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 30, 2024

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 30, 2024
Common stock, $1 par value	61,753,899

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.

TABLE OF CONTENTS

Table of Contents

UFP INDUSTRIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in thousands, except share data)	March 30, 2024	December 30, 2023	April 1, 2023
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 979,746	$ 1,118,329	$ 423,299
Restricted cash	761	3,927	761
Investments	36,978	34,745	37,534
Accounts receivable, net	713,414	549,499	809,389
Inventories:			
Raw materials	410,959	352,785	425,835
Finished goods	334,336	375,003	534,503
Total inventories	745,295	727,788	960,338
Refundable income taxes	2,185	29,327	—
Other current assets	36,036	38,474	35,692
TOTAL CURRENT ASSETS	2,514,415	2,502,089	2,267,013
DEFERRED INCOME TAXES	3,595	4,228	4,194
RESTRICTED INVESTMENTS	29,119	24,838	22,267
RIGHT OF USE ASSETS	128,846	103,774	116,564
OTHER ASSETS	96,977	87,438	99,516
GOODWILL	335,596	336,313	337,467
INDEFINITE-LIVED INTANGIBLE ASSETS	7,322	7,345	7,336
OTHER INTANGIBLE ASSETS, NET	168,209	175,195	142,277
PROPERTY, PLANT AND EQUIPMENT:			
Property, plant and equipment	1,596,622	1,559,304	1,408,360
Less accumulated depreciation and amortization	(802,062)	(782,727)	(708,205)
PROPERTY, PLANT AND EQUIPMENT, NET	794,560	776,577	700,155
TOTAL ASSETS	4,078,639	4,017,797	3,696,789
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	$ 254,902	$ 203,055	$ 277,989
Accrued liabilities:			
Compensation and benefits	133,513	232,331	142,603
Income taxes	—	—	1,855
Other	66,032	66,713	77,054
Current portion of lease liability	26,520	22,977	27,838
Current portion of long-term debt	44,051	42,900	3,020
TOTAL CURRENT LIABILITIES	525,018	567,976	530,359
LONG-TERM DEBT	233,046	233,534	275,002
LEASE LIABILITY	106,231	84,885	92,182
DEFERRED INCOME TAXES	44,726	45,248	51,254
OTHER LIABILITIES	34,140	35,934	35,550
TOTAL LIABILITIES	943,161	967,577	984,347
TEMPORARY EQUITY:			
Redeemable noncontrolling interest	$ 19,383	$ 20,030	$ 6,801
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 160,000,000; issued and outstanding, 61,753,899, 61,621,004, and 62,095,570	61,754	61,621	62,096
Additional paid-in capital	362,231	354,702	325,730
Retained earnings	2,664,081	2,582,332	2,293,025
Accumulated other comprehensive loss	(307)	1,106	(5,074)
Total controlling interest shareholders' equity	3,087,759	2,999,761	2,675,777
Noncontrolling interest	28,336	30,429	29,864
TOTAL SHAREHOLDERS' EQUITY	3,116,095	3,030,190	2,705,641
TOTAL LIABILITIES, TEMPORARY EQUITY AND SHAREHOLDERS' EQUITY	$ 4,078,639	$ 4,017,797	$ 3,696,789

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 30, 2024	Three Months Ended April 1, 2023
NET SALES	$ 1,638,966	$ 1,822,476
COST OF GOODS SOLD	1,312,888	1,464,147
GROSS PROFIT	326,078	358,329
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	192,059	194,683
OTHER LOSSES (GAINS), NET	196	1,938
EARNINGS FROM OPERATIONS	133,823	161,708
INTEREST EXPENSE	3,136	3,118
INTEREST AND INVESTMENT INCOME	(16,493)	(6,547)
EQUITY IN LOSS OF INVESTEE	594	588
INTEREST AND OTHER	(12,763)	(2,841)
EARNINGS BEFORE INCOME TAXES	146,586	164,549
INCOME TAXES	25,487	38,971
NET EARNINGS	121,099	125,578
NET EARNINGS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(308)	491
NET EARNINGS ATTRIBUTABLE TO CONTROLLING INTEREST	$ 120,791	$ 126,069
EARNINGS PER SHARE – BASIC	$ 1.96	$ 2.01
EARNINGS PER SHARE – DILUTED	$ 1.96	$ 1.98
OTHER COMPREHENSIVE INCOME:		
NET EARNINGS	121,099	125,578
OTHER COMPREHENSIVE INCOME (LOSS)	(1,130)	6,252
COMPREHENSIVE INCOME	119,969	131,830
COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	(591)	(1,760)
COMPREHENSIVE INCOME ATTRIBUTABLE TO CONTROLLING INTEREST	$ 119,378	$ 130,070

See notes to consolidated condensed financial statements.

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 (NCI)	Total	Temporary Equity
Balance on December 30, 2023	**$ 61,621**	**$ 354,702**	**$ 2,582,332**	**$ 1,106**	**$ 30,429**	**$ 3,030,190**	**$ 20,030**
Net earnings (loss)			120,791		622	121,413	(314)
Foreign currency translation adjustment				(1,419)	616	(803)	(333)
Unrealized loss on debt securities				6	—	6	
Distributions to NCI					(3,331)	(3,331)	
Cash dividends - $0.33 per share - quarterly			(20,411)			(20,411)	
Issuance of 6,251 shares under employee stock purchase plan	6	648				654	
Issuance of 369,012 shares under stock grant programs	369	5,829				6,198	
Issuance of 76,927 shares under deferred compensation plans	77	(77)				—	
Repurchase of 319,295 shares	(319)	(17,686)	(18,631)			(36,636)	
Expense associated with share-based compensation arrangements		11,194				11,194	
Accrued expense under deferred compensation plans		7,621				7,621	
Balance on March 30, 2024	**$ 61,754**	**$ 362,231**	**$ 2,664,081**	**$ (307)**	**$ 28,336**	**$ 3,116,095**	**$ 19,383**

(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 (NCI)	Total	Temporary Equity
Balance on December 31, 2022	**$ 61,618**	**$ 294,029**	**$ 2,217,410**	**$ (9,075)**	**$ 32,841**	**$ 2,596,823**	**$ 6,880**
Net earnings (loss)			126,069		(313)	125,756	(178)
Foreign currency translation adjustment				3,850	2,195	6,045	56
Unrealized loss on debt securities				151		151	
Distributions to NCI					(4,859)	(4,859)	
Other						—	43
Cash dividends - $0.25 per share - quarterly			(15,642)			(15,642)	
Issuance of 10,140 shares under employee stock purchase plan	10	675				685	
Issuance of 824,669 shares under stock grant programs	825	14,356	6			15,187	
Issuance of 93,165 shares under deferred compensation plans	93	(93)				—	
Repurchase of 450,597 shares	(450)		(34,818)			(35,268)	
Expense associated with share-based compensation arrangements		9,598				9,598	
Accrued expense under deferred compensation plans		7,165				7,165	
Balance on April 1, 2023	**$ 62,096**	**$ 325,730**	**$ 2,293,025**	**$ (5,074)**	**$ 29,864**	**$ 2,705,641**	**$ 6,801**

See notes to consolidated condensed financial statements.

UFP INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)	**Three Months Ended March 30, 2024**	**Three Months Ended April 1, 2023**
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Net earnings	$ 121,099	$ 125,578
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation	30,019	25,774
Amortization of intangibles	5,882	5,009
Expense associated with share-based and grant compensation arrangements	11,277	9,637
Deferred income taxes	119	(242)
Unrealized gain on investments and other	(2,130)	(149)
Equity in loss of investee	594	588
Net gain on sale and disposition of assets	(231)	(164)
Changes in:		
Accounts receivable	(164,613)	(191,064)
Inventories	(17,788)	14,674
Accounts payable and cash overdraft	52,264	68,388
Accrued liabilities and other	(53,290)	(95,105)
NET CASH USED IN OPERATING ACTIVITIES	(16,798)	(37,076)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(49,148)	(38,166)
Proceeds from sale of property, plant and equipment	1,344	319
Purchases of investments	(9,352)	(11,709)
Proceeds from sale of investments	4,300	8,849
Other	(3,206)	(1,151)
NET CASH USED IN INVESTING ACTIVITIES	(56,062)	(41,858)
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Borrowings under revolving credit facilities	5,100	4,437
Repayments under revolving credit facilities	(4,278)	(4,518)
Repayments of debt	—	(29)
Repayment of debt on behalf of investee	(6,303)	—
Contingent consideration payments and other	(3,779)	(6,179)
Proceeds from issuance of common stock	654	685
Dividends paid to shareholders	(20,411)	(15,642)
Distributions to noncontrolling interest	(3,331)	(4,859)
Payments to taxing authorities in connection with shares directly withheld from employees	(17,838)	—
Repurchase of common stock	(18,798)	(33,288)
Other	16	25
NET CASH USED IN FINANCING ACTIVITIES	(68,968)	(59,368)
Effect of exchange rate changes on cash	79	2,739
NET CHANGE IN CASH AND CASH EQUIVALENTS	(141,749)	(135,563)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	1,122,256	559,623
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF PERIOD	$ 980,507	$ 424,060
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH:		
Cash and cash equivalents, beginning of period	$ 1,118,329	$ 559,397
Restricted cash, beginning of period	3,927	226
Cash, cash equivalents, and restricted cash, beginning of period	$ 1,122,256	$ 559,623
Cash and cash equivalents, end of period	$ 979,746	$ 423,299
Restricted cash, end of period	761	761
Cash, cash equivalents, and restricted cash, end of period	$ 980,507	$ 424,060
SUPPLEMENTAL INFORMATION:		
Interest paid	$ 3,099	$ 3,309
Income taxes paid	1,778	4,138
NON-CASH INVESTING ACTIVITIES		
Capital expenditures included in accounts payable	3,351	3,122
NON-CASH FINANCING ACTIVITIES:		
Common stock issued under deferred compensation plans	$ 8,616	$ 7,950

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 of America. All significant intercompany balances and transactions have been eliminated in consolidation.

We consolidate entities in which we have a controlling financial interest. In determining whether we have a controlling financial interest in a partially owned entity and the requirement to consolidate the accounts of that entity, we consider factors such as ownership interest, board representation, management representation, authority to make decisions, and contractual and substantive participating rights of the partners/members as well as whether the entity is a variable interest entity (“VIE”) and whether we are the primary beneficiary. The primary beneficiary of a VIE is the entity that has (i) the power to direct the activities that most significantly impact the entity's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE. The primary beneficiary is required to consolidate the VIE. We account for unconsolidated VIEs using the equity method of accounting.

As a result of the investment in Dempsey on June 27, 2022, we own 50% of the issued equity of that entity, and the remaining 50% of the issued equity is owned by the previous owners (“Sellers”). The investment in Dempsey is an unconsolidated variable interest entity and we have accounted for it using the equity method of accounting because we do not have a controlling financial interest in the entity. Per the contracts, the Sellers have a put right to sell their equity interest to us for $50 million and we have a call right to purchase the Seller’s equity interest for $70 million, which are both first exercisable in June 2025 and expire in June 2030. As of March 30, 2024, the carrying value of our investment in Dempsey is $60.3 million and is recorded in Other Assets. Our maximum exposure to loss consists of our investment amount and any contingent loss that may occur in the future as a result of a change in the fair value of Dempsey relative to the strike price of the put option.

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 30, 2023.

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 April 1, 2023 balances in the accompanying unaudited condensed consolidated balance sheets.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which is intended to enhance the transparency, decision usefulness and effectiveness of income tax disclosures. The amendments in this ASU require a public entity to disclose a tabular tax rate reconciliation, using both percentages and currency, with specific categories. A public entity is also required to provide a qualitative description of the states and local jurisdictions that make up the majority of the effect of the state and local income tax category and the net amount of income taxes paid, disaggregated by federal, state and foreign taxes and also disaggregated by individual jurisdictions. The amendments also remove certain disclosures that are no longer considered cost beneficial. The amendments are effective prospectively for annual periods beginning after December 15, 2024, and early adoption and retrospective application are permitted. Although the ASU only modifies our required income tax disclosures, we are currently evaluating the impact of adopting this guidance on the consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses, allowing financial statement users to better understand the components of a segment's profit or loss to assess potential future cash flows for each reportable segment and the entity as a whole. The amendments expand a public entity's segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM"), clarifying when an entity may report one or more additional measures to assess segment performance, requiring enhanced interim disclosures, providing new disclosure requirements for entities with a single reportable segment, and requiring other new disclosures. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and early adoption is permitted. Although the ASU only requires additional disclosures about the Company's operating segments, we are currently evaluating the impact of adopting this guidance on the consolidated financial statements.

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 30, 2024				December 30, 2023			
	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	$ 179,400	$ 7,036	$ —	$ 186,436	$ 492,800	$ 6,133	$ —	$ 498,933
Fixed income funds	5,159	21,724	—	26,883	5,112	18,976	—	24,088
Treasury securities	344	—	—	344	344	—	—	344
Equity securities	17,439	—	15,000	32,439	16,411	—	10,500	26,911
Alternative investments	—	—	4,030	4,030	—	—	4,052	4,052
Mutual funds:								
Domestic stock funds	14,514	—	—	14,514	13,330	—	—	13,330
International stock funds	540	—	—	540	509	—	—	509
Target funds	9	—	—	9	9	—	—	9
Bond funds	5	—	—	5	5	—	—	5
Alternative funds	489	—	—	489	474	—	—	474
Total mutual funds	15,557	—	—	15,557	14,327	—	—	14,327
Total	$ 217,899	$ 28,760	$ 19,030	$ 265,689	$ 528,994	$ 25,109	$ 14,552	$ 568,655

From the assets measured at fair value as of March 30, 2024, listed in the table above, $184.6 million of money market funds are held in Cash and Cash Equivalents, $37.0 million of mutual funds, equity securities, and alternative investments are held in Investments, $15.0 million of equity securities are held in Other Assets, $0.1 million of money market and mutual funds are held in Other Assets for our deferred compensation plan, and $27.2 million of fixed income funds and $1.8 million of money market funds are held in Restricted Investments. As of December 30, 2023, $498.5 million of money market funds were held in Cash and Cash Equivalents, $34.8 million of mutual funds, equity securities, and alternative investments were held in Investments, $10.5 million of equity securities were held in Other Assets, $0.1 million of money market and mutual funds were held in Other Assets for our deferred compensation plan, and $24.4 million of fixed income funds and $0.4 million of money market funds were 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 $64.2 million and $59.2 million as of March 30, 2024 and December 30, 2023, respectively, 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 30, 2024			December 30, 2023		
	Cost	Unrealized Gain (Loss)	Fair Value	Cost	Unrealized Gain (Loss)	Fair Value
Fixed income	$ 28,266	$ (1,383)	$ 26,883	$ 25,514	$ (1,426)	$ 24,088
Treasury securities	344	—	344	344	—	344
Equity	13,605	3,834	17,439	13,523	2,888	16,411
Mutual funds	12,626	2,883	15,509	12,348	1,934	14,282
Alternative investments	3,239	791	4,030	3,211	841	4,052
Total	$ 58,080	$ 6,125	$ 64,205	$ 54,940	$ 4,237	$ 59,177

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 pre-tax unrealized gain of the portfolio was $6.1 million and $4.2 million as of March 30, 2024 and December 30, 2023, respectively. Carrying amounts above are recorded in the Investments and Restricted Investments line items within the balance sheet as of March 30, 2024 and December 30, 2023.

C. REVENUE RECOGNITION

Within the three primary segments, UFP Retail Solutions ("Retail"), UFP Packaging ("Packaging" and formerly known as UFP Industrial) and UFP Construction ("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 third party. Installation revenue is recognized upon completion. If we use a third party for installation, the party will act as an agent to us until completion of the installation. Installation revenue represents an immaterial share of our total net sales.

We utilize 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 relative 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 relative 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):

	Three Months Ended		
	March 30, 2024	April 1, 2023	% Change
Point in Time Revenue	$ 1,604,835	$ 1,784,456	(10.1)%
Over Time Revenue	34,131	38,020	(10.2)%
Total Net Sales	1,638,966	1,822,476	(10.1)%

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 30, 2024	December 30, 2023	April 1, 2023
Cost and Earnings in Excess of Billings	$ 6,592	$ 3,572	$ 5,415
Billings in Excess of Cost and Earnings	10,122	9,487	10,797

D. EARNINGS PER SHARE

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

	Three Months Ended	
	March 30, 2024	April 1, 2023
Numerator:		
Net earnings attributable to controlling interest	$ 120,791	$ 126,069
Adjustment for earnings allocated to non-vested restricted common stock equivalents	(4,901)	(5,581)
Net earnings for calculating EPS	$ 115,890	$ 120,488
Denominator:		
Weighted average shares outstanding	61,985	62,725
Adjustment for non-vested restricted common stock equivalents	(2,809)	(2,777)
Shares for calculating basic EPS	59,176	59,948
Effect of dilutive restricted common stock equivalents	86	855
Shares for calculating diluted EPS	59,262	60,803
Net earnings per share:		
Basic	$ 1.96	$ 2.01
Diluted	$ 1.96	$ 1.98

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.

In addition, on March 30, 2024, 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 30, 2024, we had outstanding purchase commitments on commenced capital projects of approximately $88.7 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. 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 30, 2024, we had approximately $23.4 million in outstanding payment and performance bonds for open projects. We had approximately $6.9 million in payment and performance bonds outstanding for completed projects which are still under warranty.

On March 30, 2024, we had outstanding letters of credit totaling $47.8 million, primarily related to certain insurance contracts, industrial development revenue bonds, and other debt agreements described further below.

In lieu of cash deposits, we provide irrevocable letters of credit in favor of our insurers and other third parties to guarantee our performance under certain insurance contracts and other legal agreements. As of March 30, 2024, we have irrevocable letters of credit outstanding totaling approximately $44.5 million for these types of arrangements. We have reserves recorded on our balance sheet, in accrued liabilities, that reflect our expected future liabilities under those 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 $3.3 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 2024 which would require us to recognize a liability on our balance sheet.

F. BUSINESS COMBINATIONS

We completed the following business combinations since the end of the first quarter of 2023, which were accounted for using the purchase method. Dollars below are 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">UFP Palets y Embalajes SL (UFP Palets)</td><td>September 20, 2023</td><td>$52,841 consideration for 80% stock purchase, net of acquired cash</td><td>$ 43,785</td><td>$ 9,056</td><td>International</td></tr>
<tr><td colspan="5">Headquartered in Castellón, Spain, UFP Palets (formerly known as Palets Suller Group) is the market leader in machine-built wood pallets, serving the region's large ceramic tile industry. The company had trailing 12-month sales of approximately $38 million through August 2023.</td></tr>
</table>

The purchase accounting valuation of the UFP Palets investment is yet to be finalized. In aggregate, investments completed since the end of the first quarter of 2023 and not consolidated with other operations contributed approximately $5.7 million in net sales and $0.5 million in operating losses during the first three months of 2024.

The business combination mentioned above was not significant to our operating results and thus pro forma results for 2024 and 2023 are not presented.

G. SEGMENT REPORTING

We operate manufacturing, treating and distribution facilities internationally, but primarily in the United States. Our business segments consist of UFP Retail Solutions, UFP Packaging and UFP Construction and align with the end markets we serve. This segment structure allows for a specialized and consistent sales approach among Company operations, efficient use of resources and capital, and quicker introduction of new products and services. We manage the operations of our 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, Packaging, and Construction segments. In the case of locations that serve multiple segments, results are allocated and accounted for by segment.

UFP INDUSTRIES, INC.

The exception to this market-centered reporting and management structure is our International segment, which comprises our packaging operations in Mexico, Canada, Spain, India, and Australia and sales and buying offices in other parts of the world and our Ardellis segment, which represents our wholly owned fully licensed captive insurance company based in Bermuda. Our International and Ardellis segments do not meet the quantitative thresholds in order to be separately reported and accordingly, the International and Ardellis segments have been aggregated in the "All Other" segment for reporting purposes.

"Corporate" includes purchasing, transportation, corporate ventures, and administrative functions that serve our operating segments. Operating results of Corporate primarily consist of net sales to external customers initiated by UFP Purchasing and UFP Transportation and over (under) allocated costs. The operating results of UFP Real Estate, Inc., which owns and leases real estate, and UFP Transportation Ltd., which owns, leases and operates transportation equipment, are also included in the Corporate column. Inter-company lease and service charges are assessed to our operating segments for the use of these assets and services at fair market value rates. Total assets in 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., UFP Transportation, Inc., UFP Purchasing, Inc., and UFP RMS, LLC. The tables below are presented in thousands:

	Three Months Ended March 30, 2024					
	Retail	Packaging	Construction	All Other	Corporate	Total
Net sales to outside customers	$ 628,765	$ 424,418	$ 517,896	$ 66,947	$ 940	$ 1,638,966
Intersegment net sales	59,346	20,926	20,035	71,257	(171,564)	—
Earnings from operations	45,980	31,246	45,342	3,873	7,382	133,823

	Three Months Ended April 1, 2023					
	Retail	Packaging	Construction	All Other	Corporate	Total
Net sales to outside customers	$ 761,294	$ 486,561	$ 515,593	$ 55,795	$ 3,233	$ 1,822,476
Intersegment net sales	223,325	20,050	25,836	77,487	(346,698)	—
Earnings from operations	40,258	54,732	54,248	4,832	7,638	161,708

Note: As of December 31, 2023, our Pinelli Universal entity was transferred to our Retail segment from our International segment (grouped in All Other) due to changes in our management structure. Prior year figures have been updated to reflect the change for comparability purposes in every applicable table in this filing.

The following table presents goodwill by segment as of March 30, 2024, and December 30, 2023 (in thousands):

	Retail	Packaging	Construction	All Other	Corporate	Total
Balance as of December 30, 2023	$ 84,204	$ 141,042	$ 87,805	$ 23,262	$ —	$ 336,313
Foreign Exchange, Net	11	—	(113)	(615)	—	(717)
Balance as of March 30, 2024	$ 84,215	$ 141,042	$ 87,692	$ 22,647	$ —	$ 335,596

The following table presents total assets by segment as of March 30, 2024, and December 30, 2023 (in thousands).

	Total Assets by Segment		
Segment Classification	March 30, 2024	December 30, 2023	% Change
Retail	$ 966,544	$ 828,798	16.6 %
Packaging	794,418	798,623	(0.5)
Construction	655,972	621,762	5.5
All Other	310,360	316,481	(1.9)
Corporate	1,351,345	1,452,133	(6.9)
Total Assets	$ 4,078,639	$ 4,017,797	1.5 %

The following table presents our disaggregated net sales (in thousands) by business unit for each segment for the three months ended March 30, 2024, and April 1, 2023 (in thousands).

	Three Months Ended	
	March 30, 2024	April 1, 2023
Retail		
Deckorators	$ 74,135	$ 77,463
ProWood	525,961	651,000
UFP Edge	27,284	32,552
Other	1,385	279
Total Retail	$ 628,765	$ 761,294
Packaging		
Structural Packaging	$ 274,150	$ 328,250
PalletOne	132,490	137,570
Protective Packaging	17,778	20,741
Total Packaging	$ 424,418	$ 486,561
Construction		
Factory Built	$ 191,834	$ 167,613
Site Built	221,559	221,116
Commercial	61,384	72,345
Concrete Forming	43,119	54,519
Total Construction	$ 517,896	$ 515,593
All Other	$ 66,947	$ 55,795
Corporate	$ 940	$ 3,233
Total Net Sales	$ 1,638,966	$ 1,822,476

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 17.4% in the first quarter of 2024 compared to 23.7% in the same period of 2023. The decrease in our overall effective tax rate was primarily due to an increase in our tax deduction from stock-based compensation accounted for as a permanent difference.

UFP INDUSTRIES, INC.

I. COMMON STOCK

Below is a summary of common stock issuances for the first three months of 2024 and 2023 (in thousands, except average share price):

	March 30, 2024	
Share Issuance Activity	Common Stock	Average Share Price
Shares issued under the employee stock purchase plan	6	$ 123.01
Shares issued under the employee stock gift program	1	117.78
Shares issued under the director compensation plan	1	116.27
Shares issued under the LTSIP	306	113.49
Shares issued under the executive stock match plan	64	111.35
Forfeitures	(3)	
Total shares issued under stock grant programs	369	$ 113.13
Shares issued under the deferred compensation plans	77	$ 112.00

During the first three months of 2024, we repurchased 319,295 shares of our common stock at an average share price of $114.74.

	April 1, 2023	
Share Issuance Activity	Common Stock	Average Share Price
Shares issued under the employee stock purchase plan	10	$ 79.47
Shares issued under the employee stock gift program	1	90.30
Shares issued under the director retainer stock program	1	96.33
Shares issued under the LTSIP	756	86.14
Shares issued under the executive stock grants plan	75	85.89
Forfeitures	(8)	
Total shares issued under stock grant programs	825	$ 86.12
Shares issued under the deferred compensation plans	93	$ 85.33

During the first three months of 2023, we repurchased approximately 450,597 shares of our common stock at an average share price of $78.27.

J. INVENTORIES

Inventories are stated at the lower of cost or net realizable value. The cost of inventories includes raw materials, direct labor, and manufacturing overhead and is determined using the weighted average cost method. Raw materials consist primarily of unfinished wood products and other materials expected to be manufactured or treated prior to sale, while finished goods represent various manufactured and treated wood products ready for sale.

We write down the value of inventory, the impact of which is reflected in cost of goods sold in the Condensed Consolidated Statement of Earnings and Comprehensive Income, if the cost of specific inventory items on hand exceeds the amount we expect to realize from the ultimate sale or disposal of the inventory. These estimates are based on management's judgment regarding future demand and market conditions and analysis of historical experience. There was no lower of cost or net realizable value adjustment to inventory as of March 30, 2024 and a $0.7 million adjustment as of April 1, 2023.

K. SUBSEQUENT EVENTS

Subsequent to our reporting date, we repurchased 351,294 shares for $40.2 million, at an average share price of $114.15.

UFP INDUSTRIES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

UFP Industries, Inc. is a holding company with subsidiaries in North America, Europe, Asia, and Australia that design, manufacture, and supply products made from wood, wood and non-wood composites, and other materials to three segments: retail, packaging, and construction. Our business segments are functionally interdependent and are supported by common corporate services, such as accounting and finance, information technology, human resources, marketing, purchasing, transportation, legal and compliance, among others. We regularly invest in automation and implement best practices to improve the efficiency of our manufacturing facilities across each of the segments. The results and improvements from these investments are shared among the segments. This exchange of ideas drives faster innovation for new products, processes, and product improvements. While the majority of our facilities serve only one business segment, many of our larger facilities serve two or more segments.

We believe that our operating structure allows us to better evaluate market conditions and opportunities and more effectively allocate capital and resources to the appropriate segments and business units. Also, we believe our diversification and manner in which we operate our business provide an inherent hedge against the business cycles our end markets experience and over which we have limited control. Accordingly, we have the ability to provide more stable earnings and cash flows to our shareholders. Our diversification and operating practices also mitigate the impact that more volatile lumber market conditions have on traditional lumber companies. We are headquartered in Grand Rapids, Mich. For more information about UFP Industries, Inc., or its 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. We do 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 currency and inflation; fluctuations in the price of lumber; adverse economic conditions in the markets we serve; concentration of sales to customers; vertical integration strategies; excess capacity or supply chain challenges; our ability to make successful business acquisitions; government regulations, particularly involving environmental and safety regulations; adverse or unusual weather conditions; inbound and outbound transportation costs; alternatives to replace treated wood products; cybersecurity breaches; tariffs on import and export sales; and potential pandemics. Certain of these risk factors as well as other risk factors and additional information are included in our 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 2024.

OVERVIEW

Our results for the first quarter of 2024 include the following highlights:

- Our net sales decreased 10% compared to the first quarter of 2023, which was comprised of a 9% decrease in selling prices and a 1% decrease in organic unit sales. The overall decrease in our selling prices is primarily due to lower lumber prices and a more competitive pricing environment in certain of our business units. Organic unit declines consisted of 8% in our retail segment and 6% in our packaging segment, offset by an 8% increase in our construction segment.

- Our gross profits decreased by $32 million, or 9.0%, compared to the same period of the prior year. By segment, gross profits decreased by $35 million in Packaging and $7 million in Construction, while Retail experienced a $6 million increase in gross profits. The overall decrease in our gross profits is primarily due to the decline in unit sales and resulting unfavorable cost variances as a result of fixed manufacturing costs and more competitive pricing in certain business units.

- Our operating profits decreased $28 million, or 17.2%, compared to the first quarter of 2023. The overall decrease is a result of the decline in gross profits mentioned above offset by a decrease in selling, general, and administrative ("SG&A") expenses. Our SG&A declined primarily due to our incentive compensation plans which are tied to profitability and return on investment. Our decremental operating margin was 15.2%, which is calculated by dividing our decrease in operating profits by our decrease in net sales. In other words, for every dollar decrease in sales from the first quarter of 2023 to the first quarter of 2024, our operating profits decreased 15.2 cents. The decremental operating margin provides investors additional visibility into expected operating profits during periods of declining sales. In a declining business cycle, the Company's management uses this metric to evaluate a change in its profitability resulting from a reduction in sales volume while considering the impact of product pricing changes, changes in product sales mix, its ratio of variable and fixed costs, and anticipated cost saving measures, among other factors.

- Our cash flows used in operations was $17 million in the first three months of 2024 compared to $37 million during the first three months of 2023. The $20 million improvement is primarily due to an improvement in net working capital. Lower volumes and lumber prices contributed to the reduction in working capital requirements during the first three months of 2024 compared to the same period in 2023.

- Our Cash and cash equivalents at the end of March 2024 was $980 million compared to $423 million at the end of March 2023. Our unused borrowing capacity under revolving credit facilities and a shelf agreement with certain lenders along with our cash resulted in total liquidity of approximately $2.2 billion at the end of the first quarter of 2024.

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	
	2024	2023
January	$ 398	$ 386
February	389	437
March	416	411
First quarter average	$ 401	$ 411
First quarter percentage change	(2.4)%	

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.

	Southern Yellow Pine Average $/MBF	
	2024	2023
January	$ 380	$ 406
February	371	452
March	394	464
First quarter average	$ 382	$ 441
First quarter percentage change	(13.4)%	

Lower overall lumber prices in 2024 compared to 2023 is primarily due to increased supply of SYP lumber in the U.S. while end market demand has remained soft. A change in lumber prices impacts profitability of products sold with fixed and variable prices, as discussed below.

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 dollar sales levels (and working capital requirements) are impacted by the lumber costs of our products. Lumber costs were 39.8% and 40.3% of our sales in the first three months of 2024 and 2023, respectively.

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). Additionally, as explained below, product categories can be 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.

- Products with fixed selling prices. 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.

- Products with selling prices indexed to the reported Lumber Market with a fixed dollar "adder" to cover conversion costs and profit. 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 customers' needs and carry appropriate 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 in our retail segment.

For each of the product pricing categories above, our margins are exposed to changes in the trend of lumber prices. As a result of the balance in our net sales to each of our end markets, we believe our gross profits are more stable than those of our competitors who are less diversified.

UFP INDUSTRIES, INC.

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

- Products with significant inventory levels with low turnover rates, whose selling prices are indexed to the Lumber Market. 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 includes treated lumber, which comprised approximately 21% of our total net sales in the first three months of 2024. 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 managed inventory programs with our vendors. We estimate that 17% of our total purchases for the first three months of 2024 were transacted under these programs. (*Please refer to the "Risk Factors" section of our annual report on form 10-K, filed with the United States Securities and Exchange Commission.*)

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

In addition to the impact of 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 AND ASSET PURCHASES

We completed one business acquisition in fiscal 2023. The annual historical sales attributable to this acquisition is approximately $38 million. This business combination was not significant to our quarterly results individually or in aggregate and thus pro forma results for 2024 and 2023 are not presented.

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

UFP INDUSTRIES, INC.

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 30, 2024	April 1, 2023
Net sales	100.0 %	100.0 %
Cost of goods sold	80.1	80.3
Gross profit	19.9	19.7
Selling, general, and administrative expenses	11.7	10.7
Other losses (gains), net	—	0.1
Earnings from operations	8.2	8.9
Other (income) expense, net	(0.8)	(0.2)
Earnings before income taxes	8.9	9.0
Income taxes	1.6	2.1
Net earnings	7.4	6.9
Less net earnings attributable to noncontrolling interest	—	—
Net earnings attributable to controlling interest	7.4 %	6.9 %

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.

	Percentage Change	
	Three Months Ended	
	March 30, 2024	April 1, 2023
Units sold	(1.0)%	(7.0)%
Gross profit	(9.0)	(25.1)
Selling, general, and administrative expenses	(1.3)	(11.6)
Earnings from operations	(17.2)	(37.6)

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

	Three Months Ended	
	March 30, 2024	April 1, 2023
Gross profit	$ 326,078	$ 358,329
Selling, general, and administrative expenses	$ 192,059	$ 194,683
SG&A as percentage of gross profit	58.9%	54.3%

Operating Results by Segment:

Our business segments consist of UFP Retail Solutions ("Retail"), UFP Packaging ("Packaging") and UFP Construction ("Construction"), and align with the end markets we serve. Among other advantages, this structure allows for a more specialized and consistent sales approach, more efficient use of resources and capital, and quicker introduction of new products and services. We manage the operations of our 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, Packaging, and Construction segments. The exception to this market-centered reporting and management structure is our International segment, which comprises our packaging operations in Mexico, Canada, Spain, India, and Australia and sales and buying offices in other parts of the world. Our International segment and Ardellis (our insurance captive) are included in the "All Other" column of the table below. The "Corporate" column includes purchasing, transportation, corporate ventures, 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, leases, and operates transportation equipment, are also included in the Corporate column. Inter-company lease and services charges are assessed to our operating segments for the use of these assets and services at fair market value rates.

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

	Three Months Ended March 30, 2024					
	Retail	Packaging	Construction	All Other	Corporate	Total
Net sales	$ 628,765	424,418	517,896	66,947	940	$ 1,638,966
Cost of goods sold	527,641	338,978	403,561	49,002	(6,294)	1,312,888
Gross profit	101,124	85,440	114,335	17,945	7,234	326,078
Selling, general, administrative expenses	55,610	53,941	69,150	13,391	(33)	192,059
Other	(466)	253	(157)	681	(115)	196
Earnings from operations	$ 45,980	$ 31,246	$ 45,342	$ 3,873	$ 7,382	$ 133,823

	Three Months Ended April 1, 2023					
	Retail	Packaging	Construction	All Other	Corporate	Total
Net sales	$ 761,294	$ 486,561	$ 515,593	$ 55,795	$ 3,233	$ 1,822,476
Cost of goods sold	665,990	365,663	393,934	37,025	1,535	1,464,147
Gross profit	95,304	120,898	121,659	18,770	1,698	358,329
Selling, general, administrative expenses	53,913	66,252	67,338	12,964	(5,784)	194,683
Other	1,133	(86)	73	974	(156)	1,938
Earnings from operations	$ 40,258	$ 54,732	$ 54,248	$ 4,832	$ 7,638	$ 161,708

UFP INDUSTRIES, INC.

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 30, 2024					
	Retail	Packaging	Construction	All Other	Corporate	Total
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	N/A	100.0 %
Cost of goods sold	83.9	79.9	77.9	73.2	—	80.1
Gross profit	16.1	20.1	22.1	26.8	—	19.9
Selling, general, administrative expenses	8.8	12.7	13.4	20.0	—	11.7
Other	—	—	—	1.0	—	0.0
Earnings from operations	7.3 %	7.4 %	8.8 %	5.8 %	—	8.2 %

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

	Three Months Ended April 1, 2023					
	Retail	Packaging	Construction	All Other	Corporate	Total
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	N/A	100.0 %
Cost of goods sold	87.5	75.2	76.4	66.4	—	80.3
Gross profit	12.5	24.8	23.6	33.6	—	19.7
Selling, general, administrative expenses	7.1	13.6	13.1	23.2	—	10.7
Other	—	—	—	1.7	—	0.1
Earnings from operations	5.3 %	11.2 %	10.5 %	8.7 %	—	8.9 %

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

NET SALES

We design, manufacture and market wood and wood-alternative products, primarily used to enhance outdoor living environments; for national home centers and other retailers; for engineered wood components, structural lumber, and other products for factory-built and site-built residential and commercial construction; customized interior fixtures used in a variety of retail stores, commercial, and other structures; and structural 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 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 2024 versus first quarter 2023	(10.1)%	(9.1)%	(1.0)%	12.0 %	(13.0)%

- 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 in the Retail segment; structural and protective packaging and machine-built pallets sold in the Packaging segment; engineered wood components, customized interior fixtures, manufactured and assembled concrete forms sold in the Construction segment; 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, metals and plastics sold in each of our segments. 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. We estimate that approximately 81% of our sales consist of products we manufacture at our locations, while 19% of our sales consist of products manufactured by suppliers that we inventory and distribute to customers.

  The following table presents, for the periods indicated, our percentage of value-added and commodity-based sales to total sales by our segments:

	Three Months Ended March 30, 2024		Three Months Ended April 1, 2023	
	Value-Added	Commodity-Based	Value-Added	Commodity-Based
Retail	52.0 %	48.0 %	50.9 %	49.1 %
Packaging	75.7 %	24.3 %	77.0 %	23.0 %
Construction	82.1 %	17.9 %	83.3 %	16.7 %
All Other	77.7 %	22.3 %	73.1 %	26.9 %
Corporate	82.9 %	17.1 %	61.6 %	38.4 %
Total Sales	68.5 %	31.5 %	67.5 %	32.5 %

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

Our overall unit sales of value-added products increased approximately 2% in the first quarter of 2024 compared to 2023. Our overall unit sales of commodity-based products decreased approximately 6% in the first quarter of 2024 compared to the same period last year.

- Developing new products. We define new products as those that will generate sales of at least $1 million per year within 4 years of launch and are still growing and gaining market penetration and meet our internal definition of value-added products. New product sales in the first quarter of 2024 decreased 9% primarily due to a decline in unit sales in our structural packaging business unit. Approximately $46.9 million of new product sales for the first three months of 2023, while still sold, were sunset in 2024 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 $510 million in 2024.

UFP INDUSTRIES, INC.

The table below presents new product sales in thousands:

	New Product Sales by Segment				
	Three Months Ended				
	March 30, 2024	% of Segment Net Sales	April 1, 2023	% of Segment Net Sales	% Change in Sales
Retail	$ 54,068	8.6 %	$ 51,672	6.8 %	4.6 %
Packaging	48,158	11.3 %	65,268	13.4 %	(26.2)%
Construction	21,162	4.1 %	18,640	3.6 %	13.5 %
All Other and Corporate	659	1.0 %	39	0.1 %	1,589.7 %
Total New Product Sales	124,047	7.6 %	135,619	7.4 %	(8.5)%

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 2024 decreased by 17% compared to the same period of 2023 due to a 6% decline in selling prices, a 3% decrease due to the transfer of certain sales to the Construction and Packaging segments, and an 8% decline in organic units. Organic unit changes within this segment consisted of decreases of 2% in Deckorators, 2% in UFP Edge, and 9% in ProWood. Our selling prices of variable-priced products declined due to lower lumber prices. The selling prices of these products are indexed to the lumber market at the time they are shipped. Additionally, our unit sales to big box customers, which we believe are more closely correlated with repair and remodel activity, decreased approximately 9%, while unit sales to independent retailers, which we believe are more closely correlated to new housing starts, decreased approximately 7%.Within our Deckorators business unit, our sales of wood-plastic composite decking, mineral-based-composite decking (sold under our new Surestone tradename) and railing systems increased 10%.

Gross profits increased by $5.8 million, or 6.1% to $101.1 million for the first quarter of 2024 compared to the same period last year. The increase in gross profit was attributable to the following**:**

- The gross profit of our ProWood business unit increased by $6.6 million, in spite of the transfer of certain sales to the Construction and Packaging segments. The products sold by this business unit consist primarily of pressure treated lumber sold at a variable price indexed to the lumber market at the time they are shipped. The improvement in profitability is primarily due to better inventory management, SKU rationalization, and various operational improvements.

- The gross profit of our Deckorators business unit increased by $1.8 million due to operational improvements.

- The gross profit of our UFP Edge business unit increased by $1.1 million, in spite of the transfer of certain sales to the Construction segment. The improvement in profitability is primarily due to operational improvements.

SG&A increased by approximately $1.7 million, or 3.1%, in the first quarter of 2024 compared to the same period of 2023. Accrued bonus expense, which varies with the overall profitability of the segment and return on investment, increased approximately $2.6 million from the first quarter of 2023 and totaled approximately $14.0 million for the quarter. This increase was partially offset by several small decreases in several accounts.

Earnings from operations for the Retail reportable segment increased in the first quarter of 2024 compared to 2023 by $5.7 million, or 14.2%, as a result of the factors mentioned above.

Packaging Segment

Net sales in the first quarter of 2024 decreased 13% compared to the same period of 2023, due to an 11% decrease in selling prices, a 4% increase due to the transfer of sales from the Retail segment, and a 6% decrease in organic unit sales. Organic unit changes consisted of decreases of 11% in structural packaging and 14% in protective packaging, primarily due to a decline in demand from existing customers. These declines were partially offset by 9% organic unit growth in PalletOne, which sells machine-built pallets, due to market share gains. The decline in prices is due to competitive price pressure as well as lower lumber costs.

Gross profits decreased by $35.5 million, or 29.3%, for the first quarter of 2024 compared to the same period last year. The decrease in gross profit was attributable to the following:

- The gross profit of our structural packaging business unit decreased by a total of $25.5 million, in spite of the transfer of certain sales from the Retail segment. The decline in gross profit is attributable to competitive price pressure due to lower demand as well as lower unit sales and resulting unfavorable cost variances due to fixed manufacturing costs.

- The gross profit of our PalletOne business unit decreased by $9.2 million primarily due to competitive price pressure which more than offset profit from unit sales growth.

- The gross profit of our protective packaging business unit decreased by $0.8 million due to a decline in unit sales.

SG&A decreased by approximately $12.3 million, or 18.6%, in the first quarter of 2024 compared to the same period of 2023. Accrued bonus expense, which varies with the overall profitability of the segment and return on investment, decreased approximately $5.1 million relative to the first quarter of 2023, and totaled $10.7 million for the quarter. The remaining decrease was primarily due to decreases in earnout compensation expense of $3.7 million, sales incentive compensation of $2.3 million, and professional fees of $1.4 million.

Earnings from operations for the Packaging reportable segment decreased in the first quarter of 2024 compared to 2023 by $23.5 million, or 42.9%, due to the factors discussed above.

Construction Segment

Net sales in the first quarter of 2024 were flat compared to the same period of 2023 and consisted of a 10% decrease in selling prices, a 2% increase due to the transfer of certain sales from the Retail segment, and an organic unit increase of 8%. Organic unit changes within this segment consist of increases of 13% in factory-built housing, primarily due to an increase in industry production, and 18% in site-built construction, primarily due to a combination of increased housing starts, capacity expansion, growth of our light gauge metal component plants and aluminum balcony products. These increases were partially offset by organic unit declines of 13% in concrete forming and 15% in commercial construction. The organic unit decline in commercial construction is primarily due to a decline in market demand. As of March 30, 2024 and April 1, 2023, we estimate that our backlog of orders in our site-built construction business unit were $79 million and $91 million, respectively. The decline in pricing was primarily due to competitive price pressure.

Gross profits decreased by $7.3 million, or 6.0%, in the first quarter of 2024 compared to the same period of 2023. The decrease in our gross profit was comprised of the following:

- The gross profit in our factory-built housing increased by $2.3 million as a result of increased unit sales and the transfer of sales from the Retail segment.

- The gross profit of our site-built construction business unit decreased by $3.4 million primarily due to competitive price pressure and a decline in margins on multi-family construction projects. This decrease was partially offset by an increase in gross profit at our light gauge metal facility.

- The gross profit of our concrete forming business unit decreased by $2.7 million due to lower unit sales and a decline in selling prices in spite of the transfer of sales from the Retail segment.

- The gross profit of our commercial construction business unit decreased $1.7 million as a result of lower unit sales.

SG&A increased by approximately $1.8 million, or 2.7%, in the first quarter of 2024 compared to the same period of 2023. The increase was due to increases in professional fees of $1.7 million and wages and benefits of $1.3 million. These increases were partially offset by a decrease in sales incentive compensation of $1.1 million and a decrease of $0.5 million in accrued bonus expense, which totaled $14.2 million for the quarter.

Earnings from operations for the Construction reportable segment decreased in the first quarter of 2024 compared to 2023 by $8.9 million, or 16.4%, 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.

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 17.4% in the first quarter of 2024 compared to 23.7% in the same period of 2023. The decrease in our overall effective tax rate was primarily due to an increase in our tax deduction from stock-based compensation accounted for as a permanent difference.

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 30, 2024	April 1, 2023
Cash used in operating activities	$ (16,798)	$ (37,076)
Cash used in investing activities	(56,062)	(41,858)
Cash used in financing activities	(68,968)	(59,368)
Effect of exchange rate changes on cash	79	2,739
Net change in all cash and cash equivalents	(141,749)	(135,563)
Cash, cash equivalents, and restricted cash, beginning of period	1,122,256	559,623
Cash, cash equivalents, and restricted cash, end of period	$ 980,507	$ 424,060

In general, we fund our growth through a combination of operating cash flows, our revolving credit facility, 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 that occurred many years ago. 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 typically increases during our first and second quarters resulting in negative or modest cash flows from operations during those periods. Conversely, we tend to 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.

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 of payables outstanding) is a good indicator of our working capital management. As indicated in the table below, our cash cycle decreased to 62 days from 71 days during the first quarter of 2024 compared to the prior year period.

	Three Months Ended	
	March 30, 2024	April 1, 2023
Days of sales outstanding	34	36
Days supply of inventory	41	48
Days of payables outstanding	(13)	(13)
Days in cash cycle	62	71

The decrease in our days supply of inventory for the quarter is in part due to improvements in inventory turns in our Construction segment. These improvements were partially offset by a seasonal increase in inventory in our Retail segment due to carrying higher levels of safety stock. The decrease in our days of sales outstanding for the quarter is primarily due to receiving more timely payments from customers in our Construction segment. We continue to focus on past due account balances with customers, and the percentage of our accounts receivable that are current was 95% and 93% at the end of the first quarter of 2024 and 2023, respectively.

In the first three months of 2024, our cash flows used in operations were $17 million and were comprised of net earnings of $121 million, $45 million of non-cash expenses, and a $183 million increase in working capital since the end of December 2023. Our cash flows used in operations decreased by $20 million compared to the same period of last year primarily due to a $20 million decrease in our investment in net working capital compared to the prior year period. The decrease in our net working capital was due to lower volumes and lumber prices and an improvement in our working capital management as evidenced by our cash cycle above.

Purchases of property, plant, and equipment of $49 million comprised most of our cash used in investing activities during the first three months of 2024. Outstanding purchase commitments on existing capital projects totaled approximately $89 million on March 30, 2024. Capital spending primarily consists of several projects to expand capacity to manufacture new and value-added products, primarily in our Packaging segment and Site-Built, Deckorators and ProWood business units, achieve efficiencies through automation in all segments, make improvements to a number of facilities, and increase our transportation capacity (tractors, trailers). We intend to fund capital expenditures and purchase commitments through our operating cash flows for the balance of the year.

Cash flows used in financing activities primarily consisted of:

- We repurchased 319,295 shares of our common stock for $36.6 million during the quarter at an average price of $114.74 per share. Of this amount, 154,196 shares were repurchased in order to settle tax withholding obligations of long-term stock incentive plan participants' awards which vested in February. The shares were purchased at an average price of $115.69 per share, totaling $17.8 million.

- Dividends paid during the first three months of 2024 were $20 million ($0.33 per share).

- Contingent consideration payments of $4 million.

- Distributions to noncontrolling interests of $3 million.

- Debt repayment on behalf of an investee of $6.3 million.

On March 30, 2024, we had $3.5 million outstanding on our $750 million revolving credit facility, and we had approximately $709 million in remaining availability after considering $37 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 30, 2024.

At the end of the first quarter of 2024, we have approximately $2.2 billion in total liquidity, consisting of our cash, remaining availability under our revolving credit facility, and a shelf agreement with certain lenders providing up to $535 million in remaining borrowing capacity.

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 30, 2023.

UFP INDUSTRIES, INC.

FORWARD OUTLOOK

Our long-term financial goals include:

- Growing our annual unit sales by 7-10%. We anticipate smaller tuck in acquisitions will continue to contribute toward this goal;
- Achieving and sustaining a 12.5% adjusted EBITDA margin by continuing to enhance our capabilities and grow our portfolio and sales of value-added products and by achieving operating improvements;
- Earning an incremental return on new investment over our cost of capital; and
- Maintaining a conservative capital structure.

We believe effectively executing our strategies will allow us to achieve long-term goals in the future. However, demand in the markets we serve has contracted, which will impact our results and vary depending on the severity and duration of this cycle. The following factors should be considered when evaluating our future results:

- Lumber prices, which impact our cost of goods sold and selling prices, have normalized due to additional capacity added by sawmills and demand falling from peak levels. We anticipate lumber prices will remain at lower levels until there is a substantial change in the balance of supply and demand.
- Retail sales accounted for 38% of our net sales for the first three months of 2024. When evaluating future demand for the segment, we analyze data such as the same-store sales growth of national home improvement retailers and forecasts of home remodeling activity. Based on this data, we currently anticipate market demand for our products to be down mid-single digits in 2024.
- Packaging sales accounted for 26% of our net sales for the first three months of 2024. When evaluating future demand, we consider a number of metrics, including the Purchasing Managers Index (PMI), durable goods manufacturing, and U.S. real GDP. We currently believe overall demand for our products in the markets we serve to be down mid-single digits in 2024.
- Construction sales accounted for 32% of our net sales for the first three months of 2024.
    - The site-built business unit accounted for approximately 14% of our net sales for the first three months of 2024. Approximately one-third of site-built customers are multifamily builders. Independent forecasts of housing starts generally range from slightly up to slightly down in 2024.
    - The factory-built housing business unit accounted for 12% of our net sales for the first three months of 2024. When evaluating future demand, we analyze data from production and shipments of manufactured housing. The National Association of Home Builders and John Burns Real Estate Consulting forecast the manufactured home shipments in 2024 to be flat to slightly up.
    - The commercial construction and concrete forming business units accounted for approximately 6% of our net sales for the first three months of 2024. When evaluating future demand, we analyze data from non-residential construction spending. We anticipate overall demand in this business unit to be flat to slightly up for the balance of 2024.

Capital Allocation:

We believe the strength of our cash flow generation and conservative capital structure provide us with sufficient resources to grow our business and also fund returns to our shareholders. We plan to continue to pursue a balanced and return-driven approach to capital allocation across dividends, share buybacks, capital investments and acquisitions. Specifically:

- On April 24, 2024, our board approved a quarterly cash dividend of $0.33 per share, which represents a 32% increase from the prior year. This dividend will be payable on June 15, 2024, to shareholders of record on June 1, 2024. We continue to consider our payout ratio and yield when determining the appropriate dividend rate and have a long-term objective of increasing our dividend in line with our earnings growth.
- On July 26, 2023, our board authorized the repurchase of up to $200 million worth of shares of outstanding stock through July 31, 2024. For the first three months of 2024, we repurchased 319,295 shares of our common stock at an average share price of $114.74. This share authorization supersedes and replaces our prior share repurchase authorizations. As of March 30, 2024, we had remaining authorization to repurchase up to $137 million through July 31, 2024. From March 31, 2024, through April 30, 2024, we have repurchased 351,924 shares for $40.2 million, at an average share price of $114.15. Our objective is to repurchase our stock at sufficient amounts to offset issuances under our share-based compensation plans. In addition, we will opportunistically buy shares when the price trades at pre-determined levels.
- Our targeted range for capital expenditures for 2024 is $250-$300 million, which will continue to be impacted by extended lead times required for most equipment and rolling stock. Priority continues to be given to projects that enhance the working environments of our plants and take advantage of automation opportunities, expand our transportation capacity, and drive strategies that have strong long-term growth potential for new and value-added products.
- We continue to pursue a healthy pipeline of acquisition opportunities of companies that are a strong strategic fit and enhance our capabilities while providing higher margin, return, and growth potential.

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 enter into any material 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 are 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 have been immaterial to the financial statements.

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 30, 2024, have concluded that, as of such date, our disclosure controls and procedures were effective.

(b) Changes in Internal Controls. During the quarter ended March 30, 2024, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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	(1)	(2)	(3)	(4)
December 31, 2023 - February 3, 2024	—	—	—	$ 173,335,471
February 4 - March 2, 2024	154,196	115.69	154,196	155,497,017
March 3 - 30, 2024	165,099	113.85	165,099	136,699,725

Note: February consists of 154,196 shares tendered by certain employees of the Company (and repurchased by the Company) in order to satisfy their respective tax withholding obligations resulting from the vesting of restricted stock awards.

(1) Total number of shares purchased.
(2) Average price paid per share.
(3) Total number of shares purchased as part of publicly announced plans or programs.
(4) Approximate dollar value of shares that may yet be purchased under the plans or programs.

On and effective as of July 26, 2023, our board authorized the repurchase of up to $200 million worth of shares of our common stock through the period ending July 31, 2024, which supersedes and replaces prior authorizations.

Item 5. Other Information.

During the quarter ended March 30, 2024, no director or officer adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

UFP INDUSTRIES, INC.

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:

3 Articles of Incorporation and Bylaws

(a) Restated Articles of Incorporation, as amended through April 24, 2024.

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).

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 8, 2024	By: /s/ Matthew J. Missad Matthew J. Missad, Chairman of the Board, Chief Executive Officer and Principal Executive Officer
Date: May 8, 2024	By: /s/ Michael R. Cole Michael R. Cole, Chief Financial Officer, Principal Financial Officer and Principal Accounting Officer

CONFORMED COPY OF
RESTATED

ARTICLES OF INCORPORATION, AS AMENDED

OF

UFP INDUSTRIES, INC

The following Restated Articles of Incorporation are executed by the undersigned Corporation pursuant to the provisions Act 284, Public Acts of 1972, as amended.

1. The present name of the Corporation is UFP Industries, Inc.

2. The Identification Number assigned by the Bureau is: 800032425.

3. All former names of the Corporation are: The Universal Companies, Inc. and Universal Forest Products, Inc.

4. The date of filing of the original Articles of Incorporation was February 9, 1955.

The following Restated Articles of Incorporation supersede the Articles of Incorporation, as amended, and shall be the Articles of Incorporation for the Corporation.

ARTICLE I

The name of the Corporation is UFP Industries, Inc.

ARTICLE II

The purpose, or purposes, for which the Corporation is formed is to engage in any activity within the purposes for which corporations may be organized under the Michigan Business Corporation Act.

ARTICLE III

The total number of shares of all classes of stock which the Corporation shall have authority to issue is two hundred forty-one million (241,000,000) shares, of which two hundred forty million (240,000,000) shares shall be of a single class of common stock and one million (1,000,000) shares shall be series preferred stock.[1]

The authorized shares of common stock are all of one class with equal voting power, and each such share shall be equal to every other such share.

[1] This paragraph reflects an amendment effective April 26, 2024, which amendment was approved by the shareholders on April 24, 2024.

The shares of series preferred stock may be divided into one or more series. Except as hereinafter provided, the Board of Directors is hereby authorized to cause the preferred stock to be issued from time to time in one or more series, with such designations and such relative voting, dividend, liquidation and other rights, preferences and limitations as shall be stated and expressed in the resolution providing for the issue of such preferred stock adopted by the Board of Directors. The Board of Directors by a vote of the majority of the whole Board is expressly authorized to adopt such resolution or resolutions and issue such stock from time to time as it may deem desirable.

ARTICLE IV

1. The name of the resident agent is The Corporation Company.

2. The street address of the registered office is 40600 Ann Arbor Rd. E, Ste. 201, Plymouth, Michigan 48170-4675.

ARTICLE V

No director of the Corporation shall be personally liable to the Corporation or any of its shareholders for monetary damages for a breach of fiduciary duty as a director. However, this Article V shall not eliminate or limit the liability of a director for any breach of duty, act or omission for which the elimination or limitation of liability is not permitted by the Michigan Business Corporation Act, as amended from time to time, or for any breach of duty, act or omission that occurred prior to the date of filing of these Restated and Amended Articles of Incorporation. No amendment, alteration, modification, repeal or adoption of any provision in these Articles of Incorporation inconsistent with this Article V shall have any effect to increase the liability of any director of the Corporation with respect to any act or omission of such director occurring prior to such amendment, alteration, modification, repeal or adoption.

ARTICLE VI

Directors and executive officers of the Corporation shall be indemnified as of right to the fullest extent now or hereafter permitted by law in connection with any actual or threatened civil, criminal, administrative or investigative action, suit or proceeding (whether brought by or in the name of the Corporation, a subsidiary or otherwise) in which a director or executive officer is a witness or which is brought against a director or executive officer in his or her capacity as a director, officer, employee, agent or fiduciary of the Corporation or of any corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which the director or executive officer was serving at the request of the Corporation. Persons who are not directors or executive officers of the Corporation may be similarly indemnified in respect of such service to the extent authorized at any time by the Board of Directors of the Corporation. The Corporation may purchase and maintain insurance to protect itself and any such director, executive officer or other person against any liability asserted against him or her and incurred by him or her in respect of such service whether or not the Corporation would have the power to indemnify him or her against such liability by law or under the provisions of this Article. The provisions of this Article shall inure to the benefit of the heirs, executors and administrators of the directors, executive officers and other persons referred to in this Article. The right of indemnity provided pursuant to this Article shall not be exclusive and the Corporation may provide indemnification to any person, by agreement or otherwise, on such terms and conditions as the Board of Directors may approve. Any agreement for indemnification of any director, executive officer, employee or other person may provide indemnification rights which are broader than or otherwise different from those set forth in, or provided pursuant to, or in accordance with, this Article. Any amendment, alteration, modification, repeal or adoption of any provision in the Articles of Incorporation inconsistent with this Article VI shall not adversely affect any indemnification right or protection of a director or executive officer of the Corporation existing at the time of such amendment, alteration, modification, repeal or adoption.

ARTICLE VII

Section 1. Authority of Board. The business and affairs of the Corporation shall be managed by a Board of Directors which shall exercise all of the powers and authority of the Corporation (subject to delegation to committees of the Board of Directors as permitted by law and not inconsistent with these Articles of Incorporation) except for such matters as are reserved to shareholders of the Corporation by law or by these Articles of Incorporation.

Section 2. Size of Board. The Board of Directors shall consist of seven (7) members, unless otherwise determined from time to time by resolution adopted by the affirmative vote of at least two-thirds (2/3) of all directors then holding office.

Section 3. Classification of Board. Subject to applicable law, the directors shall be divided into three (3) classes, each class to be as nearly equal in number as possible. The term of office of directors of the first class shall expire at the annual meeting of shareholders to be held in 1994 and until their respective successors are duly elected and qualified or their resignation or removal. The term of office of directors of the second class shall expire at the annual meeting of shareholders to be held in 1995 and until their respective successors are duly elected and qualified or their resignation or removal. The term of office of directors of the third class shall expire at the annual meeting of shareholders to be held in 1996 and until their respective successors are duly elected and qualified or their resignation or removal. Subject to the foregoing, at each annual meeting of shareholders, commencing at the annual meeting to be held in 1994, the successors to the class of directors whose term shall then expire shall be elected to hold office for a term expiring at the third succeeding annual meeting and until their successors shall be duly elected and qualified or their resignation or removal.

Section 4. Vacancies in Board. Vacancies occurring in the Board of Directors by reason of death, resignation or removal of a director may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board, and vacancies occurring by reason of an increase of the number of directors may be filled by majority vote of the Board of Directors then in office at any meeting duly called and noticed. Directors appointed by the Board of Directors to fill any vacancies shall hold office only until the next annual meeting of shareholders. No decrease in the number of directors shall shorten the term of any incumbent director.

Section 5. Nominations for Board. Nominations for the election of directors may be made by the Board of Directors or by a shareholder entitled to vote in the election of directors. A shareholder entitled to vote in the election of directors, however, may make such a nomination only if written notice of such shareholder's intent to do so has been given, either by personal delivery or by United States mail, postage prepaid, and received by the Corporation (a) with respect to an election to be held at an annual meeting of shareholders, not later than thirty (30) days in advance of the date of such meeting (or within seven days after the date the Corporation mails, or otherwise gives notice of the date of such meeting, if such notice is given less than forty (40) days prior to the meeting date), and (b) with respect to an election to be held at a special meeting of shareholders called for that purpose, not later than the close of business on the tenth (10th) day following the date on which notice of the special meeting was first mailed to the shareholders by the Corporation.

Each shareholder's notice of intent to make a nomination shall set forth:

(a) the name(s) and address(es) of the shareholder who intends to make the nomination and of the person or persons to be nominated;

(b) a representation that the shareholder (i) is a holder of record of stock of the Corporation entitled to vote at such meeting, (ii) will continue to hold such stock through the date on which the meeting is held, and (iii) intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;

(c) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination is to be made by the shareholder;

(d) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to Regulation 14A promulgated under Section 14 of the Securities Exchange Act of 1934, as amended, as now in effect or hereafter modified, had the nominee been nominated by the Board of Directors; and

(e) the consent of each nominee to serve as a director of the Corporation if so elected.

The chairman of the meeting may refuse to acknowledge the nomination of any person nominated by a shareholder whose nomination is not made in compliance with the foregoing procedure.

Section 6. Removal from Board. Any director may be removed from office as a director for good cause only, and only by the affirmative vote of the holders of at least two-thirds (2/3) of the then issued and outstanding shares of the Corporation's stock entitled to vote thereon at a meeting duly called and convened for that purpose.

Section 7. Amendment. This Article may not be amended or repealed, in whole or in part, except by affirmative vote of the holders of at least two-thirds (2/3) of the issued and outstanding shares of the Company’s capital stock entitled to vote in the election of directors; provided, however, that such amendment or repeal may be made by majority vote of such shareholders at any meeting of shareholders duly called and convened where such amendment has been recommended for approval by two-thirds (2/3) of all directors then holding office.

ARTICLE VIII

Section 1. Board Evaluation of Certain Offers. The Board of Directors of this Corporation shall not approve, adopt or recommend any offer of any person or entity, other than the Corporation, to make a tender or exchange offer for any capital stock of the Corporation, to merge or consolidate the Corporation with any other entity or to purchase or otherwise acquire all or substantially all of the assets or business of the Corporation unless and until the Board of Directors shall have first evaluated the offer and determined that the offer would be in compliance with all applicable laws and that the offer is in the best interests of the Corporation and its shareholders. In connection with its evaluation as to compliance with laws, the Board of Directors may seek and rely upon an opinion of legal counsel independent from the offeror and it may test such compliance with laws in any state or federal court or before any state or federal administrative agency which may have appropriate jurisdiction. In connection with its evaluation as to the best interests of the Corporation and its shareholders, the Board of Directors may consider all factors which it deems relevant, including without limitation: (i) the adequacy and fairness of the consideration to be received by the Corporation and/or its shareholders under the offer considering historical trading prices of the Corporation's stock, the price that might be achieved in a negotiated sale of the Corporation as a whole, premiums over trading prices which have been proposed or offered with respect to the securities of other companies in the past in connection with similar offers and the future prospects for this Corporation and its business; (ii) the potential social and economic impact of the offer and its consummation on this Corporation, its employees and vendors; and (iii) the potential social and economic impact of the offer and its consummation on the communities in which the Corporation and any subsidiaries operate or are located.

Section 2. Amendment, Repeal, etc. Notwithstanding any other provision of these Articles of Incorporation or the Bylaws of the Corporation to the contrary (and notwithstanding the fact that a lesser percentage may be specified by law, these Articles of Incorporation or the Bylaws of the Corporation), the affirmative vote of the holders of eighty percent (80%) or more of the outstanding shares of capital stock entitled to vote for the election of directors, voting together as a single class, shall be required to amend, repeal or adopt any provision inconsistent with this Article VIII; provided, however, that this Section 2 of Article VIII shall be of no force or effect if the proposed amendment, repeal or other action has been recommended for approval by at least eighty percent (80%) of all directors then holding office.

ARTICLE IX

Section 1. Special Requirements Regarding Certain Transactions with Interested Parties. Unless the conditions set forth in subparagraphs A. through D. of this Section 1 of Article IX are satisfied or the approval specified in subparagraph A. of Section 2 of this Article IX has been made, the affirmative vote of the holders of that fraction of the outstanding shares of the capital stock of the Corporation entitled to vote in the election of directors, but in no event less than two-thirds (2/3), determined by using as the numerator a number equal to the sum of (i) the outstanding shares of such stock beneficially owned by all Interested Parties (as defined in Section 3 of this Article IX), plus (ii) two-thirds (2/3) of the remaining number of such outstanding shares, and using as the denominator a number equal to the total number of outstanding shares entitled to vote in the election of directors, shall be required for the adoption or authorization of a Combination or Reorganization (as hereinafter defined) with any Interested Party if, as of the record date for the determination of shareholders entitled to vote thereon, the Interested Party is (or has been at any time within the preceding twelve (12) months) the beneficial owner, directly or indirectly, of five percent (5%) or more of the issued and outstanding shares of the Corporation's capital stock entitled to vote in the election of directors. The vote requirement specified in the preceding sentence shall not be applicable if:

A. The cash and fair market value of any other consideration to be received per share by holders of the common stock of the Corporation (including shareholders who do not vote in favor of the transaction) in exchange or substitution for their shares in the Combination or Reorganization is at least equal in amount to: (a) the highest per share amount paid by the Interested Party in acquiring any of its holdings of the common stock of the Corporation; plus (b) the amount, if any, by which six percent (6%) per annum of that per share price exceeds the aggregate of per share amounts paid as cash dividends, in each case computed from the date the Interested Party became an Interested Party;

B. Subsequent to becoming an Interested Party: (a) the Interested Party shall have taken steps to ensure that the Corporation's Board of Directors included at all times representation by Continuing Directors (as hereinafter defined) proportionate to the shareholdings of the shareholders not affiliated with the Interested Party (with a Continuing Director to occupy any resulting fractional Board position); (b) the Interested Party shall not have acquired any newly issued securities of the Corporation, including securities convertible into common stock, from the Corporation, directly or indirectly, except with respect to pro rata stock dividends or stock splits; (c) the Interested Party shall not have acquired any additional shares of the outstanding common stock of the Corporation or securities convertible into common stock, except as a part of the transaction which resulted in the Interested Party becoming an Interested Party; and (d) the Interested Party shall not have received a benefit, directly or indirectly (except proportionately as a shareholder), of any loans, advances, guarantees, pledges, tax credits or other financial assistance provided by the Corporation;

C. Subsequent to the date the Interested Party became an Interested Party there shall have been no major change in the Corporation's business or equity capital structure without, in each case, approval by at least two-thirds (2/3) of the Continuing Directors, as well as a majority of all directors; and

D. A proxy statement conforming to the requirements of the Securities Exchange Act of 1934 shall have been mailed to the shareholders of the Corporation for the purpose of soliciting shareholder approval of the Combination or Reorganization containing at the front thereof, in a prominent place, any recommendations as to the advisability (or inadvisability) of the Combination or Reorganization that the Continuing Directors, or any of them, may choose to state and, if deemed advisable by majority of the Continuing Directors, an opinion of a reputable investment banking firm as to the fairness (or lack thereof) of the terms of the Combination or Reorganization from the point of view of the remaining public shareholders of the Corporation, which investment banking firm shall be selected by a majority of the Continuing Directors and shall be paid a reasonable fee for its services by the Corporation upon receipt of the opinion.

Section 2. Exceptions. The provisions of Section 1 of this Article IX shall not apply, and the otherwise applicable provisions of Michigan law shall apply to:

A. Any Combination or Reorganization as to which a memorandum of understanding with the Interested Party setting forth the principal terms of the transaction has been approved by two-thirds (2/3) of the Continuing Directors and a majority of all directors (provided the transaction is consummated in substantial conformity therewith); or.

B. Any Combination or Reorganization with an Interested Party where this Corporation then holds more than 50% of the issued and outstanding shares of the capital stock in such Interested Party which are entitled to vote in the election of directors.

Section 3. Definitions. As used in this Article, the following words and phrases shall have the following meanings:

A. "Interested Party" means every person or entity which first becomes the beneficial owner of five percent (5%) or more of the Corporation's issued and outstanding shares of capital stock entitled to vote in the election of directors, after the date this Article becomes effective. In addition, an Interested Party includes (and an Interested Party shall be deemed to be the beneficial owner of all of the shares held directly or indirectly by) all "Affiliates" and "Associates" (as hereinafter defined) of such person or entity and any person or entity with which the Interested Party, or the Affiliates or Associates thereof, has any agreement, arrangement or understanding with respect to the acquisition, holding, disposition or voting of shares of the capital stock of this Corporation, together with the successors and assigns of such persons or entities in any transaction or series of transaction not involving a public offering the Corporation's shares within the meaning of the Securities Act of 1933.

B. Combination or Reorganization" means any merger involving this Corporation (or a subsidiary of this Corporation) and an Interested Party (irrespective of the identity of the surviving corporation), any consolidation involving this Corporation (or a subsidiary of this Corporation) and an Interested Party, any sale, exchange, lease, mortgage, transfer or other disposition by this Corporation (or a subsidiary of this Corporation) of all, or substantially all, of its assets or business, directly or indirectly, to an Interested Party, and any transaction whereby voting securities of this Corporation (or any subsidiary) are issued or transferred by this Corporation (or any subsidiary) in exchange or payment for the securities or assets of an Interested Party.

C. "Continuing Director" means a director of the Corporation holding office as of the time this Article becomes effective, a director elected by shareholders subsequent to the time this Article becomes effective, but prior to the time an Interested Party acquired the status of Interested Party, and any director who succeeded a Continuing Director pursuant to an affirmative recommendation by a majority of Continuing Directors.

D. "Affiliate" means with respect to any person or entity that such person or entity directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such person or entity.

E. "Associate" means with respect to any person or entity: (1) any Corporation or organization of which such person or entity is an officer, director, or partner, or is directly or indirectly the beneficial owner of ten percent (10%) or more of any class of equity securities; (2) any trust or other estate in which such person or entity has a substantial beneficial interest or as to which such person or entity serves as trustee or any similar capacity; and (3) any relative or spouse of such person, or any relative of such spouse, who has the same home as such person.

Section 4. Interpretations. A majority of the Continuing Directors shall have the authority to determine for purposes of this Article IX, on the basis of information known to them:

A. Whether any person or entity owns beneficially five percent (5%) or more of the issued and outstanding shares of the capital stock of this Corporation;

B. Whether a person or entity is an Affiliate or Associate of another; and

C. Whether a person or entity has an agreement, arrangement or understanding with another.

Any determination pursuant to this Section 4 of Article IX made in good faith by the Continuing Directors shall be conclusive and binding for the purposes specified in this Article IX.

Section 5. Amendments. This Article IX may not be amended or repealed, in whole or in part, except by the affirmative vote of that fraction of the outstanding shares of the capital stock of the Corporation entitled to vote in the election of directors, but in no event less than two-thirds (2/3), determined by using as the numerator a number equal to the sum of (i) the outstanding shares of such stock beneficially owned by all Interested Parties, plus (ii) two-thirds (2/3) of the remaining number of such outstanding shares, and using as the denominator a number equal to the total number of the outstanding shares of stock of the Corporation entitled to vote in the election of directors.

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 8, 2024

/s/ Matthew J. Missad
Matthew J. Missad,
Chairman of the Board and Chief 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 8, 2024

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

Exhibit 32(a)

CERTIFICATE OF THE
CHAIRMAN OF THE BOARD AND 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, Chairman of the Board and 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 30, 2024, 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 30, 2024, fairly presents, in all material respects, the financial condition and results of operations of UFP Industries, Inc.

UFP INDUSTRIES, INC.

Date: May 8, 2024

By: /s/ Matthew J. Missad
Matthew J. Missad,
Chairman of the Board and Chief 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 30, 2024, 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 30, 2024, fairly presents, in all material respects, the financial condition and results of operations of UFP Industries, Inc.

UFP INDUSTRIES, INC.

Date: May 8, 2024

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.