PATRICK

Q3 2024 Earnings Presentation

October 31, 2024

Forward-looking statements

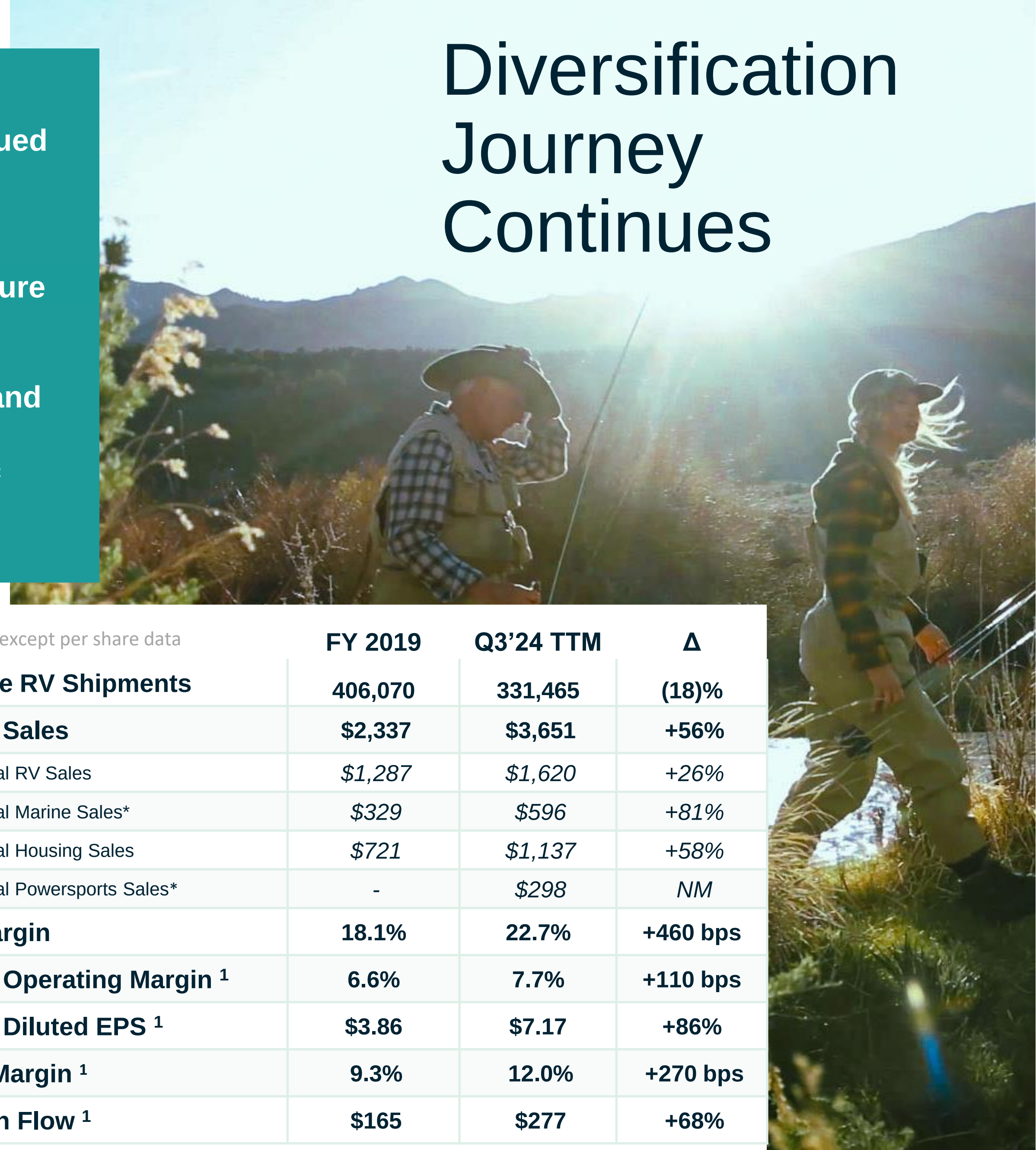
This presentation includes contains statements that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified by words such as “estimates,” “guidance,” “expects,” ”anticipates,” “intends,” “plans,” “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.

Diversification Journey Continues



Manufactured Housing recovery and Sportech acquisition continued to drive revenue expansion

RecPro acquisition significantly increases our aftermarket exposure in RV

Maintained solid free cash flow and strong balance sheet while continuing strategic and organic growth investments

Investments aligned with our entrepreneurial vision driving long-term growth

$ in millions, except per share data	FY 2019	Q3'24 TTM	Δ
Wholesale RV Shipments	**406,070**	**331,465**	**(18)%**
Total Net Sales	**$2,337**	**$3,651**	**+56%**
Total RV Sales	*$1,287*	*$1,620*	*+26%*
Total Marine Sales*	*$329*	*$596*	*+81%*
Total Housing Sales	*$721*	*$1,137*	*+58%*
Total Powersports Sales*	-	*$298*	*NM*
Gross Margin	**18.1%**	**22.7%**	**+460 bps**
Adjusted Operating Margin [1]	**6.6%**	**7.7%**	**+110 bps**
Adjusted Diluted EPS [1]	**$3.86**	**$7.17**	**+86%**
EBITDA Margin [1]	**9.3%**	**12.0%**	**+270 bps**
Free Cash Flow [1]	**$165**	**$277**	**+68%**

[1] Non-GAAP metric: Refer to appendix for reconciliation to closest GAAP metric | * In 2019 Powersports sales were included in Marine Sales

Q3 2024

Highlights

Revenue up 6% y/y, driven by ongoing recovery in MH market and acquisitions completed in 2024

- RV revenue down 1%, reflecting the continued shift in demand toward lower-priced units
- Marine revenue declined 21% y/y as OEMs worked aggressively to appropriately manage dealer inventory
- Powersports revenue grew primarily due to the January 2024 acquisition of Sportech
- Housing revenue improved 13% y/y as a result of an estimated 17% y/y increase in MH shipments amid continued solid demand for affordable housing

Continued strategic diversification through acquisitions and balanced capital allocation

- September acquisition of RecPro meaningfully expands Patrick's aftermarket presence in RV and offers an established aftermarket platform for our other end markets
- Subsequent to the quarter, opportunistically refinanced high-yield notes and amended credit facility, extending maturities and lowering average cost of debt

Operating margin reflects our tactical decision to balance the current operating environment and maintain the ability to remain agile as we prepare for a future recovery in our end markets




Performance by End Market

Q3 2024

PATRICK | rv

Q3 2024

RV revenue fell 1% y/y as a result of dealers' desire to carry smaller, less expensive units despite a modest increase in shipments. Dealer inventory levels remain below the historical average, increasing the potential for a future restock. Our Q3'24 acquisition of RecPro significantly expands our presence in the RV aftermarket.

REVENUE

$396M

% OF Q3 SALES

43%

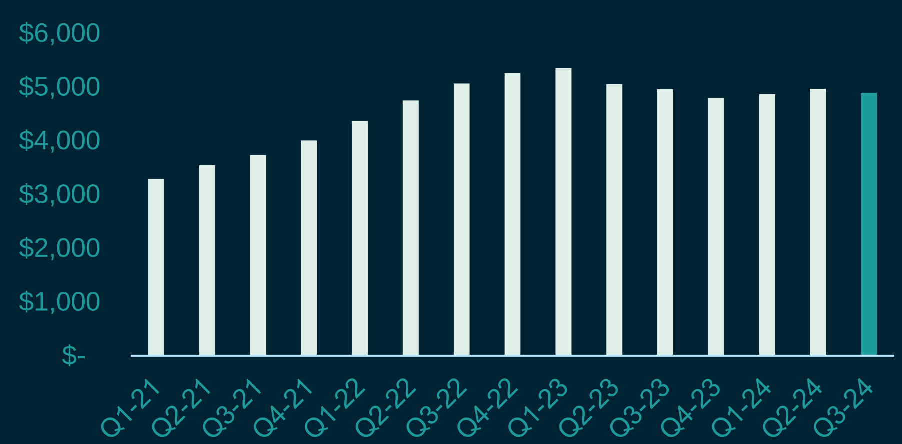
WHOLESALE SHIPMENTS [2]

77,800

CPU[1]

$4,887

CONTENT PER UNIT [1]



MARKETS

RV MARINE POWERSPORTS HOUSING

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

PATRICK | marine

Q3 2024

OEMs and dealers continue to manage production levels and inventory in a disciplined fashion, evidenced by continued destocking of inventory in the channel. We believe this creates a healthier backdrop for a recovery in demand.

REVENUE

$136M ⌄

% OF Q3 SALES

15%

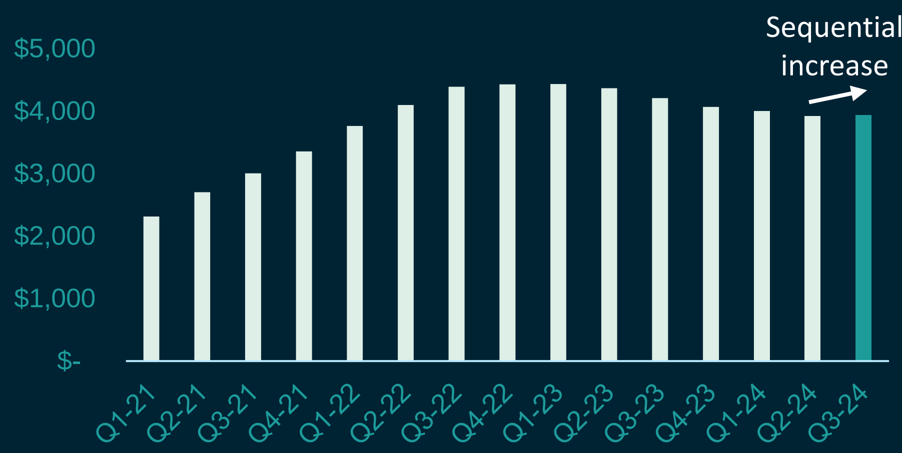
ESTIMATED WHOLESALE SHIPMENTS [2]

31,900 ⌄

ESTIMATED CPU [1,2]

$3,936 ⌄

CONTENT PER UNIT [1,2]



MARKETS: RV | **MARINE** | POWERSPORTS | HOUSING

[1] CPU = Content per wholesale unit for the trailing twelve-month period | [2] Company estimates based on data published by National Marine Manufacturers Association (NMMA)

PATRICK | powersports

Q3 2024

We remain well positioned to supply premium component solutions to the Powersports market following the Sportech acquisition. Powersports OEMs are becoming increasingly focused on inventory destocking and tightening production levels.

REVENUE

$87M

% OF Q3 SALES

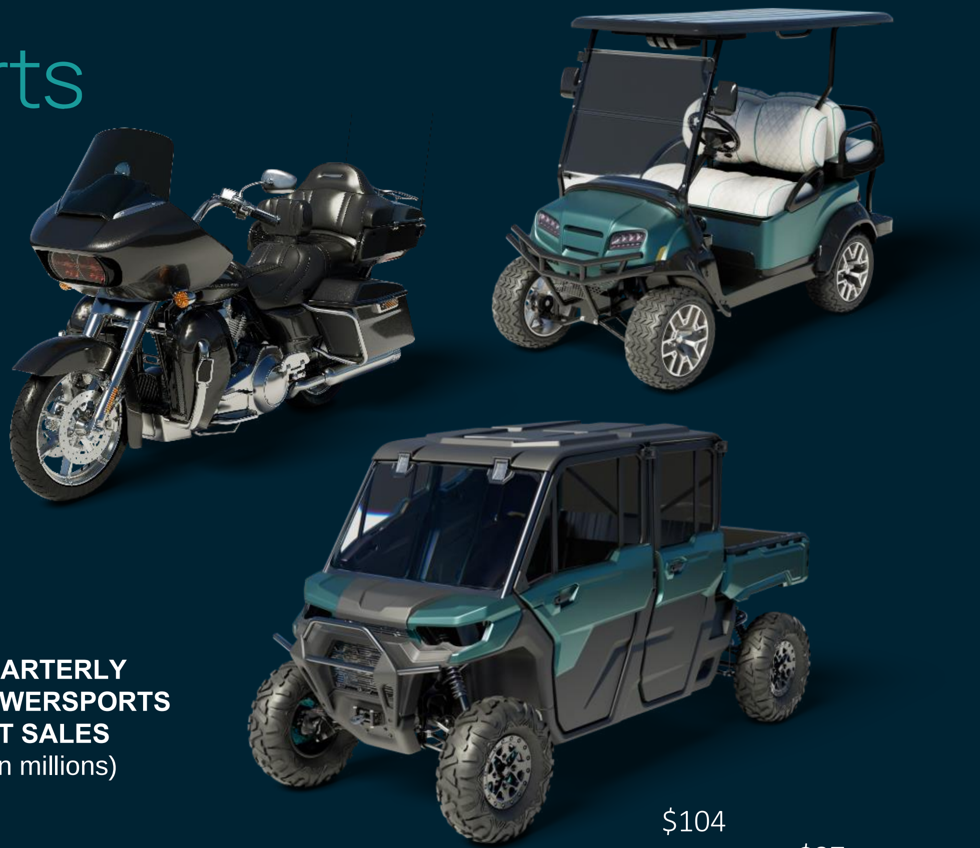
10%

SOLID POWERSPORTS PLATFORM

SPORTECH

THE PROGRESSIVE GROUP

Rockford Fosgate



QUARTERLY POWERSPORTS NET SALES
($ in millions)

MARKETS

RV | MARINE | **POWERSPORTS** | HOUSING

PATRICK | housing

Q3 2024

Our Housing businesses continue to support the resilience of our model and diversification strategy. Demand for affordable housing continues to exceed supply. Lower interest rates have the potential to improve housing velocity.

REVENUE

$300M

% OF Q3 SALES

32%

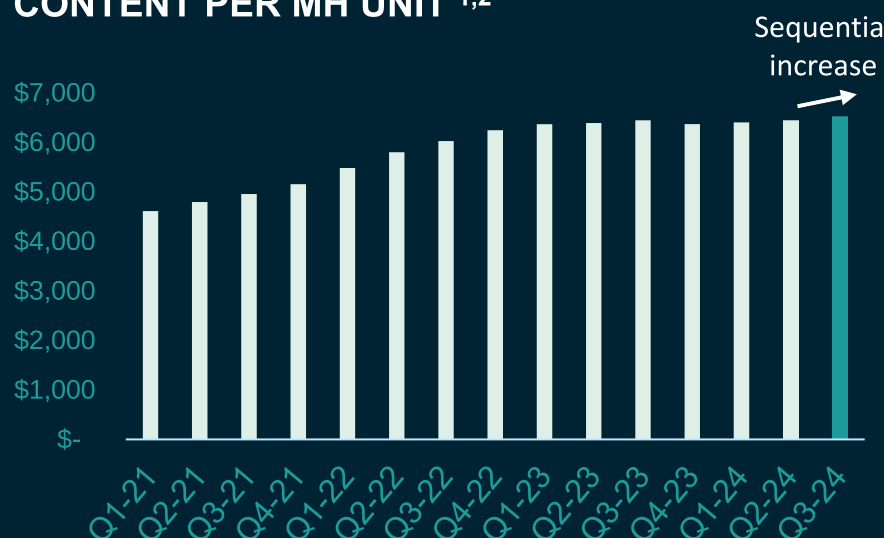
ESTIMATED MH WHOLESALE SHIPMENTS [2]

26,500

ESTIMATED MH CPU [1,2]

$6,518

CONTENT PER MH UNIT [1,2]



MARKETS: RV | MARINE | POWERSPORTS | **HOUSING**

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

Market Sector Trends

Q3 2024

RV

RV recovery has been focused on entry-level units given consumers' desire for smaller, more affordable units

RecPro acquisition significantly expands presence in RV aftermarket

We now expect OEMs to further limit production in Q4'24 amid dealers' desire to delay restocking until 2025

MARINE

Dealers and OEMs remain very disciplined in their efforts to lower inventory levels, with continued progress made in Q3; we now expect further production cuts in Q4'24

Consumer conversion is limited by high-interest rates and inflation

RecPro platform provides meaningful opportunity to improve the efficiency of our aftermarket distribution channel in Marine

POWERSPORTS

Utility-focused vehicles have been more resilient than the recreational segment

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

Major OEMs have announced ongoing targeted dealer inventory reduction efforts

HOUSING

Interest rate relief has the potential to improve the availability of affordable housing

Technological advancements and enhanced materials are improving the quality and efficiency of manufactured homes, increasing the attractiveness to consumers and long-term content growth potential for Patrick

Financial Performance

($ in millions, except per share data)

Q3 2024

Net sales increased 6% as a result of growth in Housing revenue combined with our January 2024 acquisition of Sportech, which more than offset lower revenue from our other end markets

Gross margin was 23.1%, up 10 basis points from the same period last year

Operating margin was 8.1%, reflecting lower fixed cost absorption within our Marine businesses and our strategy to match the current environment while maintaining our ability to serve customers at the highest level

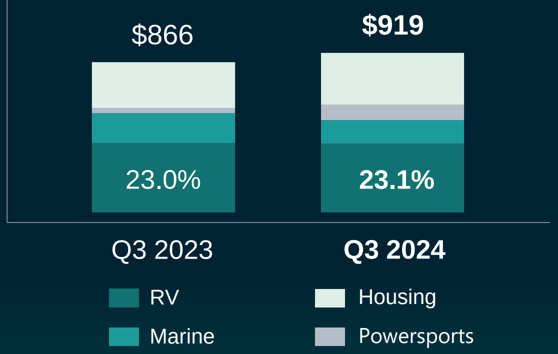
Net income increased 3% y/y to $41M

Diluted EPS of $1.80 includes approximately $0.06 per share of dilution from our convertible notes due 2028 and related warrants as a result of the increase in our stock price

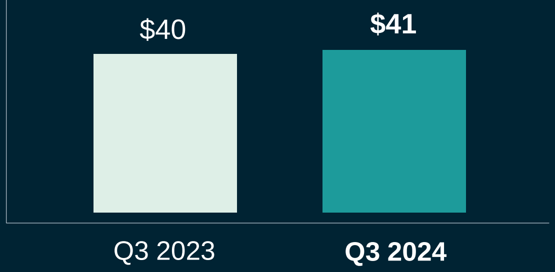
Year-to-date adjusted diluted EPS increased 13% to $5.75

For the first nine months of 2024, generated operating cash flow of $224M and free cash flow of $174M

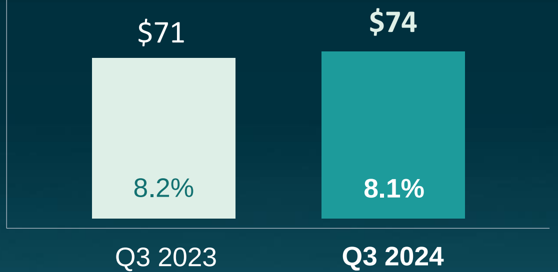
NET SALES & GROSS MARGIN



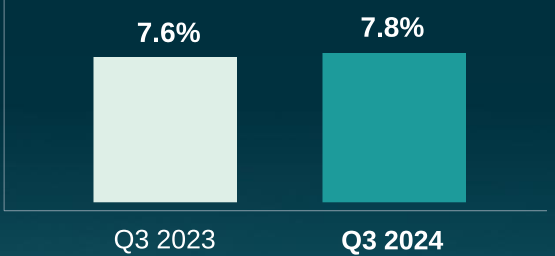
NET INCOME



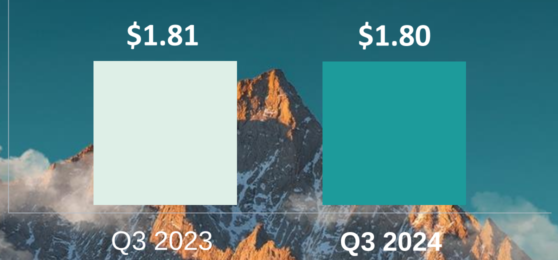
OPERATING INCOME & MARGIN



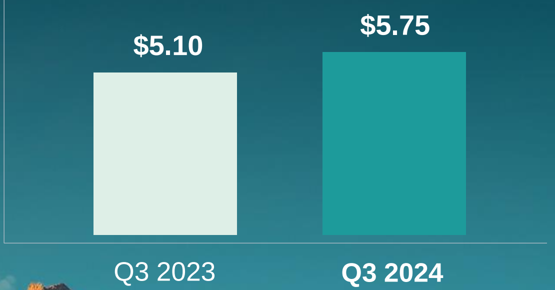
YTD ADJUSTED OPERATING MARGIN [1]



DILUTED EPS



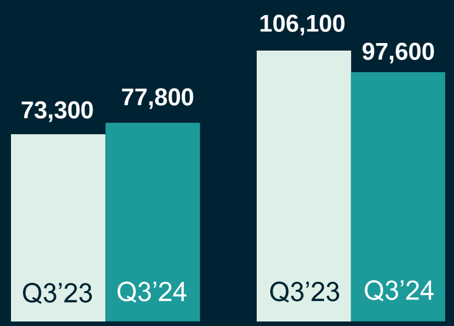
YTD ADJUSTED DILUTED EPS [1]



[1] Non-GAAP metric: Refer to appendix for reconciliation to closest GAAP metric

Shipments and End Market Data[1]

RV[2]

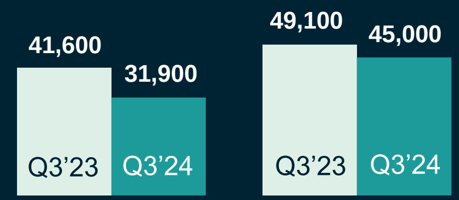


WHOLESALE
+6% YoY

RETAIL
(8)% YoY

Estimated Dealer Inventory Impact in Q3'24: **(~19,800)** units

MARINE[2]

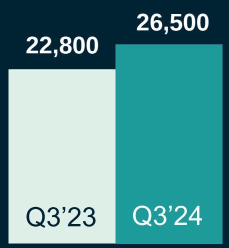


WHOLESALE
(23)% YoY

RETAIL
(8)% YoY

Estimated Dealer Inventory Impact in Q3'24: **(~13,100)** units

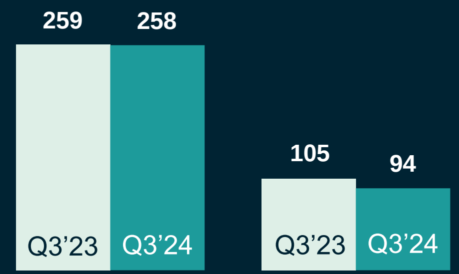
MH[2]



WHOLESALE
+17% YoY

HOUSING STARTS[3]

(Units in thousands)



SINGLE FAMILY
(1)% YoY

MULTIFAMILY
(11)% YoY

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

Balance Sheet and Liquidity

Q3 2024

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 ($365.0M 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

NET LEVERAGE[1] ($ in millions)

Total Debt Outstanding	$	1,399.4
Less: Cash and Debt Paid as Defined by the Credit Agreement		(63.2)
Net Debt	$	1,336.2
Pro Forma Adj. EBITDA	$	504.7
Net Debt to Pro Forma Adj. EBITDA		2.6x

COVENANTS AND RATIOS[1]

- Consolidated Net Leverage Ratio – 2.6x
- Consolidated Secured Net Leverage Ratio – 0.85x versus 2.75x maximum
- Consolidated Fixed Charge Coverage Ratio – 3.55x versus minimum 1.50x

LIQUIDITY ($ in millions)

Total Revolver Credit Capacity	$	775.0
Less: Total Revolver Used (including outstanding letters of credit)		(370.0)
Unused Credit Capacity	$	405.0
Add: Cash on Hand		52.6
Total Available Liquidity	$	457.6

Subsequent to the end of the quarter, we reduced our cost of debt and increased our liquidity position by issuing $500 million of 6.375% Senior Notes due 2032 and expanding the capacity of our credit facility to $1.0 billion, while extending the maturity date to October 2029. We plan to use a portion of the proceeds from these transactions to redeem our 7.500% Senior Notes on November 7, 2024. Following these transactions, the Company's next major debt maturity will be in 2028.

[1] As defined by credit agreement

Fiscal Year 2024 Outlook

	FY 2023 Actual	FY 2024 Estimate[1] Prior Estimate
Adjusted Operating Margin [2]	7.5%	**Down 20 to 30 bps** Flat to up 20 bps
Operating Cash Flows	$409M	**$370M - $390M** $390M - $410M
Free Cash Flow	$350M	**$295M+** $310M+
RV Wholesale Unit Shipments (RVIA)	313K	**320K - 330K** Unchanged
RV Retail Unit Shipments[3]	380K	**Down 8 - 10%** Down 5 – 10%
Marine Wholesale Powerboat Unit Shipments[3]	192K	**Down 25 - 30%** Down 20 - 25%
Marine Retail Powerboat Unit Shipments[3]	179K	**Down 8 - 10%** Down 5 – 10%
Powersports Organic Content	-	**Up MSD%** Unchanged
MH Wholesale Unit Shipments (MHI)	89K	**Up 15%** Up 5 – 10 %
New Housing Starts (U.S. Census Bureau)	1.4M	**Flat** Flat to up 5%

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

Appendix

Quarterly Revenue by End Market – 2023 [1]

($ 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 [2,3]	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Marine	$4,433	$4,367	$4,209	$4,069

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

Non-GAAP Reconciliation

Use of Non-GAAP Financial Measures

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-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.

RECONCILIATION OF NET INCOME TO EBITDA TO PRO FORMA ADJUSTED EBITDA FOR THE TRAILING TWELVE MONTHS

($ in millions)	09/29/2024
Net Income	$154.7
+ Depreciation & Amortization	160.6
+ Interest Expense, net	75.8
+ Income Taxes	45.3
EBITDA	$436.3
+ Stock Compensation Expense	20.1
+ Acquisition Pro Forma, transaction-related expenses & other	48.3
Pro Forma Adjusted EBITDA	$504.7

RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE FOR THE TRAILING TWELVE MONTHS

	Q3 2024 TTM	2019
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	$7.17	$3.86

RECONCILIATION OF ADJUSTED OPERATING MARGIN FOR THE TRAILING TWELVE MONTHS

	Q3 2024 TTM	2019
Operating margin	7.6%	6.6%
Acquisition related fair-value inventory step-up	-	-
Transaction costs	0.1%	-
Adjusted operating margin	7.7%	6.6%

Non-GAAP Reconciliation (Continued)

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RECONCILIATION OF YTD ADJUSTED DILUTED EARNINGS PER COMMON SHARE

	9M 2024	9M 2023
Diluted earnings per common share	$5.55	$5.09
Transaction costs, net of tax	0.17	-
Acquisition related fair-value inventory step-up, net of tax	0.03	0.01
Adjusted diluted earnings per common share	$5.75	$5.10

RECONCILIATION OF YTD ADJUSTED OPERATING MARGIN

	9M 2024	9M 2023
Operating margin	7.6%	7.6%
Acquisition related fair-value inventory step-up	-	-
Transaction costs	0.2%	-
Adjusted operating margin	7.8%	7.6%

CALCULATION OF YTD FREE CASH FLOW

($ in millions)	9M 2024
Cash Flows from Operations	$224.2
Less: Purchases of Property, Plant and Equipment	(50.3)
Free Cash Flow	$173.9

CALCULATION OF FREE CASH FLOW FOR THE TRAILING TWELVE MONTHS

($ in millions)	Q3 2024 TTM	2019
Cash Flow from Operations	$339.0	$192.4
Less: Purchases of Property, Plant and Equipment	(61.8)	(27.7)
Free Cash Flow	$277.2	$164.7

Non-GAAP Reconciliation (Continued)

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RECONCILIATION OF TTM ADJUSTED NET INCOME TO EBITDA AND EBITDA MARGIN

($ in millions)	Q3 2024 TTM	2019
Net Income	$155	$90
+ Interest Expense	76	37
+ Income Taxes	45	28
+ Depreciation & Amortization	161	63
EBITDA	$436	$218
Net sales	$3,651	$2,337
EBITDA Margin	12.0%	9.3%

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