



UFP INDUSTRIES

Investor Relations Presentation

Results through July 1, 2023

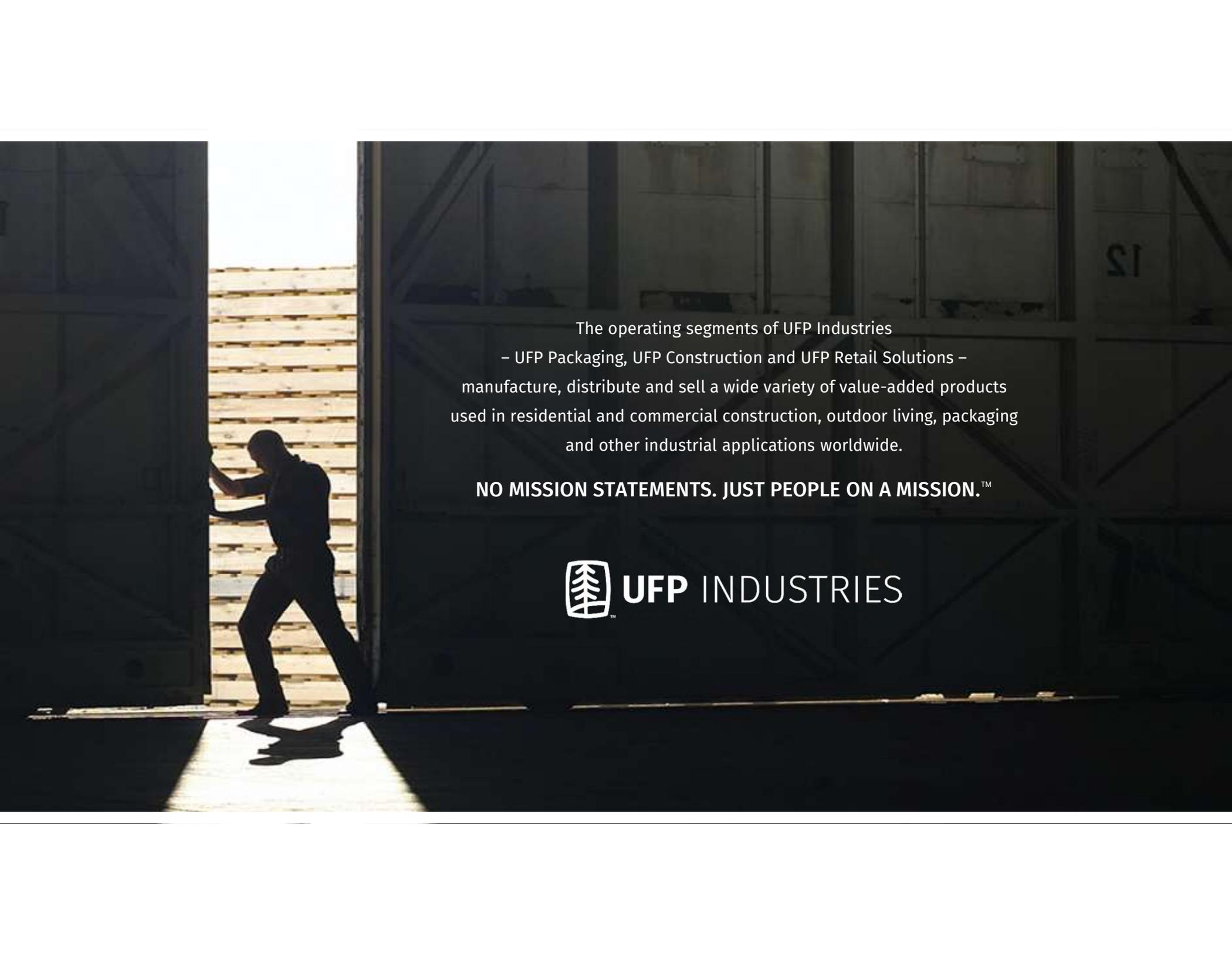


UFP INDUSTRIES, INC.

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

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

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

NO MISSION STATEMENTS. JUST PEOPLE ON A MISSION.™

 **UFP INDUSTRIES**

UFP AT A GLANCE



Business segments and markets

 **UFP RETAIL SOLUTIONS**

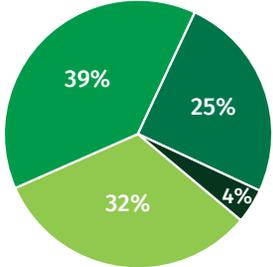
\$3.7B in 2022

Big box, independents, & buying co-ops

 **UFP CONSTRUCTION**

\$3.1B in 2022

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



Based on 2022 Net Sales

 **UFP PACKAGING**

\$2.4B in 2022

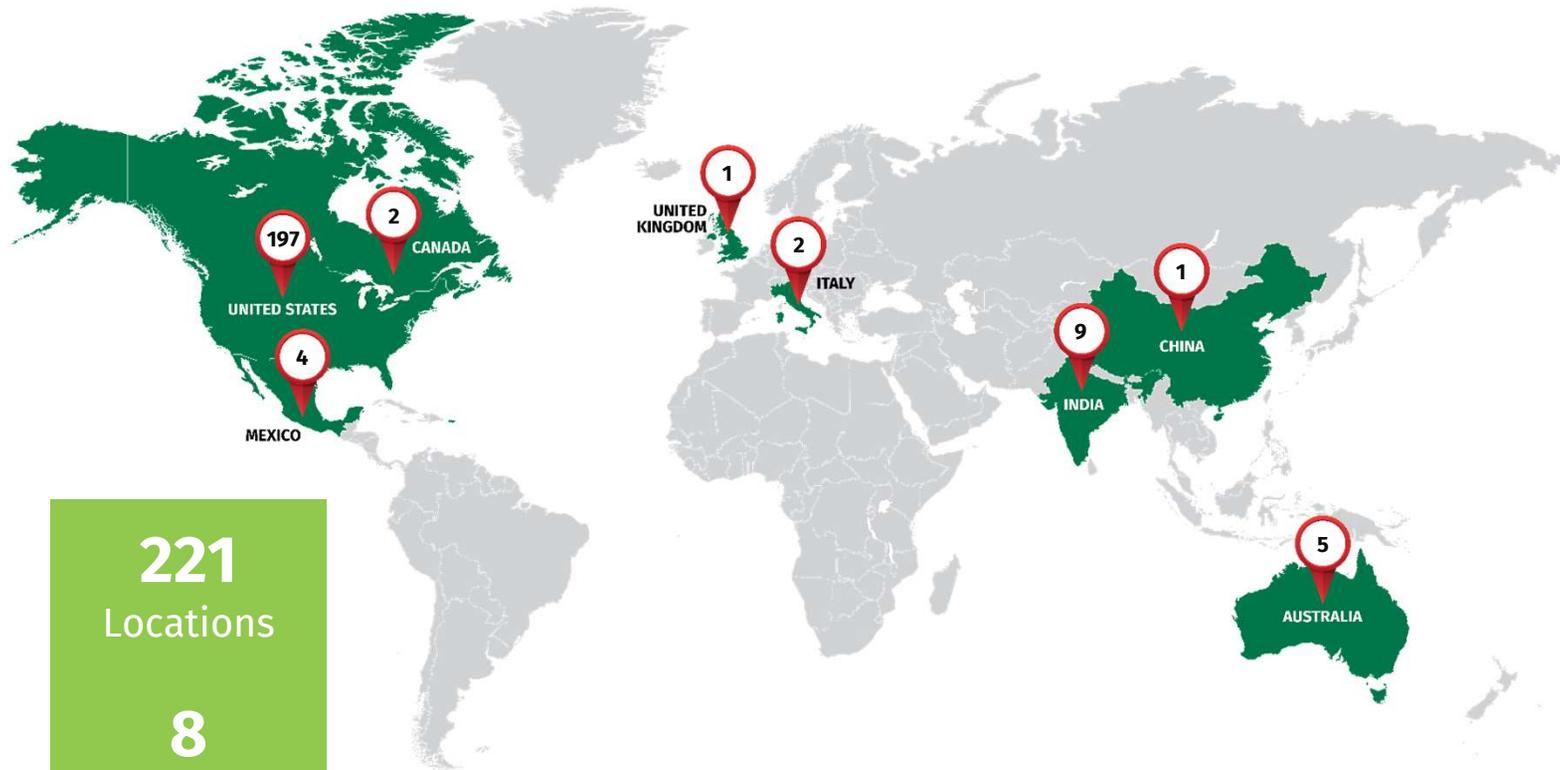
Industrial manufacturers, OEM's, agricultural and logistics

 **UFP INTERNATIONAL**

\$0.4B in 2022

Overseas trading with manufacturing and design assets in eight countries offering packaging solutions

WHERE WE ARE



221
Locations

8
Countries

UNIQUE BUSINESS MODEL PROVIDES SUSTAINABLE COMPETITIVE ADVANTAGES

Balanced Business Model

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.

This results in the company's balanced business model, which hedges against cyclicity and customer concentration while providing advantage in procurement. The model also provides product mix diversification which mitigates against a variety of risks including lumber market volatility.

Incentives Aligned With Shareholders

Each of our 220+ 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.

This management approach encourages an entrepreneurial spirit and efficient capital allocation, resulting in high ROIC and a consistently strong balance sheet.

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.

This robust pipeline of new products, averaging 9% of sales since 2019, enables the company to win new customers and enter new markets while moving steadily up the value chain.

Culture

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

This distinctive culture has delivered 67 straight years of profitability and an average tenure of 22.3 years for our 65 most senior executives.

AND DRIVES STRONG RESULTS

LONG-TERM FINANCIAL GOALS

Annual unit sales growth of 5-7%, including small acquisitions

Minimum 10% adjusted EBITDA margin

Earn incremental return on new investment greater than WACC

Maintain a conservative capital structure



SHORT-TERM FORWARD OUTLOOK

RETAIL

Based on data such as same-store sales growth of national home improvement retailers and forecasts of home remodeling activity, we anticipate market demand to be flat to slightly down for the balance of 2023.

PACKAGING

Data from several metrics, including the Purchasing Managers Index (PMI), durable goods manufacturing, and U.S. real GDP, indicate that industrial production will be slightly down for the balance of 2023.

CONSTRUCTION

Consensus estimates of housing starts call for a 12%-15% decline in 2023. The National Association of Home Builders forecasts a 24% decrease in manufactured home shipments in 2023.

MARGINS

We believe our consolidated annual decremental operating margin is in a range of 10-15% of net sales. By segment we see Packaging in a range of 20-25% and Construction in a range of 14-19%. We anticipate improvement in operating profits in our Retail segment in 2023.

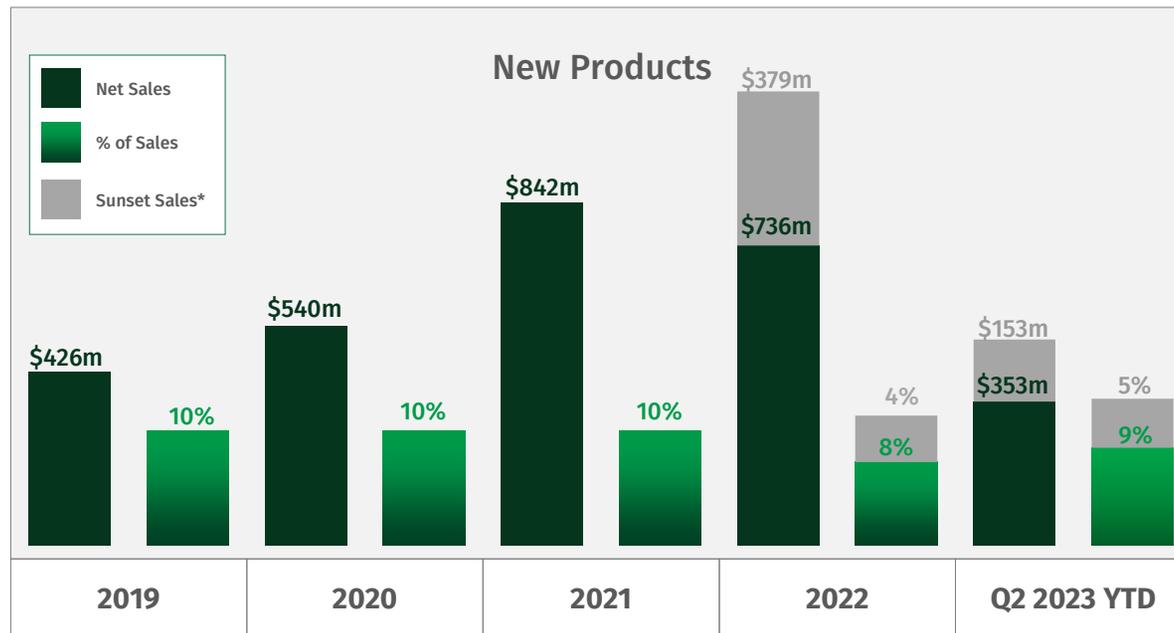
CAPITAL ALLOCATION

- A quarterly cash dividend of \$0.30 per share, a 20% increase from the prior year.
- On July 26, 2023, our board authorized the repurchase of up to \$200 million worth of shares of outstanding stock through July 31, 2024.
- Capital expenditures of \$175-\$200 million.
- We continue to pursue a healthy pipeline of strategic acquisition opportunities.

VALUE ADDED SALES



INNOVATION AND NEW PRODUCTS



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

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

New Structure Drives Better Strategy, Development and Execution

1955 - 2019

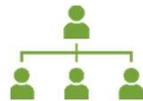


Universal Forest Products

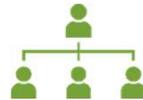
Western Division



Southern Division



Northern Division



2020 and Beyond



UFP INDUSTRIES

UFP PACKAGING

UFP CONSTRUCTION

UFP RETAIL SOLUTIONS

Our new structure, based on management of market segments rather than geography, brought greater focus, effecting:

- Improved alignment with our customers
- Better, quicker decision making
- Faster introduction of new, value-added products
- More effective allocation of capital

Result: better EBITDA margins and ROIC

RECENT ACQUISITIONS

Process	Purpose	Goal
Identify attractive growth runways in each Business Unit under each Business Segment and identify gaps in our capabilities to pursue those runways.	Find new products and services to speed our transformation from commodity sales to value-added selling solutions and brands.	Achieve scale and synergy targets to optimize growth, margins and returns.

 <p>Scale, low-cost production, automation, increased customer wallet share.</p>	 <p>Driving Deckorators recycle content, scaling opportunity.</p>	 <p>Securing supply and margin improvement for growing Industrial business.</p>
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BUSINESS SEGMENTS

 **UFP** RETAIL SOLUTIONS



 **UFP** PACKAGING

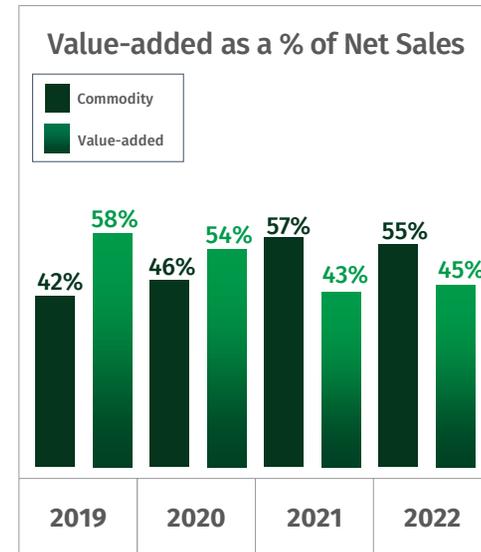
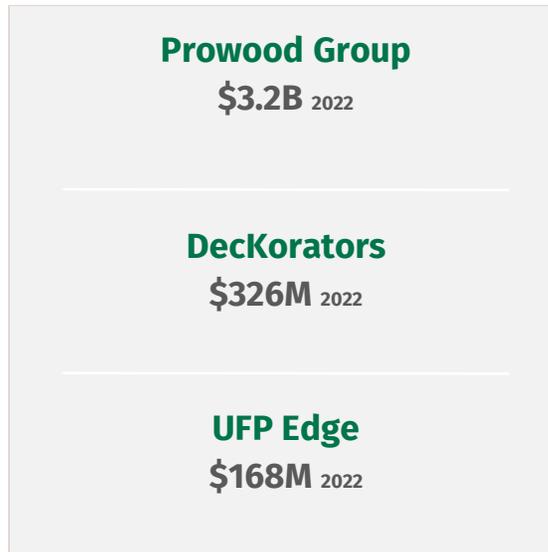
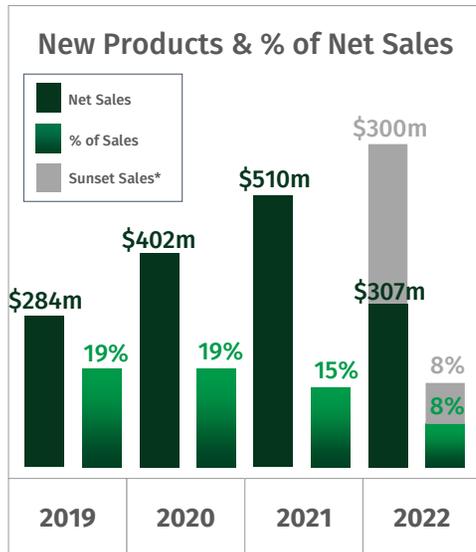


 **UFP** CONSTRUCTION





UFP RETAIL SOLUTIONS



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

UFP RETAIL SOLUTIONS

pro'wood
NEVER SETTLE.

Pressure-treated decking, timbers, panels and construction materials, including fire-retardant



ProWoodLumber.com

 **OUTDOOR**
ESSENTIALS®

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



OutdoorEssentialProducts.com

Dec'orators®
Go Beyond Ordinary

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



Deckorators.com

UFP
EDGE™
Designed To Be Seen

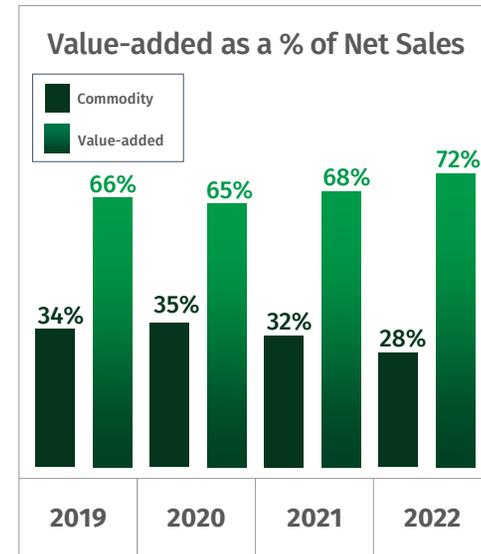
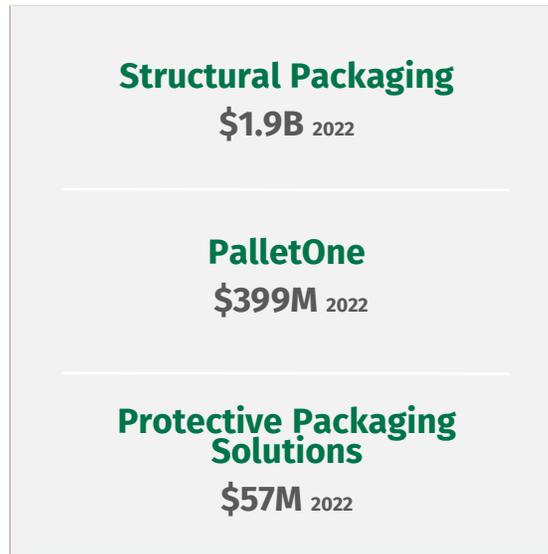
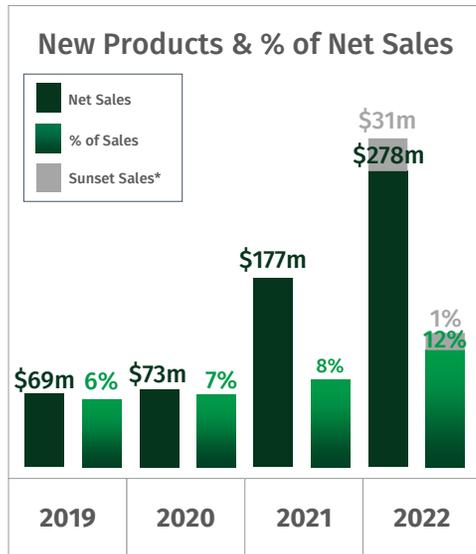
Premium siding, pattern, trim; interior accent wall products



UFPEdge.com

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

*Comprises 64% to Big Box customers and 36% to one- and two-step distribution as of 2022.



UFPpackaging.com

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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 SOLUTIONS

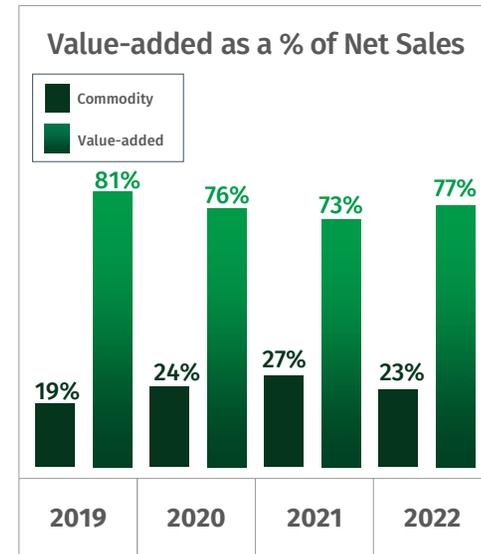
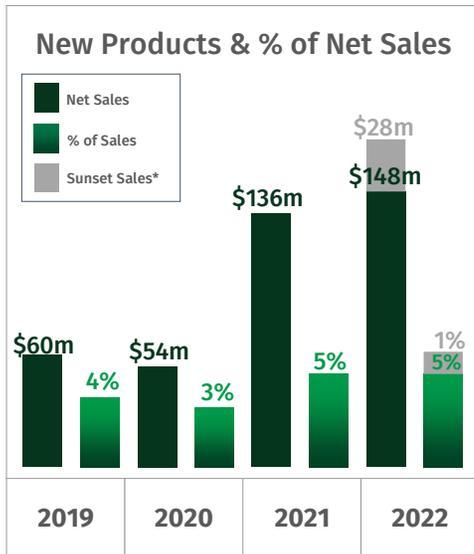
Corrugated conversion, stretch/shrink films, labels, strapping, hardware and software solutions for all industries



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



UFP CONSTRUCTION



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SITE-BUILT

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



UFPConstruction.com

FACTORY-BUILT

Roof trusses, floor joists, laminated wall panels, cabinet components, countertops and milled components for modular and manufactured homes, RV's 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

Lumber and panels; designed, engineered and manufactured forms



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



Lumber trading in 65 countries.
Industrial packaging solutions manufacturing in Australia, Mexico, Canada,
Italy and India.



2022 Net Sales: \$409 million

SUSTAINABILITY CONTINUUM

For UFP, sustainability means more than using and selling renewable materials. It serves our ultimate goal of creating and sustaining value for shareholders.



OUR SUSTAINABILITY PHILOSOPHY

For UFP Industries, doing right doesn't require departments and titles, but is simply part of who we've been and who we continue to be. And that's how we like it – fewer committees, higher standards, and increased financial and social reward for employees, customers and communities.

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



Priorities are successful employee outcomes and consistent shareholder return

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

 UFP INDUSTRIES

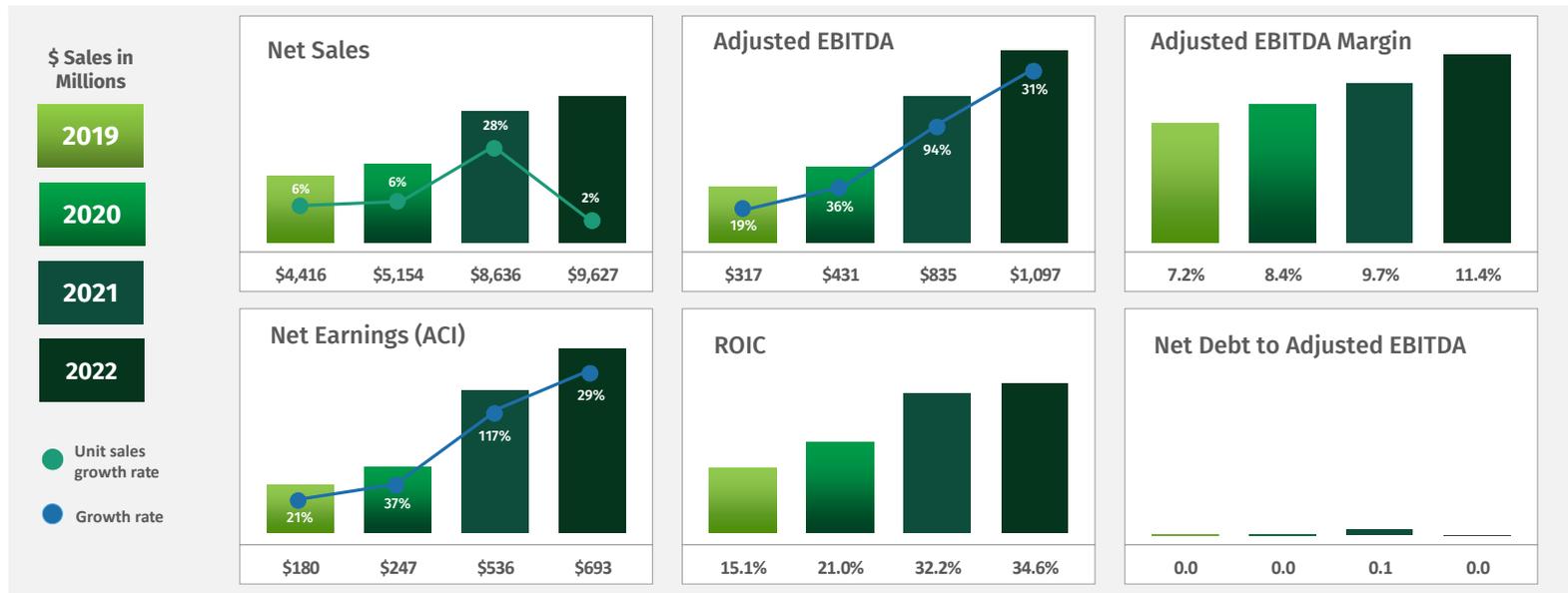
UFPI NasdaqListed

FINANCIALS

 UFP INDUSTRIES



OUR PERFORMANCE



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

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

MANAGING LUMBER MARKET RISK

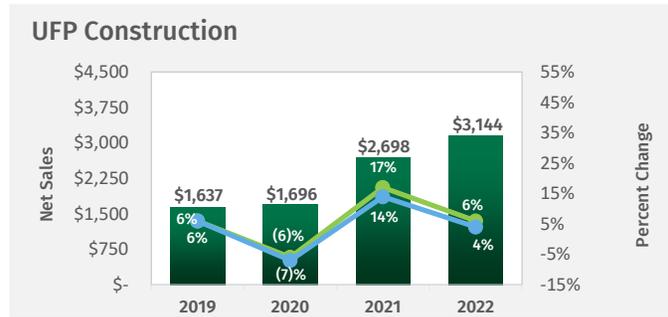
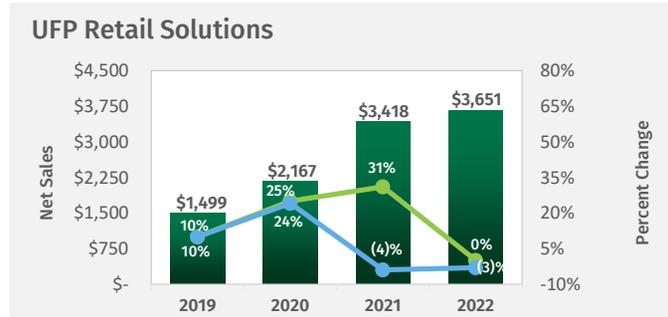
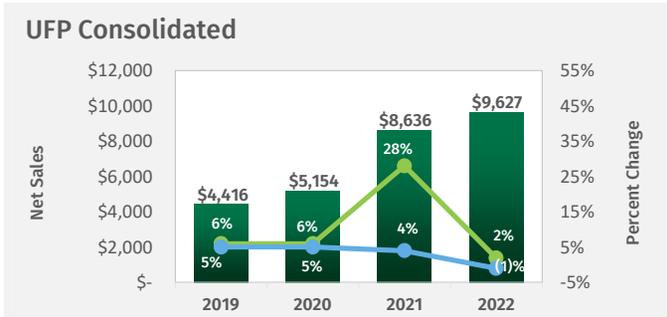
- ✓ Level of lumber prices does not drive profitability
- ✓ Sequential trends impact profit per unit
- ✓ Balanced mix of variable and fixed-price products mitigate risk



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

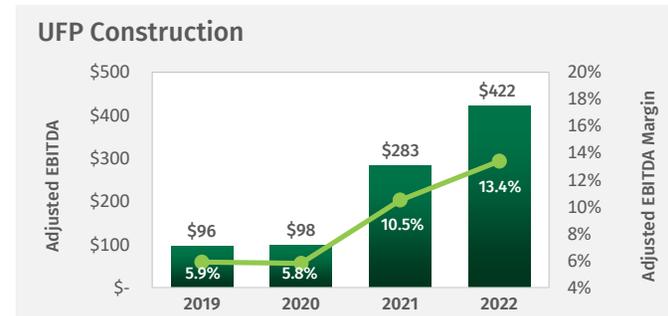
Non-GAAP Financial Information: Please visit ufpinvestor.com for reconciliation to related GAAP measurement.

NET SALES (in millions)



Long-Term Goal: Unit sales growth of 5% to 7%, including small acquisitions

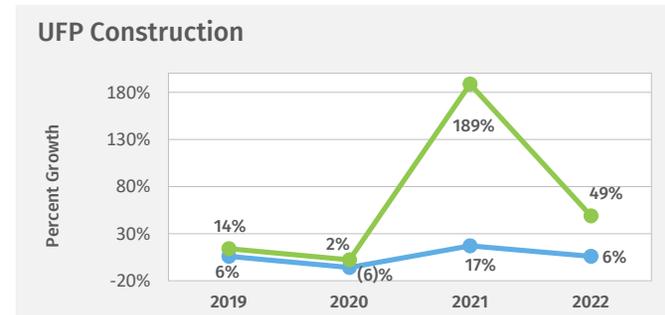
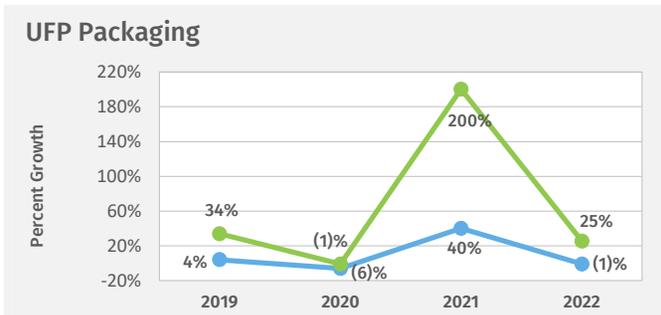
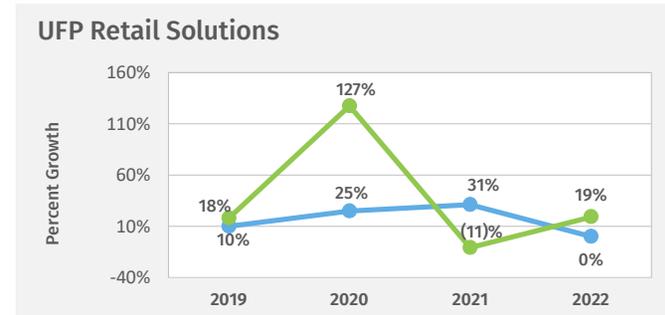
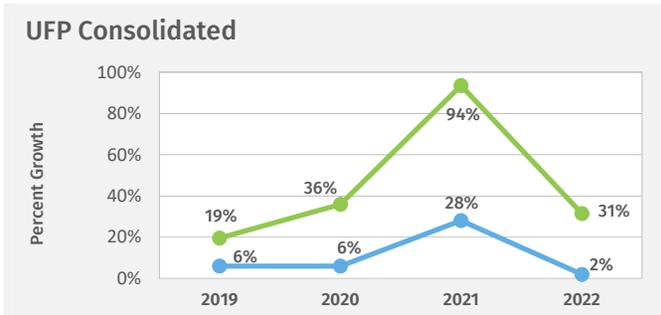
ADJUSTED EBITDA (in millions)



Long-Term Goal: Achieve and sustain a minimum 10% adjusted EBITDA margin

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

ADJUSTED EBITDA GROWTH AND UNIT SALES

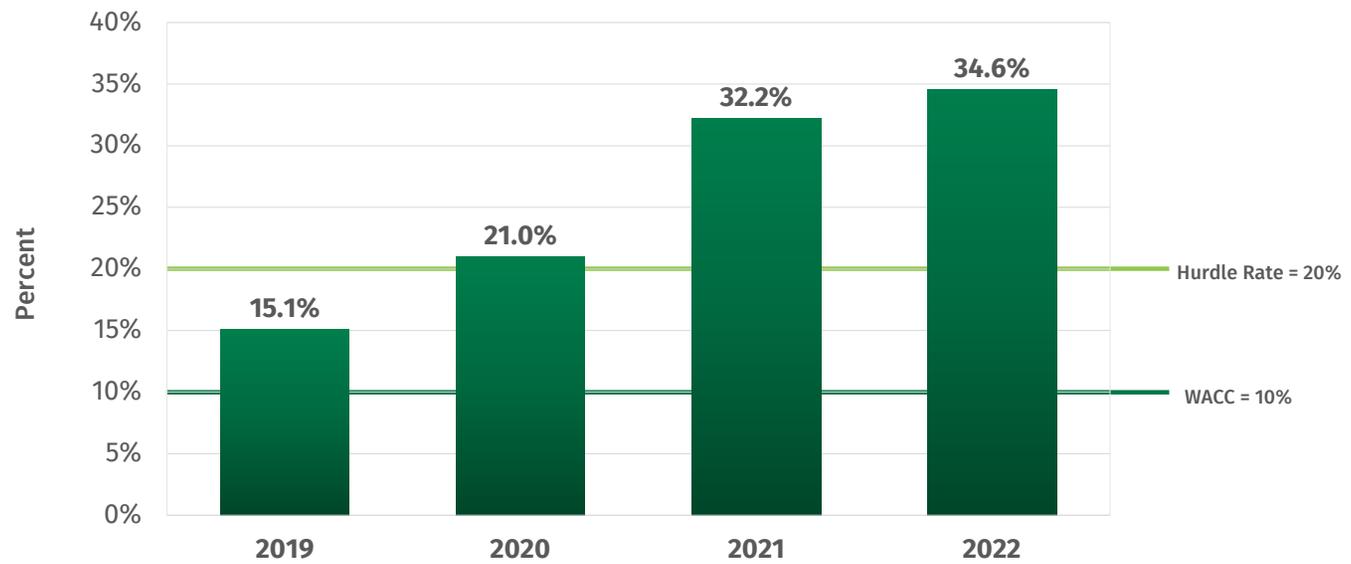


● Adjusted EBITDA Growth ● Unit Sales Growth

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

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

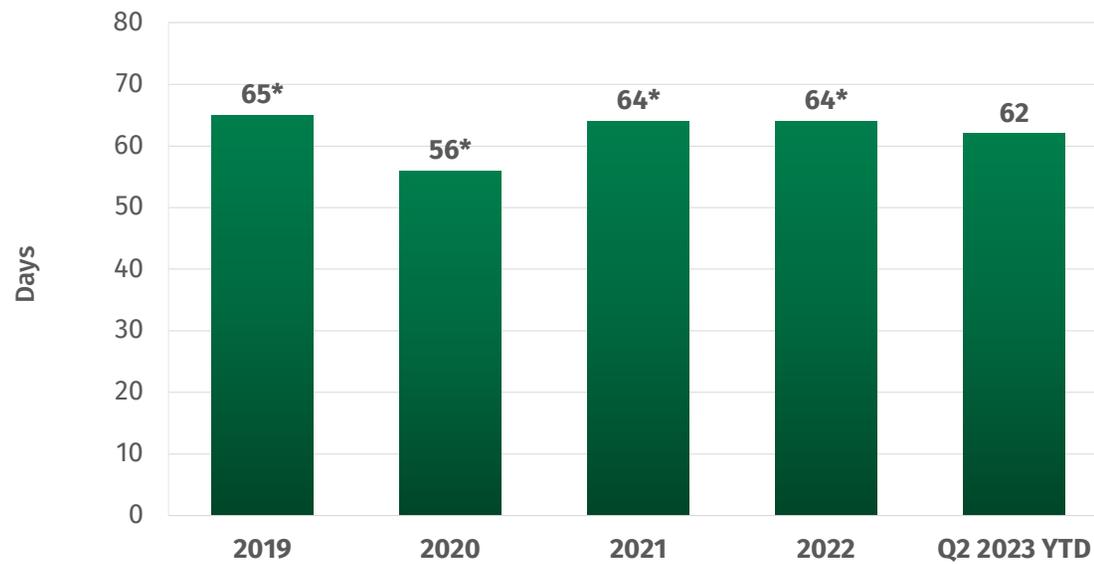
RETURN ON INVESTED CAPITAL



Long-Term Goal: Earn an incremental return on new investment over our WACC

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

CASH CYCLE



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

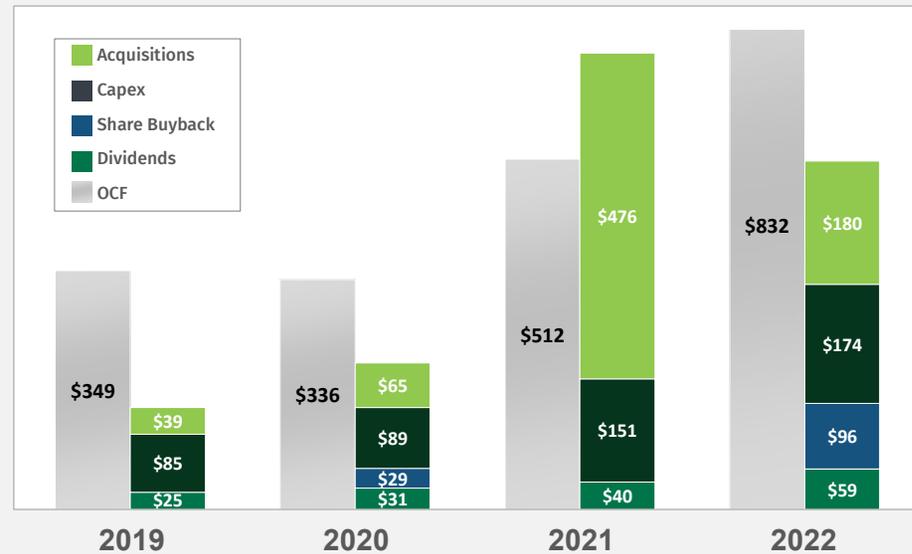
Strong working capital management

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

BALANCED USE OF FREE CASH FLOW

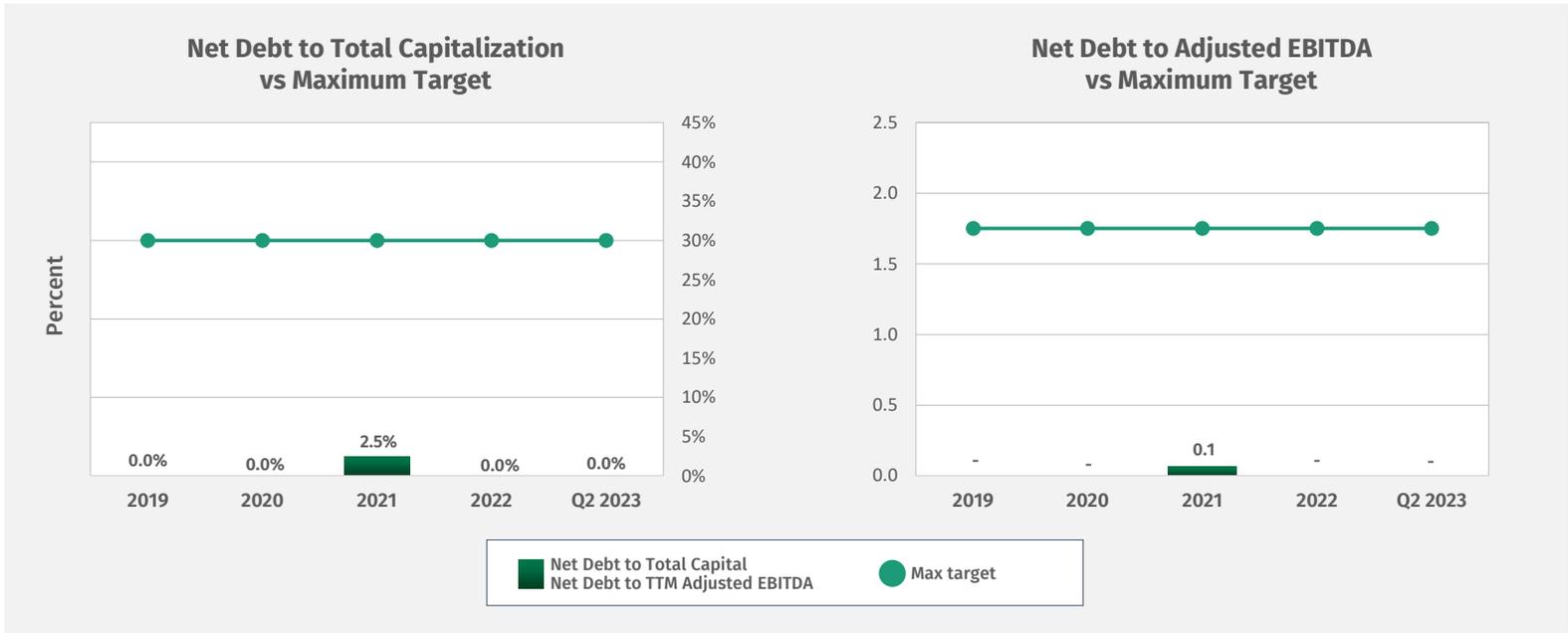
- ✓ Acquisitions to contribute half of our total annual unit sales growth
- ✓ CapEx plan of \$175m to \$200M in 2023
- ✓ Opportunistic share repurchases and to offset issuances
- ✓ Increasing dividends

Operating Cash Flow and Capital Allocation
(in millions)



Return-focused approach to capital allocation

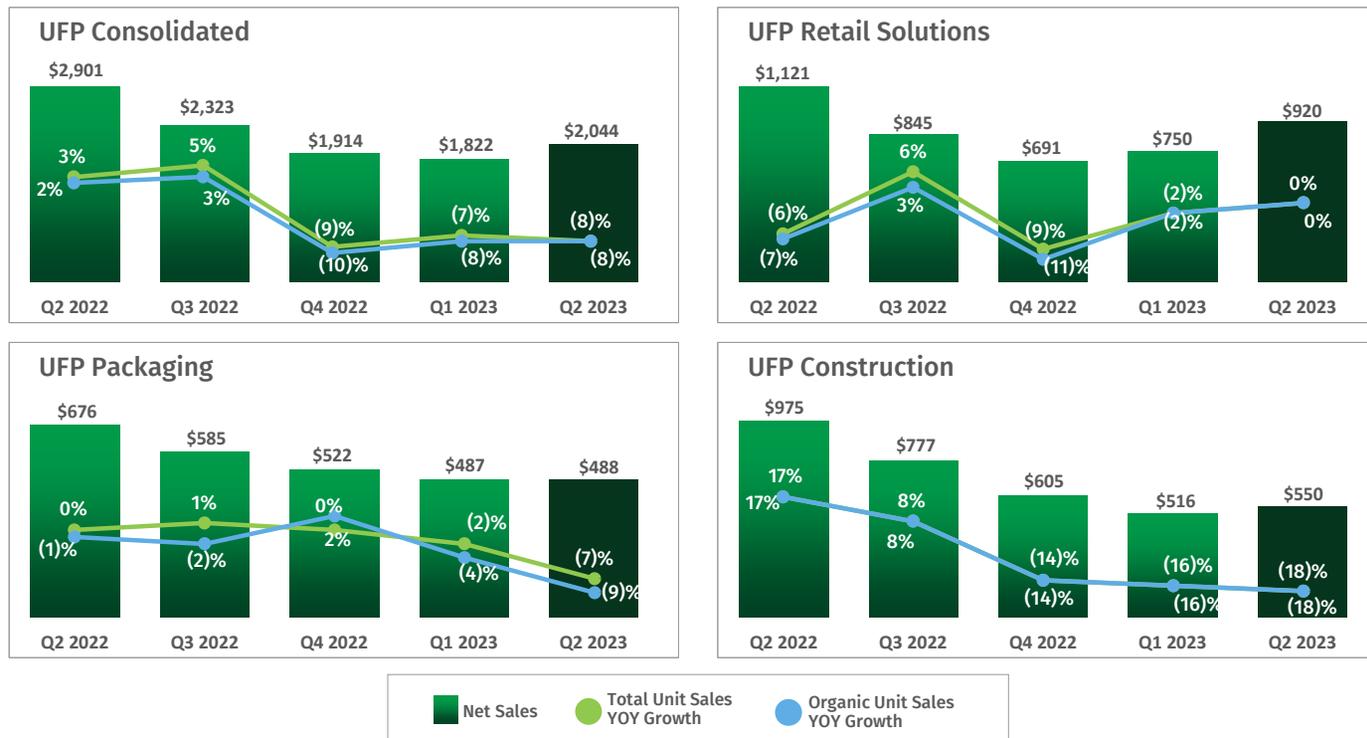
CAPITAL STRUCTURE



Conservative capital structure ensures ample resources to pursue prudent investment opportunities.

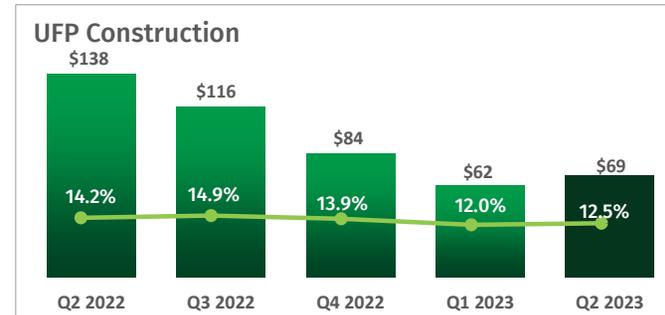
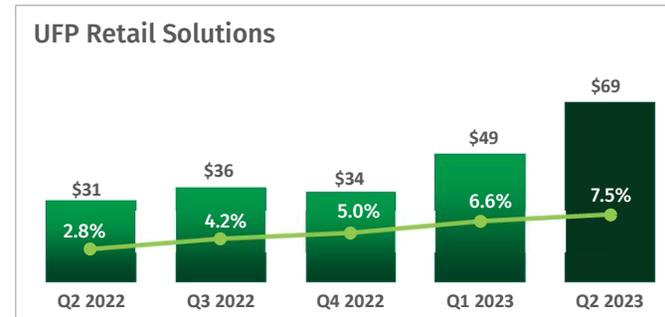
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NET SALES Q2 2023 (in millions)



Market demand and sales normalizing from peak.

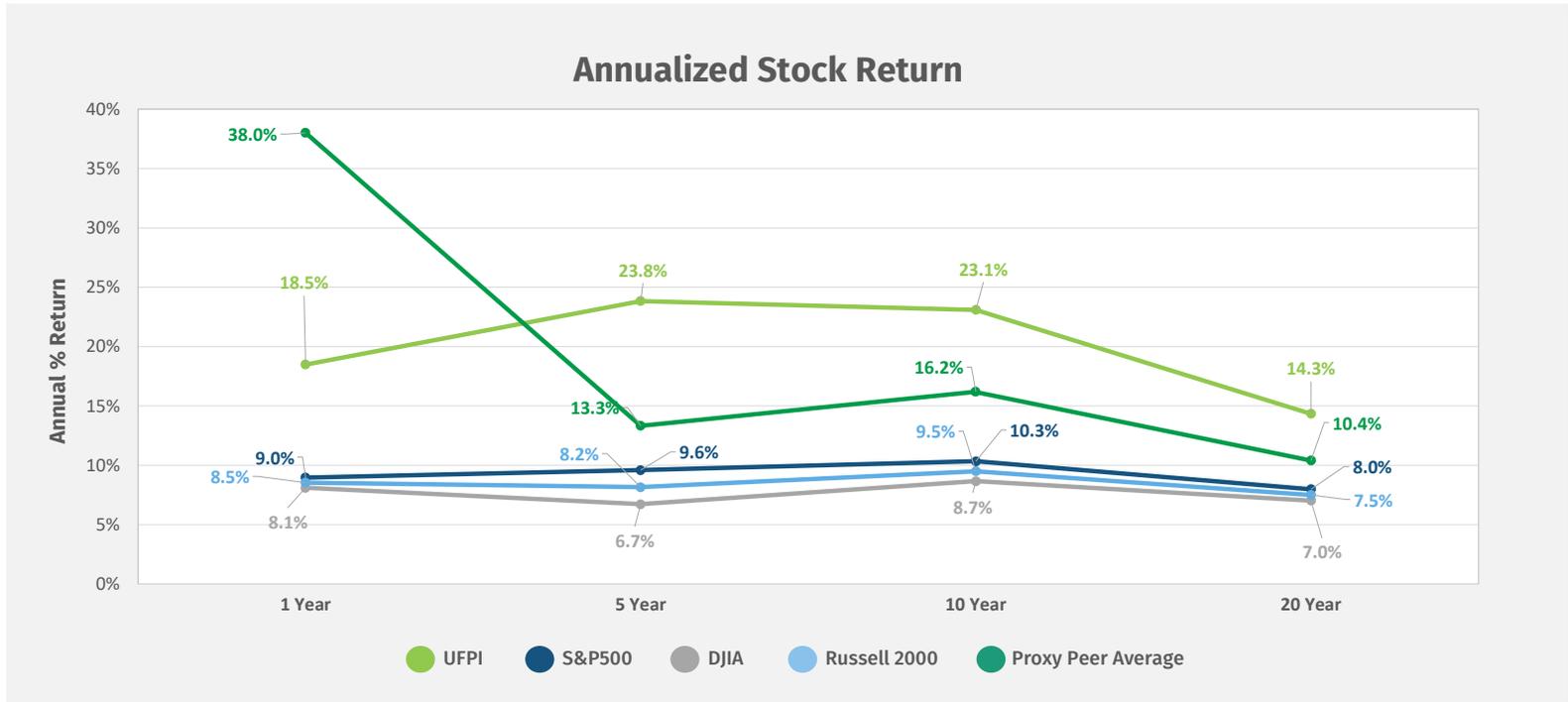
ADJUSTED EBITDA Q2 2023 (in millions)



Margin levels reflect focus on value-added solutions.

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STOCK PERFORMANCE



Peers include MAS, BLDR, TREX, LPX, SSD, BCC, PATK, AMWD, WRK, SON, GEF, ROCK
 Returns are adjusted to account for dividend payouts
 Source: FactSet as of 8/7/2023 closing prices

THANK YOU



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