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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 27, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 0-22684

UFP INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Michigan	38-1465835
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
2801 East Beltline NE, Grand Rapids, Michigan	49525
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code (616) 364-6161

NONE

(Former name or former address, if changed since last report.)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒	Accelerated Filer ☐	Non-Accelerated Filer ☐	Smaller Reporting Company ☐ 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 a new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by checkmark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date:

Class	Outstanding as of March 27, 2021
Common stock, $1 par value	61,838,256

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange On Which Registered
Common Stock, no par value	**UFPI**	**The Nasdaq Stock Market, LLC**

UFP INDUSTRIES, INC.

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UFP INDUSTRIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in thousands, except share data)

	March 27, 2021	December 26, 2020	March 28, 2020
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 44,399	$ 436,507	$ 32,129
Restricted cash	629	101	724
Investments	31,439	24,308	17,778
Accounts receivable, net	808,105	470,504	460,821
Inventories:			
Raw materials	438,762	316,481	263,857
Finished goods	384,652	250,813	246,824
Total inventories	823,414	567,294	510,681
Refundable income taxes	—	5,836	2,624
Other current assets	29,072	33,812	36,152
TOTAL CURRENT ASSETS	1,737,058	1,538,362	1,060,909
DEFERRED INCOME TAXES	2,290	2,413	2,145
RESTRICTED INVESTMENTS	17,209	17,565	16,111
RIGHT OF USE ASSETS	98,404	77,245	81,065
OTHER ASSETS	27,358	20,298	25,198
GOODWILL	314,189	252,193	246,459
INDEFINITE-LIVED INTANGIBLE ASSETS	7,401	7,401	7,288
OTHER INTANGIBLE ASSETS, NET	93,812	72,252	46,232
PROPERTY, PLANT AND EQUIPMENT:			
Property, plant and equipment	1,060,893	974,497	906,171
Less accumulated depreciation and amortization	(572,526)	(557,335)	(508,596)
PROPERTY, PLANT AND EQUIPMENT, NET	488,367	417,162	397,575
TOTAL ASSETS	2,786,088	2,404,891	1,882,982
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Cash overdraft	$ 47,140	$ —	$ —
Accounts payable	299,398	211,518	162,039
Accrued liabilities:			
Compensation and benefits	137,208	166,478	92,504
Income taxes	25,565	—	—
Other	78,560	69,104	55,760
Current portion of lease liability	23,051	16,549	16,180
Current portion of long-term debt	109	100	2,772
TOTAL CURRENT LIABILITIES	611,031	463,749	329,255
LONG-TERM DEBT	426,310	311,607	160,550
LEASE LIABILITY	76,408	61,509	64,937
DEFERRED INCOME TAXES	34,940	25,266	22,799
OTHER LIABILITIES	50,856	59,608	33,159
TOTAL LIABILITIES	1,199,545	921,739	610,700
SHAREHOLDERS' EQUITY:			
Controlling interest shareholders' equity:			
Preferred stock, no par value; shares authorized 1,000,000; issued and outstanding, none	$ —	$ —	$ —
Common stock, $1 par value; shares authorized 80,000,000; issued and outstanding, 61,838,256, 61,205,780 and 61,102,481	61,838	61,206	61,102
Additional paid-in capital	231,111	218,224	211,724
Retained earnings	1,276,722	1,182,680	998,996
Accumulated other comprehensive loss	(3,464)	(1,794)	(11,110)
Total controlling interest shareholders' equity	1,566,207	1,460,316	1,260,712
Noncontrolling interest	20,336	22,836	11,570
TOTAL SHAREHOLDERS' EQUITY	1,586,543	1,483,152	1,272,282
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 2,786,088	$ 2,404,891	$ 1,882,982

See notes to consolidated condensed financial statements.

UFP INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME
(Unaudited)

(in thousands, except per share data)

	Three Months Ended	
	March 27, 2021	March 28, 2020
NET SALES	$ 1,825,004	$ 1,032,062
COST OF GOODS SOLD	1,538,450	864,826
GROSS PROFIT	286,554	167,236
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	150,098	109,339
OTHER LOSSES (GAINS), NET	(1,031)	(735)
EARNINGS FROM OPERATIONS	137,487	58,632
INTEREST EXPENSE	3,151	1,908
INTEREST AND INVESTMENT (INCOME) LOSS	(2,296)	2,832
EQUITY IN EARNINGS OF INVESTEE	630	—
	1,485	4,740
EARNINGS BEFORE INCOME TAXES	136,002	53,892
INCOME TAXES	31,751	13,322
NET EARNINGS	104,251	40,570
LESS NET EARNINGS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(940)	(411)
NET EARNINGS ATTRIBUTABLE TO CONTROLLING INTEREST	$ 103,311	$ 40,159
EARNINGS PER SHARE – BASIC	$ 1.67	$ 0.65
EARNINGS PER SHARE – DILUTED	$ 1.67	$ 0.65
OTHER COMPREHENSIVE INCOME:		
NET EARNINGS	104,251	40,570
OTHER COMPREHENSIVE GAIN (LOSS)	(2,196)	(8,556)
COMPREHENSIVE INCOME	102,055	32,014
LESS COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	(414)	1,924
COMPREHENSIVE INCOME ATTRIBUTABLE TO CONTROLLING INTEREST	$ 101,641	$ 33,938

See notes to consolidated condensed financial statements.

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UFP INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

(in thousands, except share and per share data)

	Controlling Interest Shareholders' Equity					
	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Earnings	Noncontrolling Interest	Total
Balance at December 26, 2020	**$ 61,206**	**$ 218,224**	**$ 1,182,680**	**$ (1,794)**	**$ 22,836**	**$ 1,483,152**
Net earnings			103,311		940	104,251
Foreign currency translation adjustment				(374)	(526)	(900)
Unrealized loss on debt securities				(1,296)		(1,296)
Distributions to noncontrolling interest					(2,914)	(2,914)
Additional purchase of noncontrolling interest						—
Cash dividends - $0.15 per share - quarterly			(9,274)			(9,274)
Issuance of 5,816 shares under employee stock purchase plan	6	357				363
Net issuance of 536,970 shares under stock grant programs	537	3,888	5			4,430
Issuance of 89,690 shares under deferred compensation plans	89	(89)				—
Expense associated with share-based compensation arrangements		2,936				2,936
Accrued expense under deferred compensation plans		5,795				5,795
Balance at March 27, 2021	**$ 61,838**	**$ 231,111**	**$ 1,276,722**	**$ (3,464)**	**$ 20,336**	**$ 1,586,543**

(in thousands, except share and per share data)

	Controlling Interest Shareholders' Equity					
	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Earnings	Noncontrolling Interest	Total
Balance at December 28, 2019	**$ 61,409**	**$ 192,173**	**$ 995,022**	**$ (4,889)**	**$ 14,018**	**$ 1,257,733**
Net earnings			40,159		411	40,570
Foreign currency translation adjustment				(5,951)	(2,335)	(8,286)
Unrealized loss on debt securities				(270)		(270)
Distributions to noncontrolling interest					(299)	(299)
Additional purchase of noncontrolling interest		130			(225)	(95)
Cash dividends - $0.125 per share - quarterly			(7,730)			(7,730)
Issuance of 10,549 shares under employee stock purchase plan	10	309				319
Net issuance of 350,124 shares under stock grant programs	350	12,454	1			12,805
Issuance of 89,616 shares under deferred compensation plans	89	(89)				—
Repurchase of 756,397 shares	(756)		(28,456)			(29,212)
Expense associated with share-based compensation arrangements		1,404				1,404
Accrued expense under deferred compensation plans		5,343				5,343
Balance at March 28, 2020	**$ 61,102**	**$ 211,724**	**$ 998,996**	**$ (11,110)**	**$ 11,570**	**$ 1,272,282**

See notes to consolidated condensed financial statements.

UFP INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)	Three Months Ended March 27, 2021	Three Months Ended March 28, 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 (gain) loss on investments and other	(1,754)	3,173
Equity in earnings of investee	630	—
Net gain on disposition 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 USED IN 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 purchases of non-controlling 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 payments 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)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	436,608	168,666
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, 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
Cash, cash equivalents, and restricted cash, 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
Cash, cash equivalents, and restricted cash, end of period	$ 45,028	$ 32,853
SUPPLEMENTAL INFORMATION:		
Interest paid	$ 2,694	$ 374
Income taxes paid	249	2,307
NON-CASH FINANCING ACTIVITIES:		
Common stock issued under deferred compensation plans	5,359	4,900

See notes to consolidated condensed financial statements.

UFP INDUSTRIES, INC.

NOTES TO UNAUDITED
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A. BASIS OF PRESENTATION

The accompanying unaudited interim consolidated condensed financial statements (the "Financial Statements") include our accounts and those of our wholly-owned and majority-owned subsidiaries and partnerships, and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, the Financial Statements do not include all the information and footnotes normally included in the annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States. All intercompany transactions and balances have been eliminated. Certain prior year amounts have been reclassified to conform to the current year presentation.

In our opinion, the Financial Statements contain all material adjustments necessary to present fairly our consolidated financial position, results of operations and cash flows for the interim periods presented. All such adjustments are of a normal recurring nature. These Financial Statements should be read in conjunction with the annual consolidated financial statements, and footnotes thereto, included in our Annual Report to Shareholders on Form 10-K for the fiscal year ended December 26, 2020.

Seasonality has a significant impact on our working capital from March to August, which historically results in negative or modest cash flows from operations in our first and second quarters. Conversely, we experience a substantial decrease in working capital from September to February which typically results in significant cash flow from operations in our third and fourth quarters. For comparative purposes, we have included the March 28, 2020 balances in the accompanying unaudited condensed consolidated balance sheets.

B. FAIR VALUE

We apply the provisions of ASC 820, *Fair Value Measurements and Disclosures*, to assets and liabilities measured at fair value. Assets measured at fair value are as follows (in thousands):

	March 27, 2021				March 28, 2020			
	Quoted Prices in Active Markets (Level 1)	Prices with Other Observable Inputs (Level 2)	Prices with Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets (Level 1)	Prices with Other Observable Inputs (Level 2)	Prices with Unobservable Inputs (Level 3)	Total
Money market funds	$ 19	$ 1,127	$ —	$ 1,146	$ 29,561	$ 837	$ —	$ 30,398
Fixed income funds	244	16,264	—	16,508	237	15,124	—	15,361
Equity securities	18,496	—	—	18,496	9,089	—	—	9,089
Alternative investments	—	—	2,126	2,126	—	—	1,960	1,960
Mutual funds:								
Domestic stock funds	9,388	—	—	9,388	5,204	—	—	5,204
International stock funds	1,395	—	—	1,395	947	—	—	947
Target funds	21	—	—	21	242	—	—	242
Bond funds	145	—	—	145	222	—	—	222
Alternative funds	496	—	—	496	921	—	—	921
Total mutual funds	11,445	—	—	11,445	7,536	—	—	7,536
Total	$ 30,204	$ 17,391	$ 2,126	$ 49,721	$ 46,423	$ 15,961	$ 1,960	$ 64,344
Assets at fair value	$ 30,204	$ 17,391	$ 2,126	$ 49,721	$ 46,423	$ 15,961	$ 1,960	$ 64,344

From the assets measured at fair value as of March 27, 2021, listed in the table above, $31.4 million of mutual funds, equity securities, and alternative investments are held in Investments, $0.5 million of money market funds are held in Cash and Cash Equivalents, $0.6 million of money market and mutual funds are held in Other Assets for our deferred compensation plan, and $16.9 million of fixed income funds and $0.3 million of money markets funds are held in Restricted Investments.

We maintain money market, mutual funds, bonds, and/or equity securities in our non-qualified deferred compensation plan, our wholly owned licensed captive insurance company, and assets held in financial institutions. These funds are valued at prices quoted in an active exchange market and are included in "Cash and Cash Equivalents", "Investments", "Other Assets", and "Restricted Investments". We have elected not to apply the fair value option under ASC 825, *Financial Instruments*, to any of our financial instruments except for those expressly required by U.S. GAAP.

In accordance with our investment policy, our wholly-owned captive, Ardellis Insurance Ltd. ("Ardellis"), maintains an investment portfolio, totaling $47.9 million as of March 27, 2021, which has been included in the aforementioned table of total investments. This portfolio consists of domestic and international equity securities, alternative investments, and fixed income bonds.

Ardellis' available for sale investment portfolio, including funds held with the State of Michigan, consists of the following (in thousands):

	March 27, 2021			March 28, 2020		
	Cost	**Unrealized Gain/(Loss)**	**Fair Value**	**Cost**	**Unrealized Gain/(Loss)**	**Fair Value**
Fixed Income	$ 15,867	$ 642	$ 16,509	$ 15,257	$ 104	$ 15,361
Equity	14,664	3,832	18,496	9,690	(601)	9,089
Mutual Funds	8,769	2,049	10,818	7,298	(569)	6,729
Alternative Investments	1,929	197	2,126	1,834	126	1,960
Total	$ 41,229	$ 6,720	$ 47,949	$ 34,079	$ (940)	$ 33,139

Our fixed income investments consist of a blend of US Government and Agency bonds and investment grade corporate bonds with varying maturities. Our equity investments consist of small, mid, and large cap growth and value funds, as well as international equity. Our mutual fund investments consist of domestic and international stock. Our alternative investments consist of a private real estate income trust which is valued as a Level 3 asset. The net unrealized gain was $6.7 million. Carrying amounts above are recorded in the investments and restricted investments line items within the balance sheet as of March 27, 2021 and March 28, 2020.

C. REVENUE RECOGNITION

Within the three primary segments (Retail, Industrial, and Construction) that the Company operates, there are a variety of written agreements governing the sale of our products and services. The transaction price is stated at the purchase order level, which includes shipping and/or freight costs and any applicable governmental authority taxes. The majority of our contracts have a single performance obligation concentrated around the delivery of goods to the carrier, Free On Board (FOB) shipping point. Therefore, revenue is recognized when this performance obligation is satisfied. Generally, title and control passes at the time of shipment. In certain circumstances, the customer takes title when the shipment arrives at the destination. However, our shipping process is typically completed the same day.

Certain customer products that we provide require installation by the Company or a 3rd party. Installation revenue is recognized upon completion. If the Company uses a 3rd party for installation, the party will act as an agent to the Company until completion of the installation. Installation revenue represents an immaterial share of the Company's total sales.

The Company utilizes rebates, credits, discounts and/or cash-based incentives with certain customers which are accounted for as variable consideration. We estimate these amounts based on the expected amount to be provided to customers and reduce revenues recognized. We believe that there will not be significant changes to our estimates of variable consideration. The allocation of these costs are applied at the invoice level and recognized in conjunction with revenue. Additionally, returns and refunds are estimated on a historical and expected basis which is a reduction of revenue recognized.

Earnings on construction contracts are reflected in operations using over time accounting, under either cost to cost or units of delivery methods, depending on the nature of the business at individual operations, which is in accordance with ASC 606 as revenue is recognized when certain performance obligations are performed. Under over time accounting using the cost to cost method, revenues and related earnings on construction contracts are measured by the relationships of actual costs incurred related to the total estimated costs. Under over time accounting using the units of delivery method, revenues and related earnings on construction contracts are measured by the relationships of actual units produced related to the total number of units. Revisions in earnings estimates on the construction contracts are recorded in the accounting period in which the basis for such revisions becomes known. Projected losses on individual contracts are charged to operations in their entirety when such losses become apparent.

Our construction contracts are generally entered into with a fixed price and completion of the projects can range from 6 to 18 months in duration. Therefore, our operating results are impacted by, among many other things, labor rates and commodity costs. During the year, we update our estimated costs to complete our projects using current labor and commodity costs and recognize losses to the extent that they exist.

The following table presents our net sales disaggregated by revenue source (in thousands):

	March 27, 2021	March 28, 2020	% Change
FOB Shipping Point Revenue	$ 1,797,399	$ 999,262	79.9%
Construction Contract Revenue	27,605	32,800	(15.8)%
Total Net Sales	$ 1,825,004	$ 1,032,062	76.8%

The Construction segment comprises the construction contract revenue shown above. Construction contract revenue is primarily made up of site-built and framing customers.

The following table presents the balances of over time accounting accounts which are included in “Other current assets” and “Accrued liabilities: Other”, respectively (in thousands):

	March 27, 2021	December 26, 2020	March 28, 2020
Cost and Earnings in Excess of Billings	$ 3,408	$ 4,169	$ 5,744
Billings in Excess of Cost and Earnings	9,396	11,530	9,920

UFP INDUSTRIES, INC.

D. EARNINGS PER SHARE

The computation of earnings per share ("EPS") is as follows (in thousands):

	Three Months Ended	
	March 27, 2021	March 28, 2020
Numerator:		
Net earnings attributable to controlling interest	$ 103,311	$ 40,159
Adjustment for earnings allocated to non-vested restricted common stock	(3,175)	(1,059)
Net earnings for calculating EPS	$ 100,136	$ 39,100
Denominator:		
Weighted average shares outstanding	61,889	61,842
Adjustment for non-vested restricted common stock	(1,902)	(1,630)
Shares for calculating basic EPS	59,987	60,212
Effect of dilutive restricted common stock	28	18
Shares for calculating diluted EPS	60,015	60,230
Net earnings per share:		
Basic	$ 1.67	$ 0.65
Diluted	$ 1.67	$ 0.65

E. COMMITMENTS, CONTINGENCIES, AND GUARANTEES

We are self-insured for environmental impairment liability, including certain liabilities which are insured through a wholly owned subsidiary, Ardellis Insurance Ltd., a licensed captive insurance company.

We own and operate a number of facilities throughout the United States that chemically treat lumber products. In connection with the ownership and operation of these and other real properties, and the disposal or treatment of hazardous or toxic substances, we may, under various federal, state, and local environmental laws, ordinances, and regulations, be potentially liable for removal and remediation costs, as well as other potential costs, damages, and expenses. Environmental reserves, calculated with no discount rate, have been established to cover remediation activities at wood preservation facilities in Stockertown, PA; Elizabeth City, NC; and Auburndale, FL. In addition, a reserve was established for our facility in Thornton, CA to remove certain lead containing materials which existed on the property at the time of purchase.

On a consolidated basis, we have reserved approximately $1.9 million on March 27, 2021 and $2.0 million on March 28, 2020, respectively, representing the estimated costs to complete future remediation efforts. These amounts have not been reduced by an insurance receivable.

In addition, on March 27, 2021, we were parties either as plaintiff or defendant to a number of lawsuits and claims arising through the normal course of our business. In the opinion of management, our consolidated financial statements will not be materially affected by the outcome of these contingencies and claims.

On March 27, 2021, we had outstanding purchase commitments on commenced capital projects of approximately $41.3 million.

We provide a variety of warranties for products we manufacture. Historically, warranty claims have not been material. We also distribute products manufactured by other companies, some of which are no longer in business. While we do not warrant these products, we have received claims as a distributor of these products when the manufacturer no longer exists or has the ability to pay. Historically, these costs have not had a material effect on our consolidated financial statements.

As part of our operations, we supply building materials and labor to site-built construction projects or we jointly bid on contracts with framing companies for such projects. In some instances, we are required to post payment and performance bonds to ensure the products and installation services are completed in accordance with our contractual obligations. We have agreed to indemnify the surety for claims properly made against these bonds. As of March 27, 2021, we had approximately $27.0 million outstanding payment and performance bonds for open projects. We had approximately $4.0 million in payment and performance bonds outstanding for completed projects which are still under warranty.

On March 27, 2021, we had outstanding letters of credit totaling $50.9 million, primarily related to certain insurance contracts and industrial development revenue bonds described further below.

In lieu of cash deposits, we provide irrevocable letters of credit in favor of our insurers to guarantee our performance under certain insurance contracts. As of March 27, 2021, we have irrevocable letters of credit outstanding totaling approximately $43.8 million for these types of insurance arrangements. We have reserves recorded on our balance sheet, in accrued liabilities, that reflect our expected future liabilities under these insurance arrangements.

We are required to provide irrevocable letters of credit in favor of the bond trustees for all industrial development revenue bonds that have been issued. These letters of credit guarantee principal and interest payments to the bondholders. We currently have irrevocable letters of credit outstanding totaling approximately $7.1 million related to our outstanding industrial development revenue bonds. These letters of credit have varying terms but may be renewed at the option of the issuing banks.

Certain wholly owned domestic subsidiaries have guaranteed the indebtedness of UFP Industries, Inc. in certain debt agreements, including the Series 2012, 2018 and 2020 Senior Notes and our revolving credit facility. The maximum exposure of these guarantees is limited to the indebtedness outstanding under these debt arrangements and this exposure will expire concurrent with the expiration of the debt agreements.

We did not enter into any new guarantee arrangements during the first quarter of 2021 which would require us to recognize a liability on our balance sheet.

F. BUSINESS COMBINATIONS

We completed the following acquisitions in 2021 and since the end of March 2020, which were accounted for using the purchase method in thousands unless otherwise noted:

<table>
<tr><th>Company Name</th><th>Acquisition Date</th><th>Purchase Price</th><th>Intangible Assets</th><th>Net Tangible Assets</th><th>Operating Segment</th></tr>
<tr><td rowspan="2">J.C. Gilmore Pty Ltd (Gilmores)</td><td>March 1, 2021</td><td>$4,724 cash paid for 100% asset purchase and estimated contingent consideration</td><td>$ 4,176</td><td>$ 548</td><td>Other</td></tr>
<tr><td colspan="5">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, with 2020 sales of $15 million AUD ($10 million USD).</td></tr>
<tr><td rowspan="2">PalletOne, Inc. (PalletOne)</td><td>December 28, 2020</td><td>$258,770 cash paid for 100% stock purchase</td><td>$ 82,546</td><td>$ 176,224</td><td>Retail/Industrial</td></tr>
<tr><td colspan="5">Based in Bartow, Florida, PalletOne is a leading manufacturer of new pallets in the U.S., with 17 pallet manufacturing facilities in the southern and eastern regions of the country. The company also supplies other specialized industrial packaging, including custom bins and crates, and its Sunbelt Forest Products (Sunbelt) subsidiary operates five pressure-treating facilities in the Southeastern U.S. PalletOne and its affiliates had 2019 and 2020 sales of $525 million and $698 million, respectively.</td></tr>
<tr><td rowspan="2">Atlantic Prefab, Inc.; Exterior Designs, LLC; and Patriot Building Systems, LLC</td><td>November 10, 2020</td><td>$27,274 cash paid for 100% asset purchase and estimated contingent consideration</td><td>$ 17,894</td><td>$ 9,380</td><td>Construction</td></tr>
<tr><td colspan="5">Based in Wilton, New Hampshire, Atlantic Prefab produces prefabricated steel wall panels and light gauge metal trusses. The company’s steel component and prefinished wall panel lines are new, value-added product additions for UFP Construction that help shorten project timelines. Exterior Designs is a leading installer of siding and exterior cladding such as fiber cement, ACM (aluminum composite material) panels, phenolic panels, and EIFS (exterior insulation and finish systems). The company is based in Londonderry, New Hampshire, and serves commercial and multi-family clients throughout the Northeast. Also based in Londonderry, Patriot Building Systems provides commercial and multi-family framing services in the Northeast and will focus on markets not currently served by companies of UFP Industries. The companies had combined annual sales of approximately $28 million.</td></tr>
<tr><td rowspan="2">Fire Retardant Chemical Technologies, LLC (FRCT)</td><td>October 1, 2020</td><td>$7,936 cash paid for 100% asset purchase and estimated contingent consideration</td><td>$ 7,222</td><td>$ 714</td><td>Retail</td></tr>
<tr><td colspan="5">Founded in 2014 and based in Matthews, North Carolina, FRCT’s business includes a research and development laboratory specializing in developing and testing a wide range of high-performance chemicals, including fire retardants and water repellants. The company had annual sales of approximately $6.4 million.</td></tr>
<tr><td rowspan="2">Enwrap Logistic & Packaging S.r.l. (Enwrap)</td><td>September 30, 2020</td><td>$4,465 cash paid for 50% stock purchase and estimated contingent consideration</td><td>$ 4,607</td><td>$ (142)</td><td>Other</td></tr>
<tr><td colspan="5">Enwrap is a newly formed company dedicated to the logistics and packaging business of its predecessor, Job Service S.p.A. Headquartered in Milan, Italy, Enwrap provides high-value, mixed material industrial packaging and logistics services through eight locations in Italy. These locations generated annual sales of approximately $14 million.</td></tr>
</table>

UFP INDUSTRIES, INC.

Company Name	Acquisition Date	Purchase Price	Intangible Assets	Net Tangible Assets	Operating Segment
T&R Lumber Company ("T&R")	July 14, 2020	$19,136 cash paid for 100% asset purchase and estimated contingent consideration	$ 13,098	$ 6,038	Industrial
	A manufacturer and distributor of a range of products used primarily by nurseries, including plastic growing containers, pots and trays; wooden stakes; trellises; tree boxes; shipping racks; and other nursery supplies based in Rancho Cucamonga, California. T&R had annual sales of approximately $31 million. The acquisition of T&R will allow us to leverage their expertise using our national manufacturing capacity to grow our agricultural product offerings and customer base across the country.				

The intangible assets for the above acquisitions have not been finalized and allocated to their respective identifiable asset and goodwill accounts. In aggregate, acquisitions completed since the end of March 2020 and not consolidated with other operations contributed approximately $242.8 million in net sales and $14.2 million in operating profits during the first quarter of 2021.

G. SEGMENT REPORTING

The Company operates manufacturing, treating and distribution facilities internationally, but primarily in the United States. The business segments align with the following markets: UFP Retail Solutions, UFP Construction and UFP Industrial. The Company manages the operations of its individual locations primarily through a market-centered reporting structure under which each location is included in a business unit and business units are included in our Retail, Industrial, and Construction segments. In the case of locations which serve multiple segments, results are allocated and accounted for by segment. The exception to this market-centered reporting and management structure is the Company’s International segment, which comprises our Mexico, Canada, and Australia operations and sales and buying offices in other parts of the world.

Our International segment and Ardellis (our insurance captive) have been included in the “All Other” column of the table below.

The “Corporate” column includes purchasing, transportation and administrative functions that serve our operating segments. Operating results of Corporate primarily consists of over (under) allocated costs. The operating results of UFP Real Estate, Inc., which owns and leases real estate, and UFP Transportation Ltd., which owns and leases transportation equipment, are also included in the Corporate column. An inter-company lease charge is assessed to our operating segments for the use of these assets at fair market value rates. Total assets of the Corporate column include unallocated cash and cash equivalents, certain prepaid assets, certain property, equipment and other assets pertaining to the centralized activities of Corporate, UFP Real Estate, Inc., and UFP Transportation Ltd. The tables below are presented in thousands:

	Three Months Ended March 27, 2021					
	Retail	Industrial	Construction	All Other	Corporate	Total
Net sales to outside customers	$ 759,021	$ 448,874	$ 559,530	$ 55,577	$ 2,002	$ 1,825,004
Intersegment net sales	47,586	17,906	14,461	97,396	(177,349)	—
Segment operating profit	53,545	40,410	33,018	7,978	2,536	137,487

	Three Months Ended March 28, 2020					
	Retail	Industrial	Construction	All Other	Corporate	Total
Net sales to outside customers	$ 352,161	$ 256,543	$ 381,155	$ 42,392	$ (189)	$ 1,032,062
Intersegment net sales	29,858	11,220	15,423	53,167	(109,668)	—
Segment operating profit	15,512	18,074	17,135	4,739	3,172	58,632

UFP INDUSTRIES, INC.

The following table presents goodwill by segment as of March 27, 2021, and December 26, 2020 (in thousands):

	Retail	Industrial	Construction	All Other	Corporate	Total
Balance as of December 26, 2020	$ 61,943	$ 87,827	$ 90,729	$ 11,694	$ —	$ 252,193
2021 Acquisitions	18,178	43,844	—	4,176	—	66,198
2021 Purchase Accounting Adjustments	—	(2,291)	(1,653)	(145)	—	(4,089)
Foreign Exchange, Net	—	—		(113)	—	(113)
Balance as of March 27, 2021	$ 80,121	$ 129,380	$ 89,076	$ 15,612	$ —	$ 314,189

The following table presents total assets by segment as of March 27, 2021, and December 26, 2020 (in thousands).

	Total Assets by Segment		
Segment Classification	**March 27, 2021**	**December 26, 2020**	**% Change**
Retail	$ 944,637	$ 510,464	85.1 %
Industrial	657,572	416,487	57.9
Construction	535,527	510,972	4.8
All Other	214,815	196,856	9.1
Corporate	433,537	770,112	(43.7)
Total Assets	$ 2,786,088	$ 2,404,891	15.9 %

H. INCOME TAXES

Effective tax rates differ from statutory federal income tax rates, primarily due to provisions for foreign, state and local income taxes and permanent tax differences. Our effective tax rate was 23.3% in the first quarter of 2021 compared to 24.7% for same period in 2020. The decrease was primarily due to an anticipated decrease in our U.S. tax rate and a variety of other discrete tax items, none of which are individually significant.

I. COMMON STOCK

Below is a summary of common stock issuances for the first three months of 2021 and 2020 (in thousands, except average share price):

	March 27, 2021	
Share Issuance Activity	**Common Stock**	**Average Share Price**
Shares issued under the employee stock purchase plan	6	$ 73.28
Shares issued under the employee stock gift program	1	79.91
Shares issued under the director retainer stock program	2	56.80
Shares issued under the bonus plan	468	53.68
Shares issued under the executive stock match grants plan	77	60.24
Forfeitures	(11)	
Total shares issued under stock grant programs	537	$ 54.63
Shares issued under the deferred compensation plans	89	$ 59.75

UFP INDUSTRIES, INC.

Share Issuance Activity	**March 28, 2020** Common Stock		Average Share Price
Shares issued under the employee stock purchase plan	10	$	35.59
Shares issued under the employee stock gift program	1		45.22
Shares issued under the director retainer stock program	1		47.90
Shares issued under the bonus plan	271		47.51
Shares issued under the executive stock match grants plan	80		47.60
Forfeitures	(3)		
Total shares issued under stock grant programs	350	$	47.52
Shares issued under the deferred compensation plans	89	$	54.68

During the first three months of 2021, we did not repurchase any of our shares of common stock.

During the first three months of 2020, we repurchased approximately 756,000 shares of our common stock at an average share price of $38.62.

J. SUBSEQUENT EVENTS

On April 12, 2021, Sunbelt Forest Products Corporation, a wholly owned subsidiary, closed on its agreement to purchase the net operating assets of Spartanburg Forest Products, Inc. and its affiliates. The purchase price for Spartanburg's property, plant and equipment is approximately $16.5 million. Sunbelt also purchased Spartanburg's net working capital for an amount equal to the net book value determined on the date of closing, which totaled approximately $146.5 million. Spartanburg and its affiliates are a wood treating operation in the southeastern U.S., with approximately 150 employees and operations in five states.

On April 19, 2021, UFP Craft and Hobby, LLC, a wholly owned subsidiary, closed on its agreement to purchase the net operating assets of Walnut Hollow Farm, Inc., for $8.7 million. Walnut Hollow Farm, located in Wisconsin, is engaged in the business of designing, manufacturing, selling, and distributing wood products, tools, and accessories for the craft and hobby, outdoor sportsman art, personalized home décor, and hardware categories.

On April 29, 2021, UFP Construction, LLC, a wholly owned subsidiary, closed on its agreement to purchase the net operating assets of Endurable Building Products, LLC for $10.5 million. Endurable Building Products, based near Minneapolis, Minnesota, is a leading manufacturer of customized structural aluminum systems and products for exterior purposes, such as deck framing, balconies, sunshades, railings and stairs.

UFP INDUSTRIES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

UFP Industries, Inc. is a holding company with subsidiaries throughout North America, Europe, Asia, and Australia that supply wood, wood composite and other products to three markets: retail, industrial, and construction. We are headquartered in Grand Rapids, Michigan. For more information about UFP Industries, Inc., or our affiliated operations, go to www.ufpi.com.

This report 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, government imposed "stay at home" orders and directives to cease or curtail operations; 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. We are pleased to present this overview of the first quarter of 2021.

OVERVIEW

Our results for the first quarter of 2021 include the following highlights:

- Our net sales were up 77% compared to the first quarter of 2020, which was comprised of a 44% increase in selling prices primarily due to the commodity lumber market (see Historical Lumber Prices below), a 10% increase in organic unit sales, and a 23% increase in unit sales due to acquisitions completed since March of last year. Organic unit growth was driven by an 18% increase in our retail segment, 6% in our construction segment, and 5% in our industrial segment.

- Our operating profits increased $78.9 million, or 134%, compared to the first quarter of 2020. Acquisitions contributed approximately $25.5 million to our increase in gross profits and $14.2 million to our increase in operating profits. The remaining improvement in our profitability was driven by a number of factors, including organic unit growth in all of our segments while effectively leveraging fixed costs, inventory positioning and the impact of rising lumber prices on the selling prices of commodity-based products sold on a variable price formula and growth of our new and value-added products which have higher gross margins. In addition, our ability to effectively include lumber cost increases in the selling prices of certain fixed price products enabled us to maintain our profit per unit. Excluding the impact of acquisitions, we estimate value-added and commodity-based products contributed $38.8 million and $55.0 million, respectively, to our increase in gross profits.

- Our cash flows used in operations for the first three months of 2021 decreased to $197 million compared to $46 million during the first quarter of 2020, primarily due to an increased investment in working capital of $216 million compared to the prior year. The increase in our net working capital requirements during the first quarter of 2021 were due to unusually high lumber prices and strong market demand, particularly in our retail segment.

- We purchased 100% of the common stock of PalletOne and its wholly owned subsidiaries, including Sunbelt Forest Products, for approximately $259 million (includes a seasonal working capital adjustment of $6 million).

- Our net debt (debt and cash overdraft less cash) at the end of March 2021 was $429 million compared to $131 million at the end of March 2020. The increase of $298 million was due to an increased investment in working capital and the purchase of PalletOne discussed above. Our available borrowing capacity under revolving credit facilities and cash surplus resulted in total liquidity of approximately $420.8 million at the end of the first quarter of 2021.

HISTORICAL LUMBER PRICES

We experience significant fluctuations in the cost of commodity lumber products from primary producers ("Lumber Market"). The following table presents the Random Lengths framing lumber composite price:

	Random Lengths Composite Average $/MBF	
	2021	2020
January	$ 890	$ 377
February	954	402
March	1,035	420
First quarter average	$ 960	$ 400
First quarter percentage change	140.0 %	

In addition, a Southern Yellow Pine ("SYP") composite price, which we prepare and use, is presented below. Our purchases of this species comprise almost two-thirds of our total lumber purchases.

	Random Lengths SYP Average $/MBF	
	2021	2020
January	$ 858	$ 346
February	903	345
March	938	360
First quarter average	$ 900	$ 350
First quarter percentage change	157.1 %	

The sequential increase in lumber prices above is primarily due to the continuation of strong market demand as well as certain constraints in the supply chain of lumber. We anticipate lumber prices will normalize during the last half of this year as these constraints on supply improve. A sequential decline in lumber prices will impact our profitability of products sold with fixed and variable prices as discussed below.

UFP INDUSTRIES, INC.

IMPACT OF THE LUMBER MARKET ON OUR OPERATING RESULTS

We generally price our products to pass lumber costs through to our customers so that our profitability is based on the value-added manufacturing, distribution, engineering, and other services we provide. As a result, our sales levels (and working capital requirements) are impacted by the lumber costs of our products. Lumber costs were 63.1% and 45.6% of our sales in the first three months of 2021 and 2020, respectively. The increase from the prior year ratio reflects the impact of higher lumber prices and the results of PalletOne and its subsidiaries.

Our gross margins are impacted by (1) the relative level of the Lumber Market (i.e. whether prices are higher or lower from comparative periods), and (2) the trend in the market price of lumber (i.e. whether the price of lumber is increasing or decreasing within a period or from period to period). Moreover, as explained below, our products are priced differently. Some of our products have fixed selling prices, while the selling prices of other products are indexed to the reported Lumber Market with a fixed dollar adder to cover conversion costs and profits. Consequently, the level and trend of the Lumber Market impact our products differently.

Below is a general description of the primary ways in which our products are priced.

- <u>Products with fixed selling prices.</u> These products include value-added products, such as manufactured items, sold within all segments. Prices for these products are generally fixed at the time of the sales quotation for a specified period of time. In order to reduce any exposure to adverse trends in the price of component lumber products, we attempt to lock in costs with our suppliers or purchase necessary inventory for these sales commitments. The time period limitation eventually allows us to periodically re-price our products for changes in lumber costs from our suppliers. We believe our percentage of sales of fixed price items is greatest in our third and fourth quarters.

- <u>Products with selling prices indexed to the reported Lumber Market with a fixed dollar “adder” to cover conversion costs and profit.</u> These products primarily include treated lumber, panel goods, other commodity-type items, and trusses sold to the manufactured housing industry. For these products, we estimate the customers’ needs and we carry anticipated levels of inventory. Because lumber costs are incurred in advance of final sale prices, subsequent increases or decreases in the market price of lumber impact our gross margins. We believe our sales of these products are at their highest relative level in our second quarter, primarily due to pressure-treated lumber sold to the retail market.

For each of the product pricing categories above, our margins are exposed to changes in the trend of lumber prices.

The greatest risk associated with changes in the <u>trend</u> of lumber prices is on the following products:

- <u>Products with significant inventory levels with low turnover rates, whose selling prices are indexed to the Lumber Market.</u> In other words, the longer the period of time these products remain in inventory, the greater the exposure to changes in the price of lumber. This would include treated lumber, which comprised approximately 20% of our total annual sales in 2020. This exposure is less significant with remanufactured lumber, panel goods, other commodity-type items, and trusses sold to the manufactured housing market due to the higher rate of inventory turnover. We attempt to mitigate the risk associated with treated lumber through inventory consignment programs with our vendors. Our annual purchases of inventory through these consignment programs was approximately 19% of our total lumber purchases in 2020. (*Please refer to the “Risk Factors” section of our annual report on form 10-K, filed with the United States Securities and Exchange Commission.*)

- <u>Products with fixed selling prices sold under long-term supply arrangements, particularly those involving multi-family construction projects.</u> We attempt to mitigate this risk through our purchasing practices and longer vendor commitments.

UFP INDUSTRIES, INC.

In addition to the impact of the Lumber Market trends on gross margins, changes in the level of the market cause fluctuations in gross margins when comparing operating results from period to period. This is explained in the following example, which assumes the price of lumber has increased from period one to period two, with no changes in the trend within each period.

	Period 1	Period 2
Lumber cost	$ 300	$ 400
Conversion cost	50	50
= Product cost	350	450
Adder	50	50
= Sell price	$ 400	$ 500
Gross margin	12.5 %	10.0 %

As is apparent from the preceding example, the level of lumber prices does not impact our overall profits but does impact our margins. Gross margins and operating margins are negatively impacted during periods of high lumber prices; conversely, we experience margin improvement when lumber prices are relatively low.

BUSINESS COMBINATIONS

We completed two business acquisitions during the first three months of 2021 and five during all of 2020. The annual historical sales attributable to acquisitions completed in the first three months of 2021 is approximately $708 million, while acquisitions completed from April through December 2020 have annual sales of approximately $79 million. These business combinations were not significant to our quarterly results individually or in aggregate and thus pro forma results for 2021 and 2020 are not presented.

See Notes to the Unaudited Condensed Consolidated Financial Statements, Note F, “Business Combinations” for additional information.

RESULTS OF OPERATIONS

The following table presents, for the periods indicated, the components of our Unaudited Condensed Consolidated Statements of Earnings as a percentage of net sales.

	Three Months Ended	
	March 27, 2021	March 28, 2020
Net sales	100.0 %	100.0 %
Cost of goods sold	84.3	83.8
Gross profit	15.7	16.2
Selling, general, and administrative expenses	8.2	10.6
Other losses (gains), net	(0.1)	(0.1)
Earnings from operations	7.6	5.7
Other expense, net	0.1	0.5
Earnings before income taxes	7.5	5.2
Income taxes	1.7	1.3
Net earnings	5.7	3.9
Less net earnings attributable to noncontrolling interest	(0.1)	—
Net earnings attributable to controlling interest	5.7 %	3.9 %

Note: Actual percentages are calculated and may not sum to total due to rounding.

As a result of the impact of the level of lumber prices on the percentages displayed in the table above (see Impact of the Lumber Market on Our Operating Results), we believe it is useful to compare our change in units sold with our change in gross profits, selling, general, and administrative expenses, and operating profits as presented in the following table. The percentages displayed below represent the percentage change from the prior year.

	Percentage Change	
	March 27, 2021	March 28, 2020
Units sold	33.0 %	5.0 %
Gross profit	71.3	8.4
Selling, general, and administrative expenses	37.3	3.8
Earnings from operations	134.5	21.0

The following table presents, for the periods indicated, our selling, general, and administrative (SG&A) costs as a percentage of gross profit. Given our strategies to enhance our capabilities and improve our value-added product offering and recognizing the higher relative level of SG&A costs these strategies require, we believe this ratio provides an enhanced view of our effectiveness in managing these costs and mitigates the impact of changing lumber prices.

	Three Months Ended	
	March 27, 2021	March 28, 2020
Gross profit	$ 286,554	$ 167,236
Selling, general, and administrative expenses	$ 150,098	$ 109,339
SG&A as percentage of gross profit	52.4%	65.4%

Operating Results by Segment:

Our business segments align with the following markets: UFP Retail Solutions, UFP Construction and UFP Industrial. The Company manages the operations of its individual locations primarily through a market-centered reporting structure under which each location is included in a business unit and business units are included in our Retail, Industrial, and Construction segments. In the case of locations which serve multiple segments, results are allocated and accounted for by segment. The exception to this market-centered reporting and management structure is the Company's International segment, which comprises our Mexico, Canada, and Australia operations and sales and purchasing offices in other parts of the world. Our International segment and Ardellis (our insurance captive) have been included in the "All Other" column of the table below. The "Corporate" column includes purchasing, transportation and administrative functions that serve our operating segments. Operating results of Corporate primarily consists of over (under) allocated costs. The operating results of UFP Real Estate, Inc., which owns and leases real estate, and UFP Transportation Ltd., which owns and leases transportation equipment, are also included in the Corporate column. An inter-company lease charge is assessed to our operating segments for the use of these assets at fair market value rates.

UFP INDUSTRIES, INC.

The following tables present our operating results, for the periods indicated, by segment (in thousands).

	Three Months Ended March 27, 2021					
	Retail	Industrial	Construction	All Other	Corporate	Total
Net sales	$ 759,021	$ 448,874	$ 559,530	$ 55,577	$ 2,002	$ 1,825,004
Cost of goods sold	658,548	368,549	470,846	38,026	2,481	1,538,450
Gross profit	100,473	80,325	88,684	17,551	(479)	286,554
Selling, general, administrative expenses	47,100	40,113	55,545	10,421	(3,081)	150,098
Other	(172)	(198)	121	(848)	66	(1,031)
Earnings from operations	$ 53,545	$ 40,410	$ 33,018	$ 7,978	$ 2,536	$ 137,487

	Three Months Ended March 28, 2020					
	Retail	Industrial	Construction	All Other	Corporate	Total
Net sales	$ 352,161	$ 256,543	$ 381,155	$ 42,392	$ (189)	$ 1,032,062
Cost of goods sold	306,932	212,626	317,817	30,086	(2,635)	864,826
Gross profit	45,229	43,917	63,338	12,306	2,446	167,236
Selling, general, administrative expenses	29,627	25,835	46,386	8,351	(860)	109,339
Other	90	8	(183)	(784)	134	(735)
Earnings from operations	$ 15,512	$ 18,074	$ 17,135	$ 4,739	$ 3,172	$ 58,632

The following tables present the components of our operating results, for the periods indicated, as a percentage of net sales by segment.

	Three Months Ended March 27, 2021					
	Retail	Industrial	Construction	All Other	Corporate	Total
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	N/A	100.0 %
Cost of goods sold	86.8	82.1	84.2	68.4	—	84.3
Gross profit	13.2	17.9	15.8	31.6	—	15.7
Selling, general, administrative expenses	6.2	8.9	9.9	18.8	—	8.2
Other	—	—	—	(1.5)	—	—
Earnings from operations	7.1 %	9.0 %	5.9 %	14.4 %	—	7.5 %

Note: Actual percentages are calculated and may not sum to total due to rounding.

UFP INDUSTRIES, INC.

	Three Months Ended March 28, 2020					
	Retail	Industrial	Construction	All Other	Corporate	Total
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	N/A	100.0 %
Cost of goods sold	87.2	82.9	83.4	71.0	—	83.8
Gross profit	12.8	17.1	16.6	29.0	—	16.2
Selling, general, administrative expenses	8.4	10.1	12.2	19.7	—	10.6
Other	—	—	—	(1.8)	—	(0.1)
Earnings from operations	4.4 %	7.0 %	4.5 %	11.2 %	—	5.7 %

Note: Actual percentages are calculated and may not sum to total due to rounding.

NET SALES

We primarily design, manufacture and market wood and wood-alternative products for national home centers and other retailers, structural lumber and other products for the manufactured housing industry, engineered wood components for residential and commercial construction, customized interior fixtures used in a variety of retail stores, commercial, and other structures, and specialty wood packaging, components and packing materials for various industries. Our strategic long-term sales objectives include:

- Maximizing unit sales growth while achieving return on investment goals. The following table presents estimates, for the periods indicated, of our percentage change in net sales which were attributable to changes in overall selling prices versus changes in units shipped.

	% Change				
	in Sales	in Selling Prices	in Units	Acquisition Unit Change	Organic Unit Change
First Quarter 2021 versus First Quarter 2020	76.8 %	43.8 %	33.0 %	23.0 %	10.0 %

- Diversifying our end market sales mix by increasing sales of specialty wood and protective packaging to industrial users, increasing our penetration of the concrete forming market, increasing our sales of engineered wood components for custom home, multi-family, military and light commercial construction, increasing our market share with independent retailers, and increasing our sales of customized interior fixtures, casework and millwork used in a variety of commercial markets.

- Expanding geographically in our core businesses, domestically and internationally.

- Increasing our sales of "value-added" products and enhancing our product offering with new or improved products. Value-added products generally consist of fencing, decking, lattice, and other specialty products sold to the retail market, specialty wood packaging, engineered wood components, customized interior fixtures, and "wood alternative" products. Engineered wood components include roof trusses, wall panels, and floor systems. Wood alternative products consist of products manufactured with wood and non-wood composites, metal, and plastics. Although we consider the treatment of dimensional lumber and panels with certain chemical preservatives a value-added process, treated lumber is not presently included in the value-added sales totals. Remanufactured lumber and panels that are components of finished goods are also generally categorized as “commodity-based” products. The following table presents, for the periods indicated, our percentage of value-added and commodity-based sales to total sales by our segments (Retail, Industrial, Construction, All Other and Corporate).

	Three Months Ended March 27, 2021		Three Months Ended March 28, 2020	
	Value-Added	Commodity-Based	Value-Added	Commodity-Based
Retail	44.5 %	55.5 %	56.5 %	43.5 %
Industrial	66.9 %	33.1 %	66.8 %	33.2 %
Construction	68.9 %	31.1 %	79.1 %	20.9 %
All Other and Corporate	71.3 %	28.7 %	72.4 %	27.6 %
Total Sales	58.2 %	41.8 %	68.0 %	32.0 %

The increase in our ratio of commodity-based product sales to total sales reflected in the table above is primarily due to the impact of dramatically higher lumber prices in the first quarter of 2021 as the selling prices of these products are generally indexed to the current Lumber Market at the time they are shipped and lumber costs comprise a much higher percentage of the selling price than they do for value-added products. The acquisition of Sunbelt also contributed to the increase in commodity-based sales of treated lumber in our retail segment, while PalletOne contributed to the increase in value-added sales in the industrial segment. Our unit sales of value-added products increased approximately 30% in the first quarter of 2021 compared to 2020, including an 18% contribution from acquisitions and 12% organic growth. Our unit sales of commodity-based products increased approximately 41%, including a 34% contribution from acquisitions and 7% organic growth.

- Developing new products. We define new products as those that will generate sales of at least a $1 million per year within 4 years of launch and are still growing and gaining market penetration. New product sales and gross profits in the first quarter were up 58% and 57%, respectively. Approximately $4 million of new product sales for the first three months of 2020, respectively, while still sold, were sunset in 2021 and excluded from the table below because they no longer meet the definition above. Our goal is to achieve annual new product sales of at least $575 million in 2021. The table below presents new product sales in thousands:

	New Product Sales by Segment		
	Three Months Ended		
	March 27, 2021	March 28, 2020	% Change
Retail	$ 102,699	$ 67,547	52.0 %
Industrial	31,292	15,881	97.0 %
Construction	22,712	14,268	59.2 %
All Other and Corporate	2,703	2,958	(8.6) %
Total New Product Sales	159,406	100,654	58.4 %

Note: Certain prior year product reclassifications and the change in designation of certain products as "new" resulted in a change in prior year's sales.

Retail Segment

Net sales in the first quarter of 2021 increased approximately 116% compared to the same period of 2020, due to a 19% increase in organic unit sales, a 56% increase in selling prices, and a 41% increase in unit sales due to acquisitions. Our organic unit growth was primarily driven by a 64% increase in Deckorators composite decking and railing, a 30% increase in our Handprint Home & Décor products including project panels and short lumber, a 28% increase in Outdoor Essentials Fence, Lawn & Garden products, and a 24% increase in our UFP Edge siding, pattern, and trim products. Our new product sales contributed to these increases and were up 52% for the quarter. Finally, our sales to big box customers increased 118%, and sales to other independent retailers increased 112%. Our organic unit sales increases were primarily due to an increase in demand as consumers continue to invest in home improvement activities over other alternatives. We believe this consumer demand trend is largely due to the impact of the pandemic. Lastly, approximately $8 million of sales to customers that distribute products for concrete forming were transferred from the construction segment to the retail segment. This change in structure was made so the personnel in our construction segment can more effectively focus their efforts on the design, manufacturing and sales of assembled forms and other value-added products for concrete forming.

Gross profits increased by $55.2 million, or 122.1% to $100.5 million for the first quarter of 2021 compared to the same period last year. Our increase in gross profit was comprised of the following**:**

- Increased unit sales and leveraging fixed costs of value-added products within our Deckorators, Outdoor Essentials, and Handprint business units contributed $8.9 of additional gross profit.

- Our Retail Building Materials and ProWood business units contributed $10.5 million and $25.6 million, respectively, to the increase. These increases are primarily due to unit sales growth, inventory positioning, and the favorable trend of rising lumber prices as the selling prices of these products are primarily determined on a variable price formula.

- Acquisitions contributed $10.4 million to the increase.

Selling, general and administrative ("SG&A") expenses increased by approximately $17.5 million, or 59.0%, in the first quarter of 2021 compared to the same period of 2020. The SG&A of recently acquired businesses contributed $3.4 million to the increase. Accrued bonus expense, which varies with our overall profitability and return on investment, increased approximately $10.4 million and totaled approximately $14.0 million for the quarter. The remaining increase was primarily due to increases in salaries and wages and sales compensation, which were offset by decreases in travel related expenses.

Earnings from operations for the Retail reportable segment increased in the first quarter of 2021 compared to 2020 by $38.0 million, or 245%, well in excess of our 60% increase in total unit sales as a result of the factors above.

Industrial Segment

Net sales in the first quarter of 2021 increased 75% compared to the same period of 2020, due to a 5% increase in organic unit sales, a 38% increase in selling prices attributable to the Lumber Market, and a 32% increase in unit sales from recent acquisitions.

Gross profits increased by $36.4 million, or 82.9%, for the first quarter of 2021 compared to the same period last year. Acquisitions contributed $13.4 million to the increase in gross profit. The remaining increase was primarily due to organic unit sales growth and leveraging fixed costs and favorable changes in product mix of value-added products. In addition, we were able to maintain our profit per unit by more effectively passing on commodity lumber price increases in our selling prices.

Selling, general and administrative ("SG&A") expenses increased by approximately $14.3 million, or 55.3%, in the first quarter of 2021 compared to the same period of 2020. Acquired operations since the first quarter of 2020 contributed approximately $5.7 million to our increase in costs. Accrued bonus expense, which varies with our overall profitability and return on investment, increased approximately $6.5 million, and totaled $10.7 million for the quarter. The remaining increase was primarily due to increases in salaries and wages and sales compensation, which were offset by decreases in travel related expenses.

Earnings from operations for the Industrial reportable segment increased in the first quarter of 2021 compared to 2020 by $22.3 million, or 123.6%, due to the factors discussed above.

Construction Segment

Net sales in the first quarter of 2021 increased 47% compared to the same period of 2020, due to unit growth of 8% (including 2% from acquisitions) and a 39% increase in selling prices attributable to the Lumber Market. Unit changes within this segment consisted of increases of 21% in site-built construction and 15% in factory-built housing, offset by a 9% decline in commercial construction and a 40% decrease in concrete forming. The transfer of approximately $8 million in sales to the retail segment from the construction segment discussed above contributed to the unit decline in the concrete forming business unit.

Gross profits increased by $25.3 million, or 40.0% to $88.7 million for the first quarter of 2021 compared to the same period of 2020. The increase in our gross profit was comprised of the following factors:

- Gross profits in our site-built construction business unit increased by $12.3 million due to unit sales growth and leveraging fixed costs. In addition, we were able to maintain our profit per unit by more effectively passing on commodity lumber price increases in our selling prices.

- The impact of rising lumber prices on variable priced products contributed $12.7 million in gross profit in our factory-built housing and concrete forming business units as a result of increased unit sales and leveraging fixed costs and the impact of rising lumber prices on products sold with a variable price.

- Acquired businesses contributed $1.5 million.

Selling, general and administrative ("SG&A") expenses increased by approximately $9.2 million, or 19.7%, in the first quarter of 2021 compared to the same period of 2020, while we reported an 8% increase in unit sales. Acquired operations since the first quarter of 2020 contributed approximately $1.9 million to total SG&A expenses for the quarter. Accrued bonus expense, which varies with our overall profitability and return on investment, increased approximately $5.5 million, and totaled $9.0 million for the quarter. The remaining increase was primarily due to increases in salaries and wages and sales compensation, which were offset by decreases in travel related expenses.

Earnings from operations for the Construction reportable segment increased in the first quarter of 2021 compared to 2020 by $15.9 million, or 92.7%, due to the factors mentioned above.

All Other Segment

Our All Other reportable segment consists of our International and Ardellis (our insurance captive) segments that are not significant.

UFP INDUSTRIES, INC.

Corporate

The corporate segment consists of over (under) allocated costs that are not significant.

INCOME TAXES

Effective tax rates differ from statutory federal income tax rates, primarily due to provisions for foreign, state and local income taxes and permanent tax differences. Our effective tax rate was 23.3% in the first quarter of 2021 compared to 24.7% for same period in 2020. The decrease was primarily due to an anticipated decrease in our U.S. tax rate and a variety of other discrete tax items, none of which are individually significant.

OFF-BALANCE SHEET TRANSACTIONS

We have no significant off-balance sheet transactions.

LIQUIDITY AND CAPITAL RESOURCES

The table below presents, for the periods indicated, a summary of our cash flow statement (in thousands):

	Three Months Ended	
	March 27, 2021	March 28, 2020
Cash used in operating activities	$ (196,660)	$ (46,161)
Cash used in investing activities	(296,498)	(48,210)
Cash from (used in) financing activities	101,927	(39,723)
Effect of exchange rate changes on cash	(349)	(1,719)
Net change in all cash and cash equivalents	(391,580)	(135,813)
Cash, cash equivalents, and restricted cash, beginning of period	436,608	168,666
Cash, cash equivalents, and restricted cash, end of period	$ 45,028	$ 32,853

In general, we funded our growth in the past through a combination of operating cash flows, our revolving credit facility, industrial development bonds (when circumstances permit), and issuance of long-term notes payable at times when interest rates are favorable. We have not issued equity to finance growth except in the case of a large acquisition. We manage our capital structure by attempting to maintain a targeted ratio of debt to equity and debt to earnings before interest, taxes, depreciation and amortization. We believe this is one of many important factors to maintaining a strong credit profile, which in turn helps ensure timely access to capital when needed.

Seasonality has a significant impact on our working capital due to our primary selling season which occurs during the period from March to September. Consequently, our working capital increases during our first and second quarters which typically results in negative or modest cash flows from operations during those periods. Conversely, we typically experience a substantial decrease in working capital once we move beyond our peak selling season which typically results in significant cash flows from operations in our third and fourth quarters. As explained in more detail below, the unusually large increase in lumber prices this year, as well as the significant increase in sales attributable to our Retail segment, resulted in a more significant increase in net working capital this year relative to prior years.

Due to the seasonality of our business and the effects of the Lumber Market, we believe our cash cycle (days of sales outstanding plus days supply of inventory less days payables outstanding) is a good indicator of our working capital management. As indicated in the table below, our cash cycle improved to 48 days from 59 days in the prior year period.

	Three Months Ended	
	March 27, 2021	March 28, 2020
Days of sales outstanding	30	34
Days supply of inventory	38	46
Days payables outstanding	(20)	(21)
Days in cash cycle	48	59

The decrease in our days sales outstanding is a result of better focus on timely collection efforts in all of our segments. The decrease in our days supply of inventory for the first three months of 2021 was primarily due to strong market demand and certain supply constraints, which contributed to higher inventory turns in the first quarter of 2021.

In the first three months of 2021, our cash consumed by operating activities was $196.7 million, which was comprised of net earnings of $104.3 million and $24.1 million of non-cash expenses, offset by a $325.1 million increase in working capital since the end of December 2020. Our operating cash flow this year declined by $150.5 million compared to the same period of last year primarily due to an increase in our seasonal investment in net working capital since the end of 2020, compared to the prior year period. This increase was due to unusually high lumber prices and increased market demand and net sales in each of our segments. PalletOne also contributed to the increase in our seasonal investment in net working capital.

Acquisitions and purchases of property, plant, and equipment comprised most of our cash used in investing activities during the first three months of 2021 and totaled $261.1 million and $34.7 million, respectively. Outstanding purchase commitments on existing capital projects totaled approximately $41.3 million on March 27, 2021. Capital spending primarily consists of several projects to expand manufacturing capacity to serve retail, industrial and construction customers and achieve efficiencies through automation, make improvements to a number of facilities, and increase our transportation capacity (tractors, trailers) in order to meet higher volumes and replace old rolling stock. We intend to fund capital expenditures and purchase commitments through our operating cash flows for the balance of the year. We currently plan to spend approximately $115.5 million on capital projects for the year. Notable areas of capital spending include projects to increase the capacity and efficiency of our plants that produce our Deckorators mineral-based composite decking and wood-plastic composite decking, and our UFP Edge siding, pattern and trim products.

Cash flows from financing activities primarily consisted of net borrowings of debt of approximately $115 million, the payment of quarterly dividends totaling $9.3 million ($0.15 per share), and distributions to noncontrolling interests of $2.9 million.

On March 27, 2021, we had $119.4 million outstanding on our $550 million revolving credit facility, and we had approximately $423.5 million in remaining availability after considering $7.1 million in outstanding letters of credit. Financial covenants on the unsecured revolving credit facility and unsecured notes include minimum interest tests and a maximum leverage ratio. The agreements also restrict the amount of additional indebtedness we may incur and the amount of assets which may be sold. We were in compliance with all our covenant requirements on March 27, 2021.

At the end of the first quarter of 2021 we have approximately $420.8 million in total liquidity, consisting of our cash surplus and remaining availability under our revolving credit facility. We plan to use a portion of this amount to fund our future growth, including the purchase of Spartanburg Forest Products, Walnut Hollow, and Endurable Building Products. See Notes to Unaudited Consolidated Condensed Financial Statements, Note J, “Subsequent Events.”

ENVIRONMENTAL CONSIDERATIONS AND REGULATIONS

See Notes to Unaudited Consolidated Condensed Financial Statements, Note E, “Commitments, Contingencies, and Guarantees.”

CRITICAL ACCOUNTING POLICIES

In preparing our consolidated financial statements, we follow accounting principles generally accepted in the United States. These principles require us to make certain estimates and apply judgments that affect our financial position and results of operations. We continually review our accounting policies and financial information disclosures. There have been no material changes in our policies or estimates since December 26, 2020.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to market risks related to fluctuations in interest rates on our variable rate debt, which consists of a revolving credit facility and industrial development revenue bonds. We do not currently use interest rate swaps, futures contracts or options on futures, or other types of derivative financial instruments to mitigate this risk.

For fixed rate debt, changes in interest rates generally affect the fair market value, but not earnings or cash flows. Conversely, for variable rate debt, changes in interest rates generally do not influence fair market value, but do affect future earnings and cash flows. We do not have an obligation to prepay fixed rate debt prior to maturity, and as a result, interest rate risk and changes in fair market value should not have a significant impact on such debt until we would be required to refinance it.

We are subject to fluctuations in the price of lumber. We experience significant fluctuations in the cost of commodity lumber products from primary producers (the “Lumber Market”). A variety of factors over which we have no control, including government regulations, transportation, environmental regulations, weather conditions, economic conditions, and natural disasters, impact the cost of lumber products and our selling prices. While we attempt to minimize our risk from severe price fluctuations, substantial, prolonged trends in lumber prices can affect our sales volume, our gross margins, and our profitability. We anticipate that these fluctuations will continue in the future. (See “Impact of the Lumber Market on Our Operating Results.”)

Our international operations have exposure to foreign currency rate risks, primarily due to fluctuations in their local currency, which is their functional currency, compared to the U.S. Dollar. Additionally, certain of our operations enter into transactions that will be settled in a currency other than the U.S. Dollar. We may enter into forward foreign exchange rate contracts in the future to mitigate foreign currency exchange risk. Historically, our hedge contracts are deemed immaterial to the financial statements, however any material hedge contract in the future will be disclosed.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures. With the participation of management, our chief executive officer and chief financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a – 15e and 15d – 15e) as of the quarter ended March 27, 2021 (the “Evaluation Date”), have concluded that, as of such date, our disclosure controls and procedures were effective.

(b) Changes in Internal Controls. During the quarter ended March 27, 2021, there were no changes in our internal control over financial reporting that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting, except for the implementation of a control to address the material weakness in control over our share-based bonus awards disclosed in our 2020 Form 10-K, which was remediated in the first quarter of 2021.

UFP INDUSTRIES, INC.

PART II. OTHER INFORMATION

Item 1A. Risk Factors.

None

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(a) None.

(b) None.

(c) Issuer purchases of equity securities.

Fiscal Month	(a)	(b)	(c)	(d)
December 27, 2020 – January 30, 2021	—	—	—	1,103,957
January 31 – February 27, 2021	—	—	—	1,103,957
February 28 – March 27, 2021	—	—	—	1,103,957

(a) Total number of shares purchased.
(b) Average price paid per share.
(c) Total number of shares purchased as part of publicly announced plans or programs.
(d) Maximum number of shares that may yet be purchased under the plans or programs.

On November 14, 2001, the Board of Directors approved a share repurchase program (which succeeded a previous program) allowing us to repurchase up to 2.5 million shares of our common stock. On October 14, 2010, our Board authorized an additional 2 million shares to be repurchased under our share repurchase program. The total number of remaining shares that may be repurchased under the program is approximately 1.1 million.

Item 5. Other Information.

None.

PART II. OTHER INFORMATION

Item 6. Exhibits.

The following exhibits (listed by number corresponding to the Exhibit Table as Item 601 in Regulation S-K) are filed with this report:

10 Material Contracts.

(a) First Amendment to Credit Agreement dated February 19, 2021.

31 Certifications.

(a) Certificate of the Chief Executive Officer of UFP Industries, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

(b) Certificate of the Chief Financial Officer of UFP Industries, Inc., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

UFP INDUSTRIES, INC.

32 Certifications.

(a) Certificate of the Chief Executive Officer of UFP Industries, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

(b) Certificate of the Chief Financial Officer of UFP Industries, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

101 Interactive Data File formatted in iXBRL (Inline eXtensible Business Reporting Language).

(INS) iXBRL Instance Document.

(SCH) iXBRL Schema Document.

(CAL) iXBRL Taxonomy Extension Calculation Linkbase Document.

(LAB) iXBRL Taxonomy Extension Label Linkbase Document.

(PRE) iXBRL Taxonomy Extension Presentation Linkbase Document.

(DEF) iXBRL Taxonomy Extension Definition Linkbase Document.

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

UFP INDUSTRIES, INC.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UFP INDUSTRIES, INC.

Date: May 5, 2021	By: /s/ Matthew J. Missad Matthew J. Missad, Chief Executive Officer and Principal Executive Officer
Date: May 5, 2021	By: /s/ Michael R. Cole Michael R. Cole, Chief Financial Officer, Principal Financial Officer and Principal Accounting Officer

Exhibit 10(a)

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT, dated as of February 19, 2021 (this "Amendment"), is among UFP INDUSTRIES, INC., a Michigan corporation, the Foreign Subsidiary Borrowers, the other Loan Parties party hereto, the Lenders party hereto, and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

RECITALS

A. UFP Industries, Inc. (f/k/a Universal Forest Products, Inc.), a Michigan corporation (the "Company"), the Foreign Subsidiary Borrowers party thereto from time to time (the "Foreign Subsidiary Borrowers" and collectively referred to with the Company as the "Borrowers", and each of them individually as a "Borrower"), the lenders party thereto from time to time (such lenders, together with any other lenders now or hereafter parties to the Credit Agreement, collectively referred to as the "Lenders"), and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders (in such capacity, together with any successors or assigns, the "Administrative Agent") are parties to a Credit Agreement dated as of November 1, 2018 (as may be amended or modified from time to time, the "Credit Agreement"). Terms used but not defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

B. On the date hereof, the Borrowers, the Lenders party thereto, and the Administrative Agent are entering into a Lender Addition and Acknowledgement Agreement (the "Increase Agreement") pursuant to which the Borrowers are increasing the Aggregate Commitment as contemplated by Section 2.08 of the Credit Agreement.

C. In connection with the Increase Agreement, the Loan Parties, Administrative Agent and Lenders desire to amend certain terms of the Credit Agreement as set forth herein and each party is willing to do so in accordance with the terms hereof.

TERMS

In consideration of the premises and of the mutual agreements herein contained, the parties agree as follows:

ARTICLE I. AMENDMENTS. In reliance on the representations set forth herein (including Article II hereof) and subject to the satisfaction of the conditions in Article III hereof, the parties hereto agree that the Credit Agreement shall be amended as follows:

1.1 The reference on the first page of the Credit Agreement to "JPMORGAN CHASE BANK, N.A. and WELLS FARGO SECURITIES, LLC as Joint Lead Arrangers and Bookrunners" is replaced with a reference to "JPMORGAN CHASE BANK, N.A., WELLS FARGO SECURITIES, LLC, and PNC BANK, NATIONAL ASSOCIATION as Joint Lead Arrangers and Bookrunners".

1.2 The following new definitions are added to Section 1.01 of the Credit Agreement:

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (f) of Section 2.13.

"Benchmark" means, initially, the Relevant Rate; provided that if a Benchmark Transition Event, a Term SOFR Transition Event, a Term ESTR Transition Event, a Term TONA Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to Relevant Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) or clause (c) of Section 2.13.

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date; provided that, in the case of any Loan denominated in a Foreign Currency, "Benchmark Replacement" shall mean the alternative set forth in (3) below:

(1)

(A) in the case of any Loan denominated in Dollars, the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment,

(B) in the case of any Loan denominated in Sterling, the sum of (a) Daily Simple SONIA and (b) the related Benchmark Replacement Adjustment,

(C) in the case of any Loan denominated in Euros, the sum of (a) Term ESTR and (b) the related Benchmark Replacement Adjustment,

(D) in the case of any Loan denominated in Swiss Francs, the sum of (a) Daily Simple SARON and (b) the related Benchmark Replacement Adjustment,

(E) in the case of any Loan denominated in Japanese Yen, the sum of (a) Term TONA and (b) the related Benchmark Replacement Adjustment;

(2)

(A) in the case of any Loan denominated in dollars, the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment,

(B) [reserved],

(C) in the case of any Loan denominated in Euros, the sum of (a) Daily Simple ESTR and (b) the related Benchmark Replacement Adjustment,

(D) [reserved],

(E) in the case of any Loan denominated in Japanese Yen, the sum of (a) Daily Simple TONA and (b) the related Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Company as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Agreed Currency at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1)(A), (1)(C) or (1)(E), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; provided further that, (x) with respect to a Loan denominated in Dollars, notwithstanding anything to the contrary in this Agreement or in any other Loan Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date the "Benchmark Replacement" shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1)(A) of this definition (subject to the first proviso above), (y) with respect to a Loan denominated in Euros, notwithstanding anything to the contrary in this Agreement or in any other Loan Document, upon the occurrence of a Term ESTR Transition Event, and the delivery of a Term ESTR Notice, on the applicable Benchmark Replacement Date the "Benchmark Replacement" shall revert to and shall be deemed to be the sum of (a) Term ESTR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1)(C) of this definition (subject to the first proviso above) and (z) with respect to a Loan denominated in Japanese Yen, notwithstanding anything to the contrary in this Agreement or in any other Loan Document, upon the occurrence of a Term TONA Transition Event, and the delivery of a Term TONA Notice, on the applicable Benchmark Replacement Date the "Benchmark Replacement" shall revert to and shall be deemed to be the sum of (a) Term TONA and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1)(E) of this definition (subject to the first proviso above).

If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Administrative Agent:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Company for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Currency at such time;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides in its reasonable discretion may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein;

(3) in the case of a Term SOFR Transition Event, a Term ESTR Transition Event or a Term TONA Transition Event, as applicable, the date that is thirty (30) days after the date a Term SOFR Notice, a Term ESTR Notice or a Term TONA Notice, as applicable, is provided to the Lenders and the Company pursuant to Section 2.13(c); or

(4) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar

insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.13 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.13.

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Daily Simple ESTR" means, for any day, ESTR, with the conventions for this rate (which may include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple ESTR” for syndicated business loans; provided that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“Daily Simple SARON” means, for any day, SARON, with the conventions for this rate (which may include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SARON” for syndicated business loans; provided that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which may include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“Daily Simple SONIA” means, for any day, SONIA, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SONIA” for syndicated business loans; provided that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“Daily Simple TONA” means, for any day, TONA, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple TONA” for syndicated business loans; provided that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Early Opt-in Election” means, with respect to any Agreed Currency, the occurrence of:

(1) a notification by the Administrative Agent to (or the request by the Company to the Administrative Agent to notify) each of the other parties hereto that syndicated credit facilities denominated in the applicable Agreed Currency being executed at such time, or that include

language similar to that contained in Section 2.13 are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the Relevant Rate, and

(2) the joint election by the Administrative Agent and the Company to declare that an Early Opt-in Election for such Agreed Currency has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Company and the Lenders.

"ESTR" means, with respect to any Business Day, a rate per annum equal to the Euro Short Term Rate for such Business Day published by the ESTR Administrator on the ESTR Administrator's Website.

"ESTR Administrator" means the European Central Bank (or any successor administrator of the Euro Short Term Rate).

"ESTR Administrator's Website" means the European Central Bank's website, currently at http://www.ecb.europa.eu, or any successor source for the Euro Short Term Rate identified as such by the ESTR Administrator from time to time.

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to LIBO Rate, as applicable.

"Foreign Currency Equivalent" means, for any amount of any Foreign Currency, at the time of determination thereof, (a) if such amount is expressed in such Foreign Currency, such amount and (b) if such amount is expressed in Dollars, the equivalent of such amount in such Foreign Currency determined by using the rate of exchange for the purchase of such Foreign Currency with Dollars last provided (either by publication or otherwise provided to the Administrative Agent) by the applicable Reuters source on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of such Foreign Currency with Dollars, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters chosen by the Administrative Agent in its sole discretion (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in Dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion).

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is LIBO Rate with respect to Dollars, Sterling, or Swiss Francs, 11:00 a.m.

(London time) on the day that is two London banking days preceding the date of such setting, (2) if such Benchmark is LIBO Rate with respect to Euros, 11:00 a.m. Brussels time two TARGET2 Days preceding the date of such setting, (3) if such Benchmark is LIBO Rate with respect to Japanese Yen, 11:00 a.m. Japan time two Business Days preceding the date of such setting, and (4) if such Benchmark is any other rate with respect to Non-Quoted Currencies, the time determined by the Administrative Agent in its reasonable discretion.

"Relevant Governmental Body" means (i) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, the Federal Reserve Board and/or the NYFRB, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto, (ii) with respect to a Benchmark Replacement in respect of Loans denominated in Sterling, the Bank of England, or a committee officially endorsed or convened by the Bank of England or, in each case, any successor thereto, (iii) with respect to a Benchmark Replacement in respect of Loans denominated in Euros, the European Central Bank, or a committee officially endorsed or convened by the European Central Bank or, in each case, any successor thereto, (iv) with respect to a Benchmark Replacement in respect of Loans denominated in Swiss Francs, the Swiss National Bank, or a committee officially endorsed or convened by the Swiss National Bank or, in each case, any successor thereto, (v) with respect to a Benchmark Replacement in respect of Loans denominated in Japanese Yen, the Bank of Japan, or a committee officially endorsed or convened by the Bank of Japan or, in each case, any successor thereto, and (vi) with respect to a Benchmark Replacement in respect of Loans denominated in any Non-Quoted Currency, (a) the central bank for the currency in which such Benchmark Replacement is denominated or any central bank or other supervisor which is responsible for supervising either (1) such Benchmark Replacement or (2) the administrator of such Benchmark Replacement or (b) any working group or committee officially endorsed or convened by (1) the central bank for the currency in which such Benchmark Replacement is denominated, (2) any central bank or other supervisor that is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement, (3) a group of those central banks or other supervisors or (4) the Financial Stability Board or any part thereof.

"Relevant Rate" means, as applicable, (i) with respect to any Eurocurrency Borrowings denominated in Dollars, Sterling or Swiss Francs, the LIBO Rate applicable to Eurocurrency Borrowings denominated in Dollars, Sterling or Swiss Francs, (ii) with respect to any Eurocurrency Borrowing denominated in Euros, the LIBO Rate applicable to Eurocurrency Borrowings denominated in Euros, (iii) with respect to any Eurocurrency Borrowing denominated in Japanese Yen, the LIBO Rate applicable to Eurocurrency Borrowings denominated in Japanese Yen, or (iv) with respect to any Borrowing denominated in any Non-Quoted Currency, the LIBO Rate applicable to Eurocurrency Borrowings denominated in such Non-Quoted Currency.

"Relevant Screen Rate" means, as applicable, (i) with respect to any Eurocurrency Borrowing denominated in Dollars, Sterling or Swiss Francs, the LIBO Screen Rate, (ii) with respect to any Eurocurrency Borrowing denominated in Euros, the EURIBOR Screen Rate, (iii) with respect to any Eurocurrency Borrowing denominated in Japanese Yen, the TIBOR Screen Rate, or (iv) with respect to any Borrowing denominated in any Non-Quoted Currency, the applicable Local Screen Rate.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Revaluation Date" shall mean (a) with respect to any Loan denominated in any Foreign Currency, each of the following: (i) the date of the Borrowing of such Loan and (ii) each date of a conversion into or continuation of such Loan pursuant to the terms of this Agreement; (b) with respect to any Letter of Credit denominated in any Foreign Currency, each of the following: (i) the date on which such Letter of Credit is issued, (ii) the first Business Day of each calendar month and (iii) the date of any amendment of such Letter of Credit that has the effect of increasing the face amount thereof; and (c) any additional date as the Administrative Agent may determine at any time when an Event of Default exists.

"SARON" means, with respect to any Business Day, a rate per annum equal to the Swiss Average Rate Overnight for such Business Day published by the SARON Administrator on the SARON Administrator's Website.

"SARON Administrator" means the SIX Swiss Exchange AG (or any successor administrator of the Swiss Average Rate Overnight).

"SARON Administrator's Website" means SIX Swiss Exchange AG's website, currently at https://www.six-group.com, or any successor source for the Swiss Average Rate Overnight identified as such by the SARON Administrator from time to time.

"SOFR" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website.

"SOFR Administrator" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the NYFRB's Website, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"SONIA" means, with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator's Website.

"SONIA Administrator" means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

"SONIA Administrator's Website" means the Bank of England's website, currently at http://www.bankofengland.co.uk, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

"Term ESTR" means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on ESTR that has been selected or recommended by the Relevant Governmental Body.

"Term ESTR Notice" means a notification by the Administrative Agent to the Lenders and the Company of the occurrence of a Term ESTR Transition Event.

"Term ESTR Transition Event" means the determination by the Administrative Agent that (a) Term ESTR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term ESTR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, has previously occurred resulting in a Benchmark Replacement in accordance with Section 2.13 that is not Term ESTR.

"Term SOFR" means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Term SOFR Notice" means a notification by the Administrative Agent to the Lenders and the Company of the occurrence of a Term SOFR Transition Event.

"Term SOFR Transition Event" means the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, has previously occurred resulting in a Benchmark Replacement in accordance with Section 2.13 that is not Term SOFR.

"Term TONA" means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on TONA that has been selected or recommended by the Relevant Governmental Body.

"Term TONA Notice" means a notification by the Administrative Agent to the Lenders and the Company of the occurrence of a Term TONA Transition Event.

"Term TONA Transition Event" means the determination by the Administrative Agent that (a) Term TONA has been recommended for use by the Relevant Governmental Body, (b) the administration of Term TONA is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, has previously occurred resulting in a Benchmark Replacement in accordance with Section 2.13 that is not Term TONA.

"TIBOR Screen Rate" means the Tokyo interbank offered rate administered by the Ippan Shadan Hojin JBA TIBOR Administration (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on page DTIBOR01 of the Reuters screen (or, in the event such rate does not appear on such Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as selected by the Administrative Agent from time to time in its reasonable discretion) as of 11:00 a.m. Japan time two Business Days prior to the commencement of such Interest Period. If the TIBOR Screen Rate shall be less than zero, the TIBOR Screen Rate shall be deemed to be zero for purposes of this Agreement.

"TONA" means, with respect to any Business Day, a rate per annum equal to the Tokyo Overnight Average Rate for such Business Day published by the TONA Administrator on the TONA Administrator's Website.

"TONA Administrator" means the Bank of Japan (or any successor administrator of the Tokyo Overnight Average Rate).

"TONA Administrator's Website" means the Bank of Japan's website, currently at http://www.boj.or.jp, or any successor source for the Tokyo Overnight Average Rate identified as such by the TONA Administrator from time to time.

"UK Financial Institutions" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

1.3 The following definitions in Section 1.01 of the Credit Agreement are restated as follows:

"Adjusted LIBO Rate" means, with respect to any Eurocurrency Borrowing denominated in any Agreed Currency for any Interest Period, or with respect to any ABR Borrowing denominated in Dollars, an interest rate per annum (in the case of a Borrowing denominated in Dollars, Sterling, or Swiss Francs, rounded upwards, if necessary, to the next 1/16 of 1%) equal to the (a) the LIBO Rate applicable to such currency for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Alternate Base Rate – U.S." means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1%, and (c) the Adjusted LIBO Rate for a one-month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the purpose of this definition, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate (or if the LIBO Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate – U.S. due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, respectively. If the Alternate Base Rate – U.S. is being used as an alternate rate of interest pursuant to Section 2.13 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.13(b)), then the Alternate Base Rate – U.S. shall be the greater of clause (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate – U.S. as determined pursuant to the foregoing would be less than 1.00% , such rate shall be deemed to be 1.00% for purposes of this Agreement.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Interpolated Rate" means, at any time, (i) with respect to any Eurocurrency Borrowing denominated in Dollars, Sterling, or Swiss Francs and for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available) that is shorter than the applicable Impacted Interest Period and (b) the LIBO Screen Rate for the shortest period (for which the LIBO Screen Rate is available) that exceeds the applicable Impacted Interest Period, in each case, at such time, (ii) with respect to any Eurocurrency Borrowing denominated in Euros and for any Interest Period, the rate per annum (rounded to the same number of decimal places as the EURIBOR Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the EURIBOR Screen Rate for the longest period (for which the EURIBOR Screen Rate is available for Euros) that is shorter than the applicable Impacted Interest Period; and (b) the EURIBOR Screen Rate for the shortest period (for which the EURIBOR Screen Rate is available for Euros) that exceeds the applicable Impacted Interest Period, in each case, at such time, (iii) with respect to any Eurocurrency Borrowing denominated in Japanese Yen and for any Interest Period, the rate per annum (rounded to the same number of decimal places as the TIBOR Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the TIBOR Screen Rate for the longest period (for which the TIBOR Screen Rate is available for Japanese Yen) that is shorter than the applicable Impacted Interest Period; and (b) the TIBOR Screen Rate for the shortest period (for which the TIBOR Screen Rate is available for Japanese Yen) that exceeds the applicable Impacted Interest Period, in each case, at such time; and (iv) with respect to any Eurocurrency Borrowing denominated in any Non-Quoted Currency and for any Interest Period, the rate per annum (rounded to the same number of decimal places as the Local Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the Local Screen Rate for the longest period (for which the Local Screen Rate is available for the applicable currency) that is shorter than the applicable Impacted Interest Period; and (b) the Local Screen Rate for the shortest period (for which the Local Screen Rate is available for the applicable currency) that exceeds the applicable Impacted Interest Period, in each case, at such time. Notwithstanding the foregoing, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"LIBO Rate" means, with respect to (a) any Eurocurrency Borrowing denominated in Dollars, Sterling, or Swiss Francs and for any Interest Period, the LIBO Screen Rate at approximately 11:00 a.m., London time, on the Quotation Day for such currency and Interest Period; (b) any Eurocurrency Borrowing denominated in Euros for any Interest Period, the EURIBOR Screen Rate at approximately 11:00 a.m., Brussels time, on the Quotation Day for such currency and Interest Period, (c) any Eurocurrency Borrowing denominated in Japanese Yen and for any Interest Period, the TIBOR Screen Rate at approximately 11:00 a.m., Japan time, two Business Days prior to the commencement of such Interest Period, and (d) any Eurocurrency Borrowing denominated in any Non-Quoted Currency for any Interest Period, the applicable Local Screen Rate for such Non-Quoted Currency on the Quotation Day for such currency and Interest Period; provided, if the LIBO Screen Rate, the EURIBOR Screen Rate, the TIBOR Screen Rate, or a Local Screen Rate shall not be available at such time for such Interest Period (an "Impacted Interest Period"), then the LIBO Screen Rate, EURIBOR Screen Rate, TIBOR Screen Rate, or Local Screen Rate, as applicable, for such currency and such Interest Period shall be the Interpolated Rate applicable to such currency at such time.

"LIBO Screen Rate" means, for any day and time, with respect to any Eurocurrency Borrowing denominated in Dollars, Sterling, or Swiss Francs and for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for such Agreed Currency for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion); provided that if the LIBO Screen Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.4 The last paragraph of the definition of "Applicable Rate" in Section 1.01 of the Credit Agreement is restated as follows:

If at any time the Administrative Agent determines that the financial statements upon which the Applicable Rate was determined were incorrect (whether based on a restatement, fraud or otherwise), or any ratio or compliance information in a Compliance Certificate or other certification was incorrectly calculated, relied on incorrect information or was otherwise not accurate, true or correct in all material respects, the Borrowers shall be required to retroactively pay any additional amount that the Borrowers would have been required to pay if such financial statements, Compliance Certificate or other information had been accurate and/or computed correctly at the time they were delivered.

1.5 Clause (c) of the definition of "Interest Period" in Section 1.01 of the Credit Agreement is restated as follows: "(c) with respect to any Eurocurrency Borrowing in CAD, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, or three months (or, with the consent of each Lender, such other period requested by a Borrower) thereafter, as the Borrower may elect".

1.6 The following is added to the end of the definition of "LC Exposure" in Section 1.01 of the Credit Agreement:

For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Article 29(a) of the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the applicable time) or Rule 3.13 or Rule 3.14 of the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time) or similar terms of the Letter of Credit itself, or if compliant documents have been presented but not yet honored, such Letter of Credit shall be deemed to be "outstanding" and "undrawn" in the amount so remaining available to be paid, and the obligations of the Borrowers and each Lender shall remain in full force and effect until the Issuing Bank and the Lenders shall have no further obligations to make any payments or disbursements under any circumstances with respect to any Letter of Credit.

1.7 Section 1.07 of the Credit Agreement is restated as follows:

SECTION 1.07. Interest Rates; LIBOR Notification. The interest rate on a Loan denominated in Dollars or a Foreign Currency may be derived from an interest rate benchmark that is, or may in the future become, the subject of regulatory reform. Regulators have signaled the need to use alternative benchmark reference rates for some of these interest rate benchmarks and, as a result, such interest rate benchmarks may cease to comply with applicable laws and regulations, may be permanently discontinued, and/or the basis on which they are calculated may change. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the "IBA") for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurocurrency Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event, a Term ESTR Transition Event, a Term TONA Transition Event or an Early Opt-In Election, Section 2.13(b) and (c) provide the mechanism for determining an alternative rate of interest. The Administrative Agent will promptly notify the Company, pursuant to Section 2.13(e), of any change to the reference rate upon which the interest rate on Eurocurrency Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of "LIBO Rate" or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 2.13(b) or (c), whether upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event, a Term ESTR Transition Event, a Term TONA Transition Event or an Early Opt-in Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.13(d)), including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the LIBO Rate or have the same volume or liquidity as did the London interbank offered rate (or the euro interbank offered rate, as applicable) prior to its discontinuance or unavailability.

1.8 The following new Section 1.12 is added to the Credit Agreement:

SECTION 1.12. Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the amount of such Letter of Credit available to be drawn at such time; provided that with respect to any Letter of Credit that, by its terms or the terms of any Letter of Credit Agreement related thereto, provides for one or more automatic increases in the available amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum amount is available to be drawn at such time.

1.9 The following new clause (f) is added to Section 2.02 of the Credit Agreement:

(f) The Administrative Agent will determine the Dollar Equivalent of each Loan and Letter of Credit on and as of each Revaluation Date.

1.10 The following is added to the end of Section 2.05(b) of the Credit Agreement:

An Issuing Bank shall not be under any obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing such Letter of Credit, or any Requirement of Law relating to such Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit, or request that such Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which such Issuing Bank in good faith deems material to it, or

(ii) the issuance of such Letter of Credit would violate one or more policies of such Issuing Bank applicable to letters of credit generally.

1.11 Section 2.10(c) of the Credit Agreement is restated as follows:

(c) In the event and on such occasion that the aggregate principal Dollar Equivalent of the Aggregate Revolving Credit Exposure (calculated, with respect to those Loans or Letters of Credit denominated in Foreign Currencies, as of the most recent Revaluation Date with respect to each such Loan or Letter of Credit, as applicable) exceeds (x) 103% of the Aggregate Commitments solely as a result of currency fluctuations, (y) the Aggregate Commitments other than as a result of currency fluctuations, including on any Exchange Rate Date, or (z) the aggregate Commitments on any Revaluation Date or the date any Loan is made or Letter of Credit issued, the Borrowers shall prepay the Aggregate Revolving Credit Exposure owing by such Borrowers in an aggregate amount equal to the amount by which the Aggregate Revolving Credit Exposure exceeds the Aggregate Commitments.

1.12 Section 2.13 of the Credit Agreement is restated as follows:

SECTION 2.13. Alternate Rate of Interest.

(a) Subject to clauses (b), (c), (d), (e), (f) and (g) of this Section 2.13, if prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable (including because the Relevant Screen Rate is not available or published on a current basis), for the applicable Agreed Currency and such Interest Period, provided that no Benchmark Transition Event shall have occurred at such time; or

(ii) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for the applicable Agreed Currency and such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable Agreed Currency and such Interest Period;

then the Administrative Agent shall give notice thereof to the Company and the Lenders by telephone, telecopy or electronic mail (including through Electronic Systems pursuant to Section 9.01) as promptly as practicable thereafter and, until the Administrative Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, an affected Eurocurrency Borrowing shall be ineffective, (B) if any Borrowing Request requests an affected Eurocurrency Borrowing in Dollars or Canadian Dollars, such Borrowing shall be made as an ABR Borrowing and (C) if any Borrowing Request requests a Eurocurrency Borrowing in a Foreign Currency other than Canadian Dollars, then such request shall be ineffective; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted. Furthermore, if any Eurocurrency Loan in any Agreed Currency is outstanding on the date of the Company's receipt of the notice from the Administrative Agent referred to in this Section 2.13(a) with respect to a Relevant Rate applicable to such Eurocurrency Loan, then until the Administrative Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist, (i) if such Eurocurrency Loan is denominated in Dollars or Canadian Dollars, then on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), such Loan shall be converted by the Administrative Agent to, and shall constitute, an ABR Loan denominated in Dollars or Canadian Dollars, as applicable, on such day and (ii) if such Eurocurrency Loan is denominated in any Agreed Currency (other than Dollars or Canadian Dollars), then such Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), at the Borrowers' election prior to such day: (A) be prepaid by the Borrowers on such day or (B) solely for the purpose of calculating the interest rate applicable to such Eurocurrency Loan, such Eurocurrency Loan denominated in any Agreed Currency other than Dollars or Canadian Dollars shall be deemed to be a Eurocurrency Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Eurocurrency Loans denominated in Dollars at such time

(b) Notwithstanding anything to the contrary herein or in any other Loan Document (and any Swap Agreement shall be deemed not to be a "Loan Document" for purposes of this Section 2.13), if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, in the case of a Benchmark Transition Event, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the

Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, (x) with respect to a Loan denominated in Dollars, if a Term SOFR Transition Event and its related Benchmark Replacement Date, (y) with respect to a Loan denominated in Euros, if a Term ESTR Transition Event and its related Benchmark Replacement Date, or (z) with respect to a Loan denominated in Japanese Yen, if a Term TONA Transition Event and its related Benchmark Replacement Date, as applicable, have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that, this clause (c) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Company a Term SOFR Notice, a Term ESTR Notice or a Term TONA Notice, as applicable. For the avoidance of doubt, the Administrative Agent shall not be required to deliver any (x) Term SOFR Notice after the occurrence of a Term SOFR Transition Event, (y) Term ESTR Notice after the occurrence of a Term ESTR Transition Event or (z) Term TONA Notice after the occurrence of a Term TONA Transition Event, and may do so in its sole discretion.

(d) In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(e) The Administrative Agent will promptly notify the Company and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (f) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.13, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section Section 2.13.

(f) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR, Term ESTR, Term TONA, LIBO Rate, EURIBOR Rate or TIBOR Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(g) Upon the Company's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrowers may revoke any request for a Eurocurrency Borrowing of, conversion to or continuation of Eurocurrency Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, either (x) the Borrowers will be deemed to have converted any request for a Eurocurrency Borrowing denominated in Dollars or Canadian Dollars, as applicable, into a request for a Borrowing of or conversion to ABR Loans or (y) any Eurocurrency Borrowing denominated in a Foreign Currency other than Canadian Dollars shall be ineffective. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Eurocurrency Loan in any Agreed Currency is outstanding on the date of the Company's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Eurocurrency Loan, then until such time as a Benchmark Replacement for such Agreed Currency is implemented pursuant to this Section 2.13, (i) if such Eurocurrency Loan is denominated in Dollars or Canadian Dollars, then on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), such Loan shall be converted by the Administrative Agent to, and shall constitute, an ABR Loan denominated in Dollars or Canadian Dollars, as applicable, on such day or (ii) if such Eurocurrency Loan is denominated in any Agreed Currency (other than Dollars or Canadian Dollars), then such Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), at the Borrowers' election prior to such day: (A) be prepaid by the Borrowers on such day or (B) solely for the purpose of calculating the interest rate applicable to such Eurocurrency Loan, such Eurocurrency Loan denominated in any Agreed Currency other than Dollars or Canadian Dollars shall be deemed to be a Eurocurrency Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Eurocurrency Loans denominated in Dollars at such time.

1.13 Clause (g) of Section 5.01 of the Credit Agreement is redesignated as clause (h) and the following new clause (g) is added to Section 5.01 of the Credit Agreement:

(g) beginning with the fiscal year ending December 31, 2021, concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines); and

1.14 Clause (g) of Section 5.02 of the Credit Agreement is redesignated as clause (h) and the following new clause (g) is added to Section 5.02 of the Credit Agreement

(g) any material change in accounting or financial reporting practices by any Borrower or any Subsidiary; and

1.15 The following new Section 5.10 is added to the Credit Agreement:

SECTION 5.09. Accuracy of Information. The Company will, and will cause each of its Restricted Subsidiaries to, ensure that any information, including financial statements or other documents, furnished to the Administrative Agent or the Lenders in connection with this Agreement or any amendment or modification hereof or waiver hereunder contains no material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the furnishing of such information shall be deemed to be a representation and warranty by the Company on the date thereof as to the matters specified in this Section.

1.16 The reference in Section 9.02(b) of the Credit Agreement to "Section 2.13(e) and Section 9.02(c) below" is replaced with a reference to "Section 2.13(b), (c) and (d) and Section 9.02(c) below".

1.17 Section 9.19 of the Credit Agreement is restated as follows:

SECTION 9.19 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

1.18 The following new Section 9.22 is added to the Credit Agreement:

SECTION 9.22 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of Michigan and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

1.19 Schedules 2.05, 2.23, 3.06, 6.02, 6.04, and 6.08 to the Credit Agreement are replaced with the corresponding Schedules attached hereto.

ARTICLE II. REPRESENTATIONS. Each of the Borrowers represents, warrants, and acknowledges to the Administrative Agent and the Lenders that:

2.1 The execution, delivery and performance of this Amendment are within its powers, have been duly authorized by existing board resolutions or other necessary company and corporate action, as applicable, and are not in contravention of any statute, law or regulation or of any terms of its operating agreement, articles of incorporation, certificate of incorporation, by-laws or other charter documents, or of any material agreement or undertaking to which it is a party or by which it is bound.

2.2 This Amendment is the legal, valid and binding obligation of it, enforceable against it in accordance with the terms hereof, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

2.3 Immediately before and after giving effect to the amendments contained herein, the representations and warranties contained in Article III of the Credit Agreement are true and correct in all material respects on and as of the date hereof with the same force and effect as if made on and as of the date hereof (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date, and that any representation or warranty which is subject to any materiality qualifier shall be required to be true and correct in all respects).

2.4 Immediately after giving effect to the amendments contained herein, no Default exists or has occurred and is continuing on the date hereof.

2.5 Upon giving effect to the Increase Agreement, the Borrowers shall not be entitled to any additional increase in the Aggregate Commitments under Section 2.08 of the Credit Agreement, the entire increase permitted under Section 2.08(d)(iii) of the Credit Agreement being used in connection with the Increase Agreement.

ARTICLE III. CONDITIONS OF EFFECTIVENESS. This Amendment shall become effective when all of the following conditions have been satisfied:

3.1 The Borrowers, the Lenders and the Administrative Agent shall have executed this Amendment and the Guarantors shall have executed the Consent and Agreement hereto.

3.2 The Borrowers, the Lenders and the Administrative Agent shall have executed the Increase Agreement.

3.3 The Administrative Agent shall have received all fees required to be paid by the Company in connection with this Amendment and the Increase Agreement.

3.4 The Administrative Agent shall have received and be reasonably satisfied with such other documents, and the Loan Parties shall have satisfied such other conditions, as disclosed on the closing list delivered to the Company prior to the date hereof, including closing certificates, the joinder documents, and an opinion of the Loan Parties' counsel, each satisfactory in form and substance to the Administrative Agent.

ARTICLE IV. MISCELLANEOUS.

4.1 References in the Credit Agreement or in any other Loan Document to the Credit Agreement shall be deemed to be references to the Credit Agreement as amended hereby and as further amended from time to time. This Amendment shall constitute a Loan Document.

4.2 Without limiting any amounts payable under the Loan Documents, the Loan Parties, jointly and severally, agree to pay all reasonable and documented out of pocket expenses, including the reasonable fees, charges and disbursements of counsel, of the Administrative Agent in connection with this Amendment and the transaction in connection herewith.

4.3 Except as expressly amended hereby, each of the Loan Parties agrees that the Credit Agreement and the other Loan Documents are ratified and confirmed, as amended hereby, and shall remain in full force and effect in accordance with their terms and that they are not aware of any set off, counterclaim, defense or other claim or dispute with respect to any of the foregoing. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents. Nothing herein shall be deemed to entitle any Loan Party to any future consent to, or waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances. The Loan Parties acknowledge and agree that, without limiting the terms of any Loan Documents, all Secured Obligations are unconditionally owing by the Loan Parties and their applicable Subsidiaries without setoff, recoupment, defense, or counterclaim, in law or in equity, of any kind or character, and all Secured Obligations are and will continue to be secured by valid, perfected, indefeasible Liens in, among other things, the Collateral, as applicable, and each of the Loan Parties reaffirms its obligations and duties under the Loan Documents and the Liens in the Collateral that it granted to Administrative Agent under the Loan Documents, as applicable, to secure the Secured Obligations.

4.4 Each Loan Party represents and warrants that it is not aware of any claims or causes of action against any Lender, the Administrative Agent or any of their respective affiliates, successors or assigns, it has not assigned any claim, set off, or defense with respect to the Secured Obligations, the Administrative Agent, any Lender, or the Loan Documents and that it has no defenses, offsets or counterclaims with respect to the Secured Obligations. Notwithstanding this representation and as further consideration for the agreements and understandings herein, each Loan Party, on behalf of itself and its employees, agents, executors, heirs, successors and assigns (the "Releasing Parties"), hereby releases each Lender, the Administrative Agent and their respective predecessors, officers, directors, employees, agents, attorneys, affiliates, subsidiaries, successors and assigns (the "Released Parties"), from any liability, claim, right or cause of action which now exists or hereafter arises as a result of acts, omissions or events occurring on or prior to the date hereof, whether known or unknown, arising from or in any way related to the Credit Agreement, the other Loan Documents, all transactions relating to the Credit Agreement or any of the other Loan Documents or the business relationship among, or any other transactions or dealings among, the Releasing Parties or any of them and the Released Parties or any of them relating to the Credit Agreement or any of the other Loan Documents.

4.5 This Amendment may be signed upon any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument, and signatures sent by telecopy or other electronic imaging shall be effective as originals.

4.6 This Amendment shall be governed by, and construed in accordance with, the laws of the State of Michigan.

4.7 Any provision of this Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

UFP INDUSTRIES, INC., f/k/a Universal Forest Products, Inc., as Company and a Borrower

By __________________________
Name: Michael R. Cole
Title: Chief Financial Officer

UFP CANADA, INC., as a Foreign Subsidiary Borrower

By __________________________
Name: Michael R. Cole
Title: Treasurer

UFP AUSTRALIA PTY LTD., as a Foreign Subsidiary Borrower

By __________________________
Name: Michael R. Cole
Title: Treasurer

JPMORGAN CHASE BANK, N.A., as a Lender and as Administrative Agent

By ___________________________
Name: Jonathan Bennett
Title: Authorized Officer

Signature Page to UFPI First Amendment

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, TORONTO BRANCH, as the Applicable Lending Installation and Related Party designated by JPMorgan Chase Bank, N.A. for Loans to any Borrower in Canada or in Canadian Dollars

By ___________________________
Name: Jeffrey Coleman
Title: Authorized Officer

WELLS FARGO BANK, N.A., as a Lender and as Syndication Agent

By ___________________________
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION

By __________________________
Name:
Title:

Signature Page to UFPI First Amendment

THE HUNTINGTON NATIONAL BANK

By __________________________
Name:
Title:

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BANK OF AMERICA, N.A.

By __________________________
Name:
Title:

Signature Page to UFPI First Amendment

BANK OF AMERICA, N.A. (Canada branch) as the Applicable Lending Installation and Related Party designated by Bank of America, N.A. for Loans to any Borrower in Canada or in Canadian Dollars

By ___________________________
Name:
Title:

Signature Page to UFPI First Amendment

BMO HARRIS BANK N.A.

By __________________________
Name:
Title:

Signature Page to UFPI First Amendment

CONSENT AND AGREEMENT

As of the date and year first above written, each of the undersigned hereby:

(a) fully consents to the terms and provisions of the above Amendment and the consummation of the transactions contemplated thereby and agrees to be bound by the provisions applicable to it (including representations, warranties, and agreements, as applicable);

(b) agrees that each Loan Document to which it is a party is hereby ratified and confirmed and shall remain in full force and effect, and acknowledges that it has no setoff, counterclaim, defense or other claim or dispute with respect to any such Loan Document to which it is a party and each other Loan Document to which it is a party;

(c) acknowledges that its consent and agreement hereto is a condition to the Lenders obligations under the above Amendment and it is in its interest and to its financial benefit to execute this Consent and Agreement; and

(d) represents and warrants to the Administrative Agent and the Lenders that this Consent and Agreement is the legal, valid and binding obligation of it, enforceable against it in accordance with the terms hereof, it is not aware of any claims or causes of action against the Administrative Agent, the Lenders, or any of their affiliates, successors or assigns, and that it has no defense, offsets or counterclaims with respect to any of the Secured Obligations.

Guarantors:

By: ________________________________

Name: Michael R. Cole
Title: Authorized Signer of each Guarantor listed on Schedule 1, on behalf of each Guarantor listed on Schedule 1

Schedule 1

List of Guarantors

234 Springs Rd., LLC
2875 Needmore Rd., LLC
621 Hall St., LLC
Aljoma Holding Company, LLC
Aljoma Lumber, Inc.
Caliper Building Systems, LLC
Deckorators, Inc. *(f/k/a Universal Consumer Products, Inc.; successor by merger with Maine Ornamental, LLC)*
Eovations, LLC
Horizon Terra, Incorporated
Idaho Western, Inc.
idX Chicago, LLC
idx Corporation
idX Dallas, LLC
idX Dayton, LLC
idX Holdings, Inc.
idX Impressions, LLC
idX Los Angeles, LLC *(successor by merger with Pacific Coast Showcase, Inc.)*
Metaworld Technologies, LLC
North Atlantic Framing, LLC
PR Distribution, LLC
Shawnlee Construction LLC
Shepardville Construction, LLC
Store Fixtures Canada Holdings, Inc.
Tresstar, LLC
Triangle Systems, Inc.
UFP Ashburn, LLC
UFP Atlantic, LLC
UFP Auburndale, LLC
UFP Aurora, LLC
UFP Barnesville, LLC
UFP Belchertown, LLC
UFP Berlin, LLC
UFP Biscoe, LLC
UFP Blanchester, LLC
UFP Bonner, LLC
UFP Caldwell, LLC
UFP Cameron, LLC
UFP Central Plains, LLC
UFP Chandler, LLC
UFP Chicago, LLC
UFP Concrete Forming Solutions, Inc.
UFP Construction, LLC
UFP Dallas, LLC
UFP Distribution, LLC
UFP Eagan, LLC
UFP East Central, LLC
UFP Eastern Division, Inc.
UFP Eatonton, LLC
UFP Elizabeth City, LLC
UFP Elkwood, LLC
UFP Far West, LLC
UFP Financial Services, Inc. *(f/k/a UFP National Enterprises II, Inc.)*
UFP Folkston, LLC
UFP Franklinton, LLC
UFP Gainesville, LLC
UFP Gear, LLC
UFP Gordon, LLC
UFP Grand Rapids, LLC
UFP Grandview, LLC
UFP Granger, LLC
UFP Great Lakes, LLC
UFP Gulf, LLC
UFP Haleyville, LLC
UFP Hamilton, LLC
UFP Harrisonville, LLC
UFP Hartford, LLC
UFP Hillsboro, LLC
UFP Industrial, LLC
UFP International Employment Services, LLC
UFP International, LLC
UFP Janesville, LLC
UFP Kyle, LLC
UFP Lafayette, LLC
UFP Lansing, LLC
UFP Magna, LLC
UFP McMinnville, LLC
UFP Mexico Investment, LLC
UFP Mid-Atlantic, LLC
UFP Milwaukee, LLC
UFP Minneota, LLC

UFP Morristown, LLC
UFP Moultrie, LLC
UFP Mountain West, LLC
UFP NAC, LLC
UFP Nappanee, LLC
UFP New London, LLC
UFP New Waverly, LLC
UFP New Windsor, LLC
UFP New York, LLC
UFP North Atlantic, LLC
UFP Northeast, LLC
UFP Orlando, LLC
UFP Packaging, LLC
UFP Palm Beach, LLC
UFP Parker, LLC
UFP Purchasing, Inc.
UFP Ranson, LLC
UFP Real Estate, LLC
UFP Retail, LLC
UFP Riverside, LLC
UFP RMS, LLC *(f/k/a Universal Forest Products RMS, LLC)*
UFP Rockwell, LLC
UFP Saginaw, LLC
UFP Salisbury, LLC
UFP San Antonio, LLC
UFP Sauk Rapids, LLC
UFP Schertz, LLC
UFP Shawnee, LLC
UFP Southeast, LLC
UFP Southwest, LLC
UFP Stafford, LLC
UFP Stockertown, LLC
UFP Tampa, LLC
UFP Thomaston, LLC
UFP Thornton, LLC
UFP Transportation, Inc.
UFP Union City, LLC
UFP Ventures II, Inc.
UFP Warranty Corporation
UFP Warrens, LLC
UFP Washington, LLC
UFP Western Division, Inc.
UFP White Bear Lake, LLC
UFP Windsor, LLC
UFP Woodburn, LLC
United Lumber & Reman, LLC
Universal Forest Products Texas LLC
Upshur Forest Products, LLC
Yard & Home, LLC
Fire Retardant Chemical Technologies, LLC
UFP Londonderry, LLC
UFP Rockingham, LLC
UFP Site Built, LLC
PalletOne, Inc.
PalletOne of Maine, Inc.
PalletOne Energy LLC
PalletOne of Wisconsin, Inc.
PalletOne of Wisconsin Manufacturing, LLC
PalletOne of Indiana, Inc.
PalletOne of Indiana Transportation, LLC
PalletOne of North Carolina, Inc.
P1 Catawba Development Company LLC
PalletOne of Florida, Inc.
SunOne Logistics, LLC
PalletOne of Virginia, LLC
PalletOne of Alabama, LLC
Sunbelt Acquisition Corp.
Sunbelt Forest Products Corporation
Sunbelt Acquisition II Florida, LLC
Sunbelt Acquisition III Alabama, LLC
Sunbelt Forest Products Alabama, LLC
Sunbelt Forest Georgia LLC
PalletOne of Texas Holdings, Inc.
PalletOne Acquisition of Texas, Inc.
PalletOne of Texas, L.P.
PalletOne Manufacturing of Texas, LLC
PalletOne of NE Texas, LLC
PalletOne of Mobile, LLC

Exhibit 31(a)

UFP Industries, Inc.

Certification

I, Matthew J. Missad, certify that:

1. I have reviewed this report on Form 10-Q of UFP Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

/s/ Matthew J. Missad
Matthew J. Missad,
Chief Executive Officer and Principal Executive Officer

Exhibit 31(b)

UFP Industries, Inc.

Certification

I, Michael R. Cole, certify that:

1. I have reviewed this report on Form 10-Q of UFP Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent function):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize, and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 5, 2021

/s/ Michael R. Cole
Michael R. Cole
Chief Financial Officer and Principal Accounting Officer

Exhibit 32(a)

CERTIFICATE OF THE
CHIEF EXECUTIVE OFFICER OF
UFP INDUSTRIES, INC.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350):

I, Matthew J. Missad, Chief Executive Officer of UFP Industries, Inc., certify, to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) that:

(1) The quarterly report on Form 10-Q for the quarterly period ended March 27, 2021, which this statement accompanies, fully complies with requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this quarterly report on Form 10-Q for the quarterly period ended March 27, 2021, fairly presents, in all material respects, the financial condition and results of operations of UFP Industries, Inc.

UFP INDUSTRIES, INC.

Date: May 5, 2021

By: /s/ Matthew J. Missad
Matthew J. Missad,
Chief Executive Officer and Principal Executive Officer

The signed original of this written statement required by Section 906, or any other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to UFP Industries, Inc. and will be retained by UFP Industries, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(b)

CERTIFICATE OF THE
CHIEF FINANCIAL OFFICER OF
UFP INDUSTRIES, INC.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350):

I, Michael R. Cole, Chief Financial Officer of UFP Industries, Inc., certify, to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) that:

(1) The quarterly report on Form 10-Q for the quarterly period ended March 27, 2021, which this statement accompanies, fully complies with requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this quarterly report on Form 10-Q for the quarterly period ended March 27, 2021, fairly presents, in all material respects, the financial condition and results of operations of UFP Industries, Inc.

UFP INDUSTRIES, INC.

Date: May 5, 2021

By: /s/ Michael R. Cole
Michael R. Cole,
Chief Financial Officer and Principal Financial Officer

The signed original of this written statement required by Section 906, or any other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to UFP Industries, Inc. and will be retained by UFP Industries, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.