LCI Industries (LCII)

Updated September 11st, 2025 by Felix Martinez

Key Metrics

Current Price:	$104	**5 Year Annual Expected Total Return:**	8.3%	**Market Cap:**	$2.5B
Fair Value Price:	$101	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	08/29/25
% Fair Value:	103%	**5 Year Valuation Multiple Estimate:**	-0.6%	**Dividend Payment Date:**	09/12/25
Dividend Yield:	4.4%	**5 Year Price Target**	$129	**Years Of Dividend Growth:**	9
Dividend Risk Score:	F	**Sector:** X		**Rating:**	Hold

Overview & Current Events

LCI Industries (NYSE: LCII), founded in 1956, is a leading supplier of engineered components for the recreational vehicle (RV) and transportation industries. Headquartered in Elkhart, Indiana, the company manufactures and distributes a wide range of products, including chassis, awnings, furniture, and appliances, serving both original equipment manufacturers (OEMs) and the aftermarket. LCI Industries has built a reputation for innovation, with its CURT towing and suspension products among its standout offerings. Its market presence spans North America and Europe, making it a key player in the RV and adjacent markets. LCI Industries has a market capitalization of approximately $2.5 billion.

On August 5th, 2025, LCI Industries reported second quarter Fiscal 2025 results. The company reported net sales rising 5% year-over-year to $1.11 billion, exceeding expectations by $34 million. Adjusted earnings per share came in at $2.39, slightly down from $2.40 in the prior year but ahead of consensus estimates by $0.10. Adjusted EBITDA totaled $121 million, or 11% of sales, reflecting a modest 1% decline from last year as executive separation costs and product mix shifts weighed on margins. Management credited share gains, cost control initiatives, and an effective tariff mitigation strategy with supporting profitability and offsetting industry pressures.

The company maintained strong capital allocation discipline, returning $187 million to shareholders year-to-date through dividends and share repurchases, including $100 million in buybacks completed in Q2 and early Q3. LCI also paid a quarterly dividend of $1.15 per share and closed the acquisition of Freedman Seating Company, which adds roughly $125 million in annual revenue and strengthens its position in the transportation seating market. Liquidity remained robust with $192 million in cash and $595 million available under its revolving credit facility as of June 30, 2025.

Looking ahead, management reaffirmed progress toward its long-term strategic objectives, including achieving $5 billion in organic revenue by 2027 and driving 85 basis points of overhead and G&A improvements in 2025. CEO Jason Lippert emphasized the company's ability to generate profitability at lower industry volumes through efficiency and supply chain optimization. With resilient OEM and aftermarket demand, successful M&A execution, and a strong balance sheet, LCI Industries is well-positioned to navigate macro challenges while pursuing growth in RV, transportation, and adjacent markets.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$3.20	$5.20	$5.76	$5.86	$5.84	$6.49	$11.32	$15.48	$2.52	$5.60	***$6.30***	***$8.04***
DPS	$2.00	$1.40	$2.05	$2.35	$2.55	$2.80	$3.45	$4.05	$4.20	$4.30	***$4.61***	***$5.61***
Shares[1]	24.7	24.9	25.4	25.5	25.1	25.3	25.4	25.5	25.4	25.5	***25.6***	***25.8***

LCI Industries' growth prospects are anchored in its focus on innovation, market share expansion, and strategic diversification. The company has consistently introduced new, high-demand products, such as its CURT towing and suspension lines, which have strengthened its presence across key RV and automotive markets. Additionally, its strategic acquisitions and investment in operational efficiencies position it well to capitalize on a rebound in demand for recreational vehicles and marine products. The company earnings over the past ten years have been slightly positive of

[1] Share count is in millions.

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6.4% Compound Annual growth Rate (CAGR) and over the last 5 year it has been -0.6% CAGR. We expect the company to grow earnings by 5% over the next five years.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	19.0	20.7	22.6	11.1	18.3	19.9	13.8	6.0	48.5	18.5	***16.5***	***16.0***
Avg. Yld.	3.3%	1.3%	1.6%	3.5%	2.4%	2.2%	2.2%	4.4%	3.3%	4.2%	***4.4%***	***4.4%***

The company has a current valuation of 16.5x earnings, lower than its ten-year average of 19.8x earnings. However, a fair PE of 16X earnings is a good base case. Thus, this suggests that the company has a -0.6% valuation headwind. The current dividend yield is higher than its ten-year average of 2.8%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

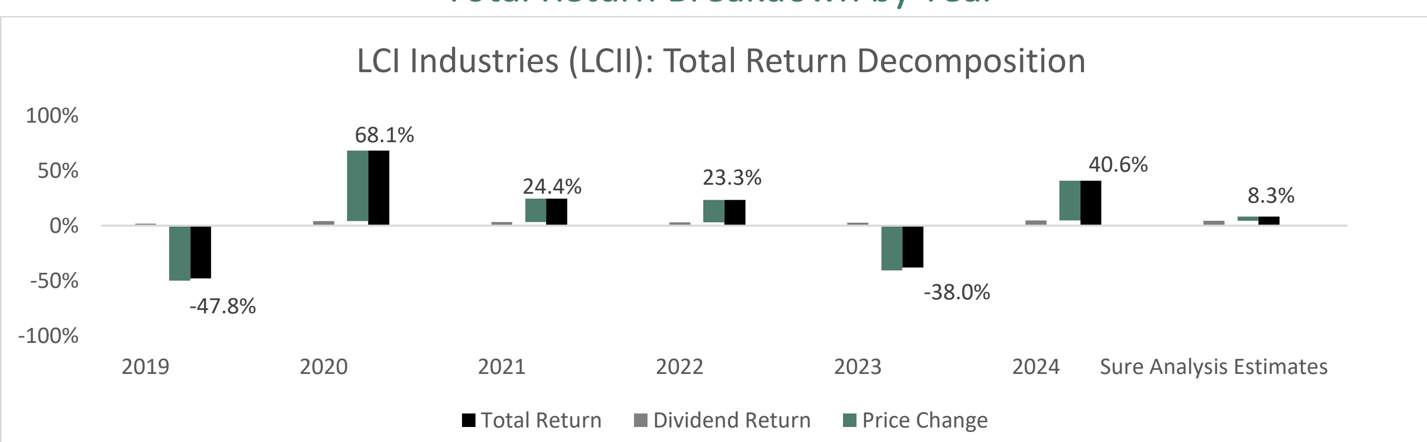
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	63%	27%	36%	40%	44%	43%	30%	26%	167%	77%	***73%***	***70%***

LCI Industries possesses a competitive advantage through its diverse product portfolio, innovation-driven strategy, and dominant market position in the RV industry. Its ability to capture market share with proprietary products, such as CURT towing systems and RV components, enhances customer loyalty and strengthens its brand. During the Great Recession, the company demonstrated resilience by leveraging its diversified revenue streams, focusing on operational efficiencies, and expanding its aftermarket business to offset weaker OEM demand. Similarly, in recent downturns, LCI Industries has shown adaptability by capitalizing on growth in adjacent markets and sustaining profitability through disciplined cost management and strategic acquisitions. The company as a good book balance. The company has a debt/equity ratio of 0.8 and an interest coverage of 8.5.

Final Thoughts & Recommendation

Investing in LCI Industries carries risks tied to its dependence on the cyclical recreational vehicle (RV) and marine markets, which are highly sensitive to economic downturns and consumer discretionary spending. Additionally, rising interest rates, inflation, and supply chain disruptions could further pressure demand and operational costs. The company's growth prospects also rely on successful innovation and strategic acquisitions, which may not always yield the anticipated returns. We expect the company to have an annually rate of return of 8.3% for the next five years. However, we rate the company as a hold at the current price.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,403	1,679	2,148	2,476	2,371	2,796	4,473	5,207	3,785	3741
Gross Profit	306	429	493	520	539	706	1,043	1,273	776	880
Gross Margin	21.8%	25.5%	23.0%	21.0%	22.7%	25.3%	23.3%	24.5%	20.5%	23.5%
SG&A Exp.	186	228	279	322	339	483	645	720	653	661
D&A Exp.	42	46	55	68	75	98	112	129	132	126
Operating Profit	120	201	214	199	200	223	398	553	123	218
Operating Margin	8.6%	12.0%	10.0%	8.0%	8.4%	8.0%	8.9%	10.6%	3.3%	5.8%
Net Profit	74	130	133	149	147	158	288	395	64	143
Net Margin	5.3%	7.7%	6.2%	6.0%	6.2%	5.7%	6.4%	7.6%	1.7%	3.8%
Free Cash Flow	66	157	65	37	211	174	(210)	472	465	328
Income Tax	40	70	80	44	45	51	94	130	19	46

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	623	787	946	1,244	1,863	2,298	3,288	3,247	2,959	2895
Cash & Equivalents	12	86	26	15	35	52	63	47	66	166
Accounts Receivable	42	57	82	122	200	269	320	214	215	200
Inventories	171	189	275	341	394	494	1,096	1,030	768	737
Goodwill & Int. Ass.	185	202	254	357	693	876	1,063	1,070	1,038	978
Total Liabilities	184	237	293	538	1,062	1,390	2,195	1,866	1,604	1508
Accounts Payable	30	51	79	78	99	185	282	144	184	188
Long-Term Debt	50	50	50	294	631	738	1,303	1,119	847	757
Shareholder's Equity	439	550	653	706	801	908	1,093	1,381	1,355	1387
D/E Ratio	0.11	0.09	0.08	0.42	0.79	0.81	1.19	0.81	0.63	0.55

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	12.7%	18.4%	15.3%	13.6%	9.4%	7.6%	10.3%	12.1%	2.1%	4.9%
Return on Equity	17.8%	26.2%	22.1%	21.9%	19.4%	18.5%	28.8%	31.9%	4.7%	10.4%
ROIC	16.5%	23.8%	20.4%	17.4%	12.0%	10.3%	14.2%	16.1%	2.7%	6.6%
Shares Out.	24.7	24.9	25.4	25.5	25.1	25.3	25.4	25.5	25.4	25.5
Revenue/Share	56.92	67.34	84.64	97.23	94.51	110.72	175.90	204.09	148.80	146.67
FCF/Share	2.68	6.30	2.58	1.44	8.42	6.89	(8.26)	18.49	18.28	12.86

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.