

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

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**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)

**January 13, 2021**

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**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**

(Address of Principal Executive Offices)

**Elkhart,**

**Indiana**

**46515**

(Zip Code)

Registrant's Telephone Number, including area code

**(574)**

**294-7511**

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(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.

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**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](#) - Slide for Investor Presentation.

Exhibit 104 - Cover Page Interactive Data File (embedded within the Inline XBRL document)

**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.

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**PATRICK INDUSTRIES, INC.**

(Registrant)

Date: January 13, 2021

By: /s/ James E. Rose  
James E. Rose  
Principal Accounting Officer



# INVESTOR PRESENTATION

January 2021

## FORWARD-LOOKING STATEMENTS



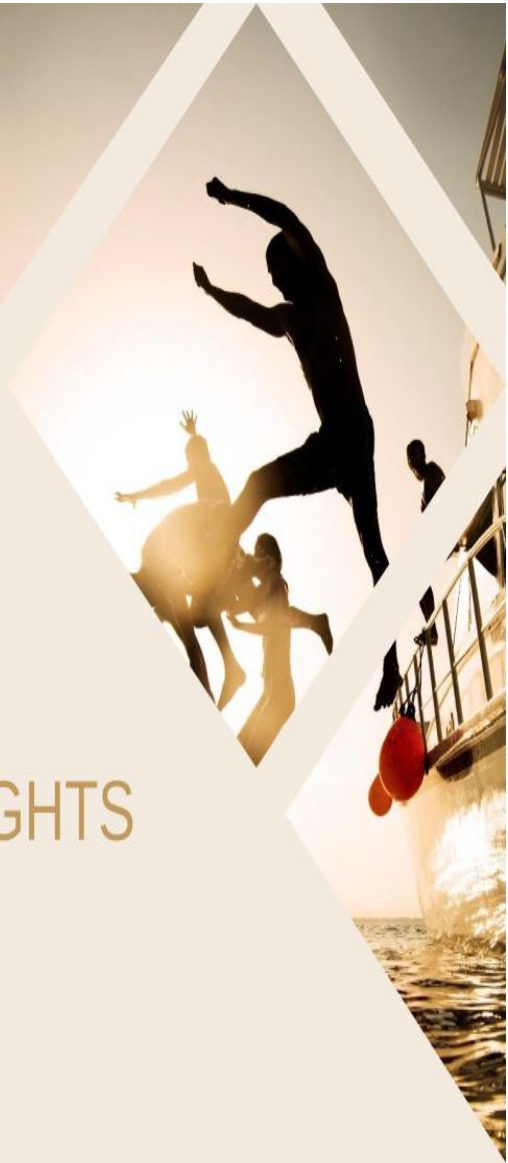
This presentation contains certain statements related to future results, our intentions, beliefs and expectations or predictions for the future which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve 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.



# COMPANY OVERVIEW & HIGHLIGHTS

# KEY MESSAGES



1

Prioritizing health and safety of team members by maintaining a safe work environment while continuing to serve our customers

2

Successfully flexing capacity and making strategic investments to align with increasing consumer demand and drive accretive margins by leveraging our cost structure

3

All four of our primary market sectors have tremendous tailwinds heading into 2021

4

Leveraging our flexible and nimble operating model and strong liquidity to quickly pivot and prioritize capital allocation to drive strategic growth. Completed eight strategic acquisitions in 2020 representing ~\$250M in annualized revenues

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

Headquartered	Elkhart, Indiana
Market-cap <sup>1</sup>	\$1.6B
Current States Presence	23
Employees	~8,500
# of Acquisitions Completed Since 2010	53

## Q3'20 LTM RESULTS

Revenue	\$2.3B
Net Income	\$79MM
Operating Cash Flows	\$183MM

## SUSTAINABLE COMPETITIVE ADVANTAGES

-  Experienced management team with an average of 20+ years of industry experience
-  Leading market position in major product categories
-  Deep customer relationships with 30+ years for top customers, including key design partners
-  Strong Free Cash Flow (FCF) generation & FCF conversion %
-  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, Institutional Furniture

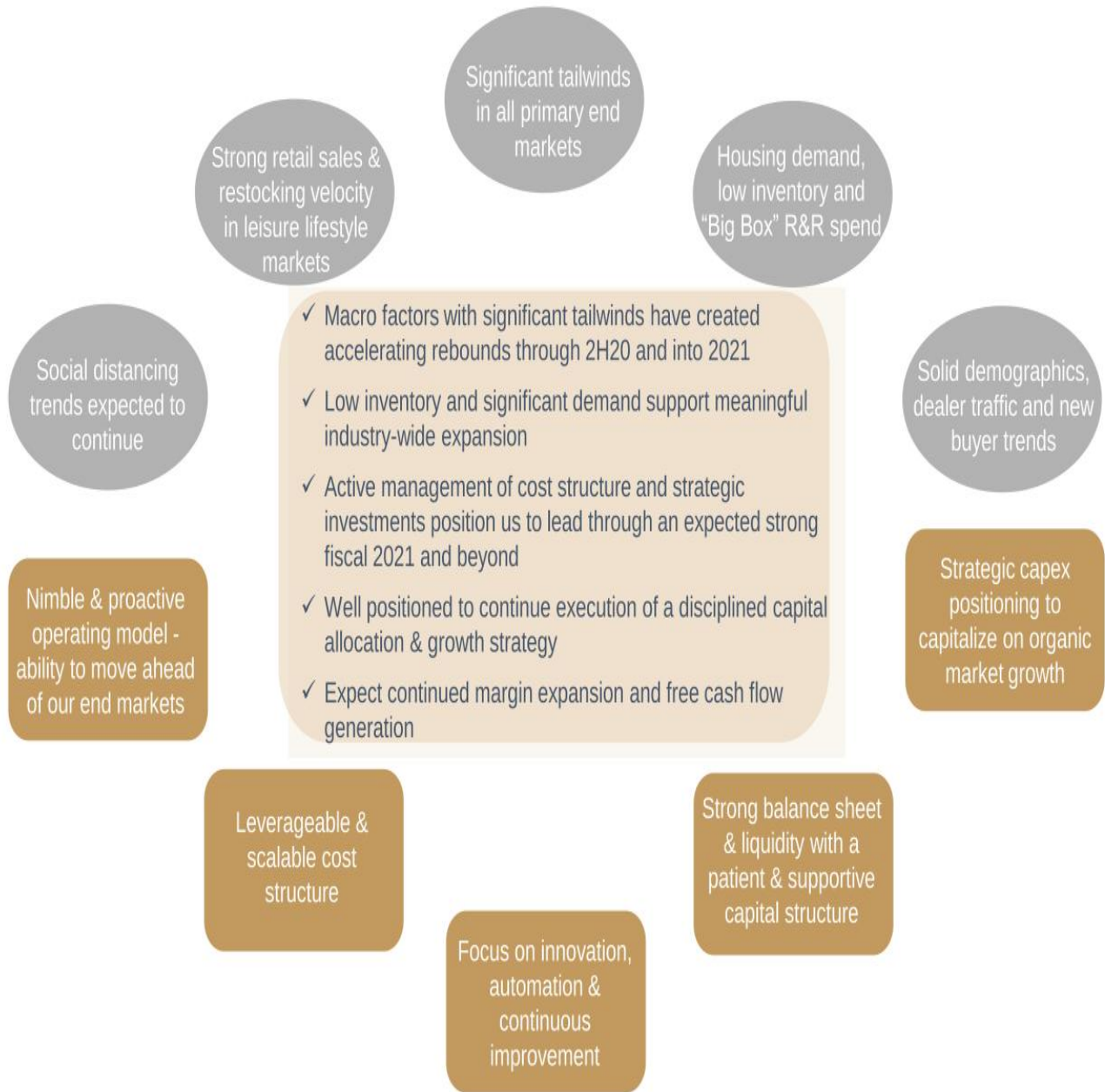
<sup>1</sup> as of 01/08/2021

% Net Sales (LTM):      55%                      13%                      19%                      13%

Manufacture and Distribute Quality Products that Exceed Customer Expectations



## CURRENT PATRICK & END MARKET THEMES



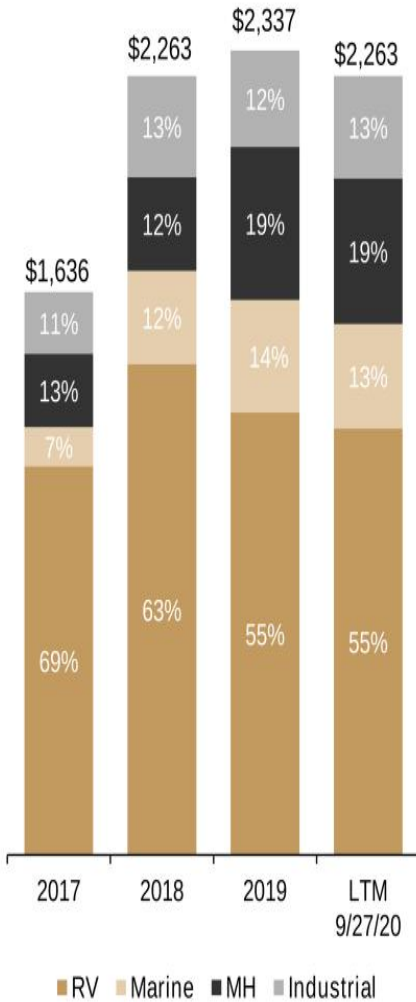
Well Positioned For Continued Growth through 2021 and beyond



# STRATEGIC END MARKETS OVERVIEW



Sales Composition (\$MM)



Net Sales (LTM as of 9/27/20)	Lifestyle & Leisure		Housing & Industrial	
	RV \$1,239MM	Marine \$303MM	MH \$422MM	Industrial \$299MM
Areas of Expertise				
Lamination/Custom Components	✓		✓	✓
Hard/Softwoods Cabinetry	✓		✓	✓
Thermoforming/ Plastics	✓	✓	✓	✓
Countertops & Fabrication	✓		✓	✓
Metal Fabrication / Fuel Tanks	✓	✓		✓
Electrical Systems & Wire Harnesses	✓	✓	✓	✓
Electronics & Appliances	✓	✓	✓	✓
Full Body Paint	✓			
Wiring	✓	✓		✓
Marine Canvas & Towers / Decking		✓		
Fiberglass	✓	✓	✓	✓
Distribution & Design Center	✓	✓	✓	
Geographic Reach & Industry Concentration				

Portfolio of products is highly leverageable across business lines



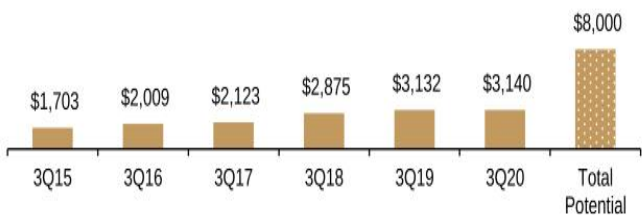
# LEADING MARKET POSITION IN MAJOR PRODUCT CATEGORIES

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

## Recreational Vehicle

Primary Market: ~\$4.0B | ~39% Market Share

(Calculated on a TTM basis)

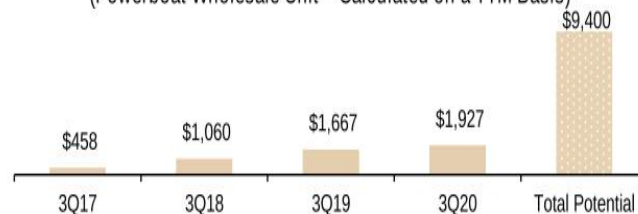


- 100% market share in our existing products would yield a total potential content/unit of \$8,000

## Marine

Primary Market: ~\$2.0B | ~21% Market Share

(Powerboat Wholesale Unit – Calculated on a TTM Basis)\*



- 100% market share in our existing products would yield a total potential content/unit of \$9,400

## Manufactured Housing

Primary Market: ~\$1.05B | ~41% Market Share

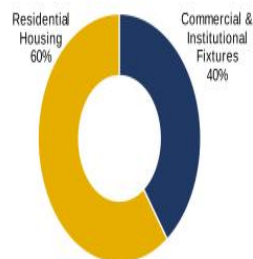
(Calculated on a TTM basis)



- 100% market share in our existing products would yield a total potential content/unit of \$11,000

## Industrial

N/A



- Addressable market opportunities in residential (both single and multi-family), commercial high rise, big box retail, office furniture and hospitality / schools

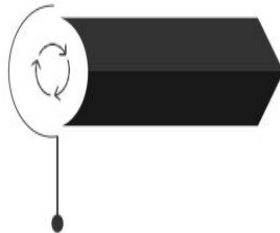
\*Beginning in 3Q20, marine content per unit calculation is based on estimated wholesale powerboat unit shipments, which the Company believes better represents the relationship between its sales and marine OEM production, rather than based on estimated retail powerboat unit sales

# CLEAR STRATEGIC PATH FORWARD FOR PROFITABLE GROWTH



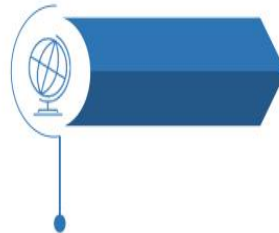
## Pursue Organic Growth

- 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 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
- Building 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

# MARKET OVERVIEW

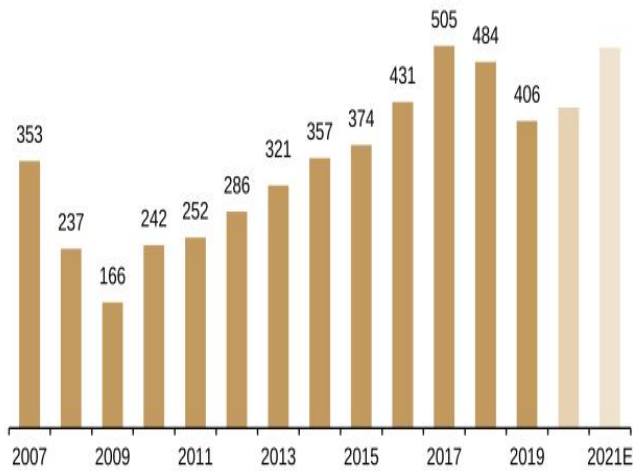
Investor Presentation – January 2021



# RV INDUSTRY HIGHLIGHTS



**RV Wholesale Shipments**  
(shipments in thousands)

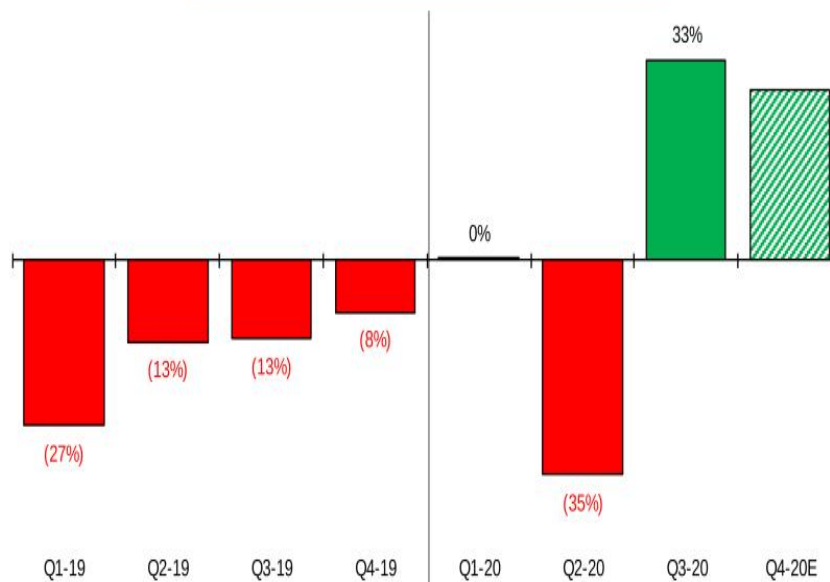


2007 to 2021E: Per RVIA

## Market Highlights

- Retail continued to extraordinarily outpace wholesale in the third quarter; more than 110k units were taken out of the pipeline through the end of Q3-20
- The combination of historically low dealer inventories and strong demand has made replenishment at the dealers difficult as they experience immediate retail sell-through
- OEMs continue to flex up their production schedules to keep pace with retail demand and address backlogs
- Low dealer inventories and a broadening of the RV customer base lead us to believe in the continuation of these strong sales growth trends through 2021

## RV Wholesale Shipment Trends

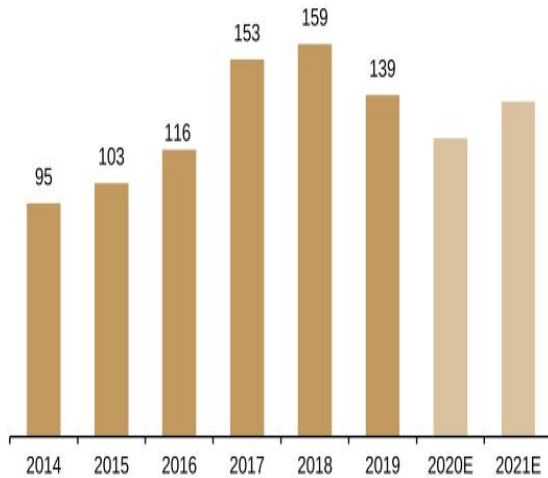


Q4-20E = Company Estimate

# MARINE INDUSTRY HIGHLIGHTS



## Marine Wholesale Shipments (shipments in thousands)

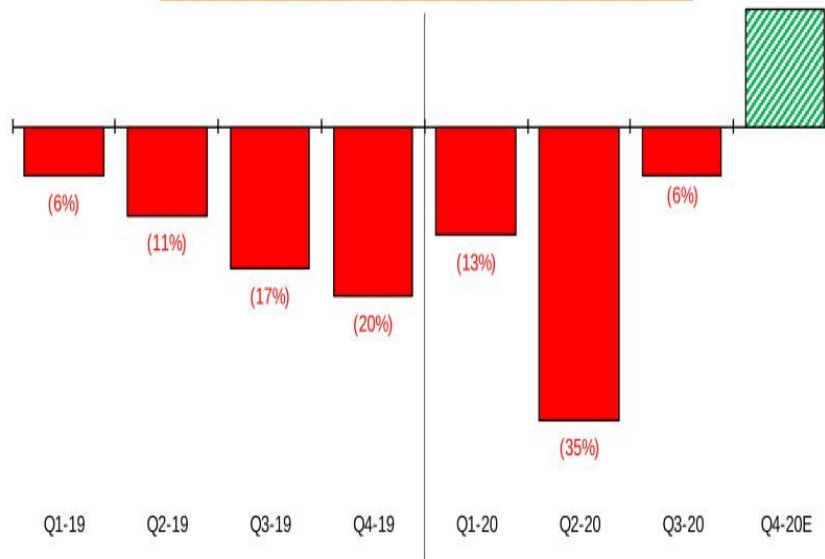


2014 to 2019: Per NMMA (marine powerboat shipments); 2020E / 2021E = Company Estimates

## Market Highlights

- With dealer de-stocking efforts exacerbated even further by COVID and strong retail demand, marine dealer inventories are sitting at historically low levels
- OEMs continue ramping up production to match demand as consumers embrace the marine lifestyle in the current environment
- Similar to the RV market, marine finds itself looking at an extended restocking period that will likely reach into 2022 as new buyer traffic and activity remains strong
- Powerboat retail shipments expected to increase by high single-digits in 2020 vs. prior year, showing the resiliency of consumer demand

## Marine Wholesale Shipment Trends

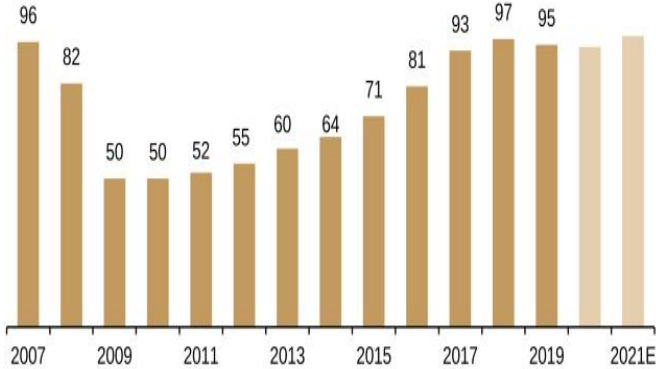


Q4-20E = Company Estimate

# MH INDUSTRY HIGHLIGHTS



MH Wholesale Shipments  
(shipments in thousands)

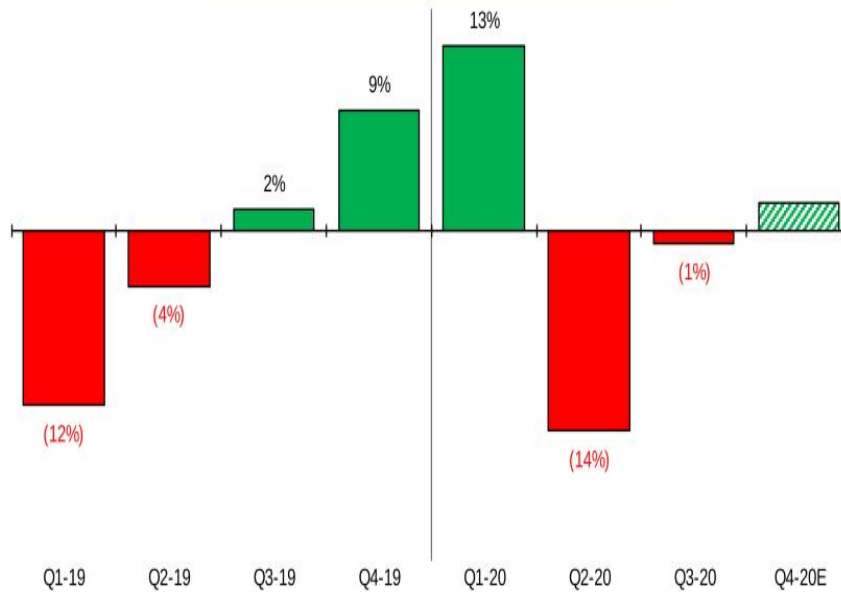


2007 to 2019: Per MHI; 2020E / 2021E = Company Estimates

## Market Highlights

- The trends continue to point toward a long runway in the MH sector as favorable demographic trends and a low supply of existing houses create a need for affordable housing options
- Low interest rates and the urban-to-rural migration trend are helping to drive up prices on an already-scarce supply of suburban homes, making affordable housing offerings even more attractive
- Production has hampered capacity at the OEMs, intermittent COVID-related facility shutdowns, and material supply constraints due to global demand increases as industries began to re-open

## MH Wholesale Shipment Trends



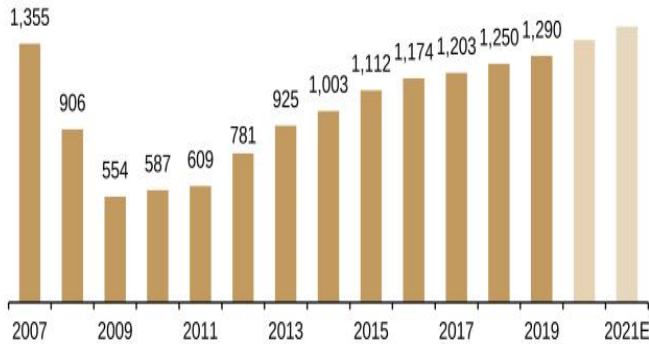
Q4-20E = Company Estimate



# INDUSTRIAL INDUSTRY HIGHLIGHTS



## New Housing Starts (starts in thousands)

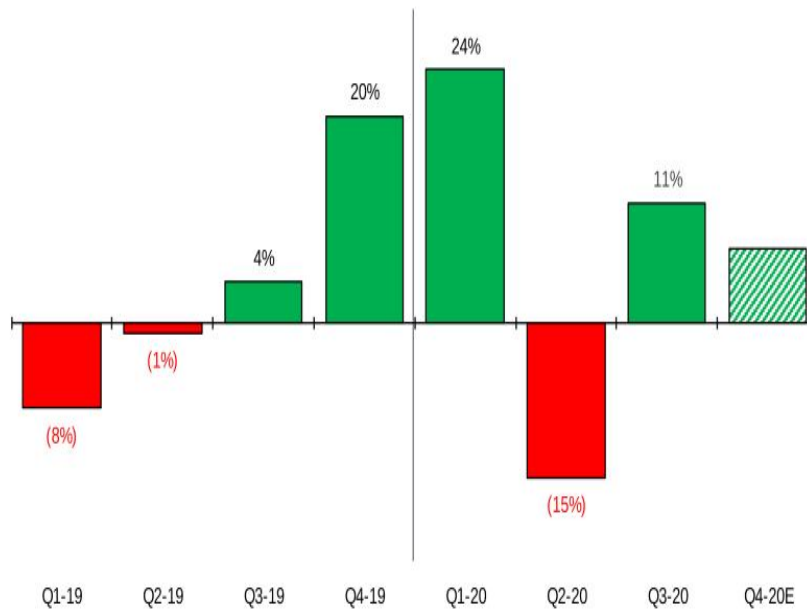


2007 to 2019: Per U.S. Census Bureau; 2020E / 2021E = Company Estimates

## Market Highlights

- Low interest rates and low inventories have combined with urban-to-rural migration trend to drive new housing starts
- Single-family housing starts continue to show strong growth, while multi-family starts have seen a greater impact from a COVID-restricted environment
- Social distancing requirements continue to impact residential housing build rates as it limits the number of subcontractors allowed on a site at a given time
- Potential remains for a sustained increase in demand from big box retail as COVID restrictions continue to keep homeowners at home; the return of lockdowns in some states can be expected to only further home improvement / DIY trends

## New Housing Starts Trends



Q4-20E = Company Estimate

Investor Presentation – January 2021

A photograph showing the silhouettes of several people on the deck of a boat. They appear to be celebrating or dancing, with one person in the foreground having their arms raised. The background is a bright sunset over the ocean, with the sun low on the horizon. The image is framed by white geometric shapes on a light beige background.

# FINANCIAL OVERVIEW

Growth Initiatives and Capital Allocation Strategy

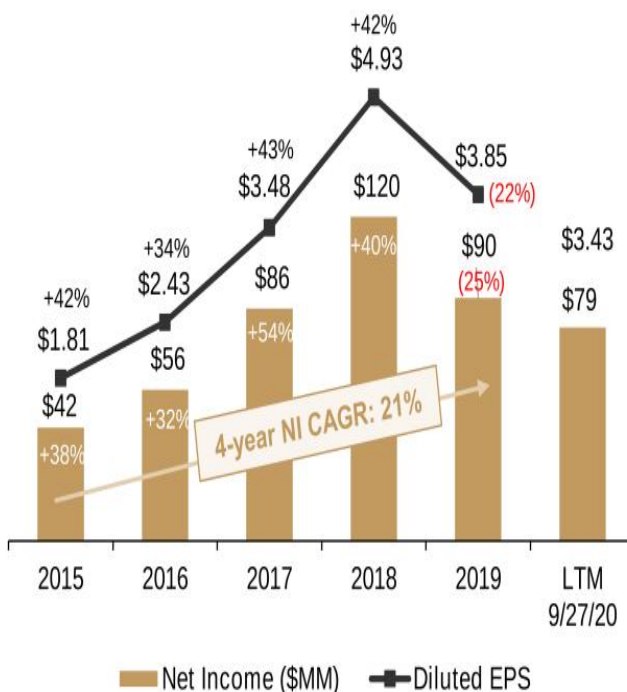
# STRONG TRAJECTORY OF SALES AND EARNINGS GROWTH



### Sales Growth (\$MM)



### Earnings Growth



- LTM 2020 sales reflect:
  - RV dealer inventory recalibration and positive tailwinds from lower interest rates and low housing supply pre-COVID
  - Production disruptions related to COVID-19 in Q2'20
  - Significant resurgence of consumer demand in all our end markets in Q3'20

- 2019 impacted by headwinds across each of our primary markets, offset in part by cost reduction and strategic initiatives
- LTM 2020 negatively impacted by COVID-19; cost reduction actions taken in Q2 / Q3 2020 partially mitigated this impact

# TRACK RECORD OF STRONG CASH FLOW GENERATION

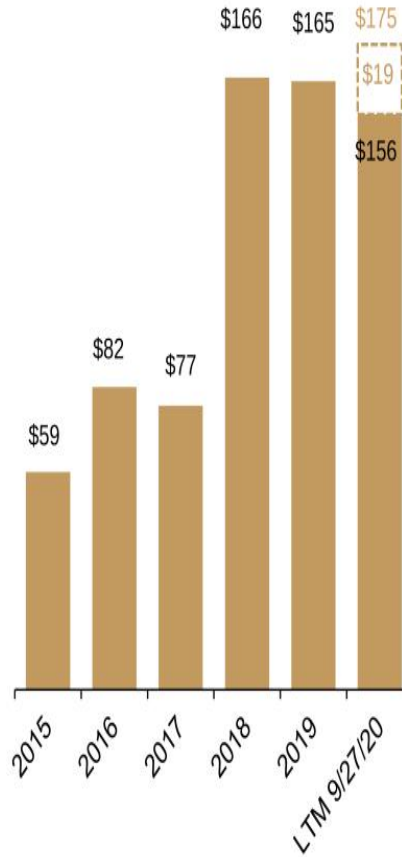


### Cash Flow from Operating Activities (\$MM)



■ CF from Op. Activities    —■— % Conversion  
 % Conversion is operating cash flow as a % of EBITDA  
\$19 million of receivables collected two business days after quarter end

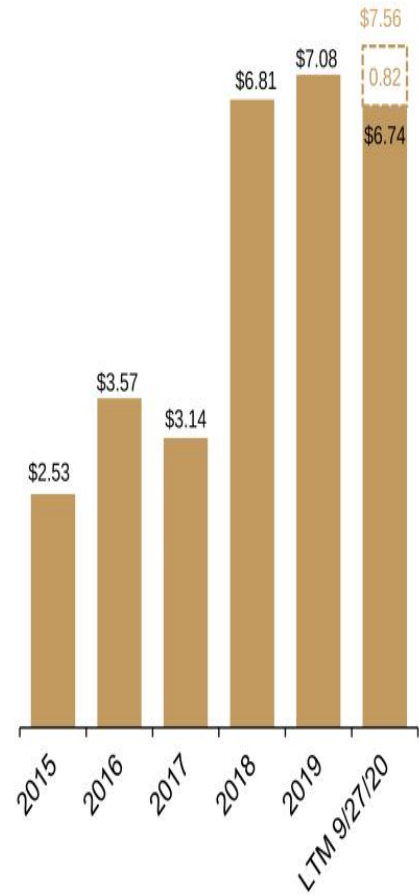
### Free Cash Flow<sup>1</sup> (\$MM)



<sup>1</sup> FCF is calculated as operating cash flow less capex

\$19 million of receivables collected two business days after quarter end

### Free Cash Flow per Share<sup>2</sup>



<sup>2</sup> FCF divided by weighted average diluted shares outstanding

\$0.82 million of receivables collected two business days after quarter end

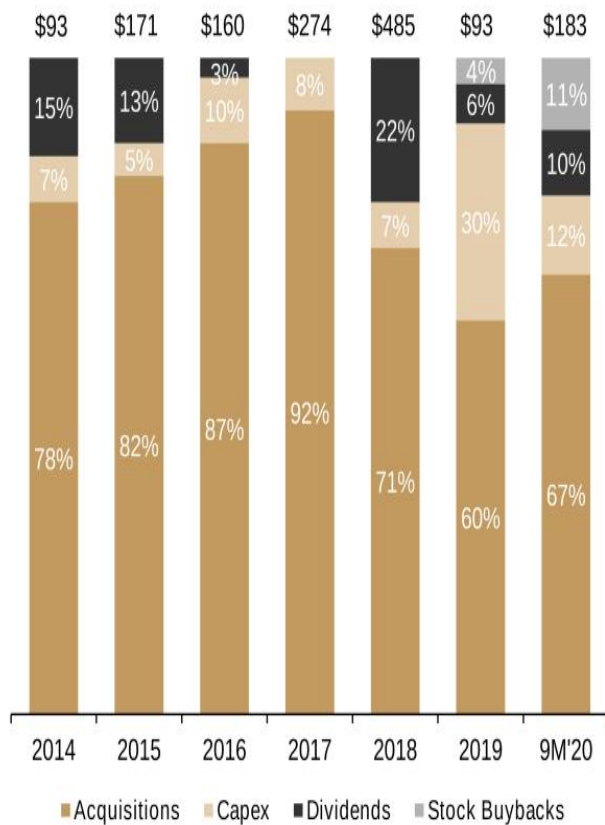
**Strong FCF Generation Provides Flexibility Across Strategic and Financial Objectives**

# 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)



-  **Acquisitions**
-  **Stock Repurchases**
-  **Geographic Expansions**
-  **Capital Expenditures**
-  **Dividends**



## STRATEGIC CRITERIA

- ✓ Key Product Category
- ✓ Market Leadership
- ✓ Strong Leadership Team
- ✓ Geographic / Market Expansion
- ✓ Executable Cost and Revenue Synergies
- ✓ Strong Cultural Fit

## FINANCIAL FILTERS

Accretive to EPS within  
First Full Year

ROIC > WACC  
within 1-2 Years

Post-Synergy Valuation Below  
Current Trading Multiple

Disciplined Acquisition Approach to Enhance Profitable Growth

# 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



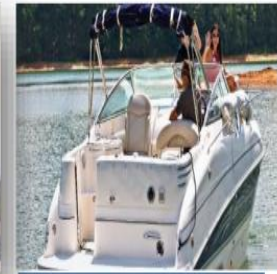
## BUSINESS MODEL

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 CATEGORIES<sup>1</sup>

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 CATEGORIES<sup>2</sup>

Pontoon	Ski & Wake	Fiberglass	Aluminum
ASP: \$44,300   27% of Market	ASP: \$111,000   5% of Market	ASP: \$81,300   39% of Market	ASP: \$26,500   29% of Market
			
U.S. Expenditures On Boats, Engines and Accessories Totaled \$43B in 2019			

## MANUFACTURED HOUSING PRODUCT CATEGORIES<sup>3</sup>

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

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

# PATRICK PRODUCT LINES: RV EXTERIOR



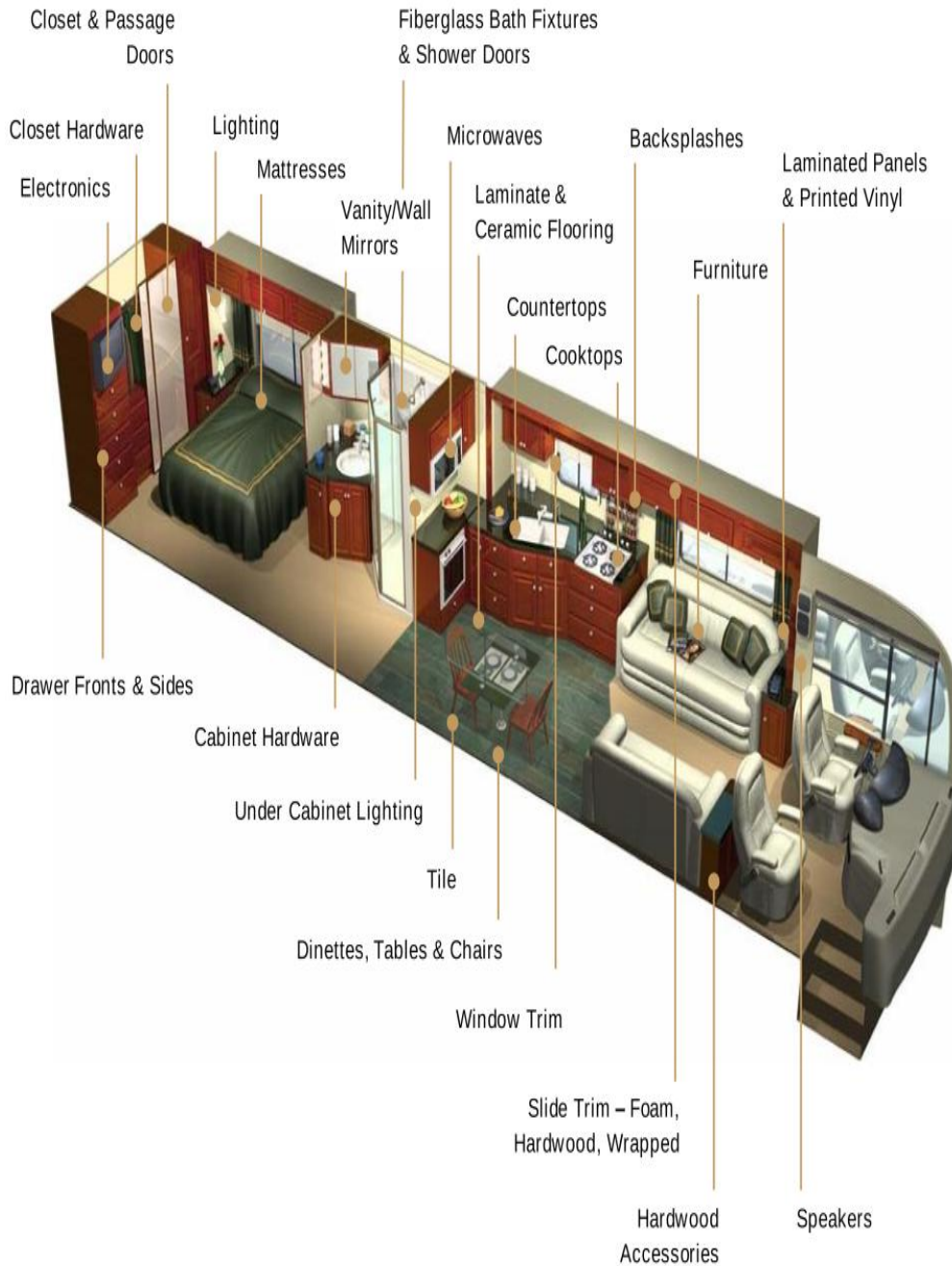
**Additional Product Lines:**

- 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**



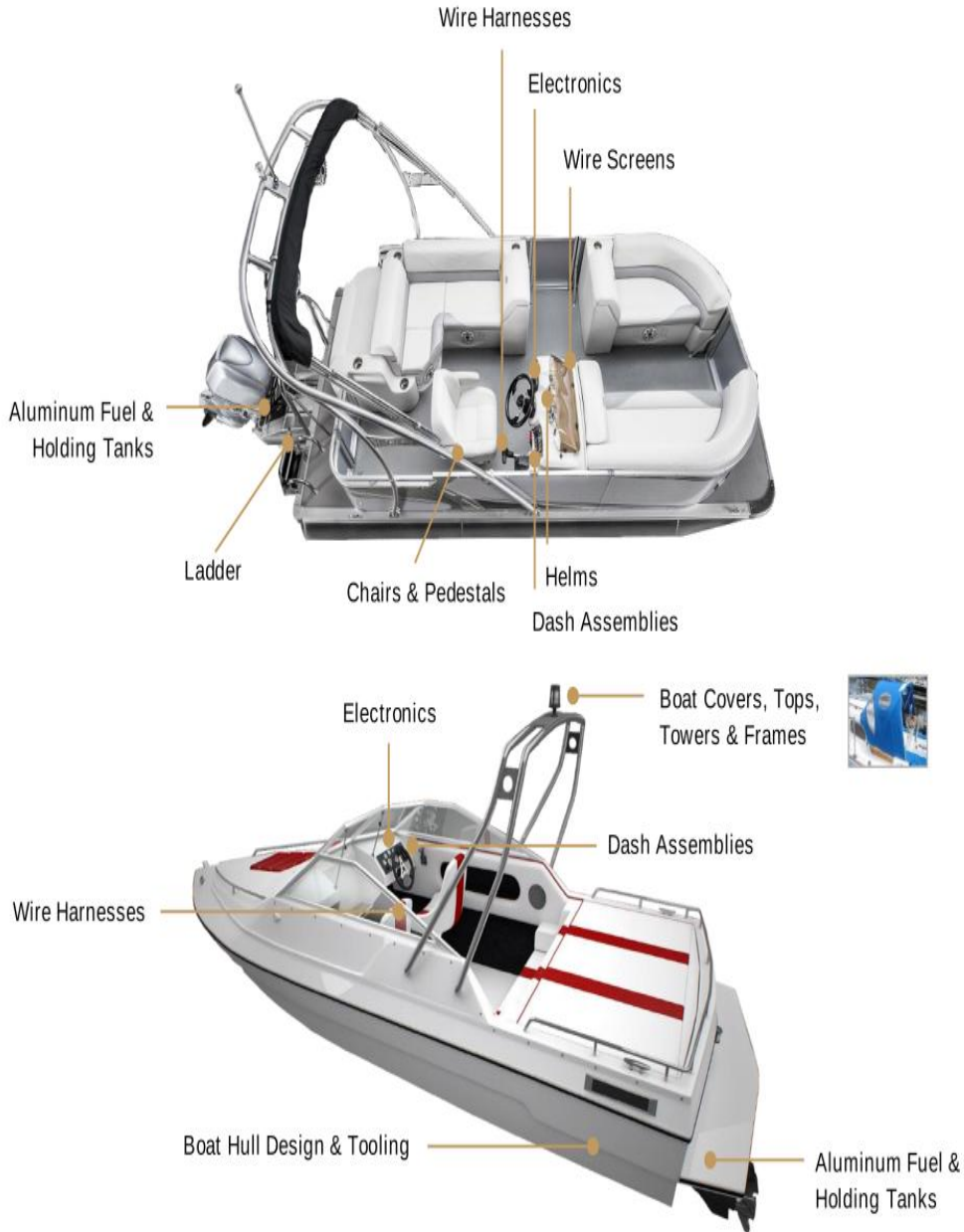
# PATRICK PRODUCT LINES: RV INTERIOR



## 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, Filing & Edge-Banding
- Flooring Adhesive
- Instrument Panel
- Made-to-Order Laminated Products including Vinyl, Paper, Veneers & High-Pressure Laminates (HPL)
- Trim Products

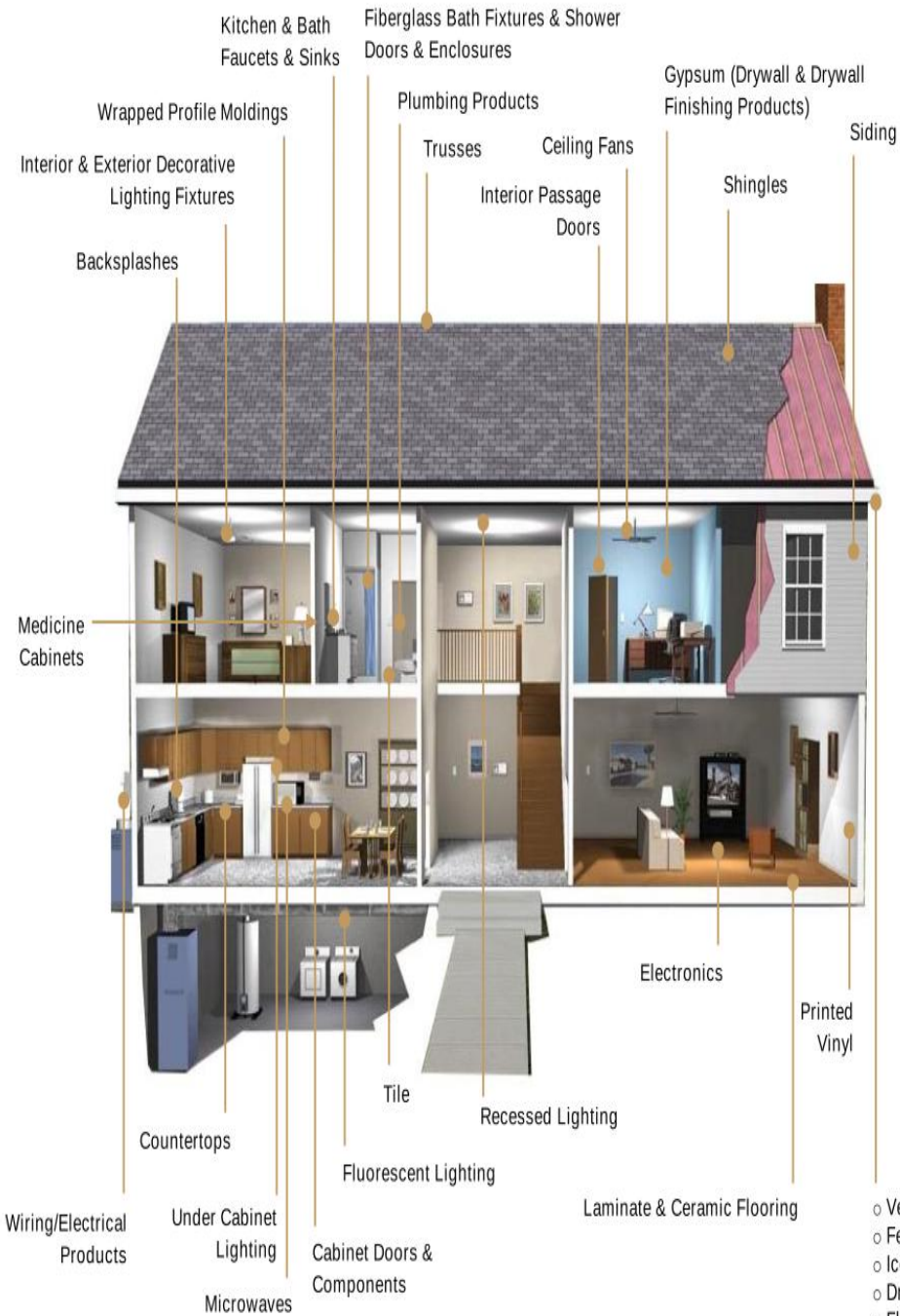
# PATRICK PRODUCT LINES: MARINE



## 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	LTM 9/27/20
Cash Flow from Operations	\$ 67	\$ 97	\$ 100	\$ 200	\$ 192	\$ 183
Less: Capital Expenditures	(8)	(15)	(22)	(34)	(28)	(27)
Free Cash Flow	\$ 59	\$ 82	\$ 77	\$ 166	\$ 165	\$ 156

## Reconciliation of Net Income to EBITDA

(\$ in millions)	2015	2016	2017	2018	2019	LTM 9/27/20
Net income	\$ 42	\$ 56	\$ 86	\$ 120	\$ 90	\$ 79
Add:						
Depreciation & amortization	17	24	33	55	63	69
Interest expense, net	4	7	9	26	37	42
Income taxes	24	28	27	32	28	26
EBITDA	\$ 87	\$ 115	\$ 155	\$ 233	\$ 217	\$ 216

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

(\$ in millions)	2015	2016	2017	2018	2019	LTM 9/27/20
Cash Flow from Operations	\$ 67	\$ 97	\$ 100	\$ 200	\$ 192	\$ 183
EBITDA	\$ 87	\$ 115	\$ 155	\$ 233	\$ 217	\$ 216
% Conversion	77%	84%	64%	86%	89%	85%

## Reconciliation of Free Cash Flow Per Share

(\$ / # shares in millions except per share data)	2015	2016	2017	2018	2019	LTM 9/27/20
Free Cash Flow	\$ 59	\$ 82	\$ 77	\$ 166	\$ 165	\$ 156
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	\$ 6.74

### 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.

