PotlatchDeltic



Q4 2018 Earnings

February 5, 2019



Forward-Looking Statements & Non-GAAP Measures

FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking statements within the meaning of the Private Litigation Reform Act of 1995 as amended, including without limitation, our expectations regarding the U.S. housing market; strong repair and remodel market; lumber demand and pricing; 2019 lumber shipments; Northern and Southern log and pulpwood sales and pricing; 2019 timber harvest; real estate sales and cost basis; the direction of our business markets; business conditions; the closing of the sale of our MDF business to Roseburg Forest Products, estimated proceeds of sale and expected cash balance after closing of the sale; the reduction of interest expense as a result of Farm Credit patronage; 2019 capital expenditures; 2019 interest expense per quarter; 2019 corporate expense; 2019 income tax; dividend payout ratio and similar matters. You should carefully read forward-looking statements, including statements that contain these words, because they discuss the future expectations or state other “forward-looking” information about PotlatchDeltic. A number of important factors could cause actual results or events to differ materially from those indicated by such forward-looking statements, many of which are beyond PotlatchDeltic’s control, including the U.S. housing market; changes in timberland values; changes in timber harvest levels on the company's lands; changes in timber prices; changes in policy regarding governmental timber sales; availability of logging contractors and shipping capacity; changes in the United States and international economies; changes in interest rates; changes in the level of construction activity; changes in Asia demand; changes in tariffs, quotas and trade agreements involving wood products; currency fluctuation; changes in demand for our products; changes in production and production capacity in the forest products industry; competitive pricing pressures for our products; unanticipated manufacturing disruptions; changes in general and industry-specific environmental laws and regulations; unforeseen environmental liabilities or expenditures; weather conditions; restrictions on harvesting due to fire danger; changes in raw material, fuel and other costs; share price; the successful execution of the company’s strategic plans; the company’s ability to meet expectations; the company’s ability to complete the sale of the MDF business to Roseburg Forest Products or to satisfy the conditions to the closing of the transaction; and the other factors described in PotlatchDeltic’s Annual Report on Form 10-K and in the company’s other filings with the SEC. PotlatchDeltic assumes no obligation to update the information in this presentation, except as otherwise required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, all of which speak only as of the date hereof.

NON-GAAP MEASURES

This presentation includes non-GAAP financial information. A reconciliation of those numbers to U.S. GAAP is included in this presentation, which is available on the company’s website at www.potlatchdeltic.com.

Key Highlights – Q4 2018

Financial Performance

- Adjusted EBITDDA[(1)] margin of 17%
  - Adjusted EBITDDA of $36.4 million in Q4 2018
- Synergies:
  - Achieved $50 million target Q3 2018, ahead of schedule
- Tax Cut and Jobs Act:
  - TRS [(2)] effective tax rate reduced from 39% to 26%

Strategy

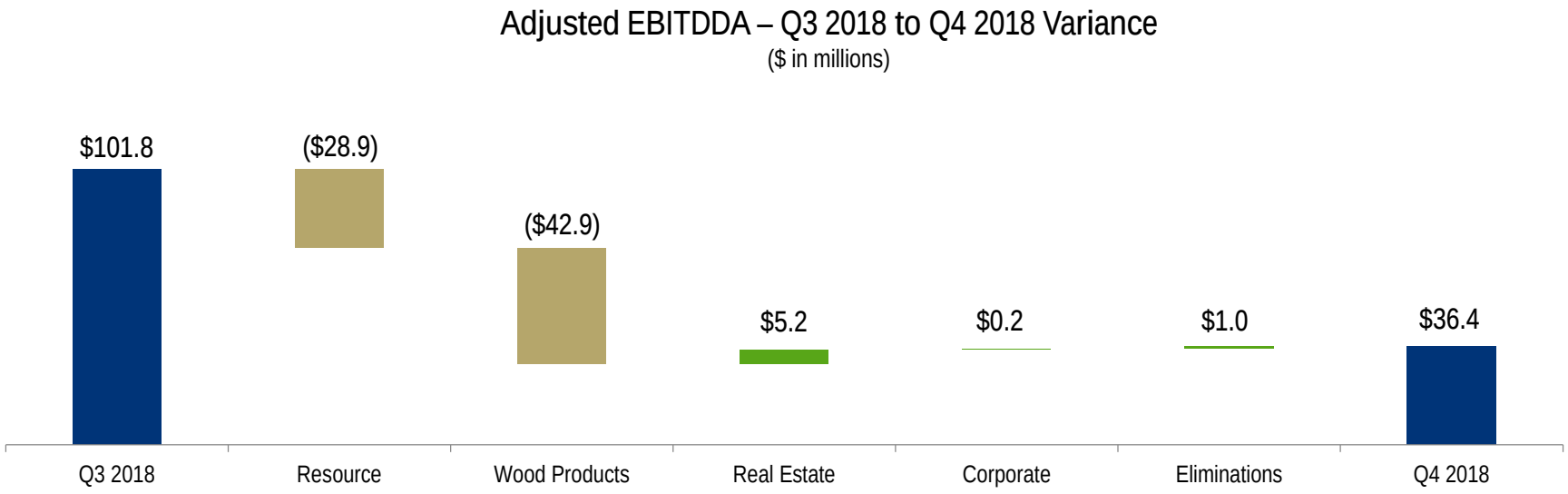
- Strong lumber fundamentals
  - Housing demand supported by demographics
  - Restricted Canadian supply
  - High capacity utilization
- Integrated model is a benefit
  - Net log buyer in South
  - Low southern sawlog prices = high lumber margins
- Northern Resource contribution benefits from indexing Idaho sawlogs to lumber prices and from cedar sawlogs
- Real Estate:
  - Rural - maximize land value through land stratification
  - Development – high end master planned community in Little Rock, AR

Capital Allocation

- Closed Deltic merger on Feb 20, 2018
  - Issued 22 million shares @ $52/share
  - $222 million special distribution paid November 15, 2018 ($44.4 million in cash & remainder in common stock)
- Dividend:
  - Payout ratio ≈ 80%[(3)]
  - Increased regular dividend payout 7.7% December 2018
- MDF sale:
  - Scheduled to close Q1
  - Buyer assuming $29 million revenue bonds
  - Expect cash of $43 million after taxes
- Debt:
  - Refinanced $150 million of Senior Notes last week; lowered interest rate ~3%
  - Undrawn $380 million revolver
  - Investment grade rated

Note:
(1) Adjusted EBITDDA is a non-GAAP measure. See appendix for definition and reconciliation. Adjusted EBITDDA margin is Adjusted EBITDDA divided by revenues.
(2) Taxable REIT Subsidiary, which includes our Wood Products and Real Estate businesses.
(3) Payout ratio is based on regular quarterly dividends and Cash Available for Distribution (CAD) for the trailing twelve months ended December 31, 2018. CAD is a non-GAAP measure and includes payment of Deltic merger costs of $20 million and accelerated pension contributions of $44 million. The payout ratio would be 54% excluding those two items. See appendix for definition.

Q4 2018 Consolidated Results

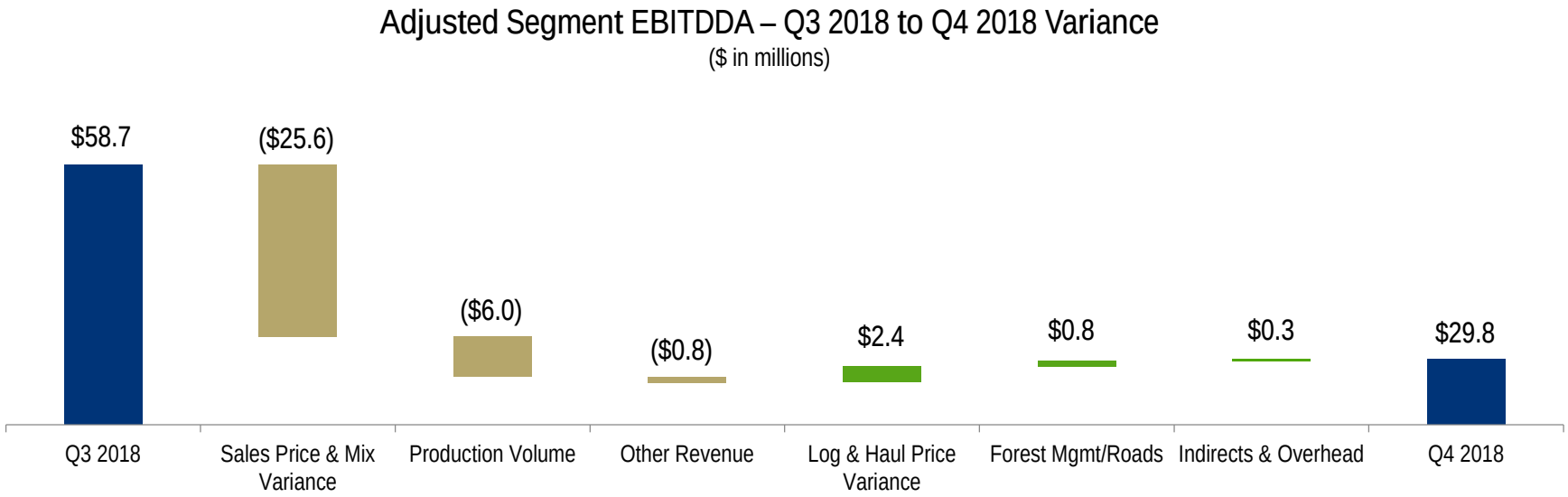


Key Consolidated Highlights:

- Adjusted EBITDDA decreased $65.4 million from Q3 2018 levels
- Significantly lower lumber prices drove declines in Resource and Wood Products Adjusted EBITDDA
- Real Estate sold commercial land for $4.5 million

Note: Adjusted EBITDDA is a non-GAAP measure. See appendix for definition and reconciliation.

Q4 2018 Resource Results



Key Resource Highlights:

- Segment Adjusted EBITDDA decreased $28.9 million from Q3 2018 levels
- Northern sawlog prices decreased 32%, driven by lower lumber index pricing
- Northern harvest volumes were seasonally lower
- Deltic timberland partially mitigated wet weather impact on Southern harvest volumes
- Log & haul costs decreased due primarily to lower harvest volumes

Note: Adjusted EBITDDA is a non-GAAP measure. See appendix for definition and reconciliation.

Q4 2018 Resource Results
Northern Region

Northern Sawlog Pricing and Volume

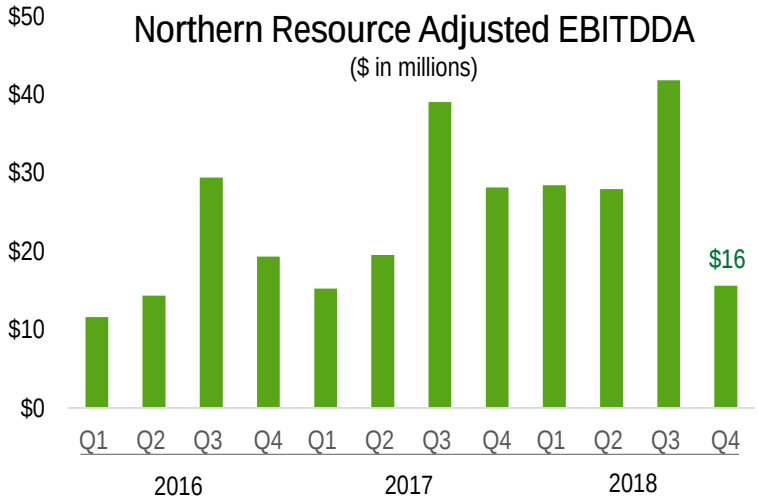


Northern Pulpwood Pricing and Volume



Northern Resource Adjusted EBITDDA

($ in millions)



Q3 2018 vs Q4 2018

Northern Resource - Key Results

($ in millions - Unaudited)	Q3 2018	Q4 2018	Change
Northern Revenues	$ 72.0	$ 39.0	$ (33.0)
Adjusted Northern EBITDDA	$ 41.9	$ 15.6	$ (26.3)
Margin (%)	58.2%	40.0%	(18.2) pts
Northern sawlog harvest volume ('000 tons)	500	388	(112)
Northern sawlog price ($ / ton)	$ 139	$ 96	$ (43)
Northern pulpwood harvest volume ('000 tons)	38	32	(6)
Northern pulpwood price ($ / ton)	$ 42	$ 42	$ —

Note: Adjusted EBITDDA is a non-GAAP measure. See appendix for definition and reconciliation.
Volumes include tonnage harvested from company-owned fee land, while pricing data includes revenue generated from both company-owned fee land and non-fee stumpage purchased from third parties.

Q4 2018 Resource Results
Southern Region

Southern Sawlog Pricing and Volume

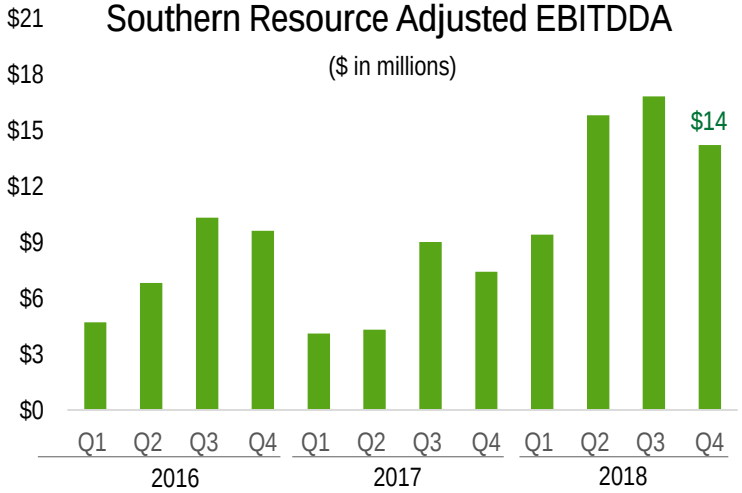


Southern Pulpwood Pricing and Volume



Southern Resource Adjusted EBITDDA

($ in millions)



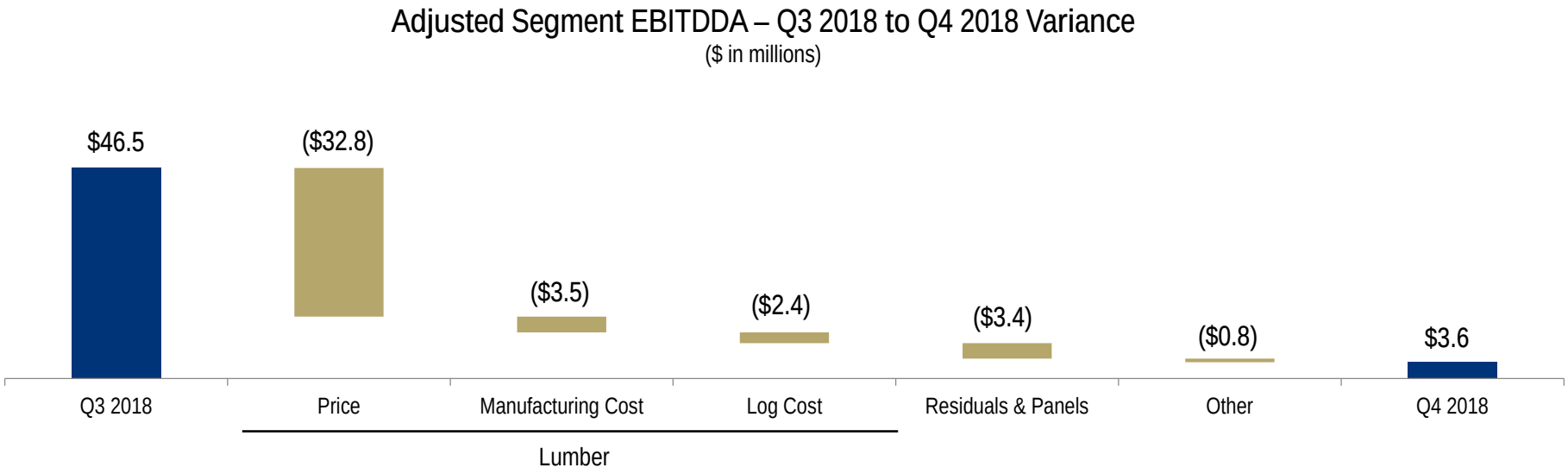
Q3 2018 vs Q4 2018

Southern Resource - Key Results

($ in millions - Unaudited)	Q3 2018	Q4 2018	Change
Southern Revenues	$ 39.4	$ 35.5	$ (3.9)
Adjusted Southern EBITDDA	$ 16.8	$ 14.2	$ (2.6)
Margin (%)	42.6%	40.0%	(2.6) pts
Southern sawlog harvest volume ('000 tons)	469	468	(1)
Southern sawlog price ($ / ton)	$ 47	$ 43	$ (4)
Southern pulpwood harvest volume ('000 tons)	447	409	(38)
Southern pulpwood price ($ / ton)	$ 31	$ 30	$ (1)

Note: Adjusted EBITDDA is a non-GAAP measure. See appendix for definition and reconciliation.
Volumes include tonnage harvested from company-owned fee land, while pricing data includes revenue generated from both company-owned fee land and non-fee stumpage purchased from third parties.

Q4 2018 Wood Products Results



Key Wood Products Highlights:

- Segment Adjusted EBITDDA decreased $42.9 million from Q3 2018 levels
- Average lumber prices decreased 24% to $367 per MBF in Q4
- Lumber shipments declined 20 MMBF in the quarter; total shipments for the year exceeded 1 BBF
- Lower lumber volumes negatively affected cost absorption and residual sales
- Log costs were higher due to timing of purchases in Idaho and wet weather in the South

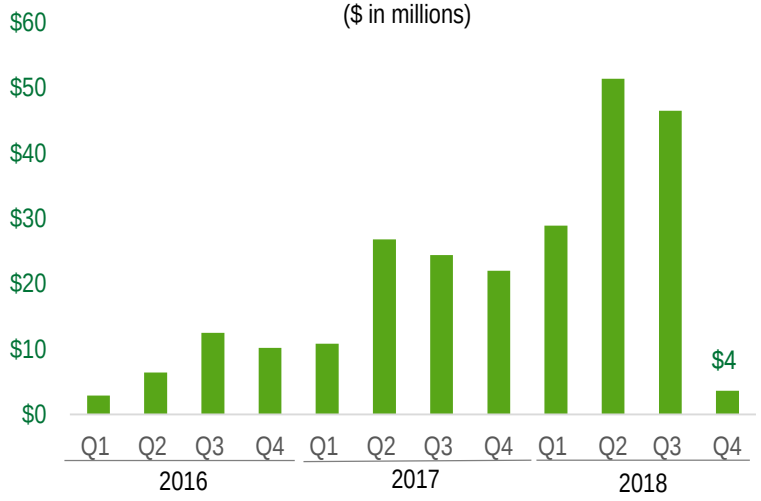
Note: Adjusted EBITDDA is a non-GAAP measure. See appendix for definition and reconciliation.

Q4 2018 Wood Products Results

Lumber Pricing and Shipments



Wood Products Adjusted EBITDDA



Q3 2018 vs Q4 2018

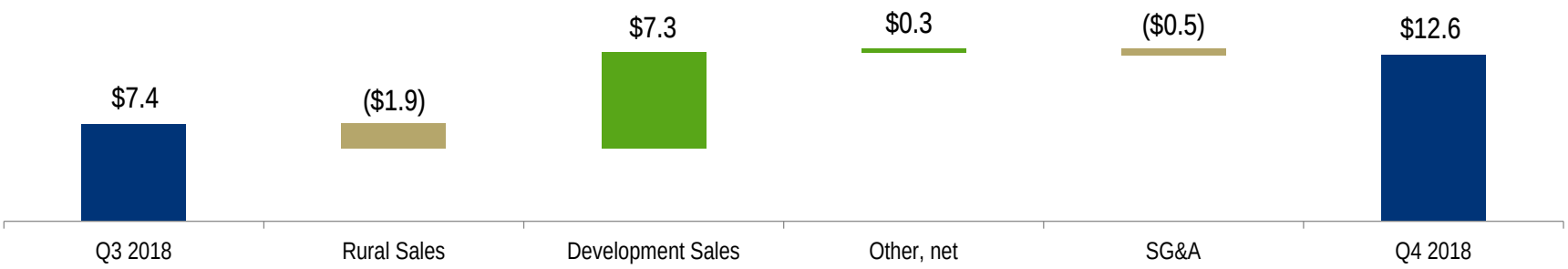
Wood Products - Key Results

($ in millions - Unaudited)	Q3 2018	Q4 2018	Change
Segment Revenues	$ 199.0	$ 148.5	$ (50.5)
Adjusted Segment EBITDDA	$ 46.5	$ 3.6	$ (42.9)
Margin (%)	23.4%	2.4%	(21) pts
Lumber shipment volume (MMBF)	285	265	(20)
Lumber price ($ / MBF)	$ 486	$ 367	$ (119)

Note: Adjusted EBITDDA is a non-GAAP measure. See appendix for definition and reconciliation.

Q4 2018 Real Estate Results

Adjusted Segment EBITDDA – Q3 2018 to Q4 2018 Variance
($ in millions)



Key Real Estate Highlights:

- Segment Adjusted EBITDDA increased $5.2 million from Q3 2018 levels

Real Estate - Rural:

- Sold 2,566 acres – 42 transactions
- Average rural price $2,449/acre
- 52% HBU / 45% Recreation / 3% Non-Strategic

Real Estate - Development:

- Sold 67 residential lots at average $61,384/lot compared to 9 lots Q3
- Unseasonably wet weather delayed lot development
- Sold commercial land for $4.5 million Q4

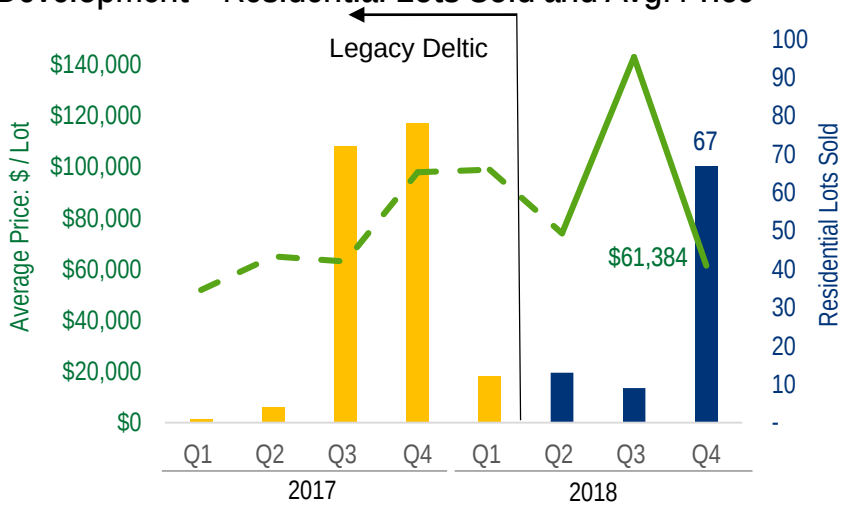
Note: Adjusted EBITDDA is a non-GAAP measure. See appendix for definition and reconciliation.

Q4 2018 Real Estate Results

Rural - Acres Sold and Avg. Price

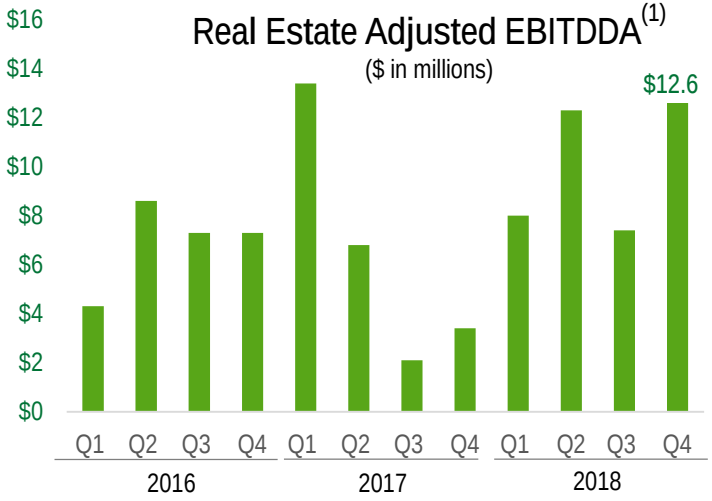


Development – Residential Lots Sold and Avg. Price



Real Estate Adjusted EBITDDA[(1)]

($ in millions)



Q3 2018 vs Q4 2018

Real Estate - Key Results

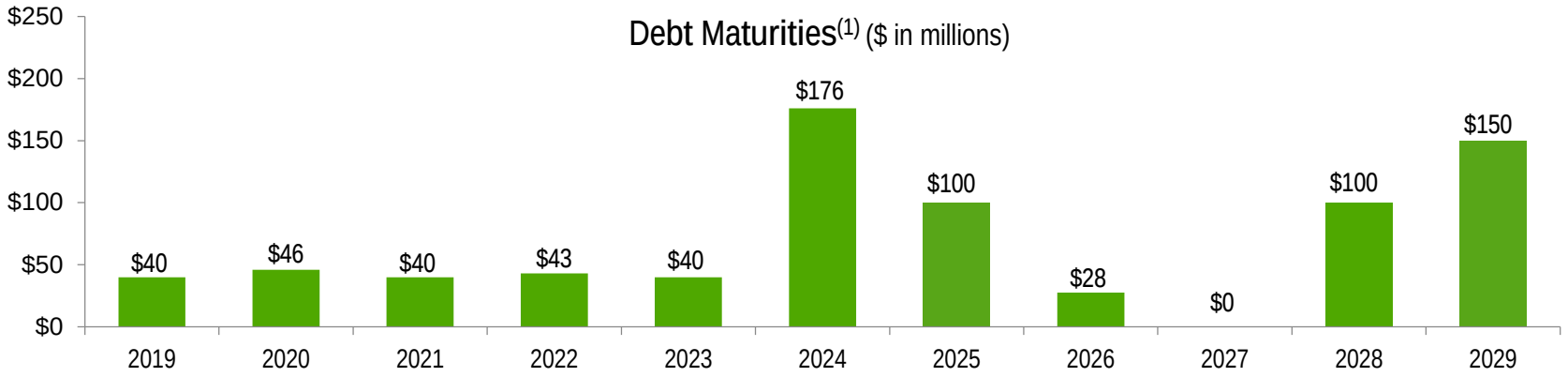
($ in millions - Unaudited)	Q3 2018	Q4 2018	Change
Segment Revenues	$ 11.2	$ 16.4	$ 5.2
Adjusted Segment EBITDDA	$ 7.4	$ 12.6	$ 5.2
Margin (%)	66.1%	76.8%	10.7 pts
Rural acres sold	3,160	2,566	(594)
Price ($ / acre)	$ 2,608	$ 2,449	$ (159)
Residential lots sold	9	67	58
Price ($ / lot)	$ 143,000	$ 61,384	$ (81,616)

Residential Lots Sold by Price Ranges

	Up to $80K	$80k to $100k	$100k to $150K	$150k +
Q1	9	0	1	2
Q2	11	0	1	1
Q3	5	0	0	4
Q4	65	0	2	0

Note: Adjusted EBITDDA is a non-GAAP measure. See appendix for definition and reconciliation.
(1) Excludes loss of $48.5 million in Q2 2016 on central Idaho timberland sale.

Favorable Capital Structure



Unaudited, $ in millions		Proforma(1) December 31, 2018
Market capitalization (2)	$	2,492
Net debt (3)		641
Enterprise value	$	3,133
Cash and cash equivalents (3)	$	114
Revolver availability	$	379
Net debt to enterprise value (4)		20.5%
EBITDDA leverage (5)		2.2
Weighted average cost of debt (6)		3.5%
Dividend yield (2)		4.3%

Key Highlights:

- Refinanced $150 million last week, lowering interest rate ~3%; matures Jan. 2029
- Buyer to assume $29 million of revenue bonds due 2027 when MDF sale closes
- Undrawn $380 million revolver
  - Maturity: April 2023
  - Accordion: $420 million
- Investment grade rated by Moody's and S&P

Note:
(1) Reflects refinance of $150 million Senior Notes and MDF sale.
(2) Based on closing stock price of $36.88 on January 31, 2019.
(3) Includes refinancing costs on $150 million refinance, expected cash of $43 million after taxes from MDF sale and MDF buyer assumption of $29 million revenue bonds.
(4) Net debt to enterprise value is a non-GAAP measure. See appendix for definition.
(5) EBITDDA leverage is a non-GAAP measure for the trailing twelve months ended December 31, 2018. See appendix for definition.
(6) Weighted average cost of debt excludes amortization of deferred issuance costs and credit facility fees.



Outlook

RESOURCE

	Q1 2019	FY 2019
Harvest volume	1.1 – 1.2 million tons	6.0 – 6.1 million tons
Geographic harvest	~ 65% of volume in South	70% of volume in South
Sawlog mix	North: ~ 90% sawlogs	North: ~ 90% sawlogs
	South: just over 50% sawlogs	South: just over 50% sawlogs
Sawlog pricing	North: ↓ slightly	
	South: ↓ less hardwood	

WOOD PRODUCTS

Lumber shipments	255 - 265 MMBF	1.1 billion board feet
Lumber prices	slightly higher	

REAL ESTATE

	Rural	Development	Rural	Development
Land sales	~ 2,000 acres	~ 10 lots	~20,000 acres	~ 150 lots
Average price	$1,700/acre	$80,000/lot	$1,500/acre	$80,000/lot
Land basis	~ 40%	~ 85%	~ 30%	~ 85%

OTHER

Corporate	~ $10 million	$36 - $40 million
Interest expense	~ $5 million	$30 - $32 million
Income taxes	~ 30%	~ 20%
Capital expenditures	~ $12 million	$65 - $70 million


Appendix



Total Company Summary

(Dollars in millions except per-share amounts - unaudited)



	2017					2018				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Operating income:										
Resource	$ 14.9	$ 19.6	$ 41.8	$ 29.9	$ 106.2	$ 29.0	$ 29.1	$ 46.0	$ 17.5	$ 121.6
Wood Products[1]	9.0	24.9	19.5	19.7	73.1	25.6	45.5	40.6	(3.3)	108.4
Real Estate	8.7	5.7	1.4	2.8	18.6	4.3	9.3	3.1	6.2	22.9
Eliminations	1.1	1.0	(3.1)	(1.7)	(2.7)	(1.1)	(2.0)	(1.8)	(0.6)	(5.5)
Total operating income	33.7	51.2	59.6	50.7	195.2	57.8	81.9	87.9	19.8	247.4
Corporate[2]	(7.9)	(9.1)	(14.2)	(12.1)	(43.3)	(30.0)	(12.5)	(10.1)	(9.9)	(62.5)
Interest expense, net	(5.0)	(7.3)	(7.4)	(7.3)	(27.0)	(5.7)	(9.3)	(10.1)	(10.1)	(35.2)
Non-operating pension and OPEB costs	(1.9)	(1.3)	(1.6)	(1.6)	(6.4)	(1.8)	(2.0)	(1.9)	(1.9)	(7.6)
Income (loss) before taxes	18.9	33.5	36.4	29.7	118.5	20.3	58.1	65.8	(2.1)	142.1
Income taxes[3]	(2.0)	(9.2)	(2.7)	(18.1)	(32.0)	(5.7)	(12.0)	(5.4)	3.9	(19.2)
Net income (GAAP)	$ 16.9	$ 24.3	$ 33.7	$ 11.6	$ 86.5	$ 14.6	$ 46.1	$ 60.4	$ 1.8	$ 122.9
Diluted EPS (GAAP)	$ 0.41	$ 0.59	$ 0.82	$ 0.28	$ 2.10	$ 0.29	$ 0.73	$ 0.93	$ 0.03	$ 1.99
Distributions per share [4]	$ 0.375	$ 0.375	$ 0.375	$ 0.40	$ 1.525	$ 0.40	$ 0.40	$ 0.40	$ 3.94	$ 5.14

(1) Includes gain of $3.3 million Q2 2017, loss of $2.1 million Q3 2017 and loss of $0.1 million in Q4 2017 on lumber price swap.

(2) Includes environmental charges for Avery Landing of $5 million Q3 2017 and Deltic merger related costs of $3.4 million Q4 2017, $19.4 million Q1 2018, $1.0 million Q2 2018, $0.9 million Q3 2018 and $0.9 million Q4 2018.

(3) Includes charge of $10.7 million Q4 2017 related to tax legislation. Incudes tax benefit of $5.0 million in Q3 2018 related to contributions to qualified pension plans.

(4) Distributions per share include the Deltic earnings and profit special distribution of $222 million, or approximately $3.54 per share, paid on November 15, 2018.

Non-GAAP Reconciliation:
Operating Segment Adjusted EBITDDA
(Dollars in millions - unaudited)

	2017					2018				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Resource										
Northern Operating Income	$ 13.4	$ 17.8	$ 36.8	$ 26.0	$ 94.0	$ 26.2	$ 26.0	$ 39.6	$ 13.6	$ 105.4
Depreciation, depletion and amortization	1.8	1.7	2.2	2.2	7.9	2.1	1.9	2.3	2.0	8.3
Northern Adjusted EBITDDA	15.2	19.5	39.0	28.2	101.9	28.3	27.9	41.9	15.6	113.7
Southern Operating Income	1.5	1.8	5.0	3.9	12.2	2.8	3.1	6.4	3.9	16.2
Depreciation, depletion and amortization	2.6	2.6	4.0	3.4	12.6	6.6	12.7	10.4	10.3	40.0
Southern Adjusted EBITDDA	4.1	4.4	9.0	7.3	24.8	9.4	15.8	16.8	14.2	56.2
Resource Adjusted EBITDDA	$ 19.3	$ 23.9	$ 48.0	$ 35.5	$ 126.7	$ 37.7	$ 43.7	$ 58.7	$ 29.8	$ 169.9
Wood Products										
Operating income (loss)	$ 9.0	$ 24.9	$ 19.5	$ 19.7	$ 73.1	$ 25.6	$ 45.5	$ 40.6	$ (3.3)	$ 108.4
Depreciation, amortization, & eliminations	1.8	1.9	1.8	1.8	7.3	3.4	6.0	5.9	6.2	21.5
Loss on fixed assets	—	—	—	0.1	0.1	—	—	—	0.7	0.7
Lumber price swap[1]	—	(3.3)	3.1	0.2	—	—	—	—	—	—
Wood Products Adjusted EBITDDA	$ 10.8	$ 23.5	$ 24.4	$ 21.8	$ 80.5	$ 29.0	$ 51.5	$ 46.5	$ 3.6	$ 130.6
Real Estate										
Operating Income	$ 8.7	$ 5.7	$ 1.4	$ 2.8	$ 18.6	$ 4.3	$ 9.3	$ 3.1	$ 6.2	$ 22.9
Basis of land and depreciation	4.8	1.0	0.7	0.6	7.1	3.7	3.0	4.3	6.4	17.4
Real Estate Adjusted EBITDDA	$ 13.5	$ 6.7	$ 2.1	$ 3.4	$ 25.7	$ 8.0	$ 12.3	$ 7.4	$ 12.6	$ 40.3
Eliminations	$ 1.1	$ 1.0	$ (3.3)	$ (1.7)	$ (2.9)	$ (1.3)	$ (2.0)	$ (1.8)	$ (0.7)	$ (5.8)
Corporate										
Corporate expense	$ (7.9)	$ (9.1)	$ (14.2)	$ (12.1)	$ (43.3)	$ (30.0)	$ (12.5)	$ (10.1)	$ (9.9)	$ (62.5)
Depreciation and eliminations	0.1	0.1	0.2	0.1	0.5	0.2	0.2	0.2	0.2	0.8
Deltic merger-related costs	—	—	—	3.4	3.4	19.3	1.0	0.9	0.9	22.1
Environmental charges for Avery Landing	—	—	5.0	—	5.0	—	—	—	—	—
Inventory purchase price adjustments	—	—	—	—	—	1.8	—	—	—	1.8
Corporate Adjusted EBITDDA	$ (7.8)	$ (9.0)	$ (9.0)	$ (8.6)	$ (34.4)	$ (8.7)	$ (11.3)	$ (9.0)	$ (8.8)	$ (37.8)
Total Adjusted EBITDDA	$ 36.9	$ 46.1	$ 62.2	$ 50.4	$ 195.6	$ 64.7	$ 94.2	$ 101.8	$ 36.5	$ 297.2

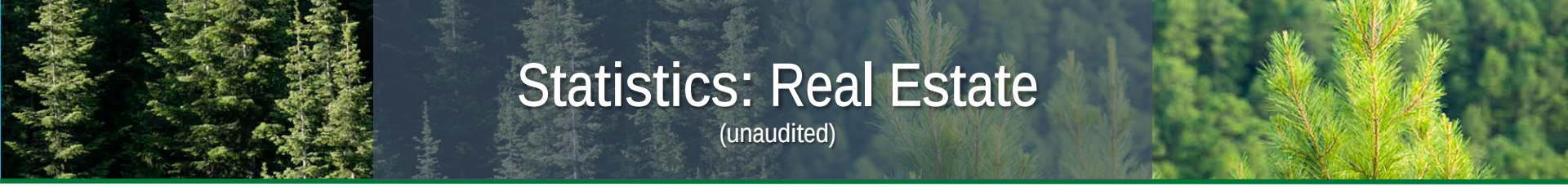
(1) Lumber price swap adjusted to exclude the change in unrealized (gain) loss and include cash settlements during the period.

Statistics: Resource and Wood Products

(unaudited)

	2017					2018				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Resource										
Fee Volumes (tons)										
Northern Region										
Sawlog	354,104	333,926	559,580	463,978	1,711,588	448,782	377,636	500,138	387,598	1,714,154
Pulpwood	47,785	40,054	33,742	24,821	146,402	45,428	31,389	37,953	31,978	146,749
Stumpage	10,693	—	1,434	—	12,127	5,836	4,222	3,210	135	13,403
Total	412,582	373,980	594,756	488,799	1,870,117	500,046	413,247	541,302	419,711	1,874,306
Southern Region										
Sawlog	216,097	192,391	290,362	234,378	933,228	335,088	580,296	469,336	468,317	1,853,037
Pulpwood	247,999	251,167	334,399	334,660	1,168,225	298,553	439,551	446,914	408,886	1,593,904
Stumpage	5,674	9,782	14,024	11,671	41,151	32,332	92,988	61,690	34,536	221,546
Total	469,770	453,340	638,785	580,709	2,142,604	665,973	1,112,835	977,940	911,739	3,668,487
Total Fee Volume	882,352	827,320	1,233,541	1,069,508	4,012,721	1,166,019	1,526,082	1,519,242	1,331,450	5,542,793
Sales Price/Unit ($ per ton)										
Northern Region										
Sawlog	$ 91	$ 115	$ 123	$ 111	$ 111	$ 110	$ 131	$ 139	$ 96	$ 119
Pulpwood	$ 41	$ 37	$ 38	$ 37	$ 38	$ 39	$ 41	$ 42	$ 42	$ 41
Stumpage	$ 13	$ —	$ 7	$ —	$ 13	$ 14	$ 14	$ 12	$ 8	$ 12
Southern Region										
Sawlog	$ 40	$ 39	$ 46	$ 49	$ 44	$ 42	$ 43	$ 47	$ 43	$ 44
Pulpwood	$ 31	$ 29	$ 30	$ 30	$ 30	$ 30	$ 31	$ 31	$ 30	$ 31
Stumpage	$ 14	$ 15	$ 14	$ 12	$ 14	$ 12	$ 11	$ 11	$ 9	$ 11
Wood Products										
Lumber shipments (MBF)	167,559	189,781	195,296	184,031	736,667	204,145	259,249	284,566	264,925	1,015,385
Lumber sales prices ($ per MBF)	$ 387	$ 431	$ 431	$ 447	$ 425	$ 465	$ 517	$ 486	$ 367	$ 457

Note: Correction was made that decreased Southern sawlogs in Q1 2018 by 14,496 tons.



Statistics: Real Estate

(unaudited)

	2017					2018				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Real Estate										
Rural										
Acres Sold										
HBU Development	4,628	700	628	484	6,440	1,796	1,133	1,136	1,326	5,391
Rural Real Estate	1,740	4,523	1,207	2,523	9,993	3,461	2,280	2,024	1,160	8,925
Non-Strategic Timberlands	197	186	191	—	574	887	8,158	—	80	9,125
	6,565	5,409	2,026	3,007	17,007	6,144	11,571	3,160	2,566	23,441
Revenues by Product Type (millions)										
HBU Development	$ 11.7	$ 1.8	$ 1.4	$ 1.2	$ 16.1	$ 4.3	$ 2.4	$ 5.2	$ 4.6	$ 16.5
Rural Real Estate	2.6	6.1	1.7	3.5	13.9	3.7	3.0	3.0	1.6	11.3
Non-Strategic Timberlands	0.2	0.2	0.2	—	0.6	0.8	7.3	—	0.1	8.2
	$ 14.5	$ 8.1	$ 3.3	$ 4.7	$ 30.6	$ 8.8	$ 12.7	$ 8.2	$ 6.3	$ 36.0
Sales Price per Acre										
HBU Development	$ 2,523	$ 2,577	$ 2,278	$ 2,526	$ 2,505	$ 2,395	$ 2,113	$ 4,615	$ 3,458	$ 3,065
Rural Real Estate	$ 1,510	$ 1,356	$ 1,375	$ 1,391	$ 1,394	$ 1,075	$ 1,290	$ 1,480	$ 1,395	$ 1,264
Non-Strategic Timberlands	$ 1,019	$ 1,074	$ 1,007	$ —	$ 1,033	$ 913	$ 899	$ —	$ 988	$ 903
Transactions by Product Type										
HBU Development	18	21	14	15	68	23	11	9	19	62
Rural Real Estate	9	38	22	32	101	24	26	29	20	99
Non-Strategic Timberlands	4	5	6	—	15	5	4	—	3	12
	31	64	42	47	184	52	41	38	42	173
Development										
Residential lots										
Lots sold	—	—	—	—	—	12	13	9	67	101
Average price per lot	$ —	$ —	$ —	$ —	$ —	$ 98,975	$ 74,054	$ 143,000	$ 61,384	$ 74,753
Commercial Acres										
Acres sold	—	—	—	—	—	—	—	—	13	13
Average price per acre	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 347,581	$ 347,581

2018 Share Count Changes

(unaudited)

- In Q1 2018, 22 million shares were issued in conjunction with acquisition of Deltic Timber
- In November of 2018, 4.8 million shares were issued as part of the $222 million special distribution

Thousands	2018				Total
Common shares outstanding	Q1	Q2	Q3	Q4	2018
Beginning of the period	40,612	62,755	62,755	62,755	40,612
Shares issued to complete the Deltic Timber merger	21,981	–	–	–	21,981
Shares issued in special distribution	–	–	–	4,815	4,815
Share-based equity compensation	162	–	–	–	162
End of the period	62,755	62,755	62,755	67,570	67,570
Weighted average shares outstanding	Q1	Q2	Q3	Q4	2018
Basic	50,425	62,980	62,986	65,486	60,534
Diluted	50,786	63,316	64,722	68,110	61,814

Definitions

Adjusted EBITDDA is a non-GAAP measure and is calculated as net income (loss) adjusted for interest expense, provision (benefit) for income taxes, depletion, depreciation and amortization, basis of real estate sold, non-operating pension and other post-retirement benefit costs, gains and losses on disposition of fixed assets, acquisition costs included in cost of goods sold, environmental charges, Deltic merger-related costs, non-cash impairments and other special items.

Adjusted Net Income is a non-GAAP measure and is net income (loss) adjusted for acquisition costs included in cost of goods sold, environmental charges, Deltic merger-related costs, non-cash impairments and other special items.

EBITDDA Leverage is a non-GAAP measure and is calculated as net debt divided by Adjusted EBITDDA.

Segment Adjusted EBITDDA is a non-GAAP measure and is calculated as segment operating income (loss) adjusted for depletion, depreciation and amortization, basis of real estate sold, gains and losses on disposition of fixed assets, non-cash impairments and other special items.

Cash Available for Distribution (CAD) is a non-GAAP measure and is calculated as cash from operations minus capital expenditures and timberland acquisitions.

Net debt to enterprise value is a non-GAAP measure and is calculated as net debt divided by enterprise value. Net Debt is a non-GAAP measure and, is calculated as long-term debt, less cash and cash equivalents.



Michael J. Covey
Chairman and Chief Executive Officer

Eric J. Cremers
President and Chief Operating Officer

Jerald W. Richards
Vice President and Chief Financial Officer

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