

**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)

September 19, 2019

PATRICK INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Indiana

000-03922

35-1057796

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification Number)

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

Elkhart

Indiana

46515

(Address of Principal Executive Offices)

(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, no par value	PATK	NASDAQ

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: September 19, 2019

By: /s/ Joshua A. Boone

Joshua A. Boone

Vice President - Finance and Chief Financial Officer



Investor Presentation September 2019



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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.

Use Of Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures. These measures, the purposes for which management uses them, why management believes they are useful to investors, and a reconciliation to the most directly comparable GAAP financial measures can be found in the Appendix of this presentation. All references to profit measures and earnings per share on a comparable basis exclude items that affect comparability.

Company Highlights & Overview

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Company Snapshot



Founded in 1959 as a
Manufactured Housing Supplier



Today, operates as a key **component manufacturer and supplier** to the RV, Marine, Manufactured Housing and Industrial Markets

Headquartered in **Elkhart, Indiana**

Operates coast-to-coast in 22 states in the U.S. and in Canada, China and the Netherlands



Listed on the **NASDAQ** under ticker **PATK**
\$1.0B Market Cap

Q2 2019 LTM:
Revenue: **\$2.3B**
Free Cash Flow: **\$164MM**

8,100 team members

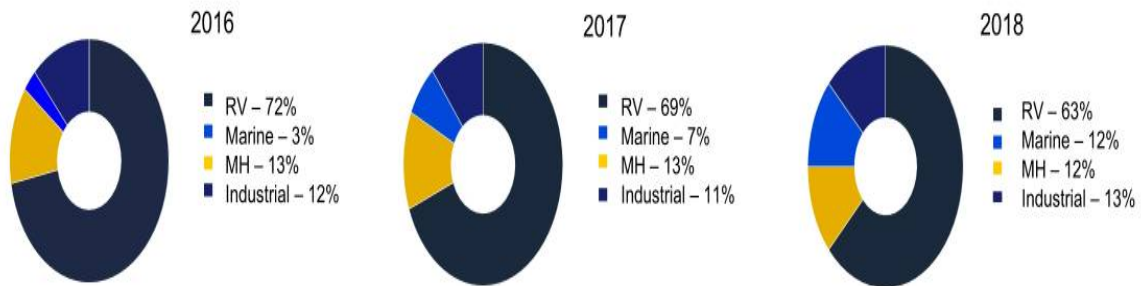


Our vision is to leverage the strength of our brand platform, manufacturing & distribution capabilities, diversified product portfolio, deep customer relationships, operating scale, and strategic geographic footprint to continue growth organically and through strategic acquisitions in all of our primary markets.

Market Platform

Over the last several years, we have strategically engaged in diversifying our market position in order to align our revenue stream with wholesale and retail trends across all four of our primary end markets

Sales Composition



Lifestyle & Leisure

Housing & Industrial

RV



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

56% of 6M 2019 Sales

Marine



Pontoon, Fiberglass, Ski & Wake, Aluminum

15% of 6M 2019 Sales

MH



Manufactured Housing, Modular Housing, Modular Structure

18% of 6M 2019 Sales

Industrial



Residential Housing, Commercial Fixtures, Institutional Furniture

11% of 6M 2019 Sales

Markets Served & Trends

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Demographic Trends Across End Markets

Favorable Demographic Trends Lifestyle & Leisure



- Outdoor activities participation of U.S. population has averaged 49% over the last five years
- Active, outdoor lifestyle growth & improved connectivity with family & friends
- Improved consumer savings levels for discretionary spend items
- Culture shift toward outdoor activities being embraced by all population segments & ethnicities
- Outdoor recreation spend accounted for over \$400B or 2.2% of U.S. GDP in 2016

Favorable Demographic Trends Housing & Industrial



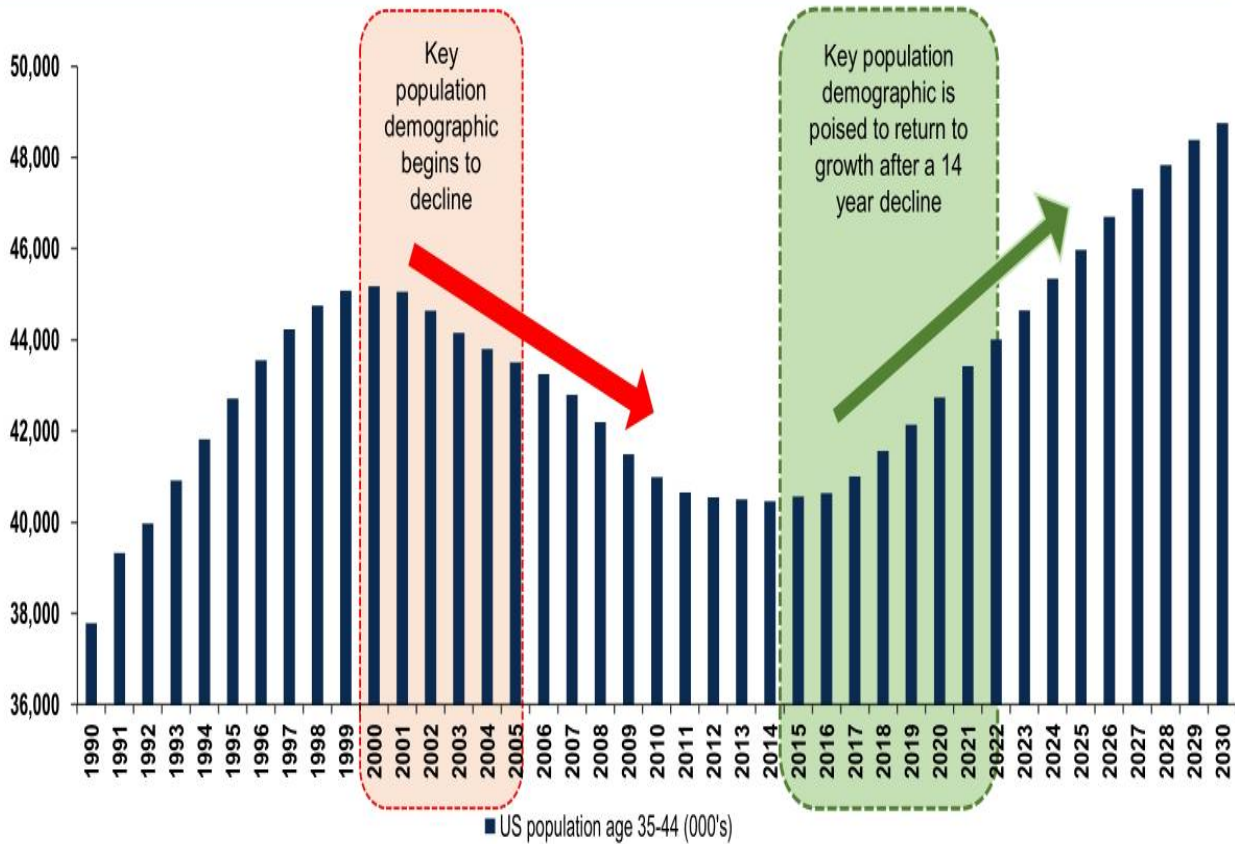
- U.S. adult population estimated to expand by 12 million between 2019 and 2024
- 55+ population projected to increase 21% from 2019-2035
- Gen Y (age 18-39) is the largest group: 98 million in 2019 (older Gen Y in peak home buying years)
- Growth in population of first time home buyers & those looking to downsize

Sources: 2018 Outdoor Participation Report; RVIA; Bureau of Economic Analysis; World Bank & U.S. Census Bureau

Favorable Demographic Trends

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.

US Population age 35 – 44



This segment of the population is in the family building and wealth forming stages of the life cycle, settling into permanent housing, and allocating a portion of disposable income to discretionary purchases and high ticket items

Industry Trends

RV Market



Favorable Industry Trends

79 million household campers in the U.S.

7 million new campers have started camping since 2014

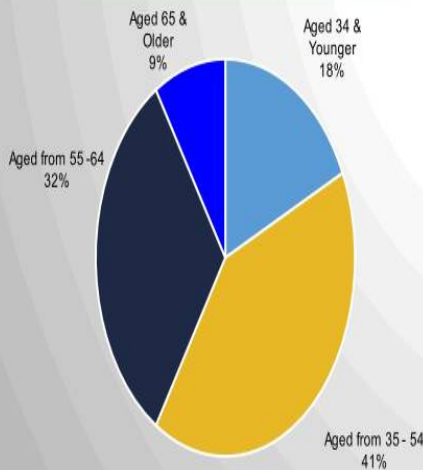
72 million millennials in the U.S.

41% of all campers are millennials

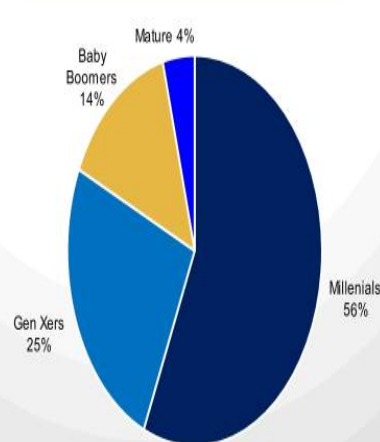
53% of millennials are interested in buying an RV, with 26% calling themselves “highly-likely” RV buyers

70% of campers traveled within 150 miles of home (31% less than 50 miles from home)

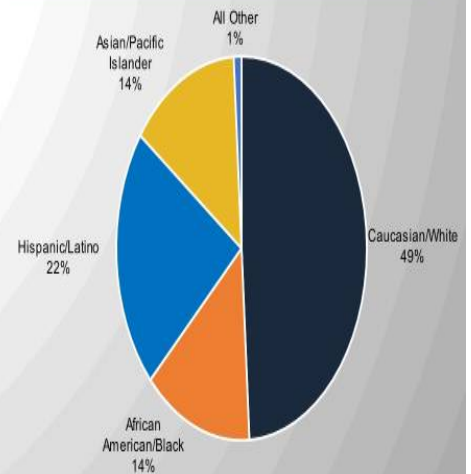
RV Demand by Age



New Campers in 2018



Ethnicity of New Campers in 2018



For 2015: 60% Caucasian/White; 18% African American/Black; 11% Hispanic/Latino; 10% Asian/Pacific Islander; 2% All Other

Sources: 2019 KOA North American Camping Report; RVIA 2018 Industry Profile; U.S. Census Bureau

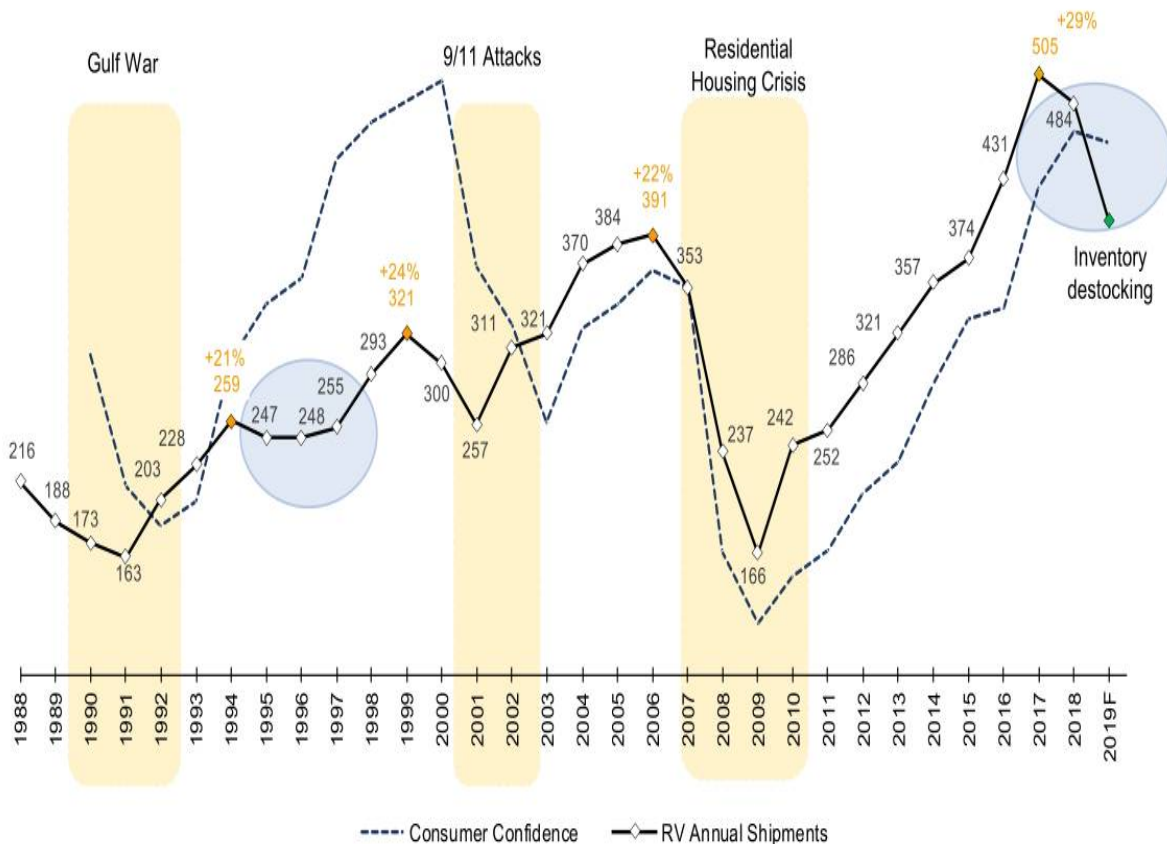
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Industry Outlook

(shipments in thousands)

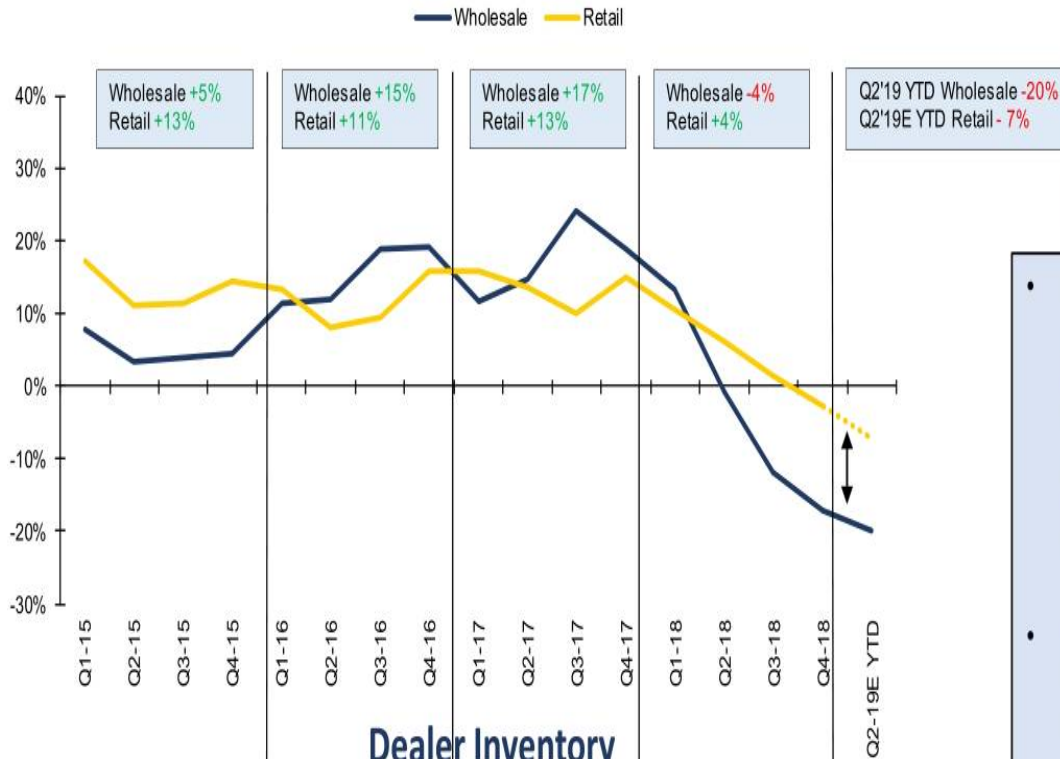
RV Wholesale Unit Shipments



RV shipments declined YoY in 2018 for the first time since the economic downturn of 2009. While the RV industry has been recalibrating its inventory over the past 15 months, we believe current demographic indicators, overall economic conditions, and resilience and strength of the leisure lifestyle all point towards continued solid end market demand.

RV Retail & Inventories

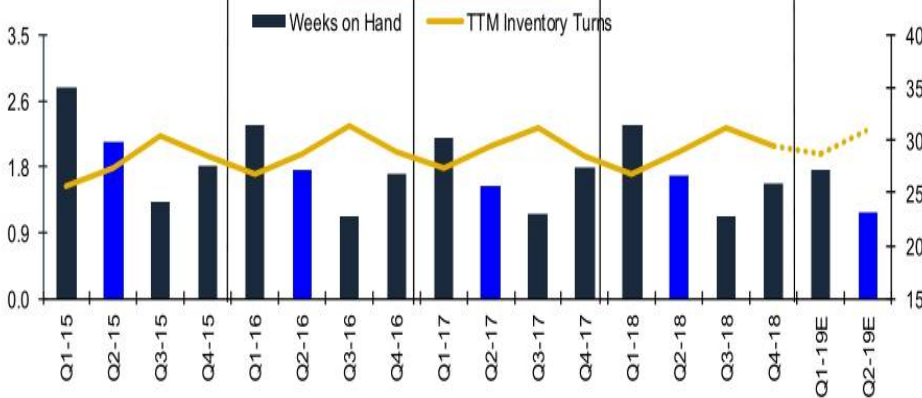
RV Shipments Change YoY



2019 Trends

- Retail continues to outpace wholesale – over 100k units have come out of dealer inventories since the destocking began in Q2-18
- Reduced dealer inventories and weeks on hand (Q2-19E weeks on hand down 4.1 weeks vs. prior 4 year Q2 average)

Dealer Inventory



Sources: RV wholesale shipments: RVIA; Retail shipments: SSI; Q2'19E YTD Retail (Company Estimate)

RV Content per Unit

(Calculated on a TTM basis)



- 100% market share in our existing products would yield a total potential content/unit of \$8,000
- 19% growth in TTM content per unit – Q2'19 vs. Q2'18 TTM

RV Product Categories

TOWABLE

MOTORIZED

Travel Trailer

Fifth Wheel

Class A

Class B & C



ASP \$22,900

ASP \$49,000

ASP \$212,800

ASP \$95,600

- 88% of all wholesale shipments
- 60% of retail value of shipments

- 12% of all wholesale shipments
- 40% of retail value of all shipments

Total Retail Value of Shipments in 2018 - \$20 billion

Industry Trends

Marine Market



Favorable Industry Trends

\$10.5 billion retail sales of new powerboats in 2018

37% of the U.S. adult population participated in recreational boating in 2017

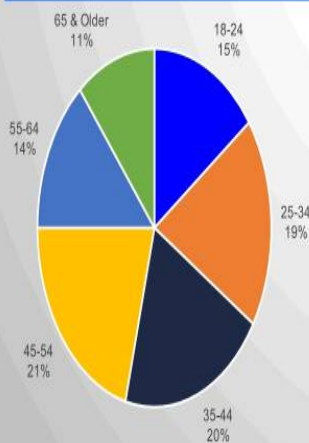
12 million registered boats in the U.S. in 2018

One out of every 10 houses in U.S. had a registered boater (2017)

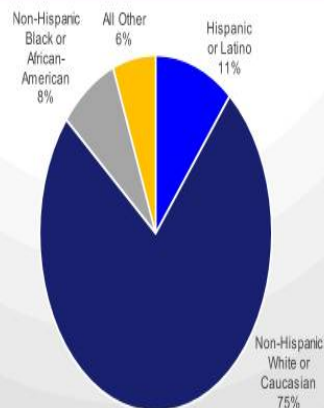
25 years average age of a boat on the water

1 million expected number of boats to be retired over next 4 years (2019-2022)

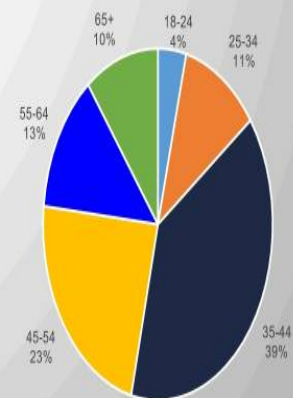
Active Boaters by Age



Race Ethnicity of Active Boaters



Age of First-Time Boaters

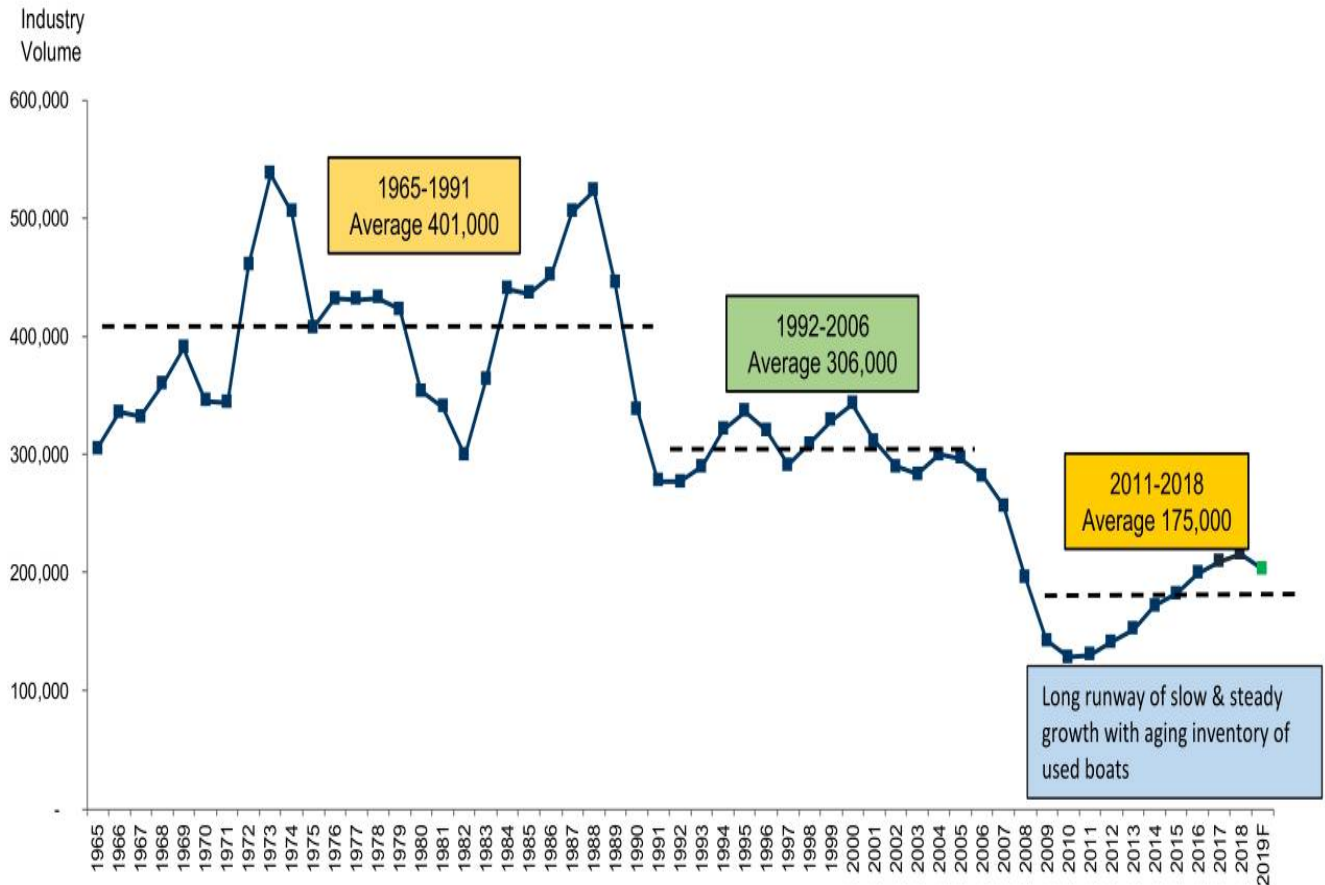


Sources: National Marine Manufacturers Association (NMMA); 2018 Outdoor Participation Report; 2016 Recreational Boating Participation Study

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U.S. Marine Outlook



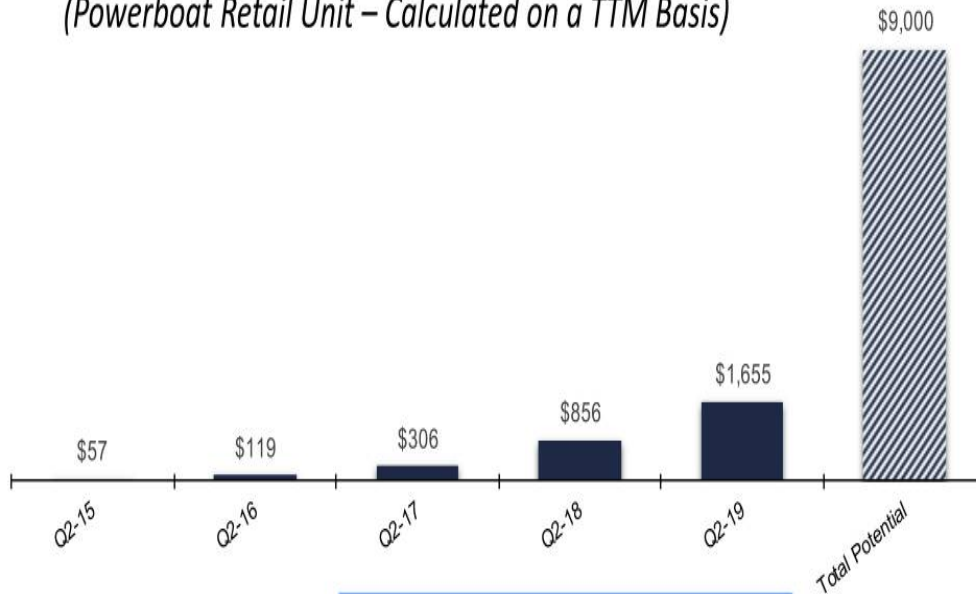
The U.S. marine market continues its recovery with the potential for a long runway of slow and steady growth with leisure lifestyle attractiveness and an aging inventory of used boats

Source: NMMA (traditional powerboat retail excluding jet boats and PWC); 2019F Company Estimate

Marine Content per Unit

Marine Market

(Powerboat Retail Unit – Calculated on a TTM Basis)







Addressable Market: ~\$1.9 billion

- 100% market share in our existing products would yield a total potential content/unit of \$9,000
- 93% growth in TTM content per unit – Q2'19 vs. Q2'18 TTM

Marine Powerboat Product Categories

Our products are primarily used in the traditional powerboat market which we view as the following four categories:

Pontoon	Ski & Wake	Fiberglass	Aluminum
			
ASP \$39,200	ASP \$104,300	ASP \$75,500	ASP \$22,700
27% of market	5% of market	37% of market	31% of market

U.S. expenditures on boats, engines and accessories totaled \$42 billion in 2018

Source: NMMA 2017 Statistical Abstracts

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Industry Trends



Favorable Industry Trends

9 million households with 22 million people living in manufactured homes (“MH”)

\$50 per sq. ft. average structure cost compared to \$111 for a single family home

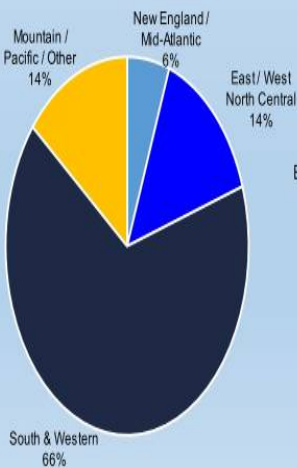
\$71,900 average MH retail price for 1,426 sq. ft. (home only)

84% of all new homes sold <\$150,000 are MH

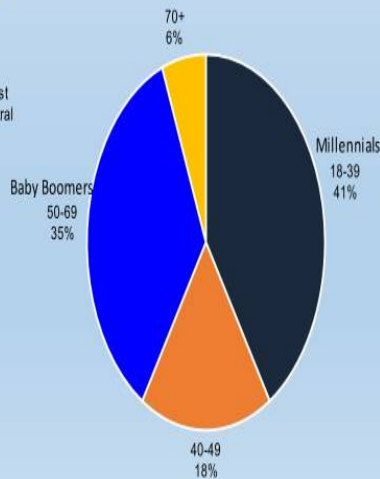
6% of all occupied U.S. housing; **2/3** in rural areas

17% of all MH housing = Southern/Western U.S.

2018 MH Regional Shipments Market Share



MH Residents by Age



Positive Future Growth Indicators



71% of MH residents cite affordability as key driver of choice



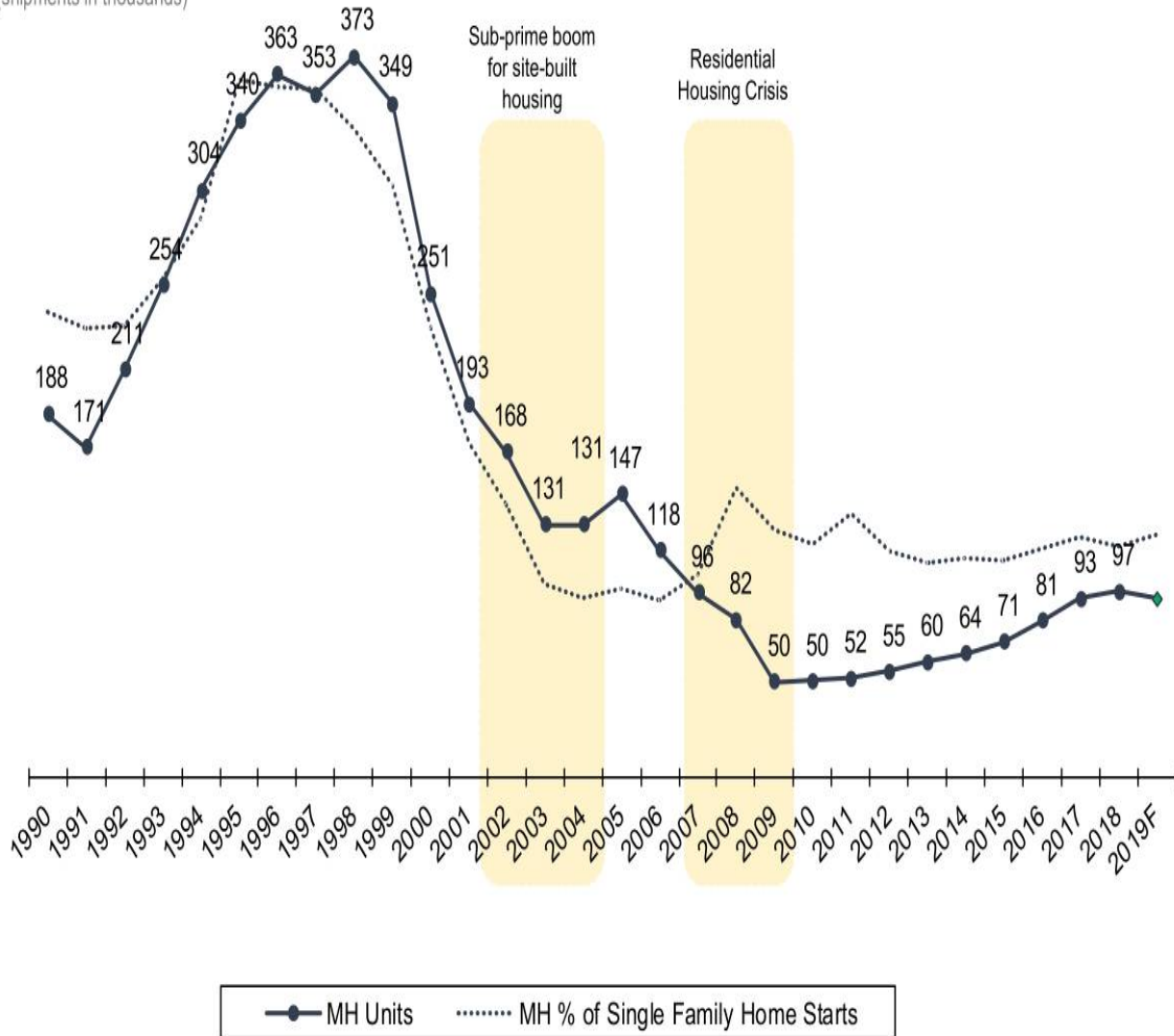
75% of residents own a MH today or are in the process of buying



62% of all MH residents anticipate living in manufactured housing > 10 years

Industry Outlook

(shipments in thousands)



The MH industry continues to perform at historical lows reflecting the residual impacts from the residential housing market crisis. We believe current demographic trends, including multi-family housing capacity and improving consumer credit and financing conditions, signal upside potential.

Sources: 1990-2018: MHI, NAHB; 2019F Company Estimate

MH Content per Unit

(Calculated on a TTM basis)



- 100% market share in our existing products would yield a total potential content/unit of \$11,000
- 54% growth in TTM content per unit – Q2'19 vs. Q2'18 TTM

Single-Section Homes



50% of 2017 market
Avg. Sales Price (2017): \$48,300

Multi-Section Homes



50% of 2017 market
Avg. Sales Price (2017): \$92,800

Source: MHI / IBTS

Industry Trends

Industrial Market



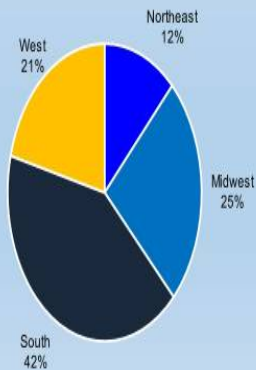
60% of Patrick's Industrial sales are linked to the residential housing market: new / remodels
4% increase in single-family housing starts in 2018 vs. prior year

40% of Patrick's Industrial sales are linked to the non-residential housing market which includes: big box retail, retail & commercial fixtures and high rise, office, hospitality, schools & universities

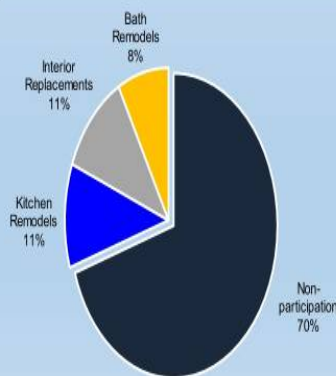
U.S. Housing industry still building **15%** below historical averages (as measured by total single-family housing starts)

Patrick Portfolio of Industrial Market Products

Existing Single-Family Home Sales



Homeowner Improvement Expenditures by Project Type



Non-Residential



Residential



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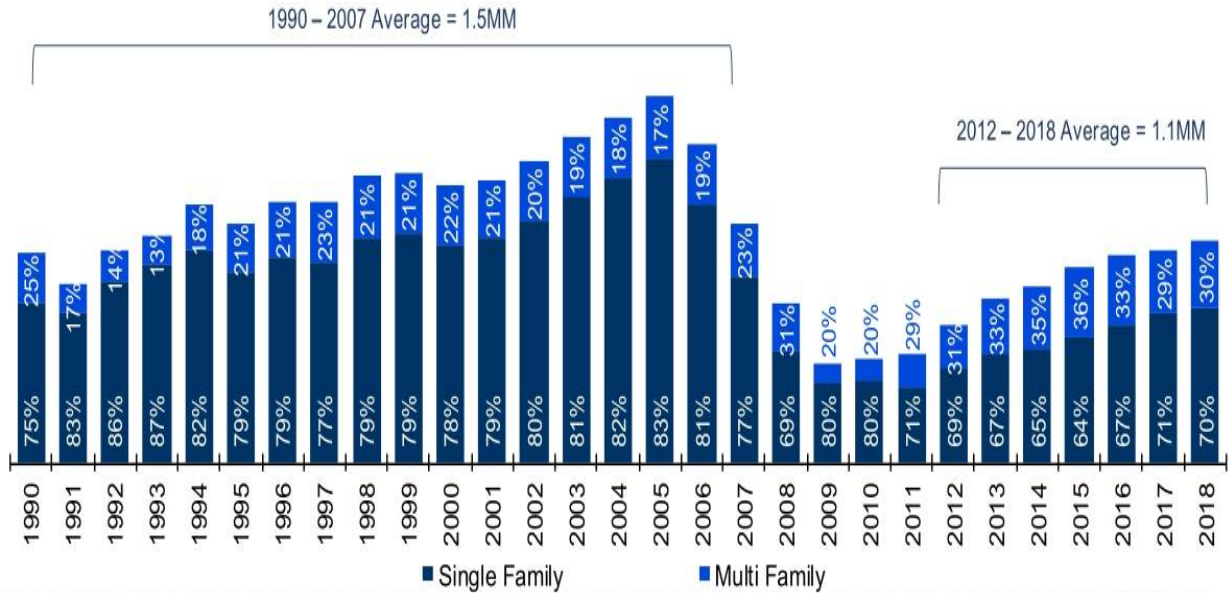
Sources: U.S. Census Bureau, NAHB, National Association of Realtors

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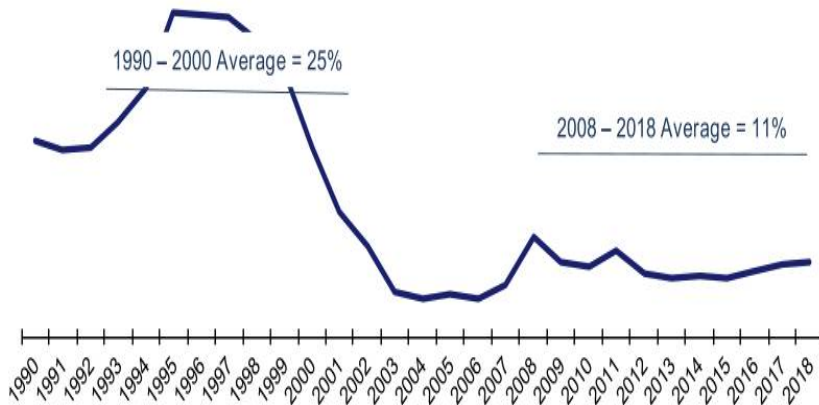
Growing Housing Demand

Housing starts are a major driver for both Manufactured Homes and Industrial sales

Total New Housing Starts



MH Shipments % of New Single Family Housing Starts



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

Sources: U.S. Census, NAHB, MHI

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Growth Initiatives & Capital Allocation Strategy

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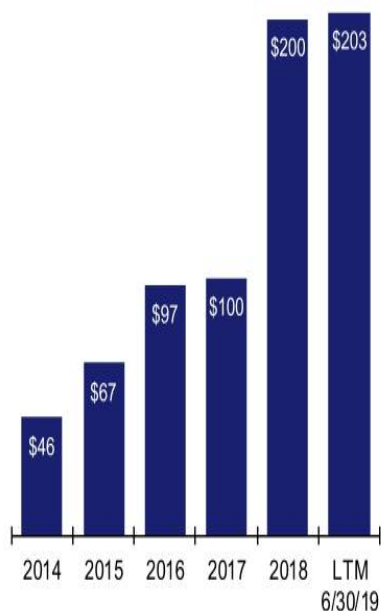
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Cash Flow Generation and Growth

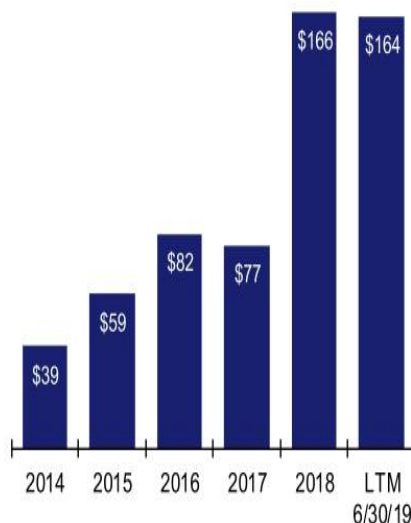
(\$ in millions except per share data)

Strong free cash flow generation provides flexibility across operational, financial and strategic objectives

Cash Flows from Operating Activities

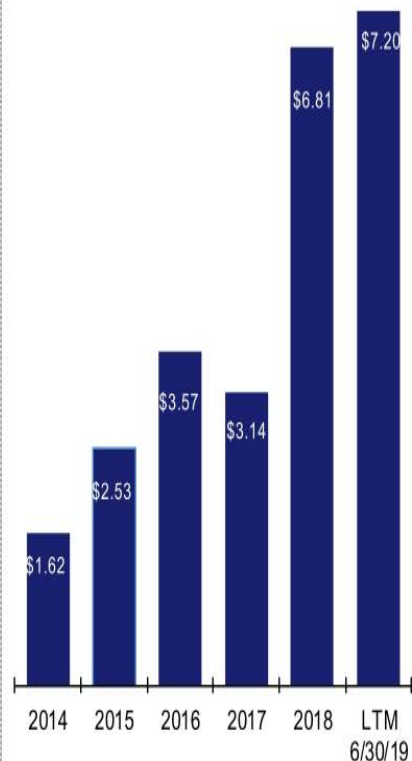


Free Cash Flow*



Free cash flow is calculated as operating cash flow less capital expenditures

Free Cash Flow per Share*



Free cash flow divided by weighted average diluted shares outstanding

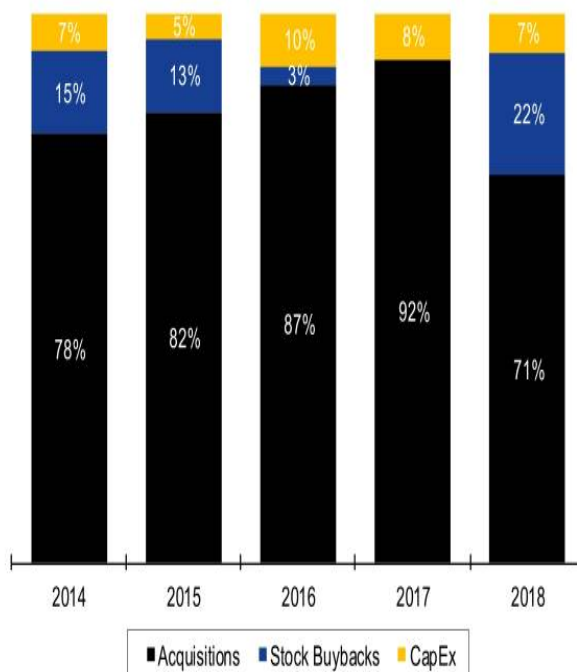
*See the Appendix to this presentation for reconciliations to GAAP figures

Capital Allocation Strategy

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



Historical Capital Allocation

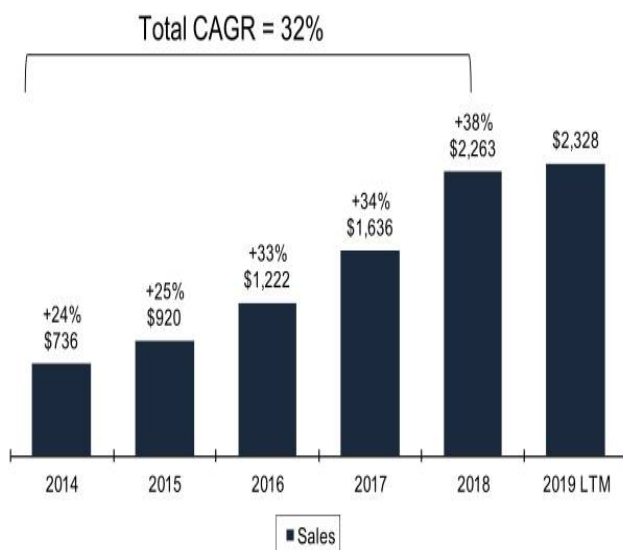


Organic and Strategic Growth

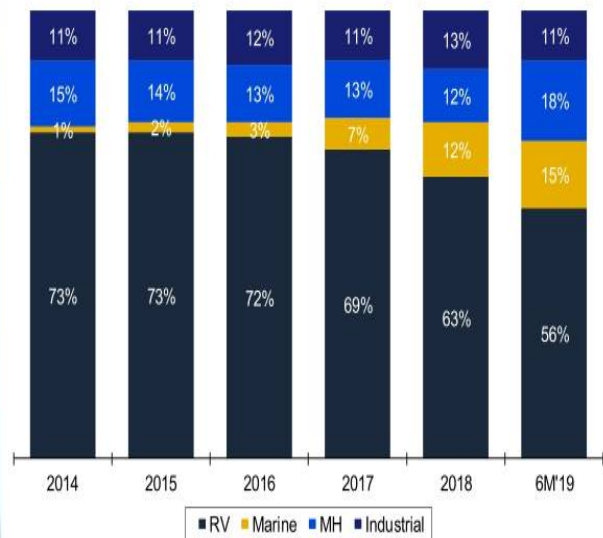
Strong sales growth continues to be evident and reflects organic and strategic impact leading to more balanced and diverse end-markets

Sales Growth Trends

(\$ in millions)



Sales Mix



Drivers of organic revenue growth:

- New products and product lines extensions
- Geographic expansions
- Large brands platform
- Cross pollination across all end markets
- Outperformance vs. industry

- With strategic acquisitions into diverse end-markets, our 2018 sales composition was 63% RV and 37% non-RV vs. 73% and 27%, respectively, in 2014

Acquisition Execution

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

Acquisition Momentum

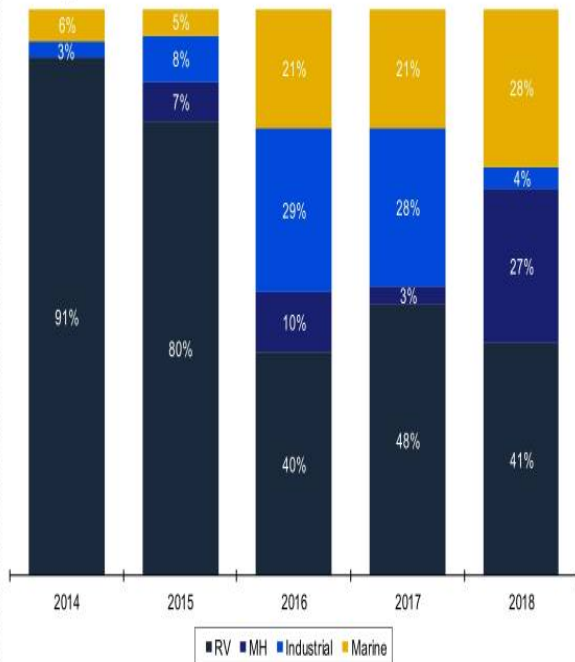
(\$ in millions)



# of Companies:								
2	3	4	3	7	4	8	13	13

- Commitment to expanding product portfolio within our core markets = 42 strategic acquisitions of 57 companies from 2010 – 2018

Acquisition End-Market Mix



Acquisition Strategy

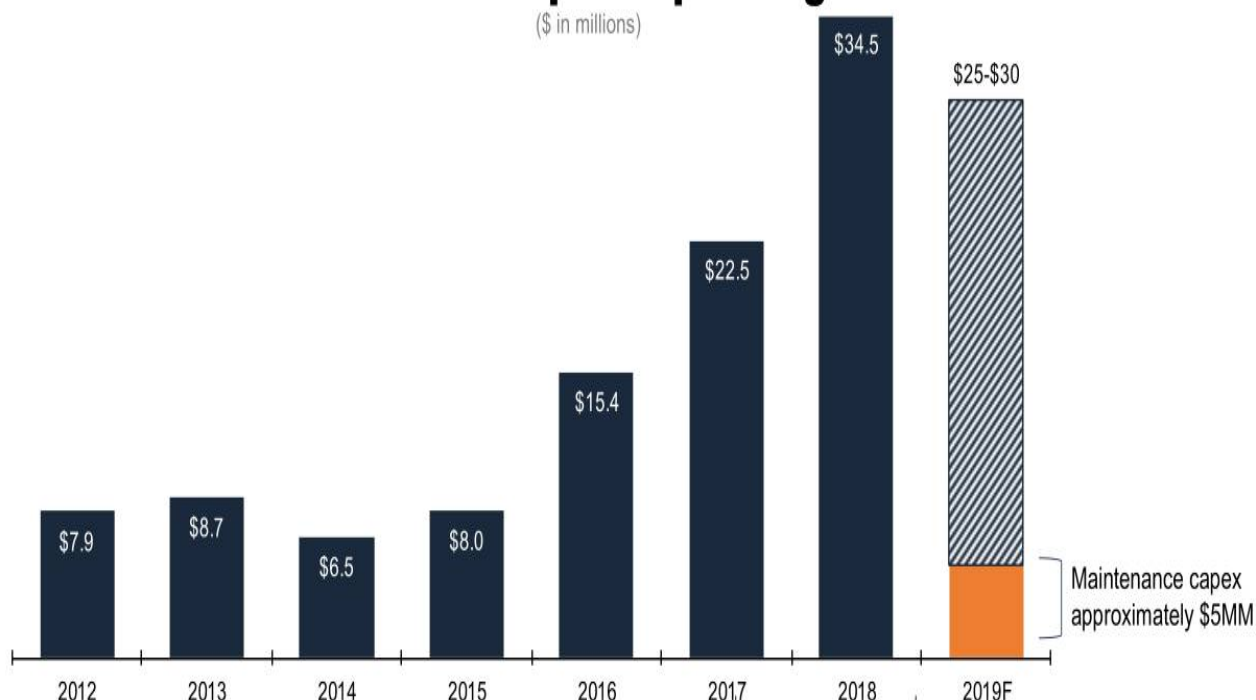
- Solid management teams / high quality product lines
- Strong customer & supplier relationships / operational talent
- Strategic value proposition w/ entrepreneurial spirit

Capital Expenditures

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

(\$ in millions)



Maintenance capex approximately \$5MM

2016 – 2018 Strategic Focus:

- \$72MM Investment
- New Process / Automation
- Increased Capacity
- Increased Efficiencies

*6M'19 Capital Expenditures = \$18.2MM

Geographic and Product Expansion

We have executed on 8 geographic expansions over the last 4 years with expansion opportunities of \$500MM market potential

Targeted Product Lines:

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



- 1 IDAHO
- 2 CALIFORNIA
- 3 TEXAS
- 4 MISSOURI
- 5 MISSISSIPPI
- 6 INDIANA
- 7 GEORGIA
- 8 NORTH CAROLINA

*2018 and 2019 executed expansions



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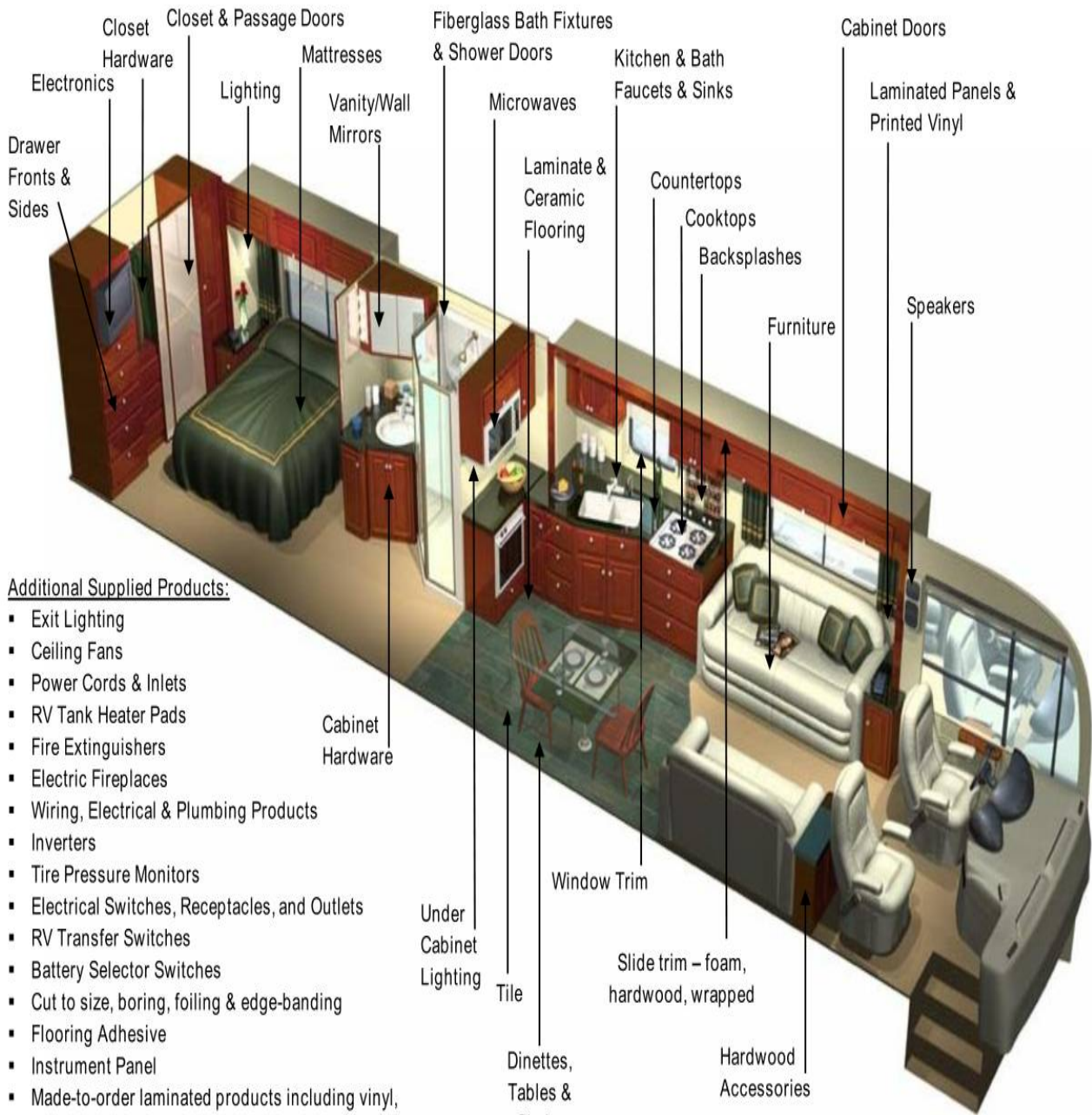


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RV Products Overview – Interior



Additional Supplied Products:

- Exit Lighting
- Ceiling Fans
- Power Cords & Inlets
- RV Tank Heater Pads
- Fire Extinguishers
- Electric Fireplaces
- Wiring, Electrical & Plumbing Products
- Inverters
- Tire Pressure Monitors
- Electrical Switches, Receptacles, and Outlets
- RV Transfer Switches
- Battery Selector Switches
- Cut to size, boring, foiling & edge-banding
- Flooring Adhesive
- Instrument Panel
- Made-to-order laminated products including vinyl, paper, veneers and high pressure laminates (HPL)
- Trim Products

RV Products Overview – Exterior



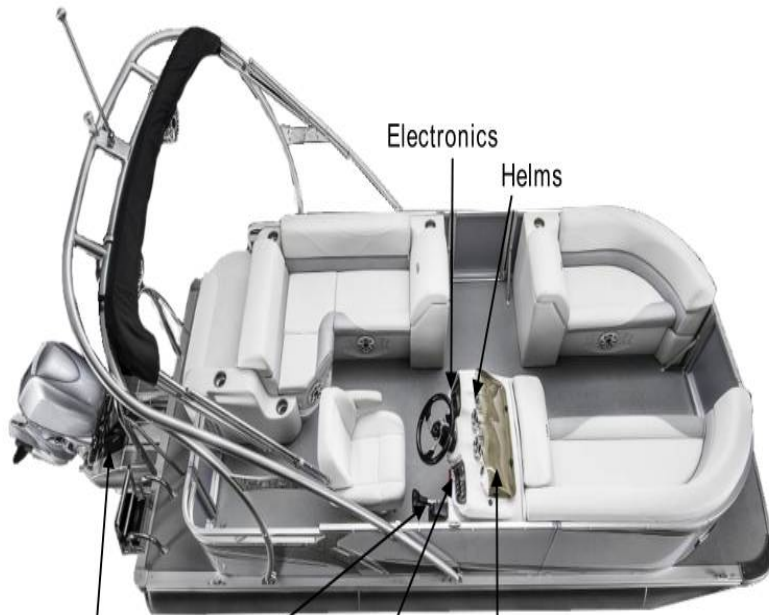
Additional Product Lines:

- Softwoods
- Full Body Paint
- Aluminum Gauges
- Steel Gauges
- Mill Finish & Pre-Painted Aluminum and Steel
- Slit & Embossed Steel
- FRP Coil & Sheet
- Trim Panels
- Fuel Systems

RV Grills & Accessories



Marine Products Overview



Boat covers, tops, towers & frames

Aluminum Fuel & Holding Tanks

Wire Harnesses

Dash Assemblies

Wire Screens

Electronics



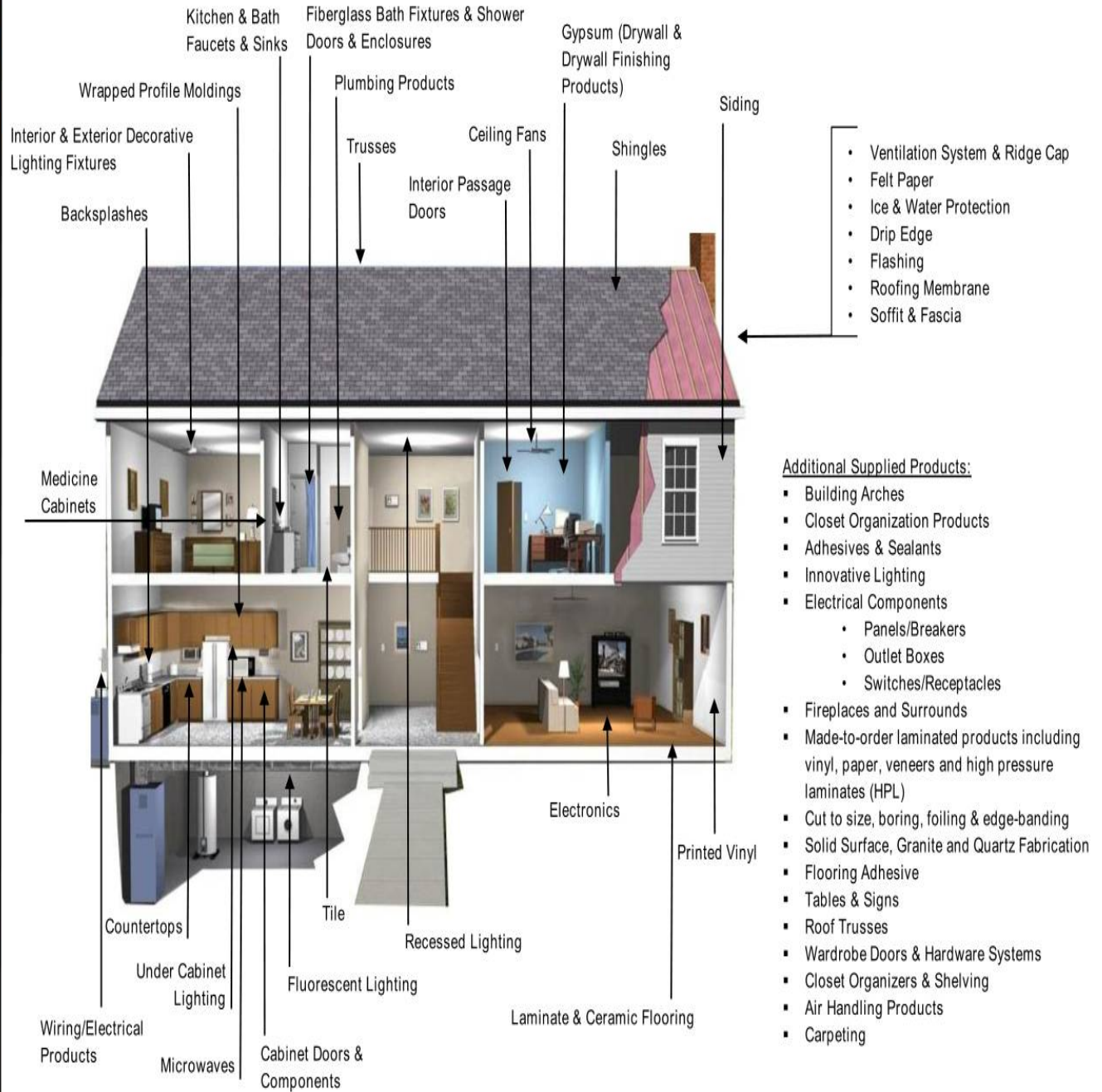
Dash Assemblies

Wire Harnesses

Boat Hull Design & Tooling

Aluminum Fuel & Holding Tanks

MH Products Overview



Non-GAAP Reconciliations

Reconciliation of Cash Flow from Operations to Free Cash Flow

(\$ in millions)	2014	2015	2016	2017	2018	LTM 6/30/19
Cash Flow from Operations	\$ 46	\$ 67	\$ 97	\$ 100	\$ 200	\$ 203
Less: Capital Expenditures	(7)	(8)	(15)	(22)	(34)	(39)
Free Cash Flow	\$ 39	\$ 59	\$ 82	\$ 77	\$ 166	\$ 164

Reconciliation of Free Cash Flow Per Share

(in millions except per share data)	2014	2015	2016	2017	2018	LTM 6/30/19
Free Cash Flow	\$ 39	\$ 59	\$ 82	\$ 77	\$ 166	\$ 164
Divided by: Weighted Average Diluted Shares Outstanding	24.1	23.3	22.9	24.6	24.3	22.8
Free Cash Flow Per Share	\$ 1.62	\$ 2.53	\$ 3.57	\$ 3.14	\$ 6.81	\$ 7.20

Use of Non-GAAP Financial Information

Free Cash Flow and Free Cash Flow Per Share are non-GAAP financial measures. In addition to reporting financial results in accordance with accounting principles generally accepted in the United States, we provide non-GAAP operating results adjusted for certain items, including stock based compensation, goodwill and other intangible asset impairment, fixed asset impairment, and other one-time items. We adjust for the items listed above in all periods presented, unless the impact is clearly immaterial to our financial statements. When we calculate the tax effect of the adjustments, we include all current and deferred income tax expense commensurate with the adjusted measure of pre-tax profitability.

We utilize the adjusted results to review our ongoing operations without the effect of these adjustments and for comparison to budgeted operating results. We believe the adjusted results are useful to investors because they help them compare our results to previous periods and provide important insights into underlying trends in the business and how management oversees our business operations on a day-to-day basis.

