

# Patrick Industries Investor Day

December 3, 2024







## Forward-Looking Statements

This presentation and related remarks by management may include “forward-looking statements” within the meaning of the U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact. Forward-looking statements represents our current judgement about possible future events and are often identified by words like “aim,” “anticipate,” “appears,” “approximately,” “believe,” “continue,” “could,” “effect,” “estimate,” “expect,” “forecast,” “goal,” “initiative,” “intend,” “may,” “objective,” “outlook,” “plan,” “potential,” “priorities,” “project,” “pursue,” “seek,” “should,” “target,” “when,” “will,” “would,” or the negative of any of those words or similar expressions. In making these statements, we rely on assumptions and analysis based on our experience and perception of historical trends, current conditions and expected future developments as well as other factors we consider appropriate under the circumstances. We believe these judgments are reasonable, but these statements are not guarantees of any future events or financial results, and our actual results may differ materially due to a variety of important factors, many of which are beyond our control. 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 disasters, 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 undertake no obligation to update publicly or otherwise revise any forward-looking statement, whether as a result of new information, future events, or other factors that affect the subject of these statements, except where we are expressly required to do so by law.

## 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.



# Agenda

Time (EST)

	Agenda Overview	Steve O'Hara, VP – Investor Relations
<b>10:30am</b>	Welcome & Overview	Andy Nemeth, Chief Executive Officer
<b>10:50 - 11:20am</b>	End Market Performance & Future Growth RV Marine Powersports Housing	Jeff Rodino, President – RV Rick Reyenger, President – Marine Kip Ellis, President – Powersports, Technology and Housing
<b>11:20 - 11:30am</b>	Q&A	Steve O'Hara, VP – Investor Relations
<b>11:30 - 11:40am</b>	Break	
<b>11:40 - 1:00pm</b>	Operational Excellence Advanced Product Group M&A is in our DNA Empowering Enthusiasts Empowering our People Financials Conclusion	Hugo Gonzalez, EVP – Chief Operating Officer Jim Schultz, VP – Operations Andrea Williams, VP – Finance Anna Parker, VP – Marketing Todd Gongwer, EVP – Leadership and Culture Andy Roeder, EVP – Chief Financial Officer Andy Nemeth, Chief Executive Officer
<b>1:00 - 1:30pm</b>	Q&A	CEO, CFO & End Market Presidents





# Welcome and Company Overview

Andy Nemeth, Chief Executive Officer



# Welcome

## Investor Day Takeaways

- Company Vision
- Strength and Experience of the Team
- Competitive Advantage
- Earnings Power
- Shareholder Value





# Our Purpose: We Are Enthusiasts



**Andy Nemeth**  
Chairman & CEO



**Jeff Rodino**  
President - RV



**Kip Ellis**  
President – Powersports,  
Technology & Housing



**Richard Reyenger**  
President - Marine



**Andy Roeder**  
EVP – Finance,  
CFO & Treasurer



**Stacey Amundson**  
EVP & Chief HR Officer



**Hugo Gonzalez**  
EVP – Operations &  
COO



**Joel Duthie**  
EVP, Chief Legal  
Officer & Secretary



**Anna Parker**  
VP – Marketing



**Charlie Roeder**  
EVP – Sales & Chief  
Sales Officer



**Matt Filer**  
SVP – Finance & Chief  
Accounting Officer



**Todd Gongwer**  
EVP – Leadership  
and Culture



**Doyle Stump**  
EVP – Product  
Development and  
Innovation



**Andrea Williams**  
VP – Finance

We **live** the  
Outdoor Enthusiast  
lifestyle

We are  
**passionate**  
about our Brand

We are **impacting**  
hearts and the  
family dynamic

We have the ability to  
**affect change** in our  
markets and communities

We **care** about our teams,  
customers, partners and  
communities





Patrick (NASDAQ: PATK) is a leading component solutions provider for the RV, Marine, Powersports and Housing markets

NET SALES (Q3'24 TTM)

**\$3.7B**

Adjusted EBITDA and Margin (Q3'24 TTM) <sup>1</sup>

**\$462M / 13%**

TEAM MEMBERS

**~10,000**

BRANDS

**85+**

STATES

**23**

RV

Q3'24 TTM Revenue

**\$1.62B**



MARINE

Q3'24 TTM Revenue

**\$596M**



POWERSPORTS

Q3'24 TTM Revenue

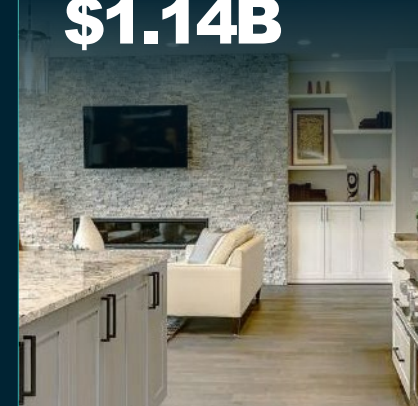
**\$298M**



HOUSING

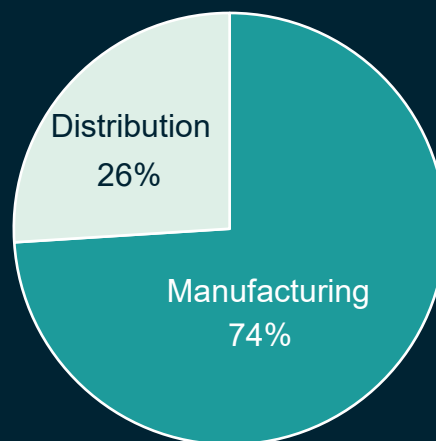
Q3'24 TTM Revenue

**\$1.14B**

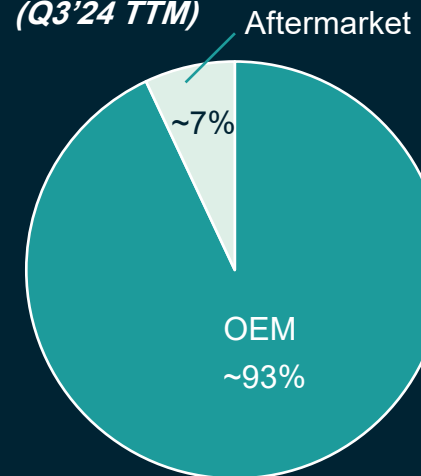


OUTDOOR ENTHUSIAST

REVENUE BY SEGMENT (Q3'24 TTM)



REVENUE BY CHANNEL (Q3'24 TTM)

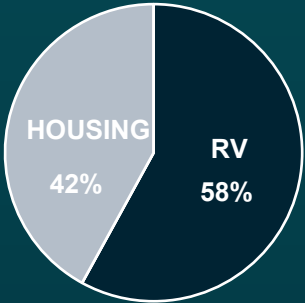


<sup>1</sup> Non-GAAP metric, see appendix for reconciliation to closest GAAP metric.

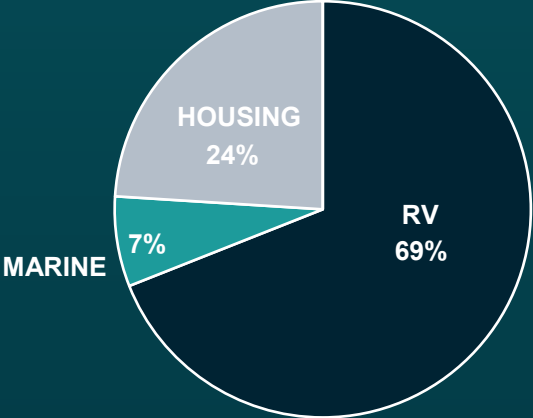


# Accelerated Growth Through Strategic Diversification

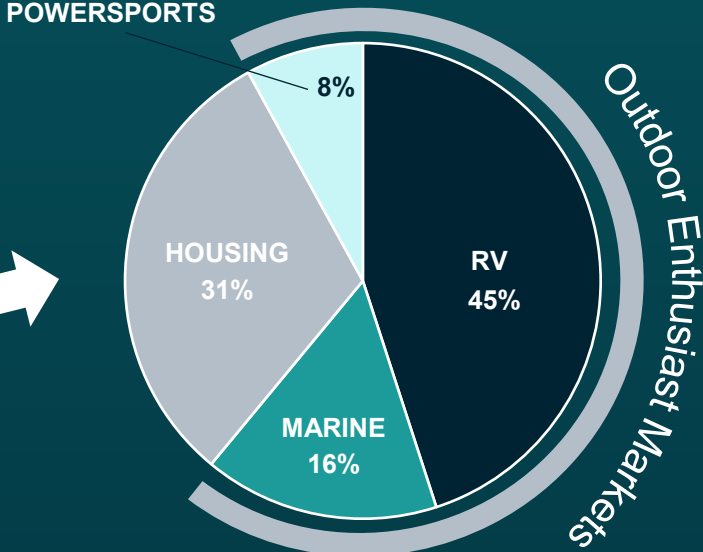
REVENUE MIX %  
**2010 : \$278M**



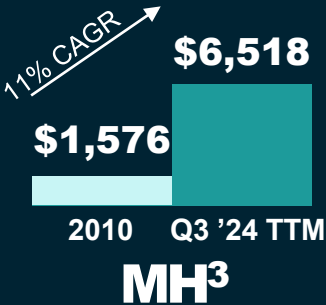
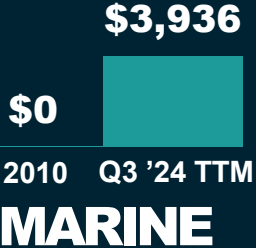
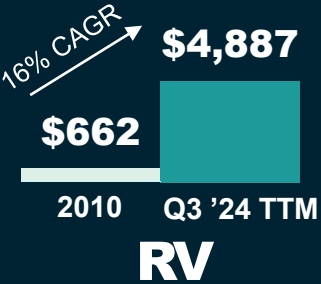
REVENUE MIX %  
**2017 : \$1.6B**



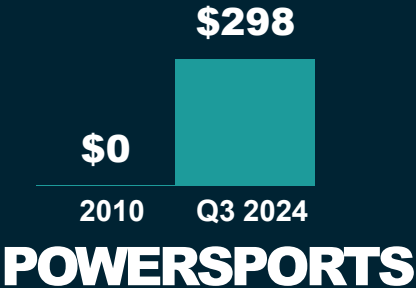
REVENUE MIX %  
**Q3 2024 TTM : \$3.7B**



CPU PER MARKET<sup>1,2</sup>



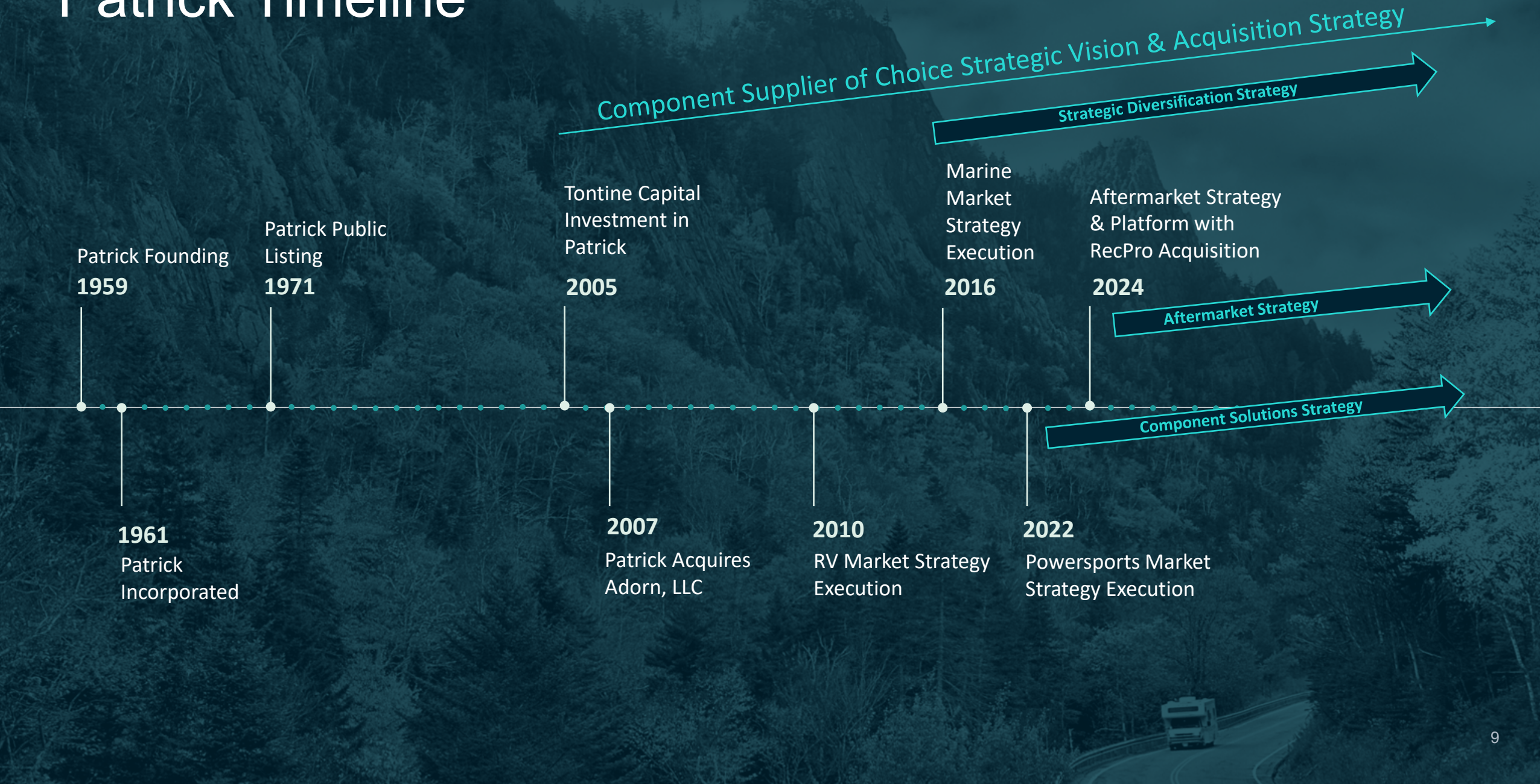
REVENUE IN 2010  
COMPARED TO  
Q3 2024 TTM



<sup>1</sup> CPU = Content Per Unit <sup>2</sup> Based on data published by RVIA, NMMA, and MHI as of the Company's reported Q3'2024 earnings on 10/31/2024 <sup>3</sup> MH = Manufactured Housing, which is a portion of our Housing business



# Patrick Timeline



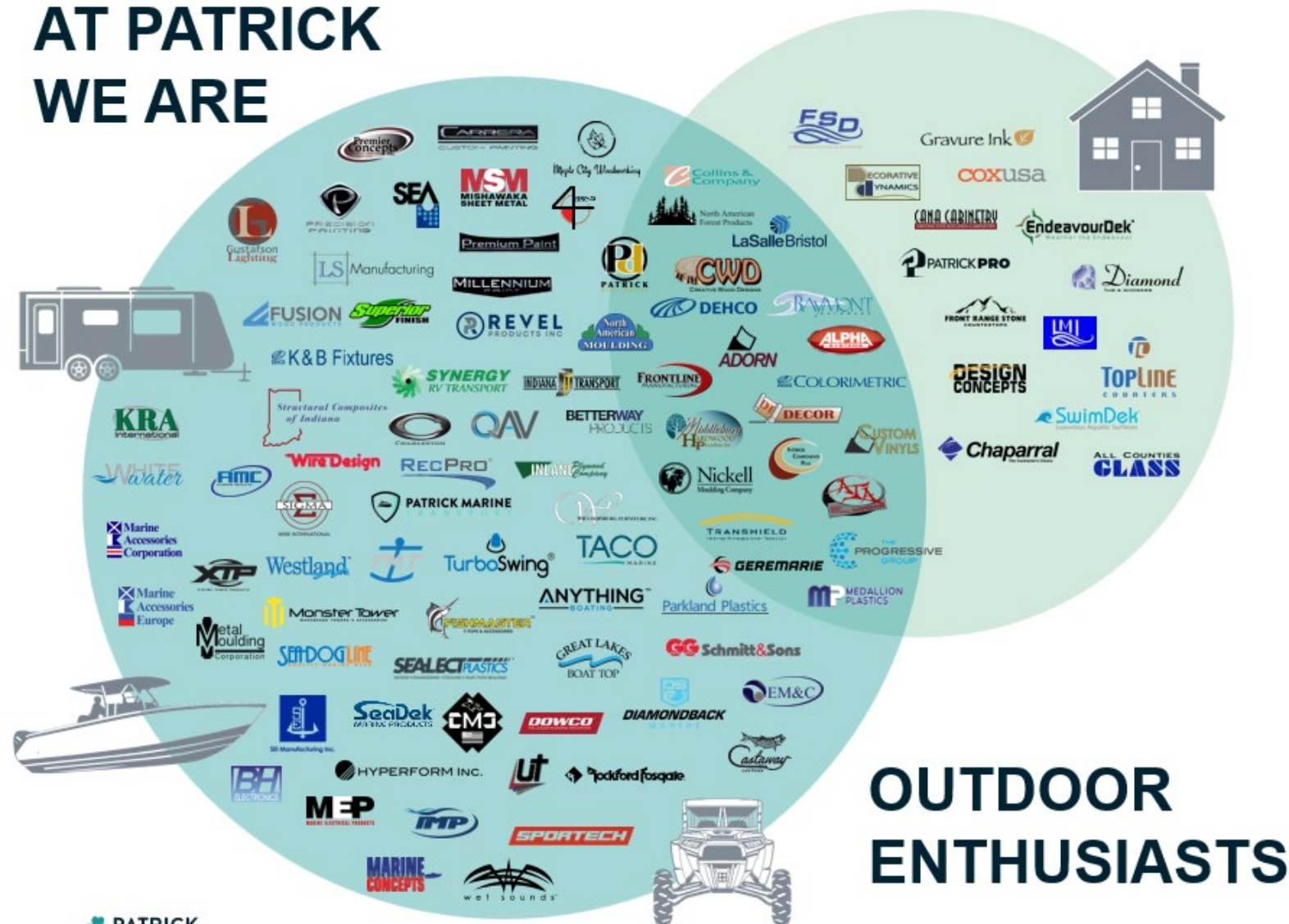




PATRICK

# Component Supplier Brand Based Strategy

AT PATRICK  
WE ARE



OUTDOOR  
ENTHUSIASTS

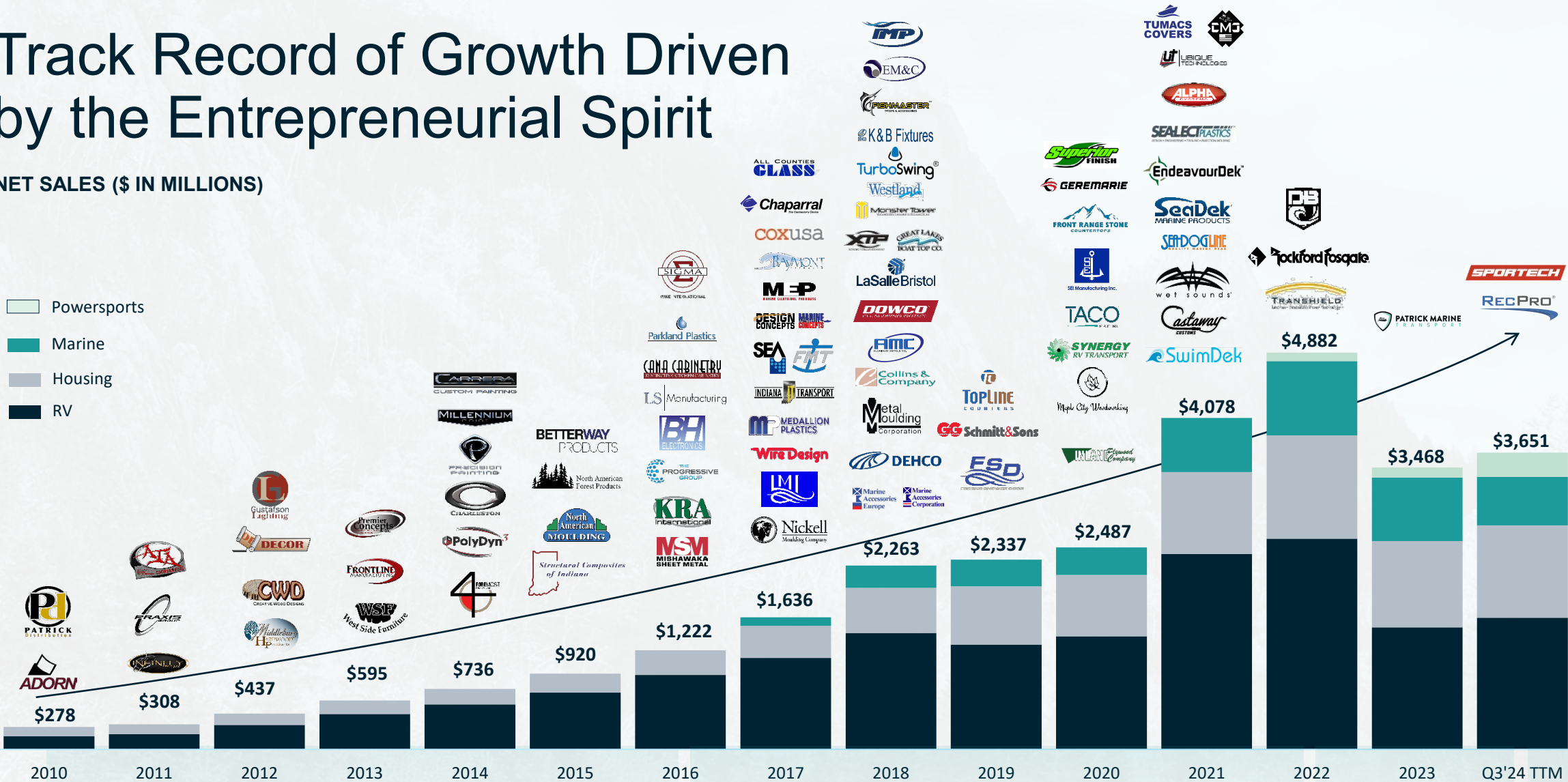
- Acquirer of choice in our markets
- Entrepreneurial spirit, focus, and strategy
- Maintain Brand "DNA" and talent
- Customer 1st trusted relationships and business model
- Customers associate with the individual brands and the brand value proposition
- Good/Better/Best product offering
- Innovation priority
- Collaboration of best practices
- Succession planning, structure, and bench strength
- Non-customer impacting synergy realization
- Patrick financial resources support strength of brand and create growth synergy strategy



# Track Record of Growth Driven by the Entrepreneurial Spirit

NET SALES (\$ IN MILLIONS)

- Powersports
- Marine
- Housing
- RV



RV Market Strategy Execution  
2010

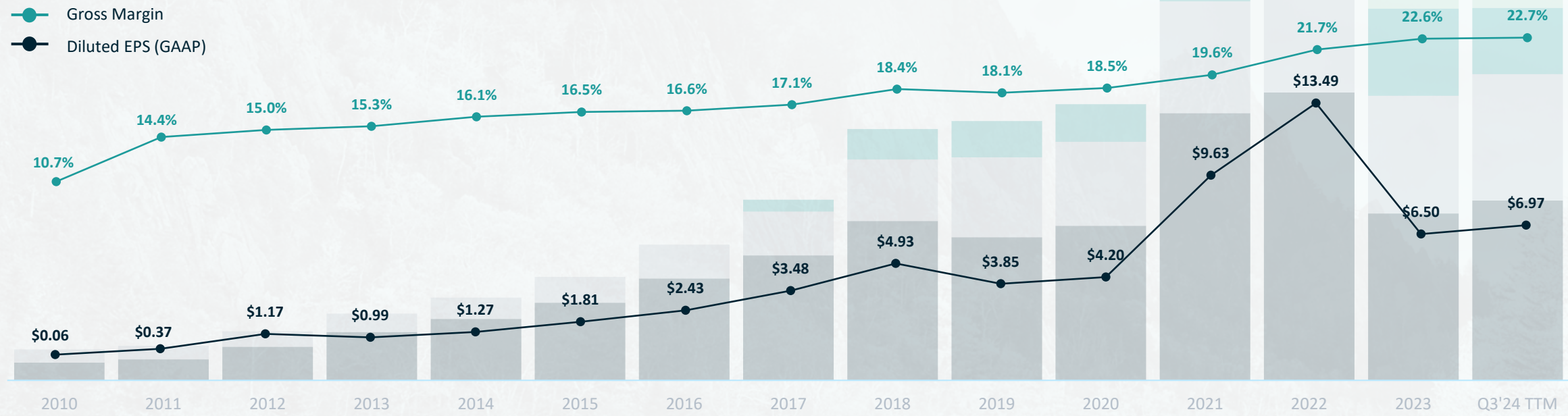
Marine Market Strategy Execution  
2016

Aftermarket Strategy & Platform with  
RecPro Acquisition  
2024

2022  
Powersports Market Strategy Execution

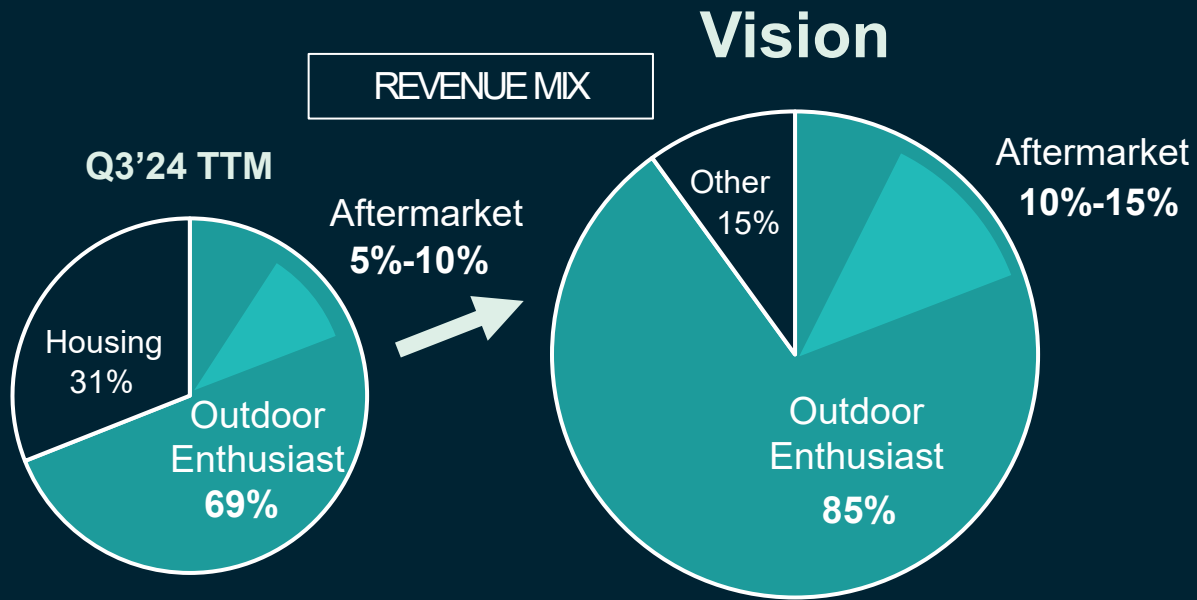


# Track Record of Margin and EPS Growth Driven by Diversification and Strategy

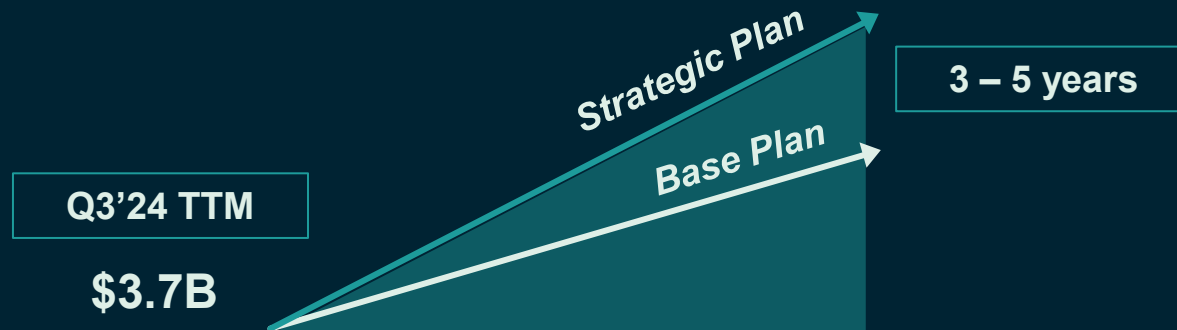




# PATRICK Vision & Capital Allocation Execution



## REVENUE TARGETS



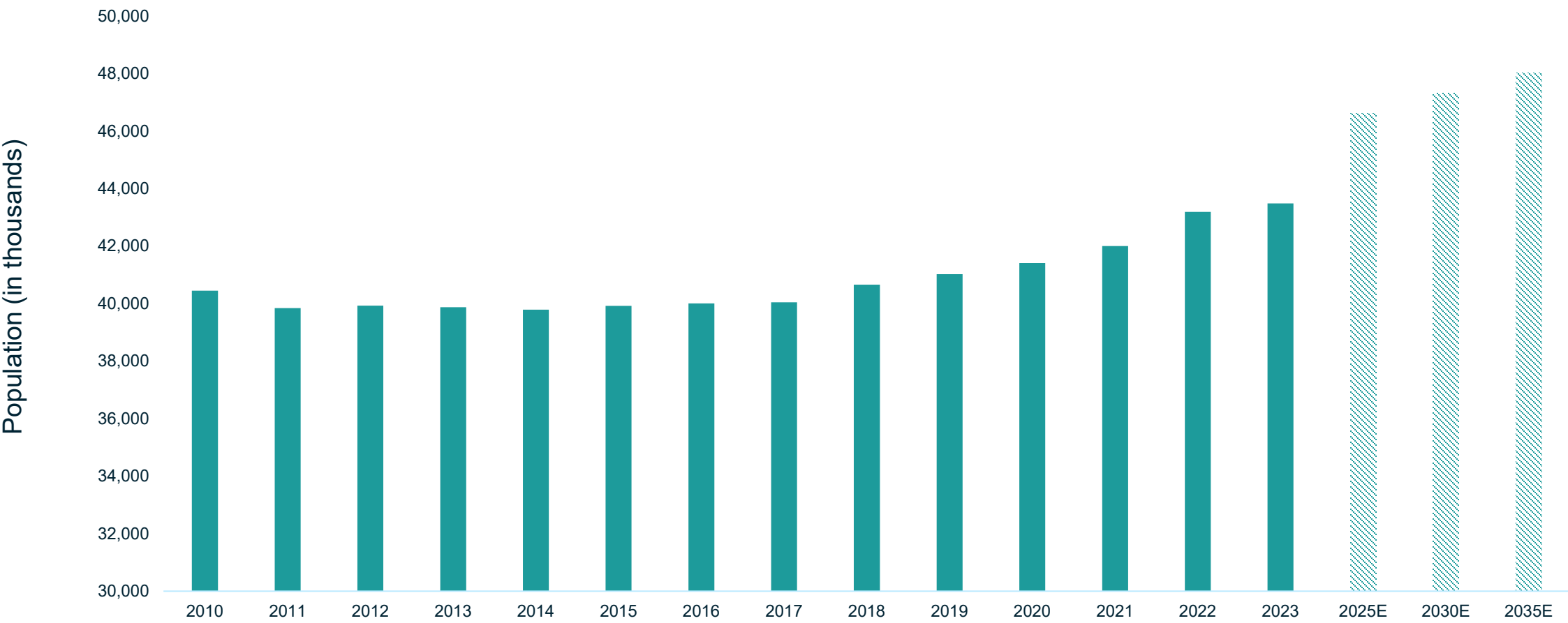
## Execution Plan

- **Capital Allocation** - Up to ~\$400M to \$500M Annually for Acquisitions
- **Priority** on Outdoor Enthusiasts Markets and Aftermarkets
  - RV
  - Marine
  - Powersports - ATVs, UTVs, Golf Carts, Motorcycles, PWCs, Off-road Vehicles
- **Aftermarket Overlay** / End Market
- **Leverage Target** = 2.25x – 2.5x Baseline
  - Flex up ~3.1x total leverage for strategic acquisition(s)
  - Target 3 quarter paydown back to 2.5x baseline post acquisition expectation
- **Financing** - Continually evaluate and position financing structure to optimize and execute on strategic plan



# Favorable Industry and Macro Trends

Target Demographic (US 35-44) Continues to Grow <sup>1</sup>



<sup>1</sup> <sup>2</sup> U.S. Census Bureau



# Our Markets and our Operating Model are Well-Positioned

## Flexible business model to quickly align with industry demand

- ✓ High variable cost model
- ✓ Flexible working capital
- ✓ Highly scalable capacity
- ✓ Advanced Product Group and solutions model
- ✓ Strong customer relationships

### RV

Estimated 16 to 18 dealer inventory weeks-on-hand (WOH), which is significantly lower than historical levels

### MARINE

Estimated 19 to 21 dealer inventory WOH, which is significantly lower than historical levels

### POWERSPORTS

Largest OEMs have targeted reducing dealer inventory by 15 - 20%

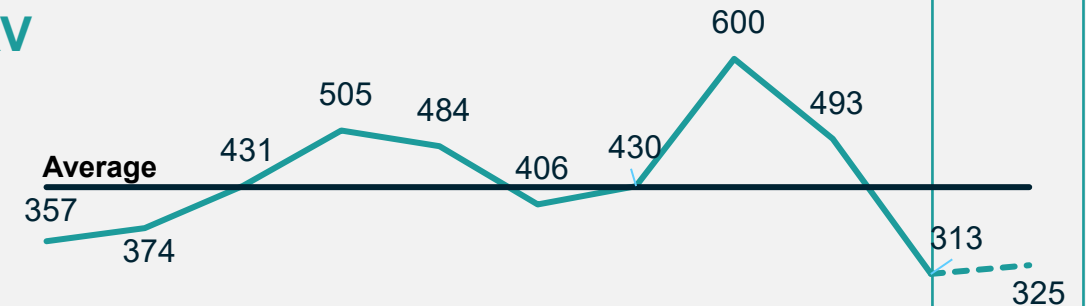
### MH

Demand for affordable housing remains strong

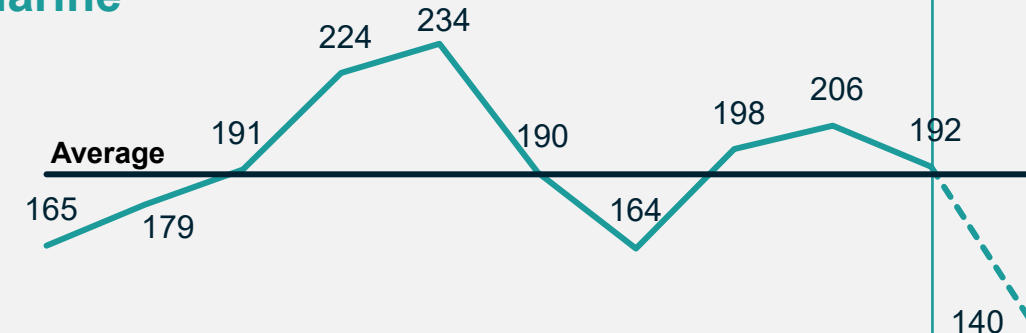
## Wholesale Shipments<sup>1</sup> (in thousands)

2024E<sup>2</sup>

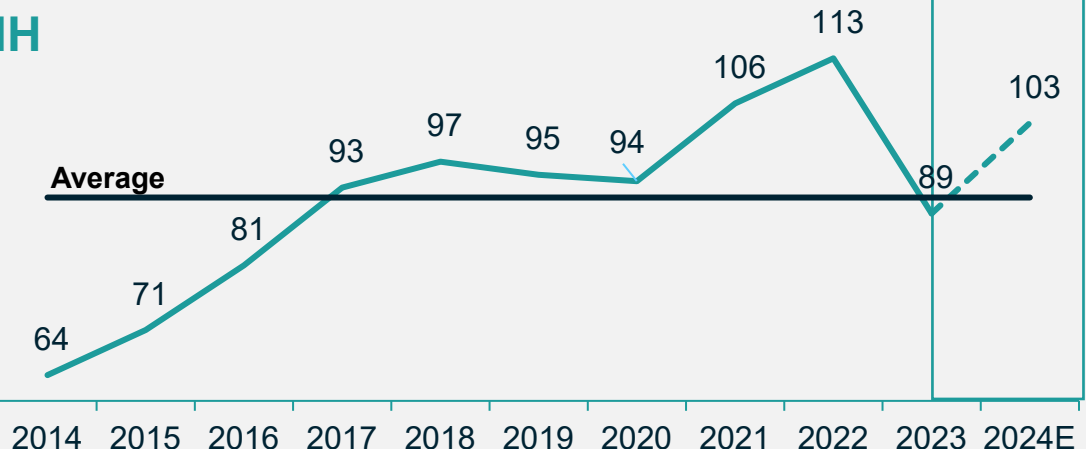
### RV



### Marine



### MH



<sup>1</sup> Wholesale Shipments from RVIA and MHI, Marine figures are Company estimates based on data from NMMA. <sup>2</sup> 2024E based on midpoint of the Company's 2024 outlook as of 10/31/24.



# MULTIPLE GROWTH AVENUES EXIST

## Organic Growth<sup>1</sup>

*We target 2-3% organic growth annually*

Over the last 5 years, organic growth averaged 4% net of pricing

## Strategic Acquisitions

We have specifically identified an acquisition pipeline within our Outdoor Enthusiast markets representing ~\$4B with acquisition targets ranging from \$20M to \$350M

*Since 2010 we've completed acquisitions representing revenues of \$2.8B*

## End Market Growth

*End markets at, or near cyclical lows*

*Channel Inventories are lean*

## Aftermarket Runway

*RecPro Platform Opportunity*





Guided by the Entrepreneurial Spirit  
and Ready for the Future

**2010**

Business model structure,  
platform, vision, and strategy  
defined and established

**2010 - 2024**

Strategic Growth Plan Execution

Patrick is now the home of over  
85 leading brands focused on  
serving the Outdoor Enthusiast &  
Housing markets

**21% Revenue CAGR**

2010 – Q3'24TTM

**2025+**

Our **Markets** are **Poised** for  
the next Upcycle with Lean  
Inventories in the Channel

**Demographic Trends** are  
Positive

We are focused on being a  
**Component Solutions**  
Provider to our Markets

Our **Acquisition Pipeline** is  
identified and prioritized

Our **Aftermarket Platform** is  
established

Our **Business** is **Sized** for the  
current run rate environment with  
scalability to meet our customers  
demand needs

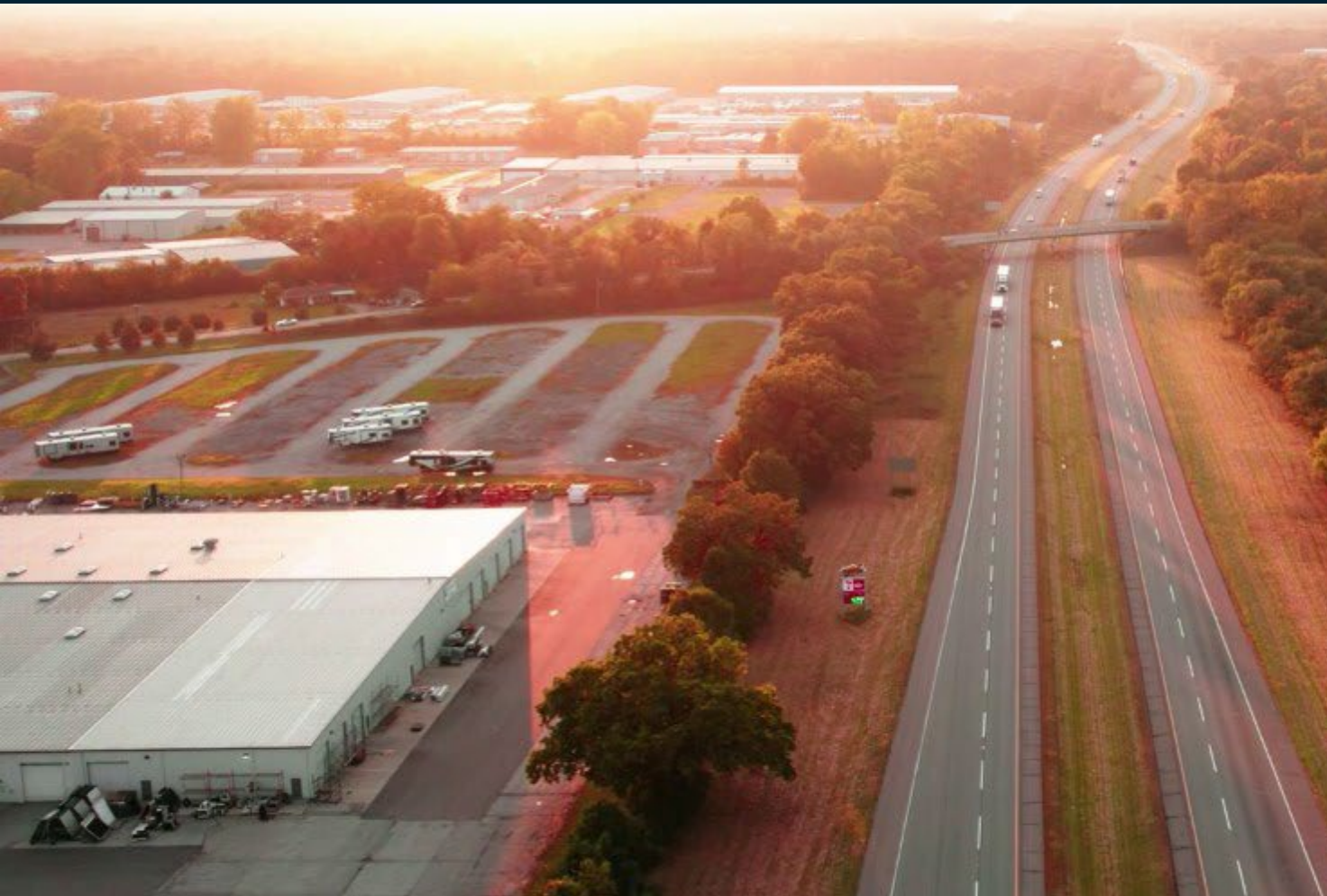




# RV End Market

Jeff Rodino, President – RV





## Ready for Rebound

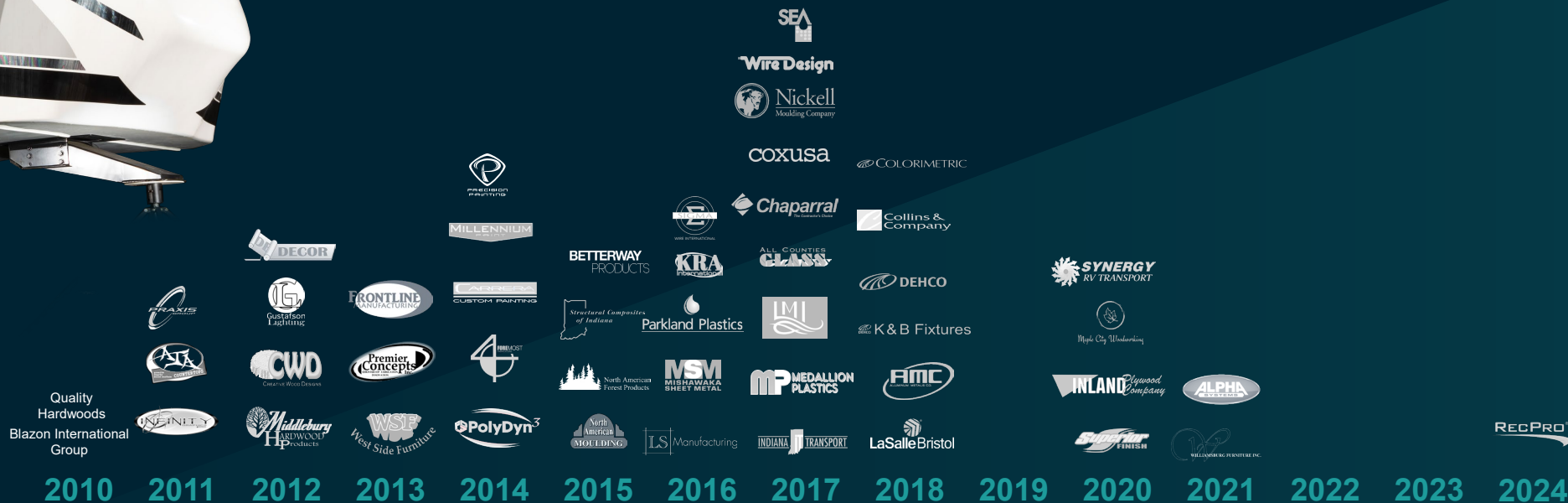
We believe the RV industry is positioned for a rebound, with dealer inventory levels well below historical averages.

With interest rates easing and inflation stabilizing, we believe the roadblocks to a retail demand inflection have been reduced.



# Strategic Portfolio Development

# Strength Resilience Results



RV Market Strategy Execution  
2010

Marine Market  
Strategy Execution  
2016

Powersports Market Strategy  
Execution  
2022

Aftermarket  
Strategy & Platform  
with RecPro  
Acquisition  
2024



REVENUE (Q3'24 TTM)

**\$1.6B**

% OF REVENUE (Q3'24 TTM)

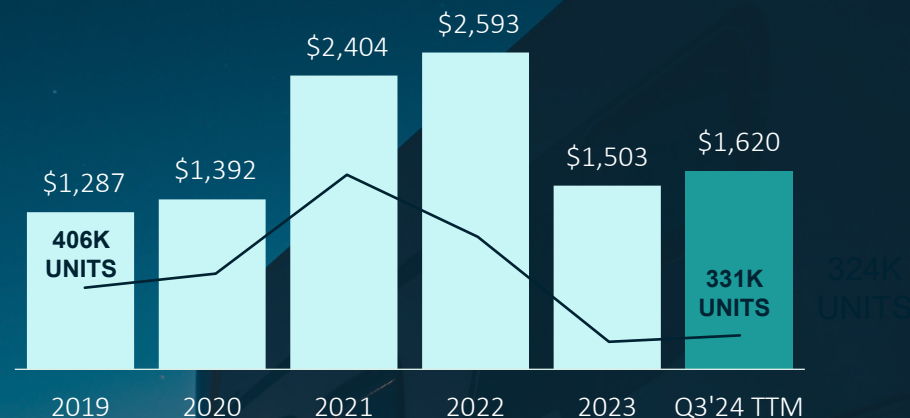
**45%**

CPU CAGR 2019-Q3'24 TTM

**+10%**

## RV REVENUE & RV WHOLESALE SHIPMENTS

(\$ IN MILLIONS)



## RV CONTENT PER UNIT<sup>1,2</sup>



<sup>1</sup> Based on data published by RVIA as of the Company's reported Q3'2024 earnings on 10/31/2024 <sup>2</sup> CPU = a non-GAAP financial measure which represents content per wholesale unit for the trailing twelve-month period

MARKETS

RV

MARINE

POWERSPORTS

HOUSING



## CAPABILITIES AND EXPERTISE

- Lamination
- Hardwood and softwood manufacturing
- Countertop fabrication
- Interior design
- Fiberglass manufacturing
- Metal fabrication
- Wire fabrication
- Plastics & adhesives
- Transportation
- Furniture
- Distribution and aftermarket



Featured product categories are only a sampling of Patrick's capabilities. A more complete listing can be found in our most recent 10-K.



# PATRICK | *rv* Established Supplier of Choice for RV OEMs



Featured product categories are only a sampling of Patrick's capabilities. A more complete listing can be found in our most recent 10-K.



# Establishing our Presence in Aftermarket with RecPro

We believe we can expect to double RecPro's revenues within 3-5 years

## 3 Key Initiatives

1	Brand Expansion	Expanded Product Offerings
		Content Development
		Brand Control
2	OEM and Dealer Engagement	New OEM Product Introduction
		Custom Part Number-based Packages
		Pricing for Dealers and Small OEMs
3	Optimized Platform	Clearing Obsolete Stock
		Phased Product Rollout
		Centralized Analytics



**REC PRO**<sup>®</sup>

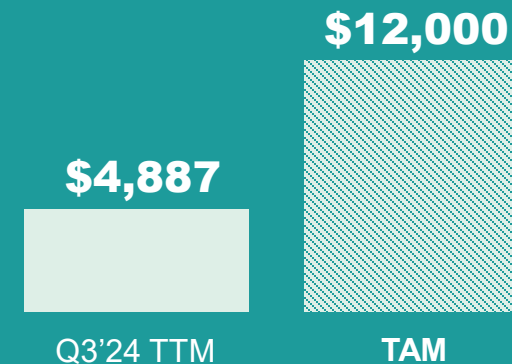


# Competitive Advantages

- Customer Relationships
- Experienced and Seasoned Team
- Scalability and Financial Resources
- Patrick Studio and Design Center
- Component Solutions Model
- Advanced Product Group

## TAM<sup>1</sup>

Our Total Addressable Market is more than double our Q3'24 TTM CPU



<sup>1</sup> TAM = Total addressable market based on our content per unit (CPU). The herein mentioned RV TAM only includes product categories we currently have market share in as of 9/29/24





# Marine End Market

Rick Reyenger, President – Marine



# Marine End Market



## Poised to Deliver

Diversification gains have transitioned into accelerated portfolio optimization efforts as the marine industry experienced a down cycle the last 18 months.

Market-leading innovation efforts coupled with harmonization within the portfolio will continue to create value for Patrick.



### REVENUE (Q3'24 TTM)

**\$596M**

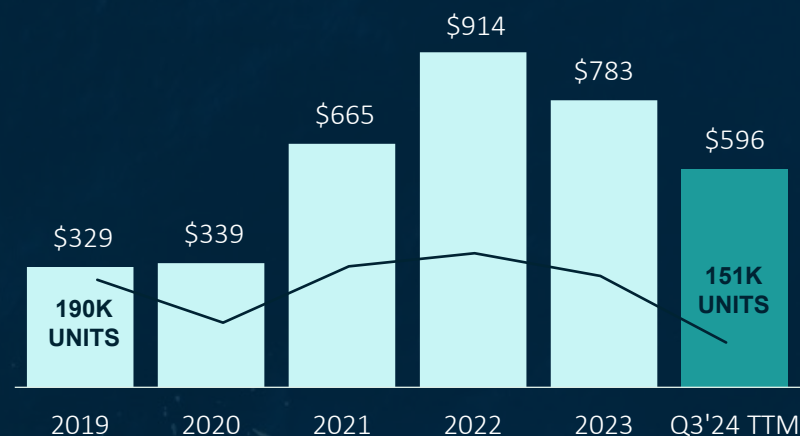
### % OF REVENUE (Q3'24 TTM)

**16%**

### REVENUE CAGR 2019-Q3'24 TTM

**+13%**

### MARINE REVENUE & WHOLESALE SHIPMENTS (\$ IN MILLIONS)



### MARINE CONTENT PER UNIT<sup>1,2</sup>



<sup>1</sup> Based on data published by NMMA as of the Company's reported Q3'2024 earnings on 10/31/2024 <sup>2</sup> CPU = a non-GAAP financial measure which represents content per wholesale unit for the trailing twelve-month period



# Strategic Portfolio Development

# Strength Resilience Results



Marine Market  
Strategy Execution  
2016

Powersports Market Strategy  
Execution  
2022

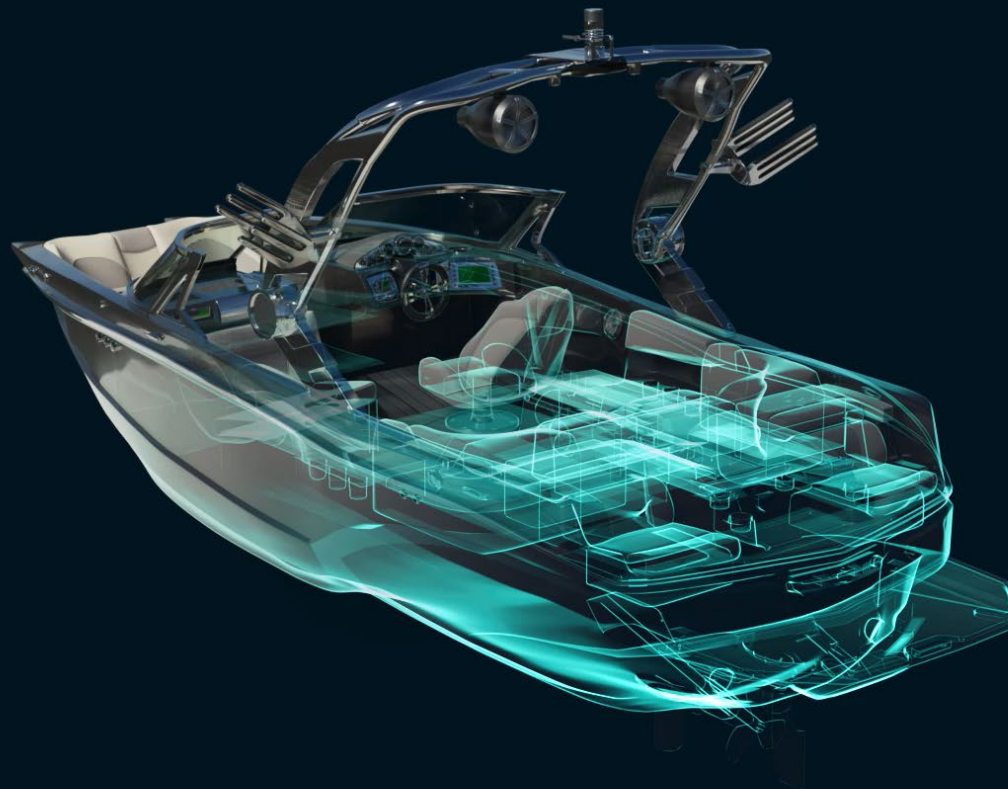
Aftermarket Strategy  
& Platform with  
RecPro Acquisition



## **CAPABILITIES AND EXPERTISE**

- Concept and design, engineering, and tooling
- fiberglass plugs, molds and stringer systems
- Metal fabrication
- Fiberglass components & parts
- Rotational molding
- Specialized in CNC milling
- Anodizing and powdercoating
- Advanced sewing & patterning capabilities
- Carbon fiber components
- Designing, engineering & manufacturing of audio solutions
- Plastic injection molding
- Plastic extrusion
- Lamination
- Treated plywood
- Fabrication of multi-layer EVA/PE foam flooring and industrial products
- Aftermarket
- J-I-T service to customers

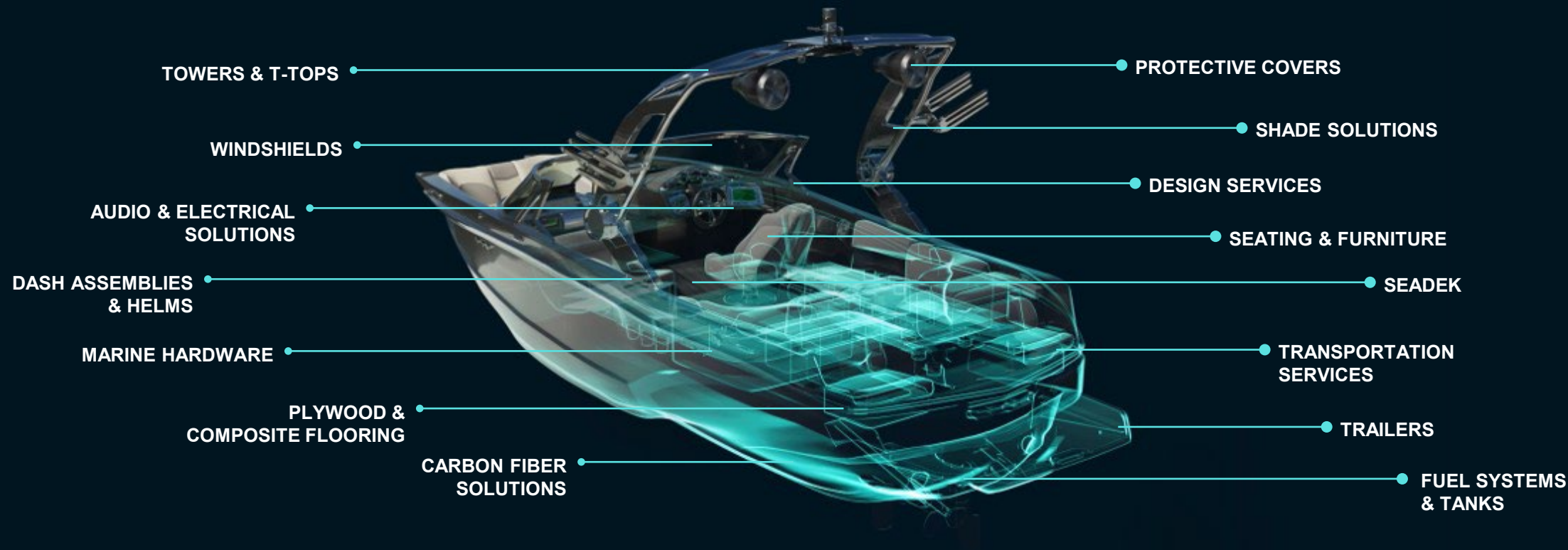
From product design and development to aftermarket accessories, our brands deliver added value through innovative, highly-engineered component solutions



Featured product categories are only a sampling of Patrick's capabilities. A more complete listing can be found in our most recent 10-K.



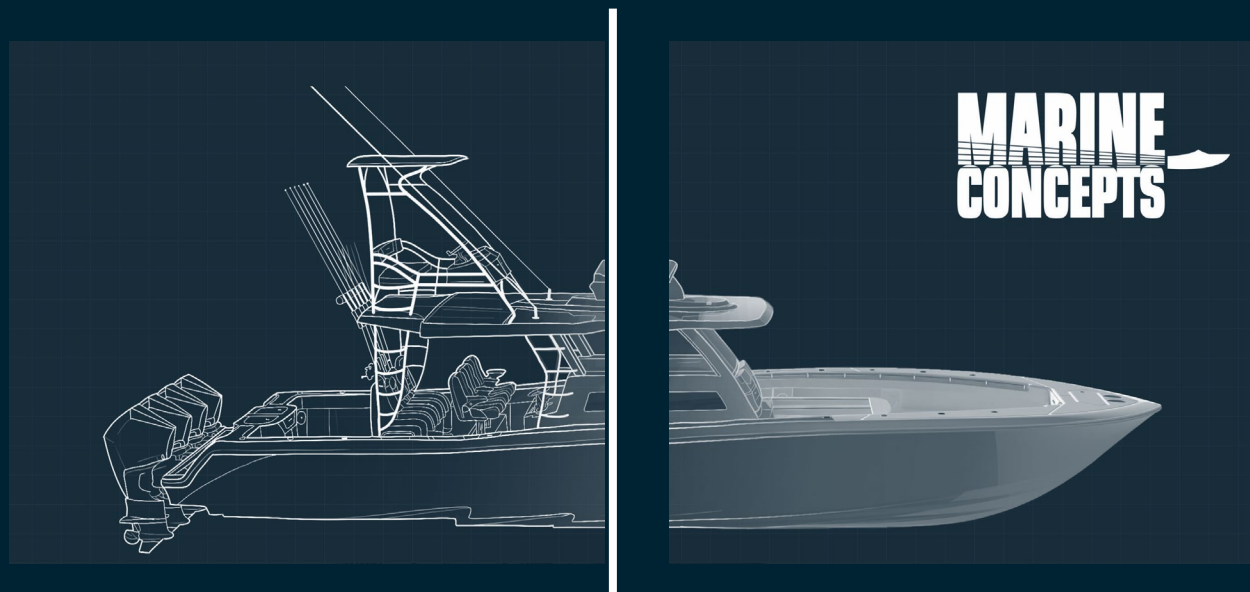
From product design and development to aftermarket accessories, our brands deliver added value through innovative, highly-engineered component solutions



Featured product categories are only a sampling of Patrick's capabilities. A more complete listing can be found in our most recent 10-K.



## Full Solutions Vision From **CONCEPT** to **COMPLETION**



- Providing marine manufacturers, a comprehensive and cohesive tooling design during model conception inclusive of Patrick brands leveraging the Marine Concepts design partnership
- Design center in key Florida location to showcase to customers our strong portfolio and our impressive team
- Engineering reliance with Patrick product inclusion

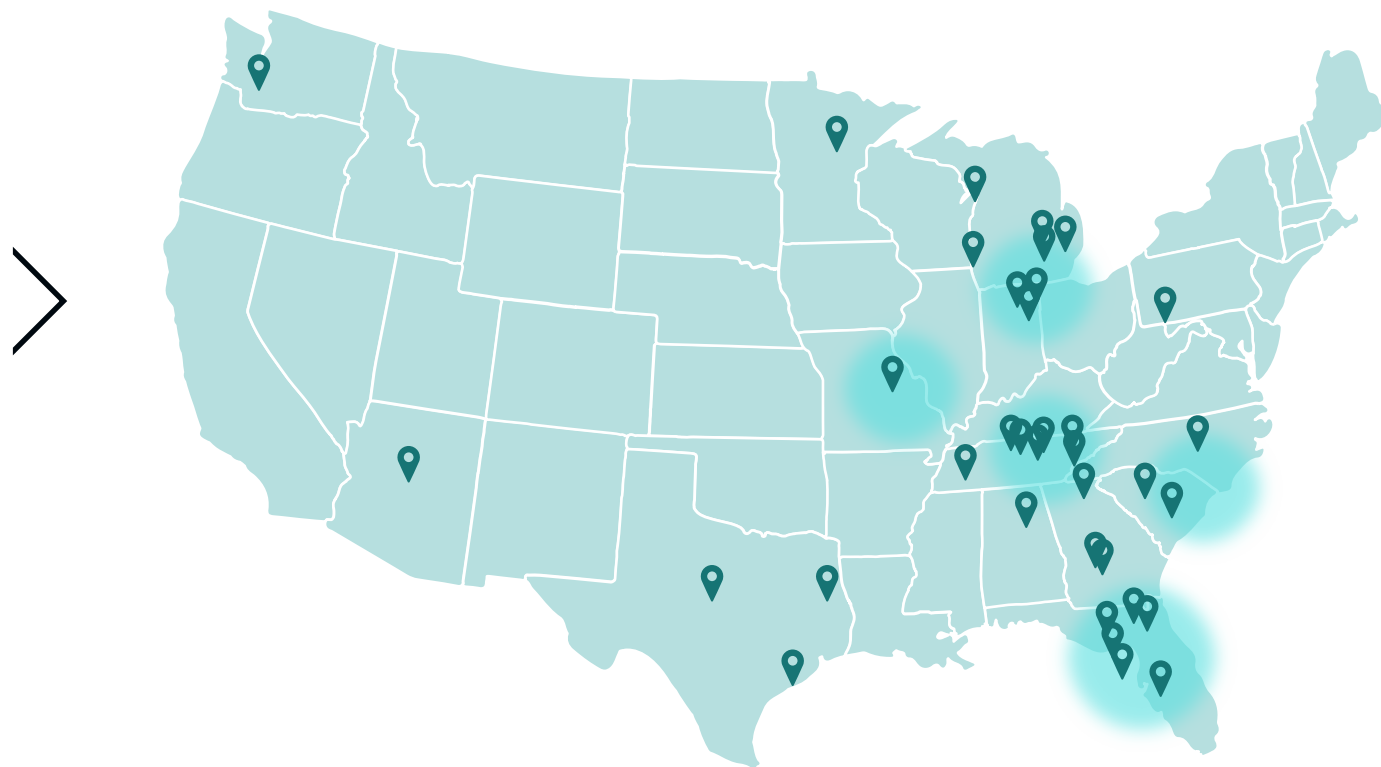


## Geographically Aligned with OEMs

We are strategically  
positioned near our  
customers to enhance  
timely delivery and  
collaboration

Growing our core brands in  
alignment with strategic  
customers allows us to  
capitalize on our  
relationships and continue to  
drive organic growth

KEY OEM LOCATIONS  
PATRICK MARINE LOCATIONS



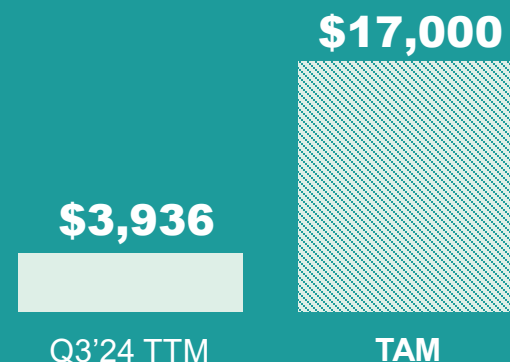


# Competitive Advantages

- Customer Relationships
- Experienced and Seasoned Team
- Proximity to Customers
- Scalability and Financial Resources
- Innovation and Advanced Product Group
- Full Solutions Model
- Marine Concepts Design/Engineering Center

## TAM<sup>1</sup>

Estimated Total Addressable Market is more than 4x Q3'24 TTM CPU



<sup>1</sup> TAM = Total addressable market based on our content per unit (CPU). The herein mentioned Marine TAM only includes product categories we currently have market share in as of 9/29/24





# Powersports End Market

Kip Ellis, President — Powersports, Technology and Housing





# Powersports End Market



## Fueling Strategic Innovation

Our powersports business fuels outdoor adventure with cutting-edge innovation and premium component solutions. From advanced engineering expertise to a robust aftermarket channel, we deliver next-level products to our customers.

By harnessing our innovation, we are helping drive growth throughout the company as we prepare for what's next for Patrick.



# Strategic Portfolio Development

# Strength Resilience Results



2016

Marine Market  
Strategy Execution  
2016



2022

Powersports Market Strategy  
Execution  
2022



2024

Aftermarket Strategy  
& Platform with  
RecPro Acquisition  
2024

Sportech Solidifies  
Powersports  
Platform



REVENUE (Q3'24 TTM)

**\$298M**

% OF REVENUE (Q3'24 TTM)

**8%**

REVENUE CAGR 2022-Q3'24 TTM

**+83%**

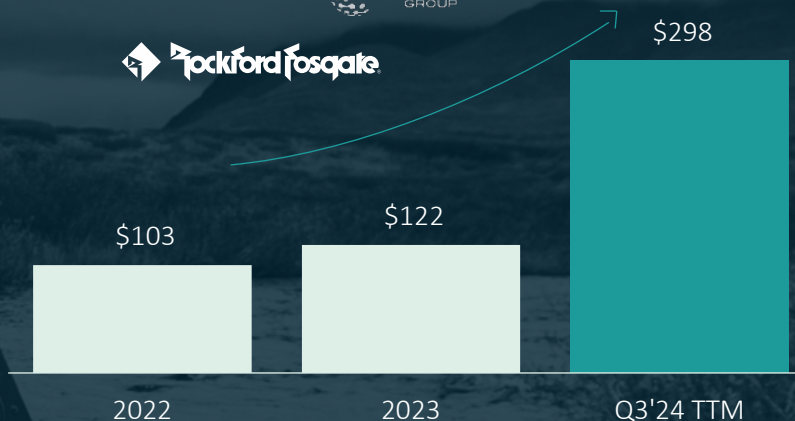
POWERSPORTS REVENUE

(\$ IN MILLIONS)

**SPORTECH**

THE  
PROGRESSIVE  
GROUP

**Rockford Fosgate**



**\$2B TAM**

Including UTV and Recreational Segments within Powersports

Not including potential in golf, motorcycles, and other adjacent segments



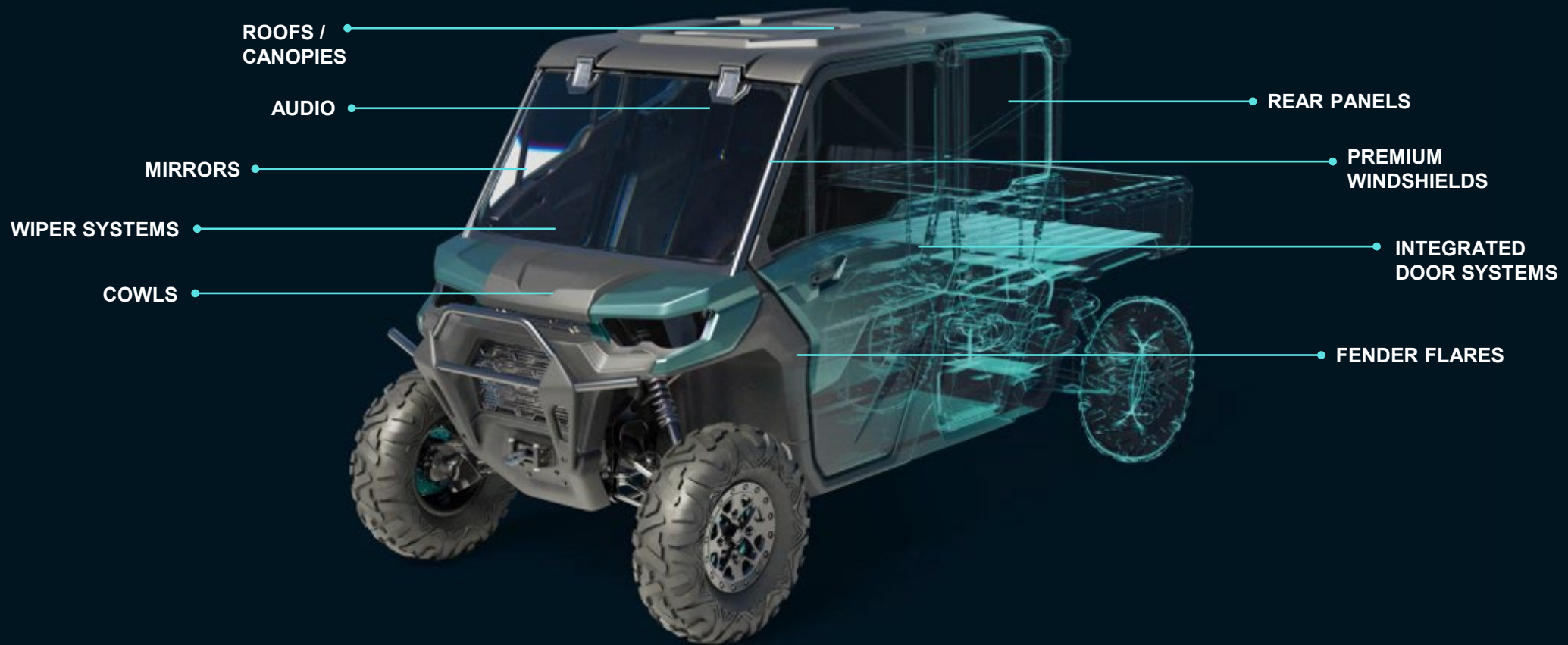
## CAPABILITIES AND EXPERTISE

- Roofs/Canopies
- Wiper Systems
- Integrated Door Systems
- Premium Audio
- Thermoforming
- Windshield Systems
- Drape Forming
- Metal Fabrication
- Fender Flares
- Rear Panels
- Manufacturing, Distribution and Rep Sales



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## ACCELERATING INNOVATION AND REALIZING SYNERGIES THROUGH ACQUISITION OF SPORTECH



### Unlocking Synergies & Leveraging Expertise

- Manufacturing Excellence & Technology Integration
- Comprehensive Solutions for Customers
- Growth Potential in Key Components:
  - Dash systems
  - Controls
  - Seating
  - SeaDek solutions
  - Cameras
  - Metal fabrication

### Realized Wins ...So far

- Glass Sourcing
- Audio Roof
- Operational Synergies



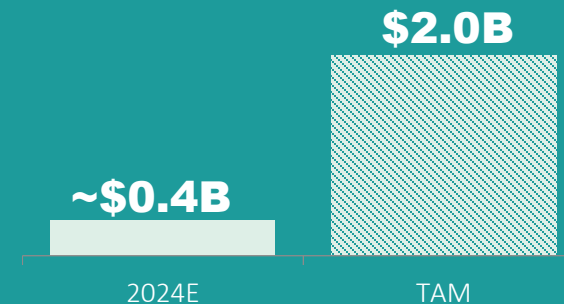


# Competitive Advantages

- Customer Relationships
- Experienced and Seasoned Team
- Innovation and Advanced Products
- Intellectual Property
- Solution Model and Opportunity

## TAM<sup>1</sup>

Total Addressable Market\* is approximately 4x Q3'24 TTM revenue



\*Includes UTV and Recreational Segments of Powersports

<sup>1</sup> TAM = Total addressable market based on our revenue). The herein mentioned Powersports TAM only includes product categories we currently have market share in as of 9/29/24





# Housing End Market

Kip Ellis, President – Powersports, Technology and Housing



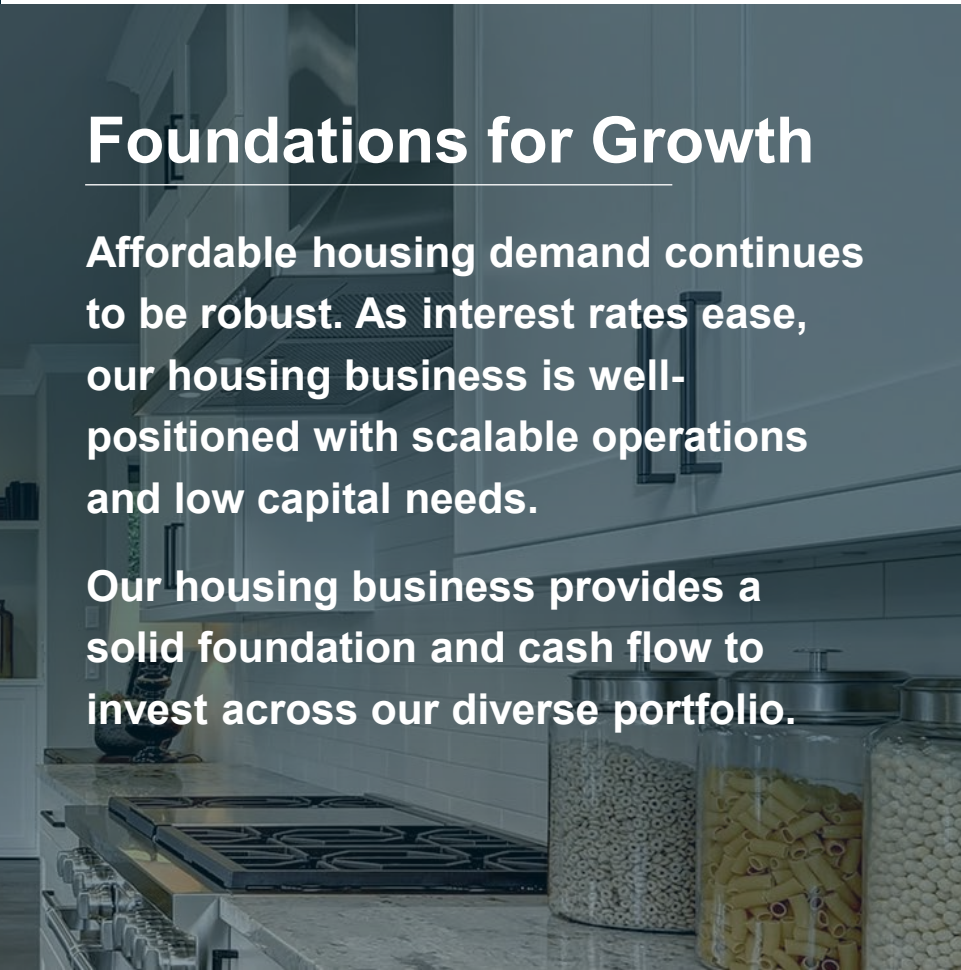
# Housing End Market



## Foundations for Growth

Affordable housing demand continues to be robust. As interest rates ease, our housing business is well-positioned with scalable operations and low capital needs.

Our housing business provides a solid foundation and cash flow to invest across our diverse portfolio.





REVENUE (Q3'24 TTM)

**\$1.14B**

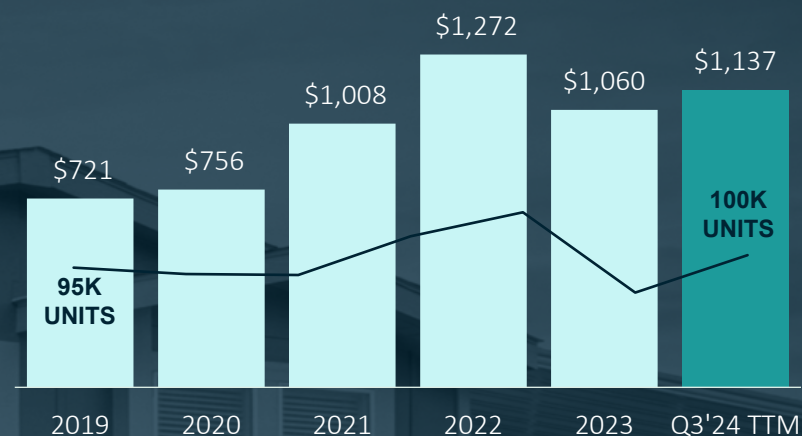
% OF REVENUE (Q3'24 TTM)

**31%**

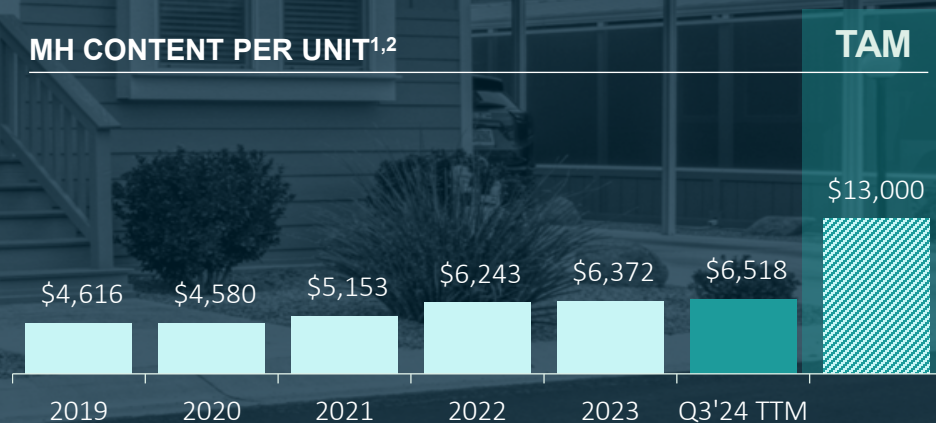
REVENUE CAGR 2019-Q3'24 TTM

**+10%**

## HOUSING REVENUE & MH WHOLESALE SHIPMENTS (\$ IN MILLIONS)



## MH CONTENT PER UNIT<sup>1,2</sup>



<sup>1</sup> Based on data published by MHI as of the Company's reported Q3'2024 earnings on 10/31/2024 <sup>2</sup> CPU = a non-GAAP financial measure which represents content per wholesale unit for the trailing twelve-month period

MARKETS

RV

MARINE

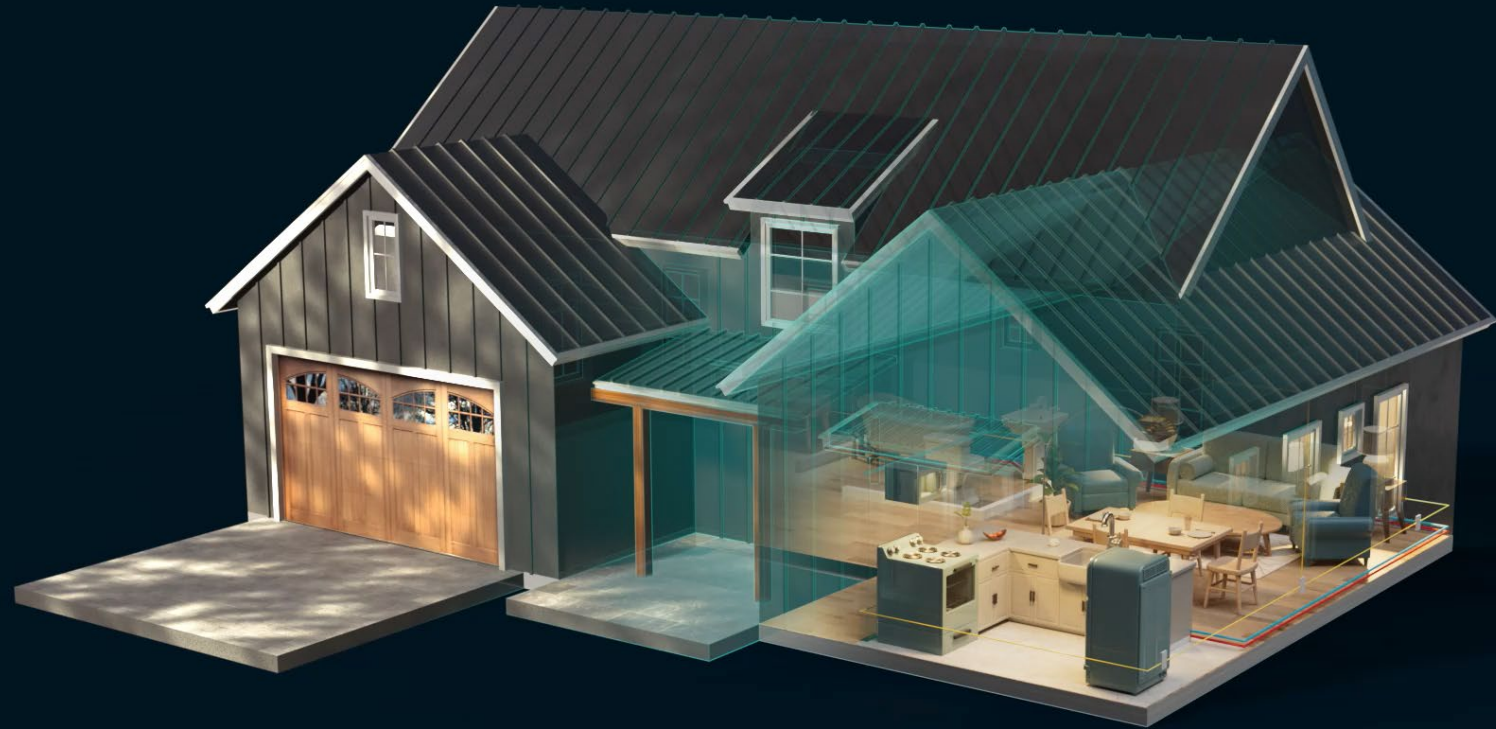
POWERSPORTS

HOUSING



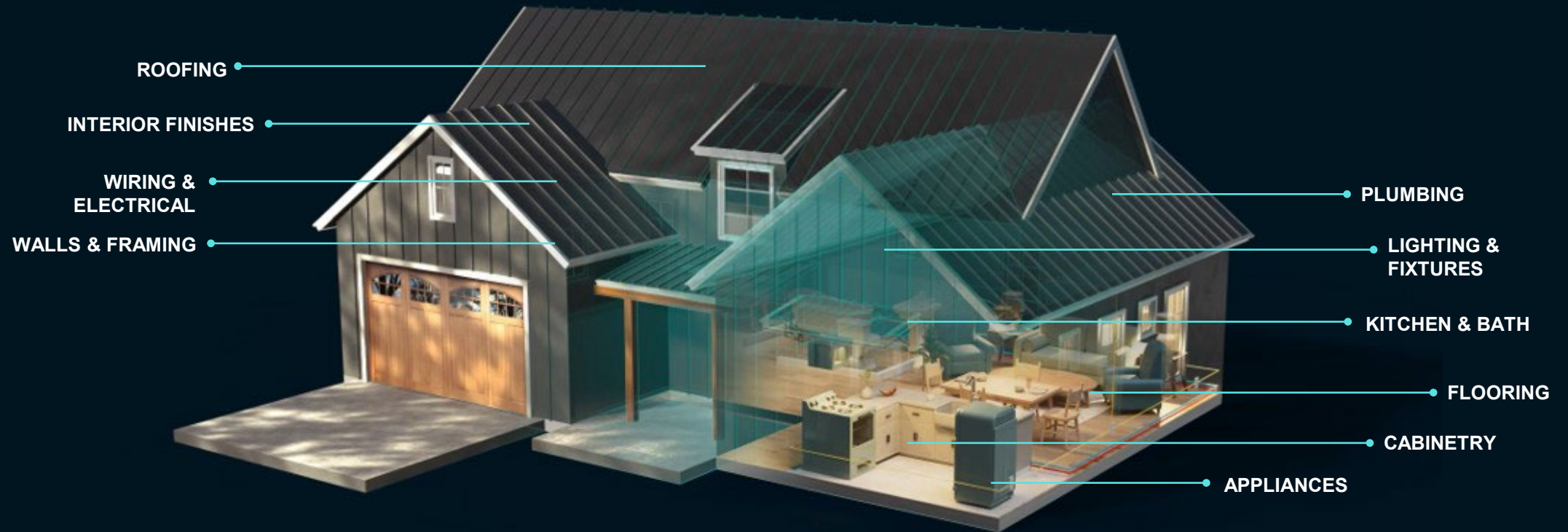
## CAPABILITIES AND EXPERTISE

- Plumbing
- Flooring
- Vinyl
- Wood Mouldings
- Lighting & Fixtures
- Interior Finishes
- Cabinets & Countertops
- Wiring & Electrical
- Walls & Framing
- Kitchen & Bath
- Roofing
- Appliances
- Manufacturing & Distribution



Featured product categories are only a sampling of Patrick's capabilities. A more complete listing can be found in our most recent 10-K.





Featured product categories are only a sampling of Patrick's capabilities. A more complete listing can be found in our most recent 10-K.



Delivering Component  
Solutions and Earning  
Customer Trust

65 years

Supplier of core components to both the  
manufactured and site-built home markets

LENNAR

kb  
HOME

CHAMPION  
HOMES

Clayton  
homes

cavco

THE  
HOME  
DEPOT

LOWE'S

MARKETS

RV

MARINE

POWERSPORTS

HOUSING

## Energy-efficient components becoming increasingly important in Manufactured Housing

Patrick is the exclusive distributor of Rheem water heaters and Carrier furnaces, delivering half the points necessary for a home to be a Zero Energy Ready Home.



## Providing essential support and resources that enable efficient construction and development for our Critical Partnerships

- Deep, longstanding relationships with key suppliers such as USG, Carrier, Rheem, and many others



# Lean Fixed Cost Model and Scalable Operational Structure

## Synergies with RV Market, Our Largest End Market

RV and Manufactured Housing share materials and components, creating low barriers and efficient maintenance

**~40%** of Patrick businesses sell into both RV & Housing end markets



Ability to shift resources between RV and Housing as demand changes

**Low capital expenditure footprint helps drive strong cash flow conversion**



# Competitive Advantages

- Customer Relationships
- Experienced and Seasoned Team
- Scalable Operating Model
- National Distribution Footprint

13%

revenue growth  
YoY in Housing  
in Q3'24 TTM

TAM<sup>1</sup>

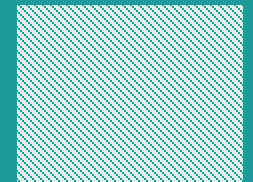
Our Manufactured Housing Total Addressable Market is double our current CPU at ~\$6,500/MH unit

\$6,518



Q3'24 TTM

\$13,000



TAM

<sup>1</sup> TAM = Total addressable market based on our content per unit (CPU). The herein mentioned Manufactured Housing TAM only includes product categories we currently have market share in as of 9/29/24





# Operational Excellence

Hugo Gonzalez, Chief Operating Officer









# This is Who We Are – Our People The Heart of Our Organization

Our Team

**~10K**

Total Brands

**85+**

Manufacturing Facilities

**170+**

Warehouse & Distribution Centers

**60+**

Transport Vehicles

**1K+**





# Operating Performance

*Our OPERATIONAL STRENGTH is empowering our PEOPLE*

Creating the Right Environment – It all Starts with Safety

Year-to-date

- **53% improvement in severity rate**
- **13% improvement in lost time cases**

*The foundation of our operations relies on the STRENGTH OF OUR TEAM together with creating the fairway that helps our brands align to our organizational strategic objectives*

## Simplicity in Managing - Scorecard Methodology

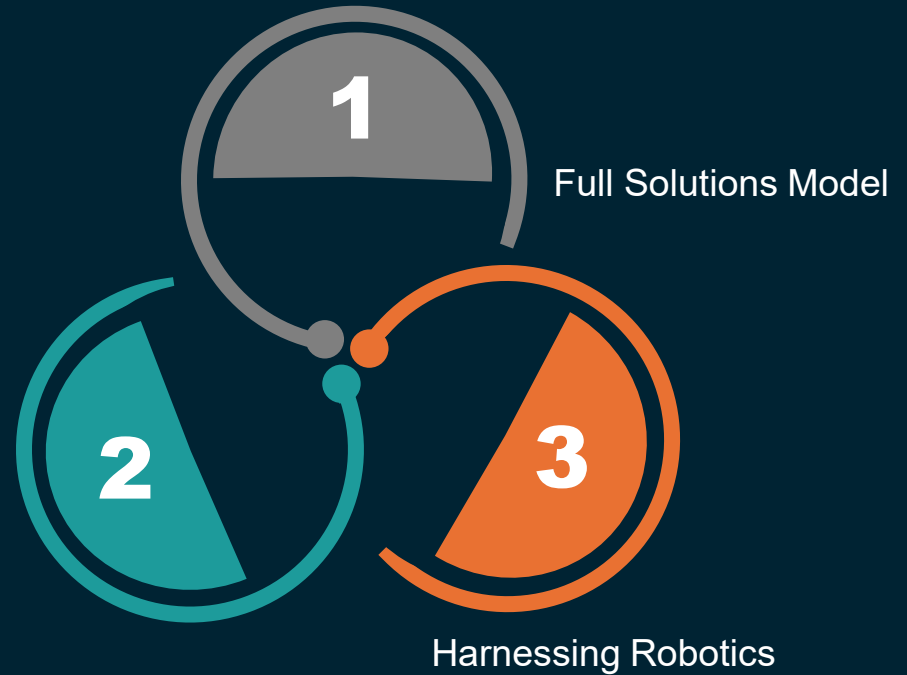
	Date	Date	Date
Operations	Sales		
	Safety Key Metrics		
	Material Cost: Critical to Quality		
	Labor Planning		
	Expense Controls		
	Inventory \$ and Turns		
	CI Progression		
	P&L Management		



# Automation for Enhanced Operational Excellence

*Our Capital Deployment Strategy*

Process Improvement







Gravure Ink 

Gravure Ink is the leading PVC rotogravure printer for the RV industry

We implemented a new extension of our laminates, giving our customers a new option for laminates that mostly come from overseas

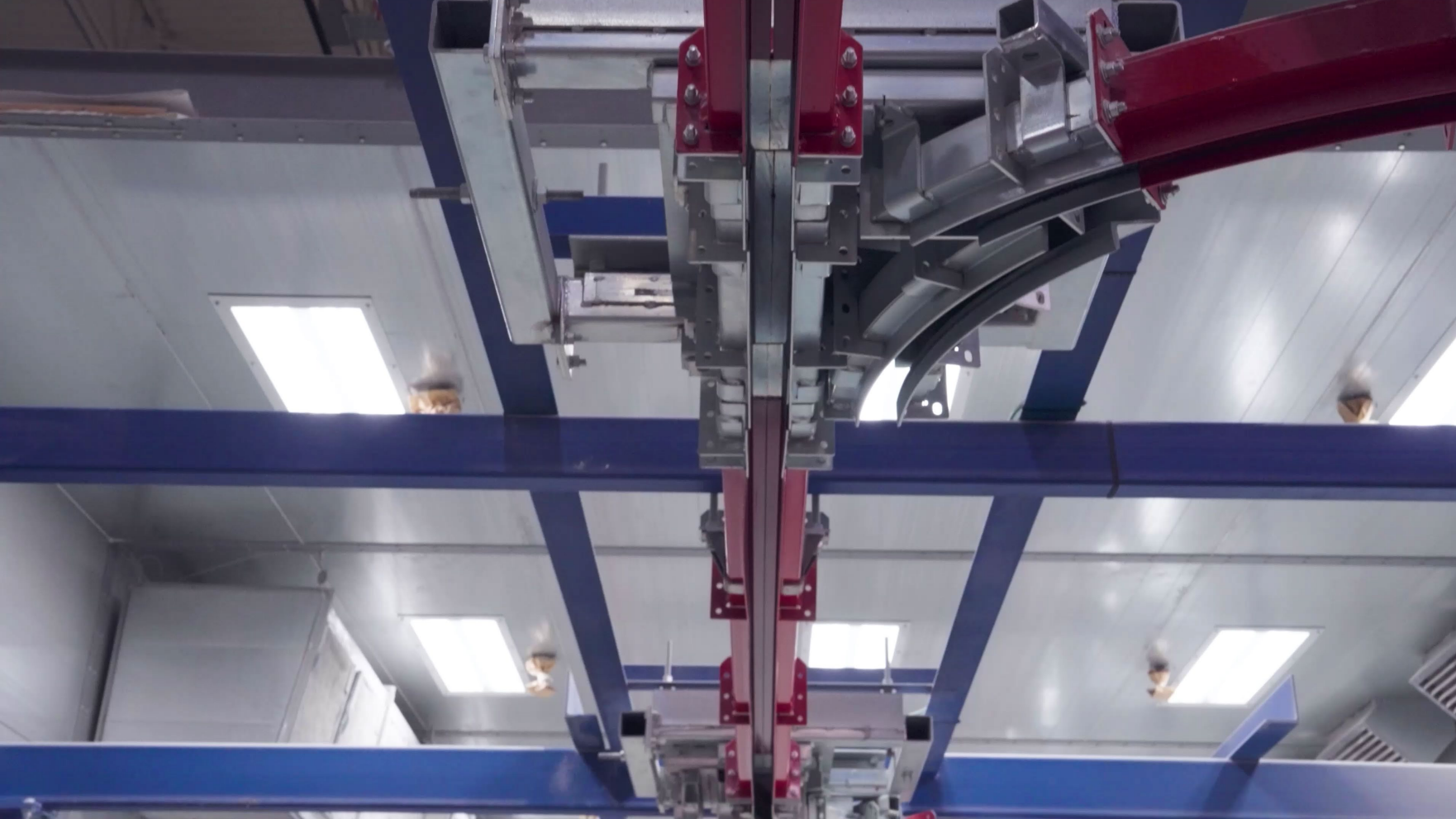
- ✓ Reduced Inventory
- ✓ Increased Turns
- ✓ Added New Product Line



Full Solutions Model

Shortened Lead Time By  
**12 weeks**





Frontline is the top tub and shower manufacturer in the region

Frontline streamlined their process fabricating tubs and showers through an automated monorail

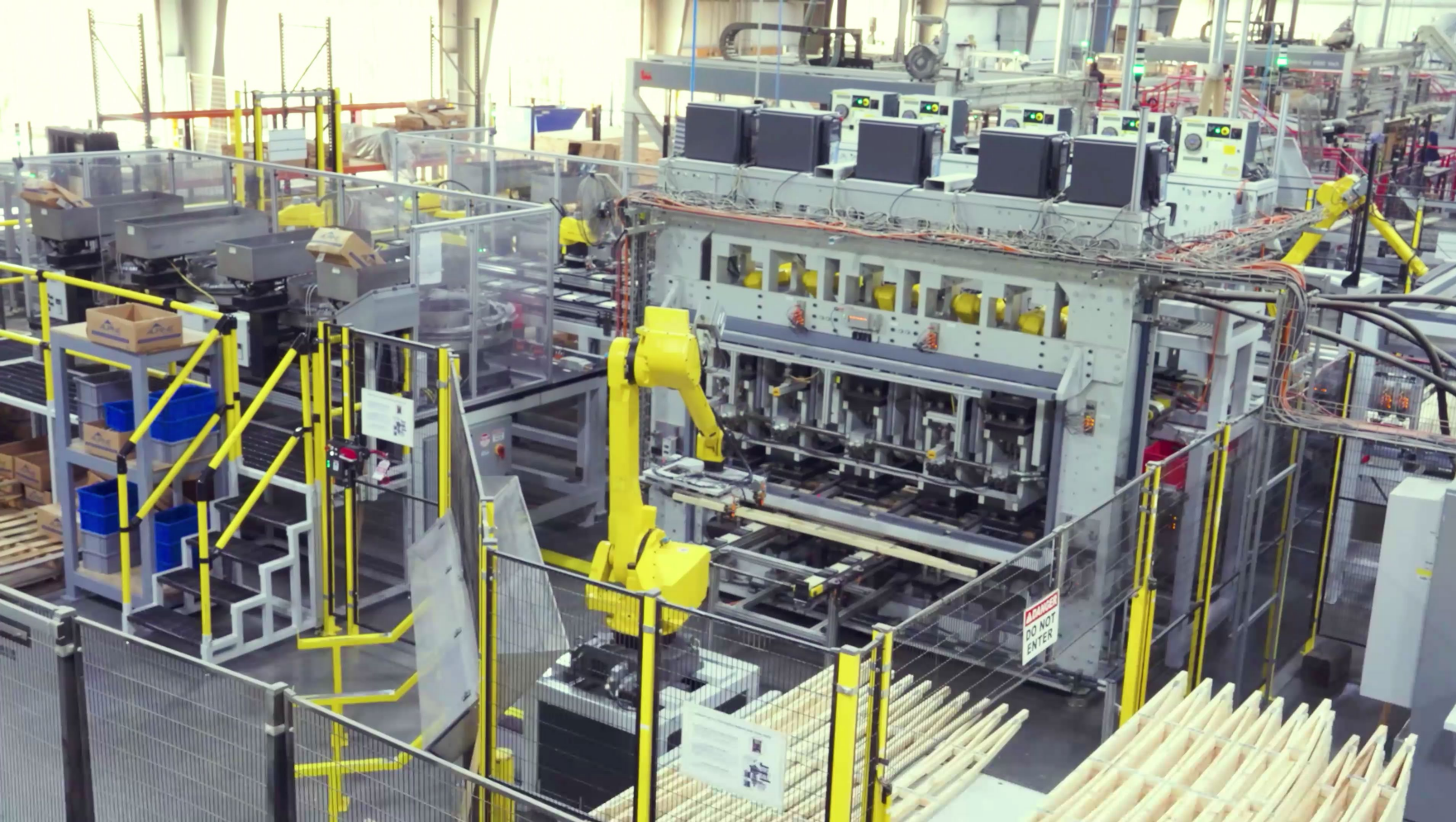
- ✓ Added Capacity
- ✓ Improved Organization
- ✓ Enhanced Work Environment



## Process Improvement

Efficiency Improvement  
**+33%**





North American  
Forest Products

NAFP is a softwood mill & the largest roof truss manufacturer for the RV Industry

NAFP's investment in an automated truss assembly line that required 83% less human capital to operate, with opportunity to utilize our team in other areas

- ✓ Optimized Workflow
- ✓ Reduced Injury Risks
- ✓ Increased Capacity



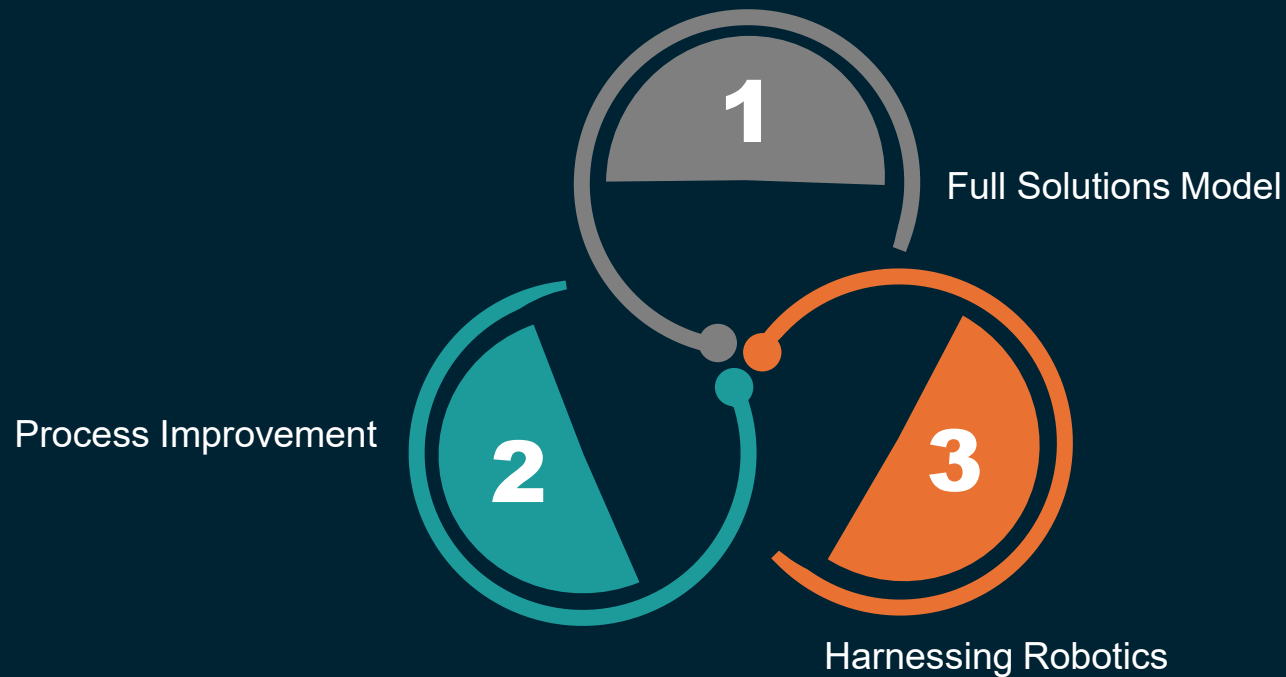
## Harnessing Robotics

Compared to Previous Equipment  
**15x faster**



## With Our Capital Strategy

*We are creating the processes and products of the future*



### Our Focus Is:

- ✓ Standardize difficult processes
- ✓ Ensure higher quality standards
- ✓ Increase consistency
- ✓ Create new processing standards
- ✓ Generate new solutions for our customers





# Innovation and Growth Strategy

Through Our Brands and Entrepreneurs

Create product extensions

1

Generate innovative products ahead of our markets

2

Acquire product lines to enhance our end market offerings

3

Increase our focus through our Advanced Product Group

4

**TRANSFORMING** the industry  
one **SOLUTION** at a time





# Advanced Product Group

Jim Schultz, VP – Operations





# Transforming Our Industries With Advanced Innovation

---

## Value Proposition

Enhance customer relationships through **partnership** and development of **innovative** products in the spirit of the **Full Solutions Model**



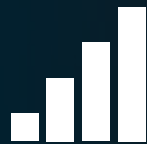
## Strategic Goals



Organic Growth



Market Share Gains



Margin Accretion





## Advanced Product Group Revenue Streams

**1**

**Customer Specific**

*Developed for key customer partner to satisfy a solution gap*

**2**

**Disruptive for All**

*Introduction of highly innovative products into the marketplace that can be sold to all OEMs*

**3**

**Aftermarket Solutions**

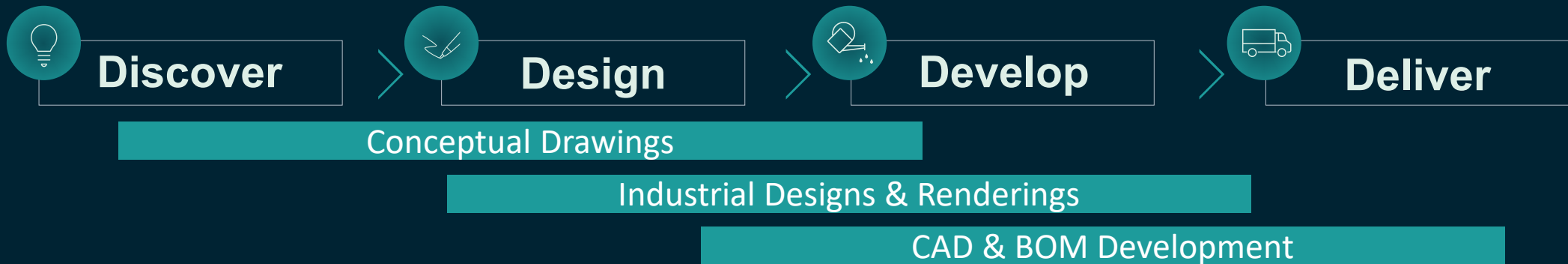
*Solutions designed for Aftermarket channel offering*



Premium Audio Roof  
Solutions for SxS



## New Developments become Integral to Customers, Solidifying Partnerships



- Leading innovators are industry enthusiasts generating ideas for our customers to WIN in the marketplace
- Product concept to full product release deployed to the Business Units for production





Premium glass windshield solution for the ski and wake market with growth potential within entire powerboat industry

- First to market with fully integrated windshield system
- Enhances full suite of windshield solutions







## Versatile composite component solution for Roofs, Ceilings, Interior and Exterior Sidewalls and Flooring Applications

- 3-year development
- Improved durability and supply chain reliability, increased capacity
- Weight savings
- More sustainable solution with better features and ease of installation







Step treads for RV  
market

## Cross-Market Opportunities with Acquired Brands & Product Capabilities

- Enhances brand strength
- Compounding benefits with full solution efforts
- Significant run-way with recently acquired brands of Sportech and RecPro







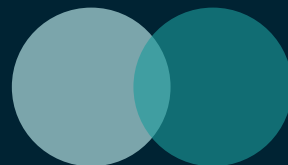
# M&A is in our DNA

Andy Nemeth, CEO  
Andrea Williams, VP – Finance



# Patrick Industries: Acquirer of Choice

Building our Pipeline Through Industry Trust and Relationships



Brand-fronted model anchors strategy as targets are drawn to our commitment to independence, growth, and preserving their vision



We are a 'plug and play' acquirer

We are a team of enthusiasts, seeking like-minded entrepreneurs in acquisition targets

*We allow entrepreneurial businesses and principals the opportunity to monetize their investment, stay on and run the business, and participate in its growth and profitability*



# M&A Process is Metrics Driven And Values Based

## Metric & Value Driven

- ✓ **Strong management team & cultural fit**
- ✓ **Successful business model**
- ✓ **Innovative product lines**
- ✓ **Strong customer relationships**
- ✓ **Accretive margin profile**
- ✓ **Valuation** (standard EBITDA range):
  - ✓ **RV: 5.0 – 6.5x**
  - ✓ **Marine/Powersports: 6.0 – 7.5x**

## Delivery Expectations

- **Margin accretion within the first year**
- **Synergies:**
  - **Within 12 – 18 months of close, we expect a 1 turn improvement on an acquisition's EBITDA multiple**
- **Succession planning**
- **Management team will continue to run the business effectively and strengthen customer relationships**
- **Develop & communicate best practices across the enterprise**
- **Do not “fix” what isn't broken**





# PATRICK

# Acquisition Playbook

Trusted Approach to M&A

## Due Diligence & Onboarding

*Diligence with integration in mind*

- Modular playbook tailored to each transaction – risks & opportunities emphasis
- Transaction calendar, contacts and workstreams established
- Internal functional leads drive dual service diligence
  - Procedures
  - Findings & risks
  - Onboarding plans
  - Synergy considerations
- Deal model critical at a detailed level
- Every deal signed off by Senior Mgmt.

## Resources & Synergies

*Driving value and scalability*

- Full solution model – sales & innovation
- Strategic sourcing leverage & transportation
- Capacity alignment & vertical integration
- Continuous improvement/best practices
- Capital Expenditures
- Technology
- Treasury & Banking Management
- Human Resources, Payroll & Employee Benefits
- Marketing
- Finance, Accounting & Tax
- Legal & Insurance
- Environmental



# M&A Difference Makers

How our leadership and playbook drives results



## Consistent leadership team driving effective strategy execution

- Testament of our entrepreneurial brand-fronted culture
- Fosters trust and accountability



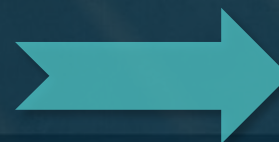
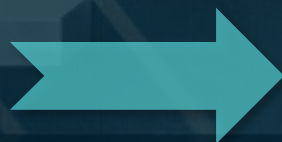
## Acquisition playbook modularity equals deliberate deals

- Strategic intent determines process architecture
- Process is dual service: diligence & integration



## Deliver on performance expectations

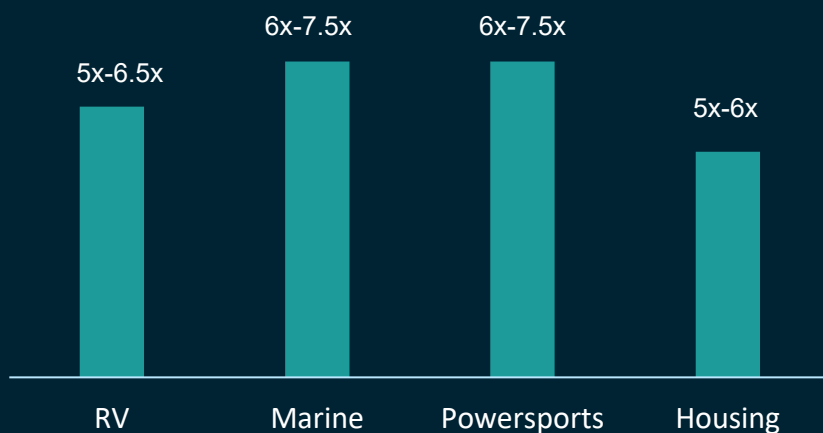
- Earnings accretion and thoughtful execution of synergies
- Growth plans and financial empowerment





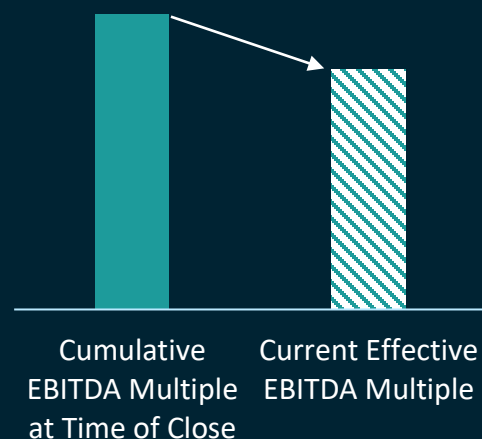
# Measuring Success: Investment Performance

## EBITDA MULTIPLE TARGET RANGES FOR ACQUISITIONS BY END MARKET



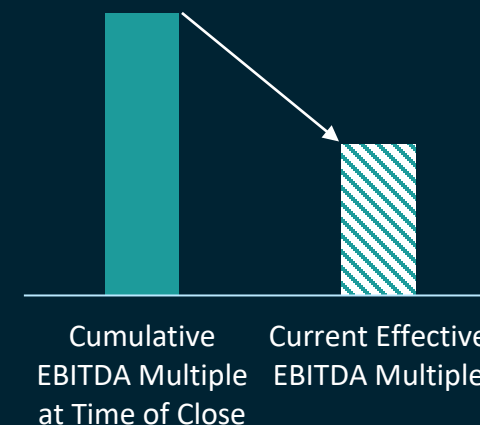
## POST ACQUISITION<sup>1</sup>

< 3 Years



> 3 Years

Effective multiple today around 3 turns lower



<sup>1</sup> Basket of 27 acquisitions completed since 2015





## Building on Our Momentum in M&A

- **Driving Growth:** Disciplined, strategic acquisitions are central to our growth
- **Entrepreneurial Culture:** We seek acquisitions that align with our culture and enhance our portfolio
- **Proven Track Record:** Our structured scoring approach drives continuous improvement
- **Future-Focused:** Pursuing high-growth opportunities and expanding our capabilities
- **Positioned for Success:** Ready to deliver sustained growth through strategic M&A







# Empowering Enthusiasts

Anna Parker, VP – Marketing





# Unlocking Brand Power

FORTUNE

1000

2021

2022

2023

FORTUNE

FASTEST  
GROWING  
COMPANIES

2015 2016

2017 2018

2019 2020

2023

FORTUNE

AMERICA'S  
BEST SMALL  
COMPANIES

2022

2023

SIMPLY WALLST

Those who invested in Patrick Industries (NASDAQ:PATK) five years ago are up 247%

MARKETS INSIDER 12d

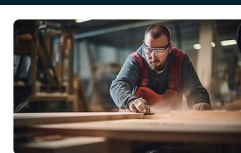
Positive Outlook for Patrick Industries Amidst Near-Term Challenges and Strategic Growth Initiatives

Martin, an analyst from BMO Capital, maintained the Buy rating on Patrick Industries (PATK – Research Report). The ...

INSIDER MONDAY 3d on MSN

Is Patrick Industries, Inc. (PATK) The Best RV and Camping Stock To Buy Now?

We recently compiled a list of the 12 Best RV and Camping Stocks To Buy Now. In this article, we are going to take a look at ...



BUSINESS INSIDER

MARKETS INSIDER

Search markets

My Watchlist

Patrick Industries Sees Sales Growth Amid Strategic Moves

ZACKS

Patrick's (PATK) Shares Surge 48% Over a Year: Here's Why

June 11, 2021 — 01:08 pm EDT

Patrick Industries: An Acquisitions Masterclass For Long-Term Growth

May 04, 2024 5:43 AM ET Patrick Industries, Inc. (PATK) Stock

## 2009 – 2016 STOCK PRICE % CHANGE

### Best Performing Stocks Since February 2009

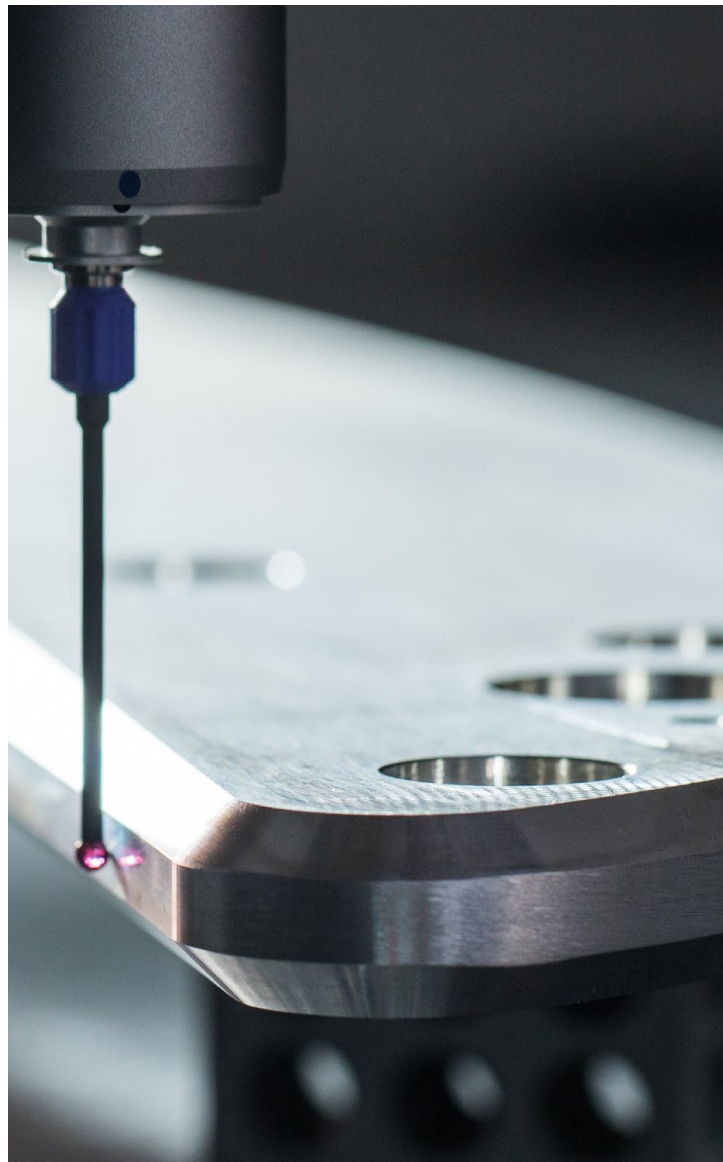
1	Patrick Industries (PATK)	16000%
2	Jazz Pharmaceuticals (JAZZ)	13400%
3	Mitek Systems (MITK)	11900%
4	Natural Health Trends (NHTC)	8400%
5	MGP Ingredients (MGPI)	7200%





**BETTERWAY**  
PRODUCTS

 PATRICK



 **GEREMARIE**



 **Rockford Fosgate**



# The Shift: From Behind-the-Scenes Supplier to Empowering Leader

## FROM

A humble, behind-the-scenes supplier content to take a back seat to the brands we serve and empower.





# The Shift: From Behind-the-Scenes Supplier to Empowering Leader

## FROM

A humble, behind-the-scenes supplier content to take a back seat to the brands we serve and empower.

## TO

An empowering leader—visible yet supportive, elevating our brands and customers by showcasing the people, products, and innovation that drive their success.



Empowered by







## Our Brand Strategy: Empowering Enthusiasts

1

---

Raising the  
profile of our  
brand and our  
brands

2

---

Supporting our  
business units  
to impact sales

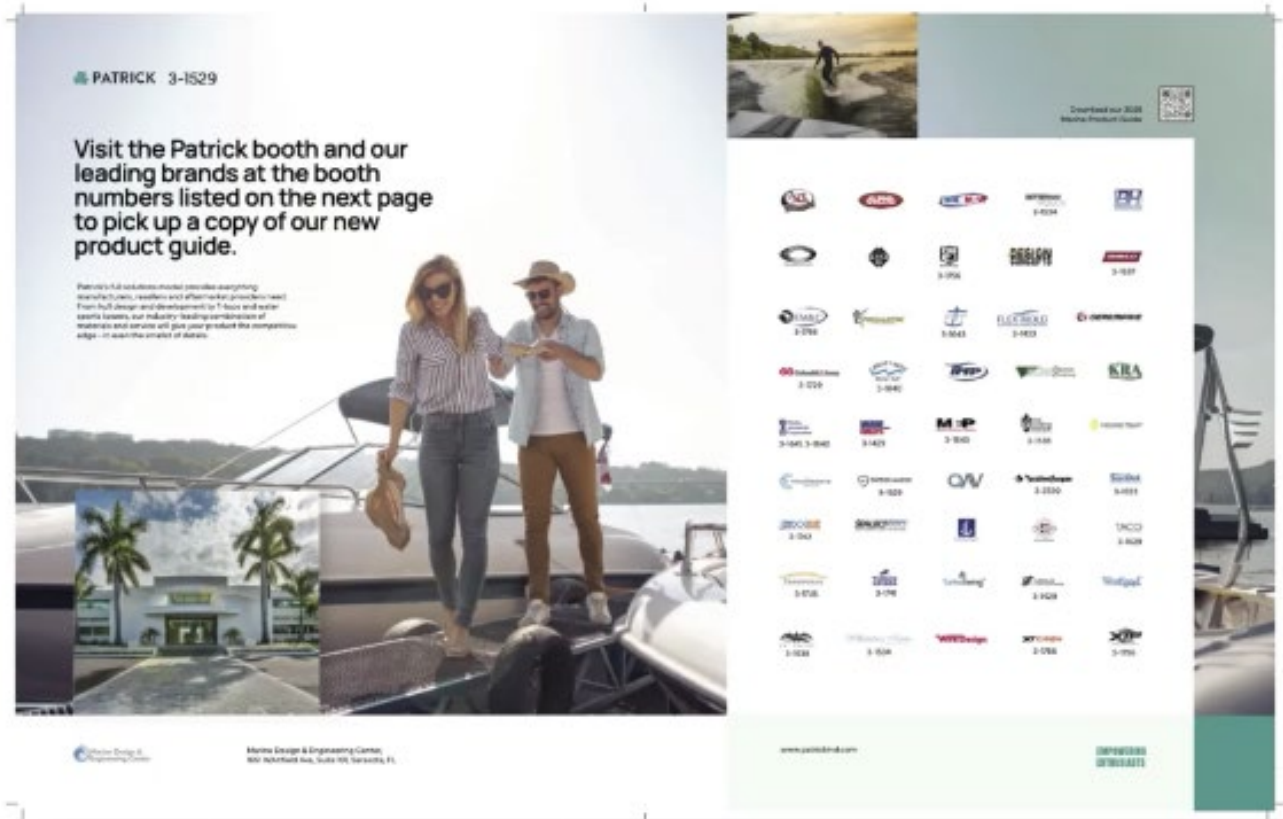
3

---

Growing with  
the outdoor  
enthusiast  
markets



# Harnessing the Enthusiast Spirit for Real Results



EARNED MEDIA

TRADE COVERAGE  
NATIONAL NEWSMEDIA

SOCIAL GROWTH

+70%

Meta. Feb '24 – Nov '24

RECORD ENGAGEMENT

5,300+ QR CODE SCANS

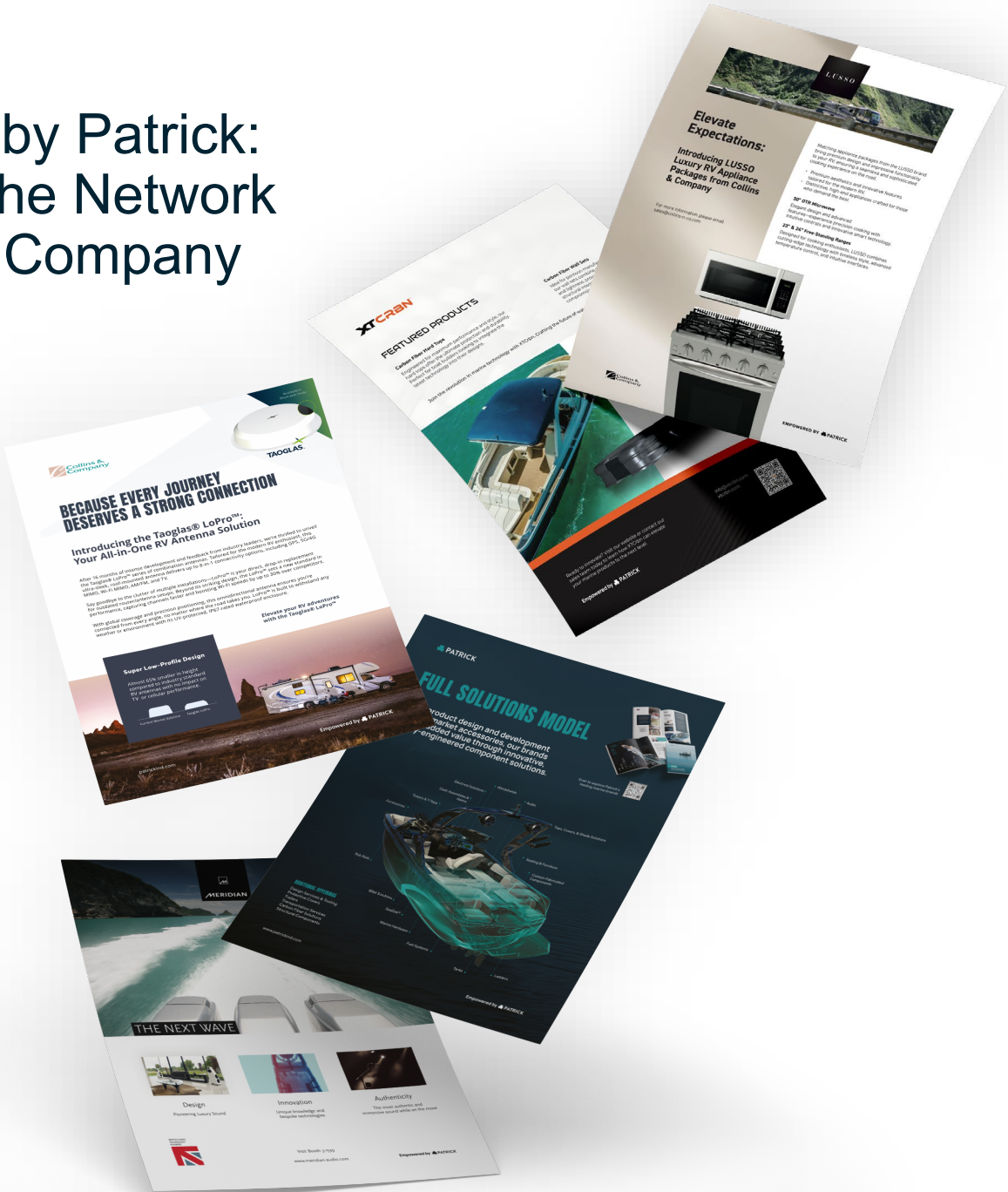
Flowcode. Scans Oct. '23 - Nov. '24

HIGH EFFICIENCY

AI POWERED CONTENT  
INHOUSING



# Empowered by Patrick: Leveraging the Network Effect of our Company



## BRANDING



## EFFICIENCY





## Empowered by Patrick: Leveraging the Network Effect of our Company

We are using our collective power and content marketing to position our brands as leaders, and Patrick as champion of the great outdoors, and the great indoors.







## The Unstoppable Rise of Outdoor Recreation

# \$640 BILLION

Outdoor recreation's contribution to GDP in 2023, growing faster than overall U.S. economy<sup>1</sup>

## ENDURING DEMAND DRIVERS

- The quest for adventure
- The power of nature to restore us and connect us
- The pull to find our tribe
- The desire for both freedom and control
- The drive for personal expression





# Empowering Our People - The BETTER Together Way

Todd Gongwer, EVP – Leadership and Cultural  
Development



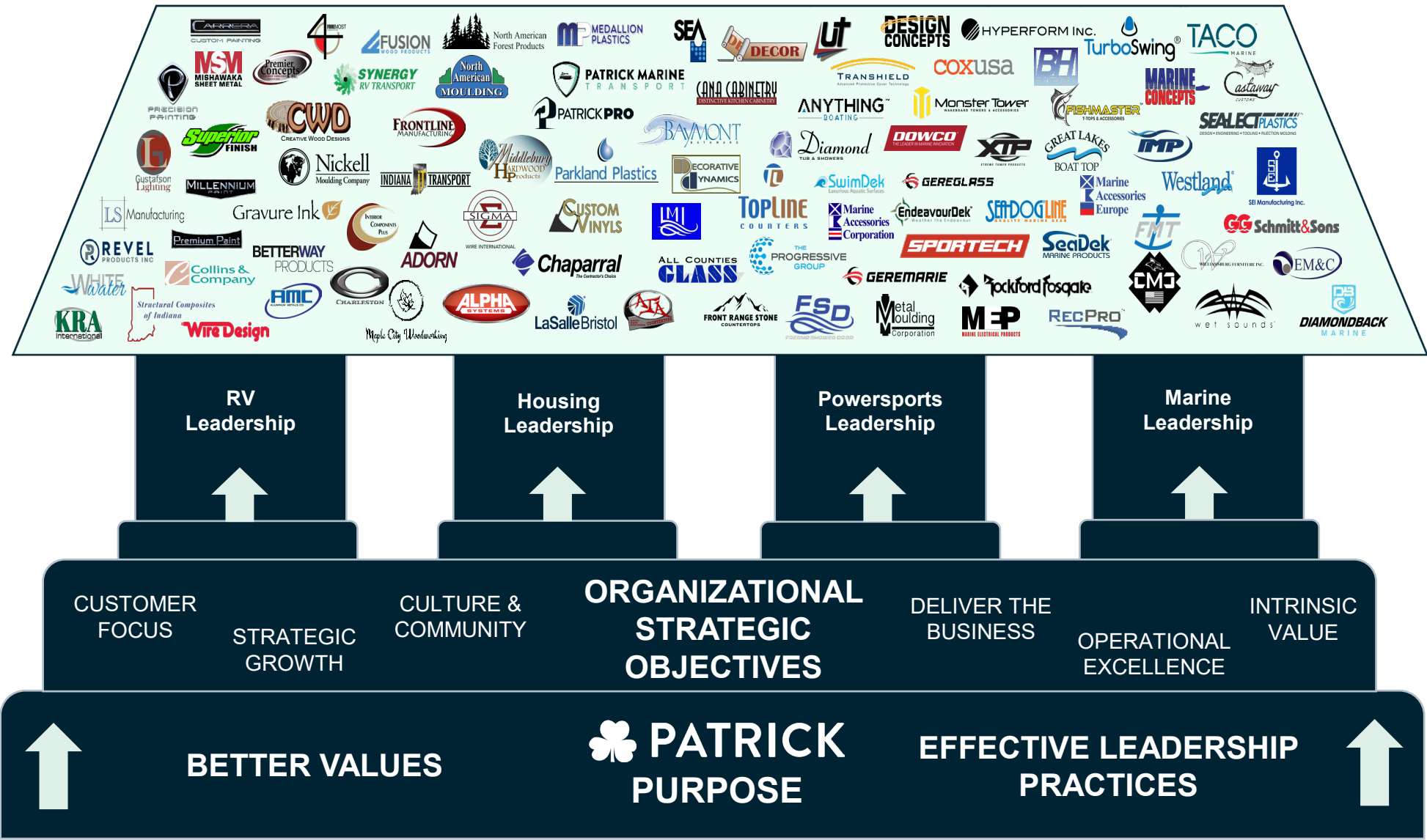
**BETTER** – *Kaizen: Continuous improvement mindset*

**TOGETHER** – *Synergy: Constant collaboration mindset*

[illegible]



# Patrick Culture Structure





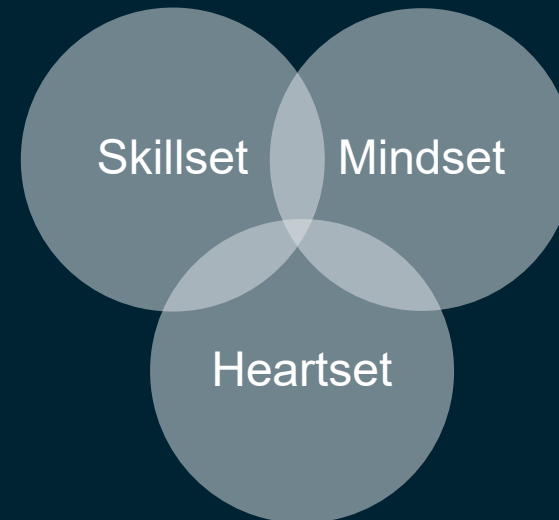


## Leadership & Culture Development Methodology



**8,000+** TOTAL BETTER TOGETHER TEAM  
MEMBER IMMERSION HOURS

**80+%** BRANDS COMPLETED BETTER  
TOGETHER IMMERSION



“...[made me think about] how I  
can be a **better person in life  
and for the company.**”

“I’m more aware of **simple  
things that make a huge  
impact on my team.**”

“**Internal culture is SO  
critical...**I’m glad Patrick  
realizes that AND is  
intentional...”





## The Patrick Culture

### Better Together Values

**B** BALANCE  
**E** EXCELLENCE  
**T** TRUST  
**T** TEAMWORK  
**E** EMPOWERMENT  
**R** RESPECT

### Principles of Effective Leadership



## Patrick Purpose

We are enthusiasts passionately focused on positively impacting the hearts and lives of our team members, customers, markets, and communities!





# Financials & Outlook

Andy Roeder, EVP – Finance, Chief Financial Officer,  
and Treasurer



## Key Financial Takeaways

- 1** Strategic diversification
- 2** Expanding and durable margins
- 3** Strong cash flows and balance sheet
- 4** Disciplined capital allocation
- 5** We are well positioned for the next up-cycle





# Market Outperformance / Strategic Diversification

## RV End Market Strategy Execution

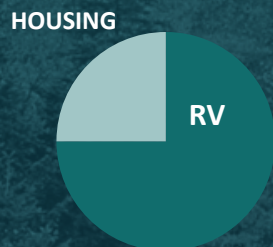
2010 - 2015

2007  
Patrick  
Acquires  
Adorn, LLC

PATK Revenue  
CAGR  
**+27%**

RV Wholesale  
Shipments CAGR  
**+9%**

MH Wholesale  
Shipments CAGR  
**+7%**



2015 % of Net Sales

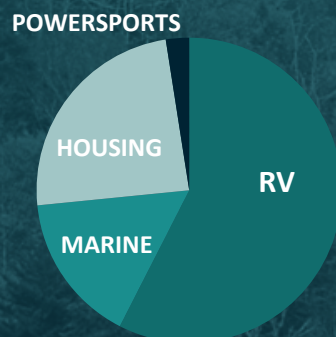
## Marine End Market Strategy Execution

2016 - 2021

PATK Revenue  
CAGR  
**+27%**

RV Wholesale  
Shipments CAGR  
**+4%**

Marine Wholesale  
Shipments CAGR  
**+3%**



2021 % of Net Sales

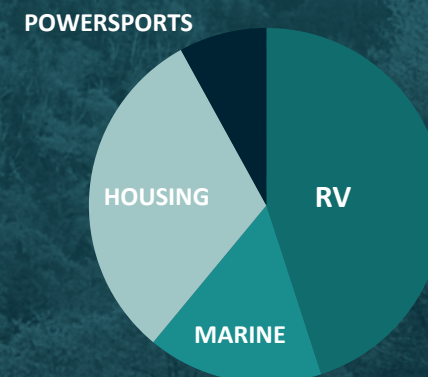
## Powersports End Market Strategy Execution and Aftermarket Expansion

2022 – Q3'24 TTM

PATK Average Quarterly  
Organic Growth 2023 – Q3'24  
**+3%**

RV Wholesale  
Shipments CAGR  
**(20)%**

Marine Wholesale  
Shipments CAGR  
**(19)%**



Q3'24 TTM % of Net Sales





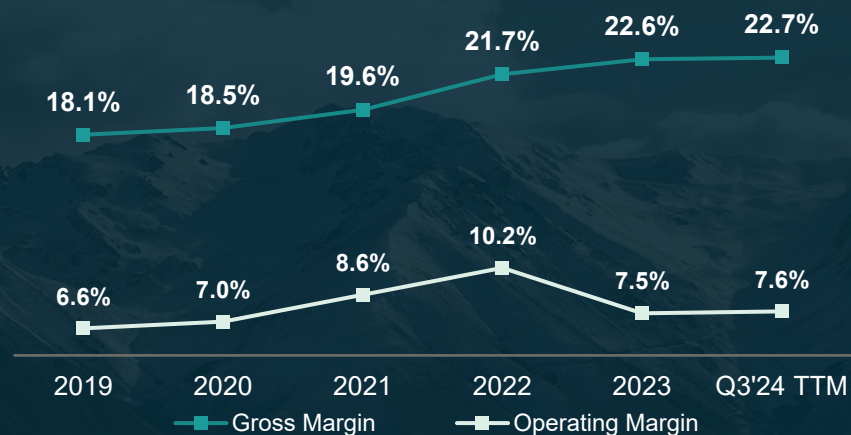


### NET SALES

\$ in millions



### GROSS & OPERATING MARGIN



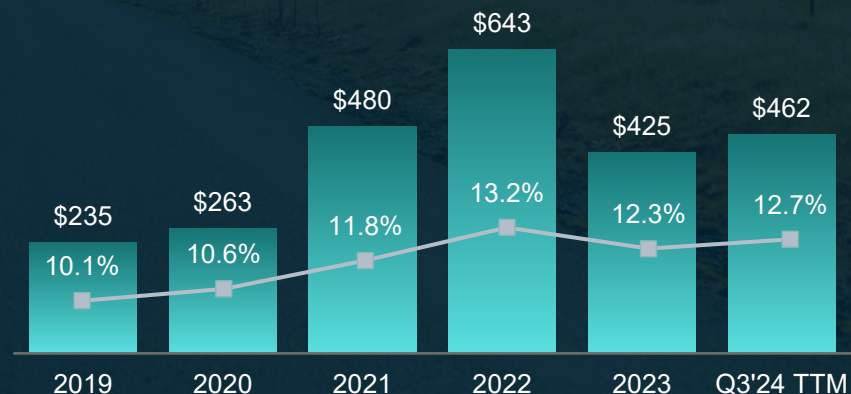
### NET INCOME & DILUTED EPS

\$ in millions, except earnings per share



### ADJUSTED EBITDA & MARGIN <sup>1</sup>

\$ in millions



<sup>1</sup> Non-GAAP metric, see appendix for reconciliation to closest GAAP metric.





# Robust Free Cash Flow Generation Across Cycles

Q3'24 TTM Free Cash Flow<sup>1</sup>

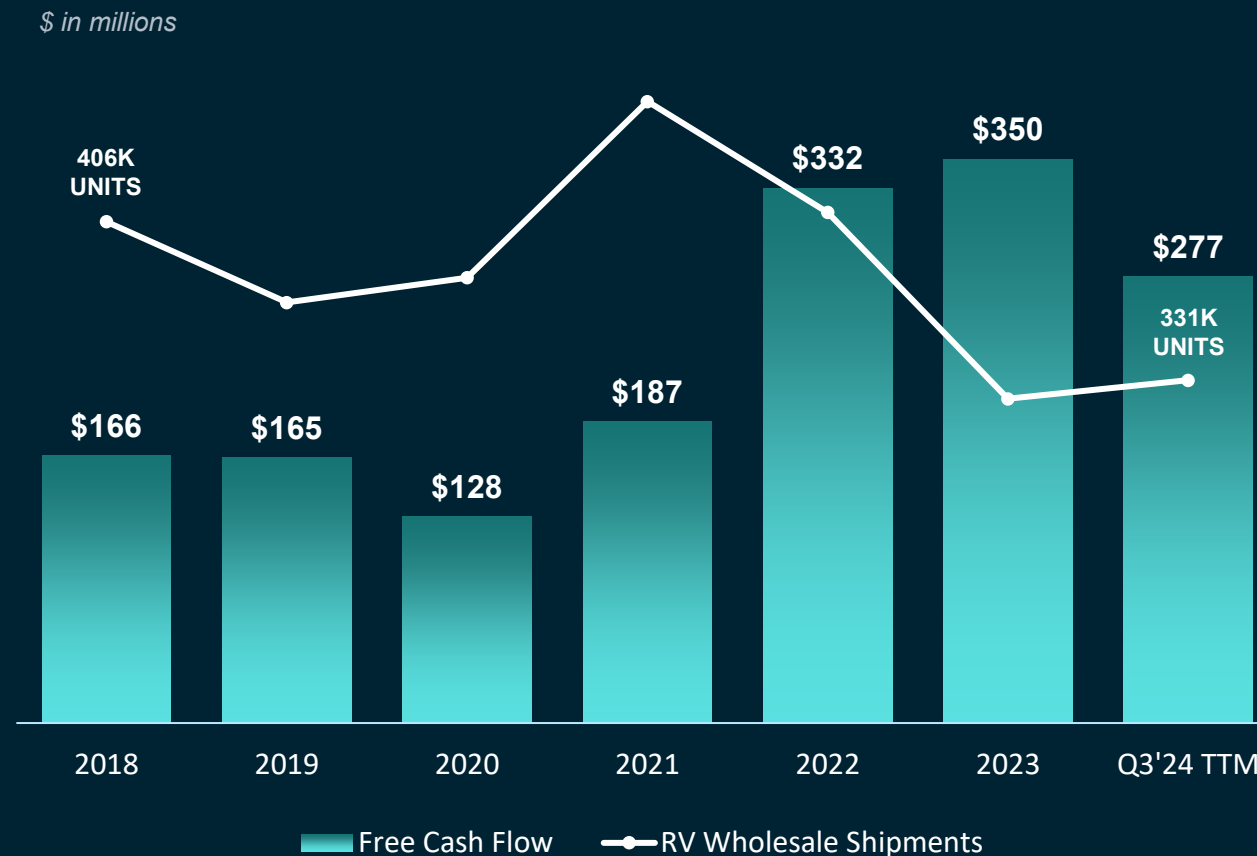
**\$277M**

Average Free Cash Flow<sup>1</sup>  
Conversion<sup>2</sup> 2018 – 2023

**147%**

Solid free cash flow<sup>1</sup> during  
periods of high demand

Driving net working capital  
improvements during  
contraction in end markets  
increases free cash flow

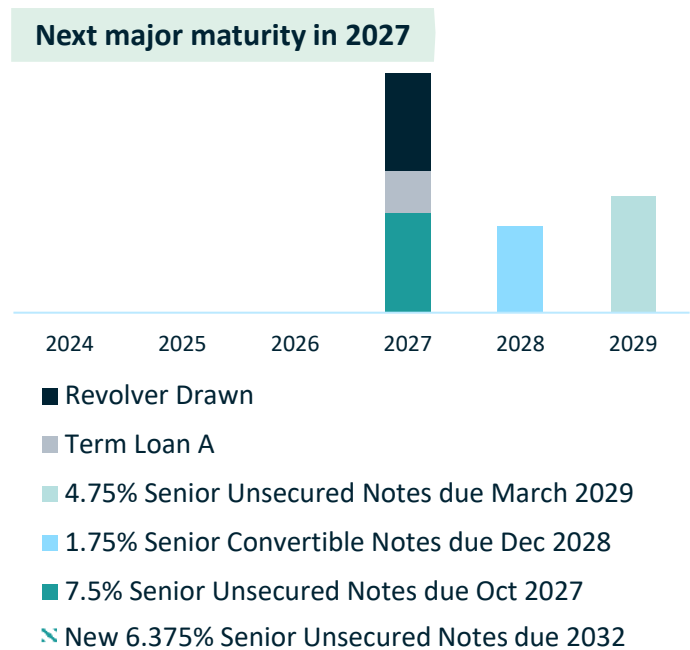


<sup>1</sup>Free Cash Flow is a non-GAAP metric, see appendix for reconciliation to closest GAAP metric <sup>2</sup>Free Cash Flow/Net Income

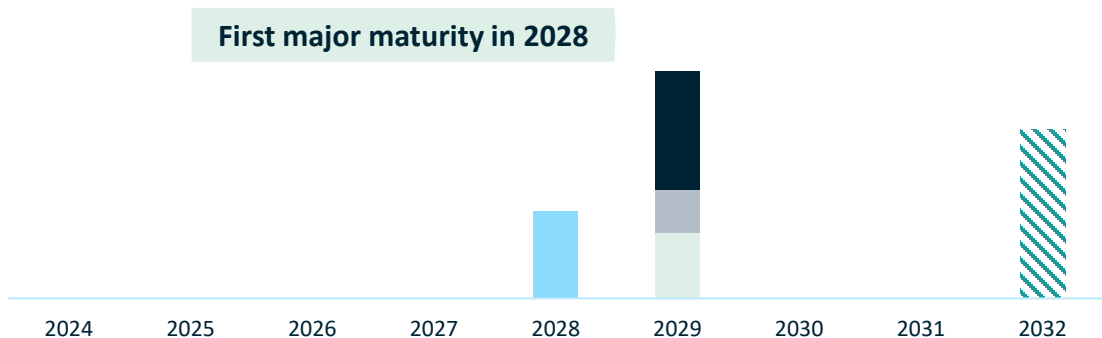


# October 2024 Refinancing Reinforces Our Commitment to a Strong Balance Sheet and Ability to Execute on Growth Strategy

Maturity Schedule at Quarter End (9/29/2024)



Improved Maturity Schedule <sup>1</sup>



## Highlights From the Debt Deal

- Issued \$500M of 6.375% Senior Notes, due 2032
- Increased the size of Senior Secured Credit Facility, while extending the maturity of the credit facility
- Balance sheet strength, flexibility and liquidity to remain on offense and able to seize profitable and meaningful opportunities
- Improved terms on Senior Secured Credit facility
- Earliest maturity moves from 2027 to 2028
- Credit facility extended from 2027 to 2029
- Repaid \$300M of 7.50% Senior Notes
- Reduced our annualized interest expense

Opportunistic Debt Transactions Increased Liquidity by almost \$300 million in liquidity

Q3'24 Liquidity  
**\$458M**

Q3'24 Pro Forma Liquidity  
**\$755M**

<sup>1</sup> As of 11/7/24



# Capital Allocation Strategy to Seize Opportunities While Returning Value to Shareholders

## Growth Initiatives

Strategic capital expenditures

- \$310M+ allocated since 2019

Advantageous strategic and tuck-in acquisitions

Annual Maintenance  
Capex ~\$25 - \$35M

Growth Capex

## Return of Capital

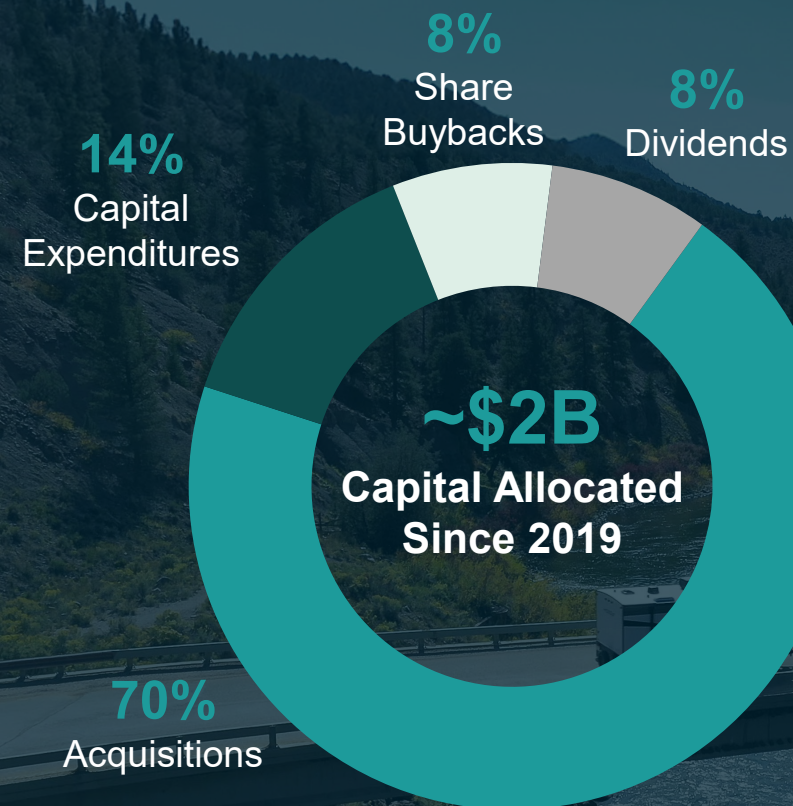
Competitive Dividend policy

Opportunistic Share repurchases

- \$170M+ allocated since 2019

Anchored by our target range of total net leverage of 2.25x to 2.5x

## Historic Use of Cash (2019 - Q3'24 TTM)<sup>1</sup>

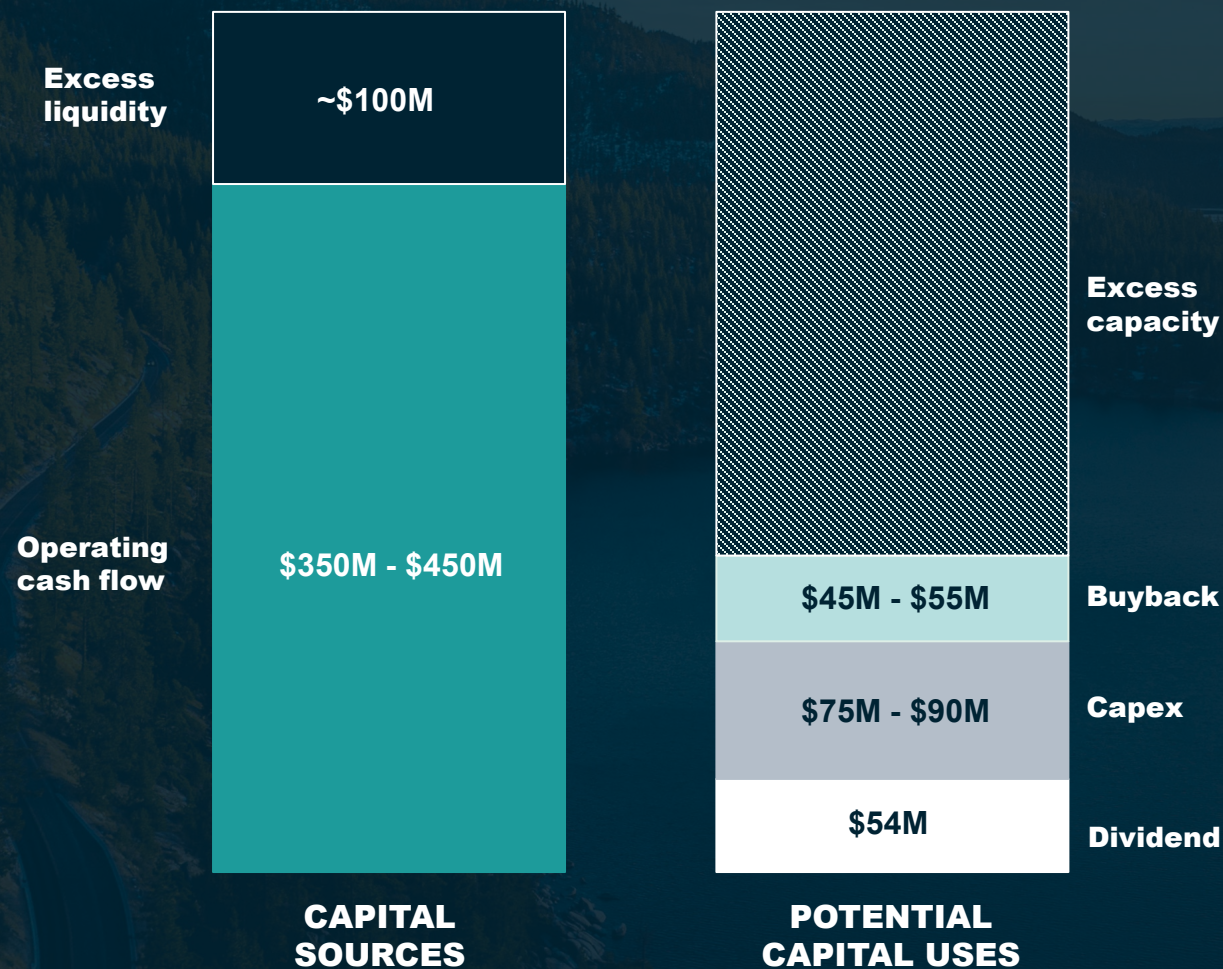


<sup>1</sup> Does not represent all cash used within the period





# Potential Capital Deployment Scenario



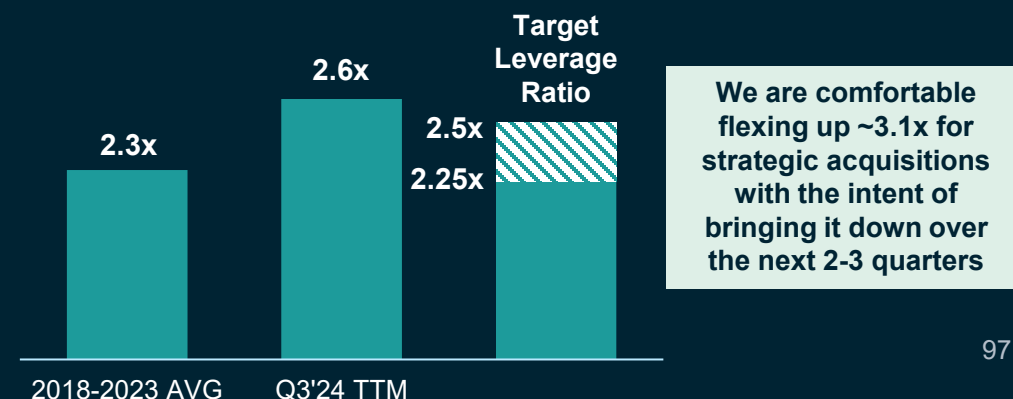
## Key Developments

- Upsized share repurchase authorization to \$200 million
- Increased quarterly dividend by 9% to \$0.60 per share
- Increased revolver capacity & extended maturity from 2027 to 2029
- Announced upcoming 3-for-2 stock split

## Positioned for What's Next

- Ability to scale business up or down depending on market conditions
- Well-positioned for the next upcycle
- Significant untapped TAM in each end market
- End markets at, or near cyclical lows
- Channel inventory at, or near cyclical lows

## Consolidated Net Leverage Ratio <sup>1</sup>



<sup>1</sup> As defined by credit agreement and published in our form 10K for 2018, 2019, 2020, 2021, 2022, 2023 and our form 10Q for Q3'24



## 2025 Assumptions

- Modest interest rate relief
- Flat industry retail environment
- Moderate inflation
- + Consumer confidence

## Outlook for 2025

### Patrick Financial Outlook

Adjusted Operating Margin <sup>1</sup>	+70 to 90 bps YoY
Operating Cash Flow	\$390M to \$410M
Capital Expenditures	\$75M to \$85M

### Industry Outlook<sup>2</sup>

	<i>Wholesale</i>	<i>Retail</i>
RV	<b>+5%-10%</b>	<b>Flat</b>
Marine	<b>+5%-10%</b>	<b>Flat</b>
Manufactured Housing	<b>+5%-10%</b>	<b>N/A</b>

Housing Starts	<b>Flat to +5%</b>	
Powersports shipments	<b>Down 10%</b>	
Powersports organic content	<b>+MSD%</b>	

<sup>1</sup> Adjusted operating margin excludes acquisition transaction costs and purchase accounting adjustments | <sup>2</sup> Shipment estimates based on data published by RV Industry Association (RVIA), National Marine Manufacturers Association (NMMA), Manufactured Housing Institute (MHI), U.S. Census Bureau and Statistical Surveys Inc. (SSI)



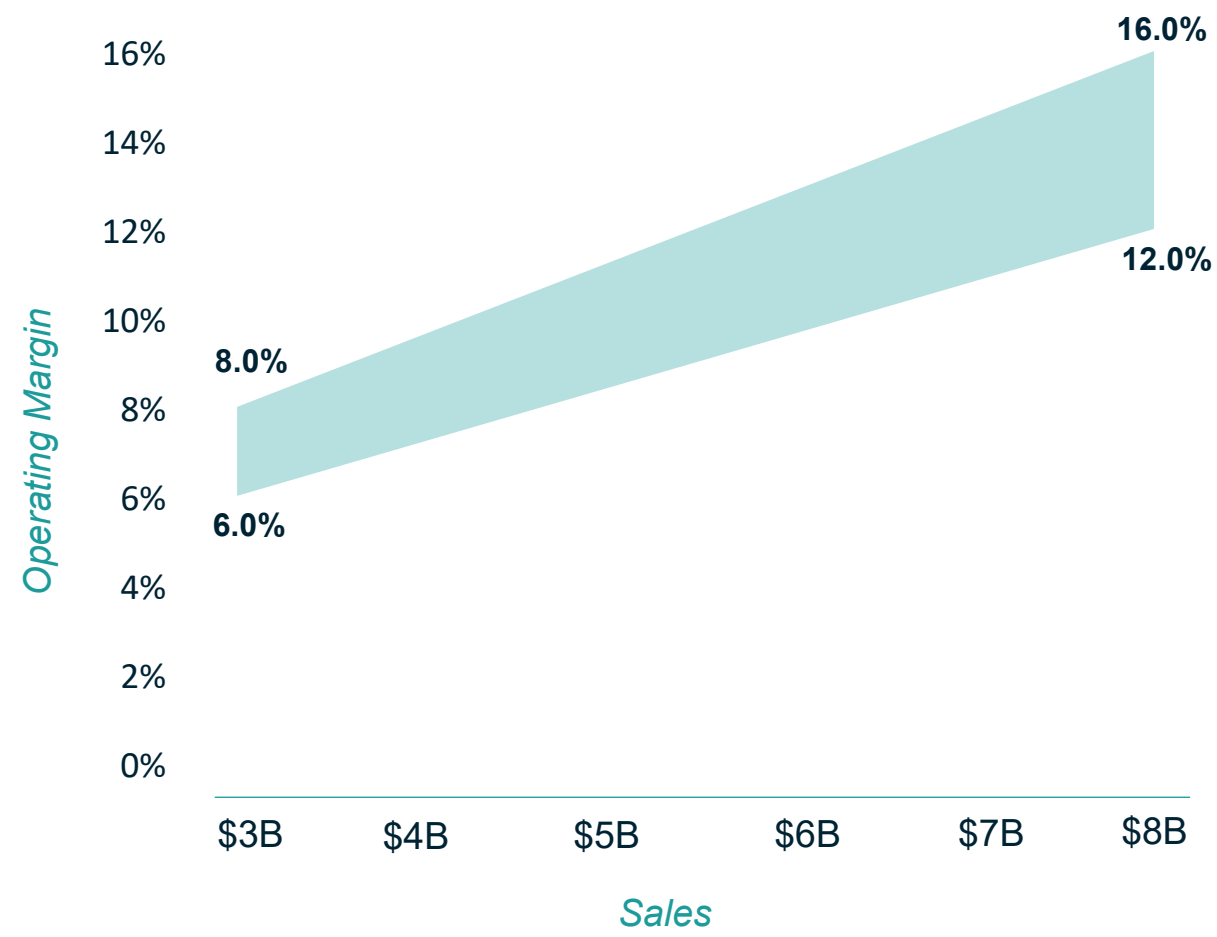
# Adjusted Annual Operating Margin Target Range

## Margin Growth Potential Remains Significant

- Accretive acquisitions in RV, Marine, Powersports & Aftermarket with high-value, higher margin products
- Investments in automation driving operational efficiency
- Utilizing our scale and growth in end markets to drive input cost synergies
- Experienced team that understands how to control cost and effectively navigate economic cycles
- Adjusted Operating profit margin target range:

6% - 8% at \$3B of sales

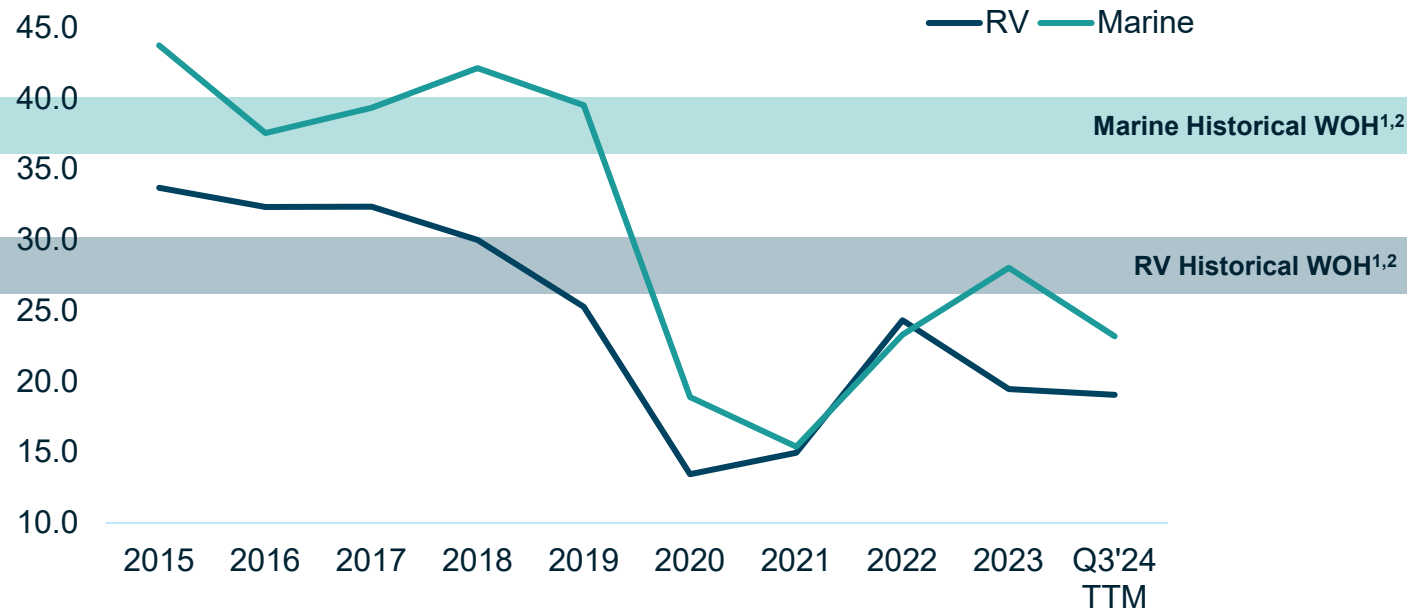
12% - 16% at \$8B of sales



<sup>1</sup> Adjusted operating margin excludes acquisition transaction costs and purchase accounting adjustments



# Revenue Opportunity when RV and Marine Markets Inflect



## Retail Normalization Opportunity

**RV: ~118k units**  
**Marine: ~61k units**

*Assuming historical annual retail averages of 425K RV and 200K Marine shipments*

## Restock Opportunity

**RV: ~84k units**  
**Marine: ~14k units**

*Assuming maintained weeks on hand return to new normalized levels*

## Additional Revenue Upside Available Through Content Expansion Driven By:

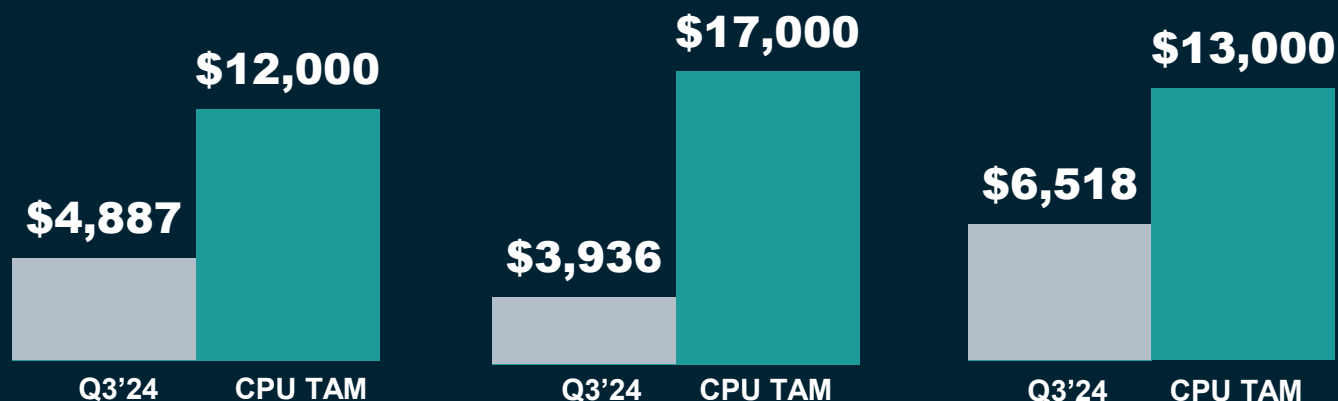
- Market share gains
- RV OEMs shift away from entry-level units
- Strategic acquisitions
- Recovery in Ski/Wake & Pontoon markets





## Significant Total Addressable Market Exists

CPU PER MARKET IN Q3 2024 VS. CPU TAM



**RV**



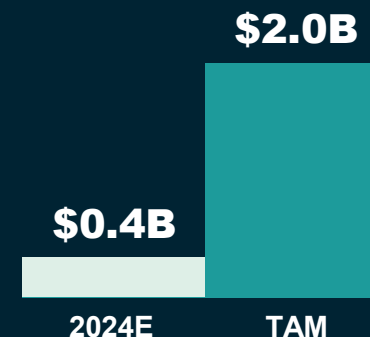
**MARINE**



**MH**



2024E VS. REVENUE TAM



**POWERSPORTS**



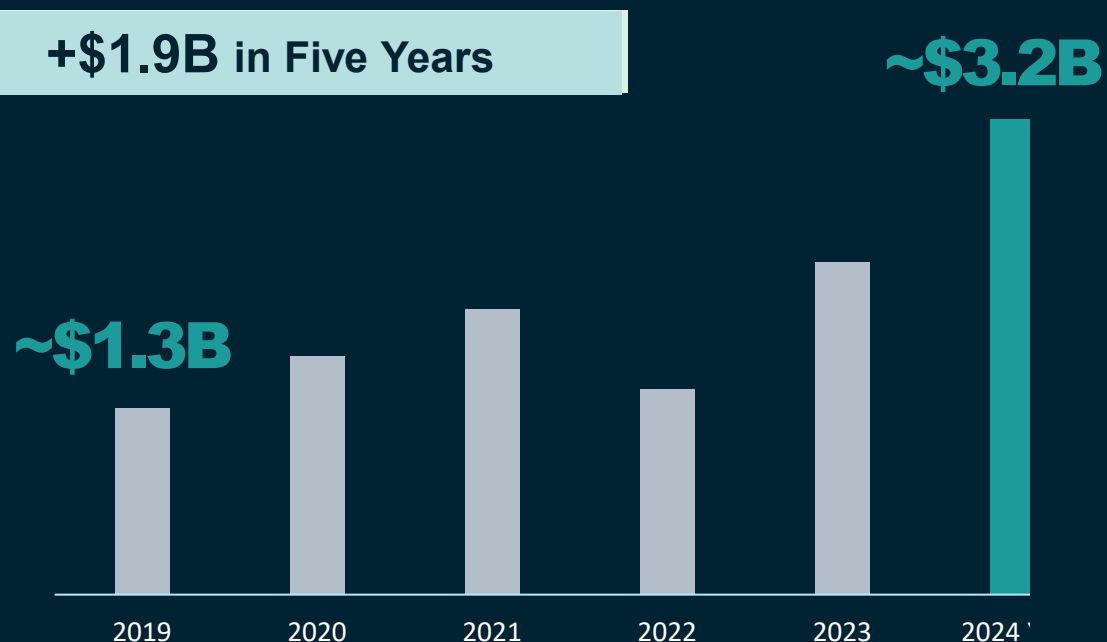
Company estimates of TAM only include product categories for which we currently participate. These numbers do not include the opportunities in our industrial end market, personal transport vehicles, audio and other adjacent markets.



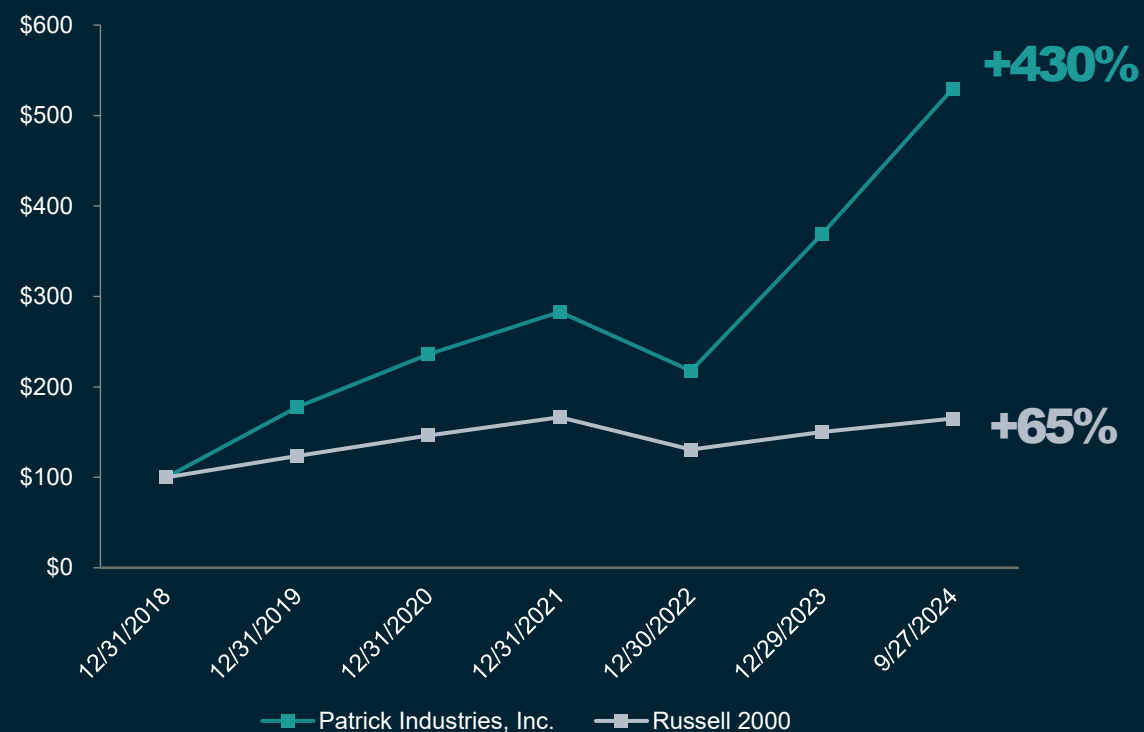


# Creating Value for our Shareholders

## Market Capitalization Progression



## PATK Stock Performance vs. Russell 2000 (^RUT)



\*The stock price performance included in this graph is not indicative of future stock price performance.



# Conclusion

## Investor Day Takeaways

- Company Vision
- Strength and Experience of the Team
- Competitive Advantage
- Earnings Power
- Shareholder Value





# EMPOWERING ENTHUSIASTS





# Full Year 2024 Outlook

## Patrick Industry Outlook

RV Wholesale  
Unit Shipments <sup>1</sup>  
**320K – 330K**  
vs 2023  
313K

RV Retail  
Unit Shipments <sup>1</sup>  
**Down 8 – 10%**  
vs 2023  
380K

Marine Wholesale Powerboat  
Unit Shipments <sup>1</sup>  
**Down 25 – 30%**  
vs 2023  
192K

Marine Retail Powerboat  
Unit Shipments <sup>1</sup>  
**Down 8 – 10%**  
vs 2023  
179K

MH Wholesale  
Unit Shipments <sup>1</sup>  
**Up 15%**  
vs 2023  
89K

New Housing  
Starts <sup>1</sup>  
**Flat**  
vs 2023  
1.4M

Powersports Organic Content  
**Up MSD%**

## Patrick Financial Outlook

Adjusted Operating Margin  
**Down 20 - 30 bps <sup>3</sup>**  
vs 2023  
7.5%

Operating Cash Flows  
**\$370M - \$390M**  
vs 2023  
\$409M

Free Cash Flow  
**\$295M+**  
vs 2023  
\$350M

Powersports Revenue <sup>2</sup>  
**Down 10 – 20%**  
Sequentially vs Q3'24



<sup>1</sup> Company estimates as of 10/31/2024 based on data published by RV Industry Association (RVIA), National Marine Manufacturers Association (NMMA), Manufactured Housing Institute (MHI), U.S. Census Bureau and Statistical Surveys Inc. (SSI) | <sup>3</sup> 2024 adjusted operating margin excludes acquisition transaction costs and purchase accounting adjustments



### 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"), 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 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.

### RECONCILIATION OF NET INCOME TO EBITDA TO PRO-FORMA ADJUSTED EBITDA

(\$ in millions)	Q3'24 TTM
Net Income	\$155
+ Interest Expense, net	76
+ Income Taxes	45
+ Depreciation & Amortization	161
EBITDA	\$436
Net Sales	\$3,651
EBITDA Margin	11.9%
+ Stock Compensation Expense	20
+ Acquisition Pro Forma, transaction-related expenses & other	48
Pro Forma Adjusted EBITDA	\$505

### RECONCILIATION OF NET INCOME TO EBITDA TO ADJUSTED EBITDA

	Fiscal Year Ended December 31,					
(\$ in millions)	2019	2020	2021	2022	2023	Q3'24 TTM
Net Income	\$90	\$97	\$225	\$328	\$143	\$155
+ Interest Expense, net	37	43	58	61	69	76
+ Income Taxes	28	33	69	107	48	45
+ Depreciation & Amortization	63	74	105	131	145	161
EBITDA	\$218	\$247	\$457	\$627	\$405	\$436
+ Stock-based Compensation Expense	15	16	23	22	19	20
+ Acquisition related transaction costs	-	-	-	-	-	5
+Acquisition related fair-value inventory step-up	-	-	-	-	-	1
+(Gain) Loss on sale of property, plant and equipment	2	-	1	(6)	1	-
Adjusted EBITDA	\$235	\$263	\$480	\$643	\$425	\$462
Net Sales	\$2,337	\$2,487	\$4,078	\$4,882	\$3,468	\$3,651
Adjusted EBITDA Margin	10.1%	10.6%	11.8%	13.2%	12.3%	12.7%

<sup>1</sup> May not sum due to rounding



### Use of Non-GAAP Financial Information

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-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.

	Q3 2024 TTM	2019
<b>RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE FOR THE TRAILING TWELVE MONTHS</b>		
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>

	Q3 2024 TTM	2019
<b>RECONCILIATION OF ADJUSTED OPERATING MARGIN FOR THE TRAILING TWELVE MONTHS</b>		
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>

### **CALCULATION OF FREE CASH FLOW**

	Fiscal Year Ended December 31,						Q3'24 TTM
(\$ in millions)	2018	2019	2020	2021	2022	2023	
Cash Flows from Operations	\$200	\$192	\$160	\$252	\$412	\$409	\$339
Less: Purchases of Property, Plant and Equipment	(34)	(27)	(32)	(65)	(80)	(59)	(62)
Free Cash Flow	\$166	\$165	\$128	\$187	\$332	\$350	\$277
Net Income	\$120	\$90	\$97	\$225	\$328	\$143	\$155
Free Cash Flow Conversion	138%	184%	132%	83%	101%	245%	179%

<sup>1</sup> May not sum due to rounding



## 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

### COVENANTS AND RATIOS<sup>1</sup>

- 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

### NET LEVERAGE<sup>1</sup> (\$ 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

### 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.