UNIVERSAL FOREST PRODUCTS, INC.

June 2017

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Please be aware that: Statements included in this presentation that are not historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act, as amended, and 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, assumptions or events 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 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. This presentation is the property of Universal Forest Products. Any redistribution, retransmission, or reprinting of this presentation in any form without the express written consent of Universal is strictly prohibited.



UFPI: What we do

We manufacture products—historically wood-based, but today, other materials as well—from simple furring strips to highly designed and engineered specialty packaging.

- Many of our products are hidden inside the home roof and floor trusses and engineered wood products.
- Many are in full display in homes and in office and retail establishments—such as laminated wall panels and decorative boards for interior applications.
- And many define outdoor living, like preserved lumber for decks, railings, fencing and lattice and non-wood products like composite decking, railing and a wide range of accessories.











UFPI: What we do

We design, engineer, manufacture and distribute complex products and assignments, from outdoor living environments to concrete forms for intricate architectural elements. Our end markets include *construction, retail* and *industrial/agricultural*.

We offer services including: design and engineering of complex building and industrial products; installation of our products in parts of the country; manufacturing and project management; product development including design and testing in one of the most advanced facilities in our industries.











UFPI: Where we are



Universal Forest Products

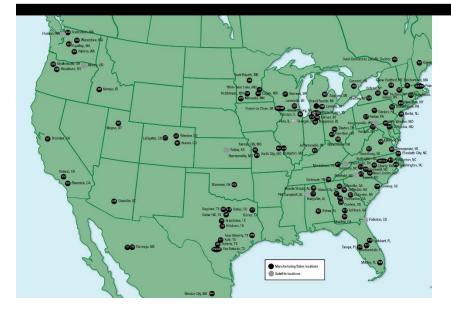
NORTH AMERICA LOCATIONS



PUERTO RICO

Universal Forest Products













UFPI by Market - Construction

Where we got our start -- as a wholesaler to the manufactured housing industry (1955)

Became a manufacturer of trusses and components for MH (1970)

Entered the site-built construction business (1997)

Added concrete forming (2007)









Concrete forming is a fast-growing area of our construction business





Highway bridge in New Mexico





UFPI by Market - Retail

We got our start in this market when we entered the wood preservation business (1978) to supply an upstart company: The Home Depot.

Today, we supply big box and independent retailers with products ranging from decking and the largest array of deck accessories in the market to lattice.













Our all-new Vault decking has the industry's best strength-to-weight ratio. Its patented Eovations™ technology allows the decking to be lightweight, but creates a fiber-like structure inside, similar to wood, giving it unique strength.





Deckorators offers a deep product line of decking, railing and accessories for outdoor living spaces.







ProWood[®] is our line of superior treated lumber, preferred by professional builders. It's treated with an environmentally friendly compound and backed by a lifetime limited warranty against termite infestation and rot.





UFPI by Market – Industrial

We formally entered the industrial market in 2000. From component pieces to fully designed, engineered and tested packaging, our goal is to be the global packaging solution provide for wood and alternative materials





Crates and components for manufacturers





Custom crates for agricultural, manufacturing and military uses









UFPI: About us

- We are a fiscally conservative holding company founded in 1955. We've been profitable each year since our founding.
- Our affiliated companies operate at approximately 130 locations in N. America, Europe, Asia and Australia.
- We source and sell raw materials and products worldwide.
- Senior management team of our companies is experienced and aggressive, with an average of more than 26 years of service.
- Our strong culture is rooted in core Midwestern values of hard work, honesty, and a get-the-job-done-right determination.







UFPI: New product sales

(in thousands)

 New Pr	roduct	: Sales by Ma	arket	New Product Sales by Market								
Th	ree M	onths Ended	l		S	Six Mo	onths Ended					
July 1, 2017	J	une 25, 2016	0/ Change		July 1, 2017	e	June 25, 2016	0/ Change				
 2017		2010	% Change		2017		2010	% Change				
\$ 115,884	\$	97,843	18.44%	\$	196,674	\$	166,078	18.42%				



UFPI: Our idX affiliate

An international provider of highly customized merchandising solutions for applications in banking, retail, automotive, restaurants, and medical facilities.





UFPI: Keys to our success

- Diversified / balanced business model
- Optimal fiber utilization
- Strong management team: required to own stock and compensated based on ROI
- Continuous Improvement
- Financial Strength





UFPI: Long-term financial goals

- Annual sales growth that exceeds positive U.S. GDP growth by 4 to 6 percentage points
- EBITDA growth exceeding unit sales growth
- Earn ROIC greater than WACC





UFPI: Improving existing operations

- Profitable sales growth
- Adding new products and services
- Enhancing margin through increased operating leverage





UFPI: Future growth



- Organic Growth
- Acquisition Growth
- New Markets
- New Geographies (including International)





UFPI: Challenges and obstacles

- General economic trends
- Lumber price fluctuations
- Availability of qualified labor
- Increasing regulatory burdens





FINANCIAL STRENGTH

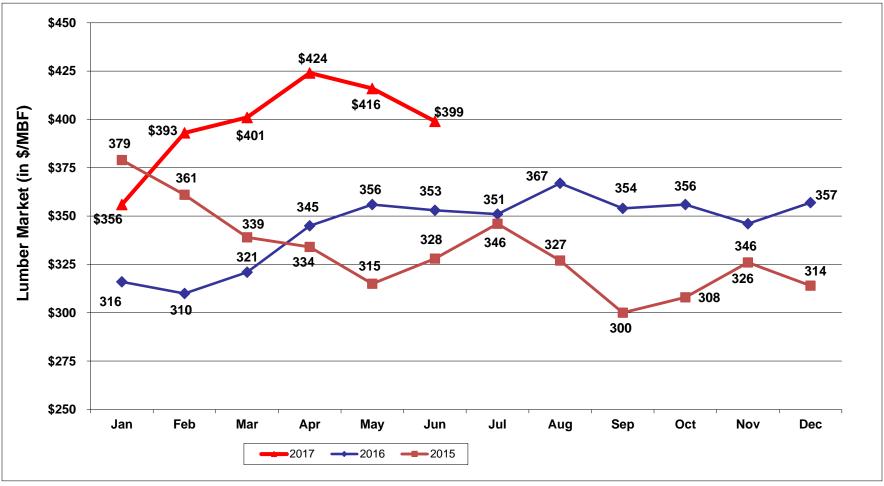


Lumber Market Impact on Operating Results

- Goal: to earn a stable profit per unit.
- We are less affected by the *level* of lumber prices than primary producers of lumber are.
- *Level* of lumber prices affects gross profit and SG&A to sales ratios.
- Profit per unit is primarily impacted by the *trend* and *level of volatility* of the market.
- Use risk management techniques to mitigate impact on profitability.



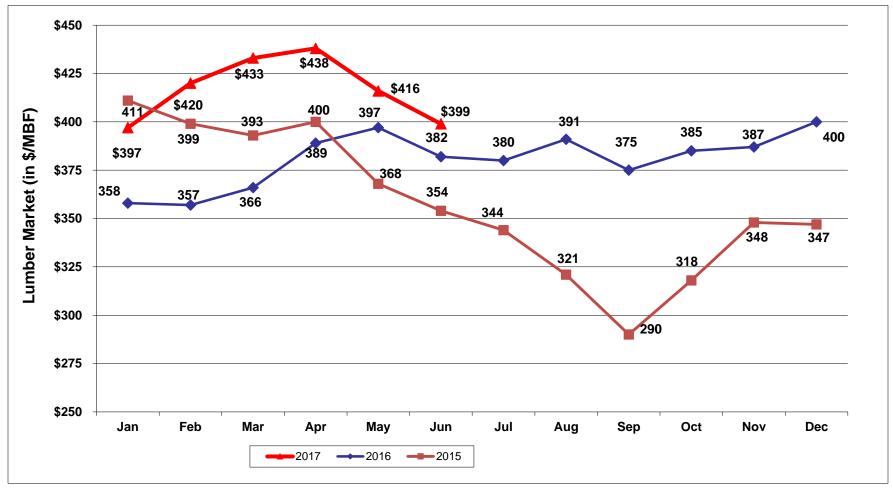
Lumber Market



Average weekly Random Lengths framing lumber composite price.

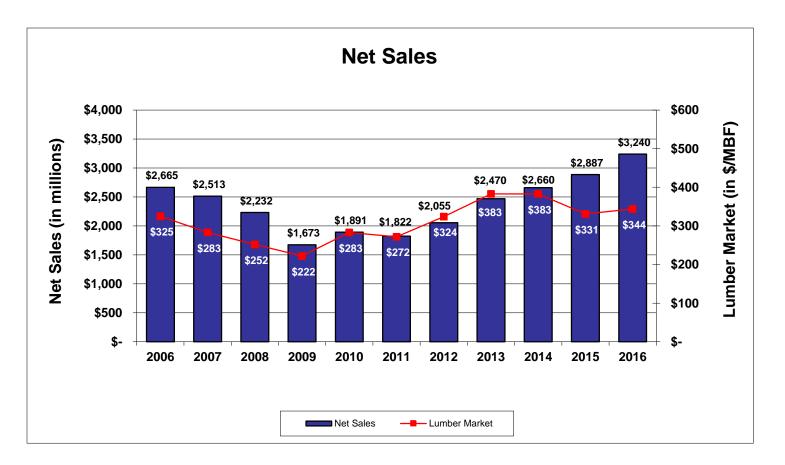


Lumber Market - SYP



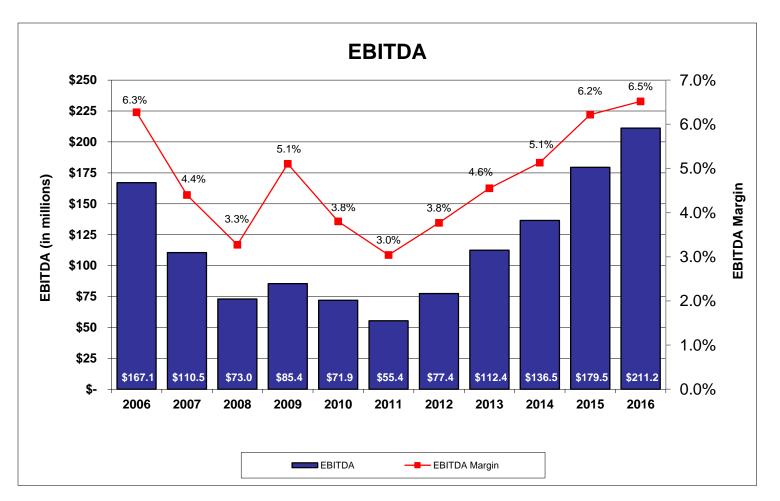
Average weekly Southern Yellow Pine price.





Goal = growth of 4% to 6% over positive GDP





Goal = EBITDA growth exceeding unit sales growth.

Note: See the company's web site at <u>www.ufpi.com</u> for reconciliation to related GAAP measurement.



Margin Improvement Drivers

- Operating leverage on sales growth
 - Contribution Margin >10%
- Product mix improvements
 - New product and core line innovation initiatives
 - Conversion from commodity to value-added
- Market mix improvements
- Market dynamics
- Better balance reduces impact of volatile lumber market on profits











Selected Income Statement Data Annual Results

In thousands, except per-share data

		2016	2015	2014	2015 – 2016 % Change	2014 – 2015 % Change
Retail	\$	1,292,892	\$ 1,136,643	\$ 1,024,788	13.7	10.9
Industrial		988,040	893,149	788,450	10.6	13.3
Construction		1,009,317	897,301	884,698	12.5	1.4
Total Gross Sales		3,290,249	\$ 2,927,093	\$ 2,697,936	12.4	8.5
EBITDA (1)	\$	211,200	\$ 179,504	\$ 136,521	17.7	31.5
Net Earnings Attributable to Controlling Interest	\$	101,179	\$ 80,595	\$ 57,551	25.5	40.0
Diluted EPS	\$	4.96	\$ 3.99	\$ 2.86	24.3	39.5

(1) See the company's Web site at <u>www.ufpi.com</u> for reconciliation to related GAAP measurement.



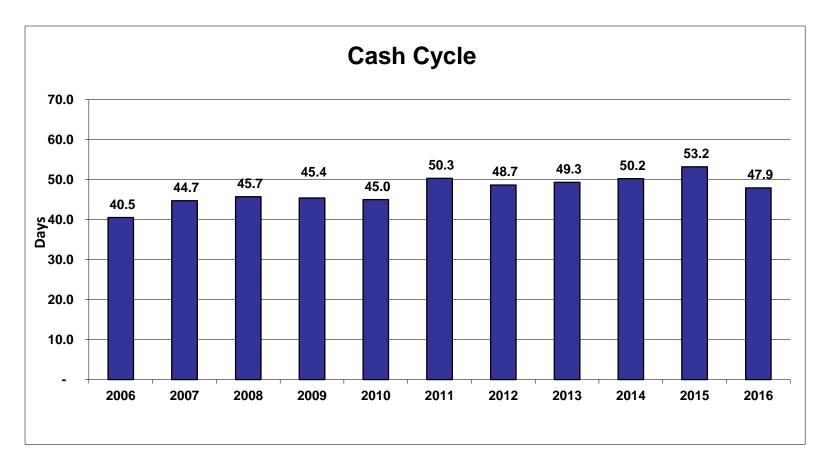
Selected Income Statement Data 2nd Quarter & YTD Results

		Q2 2017		2 2016	% Change	Unit % Change	YTD 2017		Y	TD 2016	% Change	Unit % Change
Retail	\$	459,140	\$	407,670	12.6	8	\$	770,891	\$	678,928	13.5	8
Industrial		335,928		228,052	47.3	40		613,170		429,701	42.7	37
Construction		295,153		251,665	17.3	9		562,969		472,622	19.1	11
Total Gross Sales		1,090,221	\$	887,387	22.9	16	\$:	1,947,030	\$	1,581,251	23.1	17
EBITDA (1)	\$	67,839	\$	64,901	4.5		\$	114,744	\$	107,641	6.6	
Net Earnings Attributable to Controlling Interest	\$	33,642	\$	33,398	0.7		\$	54,704	\$	52,611	4.0	
Diluted EPS	\$	1.64	\$	1.64	0.0		\$	2.66	\$	2.58	3.1	

In thousands, except per-share data

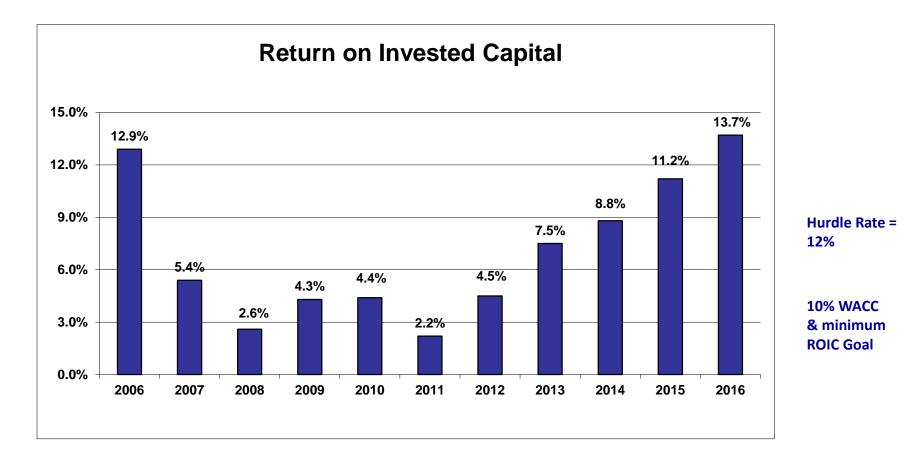
(1) See the company's Web site at <u>www.ufpi.com</u> for reconciliation to related GAAP measurement.





Cash cycle = Days Receivables Outstanding + Days Supply of Inventory - Days Payables Outstanding





Note: See the company's Web site at <u>www.ufpi.com</u> for reconciliation to related GAAP measurement.

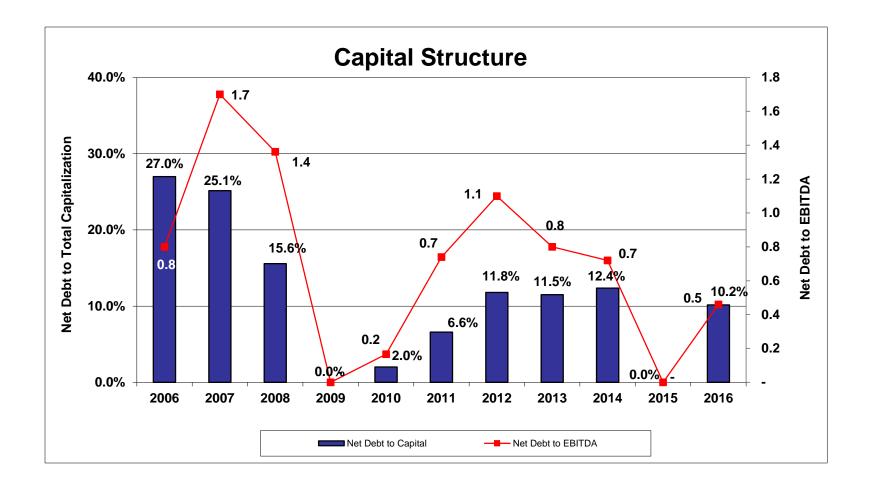


Net Debt (in thousands)

	Jun-17	Dec-16	Dec-15
3.89% series 2012 - A notes, Tranche A, due December 2022	\$ 35,000	\$ 35,000	\$ 35,000
3.98% series 2012 - B notes, Tranche B, due December 2024	40,000	40,000	40,000
Revolving credit facility (\$295 million total available)	119,790	23,860	13,945
Industrial Development Revenue Bonds (1)	9,700	9,700	9,700
Foreign Subsidiary Debt	2,824	3,336	-
Debt Issuance Costs	(184)	(203)	-
Less Cash Surplus	24,625	34,091	-
Plus Cash Overdraft	22,769	19,761	621
Total Net Debt	\$ 205,274	\$ 97,363	\$ 99,266
Incremental debt capacity at 1.75 X EBITDA	\$ 260,000		

(1) Variable rates ranging from 0.17% to 0.35%. Maturities ranging from 20 to 25 years.







Use of Free Cash Flow & Unused Debt Capacity

- Dividend policy and yield
- Share buy back authorization and objectives
- Expansionary capex and working capital
- Acquisition strategy



UFPI Investment Data

8/22/2017 Stock Price	\$80.41						
Market Cap	\$1.6 billion						
Enterprise Value	\$1.8 billion						
Q2 2017 TTM Gross Sales	\$3.7 billion						
Q2 2017 TTM EPS	\$5.04						
Q2 2017 TTM EBITDA	\$218,303						
Annual Dividend Yield	1.12%						



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