



**Second Quarter 2024
Financial Results Call**



August 7, 2024

DISCLAIMER

Certain statements in this presentation 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 of its financial performance (e.g., the successful execution of cost saving initiatives); 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 presentation 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.

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 EBITDA 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.

**Introductions &
Forward-Looking Statements**

Anthony Rozmus
Investor Relations

Results and Highlights

Matthew Stevenson
President & CEO

Financial Results

Jesse Weaver
CFO

Q&A

Group

Outlook

Matthew Stevenson
President & CEO



RESULTS & HIGHLIGHTS

Matthew Stevenson
President & CEO

The Market Is Challenging but We Are Gaining Share In Overall Out-the-Door Sales

Progress in Transformation Driving YoY Growth in DTC, Focused on B2B Partnerships

Achieving Margin Targets And FCF Through Disciplined Operations & Cost Reductions

Continuing To Deliver Improvements In Inventory Management & Turns

Ended Quarter With \$53.1m In Cash After Prepaying \$10M In Debt

Credit Rating Upgraded From B- To B By S&P Reflecting Improved Performance

Final Pieces In Place For A Dynamic Leadership Team

Catalyzing the activation of the growth engine through improvements in CXM, Promotions, Product Launches, Innovation, and B2B Capabilities

2024 Q2 Results

Net Sales

\$169.5M

(3.3%) vs. PY

Adj. Gross Margin¹

41.0%

170bps vs. PY

Adjusted EBITDA Margin¹

22.1%

50bps vs. PY

Free Cash Flow¹

\$24.4M

(\$4.7M) vs. PY

Business Highlights

New Products Launched in Q2 Across Verticals

30 NEW & HOT



Flowmaster F150 Expansion



Simpson Devil Ray

Elevating Promotional Efforts



LS Fest West Ranked One of the 10 Best Auto Races by USA Today

>1.7B

Media Impressions

+104%

DTC Incremental Sales Lift from Memorial Day Promotion

Operational Excellence

\$4.2MM

YTD Cost to Serve Savings

+2.2%

YOY Top Product In-Stock %

+0.3x

YOY Improvement in Inventory Turns

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

**FUEL
TEAMMATES**

Holley

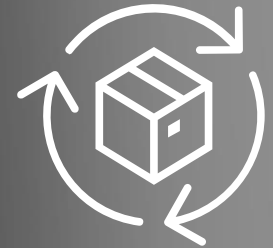
**ACCELERATE
PROFITABLE
GROWTH**

**SUPERCHARGE
CUSTOMERS**

**Listening to
Our Teammates**



**Enhancing
Operations**



**Optimizing
Acquisitions**



**Putting ALL
Customers First**





Develop a High Performing Team

- Completed filling final key leadership positions for transformation
- SVP of Ops & Supply Chain to drive operational excellence & cost savings
- Director of Pricing Strategy focused on delivering profitable growth



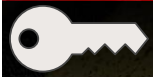
Digital Modernization & CXM Optimization

- Dramatic improvements in data quality through company-wide initiative
- Driving growth with new digital tools and brand websites
- Memorial Day promotion success up >100% with DTC
- 1st Class B2B launch support



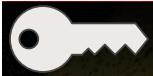
B2B Sales Capabilities

- Comprehensive up-leveling occurring in the team
- Rolled out partnership growth and incentive program
- Strengthening relationships
- Partnering on Tier 1 launches
- Driving growth with new customers & markets



Product Management & Innovation

- Increasing revenue per product launch, up over 25%+ in the first half of '24
- Focused product launch groups, creating better adoption
- Comprehensive B2B jump start program on launches
- Consumer insights driving focused innovations & line extensions



Strategic Pricing

- New leader with extensive price realization expertise
- 80/20 methodology to garner price realization
- Revised drop ship program
- Comprehensive revaluation of MAP and enforcement
- Strategically adjusting category pricing to gain share

Systematically Making Progress Across All Keys to Unlock Growth



Dedicating Resources Across Each Vertical to Drive Focus and Innovation

LAUNCHING EXCITING NEW PRODUCTS

Domestic Muscle

Q2

THE BRAKE THAT STARTED IT ALL

MODERN BRAKES for a

Baer Classic Brakes

Modern Truck & Off-Road

Q2

Flowmaster F150 Expansion

Euro & Import

Q2

AEM VCU275

Safety

Q2

Simpson Devil Ray Helmets

ERADISPEED+
PREMIUM PERFORMANCE ROTORS | 3-PIECE UPGRADE | BAER

Q2

STOCK

BAER

Baer Eradispeed+ Rotors

BAER BIG CLAW
PERFORMANCE BRAKE KITS

Q3

Baer Big Claw Brakes

Q2

Volkswagen Chassis Solutions

Q4

Simpson Adventure MC Helmets

Q4

Holley EFI TerminatorX 2

MESA 25
SERIES

Q4

A SUSPENSION UPGRADE THAT DELIVERS COMPETITION-INSPIRED PERFORMANCE IN AN EASY TO INSTALL PACKAGE

ADS Mesa Shocks

Q4

DinanConnect Tuner

Q4

HANS IV

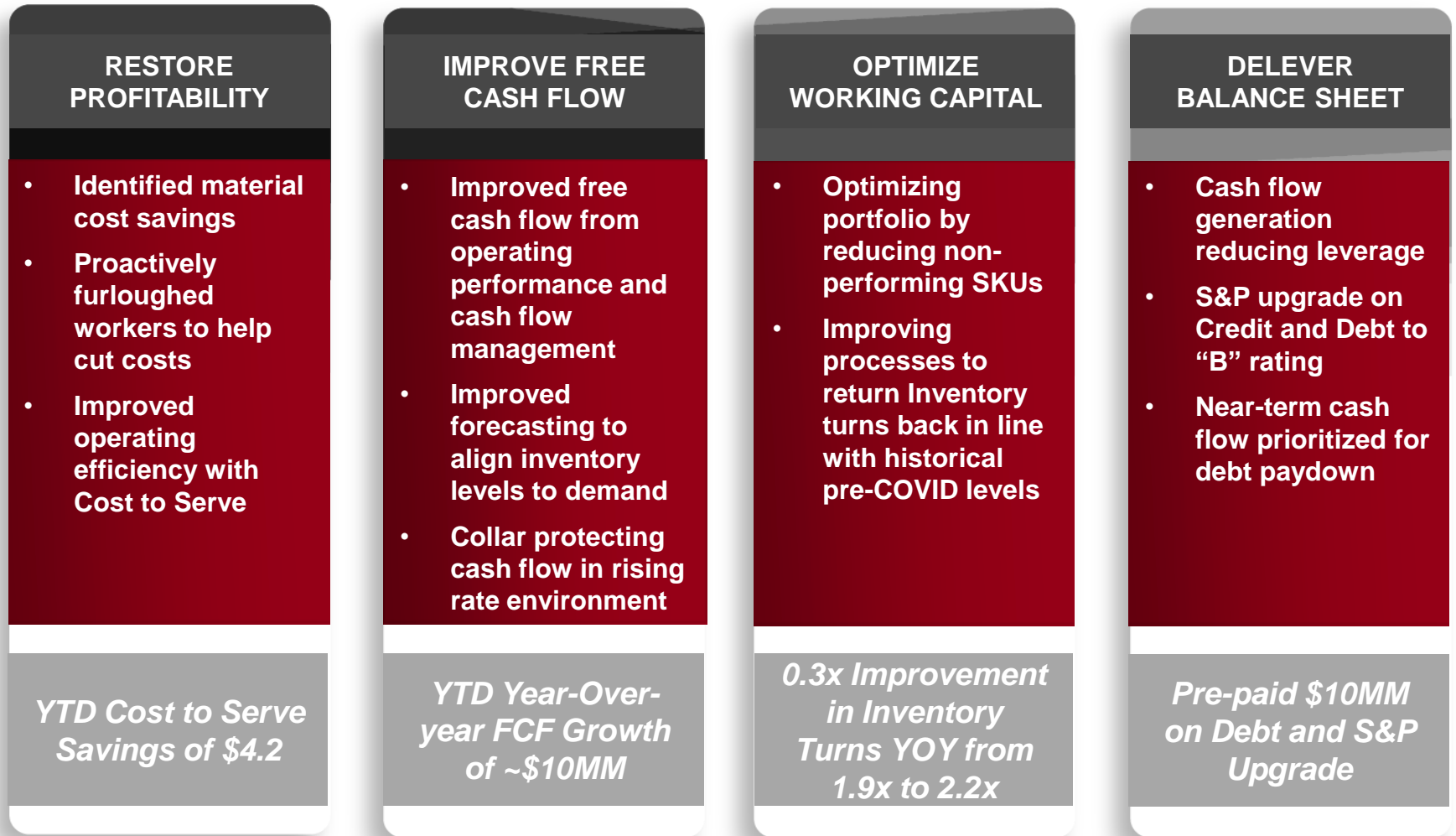
Exciting New Product Launches to Drive 2024 Revenue



FINANCIAL RESULTS

Jesse Weaver
Chief Financial Officer

Proactively Leading the Business to Drive Sustainable Results



Continuing to Deliver on Key Financial Priorities

2Q24 KEY METRIC RECAP

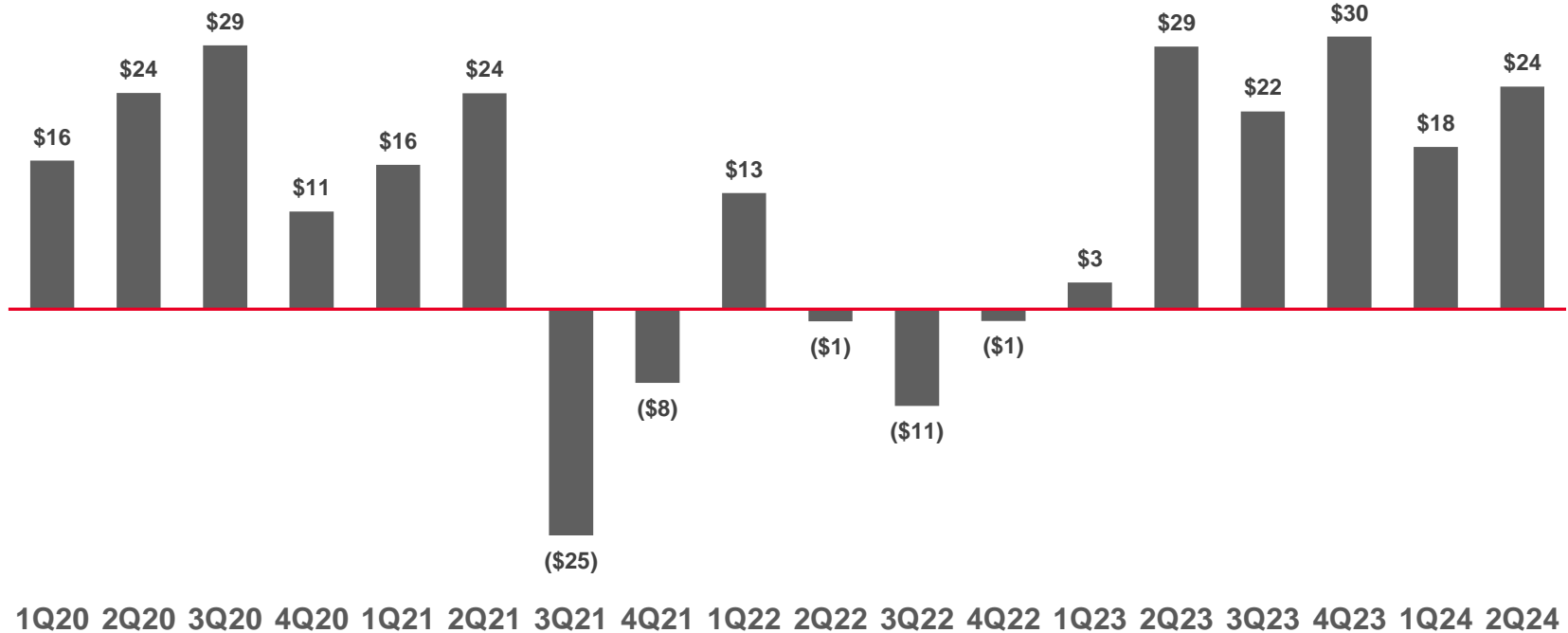
(\$MM)	2Q24	2Q23	B/(W)
Net Sales	\$169.5	\$175.3	(3.3%)
Adj. Gross Margin ¹	41.0%	39.3%	170 bps
SG&A (incl. R&D)	\$38.9	\$35.3	(\$3.6)
Adj. EBITDA ¹	\$37.4	\$37.9	(\$0.5)
Adj. EBITDA Margin ¹	22.1%	21.6%	50 bps
Interest Expense	\$13.2	\$9.9	(\$3.3)
Adj. Net Income ¹	\$12.6	\$16.0	(\$3.3)
Adj. Diluted EPS ¹	\$0.10	\$0.14	(\$0.04)
Free Cash Flow ¹	\$24.4	\$29.0	(\$4.6)

**Effective Management of Financial Priorities
Offset Weakened Consumer Backdrop to Support Cash Flow and Profitability**

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

FREE CASH FLOW¹ GENERATION IMPROVING

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

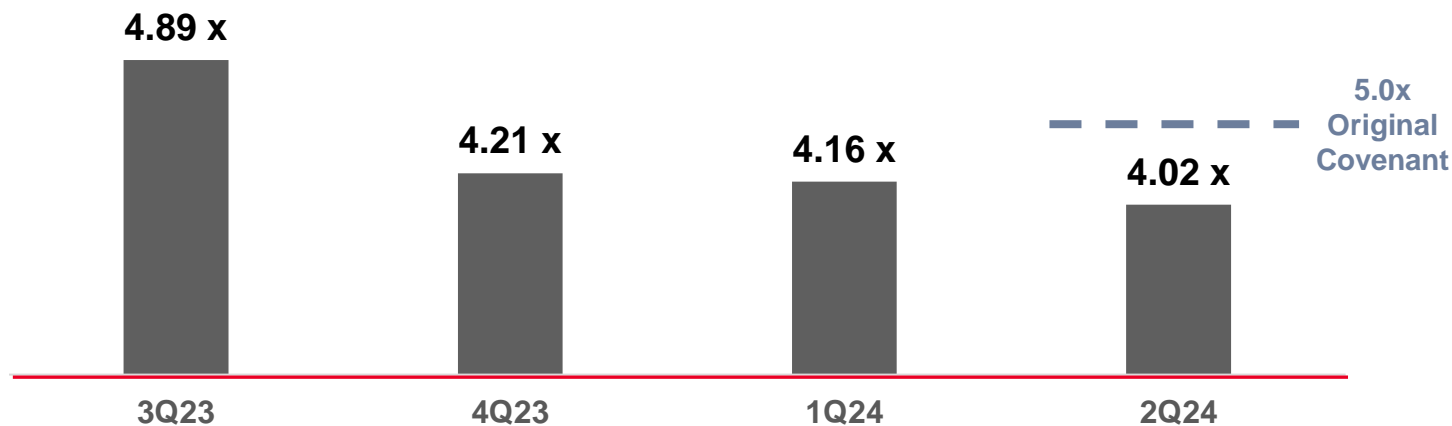


Significant Improvement in 2024 YTD Free Cash Flow Compared to 2023 YTD

1) Non-GAAP measure. Please see the GAAP to Non-GAAP reconciliation in the Appendix to this presentation
2) \$58mm in cash invested in inventory in 2022; excludes cash impacts off of P&L from \$13MM provision for inventory reserves

NET DEBT TO EBITDA LEVERAGE RATIO¹

Net Leverage Ratio (Net Debt/TTM Covenant EBITDA)



<i>\$ millions</i>	3Q23	4Q23	1Q24	2Q24
Net Debt	\$584.4	\$553.4	\$536.0	\$515.3
Adj. EBITDA (TTM) ²	116.7	130.1	126.8	126.3
Covenant Add-backs	2.8	1.5	1.9	1.9
Covenant EBITDA (TTM) ¹	\$119.5	\$131.6	\$128.7	\$128.2

After 18 Months, We Successfully Exited the Covenant Relief Period!

1) As calculated per our existing credit agreement
 2) Non-GAAP measure. Please see the GAAP to Non-GAAP reconciliation in the Appendix to this presentation

Outlook (\$ millions)	3Q24	FY24
Net Sales	\$133 – \$153	\$605 – \$645
Adjusted EBITDA ¹	\$20 – \$30	\$117 – \$132
Capital Expenditures		\$6 – \$8
Depreciation and Amortization		\$24 – \$26
Interest Expense (excluding Mark-to-Market on Collar)		\$50 – \$55
Bank-adjusted EBITDA Leverage Ratio ¹		3.75x – 4.25x

Consumer driven topline challenges driving changes in full year guidance

1) Non-GAAP measure. Please see Slide 2 for disclaimer regarding inability to reconcile to GAAP.



Matthew Stevenson
President & CEO



Jesse Weaver
Chief Financial Officer



OUTLOOK

Matthew Stevenson
President & CEO

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

Massive \$39B U.S. market with decades of uninterrupted growth¹

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

**6-7% Organic
Top Line Growth**

**~40% Gross
Margin Target**

**>20% Adj.
EBITDA Margin
Target**

**Sustainable
Free Cash Flow**

**Strategic
Acquisitions**

1) Based on SEMA data; Performance aftermarket based on performance engines, wheels, tires, brakes, and suspension categories.



Holley[®]
Performance Brands

Appendix

HOLLEY BRANDS SERVE NEEDS ACROSS THE VEHICLE

HOLLEY FAMILY OF BRANDS*

ELECTRONIC CONTROLS

EFI & IGNITION

Accel
AEM
Atomic EFI
Hilborn
Holley EFI
Hyperspark
Mallory
MSD
Sniper

PERFORMANCE TUNING

Amp'd
DiabloSport
Edge
Pulsar
Racepak
Range
Superchips
APR
Dinan

AUTOMOTIVE ACCESSORIES

ACCESSORIES

Cataclean
Fender Gripper
Scott Drake

LIGHTING

RetroBright

INSTRUMENTATION

AEM
Classic Instruments
Holley EFI
Racepak

ENGINE & ACCESSORIES

INDUCTION

Flowmaster

ACCESSORIES

Earl's
Mr. Gasket

CARBURETION

Brawler
Demon
Holley
Quickfuel

COOLING

Frostbite

NITROUS

NOS

PERFORMANCE EXHAUST

Flowmaster
Flowtech
Hooker
Blackheart

BRAKING

Baer Brakes

SUSPENSION

ADS Suspension
Detroit Speed
Lakewood
Proforged

EV CONVERSION

AEM EV

RESTORATION

Brothers
Scott Drake

SAFETY

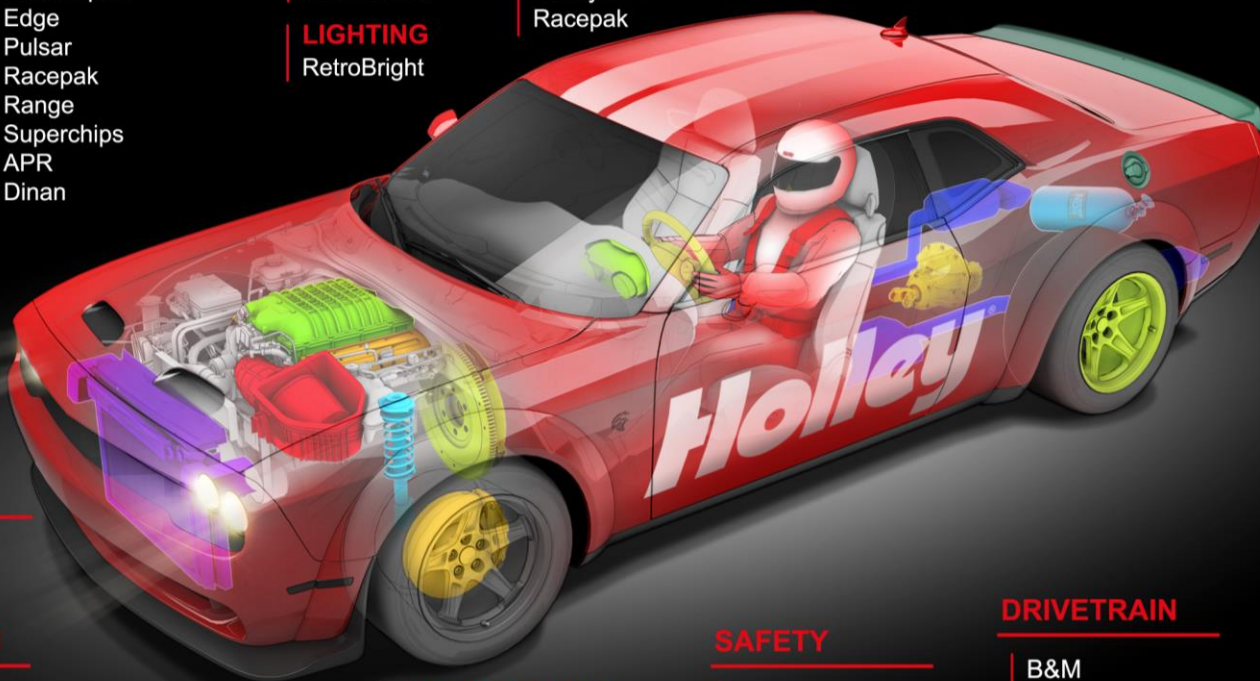
Hans
RaceQuip
Simpson
Stilo

DRIVETRAIN

B&M
GearFX
Hays
Hurst
Quicktime

WHEELS

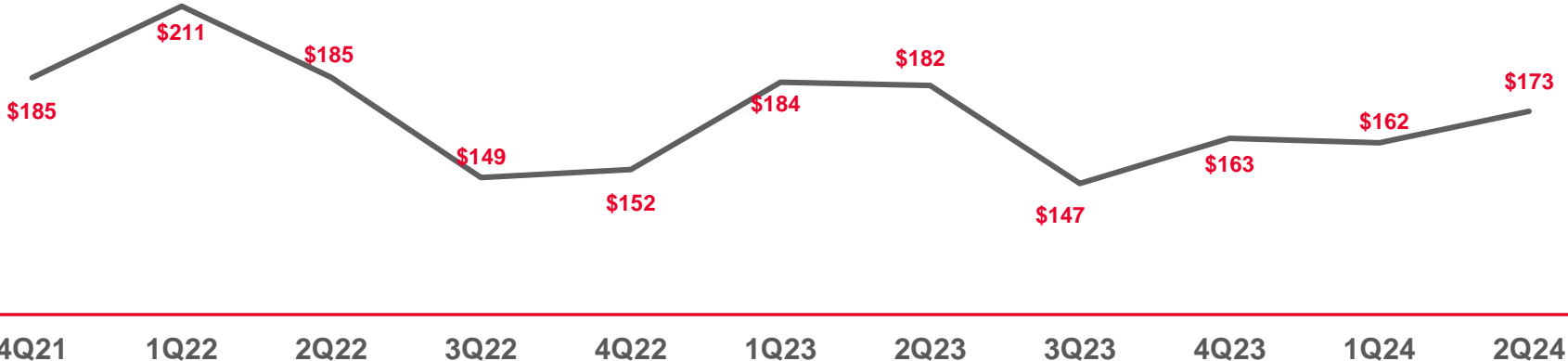
Carroll Shelby
Wheels
Halibrand
Legendary
REV
Rocket



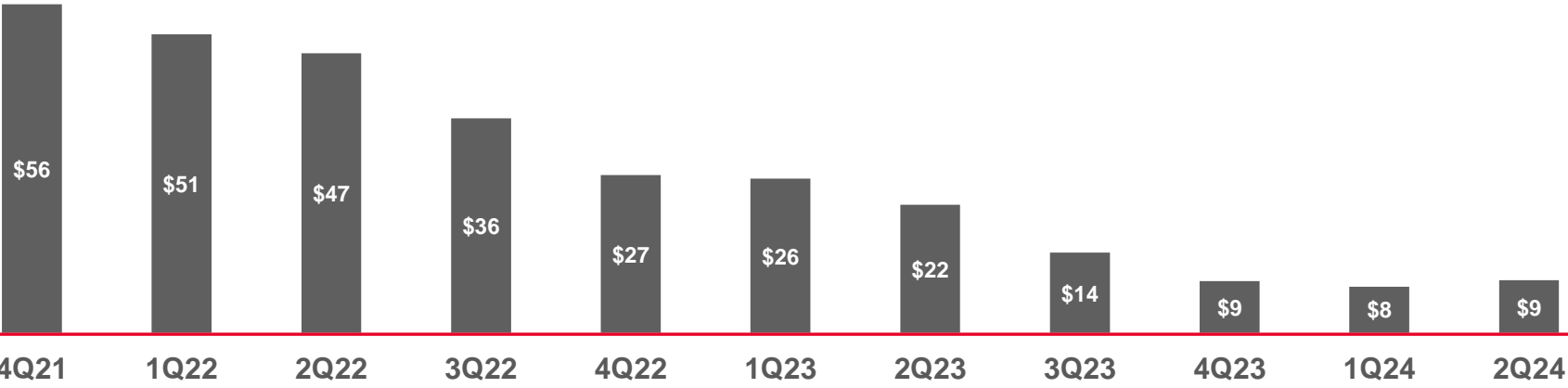
*Brands listed are representative of Key Holley Brands in each category

ORDERS AND PAST DUE BALANCES

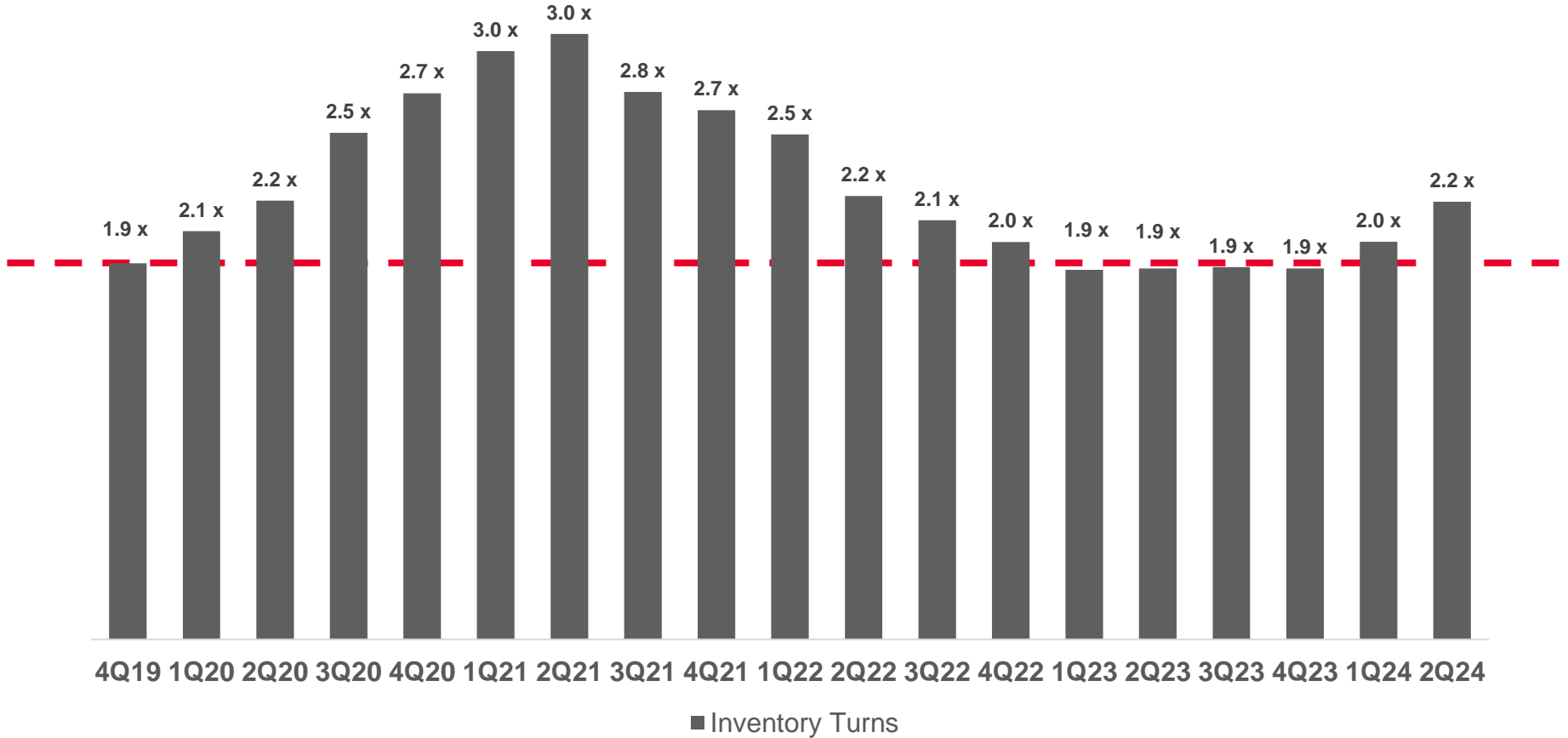
Orders (\$MM)



Past Due Orders (\$MM)



Inventory Turnover¹ (Turns/Year)



Sequential Improvement in Inventory Turns over the Past Two Quarters

1) Inventory Turns = Trailing 12 month Cost of Goods Sold / Trailing 12 month average inventory

INTEREST RATE COLLAR 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
Hedge Level	\$500MM

With the collar in place, YTD effective cash interest rate of ~8.6%

TTM EBITDA AND ADJUSTED EBITDA RECONCILIATION

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

	TTM			
	3Q23	4Q23	1Q24	2Q24
Net Income	\$ 2.8	\$ 19.2	\$ 18.7	\$ 22.8
Adjustments:				
Interest Expense, Net	55.4	60.7	53.5	56.7
Income Tax Expense	3.4	8.4	5.9	3.9
Depreciation	10.3	10.3	10.3	10.5
Amortization	14.7	14.6	14.3	14.1
EBITDA	86.6	113.2	102.7	108.0
Restructuring Costs	3.4	2.6	1.9	1.6
Change in Fair Value of Warrant Liability	(0.4)	4.1	(0.5)	(5.9)
Change in Fair Value of Earn-Out Liability	0.7	2.3	1.2	(0.8)
Equity-Based Compensation Expense	20.0	7.3	8.0	7.9
Inventory Charges	3.7	(0.8)	8.9	8.8
Gain on Early Extinguishment of Debt	-	(0.7)	(0.6)	(0.6)
Notable Items	1.3	1.3	4.4	7.0
Other Expense	1.4	0.8	0.7	0.3
Adjusted EBITDA	\$ 116.7	\$ 130.1	\$ 126.8	\$ 126.3

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. USE AND RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions)

(Unaudited)

	For the thirteen weeks ended		For the twenty-six weeks	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Net Income	\$ 17.1	\$ 13.0	\$ 20.8	\$ 17.2
Adjustments:				
Interest Expense, Net	13.2	9.9	24.2	28.2
Income Tax Expense	2.1	4.1	1.2	5.7
Depreciation	2.7	2.5	5.1	5.0
Amortization	3.4	3.7	6.9	7.4
EBITDA	38.4	33.1	58.2	63.4
Restructuring Costs	(0.0)	0.4	0.6	1.7
Change in Fair Value of Warrant Liability	(3.4)	2.0	(6.5)	3.5
Change in Fair Value of Earn-Out Liability	(1.1)	1.0	(1.7)	1.4
Equity-Based Compensation Expense	1.6	1.8	2.8	2.2
Inventory Charges	(0.9)	(0.8)	8.8	(0.8)
Loss on Early Extinguishment of Debt	-	-	0.1	-
Notable Items	2.6	(0.0)	5.7	0.0
Other Expense (Income)	0.1	0.5	0.1	0.5
Adjusted EBITDA	\$ 37.4	\$ 37.9	\$ 68.1	\$ 71.9
Net Sales	\$ 169.5	\$ 175.3	\$ 328.1	\$ 347.5
Net Income Margin	10.1%	7.4%	6.3%	5.0%
Adjusted EBITDA Margin	22.1%	21.6%	20.7%	20.7%

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.

USE AND RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions)

(Unaudited)

	For the thirteen weeks ended		For the twenty-six weeks	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Gross Profit	\$ 70.3	\$ 69.7	\$ 122.4	\$ 137.5
Adjust for: Inventory Charges (Gains)	(0.9)	(0.8)	8.8	(0.8)
Adjusted Gross Profit	\$ 69.4	\$ 68.9	\$ 131.2	\$ 136.7
Net Sales	\$ 169.5	\$ 175.3	\$ 328.1	\$ 347.5
Gross Margin	41.5%	39.8%	37.3%	39.6%
Adjusted Gross Margin	41.0%	39.3%	40.0%	39.3%

Adjusted Gross Profit and Adjusted Gross Margin are not measures of financial performance under U.S. GAAP and should not be considered as alternatives to gross profit or gross margin in accordance with U.S. GAAP. Management believes that Adjusted Gross Profit and Adjusted Gross 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
Net Cash Provided by Operating Activities	\$ 17	\$ 26	\$ 32	\$ 13	\$ 19	\$ 28	\$ (22)	\$ (3)	\$ 19	\$ 3	\$ (9)	\$ -	\$ 4	\$ 31	\$ 23	\$ 31	\$ 19	\$ 26
Capital Expenditures, Net of Dispositions	(1)	(2)	(3)	(2)	(3)	(4)	(3)	(5)	(6)	(4)	(2)	(1)	(1)	(2)	(1)	(1)	(1)	(1)
Free Cash Flow	\$ 16	\$ 24	\$ 29	\$ 11	\$ 16	\$ 24	\$ (25)	\$ (8)	\$ 13	\$ (1)	\$ (11)	\$ (1)	\$ 3	\$ 29	\$ 22	\$ 30	\$ 18	\$ 24

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 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.

	For the thirteen weeks ended		For the twenty-six weeks	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Net Cash Provided by Operating Activities	\$ 25.7	\$ 30.7	\$ 44.5	\$ 34.4
Capital Expenditures, Net of Dispositions	(1.3)	(1.7)	(2.4)	(2.4)
Free Cash Flow	\$ 24.4	\$ 29.0	\$ 42.1	\$ 32.0

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

	For the thirteen weeks ended		For the twenty-six weeks	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Net Income	\$ 17.1	\$ 13.0	\$ 20.8	\$ 17.2
Special items:				
Adjust for: Change in Fair Value of Warrant Liability	(3.4)	2.0	(6.5)	3.5
Adjust for: Change in Fair Value of Earn-Out Liability	(1.1)	1.0	(1.7)	1.4
Adjust for: Loss on Early Extinguishment of Debt	-	-	0.1	-
Adjusted Net Income	\$ 12.6	\$ 16.0	\$ 12.7	\$ 22.1
Weighted Average Common Shares Outstanding - Diluted	119.3	117.9	119.4	117.6
Adjusted Weighted Average Common Shares Outstanding - Diluted	119.3	117.9	119.4	117.6
Adjusted Diluted EPS	\$ 0.10	\$ 0.14	\$ 0.11	\$ 0.19

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.