



## Universal Forest Products, Inc. : UFPI First Quarter Net Earnings Up More Than 38%

April 16, 2014



**Universal Forest Products**

### news release

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

Lynn Afendoulis  
Director, Corporate Communications  
(616) 365-1502

### FOR IMMEDIATE RELEASE

**WEDNESDAY, APRIL 16, 2014**

#### **UFPI First Quarter Net Earnings Up More Than 38%**

*-Sales flat as lumber market decline offsets 3% unit sales increase-  
-Framing operations improved over 2013-*

GRAND RAPIDS, Mich., Wednesday, April 16, 2014 - Universal Forest Products, Inc. (Nasdaq: UFPI) today announced first-quarter 2014 results, including net sales of \$554.0 million, which compares to net sales of \$554.5 million for the first quarter of 2013. Net earnings for the first quarter of 2014 were \$7.2 million, up 38 percent over the same period of 2013. Diluted earnings per share were \$0.36, compared to \$0.26 for the first quarter of 2013.

"We focused successfully on improving the performance of our framing operations, and that was the primary driver of our increased profitability in the first quarter," said CEO Matthew J. Missad. "We remain well-positioned in construction, and in each of our business markets, for the rebound we believe will occur as the weather breaks."

Missad noted that a "historically brutal winter" had a negative impact on operations and businesses throughout the United States in the first quarter. "Our people were able to fight through the equivalent of approximately 80 plant closure days at our various North American operations to deliver solid results, which are set against the milder winter of 2013. We don't like talking about winter as a driver, but it was an unavoidable factor in the first quarter of this year," he said.

*--more--*

With home improvement and building projects delayed by weather, sales in the Company's retail and construction businesses declined slightly year-over-year in the first quarter of 2014 while sales in its industrial business increased. The Company's selling prices were affected by a five percent drop in the lumber market relative to the first quarter of 2013. Unit sales overall increased three percent. By market, the Company posted the following first-quarter 2014 gross sales results:

#### **Retail: \$202.3 million, down 1.8 percent from the same period of 2013**

The Company continues to experience positive results from its efforts to enhance its service, to enhance its product mix by adding new products and new product lines, and through other targeted strategies for growing its business with big box and independent retailers. The Company's optimism in this market is fueled by healthy comparable sales guidance by big box retailers and for forecasts of continued growth in home improvement activities.

#### **Industrial: \$170.4 million, up 6.7 percent over the first quarter of 2013**

Industrial production in the United States increased 0.6 percent in February 2014 after having declined 0.2 percent in January, and was up 2.8 percent over the previous year, the most recent statistics available. The Company continues to execute on its strategies to add new customers and products, to expand its reach into non-wood packaging materials and to provide complete packaging solutions to industrial customers.

#### **Construction: \$189.5 million, down 2.8 percent from the same period of 2013**

As noted earlier, framing operations that were underperforming in 2013 saw improvements in the first quarter of 2014, the result of a focused effort on enhancing profitability in that market. This was the primary reason for enhanced overall profitability in the first quarter of 2014. Housing-related business markets-site-built (including multifamily and single-family) and factory built-saw modest growth in the first quarter of 2014 over the previous year and are expected to see continued growth in 2014, according to industry forecasts. There was a healthy increase in spending on nonresidential construction projects in the United States in February 2014 over the same month of last year, the most recent statistics available. The Company remains focused on creating steady, long-term growth by maintaining a diversified business and customer base in the construction market.

-more-

#### CONFERENCE CALL

Universal Forest Products will conduct a conference call to discuss information included in this news release and related matters at 8:30 a.m. ET on Thurs., April 17, 2014. 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) 318-8613 and internationally at (617) 399-5132. Use conference pass code 36795201. 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 24, 2014, domestically at (888) 286-8010 and internationally at (617) 801-6888. Use replay pass code 18781064.

#### UNIVERSAL FOREST PRODUCTS, INC.

Universal Forest Products, Inc. is a holding company that provides capital, management and administrative resources to subsidiaries that supply wood, wood composite and other products to three robust markets: **retail, construction and industrial**. Founded in 1955, the Company is headquartered in Grand Rapids, Mich., with affiliates throughout North America. For more about Universal Forest Products, go to [www.ufpi.com](http://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.*

###

[Financials](#)

HUG#1778064