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DELTA REPORT

10-Q

WY PR A - WEYERHAEUSER CO

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	625
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 CHANGES	154
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 DELETIONS	171
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 ADDITIONS	300
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, JUNE 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: 1-4825

WEYERHAEUSER COMPANY

(Exact name of registrant as specified in its charter)

Washington

(State or other jurisdiction of
incorporation or organization)

91-0470860

(I.R.S. Employer
Identification Number)

220 Occidental Avenue South
Seattle, Washington

(Address of principal executive offices)

98104-7800

(Zip Code)

(206) 539-3000

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$1.25 per share	WY	New York Stock Exchange

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 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, a 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

As of April 22, 2024 July 22, 2024, 729,017 727,315 thousand shares of the registrant's common stock (\$1.25 par value) were outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

WEYERHAEUSER COMPANY CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER-SHARE FIGURES	QUARTER ENDED		QUARTER ENDED		YEAR-TO-DATE ENDED	
	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
Net sales (Note 3)	\$ 1,796	\$ 1,881	\$ 1,939	\$ 1,997	\$ 3,735	\$ 3,878
Costs of sales	1,441	1,512	1,535	1,528	2,976	3,040
Gross margin	355	369	404	469	759	838
Selling expenses	22	22	22	22	44	44
General and administrative expenses	120	101	116	108	236	209
Other operating costs, net (Note 13)	17	10				
Other operating (income) costs, net (Note 13)	(4)	20	13	30		
Operating income	196	236	270	319	466	555
Non-operating pension and other post-employment benefit costs (Note 6)	(11)	(9)	(10)	(12)	(21)	(21)
Interest income and other	16	12	13	18	29	30
Interest expense, net of capitalized interest	(67)	(66)	(67)	(70)	(134)	(136)
Earnings before income taxes	134	173	206	255	340	428
Income taxes (Note 14)	(20)	(22)	(33)	(25)	(53)	(47)
Net earnings	\$ 114	\$ 151	\$ 173	\$ 230	\$ 287	\$ 381
Earnings per share, basic and diluted (Note 4)	\$ 0.16	\$ 0.21	\$ 0.24	\$ 0.31	\$ 0.39	\$ 0.52
Weighted average shares outstanding (in thousands) (Note 4):						
Basic	730,043	733,163	729,026	732,021	729,534	732,599
Diluted	730,558	733,546	729,341	732,362	729,950	732,961

See accompanying [Notes to Consolidated Financial Statements](#).

WEYERHAEUSER COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)

<u>DOLLAR AMOUNTS IN MILLIONS</u>	QUARTER ENDED		QUARTER ENDED		YEAR-TO-DATE ENDED	
	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
Net earnings	\$ 114	\$ 151	\$ 173	\$ 230	\$ 287	\$ 381
Other comprehensive (loss) income:						
Other comprehensive income:						
Foreign currency translation adjustments	(9)	—	(5)	7	(14)	7
Changes in unamortized actuarial loss, net of tax expense of \$4 and \$2	8	7				
Total other comprehensive (loss) income	(1)	7				
Changes in unamortized actuarial loss, net of tax expense of \$2, \$2, \$6 and \$4	7	7	15	14		
Changes in unamortized net prior service credit, net of tax benefit of \$0, \$1, \$0 and \$1	—	1	—	1		
Total other comprehensive income	2	15	1	22		
Total comprehensive income	\$ 113	\$ 158	\$ 175	\$ 245	\$ 288	\$ 403

See accompanying [Notes to Consolidated Financial Statements](#).

WEYERHAEUSER COMPANY
CONSOLIDATED BALANCE SHEET
(UNAUDITED)

DOLLAR AMOUNTS IN MILLIONS, EXCEPT PAR VALUE

ASSETS

Current assets:

Cash and cash equivalents

Receivables, net

Receivables for taxes

MARCH	DECEMBER	JUNE	DECEMBER
31,	31,	30,	31,
2024	2023	2024	2023
\$ 871	\$ 1,164	\$ 997	\$ 1,164
405	354	410	354
13	10	10	10

Inventories (Note 5)	630	566	614	566
Prepaid expenses and other current assets	192	219	152	219
Total current assets	2,111	2,313	2,183	2,313
Property and equipment, less accumulated depreciation of \$3,935 and \$3,901	2,283	2,269		
Property and equipment, less accumulated depreciation of \$3,970 and \$3,901	2,240	2,269		
Construction in progress	243	270	303	270
Timber and timberlands at cost, less depletion	11,481	11,528	11,475	11,528
Minerals and mineral rights, less depletion	198	200	194	200
Deferred tax assets	14	15	13	15
Other assets	426	388	392	388
Total assets	\$ 16,756	\$ 16,983	\$ 16,800	\$ 16,983
LIABILITIES AND EQUITY				
Current liabilities:				
Current maturities of long-term debt	\$ 210	\$ —		
Current maturities of long-term debt (Note 8)	\$ 210	\$ —		
Accounts payable	310	287	281	287
Accrued liabilities (Note 7)	424	501	504	501
Total current liabilities	944	788	995	788
Long-term debt, net	4,861	5,069		
Long-term debt, net (Note 8)	4,862	5,069		
Deferred tax liabilities	84	81	87	81
Deferred pension and other post-employment benefits (Note 6)	460	461	460	461
Other liabilities	353	348	351	348
Total liabilities	6,702	6,747	6,755	6,747
Commitments and contingencies (Note 10)				
Equity:				
Common shares: \$1.25 par value; authorized 1,360 million shares; issued and outstanding: 729,141 thousand shares at March 31, 2024 and 729,753 thousand shares at December 31, 2023	912	912		
Common shares: \$1.25 par value; authorized 1,360 million shares; issued and outstanding: 727,519 thousand shares at June 30, 2024 and 729,753 thousand shares at December 31, 2023	910	912		
Other capital	7,566	7,608	7,530	7,608
Retained earnings	1,870	2,009	1,897	2,009
Accumulated other comprehensive loss (Note 11)	(294)	(293)	(292)	(293)
Total equity	10,054	10,236	10,045	10,236
Total liabilities and equity	\$ 16,756	\$ 16,983	\$ 16,800	\$ 16,983

See accompanying [Notes to Consolidated Financial Statements](#).

WEYERHAEUSER COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

<u>DOLLAR AMOUNTS IN MILLIONS</u>	QUARTER ENDED		YEAR-TO-DATE ENDED	
	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023
Cash flows from operations:				
Net earnings	\$ 114	\$ 151	\$ 287	\$ 381
Noncash charges (credits) to earnings:				
Noncash charges to earnings:				
Depreciation, depletion and amortization	125	126	251	252
Basis of real estate sold	31	33	70	46
Pension and other post-employment benefits (Note 6)	16	15	31	32
Share-based compensation expense (Note 12)	10	8	22	17
Other	1	3	4	2
Change in:				
Receivables, net	(53)	(83)	(57)	(105)
Receivables and payables for taxes	(3)	14	13	27
Inventories	(68)	(36)	(53)	14
Prepaid expenses and other current assets	17	(9)	33	8
Accounts payable and accrued liabilities	(51)	(87)	(14)	(30)
Pension and post-employment benefit contributions and payments	(4)	(6)	(9)	(11)
Other	(11)	(3)	(22)	(11)
Net cash from operations	124	126	556	622
Cash flows from investing activities:				
Capital expenditures for property and equipment	(57)	(50)	(139)	(119)
Capital expenditures for timberlands reforestation	(22)	(21)	(31)	(33)
Acquisitions of timberlands (Note 15)	(53)	(2)		
Purchase of short-term investments	—	(664)		
Other	2	2	3	—
Net cash from investing activities	(77)	(69)	(220)	(818)
Cash flows from financing activities:				
Cash dividends on common shares	(248)	(799)	(394)	(938)
Net proceeds from issuance of long-term debt (Note 8)	—	743		
Repurchases of common shares (Note 4)	(50)	(34)	(99)	(85)
Other	(10)	(8)	(10)	(10)
Net cash from financing activities	(308)	(841)	(503)	(290)
Net change in cash, cash equivalents and restricted cash	(261)	(784)	(167)	(486)
Cash, cash equivalents and restricted cash at beginning of period	1,164	1,581	1,164	1,581
Cash, cash equivalents and restricted cash at end of period	\$ 903	\$ 797	\$ 997	\$ 1,095
Cash paid during the period for:				
Interest, net of amount capitalized of \$2 and \$1	\$ 57	\$ 57		
Interest, net of amount capitalized of \$5 and \$3	\$ 126	\$ 127		

Income taxes, net of refunds

\$	23	\$	6	\$	38	\$	18
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See accompanying [Notes to Consolidated Financial Statements](#).

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WEYERHAEUSER COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)

	QUARTER ENDED		QUARTER ENDED		YEAR-TO-DATE ENDED	
	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
<u>DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER-SHARE FIGURES</u>						
Common shares:						
Balance at beginning of period	\$ 912	\$ 916	\$ 912	\$ 916	\$ 912	\$ 916
Issued for exercise of stock options and vested units	2	1	—	1	2	2
Repurchases of common shares (Note 4)	(2)	(1)	(2)	(3)	(4)	(4)
Balance at end of period	912	916	910	914	910	914
Other capital:						
Balance at beginning of period	7,608	7,691	7,566	7,662	7,608	7,691
Issued for exercise of stock options	2	2	1	—	3	2
Repurchases of common shares (Note 4)	(47)	(34)	(48)	(47)	(95)	(81)
Share-based compensation	10	8	12	9	22	17
Other transactions, net	(7)	(5)	(1)	—	(8)	(5)
Balance at end of period	7,566	7,662	7,530	7,624	7,530	7,624
Retained earnings:						
Balance at beginning of period	2,009	2,389	1,870	1,738	2,009	2,389
Net earnings	114	151	173	230	287	381
Dividends on common shares	(253)	(802)	(146)	(140)	(399)	(942)
Balance at end of period	1,870	1,738	1,897	1,828	1,897	1,828
Accumulated other comprehensive loss:						
Balance at beginning of period	(293)	(247)	(294)	(240)	(293)	(247)
Other comprehensive (loss) income	(1)	7				
Other comprehensive income	2	15	1	22		
Balance at end of period (Note 11)	(294)	(240)	(292)	(225)	(292)	(225)
Total equity:						
Balance at end of period	\$ 10,054	\$ 10,076	\$ 10,045	\$ 10,141	\$ 10,045	\$ 10,141
Dividends paid per common share	\$ 0.34	\$ 1.09	\$ 0.20	\$ 0.19	\$ 0.54	\$ 1.28

See accompanying [Notes to Consolidated Financial Statements](#).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTERS AND YEAR-TO-DATE PERIODS ENDED MARCH 31, JUNE 30, 2024 AND 2023

NOTE 1: BASIS OF PRESENTATION

Our consolidated financial statements provide an overall view of our results of operations, financial condition and cash flows. They include our accounts and the accounts of entities we control, including majority-owned domestic and foreign subsidiaries. They do not include our intercompany transactions and accounts, which are eliminated. Throughout these Notes to Consolidated Financial Statements, unless specified otherwise, references to "Weyerhaeuser," "the company," "we" and "our" refer to the consolidated company.

The accompanying unaudited Consolidated Financial Statements 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 Consolidated Financial Statements, such adjustments are of a normal, recurring nature. The Consolidated Financial Statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission pertaining to interim financial statements. Certain information and footnote disclosures normally included in our annual Consolidated Financial Statements have been condensed or omitted. These quarterly Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2023. Results of operations for interim periods should not necessarily be regarded as indicative of the results that may be expected for the full year.

NOTE 2: BUSINESS SEGMENTS

We are principally engaged in growing and harvesting timber; maximizing the value of our acreage through the sale of higher and better use (HBU) properties; monetizing the value of surface and subsurface assets through leases and royalties; and manufacturing, distributing and selling products made from trees. Our business segments are organized based primarily on products and services which include:

- Timberlands – Logs, timber, recreational leases and other products;
- Real Estate, Energy and Natural Resources (Real Estate & ENR) – Real Estate (sales of timberlands) and ENR (rights to explore for and extract hard minerals, construction materials, natural gas production and wind and solar) and
- Wood Products – Structural lumber, oriented strand board, engineered wood products and building materials distribution.

A reconciliation of our business segment information to the respective information in the [Consolidated Statement of Operations](#) is as follows:

	QUARTER ENDED		QUARTER ENDED		YEAR-TO-DATE ENDED	
	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
DOLLAR AMOUNTS IN MILLIONS						
Sales to unaffiliated customers:						
Timberlands	\$ 387	\$ 462	\$ 409	\$ 417	\$ 796	\$ 879
Real Estate & ENR	107	101	109	80	216	181
Wood Products	1,302	1,318	1,421	1,500	2,723	2,818
	1,796	1,881	1,939	1,997	3,735	3,878
Intersegment sales:						
Timberlands	134	142	146	150	280	292
Total sales	1,930	2,023	2,085	2,147	4,015	4,170
Intersegment eliminations	(134)	(142)	(146)	(150)	(280)	(292)
Total	\$ 1,796	\$ 1,881	\$ 1,939	\$ 1,997	\$ 3,735	\$ 3,878
Net contribution (charge) to earnings:						
Timberlands	\$ 80	\$ 120	\$ 81	\$ 104	\$ 161	\$ 224
Real Estate & ENR	60	53	59	52	119	105
Wood Products	128	95	196	218	324	313

	268	268	336	374	604	642
Unallocated items ⁽¹⁾	(67)	(29)	(63)	(49)	(130)	(78)
Net contribution to earnings	201	239	273	325	474	564
Interest expense, net of capitalized interest	(67)	(66)	(67)	(70)	(134)	(136)
Earnings before income taxes	134	173	206	255	340	428
Income taxes	(20)	(22)	(33)	(25)	(53)	(47)
Net earnings	\$ 114	\$ 151	\$ 173	\$ 230	\$ 287	\$ 381

(1) Unallocated items are gains or charges not related to, or allocated to, an individual operating segment. They include all or a portion of items such as share-based compensation, pension and post-employment costs, elimination of intersegment profit in inventory and LIFO, foreign exchange transaction gains and losses, interest income and other.

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NOTE 3: REVENUE RECOGNITION

A reconciliation of revenue recognized by our major products:

	QUARTER ENDED		QUARTER ENDED		YEAR-TO-DATE ENDED	
	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
DOLLAR AMOUNTS IN MILLIONS						
Net sales to unaffiliated customers:						
Timberlands segment						
Delivered logs:						
West						
Domestic sales	\$ 94	\$ 93	\$ 97	\$ 101	\$ 191	\$ 194
Export grade sales	82	136	108	105	190	241
Subtotal West	176	229	205	206	381	435
South	151	168	153	162	304	330
North	13	17	9	7	22	24
Subtotal delivered logs sales	340	414	367	375	707	789
Stumpage and pay-as-cut timber	11	16	13	15	24	31
Recreational and other lease revenue	19	18	19	17	38	35
Other ⁽¹⁾	17	14	10	10	27	24
Net sales attributable to Timberlands segment	387	462	409	417	796	879
Real Estate & ENR segment						
Real estate	83	72	78	47	161	119
Energy and natural resources	24	29	31	33	55	62
Net sales attributable to Real Estate & ENR segment	107	101	109	80	216	181
Wood Products segment						
Structural lumber	464	515	499	573	963	1,088
Oriented strand board	255	208	288	215	543	423
Engineered solid section	177	169	191	215	368	384

Engineered I-joists	99	87	107	126	206	213
Softwood plywood	41	41	42	44	83	85
Medium density fiberboard	39	38	42	42	81	80
Complementary building products	141	163	176	204	317	367
Other ⁽²⁾	86	97	76	81	162	178
Net sales attributable to Wood Products segment	1,302	1,318	1,421	1,500	2,723	2,818
Total net sales	\$ 1,796	\$ 1,881	\$ 1,939	\$ 1,997	\$ 3,735	\$ 3,878

(1) Other Timberlands sales include sales of seeds and seedlings from our nursery operations as well as wood chips.

(2) Other Wood Products sales include wood chips, other byproducts and third-party residual log sales from our Canadian Forestlands operations.

NOTE 4: NET EARNINGS PER SHARE AND SHARE REPURCHASES

Our basic and diluted earnings per share were:

- \$0.16 0.24 during first second quarter 2024 and \$0.39 during year-to-date 2024;
- \$0.21 0.31 during first second quarter 2023 and \$0.52 during year-to-date 2023.

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Basic earnings per share is net earnings divided by the weighted average number of our outstanding common shares, including stock equivalent units where there is no circumstance under which those shares would not be issued. Diluted earnings per share is net earnings divided by the sum of the weighted average number of our outstanding common shares and the effect of our outstanding dilutive potential common shares.

SHARES IN THOUSANDS	QUARTER ENDED		QUARTER ENDED		YEAR-TO-DATE ENDED	
	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
Weighted average common shares outstanding – basic	730,043	733,163	729,026	732,021	729,534	732,599
Dilutive potential common shares:						
Stock options	144	137	106	111	125	124
Restricted stock units	122	27	158	20	140	23
Performance share units	249	219	51	210	151	215
Total effect of outstanding dilutive potential common shares	515	383	315	341	416	362
Weighted average common shares outstanding – dilutive	730,558	733,546	729,341	732,362	729,950	732,961

We use the treasury stock method to calculate the dilutive effect of our outstanding stock options, restricted stock units and performance share units.

Potential Shares Not Included in the Computation of Diluted Earnings per Share

The following shares were not included in the computation of diluted earnings per share because they were either antidilutive or the required performance or market conditions were not met. Some or all of these shares may be dilutive potential common shares in future periods.

SHARES IN THOUSANDS	QUARTER ENDED		QUARTER ENDED		YEAR-TO-DATE ENDED	
	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
Stock options	609	610	607	787	607	787
Performance share units	814	860	946	682	946	682

Share Repurchase Program

On September 22, 2021, we announced that our board of directors approved a new share repurchase program (the 2021 Repurchase Program) under which we are authorized to repurchase up to \$1 billion of outstanding shares. Concurrently, the board terminated the remaining repurchase authorization under the share repurchase program approved by the board in February 2019 (the 2019 Repurchase Program).

We repurchased 1,472,369 1,669,145 common shares for approximately \$49 50 million (including transaction fees) under the 2021 Repurchase Program during first second quarter 2024 and 3,141,514 common shares for approximately \$99 million (including transaction fees) under the 2021 Share Repurchase Program during year-to-date 2024. As of March 31, 2024 June 30, 2024, we had remaining authorization of \$202 152 million for future share repurchases. During first quarter year-to-date 2023, we repurchased 1,115,560 2,805,434 common shares for approximately \$35 85 million (including transaction fees) under the 2021 Repurchase Program.

All common stock repurchases under the 2021 Repurchase Program were made in open-market transactions. We record share repurchases upon trade date as opposed to the settlement date when cash is disbursed. We record a liability for repurchases that have not yet been settled as of period end. There were no 15,765 unsettled shares (approximately \$1 million) as of March 31, 2024 June 30, 2024 and 13,866 unsettled shares (approximately \$1 million) as of December 31, 2023.

NOTE 5: INVENTORIES

Inventories include raw materials, work-in-process and finished goods, as well as materials and supplies.

DOLLAR AMOUNTS IN MILLIONS

LIFO inventories:

Logs
Lumber, plywood, oriented strand board and fiberboard
Other products

Moving average cost or FIFO inventories:

Logs
Lumber, plywood, oriented strand board, fiberboard and engineered wood products
Other products
Materials and supplies

Total

MARCH 31, 2024	DECEMBER 31, 2023	JUNE 30, 2024	DECEMBER 31, 2023
\$ 25	\$ 29	\$ 16	\$ 29
89	77	90	77
12	12	13	12
72	49	49	49
134	115	143	115
144	134	144	134
154	150	159	150
\$ 630	\$ 566	\$ 614	\$ 566

LIFO – the last-in, first-out method – applies to major inventory products held at our U.S. locations. The moving average cost method or FIFO – the first-in, first-out method – applies to the balance of our U.S. raw material and product inventories, all material and supply inventories and all foreign inventories.

NOTE 6: PENSION AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The components of net periodic benefit cost are:

PENSION	PENSION	
QUARTER ENDED	QUARTER ENDED	YEAR-TO-DATE ENDED

<u>DOLLAR AMOUNTS IN MILLIONS</u>	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
Service cost	\$ 5	\$ 6	\$ 5	\$ 5	\$ 10	\$ 11
Interest cost	29	30	29	29	58	59
Expected return on plan assets	(31)	(30)	(30)	(30)	(61)	(60)
Amortization of actuarial loss	11	8	9	11	20	19
Amortization of prior service cost	1	1	1	1		
Total net periodic benefit cost – pension	\$ 14	\$ 14	\$ 14	\$ 16	\$ 28	\$ 30

<u>DOLLAR AMOUNTS IN MILLIONS</u>	OTHER POST-EMPLOYMENT BENEFITS		OTHER POST-EMPLOYMENT BENEFITS			
	QUARTER ENDED		QUARTER ENDED		YEAR-TO-DATE ENDED	
	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
Interest cost	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2
Amortization of actuarial loss	1	—	—	1	1	1
Amortization of prior service credit	—	(1)	—	(1)		
Total net periodic benefit cost – other post-employment benefits	\$ 2	\$ 1	\$ 1	\$ 1	\$ 3	\$ 2

For the periods presented, service cost is included in "Costs of sales," "Selling expenses," and "General and administrative expenses" with the remaining components included in "Non-operating pension and other post-employment benefit costs" in the [Consolidated Statement of Operations](#).

Fair Value of Pension Plan Assets and Obligations

In our year-end reporting process, we estimate the fair value of pension plan assets based upon the information available at that time. For certain assets, primarily private equity funds, the information available consists of net asset values as of an interim date, cash flows between the interim date and the end of the year and market events. We evaluate the year-end estimated fair value of pension plan assets in second quarter of each year to incorporate final net asset values reflected in financial statements received after we have filed our Annual Report on Form 10-K. **No adjustments to the fair value of assets or projected benefit obligations were necessary during second quarter 2024.**

NOTE 7: ACCRUED LIABILITIES

Accrued liabilities were comprised of the following:

<u>DOLLAR AMOUNTS IN MILLIONS</u>	MARCH 31, 2024	DECEMBER 31, 2023	JUNE 30, 2024	DECEMBER 31, 2023
Compensation and employee benefit costs	\$ 155	\$ 173	\$ 158	\$ 173
Current portion of lease liabilities	21	19	21	19
Customer rebates, volume discounts and deferred income	83	124	140	124
Interest	66	63	62	63
Taxes payable	35	31	53	31
Other	64	91	70	91
Total	\$ 424	\$ 501	\$ 504	\$ 501

NOTE 8: LONG-TERM DEBT AND LINE OF CREDIT

In May 2023, we completed an offering of debt securities by issuing \$750 million of 4.750 percent notes due in May 2026. The net proceeds after deducting the discount, underwriting fees and issuance costs were \$743 million.

In March 2023, we entered into a new refinanced and extended our \$1.5 billion five-year senior unsecured revolving credit facility, which expires in March 2028 and replaced the existing facility which was set to expire in January 2025. Borrowings will bear interest at a floating rate based on either the adjusted term Secured Overnight Financing Rate (SOFR) plus a spread or a mutually agreed upon base rate plus a spread. We had no outstanding borrowings on our credit facility as of March 31, 2024, June 30, 2024 and December 31, 2023.

NOTE 9: FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value and carrying value of our long-term debt consisted of the following:

	MARCH 31, 2024		DECEMBER 31, 2023		JUNE 30, 2024		DECEMBER 31, 2023	
	CARRYING	FAIR VALUE	CARRYING	FAIR VALUE	CARRYING	FAIR VALUE	CARRYING	FAIR VALUE
	VALUE	(LEVEL 2)	VALUE	(LEVEL 2)	VALUE	(LEVEL 2)	VALUE	(LEVEL 2)
<u>DOLLAR AMOUNTS IN MILLIONS</u>								
Long-term debt (including current maturities) and line of credit:								
Fixed rate	\$ 4,822	\$ 4,775	\$ 4,820	\$ 4,853	\$ 4,823	\$ 4,718	\$ 4,820	\$ 4,853
Variable rate	249	250	249	250	249	250	249	250
Total debt	\$ 5,071	\$ 5,025	\$ 5,069	\$ 5,103	\$ 5,072	\$ 4,968	\$ 5,069	\$ 5,103

To estimate the fair value of fixed rate long-term debt, we used the market approach, which is based on quoted market prices we received for the same types and issues of our debt. We believe that our variable-rate long term debt and line of credit instruments have net carrying values that approximate their fair value with only insignificant differences. The inputs to the valuations of our long-term debt are based on market data obtained from independent sources or information derived principally from observable market data. The difference between the fair value and the carrying value represents the theoretical net premium or discount we would pay or receive to retire all debt at the measurement date.

Fair Value of Other Financial Instruments

We believe that our other financial instruments, including cash and cash equivalents, short-term investments, 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 and the allowance for doubtful accounts.

NOTE 10: LEGAL PROCEEDINGS, COMMITMENTS AND CONTINGENCIES**Legal Proceedings**

We are party to various legal proceedings arising in the ordinary course of business. We are not currently a party to any legal proceeding that management believes could have a material adverse effect on our [Consolidated Statement of Operations](#), [Consolidated Balance Sheet](#) or [Consolidated Statement of Cash Flows](#).

Environmental Matters**Site Remediation**

Under the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) – commonly known as the “Superfund” – and similar state laws, we:

- are a party to various proceedings related to the cleanup of hazardous waste sites and
- have been notified that we may be a potentially responsible party related to the cleanup of other hazardous waste sites for which proceedings have not yet been initiated.

As of **March 31, 2024** **June 30, 2024**, our total accrual for future estimated remediation costs on active Superfund sites and other sites for which we are potentially responsible was approximately **\$76 79** million. These amounts are recorded in "Accrued liabilities" and "Other liabilities" on our [Consolidated Balance Sheet](#).

NOTE 11: ACCUMULATED OTHER COMPREHENSIVE LOSS

Changes in amounts included in our accumulated other comprehensive loss by component are:

<u>DOLLAR AMOUNTS IN MILLIONS</u>	QUARTER ENDED		QUARTER ENDED		YEAR-TO-DATE ENDED	
	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
Pension⁽¹⁾						
Balance at beginning of period	\$ (515)	\$ (458)	\$ (506)	\$ (451)	\$ (515)	\$ (458)
Other comprehensive income before reclassifications	1	1				
Other comprehensive (loss) income before reclassifications	—	(2)	1	(1)		
Amounts reclassified from accumulated other comprehensive loss to earnings ⁽²⁾	8	6	8	9	16	15
Total other comprehensive income	9	7	8	7	17	14
Balance at end of period	\$ (506)	\$ (451)	\$ (498)	\$ (444)	\$ (498)	\$ (444)
Other post-employment benefits⁽¹⁾						
Balance at beginning of period	\$ 24	\$ 20	\$ 23	\$ 20	\$ 24	\$ 20
Other comprehensive loss before reclassifications	(2)	—				
Other comprehensive (loss) income before reclassifications	(1)	1	(3)	1		
Amounts reclassified from accumulated other comprehensive loss to earnings ⁽²⁾	1	—	—	—	1	—
Total other comprehensive loss	(1)	—				
Total other comprehensive (loss) income	(1)	1	(2)	1		
Balance at end of period	\$ 23	\$ 20	\$ 22	\$ 21	\$ 22	\$ 21
Translation adjustments and other						
Balance at beginning of period	\$ 198	\$ 191	\$ 189	\$ 191	\$ 198	\$ 191
Translation adjustments	(9)	—	(5)	7	(14)	7
Total other comprehensive loss	(9)	—				
Total other comprehensive (loss) income	(5)	7	(14)	7		
Balance at end of period	189	191	184	198	184	198
Accumulated other comprehensive loss, end of period	\$ (294)	\$ (240)	\$ (292)	\$ (225)	\$ (292)	\$ (225)

(1) Amounts presented are net of tax.

(2) Amounts of actuarial loss and prior service cost (cost) credit are components of net periodic benefit cost. See [Note 6: Pension and Other Post-Employment Benefit Plans](#).

NOTE 12: SHARE-BASED COMPENSATION

Share-based compensation activity during first quarter year-to-date 2024 included the following:

<u>SHARES IN THOUSANDS</u>	GRANTED	VESTED	GRANTED	VESTED
Restricted stock units (RSUs)	847	649	915	684
Performance share units (PSUs)	412	317	412	317

A total of 714,746 thousand shares of common stock were issued as a result of RSU and PSU vestings.

Restricted Stock Units

The weighted average fair value of the RSUs granted in 2024, calculated as an average of the high and low prices on grant date, was \$33.12 32.92. The vesting provisions for RSUs granted in 2024 were consistent with prior year grants.

Performance Share Units

The weighted average grant date fair value of PSUs granted in 2024 was \$37.90. The final number of shares granted in 2024 will vest between a range of 0 percent to 150 percent of each grant's target, depending upon actual company total shareholder return (TSR) compared against the TSR of an industry peer group. TSR assumes full reinvestment of dividends. PSUs granted in 2024 will vest at a maximum of 100 percent of target value in the event of negative absolute company TSR.

Weighted Average Assumptions Used in Estimating the Value of Performance Share Units Granted in 2024

PERFORMANCE SHARE UNITS	
Performance period	2/09/2024 – 12/31/2026
Valuation date closing stock price	\$33.28
Risk-free rate	4.19% – 4.27%
Expected volatility	21.50% – 27.60%

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NOTE 13: OTHER OPERATING (INCOME) COSTS, NET

Other operating (income) costs, net were comprised of the following:

DOLLAR AMOUNTS IN MILLIONS	QUARTER ENDED		QUARTER ENDED		YEAR-TO-DATE ENDED	
	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
Environmental remediation charges	\$ 2	\$ 1	\$ 4	\$ 12	\$ 6	\$ 13
Foreign exchange losses (gains), net	1	(3)	1	(2)		
Litigation expense, net	6	1	12	1	18	2
Product remediation recovery	(25)	—	(25)	—		
Research and development expenses	1	2	3	1	4	3
Other, net	8	6	1	9	9	14
Total other operating costs, net	\$ 17	\$ 10				
Total other operating (income) costs, net	\$ (4)	\$ 20	\$ 13	\$ 30		

NOTE 14: INCOME TAXES

As a real estate investment trust (REIT), we generally are not subject to federal corporate income taxes on REIT taxable income that is distributed to shareholders. We are required to pay corporate income taxes on earnings of our wholly-owned Taxable REIT Subsidiaries (TRSs), which include our Wood Products segment and a portion of our Timberlands and Real Estate & ENR segments.

The quarterly provision for income taxes is based on our current estimate of the annual effective tax rate and is adjusted for discrete taxable events that have occurred during the year. Our 2024 estimated annual effective tax rate, excluding discrete items, differs from the U.S. federal statutory tax rate of 21 percent primarily due to state and foreign income taxes and tax benefits associated with our nontaxable REIT earnings.

NOTE 15: RESTRICTED CASH TIMBERLAND ACQUISITIONS

On July 25, 2024, we announced acquisitions totaling 84 thousand acres of Alabama timberlands for approximately \$244 million. The following table provides a reconciliation first transaction was completed on May 30, 2024 and was comprised of cash, cash equivalents13 thousand acres for approximately \$48 million. We recorded \$47 million of timberland assets in "Timber and restricted cash reported timberlands at cost, less depletion" and \$1 million of related assets in "Property and equipment, net" on our Consolidated Balance Sheet that sum . The remaining transactions are subject to the total of the amounts shown customary closing conditions and are expected to close in the Consolidated Statement of Cash Flows: second half 2024.

DOLLAR AMOUNTS IN MILLIONS	MARCH 31,	MARCH 31,
	2024	2023
Cash and cash equivalents	\$ 871	\$ 797
Restricted cash included in other assets(1)	32	—
Total cash, cash equivalents and restricted cash	\$ 903	\$ 797

(1) Amounts included in restricted cash as of March 31, 2024 are comprised of proceeds held by a qualified intermediary that are intended to be reinvested in timber and timberlands through a like-kind exchange transaction.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)

NOTE ABOUT FORWARD-LOOKING STATEMENTS

This report contains statements concerning our future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These include, without limitation, statements relating to: our expected future financial and operating performance; our plans, strategies, intentions and expectations; our capital structure and the sufficiency of our liquidity position to meet future cash requirements; our cash dividend framework, including our target percentage return to shareholders of Adjusted Funds Available for Distribution, including expected supplemental cash dividends and future share repurchases; compliance with covenants in our debt agreements; our expectations concerning our contingent liabilities and the sufficiency of related reserves and accruals including, but not limited to, cost estimates of future litigation and environmental remediation; our provision for income taxes; expected capital expenditures; expected returns on pension plan assets; market and general economic conditions, including related influencing factors such as the trajectory of U.S. housing activity, repair and remodel activity, inflation trends and interest rates; expected adjustments to our lumber production in third quarter 2024; our expectations about our future opportunities in emerging carbon credit and carbon capture and storage markets; and assumptions used in valuing incentive compensation and related expense, expense and pending timberland acquisition transactions.

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 "anticipate," "believe," "committed," "continue," "estimate," "expect," "foreseeable," "maintain," "may," "plan," "potential," and "will," or similar words or terminology. They may use the positive, negative or another variation of those and similar words. These forward-looking statements are based on our current expectations and assumptions and are not guarantees of future events or 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. There is no guarantee that any of the events anticipated by our forward-looking statements will occur. If any of the events occur, there is no guarantee what effect it will have on our operations, cash flows, or financial condition. We undertake no obligation to update our forward-looking statements after the date of this report. The factors listed below, as well as other factors not described herein because they are not currently known to us or we currently judge them to be immaterial, may cause our actual results to differ significantly from our forward-looking statements:

- the effect of general economic conditions, including employment rates, interest rates, inflation rates, housing starts, general availability and cost of financing for home mortgages and the relative strength of the U.S. dollar;
- market demand for the company's products, including market demand for our timberland properties with higher and better uses, which is related to, among other factors, the strength of the various business segments and U.S. and international economic conditions;
- changes in currency exchange rates, particularly the relative value of the U.S. dollar to the Japanese yen, the Chinese yuan and the Canadian dollar, and the relative value of the euro to the yen;
- restrictions on international trade and tariffs imposed on imports or exports;
- the availability and cost of shipping and transportation;
- economic activity in Asia, especially Japan and China;
- performance of our manufacturing operations, including maintenance and capital requirements;

- potential disruptions in our manufacturing operations;
- the level of competition from domestic and foreign producers;
- the successful execution of our internal plans and strategic initiatives, including restructuring and cost reduction initiatives;
- our ability to hire and retain capable employees;
- the successful and timely execution and integration of our strategic acquisitions, including our ability to realize expected benefits and synergies, and the successful and timely execution of our strategic divestitures, each of which is subject to a number of risks and conditions beyond our control including, but not limited to, timing and required regulatory approvals or the occurrence of any event, change or other circumstances that could give rise to a termination of any acquisition or divestiture transaction under the terms of the governing transaction agreements;
- raw material availability and prices;
- the effect of weather;
- changes in global or regional climate conditions and governmental response to such changes;
- the risk of loss from fires, floods, windstorms, hurricanes, pest infestation and other natural disasters;
- the effects of significant geopolitical conditions or developments such as significant international trade disputes or domestic or foreign terrorist attacks, armed conflict and political unrest;
- the occurrence of regional or global health epidemics and their potential effects on our business, results of operations, cash flows, financial condition and future prospects;
- energy prices;
- transportation and labor availability and costs;
- federal tax policies;
- the effect of forestry, land use, environmental and other governmental regulations;
- legal proceedings;
- performance of pension fund investments and related derivatives;
- the effect of timing of employee retirements as it relates to the cost of pension benefits and changes in the market price of our common stock on charges for share-based compensation;
- the accuracy of our estimates of costs and expenses related to contingent liabilities and the accuracy of our estimates of charges related to casualty losses;

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- changes in accounting principles and
- other risks and uncertainties described in this report under [Management's Discussion and Analysis of Financial Condition and Results of Operations \(MD&A\)](#) and in our 2023 Annual Report on Form 10-K, as well as those set forth from time to time in our other public statements, reports, registration statements, prospectuses, information statements and other filings with the SEC.

It is not possible to predict or identify all risks and uncertainties that might affect the accuracy of our forward-looking statements and, consequently, our descriptions of such risks and uncertainties should not be considered exhaustive. There is no guarantee that any of the events anticipated by these forward-looking statements will occur, and if any of the events do occur, there is no guarantee what effect they will have on the company's business, results of operations, cash flows, financial condition and future prospects.

Forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise.

RESULTS OF OPERATIONS

In reviewing our results of operations, it is important to understand these terms:

- Sales realizations for Timberlands and Wood Products refer to net selling prices. This includes selling price plus freight, minus normal sales deductions. Real Estate transactions are presented at the contract sales price before commissions and closing costs, net of any credits.
- Net contribution (charge) to earnings does not include interest expense or income taxes.

ECONOMIC AND MARKET CONDITIONS AFFECTING OUR OPERATIONS

Our market conditions and the strength of the broader U.S. economy are, and will continue to be, influenced by the trajectory of activity in the U.S. housing and repair and remodel segments, inflation trends and interest rates. The demand for sawlogs within our Timberlands segment is directly affected by domestic production of wood-based building products. The strength of the U.S. housing market, particularly new residential construction, strongly affects demand in our Wood Products segment, as does repair and remodeling activity. Seasonal weather patterns impact the level of construction activity in the U.S., which in turn affects demand for our logs and wood products. Our Timberlands segment, specifically the Western region, is also affected by export demand and trade policy. Japanese housing starts are a key driver of export log demand in Japan. The demand for pulpwood from our Timberlands segment is directly affected by the production of pulp, paper and oriented strand board (OSB), as well as the demand for biofuels, such as wood-burning pellets made from pulpwood. Our Timberlands segment is also influenced by the availability of harvestable timber. In general, Western log markets are highly tensioned by available supply, while Southern log markets have more available supply. However, additional mill capacity being added in the U.S.

South has led to tightening of markets in certain geographies. Our Real Estate, Energy and Natural Resources segment is affected by a variety of factors, including the general state of the economy, local real estate market conditions, the level of construction activity in the U.S. and evolution of emerging renewable energy and carbon-related markets.

Over the past year, particularly in the first half of 2023, the year, home sales and building activity slowed due moderated in part due to higher continued elevated mortgage interest rates, reduced affordability and general macroeconomic conditions. Specifically, multi-family construction has been hampered by a large supply of recently completed projects as well as higher interest rates and other factors constraining the underwriting of proposed projects. In contrast, new single-family home construction has remained resilient, as existing homeowners continued to be constrained by the second half lock-in effect of 2023 and into first quarter 2024, new home sales and single-family construction activity strengthened, supported by near record-low levels of existing inventory and resilient levels of demand, lower mortgage rates. On a seasonally adjusted annual basis, as reported by the U.S. Census Bureau, housing starts for first second quarter 2024 averaged 1.4 million 1.35 million units, a 4.7 4.2 percent decrease from fourth first quarter 2023, 2024. Single-family starts averaged 1.1 million 1.0 million units in first second quarter 2024, a 1.4 5.2 percent increase decrease from fourth first quarter 2023, 2024. Multi-family starts averaged 346 342 thousand units in first second quarter 2024, which was a 19.5 1.0 percent decrease from fourth first quarter 2023, 2024. Single-family construction is the primary driver for our business as compared to multi-family due to the amount of wood products used. Sales of newly built, single-family homes averaged a seasonally adjusted annual rate of 667 656 thousand units for second quarter 2024, a decrease of 1.1 percent from first quarter 2024, an increase of 3.5 percent from fourth quarter 2023, with slower activity primarily due to high mortgage rates. Over the medium to long-term, we expect a favorable U.S. housing construction market supported by strong demographics in the key home buying age cohorts, a decade of under building and historically low housing inventory.

Repair and remodeling expenditures decreased increased by 2.8 1.1 percent from fourth first quarter 2023 2024 to first second quarter 2024 according to the Census Bureau Advance Retail Spending report. Near-term, activity has been supported by existing homeowners staying in place and investing in their current homes While there continues to be steady demand due to growing home equity and the lock-in effect of having lower rate mortgages mortgage rates compared to current rates, rates, many homeowners have become more cautious in discretionary spending on large projects. Additionally, some repair and remodeling activity was accelerated during the pandemic which has had an impact on the level of spending. This softness has been reflected in both the do-it-yourself (DIY) and professionally built segments. Over the longer term, we expect this sector to resume pre-pandemic growth trends with healthy household balance sheets, elevated home equity and an aging U.S. housing stock, with a median age of 43 years.

In U.S. wood product markets, demand for lumber and OSB was influenced by cautious buyer sentiment at during the outset second quarter of first quarter 2024. As the quarter progressed, demand was steady mixed as continued strength in response to strong single-family housing starts, starts was offset by weaker multi-family construction and repair and remodel activity. The Random Lengths Framing Lumber Composite price averaged \$403/ \$384/MBF and the OSB Composite averaged \$460/ \$487/MSF in first second quarter 2024. Over the course of the first second quarter, composite prices for lumber increased decreased from \$395/ \$422/MBF to \$422/ \$366/MBF and composite prices for OSB increased decreased from \$430/ \$603/MSF to \$603/ \$352/MSF. Constrained capacity for OSB led Lumber markets have been particularly challenged due to an imbalance of supply and demand, which has resulted in a sustained, weak pricing environment. In light of these conditions, Weyerhaeuser expects to reduce its lumber production by 5 to 10 percent in third quarter 2024. This reduction is inclusive of the sharp price increases, while company's decision to indefinitely curtail its lumber supply moderately outpaced demand, mill in New Bern, North Carolina. The company will continue to assess its operating rates in light of current market conditions on a go-forward basis.

In Western log markets, Douglas fir sawlog prices decreased 2.9 4.9 percent in first second quarter 2024 compared with fourth first quarter 2023, 2024, as reported by Fastmarkets RISI Log Lines based on Weyerhaeuser's sales mix. Overall, domestic log demand and prices faced downward pressure through the quarter, as mills continued to adjust to a soft lumber market and worked through elevated log inventories. In the South, delivered sawlog prices were stable decreased 1.0 percent in first second quarter 2024 compared to fourth first quarter 2023 2024 and declined 0.6 1.7 percent from first second quarter 2023 as reported by TimberMart-South. While there continued to be demand for logs across the region and markets generally had ample log supply, a number of mills faced elevated inventories and were adjusting operations due to lower lumber prices.

Currency exchange rates, available supply from other countries and trade policy affect our export businesses. During first second quarter 2024, end use demand in export markets moderated. In Japan, total housing starts decreased 7.8 4.0 percent year to date through February May compared to the same period in 2023, while the key Post and Beam segment saw a 5.9 4.4 percent decrease. Lumber imports to Japan from Europe were reduced due to supply chain costs, which provided some support for log sales. China's weaker end use demand for logs and lumber was offset by lower competitive supply, leading led to an increase a decrease in pricing for logs from the West.

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Interest rates affect our business primarily through their impact on mortgage rates and housing affordability, their general impact on the economy and their influence on our capital management activities. Actions by the U.S. Federal Reserve, the overall condition of the economy and fluctuations in financial markets are all factors that influence long-term interest rates. 30-year mortgage rates, which are correlated with long-term interest rates, increased from 6.6 percent at the end of fourth quarter 2023 to 6.8 percent at the end of first quarter 2024 to 6.9 percent at the end of second quarter 2024, according to economic data from Freddie Mac. Many builders have been able to offset higher mortgage rates through discounts, mortgage rate buydowns and modifying product offerings such as

home sizes and finishes. Higher rates have also locked-in many existing homeowners from selling, reducing inventories of existing homes for sale which has led to increased demand for available new homes.

Increased inflation affects the cost of our operations across each of our business segments, including costs for raw materials, transportation, energy and labor. The Consumer Price Index increased at an annual rate of 3.5 3.0 percent as of March June 2024, which is markedly down from its peak of over 9.0 percent in June 2022. While we can offset some of the impacts of inflation through our sales activities, operational excellence initiatives and procurement practices, not all of the costs associated with inflation can be fully mitigated or passed on to the consumer.

The condition of the labor market affects all of our businesses as it relates to our ability to attract and retain employees and contractors. The unemployment rate of 3.8 4.1 percent in March June 2024 remained near has increased moderately above historically low levels and increased 0.1 0.3 percent from the end of fourth first quarter 2023, 2024.

Governments and businesses across the globe are taking action on climate change and are making significant commitments towards decarbonizing operations and 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 credits to reduce environmental impacts. We believe we are uniquely positioned to help entities achieve these commitments through natural climate solutions, including forest carbon sequestration, carbon capture and storage and renewable energy activities.

CONSOLIDATED RESULTS

How We Did First Second Quarter 2024 and Year-to-Date 2024

	AMOUNT OF			AMOUNT OF			YEAR-TO-DATE		AMOUNT OF	
	QUARTER ENDED		2024 VS. 2023	QUARTER ENDED		2024 VS. 2023	ENDED		2024 VS. 2023	
	MARCH 2024	MARCH 2023		JUNE 2024	JUNE 2023		JUNE 2024	JUNE 2023	2023	
<u>DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER-SHARE FIGURES</u>										
Net sales	\$ 1,796	\$ 1,881	\$ (85)	\$ 1,939	\$ 1,997	\$ (58)	\$ 3,735	\$ 3,878	\$ (143)	
Costs of sales	\$ 1,441	\$ 1,512	\$ (71)	\$ 1,535	\$ 1,528	\$ 7	\$ 2,976	\$ 3,040	\$ (64)	
Operating income	\$ 196	\$ 236	\$ (40)	\$ 270	\$ 319	\$ (49)	\$ 466	\$ 555	\$ (89)	
Net earnings	\$ 114	\$ 151	\$ (37)	\$ 173	\$ 230	\$ (57)	\$ 287	\$ 381	\$ (94)	
Earnings per share, basic and diluted	\$ 0.16	\$ 0.21	\$ (0.05)	\$ 0.24	\$ 0.31	\$ (0.07)	\$ 0.39	\$ 0.52	\$ (0.13)	

Comparing First Second Quarter 2024 with First Second Quarter 2023

Net sales

Net sales decreased \$85 million \$58 million – 5.3 percent – primarily due to a \$75 million \$79 million decrease in Timberlands Wood Products net sales to unaffiliated customers attributable to decreased log sales realizations and sales volumes across most product lines, partially offset by a \$29 million increase in Real Estate, Energy and Natural Resources net sales attributable to an increase in acres sold.

Costs of sales

Costs of sales increased \$7 million – less than 1 percent – primarily due to an increase in acres sold in our Real Estate, Energy and Natural Resources segment, partially offset by decreased sales volumes across most product lines in our Wood Products segment.

Operating income

Operating income decreased \$49 million – 15 percent – primarily due to a \$65 million decrease in consolidated gross margin (see discussion of components above), partially offset by a \$25 million product remediation recovery recorded in second quarter 2024 (refer to [Note 13: Other Operating \(Income\) Costs, Net](#)).

Net earnings

Net earnings decreased \$57 million – 25 percent – primarily due to the \$49 million decrease in operating income, as discussed above, as well as an \$8 million increase in income tax expense (refer to [Income Taxes](#)).

Comparing Year-to-Date 2024 with Year-to-Date 2023

Net sales

Net sales decreased \$143 million – 4 percent – primarily due to a \$95 million decrease in Wood Products net sales to unaffiliated customers attributable to decreased sales realizations across most product lines, as well as an \$83 million decrease in Timberlands net sales to unaffiliated customers attributable to decreased sales volumes and sales realizations.

Costs of sales

Costs of sales decreased \$71 million \$64 million – 5 2 percent – primarily due to decreased sales volumes for oriented strand board and structural lumber in our Wood Products segment, as well as decreased third-party log purchases and sales volumes in our Timberlands segment.

Operating income

Operating income decreased \$40 million \$89 million – 17 16 percent – primarily due to a \$14 million \$79 million decrease in consolidated gross margin (see discussion of components above), as well as increased elimination of intersegment profit in inventory and LIFO and unallocated corporate function and variable compensation expense.

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Net earnings

Net earnings decreased \$37 million \$94 million – 25 percent – primarily due to the \$40 million \$89 million decrease in operating income, as discussed above, partially offset by a \$2 million decrease in income tax expense (refer to [Income Taxes](#)), above.

TIMBERLANDS

How We Did First Second Quarter 2024 and Year-to-Date 2024

	QUARTER ENDED			AMOUNT OF	QUARTER ENDED			AMOUNT OF	YEAR-TO-DATE ENDED			AMOUNT OF
				CHANGE				CHANGE				CHANGE
	MARCH 2024	MARCH 2023	2024 VS. 2023		JUNE 2024	JUNE 2023	2024 VS. 2023		JUNE 2024	JUNE 2023	2024 VS. 2023	
<u>DOLLAR AMOUNTS IN MILLIONS</u>												
Net sales to unaffiliated customers:												
Delivered logs:												
West	\$ 176	\$ 229	\$ (53)		\$ 205	\$ 206	\$ (1)		\$ 381	\$ 435	\$ (54)	
South	151	168	(17)		153	162	(9)		304	330	(26)	
North	13	17	(4)		9	7	2		22	24	(2)	

Subtotal delivered logs sales	340	414	(74)	367	375	(8)	707	789	(82)
Stumpage and pay-as-cut timber	11	16	(5)	13	15	(2)	24	31	(7)
Recreational and other lease revenue	19	18	1	19	17	2	38	35	3
Other ⁽¹⁾	17	14	3	10	10	—	27	24	3
Subtotal net sales to unaffiliated customers	387	462	(75)	409	417	(8)	796	879	(83)
Intersegment sales	134	142	(8)	146	150	(4)	280	292	(12)
Total sales	\$ 521	\$ 604	\$ (83)	\$ 555	\$ 567	\$ (12)	\$ 1,076	\$ 1,171	\$ (95)
Costs of sales	\$ 415	\$ 461	\$ (46)	\$ 450	\$ 439	\$ 11	\$ 865	\$ 900	\$ (35)
Operating income and Net contribution to earnings	\$ 80	\$ 120	\$ (40)						
Operating income	\$ 80	\$ 104	\$ (24)	\$ 160	\$ 224	\$ (64)			
Interest income and other	1	—	1	1	—	1			
Net contribution to earnings	\$ 81	\$ 104	\$ (23)	\$ 161	\$ 224	\$ (63)			

(1) Other Timberlands sales include sales of seeds and seedlings from our nursery operations as well as wood chips.

Comparing First Second Quarter 2024 with First Second Quarter 2023

Net sales to unaffiliated customers

Net sales to unaffiliated customers decreased \$75 million \$8 million – 16 2 percent – primarily due to a \$53 million \$9 million decrease in Southern log sales attributable to a 4 percent decrease in sales volumes and a 2 percent decrease in sales realizations.

Intersegment sales

Intersegment sales decreased \$4 million – 3 percent – primarily due to a 5 percent decrease in sales realizations, partially offset by a 2 percent increase in sales volumes.

Costs of sales

Costs of sales increased \$11 million – 3 percent – primarily due to increased Western logging, hauling and freight costs.

Net contribution to earnings

Net contribution to earnings decreased \$23 million – 22 percent – primarily due to the change in the components of gross margin, as discussed above.

Comparing Year-to-Date 2024 with Year-to-Date 2023

Net sales to unaffiliated customers

Net sales to unaffiliated customers decreased \$83 million – 9 percent – primarily due to a \$54 million decrease in Western log sales attributable to a 13 6 percent decrease in sales volumes and a 12 percent decrease in sales realizations, as well as a \$17 million \$26 million decrease in Southern log sales attributable to a 7 6 percent decrease in sales volumes and a 3 percent decrease in sales realizations.

Intersegment sales

Intersegment sales decreased \$8 million \$12 million – 6 4 percent – primarily due to a 3 4 percent decrease in sales realizations, as well as a 3 percent decrease in sales volumes, realizations.

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Costs of sales

Costs of sales decreased \$46 million \$35 million – 10 4 percent – primarily due to decreased Western third-party log purchases and freight costs, as well as decreased Southern sales volumes, across all regions, partially offset by increased Western logging and hauling costs.

Operating income and Net contribution to earnings

Operating income and net Net contribution to earnings decreased \$40 million \$63 million – 33 28 percent – primarily due to the change in the components of gross margin, as discussed above.

Third-Party Log Sales Volumes and Fee Harvest Volumes

VOLUMES IN THOUSANDS	AMOUNT OF			AMOUNT OF			AMOUNT OF		
	QUARTER ENDED		CHANGE	QUARTER ENDED		CHANGE	YEAR-TO-DATE ENDED		CHANGE
	MARCH 2024	MARCH 2023	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023
Third-party log sales – tons:									
West ⁽¹⁾	1,452	1,674	(222)	1,668	1,661	7	3,120	3,335	(215)
South	4,089	4,386	(297)	4,154	4,341	(187)	8,243	8,727	(484)
North	175	204	(29)	118	98	20	293	302	(9)
Total	5,716	6,264	(548)	5,940	6,100	(160)	11,656	12,364	(708)
Fee harvest volumes – tons:									
West ⁽¹⁾	2,214	2,245	(31)	2,355	2,292	63	4,569	4,537	32
South	5,990	6,432	(442)	6,293	6,430	(137)	12,283	12,862	(579)
North	239	285	(46)	190	175	15	429	460	(31)
Total	8,443	8,962	(519)	8,838	8,897	(59)	17,281	17,859	(578)

(1) Western logs are primarily transacted in thousand board feet (MBF) but are converted to ton equivalents for external reporting purposes.

REAL ESTATE, ENERGY AND NATURAL RESOURCES

How We Did First Second Quarter 2024 and Year-to-Date 2024

DOLLAR AMOUNTS IN MILLIONS	AMOUNT OF			AMOUNT OF			AMOUNT OF		
	QUARTER ENDED		CHANGE	QUARTER ENDED		CHANGE	YEAR-TO-DATE ENDED		CHANGE
	MARCH	MARCH	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023
	2024	2023							
Net sales:									
Real estate	\$ 83	\$ 72	\$ 11	\$ 78	\$ 47	\$ 31	\$ 161	\$ 119	\$ 42
Energy and natural resources	24	29	(5)	31	33	(2)	55	62	(7)
Total	\$ 107	\$ 101	\$ 6	\$ 109	\$ 80	\$ 29	\$ 216	\$ 181	\$ 35
Costs of sales	\$ 41	\$ 41	—	\$ 46	\$ 21	\$ 25	\$ 87	\$ 62	\$ 25
Operating income and Net contribution to earnings	\$ 60	\$ 53	\$ 7	\$ 59	\$ 52	\$ 7	\$ 119	\$ 105	\$ 14

The volume of real estate sales is a function of many factors, including the general state of the economy, demand in local real estate markets, the ability of buyers to obtain financing, the number of competing properties listed for sale, the seasonal nature of sales, the plans of adjacent landowners, our expectation of future price appreciation, the timing of harvesting activities and the availability of government and not-for-profit funding. In any period, the average price per acre will vary based on the location and physical characteristics of parcels sold.

Comparing First Second Quarter 2024 with First Second Quarter 2023

Net sales

Net sales increased \$6 million \$29 million – 6 36 percent – primarily due to increases an increase in average price per acre acres sold, and mitigation credit sales, partially offset by a decrease in royalty income from our Energy and Natural Resources business, average price per acre sold.

Costs of sales

Costs of sales remained consistent with increased \$25 million – 119 percent – primarily due to an increase in mitigation credit sales offset by a decrease in acres sold.

Operating income and Net contribution to earnings

Operating income and net contribution to earnings increased \$7 million – 13 percent – primarily due to the change in the components of gross margin, as discussed above.

Comparing Year-to-Date 2024 with Year-to-Date 2023

Net sales

Net sales increased \$35 million – 19 percent – primarily due to an increase in acres sold, partially offset by a decrease in average price per acre sold and a decrease in royalty income from our Energy and Natural Resources business.

Costs of sales

Costs of sales increased \$25 million – 40 percent – primarily due to an increase in acres sold.

Operating income and Net contribution to earnings

Operating income and net contribution to earnings increased \$14 million – 13 percent – primarily due to the change in the components of gross margin, as discussed above.

REAL ESTATE SALES STATISTICS

	AMOUNT OF			AMOUNT OF			AMOUNT OF		
	QUARTER ENDED		CHANGE	QUARTER ENDED		CHANGE	YEAR-TO-DATE ENDED		CHANGE
	MARCH 2024	MARCH 2023	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023
Acres sold	19,774	20,753	(979)	37,665	9,281	28,384	57,439	30,034	27,405
Average price per acre	\$ 3,629	\$ 3,241	\$ 388	\$ 2,062	\$ 4,790	\$ (2,728)	\$ 2,601	\$ 3,720	\$ (1,119)

WOOD PRODUCTS

How We Did First Second Quarter 2024 and Year-to-Date 2024

	AMOUNT OF			AMOUNT OF			AMOUNT OF		
	QUARTER ENDED		CHANGE	QUARTER ENDED		CHANGE	YEAR-TO-DATE ENDED		CHANGE
	MARCH 2024	MARCH 2023	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023
DOLLAR AMOUNTS IN MILLIONS									
Net sales:									
Structural lumber	\$ 464	\$ 515	\$ (51)	\$ 499	\$ 573	\$ (74)	\$ 963	\$ 1,088	\$ (125)
Oriented strand board	255	208	47	288	215	73	543	423	120
Engineered solid section	177	169	8	191	215	(24)	368	384	(16)
Engineered I-joists	99	87	12	107	126	(19)	206	213	(7)
Softwood plywood	41	41	—	42	44	(2)	83	85	(2)
Medium density fiberboard	39	38	1	42	42	—	81	80	1
Complementary building products	141	163	(22)	176	204	(28)	317	367	(50)
Other products produced ⁽¹⁾	86	97	(11)	76	81	(5)	162	178	(16)
Total	\$ 1,302	\$ 1,318	\$ (16)	\$ 1,421	\$ 1,500	\$ (79)	\$ 2,723	\$ 2,818	\$ (95)
Costs of sales	\$ 1,107	\$ 1,159	\$ (52)	\$ 1,185	\$ 1,218	\$ (33)	\$ 2,292	\$ 2,377	\$ (85)
Operating income and Net contribution to earnings	\$ 128	\$ 95	\$ 33	\$ 196	\$ 218	\$ (22)	\$ 324	\$ 313	\$ 11

(1) Other products produced sales include wood chips, other byproducts and third-party residual log sales from our Canadian Forestlands operations.

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Comparing First Second Quarter 2024 with First Second Quarter 2023

Net sales

Net sales decreased \$16 million \$79 million – 15 percent – primarily due to:

- a \$51 million \$74 million decrease in structural lumber sales attributable to a 6 percent decrease in sales volumes, as well as a 5 13 percent decrease in sales realizations;
- a \$22 million \$28 million decrease in complementary building products sales primarily attributable to decreased sales volumes realizations and realizations sales volumes across most products products;
- a \$24 million decrease in engineered solid section sales attributable to a 9 percent decrease in sales realizations and
- an \$11 million a \$19 million decrease in engineered I-joist sales attributable to a 9 percent decrease in sales realizations, as well as a 7 percent decrease in sales volumes.

These decreases were partially offset by a \$73 million increase in oriented strand board sales attributable to a 36 percent increase in sales realizations.

Costs of sales

Costs of sales decreased \$33 million – 3 percent – primarily due to decreased sales volumes across most product lines.

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Operating income and Net contribution to earnings

Operating income and net contribution to earnings decreased \$22 million – 10 percent – primarily due to the change in the components of gross margin, as discussed above, partially offset by a \$25 million product remediation recovery recorded in second quarter 2024 (refer to [Note 13: Other Operating \(Income\) Costs, Net](#)).

Comparing Year-to-Date 2024 with Year-to-Date 2023

Net sales

Net sales decreased \$95 million – 3 percent – primarily due to:

- a \$125 million decrease in structural lumber sales attributable to a 9 percent decrease in sales realizations, as well as a 3 percent decrease in sales volumes;
- a \$50 million decrease in complementary building products sales attributable to decreased sales realizations and sales volumes across most products;
- a \$16 million decrease in engineered solid section sales attributable to a 10 percent decrease in sales realizations, partially offset by a 7 percent increase in sales volumes and
- a \$16 million decrease in other products produced primarily attributable to decreased sales realizations for wood chips.

These decreases were partially offset by:

- by a \$47 million \$120 million increase in oriented strand board sales attributable to a 33 35 percent increase in sales realizations, partially offset by an 8 a 5 percent decrease in sales volumes;
- volumes a \$12 million increase in engineered I-joists sales attributable to a 37 percent increase in sales volumes, partially offset by a 16 percent decrease in sales realizations and
- an \$8 million increase in engineered solid section sales attributable to a 15 percent increase in sales volumes, partially offset by a 12 percent decrease in sales realizations.

Costs of sales

Costs of sales decreased \$52 million \$85 million – 4 percent – primarily due to decreased sales volumes for oriented strand board and structural lumber, as discussed above, as well as decreased raw material costs across most product lines.

Operating income and Net contribution to earnings

Operating income and net contribution to earnings increased \$33 million \$11 million – 35 4 percent – primarily due to a \$25 million product remediation recovery recorded in second quarter 2024 (refer to [Note 13: Other Operating \(Income\) Costs, Net](#)), partially offset by the change in the components of gross margin, as discussed above.

Third-Party Sales Volumes

	AMOUNT OF			AMOUNT OF			AMOUNT OF		
	QUARTER ENDED		CHANGE	QUARTER ENDED		CHANGE	YEAR-TO-DATE ENDED		CHANGE
VOLUMES IN MILLIONS ⁽¹⁾	MARCH 2024	MARCH 2023	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023
Structural lumber – board feet	1,080	1,144	(64)	1,190	1,196	(6)	2,270	2,340	(70)
Oriented strand board – square feet (3/8")	710	773	(63)	708	720	(12)	1,418	1,493	(75)
Engineered solid section – cubic feet	5.4	4.7	0.7	6.0	6.0	—	11.4	10.7	0.7
Engineered I-joists – lineal feet	37	27	10	41	44	(3)	78	71	7
Softwood plywood – square feet (3/8")	81	83	(2)	90	94	(4)	171	177	(6)
Medium density fiberboard – square feet (3/4")	33	29	4	36	31	5	69	60	9

(1) Sales volumes include sales of internally produced products and products purchased for resale primarily through our distribution business.

PRODUCTION AND OUTSIDE PURCHASE VOLUMES

Outside purchase volumes are primarily purchased for resale through our distribution business. Production volumes are produced for sale through our own sales organizations and through our distribution business. Production of oriented strand board and engineered solid section are also used to manufacture engineered I-joists.

	AMOUNT OF			AMOUNT OF			AMOUNT OF		
	QUARTER ENDED		CHANGE	QUARTER ENDED		CHANGE	YEAR-TO-DATE ENDED		CHANGE
<u>VOLUMES IN MILLIONS</u>	MARCH 2024	MARCH 2023	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023
Structural lumber – board feet:									
Production	1,085	1,143	(58)	1,163	1,164	(1)	2,248	2,307	(59)
Outside purchase	33	39	(6)	39	36	3	72	75	(3)
Total	1,118	1,182	(64)	1,202	1,200	2	2,320	2,382	(62)
Oriented strand board – square feet (3/8"):									
Production	735	761	(26)	744	727	17	1,479	1,488	(9)
Outside purchase	20	17	3	18	19	(1)	38	36	2
Total	755	778	(23)	762	746	16	1,517	1,524	(7)
Engineered solid section – cubic feet:									
Production	5.7	4.6	1.1	6.1	5.9	0.2	11.8	10.5	1.3
Outside purchase	2.8	2.0	0.8	3.5	4.0	(0.5)	6.3	6.0	0.3
Total	8.5	6.6	1.9	9.6	9.9	(0.3)	18.1	16.5	1.6
Engineered I-joists – lineal feet:									
Production	43	25	18	41	38	3	84	63	21
Outside purchase	1	—	1	1	—	1	2	1	1
Total	44	25	19	42	38	4	86	64	22
Softwood plywood – square feet (3/8"):									
Production	72	74	(2)	82	84	(2)	154	158	(4)
Outside purchase	9	12	(3)	8	11	(3)	17	23	(6)
Total	81	86	(5)	90	95	(5)	171	181	(10)
Medium density fiberboard – square feet (3/4"):									
Production	34	34	—	34	33	1	68	67	1
Total	34	34	—	34	33	1	68	67	1

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UNALLOCATED ITEMS

Unallocated items are gains or charges not related to, or allocated to, an individual operating segment. They include all or a portion of items such as share-based compensation, pension and post-employment costs, elimination of intersegment profit in inventory and LIFO, foreign exchange transaction gains and losses, interest income and other.

Net Charge to Earnings – Unallocated Items

AMOUNT OF		AMOUNT OF		YEAR-TO-DATE	AMOUNT OF
QUARTER ENDED	CHANGE	QUARTER ENDED	CHANGE	ENDED	CHANGE

	MARCH	MARCH	2024 VS.	JUNE	JUNE	2024 VS.	JUNE	JUNE	2024 VS.
DOLLAR AMOUNTS IN MILLIONS	2024	2023	2023	2024	2023	2023	2024	2023	2023
Unallocated corporate function and variable compensation expense	\$ (38)	\$ (27)	\$ (11)	\$ (37)	\$ (32)	\$ (5)	\$ (75)	\$ (59)	\$ (16)
Liability classified share-based compensation	(1)	—	(1)	3	(2)	5	2	(2)	4
Foreign exchange loss	(1)	(1)	—						
Foreign exchange gain (loss)	—	2	(2)	(1)	1	(2)			
Elimination of intersegment profit in inventory and LIFO	(6)	9	(15)	6	3	3	—	12	(12)
Other	(26)	(13)	(13)	(37)	(26)	(11)	(63)	(39)	(24)
Operating loss	(72)	(32)	(40)	(65)	(55)	(10)	(137)	(87)	(50)
Non-operating pension and other post-employment benefit costs	(11)	(9)	(2)	(10)	(12)	2	(21)	(21)	—
Interest income and other	16	12	4	12	18	(6)	28	30	(2)
Net charge to earnings	\$ (67)	\$ (29)	\$ (38)	\$ (63)	\$ (49)	\$ (14)	\$ (130)	\$ (78)	\$ (52)

Comparing First Second Quarter 2024 with First Second Quarter 2023

Net charge to earnings increased \$38 million \$14 million – 131 29 percent – primarily due to:

- a \$6 million decrease in interest income and other, primarily attributable to a decrease in our cash and short-term investment accounts;
- a \$5 million increase in unallocated corporate function and variable compensation expense and
- a \$2 million decrease in foreign exchange gain.

Comparing Year-to-Date 2024 with Year-to-Date 2023

Net charge to earnings increased \$52 million – 67 percent – primarily due to a \$15 million \$16 million increase in unallocated corporate function and variable compensation expense and a \$12 million increase in elimination of intersegment profit in inventory and LIFO and an \$11 million increase in unallocated corporate function and variable compensation expense. LIFO.

INTEREST EXPENSE

Our interest expense, net of capitalized interest, was:

- \$67 million for first second quarter 2024 and \$134 million year-to-date 2024;
- \$66 70 million for first second quarter 2023 and \$136 million year-to-date 2023.

Interest expense increased decreased by \$1 million \$3 million compared to first second quarter 2023 and decreased by \$2 million compared to year-to-date 2023 primarily due to a series of debt issuances and retirements during 2023 that slightly increased decreased our average outstanding debt.

Refer to [Note 8: Long-Term Debt and Line of Credit](#) for further information.

INCOME TAXES

Our provision for income taxes was:

- a \$20 million \$33 million expense for first second quarter 2024 and \$53 million year-to-date 2024;
- a \$22 million \$25 million expense for first second quarter 2023 and \$47 million year-to-date 2023.

Our provision for income taxes is primarily driven by earnings generated by our TRSs. Income tax expense decreased increased by \$2 million \$6 million compared to first quarter year-to-date 2023 primarily due to a slight decrease in our overall earnings in first \$25 million product remediation recovery received during second quarter 2024.

Refer to [Note 13: Other Operating \(Income\) Costs, Net](#) and [Note 14: Income Taxes](#) for further information.

LIQUIDITY AND CAPITAL RESOURCES

We are committed to maintaining an appropriate capital structure that provides financial flexibility and enables us to protect the interests of our shareholders and meet our obligations to our lenders, while also maintaining access to all major financial markets. As of March 31, 2024 June 30, 2024, we had \$871 million \$997 million in cash and cash equivalents and \$1.5 billion of availability on our line of credit, which expires in March 2028. We believe we have sufficient liquidity to meet our cash requirements for the foreseeable future.

CASH FROM OPERATIONS

Consolidated net cash from operations was:

- \$124 556 million for first quarter year-to-date 2024 and
- \$126 622 million for first quarter year-to-date 2023.

Net cash from operations decreased \$2 million \$66 million primarily due to decreased cash flows from our business operations, as well as a \$17 million \$20 million increase in cash paid for income taxes, partially offset by increased cash inflows from our business operations. taxes.

CASH FROM INVESTING ACTIVITIES

Consolidated net cash from investing activities was:

- \$(77) (220) million for first quarter year-to-date 2024 and
- \$(69) (818) million for first quarter year-to-date 2023.

Net cash from investing activities decreased \$8 million increased \$598 million primarily due to an \$8 million a \$664 million decrease in cash paid for short-term investments, partially offset by a \$51 million increase in cash paid for capital expenditures. acquisitions of timberlands.

Summary of Capital Spending by Business Segment

DOLLAR AMOUNTS IN MILLIONS	QUARTER ENDED		YEAR-TO-DATE ENDED	
	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023
Timberlands	\$ 31	\$ 26	\$ 52	\$ 48
Wood Products	42	43	105	99
Unallocated Items	6	2	13	5
Total	\$ 79	\$ 71	\$ 170	\$ 152

We anticipate our capital expenditures for 2024 to be approximately \$440 million. The amount we spend on capital expenditures could change.

CASH FROM FINANCING ACTIVITIES

Consolidated net cash from financing activities was:

- \$(308) (503) million for first quarter year-to-date 2024 and
- \$(841) (290) million for first quarter year-to-date 2023.

Net cash from financing activities increased \$533 million decreased \$213 million primarily due to a \$551 million \$743 million decrease in net proceeds from issuance of long-term debt, partially offset by a \$544 million decrease in cash used for payments of dividends, partially offset by a \$16 million increase in cash used for repurchases of common stock. dividends.

Line of Credit

In March 2023, we entered into a new \$1.5 billion five-year senior unsecured revolving credit facility, which expires in March 2028 and replaced the existing facility which was set to expire in January 2025. Borrowings will bear interest at a floating rate based on either the adjusted term SOFR plus a spread or a mutually agreed upon base rate plus a spread. We had no outstanding borrowings on our \$1.5 billion five-year senior unsecured revolving credit facility as of March 31, 2024 June 30, 2024 or December 31, 2023. This credit facility expires in March 2028.

Refer to [Note 8: Long-Term Debt and Line of Credit](#) for further information.

Long-Term Debt

We have \$210 million of long-term debt, with a weighted average interest rate of 8.314 percent, scheduled to mature during first quarter 2025.

In May 2023, we completed an offering of debt securities by issuing \$750 million of 4.750 percent notes due in May 2026. The net proceeds after deducting the discount, underwriting fees and issuance costs were \$743 million.

Refer to [Note 9: Fair Value](#) [8: Long-Term Debt and Line of Financial Instruments](#) [Credit](#) for further information.

Debt Covenants

As of March 31, 2024 June 30, 2024, Weyerhaeuser Company was in compliance with its debt covenants. There have been no significant changes to the debt covenants presented in our 2023 Annual Report on Form 10-K for our long-term debt instruments, and we expect to remain in compliance with our debt covenants for the foreseeable future.

Dividend Payments

We paid cash dividends on common shares of:

- \$248 394 million for first quarter year-to-date 2024 and
- \$799 938 million for first quarter year-to-date 2023.

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The decrease in dividends paid is primarily due to a supplemental dividend of \$0.14 per share based on 2023 financial results for a total of \$102 million paid in first quarter 2024 in comparison to a supplemental dividend of \$0.90 per share based on 2022 financial results for a total of \$660 million paid in first quarter 2023.

We plan to supplement our base dividend each year with an additional return of cash, in the form of a supplemental cash dividend and/or share repurchase, to achieve our targeted annual payout of total cash to shareholders of 75 to 80 percent of Adjusted Funds Available for Distribution (Adjusted FAD). For further information on Adjusted FAD see [Performance and Liquidity Measures](#).

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Share Repurchases

We repurchased 1,472,369 1,669,145 common shares for approximately \$49 million \$50 million (including transaction fees) during first second quarter 2024 and we repurchased 1,115,560 3,141,514 common shares for approximately \$35 million \$99 million (including transaction fees) during first year-to-date 2024 under the 2021 Repurchase Program. During second quarter 2023, we repurchased 1,689,874 common shares for approximately \$50 million (including transaction fees) and 2,805,434 common shares for approximately \$85 million (including transaction fees) during year-to-date 2023 under the 2021 Repurchase Program. There were no 15,765 unsettled shares (approximately \$1 million) as of March 31, 2024 June 30, 2024 and 13,866 unsettled shares (approximately \$1 million) as of December 31, 2023. Refer to [Note 4: Net Earnings Per Share and Share Repurchases](#) for further information.

PERFORMANCE AND LIQUIDITY MEASURES

Adjusted EBITDA by Segment

We use Adjusted EBITDA as a key performance measure to evaluate the performance of the consolidated company and our business segments. This measure should not be considered in isolation from, and is not intended to represent an alternative to, our results reported in accordance with U.S. generally accepted accounting principles (U.S. GAAP). However, we believe Adjusted EBITDA provides meaningful supplemental information for investors about our operating performance, better facilitates period to period comparisons and is widely used by analysts, lenders, rating agencies and other interested parties. Our definition of Adjusted EBITDA may be different from similarly titled measures reported by other companies. Adjusted EBITDA, as we define it, is operating income adjusted for depreciation, depletion, amortization, basis of real estate sold and special items.

	AMOUNT OF			AMOUNT OF			AMOUNT OF		
	QUARTER ENDED		CHANGE	QUARTER ENDED		CHANGE	YEAR-TO-DATE ENDED		CHANGE
<u>DOLLAR AMOUNTS IN MILLIONS</u>	MARCH 2024	MARCH 2023	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023	JUNE 2024	JUNE 2023	2024 VS. 2023
Adjusted EBITDA by Segment:									
Timberlands	\$ 144	\$ 188	\$ (44)	\$ 147	\$ 172	\$ (25)	\$ 291	\$ 360	\$ (69)
Real Estate & ENR	94	89	5	102	70	32	196	159	37
Wood Products	184	148	36	225	270	(45)	409	418	(9)
	422	425	(3)	474	512	(38)	896	937	(41)
Unallocated Items	(70)	(30)	(40)	(64)	(43)	(21)	(134)	(73)	(61)
Adjusted EBITDA	\$ 352	\$ 395	\$ (43)	\$ 410	\$ 469	\$ (59)	\$ 762	\$ 864	\$ (102)

We reconcile Adjusted EBITDA to net earnings for the consolidated company and to operating income (loss) for the business segments, as those are the most directly comparable U.S. GAAP measures for each.

The table below reconciles Adjusted EBITDA for the quarter ended March 31, 2024 June 30, 2024:

<u>DOLLAR AMOUNTS IN MILLIONS</u>	Real Estate					Real				
	Timberlands	& ENR	Wood Products	Unallocated Items	Total	Timberlands	Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:										
Net earnings					\$ 114					\$ 173
Interest expense, net of capitalized interest					67					67
Income taxes					20					33

Net contribution (charge) to earnings	\$	80	\$	60	\$	128	\$	(67)	\$	201	\$	81	\$	59	\$	196	\$	(63)	\$	273
Non-operating pension and other post-employment benefit costs		—		—		—		11		11		—		—		—		10		10
Interest income and other		—		—		—		(16)		(16)		(1)		—		—		(12)		(13)
Operating income (loss)		80		60		128		(72)		196		80		59		196		(65)		270
Depreciation, depletion and amortization		64		3		56		2		125		67		4		54		1		126
Basis of real estate sold		—		31		—		—		31		—		39		—		—		39
Special items included in operating income (loss) ⁽¹⁾		—		—		(25)		—		(25)										
Adjusted EBITDA	\$	144	\$	94	\$	184	\$	(70)	\$	352	\$	147	\$	102	\$	225	\$	(64)	\$	410

(1) Operating income (loss) for Wood Products includes a pretax special item consisting of a \$25 million product remediation recovery.

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The table below reconciles Adjusted EBITDA for the quarter ended March 31, 2023 June 30, 2023:

	Real Estate					Real Estate				
		&	Wood	Unallocated			&	Wood	Unallocated	
<u>DOLLAR AMOUNTS IN MILLIONS</u>	Timberlands	ENR	Products	Items	Total	Timberlands	ENR	Products	Items	Total
Adjusted EBITDA by Segment:										
Net earnings					\$ 151					\$ 230
Interest expense, net of capitalized interest					66					70
Income taxes					22					25
Net contribution (charge) to earnings	\$ 120	\$ 53	\$ 95	\$ (29)	\$ 239	\$ 104	\$ 52	\$ 218	\$ (49)	\$ 325
Non-operating pension and other post-employment benefit costs	—	—	—	9	9	—	—	—	12	12
Interest income and other	—	—	—	(12)	(12)	—	—	—	(18)	(18)
Operating income (loss)	120	53	95	(32)	236	104	52	218	(55)	319
Depreciation, depletion and amortization	68	3	53	2	126	68	5	52	1	126
Basis of real estate sold	—	33	—	—	33	—	13	—	—	13
Special items included in operating income (loss) ⁽¹⁾	—	—	—	11	11					
Adjusted EBITDA	\$ 188	\$ 89	\$ 148	\$ (30)	\$ 395	\$ 172	\$ 70	\$ 270	\$ (43)	\$ 469

(1) Operating income (loss) for Unallocated Items includes a pretax special item consisting of an \$11 million noncash environmental remediation charge.

The table below reconciles Adjusted EBITDA for the year-to-date period ended June 30, 2024:

	Real Estate &		Wood	Unallocated	
<u>DOLLAR AMOUNTS IN MILLIONS</u>	Timberlands	ENR	Products	Items	Total
Adjusted EBITDA by Segment:					
Net earnings					\$ 287
Interest expense, net of capitalized interest					134
Income taxes					53
Net contribution (charge) to earnings	\$ 161	\$ 119	\$ 324	\$ (130)	\$ 474

Non-operating pension and other post-employment benefit costs	—	—	—	21	21
Interest income and other	(1)	—	—	(28)	(29)
Operating income (loss)	160	119	324	(137)	466
Depreciation, depletion and amortization	131	7	110	3	251
Basis of real estate sold	—	70	—	—	70
Special items included in operating income (loss) ⁽¹⁾	—	—	(25)	—	(25)
Adjusted EBITDA	\$ 291	\$ 196	\$ 409	\$ (134)	\$ 762

(1) Operating income (loss) for Wood Products includes a pretax special item consisting of a \$25 million product remediation recovery.

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The table below reconciles Adjusted EBITDA for the year-to-date period ended June 30, 2023:

DOLLAR AMOUNTS IN MILLIONS	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					\$ 381
Interest expense, net of capitalized interest					136
Income taxes					47
Net contribution (charge) to earnings	\$ 224	\$ 105	\$ 313	\$ (78)	\$ 564
Non-operating pension and other post-employment benefit costs	—	—	—	21	21
Interest income and other	—	—	—	(30)	(30)
Operating income (loss)	224	105	313	(87)	555
Depreciation, depletion and amortization	136	8	105	3	252
Basis of real estate sold	—	46	—	—	46
Special items included in operating income (loss) ⁽¹⁾	—	—	—	11	11
Adjusted EBITDA	\$ 360	\$ 159	\$ 418	\$ (73)	\$ 864

(1) Operating income (loss) for Unallocated Items includes a pretax special item consisting of an \$11 million noncash environmental remediation charge.

Adjusted FAD

We use Adjusted Funds Available for Distribution (Adjusted FAD) to evaluate the company's liquidity and measure cash generated during the period (net of capital expenditures and significant non-recurring items) that is available for dividends, repurchases of common shares, debt reduction, acquisitions and other discretionary and nondiscretionary capital allocation activities. Adjusted FAD should not be considered in isolation from, and is not intended to represent an alternative to, our results reported in accordance with U.S. GAAP. However, we believe the measure provides meaningful supplemental information for our investors about our liquidity. Adjusted FAD, as we define it, is net cash from operations adjusted for capital expenditures and significant non-recurring items. Our definition of Adjusted FAD may be different from similarly titled measures reported by other companies, including those in our industry. We reconcile Adjusted FAD to net cash from operations, as that is the most directly comparable U.S. GAAP measure.

The table below reconciles Adjusted FAD to net cash from operations:

	QUARTER ENDED		QUARTER ENDED		YEAR-TO-DATE ENDED	
DOLLAR AMOUNTS IN MILLIONS	MARCH 2024	MARCH 2023	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
Net cash from operations	\$ 124	\$ 126	\$ 432	\$ 496	\$ 556	\$ 622
Capital expenditures	(79)	(71)	(91)	(81)	(170)	(152)

FAD	341	415	386	470		
Cash from product remediation recovery	(25)	—	(25)	—		
Adjusted FAD	\$ 45	\$ 55	\$ 316	\$ 415	\$ 361	\$ 470
Net cash from investing activities	\$ (77)	\$ (69)	\$ (143)	\$ (749)	\$ (220)	\$ (818)
Net cash from financing activities	\$ (308)	\$ (841)	\$ (195)	\$ 551	\$ (503)	\$ (290)

Net Earnings and Net Earnings per Diluted Share Before Special Items

We use net earnings before special items and net earnings per diluted share before special items as key performance measures to evaluate the performance of the consolidated company. These measures should not be considered in isolation from, and are not intended to represent an alternative to, our results reported in accordance with U.S. GAAP. However, we believe the measures provide meaningful supplemental information for investors about our operating performance, better facilitate period to period comparisons and are widely used by analysts, lenders, rating agencies and other interested parties.

Net Earnings Before Special Items

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
<u>DOLLAR AMOUNTS IN MILLIONS</u>				
Net earnings	\$ 173	\$ 230	\$ 287	\$ 381
Environmental remediation charge	—	8	—	8
Product remediation recovery	(19)	—	(19)	—
Net earnings before special items	\$ 154	\$ 238	\$ 268	\$ 389

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Net Earnings per Diluted Share Before Special Items

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	JUNE 2024	JUNE 2023	JUNE 2024	JUNE 2023
Net earnings per diluted share	\$ 0.24	\$ 0.31	\$ 0.39	\$ 0.52
Environmental remediation charge	—	0.01	—	0.01
Product remediation recovery	(0.03)	—	(0.02)	—
Net earnings per diluted share before special items	\$ 0.21	\$ 0.32	\$ 0.37	\$ 0.53

CRITICAL ACCOUNTING POLICIES ESTIMATES

There have been no significant changes during first quarter year-to-date 2024 to the critical accounting policies estimates presented in our 2023 Annual Report on Form 10-K.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

LONG-TERM DEBT OBLIGATIONS

The following summary of our long-term debt obligations includes:

- scheduled principal repayments for the next five years and after;
- weighted average interest rates for debt maturing in each of the next five years and after and
- estimated fair values of outstanding obligations.

We estimate the fair value of long-term debt based on quoted market prices we receive for the same types and issues of our debt or on the discounted value of the future cash flows using market yields for the same type and comparable issues of debt. Changes in market rates of interest affect the fair value of our fixed-rate debt.

Summary of Long-Term Debt Obligations as of March 31, 2024 June 30, 2024

DOLLAR																
AMOUNTS																
IN																
MILLIONS	2024	2025	2026	2027	2028	THEREAFTER	TOTAL ⁽¹⁾	FAIR VALUE	2024	2025	2026	2027	2028	THEREAFTER	TOTAL ⁽¹⁾	FAIR VALUE
Fixed-rate debt	\$ —	\$ 210	\$ 1,022	\$ 300	\$ —	\$ 3,333	\$ 4,865	\$ 4,775	\$ —	\$ 210	\$ 1,022	\$ 300	\$ —	\$ 3,333	\$ 4,865	\$ 4,718
Average interest rate	— %	8.31 %	5.52 %	6.95 %	— %	4.82 %	5.25 %	N/A	— %	8.31 %	5.52 %	6.95 %	— %	4.82 %	5.25 %	N/A
Variable- rate debt ⁽²⁾	\$ —	\$ —	\$ —	\$ —	\$ 250	\$ —	\$ 250	\$ 250	\$ —	\$ —	\$ —	\$ —	\$ 250	\$ —	\$ 250	\$ 250

(1) Excludes \$44 million \$43 million of unamortized discounts and capitalized debt expense.
(2) As of March 31, 2024 June 30, 2024, the interest rate for our variable-rate debt was 7.28 7.29 percent, excluding estimated patronage refunds.

Item 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls are controls and other procedures that are designed to ensure that information required to be disclosed in the reports 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. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosure. The company's principal executive officer and principal financial officer have concluded that the company's disclosure controls and procedures were effective as of March 31, 2024 June 30, 2024, based on an evaluation of the company's disclosure controls and procedures as of that date.

CHANGES IN INTERNAL CONTROLS

No changes occurred in the company's internal control over financial reporting during first quarter year-to-date 2024 that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Refer to Note 10: Legal Proceedings, Commitments and Contingencies. SEC regulations require us to disclose certain information about proceedings arising under federal, state or local environmental provisions if we reasonably believe that such proceedings may result in monetary sanctions above a stated threshold. In accordance with these regulations, the company uses a threshold of \$1 million for purposes of determining whether disclosure of any such proceedings is required pursuant to this item.

Item 1A. RISK FACTORS

There have been no material changes with respect to the risk factors disclosed in our 2023 Annual Report on Form 10-K.

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Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table provides information with respect to purchases of common stock made by the company during **first second** quarter 2024:

	TOTAL NUMBER OF SHARES PURCHASED	AVERAGE PRICE PAID PER SHARE	TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PROGRAMS	APPROXIMATE DOLLAR VALUE OF SHARES THAT MAY YET BE PURCHASED UNDER THE PROGRAMS
COMMON SHARE REPURCHASES DURING FIRST				
QUARTER 2024				
January 1 – January 31	136,247	\$ 33.03	136,247	\$ 247,298,679
February 1 – February 29	823,395	\$ 33.04	823,395	\$ 220,090,994
March 1 – March 31	512,727	\$ 34.41	512,727	\$ 202,445,908
Total	1,472,369	\$ 33.52	1,472,369	

	TOTAL NUMBER OF SHARES PURCHASED	AVERAGE PRICE PAID PER SHARE	TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PROGRAMS	APPROXIMATE DOLLAR VALUE OF SHARES THAT MAY YET BE PURCHASED UNDER THE PROGRAMS
COMMON SHARE REPURCHASES DURING SECOND				
QUARTER 2024				
April 1 – April 30	209,671	\$ 31.94	209,671	\$ 195,749,652
May 1 – May 31	522,048	\$ 30.31	522,048	\$ 179,928,242
June 1 – June 30	937,426	\$ 29.32	937,426	\$ 152,446,072
Total	1,669,145	\$ 29.96	1,669,145	

On September 22, 2021, we announced that our board had approved a new share repurchase program (the 2021 Repurchase Program) under which we are authorized to repurchase up to \$1 billion of outstanding shares. Concurrently, the board terminated the remaining repurchase authorization under the 2019 Repurchase Program.

During **first second** quarter 2024, we repurchased **1,472,369 1,669,145** shares for approximately **\$49 million \$50 million** (including transaction fees) under the 2021 Repurchase Program in open-market transactions. Transaction fees incurred for repurchases are not counted as use of funds authorized for repurchases under the 2021 Repurchase Program. As of **March 31, 2024 June 30, 2024**, we had remaining authorization of **\$202 million \$152 million** for future stock repurchases.

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Item 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

During **first second** quarter 2024, one of the company's "officers" (as **that term is** defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act.

Russell S. Hagen **David M. Wold**, senior vice president and chief **development financial** officer, adopted a plan on **March 8, April 30, 2024** to **initiate the cashless exercise of 4,402 stock options which** **expire on February 12, 2025, and thereby sell an aggregate on the open market 40,065 4,402** shares of common **stock, stock** underlying the stock options at a designated strike price. Mr.

Hagen's **Wold's** plan expires when all of the **stock options are exercised and all of the underlying** shares are sold or on **June 10, 2025February 12, 2025**, whichever occurs first.

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Item 6. EXHIBITS

10.1 Form of Weyerhaeuser Company 2022 Long-Term Incentive Plan Performance Share Unit Award Terms and Conditions for Plan Year 2024 (incorporated by reference to [Exhibit 10.1](#) to the Current Report on Form 8-K filed on January 24, 2024 – Commission File Number 1-4825)

10.2 Form of Weyerhaeuser Company 2022 Long-Term Incentive Plan Restricted Stock Unit Award Terms and Conditions for Plan Year 2024 (incorporated by reference to [Exhibit 10.2](#) to the Current Report on Form 8-K filed on January 24, 2024 – Commission File Number 1-4825)

[31.1](#) [Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934, as amended.](#)

[31.2](#) [Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934, as amended.](#)

[32](#) [Certification pursuant to Rule 13a-14\(b\) under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code \(18 U.S.C. 1350\).](#)

101.INS XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH Inline XBRL Taxonomy Extension Schema Document

101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document

101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document

101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document

104 The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended **March 31, 2024 June 30, 2024**, has been formatted in Inline XBRL.

SIGNATURES

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.

WEYERHAEUSER COMPANY

(Registrant)

Date: April 26, 2024 July 26, 2024

By: /s/ David M. Wold

David M. Wold

Senior Vice President and Chief Financial Officer

(Principal Financial and Accounting Officer and Duly Authorized Officer)

EXHIBIT 31.1

Certification Pursuant to Rule 13a-14(a)
Under the Securities Exchange Act of 1934

I, Devin W. Stockfish, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Weyerhaeuser Company.
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 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(s) 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)) 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 q 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.
5. The registrant's other certifying officer(s) 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 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 at 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: April July 26, 2024

/s/ DEVIN W. STOCKFISH

Devin W. Stockfish

President and Chief Executive Officer

EXHIBIT 31.2

**Certification Pursuant to Rule 13a-14(a)
Under the Securities Exchange Act of 1934**

I, David M. Wold, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Weyerhaeuser Company.
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 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 cas of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer(s) 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)) 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 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 re: 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 q 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.
5. The registrant's other certifying officer(s) 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 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 at 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: April July 26, 2024

/s/ DAVID M. WOLD

David M. Wold

Senior Vice President and Chief Financial Officer

EXHIBIT 32

**Certification Pursuant to Rule 13a-14(b)
Under the Securities Exchange Act of 1934 and
Section 1350, Chapter 63 of Title 18, United States Code**

Pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and Section 1350, Chapter 63 of Title 18, United States Code, each of the undersigned officers of Weyerhaeuser Company, a Washington corporation (the "Company"), hereby certifies that:

The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 June 30, 2024 and dated April 26, 2024 July 26, 2024 (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DEVIN W. STOCKFISH

Devin W. Stockfish

President and Chief Executive Officer

Dated: April July 26, 2024

/s/ DAVID M. WOLD

David M. Wold

Senior Vice President and Chief Financial Officer

Dated: April July 26, 2024

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