

Louisiana-Pacific (LPX)

\$80.81 (Stock Price as of 12/19/2025)

Price Target (6-12 Months): **\$74.00**

Long Term: 6-12 Months

Zacks Recommendation: Underperform

(Since: 11/10/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

Zacks Rank: (1-5)

5-Strong Sell

Zacks Style Scores:

VGM: B

Value: D

Growth: B

Momentum: A

Summary

Shares of Louisiana-Pacific have underperformed the industry in the past six months. The company's prospects are hurt because of continued pricing headwinds in the Oriented Strand Board (OSB) segment. With the housing market far from normalization, the sales volume is expected to stay suppressed in the near term. The company expects OSB adjusted EBITDA to be negative for the fourth quarter of 2025, around \$45 million, with break-even in 2025. Although the SmartSide siding and ExpertFinish products have been boding well for the company, the housing market uncertainties, unfavorable OSB pricing and other macro pressures are more than offsetting the positive aspects. Earnings estimates for fiscal 2025 and 2026 have remained unchanged over the past 30 days, limiting the upside potential of the stock.

Data Overview

52 Week High-Low	\$119.91 - \$73.42
20 Day Average Volume (sh)	913,383
Market Cap	\$5.6 B
YTD Price Change	-22.0%
Beta	1.81
Dividend / Div Yld	\$1.12 / 1.4%
Industry	Building Products - Wood
Zacks Industry Rank	Bottom 6% (227 out of 243)

Last EPS Surprise	-2.7%
Last Sales Surprise	1.1%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/18/2026
Earnings ESP	0.0%

P/E TTM	22.1
P/E F1	30.0
PEG F1	-1.6
P/S TTM	2.0

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	668 E	770 E	746 E	668 E	2,951 E
2025	724 A	755 A	663 A	609 E	2,749 E
2024	724 A	814 A	722 A	681 A	2,941 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	0.92 E	1.44 E	1.43 E	0.94 E	3.80 E
2025	1.27 A	0.99 A	0.36 A	0.06 E	2.69 E
2024	1.53 A	2.09 A	1.22 A	1.03 A	5.88 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/19/2025.

(2) The report's text and the price target are as of 12/11/2025.

Overview

Louisiana-Pacific Corporation, or LP, is a leading manufacturer of sustainable, high-quality engineered wood building materials, structural framing products, and exterior siding for use in residential, industrial, and light commercial construction.

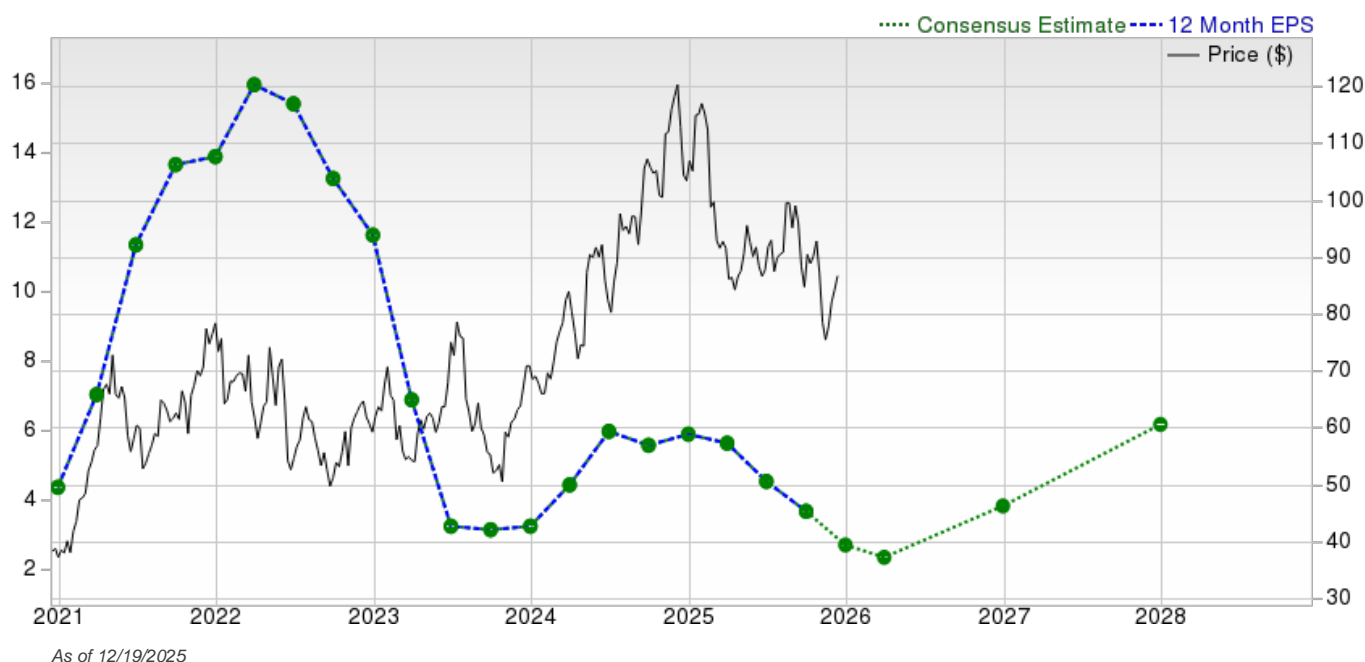
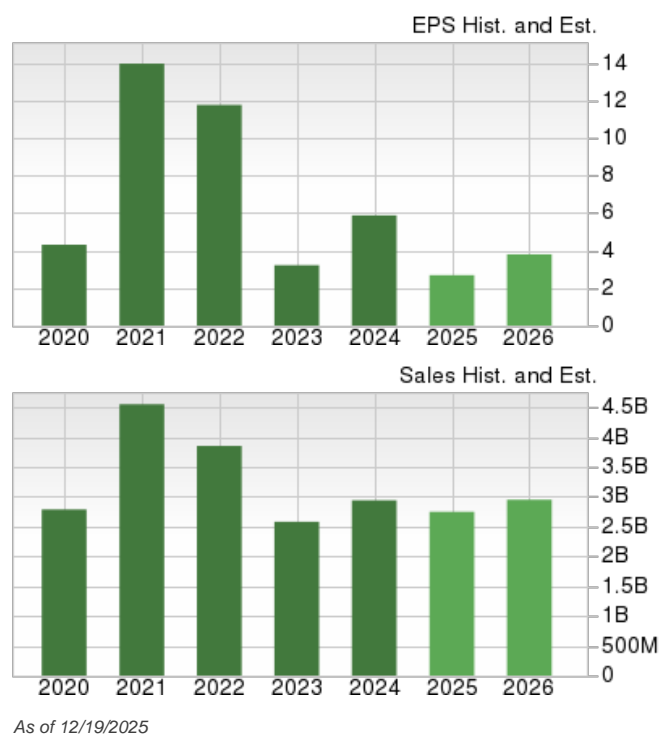
Currently, the company operates more than 20 manufacturing facilities strategically located across the United States, Canada, Chile and Brazil through foreign subsidiaries. It also operates facilities through a joint venture. The company's products are used primarily in new home construction, repair as well as remodeling and outdoor structures.

The company has three reportable segments — Siding (contributing 53% of 2024 net sales), Oriented Strand Board or OSB (40.2%) and LP South America (6.5%). Notably, revenues from the Other business segment contributed 0.3% to its net sales.

The Siding segment consists of LP SmartSide trim and siding, as well as LP Outdoor Building Solutions' innovative products for premium outdoor buildings.

OSB segment manufactures and distributes OSB structural panel products, including LP OSB, LP TechShield radiant barrier, LP TopNotch sub-flooring, LP Legacy super tough, moisture-resistant sub-flooring, LP WeatherLogic air & water barrier, and LP FlameBlock fire-rated sheathing.

The South America segment manufactures and distributes OSB and siding products in South America and certain export markets. South America segment manufactures and distributes OSB and siding products in South America and certain export markets.



Reasons To Sell:

- ▼ **Exposure to Seasonal Weakness in OSB:** Louisiana-Pacific remains heavily exposed to OSB, a product whose pricing and demand are notoriously seasonal and volatile. From the beginning of 2025, due to a sluggish demand environment and macro uncertainties hovering over the market, the OSB prices kept dragging down, with the prices barely remaining above variable cost during the third quarter of 2025. During the first nine months of 2025, OSB net sales were down 24% year over year to \$696 million, due to lower prices and a decline in sales volume. Moreover, adjusted EBITDA was down 82% during the same time frame to \$46 million. Given the weak market conditions and unfavorable pricing scenario, LP expects OSB adjusted EBITDA to be negative for the fourth quarter of 2025, around \$45 million, with break-even in 2025.
- ▼ **Seasonal Margin Compression in Siding:** Although the Siding business has been LP's bright spot, seasonality still weighs on margins. As seasonal demand patterns shift, particularly with shed and panel volumes moderating from strong first and second quarter levels, the pricing mix becomes less favorable. This "rising sine wave" effect in siding margins means that seasonal peaks can quickly give way to short-term compression, limiting near-term profitability.
- ▼ **Housing Market Cyclicalities and Seasonality:** Louisiana-Pacific's performance remains tied to housing and remodeling markets, both of which follow seasonal construction cycles and are highly sensitive to macroeconomic conditions. Elevated mortgage rates and affordability challenges are expected to keep U.S. housing starts below long-term averages. Seasonal slowing in the winter months could further dampen new home construction activity, magnifying Louisiana-Pacific's earnings cyclicalities. Even with siding share gains, declining seasonal housing activity could suppress volumes in both new builds and R&R channels.
- While management reaffirmed its siding guidance, the near-term order file showed moderation as the third-quarter 2025 closed, suggesting that fourth-quarter 2025 demand may not be as strong as prior quarters. Seasonal uncertainty around contractor activity, consumer spending, and remodeling projects raises questions about visibility into 2025-end performance. The company itself acknowledged that the combined second and third quarter outlook may represent the effective peak of 2025, signaling that investors could face seasonally weaker results in the second half of 2025.
- ▼ **Rapid Lumber Market Swings:** One of the major cost components of goods sold is the cost of lumber products. LP has no control over the costs and selling prices of lumber products, which are dependent on factors like government policies, environmental regulations, weather conditions, economic conditions and natural disasters. An unusual rise in the cost of lumber products sold by primary producers will increase the cost of inventory and limit margins on fixed-priced lumber products. In contrast, a decrease in costs will lead to lower profits by selling products indexed to the current lumber market.
- In addition to lumber, the company uses a significant quantity of various resins in the manufacturing processes. Resin product costs are influenced by changes in the prices or availability of raw materials used to produce resins, primarily petroleum products and the demand for and availability of resin products.
- ▼ **Product Concentrated Around OSB Segment:** The OSB segment remains a major contributor to revenues, though it is declining as siding expands. The company has a high degree of product concentration in OSB, which accounted for about 43%, 57% and 65% of its North America's sales in 2024, 2023, 2022 and 2021, respectively. For the first six months of 2025, OSB generated \$517 million of \$1.478 billion total sales, or roughly 35% of total revenues. This highlights that while the company is steadily reducing reliance on this more volatile, commodity-driven segment, OSB is still about one-third of LPX's revenue base.

Margin pressure, weak OSB cycle and housing risks mar prospects.

Risks⁽²⁾ (to the Underperform recommendation)

- **Strong Seasonal Positioning in Siding Demand:** Louisiana-Pacific's Siding business segment continues to demonstrate resilience across seasonal cycles. Despite housing softness, siding revenue grew 9% year over year in the first nine months of 2025 on higher volume and favorable pricing, with adjusted EBITDA expanding by 9%. Although volume is expected to be on the softer side, backed by favorable pricing, the company expects the Siding business revenues in the fourth quarter to grow about 3% year over year to \$370 million, with 2025 revenues to be up nearly 8% to \$1.68 billion. As of the third quarter of 2025, Louisiana-Pacific witnessed improving resilience in the repair-and-remodel market, especially in the northern markets where it holds a strong market presence. Moreover, with the increased focus on strategic investments for the repair-and-remodel, the company expects to witness normalized trends in the upcoming period, despite weak housing conditions.
- **Counter-Cyclical Remodeling and Repair Strength:** While broader housing starts remain subdued, LP's siding products—particularly ExpertFinish prefinished siding—are capturing momentum from R&R activity. During the third quarter 2025 earnings call, Louisiana-Pacific highlighted ExpertFinish, which is a prefinished siding product primarily designed for repair-and-remodel applications, witnessed 17% year-over-year volume growth during the quarter. In April 2025, the company launched ExpertFinish naturals collection, a new line of nature-inspired two-tone colors, and this materially benefited the third quarter's Siding volume and net sales growth. During the third quarter of 2025, ExpertFinish contributed 10% of total Siding volume and 17% of Siding revenues, reflecting benefits realized from SmartSide innovation.

As homeowners increasingly prioritize energy-efficient and sustainable upgrades, LP's siding franchise is positioned to benefit from autumn and winter repair and remodeling cycles, which typically sustain demand even when housing starts slow.

- **Operating Discipline Through Commodity Cycles:** Louisiana-Pacific has historically navigated the seasonality of OSB with disciplined capacity management. During the third quarter of 2025, the OSB prices dragged the performance down, but the company is ensuring the business' prospects through disciplined capacity management, aiming at balanced supply and demand. During the third quarter, the OSB business achieved 80% overall equipment effectiveness (OEE), up 2% year over year. By flexing OSB production seasonally to match demand and avoid inventory buildup, LPX mitigates earnings volatility. Investors benefit from this disciplined cycle management, as the siding business increasingly buffers seasonal OSB swings.
- **Capital Allocation and Seasonal Cash Flow Resilience:** Louisiana-Pacific generated \$315 million operating cash flow in the first nine months of 2025, aided by adjusted EBITDA improvements on the back of Siding pricing benefits. The company's balance sheet remains strong, with \$1.1 billion in liquidity and \$316 million in cash and cash equivalents as of Sept. 30, 2025. This seasonal cash flow generation allows Louisiana-Pacific to sustain dividend payments, fund capital projects like siding capacity expansions, and selectively return capital to shareholders. With CapEx guidance again lowered to about \$315 million (before \$350 million) for 2025, primarily through OSB spending cuts, the company preserves financial flexibility while maintaining its siding growth investments. During the first nine months of 2025, LP paid \$58 million in the form of dividends, up from \$56 million paid in the year-ago period.
- **Secular Market Share Gains Regardless of Season:** Beyond quarterly fluctuations, LP's SmartSide siding and ExpertFinish products continue to gain share against vinyl, brick, and traditional substrates. Management emphasized that SmartSide's competitive advantage remains robust across all end markets, including sheds, manufactured housing, and new builds. Seasonal changes in home size or affordability concerns may modestly shift demand, but the long runway for siding conversions ensures LPX can grow above underlying market trends in any season. This secular growth story makes LPX attractive for long-term investors seeking exposure to both cyclical recovery and structural share expansion.

Last Earnings Report

Louisiana-Pacific Q3 Earnings Miss, Sales Top Amid OSB Weakness

Louisiana-Pacific (or LP), a leading manufacturer of high-performance building products, reported mixed third-quarter 2025 results, with adjusted earnings missing the Zacks Consensus Estimate while net sales topped the same. Year over year, both metrics declined.

Earnings and Revenue Overview

Adjusted earnings per share (EPS) came in at 36 cents, missing the Zacks Consensus Estimate of 37 cents by 2.7% and declining 70% year over year from \$1.22.

Consolidated net sales of \$663 million surpassed the consensus mark of \$656 million by 1.1% but tumbled 8.2% from the year-ago period's \$722 million. The decline stemmed from significantly lower OSB prices, which offset gains in the Siding segment.

Segment Performance

Siding: Sales grew 5% year over year to \$443 million, driven by higher selling prices. Segment adjusted EBITDA fell slightly to \$117 million, with a margin of 26%.

OSB: Sales declined 29% to \$179 million due to lower pricing and volume. The segment recorded an adjusted EBITDA loss of \$27 million, versus a \$33 million profit last year.

LP South America: Sales of \$39 million decreased 17% year over year, with adjusted EBITDA down 50% to \$5 million.

Margins and Profitability Metrics

Gross profit dropped 33% year over year to \$129 million, while gross margin compressed 440 basis points (bps) to 19.4%. Adjusted EBITDA declined to \$82 million, down 46% from \$153 million last year, with an adjusted EBITDA margin of 12.4% compared with 21.2% a year ago.

Adjusted operating profit fell sharply to \$18 million, representing an adjusted operating margin of 2.7% compared with 16.1% in the prior-year period.

Balance Sheet & Shareholder Returns

As of Sept. 30, 2025, LP had cash and cash equivalents of \$316 million and total liquidity of \$1.1 billion. Long-term debt stood at \$348 million.

The company invested \$84 million in capital expenditures, paid \$19 million in dividends, and repurchased no shares during the quarter.

Q4 & 2025 Outlook

For Q4 2025, LP expects Siding net sales of nearly \$370 million (up 3%) and Siding adjusted EBITDA of approximately \$82 million (22% margin).

For 2025, guidance calls for Siding adjusted EBITDA of about \$430 million (26% margin) and consolidated adjusted EBITDA of nearly \$420 million.

FY Quarter Ending	12/31/2024
Earnings Reporting Date	Nov 05, 2025
Sales Surprise	1.09%
EPS Surprise	-2.70%
Quarterly EPS	0.36
Annual EPS (TTM)	3.65

Valuation

Louisiana-Pacific's shares are down 3.7% in the past six months and 24.6% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 1.6% but the stocks in the Zacks Construction sector are up 7.5% in the past six months. Over the past year, the Zacks sub-industry has been down 1.4%, and the sector is down 5.3%.

The S&P 500 index is up 15.9% in the past six months and 15.2% in the past year.

The stock is currently trading at 23.29X forward 12-month earnings, which compares to 28.41X for the Zacks sub-industry, 19.1X for the Zacks sector, and 23.44X for the S&P 500 index.

Over the past five years, the stock has traded as high as 26.88X and as low as 4.53X, with a 5-year median of 15.9X. Our Underperform recommendation indicates that the stock will perform worse than the market. Our \$74 price target reflects 19.78X forward 12-month earnings.

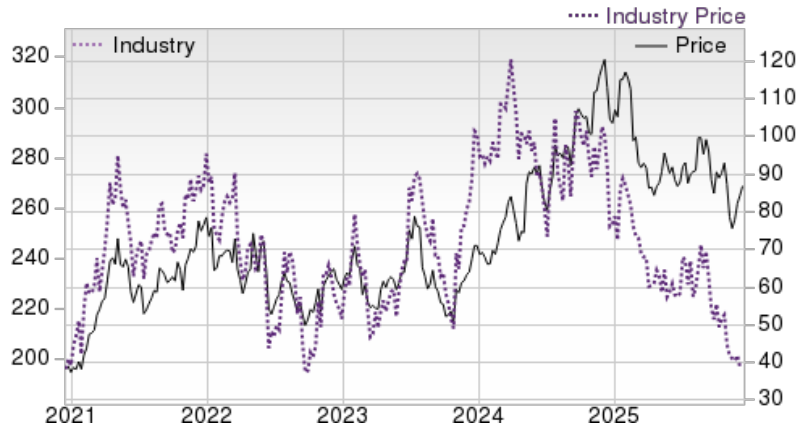
The table below shows the summary valuation data for LPX.

Valuation Multiples - LPX					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	23.29	28.41	19.1	23.44
	5-Year High	26.88	29.03	19.6	23.78
	5-Year Low	4.53	10.23	8.92	15.73
	5-Year Median	15.9	18.74	15.28	21.21
P/S F12M	Current	2.06	2.36	2.77	5.3
	5-Year High	2.79	2.63	3.1	5.5
	5-Year Low	0.92	1.57	1.55	3.83
	5-Year Median	1.68	2.1	2.26	5.05
EV/EBITDA TTM	Current	12.1	19.26	18.32	18.63
	5-Year High	13.31	20.33	24.73	22.41
	5-Year Low	1.9	8.04	10.36	13.87
	5-Year Median	7.69	15.65	17.05	17.96

As of 12/10/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 6% (227 out of 243)



Top Peers ⁽¹⁾

Company (Ticker)	Rec	Rank
Floor & Decor Holdin...(FND)	Neutral	3
Potlatch Corporation (PCH)	Neutral	3
Rayonier Inc. (RYN)	Neutral	2
Weyerhaeuser Company (WY)	Neutral	3
Boise Cascade, L.L.C...(BCC)	Underperform	4
JELD-WEN Holding, In...(JELD)	Underperform	5
Trex Company, Inc. (TREX)	Underperform	5
UFP Industries, Inc. (UFPI)	Underperform	4

Industry Comparison⁽¹⁾ Industry: Building Products - Wood

	LPX	X Industry	S&P 500	FND	TREX	WY
Zacks Recommendation (Long Term)	Underperform	-	-	Neutral	Underperform	Neutral
Zacks Rank (Short Term)	5	-	-	3	5	3
VGM Score	B	-	-	C	B	F
Market Cap	5.63 B	3.35 B	38.78 B	6.71 B	3.79 B	16.93 B
# of Analysts	4	3	22	9	7	5
Dividend Yield	1.39%	1.26%	1.39%	0.00%	0.00%	3.58%
Value Score	D	-	-	C	D	D
Cash/Price	0.05	0.09	0.04	0.03	0.00	0.02
EV/EBITDA	8.24	9.36	14.63	13.71	10.48	17.92
PEG Ratio	-1.58	6.19	2.21	2.71	NA	122.96
Price/Book (P/B)	3.24	1.75	3.32	2.84	3.63	1.79
Price/Cash Flow (P/CF)	10.41	10.38	15.20	15.44	13.47	19.26
P/E (F1)	30.04	26.21	19.70	32.55	19.34	152.47
Price/Sales (P/S)	1.99	2.04	3.10	1.44	3.21	2.39
Earnings Yield	3.33%	3.33%	5.07%	3.07%	5.18%	0.64%
Debt/Equity	0.20	0.34	0.57	0.08	0.00	0.52
Cash Flow (\$/share)	7.76	5.07	8.99	4.03	2.62	1.22
Growth Score	B	-	-	D	A	F
Hist. EPS Growth (3-5 yrs)	-19.40%	-16.11%	8.16%	-3.00%	2.18%	-37.06%
Proj. EPS Growth (F1/F0)	-54.25%	-22.63%	8.60%	3.24%	-12.44%	-71.70%
Curr. Cash Flow Growth	54.83%	-2.20%	6.75%	-3.33%	11.20%	-29.06%
Hist. Cash Flow Growth (3-5 yrs)	26.54%	5.81%	7.43%	17.37%	12.10%	2.19%
Current Ratio	2.93	2.66	1.18	1.27	1.20	1.23
Debt/Capital	16.67%	26.09%	38.01%	7.60%	0.00%	34.40%
Net Margin	7.69%	5.38%	12.78%	4.65%	16.76%	4.68%
Return on Equity	14.90%	6.87%	17.00%	9.34%	21.90%	3.04%
Sales/Assets	1.08	0.76	0.53	0.87	0.79	0.43
Proj. Sales Growth (F1/F0)	-6.50%	-2.52%	5.79%	5.30%	0.50%	-2.50%
Momentum Score	A	-	-	B	C	D
Daily Price Chg	-5.16%	-1.18%	0.88%	1.78%	-1.12%	-0.51%
1 Week Price Chg	2.92%	2.06%	-0.96%	-3.65%	1.68%	7.84%
4 Week Price Chg	8.25%	7.02%	4.52%	8.28%	17.26%	9.87%
12 Week Price Chg	-3.09%	-2.97%	3.48%	-19.10%	-30.01%	-2.85%
52 Week Price Chg	-21.65%	-19.80%	16.49%	-36.12%	-50.20%	-13.71%
20 Day Average Volume	913,383	457,421	2,770,348	2,333,604	2,081,620	7,054,347
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.00%	0.00%	11.59%
(F1) EPS Est 12 week change	-7.56%	-6.66%	0.69%	4.44%	-17.37%	-33.04%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	0.00%	-6.85%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	D
Growth Score	B
Momentum Score	A
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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