Patrick Industries, Inc. (PATK)

Updated March 2nd, 2026, by Nathan Parsh

Key Metrics

Current Price:	$121	**5 Year Annual Expected Total Return:**	-2.4%	**Market Cap:**	$4.0 B
Fair Value Price:	$65	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	02/23/26
% Fair Value:	187%	**5 Year Valuation Multiple Estimate:**	-11.7%	**Dividend Payment Date:**	03/09/26
Dividend Yield:	1.6%	**5 Year Price Target**	$95	**Years Of Dividend Growth:**	6
Dividend Risk Score:	B	**Sector:**	Consumer Discretionary	**Rating:**	Hold

Overview & Current Events

Patrick Industries, Inc. provides component solutions for recreational vehicle, marine, powersports, housing, and industrial customers. The company manufactures products used in various end-markets as well as distributes finished products. Reportable business segments include RV (43% of revenue), Marine (16% of revenue), Powersports (12% of revenue), and Housing (29% of revenue). Patrick Industries generates annual sales of $4 billion and trades with a market capitalization of $4.0 billion.

On November 19th, 2025, Patrick Industries raised its quarterly dividend 17.5% to $0.47, extending the company's dividend growth streak to six years.

On February 5th, 2026, Patrick Industries announced fourth quarter and full year results for the period ending December 31st, 2025. For the quarter, revenue grew 9.2% to $924.2 million, which was $65 million better than expected. Adjusted earnings-per-share of $0.84 compared favorably to $0.52 in the prior year and was $0.11 ahead of estimates. For the year, revenue improved 6% to $4.0 billion while adjusted earnings-per-share of $4.44 was up from $4.34 in 2024.

For the quarter, revenue for the RV business increased 10% to $392 million even as industry shipments were down 3%. Marine grew 24% to $150 million, despite industry unit shipment being down 1% for the period. Powersports was up 39% to $109 million. Housing declined 5% to $272 million as industry unit shipments and housing starts were both lower by 10%. The company ended the quarter with $1.3 billion of debt on its balance sheet, resulting in a total net leverage ratio of 2.6x.

We expect that Patrick Industries will earn $5.40 per share in 2026, which would be a 21.6% increase from last year. We have updated our forecast accordingly.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.62	$2.32	$3.29	$2.57	$2.80	$6.42	$8.99	$4.33	$4.34	$4.44	***$5.40***	***$7.93***
DPS	---	---	---	$0.17	$0.69	$0.78	$0.96	$1.27	$1.50	$1.67	***$1.88***	***$2.76***
Shares[1]	34	37	36	35	35	35	37	33	34	32	***32***	***32***

Patrick Industries has enjoyed strong growth rates over various lengths of time. Since 2016, earnings-per-share have a compound annual growth rate (CAGR) of 11.9%. The growth rate has turned negative at -3.4% over the last five years. The company performed about as expected during the 2007 to 2009 period, with an EPS loss each year throughout the Great Recession. Patrick Industries did return to growth in 2010.

Patrick Industries managed to grow its earnings-per-share during the worst of the COVID-19 pandemic. In the following years, pent up consumer demand led to a surge in earnings-per-share in 2021, followed up by peak results in 2022. Since then, earnings-per-share have declined, though we do anticipate strong growth in 2026. However, industry-wide inventory levels are down as the post-Covid-19 boom has pulled forward much of the industry's sales. Inflation and

[1] In Millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

higher interest rates have also contributed to weaker results. Combining this with a pretty high base for earnings estimates for this year, we forecast EPS growth of 8% annually through 2031.

Patrick Industries paid a dividend through much of the 1990s, but eliminated its distribution in mid-2003. The dividend was reinstated in late 2019 and shareholders have seen payments rise with a CAGR of more than 19.2% over the last five years. We anticipate that dividend growth will match earnings growth over the medium-term.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	28.1	28.6	6.0	13.6	16.2	8.4	6.3	7.4	20.3	24.4	***22.4***	***12.0***
Avg. Yld.	---	---	---	0.5%	1.5%	1.5%	2.4%	1.9%	1.8%	1.5%	***1.6%***	***2.9%***

Shares of Patrick Industries have increased $21, or 21%, since our November 17th, 2025 report. The stock has traded with an average price-to-earnings (P/E) ratio of 15.9 over the last decade, but this average drops to 13.4 when looking at just the last five years. The past few years have seen extreme swings in valuation as peak earnings-per-share drove the P/E to mid-single-digits before climbing to the 20s more recently. We believe 12 times EPS estimates is a fair starting point for our target valuation given the dynamics of the industry. At 22.4 times EPS estimates, we find Patrick to be very overvalued at current levels. Reverting to our target P/E by 2031 would reduce annual returns by 11.7% annually over this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	---	7%	25%	12%	11%	29%	36%	38%	***35%***	***35%***

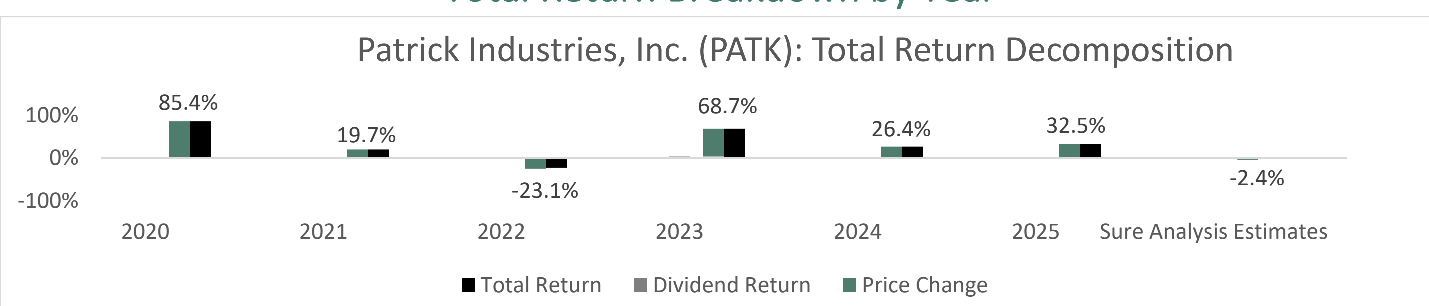
Patrick Industries operates in a highly cyclical industry and is far from recession proof. Following the Covid-19 pandemic, results were very strong, not just for the company, but industry wide. Since then, demand has dropped off as sales had been pulled forward following the pandemic. We do not find Patrick Industries to have significant advantages relative to peers, but we do note that earnings growth has been very good even when accounting for lower results recently.

Patrick Industries' dividend is likely safe as the expected payout ratio is just 35% for 2026. That said, dividend growth could be at risk for slowing as the payout ratio rises.

Final Thoughts & Recommendation

Following fourth quarter results, we project that Patrick Industries will generate annual returns of -2.4% through 2031, up from -2.8% previously. This forecast stems from earnings growth of 8% and a starting yield of 1.6% that are more than offset by a low double-digit headwind from multiple compression. Patrick Industries operates in an industry facing much weaker demand than it was just a few years ago. The company is far from recession proof and the stock does not offer much in the way of income. That said, the recent performance and guidance were both very strong. Shares continue to earn a hold rating due to projected returns.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,222	1,636	2,263	2,337	2,487	4,078	4,882	3,468	3,716	3,951
Gross Profit	189	260	382	387	420	745	987	704	740	816
Gross Margin	15.5%	15.9%	16.9%	16.6%	16.9%	18.3%	20.2%	20.3%	19.9%	20.6%
SG&A Exp.	98	138	203	233	245	393	491	443	482	540
D&A Exp.	24	34	55	63	73	105	131	145	167	170
Operating Profit	91	122	178	154	175	352	496	260	263	276
Operating Margin	7.4%	7.5%	7.9%	6.6%	7.1%	8.6%	10.2%	7.5%	7.1%	7.0%
Net Profit	56	86	120	90	97	225	328	143	138	135
Net Margin	4.5%	5.2%	5.3%	3.8%	3.9%	5.5%	6.7%	4.1%	3.7%	3.4%
Free Cash Flow	82	77	166	165	128	187	332	350	251	246
Income Tax	28	27	32	28	33	69	107	48	40	42

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	535	867	1,231	1,471	1,753	2,651	2,782	2,674	3,143	3,169
Cash & Equivalents	6	3	7	139	45	123	23	11	34	26
Accounts Receivable	38	78	82	88	133	172	173	133	145	169
Inventories	120	175	273	254	313	614	668	510	552	595
Goodwill & Int. Ass.	274	472	665	676	852	1,192	1,349	1,289	1,600	1,583
Total Liabilities	350	496	822	974	1,194	1,883	1,827	1,629	2,014	1,985
Accounts Payable	47	84	90	96	106	204	143	141	188	192
Long-Term Debt	273	354	631	742	907	1,407	1,406	1,158	1,469	1,440
Shareholder's Equity	278	556	613	746	839	1,151	1,433	1,568	1,128	1,184
LTD/E Ratio	1.47	0.95	1.54	1.55	1.68	1.89	1.52	1.15	1.35	1.26

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	12.1%	12.2%	11.4%	6.6%	6.0%	10.2%	12.1%	5.2%	4.8%	4.3%
Return on Equity	35.4%	30.8%	30.7%	19.8%	18.4%	33.9%	38.1%	14.3%	12.7%	11.7%
ROIC	14.1%	14.5%	13.6%	7.8%	7.0%	12.1%	14.2%	6.1%	5.6%	5.1%
Shares Out.	34	37	36	35	35	35	37	33	34	32
Revenue/Share	35.58	44.25	62.04	66.93	71.80	116.41	133.00	104.97	110.26	114.06
FCF/Share	2.38	2.09	4.54	4.72	3.70	5.35	9.04	10.58	7.45	7.12

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