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 SEPTEMBER 30, 2023

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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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 October 23, 2023, 730,001 thousand shares of the registrant's common stock ($1.25 par value) were outstanding.

TABLE OF CONTENTS

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 SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022
Net sales (Note 3)	**$ 2,022**	**$ 2,276**	**$ 5,900**	**$ 8,361**
Costs of sales	1,520	1,694	4,560	5,130
Gross margin	**502**	**582**	**1,340**	**3,231**
Selling expenses	22	24	66	70
General and administrative expenses	107	100	316	294
Other operating costs, net (Note 13)	20	1	50	19
Operating income	**353**	**457**	**908**	**2,848**
Non-operating pension and other post-employment benefit costs (Note 6)	(12)	(12)	(33)	(38)
Interest income and other	24	9	54	9
Interest expense, net of capitalized interest	(72)	(67)	(208)	(204)
Loss on debt extinguishment (Note 8)	—	—	—	(276)
Earnings before income taxes	**293**	**387**	**721**	**2,339**
Income taxes (Note 14)	(54)	(77)	(101)	(470)
Net earnings	**$ 239**	**$ 310**	**$ 620**	**$ 1,869**
Earnings per share, basic and diluted (Note 4)	$ 0.33	$ 0.42	$ 0.85	$ 2.51
Weighted average shares outstanding (in thousands) (Note 4):				
Basic	731,046	740,058	732,069	743,990
Diluted	731,742	740,975	732,542	745,081

See accompanying Notes to Consolidated Financial Statements.

WEYERHAEUSER COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)

DOLLAR AMOUNTS IN MILLIONS	QUARTER ENDED SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022
Net earnings	**$ 239**	**$ 310**	**$ 620**	**$ 1,869**
Other comprehensive income (loss):				
Foreign currency translation adjustments	(7)	(53)	—	(62)
Changes in unamortized actuarial loss, net of tax expense of $3, $11, $7 and $40	9	32	23	122
Changes in unamortized net prior service credit, net of tax benefit (expense) of $0, $0, $1 and ($1)	—	1	1	1
Total other comprehensive income (loss)	**2**	**(20)**	**24**	**61**
Total comprehensive income	**$ 241**	**$ 290**	**$ 644**	**$ 1,930**

See accompanying Notes to Consolidated Financial Statements.

WEYERHAEUSER COMPANY
CONSOLIDATED BALANCE SHEET
(UNAUDITED)

DOLLAR AMOUNTS IN MILLIONS, EXCEPT PAR VALUE	SEPTEMBER 30, 2023	DECEMBER 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,173	$ 1,581
Short-term investments (Note 9)	668	—
Receivables, net	443	357
Receivables for taxes	18	42
Inventories (Note 5)	528	550
Prepaid expenses and other current assets	186	216
Total current assets	**3,016**	**2,746**
Property and equipment, less accumulated depreciation of $3,854 and $3,710	2,106	2,171
Construction in progress	311	222
Timber and timberlands at cost, less depletion	11,521	11,604
Minerals and mineral rights, less depletion	203	214
Deferred tax assets	8	8
Other assets	385	375
Total assets	**$ 17,550**	**$ 17,340**
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt (Note 8)	$ 861	$ 982
Accounts payable	288	247
Accrued liabilities (Note 7)	537	511
Total current liabilities	**1,686**	**1,740**
Long-term debt, net (Note 8)	4,818	4,071
Deferred tax liabilities	113	96
Deferred pension and other post-employment benefits (Note 6)	349	344
Other liabilities	356	340
Total liabilities	**7,322**	**6,591**
Commitments and contingencies (Note 10)		
Equity:		
Common shares: $1.25 par value; authorized 1,360 million shares; issued and outstanding: 730,128 thousand shares at September 30, 2023 and 732,794 thousand shares at December 31, 2022	913	916
Other capital	7,609	7,691
Retained earnings	1,929	2,389
Accumulated other comprehensive loss (Note 11)	(223)	(247)
Total equity	**10,228**	**10,749**
Total liabilities and equity	**$ 17,550**	**$ 17,340**

See accompanying Notes to Consolidated Financial Statements.

WEYERHAEUSER COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

DOLLAR AMOUNTS IN MILLIONS	**YEAR-TO-DATE ENDED SEPTEMBER 2023**	**YEAR-TO-DATE ENDED SEPTEMBER 2022**
Cash flows from operations:		
Net earnings	$ 620	$ 1,869
Noncash charges (credits) to earnings:		
Depreciation, depletion and amortization	374	360
Basis of real estate sold	80	77
Pension and other post-employment benefits (Note 6)	50	65
Share-based compensation expense (Note 12)	26	25
Loss on debt extinguishment (Note 8)	—	276
Other	(4)	17
Change in:		
Receivables, net	(77)	81
Receivables and payables for taxes	51	15
Inventories	23	(30)
Prepaid expenses and other current assets	(5)	(7)
Accounts payable and accrued liabilities	43	(23)
Pension and post-employment benefit contributions and payments	(16)	(19)
Other	(20)	(41)
Net cash from operations	**1,145**	**2,665**
Cash flows from investing activities:		
Capital expenditures for property and equipment	(209)	(207)
Capital expenditures for timberlands reforestation	(42)	(38)
Acquisition of timberlands (Note 15)	(70)	(286)
Purchase of short-term investments	(664)	—
Other	3	1
Net cash from investing activities	**(982)**	**(530)**
Cash flows from financing activities:		
Cash dividends on common shares	(1,076)	(1,485)
Net proceeds from issuance of long-term debt (Note 8)	743	881
Payments on long-term debt (Note 8)	(118)	(1,203)
Repurchases of common shares (Note 4)	(109)	(402)
Other	(11)	(5)
Net cash from financing activities	**(571)**	**(2,214)**
Net change in cash, cash equivalents and restricted cash	**(408)**	**(79)**
Cash, cash equivalents and restricted cash at beginning of period	1,581	1,999
Cash, cash equivalents and restricted cash at end of period	**$ 1,173**	**$ 1,920**
Cash paid during the period for:		
Interest, net of amount capitalized of $5 and $5	$ 190	$ 211
Income taxes, net of refunds	$ 40	$ 446

See accompanying Notes to Consolidated Financial Statements.

WEYERHAEUSER COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)

DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER-SHARE FIGURES	QUARTER ENDED SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022
Common shares:				
Balance at beginning of period	$ 914	$ 927	$ 916	$ 934
Issued for exercise of stock options and vested units	—	—	2	2
Repurchases of common shares (Note 4)	(1)	(5)	(5)	(14)
Balance at end of period	**913**	**922**	**913**	**922**
Other capital:				
Balance at beginning of period	7,624	7,954	7,691	8,181
Issued for exercise of stock options	1	1	3	14
Repurchases of common shares (Note 4)	(24)	(140)	(105)	(390)
Share-based compensation	9	8	26	25
Other transactions, net	(1)	1	(6)	(6)
Balance at end of period	**7,609**	**7,824**	**7,609**	**7,824**
Retained earnings:				
Balance at beginning of period	1,828	2,333	2,389	2,131
Net earnings	239	310	620	1,869
Dividends on common shares	(138)	(133)	(1,080)	(1,490)
Balance at end of period	**1,929**	**2,510**	**1,929**	**2,510**
Accumulated other comprehensive loss:				
Balance at beginning of period	(225)	(398)	(247)	(479)
Other comprehensive income (loss)	2	(20)	24	61
Balance at end of period (Note 11)	**(223)**	**(418)**	**(223)**	**(418)**
Total equity:				
Balance at end of period	**$ 10,228**	**$ 10,838**	**$ 10,228**	**$ 10,838**
Dividends paid per common share	**$ 0.19**	**$ 0.18**	**$ 1.47**	**$ 1.99**

See accompanying Notes to Consolidated Financial Statements.

INDEX FOR NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTERS AND YEAR-TO-DATE PERIODS ENDED SEPTEMBER 30, 2023 AND 2022

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," "we," "the company" 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, 2022. 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; manufacturing, distributing and selling products made from trees; maximizing the value of our acreage through the sale of higher and better use (HBU) properties; and monetizing the value of surface and subsurface assets through leases and royalties. 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:

DOLLAR AMOUNTS IN MILLIONS	QUARTER ENDED SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022
Sales to unaffiliated customers:				
Timberlands	$ 380	$ 441	$ 1,259	$ 1,421
Real Estate & ENR	105	68	286	313
Wood Products	1,537	1,767	4,355	6,627
	2,022	2,276	5,900	8,361
Intersegment sales:				
Timberlands	141	133	433	450
Total sales	2,163	2,409	6,333	8,811
Intersegment eliminations	(141)	(133)	(433)	(450)
Total	**$ 2,022**	**$ 2,276**	**$ 5,900**	**$ 8,361**
Net contribution (charge) to earnings:				
Timberlands	$ 78	$ 107	$ 302	$ 442
Real Estate & ENR	56	48	161	194
Wood Products	277	344	590	2,389
	411	499	1,053	3,025
Unallocated items(1)	(46)	(45)	(124)	(206)
Net contribution to earnings	365	454	929	2,819
Interest expense, net of capitalized interest	(72)	(67)	(208)	(204)
Loss on debt extinguishment	—	—	—	(276)
Earnings before income taxes	293	387	721	2,339
Income taxes	(54)	(77)	(101)	(470)
Net earnings	**$ 239**	**$ 310**	**$ 620**	**$ 1,869**

(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.

NOTE 3: REVENUE RECOGNITION

A reconciliation of revenue recognized by our major products:

DOLLAR AMOUNTS IN MILLIONS	QUARTER ENDED SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022
Net sales to unaffiliated customers:				
Timberlands segment				
Delivered logs:				
West				
Domestic sales	$ 96	$ 97	$ 290	$ 313
Export grade sales	80	127	321	478
Subtotal West	176	224	611	791
South	155	166	485	480
North	11	15	35	40
Subtotal delivered logs sales	342	405	1,131	1,311
Stumpage and pay-as-cut timber	12	10	43	30
Recreational and other lease revenue	19	18	54	51
Other(1)	7	8	31	29
Net sales attributable to Timberlands segment	380	441	1,259	1,421
Real Estate & ENR segment				
Real estate	79	30	198	217
Energy and natural resources	26	38	88	96
Net sales attributable to Real Estate & ENR segment	105	68	286	313
Wood Products segment				
Structural lumber	570	676	1,658	2,880
Oriented strand board	284	287	707	1,348
Engineered solid section	216	233	600	676
Engineered I-joists	122	166	335	471
Softwood plywood	42	47	127	158
Medium density fiberboard	40	50	120	151
Complementary building products	184	222	551	676
Other(2)	79	86	257	267
Net sales attributable to Wood Products segment	1,537	1,767	4,355	6,627
Total net sales	**$ 2,022**	**$ 2,276**	**$ 5,900**	**$ 8,361**

(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:

- $0.33 during third quarter 2023 and $0.85 during year-to-date 2023;
- $0.42 during third quarter 2022 and $2.51 during year-to-date 2022.

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.

	QUARTER ENDED		YEAR-TO-DATE ENDED	
SHARES IN THOUSANDS	**SEPTEMBER 2023**	**SEPTEMBER 2022**	**SEPTEMBER 2023**	**SEPTEMBER 2022**
Weighted average common shares outstanding – basic	**731,046**	**740,058**	**732,069**	**743,990**
Dilutive potential common shares:				
Stock options	154	192	134	294
Restricted stock units	304	420	117	417
Performance share units	238	305	222	380
Total effect of outstanding dilutive potential common shares	696	917	473	1,091
Weighted average common shares outstanding – dilutive	**731,742**	**740,975**	**732,542**	**745,081**

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.

	QUARTER ENDED		YEAR-TO-DATE ENDED	
SHARES IN THOUSANDS	**SEPTEMBER 2023**	**SEPTEMBER 2022**	**SEPTEMBER 2023**	**SEPTEMBER 2022**
Stock options	609	620	609	620
Performance share units	612	623	612	623

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 757,510 common shares for approximately $25 million (including transaction fees) under the 2021 Repurchase Program during third quarter 2023 and 3,562,944 common shares for approximately $110 million under the 2021 Repurchase Program during year-to-date 2023. As of September 30, 2023, we had remaining authorization of $267 million for future share repurchases. During year-to-date 2022, we repurchased 11,217,300 common shares for approximately $404 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 32,757 unsettled shares (approximately $1 million) as of September 30, 2023, and 223,548 unsettled shares (approximately $7 million) as of December 31, 2022.

NOTE 5: INVENTORIES

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

DOLLAR AMOUNTS IN MILLIONS	**SEPTEMBER 30, 2023**	**DECEMBER 31, 2022**
LIFO inventories:		
Logs	$ 28	$ 32
Lumber, plywood, panels and fiberboard	80	61
Other products	16	9
Moving average cost or FIFO inventories:		
Logs	31	56
Lumber, plywood, panels, fiberboard and engineered wood products	98	122
Other products	129	140
Materials and supplies	146	130
Total	**$ 528**	**$ 550**

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			
	QUARTER ENDED		YEAR-TO-DATE ENDED	
DOLLAR AMOUNTS IN MILLIONS	SEPTEMBER 2023	SEPTEMBER 2022	SEPTEMBER 2023	SEPTEMBER 2022
Service cost	$ 6	$ 9	$ 17	$ 27
Interest cost	30	27	89	80
Expected return on plan assets	(30)	(40)	(90)	(120)
Amortization of actuarial loss	10	23	29	70
Amortization of prior service cost	—	1	1	2
Total net periodic benefit cost – pension	**$ 16**	**$ 20**	**$ 46**	**$ 59**

	OTHER POST-EMPLOYMENT BENEFITS			
	QUARTER ENDED		YEAR-TO-DATE ENDED	
DOLLAR AMOUNTS IN MILLIONS	SEPTEMBER 2023	SEPTEMBER 2022	SEPTEMBER 2023	SEPTEMBER 2022
Interest cost	$ 2	$ —	$ 4	$ 2
Amortization of actuarial loss	—	1	1	4
Amortization of prior service credit	—	—	(1)	—
Total net periodic benefit cost – other post-employment benefits	**$ 2**	**$ 1**	**$ 4**	**$ 6**

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 update 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 2023.

NOTE 7: ACCRUED LIABILITIES

Accrued liabilities were comprised of the following:

DOLLAR AMOUNTS IN MILLIONS	SEPTEMBER 30, 2023	DECEMBER 31, 2022
Compensation and employee benefit costs	$ 173	$ 201
Current portion of lease liabilities	21	22
Customer rebates, volume discounts and deferred income	135	132
Interest	84	69
Taxes payable	66	23
Other	58	64
Total	**$ 537**	**$ 511**

NOTE 8: LONG-TERM DEBT AND LINE OF CREDIT

In July 2023, we repaid $118 million of our 7.125 percent notes at maturity.

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. Of these total net proceeds, $664 million was invested in short-term investments classified as held-to-maturity securities.

In March 2022, we completed a series of transactions that lowered our weighted average interest rate and extended our weighted average maturity by issuing $900 million in notes and using the net proceeds plus cash on hand to close cash tender offers for $931 million of principal in higher interest rate notes. We issued $450 million of 3.375 percent notes due in March 2033 and $450 million of 4.000 percent notes due in March 2052. The net proceeds after deducting the discount, underwriting fees and issuance costs were $444 million and $437 million, respectively. The net proceeds were used to retire $592 million of our 7.375 percent notes due in March 2032, $161 million of our 8.500 percent notes due in January 2025, $73 million of our 7.125 percent notes due in July 2023, $65 million of our 7.950 percent notes due in March 2025, and $40 million of our 7.850 percent notes due in July 2026. We paid holders an aggregate $1.2 billion in cash reflecting principal, premium to par and tender premium. A net pretax charge of $276 million ($207 million after-tax) was included in the *Consolidated Statement of Operations* in first quarter 2022 for premiums to retire $931 million of principal plus unamortized debt issuance costs and unamortized debt discounts in connection with the early debt retirement.

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 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 September 30, 2023 and December 31, 2022.

NOTE 9: FAIR VALUE OF FINANCIAL INSTRUMENTS

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

DOLLAR AMOUNTS IN MILLIONS	SEPTEMBER 30, 2023	DECEMBER 31, 2022
Long-term fixed rate debt (including current maturities):		
Carrying value	$ 5,679	$ 5,053
Fair value (level 2)	$ 5,434	$ 4,918

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 line of credit has a net carrying value that approximates its fair value within an insignificant difference. 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.

As of September 30, 2023, we had $668 million in short-term investments classified as held-to-maturity debt securities, which consist of a mixture of term deposits and Treasury bills. We did not have any short-term investments classified as held-to-maturity debt securities as of December 31, 2022. These short-term investments mature within one year and are recorded in "Short-term investments" on our *Consolidated Balance Sheet*. We record held-to-maturity debt securities at amortized cost, which approximates fair value.

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 September 30, 2023, our total accrual for future estimated remediation costs on active Superfund sites and other sites for which we are potentially responsible was approximately $75 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:

DOLLAR AMOUNTS IN MILLIONS	QUARTER ENDED SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022
Pension[1]				
Balance at beginning of period	$ (444)	$ (632)	$ (458)	$ (720)
Other comprehensive income (loss) before reclassifications	—	14	(1)	65
Amounts reclassified from accumulated other comprehensive loss to earnings[2]	9	19	24	56
Total other comprehensive income	9	33	23	121
Balance at end of period	**$ (435)**	**$ (599)**	**$ (435)**	**$ (599)**
Other post-employment benefits[1]				
Balance at beginning of period	$ 21	$ —	$ 20	$ (2)
Other comprehensive loss before reclassifications	(1)	(1)	—	(1)
Amounts reclassified from accumulated other comprehensive loss to earnings[2]	1	1	1	3
Total other comprehensive income	—	—	1	2
Balance at end of period	**$ 21**	**$ —**	**$ 21**	**$ —**
Translation adjustments and other				
Balance at beginning of period	$ 198	$ 234	$ 191	$ 243
Translation adjustments	(7)	(53)	—	(62)
Total other comprehensive loss	(7)	(53)	—	(62)
Balance at end of period	**191**	**181**	**191**	**181**
Accumulated other comprehensive loss, end of period	**$ (223)**	**$ (418)**	**$ (223)**	**$ (418)**

(1) Amounts presented are net of tax.

(2) Amounts of actuarial loss and prior service (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 year-to-date 2023 included the following:

SHARES IN THOUSANDS	GRANTED	VESTED
Restricted stock units (RSUs)	844	771
Performance share units (PSUs)	392	228

A total of 897 thousand shares of common stock were issued as a result of RSU vestings, PSU vestings and stock option exercises.

Restricted Stock Units

The weighted average fair value of the RSUs granted in 2023 was $33.76. The vesting provisions for RSUs granted in 2023 were consistent with prior year grants.

Performance Share Units

The weighted average grant date fair value of PSUs granted in 2023 was $37.58. The final number of shares granted in 2023 will vest between a range of 0 percent to 150 percent of each grant's target, depending upon actual company performance compared against an industry peer group. PSUs granted in 2023 will vest at a maximum of 100 percent of target value in the event of negative absolute company total shareholder return.

Weighted Average Assumptions Used in Estimating the Value of Performance Share Units Granted in 2023

	PERFORMANCE SHARE UNITS
Performance period	2/09/2023 – 12/31/2025
Valuation date average stock price[1]	$33.96
Expected dividends	2.25%
Risk-free rate	4.21% – 4.66%
Expected volatility	29.26% – 40.19%

(1) Calculated as an average of the high and low prices on grant date.

NOTE 13: OTHER OPERATING COSTS, NET

Other operating costs, net were comprised of the following:

DOLLAR AMOUNTS IN MILLIONS	QUARTER ENDED SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022
Environmental remediation charges	$ 1	$ —	$ 14	$ 1
Foreign exchange losses (gains), net	1	(8)	(1)	(12)
Litigation expense, net	9	2	11	10
Research and development expenses	2	1	5	4
Other, net	7	6	21	16
Total other operating costs, net	**$ 20**	**$ 1**	**$ 50**	**$ 19**

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 includes our Wood Products segment earnings and portions of our Timberlands and Real Estate & ENR segments' earnings.

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 2023 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: TIMBERLAND ACQUISITIONS

On July 19, 2023, we completed the purchase of 22 thousand acres of Mississippi timberlands for approximately $60 million. We recorded $59 million of timberland assets in "Timber and timberlands at cost, less depletion" and $1 million of related assets in "Property and equipment, net" on our *Consolidated Balance Sheet*.

On May 18, 2022, we completed the purchase of 81 thousand acres of North and South Carolina timberlands for approximately $265 million. We recorded $263 million of timberland assets in “Timber and timberlands at cost, less depletion” and $2 million of related assets in “Property and equipment, net” on our *Consolidated Balance Sheet*.

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; 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; our expectations about our future opportunities in emerging carbon offset and carbon capture and storage markets; and assumptions used in valuing incentive compensation and related expense.

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,” “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 rate levels, inflation, housing starts, general availability and cost of financing for home mortgages and the relative strength of the U.S. dollar;
- the effect of COVID-19 and other viral or disease outbreaks, including but not limited to any related regulatory restrictions or requirements, and their potential effects on our business, results of operations, cash flows, financial condition and future prospects;
- 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 U.S. 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;
- 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;
- 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 2022 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, loss on debt extinguishment 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, home sales and building activity slowed due in part to higher mortgage interest rates, reduced affordability and general macroeconomic conditions. During third quarter 2023, market conditions continued to shift towards sales of new homes as existing inventory remained near record-low levels. On a seasonally adjusted annual basis, as reported by the U.S. Census Bureau, housing starts for third quarter 2023 averaged 1.36 million units, a 6.2 percent decrease from second quarter 2023. Single-family starts averaged 961 thousand units in third quarter 2023, a 3.4 percent increase from second quarter 2023. Multi-family starts averaged 398 thousand units in third quarter 2023, which was a 23.5 percent decrease from second quarter 2023. 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 724 thousand units for third quarter 2023, an increase of 4.8 percent from the prior quarter. Over the medium to long-term, we expect a favorable U.S. housing construction market supported by strong demographics in the key homebuying age cohorts, a decade of underbuilding and a historically low housing inventory.

Repair and remodeling expenditures were steady from second quarter 2023 to third quarter 2023 according to the Census Bureau Advance Retail Spending report. Do-it-yourself activity has been returning to more normalized levels while professionally contracted activities have benefited from larger projects and increases in home equity levels. Over the longer term, we expect this sector to return to 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 in third quarter 2023 helped lift prices in mid-summer. By the end of the third quarter, this had been offset by macroeconomic and housing market uncertainty, including an increase in interest and mortgage rates. Temporary and permanent curtailments provided some balance to the market. OSB demand was strong for most of the quarter, as customer inventories were not sufficient to meet current building activity. The Random Lengths Framing Lumber Composite price averaged $438/MBF and the OSB Composite averaged $540/MSF in third quarter 2023. Over the course of the third quarter, prices for lumber decreased from $438/MBF to $422/MBF and prices for OSB increased from $432/MSF to $454/MSF.

In Western log markets, Douglas fir sawlog prices decreased by 0.2 percent in third quarter 2023 compared with second quarter 2023, as reported by RISI Log Lines based on Weyerhaeuser's sales mix. Overall, domestic prices in the West declined due to compressed mill margins, but this was partially offset by continued constraints in log supply. In the South, delivered sawlog prices decreased 0.3 percent in third quarter 2023 compared to second quarter 2023 and declined 2.0 percent from third quarter 2022 as reported by TimberMart-South. Favorable harvest conditions later in the quarter provided sufficient supply to meet mills' needs.

Currency exchange rates, available supply from other countries and trade policy affect our export businesses. During third quarter 2023, end use demand softened in export markets, partially offset by continued disruptions in global log and lumber supply. In Japan, total housing starts decreased 3.7 percent year to date through August compared to the same period in 2022, while the key Post and Beam segment saw a 5.7 percent decrease. Lumber imports to Japan from Europe placed downward pressure on market conditions. China demand has improved from low levels late in 2022 but remains subdued due to general economic conditions and steady supply of logs from New Zealand and rough lumber from Russia.

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 6.7 percent at the end of second quarter 2023 to 7.3 percent at the end of third quarter 2023, according to economic data from the St. Louis Federal Reserve. 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 3.7 percent year over year in September 2023, 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, our operational excellence initiatives and our 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 percent in September 2023 remained near historically low levels and increased 0.2 percent from the end of second quarter

2023. Labor force participation has increased to 62.8 percent in September 2023, from 62.3 percent in September 2022, approaching pre-pandemic levels.

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 offsets 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 Third Quarter 2023 and Year-to-Date 2023

DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER-SHARE FIGURES	QUARTER ENDED SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022
Net sales	$ 2,022	$ 2,276	$ (254)	$ 5,900	$ 8,361	$ (2,461)
Costs of sales	$ 1,520	$ 1,694	$ (174)	$ 4,560	$ 5,130	$ (570)
Operating income	$ 353	$ 457	$ (104)	$ 908	$ 2,848	$ (1,940)
Net earnings	$ 239	$ 310	$ (71)	$ 620	$ 1,869	$ (1,249)
Earnings per share, basic and diluted	$ 0.33	$ 0.42	$ (0.09)	$ 0.85	$ 2.51	$ (1.66)

Comparing Third Quarter 2023 with Third Quarter 2022

Net sales

Net sales decreased $254 million – 11 percent – primarily due to a $230 million decrease in Wood Products sales to unaffiliated customers attributable to decreased sales volumes and sales realizations across most product lines.

Costs of sales

Costs of sales decreased $174 million – 10 percent – primarily due to decreased sales volumes across most product lines within our Wood Products segment, as well as decreased freight costs.

Operating income

Operating income decreased $104 million – 23 percent – primarily due to an $80 million decrease in consolidated gross margin, as discussed above.

Net earnings

Net earnings decreased $71 million – 23 percent – primarily due to the $104 million decrease in operating income, as discussed above.

This decrease was partially offset by a $23 million decrease in income tax expense (refer to *Income Taxes*).

Comparing Year-to-Date 2023 with Year-to-Date 2022

Net sales

Net sales decreased $2,461 million – 29 percent – primarily due to a $2,272 million decrease in Wood Products sales to unaffiliated customers attributable to decreased sales realizations and sales volumes across most product lines, as well as a $162 million decrease in Timberlands sales to unaffiliated customers attributable to decreased sales realizations in the Western region.

Costs of sales

Costs of sales decreased $570 million – 11 percent – primarily due to decreased sales volumes across most product lines within our Wood Products segment, as well as decreased freight costs and Western third-party log purchases.

Operating income

Operating income decreased $1,940 million – 68 percent – primarily due to a $1,891 million decrease in consolidated gross margin, as discussed above.

Net earnings

Net earnings decreased $1,249 million – 67 percent – primarily due to the $1,940 million decrease in operating income, as discussed above.

This decrease was partially offset by a $369 million decrease in income tax expense (refer to *Income Taxes*), as well as a $276 million pretax charge ($207 million after-tax) related to the early extinguishment of debt in first quarter 2022 (refer to *Note 8: Long-Term Debt and Line of Credit*).

TIMBERLANDS

How We Did Third Quarter 2023 and Year-to-Date 2023

DOLLAR AMOUNTS IN MILLIONS	QUARTER ENDED SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022
Net sales to unaffiliated customers:						
Delivered logs:						
West	$ 176	$ 224	$ (48)	$ 611	$ 791	$ (180)
South	155	166	(11)	485	480	5
North	11	15	(4)	35	40	(5)
Subtotal delivered logs sales	342	405	(63)	1,131	1,311	(180)
Stumpage and pay-as-cut timber	12	10	2	43	30	13
Recreational and other lease revenue	19	18	1	54	51	3
Other[1]	7	8	(1)	31	29	2
Subtotal net sales to unaffiliated customers	380	441	(61)	1,259	1,421	(162)
Intersegment sales	141	133	8	433	450	(17)
Total sales	**$ 521**	**$ 574**	**$ (53)**	**$ 1,692**	**$ 1,871**	**$ (179)**
Costs of sales	**$ 417**	**$ 442**	**$ (25)**	**$ 1,317**	**$ 1,360**	**$ (43)**
Operating income and Net contribution to earnings	**$ 78**	**$ 107**	**$ (29)**	**$ 302**	**$ 442**	**$ (140)**

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

Comparing Third Quarter 2023 with Third Quarter 2022

Net sales to unaffiliated customers

Net sales to unaffiliated customers decreased $61 million – 14 percent – primarily due to a $48 million decrease in Western log sales, attributable to a 25 percent decrease in sales realizations, as well as an $11 million decrease in Southern log sales, attributable to a 4 percent decrease in sales realizations and a 3 percent decrease in sales volumes.

Intersegment sales

Intersegment sales increased $8 million – 6 percent – primarily due to a 14 percent increase in sales volumes, partially offset by a 7 percent decrease in sales realizations.

Costs of sales

Costs of sales decreased $25 million – 6 percent – primarily due to decreased Western third-party log purchases and decreased Southern log sales volumes, partially offset by increased logging and hauling costs and increased Western log sales volumes.

Operating income and Net contribution to earnings

Operating income and net contribution to earnings decreased $29 million – 27 percent – primarily due to the change in the components of gross margin, as discussed above.

Comparing Year-to-Date 2023 with Year-to-Date 2022

Net sales to unaffiliated customers

Net sales to unaffiliated customers decreased $162 million – 11 percent – primarily due to a $180 million decrease in Western log sales, primarily attributable to a 23 percent decrease in sales realizations, partially offset by a $13 million increase in stumpage and pay-as-cut timber sales.

Intersegment sales

Intersegment sales decreased $17 million – 4 percent – primarily due to a 9 percent decrease in sales realizations, partially offset by a 5 percent increase in sales volumes.

Costs of sales

Costs of sales decreased $43 million – 3 percent – primarily due to decreased Western third-party log purchases, partially offset by increased logging and hauling costs and increased log sales volumes.

Operating income and Net contribution to earnings

Operating income and net contribution to earnings decreased $140 million – 32 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	QUARTER ENDED SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022
Third-party log sales – tons:						
West[(1)]	1,479	1,411	68	4,814	4,793	21
South	4,180	4,310	(130)	12,907	12,612	295
North	148	177	(29)	450	505	(55)
Total	**5,807**	**5,898**	**(91)**	**18,171**	**17,910**	**261**
Fee harvest volumes – tons:						
West[(1)]	2,137	1,760	377	6,674	6,085	589
South	6,146	6,112	34	19,008	18,113	895
North	223	245	(22)	683	703	(20)
Total	**8,506**	**8,117**	**389**	**26,365**	**24,901**	**1,464**

(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 Third Quarter 2023 and Year-to-Date 2023

DOLLAR AMOUNTS IN MILLIONS	QUARTER ENDED SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022
Net sales:						
Real estate	$ 79	$ 30	$ 49	$ 198	$ 217	$ (19)
Energy and natural resources	26	38	(12)	88	96	(8)
Total	**$ 105**	**$ 68**	**$ 37**	**$ 286**	**$ 313**	**$ (27)**
Costs of sales	**$ 43**	**$ 14**	**$ 29**	**$ 105**	**$ 100**	**$ 5**
Operating income and Net contribution to earnings	**$ 56**	**$ 48**	**$ 8**	**$ 161**	**$ 194**	**$ (33)**

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 Third Quarter 2023 with Third Quarter 2022

Net sales

Net sales increased $37 million – 54 percent – primarily due to an increase in acres sold, partially offset by a decrease in the average price per acre sold.

Costs of sales

Costs of sales increased $29 million – 207 percent – primarily due to an increase in acres sold.

Operating income and Net contribution to earnings

Operating income and net contribution to earnings increased $8 million – 17 percent – primarily due to the change in the components of gross margin, as discussed above.

Comparing Year-to-Date 2023 with Year-to-Date 2022

Net sales

Net sales decreased $27 million – 9 percent – primarily due to decreases in average price per acre sold and royalty income from our Energy and Natural Resources business.

Costs of sales

Costs of sales increased $5 million – 5 percent – primarily due to an increase in basis per acre sold.

Operating income and Net contribution to earnings

Operating income and net contribution to earnings decreased $33 million – 17 percent – primarily due to the change in the components of gross margin, as discussed above.

REAL ESTATE SALES STATISTICS

	QUARTER ENDED		AMOUNT OF CHANGE	YEAR-TO-DATE ENDED		AMOUNT OF CHANGE
	SEPTEMBER 2023	SEPTEMBER 2022	2023 VS. 2022	SEPTEMBER 2023	SEPTEMBER 2022	2023 VS. 2022
Acres sold	25,721	5,014	20,707	55,755	56,046	(291)
Average price per acre	$ 3,033	$ 5,046	$ (2,013)	$ 3,403	$ 3,624	$ (221)

WOOD PRODUCTS

How We Did Third Quarter 2023 and Year-to-Date 2023

	QUARTER ENDED		AMOUNT OF CHANGE	YEAR-TO-DATE ENDED		AMOUNT OF CHANGE
DOLLAR AMOUNTS IN MILLIONS	SEPTEMBER 2023	SEPTEMBER 2022	2023 VS. 2022	SEPTEMBER 2023	SEPTEMBER 2022	2023 VS. 2022
Net sales:						
Structural lumber	$ 570	$ 676	$ (106)	$ 1,658	$ 2,880	$ (1,222)
Oriented strand board	284	287	(3)	707	1,348	(641)
Engineered solid section	216	233	(17)	600	676	(76)
Engineered I-joists	122	166	(44)	335	471	(136)
Softwood plywood	42	47	(5)	127	158	(31)
Medium density fiberboard	40	50	(10)	120	151	(31)
Complementary building products	184	222	(38)	551	676	(125)
Other products produced[1]	79	86	(7)	257	267	(10)
Total	**$ 1,537**	**$ 1,767**	**$ (230)**	**$ 4,355**	**$ 6,627**	**$ (2,272)**
Costs of sales	**$ 1,195**	**$ 1,360**	**$ (165)**	**$ 3,572**	**$ 4,050**	**$ (478)**
Operating income and Net contribution to earnings	**$ 277**	**$ 344**	**$ (67)**	**$ 590**	**$ 2,389**	**$ (1,799)**

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

Comparing Third Quarter 2023 with Third Quarter 2022

Net sales

Net sales decreased $230 million – 13 percent – due to:

- a $106 million decrease in structural lumber sales attributable to a 13 percent decrease in sales realizations, as well as a 3 percent decrease in sales volumes;
- a $44 million decrease in engineered I-joists sales attributable to a 19 percent decrease in sales realizations, as well as an 11 percent decrease in sales volumes;
- a $38 million decrease in complementary building products sales attributable to decreased sales volumes across most products;

- a $17 million decrease in engineered solid section sales attributable to a 12 percent decrease in sales realizations, partially offset by a 5 percent increase in sales volumes;
- a $10 million decrease in medium density fiberboard sales attributable to an 18 percent decrease in sales volumes, as well as a 3 percent decrease in sales realizations;
- a $7 million decrease in other products produced sales attributable to decreased sales volumes for wood chips;
- a $5 million decrease in softwood plywood sales attributable to a 23 percent decrease in sales realizations, partially offset by a 16 percent increase in sales volumes and
- a $3 million decrease in oriented strand board sales attributable to a 4 percent decrease in sales volumes, partially offset by a 4 percent increase in sales realizations.

Costs of sales

Costs of sales decreased $165 million – 12 percent – primarily due to decreased sales volumes across most product lines, as well as decreased freight costs.

Operating income and Net contribution to earnings

Operating income and net contribution to earnings decreased $67 million – 19 percent – primarily due to the change in the components of gross margin, as discussed above.

Comparing Year-to-Date 2023 with Year-to-Date 2022

Net sales

Net sales decreased $2,272 million – 34 percent – due to:

- a $1,222 million decrease in structural lumber sales attributable to a 40 percent decrease in sales realizations, as well as a 4 percent decrease in sales volumes;
- a $641 million decrease in oriented strand board sales attributable to a 48 percent decrease in sales realizations;
- a $136 million decrease in engineered I-joist sales attributable to a 20 percent decrease in sales volumes, as well as an 11 percent decrease in sales realizations;
- a $125 million decrease in complementary building products sales attributable to decreased sales volumes and sales realizations across most products;
- a $76 million decrease in engineered solid section sales attributable to a 6 percent decrease in sales volumes, as well as a 5 percent decrease in sales realizations;
- a $31 million decrease in medium density fiberboard sales attributable to a 28 percent decrease in sales volumes, partially offset by an 11 percent increase in sales realizations;
- a $31 million decrease in softwood plywood sales attributable to a 33 percent decrease in sales realizations, partially offset by a 20 percent increase in sales volumes and
- a $10 million decrease in other products produced attributable to decreased sales volumes.

Costs of sales

Costs of sales decreased $478 million – 12 percent – primarily due to decreased sales volumes across most product lines, as well as decreased freight costs.

Operating income and Net contribution to earnings

Operating income and net contribution to earnings decreased $1,799 million – 75 percent – primarily due to the change in the components of gross margin, as discussed above.

Third-Party Sales Volumes

VOLUMES IN MILLIONS[1]	QUARTER ENDED SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022
Structural lumber – board feet	1,184	1,216	(32)	3,524	3,662	(138)
Oriented strand board – square feet (3/8”)	683	715	(32)	2,176	2,167	9
Engineered solid section – cubic feet	6.2	5.9	0.3	16.9	18.0	(1.1)
Engineered I-joists – lineal feet	42	47	(5)	113	142	(29)
Softwood plywood – square feet (3/8”)	86	74	12	263	219	44
Medium density fiberboard – square feet (3/4”)	33	40	(7)	93	129	(36)

(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.

VOLUMES IN MILLIONS	QUARTER ENDED SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022
Structural lumber – board feet:						
Production	1,174	1,140	34	3,481	3,575	(94)
Outside purchase	38	35	3	113	120	(7)
Total	**1,212**	**1,175**	**37**	**3,594**	**3,695**	**(101)**
Oriented strand board – square feet (3/8”):						
Production	724	735	(11)	2,212	2,232	(20)
Outside purchase	19	18	1	55	154	(99)
Total	**743**	**753**	**(10)**	**2,267**	**2,386**	**(119)**
Engineered solid section – cubic feet:						
Production	5.6	6.0	(0.4)	16.1	18.1	(2.0)
Outside purchase	3.7	3.6	0.1	9.7	4.1	5.6
Total	**9.3**	**9.6**	**(0.3)**	**25.8**	**22.2**	**3.6**
Engineered I-joists – lineal feet:						
Production	42	47	(5)	105	141	(36)
Outside purchase	2	1	1	2	6	(4)
Total	**44**	**48**	**(4)**	**107**	**147**	**(40)**
Softwood plywood – square feet (3/8”):						
Production	77	64	13	235	197	38
Outside purchase	10	9	1	33	27	6
Total	**87**	**73**	**14**	**268**	**224**	**44**
Medium density fiberboard – square feet (3/4"):						
Production	34	38	(4)	101	130	(29)
Total	**34**	**38**	**(4)**	**101**	**130**	**(29)**

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

DOLLAR AMOUNTS IN MILLIONS	QUARTER ENDED SEPTEMBER 2023	QUARTER ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022	YEAR-TO-DATE ENDED SEPTEMBER 2023	YEAR-TO-DATE ENDED SEPTEMBER 2022	AMOUNT OF CHANGE 2023 VS. 2022
Unallocated corporate function and variable compensation expense	$ (33)	$ (36)	$ 3	$ (92)	$ (103)	$ 11
Liability classified share-based compensation	2	2	—	—	5	(5)
Foreign exchange gain	—	9	(9)	1	12	(11)
Elimination of intersegment profit in inventory and LIFO	(4)	2	(6)	8	(39)	47
Other	(23)	(19)	(4)	(62)	(52)	(10)
Operating loss	**(58)**	**(42)**	**(16)**	**(145)**	**(177)**	**32**
Non-operating pension and other post-employment benefit costs	(12)	(12)	—	(33)	(38)	5
Interest income and other	24	9	15	54	9	45
Net charge to earnings	**$ (46)**	**$ (45)**	**$ (1)**	**$ (124)**	**$ (206)**	**$ 82**

Comparing Third Quarter 2023 with Third Quarter 2022

Net charge to earnings remained consistent primarily due to a $15 million increase in interest income and other due to an increase in the interest rate on our cash and short-term investment accounts, offset by a $9 million decrease in foreign exchange gain and a $6 million increase in elimination of intersegment profit in inventory and LIFO.

Comparing Year-to-Date 2023 with Year-to-Date 2022

Net charge to earnings decreased $82 million – 40 percent – primarily due to:

- a $47 million decrease in elimination of intersegment profit in inventory and LIFO;
- a $45 million increase in interest income and other due to an increase in the interest rate on our cash and short-term investment accounts and
- an $11 million decrease in unallocated corporate function and variable compensation expense.

These changes were partially offset by an $11 million decrease in foreign exchange gain, as well as a $10 million increase in other primarily due to an increase in environmental remediation charges.

INTEREST EXPENSE

Our interest expense, net of capitalized interest, was:

- $72 million for third quarter 2023 and $208 million year-to-date 2023;
- $67 million for third quarter 2022 and $204 million year-to-date 2022.

Interest expense increased by $5 million compared to third quarter 2022 and increased by $4 million compared to year-to-date 2022 primarily due to the May 2023 issuance of debt securities that increased our weighted 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 $54 million expense for third quarter 2023 and $101 million year-to-date 2023;
- a $77 million expense for third quarter 2022 and $470 million year-to-date 2022.

Our provision for income taxes is primarily driven by earnings generated by our TRSs. Income tax expense decreased by $369 million compared to year-to-date 2022 primarily due to a decrease in our TRS earnings in 2023, as well as a decrease in our estimated annual effective tax rate.

Refer to *Note 14: Income Taxes* for further information.

LIQUIDITY AND CAPITAL RESOURCES

We are committed to maintaining an appropriate capital structure that provides 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 September 30, 2023, we had approximately $1.2 billion in cash and cash equivalents, $668 million in short-term investments 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:

- $1,145 million for year-to-date 2023 and
- $2,665 million for year-to-date 2022.

Net cash from operations decreased $1,520 million primarily due to decreased cash inflows from our business operations. This change was partially offset by a $406 million decrease in cash paid for income taxes, as well as a $21 million decrease in cash paid for interest.

CASH FROM INVESTING ACTIVITIES

Consolidated net cash from investing activities was:

- $(982) million for year-to-date 2023 and
- $(530) million for year-to-date 2022.

Net cash from investing activities decreased $452 million primarily due to a $664 million increase in cash paid for short-term investments. This change was partially offset by a $216 million decrease in cash paid for acquisition of timberlands.

Summary of Capital Spending by Business Segment

	YEAR-TO-DATE ENDED	
DOLLAR AMOUNTS IN MILLIONS	SEPTEMBER 2023	SEPTEMBER 2022
Timberlands	$ 74	$ 75
Wood Products	168	163
Unallocated Items	9	7
Total	**$ 251**	**$ 245**

We anticipate our capital expenditures for 2023 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:

- $(571) million for year-to-date 2023 and
- $(2,214) million for year-to-date 2022.

Net cash from financing activities increased $1,643 million, primarily due to:

- a $947 million decrease in net cash used for payments on long-term debt;
- a $409 million decrease in cash used for payments of dividends and
- a $293 million decrease in cash used for repurchases of common stock.

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 September 30, 2023 or December 31, 2022.

Refer to *Note 8: Long-Term Debt and Line of Credit* for further information.

Long-Term Debt

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. Of these total net proceeds, $664 million was invested in short-term investments classified as held-to-maturity securities, which consist of a mixture of term deposits and Treasury bills.

In July 2023, we repaid $118 million of our 7.125 percent notes at maturity. We have $860 million of long-term debt scheduled to mature during fourth quarter 2023, and we anticipate the majority will be funded through cash on hand, including the proceeds from our short-term investments which also mature in the fourth quarter.

In March 2022, we completed a series of transactions that lowered our weighted average interest rate and extended our weighted average maturity by issuing $900 million in notes and using the net proceeds plus cash on hand to close cash tender offers for $931 million of principal in higher interest rate notes. We issued $450 million of 3.375 percent notes due in March 2033 and $450 million of 4.000 percent notes due in March 2052. The net proceeds after deducting the discount, underwriting fees and issuance costs were $444 million and $437 million, respectively. The net proceeds were used to retire $592 million of our 7.375 percent notes due in March 2032, $161 million of our 8.500 percent notes due in January 2025, $73 million of our 7.125 percent notes due in July 2023, $65 million of our 7.950 percent notes due in March 2025, and $40 million of our 7.850 percent notes due in July 2026. We paid holders an aggregate $1.2 billion in cash reflecting principal, premium to par and tender premium.

Refer to *Note 8: Long-Term Debt and Line of Credit* for further information.

Debt Covenants

As of September 30, 2023, Weyerhaeuser Company was in compliance with its debt covenants. There have been no significant changes to the debt covenants presented in our 2022 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:

- $1,076 million for year-to-date 2023 and
- $1,485 million for year-to-date 2022.

The decrease in dividends paid is primarily due 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 in comparison to a supplemental dividend of $1.45 per share based on 2021 financial results for a total of $1,084 million paid in first quarter 2022.

Share Repurchases

We repurchased 757,510 common shares for approximately $25 million (including transaction fees) during third quarter 2023 and 3,562,944 common shares for approximately $110 million (including transaction fees) during year-to-date 2023 under the 2021 Repurchase Program. During third quarter 2022, we repurchased 4,234,838 common shares for approximately $145 million (including transaction fees) and we repurchased 11,217,300 common shares for approximately $404 million (including transaction fees) during year-to-date 2022 under the 2021 Repurchase Program. There were 32,757 unsettled shares (approximately $1 million) as of September 30, 2023 and 223,548 unsettled shares (approximately $7 million) as of December 31, 2022. Refer to *Note 4: Net Earnings Per Share and Share Repurchases* for further information.

PERFORMANCE 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.

	QUARTER ENDED		AMOUNT OF CHANGE	YEAR-TO-DATE ENDED		AMOUNT OF CHANGE
DOLLAR AMOUNTS IN MILLIONS	**SEPTEMBER 2023**	**SEPTEMBER 2022**	**2023 VS. 2022**	**SEPTEMBER 2023**	**SEPTEMBER 2022**	**2023 VS. 2022**
Adjusted EBITDA by Segment:						
Timberlands	$ 143	$ 168	$ (25)	$ 503	$ 634	$ (131)
Real Estate & ENR	94	60	34	253	283	(30)
Wood Products	328	395	(67)	746	2,540	(1,794)
	565	623	(58)	1,502	3,457	(1,955)
Unallocated Items	(56)	(40)	(16)	(129)	(172)	43
Adjusted EBITDA	**$ 509**	**$ 583**	**$ (74)**	**$ 1,373**	**$ 3,285**	**$ (1,912)**

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 September 30, 2023:

DOLLAR AMOUNTS IN MILLIONS	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					**$ 239**
Interest expense, net of capitalized interest					72
Income taxes					54
Net contribution (charge) to earnings	**$ 78**	**$ 56**	**$ 277**	**$ (46)**	**$ 365**
Non-operating pension and other post-employment benefit costs	—	—	—	12	12
Interest income and other	—	—	—	(24)	(24)
Operating income (loss)	**78**	**56**	**277**	**(58)**	**353**
Depreciation, depletion and amortization	65	4	51	2	122
Basis of real estate sold	—	34	—	—	34
Adjusted EBITDA	**$ 143**	**$ 94**	**$ 328**	**$ (56)**	**$ 509**

The table below reconciles Adjusted EBITDA for the quarter ended September 30, 2022:

DOLLAR AMOUNTS IN MILLIONS	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					**$ 310**
Interest expense, net of capitalized interest					67
Income taxes					77
Net contribution (charge) to earnings	**$ 107**	**$ 48**	**$ 344**	**$ (45)**	**$ 454**
Non-operating pension and other post-employment benefit costs	—	—	—	12	12
Interest income and other	—	—	—	(9)	(9)
Operating income (loss)	**107**	**48**	**344**	**(42)**	**457**
Depreciation, depletion and amortization	61	5	51	2	119
Basis of real estate sold	—	7	—	—	7
Adjusted EBITDA	**$ 168**	**$ 60**	**$ 395**	**$ (40)**	**$ 583**

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

DOLLAR AMOUNTS IN MILLIONS	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					**$ 620**
Interest expense, net of capitalized interest					208
Income taxes					101
Net contribution (charge) to earnings	**$ 302**	**$ 161**	**$ 590**	**$ (124)**	**$ 929**
Non-operating pension and other post-employment benefit costs	—	—	—	33	33
Interest income and other	—	—	—	(54)	(54)
Operating income (loss)	**302**	**161**	**590**	**(145)**	**908**
Depreciation, depletion and amortization	201	12	156	5	374
Basis of real estate sold	—	80	—	—	80
Special items included in operating income (loss)(1)	—	—	—	11	11
Adjusted EBITDA	**$ 503**	**$ 253**	**$ 746**	**$ (129)**	**$ 1,373**

(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 September 30, 2022:

DOLLAR AMOUNTS IN MILLIONS	Timberlands	Real Estate & ENR	Wood Products	Unallocated Items	Total
Adjusted EBITDA by Segment:					
Net earnings					$ **1,869**
Interest expense, net of capitalized interest					204
Loss on debt extinguishment[1]					276
Income taxes					470
Net contribution (charge) to earnings	$ **442**	$ **194**	$ **2,389**	$ **(206)**	$ **2,819**
Non-operating pension and other post-employment benefit costs	—	—	—	38	38
Interest income and other	—	—	—	(9)	(9)
Operating income (loss)	**442**	**194**	**2,389**	**(177)**	**2,848**
Depreciation, depletion and amortization	192	12	151	5	360
Basis of real estate sold	—	77	—	—	77
Adjusted EBITDA	$ **634**	$ **283**	$ **2,540**	$ **(172)**	$ **3,285**

(1) Loss on debt extinguishment is a special item consisting of a pretax charge of $276 million ($207 million after-tax) related to early debt retirement.

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	
DOLLAR AMOUNTS IN MILLIONS	SEPTEMBER 2023	SEPTEMBER 2022	SEPTEMBER 2023	SEPTEMBER 2022
Net earnings	$ **239**	$ **310**	$ **620**	$ **1,869**
Environmental remediation charge	—	—	8	—
Loss on debt extinguishment	—	—	—	207
Net earnings before special items	$ **239**	$ **310**	$ **628**	$ **2,076**

Net Earnings per Diluted Share Before Special Items

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	SEPTEMBER 2023	SEPTEMBER 2022	SEPTEMBER 2023	SEPTEMBER 2022
Net earnings per diluted share	$ **0.33**	$ **0.42**	$ **0.85**	$ **2.51**
Environmental remediation charge	—	—	0.01	—
Loss on debt extinguishment	—	—	—	0.28
Net earnings per diluted share before special items	$ **0.33**	$ **0.42**	$ **0.86**	$ **2.79**

CRITICAL ACCOUNTING POLICIES

There have been no significant changes during year-to-date 2023 to the critical accounting policies presented in our 2022 Annual Report on Form 10-K.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

LONG-TERM INDEBTEDNESS OBLIGATIONS

The following summary of our long-term indebtedness 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 fixed-rate long-term debt using the market approach, which is based on quoted market prices we received for the same types and issues of our debt. Changes in market rates of interest affect the fair value of our fixed-rate debt.

Summary of Long-Term Indebtedness Principal Obligations as of September 30, 2023

DOLLAR AMOUNTS IN MILLIONS	2023	2024	2025	2026	2027	THEREAFTER	TOTAL[1]	FAIR VALUE
Fixed-rate debt	$ 860	$ —	$ 210	$ 1,022	$ 300	$ 3,333	$ 5,725	$ 5,434
Average interest rate	5.21%	—%	8.31%	5.52%	6.95%	4.82%	5.24%	N/A

(1) Excludes $46 million of unamortized discounts, capitalized debt expense and business combination fair value adjustments.

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 September 30, 2023, 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 year-to-date 2023 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 2022 Annual Report on Form 10-K.

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 third quarter 2023:

COMMON SHARE REPURCHASES DURING THIRD QUARTER 2023	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
July 1 – July 31	171,731	$ 33.63	171,731	$ 286,026,373
August 1 – August 31	353,664	$ 32.88	353,664	$ 274,398,582
September 1 – September 30	232,115	$ 31.63	232,115	$ 267,055,708
Total	**757,510**	**$ 32.67**	**757,510**	

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 third quarter 2023, we repurchased 757,510 shares for approximately $25 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 September 30, 2023, we had remaining authorization of $267 million for future stock repurchases.

Item 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

During third quarter 2023, two of the company’s “officers” (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) adopted trading plans intended to satisfy the affirmative defense conditions of Rule 10b5–1(c) of the Exchange Act.

(1) Devin W. Stockfish, president and chief executive officer, adopted a plan on August 3, 2023 with respect to the exercise of up to 161,500 stock options in the aggregate,14,412 of which expire February 12, 2024, 17,468 of which expire April 9, 2024, 39,458 of which expire February 12, 2025 and 90,162 of which expire February 9, 2026. Specifically, the plan provides for: (i) the exercise of 90,162 stock options at a designated strike price and the sale of all of the underlying shares of common stock in a “cashless” exercise transaction and (ii) the exercise of the remaining stock options at designated strike prices and the sale of an indeterminate number of the underlying shares to cover applicable exercise prices and withholding taxes for such exercises in “cashless” exercise transactions, with the remaining shares to be held by Mr. Stockfish. Mr. Stockfish’s plan expires when all of the shares are sold or on November 12, 2024, whichever occurs first.

(2) Keith J. O’Rear, senior vice president, Wood Products, adopted a plan on August 3, 2023 to sell an aggregate of 40,876 shares of common stock. Mr. O’Rear’s plan expires when all of the shares are sold or on October 30, 2024, whichever occurs first.

Item 6. EXHIBITS

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 September 30, 2023, 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: October 27, 2023

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 under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant’s other certifying officer(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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.

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 of the registrant’s board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 27, 2023

/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 under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer(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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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 of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2023

/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 September 30, 2023 and dated October 27, 2023 (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: October 27, 2023

/s/ DAVID M. WOLD

David M. Wold
Senior Vice President and Chief Financial Officer

Dated: October 27, 2023