



*First Quarter 2025  
Financial Results Call*



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Included in this Presentation are certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”) that are designed to supplement, and not substitute Holley’s financial information presented in accordance with GAAP, including, but not limited to, EBITDA, Adjusted EBITDA, Adjusted EDBITDA Margin, Bank-adjusted EBITDA Leverage Ratio, Adjusted Gross Profit, Adjusted Gross Profit Margin, Adjusted Net Income, Adjusted Diluted EPS, and Free Cash Flow. The non-GAAP measures as defined by Holley may not be comparable to similar non-GAAP measures presented by other companies. The presentation of such measures, which may include adjustments to exclude non-recurring items, should not be construed as an inference that Holley’s future results, cash flows, or leverage will be unaffected by other nonrecurring items. Refer to information about the non-GAAP measures contained in this Presentation. This Presentation also includes forward-looking estimates of Adjusted EBITDA and Year-end Bank-adjusted EBITDA Leverage Ratio as part of our financial guidance. We do not reconcile these non-GAAP measures for future periods to their most comparable GAAP measures due to the uncertainty and potential variability of reconciling items. Because such items cannot be reasonably predicted with the level of precision required, we are unable to provide a reconciliation of these non-GAAP measures without unreasonable effort. Forward-looking estimates of Adjusted EBITDA and Year-end Bank Adjusted EBITDA Leverage Ratio are estimated in a manner consistent with the relevant definitions and assumptions noted herein.

# Agenda

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Presenter:

**Anthony Rozmus**

Investor Relations

**Matthew Stevenson**

President & CEO

**Jesse Weaver**

CFO

**Group**

**Matthew Stevenson**

President & CEO

- Introductions & Forward-Looking Statements
- Results and Highlights
- Q1 Financial Results
- Q&A
- Outlook



# *Results and Highlights*

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*Matthew Stevenson*  
*President and CEO*



# Highlights for Q1

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- Achieved meaningful revenue growth of 3.3% in the business across all divisions.
- Gross Margin improvements driven by labor and overhead efficiency and reduced warranty.
- Delivered results through key growth initiatives within our strategic framework.
- Expanded growth across 25+ brands in both DTC and B2B channels.
- Further strengthened relationships with B2B partners, resulting in ~2.5% growth in the channel.
- DTC orders grew 10%+ with third-party platforms (Amazon, eBay, etc.) increasing by more than 50%.
- Product innovation and strategic pricing initiatives contributed \$8.1 million in revenue.
- Implementing proactive cost reductions and strategic sourcing initiatives to mitigate tariff impacts.



# Q1 Financial Results & Ongoing Business Highlights



## 2025 Q1 Results

Net  
Sales

**\$153.0M**

+3.3% vs. PY<sup>1</sup>

Gross  
Margin

**41.9%**

+910bps vs. PY

Adjusted  
EBITDA Margin<sup>2</sup>

**17.8%**

+460bps vs. PY

Free  
Cash Flow<sup>2</sup>

**(\$10.8)**

(\$28.6M) vs. PY

## Business Highlights

### New Products Launched in Q1 Across Divisions

**NEW  
HOT**

Along with  
many more!



Sniper 2 EFI HyperSpark Bundles  
& NOS Octane Booster



Truck Performance Packages



Dinan BMW S58 In-line Tuning



HANS IV

### Operational Excellence Q1

**+2.0%**

YOY Top 2,500  
Products In-Stock %

**+20%**

YOY Reduction in Past Dues

**>\$1M**

YOY Improvement in  
Ops Efficiency

**>\$3M**

Inventory Reduction Since  
Year End

### Elevated Promotional Efforts Q1

**+27%**

DTC YoY Growth  
Rate During IRS Sale in Q1

**591M**

Earned Media Impressions Generated  
by 1,307 Media Clips in Q1

**8M**

Social Media Follows +3% YOY

1) Growth rate compared to the first quarter of 2024 after excluding approximately \$10.5 million of divestiture and strategic product rationalization sales from net sales for the first quarter of 2024

2) Non-GAAP measure. Please see the GAAP to Non-GAAP reconciliation in the Appendix to this presentation

# Q1 Growth in Divisions and Key Brands



*Focusing resources & accountability is driving growth in power brands across divisions*

1) Net Sales Growth rates compared to the first quarter of 2024 after excluding approximately \$10.5 million of divestiture and strategic product rationalization sales from net sales for the first quarter of 2024

# Framework for 2025 and Beyond



**GREAT Place to Work**

 **DELIVER Results**

 **FUND the Growth**

 **Transformational M&A**



**Premier CONSUMER Journey**



**Trailblazing Trusted PARTNER**



**Product INNOVATION & Portfolio Management**









**GLOBAL Expansion & NEW Markets**



# Strategic Initiative Tracker / Q1 Wins



| Pillar   | Key Metric                | Details  |
|--|---------------------------|--|
|  <b>Trailblazing Trusted PARTNER</b>                         | <b>+\$2.5<sub>M</sub></b> | <ul style="list-style-type: none"> <li>Continuing to see growth with efforts targeted at National Retailers</li> <li>R&amp;R relationship yielding results with improvement in data quality and increases in Top 50 Accounts</li> <li>Launched Holley Pros initiative to provide strategic approach to smaller accounts</li> </ul> |
|  <b>Premier CONSUMER Journey</b>                             | <b>+\$3.3<sub>M</sub></b> | <ul style="list-style-type: none"> <li>E-comm growth over 10% driven by 3P &amp; conversion rate improvements</li> <li>3P Growth driven by a focused effort on Amazon, up over 15%</li> <li>Holley Events restructured to improve experiences and drive further revenue increases and media value</li> </ul>                       |
|  <b>Product <u>INNOVATION</u> &amp; Portfolio Management</b> | <b>+\$8.0<sub>M</sub></b> | <ul style="list-style-type: none"> <li><u>Product Innovation</u>: launched new products across our four divisions and are gaining momentum on Performance-Package Solutions ~\$4M</li> <li><u>Portfolio Management</u>: B2B sales generated from pricing changes and sales generated from active portfolio ~\$4M</li> </ul>        |
|  <b><u>GLOBAL</u> Expansion &amp; <u>NEW</u> Markets</b>    | <b>+\$0.3<sub>M</sub></b> | <ul style="list-style-type: none"> <li>On track with the beginning stages of the Mexico market expansion with on-the-ground activation of events and promotions, and 15 distributors signed up to date</li> <li>Increasing engagement with BMW dealers, 22 now in Dinan program</li> </ul>   |
|  <b><u>FUND</u> the Growth</b>                             | <b>+\$3.1<sub>M</sub></b> | <ul style="list-style-type: none"> <li>\$2.1M in completed and implemented projects related to purchase savings in Q1</li> <li>~ \$1M in operational improvements in Q1 &amp; on pace for \$6.0M for FY.</li> </ul>  |
|  <b><u>GREAT</u> Place to Work</b>                         | <b>+3%</b><br>Improvement | <ul style="list-style-type: none"> <li>Seeing positive results from Great Place to Work (GPTW) Survey with increase of 3%</li> </ul>   |

***Drove ~\$15M in revenue on key initiatives, \$3.1 M in cost reductions, & 3% up in GPTW***

# Proactively Managing Costs to Offset Tariff Headwind



| Focus Area              | Tactics                                    | Description  |
|-------------------------|--|--|
| Spend Optimization      | Eliminate Discretionary Spend              | Reduce non-essential expenses such as travel, off-site meetings, etc.  |
|                         | Prioritize Key Projects (OPEX/CAPEX)       | Review and prioritize major growth initiatives, analyze associated expenditures, and align priorities  |
|                         | Professional Services Reduction            | Reduce spending on professional services, switch to lower-cost vendors, and renegotiate agreements in areas such as legal, benefits, marketing, and auditing   |
| Operational Improvement | Accelerate Ops Improvements                | Reduce warranty spend, returns, and improve first-time yield and waste   |
|                         | Accelerate Site Consolidation              | Evaluate and accelerate site consolidation, and put new site openings on hold  |
|                         | Efficient Mfg/Dist Labor Management        | Headcount freeze, and will adjust the workforce to match new volume realities should they occur, reduce overtime, and tightly manage front-line operations.  |
|                         | Reduce Unproductive Inventory              | Reduce existing inventory and inbound inventory to match market demand, minimize order quantities, through improvements in our SIOP processes  |
| Tariff Mitigation       | Reduce Tariff Impact                       | Negotiate with suppliers to absorb tariff increases, value-add in a low-cost country, move with the existing supplier out of China, re-source product with a new supplier in a lower-cost country, ensure correct tariff coding, lobby for inclusion, etc. Bonded warehouse and logistic optimization. |
| Pricing                 | Price Realization to Recover Tariff Impact | Evaluate competitive pricing moves, understand sourcing strategies, raise prices strategically across the portfolio, and avoid price increases on new incremental business unless necessary.   |

**Proactively Addressing Cost Structure to Minimize Impact from Tariffs**



# Mitigate The Tariff Impacts As Effectively As Possible Within The Shortest Feasible Timeframe



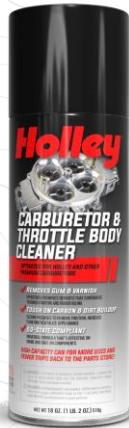
5 Major workstreams have been established – with daily meetings

|                  |                                  |  |
|------------------|----------------------------------|--|
| Product Focus    | 01. Governance                   | Steerco Established, Outside PMO Support + Contractor On Board, Daily & Weekly Reporting, Burndown Chart Established   |
|                  | 02. Products                     | Ideation Workshop, 11 Product Teams with Team Leaders, Prioritization, Consistent Action Playbook including Supplier Negotiations / Relocations / Resourcing, Footprint Analysis, Make vs. Buy, Verify Product Classifications...          |
| Enterprise Focus | 03. Logistics & Supply Chain     | Bonded Warehouse (Memphis Location Secured), FTZ, Inventory / Shipping Analysis, SKU Rationalization, etc.   |
|                  | 04. Regulatory & Classifications | Utilize ITCG, 3 <sup>rd</sup> Party <u>T</u> rade <u>O</u> ptimization <u>S</u> tudy, Additional Experts Retained (In Importation, Legal), Exceptions Identified (Non-Auto Parts) For Lobbying (SEMA, MEMA, MIC, Local Government, etc.)   |
|                  | 05. Pricing & Margin Protection  | Comprehensive Pricing Action – Increase Of 8.75% Announced April 11 <sup>th</sup> To Be Implemented June 9 <sup>th</sup> (~60 Day Noticed Needed To The Market), Evaluating Category Specific Actions Where Needed To Be Implemented By Q4 |

# Examples of Product Innovations in Q2



## Domestic Muscle



**TERMINATOR X** Bluetooth Module

## Modern Truck & Off-Road



**DIABLOSPORT**  
GASOLINE AND DIESEL TUNING SYSTEMS

## Euro & Import

**DINAN**



**APR**

**S4 B9 2018+ S5**



CATBACK EXHAUST SYSTEM

## Safety & Racing



**SIMPSON**

Outlaw Bandit 3.0  
Colorways



**SIMPSON**

FIA Club Seats & Airspeed  
Race Wear Collection

Continued Momentum with New Product Launches in Q2!



# *Q1 Financial Results*

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*Jesse Weaver*  
*Chief Financial Officer*



# Financial Priorities



Proactively Leading in Uncertain Environment to Drive Shareholder Value

## RESTORE HISTORICAL PROFITABILITY

- Target 40% GM &  $\geq 20\%$  Adj EBITDA
- Improving Manufacturing efficiency and asset utilization
- Reduce excessive returns through policy and compliance
- Reduced warranty with quality improvements
- Optimize corporate spend through prioritization

*YOY Improvement in  
Ops Efficiency >\$1M*

*FY Target  
\$5-\$10M*

## OPTIMIZE WORKING CAPITAL

- Actively managing portfolio to reduce inventory levels on non-working WIP and RAW inventory
- Proactively driving commercialization efforts to reduce existing and projected overstock of slow moving SKUs
- Improving SIOp planning and forecasting process to better align demand planning with expected results
- Optimizing safety stock levels and lead times to reduce slow moving inventory

*\$3.4M Inventory Reduction since Year  
End*

*YOY Target Inv. Reduction of \$10-\$15*

**2025 Financial Priorities Aim to Drive Free Cash Flow**



# 1Q25 KEY METRIC RECAP



| <b>\$ millions (except per share)</b> | <b>1Q25</b> | <b>1Q24</b> | <b>B/(W)</b>               |
|---------------------------------------|-------------|-------------|----------------------------|
| Net Sales <sup>1</sup>                | \$153.0     | \$158.6     | (3.5%)   3.3% <sup>2</sup> |
| Gross Margin                          | 41.9%       | 32.8%       | 910 bps                    |
| SG&A (incl. R&D)                      | \$40.8      | \$37.8      | \$(3.0)                    |
| Net Income                            | \$2.8       | \$3.7       | \$(0.9)                    |
| Adj. EBITDA <sup>3</sup>              | \$27.3      | \$21.0      | \$6.3                      |
| Adj. EBITDA Margin <sup>3</sup>       | 17.8%       | 13.2%       | 460 bps                    |
| Interest Expense                      | \$15.7      | \$11.0      | \$(4.7)                    |
| Adj. Net Income (Loss) <sup>3</sup>   | \$2.6       | \$0.1       | \$2.5                      |
| Adj. Diluted EPS <sup>3</sup>         | \$0.02      | \$0.00      | \$0.02                     |
| Free Cash Flow <sup>3</sup>           | (\$10.8)    | \$17.8      | \$(28.6)                   |

***Business Growth Achieved in Q1 Driven by Strategic Framework***

1) 2024 Includes \$3.8M and \$6.7M of Net Sales from Divested Businesses and Strategic Product Rationalization.

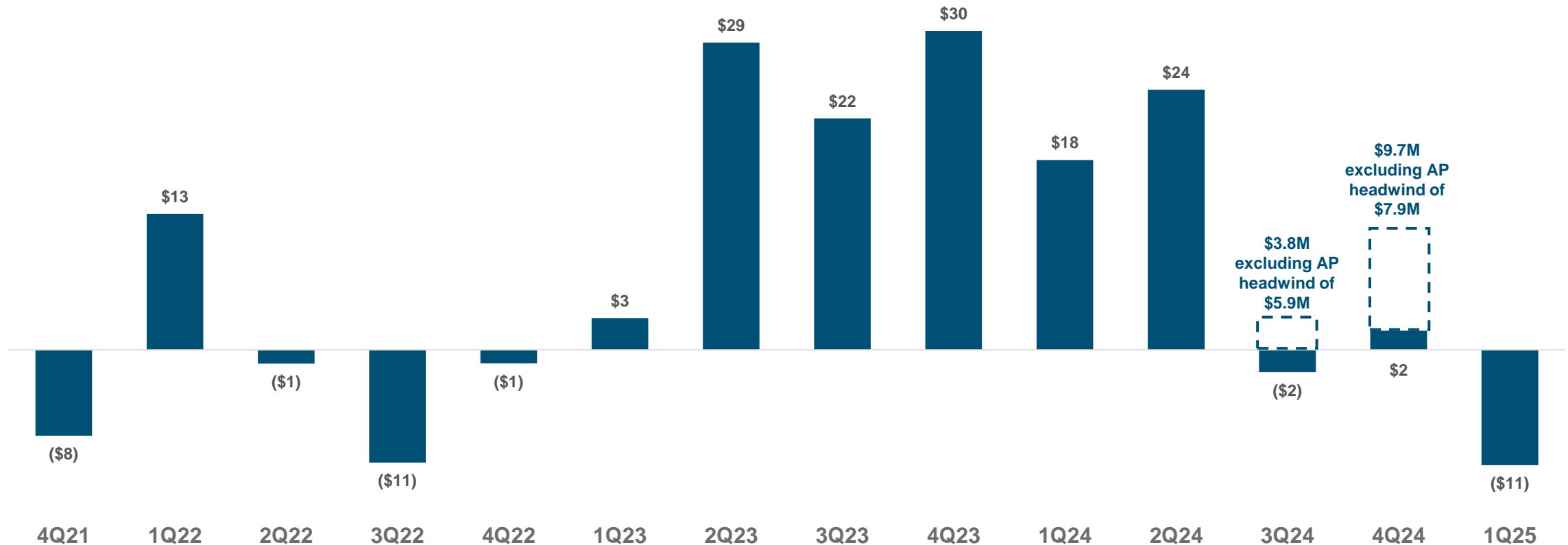
2) Compared to the first quarter of 2024 after excluding approximately \$10.5 million of divestiture and strategic product rationalization sales from net sales for the first quarter of 2024.

3) Non-GAAP measure. Please see the GAAP to Non-GAAP reconciliation in the Appendix to this presentation.

# Free Cash Flow<sup>1</sup> Generation



## Free Cash Flow Pre-M&A (\$M)



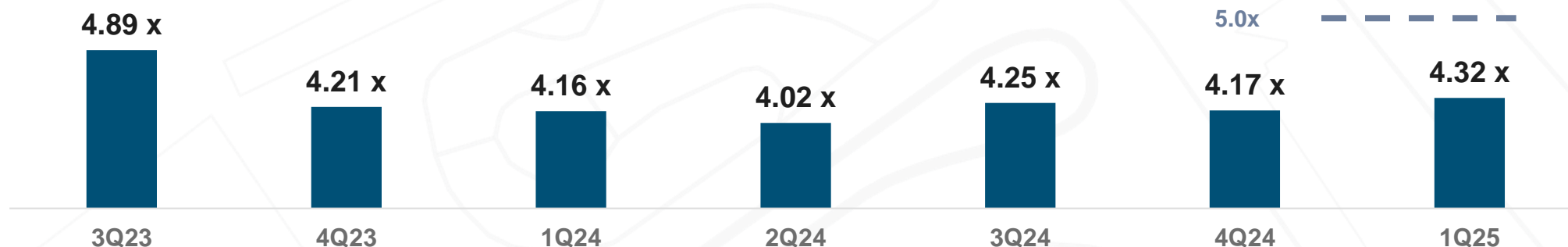
**Meaningful Sales in the last month generated AR increases of \$14M, a headwind to Free Cash Flow in Q1 that we expect to be a tailwind in Q2**

1) Non-GAAP measure. Please see the GAAP to Non-GAAP reconciliation in the Appendix to this presentation



# Net Debt to EBITDA Leverage Ratio<sup>1</sup>

Net Leverage Ratio (Net Debt/TTM Covenant EBITDA)



| \$ millions                        | 3Q23    | 4Q23    | 1Q24    | 2Q24    | 3Q24    | 4Q24    | 1Q25    |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Revolver Drawn                     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     |
| Net Debt                           | \$584.4 | \$553.4 | \$536.0 | \$515.3 | \$515.1 | \$511.8 | \$520.7 |
| Adj. EBITDA (TTM) <sup>2</sup>     | 116.7   | 130.9   | 117.5   | 117.5   | 109.9   | 110.5   | 116.8   |
| Covenant Add-backs                 | 2.8     | 0.7     | 11.2    | 10.7    | 11.3    | 12.3    | 3.6     |
| Covenant EBITDA (TTM) <sup>1</sup> | \$119.5 | \$131.6 | \$128.7 | \$128.2 | \$121.2 | \$122.8 | \$120.4 |

**Leverage Ratio Remains Well Under 5.0x**

1) As calculated per our existing credit agreement; includes addback of non-cash write down related to Strategic Product Rationalization

2) Non-GAAP measure. Please see the GAAP to Non-GAAP reconciliation in the Appendix to this presentation

# FINANCIAL GUIDANCE – FULL YEAR 2025



| <i>Outlook (\$ millions)</i>                             | <b>FY25</b><br>(excluding impact from tariffs) |
|--|--|
| Net Sales<br>YOY Growth% <sup>1</sup>                    | \$580 – \$600<br>0.8% - 4.3%                   |
| Adjusted EBITDA <sup>2</sup>                             | \$113 – \$130                                  |
| Capital Expenditures                                     | \$12 – \$16                                    |
| Depreciation and Amortization                            | \$22 – \$24                                    |
| Interest Expense<br>(excluding Mark-to-Market on Collar) | \$47 – \$52                                    |

***Given Q1 Sales Performance, Reaffirming Guidance, Excluding Impact from Tariffs***

- 1) Excluding \$12.8 million from Divested Businesses of DSE, Gear FX and Proforged Contribution from 2024 and \$14.0 million in Clearance Sales of Strategic Product Rationalization in 2024
- 2) Non-GAAP measure. Please see Slide 2 for disclaimer regarding inability to reconcile to GAAP.



# Q&A

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**Matt Stevenson**  
*Chief Executive Officer*



**Jesse Weaver**  
*Chief Financial Officer*





# Working Together to Drive Financial Success



*Large base of passionate and highly engaged enthusiast consumers with attractive demographics*

*Massive \$39B U.S. market with decades of uninterrupted growth<sup>1</sup>*

*Powerhouse of product innovation with iconic brands*

*Proven acquisition platform with robust integration and growth potential*

*Transformational digital and DTC opportunity with omni-channel distribution*

*Flexible operating model with attractive growth, margins, and free cash flow*

*Experienced team with a track record of execution*

- *Mid-Single Digit Organic Top Line Growth*
- *~40% Gross Margin Target*
- *>20% Adj. EBITDA Margin Target*
- *Sustainable Free Cash Flow*
- *Strategic Acquisitions*





# *Appendix*

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# Interest Rate Collar #1 Feb 2023 to Feb 2026 Summary



| Key Terms                 |                   |
|---------------------------|-------------------|
| Effective Date            | 2/18/2023         |
| Maturity Date             | 2/18/2026         |
| Holley Inc. Buys a Cap    | 5.000%            |
| Holley Inc. Sells a Floor | 2.811%            |
| Index                     | 3 Month Term SOFR |
| Premium                   | Zero              |

*With the collar in place, YTD effective cash interest rate of ~8.0%*

# Interest Rate Collar #2 Feb 2026 to Nov 2028 Summary



| Key Terms                 |                   |
|---------------------------|-------------------|
| Effective Date            | 2/18/2026         |
| Maturity Date             | 11/18/2028        |
| Holley Inc. Buys a Cap    | 4.990%            |
| Holley Inc. Sells a Floor | 3.350%            |
| Index                     | 3 Month Term SOFR |
| Premium                   | Zero              |



# TTM EBITDA and Adjusted EBITDA Reconciliation



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

(In millions)

(Unaudited)

|  | TTM             |                 |                  |                  |
|--|-----------------|-----------------|------------------|------------------|
|  | 2Q24            | 3Q24            | 4Q24             | 1Q25             |
| <b>Net Income</b>                                | <b>\$ 22.8</b>  | <b>\$ 15.7</b>  | <b>\$ (23.2)</b> | <b>\$ (24.1)</b> |
| <b>Adjustments:</b>                              |                 |                 |                  |                  |
| Interest Expense                                 | 56.7            | 58.0            | 50.7             | 55.4             |
| Income Taxes                                     | 3.9             | 0.3             | (3.0)            | (1.1)            |
| Depreciation                                     | 10.5            | 9.9             | 10.6             | 10.4             |
| Amortization                                     | 14.1            | 13.8            | 13.8             | 14.0             |
| <b>EBITDA</b>                                    | <b>108.0</b>    | <b>97.7</b>     | <b>48.9</b>      | <b>54.6</b>      |
| Restructuring Costs                              | 1.6             | 2.1             | 1.4              | 1.2              |
| Impairment of Indefinite-Lived Intangible Assets | -               | -               | 7.7              | 7.7              |
| Impairment of Goodwill                           | -               | -               | 40.9             | 40.9             |
| Loss on Sale of Assets                           | -               | 7.5             | 9.2              | 9.2              |
| Change in Fair Value of Warrant Liability        | (5.9)           | (9.0)           | (7.6)            | (4.5)            |
| Change in Fair Value of Earn-Out Liability       | (0.8)           | (2.1)           | (2.3)            | (1.9)            |
| Loss (Gain) on Early Extinguishment of Debt      | (0.6)           | (0.6)           | 0.1              | -                |
| Equity-Based Compensation Expense                | 7.9             | 6.4             | 5.2              | 5.5              |
| Notable Items                                    | 7.0             | 7.2             | 7.1              | 4.2              |
| Other Expense                                    | 0.3             | 0.5             | (0.1)            | (0.1)            |
| <b>Adjusted EBITDA</b>                           | <b>\$ 117.5</b> | <b>\$ 109.9</b> | <b>\$ 110.5</b>  | <b>\$ 116.8</b>  |

EBITDA and Adjusted EBITDA are not measures of financial performance under U.S. GAAP and should not be considered as an alternative to net income in accordance with U.S. GAAP. Management believes that EBITDA and Adjusted EBITDA facilitate useful period-to-period comparisons of financial results, and the information is used by management in evaluating the Company's performance.

Other Expense includes gains or losses from disposal of fixed assets, franchise taxes, and gains or losses from foreign currency transactions.

# EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation



**HOLLEY INC. and SUBSIDIARIES**  
**USE AND RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
*(In millions)*  
*(Unaudited)*

|  | For the thirteen weeks ended |                 |
|--|------------------------------|-----------------|
|  | March 30, 2025               | March 31, 2024  |
| <b>Net Income</b>                                  | <b>\$ 2.8</b>                | <b>\$ 3.7</b>   |
| <b>Adjustments:</b>                                |                              |                 |
| Interest Expense                                   | 15.7                         | 11.0            |
| Income Taxes                                       | 1.1                          | (0.9)           |
| Depreciation                                       | 2.3                          | 2.6             |
| Amortization                                       | 3.5                          | 3.5             |
| <b>EBITDA</b>                                      | <b>25.4</b>                  | <b>19.9</b>     |
| Restructuring Costs                                | 0.5                          | 0.6             |
| Impairment of Indefinite-Lived Intangible Assets   | -                            | -               |
| Impairment of Goodwill                             | -                            | -               |
| Loss on Sale of Assets                             | -                            | -               |
| Change in Fair Value of Warrant Liability          | (0.1)                        | (3.1)           |
| Change in Fair Value of Earn-Out Liability         | (0.2)                        | (0.6)           |
| Loss (Gain) on Early Extinguishment of Debt        | -                            | 0.1             |
| Equity-Based Compensation Expense                  | 1.5                          | 1.1             |
| Related Party Acquisition and Management Fee Costs | -                            | -               |
| Notable Items                                      | 0.2                          | 3.1             |
| Other Expense                                      | -                            | -               |
| <b>Adjusted EBITDA</b>                             | <b>\$ 27.3</b>               | <b>\$ 21.1</b>  |
| <b>Net Sales</b>                                   | <b>\$ 153.0</b>              | <b>\$ 158.6</b> |
| <b>Net Income Margin</b>                           | <b>1.8%</b>                  | <b>2.4%</b>     |
| <b>Adjusted EBITDA Margin</b>                      | <b>17.8%</b>                 | <b>13.2%</b>    |

EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin are not measures of financial performance under U.S. GAAP and should not be considered as an alternative to net income or net income margin in accordance with U.S. GAAP. Management believes that EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin facilitate useful period-to-period comparisons of financial results, and the information is used by management in evaluating the Company's performance.

# Quarterly Free Cash Flow Reconciliation



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

(In millions)

(Unaudited)

|   | 1Q20          | 2Q20          | 3Q20          | 4Q20          | 1Q21          | 2Q21          | 3Q21             | 4Q21            | 1Q22          | 2Q22            | 3Q22             | 4Q22            | 1Q23          | 2Q23          | 3Q23          | 4Q23          | 1Q24          | 2Q24           | 3Q24            | 4Q24          | 1Q25             |
|---|---------------|---------------|---------------|---------------|---------------|---------------|------------------|-----------------|---------------|-----------------|------------------|-----------------|---------------|---------------|---------------|---------------|---------------|----------------|-----------------|---------------|------------------|
| Net cash provided by (used in) operating activities | \$17.6        | \$25.9        | \$32.2        | \$12.8        | \$19.0        | \$27.4        | \$ (21.5)        | \$ (3.3)        | \$18.3        | \$ 2.5          | \$ (8.7)         | \$ 0.1          | \$ 3.7        | \$30.7        | \$22.5        | \$31.2        | \$18.8        | \$ 25.7        | \$ (1.7)        | \$ 4.1        | \$ (7.8)         |
| Capital expenditures                                | (1.3)         | (2.2)         | (3.2)         | (2.8)         | (3.1)         | (4.0)         | (3.3)            | (4.8)           | (5.7)         | (3.9)           | (2.1)            | (1.8)           | (1.0)         | (1.7)         | (1.7)         | (1.5)         | (1.2)         | (1.0)          | (0.3)           | (0.3)         | (3.0)            |
| Proceeds from the disposal of fixed assets          | —             | —             | —             | 0.7           | —             | 0.3           | —                | —               | 0.2           | 0.1             | 0.2              | 0.4             | 0.3           | —             | 0.9           | 0.2           | 0.2           | —              | —               | —             | —                |
| <b>Free cash flow</b>                               | <b>\$16.3</b> | <b>\$23.7</b> | <b>\$29.0</b> | <b>\$10.7</b> | <b>\$15.9</b> | <b>\$23.7</b> | <b>\$ (24.8)</b> | <b>\$ (8.1)</b> | <b>\$12.8</b> | <b>\$ (1.3)</b> | <b>\$ (10.6)</b> | <b>\$ (1.3)</b> | <b>\$ 3.0</b> | <b>\$29.0</b> | <b>\$21.7</b> | <b>\$29.9</b> | <b>\$17.8</b> | <b>\$ 24.0</b> | <b>\$ (2.1)</b> | <b>\$ 3.8</b> | <b>\$ (10.8)</b> |

Free cash flow is not a measure of financial performance under U.S. GAAP and should not be considered as an alternative to net cash provided by (used in) operating activities in accordance with U.S. GAAP. Management believes this figure is of interest to investors and facilitates useful period-to-period comparison of the Company's operating results.

|  | For the thirteen weeks ended |                |
|--|------------------------------|----------------|
|  | March 30, 2025               | March 31, 2024 |
| <b>Net Cash Provided by (Used in) Operating Activities</b> | <b>\$ (7.8)</b>              | <b>\$ 18.8</b> |
| Capital expenditures                                       | (3.0)                        | (1.2)          |
| Proceeds from the disposal of fixed assets                 | -                            | 0.2            |
| <b>Free Cash Flow</b>                                      | <b>\$ (10.8)</b>             | <b>\$ 17.8</b> |

Free Cash Flow is not a measure of financial performance under U.S. GAAP and should not be considered as an alternative to net cash provided by operating activities in accordance with U.S. GAAP. Management believes that 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.



# Adjusted Net income and Adjusted diluted EPS Reconciliation



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

(In millions, except per share data)

(Unaudited)

|  | For the thirteen weeks ended |                |
|--|------------------------------|----------------|
|  | March 30, 2025               | March 31, 2025 |
| <b>Net Income</b>                                      | <b>\$ 2.8</b>                | <b>\$ 3.7</b>  |
| Special items:   |                              |                |
| Adjust for: Change in Fair Value of Warrant Liability  | (0.1)                        | (3.1)          |
| Adjust for: Change in Fair Value of Earn-Out Liability | (0.1)                        | (0.6)          |
| Adjust for: Loss on Early Extinguishment of Debt       | -                            | 0.1            |
| <b>Adjusted Net Income</b>                             | <b>\$ 2.6</b>                | <b>\$ 0.1</b>  |
| Weighted Average Common Shares Outstanding - Diluted   | 121.0                        | 119.5          |
| <b>Adjusted Diluted Earnings per Share</b>             | <b>\$ 0.02</b>               | <b>\$ 0.00</b> |

Adjusted net income and adjusted diluted earnings per share ("EPS") are not measures of financial performance under U.S. GAAP and should not be considered as an alternative to net income and diluted EPS in accordance with U.S. GAAP. Management believes that adjusted net income and adjusted diluted EPS facilitate useful period-to-period comparisons of financial results, and the information is used by management in evaluating the Company's performance.