

Net leverage ratio as of Q2 2024 was 4.8x



Reconciliation of LTM Q2 Fiscal 2024 Net Income and Debt Agreement Adjusted EBITDA

(\$ thousands)	Six months ended 30-Dec-23	Six months ended 29-Jun-24	Twelve months ended 29-Jun-24
Net (Loss)/Income	(\$812,460)	\$34,420	(\$778,040)
Income tax expense	(133,935)	24,035	(109,900)
Interest expense, net	85,184	75,568	160,752
Depreciation and amortization	91,679	87,862	179,541
EBITDA	(\$769,532)	\$221,885	(\$547,647)
Acquisition related costs ^(a)	7,577	2,065	9,642
Non-core items and project costs, net ^(b)	2,716	9,837	12,553
Cloud computing amortization ^(c)	1,923	2,414	4,337
Equity-based compensation expense ^(d)	8,251	22,843	31,094
Foreign currency transaction (gain)/loss, net ^(e)	(101)	5,002	4,901
Goodwill impairment ^(f)	850,970	-	850,970
Asset sale leaseback (gain) loss, impairment and closed store expenses ^(g)	145,250	19,190	164,440
Adjusted EBITDA	\$247,054	\$283,236	\$530,290
Acquisition EBITDA adjustments ^(h)			278
Run Rate adjustments related to store opening and closings ⁽ⁱ⁾			7,708
Other adjustments permitted under Debt Agreement			29,459
Debt Agreement Adjusted EBITDA			\$567,735

(\$ thousands)	June 29, 2024
Total Debt	\$2,889,155
Less: Cash and cash equivalents	148,814
Net Debt	\$2,740,341
Debt Agreement Adjusted EBITDA	567,735
Net Leverage Ratio	4.8x

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Notes:

- a. Consists of acquisition costs as reflected within the unaudited consolidated statement of operations, including legal, consulting and other fees, and expenses incurred in connection with acquisitions completed during the applicable period, as well as inventory rationalization expenses incurred in connection with acquisitions. We expect to incur similar costs in connection with other acquisitions in the future and, under U.S. GAAP, such costs relating to acquisitions are expensed as incurred and not capitalized.
- b. Consists of discrete items and project costs, including third-party consulting and professional fees associated with strategic transformation initiatives as well as non-recurring payroll-related costs.
- c. Includes non-cash amortization expenses related to the amortization of cloud computing arrangements.
- d. Represents non-cash equity-based compensation expense.
- e. Represents foreign currency transaction (gains) losses, net that primarily related to the remeasurement of our intercompany loans as well as gains and losses on cross currency swaps and forward contracts.
- f. Relates to goodwill impairment charges within the Car Wash segment.
- g. Relates to (gains) losses, net on sale leasebacks, impairment of certain fixed assets and operating lease right-of-use assets related to closed and underperforming locations, assets held for sale, and lease exit costs and other costs associated with stores that were closed prior to the respective lease termination dates.
- h. Represents our estimate of our anticipated annual operating results, including, without limitation, our estimates of the contribution of businesses acquired and the additional rent expense from sale leasebacks as if such acquisitions and sale leasebacks had occurred on the first day of the twelve-month period ended June 29, 2024.
- i. Represents our estimate of our anticipated annual operating results from new store openings and store closings annualized as if such store openings and store closings had occurred on the first day of the twelve-month period ended June 29, 2024.