

**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)

August 31, 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
Elkhart, Indiana**

(Address of Principal Executive Offices)

46515

(Zip Code)

(574) 294-7511

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 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: August 31, 2023

By: /s/ Matthew S. Filer

Matthew S. Filer

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



INVESTOR PRESENTATION

August 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 public health emergencies or pandemics, such as 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

Value Proposition

10,000

Team members

64

Years of Success

250+

Facilities

\$3.9B

Q2'23 TTM
Revenue

\$7.41

Q2'23 TTM
Diluted EPS

Patrick's goal is to improve the quality of everyday life through better component products and building materials. We deliver on this promise by building strong relationships with partners and team members based on trust and proven performance.



Q2'23 TTM Highlights

**Pro Forma
Adjusted
EBITDA**

\$462M¹

Free Cash Flow

\$444M¹

Liquidity

\$607M

Total Net Leverage

2.6x^{1,2}

LEADERSHIP IN THE MARKETS WE SERVE

Leading Component Solutions Provider to OEMs



RV

43%
Q2'23 TTM net sales

Extensive Supplier to OEMs with Growing Aftermarket Presence



MARINE

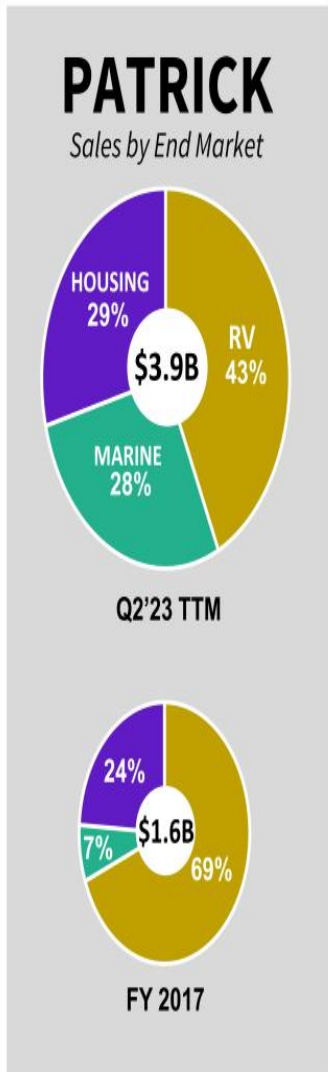
28%
Q2'23 TTM net sales

Strong OEM Relationships alongside Big Box Direct-To-Consumer Offerings



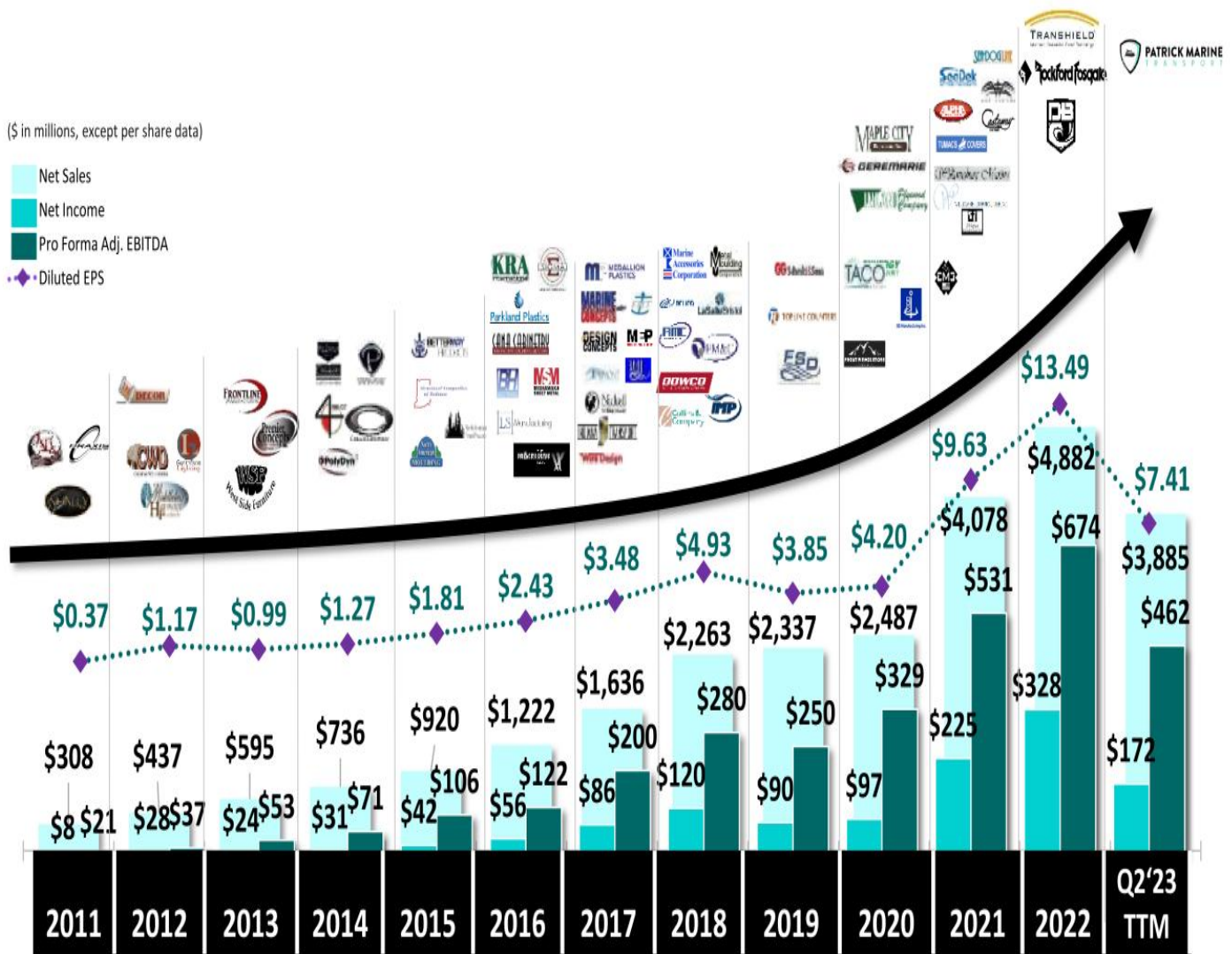
HOUSING

29%
Q2'23 TTM net sales



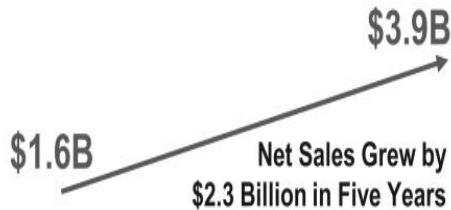
OUR STORY

We Have Strategically Built An Incredible Organization Of Great People, Teams, Brands, And Leadership Focused On Embracing And Preserving The Entrepreneurial Spirit!



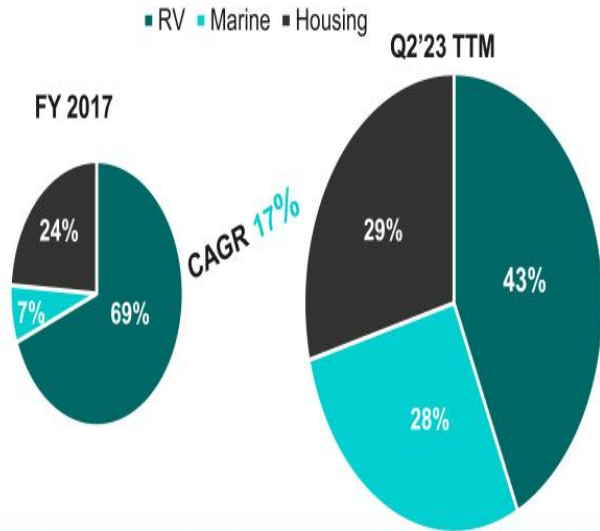
EVOLUTION OF PATK PORTFOLIO

Consistent Net Sales and Margin Growth (2017-Q2'23 TTM)



| | | | | |
|----------------------------|-------|---|-------|-----------|
| Gross Margin | 17.1% | → | 21.7% | + 460 bps |
| Operating Margin | 7.4% | → | 7.5% | + 10 bps |
| EBITDA Margin ¹ | 9.5% | → | 11.1% | + 160 bps |

Diversifying 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

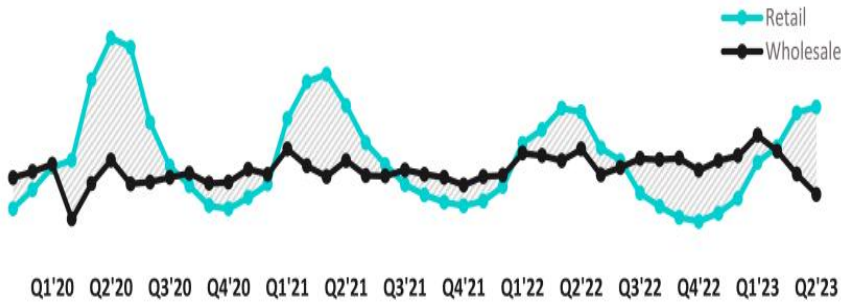
Growing Marine Market Penetration

| | FY 2017 | → | Q2'23 TTM |
|----------------------------|---------|---|-----------|
| Marine Net Sales | \$112M | | \$1.1B |
| Aftermarket as % of Marine | <1% | | ~18% |



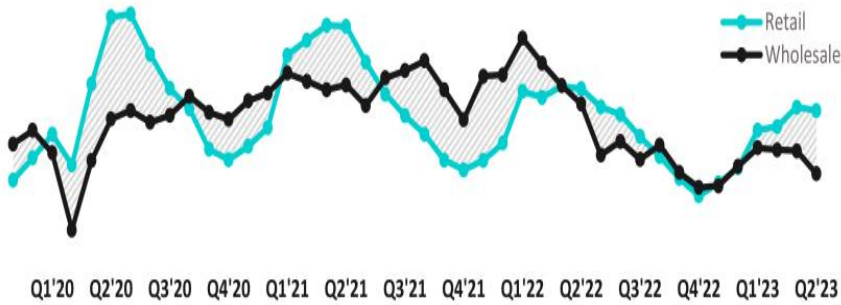
LEISURE LIFESTYLE MARKETS NORMALIZING AFTER RECENT PERIOD OF VOLATILE DEMAND

Marine Industry Shipments¹



| | FY 2020 | | FY 2021 | | FY 2022 | |
|-----------|---------|----------|-----------|------------------|-----------|----------------|
| Retail | 234,800 | (71,100) | Retail | 220,200 (37,000) | Retail | 188,200 12,800 |
| Wholesale | 163,700 | △ | Wholesale | 183,200 △ | Wholesale | 201,000 △ |

RV Industry Shipments²



| | FY 2020 | | FY 2021 | | FY 2022 | |
|-----------|---------|----------|-----------|----------------|-----------|----------------|
| Retail | 520,500 | (90,100) | Retail | 567,400 32,800 | Retail | 447,800 45,500 |
| Wholesale | 430,400 | △ | Wholesale | 600,200 △ | Wholesale | 493,300 △ |

MARINE OUTLOOK AS OF Q2'23

- Estimated 2023 wholesale shipments expected to be down 15%-20%
- Estimated 2023 retail shipments down 15%-20%
- Inventory replenished after lean inventories in 2022 due to pandemic-driven supply chain constraints

RV OUTLOOK AS OF Q2'23

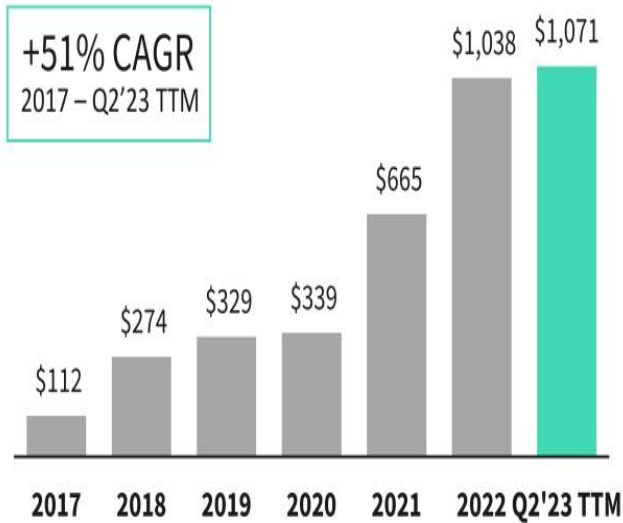
- Estimated 2023 wholesale shipments between 310,000 to 325,000 units
- Estimated 2023 retail shipments between 335,000 to 360,000
- Dealer inventory weeks-on-hand below historical levels supporting long-term growth
- Dealers have reduced model year 2022 inventory



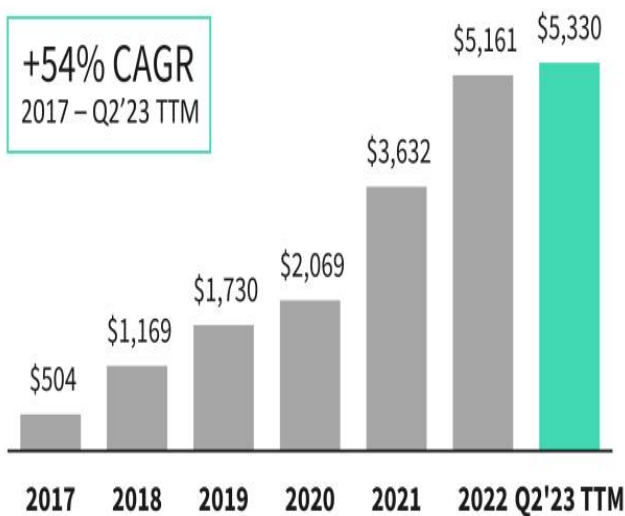
¹ Company estimates based on data published by the National Marine Manufacturers Association/ Statistical Surveys Inc. (SSI) | ² RV Industry Association/SSI

MARKET INSIGHT: MARINE (28% of Sales)

MARINE NET SALES (\$ in millions)



TTM CONTENT PER WHOLESALE UNIT



DRIVERS

Dealer inventories now replenished following supply chain constraints due to the pandemic

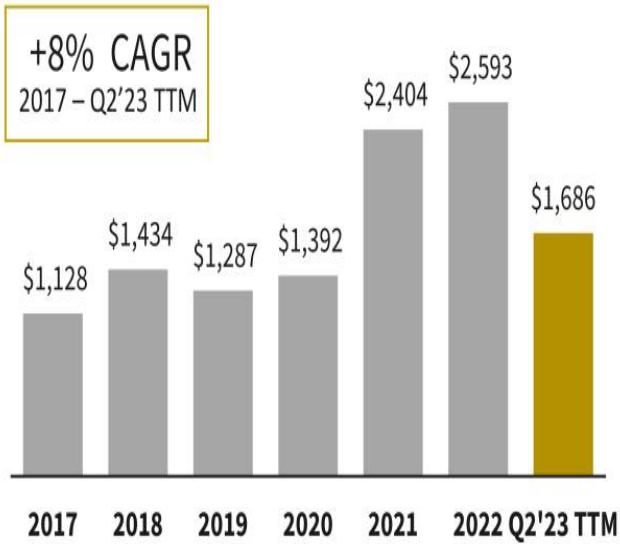
We remain focused on growing our presence in aftermarket, which tends to be higher margin and more resilient

PRIORITIZATION

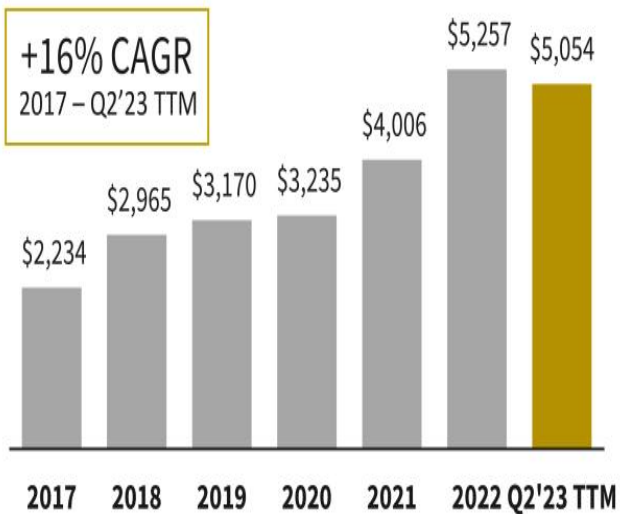
Continue developing relationships with OEMs and expanding product portfolio while growing our aftermarket portfolio and expanding our distribution footprint

MARKET INSIGHT: RV (43% of Sales)

RV NET SALES (\$ in millions)



TTM CONTENT PER WHOLESALE UNIT



DRIVERS

End-consumer demographic trending younger and more diverse

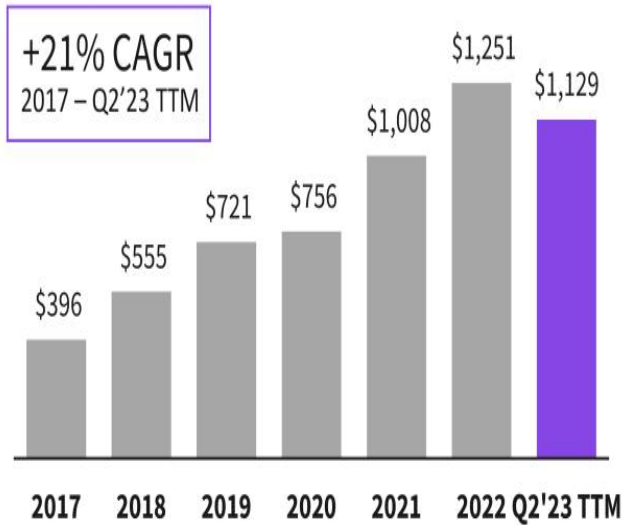
Disciplined OEM production improves long-term health of the market

PRIORITIZATION

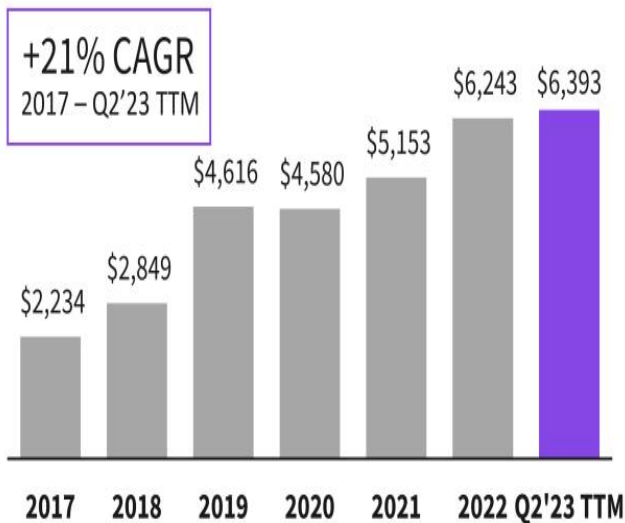
Consistently provide quality customer service and innovative component solutions to OEMs serving the RV industry, further enhancing the enjoyment of the leisure lifestyle for outdoor enthusiasts

MARKET INSIGHT: HOUSING (29% of Sales)

HOUSING NET SALES (\$ in millions)



TTM MH CONTENT PER WHOLESALE UNIT



DRIVERS

Strong demand for affordable housing with limited inventory available

MH remains an attractive option to those seeking affordable housing

High mortgage rates are limiting the number of homes on the secondary market, further constricting supply

PRIORITIZATION

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



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

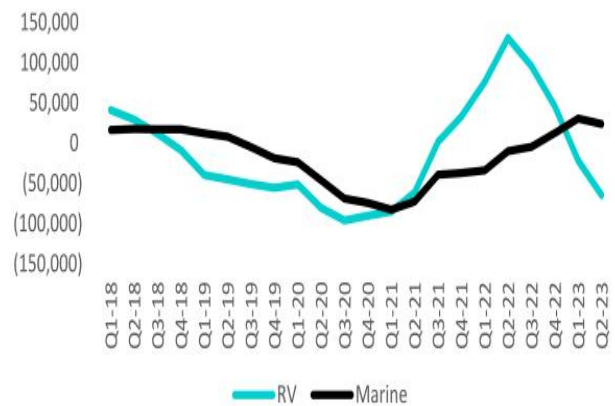
TRANSFORMATION RESULTING IN MORE RESILIENT ENTERPRISE

| | <u>Q2 2019</u> | <u>Q2 2023</u> | <u>Δ</u> |
|----------------------------|----------------|----------------|----------|
| Wholesale RV Shipments | 116,605 | 86,230 | (26%) |
| Total Net Sales | \$613 | \$921 | +50% |
| <i>Total RV Sales</i> | \$341 | \$384 | +13% |
| <i>Total Marine Sales</i> | \$90 | \$268 | +198% |
| <i>Total Housing Sales</i> | \$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

TTM Net Dealer Units Added (Sold)



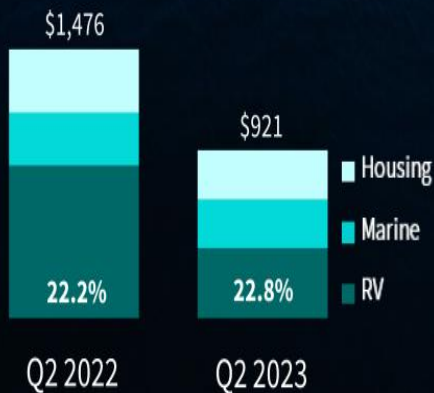
TTM Retail Registrations (% Change)



Q2 2023 FINANCIAL PERFORMANCE

(\$ millions except per share data)

NET SALES & GROSS MARGIN



OPERATING INCOME & MARGIN



DILUTED EPS



- 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 and \$35 million in annualized fixed cost reduction initiatives at the organization level
- 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 MATURITIES¹

- \$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 LEVERAGE² (\$ 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 RATIOS¹

- 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 Profitable Growth Opportunities

QUARTERLY DEPLOYMENT OF CAPITAL



Deploy strong cash flows to highest value projects



Utilize capital resources to grow and reinvest



Maintain a disciplined leverage position



Share buybacks and quarterly dividends

■ Acquisitions ■ Capital Expenditures ■ Share Buybacks ■ Dividends

(\$ in millions)



Our Capital Allocation Strategy Seeks To Balance Prioritizing Shareholder Value With Strategic Business Growth For Near And Long-term Success

The Patrick Approach to Driving Growth



PROFITABLE GROWTH ENGINE

STRATEGIC ACQUISITIONS

Pursue accretive acquisition opportunities to further strengthen primary markets and explore potential adjacent markets

INNOVATION

New product development and product line extensions to further enhance Patrick's extensive proprietary product offerings

GEOGRAPHIC EXPANSION

Grow presence and geographic footprint to drive logistics efficiency

INDUSTRY GROWTH

Positioned to capitalize on long-term secular growth and favorable demographics in all end markets through robust capacity

MARKET LEADER

Leading market position in key product categories (ski/wake towers, RV/Marine logistic solutions)

CUSTOMER RELATIONSHIPS

Cross-pollinate sales across customers and market sectors in the Leisure Lifestyle space

These Growth Initiatives Have Resulted In Patrick Becoming A Leading Component Solutions Provider In The Leisure Lifestyle And Housing Markets

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



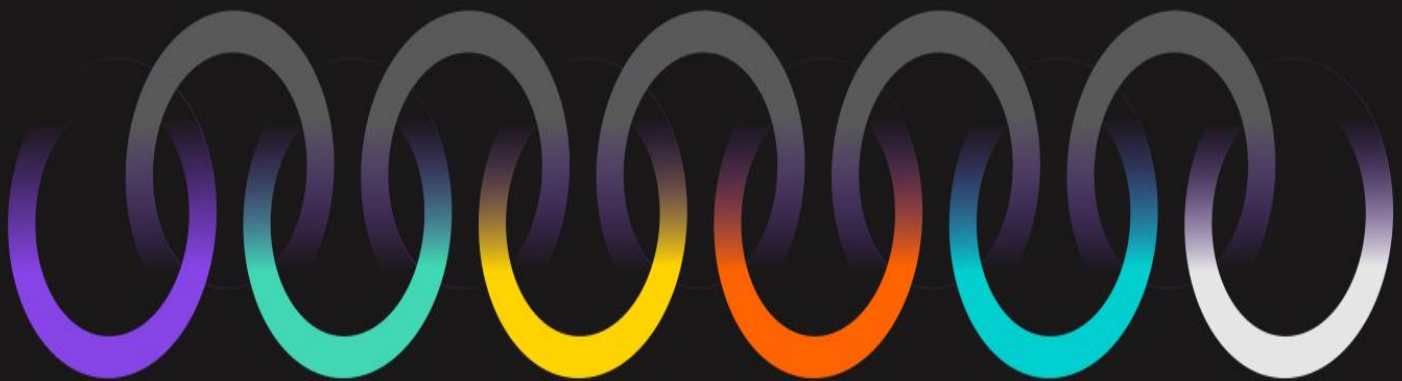
Strong Track Record of Operational
Success

EPS Accretion in First Full Year

ROIC > Cost of Capital

Accretive to Profit Margins

OUR VALUES



BALANCE

We work to build a healthy work environment that encourages excellence, happiness, and peace in both our work and our home life.

EXCELLENCE

We strive to meet the highest possible standards of achievement in our work and relationships.

TRUST

We do what we say we will do every time — and communicate with all stakeholders if a commitment evolves.

TEAMWORK

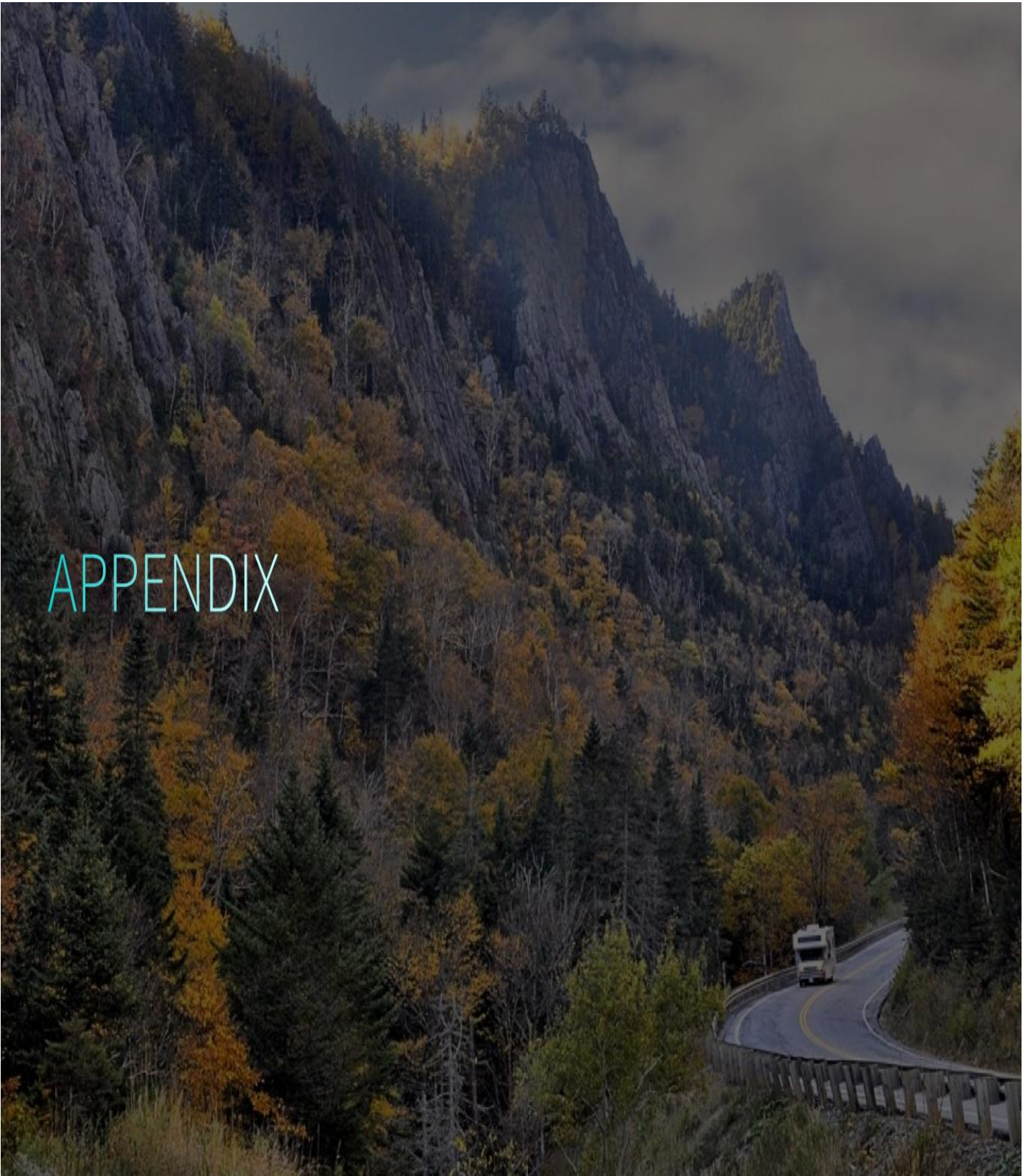
We challenge, encourage, equip, empower, and inspire the individuals we work with.

EMPOWERMENT

We give our team members the information, tools and trust they need to grow as leaders and achieve results.

RESPECT

We treat our teammates and partners with the utmost honor and dignity.



APPENDIX



NON-GAAP RECONCILIATIONS

Use of Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures. Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. These measures should be considered in addition to, and not as replacements for, the most comparable GAAP measure.

-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.

-We calculate free cash flow by subtracting cash paid for purchases of property, plant and equipment from cash flow from operations.

- Figures may not sum due to rounding.

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

RECONCILIATION OF NET INCOME TO EBITDA TO PRO-FORMA ADJUSTED EBITDA*

| (\$ in millions) | Fiscal Year Ended December 31, | | | | | | Q2'23 TTM |
|--------------------------------------------------------------|--------------------------------|----------|----------|----------|----------|----------|-----------|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | |
| Net Income | \$ 86 | \$ 120 | \$ 90 | \$ 97 | \$ 225 | \$ 328 | \$ 172 |
| + Interest Expense | 9 | 26 | 37 | 43 | 58 | 61 | 68 |
| + Income Taxes | 27 | 32 | 28 | 33 | 69 | 107 | 53 |
| + Depreciation and Amortization | 33 | 55 | 63 | 74 | 105 | 131 | 139 |
| EBITDA | \$ 155 | \$ 233 | \$ 218 | \$ 247 | \$ 457 | \$ 627 | \$ 432 |
| Net Sales | \$ 1,636 | \$ 2,263 | \$ 2,337 | \$ 2,487 | \$ 4,078 | \$ 4,882 | \$ 3,885 |
| EBITDA Margin (%) | 9.5% | 10.3% | 9.3% | 9.9% | 11.2% | 12.8% | 11.1% |
| + Stock Compensation | 10 | 14 | 15 | 16 | 23 | 22 | 20 |
| + Acquisition proforma, transaction-related expenses & other | 35 | 33 | 17 | 66 | 51 | 25 | 11 |
| Proforma Adjusted EBITDA | \$ 200 | \$ 280 | \$ 250 | \$ 329 | \$ 531 | \$ 674 | \$ 462 |

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 |

RECONCILIATION OF FREE CASH FLOW FOR THE TRAILING TWELVE MONTHS

(\$ in millions)





| | |
|----------------------------|--------|
| Cash Flow from Operations | \$ 516 |
| Less: Capital Expenditures | (72) |
| Free Cash Flow | \$ 444 |

END MARKET CATEGORIES


RV PRODUCT CATEGORIES¹

| TOWABLE Shipments: 88% Wholesale 65% Retail Value | | MOTORIZED Shipments: 12% Wholesale 35% Retail Value | |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Travel Trailer ASP: \$32,100 | Fifth Wheel ASP: \$74,200 | Class A ASP: \$257,800 | Class B & C ASP: \$130,800 |
|  |  |  |  |

MARINE PRODUCT CATEGORIES²

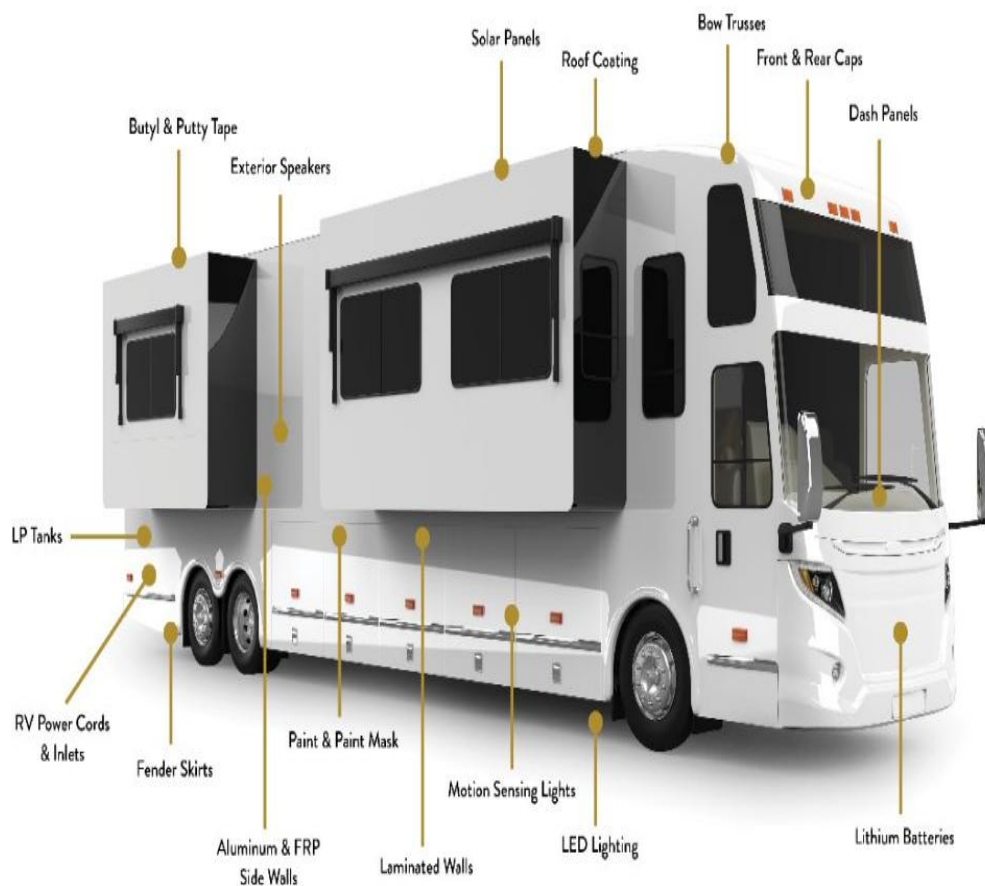
| Pontoon | Ski & Wake | Fiberglass | Aluminum |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| ASP: \$55,000 33% of Market | ASP: \$130,000 7% of Market | ASP: \$101,000 37% of Market | ASP: \$31,900 23% of Market |
|  |  |  |  |

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 2022 Industry profile (travel trailer ASPs & stats include camping trailers and truck campers) | ² Source: NMMA 2021 Statistical Abstract | ³ Source: Manufactured Housing Institute

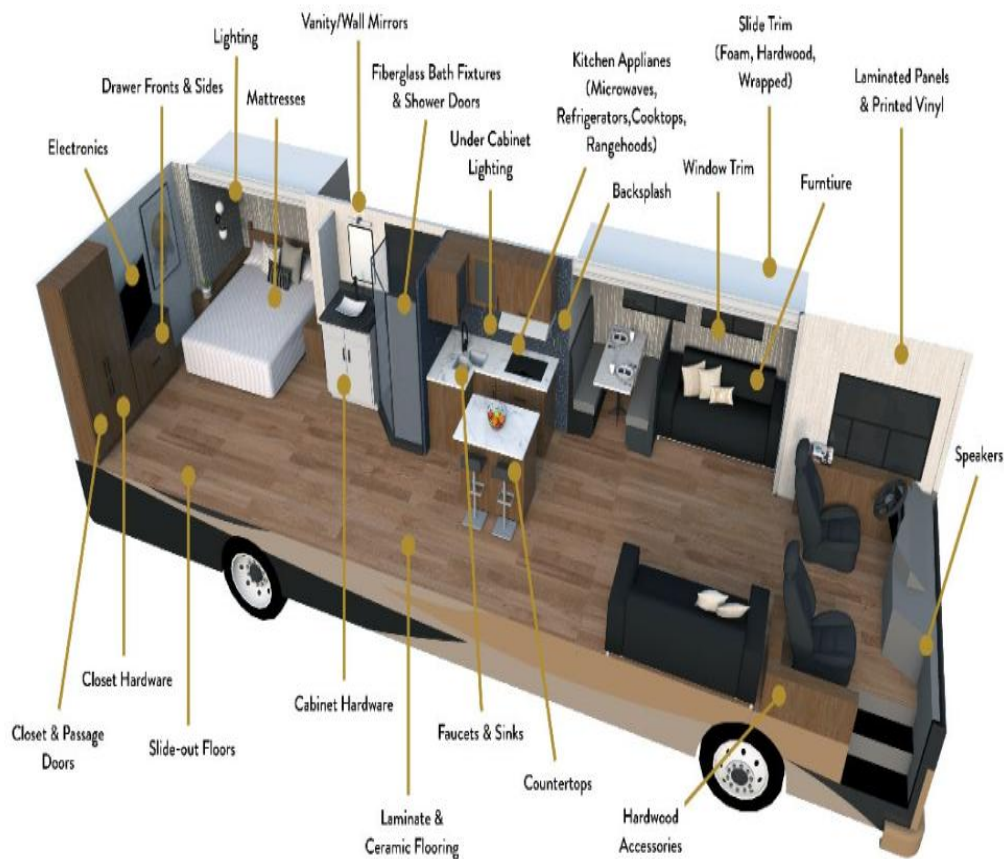
PATRICK PRODUCT LINES: RV EXTERIOR



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

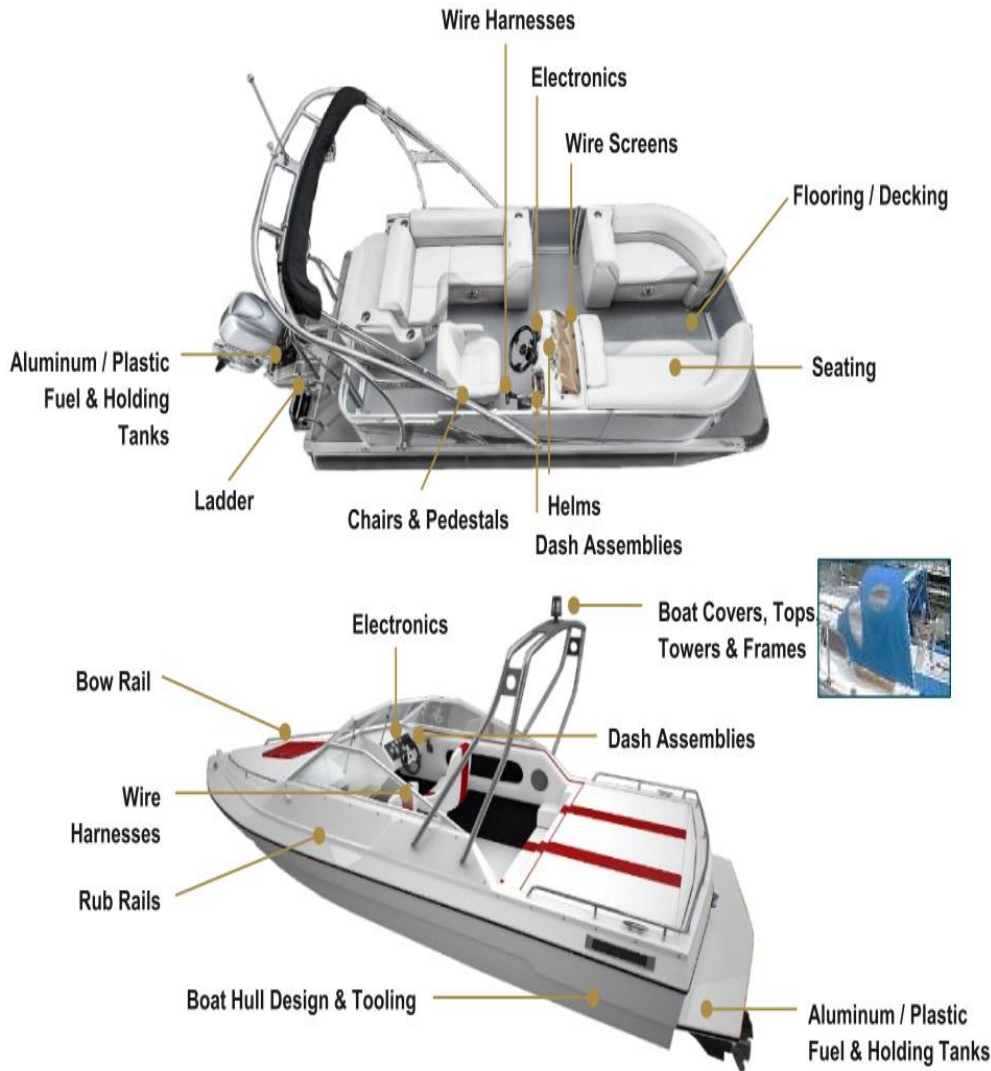
PATRICK PRODUCT LINES: RV INTERIOR



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

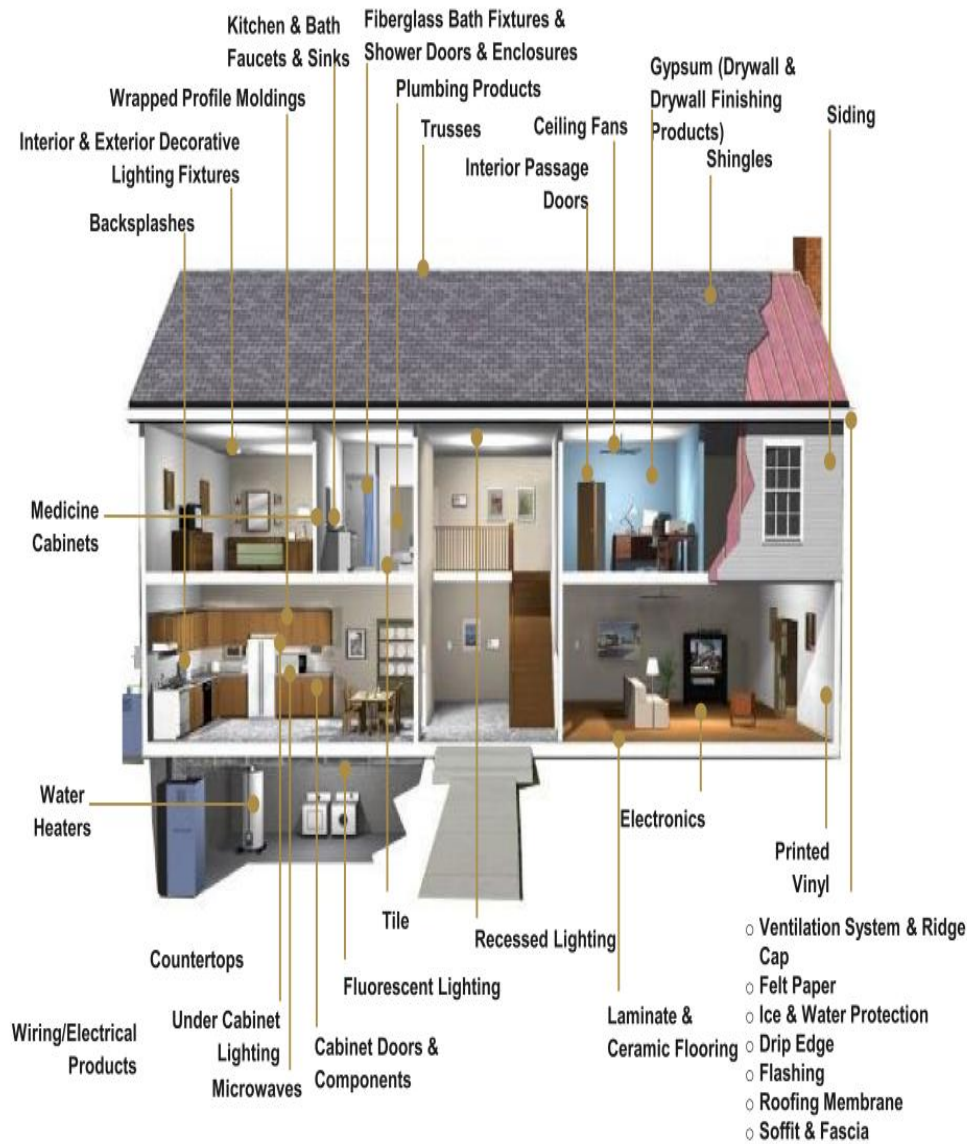
PATRICK PRODUCT LINES: MARINE



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: 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, Foiling & 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

