

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

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**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)

**October 7, 2024**

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**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 St.  
Elkhart, Indiana**

(Address of Principal Executive Offices)

**46516**

(Zip Code)

**(574) 294-7511**

Registrant's Telephone Number, including area code

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(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.

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**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) Press Release - Dated October 7, 2024 as contained in Exhibit 99.1

(b) Slides for Investor Presentation as contained in Exhibit 99.2

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

[Exhibit 99.1](#) – Press Release dated October 7, 2024

[Exhibit 99.2](#) – 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.

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**PATRICK INDUSTRIES, INC.**

(Registrant)

Date: October 7, 2024

By: /s/ Andrew C. Roeder

Andrew C. Roeder

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



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## Patrick Industries, Inc. Announces Private Offering of \$400 Million of Senior Notes

ELKHART, IN – October 7, 2024 — Patrick Industries, Inc. (NASDAQ: PATK) (“Patrick” or the “Company”) today announced its intention to offer, subject to market conditions and other factors, \$400 million aggregate principal amount of Senior Notes due 2032 (the “Notes”) in a private placement exempt from registration under the Securities Act of 1933 (“Securities Act”).

The interest rate, redemption prices and other terms of the Notes are to be determined upon pricing of the offering. Patrick intends to use the net proceeds from the offering to redeem all of its \$300 million aggregate principal amount of 7.500% Senior Notes due 2027, repay a portion of its borrowings under its existing senior secured credit facility and pay fees and expenses in connection with the foregoing.

Concurrently with the completion of the offering, the Company plans to amend and restate the credit agreement governing its existing \$925 million senior secured credit facility to establish a new \$1.0 billion senior secured credit facility consisting of an \$875 million revolving credit facility and a \$125 million term loan. The maturity date for borrowings under the new senior secured credit facility is expected to be extended to October 2029. The new senior secured credit facility is expected to replace the Company’s existing credit facility that is due to mature in August 2027, with pricing and other material provisions to be finalized following the completion of the pricing of the offering of the Notes described above.

This press release is neither an offer to sell nor a solicitation of an offer to buy the Notes, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or jurisdiction.

The Notes and related guarantees have not been registered under the Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any offers of the Notes will be made only to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act and to non-U.S. persons outside the United States in compliance with Regulation S under the Securities Act. The Notes being offered have not been approved or disapproved by any regulatory authority, nor has any such authority passed upon the accuracy or adequacy of the applicable private offering memorandum.

### 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](http://www.patrickind.com).

### Cautionary Statement Regarding Forward-Looking Statements

This press release contains certain statements within the meaning of Private Securities Litigation Reform Act of 1995 that are forward-looking in nature, including, without limitation, the completion, timing, terms and use of proceeds of the Notes offering and the proposed new senior secured credit facility. The forward-

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looking statements are based on current expectations and our actual results may differ materially from those projected in any forward-looking statement. 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. Factors that could cause actual results to differ materially from those in forward-looking statements included in this press release include, without limitation: the ability to complete the terms of the offering and to enter into a new senior secured credit facility on anticipated terms or at all; adverse economic and business conditions, including cyclical and seasonality in the industries we sell our products; the financial condition of our customers or suppliers; the loss of a significant customer; changes in consumer preferences; declines in the level of unit shipments or reduction in growth in the markets we serve; the availability of retail and wholesale financing for RVs, watercraft and powersports products, and residential and manufactured homes; pricing pressures due to competition; costs and availability of raw materials, commodities and energy and transportation; supply chain issues, including financial problems of manufacturers or suppliers and shortages of adequate materials or manufacturing capacity; the challenges and risks associated with doing business internationally; challenges and risks associated with importing products, such as the imposition of duties, tariffs or trade restrictions; the ability to manage our working capital, including inventory and inventory obsolescence; the availability and costs of labor and production facilities and the impact of labor shortages; fuel shortages or high prices for fuel; any interruptions or disruptions in production at one of our key facilities; challenges with integrating acquired businesses; the impact of the consolidation and/or closure of all or part of a manufacturing or distribution facility; an impairment of assets, including goodwill and other long-lived assets; an inability to attract and retain qualified executive officers and key personnel; the effects of union organizing activities; the impact of governmental and environmental regulations, and our inability to comply with them; changes to federal, state, local or certain international tax regulations; unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, services, perceived environmental impacts, or otherwise; public health emergencies or pandemics, such as the COVID-19 pandemic; our level of indebtedness; our inability to comply with the covenants contained in the existing senior secured credit facility or the new senior secured credit facility; an inability to access capital when needed; the settlement or conversion of our notes; fluctuations in the market price for our common stock; an inability of our information technology systems to perform adequately; any disruptions in our business due to an IT failure, a cyber-incident or a data breach; any adverse results from our evaluation of our internal controls over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002; certain provisions in our Articles of Incorporation and Amended and Restated By-laws that may delay, defer or prevent a change in control; adverse conditions in the insurance markets; and the impact on our business resulting from wars and military conflicts, such as war in Ukraine and evolving conflict in the Middle East.

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. The Company does not undertake to publicly update or revise any forward-looking statements. Information about certain risks that could affect our business and cause actual results to differ from those express 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](http://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. Prospective purchasers are cautioned not to place undue reliance on these forward-looking statements.

Contact:

Steve O'Hara  
Vice President of Investor Relations  
oharas@patrickind.com  
574.294.7511

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# Investor Presentation

October 7<sup>th</sup>, 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,” “likely” 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.

# Today's Presenters



**Andy Nemeth**

Chairman & Chief Executive Officer



**Andy Roeder**

Chief Financial Officer



**Matthew Filer**

Chief Accounting Officer



# Company Overview

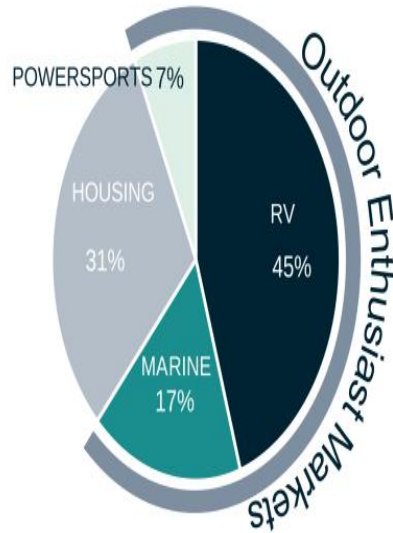




Patrick (NASDAQ: PATK) is a leading component solutions provider for the RV, Marine, Powersports and Housing markets



Q2'24 TTM NET SALES



NET SALES (Q2'24 TTM)

**\$3.6B**

FREE CASH FLOW (Q2'24 TTM) <sup>1</sup>

**\$348M**

TEAM MEMBERS

**~10,000**

BRANDS

**85+**

STATES

**23**

VALUE PROPOSITION

Patrick's goal is to improve the quality of everyday life through better component solutions and building materials.

We deliver on this promise by building strong relationships with partners and team members based on trust and proven performance.

# Ongoing Story of Growth

OPTIMIZE OUR LEGACY  
BUSINESSES

DIVERSIFY OUR  
PORTFOLIO

ACCELERATE OUR  
TRANSFORMATION



Leverage realized synergies, utilize innovation playbook, and optimize core capabilities

PATK Net Sales CAGR

**+28%**

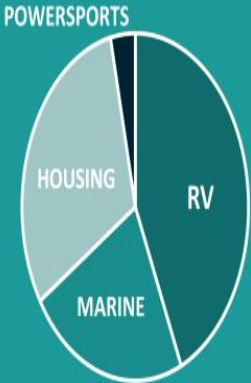


2016 % of Net Sales

Entered Marine market and invested in higher-engineered and aftermarket products

PATK Net Sales CAGR

**+13%**

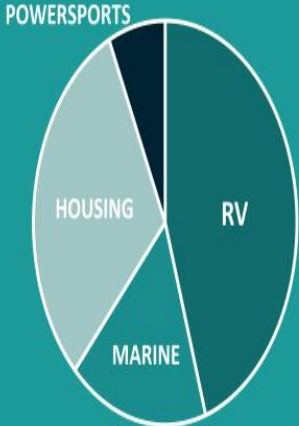


2023 % of Net Sales

Invest in best-practice software and automation, solidify our powersports presence, and become supplier of choice

Organic Growth Target

**2-3%**



Q2'24 TTM % of Net Sales

# Serving the Outdoor Enthusiast and Housing Markets

## RV

Leading Component Solutions Provider to RV OEMs

Q2'24 TTM Net Sales

**\$1.62B**

% of Net Sales

**45%**



## MARINE

Extensive Supplier to Marine OEMs with Growing Aftermarket Presence

Q2'24 TTM Net Sales

**\$631M**

% of Net Sales

**17%**



## POWERSPORTS

Growing Component Supplier with Focus on Premium and Utility Segments

Q2'24 TTM Net Sales

**\$239M**

% of Net Sales

**7%**



## HOUSING

Expanding OEM Relationships Through Customer Service and Scalability

Q2'24 TTM Net Sales

**\$1.10B**

% of Net Sales

**31%**



Outdoor Enthusiast Markets



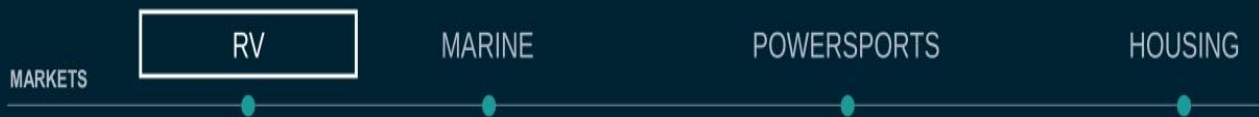
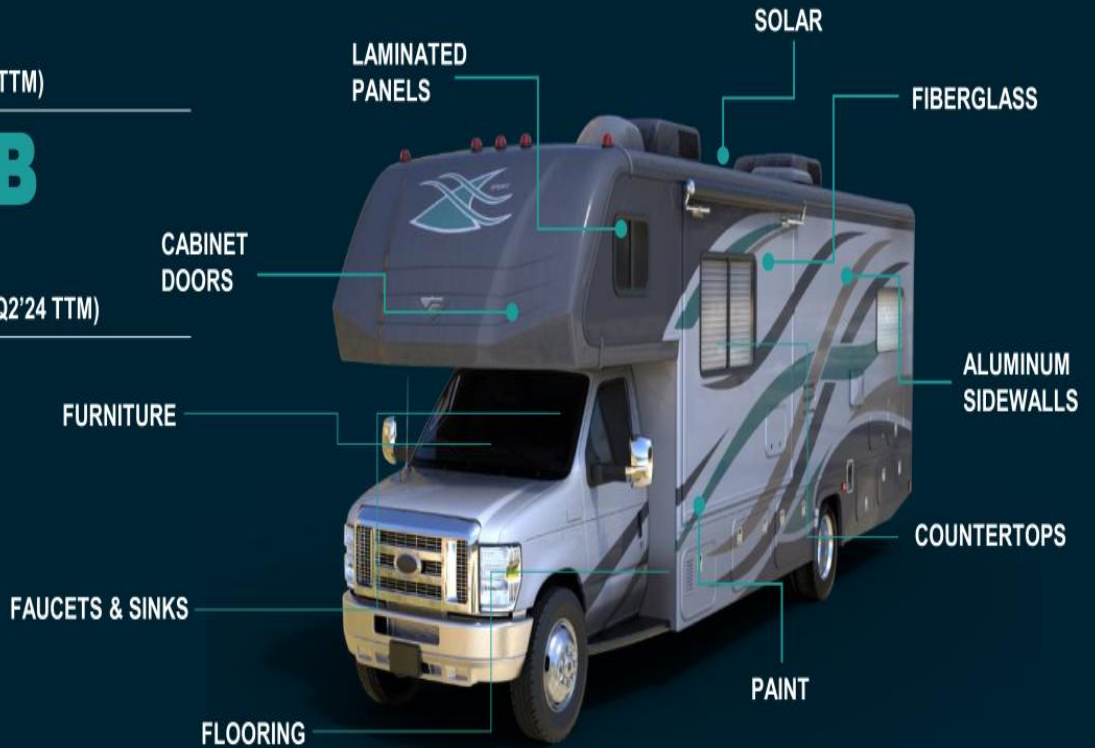
ESTABLISHED SUPPLIER OF  
CHOICE FOR RV OEMS

NET SALES (Q2'24 TTM)

**\$1.62B**

% OF NET SALES (Q2'24 TTM)

**45%**



Featured product categories are only a sampling of Patrick's capabilities. A more complete listing can be found in our most recent 10-K.

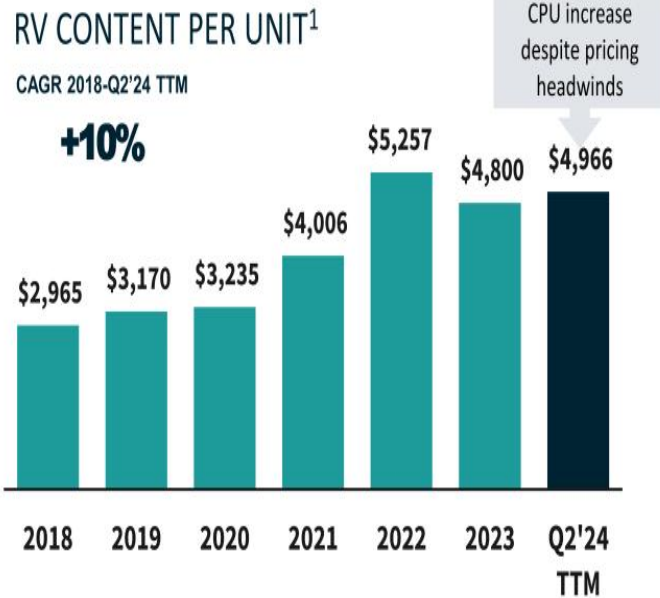
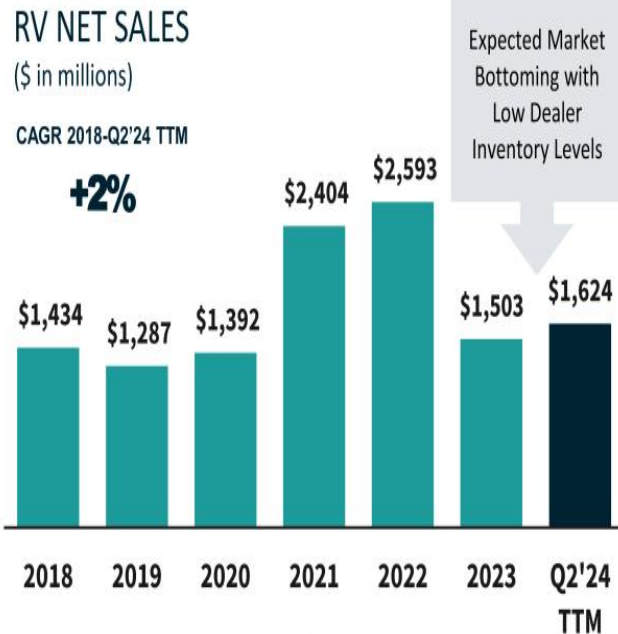
### END MARKET NET SALES DRIVERS

RV net sales grew 17% y/y in Q2'24, fueled by a 7% improvement in RV wholesale unit shipments<sup>1</sup> and market share gains in the quarter

Shipments improved as OEMs began to increase production after the cycle likely hit bottom in 2023

### MARKET TRENDS

- Dealers remain focused on maintaining appropriate inventory given high floorplan costs
- Entry-level towable units and preferred brands have led the volume recovery in the RV market in 2024



<sup>1</sup> Company estimates based on data published by RVIA as of the Company's reported Q2'2024 earnings on 08/01/2024



LEADING SUPPLIER OF HIGHLY-ENGINEERED, VALUE-ADDED PRODUCTS

NET SALES (Q2'24 TTM)

**\$631M**

% OF NET SALES (Q2'24 TTM)

**17%**



Featured product categories are only a sampling of Patrick's capabilities. A more complete listing can be found in our most recent 10-K.

### END MARKET NET SALES DRIVERS

Wholesale powerboat unit shipments were down 27% in Q2'24 leading to a 30% decline in net sales y/y; during the same period ski/wake and pontoon shipments, were down ~ 57% and ~33%, respectively <sup>1</sup>

CPU declined partially due to commodity costs passed back to customers and unfavorable mix of shipments in the period

### MARKET TRENDS

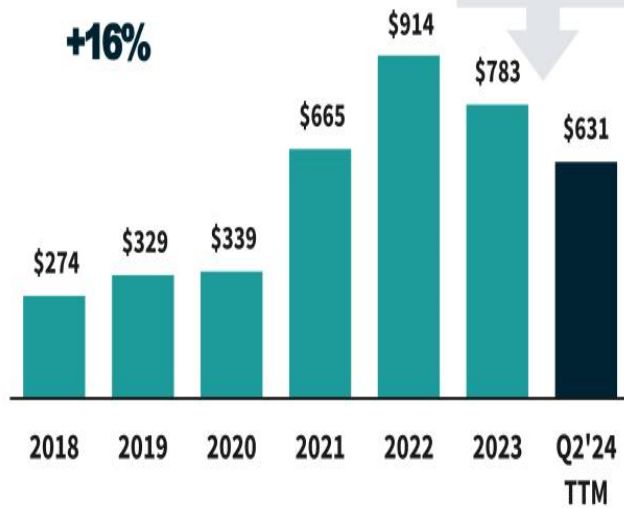
- Customers remain cautious due to interest rate headwinds
- Higher floorplan costs and lower retail velocity continue to drive dealers' desire to destock inventory

### MARINE NET SALES

(\$ in millions)

CAGR 2018-Q2'24 TTM

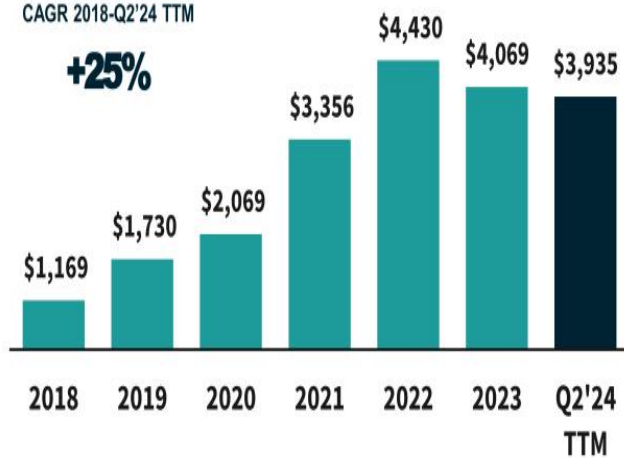
**+16%**



### MARINE CONTENT PER UNIT <sup>1</sup>

CAGR 2018-Q2'24 TTM

**+25%**



<sup>1</sup> Company estimates based on data published by NMMA as of the Company's reported Q2'2024 earnings on 08/01/2024

SOLIDIFYING INDUSTRY  
LEADING POWERSPORTS PLATFORM

NET SALES (Q2'24 TTM)

**\$239M**

% OF NET SALES (Q2'24 TTM)

**7%**

LEADING PLATFORM OF BRANDS



Featured product categories are only a sampling of Patrick's capabilities. A more complete listing can be found in our most recent 10-K.

### END MARKET NET SALES DRIVERS

Sportech acquisition outperformed our initial expectations in the second quarter

Utility side-by-side market remained resilient compared to broader powersports category

Expanding partnership with OEMs to drive innovative solutions and improve customer utility

### MARKET TRENDS

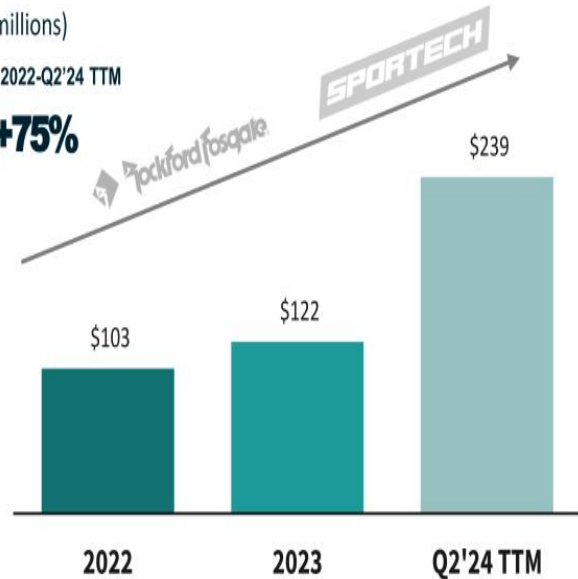
- OEMs prioritizing new customer attraction
- Creature comforts like HVAC require the doors and cab enclosures Sportech designs and manufactures

### POWERSPORTS NET SALES

(\$ in millions)

CAGR 2022-Q2'24 TTM

**+75%**



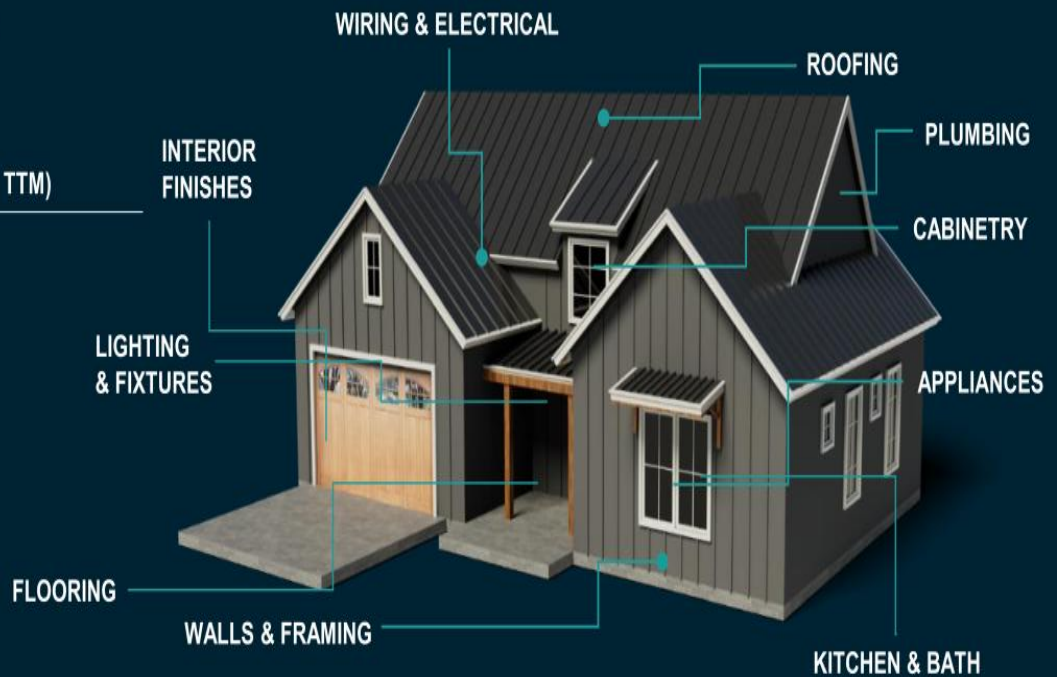
KEY SUPPLIER TO THE AFFORDABLE HOUSING SECTOR

NET SALES (Q2'24 TTM)

**\$1.10B**

% OF NET SALES (Q2'24 TTM)

**31%**



Featured product categories are only a sampling of Patrick's capabilities. A more complete listing can be found in our most recent 10-K.

**END MARKET NET SALES DRIVERS**

MH shipments improved 19% y/y in the second quarter and are up 17% YTD<sup>1</sup>, which when combined with share gains contributed to consistent net sales growth

New and innovative products helping to drive share gains

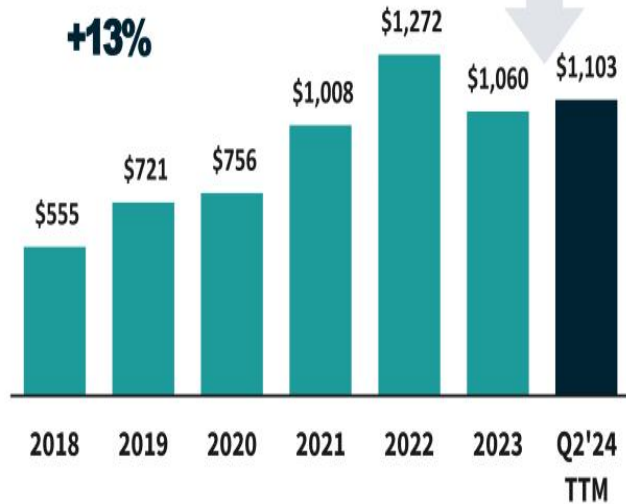
**MARKET TRENDS**

- Demand for affordable housing remains strong; conversion is limited by the high-interest rate environment and limited available inventory
- Technological advancements in construction are improving the quality and efficiency of manufactured homes

**HOUSING NET SALES**

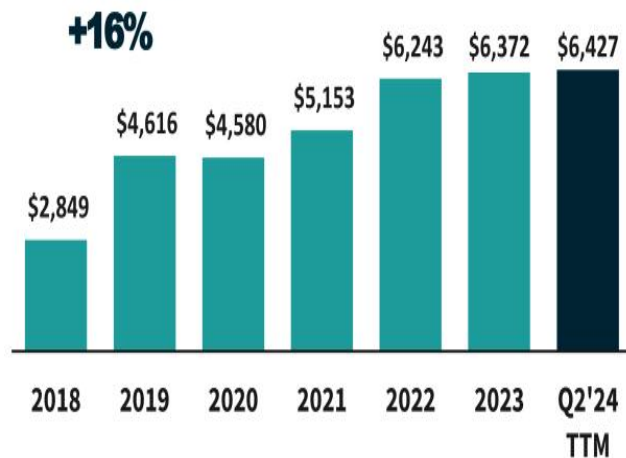
(\$ in millions)

CAGR 2018-Q2'24 TTM



**TTM MH CONTENT PER UNIT<sup>1</sup>**

CAGR 2018-Q2'24 TTM



<sup>1</sup> Company estimates based on data published by the Manufactured Housing Institute (MHI) as of the Company's reported Q2'2024 earnings on 08/01/2024

# Strategic Priorities

Trusted  
Partner and  
Supplier of  
Choice



## ADVANCE ORGANIC GROWTH

Leverage cross-selling synergies, utilize innovation playbook, and optimize core competencies



## MAINTAIN SOLID FINANCIAL FOUNDATION

Maintain strong balance sheet and robust cash flow generation bolstering ability to navigate economic challenges and pursue profitable growth opportunities



## CONTINUE STRATEGIC DIVERSIFICATION

Support our brands' organic growth while remaining poised and ready to execute on strategic opportunities across the Outdoor Enthusiast and Housing markets

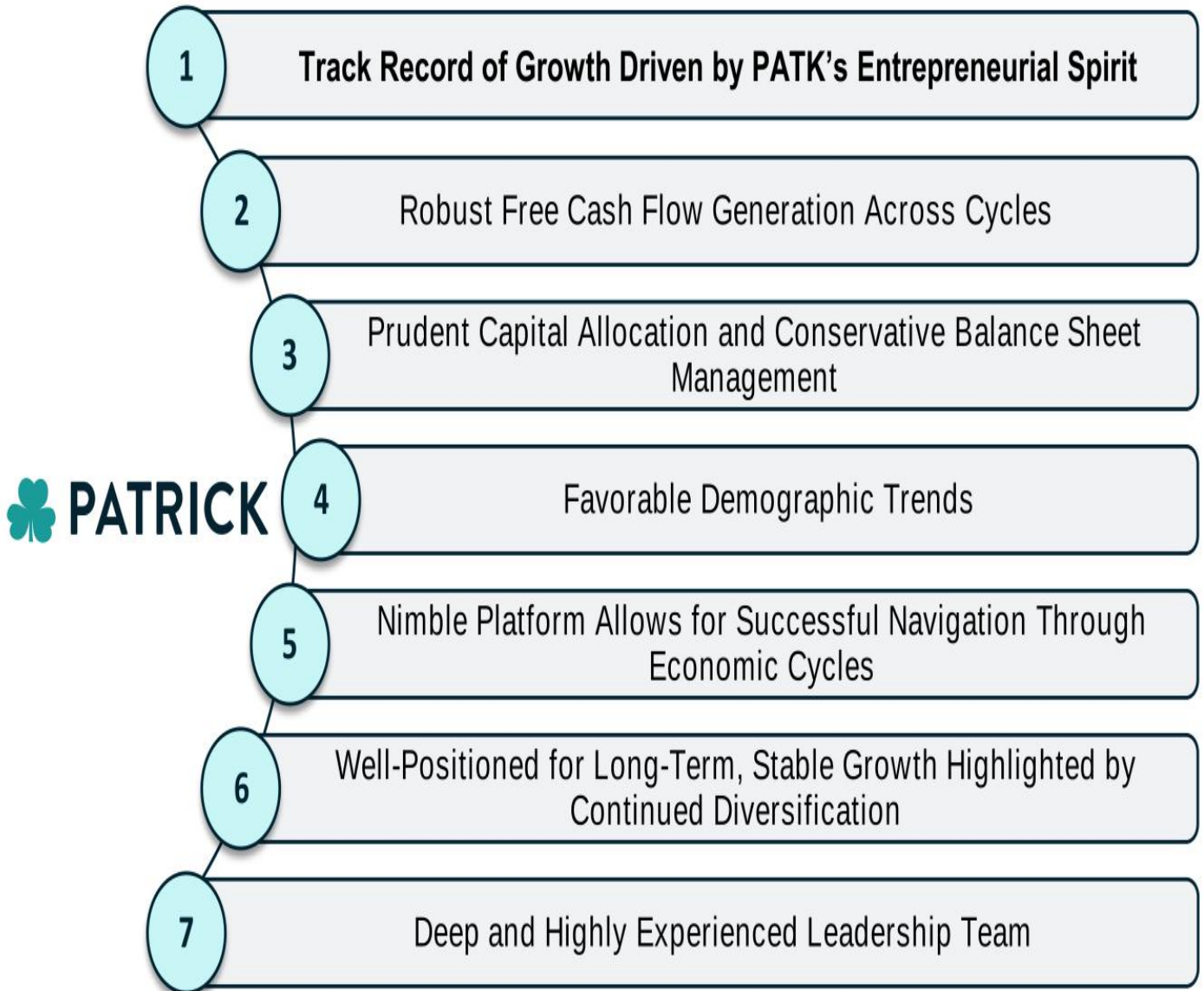


# Credit Highlights





# Key Credit Highlights

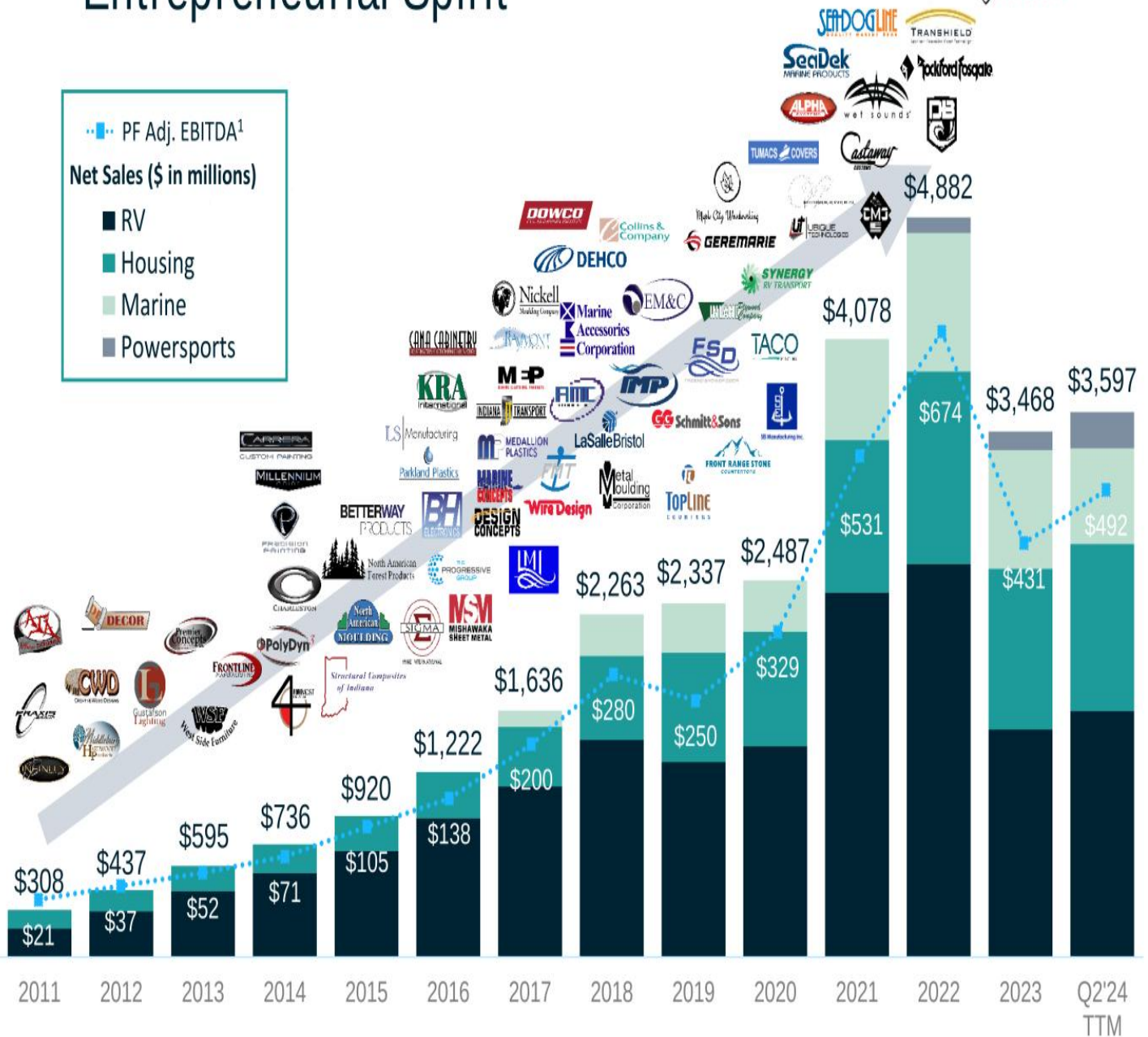


1

# Track Record of Growth Driven by PATK's Entrepreneurial Spirit

SPORTECH

PATRICK MARINE

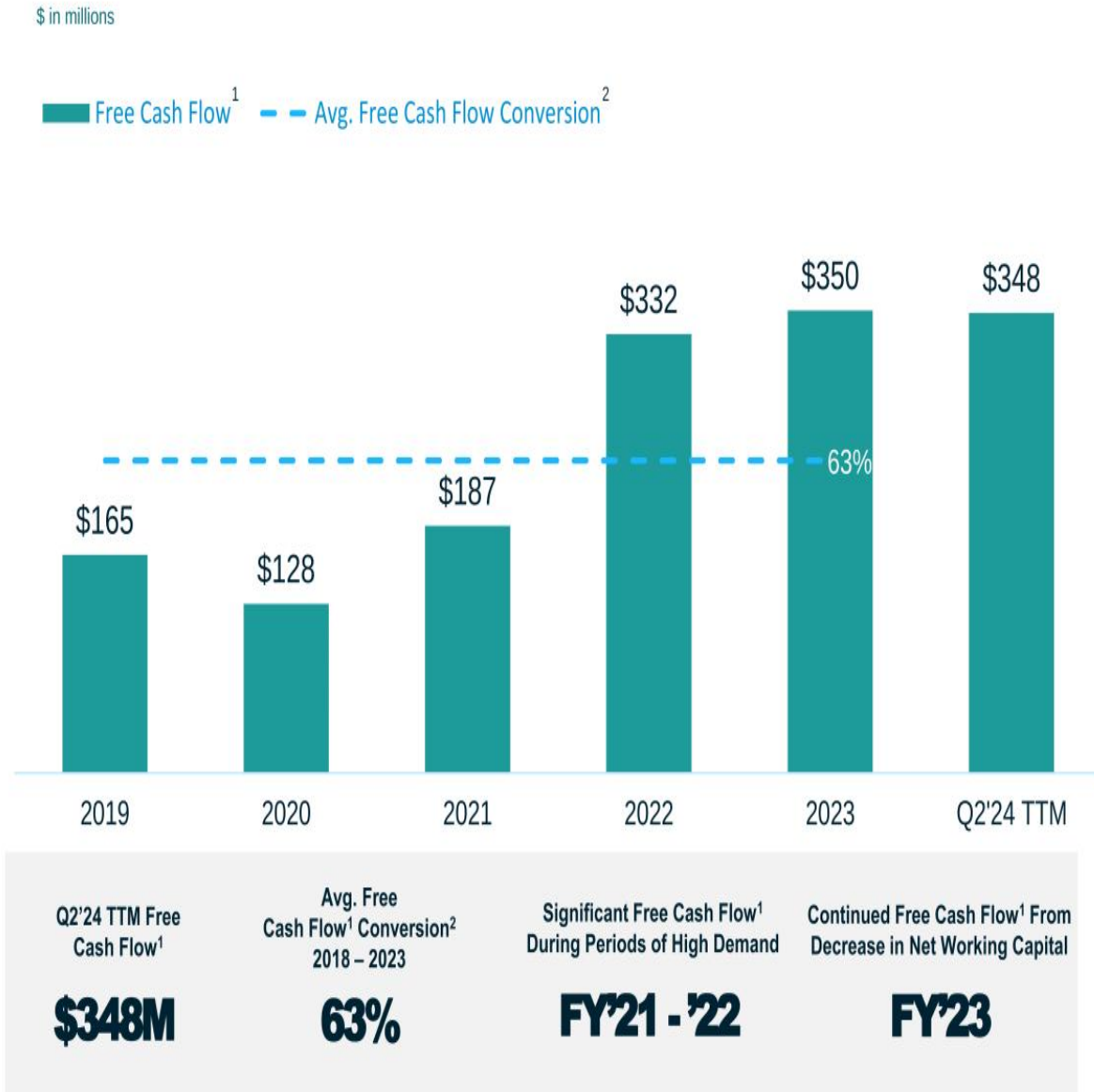


PATRICK

<sup>1</sup> Non-GAAP metric, see appendix for reconciliation to closest GAAP metric.

2

# Robust Free Cash Flow Generation Across Cycles



<sup>1</sup> Free Cash Flow is a non-GAAP metric, see appendix for reconciliation to closest GAAP metric | <sup>2</sup> Free Cash Flow/PF Adj. EBITDA

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# Prudent Capital Allocation and...

## Cash Flow Priorities

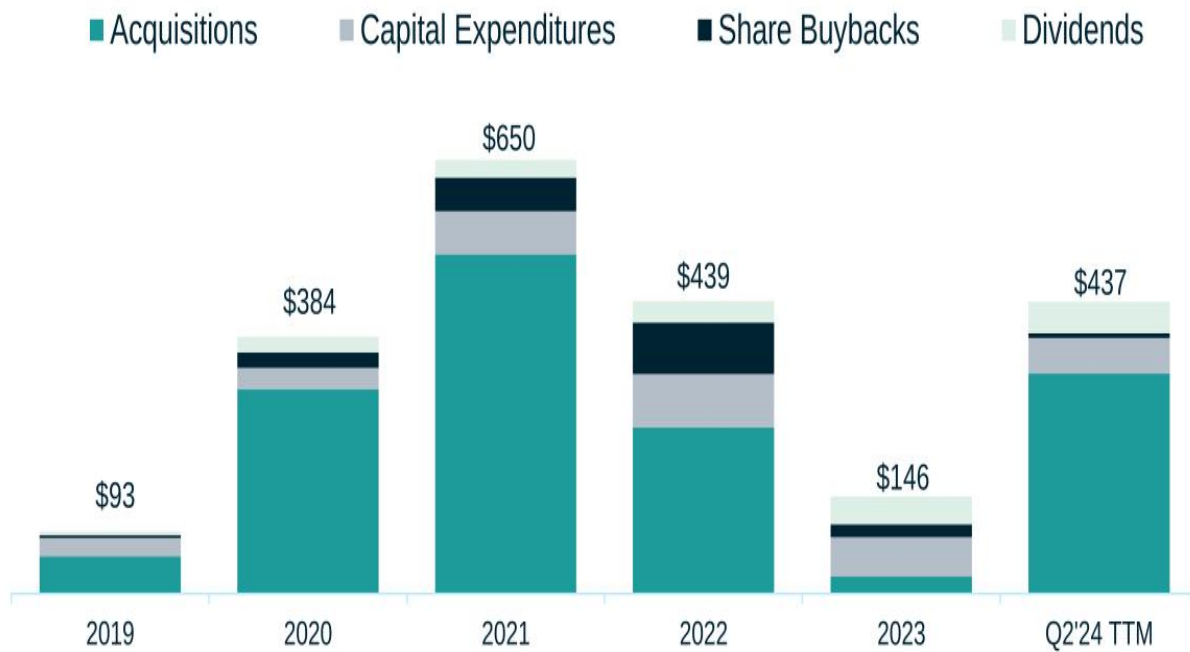


Invest in Cash Flow Accretive Projects



Automation and Investments in IT to Manage Costs

## Historic Use of Cash (\$ in millions)



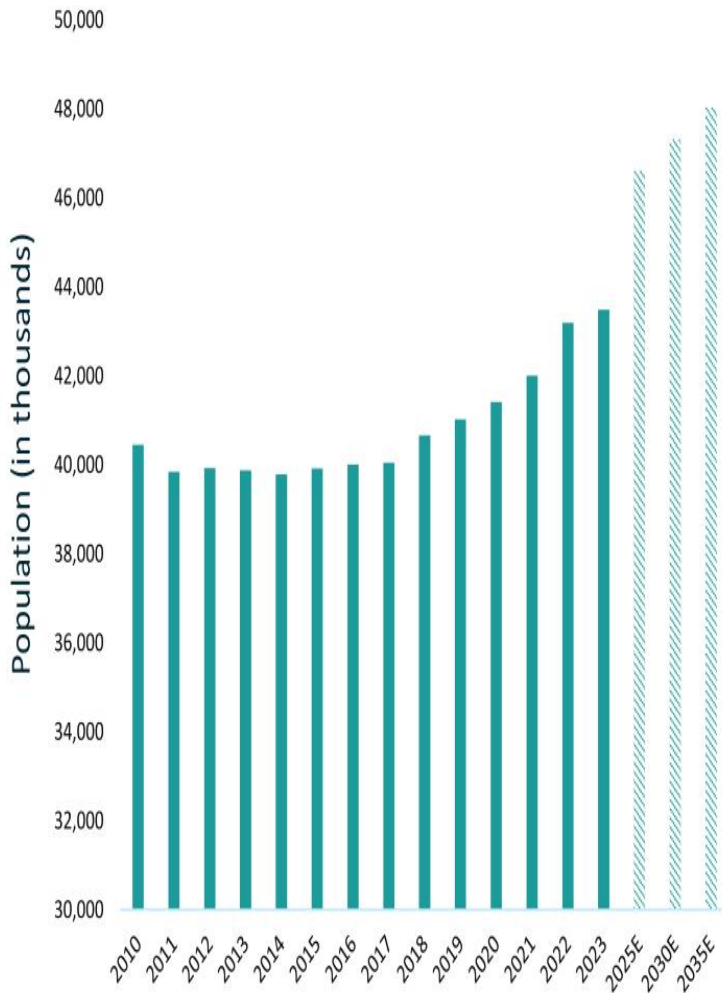
Maintenance Capital Expenditures are typically \$25 - \$30 Million Annually,  
With Acquisitions, other Capital Expenditures, and Share Buybacks Done on a Discretionary Basis



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# Favorable Demographic Trends

Target Demographic (US 35-44)  
Continues to Grow <sup>2</sup>



**RV**

**84%**  
Of Millennial and Gen Z RV owners plan to buy another RV of which 78% prefer to buy a new model<sup>1</sup>

**22%**  
Of current RV owners are between ages 18-34<sup>1</sup>

**32**  
Average age of RV buyers, down from 41 pre-pandemic<sup>1</sup>

**69%**  
Of current households in America are camping households<sup>3</sup>

**HOUSING**

**65%**  
Of realtors reported that properties sold in less than one month<sup>5</sup>

**MARINE**

**49%**  
Of boat owners who bought boats during the pandemic plan to upgrade<sup>4</sup>

**OUTDOOR ENTHUSIAST**

**THE EXPLORE ACT**

Recently passed to improve the outdoor enthusiast experience and conserve national parks and public lands



<sup>1</sup> RV Industry Association/SSI/Company Estimates | <sup>2</sup> U.S. Census Bureau | <sup>3</sup> The 2023 North American Camping & Outdoor Hospitality Report sponsored by Kampgrounds of America, Inc. (data as of 2022) | <sup>4</sup> Boat Trader Survey 2023 | <sup>5</sup> June 2024 NAR Realtor Confidence Index

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# Nimble Platform Allows for Successful Navigation Through Economic Cycles

## Key Messages

- 1 Flexible, high variable cost business model
- 2 Leadership team with deep industry experience
- 3 Disciplined cost management with continued focus on optimizing fixed costs
- 4 Strong balance sheet



## Playbook

### Flexible Business Model



- High variable cost model
- Flexible manufacturing process
- Can adjust output quickly based on capacities and demand
- Non-capital-intensive businesses
- Flexible working capital



### Cost Containment Actions Taken

- ✓ Voluntary wage reductions at Executive Level
- ✓ Wage reductions for salaried team members
- ✓ Furlough of members that were impacted by suspension of operations
- ✓ RIF actions
- ✓ Stopped all non-essential hiring
- ✓ Prioritized critical maintenance capital expenditures
- ✓ Aggressive reduction of working capital



### Additional Levers Available

- Further wage reductions
- Facility consolidations
- Divestiture of facilities / brands
- Staggered lease terms
- Sale leasebacks

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## Well-Positioned For Long-Term Stable Growth...



### 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

### STRATEGIC GEOGRAPHIC POSITION

Grow geographic footprint near OEMs and customers to enhance responsiveness to customer needs and improving logistics efficiencies

### INDUSTRY GROWTH

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

### MARKET LEADER

Developed leading market positions in key product categories across our four primary end markets

### CUSTOMER RELATIONSHIPS

Cross-pollinate sales across customers and market sectors in our Outdoor Enthusiast and Housing markets

These growth initiatives have resulted in Patrick becoming a leading component solutions provider in the Outdoor Enthusiast and Housing markets

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## ...Highlighted by Continued Diversification

### Q2'24 Highlights:

Share/content growth of 7%

Strategic acquisitions and diversification propelling net sales and margin expansion

Strong cash flow generation and balance sheet

Customer-focused innovation driving organic growth and market share gains

Automation initiatives driving operational improvement

\$ in millions	FY 2019	Q2'24 TTM	Δ
Wholesale RV Shipments	406,070	326,940	(19)%
Total Net Sales	\$2,337	\$3,597	+54%
Total RV Sales	\$1,287	\$1,624	+26%
Total Marine Sales*	\$329	\$631	+92%
Total Housing Sales	\$721	\$1,103	+53%
Total Powersports Sales	-	\$239	NM
Gross Margin	18.1%	22.6%	+450 bps
Adjusted Operating Margin <sup>1</sup>	6.6%	7.7%	+110 bps
Free Cash Flow <sup>1</sup>	\$165	\$348	+111%



<sup>1</sup> Non-GAAP metric, see appendix for reconciliation to closest GAAP metric.

\*In 2019 Powersports sales were included in Marine Sales



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# Deep and Highly Experienced Management Team

- o Average management team industry experience of ~25 years, spanning multiple economic cycles
- o Senior leadership team managed the Company through the last recession and have subsequently transformed the Company
- o Given deep industry experience, the management team knows which levers to pull as economic conditions change
- o Proven ability to manage at scale with approximately 10,000 employees across 23 states



**Andy Nemeth**  
*Chairman & CEO*



**Jeff Rodino**  
*President - RV*



**Kip Ellis**  
*President – Powersports,  
Technology, & Housing*



**Richard Reyenger**  
*President - Marine*



**Andy Roeder**  
*EVP – Finance,  
CFO, & Treasurer*



**Hugo Gonzalez**  
*EVP – Operations &  
COO*



**Stacey Amundson**  
*EVP & Chief HR Officer*



**Joel Duthie**  
*EVP, Chief Legal Officer  
& Secretary*



**Charlie Roeder**  
*EVP – Sales & Chief  
Sales Officer*



**Matt Filer**  
*SVP – Finance & Chief  
Accounting Officer*



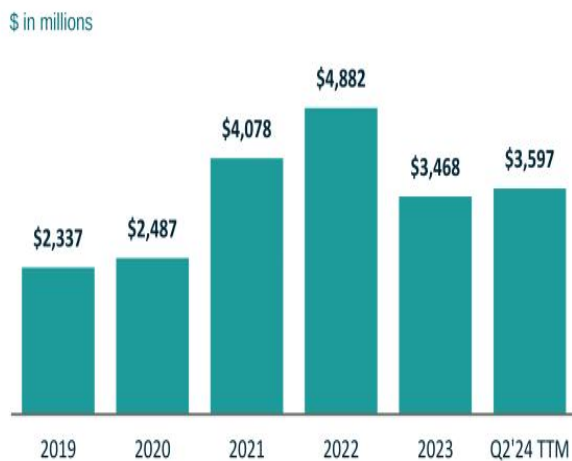


# Financial Overview

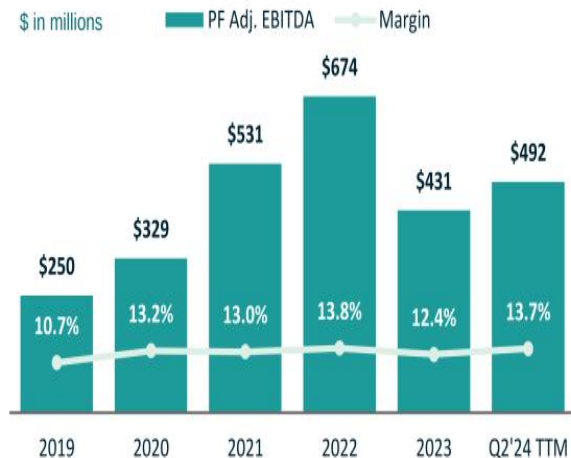


# Historical Financial Overview

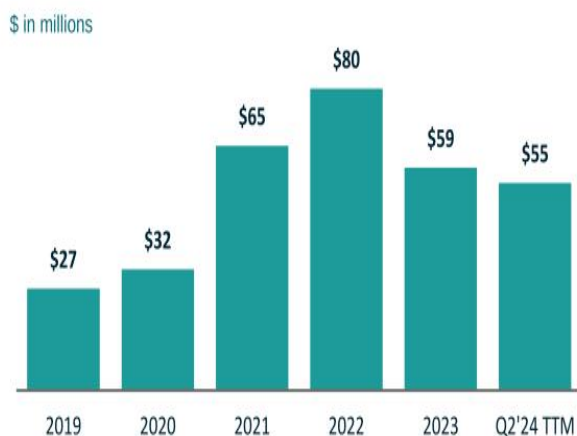
## Net Sales



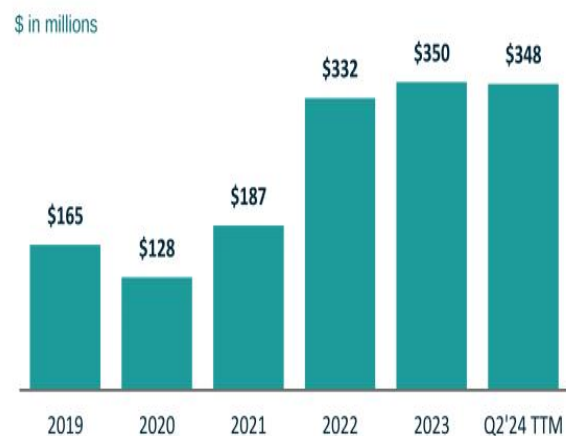
## Pro Forma Adjusted EBITDA<sup>2</sup> & Margin<sup>2</sup>



## Capital Expenditures



## Free Cash Flow<sup>1</sup>



**PATRICK** <sup>1</sup>Free Cash Flow is a non-GAAP metric, defined as Cash Flows from Operating Activities less Capital Expenditures, see appendix for reconciliation from GAAP metrics | <sup>2</sup>Non-GAAP metric, see appendix for reconciliation to closest GAAP metric.



Q&A



# Appendix

# Non-GAAP Reconciliations <sup>1</sup>

RECONCILIATION OF NET INCOME TO EBITDA TO PRO FORMA ADJUSTED EBITDA	(\$ in millions)	Fiscal Year Ended December 31,						Q2'24
		2018	2019	2020	2021	2022	2023	TTM
Net Income		\$120	\$90	\$97	\$225	\$328	\$143	\$153
+ Interest Expense, net		26	37	43	58	61	69	73
+ Income Taxes		32	28	33	69	107	48	46
+ Depreciation & Amortization		55	63	74	105	131	145	155
EBITDA		\$233	\$218	\$247	\$457	\$627	\$405	\$427
+ Stock Compensation Expense		14	15	16	23	22	19	21
+ Acquisition Pro Forma, transaction-related expenses & other		33	17	66	51	25	7	44
Pro Forma Adjusted EBITDA*		\$280	\$250	\$329	\$531	\$674	\$431	\$492
Net Sales		\$2,263	\$2,337	\$2,487	\$4,078	\$4,882	\$3,468	\$3,597
Pro Forma Adjusted EBITDA Margin		12.4%	10.7%	13.2%	13.0%	13.8%	12.4%	13.7%

CALCULATION OF FREE CASH FLOW	(\$ in millions)	Fiscal Year Ended December 31,						Q2'24
		2018	2019	2020	2021	2022	2023	TTM
Cash Flows from Operating Activities		\$200	\$192	\$160	\$252	\$412	\$409	\$403
Less: Capital Expenditures		(34)	(27)	(32)	(65)	(80)	(59)	(55)
Free Cash Flow		\$166	\$165	\$128	\$187	\$332	\$350	\$348
Pro Forma Adjusted EBITDA*		\$280	\$250	\$329	\$531	\$674	\$431	\$492
Free Cash Flow Conversion		59.3%	66.0%	38.9%	35.2%	49.3%	81.2%	70.7%

RECONCILIATION OF ADJUSTED OPERATING MARGIN FOR THE TRAILING TWELVE MONTHS		Q2 '24 TTM	2019
		Operating Income	\$272
Net Sales	\$3,597	\$2,337	
Operating margin	7.6%	6.6%	
Acquisition related fair-value inventory step-up	-	-	
Transaction costs	0.1%	-	
Adjusted operating margin	7.7%	6.6%	



<sup>1</sup> May not sum due to rounding

#### Use of Non-GAAP Financial Information

\* As defined by credit agreement

- Earnings before interest, taxes, depreciation and amortization ("EBITDA"), Pro-Forma Adjusted EBITDA, EBITDA Margin, Free Cash Flow, Adjusted Operating Margin, Net Debt and Pro Forma Total Net Leverage 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.
- Net Debt is defined as total debt less cash and cash equivalents. Pro Forma Total Net Leverage is the ratio of Net Debt to Pro Forma Adjusted EBITDA.
- Free Cash Flow Conversion is Free Cash Flow divided by Pro Forma Adjusted EBITDA.
- We adjust for the items listed above in all periods presented, unless the impact is 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.

# EMPOWERING ENTHUSIASTS

 PATRICK

