



Q2 2024 Earnings Presentation

August 1, 2024





Forward-looking statements

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

We caution readers not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made, and we disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this presentation or to reflect any change in our expectations after the date of this presentation or any change in events, conditions or circumstances on which any statement is based.

USE OF NON-GAAP FINANCIAL MEASURES

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

Strategic acquisitions and diversification propelling revenue and margin expansion

Improved cash flow generation and strong balance sheet

Customer-focused innovation driving organic growth and market share gains

Automation initiatives driving operational improvement

Diversification Journey Continues

Investments aligned with our entrepreneurial vision driving long-term growth

\$ in millions, except per share data

	FY 2019	Q2'24 TTM	Δ
Wholesale RV Shipments	406,070	326,940	(19)%
Total Net Sales	\$2,337	\$3,597	+54%
Total RV Sales	\$1,287	\$1,624	+26%
Total Marine Sales*	\$329	\$631	+92%
Total Housing Sales	\$721	\$1,103	+53%
Total Powersports Sales	-	\$239	NM
Gross Margin	18.1%	22.6%	+450 bps
Adjusted Operating Margin ¹	6.6%	7.7%	+110 bps
Adjusted Diluted EPS ¹	\$3.86	\$7.17	+86%
Free Cash Flow ¹	\$165	\$348	+111%

Q2 2024

Highlights

Revenue up 10% y/y, backed by the resilience of our diversified end market strategy

- RV revenue grew 17% y/y, fueled by ongoing recovery in wholesale unit shipments
- Housing revenue improved 11% y/y on MH shipment growth and continued solid demand for affordable housing
- Powersports revenue increased primarily due to acquisition of Sportech in Q1'24
- Marine revenue declined as a result of OEMs maintaining very disciplined production schedules as dealers focused on destocking in the quarter given higher interest on floorplan lending and lower consumer demand



Strategic capital allocation preserves our tactical advantage while driving efficiencies

- Paid down \$82 million in debt during the quarter, resulting in a net leverage ratio of 2.6x, positioning us within reach of our 2.25x - 2.5x target range
- Continued investment in automation and technology drives improved productivity and operational efficiency



Operating margin improved as a result of 10% y/y revenue growth, diligent labor and cost management, and acquisitions, partially offset by a decline in Marine shipments



Performance by End Market

Q2 2024

Q2 2024

RV shipments improved during the quarter, leading to revenue expansion in our largest end market. We believe dealer inventories are lower than the historical average, but dealers remain hesitant to restock given interest rate and inflationary headwinds.

REVENUE

\$450M 

% OF Q2 SALES

44%

WHOLESALE SHIPMENTS ²

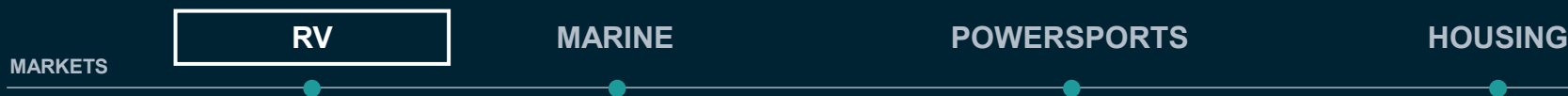
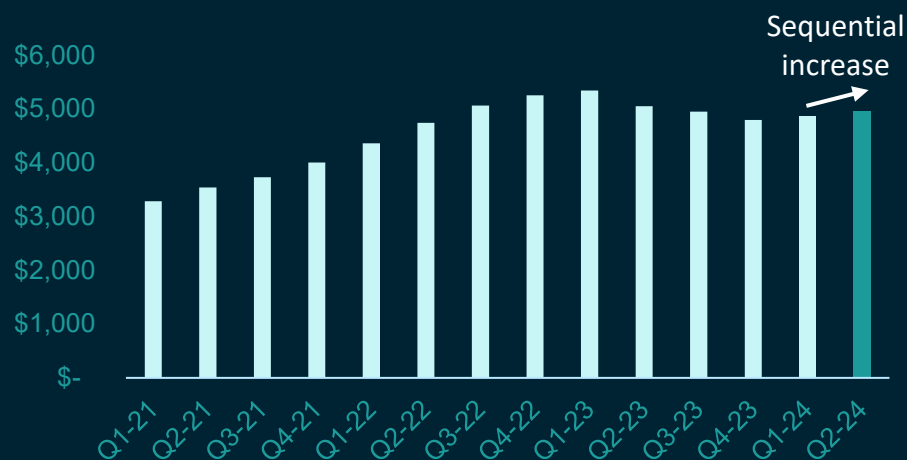
92,700 

CPU¹

\$4,966 



CONTENT PER UNIT ¹



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

Q2 2024

Our Marine businesses continue to focus on innovation and product development. OEMs are maintaining disciplined production schedules, leading to improved inventory levels in the dealer channel. Interest rate and inflationary headwinds continue to impact consumer demand and dealer restocking.



REVENUE

\$158M 

% OF Q2 SALES

16%

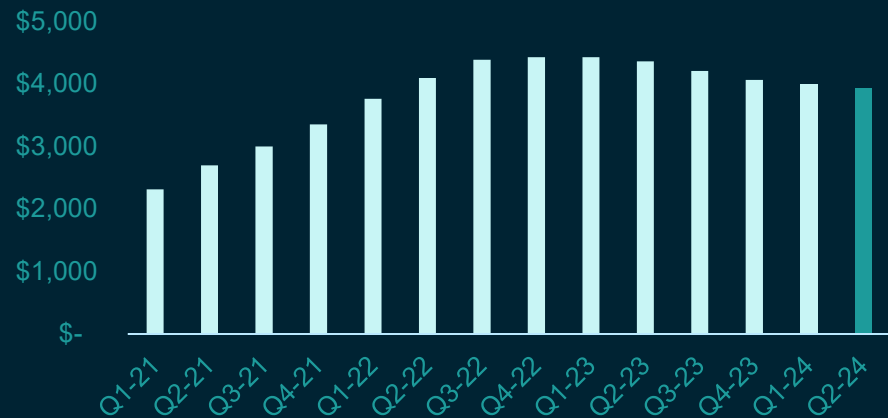
ESTIMATED WHOLESALE SHIPMENTS ²

39,300 

ESTIMATED CPU ^{1,2}

\$3,935 

CONTENT PER UNIT ^{1,2}



Q2 2024

We remain well positioned to supply premium component solutions to the Powersports market following the Sportech acquisition. Our focus is on the utility segment of the market, which has been more resilient than the recreation segment.

REVENUE

\$104M 

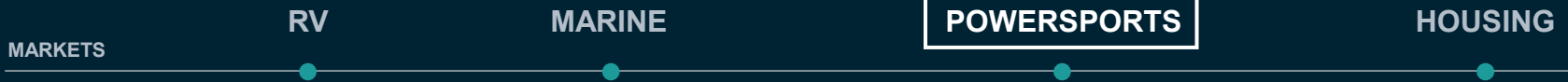
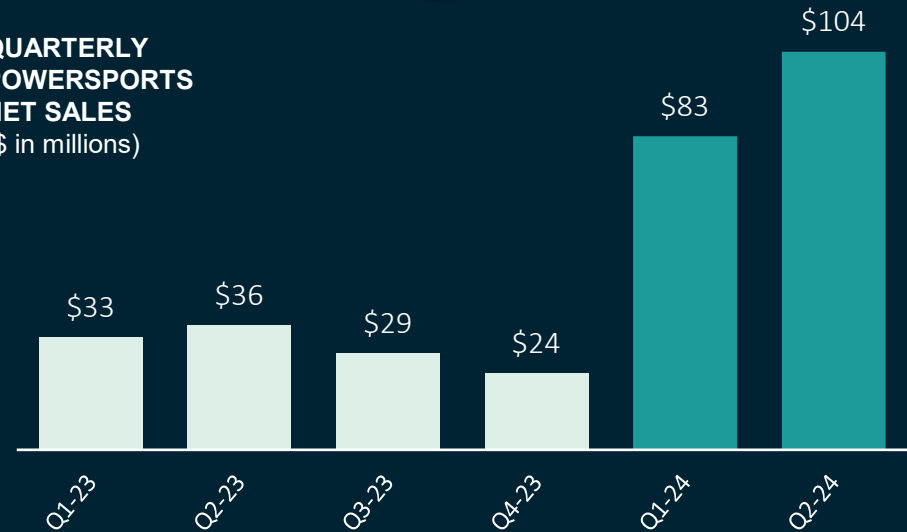
% OF Q2 SALES

10%

SOLID POWERSPORTS PLATFORM



QUARTERLY POWERSPORTS NET SALES (\$ in millions)



Q2 2024

Our housing business produced strong results in the second quarter, contributing to our revenue growth. Estimated MH shipments improved 19% as consumer demand for affordable housing remains strong. Interest rates continue to impact consumers' ability to purchase and willingness to sell.



REVENUE

\$305M



% OF Q2 SALES

30%

ESTIMATED MH WHOLESALE SHIPMENTS ²

27,200

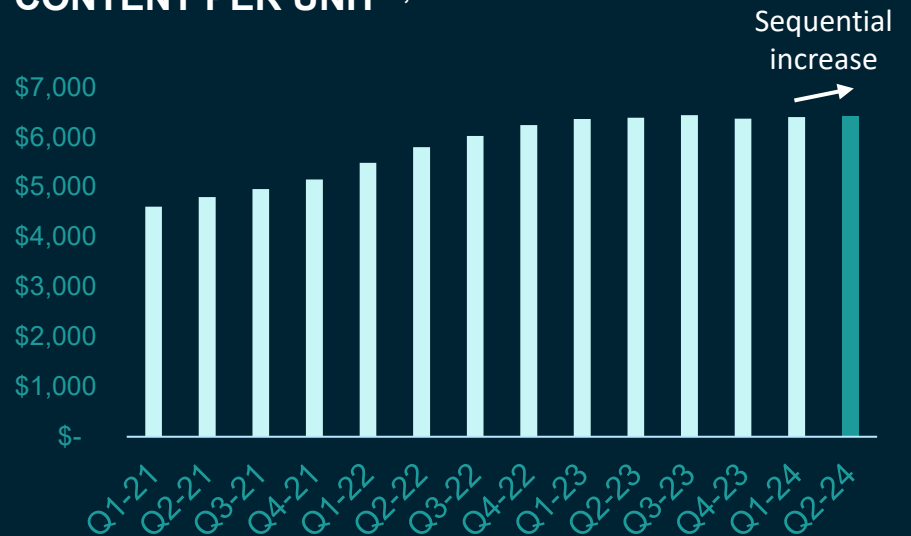


ESTIMATED MH CPU ^{1,2}

\$6,427



CONTENT PER UNIT ^{1,2}



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

RV

Dealers remain focused on destocking inventory given high floorplan costs

Demographic backdrop remains favorable for RV demand, with interest in the outdoors strong among younger generations

Entry-level towable units and preferred brands are leading the volume recovery in the RV market



MARINE

High floorplan costs and lower retail velocity continue to drive dealers' desire to destock inventory

Interest in boating remains resilient while buyer conversion is challenged by the interest rate environment

Growing aftermarket business provides access to a larger and more diverse consumer base



POWERSPORTS

Demand for utility-focused vehicles has remained resilient

Improved functionality and innovation continue to drive favorable demand for utility side-by-side vehicles

Dealer floorplan costs are impacting purchasing decisions



HOUSING

Demand for affordable housing remains strong; conversion is limited by the high-interest rate environment and limited available inventory

Technological advancements in construction are improving the quality and efficiency of manufactured homes



Financial Performance

Net sales increased 10%, driven by higher RV, Housing and Powersports revenue, which more than offset lower revenue from our Marine end market

Gross margin was 22.8%, consistent with the same period last year

Operating margin increased 10 bps y/y due to higher revenue and prudent cost management, partially offset by lower fixed cost absorption within our Marine businesses

Diluted EPS of \$2.16 increased 11% and includes approximately \$0.03 per share of dilution from our convertible notes due 2028

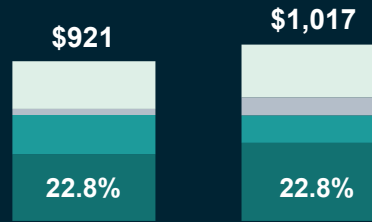
Year-to-date adjusted diluted EPS increased 20% to \$3.95

For the first six months of 2024, generated operating cash flow of \$173M and free cash flow of \$140M

(\$ in millions, except per share data)

Q2 2024

NET SALES & GROSS MARGIN



Q2 2023

Q2 2024

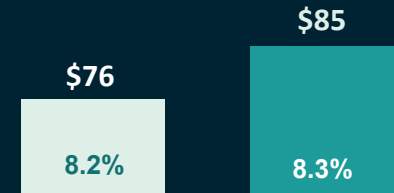
RV

Housing

Marine

Powersports

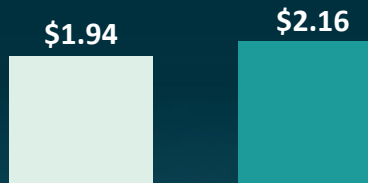
OPERATING INCOME & MARGIN



Q2 2023

Q2 2024

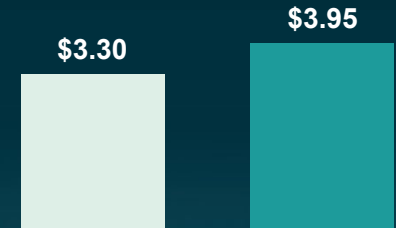
DILUTED EPS



Q2 2023

Q2 2024

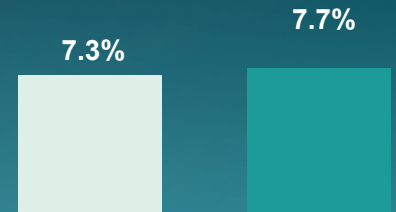
YTD ADJUSTED DILUTED EPS



Q2 2023

Q2 2024

YTD ADJUSTED OPERATING MARGIN



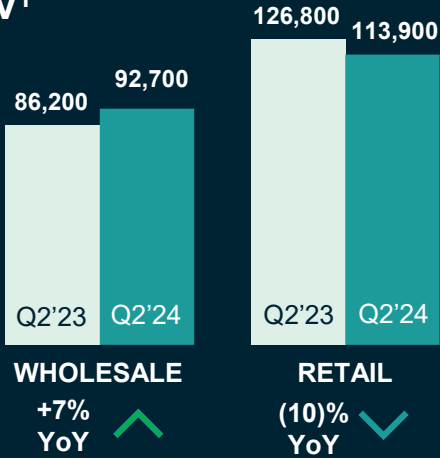
Q2 2023

Q2 2024

Shipments and End Market Data³

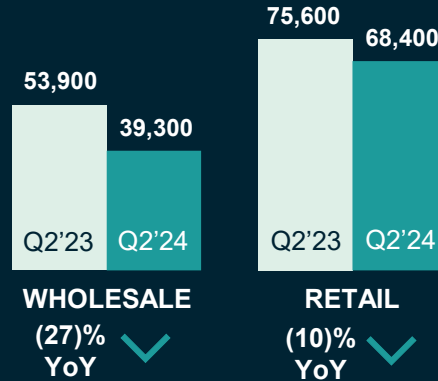
Q2 2024

RV¹



Estimated Dealer Inventory Impact in Q2'24: (~21,200) units

MARINE¹



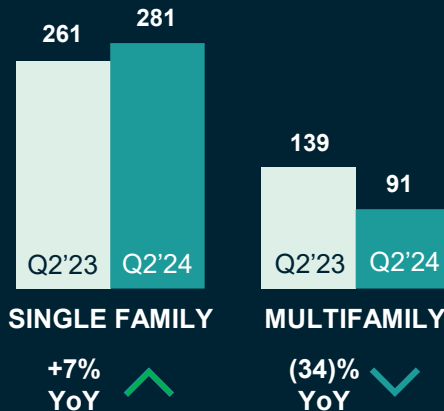
Estimated Dealer Inventory Impact in Q2'24: (~29,100) units

MH¹



HOUSING STARTS²

(Units in thousands)



¹ Company estimates based on data published by RVIA, NMMA, MHI, and SSI | ² U.S. Census Bureau | ³ Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures

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

DEBT STRUCTURE AND MATURITIES

- \$150.0M Term Loan (\$125.6M o/s), scheduled quarterly installments; balance due August 2027
- \$775.0M (\$295.0M o/s) Senior Secured Revolver, due August 2027
- \$300.0M 7.50% Senior Notes, due October 2027
- \$258.8M 1.75% Convertible Senior Notes, due December 2028
- \$350.0M 4.75% Senior Notes, due May 2029

COVENANTS AND RATIOS¹

- Consolidated Net Leverage Ratio – 2.62x
- Consolidated Secured Net Leverage Ratio – 0.77x versus 2.75x maximum
- Consolidated Fixed Charge Coverage Ratio – 3.34x versus minimum 1.50x

NET LEVERAGE¹ (\$ in millions)

Total Debt Outstanding	\$	1,329.4
Less: Cash and Debt Paid as Defined by the Credit Agreement		(42.2)
Net Debt	\$	1,287.2
Pro Forma Adj. EBITDA	\$	491.7
Net Debt to Pro Forma Adj. EBITDA		2.6x

LIQUIDITY (\$ in millions)

Total Revolver Credit Capacity	\$	775.0
Less: Total Revolver Used (including outstanding letters of credit)		(300.0)
Unused Credit Capacity	\$	475.0
Add: Cash on Hand		44.0
Total Available Liquidity	\$	519.0

Fiscal Year 2024 Outlook

	FY 2023 Actual	FY 2024 Estimate ² Prior Estimate
Operating Margin	7.5%	Flat to up 20 bps³ Up 30 to 50 bps
Operating Cash Flows	\$409M	\$390M - \$410M Unchanged
Free Cash Flow	\$350M	\$310M+ Unchanged
RV Wholesale Unit Shipments (RVIA)	313K	320K - 330K 320K - 340K
RV Retail Unit Shipments¹	380K	Down 5 - 10% Unchanged
Marine Wholesale Powerboat Unit Shipments¹	192K	Down 20 - 25% Down 10 - 15%
Marine Retail Powerboat Unit Shipments¹	179K	Down 5 - 10% Unchanged
Powersports Organic Content	-	Up MSD% Unchanged
MH Wholesale Unit Shipments (MHI)	89K	Up 5 - 10% Unchanged
New Housing Starts (U.S. Census Bureau)	1.4M	Flat to up 5% Unchanged

¹ Company estimates based on data published by NMMA and SSI | ² Company estimates | ³ 2024 operating margin excludes acquisition transaction costs and purchase accounting adjustments



Appendix

Quarterly Revenue by End Market – 2023³

(\$ in millions)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023
RV	\$367.0	\$383.6	\$400.1	\$352.7	\$1,503.3
Marine	\$238.0	\$226.3	\$171.7	\$146.6	\$782.6
Powersports	\$32.8	\$36.5	\$28.8	\$23.9	\$122.0
Housing	\$262.4	\$274.3	\$265.5	\$258.0	\$1,060.2
Total	\$900.1	\$920.7	\$866.1	\$781.2	\$3,468.0

CPU, excluding Powersports ^{1,2}	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Marine	\$4,433	\$4,367	\$4,209	\$4,069

¹ CPU = Content per wholesale unit for the trailing twelve-month period ² Company estimates based on data published by NMMA ³ Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures 16

Non-GAAP Reconciliation

Use of Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures. Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. These measures should be considered in addition to, and not as replacements for, the most comparable GAAP measure.

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

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

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

-We calculate free cash flow by subtracting cash paid for purchases of property, plant and equipment from cash flow from operations.

- Figures may not sum due to rounding.

	(\$ in millions)	06/30/2024
RECONCILIATION OF NET INCOME TO EBITDA TO PRO FORMA ADJUSTED EBITDA FOR THE TRAILING TWELVE MONTHS		
Net Income		\$153.3
+ Depreciation & Amortization		154.9
+ Interest Expense, net		72.6
+ Income Taxes		46.4
EBITDA		\$427.2
+ Stock Compensation Expense		21.2
+ Acquisition Pro Forma, transaction-related expenses & other		43.3
Pro Forma Adjusted EBITDA		<u>\$491.7</u>

	Q2 2024 TTM	2019
RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE FOR THE TRAILING TWELVE MONTHS		
Diluted earnings per common share	\$6.97	\$3.85
Transaction costs, net of tax	0.17	0.01
Acquisition related fair-value inventory step-up, net of tax	0.03	-
Adjusted diluted earnings per common share	<u>\$7.17</u>	<u>\$3.86</u>

	Q2 2024 TTM	2019
RECONCILIATION OF ADJUSTED OPERATING MARGIN FOR THE TRAILING TWELVE MONTHS		
Operating margin	7.6%	6.6%
Acquisition related fair-value inventory step-up	-	-
Transaction costs	0.1%	-
Adjusted operating margin	<u>7.7%</u>	<u>6.6%</u>

Non-GAAP Reconciliation (Continued)

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RECONCILIATION OF YTD ADJUSTED DILUTED EARNINGS PER COMMON SHARE

	6M 2024	6M 2023
Diluted earnings per common share	\$3.75	\$3.28
Transaction costs, net of tax	0.17	-
Acquisition related fair-value inventory step-up, net of tax	0.03	0.02
Adjusted diluted earnings per common share	<u>\$3.95</u>	<u>\$3.30</u>

RECONCILIATION OF YTD ADJUSTED OPERATING MARGIN

	6M 2024	6M 2023
Operating margin	7.4%	7.2%
Acquisition related fair-value inventory step-up	-	0.1%
Transaction costs	0.3%	-
Adjusted operating margin	<u>7.7%</u>	<u>7.3%</u>

CALCULATION OF YTD FREE CASH FLOW

	6M 2024
(\$ in millions)	
Cash Flows from Operations	\$172.7
Less: Purchases of Property, Plant and Equipment	(32.4)
Free Cash Flow	<u>\$140.3</u>

CALCULATION OF FREE CASH FLOW FOR THE TRAILING TWELVE MONTHS

	Q2 2024 TTM	2019
(\$ in millions)		
Cash Flow from Operations	\$403.0	\$192.4
Less: Purchases of Property, Plant and Equipment	(54.9)	(27.7)
Free Cash Flow	<u>\$348.1</u>	<u>\$164.7</u>