

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 OR 15(d) Of The Securities Exchange Act Of 1934

Date of report (Date of earliest event reported)

July 30, 2018

PATRICK INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Indiana

(State or other jurisdiction
of incorporation)

000-03922

(Commission
File Number)

35-1057796

(IRS Employer
Identification Number)

107 W. Franklin Street, P.O. Box 638, Elkhart, Indiana

(Address of Principal Executive Offices)

46515

(Zip Code)

Registrant's Telephone Number, including area code

(574) 294-7511

(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

The information referenced in this Form 8-K is furnished pursuant to Item 7.01, "Regulation FD Disclosure." Such information, including the Exhibit attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

(a) Slides for Investor Presentation as contained in Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibit

[Exhibit 99.1](#) - Slides for Investor Presentation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PATRICK INDUSTRIES, INC.

(Registrant)

Date: July 30, 2018

By: /s/ Joshua A. Boone

Joshua A. Boone

Vice President - Finance and Chief Financial Officer

Investor Presentation

Second Quarter 2018



Forward-Looking Statements

This presentation contains certain statements related to future results or states our intentions, beliefs and expectations or predictions for the future which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from either historical or anticipated results depending on a variety of factors. Further information concerning the Company and its business, including factors that potentially could materially affect the Company's financial results, is contained in the Company's filings with the Securities and Exchange Commission.

This presentation includes market and industry data, forecasts and valuations that have been obtained from independent consultant reports, publicly available information, various industry publications and other published industry sources. Although we believe these sources are reliable, we have not independently verified the information and cannot make any representation as to the accuracy or completeness of such information.

We disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this presentation or to reflect any change in our expectations after the date of this presentation or any change in events, conditions or circumstances on which any statement is based.



Company Overview

Company Snapshot

Founded in **1959**



Key **component manufacturer and supplier** to the RV, Marine, Housing and Industrial Markets

Headquartered in **Elkhart, Indiana**

Operates over **110 facilities** in the U.S., China and The Netherlands



Q2 2018 LTM revenue of **\$2.0B**

Listed on the **NASDAQ** under ticker **PATK**

8,000 team members



Acquired **55** companies in our core markets since 2010

2017 Acquisition Highlights

7 acquisitions
13 companies
\$249MM purchase price
\$309MM annualized revenues

2018 Acquisition Highlights

7 acquisitions
11 companies
\$258MM purchase price
\$322MM annualized revenues

2010 - 2018 Acquisition Highlights

40 acquisitions
55 companies
\$917MM purchase price
\$1,327MM annualized revenues

Market Platform

Lifestyle & Leisure

Travel Trailer, Fifth Wheel, Folding Trailer, Class A, B, C



RV

67%
of Q2 YTD 2018 sales

Pontoon, Fiberglass, Ski & Wake, Aluminum



Marine

10%
of Q2 YTD 2018 sales



MH

11%
of Q2 YTD 2018 sales

Manufactured Housing, Modular Housing, Modular Structure

Industrial

12%
of Q2 YTD 2018 sales



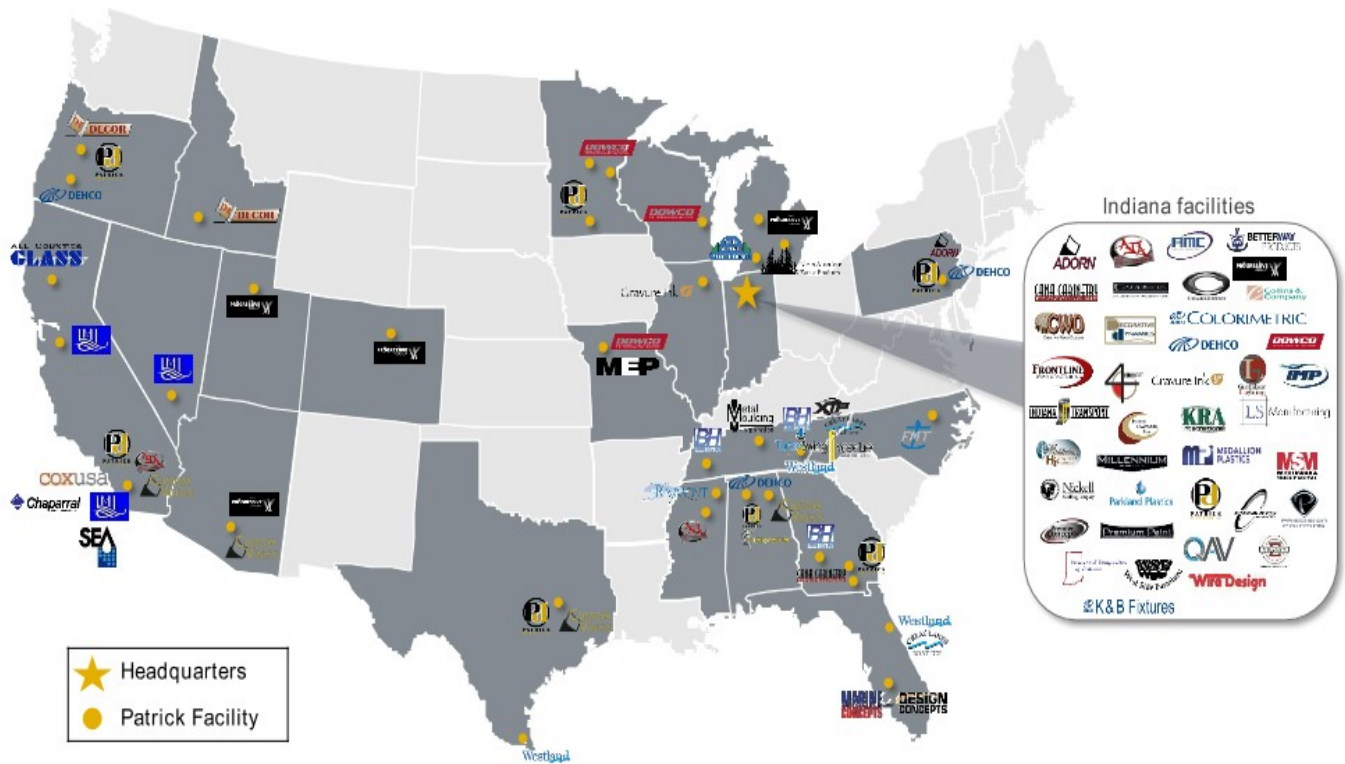
Residential Housing, Commercial Fixtures, Institutional Furniture

Housing & Industrial

Patrick Facility Profile

Nationwide Network

- ✓ Strategically aligned with OEM customers
- ✓ Over 110 manufacturing and distribution facilities



*There is one manufacturing facility located in China that was part of the November 2017 LMI acquisition and one distribution center in The Netherlands that was part of the June 2018 acquisition of Marine Accessories Corporation



Industry Fundamentals

Economic Fundamentals

Solid trends in macro economic fundamentals in 2017 and first half of 2018 signal continued positive outlook in our industries

Favorable Economic Fundamentals

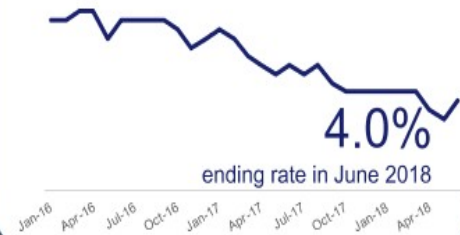
- ✓ Strong consumer confidence
- ✓ Relatively low interest rates
- ✓ Lower, stable fuel prices
- ✓ Credit availability
- ✓ Favorable employment and wage trends
- ✓ Strength in equity and housing markets
- ✓ Increases in consumer spending with recreational goods increasing at a higher rate

Solid Industry Growth

6M 2018 compared to 6M 2017...

- ✓ RV wholesale unit shipments up 6%
- ✓ Marine powerboat retail units up 1%
- ✓ MH wholesale unit shipments up 11%*
- ✓ Housing starts increase of 8%

Unemployment Rate



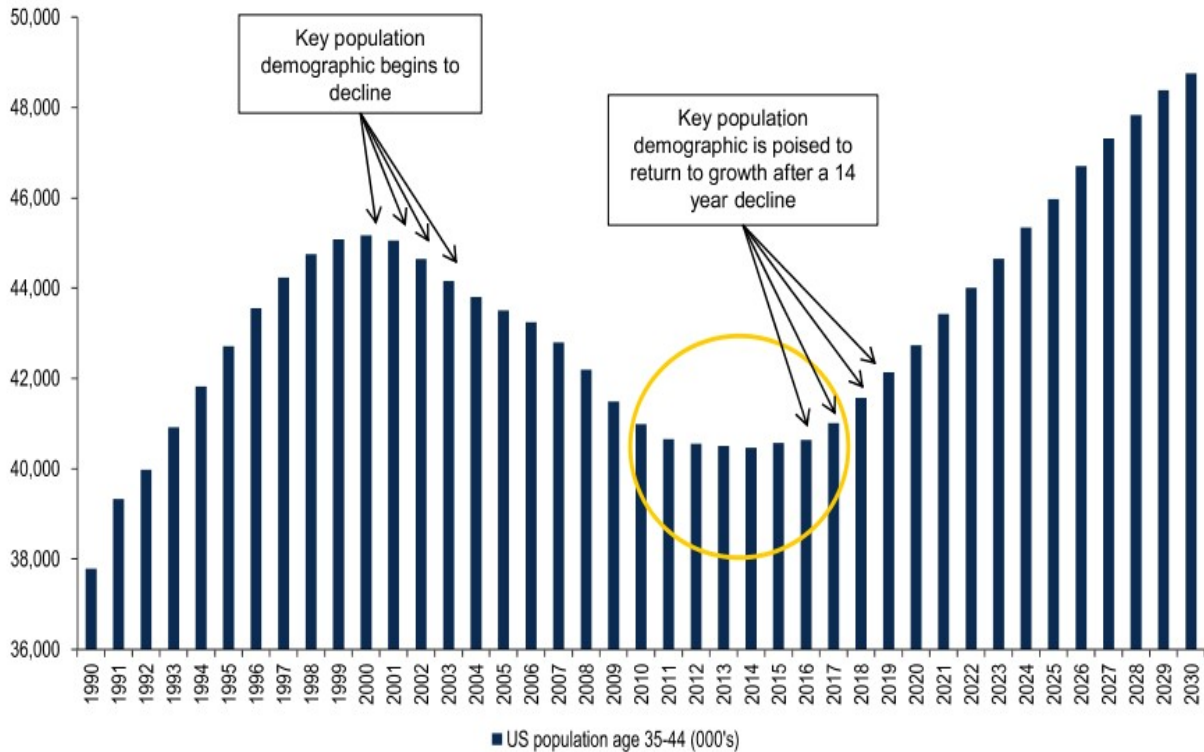
Consumer Confidence



Sources: RVIA, NMMA, MHI, U.S. Census, Conference Board
*MH shipments include Company estimate for June 2018

Population Demographic Trend

A key trending population demographic in the industries we serve began to increase in 2017 indicating future market upside potential in all of our markets



Sources: Euromonitor, BofA Merrill Lynch Global Research



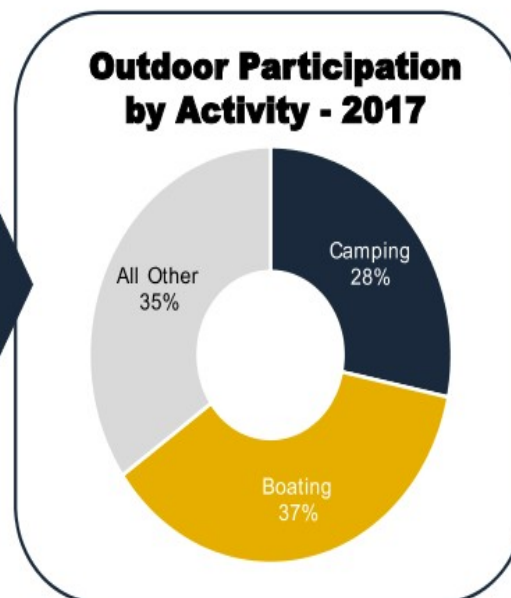
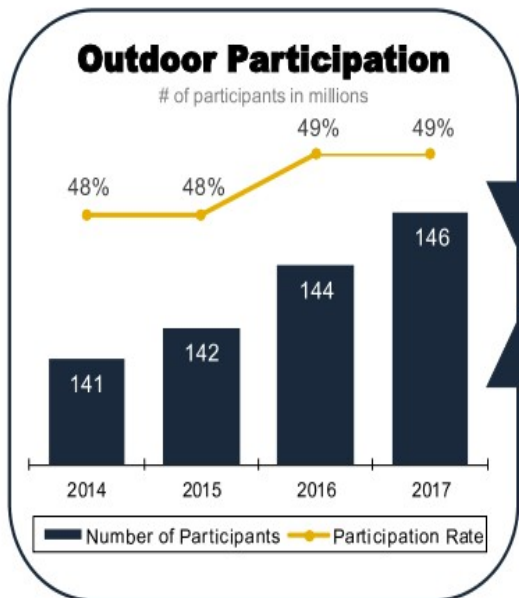
Industry and Market Review: Lifestyle & Leisure

Demographic Trends – Lifestyle & Leisure



49% of the US population participated in an outdoor activity in 2017

65% participated in Camping or Boating activities in 2017



Source: 2018 Outdoor Participation Report published by the Outdoor Foundation

Market Overview

Favorable demographic trends along with growing camping activity indicate future growth in the RV market

Favorable Demographic Trends



- 40% of all campers are millennials (ages 18-35)
- 34% of new RVs sold in 2016 were to first time buyers
 - 8 out of 10 of those new buyers were under age 65
 - Gen X and Millennials helping to drive this growth – making up 76% of new campers in 2017

Growing Camping Activity

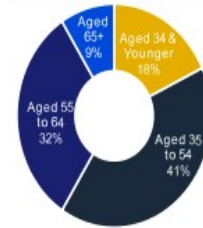


- 38.6 million North American households camp once a year and 25% of them are RV campers
- 6 million new households have started camping since 2014
- The frequency of camping is growing with the number of campers taking 3 or more trips per year increasing 64% since 2014

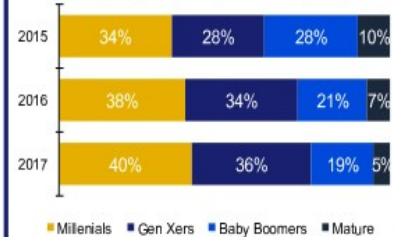
Demand by Age Group



RV Demand by Age Group

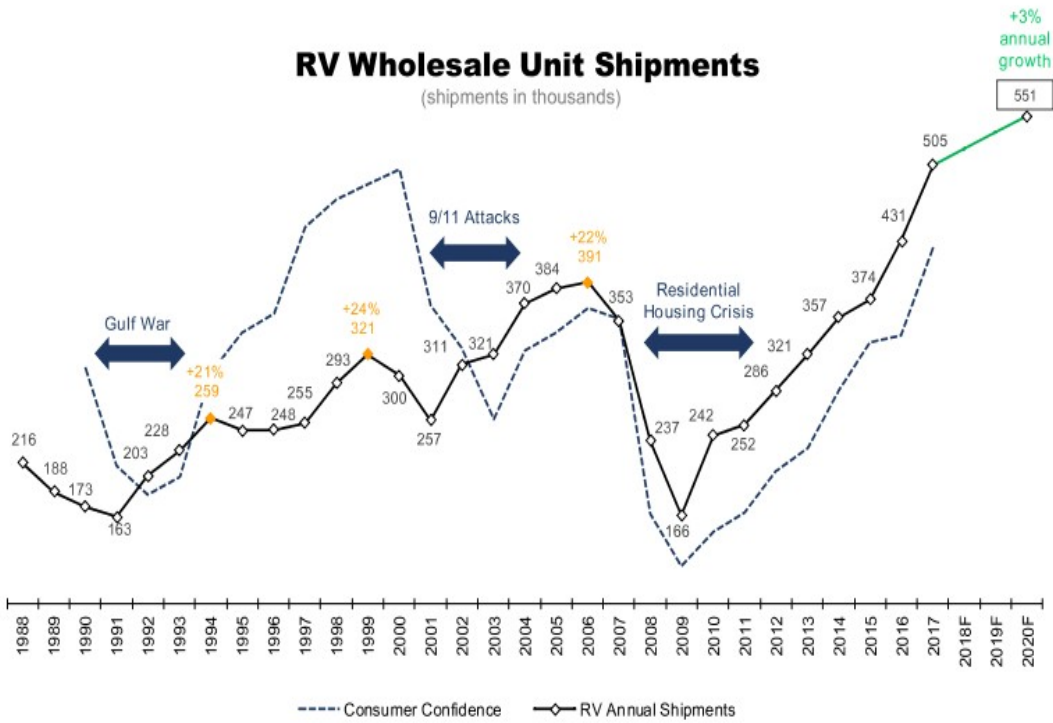


Camping Participation by Age



Source: 2018 KOA North American Camping Report; RVIA

Industry Outlook



It is our belief that trended shipment levels indicate continued potential for future growth trajectory based on current demographic indicators, discipline in the space, overall economic conditions and resilience and strength of the leisure lifestyle.

RV Shipments Source: 1990 – 2017 RVIA; 2018F - 2020F Company Estimates; Consumer Confidence Index: The Conference Board

RV Retail Shipments

RV Retail Growth and Re-Statement



RV retail shipments are typically reported at a lower YoY growth rate initially and then updated as registrations get filed over subsequent periods

*2018 revisions are based on 2017 historical adjustment ranges & 2018 YTD is Company Estimate
Source: Statistical Surveys Inc. (SSI)

Market Overview

Favorable demographic trends along with growing outdoor activity indicate future growth in the marine market

Statistics



- 36% of the US adult population participated in recreational boating in 2016
- Estimated 141.6 million people went boating in 2016
- 11.9 million registered powerboats in the US
- \$36 billion retail expenditure for recreational boating

Outdoor Recreational Lifestyle



- Continued core recreational boater demand
- Three most popular boating activities: fishing, swimming and entertaining
- Active, outdoor lifestyle continuing to grow, allowing more time spent with family
- Younger demographics and families allocating more time to leisure activities

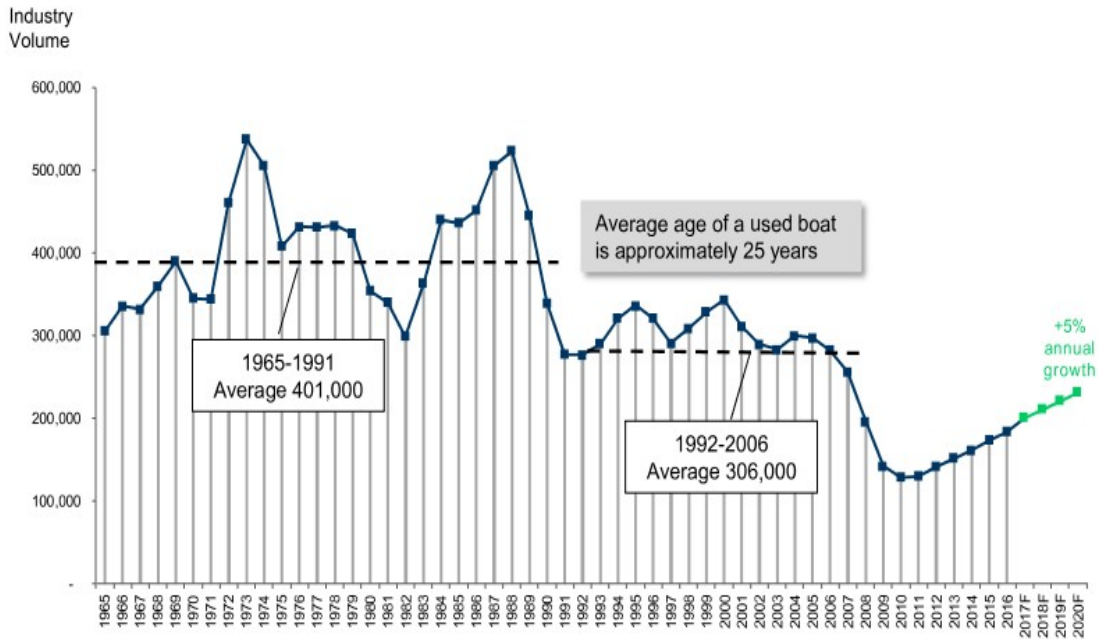
Trends Influencing the Market



- Average age of registered boats continues to increase
- Innovative, versatile boats helping new generations become boaters
- Value gap between new and used boats is improving
- Favorable replacement cycle dynamics with new boats sold increase at a higher rate than pre-owned

Source: National Marine Manufacturers Association (NMMA)

U.S. Marine Outlook



The U.S. marine market continues its recovery with the potential for a long runway of slow and steady growth with leisure lifestyle attractiveness and an aging inventory of used boats

Source: NMMA (traditional powerboat retail excluding jet boats); 2017F – 2020F Company Estimates



Industry and Market Review: Housing & Industrial

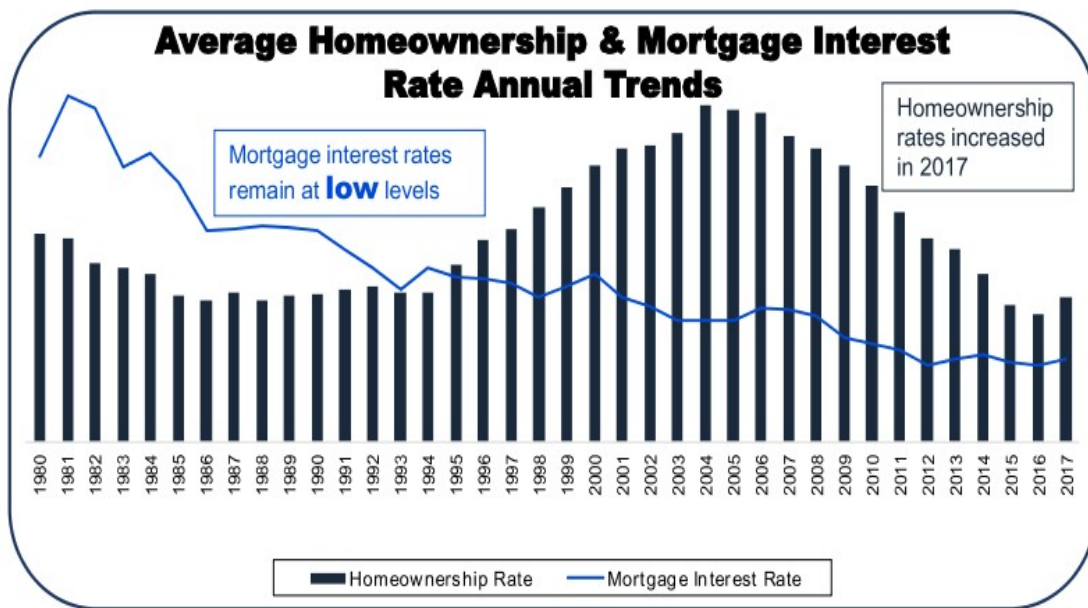
Demographic Trends – Housing & Industrial



Approximately **80%** of non-homeowners desired to own a home in the future in 2017

1.4M new households will form every year through 2025

Inventory of existing homes is **4.3** months, which is near all-time lows

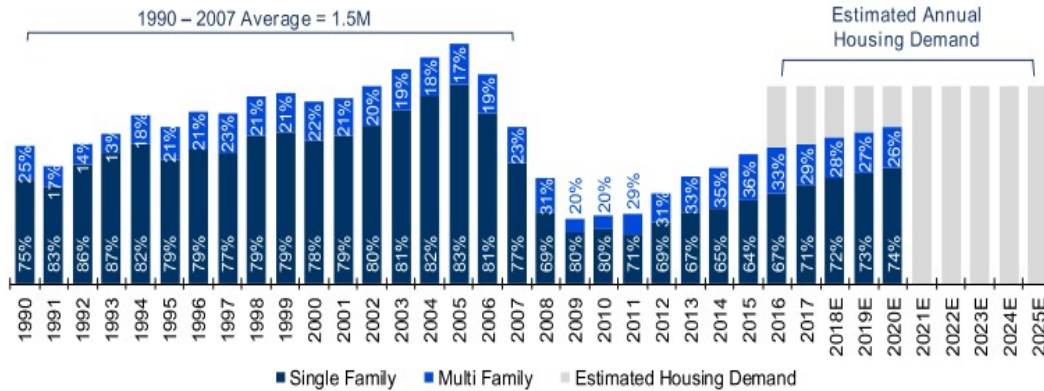


Source: National Association of Realtors (Aspiring Home Buyers Profile & Economic and Housing Outlook) and Harvard Updated Household Projections

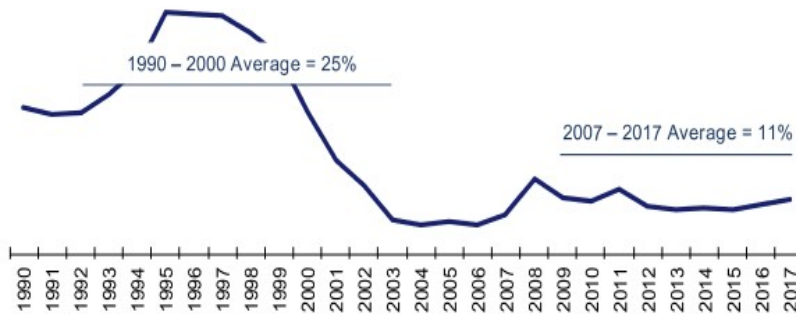
Growing Housing Demand

Total New Housing Starts

(starts in thousands)



MH Shipments as a % of Single Family Housing Starts



If MH shipments continue at approximately 11% of new housing starts, based on estimated housing demand, MH units could exceed 150,000

Source: U.S. Census, NAHB, MHI

Market Overview

The MH market provides innovative, high-quality, affordable homes and is an excellent alternative to the traditional “stick” built home

Statistics



- Approximately 9 million households with 22 million people living in manufactured homes (9% of nation's single family housing stock)
- Approximately 80% of all new homes sold under \$150,000 are MH

Affordable Form of Home Ownership



- Average structure cost per sq. ft. (2016) \$49 (MH) vs. \$107 (single family home)
- Average MH retail price (2016) \$70,600 for 1,446 sq. ft. (home only)

Manufacturing



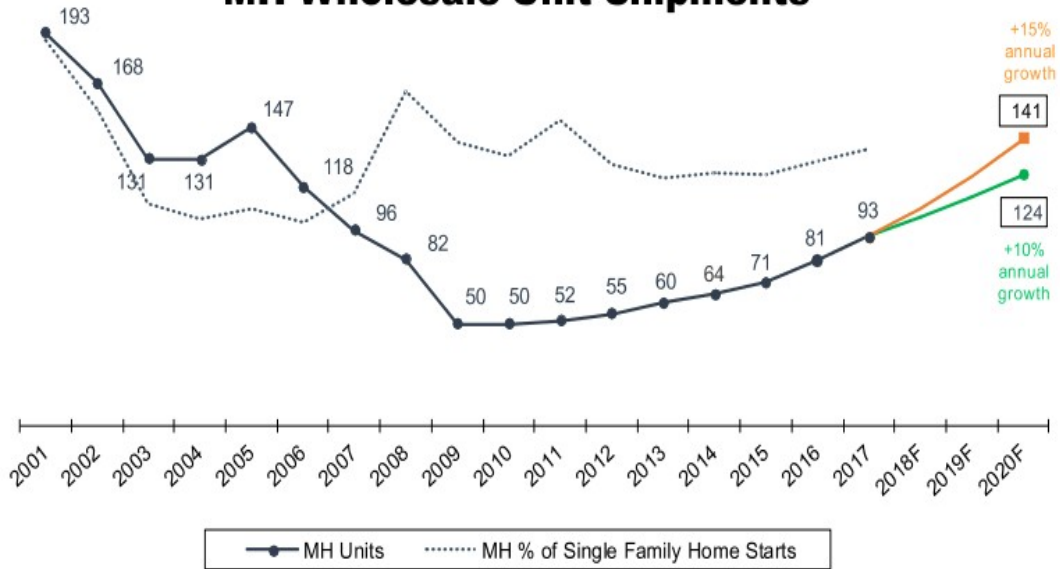
- Flexible production process allows for more custom features at a lower cost
- Engineered for wind safety and energy efficiency based on geographic region

Source: Manufactured Housing Institute (MHI)

Industry Outlook

(shipments in thousands)

MH Wholesale Unit Shipments



The MH industry continues to perform at historical lows reflecting the residual impacts from the residential housing market crisis. We believe, however, that there is pent-up demand and significant upside potential for this market based on current demographic trends, including multi-family housing capacity and improving consumer credit and financing conditions, among other factors.

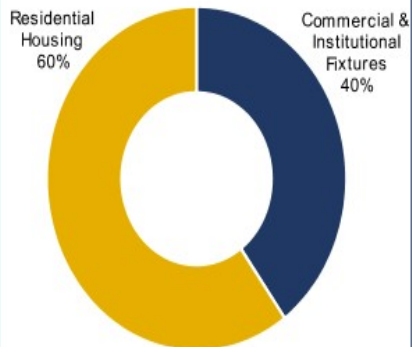
Source: 1990-2017: MHI; 2018F - 2020F Company Estimates, NAHB

Market Overview

Industrial Market

The industrial market provides an excellent growth segment, allowing us to bring our high-quality, innovative product lines to both the residential and non-residential industrial markets

Patrick Sales Composition



Residential Housing



- Housing starts increased 2% compared to 2016
- Single-family housing starts up 9% vs. 2016
- New housing starts are well below the prior peak and there continues to be pent-up demand, providing continued runway in the new housing market

Commercial & Institutional Fixtures



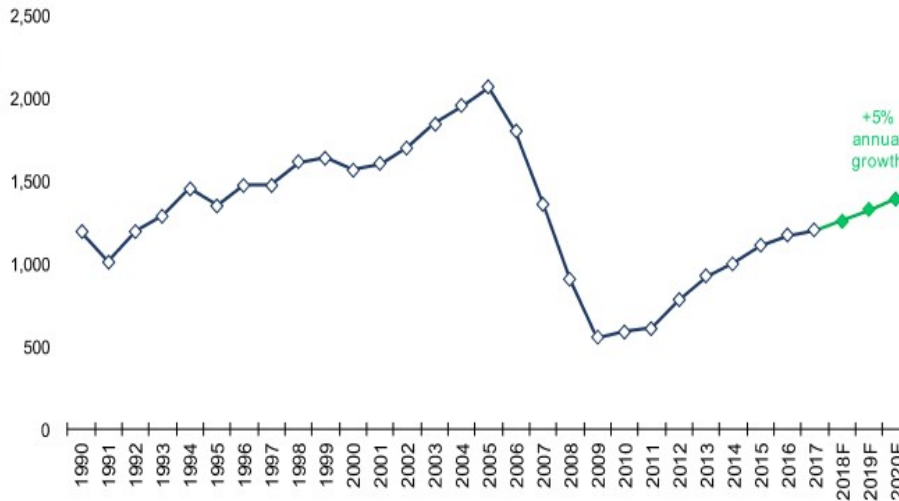
- Includes the 3 following classifications:
 - Big Box Retail
 - Retail & Commercial Fixtures
 - High Rise, Office, Hospitality, Schools & Universities

Sources: U.S. Census, NAHB

Industry Outlook

Annual New Housing Starts

(starts in thousands)



Diversification and Adjacent Markets

Leverage our manufacturing and distribution capabilities, geographic footprint and product expertise to penetrate adjacent markets and identify new sales channels

The housing market continues to grow at a steady pace, providing ample runway for us to capitalize on by leveraging our product expertise and continuing to acquire and bring new products to the industrial markets and geographic regions

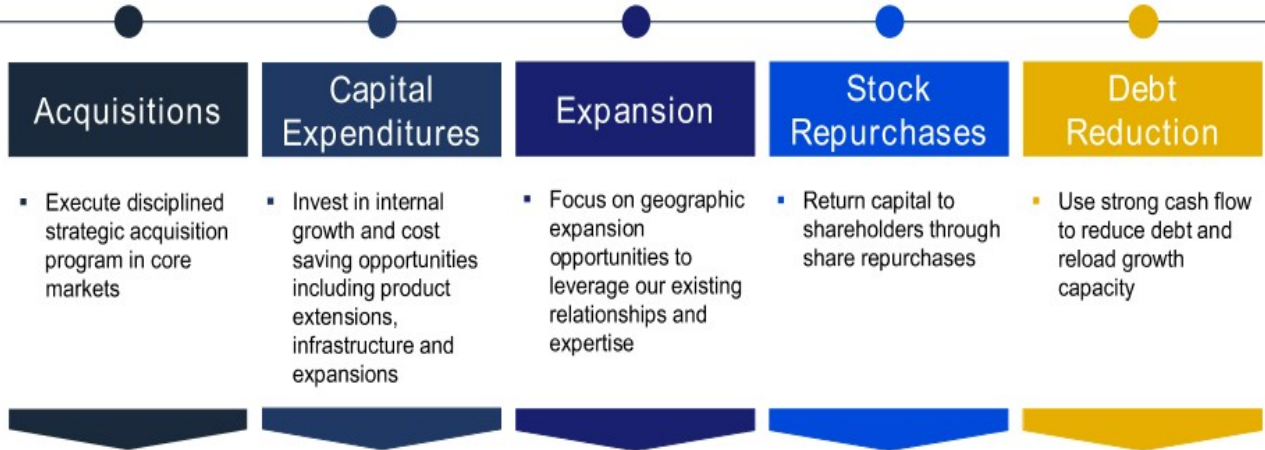
Sources: New Housing Starts - U.S. Census Bureau; Existing Home Sales – National Association of Realtors; NAHB; 2018F – 2020F Company Estimates



Strategy

Capital Allocation Strategy

Our capital allocation strategy is centered around the utilization of a balanced leverage position, strong cash flows and capital resources to grow and reinvest in the business model



\$326 million of capital deployed in first half of 2018 with leverage ratio of 2.2x



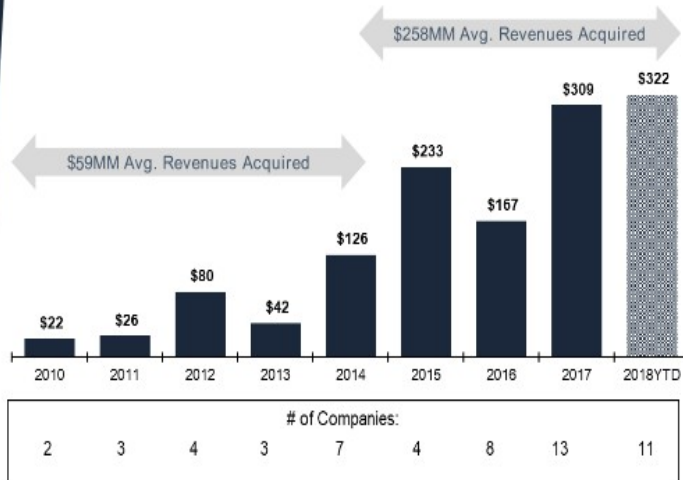
- Acquisitions 79%
- Stock Repurchases 17%
- Capital Expenditures 3%
- Expansion 1%

Acquisition Execution

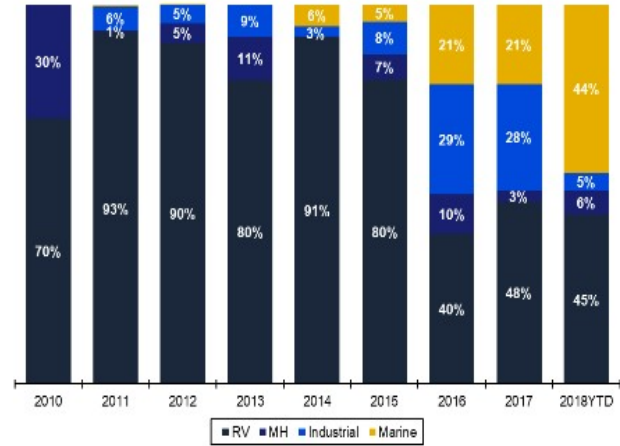
Demonstrated ability to source, acquire and integrate while increasingly executing on opportunities across diverse end-markets

Acquisition Momentum

(\$ in millions)



Acquisition End-Market Mix



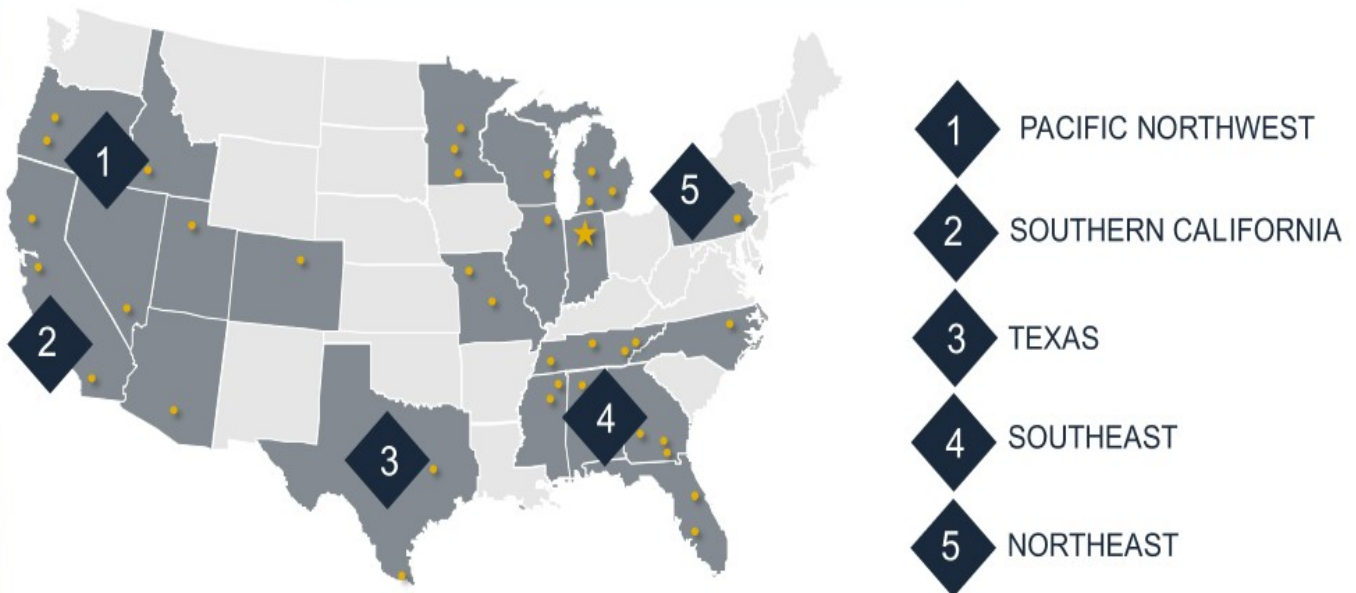
- Commitment to expanding product portfolio within our core markets has resulted in 40 strategic acquisitions of 55 companies from 2010 – 2018
- Averaged ~\$258MM in annualized acquired revenues in last 4 years

Geographic and Product Expansion

Focus on expansion opportunities with \$250MM market potential

Targeted Product Lines:

- Lamination
- Aluminum
- FRP
- Fiberglass
- Paint
- Shower Doors
- Solid Surface
- Hardwood Products
- Pressed Products
- Interior Doors
- Plastics
- Bath & Closet Systems

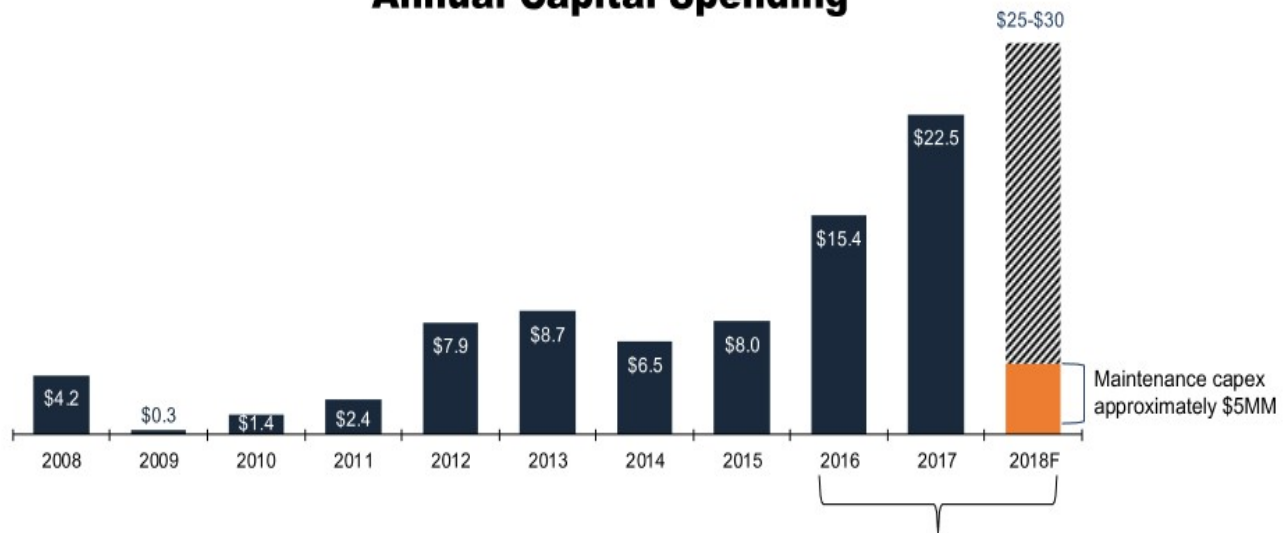


Capital Expenditures

(\$ in millions)

We will continue to invest in our infrastructure to drive efficiency and capacity and flex our capital spend when necessary to align with our demand levels

Annual Capital Spending



Maintenance capex approximately \$5MM

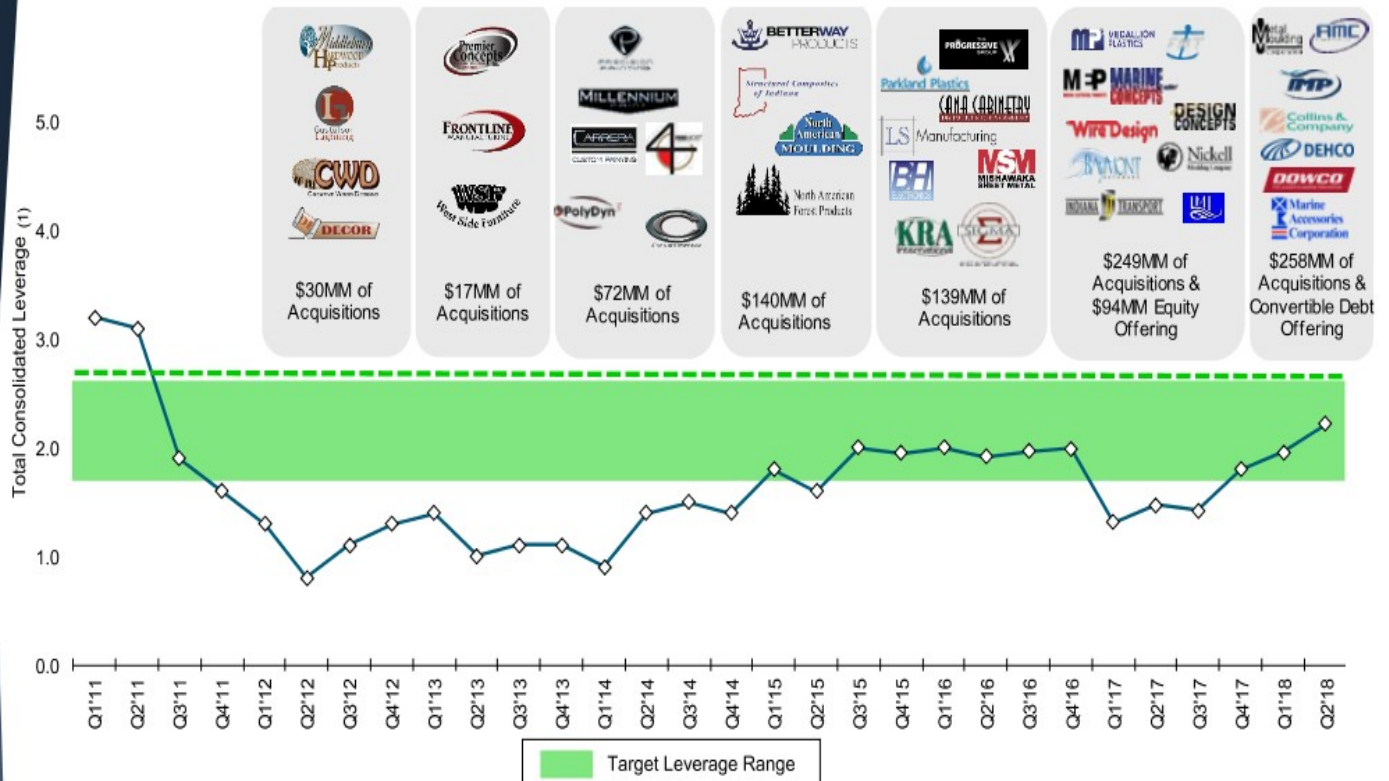
2016 – 2018 Strategic Focus:

- New Process / Automation
- Increased Capacity
- Increased Efficiencies

Leverage Capacity

We expect to continue to utilize and maintain a disciplined leverage position and our cash flows in alignment with our capital allocation strategy and financing covenants

Leverage Ratio



(1) Leverage is the consolidated total indebtedness to consolidated adjusted EBITDA as defined by the 2018 Credit Agreement

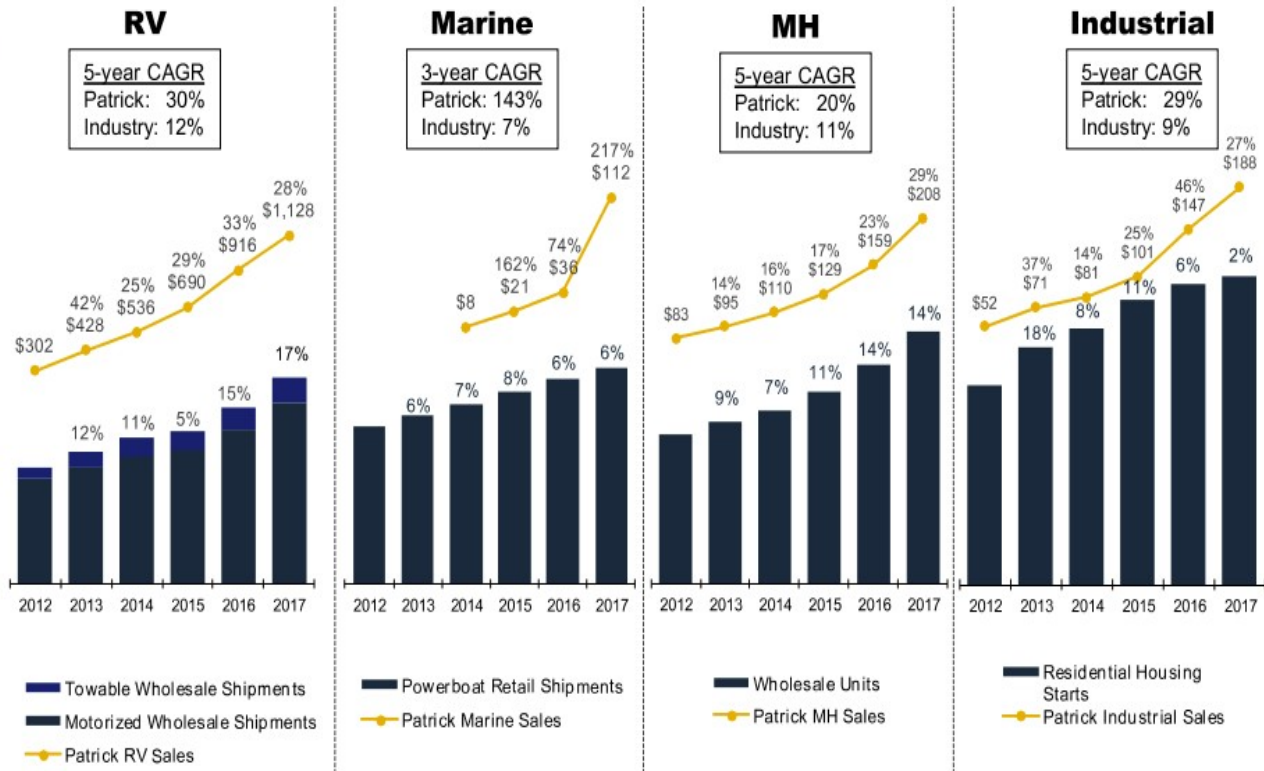


Performance

Outperforming End-Market Growth

(\$ in millions)

In recent years, Patrick's sales growth has outpaced industry growth in all four of our primary markets

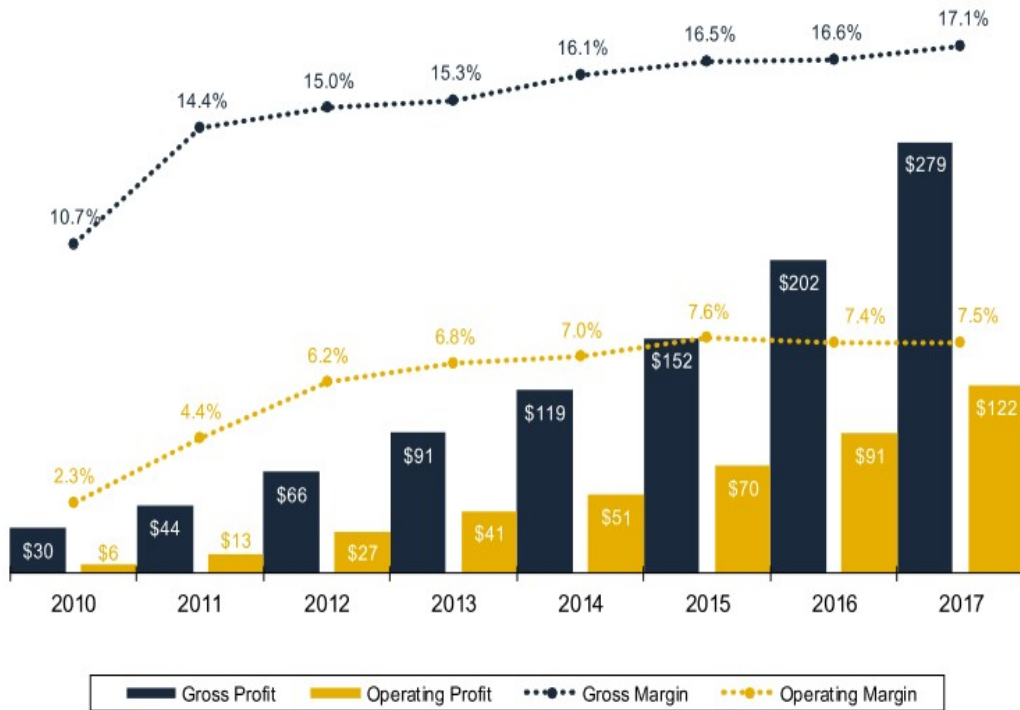


Sources: RVIA, NMMA (2017 Shipments are a Company estimate), MHI, NAHB

Margin Expansion

(\$ in millions)

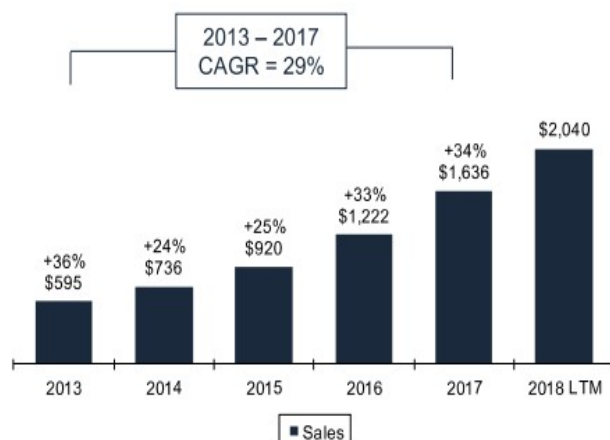
Consistent growth and improvement in gross and operating margins



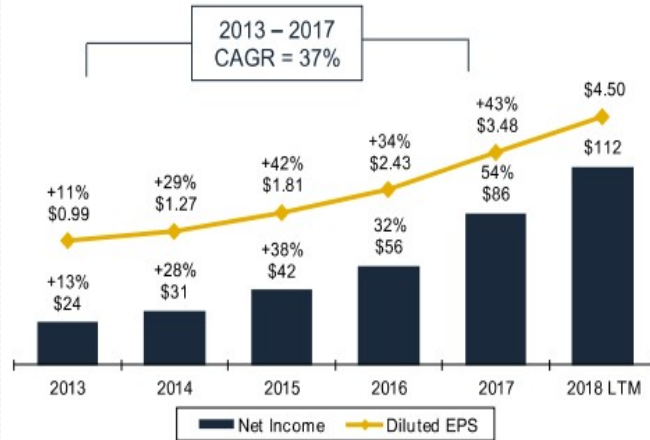
Sales & Earnings Growth

(\$ in millions except per share data)

Sales Growth

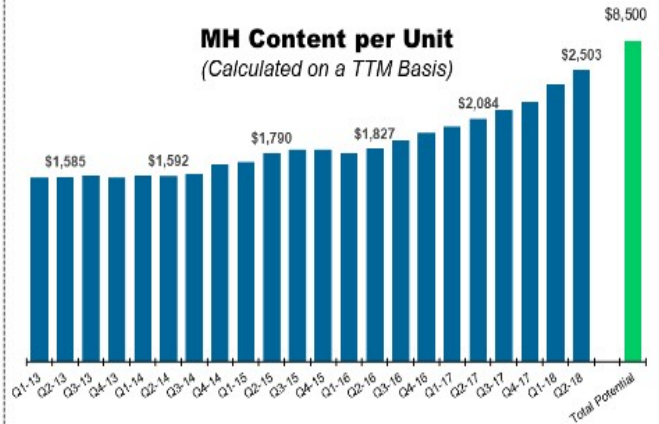
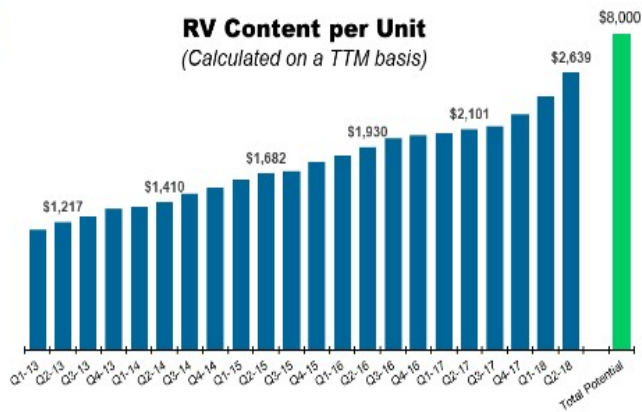


Earnings Growth



- Sales continue to grow and outpace their respective markets, driven by acquisitions, new products and extension growth and market share gains
- Net Income and EPS continue steady growth driven by the following:
 - Leveraging of fixed costs
 - Tight management of controllable expenses
 - Realized cost synergies from acquisitions

Steady Increase In Content Per Unit



- Our focus on strategic acquisitions and organic growth have resulted in significant increases in our content per unit and sales outpacing our respective markets
 - RV and MH content per unit increase of 26% and 20%, respectively, in Q2 2018 compared to Q2 2017
- Strategic Growth Initiatives
 - Acquiring new product lines and strong management teams
 - Developing new innovative product lines
 - Geographic expansion
 - Entering adjacent markets

*100% market share in existing products would yield the 'total potential' content per unit amount; RV content per unit re-stated excluding marine sales



PATRICK
INDUSTRIES, INC.



