,526,600	1,620,556	(93,956)	4,629,178	4,512,805	116,373
Total harvest volume	<u>1,953,460</u>	<u>2,004,244</u>	<u>(50,784)</u>	<u>5,750,524</u>	<u>5,702,474</u>	<u>48,050</u>

**Sales Price/Unit (\$ per ton)<sup>1</sup>**

Northern region						
Sawlog	\$ 110	\$ 129	\$ (19)	\$ 109	\$ 119	\$ (10)
Pulpwood	\$ 39	\$ 47	\$ (8)	\$ 37	\$ 48	\$ (11)
Southern region						
Sawlog	\$ 47	\$ 48	\$ (1)	\$ 47	\$ 48	\$ (1)
Pulpwood	\$ 31	\$ 31	\$ —	\$ 31	\$ 32	\$ (1)
Stumpage	\$ 15	\$ 18	\$ (3)	\$ 16	\$ 19	\$ (3)

<sup>1</sup>Sawlog and pulpwood sales prices are on a delivered basis, which includes logging and hauling costs. Stumpage sales provide our customers the right to harvest standing timber. As such, the customer contracts the logging and hauling and bears such costs.

[Table of Contents](#)**Timberlands Adjusted EBITDDA**

The following table summarizes Timberlands Adjusted EBITDDA variances for the three and nine months ended September 30, 2024 compared with the three and nine months ended September 30, 2023:

(in thousands)	Three Months	Nine Months
Timberlands Adjusted EBITDDA - prior year	\$ 42,062	\$ 118,017
Sales price and mix	(8,959 )	(15,996 )
Harvest volume	557	(1,809 )
Logging and hauling costs per unit	1,660	4,976
Forest management, indirect and other	504	(492 )
Timberlands Adjusted EBITDDA - current year	<u>\$ 35,824</u>	<u>\$ 104,696</u>

**Third Quarter 2024 Compared with Third Quarter 2023**

Timberlands Adjusted EBITDDA for the third quarter of 2024 decreased \$6.2 million compared with the third quarter of 2023 primarily as a result of the following:

- **Sales Price and Mix:** Sawlog prices in the Northern region declined 14.7% to \$110 per ton primarily due to the effect of lower indexed sawlog prices in Idaho. Southern sawlog prices remained relatively stable.
- **Harvest Volume:** Total Northern harvest volume increased 11.3% primarily due to more favorable operating conditions in the first quarter of 2023 allowing us to accelerate harvesting earlier in 2023 than in 2024. Total Southern harvest volume decreased approximately 5.8% in the third quarter of 2024 compared to the third quarter of 2023, primarily due to fewer stumpage sales.
- **Logging and Hauling Cost per Unit:** Logging and hauling costs per delivered unit were lower primarily due to decreased fuel costs.

**Year to Date 2024 Compared with Year to Date 2023**

Timberlands Adjusted EBITDDA for the first nine months of 2024 decreased \$13.3 million compared with the first nine months of 2023 primarily as a result of the following:

- **Sales Price and Mix:** Sawlog prices in the Northern region decreased 8.4% to \$109 per ton primarily due to the effect of lower indexed sawlog prices in Idaho. Southern sawlog prices remained relatively stable.
- **Harvest Volume:** We harvested 4.6 million tons in the Southern region during the first nine months of 2024, which was 2.6% higher than the first nine months of 2023 primarily due to more favorable operating conditions during 2024 partially offset by fewer stumpage sales. In the Northern region, operating conditions were less favorable in the first nine months of 2024 as compared to the first nine months of 2023, resulting in a 5.7% decrease in harvest volume.
- **Logging and Hauling Cost per Unit:** Logging and hauling costs per delivered unit were lower due to a lower mix of Northern harvest volume and decreased fuel costs.

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**Wood Products Segment**

(in thousands)	Three Months Ended September 30,			Change	Nine Months Ended September 30,		
	2024	2023	Change		2024	2023	Change
Revenues	\$ 139,412	\$ 165,108	\$ (25,696)	\$ 441,589	\$ 485,572	\$ (43,983)	
Costs and expenses <sup>1</sup>							
Fiber costs	67,552	72,273	(4,721)	216,595	225,393	(8,798)	
Freight, logging and hauling	17,314	20,199	(2,885)	55,805	59,843	(4,038)	
Manufacturing costs	58,025	54,537	3,488	175,845	163,787	12,058	
Finished goods inventory change	2,883	(690)	3,573	(1,061)	(633)	(428)	
Selling, general and administrative expenses	3,127	3,674	(547)	10,656	9,954	702	
Other	92	76	16	274	253	21	
Wood Products Adjusted EBITDDA <sup>2</sup>	\$ (9,581)	\$ 15,039	\$ (24,620)	\$ (16,525)	\$ 26,975	\$ (43,500)	

<sup>1</sup>Prior to elimination of intersegment fiber costs of \$28.1 million and \$28.6 million for the three months ended September 30, 2024 and 2023, and \$80.1 million and \$89.7 million for the nine months ended September 30, 2024 and 2023, respectively.

<sup>2</sup>Management uses Adjusted EBITDDA to evaluate the performance of the segment. See [Note 2: Segment Information](#) in the [Notes to Condensed Consolidated Financial Statements](#).

**Wood Products Segment Statistics**

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Lumber shipments (MBF) <sup>1</sup>	267,263	276,071	(8,808)	824,061	817,955	6,106
Lumber sales prices (\$ per MBF)	\$ 402	\$ 481	\$ (79)	\$ 419	\$ 465	\$ (46)

<sup>1</sup> MBF stands for thousand board feet.

**Wood Products Adjusted EBITDDA**

The following table summarizes Wood Products Adjusted EBITDDA variances for the three and nine months ended September 30, 2024 compared with the three and nine months ended September 30, 2023:

(in thousands)	Three Months		Nine Months	
	2024	2023	2024	2023
Wood Products Adjusted EBITDDA - prior year	\$ 15,039	\$ 26,975		
Lumber:				
Price	(21,584)	(39,297)		
Manufacturing costs per unit	(5,735)	(9,329)		
Log costs per unit	1,623	7,769		
Volume	13	(187)		
Residuals, panels and other	1,063	(2,456)		
Wood Products Adjusted EBITDDA - current year	\$ (9,581)	\$ (16,525)		

**Third Quarter 2024 Compared with Third Quarter 2023**

Wood Products Adjusted EBITDDA for the third quarter of 2024 decreased \$24.6 million compared to the third quarter of 2023 primarily as a result of the following:

- Lumber Price:** Average lumber sales price decreased to \$402 per MBF during the third quarter of 2024 from \$481 per MBF during the third quarter of 2023.
- Manufacturing Costs Per Unit:** Higher manufacturing costs per unit were primarily due an increase in labor costs from normal wage adjustments, and the impact from downtime and the restart of our Waldo, Arkansas sawmill for the expansion and modernization project.
- Log Costs Per Unit:** Log costs per unit were lower primarily as a result of lower log costs at our Idaho sawmill due to lower sawlog prices which are largely indexed to the price of lumber.
- Residual Sales, Panels and Other:** A decrease in selling, general and administrative expense primarily due to lower variable employee-related costs more than offset lower residual sales compared to the third quarter of 2023.

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**Year to Date 2024 Compared with Year to Date 2023**

Wood Products Adjusted EBITDDA for the first nine months of 2024 decreased \$43.5 million compared to the first nine months of 2023 primarily as a result of the following:

- **Lumber Price:** Average lumber sales price decreased to \$419 per MBF during the first nine months of 2024 from \$465 per MBF during the first nine months of 2023.
- **Manufacturing Costs Per Unit:** Higher manufacturing costs per unit were primarily due to an increase in labor costs from normal wage adjustments, and the expansion and modernization project at our Waldo, Arkansas sawmill.
- **Log Costs Per Unit:** Log costs per unit were lower primarily as a result of lower log costs at our Idaho sawmill due to lower sawlog prices, which are largely indexed to the price of lumber.
- **Residual Sales, Panels and Other:** Lower demand from industrial customers resulted in lower plywood price realization during the first nine months of 2024 compared to the first nine months of 2023.

**Real Estate Segment**

(in thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Revenues	\$ 38,701	\$ 19,152	\$ 19,549	\$ 145,540	\$ 60,079	\$ 85,461
Costs and expenses						
Cost of goods sold	4,584	3,709	875	12,031	10,012	2,019
Selling, general and administrative expenses	2,256	1,278	978	5,852	4,200	1,652
Real Estate Adjusted EBITDDA <sup>1</sup>	<u>\$ 31,861</u>	<u>\$ 14,165</u>	<u>\$ 17,696</u>	<u>\$ 127,657</u>	<u>\$ 45,867</u>	<u>\$ 81,790</u>

<sup>1</sup>Management uses Adjusted EBITDDA to evaluate the performance of the segment. See [Note 2: Segment Information](#) in the [Notes to Condensed Consolidated Financial Statements](#).

**Real Estate Segment Statistics**

Rural Real Estate	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Acres sold	6,548	3,275	51,470	11,155
Average price per acre	3,727	3,546	2,230	3,048

Development Real Estate	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Residential lots	53	32	90	98
Average price per lot	\$ 204,851	\$ 89,122	\$ 168,850	\$ 103,526
Commercial acres	—	1	12	7
Average price per acre	\$ —	\$ 972,222	\$ 492,746	\$ 848,828

**Real Estate Adjusted EBITDDA**

The following table summarizes Real Estate Adjusted EBITDDA variances for the three and nine months ended September 30, 2024 compared with the three and nine months ended September 30, 2023:

(in thousands)	Three Months		Nine Months	
	2024	2023	2024	2023
Real Estate Adjusted EBITDDA - prior year	\$ 14,165	\$ 45,867		
Rural real estate sales	12,890	80,638		
Real estate development sales	6,437	4,077		
Selling, general and administrative expenses	(978)	(1,661)		
Other costs, net	(653)	(1,264)		
Real Estate Adjusted EBITDDA - current year	<u>\$ 31,861</u>	<u>\$ 127,657</u>		

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### **Third Quarter 2024 Compared with Third Quarter 2023**

Real Estate Adjusted EBITDDA for the third quarter of 2024 was \$31.9 million, an increase of \$17.7 million compared to the third quarter of 2023 primarily as a result of the following:

•**Rural Sales:** There were more rural real estate acres sold in the third quarter of 2024 compared to the third quarter of 2023. Rural real estate sales in the third quarter of 2024 included a 1,200-acre sale in Idaho for approximately \$3,400 per acre. Rural real estate sales can vary quarter-to-quarter with the average price per acre fluctuating based on both the geographic area of the real estate and product mix.

•**Development Sales:** During the third quarter of 2024, we sold 53 residential lots at an average lot price of \$204,851 compared to 32 lots at an average lot price of \$89,122 during the third quarter of 2023. The increase in average lot price was primarily due to a higher mix of premium residential lot closings in the third quarter of 2024. The average price per residential lot fluctuates based on a variety of factors including size, location, and planned end use within the developments. We had no commercial lot sales in Chenal Valley during the third quarter of 2024 compared to one sale for \$1.4 million, or \$972,222 per acre, during the third quarter of 2023.

### **Year to Date 2024 Compared with Year to Date 2023**

Real Estate Adjusted EBITDDA for the first nine months of 2024 increased \$81.8 million compared to the first nine months of 2023 primarily as a result of the following:

•**Rural Sales:** Rural real estate sales in the first nine months of 2024 included a 34,100-acre sale of four-year average age Southern timberlands to FIA for \$56.7 million, a 2,000-acre conservation sale in Arkansas, and a 1,200-acre sale in Idaho. The first nine months of 2023 included a 2,240-acre conservation sale in Alabama and a 2,700-acre sale in Georgia.

•**Development Sales:** During the first nine months of 2024, we sold 90 residential lots at an average lot price of \$168,850 compared to 98 lots at an average lot price of \$103,526 during the first nine months of 2023. In addition, we sold 12 acres of commercial land in Chenal Valley for an average price of \$492,746 per acre during the first nine months of 2024 compared to 7 acres of commercial land for an average price of \$848,828 per acre during the first nine months of 2023.

### **Liquidity and Capital Resources**

Cash generated by our operations is highly dependent on the selling prices and volumes of our products and can vary from period to period. Changes in significant sources and uses of cash for the nine months ended September 30, 2024 and 2023 are presented by category as follows:

(in thousands)	Nine Months Ended September 30,			Change
	2024	2023		
Net cash from operating activities	\$ 143,062	\$ 117,308	\$ 25,754	
Net cash from investing activities	\$ (82,085)	\$ (27,422)	\$ (54,663)	
Net cash from financing activities	\$ (137,534)	\$ (121,601)	\$ (15,933)	

#### **Net Cash Flows from Operating Activities**

Net cash from operating activities increased \$25.8 million in the first nine months of 2024 compared to the first nine months of 2023 primarily as a result of the following:

- Cash received from customers increased \$34.6 million primarily due to increased rural real estate acres sold, including the 34,100-acre sale to FIA, higher average lot prices in Chenal Valley, and higher Southern harvest volumes. These increases were partially offset by lower lumber and Northern sawlog prices, and lower Northern harvest volumes.
- Cash payments decreased \$13.5 million primarily due to lower Northern logging and hauling costs, and lower employee incentive compensation payouts. These declines were partially offset by costs associated with higher Southern harvest volumes.
- During the first nine months of 2024, we received the final \$1.7 million of insurance proceeds related to business interruption insurance following the fire at our Ola, Arkansas sawmill in June 2021 compared to \$21.8 million received during the first nine months of 2023.

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• Cash paid for interest, net increased by approximately \$6.9 million primarily due to lower interest income earned as a result of lower average cash balances in interest bearing accounts partially offset by increased patronage dividends from our lenders. Additionally, cash from operating activities for first nine months of 2024 includes reclassification of \$22.5 million received from interest rate swaps that contain an other-than-insignificant financing element at inception as investing (\$20.9 million) and financing (\$1.6 million) activities. Cash from operating activities for first nine months of 2023 includes reclassification of \$18.7 million received from interest rate swaps that contain an other-than-insignificant financing element at inception as investing (\$17.3 million) and financing (\$1.4 million) activities.

• Cash contributions to our pension and other postretirement employee benefit plans increased \$5.1 million, primarily due to a \$4.0 million contribution to our qualified pension plan.

• Net tax payments decreased \$13.0 million due to lower taxable income generated from our TRS operations in 2024.

### **Net Cash Flows from Investing Activities**

Changes in cash flows from investing activities were primarily a result of the following:

• Cash expenditures for property, plant and equipment, timberlands reforestation and road construction projects during the first nine months of 2024 and 2023 were \$71.5 million and \$45.1 million, respectively, which includes capital expenditures for the Waldo, Arkansas sawmill expansion and modernization project of \$38.0 million and \$14.8 million, respectively.

• Cash expenditures for timberland acquisitions during the first nine months of 2024 was approximately \$32.3 million which included the acquisition of 16,000 acres of mature timberlands in Arkansas. Cash expenditures for timberland acquisitions during the first nine months of 2023 was \$1.7 million.

• We received \$20.9 million during the first nine months of 2024 compared to \$17.3 million during the first nine months of 2023 from certain interest rate swaps that contained an other-than-insignificant financing element at inception, which are required to be classified in investing activities. Cash flows from these above-market interest rate swaps reduce our interest costs on the corresponding variable rate debt.

### **Net Cash Flows from Financing Activities**

Changes in cash flows from financing activities were primarily a result of the following:

• During the first nine months of 2024, we repurchased 666,472 shares of our common stock totaling \$27.4 million, compared to the first nine months of 2023 where we repurchased 291,749 shares of our common stock totaling \$13.1 million, including \$1.7 million of repurchases that were not settled in cash until the fourth quarter of 2023.

• Dividend payments of \$106.9 million during the first nine months of 2024 compared to \$107.9 million during the first nine months of 2023 due to fewer shares outstanding following share repurchases.

### **Future Sources and Uses of Cash**

At September 30, 2024, we had cash and cash equivalents of \$161.1 million. We expect cash and cash equivalents on hand, cash generated from our operating activities, and available borrowing capacity under our Credit Agreement, if needed, to be adequate to meet our future cash requirements. At September 30, 2024, there were no significant changes in our cash commitments arising in the normal course of business under our known contractual and other obligations as described in our Annual Report on Form 10-K for the year ended December 31, 2023. See [Term Loans, Credit Agreement and Interest Rate Swap Agreements](#) below for more information on significant sources and uses of cash subsequent to September 30, 2024.

### **Capital Expenditures**

We invest cash in maintenance and discretionary capital expenditures at our Wood Products facilities. We also invest cash in the reforestation of timberlands and construction of roads in our Timberlands operations and to develop land in our Real Estate development operations. We evaluate discretionary capital improvements based on an expected level of return on investment. We expect to spend a total of approximately \$100 million to \$110 million for capital expenditures during 2024, including capital expenditures for the Waldo Modernization Project.

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The Waldo Modernization Project includes upgrades to the log yard and planer, a new saw line, a new continuous dry kiln and other improvements which are expected to increase the sawmill's annual capacity from 190 million board feet of dimensional lumber to approximately 275 million board feet. The existing sawmill continued to operate before taking limited downtime to tie in the new equipment in July 2024. Following the restart of the sawmill in mid-August 2024, we anticipate it will take between 6 and 12 months to reach the sawmill's expected new capacity of 275 million board feet per year. We expect to spend approximately \$131.0 million on the modernization project, of which a total of \$124.4 million has been spent through September 30, 2024, and the remaining \$6.6 million is expected to be spent during the fourth quarter of 2024.

### **Share Repurchase Program**

On August 31, 2022, our board of directors authorized management to repurchase up to \$200.0 million of our common stock with no set time limit for the repurchase (the 2022 Repurchase Program). Shares under the 2022 Repurchase Program may be repurchased in open market transactions, including pursuant to trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934 (a Trading Plan), or through privately negotiated transactions. At September 30, 2024, we had remaining authorization of \$97.6 million for future stock repurchases under the 2022 Repurchase Program. The timing, manner, price and amount of repurchases will be determined according to a Trading Plan, and, subject to the terms of a Trading Plan, the Repurchase Program may be suspended, terminated or modified at any time for any reason.

### **Term Loans, Credit Agreement, and Interest Rate Swap Agreements**

At September 30, 2024, our total outstanding principal on our long-term debt of \$1.0 billion included \$971.0 million of term loans under our Second Amended and Restated Term Loan Agreement (Amended Term Loan Agreement) with our primary lender. Approximately \$165.7 million of our outstanding long-term debt was classified as current at September 30, 2024 on our accompanying Condensed Consolidated Balance Sheets, including a \$65.7 million revenue bond that matured in October 2024 and a \$100.0 million term loan that matures in August 2025. Certain borrowings under the Amended Term Loan Agreement are at the one-month Secured Overnight Financing Rate (SOFR)-indexed variable rates, plus a spread between 1.61% and 2.30%. We have entered into SOFR-indexed interest rate swaps to fix the interest rate on these variable rate term loans.

On November 1, 2024, we entered into a tenth amendment to the Amended Term Loan Agreement, which provided for three new term loans totaling \$176.0 million that mature on November 1, 2032, 2033, and 2034, respectively (collectively referred to as the New Term Loans). The proceeds of the New Term Loans were used to refinance a \$110.0 million term loan that matured on November 1, 2024 and to replenish cash used to repay the \$65.7 million revenue bond that matured in October 2024. The New Term Loans bear interest at a rate equal to daily simple SOFR plus an applicable margin ranging between 2.20% and 2.30% per annum depending on the term loan's maturity date. The New Term Loans provide for a cost-of-capital reset at year five whereby the applicable margin may be reset at the sole discretion of the lender. As a result of the tenth amendment to the Amended Term Loan Agreement, at November 1, 2024, we had approximately \$1.0 billion drawn under the agreement with our primary lender.

In connection with the refinancing, we terminated \$125.0 million of our \$200.0 million forward-starting interest rate swaps and transferred the value realized from their termination into three new interest rate swaps to hedge the variability in future cash flows on the New Term Loans. These three new daily simple SOFR-indexed interest rate swaps effectively fix the interest rates on the New Term Loans between 4.02% and 4.28%, before patronage credits from lenders, depending on the maturity date of the associated term loan. Following these transactions, we had one remaining forward-starting interest rate swap of \$75.0 million available to fix the interest rate on future debt refinancings.

We have a \$300.0 million revolving line of credit with a syndicate of lenders, that matures February 14, 2027 (Amended Credit Agreement). Under the terms of the Amended Credit Agreement, the amount of available principal may be increased up to an additional \$500.0 million. We may also utilize borrowings under the Amended Credit Agreement to, among other things, refinance existing indebtedness and provide funding for working capital requirements, capital projects, acquisitions, and other general corporate expenditures. At September 30, 2024, there were no borrowings under the revolving line of credit and approximately \$0.6 million of the credit facility was utilized by outstanding letters of credit.

See Note 5: Debt and Note 6: Derivative Instruments in the Notes to the Condensed Consolidated Financial Statements for additional information on our debt, credit, and interest rate swap agreements.

### **Financial Covenants**

The Amended Term Loan Agreement and Amended Credit Agreement (collectively referred to as the Financing Agreements) contain certain covenants that limit our ability and that of our subsidiaries to create liens, merge or consolidate, dispose of assets, incur indebtedness and guarantees, repurchase or redeem capital stock and indebtedness, make certain investments or acquisitions, enter into certain transactions with affiliates or change the nature of our business. The Financing Agreements also contain financial maintenance covenants including the maintenance of a minimum interest coverage ratio and a maximum leverage ratio as defined in the Financing Agreements. We are permitted to pay dividends to our stockholders under the terms of the Financing Agreements so long as we expect to remain in compliance with the financial maintenance covenants.

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The following table presents the components and applicable limits of Total Asset Value (TAV), a component of the Leverage Ratio, at September 30, 2024:

(in thousands)		
Estimated timberland fair value	\$	5,220,752
Wood Products manufacturing facilities book basis (limited to 10% of TAV)		381,358
Cash and cash equivalents		161,131
Other <sup>1</sup>		10,424
<b>Total Asset Value</b>	<b>\$</b>	<b>5,773,665</b>

<sup>1</sup>Includes, as applicable, Company Owned Life Insurance (limited to 5% of TAV), Construction in Progress (limited to 10% of TAV) and Investments in Affiliates (limited to 15% of TAV) as defined in the Financing Agreements.

At September 30, 2024, we were in compliance with all covenants under the Financing Agreements. The following table sets forth the financial covenants for the Financing Agreements and our status with respect to these covenants at September 30, 2024:

	Covenant Requirement	Actual
Interest Coverage Ratio	≥ 3.00 to 1.00	8.8
Leverage Ratio	≤ 40%	18%

There were no changes to our financial covenants as a result of the tenth amendment to the Amended Term Loan agreement dated November 1, 2024 discussed above.

## Credit Ratings

Two major debt rating agencies routinely evaluate our debt, and our cost of borrowing can increase or decrease depending on our credit rating. Both Moody's and S&P rate our debt as investment grade. There have been no changes in our credit rating during the nine months ended September 30, 2024. In May 2024, Moody's revised their outlook on the company to negative from stable.

## Capital Structure

(in thousands)	September 30, 2024	December 31, 2023
Long-term debt (including current portion)	\$ 1,034,599	\$ 1,033,728
Cash and cash equivalents	(161,131)	(230,118)
Net debt	873,468	803,610
Market capitalization <sup>1</sup>	3,552,733	3,896,822
Enterprise value	<u>\$ 4,426,201</u>	<u>\$ 4,700,432</u>
Net debt to enterprise value	19.7%	17.1%
Dividend yield <sup>2</sup>	4.0%	3.7%
Weighted-average cost of debt, after tax <sup>3</sup>	2.3%	2.3%

<sup>1</sup>Market capitalization is based on outstanding shares of 78.9 million and 79.4 million times closing share prices of \$45.05 and \$49.10 at September 30, 2024 and December 29, 2023, respectively.

<sup>2</sup>Dividend yield is based on annualized dividends per share of \$1.80 and share prices of \$45.05 and \$49.10 at September 30, 2024 and December 29, 2023, respectively.

<sup>3</sup>Weighted-average cost of debt excludes deferred debt costs and credit facility fees and includes estimated annual patronage credit on term loan debt.

## Liquidity and Performance Measures

The discussion below is presented to enhance the reader's understanding of our operating performance, ability to generate cash and satisfy rating agency and creditor requirements. This information includes two measures: Total Adjusted EBITDDA and Cash Available for Distribution (CAD). These measures are not defined by GAAP and the discussion of Total Adjusted EBITDDA and CAD is not intended to conflict with or change any of the GAAP disclosures described herein. These non-GAAP financial measures should be considered only as supplemental to, and are not intended to be considered in isolation or as a substitute for, or superior to, financial measures prepared in accordance with GAAP. Additionally, these non-GAAP financial measures may not be the same as or comparable to other similarly titled non-GAAP financial measures presented by other companies due to potential inconsistencies in methods of calculation.

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Total Adjusted EBITDDA is a non-GAAP measure that management uses in evaluating performance and to allocate resources between segments. Total Adjusted EBITDDA removes the impact of specific items that management believes do not directly reflect the core business operations on an ongoing basis. Management believes that this non-GAAP measure, when read in conjunction with our GAAP financial statements, provides useful information to investors and other interested parties by facilitating the comparability of our ongoing operating results over the periods presented and the identification of trends in our underlying business. It also can be used to evaluate the operational performance of the assets under management and to compare our operating results against analyst financial models and against the operating results of other public companies that supplement their GAAP results with non-GAAP financial measures.

We define EBITDDA as net income (loss) before interest expense, net, income taxes, basis of real estate sold, depreciation, depletion and amortization. Adjusted EBITDDA further excludes certain specific items that are considered to hinder comparison of the performance of our businesses either year-on-year or with other businesses.

We reconcile Total Adjusted EBITDDA to net income (loss) for the consolidated company as it is the most comparable GAAP measure.

The following table provides a reconciliation of net income (loss) to Total Adjusted EBITDDA for the respective periods:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	\$ 3,309	\$ 23,675	\$ 16,682	\$ 62,241
Interest expense, net	9,635	7,971	18,049	15,783
Income taxes	(4,056)	4,725	(12,923)	7,650
Depreciation, depletion and amortization	25,487	30,248	85,150	89,099
Basis of real estate sold	12,905	6,109	73,522	21,624
CatchMark merger-related expenses	—	—	—	2,453
Gain on fire damage	—	(16,326)	—	(39,436)
Non-operating pension and other postretirement employee benefits	(200)	228	(602)	685
Loss on disposal of assets	338	18	267	39
Other	(1,516)	(370)	(1,348)	(638)
<b>Total Adjusted EBITDDA</b>	<b>\$ 45,902</b>	<b>\$ 56,278</b>	<b>\$ 178,797</b>	<b>\$ 159,500</b>

We define CAD as cash from operating activities adjusted for capital spending for purchases of property, plant and equipment, timberlands reforestation and roads and timberland acquisitions not classified as strategic. Management believes CAD is a useful indicator of the company's overall liquidity, as it provides a measure of cash generated that is available for dividends to common stockholders (an important factor in maintaining our REIT status), repurchase of the company's common shares, debt repayment, acquisitions and other discretionary and nondiscretionary activities. Our definition of CAD is limited in that it does not solely represent residual cash flows available for discretionary expenditures since the measure does not deduct the payments required for debt service and other contractual obligations. Therefore, we believe it is important to view CAD as a measure that provides supplemental information to our [Condensed Consolidated Statements of Cash Flows](#). Our definition of CAD may be different from similarly titled measures reported by other companies, including those in our industry. CAD is not necessarily indicative of the CAD that may be generated in future periods.

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The following table provides a reconciliation of cash from operating activities to CAD:

(in thousands)	Nine Months Ended September 30,		Twelve Months Ended September 30,	
	2024	2023	2024	2023
Net cash from operating activities <sup>1, 2</sup>	\$ 143,062	\$ 117,308	\$ 184,865	\$ 150,772
Capital expenditures <sup>3</sup>	(103,771)	(46,757)	(178,627)	(79,260)
CAD	\$ 39,291	\$ 70,551	\$ 6,238	\$ 71,512
Net cash from investing activities <sup>4</sup>	\$ (82,085)	\$ (27,422)	\$ (149,967)	\$ (47,147)
Net cash from financing activities	\$ (137,534)	\$ (121,601)	\$ (187,643)	\$ (284,438)

<sup>1</sup>Net cash from operating activities for the nine and twelve months ended September 30, 2024, includes cash paid for real estate development expenditures of \$5.3 million and \$7.0 million, respectively. Net cash from operating activities for the nine and twelve months ended September 30, 2023, includes cash paid for real estate development expenditures of \$7.2 million and \$8.4 million, respectively, and CatchMark merger-related expenses of \$0.9 million and \$6.6 million, respectively.

<sup>2</sup>Net cash from operating activities for the nine and twelve months ended September 30, 2024, excludes \$22.5 million and \$29.5 million, respectively, of interest rate swap proceeds classified as investing and financing activities. Net cash from operating activities for the nine and twelve months ended September 30, 2023, excludes \$18.7 million and \$22.0 million, respectively, of interest rate swap proceeds classified as investing and financing activities.

<sup>3</sup>The nine and twelve months ended September 30, 2024, includes capital expenditures of \$38.0 million and \$97.4 million, respectively, related to the Waldo Modernization Project. The nine and twelve months ended September 30, 2023, includes capital expenditures of \$14.8 million related to the Waldo Modernization Project. Additionally, the nine and twelve months ended September 30, 2023 include fire-related capital expenditures for the Ola, Arkansas sawmill of \$0.6 and \$6.4 million, respectively, and excludes \$1.4 million and \$10.1 million, respectively, of insurance proceeds for the Ola, Arkansas sawmill property losses. The claim with insurance carriers was finalized by the end of 2023.

<sup>4</sup>Net cash from investing activities includes payment for capital expenditures and acquisition of non-strategic timber and timberlands, which is also included in our reconciliation of CAD.

## **Critical Accounting Policies and Estimates**

There have been no significant changes during 2024 to our critical accounting policies or estimates as presented in our 2023 Annual Report on Form 10-K.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Our market risk exposure on financial instruments includes interest rate risk on our bank credit facility, term loans and interest rate swap agreements and forward starting interest rate swap agreements. We are exposed to interest rate volatility on existing variable rate debt instruments and future incurrences of fixed or variable rate debt, which exposure primarily relates to movements in various interest rates. We use interest rate swaps and forward starting swaps to hedge our exposure to the impact of interest rate changes on existing debt and future debt issuances, respectively. All market risk sensitive instruments were entered into for purposes other than for trading purposes.

For quantitative and qualitative disclosures about market risk, see Item 7A, *Quantitative and Qualitative Disclosures About Market Risk*, of our Annual Report on Form 10-K for the year ended December 31, 2023. Our exposures to market risk have not changed materially since December 31, 2023.

## **ITEM 4. CONTROLS AND PROCEDURES**

### **Disclosure Controls and Procedures**

We conducted an evaluation (pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934 (the Exchange Act)), under the supervision and with the participation of management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of September 30, 2024. These disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Our disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that this information is accumulated and communicated to management, including the principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on the evaluation, the CEO and CFO have concluded that these disclosure controls and procedures were effective as of September 30, 2024.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

## Changes in Internal Control over Financial Reporting

During the quarter ended September 30, 2024, we implemented new enterprise resource planning (ERP) systems which replaced certain legacy systems in which a significant portion of our business transactions originated, were processed, or were recorded. As a result, we have made corresponding changes to our business processes and information systems, updating applicable internal controls over financial reporting where necessary. Our new ERP systems are intended to provide us with enhanced transactional processing, security and management tools and are intended to enhance internal controls over financial reporting.

There have been no other changes that occurred in our internal control over financial reporting during the three months ended September 30, 2024, as defined in the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## Part II – OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We believe there is no pending or threatened litigation that could have a material adverse effect on our financial position, operations or liquidity.

### ITEM 1A. RISK FACTORS

We do not believe there have been any material changes in the risk factors previously disclosed in *Risk Factors* in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

#### Issuer Purchases of Equity Securities

On August 31, 2022, our board of directors authorized management to repurchase up to \$200.0 million of our common stock with no set time limit for the repurchase (the 2022 Repurchase Program). Shares under the 2022 Repurchase Program may be repurchased in open market transactions, including pursuant to a trading plan adopted in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934 (the Exchange Act), or through privately negotiated transactions. During the three months ended September 30, 2024, we repurchased shares through a trading plan adopted in accordance with Rule 10b5-1 under the Exchange Act.

The following table provides information with respect to purchases of common stock made by the company during the three months ended September 30, 2024:

Common Share Purchases	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
July 1 - July 31	—	\$ —	—	\$ 100,000,080
August 1 - August 31	—	\$ —	—	\$ 100,000,080
September 1 - September 30	56,851	\$ 42.20	56,851	\$ 97,600,781
<b>Total</b>	<b>56,851</b>	<b>\$ 42.20</b>	<b>56,851</b>	<b>\$ 97,600,781</b>

At September 30, 2024, we had remaining authorization of \$97.6 million for future stock repurchases under the 2022 Repurchase Program. We record share repurchases upon trade date as opposed to settlement date when cash is disbursed.

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## ITEM 5. OTHER INFORMATION

### Rule 10b5-1 Trading Plans

During the three months ended September 30, 2024, the following company officers adopted Rule 10b5-1 trading arrangements (as defined in Item 408(a) of Regulation S-K under the Exchange Act), each on the dates specified below. Each trading arrangement authorizes the automatic sale of the number of shares required to generate sufficient proceeds to cover the tax withholding obligation (calculated at the officer's minimum or maximum withholding rate, as determined by the terms of the respective officer's trading arrangement) in connection with the settlement of performance shares or restricted stock units granted to the respective officer under the company's equity incentive plans. The proceeds of the sales will be delivered to the company in satisfaction of the applicable tax withholding obligation and used to pay any fees, commissions and costs of sale. The number of shares that will be sold to cover the applicable tax withholding obligation is indeterminable and the duration of each arrangement is perpetual until terminated by the applicable company officer.

Name & Title	Date of Adoption
Eric J. Cremers President and Chief Executive Officer	August 12, 2024
Wayne Wasechek Vice President and Chief Financial Officer	August 1, 2024
Ashlee Townsend Cribb Vice President, Wood Products	August 1, 2024
Darin R. Ball Vice President, Timberlands	August 5, 2024
William R. DeReu Vice President, Real Estate	August 12, 2024
Michele L. Tyler Vice President, General Counsel and Corporate Secretary	August 1, 2024
Anna E. Torma Vice President, Public Affairs and Chief Sustainability Officer	August 15, 2024
Robert L. Schwartz Vice President, Human Resources	August 5, 2024
Glen F. Smith Chief Accounting Officer	August 14, 2024

No other officers or directors adopted, modified, or terminated any "Rule 10b5-1 trading arrangements" or "non-Rule 10b5-1 trading arrangements," as each term is defined in Item 408(a) of Regulation S-K under the Exchange Act.

## ITEM 6. EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
3.1*	<a href="#">Fourth Restated Certificate of Incorporation of the Registrant, effective May 1, 2023, filed as Exhibit 3.1 to the Current Report on Form 8-K filed by the Registrant on May 4, 2023.</a>
3.2*	<a href="#">Bylaws of the Registrant, as amended through February 18, 2009, filed as Exhibit (3)(b) to the Current Report on Form 8-K filed by the Registrant on February 20, 2009.</a>
4	See Exhibits <a href="#">3.1</a> and <a href="#">3.2</a> . The registrant undertakes to furnish to the Commission, upon request, any instrument defining the rights of holders of long-term debt.
10.1 <sup>1,2</sup>	<a href="#">Form of PotlatchDeltic 2019 Long-Term Incentive Plan RSU Award Agreement (Employee) for restricted stock unit awards granted on or after August 27, 2024.</a>
10.2 <sup>1,2</sup>	<a href="#">Form of PotlatchDeltic 2019 Long-Term Incentive Plan Performance Share Award Agreement (Employee) for performance share awards granted on or after August 27, 2024.</a>
31	<a href="#">Rule 13a-14(a)/15d-14(a) Certifications.</a>
32	<a href="#">Furnished statements of the Chief Executive Officer and Chief Financial Officer under 18 U.S.C. Section 1350.</a>
101	The following financial information from PotlatchDeltic Corporation's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024, filed on November 4, 2024, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the <u>Condensed Consolidated Statements of Operations</u> for the three and nine months ended September 30, 2024 and 2023, (ii) the <u>Condensed Consolidated Statements of Comprehensive Income (Loss)</u> for the three and nine months ended September 30, 2024 and 2023, (iii) the <u>Condensed Consolidated Balance Sheets</u> at September 30, 2024 and December 31, 2023, (iv) the <u>Condensed Consolidated Statements of Cash Flows</u> for the nine months ended September 30, 2024 and 2023, (v) the <u>Condensed Consolidated Statements of Stockholders' Equity</u> for the three and nine months ended September 30, 2024 and 2023, and (vi) the <u>Notes to Condensed Consolidated Financial Statements</u> .
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101).

\* Incorporated by reference.

<sup>1</sup> Management contract or compensatory plan, contract, or arrangement.

<sup>2</sup> Document filed with this Form 10-Q

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PotlatchDeltic Corporation  
(Registrant)

By \_\_\_\_\_ /s/ GLEN F. SMITH  
Glen F. Smith  
Chief Accounting Officer  
(Duly Authorized; Principal Accounting Officer)

Date: November 4, 2024

**POTLATCHDELTIC CORPORATION**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**  
**2019 LONG-TERM INCENTIVE PLAN**

Pursuant to your Restricted Stock Unit Award Notice (the “**Award Notice**”) and this Restricted Stock Unit Award Agreement (this “**Award Agreement**”), PotlatchDeltic Corporation, a Delaware corporation (the “**Company**”), has granted you an Award (the “**Award**”) of Restricted Stock Units pursuant to Section 7 of the 2019 Long-Term Incentive Plan (the “**Plan**”), for the number of Restricted Stock Units indicated in your Award Notice.

The details of the Award are as follows:

**1. Definitions**

In addition to the terms defined elsewhere in this Award Agreement, the following terms used in this Award Agreement shall have the meanings set forth in this Section 1. Capitalized terms not explicitly defined in this Award Agreement but defined in the Plan shall have the same definitions as in the Plan.

(a) “**Good Reason**” means the existence of any one or more of the following conditions without your express written consent: (i) the assignment to you of any duties or responsibilities that results in a material diminution of your duties or responsibilities as in effect immediately prior to such assignment; provided, however, that, for the avoidance of doubt, a change in your title or reporting relationships shall not constitute Good Reason; (ii) a material reduction in your annual base salary, as determined by taking into account the annual base salary in effect immediately prior to such reduction (and as may have been increased after the date of a Change in Control); (iii) a material reduction in your aggregate employee benefit opportunities provided under material Benefit Plans, as determined by taking into account, in the aggregate, such opportunities in effect immediately prior to such reduction (and as may have been increased after the date of a Change in Control), unless such reduction is part of an across-the-board reduction of employee benefit opportunities for substantially all similarly-situated employees of the Company as of the time of such reduction; (iv) a relocation of your business office to a location more than 50 miles from the location at which you perform duties as of the date such relocation requirement or request is communicated to you by the Company, except for required business travel to an extent substantially consistent with your business travel obligations prior to such date; or (v) a material breach by the Company of any material written agreement between you and the Company concerning the terms and conditions of your employment or other service relationship with the Company. For purposes of this definition of “Good Reason,” the term “**Company**” includes any Related Company or Successor Company, as applicable, and the term “**Benefit Plan**” means any cash or equity-based incentive plan, qualified and nonqualified employee benefit plan or any employee welfare plan of the Company.

Notwithstanding any other provision of this Award Agreement to the contrary, you shall not be deemed to have experienced a Termination of Service due to Good Reason unless (i) you notify the Company in writing of the condition that you believe constitutes Good Reason within thirty (30) days of the initial existence thereof (which notice specifically identifies such condition and the details regarding its existence), (ii) the Company fails to remedy or cause to be remedied such condition within thirty (30) days after the date on which it receives such notice (the “**Remedial Period**”), and (iii) you terminate your service relationship with the Company (and its Related Companies) within sixty (60) days after the end of the Remedial Period. Your failure to include in the notice any fact or circumstance that contributes to a showing of Good Reason shall not waive any right you have hereunder or preclude you from asserting such fact or circumstance in enforcing your rights hereunder.

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(b)“**Grant Date**” means the date set forth in the Award Notice.

(c)“**Settlement Date**” has the meaning set forth in the Award Notice.

(d)“**Shares**” means the shares of Common Stock that you receive pursuant to settlement of this Award.

## **2.Vesting**

### **(a)General**

The Award will vest and become payable according to the vesting schedule set forth in the Award Notice (the “**Vesting Schedule**”). One share of Common Stock will be issuable for each Restricted Stock Unit that vests and becomes payable. Restricted Stock Units that have vested and are no longer subject to forfeiture according to the Vesting Schedule are referred to herein as “**Vested Units**.” Restricted Stock Units that have not vested and remain subject to forfeiture under the Vesting Schedule are referred to herein as “**Unvested Units**.” The Unvested Units will vest (and to the extent so vested cease to be Unvested Units remaining subject to forfeiture) and become payable in accordance with the Vesting Schedule (the Unvested and Vested Units are collectively referred to herein as the “**Stock Units**”). Except as otherwise provided in this Award Agreement, the Award will terminate and the Stock Units will be subject to forfeiture upon your Termination of Service as set forth in Section 2(b).

### **(b)Termination of Service - General**

Except as otherwise provided in Section 2(d) below, upon your Termination of Service for any reason (other than death, Disability or Retirement) on or prior to the last day of the Vesting Schedule, any portion of the Award that has not vested will immediately terminate and all Unvested Units shall immediately be forfeited without payment of any further consideration to you.

### **(c)Termination of Service Due to Death, Disability or Retirement**

If your Termination of Service is due to your death, Disability or Retirement, and the Award provides for vesting in its entirety as of a single date, you (or, in the case of your death, your designated beneficiary or representative) will be entitled to a prorated number of the Stock Units based on the number of months completed in the Vesting Schedule as of the date of your termination divided by the total number of months in the Vesting Schedule. If the Award vests ratably during the term of the Vesting Schedule, you will receive the next tranche of Stock Units scheduled to vest.

### **(d)Change in Control**

If you experience a Termination of Service due to a termination by the Company or a Related Company, as applicable, without Cause (including, without limitation, a Termination of Service due to mandatory Retirement) or by you for Good Reason within one month prior to or 24 months following the effective date of a Change in Control that is at least six (6) months following the Grant Date, the Stock Units shall become immediately vested in full and payable in accordance with Section 3(b) below.

## **3.Settlement of Awards**

### **(a)General**

Except as otherwise provided in this Award Agreement, as soon as practicable following the Settlement Date (but in any event within sixty (60) days following the Settlement Date) attributable to the Vested Units, the Company will settle any Vested Units by issuing to you one share of Common Stock for each Vested Unit and, as applicable, one share of Common Stock for each Vested Unit that corresponds to an accrued dividend equivalent. Any Vested Units payable to you (including Shares payable pursuant to Section 4 below) shall be paid solely in shares of Common Stock. Any fractional share will be rounded down to the closest whole share.

**(b)Change in Control**

The Company will settle any Unvested Units that become Vested Units pursuant to Section 2(d) above by issuing to you one share of Common Stock for each Vested Unit and, as applicable, one share of Common Stock for each Vested Unit that corresponds to an accrued dividend equivalent as soon as practicable (but in no event later than the 60th day) after the Unvested Units become Vested Units, provided that if this Award provides deferred compensation subject to Section 409A, the Vested Units will be settled at the same time and in the same form as the Vested Units would have been settled had no Change in Control occurred.

**(c)Deferral; Limitations**

If you elect to defer issuance of shares of Common Stock under this Award as provided in Section 5, such shares shall be issued as set forth in the deferral election form or agreement that you enter into with the Company. Notwithstanding anything to the contrary in this Award Agreement, you shall not receive shares of Common Stock pursuant to this Award Agreement to the extent the settlement of the Award would result in a violation of the stock ownership limitations set forth in the Company's Restated Certificate of Incorporation or would impair the Company's status as a "real estate investment trust" within the meaning of Sections 856 through 860 of the Code.

**4.Dividend Equivalents**

This Award shall be credited with dividend equivalents for any dividends declared and paid with respect to the Common Stock after the Grant Date and before the date the Restricted Stock Units are settled pursuant to Section 3 above. Prior to the date the Restricted Stock Units are settled pursuant to Section 3 above (unless the Restricted Stock Units are forfeited), dividend equivalents shall be converted into additional Restricted Stock Units by dividing (i) the aggregate amount or value of the dividends paid with respect to that number of shares equal to the number of Restricted Stock Units subject to this Award by (ii) the Fair Market Value per share of the Common Stock on the applicable dividend payment date. Such additional Restricted Stock Units shall be forfeited or vest and be settled in the same manner as the underlying Restricted Stock Units to which they relate.

**5.Deferral**

Subject to Section 15.5(a) of the Plan, you may elect to defer delivery of the shares of Common Stock that otherwise would be due by virtue of the satisfaction of the requirements for issuance of shares of Common Stock under this Award Agreement. The Committee shall, in its sole discretion, establish the rules and procedures for such deferral elections and payment deferrals.

**6.Securities Law Compliance**

(a)You represent and warrant that you (i) have been furnished with a copy of the Plan and all information which you deem necessary to evaluate the merits and risks of receipt of the Award, (ii) have

had the opportunity to ask questions and receive answers concerning the information received about the Award and the Company, and (iii) have been given the opportunity to obtain any additional information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

(b) You confirm that you have been advised, prior to your receipt of the Shares, that neither the offering of the Shares nor any offering materials have been reviewed by any administrator under the Securities Act or any other applicable securities act (the "Acts") and that the Shares cannot be resold unless they are registered under the Acts or unless an exemption from such registration is available.

(c) You understand that the Company is under no obligation to register or qualify the Shares with any securities or other governmental authority and is not required to seek approval or clearance from any such authority for the issuance or sale of the Shares. You further understand that the Company has no obligation to you to maintain any registration of the Shares with the Securities Exchange Commission and has not represented to you that it will so maintain registration of the Shares. Further, you agree that the Company shall have unilateral authority to amend the Plan and this Award Agreement without your consent to the extent necessary to comply with securities or other laws applicable to the issuance of the Shares.

(d) You hereby agree to indemnify the Company and hold it harmless from and against any loss, claim or liability, including attorneys' fees or legal expenses, incurred by the Company as a result of any breach by you of, or any inaccuracy in, any representation, warranty or statement made by you in this Award Agreement or the breach by you of any terms or conditions of this Award Agreement.

## **7. Transfer Restrictions**

Except as otherwise provided in this Award Agreement, neither the Award nor any right or privilege conferred by this Award Agreement shall be sold, assigned, pledged (as collateral for a loan or as security for the performance of an obligation or for any purpose) or transferred by you or made subject to attachment or similar proceedings, whether voluntarily or by operation of law, other than by will or by the applicable laws of descent and distribution. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of the Award, or of any right or privilege conferred by this Award Agreement, contrary to the provisions of this Section 7, or upon any attempted sale under any execution, attachment or similar process upon the rights and privileges conferred by this Award Agreement, the Award and the rights and privileges conferred by this Award Agreement shall immediately become null and void. Notwithstanding anything to the contrary in this Award Agreement, you may designate one or more beneficiaries on a Company-approved form who may receive payment under this Award after your death.

## **8. No Rights as Stockholder**

You shall not be entitled to any cash dividends, voting, or other rights of a stockholder unless and until the date of issuance of the shares of Common Stock that are the subject to the Award.

## **9. Tax Withholding and Other Obligations**

(a) You understand that under United States federal tax laws in effect on the Grant Date, you will have taxable compensation income when the Award is no longer subject to a substantial risk of forfeiture and/or at the time of issuance or payment of the Shares based on the Fair Market Value of the Shares. You are ultimately responsible for, and agree that this Section 9 applies to, all taxes owed in connection with the Award (e.g., at grant, vesting, when the Award is no longer subject to a substantial risk of forfeiture, and/or upon issuance or payment of the Shares), including any federal, state, local or foreign taxes of any kind required by law to be withheld by the Company or a Related Company in connection with

the Award, including FICA or any other tax obligation (the “**Tax Withholding Obligation**”), regardless of any action the Company or any Related Company takes with respect to any such Tax Withholding Obligation. The Company makes no representation or undertaking regarding the adequacy of any tax withholding made in connection with the Award. The Company has no obligation to deliver Shares pursuant to the Award until you have satisfied the Tax Withholding Obligation.

(b) If made available by the Company, you may satisfy your obligations set forth in Section 9(a) and other specified tax obligations, by irrevocably appointing any brokerage firm designated by the Company for such purpose as your agent, in accordance with a written appointment and authorization in the form provided by the Company (an “**Appointment and Authorization**”).

(c) Only if you have not adopted an Appointment and Authorization pursuant to Section 9(b), in order to satisfy your obligations set forth in Section 9(a) and other specified tax obligations, you hereby irrevocably appoint any brokerage firm designated by the Company for such purpose (the “**Agent**”) as your Agent, and authorize the Agent, to:

- (i) Sell on the open market at the then prevailing market price(s), on your behalf, as soon as practicable on or after the settlement date for any Vested Units, the minimum number of Shares (rounded up to the next whole number) sufficient to generate proceeds to cover the amount of any Tax Withholding Obligation and all applicable fees and commissions due to, or required to be collected by, the Agent;
- (ii) Remit directly to the Company the cash amount necessary to cover the payment of such Tax Withholding Obligation, as of such date;
- (iii) Retain the amount required to cover all applicable brokerage fees, commissions and other costs of sale due to, or required to be collected by, the Agent, relating directly to the sale of Shares referred to in clause (i) above; and
- (iv) Remit any remaining funds to you.

As of the date of execution of the Award Notice, you represent and warrant that you are not aware of any material nonpublic information with respect to the Company or any securities of the Company; are not subject to any legal, regulatory or contractual restriction that would prevent the Agent from conducting sales as provided herein; do not have, and will not attempt to exercise, authority, influence or control over any sales of Shares effected pursuant to this Section 9(c); and are entering into this Section 9(c) of this Award Agreement in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 (regarding trading of the Company’s securities on the basis of material nonpublic information) under the Exchange Act. It is the intent of the parties that this Section 9(c) comply with the requirements of Rule 10b5-1(c)(1)(i)(B) under the Exchange Act and this Award Agreement will be interpreted to comply with the requirements of Rule 10b5-1(c) of the Exchange Act. For clarity, the appointment and authorization set forth in this Section 9(c) shall not be effective if you have adopted an Appointment and Authorization pursuant to Section 9(b).

You understand that the Agent may effect sales as provided in clause (i) above jointly with sales for other employees of the Company and that the average price for executions resulting from bunched orders will be assigned to your account. You acknowledge that neither the Company nor the Agent is under any obligation to arrange for such sales at any particular price, and that the proceeds of any such sales may not be sufficient to satisfy your Tax Withholding Obligation. In addition, you acknowledge that it may not be possible to sell Shares as provided by this Section 9(c) due to (i) a legal or contractual restriction applicable to you or the Agent, (ii) a market disruption, or (iii) rules governing order execution priority on the Nasdaq.

Stock Market or other exchange where the Shares may be traded. In the event of the Agent's inability to sell any Shares or that number of Shares sufficient to cover your Tax Withholding Obligation, you will continue to be responsible for payment to the Company of all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld.

You acknowledge that regardless of any other term or condition of this Award Agreement, neither the Agent nor the Company will be liable to you for (i) special, indirect, punitive, exemplary, or consequential damages, or incidental losses or damages of any kind, or (ii) any failure to perform or for any delay in performance that results from a cause or circumstance that is beyond the Agent's reasonable control.

You hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent or the Company reasonably deems necessary or appropriate to carry out the purposes and intent of this Section 9(c). The Agent is a third party beneficiary of this Section 9(c).

Notwithstanding the foregoing terms of this Section 9(c), if you are subject to "blackout periods" under the Company's Securities Law Compliance and Insider Trading Policy and you execute the Award Notice during a "blackout period," your agreement to the terms of this Section 9(c) will not be deemed effective and you will be required to and responsible for ensuring that you agree to the terms of this Section 9(c) at a time that is outside of a "blackout period."

(d) Notwithstanding the foregoing, to the maximum extent permitted by law and to the extent the Tax Withholding Obligation has not been satisfied pursuant to Section 9(b) or 9(c), the Company has the right to retain without notice from Shares issuable under the Award or from salary or other amounts payable to you, a number of whole Shares or cash having a value sufficient to satisfy the Tax Withholding Obligation, and you hereby authorize the Company to do so (which Shares may be withheld up to the applicable minimum required tax withholding rate or such other applicable rate to avoid adverse treatment for financial accounting purposes).

(e) Furthermore, you acknowledge that the Company (i) makes no representations or undertakings regarding the treatment of any Tax Withholding Obligations or tax treatment in connection with any aspect of the Award, including but not limited to, the grant, vesting, when the Shares are no longer subject to a substantial risk of forfeiture, the issuance or payment of Shares, the subsequent sale of Shares acquired pursuant to the Award and the receipt of any dividends, and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax Withholding Obligations or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction, you acknowledge that the Company may be required to withhold or account for Tax Withholding Obligations in more than one jurisdiction.

## **10. Limitations on Payments under Certain Circumstances**

(a) Notwithstanding any other provision under this Award Agreement, in the event that you become entitled to receive or receive any payments or benefits under an Award or under any other plan, agreement, program or arrangement with the Company or any Related Company (collectively, the "**Payments**"), that may separately or in the aggregate constitute "parachute payments" within the meaning of Section 280G of the Code and the Treasury regulations promulgated thereunder ("**Section 280G**") and it is determined that, but for this Section 10(a), any of the Payments will be subject to any excise tax pursuant to Section 4999 of the Code or any similar or successor provision (the "**Excise Tax**"), the Company shall pay to you either (i) the full amount of the Payments or (ii) an amount equal to the Payments reduced by the minimum amount necessary to prevent any portion of the Payments from being an "excess parachute payment" (within the meaning of Section 280G) (the "**Capped Payments**"), whichever of the foregoing

amounts results in the receipt by you, on an after-tax basis (with consideration of all taxes incurred in connection with the Payments, including the Excise Tax), of the greatest amount of Payments notwithstanding that all or some portion of the Payments may be subject to the Excise Tax. For purposes of determining whether you would receive a greater after-tax benefit from the Capped Payments than from receipt of the full amount of the Payments and for purposes of Section 10(c) below (if applicable), you shall be deemed to pay federal, state and local taxes at the highest marginal rate of taxation for the applicable calendar year.

(b)All computations and determinations called for by Sections 10(a) and 10(b) shall be made and reported in writing to the Company and you by a third-party service provider selected by the Company (the "**Tax Advisor**"), and all such computations and determinations shall be conclusive and binding on the Company and you. For purposes of such calculations and determinations, the Tax Advisor may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and you shall furnish to the Tax Advisor such information and documents as the Tax Advisor may reasonably request in order to make their required calculations and determinations. The Company shall bear all fees and expenses charged by the Tax Advisor in connection with its services.

(c)In the event that Section 10(a) applies and a reduction is required to be applied to the Payments thereunder, the Payments shall be reduced by the Company in a manner and order of priority that provides you with the largest net after-tax value; provided that payments of equal after-tax present value shall be reduced in the reverse order of payment. Notwithstanding anything to the contrary herein, any such reduction shall be structured in a manner intended to comply with Section 409A.

## **11.Independent Tax Advice**

You acknowledge that determining the actual tax consequences to you of receiving this Award and Shares hereunder and deferring or disposing of shares of Common Stock may be complicated. These tax consequences will depend, in part, on your specific situation and may also depend on the resolution of currently uncertain tax law and other variables not within the control of the Company. You are aware that you should consult a competent and independent tax advisor for a full understanding of the specific tax consequences to you of receiving this Award and receiving or disposing of the Shares. Prior to executing the Award Notice, you either have consulted with a competent tax advisor independent of the Company to obtain tax advice concerning the receipt of this Award and the receipt or disposition of the Shares in light of your specific situation or you have had the opportunity to consult with such a tax advisor but chose not to do so.

## **12.Recovery of Compensation**

By executing the Award Notice, you acknowledge and agree that, in accordance with Section 13 of the Plan, the Award shall be subject to (a) the Potlatch Corporation Incentive Compensation Recovery Policy as it may be amended from time to time, and (b) any other compensation recovery policies as may be adopted from time to time by the Company to comply with applicable law and/or stock exchange requirements, or otherwise, to the extent determined by the Committee in its discretion to be applicable to you.

## **13.General Provisions**

### **(a)Compliance with Laws and Regulations**

This Award Agreement is subject to Section 15.5 of the Plan.

**(b)No Employment Rights**

Nothing in this Award Agreement shall be construed as giving you the right to be retained as an employee or as impairing the rights of the Company or a Related Company to terminate your employment or other service relationship at any time, with or without Cause.

**(c)Relationship to Other Benefits**

Stock Units shall not be taken into account in determining any benefits under any pension, savings, disability, severance, group insurance or any other pay-related plan of the Company or any Related Company.

**(d)Undertaking**

You hereby agree to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either you or the Stock Units pursuant to the express provisions of this Award Agreement.

**(e)Successors and Assigns**

The provisions of this Award Agreement will inure to the benefit of, and be binding on, the Company and its successors and assigns and you and your legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person will have become a party to this Award Agreement and agreed in writing to join herein and be bound by the terms and conditions hereof.

**(f)Electronic Delivery and Participation**

The Company may, in its sole discretion, decide to deliver any documents related to the Award or future awards that may be granted under the Plan by electronic means or request your consent to participate in the Plan by electronic means. By executing the Award Notice, you hereby consent to receive such documents by electronic delivery and, if requested, you agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

**(g)Interpretation; Choice of Law and Venue**

The Award, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of Washington without giving effect to principles of conflicts of law. By executing the Award Notice, you irrevocably consent to the nonexclusive jurisdiction and venue of the state and federal courts located in the State of Washington. If there is any discrepancy between the terms and conditions of this Award Agreement and the terms and conditions of the Plan, the terms and conditions of the Plan shall control.

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**POTLATCHDELTIC CORPORATION**  
**PERFORMANCE SHARE AWARD AGREEMENT**  
**2019 LONG-TERM INCENTIVE PLAN**

Pursuant to your Performance Share Award Notice (the “**Award Notice**”) and this Performance Share Award Agreement (this “**Award Agreement**”), PotlatchDeltic Corporation, a Delaware corporation (the “**Company**”), has granted to you a contingent Award (the “**Award**”) of Performance Shares pursuant to Section 8.1 of the 2019 Long-Term Incentive Plan (the “**Plan**”).

The details of the Award are as follows:

**1. Definitions**

In addition to the terms defined elsewhere in this Award Agreement, the following terms used in this Award Agreement shall have the meanings set forth in this Section 1. Capitalized terms not explicitly defined in this Award Agreement but defined in the Plan shall have the same definitions as in the Plan.

(a) “**Good Reason**” means the existence of any one or more of the following conditions without your express written consent: (i) the assignment to you of any duties or responsibilities that results in a material diminution of your duties or responsibilities as in effect immediately prior to such assignment; provided, however, that, for the avoidance of doubt, a change in your title or reporting relationships shall not constitute Good Reason; (ii) a material reduction in your annual base salary, as determined by taking into account the annual base salary in effect immediately prior to such reduction (and as may have been increased after the date of a Change in Control); (iii) a material reduction in your aggregate employee benefit opportunities provided under material Benefit Plans, as determined by taking into account, in the aggregate, such opportunities in effect immediately prior to such reduction (and as may have been increased after the date of a Change in Control), unless such reduction is part of an across-the-board reduction of employee benefit opportunities for substantially all similarly-situated employees of the Company as of the time of such reduction; (iv) a relocation of your business office to a location more than 50 miles from the location at which you perform duties as of the date such relocation requirement or request is communicated to you by the Company, except for required business travel to an extent substantially consistent with your business travel obligations prior to such date; or (v) a material breach by the Company of any material written agreement between you and the Company concerning the terms and conditions of your employment or other service relationship with the Company. For purposes of this definition of “Good Reason,” the term “**Company**” includes any Related Company or Successor Company, as applicable, and the term “**Benefit Plan**” means any cash or equity-based incentive plan, qualified and nonqualified employee benefit plan or any employee welfare plan of the Company.

Notwithstanding any other provision of this Award Agreement to the contrary, you shall not be deemed to have experienced a Termination of Service due to Good Reason unless (i) you notify the Company in writing of the condition that you believe constitutes Good Reason within thirty (30) days of the initial existence thereof (which notice specifically identifies such condition and the details regarding its existence), (ii) the Company fails to remedy or cause to be remedied such condition within thirty (30) days after the date on which it receives such notice (the “**Remedial Period**”), and (iii) you terminate your service relationship with the Company (and its Related Companies) within sixty (60) days after the end of the Remedial Period. Your failure to include in the notice any fact or circumstance that contributes to a showing of Good Reason shall not waive any right you have hereunder or preclude you from asserting such fact or circumstance in enforcing your rights hereunder.

(b) "**Grant Date**" means the date set forth in the Award Notice.

(c) "**Performance Matrix**" has the meaning set forth in the Award Notice.

(d) "**Performance Period**" has the meaning set forth in the Award Notice and is the period of time selected by the Committee during which performance is measured to determine the extent to which the Performance Shares become earned and vested.

(e) "**Post-Change in Control Separation from Service**" means a Termination of Service due to a termination by the Company or a Related Company, as applicable, without Cause (including, without limitation, a Termination of Service due to mandatory Retirement) or by you for Good Reason at any time during the 24-month period following the effective date of a Change in Control.

(f) "**Shares**" means the shares of Common Stock that you receive pursuant to settlement of this Award.

(g) "**Target Number of Performance Shares**" has the meaning set forth in the Award Notice.

## **2. Establishment of Performance Measures and Performance Matrix**

The Performance Matrix sets forth the Performance Measures (including, without limitation, the methodology for calculating achievement against Performance Measures) and the percentage of the Target Number of Performance Shares that you may earn at the end of the Performance Period depending on actual achievement of such Performance Measures. The Performance Measures and other details set forth in the Performance Matrix shall be established by the Committee in writing reasonably promptly after the beginning of the Performance Period.

## **3. Determination of Performance Level and Earned Performance Shares**

### **(a) General**

After the completion of the Performance Period and prior to settlement of any portion of the Award, the Committee shall determine the extent to which the Performance Measures have been achieved or exceeded, the final number of Performance Shares that have become earned and vested under the Award in accordance with the Performance Matrix, and any other material terms.

Notwithstanding any provision in this Award Agreement to the contrary, the Committee retains the right to adjust the Award on the basis of such further consideration as the Committee determines, at its sole discretion.

### **(b) Change in Control**

Notwithstanding any other provision in this Award Agreement, the Performance Period shall be deemed concluded on the effective date of a Change in Control. As of that date, the Performance Measures shall be deemed to have been satisfied and the Committee shall determine the Target Number of Performance Shares, plus the dividend equivalents calculated on the Target Number of Performance Shares (collectively, the "**Performance Share Award Amount**").

The Performance Share Award Amount shall be converted into an award of restricted stock units representing the right to receive shares of common stock of the Successor Company having a fair market value that is substantially equal to the fair market value of the Performance Share Award.

Amount, as determined immediately prior to and immediately after the effective date of the Change in Control, as the case may be (the “**Assumed Performance Share Awards**”). Assumed Performance Share Awards will be subject to the same payment schedule set forth in Section 5 and the other terms and conditions as applied to the Award immediately prior to the effective date of the Change in Control.

#### **4.Vesting**

##### **(a)General**

The number of Performance Shares that may vest under this Award and the timing of vesting of the Performance Shares shall depend upon achievement of the Performance Measures and shall be determined in accordance with the Performance Matrix. Except as otherwise set forth in this Award Agreement, the Award will terminate and be subject to forfeiture upon your Termination of Service as set forth in Section 4(b) below. If the Performance Measures are not satisfied in accordance with the Performance Matrix, the Award will be canceled immediately and no shares of Common Stock shall be issued pursuant to this Award Agreement.

##### **(b)Termination of Service - General**

Except as otherwise provided in Section 4(d) below, upon your Termination of Service for any reason (other than death, Disability or Retirement) during the Performance Period (as determined without regard to any deemed conclusion of such Performance Period under Section 3(b)), any portion of the Award that has not become earned and vested will immediately terminate and the Award shall immediately be forfeited without payment of any further consideration to you.

##### **(c)Termination of Service Due to Death, Disability or Retirement**

If your Termination of Service during the Performance Period (as determined without regard to any deemed conclusion of such Performance Period under Section 3(b)) is due to your death, Disability or Retirement, you (or, in the case of your death, your designated beneficiary or representative) will be entitled to a prorated number of the Performance Shares that the Committee determines pursuant to Section 3 above. The prorated number of Performance Shares earned shall be determined by the Committee at the end of the Performance Period based on the ratio of the number of completed calendar months you provided services to the Company or a Related Company, as applicable, during the Performance Period to the total number of months in the Performance Period.

##### **(d)Change in Control**

If you experience a Post-Change in Control Separation from Service, you shall be entitled to the Performance Share Award Amount determined in accordance with Section 3(b).

#### **5.Settlement of Awards**

##### **(a)Settlement**

Subject to the terms and conditions set forth in this Award Agreement, vested Performance Shares shall be issued within sixty (60) days following the earliest to occur of the following (i) January 1 of the calendar year immediately following the calendar year that includes the last day of the Performance Period (as determined without regard to any deemed conclusion of such Performance Period under Section 3(b)) and (ii) an Employee’s Post-Change in Control Separation from Service.

### **(b)Other Limitations**

Notwithstanding anything to the contrary in this Award Agreement, you shall not receive shares of Common Stock pursuant to this Award Agreement to the extent the settlement of the Award would result in a violation of the stock ownership limitations set forth in the Company's Restated Certificate of Incorporation or would impair the Company's status as a "real estate investment trust" within the meaning of Sections 856 through 860 of the Code.

## **6.Dividend Equivalents**

### **(a)General**

This Award shall be credited with dividend equivalents for any dividends declared and paid with respect to the Common Stock after the Grant Date and before the date the Performance Shares are settled pursuant to Section 5 above. Prior to the date the Award is settled pursuant to Section 5 above (unless the Award is forfeited), dividend equivalents shall be converted into additional contingent Performance Shares by dividing (i) the aggregate amount or value of the dividends paid with respect to that number of shares equal to the number of Performance Shares subject to this Award by (ii) the Fair Market Value per share of the Common Stock on the applicable dividend payment date. Such additional contingent Performance Shares shall be forfeited or vest and be settled in the same manner as the underlying Performance Shares to which they relate.

### **(b)Change in Control**

Following the effective date of the Change in Control, dividend equivalents shall continue to accrue on the Assumed Performance Share Awards until the date of settlement. Such dividend equivalents shall be converted into Successor Company restricted stock units as of the dividend payment date by dividing the amount of the dividend equivalents by the fair market value of one share of common stock of the Successor Company on the dividend payment date and such additional restricted stock units shall be subject to the same payment schedule and other terms and conditions as the Assumed Performance Share Awards to which they are attributable.

## **7.Securities Law Compliance**

(a)You represent and warrant that you (i) have been furnished with a copy of the Plan and all information which you deem necessary to evaluate the merits and risks of receipt of the Award, (ii) have had the opportunity to ask questions and receive answers concerning the information received about the Award and the Company, and (iii) have been given the opportunity to obtain any additional information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

(b)You confirm that you have been advised, prior to your receipt of the Shares, that neither the offering of the Shares nor any offering materials have been reviewed by any administrator under the Securities Act or any other applicable securities act (the "**Acts**") and that the Shares cannot be resold unless they are registered under the Acts or unless an exemption from such registration is available.

(c)You understand that the Company is under no obligation to register or qualify the Shares with any securities or other governmental authority and is not required to seek approval or clearance from any such authority for the issuance or sale of the Shares. You further understand that the Company has no obligation to you to maintain any registration of the Shares with the Securities Exchange Commission and has not represented to you that it will so maintain registration of the Shares. Further, you agree that the

Company shall have unilateral authority to amend the Plan and this Award Agreement without your consent to the extent necessary to comply with securities or other laws applicable to the issuance of the Shares.

(d) You hereby agree to indemnify the Company and hold it harmless from and against any loss, claim or liability, including attorneys' fees or legal expenses, incurred by the Company as a result of any breach by you of, or any inaccuracy in, any representation, warranty or statement made by you in this Award Agreement or the breach by you of any terms or conditions of this Award Agreement.

## **8. Transfer Restrictions**

Except as otherwise provided in this Award Agreement, neither the Award nor any right or privilege conferred by this Award Agreement shall be sold, assigned, pledged (as collateral for a loan or as security for the performance of an obligation or for any purpose) or transferred by you or made subject to attachment or similar proceedings, whether voluntarily or by operation of law, other than by will or by the applicable laws of descent and distribution. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of the Award, or of any right or privilege conferred by this Award Agreement, contrary to the provisions of this Section 8, or upon any attempted sale under any execution, attachment or similar process upon the rights and privileges conferred by this Award Agreement, the Award and the rights and privileges conferred by this Award Agreement shall immediately become null and void. Notwithstanding anything to the contrary in this Award Agreement, you may designate one or more beneficiaries on a Company-approved form who may receive payment under this Award after your death.

## **9. No Rights as Stockholder**

You shall not be entitled to any cash dividends, voting, or other rights of a stockholder unless and until the date of issuance of the shares of Common Stock that are the subject to the Award.

## **10. Tax Withholding and Other Obligations**

(a) You understand that under United States federal tax laws in effect on the Grant Date, you will have taxable compensation income when the Award is no longer subject to a substantial risk of forfeiture and/or at the time of issuance or payment of any Shares based on the Fair Market Value of the Shares. You are ultimately responsible for, and agree that this Section 10 applies to, all taxes owed in connection with the Award (e.g., at grant, vesting, when the Award is no longer subject to a substantial risk of forfeiture, and/or upon issuance or payment of any Shares), including any federal, state, local or foreign taxes of any kind required by law to be withheld by the Company or a Related Company in connection with the Award, including FICA or any other tax obligation (the "**Tax Withholding Obligation**"), regardless of any action the Company or any Related Company takes with respect to any such Tax Withholding Obligation. The Company makes no representation or undertaking regarding the adequacy of any tax withholding made in connection with the Award. The Company has no obligation to deliver Shares pursuant to the Award until you have satisfied the Tax Withholding Obligation.

(b) If made available by the Company, you may satisfy your obligations set forth in Section 10(a) and other specified tax obligations, by irrevocably appointing any brokerage firm designated by the Company for such purpose as your agent, in accordance with a written appointment and authorization in the form provided by the Company (an "**Appointment and Authorization**").

(c) Only if you have not adopted an Appointment and Authorization pursuant to Section 10(b), in order to satisfy your obligations set forth in Section 10(a) and other specified tax obligations, you hereby irrevocably appoint any brokerage firm designated by the Company for such purpose (the "**Agent**") as your Agent, and authorize the Agent, to:

- (i) Sell on the open market at the then prevailing market price(s), on your behalf, as soon as practicable on or after the settlement date for any Shares, the minimum number of Shares (rounded up to the next whole number) sufficient to generate proceeds to cover the amount of any Tax Withholding Obligation and all applicable fees and commissions due to, or required to be collected by, the Agent;
- (ii) Remit directly to the Company the cash amount necessary to cover the payment of such Tax Withholding Obligation, as of such date;
- (iii) Retain the amount required to cover all applicable brokerage fees, commissions and other costs of sale due to, or required to be collected by, the Agent, relating directly to the sale of Shares referred to in clause (i) above; and
- (iv) Remit any remaining funds to you.

As of the date of execution of the Award Notice, you represent and warrant that you are not aware of any material nonpublic information with respect to the Company or any securities of the Company; are not subject to any legal, regulatory or contractual restriction that would prevent the Agent from conducting sales as provided herein; do not have, and will not attempt to exercise, authority, influence or control over any sales of Shares effected pursuant to this Section 10(c); and are entering into this Section 10(c) of this Award Agreement in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 (regarding trading of the Company's securities on the basis of material nonpublic information) under the Exchange Act. It is the intent of the parties that this Section 10(c) comply with the requirements of Rule 10b5-1(c)(1)(i)(B) under the Exchange Act and this Award Agreement will be interpreted to comply with the requirements of Rule 10b5-1(c) of the Exchange Act. For clarity, the appointment and authorization set forth in this Section 10(c) shall not be effective if you have adopted an Appointment and Authorization pursuant to Section 10(b).

You understand that the Agent may effect sales as provided in clause (i) above jointly with sales for other employees of the Company and that the average price for executions resulting from bunched orders will be assigned to your account. You acknowledge that neither the Company nor the Agent is under any obligation to arrange for such sales at any particular price, and that the proceeds of any such sales may not be sufficient to satisfy your Tax Withholding Obligation. In addition, you acknowledge that it may not be possible to sell Shares as provided by this Section 10(c) due to (i) a legal or contractual restriction applicable to you or the Agent, (ii) a market disruption, or (iii) rules governing order execution priority on the Nasdaq Stock Market or other exchange where the Shares may be traded. In the event of the Agent's inability to sell any Shares or that number of Shares sufficient to cover your Tax Withholding Obligation, you will continue to be responsible for payment to the Company of all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld.

You acknowledge that regardless of any other term or condition of this Award Agreement, neither the Agent nor the Company will be liable to you for (i) special, indirect, punitive, exemplary, or consequential damages, or incidental losses or damages of any kind, or (ii) any failure to perform or for any delay in performance that results from a cause or circumstance that is beyond the Agent's reasonable control.

You hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent or the Company reasonably deems necessary or appropriate to carry out the purposes and intent of this Section 10(c). The Agent is a third party beneficiary of this Section 10(c).

Notwithstanding the foregoing terms of this Section 10(c), if you are subject to "blackout periods" under the Company's Securities Law Compliance and Insider Trading Policy and you execute the Award Notice during a "blackout period," your agreement to the terms of this Section 10(c) will not be deemed effective and you will be required to and responsible for ensuring that you agree to the terms of this Section 10(c) at a time that is outside of a "blackout period."

(d) Notwithstanding the foregoing, to the maximum extent permitted by law and to the extent the Tax Withholding Obligation has not been satisfied pursuant to Section 10(b) or 10(c), the Company has the right to retain without notice from Shares issuable under the Award or from salary or other amounts payable to you, a number of whole Shares or cash having a value sufficient to satisfy the Tax Withholding Obligation, and you hereby authorize the Company to do so (which Shares may be withheld up to the applicable minimum required tax withholding rate or such other applicable rate to avoid adverse treatment for financial accounting purposes).

(e) Furthermore, you acknowledge that the Company (i) makes no representations or undertakings regarding the treatment of any Tax Withholding Obligations or tax treatment in connection with any aspect of the Award, including but not limited to, the grant, vesting, the receipt of Shares, the subsequent sale of Shares acquired pursuant to the Award and the receipt of any dividends, and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax Withholding Obligations or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction, you acknowledge that the Company may be required to withhold or account for Tax Withholding Obligations in more than one jurisdiction.

## **11. Limitations on Payments under Certain Circumstances**

(a) Notwithstanding any other provision under this Award Agreement, in the event that you become entitled to receive or receive any payments or benefits under an Award or under any other plan, agreement, program or arrangement with the Company or any Related Company (collectively, the "**Payments**"), that may separately or in the aggregate constitute "parachute payments" within the meaning of Section 280G of the Code and the Treasury regulations promulgated thereunder ("**Section 280G**") and it is determined that, but for this Section 11(a), any of the Payments will be subject to any excise tax pursuant to Section 4999 of the Code or any similar or successor provision (the "**Excise Tax**"), the Company shall pay to you either (i) the full amount of the Payments or (ii) an amount equal to the Payments reduced by the minimum amount necessary to prevent any portion of the Payments from being an "excess parachute payment" (within the meaning of Section 280G) (the "**Capped Payments**"), whichever of the foregoing amounts results in the receipt by you, on an after-tax basis (with consideration of all taxes incurred in connection with the Payments, including the Excise Tax), of the greatest amount of Payments notwithstanding that all or some portion of the Payments may be subject to the Excise Tax. For purposes of determining whether you would receive a greater after-tax benefit from the Capped Payments than from receipt of the full amount of the Payments and for purposes of Section 11(c) below (if applicable), you shall be deemed to pay federal, state and local taxes at the highest marginal rate of taxation for the applicable calendar year.

(b) All computations and determinations called for by Sections 11(a) and 11(b) shall be made and reported in writing to the Company and you by a third-party service provider selected by the Company (the "**Tax Advisor**"), and all such computations and determinations shall be conclusive and binding on the Company and you. For purposes of such calculations and determinations, the Tax Advisor may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and you shall furnish to the Tax Advisor such information and documents as the Tax Advisor

may reasonably request in order to make their required calculations and determinations. The Company shall bear all fees and expenses charged by the Tax Advisor in connection with its services.

(c) In the event that Section 11(a) applies and a reduction is required to be applied to the Payments thereunder, the Payments shall be reduced by the Company in a manner and order of priority that provides you with the largest net after-tax value; provided that payments of equal after-tax present value shall be reduced in the reverse order of payment. Notwithstanding anything to the contrary herein, any such reduction shall be structured in a manner intended to comply with Section 409A.

## **12. Independent Tax Advice**

You acknowledge that determining the actual tax consequences to you of receiving this Award and Shares hereunder and deferring or disposing of shares of Common Stock may be complicated. These tax consequences will depend, in part, on your specific situation and may also depend on the resolution of currently uncertain tax law and other variables not within the control of the Company. You are aware that you should consult a competent and independent tax advisor for a full understanding of the specific tax consequences to you of receiving this Award and receiving or disposing of the Shares. Prior to executing the Award Notice, you either have consulted with a competent tax advisor independent of the Company to obtain tax advice concerning the receipt of this Award and the receipt or disposition of the Shares in light of your specific situation or you have had the opportunity to consult with such a tax advisor but chose not to do so.

## **13. Recovery of Compensation**

By executing the Award Notice, you acknowledge and agree that, in accordance with Section 13 of the Plan, the Award shall be subject to (a) the Potlatch Corporation Incentive Compensation Recovery Policy as it may be amended from time to time, and (b) any other compensation recovery policies as may be adopted from time to time by the Company to comply with applicable law and/or stock exchange requirements, or otherwise, to the extent determined by the Committee in its discretion to be applicable to you.

## **14. General Provisions**

### **(a) Compliance with Laws and Regulations**

This Award Agreement is subject to Section 15.5 of the Plan.

### **(b) No Employment Rights**

Nothing in this Award Agreement shall be construed as giving you the right to be retained as an employee or as impairing the rights of the Company or a Related Company to terminate your employment or other service relationship at any time, with or without Cause.

### **(c) Relationship to Other Benefits**

Stock Units shall not be taken into account in determining any benefits under any pension, savings, disability, severance, group insurance or any other pay-related plan of the Company or any Related Company.

### **(d) Undertaking**

You hereby agree to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either you or the Stock Units pursuant to the express provisions of this Award Agreement.

**(e)Successors and Assigns**

The provisions of this Award Agreement will inure to the benefit of, and be binding on, the Company and its successors and assigns and you and your legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person will have become a party to this Award Agreement and agreed in writing to join herein and be bound by the terms and conditions hereof.

**(f)Electronic Delivery and Participation**

The Company may, in its sole discretion, decide to deliver any documents related to the Award or future awards that may be granted under the Plan by electronic means or request your consent to participate in the Plan by electronic means. By executing the Award Notice, you hereby consent to receive such documents by electronic delivery and, if requested, you agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

**(g)Interpretation; Choice of Law and Venue**

The Award, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of Washington without giving effect to principles of conflicts of law. By executing the Award Notice, you irrevocably consent to the nonexclusive jurisdiction and venue of the state and federal courts located in the State of Washington. If there is any discrepancy between the terms and conditions of this Award Agreement and the terms and conditions of the Plan, the terms and conditions of the Plan shall control.

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**CERTIFICATIONS**

I, Eric J. Cremers, certify that:

- 1.I have reviewed this report on Form 10-Q of PotlatchDeltic Corporation;
- 2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2024

*/s/ ERIC J. CREMERS*  
**Eric J. Cremers**  
President and Chief Executive Officer

**CERTIFICATIONS**

I, Wayne Wasechek, certify that:

- 1.I have reviewed this report on Form 10-Q of PotlatchDeltic Corporation;
- 2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2024

/s/ Wayne Wasechek  
**Wayne Wasechek**  
Vice President and Chief Financial Officer

**STATEMENT OF CHIEF EXECUTIVE OFFICER UNDER 18 U.S.C. § 1350**

I, Eric. J. Cremers, President and Chief Executive Officer of PotlatchDeltic Corporation (the Company), certify pursuant to section 1350 of Chapter 63 of Title 18 of the United States Code that, to my knowledge:

- 1.the Quarterly Report of the Company on Form 10-Q for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- 2.the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

*/s/ ERIC J. CREMERS*

**Eric J. Cremers**

President and Chief Executive Officer

November 4, 2024

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**STATEMENT OF CHIEF FINANCIAL OFFICER UNDER 18 U.S.C. § 1350**

I, Wayne Wasechek, Vice President and Chief Financial Officer of PotlatchDeltic Corporation (the Company), certify pursuant to section 1350 of Chapter 63 of Title 18 of the United States Code that, to my knowledge:

- 1.the Quarterly Report of the Company on Form 10-Q for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- 2.the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

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/s/ Wayne Wasechek  
**Wayne Wasechek**

Vice President and Chief Financial Officer

November 4, 2024

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