Boise Cascade Company (BCC)

Updated November 11th, 2025, by Sure Dividend Analyst

Key Metrics

Current Price:	$70	**5 Year Annual Expected Total Return:**	-2.0%	**Market Cap:**	$2.6 B
Fair Value Price:	$46	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	12/01/25
% Fair Value:	154%	**5 Year Valuation Multiple Estimate:**	-8.3%	**Dividend Payment Date:**	12/17/25
Dividend Yield:	1.3%	**5 Year Price Target**	$58	**Years Of Dividend Growth:**	9
Dividend Risk Score:	C	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Boise Cascade Company (BCC) is a leading producer of engineered wood products (EWP) and plywood, and a major distributor of building materials across the United States. The company operates through Wood Products and Building Materials Distribution segments, serving residential and commercial construction markets. With 38 distribution locations and a nationwide manufacturing footprint, Boise Cascade offers an integrated supply chain advantage. The majority of revenue comes from the distribution segment, which supplies materials to dealers, home centers, and regional builders. Founded in 1957 and headquartered in Boise, Idaho, the company employs approximately 7,500 people across its operations.

On November 3rd, 2025, Boise Cascade Company announced its financial results for the third quarter ending September 30th, 2025. The company reported net income of $21.8 million for Q3 2025, down from $91.0 million in Q3 2024, reflecting lower sales prices and volumes across engineered wood and plywood products. Diluted earnings per share (EPS) came in at $0.58, compared to $2.33 in the prior-year quarter. Sales totaled $1.67 billion, down 3% year-over-year, primarily driven by pricing and volume declines in engineered wood products and plywood, as well as softer market conditions in the Building Materials Distribution segment. Adjusted EBITDA for the quarter was $74.4 million, down from $154.5 million a year ago, with margins pressured by lower EWP and plywood prices, higher per-unit conversion costs, and continued softness in single-family housing demand.

Management noted that despite subdued demand and commodity pricing headwinds, Boise Cascade maintained profitability and strong liquidity. The company ended the quarter with $511.8 million in cash, $907 million of total available liquidity, and $450 million in outstanding debt. Management reaffirmed its long-term confidence in its two-step distribution model and the strength of its engineered wood and plywood franchises.

Boise Cascade expects near-term end market demand to remain cautious through early 2026, reflecting persistent affordability challenges, elevated interest rates, and cautious builder sentiment, while long-term housing fundamentals remain supported by demographic tailwinds and housing undersupply. The Building Materials Distribution segment is expected to continue tracking broader market conditions with gradual margin recovery later in 2026, while in Wood Products, pricing is anticipated to remain under pressure due to competitive dynamics and commodity fluctuations.

Given the current environment, 2025 capital expenditures are expected to total $230 million to $250 million, focused on organic growth, modernization projects, and maintenance. Management expects 2026 capital expenditures in the range of $150 million to $170 million, excluding acquisitions.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.33	$0.98	$2.12	$0.52	$2.06	$4.44	$17.97	$21.56	$12.12	$9.57	***$3.50***	***$4.47***
DPS	-	-	$0.07	$0.30	$0.37	$0.40	$0.42	$0.51	$0.70	$0.82	***$0.88***	***$1.12***
Shares[1]	39	39	39	39	39	39	40	40	40	39	***38***	***37***

[1] In millions.

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The company has grown earnings by 24.5% per year in the last decade and declined 4.6% over the past five years. We expect earnings to grow on average by 5% per year for the next five years. The company has been able to increase its dividend for 9 consecutive years. Over the last five years, the average annual dividend growth rate is 17.1%. In July 2025, the company increased its quarterly dividend by 4.8% from $0.21 to $0.22 per share. Boise Cascade has a track record of returning excess cash to shareholders through special dividends, including $5.00 per share in both 2024 and 2023, $2.00 per share in 2022 and 2021, and $1.60 per share in 2020, reflecting strong cash generation during periods of elevated wood product pricing. During the first nine months of 2025, the company repurchased a total of 1,128,752 shares of its common stock for $111.0 million.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	15.4	23.9	22.9	8.4	20.0	11.5	5.0	3.0	10.2	11.6	***20.0***	***13.0***
Avg. Yld.	-	-	0.2%	1.3%	1.0%	0.8%	0.6%	0.7%	0.5%	0.7%	***1.3%***	***1.9%***

During the past decade shares of Boise Cascade have traded with an average price-to-earnings ratio of 13.2 and today, it stands at 20.0. We are using 13 times earnings as a fair value baseline, implying the potential for a valuation headwind. The company's dividend yield is currently 1.3% which is above the average yield of 0.7% over the past decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	-	-	0%	1%	18%	9%	2%	2%	6%	9%	***25%***	***25%***

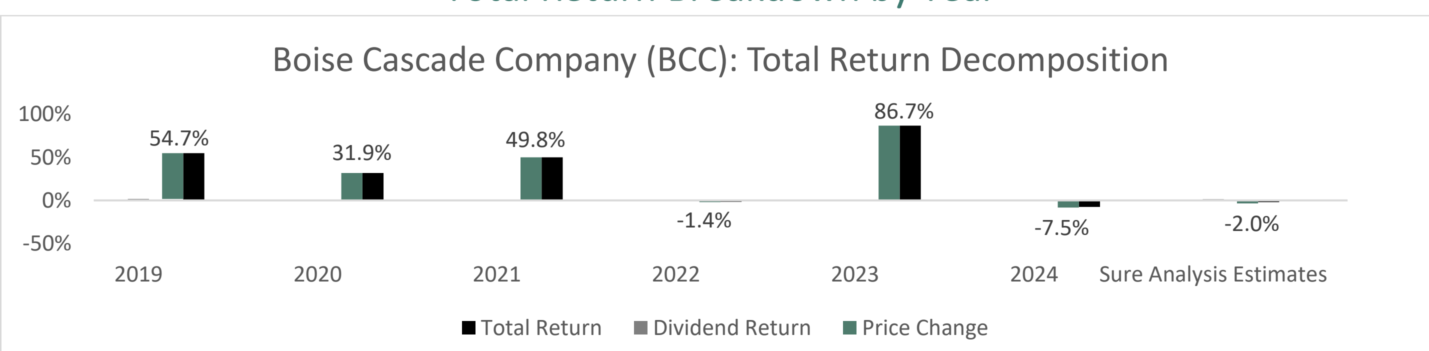
During the past five years, the company's dividend payout ratio has averaged around 6%. Boise Cascade's dividend is comfortably covered by earnings. Given the expected earnings growth, there is room for the dividend to continue to grow at least at the same pace and keep the payout ratio around the same levels which is safe.

Boise Cascade benefits from a leading market position in engineered wood products and a large-scale distribution network that enhances operational efficiency. Its strong balance sheet and flexible capital allocation allow for both strategic investment and shareholder returns. However, profitability remains highly cyclical, driven by lumber prices and construction activity, making earnings volatile. The company's residential construction exposure also creates sensitivity to interest rates and broader economic cycles, while ongoing pricing pressure in wood products could further compress margins in 2025.

Final Thoughts & Recommendation

Boise Cascade is a leading building materials provider known for its integrated operations, strong market position, and disciplined capital management. Sustaining operational efficiency while navigating pricing volatility and cyclical demand swings will be key priorities in 2025 & 2026. We estimate total return potential of -2% per year for the stock over the next five years based on an 5% earnings-per-share growth, the dividend yield of 1.3%, and a valuation headwind. Shares earn a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	3,633	3,911	4,432	4,995	4,643	5,475	7,926	8,387	6,838	6,724
Gross Profit	480	515	612	688	678	939	1,626	1,915	1,429	1,331
Gross Margin	13.2%	13.2%	13.8%	13.8%	14.6%	17.1%	20.5%	22.8%	20.9%	19.8%
SG&A Exp.	323	364	391	457	464	514	574	657	674	697
D&A Exp.	57	75	82	149	82	97	82	104	135	147
Operating Profit	103	80	141	85	134	329	972	1,158	624	490
Op. Margin	2.8%	2.0%	3.2%	1.7%	2.9%	6.0%	12.3%	13.8%	9.1%	7.3%
Net Profit	52	38	83	20	81	175	712	858	484	376
Net Margin	1.4%	1.0%	1.9%	0.4%	1.7%	3.2%	9.0%	10.2%	7.1%	5.6%
Free Cash Flow	(7)	68	76	84	163	215	560	927	472	209
Income Tax	29	5	35	2	27	111	236	289	161	125

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,249	1,439	1,607	1,581	1,693	1,966	2,573	3,241	3,459	3,369
Cash & Equivalents	184	104	177	192	285	405	749	998	950	713
Acc. Receivable	187	199	246	214	216	376	444	297	353	322
Inventories	385	433	477	533	498	503	661	698	712	803
Goodwill & Int.	32	71	70	76	78	77	76	299	361	345
Total Liabilities	714	859	933	909	992	1,115	1,220	1,183	1,263	1,218
Accounts Payable	159	194	234	211	223	308	335	270	310	298
Long-Term Debt	345	438	438	439	441	444	445	444	445	446
Total Equity	535	580	675	673	701	851	1,353	2,058	2,196	2,151
LTD/E Ratio	0.64	0.75	0.65	0.65	0.63	0.52	0.33	0.22	0.20	0.21

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.2%	2.8%	5.4%	1.3%	4.9%	9.6%	31.4%	29.5%	14.4%	11.0%
Return on Equity	10.2%	6.9%	13.2%	3.0%	11.8%	22.5%	64.7%	50.3%	22.7%	17.3%
ROIC	6.3%	4.0%	7.8%	1.8%	7.2%	14.4%	46.1%	39.9%	18.8%	14.4%
Shares Out.	39	39	39	39	39	39	40	40	40	39
Revenue/Share	92.32	100.48	113.43	126.83	118.33	138.85	199.92	210.88	171.38	171.02
FCF/Share	-0.18	1.76	1.95	2.12	4.15	5.45	14.14	23.31	11.83	5.31

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.