UFP TECHNOLOGIES®

ALPHA CHALLENGE
Kenan–Flagler Business School
The University of North Carolina

December 4th, 2025

Team Number: 6

Students: Josh Baldwin, Chris Coolidge, Hannah Kimmel

Long: UFP Technologies Inc. (NASDAQ:UFPT)

Current Price: $219.98 (11/23/2025) **| 1Y Target Price:** $293 (33% upside)

UFP Technologies: Mission-Critical Components for High-Growth MedTech Verticals

Business Description

UFP Technologies is a high-growth contract development and manufacturing organization (CMDO) that engineers advanced polymer components and sterile packaging for single-use medical devices. The company has partnered with 26 of the 30 largest medical device OEMs to design and scale products used in surgical, diagnostic, and interventional procedures.

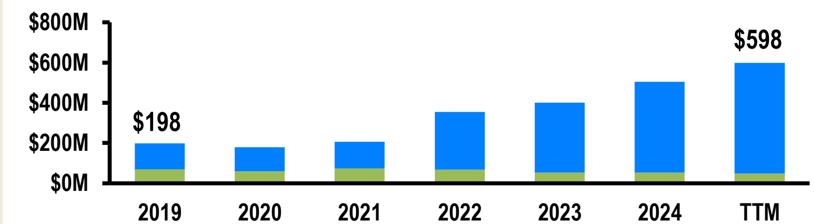
Organic Growth

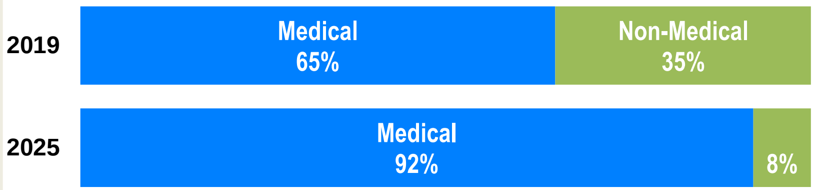
- ✓ Capacity Expansion: new facilities and automation drive HSD% organic growth
- ✓ High-growth end market: Robotic Surgery - - 17% CAGR through 2029
- ✓ Wide engineering/manufacturing capability create contract expansion opportunity

Accretive Acquisitions

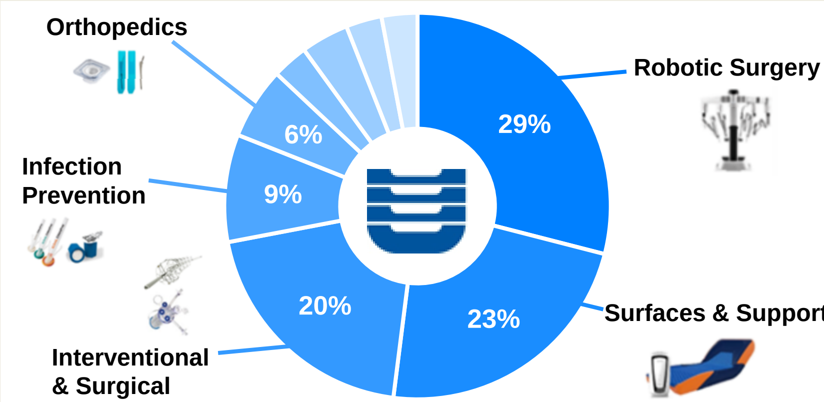
- ✓ Focused on expanding market share in MedTech niche
- ✓ Disciplined Management team has completed 22 acquisitions
- ✓ *Accretive within 1 year; <1.5x leverage; 15%+ ROIC*

Revenue Growth & Mix





MedTech Segment Revenue



Source: Company Reports

MedTech Supplies Industry: UFPT is vertically integrated amongst medical device CDMOs

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Customers: MedTech OEMs

INTUITIVE · Boston Scientific · Medtronic · Johnson&Johnson · stryker · Abbott

Medical Device CDMOs (UFPT)

Materials Engineering	Device Manufacturing	Sterile Packaging
$70B	$101B	$45B
1,000s of small players	JABIL, TE connectivity, Integer	Nelipak healthcare packaging, amcor, PAXXUS, Oliver Healthcare Packaging

Key Industry Tailwinds

- Aging Pop.
- Health Tech
- Chronic Disease
- Homecare

$518B

- ✓ Global MedTech Market
- ✓ 6.1% CAGR
- ✓ High Growth Sub-Industries

Why UFPT Wins in the CDMO Landscape…

- ✓ End-to-end CDMO Value Chain Coverage
- ✓ Materials → Manufacturing → Packaging
- ✓ Embedded with 26 of 30 largest OEMs
- ✓ High growth exposure in robotic surgery and single-use medical devices
- ✓ Deep design involvement creates sticky, recurring production revenue
- ✓ Regulatory requirements + material expertise create high switching costs (3-7yrs to switch)

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Source: Company Reports, BIS Research, Deloitte

Channel checks indicate vast market mispricing of large OEM exposure & durability

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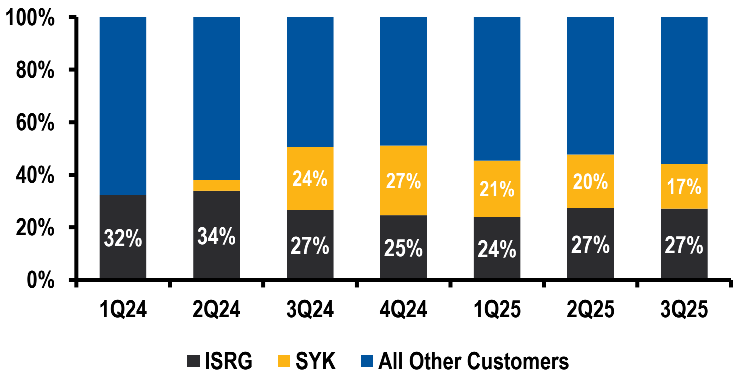
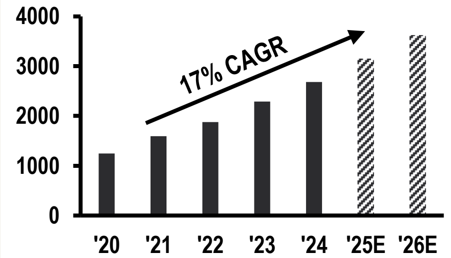
Customer Revenue Mix



Da Vinci Procedures (000s)



"in discussions to extend and expand our contract with our largest customer, with volumes expected to significantly increase"

INTUITIVE

"we are launching two new programs in robotic surgery that are expected to generate over $10M in revenue, with rapid growth thereafter"

Jeff Bailly, CEO (Q3 Earnings Call)

- Channel checks indicate these programs are with Stryker
- UFP already expanding capacity to 6th facility
- Exclusive production agreement takes effect 1/1/2026

stryker

While the market is focused on the Intuitive debate, channel checks reveal a larger opportunity with Stryker…

Intuitive's Dependence on UFP

- ✓ ISRG failed to scale its own drape manufacturing
- ✓ Can only produce ~2M drapes yet demands >13M
- ✓ 2024 Contract for $500M – expansion announcement likely Q2 2026
- ✓ Supplier qualification takes years to achieve

"Most of our items are produced by ourselves, so we don't actively look to insource when we have good partnerships. We'll only take things over if there is a quality change"

- Director at Intuitive Surgical

"they tried to insource…the facility was not successful and they haven't been able to scale at all"

- 2nd largest UFPT shareholder

Primary Research Conclusion

ISRG drape production is…

- *Not-scalable*
- *Inefficient*
- *Non-economic*

…making UFPT their key supplier.

Short pressure creates valuation mispricing opportunity – we fully refute the bear thesis

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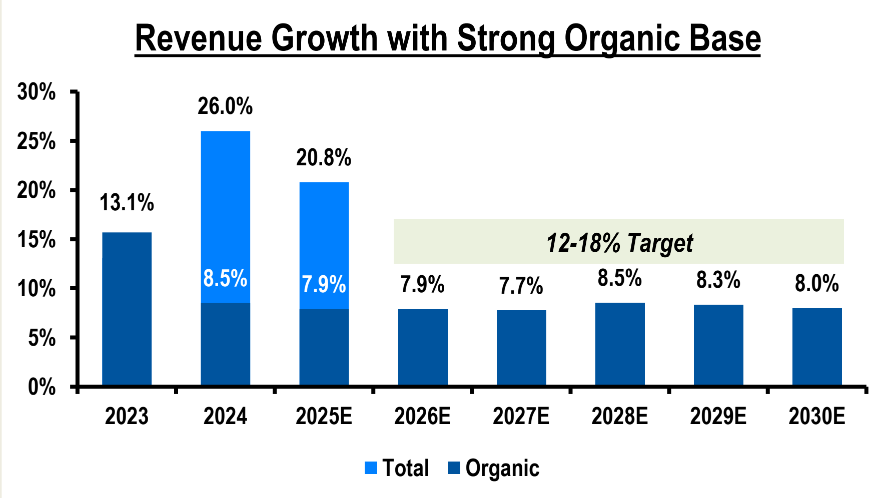
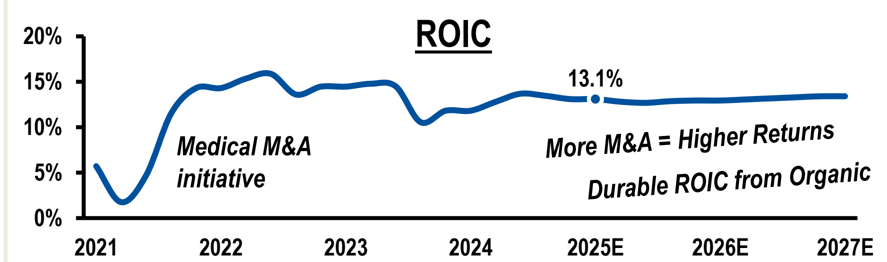
Source: Company Reports, Team Estimates, Bloomberg, Channel Checks

Disciplined M&A engine is underappreciated providing multi-year optionality

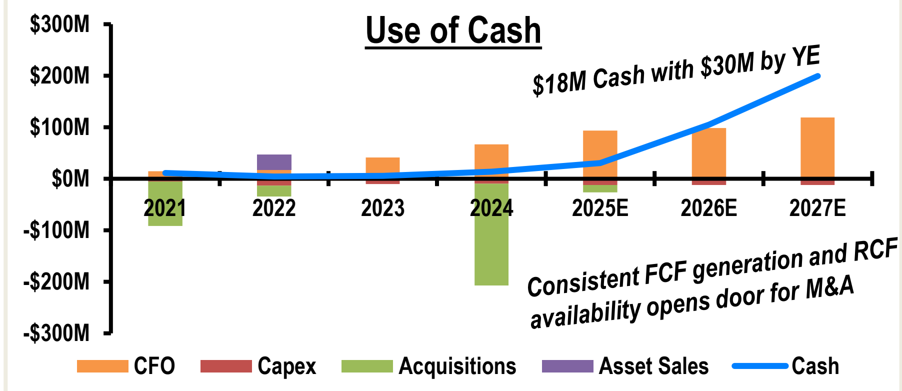
We estimate a 7.6% organic revenue CAGR through 2030 from durable customer relationships and high growth end markets



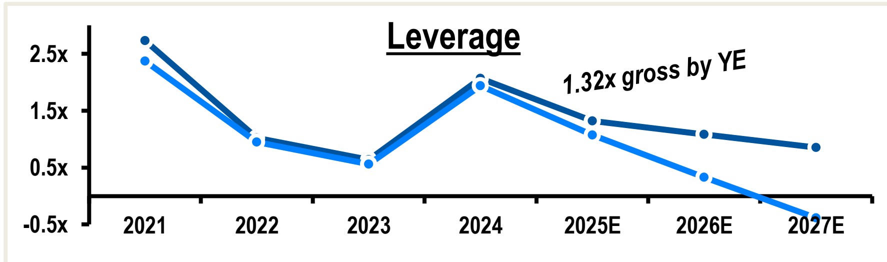


Targets are well within reach…high capacity for M&A

- ✓ *1.6x Average UFPT sales multiple*
- ✓ *2.5 – 4.0x MedTech Outsourcing Average*
- ✓ *Disciplined M&A has led to 50% multiple discount*



Top-line expansion to high growth EMs coupled with synergy checks with buyside/management drive our earnings estimates ahead of street consensus



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Source: Team Estimates, Channel Checks

Valuation Summary

UFPT fundamentals support multiple premium to CDMO peers and re-rating to MedTech

RELATIVE VALUATION - P/E				P/E Multiples			Revenue (y/y)		GM	OM	EPS (y/y)		ROIC	FCF Margin
Ticker	Name	Price	Mkt Cap	LTM	NTM	FY26	FY25E	FY26E	3yr Avg.	3yr Avg.	FY25E	FY26E	3yr Avg.	LTM
CDMO / Medical Suppliers														
ITGR	Integer Holdings Corporation	$70.00	2,493	29.3x	11.2x	11.1x	7.2%	-0.1%	23.8%	11.7%	19.6%	-0.7%	3.7%	4.4%
NOLA.B-SE	Nolato AB Class B	$6.21	1,674	21.5x	19.1x	17.6x	-1.7%	5.4%	15.9%	8.5%	41.4%	8.5%	8.6%	7.7%
WST	West Pharmaceutical Services, Inc.	$271.07	19,680	40.2x	36.2x	34.8x	5.9%	6.4%	36.2%	21.9%	5.1%	9.6%	19.0%	11.2%
Average				30.3x	22.2x	21.2x	3.8%	3.9%	25.3%	14.0%	22.1%	5.8%	10.4%	7.7%
Comparable Growth MedTech														
MMSI	Merit Medical Systems, Inc.	$87.20	5,225	44.6x	22.3x	21.7x	11.5%	6.3%	45.5%	11.1%	7.9%	7.5%	5.5%	13.3%
ALC	Alcon AG	$75.05	37,217	35.7x	22.8x	21.8x	4.5%	7.4%	55.3%	13.9%	1.1%	11.6%	3.1%	14.7%
LMAT	LeMaitre Vascular, Inc.	$87.93	2,145	37.8x	34.1x	34.0x	12.9%	9.1%	65.3%	22.5%	25.3%	5.6%	9.4%	15.7%
GMED	Globus Medical Inc Class A	$86.02	11,647	27.8x	21.4x	20.9x	14.6%	7.8%	61.1%	14.4%	24.8%	8.3%	5.6%	11.9%
Average				33.8x	26.1x	25.6x	10.7%	8.1%	60.6%	16.9%	17.1%	8.5%	6.0%	14.1%
Key OEM Customers														
ISRG	Intuitive Surgical, Inc.	$561.61	203,190	74.3x	60.5x	58.0x	18.7%	14.9%	66.6%	26.7%	17.9%	11.9%	13.9%	7.4%
SYK	Stryker Corporation	$368.27	142,410	48.4x	25.4x	24.6x	10.9%	8.6%	61.3%	21.8%	11.2%	10.5%	9.5%	14.6%
Team Estimates														
UFPT	UFP Technologies, Inc.	$219.98	1,711	25.5x	21.0x	20.2x	20.8%	7.6%	28.3%	15.8%	15.9%	10.7%	14.3%	9.8%
Consensus Estimates														
UFPT	UFP Technologies, Inc.	$219.98	1,711	25.5x	21.8x	21.0x	19.5%	5.4%	28.3%	15.8%	10.4%	9.4%	14.3%	9.8%

1 Robust top/bottom line growth

2 Strong ROIC, durable FCF for M&A

3 Premium Margin Profile

Source: FactSet, Team Estimates

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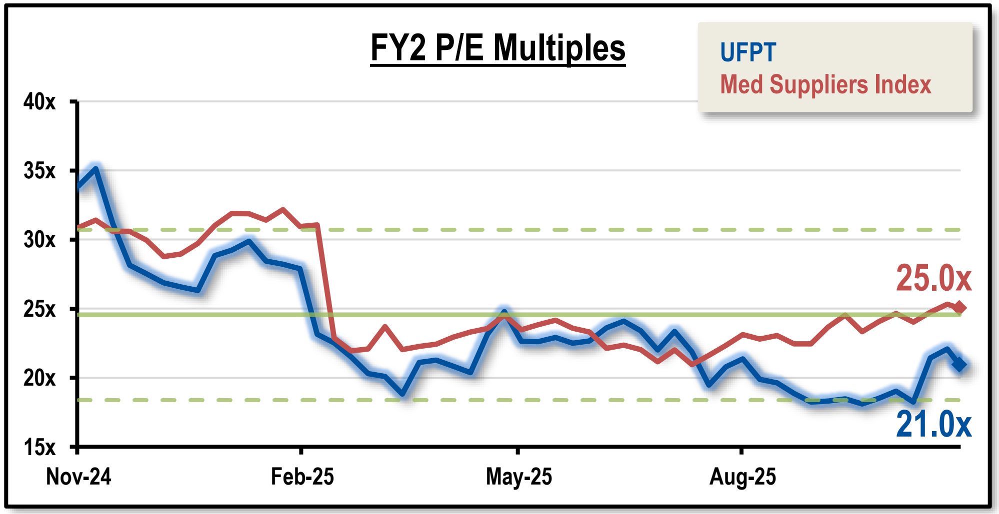
Estimates Support $293 Price Target



Valuation Summary: 2026 Target Price

	Bear	Base	Bull
2026 EPS adj.	$10.48	$11.26	$12.38
(x) Forward P/E Multiple	17.0x	26.0x	28.0x
(=) Target Price	$179	$293	$347
% Upside / (Downside)	*-18.6%*	*33.2%*	*57.7%*

Base Case: Team Estimates vs. Consensus

	FY24A	FY25E	FY26E	FY27E
Revenue	**504.4**	**609.3**	**657.4**	**708.3**
vs. cons.		*603.7*	*635.7*	*671.0*
Delta (%)		0.9%	3.4%	5.6%
Growth	**26.1%**	**20.8%**	**7.9%**	**7.7%**
vs. cons.		*19.7%*	*5.3%*	*5.6%*
Gross Margin	**29.1%**	**28.3%**	**29.1%**	**30.2%**
EBITDA adj.	**107.3**	**122.8**	**138.3**	**161.0**
vs. cons.		122.3	135.3	151.5
Delta (%)		0.4%	2.2%	6.3%
Operating Margin	16.0%	15.6%	16.6%	18.2%
EPS adj.	**$8.48**	**$9.88**	**$11.26**	**$13.50**
vs. cons.		*$9.59*	*$10.48*	*$11.64*
Delta (%)		3.0%	7.4%	16.0%
FCF	**56.9**	**81.5**	**86.6**	**107.0**

26.0x FY26 P/E » **Target Price $293** » **3.1x Risk/Reward**

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Source: FactSet, Team Estimates

Risks to Thesis

1 Customer Concentration

Intuitive Surgical and Stryker make up a combined 44% of revenue – this is mitigated by long duration contracts. The market is underestimating the Stryker opportunity.

2 Growth reliant on MedTech market

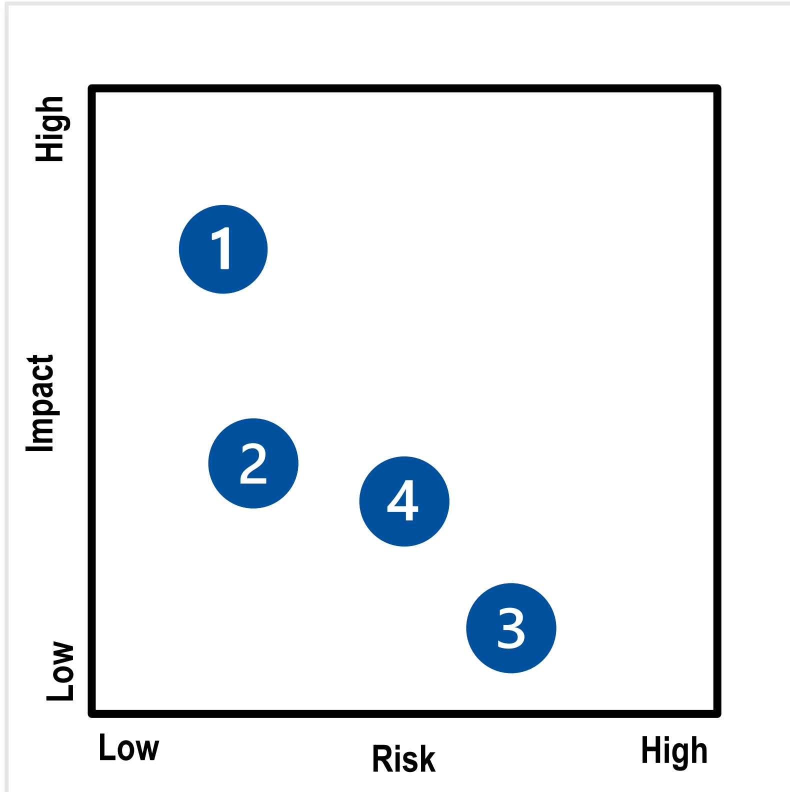
The MedTech market is expected to grow at a 6.1% CAGR, however, a market slowdown will have trickledown impacts to organic CDMO growth.

3 Future acquisition integration hurdles

UFPT has successfully completed 22 acquisitions, however, future M&A comes with integration risk and intensifying competition for M&A targets.

4 Supply chain/labor disruptions

Global supply chains and U.S. trade policy uncertainty pose a threats to margins. Labor implications also pose a threat to backlog execution if not corrected.



Source: Company Reports

Investment Summary

UFP Technologies (UFPT): Mission-Critical MedTech CDMO with Durable Robotics Exposure and Embedded Growth

High Growth End market exposure with major customers is durable and mispriced

- ✓ ISRG drapes are specialized, single-source, FDA-regulated components with high switching costs
- ✓ Primary Research confirms insufficient capacity to in-source
- ✓ Stryker programs to create new robotics high growth pillar
- ✓ Short interest (~15%) driven by incorrect narrative → structural dislocation creates upside opportunity

Disciplined M&A Provides Additional Multi-Year Optionality

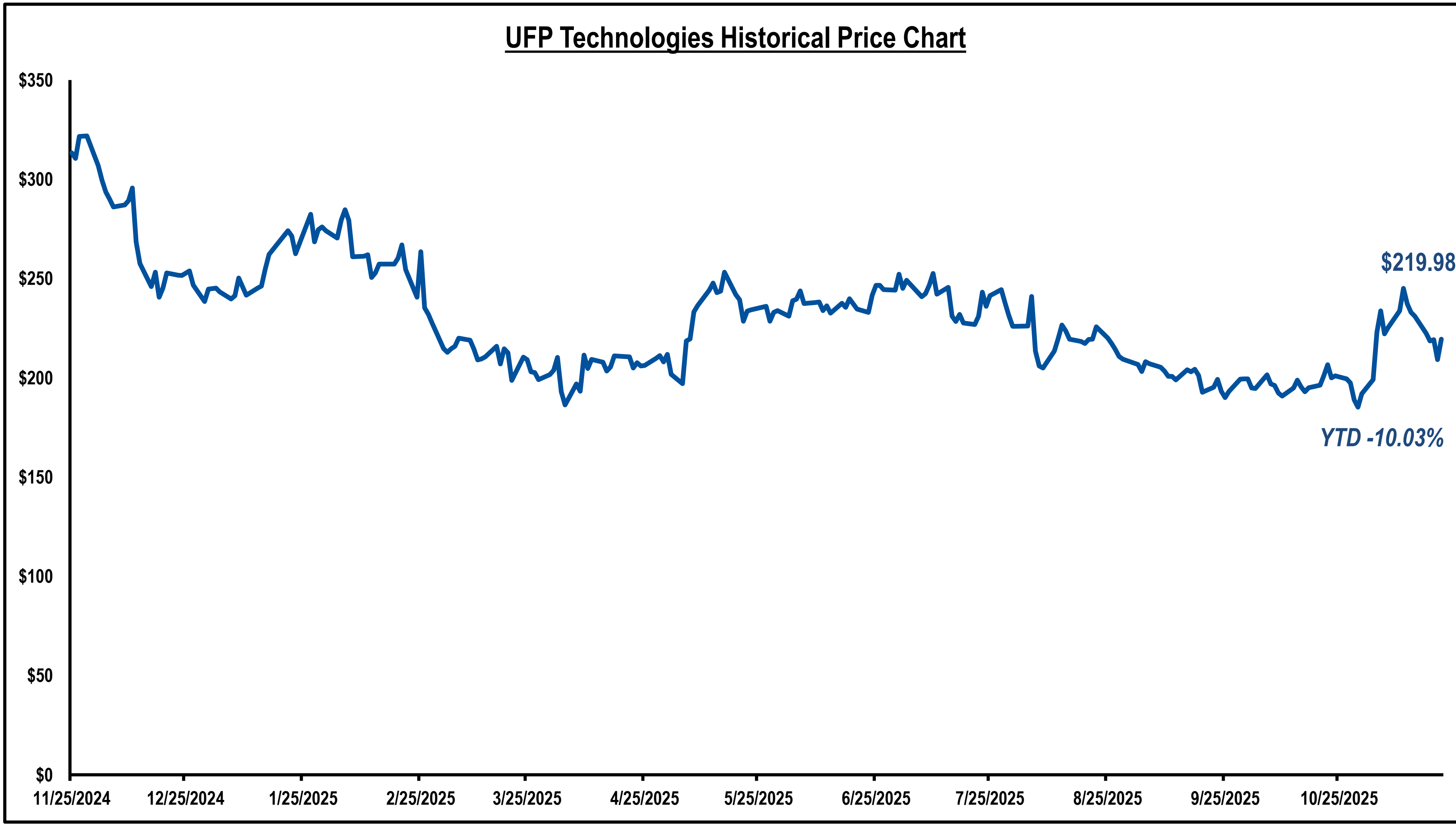
- ✓ Our estimates indicate considerable capacity for new M&A
- ✓ Investor checks confirm disciplined value add from acquisition roll up
- ✓ Model-based organic revenue CAGR 7.6% as new programs accelerate past 2027

Attractive Risk/Reward and Discount to Strategic Value

Target Price $293 | **33.2% Upside** | **3.1x Risk/Reward**

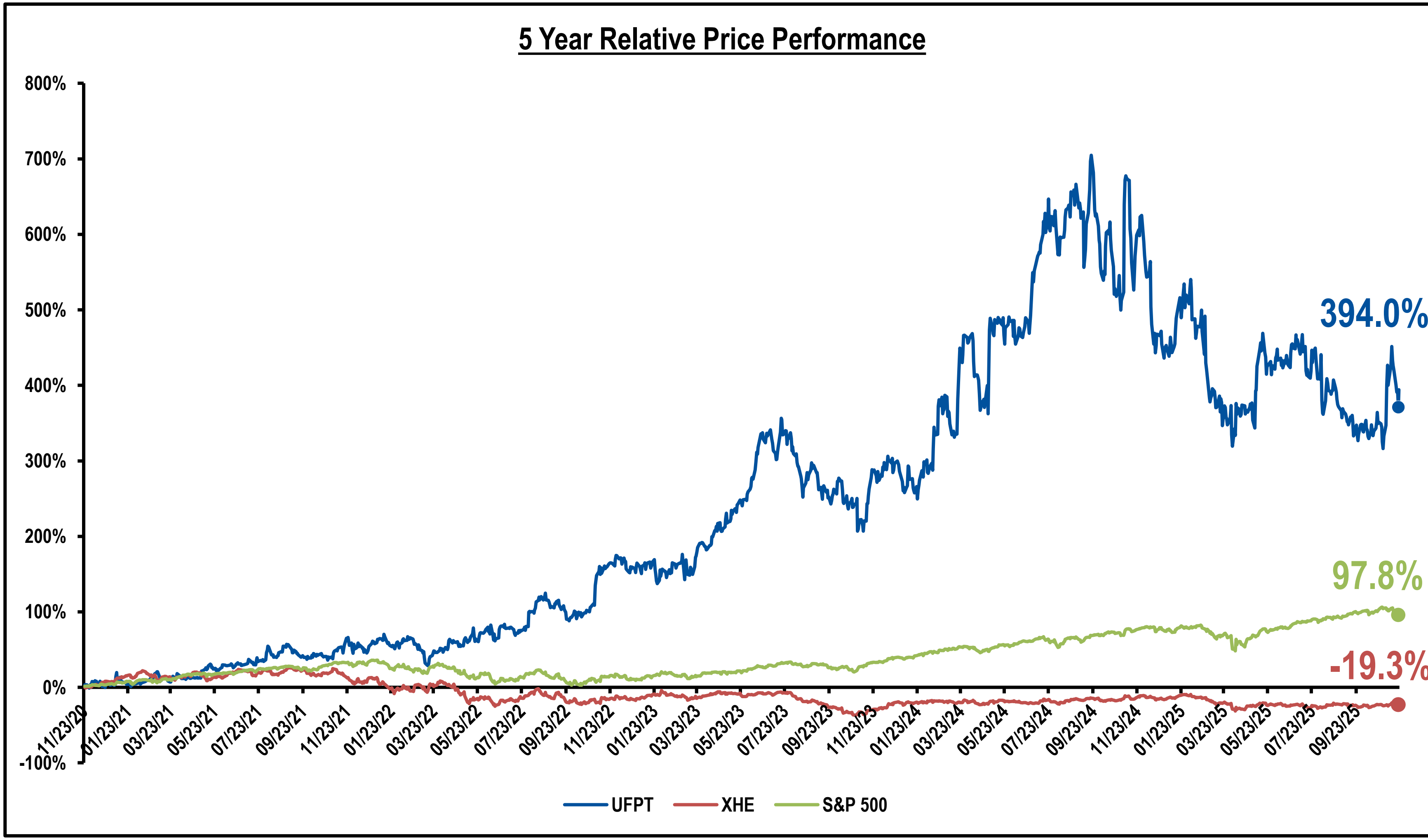
Questions?

Appendix – Stock Price Chart



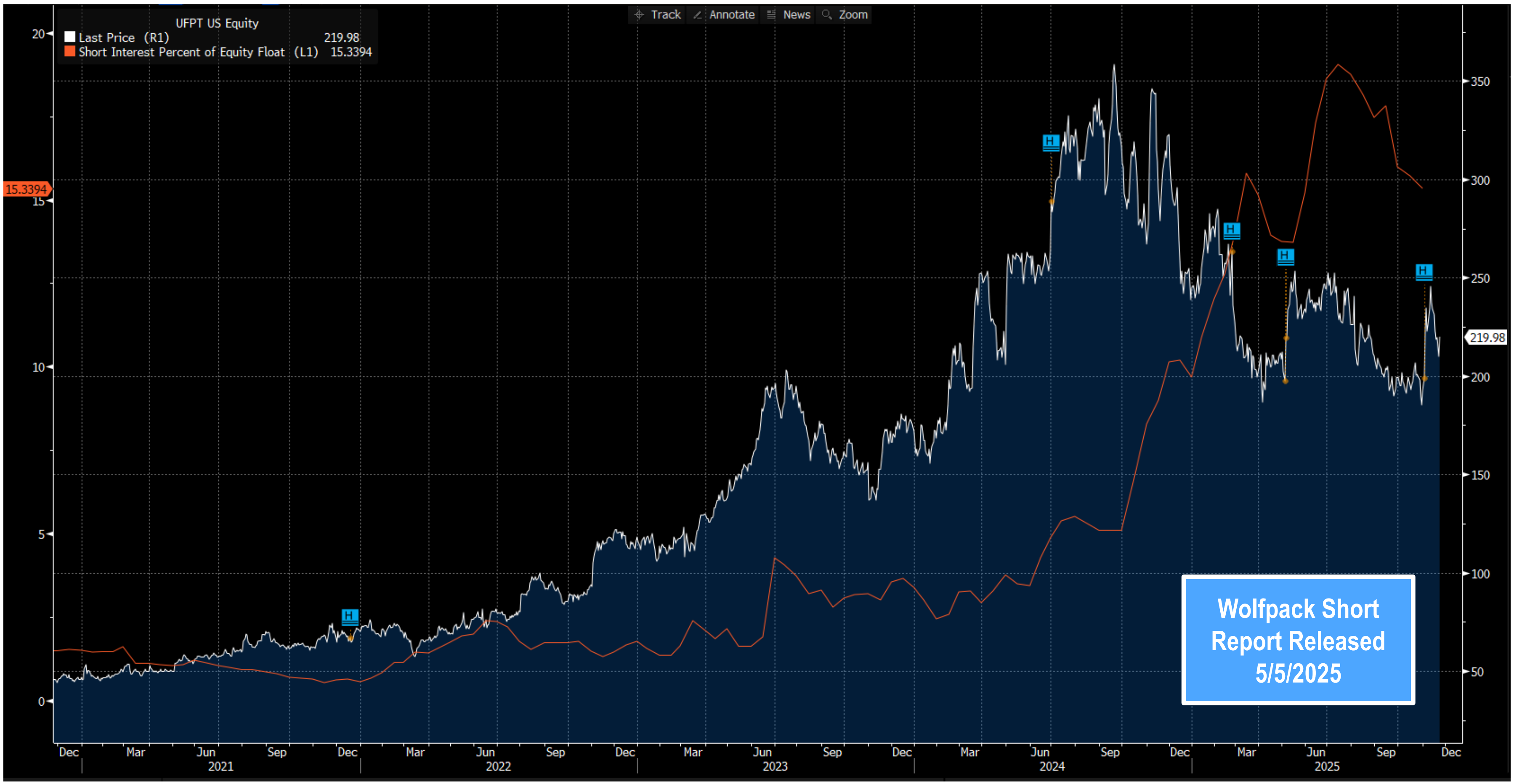
Source: Bloomberg

Appendix – Stock Price Chart



Source: FactSet

Appendix – Short Interest



Source: Bloomberg

Appendix – Q3 2025 Earnings Summary

- Sales: Up 6.5% y/y to $154.6M; YTD up 26% to $453.9M, driven by MedTech and acquisitions
- Adj. EBITDA: $30.7M in Q3; YTD up 20.6% to $92.8M
- Gross margin: 27.7% (adj. 27.8%), pressured by labor issues at AJR facility
- Operating cash flow: $35.9M in Q3, $75.1M YTD
- Debt: Reduced to $133.6M (from $176.9M FY24); leverage ratio <1.5x
- AJR Illinois inefficiency added $3M in costs and delayed $8M in orders; YTD $15M unfulfilled orders
- Two acquisitions (UNIPEC, TPI) performed ahead of expectations
- New Dominican Republic facility: first program in production, second in qualification
- AJR improvement expected in Q4 2025; backlog $16M targeted for early 2026
- Two new robotic surgery programs expected to add >$10M in 2026 (very conservative according to checks)

in USD	Actual	Estimate	Beat/miss
Revenue	155M	150M	+3.3%
EBITDA	30.7M	29.3M	+5.0%
EBIT	23.4M	23.4M	+0.0%
EPS	2.39	2.17	+10.0%

Source: Company Reports, Quartr Pro, Bloomberg

Appendix – Management Team

R. Jeffery Bailly
Chairman & CEO
36-year history at UFP

Ronald Lataille
CFO, Sr VP, Treasurer
27-year history at UFP

Mitchell Rock
President
30-year history at UFP

Chris Litterio
SVP, HR & General Counsel
7-year history at UFP

Steve Cardin
VP, COO
5-year history at UFP

Jason Holt
CCO
6-year history at UFP

Source: Company Reports

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Appendix – Acquisition Timeline

2020

Today

DAS Medical
12/22/2021
$67m Purchase Price (revolver and term loan)
HQ in Georgia
Acquired manufacturing that specializes in design, development and production of single-use surgical equipment covers, robotic draping systems and fluid control pouches

Marble Medical
6/24/2024
$4.5m Purchase Price
HQ in Florida
Added adhesive expertise to complement robot drapes and stick to skin device platforms

Welch Fluorocarbon
7/15/2024
$34.6m Purchase Price
HQ in New Hampshire
Provided thin film thermoforming capabilities and expertise in manufacturing component for implantable devices

AJR Specialty Products
4/25/2025
Undisclosed Price
HQ in Illinois
Provided additional capacity in single-use safe patient handling space and expertise in specialty fabrics and foam.

National Supply
6.5m
7/14/2025
$7m Purchase Price
HQ in Indiana
Material supplier in RV industry.

Contech Medical
10/12/2021
Undisclosed Purchase Price
HQ in Rhode Island
Acquired a global leader is design, development and manufacture of Class III medical device packaging primarily for catheters and guide wires

Advant Medical
12/20/2021
$21m Purchase Price (cash)
HQ in Ireland
Expanded in development and manufacturing of medical devices and packaging, primarily for catheters and guide wires

AJR Enterprises
7/1/2024
$110m Purchase Price (Term Loans)
HQ in Illinois
Provided leadership position in single-use safe patient handling space, expertise in fabrics and low-cost manufacturing operations

AQF Medical
8/23/2024
$48m Purchase Price
HQ in Ireland
Provided expertise in converting specialty foams and films, expanded European presence, and an Asian market presence in Singapore

Techno Plastic Industries
7/17/2025
$4.5m Purchase Price
HQ in Puerto Rico
Expanded manufacturing capabilities for the medical components in its core MedTech segment

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Source: Company Reports

Appendix – M&A Detail

Date	Company	Price Paid	Est. Annual Revenue	Valuation (Sales)
7/17/2025	UNIPEC	$7.5	$5.0	1.5x
7/17/2025	TPI	$4.5	$10.0	0.5x
8/26/2024	AQF Medical	$48.0	$15.0	3.2x
7/16/2024	Marble Medical	$4.5	$5.0	0.9x
7/16/2024	Welch Fluorocarbon	$34.6	$15.0	2.3x
7/1/2024	AJR Enterprises	$110.0	$75.0	1.5x
7/26/2022	Molded Fiber	$31.5	$21.3	1.5x
3/16/2022	Advant Medical	$21.2	N/D	N/D
12/22/2021	DAS Medical	$105.0	$45.6	2.3
10/12/2021	Contech Medical	$9.5	$18.0	0.5x

Source: Company Reports, Key Banc Estimates

Appendix – Financial Targets

Source: Investor Presentation (8/25/2025)

Appendix – Overview & Expertise

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Source: Company LinkedIn

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Appendix – Product Details

Source: Investor Deck

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Appendix – Robotic Surgery Devices

Da Vinci Systems – Intuitive Surgical

Mako Systems – Stryker

Source: Company Reports

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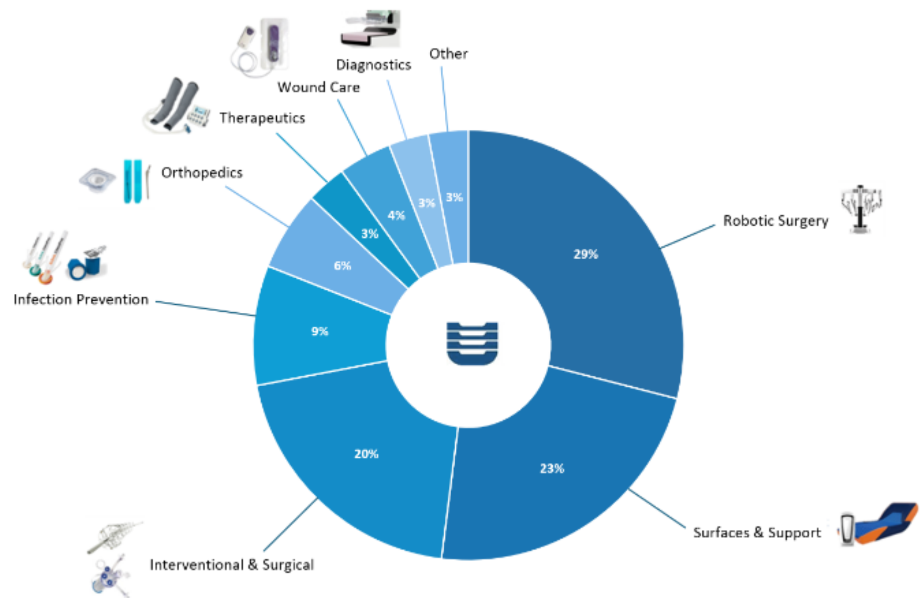
Appendix – Segment Details

Medical Segment Overview

$518 Billion Global Device Market, 6.3% CAGR[1]

Therapeutic Area	% of Medical Sales[2]	Market Growth
Robotic Surgery	29%	Mid Teens
Surfaces & Support	23%	LDD
Interventional & Surgical	20%	LSD
Infection Prevention	9%	MSD
Orthopedics	6%	MSD
Therapeutics	3%	MSD
Wound Care	4%	MSD
Diagnostics	3%	MSD
Other	3%	LSD



1 Fortune Business Insights - $518 billion as of 2023. 6.3% CAGR for a forecast period of 2024-2032.
2 Annual mix of revenue through June, 2025

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Source: Investor Deck

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Appendix – Robotic Surgery Market

Surrounding a High-Growth End Market: Robotic Surgery

ROBOTIC SURGERY BY THE NUMBERS

- **Market Size**: ~$11B (2024) → ~$23.7B (2029)[1]
- **Annual Global Surgical Procedures:**
  1. *Total: 300M+ major surgeries performed annually[2]*
  2. *Soft Surgery Market: ~44 M surgeries performed annually[2]*
  3. *Market Growth Mid-Teens[3]*
- All procedures require a drape to provide an **important sterile barrier between the instrument and patient**
- Materials must allow robot to maintain full range of motion with minimal complications or time to set up

UFPT is the leading provider of several materials / capabilities that are critical for robotic surgery drapes

Expertise supported by low-cost manufacturing (Dominican Republic) & vertical integration

Acquisition strategy centered upon adding core capabilities to our customers in key end markets

Injection Molding	ADVANT Medical | Moulding
Specialty Adhesives	Marble Medical
RF Welding	DAS Medical; Dielectrics
Die Cutting	Marble Medical

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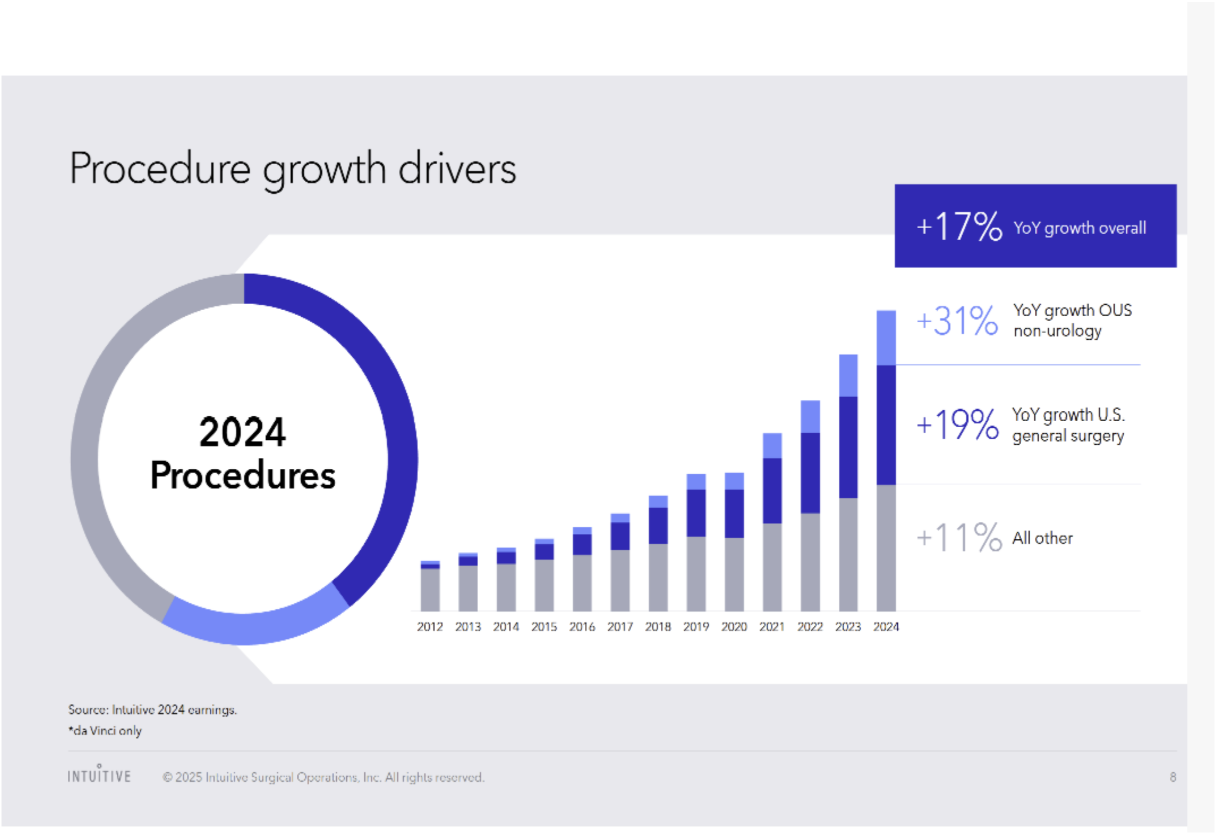
Source: Investor Deck

Appendix – Da Vinci Procedures Detail



Source: Investor Deck

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Appendix – Geographic Operations

ITEM 2. PROPERTIES

The following table presents certain information relating to each of the Company's design and manufacturing properties:

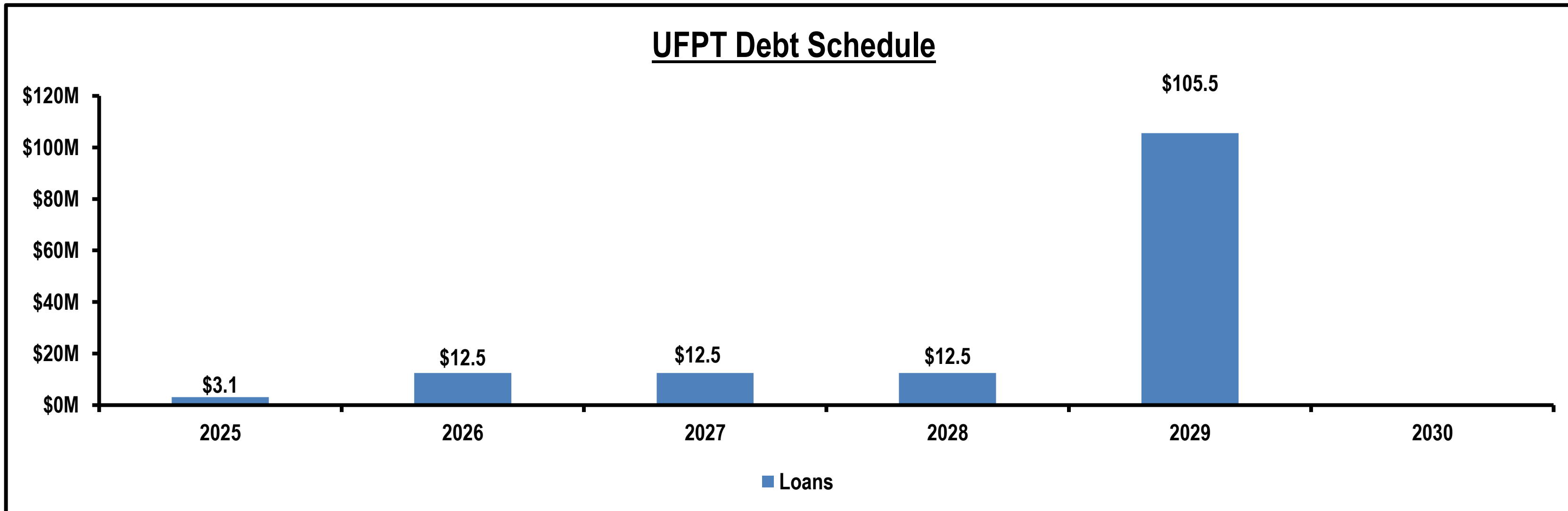
Location	Square Feet	Lease Expiration Date	Principal Use
Newburyport, Massachusetts	183,000	Company Owned	Headquarters, fabrication, molding, tooling, test lab, clean room, warehousing, and engineering
Huntsville, Alabama	9,000	6/30/2031	Engineering, design, and fabrication
Grand Rapids, Michigan	255,260	Company Owned	Fabrication, molding, warehousing, and engineering
Rancho Dominguez, California	56,000	10/31/2027	Fabrication, molding and engineering
Denver, Colorado	18,270	Company Owned	Fabrication and molding
Denver, Colorado	28,383	Company Owned	Fabrication, molding and engineering
Kissimmee, Florida	49,400	Company Owned	Fabrication, molding, test lab and engineering
El Paso, Texas	127,730	Company Owned	Warehousing, fabrication
Chicopee, Massachusetts	103,792	Company Owned	Fabrication, molding, clean room, warehousing, and engineering
Providence, Rhode Island	79,535	9/30/2026	Fabrication, molding, clean room, and warehousing
La Romana, Dominican Republic	16,557	12/31/2024	Fabrication, molding, clean room, and warehousing
La Romana, Dominican Republic	12,630	12/31/2026	Fabrication, molding, clean room, and warehousing
La Romana, Dominican Republic	51,970	8/31/2025	Fabrication, molding, clean room, and warehousing
Tijuana, Mexico	83,256	2/28/2032	Fabrication, molding, and warehousing
Kennesaw, Georgia	11,017	12/31/2027	Warehousing
Galway, Ireland	35,069	Company Owned	Fabrication, molding, clean room, and warehousing
Galway, Ireland	11,500	12/31/2025	Fabrication, molding, clean room, and warehousing
La Aurora, Heredia, Costa Rica	13,000	4/30/2028	Fabrication, molding, clean room, and warehousing
Chicopee, Massachusetts	3,500	11/30/2024	Warehousing
La Romana, Dominican Republic	26,468	12/31/2025	Fabrication, molding, clean room, and warehousing
La Aurora, Heredia, Costa Rica	14,200	4/30/2028	Fabrication, molding, clean room, and warehousing
La Romana, Dominican Republic	40,921	12/31/2028	Fabrication, molding, clean room, and warehousing
La Romana, Dominican Republic	23,728	6/30/2025	Fabrication, molding, clean room, and warehousing
St. Charles, Illinois	110,086	6/30/2029	Distribution, manufacturing, and warehousing
Santiago Norte, Dominican Republic	39,414	12/1/2025	Distribution, manufacturing, and warehousing
Dover, New Hampshire	5,400	1/31/2027	Distribution, manufacturing, and warehousing
Navan, Ireland	40,000	10/6/2041	Distribution, manufacturing, and warehousing
Santiago Norte, Dominican Republic	49,425	12/16/2029	Distribution, manufacturing, and warehousing
Tallahassee, Florida	12,000	Company Owned	Distribution, manufacturing, and warehousing
Dover, New Hampshire	22,500	Company Owned	Distribution, manufacturing, and warehousing

Source: Company 10-K

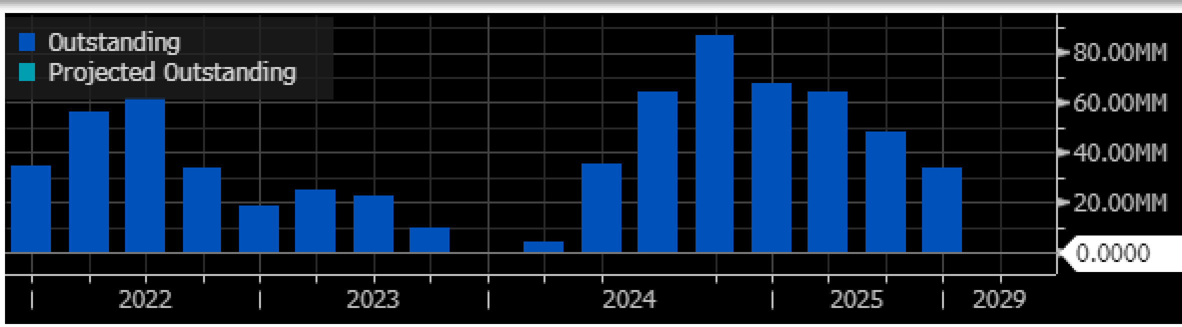
UFP TECHNOLOGIES®

Appendix – Debt Schedule

$125M Term Loan SOFR+150; 10Idx – Signed 6/27/2024 ($112.5m outstanding) for AJR Acquisition



$150M RCF SOFR+150; 10Idx -- $116.4M Available



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Source: Bloomberg, Company Reports

Appendix – Primary Research

Gene Robin – Portfolio Manager at Wasatch Global Advisors – 2nd largest shareholder of UFPT; interview 11/21/2025

- Once you're in a certain type of device ecosystem, it is hard to swap out. OEMs creates an alternative supply chain
- UFPT is best oriented strategy wise with capital allocation, they are okay with paying for a large moat
- ISRG tried their hand at insourcing in their Mexican facility but were unsuccessful in scaling
- **Stryker has been becoming a better, more diversified customer to UFPT and will pass ISRG as the largest driver of revenue**
- In terms of M&A, they have been leveraging scale and have been acquiring value-add businesses. They want to become a one-stop-shop for MedTech customers
- **Stryker has two new robotics programs rolling out in 2026, and the market has not been appreciating that Stryker will be a bigger customer than ISRG**
- The facilities in the Dominican Republic are not ramped yet, and the possible productivity is being missed by analysts. Whatever high marginal work they get will no longer have to lap or replace what's going on, they will not be getting replaced by a cheap competitor

Appendix – Primary Research

Ryan Colwell (MD, MBA) – Director at Intuitive Surgical; Interview 11/20/2025

- General value proposition for ISRG is that more people are doing minimally invasive surgery, the things they do center around getting more people into those types of procedures
- **Have a leasing model for robots, most robots are $2-2.5M, and it is natural to see leasing ebb and flow as well as trend with capital constraints in healthcare**
- There are large barriers to new robotic systems, but the biggest one is the ecosystem. Once doctors learn a type of robot and ecosystem, they are unlikely so switch
- **Robots that they lease out usually have contracts for about 10 years**
- They are completely focused on safe and minimally invasive procedures, but if the *reliability* of drapes changes, they would have to take another look at their supplier.
- <u>**They are not looking to actively insource when they have good partnerships, they would only want to take things over if there was a change in quality**</u>

Appendix – Primary Research

Brett Fishbin – Medical Devices Analyst at Keybanc; Interview 11/21/2025

- Performance of core business is tied to their organic revenue
- The ISRG debate has remained a tension point for the stock, small range of outcomes for next year
- UFPT competitive moat is their relationships and reputation, they've done well with other MedTech companies like ISRG and Stryker
- They have been able to scale effectively, even operating in niche industries, few companies can do what they do. Those who try will have a hard time scaling it.
- ISRG might be using the insourcing as a bargaining tool to keep better prices for themselves, all things equal they want to keep relationships together, but it helps to have an internal cushion of drapes
- Microtech has been traded hands a few times, and their uncertainty has driven ISRG business to UFPT

Appendix – Primary Research

Max Michaelis – Medical Devices Research Associate at Lake Street; Interview 11/21/2025

- **UFPT announced an extension of their contract with ISRG for $500m in 2024 over the next 4 years**
- **ISRG has the capacity for 12-13m drapes, a 60% increase over the next few years.**
- UFPT says that conversations with ISRG have been strong and expect to expand their footprint
- Their new facility in the DR with have majority capacity for ISRG
- UFPT will never have exploding organic growth, that's not their business model and that's not what they promised investors. They are executing the plan of buying niche MedTech companies and getting the contracts they already have, along with their customers long term
- They are always acquiring, always looking for opportunities but also pass up ones that are too expensive, so we expect some acquisitions in the first half of 2026
- In terms of gross margin estimates, they have had trouble with the AJR labor force that is expected to leak into 2026, so this has pulled back on margin a little bit

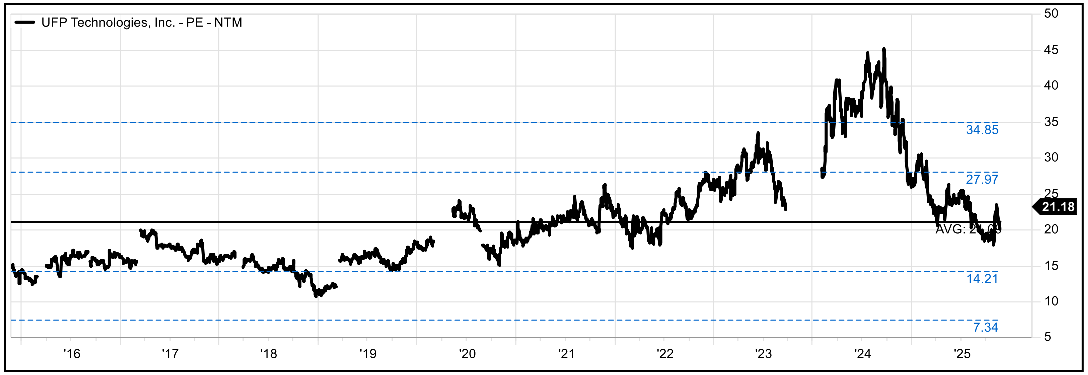
Appendix – Primary Research

Andy Summers – Summers Value Partners; Interview 11/20/2025

- Originally invested in UFPT in 2019 – was valued as a low growth industrials company despite initiating transition to MedTech markets
- "this is one of the most trustworthy management teams I have seen and worked with"
- Exceptionally disciplined with their M&A strategy, willing to walk away from deals when they are overpriced or outbid
- Believes market is too hung up on customer concentration with Intuitive
- Intuitive does not specialize in drapes – they build robots and they realized they do not have the capacity nor the expertise to efficiently scale drapes
- **"Intuitive is a tech company, not a low margin CDMO, it does not make sense for them to insource drapes when UFPT has done this since 2015"**

Appendix – Historical Multiples

NTM P/E



FY2 P/E

NTM P/E Relative to S&P 500

Source: FactSet

Appendix – Model: Revenue Build

UFP Technologies, Inc. (UFPT)

Period End Date	*12/31/22*	*12/31/23*	*12/31/24*	*3/31/25*	*6/30/25*	*9/30/25*	*12/31/25*	*12/31/25*	*3/31/26*	*6/30/26*	*9/30/26*	*12/31/26*	*12/31/26*	*12/31/27*	*12/31/28*	*12/31/29*	*12/31/30*			
Fiscal Period	**FY22**	**FY23**	**FY24**	**1Q25**	**2Q25**	**3Q25**	**4Q25E**	**FY25E**	**1Q26E**	**2Q26E**	**3Q26E**	**4Q26E**	**FY26E**	**FY27E**	**FY28E**	**FY29E**	**FY30E**			
Revenue Build																				
Total Net Revenue	**353,792**	**400,072**	**504,421**	**148,148**	**151,176**	**154,558**	**155,454**	**609,336**	**160,518**	**162,915**	**166,452**	**167,515**	**657,400**	**708,320**	**768,709**	**832,829**	**899,298**	**'20-'24**	**'25-'30**	
% growth y/y		*13.1%*	*26.1%*	*41.1%*	*37.2%*	*6.5%*	*7.9%*	*20.8%*	*8.3%*	*7.8%*	*7.7%*	*7.8%*	*7.9%*	*7.7%*	*8.5%*	*8.3%*	*8.0%*	**23.0%**	**8.1%**	CAGR
Medical	286,180	346,355	450,767	135,416	139,335	142,358	145,438	562,547	148,550	151,785	154,984	158,100	613,418	666,537	726,926	791,046	857,516			
Non Medical	67,612	53,672	53,654	12,732	11,841	12,200	10,016	46,789	11,968	11,131	11,468	9,415	43,982	41,783	41,783	41,783	41,783			
Consumer	17,255																			
Automotive	17,487	16,700	15,097																	
Aerospace & Defense	15,328	16,990	20,419																	
Industrial	10,322	19,982	18,138																	
Electronics	7,220																			
% Medical	*80.9%*	*86.6%*	*89.4%*	*91.4%*	*92.2%*	*92.1%*	*93.6%*	*92.3%*	*92.5%*	*93.2%*	*93.1%*	*94.4%*	*93.3%*	*94.1%*	*94.6%*	*95.0%*	*95.4%*			
% Non Medical	*19.1%*	*13.4%*	*10.6%*	*8.6%*	*7.8%*	*7.9%*	*6.4%*	*7.7%*	*7.5%*	*6.8%*	*6.9%*	*5.6%*	*6.7%*	*5.9%*	*5.4%*	*5.0%*	*4.6%*			
% Consumer	*4.9%*																			
% Automotive	*4.9%*	*4.2%*	*3.0%*																	
% Aerospace & Defense	*4.3%*	*4.2%*	*4.0%*																	
% Industrial	*2.9%*	*5.0%*	*3.6%*																	
% Electronics	*2.0%*																			
Segment Growth																				
% growth Medical y/y		*21.0%*	*30.1%*	*50.4%*	*46.0%*	*7.3%*	*9.6%*	*24.8%*	*9.7%*	*8.9%*	*8.9%*	*8.7%*	*9.0%*	*8.7%*	*9.1%*	*8.8%*	*8.4%*		**8.8%**	CAGR
% growth Non Medical y/y		*-20.6%*	*0.0%*	*-15.0%*	*-19.8%*	*-2.7%*	*-12.0%*	*-12.8%*	*-6.0%*	*-6.0%*	*-6.0%*	*-6.0%*	*-6.0%*	*-5.0%*	*0.0%*	*0.0%*	*0.0%*		**-2.2%**	CAGR
MedTech Revenue Breakdown																				
Devices					76,634															
RAS					40,407															
Packaging					22,294															
% Devices					*55.0%*															
% RAS					*29.0%*															
% Packaging					*16.0%*															

UFP Technologies, Inc. (UFPT)

Period End Date	*12/31/22*	*12/31/23*	*12/31/24*	*3/31/25*	*6/30/25*	*9/30/25*	*12/31/25*	*12/31/25*
Fiscal Period	**FY22**	**FY23**	**FY24**	**1Q25**	**2Q25**	**3Q25**	**4Q25E**	**FY25E**
Organic Sales Growth	***18.60%***	***15.70%***	***8.50%***	***2.30%***	***4.90%***	***-0.02%***		
Impact from Acquisitions								
Total Sales Growth	**0.00%**	**13.08%**	**26.08%**	**41.08%**	**37.21%**	**6.47%**		
ISRG Sales Breakdown	**74,284**	**112,020**	**145,273**	**35,556**	**41,422**	**41,885**		
% growth y/y		*50.8%*	*29.7%*	*5.2%*	*10.0%*	*8.1%*		
% of total	*21.0%*	*28.0%*	*28.8%*	*24.0%*	*27.4%*	*27.1%*		
Stryker Sales Breakdown			**77,681**	**31,704**	**30,689**	**26,429**		
% growth y/y					*567.0%*	*-24.1%*		
% of total			*15.4%*	*21.4%*	*20.3%*	*17.1%*		

UFP TECHNOLOGIES®

Source: Team Estimates

Appendix – Model: Revenue Build

UFP Technologies, Inc. (UFPT)																	
Period End Date	*12/31/22*	*12/31/23*	*12/31/24*	*3/31/25*	*6/30/25*	*9/30/25*	*12/31/25*	*12/31/25*	*3/31/26*	*6/30/26*	*9/30/26*	*12/31/26*	*12/31/26*	*12/31/27*	*12/31/28*	*12/31/29*	*12/31/30*
Fiscal Period	**FY22**	**FY23**	**FY24**	**1Q25**	**2Q25**	**3Q25**	**4Q25E**	**FY25E**	**1Q26E**	**2Q26E**	**3Q26E**	**4Q26E**	**FY26E**	**FY27E**	**FY28E**	**FY29E**	**FY30E**
Medical Segment: by Therapeutic Area																	
Robotic Surgery				39,271	40,407	41,856	43,357	164,890	44,877	46,468	48,134	49,860	189,340	215,847	248,224	282,976	319,763
Surfaces & Support				31,146	32,047	32,976	33,931	130,100	34,893	35,893	36,768	37,494	145,047	161,003	177,908	195,699	213,311
Interventional & Surgical				27,083	27,867	28,041	28,216	111,207	28,388	28,564	28,742	28,921	114,616	117,481	120,418	123,428	126,514
Infection Prevention				12,187	12,540	12,695	12,852	50,275	13,008	13,167	13,330	13,495	53,000	55,650	58,433	61,354	64,422
Orthopedics				8,125	8,360	8,464	8,568	33,517	8,672	8,778	8,887	8,997	35,333	37,100	38,955	40,903	42,948
Therapeutics				4,062	4,180	4,232	4,284	16,758	4,336	4,389	4,443	4,498	17,667	18,550	19,478	20,451	21,474
Wound Care				5,417	5,573	5,642	5,712	22,345	5,781	5,852	5,924	5,998	23,556	24,733	25,970	27,269	28,632
Diagnostics				4,062	4,180	4,232	4,284	16,758	4,336	4,389	4,443	4,498	17,667	18,550	19,478	20,451	21,474
Other				4,062	4,180	4,206	4,232	16,681	4,258	4,285	4,311	4,338	17,192	17,622	18,063	18,514	18,977
Medical: Intra Segment Mix																	
% Robotic Surgery				29.0%	29.0%	29.4%	29.8%	29.3%	30.2%	30.6%	31.1%	31.5%	30.9%	32.4%	34.1%	35.8%	37.3%
% Surfaces & Support				23.0%	23.0%	23.2%	23.3%	23.1%	23.5%	23.6%	23.7%	23.7%	23.6%	24.2%	24.5%	24.7%	24.9%
% Interventional & Surgical				20.0%	20.0%	19.7%	19.4%	19.8%	19.1%	18.8%	18.5%	18.3%	18.7%	17.6%	16.6%	15.6%	14.8%
% Infection Prevention				9.0%	9.0%	8.9%	8.8%	8.9%	8.8%	8.7%	8.6%	8.5%	8.6%	8.3%	8.0%	7.8%	7.5%
% Orthopedics				6.0%	6.0%	5.9%	5.9%	6.0%	5.8%	5.8%	5.7%	5.7%	5.8%	5.6%	5.4%	5.2%	5.0%
% Therapeutics				3.0%	3.0%	3.0%	2.9%	3.0%	2.9%	2.9%	2.9%	2.8%	2.9%	2.8%	2.7%	2.6%	2.5%
% Wound Care				4.0%	4.0%	4.0%	3.9%	4.0%	3.9%	3.9%	3.8%	3.8%	3.8%	3.7%	3.6%	3.4%	3.3%
% Diagnostics				3.0%	3.0%	3.0%	2.9%	3.0%	2.9%	2.9%	2.9%	2.8%	2.9%	2.8%	2.7%	2.6%	2.5%
% Other				3.0%	3.0%	3.0%	2.9%	3.0%	2.9%	2.8%	2.8%	2.7%	2.8%	2.6%	2.5%	2.3%	2.2%
Medical: Intra Segment Growth				**6.3% CAGR**													
% Robotic Surgery				Mid teens	----------->	15.0%				15.0%	15.0%	15.0%	14.8%	14.0%	15.0%	14.0%	13.0%
% Surfaces & Support				LDD	----------->	12.0%				12.0%	11.5%	10.5%	11.5%	11.0%	10.5%	10.0%	9.0%
% Interventional & Surgical				LSD	----------->	2.5%				2.5%	2.5%	2.5%	3.1%	2.5%	2.5%	2.5%	2.5%
% Infection Prevention				MSD	----------->	5.0%				5.0%	5.0%	5.0%	5.4%	5.0%	5.0%	5.0%	5.0%
% Orthopedics				MSD	----------->	5.0%				5.0%	5.0%	5.0%	5.4%	5.0%	5.0%	5.0%	5.0%
% Therapeutics				MSD	----------->	5.0%				5.0%	5.0%	5.0%	5.4%	5.0%	5.0%	5.0%	5.0%
% Wound Care				MSD	----------->	5.0%				5.0%	5.0%	5.0%	5.4%	5.0%	5.0%	5.0%	5.0%
% Diagnostics				MSD	----------->	5.0%				5.0%	5.0%	5.0%	5.4%	5.0%	5.0%	5.0%	5.0%
% Other				LSD	----------->	2.5%				2.5%	2.5%	2.5%	3.1%	2.5%	2.5%	2.5%	2.5%

Source: Team Estimates

Kenan–Flagler Business School
ALPHA CHALLENGE
The University of North Carolina

Appendix – Model: Income Statement

UFP Technologies, Inc. (UFPT)																	
Period End Date	*12/31/22*	*12/31/23*	*12/31/24*	*3/31/25*	*6/30/25*	*9/30/25*	*12/31/25*	*12/31/25*	*3/31/26*	*6/30/26*	*9/30/26*	*12/31/26*	*12/31/26*	*12/31/27*	*12/31/28*	*12/31/29*	*12/31/30*
Fiscal Period	**FY22**	**FY23**	**FY24**	**1Q25**	**2Q25**	**3Q25**	**4Q25E**	**FY25E**	**1Q26E**	**2Q26E**	**3Q26E**	**4Q26E**	**FY26E**	**FY27E**	**FY28E**	**FY29E**	**FY30E**
Income Statement																	
Net sales	**353,792**	**400,072**	**504,421**	**148,148**	**151,176**	**154,558**	**155,454**	**609,336**	**160,518**	**162,915**	**166,452**	**167,515**	**657,400**	**708,320**	**768,709**	**832,829**	**899,298**
Cost of sales	263,531	287,847	357,728	105,997	107,633	111,811	111,460	436,901	114,449	115,670	117,764	118,350	466,233	494,761	536,174	579,649	625,012
Gross profit	**90,261**	**112,225**	**146,693**	**42,151**	**43,543**	**42,747**	**43,993**	**172,434**	**46,069**	**47,245**	**48,687**	**49,166**	**191,167**	**213,558**	**232,534**	**253,180**	**274,286**
Selling, general, and administrative expens	45,799	50,890	62,219	18,725	18,679	19,069	19,743	76,216	20,225	20,446	20,806	20,772	82,249	84,998	92,245	95,775	103,419
Material overcharge settlement	-	-	-	-	-	-		-					-				
Acquisition costs	1,027	-	2,519	37	283	14		334					-				
Change in fair value of contingent considera	9,837	3,527	952	263	263	263		789					-				
(Gain) on sale of Molded Fiber	(15,652)	-	-	-	-	-		-					-				
(Gain) loss on sale of fixed assets	(6,150)	144	107	-	(11)	22		11					-				
Restructuring costs	-	-	-	-	-	-		-					-				
Operating income	**55,400**	**57,664**	**80,896**	**23,126**	**24,329**	**23,379**	**24,251**	**95,085**	**25,843**	**26,800**	**27,881**	**28,394**	**108,917**	**128,560**	**140,289**	**157,405**	**170,867**
Interest expense (income)	2,762	3,646	8,060	2,809	2,671	2,393	2,466	10,339	2,423	2,380	2,337	2,294	9,435	8,090	7,402	4,501	1,600
Other expense (income)	(80)	117	(189)	36	32	(78)		(10)					-				
Income before income tax expense	**52,718**	**53,901**	**73,025**	**20,281**	**21,626**	**21,064**	**21,785**	**84,756**	**23,420**	**24,419**	**25,543**	**26,100**	**99,482**	**120,470**	**132,887**	**152,903**	**169,267**
Income tax expense	10,929	8,978	14,044	3,097	4,446	4,681	4,575	16,799	5,152	5,372	5,620	5,742	21,886	26,503	29,235	33,639	37,239
Net income attributable to UFP Technolog	**41,789**	**44,923**	**58,981**	**17,184**	**17,180**	**16,383**	**17,210**	**67,957**	**18,268**	**19,047**	**19,924**	**20,358**	**77,596**	**93,967**	**103,652**	**119,265**	**132,028**
EPS																	
Basic	$5.52	$5.89	$7.69	$2.24	$2.23	$2.12	$2.24	$8.83	$2.38	$2.47	$2.58	$2.65	$10.08	$12.24	$13.51	$15.54	$17.20
Diluted	$5.47	$5.85	$7.60	$2.21	$2.21	$2.11	$2.21	$8.74	$2.35	$2.45	$2.56	$2.61	$9.97	$12.06	$13.30	$15.30	$16.94
Adj. Diluted		**$6.16**	**$8.48**	**$2.47**	**$2.50**	**$2.39**	**$2.52**	**$9.88**	**$2.67**	**$2.77**	**$2.88**	**$2.93**	**$11.26**	**$13.50**	**$14.90**	**$16.91**	**$18.54**
Weighted average shares outstanding																	
Basic	7,580	7,639	7,675	7,688	7,709	7,712	7,675	7,675	7,688	7,709	7,712	7,675	7,675	7,675	7,675	7,675	7,675
Diluted	7,689	7,712	7,794	7,776	7,773	7,780	7,794	7,794	7,776	7,773	7,780	7,794	7,794	7,794	7,794	7,794	7,794
Growth Rates & Margins																	
Revenue growth y/y %	71.5%	13.1%	26.1%	41.1%	37.2%	6.5%	7.9%	20.8%	8.3%	7.8%	7.7%	7.8%	7.9%	7.7%	8.5%	8.3%	8.0%
Gross Margin %	25.5%	28.1%	29.1%	28.5%	28.8%	27.7%	28.3%	28.3%	28.7%	29.0%	29.3%	29.4%	29.1%	30.2%	30.3%	30.4%	30.5%
SG&A as % of revenue	12.9%	12.7%	12.3%	12.6%	12.4%	12.3%	12.7%	12.5%	12.6%	12.6%	12.5%	12.4%	12.5%	12.0%	12.0%	11.5%	11.5%
Other OPEX as % of revenue	-3.1%	0.9%	0.7%	0.2%	0.4%	0.2%											
Operating Margin %	15.7%	14.4%	16.0%	15.6%	16.1%	15.1%	15.6%	15.6%	16.1%	16.5%	16.8%	17.0%	16.6%	18.2%	18.3%	18.9%	19.0%
Tax Rate %	20.7%	16.7%	19.2%	15.3%	20.6%	22.2%	21.0%	19.8%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Net Margin %	11.8%	11.2%	11.7%	11.6%	11.4%	10.6%	11.1%	11.2%	11.4%	11.7%	12.0%	12.2%	11.8%	13.3%	13.5%	14.3%	14.7%
Dil. EPS growth y/y %	161.7%	6.9%	29.9%	34.8%	26.3%	0.0%	5.1%	15.0%	6.3%	10.9%	21.4%	18.3%	14.1%	20.9%	10.3%	15.1%	10.7%
Adj. Dil. EPS growth y/y %			37.6%	48.4%	34.3%	-4.4%	2.6%	16.5%	8.2%	10.9%	20.8%	16.3%	14.0%	19.9%	10.4%	13.4%	9.7%
Dil. share count change %	0.7%	0.3%	1.1%	0.5%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

UFP TECHNOLOGIES®

Source: Team Estimates

Appendix – Model: Cash Flow Statement

Kenan-Flagler Business School
ALPHA CHALLENGE
The University of North Carolina

UFP Technologies, Inc. (UFPT)																	
Period End Date	*12/31/22*	*12/31/23*	*12/31/24*	*3/31/25*	*6/30/25*	*9/30/25*	*12/31/25*	*12/31/25*	*3/31/26*	*6/30/26*	*9/30/26*	*12/31/26*	*12/31/26*	*12/31/27*	*12/31/28*	*12/31/29*	*12/31/30*
Fiscal Period	**FY22**	**FY23**	**FY24**	**1Q25**	**2Q25**	**3Q25**	**4Q25E**	**FY25E**	**1Q26E**	**2Q26E**	**3Q26E**	**4Q26E**	**FY26E**	**FY27E**	**FY28E**	**FY29E**	**FY30E**
Cash Flow Statement																	
CFO																	
Net income	41,789	44,924	58,981	17,184	17,180	16,383	17,210	67,957	18,268	19,047	19,924	20,358	77,596	93,967	103,652	119,265	132,028
Depreciation and amortization	11,886	11,407	14,715	4,634	4,719	4,874	4,900	19,127	5,000	5,000	5,000	5,000	20,000	22,500	25,000	25,000	25,000
Depreciation	-	-	-				2,450	2,450	2,500	2,500	2,500	2,500	10,000	11,250	12,500	12,500	12,500
Amortization of intangible assets	-	-	-				2,450	2,450	2,500	2,500	2,500	2,500	10,000	11,250	12,500	12,500	12,500
Loss on / gain sales of property, plant and e	(6,149)	145	106	-	(11)	22		11					-				
Gain on sale of Molded Fiber business	(15,651)	-	-					-					-				
Share-based compensation	3,208	4,641	6,842	2,212	2,285	1,959	2,176	8,632	2,408	2,444	2,164	2,345	9,361	9,916	10,762	11,660	12,590
CFO before W/C	**40,210**	**65,460**	**82,928**	**25,695**	**24,642**	**25,162**	**24,286**	**99,785**	**25,675**	**26,491**	**27,088**	**27,703**	**106,957**	**126,383**	**139,414**	**155,924**	**169,618**
Receivables, net	(16,864)	(9,124)	1,217	(8,904)	10,168	1,861	(2,689)	436	(4,878)	(351)	(987)	(601)	(6,817)	(6,229)	(8,304)	(9,434)	(9,470)
Inventories	(19,605)	(16,565)	(4,686)	(2,204)	6,151	642	(1,081)	3,508	(4,329)	40	(645)	(458)	(5,392)	(4,975)	(7,880)	(8,865)	(8,948)
Prepaid expenses and other current assets	(692)	(21)	(545)	(790)	455	(1,794)	(111)	(2,240)	(173)	(164)	(167)	(169)	(673)	(713)	(845)	(898)	(931)
Refundable income taxes payable	953	(2,982)	(3,404)	1,801	1,353	(7)		3,147					-				
Other assets	(3,545)	1,557	629	(2,334)	(1,324)	(2,284)	-	(5,942)	-	-	-	-	-	-	-	-	-
Accounts payable	9,131	1,553	(1,142)	5,284	(7,613)	6,546	(2,788)	1,429	1,323	(12)	197	140	1,647	1,520	2,408	2,709	2,734
Accrued expenses	11,454	1,048	(1,863)	(1,922)	(4,151)	4,186	187	(1,700)	618	587	595	603	2,403	2,546	3,019	3,206	3,323
Deferred revenue				124	(199)	(433)	651	143	111	106	107	109	433	458	544	577	598
Other liabilities	(3,298)	408	(6,541)	(2,940)	(4,151)	2,046	-	(5,045)	-	-	-	-	-	-	-	-	-
Net CFO	**17,744**	**41,334**	**66,593**	**13,810**	**25,331**	**35,925**	**18,455**	**93,521**	**18,347**	**26,696**	**26,188**	**27,326**	**98,558**	**118,991**	**128,355**	**143,220**	**156,925**
CFI																	
Additions to property, plant and equipment	(13,780)	(10,490)	(9,656)	(2,817)	(2,857)	(3,378)	(3,000)	(12,052)	(3,000)	(3,000)	(3,000)	(3,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
Acquisitions, net of cash acquired	(20,653)	-	(197,477)		(2,833)	(11,894)		(14,727)					-				
Net CFI	**1,291**	**(10,488)**	**(210,164)**	**(2,817)**	**(5,650)**	**(15,274)**	**(3,000)**	**(26,741)**	**(3,000)**	**(3,000)**	**(3,000)**	**(3,000)**	**(12,000)**	**(12,000)**	**(12,000)**	**(12,000)**	**(12,000)**
CFF																	
Proceeds from advances on revolving line c	44,000	9,000	159,200	9,000	7,500	(16,500)		-					-				
Payments on revolving line of credit	(60,000)	(28,000)	(91,700)	(12,500)	(23,500)	2,120	-	(33,880)	-	-	-	-	-	-	-	(33,620)	-
Proceeds from the issuance of long-term d	-	-	125,000					-					-				
Principal repayments of long-term debt	(4,000)	(4,000)	(35,125)	(3,125)	(3,125)	(3,125)	(3,125)	(12,500)	(3,125)	(3,125)	(3,125)	(3,125)	(12,500)	(12,500)	(12,500)	(71,875)	-
Net CFF	**(25,894)**	**(30,024)**	**152,393**	**(10,698)**	**(19,083)**	**(17,491)**	**(3,125)**	**(50,397)**	**(3,125)**	**(3,125)**	**(3,125)**	**(3,125)**	**(12,500)**	**(12,500)**	**(12,500)**	**(105,495)**	**-**
Effect of foreign currency exchange rates o	193	(10)	(635)	283	266	174		723					-				
Net increase / decrease in cash and cash	**(6,666)**	**812**	**8,187**	**578**	**864**	**3,334**	**12,330**	**17,106**	**12,222**	**20,571**	**20,063**	**21,201**	**74,058**	**94,491**	**103,855**	**25,725**	**144,925**
Cash and cash equivalents BoP	11,117	4,451	5,263	13,450	14,028	14,892	18,226	13,450	30,556	42,778	63,349	83,413	30,556	104,614	199,105	302,960	328,684
Cash and cash equivalents EoP	4,451	5,263	13,450	14,028	14,892	18,226	30,556	30,556	42,778	63,349	83,413	104,614	104,614	199,105	302,960	328,684	473,610

UFP TECHNOLOGIES®

Source: Team Estimates

Appendix – Model: Cash Flow Drivers / FCF

UFP Technologies, Inc. (UFPT)																	
Period End Date	*12/31/22*	*12/31/23*	*12/31/24*	*3/31/25*	*6/30/25*	*9/30/25*	*12/31/25*	*12/31/25*	*3/31/26*	*6/30/26*	*9/30/26*	*12/31/26*	*12/31/26*	*12/31/27*	*12/31/28*	*12/31/29*	*12/31/30*
Fiscal Period	**FY22**	**FY23**	**FY24**	**1Q25**	**2Q25**	**3Q25**	**4Q25E**	**FY25E**	**1Q26E**	**2Q26E**	**3Q26E**	**4Q26E**	**FY26E**	**FY27E**	**FY28E**	**FY29E**	**FY30E**
Cash Flow Drivers																	
D&A, as % of prior period PP&E+Intangible assets				2.2%	2.2%	2.3%	2.2%		2.3%	2.3%	2.3%	2.3%					
Depreciation, as % of prior period PP&E				3.7%	6.6%	3.2%	3.2%		3.2%	3.2%	3.2%	3.1%					
Amortization, as % of prior period Intangible assets				1.4%	1.7%	1.7%	1.7%		1.8%	1.8%	1.8%	1.9%					
Stock-based compensation, as % of sales	0.9%	1.2%	1.4%	1.5%	1.5%	1.3%	1.4%	1.4%	1.5%	1.5%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Capex, as % of sales	3.9%	2.6%	1.9%	1.9%	1.9%	2.2%	1.9%	2.0%	1.9%	1.8%	1.8%	1.8%	1.8%	1.7%	1.6%	1.4%	1.3%
Cash Flow Metrics																	
CFO	17,744	41,334	66,593	13,810	25,331	35,925	18,455	93,521	18,347	26,696	26,188	27,326	98,558	118,991	128,355	143,220	156,925
FCF	3,964	30,844	56,937	10,993	22,474	32,547	15,455	81,469	15,347	23,696	23,188	24,326	86,558	106,991	116,355	131,220	144,925
% growth y/y	*-55.5%*	*678.1%*	*84.6%*	*23.2%*	*151.3%*	*84.4%*	*-27.8%*	*43.1%*	*39.6%*	*5.4%*	*-28.8%*	*57.4%*	*6.2%*	*23.6%*	*8.8%*	*12.8%*	*10.4%*
Adj. FCF (acquisitions)	19,035	30,846	(143,571)	10,993	19,676	20,651	15,455	66,775	15,347	23,696	23,188	24,326	86,558	106,991	116,355	131,220	144,925
FCF Conversion (of NI.)	*9.5%*	*68.7%*	*96.5%*	*64.0%*	*130.8%*	*198.7%*	*89.8%*	*119.9%*	*84.0%*	*124.4%*	*116.4%*	*119.5%*	*111.5%*	*113.9%*	*112.3%*	*110.0%*	*109.8%*
FCF Margin	*1.1%*	*7.7%*	*11.3%*	*7.4%*	*14.9%*	*21.1%*	*9.9%*	*13.4%*	*9.6%*	*14.5%*	*13.9%*	*14.5%*	*13.2%*	*15.1%*	*15.1%*	*15.8%*	*16.1%*

Source: Team Estimates

Appendix – Model: Cash Flow Drivers / FCF

UFP Technologies, Inc. (UFPT)																	
Period End Date	*12/31/22*	*12/31/23*	*12/31/24*	*3/31/25*	*6/30/25*	*9/30/25*	*12/31/25*	*12/31/25*	*3/31/26*	*6/30/26*	*9/30/26*	*12/31/26*	*12/31/26*	*12/31/27*	*12/31/28*	*12/31/29*	*12/31/30*
Fiscal Period	**FY22**	**FY23**	**FY24**	**1Q25**	**2Q25**	**3Q25**	**4Q25E**	**FY25E**	**1Q26E**	**2Q26E**	**3Q26E**	**4Q26E**	**FY26E**	**FY27E**	**FY28E**	**FY29E**	**FY30E**
Cash Flow Drivers																	
D&A, as % of prior period PP&E+Intangible assets				2.2%	2.2%	2.3%	2.2%		2.3%	2.3%	2.3%	2.3%					
Depreciation, as % of prior period PP&E				3.7%	6.6%	3.2%	3.2%		3.2%	3.2%	3.2%	3.1%					
Amortization, as % of prior period Intangible assets				1.4%	1.7%	1.7%	1.7%		1.8%	1.8%	1.8%	1.9%					
Stock-based compensation, as % of sales	0.9%	1.2%	1.4%	1.5%	1.5%	1.3%	1.4%	1.4%	1.5%	1.5%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Capex, as % of sales	3.9%	2.6%	1.9%	1.9%	1.9%	2.2%	1.9%	2.0%	1.9%	1.8%	1.8%	1.8%	1.8%	1.7%	1.6%	1.4%	1.3%
Cash Flow Metrics																	
CFO	17,744	41,334	66,593	13,810	25,331	35,925	18,455	93,521	18,347	26,696	26,188	27,326	98,558	118,991	128,355	143,220	156,925
FCF	3,964	30,844	56,937	10,993	22,474	32,547	15,455	81,469	15,347	23,696	23,188	24,326	86,558	106,991	116,355	131,220	144,925
% growth y/y	*-55.5%*	*678.1%*	*84.6%*	*23.2%*	*151.3%*	*84.4%*	*-27.8%*	*43.1%*	*39.6%*	*5.4%*	*-28.8%*	*57.4%*	*6.2%*	*23.6%*	*8.8%*	*12.8%*	*10.4%*
Adj. FCF (acquisitions)	19,035	30,846	(143,571)	10,993	19,676	20,651	15,455	66,775	15,347	23,696	23,188	24,326	86,558	106,991	116,355	131,220	144,925
FCF Conversion (of NI.)	*9.5%*	*68.7%*	*96.5%*	*64.0%*	*130.8%*	*198.7%*	*89.8%*	*119.9%*	*84.0%*	*124.4%*	*116.4%*	*119.5%*	*111.5%*	*113.9%*	*112.3%*	*110.0%*	*109.8%*
FCF Margin	*1.1%*	*7.7%*	*11.3%*	*7.4%*	*14.9%*	*21.1%*	*9.9%*	*13.4%*	*9.6%*	*14.5%*	*13.9%*	*14.5%*	*13.2%*	*15.1%*	*15.1%*	*15.8%*	*16.1%*

Source: Team Estimates

Appendix – Model: Balance Sheet

Kenan-Flagler Business School
ALPHA CHALLENGE
The University of North Carolina

UFP Technologies, Inc. (UFPT)																	
Period End Date	12/31/22	12/31/23	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25	12/31/25	3/31/26	6/30/26	9/30/26	12/31/26	12/31/26	12/31/27	12/31/28	12/31/29	12/31/30
Fiscal Period	**FY22**	**FY23**	**FY24**	**1Q25**	**2Q25**	**3Q25**	**4Q25E**	**FY25E**	**1Q26E**	**2Q26E**	**3Q26E**	**4Q26E**	**FY26E**	**FY27E**	**FY28E**	**FY29E**	**FY30E**
Assets																	
Current assets:																	
Cash and cash equivalents	4,451	5,263	13,450	14,028	14,892	18,226	30,556	30,556	42,778	63,349	83,413	104,614	104,614	199,105	302,960	328,684	473,610
Receivables, less allowance for doubtful ac	55,117	64,449	84,677	93,779	84,931	85,176	87,865	87,865	92,744	93,094	94,081	94,683	94,683	100,911	109,215	118,650	128,119
Inventories	53,536	70,191	87,536	89,839	85,200	86,149	87,230	87,230	91,559	91,519	92,164	92,621	92,621	97,597	105,477	114,342	123,290
Other current assets	3,242	4,730	9,282	8,240	6,367	8,420	8,531	8,531	8,704	8,868	9,035	9,204	9,204	9,916	10,762	11,660	12,590
Total current assets	**116,346**	**144,633**	**194,945**	**205,886**	**191,390**	**197,971**	**214,182**	**214,182**	**235,785**	**256,831**	**278,692**	**301,122**	**301,122**	**407,529**	**528,414**	**573,335**	**737,609**
Net property, plant, and equipment	58,072	62,137	70,564	71,506	73,917	77,540	78,090	78,090	78,590	79,090	79,590	80,090	80,090	80,840	80,340	79,840	79,340
Goodwill	113,028	113,263	189,657	190,558	192,968	197,302	197,302	197,302	197,302	197,302	197,302	197,302	197,302	197,302	197,302	197,302	197,302
Intangible assets, net	68,361	64,116	144,252	142,668	141,974	143,261	140,811	140,811	138,311	135,811	133,311	130,811	130,811	119,561	107,061	94,561	82,061
Total other assets	22,385	19,987	29,577	32,024	34,410	36,747	36,747	36,747	36,747	36,747	36,747	36,747	36,747	36,747	36,747	36,747	36,747
Total assets	**378,192**	**404,136**	**628,995**	**642,642**	**634,659**	**652,821**	**667,132**	**667,132**	**686,735**	**705,781**	**725,642**	**746,072**	**746,072**	**841,979**	**949,864**	**981,785**	**1,133,059**
Liabilities and stockholders' equity																	
Current liabilities:																	
Accounts payable	19,961	22,286	24,269	29,702	22,666	29,442	26,654	26,654	27,976	27,964	28,161	28,301	28,301	29,821	32,229	34,938	37,672
Accrued expenses	23,122	22,085	30,410	28,563	24,583	30,280	30,467	30,467	31,085	31,672	32,267	32,870	32,870	35,416	38,435	41,641	44,965
Deferred revenue	4,679	6,616	4,667	4,794	4,609	4,833	5,484	5,484	5,595	5,701	5,808	5,917	5,917	6,375	6,918	7,495	8,094
Finance lease liabilities	2,517	3,222	4,226	4,125	4,715	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952
Income taxes payable	1,682	-	223	190	122	219	219	219	219	219	219	219	219	219	219	219	219
Current installments of long-term debt	4,000	4,000	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	-	-
Total current liabilities	**55,961**	**58,209**	**76,295**	**79,874**	**69,195**	**82,226**	**80,275**	**80,275**	**82,328**	**83,008**	**83,907**	**84,759**	**84,759**	**89,283**	**95,254**	**89,246**	**95,902**
Long-term debt, excluding current installme	51,000	28,000	176,875	170,250	151,125	133,620	130,495	130,495	127,370	124,245	121,120	117,995	117,995	105,495	92,995	-	-
Deferred income taxes	448	428	3,296	4,917	5,409	7,567	7,567	7,567	7,567	7,567	7,567	7,567	7,567	7,567	7,567	7,567	7,567
Non-qualified deferred compensation plan	4,167	5,412	6,193	6,441	6,522	6,781	6,781	6,781	6,781	6,781	6,781	6,781	6,781	6,781	6,781	6,781	6,781
Finance lease liabilities	10,851	10,815	12,432	11,668	12,749	14,437	14,437	14,437	14,437	14,437	14,437	14,437	14,437	14,437	14,437	14,437	14,437
Operating lease liabilities, noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	18,220	15,181	11,144	8,818	4,168	4,277	4,277	4,277	4,277	4,277	4,277	4,277	4,277	4,277	4,277	4,277	4,277
Total liabilities	**140,647**	**118,045**	**286,235**	**281,968**	**249,168**	**248,908**	**243,832**	**243,832**	**242,760**	**240,315**	**238,089**	**235,816**	**235,816**	**227,840**	**221,311**	**122,308**	**128,964**
Stockholders' equity:																	
Common stock	76	76	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
Additional paid-in capital	36,070	38,814	40,934	39,339	41,682	43,670	45,846	45,846	48,254	50,698	52,862	55,207	55,207	65,123	75,885	87,545	100,135
Retained earnings	202,596	247,520	306,501	323,685	340,865	357,248	374,458	374,458	392,726	411,773	431,696	452,054	452,054	546,021	649,673	768,938	900,966
Accumulated other comprehensive income	(610)	268	(4,165)	(1,840)	3,454	3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505	3,505
Treasury stock at cost	(587)	(587)	(587)	(587)	(587)	(587)	(587)	(587)	(587)	(587)	(587)	(587)	(587)	(587)	(587)	(587)	(587)
Total stockholders' equity	**237,545**	**286,091**	**342,760**	**360,674**	**385,491**	**403,913**	**423,299**	**423,299**	**443,975**	**465,465**	**487,553**	**510,256**	**510,256**	**614,139**	**728,553**	**859,477**	**1,004,096**
Total liabilities and stockholders' equity	**378,192**	**404,136**	**628,995**	**642,642**	**634,659**	**652,821**	**667,132**	**667,132**	**686,735**	**705,781**	**725,642**	**746,072**	**746,072**	**841,979**	**949,864**	**981,785**	**1,133,059**
W/C Drivers																	
DSO	57	57	54	50	53	52	52	53	52	52	52	52	52	52	52	52	52
DIO	70	82	84	73	74	72	72	73	72	72	72	72	72	72	72	72	72
Other current assets, % of LTM sales	0.9%	1.2%	1.8%	1.5%	1.1%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
DPO	28	30	25	22	22	22	22	23	22	22	22	22	22	22	22	22	22
Accrued expenses, % of LTM sales	6.5%	5.5%	6.0%	5.2%	4.2%	5.1%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Deferred revenue, % of LTM sales	1.3%	1.7%	0.9%	0.9%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%

UFP TECHNOLOGIES®

Source: Team Estimates

Appendix – Model: ROIC

UFP Technologies, Inc. (UFPT)																	
Period End Date	*12/31/22*	*12/31/23*	*12/31/24*	*3/31/25*	*6/30/25*	*9/30/25*	*12/31/25*	*12/31/25*	*3/31/26*	*6/30/26*	*9/30/26*	*12/31/26*	*12/31/26*	*12/31/27*	*12/31/28*	*12/31/29*	*12/31/30*
Fiscal Period	**FY22**	**FY23**	**FY24**	**1Q25**	**2Q25**	**3Q25**	**4Q25E**	**FY25E**	**1Q26E**	**2Q26E**	**3Q26E**	**4Q26E**	**FY26E**	**FY27E**	**FY28E**	**FY29E**	**FY30E**
ROIC																	
NOPAT	43,915	48,059	65,338	19,595	19,327	18,184	19,158	76,239	20,158	20,904	21,747	22,147	84,956	100,277	109,426	122,776	133,276
Annualized			65,338	71,775	77,099	76,188	76,239	76,239	76,827	78,403	81,966	84,956	84,956	100,277	109,426	122,776	133,276
Invested Capital	307,110	332,447	553,545	561,644	563,713	566,504	582,765	582,765	600,316	618,681	637,644	657,222	657,222	748,605	850,519	875,948	1,020,567
ROIC	14.3%	14.5%	11.8%	12.8%	13.7%	13.4%	13.1%	13.1%	12.8%	12.7%	12.9%	12.9%	12.9%	13.4%	12.9%	14.0%	13.1%
Ending Share Price	$117.89	$172.04	$244.51	$201.71	$244.16	$199.60											
Market Cap	$906.5M	$1326.8M	$1905.7M	$1568.5M	$1897.9M	$1552.9M											
Enterprise Value	$970.4M	$1367.5M	$2098.3M	$1753.0M	$2064.1M	$1700.2M											
% debt	*7.01%*	*3.35%*	*9.76%*	*11.24%*	*8.71%*	*9.63%*											
% equity	*92.99%*	*96.65%*	*90.24%*	*88.76%*	*91.29%*	*90.37%*											

Source: Team Estimates

Appendix – Model: Capital Structure

UFP Technologies, Inc. (UFPT)																	
Period End Date	*12/31/22*	*12/31/23*	*12/31/24*	*3/31/25*	*6/30/25*	*9/30/25*	*12/31/25*	*12/31/25*	*3/31/26*	*6/30/26*	*9/30/26*	*12/31/26*	*12/31/26*	*12/31/27*	*12/31/28*	*12/31/29*	*12/31/30*
Fiscal Period	**FY22**	**FY23**	**FY24**	**1Q25**	**2Q25**	**3Q25**	**4Q25E**	**FY25E**	**1Q26E**	**2Q26E**	**3Q26E**	**4Q26E**	**FY26E**	**FY27E**	**FY28E**	**FY29E**	**FY30E**
Capital Structure																	
$150M RCF exp. 6/27/29; SOFR+150		**-**	**67,500**	**64,000**	**48,000**	**33,620**	**33,620**	**33,620**	**33,620**	**33,620**	**33,620**	**33,620**	**33,620**	**33,620**	**33,620**		
Coupon Rate				*6.0%*	*6.0%*	*5.5%*	*5.5%*		*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*
Interest Expense				960	720	462	462	2,605	462	462	462	462	1,849	1,849	1,849	925	
$125M Term Loan B exp. 6/27/29; SOFR+150			**121,875**	**118,750**	**115,625**	**112,500**	**109,375**	**109,375**	**106,250**	**103,125**	**100,000**	**96,875**	**96,875**	**84,375**	**71,875**	**-**	
Coupon Rate				*6.0%*	*6.0%*	*5.5%*	*5.5%*		*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	
Interest Expense				1,781	1,734	1,547	1,504	6,566	1,461	1,418	1,375	1,332	5,586	4,641	3,953	1,977	
Repayments																	
RCF				3,500	16,000	14,380	-		-	-	-	-		-	-	33,620	
LTD							3,125		3,125	3,125	3,125	3,125		12,500	12,500	71,875	
New Issuances/Draws																	
RCF																	
LTD																	
Finance Lease Payment adj.							500	500	500	500	500	500		1,600	1,600	1,600	1,600
Total Interest Expense (Calculated)				2,741	2,454	2,009	2,466	9,671	2,423	2,380	2,337	2,294	7,435	8,090	7,402	4,501	1,600
Total Interest Expense (I/S Historical)			8,060	2,809	2,671	2,393											
Deviation				*-2.4%*	*-8.1%*	*-16.0%*											
Total Debt (Calculated)			189,375	182,750	163,625	146,120	142,995	142,995	139,870	136,745	133,620	130,495	130,495	117,995	105,495	-	-
Total Debt (B/S Historical)		32,000	189,375	182,750	163,625	146,120											
Credit Statistics																	
Debt / EBITDA				1.77x	1.50x	1.37x	1.32x	1.32x	1.26x	1.21x	1.14x	1.08x	1.08x	0.85x	0.71x	0.10x	0.09x
Net Debt / EBITDA				1.65x	1.38x	1.22x	1.07x	1.07x	0.92x	0.72x	0.52x	0.33x	0.33x	-0.38x	-1.01x	-1.59x	-2.18x
EBITDA / Interest Expense				10.94x	9.78x	10.71x	11.88x	11.88x	12.67x	13.35x	13.93x	14.66x	14.66x	19.90x	23.78x	43.11x	130.29x
LTM EBITDA	70,494	73,712	102,453	111,989	120,603	120,486	122,844	122,844	126,123	129,033	133,866	138,278	138,278	160,976	176,051	194,064	208,457

Source: Team Estimates