

**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 16, 2020

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 16, 2020

By: /s/ John A. Forbes
John A. Forbes
Interim Chief Financial Officer



INVESTOR PRESENTATION

September 2020

FORWARD-LOOKING STATEMENTS



This presentation contains certain statements related to future results, 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 involve a number of risks and uncertainties that could cause actual results to differ materially from either historical or anticipated results depending on a variety of factors. These risks and uncertainties include, but are not limited to, the impact of the continuing financial and operations uncertainty due to the COVID-19 pandemic, including its impact on the overall economy, our sales, customers, operations, team members and suppliers. 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.

A photograph showing the silhouettes of several people on the deck of a boat. They appear to be in motion, possibly dancing or socializing. The background is a bright sunset or sunrise over the ocean, with the sun low on the horizon. The image is framed by white geometric shapes, including a large 'X' shape, against a light beige background.

COMPANY OVERVIEW & HIGHLIGHTS

Investor Presentation

 **PATRICK**
INDUSTRIES, INC.

KEY MESSAGES



1

Prioritization of team members safety, commitment to maintaining a safe work environment while continuing to serve our customers

2

Well-prepared for strong resurgence in our end markets as a result of increased consumer demand

3

Quick response to initial COVID-19 and flexible business model led to strong operational and financial performance in the quarter

4

Strong balance sheet and ample liquidity to support strategic growth investments and disciplined capital allocation

Positioned for Success Now and in the Future

PATRICK INDUSTRIES AT A GLANCE (NASDAQ: PATK)



Key Component Manufacturer and Supplier to RV, Marine, Manufactured Housing and Industrial Markets

KEY FACTS

Founded	1959
Headquartered	Elkhart, Indiana
Market-cap ¹	\$1.2B
Facilities	~170
Current States Presence	23
Employees	~7,700

Q2'20 LTM RESULTS

Revenue	\$2.1B
Net Income	\$63MM
Operating Cash Flows	\$138MM

¹ Market-cap as of 9/10/2020

SUSTAINABLE COMPETITIVE ADVANTAGES

- Experienced management team with an average of 20+ years of industry experience
- Leading market position in all product categories
- Deep customer relationships with 30+ years for top customers, including key design partners
- Stable Free Cash Flow (FCF) generation
- Favorable demographic trends supporting growth across multiple end markets
- Diversified end market exposure with favorable secular trends

LEADING AND DIVERSIFIED MARKET PLATFORM

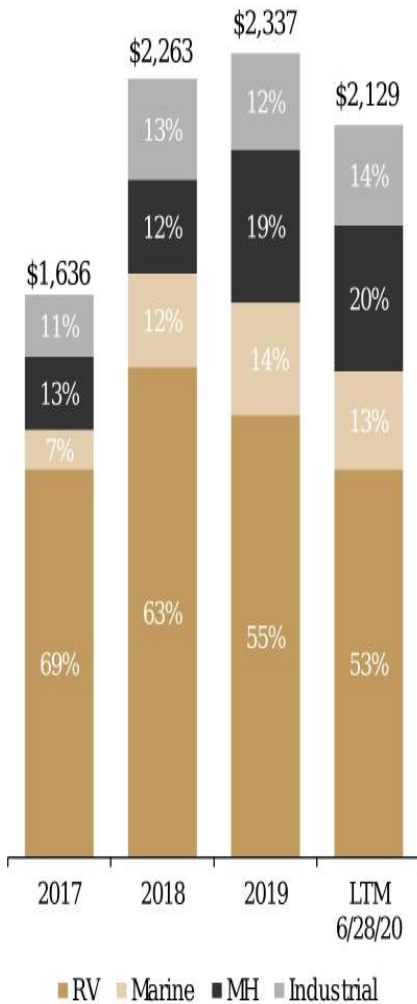
Leisure & Lifestyle		Housing & Industrial	
RV	Marine	MH	Industrial
Travel Trailer, Fifth Wheel, Folding Trailer, Class A, B, C	Pontoon, Fiberglass, Ski & Wake, Aluminum	Manufactured and Modular Housing, Modular Structure	Resid. Housing, Comm'l Fixtures, Institutional Furniture

Manufacture and Distribute Quality Products that Exceed Customer Expectations

STRATEGIC END MARKETS OVERVIEW



Sales Composition (\$MM)



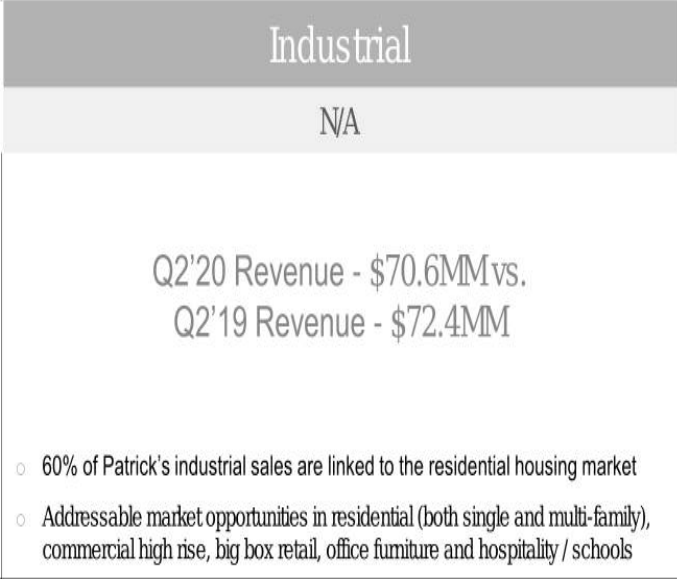
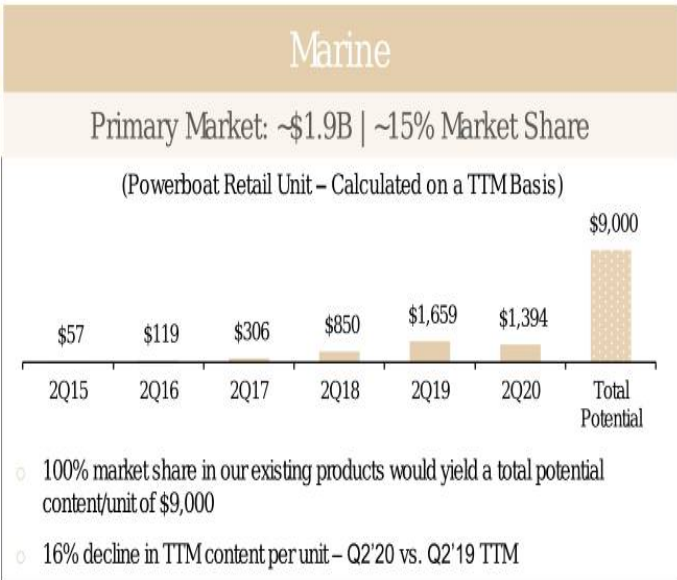
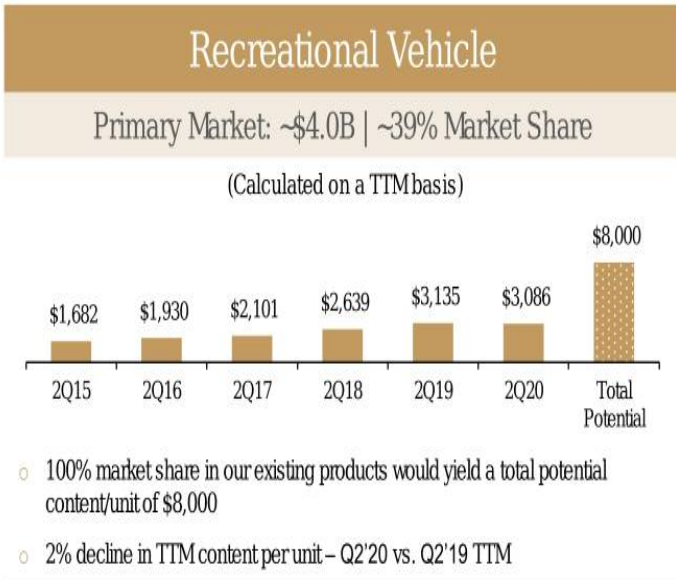
	Lifestyle & Leisure		Housing & Industrial	
	RV	Marine	MH	Industrial
Net Sales (LTM as of 6/28/20)	\$1,128MM	\$285MM	\$424MM	\$292MM
Areas of Expertise				
Lamination/Custom Components	✓		✓	✓
Hard/Softwoods Cabinetry	✓		✓	✓
Thermofoming/ Plastics	✓	✓	✓	✓
Countertops & Fabrication	✓		✓	✓
Metal Fabrication / Fuel Tanks	✓	✓		✓
Electrical Systems & Wire Harnesses	✓	✓	✓	✓
Electronics & Appliances	✓	✓	✓	✓
Full Body Paint	✓			
Wiring	✓	✓		✓
Marine Canvas & Towers		✓		
Fiberglass	✓	✓	✓	✓
Distribution & Design Center	✓	✓	✓	
Geographic Reach & Industry Concentration				

Portfolio of products is highly leverageable across business lines

LEADING MARKET POSITION IN ALL PRODUCT CATEGORIES



Significant organic growth opportunities with current product categories in RV, Marine and MH markets; addressable industrial market is very large and fragmented, resulting in significant growth opportunities

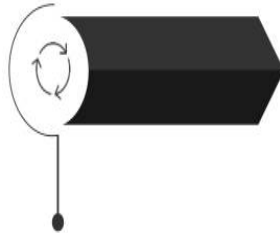


CLEAR STRATEGIC PATH FORWARD FOR PROFITABLE GROWTH



Pursue Organic Growth

- Invest in internal growth via cross-selling, product line extensions driven by brands, deep industry relationships, and using comprehensive design and innovation center
- Devote capital to strategic infrastructure to drive efficiency and capacity
- Identify and realize synergistic cost saving initiatives to increase FCF



Execute Disciplined Acquisition Strategy

- Leverage fragmentation in our core markets and achieve meaningful growth at a competitive price
- Diversify our end market exposure
- Drive gross and operating margin expansion through value-add products and realization of input cost synergies



Focus on Geographic Expansion

- Leverage existing product capabilities, relationships, and expertise
- Increase collaboration with regional manufacturers to lower cost



Exercise a Prudent Financial Policy

- Use strong cash flow to reduce debt and reload growth capacity
- Long-term target leverage ratio of ~2.00x – 2.25x
- When below target leverage and ample FCF is available, return value to shareholders through share repurchases on an opportunistic basis

INCREASED FOCUS ON ESG RESPONSIBILITIES AND BEST PRACTICES



Environmental



- Established transportation / resource usage program to reduce costs, fuel consumption and emissions
- Build leading safety culture with continuous improvement and training
- Ongoing conservation efforts to reduce waste, recycle chemicals and increase energy efficiency

Social



- Assess product suppliers for environmental & social responsibility
- Support numerous charitable organizations in local communities:
 - Elkhart Community Foundation
 - RV industry production associate skills training program
 - Boys & Girls Clubs in Elkhart and neighboring towns
- Recruit new college graduates for 3-year IMPACT Leadership Development Program

Governance



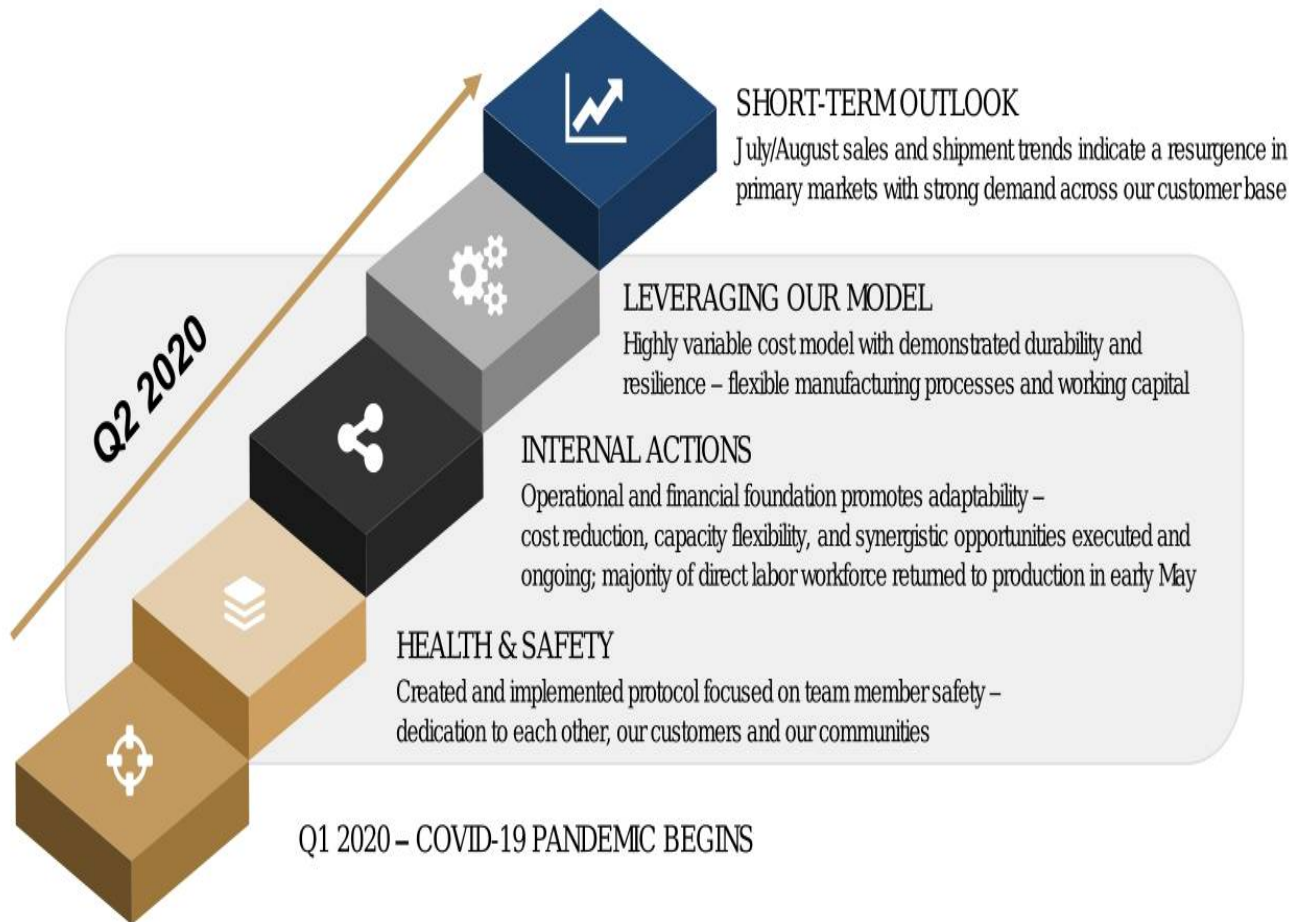
- Experienced and diverse board with an independent lead director; 67% independent members; 33% gender & ethnic diversity
- Annual election of all directors
- Single class voting structure
- Code of Ethics and Business Conduct for all employees and directors

Focused on ESG to Drive Long-term Shareholder Value

OPERATIONS & SHORT-TERM OUTLOOK



We remain disciplined with a flexible business model that enables us to shift production across like-product facilities and provides additional levers to remain efficient

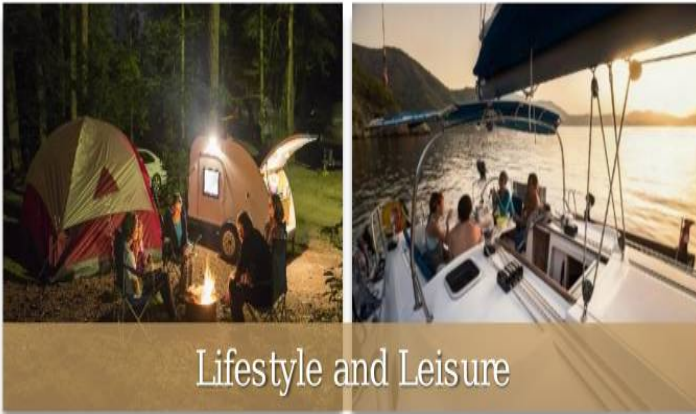


Navigating Successfully Through Dynamic Macro Environment

FAVORABLE LONG-TERM DEMOGRAPHIC TRENDS



STRONG, FAVORABLE DEMOGRAPHIC TRENDS ACROSS END MARKETS



Lifestyle and Leisure



Housing and Industrial

- Participation in outdoor activities of U.S. population has averaged 49% over the last five years
- Improved consumer savings levels for discretionary spend items
- Culture shift toward outdoor activities being embraced by all population segments and ethnicities
- Shift in consumer behavior that aligns with social distancing guidelines, which are naturally embodied by the RV & boating lifestyles

Sources: 2019 Outdoor Participation Report; RVIA; U.S. Census Bureau

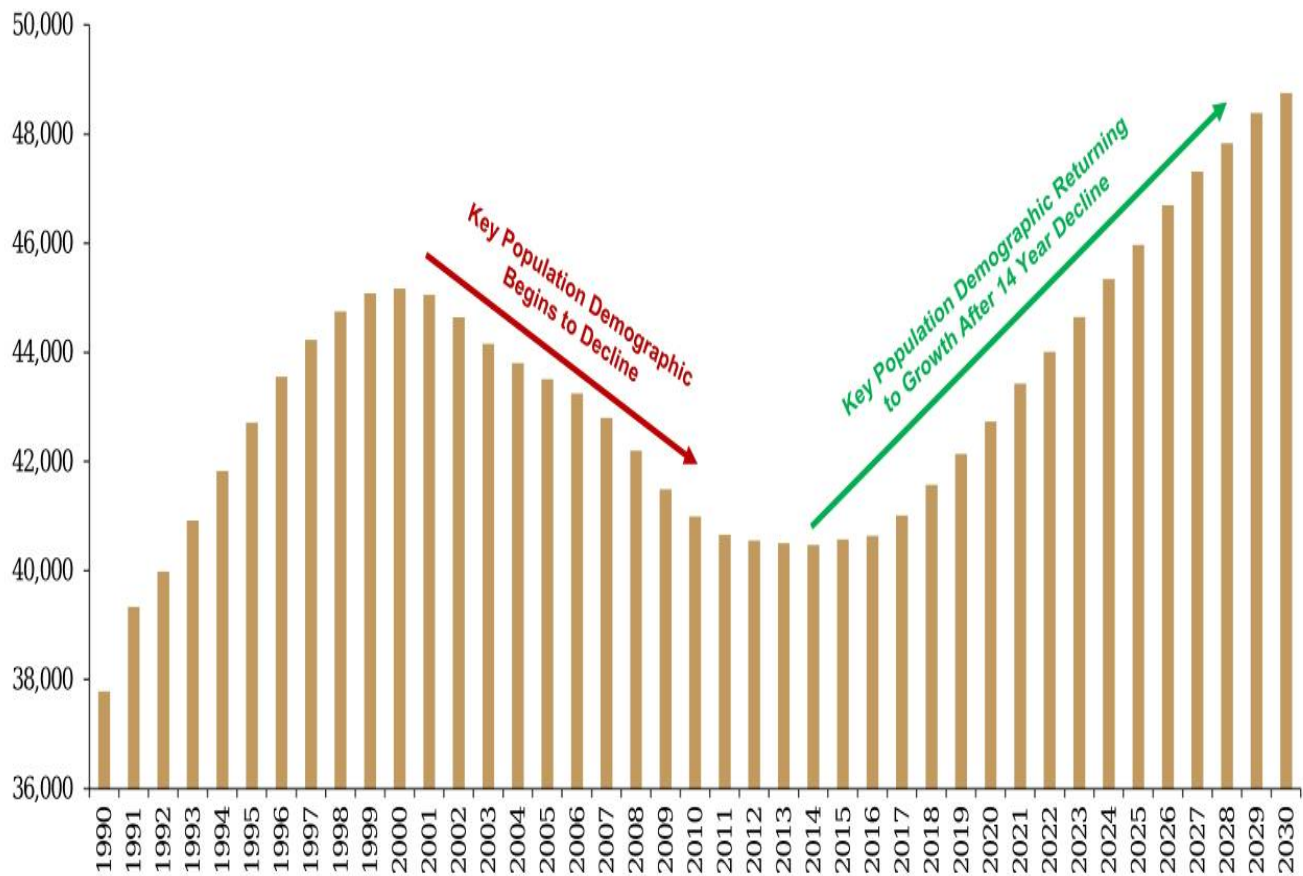
- U.S. adult population estimated to expand by 12MM between 2019 – 2024
- Gen Y (Millennials - age 18-39) is the largest group: 98MM in 2019 (older Gen Y in peak home buying years)
- Growth in population of first-time home buyers and those looking to downsize
- Record low housing inventory is driving up prices – lack of high-quality, affordable homes
- Continued low interest rate environment

INCREASING POPULATION WITHIN WEALTH FORMING DEMOGRAPHIC



Specific population is within family building stages of lifecycle – settling into permanent housing and allocating a portion of disposable income to discretionary purchases and high-ticket items

US Population: Ages 35 – 44 (000s)



Sources: The Company, Euromonitor, RVIA & News Articles

Key Population Demographic Supports Future Market Upside Potential

END MARKET TRENDS



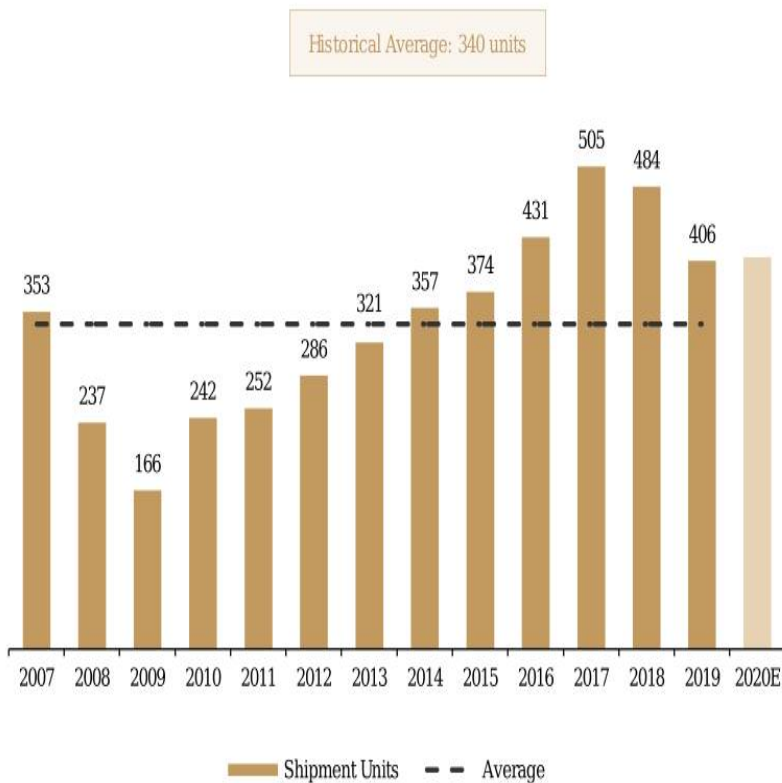
DIVERSE END MARKETS WITH FAVORABLE SECULAR TRENDS



RV End Market Overview

- Despite further drawback, 2019 marked the fourth most historical units ever shipped
- Shipments of wholesale units expected to be up low single-digits in 2020 reflecting very low dealer inventory and strong retail demand that offsets the market disruption related to COVID-19 experienced in the first half of 2020

U.S. Wholesale Unit Shipments (000s)

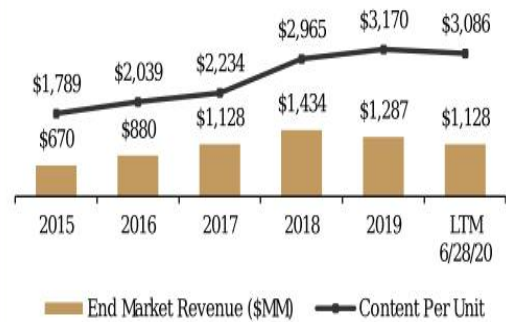


*2020E = Company Estimates

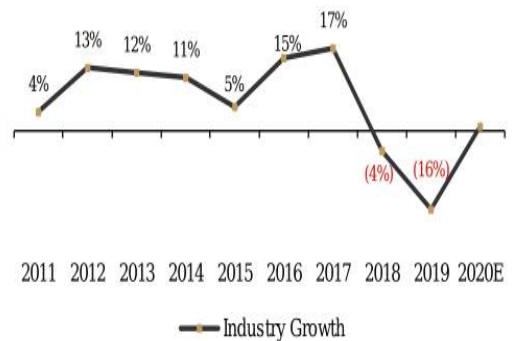
Investor Presentation

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RV End Market Performance



Market Growth



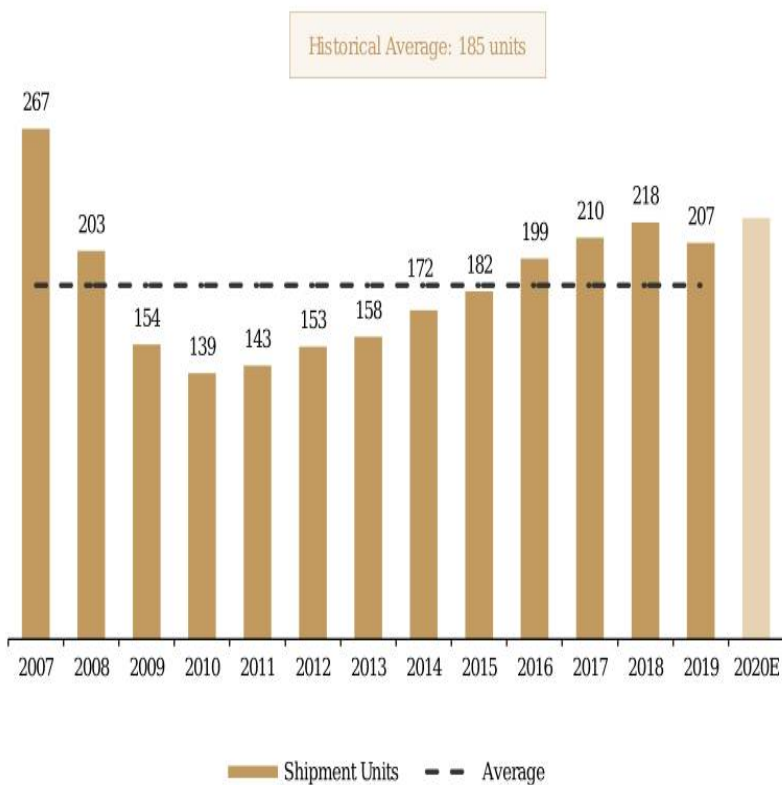
DIVERSE END MARKETS WITH FAVORABLE SECULAR TRENDS



Marine End Market Overview

- 1M boats are expected to be retired in the next 3 – 4 years due to increasing average age of boats in service (estimate 25 years)
- \$10.5B in retail sales of new powerboats in 2018

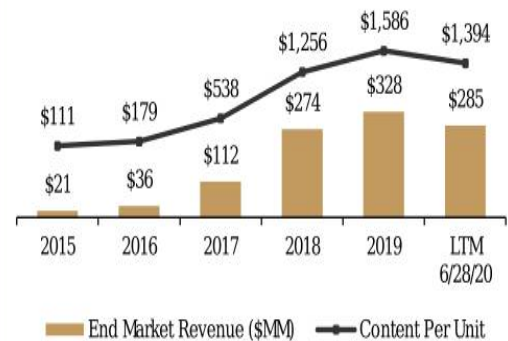
U.S. Retail Unit Shipments (000s)



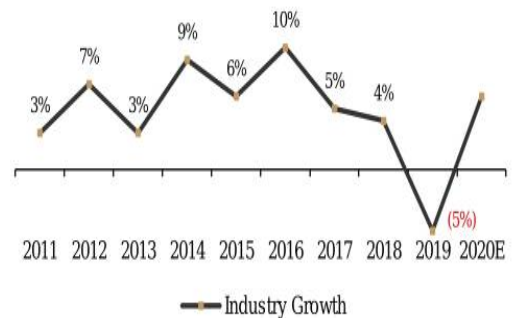
*2020E = Company Estimates

Investor Presentation

Marine End Market Performance



Market Growth (Retail)



DIVERSE END MARKETS WITH FAVORABLE SECULAR TRENDS

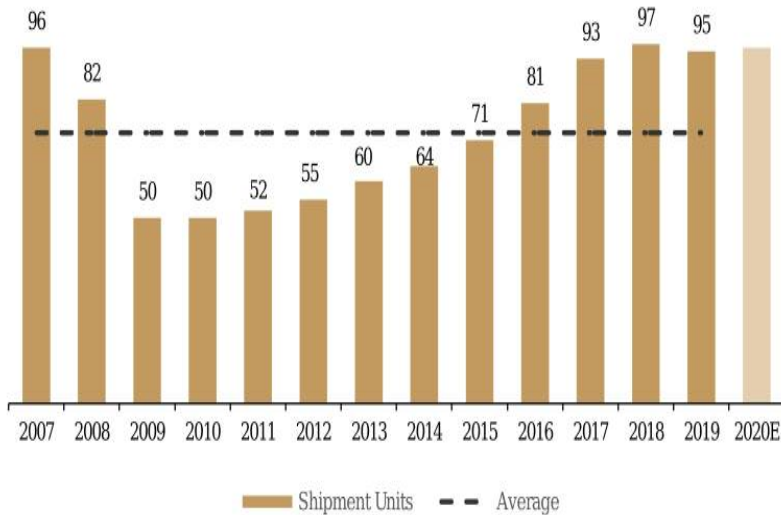


Manufactured Housing End Market Overview

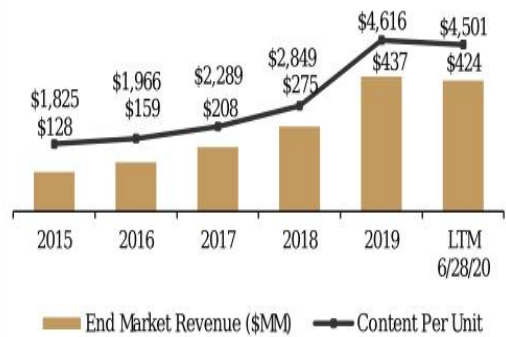
- Demand for new construction due to low housing supply and low mortgage rates
- Pent up housing demand and improving credit combined with low inventory and affordability to drive continued growth
- Shipments of wholesale units expected to increase low single digits for full year 2020

MH Wholesale Unit Shipments (000s)

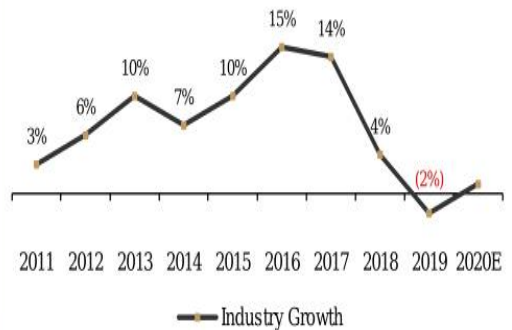
Historical Average: 73 units



MH End Market Performance



Market Growth



*2020E = Company Estimates

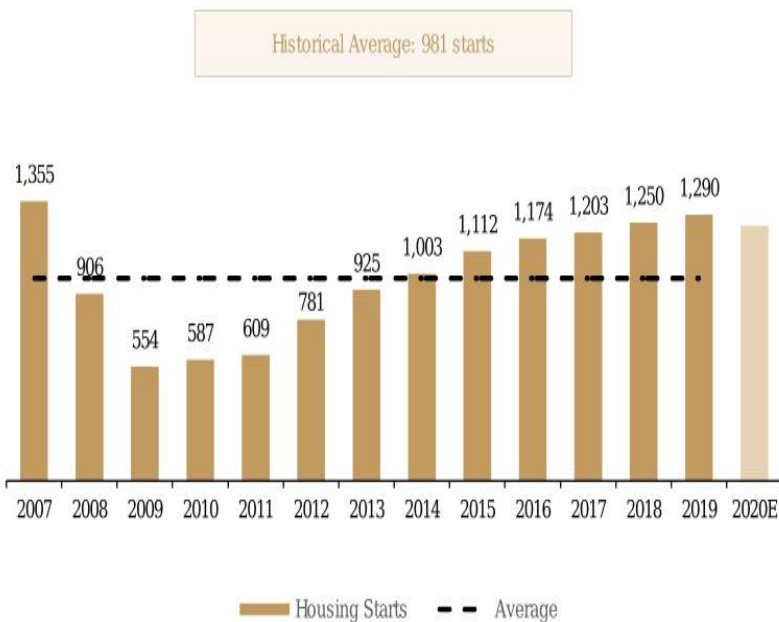
DIVERSE END MARKETS WITH FAVORABLE SECULAR TRENDS



Industrial End Market Overview

- Expanded portfolio of products, driven primarily through acquisitions, allows Patrick to capture more of forecasted market growth
- Due to our array of capabilities and diversified geographic presence, we can shift capacity to fill market needs

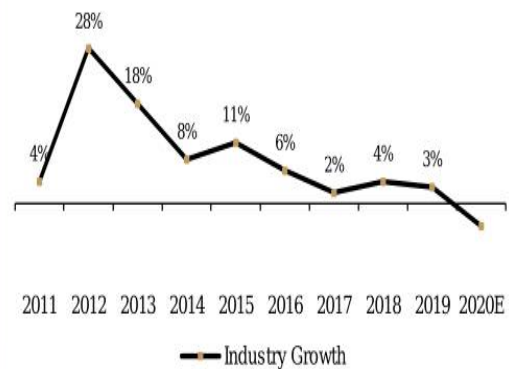
Seasonally Adjusted New Housing Starts (000s)



Industrial End Market Performance



Market Growth



*2020E = Company Estimates



FINANCIAL OVERVIEW

Growth Initiatives and Capital Allocation Strategy

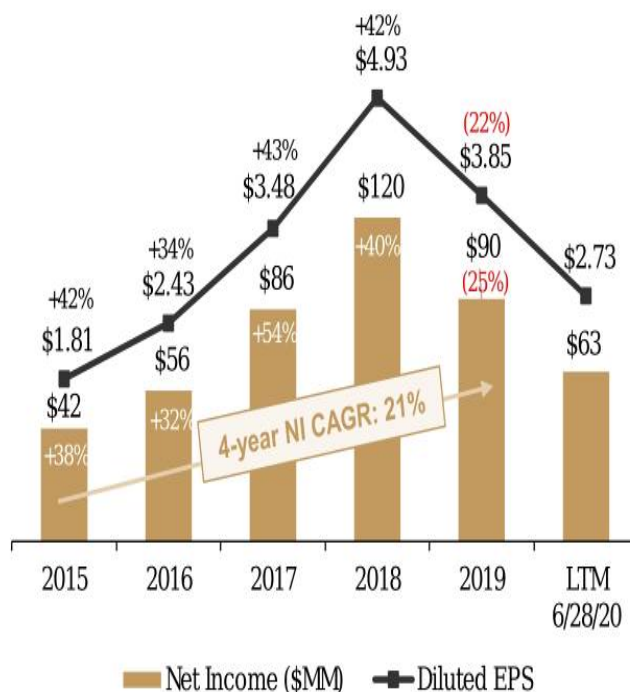
STRONG TRAJECTORY OF SALES AND EARNINGS GROWTH



Sales Growth (\$MM)

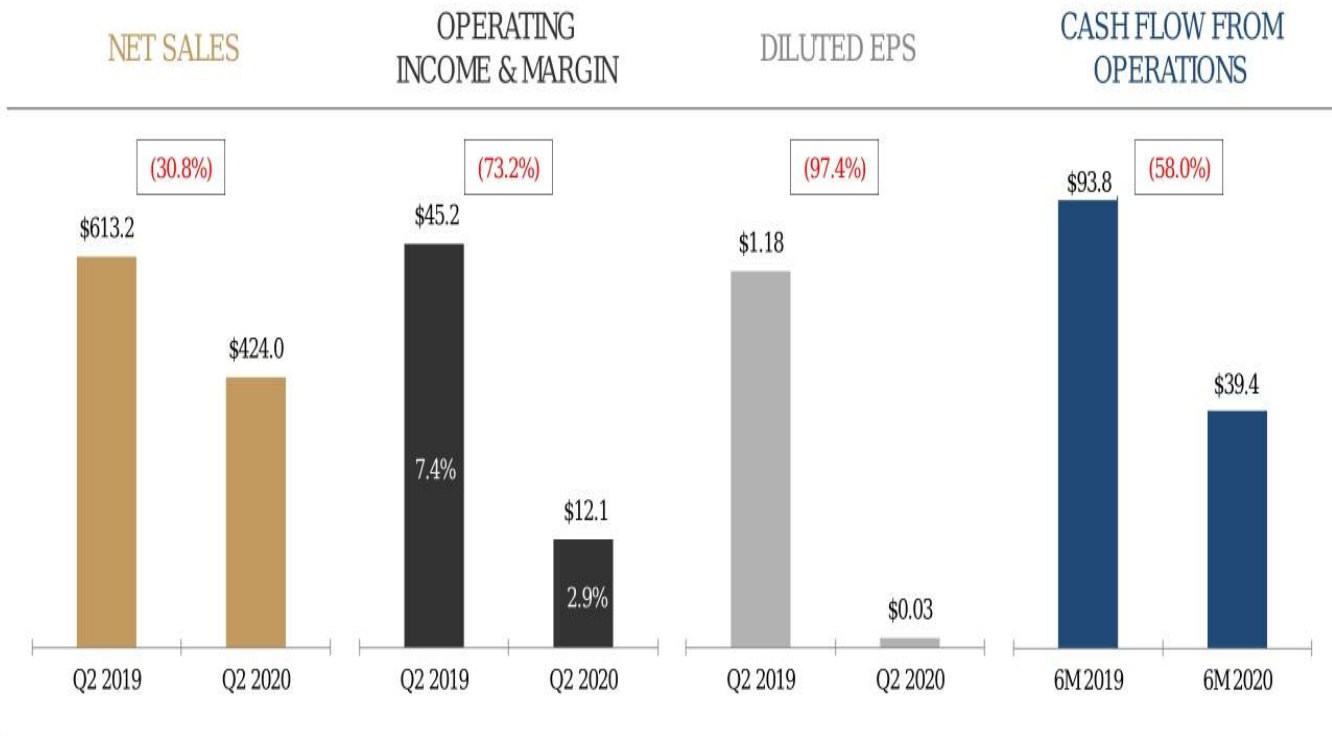


Earnings Growth



- Sales continued to grow and outpace their respective markets, albeit at a slower pace in 2019, driven by acquisitions, new products and line extensions, and market share gains, and were offset in part by lower sales volumes in our end markets. Pre-COVID, Q1'20 sales were strong due to recalibrated RV dealer inventories and positive tailwinds from lower interest rates and low housing supply. Although early Q2'20 saw lost sales volume due to shutdowns, the quarter ended with a significant resurgence of consumer demand in our leisure lifestyle market.
- Net income and EPS in 2019 reflected the impact of headwinds associated with each of our primary markets and were offset by cost reduction and strategic initiatives. Net income and EPS in Q2 YTD 2020 were negatively impacted by COVID-19, but cost actions taken in Q2'20 helped to partially mitigate this impact.

Q2 2020 FINANCIAL RESULTS (\$ MILLIONS EXCEPT PER SHARE DATA)

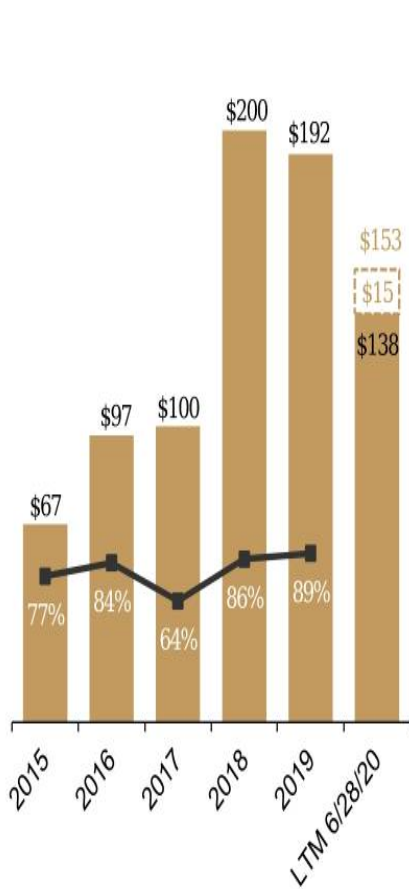


- Decline attributable to lost production days / business disruption related to COVID-19 throughout April and early May
- Revenues from leisure lifestyle market (RV & Marine) declined 39%, with RV down 40% and marine down 34%
- Revenues from housing & industrial markets decreased 12%, with MH down 18% and industrial down 2%
- Fixed cost reduction efforts in Q2 along with proactive cost containment measures in 2019 helped mitigate some impact from COVID-19, and to an even greater extent after production resumed
- Highly flexible cost structure combined with fixed cost reductions helped to mitigate significant headwinds related to COVID-19 related shutdowns
- Q2 2020 earnings disruptions related to COVID-19 impact on end markets
- Strong focus on cash management to navigate unique COVID environment

TRACK RECORD OF STRONG CASH FLOW GENERATION

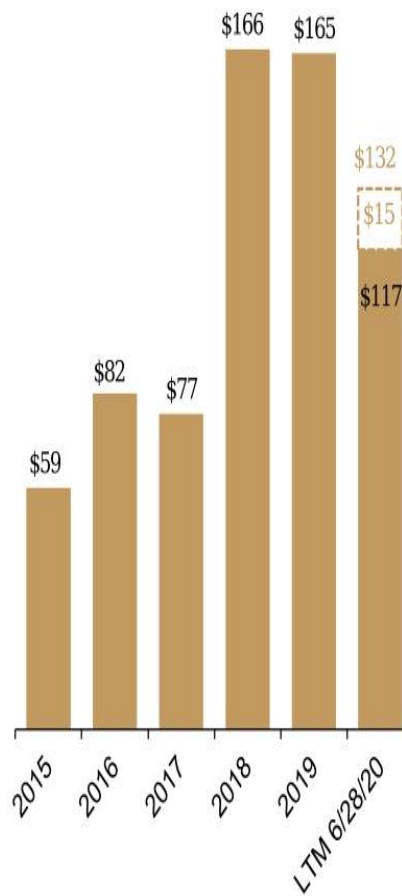


Cash Flow from Operating Activities (\$MM)



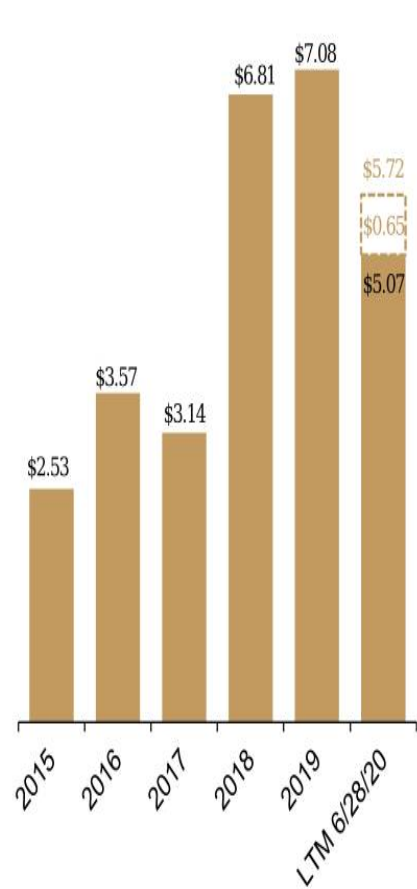
■ CF from Op. Activities —■— % Conversion
 % Conversion is operating cash flow as a % of EBITDA
\$15 \$15 million of receivables collected two business days after quarter end

Free Cash Flow¹ (\$MM)



¹ FCF is calculated as operating cash flow less capex
\$15 \$15 million of receivables collected two business days after quarter end

Free Cash Flow per Share²



² FCF divided by weighted average diluted shares outstanding
\$0.65 \$15 million of receivables collected two business days after quarter end

Strong FCF Generation Provides Flexibility Across Strategic and Financial Objectives

BALANCE SHEET, CASH FLOW AND LIQUIDITY



The strength of our cash flows, combined with our liquidity continue to provide us with the flexibility to navigate a variety of scenarios through these unprecedented times

DEBT STRUCTURE AND MATURITIES

- \$550MM Senior Secured Revolver, due September 2024
- \$100MM Term Loan (\$96.3MM o/s at 6/28/20), pre-determined quarterly installments; balance due @ maturity
- \$172.5MM 1% Convertible Senior Notes, due February 2023
- \$300MM 7.5% Senior Notes, October 2027

COVENANTS

- Consolidated Net Leverage Ratio – maximum 4.00x vs. 2.31x at 6/28/20
- Consolidated Fixed Charge Coverage Ratio – minimum 1.50x vs. 5.65x at 6/28/20

LIQUIDITY

- Available liquidity, including cash on hand - \$521.3MM at 6/28/20

NET LEVERAGE¹ (\$ in millions)

Total Debt Outstanding	\$702.5
Less: Cash on Hand	(125.6)
Net Debt	\$576.9
LTMAj. EBITDA	\$250.1
Net Debt to Adj. EBITDA	2.31x

LIQUIDITY (\$ in millions)

Total Revolver Credit Capacity	\$550.0
Less: Total Debt Outstanding (including outstanding letters of credit)	(139.8)
Unused Credit Capacity	\$410.2
Add: Cash on Hand	111.1
Total Available Liquidity	\$521.3

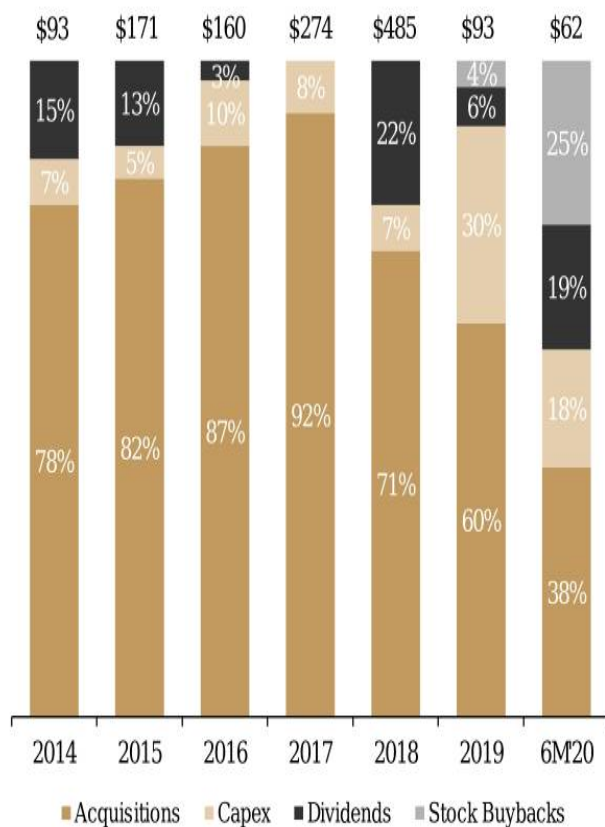
¹ As defined by credit agreement

DISCIPLINED 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 (\$MM)



Future Priorities

Opportunistic Acquisitions

- Strategic criteria
 - Strong management team
 - Aligns with our primary end markets
 - Expanded/enhanced customer relationships
 - Expand geographic reach
 - Expands product offerings and manufacturing/distribution capabilities
- Financial filters
 - Focused on accretive margins
 - ROIC > Cost of Capital within 1-2 years
 - EPS accretive in first full year

Capex

- Continued critical investments to drive efficiencies and capacities where necessary

Dividends

- Latest dividend declared for Q3'20 on 8/13/20

Stock Buybacks

- Paused on repurchases in Q2'20 due to COVID-19; cautiously opportunistic re: future repurchase activity

KEY INVESTMENT HIGHLIGHTS



MARKET POSITION

Market leader in our primary market sectors; uniquely positioned for near- and long-term shift toward outdoor activities



LEADERSHIP

Deep industry experience and proven track record of successfully navigating economic cycles



BUSINESS MODEL

Flexible, high variable cost business model to drive operational efficiency and navigate through all economic conditions



STRATEGIC

Disciplined cost management balanced with strategic growth investment opportunities



LIQUIDITY

Strong balance sheet with no near-term debt maturities, ample liquidity and an enhanced capital structure

Driving Confidence in Financial Performance and Creating Long-term Shareholder Value



APPENDIX





END MARKET PRODUCT CATEGORIES



RV PRODUCT CATEGORIES¹

TOWABLE		MOTORIZED	
Shipments: 89% Wholesale 64% Retail Value		Shipments: 11% Wholesale 36% Retail Value	
Travel Trailer ASP: \$25,300	Fifth Wheel ASP: \$55,200	Class A ASP: \$214,000	Class B & C ASP: \$95,800
			
Total Retail Value of Shipments in 2019: \$18B			

MARINE PRODUCT CATEGORIES²

Pontoon	Ski & Wake	Fiberglass	Aluminum
ASP: \$39,200 28% of Market	ASP: \$104,300 5% of Market	ASP: \$75,500 36% of Market	ASP: \$22,700 31% of Market
			
U.S. Expenditures On Boats, Engines and Accessories Totaled \$42B in 2018			

MANUFACTURED HOUSING PRODUCT CATEGORIES³

Single-Section Homes	Multi-Section Homes
ASP: \$52,400 47% of Market	ASP: \$99,500 53% of Market
	

¹ Source: RVIA 2019 Industry Profile (travel trailer ASP stat includes camping trailers and truck campers). ² Source: NMMA 2018 Statistical Abstracts. ³ Source: MHI / IBTS.

PATRICK PRODUCT LINES: RV EXTERIOR



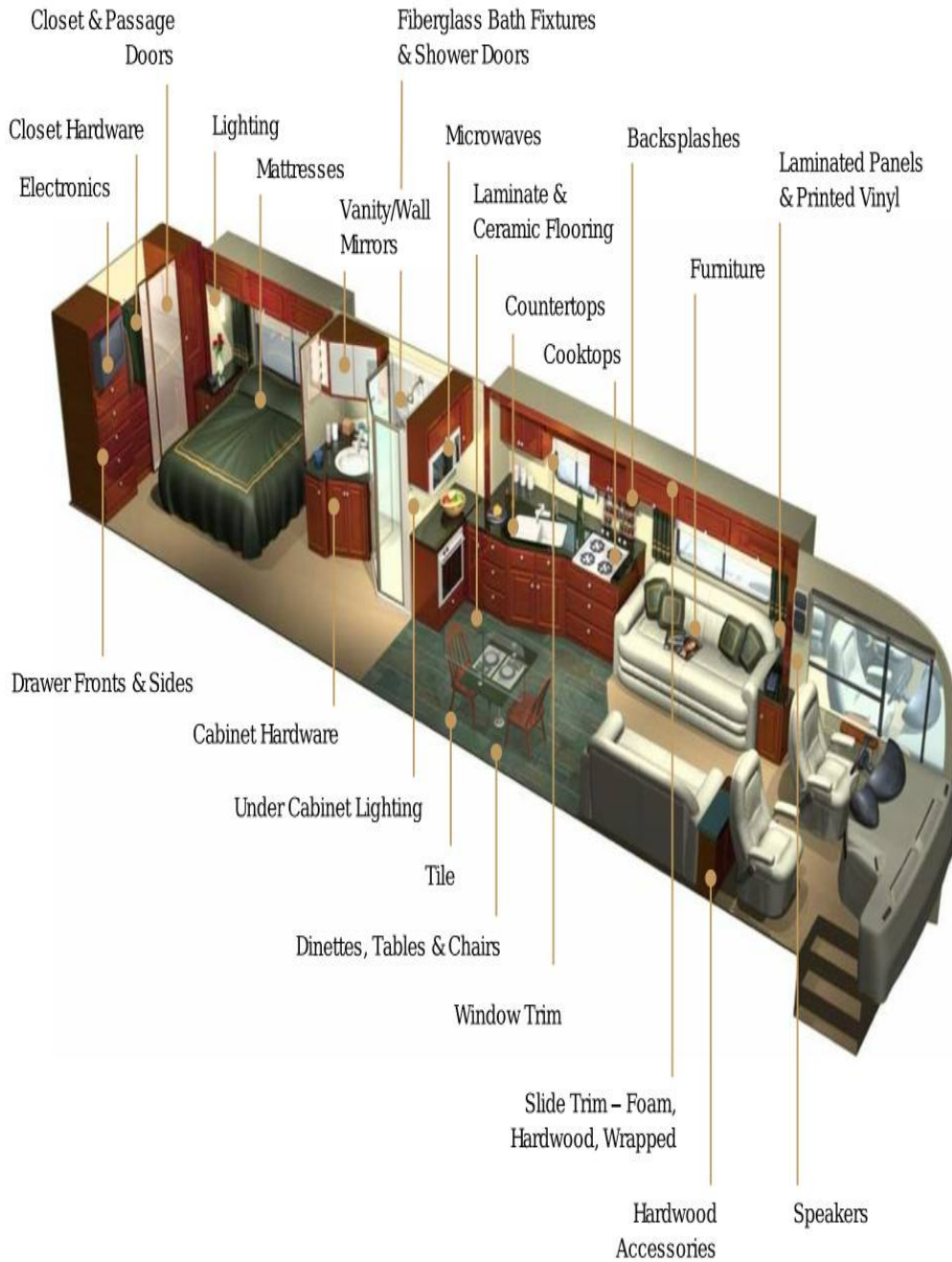
Additional Product Lines:

- 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



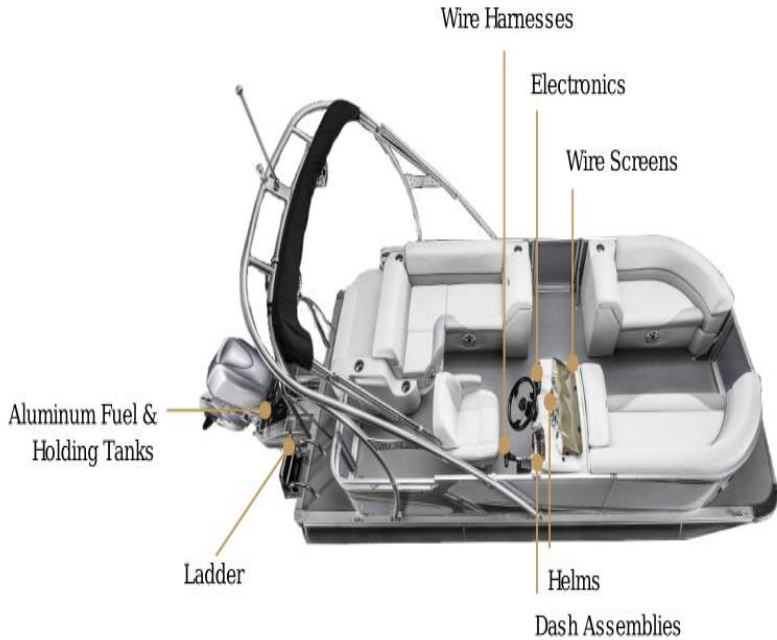
PATRICK PRODUCT LINES: RV INTERIOR



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, & 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 & High-Pressure Laminates (HPL)
- Trim Products

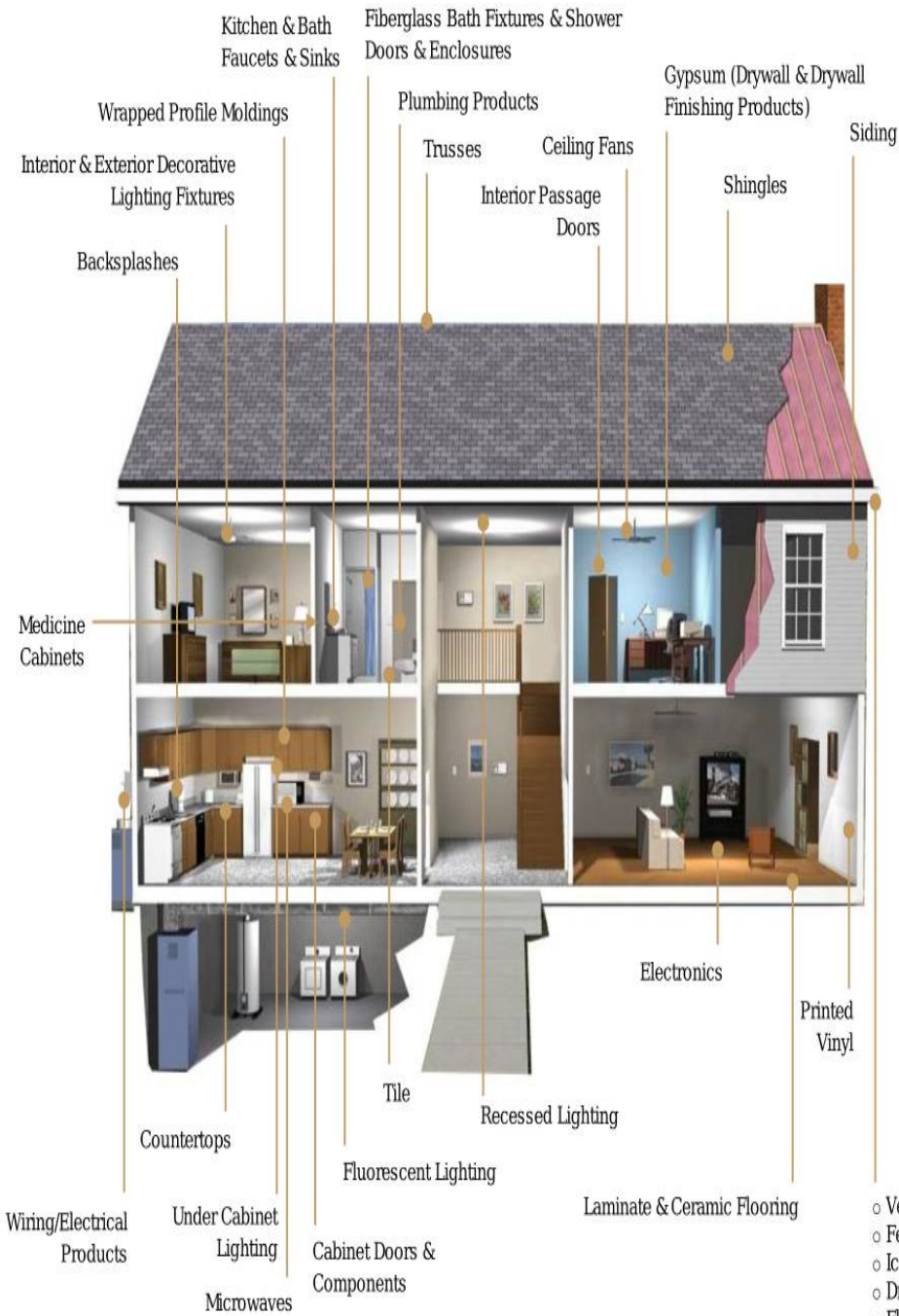
PATRICK PRODUCT LINES: MARINE



Marine Growth:

- Wind Shields (Glass)
- Plastic Fuel & Holding Tanks
- Fuel System Related Components
- Plastic Seat Bases & Components
- Vinyls (Biminis, Covers)
- Fabricated & Extruded Aluminum
- Decking, Flooring, Carpet, Vinyls
- Gauges, Instrument Panels, Displays
- Lighting
- Steering & Throttle Controls
- Plastic Products: Boxes, Inlay Tables
- Canvas Products, Panels & Trim

PATRICK PRODUCT LINES: MANUFACTURED HOUSING



Additional Supplied Products:

- Building Arches
- Closet Organization Products
- Adhesives & Sealants
- Innovative Lighting
- Electrical Components (e.g., Panels/ Breakers, Outlet Boxes & Switches/ Receptacles)
- Fireplaces and Surrounds
- Made-to-Order Laminated Products including Vinyl, Paper, Veneers & High-Pressure Laminates (HPL)
- Cut-to-Size, Boring, Foiling & Edge-Banding
- Solid Surface, Granite and Quartz Fab
- Flooring Adhesive
- Tables & Signs
- Roof Trusses
- Wardrobe Doors & Hardware Systems
- Closet Organizers & Shelving
- Air Handling Products
- Carpeting

- Ventilation System & Ridge Cap
- Felt Paper
- Ice & Water Protection
- Drip Edge
- Flashing
- Roofing Membrane
- Soffit & Fascia

NON-GAAP RECONCILIATIONS



Reconciliation of Cash Flow from Operations to Free Cash Flow

(\$ in millions)	2015	2016	2017	2018	2019	LTM6/28/20
Cash Flow from Operations	\$ 67	\$ 97	\$ 100	\$ 200	\$ 192	\$ 138
Less: Capital Expenditures	(8)	(15)	(22)	(34)	(28)	(21)
Free Cash Flow	\$ 59	\$ 82	\$ 77	\$ 166	\$ 165	\$ 117

Reconciliation of Net Income to EBITDA

(\$ in millions)	2015	2016	2017	2018	2019
Net income	\$ 42	\$ 56	\$ 86	\$ 120	\$ 90
Add:					
Depreciation & amortization	17	24	33	55	63
Interest expense, net	4	7	9	26	37
Income taxes	24	28	27	32	28
EBITDA	\$ 87	\$ 115	\$ 155	\$ 233	\$ 217

Reconciliation of % Conversion (Cash Flow as % of EBITDA)

(\$ in millions)	2015	2016	2017	2018	2019
Cash Flow from Operations	\$ 67	\$ 97	\$ 100	\$ 200	\$ 192
EBITDA	\$ 87	\$ 115	\$ 155	\$ 233	\$ 217
% Conversion	77%	84%	64%	86%	89%

Reconciliation of Free Cash Flow Per Share

(\$ / #shares in millions except per share data)	2015	2016	2017	2018	2019	LTM6/28/20
Free Cash Flow	\$ 59	\$ 82	\$ 77	\$ 166	\$ 165	\$ 117
Divided by: Weighted Average Diluted Shares Outstanding	23.3	22.9	24.6	24.3	23.3	23.1
Free Cash Flow Per Share	\$ 2.53	\$ 3.57	\$ 3.14	\$ 6.81	\$ 7.08	\$ 5.07

Use of Non-GAAP Financial Information

Free Cash Flow, Earnings before interest, taxes, depreciation and amortization ("EBITDA"), % Conversion, 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 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.

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.

NON-GAAP RECONCILIATIONS



Reconciliation of Net Income to EBITDA to LTM Adjusted EBITDA

(\$ in millions)	LTM6/28/20
Net income	\$ 63.2
+ Depreciation & amortization	67.2
+ Interest expense, net	40.3
+ Income taxes	21.3
EBITDA	192.0
+ Stock compensation expense	13.6
+ Acquisition proforma, transaction-related expenses & other	44.5
LTM Adjusted EBITDA	\$ 250.1

Reconciliation of Net Leverage*

(\$ millions)	
Total debt outstanding @ 6/28/20	\$ 703.7
Less: term loan payment	(1.2)
Total debt outstanding @ 6/30/20	702.5
Less: cash on hand @ 6/30/20	(125.6)
Net debt @ 6/30/20	\$ 576.9
LTM Adjusted EBITDA	\$ 250.1
Net Debt to Adjusted EBITDA	2.31 X

*As defined by credit agreement which includes debt balance and cash balance two days following quarter end

Use of Non-GAAP Financial Information

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), LTM Adjusted EBITDA, and Net Debt to Adjusted EBITDA 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 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.

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.

