

4th Quarter 2021 Earnings Presentation



PATRICK

FORWARD-LOOKING STATEMENTS

This presentation contains certain statements related to future results, our intentions, beliefs and expectations or predictions for the future which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from either historical or anticipated results depending on a variety of factors. These risks and uncertainties include, but are not limited to, the impact of the continuing financial and operational uncertainty due to the COVID-19 pandemic, including its impact on the overall economy, our sales, customers, operations, team members and suppliers. Further information concerning the Company and its business, including factors that potentially could materially affect the Company's financial results, is contained in the Company's filings with the Securities and Exchange Commission.

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

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

Use of Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures. These measures, the purposes for which management uses them, why management believes they are useful to investors, and a reconciliation to the most directly comparable GAAP financial measures can be found in the Appendix of this presentation. All references to profit measures and earnings per share on a comparable basis exclude items that affect comparability.

PATRICK INDUSTRIES AT A GLANCE (NASDAQ: PATK)

Key Component Manufacturer and Supplier to RV, Marine, Manufactured Housing and Industrial Markets







KEY FACTS

Headquartered	Elkhart, Indiana
Market-cap ¹	\$1.6B
Acquisitions Since 2010	63
Current States Presence	23
Employees	~11,000

Q4 2021 RESULTS

Revenue	\$1.1B
Net Income	\$61M
Diluted EPS	\$2.62
Operating Cash Flows	\$105M

VALUE PROPOSITION

-  **Experienced management team** with an average of 27+ years of industry experience
-  **Leading market position** in major product categories
-  **Deep customer relationships** with 30+ years for top customers, including key design partners
-  **Strong Free Cash Flow (FCF) generation & FCF conversion**
-  **Favorable demographic trends** supporting growth across multiple end markets
-  **Diversified end market exposure** with favorable secular trends

LEADING AND DIVERSIFIED MARKET PLATFORM

Leisure Lifestyle

Housing & Industrial

RV	Marine	MH	Industrial
Travel Trailer, Fifth Wheel, Folding Trailer, Class A, B, C	Pontoon, Fiberglass, Ski & Wake, Aluminum	Manufactured and Modular Housing, Modular Structure	Resid. Housing, Comm'l Fixtures, Institutional Furniture
59%	16%	13%	12%
% Net Sales (Q4 2021)			

¹ As of 02/04/2022

MANUFACTURE AND DISTRIBUTE QUALITY PRODUCTS THAT AIM TO EXCEED CUSTOMER EXPECTATIONS

Q4 2021 - QUARTERLY HIGHLIGHTS

1

Growth in Total Revenue of +49% Y/Y

- RV / Marine driven by outdoor recreation trends, strong execution of nimble platform against continued lean dealer inventory and need for channel inventory replenishment
- Industrial and MH driven by housing demand, low interest rates and shift from urban to suburban

2

Operating Margin Expansion of +30bps Y/Y

- Efficient and flexible platform that leverages fixed costs
- Automation and technology initiatives to help alleviate persisting commodity and labor pressures
- Strong execution and partnership with customers

3

Continued Strategic Diversification of Marine and Aftermarket Presence + Increased Capex

- Acquisitions of Wet Sounds, driving consumer connectivity in marine, powersports and home audio; and Williamsburg, enhancing marine and RV solutions
- Increases in Capex to expand capacity, efficiency and automation

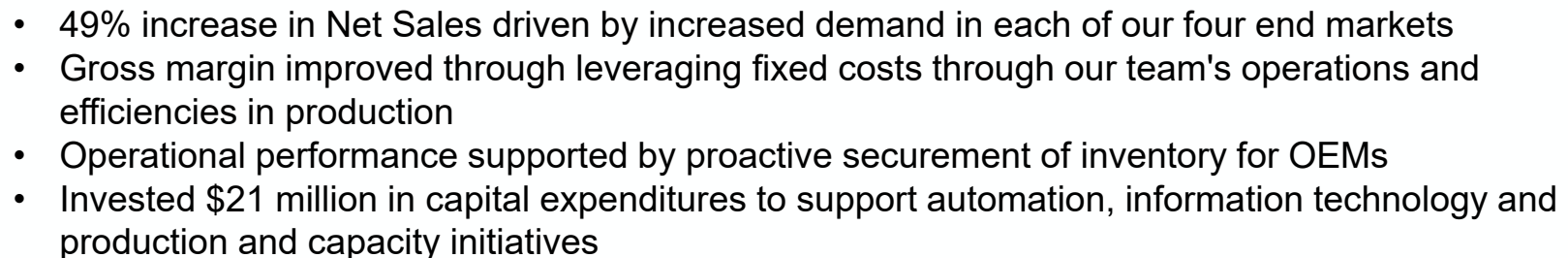
4

Continued Progress on ESG Initiatives

- Ensuring well-being, health and safety of team members
- Human Capital Management: Investments to attract, develop and retain top talent
- Waste minimization and environmental initiatives

STRONG EXECUTION AS REVENUE TRENDS CONTINUE

(\$ millions except per share data)



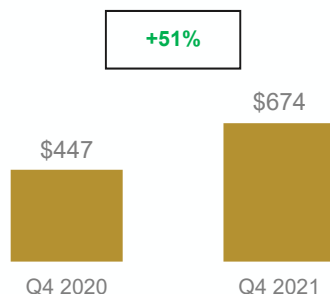
PERFORMANCE BY MARKET SECTORS

(\$ millions)

Leisure Lifestyle¹

RV

59% of Q4'21 Sales

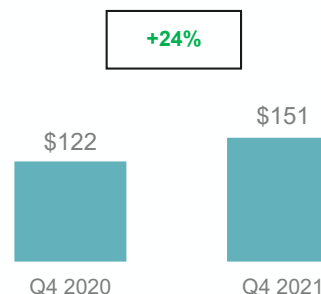


- Content per Unit – increased 24% to \$4,006

Housing and Industrial¹

MH

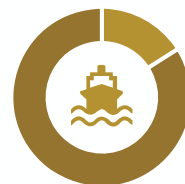
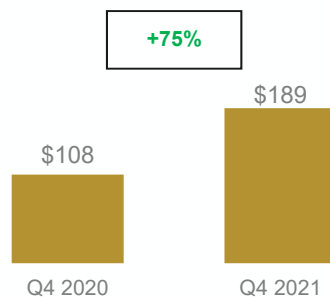
13% of Q4'21 Sales



- Content per Unit – increased 13% to \$5,153

MARINE

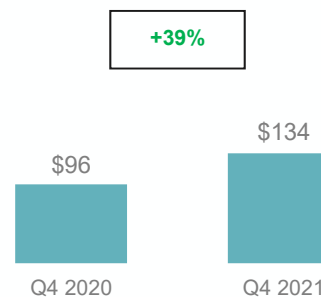
16% of Q4'21 Sales



- Content per Unit – increased 76% to \$3,632
- Content growth driven by market share gains, aftermarket growth and acquisitions

INDUSTRIAL

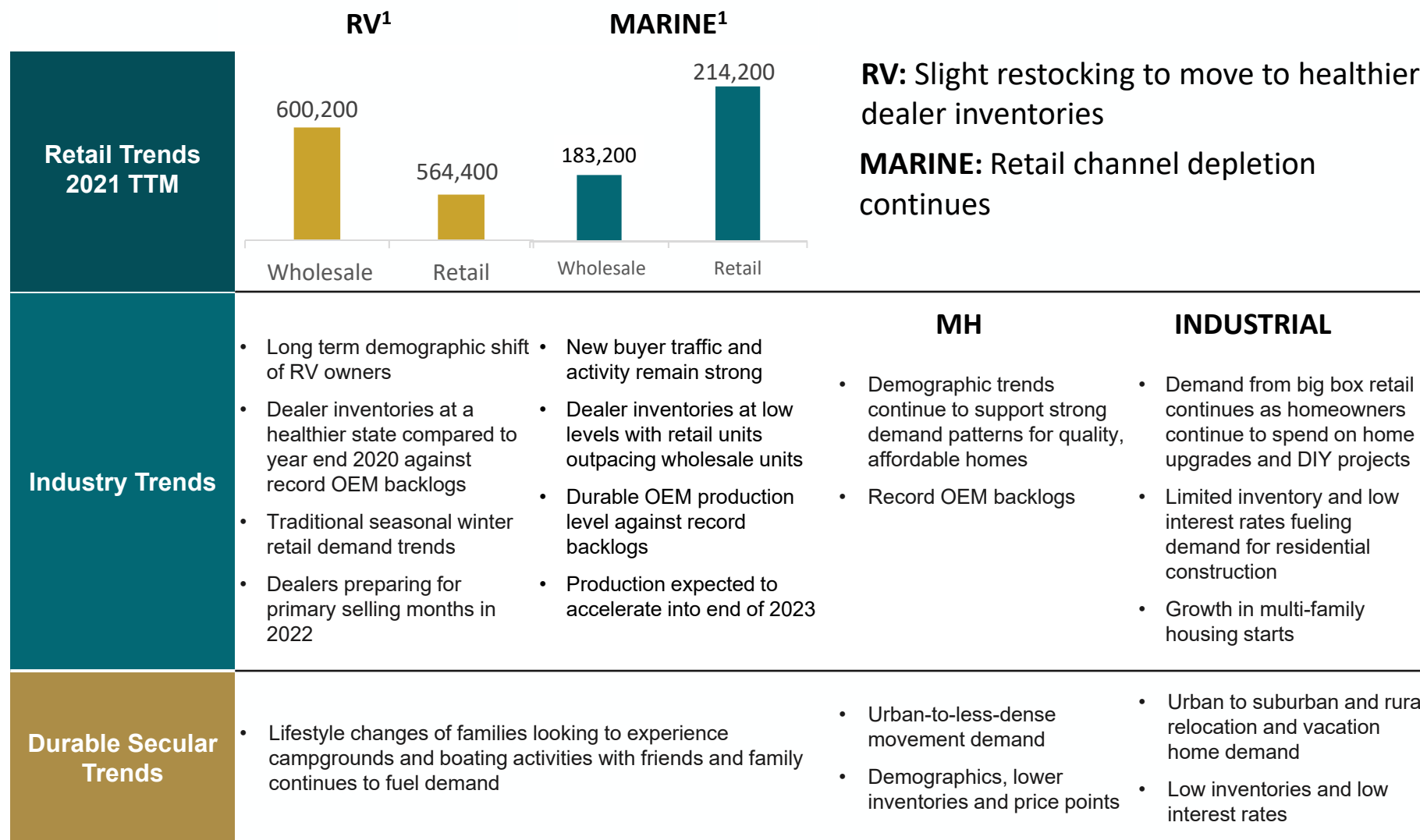
12% of Q4'21 Sales



- New Housing Starts in Q4 increased 5%
- 70% of revenues tied to new housing starts; our products go into new homes 4-6 months after new housing starts

¹ All metrics compared to 4th Quarter 2020 unless otherwise noted

MARKET SECTOR TRENDS



¹ Company estimates supported by RVIA & NMMA

BALANCE SHEET, CASH FLOW AND LIQUIDITY

DEBT STRUCTURE AND MATURITIES¹

- \$150M Term Loan (\$144M o/s), pre-determined quarterly installments; balance due April 2026
- \$550M (\$135M o/s) Senior Secured Revolver, due April 2026
- \$172.5M 1.00% Convertible Senior Notes, due February 2023
- \$300M 7.50% Senior Notes, due October 2027
- \$259M 1.75% Convertible Senior Notes, due December 2028
- \$350M 4.75% Senior Notes, due April 2029

COVENANTS AND RATIOS¹

- Consolidated Net Leverage Ratio – 2.3x
- Consolidated Secured Net Leverage Ratio – 0.29x versus 2.75x maximum
- Consolidated Fixed Charge Coverage Ratio – 5.83x vs. minimum 1.50x

LIQUIDITY¹

- Available liquidity, including cash on hand - \$532.4M

NET LEVERAGE² (\$ millions)

Total Debt Outstanding	\$	1,360.6
Less: Cash on Hand ¹		(122.8)
Net Debt	\$	1,237.8
LTM Adj. EBITDA	\$	530.8
Net Debt to Adj. EBITDA		2.3x

LIQUIDITY (\$ millions)

Total Revolver Credit Capacity	\$	550.0
Less: Total Revolver Used (including outstanding letters of credit)		(140.4)
Unused Credit Capacity	\$	409.6
Add: Cash on Hand		122.8
Total Available Liquidity	\$	532.4

¹ As of 12/31/21; ² As defined by credit agreement

STRONG BALANCE SHEET TO SUPPORT INVESTMENTS AND PURSUE ATTRACTIVE GROWTH OPPORTUNITIES

COMPELLING INVESTMENT THESIS



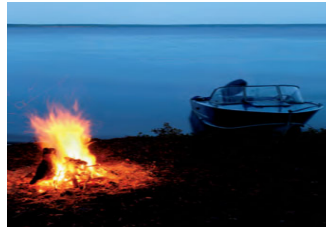
MARKET POSITION

Market leader in our primary product lines; Market presence propels us to cross-pollinate sales across customers and end markets



INDUSTRY GROWTH

Long-term secular growth across all end markets & favorable demographics



BUSINESS MODEL

Flexible, high variable cost business model to drive operational efficiency and navigate through all economic conditions



INNOVATION

New product development and product line extensions



STRATEGIC ACQUISITIONS

Execute on strategic acquisitions in primary markets

CREATING LONG-TERM SHAREHOLDER VALUE

Appendix



NON-GAAP RECONCILIATIONS

RECONCILIATION OF NET INCOME TO EBITDA TO LTM ADJUSTED EBITDA

(\$ in millions)	LTM 12/31/2021
Net Income	\$ 224.9
+ Depreciation & Amortization	104.8
+ Interest Expense, net	57.9
+ Income Taxes	68.9
EBITDA	\$ 456.5
+ Stock Compensation Expense	22.9
+ Acquisition proforma, transaction-related expenses & other	51.4
Adjusted EBITDA	\$ 530.8

RECONCILIATION OF NET LEVERAGE*

(\$ in millions)	
Total debt outstanding @ 12/31/2021	\$ 1,360.6
Less: cash on hand @ 12/31/2021	(122.8)
Net debt @ 12/31/2021	\$ 1,237.8
Adjusted EBITDA	\$ 530.8
Net debt to Adjusted EBITDA	2.3x

Use of Non-GAAP Financial Information

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

-Earnings before interest, taxes, depreciation and amortization ("EBITDA"), Adjusted EBITDA, and Net Debt to Adjusted EBITDA are non-GAAP financial measures. In addition to reporting financial results in accordance with accounting principles generally accepted in the United States, we provide non-GAAP operating results adjusted for certain items and other one-time items.

-We adjust for the items listed above in all periods presented, unless the impact is clearly immaterial to our financial statements.

-We utilize the adjusted results to review our ongoing operations without the effect of these adjustments and for comparison to budgeted operating results. We believe the adjusted results are useful to investors because they help them compare our results to previous periods and provide important insights into underlying trends in the business and how management oversees our business operations on a day-to-day basis.



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