



# 2022 Investor Relations Presentation



 **UFP INDUSTRIES**





# UFP INDUSTRIES, INC.

*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 UFP Industries, Inc. Any redistribution, retransmission, or reprinting of this presentation in any form without the express written consent of Universal is strictly prohibited.*

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.

**NO MISSION STATEMENTS. JUST PEOPLE ON A MISSION.™**





## BUSINESS MODEL

# OUR PERFORMANCE

\$ Sales in  
Millions

2019

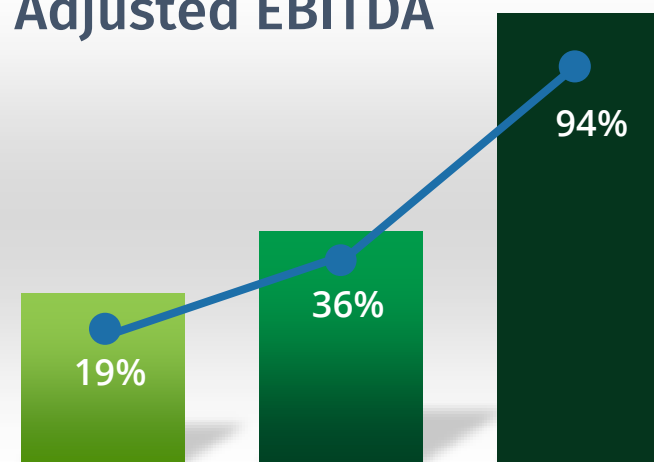
2020

2021

● Unit sales  
growth rate

● Growth rate

### Adjusted EBITDA

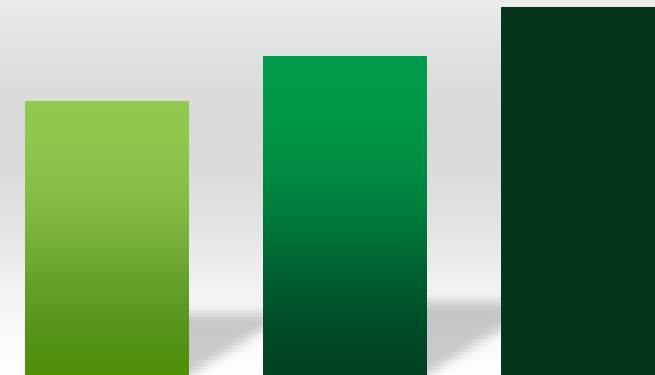


\$317

\$431

\$835

### Adjusted EBITDA Margin

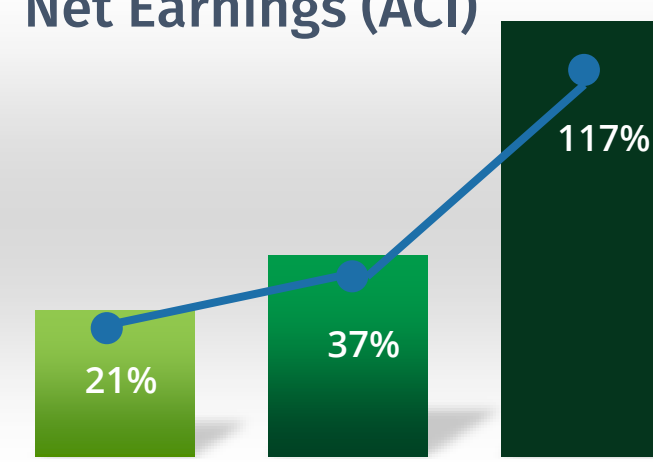


7.2%

8.4%

9.7%

### Net Earnings (ACI)

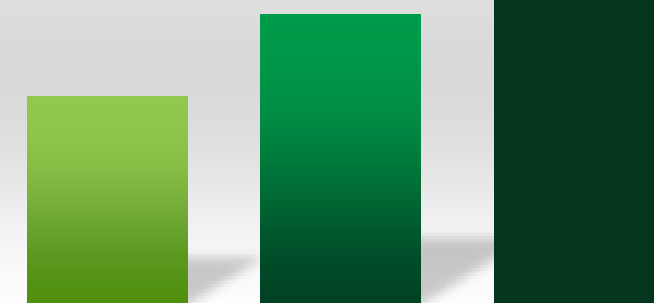


\$180

\$247

\$536

### ROIC

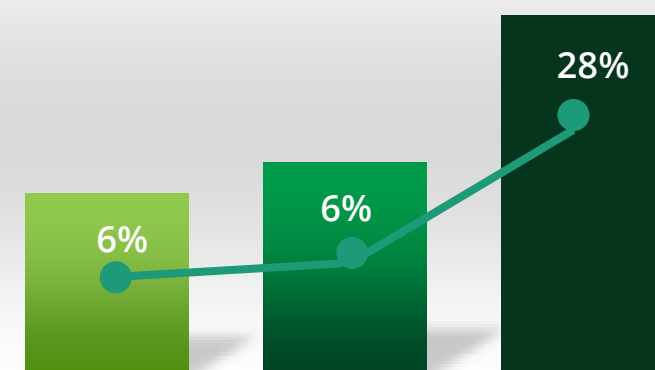


15.1%

21.0%

32.2%

### Net Sales

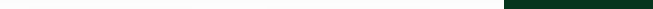


\$4,416

\$5,154

\$8,636

### Net Debt to Adjusted EBITDA



0.0

0.0

0.06

Non-GAAP Financial Information: Please click [here](#) for reconciliation to related GAAP measurement.



## INTRODUCTION

# WHO WE ARE

**1955**

Company founded in  
Grand Rapids, MI



**208**

Number of facilities  
worldwide

**15,000+**

Number of employees  
worldwide

**\$8.6B**

2021 Revenue

**\$835M**

2021 Adjusted  
EBITDA

Please go [here](#) for the UFP Industries 2022 ESG Disclosure.

Non-GAAP Financial Information: Please click [here](#) for reconciliation to related GAAP measurement.





INTRODUCTION

## WHERE WE ARE



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GLOBAL LOCATIONS

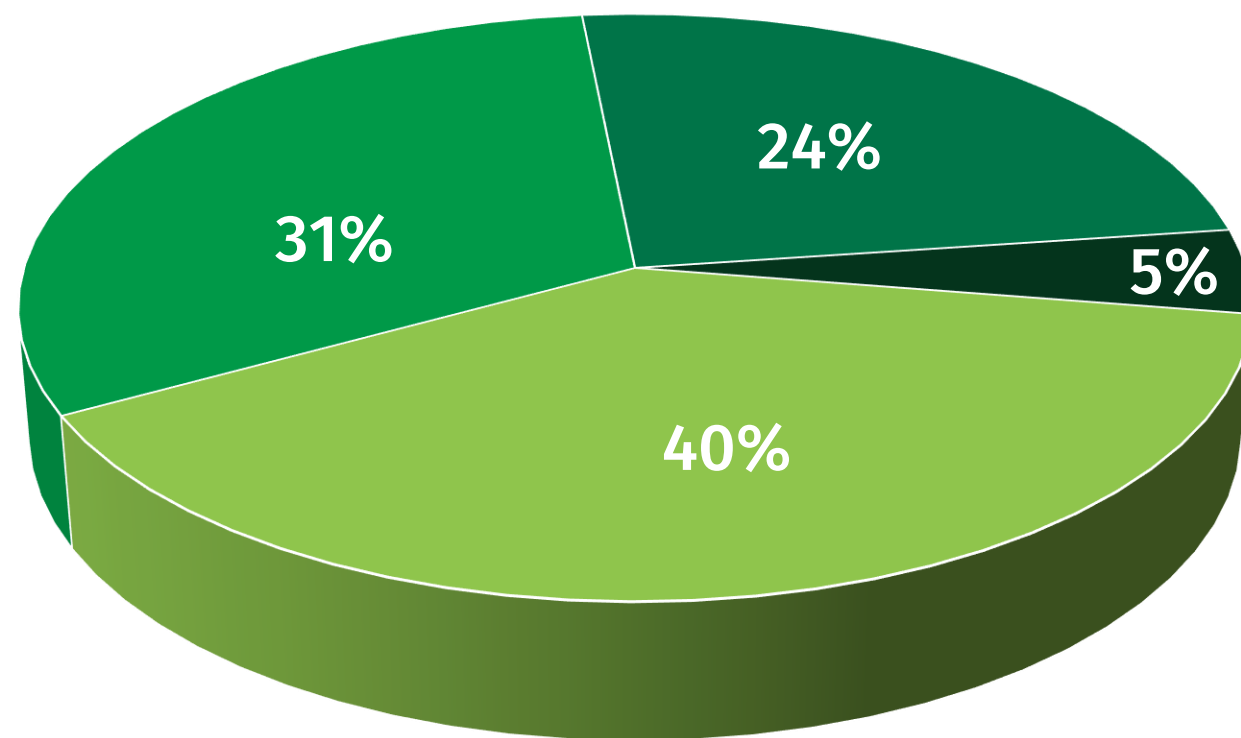
2022





INTRODUCTION

# OUR CUSTOMERS



## Retail - \$3.4B

Big box, independents, & buying co-ops

## Construction - \$2.7B

Single and multi-family builders, commercial builders, concrete formers, factory-built housing (mobile & modular homes) & RVs

## Industrial - \$2.1B

Industrial packaging, packaging materials & OEM components

## International - \$0.4B

Overseas sourcing and selling with manufacturing and design assets in nine countries.



## BUSINESS MODEL

# SUSTAINABILITY CONTINUUM

For UFP, sustainability means more than using and selling renewable materials.  
It serves our ultimate goal of creating and sustaining value for shareholders.







BUSINESS MODEL

# OUR SUSTAINABILITY PHILOSOPHY

For UFP Industries, doing right doesn't require departments and titles, but is simply part of who we've been and who we continue to be. And that's how we like it – fewer committees, higher standards, and increased financial and social reward for employees, customers and communities.

We have always believed profitability, asset values and shareholder return are optimized by acting responsibly, and that our investors experience higher sustainable returns when we support our customers, employees and communities . Our views on maintaining a sustainable enterprise can be found [here](#).







UFP INDUSTRIES

# BUSINESS SEGMENTS



 **UFP** RETAIL SOLUTIONS  
A UFP INDUSTRIES COMPANY



 **UFP** CONSTRUCTION  
A UFP INDUSTRIES COMPANY



 **UFP** INDUSTRIAL  
A UFP INDUSTRIES COMPANY







BUSINESS SEGMENTS

## RETAIL SOLUTIONS



We manufacture and sell on-trend brands to all major building products retailers, while supporting our customers with best-in-class in-store and e-commerce support.



2021: ProWood - \$1,350M, Outdoor Essentials - \$393M, Deckorators - \$249M, UFP Edge - \$149M, Sunbelt - \$774M, Handprint - \$101M, Retail Building Materials - \$396M

YTD March 2022: ProWood - \$371M, Outdoor Essentials - \$109M, Deckorators - \$78M, UFP Edge - \$45M, Sunbelt - \$261M, Handprint - \$25M, Retail Building Materials - \$105M

2022 

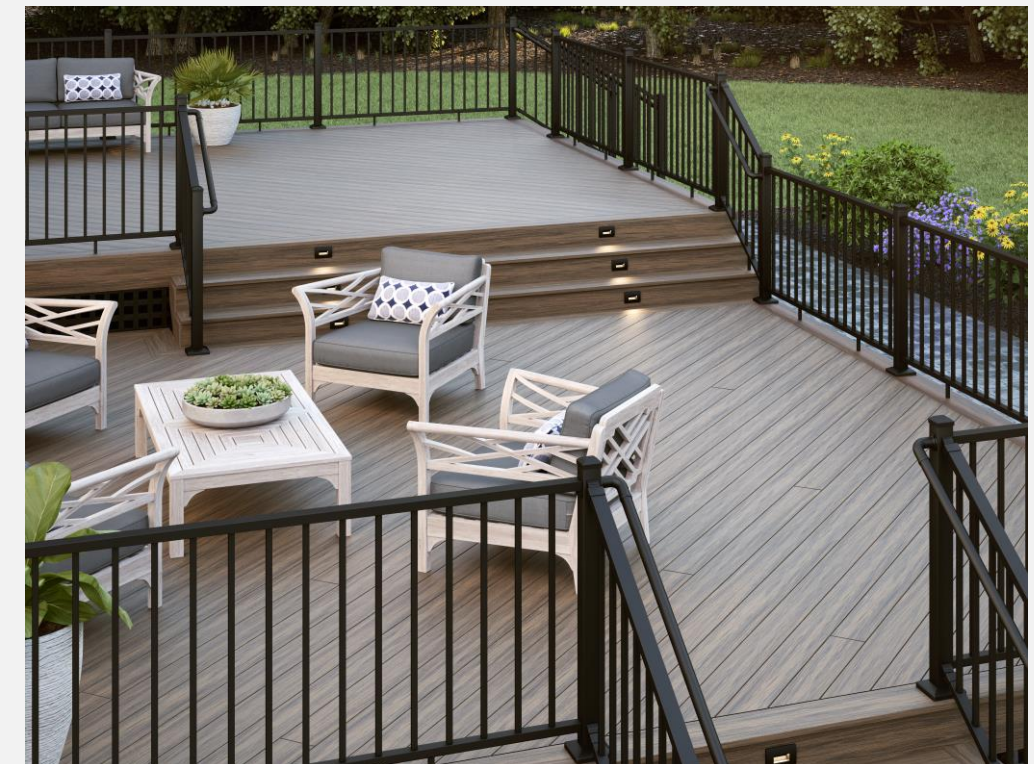
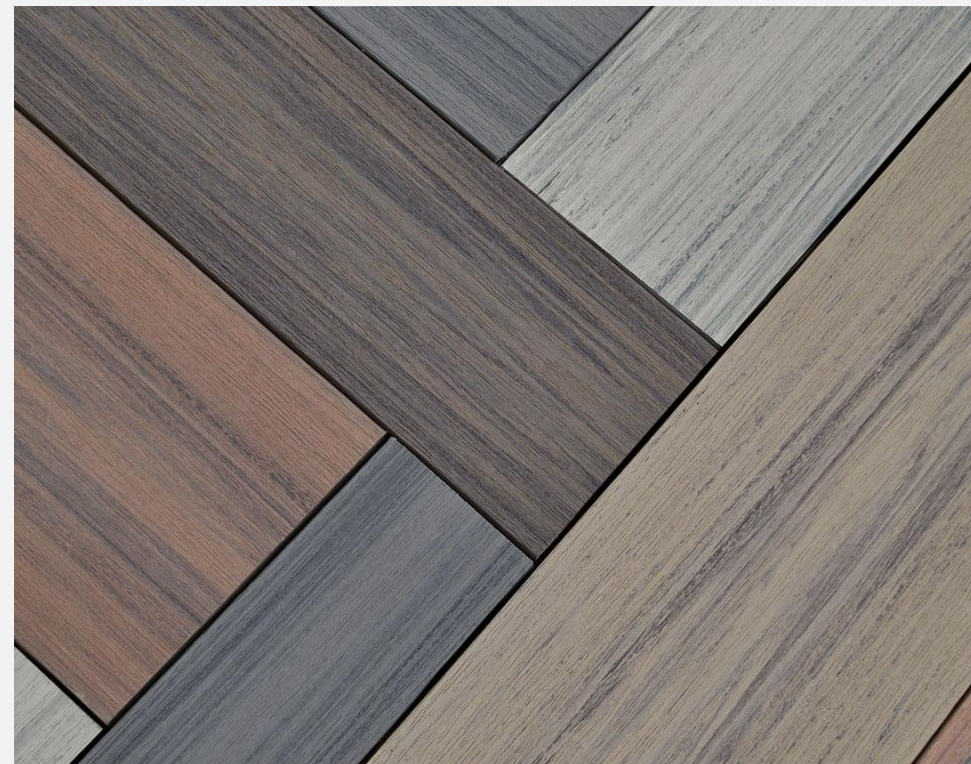


BUSINESS SEGMENTS

# RETAIL SOLUTIONS



The industry's leading innovator of composite decking, railing and accessories.



[Deckorators.com](https://www.deckorators.com)





BUSINESS SEGMENTS

# RETAIL SOLUTIONS

**pro'wood**<sup>®</sup>  
NEVER SETTLE.

Preserved lumber including timbers, decking, construction materials and fire-treated.



[ProWoodLumber.com](https://ProWoodLumber.com)





BUSINESS SEGMENTS

# RETAIL SOLUTIONS



Premium siding, pattern, trim and accent wall products.



[UFPEdge.com](https://ufpedge.com)





BUSINESS SEGMENTS

## RETAIL SOLUTIONS



Outdoor lifestyle products including wood and vinyl fencing, landscape and garden décor, picnic tables, pergolas, trellises and more.



[OutdoorEssentialProducts.com](https://OutdoorEssentialProducts.com)





BUSINESS SEGMENTS

## RETAIL SOLUTIONS

handprint™

Wood components and ready-to-make products for a variety of inspired home décor and craft projects.



Coming soon: [Handprintmade.com](https://handprintmade.com)





BUSINESS SEGMENTS

## RETAIL SOLUTIONS

### E-COMMERCE

Supports the largest home improvement retailers in the U.S. in multichannel online B2B2C sales strategies.

Provides thousands of curated products and assortments to support customers' distribution efforts such as direct-to-home, ship-to-store, including UPS, USPS and LTL shipments.





BUSINESS SEGMENTS

# CONSTRUCTION



Single-source provider of concrete forms, building components, framing, exterior and interior finishing programs designed to make building processes run at maximum efficiency.

- **SITE BUILT**
- **FACTORY-BUILT**
- **CONCRETE FORMING**
- **COMMERCIAL**

2021: Site Built - \$1.2B, Factory Built - \$1.1B, Commercial - \$259M, Concrete Forming - \$150M

YTD March 2022: Site Built - \$314M, Factory Built - \$338M, Commercial - \$67M, Concrete Forming - \$68M





BUSINESS SEGMENTS

# CONSTRUCTION

## SITE BUILT

Roof trusses, wall panels, floor systems, doors and framing services for residential and light commercial builders.







BUSINESS SEGMENTS

# CONSTRUCTION

## FACTORY BUILT

Roof trusses, floor joists, laminated wall panels, cabinet components, countertops and milled components for the modular and manufactured home, RV and mobile office.





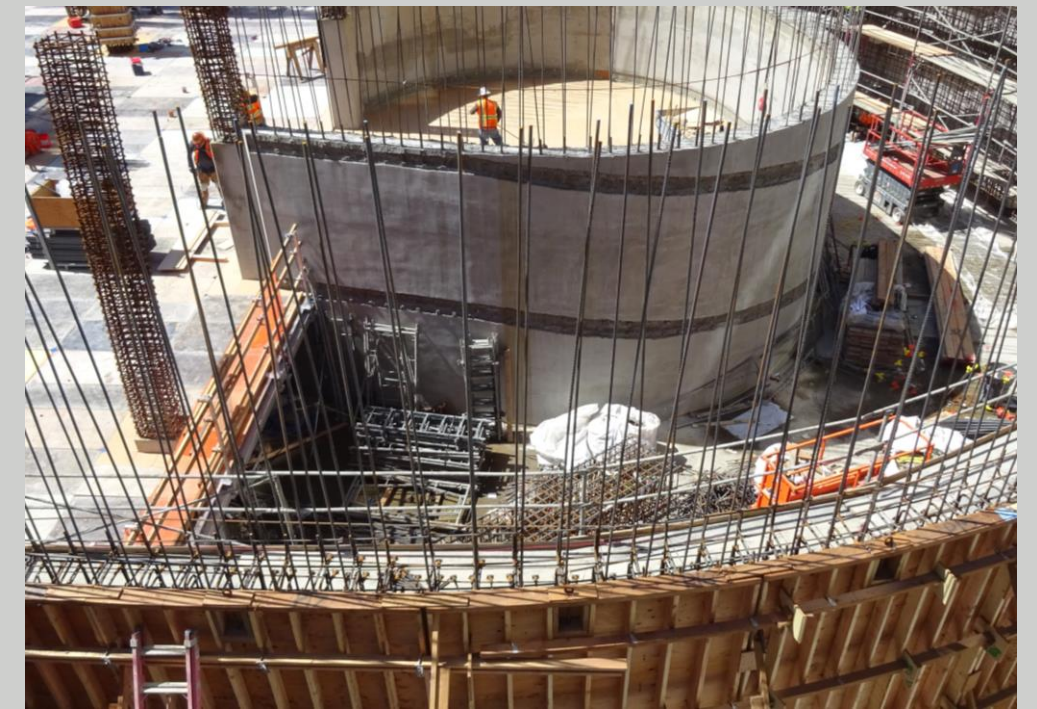
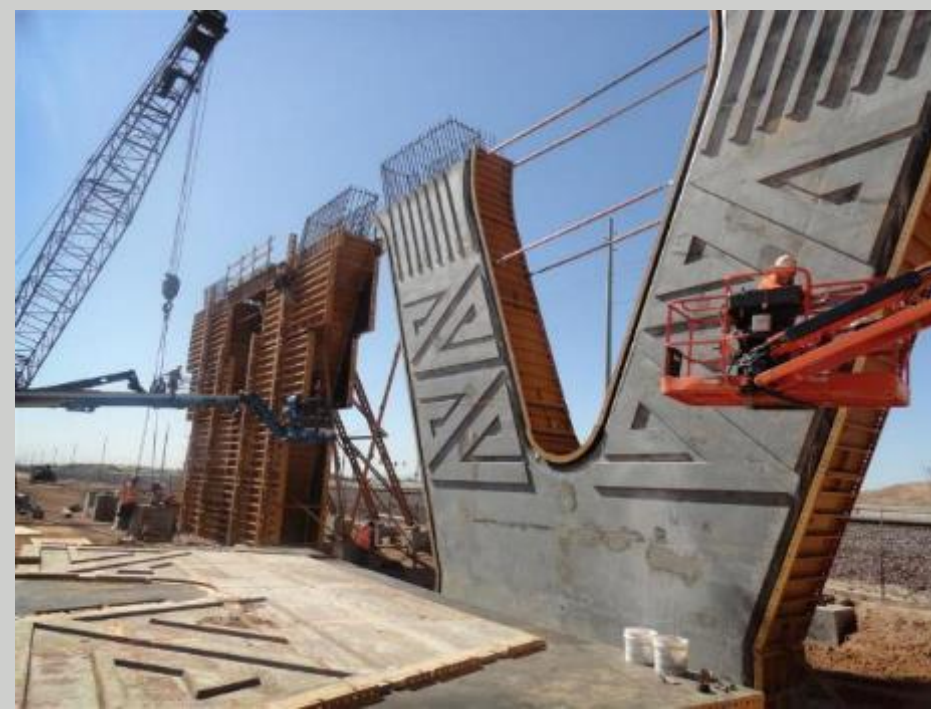


BUSINESS SEGMENTS

# CONSTRUCTION

## CONCRETE FORMING

Custom radius forms, wall and column forms, gang systems, lumber and panels.







BUSINESS SEGMENTS

# CONSTRUCTION

## COMMERCIAL

Full-service, turnkey project management of consumer environment and architectural interiors: Design, development, engineering, manufacturing, assembly, distribution and installation.







BUSINESS SEGMENTS

# INDUSTRIAL



**UFP INDUSTRIAL**  
A UFP INDUSTRIES COMPANY

Delivering innovative structural packaging solutions backed by the industry's leading design team, a global manufacturing footprint, and integrated hyper-responsive service teams.

## Focus Areas:

- **INDUSTRIAL PACKAGING**
- **PACKAGING MATERIALS**
- **MANUFACTURED COMPONENTS**





BUSINESS SEGMENTS

# INDUSTRIAL

## INDUSTRIAL PACKAGING

Wood, steel and mixed material crates and specialty containers, hard cases, tracking technology, logistics solutions and onsite packaging services.







## BUSINESS SEGMENTS

# INDUSTRIAL

## PACKAGING MATERIALS

Products for manufacturing, energy, technology, agriculture and transportation. Stretch wrap, corrugated and boxboard, facility supplies and safety products, labels and tags, label applicators and dispensers, printers, hardware and software solutions.







BUSINESS SEGMENTS

# INDUSTRIAL

## MANUFACTURED COMPONENTS

Precision-milled hardwoods, softwoods, composites and panel goods for bed foundations; cabinet components; shed, door and window companies. Laminated panels for a variety of industries.







BUSINESS SEGMENTS

# UFP GLOBAL HOLDINGS

UFP International actively trades lumber, packaging and building materials in 65 countries to supply local and multinational customers across major markets. Additionally, UFP has manufacturing and distribution facilities in Canada, Mexico, Italy, Australia and India to support our efforts as a global Industrial packaging solutions provider.







BUSINESS MODEL

# ACQUISITIONS

## PROCESS

Identify attractive growth runways in each Business Unit under each Business Segment and identify gaps in our capabilities to pursue those runways.

## PURPOSE

Find new products and services to speed our transformation from commodity sales to value-added selling solutions and brands.

## GOAL

Achieve scale and synergy targets to optimize growth, margins and returns.







BUSINESS MODEL

# 2021 ACQUISITIONS

FISCAL JANUARY



*PalletOne, Inc.*

**PalletOne** is the leading manufacturer of new pallets in the U.S., with 17 manufacturing facilities and 1,500 employees in the Southern and Eastern regions of the U.S. The company also supplies specialized industrial packaging, including custom bins and crates, and its **Sunbelt Forest Products** subsidiary operates five pressure-treating facilities in the Southeastern U.S.

This acquisition expands UFPI's capacity, capabilities and customer base, bolsters our position as the leading wood preserver in the United States, and moves us closer to our goal of becoming the preferred global packaging solutions provider.

**2020 Annual combined sales: \$698M (\$267M for PalletOne, \$431M for Sunbelt)**





BUSINESS MODEL

## 2021 ACQUISITIONS

MARCH

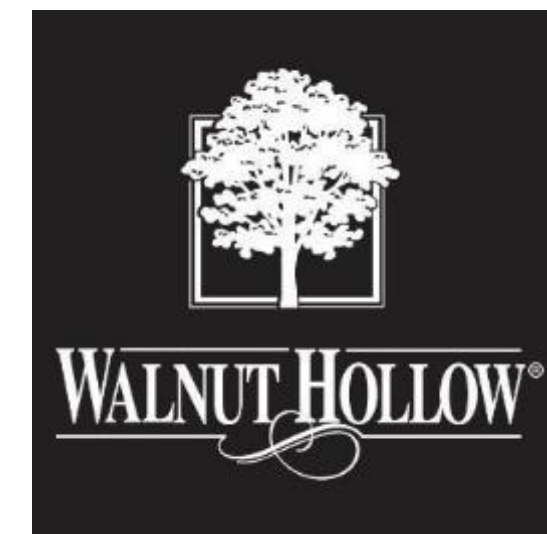


*Gilmores, Pty Ltd*

**Gilmores** adds a wide portfolio of consumable packaging to certain industrial packaging products and expands UFP Industrial's customer base throughout Australia. Founded in 1988 and operating from its distribution facility in Port Melbourne, Australia, Gilmores is a leading distributor in the industrial and construction industries of packaging tapes, stretch films, packaging equipment, strapping, construction protection products and other items.

**2020 Annual sales: \$10M**

APRIL



*Walnut Hollow Farm, Inc.*

Located in Wisconsin, **Walnut Hollow** designs, manufactures, sells and distributes wood products, tools, and accessories for the craft and hobby, personalized home décor, and hardware categories. Walnut Hollow brings UFP Retail a new and unique mix of ready-to-make wood products and wood tools, along with strong relationships with hobby and craft retailers.

**2020 Annual sales: \$12M**



## BUSINESS MODEL

# 2021 ACQUISITIONS

APRIL



SPARTANBURG FOREST PRODUCTS

### *Spartanburg Forest Products Corporation*

Acquired by UFP's wholly-owned subsidiary Sunbelt Forest Products, **Spartanburg** and its affiliates are a wood treating operation in the southeastern U.S., with approximately 150 employees and operations in five states. The combination of Spartanburg and Sunbelt generate operational efficiencies that allow both companies to provide greater value to our customers, while expanding our capacity and geographic reach.

**2020 Annual sales: \$543M**

APRIL



### *Endurable Building Products, LLC*

Based near Minneapolis, Minnesota, **Endurable Building Products** is a leading manufacturer of customized structural aluminum systems and products for exterior purposes, such as deck framing, balconies, sunshades, railings and stairs. Their addition will strengthen UFP relationships with existing construction customers by providing them with a new range of products and services that match an important UFP Construction growth runway.

**2020 Annual sales: \$15M**





BUSINESS MODEL

## 2021 ACQUISITIONS

SEPTEMBER



**SHELTER**  
PRODUCTS, INC.

OCTOBER



### *Shelter Products, Inc.*

Based in Haleyville, Alabama, **Shelter Products, Inc.** provides distribution and logistics support to factory-built manufacturers through nine warehouses across the U.S., expanding UFP's reach in its Factory-Built business segment.

**2020 Annual sales: \$11M**

### *Boxpack Packaging*

Based near Melbourne, Australia, **Boxpack Packaging** specializes in flexographic and lithographic cardboard packaging, using the latest CAD design and finishing techniques. Boxpack broadens the portfolio of packaging solutions provided by UFP's UBEECO Group in Australia.

**2020 Annual sales: \$6M**





BUSINESS MODEL

## 2021 ACQUISITIONS

NOVEMBER

**FICUS PAX**®

### *Ficus Pax Private Limited*

Headquartered in Bangalore, India, **Ficus Pax** manufactures mixed-material cases and crates, nail-less plywood boxes, wooden pallets and other packaging products through 10 facilities located in major industrial markets throughout southern India. Ficus also owns a majority stake in Wadpack, a manufacturer of corrugated fiber board containers, corrugated pallets and display solutions.

**2021 Annual sales: \$39M**

DECEMBER

**ADVANTAGE LABEL  
& PACKAGING, INC.**

### *Advantage Labels & Packaging, Inc.*

Based in Grand Rapids, Michigan, **Advantage Labels & Packaging** provides blank and customized labels, printers, label applicators and other packaging supplies. Key industries served by the company include beverage; body armor; food production and processing; greenhouse and nursery; hobby and craft; manufacturing; and automotive.

**2021 Annual sales: \$20M**



BUSINESS MODEL

# 2022 ACQUISITIONS

FISCAL JANUARY



## *Ultra Aluminum Manufacturing, Inc.*

Located in Howell, Michigan and founded in 1996, **Ultra** is a leading manufacturer of aluminum fencing, gates and railing. The company designs and produces an extensive selection of ornamental aluminum fence and railing products for contractors, landscapers, fence dealers and wholesalers. Ultra's product line adds to UFP's current lineup of vinyl and wood fencing, strengthening our commitment to bring customers more choice and product innovation.

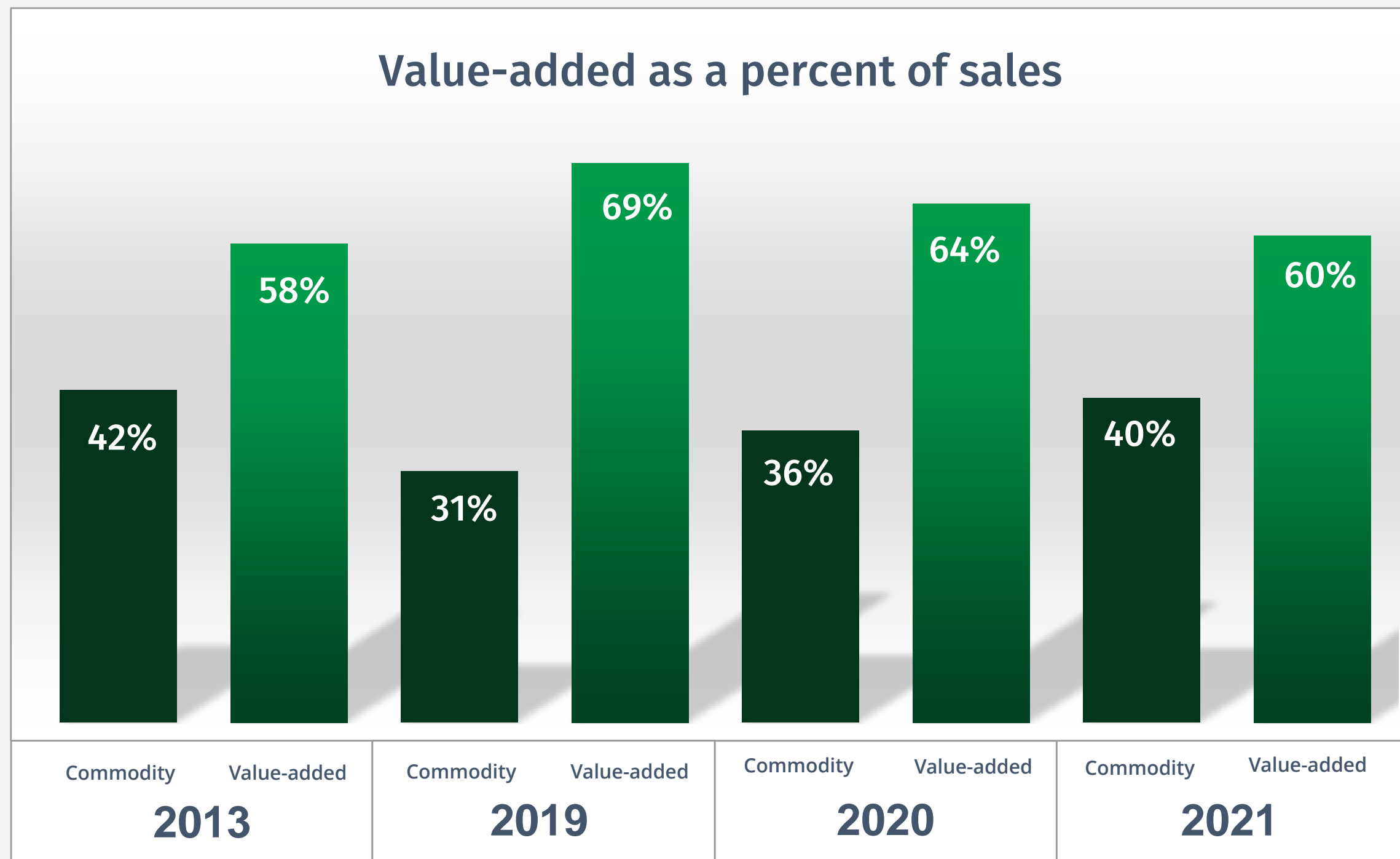
**2021 Annual sales: \$45M**





BUSINESS MODEL

# PRODUCT MIX EVOLUTION

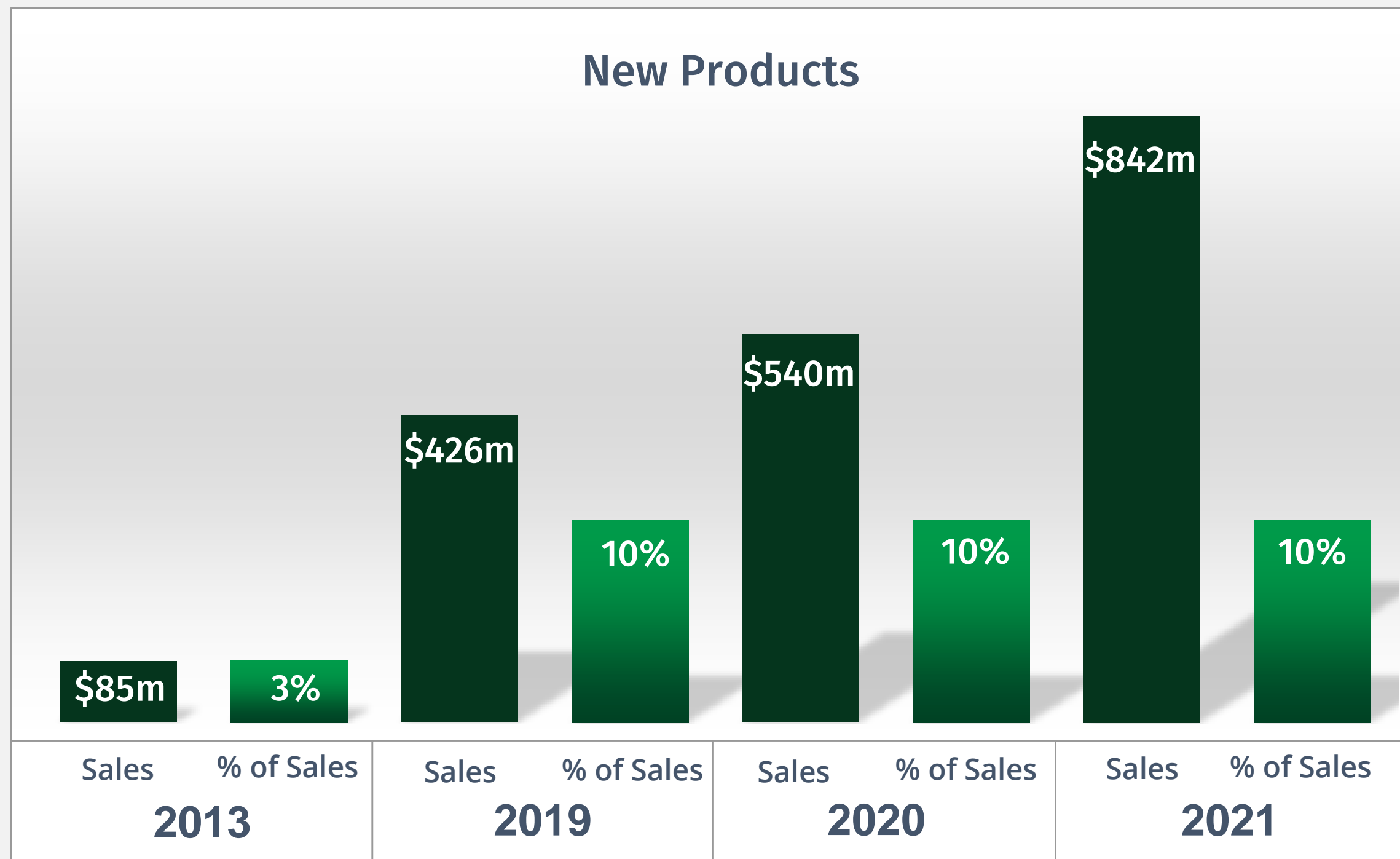


Note: Lumber price appreciation more significantly impacts commodity-based products compared to value-add products.



BUSINESS MODEL

# PRODUCT MIX EVOLUTION







BUSINESS MODEL

## HOW WE GOT HERE

Founded in 1955.

Managers are required  
to own stock.

Management team  
has an average tenure  
of 23 years.

International in scope,  
regional in focus.

2020 management  
realignment from  
geographic to business  
segment.

Every plant is a profit  
center whose managers  
are bonused on ROI.

Win-Loss record of 67-0.  
(Yes, we've never  
lost money.)

Local decision-making  
for local customers.

Greater customer  
alignment, quicker to  
market, more effective  
capital allocation.

**Entrepreneurial**

**Stable**

**Responsive**

**Focused**

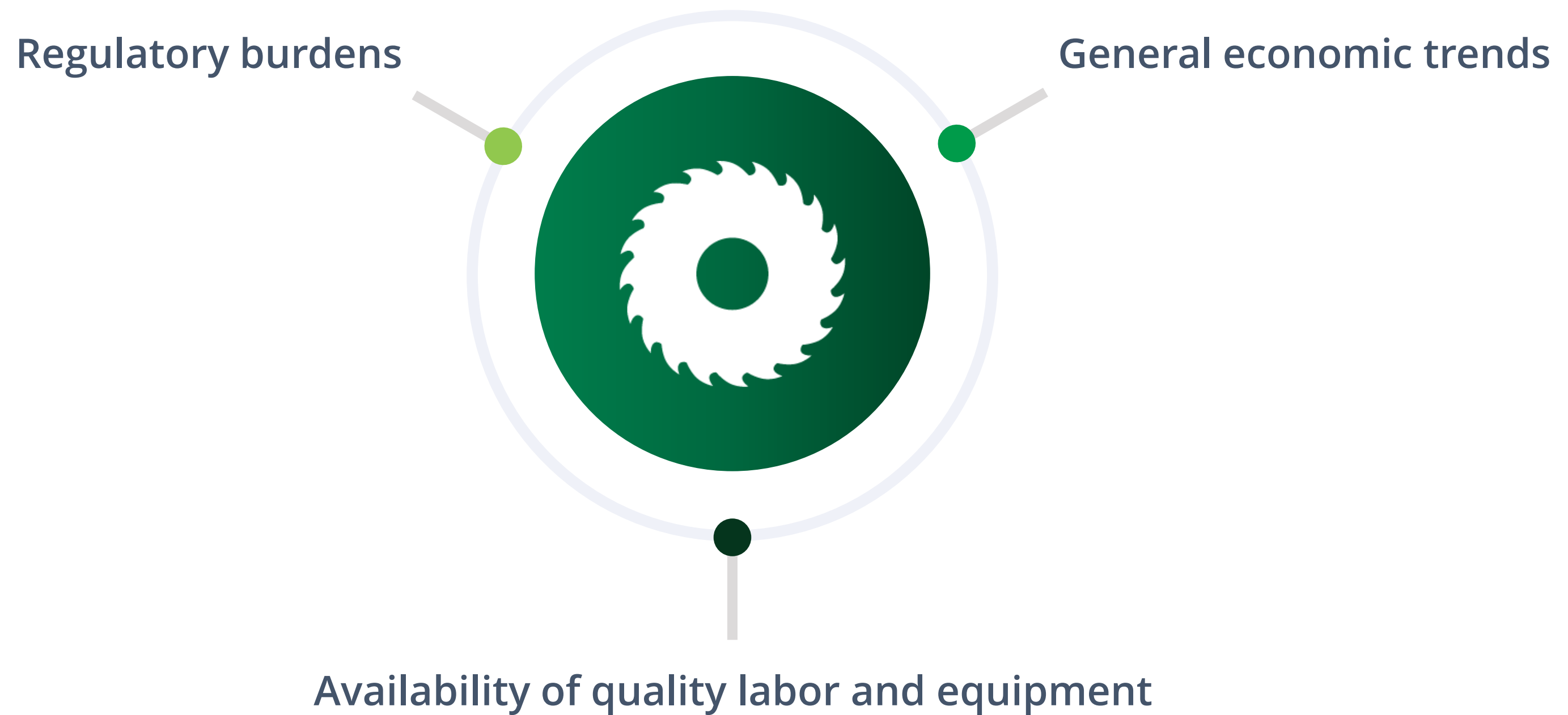
2022





BUSINESS MODEL

# WHAT GETS IN OUR WAY







BUSINESS MODEL

## LONG-TERM FINANCIAL GOALS

Annual unit sales  
growth of 5-7  
percent, including  
small acquisitions

10% Adjusted  
EBITDA margin

Earn incremental  
ROIC on new  
investment  
greater than WACC

Maintain a  
conservative capital  
structure





## BUSINESS MODEL

# BUILT FOR GOOD TIMES AND BAD

### Balanced Business Model

A diversified business portfolio mitigates risk of a decline in a single market.

### Experienced Leadership

Our profit center organization model results in a stable of seasoned leaders skilled in managing their business.

### Flexible Cost Structure

These profit centers have highly variable cost structures allowing rapid adjustment to market demand and have heavier investments in working capital, which are turned into cash flow in tough times.

### Conservative Balance Sheet

A prudent and return-focused approach to capital allocation provides us with a strong balance sheet and capital reserves we use opportunistically.

### Incentivized By ROIC

A compensation structure that emphasizes incentives driven by ROIC, resulting in wise and quick decision-making.







# FINANCIALS





## BUSINESS MODEL

# 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 the 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 **volatility** of the market
- ✓ **Balance in business** and risk management techniques mitigate impact on profitability

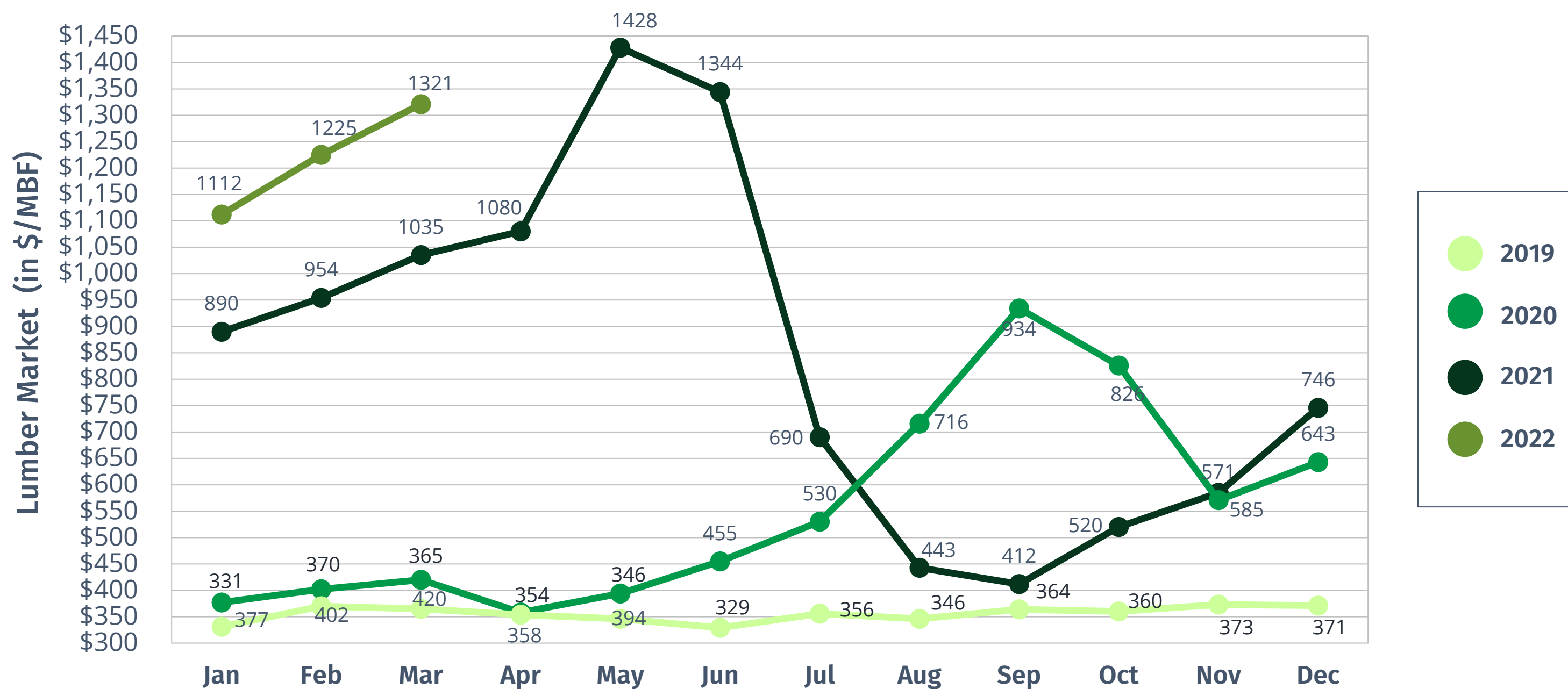






## FINANCIALS

# LUMBER MARKET

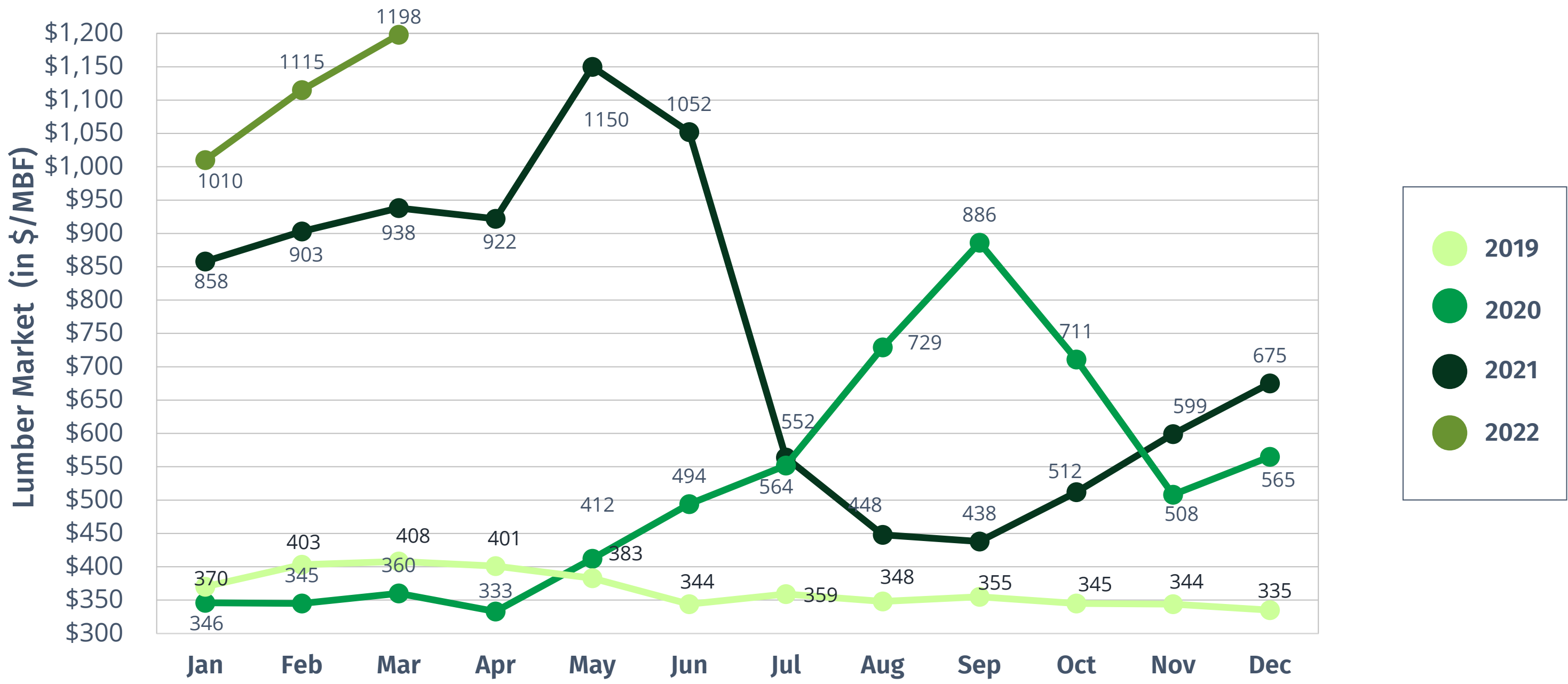


Average weekly random lengths framing lumber composite price.



FINANCIALS

LUMBER MARKET - SYP



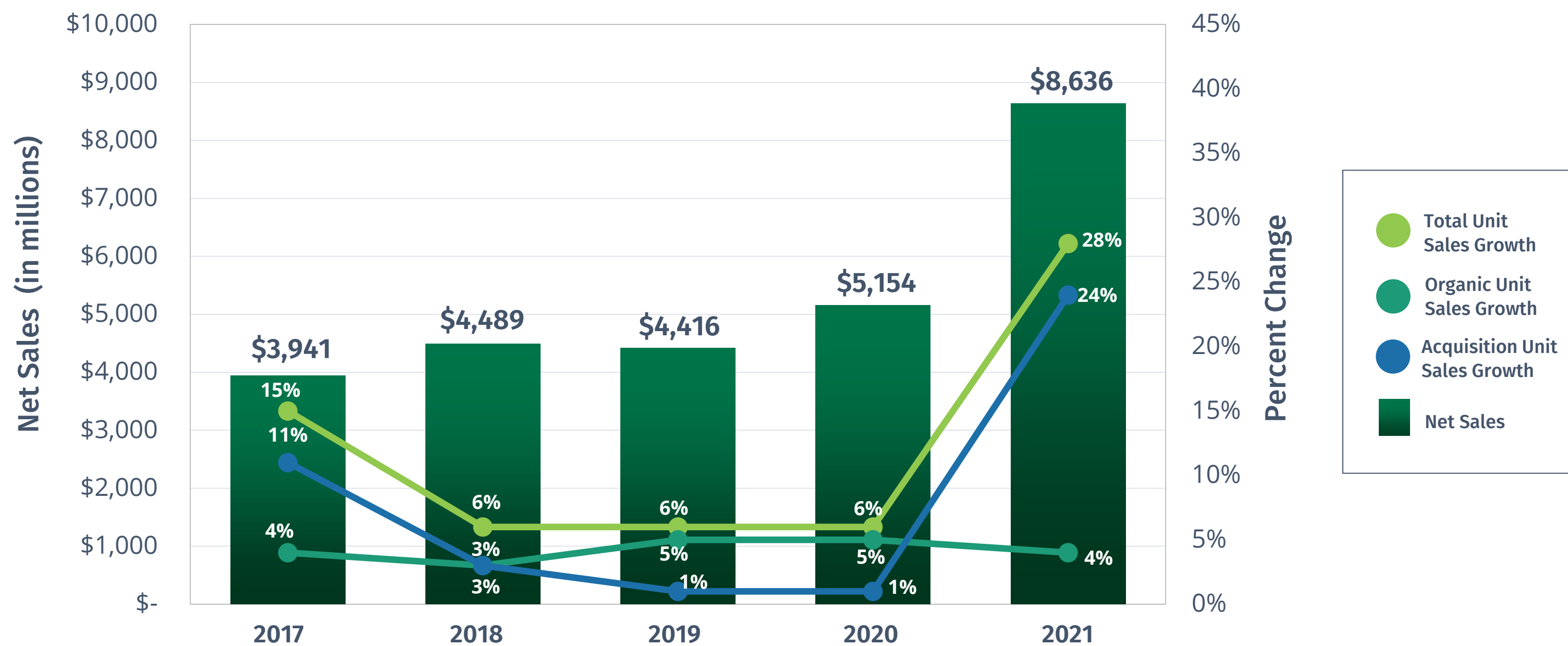
Average weekly Southern Yellow Pine composite price.  
Purchases of SYP comprise almost two-thirds of our total lumber purchases.





## FINANCIALS

# NET SALES

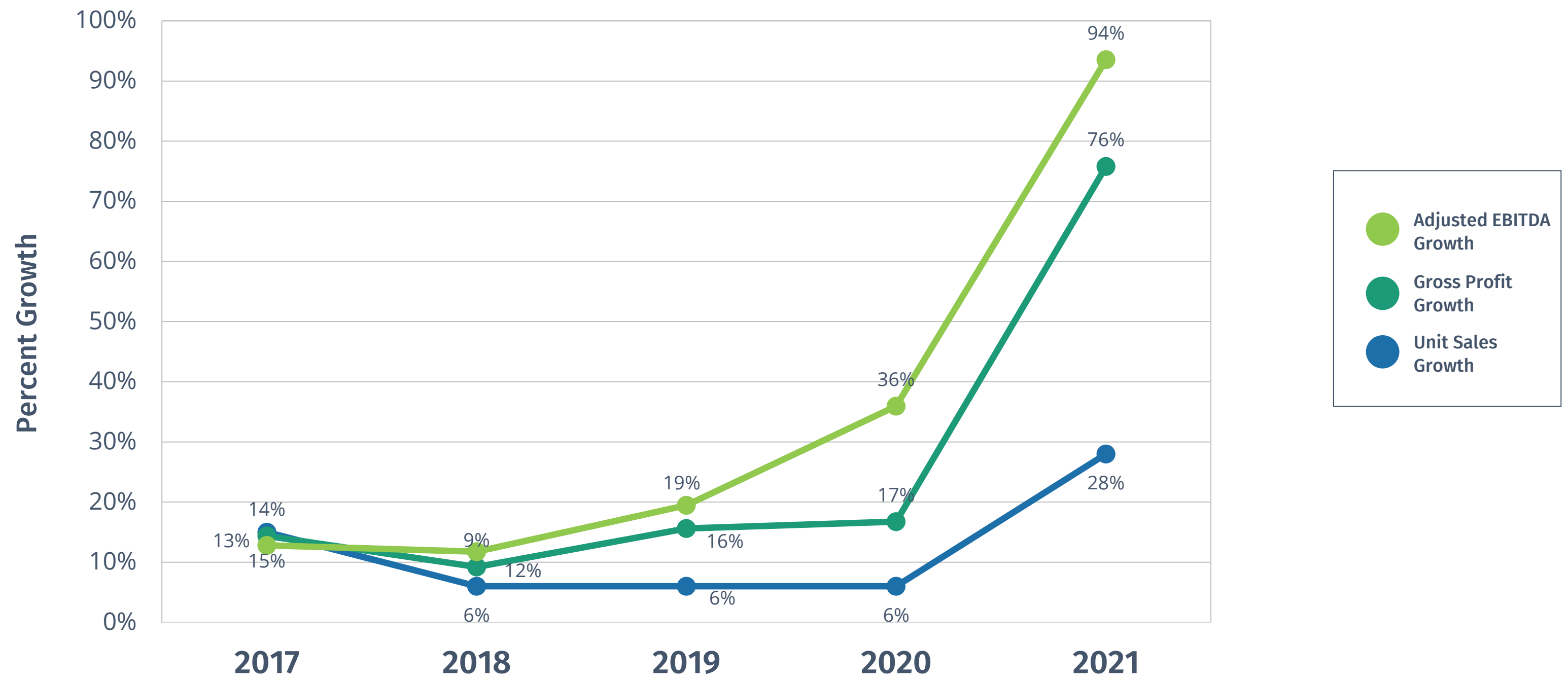


Long-Term Goal: Unit sales growth of 5% to 7%, including acquisitions



## FINANCIALS

# UNIT SALES AND PROFIT GROWTH



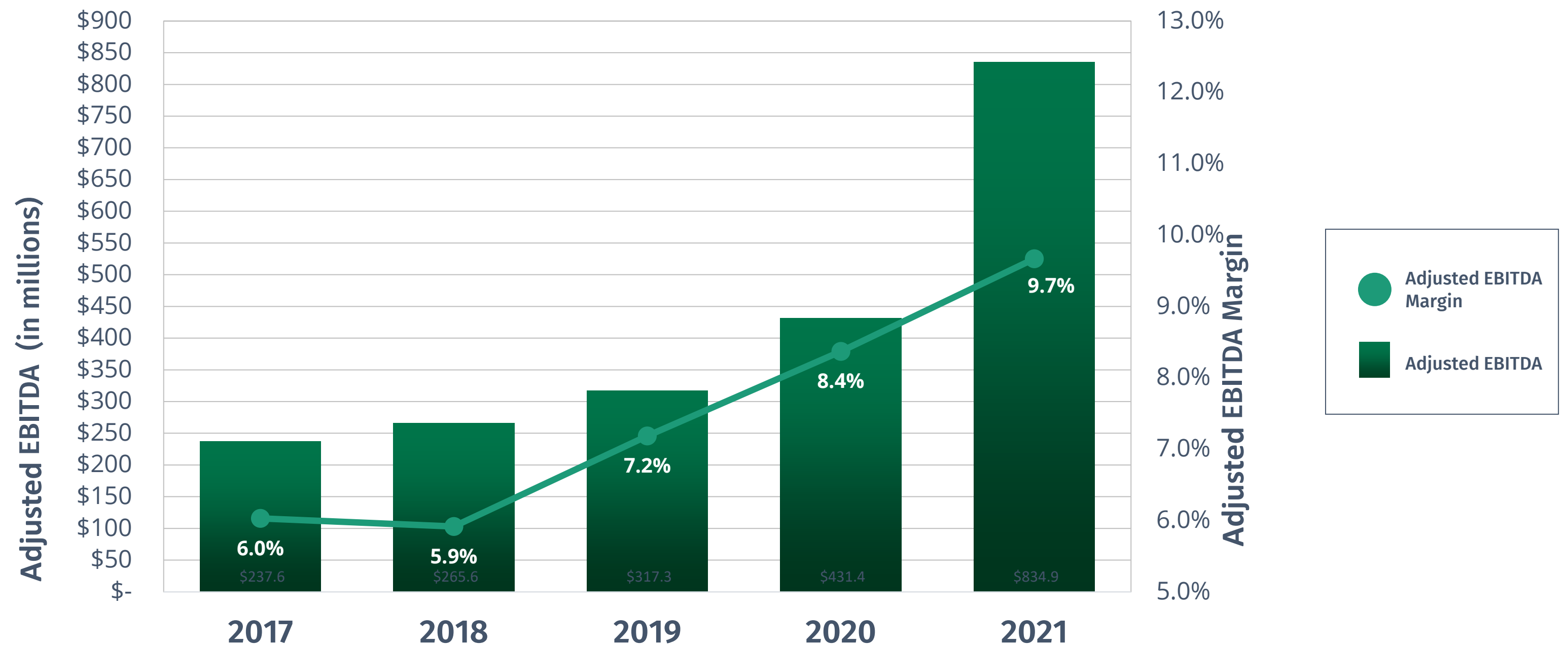
Long-Term Goal: Achieve Adjusted EBITDA growth exceeding unit sales growth.





## FINANCIALS

# Adjusted EBITDA



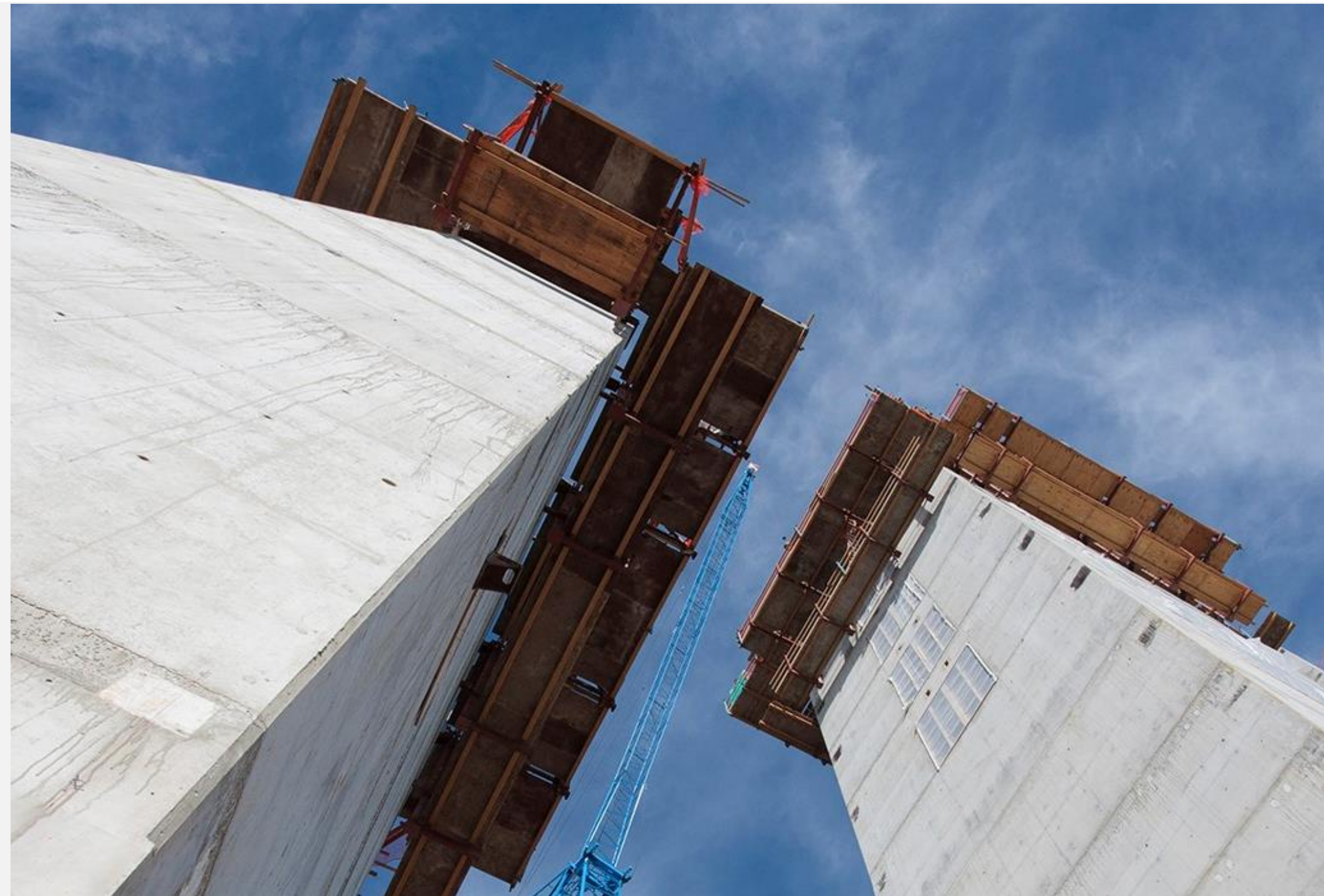
**Non-GAAP Financial Information:** This release includes certain financial information not prepared in accordance with U.S. GAAP. Because not all companies calculate non-GAAP financial information identically (or at all), the presentations herein may not be comparable to other similarly titled measures used by other companies. Management considers adjusted EBITDA as non-GAAP alternative performance measures which may provide useful information to investors. Please click [here](#) for reconciliation to related GAAP measurement.



BUSINESS MODEL

# MARGIN IMPROVEMENT DRIVERS

- ✓ Operating leverage on sales growth
- ✓ Product mix improvements
  - New product and core line innovation initiatives
  - Enhanced capabilities drive conversion from commodity to value-added
- ✓ Strength of market demand
- ✓ Value-based pricing
- ✓ Automation initiatives

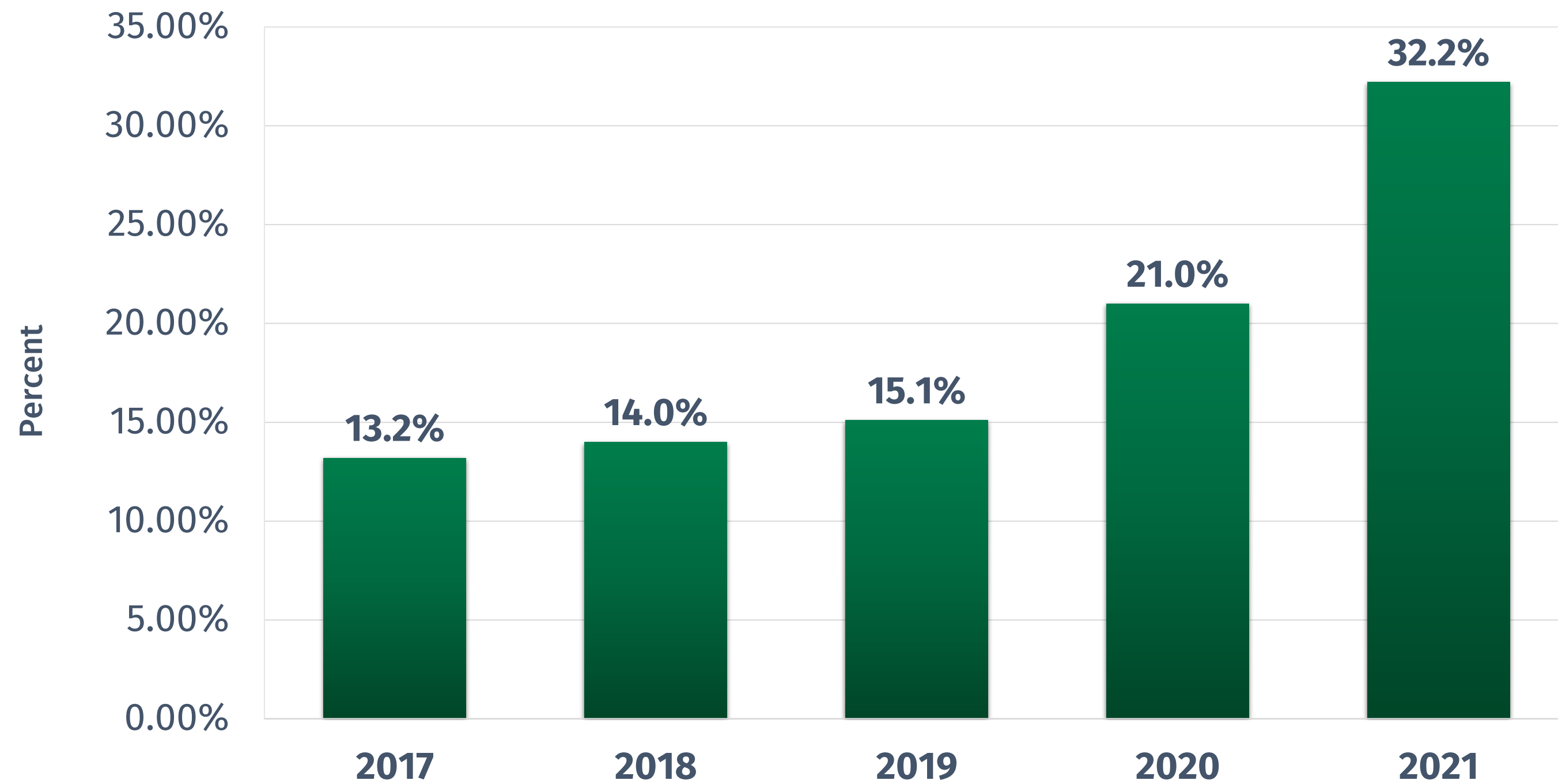






## FINANCIALS

# RETURN ON INVESTED CAPITAL



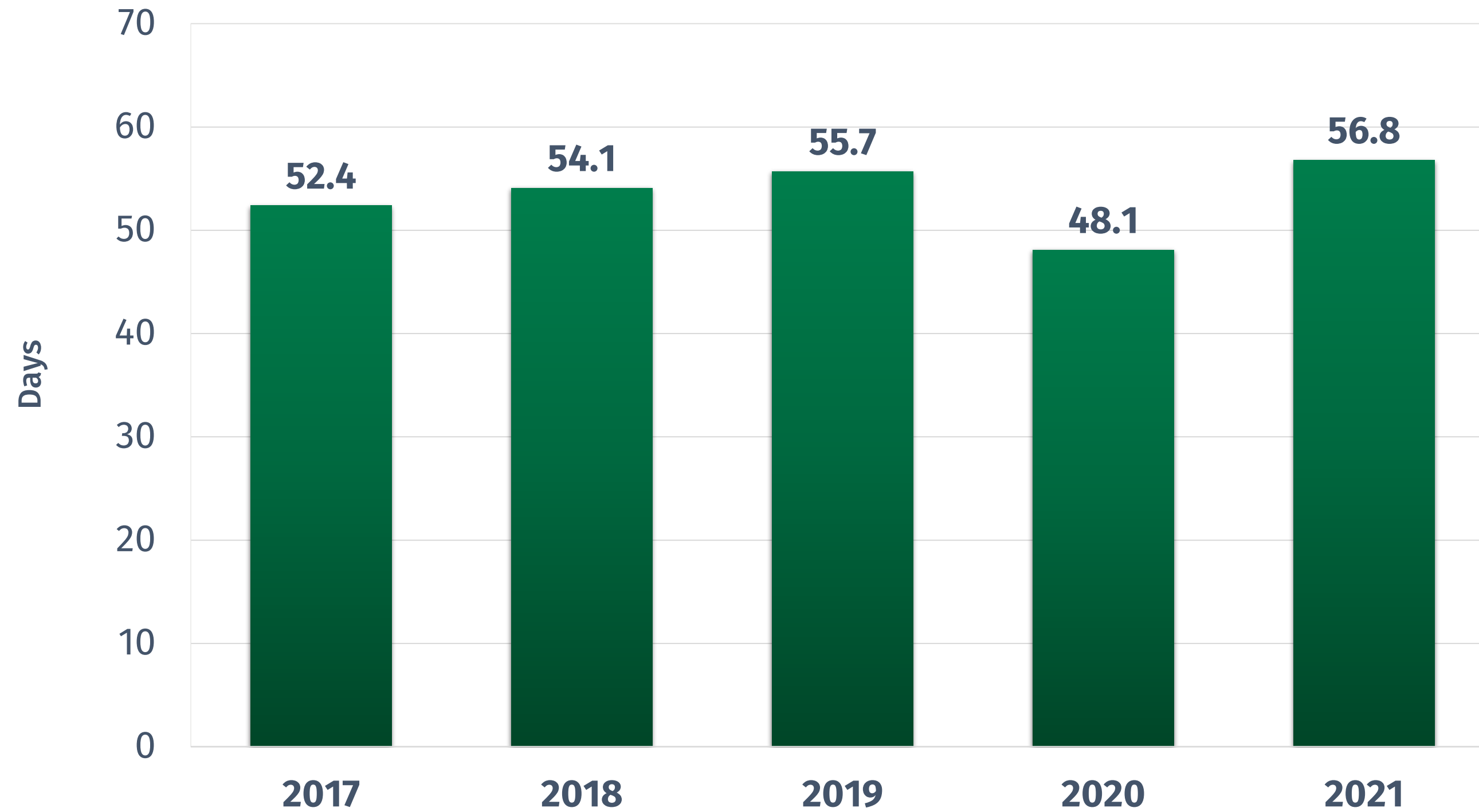
Hurdle Rate = 12% WACC = 10%

(1) Please click [here](#) for reconciliation to related GAAP measurement.



FINANCIALS

# CASH CYCLE



Cash Cycle = Days Receivables Outstanding + Days Supply of Inventory – Days Payables Outstanding





## FINANCIALS

## NET DEBT

\$ In thousands	Mar-22	Dec-21	Dec-20
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
4.20% series 2018 - C notes, Tranche C, due June 2028	40,000	40,000	40,000
4.27% series 2018 - D notes, Tranche D, due June 2030	35,000	35,000	35,000
3.04% series 2020 - E notes, Tranche E, due August 2032	50,000	50,000	50,000
3.08% series 2020 - F notes, Tranche F, due August 2033	50,000	50,000	50,000
3.15% series 2020 - G notes, Tranche G, due August 2035	50,000	50,000	50,000
Revolving credit facility (\$550 million total available)	109,708	7,818	4,715
Industrial Development Revenue Bonds	7,000	7,000	7,000
Other	5,202	5,432	(8)
Less Cash Surplus	(73,783)	(286,662)	(436,507)
Plus Cash Overdraft	61,711	17,030	-
<b>Total Net Debt (Surplus Cash)</b>	<b>\$ 409,838</b>	<b>\$ 50,618</b>	<b>\$ (124,800)</b>
<b>Unused debt capacity <sup>(1)</sup></b>	<b>\$ 1,278,000</b>		
<b>Total Liquidity</b>	<b>\$ 445,270</b>		

(1) 1.75X TTM adjusted EBITDA less net debt

Non-GAAP Financial Information: Please click [here](#) for reconciliation to related GAAP measurement.

2022

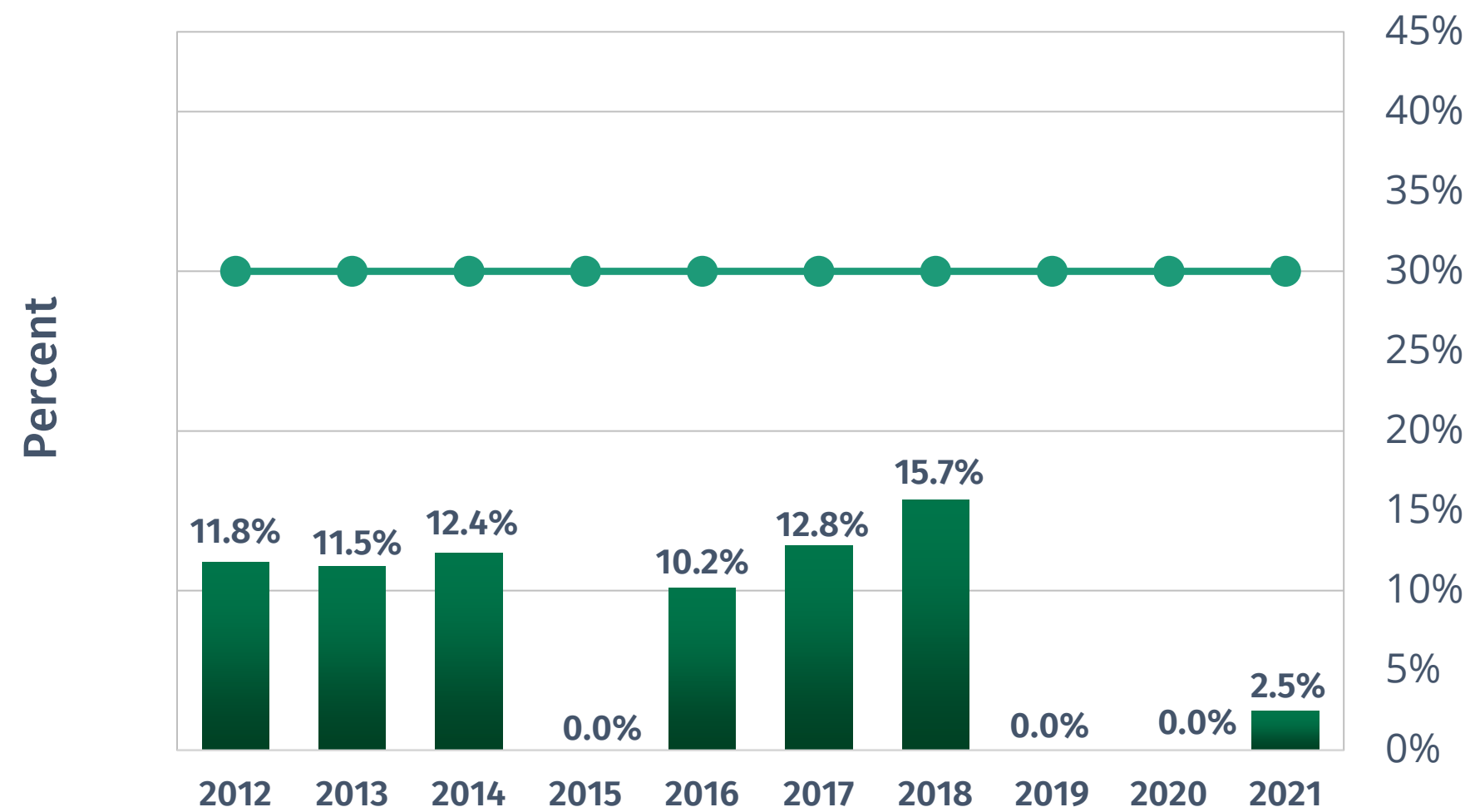




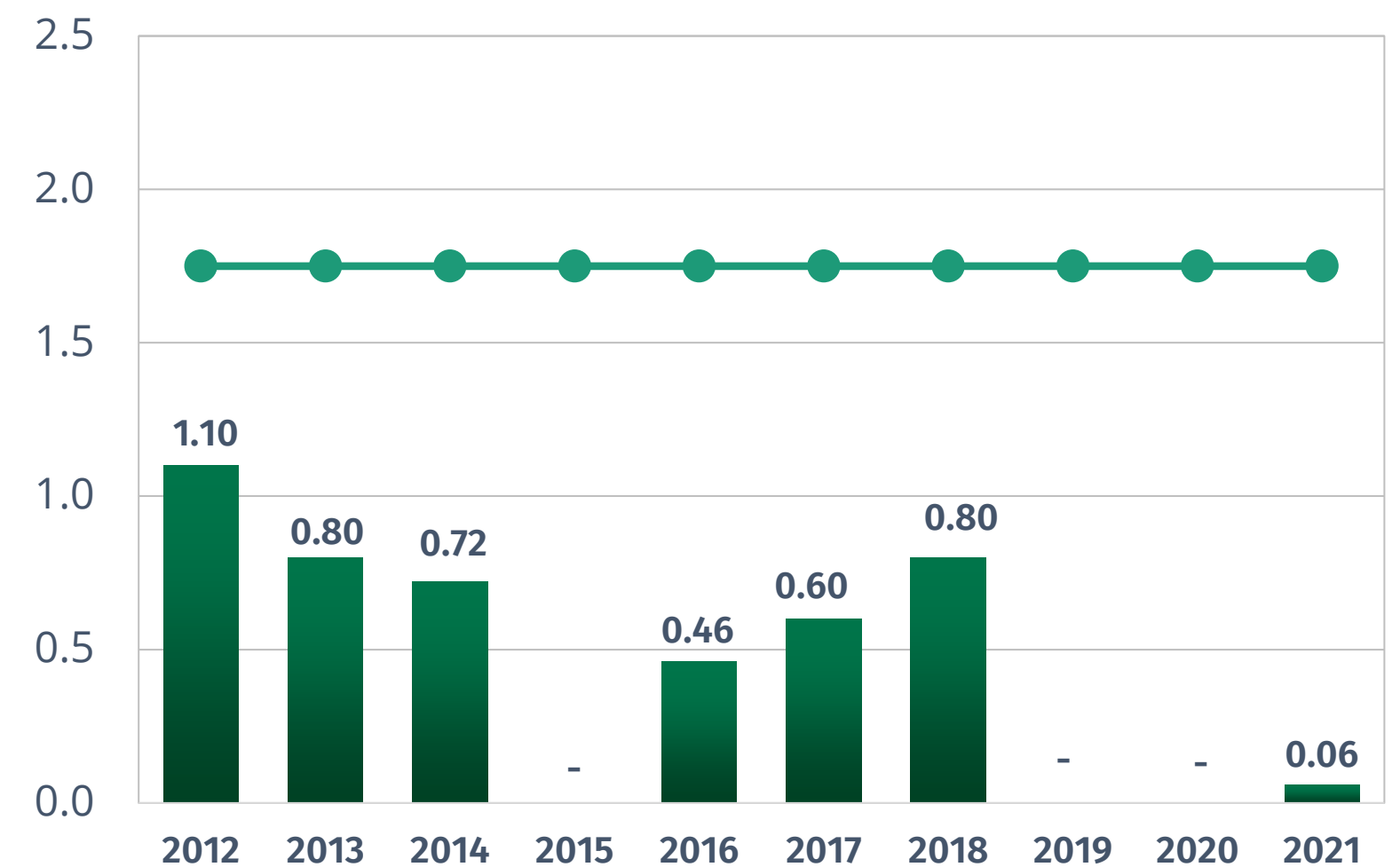
FINANCIALS

# CAPITAL STRUCTURE

Net Debt to Total Capitalization  
vs Maximum Target



Net Debt to Adjusted EBITDA  
vs Maximum Target



Non-GAAP Financial Information: [Please click here](#) for reconciliation to related GAAP measurement.





BUSINESS MODEL

## BALANCED USE OF FREE CASH FLOW

- ✓ Current dividend rate of \$0.25/quarter, increased annually based on earnings and free cash flow growth
- ✓ Share repurchase goal to offset issuances under share-based compensation plans (1.8M remaining share authorization)
- ✓ CapEx plan of \$175M to \$225M in 2022
- ✓ Long-term target for acquisitions to contribute half of our total annual unit sales growth





## FINANCIALS

# SELECTED INCOME STATEMENT DATA 1<sup>st</sup> QUARTER

\$ In thousands, except per share data	Q1 2022	Q1 2021	% Change	Unit % Change
Retail	\$ 993,232	\$ 759,021	30.9	12.0
Industrial	611,369	448,873	36.2	(3.0)
Construction	786,471	559,531	40.6	15.0
All Other	98,241	57,579	70.6	
<b>Total Net Sales</b>	<b>\$ 2,489,313</b>	<b>\$ 1,825,004</b>	<b>36.4</b>	<b>10.0</b>
<b>Adjusted EBITDA (1)</b>	<b>\$ 292,164</b>	<b>\$ 162,667</b>	<b>79.6</b>	
<b>Net Earnings Attributable to Controlling Interest</b>	<b>\$ 189,703</b>	<b>\$ 103,311</b>	<b>83.6</b>	
<b>Diluted EPS</b>	<b>\$ 3.00</b>	<b>\$ 1.67</b>	<b>79.6</b>	

(1) Please click [here](#) for reconciliation to related GAAP measurement.





## FINANCIALS

# SELECTED INCOME STATEMENT DATA ANNUAL RESULTS

\$ In thousands, except per share data	2021	2020	% Change	Unit % Change
Retail	\$ 3,418,337	\$ 2,167,122	57.7	31.0
Industrial	2,148,142	1,072,117	100.4	40.0
Construction	2,698,434	1,695,683	59.1	17.0
All Other	371,221	219,076	69.4	
<b>Total Net Sales</b>	<b>\$ 8,636,134</b>	<b>\$ 5,153,998</b>	<b>67.6</b>	<b>28.0</b>
<b>Adjusted EBITDA (1)</b>	<b>\$ 834,918</b>	<b>\$ 431,361</b>	<b>93.6</b>	
<b>Net Earnings Attributable to Controlling Interest</b>	<b>\$ 535,640</b>	<b>\$ 246,778</b>	<b>117.1</b>	
<b>Diluted EPS</b>	<b>\$ 8.59</b>	<b>\$ 4.00</b>	<b>114.8</b>	

(1) Please click [here](#) for reconciliation to related GAAP measurement.



 **THANK YOU.**



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