**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**
**FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE QUARTERLY PERIOD ENDED June 28, 2026**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ……………… to ………………

**Commission file number 000-03922**

PATRICK

# PATRICK INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Indiana** | **35-1057796** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **107 W. Franklin St.**<br>**Elkhart, IN** | **46516** |
| (Address of principal executive offices) | (ZIP Code) |

**(574) 294-7511**
(Registrant’s telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ | Non-accelerated filer | ☐ | Smaller reporting company | ☐ | 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 31, 2026, there were 32,118,264 shares of the registrant’s common stock outstanding.

**PATRICK INDUSTRIES, INC.**

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## PART 1: FINANCIAL INFORMATION
## ITEM 1. FINANCIAL STATEMENTS

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

| *($ and shares in thousands, except per share data)* | Three Months Ended June 28, 2026 | Three Months Ended June 29, 2025 | Six Months Ended June 28, 2026 | Six Months Ended June 29, 2025 |
|---|---|---|---|---|
| **Net sales** | $ 1,041,704 | $ 1,047,554 | $ 2,038,876 | $ 2,050,974 |
| Cost of goods sold | 794,129 | 796,922 | 1,564,441 | 1,571,751 |
| **Gross profit** | 247,575 | 250,632 | 474,435 | 479,223 |
| | | | | |
| Operating expenses: | | | | |
| Warehouse and delivery | 50,608 | 46,075 | 95,640 | 90,657 |
| Selling, general and administrative | 96,188 | 93,206 | 189,284 | 187,137 |
| Amortization of intangible assets | 23,744 | 24,629 | 47,754 | 49,138 |
| Total operating expenses | 170,540 | 163,910 | 332,678 | 326,932 |
| **Operating income** | 77,035 | 86,722 | 141,757 | 152,291 |
| Interest expense, net | 18,978 | 18,869 | 37,366 | 37,981 |
| Other expenses | — | 24,420 | — | 24,420 |
| Income before income taxes | 58,057 | 43,433 | 104,391 | 89,890 |
| Income taxes | 14,636 | 10,997 | 21,490 | 19,216 |
| **Net income** | $ 43,421 | $ 32,436 | $ 82,901 | $ 70,674 |
| | | | | |
| **Basic earnings per common share** | $ 1.36 | $ 1.00 | $ 2.57 | $ 2.17 |
| **Diluted earnings per common share** | $ 1.28 | $ 0.96 | $ 2.37 | $ 2.07 |
| | | | | |
| Weighted average shares outstanding – Basic | 31,913 | 32,520 | 32,199 | 32,595 |
| Weighted average shares outstanding – Diluted | 33,973 | 33,823 | 34,993 | 34,116 |

See accompanying Notes to Condensed Consolidated Financial Statements.

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

| *($ in thousands)* | Three Months Ended June 28, 2026 | Three Months Ended June 29, 2025 | Six Months Ended June 28, 2026 | Six Months Ended June 29, 2025 |
|---|---|---|---|---|
| **Net income** | $ 43,421 | $ 32,436 | $ 82,901 | $ 70,674 |
| Other comprehensive income (loss), net of tax: | | | | |
| Foreign currency translation gain (loss) | 31 | (6) | 42 | (2) |
| Other | (256) | — | (216) | — |
| Total other comprehensive loss | (225) | (6) | (174) | (2) |
| **Comprehensive income** | $ 43,196 | $ 32,430 | $ 82,727 | $ 70,672 |

See accompanying Notes to Condensed Consolidated Financial Statements.

**PATRICK INDUSTRIES, INC.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**

| *($ in thousands)* | (Unaudited) June 28, 2026 | December 31, 2025 |
|---|---|---|
| **ASSETS** | | |
| Current Assets: | | |
| Cash and cash equivalents | $ 29,160 | $ 26,432 |
| Trade and other receivables, net | 276,863 | 185,405 |
| Inventories | 653,255 | 595,265 |
| Prepaid expenses and other | 63,180 | 66,020 |
| **Total current assets** | 1,022,458 | 873,122 |
| Property, plant and equipment, net | 410,230 | 408,502 |
| Operating lease right-of-use assets | 227,533 | 199,087 |
| Goodwill | 839,716 | 840,101 |
| Intangible assets, net | 699,337 | 742,561 |
| Other non-current assets | 12,012 | 12,801 |
| **Total assets** | $ 3,211,286 | $ 3,076,174 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| Current Liabilities: | | |
| Current maturities of long-term debt | $ 6,250 | $ 6,250 |
| Current operating lease liabilities | 57,977 | 54,956 |
| Accounts payable | 224,474 | 192,448 |
| Accrued liabilities | 94,135 | 94,412 |
| Other current liabilities | 416 | 424 |
| **Total current liabilities** | 383,252 | 348,490 |
| Long-term debt, less current maturities, net | 1,412,496 | 1,282,821 |
| Long-term operating lease liabilities | 174,717 | 148,889 |
| Deferred tax liabilities, net | 96,079 | 96,875 |
| Other long-term liabilities | 13,666 | 14,802 |
| **Total liabilities** | 2,080,210 | 1,891,877 |
| **Shareholders' equity** | | |
| Preferred shares, no par value per share, 1,000,000 shares authorized, none issued and outstanding | — | — |
| Common stock, no par value per share, 60,000,000 shares authorized, 32,124,821 and 33,224,772 issued and outstanding as of June 28, 2026 and December 31, 2025, respectively | 201,986 | 208,210 |
| Accumulated other comprehensive loss | (1,050) | (876) |
| Retained earnings | 930,140 | 976,963 |
| **Total shareholders' equity** | 1,131,076 | 1,184,297 |
| **Total liabilities and shareholders' equity** | $ 3,211,286 | $ 3,076,174 |

See accompanying Notes to Condensed Consolidated Financial Statements.

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

| *($ in thousands)* | Six Months Ended June 28, 2026 | Six Months Ended June 29, 2025 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net income | $ 82,901 | $ 70,674 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 85,790 | 85,255 |
| Stock-based compensation expense | 11,986 | 11,300 |
| Deferred income taxes | (796) | (7,782) |
| Amortization of deferred debt financing costs | 1,660 | 1,611 |
| (Gain) loss on sale of property, plant and equipment | (584) | 2,094 |
| Other | 706 | (1,422) |
| Change in operating assets and liabilities, net of acquisitions of businesses: | | |
| Trade and other receivables, net | (91,000) | (88,883) |
| Inventories | (56,504) | 4,655 |
| Prepaid expenses and other assets | 3,378 | 4,493 |
| Accounts payable, accrued liabilities and other | 31,370 | 107,472 |
| Net cash provided by operating activities | 68,907 | 189,467 |
| **Cash flows from investing activities** | | |
| Purchases of property, plant and equipment | (36,558) | (38,446) |
| Proceeds from sale of property, plant and equipment | 1,645 | 1,832 |
| Business acquisitions, net of cash acquired | (7,297) | (48,140) |
| Other investing activities | (2,007) | (1,864) |
| Net cash used in investing activities | (44,217) | (86,618) |
| **Cash flows from financing activities** | | |
| Term debt repayments | (1,563) | (1,563) |
| Borrowings on revolver | 560,724 | 345,536 |
| Repayments on revolver | (430,724) | (390,536) |
| Stock repurchases under buyback program | (106,133) | (31,969) |
| Cash dividends paid to shareholders | (31,208) | (26,951) |
| Taxes paid for share-based payment arrangements | (11,270) | (8,611) |
| Payment of contingent consideration from business acquisitions | (1,750) | (33) |
| Other financing activities | (38) | (309) |
| Net cash used in financing activities | (21,962) | (114,436) |
| Net increase (decrease) in cash and cash equivalents | 2,728 | (11,587) |
| Cash and cash equivalents at beginning of year | 26,432 | 33,561 |
| Cash and cash equivalents at end of period | $ 29,160 | $ 21,974 |

See accompanying Notes to Condensed Consolidated Financial Statements.

**PATRICK INDUSTRIES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)**

| | Three Months Ended June 28, 2026 | | | |
|---|---|---|---|---|
| *($ in thousands)* | Common Stock | Accumulated Other Comprehensive Loss | Retained Earnings | Total |
| **Balance at March 29, 2026** | $ 202,231 | $ (825) | $ 986,964 | $ 1,188,370 |
| Net income | — | — | 43,421 | 43,421 |
| Dividends declared | — | — | (14,945) | (14,945) |
| Other comprehensive loss, net of tax | — | (225) | — | (225) |
| Stock repurchases under buyback program | (6,140) | — | (85,300) | (91,440) |
| Repurchase of shares for tax payments related to the vesting and exercising of share-based grants | (113) | — | — | (113) |
| Stock-based compensation expense | 6,008 | — | — | 6,008 |
| **Balance at June 28, 2026** | $ 201,986 | $ (1,050) | $ 930,140 | $ 1,131,076 |

| | Three Months Ended June 29, 2025 | | | |
|---|---|---|---|---|
| *($ in thousands)* | Common Stock | Accumulated Other Comprehensive Loss | Retained Earnings | Total |
| **Balance at March 30, 2025** | $ 198,408 | $ (922) | $ 943,782 | $ 1,141,268 |
| Net income | — | — | 32,436 | 32,436 |
| Dividends declared | — | — | (13,164) | (13,164) |
| Other comprehensive loss, net of tax | — | (6) | — | (6) |
| Stock repurchases under buyback program | (1,676) | — | (21,782) | (23,458) |
| Repurchase of shares for tax payments related to the vesting and exercising of share-based grants | (18) | — | — | (18) |
| Stock-based compensation expense | 6,051 | — | — | 6,051 |
| **Balance at June 29, 2025** | $ 202,765 | $ (928) | $ 941,272 | $ 1,143,109 |

See accompanying Notes to Condensed Consolidated Financial Statements.

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**PATRICK INDUSTRIES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)**

| *($ in thousands)* | Six Months Ended June 28, 2026 Common Stock | Accumulated Other Comprehensive Loss | Retained Earnings | Total |
|---|---|---|---|---|
| **Balance at December 31, 2025** | $ 208,210 | $ (876) | $ 976,963 | $ 1,184,297 |
| Net income | — | — | 82,901 | 82,901 |
| Dividends declared | — | — | (30,531) | (30,531) |
| Other comprehensive loss, net of tax | — | (174) | — | (174) |
| Stock repurchases under buyback program | (6,940) | — | (99,193) | (106,133) |
| Repurchase of shares for tax payments related to the vesting and exercising of share-based grants | (11,270) | — | — | (11,270) |
| Stock-based compensation expense | 11,986 | — | — | 11,986 |
| **Balance at June 28, 2026** | $ 201,986 | $ (1,050) | $ 930,140 | $ 1,131,076 |

| *($ in thousands)* | Six Months Ended June 29, 2025 Common Stock | Accumulated Other Comprehensive Loss | Retained Earnings | Total |
|---|---|---|---|---|
| **Balance at December 31, 2024** | $ 202,353 | $ (926) | $ 926,939 | $ 1,128,366 |
| Net income | — | — | 70,674 | 70,674 |
| Dividends declared | — | — | (26,649) | (26,649) |
| Other comprehensive loss, net of tax | — | (2) | — | (2) |
| Stock repurchases under buyback program | (2,277) | — | (29,692) | (31,969) |
| Repurchase of shares for tax payments related to the vesting and exercising of share-based grants | (8,611) | — | — | (8,611) |
| Stock-based compensation expense | 11,300 | — | — | 11,300 |
| **Balance at June 29, 2025** | $ 202,765 | $ (928) | $ 941,272 | $ 1,143,109 |

See accompanying Notes to Condensed Consolidated Financial Statements.

# PATRICK INDUSTRIES, INC.
## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

### NOTE 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements of Patrick Industries, Inc. (“Patrick”, the “Company”, "we", "our") contain all adjustments (consisting of normal recurring adjustments) that we believe are necessary to present fairly the Company’s financial position as of June 28, 2026 and December 31, 2025, its results of operations for the three and six months ended June 28, 2026 and June 29, 2025, and its cash flows for the six months ended June 28, 2026 and June 29, 2025.

Patrick's unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The accompanying unaudited condensed consolidated financial statements for Patrick do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) and disclosures considered necessary for a fair presentation have been included. For further information, refer to Patrick’s Audited Consolidated Financial Statements and corresponding notes in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 19, 2026.

The Company maintains its financial records on the basis of a fiscal year ending on December 31, with the fiscal quarters spanning approximately thirteen weeks. The first quarter ends on the Sunday closest to the end of the first thirteen-week period. The second and third quarters are thirteen weeks in duration and the fourth quarter is the remainder of the year. The second quarter of fiscal year 2026 ended on June 28, 2026, and the second quarter of fiscal year 2025 ended on June 29, 2025.

**Earnings Per Common Share**

Basic earnings per common share is computed by dividing net income by the weighted-average number of common shares outstanding. Diluted earnings per common share is computed by dividing net income available for diluted shares by the weighted-average number of common shares outstanding, plus the weighted-average impact of potentially dilutive convertible notes and warrants, plus the dilutive effect of stock options, stock appreciation rights ("SARs"), and certain restricted stock awards (collectively, “Common Stock Equivalents”). The dilutive effect of Common Stock Equivalents is calculated under the treasury stock method using the average market price for the period. Common Stock Equivalents are not included in the computation of diluted earnings per common share if their effect would be anti-dilutive.

**Other expenses**

Other expenses were zero for the three and six months ended June 28, 2026. During the three and six months ended June 29, 2025, the Company recognized a legal settlement expense of $24.4 million, related to a motor vehicle accident that resulted in two fatalities, within "Other expenses" in the Company's condensed consolidated statements of income.

**Summary of Significant Accounting Policies**

A summary of significant accounting policies is included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 19, 2026.

**Major Customer Concentration**

The Company had two major customers that accounted for the following consolidated net sales for the three and six months ended June 28, 2026 and June 29, 2025:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | **June 28, 2026** | **June 29, 2025** | **June 28, 2026** | **June 29, 2025** |
| Percentage of total net sales: | | | | |
| Customer 1 | 12 % | 14 % | 13 % | 15 % |
| Customer 2 | 12 % | 14 % | 13 % | 15 % |

**New Accounting Standards**

Changes to U.S. GAAP are established by the Financial Accounting Standards Board (“FASB”) in the form of Accounting Standards Updates (“ASUs”) to the FASB’s Accounting Standards Codification.

The Company considers the applicability and impact of all ASUs. ASUs not listed below were either assessed and determined to be not applicable or are expected to have an immaterial impact on the Company’s unaudited condensed consolidated financial statements.

**Recently Issued Accounting Pronouncements**

***Accounting Standards Not Yet Adopted***

In September 2025, the FASB issued ASU 2025-06*, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software"*. This update eliminates the previous stage-based capitalization model for internal-use software projects and instead requires capitalization once management has authorized and committed to funding the software project and it is probable that the project will be completed and the software will be used to perform the function intended. The update permits an entity to apply the new guidance using a prospective transition approach, modified transition approach or a retrospective transition approach. This ASU is effective for fiscal years beginning after December 15, 2027 and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the effects that the adoption of ASU 2025-06 will have on the Company's consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03*, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses"*. The amendments in this update require public business entities to disclose, on an annual and interim basis, disaggregated information about certain income statement expense line items in the notes to the financial statements. Public business entities are required to apply the guidance prospectively or retrospectively. Early adoption is permitted. The Company is currently evaluating the effects that the adoption of ASU 2024-03 will have on the Company's consolidated financial statements.

In January 2025, the FASB issued ASU 2025-01*, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date"*. This update revises the effective date of ASU 2024-03 to clarify that the guidance is to be adopted by all public entities for annual reporting periods beginning after December 15, 2026 and for interim periods within annual reporting periods beginning after December 15, 2027. The intent of this update is to prevent non-calendar year-end entities from concluding that the initial adoption is required to be in an interim reporting period, rather than an annual reporting period.

**NOTE 2. REVENUE RECOGNITION**

In the following table, revenue from contracts with customers, net of all intercompany sales, is disaggregated by market type and by reportable segment:

| | Three Months Ended June 28, 2026 | | |
|---|---|---|---|
| *($ in thousands)* | **Manufacturing** | **Distribution** | **Total** |
| Market type: | | | |
| Recreational Vehicle | $ 291,091 | $ 115,930 | $ 407,021 |
| Marine | 178,804 | 12,548 | 191,352 |
| Powersports | 117,167 | 5,901 | 123,068 |
| Manufactured Housing | 80,450 | 94,729 | 175,179 |
| Industrial | 135,109 | 9,975 | 145,084 |
| Total | $ 802,621 | $ 239,083 | $ 1,041,704 |

| | Three Months Ended June 29, 2025 | | |
|---|---|---|---|
| *($ in thousands)* | **Manufacturing** | **Distribution** | **Total** |
| Market type: | | | |
| Recreational Vehicle | $ 331,269 | $ 148,006 | $ 479,275 |
| Marine | 144,407 | 12,085 | 156,492 |
| Powersports | 91,719 | 4,659 | 96,378 |
| Manufactured Housing | 81,537 | 100,910 | 182,447 |
| Industrial | 122,739 | 10,223 | 132,962 |
| Total | $ 771,671 | $ 275,883 | $ 1,047,554 |

| | Six Months Ended June 28, 2026 | | |
|---|---|---|---|
| *($ in thousands)* | **Manufacturing** | **Distribution** | **Total** |
| Market type: | | | |
| Recreational Vehicle | $ 622,854 | $ 230,657 | $ 853,511 |
| Marine | 339,247 | 21,990 | 361,237 |
| Powersports | 215,696 | 10,989 | 226,685 |
| Manufactured Housing | 151,789 | 177,956 | 329,745 |
| Industrial | 249,067 | 18,631 | 267,698 |
| Total | $ 1,578,653 | $ 460,223 | $ 2,038,876 |

| | Six Months Ended June 29, 2025 | | |
|---|---|---|---|
| *($ in thousands)* | **Manufacturing** | **Distribution** | **Total** |
| Market type: | | | |
| Recreational Vehicle | $ 677,242 | $ 280,925 | $ 958,167 |
| Marine | 283,773 | 21,766 | 305,539 |
| Powersports | 168,953 | 8,365 | 177,318 |
| Manufactured Housing | 157,864 | 197,809 | 355,673 |
| Industrial | 234,601 | 19,676 | 254,277 |
| Total | $ 1,522,433 | $ 528,541 | $ 2,050,974 |

**Contract Liabilities**

Contract liabilities, representing upfront payments from customers received prior to satisfying performance obligations, were immaterial as of the beginning and end of all periods presented and changes in contract liabilities were immaterial during all periods presented.

**NOTE 3. INVENTORY**

Inventories consisted of the following:

| *($ in thousands)* | June 28, 2026 | December 31, 2025 |
|---|---|---|
| Raw materials | $ 364,909 | $ 315,508 |
| Work in process | 21,185 | 19,586 |
| Finished goods | 135,025 | 128,766 |
| Less: reserve for inventory excess and obsolescence | (16,936) | (14,754) |
| Total manufactured goods, net | 504,183 | 449,106 |
| Materials purchased for resale (distribution products) | 157,680 | 154,319 |
| Less: reserve for inventory excess and obsolescence | (8,608) | (8,160) |
| Total materials purchased for resale (distribution products), net | 149,072 | 146,159 |
| Total inventories | $ 653,255 | $ 595,265 |

**NOTE 4. GOODWILL AND INTANGIBLE ASSETS**

Changes in the carrying amount of goodwill for the six months ended June 28, 2026 by segment are as follows:

| *($ in thousands)* | Manufacturing | Distribution | Total |
|---|---|---|---|
| **Balance at December 31, 2025** | $ 722,030 | $ 118,071 | $ 840,101 |
| Acquisitions | 307 | 2,748 | 3,055 |
| Adjustments to preliminary purchase price allocations | (3,440) | — | (3,440) |
| **Balance at June 28, 2026** | $ 718,897 | $ 120,819 | $ 839,716 |

Intangible assets, net consisted of the following as of June 28, 2026 and December 31, 2025:

| ($ in thousands) | June 28, 2026 | December 31, 2025 |
|---|---|---|
| Customer relationships | $ 953,969 | $ 949,448 |
| Non-compete agreements | 27,376 | 27,376 |
| Patents | 94,959 | 94,949 |
| Trademarks | 230,877 | 230,877 |
| Intangible assets, gross | 1,307,181 | 1,302,650 |
| Less: accumulated amortization | | |
| Customer relationships | (549,470) | (506,656) |
| Non-compete agreements | (23,183) | (22,204) |
| Patents | (35,191) | (31,229) |
| Intangible assets, net | $ 699,337 | $ 742,561 |

Changes in the carrying value of intangible assets by segment are as follows:

| ($ in thousands) | Manufacturing | Distribution | Total |
|---|---|---|---|
| **Balance at December 31, 2025** | $ 624,213 | $ 118,348 | $ 742,561 |
| Additions | 559 | 3,971 | 4,530 |
| Amortization | (40,250) | (7,504) | (47,754) |
| **Balance at June 28, 2026** | $ 584,522 | $ 114,815 | $ 699,337 |

**NOTE 5. ACQUISITIONS**

**General**

Business combinations generally take place to strengthen Patrick's positions in existing markets and increase its market share and product offerings, expand into additional markets, and gain key technologies. Acquisitions are accounted for under the acquisition method of accounting. For each acquisition, the excess of the purchase consideration over the fair value of the net assets acquired is recorded as goodwill, which generally represents the combined value of the Company’s existing purchasing, manufacturing, sales, and systems resources with the organizational talent and expertise of the acquired companies’ respective management teams to maximize efficiencies, market share growth and net income.

The Company completed two acquisitions during the six months ended June 28, 2026 (the "2026 Acquisitions"). Acquisition-related costs associated with the 2026 Acquisitions were immaterial. Net sales included in the Company's condensed consolidated statements of income related to the 2026 Acquisitions were $1.8 million for both the three and six months ended June 28, 2026, and operating income was $0.3 million for both the three and six months ended June 28, 2026. Assets acquired and liabilities assumed in the acquisitions were recorded on the Company's condensed consolidated balance sheet at their estimated fair values as of the respective dates of acquisition. For each acquisition, the Company completes its allocation of the purchase price to the fair value of acquired assets and liabilities within a one year measurement period.

The Company completed two acquisitions during the six months ended June 29, 2025. Acquisition-related costs associated with such acquisitions were immaterial. For the three and six months ended June 29, 2025, net sales included in the Company's condensed consolidated statements of income related to the acquisitions completed in the six months ended June 29, 2025 were $8.9 million and $13.2 million, respectively, and operating losses were $0.3 million and $0.4 million, respectively.

In connection with certain acquisitions, the Company is required to pay additional cash consideration if certain financial results of the acquired businesses are achieved. The Company records a liability for the estimated fair value of the contingent consideration related to each of these acquisitions as part of the initial purchase price based on the present value of the expected future cash flows and the probability of future payments at the date of acquisition.

Changes in the contingent consideration liability are as follows:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| *($ in thousands)* | June 28, 2026 | June 29, 2025 | June 28, 2026 | June 29, 2025 |
| **Fair value at beginning of period** | $ 1,777 | $ 3,792 | $ 2,445 | $ 3,608 |
| Additions | — | — | — | 1,800 |
| Fair value adjustments | — | — | 1,098 | (1,600) |
| Settlements | (16) | (16) | (1,782) | (32) |
| **Fair value at end of period** | $ 1,761 | $ 3,776 | $ 1,761 | $ 3,776 |

The following table shows the balance sheet location of the fair value of contingent consideration and the maximum amount of contingent consideration payments the Company may be subject to:

| *($ in thousands)* | June 28, 2026 | December 31, 2025 |
|---|---|---|
| Accrued liabilities | $ 1,161 | $ 1,383 |
| Other long-term liabilities | 600 | 1,062 |
| Total fair value of contingent consideration | $ 1,761 | $ 2,445 |
| Maximum amount of contingent consideration | $ 9,228 | $ 9,343 |

**2026 Acquisitions**

The Company completed two acquisitions during the six months ended June 28, 2026. Total cash consideration for the 2026 Acquisitions was approximately $7.0 million, plus a working capital holdback in connection with both acquisitions. As the Company finalizes the fair value of the acquired assets and assumed liabilities, additional purchase price adjustments may be recorded during the measurement period. Changes to preliminary purchase accounting estimates recorded during the three and six months ended June 28, 2026 related to the 2026 Acquisitions were immaterial.

**2025 Acquisitions**

The Company completed five acquisitions during the year ended December 31, 2025 (the "2025 Acquisitions"). Total cash consideration for the 2025 Acquisitions was approximately $118.0 million, plus working capital holdbacks and contingent consideration over a less than two-year period based on future performance in connection with certain acquisitions. Purchase price allocations and all valuation activities in connection with two of the 2025 Acquisitions have been finalized. Changes to preliminary purchase accounting estimates recorded during the three and six months ended June 28, 2026 related to the 2025 Acquisitions were immaterial.

The following table summarizes the fair values of the assets acquired and the liabilities assumed as of the date of each of the 2026 Acquisitions and 2025 Acquisitions:

| ($ in thousands) | 2026 Acquisitions | 2025 Acquisitions |
|---|---|---|
| Consideration: | | |
| Cash, net of cash acquired | $ 6,952 | $ 117,981 |
| Working capital holdback and other, net | 100 | 551 |
| Contingent consideration [1] | — | 2,950 |
| Total consideration | $ 7,052 | $ 121,482 |
| | | |
| Assets Acquired: | | |
| Trade receivables | $ 492 | $ 8,976 |
| Inventories | 1,618 | 18,710 |
| Prepaid expenses & other | 44 | 471 |
| Property, plant & equipment | — | 29,904 |
| Operating lease right-of-use assets | 99 | 1,119 |
| Identifiable intangible assets: | | |
| Customer relationships | 2,700 | 20,790 |
| Non-compete agreements | — | 1,600 |
| Patents and developed technology | — | 5,230 |
| Trademarks | — | 5,350 |
| Liabilities Assumed: | | |
| Current portion of operating lease obligations | (80) | (364) |
| Accounts payable & accrued liabilities | (857) | (7,785) |
| Operating lease obligations | (19) | (755) |
| Total fair value of net assets acquired | 3,997 | 83,246 |
| Goodwill [2] | 3,055 | 38,236 |
| Total purchase price allocation | $ 7,052 | $ 121,482 |

(1) These amounts reflect the acquisition date fair value of contingent consideration based on expected future results relating to certain acquisitions.

(2) Goodwill is tax-deductible for the 2026 Acquisitions and 2025 Acquisitions.

We estimate the value of acquired property, plant, and equipment using a combination of the income, cost, and market approaches, such as estimates of future income growth, capitalization rates, discount rates, and capital expenditure needs of the acquired businesses.

We estimate the value of customer relationships using the multi-period excess earnings method, which is a variation of the income approach, calculating the present value of incremental after-tax cash flows attributable to the asset. Non-compete agreements are valued using a discounted cash flow approach, which is a variation of the income approach, with and without the individual counterparties to the non-compete agreements. Trademarks and patents are valued using the relief-from-royalty method, which applies an estimated royalty rate to forecasted future cash flows, discounted to present value.

The estimated useful life for customer relationships is 10 years. The average estimated useful life for non-compete agreements is 5 years. The estimated useful life for patents is 13 years, individually ranging from 10 to 18 years. Trademarks have an indefinite useful life.

***Pro Forma Information (Unaudited)***

The following pro forma information for the three and six months ended June 28, 2026 and June 29, 2025 assumes the 2026 Acquisitions and 2025 Acquisitions occurred as of the beginning of the year immediately preceding each such acquisition. The pro forma information contains the actual operating results of the 2026 Acquisitions and 2025 Acquisitions combined with the results prior to their respective acquisition dates, adjusted to reflect the pro forma impact of the acquisitions occurring as of the beginning of the year immediately preceding each such acquisition.

The pro forma information includes financing and interest expense charges based on incremental borrowings incurred in connection with each transaction. In addition, the pro forma information includes incremental amortization expense, in the aggregate, related to intangible assets acquired in connection with the transactions of zero and $0.5 million for the three and six months ended June 28, 2026, respectively, and $0.1 million and $1.0 million for the three and six months ended June 29, 2025, respectively.

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| *($ in thousands, except per share data)* | **June 28, 2026** | **June 29, 2025** | **June 28, 2026** | **June 29, 2025** |
| Revenue | $ 1,041,704 | $ 1,060,094 | $ 2,041,175 | $ 2,082,507 |
| Net income | $ 43,421 | $ 32,945 | $ 82,755 | $ 71,199 |
| Basic earnings per common share | $ 1.36 | $ 1.01 | $ 2.57 | $ 2.18 |
| Diluted earnings per common share | $ 1.28 | $ 0.97 | $ 2.36 | $ 2.09 |

The pro forma information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved had the acquisitions been consummated as of the periods indicated above.

**NOTE 6. STOCK-BASED COMPENSATION**

The Company recorded stock-based compensation expense, net of forfeitures, of approximately $6.0 million and $12.0 million in the three and six months ended June 28, 2026, respectively, and $6.1 million and $11.3 million in the three and six months ended June 29, 2025, respectively.

The Board approved various share grants under the Company’s 2009 Omnibus Incentive Plan for the six months ended June 28, 2026 totaling 183,643 shares in the aggregate at an average fair value of $127.20 per share at grant date for a total fair value at grant date of $23.4 million.

***Stock Appreciation Rights ("SARs"):***

On February 25, 2025, the Board approved the grant of 329,850 SARs divided into four tranches at exercise prices of $92.72, $110.76, $132.31 and $158.05 per share. The SARs vest pro-ratably over four years from the grant date and have nine-year contractual terms. The SARs are to be settled in shares of common stock or, at the sole discretion of the Board, in cash. As of June 28, 2026, the total remaining unrecognized cost was $3.5 million which will be expensed ratably over the four-year vesting period.

***Stock Options:***

On February 25, 2025, the Board approved the grant of 329,850 stock options at an exercise price per share of $92.72. The stock options vest pro-rata over four years from the grant date and have nine-year contractual terms. As of June 28, 2026, the total remaining unrecognized cost was $4.9 million which will be expensed ratably over the four-year vesting period.

The Company estimates the fair value of the stock options and SARs awards as of the grant date by applying the Black-Scholes option-pricing model. The following are the assumptions that were used in calculating the fair value of stock options and SARs granted in February 2025:

| | |
|---|---|
| Expected term | 9 years |
| Expected volatility | 24 % |
| Risk-free interest rate | 4.25 % |
| Dividend yield | 1.77 % |

**NOTE 7. EARNINGS PER COMMON SHARE**

Earnings per common share are as follows:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| *($ and shares in thousands, except per share data)* | **June 28, 2026** | **June 29, 2025** | **June 28, 2026** | **June 29, 2025** |
| **Numerator:** | | | | |
| Net income attributable to common shares | $ 43,421 | $ 32,436 | $ 82,901 | $ 70,674 |
| **Denominator:** | | | | |
| Weighted average common shares outstanding - basic | 31,913 | 32,520 | 32,199 | 32,595 |
| Weighted average impact of potentially dilutive convertible notes | 1,275 | 903 | 1,575 | 984 |
| Weighted average impact of potentially dilutive warrants | 641 | 199 | 1,012 | 295 |
| Weighted average impact of potentially dilutive securities | 144 | 201 | 207 | 242 |
| Weighted average common shares outstanding - diluted | 33,973 | 33,823 | 34,993 | 34,116 |
| **Earnings per common share:** | | | | |
| Basic earnings per common share | $ 1.36 | $ 1.00 | $ 2.57 | $ 2.17 |
| Diluted earnings per common share | $ 1.28 | $ 0.96 | $ 2.37 | $ 2.07 |

An immaterial amount of securities were not included in the computation of diluted earnings per common share as they are considered anti-dilutive for the periods presented.

**NOTE 8. DEBT**

A summary of total debt outstanding is as follows:

| *($ in thousands)* | June 28, 2026 | December 31, 2025 |
|---|---|---|
| Long-term debt: | | |
| Term loan due 2029 | $ 115,625 | $ 117,188 |
| Revolver due 2029 | 205,000 | 75,000 |
| 1.75% convertible notes due 2028 | 258,701 | 258,701 |
| 4.75% senior notes due 2029 | 350,000 | 350,000 |
| 6.375% senior notes due 2032 | 500,000 | 500,000 |
| Total debt | 1,429,326 | 1,300,889 |
| Less: convertible notes deferred financing costs, net | (2,425) | (2,915) |
| Less: term loan deferred financing costs, net | (374) | (430) |
| Less: senior notes deferred financing costs, net | (7,781) | (8,473) |
| Less: current maturities of long-term debt | (6,250) | (6,250) |
| Total long-term debt, less current maturities, net | $ 1,412,496 | $ 1,282,821 |

As of June 28, 2026, the Company maintained a senior secured credit facility comprised of a $875 million revolving credit facility (the "Revolver due 2029") and a $125 million term loan (the "Term Loan due 2029") and together with the Revolver due 2029, (the "2024 Credit Facility").

The interest rate for incremental borrowings under the Revolver due 2029 as of June 28, 2026 was the Secured Overnight Financing Rate (“SOFR”) plus 1.75% (or 5.40%) for the SOFR-based option. The fee payable on committed but unused portions of the Revolver due 2029 was 0.225% as of June 28, 2026.

Total cash interest paid was $31.5 million and $33.3 million for the three and six months ended June 28, 2026, respectively, and $32.9 million and $34.6 million for the three and six months ended June 29, 2025, respectively.

**Conditional Conversion Feature of the 1.75% Convertible Senior Notes due 2028**

As of June 28, 2026, the conditional conversion feature of the 1.75% Convertible Senior Notes due 2028 (the “1.75% Convertible Notes”) related to the price of our common stock equaling or exceeding 130% of the conversion price was triggered. As a result, the 1.75% Convertible Notes are convertible, in whole or in part, at the option of the holders from July 1, 2026 to September 30, 2026. Whether the 1.75% Convertible Notes will be convertible in subsequent periods will depend on the continued satisfaction of this condition or another conversion condition in the future. The 1.75% Convertible Notes were also convertible in each calendar quarter beginning with the quarter ended December 31, 2024 based on satisfying this condition in the respective prior calendar quarter. There were no conversions of the 1.75% Convertible Notes during the period from January 1, 2026 to June 30, 2026. The Company has the intent and ability to utilize available borrowing capacity under the Revolver due 2029 to satisfy any cash conversion obligations that it may have, should holders choose to exercise their conversion rights during the period noted above.

## NOTE 9. FAIR VALUE MEASUREMENTS

The following table presents fair values of certain assets and liabilities as of June 28, 2026 and December 31, 2025:

| | June 28, 2026 | | | December 31, 2025 | | |
|---|---|---|---|---|---|---|
| *($ in millions)* | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| 1.75% convertible notes due 2028 (1) | $ — | $ 389.1 | $ — | $ — | $ 442.4 | $ — |
| 4.75% senior notes due 2029 (1) | $ — | $ 342.6 | $ — | $ — | $ 347.1 | $ — |
| 6.375% senior notes due 2032 (1) | $ — | $ 497.0 | $ — | $ — | $ 514.1 | $ — |
| Term loan due 2029 (1) (2) | $ — | $ 115.6 | $ — | $ — | $ 117.2 | $ — |
| Revolver due 2029 (1) (2) | $ — | $ 205.0 | $ — | $ — | $ 75.0 | $ — |
| Contingent consideration (3) | $ — | $ — | $ 1.8 | $ — | $ — | $ 2.4 |

(1) The amounts of these notes listed above are the fair values for disclosure purposes only, and they are recorded in the Company's condensed consolidated balance sheets as of June 28, 2026 and December 31, 2025 at carrying value.

(2) The carrying amounts of our term loan and revolving credit facility approximate fair value as of June 28, 2026 and December 31, 2025 based upon their terms and conditions in comparison to the terms and conditions of debt instruments with similar terms and conditions available at those dates.

(3) The estimated fair value of the Company's contingent consideration is discussed further in Note 5 "Acquisitions".

## NOTE 10. INCOME TAXES

The effective tax rate was 25.2% and 25.3% for the three months ended June 28, 2026 and June 29, 2025, respectively, and the effective tax rate for the comparable six month periods was 20.6% and 21.4%, respectively. For the three and six months ended June 28, 2026, effective tax rates include the impact of the recognition of excess tax benefits on share-based compensation that was recorded as a reduction to income tax expense in the amount of $0.6 million and $5.7 million, respectively. For the three and six months ended June 29, 2025, the impact of such excess tax benefits was immaterial and $3.0 million, respectively.

Cash paid for income taxes, net of refunds, was $2.0 million and $2.9 million for the three and six months ended June 28, 2026, respectively, and $14.9 million and $22.3 million for the three and six months ended June 29, 2025, respectively.

On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA") was signed into law. The OBBBA makes permanent many of the expired and expiring tax provisions originally enacted in the Tax Cuts and Jobs Act of 2017, including the immediate expensing of domestic research and development expenditures, more favorable business interest deductibility and 100 percent first-year bonus depreciation on qualifying property with effective dates in 2025. In accordance with Accounting Standards Codification (“ASC”) 740, “Income Taxes,” the Company has recognized the effects of the OBBBA during the current quarter for the provisions currently enacted, which has increased the Company’s deferred tax liability. The Company anticipates that the OBBBA will reduce its federal income tax liability and related tax payments for the current and future years but will not have a significant impact on its annual effective tax rate.

## NOTE 11. SEGMENT INFORMATION

The Company has two reportable segments, Manufacturing and Distribution, which are defined based on the way in which internally reported information is regularly reviewed and evaluated by the Company’s chief operating decision maker (the "CODM"), who is our Chairman and Chief Executive Officer, to allocate resources, evaluate financial results and make decisions. The Company does not measure profitability at the end market (RV, marine, powersports, MH and industrial) level.

**Manufacturing** – This segment includes the following products: laminated products utilized to produce furniture, shelving, walls and countertops; laminated and decorative surface products, including laminated panels, decorative and wrapped vinyls, paper-laminated panels, and vinyl printing; solid surface, granite and quartz countertops; fabricated aluminum products; hardwood profile mouldings; electrical systems components including instrument, digital switching, dash panels, digital displays and gauges; slide-out trim and fascia; cabinet products, doors, components and custom cabinetry; tooling for fiberglass boat manufacturers; fiberglass bath fixtures and tile systems; specialty bath and closet building products; boat towers, tops, power bimini systems, trailers, frames and other engineered structural components; softwoods lumber; interior passage doors and baggage doors; wiring and wire harnesses; CNC molds and composite parts; aluminum and plastic fuel tanks; slotwall panels and components; RV painting; thermoformed shower surrounds; fiberglass and plastic components including front and rear caps and marine helms; polymer-based and other flooring; Marine hardware and accessories; air handling products; treated, untreated and laminated plywood; RV and marine furniture; adhesives and sealants; audio systems and accessories, including amplifiers, tower speakers, soundbars, and subwoofers; Marine non-slip foam flooring, padding, and accessories; protective covers for boats, RVs, aircraft, and military and industrial equipment; windshield and wiper systems; roofs/canopies; integrated door systems; fender flares and rear panels; composite panels; and other products.

**Distribution** – The Company distributes pre-finished wall and ceiling panels; drywall and drywall finishing products; interior and exterior lighting products; wiring, electrical and plumbing products; transportation and logistics services; electronics and audio systems components; cement siding; raw and processed lumber; fiber reinforced polyester ("FRP") products; interior passage doors; roofing products; laminate and ceramic flooring; shower doors; fireplaces and surrounds; appliances; tile; Marine hardware and accessories; RV awnings, windows, fiberglass siding and roofing; Marine windshields; RV air conditioning units and furniture; and other products in addition to providing transportation and logistics services.

The CODM evaluates the performance of the Company's segments and allocates resources to them based on a variety of indicators including but not limited to net sales, gross profit and operating income. On at least a quarterly basis, the CODM considers actual to budget variances as well as actual to prior year actual performance for both profit measures when making decisions about the allocation of operating and capital resources to each segment. The CODM also uses segment gross profit and segment operating income to assess the performance of each segment by comparing the results of each segment with one another.

The accounting policies of the segments are the same as those described in Note 1 "Basis of Presentation and Significant Accounting Policies" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 19, 2026. Segment net sales data includes inter-segment sales. The Company accounts for inter-segment sales similar to third party transactions, which reflect current market prices. Certain income from purchase incentive agreements is not allocated to the segments and instead recorded at the corporate level. Assets are identified to the segments except for cash, prepaid expenses, land and buildings, and certain deferred assets, which are identified with corporate. Corporate charges rent to the segments for use of the land and buildings based upon estimated market rates.

The following tables summarize key financial information by segment:

| ($ in thousands) | Three Months Ended June 28, 2026 Manufacturing | Distribution | Total |
|---|---|---|---|
| Total net sales | $ 806,923 | $ 240,753 | $ 1,047,676 |
| Cost of goods sold | 623,360 | 179,346 | 802,706 |
| Gross profit | $ 183,563 | $ 61,407 | $ 244,970 |
| | | | |
| Operating expenses | 80,153 | 39,793 | 119,946 |
| Operating income | $ 103,410 | $ 21,614 | $ 125,024 |
| *Reconciliation of reportable segment operating income to consolidated income before income tax:* | | | |
| Selling, general and administrative | | | 27,792 |
| Amortization of intangible assets | | | 23,720 |
| Interest expense, net | | | 18,978 |
| Inter-segment elimination | | | (3,523) |
| Consolidated income before income taxes | | | $ 58,057 |
| | | | |
| Capital expenditures | $ 17,412 | $ 220 | $ 17,632 |
| Depreciation and amortization | $ 36,398 | $ 4,592 | $ 40,990 |

| ($ in thousands) | Three Months Ended June 29, 2025 Manufacturing | Distribution | Total |
|---|---|---|---|
| Total net sales | $ 776,520 | $ 277,488 | $ 1,054,008 |
| Cost of goods sold | 597,232 | 205,314 | 802,546 |
| Gross Profit | $ 179,288 | $ 72,174 | $ 251,462 |
| | | | |
| Operating expenses | 76,165 | 39,756 | 115,921 |
| Operating income | $ 103,123 | $ 32,418 | $ 135,541 |
| *Reconciliation of reportable segment operating income to consolidated income before income tax:* | | | |
| Selling, general and administrative | | | 24,305 |
| Amortization of intangible assets | | | 24,515 |
| Interest expense, net | | | 18,869 |
| Inter-segment elimination | | | (1) |
| Other expense | | | 24,420 |
| Consolidated income before income taxes | | | $ 43,433 |
| | | | |
| Capital expenditures | $ 12,256 | $ 8 | $ 12,264 |
| Depreciation and amortization | $ 36,413 | $ 4,559 | $ 40,972 |

| ($ in thousands) | Six Months Ended June 28, 2026 | | |
|---|---|---|---|
| | Manufacturing | Distribution | Total |
| Total net sales | $ 1,586,941 | $ 463,306 | $ 2,050,247 |
| Cost of goods sold | 1,232,522 | 345,791 | 1,578,313 |
| Gross profit | $ 354,419 | $ 117,515 | $ 471,934 |
| | | | |
| Operating expenses | 156,168 | 75,623 | 231,791 |
| Operating income | $ 198,251 | $ 41,892 | $ 240,143 |
| *Reconciliation of reportable segment operating income to consolidated income before income tax:* | | | |
| Selling, general and administrative | | | 55,010 |
| Amortization of intangible assets | | | 47,662 |
| Interest expense, net | | | 37,366 |
| Inter-segment eliminations | | | (4,286) |
| Consolidated income before income taxes | | | $ 104,391 |
| | | | |
| Capital expenditures | $ 35,075 | $ 483 | $ 35,558 |
| Depreciation and amortization | $ 72,687 | $ 9,190 | $ 81,877 |

| ($ in thousands) | Six Months Ended June 29, 2025 | | |
|---|---|---|---|
| | Manufacturing | Distribution | Total |
| Total net sales | $ 1,531,007 | $ 531,574 | $ 2,062,581 |
| Cost of goods sold | 1,182,328 | 397,699 | 1,580,027 |
| Gross profit | $ 348,679 | $ 133,875 | $ 482,554 |
| | | | |
| Operating expenses | 147,435 | 76,457 | 223,892 |
| Operating income | $ 201,244 | $ 57,418 | $ 258,662 |
| *Reconciliation of reportable segment operating income to consolidated income before income tax:* | | | |
| Selling, general and administrative | | | 55,884 |
| Amortization of intangible assets | | | 48,976 |
| Interest expense, net | | | 37,981 |
| Inter-segment eliminations | | | 1,511 |
| Other expense | | | 24,420 |
| Consolidated income before income taxes | | | $ 89,890 |
| | | | |
| Capital expenditures | $ 29,821 | $ 554 | $ 30,375 |
| Depreciation and amortization | $ 72,916 | $ 9,131 | $ 82,047 |

A reconciliation of certain line items pertaining to the total reportable segments to the condensed consolidated financial statements for the three and six months ended June 28, 2026 and June 29, 2025, and as of June 28, 2026 and December 31, 2025 is as follows:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| *($ in thousands)* | **June 28, 2026** | **June 29, 2025** | **June 28, 2026** | **June 29, 2025** |
| **Net sales:** | | | | |
| Total sales for reportable segments | $ 1,047,676 | $ 1,054,008 | $ 2,050,247 | $ 2,062,581 |
| Elimination of inter-segment sales | (5,972) | (6,454) | (11,371) | (11,607) |
| Consolidated net sales | $ 1,041,704 | $ 1,047,554 | $ 2,038,876 | $ 2,050,974 |
| | | | | |
| **Depreciation and amortization:** | | | | |
| Depreciation and amortization for reportable segments | $ 40,990 | $ 40,972 | $ 81,877 | $ 82,047 |
| Corporate depreciation and amortization | 2,023 | 1,637 | 3,913 | 3,208 |
| Consolidated depreciation and amortization | $ 43,013 | $ 42,609 | $ 85,790 | $ 85,255 |
| | | | | |
| **Capital expenditures:** | | | | |
| Capital expenditures for reportable segments | $ 17,632 | $ 12,264 | $ 35,558 | $ 30,375 |
| Corporate capital expenditures | — | 6,011 | 1,000 | 8,071 |
| Consolidated capital expenditures | $ 17,632 | $ 18,275 | $ 36,558 | $ 38,446 |

| | As of | |
|---|---|---|
| *($ in thousands)* | **June 28, 2026** | **December 31, 2025** |
| **Total assets:** | | |
| Manufacturing segment assets | $ 2,591,367 | $ 2,476,411 |
| Distribution segment assets | 512,044 | 493,308 |
| Corporate assets unallocated to segments | 78,715 | 80,023 |
| Cash and cash equivalents | 29,160 | 26,432 |
| Consolidated total assets | $ 3,211,286 | $ 3,076,174 |

The Company's revenue from external customers and long-lived assets are substantially all attributed to the U.S.

**NOTE 12. STOCK REPURCHASE PROGRAMS**

In November 2024, the Board authorized an increase in the amount of the Company's common stock that may be acquired over the next 24 months under the current stock repurchase program to $200 million, including the $72.9 million remaining under the previous authorization. As of June 28, 2026, Patrick had approximately $61.9 million remaining in the amount of the Company's common stock that may be acquired under the current stock repurchase program.

Under the stock repurchase plan, the Company made repurchases of common stock as follows for the respective periods:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| *($ in millions, except average price data)* | **June 28, 2026** | **June 29, 2025** | **June 28, 2026** | **June 29, 2025** |
| Shares repurchased | 980,000 | 277,849 | 1,107,678 | 377,612 |
| Average price | $ 93.31 | $ 84.43 | $ 95.82 | $ 84.66 |
| Aggregate cost | $ 91.4 | $ 23.5 | $ 106.1 | $ 32.0 |

**NOTE 13. COMMITMENTS AND CONTINGENCIES**

The Company is subject to proceedings, lawsuits, audits, and other claims arising in the normal course of business. All such matters are subject to uncertainties and outcomes that are not predictable with assurance. Accruals for these items, when applicable, have been provided to the extent that losses are deemed probable and are reasonably estimable. These accruals are adjusted from time to time as developments warrant.

Although the ultimate outcome of these matters cannot be ascertained, on the basis of present information, amounts already provided, availability of insurance coverage and legal advice received, it is the opinion of management that the ultimate resolution of these proceedings, lawsuits, and other claims will not have a material adverse effect on the Company's financial position, results of operations, or cash flows.

In the Company's Form 10-K for the year ended December 31, 2025, the Company described the current status of litigation concerning the Lusher Site Remediation Group. In early July 2023, the Court granted the Company's Rule 54(b) Motion for Final Judgment on previously dismissed claims and granted the Company's Motion to Dismiss the plaintiff's remaining claims against the defendants, without prejudice (the Company's Motion to Dismiss having been joined by the remaining defendants in the litigation.) The only remaining issue pending in the litigation for the Court's determination is the plaintiff's motion to bar contribution claims. The Company has also been named as a potentially responsible party for the related Lusher Street Groundwater Contamination Superfund Site (the "Superfund Site") by the U.S. Environmental Protection Agency (the "EPA"). There has been no change in the status of the proceedings as described in the 10-K for the year ended December 31, 2025, filed with the SEC on February 19, 2026. The Company does not currently believe that the litigation or the Superfund Site matter are likely to have a material adverse impact on its financial condition, results of operations, or cash flows. However, any litigation is inherently uncertain, the EPA has yet to select a final remedy for the Superfund Site, and any judgment or injunctive relief entered against us or any adverse settlement could materially and adversely impact our business, results of operations, financial condition, and prospects.

On or about May 1, 2026, three current employees filed a putative class action lawsuit against Patrick Industries, Inc. (the "Company") in the U.S. District Court for the Northern District of Indiana, captioned Wilds, et al. v. Patrick Industries, Inc., Case No. 3:26-cv-00582. The plaintiffs brought the action individually and on behalf of a proposed class of participants and beneficiaries in the Company's employee benefit plans.

The complaint alleges that the Company imposed tobacco-related surcharges through a wellness program that did not comply with the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Public Health Service Act, and related regulations. The plaintiffs allege, among other claims, that the Company failed to provide a reasonable alternative standard, provided insufficient notices and disclosures, and breached certain fiduciary duties under ERISA.

The litigation is in its early stages. At this time, the Company is unable to predict the outcome of the matter or reasonably estimate the amount or range of any potential loss. Accordingly, the Company has not recorded a liability related to this matter.

**NOTE 14. RELATED PARTY TRANSACTIONS**

On March 26, 2026, the Company acquired substantially all of the assets of Revel, LLC, d/b/a Red Rock Aluminum Products ("Revel") and Red Rock, LLC ("Red Rock") for total cash consideration of $7 million. Both companies serve the RV end market. Todd Cleveland, a member of the Company's Board of Directors, indirectly holds a majority interest in each of Revel and Red Rock; accordingly, the transaction is considered a related party transaction. The purchase price is expected to be allocated primarily to working capital, identifiable intangible assets and goodwill. See Note 5 "Acquisitions" for further details.

Mr. Cleveland recused himself from all Board deliberations and approval of the transaction. The Audit Committee, composed solely of independent directors, reviewed and approved the transaction in accordance with the Company's procedures for evaluating related party transactions.

**NOTE 15. SUBSEQUENT EVENTS**

On June 30, 2026, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with LCI Industries (“LCI”), Planet First Merger Sub Inc., a wholly owned subsidiary of the Company, and Planet Second Merger Sub LLC, a wholly owned subsidiary of the Company. The boards of directors of both the Company and LCI unanimously approved the Merger Agreement and the transactions contemplated thereby.

Under the Merger Agreement, and subject to the satisfaction or waiver of customary closing conditions, LCI will merge with a subsidiary of the Company and ultimately become a wholly owned subsidiary of the Company. At the effective time of the merger, each issued and outstanding share of LCI common stock, par value $0.01 per share, other than certain excluded shares, will be converted into the right to receive 1.2440 shares of the Company’s common stock, no par value, plus cash in lieu of fractional shares. Following completion of the transaction, existing Company shareholders are expected to own approximately 52% of the combined company, and existing LCI shareholders are expected to own approximately 48%. The Merger Agreement also restricts the Company from repurchasing its common stock prior to the closing of the transaction.

The transaction is subject to customary closing conditions, including shareholder approvals by both companies, regulatory approvals, effectiveness of a Form S-4 registration statement, Nasdaq approval of the shares to be issued, and other customary conditions. The transaction is expected to close in the first half of 2027. The Merger Agreement contains customary termination rights and provides for a termination fee of $94.2 million payable by either party under specified circumstances.

For the three and six months ended June 28, 2026, the Company incurred $0.4 million of merger related costs in connection with the merger, which are included in Selling, general and administrative expenses in the Company's condensed consolidated statements of income.

The merger has not been completed as of the date these unaudited condensed consolidated financial statements were issued.

**ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**OVERVIEW**

This Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is intended to help the reader understand the results of operations, financial condition and cash flows of Patrick Industries, Inc. This MD&A should be read in conjunction with the Company’s Condensed Consolidated Financial Statements and Notes thereto included in Item 1 of this Report. In addition, this MD&A contains certain statements relating to future results which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. See “Information Concerning Forward-Looking Statements” on page 36 of this Report. The Company undertakes no obligation to update these forward-looking statements.

**EXECUTIVE SUMMARY**

**Recent Events**

On June 30, 2026, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with LCI Industries (“LCI”) and two wholly owned merger subsidiaries of the Company. The boards of directors of both the Company and LCI unanimously approved the Merger Agreement and the transactions contemplated thereby. Under the Merger Agreement, and subject to customary closing conditions, LCI will merge with subsidiaries of the Company and become a wholly owned subsidiary of the Company. At the effective time of the merger, each issued and outstanding share of LCI common stock, par value $0.01 per share, other than certain excluded shares, will be converted into the right to receive 1.2440 shares of the Company’s common stock, no par value, plus cash in lieu of fractional shares. Following completion of the transaction, existing Company shareholders are expected to own approximately 52% of the combined company, and existing LCI shareholders are expected to own approximately 48%. The transaction remains subject to customary closing conditions, including shareholder and regulatory approvals, and has not been completed as of the date of this filing.

In connection with the pending merger, the Company expects to incur additional transaction and integration-related costs, including legal, financial advisory, accounting, consulting, regulatory, filing and other related costs, some of which will be incurred regardless of whether the transaction is completed. The amount and timing of these costs cannot be estimated with certainty at this time and will depend on, among other things, the timing and outcome of required shareholder and regulatory approvals and integration planning. In addition, if the Merger Agreement is terminated under specified circumstances, the Company may be required to pay LCI a termination fee of $94.2 million. The Company expects to fund merger-related costs from cash on hand, cash from operations and/or borrowings under the revolving credit and term loan facility (the “2024 Credit Facility”).

**Overview of Markets and Related Industry Performance**

**Three and Six Months Ended June 28, 2026 Financial Overview**

***Recreational Vehicle ("RV") Industry***

The RV industry is the Company's primary market, and the Company’s RV products are sold primarily to major manufacturers of RVs, smaller original equipment manufacturers ("OEMs"), and to a lesser extent, manufacturers in adjacent industries. The principal types of recreational vehicles include (1) towables: conventional travel trailers, fifth wheels, folding camping trailers, and truck campers; and (2) motorized: class A (large motor homes), class B (van campers), and class C (small-to-mid size motor homes).

Net sales to the RV industry were 39% and 42% of the Company's net sales for the three and six months ended June 28, 2026, respectively, and 46% and 47% for the three and six months ended June 29, 2025, respectively. Net sales to the RV industry decreased 15% and 11% for the three and six months ended June 28, 2026, respectively, compared to the prior year periods.

According to the RV Industry Association ("RVIA"), RV wholesale unit shipments for the three months ended June 28, 2026 totaled approximately 77,600 units, a decrease of 16% compared to approximately 92,900 units for the three months ended June 29, 2025. We estimate that RV industry retail unit sales decreased 12% for the three months ended June 28, 2026 compared to the prior year period. Retail unit sales exceeded wholesale unit shipments in the three months ended June 28, 2026 as RV OEMs maintained lower production volumes.

According to the RVIA, RV wholesale unit shipments for the first six months of 2026 totaled approximately 163,600 units, a decrease of 14% from approximately 190,700 units for the first six months of 2025. While we estimate RV industry retail unit sales for the first six months of 2026 decreased by approximately 14% compared to the first six months of 2025, we estimate that wholesale unit shipments exceeded retail unit sales during the period, reflecting lower retail demand and a modest increase in dealer inventory levels.

***Marine Industry***

The Company’s sales to the marine industry are primarily focused on the powerboat sector of the market which is comprised of four main categories: fiberglass, aluminum fishing, pontoon and ski & wake.

Net sales to the marine industry were 18% of the Company's net sales for both the three and six months ended June 28, 2026, and 15% for both the three and six months ended June 29, 2025. Net sales to the marine industry increased 22% and 18% in the three and six months ended June 28, 2026, respectively, compared to the prior year periods.

Our marine revenue is generally correlated to marine industry wholesale powerboat unit shipments. According to Company estimates based on data published by the National Marine Manufacturers Association ("NMMA"), wholesale powerboat unit shipments remained flat and decreased 2% for the three and six months ended June 28, 2026, respectively, compared to the prior year periods. We estimate that marine industry retail powerboat unit sales decreased 6% and 5% for the three and six months ended June 28, 2026, respectively, compared to the prior year periods, primarily due to the current macroeconomic environment faced by the end consumer, such as economic uncertainty and volatile oil prices.

***Powersports Industry***

Powersports is a category of motorsports which includes vehicles such as motorcycles, all-terrain vehicles ("ATVs"), side-by-sides, snowmobiles, scooters, golf carts and other personal transportation vehicles, and other related categories. Our powersports business is primarily focused on the utility and premium segments of the side-by-side market, which have been outperforming the more discretionary recreational segment. We also participate in the motorcycle and golf cart segments of the market. OEMs and dealers are actively managing field inventory levels to align dealer inventories with retail demand.

Net sales to the powersports industry were 12% and 11% of the Company's net sales for the three and six months ended June 28, 2026, respectively, and 9% for both the three and six months ended June 29, 2025. Net sales to the powersports industry increased 28% for both the three and six months ended June 28, 2026 compared to the prior year periods.

***Manufactured Housing ("MH") Industry***

The Company’s products for this market are sold primarily to major manufacturers of manufactured homes, other OEMs, and to a lesser extent, manufacturers in adjacent industries. Factors that may favorably impact demand in this industry include jobs growth, consumer confidence, favorable changes in financing regulations, a narrowing in the difference between interest rates on MH loans and mortgages on traditional residential "site-built" housing, and any improvement in conditions in the asset-backed securities markets for manufactured housing loans.

Net sales to the MH industry were 17% and 16% of the Company's net sales for the three and six months ended June 28, 2026, respectively, and 17% for both the three and six months ended June 29, 2025. Net sales to the MH industry decreased 4% and 7% for the three and six months ended June 28, 2026, respectively, compared to the prior year periods.

According to Company estimates based on industry data from the Manufactured Housing Institute, MH industry wholesale unit shipments decreased 8% in both the three and six months ended June 28, 2026 compared to the prior year periods.

***Industrial Market***

The industrial market is comprised primarily of U.S. residential housing market and non-housing market categories and includes kitchen cabinet, countertop, hospitality, retail and commercial fixtures, and office and household furniture markets and regional distributors.

Net sales to the industrial market were 14% and 13% of the Company's net sales for the three and six months ended June 28, 2026, respectively, and 13% and 12% for the three and six months ended June 29, 2025, respectively. Net sales to the industrial market increased 9% and 5% for the three and six months ended June 28, 2026, respectively, compared to the prior year periods.

Based on U.S. Census Bureau data, combined new housing starts decreased 1% for the second quarter of 2026 compared to the prior year period, reflecting an increase in multifamily housing starts of 8% and a decrease in single-family housing starts of 4%.

For the first six months of 2026, combined new housing starts increased 1% compared to the prior year period, reflecting a decrease in single-family housing starts of 5% and an increase in multifamily housing starts of 15%. Our industrial products are generally among the last components installed in new unit construction and as such our related sales typically trail new housing starts by four to six months.

## RESULTS OF OPERATIONS

**Three and Six Months Ended June 28, 2026 Compared to 2025**

The following table sets forth the percentage relationship to net sales of certain items on the Company's Condensed Consolidated Statements of Income.

| | Three Months Ended | | | | | |
|---|---|---|---|---|---|---|
| *($ in thousands)* | June 28, 2026 | | June 29, 2025 | | Amount Change | % Change |
| Net sales | $ 1,041,704 | 100.0 % | $ 1,047,554 | 100.0 % | $ (5,850) | (1)% |
| Cost of goods sold | 794,129 | 76.2 % | 796,922 | 76.1 % | (2,793) | — % |
| Gross profit | 247,575 | 23.8 % | 250,632 | 23.9 % | (3,057) | (1)% |
| Warehouse and delivery expenses | 50,608 | 4.9 % | 46,075 | 4.4 % | 4,533 | 10 % |
| Selling, general and administrative expenses | 96,188 | 9.2 % | 93,206 | 8.9 % | 2,982 | 3 % |
| Amortization of intangible assets | 23,744 | 2.3 % | 24,629 | 2.4 % | (885) | (4)% |
| Operating income | 77,035 | 7.4 % | 86,722 | 8.3 % | (9,687) | (11)% |
| Interest expense, net | 18,978 | 1.8 % | 18,869 | 1.8 % | 109 | 1 % |
| Other expenses | — | — % | 24,420 | 2.3 % | (24,420) | (100)% |
| Income taxes | 14,636 | 1.4 % | 10,997 | 1.0 % | 3,639 | 33 % |
| Net income | $ 43,421 | 4.2 % | $ 32,436 | 3.1 % | $ 10,985 | 34 % |

| | Six Months Ended | | | | | |
|---|---|---|---|---|---|---|
| *($ in thousands)* | June 28, 2026 | | June 29, 2025 | | Amount Change | % Change |
| Net sales | $ 2,038,876 | 100.0 % | $ 2,050,974 | 100.0 % | $ (12,098) | (1)% |
| Cost of goods sold | 1,564,441 | 76.7 % | 1,571,751 | 76.6 % | (7,310) | — % |
| Gross profit | 474,435 | 23.3 % | 479,223 | 23.4 % | (4,788) | (1)% |
| Warehouse and delivery expenses | 95,640 | 4.7 % | 90,657 | 4.4 % | 4,983 | 5 % |
| Selling, general and administrative expenses | 189,284 | 9.3 % | 187,137 | 9.1 % | 2,147 | 1 % |
| Amortization of intangible assets | 47,754 | 2.3 % | 49,138 | 2.4 % | (1,384) | (3)% |
| Operating income | 141,757 | 7.0 % | 152,291 | 7.4 % | (10,534) | (7)% |
| Interest expense, net | 37,366 | 1.8 % | 37,981 | 1.9 % | (615) | (2)% |
| Other expenses | — | — % | 24,420 | 1.2 % | (24,420) | (100)% |
| Income taxes | 21,490 | 1.1 % | 19,216 | 0.9 % | 2,274 | 12 % |
| Net income | $ 82,901 | 4.1 % | $ 70,674 | 3.4 % | $ 12,227 | 17 % |

**Net Sales.** Net sales decreased $5.9 million, or 1%, to $1.04 billion for the three months ended June 28, 2026 compared to $1.05 billion for the three months ended June 29, 2025. The decrease was driven by lower sales to the RV and MH markets, partially offset by increased sales to the marine, powersports and industrial markets. Sales to the RV market decreased $72.3 million, or 15%, compared to the prior year period, primarily due to a decrease in wholesale unit shipments of approximately 16%. Sales to the MH market decreased $7.3 million, or 4%, compared to the prior year period, primarily due to a decrease in estimated MH industry wholesale unit shipments of approximately 8%. Sales to the marine market increased $34.9 million, or 22%, primarily attributable to incremental sales from acquisitions completed in the prior year and organic growth. Sales to the powersports market increased $26.7 million, or 28%, compared to the prior year period, primarily reflecting higher attachment rates on premium utility vehicles compared to the prior year period. Sales to the industrial market increased $12.1 million, or 9%, compared to the prior year period, which is attributable to market share gains and product mix shifts by certain customers.

Net sales for the first six months of 2026 decreased $12.1 million, or 1%, to $2.04 billion compared to $2.05 billion for the first six months of 2025. The decrease was driven by lower sales to the RV and MH markets, partially offset by increased sales to the marine, powersports and industrial markets. Sales to the RV market decreased $104.7 million, or 11%, compared to the first six months of 2025, due to a decrease in RV wholesale unit shipments of 14%. Sales to the MH market decreased $25.9 million, or 7%, compared to the first six months of 2025, primarily due to a decrease in estimated MH industry wholesale unit shipments of approximately 8%. Sales to the marine market increased $55.7 million, or 18%, compared to the first six months of 2025, primarily attributable to incremental sales from acquisitions completed in 2025 and organic growth. Sales to the powersports market increased $49.4 million, or 28%, compared to the first six months of 2025, primarily reflecting higher attachment rates on premium utility vehicles compared to the prior year period. Sales to the industrial market increased $13.4 million, or 5%, compared to the first six months of 2025, primarily related to product mix shifts by certain customers.

Revenue attributable to acquisitions completed in the first six months of 2026 was $1.8 million for both the three and six months ended June 28, 2026. Revenue attributable to acquisitions completed in the first six months of 2025 were $8.9 million and $13.2 million for the three and six months ended June 29, 2025, respectively.

**Cost of Goods Sold.** Cost of goods sold decreased $2.8 million, or less than 1%, to $794.1 million for the three months ended June 28, 2026 compared to $796.9 million for the three months ended June 29, 2025. As a percentage of net sales, cost of goods sold increased 10 basis points in the three months ended June 28, 2026 to 76.2% compared to 76.1% in the prior year period.

Cost of goods sold decreased $7.3 million, or less than 1%, to $1.56 billion for the first six months of 2026 compared to $1.57 billion for the first six months of 2025. As a percentage of net sales, cost of goods sold increased 10 basis points for the first six months of 2026 to 76.7% compared to 76.6% for the first six months of 2025.

For the three months ended June 28, 2026, cost of goods sold as a percentage of net sales increased as a result of increased material and overhead costs, partially offset by continued cost reduction and automation initiatives we deployed throughout 2025 and into 2026 that had a positive impact on labor. Cost of goods sold as a percentage of net sales increased for the first six months of 2026 primarily as a result of increased overhead costs, partially offset by decreased material costs and continued cost reduction and automation initiatives we deployed throughout 2025 and into 2026 that had a positive impact on labor.

**Gross Profit.** Gross profit decreased $3.1 million, or 1%, to $247.6 million for the three months ended June 28, 2026 compared to $250.6 million for the three months ended June 29, 2025. As a percentage of net sales, gross profit decreased 10 basis points to 23.8% for the three months ended June 28, 2026 compared to prior year period.

Gross profit decreased $4.8 million, or 1%, to $474.4 million for the first six months of 2026 compared to $479.2 million in the prior year period. As a percentage of net sales, gross profit decreased 10 basis points to 23.3% for the first six months of 2026 compared to 23.4% for the prior year period. The change in gross profit as a percentage of net sales in the second quarter and first six months of 2026 compared to the same periods in 2025 reflects the impact of the factors discussed above under "Cost of Goods Sold".

**Warehouse and Delivery Expenses**. Warehouse and delivery expenses increased $4.5 million, or 10%, to $50.6 million for the three months ended June 28, 2026 compared to $46.1 million for the three months ended June 29, 2025. As a percentage of net sales, warehouse and delivery expenses increased 50 basis points to 4.9% for the three months ended June 28, 2026 compared to 4.4% for the three months ended June 29, 2025.

Warehouse and delivery expenses increased $5.0 million, or 5%, to $95.6 million for the first six months of 2026 compared to $90.7 million for the prior year period. As a percentage of net sales, warehouse and delivery expenses increased 30 basis points to 4.7% for the first six months of 2026 compared to 4.4% for the first six months of 2025.

The increase in warehouse and delivery expenses and increase as a percentage of net sales for the three and six months ended June 28, 2026 compared to the same periods in 2025 is primarily related to higher fuel and freight costs.

**Selling, General and Administrative ("SG&A") Expenses**. SG&A expenses increased $3.0 million, or 3%, to $96.2 million for the three months ended June 28, 2026 compared to $93.2 million for the three months ended June 29, 2025. The increase in SG&A expenses for the three months ended June 28, 2026 compared to the prior year period is primarily related to increased professional fees, wages, technology expenses, incentive compensation and selling expenses, partially offset by increased gain on sale of assets and decreased insurance expenses.

As a percentage of net sales, SG&A expenses increased 30 basis points to 9.2% for the three months ended June 28, 2026 compared to 8.9% in the prior year period. The increase in SG&A expenses as a percentage of net sales for the three months ended June 28, 2026 is primarily attributable to increased professional fees and technology expenses.

SG&A expenses increased $2.1 million, or 1%, to $189.3 million for the first six months of 2026 compared to $187.1 million in the prior year period. The increase in SG&A expenses for the first six months of 2026 compared to 2025 is primarily attributable to increased professional fees and incentive compensation, partially offset by an increased gain on sale of assets and decreased wages, insurance and selling expenses.

As a percentage of net sales, SG&A expenses increased 20 basis points to 9.3% for the first six months of 2026 compared to 9.1% in the prior year period. The increase in SG&A expenses as a percentage of net sales for the first six months of 2026 is primarily attributable to increased professional fees and incentive compensation, partially offset by decreased insurance related costs and an increased gain on sale of fixed assets.

**Amortization of Intangible Assets.** Amortization of intangible assets decreased $0.9 million, or 4%, to $23.7 million for the three months ended June 28, 2026 compared to $24.6 million for the three months ended June 29, 2025. Amortization of intangible assets decreased $1.4 million, or 3%, to $47.8 million for the first six months of 2026 compared to $49.1 million in the prior year period. The decrease in amortization of intangible assets for the three and six months ended June 28, 2026 compared to the prior year periods primarily reflects certain intangible assets that were fully amortized in the prior year.

**Operating Income.** Operating income decreased $9.7 million, or 11%, to $77.0 million for the three months ended June 28, 2026 compared to $86.7 million for the three months ended June 29, 2025. As a percentage of net sales, operating income decreased to 7.4% compared to 8.3% for the prior year period. The decrease in operating income and operating income as a percentage of net sales is primarily attributable to the items discussed above.

Operating income decreased $10.5 million to $141.8 million for the first six months of 2026 compared to $152.3 million in the prior year period. Operating income as a percentage of net sales decreased to 7.0% for the first six months of 2026 compared to 7.4% for the first six months of 2025. The decrease in operating income and operating income as a percentage of net sales is primarily attributable to the items discussed above.

**Interest Expense, Net.** Interest expense increased $0.1 million, or 1%, to $19.0 million for the three months ended June 28, 2026 compared to $18.9 million for the three months ended June 29, 2025. Interest expense decreased $0.6 million, or 2%, to $37.4 million for the first six months of 2026 compared to $38.0 million for the first six months of 2025.

**Other Expenses.** Other expenses were zero for the three and six months ended June 28, 2026. Other expenses were $24.4 million for the three and six months ended June 29, 2025, reflecting expenses related to a legal settlement.

**Income Taxes.** Income tax expense increased $3.6 million for the three months ended June 28, 2026, to $14.6 million, compared to $11.0 million for the three months ended June 29, 2025. Income tax expense increased $2.3 million for the first six months of 2026 to $21.5 million compared to $19.2 million in the prior year period. The effective tax rate was 25.2% and 20.6% in the three and six months ended June 28, 2026, respectively, and 25.3% and 21.4% in the three and six months ended June 29, 2025, respectively.

The increase in income tax expense for the three and six months ended June 28, 2026 compared to the three and six months ended June 29, 2025 primarily reflects higher income before tax, partially offset by higher excess tax benefits related to share-based compensation.

**SEGMENT REPORTING**

The Company's reportable segments, Manufacturing and Distribution, are based on its method of internal reporting. The Company regularly evaluates the performance of the Manufacturing and Distribution segments and allocates resources to them based on a variety of indicators including sales, gross profit and operating income. The Company does not measure profitability at the customer end market (RV, marine, powersports, MH and industrial) level.

**Three and Six Months Ended June 28, 2026 Compared to 2025**

***General***

In the discussion that follows, sales attributable to the Company’s reportable segments include inter-segment sales and gross profit includes the impact of inter-segment operating activity.

The table below presents information about the sales, gross profit and operating income of the Company’s reportable segments. A reconciliation of consolidated net sales and operating income is presented in Note 11 "Segment Information" of the Notes to Condensed Consolidated Financial Statements.

| | Three Months Ended | | | |
|---|---|---|---|---|
| *($ in thousands)* | **June 28, 2026** | **June 29, 2025** | **Amount Change** | **% Change** |
| **Sales** | | | | |
| Manufacturing | $ 806,923 | $ 776,520 | $ 30,403 | 4% |
| Distribution | $ 240,753 | $ 277,488 | $ (36,735) | (13)% |
| **Gross Profit** | | | | |
| Manufacturing | $ 183,563 | $ 179,288 | $ 4,275 | 2% |
| Distribution | $ 61,407 | $ 72,174 | $ (10,767) | (15)% |
| **Operating Income** | | | | |
| Manufacturing | $ 103,410 | $ 103,123 | $ 287 | —% |
| Distribution | $ 21,614 | $ 32,418 | $ (10,804) | (33)% |

| ($ in thousands) | Six Months Ended June 28, 2026 | Six Months Ended June 29, 2025 | Amount Change | % Change |
|---|---|---|---|---|
| **Sales** | | | | |
| Manufacturing | $ 1,586,941 | $ 1,531,007 | $ 55,934 | 4% |
| Distribution | $ 463,306 | $ 531,574 | $ (68,268) | (13)% |
| **Gross Profit** | | | | |
| Manufacturing | $ 354,419 | $ 348,679 | $ 5,740 | 2% |
| Distribution | $ 117,515 | $ 133,875 | $ (16,360) | (12)% |
| **Operating Income** | | | | |
| Manufacturing | $ 198,251 | $ 201,244 | $ (2,993) | (1)% |
| Distribution | $ 41,892 | $ 57,418 | $ (15,526) | (27)% |

***Manufacturing***

**Sales.** Manufacturing segment sales increased $30.4 million, or 4%, to $806.9 million for the three months ended June 28, 2026 compared to $776.5 million for the three months ended June 29, 2025. For the first six months of 2026, sales increased $55.9 million, or 4%, to $1.59 billion compared to $1.53 billion in the prior year period. The manufacturing segment accounted for approximately 77% and 74% of the Company's sales for the three months ended June 28, 2026 and June 29, 2025, respectively, and approximately 77% and 74% of the Company's sales for the six months ended June 28, 2026 and June 29, 2025, respectively.

Manufacturing segment sales increased for the three months ended June 28, 2026 due to higher sales to the marine, powersports and industrial markets, partially offset by decreased sales to the RV and MH markets. Sales to the marine market increased $34.4 million, or 24%, compared to the prior year period, attributable to incremental sales from acquisitions completed in the prior year and organic growth. Sales to the powersports market increased $25.4 million, or 28%, compared to the prior year period, primarily reflecting higher attachment rates on premium utility vehicles compared to the prior year period. Sales to the industrial market increased $12.4 million, or 10%, compared to the prior year period due to market share gains and product mix shifts by certain customers. Sales to the RV market decreased $40.2 million, or 12%, compared to the prior year period, primarily due to a decrease in estimated RV industry wholesale unit shipments of approximately 16%. Sales to the MH market decreased $1.1 million, or 1%, compared to the prior year period.

Manufacturing segment sales increased for the first six months of 2026 compared to the same prior year period due to increased sales to the marine, powersports, and industrial markets, partially offset by decreased sales to the RV and MH markets. Sales to the marine market increased $55.5 million, or 20%, compared to the prior year period, primarily attributable to incremental sales from acquisitions completed in the prior year and organic growth. Sales to the powersports market increased $46.7 million, or 28% compared to the prior year period, primarily reflecting higher attachment rates on premium utility vehicles compared to the prior year period. Sales to the industrial market increased $14.5 million, or 6%, compared to the prior year period, primarily due to market share gains and product mix shifts of certain customers. Sales to the RV market decreased $54.4 million, or 8%, compared to the prior year period, primarily attributable to a decrease in estimated wholesale unit shipments of 14%, partially offset by market share gains. Sales to the MH market decreased $6.1 million, or 4%, compared to the prior year period, primarily due to a decrease in estimated MH industry wholesale unit shipments of approximately 8%, partially offset by market share gains.

Manufacturing segment sales attributable to acquisitions completed in the first six months of 2026 were $0.8 million for both the three and six months ended June 28, 2026. Manufacturing segment sales attributable to acquisitions completed in the first six months of 2025 were $8.9 million and $13.2 million for the three and six months ended June 29, 2025, respectively.

**Gross Profit**. Manufacturing segment gross profit increased $4.3 million, or 2%, to $183.6 million for the three months ended June 28, 2026 compared to $179.3 million for the three months ended June 29, 2025. As a percentage of sales, gross profit decreased 40 basis points to 22.7% for the three months ended June 28, 2026 compared to 23.1% for the three months ended June 29, 2025. The decrease in gross profit as a percentage of sales for the three months ended June 28, 2026 compared to the prior year period is attributable to increased labor and manufacturing overhead costs as a percentage of sales, partially offset by decreased material costs as a percentage of sales.

Manufacturing segment gross profit increased $5.7 million, or 2%, to $354.4 million in the first six months of 2026 compared to $348.7 million in the first six months of 2025. As a percentage of sales, gross profit decreased 50 basis points to 22.3% in the first six months of 2026 compared to 22.8% in the prior year period. The decrease in gross profit as a percentage of sales in the first six months of 2026 compared to the same period in 2025 is attributable to increased labor and overhead costs as a percentage of sales, partially offset by decreased material costs as a percentage of sales.

**Operating Income.** Operating income increased $0.3 million, or less than 1%, to $103.4 million for the three months ended June 28, 2026 compared to $103.1 million for the three months ended June 29, 2025. As a percentage of sales, operating income decreased 50 basis points to 12.8% for the three months ended June 28, 2026 compared to 13.3% for the three months ended June 29, 2025. The increase in operating income is primarily attributable to the items discussed above, partially offset by an increase in operating expenses. The decrease in operating income as a percentage of sales is primarily related to the items discussed above combined with an increase in operating expenses as a percentage of sales.

Operating income decreased $3.0 million, or 1%, to $198.3 million for the first six months of 2026 compared to $201.2 million in the prior year period. As a percentage of sales, operating income decreased 60 basis points to 12.5% in the first six months of 2026 compared to 13.1% in the prior year period. The decrease in operating income and operating income as a percentage of sales is primarily attributable to the items discussed above combined with an increase in operating expenses and operating expenses as a percentage of sales.

***Distribution***

**Sales.** Distribution segment sales decreased $36.7 million, or 13%, to $240.8 million for the three months ended June 28, 2026 compared to $277.5 million for the three months ended June 29, 2025. For the first six months of 2026, sales decreased $68.3 million, or 13%, to $463.3 million compared to $531.6 million in the prior year period. The distribution segment accounted for approximately 23% and 26% of the Company’s sales for the three months ended June 28, 2026 and June 29, 2025, respectively, and approximately 23% and 26% of the Company’s sales for the six months ended June 28, 2026 and June 29, 2025, respectively.

Distribution segment sales decreased for the three months ended June 28, 2026 compared to the prior year period due to lower sales to the RV, MH and industrial markets, partially offset by increased sales to the powersports and marine markets. Sales to the RV market decreased $32.1 million, or 22%, compared to the prior year period, primarily attributable to a decrease in estimated RV industry wholesale unit shipments of approximately 16% and product mix shifts by certain customers. Sales to the MH market decreased $6.2 million, or 6%, compared to the prior year period, primarily due to a decrease in estimated MH industry wholesale unit shipments of approximately 8%. Sales to the industrial market decreased $0.2 million, or 2%, compared to the prior year period. Sales to the powersports market increased $1.2 million, or 27%, compared to the prior year period. Sales to the marine market increased $0.5 million, or 4%, compared to the prior year period.

Distribution segment sales decreased for the first six months of 2026 compared to the first six months of 2025 due to lower sales to the RV, MH and industrial markets, partially offset by increased sales to the powersports and marine markets. Sales to the RV market decreased $50.3 million, or 18%, compared to the first six months of 2025, due to a decrease in estimated RV industry wholesale unit shipments of approximately 14% and product mix shifts by certain customers. Sales to the MH market decreased $19.9 million, or 10%, compared to the first six months of 2025, primarily due to a decrease in estimated MH industry wholesale unit shipments of approximately 8%. Sales to the industrial market decreased $1.0 million, or 5%, compared to the first six months of 2025. Sales to the powersports market increased $2.6 million, or 31%, compared to the first six months of 2025, primarily reflecting higher attachment rates on premium utility vehicles compared to the prior year period. Sales to the marine market increased $0.2 million, or 1%, compared to the first six months of 2025.

Distribution segment sales attributable to acquisitions completed in the first six months of 2026 were $1.0 million in both the three and six months ended June 28, 2026.

**Gross Profit.** Distribution segment gross profit decreased $10.8 million, or 15%, to $61.4 million for the three months ended June 28, 2026 compared to $72.2 million for the three months ended June 29, 2025. As a percentage of sales, gross profit decreased 50 basis points to 25.5% for the three months ended June 28, 2026 compared to 26.0% in the prior year period. The decrease in gross profit as a percentage of sales for the three months ended June 28, 2026 compared to the prior year period is attributable to increased material costs as a percentage of sales, partially offset by decreased labor and manufacturing overhead costs as a percentage of sales.

Distribution segment gross profit decreased $16.4 million, or 12%, to $117.5 million for the first six months of 2026 compared to $133.9 million for the first six months of 2025. As a percentage of sales, gross profit increased 20 basis points to 25.4% for the first six months of 2026 compared to 25.2% in the prior year period. The increase in gross profit as a percentage of sales for the first six months of 2026 compared to the prior year period is attributable to decreased labor and manufacturing overhead costs as a percentage of sales, partially offset by increased material costs as a percentage of sales.

**Operating Income.** Operating income decreased $10.8 million, or 33%, to $21.6 million for the three months ended June 28, 2026 compared to $32.4 million for the three months ended June 29, 2025. As a percentage of sales, operating income decreased 270 basis points to 9.0% for the three months ended June 28, 2026 compared to 11.7% in the same period in 2025. The decrease in operating income and operating income as a percentage of sales is primarily related to the items discussed above combined with higher operating expenses and operating expenses as a percentage of sales compared to the prior year period.

Operating income decreased $15.5 million, or 27%, to $41.9 million in the first six months of 2026 compared to $57.4 million in the prior year period. As a percentage of sales, operating income decreased 180 basis points to 9.0% in the first six months of 2026 compared to 10.8% in the same period in 2025. The decrease in operating income and operating income as a percentage of sales primarily reflect the items discussed above, as well as an increase in operating expenses and operating expenses as a percentage of sales.

## LIQUIDITY AND CAPITAL RESOURCES

The Company's primary sources of liquidity are cash flows from operations, available cash reserves and borrowing capacity available under the 2024 Credit Facility, as discussed in Note 8 "Debt" of the Notes to Condensed Consolidated Financial Statements. Our liquidity as of June 28, 2026 consisted of cash and cash equivalents of $29.2 million and $661.4 million of availability under the 2024 Credit Facility, net of $8.6 million of outstanding letters of credit.

As of June 28, 2026, the Company's existing cash and cash equivalents, cash generated from operations, and available borrowings under the 2024 Credit Facility are expected to be sufficient to meet anticipated cash needs for working capital and capital expenditures for at least the next 12 months, exclusive of any acquisitions, based on the Company's current cash flow budgets and forecast of short-term and long-term liquidity needs.

Principal uses of cash are to support working capital demands, meet debt service requirements and support the Company's capital allocation strategy, which includes acquisitions, capital expenditures, dividends and repurchases of the Company’s common stock, among others.

Working capital requirements vary from period to period depending on manufacturing volumes primarily related to the RV, marine, powersports, MH and industrial markets we serve, the timing of deliveries, and the payment cycles of customers. In the event that operating cash flow is inadequate and one or more of the Company's capital resources were to become unavailable, the Company would seek to revise its operating strategies accordingly. The Company will continue to assess its liquidity position and potential sources of supplemental liquidity in view of operating performance, current economic and capital market conditions, and other relevant circumstances.

As of and for the reporting period ended June 28, 2026, the Company was in compliance with its financial covenants as required under the terms of the credit agreement that established the 2024 Credit Facility (the "2024 Credit Agreement"). The required maximum consolidated secured net leverage ratio and the required minimum consolidated interest coverage ratio, as such ratios are defined in the 2024 Credit Agreement, compared to the actual amounts as of June 28, 2026 and for the fiscal period then ended are as follows:

| | Required | Actual |
|---|---|---|
| Consolidated secured net leverage ratio (12-month period) | 2.75 | 0.61 |
| Consolidated interest coverage ratio (12-month period) | 3.00 | 6.58 |

In addition, as of June 28, 2026, the Company's consolidated total net leverage ratio (12-month period) was 2.97. While this ratio is not a covenant under the 2024 Credit Agreement, it is used in determining the applicable borrowing margin under the 2024 Credit Agreement.

**Cash Flows**

**Operating Activities:** Cash flows from operating activities are one of the Company's primary sources of liquidity, representing the net income the Company earned in the reported periods, adjusted for certain non-cash items and changes in operating assets and liabilities.

Net cash provided by operating activities was $68.9 million for the six months ended June 28, 2026 compared to $189.5 million for the six months ended June 29, 2025. The decrease in operating cash flows is primarily attributable to a $112.8 million use of cash from operating assets and liabilities, net of business acquisitions, compared to a $27.7 million source of cash in the prior year period, partially offset by a $12.2 million increase in net income compared to the six months ended June 29, 2025.

**Investing Activities:** Net cash used in investing activities decreased $42.4 million to $44.2 million for the six months ended June 28, 2026 compared to $86.6 million for the six months ended June 29, 2025 due to a decrease in cash used in business acquisitions, which were $7.3 million for the six months ended June 28, 2026 compared to $48.1 million for the six months ended June 29, 2025.

**Financing Activities:** Net cash used in financing activities decreased $92.5 million to $22.0 million for the six months ended June 28, 2026 compared to $114.4 million for the six months ended June 29, 2025, primarily due to net borrowings under our revolving credit facility of $130.0 million compared to net repayments of $45.0 million for the six months ended June 29, 2025, partially offset by increased stock repurchases of $106.1 million compared to $32.0 million in the prior year period.

**RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

See Note 1, "Basis of Presentation and Significant Accounting Policies" to the accompanying Condensed Consolidated Financial Statements.

**CRITICAL ACCOUNTING POLICIES**

There have been no material changes to our critical accounting policies which are summarized in the MD&A in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 19, 2026.

**OTHER**

**Seasonality**

Manufacturing operations in the RV, marine, powersports and MH industries historically have been seasonal and at their highest levels when the weather is moderate. Accordingly, the Company's sales and profits had generally been the highest in the second quarter and lowest in the fourth quarter. Seasonal industry trends in the past several years have included the impact related to the addition of major RV manufacturer open houses for dealers in the August-September timeframe and marine open houses in the December-February timeframe, resulting in dealers delaying certain restocking purchases until new product lines are introduced at these shows. In addition, recent seasonal industry trends have been, and future trends may be, different than in prior years due to volatile economic conditions, interest rates, access to financing, cost of fuel, national and regional economic conditions and consumer confidence on retail sales of RVs, powersports and marine units and other products for which the Company sells its components, as well as fluctuations in RV, powersports and marine dealer inventories, increased volatility in demand from RV, powersports and marine dealers, the timing of dealer orders, and from time to time, the impact of severe weather conditions on the timing of industry-wide wholesale shipments.

## INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

The Company makes forward-looking statements with respect to financial condition, results of operations, business strategies, operating efficiencies or synergies, competitive position, growth opportunities for existing products, plans and objectives of management, markets for the common stock of Patrick Industries, Inc., the pending business combination of the Company and LCI Industries, including the expected timing of the consummation of the business combination, and other matters from time to time and desires to take advantage of the "safe harbor" which is afforded such statements under the Private Securities Litigation Reform Act of 1995 when they are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the forward-looking statements. The statements contained in the foregoing "Management's Discussion and Analysis of Financial Condition and Results of Operations", as well as other statements contained in this quarterly report and statements contained in future filings with the Securities and Exchange Commission ("SEC"), publicly disseminated press releases, quarterly earnings conference calls, and statements which may be made from time to time in the future by management of the Company in presentations to shareholders, prospective investors, and others interested in the business and financial affairs of the Company, which are not historical facts, are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements. Any projections of financial performance or statements concerning expectations as to future developments should not be construed in any manner as a guarantee that such results or developments will, in fact, occur. There can be no assurance that any forward-looking statement will be realized or that actual results will not be significantly different from those 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 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, 2025, and in the Company's Forms 10-Q for subsequent quarterly periods, which are filed with the SEC and are available on the SEC's website at www.sec.gov.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### Debt Obligations

As of June 28, 2026, our total debt obligations under our 2024 Credit Agreement were under Secured Overnight Financing Rate ("SOFR")-based interest rates. A 100-basis point increase in the underlying SOFR rates would result in additional annual interest cost of approximately $3.2 million, assuming average borrowings during 2026, including the Revolver due 2029 and Term Loan due 2029, subject to variable rates were equal to the amount of such borrowings outstanding at June 28, 2026, excluding deferred financing costs related to the Revolver due 2029 and Term Loan due 2029.

### Commodity Volatility

The prices of key raw materials, consisting primarily of lauan, gypsum, fiberglass, particleboard, aluminum, softwoods and hardwoods lumber, resin, and petroleum-based products, are influenced by demand and other factors specific to these commodities as well as general inflationary pressures, including those driven by supply chain and logistical disruptions. Prices of certain commodities have historically been volatile and continued to fluctuate in 2026. During periods of volatile commodity prices, we have generally been able to pass both price increases and decreases to our customers in the form of price adjustments. We are exposed to risks during periods of commodity volatility because there can be no assurance future cost increases or decreases, if any, can be partially or fully passed on to customers, or that the timing of such sales price increases or decreases will match raw material cost increases or decreases. We do not believe that commodity price volatility had a material effect on results of operations for the periods presented.

**Equity Price Risk**

The fair value of the 1.75% Convertible Notes is subject to market risk and other factors due to the conditional conversion feature. The fair value of the 1.75% Convertible Notes will generally increase as our common stock price increases and will generally decrease as our common stock price decreases. The 1.75% Convertible Notes are carried at amortized cost and their fair value is presented for disclosure purposes only.

The Company will satisfy any conversion by paying cash up to the aggregate principal amount of the 1.75% Convertible Notes to be converted and by paying or delivering, as the case may be, cash, shares of the Company's common stock, or a combination of cash and shares of the Company's common stock, at its election, in respect of the remainder, if any, of its conversion obligation in excess of the aggregate principal amount of the 1.75% Convertible Notes being converted.

In connection with the pricing of the 1.75% Convertible Notes, we entered into convertible note hedge transactions with certain of the initial purchasers and/or their respective affiliates (the "option counterparties"). At the same time, we entered into warrant transactions with the option counterparties. The convertible note hedge transactions are expected generally to reduce the potential dilution upon conversion of the 1.75% Convertible Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted notes, as the case may be. However, the warrant transactions could separately have a dilutive effect on our common stock to the extent that the market price per share of our common stock exceeds the strike price of the warrants described in Note 9 "Derivative Financial Instruments" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 19, 2026.

**ITEM 4. CONTROLS AND PROCEDURES**

***Disclosure Controls and Procedures***

The Company maintains "disclosure controls and procedures", as such term is defined under Securities Exchange Act Rule 13a-15(e) or 15d-15(e), that are designed to ensure that information required to be disclosed in our Securities Exchange Act of 1934, as amended (the "Exchange Act") reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, the Company's management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and the Company's management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision and with the participation of our senior management, including our Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report (the "Evaluation Date"). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to the Company, including consolidated subsidiaries, required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to the Company's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

***Changes in internal control over financial reporting***

There have been no changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the three months ended June 28, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II: OTHER INFORMATION

Items 3 and 4 of Part II are not applicable and have been omitted.

### ITEM 1. LEGAL PROCEEDINGS

We are subject to claims and lawsuits in the ordinary course of business. In management's opinion, currently pending legal proceedings and claims against the Company will not, individually or in the aggregate, have a material adverse effect on its financial condition, results of operations, or cash flows.

See Note 13 "Commitments and Contingencies" to our Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

### ITEM 1A. RISK FACTORS

Other than the following risk factors, there have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 19, 2026.

**Risks Related to the Proposed Merger with LCI Industries**

***The merger may not be completed and the Merger Agreement may be terminated in accordance with its terms.***

On June 30, 2026, we entered into an Agreement and Plan of Merger (the “Merger Agreement”) to combine our business with LCI Industries (“LCI”). The merger is subject to a number of conditions that must be satisfied or waived prior to the closing of the merger, as more fully described in the Merger Agreement. These conditions to the consummation of the merger include: (i) the adoption of the Merger Agreement by LCI’s stockholders; (ii) the approval by our shareholders of (a) the issuance of shares of our common stock in connection with the merger and (b) an amendment to our articles of incorporation to, among other things, increase the number of our authorized shares of common stock; (iii) the termination or expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (and any timing agreement with the Federal Trade Commission or the Department of Justice, as applicable, shall have terminated or expired); (iv) the receipt of other required regulatory approvals; (v) the absence of any restraint in effect preventing the consummation of the merger; (vi) the effectiveness of a registration statement on Form S-4 with respect to such shares of our common stock to be issued in connection with the merger; (vii) the approval for listing on Nasdaq of the shares of our common stock issuable as merger consideration pursuant to the terms of the Merger Agreement; (viii), the receipt by LCI of a written opinion with respect to the tax-free nature of the merger for LCI’s stockholders; (ix) subject to certain exceptions, the accuracy of the representations and warranties of the other party; (x) performance in all material respects by each party of its respective obligations under the Merger Agreement; and (xi) the absence of certain changes that have had, or would reasonably be expected to have, a material adverse effect with respect to each of the Company and LCI. These conditions to the consummation of the merger may not be satisfied or waived in a timely manner or at all, and, accordingly, the merger may be delayed or may not be completed.

In addition, if the merger is not completed by March 30, 2027 (subject to two three-month extensions in the event that the regulatory closing conditions have not been satisfied), either party may choose not to proceed with the merger by terminating the Merger Agreement, and the parties can mutually decide to terminate the Merger Agreement at any time, before or after shareholder approval by either our shareholders or LCI’s stockholders. In addition, either party may elect to terminate the Merger Agreement in certain other circumstances.

No assurance can be given that the required shareholder approvals and regulatory clearance will be obtained or that the other required conditions to closing will be satisfied, and, if all required approvals and regulatory clearance are obtained and the required conditions are satisfied, no assurance can be given as to the terms, conditions and timing of such approvals and clearance, including whether any required conditions will materially adversely affect the combined company following the merger. Any delay in completing the merger could cause the combined company not to realize, or to be delayed in realizing, some or all of the benefits that we and LCI expect to achieve if the merger is successfully completed within its expected time frame. We can provide no assurance that these conditions will not result in the abandonment or delay of the merger. The occurrence of any of these events individually or in combination could have a material adverse effect on our results of operations, financial condition and the trading price of our common stock.

***Failure to complete the merger, or a delay in the closing of the merger, could negatively impact our business, results of operations, financial condition and stock price.***

The Merger Agreement is subject to a number of conditions that must be fulfilled to complete the merger. Those conditions include, among others, (i) the approval by our shareholders of (a) the issuance of shares of our common stock in connection with the merger and (b) an amendment to our articles of incorporation to, among other things, increase the number of our authorized shares of common stock, (ii) the approval by LCI stockholders of the Merger Agreement, (iii) the termination or expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (and any timing agreement with the Federal Trade Commission or the Department of Justice, as applicable, shall have terminated or expired); and (iv) the receipt of any other regulatory approvals. A number of the conditions are not within our control and may prevent, delay or otherwise materially adversely affect the closing of the merger. We cannot predict with certainty whether and when any of the required closing conditions will be satisfied or if another uncertainty may arise, and neither can we provide assurance that we will be able to timely complete the merger as currently contemplated under the Merger Agreement or at all. Our business, results of operations, financial condition or stock price could be adversely affected, potentially in a material way, by the failure to complete the merger, or by a delay in the closing of the merger, and we may suffer consequences that could adversely affect our business, results of operations, financial condition and stock price, including the following:

- we may not realize any or all of the potential benefits of the merger, including any synergies that could result from combining their financial and business resources;
- matters relating to the merger will require substantial commitments of time and resources by our management, which would otherwise have been devoted to day-to-day operations and other opportunities that may have been beneficial to us;
- we have incurred and will incur further substantial expenses in connection with the merger, including financial advisory, legal, accounting, consulting and other advisory fees, severance/retention employee benefit-related costs and regulatory fees and other costs relating to the merger regardless of whether the merger is completed;
- we, LCI, and/or either companies’ boards of directors may be subject to legal proceedings related to the potential delay of, or failure to complete, the merger;
- we may experience disruptions to our business resulting from the announcement and pendency of the merger, including adverse changes in relationships with, or loss of, customers, business partners and employees, which may not be reversible and may continue or even intensify in the event the merger is delayed or not completed;
- we may experience negative reactions to the merger, including if the merger is not completed, from the financial markets, including negative impacts on the market price of our common stock; and
- under the Merger Agreement, we are subject to certain restrictions on the conduct of our business prior to completing the merger, which restrictions could adversely affect our ability to conduct our business as we otherwise would have done if not subject to these restrictions.

In addition to the above risks, we will be required to pay LCI a termination fee equal to $94.2 million in specified circumstances, including if LCI terminates the Merger Agreement following a change of recommendation by our board of directors, and LCI will be required to pay us a termination fee equal to $94.2 million in specified circumstances, including if we terminate the Merger Agreement following a change of recommendation by the LCI board of directors, in each case subject to the terms and conditions of the Merger Agreement.

***The merger and integration of both companies may be more difficult, costly or time-consuming than expected, and we may fail to realize the anticipated benefits of the merger.***

The success of the proposed merger will depend in part on our ability to realize anticipated revenue and cost synergies and on our ability to successfully integrate the businesses. If we are not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully, or at all, or may take longer to realize than expected. In addition, our ability to achieve the goals for the proposed merger may be affected by future prospects, execution of business strategies, and our ability to manage the various factors discussed within this report, including within the forward-looking statements. The actual benefits of the proposed merger also could be less than anticipated if, for example, completion of the merger and/or integration of the businesses are more difficult, costly or time-consuming than we expect.

***The market price of the combined company's common stock following the closing of the merger may be affected by factors different from those that historically have affected or currently affect our common stock.***

Upon completion of the merger, the combined company's financial position may differ from each of our and LCI's financial positions before the completion of the merger, and the results of operations of the combined company may be affected by factors that are different from those currently affecting the results of operations of each company. Accordingly, the market price and performance of the combined company's common stock is likely to be different from the performance of our common stock prior to the closing of the merger.

***We expect to incur significant additional indebtedness in connection with the merger, which indebtedness may limit our operating or financial flexibility relative to our current position and make it difficult to satisfy our obligations with respect to our other indebtedness.***

If the merger is completed, we expect to incur debt to finance the repayment of certain existing indebtedness of LCI. Our increased level of debt in connection with the merger could have negative consequences on us and the combined company, including, among other things, (i) requiring us, and the combined company, to dedicate a large portion of cash flow from operations to servicing and repayment of the debt, (ii) reducing funds available for strategic initiatives and opportunities, working capital and other general corporate needs, (iii) limiting our, and the combined company's, ability to incur additional indebtedness, which could restrict its flexibility to react to changes in its business, its industry and economic conditions and (iv) placing us, and the combined company, at a competitive disadvantage compared to our competitors that have less debt. In addition, LCI's outstanding $460.0 million aggregate principal amount of 3.00% convertible notes due 2030 are expected to remain outstanding following the closing but will become convertible into shares of Patrick common stock, and the terms of the related call options and warrants will need to be amended or adjusted with the consent of the relevant counterparties, which consent may not be obtained on favorable terms or at all. Failure to obtain such consents could result in economic inefficiencies in the combined company's capital structure or require the expenditure of additional resources to resolve such issues, which could adversely affect the combined company's results of operations or financial condition.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) Recent Sales of Unregistered Securities. None.
(b) Use of Proceeds. None.
(c) Issuer Purchases of Equity Securities

The following table summarizes our purchases of common stock for the three months ended June 28, 2026.

| Period | Total Number of Shares Purchased (1) | Average Price Paid Per Share (1) | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2) | Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (2) |
|---|---|---|---|---|
| March 30 - April 26, 2026 | 89,823 | $ 102.39 | 88,102 | $ 144,343,000 |
| April 27 - May 31, 2026 | 805,516 | $ 92.73 | 805,370 | $ 69,658,000 |
| June 1 - June 28, 2026 | 86,528 | $ 89.69 | 86,528 | $ 61,898,000 |
| | 981,867 | | 980,000 | |

(1) Amount includes 1,867 shares of common stock purchased by the Company in the period for the purpose of satisfying the minimum tax withholding obligations of employees upon the vesting of stock awards and the exercise of stock options held by the employees.

(2) See Note 12 "Stock Repurchase Programs" of the Notes to Condensed Consolidated Financial Statements for additional information about the Company's stock repurchase program.

***Restrictions upon the Payment of Dividends***

Pursuant to the Merger Agreement, which is described in Note 15 "Subsequent Events" of the Notes to Condensed Consolidated Financial Statements, the Company has agreed that, during the period from the date of the Merger Agreement until the earlier of the effective time of the mergers contemplated thereby and the termination of the Merger Agreement, without the prior written consent of LCI Industries, the Company will not, and will not permit its subsidiaries to, declare, set aside or pay any dividends on, or make any other distributions in respect of, any of its equity securities, subject to certain exceptions. Those exceptions permit only (i) dividends and distributions by a direct or indirect wholly owned subsidiary of the Company to its parent and (ii) quarterly cash dividends on shares of the Company’s common stock, with timing consistent with past practice, in an amount per share not to exceed $0.47 with respect to the Company’s fiscal year 2026 quarterly dividends.

The declaration and payment of any such dividends on Patrick common stock remain subject to compliance with applicable law and to the approval of Patrick's board of directors. In addition, under the Merger Agreement, the Company has agreed to coordinate with LCI Industries regarding the declaration, record dates and payment dates of dividends on the Company’s common stock and LCI Industries’ common stock so that holders of the Company’s common stock and holders of LCI Industries’ common stock do not receive, in any calendar quarter, two dividends, or fail to receive one dividend, in respect of their shares. As a result of these contractual restrictions, the Company’s ability to increase its quarterly dividend above $0.47 per share through December 1, 2026, to pay dividends on a schedule inconsistent with its past practice, or otherwise to declare or pay dividends outside the parameters described above is limited for so long as the Merger Agreement remains in effect.

## ITEM 5. OTHER INFORMATION

For the three months ended June 28, 2026, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" (as defined in Item 408(c) of Regulation S-K).

**ITEM 6. EXHIBITS**

| Exhibits (1) | Description |
|---|---|
| 2.1 | Agreement and Plan of Merger, dated as of June 30, 2026, by and among the Company, LCI, First Merger Sub and Second Merger Sub (filed as Exhibit 2.1 to the Company's Form 8-K filed on June 30, 2026 and incorporated herein by reference). |
| 31.1 | Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer |
| 31.2 | Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer |
| 32 | Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer and Chief Financial Officer |
| 101 | Interactive Data Files. The following materials are filed electronically with this Quarterly Report on Form 10-Q: |

| | |
|---|---|
| 101.INS | Inline XBRL Instance Document |
| 101.SCH | Inline XBRL Taxonomy Schema Document |
| 101.CAL | Inline XBRL Taxonomy Calculation Linkbase Document |
| 101.DEF | Inline XBRL Taxonomy Definition Linkbase Document |
| 101.LAB | Inline XBRL Taxonomy Label Linkbase Document |
| 101.PRE | Inline XBRL Taxonomy Presentation Linkbase Document |

| | |
|---|---|
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |

## 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 thereunto duly authorized.

| | | |
|---|---|---|
| Date: August 6, 2026 | By: | /s/ Matthew S. Filer |
| | | Matthew S. Filer |
| | | Executive Vice President - Finance, Chief Financial Officer, and Treasurer |

**Exhibit 31.1**

**CERTIFICATIONS**

I, Andy L. Nemeth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Patrick Industries, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2026

/s/ Andy L. Nemeth
Andy L. Nemeth
Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATIONS**

I, Matthew S. Filer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Patrick Industries, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 6, 2026

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

**Exhibit 32**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Patrick Industries, Inc. (the "Company") on Form 10-Q for the quarter ended June 28, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Chief Executive Officer and Chief Financial Officer of the Company hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002 that: 1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and 2) the information contained in the Report fairly represents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

/s/ Andy L. Nemeth
Andy L. Nemeth
Chief Executive Officer

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

August 6, 2026