



ISIN code : US90278Q1085



Sector : Industrial

Sub-sector : Wood industry products

Colibri Asset Management company profile



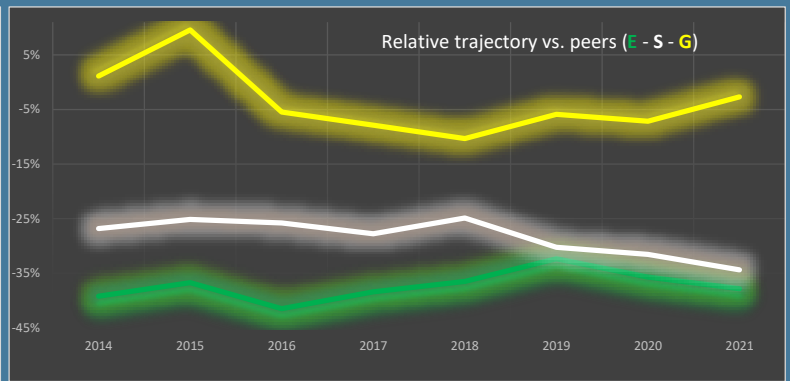
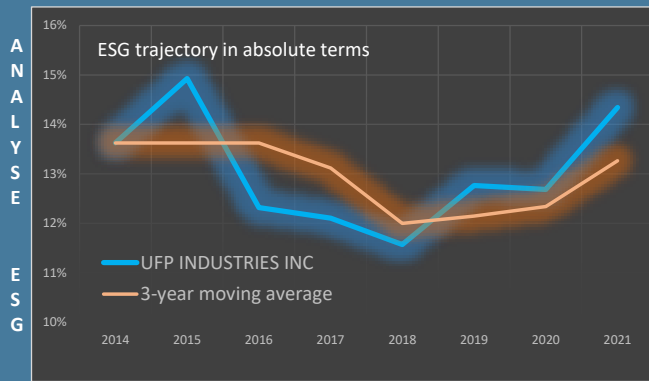
UFP Industries (Universal Forest Products), contracts and retails wood products. It has customers throughout the world.

- + Balanced portfolio between the consumer, construction and industrial markets.
- + Each factory has a highly variable cost structure to promptly adapt to market demand.
- + Management is committed to achieve a return on invested capital above the weighted average cost of capital
- Only holds a 10% market share
- UFP Industries has no control over the costs and selling prices of lumber products, which are dependent upon government policies, environmental regulations, weather conditions, economic conditions and natural disasters.
- Cyclical business linked to the health of the economy



Note: Lumber price appreciation more significantly impacts commodity-based products compared to value-add products.

Source: UFP Industries



Colibri Asset Management ESG evaluation

Valuation :

Stock price 6 February 2023 97,32 USD

Discounted cash flow model :

Financial ratios :

Target price	Medium term growth rate					
	0,50%	1,00%	1,50%	2,00%	2,50%	3,00%
8,50%	112	114	115	117	119	121
9,00%	106	107	109	111	112	114
9,62%	99	100	102	103	105	106
10,00%	95	97	98	99	101	102
10,50%	91	92	93	95	96	97
11,00%	87	88	89	90	91	93

Assumptions: Weighted Average Cost of Capital=9,62% Terminal growth rate= 0,50%

Peers	2021 debt		Based on 2022 consensus				
	Long-term debt / equity %	Net debt / EBITDA %	Price / Earnings	Price / Sales	Enterprise Value / EBITDA	Enterprise Value / Sales	Price / Cash flow
UFP Industries Inc	17,56	0,14	9,08	0,62	5,55	0,62	9,65
PotlatchDeltic Corp	43,86	1,26	39,75	3,69	16,70	4,33	10,40
Louisiana-Pacific Corp	31,48	0,02	5,54	1,25	3,50	1,23	6,46
Stella-Jones Inc	55,94	2,20	12,76	0,97	8,90	1,28	14,54
Interfor Corp	24,05	-0,10	2,49	0,32	1,53	0,38	3,03
Western Forest Products Inc	2,07	-0,38	7,34	0,31	3,28	0,30	
West Fraser Timber Co Ltd	6,52	-0,24	4,19	0,75	1,99	0,66	4,28
Canfor Corp	7,35	-0,43	3,52	0,44	1,52	0,35	4,40
Weyerhaeuser Co	37,87	0,97	35,77	3,25	17,25	3,69	12,70
Boise Cascade Co	39,32	-0,19	3,63	0,36	2,19	0,32	3,70

Target price	Terminal EBITDA margin					
	7,00%	8,00%	9,00%	10,00%	11,00%	12,00%
8,50%	94	104	114	123	133	143
9,00%	89	98	107	116	125	134
9,62%	84	92	100	109	117	125
10,00%	81	89	97	104	112	120
10,50%	78	85	92	99	106	113
11,00%	75	81	88	95	101	108

Assumptions: WACC= 9,62% Terminal EBITDA margin= 9,00%

Technical analysis :

Relative stock price performance versus sector benchmark :

