

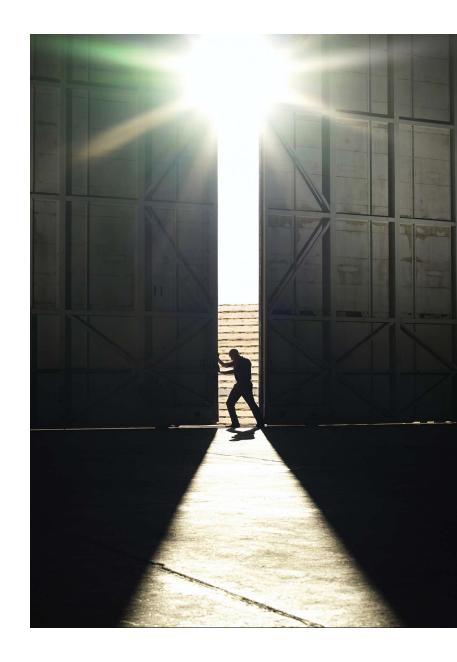
## UFP INDUSTRIES, INC.

Please be aware that: Statements included in this presentation that are not historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act, as amended, and are based on management's beliefs, assumptions, current expectations, estimates, and projections about the markets we serve, the economy, and the company itself. Words like "anticipates," "believes," "confident," "estimates," "expects," "forecasts," likely," "plans," "projects," "should," variations of such words, and similar expressions identify such forward-looking statements. These statements do not guarantee future performance and involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. The Company does not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. Actual results could differ materially from those included in such forward-looking statements. Investors are cautioned that all forward-looking statements involve risks and uncertainty. Among the factors that could cause actual results to differ materially from forward-looking statements are the following: Fluctuations in the price of lumber; adverse or unusual weather conditions; adverse conditions in the markets we serve; government regulations, particularly involving environmental and safety regulations; and our ability to make successful business acquisitions. Certain of these risk factors as well as other risk factors and additional information are included in the Company's reports on Form 10-K and 10-Q on file with the Securities and Exchange Commission. This presentation is the property of UFP Industries, Inc. Any redistribution, retransmission, or reprinting of this presentation in any form without the express written consent of Universal is strictly prohibited.

With 173 locations in 9 countries, the companies of UFP Industries comprise one of the world's largest producers of wood and wood-alternative products for retail, construction and industrial markets.

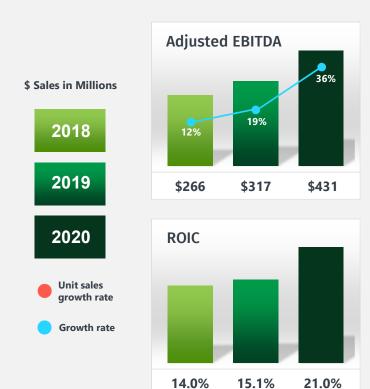
NO MISSION STATEMENTS. JUST PEOPLE ON A MISSION.™

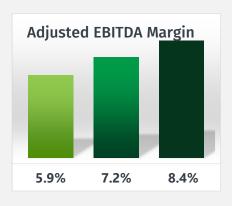






## **OUR PERFORMANCE**











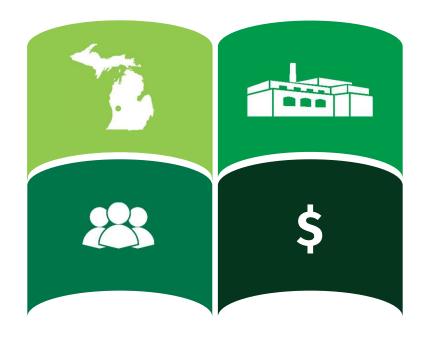


1955

Company founded in Grand Rapids, MI

15,000+

Number of employees worldwide



**173** 

Number of facilities worldwide

\$5.2B

2020 Revenue

\$431M 2020 Adjusted EBITDA



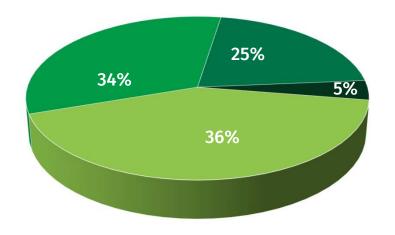


## **WHERE WE ARE**





## **OUR CUSTOMERS**



### **Retail - \$2.2B**

Big box, independents, & buying co-ops

### **Construction - \$1.7B**

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

### Industrial - \$1.1B

Industrial packaging, packaging materials & OEM components

### International - \$0.2B

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

21



## **BUSINESS SEGMENTS**



















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

















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







**Deckorators.com** 







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







ProWoodLumber.com







Premium siding, pattern, trim and accent wall products.







<u>UFPEdge.com</u>







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







OutdoorEssentialProducts.com





## handprint

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



Coming soon: Handprintmade.com







### **E-COMMERCE**

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

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

YOY revenue growth in FY 2020 was 120%.







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

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



## **SITE BUILT**

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







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## **CONSTRUCTION**

## **FACTORY BUILT**

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









## **CONSTRUCTION**

# **CONCRETE FORMING**

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











## **CONSTRUCTION**

## **COMMERCIAL**

1980-70 - 11--018

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





IDXCorporation.com







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

### **Focus Areas:**

- INDUSTRIAL PACKAGING
- PACKAGING MATERIALS
- MANUFACTURED COMPONENTS

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# INDUSTRIAL PACKAGING



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

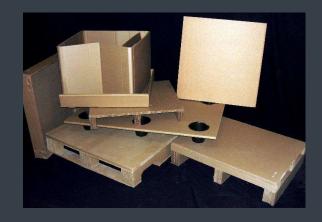






## PACKAGING MATERIALS

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





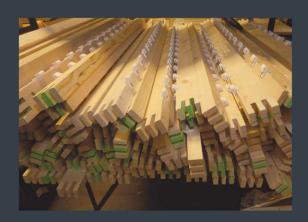






# MANUFACTURED COMPONENTS

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













UFP International sources and sells products in 65 countries, extending our reach with multinational customers, while opening global opportunities for growth. Additionally, we own manufacturing and design assets in Canada, Mexico, Australia, Italy, China, Japan and UK.







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

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

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



The most consequential acquisition year in our history brought UFP unprecedented opportunities for new technologies, consolidation, share gains, scalability, synergies, new products and new markets.

**MARCH** 

### **Quest Design and Fabrication and Quest** Architectural Millwork, collectively known as Quest

Quest specializes in designing, fabricating, and installing premium millwork and case goods for a variety of commercial uses, including builder's sales centers, design studios, hospitality, corporate offices, and healthcare. Architectural millwork is a growth runway in our commercial construction business unit. Their high level of value-add and focus on premium products dovetails with our growth goals as we plan to scale this business with existing customers through our facilities.

2020\* Annual sales: \$20M

JULY



#### T&R Lumber Company and its affiliates, Sullivan & Mann and Kelmar Creations

T&R manufactures and distributes a range of nursery supplies, such as tree boxes and growing containers, giving us an opportunity to grow our agricultural product offerings and customer base.

2020\* Annual sales: \$30M

**OCTOBER** 



#### Fire Retardant Chemical Technologies, LLC

FRCT's business includes a laboratory that specializes in developing and testing highperformance chemicals, including fire retardants and water repellants. FRCT highlights UFPI's focus on technology to innovate and bring more value-added products to market and expands the Company's R&D capabilities.

2020\* Annual sales: \$7M





**OCTOBER** 



### Enwrap Logistic & Packaging S.r.l.

This newly formed company is dedicated to the logistics and packaging business of its predecessor, Job Service S.p.A. Headquartered in Milan, Italy, Enwrap provides high-value, mixed material industrial packaging and logistics services through five locations in Italy, allowing UFP to establish its presence in the region and to serve customers in Central and Southern Europe.

2020\* Annual sales: \$3M

**NOVEMBER** 







#### Atlantic Prefab, Inc.; Exterior Designs, LLC; and Patriot Building Systems, LLC

These three companies serve the commercial and multi-family construction markets in the Northeast with prefabricated steel wall panels, light gauge metal trusses, exterior cladding, exterior insulation and finish systems and commercial and multi-family framing services. With them, UFPI brings more value-added products and services to its construction customers.

2020\* Annual combined sales: \$30M

<sup>\*</sup>Annual sales are pre- and post-acquisition.



FISCAL JANUARY





#### PalletOne, Inc.

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

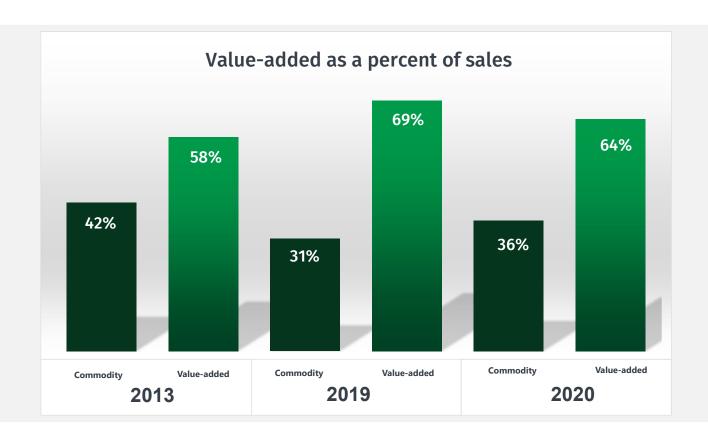
2020 Annual combined sales: \$698M (\$267M for PalletOne, \$431M for Sunbelt)

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



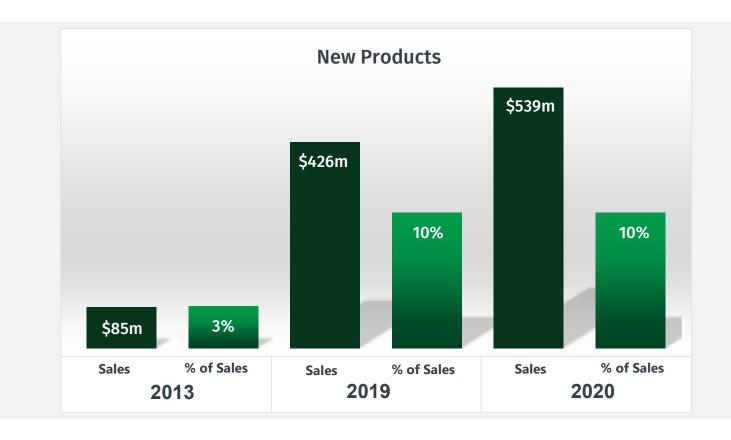


## **PRODUCT MIX EVOLUTION**





## **PRODUCT MIX EVOLUTION**





### **HOW WE GOT HERE**

Founded in 1955.

Managers are required to own stock.

**Management team** has an average tenure of 22 years.

International in scope, regional in focus.

2020 management realignment from geographic to business segment.

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

Stable

Win-Loss record of 65-0.

(Yes, we've never

lost money.

**Local decision-making** for local customers.

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

**Entrepreneurial** 

Responsive

**Focused** 





## WHAT GETS IN OUR WAY





## **LONG-TERM FINANCIAL GOALS**

Annual unit sales growth that exceeds positive U.S.
GDP growth by 4-6 percentage points including acquisitions

Adjusted EBITDA growth exceeding unit sales growth

Earn ROIC greater than WACC



### **BUILT FOR TOUGH TIMES**

### Balanced Business Model

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

## **Experienced Leadership**

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

### Flexible Cost Structure

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

## Conservative Balance Sheet

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

### Incentivized By ROIC

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





## **FINANCIALS**



#### **LUMBER MARKET IMPACT ON OPERATING RESULTS**

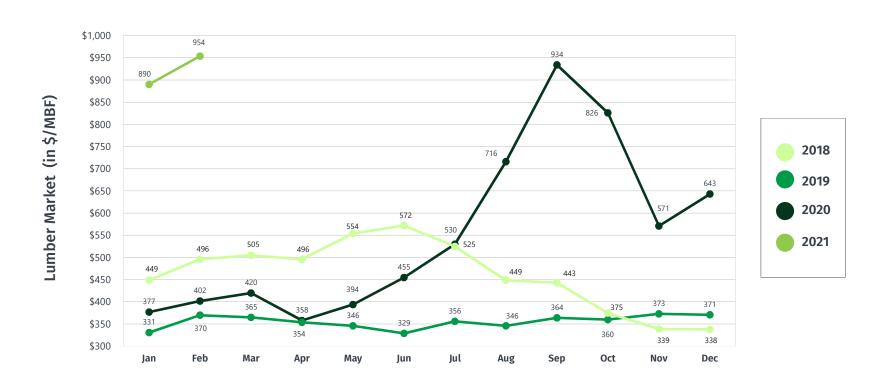
- Goal: to earn a stable profit per unit
- We are less affected by the **level** of lumber prices than the primary producers of lumber are
- Level of lumber prices affects gross profit and SG&A to sales ratios
- Profit per unit is primarily impacted by the **trend** and **volatility** of the market
-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







## **LUMBER MARKET**

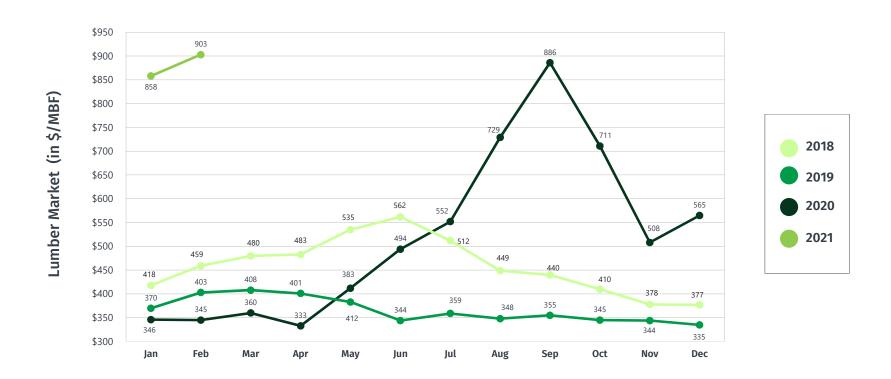


Average weekly random lengths framing lumber composite price.





### **LUMBER MARKET - SYP**



Average weekly Southern Yellow Pine composite price.

Purchases of SYP comprise almost two-thirds of our total lumber purchases.





### **NET SALES**

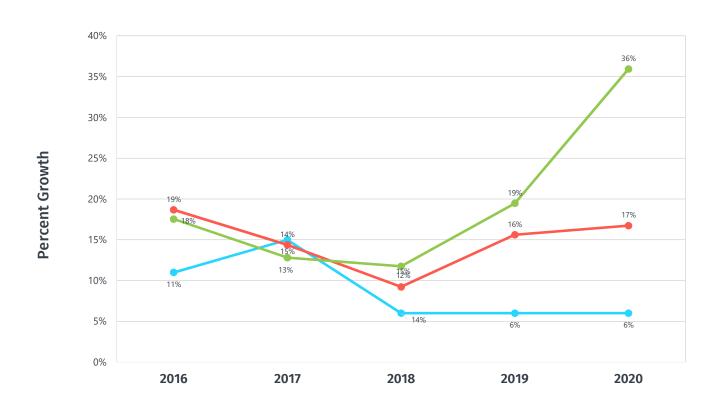


Long-Term Goal: Unit sales growth of 4% to 6% over positive GDP, including acquisitions





## **UNIT SALES AND PROFIT GROWTH**



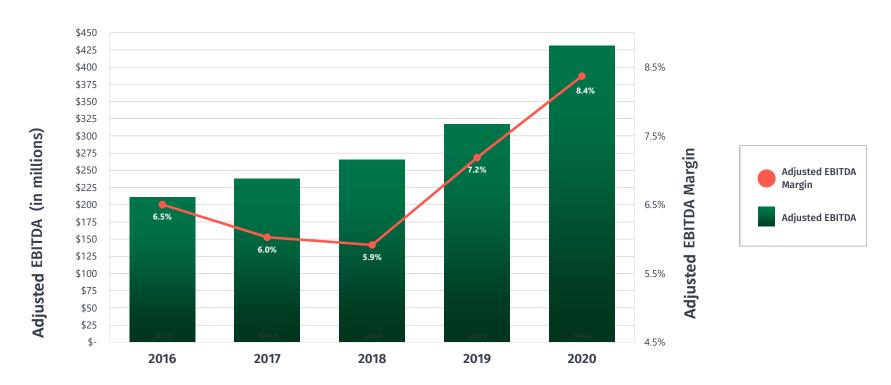


Long-Term Goal: Achieve Adjusted EBITDA growth exceeding unit sales growth.





## **Adjusted EBITDA**



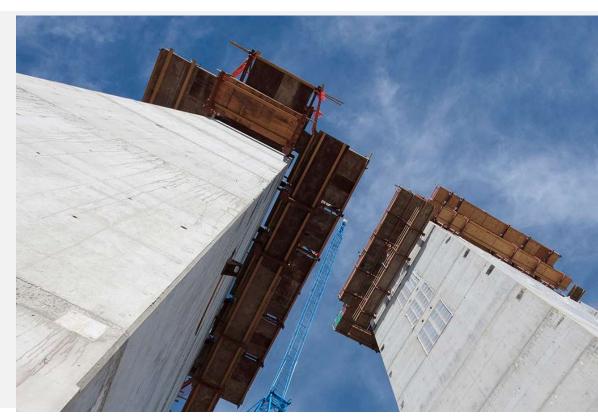
**Non-GAAP Financial Information:** This release includes certain financial information not prepared in accordance with U.S. GAAP. Because not all companies calculate non-GAAP financial information identically (or at all), the presentations herein may not be comparable to other similarly titled measures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





## **MARGIN IMPROVEMENT DRIVERS**

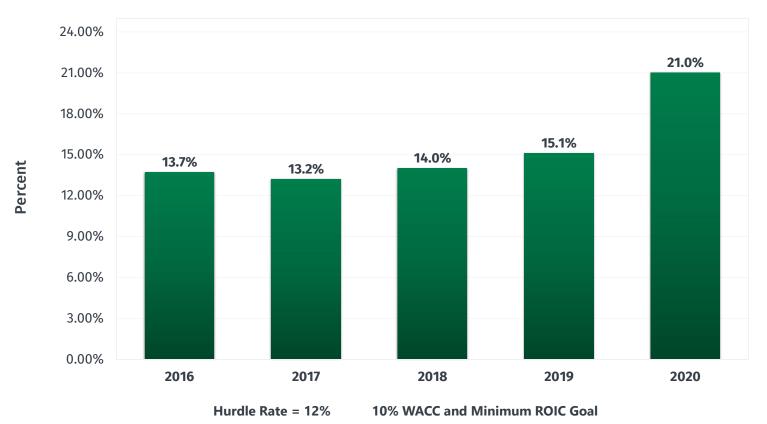
- Operating leverage on sales growth
- Product mix improvements
  - New product and core line innovation initiatives
  - Enhanced capabilities drive conversion from commodity to value-added
- Strength of market demand
- Automation initiatives







## **RETURN ON INVESTED CAPITAL**

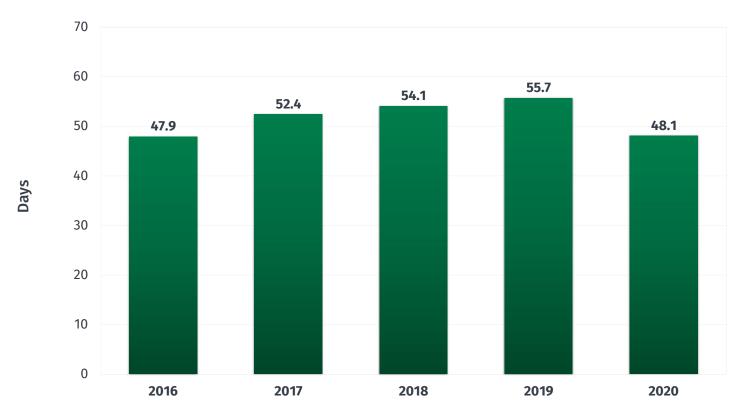


(1) See the company's website at ufpi.com for reconciliation to related GAAP measurement.





## **CASH CYCLE**



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



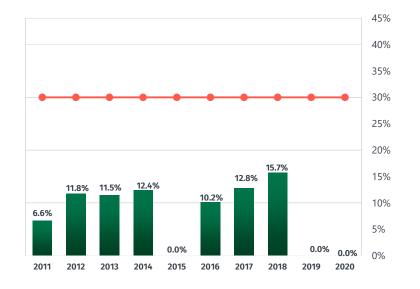
## **NET DEBT**

\$ In thousands	Dec-20	Dec-19	Dec-18
3.89% series 2012 - A notes, Tranche A, due December 2022	\$ 35,000	\$ 35,000	\$ 35,000
3.98% series 2012 - B notes, Tranche B, due December 2024	40,000	40,000	40,000
4.20% series 2018 - C notes, Tranche C, due June 2028	40,000	40,000	40,000
4.27% series 2018 - D notes, Tranche D, due June 2030	35,000	35,000	35,000
3.04% series 2020 - E notes, Tranche E, due August 2032	50,000	-	-
3.08% series 2020 - F notes, Tranche F, due August 2033	50,000	-	-
3.15% series 2020 - G notes, Tranche G, due August 2035	50,000	-	-
Revolving credit facility (\$550 million total available)	4,715	3,976	42,490
Industrial Development Revenue Bonds	7,000	9,700	9,700
Other	(8)	8	88
Less Cash Surplus	(436,507)	(168,336)	(27,316)
Plus Cash Overdraft	-	-	27,367
Total Net Debt (Surplus Cash)	\$ (124,800)	\$ (4,652)	\$ 202,329
Unused debt capacity at 1.75X adjusted EBITDA plus average net surplus cash	\$ 773,000		
Total Liquidity	\$ 800,000		

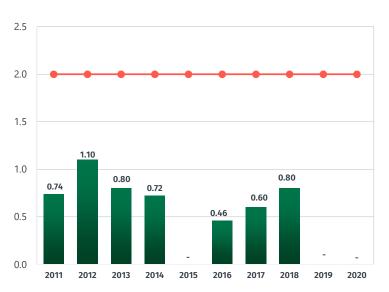


## **CAPITAL STRUCTURE**

# Net Debt to Total Capitalization vs Maximum Target



# Net Debt to Adjusted EBITDA vs Maximum Target









#### **BALANCED USE OF FREE CASH FLOW**

- Current dividend rate of \$0.15/quarter, increased annually based on earnings growth
- Share repurchases totaled over \$29M in 2020 (1.1M remaining share authorization)
- Capex plan of \$115M in 2021
- Long-term target for acquisitions to contribute half of our total annual unit sales growth





## SELECTED INCOME STATEMENT DATA 4th QUARTER

\$ In thousands, except per share data	Q4 2020	Q4 2019	% Change	Unit % Change
Retail	\$ 505,249	\$ 286,380	76.4	38.0
Industrial	309,071	247,965	24.6	10.0
Construction	508,254	411,689	23.5	0.0
All Other	71,134	52,007	36.8	
Total Net Sales	\$ 1,393,708	\$ 998,041	39.6	15.0
Adjusted EBITDA (1)	\$ 118,191	\$ 70,870	66.8	
Net Earnings Attributable to Controlling Interest	\$ 62,952	\$ 37,736	66.8	
Diluted EPS	\$ 1.02	\$ 0.61	67.2	

(1) See the company's website at ufpi.com for reconciliation to related GAAP measurement.





## **SELECTED INCOME STATEMENT DATA ANNUAL RESULTS**

\$ In thousands, except per share data	2020	2019	% Change	Unit % Change
Retail	\$ 2,167,122	\$ 1,498,710	44.6	25.0
Industrial	1,072,11	1,085,636	-1.2	-6.0
Construction	1,695,683	1,637,156	3.6	-6.0
All Other	219,070	194,507	12.6	
Total Net Sales	\$ 5,153,998	\$ 4,416,009	16.7	6.0
Adjusted EBITDA (1)	\$ 431,36	\$ 317,297	35.9	
Net Earnings Attributable to Controlling Interest	\$ 246,778	\$ 179,650	37.4	
Diluted EPS	\$ 4.00	\$ 2.91	37.5	

(1) See the company's website at ufpi.com for reconciliation to related GAAP measurement.



# THANK YOU.



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