LCI INDUSTRIES

Q1 2025
Earnings Conference Call
5.6.2025



Forward-Looking Statements

This presentation contains certain “forward-looking statements” with respect to our financial condition, results of operations, profitability, margin growth, business strategies, operating efficiencies or synergies, competitive position, growth opportunities, acquisitions, plans and objectives of management, markets for the Company’s common stock, the impact of legal proceedings, and other matters. Statements in this presentation that are not historical facts are “forward-looking statements” for the purpose of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, and involve a number of risks and uncertainties.

Forward-looking statements, including, without limitation, those relating to the Company's production levels, future business prospects, net sales, expenses and income (loss), capital expenditures, tax rate, cash flow, financial condition, liquidity, covenant compliance, growth strategy, retail and wholesale demand and shipments, integration of acquisitions, R&D investments, commodity prices, addressable markets, and industry trends, whenever they occur in this presentation are necessarily estimates reflecting the best judgment of the Company's senior management at the time such statements were made. There are a number of factors, many of which are beyond the Company’s control, which could cause actual results and events to differ materially from those described in the forward-looking statements. These factors include, in addition to other matters described in this presentation, the impacts of costs and availability of, and tariffs on, raw materials (particularly steel and aluminum) and other components, future pandemics, geopolitical tensions, armed conflicts, or natural disasters on the global economy and on the Company's customers, suppliers, team members, business and cash flows, pricing pressures due to domestic and foreign competition, seasonality and cyclicality in the industries to which we sell our products, availability of credit for financing the retail and wholesale purchase of products for which we sell our components, inventory levels of retail dealers and manufacturers, availability of transportation for products for which we sell our components, the financial condition of our customers, the financial condition of retail dealers of products for which we sell our components, retention and concentration of significant customers, the costs, pace and successful integration of acquisitions and other growth initiatives, availability and costs of production facilities and labor, team member benefits, team member retention, realization and impact of expansion plans, efficiency improvements and cost reductions, the disruption of business resulting from natural disasters or other unforeseen events, the successful entry into new markets, the costs of compliance with environmental laws, laws of foreign jurisdictions in which we operate, other operational and financial risks related to conducting business internationally, and increased governmental regulation and oversight, information technology performance and security, the ability to protect intellectual property, warranty and product liability claims or product recalls, interest rates, oil and gasoline prices and availability, the impact of international, national and regional economic conditions and consumer confidence on the retail sale of products for which we sell our components, and other risks and uncertainties discussed more fully under the caption “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, and in the Company’s subsequent filings with the Securities and Exchange Commission, including the Company's Quarterly Reports on Form 10-Q. Readers of this presentation are cautioned not to place undue reliance on these forward-looking statements, since there can be no assurance that these forward-looking statements will prove to be accurate. The Company disclaims any obligation or undertaking to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made, except as required by law.

This presentation includes certain non-GAAP financial measures, such as EBITDA, EBITDA as a percentage of net sales, net debt to EBITDA leverage, and free cash flow. These non-GAAP financial measures should not be considered a substitute for the comparable GAAP financial measures. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measure are included in the presentation.

First Quarter 2025 Highlights

Operational flexibility, strategic diversification, and effective cost management drove profitable growth



Quarterly Financial Performance

- Net sales of $1.046 billion, up 8% year-over-year
- Net income of $49 million ($1.94 per diluted share), or 4.7% of net sales, up 35% year-over-year
- Adjusted net income[1] of $56 million ($2.19 adjusted net income per diluted share[1])
- Adjusted EBITDA[1] of $111 million, or 10.6% of net sales, up 23% year-over-year



Executing Cost Management and Continuous Improvement Initiatives

- First quarter operating profit margin of 7.8%, up 180 bps year-over year
- Lowered material costs through supply chain improvements
- Implemented $28+ million in non-material cost reductions in 2024 and on track to deliver an additional 85bp margin improvement in 2025 through optimizing infrastructure



Gaining Share through Innovation

- Grew sales to RV OEMs in our top 5 product categories despite negative mix shift
- Delivered towable organic content growth both sequentially over 4Q24 and year-over-year[2]
- Continued momentum with recent new product launches with 2025 RV model year - including ABS, A/C innovation, coil spring suspension, new window designs, and new patented Sun Deck



Capital Allocation

- Refinanced credit agreement and issued new Convertible Notes due 2030, extending maturities and structuring the business for long-term success
- Strong liquidity position with $231 million of cash and cash equivalents and $595 million of availability on revolving credit facility at March 31, 2025
- Returned $57.6 million to shareholders through a quarterly dividend of $1.15 per share aggregating $29.4 million, and $28.3 million in share repurchases
- Acquired Trans/Air in March and Freedman Seating in April, representing approximately $200 million in annual revenues in the bus market

[1] Additional information regarding adjusted net income, adjusted net income per diluted share, Adjusted EBITDA, and Adjusted EBITDA as a percentage of net sales, and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures, are provided in the Appendix

[2] For twelve months ended March 31, 2025

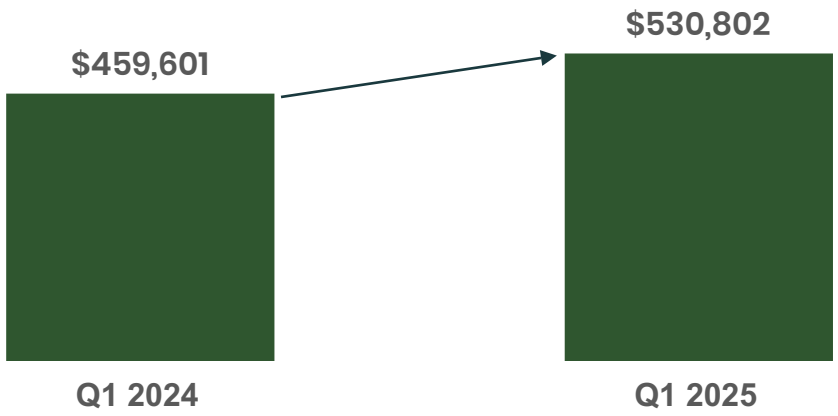
RV OEM

Performance and Trends

- 86,400 North American wholesale towable units shipped in Q1 2025, up 18% YoY
- 60,600 estimated North American retail towable units sold in Q1 2025, down 7% YoY
- Gained share in our top 5 RV product categories: appliances, awnings, chassis, furniture, and windows for the quarter ended March 31, 2025
- Q1 2025 RV OEM sales up 15% YoY, as retail dealers restocked inventories for the 2025 selling season



Net Sales
(in thousands)



NA RV Wholesale/Retail/Inventory Change



Innovation Driving RV Content Growth, Share Gains

Key 2025 Model Year Product Wins



New Window Designs and Integrated Shades

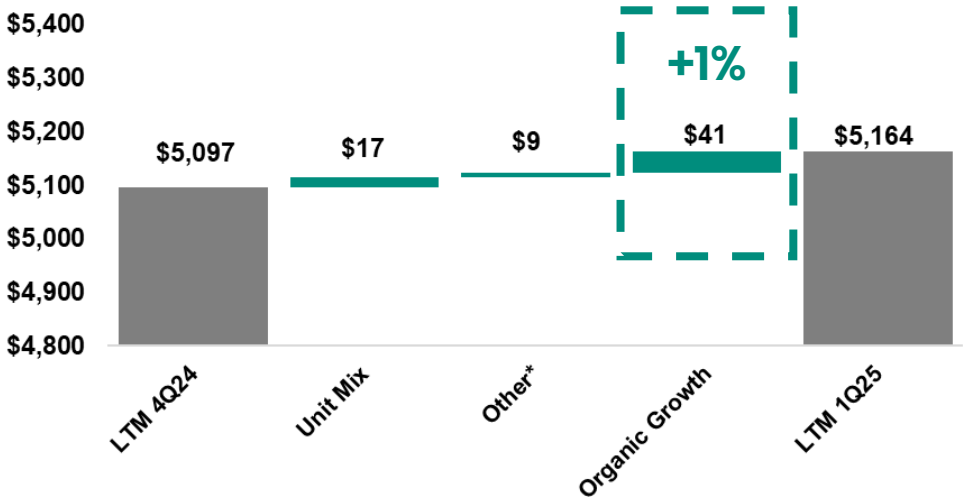


Furrion® 18K Chill Cube Air Conditioner

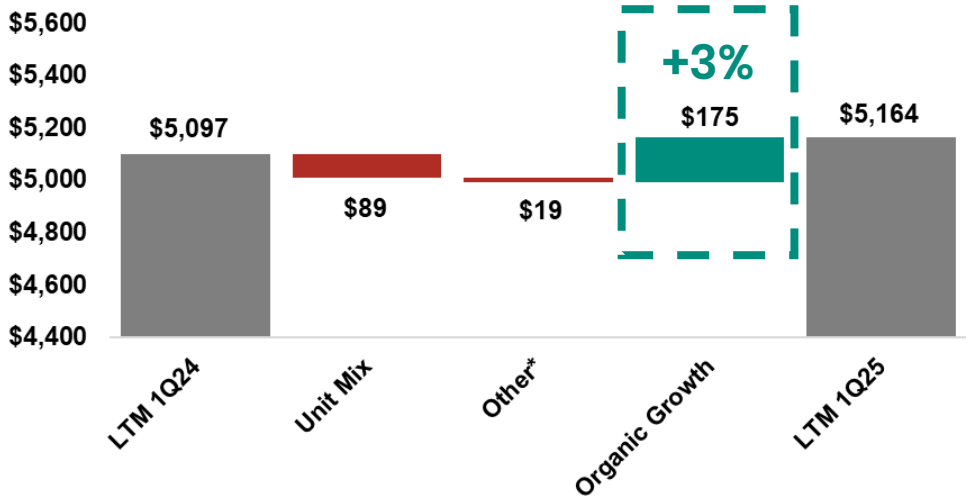


Touring Coil Suspension

Sequential Towable Content Growth (LTM)



YoY Towable Content Growth (LTM)



* "Other" includes impact of RV unit shipments versus industry production, index sales price adjustments, and the impact of acquisitions and divestitures

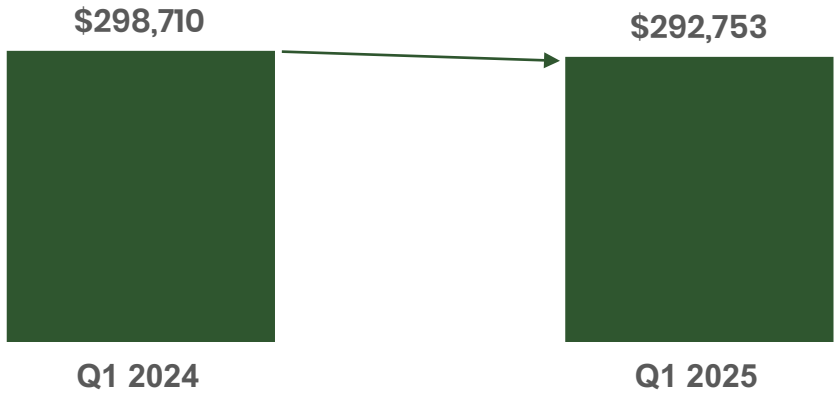
Adjacent Industries OEM

Performance and Trends

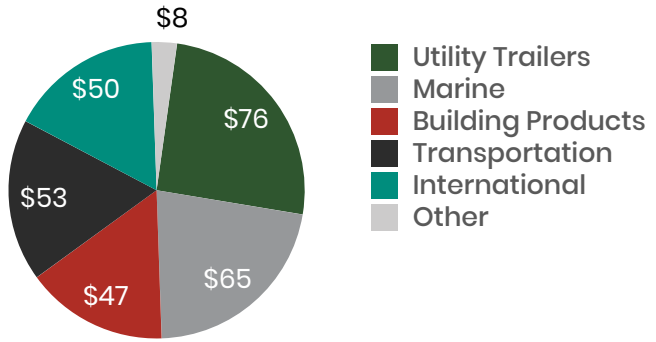
- Q1 2025 Adjacent Industries sales down 2% YoY
- Decrease primarily due to lower sales to North American marine and powersports OEMs, partially offset by higher sales to utility trailer OEMs
    - Pressured by current dealer inventory levels, inflation, and elevated interest rates impacting retail consumer demand
- Expanding presence in transportation and building products markets:
    - Supplying axles to top trailer brands, which produce 500k+ utility and cargo trailers annually
    - Adding windows in off-road vehicles, school buses, and manufactured housing
    - Acquired Trans/Air and Freedman Seating, deepening our position in the resilient bus market



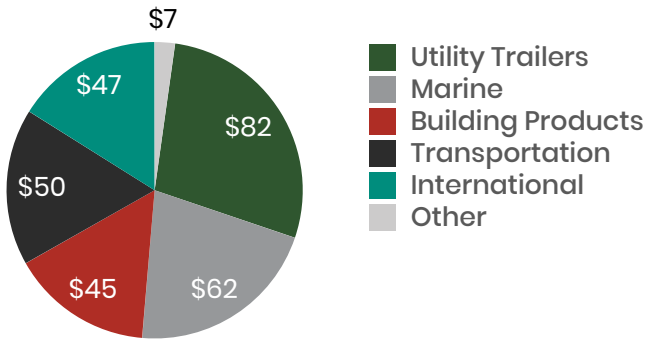
Net Sales (in thousands)



Q1 2024 Adjacent Industries OEM Net Sales by Market (in millions)



Q1 2025 Adjacent Industries OEM Net Sales by Market (in millions)

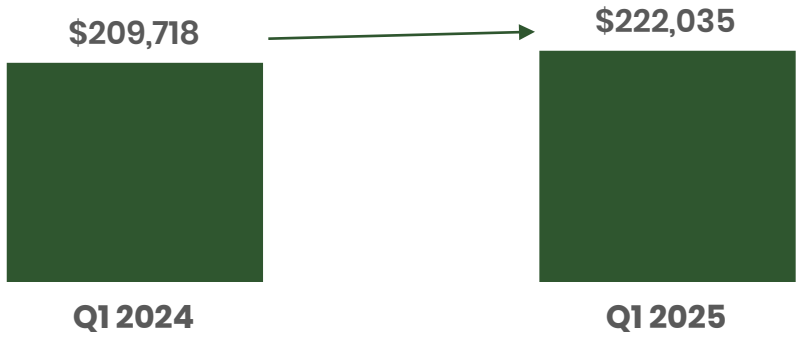


Aftermarket Segment

Performance and Trends

- Q1 2025 sales up 6% from the prior year driven by higher volumes within the RV and marine aftermarkets and market share gains in the automotive aftermarket
- 310 bps YoY margin contraction primarily driven by increases in sales mix of lower margin products, decreases in automotive aftermarket production volume, and investments in capacity and distribution processes to support growth of the aftermarket segment
- Driving portfolio expansion in diversified markets with towing and truck accessories, boating accessories, appliances, and electronics
- Meeting heightened repair and replacement demand as RV ownership has reached record levels in recent years
    - 2021 and 2022 model year units are exiting warranty period and shifting into aftermarket sales opportunity
    - Seeing quarter over quarter growth - i.e. Refrigerators are up 75% and RV Furniture is up 60%

Net Sales
(in thousands)







Innovation Driving Growth

Continued focus on innovation driving an ongoing increase of new product introductions

Helux Coil Spring Pin Box



Residential Windows



Anti-Lock Braking Systems



Touring Coil Suspension



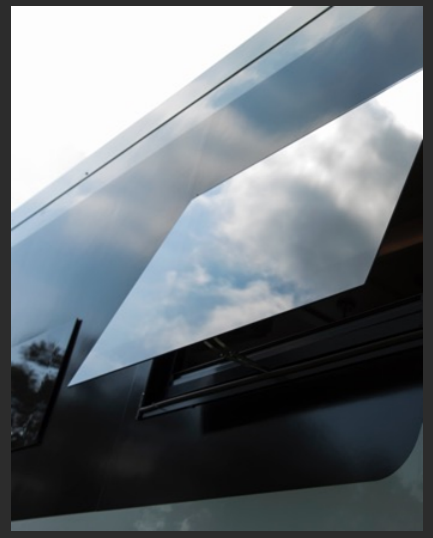
Bi Fold Sundeck



Chill Cube Air Conditioner



4000 Series Windows



Growth Strategy

Expanding share across diversified portfolio with cutting-edge innovations and best-in-class service

Focus on Delivering Unparalleled Customer Experience

- Developing innovations that enhance the outdoor experience with a focus on safety, durability, and enjoyment
- Building upon long-term relationships by offering trainings and online resources to further cement Lippert as a trusted partner (~18k training sessions thru our Technical Institute in Q1 2025)

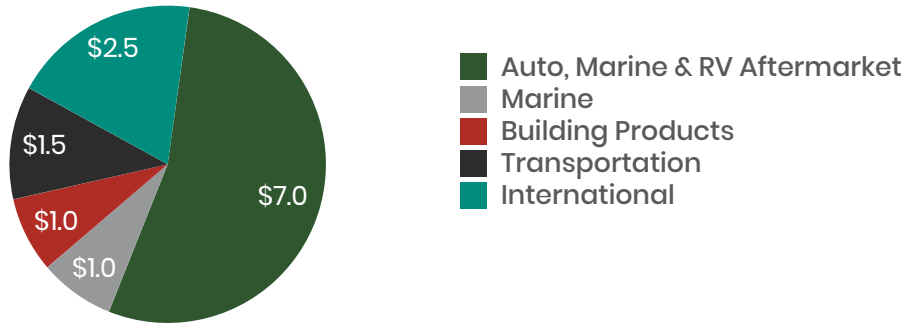
Capital Allocation Strategy

- Focusing on strategic acquisitions to expand presence in existing markets
- Investing in R&D and innovation to drive profitable growth
- Returning capital to shareholders
- Maintaining a strong balance sheet

Capture Share of $13 Billion of Addressable Opportunities in Diverse End Markets

- Leveraging the expertise gained as a market leader in the RV space
- Delivering innovative products through leading, nimble manufacturing capabilities
- Utilizing manufacturing synergies to enhance offerings in the transportation and building products markets
- Capitalizing on opportunities as RVs enter the repair and replacement cycle with our content

$13B of Addressable Opportunities by Market (in billions)



Capital Allocation Highlights

Executing on our capital allocation strategy through acquisitions, debt refinancing, and returning capital to shareholders

Strategic Acquisitions

- Recently completed two acquisitions to further ingrain our presence in adjacent industries
- Trans/Air acquired in March 2025
  - Provider of climate control systems for a wide range of vehicles for the bus markets
- Freedman Seating acquired in April 2025
  - Manufacturer of transportation seating solutions
  - Serves bus, rail and specialty vehicle/ transportation vehicle markets

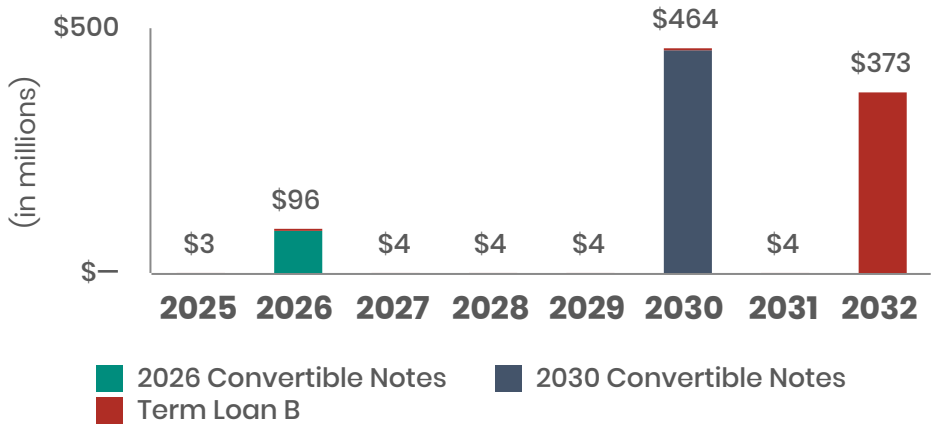
Returning Capital to Shareholders

- Paid quarterly dividend of $1.15 per share, aggregating $29 million
- Repurchased 309K shares of common stock with proceeds from convertible debt refinancing for $28 million

Refinanced Long-Term Debt

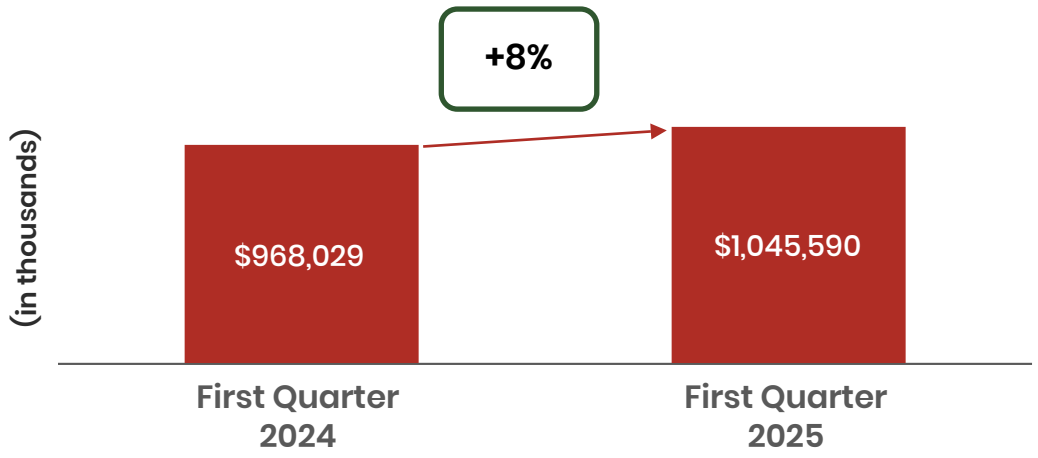
- Issued $460M 3.000% convertible notes due 2030 and repurchased $368M of convertible notes due 2026
- Refinanced credit agreement with $600M revolving credit facility and new $400M term loan B due 2032 (paid off remaining $280M balance of term loan A due 2026)
- Effectively extended most maturities previously due in 2026 out to 2030 and 2032

Future Debt Maturities

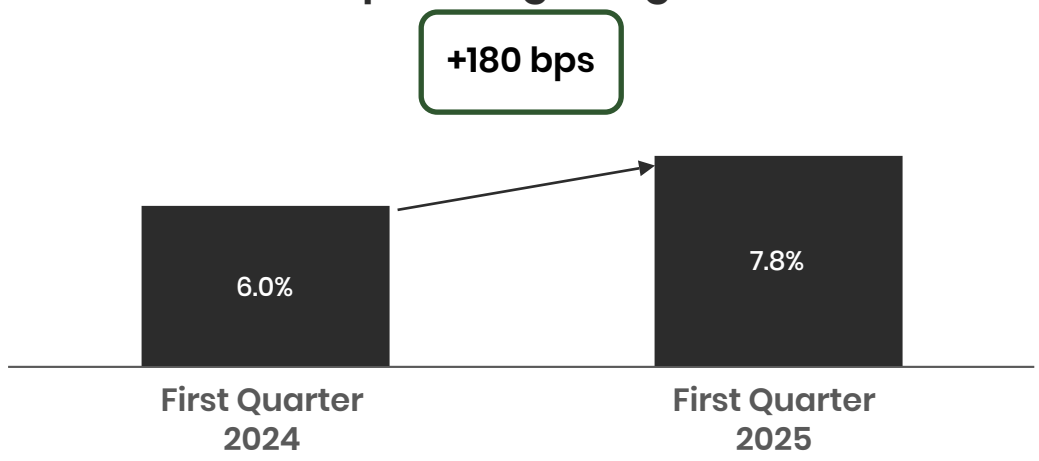


Q1 2025 Financial Performance

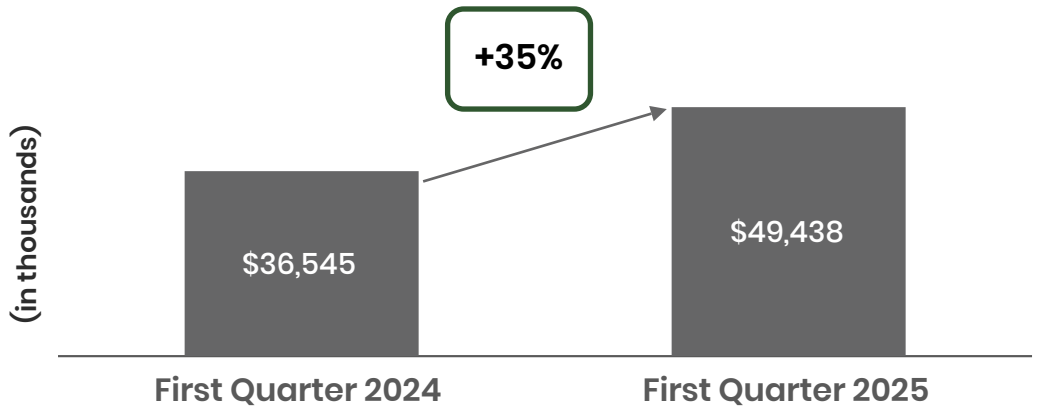
Consolidated Net Sales



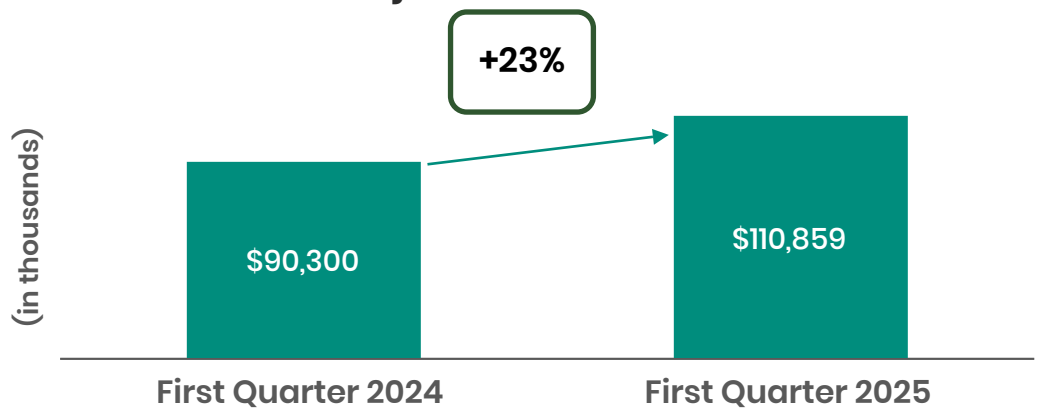
Operating Margin



Consolidated Net Income



Adjusted EBITDA*



* Additional information regarding Adjusted EBITDA, as well as reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure, is provided in the Appendix.

Liquidity and Cash Flow

As of and for the three months ended March 31

	2025	2024
Cash and Cash Equivalents	$231M	$23M
Remaining Availability under Revolving Credit Facility[1]	$595M	$154M
Capital Expenditures	$9M	$9M
Dividends	$29M	$27M
Share Repurchases	$28M	$—M
Debt / Net Income (TTM)	6.0x	9.1x
Net Debt/Adjusted EBITDA (TTM)[2]	1.9x	2.8x
Cash from Operating Activities	$43M	$(8)M
Free Cash Flow[2]	$34M	$(16)M

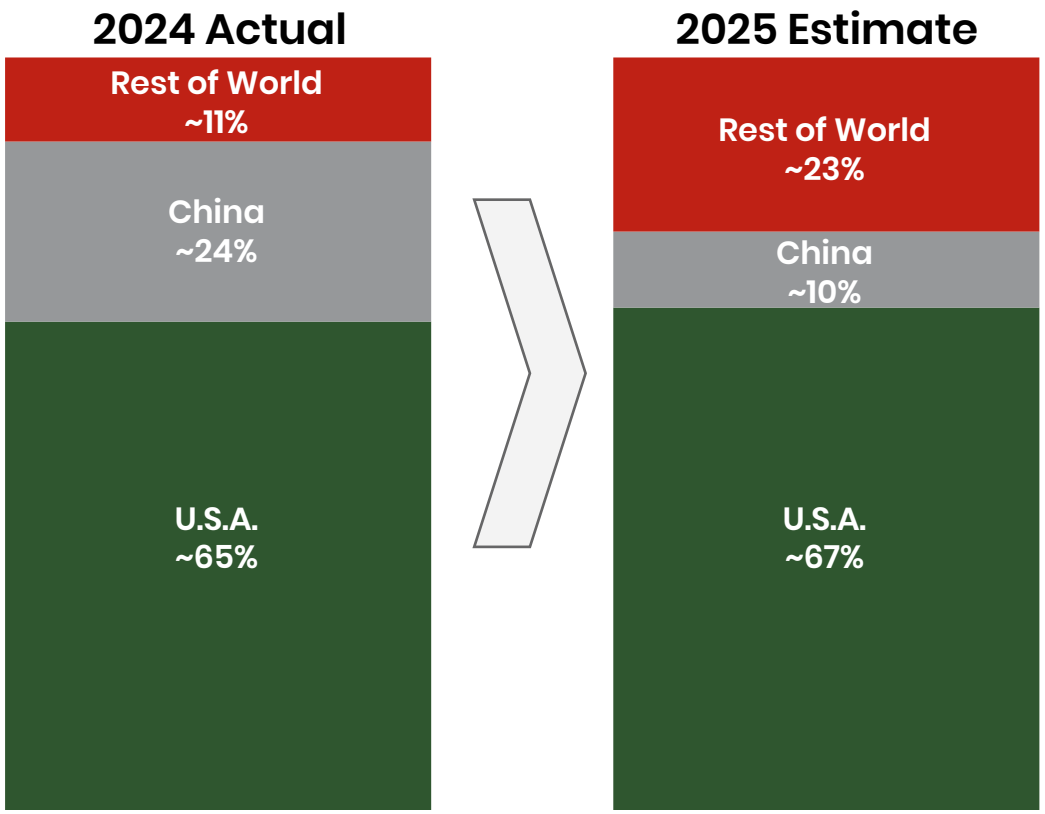


[1] Remaining availability under the revolving credit facility is subject to covenant restrictions.

[2] Additional information regarding net debt to Adjusted EBITDA and free cash flow, as well as a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, is provided in the Appendix.

2025 Tariff Update

Raw Material & Component Source by Market (at year-end)



Assuming 20% tariff on China imports and 10% for ROW, **potential 2025 margin impact of ~180bps (prior to mitigation efforts)**

Tariff Mitigation Actions:

- Diversify supply chain - transition into more strategically favorable regions
- Tariff cost share with vendors
- Pricing pass-through to customers

Working with OEM customers to mitigate cost impacts to end-consumer through:

- Product and pricing strategies of Good/Better/Best
- Utilizing existing inventory product

2025 Outlook

RV Industry

- Our current full year 2025 North American forecast is 320 - 350k wholesale unit shipments
- Continued momentum and product placement with newly launched products
- Consolidated April 2025 sales up 3% YoY, driven by a 7% increase in RV OEM sales for the month

Other Markets

- Aftermarket - Continued focus on organic and inorganic growth
- Marine - Expect continued slowness in the first half of 2025 with improvement in the back half
- Transportation, Building Products and Utility Trailer Markets - modest industry headwinds

Cost Reductions

- On track to deliver an additional 85bp margin improvement in 2025 through optimizing infrastructure







Appendix

Reconciliation of Non-GAAP Measures

ADJUSTED EBITDA

($ in thousands)	Three Months Ended March 31, 2025	2024
Net income	$ 49,438	$ 36,545
Interest expense, net	5,991	9,321
Provision for income taxes	17,835	11,745
Depreciation and amortization	29,542	32,689
EBITDA	$ 102,806	$ 90,300
Loss on extinguishment of debt	8,053	—
Adjusted EBITDA	$ 110,859	$ 90,300
Net sales	$ 1,045,590	$ 968,029
Net income as a % of Net Sales	4.7 %	3.8 %
Adjusted EBITDA as a % of Net Sales	10.6 %	9.3 %

FREE CASH FLOW

($ in thousands)	Three Months Ended March 31, 2025	2024
Net cash flows provided by (used in) operating activities	$ 42,718	$ (7,654)
Capital expenditures	(9,038)	(8,608)
Free cash flow	$ 33,680	$ (16,262)

ADJUSTED EBITDA (TTM)

($ in thousands)	Twelve months ended March 31, 2025	2024
Net income	$ 155,760	$ 93,481
Interest expense, net	25,569	39,351
Provision for income taxes	52,561	28,164
Depreciation and amortization	122,546	131,958
EBITDA	$ 356,436	$ 292,954
Loss on extinguishment of debt	8,053	—
Adjusted EBITDA	$ 364,489	$ 292,954
Net sales	$ 3,818,769	$ 3,779,527
Net income as a % of Net Sales	4.1 %	2.5 %
Adjusted EBITDA as a % of Net Sales	9.5 %	7.8 %

NET DEBT/ADJUSTED EBITDA (TTM)

	March 31, 2025	March 31, 2024
Total debt	$ 938,278	$ 855,342
Less cash and cash equivalents	231,243	22,625
Net debt	$ 707,035	$ 832,717
Total Debt/Net Income (TTM)	6.0x	9.1x
Net Debt/Adjusted EBITDA (TTM)	1.9x	2.8x

Adjusted EBITDA, Adjusted EBITDA as a percentage of net sales, and free cash flow are non-GAAP performance measures included to illustrate and improve comparability of the Company's results from period to period. Adjusted EBITDA is defined as net income before interest expense, provision for income taxes, depreciation and amortization expense, and loss on extinguishment of debt. Free cash flow is defined as net cash flows provided by (used in) operating activities less capital expenditures. The Company considers these non-GAAP measures in evaluating and managing the Company's operations and believes that discussion of results adjusted for these items is meaningful to investors because they provide a useful analysis of ongoing underlying trends. The adjusted measures are not in accordance with, nor are they a substitute for, GAAP measures, and they may not be comparable to similarly titled measures used by other companies.

The net debt to Adjusted EBITDA ratio on a trailing twelve month basis is a non-GAAP performance measure included because the Company believes it is useful to investors in evaluating the Company's leverage. The net debt to Adjusted EBITDA ratio is defined as total debt, less cash and cash equivalents, divided by Adjusted EBITDA. The net debt to Adjusted EBITDA ratio is a non-GAAP measure and should not be considered a substitute for the ratio of total debt to net income determined in accordance with GAAP. The Company's calculation of its net debt to Adjusted EBITDA ratio might not be calculated in the same manner as, and thus might not be comparable to, similarly titled measures used by other companies.

Appendix

Reconciliation of Non-GAAP Measures (cont.)

ADJUSTED NET INCOME

($ in thousands, except per share amounts)	Three Months Ended March 31, 2025	2024
Net income	$ 49,438	$ 36,545
Loss on extinguishment of debt	8,053	—
Tax effect of adjustment	(1,930)	—
Adjusted net income	$ 55,561	$ 36,545

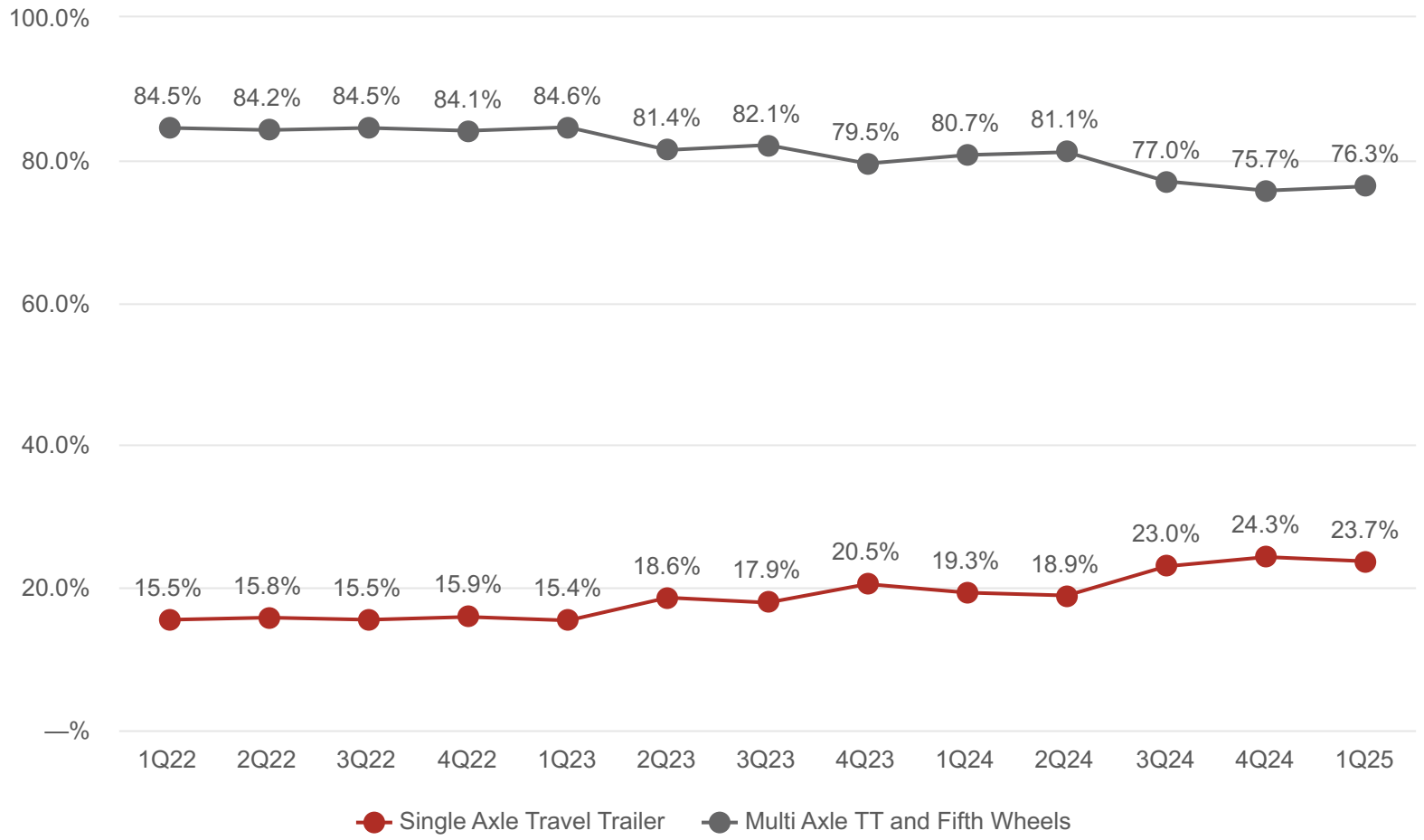
ADJUSTED NET INCOME PER DILUTED SHARE

Net income per common share - diluted	$ 1.94	$ 1.44
Loss on extinguishment of debt	0.32	—
Tax effect of adjustment	(0.07)	—
Adjusted net income per common share - diluted	$ 2.19	$ 1.44
Weighted average common shares outstanding - diluted	25,426	25,389

Adjusted net income and adjusted net income per diluted common share are non-GAAP performance measures included to illustrate and improve comparability of the Company's results from period to period. Adjusted net income is defined as net income adjusted for loss on extinguishment of debt and the related tax effect. The Company considers these non-GAAP measures in evaluating and managing the Company's operations and believes that discussion of results adjusted for these items is meaningful to investors because they provide a useful analysis of ongoing underlying trends. The adjusted measures are not in accordance with, nor are they a substitute for, GAAP measures, and they may not be comparable to similarly titled measures used by other companies.

Appendix

Historical Unit Mix as Percentage of LCI RV OEM Chassis Shipments





Q&A