

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

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FORM 8-K

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

Date of report (Date of earliest event reported)

May 9, 2014

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**PATRICK INDUSTRIES, INC.**

(Exact name of registrant as specified in its charter)

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**Indiana**

(State or other jurisdiction  
of incorporation)

**000-03922**

(Commission  
File Number)

**35-1057796**

(IRS Employer  
Identification Number)

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**107 West Franklin, P.O. Box 638, Elkhart, Indiana**

(Address of Principal Executive Offices)

**46515**

(Zip Code)

Registrant's Telephone Number, including area code

**(574) 294-7511**

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure.**

- a) Slides for First Quarter 2014 Investor Presentation as contained in Exhibit 99.1

**Item 9.01 Financial Statements and Exhibits.**

- (d) Exhibits

Exhibit 99.1 - Slides for First Quarter 2014 Investor Presentation

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**PATRICK INDUSTRIES, INC.**

(Registrant)

Date: May 9, 2014

By: /s/ Andy L. Nemeth

Andy L. Nemeth  
Executive Vice President – Finance and  
Chief Financial Officer



First Quarter 2014

INVESTOR PRESENTATION

NASDAQ: PATK

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# **PATRICK** INDUSTRIES, INC.



# Forward-Looking Statements

*This presentation contains certain statements related to future results, or states our intentions, beliefs and expectations or predictions for the future which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from either historical or anticipated results depending on a variety of factors. Further information concerning the Company and its business, including factors that potentially could materially affect the Company's financial results, is contained in the Company's filings with the Securities and Exchange Commission.*

*This presentation includes market and industry data, forecasts and valuations that have been obtained from independent consultant reports, publicly available information, various industry publications and other published industry sources. Although we believe these sources are reliable, we have not independently verified the information and cannot make any representation as to the accuracy or completeness of such information.*

*We disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this presentation or to reflect any change in our expectations after the date of this presentation or any change in events, conditions or circumstances on which any statement is based.*

# Patrick Industries Highlights

- Patrick is a leading national manufacturer and distributor of a wide variety of building and component products for the RV, MH and Industrial markets.
- Strong leadership team and key players - top to bottom alignment and entrepreneurial culture
- Solid balance sheet and free cash flow generation
- Patrick's core market, the \$13 billion RV industry, has rebounded significantly from the recent recession.
- Track record of successful acquisitions and organic new product line introductions
- Capacity to capture additional market share through cross-selling of existing product lines and extensions
- Lean organization - operational efficiencies and expense controls
- Margins and profitability have increased steadily in the past five years.

# Patrick Industries Overview

- Leading national supplier serving the RV, MH & Industrial markets
- 18 manufacturing and 15 distribution centers
- Approximately 2,500 employees
- Strong leadership team & entrepreneurial culture
- Strong customer relationships



**RV market: 76% of 3M'14 revenues**  
- Includes laminated panels, countertops, wrapped mouldings, cabinet doors, wiring/electrical/plumbing, furniture, interior passage doors, exterior graphics, interior lighting, wall coverings, fiberglass bath fixtures, and mattresses.



**MH market: 13% of 3M'14 revenues**  
- Includes wall/ceiling panels, pressed and hardwood doors, wiring/electrical/plumbing, cement siding, drywall and roofing products, lighting, wall coverings, and bath and shower surrounds.



**Industrial market: 11% of 3M'14 revenues**  
- Includes retail and commercial fixtures, kitchen cabinets, solid surface countertops, and office and residential furniture.

# Patrick Facility Profile



Patrick's nationwide network of manufacturing and distribution centers reduces in-transit delivery time and cost to our customers

## # of Centers (as of 03/30/14)

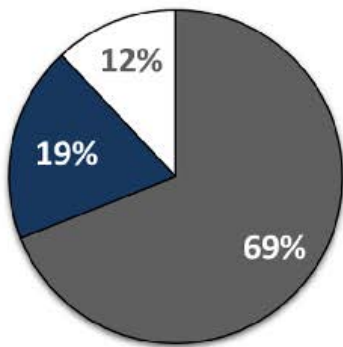
Manufacturing	18
Distribution	15



# Sales Concentration By Market

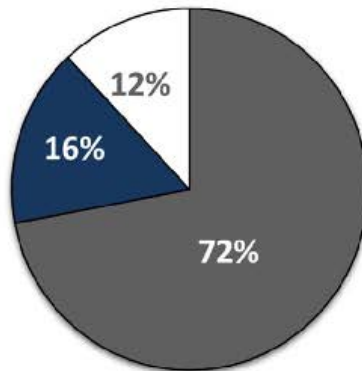
***The increase in wholesale unit shipments in the RV market, new product introductions, and the impact of acquisitions over the last 4 years contributed to an increase in our RV market sales concentration.***

2012 Actual Industry  
Sales Breakdown  
\$437.4 million



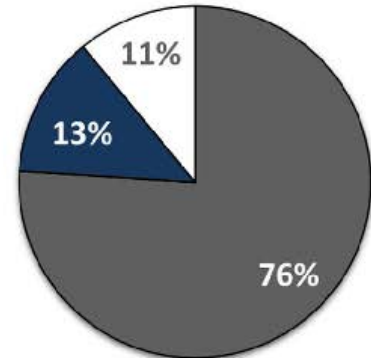
■ RV ■ MH □ Industrial

2013 Actual Industry  
Sales Breakdown  
\$594.9 million



■ RV ■ MH □ Industrial

Q1'14 Actual Industry  
Sales Breakdown  
\$170.1 million

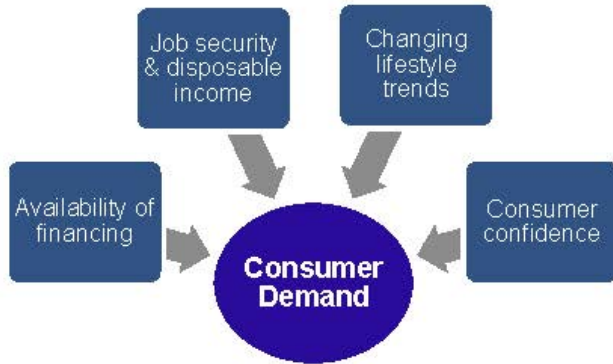


■ RV ■ MH □ Industrial



# RV Market Growth Factors

## Drivers of Consumer Demand



## Market Growth

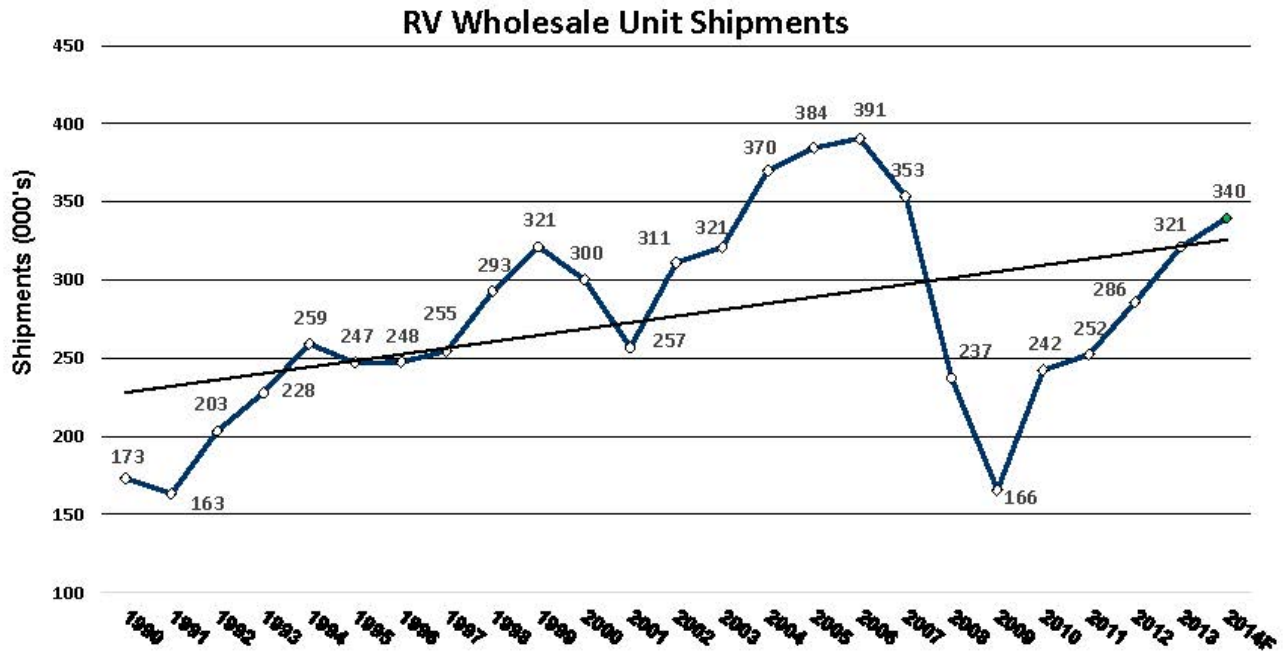


- RV sales will continue to benefit from the aging baby-boomers.
- Buyers aged 35 to 54 are the largest growing segment of RV owners.
- Rate of RV ownership is highest in the age range of 55 and 70.
  - Number of consumers between the ages of 55 and 70 projected to reach 56 million by 2020 (27% higher than in 2010)
- 70% of current RV owners plan to purchase another RV to replace their current unit.

Source: Recreation Vehicle Industry Association (RVIA)

# RV Industry Shipment Trends

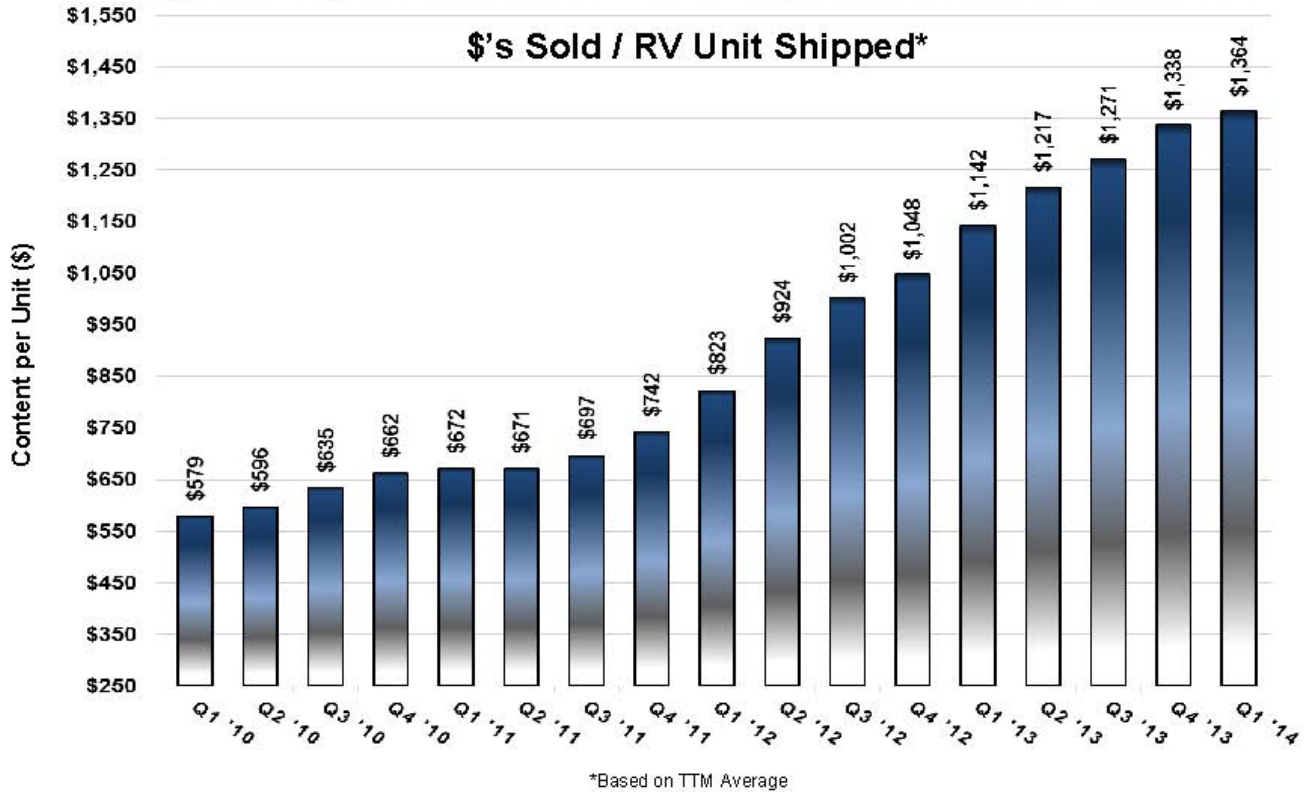
**After a dramatic rebound in 2010 from a 55% decline in unit shipments during the period 2008-2009, the RV industry has experienced steady growth. Trended shipment levels indicate that there continues to be potential for future growth based on the depth of the last cycle.**



Source: 1990 – 2014 Forecast (F): RVIA

# RV Content Per Unit

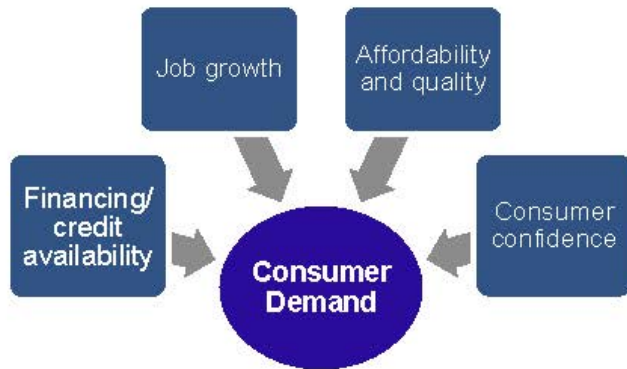
*With market share gains, new products and extension growth, and acquisitions, our RV unit content has grown 19% since Q1 of '13.*





# MH Market Growth Factors

## Drivers of Consumer Demand



## Market Growth

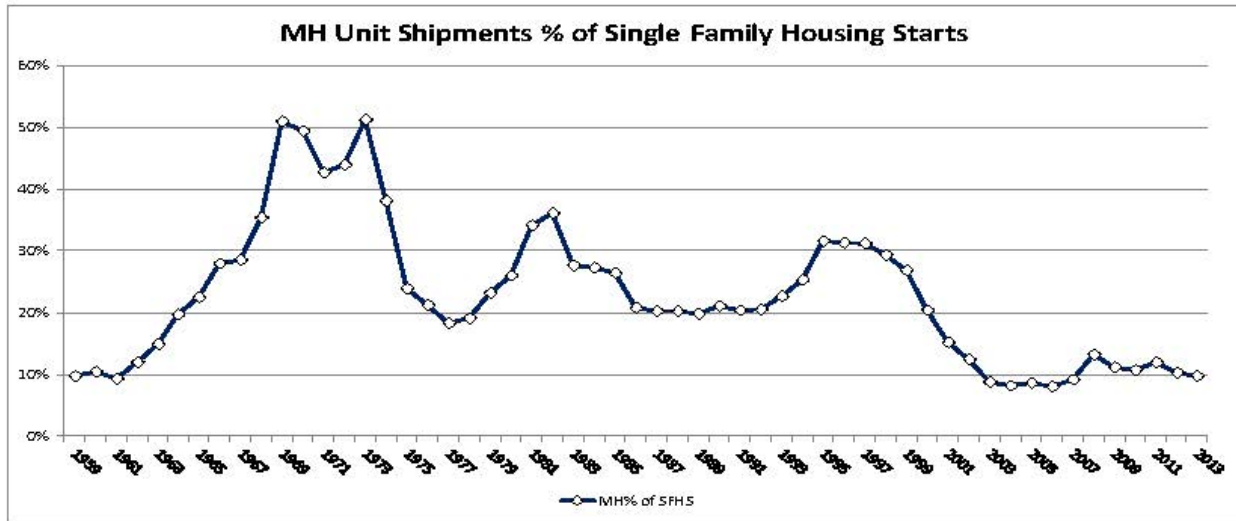


- There is opportunity for moderate year-over-year growth, with limited downside risk in the near-term, if volumes maintain their historical relationship with new housing starts.
  - Unit shipments have averaged about 10% of single-family housing starts over the last 10 years.
- Potential gain from the recalibration of quality credit standards, job growth, and the significant numbers of consumers who have been forced into transitional housing who will most likely return to more permanent housing
- Average cost per square foot of a MH is \$42 vs. \$86 for a single family home
- Average retail price of \$61,900 for 1,475 square foot MH
- Demand likely to increase for quality, affordable housing

Source: Manufactured Housing Institute (MHI)

# MH Shipment Trends / Residential Housing Starts

**On average over the last 40 years, approximately three-fourths of total residential housing starts have been single family housing starts. Wholesale unit shipments in the MH Industry averaged approximately 10% of the level of single-family housing starts over the last 10 years.**



**MH Shipments as a percent of Single Family Housing Starts ("SFHS")**

Average 5 Since 1959	23%	10 Year Average	10%	Fiscal 2013	10%
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**SFHS as a percent of Total Residential Housing Starts**

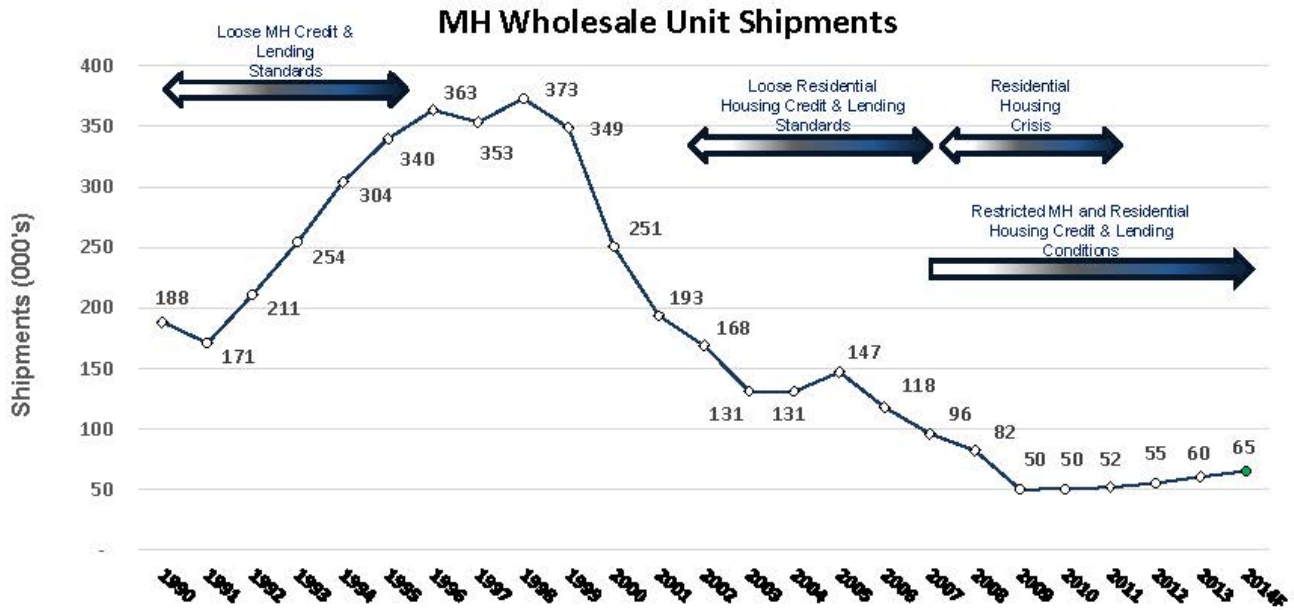
Average 5 Since 1959	72%	10 Year Average	76%	Fiscal 2013	67%
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Source: MHI and U.S. Census Bureau



# MH Shipment Trends

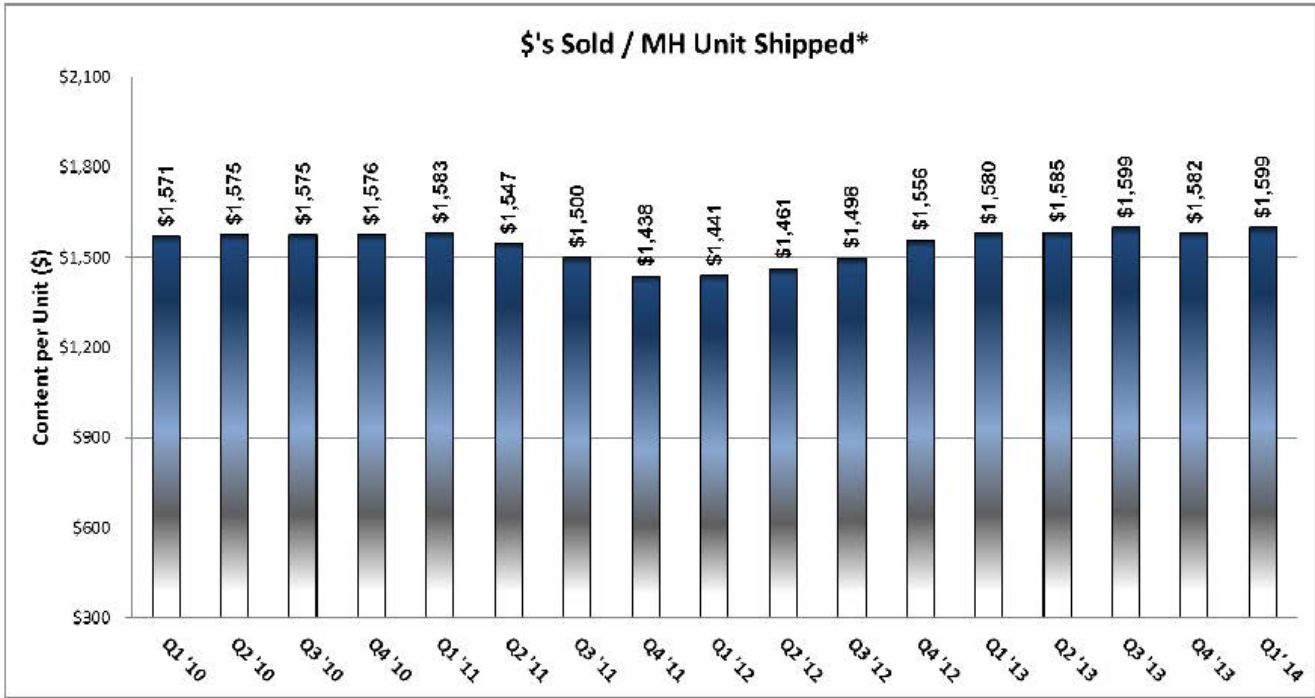
**The recent decline and subsequent rebound in the MH industry has been impacted by the residential housing crisis and related factors, some of which were very similar to those that caused the MH market to collapse in 1990.**



Source: 1990-2013: MHI; 2014 Company Forecast (F)

# MH Content Per Unit

***Our content per unit shipped has remained fairly consistent despite the impact of vertical integration by our largest MH customer in prior periods. We believe we are well-positioned to participate in the continued expected improvement of this industry.***



\*Based on TTM Average





# Industrial Market Growth Factors

## Drivers of Consumer Demand



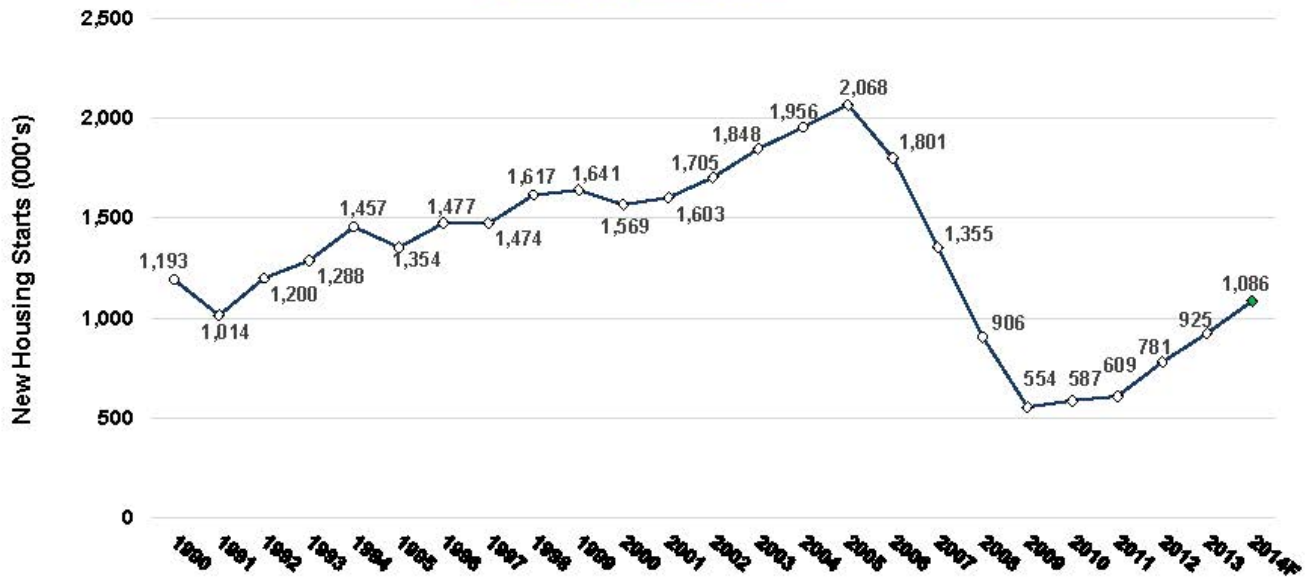
## Market Growth



- 57% of Company's industrial revenue base tied directly to residential housing market
- National Association of Home Builders (NAHB) predicts a 17% increase in total housing starts for full year 2014 over the prior year (as of May 2, 2014).
- Patrick has also targeted certain sales efforts towards industrial market segments less directly tied to new residential construction, including the retail fixture, office, furniture, and countertop markets.

# New Housing Starts Trends

***We estimate that approximately 57% of our industrial revenue base is directly tied to the residential housing market which appears to have begun its recovery. Our products have applicability in both new construction and remodel markets.***



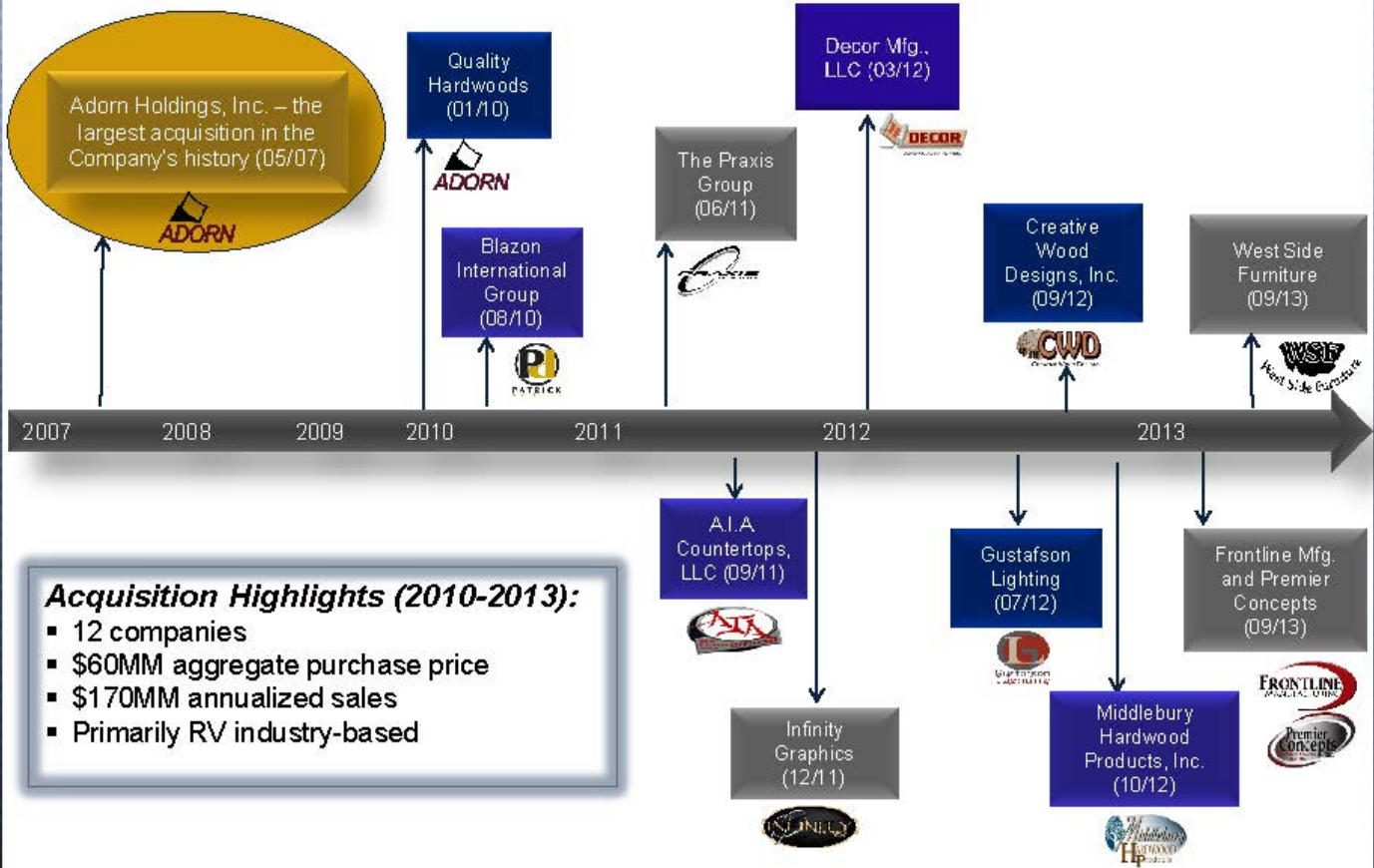
- 67% improvement in housing starts from 2009-2013, with an additional 17% growth estimated in 2014 vs. 2013
- Despite recent growth, housing starts remain well below historical levels.

Source: 1990-2013: U.S. Census Bureau; 2014F: NAHB Forecast (latest available as of May 2, 2014)

# Acquisition Strategy

- **We target organizations with:**
  - Solid management teams
  - High quality product lines
  - Strong customer and supplier relationships
- **Patrick provides the acquired businesses with:**
  - Opportunity to allow the creative entrepreneurial spirit of each to continue to thrive
  - Capital and administrative support, and operational support where needed
- **Our goals are to:**
  - Introduce new and innovative product lines that complement our core competencies
  - Capitalize on the opportunity to cross sell our extensive product catalog to our customer base
  - Increase our content per unit
  - Leverage our management capabilities
  - Grow top line and bottom line results
  - We may choose to pursue acquisition opportunities with lower than historical consolidated gross margins, however that are accretive to EPS.
- **Diversification Opportunities:**
  - We will seek out and pursue acquisitions outside our core markets that further leverage our core management capabilities in manufacturing and distribution and diversify our end market exposure.

# Growth Through Acquisition



**Acquisition Highlights (2010-2013):**




- 12 companies
- \$60MM aggregate purchase price
- \$170MM annualized sales
- Primarily RV industry-based

# Acquisition Summary (2010 – 2013)

Date Completed	Business	Net Purchase Price	Annualized Sales*	Segment	Industry	Products
01/2010	 Quality Hardwoods Sales	\$2.0 MM	\$2 MM	Manufacturing	RV	Cabinet Doors
08/2010	 Blazon International Group	\$3.8 MM	\$20 MM	Distribution	RV & MH	Wiring, electrical, plumbing, and other building products
06/2011	 The Praxis Group	\$0.5 MM	\$4 MM	Distribution	RV	Painted countertops, foam products, and furniture products
09/2011	 A.I.A. Countertops, LLC	\$5.5 MM	\$20 MM	Manufacturing	RV & Industrial	Solid surface countertops, backsplashes, tables, and signs
12/2011	 Infinity Graphics (formerly Performance Graphics)	\$1.3 MM	\$2 MM	Manufacturing	RV & Industrial	Designer, producer, and installer of exterior graphics
03/2012	 Décor Mfg., LLC	\$4.3 MM	\$17 MM	Manufacturing	RV	Laminated and wrapped products
07/2012	 Gustafson Lighting	\$2.8 MM	\$12 MM	Distribution	RV	Interior and exterior lighting products, ceiling fans and accessories
09/2012	 Creative Wood Designs, Inc.	\$3.0 MM	\$18 MM	Manufacturing	RV	Hardwood furniture including interior hardwood tables, chairs, and dinettes
10/2012	 Middlebury Hardwood Products, Inc.	\$19.8 MM	\$33 MM	Manufacturing	RV, MH & Industrial	Hardwood cabinet doors and other hardwood products

\*Projected Annualized Sales as of the acquisition date

## Acquisition Summary (2010 - 2013) (continued)

Date Completed	Business	Net Purchase Price	Annualized Sales*	Segment	Industry	Products
09/2013	 Frontline Mfg., Inc.	\$5.2 MM	\$15 MM	Manufacturing	RV, MH & Industrial	Fiberglass bath fixtures including tubs and showers
09/2013	 Premier Concepts, Inc.	\$2.6 MM	\$10 MM	Manufacturing	RV, MH & Industrial	Solid surface countertops
09/2013	 West Side Furniture	\$8.7 MM	\$17 MM	Distribution	RV	Recliners, mattresses, other furniture products

\* Projected Annualized Sales as of the acquisition date

# **March 30, 2014 Financial Review**

# First Quarter Financial Summary

## Patrick Industries 1st Quarter 2014 Results

(\$ in thousands except per share data)	3/30/2014	% to Net Sales	3/31/2013	% to Net Sales
Net Sales	\$ 170,150		\$ 142,120	
Cost of Goods Sold	143,003	84.0%	119,684	84.2%
Gross Profit	27,147	16.0%	22,436	15.8%
Warehouse & Delivery	6,112	3.6%	4,536	3.2%
Selling, General, & Administrative	8,500	5.0%	6,969	4.9%
Income Before Income Taxes	11,212	6.6%	9,864	6.9%
Income Taxes	4,316	2.5%	3,845	2.7%
Net Income	\$ 6,896	4.1%	\$ 6,019	4.2%
EBITDA	\$ 14,659	8.6%	\$ 12,530	8.8%
EPS - Diluted	\$ 0.64		\$ 0.55	
<b>ADJUSTED RESULTS*</b>				
Net Income	\$ 6,887	4.0%	\$ 6,015	4.2%
EPS - Diluted	\$ 0.64		\$ 0.55	

\*Reflects adjustments for certain items in each period to assist in assessing our ongoing performance. See supplementary schedules on page 28 for the reconciliation to reported GAAP net income and diluted EPS.



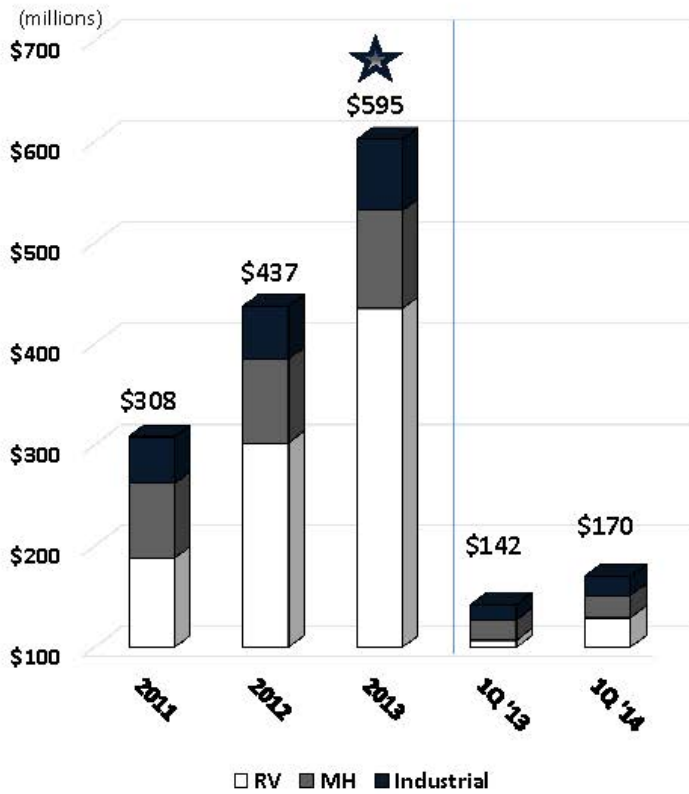
## Balance Sheet Summary

(\$ in thousands)	3/30/2014	12/31/2013	3/31/2013
Trade Receivables, net	\$ 42,842	\$ 22,644	\$ 32,955
Inventories	59,680	56,510	52,355
Other Current Assets	5,147	8,545	5,297
Property, Plant & Equipment, net	41,721	42,117	36,628
Goodwill	16,495	16,495	10,362
Intangible Assets, net	24,824	25,611	18,700
Other Non-Current Assets	2,163	2,265	3,137
<b>Total Assets</b>	<b>\$ 192,872</b>	<b>\$ 174,187</b>	<b>\$ 159,434</b>
Accounts Payable	\$ 36,842	\$ 18,826	\$ 28,859
Accrued Liabilities	13,885	13,585	9,244
Total Debt	47,394	55,000	54,098
Other Long-Term Liabilities	4,393	4,466	3,110
<b>Total Liabilities</b>	<b>102,514</b>	<b>91,877</b>	<b>95,311</b>
<b>Shareholders' Equity</b>	<b>90,358</b>	<b>82,310</b>	<b>64,123</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 192,872</b>	<b>\$ 174,187</b>	<b>\$ 159,434</b>

# Cash Flow Summary

(\$ in thousands)	Three Months 3/30/2014	Three Months 3/31/2013
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 6,896	\$ 6,019
Depreciation & amortization	2,111	1,807
Deferred financing amortization	87	86
Stock compensation/deferred compensation/DTA/other	1,726	3,698
Changes in operating assets & liabilities, net	(3,349)	(10,471)
<b>Net cash provided by operating activities</b>	<b>7,471</b>	<b>1,139</b>
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(914)	(1,308)
Proceeds from sale of PP&E / other	12	475
<b>Net cash used in investing activities</b>	<b>(902)</b>	<b>(833)</b>
<b>Cash Flows From Financing Activities:</b>		
Debt borrowings (payments), net	(7,606)	4,382
Stk option exercises/stk repurchases/excess tax benefit stk comp.	1,063	(3,567)
Payment of deferred financing/other	(37)	(100)
<b>Net cash provided by (used in) financing activities</b>	<b>(6,580)</b>	<b>715</b>
<b>Increase (decrease) in cash</b>	<b>(11)</b>	<b>1,021</b>
<b>Cash / cash equivalents at beginning of year</b>	<b>34</b>	<b>434</b>
<b>Cash / cash equivalents at end of period</b>	<b>\$ 23</b>	<b>\$ 1,455</b>

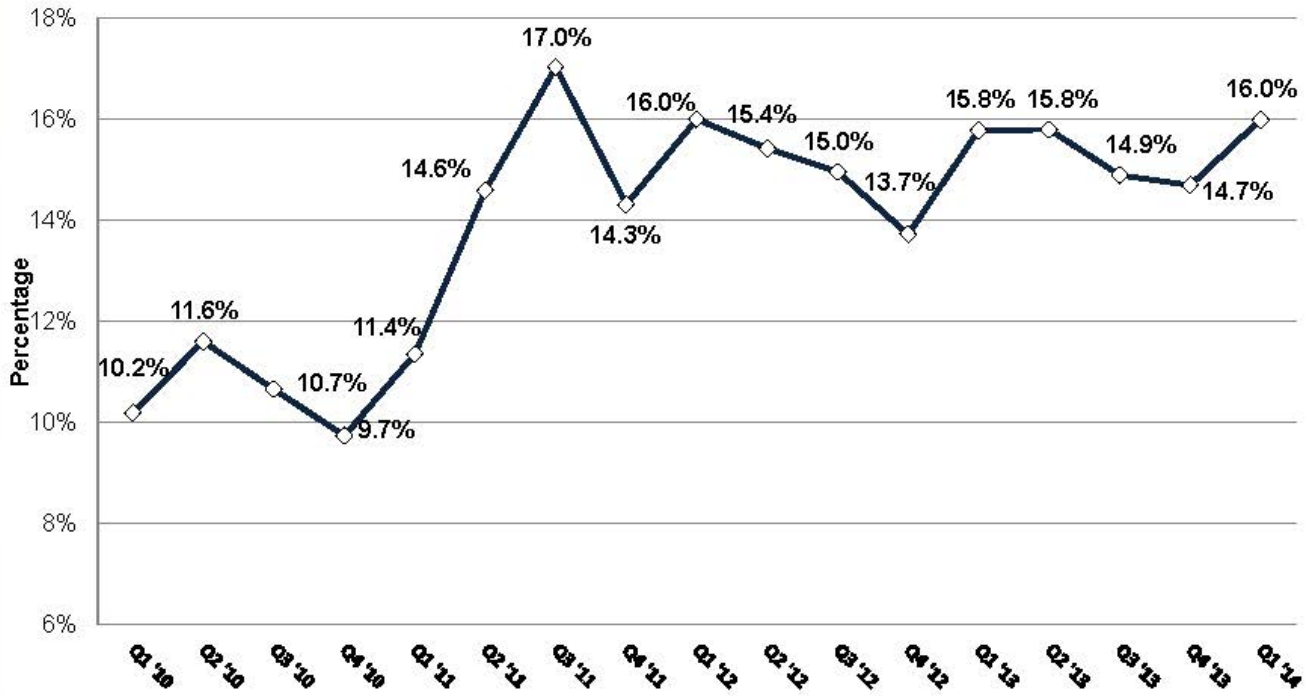
# Net Sales



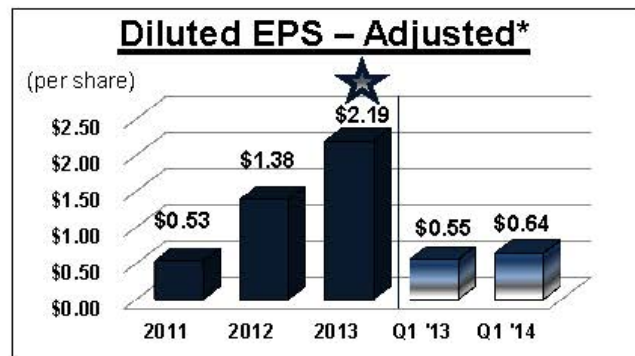
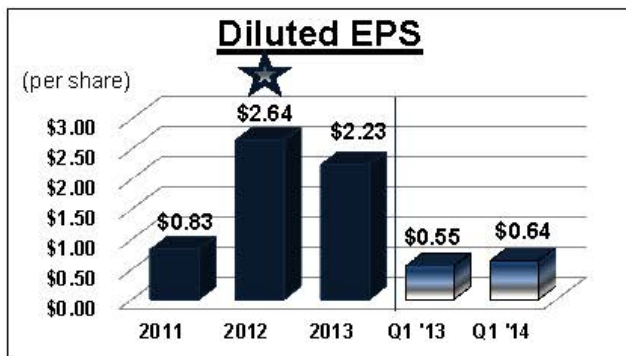
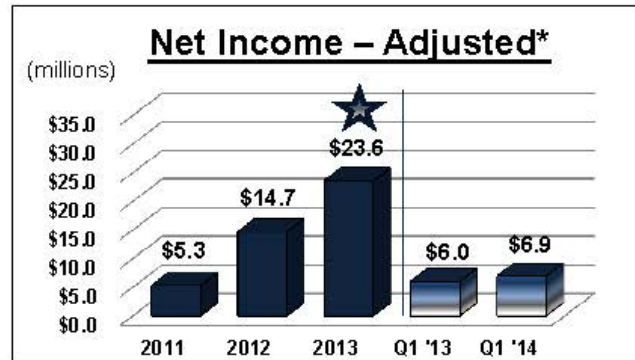
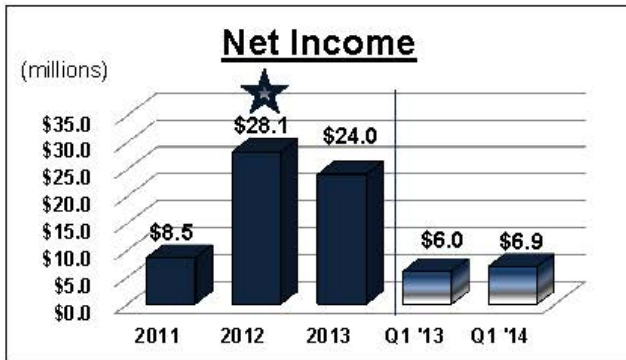
- **1Q '14 sales increased 19.7%**
  - RV: 21% revenue increase & 76% of 1Q'14 sales
  - MH: 12% revenue increase & 13% of 1Q'14 sales
  - Industrial markets: 24% revenue increase & 11% of 1Q'14 sales

# Gross Margin Trends

***Our gross margins have been improving consistent with our acquisition and strategic growth plans. We do experience quarterly variability in gross margins based on commodity pricing and competitive market conditions.***



# Net Income & Diluted EPS Summary (Reported / Adjusted) 2011 – Q1 2014



\*Reflects adjustments for differences in Patrick's tax position in 2011-2013 as well as for certain other items in each period to assist in assessing our ongoing performance. See supplementary schedules on page 28 for the reconciliation to reported GAAP net income and diluted EPS.

# Supplementary Schedules

(\$ in thousands)	2011	2012	2013	1Q '13	1Q '14
Reported net income (GAAP)	\$ 8,470	\$ 28,095	\$ 24,040	\$ 6,019	\$ 6,896
Adjustment factors:					
Write-off unamortized discount on subordinated notes	0	685	0	0	0
Premiums paid on prepayment of subordinated notes	0	263	0	0	0
Gain on sale of fixed assets & acquisition of business	(244)	(238)	(430)	(4)	(13)
Stock warrants revaluation	699	1,731	0	0	0
Receivable recovery	0	0	(262)	0	0
Income taxes (credit)	(163)	(6,823)	14,734	3,845	4,316
Adjusted pretax income	8,762	23,713	38,082	9,860	11,199
Income taxes*	3,417	9,011	14,471	3,845	4,312
Adjusted net income (Non-GAAP)	\$ 5,345	\$ 14,702	\$ 23,611	\$ 6,015	\$ 6,887

(per share data)	2011	2012	2013	1Q '13	1Q '14
Reported diluted net income per share (GAAP)	\$ 0.83	\$ 2.64	\$ 2.23	\$ 0.55	\$ 0.64
Net EPS impact due to adjustment factors above	(0.30)	(1.26)	(0.04)	-	-
Adjusted diluted net income per share (Non-GAAP)	\$ 0.53	\$ 1.38	\$ 2.19	\$ 0.55	\$ 0.64

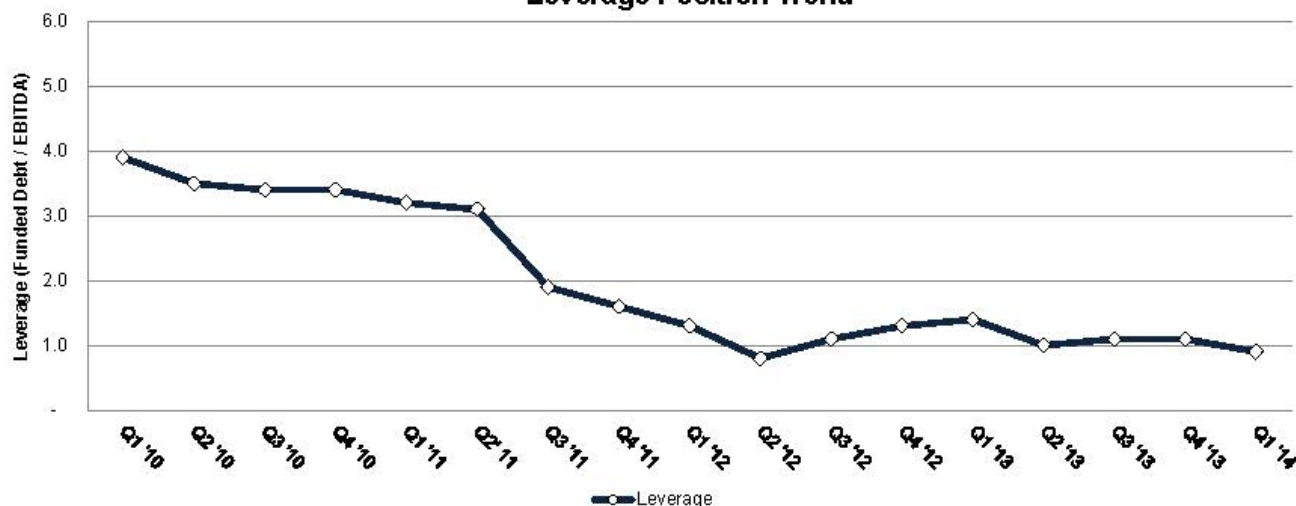
\*Utilized full year estimated effective tax rate of 39% for the 2011 fiscal year and 38% for the 2012 and 2013 fiscal years; The effective tax rate utilized for 1Q '13 and 1Q '14 was 39% and 38.5%, respectively.

The Company reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP" or referred to herein as "reported"). However, management believes that certain non-GAAP financial measures provide users with additional meaningful financial information that should be considered when assessing our ongoing performance. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP. Our non-GAAP financial information does not represent a comprehensive basis of accounting.

# Leverage Position

**Our leverage position improved significantly since the recession and we have ample cushion to increase leverage to support our future growth opportunities in conjunction with our capital allocation strategy and strategic plan.**

Leverage Position Trend



**Since year-end 2009 through Q1'14, despite spending \$59.5 million on acquisitions, \$21.3 million on capital expenditures, and \$6.1 million on share repurchases, our net debt has increased by only \$5.2 million, reflecting our enhanced profitability, focus on cash management, and our ability to leverage our operating model and integrate acquisitions.**

Note 1: Consolidated Total Leverage (2012 Credit Facility) = Consolidated Total Indebtedness (including undrawn letters of credit) divided by Consolidated Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")

Note 2: Leverage covenant pursuant to the 2012 Credit Facility is measured and reported on a quarterly basis and is not to exceed 3.50 to 1.00 for the 12-month period ending on such quarter-end.

# Stock Price Trend (Jan. 2011 – Apr. 2014)

***Our stock price performance has experienced dramatic growth and has trended consistent with our operating and financial results.***

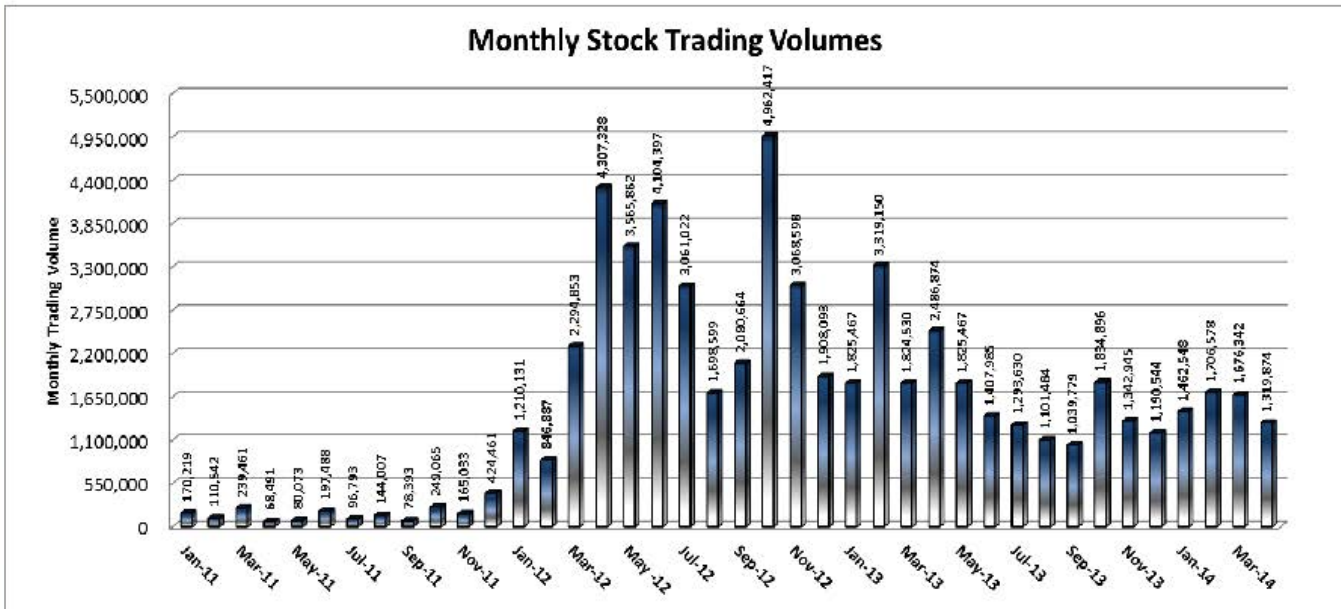


Patrick has 10.7 million shares outstanding and a market capitalization of approximately \$430 million as of April 30, 2014.



# Stock Trading Volumes (Jan. 2011 – Apr. 2014)

***Our monthly trading volumes spiked in fiscal 2012, and while volumes declined from those levels in 2013, we are still seeing solid average daily volumes at much higher share prices.***



# **Patrick's Products and Segments**



# Patrick's Manufactured Products



# Manufactured Products

- Made-to-order laminated products including vinyl, paper, veneers and high pressure laminates (HPL)
  - Cut to size, boring, foiling & edge-banding
- Solid surface, granite & quartz countertop fabrication
- Wrapped profile mouldings
- Cabinet doors & components
- Hardwood furniture
- Countertops
- Interior passage doors
- Exterior graphics
- Slotwall panels & components
- Backsplashes, tables & signs
- Fiberglass bath fixtures



# Manufactured Products

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- Fiberglass bath fixtures



Gravure Ink



DECOR





# Patrick's Distribution Products



# Distribution Products

- Pre-finished wall and ceiling panels
- Drywall & drywall finishing products
- Electronics
- Wiring, electrical & plumbing products
- Interior & exterior lighting products
- Interior passage doors
- Recliners, mattresses & other furniture
- Roofing products
- Laminate flooring
- Cement siding
- Shower doors
- Fireplaces & slide-out surrounds



# Distribution Products

- Pre-finished wall and ceiling panels
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# Information Contacts

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