

**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)

May 2, 2024

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
Elkhart, Indiana**

(Address of Principal Executive Offices)

46516

(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 2.02 Results of Operations and Financial Condition

On May 2, 2024, the Company issued a press release announcing operating results for the first quarter ended March 31, 2024. 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 May 2, 2024

[Exhibit 99.2](#) - Slides for Earnings 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: May 2, 2024

By: /s/ Andrew C. Roeder

Andrew C. Roeder

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

Patrick Industries, Inc. Reports First Quarter 2024 Financial Results

First Quarter 2024 Highlights *(compared to First Quarter 2023 unless otherwise noted)*

- Net sales increased 4% to \$933 million driven by a 15% increase in RV revenue, a 5% increase in housing revenue, and acquisitions, which together more than offset lower marine revenue.
- As previously announced, Patrick completed the acquisition of Sportech, LLC, a supplier of high-value component solutions to the powersports industry on January 24th, representing the Company's largest acquisition to date.
- Operating margin increased 20 basis points to 6.4%. Excluding acquisition transaction costs and purchase accounting adjustments in both periods, adjusted operating margin increased 70 basis points year-over-year.
- Net income increased 16% to \$35 million compared to \$30 million in the first quarter of 2023. Diluted earnings per share of \$1.59 increased 18% compared to \$1.35 for the first quarter of 2023.
- Excluding acquisition transaction costs and purchase accounting adjustments in both periods, adjusted diluted earnings per share increased 31% to \$1.79.
- Adjusted EBITDA increased 14% to \$111 million; adjusted EBITDA margin increased 110 basis points to 11.9%.
- Cash flow provided by operations was \$35 million in the first quarter compared to cash used in operations of \$1 million in the same period last year. On a trailing twelve-month basis, operating cash flow through the first quarter of 2024 was \$445 million, an increase of 3% compared to \$434 million through the first quarter of 2023.
- Maintained solid balance sheet and liquidity position, with net leverage at 2.8x, which reflects the acquisition of Sportech in January, helping to ensure ability to capitalize on potential future opportunities.

ELKHART, IN, May 2, 2024 – Patrick Industries, Inc. (NASDAQ: PATK) ("Patrick" or the "Company"), a leading component solutions provider for the Outdoor Enthusiast and Housing markets, today reported financial results for the first quarter ended March 31, 2024.

Net sales increased 4% to \$933 million, an increase of \$33 million compared to the first quarter of 2023. The increase in sales was primarily driven by higher revenue from our RV and housing end markets combined with the acquisition of Sportech, which together more than offset lower revenue from our marine end market.

Operating income of \$59 million in the first quarter of 2024 increased \$3 million compared to \$56 million in the first quarter of 2023. Operating margin of 6.4% increased 20 basis points compared to 6.2% in the same period a year ago, as acquisition transaction costs and purchase accounting adjustments were more than offset by higher fixed cost absorption within our RV businesses and the benefits of cost savings initiatives executed in prior periods. Excluding acquisition transaction costs and purchase accounting adjustments in both periods, adjusted operating margin improved 70 basis points to 7.0% in the quarter.

Net income increased 16% to \$35 million compared to \$30 million in the first quarter of 2023. Diluted earnings per share of \$1.59 increased 18% compared to \$1.35 for the first quarter of 2023.

Excluding acquisition transaction costs and purchase accounting adjustments in both periods, adjusted net income increased 29% to \$39 million or \$1.79 per diluted share.

"Patrick returned to growth in the first quarter as a result of our disciplined operating management, market share growth, and strategic acquisition and diversification strategy," said Andy Nemeth, Chief Executive Officer. "We generated 15% higher RV revenue, which when coupled with stronger housing revenue and the first quarter acquisition of Sportech more than offset a 35% decline in our marine revenue. We leveraged our cost structure and delivered higher consolidated net sales and profit along with margin expansion. I am extremely proud of the entire Patrick team for their hard work during the quarter as our focus on providing the highest quality service and delivering value-added solutions supported our customers across our end

markets. Our strong financial foundation and liquidity position facilitated our acquisition of Sportech, solidifying powersports as another Outdoor Enthusiast platform for Patrick. Our first quarter results further demonstrate the benefits of our diversification strategy, and when combined with our customer-focused philosophy, investment in higher-engineered products and ability to scale quickly to OEM needs, help to ensure that Patrick is in an ideal position to drive future organic and strategic growth as we look forward to an expected recovery in demand."

Jeff Rodino, President – RV, said, "We are excited about the future of Patrick, as we realize the benefits of the investments we have made in business, talent and infrastructure. Our team hit the ground running in the first quarter as we supported and collaborated with our customers, remaining agile and ready to pivot when necessary. We remain focused on profitable growth and generating free cash flow while maintaining a balanced capital allocation strategy, with a focus on expanding our presence within our end markets as we strive to make Patrick the supplier of choice to the Outdoor Enthusiast and Housing markets."

First Quarter 2024 Revenue by Market Sector (compared to First Quarter 2023 unless otherwise noted)

RV (45% of Revenue)

- Revenue of \$421 million increased 15% while wholesale RV industry unit shipments increased 9%.
- Content per wholesale RV unit (on a trailing twelve-month basis) decreased 9% to \$4,859. Compared to the fourth quarter of 2023, content per wholesale RV unit (on a trailing twelve-month basis) increased 1%, representing the first sequential increase in content per unit since the first quarter of 2023.

Marine (17% of Revenue)

- Revenue of \$155 million decreased 35% while estimated wholesale powerboat industry unit shipments decreased 34%. Powersports revenue was previously included in our Marine end market. End market revenue and content per unit reflect this change for the relevant periods.
- Estimated content per wholesale powerboat unit (on a trailing twelve-month basis) decreased 9% to \$4,049. Compared to the fourth quarter of 2023, estimated content per wholesale powerboat unit (on a trailing twelve-month basis), decreased less than 1%.

Powersports (9% of Revenue)

- Revenue of \$83 million increased 152%, driven primarily by the acquisition of Sportech.

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

- Revenue of \$275 million increased 5%; estimated wholesale MH industry unit shipments increased 13%; total housing starts increased 1%.
- Estimated MH content per wholesale MH unit (on a trailing twelve-month basis) increased 1% to \$6,422. Compared to the fourth quarter of 2023, estimated content per wholesale MH unit (on a trailing twelve-month basis) increased 1%.

Balance Sheet, Cash Flow and Capital Allocation

For the first three months of 2024, cash provided by operations was \$35 million compared to cash used in operations of \$1 million for the prior year period. This improvement was driven primarily by a \$27 million reduction in working capital utilization and a \$5 million increase in net income. Purchases of property, plant and equipment totaled \$15 million in the first quarter of 2024, reflecting continued investments in alignment with our automation and technology initiatives. On a trailing twelve-month basis, free cash flow through the first quarter of 2024 was \$391 million, an increase of 11% compared to \$352 million through the first quarter of 2023. Our long-term debt increased approximately \$373 million during the first quarter of 2024 primarily to fund the acquisition of Sportech.

We remained disciplined in allocating and deploying capital, returning approximately \$13 million to shareholders in the first quarter of 2024 through dividends. We remain opportunistic on share repurchases and had \$78 million left authorized under our current plan at the end of the first quarter.

Our total debt at the end of the first quarter was approximately \$1.41 billion, resulting in a total net leverage ratio of 2.8x (as calculated in accordance with our credit agreement). Pro forma net leverage at the time of the acquisition of Sportech in January 2024 was approximately 2.9x. Available liquidity, comprised of borrowing availability under our credit facility and cash on hand, was approximately \$413 million.

Business Outlook and Summary

“Our team continues to execute on our business objectives, including providing innovative product solutions, generating long-term profitable growth, maintaining a strong financial foundation, and our goal of providing a best-in-class customer experience delivering value for all stakeholders,” continued Mr. Nemeth. “We are poised and ready to meet the opportunities and challenges that may present themselves this year, as evidenced by our solid performance over the last two years despite the headwinds we faced in our markets. The RV and MH markets returned to year-over-year wholesale shipment growth in the first quarter and we believe our marine end market will begin to stabilize in the back half of 2024. We have a number of product innovations in development which will also help drive further organic growth. Our job is to remain operationally and financially agile, ready to support our customers in any environment. As Patrick enters its 65th year as a company, we remain optimistic about the future and see positive long-term trends within the Outdoor Enthusiast and Housing markets we serve, with numerous profitable organic and strategic growth opportunities available to the Company in the future.”

Conference Call Webcast

Patrick Industries will host an online webcast of its first quarter 2024 earnings conference call that can be accessed on the Company’s website, www.patrickind.com, under “For Investors,” on Thursday, May 2, 2024 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 (NASDAQ: PATK) is a leading component solutions provider serving the RV, Marine, Powersports and Housing markets. Since 1959, Patrick has empowered manufacturers and outdoor enthusiasts to achieve next-level recreation experiences. Our customer-focused approach brings together design, manufacturing, distribution, and transportation in a full solutions model that defines us as a trusted partner. Patrick is home to more than 85 leading brands, all united by a commitment to quality, customer service, and innovation. Headquartered in Elkhart, IN, Patrick employs approximately 10,000 skilled team members throughout the United States. For more information on Patrick, our brands, and products, please visit www.patrickind.com.

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; adverse economic and business conditions, including inflationary pressures, cyclical 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, marine and powersports 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, including, but not limited to, uncertainties surrounding the Company's further investment and initiatives in the powersports market; increases in interest rates and oil and gasoline prices; the ability to retain key executive and management personnel; the impact on our business resulting from wars and military conflicts such as war in Ukraine and evolving conflict in Israel, Gaza and Syria, and throughout the Middle East; natural disasters or other unforeseen events, and adverse weather conditions.

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, 2023, 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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574.294.7511

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

(\$ in thousands, except per share data)	First Quarter Ended	
	March 31, 2024	April 2, 2023
NET SALES	\$ 933,492	\$ 900,100
Cost of goods sold	728,637	705,856
GROSS PROFIT	204,855	194,244
Operating Expenses:		
Warehouse and delivery	37,449	35,845
Selling, general and administrative	85,246	82,401
Amortization of intangible assets	22,818	19,764
Total operating expenses	145,513	138,010
OPERATING INCOME	59,342	56,234
Interest expense, net	20,090	18,484
Income before income taxes	39,252	37,750
Income taxes	4,159	7,577
NET INCOME	\$ 35,093	\$ 30,173
BASIC EARNINGS PER COMMON SHARE	\$ 1.62	\$ 1.40
DILUTED EARNINGS PER COMMON SHARE	\$ 1.59	\$ 1.35
Weighted average shares outstanding - basic	21,653	21,591
Weighted average shares outstanding - diluted	22,080	22,512

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

(\$ in thousands)	As of	
	March 31, 2024	December 31, 2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 17,610	\$ 11,409
Trade receivables, net	278,337	163,838
Inventories	514,543	510,133
Prepaid expenses and other	48,884	49,251
Total current assets	859,374	734,631
Property, plant and equipment, net	371,128	353,625
Operating lease right-of-use assets	190,507	177,717
Goodwill and intangible assets, net	1,604,482	1,288,546
Other non-current assets	7,385	7,929
TOTAL ASSETS	\$ 3,032,876	\$ 2,562,448
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current maturities of long-term debt	\$ 7,500	\$ 7,500
Current operating lease liabilities	51,839	48,761
Accounts payable	196,747	140,524
Accrued liabilities	104,456	111,711
Total current liabilities	360,542	308,496
Long-term debt, less current maturities, net	1,392,099	1,018,356
Long-term operating lease liabilities	142,799	132,444
Deferred tax liabilities, net	67,903	46,724
Other long-term liabilities	10,997	11,091
TOTAL LIABILITIES	1,974,340	1,517,111
TOTAL SHAREHOLDERS' EQUITY	1,058,536	\$ 1,045,337
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 3,032,876	\$ 2,562,448

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

First Quarter Ended

(\$ in thousands)

	March 31, 2024	April 2, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 35,093	\$ 30,173
Depreciation and amortization	40,335	35,510
Stock-based compensation expense	5,460	5,242
Other adjustments to reconcile net income to net cash provided by operating activities	853	2,056
Change in operating assets and liabilities, net of acquisitions of businesses	(46,565)	(73,931)
Net cash provided by (used in) operating activities	35,176	(950)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(15,495)	(20,266)
Business acquisitions and other investing activities	(355,229)	(3,311)
Net cash used in investing activities	(370,724)	(23,577)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Net increase in cash and cash equivalents	6,201	7,936
Cash and cash equivalents at beginning of year	11,409	22,847
Cash and cash equivalents at end of period	\$ 17,610	\$ 30,783

PATRICK INDUSTRIES, INC.
Earnings Per Common Share (Unaudited)

The table below illustrates the calculation for earnings per common share:

(\$ in thousands, except per share data)	First Quarter Ended	
	March 31, 2024	April 2, 2023
Numerator:		
Earnings for basic earnings per common share calculation	\$ 35,093	\$ 30,173
Effect of interest on potentially dilutive convertible notes, net of tax	—	162
Earnings for diluted earnings per common share calculation	<u>\$ 35,093</u>	<u>\$ 30,335</u>
Denominator:		
Weighted average common shares outstanding - basic	21,653	21,591
Weighted average impact of potentially dilutive convertible notes	205	658
Weighted average impact of potentially dilutive securities	222	263
Weighted average common shares outstanding - diluted	<u>22,080</u>	<u>22,512</u>
Earnings per common share:		
Basic earnings per common share	\$ 1.62	\$ 1.40
Diluted earnings per common share	\$ 1.59	\$ 1.35

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

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, adjusted net income, adjusted diluted earnings per share (adjusted diluted EPS), adjusted operating margin, adjusted EBITDA margin 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, adjusted net income, adjusted dilutive EPS, adjusted operating margin, adjusted EBITDA margin 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, acquisition related costs, acquisition-related fair-value inventory step-up and subtracting out gain on sale of property, plant and equipment. Adjusted net income is calculated by removing the impact of acquisition related transaction costs, net of tax and acquisition-related fair-value inventory step-up, net of tax. Adjusted diluted EPS is calculated as adjusted net income attributable to common shares divided by our weighted average shares outstanding. Adjusted operating margin is calculated by removing the impact of acquisition related transaction costs and acquisition-related fair-value inventory step-up. 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.

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

(\$ in thousands)	First Quarter Ended	
	March 31, 2024	April 2, 2023
Net income	\$ 35,093	\$ 30,173
+ Depreciation & amortization	40,335	35,510
+ Interest expense, net	20,090	18,484
+ Income taxes	4,159	7,577
EBITDA	99,677	91,744
+ Stock-based compensation	5,460	5,242
+ Acquisition related transaction costs	4,998	—
+ Acquisition related fair-value inventory step-up	822	610
- Gain on sale of property, plant and equipment	(14)	(23)
Adjusted EBITDA	\$ 110,943	\$ 97,573

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

(\$ in thousands)	Trailing Twelve Months Ended	
	March 31, 2024	April 2, 2023
Cash flow from operations	\$ 444,798	\$ 433,827
Less: purchases of property, plant and equipment	(54,216)	(81,481)
Free cash flow	\$ 390,582	\$ 352,346

The following table reconciles operating margin to adjusted operating margin:

	First Quarter Ended	
	March 31, 2024	April 2, 2023
Operating margin	6.4 %	6.2 %
Acquisition-related fair-value inventory step-up	0.1 %	0.1 %
Transaction costs	0.5 %	— %
Adjusted operating margin	7.0 %	6.3 %

The following table reconciles net income to adjusted net income and diluted earnings per common share to adjusted diluted earnings per common share:

(\$ in thousands, except per share data)	First Quarter Ended	
	March 31, 2024	April 2, 2023
Net income	\$ 35,093	\$ 30,173
+ Acquisition-related fair-value inventory step-up	822	610
+ Transaction costs	4,998	—
- Tax impact of adjustments	(1,488)	(122)
Adjusted net income	\$ 39,425	\$ 30,661
Diluted earnings per common share (per above)	\$ 1.59	\$ 1.35
Transaction costs, net of tax	0.17	—
Acquisition related fair-value inventory step-up, net of tax	0.03	0.02
Adjusted diluted earnings per common share	\$ 1.79	\$ 1.37



Q1 2024 Earnings Presentation

May 2, 2024





Forward-looking statements

This presentation includes contains statements that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified by words such as “estimates,” “guidance,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks” and similar expressions. Forward-looking statements include information with respect to financial condition, results of operations, business strategies, operating efficiencies or synergies, competitive position, industry projections, growth opportunities, acquisitions, plans and objectives of management, markets for the common stock and other matters. 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, in addition to other matters described in this presentation, the impacts of future pandemics, geopolitical tensions or natural disaster, on the overall economy, our sales, customers, operations, team members and suppliers. Further information concerning the Company and its business, including risk factors that potentially could materially affect the Company’s financial results are discussed under the caption “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, filed with the Securities and Exchange Commission on February 29, 2024

We caution readers not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made, and 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.

Q1 2024

Key Messages

Sales & margin growth driven by RV, Housing and acquisitions

Solid cash flow generation and strong balance sheet

Completed largest acquisition to date in the quarter

Strategic diversification has bolstered our model's resilience

\$ in millions, except per share data

	FY 2019	FY 2023	Δ
Wholesale RV Shipments	406,070	313,174	(23%)
Total Net Sales	\$2,337	\$3,468	+48%
Total RV Sales	\$1,287	\$1,503	+17%
Total Marine Sales	\$329	\$783	+138%
Total Housing Sales	\$721	\$1,060	+47%
Gross Margin	18.1%	22.6%	+450 bps
Operating Margin	6.6%	7.5%	+90 bps
Diluted EPS	\$3.85	\$6.50	+69%
Free Cash Flow	\$165	\$350	+112%

Q1 2024

Highlights

Revenue up 4% fueled by higher revenue from RV and Housing & Sportech acquisition

- RV end market revenue increased 15%, partially due to a 9% improvement in wholesale unit shipments as dealers begin to prep for the prime selling season
- Acquisition of Sportech, LLC, which closed in January 2024 furthers strategic diversification
- Housing revenue increased 5% on higher MH wholesale shipments
- Marine revenue declined as OEMs remained disciplined on production



We continue to strategically deploy capital toward value enhancing initiatives

- Completed Sportech, LLC acquisition helping solidify our Powersports platform
- Investing in automation and innovation to improve operational efficiency and value-added component solutions for customers



Operating margin and adjusted EBITDA margin improvement driven by higher revenue, cost reduction initiatives and acquisitions





Performance by End Market

Q1 2024

Q1 2024

RV remains our largest end market and we are poised and ready to support OEMS through model year change as they collaborate with dealers to showcase coming exciting product innovations.



REVENUE

\$421M 

% OF Q1 SALES

45%

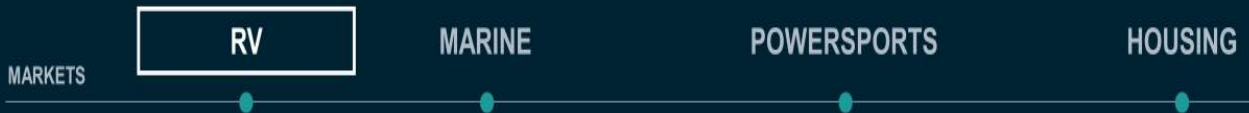
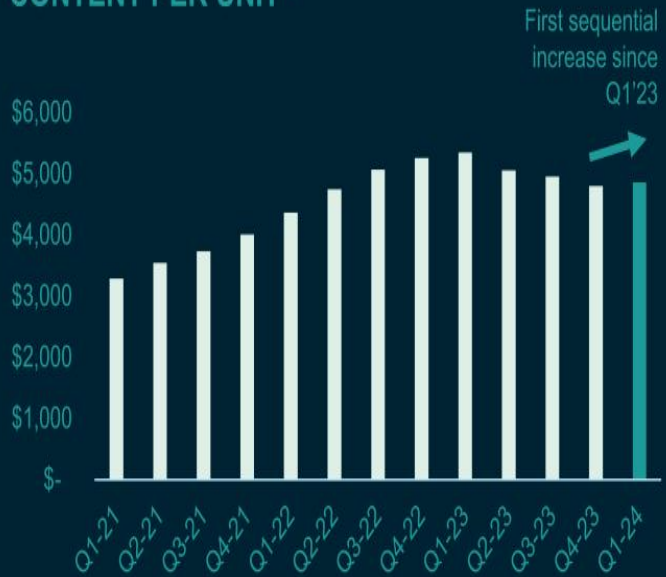
WHOLESALE SHIPMENTS ²

85,900 

CPU¹

\$4,859 

CONTENT PER UNIT ¹



¹ CPU = Content per wholesale unit for the trailing twelve-month period ² Data published by RVIA

PATRICK | marine

Q1 2024

Our Marine presence continues to deliver innovation and value-added products to our OEM and aftermarket customers. Given the significant impact of interest rates, OEMs and dealers remain cautious.



REVENUE

\$155M 

% OF Q1 SALES

17%

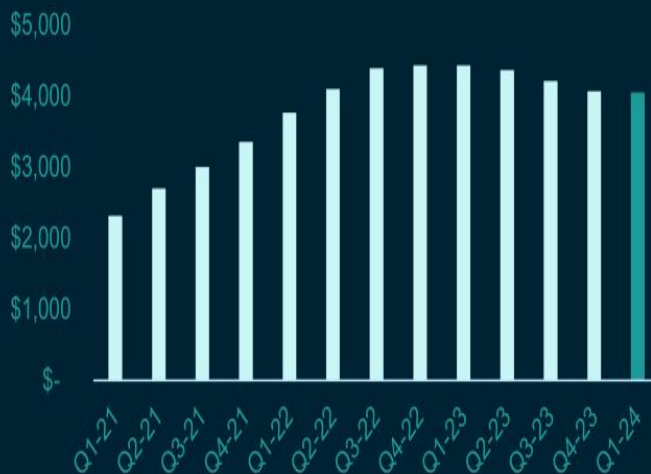
ESTIMATED WHOLESALE SHIPMENTS

38,400 

ESTIMATED CPU^{1,2}

\$4,049 

CONTENT PER UNIT ^{1,2}



¹ CPU = Content per wholesale unit for the trailing twelve-month period ² Company estimates based on data published by National Marine Manufacturers Association (NMMA)

PATRICK | powersports

Q1 2024

The acquisition of Sportech solidifies our Powersports platform, supporting future organic and strategic growth. This platform enables expansion of our full solutions model and further diversifies our end market exposure.

REVENUE

\$83M



% OF Q1 SALES

9%

SOLID POWERSPORTS PLATFORM



MARKETS

RV

MARINE

POWERSPORTS

HOUSING

PATRICK | housing

Q1 2024

Our housing business supplies component solutions to the Manufactured Housing (MH) industry and residential and industrial customers. Our foundation is built on scalability and our customer-focused strategy which enables us to meet OEM needs.



REVENUE

\$275M 

% OF Q1 SALES

29%

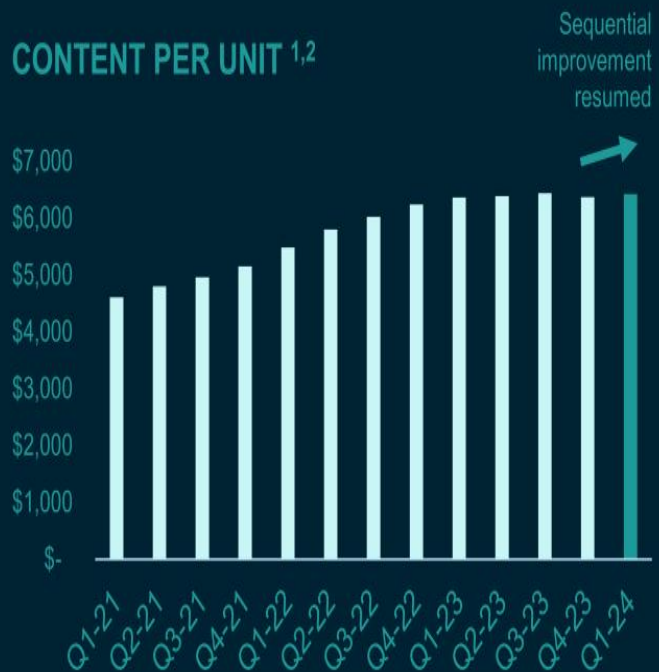
ESTIMATED MH WHOLESALE SHIPMENTS ²

24,000 

ESTIMATED MH CPU^{1,2}

\$6,422 

CONTENT PER UNIT ^{1,2}



MARKETS

RV

MARINE

POWERSPORTS

HOUSING

¹CPU = Content per wholesale unit for the trailing twelve-month period ² Company estimates based on data published by Manufactured Housing Institute (MHI)

RV

Demographic trends are positive in the RV space, with younger, more diverse groups interested in joining the RV lifestyle

OEMs gearing up for a successful model-year change as we enter prime selling season

Shipments improving after the cycle likely hit bottom in 2023



MARINE

Industry continues to invest in higher-engineered products and accessories to drive consumer interest

Long-term secular trends are favorable as people enjoy the water with family and friends

Continued softness in retail leading dealers to closely manage inventory amid higher floorplan costs



POWERSPORTS

Utility and side-by-side market remains resilient compared to broader powersports category

OEM and supplier innovation continues to drive improved utility of units in the space and customer demand



HOUSING

Interest rates continue to impact consumers' purchasing behavior and increase costs of home ownership

Solid demand for affordable housing with limited available inventory



Financial Performance

Q1 2024

Net Sales increased 4%, driven by higher RV and Housing revenue coupled with the acquisition of Sportech, which more than offset lower revenue from our marine end market

Gross margin improved 30 basis points Y/Y, driven by operational efficiencies including labor and infrastructure management

Operating margin increased 20 bps Y/Y due to higher revenue and prudent cost management partially offset by lower fixed cost absorption within our marine businesses. Excluding acquisition expenses and purchase accounting adjustments in both periods, adjusted operating margin increased 70 bps Y/Y

Diluted EPS of \$1.59 includes approximately \$0.01 per share of dilution from our convertible notes due 2028

Adjusted diluted EPS, excluding acquisition expenses and purchase accounting adjustments in both periods, improved 31% to \$1.79

Generated operating cash flow of \$35M, implying free cash flow of \$20M

(\$ in millions, except per share data)

NET SALES & GROSS MARGIN



Q1 2023

Q1 2024



OPERATING INCOME & MARGIN



Q1 2023

Q1 2024

DILUTED EPS



Q1 2023

Q1 2024

ADJUSTED DILUTED EPS



Q1 2023

Q1 2024





Fiscal Year 2024 Outlook



FY 2023 Actual FY 2024 Estimated ²

Operating Margin	7.5%	Up 30 to 50 bps ³
Operating Cash Flows	\$409M	\$390M - \$410M
Free Cash Flow	\$350M	\$310M+
RV Wholesale Unit Shipments (RVIA)	313K	320K – 340K
RV Retail Unit Shipments¹	380K	Down 5 – 10%
Marine Wholesale Powerboat Unit Shipments¹	192K	Down 10 - 15%
Marine Retail Powerboat Unit Shipments¹	179K	Down 5 – 10%
Powersports Organic Content		Up MSD%
MH Wholesale Unit Shipments (MHI)	89K	Up 5% - 10%
New Housing Starts (U.S. Census Bureau)	1.4M	Flat to up 5%

¹ Company Estimates based on data published by NMMA and SSI ² Company estimates
³2024 operating margin excludes acquisition transaction costs and purchase accounting adjustments

Balance Sheet and Liquidity



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

DEBT STRUCTURE AND MATURITIES

- \$150.0M Term Loan (\$127.5M o/s), scheduled quarterly installments; balance due August 2027
- \$775.0M (\$375.0M 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

COVENANTS AND RATIOS¹

- Consolidated Net Leverage Ratio – 2.81x
- Consolidated Secured Net Leverage Ratio – 0.95x versus 2.75x maximum
- Consolidated Fixed Charge Coverage Ratio – 3.10x vs. minimum 1.50x

NET LEVERAGE¹ (\$ millions)

Total Debt Outstanding	\$	1,411.3
Less: Cash and Debt Paid as Defined by the Credit Agreement		(36.0)
Net Debt	\$	1,375.3
Pro-Forma Adj. EBITDA	\$	489.1
Net Debt to Pro-Forma Adj. EBITDA		2.81x

LIQUIDITY (\$ millions)

Total Revolver Credit Capacity	\$	775.0
Less: Total Revolver Used (including outstanding letters of credit)		(380.0)
Unused Credit Capacity	\$	395.0
Add: Cash on Hand		17.6
Total Available Liquidity	\$	412.6



Appendix

Non-GAAP Reconciliation

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 prior 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

	(\$ in millions)	03/31/2024
RECONCILIATION OF NET INCOME TO EBITDA TO PRO-FORMA ADJUSTED EBITDA FOR THE TRAILING TWELVE MONTHS		
Net Income		\$147.8
+ Depreciation & Amortization		149.4
+ Interest Expense, net		70.5
+ Income Taxes		44.9
EBITDA		<u>\$412.6</u>
+ Stock Compensation Expense		19.6
+ Acquisition Pro Forma, transaction-related expenses & other		56.9
Pro-Forma Adjusted EBITDA		<u><u>\$489.1</u></u>

	(\$ in millions)	
RECONCILIATION OF NET LEVERAGE*		
Total Debt Outstanding		\$1,411.3
Less: Cash on Hand		<u>(36.0)</u>
Net Debt		\$1,375.3
Pro Forma Adjusted EBITDA		<u>\$489.1</u>
Net Debt to Pro Forma Adjusted EBITDA		2.81x

	(\$ in millions)	Q1 2024	Q1 2023
CALCULATION OF FREE CASH FLOW			
Cash Flows from Operations		\$35.2	(\$0.9)
Less: Purchases of Property, Plant and Equipment		<u>(15.5)</u>	<u>(20.3)</u>
Free Cash Flow		<u>\$19.7</u>	<u>(\$21.2)</u>

	(\$ in millions)	2023	2019
CALCULATION OF FREE CASH FLOW			
Cash Flows from Operations		\$408.7	\$192.4
Less: Purchases of Property, Plant and Equipment		<u>(59.0)</u>	<u>(27.7)</u>
Free Cash Flow		<u>\$349.7</u>	<u>\$164.7</u>

Non-GAAP Reconciliation (Continued)

Use of Non-GAAP Financial Measures

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RECONCILIATION OF ADJUSTED NET INCOME	(\$ in millions)	Q1 2024	Q1 2023
	Net income		\$35.1
Acquisition-related fair-value inventory step-up		0.8	0.6
Transaction costs		5.0	-
Tax impact of adjustments		(1.5)	(0.1)
Adjusted net income		<u>\$39.4</u>	<u>\$30.7</u>

RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER COMMON SHARE		Q1 2024	Q1 2023
	Diluted earnings per common share		\$1.59
Transaction costs, net of tax		0.17	-
Acquisition-related fair-value inventory step-up, net of tax		0.03	0.02
Adjusted diluted earnings per common share		<u>\$1.79</u>	<u>\$1.37</u>

RECONCILIATION OF ADJUSTED OPERATING MARGIN		Q1 2024	Q1 2023
	Operating margin		6.4%
Acquisition-related fair-value inventory step-up		0.1%	0.1%
Transaction costs		0.5%	-
Adjusted operating margin		<u>7.0%</u>	<u>6.3%</u>

