

Net leverage ratio as of Q3 2024 was 4.5x



Reconciliation of LTM Q3 Fiscal 2024 Net Income and Debt Agreement Adjusted EBITDA

(\$ thousands)	Three months ended 30-Dec-23	Nine months ended 28-Sep-24	Twelve months ended 28-Sep-24
Net (loss) Income	(\$13,149)	\$19,473	\$6,324
Income tax expense	17,883	33,842	51,725
Interest expense, net	43,892	119,245	163,137
Depreciation and amortization	46,040	131,219	177,259
EBITDA	\$94,666	\$303,779	\$398,445
Acquisition related costs ^(a)	5,910	1,459	7,369
Non-core items and project costs, net ^(b)	1,230	16,263	17,493
Cloud computing amortization ^(c)	932	3,436	4,368
Share-based compensation expense ^(d)	5,570	35,641	41,211
Foreign currency transaction (gain) loss, net ^(e)	(3,081)	5,767	2,686
Asset sale leaseback (gain) loss, net, impairment and closed store expenses ^(f)	19,777	55,465	75,242
Loss on debt extinguishment ^(g)	-	205	205
Adjusted EBITDA	\$125,004	\$422,015	\$547,019
Pro forma and run rate adjustments ^(h)			(6,047)
Other adjustments permitted under Debt Agreement			29,041
Debt Agreement Adjusted EBITDA			\$570,013

(\$ thousands)	28-Sep-24
Total Debt	\$2,765,444
Less: Cash and cash equivalents	204,181
Net Debt	\$2,561,263
Debt Agreement Adjusted EBITDA	570,013
Net Leverage Ratio	4.5x

Net leverage ratio as of Q3 2024 was 4.5x



Notes:

- a. Consists of acquisition costs as reflected within the unaudited consolidated statements 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 relating to cloud computing arrangements.
- d. Represents non-cash shared-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 (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.
- g. Represents charges incurred related to the Company's partial repayment of Senior Secured Notes in conjunction with the sale of its Canadian distribution business.
- h. Represents our estimate of our anticipated annual operating results, including, without limitation, our estimates of the contribution of businesses acquired and divested and the additional rent expense from sale leasebacks as if such acquisitions and divestitures and sale leasebacks had occurred on the first day of the twelve-month period ended September 28, 2024, as well as 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 September 28, 2024.