



## INVESTOR RELATIONS PRESENTATION

Results through June 29, 2024

Deckorators Voyage Decking  
with Surestone Technology


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## 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.

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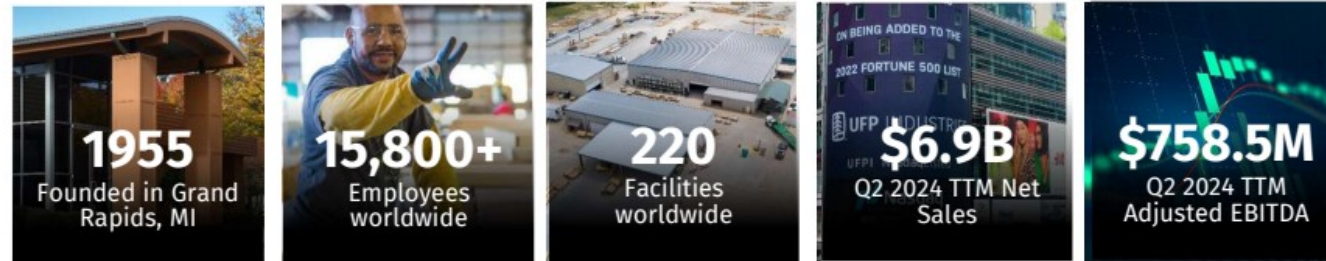


The operating segments of UFP Industries – UFP Packaging, UFP Construction and UFP Retail Solutions – manufacture and sell a wide variety of value-added products used in residential and commercial construction, outdoor living, packaging and other industrial applications worldwide.

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



## UFP AT A GLANCE



### Business segments and markets

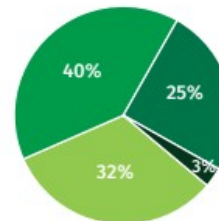
 **UFP RETAIL SOLUTIONS**  
**\$2.7B**

Big box, independents, & buying co-ops

 **UFP CONSTRUCTION**  
**\$2.2B**

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

Based on Q2 2024  
TTM Net Sales



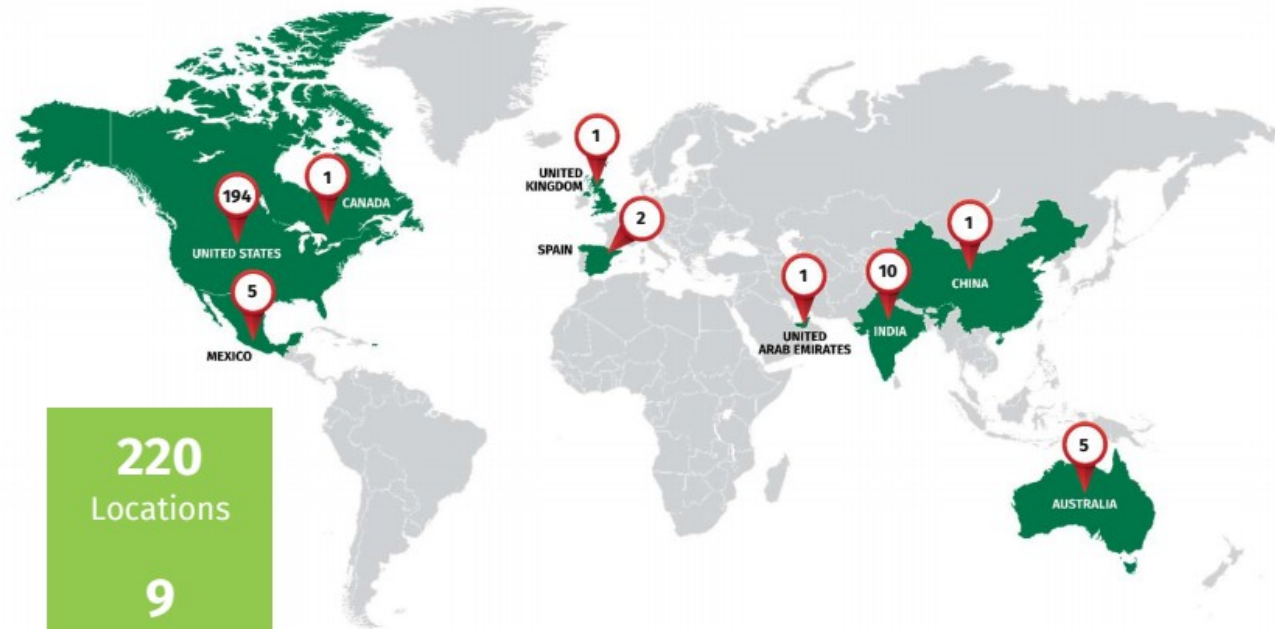
 **UFP PACKAGING**  
**\$1.7B**

Industrial manufacturers, OEM's, agricultural and logistics

 **UFP INTERNATIONAL**  
**\$0.2B**

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

## WHERE WE ARE



**220**  
Locations

**9**  
Countries



## BUSINESS MODEL PROVIDES SUSTAINABLE COMPETITIVE ADVANTAGES

### Scale through Diversification

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

#### RESULT:

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

### Incentives Aligned With Shareholders

Each of our 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.

#### RESULT:

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

### Commitment To Innovation

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

#### RESULT:

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

### Culture

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

#### RESULT:

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

### Structure

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

#### RESULT:

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

\*Form 5 reports and employee compensation plan

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## SHORT-TERM FORWARD OUTLOOK

### RETAIL

Market demand down mid-single digits based on forecasts of

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

### PACKAGING

Industrial demand down mid- to high-single digits based on

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

### CONSTRUCTION

Market demand up low- to mid-single digits based on independent forecasts of

- Housing starts
- Manufactured housing shipments.

### CAPITAL ALLOCATION

- A quarterly cash dividend of \$0.33 per share.
- On July 24, 2024, our board authorized the repurchase of up to \$200 million worth of shares of outstanding stock through July 31, 2025.
- Capital expenditures of \$250-\$300 million.
- We continue to pursue strategic acquisition opportunities.

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## LONG-TERM FINANCIAL GOALS

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

Achieving and  
sustaining a 12.5%  
adjusted  
EBITDA margin

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

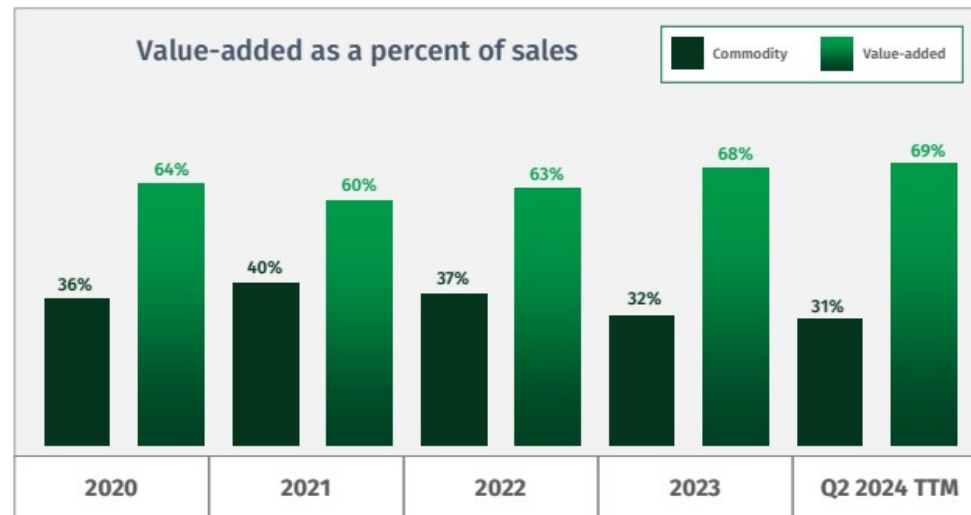
Maintain a  
conservative capital  
structure





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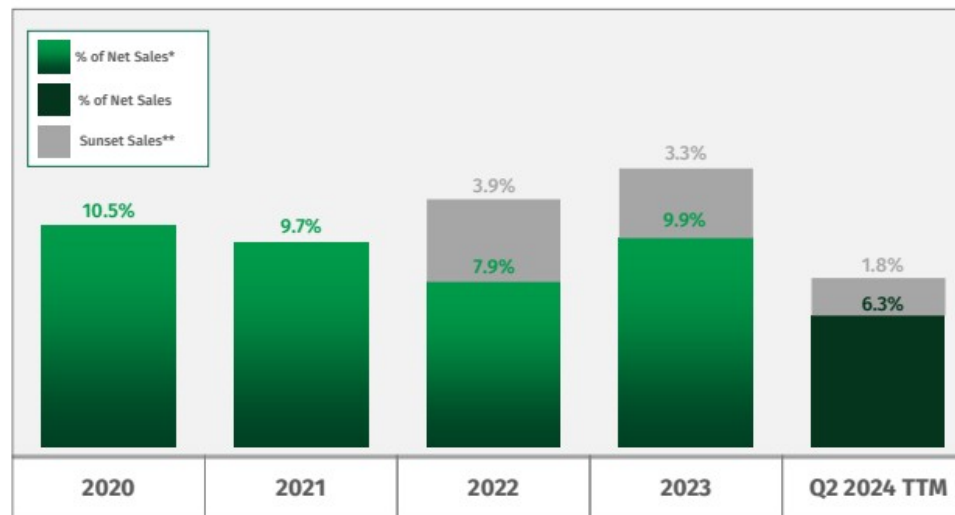
## VALUE ADDED SALES



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

## NEW PRODUCTS

Long-term Goal: 10% of Net Sales  
New Products Definition Changed in 2024



\*In 2020 thru 2023 new products were defined as those that were in the front half of their life cycle, over \$1M in sales and growing, and met a 15% margin threshold. In 2024 the company raised the margin threshold to 20%, while maintaining the \$1M sales and growing requirement, and limiting the new product designation to a 4-year cycle – launch year plus 3 full fiscal years.

\*\*New product sales that were excluded because they no longer meet our definition of new products.

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

## INNOVATION AND NEW PRODUCTS



### 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

### UFP VENTURE FUND

### 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

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

## BUSINESS SEGMENTS



### UFP RETAIL SOLUTIONS



#### Q2 2024 TTM Net Sales



**ProWood Group**  
\$2.2 Billion  
**Deckorators**  
\$302 Million  
**UFP Edge**  
\$144 Million

Commodity  
48%

Value Added  
52%

New products 5.6% of net sales



### UFP PACKAGING



#### Q2 2024 TTM Net Sales



**Structural Packaging**  
\$1.1 Billion  
**PalletOne**  
\$526 Million  
**Protective Packaging Solutions**  
\$77 Million

Commodity  
24%

Value Added  
76%

New products 12.1% of net sales



### UFP CONSTRUCTION



#### Q2 2024 TTM Net Sales



**Site Built**  
\$968 Million  
**Factory Built**  
\$788 Million  
**Commercial**  
\$254 Million  
**Concrete Forming Solutions**  
\$177 Million

Commodity  
18%

Value Added  
82%

New products 3.3% of net sales

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 all applicable slides.

## **UFP** RETAIL SOLUTIONS

**pro'wood**

### **TREATED & DECK SPECIALTIES**

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



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

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



### **BUILDING MATERIALS**

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



**Decorators**  
Go Beyond Ordinary

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



**EDGE**  
Designed To Be Seen

Premium siding, pattern, trim; interior accent wall products



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

\*Sales mix is 75% to Big Box customers and 25% to one- and two-step distribution as of Q2 2024.





### **Structural Packaging**

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



### **PalletOne**

Machine-built pallets; design, engineering and testing



### **Protective Packaging**

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



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



### Site-Built

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



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

### Factory-Built

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



### Commercial

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



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

### Concrete Forming

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



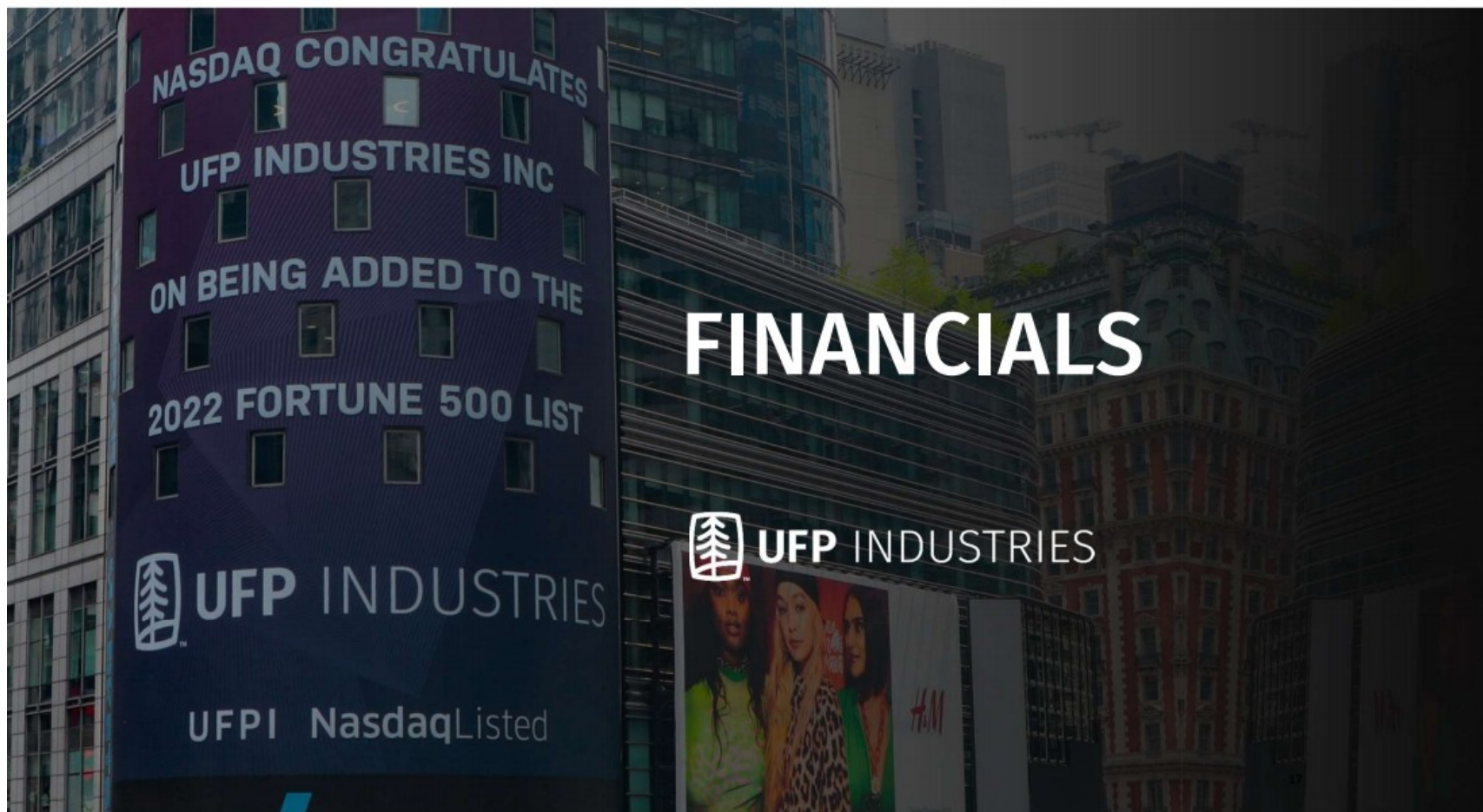
**Single-source designer and manufacturer of building components, concrete forms, framing, exterior and interior finishing programs to make building processes run at maximum efficiency**

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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 [here](#).






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

 **UFP INDUSTRIES**

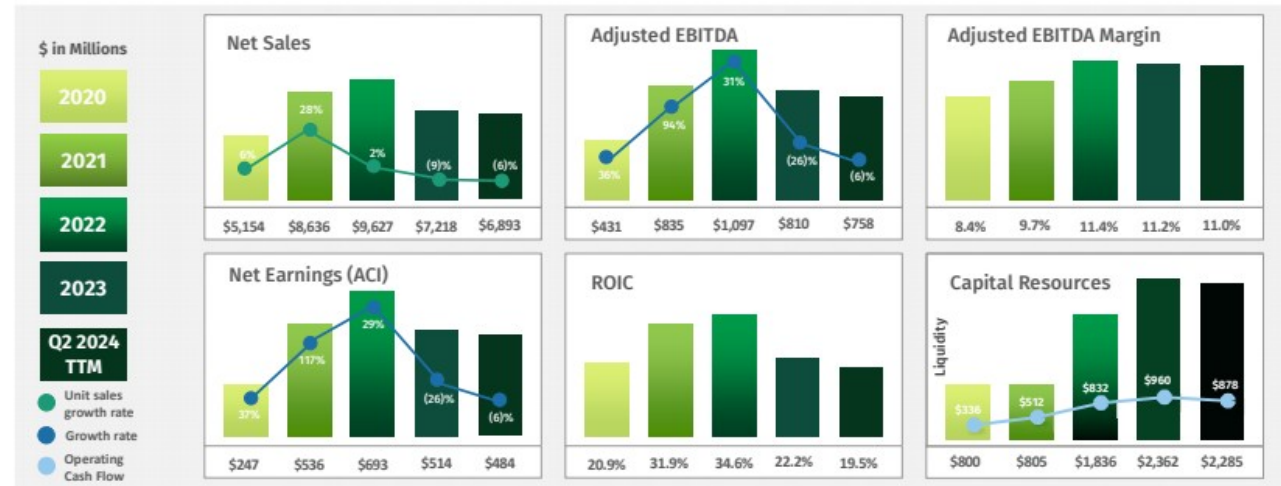
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# FINANCIALS

 **UFP INDUSTRIES**



## OUR PERFORMANCE



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

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



## MANAGING LUMBER MARKET RISK

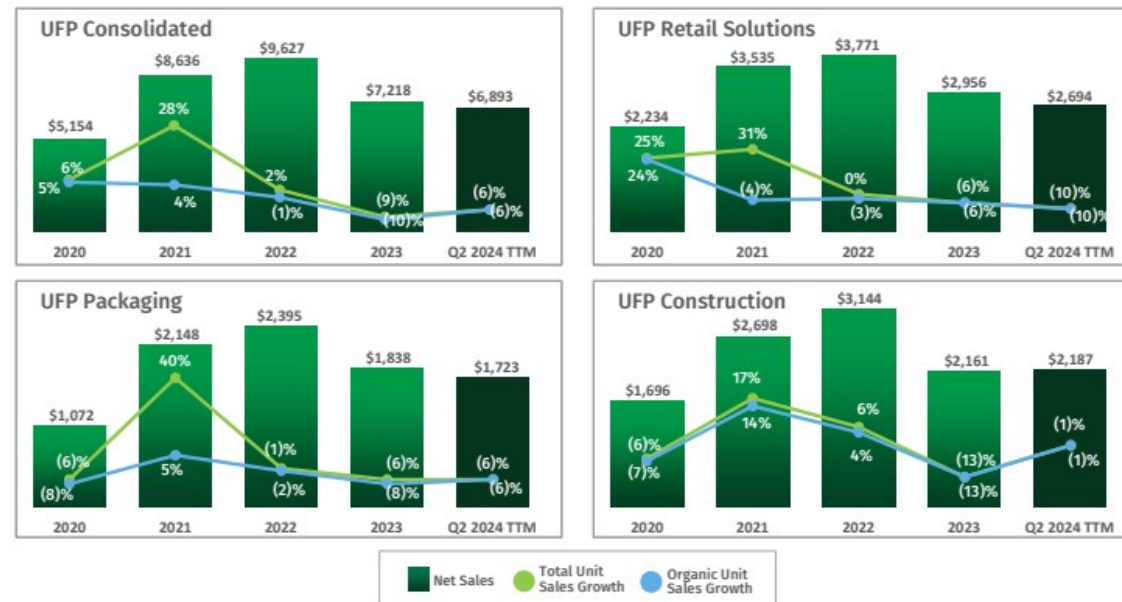
- ✓ Level of lumber prices does not drive profitability
- ✓ Sequential trends impact profit per unit
- ✓ Balanced mix of variable and fixed-price products mitigate risk



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

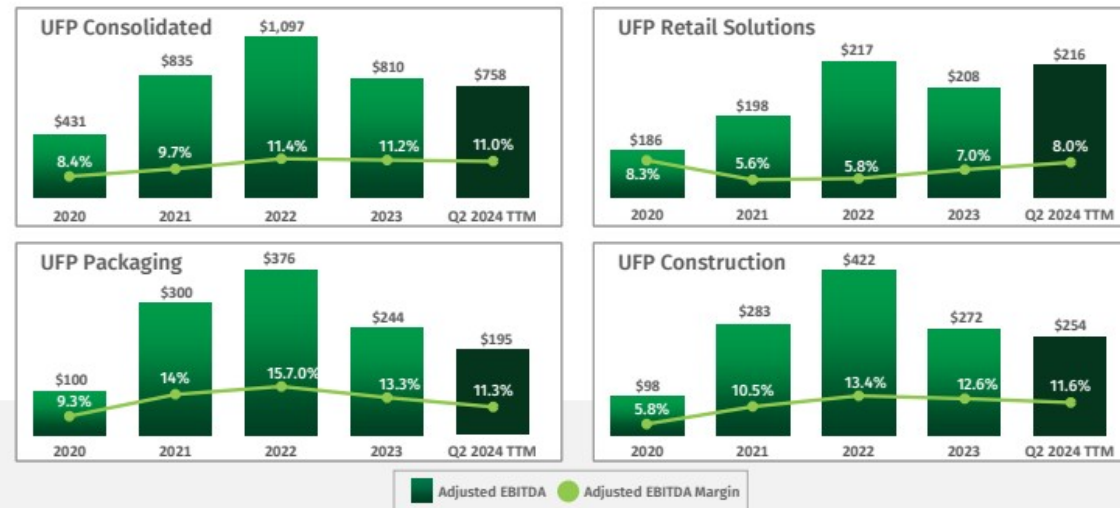
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## NET SALES (in millions)



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

## ADJUSTED EBITDA (in millions)



### MARGIN DRIVERS

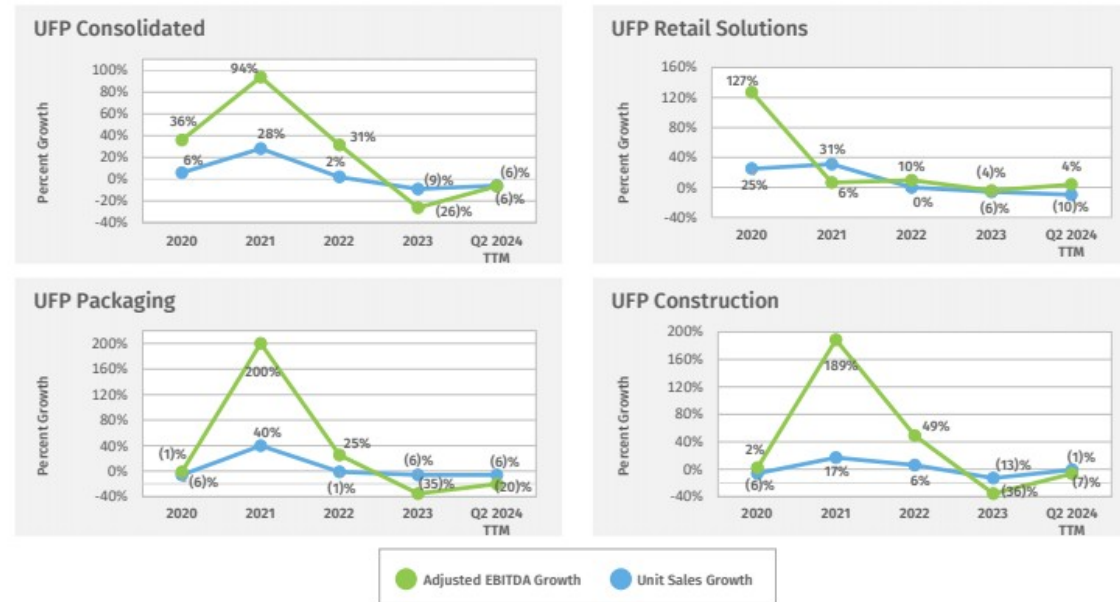
New management structure  
Value-added mix improvements, including new branded products, solutions selling, and value-based pricing  
Operational improvements, transportation restructure, automation

### LONG-TERM GOAL

12.5% Adjusted EBITDA margin

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## ADJUSTED EBITDA GROWTH AND UNIT SALES

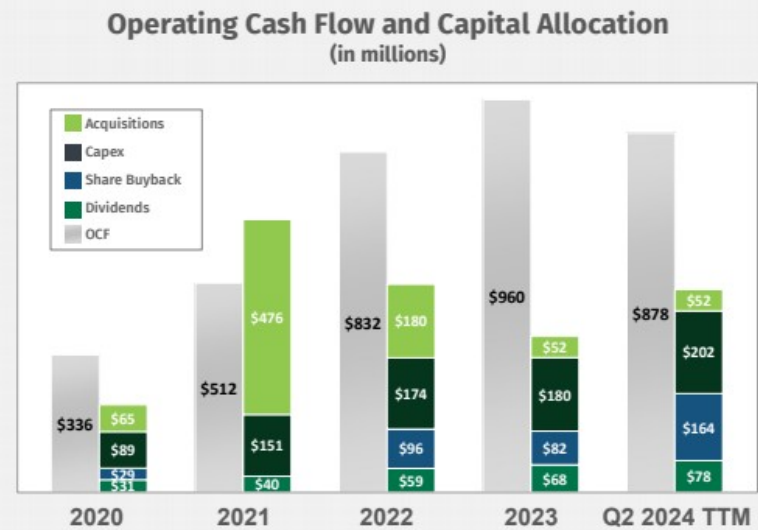


**Long-Term Goal: Achieve Adjusted EBITDA growth exceeding unit sales growth**

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## BALANCED USE OF FREE CASH FLOW

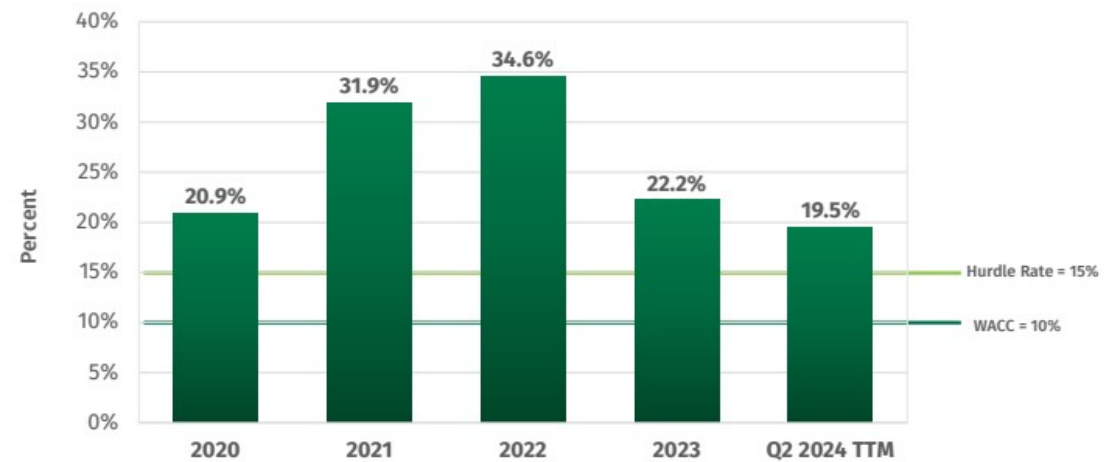
- ✓ Acquisitions to contribute half of our total annual unit sales growth
- ✓ CapEx plan of \$250-300M in 2024
- ✓ Opportunistic share repurchases and to offset issuances. Current authorization as of July 2024 has \$200M remaining, expires July 31, 2025.
- ✓ Increasing dividends in line with growth in earnings and free cash flow



Return-focused approach to capital allocation



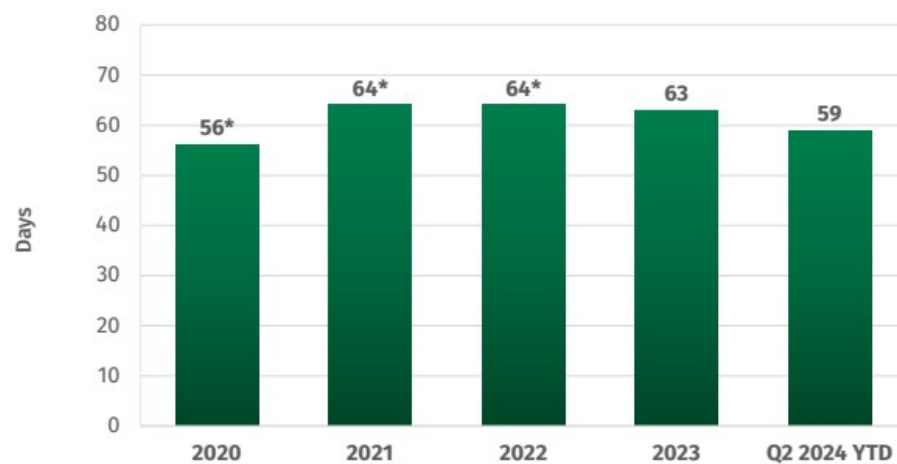
## RETURN ON INVESTED CAPITAL



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

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## CASH CYCLE




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

### Strong working capital management


\* Within the cash cycle, we've modified our calculation of days payables outstanding to be based on CGS and AP payable balances in our monthly financial statements. In periods prior to 2023, our calculation was based on invoice data. We've made this change to simplify the calculation and more easily integrate acquired operations into our financial metrics. The prior year metrics have been restated for the new method which reduced days payables and increased cash cycle by a range of 7 to 9 days from previously reported cash cycle figures.

## RECENT ACQUISITIONS


Process	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.





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







Driving Deckorators recycle content; scaling opportunity.







Securing supply and margin expansion for growing Packaging business.



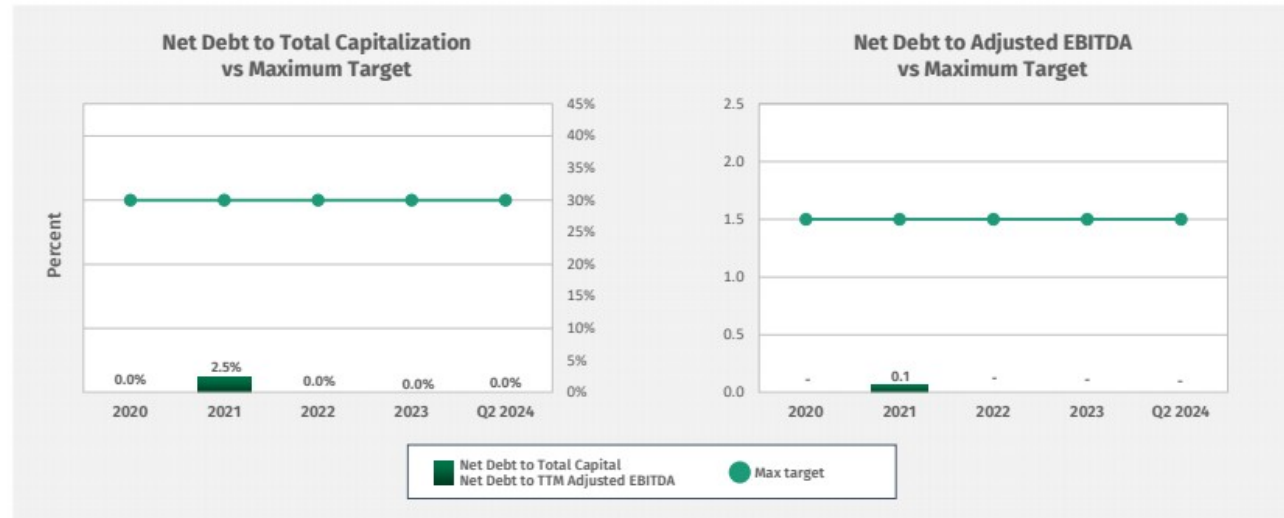








## CAPITAL STRUCTURE

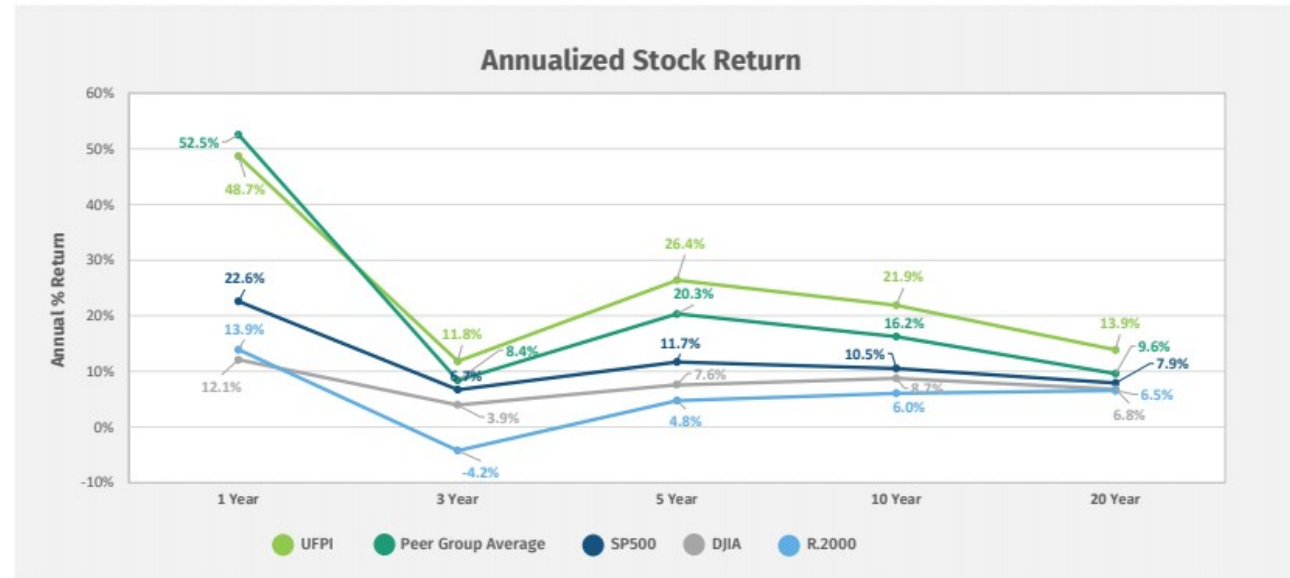


**Conservative capital structure ensures ample resources to pursue investment opportunities with the highest return potential.**

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## STOCK PERFORMANCE

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



Peers include: MAS, BLDR, TREX, LPX, SSD, BCC, PATK, AMWD, WRK, SON, GEF, ROCK  
Stock prices are adjusted to account for dividend payouts  
Source: FactSet as of 6/29/2024 closing prices



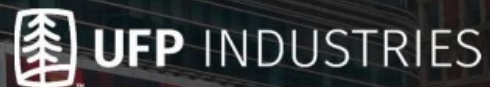


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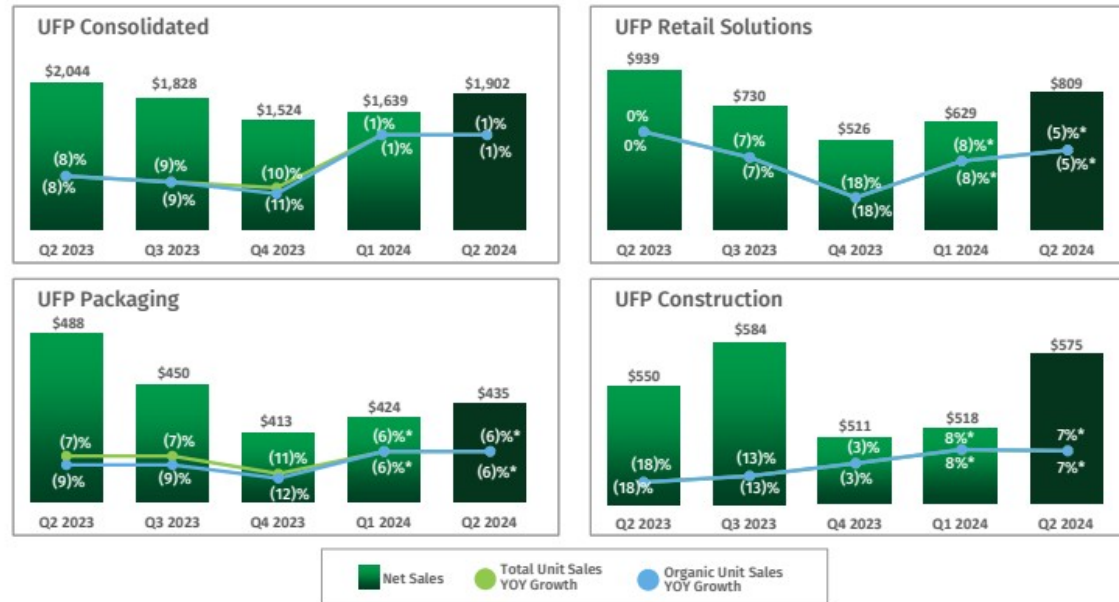


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# QUARTERLY RESULTS

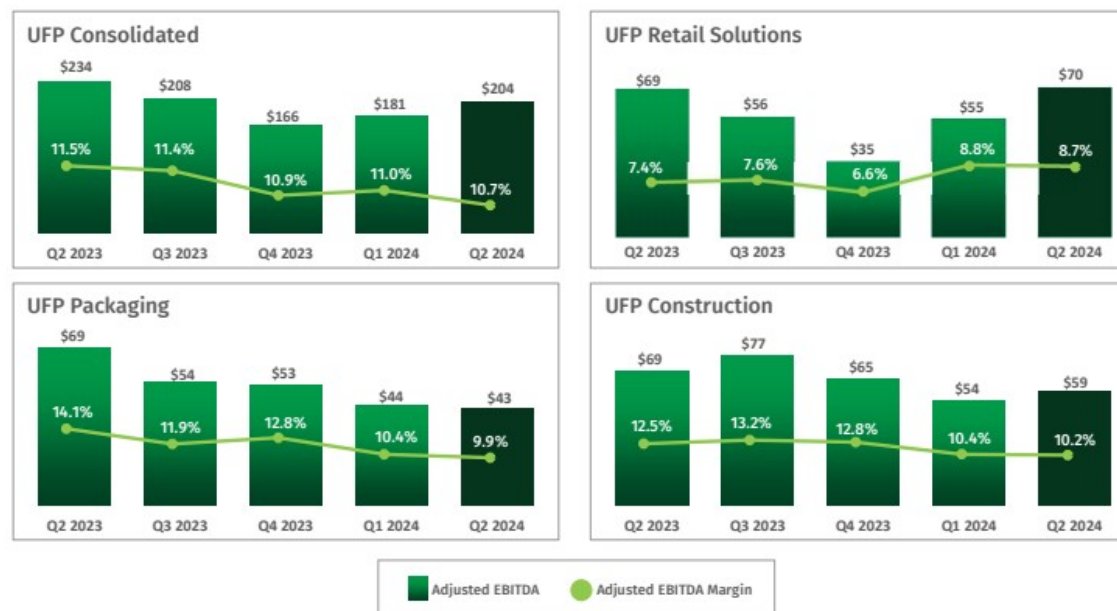


## NET SALES Q2 2024 (in millions)



\*Growth percentages are shown net of product transfers between segments.

## ADJUSTED EBITDA Q2 2024 (in millions)



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

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

# THANK YOU



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