



Universal Forest Products, Inc.: UFPI Q2 2014 net earnings up over 38 percent over previous year

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Universal Forest Products®

news release

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

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FOR IMMEDIATE RELEASE

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UFPI Q2 2014 net earnings up over 38 percent over previous year

-Focus on profitability creates success in all markets-

GRAND RAPIDS, Mich., July 16, 2014 - Universal Forest Products, Inc. (Nasdaq: UFPI) today reported second-quarter 2014 net earnings of \$21.8 million, up 38.1 percent over net earnings of \$15.8 million for the second quarter of 2013. Second-quarter 2014 diluted earnings per share were \$1.08, compared to diluted earnings per share of \$0.79 for the same period of 2013. Net sales of \$773 million in the second quarter of 2014 represented an increase of 4.6 percent over net sales of \$738 million in the second quarter of 2013.

"We focused on profitability and made great strides," said Universal CEO Matthew J. Missad. "The people of this company did the right things to drive sales and increase profitability to meet our strategic goals: they created a better product mix of value-added sales and enhanced operational efficiencies, driving success in the second quarter."

The Company's earnings were reduced by \$1.6 million for expected retroactive increases in U.S. duties assessed against a Chinese supplier of nails the Company imported prior to March 2013.

The Company benefited from a more stable lumber market in the second quarter of 2014 relative to the second quarter of 2013, when the lumber market fell for several weeks, adversely impacting the Company's profitability on certain products.

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"We had strong sales gains to our retail market, as well as gains in sales to our industrial market. Our construction market saw strong sales to commercial construction; however, those gains were offset by declines in our framing operations, due to our decision to accept only business that meets certain profitability criteria, and to a drop in sales to manufactured housing customers," Missad explained.

The decline in manufactured housing sales was the result of the vertical integration of one of the Company's key customers and of a 37 percent drop in the OSB market. That drop in the OSB market caused declines in sales of \$9 million and \$6 million, respectively, to the Company's construction and retail markets in the second quarter of 2014 compared to the same period of 2013.

Missad said the Company is on track to achieve its goals of \$3 billion in sales and operating margins at normal historical levels by 2017.

By market, the Company posted the following second-quarter 2014 gross sales results:

Retail: \$349.1 million, up 11 percent over the same period of 2013.

As pent-up demand from a harsh and prolonged winter gave way to better weather in the second quarter, the Company saw strong sales to its retail customers, big box and independent, alike. The Company's efforts to improve service and introduce new products are yielding results. It remains optimistic about this market due to the success of new product opportunities, forecasts for continued growth in home improvement activities, and healthy comparable sales guidance by big box retailers.

Industrial: \$203.5 million, up five percent over the second quarter of 2013.

Industrial production in the United States increased 0.6 percent in May 2014 after having declined 0.3 percent the previous month, and was 4.3 percent higher than the previous year, according to the most recent statistics available. Sales to existing customers grew at a healthy pace combined with a modest increase in sales to new customers. The Company continues to focus on growing with existing customers, on adding new customers and products and on expanding its reach into alternative packaging materials to provide complete packaging solutions.

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Construction: \$231.6, down four percent from the same period of 2013.

While the Company experienced strong sales to commercial construction, the drop in sales to this market relative to the second quarter of last year reflects the Company's more selective pricing strategies. In addition, as anticipated, the vertical integration of one of the Company's largest manufactured housing customers negatively impacted sales in the second quarter of 2014, as did the previously noted decrease in the price of OSB. Housing-related markets saw healthy growth in the second quarter of 2014 over the previous year, including manufactured housing and site-built residential, and are expected to see continued growth in 2014, according to industry forecasts. The Company remains focused on creating steady, long-term growth by maintaining a diversified business and customer base in the construction market.

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., July 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) 318-8617 and internationally at (617) 399-5136. Use conference pass code 16427132. 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 August 16, 2014, domestically at (888) 286-8010 and internationally at (617) 801-6888. Use replay pass code 50247535.

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.

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.

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