

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

FORM 8-K

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

Date of report (Date of earliest event reported)

July 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 July 29, 2021, the Company issued a press release announcing operating results for the second quarter ended June 27, 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 July 29, 2021

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

Exhibit 104 - Cover Page Interactive Date 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: July 29, 2021

By: /s/ James E. Rose

James E. Rose

Principal Accounting Officer

Patrick Industries, Inc. Reports Second Quarter 2021 Financial Results

Second Quarter 2021 Highlights *(compared to Second Quarter 2020 unless otherwise noted)*

- Net sales of \$1.02 billion, driven by continued growth in leisure lifestyle and housing
- Operating income of \$95.3 million
- Operating margin of 9.3%
- Net income of \$59.0 million
- Diluted earnings per share of \$2.52
- Operating cash flows of \$28.4 million
- Acquisitions of SeaDek and Alpha Systems
- \$350 million notes offering due 2029 and credit facility expansion and extension

ELKHART, IN - July 29, 2021 - Patrick Industries, Inc. (NASDAQ: PATK), a leading component solutions provider for the RV, marine, manufactured housing ("MH") and industrial markets today reported financial results for the second quarter ended June 27, 2021.

Net sales in the second quarter of 2021 increased \$596.0 million, or 141%, to \$1.02 billion from \$424.0 million in the second quarter of 2020. The increase reflects continued strong performance in RV and marine as well as MH and industrial end markets. Second quarter 2020 net sales reflect the impact of COVID-19 related production shutdowns.

Operating income of \$95.3 million increased \$83.2 million, from \$12.1 million in the second quarter of 2020. Operating margin of 9.3% in the second quarter of 2021 increased 640 basis points compared to 2.9% in the same period a year ago. Second quarter 2020 operating income and operating margin reflect the impact of COVID-19 related production shutdowns.

Net income was \$59.0 million compared to \$0.7 million in the second quarter of 2020. Diluted earnings per share was \$2.52 for the second quarter of 2021 compared to \$0.03 for the second quarter of 2020.

"Strong trends in both retail and wholesale market conditions in all four of our primary markets contributed to our growth in the second quarter of 2021 over last year and sequentially compared to the first quarter of 2021 as leisure outdoor activities and housing and home improvement activities continued to improve," said Andy Nemeth, Chief Executive Officer. "Our team members across our platform have executed in incredibly dynamic market conditions, allowing us to maximize the capabilities of our manufacturing and distribution footprint and leverage our fixed cost structure. Additionally, we continued the strategic expansion of our product portfolio in the quarter through our acquisition of Alpha Systems with its suite of RV, marine, and MH solutions and the further extension of our growing marine footprint through our acquisition of SeaDek and its industry-leading branded solutions and products."

Jeff Rodino, President, said, "The imbalance of low dealer inventory levels in each of our end markets against strong retail demand has further pushed out the start of the channel restocking cycle. We continue to focus on meeting the needs of our customers and aligning our culture for the long-term as we evaluate the many opportunities in front of us to further drive growth and value both strategically and organically. Industry-wide material supply chain challenges have continued, and we have been impressed by the creativity, flexibility, and innovative thought process of our customers and team members as they continue to work in partnership to address these challenges."

Second Quarter 2021 Revenue by Market Sector (compared to Second Quarter 2020 unless otherwise noted)

RV (58% of Revenue)

- Revenue of \$595.4 million increased 192% while wholesale RV industry unit shipments increased 101%
- Content per wholesale RV unit (on a trailing twelve-month basis) increased 15% to \$3,543

Marine (16% of Revenue)

- Revenue of \$166.5 million increased 182% while estimated wholesale powerboat industry unit shipments increased 26%
- Estimated content per wholesale powerboat unit (on a trailing twelve-month basis) increased 60% to \$2,841

MH (14% of Revenue)

- Revenue of \$139.1 million increased 54% while estimated wholesale MH industry unit shipments increased 30%
- Estimated content per wholesale MH unit (on a trailing twelve-month basis) increased 7% to \$4,806

Industrial (12% of Revenue)

- Revenue of \$119.0 million increased 69% while housing starts increased 43%

"As we continue to capitalize on the strengths of our leisure lifestyle and housing and industrial markets, we have also been reinvesting in our infrastructure, including software, automation, innovation, human capital, and expansion initiatives to position Patrick and our culture for the long term in anticipation of continued expected strong future demand," said Mr. Nemeth.

Balance Sheet, Cash Flow and Capital Allocation

Operating cash flow for the second quarter of 2021 was \$28.4 million, compared to \$26.2 million in the second quarter of 2020, reflecting our strong operating performance as well as continued strategic and proactive investment in inventory and the growth of accounts receivable in line with growth in revenue. Business acquisitions in the second quarter of 2021 totaled \$238.9 million, including the previously announced acquisitions of Hyperform Inc., which operates under the SeaDek brand name in the marine OEM market and aftermarket, and Alpha Systems, a leading manufacturer for the RV, marine, and MH markets. Capital expenditures in the second quarter of 2021 totaled \$12.1 million, compared to \$3.7 million in the second quarter of 2020, as initiatives to automate and increase production capacity continue.

In alignment with our capital allocation strategy, we returned \$28.2 million to shareholders in the second quarter of 2021, including \$21.6 million through the opportunistic repurchase of 260,000 shares and \$6.6 million of dividends.

Our net debt at the end of the quarter was approximately \$1.05 billion, 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 \$468 million. During the quarter we issued \$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

"Historically lean dealer inventories, strong retail demand, and substantial OEM and builder backlogs continue to position our end markets for growth into the second half of 2021 and through 2022," said Mr. Nemeth. "Our proactive investments in systems, infrastructure, and our people, in combination with our liquidity and disciplined capital allocation strategy, are expected to continue to enhance and reinforce our solid operating model and foundation."

Conference Call Webcast

As previously announced, Patrick Industries will host an online webcast of its second quarter 2021 earnings conference call that can be accessed on the Company's website, www.patrickind.com, under "Investor Relations," on Thursday, July 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 (NASDAQ: PATK) is a leading component solutions provider for the RV, marine, manufactured housing and various industrial markets – including single and multi-family housing, hospitality, institutional and commercial markets. Founded in 1959, Patrick is based in Elkhart, Indiana, with over 10,000 employees and 160 businesses across the United States.

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. We calculate net debt by subtracting cash and cash equivalents from the gross value of debt outstanding. RV wholesale unit shipments are provided by the RV Industry Association. Marine wholesale unit shipments are provided by the National Marine Manufacturers Association. MH wholesale unit shipments are provided by the Manufactured Housing Institute. Housing starts are provided by the U.S. Census Bureau. You should not consider these metrics in isolation or as substitutes for an analysis of our results as reported under U.S. GAAP.

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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574.294.7511

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

(thousands except per share data)	Second Quarter Ended		Six Months Ended	
	June 27, 2021	June 28, 2020	June 27, 2021	June 28, 2020
NET SALES	\$ 1,019,953	\$ 424,045	\$ 1,870,436	\$ 1,013,277
Cost of goods sold	815,476	350,324	1,504,427	830,075
GROSS PROFIT	204,477	73,721	366,009	183,202
Operating Expenses:				
Warehouse and delivery	34,815	20,209	64,728	44,941
Selling, general and administrative	60,365	31,628	111,597	67,497
Amortization of intangible assets	14,031	9,778	25,937	19,379
Total operating expenses	109,211	61,615	202,262	131,817
OPERATING INCOME	95,266	12,106	163,747	51,385
Interest expense, net	14,580	10,821	25,759	21,313
Income before income taxes	80,686	1,285	137,988	30,072
Income taxes	21,701	571	31,490	8,171
NET INCOME	\$ 58,985	\$ 714	\$ 106,498	\$ 21,901
BASIC NET INCOME PER COMMON SHARE	\$ 2.57	\$ 0.03	\$ 4.66	\$ 0.96
DILUTED NET INCOME PER COMMON SHARE	\$ 2.52	\$ 0.03	\$ 4.56	\$ 0.95
Weighted average shares outstanding - Basic	22,948	22,667	22,844	22,840
Weighted average shares outstanding - Diluted	23,435	22,932	23,360	23,098

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

(thousands)	As of	
	June 27, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 58,402	\$ 44,767
Trade receivables, net	264,296	132,505
Inventories	406,235	312,809
Prepaid expenses and other	34,691	37,982
Total current assets	763,624	528,063
Property, plant and equipment, net	298,022	251,493
Operating lease right-of-use assets	139,576	117,816
Goodwill and intangible assets, net	1,016,825	852,076
Other non-current assets	6,660	3,987
TOTAL ASSETS	\$ 2,224,707	\$ 1,753,435
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current maturities of long-term debt	\$ 7,500	\$ 7,500
Current operating lease liabilities	35,951	30,901
Accounts payable	164,646	105,786
Accrued liabilities	120,695	83,202
Total current liabilities	328,792	227,389
Long-term debt, less current maturities, net	1,076,950	810,907
Long-term operating lease liabilities	105,318	88,175
Deferred tax liabilities, net	48,734	39,516
Other long-term liabilities	21,642	28,007
TOTAL LIABILITIES	1,581,436	1,193,994
SHAREHOLDERS' EQUITY		
Common stock	191,131	180,892
Additional paid-in-capital	24,387	24,387
Accumulated other comprehensive loss	(4,129)	(6,052)
Treasury stock	(21,550)	—
Retained earnings	453,432	360,214
TOTAL SHAREHOLDERS' EQUITY	643,271	559,441
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,224,707	\$ 1,753,435

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

(thousands)	Six Months Ended	
	June 27, 2021	June 28, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 106,498	\$ 21,901
Depreciation and amortization	48,715	34,689
Stock-based compensation expense	10,336	6,347
Amortization of convertible notes debt discount	3,643	3,505
Other adjustments to reconcile net income to net cash provided by operating activities	10,426	(4,330)
Change in operating assets and liabilities, net of acquisitions of businesses	(100,873)	(22,740)
Net cash provided by operating activities	78,745	39,372
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(26,345)	(11,305)
Business acquisitions and other investing activities	(254,548)	(23,712)
Net cash used in investing activities	(280,893)	(35,017)
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Increase (decrease) in cash and cash equivalents	13,635	(28,328)
Cash and cash equivalents at beginning of year	44,767	139,390
Cash and cash equivalents at end of period	\$ 58,402	\$ 111,062



2nd Quarter 2021
Earnings Presentation



PATRICK

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	\$1.9B
Acquisitions Since 2010	57
Current States Presence	23
Employees	~10,000

Q2 2021 RESULTS

Revenue	\$1.02B
Net Income	\$59M
Operating Cash Flows	\$28M

SUSTAINABLE COMPETITIVE ADVANTAGES

-  Experienced management team with an average of 25+ 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
58%	16%	14%	12%

●———— % Net Sales (Q2 2021) ————●

¹ as of 7/26/2021

MANUFACTURE AND DISTRIBUTE QUALITY PRODUCTS THAT AIM TO EXCEED CUSTOMER EXPECTATIONS

Q2 2021 - QUARTERLY HIGHLIGHTS

1

Growth in Total Revenue of +141% Y/Y

- RV / marine driven by outdoor recreation trends, strong execution of nimble platform against 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 +640bps Y/Y

- Efficient and flexible platform that leverages fixed costs
- Commodity and labor pressures persist, automation and technology initiatives to help alleviate

3

Investments to Increase Scale, Breadth and Market Penetration

- Acquisition of Alpha Systems and SeaDek, expanding Leisure Lifestyle footprint
- 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
- Waste minimization and environmental initiatives

STRONG EXECUTION AS REVENUE TRENDS CONTINUE

Q2 2021 FINANCIAL PERFORMANCE

(\$ millions except per share data)

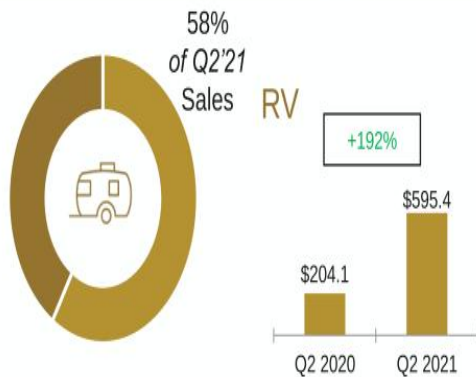


- Strong Leisure Lifestyle and housing demand trends continue; Q2 2020 reflects COVID-19 shutdowns
- Revenues from Leisure Lifestyle market (RV & Marine) increased 190%, with RV up 192% and marine up 182%
- Revenues from Housing & Industrial markets increased 60%, with industrial up 69% and MH up 54%
- Gross margin of 20% driven by effective execution of platform and strong cost management despite labor and commodity pressures
- Operating margin of 9.3% increased by 640 bps primarily by strong execution and leveraging fixed costs
- Strong operating leverage enhanced margin expansion
- Continued growth in Leisure Lifestyle and Housing & Industrial
- Efficiency in execution and leveraging fixed costs of platform
- Q2 2020 EPS reflects the impact of COVID-19 plant shutdowns
- Q2 2021 reflects continued investment in inventory to support continued OEM growth
- Growth of A/R in line with strong revenue growth

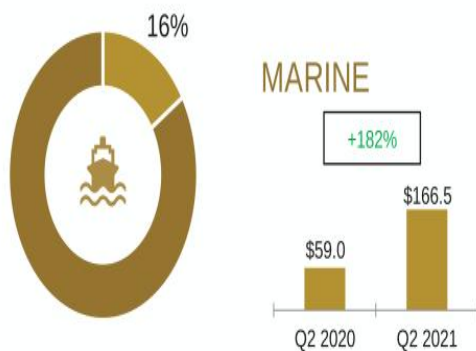
PERFORMANCE BY MARKET SECTORS

(\$ millions)

Leisure Lifestyle¹

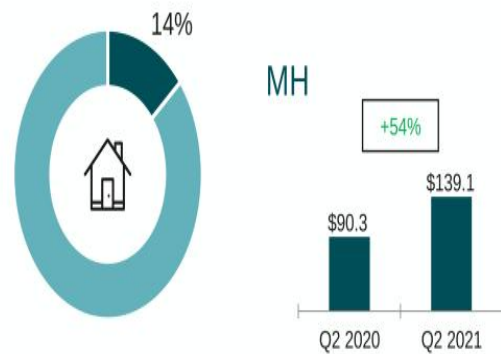


- Content per Unit – increased 15% to \$3,543

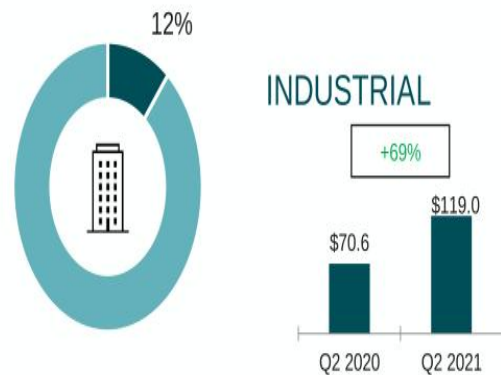


- Content per Unit – increased 60% to an estimated \$2,841
- Content growth driven by market share gains, aftermarket growth and acquisitions

Housing and Industrial¹



- Content per Unit – increased 7% to \$4,806



- New Housing Starts in Q2 increased 43%
- 70% 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 2nd Quarter 2020 unless otherwise noted

MARKET SECTOR TRENDS

	RV	MARINE	MH	INDUSTRIAL
Wholesale Shipments	<ul style="list-style-type: none"> Q2: +101% 	<ul style="list-style-type: none"> Q2 (est.): +26% 	<ul style="list-style-type: none"> Q2: +30% 	<ul style="list-style-type: none"> Q2: +43%²
Retail Shipments ¹	<ul style="list-style-type: none"> Q2 (est.): +30% – 35% 	<ul style="list-style-type: none"> Q2 (est.): Flat 	<ul style="list-style-type: none"> Q2 (est.): +6-9% 	-
Industry Trends	<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 Substantial OEM backlogs Persistent 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 well into 2022 	<ul style="list-style-type: none"> OEM production rates recovering from pressures in 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 spend on home upgrades and DIY projects Limited inventory and low interest rates fueling demand for residential construction Growth in single and multi-family housing starts
COVID-19 Impact	<ul style="list-style-type: none"> Lifestyle changes of families looking to experience campgrounds and powerboat activities 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 6/27/21)

- \$550M Senior Secured Revolver, due April 2026
- \$150M Term Loan (\$150M o/s at 6/27/21), pre-determined quarterly installments; balance due @ April 2026
- \$172.5M 1% Convertible Senior Notes, due February 2023
- \$300M 7.5% Senior Notes, due October 2027
- \$350M 4.75% Senior Notes, due April 2029

COVENANTS AND RATIOS

- Consolidated Net Leverage Ratio – 2.3x at 6/27/21
- Consolidated Secured Net Leverage Ratio – 0.6x at 6/27/21 versus 2.75x maximum
- Consolidated Fixed Charge Coverage Ratio – 6.74x at 6/27/21 vs. minimum 1.50x

LIQUIDITY

- Available liquidity, including cash on hand - \$468M on 6/27/21

NET LEVERAGE¹ (\$ millions)

Total Debt Outstanding	\$1,107.5
Less: Cash on Hand ¹	(91.5)
Net Debt	\$1,016.0
LTM Adj. EBITDA	\$450.6
Net Debt to Adj. EBITDA	2.3x

LIQUIDITY (\$ millions)

Total Revolver Credit Capacity	\$550.0
Less: Total Revolver Used (including outstanding letters of credit)	(140.2)
Unused Credit Capacity	\$409.8
Add: Cash on Hand	58.4
Total Available Liquidity	\$468.2

¹As defined by credit agreement

STRONG BALANCE SHEET TO SUPPORT INVESTMENTS AND PURSUE ATTRACTIVE GROWTH 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

Disciplined cost management; flexible, high variable cost business model to drive operational efficiency and navigate through all economic conditions



STRATEGIC

Strong acquisition history and credibility with significant runway and pipeline 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 6/27/21
Net income	\$ 181.7
+ Depreciation & amortization	87.3
+ Interest Expense, net	47.5
+ Income taxes	56.6
EBITDA	373.1
+ Stock compensation expense	19.9
+ Acquisition proforma, transaction-related expenses & other	57.6
Adjusted EBITDA	\$ 450.6

RECONCILIATION OF NET LEVERAGE*

(\$ millions)	
Total debt outstanding @ 6/27/2021	\$ 1,107.5
Less: cash on hand @ 6/27/21	(58.4)
Less: incremental cash on hand @ 6/29/21	(33.1)
Net debt @ 6/29/21	\$ 1,016.0
Adjusted EBITDA	\$ 450.6
Net Debt to Adjusted EBITDA	2.3 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.



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