

**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)

March 13, 2023

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 7.01 Regulation FD Disclosure

The information referenced in this Form 8-K is furnished pursuant to Item 7.01, "Regulation FD Disclosure." Such information, including the Exhibit attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

(a) Slides for Investor Presentation as contained in Exhibit 99.1

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

[Exhibit 99.1](#) - Slides for Investor Presentation

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PATRICK INDUSTRIES, INC.

(Registrant)

Date: March 13, 2023

By: /s/ Jacob R. Petkovich

Jacob R. Petkovich

Executive Vice President - Finance, Chief Financial Officer, and Treasurer



Investor Presentation

March 2023



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 AT A GLANCE NASDAQ: PATK

11,000

Team members

64

Years of Success

250+

Facilities

\$4.9B

FY '22 Revenue

\$13.49¹

FY '22 Diluted EPS

FY '22 Highlights

Pro Forma
Adjusted
EBITDA

\$674M²

Free Cash Flow

\$332M²

Pro Forma
Liquidity

\$538M³

Total Net Leverage

1.9x⁴



Value Proposition



Strong portfolio unifies historically fragmented landscape



Breadth and depth of talent and resources drives innovative customer solutions



Investments in automation, human capital and IT support continued growth



Broad supply chain strength supports OEM growth and positions us to be a first-choice component solutions provider to our end markets



¹ Reflects the impact of the adoption on 1/1/2022 of accounting standard related to convertible notes |

² Non-GAAP metric. See appendix for reconciliation to closest GAAP metric | ³ Reflects removal of \$30 million temporary reserve for settlement at maturity of 1.00% Convertible Notes due 2023 on February 1, 2023 | ⁴ As defined by credit agreement

LEADERSHIP WITH DEEP INDUSTRY EXPERIENCE



Andy Nemeth

CEO

31 years
Industry experience



Jeff Rodino

President

29 years
Industry experience



Jake Petkovich

CFO

27 years
Industry experience



Kip Ellis

COO

26 years
Industry experience

-
- ✓ 100+ years of industry experience spanning across multiple economic cycles
 - ✓ Management team is adaptable and experienced during economic changes and industry trends
 - ✓ Proven ability to manage at scale with approximately 11,000 employees in over 250 facilities across 23 states

THE MARKETS WE SERVE

53%

FY '22
net sales



RV

21%

FY '22
net sales



Marine

15%

FY '22
net sales



Manufactured Housing

11%

FY '22
net sales



Industrial

- Largest OEMs rely on Patrick for **high degree of content**
- **Breadth of offerings** provide packaged solutions not offered by competitors
- **Our extensive supply chain** helps us support the leisure lifestyle markets

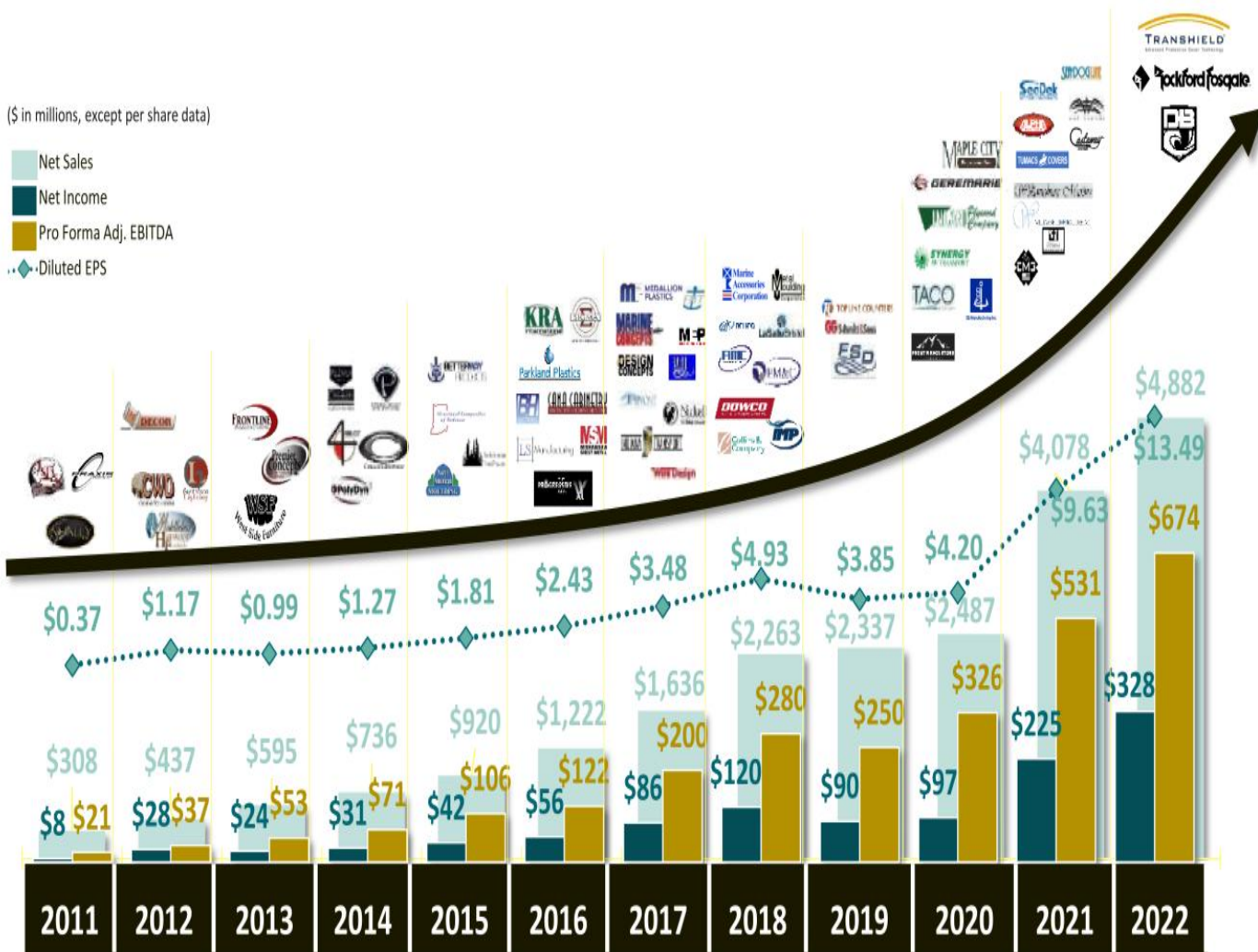
- **Fully integrated** into manufacturers' design process
- Highly engineered and specialized products offer **differentiated solutions to OEMs**
- **Growing** aftermarket platform in marine and powersports markets

- Fulfilling customers' visions of home interiors & exteriors
- **Nationwide manufacturing and distribution footprint** allows Patrick to provide products across our customers domestic operations more efficiently than many competitors

- Aligned with long-term secular growth in housing demand
- **Home improvement and DIY activity** driven by work-from-anywhere environment
- **Limited inventory of affordable housing** supports demand for multifamily and rental options

OUR STORY

We have thoughtfully and strategically built an incredible organization of great people, teams, brands, and leadership focused on embracing and preserving the entrepreneurial spirit!



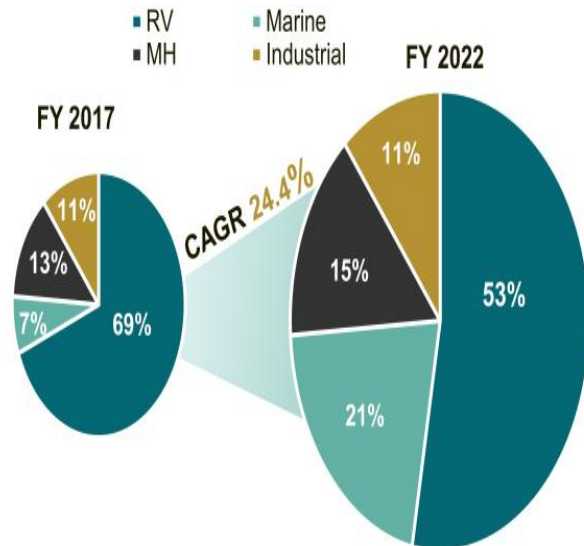
Evolution of PATK Portfolio

Impressive Net Sales and Margin Growth (2017-2022)



Gross Margin	17.1%	→	21.7%	+ 460 bps
Operating Margin	7.4%	→	10.2%	+ 280 bps
Pro Forma Adj. EBITDA Margin ¹	12.2%	→	13.8%	+ 160 bps

Broadening our Portfolio (Net Sales Composition as %)



Experienced Provider in RV and Affordable Housing

- Average customer relationship of PATK's major customers is **25+ years**
- Major supplier to Thor and Forest River
- PATK began **64 years ago** in the MH market, and now operates in the RV, Marine, Housing and Powersports markets

Growing Marine Market Penetration

	FY 2017	→	FY 2022
Marine Net Sales	\$112M		\$1.0B
Aftermarket as % of Marine	<1%	→	18%



NIMBLE MODEL WITH STRATEGIES FOR ANY ECONOMIC ENVIRONMENT

Patrick's Flexible Business Model

- ✓ **Highly variable cost structure**
- ✓ **Flexible manufacturing processes**
- ✓ **Demonstrated ability to adjust output and cost structure in real-time to changes in demand**
- ✓ **Successful implementation of our diversification strategy**
- ✓ **Our businesses are less-capital-intensive and can flex fluidly to meet production needs**

Levers Available in Downturn

- Reduce discretionary capex / low level of maintenance capex
- Flex direct labor rapidly / wage reductions
- Monetization of working capital
- Facility consolidations / capacity rationalization

Strategies for Leveraging Growth

- Investing in margin-accretive businesses with strong leadership teams
- Leverage scale and reach to drive market share gains
- Expanding presence in adjacent markets through acquisitions and innovations of our growing platform of products
- Investing in automation and efficiency initiatives across the platform

MARINE

Market Insights

- ✓ Supply chain relief improving depleted dealer inventories headed into spring selling season
- ✓ Growing aftermarket presence

Key Customers



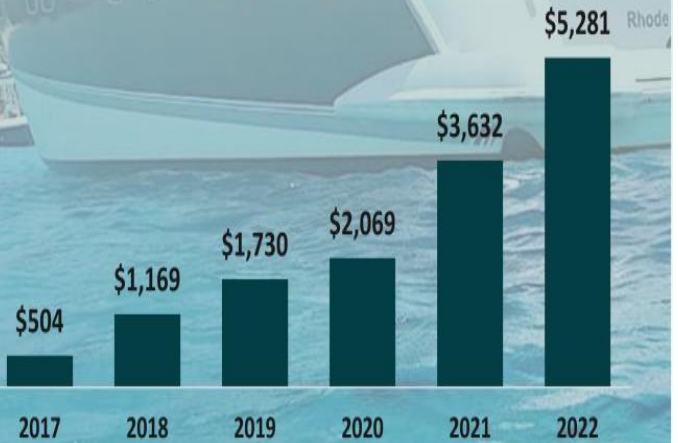
Prioritization

Building relationships and product portfolio with OEMs while continuing to expand aftermarket presence

TTM Marine Net Sales (\$M)



TTM Content Per Unit



Future Outlook

Continued restocking opportunities into 2024 with our business best-positioned to serve the **fiberglass and ski-and-wake markets** that typically serve consumers less sensitive to interest rate volatility and economic softness

RV

Market Insights

- ✓ Young and Diverse groups purchasing RVs
- ✓ Expecting a return to normal seasonal patterns
- ✓ Disciplined OEM production provides long-term market health

Key Customers



Prioritization

Prudent monetization of working capital as OEMs scale back production in 2023

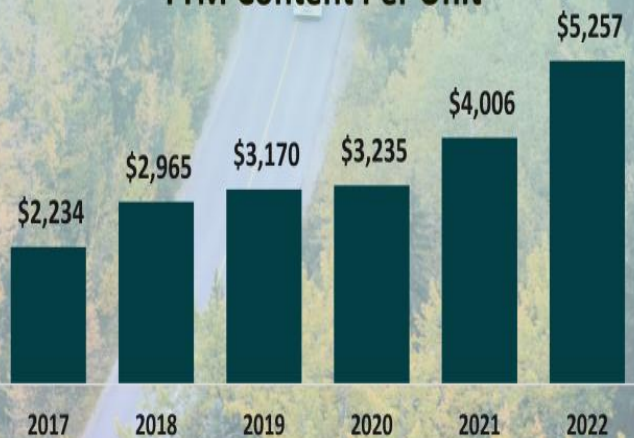
Future Outlook

Providing **consistent and innovative component solutions** for OEMs serving the RV industry to further enhance the outdoor enthusiast lifestyle

TTM RV Net Sales (\$M)



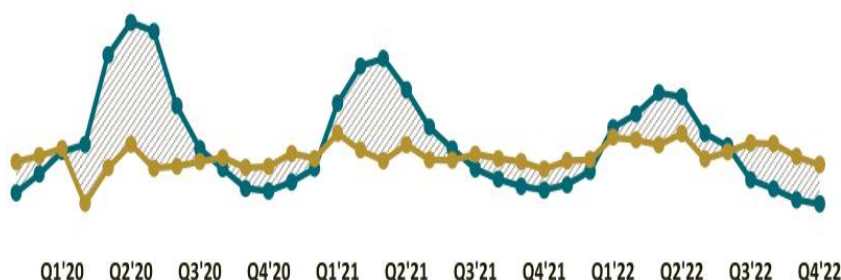
TTM Content Per Unit



Leisure Lifestyle

● Retail
● Wholesale

Marine Industry Shipments¹



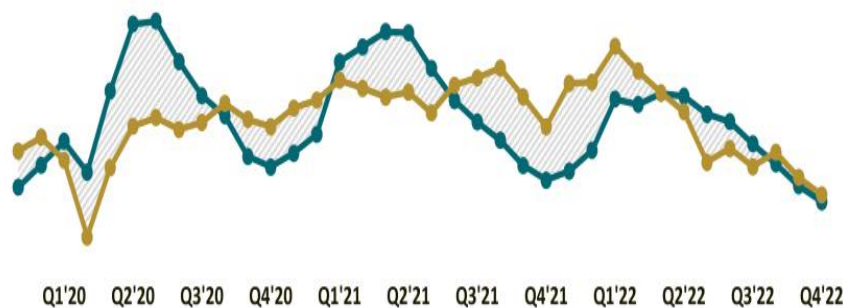
	FY 2020		FY 2021		FY 2022	
Retail	237,700	(74,000)	220,200	(37,000)	188,100	8,400
Wholesale	163,700	△	183,200	△	196,500	△

Industry Insights

- Estimated 2023 wholesale shipments expected to be down low double digits
- Estimated 2023 retail shipments down high single digits
- Continued lean but slightly improving dealer inventories in 2023, mitigating risk of a dramatic production cut as seen in RV industry in 2022

● Retail
● Wholesale

RV Industry Shipments²



	FY 2020		FY 2021		FY 2022	
Retail	520,500	(90,100)	568,900	31,300	446,300	47,000
Wholesale	430,400	△	600,200	△	493,300	△

Industry Insights

- Estimated 2023 wholesale shipments between 325,000 to 350,000 units
- Estimated 2023 retail shipments between 360,000 to 380,000
- Dealer inventory reductions in '23 better support sustained long-term growth

HOUSING & INDUSTRIAL

Housing Starts



Residential housing starts were down **3%¹** in **2022** compared to prior year period



Multifamily housing starts increased by **15%¹** in **2022**.



Single-family housing starts decreased by **11%¹** in **2022**

Product Categories

Manufactured Housing Product Categories²

Single-Section Homes



Multi-Section Homes



Industrial Product Categories

A wide range of components related to residential housing, commercial and institutional markets

Residential Housing



Fixtures



Commercial Construction



Furniture



Key Highlights

- ✓ Limited housing inventory supports long-term growth of our housing-related businesses
- ✓ Rising interest rates tempering demand for single-family housing
- ✓ Capital deployment to support capacity expansion and new product development to enhance organic growth
- ✓ Need for affordable housing helps drive multifamily starts

Manufactured Housing

Market Insights

- ✓ MH offers an alternative solution to our country's affordable housing shortage
- ✓ MH pricing continues to be attractive relative to elevated traditional housing prices

Key Customers



Prioritization

Drive share gains through expanded product offerings and continued close partnership with OEM customers

Future Outlook

MH OEMs preparing for future growth opportunities as they work through backlogs and channel inventory

TTM MH Net Sales (\$M)



TTM Content Per Unit



Industrial

Market Insights

- ✓ DIY and home remodels continue, with heightened interest in remodels for indoor/outdoor spaces
- ✓ Housing inventory supports long-term demand for residential construction
- ✓ Multifamily housing starts to meet demand for affordable housing and rental options

Key Customers



TTM Industrial Net Sales (\$M)



Prioritization

Improve product availability and provide innovative home solutions that combine appealing aesthetics with exceptional durability and performance

Future Outlook

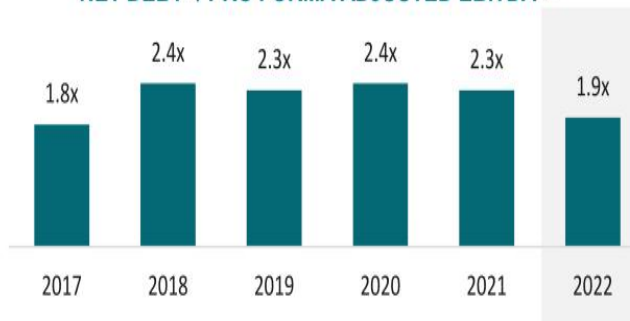
U.S. single-family housing inventory continues to decline with a shortage of affordable options

STRONG LIQUIDITY PROFILE

Highlights⁴ (FY 2022)

Return on Invested Capital ⁵	16.5%
Return on Assets ⁶	11.4%
Accounts Receivable Turnover	28.3x
Current Ratio	2.5x

NET DEBT¹ / PRO FORMA ADJUSTED EBITDA^{2,4}

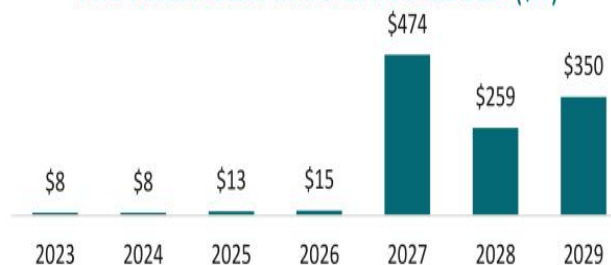


The strength of our cash flows and liquidity allow us to invest in our existing business as well as pursue attractive acquisition opportunities

Pro Forma Liquidity³ (\$M)

Total Revolver Credit Capacity	\$775.0
Less: Total Revolver Used ³ (including outstanding letters of credit)	(259.9)
Unused Credit Capacity	515.1
Add: Cash on Hand ⁴	22.8
Total Available Liquidity	\$537.9

PRO FORMA DEBT MATURITY SCHEDULE³ (\$M)



No Major Debt Maturities Until 2027



¹ Net Debt= Total Debt less Cash & Cash Equivalents | ²Non-GAAP metric. See appendix for reconciliation to closest GAAP metric | ³Reflects settlement at maturity of 1.00% Convertible Notes due 2023 on February 1, 2023 | ⁴At 12/31/2022 | ⁵Defined as NOPAT divided by the sum of net working capital, property plant & equipment, and goodwill & intangibles | ⁶ Defined as net income divided by average assets

CAPITAL ALLOCATION STRATEGY



Deploy strong cash flows to highest value projects



Maintain a disciplined leverage position

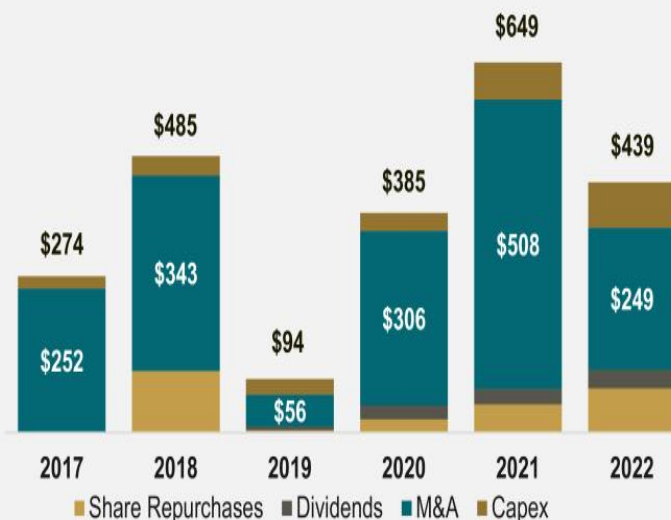


Utilize capital resources to grow and reinvest



Dividend growth and opportunistic share buybacks

Historical Capital Allocation
\$ in millions



	2017	2018	2019	2020	2021	2022
Total Net Leverage ¹ :	1.8x	2.4x	2.3x	2.4x	2.3x	1.9x
Operating Cashflow:	\$100M	\$200M	\$192M	\$160M	\$252M	\$412M
Free Cash Flow ² :	\$78M	\$166M	\$164M	\$128M	\$187M	\$332M

M&A CRITERIA AND FILTERS FOR SUCCESSFUL STRATEGIC INVESTMENTS

Strategic Criteria



Key Market Category



Market Leadership



Strong Leadership Team
and Cultural Fit



Geographic / Market Expansion



Executable Revenue
Synergies



Strong Track Record of Operational
Success

Financial Filters



EPS Accretion in First Full Year



ROIC > Cost of Capital



Accretive to Profit Margins

GROWTH ENGINE



STRATEGIC ACQUISITIONS

Execute on strategic acquisitions in primary markets to enhance opportunities for diversification and growth

INNOVATION

New product development and product line extensions

GEOGRAPHIC EXPANSION

Improves our ability to support customers with regionally diverse operations

INDUSTRY GROWTH

Favorable demographics support long-term growth across all end markets

MARKET LEADER

Leading market position in key product categories

MARKET PRESENCE

Cross-pollinate sales across customers and market sectors

ESG: WE HIT MAJOR MILESTONES IN 2022

Published our inaugural 2022 Responsibility and Sustainability Report



Environmental



We are developing our data collection and reporting framework for Patrick's operations and sustainable practices with transparency as a core focus.

Social



We prioritize our team members' health, well-being, and personal development through a myriad of tools, programs, and resources.

Governance



We are committed to creating and maintaining policies and practices that promote the long-term interests of our shareholders and the public trust in the Company while remaining true to our values.

Appendix

NON-GAAP RECONCILIATIONS

Reconciliation of Net Income to Pro Forma Adj. EBITDA

(\$ in millions)	Fiscal Year Ended December 31,					
	2017	2018	2019	2020	2021	2022
Net Income	\$86	\$120	\$90	\$97	\$225	\$328
+ Interest Expense	9	26	37	43	58	61
+ Income Taxes	27	32	28	33	69	107
+ Depreciation and Amortization	33	55	63	71	105	131
EBITDA	\$155	\$233	\$218	\$244	\$457	\$627
+ Stock Compensation	10	14	15	16	23	22
+ Acquisition proforma, transaction-related expenses & other	35	33	17	66	51	25
Proforma Adj. EBITDA	\$200	\$280	\$250	\$326	\$531	\$674
Net Sales	\$1,636	\$2,263	\$2,337	\$2,487	\$4,078	\$4,882
Proforma Adj. EBITDA Margin (%)	12.2%	12.4%	10.7%	13.1%	13.0%	13.8%

(1) Represents estimated (i) full-year adjustments for acquired EBITDA and (ii) acquisition-related and other general cost-savings, related to procurement, selling, general and administrative, leveraging of our scale, and, to a lesser extent, branch footprint consolidation, which we expect to realize over the next 12 months. Our ability to achieve such estimated synergies and cost-savings is subject to risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements to be materially different from any results, performance or achievement expressed or implied by the estimate.

Use of Non-GAAP Financial Information

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

Reconciliation of Net Debt¹

(\$ in millions)	Fiscal Year Ended December 31,					
	2017	2018	2019	2020	2021	2022
Total Debt	\$354	\$661	\$705	\$840	\$1,361	\$1,298
Less: Cash & Cash Equivalents	(3)	(7)	(139)	(45)	(123)	(23)
Net Debt	\$351	\$654	\$566	\$795	\$1,238	\$1,275

Reconciliation of Cash Flow from Operations to Free Cash Flow





(\$ in millions)	Fiscal Year Ended December 31,					
	2017	2018	2019	2020	2021	2022
Cash Flow from Operations	\$100	\$200	\$192	\$160	\$252	\$412
Less: Capital Expenditures	(22)	(34)	(28)	(32)	(65)	(80)
Free Cash Flow	\$78	\$166	\$164	\$128	\$187	\$332

END MARKET CATEGORIES

RV PRODUCT CATEGORIES¹

TOWABLE Shipments: 91% Wholesale 68% Retail Value		MOTORIZED Shipments: 9% Wholesale 32% Retail Value	
Travel Trailer ASP: \$28,300	Fifth Wheel ASP: \$67,100	Class A ASP: \$257,600	Class B & C ASP: \$128,800
			
Total Retail Value of Shipments in 2021: \$23B			

MARINE PRODUCT CATEGORIES²

Pontoon	Ski & Wake	Fiberglass	Aluminum
ASP: \$55,000 33% of Market	ASP: \$130,000 7% of Market	ASP: \$101,000 37% of Market	ASP: \$31,900 23% of Market
			
U.S Expenditures on Boats, Engines and Accessories Totaled \$56.7B in 2021			

MANUFACTURED HOUSING PRODUCT CATEGORIES³

Single-Section Homes	Multi-Section Homes
ASP: \$72,600 42% of Market	ASP: \$132,000 58% of Market
	

¹ Source: RVIA 2021 Industry profile (travel trailer ASPs stats include camping trailers and truck campers) | ² Source: NMMA 2021 Statistical Abstracts. | ³ Source: Manufactured Housing Institute.

KEY PRODUCT CATEGORIES

Marine

Fiberglass and Plastic Thermoformed Helm Systems



Wiring and Wire Harnesses



Boat Covers, Towers, Tops and Frames



Electrical Systems and Components



Fabricated Aluminum and Steel Components



Anchoring, Docking and Boarding



RV

Vinyl, Paper and Hardwood Moldings



Cabinet Doors



Small Plastic Components



Vinyl and Paper Laminated Products



Surface, Granite and Quartz Countertops



Fiberglass Caps, Showers and Tubs



MH

Pre-finished Wall and Ceiling Panels



Roofing and Siding



Flooring



Drywall Finishing Products



Lighting



Venting



Industrial

Kitchen Cabinets, Countertops & Components



Slotwall



Wardrobe Doors & Mirrors



Store Fixtures & Commercial Furnishings



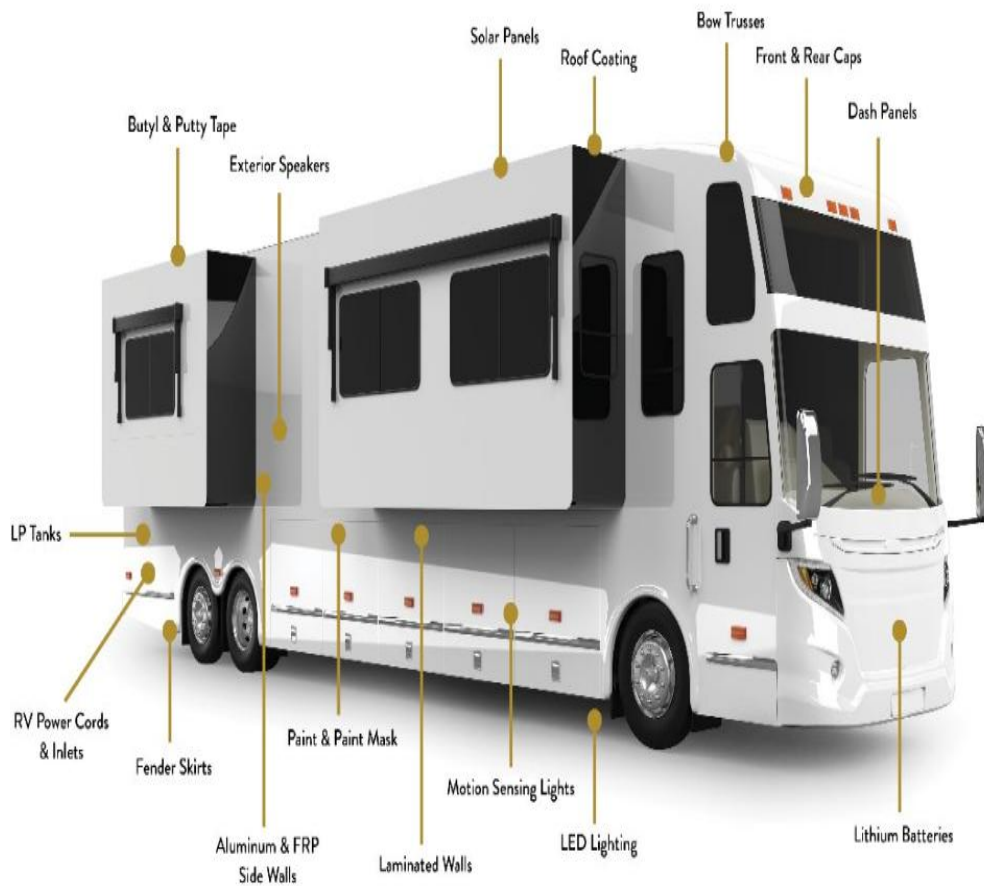
Office & Household Furniture



Fabricated Aluminum & Steel Components



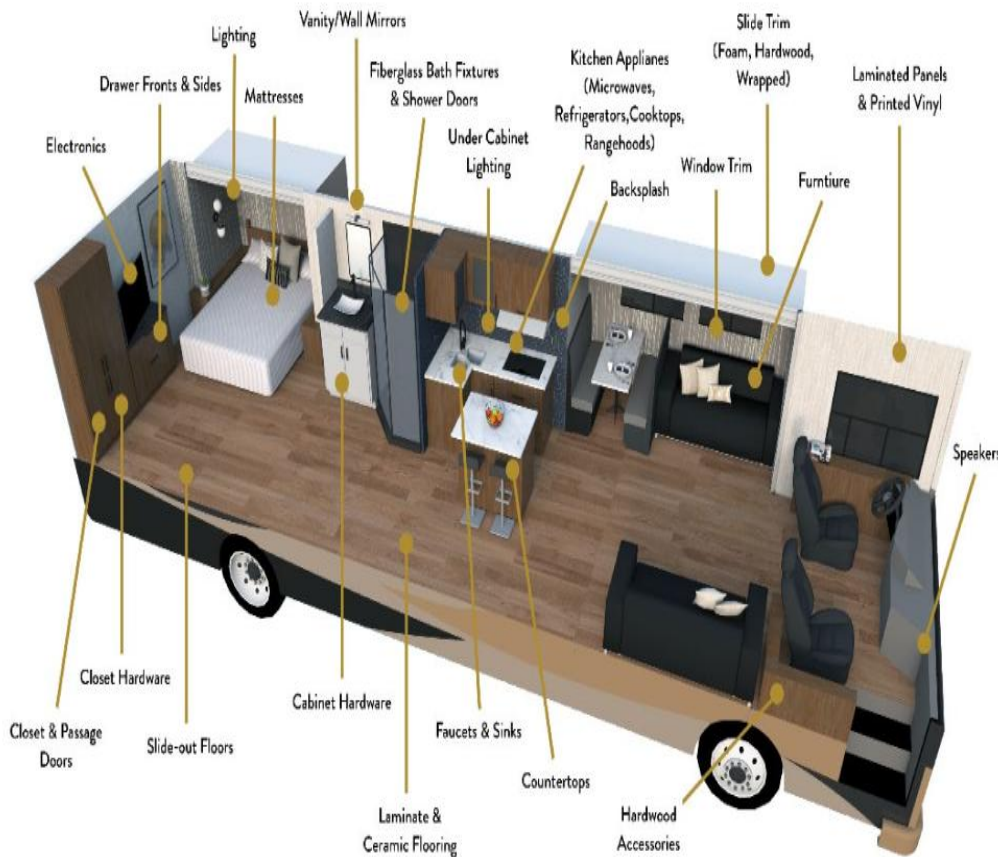
PATRICK PRODUCT LINES: RV EXTERIOR



Additional Supplied Products

- ✓ Softwoods
- ✓ Full Body Paint
- ✓ Aluminum Gauges
- ✓ Steel Gauges
- ✓ Mill Finish & Pre-painted Aluminum and Steel
- ✓ Slit & Embossed Steel
- ✓ FRP Coil & Sheet
- ✓ Trim Panels
- ✓ Fuel Systems
- ✓ Metal Extrusions

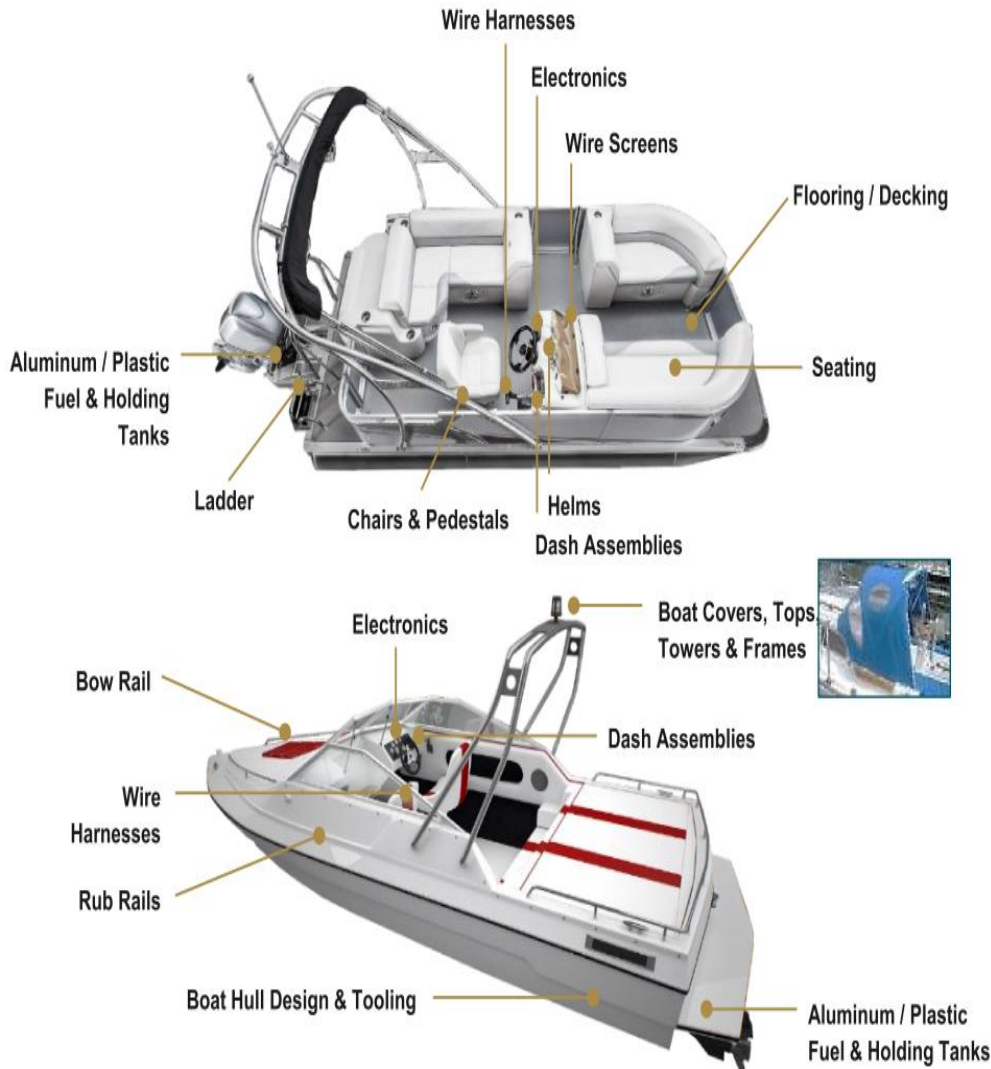
PATRICK PRODUCT LINES: RV INTERIOR



Additional Supplied Products

- ✓ Exit Lighting
- ✓ Power Cords & Inlets
- ✓ RV Tank Heater Pads
- ✓ Fire Extinguishers
- ✓ Electric Fireplaces
- ✓ Wiring, Electrical & Plumbing
- ✓ Inverters
- ✓ Tire Pressure Monitors
- ✓ Electrical Switches, Receptacles, & Outlets
- ✓ RV Transfer Switches
- ✓ Battery Selector Switches
- ✓ Cut-to-Size, Boring, Foiling & Edge-Banding
- ✓ Flooring Adhesive
- ✓ Instrument Panel
- ✓ Made-to-Order Laminated Products including Vinyl, Paper, Veneers & High-Pressure Laminates (HPL)
- ✓ Trim Products

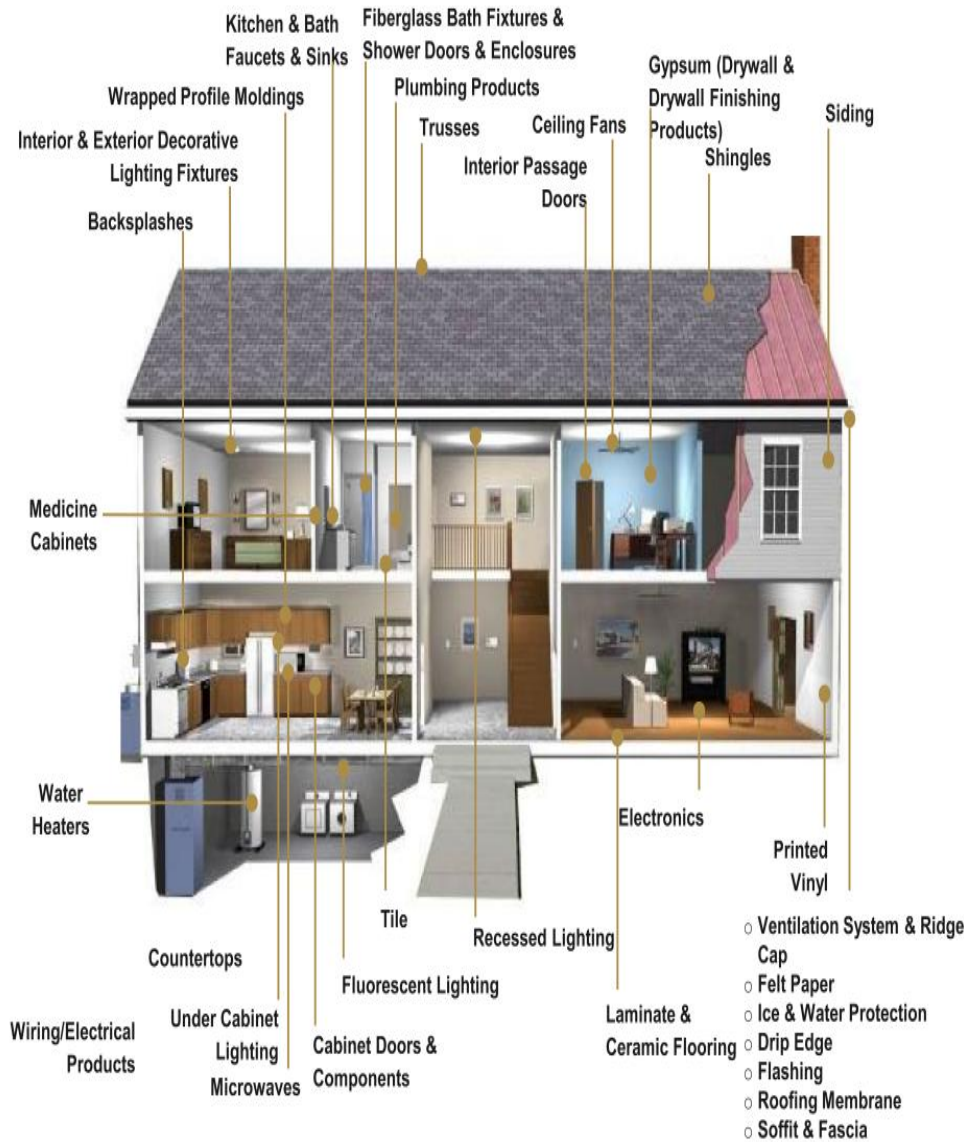
PATRICK PRODUCT LINES: MARINE



Additional Supplied Products

- ✓ Windshields (Glass / Acrylics)
- ✓ Fuel System Related Components
- ✓ Plastic Seat Bases & Components
- ✓ Vinyl (Biminis, Covers)
- ✓ Fabricated & Extruded Aluminum
- ✓ Decking, Flooring, Carpet, Vinyl
- ✓ Gauges, Instrument Panels, Displays
- ✓ Lighting
- ✓ Steering & Throttle Controls
- ✓ Plastic Products: Boxes, Inlay Tables
- ✓ Canvas Products, Panels & Trim
- ✓ Boat trailers
- ✓ Audio Products and Accessories
- ✓ Boat Covers

PATRICK PRODUCT LINES: MANUFACTURED HOUSING



Additional Supplied Products

- ✓ Building Arches
- ✓ Closet Organization Products
- ✓ Adhesives & Sealants
- ✓ Innovative Lighting
- ✓ Electrical Components (e.g., Panels/ Breakers, Outlet Boxes & Switches/ Receptacles)
- ✓ Fireplaces and Surrounds
- ✓ Made-to-Order Laminated Products including Vinyl, Paper, Veneers & High-Pressure Laminates (HPL)
- ✓ Cut-to-Size, Boring, Filing & Edge-Banding
- ✓ Solid Surface, Granite and Quartz Fab
- ✓ Flooring Adhesive
- ✓ Tables & Signs
- ✓ Roof Trusses
- ✓ Wardrobe Doors & Hardware Systems
- ✓ Closet Organizers & Shelving
- ✓ Air Handling Products
- ✓ Carpeting



www.patrickind.com



