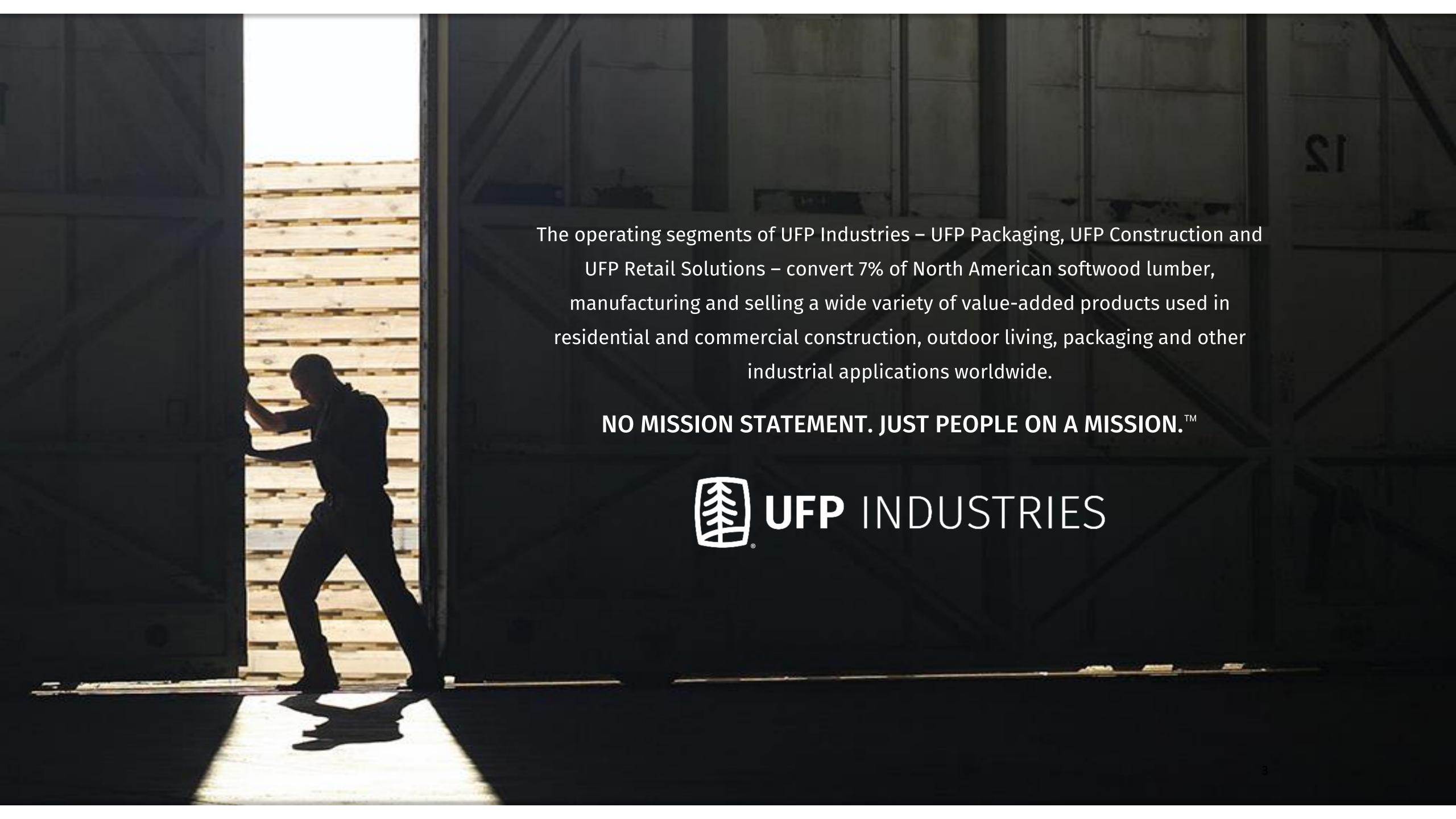


## UFP INDUSTRIES, INC.

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

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

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# UFP Industries is focused on driving above market growth and compounding margins higher over time while maintaining best-in-class ROIC.

## **5 YEAR PERFORMANCE\***

+30%
Average Annual
TSR

~5%

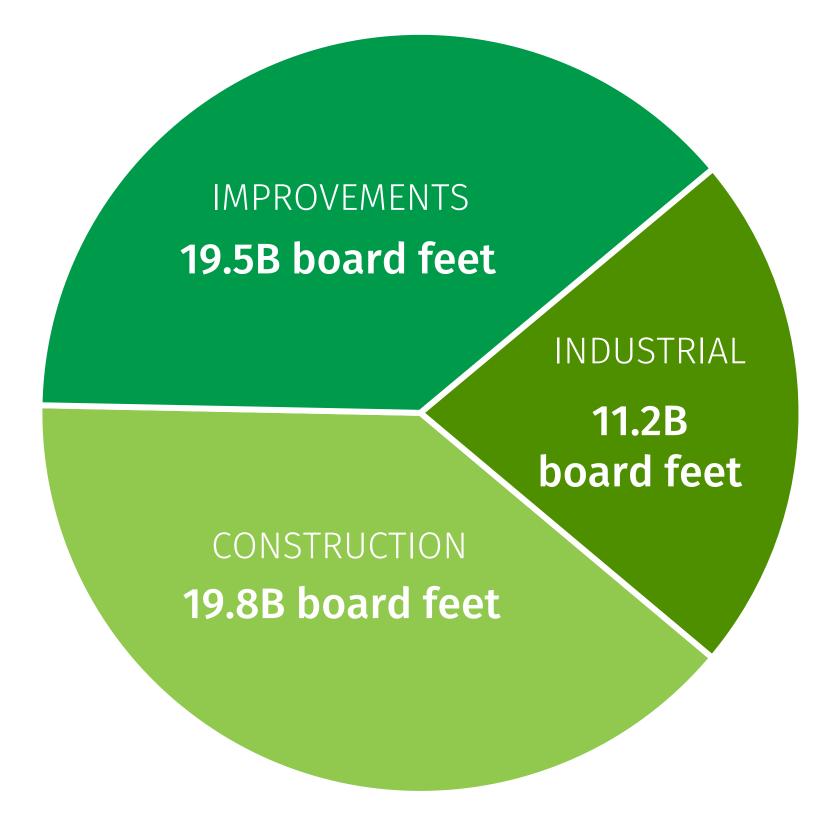
Average Annual
Unit growth

~300bps
Expansion in adjusted EBITDA
Margin
2024: 10.3%

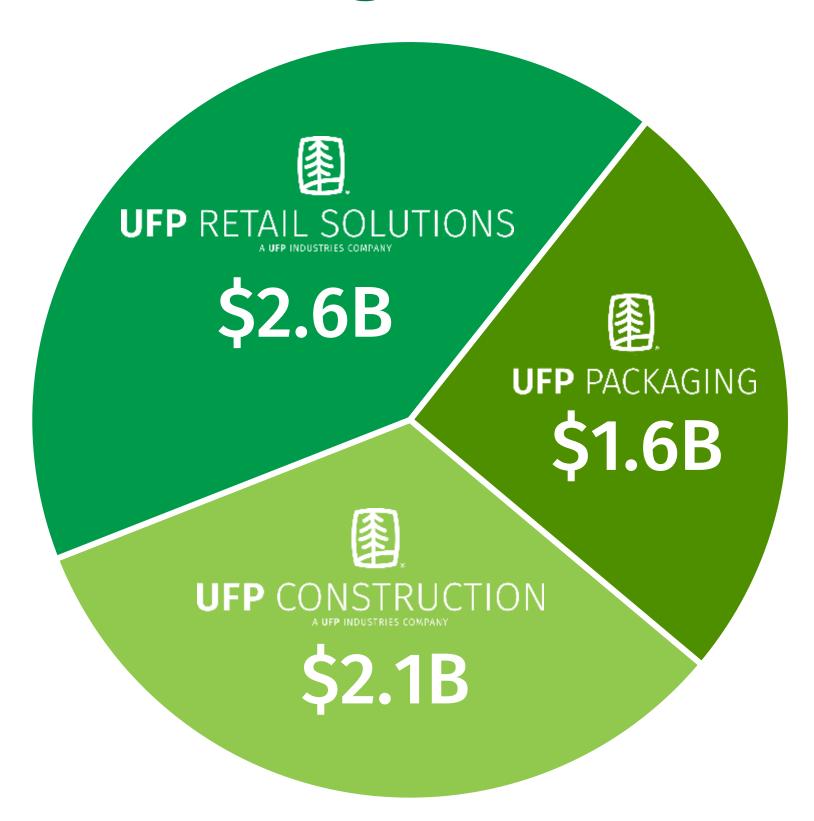
~10%
Average Annual
ROIC Growth
2024: 18.3%

~24%
Average Annual
Growth in EBITDA

# UFP has built-in scale advantage as the largest converter of softwood lumber in North America fragmented



TOTAL U.S. SOFTWOOD CONSUMPTION BY END MARKETS\*



UFP 2024 REVENUE BY BUSINESS SEGMENTS

## **OBJECTIVES**

**Market Expansion** 

**Unit Sales Growth** 

**Product & Process Innovation** 

**Margin Growth** 

## **STRATEGIES**

### Growth

### M&A

- Core tuck-ins, consolidations
- Complementary value-added adjacencies to grow, and enhance EBITDA margins

### **ORGANIC**

- Greenfields to fill geographic holes
- Leverage footprint to grow with national customers

### **NEW CUSTOMERS**

- New locations of national accounts
- Focus on Packaging verticals

### **Mix Improvements**

### **NEW PRODUCTS**

- Long-term goal of 10% of net sales
- Alternative materials to broaden markets/customers
- Enhance EBITDA margin

### **R&D/INNOVATION**

- Dedicated innovation teams
- Internal venture fund investments

#### **SKU RATIONALIZATION**

 Data-optimized for streamlined offerings and improved EBITDA margins and ROIC

### **Ops Improvements**

### **AUTOMATION & ROBOTICS**

- Enhance productivity and efficiencies
- Reduce non-value-added repetitive motion and adverse ergonomics for employees

### **CAPACITY CONSOLIDATION**

- Centers of Excellence model lowers production costs
- Strategic consolidations to enhance efficiencies

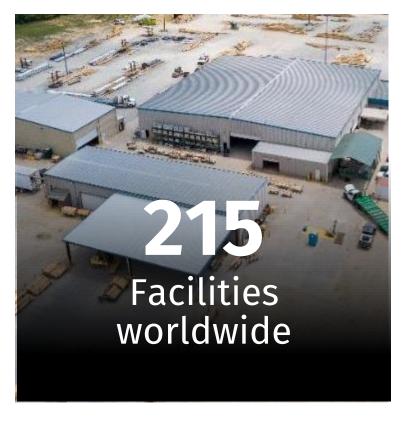
### **ENHANCED OPERATIONS TECHNOLOGY**

 Technology solutions in transportation, purchasing, design and shop floor

## UFP AT A GLANCE











## Business segments and markets



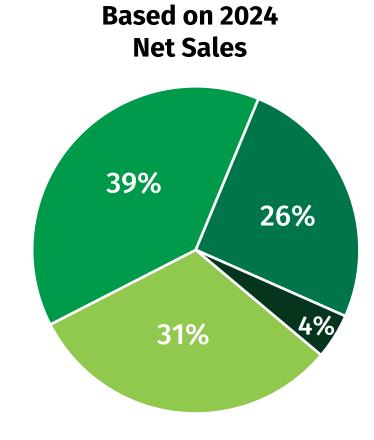
\$2.6B

Big box, independents, & buying co-ops



\$2.1B

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





\$1.6B

Industrial manufacturers, OEM's, agricultural and logistics



\$0.2B

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



# BUSINESS MODEL PROVIDES SUSTAINABLE COMPETITIVE ADVANTAGES

## Scale through Diversification

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

## Incentives Aligned With Shareholders

Each of our 215 operations is a profit center, managed by people who are required to own stock, and are compensated on a combination of pre-bonus operating profit and return on investment.

## Commitment To Innovation

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

### Culture

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

### Structure

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

#### **RESULT:**

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

#### **RESULT:**

- Efficient capital allocation
- High ROIC
- Insiders and employees own more than 11% of shares outstanding\*

### **RESULT:**

- Robust pipeline of new products
- New customers and markets
- Higher EBITDA margins

#### **RESULT:**

- 70 straight years of profitability
- Average tenure of 23 years for our 69 most senior executives.

#### **RESULT:**

Improved performance from

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

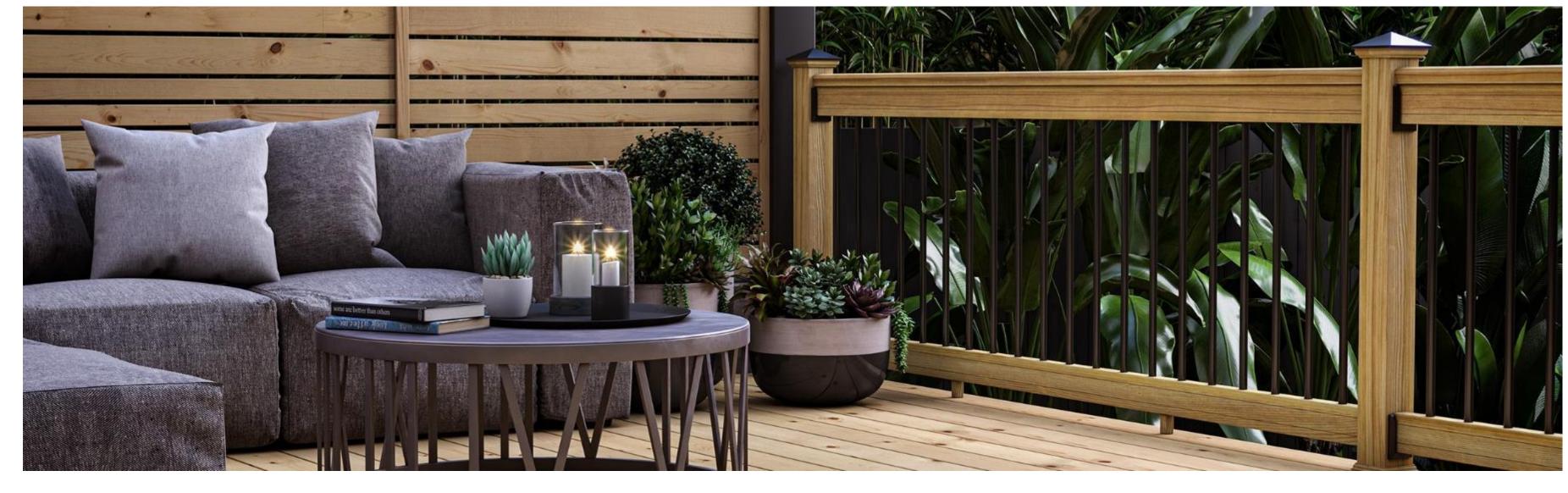
## LONG-TERM FINANCIAL GOALS

Annual unit sales growth of 7-10% including small acquisitions; new product sales are 10% of total sales

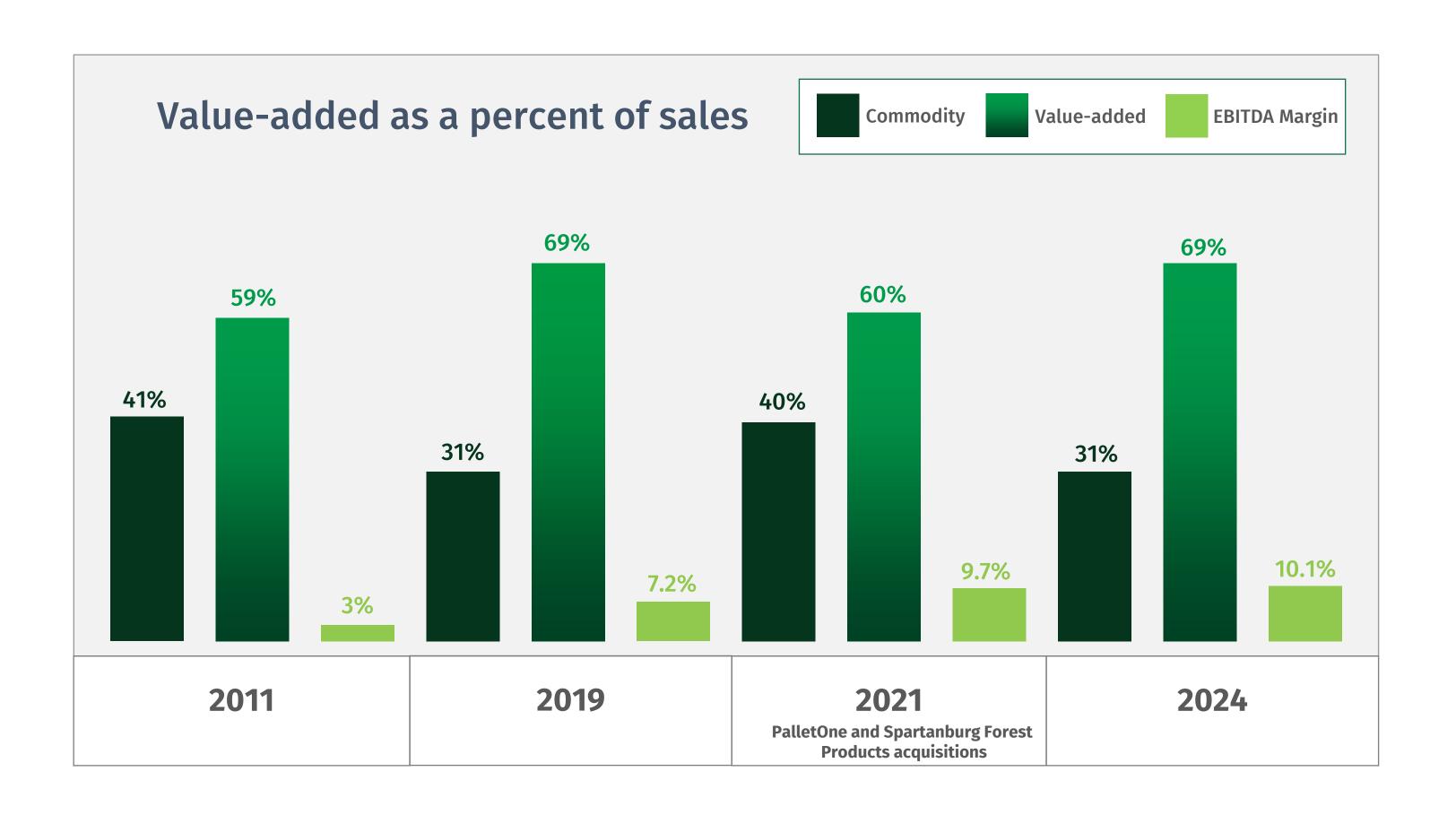
Achieve and sustain a 12.5% adjusted EBITDA margin

Earn an incremental return on new investment greater than our 15% hurdle rate

Maintain a conservative capital structure < 1.5X Adjusted EBITDA



## VALUE-ADDED SALES



Value-added products improve mix, raise EBITDA margins

## ALTERNATIVE MATERIALS MANUFACTURING GROWTH

Investments in value-added adjacencies add to TAM

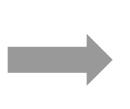
### Core/Historical

### Current state/Future scaling growth via capex and M&A

### **CONSTRUCTION**



**Wood Components** 



Light Gauge Metal Components

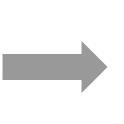


Aluminum Balconies and accessories

### **RETAIL**



**Pressure-Treated Lumber** 







Deckorators Surestone<sup>TM</sup> Technology Decking & Railing

### **PACKAGING**



**Wood Crates** 





Mixed Material Crates Wood, Foam, Metal, Corrugate



**Steel Crates** 

## INNOVATION AND NEW PRODUCTS



### **UFP VENTURE FUND**

## In 2022 we launched our Innovation Accelerator to:

Bring new products and services to market faster

Spur internal growth in new capabilities, products and processes

Drive faster scale and synergy through rapid iteration

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

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

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

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

### The company is making investments to

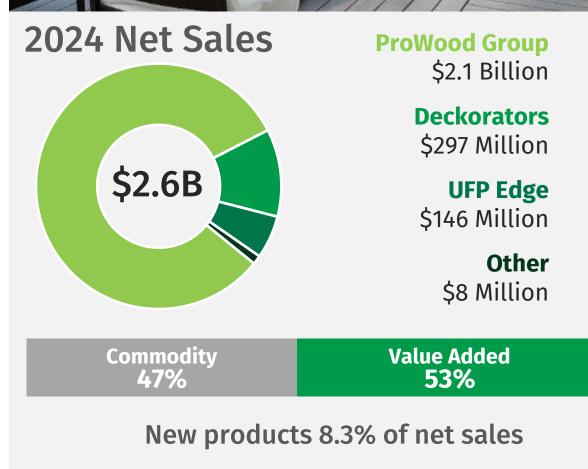
- Develop value-added use of manufacturing residuals
- Enhance our supply chains
- Add automation across business segments to increase efficiencies
- Address a shortage of skilled labor

- Create alternative product lines in close adjacencies to our current business
- Source new technology solutions to spur growth and enhance productivity

## **BUSINESS SEGMENTS**





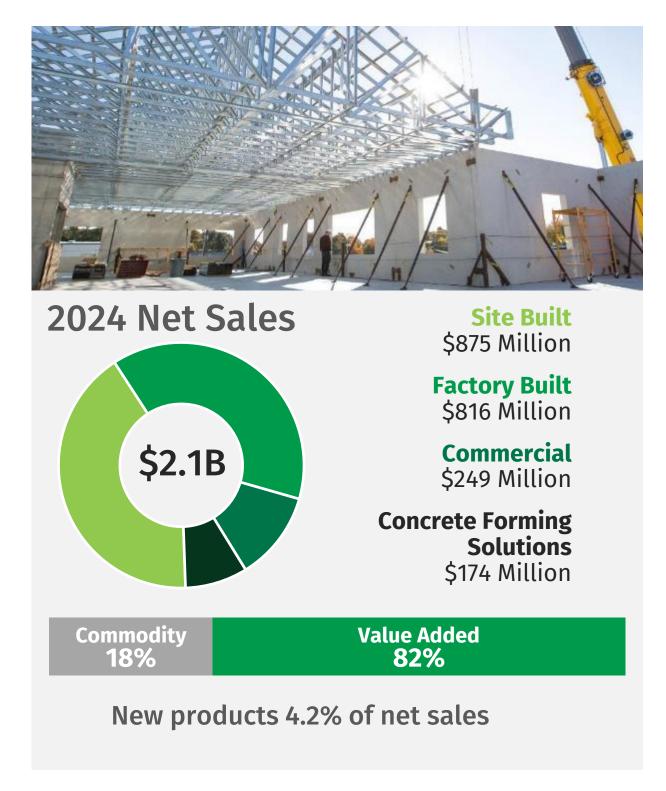
















### **TREATED & DECK SPECALTIES**

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

### **FENCE, LAWN** & GARDEN

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

### **BUILDING MATERIALS**

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







Wood- and mineral-based composite decking, railing and accessories.\* Aluminum fence manufacturing and fabrication.







Premium siding, pattern, trim; interior accent wall products











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



### Structural Packaging

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

### **PalletOne**

Machine-built pallets; design, engineering and testing

### **Protective Packaging**

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







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



Single-source designer and manufacturer of building components, concrete forms, framing,

### Site-Built

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



**UFPConstruction.com** 

### Factory-Built

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



### Commercial

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



**IDXCorporation.com** questdisplays.com

### **Concrete Forming**

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

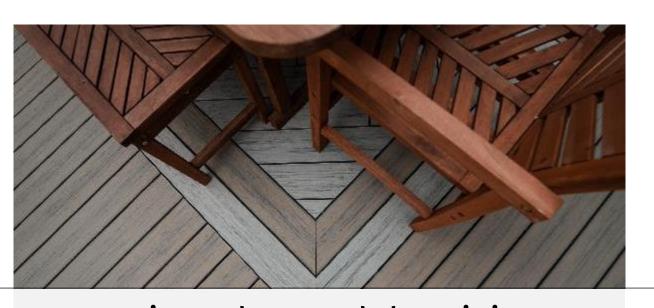


## SEGMENT DEMAND AND FORWARD OUTLOOK













**MACRO DRIVERS** 

- Repair and remodel activity
- Aged housing stock
- Housing turnover

- PMI
- Durable Goods
- GDP

- Affordability challenges remain
- Housing shortage
- Mortgage rates

- INDUSTRY/CONSUMER TRENDS
- Home equity at historic highs, but HELOC rates elevated as well
- Consumers delaying larger projects
- Lock-in mortgage effect

- Demand decrease across most verticals and excess capacity pressuring pricing
- On/nearshoring manufacturing
- Vendor consolidation at customers of scale

- Smaller new build floorplans
- Builder incentives driving activity
- Depressed mortgage application and refinance activity

SHORT-TERM OUTLOOK

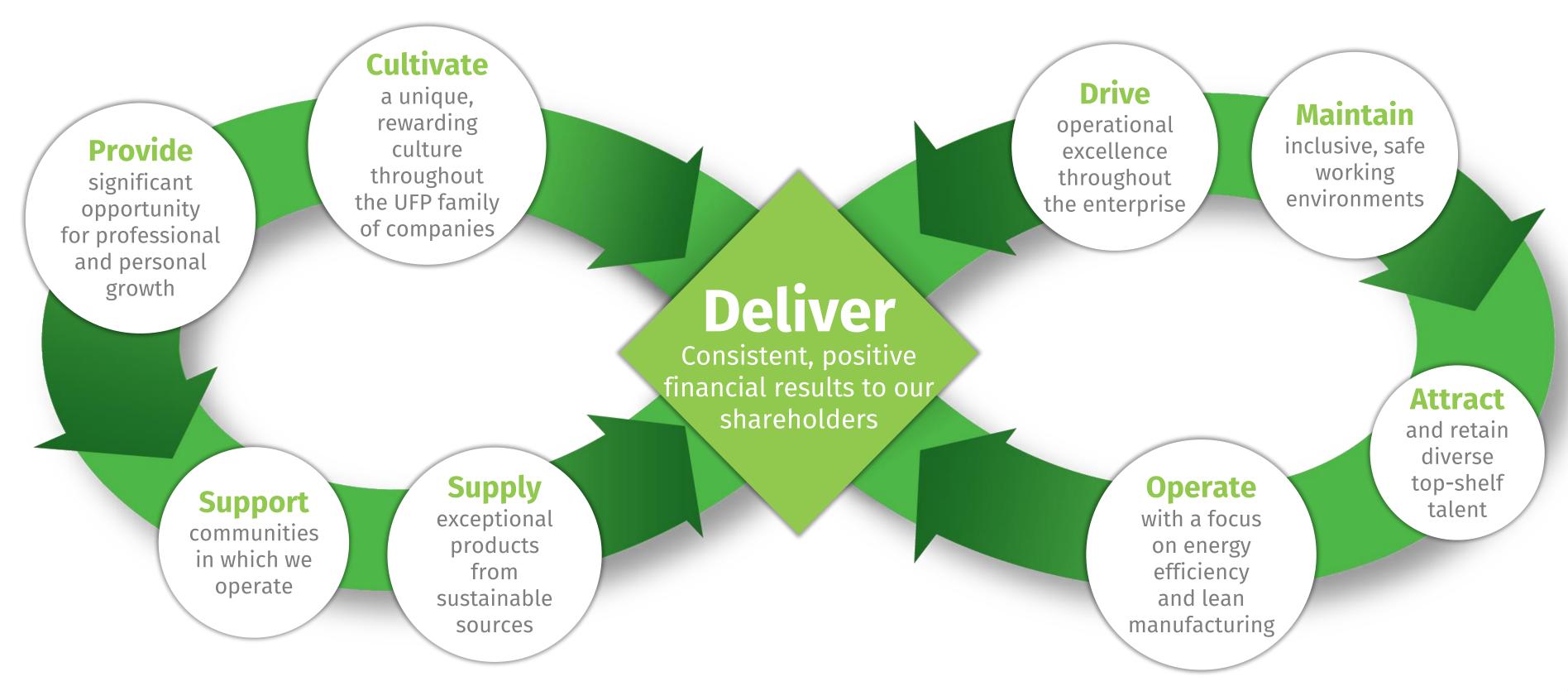
- Demand down low-single digits
- Pricing pressures

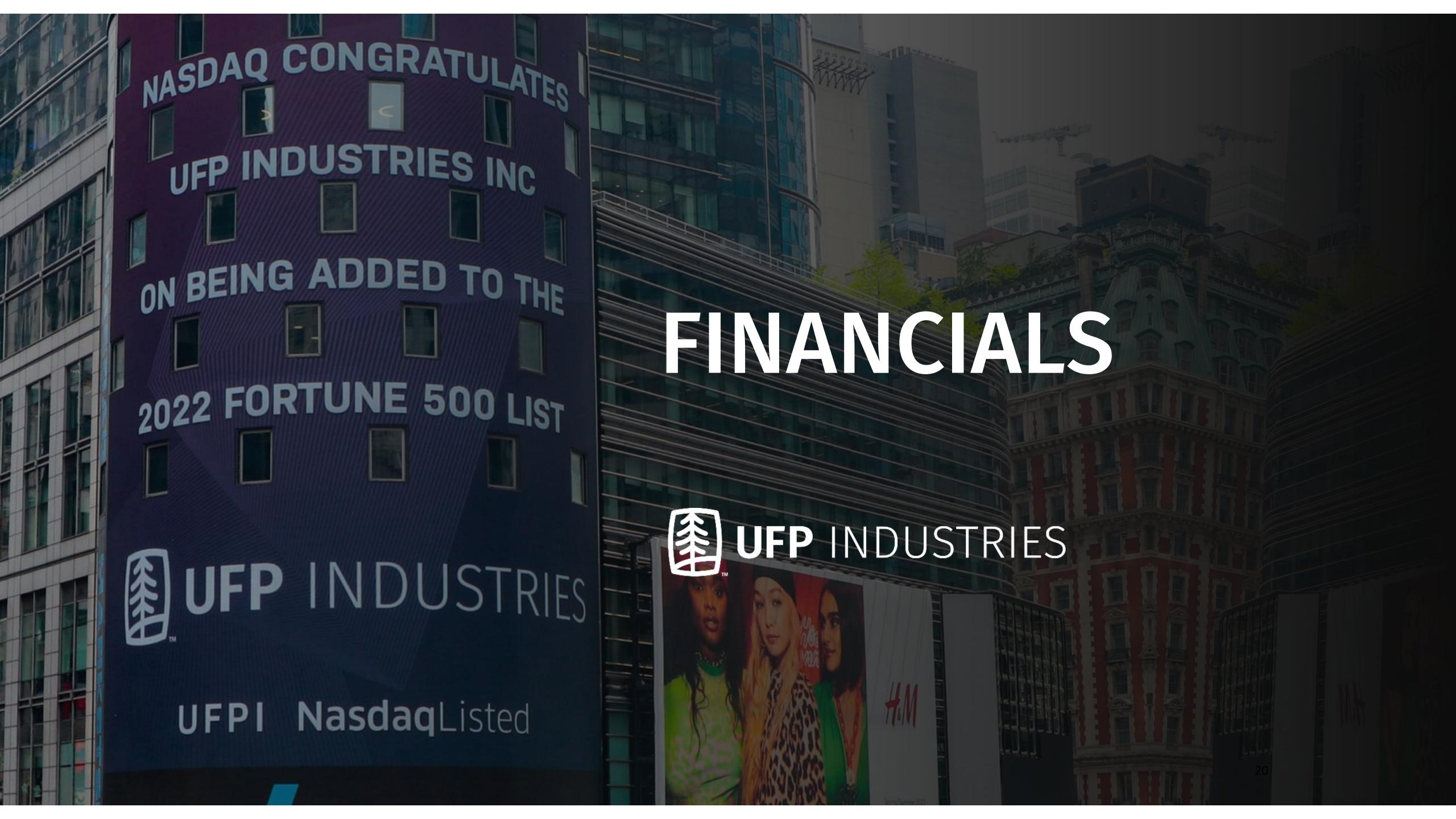
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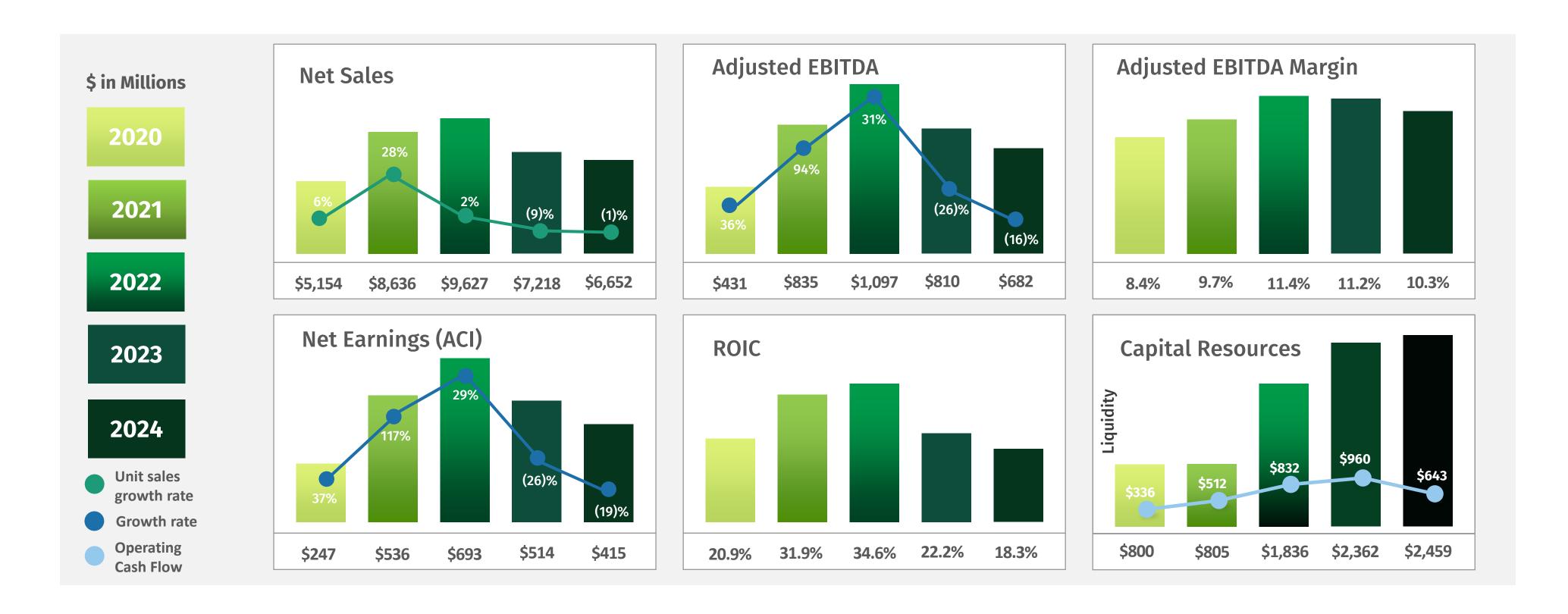
## SUSTAINABILITY CONTINUUM

We believe profitability, asset values and shareholder return are optimized by acting responsibly, and that our investors experience higher sustainable returns when we support our customers, employees and communities. Our views on ESG and maintaining a sustainable enterprise can be found <a href="https://example.com/here">here</a>.





## **OUR PERFORMANCE**

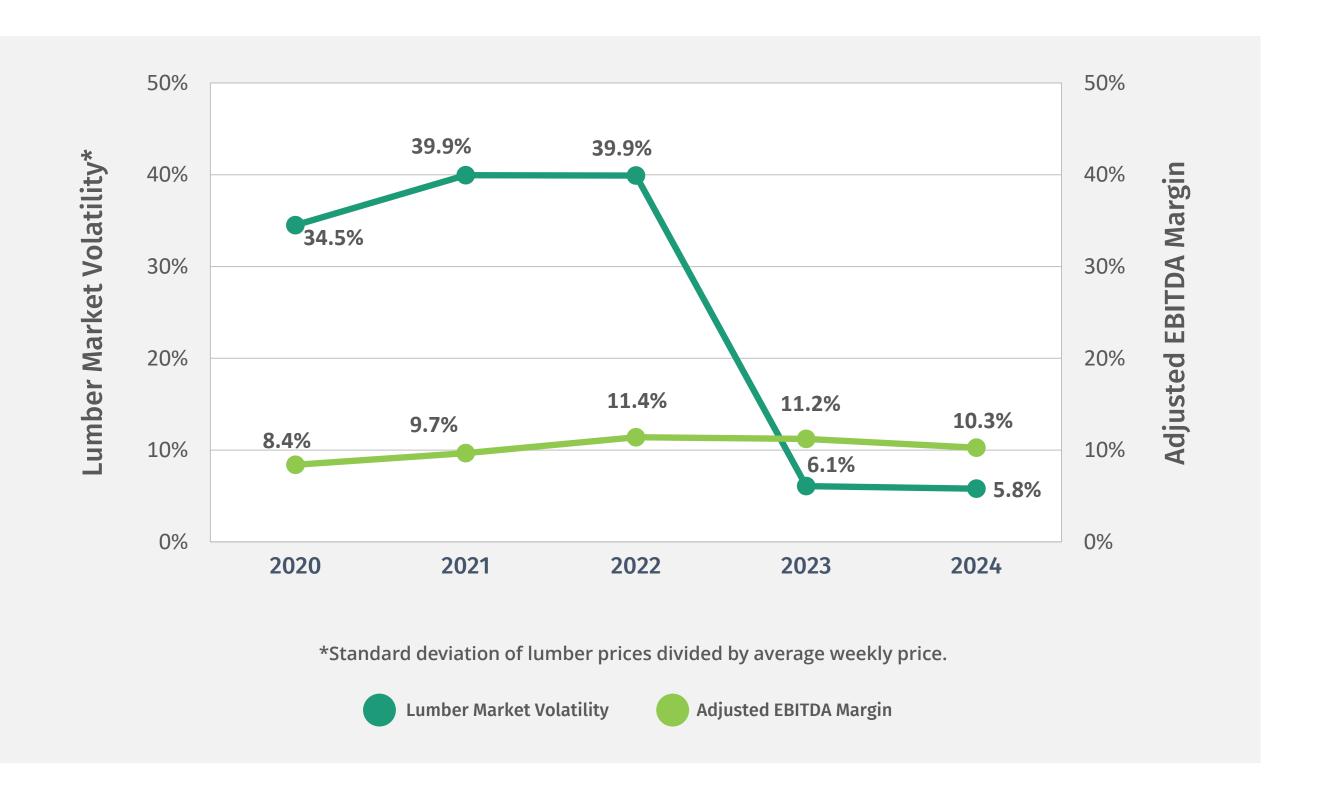


Strong track record of growth and performance improvement with emphasis on improving gross profit dollars per unit sold and ROIC.

**Non-GAAP Financial Information:** *Please visit ufpinvestor.com for reconciliation to related GAAP measurement.* 

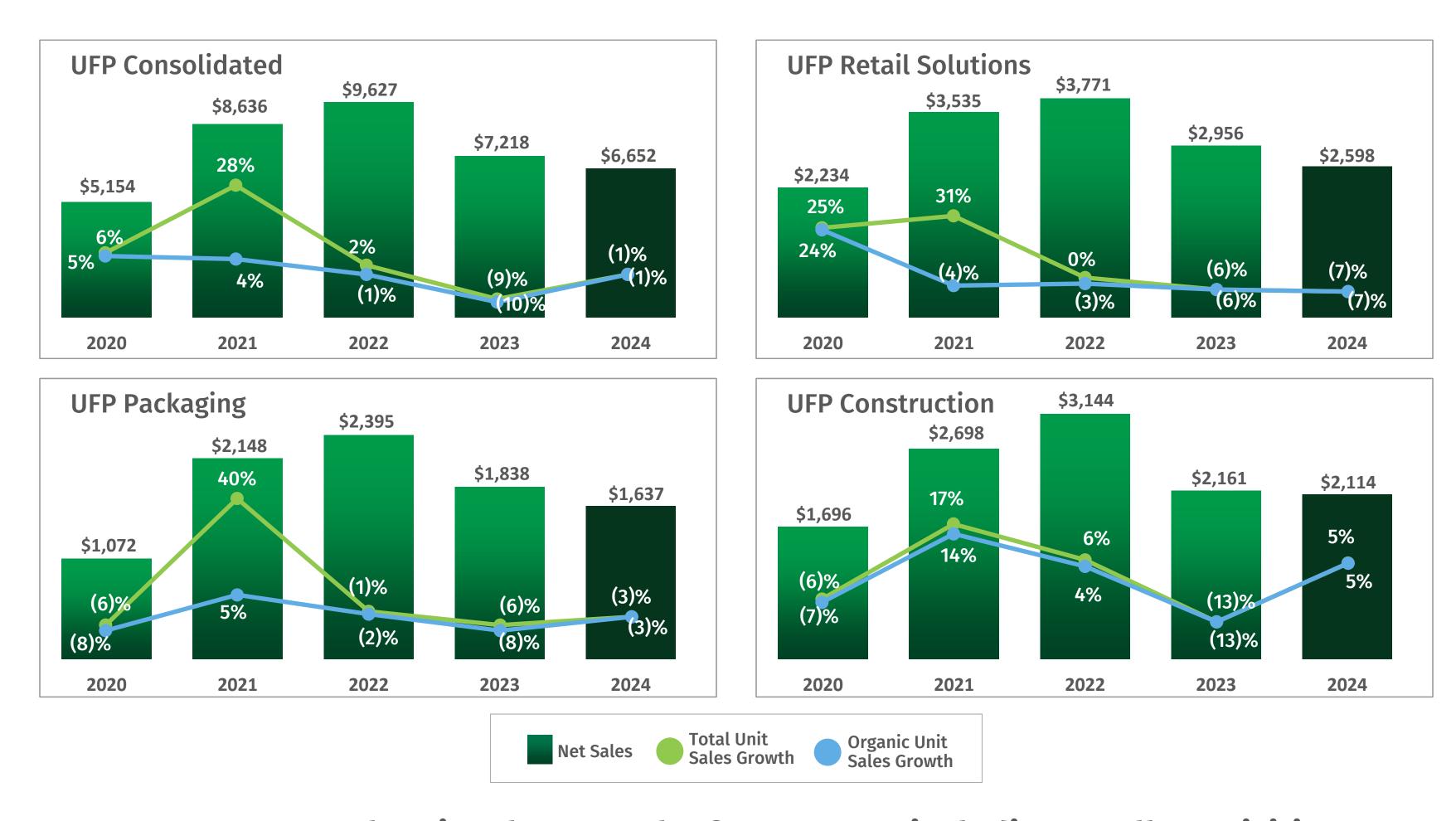
## MANAGING LUMBER MARKET RISK

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



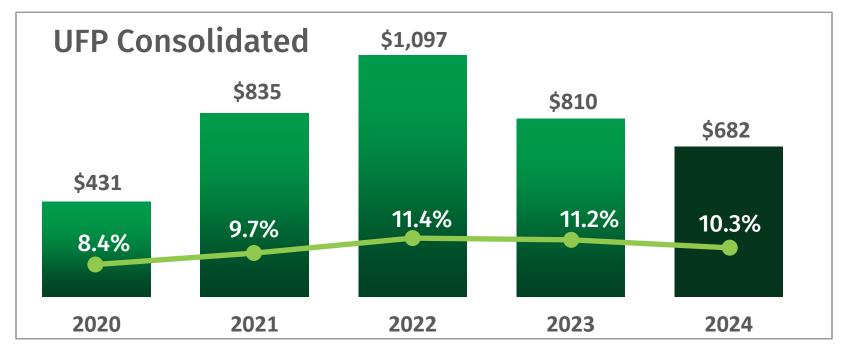
Balanced business model mitigates lumber price volatility and drives stable profit per unit.

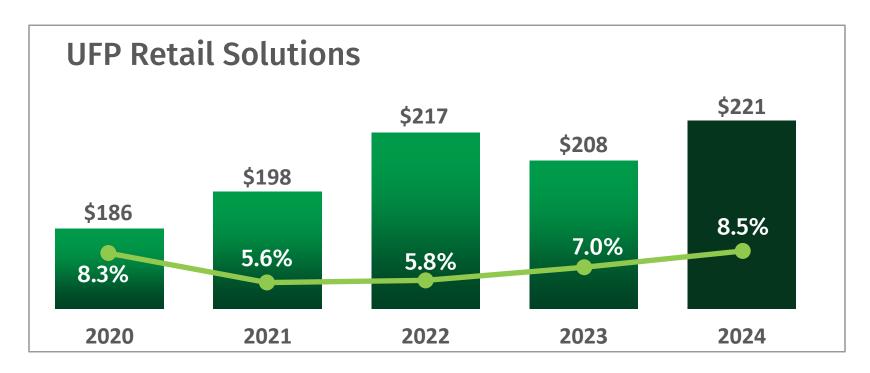
## NET SALES (in millions)

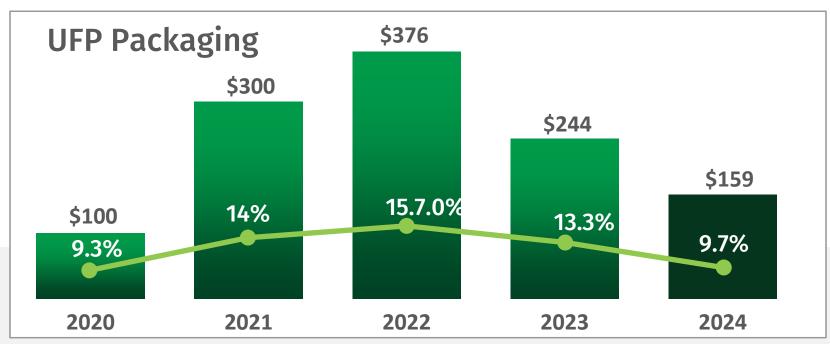


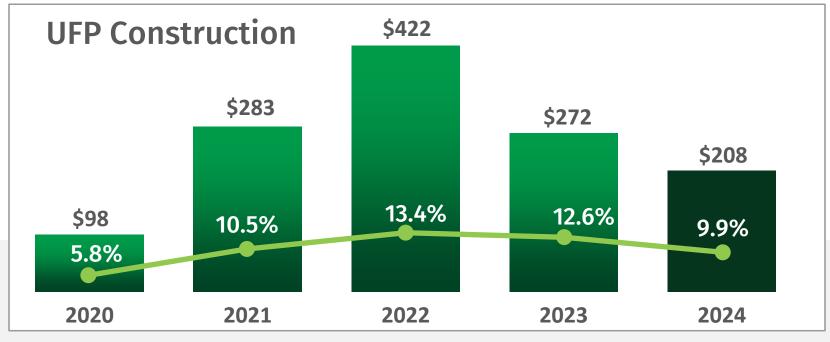
Long-Term Goal: Unit sales growth of 7% to 10%, including small acquisitions

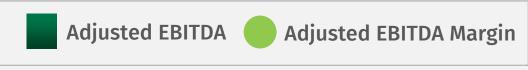
## ADJUSTED EBITDA (in millions)











### **LONG-TERM MARGIN DRIVERS**

New management structure

Value-added mix improvements, including new branded products, solutions selling, and value-based pricing Operational improvements, technology, and automation

### **LONG-TERM GOAL**

12.5% Adjusted EBITDA margin

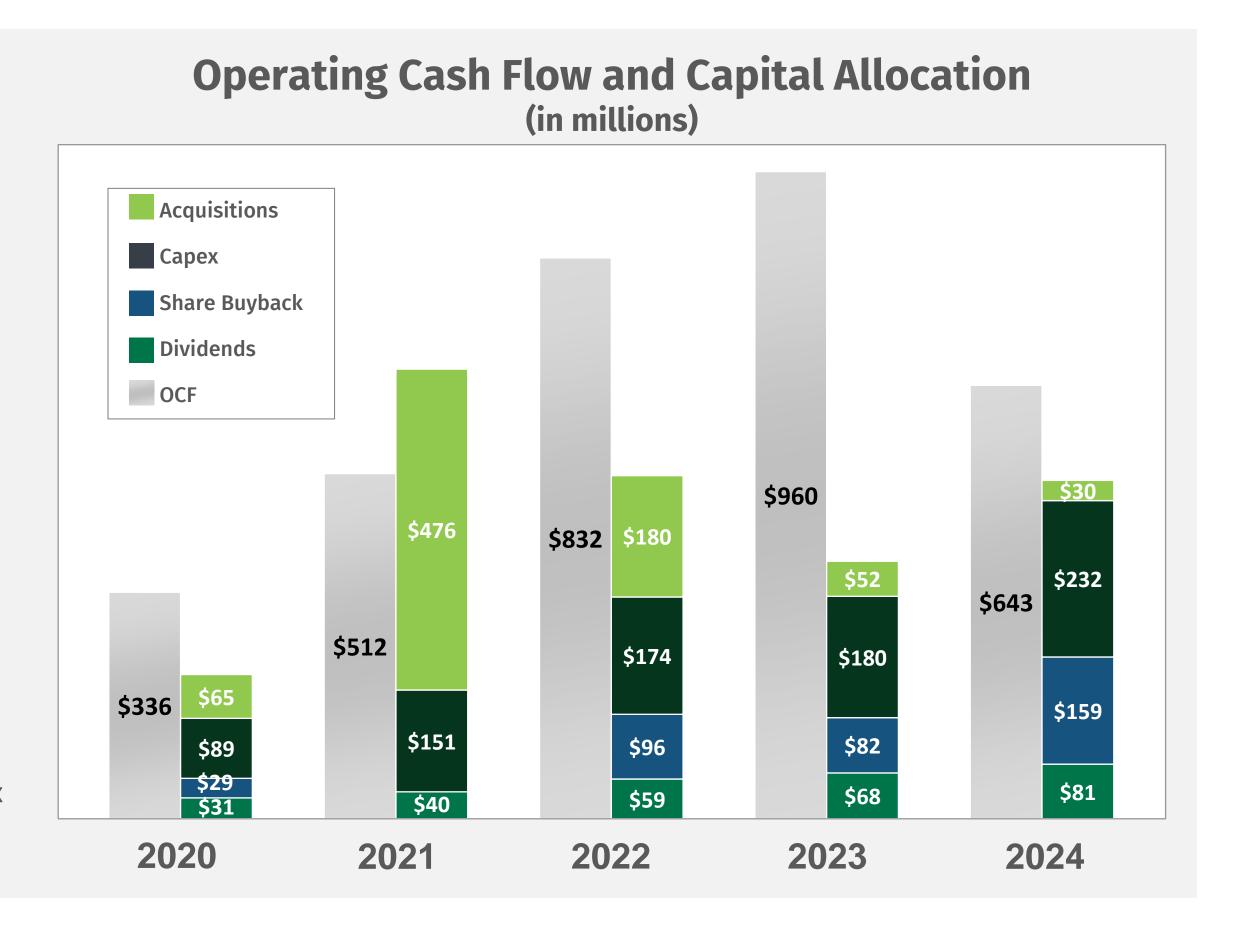
## ADJUSTED EBITDA GROWTH AND UNIT SALES



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

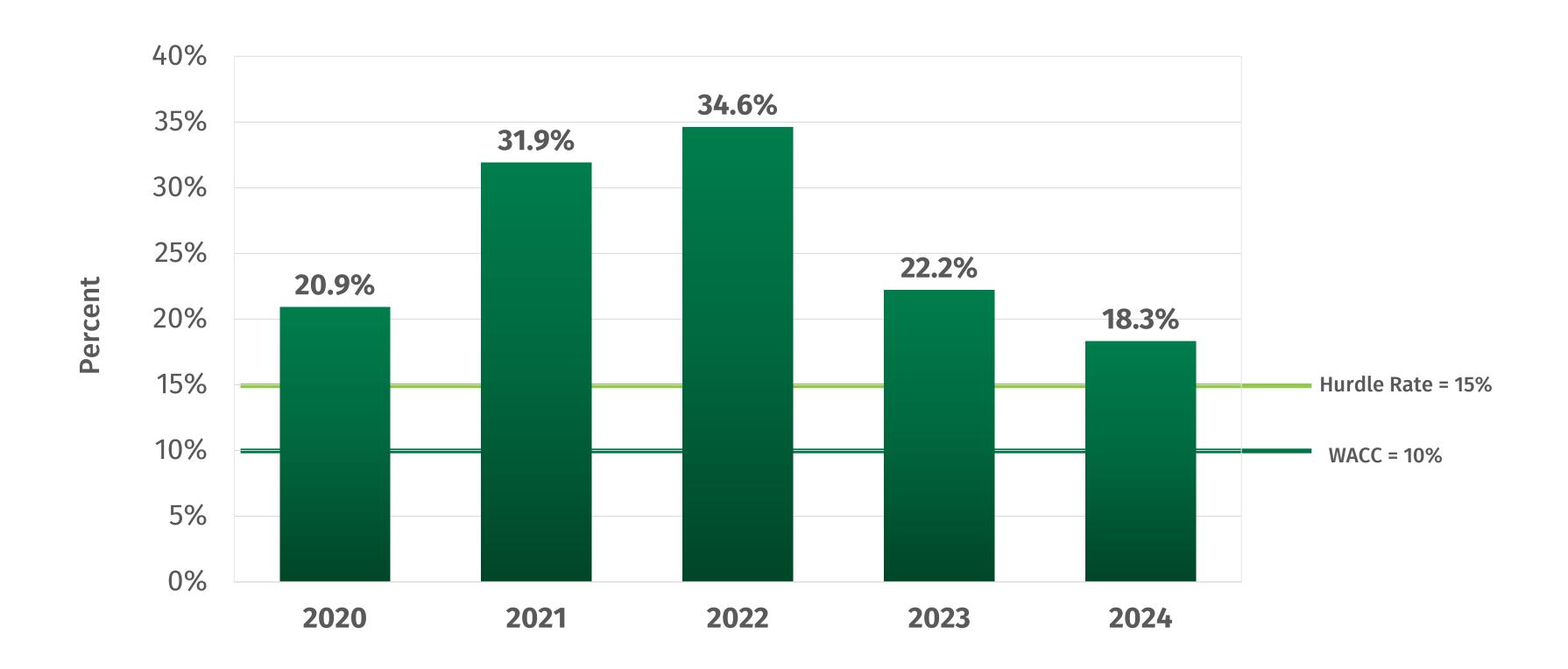
## BALANCED USE OF FREE CASH FLOW

- Acquisitions to contribute half of our total annual unit sales growth
- CapEx plan of \$350M in 2025
- Opportunistic share repurchases and to offset issuances. Current authorization as of February 2025 has \$192M remaining, expires July 31, 2025.
- Increasing dividends in line with long-term growth in earnings and free cash flow
- Committed to maintaining conservative capital structure with adjusted EBITDA <1.5x



Return-focused approach to capital allocation

## RETURN ON INVESTED CAPITAL



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

## RECENT ACQUISITIONS

#### **Process**

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

### **Purpose**

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

### Goal

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



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



**Driving Deckorators recycle content;** scaling opportunity.



Securing supply and margin expansion for growing Packaging business.







FENCING RAILING









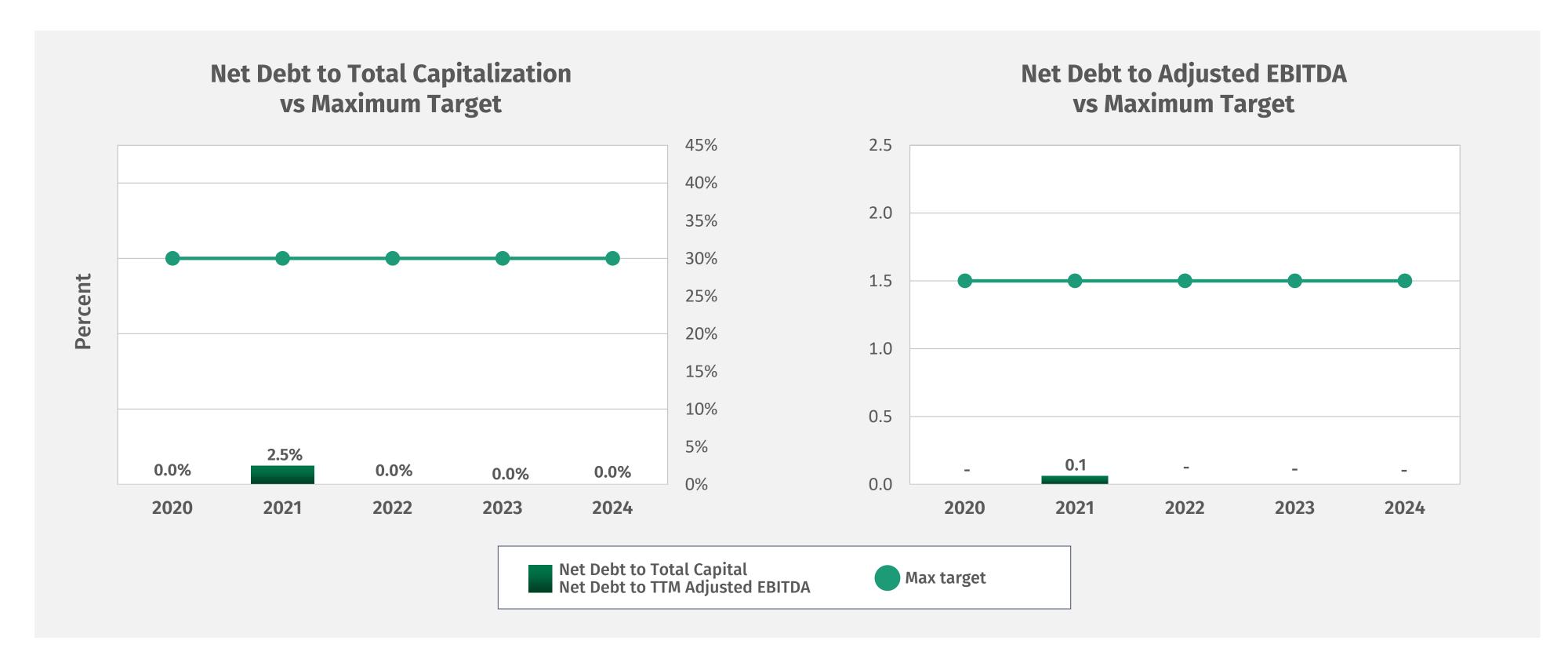








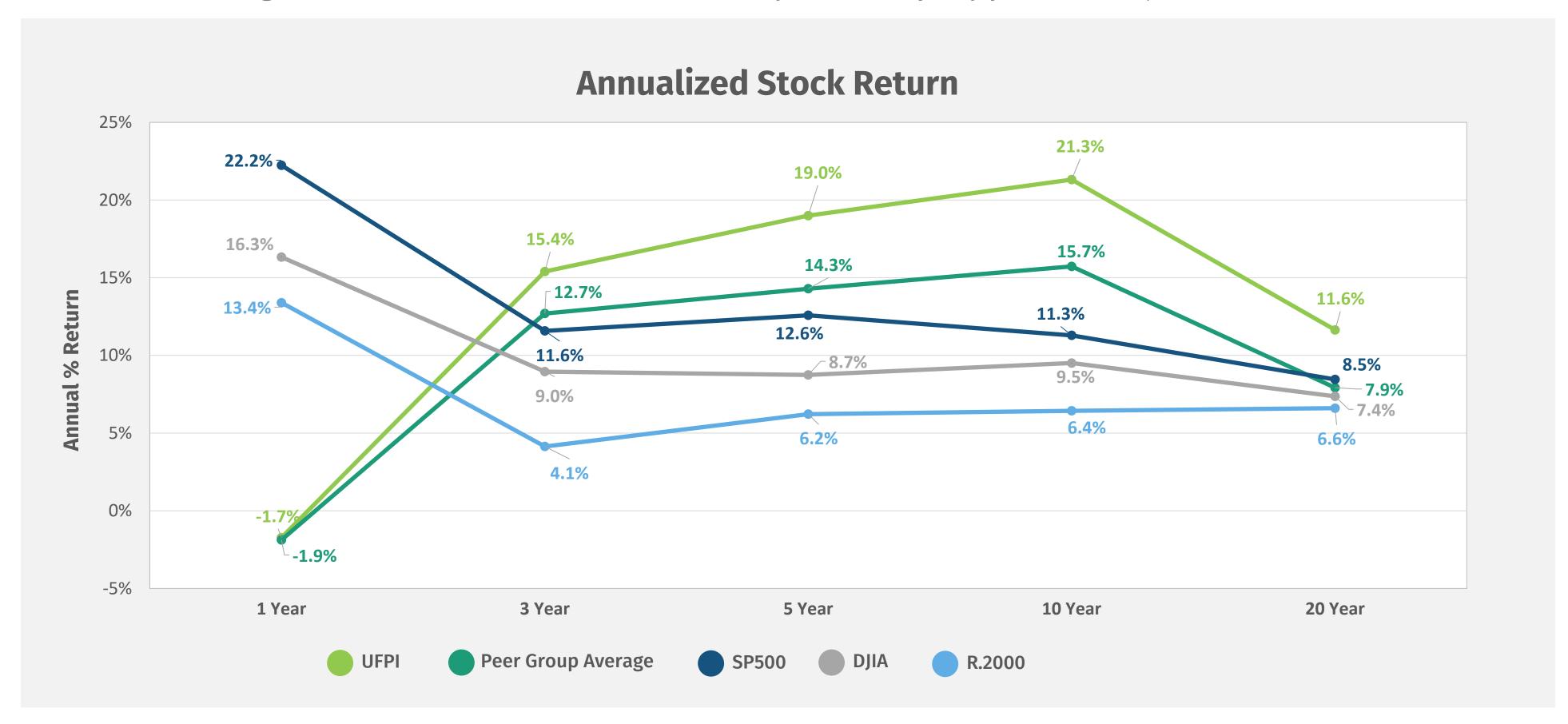
## **CAPITAL STRUCTURE**



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

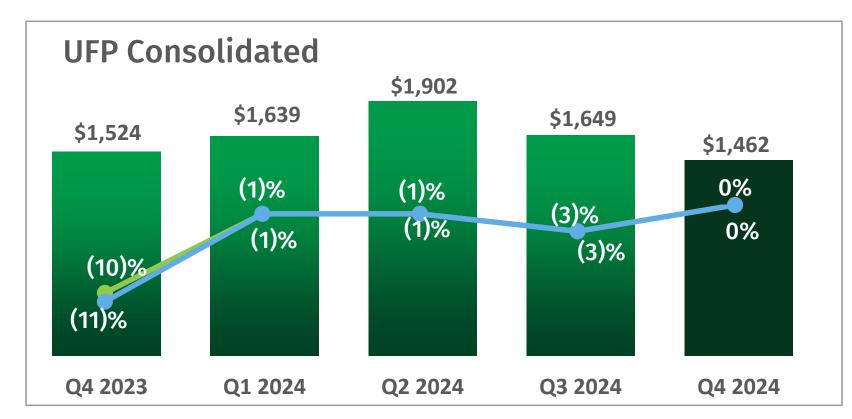
## STOCK PERFORMANCE

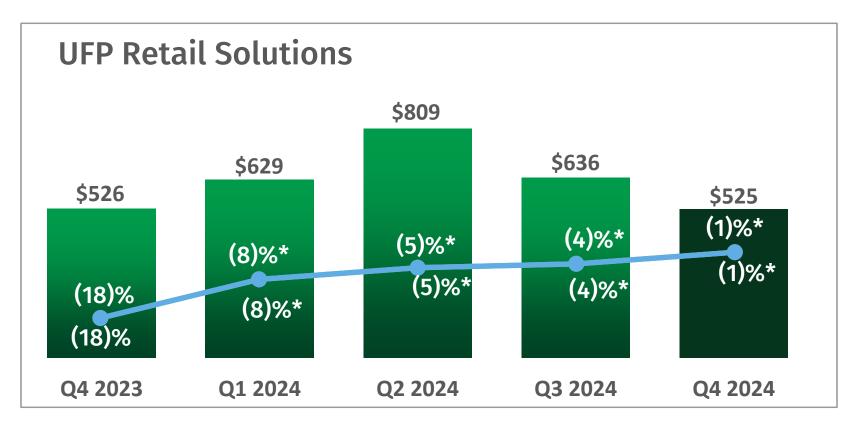
Long-term returns on UFPI stock are consistently above the proxy peers and major market indices

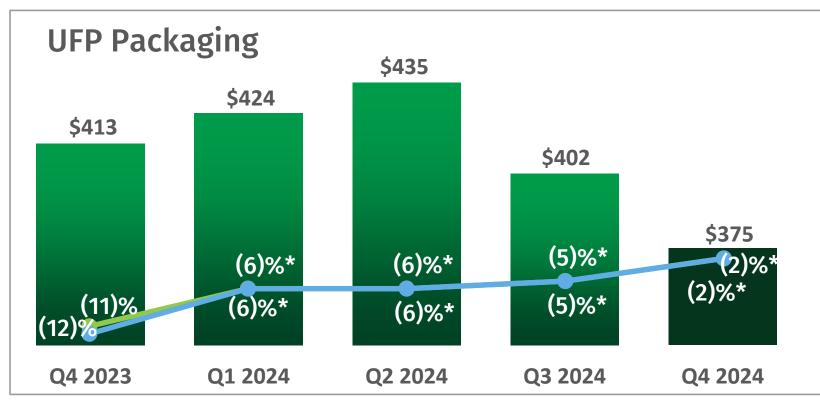


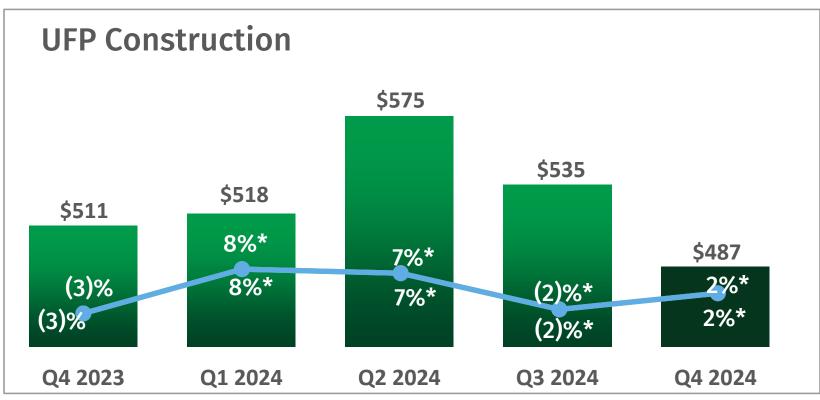


## NET SALES Q4 2024 (in millions)





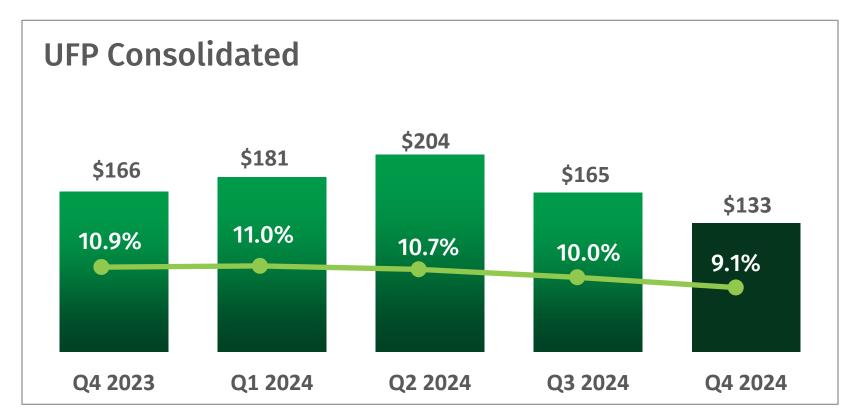




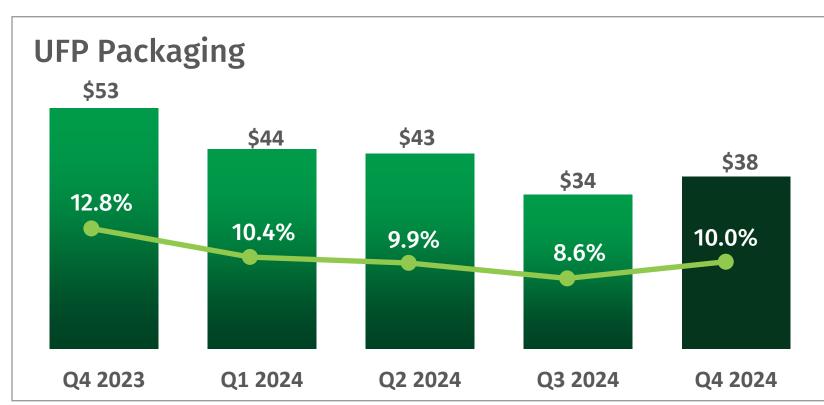


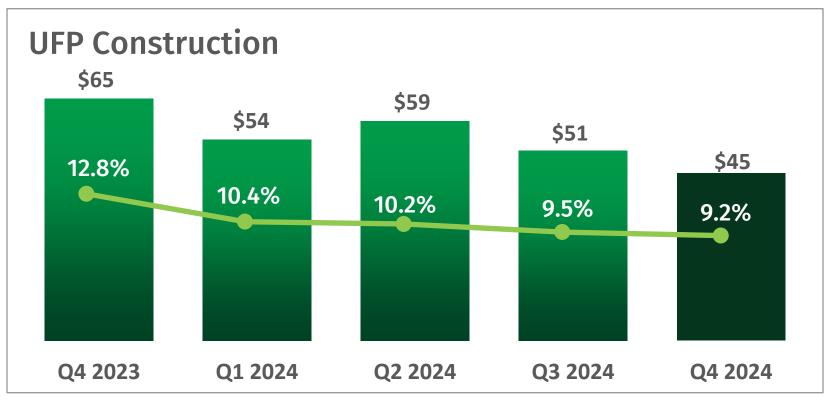
<sup>\*</sup>Growth percentages are shown net of product transfers between segments.

## ADJUSTED EBITDA Q4 2024 (in millions)









Adjusted EBITDA Adjusted EBITDA Margin

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

# THANKYOU



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