UFP Industries, Inc. (UFPI)

Updated May 1st, 2026, by Kody Kester

Key Metrics

Current Price:	$86	**5 Year CAGR Estimate:**	7.5%	**Market Cap:**	$4.9B
Fair Value Price:	$71	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	06/01/26
% Fair Value:	121%	**5 Year Valuation Multiple Estimate:**	-3.8%	**Dividend Payment Date:**	06/15/26
Dividend Yield:	1.7%	**5 Year Price Target**	$114	**Years Of Dividend Growth:**	14
Dividend Risk Score:	B	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

UFP Industries, Inc. is a holding company that designs, manufactures, and sells wood and non-wood composites and other materials. Since 1955, UFPI has established itself as the largest converter of softwood lumber in North America. The company reports its results via the following three similarly sized segments:

UFP Retail Solutions: The segment is organized into the ProWood, Deckorators, and UFP-Edge business units. ProWood sells pressure-treated lumber products like decking and fencing to retailers around the United States. Deckorators sells wood plastic composites and its patented Surestone mineral-based decking and decking accessories (balusters and post caps). The UFP-Edge business unit sells trim and fascia and exterior siding products to home improvement retailers and two-step distributors.

UFP Packaging: The segment is broken down into the Structural Packaging, PalletOne, and Protective Packaging Solutions business units. Structural Packaging engineers and manufactures custom packaging products made of wood and metal. These are sold to global customers in building materials, durable goods, and agricultural industries. PalletOne designs and manufactures pallets, mostly consisting of wood and heat-treated wood. These are used by customers to ship a variety of consumer and industrial products. The Protective Packaging Solutions unit sells products to customers, such as corrugation, foam, and labels.

UFP Construction: This segment is made up of Factory-Built Housing, Site-Built Construction, Commercial Construction, and Concrete Forming business units. The Factory-Built Housing unit manufactures roof trusses, plywood, and oriented strand boards for housing manufacturers. The Site-Built Construction unit designs and manufactures roof and floor trusses, wall panels, and lumber packages. The Commercial Construction unit designs, manufactures, and installs highly customized interior fixtures for the healthcare, hospitality, and quick-service restaurant industries. The Concrete Forming unit manufactures and supplies wood forms that are used to set or form concrete for large parking garages, stadiums, and bridges.

On April 29th, UFPI shared its earnings report for the first quarter ended March 28th, 2026. The company's net sales declined by 8.4% over the year-ago period to $1.46 billion during the quarter. This was fueled by a 7% decrease in organic units stemming from soft end market demand and a 1% dip in average selling price in the quarter. UFPI's diluted EPS dropped 31.5% year-over-year to $0.89 for the quarter. That missed the analyst consensus during the quarter by $0.18. On April 22nd, UFPI declared its next quarterly dividend per share of $0.36. This will be payable on June 15th to shareholders of record on June 1st.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.65	$1.83	$2.34	$2.91	$3.99	$8.39	$10.99	$8.07	$6.77	$5.00	***$4.72***	***$7.60***
DPS	$0.29	$0.32	$0.36	$0.40	$0.50	$0.65	$0.95	$1.10	$1.32	$1.40	***$1.44***	***$2.12***
Shares[1]	61.0	61.2	60.9	61.4	61.2	61.9	61.6	61.6	60.9	58.3	***56.8***	***51.5***

[1] Share count is in millions.

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UFPI reaffirmed its annual unit sales growth target of between 7% and 10% over the long term. Considering the fragmented nature of the industries in which the company operates, we continue to think that this is an attainable growth target. UFPI can use bolt-on acquisitions to bolster its growth as well. The company also remains on track to deliver $60 million in annual structural cost savings by the end of 2026. Last year, UFPI's Board of Directors approved a plan to close its Bonner, Montana, manufacturing facilities. The company plans to transfer its trim and certain other products to existing facilities and will exit the coated siding business. As a result, UFPI anticipates that these actions will eliminate future operating losses with these facilities of $16 million in 2026. This should fuel margin expansion in the years ahead. Overall, that's why we think that diluted EPS can grow by 10% annually through 2031, off an anticipated 2026 base of $4.72.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	20.6	20.6	11.0	16.8	13.9	11.0	7.2	15.6	16.6	17.0	***18.2***	***15.0***
Avg. Yld.	0.9%	0.9%	1.4%	0.8%	0.9%	0.7%	1.2%	0.9%	1.2%	1.5%	***1.7%***	***1.9%***

Adjusting for valuation peaks and troughs, UFPI's 10-year average P/E ratio has been 15. Since we're convinced that the growth story will hold up, we would argue that the 10-year average P/E ratio still represents fair value. Even with shares dropping by more than 20%, this was largely offset by the sharp drop in our diluted EPS forecast for 2026. At the current-year P/E ratio of 18.2, that means the stock is still meaningfully overvalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

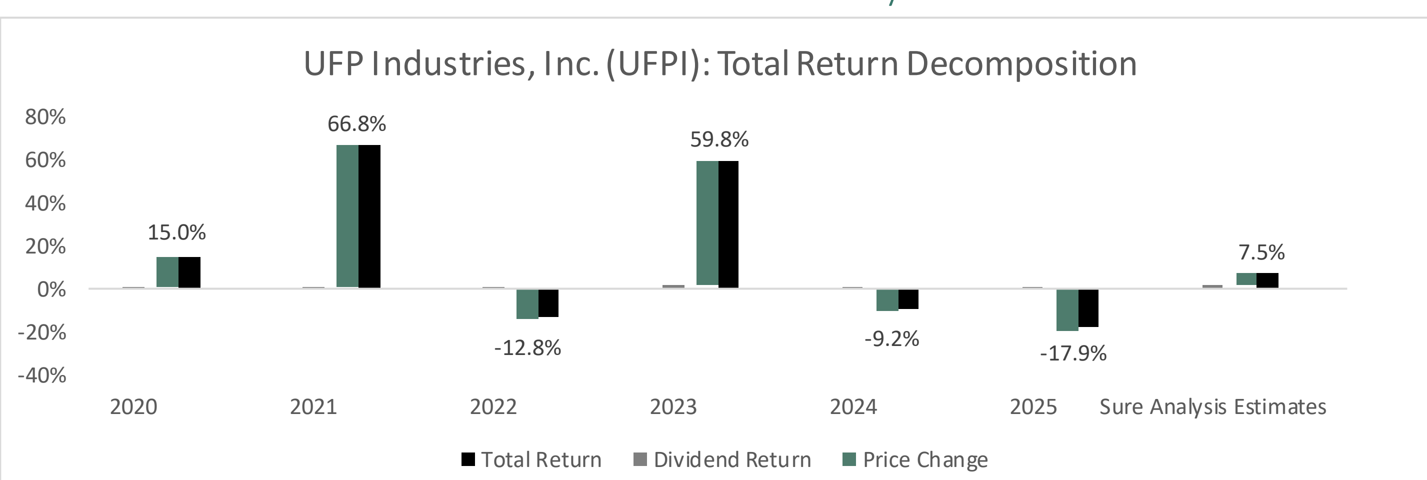
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	18%	17%	15%	14%	13%	8%	9%	14%	19%	28%	***31%***	***28%***

The company's most notable competitive advantage is its size and scale. UFPI is the largest buyer of softwood lumber on the continent. That affords it a great deal of leverage in negotiations with suppliers. UFPI is also largely shielded from the direct impact of tariffs in the sense that Southern Yellow Pine is domestically produced and accounts for more than 70% of its lumber purchases. The company's $480.1 million net cash position as of March 28th is also strong for a company of its size. UFPI's payout ratio is positioned to be in the low-30% range in 2026.

Final Thoughts & Recommendation

UFPI's 1.7% dividend yield, 10.0% annual diluted EPS growth prospects, and 3.8% annual valuation downside could generate 7.5% annual total returns through 2031. As a result, we're reiterating our Hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3,240	3,941	4,489	4,416	5,154	8,636	9,627	7,218	6,652	6,320
Gross Profit	475	543	593	686	800	1,407	1,789	1,419	1,227	1,029
Gross Margin	14.6%	13.8%	13.2%	15.5%	15.5%	16.3%	18.6%	19.7%	18.4%	16.3%
SG&A Exp.	310	362	392	439	445	682	832	767	735	691
D&A Exp.	44	53	61	67	73	98	114	132	148	161
Operating Profit	164	181	201	246	356	725	957	652	492	369
Operating Margin	5.1%	4.6%	4.5%	5.6%	6.9%	8.4%	9.9%	9.0%	7.4%	5.8%
Net Profit	104	122	149	178	247	535	677	489	403	285
Net Margin	3.2%	3.1%	3.3%	4.0%	4.8%	6.2%	7.0%	6.8%	6.1%	4.5%
Free Cash Flow	119	65	21	264	247	361	657	780	410	276
Income Tax	55	52	45	58	87	174	230	157	121	96

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,292	1,465	1,648	1,889	2,405	3,245	3,672	4,018	4,151	4,023
Cash & Equivalent	45	40	43	187	461	328	596	1,157	1,211	959
Accounts Receivable	285	333	350	369	475	743	624	553	508	481
Inventories	397	460	556	487	567	963	973	728	721	722
Goodwill & Int.	228	255	273	285	332	431	489	519	500	485
Total Liabilities	432	491	559	632	922	1,229	1,068	968	901	934
Accounts Payable	144	166	164	142	212	319	207	203	225	206
Long-Term Debt	112	146	202	229	373	397	364	361	329	329
Shareholder's Equity	849	959	1,073	1,244	1,460	1,979	2,564	3,000	3,224	3,062
LTD/ERatio	0.13	0.15	0.19	0.20	0.27	0.22	0.15	0.13	0.11	0.12

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	8.7%	8.8%	9.6%	10.1%	11.5%	18.9%	19.6%	12.7%	9.9%	7.0%
Return on Equity	12.8%	13.3%	14.4%	15.2%	18.0%	30.6%	29.3%	17.3%	12.8%	9.0%
ROIC	11.4%	11.6%	12.4%	12.7%	14.6%	24.7%	24.9%	15.2%	11.4%	8.1%
Shares Out.	61.0	61.2	60.9	61.4	61.2	61.9	61.6	61.6	60.9	58.3
Revenue/Share	17.94	65.29	74.28	73.44	86.00	143.09	158.72	119.04	112.98	111.28
FCF/Share	0.66	1.08	0.34	4.40	4.13	5.99	10.84	12.85	6.97	4.87

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.