



Mixed materials structural crate  
UFP Packaging



# UFP INDUSTRIES

## INVESTOR RELATIONS PRESENTATION

Results through December 30, 2023

Deckorators Surestone composite decking, ProWood Fencing  
UFP Retail Solutions



Commercial wood truss  
UFP Construction

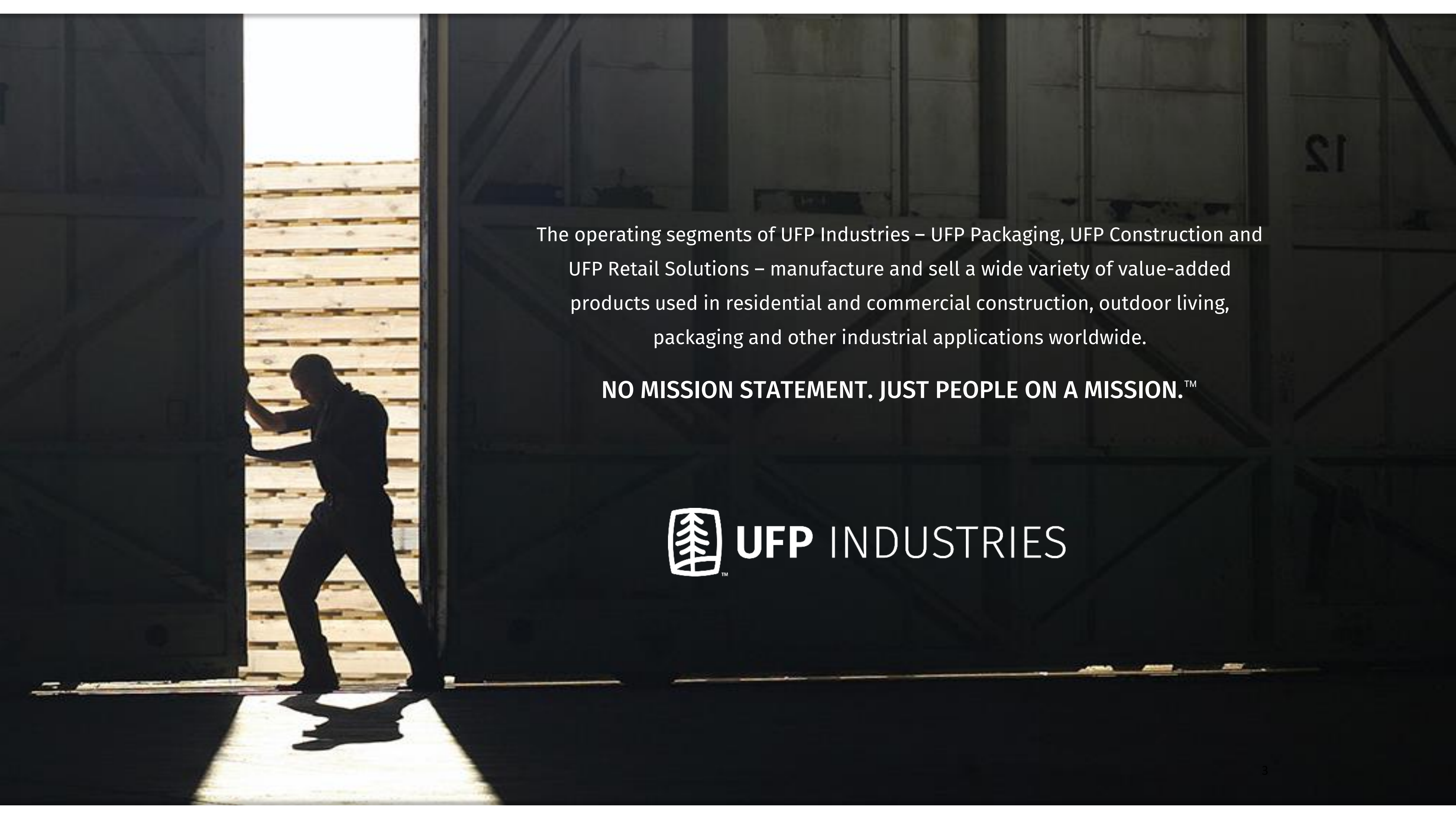


# UFP INDUSTRIES, INC.

Please be aware that statements included in this presentation that are not historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act, as amended, and are based on management's beliefs, assumptions, current expectations, estimates, and projections about the markets we serve, the economy, and the company itself. Words like "anticipates," "believes," "confident," "estimates," "expects," "forecasts," likely," "plans," "projects," "should," variations of such words, and similar expressions identify such forward-looking statements. These statements do not guarantee future performance and involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. The Company does not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. Actual results could differ materially from those included in such forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty. Among the factors that could cause actual results to differ materially from forward-looking statements are the following: Fluctuations in the price of lumber; adverse or unusual weather conditions; adverse conditions in the markets we serve; government regulations, particularly involving environmental and safety regulations; and our ability to make successful business acquisitions. Certain of these risk factors as well as other risk factors and additional information are included in the Company's reports on Form 10-K and 10-Q on file with the Securities and Exchange Commission.

Non-GAAP Financial Information: This presentation includes certain financial information not prepared in accordance with U.S. GAAP. Because not all companies calculate non-GAAP financial information identically (or at all), the presentations herein may not be comparable to other similarly titled measures used by other companies. Management uses Adjusted EBITDA and return on invested capital, non-GAAP financial measures, in order to evaluate historical and ongoing operations. Management believes that these non-GAAP financial measures are useful in order to enable investors to perform meaningful comparisons of historical and current performance. These non-GAAP financial measures are intended to supplement and should be read together with the financial results. These non-GAAP financial measures should not be considered an alternative or substitute for, and should not be considered superior to, the reported financial results. Accordingly, users of this financial information should not place undue reliance on the non-GAAP financial measures.

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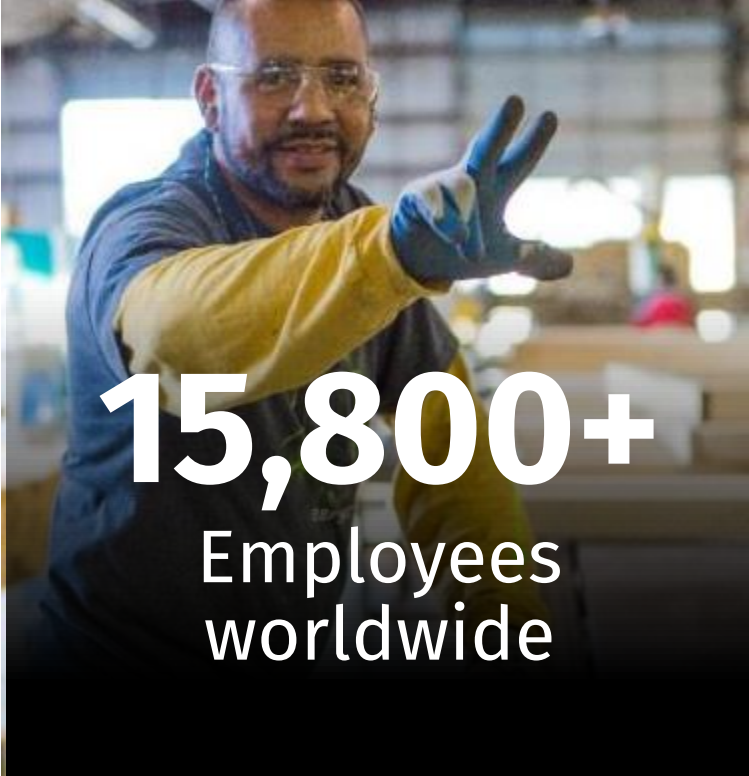
The operating segments of UFP Industries – UFP Packaging, UFP Construction and UFP Retail Solutions – manufacture and sell a wide variety of value-added products used in residential and commercial construction, outdoor living, packaging and other industrial applications worldwide.

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





# UFP AT A GLANCE



## Business segments and markets



### UFP RETAIL SOLUTIONS

**\$2.9B**

Big box, independents, & buying co-ops

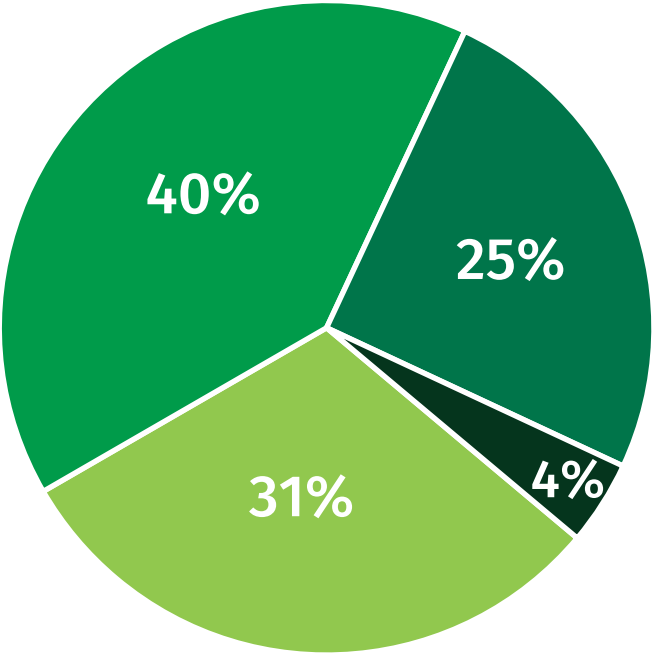


### UFP CONSTRUCTION

**\$2.2B**

Single-, multi-family and factory-built housing, commercial, concrete formers

Based on 2023 Net Sales



### UFP PACKAGING

**\$1.8B**

Industrial manufacturers, OEM's, agricultural and logistics

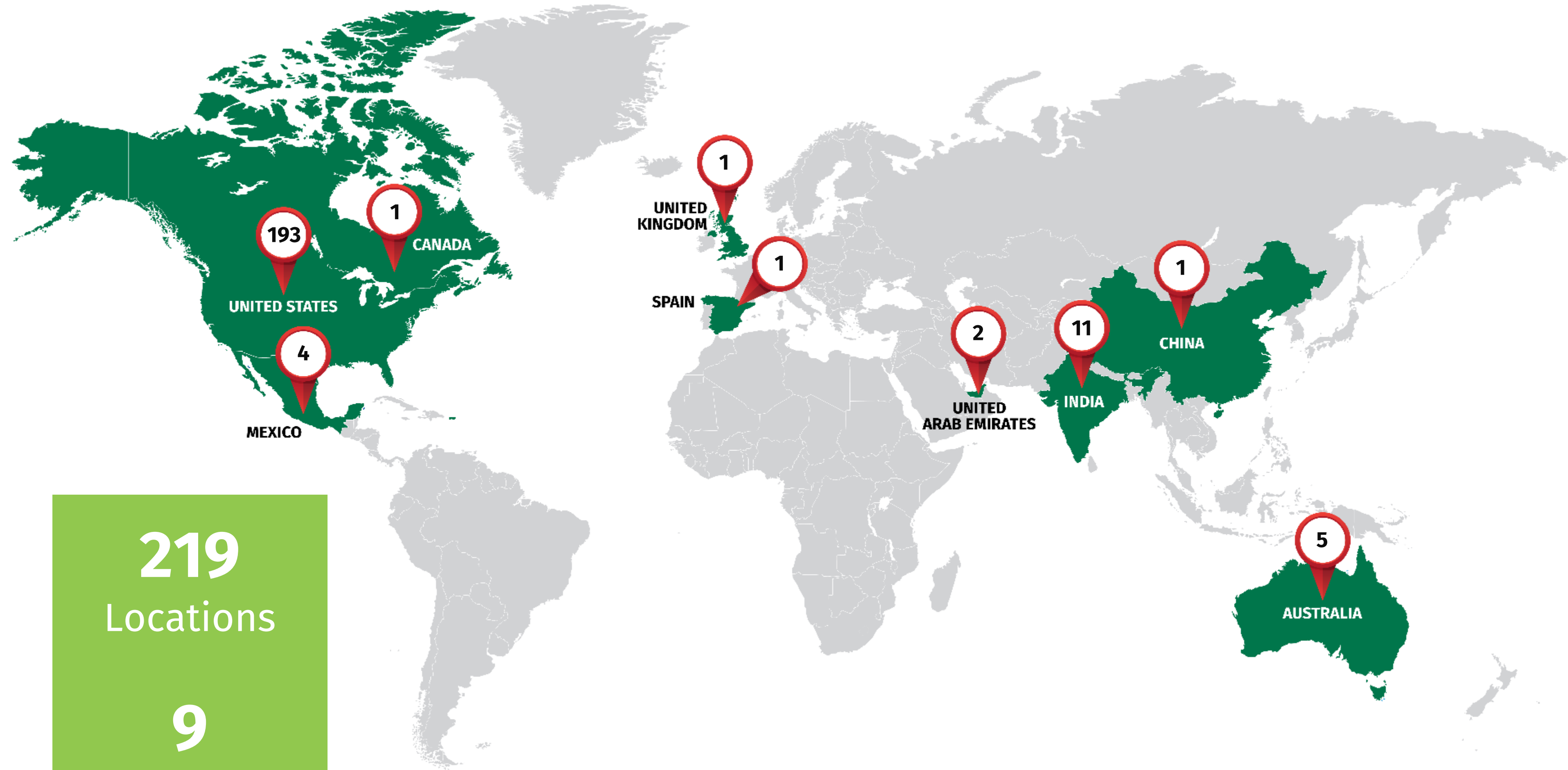


### UFP INTERNATIONAL

**\$0.3B**

Overseas trading, manufacturing and design assets offering packaging solutions in nine countries

# WHERE WE ARE



**219**  
Locations

**9**  
Countries



# BUSINESS MODEL PROVIDES SUSTAINABLE COMPETITIVE ADVANTAGES

## Scale through Diversification

As North America's largest buyer of softwood lumber, UFP owns scale advantage in sourcing and in serving the three largest softwood end markets – residential construction, retail building products and industrial packaging.

### RESULT:

- Hedge against cyclicalities and customer concentration
- Advantages in procurement and product mix diversification
- Risk mitigation, including against lumber market volatility.

## Incentives Aligned With Shareholders

Each of our 219 operations is a profit center, managed by people who are required to own stock, and are compensated on a combination of pre-bonus operating profit and return on investment.

### RESULT:

- Efficient capital allocation
- High ROIC
- ***Insiders and employees own ~12% of shares outstanding\****

## Commitment To Innovation

While in its early stages, a strategic and growing focus on innovation has brought the company and its customers a steady stream of new products and services.

### RESULT:

- Robust pipeline of new products, averaging 10% of sales since 2019
- New customers and markets
- Higher EBITDA margins

## Culture

Teamwork, accountability, devotion to the customer and internal competition create a results-driven culture that drives personal and professional growth throughout the organization.

### RESULT:

- 68 straight years of profitability
- Average tenure of 22.3 years for our 65 most senior executives.

## Structure

In 2020 the company created a new operating structure based on management of market segments rather than geography, bringing greater focus.

### RESULT:

- Improved performance from
- Greater alignment with customers
- Quicker introduction of new, value-added products
- Better, more rapid decision making

\*Form 5 reports and employee compensation plan

# SHORT-TERM FORWARD OUTLOOK

## RETAIL

Market demand slightly up to slightly down based on forecasts of

- Same-store sales growth of Big Box
- Home remodeling activity

## PACKAGING

Industrial production flat to slightly up based on metrics from

- Purchasing Managers Index (PMI)
- Durable goods manufacturing
- U.S. real GDP

## CONSTRUCTION

Housing starts and manufactured housing shipments slightly up to slightly down based on independent forecasts.

## CAPITAL ALLOCATION

- A quarterly cash dividend of \$0.33 per share, a 10% increase from the prior year.
- On July 26, 2023, our board authorized the repurchase of up to \$200 million worth of shares of outstanding stock through July 31, 2024.
- Capital expenditures of \$250-\$300 million.
- We continue to pursue a healthy pipeline of strategic acquisition opportunities.



# LONG-TERM FINANCIAL GOALS

Annual unit sales  
growth of 7-10%  
including small  
acquisitions

Achieving and  
sustaining a 12.5%  
adjusted  
EBITDA margin

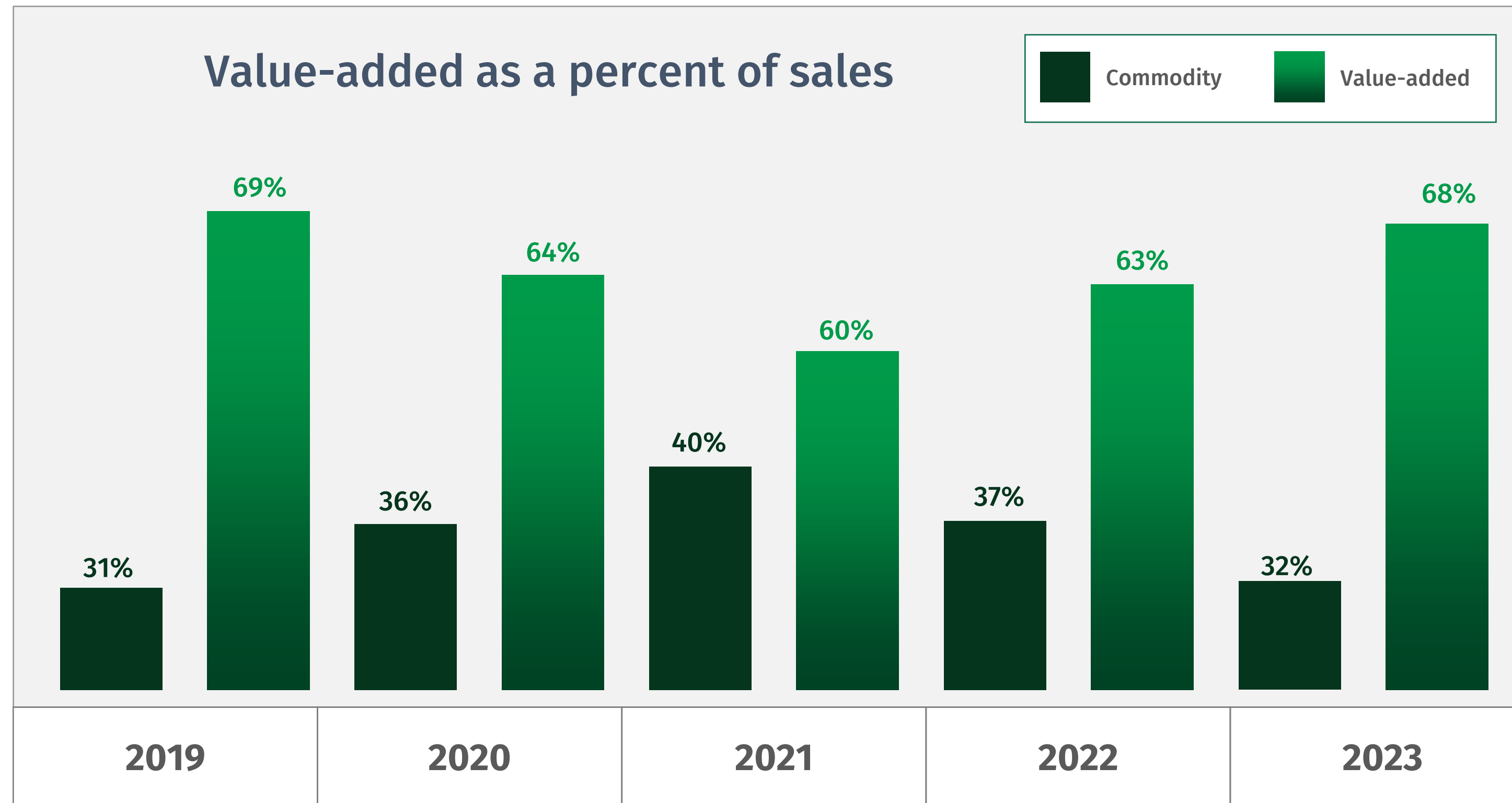
Earn an incremental  
return on new  
investment  
greater than our  
hurdle rate

Maintain a  
conservative capital  
structure





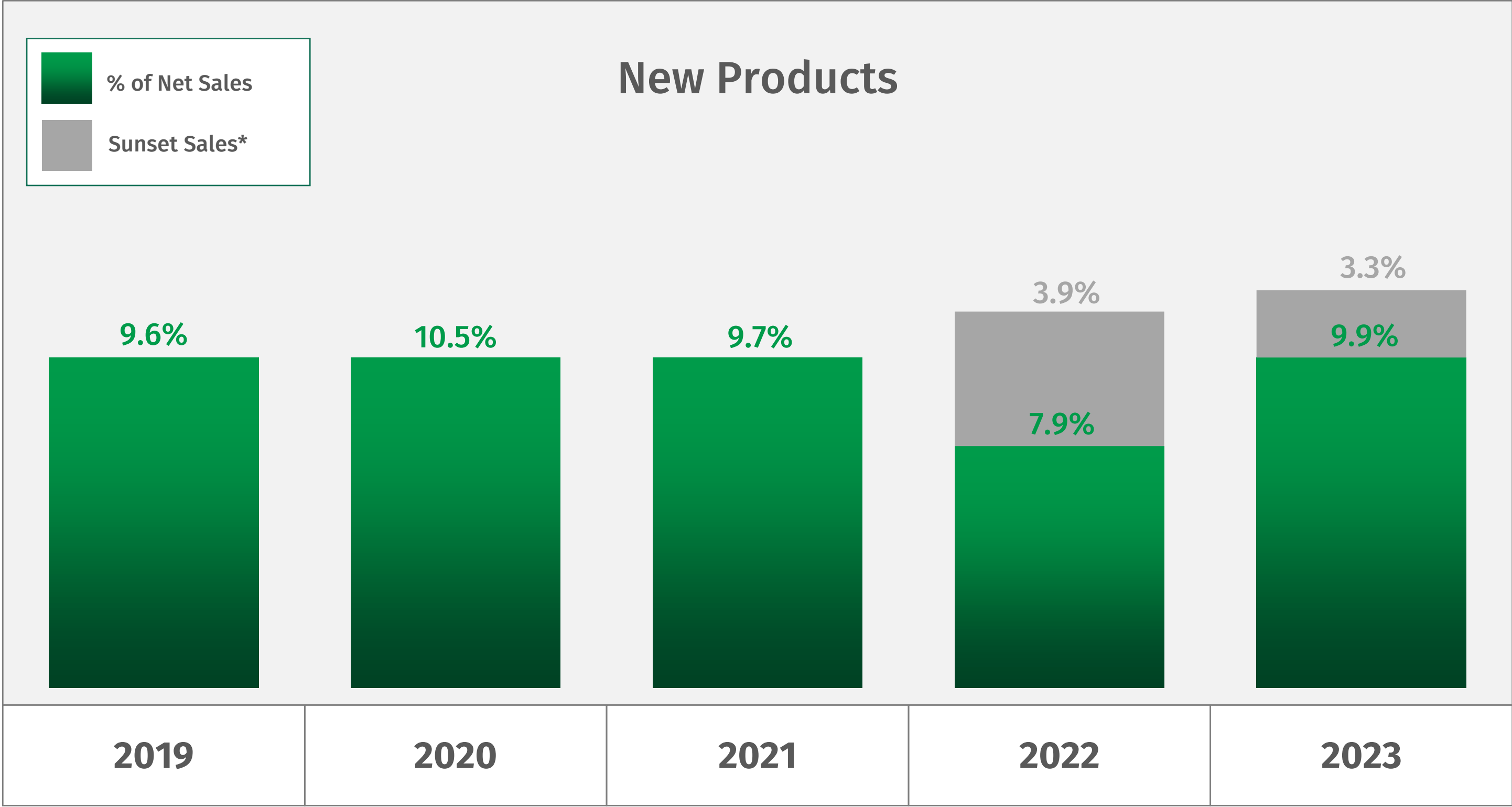
# VALUE ADDED SALES



Improved mix raises EBITDA margins and contributes to long-term financial goals.



# INNOVATION AND NEW PRODUCTS



\*New product sales that were excluded because they no longer meet our definition of new products, which are defined as those that will generate sales of at least \$1 million per year within 4 years of launch and are still growing.

**New products and processes raise EBITDA margins and contribute to long-term financial goals.**



# INNOVATION AND NEW PRODUCTS



## UFP VENTURE FUND

### In 2022 we launched our Innovation Accelerator to:

Bring new products and services to market faster

Spur internal growth in new capabilities, products and processes

Drive faster scale and synergy through rapid iteration

### In 2023 we started the UFP Venture Fund to:

Spur external growth through late-stage development and early-stage commercialization opportunities

Empower entrepreneurs to build businesses, services, and products that can transform our industry

Commit an investment of \$100 million over 5 years to meet our development goals

### The company is making investments to

- Develop value-added use of manufacturing residuals
- Enhance our supply chains
- Add automation across business segments to increase efficiencies
- Create alternative product lines in close adjacencies to our current business
- Address a shortage of skilled labor

**Commitment to innovation moves the company steadily up the value chain.**

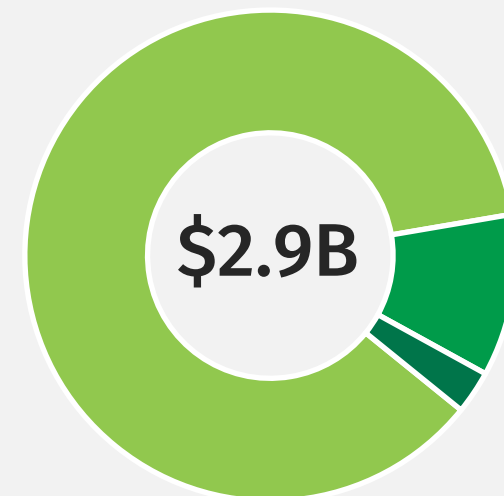


# BUSINESS SEGMENTS

## UFP RETAIL SOLUTIONS



### 2023 Net Sales



**ProWood Group**  
\$2.5 Billion

**Deckorators**  
\$309 Million

**UFP Edge**  
\$82 Million

Commodity  
50%

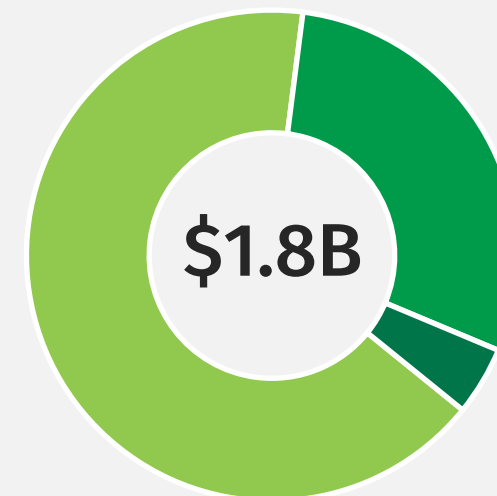
Value Added  
50%

New products 11% of net sales

## UFP PACKAGING



### 2023 Net Sales



**Structural Packaging**  
\$1.2 Billion

**PalletOne**  
\$531 Million

**Protective Packaging Solutions**  
\$82 Million

Commodity  
23%

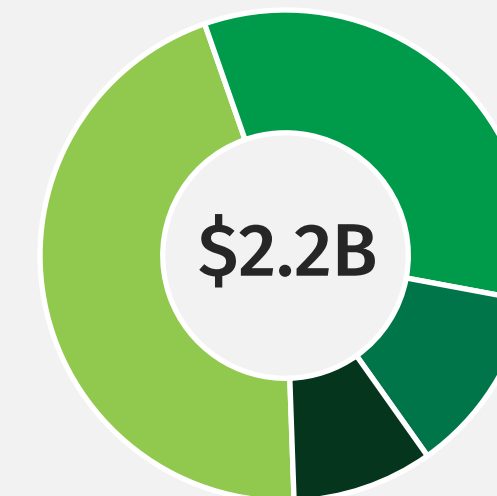
Value Added  
77%

New products 15% of net sales

## UFP CONSTRUCTION



### 2023 Net Sales



**Site Built**  
\$977 Million

**Factory Built**  
\$719 Million

**Commercial**  
\$265 Million

**Concrete Forming Solutions**  
\$200 Million

Commodity  
17%

Value Added  
83%

New products 5% of net sales





# UFP RETAIL SOLUTIONS

**pro'wood**

## TREATED & DECK SPECIALTIES

Pressure-treated lumber, decking, handrail, stairs, balusters, lattice, accessories



## FENCE, LAWN & GARDEN

Wood and vinyl fence, planters, garden beds, picnic tables



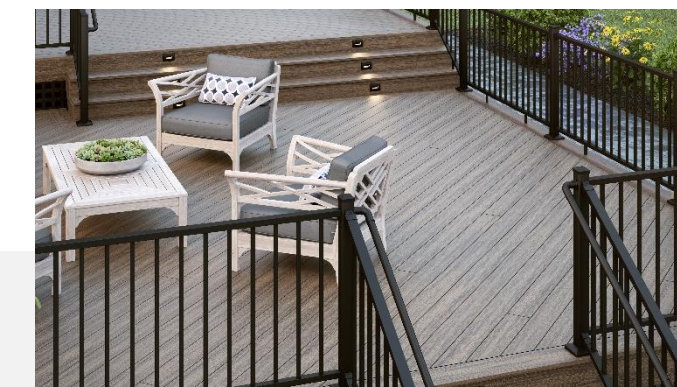
## BUILDING MATERIALS

ProWood FR, project panels, short boards & dimensional, stakes, finger-joint studs, furring strips, more



**DecXorators**<sup>®</sup>  
Go Beyond Ordinary

Innovator and manufacturer of composite decking, railing and accessories\* Aluminum fence manufacturing and fabrication



UFP  
**EDGE**<sup>™</sup>  
Designed To Be Seen

Premium siding, pattern, trim; interior accent wall products



**On-trend brands to all major building products retailers, backed by best-in-class in-store and e-commerce support**

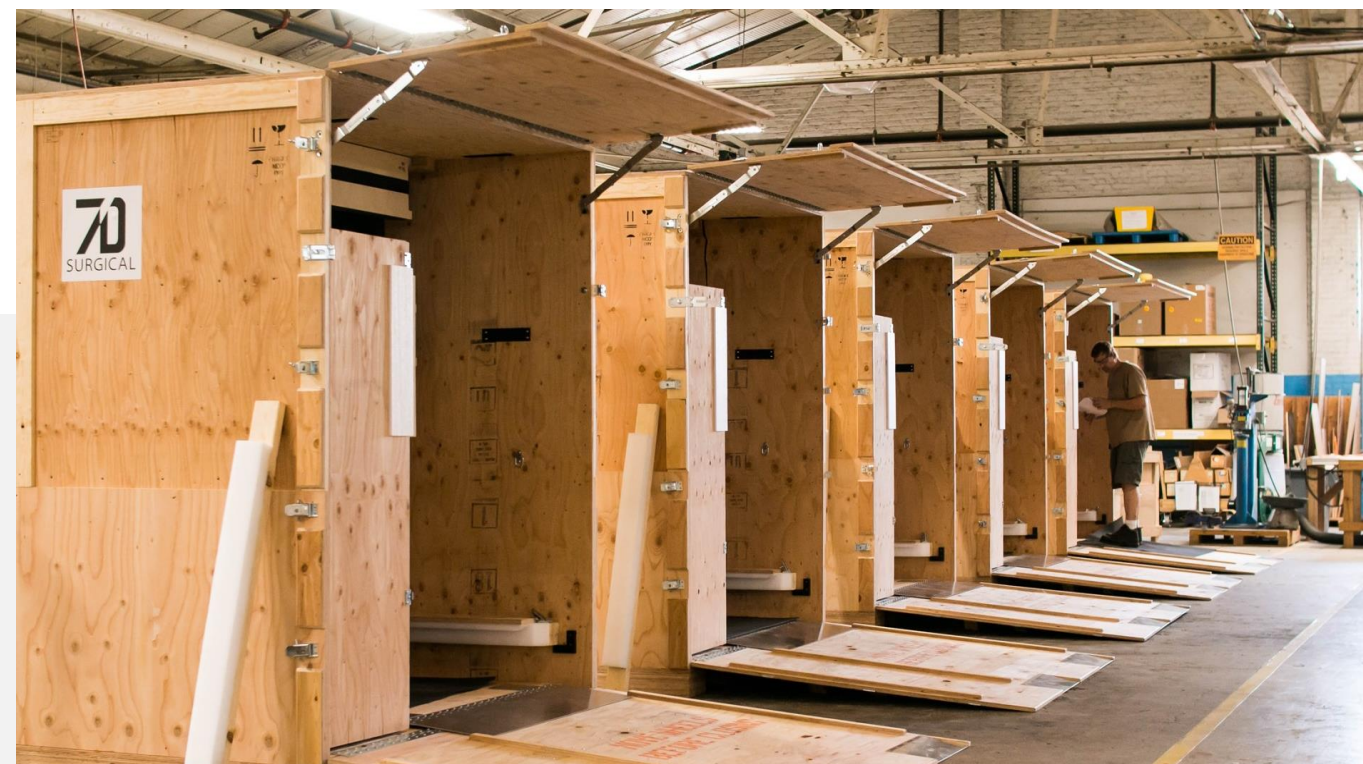
\*Sales mix is 72% to Big Box customers and 28% to one- and two-step distribution as of FY 2023.





## Structural Packaging

Wood, steel, foam and corrugated for mixed material crates and specialty containers; hard cases, lumber processing, logistics solutions and onsite packaging services



## PalletOne

Machine-built pallets; design, engineering and testing



## Protective Packaging

Corrugated conversion, stretch/shrink films, labels, strapping, hardware and software solutions for all industries



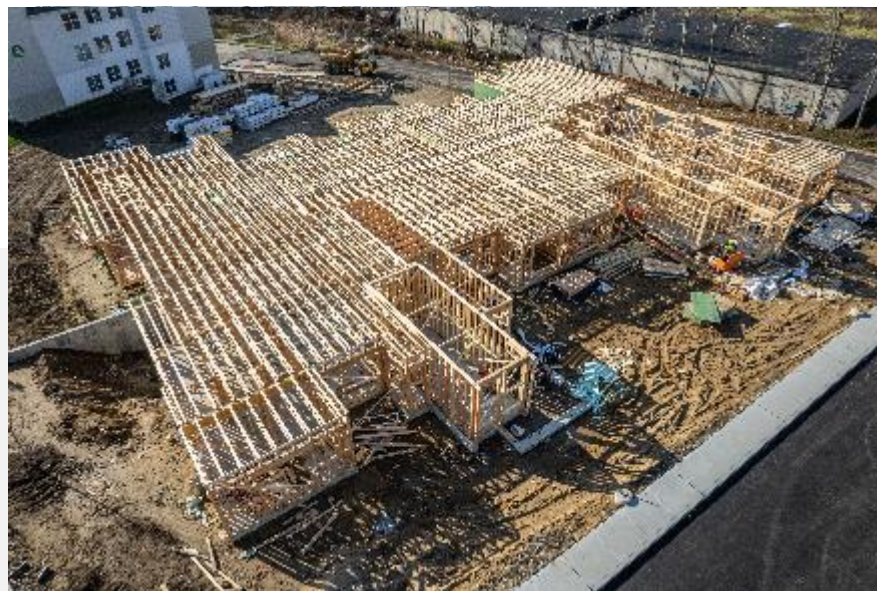
**Innovative packaging solutions and components backed by a global manufacturing footprint and the industry's leading engineering, design, and integrated service teams**





## Site-Built

Roof trusses, wall panels, floor systems and framing services for residential and light commercial builders. Sales are approx. 70% single family, 30% multifamily.



[UFPConstruction.com](http://UFPConstruction.com)

## Factory-Built

Floor, wall and roof panels, cabinet components, countertops and milled components for modular and manufactured homes; Components for RV/cargo trailer and mobile offices.



## Commercial

Turnkey project management of consumer environment and architectural interiors; design, development, engineering, manufacturing, assembly, distribution and installation.



[IDXCorporation.com](http://IDXCorporation.com)

[questdisplays.com](http://questdisplays.com)

## Concrete Forming

Offsite prefabrication of value-add formwork, aluminum horizontal shoring and vertical forming solutions for use in infrastructure; elevated structural concrete construction projects.

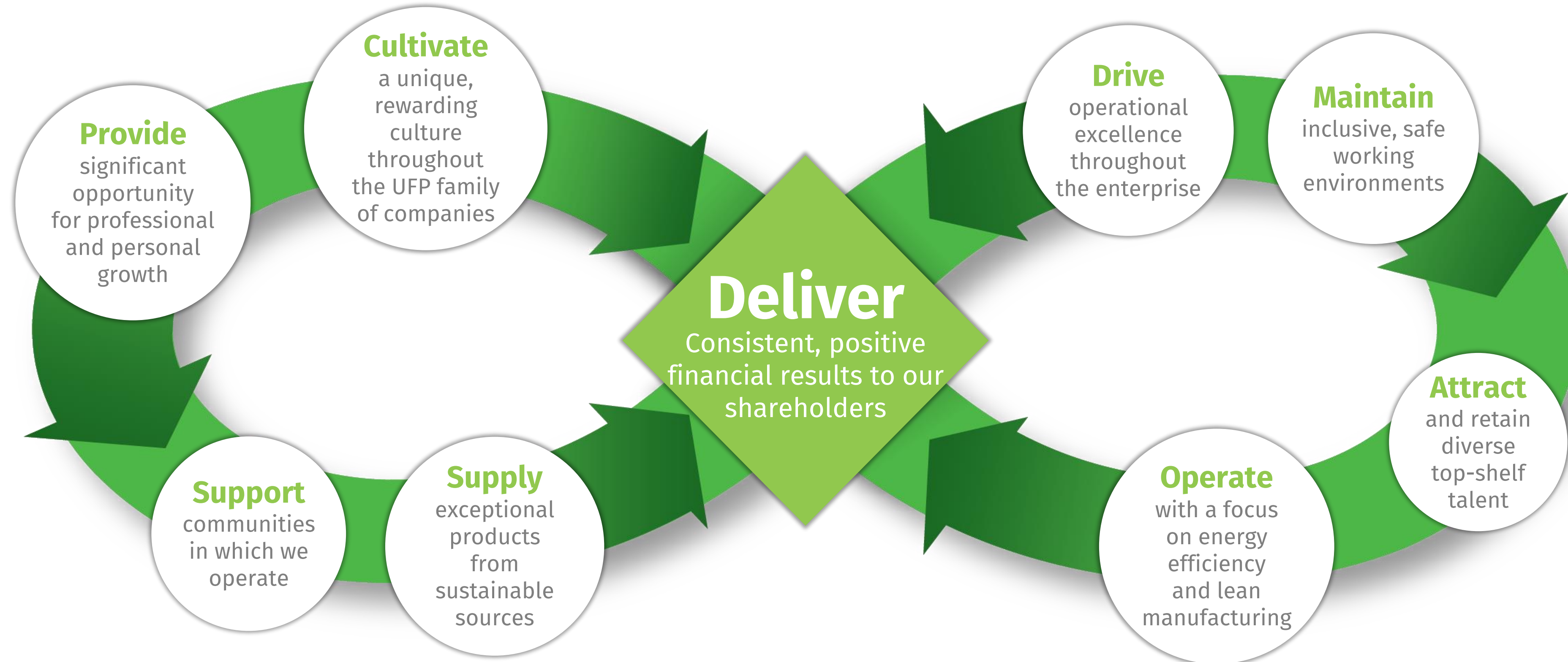


**Single-source designer and manufacturer of building components, concrete forms, framing, exterior and interior finishing programs to make building processes run at maximum efficiency**



# SUSTAINABILITY CONTINUUM

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





NASDAQ CONGRATULATES  
UFP INDUSTRIES INC  
ON BEING ADDED TO THE  
2022 FORTUNE 500 LIST



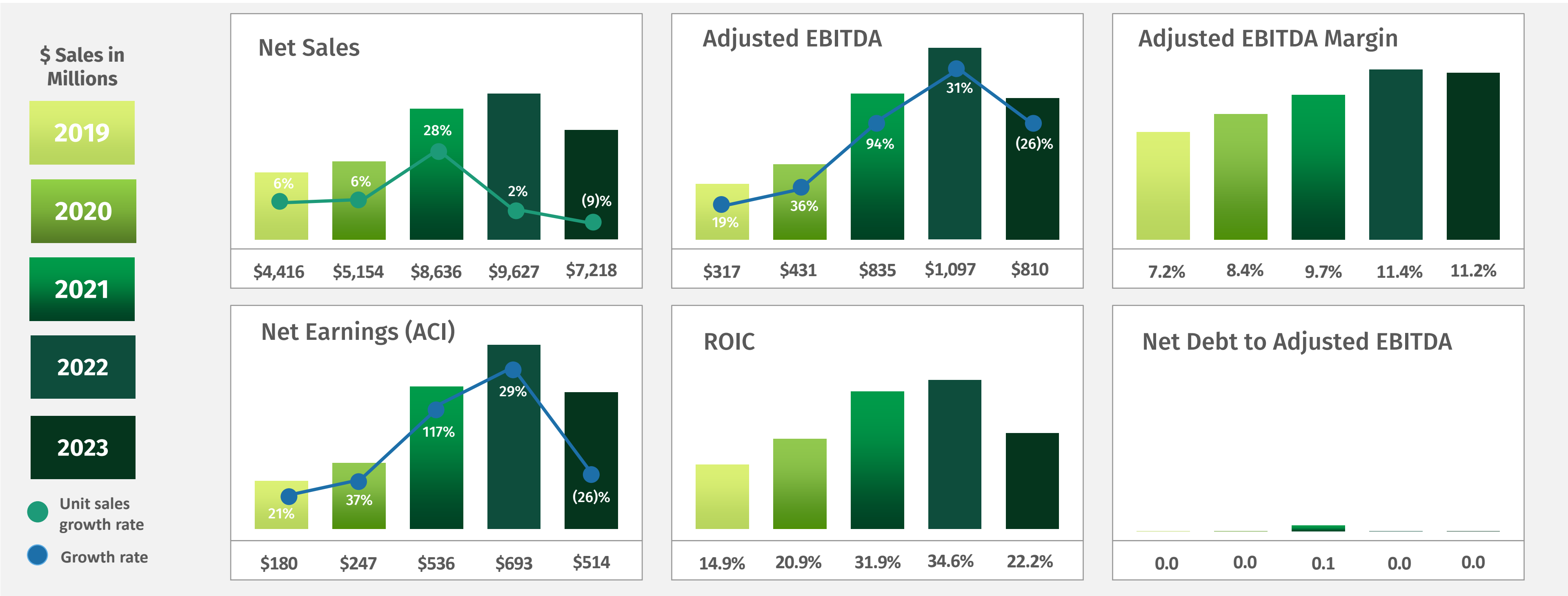
UFPI NasdaqListed

# FINANCIALS





# OUR PERFORMANCE



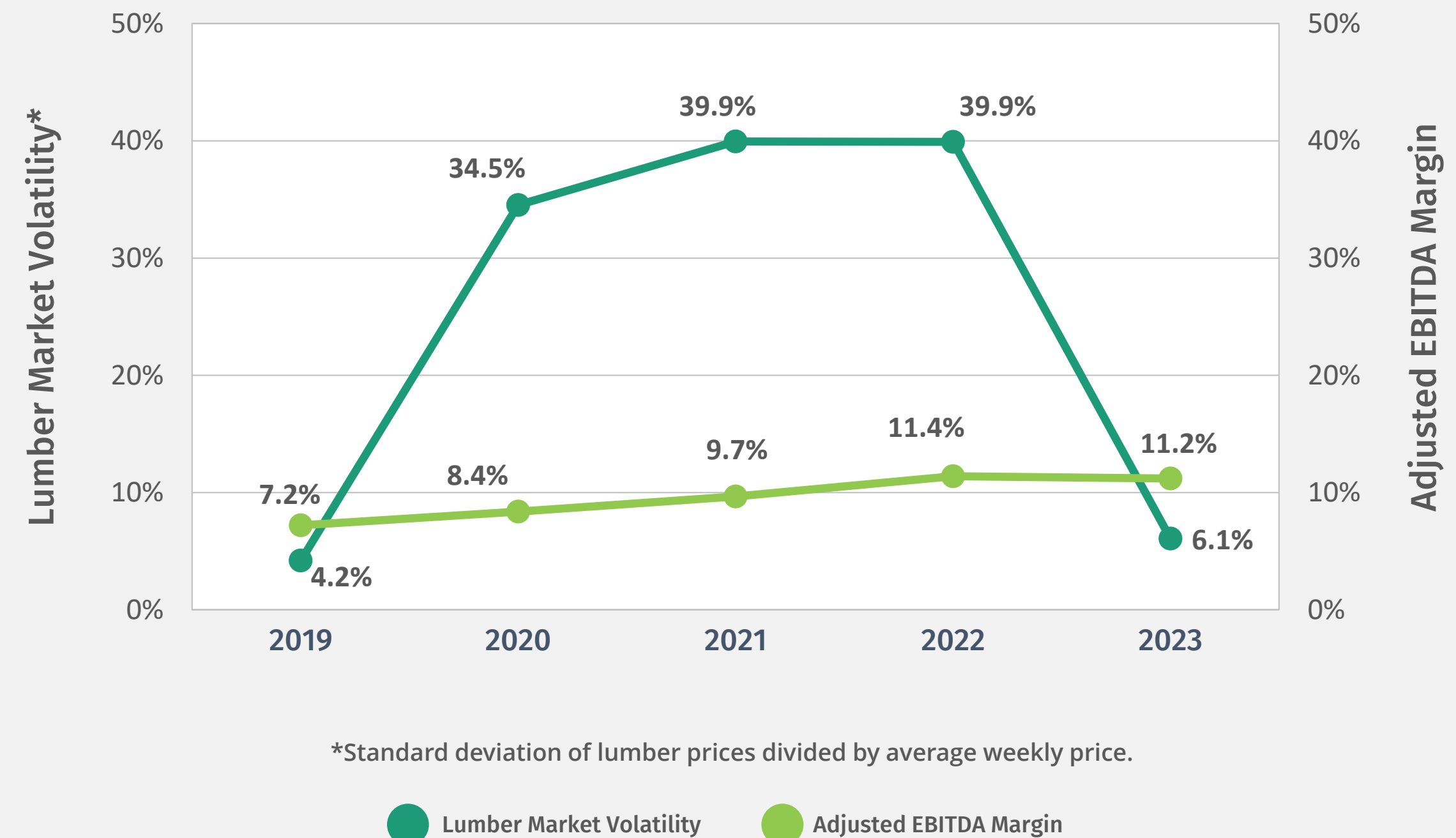
Strong track record of growth and performance improvement with emphasis on improving gross profit dollars per unit sold and ROIC.

Non-GAAP Financial Information: Please visit [ufpinvestor.com](http://ufpinvestor.com) for reconciliation to related GAAP measurement.



# MANAGING LUMBER MARKET RISK

- ✓ Level of lumber prices does not drive profitability
- ✓ Sequential trends impact profit per unit
- ✓ Balanced mix of variable and fixed-price products mitigate risk

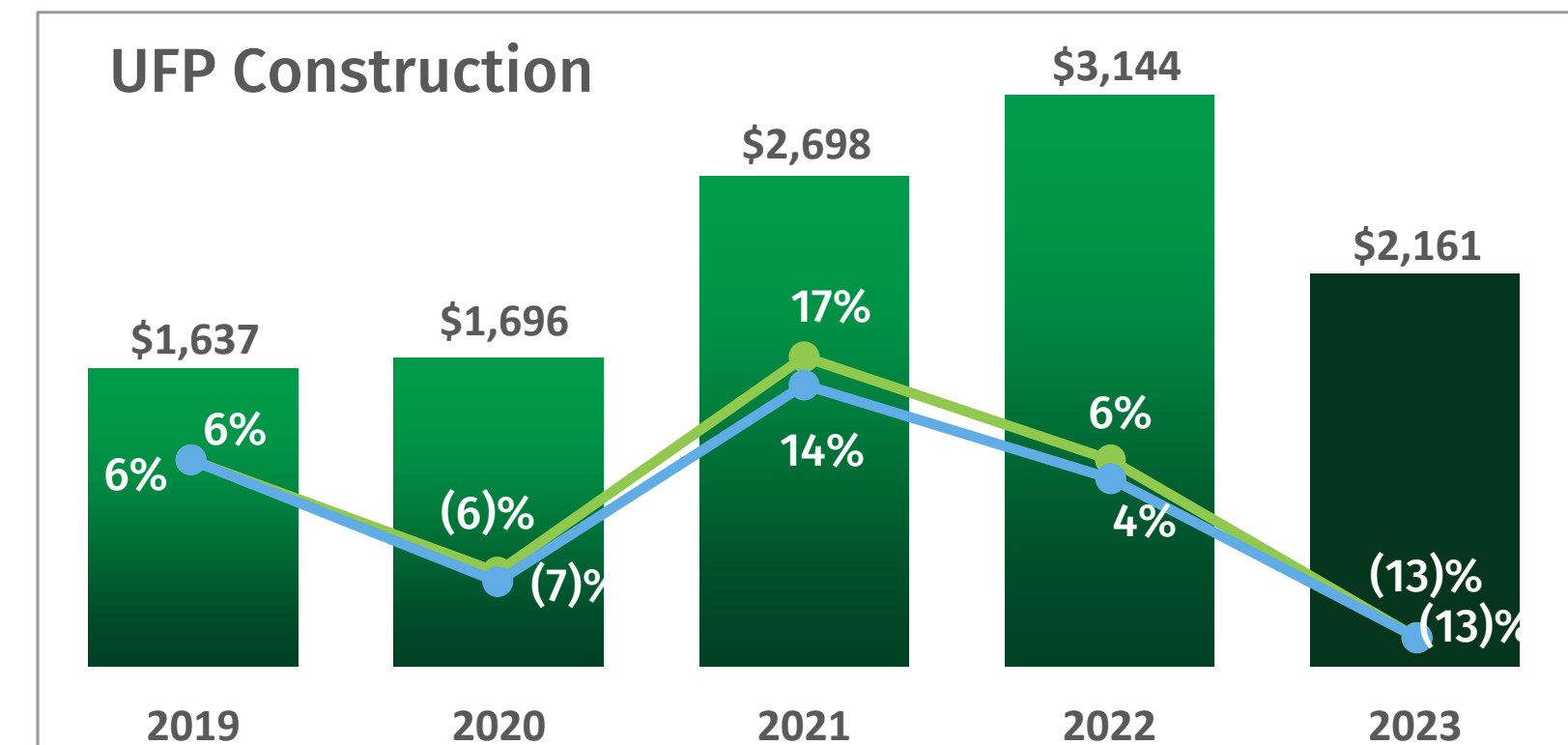
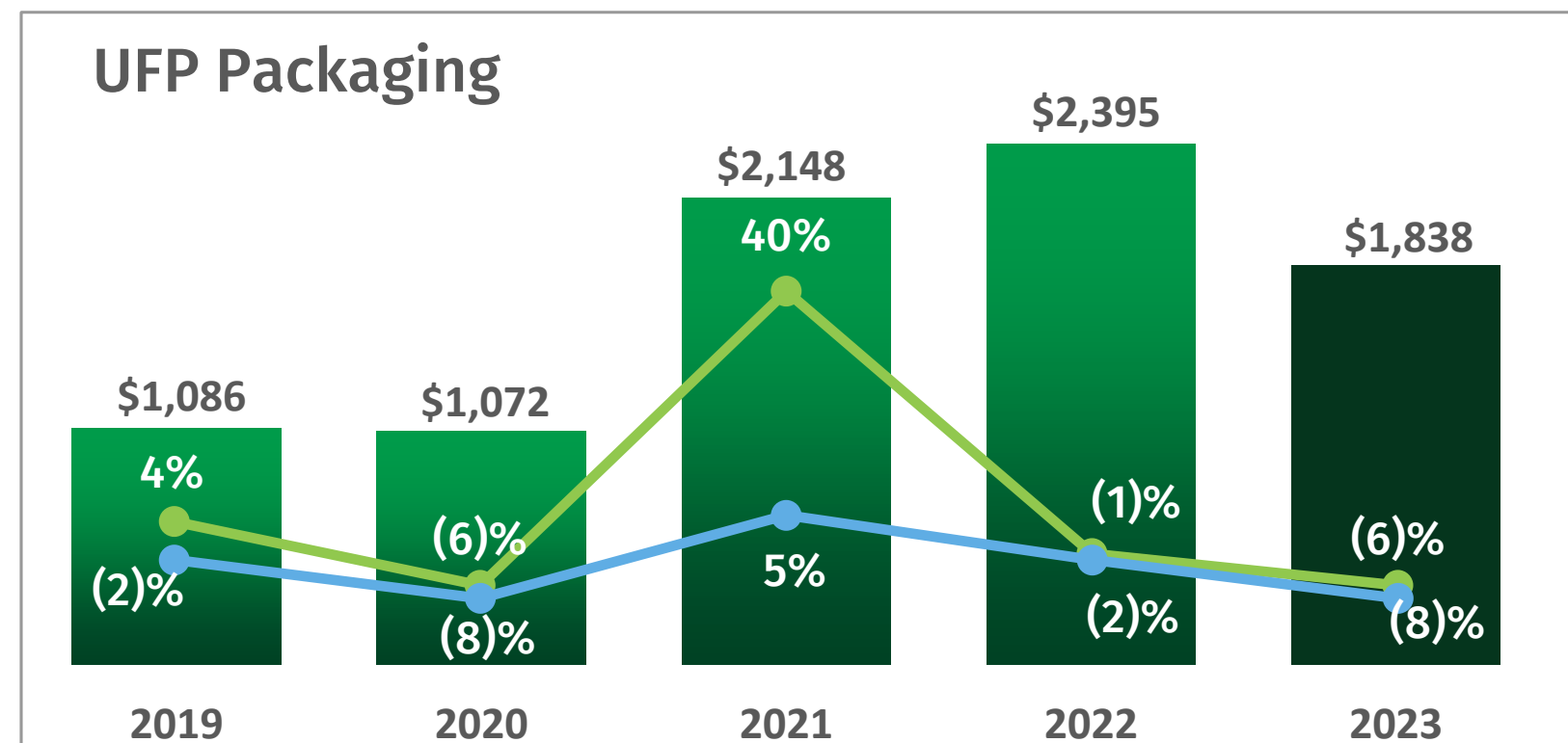
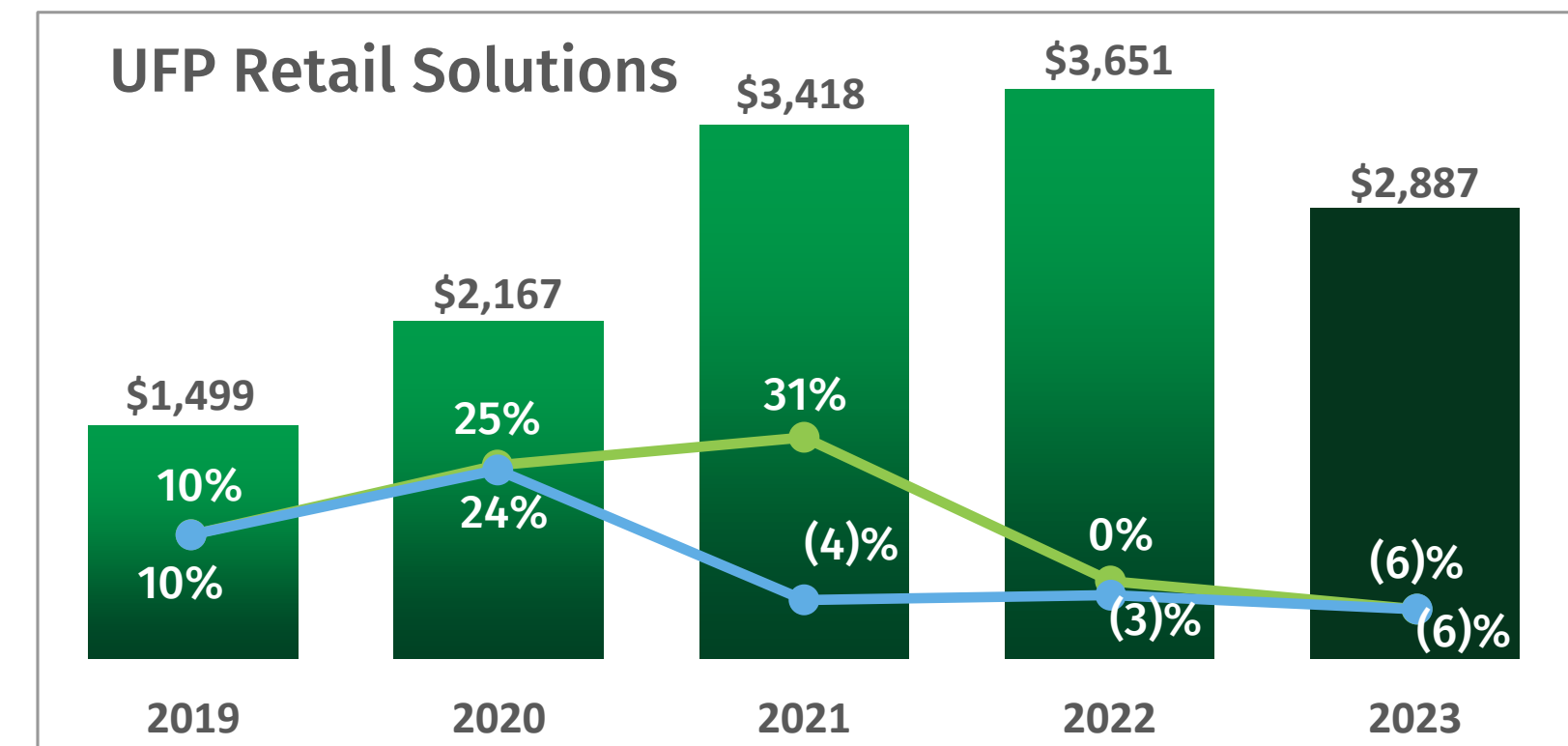
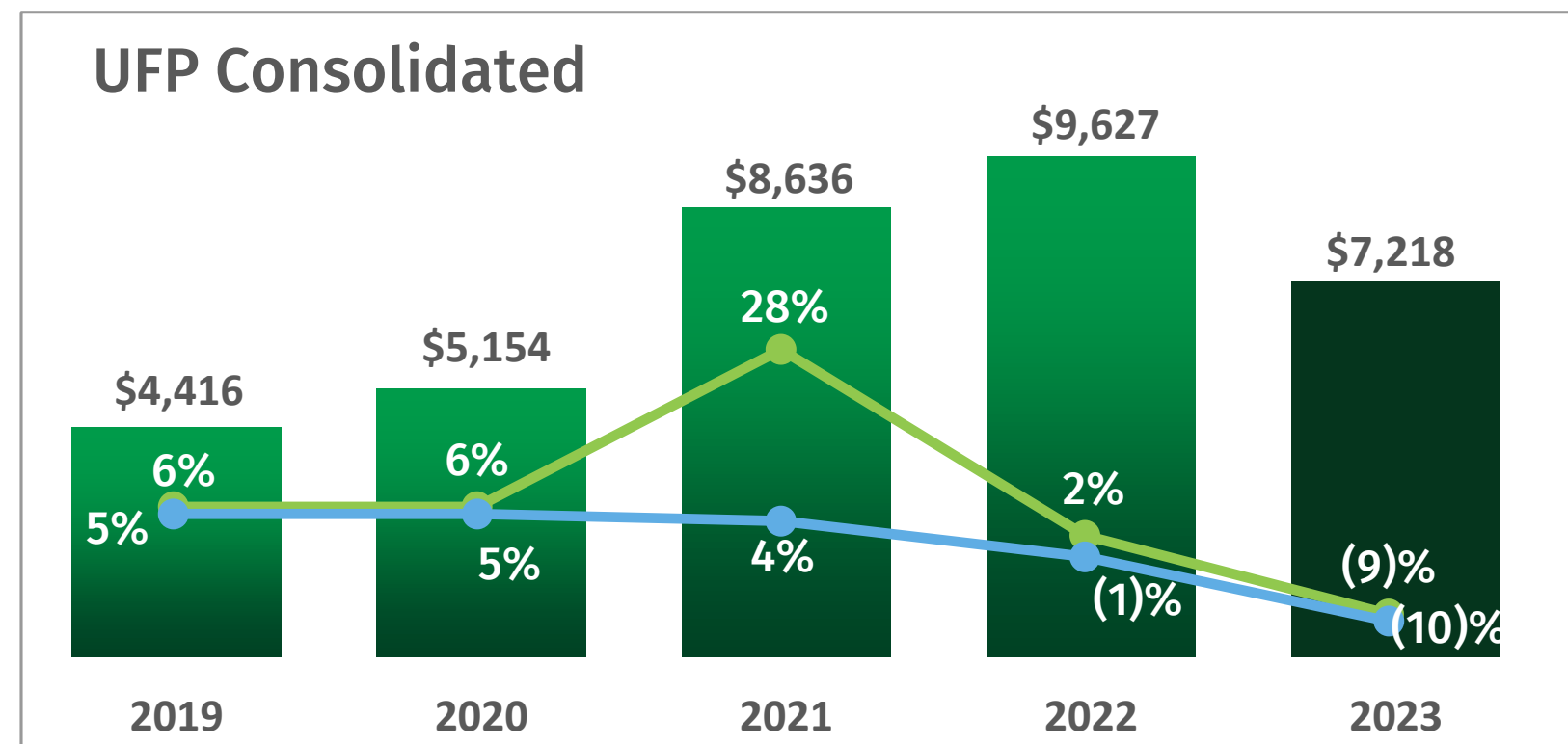


**Balanced business model mitigates lumber price volatility and drives stable profit per unit.**

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# NET SALES (in millions)

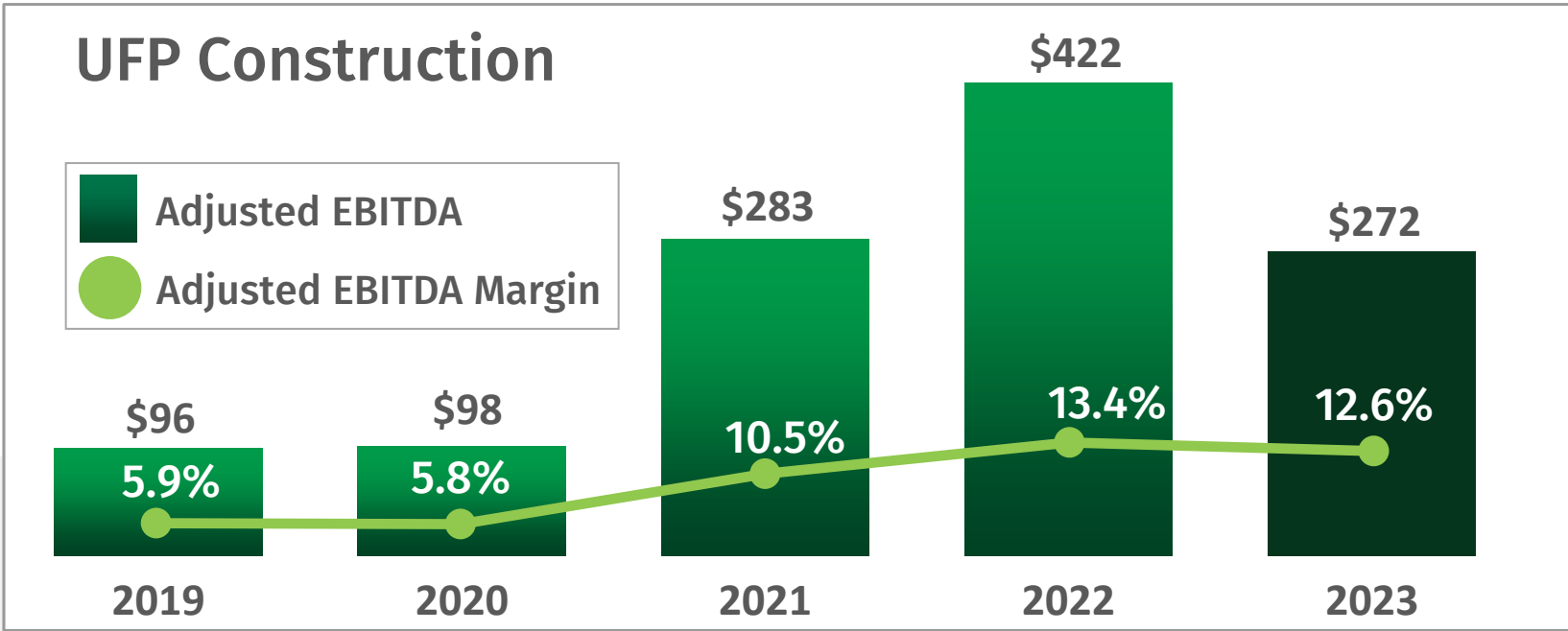
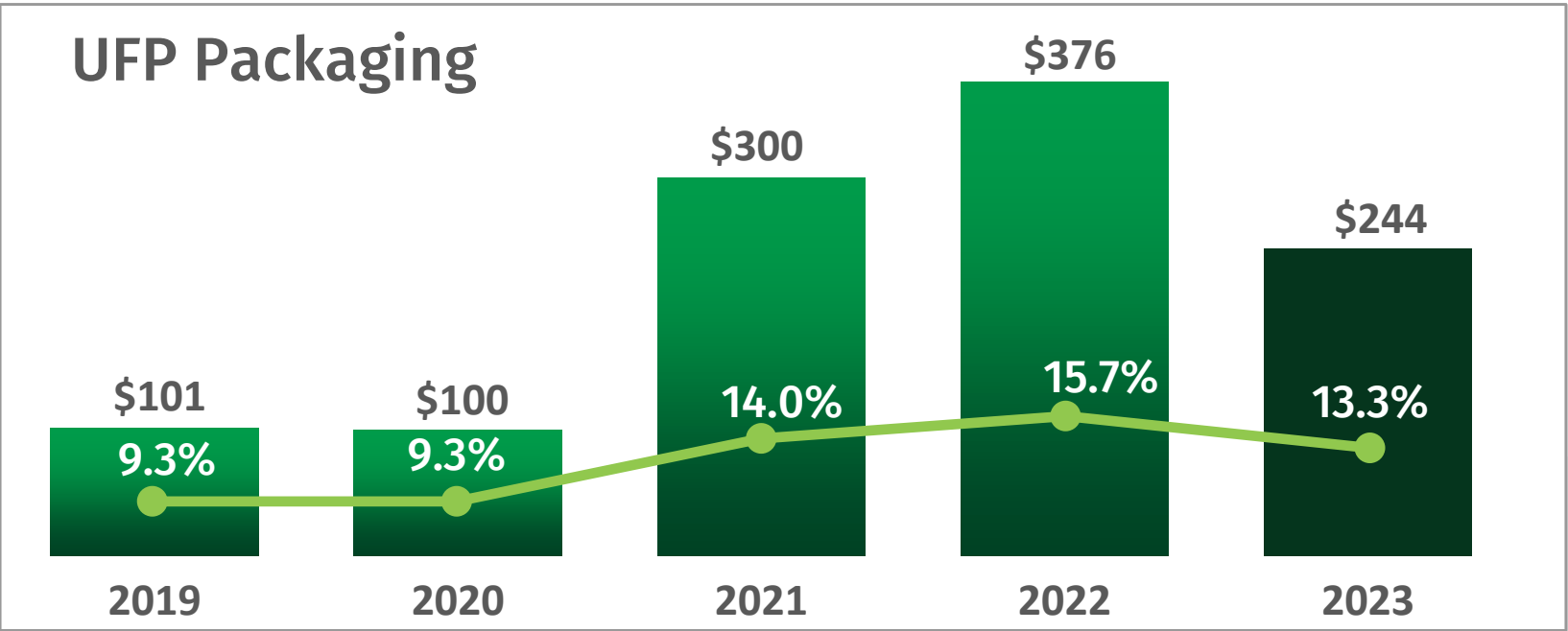
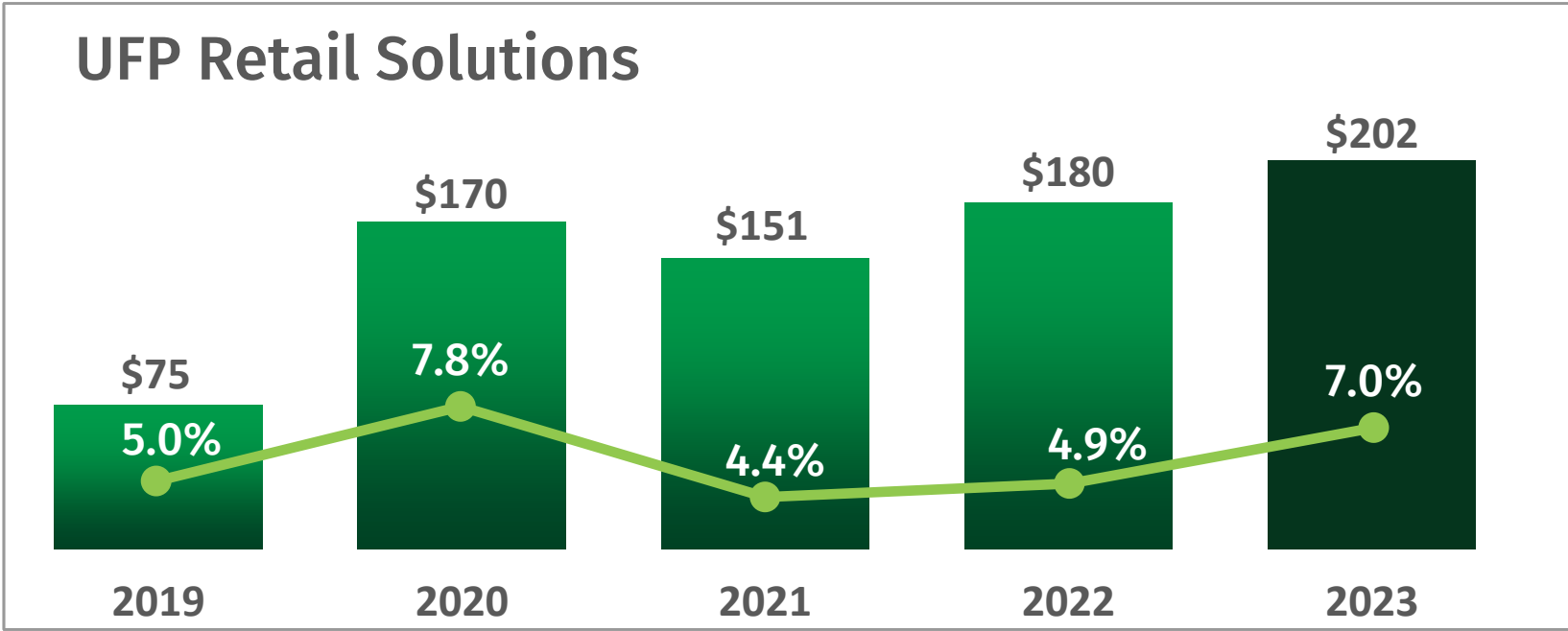
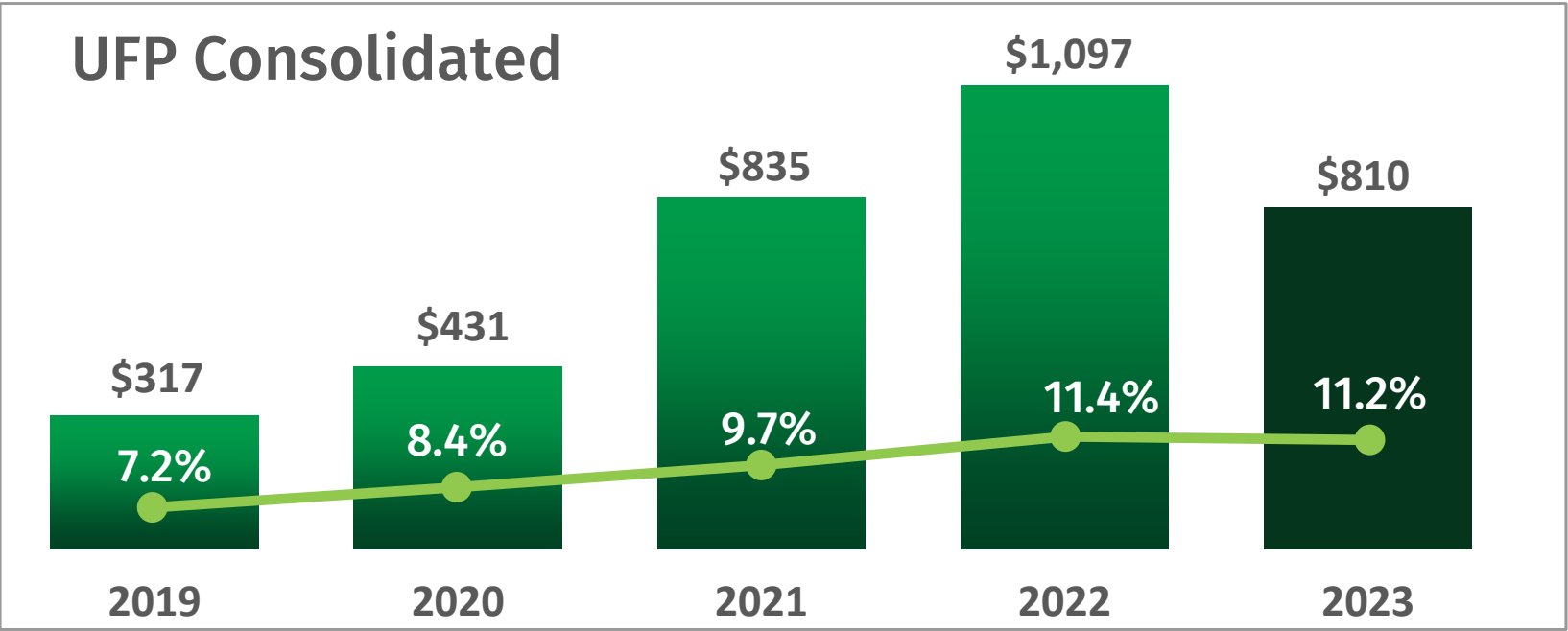


Net Sales    Total Unit Sales Growth    Organic Unit Sales Growth

**Long-Term Goal: Unit sales growth of 7% to 10%, including small acquisitions**



# ADJUSTED EBITDA (in millions)



## MARGIN DRIVERS

- New management structure
- Value-added mix improvements, including new branded products, solutions selling, and value-based pricing
- Operational improvements, transportation restructure, automation

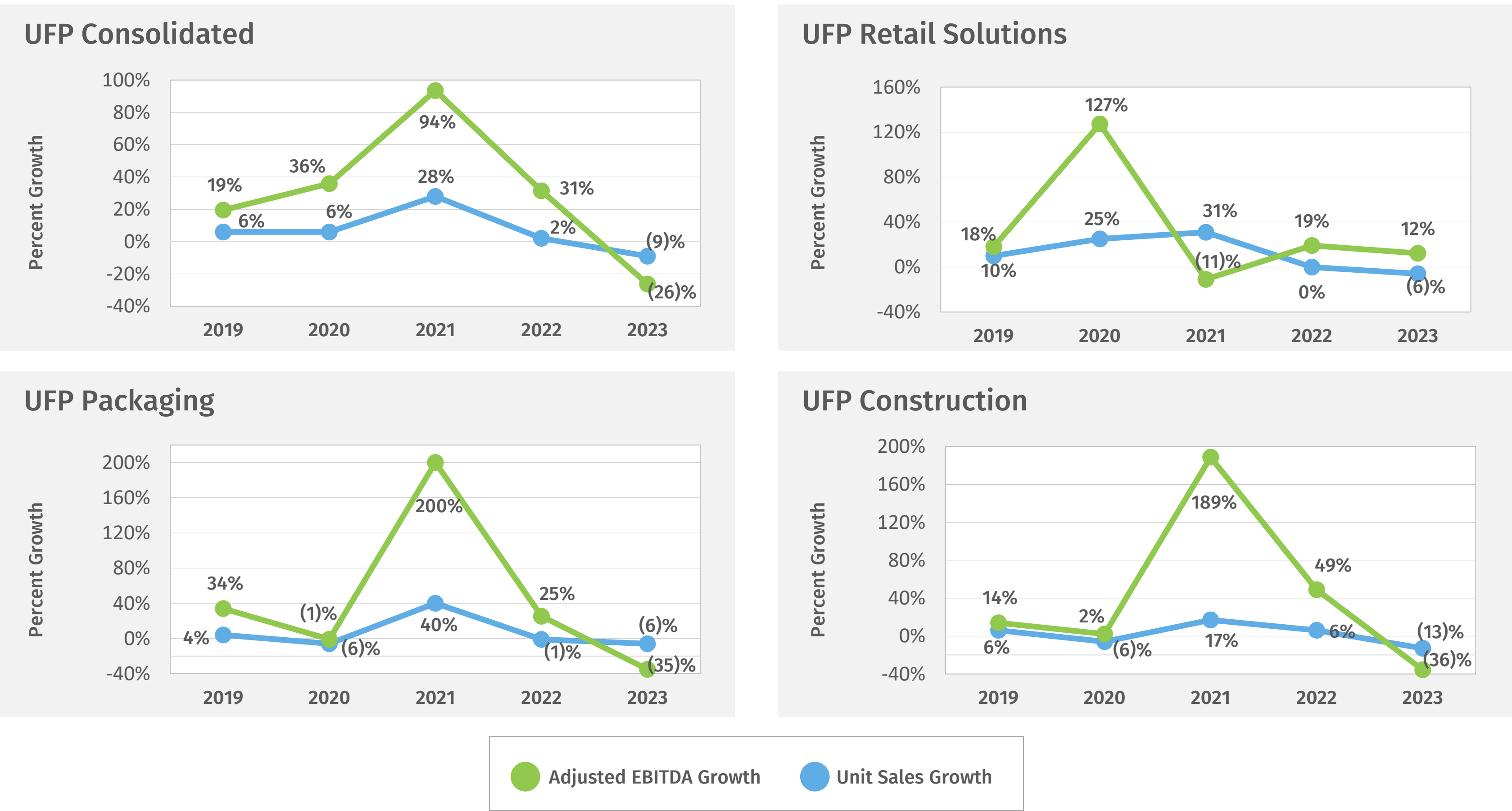
## LONG-TERM GOAL

12.5% Adjusted EBITDA margin

Non-GAAP Financial Information: Please visit [ufpinvestor.com](http://ufpinvestor.com) for reconciliation to related GAAP measurement.



# ADJUSTED EBITDA GROWTH AND UNIT SALES



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

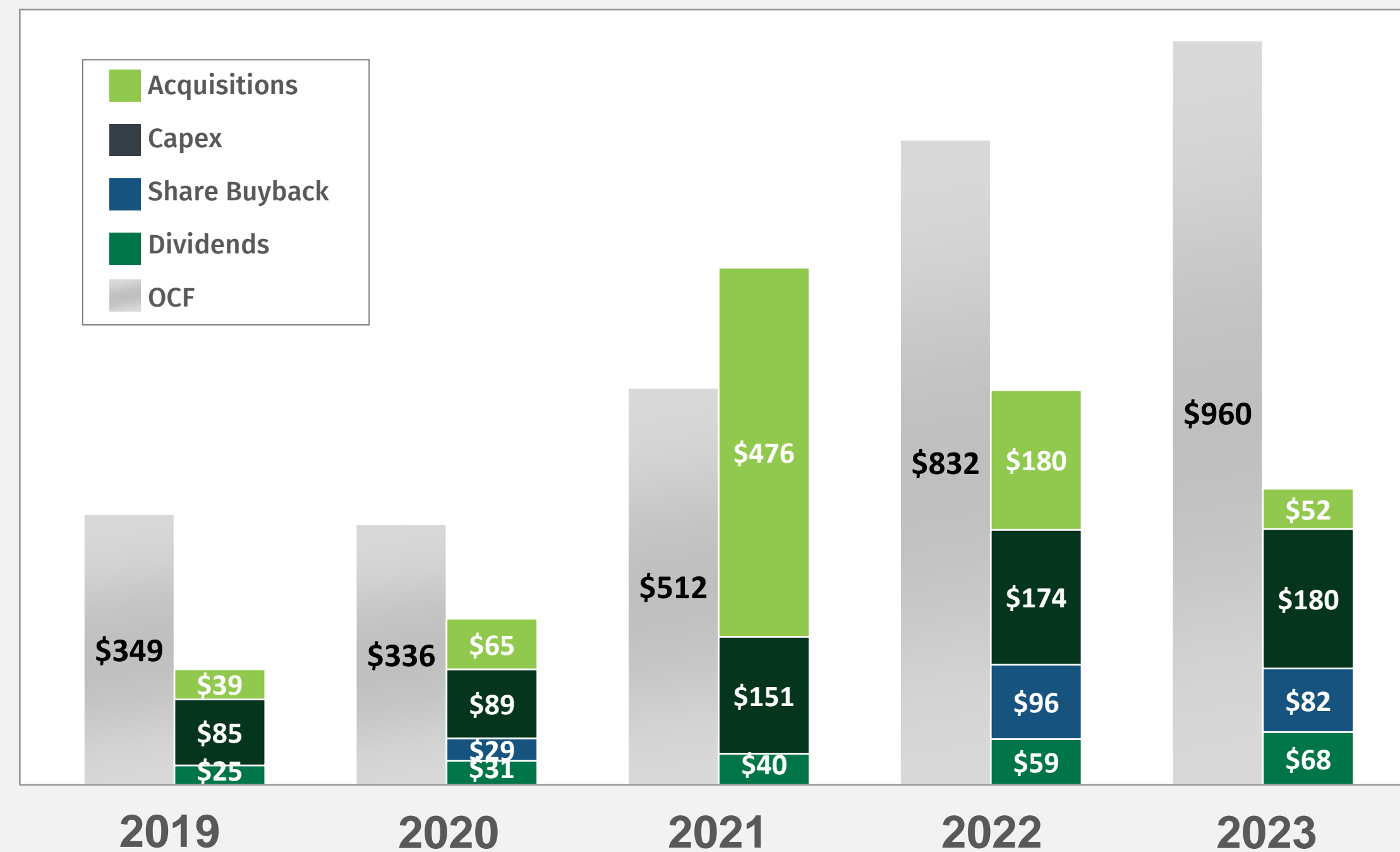
Non-GAAP Financial Information: Please visit [ufpinvestor.com](http://ufpinvestor.com) for reconciliation to related GAAP measurement.



# BALANCED USE OF FREE CASH FLOW

- ✓ Acquisitions to contribute half of our total annual unit sales growth
- ✓ CapEx plan of \$250-300M in 2024
- ✓ Opportunistic share repurchases and to offset issuances
- ✓ Increasing dividends in line with growth in earnings and free cash flow

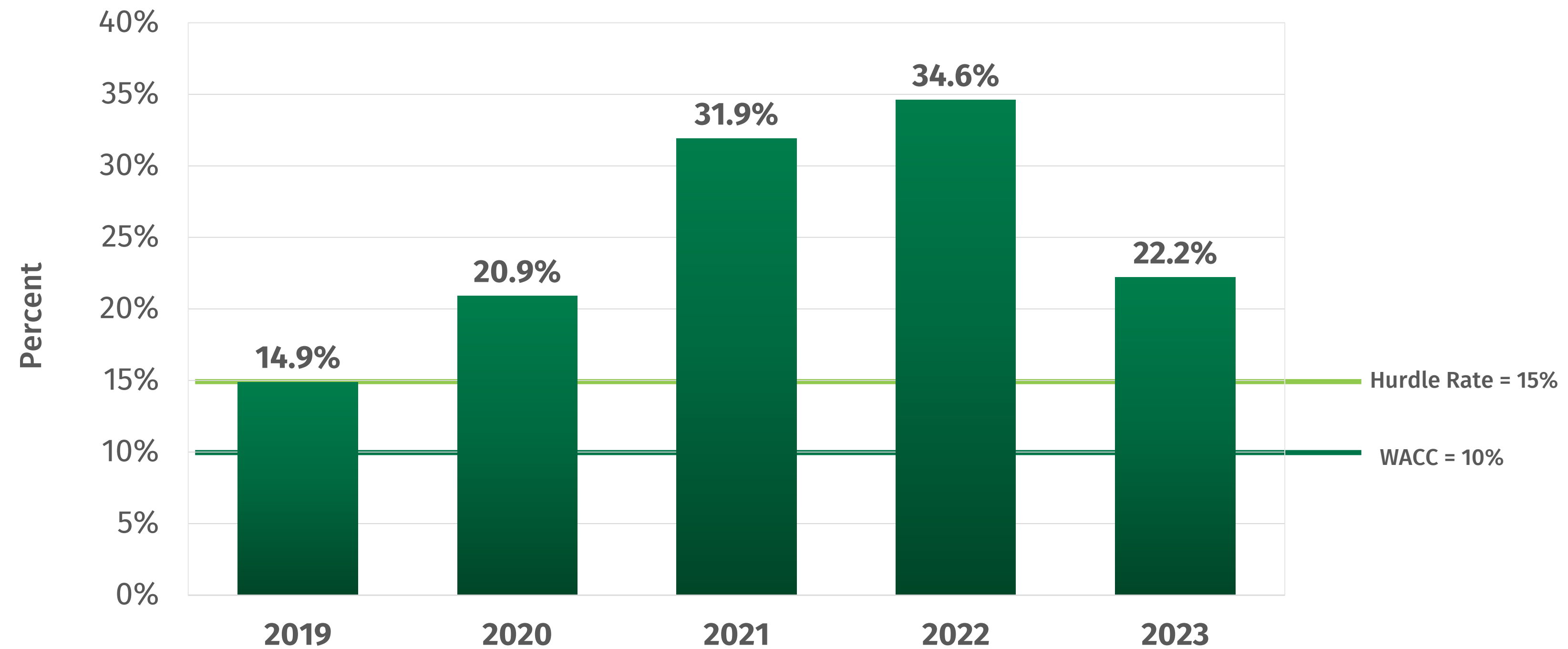
**Operating Cash Flow and Capital Allocation**  
(in millions)



**Return-focused approach to capital allocation**



# RETURN ON INVESTED CAPITAL

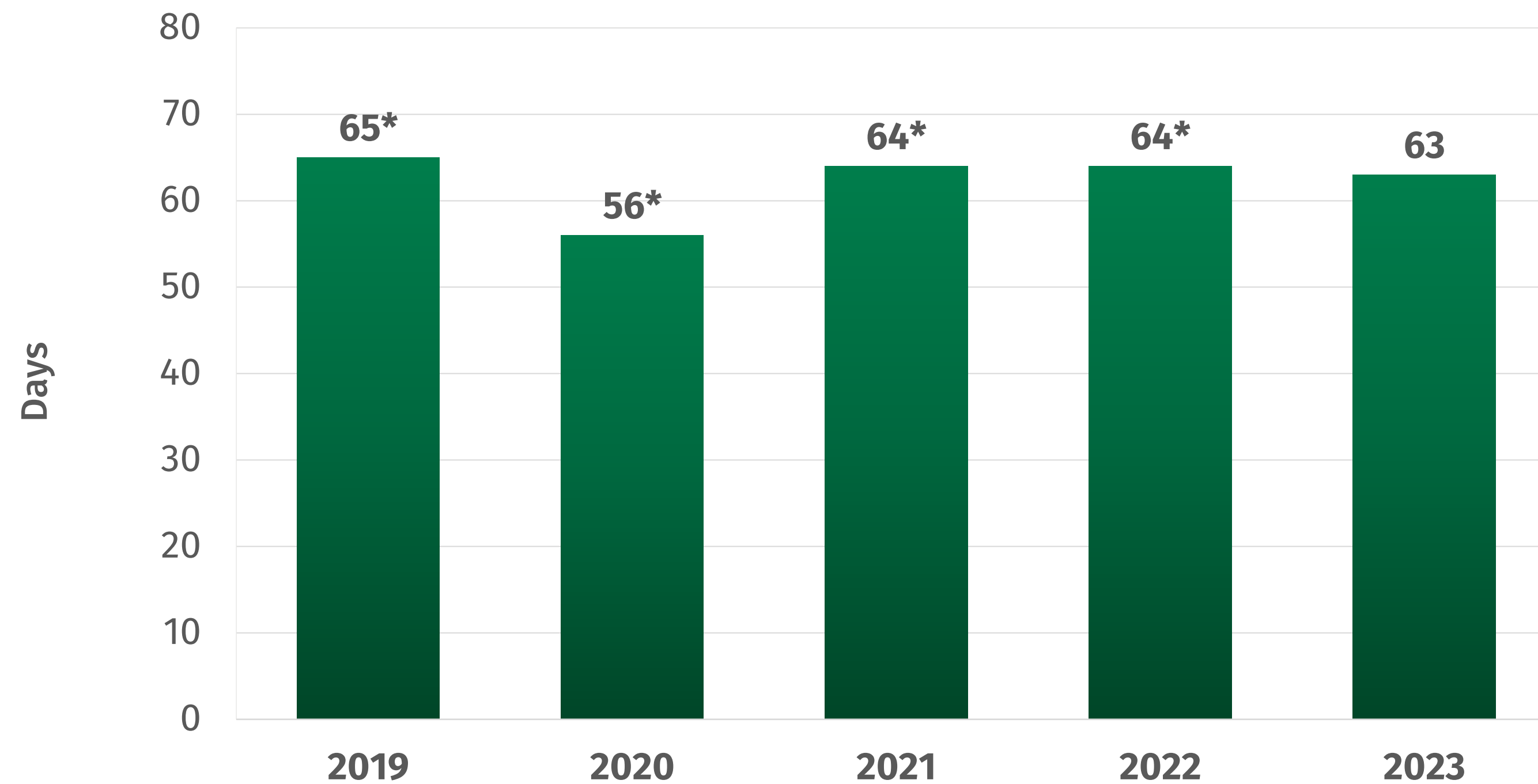


**Long-Term Goal: Earn an incremental return on new investment greater than our hurdle rate**

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# CASH CYCLE



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

## Strong working capital management

\* Within the cash cycle, we've modified our calculation of days payables outstanding to be based on CGS and AP payable balances in our monthly financial statements. In prior periods, our calculation was based on invoice data. We've made this change to simplify the calculation and more easily integrate acquired operations into our financial metrics. The prior year metrics have been restated for the new method which reduced days payables and increased cash cycle by a range of 7 to 9 days from previously reported cash cycle figures.



# RECENT ACQUISITIONS

## Process

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

## Purpose

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

## Goal

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



Scale, low-cost production, automation; increased customer wallet share.



Driving Deckorators recycle content; scaling opportunity.

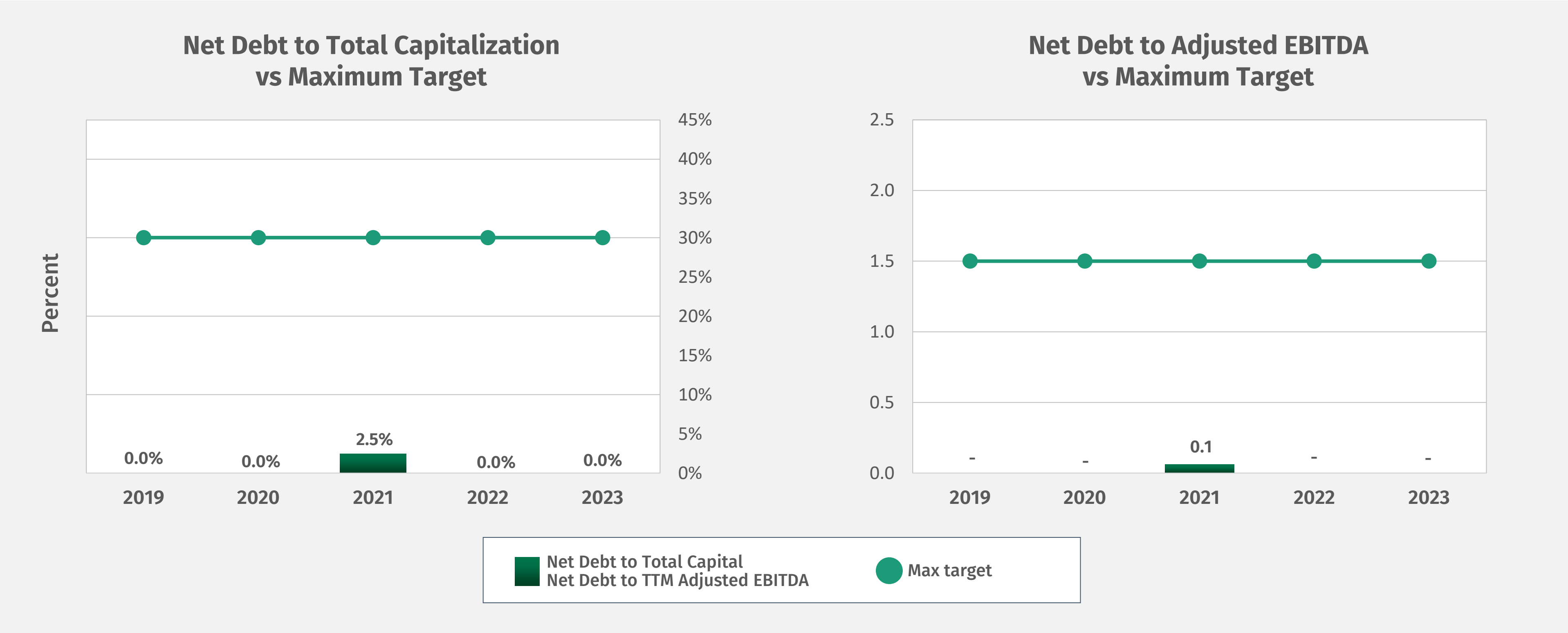


Securing supply and margin expansion for growing Packaging business.





# CAPITAL STRUCTURE

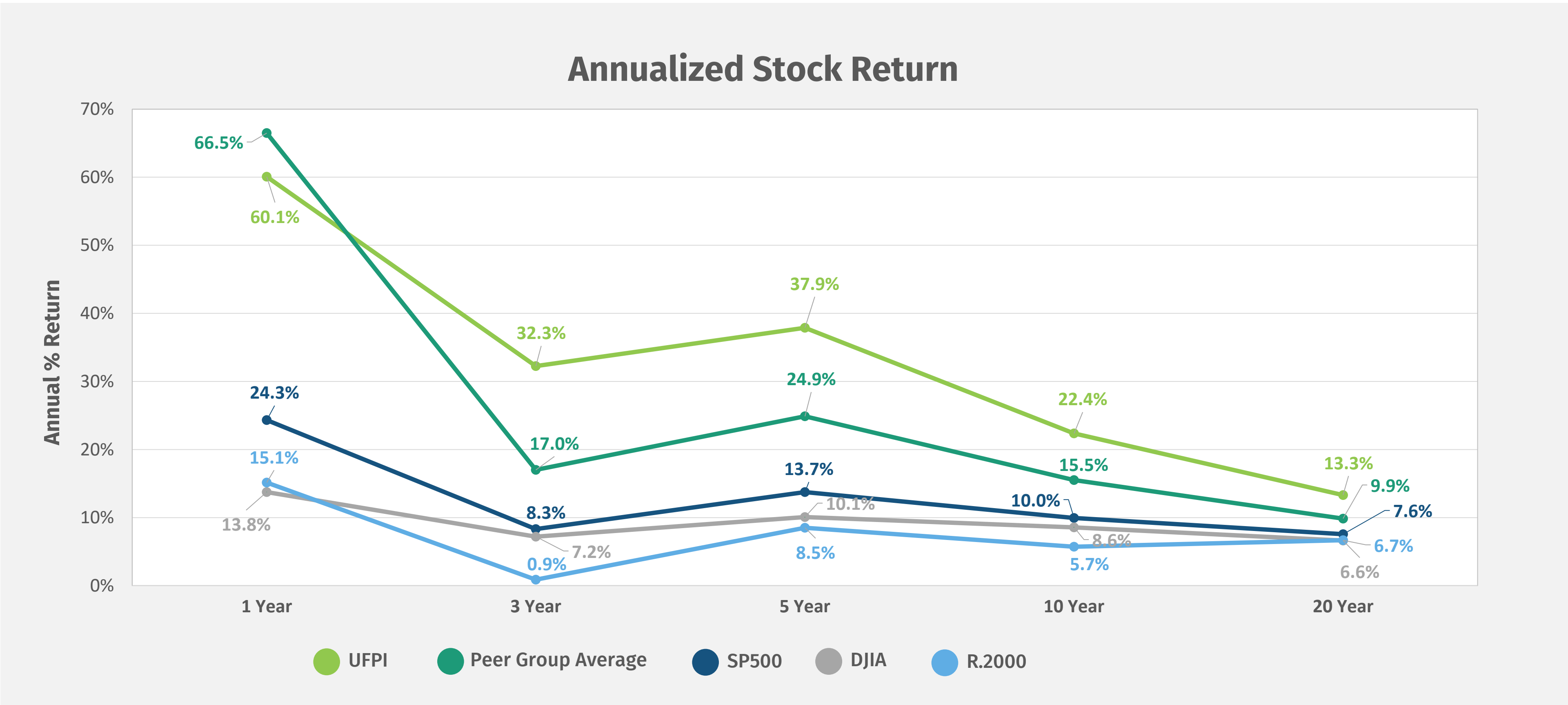


**Conservative capital structure ensures ample resources to pursue investment opportunities with the highest return potential.**

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# STOCK PERFORMANCE



**Long-term returns outperform peers and indices.**

Peers include MAS, BLDR, TREX, LPX, SSD, BCC, PATK, AMWD, WRK, SON, GEF, ROCK

Stock prices are adjusted to account for dividend payouts. Source: FactSet as of 12/31/2023 closing prices



NASDAQ CONGRATULATES  
UFP INDUSTRIES INC  
ON BEING ADDED TO THE  
2022 FORTUNE 500 LIST



UFPI NasdaqListed

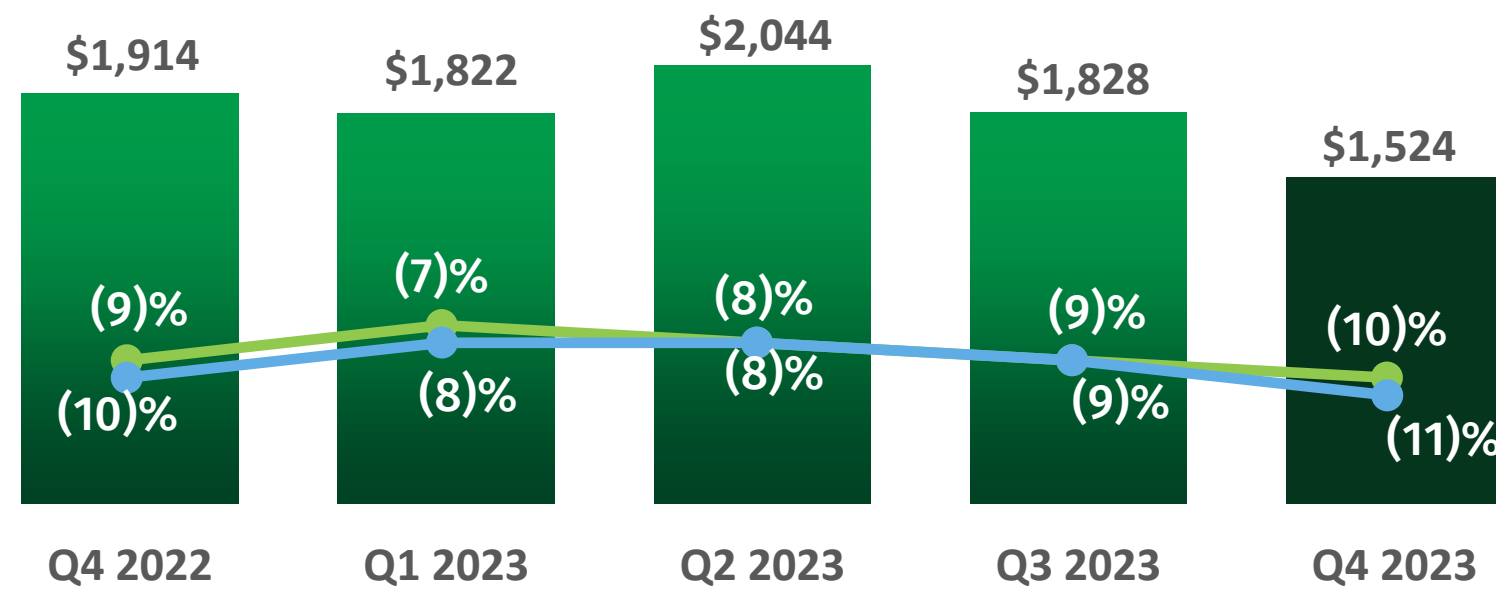
# QUARTERLY RESULTS



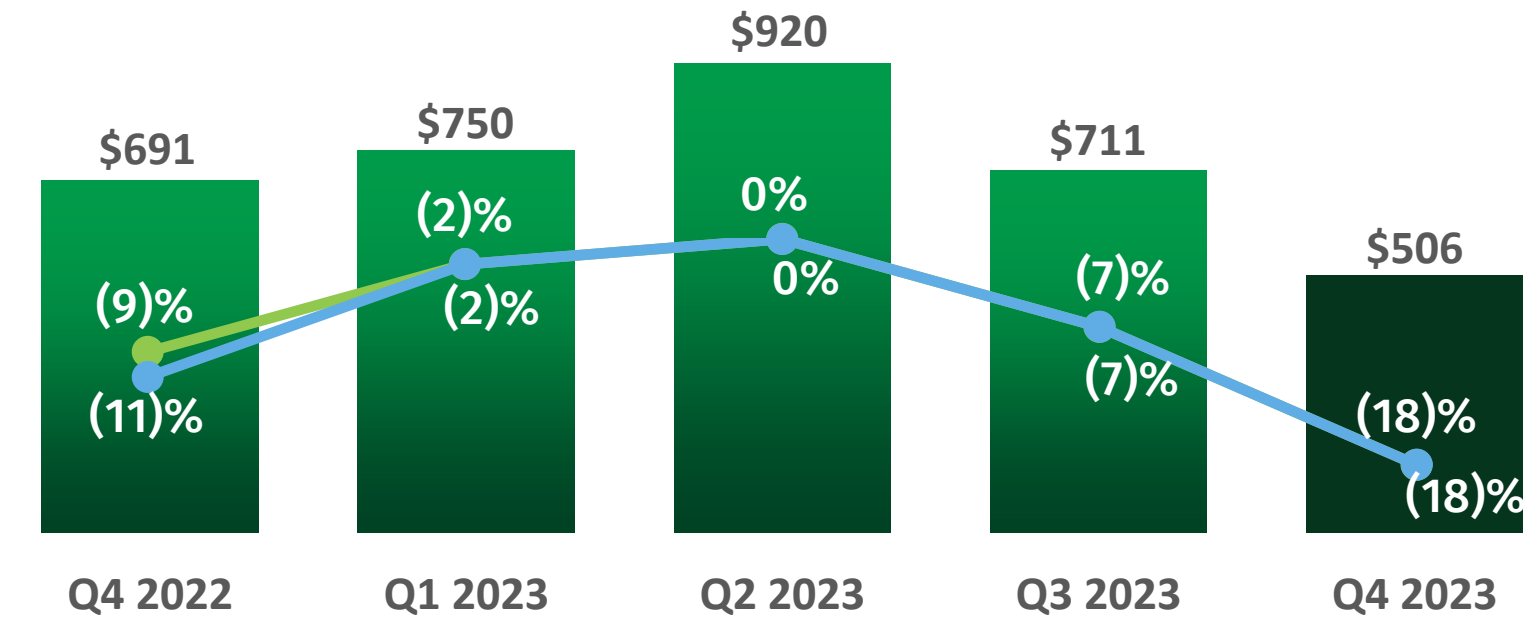


# NET SALES Q4 2023 (in millions)

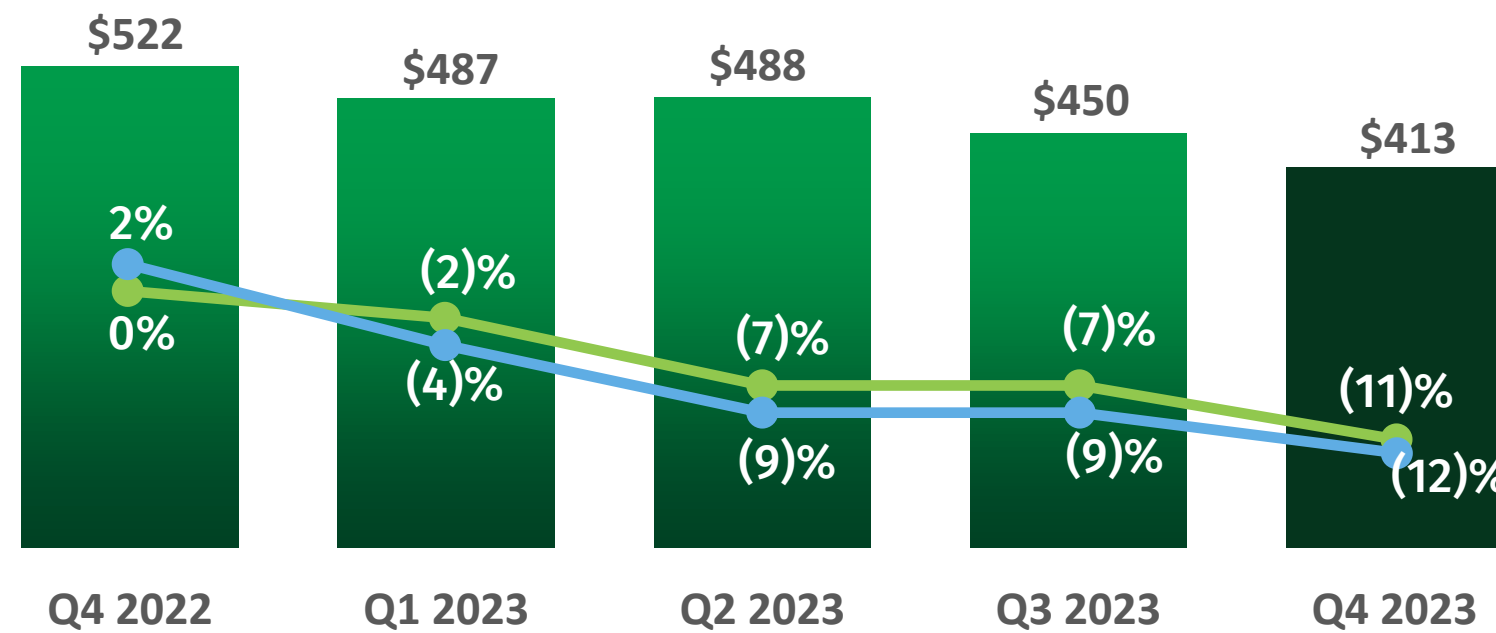
## UFP Consolidated



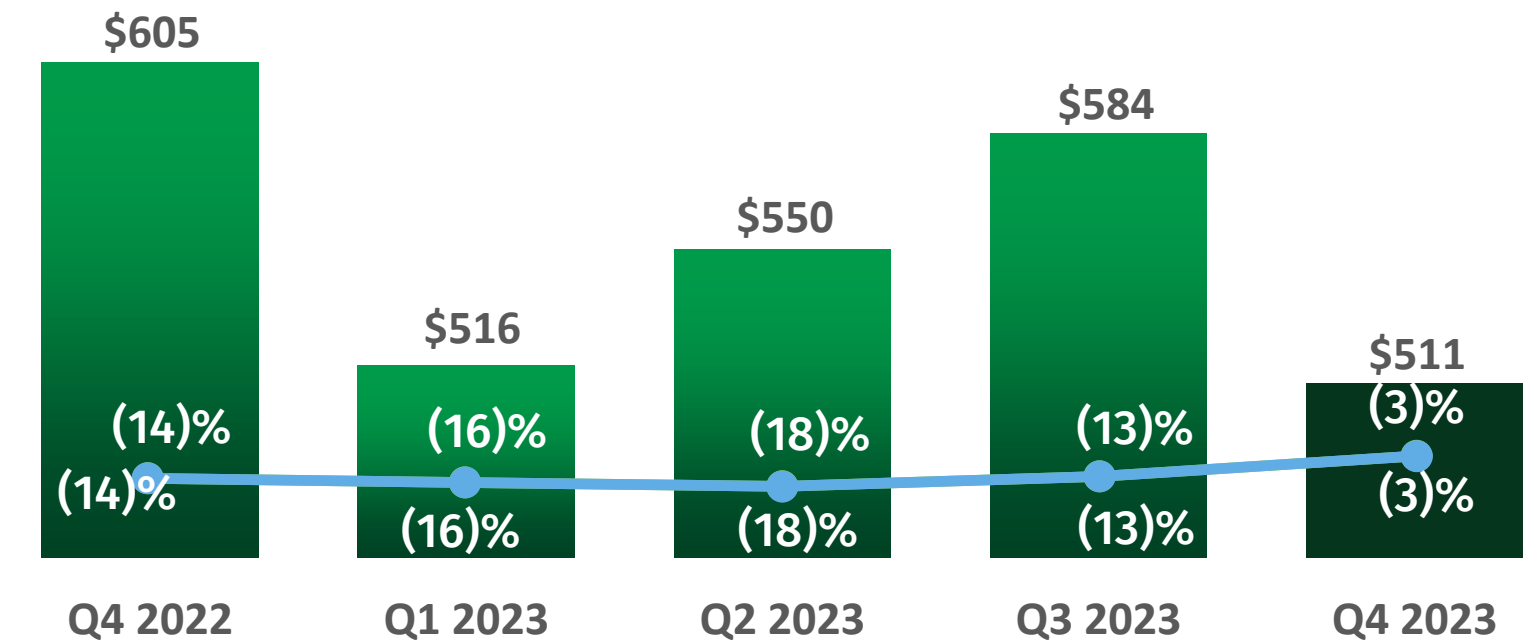
## UFP Retail Solutions



## UFP Packaging



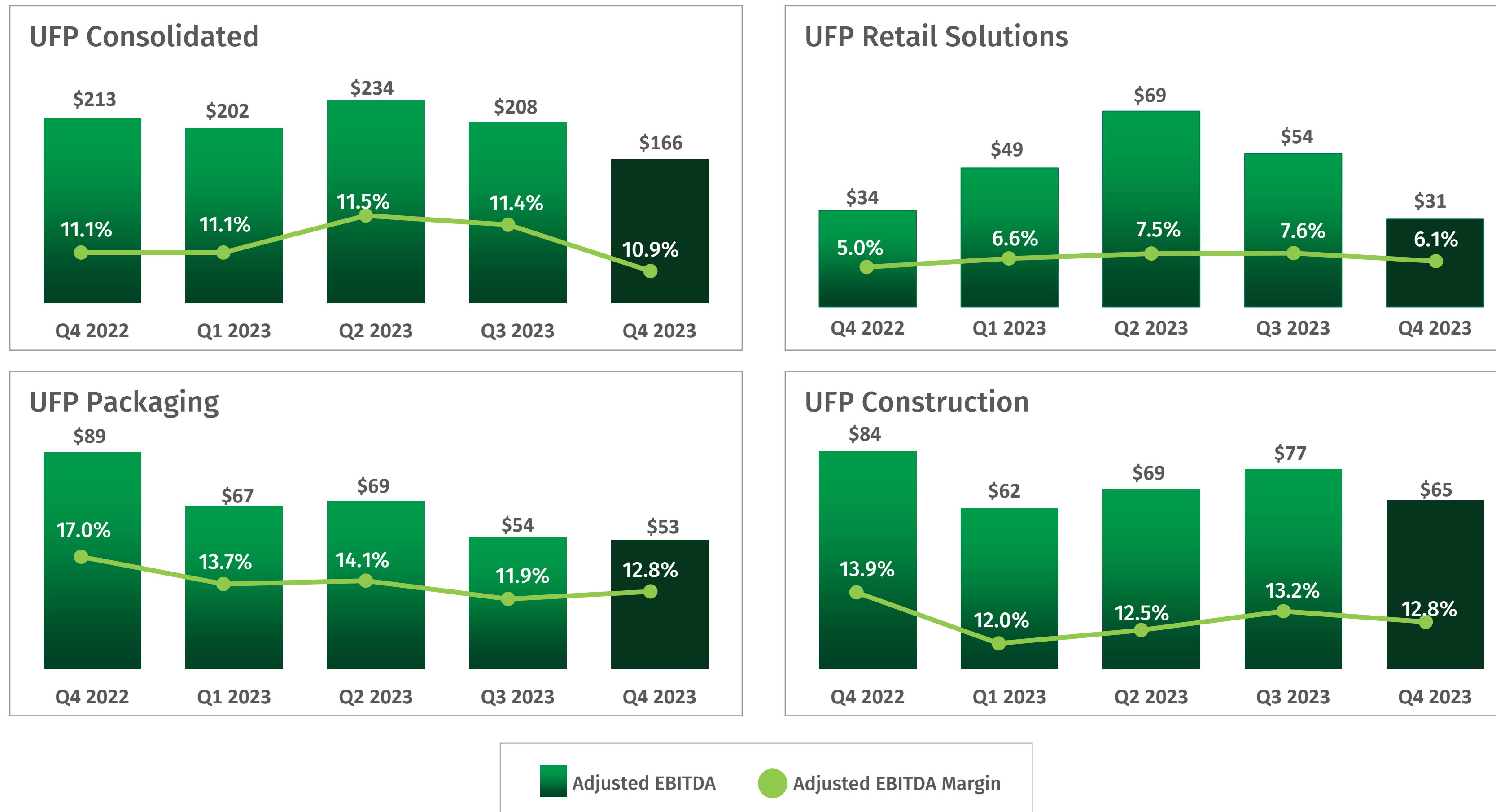
## UFP Construction



Net Sales    Total Unit Sales YOY Growth    Organic Unit Sales YOY Growth



# ADJUSTED EBITDA Q4 2023 (in millions)



**Margin levels reflect focus on value-added solutions..**

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# THANK YOU



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