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

FORM 8-K

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

Date of report (Date of earliest event reported) **April 27, 2023**

PATRICK INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Indiana	**000-03922**	**35-1057796**
(State or other jurisdiction of incorporation)	(Commission File Number)	(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 April 27, 2023, the Company issued a press release announcing operating results for the first quarter ended April 2, 2023. A copy of the press release is furnished herewith as Exhibit 99.1 and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

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

(a) Slides for Earnings Presentation as contained in Exhibit 99.2

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit 99.1 - Press Release issued April 27, 2023

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: April 27, 2023

By: /s/ Jacob R. Petkovich
Jacob R. Petkovich
Executive Vice President - Finance, Chief Financial Officer, and Treasurer

PATRICK News Release

PATRICK INDUSTRIES, INC. REPORTS FIRST QUARTER 2023 FINANCIAL RESULTS

First Quarter 2023 Highlights *(compared to First Quarter 2022 unless otherwise noted)*

- Net sales of $900 million decreased 33%, as 25% growth in our marine end-market sales partially offset the impact of a 54% reduction in RV industry wholesale shipments on our RV sales
- Gross profit of $194 million decreased 34%, gross margin decreased 40 basis points to 21.6%
- Operating income of $56 million decreased 65%, operating margin decreased 590 basis points to 6.2%
- Net income of $30 million decreased 73%
- Diluted earnings per share of $1.35 decreased 70%
- Adjusted EBITDA of $97 million decreased 49%, adjusted EBITDA margin decreased 350 basis points to 10.8%
- Cash used in operations of $1 million improved compared to cash used in operations of $23 million
- On a trailing twelve-month basis, free cash flow through the first quarter of 2023 was $352 million, an increase of 222% compared to $110 million through the first quarter of 2022
- Returned $15 million to shareholders in the quarter, including $4 million through common share purchases and $11 million through dividends

ELKHART, IN - April 27, 2023 - Patrick Industries, Inc. (NASDAQ: PATK) ("Patrick" or the "Company"), a leading component solutions provider for the Leisure Lifestyle and Housing markets today reported financial results for the first quarter ended April 2, 2023.

Net sales in the first quarter of 2023 were $900 million, a decrease of $442 million, or 33%, from $1.34 billion in the first quarter of 2022, as our end-market diversification strategy partially mitigated the effects of significant declines in the RV market and macroeconomic headwinds. The strength in our marine business, market share gains, and the contribution of acquisitions completed in 2022 partially offset a $454 million decline in RV revenues in the quarter resulting from the continued reduction of production by our RV OEM customers in alignment with decreased retail sales. In addition, revenue from our housing end market, which consists of our manufactured housing and industrial end markets, declined $43 million due to industry headwinds from elevated interest rates, persistent inflation and decreased housing affordability, particularly in the single-family market.

Operating income of $56 million in the first quarter of 2023 decreased $106 million from $162 million in the first quarter of 2022, and operating margin of 6.2% in the first quarter of 2023 decreased 590 basis points compared to 12.1% in the same period a year ago. The decline in operating margin was driven principally by the impact of reduced RV OEM production, coupled with increased fixed non-cash amortization expense related to acquisitions and our investments in human capital and continued IT transformation initiatives. The operating margin reduction was partially offset by the continued realization of efficiencies related to automation investments. Additionally, operating income in the first quarter of 2022 includes a $5.5 million pre-tax gain on sale of property.

Net income decreased 73% to $30 million, from $113 million in the first quarter of 2022. Diluted earnings per share of $1.35 decreased 70% compared to $4.54 for the first quarter of 2022.

"Our first quarter performance continues to demonstrate the strength of our strategic diversification and the resilience of our overall business model as we generated solid first quarter profitability despite a slowing economy and a 54% reduction in RV wholesale unit shipments," said Andy Nemeth, Chief Executive Officer. “We continued to focus on capital allocation and growth strategies, including growing our organic market share while positioning Patrick to remain a leading component solutions provider to our customers. Our team remains dedicated to exceeding customer expectations through our expanding array of higher value products with a keen focus on quality and customer service, profitable growth, and driving shareholder value.”

Jeff Rodino, President, said, "We are continuing to flex our business model in this uncertain macroeconomic and business environment with a strategic long-term focus on further solidifying our infrastructure by continuing to leverage the strength of our cash flows and make meaningful investments in automation and production efficiencies, flexible capacity, and human capital. These investments will help us weather the current headwinds we face and perhaps more importantly, provide a solid foundation to grow our market share and execute on attractive acquisition opportunities as we look to be BETTER Together with our customers, team members, shareholders, and communities."

First Quarter 2023 Revenue by Market Sector *(compared to First Quarter 2022 unless otherwise noted)*

RV (41% of Revenue)

- Revenue of $367 million decreased 55%, in line with the decrease in wholesale RV industry unit shipments of 54%.
- Content per wholesale RV unit (on a trailing twelve-month basis) increased 22% to $5,349.

Marine (31% of Revenue)

- Revenue of $276 million increased 25% while estimated wholesale powerboat industry unit shipments increased 14%.
- Estimated content per wholesale powerboat unit (on a trailing twelve-month basis) increased 27% to $5,266.

Housing (28% of Revenue, comprising both MH and Industrial)

- Revenue of $257 million decreased 14%; estimated wholesale MH industry unit shipments decreased 28%; total housing starts decreased 18%, with single-family housing starts decreasing 29% while multifamily housing starts increased 5%.
- Estimated MH content per wholesale MH unit (on a trailing twelve-month basis) increased 16% to $6,353.

Balance Sheet, Cash Flow and Capital Allocation

Cash used in operations of $1 million improved compared to cash used in operations of $23 million in the first quarter of 2022 due to lower working capital investment offset by the reduction in net income. Purchases of property, plant and equipment totaled $20 million in the first quarter of 2023, reflecting continued investments in infrastructure, software, and automation initiatives to better align resources for increased scalability, flexibility and efficiency. On a trailing twelve-month basis, free cash flow (defined as cash flow from operations less purchases of property, plant and equipment) through the first quarter of 2023 was $352 million, an increase of 222% compared to $110 million through the first quarter of 2022. Our long-term debt increased $55 million during the first quarter of 2023, reflecting net borrowings on our revolving credit facility totaling $230 million primarily to fund the planned repayment of our $172.5 million 1.00% Convertible Senior Notes at maturity in February 2023.

In alignment with our capital allocation strategy, we returned approximately $15 million to shareholders in the first quarter of 2023, consisting of $4 million of opportunistic repurchases of approximately 54,600 common shares and $11 million of dividends.

Our total debt at the end of the first quarter was approximately $1.35 billion, resulting in a total net leverage ratio of 2.3x (as calculated in accordance with our credit agreement). Available net liquidity, comprised of borrowing availability under our credit facility and cash on hand, was approximately $489 million.

Business Outlook and Summary

"We remain optimistic about the long-term outlook for all our end markets and believe we are well positioned to not only take advantage of strategic opportunities that present themselves in the short term, but to also pivot and drive utilization and capitalize on opportunities that arise when our markets stabilize and rebound," said Mr. Nemeth. "We understand the headwinds we face as elevated interest rates, inflation, and macroeconomic uncertainty have weighed on our end markets. We are confident in the strength of our balance sheet, liquidity and our favorable long-term capital structure with no material debt maturities until 2027. Our strong operating platform and diversified business model with less reliance on a single end market has improved our financial resilience and helped to ensure greater stability despite the dynamics of the current business backdrop."

Conference Call Webcast

Patrick Industries will host an online webcast of its first quarter 2023 earnings conference call that can be accessed on the Company's website, www.patrickind.com, under "For Investors," on Thursday, April 27, 2023 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 "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 multifamily housing, hospitality, institutional and commercial markets. Founded in 1959, Patrick is based in Elkhart, Indiana, with approximately 11,000 team members throughout the United States.

Use of Non-GAAP 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, free cash flow, earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA, 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, free cash flow, EBITDA, adjusted EBITDA, 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. We calculate EBITDA by adding back depreciation and amortization, net interest expense, and income tax expense to net income. We calculate adjusted EBITDA by taking EBITDA and adding back stock-based compensation and loss on sale of property, plant and equipment and subtracting out gain on sale of property, plant and equipment. We calculate free cash flow by subtracting cash paid for purchases of property, plant and equipment from cash flow from operations. RV wholesale unit shipments are provided by the RV Industry Association. Marine wholesale unit shipments are Company estimates based on data 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 effects of external macroeconomic factors, including adverse developments in world financial markets, disruptions related to tariffs and other trade issues, and global supply chain interruptions, including as a result of the current war in Ukraine; adverse economic and business conditions, including inflationary pressures, cyclicality and seasonality in the industries we sell our products; the effects of interest rate changes and other monetary and market fluctuations; 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 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; the imposition of, or changes in, restrictions and taxes on imports of raw materials and components used in our products; information technology performance and security to include our ability to deter cyberattacks or other information security incidents; 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 manage working capital, including inventory and inventory obsolescence; 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, 2022, 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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Vice President of Investor Relations
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574.294.7511

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

	First Quarter Ended	
(thousands except per share data)	**April 2, 2023**	March 27, 2022
NET SALES	**$ 900,100**	$ 1,342,175
Cost of goods sold	**705,856**	1,046,830
GROSS PROFIT	**194,244**	295,345
Operating Expenses:		
Warehouse and delivery	**35,845**	41,169
Selling, general and administrative	**82,401**	75,560
Amortization of intangible assets	**19,764**	16,861
Total operating expenses	**138,010**	133,590
OPERATING INCOME	**56,234**	161,755
Interest expense, net	**18,484**	14,886
Income before income taxes	**37,750**	146,869
Income taxes	**7,577**	34,196
NET INCOME	**$ 30,173**	$ 112,673
BASIC EARNINGS PER COMMON SHARE	**$ 1.40**	$ 5.00
DILUTED EARNINGS PER COMMON SHARE	**$ 1.35**	$ 4.54
Weighted average shares outstanding - Basic	**21,591**	22,517
Weighted average shares outstanding - Diluted	**22,512**	24,882

PATRICK INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(thousands)	As of April 2, 2023	As of December 31, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 30,783**	$ 22,847
Trade receivables, net	**256,440**	172,890
Inventories	**628,383**	667,841
Prepaid expenses and other	**38,872**	46,326
Total current assets	**954,478**	909,904
Property, plant and equipment, net	**353,599**	350,572
Operating lease right-of-use assets	**166,222**	163,674
Goodwill and intangible assets, net	**1,334,012**	1,349,493
Other non-current assets	**8,519**	8,828
TOTAL ASSETS	**$ 2,816,830**	$ 2,782,471
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current maturities of long-term debt	**$ 7,500**	$ 7,500
Current operating lease liabilities	**44,977**	44,235
Accounts payable	**149,260**	142,910
Accrued liabilities	**130,943**	172,595
Total current liabilities	**332,680**	367,240
Long-term debt, less current maturities, net	**1,332,158**	1,276,149
Long-term operating lease liabilities	**124,373**	122,471
Deferred tax liabilities, net	**48,782**	48,392
Other long-term liabilities	**9,015**	13,050
TOTAL LIABILITIES	**1,847,008**	1,827,302
TOTAL SHAREHOLDERS' EQUITY	**969,822**	955,169
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 2,816,830**	$ 2,782,471

PATRICK INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(thousands)	First Quarter Ended	
	April 2, 2023	March 27, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 30,173**	$ 112,673
Depreciation and amortization	**35,510**	30,201
Stock-based compensation expense	**5,242**	5,111
Amortization of convertible notes debt discount	**324**	449
Other adjustments to reconcile net income to net cash provided by operating activities	**1,732**	(3,804)
Change in operating assets and liabilities, net of acquisitions of businesses	**(73,931)**	(167,669)
Net cash used in operating activities	**(950)**	(23,039)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(20,266)**	(18,668)
Business acquisitions and other investing activities	**(3,311)**	(124,451)
Net cash used in investing activities	**(23,577)**	(143,119)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	**32,463**	107,155
Increase (decrease) in cash and cash equivalents	**7,936**	(59,003)
Cash and cash equivalents at beginning of year	**22,847**	122,849
Cash and cash equivalents at end of period	**$ 30,783**	$ 63,846

PATRICK INDUSTRIES, INC.
Earnings Per Common Share

The table below illustrates the calculation for diluted share count which shows the dilutive impact of the adoption of ASU 2020-06 on our 1.00% Convertible Senior Notes due 2023, which were paid off in full at maturity in February 2023:

	First Quarter Ended	
(thousands except per share data)	**April 2, 2023**	March 27, 2022
Numerator:		
Earnings for basic per share calculation	**$ 30,173**	$ 112,673
Effect of interest on potentially dilutive convertible notes, net of tax	**162**	317
Earnings for dilutive per share calculation	**$ 30,335**	$ 112,990
Denominator:		
Weighted average common shares outstanding - basic	**21,591**	22,517
Weighted average impact of potentially dilutive convertible notes	**658**	2,046
Weighted average impact of potentially dilutive securities	**263**	319
Weighted average common shares outstanding - diluted	**22,512**	24,882
Earnings per common share:		
Basic earnings per common share	**$ 1.40**	$ 5.00
Diluted earnings per common share	**$ 1.35**	$ 4.54

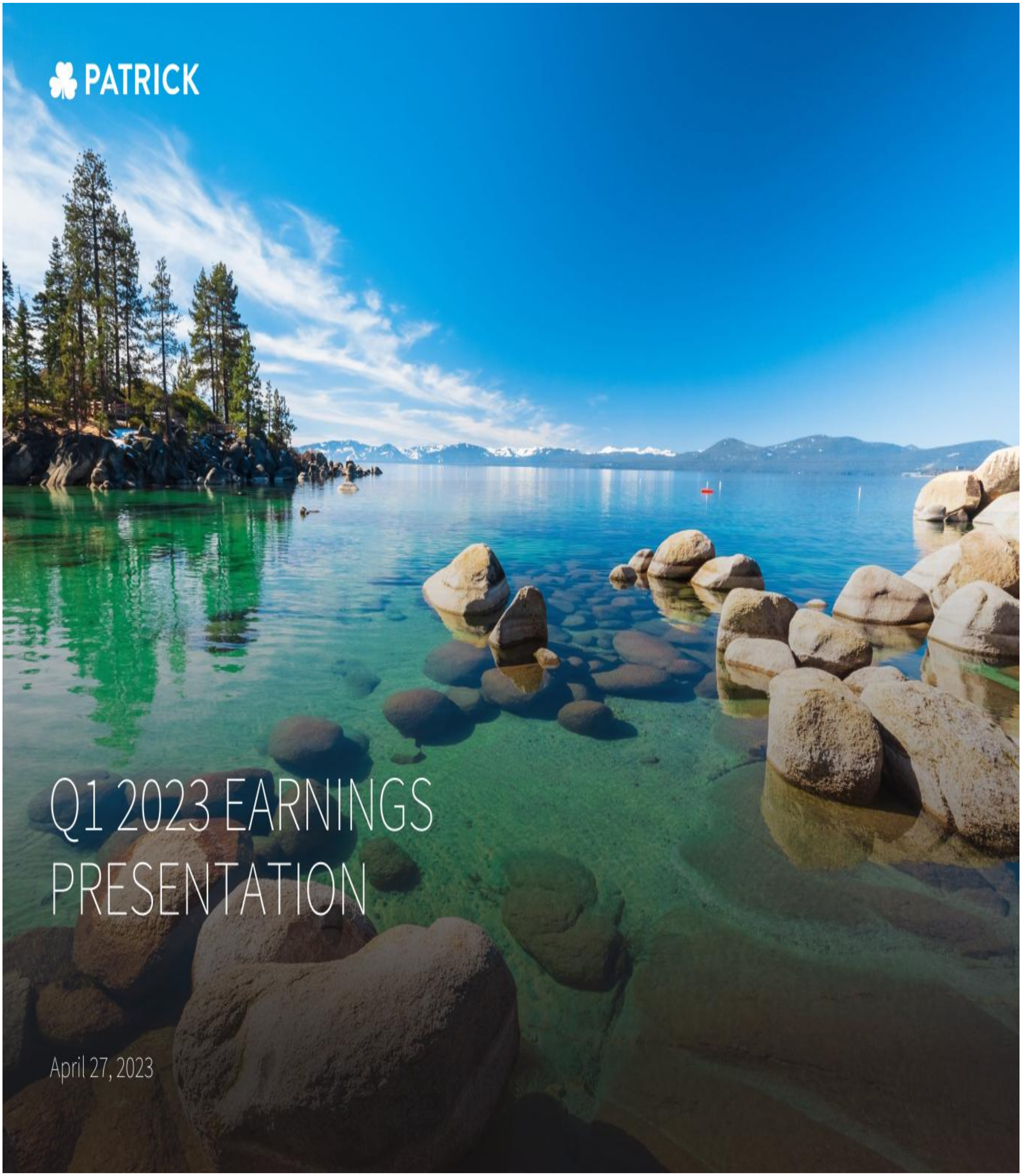
PATRICK INDUSTRIES, INC.
Non-GAAP Reconciliation (Unaudited)

The following table reconciles net income to EBITDA and adjusted EBITDA:

	First Quarter Ended	
(thousands)	**April 2, 2023**	March 27, 2022
Net income	**$ 30,173**	$ 112,673
+ Depreciation & amortization	**35,510**	30,201
+ Interest expense, net	**18,484**	14,886
+ Income taxes	**7,577**	34,196
EBITDA	**91,744**	191,956
+ Stock based compensation	**5,242**	5,111
- Gain on sale of property, plant and equipment	**(23)**	(5,501)
Adjusted EBITDA	**$ 96,963**	$ 191,566

The following table reconciles cash flow from operations to free cash flow on a trailing twelve-month basis:

	Trailing Twelve Months Ended	
(thousands)	**April 2, 2023**	March 27, 2022
Cash flow from operations	**$ 433,827**	$ 178,799
Less: purchases of property, plant and equipment	**(81,481)**	(69,233)
Free cash flow	**$ 352,346**	$ 109,566


PATRICK
Q1 2023 EARNINGS
PRESENTATION
April 27, 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.

REVENUE DOWN 33% Y/Y ON REDUCED RV OEM PRODUCTION

- Marine revenue growth partially offset revenue declines in RV and Housing end markets
  - RV OEMs reduced production to better align dealer inventory with end user demand
  - Marine inventory continued to rebuild as estimated powerboat shipments increased year-over-year
  - Housing revenue declined due to industry headwinds, persistent inflation and higher rates
- Long-term demand trends in Leisure Lifestyle and Housing remain positive despite near-term uncertainty

OUR ESG INITIATIVES

- Published our inaugural sustainability report in December 2022
- Our efforts support the main pillars of our ESG mission: Empowering People, Caring for Our Planet, and Living by Our Policies
- We prioritize transparency and accuracy in our reporting as we continue to scale our sustainability data collection framework

IMPROVED CASH FLOW PERFORMANCE DESPITE ECONOMIC UNCERTAINTY

- Monetization of inventory mitigated by the decrease in net income and seasonal receivables collection
- Investing to increase automation, improve efficiency, and expand capabilities
- Strong available liquidity, favorable debt structure and low leverage allow us to remain opportunistic and forward-leaning as we look for attractive acquisition opportunities
- Returning cash to shareholders through $0.45/share dividend and opportunistic share repurchases

STABLE GROSS MARGIN AMID INDUSTRY VOLUME RECALIBRATION

- Growing portfolio of higher margin products in the marine market, partially offset lower RV volumes
- Leveraging variable cost structure in line with lower unit volumes
- Improved efficiency through automation and technology and growing offering of proprietary products promotes long-term margin expansion

PERFORMANCE BY MARKET SECTORS

RV	MARINE	HOUSING	
Revenue of $367M **41%** *of Q1'23 Sales*	**Revenue of $276M** **31%** *of Q1'23 Sales*	**Revenue of $257M** **28%** *of Q1'23 Sales*	
↓ (55%)	↑ +25%	↓ (14%)	
Industry Shipments[1]	**Industry Shipments[2]**	**Manufactured Housing ("MH") Industry Shipments[2]**	**Housing Starts (Y/Y)**
↓ (54%)	↑ +14%	↓ (28%)	↓ (18%)
CPU[3] of $5,349	**CPU[3] of $5,266**	**MH CPU[3] of $6,353**	
↑ +22%	↑ +27%	↑ +16%	

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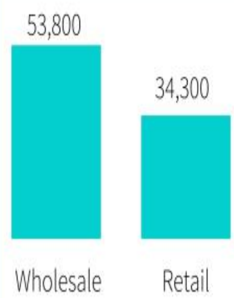
[1] Data published by RV Industry Association ("RVIA") I [2] Company estimates based on National Marine Manufacturers Association ("NMMA"), Manufactured Housing Institute ("MHI") & SSI I [3]CPU = Content per wholesale unit for the trailing twelve months

MARKET SECTOR TRENDS

Q1 2023 UNIT SNAPSHOT

RV[1]

MARINE[1]



HOUSING

MH Wholesale Unit Shipments	Single-Family	Multifamily
(28%)	(29%)	+5%

INDUSTRY TRENDS

RV[1]

- OEMs acting with discipline, maintaining reduced production schedules to manage dealer inventories
- Favorable long-term demographic trends, including growing penetration of Millennial and Gen Z consumers

MARINE[1]

- Certain commodity and freight costs declining
- Average age of preowned boats sold in 2021 was near all-time highs according to NMMA Abstract, pointing to OEM and aftermarket opportunity

HOUSING

- Long-term demand trends remain positive as affordable housing gap remains unfilled
- Industry has seen slow and steady recovery since Great Recession; current shipments well below previous peaks
- Limited housing inventory sustains long-term demand trends
- New housing starts impacted by rising interest rates; demand shifting toward multifamily and rental options

DURABLE SECULAR TRENDS

RV / MARINE

- Lifestyle preferences of families looking to experience camping/outdoor and boating activities with friends and family continue to support long-term demand
- Additional government resources allocating funds to park improvements and encouraging outdoor recreational activities, specifically in communities that have lacked access to recreational spaces

HOUSING

- Urban-to-less-dense movement
- Demographics, lower inventories at affordable price points
- Repair & remodel activities align with our growth of innovative and durable products
- Low inventory of available homes

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[1] Company estimates based on data published by RVIA, NMMA, MHI & SSI

Q1 2023 FINANCIAL PERFORMANCE

($ millions except per share data)

- Net Sales declined 33% as Marine revenue growth partially mitigated a 55% reduction in RV revenue and 14% reduction in Housing revenue
- Gross margin remained stable due to improved mix of Marine revenue despite sharp RV industry volume decline
- Operating margin results driven by the impact to gross margin mentioned above, investments in human capital, continued execution of our IT transformation and an increase in amortization of intangible assets
- Invested $20M in purchases of property, plant and equipment to support automation, production efficiency initiatives, and information technology

BALANCE SHEET AND LIQUIDITY

DEBT STRUCTURE AND MATURITIES[1]

- $150.0M Term Loan ($135.0M o/s), scheduled quarterly installments; balance due August 2027
- $775.0M ($310.0M o/s) Senior Secured Revolver, due August 2027
- $300.0M 7.50% Senior Notes, due October 2027
- $258.8M 1.75% Convertible Senior Notes, due December 2028
- $350.0M 4.75% Senior Notes, due May 2029

NET LEVERAGE[2] ($ millions)

Total Debt Outstanding	$	1,353.8
Less: Cash and Debt Paid as Defined by the Credit Agreement		(28.5)
Net Debt	$	1,325.3
LTM Pro-Forma Adj. EBITDA	$	565.6
Net Debt to Pro-Forma Adj. EBITDA		2.3 x

COVENANTS AND RATIOS[1]

- Consolidated Net Leverage Ratio – 2.3x
- Consolidated Secured Net Leverage Ratio – 0.74x versus 2.75x maximum
- Consolidated Fixed Charge Coverage Ratio – 3.86x vs. minimum 1.50x

LIQUIDITY ($ millions)

Total Revolver Credit Capacity	$	775.0
Less: Total Revolver Used (including outstanding letters of credit)		(317.1)
Unused Credit Capacity	$	457.9
Add: Cash on Hand		30.8
Total Available Liquidity	**$**	**488.7**

Strong Balance Sheet and Favorable Capital Structure to Support Investments and Pursue Attractive Growth Opportunities

[1] As of 4/2/23; [2] As defined by credit agreement

APPENDIX

NON-GAAP RECONCILATION

RECONCILIATION OF NET INCOME TO EBITDA TO PRO-FORMA ADJUSTED EBITDA FOR THE TRAILING TWELVE MONTHS

($ in millions)		4/2/2023
Net Income	$	245.7
+ Depreciation & Amortization		136.1
+ Interest Expense, net		64.4
+ Income Taxes		80.6
EBITDA	$	526.8
+ Stock Compensation Expense		21.9
+ Acquisition proforma, transaction-related expenses & other		16.9
Pro-Forma Adjusted EBITDA	$	565.6

RECONCILIATION OF NET LEVERAGE

($ in millions)		
Total debt outstanding @ 4/2/2023	$	1,353.8
Less: cash on hand @ 4/4/2023		(28.5)
Net debt @ 4/4/2023	$	1,325.3
Pro-Forma Adjusted EBITDA	$	565.6
Net debt to Pro-Forma 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"), Pro-Forma Adjusted EBITDA, and Net Debt to Pro-Forma 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.