

**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)

**February 10, 2022**

---

**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**

**Elkhart,**

**Indiana**

**46515**

(Address of Principal Executive Offices)

(Zip Code)

Registrant's Telephone Number, including area code

**(574)**

**294-7511**

---

(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, no par value	PATK	NASDAQ

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

---

**Item 2.02. Results of Operations and Financial Condition.**

On February 10, 2022, the Company issued a press release announcing operating results for the fourth quarter and full year ended December 31, 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 February 10, 2022

[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: February 10, 2022

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

---

## Patrick Industries, Inc. Reports Record Fourth Quarter and Full Year 2021 Financial Results

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

- Net sales of \$1.1 billion increased 49%
- Operating income of \$95 million increased 52%
- Operating margin of 8.3% increased 30 basis points
- Net income of \$61 million increased 61%
- Diluted earnings per share of \$2.62 increased 60%
- Operating cash flows of \$105 million increased 121%
- Acquisitions of Williamsburg and Wet Sounds

### Full Year 2021 Highlights *(compared to Full Year 2020 unless otherwise noted)*

- Net sales of \$4.1 billion increased 64%
- Operating income of \$352 million increased 103%
- Operating margin of 8.6% increased 160 basis points
- Net income of \$225 million increased 132%
- Diluted earnings per share of \$9.63 increased 129%
- Operating cash flows of \$252 million increased 57%
- Completed 10 acquisitions

ELKHART, IN - February 10, 2022 - Patrick Industries, Inc. (NASDAQ: PATK), a leading component solutions provider for the RV, marine, manufactured housing ("MH") and industrial markets, today reported record financial results for the fourth quarter and full year ended December 31, 2021.

Net sales in the fourth quarter of 2021 increased \$375 million, or 49%, to \$1.1 billion from \$773 million in the fourth quarter of 2020. Strong performance in both our leisure lifestyle and housing markets drove results in the fourth quarter of 2021.

Operating income of \$95 million increased \$33 million, or 52%, from \$62 million in the fourth quarter of 2020. Operating margin of 8.3% in the fourth quarter of 2021 increased 30 basis points compared to 8.0% in the same period a year ago.

Net income was \$61 million, an increase of 61%, compared to \$38 million in the fourth quarter of 2020. Diluted earnings per share was \$2.62, an increase of 60% for the fourth quarter of 2021 compared to \$1.64 for the fourth quarter of 2020. Diluted earnings per share for the fourth quarter of 2021 reflects the benefit of state and other income tax items of \$0.07 per share.

"We are pleased with our overall performance during the fourth quarter and full year and extremely grateful for the efforts of our entire team, particularly given the supply chain challenges and labor constraints impacting businesses throughout the country," said Andy Nemeth, Chief Executive Officer. "In partnership with our customers, our team members worked tirelessly to leverage our flexible operating model against the backdrop of strong demand and production levels in our leisure lifestyle and housing markets. The investments we have been making over the past eighteen months, both strategically and in operating infrastructure, are resulting in positive contributions and will continue to enhance our ability to meet and exceed our customers' needs."

---

Jeff Rodino, President, said, "Market conditions across our platform have remained strong, with positive inventory recalibration starting to occur in the RV industry and strong backlogs in our marine, MH, and industrial markets. Demographic trends point toward long-term growth with new buyers continuing to enter our markets. Our growth has been supported by ongoing implementation of best practice solutions, continuous improvement initiatives and investments in automation and capacity expansion which continue to drive our results."

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

**RV** (59% of Revenue)

- Revenue of \$674 million increased 51% while wholesale RV industry unit shipments increased 13%
- Full year content per wholesale RV unit increased 24% to \$4,006

**Marine** (16% of Revenue)

- Revenue of \$189 million increased 75% while wholesale powerboat industry unit shipments increased 1%
- Full year content per wholesale powerboat unit increased 76% to \$3,632

**MH** (13% of Revenue)

- Revenue of \$151 million increased 24% while wholesale MH industry unit shipments increased 7%
- Full year content per wholesale MH unit increased 13% to \$5,153

**Industrial** (12% of Revenue)

- Revenue of \$134 million increased 39% while housing starts increased 5%

**Full Year 2021 Results**

Net sales of \$4.1 billion for the full year 2021 increased \$1.6 billion, or 64%, from \$2.5 billion in 2020, primarily reflecting a significant increase in demand in our leisure lifestyle and housing markets as well as contributions from acquisitions completed during 2021. As previously disclosed, net sales for 2020 reflect the impact of COVID-19 related production shutdowns during the second quarter of 2020.

Full year 2021 operating income of \$352 million increased \$179 million, or 103%, compared to \$173 million in 2020. Operating margin of 8.6% improved 160 basis points from 7.0% in the prior year. Net income of \$225 million increased 132% compared to \$97 million in 2020. Diluted earnings per share of \$9.63 increased 129% compared to \$4.20 in the prior year.

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

Operating cash flow for the fourth quarter of 2021 was \$105 million, an increase of 121%, compared to \$47 million for the fourth quarter of 2020. Full year 2021 operating cash flow of \$252 million increased 57% compared to the prior year due to strong profitability and growth across all end markets. Business acquisitions for the fourth quarter of 2021 totaled \$210 million, including the previously announced acquisitions of Wet Sounds, Inc., a designer, fabricator, engineer, and distributor of innovative audio systems and accessories to marine OEMs and consumers and Williamsburg Furniture and Williamsburg Marine, manufacturers of seating for the motorized RV and marine end markets. For the full year 2021, business acquisitions in RV, marine and industrial markets totaled \$520 million. Capital expenditures for the fourth quarter of 2021 totaled \$21 million, an increase of 108%, compared to \$10 million in the fourth quarter of 2020. Capital expenditures for full year

2021 totaled \$65 million, an increase of 102% from 2020, reflecting continued investments in automation and capacity in support of scalable growth.

In alignment with our capital allocation strategy, we returned \$25 million to shareholders in the fourth quarter of 2021, consisting of \$17 million in opportunistic repurchases of 223,396 shares and \$8 million of dividends. For the full year 2021, we repurchased 612,325 shares for a total of \$49 million and returned \$27 million in dividends to our shareholders.

Our net debt at the end of the quarter was approximately \$1.4 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 \$532 million.

### **Business Outlook and Summary**

"The strength and tailwinds in our markets coupled with the focus and dedication of our team and great partnerships with our customers resulted in record results in 2021," said Mr. Nemeth. "Additionally, through continued strategic diversification and the patient and disciplined execution of our capital allocation strategy, we are continuing to position our platform to drive results and scalability into 2022 and many years beyond. Our marine business almost doubled year over year through both strategic and organic growth, and represented 16% of our 2021 consolidated revenue, up from 14% in 2020. Our continued focus on growing our marine presence, in combination with both the strength of the solid foundation in our RV businesses and long runway we see in our housing and industrial markets, will continue to help propel our business model going forward, complemented by our focus on efficiency and production of highly engineered products and proprietary solutions. We improved our overall margin profile in 2021 and we believe we will have the opportunity to drive further margin improvement in 2022. We expect OEM production in our end markets to remain strong in 2022, and we also expect to continue to use our strong cash flows to invest in automation, strategic information technology solutions, human capital, innovation, and philanthropic efforts to support our customers, team members, and communities as well as our growth and diversification strategy."

### **Conference Call Webcast**

As previously announced, Patrick Industries will host an online webcast of its fourth 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, February 10, 2022 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 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; inflationary pressures; 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.

#### **Contact:**

Julie Ann Kotowski  
Investor Relations  
[kotowskj@patrickind.com](mailto:kotowskj@patrickind.com)  
574.294.7511

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

(thousands except per share data)	Fourth Quarter Ended		Year Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>NET SALES</b>	<b>\$ 1,147,479</b>	<b>\$ 772,613</b>	<b>\$ 4,078,092</b>	<b>\$ 2,486,597</b>
Cost of goods sold	<b>920,455</b>	630,295	<b>3,276,898</b>	2,027,580
<b>GROSS PROFIT</b>	<b>227,024</b>	142,318	<b>801,194</b>	459,017
<b>Operating Expenses:</b>				
Warehouse and delivery	<b>38,993</b>	28,196	<b>139,606</b>	98,400
Selling, general and administrative	<b>77,705</b>	40,695	<b>253,547</b>	146,376
Amortization of intangible assets	<b>15,634</b>	11,268	<b>56,329</b>	40,868
Total operating expenses	<b>132,332</b>	80,159	<b>449,482</b>	285,644
<b>OPERATING INCOME</b>	<b>94,692</b>	62,159	<b>351,712</b>	173,373
Interest expense, net	<b>16,695</b>	11,181	<b>57,890</b>	43,001
<b>Income before income taxes</b>	<b>77,997</b>	50,978	<b>293,822</b>	130,372
Income taxes	<b>16,977</b>	13,154	<b>68,907</b>	33,311
<b>NET INCOME</b>	<b>\$ 61,020</b>	<b>\$ 37,824</b>	<b>\$ 224,915</b>	<b>\$ 97,061</b>
<b>BASIC NET INCOME PER COMMON SHARE</b>	<b>\$ 2.69</b>	<b>\$ 1.68</b>	<b>\$ 9.87</b>	<b>\$ 4.27</b>
<b>DILUTED NET INCOME PER COMMON SHARE</b>	<b>\$ 2.62</b>	<b>\$ 1.64</b>	<b>\$ 9.63</b>	<b>\$ 4.20</b>
Weighted average shares outstanding - Basic	<b>22,653</b>	22,576	<b>22,780</b>	22,730
Weighted average shares outstanding - Diluted	<b>23,299</b>	23,083	<b>23,355</b>	23,087

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

(thousands)	As of	
	December 31, 2021	December 31, 2020
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 122,849	\$ 44,767
Trade receivables, net	172,392	132,505
Inventories	614,356	312,809
Prepaid expenses and other	64,478	37,982
<b>Total current assets</b>	<b>974,075</b>	<b>528,063</b>
Property, plant and equipment, net	319,493	251,493
Operating lease right-of-use assets	158,183	117,816
Goodwill and intangible assets, net	1,191,833	852,076
Other non-current assets	7,147	3,987
<b>TOTAL ASSETS</b>	<b>\$ 2,650,731</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	40,301	30,901
Accounts payable	203,537	105,786
Accrued liabilities	181,439	83,202
<b>Total current liabilities</b>	<b>432,777</b>	<b>227,389</b>
Long-term debt, less current maturities, net	1,278,989	810,907
Long-term operating lease liabilities	120,161	88,175
Deferred tax liabilities, net	36,453	39,516
Other long-term liabilities	14,794	28,007
<b>TOTAL LIABILITIES</b>	<b>1,883,174</b>	<b>1,193,994</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common stock	196,383	180,892
Additional paid-in-capital	59,668	24,387
Accumulated other comprehensive loss	(2,228)	(6,052)
Retained earnings	513,734	360,214
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>767,557</b>	<b>559,441</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 2,650,731</b>	<b>\$ 1,753,435</b>



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

(thousands)	Year Ended	
	December 31, 2021	December 31, 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 224,915	\$ 97,061
Depreciation and amortization	104,808	73,270
Amortization of convertible notes debt discount	7,987	7,187
Stock-based compensation expense	22,887	15,960
Other adjustments to reconcile net income to net cash provided by operating activities	1,611	12,082
Change in operating assets and liabilities, net of acquisitions of businesses	(110,078)	(45,407)
<b>Net cash provided by operating activities</b>	<b>252,130</b>	160,153
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(64,804)	(32,100)
Business acquisitions and other investing activities	(509,930)	(305,784)
<b>Net cash used in investing activities</b>	<b>(574,734)</b>	(337,884)
<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Increase (decrease) in cash and cash equivalents	78,082	(94,623)
Cash and cash equivalents at beginning of year	44,767	139,390
<b>Cash and cash equivalents at end of year</b>	<b>\$ 122,849</b>	\$ 44,767



4<sup>th</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>	\$1.6B
Acquisitions Since 2010	63
Current States Presence	23
Employees	~11,000

## 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

## Q4 2021 RESULTS

Revenue	\$1.1B
Net Income	\$61M
Diluted EPS	\$2.62
Operating Cash Flows	\$105M

### 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
	59%	16%	13%	12%

% Net Sales (Q4 2021)

<sup>1</sup> As of 02/04/2022

MANUFACTURE AND DISTRIBUTE QUALITY PRODUCTS THAT AIM TO EXCEED CUSTOMER EXPECTATIONS



## Q4 2021 - QUARTERLY HIGHLIGHTS

1

### Growth in Total Revenue of +49% Y/Y

- RV / Marine driven by outdoor recreation trends, strong execution of nimble platform against continued 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

### Continued Strategic Diversification of Marine and Aftermarket Presence + Increased Capex

- Acquisitions of Wet Sounds, driving consumer connectivity in marine, powersports and home audio; and Williamsburg, enhancing marine and RV solutions
- 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

# Q4 2021 FINANCIAL PERFORMANCE

(\$ millions except per share data)



- 49% 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 \$21 million in capital expenditures to support automation, information technology and production and capacity initiatives

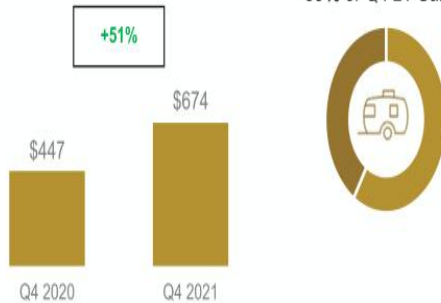
# PERFORMANCE BY MARKET SECTORS

(\$ millions)

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

### RV

59% of Q4'21 Sales



- Content per Unit – increased 24% to \$4,006

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

### MH

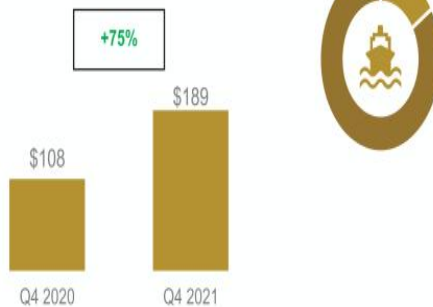
13% of Q4'21 Sales



- Content per Unit – increased 13% to \$5,153

### MARINE

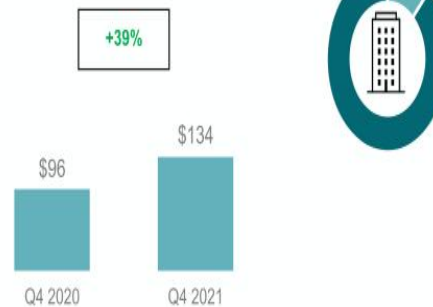
16% of Q4'21 Sales



- Content per Unit – increased 76% to \$3,632
- Content growth driven by market share gains, aftermarket growth and acquisitions

### INDUSTRIAL

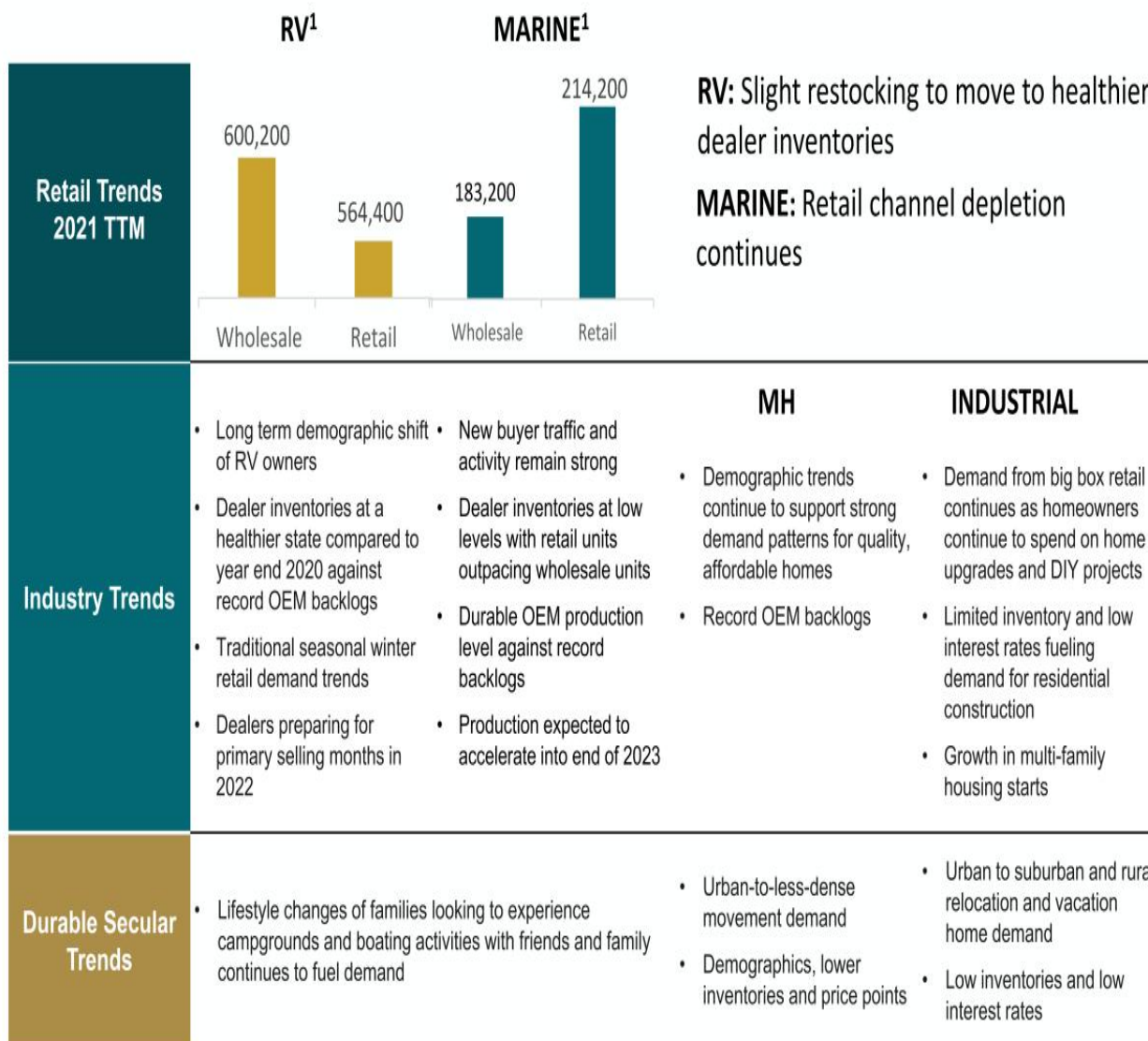
12% of Q4'21 Sales



- New Housing Starts in Q4 increased 5%
- 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 4th Quarter 2020 unless otherwise noted

# MARKET SECTOR TRENDS



<sup>1</sup> Company estimates supported by RVIA & NMMA



# BALANCE SHEET, CASH FLOW AND LIQUIDITY

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

- \$150M Term Loan (\$144M o/s), pre-determined quarterly installments; balance due April 2026
- \$550M (\$135M o/s) Senior Secured Revolver, due April 2026
- \$172.5M 1.00% Convertible Senior Notes, due February 2023
- \$300M 7.50% Senior Notes, due October 2027
- \$259M 1.75% Convertible Senior Notes, due December 2028
- \$350M 4.75% Senior Notes, due April 2029

## COVENANTS AND RATIOS<sup>1</sup>

- Consolidated Net Leverage Ratio – 2.3x
- Consolidated Secured Net Leverage Ratio – 0.29x versus 2.75x maximum
- Consolidated Fixed Charge Coverage Ratio – 5.83x vs. minimum 1.50x

## LIQUIDITY<sup>1</sup>

- Available liquidity, including cash on hand - \$532.4M

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

Total Debt Outstanding	\$	1,360.6
Less: Cash on Hand <sup>1</sup>		(122.8)
Net Debt	\$	1,237.8
LTM Adj. EBITDA	\$	530.8
Net Debt to Adj. EBITDA		<b>2.3x</b>

## LIQUIDITY (\$ millions)

Total Revolver Credit Capacity	\$	550.0
Less: Total Revolver Used (including outstanding letters of credit)		(140.4)
Unused Credit Capacity	\$	<b>409.6</b>
Add: Cash on Hand		122.8
Total Available Liquidity	\$	<b>532.4</b>

<sup>1</sup> As of 12/31/21; <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

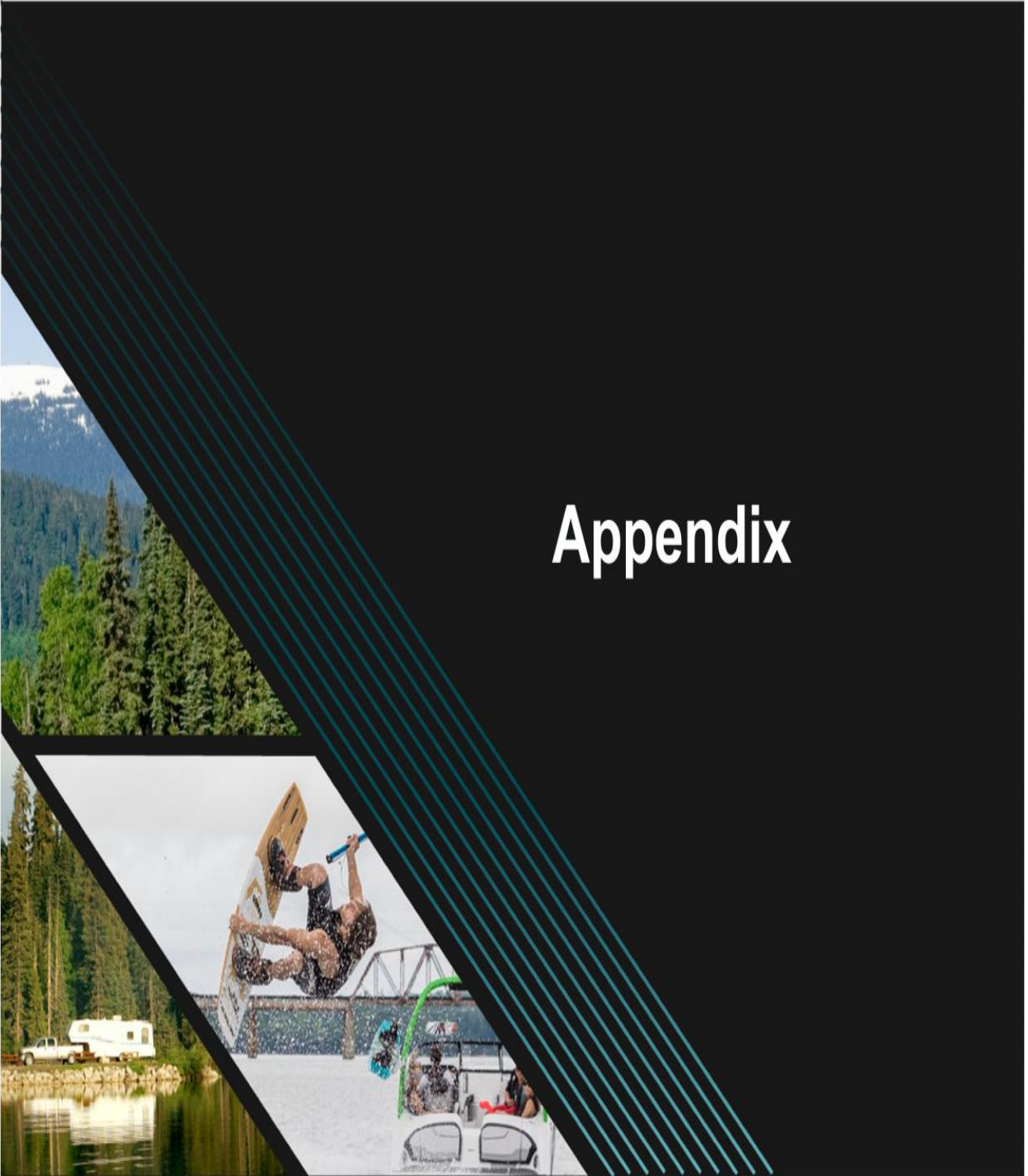


## STRATEGIC ACQUISITIONS

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 12/31/2021
Net Income	\$ 224.9
+ Depreciation & Amortization	104.8
+ Interest Expense, net	57.9
+ Income Taxes	68.9
EBITDA	\$ 456.5
+ Stock Compensation Expense	22.9
+ Acquisition proforma, transaction-related expenses & other	51.4
Adjusted EBITDA	\$ 530.8

## RECONCILIATION OF NET LEVERAGE\*

(\$ in millions)	
Total debt outstanding @ 12/31/2021	\$ 1,360.6
Less: cash on hand @ 12/31/2021	(122.8)
Net debt @ 12/31/2021	\$ 1,237.8
Adjusted EBITDA	\$ 530.8
Net debt to Adjusted EBITDA	2.3x

### Use of Non-GAAP Financial Information

\* As defined by credit agreement which includes debt and cash balances

-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.



<https://www.facebook.com/PatrickIndustries/>



<https://www.instagram.com/patrickindustries/?hl=en>



Patrick Industries, Inc.

**PATRICKIND.COM**

---

