
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 21, 2021

UFP INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Michigan
(State or other Jurisdiction of
Incorporation)

0-22684
(Commission File Number)

38-1465835
(IRS Employer Identification No.)

2801 East Beltline, NE Grand Rapids, Michigan
(Address of Principal Executive Offices)

49525
(Zip Code)

Registrant's telephone number, including area code: **(616) 364-6161**

None
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12).
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)).
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).

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	UFPI	The NASDAQ Stock Market, LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.02 Results of Operations and Financial Condition

On April 21, 2021, the Registrant issued a press release announcing its financial results for the quarter-ended March 27, 2021. A copy of the Registrant's press release is attached as Exhibit 99(a) to this Current Report.

Item 9.01 Financial Statements, Pro Forma Financial Information, and Exhibits

(c) Exhibits

99(a) [Press Release dated April 21, 2021.](#)

104 Cover Page Interactive File (the cover page XBRL tags are embedded in the Inline XBRL document).

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Document</u>
99(a)	Press Release, dated April 21, 2021.
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

SIGNATURE

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.

UNIVERSAL FOREST PRODUCTS, INC.

(Registrant)

Dated: April 21, 2021

By: /s/ Michael R. Cole

Michael R. Cole

Principal Financial Officer and Treasurer



News release

-----AT THE COMPANY-----

Dick Gauthier
VP, Business Outreach
(616) 365-1555

FOR IMMEDIATE RELEASE
Wednesday, April 21, 2021

UFP Industries Reports All-time Quarterly Records

– Unit sales increase 33 percent, net earnings increase 157 percent –

GRAND RAPIDS, Mich., April 21, 2021 – UFP Industries, Inc. (Nasdaq: UFPI) today announced record net sales of \$1.83 billion for the first quarter of 2021, a 77 percent increase over the first quarter of 2020, and record net earnings attributable to controlling interest of \$103 million, a 157 percent increase over the same period of 2020. The company also reported record EPS of \$1.67 per diluted share compared to \$0.65 in the first quarter last year. While first quarter performance is typically limited by seasonality, net sales and earnings for the first quarter of 2021 were the highest of any quarter in company history.

“UFP Industries is enjoying unprecedented growth as we benefit from strong market conditions and the successful execution of our strategic plans. We are using our new market-focused structure to target and quickly assimilate acquisitions, better leverage our fixed costs, and reallocate resources to increase capacity efficiently,” said CEO Matthew J. Missad. “As a result, we are experiencing strong organic growth in our retail and industrial segments as well as in our site-built and factory-built housing business units. Our improvement in gross profit resulted from these changes, as well as a better pricing model that quickly adjusts to lumber market fluctuations and our growing line-up of new and value-added products. I want to thank our employees for their outstanding efforts and especially recognize our general managers for the improvements they’ve made at our facilities. I remain very encouraged about the growth prospects for our business as we look forward.”

The elevated level of softwood lumber prices contributed to a significant increase in the company’s cost of materials and was responsible for 44 percent of the 77 percent increase in net sales. The remaining 33 percent came from increased unit sales – 23 percent from acquisitions and 10 percent from organic growth.

New product sales of \$159.4 million increased 58 percent over the first quarter of 2020, led by Deckorators Vault decking and deck accessories, UFP-Edge shiplap and trim, Handprint project panels and ProWood Fire Retardant treated lumber.

First Quarter 2021 Highlights (comparisons on a year-over-year basis):

- Net sales of \$1.83 billion increased 77 percent due to a 33 percent increase in unit sales and 44 percent increase in selling prices
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- An increase in SG&A of nearly \$41 million, or 37 percent, is largely attributable to recent acquisitions (\$11.5 million, including amortization expense of \$1.7 million), accrued bonus expenses (\$22.5 million) resulting from increased profitability, and increased compensation costs of \$10 million, offset by net decreases of \$3 million in travel costs and bad debt expense
- Earnings from operations of \$137.5 million increased 134 percent
- Adjusted EBITDA of \$162.7 million increased 111 percent

UFP Industries maintains a strong balance sheet with liquidity of approximately \$421 million at the end of the first quarter. The company's operating cash flow decreased by approximately \$150 million as a result of a greater seasonal investment in net working capital of \$216 million associated with higher accounts receivable and to build inventory to satisfy strong customer demand, particularly in the retail business. Net debt increased to \$429 million from \$131 million at the end of the first quarter of 2020 due to these factors and the acquisition of PalletOne and its wholly owned subsidiary, Sunbelt Forest Products.

On April 12, 2021, Sunbelt (an affiliate of UFP Retail Solutions) completed its acquisition of Spartanburg Forest Products and its affiliates, expanding its pressure-treating capacity throughout the eastern U.S. In addition, on April 19, 2021, UFP closed on the purchase of Walnut Hollow Farm, which produces a variety of finely finished wood surfaces used in hobby, craft and woodworking projects, as well as in taxidermy. Both transactions broaden UFP Retail Solutions' customer base and product offerings.

"The recent acquisitions of Sunbelt and Spartanburg not only allow us to leverage costs and improve efficiencies in wood treating, they allow us to bring our value-added products to a broader and more diverse customer base. UFP will continue to pursue acquisitions that expand our capacity, enhance our capabilities, improve efficiencies and increase our sales of value-added products," said Missad. "Growth is baked into our DNA, and I'd encourage those looking for attractive career opportunities to consider UFP during this dynamic time. We are hiring at nearly every location in many roles and currently have about 500 jobs available for hard working, highly motivated future team members."

By business segment, the company reported the following first quarter 2021 results:

UFP Retail Solutions

- \$759 million in net sales, up 116 percent over the first quarter of 2020 due to a 56 percent increase in selling prices, a 19 percent increase in organic unit sales, and a 41 percent unit increase resulting from acquisitions, primarily Sunbelt Forest Products. Organic unit growth was driven by Deckorators (up 64 percent), Handprint (up 30 percent), Outdoor Essentials (up 28 percent), and UFP Edge (up 24 percent). Gross profit for the segment grew 122 percent. Acquisitions contributed over \$10 million, or almost 23 percent, to the increase in gross profit.

UFP Industrial

- \$448.9 million in net sales, up 75 percent from the first quarter of 2020. Unit sales increased 37 percent and selling prices increased 38 percent. Organic growth accounted for 5 percent of the unit sales growth; the acquisitions of PalletOne and T&R Lumber accounted for 32 percent. Gross profit for the segment rose 83 percent, far exceeding unit sales growth, due to the company's focus on adding value-added products and its ability to effectively increase capacity. PalletOne and T&R Lumber contributed over \$13 million, or 30 percent, to the increase in gross profit.
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UFP Construction

- \$559.5 million in net sales, up 47 percent over the first quarter of 2020, due to an 8 percent increase in unit sales and a 39 percent increase in selling prices. Unit sales to site-built and factory-built housing customers rose 21 percent and 15 percent, respectively. Unit sales to commercial customers fell 9 percent. Gross profit for the construction segment grew 40 percent over the first quarter of 2020, led by the site-built and factory-built business units.

CONFERENCE CALL

UFP Industries will conduct a conference call to discuss information included in this news release and related matters at 4:30 p.m. ET on Wednesday, April 21, 2021. The call will be hosted by CEO Matthew J. Missad and CFO Michael Cole, and will be available for analysts and institutional investors domestically at 866-518-4547 and internationally at 213-660-0879. Use conference pass code 6679712. The conference call will be available simultaneously and in its entirety to all interested investors and news media through a webcast at <http://www.ufpi.com>. A replay of the call will be available through April 23, 2021, at 855-859-2056, 404-537-3406 or 800-585-5367.

UFP Industries, Inc.

UFP Industries is a holding company whose operating subsidiaries – UFP Industrial, UFP Construction and UFP Retail Solutions – manufacture, distribute and sell a wide variety of value-added products used in residential and commercial construction, packaging and other industrial applications worldwide. Founded in 1955, the company is headquartered in Grand Rapids, Mich., with affiliates in North America, Europe, Asia and Australia. For more about UFP Industries, go to www.ufpi.com.

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act, as amended, that are based on management's beliefs, assumptions, current expectations, estimates and projections about the markets we serve, the economy and the Company itself. Words like "anticipates," "believes," "confident," "estimates," "expects," "forecasts," "likely," "plans," "projects," "should," variations of such words, and similar expressions identify such forward-looking statements. These statements do not guarantee future performance and involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. The Company does not undertake to update forward-looking statements to reflect facts, circumstances, events, or assumptions that occur after the date the forward-looking statements are made. Actual results could differ materially from those included in such forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty. Among the factors that could cause actual results to differ materially from forward-looking statements are the following: fluctuations in the price of lumber; adverse or unusual weather conditions; adverse economic conditions in the markets we serve; government regulations, particularly involving environmental and safety regulations; and our ability to make successful business acquisitions. Certain of these risk factors as well as other risk factors and additional information are included in the Company's reports on Form 10-K and 10-Q on file with the Securities and Exchange Commission.

Non-GAAP Financial Information

This release includes certain financial information not prepared in accordance with U.S. GAAP. Because not all companies calculate non-GAAP financial information identically (or at all), the presentations herein may not be comparable to other similarly titled measures used by other companies. Management considers Adjusted EBITDA, a non-GAAP measure, an alternative performance measure which may provide useful information to investors.

Net earnings

Net earnings refers to net earnings attributable to controlling interest unless specifically noted.

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CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE MONTHS ENDED
MARCH 2021/2020

	Quarter Period			Year to Date		
(In thousands, except per share data)	2021		2020	2021		2020
NET SALES	\$ 1,825,004	100.0 %	\$ 1,032,062 100.0 %	\$ 1,825,004 100.0 %	\$ 1,032,062 100.0 %	
COST OF GOODS SOLD	1,538,450	84.3	864,826 83.8	1,538,450 84.3	864,826 83.8	
GROSS PROFIT	286,554	15.7	167,236 16.2	286,554 15.7	167,236 16.2	
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	150,098	8.2	109,339 10.6	150,098 8.2	109,339 10.6	
ASSET IMPAIRMENT CHARGES AND OTHER COSTS, NET	(1,031)	(0.1)	(735) (0.1)	(1,031) (0.1)	(735) (0.1)	
EARNINGS FROM OPERATIONS	137,487	7.5	58,632 5.7	137,487 7.5	58,632 5.7	
OTHER EXPENSE, NET	1,485	0.1	4,740 0.5	1,485 0.1	4,740 0.5	
EARNINGS BEFORE INCOME TAXES	136,002	7.5	53,892 5.2	136,002 7.5	53,892 5.2	
INCOME TAXES	31,751	1.7	13,322 1.3	31,751 1.7	13,322 1.3	
NET EARNINGS	104,251	5.7	40,570 3.9	104,251 5.7	40,570 3.9	
LESS NET EARNINGS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(940)	(0.1)	(411) —	(940) (0.1)	(411) —	
NET EARNINGS ATTRIBUTABLE TO CONTROLLING INTEREST	\$ 103,311	5.7	\$ 40,159 3.9	\$ 103,311 5.7	\$ 40,159 3.9	
EARNINGS PER SHARE - BASIC	\$ 1.67		\$ 0.65	\$ 1.67	\$ 0.65	
EARNINGS PER SHARE - DILUTED	\$ 1.67		\$ 0.65	\$ 1.67	\$ 0.65	
COMPREHENSIVE INCOME	102,055		32,014	102,055	32,014	
LESS COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	(414)		1,924	(414)	1,924	
COMPREHENSIVE INCOME ATTRIBUTABLE TO CONTROLLING INTEREST	\$ 101,641		\$ 33,938	\$ 101,641	\$ 33,938	

SUPPLEMENTAL DATA

(In thousands)	Quarter Period			Year to Date		
Segment Classification	2021	2020	%	2021	2020	%
Retail	\$ 759,021	\$ 352,161	115.5%	\$ 759,021	\$ 352,161	115.5%
Industrial	448,873	256,543	75.0%	448,873	256,543	75.0%
Construction	559,531	381,155	46.8%	559,531	381,155	46.8%
All Other	57,579	42,203	36.4%	57,579	42,203	36.4%
Total Net Sales	<u>\$ 1,825,004</u>	<u>\$ 1,032,062</u>	76.8%	<u>\$ 1,825,004</u>	<u>\$ 1,032,062</u>	76.8%
	2021	% of Sales	2020	% of Sales	2021	% of Sales
SG&A	<u>\$ 150,098</u>	8.2%	<u>\$ 109,339</u>	10.6%	<u>\$ 150,098</u>	8.2%
SG&A as a Percentage of Gross Profit	52.4%		65.4%		52.4%	

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
MARCH 2021/2020

(In thousands)

ASSETS	2021	2020	LIABILITIES AND EQUITY	2021	2020
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	\$ 44,399	\$ 32,129	Cash Overdraft	\$ 47,140	\$ 0
Restricted cash	629	724	Accounts payable	299,398	162,039
Investments	31,439	17,778	Accrued liabilities	265,412	164,444
Accounts receivable	808,105	460,821	Current portion of debt	109	2,772
Inventories	823,414	510,681			
Other current assets	29,072	38,776			
TOTAL CURRENT ASSETS	1,737,058	1,060,909	TOTAL CURRENT LIABILITIES	612,059	329,255
OTHER ASSETS	149,393	124,519			
INTANGIBLE ASSETS, NET	415,402	299,979	LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS	426,310	160,550
			OTHER LIABILITIES	165,308	120,895
PROPERTY, PLANT AND EQUIPMENT, NET	488,367	397,575	EQUITY	1,586,543	1,272,282
TOTAL ASSETS	\$ 2,790,220	\$ 1,882,982	TOTAL LIABILITIES AND EQUITY	\$ 2,790,220	\$ 1,882,982

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED
MARCH 2021/2020

(In thousands)	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 104,251	\$ 40,570
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation	18,733	15,717
Amortization of intangibles	3,998	1,571
Expense associated with share-based and grant compensation arrangements	2,981	1,444
Deferred income taxes	142	286
Unrealized loss (gain) on investment and other	(1,754)	3,173
Equity in earnings of investee	630	—
Net loss (gain) on disposition and impairment of assets	(532)	(285)
Changes in:		
Accounts receivable	(253,323)	(94,253)
Inventories	(207,768)	(25,783)
Accounts payable and cash overdraft	121,892	20,047
Accrued liabilities and other	14,090	(8,648)
NET CASH FROM OPERATING ACTIVITIES	(196,660)	(46,161)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant, and equipment	(34,656)	(27,286)
Proceeds from sale of property, plant and equipment	5,062	409
Acquisitions and purchase of noncontrolling interest, net of cash received	(261,133)	(18,487)
Purchases of investments	(8,738)	(14,052)
Proceeds from sale of investments	3,381	11,260
Other	(414)	(54)
NET CASH USED IN INVESTING ACTIVITIES	(296,498)	(48,210)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under revolving credit facilities	236,280	6,759
Repayments under revolving credit facilities	(121,570)	(6,498)
Contingent consideration payment and other	(627)	(3,074)
Proceeds from issuance of common stock	363	319
Dividends paid to shareholders	(9,274)	(7,730)
Distributions to noncontrolling interest	(2,914)	(299)
Repurchase of common stock	—	(29,212)
Other	(331)	12
NET CASH FROM (USED IN) FINANCING ACTIVITIES	101,927	(39,723)
Effect of exchange rate changes on cash	(349)	(1,719)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(391,580)	(135,813)
ALL CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	436,608	168,666
ALL CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 45,028	\$ 32,853
Reconciliation of cash and cash equivalents and restricted cash:		
Cash and cash equivalents, beginning of period	\$ 436,507	\$ 168,336
Restricted cash, beginning of period	101	330
All cash and cash equivalents, beginning of period	\$ 436,608	\$ 168,666
Cash and cash equivalents, end of period	\$ 44,399	\$ 32,129
Restricted cash, end of period	629	724
All cash and cash equivalents, end of period	\$ 45,028	\$ 32,853

**ADJUSTED EBITDA RECONCILIATION (UNAUDITED)
FOR THE THREE MONTHS ENDED
MARCH 2021/2020**

(In thousands)	Quarter Period		Year to Date	
	2021	2020	2021	2020
Net earnings	\$ 104,251	\$ 40,570	\$ 104,251	\$ 40,570
Interest expense	3,151	1,908	3,151	1,908
Interest and investment income	(542)	(341)	(542)	(341)
Income taxes	31,751	13,322	31,751	13,322
Expenses associated with share-based compensation arrangements	2,981	1,444	2,981	1,444
Net loss (gain) on disposition and impairment of assets	(532)	(285)	(532)	(285)
Equity in Earnings of Investee	630	—	630	—
Unrealized (gain) loss on investments	(1,754)	3,173	(1,754)	3,173
Depreciation expense	18,733	15,717	18,733	15,717
Amortization of intangibles	3,998	1,571	3,998	1,571
Adjusted EBITDA	\$ 162,667	\$ 77,079	\$ 162,667	\$ 77,079