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

FORM 8-K

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

Date of report (Date of earliest event reported) **July 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**	**(574) 294-7511**
(Address of Principal Executive Offices)	(Zip Code)	Registrant's Telephone Number, including area code

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

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

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

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

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

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

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

Item 2.02 Results of Operations and Financial Condition

On July 27, 2023, the Company issued a press release announcing operating results for the second quarter ended July 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 July 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: July 27, 2023

By: /s/ Matthew S. Filer
Matthew S. Filer
Interim Executive Vice President - Finance, Chief Financial Officer, and Treasurer

PATRICK **News Release**

Patrick Industries, Inc. Reports Second Quarter 2023 Financial Results

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

- Net sales of $921 million decreased 38%, primarily due to a 44% reduction in RV industry wholesale unit shipments
- Gross profit of $210 million decreased 36%, gross margin increased 60 basis points to 22.8%
- Operating income of $76 million decreased 57%, operating margin decreased 360 basis points to 8.2%
- Net income of $42 million decreased 64%
- Diluted earnings per share of $1.94 decreased 59%
- Adjusted EBITDA of $114 million decreased 46%, adjusted EBITDA margin decreased 200 basis points to 12.4%
- Inventory reduction of $113 million from year-end 2022 and $184 million from the second quarter of 2022
- Cash provided by operations of $179 million improved compared to cash provided by operations of $97 million in the second quarter of 2022
- On a trailing twelve-month basis, free cash flow through the second quarter of 2023 was $444 million, an increase of 169% compared to $165 million through the second quarter of 2022
- Returned $18 million to shareholders in the quarter, including $8 million through common share repurchases and $10 million through dividends

ELKHART, IN - July 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 second quarter ended July 2, 2023.

Net sales in the second quarter of 2023 were $921 million, a decrease of 38% from a record $1.48 billion in the second quarter of 2022. The decline in sales was primarily driven by a 44% decrease in RV wholesale unit shipments. In addition, sales were negatively impacted by 30% and 11% declines in estimated wholesale manufactured housing unit shipments and residential housing starts, respectively, as a result of macroeconomic factors including higher interest rates.

Operating income of $76 million in the second quarter of 2023 decreased $98 million from $174 million in the second quarter of 2022, and operating margin of 8.2% in the second quarter of 2023 decreased 360 basis points compared to 11.8% in the same period a year ago, primarily as a result of lower fixed cost absorption on a 38% decrease in revenues.

Net income decreased 64% to $42 million from $117 million in the second quarter of 2022. Diluted earnings per share of $1.94 decreased 59% compared to $4.79 for the second quarter of 2022.

"We are incredibly proud of our team's second-quarter efforts, particularly our working capital discipline in alignment with aggressive dealer inventory management by OEMs in the RV industry and our other markets calibrating to the challenging macroeconomic environment," said Andy Nemeth, Chief Executive Officer. "Our results are a reflection of our team's nimbleness, resilience, and ability to adapt to dynamic market conditions while also noting that last year's second-quarter earnings were the highest quarterly earnings in our Company's history. Our performance continues to reflect the benefits of our strategic diversification initiatives helping to stabilize our margins while positioning us to quickly pivot and leverage our highly variable cost structure when our markets rebound. Through continued prudent balance sheet management, we have reduced our inventories by $113 million from the end of 2022, and $184 million from the second quarter of 2022, generating significant cash flow and further enabling us to execute our strategy."

Jeff Rodino, President, said, "In partnership with our customers, our dedicated team members have strengthened Patrick's ability to meet the challenges of the current environment without losing sight of the future. We continue to invest in the long-term development of our organization through the deployment of capital toward our goals of strategic diversification, operational excellence, and organic growth. We made further progress during the quarter through the acquisition of BTI Transport, which launched our Patrick Marine Transport brand, expanding our capabilities as a transportation provider to the Leisure Lifestyle markets."

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

RV (42% of Revenue)

- Revenue of $384 million decreased 54% while wholesale RV industry unit shipments declined 44%.
- Content per wholesale RV unit (on a trailing twelve-month basis) increased 6% to $5,051.

Marine (29% of Revenue)

- Revenue of $268 million decreased 8% while estimated wholesale powerboat industry unit shipments decreased 19%.
- Estimated content per wholesale powerboat unit (on a trailing twelve-month basis) increased 15% to $5,330.

Housing (29% of Revenue, comprised of Manufactured Housing ("MH") and Industrial)

- Revenue of $269 million decreased 23%; estimated wholesale MH industry unit shipments decreased 30%; total housing starts decreased 11%, with single-family housing starts decreasing 14% and multifamily housing starts decreasing 6%.
- Estimated MH content per wholesale MH unit (on a trailing twelve-month basis) increased 11% to $6,411.

Balance Sheet, Cash Flow and Capital Allocation

Cash provided by operations of $178 million in the first six months of 2023 improved by $104 million from $74 million in the first half of 2022 due to an improvement of more than $250 million in working capital monetization, partially offset by a $157 million reduction in net income. Purchases of property, plant and equipment totaled $16 million in the second quarter of 2023, reflecting continued investments in alignment with our strategic initiatives. On a trailing twelve-month basis, free cash flow through the second quarter of 2023 was $444 million, an increase of 169% compared to $165 million through the second quarter of 2022. Our long-term debt decreased approximately $117 million during the second quarter of 2023, principally due to net repayments on our revolving credit facility of $115 million.

We remained disciplined in allocating and deploying capital, returning approximately $18 million to shareholders in the second quarter of 2023, consisting of $8 million of opportunistic repurchases of approximately 125,200 common shares and $10 million of dividends.

Our total debt at the end of the second quarter was approximately $1.24 billion, resulting in a total net leverage ratio of 2.6x (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 $607 million.

Business Outlook and Summary

"Our proven business model, strategic diversification across the leisure lifestyle and housing markets, disciplined inventory management, strong cash flow and solid balance sheet continue to position us to navigate the current macroeconomic environment and drive long-term value for our stakeholders," continued Mr. Nemeth. "While we acknowledge the current macroeconomic challenges and their impact on our business, we are optimistic about the future of the leisure lifestyle and housing markets. With implied RV dealer inventory levels continuing to decline in the second quarter, we are beginning to detect potential tailwinds building on the horizon in the RV industry. Strategically, we remain proactive, and our significant liquidity supports our ability to capitalize on emerging opportunities to enhance Patrick’s platform for growth."

Conference Call Webcast

Patrick Industries will host an online webcast of its second quarter 2023 earnings conference call that can be accessed on the Company’s website, www.patrickind.com, under “For Investors,” on Thursday, July 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, employing approximately 10,000 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; public health emergencies or pandemics, such as the COVID-19 pandemic; 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:

Steve O'Hara
Vice President of Investor Relations
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574.294.7511

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

	Second Quarter Ended		Six Months Ended	
(thousands except per share data)	**July 2, 2023**	June 26, 2022	July 2, 2023	June 26, 2022
NET SALES	**$ 920,685**	$ 1,475,693	**$ 1,820,785**	$ 2,817,868
Cost of goods sold	**710,717**	1,148,589	**1,416,573**	2,195,419
GROSS PROFIT	**209,968**	327,104	**404,212**	622,449
Operating Expenses:				
Warehouse and delivery	**36,031**	44,047	**71,876**	85,216
Selling, general and administrative	**78,540**	90,485	**160,941**	166,045
Amortization of intangible assets	**19,822**	18,545	**39,586**	35,406
Total operating expenses	**134,393**	153,077	**272,403**	286,667
OPERATING INCOME	**75,575**	174,027	**131,809**	335,782
Interest expense, net	**18,260**	14,802	**36,744**	29,688
Income before income taxes	**57,315**	159,225	**95,065**	306,094
Income taxes	**14,958**	42,701	**22,535**	76,897
NET INCOME	**$ 42,357**	$ 116,524	**$ 72,530**	$ 229,197
BASIC EARNINGS PER COMMON SHARE	**$ 1.97**	$ 5.24	**$ 3.36**	$ 10.25
DILUTED EARNINGS PER COMMON SHARE	**$ 1.94**	$ 4.79	**$ 3.28**	$ 9.33
Weighted average shares outstanding - Basic	**21,521**	22,230	**21,556**	22,369
Weighted average shares outstanding - Diluted	**21,787**	24,444	**22,151**	24,655

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

(thousands)	As of July 2, 2023	As of December 31, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 33,911**	$ 22,847
Trade receivables, net	**206,777**	172,890
Inventories	**554,851**	667,841
Prepaid expenses and other	**38,324**	46,326
Total current assets	**833,863**	909,904
Property, plant and equipment, net	**363,261**	350,572
Operating lease right-of-use assets	**170,575**	163,674
Goodwill and intangible assets, net	**1,331,049**	1,349,493
Other non-current assets	**8,282**	8,828
TOTAL ASSETS	**$ 2,707,030**	$ 2,782,471
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current maturities of long-term debt	**$ 7,500**	$ 7,500
Current operating lease liabilities	**46,224**	44,235
Accounts payable	**130,406**	142,910
Accrued liabilities	**123,000**	172,595
Total current liabilities	**307,130**	367,240
Long-term debt, less current maturities, net	**1,215,885**	1,276,149
Long-term operating lease liabilities	**127,612**	122,471
Deferred tax liabilities, net	**48,782**	48,392
Other long-term liabilities	**10,199**	13,050
TOTAL LIABILITIES	**1,709,608**	1,827,302
TOTAL SHAREHOLDERS' EQUITY	**997,422**	955,169
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 2,707,030**	$ 2,782,471

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

(thousands)	Six Months Ended	
	July 2, 2023	June 26, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 72,530**	$ 229,197
Depreciation and amortization	**71,492**	62,975
Stock-based compensation expense	**7,946**	10,244
Amortization of convertible notes debt discount	**574**	924
Other adjustments to reconcile net income to net cash provided by operating activities	**2,404**	(1,355)
Change in operating assets and liabilities, net of acquisitions of businesses	**23,405**	(227,689)
Net cash provided by operating activities	**178,351**	74,296
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(36,491)**	(44,467)
Business acquisitions and other investing activities	**(29,056)**	(143,093)
Net cash used in investing activities	**(65,547)**	(187,560)
NET CASH FLOWS (USED IN) PROVIDED BY FINANCING ACTIVITIES	**(101,740)**	67,440
Increase (decrease) in cash and cash equivalents	**11,064**	(45,824)
Cash and cash equivalents at beginning of year	**22,847**	122,849
Cash and cash equivalents at end of period	**$ 33,911**	$ 77,025

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:

	Second Quarter Ended		Six Months Ended	
(thousands except per share data)	**July 2, 2023**	June 26, 2022	**July 2, 2023**	June 26, 2022
Numerator:				
Earnings for basic earnings per common share calculation	**$ 42,357**	$ 116,524	**$ 72,530**	$ 229,197
Effect of interest on potentially dilutive convertible notes, net of tax	**—**	481	**162**	939
Earnings for diluted earnings per common share calculation	**$ 42,357**	$ 117,005	**$ 72,692**	$ 230,136
Denominator:				
Weighted average common shares outstanding - basic	**21,521**	22,230	**21,556**	22,369
Weighted average impact of potentially dilutive convertible notes	**—**	2,052	**331**	2,047
Weighted average impact of potentially dilutive securities	**266**	162	**264**	239
Weighted average common shares outstanding - diluted	**21,787**	24,444	**22,151**	24,655
Earnings per common share:				
Basic earnings per common share	**$ 1.97**	$ 5.24	**$ 3.36**	$ 10.25
Diluted earnings per common share	**$ 1.94**	$ 4.79	**$ 3.28**	$ 9.33

PATRICK INDUSTRIES, INC.

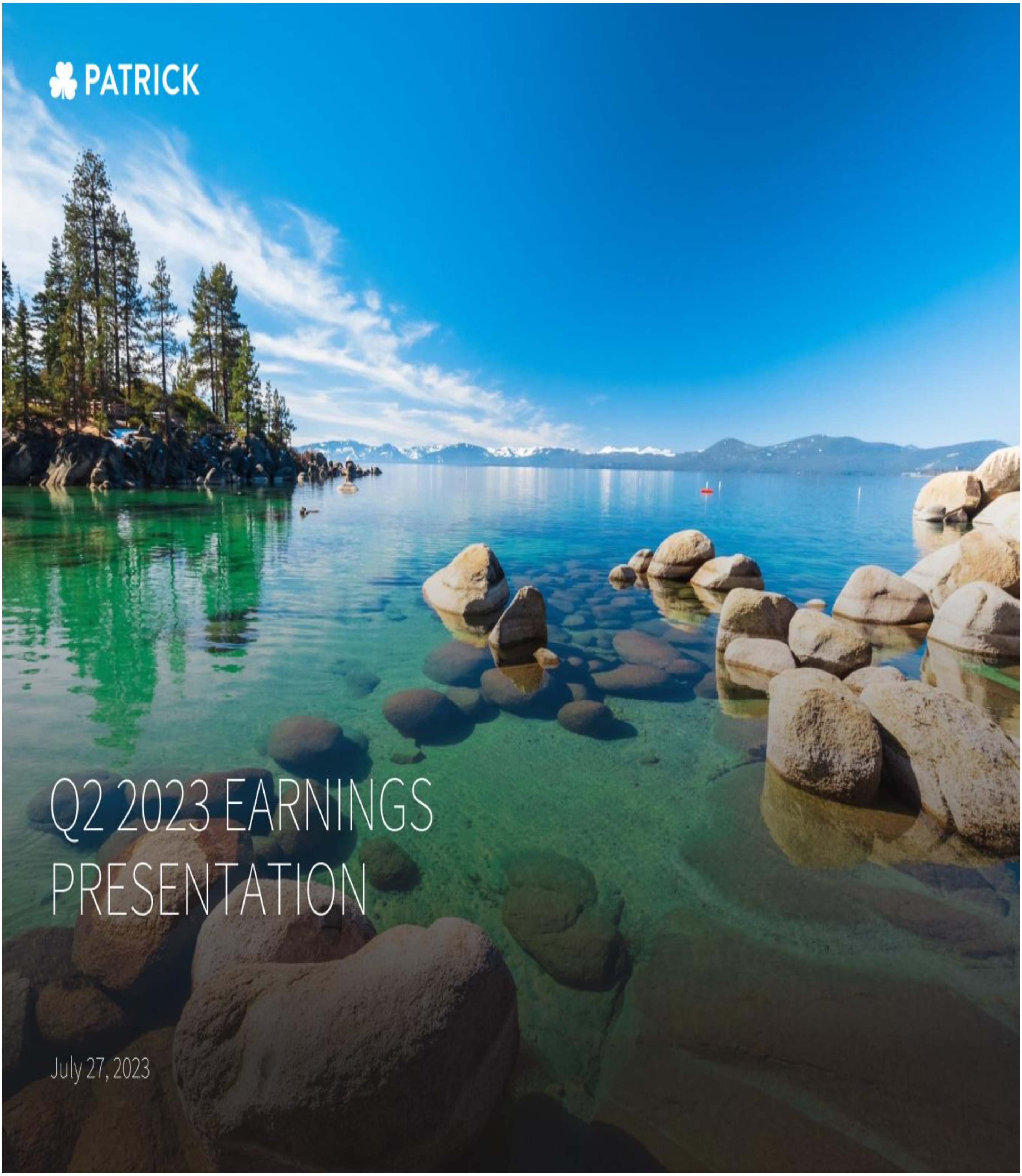
Non-GAAP Reconciliation (Unaudited)

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

	Second Quarter Ended		Six Months Ended	
(thousands)	**July 2, 2023**	June 26, 2022	**July 2, 2023**	June 26, 2022
Net income	**$ 42,357**	$ 116,524	**$ 72,530**	$ 229,197
+ Depreciation & amortization	**35,982**	32,774	**71,492**	62,975
+ Interest expense, net	**18,260**	14,802	**36,744**	29,688
+ Income taxes	**14,958**	42,701	**22,535**	76,897
EBITDA	**111,557**	206,801	**203,301**	398,757
+ Stock based compensation	**2,704**	5,133	**7,946**	10,244
+ Loss (Gain) on sale of property, plant and equipment	**123**	(47)	**100**	(5,548)
Adjusted EBITDA	**$ 114,384**	$ 211,887	**$ 211,347**	$ 403,453

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

	Trailing Twelve Months Ended	
(thousands)	**July 2, 2023**	June 26, 2022
Cash flow from operations	**$ 515,793**	$ 247,681
Less: purchases of property, plant and equipment	**(71,907)**	(82,926)
Free cash flow	**$ 443,886**	$ 164,755


PATRICK
Q2 2023 EARNINGS PRESENTATION
July 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.

TEAM PERFORMING WELL IN CHALLENGING ENVIRONMENT

CONFIDENT IN STRATEGIC DIRECTION

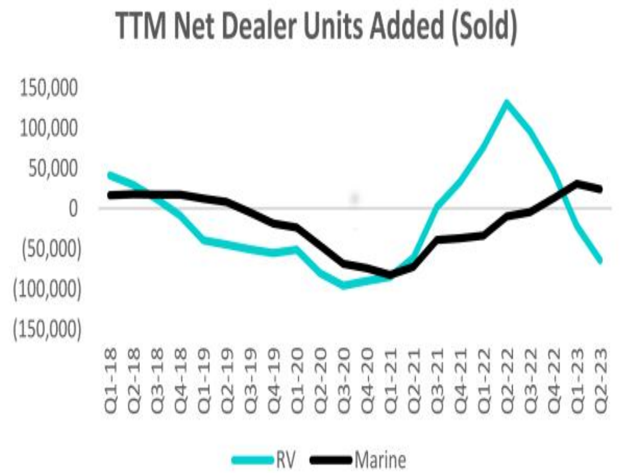
- Diversification of model has been effective
- Tested leadership team and business strategy
- Working capital monetization and strong cash flows

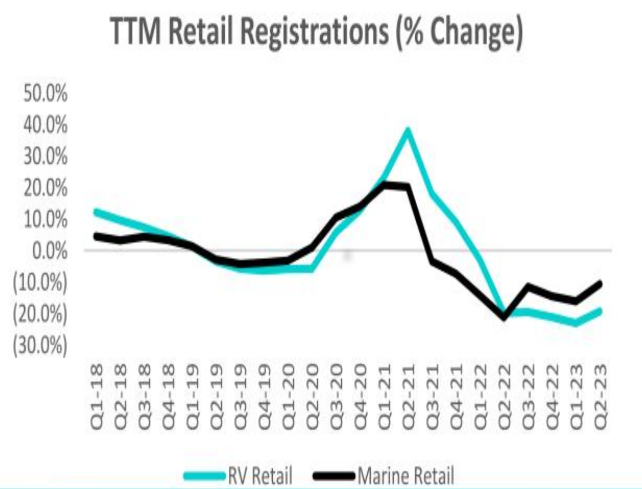
TRANSFORMATION RESULTING IN MORE RESILIENT ENTERPRISE

	Q2 2019	Q2 2023	Δ
Wholesale RV Shipments	116,605	86,230	(26%)
Total Net Sales	$613	$921	+50%
Total RV Sales	*$341*	*$384*	*+13%*
Total Marine Sales	*$90*	*$268*	*+198%*
Total Housing Sales	*$182*	*$269*	*+48%*
Gross margin	18.4%	22.8%	+440 bps
Operating margin	7.4%	8.2%	+80bps
Diluted EPS	$1.18	$1.94	+64%
Free cash flow	$58	$163	+182%

($ in millions except per share data)

DISCIPLINED LEISURE LIFESTYLE DEALER INVENTORY MANAGEMENT AND STABILIZING RETAIL TRENDS





REVENUE DOWN 38% Y/Y AS OEMS REDUCE PRODUCTION TO MAINTAIN HEALTHY DEALER INVENTORIES

- RV OEMs maintained disciplined production levels to better align dealer inventory with end user demand
- Marine inventory replenishment cycle largely complete and OEMs prudently scaling back production to ensure retail alignment
- Housing revenue declined due to industry headwinds, persistent inflation and higher rates
- Long-term demographic trends in Leisure Lifestyle and Housing remain positive despite near-term uncertainty

IMPROVING GROSS MARGINS DESPITE OEM VOLUME RECALIBRATION

- Growing portfolio of higher margin products in the marine market
- Leveraging variable cost structure in line with lower unit volumes
- Executing $35 million in annualized fixed cost reduction initiatives at the organization level
- Improved efficiency through automation and technology and growing offering of proprietary products promotes long-term margin expansion

GENERATED $179M IN OPERATING CASH FLOW THROUGH PRUDENT BALANCE SHEET MANAGEMENT

- Working capital monetization helped drive significant cash flow improvement despite lower net income
- Investing to improve operational efficiency through increased automation and expanding capabilities
- Reduced outstanding debt by $117 million while returning cash to shareholders through $0.45 per share regular quarterly dividend and $8 million of opportunistic share repurchases
- Strong liquidity profile, favorable debt structure and disciplined leverage position allow us to remain opportunistic and forward-leaning as we drive our capital allocation strategy

PERFORMANCE BY MARKET SECTORS

RV	MARINE	HOUSING
Revenue of $384M **42%** *of Q2'23 Sales*	**Revenue of $268M** **29%** *of Q2'23 Sales*	**Revenue of $269M** **29%** *of Q2'23 Sales*
↓ (54%)	↓ (8%)	↓ (23%)
Industry Shipments[1] ↓ (44%)	**Industry Shipments[2]** ↓ (19%)	**Manufactured Housing ("MH") Industry Shipments[2]** ↓ (30%) **Housing Starts (Y/Y)[4]** ↓ (11%)
CPU[3] of $5,051 ↑ +6%	**CPU[3] of $5,330** ↑ +15%	**MH CPU[3] of $6,411** ↑ +11%

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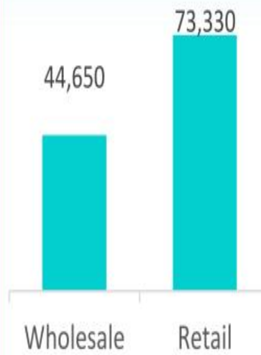
[1] Data published by RV Industry Association ("RVIA") I [2] Company estimates based on National Marine Manufacturers Association ("NMMA"), Manufactured Housing Institute ("MHI") & SSI I [3]CPU = Content per wholesale unit for the trailing twelve months I [4]U.S. Census Bureau

MARKET SECTOR TRENDS

Q2 2023 UNIT SNAPSHOT

RV[1]

MARINE[1]



HOUSING[1]

MH Wholesale Unit Shipments[1]	Single-Family[2]	Multifamily[2]
(30%)	(14%)	(6%)

INDUSTRY TRENDS

RV

- OEMs acting with discipline, maintaining reduced production schedules to manage dealer inventories
- Model Year 2022 inventory levels continue to improve
- Model Year 2024 launch ongoing

Marine

- Marine inventory levels have reached equilibrium
- OEMs recalibrating production & maintaining discipline
- Buyers adjusting to interest rate environment

MH

- MH dealer-level inventory destocking cycle nearing completion
- Consumer / Retail backlog rebounded quicker than community / build-for-rent business

Single-Family / Multifamily

- Limited housing inventory supports long-term demand trends
- New housing construction of increased importance given homeowners locked into low rates and are unwilling to re-finance at higher current rates

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
- Favorable long-term demographic trends, including growing penetration of Millennial and Gen Z consumers

MH

- Demographics, low inventory levels at affordable price points
- MH retains significant price point advantage vs. stick-build homes
- Urban-to-less-dense movement

Single-Family / Multifamily

- Repair & remodel activities align with our growth of innovative and durable products
- Low inventory of available homes
- Multifamily development continues to grow as a share of total housing starts

PATRICK

[1] Company estimates based on data published by RVIA, NMMA, MHI & SSI I [2]U.S. Census Bureau

Q2 2023 FINANCIAL PERFORMANCE

($ millions except per share data)

- Net Sales declined 38% primarily as a result of a 44% reduction in RV OEM wholesale shipments, which drove a $454M decline in our RV end market revenue
- Gross margin improved 60 basis points due to improved mix of Marine revenue despite the sharp RV industry volume decline
- Operating margin results driven by the decline in sales coupled with investments in human capital, continued execution of our IT transformation partially offset by gross margin improvement
- Invested $16M in purchases of property, plant and equipment to support automation, production efficiency initiatives, and information technology
- Generated operating cash flow of $179M, which was partially used to reduce outstanding debt balances by $117M

BALANCE SHEET AND LIQUIDITY

DEBT STRUCTURE AND MATURITIES[1]

- $150.0M Term Loan ($133.1M o/s), scheduled quarterly installments; balance due August 2027
- $775.0M ($195.0M 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	$	1,236.9
Less: Cash and Debt Paid as Defined by the Credit Agreement		(33.9)
Net Debt	$	1,203.0
LTM Pro-Forma Adj. EBITDA	$	462.4
Net Debt to Pro-Forma Adj. EBITDA		2.6 x

COVENANTS AND RATIOS[1]

- Consolidated Net Leverage Ratio – 2.6x
- Consolidated Secured Net Leverage Ratio – 0.64x versus 2.75x maximum
- Consolidated Fixed Charge Coverage Ratio – 2.84x vs. minimum 1.50x

LIQUIDITY ($ millions)

Total Revolver Credit Capacity	$	775.0
Less: Total Revolver Used (including outstanding letters of credit)		(202.0)
Unused Credit Capacity	$	573.0
Add: Cash on Hand		33.9
Total Available Liquidity	**$**	**606.9**

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

[1] As of 7/2/23; [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)		7/2/2023
Net Income	$	171.5
+ Depreciation & Amortization		139.3
+ Interest Expense, net		67.8
+ Income Taxes		52.9
EBITDA	$	431.5
+ Stock Compensation Expense		19.5
+ Acquisition Pro-Forma, Transaction-related Expenses & Other		11.4
Pro-Forma Adjusted EBITDA	$	462.4

RECONCILIATION OF NET LEVERAGE

($ in millions)		
Total debt outstanding @ 7/2/2023	$	1,236.9
Less: cash on hand @ 7/5/2023		(33.9)
Net debt @ 7/5/2023	$	1,203.0
Pro-Forma Adjusted EBITDA	$	462.4
Net debt to Pro-Forma Adjusted EBITDA		2.6x

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.