

Legal Name and Structure	LCI INDUSTRIES , Delaware Corporation
Ownership Details	3.73% Held by Insiders, 43.71% Held by Institutions Holding More than 5%
Industry	336390 - Other Motor Vehicle Parts Manufacturing
Markets	NA and EU, OEM and Aftermarket RV parts (2024 10-K)
Competitive Position	Industry leader in the NA RV market (2024 10-K)
Management Team	Average management tenure of 17 years
Years in Operation	41 years (Delaware Division of Corporations)
Customer Concentration	2 Customers comprise 34% of Net Sales (2024 10-K).
Collateral Coverage	Discounted Land, Building, and Equipment Fixed Assets: \$645,687,200
Risk Rating	2.5 out of 5
Recommendation	SOFR +2% positioned above existing term and revolving credit

Financial Ratios					
Efficiency Analysis	2022	2023	2024	Trend	Quality
AR / Net Sales	4.23%	5.82%	5.48%	Fluctuating	Satisfactory (3)
Days Sales Outstanding	15.43	21.26	20.00	Fluctuating	Satisfactory (3)
Liquidity Analysis	2022	2023	2024	Trend	Quality
Current Ratio	3.30	2.83	2.82	Stable	Superior (1)
Quick Ratio	0.64	0.73	0.90	Increasing	Strong (2)
Working Capital	\$ 969,476	\$ 721,878	\$ 748,185	Recovering	Watch (4)
Free Cash Flow	\$ 733,155	\$ 589,438	\$ 412,617	Decreasing	Watch (4)
Profitability Analysis	2022	2023	2024	Trend	Quality
Gross Margin	24.45%	20.51%	23.51%	Recovering	Satisfactory (3)
Net Income	\$ 394,974	\$ 64,195	\$ 142,867	Recovering	Satisfactory (3)
Net Income Margin	7.59%	1.70%	3.82%	Recovering	Satisfactory (3)
EBITDA	\$ 682,240	\$ 255,196	\$ 343,930	Recovering	Satisfactory (3)
EBITDA Margin	13.10%	6.74%	9.19%	Recovering	Satisfactory (3)
Return on Assets	12.16%	2.17%	4.94%	Recovering	Strong (2)
Leverage Analysis	2022	2023	2024	Trend	Quality
Debt to Equity	0.81	0.63	0.55	Decreasing	Satisfactory (3)
Debt to EBITDA	1.64	3.32	2.20	Fluctuating	Watch (4)
Interest Coverage	20.06	3.05	7.55	Recovering	Satisfactory (3)

Industry Analysis

LCI Industries and [the wider RV industry still have not fully recovered from the sales slump that followed the pandemic, driven by high interest rates and a booming used market. The industry association for RVs has a consensus growth estimate of 4.91%.](#) We can expect LCI Industries to track the performance of its industry [due to it performing similarly to its benchmark in the past.](#)

Interest Coverage Sensitivity Based on Current Interest and New Debt

Current Interest	\$ -	\$ 600,000	\$ 650,000	\$ 700,000	\$ 1,200,000
\$ 28,899	7.55	3.26	3.11	2.98	2.08
\$ 62,300	3.50	2.17	2.11	2.05	1.58

Preliminary Recommendation

Extend credit to LCI Industries up to \$650,000,000 at SOFR +2% to position this credit line behind the existing credit line at SOFR +0.875% and term loan at SOFR +1.875%. The heightened interest rate is a result of the deteriorated creditworthiness of the firm since past credit was issued. At this credit limit, interest coverage will not drop below 3x at current borrowing levels and will not drop below 2x at the maximum possible borrowing level, given the existing credit facilities.