

2020 ANNUAL REPORT



**TRANSFORMING
OUR COMPANY
FOR GREATER
SHAREHOLDER
VALUE.**



TO OUR SHAREHOLDERS:

2020 was a year of extraordinary challenges, not only for our industry but also for the global communities we serve. As the COVID-19 pandemic disrupted lives and industries around the world, all 4,500 LP Building Solutions (LP) employees responded with resiliency, creativity, and dedication. Our results are a testament to their efforts and resolve.

The housing industry showed remarkable resilience in the face of these challenges, and LP's employees rose to the occasion. LP® SmartSide® strand siding sales grew by 15%, and intense demand drove oriented strand board (OSB) prices to record levels. As a result, LP's sales reached \$2.8 billion in 2020, with an Adjusted EBITDA of \$781 million and Adjusted Earnings Per Share of \$4.31.

At the beginning of 2019, LP set three-year targets for growth and efficiency gains, with a cumulative EBITDA impact of \$165 million. By the end of 2020, we had exceeded those goals a year early, with \$178 million in cumulative impact:

- **Growth in SmartSide and OSB Structural Solutions:** We targeted \$90 million in total EBITDA impact. By year-end 2020, we had achieved \$107 million, with \$68 million coming from SmartSide growth in 2020 alone.
- **Efficiency:** We targeted \$75 million in EBITDA impact from efficiency and sourcing improvements. Even with our Peace Valley OSB mill idled, the total impact from efficiency and sourcing hit \$71 million in just two years.
- **Total EBITDA Impact:** In 2019, we achieved \$68 million of the \$165 million goal. In 2020, we nearly doubled that, adding \$110 million for a total of \$178 million. This is a race with no finish line, and we intend to not only hold these gains, but increase them.

Building on this achievement, LP recently announced a phased, integrated capacity expansion strategy that will supply accelerating growth for SmartSide products and increase LP's OSB capacity while expanding options to flexibly balance supply and demand.

We look to 2021 with a continued commitment to "Doing the Right Thing Always" as we ethically and sustainably manage our operations. We will continue to source our renewable fiber sustainably and be good stewards of the communities in which we operate. We are also building on our industry-leading safety program by transitioning to a proactive system of identifying and preventing potential hazards capable of causing serious injuries or fatalities (SIF Prevention).

As always, we remain committed to our mission of providing an innovative and sustainable portfolio of high-quality products that help customers build beautiful, durable homes and structures while our shareholders build lasting value.

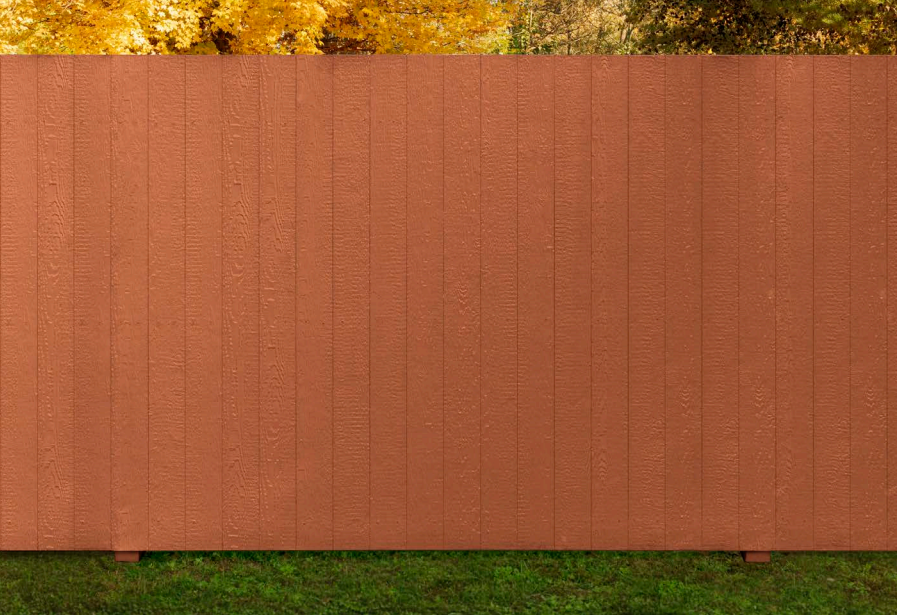
On behalf of all 4,500 employees, we sincerely thank our shareholders for their confidence and support.



BRAD SOUTHERN

Chair of the Board &

Chief Executive Officer



RECORD SALES IN TRIM AND SIDING

2020 was a year of accelerated growth and innovation for SmartSide as well as increased focus following the strategic exits from fiber and CanExel™. While housing starts grew by 7% in 2020, SmartSide strand sales grew by 15%—more than twice the rate of housing growth. Customer demand for innovative products like SmartSide Smooth and ExpertFinish® Trim & Siding as well as shakes, LP® Outdoor Building Solutions®, and LP Elements® Performance Fencing show the value-generation of our new product pipeline.

The siding segment is well positioned for additional growth with the announcement of the next two capacity additions:

- LP's mill in Houlton, Maine will cease production of laminated strand lumber (LSL) and OSB in 2021 in anticipation of its conversion to SmartSide manufacturing in early 2022.
- While the timing will be a function of demand, the next siding conversion will be our OSB mill in Sagola, Michigan.
- These two facilities will add roughly 520 million square feet of new capacity and expand LP's reach into new home construction, repair and remodel, and outdoor building markets.

The strategy for the Siding segment in 2021 is to grow SmartSide strand while continuing to improve operational efficiency at our manufacturing sites. Both SmartSide Smooth and ExpertFinish will contribute to that growth by driving brand awareness and market penetration.

2020 FINANCIAL HIGHLIGHTS OF OUR SIDING SEGMENT:

15%

**REVENUE GROWTH IN
SMARTSIDE STRAND**

\$246M

ADJUSTED EBITDA

26%

ADJUSTED EBITDA MARGIN





CREATING ADDED VALUE WITH PROVEN STRUCTURAL SOLUTIONS

The surprising resilience of the housing market despite COVID-19 led to intense demand for OSB in 2020, resulting in record prices. While high OSB prices may have overshadowed our efforts somewhat, the OSB business continued to demonstrate outstanding efficiency and cost control.

Customer demand for our portfolio of Structural Solutions continued to grow, ending the year at 44% of total volume. Engineered to proactively defend the jobsite and the home, these high value-added products include overlays and edge treatments that provide outstanding strength and durability. Our Structural Solutions portfolio can reduce installation labor, resist moisture, and increase energy efficiency.

Recent innovations in the OSB Structural Solutions portfolio include:

- LP WeatherLogic® approved for roof application, allowing for greater versatility.
- LP WeatherLogic® roof and wall panels are now Structural I rated for greater cross-panel strength and stiffness and enhanced structural capacity.
- LP WeatherLogic® Water Screen innovation helps drain and channel water and moisture from exterior walls, complying with codes and providing additional peace of mind for homeowners.

2020 FINANCIAL HIGHLIGHTS OF OUR OSB SEGMENT:

44%

STRUCTURAL SOLUTIONS

proportion of OSB sales volume

\$1.2B

SALES

\$519M

EBITDA







COMMITTED TO INCREASING SHAREHOLDER VALUE

LP remains committed to our capital allocation strategy. After necessary investments to drive growth and innovation, we will return, over time, at least half of the cash we generate to shareholders.

In 2020, that strategy was implemented as follows:

- \$65 million in dividends paid
- Quarterly dividend increased in 2020 to \$0.145 per share
- \$200 million in share repurchases
- Reduced share count by 5% to 106 million shares outstanding







SUSTAINABILITY

At LP, our value system is built on the idea of “Doing the Right Thing Always.” This deep-rooted cultural norm drives the decisions we make and the actions we take every day. It also describes how we think about the processes we follow as we source wood for our products and work to minimize waste. It describes how we support our communities and seek to proactively identify safety hazards to keep our employees safe.

Sustainability has always been part of the fabric of our company, and 2020 brought us a renewed focus on both it and corporate responsibility. We believe it is important to ensure that our actions reflect the diverse perspectives of our stakeholders, and to be visible and transparent about our sustainability initiatives and how they fit into our corporate strategy.

Our sustainability framework comprises five key areas: governance, our people, our products, our communities, and our environment. Our commitment to sustainable operations starts with sustainable stewardship of our renewable wood fiber and is carried through to safe and efficient manufacturing processes, resulting in beautiful, durable products that make homes strong and secure. We are committed to responsible governance and to recruiting, developing, and retaining a diverse and talented team who share our vision and values.







OUR CULTURE FRAMEWORK

VISION

To Be a Leading Building Solutions Company

PURPOSE

Building a Better World

MISSION

To provide an innovative and sustainable portfolio of high-quality products that help customers build beautiful, durable homes and structures while our shareholders build lasting value

VALUES

Do the Right Thing Always

• Trust • Respect • Urgency • Transparency • Honesty

THINK & ACT LIKE OWNERS



BE SAFE



BE CURIOUS



INSIST ON EXCELLENCE



EMBRACE DIFFERENCES



INNOVATE & SIMPLIFY



LEAN IN, SPEAK UP



JOIN FORCES



HAVE A BIAS FOR ACTION



LP EXECUTIVES, BOARD OF DIRECTORS AND SHAREHOLDER INFORMATION

EXECUTIVES

W. BRADLEY SOUTHERN

Chair of the Board,
Chief Executive Officer

ALAN HAUGHIE

Executive Vice President,
Chief Financial Officer

JASON RINGBLOM

Executive Vice President,
Oriented Strand Board

NEIL SHERMAN

Executive Vice President,
Siding

MIKE SIMS

Senior Vice President
Corporate Marketing
and Business Development

BOARD OF DIRECTORS

TRACY A. EMBREE

Compensation Committee Member
Governance & Corporate Responsibility
Committee Member

LIZANNE C. GOTTING

Governance & Corporate Responsibility
Committee Chair
Compensation Committee Member
Executive Committee Member

OZEY K. HORTON JR.

Finance and Audit Committee Member
Governance & Corporate Responsibility
Committee Member

KURT M. LANDGRAF

Finance and Audit Committee Chair
Compensation Committee Member
Executive Committee Member

STEPHEN E. MACADAM

Finance and Audit Committee Member
Governance & Corporate Responsibility
Committee Member

DUSTAN E. MCCOY,

LEAD INDEPENDENT DIRECTOR

Compensation Committee Chair
Executive Committee Member
Governance & Corporate Responsibility
Committee Member

F. NICHOLAS GRASBERGER III

Finance and Audit Committee Member
Governance & Corporate Responsibility
Committee Member

W. BRADLEY SOUTHERN, CHAIRMAN OF THE BOARD

Executive Committee Chairman

SHAREHOLDER INFORMATION

Corporate Office

414 Union Street, Suite 2000
Nashville, TN 37219
Tel 615-986-5600
Fax 615-986-5666
www.lpcorp.com

ANNUAL MEETING

The annual meeting of shareholders will take place on Friday, April 30, 2021 via a live audio webcast. Additional copies of LP's Form 10-K Annual Report to the Securities and Exchange Commission will be available on request to the corporate office.

DIVIDEND REINVESTMENT

Holders of common stock may automatically reinvest dividends toward the purchase of additional shares of the company's common stock. For a copy of a brochure describing the plan and an application, contact:

Computershare Trust Company

N.A. Dividend Reinvestment Plans
P.O. Box 505000
Louisville, KY 40233-5000
Phone: 1-800-756-8200
www.computershare.com/investor

Ticker Symbol: LPX

Louisiana-Pacific Corporation's common stock is listed on the New York Stock Exchange.

FORWARD-LOOKING STATEMENTS

This annual report contains statements concerning Louisiana-Pacific Corporation's (LP) future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to, the following: impacts from public health issues (including global pandemics, such as the ongoing COVID-19 pandemic) on the economy; demand for our products or our operations, including the actions and recommendations of governmental authorities to contain such public health issues; changes in governmental fiscal and monetary policies, including tariffs, and levels of employment; changes in general economic conditions, including impacts from the ongoing COVID-19 pandemic; changes in the cost and availability of capital; changes in the level of home construction and repair activity; changes in competitive conditions and prices for our products; changes in the relationship between supply of and demand for building products; changes in the financial or business conditions of third-party wholesale distributors and dealers; changes in the relationship between supply of and demand for raw materials, including wood fiber and resins, used in manufacturing our products; changes in the cost of and availability of energy, primarily natural gas, electricity, and diesel fuel; changes in the cost of and availability of transportation; impact of manufacturing our products internationally; difficulties in the launch or production ramp-up of newly introduced products; unplanned interruptions to our manufacturing operations, such as explosions, fires, inclement weather, natural disasters, accidents, equipment failures, labor disruptions, transportation interruptions, supply interruptions, public health issues (including pandemics and quarantines), riots, civil insurrection or social unrest, looting, protests, strikes and street demonstrations; changes in other significant operating expenses; changes in currency values and exchange rates between the U.S. dollar and other currencies, particularly the Canadian dollar, Brazilian real and Chilean peso; changes in, and compliance with, general and industry-specific laws and regulations, including environmental and health and safety laws and regulations, the U.S. Foreign Corrupt Practices Act and anti-bribery laws, laws related to our international business operations, and changes in building codes and standards; changes in tax laws, and interpretations thereof; changes in circumstances giving rise to environmental liabilities or expenditures; warranty costs exceeding our warranty reserves; challenge or exploitation of our intellectual property or other proprietary information by others in the industry; changes in the funding requirements of our defined benefit pension plans; the resolution of existing and future product-related litigation and other legal proceedings; the amount and timing of any repurchases of our common stock and the payment of dividends on our common stock, which will depend on market and business conditions and other considerations; and acts of public authorities, war, civil unrest, natural disasters, fire, floods, earthquakes, inclement weather and other matters beyond our control. For additional information about factors that could cause actual results, events, and circumstances to differ materially from those described in the forward-looking statements, please refer to LP's filings with the Securities and Exchange Commission. Except as required by law, LP undertakes no obligation to update any such forward-looking statements to reflect new information, subsequent events or circumstances.

TRANSFER AGENT

AND REGISTRAR

Computershare Trust Company, N.A.
P.O. Box 505000
Louisville, KY 40233-5000
Phone: 1-800-756-8200
www.computershare.com

INVESTOR RELATIONS

Aaron Howald
(615) 986-5600
Investor.Relations@lpcorp.com

MEDIA

(615) 986-5886
Media.Relations@lpcorp.com

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Nashville, Tennessee

COUNSEL

Bass, Berry & Sims PLC



Louisiana-Pacific Corporation 414 Union Street, Suite 2000 Nashville, TN 37219-1700 | (615) 986-5600

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