

**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)

**October 28, 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 2.02. Results of Operations and Financial Condition.**

On October 28, 2021, the Company issued a press release announcing operating results for the third quarter ended September 26, 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 October 28, 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.

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**PATRICK INDUSTRIES, INC.**

(Registrant)

Date: October 28, 2021

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

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## Patrick Industries, Inc. Reports Third Quarter 2021 Financial Results

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

- Net sales of \$1.1 billion increased 51%, reflecting momentum in all end markets
- Operating income of \$93.3 million increased 56%
- Operating margin of 8.8% increased 30 basis points
- Net income of \$57.4 million increased 54%
- Diluted earnings per share of \$2.45 increased 51%
- Operating cash flows of \$68.7 million
- Acquisitions of Coyote Manufacturing and Tumacs Covers

ELKHART, IN - October 28, 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 third quarter ended September 26, 2021.

Net sales in the third quarter of 2021 increased \$359.5 million, or 51%, to \$1.1 billion from \$700.7 million in the third quarter of 2020. The increase reflects continued strong performance in our RV and marine leisure lifestyle markets as well as the MH and industrial end markets.

Operating income of \$93.3 million increased \$33.5 million, or 56%, from \$59.8 million in the third quarter of 2020. Operating margin of 8.8% in the third quarter of 2021 increased 30 basis points compared to 8.5% in the same period a year ago.

Net income was \$57.4 million, an increase of 54% compared to \$37.3 million in the third quarter of 2020. Diluted earnings per share was \$2.45, an increase of 51% for the third quarter of 2021 compared to \$1.62 for the third quarter of 2020.

"Market conditions across our platform continue to reflect strong trends and expectations while providing good visibility into 2022," said Andy Nemeth, Chief Executive Officer. "The talent, resilience, and creative initiatives of our team members, in combination with the partnership of our customers, helped us to successfully navigate an incredibly complex and dynamic supply chain environment. Retail demand for leisure lifestyle products remains high, and has resulted in decreasing dealer inventories and increasing OEM backlogs despite record industry production levels. At the same time, our sales to the housing and industrial markets continue to benefit from low dealer inventories, attractive financing rates and robust home improvement and remodel activity."

Jeff Rodino, President, said, "During the quarter, we welcomed the Coyote Manufacturing and Tumacs Covers teams into the Patrick family, a continuation of our strategic expansion of our marine portfolio and custom marine solutions capabilities. Additionally, our focus on human capital is translating into investments in our people and the tools they need to create solutions and innovations for our customers, while at the same time we continue to invest in cultural initiatives that support the ongoing development of our team members."

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### Third Quarter 2021 Revenue by Market Sector *(compared to Third Quarter 2020 unless otherwise noted)*

#### **RV** (60% of Revenue)

- Revenue of \$633.2 million increased 50% while wholesale RV industry unit shipments increased 23%
- Content per wholesale RV unit (on a trailing twelve-month basis) increased 19% to \$3,735

#### **Marine** (16% of Revenue)

- Revenue of \$173.1 million increased 85% while estimated wholesale powerboat industry unit shipments increased 15%
- Estimated content per wholesale powerboat unit (on a trailing twelve-month basis) increased 66% to \$3,166

#### **MH** (13% of Revenue)

- Revenue of \$134.6 million increased 25% while estimated wholesale MH industry unit shipments increased 9%
- Estimated content per wholesale MH unit (on a trailing twelve-month basis) increased 10% to \$4,961

#### **Industrial** (11% of Revenue)

- Revenue of \$119.3 million increased 52% while housing starts increased 9%

### **Balance Sheet, Cash Flow and Capital Allocation**

Operating cash flow for the third quarter of 2021 of \$68.7 million decreased 6% compared to \$73.4 million in the third quarter of 2020, reflecting continued resource utilization and strategic investment in inventory in support of strong business activity and customer supply needs. Business acquisitions in the third quarter of 2021 totaled \$43.5 million, including the previously announced acquisitions of Coyote Manufacturing, a leading designer, fabricator and manufacturer of a variety of steel and aluminum products primarily for the marine OEM market, and Tumacs Covers, a leading manufacturer of custom designed boat covers, canvas frames, and bimini tops, primarily serving marine OEMs and dealers. Capital expenditures in the third quarter of 2021 totaled \$17.8 million, compared to \$10.9 million in the third quarter of 2020, reflecting continued forward-looking investments in infrastructure and automation initiatives to better align resources for increased scalability and to support customer growth.

In alignment with our capital allocation strategy, we returned \$16.8 million to shareholders in the third quarter of 2021, including \$10.4 million through opportunistic repurchases of 129,000 shares and \$6.4 million of dividends.

Our net debt at the end of the quarter was approximately \$1.1 billion, resulting in a net leverage ratio of 2.2x (as calculated in accordance with our credit agreement). Available liquidity, comprised of borrowing availability under our credit facility and cash on hand, was approximately \$454 million.

### **Business Outlook and Summary**

"Retail and wholesale demand patterns and projections continue to point towards an extension of the RV, marine and MH dealer inventory replenishment cycle and the resulting OEM production requirements well into 2022, and likely into 2023," said Mr. Nemeth. "We are heavily focused on automation and innovation opportunities and initiatives across our platform as we plan for fiscal 2022 and beyond to enhance and drive scalability, flexibility, efficiencies, and continuous improvement. Additionally, ongoing supply chain initiatives,

supported by our strong liquidity and investments in technology, systems, and human capital, will continue to provide the opportunity to serve our customers as they flex their production models and work to replenish heavily depleted dealer lots and reduce record backlogs. We continue to maintain a patient, disciplined, and focused capital allocation strategy to further drive long-term value for our customers, shareholders, team members, partners, and the communities in which we operate."

#### **Conference Call Webcast**

As previously announced, Patrick Industries will host an online webcast of its third quarter 2021 earnings conference call that can be accessed on the Company's website, [www.patrickind.com](http://www.patrickind.com), under "For Investors," on Thursday, October 28, 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](http://www.patrickind.com) under "For Investors."

#### **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 11,000 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 cyclicity 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](http://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.

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574.294.7511

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

(thousands except per share data)	Third Quarter Ended		Nine Months Ended	
	<b>September 26, 2021</b>	September 27, 2020	<b>September 26, 2021</b>	September 27, 2020
<b>NET SALES</b>	<b>\$ 1,060,177</b>	\$ 700,707	<b>\$ 2,930,613</b>	\$ 1,713,984
Cost of goods sold	<b>852,016</b>	567,210	<b>2,356,443</b>	1,397,285
<b>GROSS PROFIT</b>	<b>208,161</b>	133,497	<b>574,170</b>	316,699
<b>Operating Expenses:</b>				
Warehouse and delivery	<b>35,885</b>	25,263	<b>100,613</b>	70,204
Selling, general and administrative	<b>64,245</b>	38,184	<b>175,842</b>	105,681
Amortization of intangible assets	<b>14,758</b>	10,221	<b>40,695</b>	29,600
Total operating expenses	<b>114,888</b>	73,668	<b>317,150</b>	205,485
<b>OPERATING INCOME</b>	<b>93,273</b>	59,829	<b>257,020</b>	111,214
Interest expense, net	<b>15,436</b>	10,507	<b>41,195</b>	31,820
<b>Income before income taxes</b>	<b>77,837</b>	49,322	<b>215,825</b>	79,394
Income taxes	<b>20,440</b>	11,986	<b>51,930</b>	20,157
<b>NET INCOME</b>	<b>\$ 57,397</b>	\$ 37,336	<b>\$ 163,895</b>	\$ 59,237
<b>BASIC NET INCOME PER COMMON SHARE</b>	<b>\$ 2.52</b>	\$ 1.65	<b>\$ 7.18</b>	\$ 2.60
<b>DILUTED NET INCOME PER COMMON SHARE</b>	<b>\$ 2.45</b>	\$ 1.62	<b>\$ 7.01</b>	\$ 2.57
Weighted average shares outstanding - Basic	<b>22,789</b>	22,674	<b>22,826</b>	22,784
Weighted average shares outstanding - Diluted	<b>23,403</b>	23,072	<b>23,375</b>	23,088

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

(thousands)	As of	
	September 26, 2021	December 31, 2020
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 44,882	\$ 44,767
Trade receivables, net	292,932	132,505
Inventories	485,766	312,809
Prepaid expenses and other	39,205	37,982
<b>Total current assets</b>	<b>862,785</b>	<b>528,063</b>
Property, plant and equipment, net	309,170	251,493
Operating lease right-of-use assets	142,719	117,816
Goodwill and intangible assets, net	1,036,995	852,076
Other non-current assets	6,789	3,987
<b>TOTAL ASSETS</b>	<b>\$ 2,358,458</b>	<b>\$ 1,753,435</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities		
Current maturities of long-term debt	\$ 7,500	\$ 7,500
Current operating lease liabilities	36,955	30,901
Accounts payable	219,153	105,786
Accrued liabilities	145,865	83,202
<b>Total current liabilities</b>	<b>409,473</b>	<b>227,389</b>
Long-term debt, less current maturities, net	1,077,664	810,907
Long-term operating lease liabilities	107,753	88,175
Deferred tax liabilities, net	49,344	39,516
Other long-term liabilities	22,176	28,007
<b>TOTAL LIABILITIES</b>	<b>1,666,410</b>	<b>1,193,994</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common stock	195,402	180,892
Additional paid-in-capital	23,981	24,387
Accumulated other comprehensive loss	(3,024)	(6,052)
Retained earnings	475,689	360,214
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>692,048</b>	<b>559,441</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 2,358,458</b>	<b>\$ 1,753,435</b>



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

(thousands)	Nine Months Ended	
	September 26, 2021	September 27, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 163,895	\$ 59,237
Depreciation and amortization	76,298	52,955
Stock-based compensation expense	17,307	11,177
Amortization of convertible notes debt discount	5,528	5,302
Other adjustments to reconcile net income to net cash provided by operating activities	8,184	(536)
Change in operating assets and liabilities, net of acquisitions of businesses	(123,795)	(15,377)
<b>Net cash provided by operating activities</b>	<b>147,417</b>	<b>112,758</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(44,155)	(22,159)
Business acquisitions and other investing activities	(299,561)	(123,265)
<b>Net cash used in investing activities</b>	<b>(343,716)</b>	<b>(145,424)</b>
<b>NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Increase (decrease) in cash and cash equivalents	115	(77,043)
Cash and cash equivalents at beginning of year	44,767	139,390
<b>Cash and cash equivalents at end of period</b>	<b>\$ 44,882</b>	<b>\$ 62,347</b>



# 3<sup>rd</sup> 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 <sup>1</sup>	\$1.9B
Acquisitions Since 2010	60
Current States Presence	23
Employees	~11,000

## Q3 2021 RESULTS

Revenue	\$1.1B
Net Income	\$57.4M
Diluted EPS	\$2.45
Operating Cash Flows	\$68.7M

## VALUE PROPOSITION

-  Experienced management team with an average of 27+ 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
	60%	16%	13%	11%

% Net Sales (Q3 2021)

<sup>1</sup> As of 10/25/2021

MANUFACTURE AND DISTRIBUTE QUALITY PRODUCTS THAT AIM TO EXCEED CUSTOMER EXPECTATIONS



Q3 2021 Earnings Presentation 3

# Q3 2021 - QUARTERLY HIGHLIGHTS

1

## Growth in Total Revenue of +51% 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 +30bps Y/Y

- Efficient and flexible platform that leverages fixed costs
- Automation and technology initiatives to help alleviate persisting commodity and labor pressures
- Strong execution and partnership with customers

3

## Investments to Increase Scale, Breadth and Market Penetration

- Acquisition of Coyote Manufacturing and Tumacs Covers, 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**

# Q3 2021 FINANCIAL PERFORMANCE

(\$ millions except per share data)



- 51% increase in Net Sales driven by increased demand in each of our four end markets
- Gross margin improved through leveraging fixed costs through our team's operations and efficiencies in production
- Operational performance supported by proactive securement of inventory for OEMs
- Invested \$18 million in capital expenditures to support information technology and production and capacity initiatives

# PERFORMANCE BY MARKET SECTORS

(\$ millions)

## Leisure Lifestyle<sup>1</sup>

**RV**

60% of Q3'21 Sales

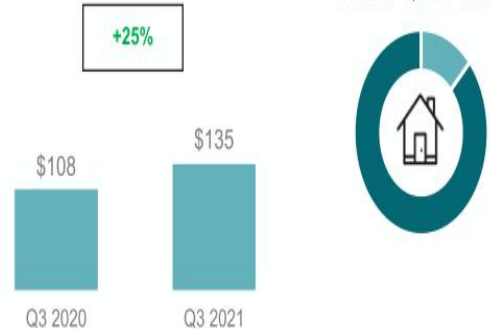


- Content per Unit – increased 19% to \$3,735

## Housing and Industrial<sup>1</sup>

**MH**

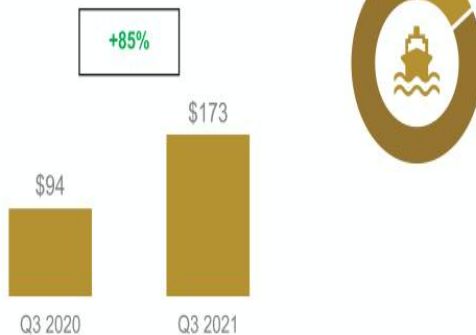
13% of Q3'21 Sales



- Content per Unit – increased 10% to an estimated \$4,961

**MARINE**

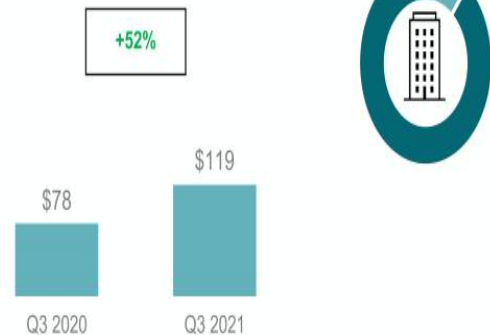
16% of Q3'21 Sales



- Content per Unit – increased 66% to an estimated \$3,166
- Content growth driven by market share gains, aftermarket growth and acquisitions

**INDUSTRIAL**

11% of Q3'21 Sales

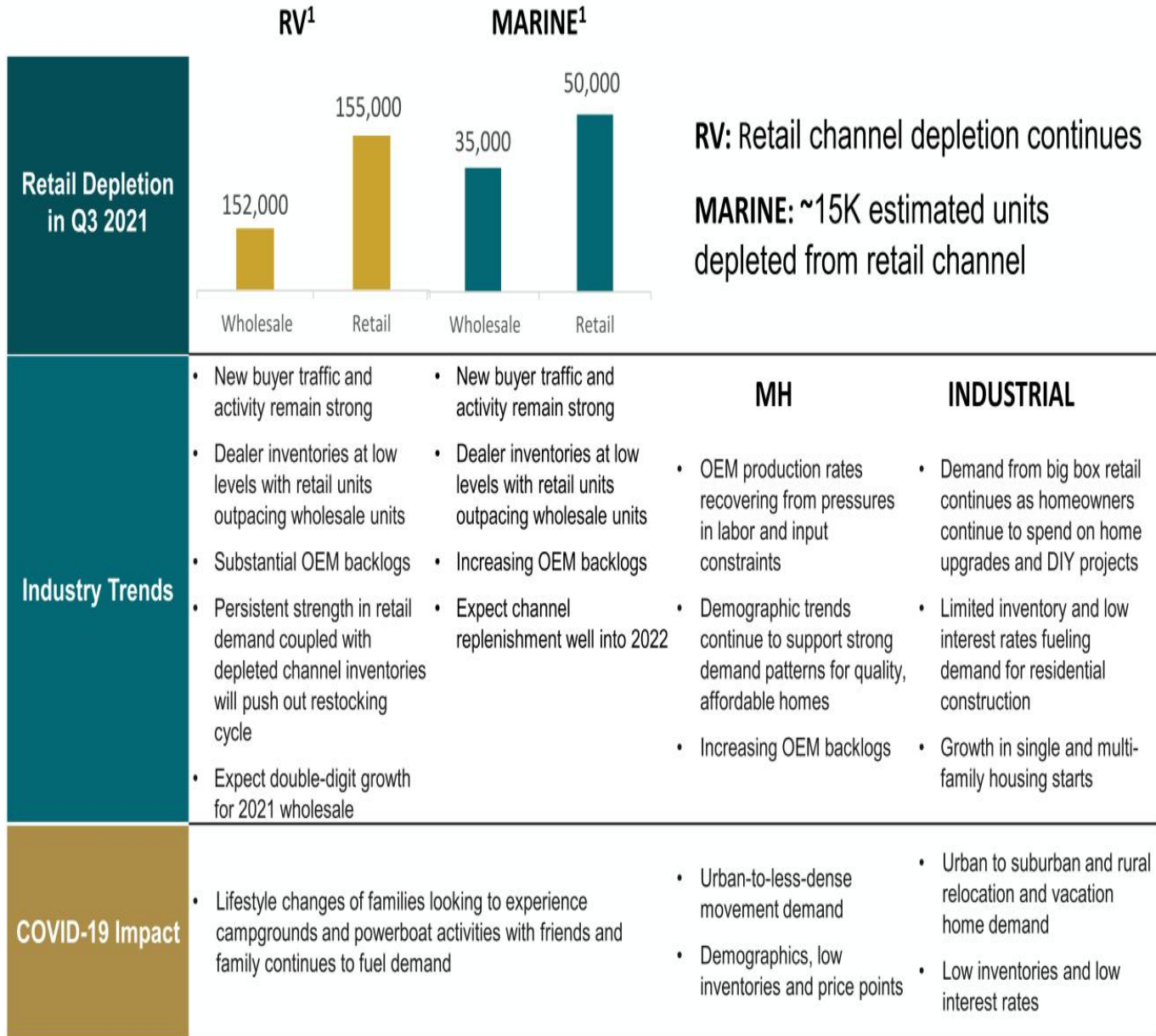


- New Housing Starts in Q3 increased 9%
- 70% of revenues tied to new housing starts; our products go into new homes 4-6 months after new housing starts

<sup>1</sup> All metrics compared to 3rd Quarter 2020 unless otherwise noted



# MARKET SECTOR TRENDS



<sup>1</sup> Company estimates



# BALANCE SHEET, CASH FLOW AND LIQUIDITY

## DEBT STRUCTURE AND MATURITIES<sup>1</sup>

- \$550M Senior Secured Revolver, due April 2026
- \$150M Term Loan (\$148M o/s), 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<sup>1</sup>

- Consolidated Net Leverage Ratio – 2.2x
- Consolidated Secured Net Leverage Ratio – 0.48x versus 2.75x maximum
- Consolidated Fixed Charge Coverage Ratio – 6.84x vs. minimum 1.50x

## LIQUIDITY<sup>1</sup>

- Available liquidity, including cash on hand - \$454.2M

## NET LEVERAGE<sup>2</sup> (\$ millions)

Total Debt Outstanding	\$	1,106.0
Less: Cash on Hand <sup>1</sup>		(52.0)
Net Debt	\$	1,054.0
LTM Adj. EBITDA	\$	480.1
Net Debt to Adj. EBITDA		<b>2.2x</b>

## LIQUIDITY (\$ millions)

Total Revolver Credit Capacity	\$	550.0
Less: Total Revolver Used (including outstanding letters of credit)		(140.7)
Unused Credit Capacity	\$	<b>409.3</b>
Add: Cash on Hand		44.9
Total Available Liquidity	\$	<b>454.2</b>

<sup>1</sup> As of 9/26/21; <sup>2</sup> As 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; Market presence propels us to cross-pollinate sales across customers and end markets



## INDUSTRY GROWTH

Long-term secular growth across all end markets & favorable demographics



## BUSINESS MODEL

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



## INNOVATION

New product development and product line extensions



## STRATEGIC ACQUISITIONS

Execute on strategic acquisitions in primary markets

CREATING LONG-TERM SHAREHOLDER VALUE

# Appendix





# NON-GAAP RECONCILIATIONS

## RECONCILIATION OF NET INCOME TO EBITDA TO LTM ADJUSTED EBITDA

(\$ in millions)	LTM 9/26/2021
Net Income	\$ 201.7
+Depreciation & Amortization	96.6
+ Interest Expense, net	52.4
+ Income Taxes	65.1
EBITDA	\$ 415.8
+ Stock Compensation Expense	22.1
+ Acquisition proforma, transaction-related expenses & other	42.2
Adjusted EBITDA	\$ <b>480.1</b>

## RECONCILIATION OF NET LEVERAGE\*

(\$ in millions)	
Total debt outstanding @ 9/26/2021	\$ 1,106.0
Less: cash on hand @ 9/26/2021	(44.9)
Less: incremental cash on hand @ 9/28/2021	(7.1)
Net debt @ 9/28/2021	\$ 1,054.0
Adjusted EBITDA	\$ 480.1
Net debt to Adjusted EBITDA	<b>2.2x</b>

### 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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