

**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)

April 29, 2021

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

(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 2.02 Results of Operations and Financial Condition.

On April 29, 2021, the Company issued a press release announcing operating results for the first quarter ended March 28, 2021. A copy of the press release is furnished herewith as Exhibit 99.1 and incorporated herein by reference.

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 Earnings Presentation as contained in Exhibit 99.2

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

[Exhibit 99.1](#) - Press Release issued April 29, 2021

[Exhibit 99.2](#) - Slides for Earnings 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.

PATRICK INDUSTRIES, INC.

(Registrant)

Date: April 29, 2021

By: /s/ James E. Rose

James E. Rose

Principal Accounting Officer



NEWS RELEASE

Patrick Industries, Inc. Reports First Quarter 2021 Financial Results

First Quarter 2021 Highlights *(all metrics compared to First Quarter 2020 unless otherwise noted)*

- Net sales of \$850.5 million increased 44%, driven by strong demand across all market sectors
- Operating income of \$68.5 million increased 74%
- Operating margin of 8.1% increased 140 basis points
- Net income of \$47.5 million increased 124%
- Diluted earnings per share of \$2.04 increased 124%
- Operating cash flows of \$50.3 million increased 281%
- Completed acquisition of Sea-Dog Corporation
- Subsequent to quarter end, completed acquisition of SeaDek, \$350 million notes offering due 2029 and credit facility expansion and extension

ELKHART, IN - April 29, 2021 - Patrick Industries, Inc. (NASDAQ: PATK), a major manufacturer and distributor of component and building products for the recreational vehicle ("RV"), marine, manufactured housing ("MH"), and industrial markets, today reported financial results for the first quarter ended March 28, 2021.

Net sales in the first quarter of 2021 increased \$261.3 million, or 44%, to \$850.5 million from \$589.2 million in the first quarter of 2020. The consolidated net sales increase was due to growth across all market sectors, led by the RV and marine markets.

Operating income of \$68.5 million increased \$29.2 million, or 74%, compared to \$39.3 million in the first quarter of 2020. Operating margin of 8.1% in the first quarter of 2021 increased 140 basis points compared to 6.7% in the same period a year ago.

Net income of \$47.5 million increased \$26.3 million, or 124%, compared to \$21.2 million in the first quarter of 2020. Diluted earnings per share of \$2.04 for the first quarter of 2021 increased \$1.13, or 124%, compared to \$0.91 for the first quarter of 2020. First quarter 2021 net income and diluted earnings per share reflect an income tax benefit of \$5.7 million and \$0.24, respectively, related to the exercise and vesting of share-based payment awards.

"Momentum in our leisure lifestyle markets accelerated during the quarter, as the strength of both retail and wholesale shipments in the recreational vehicle and boating markets materially improved year over year," said Andy Nemeth, President and Chief Executive Officer. "The demand for outdoor recreation remains solid, in alignment with our view of the tremendous attractiveness and potential of RV and marine markets. The size, scale and flexibility of our operating and financial platform allowed us to execute strategically and tactically during the quarter, while leveraging our fixed cost structure to drive increased profitability. We completed the acquisition of Sea-Dog in the first quarter and also focused on investments in our human capital initiatives, to enhance the well-being of, and environment for, our team members. The spirit of our team members in combination with their dedication and can-do attitude has led us forward as we strive to exceed our customers' expectations and production objectives."

First Quarter 2021 Revenue by Market Sector *(all metrics compared to First Quarter 2020 unless otherwise noted)*

RV (59% of Revenue)

- Revenue of \$501.4 million increased 57% while wholesale RV industry unit shipments increased 48%
- Content per wholesale RV unit (on a trailing twelve-month basis) increased 6% to \$3,288

Marine (16% of Revenue)

- Revenue of \$136.8 million increased 75% while estimated wholesale powerboat industry unit shipments increased 14%
- Estimated content per wholesale powerboat unit (on a trailing twelve-month basis) increased 44% to \$2,426

MH (14% of Revenue)

- Revenue of \$120.8 million increased 8% while estimated wholesale MH industry unit shipments decreased 2%
- Estimated content per wholesale MH unit (on a trailing twelve-month basis) increased 3% to \$4,691

Industrial (11% of Revenue)

- Revenue of \$91.5 million increased 16% while housing starts increased 10%

"OEM production levels in the RV and marine industries remain strong, capitalizing on interest in outdoor recreation activities that provide adventure, family togetherness and social-distancing," said Mr. Nemeth. "As housing, repair and remodel, and home improvement market conditions also remain robust, we believe that our industrial and MH-focused businesses are ideally positioned to meet the increasing demand. These trends in leisure lifestyle consumer preferences and activities as well as accelerating urban-to-less-dense migration patterns, coupled with persistent tightness in housing inventory, all provide strong tailwinds for Patrick and our primary end markets, further solidifying an already promising long-term outlook."

Balance Sheet, Cash Flow and Capital Allocation

Operating cash flow for the first quarter of 2021 was \$50.3 million, an increase of 281%, from \$13.2 million in the first quarter of 2020. We invested \$29.5 million in business acquisitions in the first quarter of 2021 to expand our product offerings and geographic presence within the marine and RV end markets, including the previously announced acquisition of Sea-Dog. Subsequent to the end of the first quarter, we completed the acquisition of Hyperform Inc., which operates under the SeaDek brand name in the marine OEM market and aftermarket. Capital expenditures in the first quarter of 2021 totaled \$14.2 million, compared to \$7.6 million in the first quarter of 2020, as we continue to automate and expand production capacity.

In alignment with our capital allocation strategy, we returned \$6.6 million to shareholders in the form of dividends in the first quarter of 2021.

Our net debt at the end of the quarter was approximately \$807 million, resulting in a net leverage ratio of 2.3x (as calculated in accordance with our credit agreement). Available liquidity, comprised of borrowing availability under our credit facility and cash on hand, was approximately \$303 million, with no major debt maturities until 2023. As previously announced, subsequent to the end of the first quarter, we completed the issuance of \$350 million of 4.75% senior notes due 2029, increased the capacity of our senior secured credit facility to \$700 million and extended the maturity of the credit facility to April 2026.

Business Outlook and Summary

"Our teams have been actively working with our customers during this dynamic period to support their needs, and proactive inventory management and investment in our infrastructure have allowed us to move with our customers and partner in their growth across all end markets this quarter. Looking forward to the remainder of 2021, we will continue to position ourselves in alignment with our customers' demand and remain flexible and nimble in our operations as we execute our disciplined capital allocation and growth strategy," said Mr. Nemeth. "As always, our team's health and safety will continue to remain paramount in our efforts and priorities, and their inspiring dedication and outstanding performance during this quarter have energized and strengthened our commitment to strive for the highest level of internal and external customer service. Additionally, we remain committed to serving our communities, stakeholders, and partners, and driving overall shareholder value."

Conference Call Webcast

As previously announced, Patrick Industries will host an online webcast of its first quarter 2021 earnings conference call that can be accessed on the Company's website, www.patrickind.com, under "Investor Relations," on Thursday, April 29, 2021 at 10:00 a.m. Eastern time. In addition, a supplemental earnings presentation can be accessed on the Company's website, www.patrickind.com under "Investor Relations - Presentations."

About Patrick Industries, Inc.

Patrick Industries, Inc. is a major manufacturer and distributor of component products and building products serving the recreational vehicle, marine, manufactured housing, residential housing, high-rise, hospitality, kitchen cabinet, office and household furniture, fixtures and commercial furnishings, and other industrial markets and operates coast-to-coast in various locations throughout the United States and in Canada and China. Patrick's major manufactured products include decorative vinyl and paper laminated panels, countertops, fabricated aluminum products, wrapped profile mouldings, slide-out trim and fascia, cabinet doors and components, hardwood furniture, fiberglass bath fixtures and tile systems, thermoformed shower surrounds, specialty bath and closet building products, fiberglass and plastic helm systems and component products, wiring and wire harnesses, boat covers, towers, tops and frames, electrical systems components including instrument and dash panels, softwoods lumber, interior passage doors, air handling products, RV painting, slotwall panels and components, fuel tanks, and CNC molds and composite parts and other products. The Company also distributes drywall and drywall finishing products, electronics and audio systems components, wiring, electrical and plumbing products, appliances, cement siding, raw and processed lumber, FRP products, interior passage doors, roofing products, tile, laminate and ceramic flooring, shower doors, furniture, fireplaces and surrounds, interior and exterior lighting products, various marine aftermarket products, and other miscellaneous products, in addition to providing transportation and logistics services.

Use of Financial Metrics

In addition to reporting financial results in accordance with U.S. GAAP, the Company also provides financial metrics, such as net leverage ratio, content per unit, net debt and available liquidity, which we believe are important measures of the Company's business performance. These metrics should not be considered alternatives to U.S. GAAP. Our computations of net leverage ratio, content per unit, net debt and available liquidity may differ from similarly titled measures used by others. You should not consider these metrics in isolation or as substitutes for an analysis of our results as reported under U.S. GAAP. We calculate marine content per unit based on estimated wholesale powerboat unit shipments, which we believe better represents the relationship between our sales and marine OEM production, rather than based on estimated retail powerboat unit sales.

Cautionary Statement Regarding Forward-Looking Statements

This press release 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. Potential factors that could impact results include: the impact of the continuing financial and operational uncertainty due to the COVID-19 pandemic, including its impact on the overall economy, our sales, customers, operations, team members, suppliers, and the countries where we have operations or from which we source products and raw materials, such as China; adverse economic and business conditions, including cyclical and seasonality in the industries we sell our products; the deterioration of the financial condition of our customers or suppliers; the ability to adjust our production schedules up or down quickly in response to rapid changes in demand; the loss of a significant customer; changes in consumer preferences; pricing pressures due to competition; conditions in the credit market limiting the ability of consumers and wholesale customers to obtain retail and wholesale financing for RVs, manufactured homes, and marine products; the imposition of restrictions and taxes on imports of raw materials and components used in our products; information technology performance and security; any increased cost or limited availability of certain raw materials; the impact of governmental and environmental regulations, and our inability to comply with them; our level of indebtedness; the ability to remain in compliance with our credit agreement covenants; the availability and costs of labor and production facilities and the impact of labor shortages; inventory levels of retailers and manufacturers; the ability to generate cash flow or obtain financing to fund growth; future growth rates in the Company's core businesses; realization and impact of efficiency improvements and cost reductions; the successful integration of acquisitions and other growth initiatives; increases in interest rates and oil and gasoline prices; the ability to retain key executive and management personnel; the disruption of business resulting from natural disasters or other unforeseen events, and adverse weather conditions impacting retail sales.

There can be no assurance that any forward-looking statement will be realized or that actual results will not be significantly different from that set forth in such forward-looking statement. Information about certain risks that could affect our business and cause actual results to differ from those expressed or implied in the forward-looking statements are contained in the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, and in the Company's Forms 10-Q for subsequent quarterly periods, which are filed with the Securities and Exchange Commission ("SEC") and are available on the SEC's website at www.sec.gov. Each forward-looking statement speaks only as of the date of this press release, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances occurring after the date on which it is made.

Contact:

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Investor Relations
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PATRICK INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

| (thousands except per share data) | First Quarter Ended | |
|---|---------------------|-------------------|
| | March 28, 2021 | March 29, 2020 |
| NET SALES | \$ 850,483 | \$ 589,232 |
| Cost of goods sold | 688,951 | 479,751 |
| GROSS PROFIT | 161,532 | 109,481 |
| Operating Expenses: | | |
| Warehouse and delivery | 29,913 | 24,732 |
| Selling, general and administrative | 51,232 | 35,869 |
| Amortization of intangible assets | 11,906 | 9,601 |
| Total operating expenses | 93,051 | 70,202 |
| OPERATING INCOME | 68,481 | 39,279 |
| Interest expense, net | 11,179 | 10,492 |
| Income before income taxes | 57,302 | 28,787 |
| Income taxes | 9,789 | 7,600 |
| NET INCOME | \$ 47,513 | \$ 21,187 |
| BASIC NET INCOME PER COMMON SHARE | \$ 2.09 | \$ 0.92 |
| DILUTED NET INCOME PER COMMON SHARE | \$ 2.04 | \$ 0.91 |
| Weighted average shares outstanding - Basic | 22,737 | 23,016 |
| Weighted average shares outstanding - Diluted | 23,286 | 23,267 |

PATRICK INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)

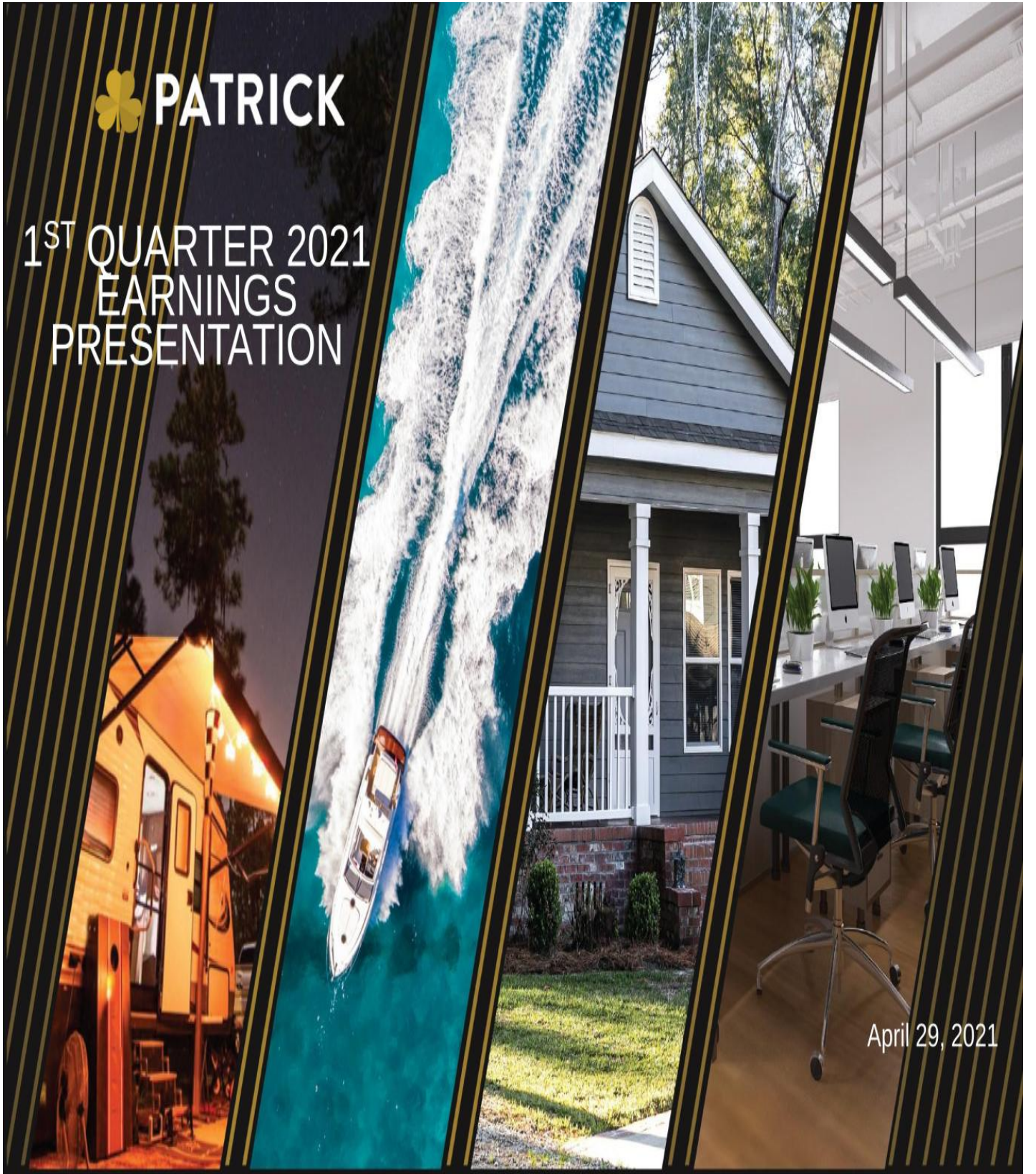
| (thousands) | As of | |
|---|---------------------|---------------------|
| | March 28, 2021 | December 31, 2020 |
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 6,171 | \$ 44,767 |
| Trade receivables, net | 211,974 | 132,505 |
| Inventories | 345,244 | 312,809 |
| Prepaid expenses and other | 28,446 | 37,982 |
| Total current assets | 591,835 | 528,063 |
| Property, plant and equipment, net | 256,213 | 251,493 |
| Operating lease right-of-use assets | 124,384 | 117,816 |
| Goodwill and intangible assets, net | 856,651 | 852,076 |
| Deferred financing costs, net | 2,220 | 2,382 |
| Other non-current assets | 3,575 | 1,605 |
| TOTAL ASSETS | \$ 1,834,878 | \$ 1,753,435 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Current maturities of long-term debt | \$ 7,500 | \$ 7,500 |
| Current operating lease liabilities | 32,513 | 30,901 |
| Accounts payable | 154,291 | 105,786 |
| Accrued liabilities | 105,545 | 83,202 |
| Total current liabilities | 299,849 | 227,389 |
| Long-term debt, less current maturities, net | 785,849 | 810,907 |
| Long-term operating lease liabilities | 93,327 | 88,175 |
| Deferred tax liabilities, net | 40,998 | 39,516 |
| Other long-term liabilities | 19,580 | 28,007 |
| TOTAL LIABILITIES | 1,239,603 | 1,193,994 |
| SHAREHOLDERS' EQUITY | | |
| Common stock | 174,920 | 180,892 |
| Additional paid-in-capital | 24,387 | 24,387 |
| Accumulated other comprehensive loss | (5,136) | (6,052) |
| Retained earnings | 401,104 | 360,214 |
| TOTAL SHAREHOLDERS' EQUITY | 595,275 | 559,441 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 1,834,878 | \$ 1,753,435 |

PATRICK INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

| (thousands) | First Quarter Ended | |
|--|---------------------|-------------------|
| | March 28, 2021 | March 29, 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 47,513 | \$ 21,187 |
| Depreciation and amortization | 22,521 | 17,175 |
| Stock-based compensation expense | 4,298 | 4,311 |
| Amortization of convertible notes debt discount | 1,769 | 1,723 |
| Other adjustments to reconcile net income to net cash provided by operating activities | 1,595 | 750 |
| Change in operating assets and liabilities, net of acquisitions of businesses | (27,404) | (31,982) |
| Net cash provided by operating activities | 50,292 | 13,164 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditures | (14,239) | (7,580) |
| Business acquisitions and other investing activities | (30,806) | (24,260) |
| Net cash used in investing activities | (45,045) | (31,840) |
| NET CASH FLOWS USED IN FINANCING ACTIVITIES | | |
| Decrease in cash and cash equivalents | (38,596) | (44,867) |
| Cash and cash equivalents at beginning of year | 44,767 | 139,390 |
| Cash and cash equivalents at end of period | \$ 6,171 | \$ 94,523 |



1ST QUARTER 2021 EARNINGS PRESENTATION



April 29, 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 operational 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.

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 ¹ | \$2.1B |
| Acquisitions Since 2010 | 56 |
| Current States Presence | 23 |
| Employees | ~8,800 |

Q1 2021 RESULTS

| | |
|----------------------|--------|
| Revenue | \$850M |
| Net Income | \$48M |
| Operating Cash Flows | \$50M |

¹ as of 4/23/2021

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, Comm'l Fixtures, Institutional Furniture |
| % Net Sales (Q1 2021): 59% | | 14% | 11% |

MANUFACTURE AND DISTRIBUTE QUALITY PRODUCTS THAT AIM TO EXCEED CUSTOMER EXPECTATIONS

Q1 2021 - QUARTERLY HIGHLIGHTS

1

Growth in Total Revenue of +44% Y/Y

- RV / marine driven by outdoor recreation trends, very lean dealer inventory and need for channel inventory replenishment
- Industrial and MH driven by housing demand, low interest rates and shift from urban-to-suburban

2

Operating Margin Expansion of +140bps Y/Y

- Efficient and flexible platform that leverages fixed costs
- Labor pressures persist, ongoing automation and technology initiatives

3

Investments to Increase Scale, Breadth and Market Penetration

- Acquisition of Sea-Dog in marine space
- Increases in capex to expand capacity, efficiency and automation

4

Continued Progress on ESG Initiatives

- Ensuring well-being, health and safety of team members
- Human Capital Management: Investments to attract, develop and retain top talent

STRONG EXECUTION AS REVENUE TRENDS CONTINUE

Q1 2021 FINANCIAL PERFORMANCE

(\$ millions except per share data)



- Continuation of outdoor recreation and housing demand trends, bolstered in part by COVID-related demand
- Revenues from leisure lifestyle market (RV & Marine) increased 60%, with RV up 57% and marine up 75%
- Revenues from housing & industrial markets increased 11%, with industrial up 16% and MH up 8%

- Gross margin of 19% increased 40 bps driven by leverage over fixed costs partially offset by wage pressure due to the tight labor market
- Operating margin of 8.1% increased by 140bps primarily by leveraging fixed costs
- Strong operating leverage coupled with high variable cost structure

- Effective tax rate of 17.1% decreased 930 bps compared to a year ago due to impact of share-based compensation
- Interest expense of \$11M increased 7%
- Diluted EPS reflects income tax benefit of \$0.24 related to share-based compensation deductions

- Growth in Q1 2021 operating cash flow reflects robust increase in net income
- Continued investment in inventory to support OEM growth

PERFORMANCE BY MARKET SECTORS

(\$ millions)

Leisure Lifestyle¹



RV



- 59% of sales in Q1 2021
- Content per Unit – increased 6% to \$3,288



MARINE



- 16% of sales in Q1 2021
- Content per Unit – increased 44% to an estimated \$2,426
- Content growth driven by acquisitions, market share gains and aftermarket growth

Housing and Industrial¹



MH



- 14% of sales in Q1 2021
- Content per Unit – increased 3% to \$4,691



INDUSTRIAL



- 11% of sales in Q1 2021
- New Housing Starts in Q1 increased 10%
- 60% of revenues tied to new housing starts; our products go into new homes 4-6 months after new housing starts

¹ All metrics compared to 1st Quarter 2020 unless otherwise noted

MARKET SECTOR TRENDS

| | RV | MARINE | MH | INDUSTRIAL |
|-------------------------------|---|--|---|--|
| Wholesale Shipments | <ul style="list-style-type: none"> Q1: +48% | <ul style="list-style-type: none"> Q1 (est.): +14% | <ul style="list-style-type: none"> Q1: -2% | <ul style="list-style-type: none"> Q1: +10%² |
| Retail Shipments ¹ | <ul style="list-style-type: none"> Q1 (est.): +30% – 35% | <ul style="list-style-type: none"> Q1 (est.): +30% – 35% | <ul style="list-style-type: none"> Q1 (est.): -5 – 10% | - |
| Industry Trends | <ul style="list-style-type: none"> New buyer traffic remains strong Dealer inventories at lowest level seen in years Increasing OEM backlogs Strength in retail demand coupled with depleted channel inventories pointing to double-digit growth for 2021 wholesale | <ul style="list-style-type: none"> New buyer traffic and activity remains strong Dealer inventories at lowest level seen in years with retail units outpacing wholesale units Increasing OEM backlogs Expect channel replenishment into 2022 | <ul style="list-style-type: none"> OEM production rates continue to see pressures from labor and input constraints Demographic trends continue to support strong demand patterns for quality, affordable homes Increasing OEM backlogs | <ul style="list-style-type: none"> Demand from big box retail continues as homeowners continue to stay at home and spend on home upgrades Limited inventory and low interest rates fueling demand for residential construction |
| COVID-19 Impact | <ul style="list-style-type: none"> Lifestyle changes of families looking to explore the Great American Outdoors and adventure with friends and family continues to fuel demand | | <ul style="list-style-type: none"> Urban-to-less-dense movement demand Demographics, low inventories and price points | <ul style="list-style-type: none"> Urban to suburban and rural relocation and vacation home demand Low inventories and low interest rates |

¹ Company estimates

² New housing starts

BALANCE SHEET, CASH FLOW AND LIQUIDITY

DEBT STRUCTURE AND MATURITIES (as of 3/28/21)

- \$550M Senior Secured Revolver, due September 2024
- \$100M Term Loan (\$92.5M o/s at 3/28/21), pre-determined quarterly installments; balance due @ September 2024
- \$172.5M 1% Convertible Senior Notes, due February 2023
- \$300M 7.5% Senior Notes, due October 2027

COVENANTS

- Consolidated Net Leverage Ratio – 2.3x at 3/28/21 vs. maximum 4.0x
- Consolidated Fixed Charge Coverage Ratio – 5.84x on 3/28/21 vs. minimum 1.50x

LIQUIDITY

- Available liquidity, including cash on hand - \$303M on 3/28/21

NET LEVERAGE¹ (\$ millions)

| | |
|---------------------------------|---------|
| Total Debt Outstanding | \$813.0 |
| Less: Cash on Hand ¹ | (11.6) |
| Net Debt | \$801.4 |
| LTM Adj. EBITDA | \$348.3 |
| Net Debt to Adj. EBITDA | 2.3x |

LIQUIDITY (\$ millions)

| | |
|--|---------|
| Total Revolver Credit Capacity | \$550.0 |
| Less: Total Revolver Used (including outstanding letters of credit) | (253.2) |
| Unused Credit Capacity | \$296.8 |
| Add: Cash on Hand | 6.2 |
| Total Available Liquidity | \$303.0 |

¹ As defined by credit agreement

THE STRENGTH OF CASH FLOWS, COMBINED WITH LIQUIDITY, ALLOW US TO INVEST IN OUR EXISTING BUSINESS AS WELL AS PURSUE ATTRACTIVE ACQUISITION OPPORTUNITIES

COMPELLING INVESTMENT THESIS



MARKET POSITION

Market leader in our primary product lines; 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

CREATING LONG-TERM SHAREHOLDER VALUE

Appendix

NON-GAAP RECONCILIATIONS

RECONCILIATION OF NET INCOME TO EBITDA TO LTM ADJUSTED EBITDA

| (\$ in millions) | LTM 3/28/21 |
|--|-------------|
| Net income | \$ 123.4 |
| + Depreciation & amortization | 78.6 |
| + Interest Expense, net | 43.7 |
| + Income taxes | 35.5 |
| EBITDA | 281.2 |
| + Stock compensation expense | 15.9 |
| + Acquisition proforma, transaction-related expenses & other | 51.2 |
| Adjusted EBITDA | \$ 348.3 |

RECONCILIATION OF NET LEVERAGE*

| (\$ millions) | |
|------------------------------------|----------|
| Total debt outstanding @ 3/28/2021 | \$ 813.0 |
| Less: cash on hand @ 3/28/21 | (6.2) |
| Less: cash on hand @ 3/30/21 | (5.4) |
| Net debt outstanding @ 3/30/21 | \$ 801.4 |
| Adjusted EBITDA | \$ 348.3 |
| Net Debt to Adjusted EBITDA | 2.30 X |

Use of Non-GAAP Financial Information

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

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), 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.

