



## Holley Reports First Quarter 2024 Results; Continues Organizational Transformation With Key Executive Appointments to Drive Organic Growth

May 8, 2024

*Delivered first quarter net sales of \$158.6 million*

*Paid down \$15 million of debt and improved free cash flow generation by \$15m, year-over year*

*Reiterates full year 2024 outlook and provides Q2 outlook*

BOWLING GREEN, Ky.--(BUSINESS WIRE)-- Holley Performance Brands (NYSE: HLLY), a leader in automotive aftermarket performance solutions, today announced financial results for its first quarter ended March 31, 2024.

### First Quarter Highlights vs. Prior Year Period

- Net Sales decreased 7.9% to \$158.6 million compared to \$172.2 million last year
- Net Income was \$3.7 million, or \$0.03 per diluted share, compared to \$4.2 million, or \$0.04 per diluted share, last year
- Adjusted Net Income<sup>1</sup> was \$0.1 million compared to \$6.1 million last year
- Adjusted EBITDA<sup>1</sup> was \$30.7 million compared to \$33.9 million last year
- Net Cash Provided by Operating Activities was \$18.8 million compared to \$3.6 million last year
- Free Cash Flow<sup>1</sup> was \$17.7 million compared to \$3.0 million last year

<sup>1</sup>See "Use and Reconciliation of Non-GAAP Financial Measures" below.

"The organizational transformation at Holley is well underway. In the first few months of 2024, we made a number of key hires onboarding new talent focused on Holley's sales, marketing, and product strategy that will, ultimately, drive the organic growth engine in the future," said Matthew Stevenson, President, and Chief Executive Officer of Holley. "The strategic groundwork we are establishing is poised to cultivate long-term sustainable growth, supported by a team of dedicated professionals who possess a deep passion and unparalleled expertise in sales, product innovation, and marketing. This team is set to elevate Holley to unprecedented heights. Furthermore, in the first quarter, we initiated a strategic rebranding to Holley Performance Brands, a move designed to broaden Holley's impact and fortify our footprint within the high-performance automotive industry."

### Key Operating Metrics and Strategic Highlights

- Improving inventory turns with 1-time transformative rationalization of ~12,000 in non-performing finished good SKUs
- \$3.7 million of savings from freight related cost reduction initiatives
- Completed additional \$15 million in early debt paydown against the Company's first lien term loan facility in Q1
- Holley's bank-adjusted EBITDA leverage ratio at quarter end of 4.16x was well below the amended covenant ceiling of 5.75x for Q1 of 2024 and below the original covenant level of 5.0x
- Announced shift to Holley Performance Brands to accelerate growth

Stevenson continued, "The outlook for Holley is extremely bright, yet the immediate macroeconomic environment faces challenges due to softening consumer demand and continued inflation. Our focus is on steering the elements within our control, preparing the organization for growth, and the eventual resurgence of consumer health. We've made considerable strides in several key areas, including expanding our distributor relationships, enhancing cost efficiency, and actively managing supply chain dynamics."

Holley's CFO, Jesse Weaver, added, "We continue to make headway on our financial priorities. Of note, our focus on SKU management was evident in the first quarter demonstrated by the rationalization of underperforming SKUs. Additionally, we executed upon our disciplined inventory and past dues strategy with inventory turns growing and further reduction in past due orders, respectively. We also paid down an additional \$15 million of debt in March which enhances our financial flexibility as we remain focused on delivering strong cash flow and using proceeds to reduce leverage. While we still view consumer demand to be muted in the near-term, the overall strength in the automotive performance enthusiast aftermarket coupled with our internal efforts position Holley well for growth and increased profitability in the second half of the year."

### Outlook

Holley is providing the following outlook for the second quarter and full-year 2024:

| Metric                                | Second Quarter 2024 Outlook | Full Year 2024 Outlook |
|---------------------------------------|-----------------------------|------------------------|
| Net Sales                             | \$165 - \$175 million       | \$640 - \$680 million  |
| Adjusted EBITDA *                     | \$34 - \$40 million         | \$125 - \$145 million  |
| Capital Expenditures                  |                             | \$8 - \$12 million     |
| Depreciation and Amortization Expense |                             | \$24 - \$26 million    |
| Interest Expense                      |                             | \$50 - \$55 million    |
| Bank-adjusted EBITDA Leverage Ratio * |                             | 4.0x - 3.5x            |

\* Holley is not providing reconciliations of forward-looking second quarter 2024 and full year 2024 Adjusted EBITDA outlook and full year 2024 Bank-adjusted EBITDA Leverage Ratio outlook because certain information necessary to calculate the most comparable GAAP measure, net income, is unavailable due to the uncertainty and inherent difficulty of predicting the occurrence and the future financial statement impact of certain items. Therefore, as a result of the uncertainty and variability of the nature and amount of future adjustments, which could be significant, Holley is unable to provide these forward-looking reconciliations without unreasonable effort. Accordingly, Holley is relying on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K to exclude these reconciliations.

Holley notes that its outlook for the second quarter and fully-year 2024 may vary due to changes in assumptions or market conditions and other factors described below under "Forward-Looking Statements."

### **Conference Call**

A conference call and audio webcast has been scheduled for 8:30 a.m. Eastern Time today to discuss these results. Investors, analysts, and members of the media interested in listening to the live presentation are encouraged to join a webcast of the call available on the investor relations portion of the Company's website at [investor.holley.com](http://investor.holley.com). For those that cannot join the webcast, you can participate by dialing 877-407-4019 (Toll Free) or 201-689-8337 (Toll) using the access code of 13745847.

For those unable to participate, a telephone replay recording will be available until Wednesday, May 15, 2024. To access the replay, please call 877-660-6853 (Toll Free) or 201-612-7415 (Toll) and enter confirmation code 13745847. A web-based archive of the conference call will also be available on the Company's website.

### **Additional Financial Information**

The Investor Relations page of Holley's website, [investor.holley.com](http://investor.holley.com) contains a significant amount of financial information about Holley, including our earnings presentation, which can be found under Events & Presentations. Holley encourages investors to visit this website regularly, as information is updated, and new information is posted.

### **About Holley Inc.**

Holley Performance Brands (NYSE: HLLY) is a leading designer, marketer, and manufacturer of high-performance products for car and truck enthusiasts. Holley offers a leading portfolio of iconic brands that deliver innovation and inspiration to a large and diverse community of millions of avid automotive enthusiasts who are passionate about the performance and personalization of their classic and modern cars. Holley has disrupted the performance category by putting the enthusiast consumer first, developing innovative new products, and building a robust M&A process that has added meaningful scale and diversity to its platform. For more information on Holley, visit <https://www.holley.com>.

### **Forward-Looking Statements**

Certain statements in this press release may be considered "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or Holley's future financial or operating performance. For example, projections of future revenue and adjusted EBITDA and other metrics, along with statements regarding the impact of organizational changes, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "or" or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Holley and its management, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: 1) the ability of Holley to grow and manage growth profitably which may be affected by, among other things, competition; to maintain relationships with customers and suppliers; and to retain its management and key employees; 2) Holley's ability to compete effectively in our market; 3) Holley's ability to successfully design, develop, and market new products; 4) Holley's ability to respond to changes in vehicle ownership and type; 5) Holley's ability to maintain and strengthen demand for our products; 6) Holley's ability to effectively manage our growth; 7) Holley's ability to attract new customers in a cost-effective manner; 8) Holley's ability to expand into additional consumer markets; 9) costs related to Holley being a public company; 10) disruptions to Holley's operations, including as a result of cybersecurity incidents; 11) changes in applicable laws or regulations; 12) the outcome of any legal proceedings that have been or may be instituted against Holley; 13) general economic and political conditions, including the current macroeconomic environment, political tensions, and war (including the conflict in Ukraine, the conflict in the Middle East, and the possible

expansion of such conflicts and potential geopolitical consequences); 14) the possibility that Holley may be adversely affected by other economic, business, and/or competitive factors, including recent events affecting the financial services industry (such as the closures of certain regional banks); 15) Holley's estimates and expectations of its financial performance and future growth prospects; 16) Holley's ability to anticipate and manage through disruptions and higher costs in manufacturing, supply chain, logistical operations, and shortages of certain company products in distribution channels; and 17) other risks and uncertainties set forth in the section entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in the Annual Report on Form 10-K for the year ended December 31, 2023 filed with the U.S. Securities and Exchange Commission ("SEC") on March 14, 2024, and/or disclosed in any subsequent filings with the SEC. Although Holley believes the expectations reflected in the forward-looking statements are reasonable, nothing in this press release should be regarded as a representation by any person that the forward-looking statements or projections set forth herein will be achieved or that any of the contemplated results of such forward looking statements or projections will be achieved. There may be additional risks that Holley presently does not know or that Holley currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Holley undertakes no duty to update these forward-looking statements, except as otherwise required by law.

[Financial Tables to Follow]

**HOLLEY INC. and SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In thousands)  
(Unaudited)

|  | For the thirteen weeks ended |                  |                  |                 |
|--|------------------------------|------------------|------------------|-----------------|
|  | March 31,<br>2024            | April 2,<br>2023 | Variance<br>(\$) | Variance<br>(%) |
| Net Sales  | \$ 158,636                   | \$ 172,205       | \$ (13,569)      | -7.9%           |
| Cost of Goods Sold                                   | 106,577                      | 104,492          | 2,085            | 2.0%            |
| Gross Profit   | 52,059                       | 67,713           | (15,654)         | -23.1%          |
| Selling, General, and Administrative                 | 32,996                       | 30,017           | 2,979            | 9.9%            |
| Research and Development Costs                       | 4,812                        | 6,653            | (1,841)          | -27.7%          |
| Amortization of Intangible Assets                    | 3,436                        | 3,679            | (243)            | -6.6%           |
| Restructuring Costs                                  | 615                          | 1,339            | (724)            | -54.1%          |
| Other Operating Expense (Income)                     | (8)                          | 51               | (59)             | nm              |
| Operating Expense                                    | 41,851                       | 41,739           | 112              | 0.3%            |
| Operating Income                                     | 10,208                       | 25,974           | (15,766)         | -60.7%          |
| Change in Fair Value of Warrant Liability            | (3,127)                      | 1,435            | (4,562)          | nm              |
| Change in Fair Value of Earn-Out Liability           | (649)                        | 428              | (1,077)          | nm              |
| Loss on Early Extinguishment of Debt                 | 141                          | —                | 141              | nm              |
| Interest Expense, Net                                | 11,004                       | 18,298           | (7,294)          | -39.9%          |
| Non-Operating Expense                                | 7,369                        | 20,161           | (12,792)         | -63.4%          |
| Income Before Income Taxes                           | 2,839                        | 5,813            | (2,974)          | -51.2%          |
| Income Tax Expense (Benefit)                         | (891)                        | 1,566            | (2,457)          | nm              |
| Net Income   | \$ 3,730                     | \$ 4,247         | \$ (517)         | -12.2%          |
| <b>Comprehensive Income:</b>                         |                              |                  |                  |                 |
| Foreign Currency Translation Adjustment              | (186)                        | (199)            | 13               | -6.5%           |
| Total Comprehensive Income                           | \$ 3,544                     | \$ 4,048         | \$ (504)         | -12.5%          |
| <b>Common Share Data:</b>                            |                              |                  |                  |                 |
| Basic Net Income per Share                           | \$ 0.03                      | \$ 0.04          | \$ (0.01)        | -25.0%          |
| Diluted Net Income per Share                         | \$ 0.03                      | \$ 0.04          | \$ (0.01)        | -25.0%          |
| Weighted Average Common Shares Outstanding - Basic   | 117,872                      | 117,154          | 718              | 0.6%            |
| Weighted Average Common Shares Outstanding - Diluted | 119,505                      | 117,245          | 2,260            | 1.9%            |
| nm - not meaningful                                  |                              |                  |                  |                 |

**HOLLEY INC. and SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(In thousands)  
(Unaudited)

|   | As of               |                      |
|---|---------------------|----------------------|
|   | March 31,<br>2024   | December 31,<br>2023 |
| <b>Assets</b>                                     |                     |                      |
| Cash and cash equivalents                         | \$ 41,127           | \$ 41,081            |
| Accounts receivable                               | 48,721              | 48,360               |
| Inventory   | 184,016             | 192,260              |
| Prepays and other current assets                  | 15,944              | 15,665               |
| <b>Total Current Assets</b>                       | <b>289,808</b>      | <b>297,366</b>       |
| Property, Plant and Equipment, Net                | 46,376              | 47,206               |
| Goodwill  | 419,056             | 419,056              |
| Other Intangibles, Net                            | 406,896             | 410,465              |
| Other Noncurrent Assets                           | 29,598              | 29,250               |
| <b>Total Assets</b>                               | <b>\$ 1,191,734</b> | <b>\$ 1,203,343</b>  |
| <b>Liabilities and Stockholders' Equity</b>       |                     |                      |
| Accounts payable                                  | \$ 50,258           | \$ 43,692            |
| Accrued interest                                  | 442                 | 455                  |
| Accrued liabilities                               | 43,580              | 42,129               |
| Current portion of long-term debt                 | 7,444               | 7,461                |
| <b>Total Current Liabilities</b>                  | <b>101,724</b>      | <b>93,737</b>        |
| Long-Term Debt, Net of Current Portion            | 560,112             | 576,710              |
| Deferred Taxes                                    | 51,631              | 53,542               |
| Other Noncurrent Liabilities                      | 33,352              | 38,203               |
| <b>Total Liabilities</b>                          | <b>746,819</b>      | <b>762,192</b>       |
| Common Stock                                      | 12                  | 12                   |
| Additional Paid-In Capital                        | 374,089             | 373,869              |
| Accumulated Other Comprehensive Loss              | (896)               | (710)                |
| Retained Earnings                                 | 71,710              | 67,980               |
| <b>Total Stockholders' Equity</b>                 | <b>444,915</b>      | <b>441,151</b>       |
| <b>Total Liabilities and Stockholders' Equity</b> | <b>\$ 1,191,734</b> | <b>\$ 1,203,343</b>  |

**HOLLEY INC. and SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)

|  | For the thirteen weeks ended |                  |
|--|------------------------------|------------------|
|  | March 31,<br>2024            | April 2,<br>2023 |
| <b>Operating Activities</b>                                |                              |                  |
| Net Income   | \$ 3,730                     | \$ 4,247         |
| Adjustments to Reconcile to Net Cash                       | 10,971                       | 13,874           |
| Changes in Operating Assets and Liabilities                | 4,142                        | (14,482)         |
| <b>Net Cash Provided by Operating Activities</b>           | <b>18,843</b>                | <b>3,639</b>     |
| <b>Investing Activities</b>                                |                              |                  |
| Capital Expenditures, Net of Dispositions                  | (1,091)                      | (683)            |
| <b>Net Cash Provided by (Used in) Investing Activities</b> | <b>(1,091)</b>               | <b>(683)</b>     |
| <b>Financing Activities</b>                                |                              |                  |
| Net Change in Debt   | (16,748)                     | (7,284)          |
| Deferred financing fees                                    | —                            | (1,117)          |
| Payments from Stock-Based Award Activities                 | (921)                        | (34)             |

|  |           |           |
|--|-----------|-----------|
| Net Cash Provided by (Used in) Financing Activities  | (17,669)  | (8,435)   |
| Effect of Foreign Currency Rate Fluctuations on Cash | (37)      | 145       |
| Net Change in Cash and Cash Equivalents              | 46        | (5,334)   |
| <b>Cash and Cash Equivalents</b>                     |           |           |
| Beginning of Period                                  | 41,081    | 26,150    |
| End of Period  | \$ 41,127 | \$ 20,816 |

We present certain information with respect to EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Bank-adjusted EBITDA Leverage Ratio, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Net Income, Adjusted Diluted EPS and Free Cash Flow as supplemental measures of our operating performance and believe that such non-GAAP financial measures are useful to investors in evaluating our financial performance and in comparing our financial results between periods because they exclude the impact of certain items that we do not consider indicative of our ongoing operating performance. We believe that the presentation of these non-GAAP financial measures enhances the usefulness of our financial information by presenting measures that management uses internally to establish forecasts, budgets, and operational goals to manage and monitor our business. We believe that these non-GAAP financial measures help to depict a more realistic representation of the performance of our underlying business, enabling us to evaluate and plan more effectively for the future.

EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Bank-adjusted EBITDA Leverage Ratio, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Net Income, Adjusted Diluted EPS and Free Cash Flow are not prepared in accordance with generally accepted accounting principles ("GAAP") and may be different from non-GAAP and other financial measures used by other companies. These measures should not be considered as measures of financial performance under GAAP, and the items excluded from or included in these metrics are significant components in understanding and assessing our financial performance. These metrics should not be considered as alternatives to net income, gross profit, net cash provided by operating activities, or any other performance measures, as applicable, derived in accordance with GAAP.

We define EBITDA as earnings before depreciation, amortization of intangible assets, interest expense, and income tax expense. We define Adjusted EBITDA as EBITDA adjusted to exclude, to the extent applicable, restructuring costs, which includes operational restructuring and integration activities, termination related benefits, facilities relocation, and executive transition costs; changes in the fair value of the warrant liability; changes in the fair value of the earn-out liability; equity-based compensation expense; inventory charges primarily due to product rationalization initiatives that are part of a portfolio transformation aimed at eliminating unprofitable or slow-moving SKUs; gain or loss on the early extinguishment of debt; notable items that we do not believe are reflective of our underlying operating performance, including litigation settlements and certain costs incurred for advisory services related to identifying performance initiatives; and other expenses or gains, which includes gains or losses from disposal of fixed assets, franchise taxes, and gains or losses from foreign currency transactions. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by net sales.

**HOLLEY INC. and SUBSIDIARIES**  
**USE AND RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

*(In thousands)*

*(Unaudited)*

|  | <b>For the thirteen weeks ended</b> |                          |
|--|-------------------------------------|--------------------------|
|  | <b>March 31,<br/>2024</b>           | <b>April 2,<br/>2023</b> |
| <b>Net Income</b>                          | \$ 3,730                            | \$ 4,247                 |
| <b>Adjustments:</b>                        |                                     |                          |
| Interest Expense, Net                      | 11,004                              | 18,298                   |
| Income Tax Expense (Benefit)               | (891)                               | 1,566                    |
| Depreciation                               | 2,464                               | 2,485                    |
| Amortization                               | 3,436                               | 3,679                    |
| <b>EBITDA</b>                              | <b>19,743</b>                       | <b>30,275</b>            |
| Restructuring Costs                        | 615                                 | 1,339                    |
| Change in Fair Value of Warrant Liability  | (3,127)                             | 1,435                    |
| Change in Fair Value of Earn-Out Liability | (649)                               | 428                      |
| Equity-Based Compensation Expense          | 1,141                               | 394                      |
| Inventory Charges                          | 9,713                               | —                        |
| Loss on Early Extinguishment of Debt       | 141                                 | —                        |
| Notable Items                              | 3,100                               | 24                       |

|                        |                  |                  |
|------------------------|------------------|------------------|
| Other Expense (Income) | (8)              | 51               |
| <b>Adjusted EBITDA</b> | <b>\$ 30,669</b> | <b>\$ 33,946</b> |
| Net Sales              | \$ 158,636       | \$ 172,205       |
| Net Income Margin      | 2.4%             | 2.5%             |
| Adjusted EBITDA Margin | 19.3%            | 19.7%            |

We define the Bank-adjusted EBITDA Leverage Ratio as Net Debt divided by our Bank-adjusted EBITDA for the trailing twelve-month (“TTM”) period, as defined under our Credit Agreement entered into in November 2021, as amended, which is used in calculating covenant compliance.

|  | <b>TTM March 31,<br/>2024</b> |
|--|-------------------------------|
| <b>Net Income</b>                            | <b>\$ 18,663</b>              |
| <b>Adjustments:</b>                          |                               |
| Interest Expense, Net                        | 53,452                        |
| Income Tax Expense (Benefit)                 | 5,942                         |
| Depreciation                                 | 10,287                        |
| Amortization                                 | 14,314                        |
| <b>EBITDA</b>                                | <b>102,658</b>                |
| Restructuring Costs                          | 1,917                         |
| Change in Fair Value of Warrant Liability    | (451)                         |
| Change in Fair Value of Earn-Out Liability   | 1,226                         |
| Equity-Based Compensation Expense            | 8,038                         |
| Inventory Charges                            | 8,913                         |
| Gain on Early Extinguishment of Debt         | (560)                         |
| Notable Items                                | 4,361                         |
| Other Expense                                | 706                           |
| <b>Adjusted EBITDA</b>                       | <b>126,808</b>                |
| Additional Permitted Charges                 | 1,896                         |
| <b>Adjusted EBITDA per Credit Agreement</b>  | <b>\$ 128,704</b>             |
| Total Debt                                   | <b>\$ 577,175</b>             |
| Less: Permitted Cash and Cash Equivalents    | 41,127                        |
| <b>Net Indebtedness per Credit Agreement</b> | <b>\$ 536,048</b>             |
| Bank-adjusted EBITDA Leverage Ratio          | <b>4.16 x</b>                 |

We define adjusted gross profit as gross profit excluding inventory charges primarily due to product rationalization initiatives that are part of a portfolio transformation aimed at eliminating unprofitable or slow-moving SKUs. We define Adjusted Gross Margin as Adjusted Gross Profit divided by net sales.

|                               | <b>For the thirteen weeks ended</b> |                          |
|-------------------------------|-------------------------------------|--------------------------|
|                               | <b>March 31,<br/>2024</b>           | <b>April 2,<br/>2023</b> |
| <b>Gross Profit</b>           | <b>\$ 52,059</b>                    | <b>\$ 67,713</b>         |
| Adjust for: Inventory Charges | 9,713                               | —                        |
| <b>Adjusted Gross Profit</b>  | <b>\$ 61,772</b>                    | <b>\$ 67,713</b>         |
| <b>Net Sales</b>              | <b>\$ 158,636</b>                   | <b>\$ 172,205</b>        |
| Gross Margin                  | 32.8%                               | 39.3%                    |
| Adjusted Gross Margin         | 38.9%                               | 39.3%                    |

We define Adjusted Net Income as earnings excluding the after-tax effect of changes in the fair value of the warrant liability, changes in the fair value of the earn-out liability, and gain or loss on the early extinguishment of debt. We define Adjusted Diluted EPS as Adjusted Net Income on a per share basis. Management uses these measures to focus on on-going operations and believes that it is useful to investors because it enables them to perform meaningful comparisons of past and present consolidated operating results. We believe that using this information, along with net income and net income per diluted share, provides for a more complete analysis of the results of operations.

|  | <b>For the thirteen weeks ended</b> |                 |
|--|-------------------------------------|-----------------|
|  | <b>March 31,</b>                    | <b>April 2,</b> |

|  | 2024         | 2023            |
|--|--------------|-----------------|
| <b>Net Income</b>                                      | \$ 3,730     | \$ 4,247        |
| Special items:   |              |                 |
| Adjust for: Change in Fair Value of Warrant Liability  | (3,127)      | 1,435           |
| Adjust for: Change in Fair Value of Earn-Out Liability | (649)        | 428             |
| Adjust for: Loss on Early Extinguishment of Debt       | 111          | —               |
| <b>Adjusted Net Income</b>                             | <b>\$ 65</b> | <b>\$ 6,110</b> |

|  | For the thirteen weeks ended |                  |
|--|------------------------------|------------------|
|  | March 31,<br>2024            | April 2,<br>2023 |
| <b>Net Income per Diluted Share</b>                    | <b>\$ 0.03</b>               | <b>\$ 0.04</b>   |
| Special items:   |                              |                  |
| Adjust for: Change in Fair Value of Warrant Liability  | (0.03)                       | 0.01             |
| Adjust for: Change in Fair Value of Earn-Out Liability | —                            | —                |
| Adjust for: Loss on Early Extinguishment of Debt       | —                            | —                |
| <b>Adjusted Diluted EPS</b>                            | <b>\$ —</b>                  | <b>\$ 0.05</b>   |

We define Free Cash Flow as net cash provided by operating activities minus cash payments for capital expenditures, net of dispositions. Management believes providing Free Cash Flow is useful for investors to understand our performance and results of cash generation after making capital investments required to support ongoing business operations.

|  | For the thirteen weeks ended |                  |
|--|------------------------------|------------------|
|  | March 31,<br>2024            | April 2,<br>2023 |
| <b>Net Cash Provided by Operating Activities</b> | <b>\$ 18,843</b>             | <b>\$ 3,639</b>  |
| Capital Expenditures, Net of Dispositions        | (1,091)                      | (683)            |
| <b>Free Cash Flow</b>                            | <b>\$ 17,752</b>             | <b>\$ 2,956</b>  |

The outlook for second quarter and full year 2024 Adjusted EBITDA and the outlook for full year 2024 Bank-adjusted EBITDA Leverage Ratio are provided on a non-GAAP basis only because certain information necessary to calculate the most comparable GAAP measure, net income, is unavailable due to the uncertainty and inherent difficulty of predicting the occurrence and the future financial statement impact of certain items. Therefore, as a result of the uncertainty and variability of the nature and amount of future adjustments, which could be significant, we are unable to provide a reconciliation of the outlook for 2024 Adjusted EBITDA and Bank-adjusted EBITDA Leverage Ratio without unreasonable effort.

|                                     | Second Quarter 2024<br>Outlook |            | Full Year 2024 Outlook |            |
|-------------------------------------|--------------------------------|------------|------------------------|------------|
|                                     | Low Range                      | High Range | Low Range              | High Range |
| Net Sales                           | \$ 165,000                     | \$ 175,000 | \$ 640,000             | \$ 680,000 |
| Adjusted EBITDA                     | 34,000                         | 40,000     | 125,000                | 145,000    |
| Depreciation and Amortization       |                                |            | 24,000                 | 26,000     |
| Interest Expense                    |                                |            | 50,000                 | 55,000     |
| Capital Expenditures                |                                |            | 8,000                  | 12,000     |
| Bank-adjusted EBITDA Leverage Ratio |                                |            | 4.0x                   | 3.5x       |

#### Investor Relations:

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