Q3 2024
Investor Presentation

MASTERBRAND

November 5, 2024

Forward-Looking Statements

Certain statements contained in this presentation, other than purely historical information, including, but not limited to estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are forward-looking statements. Statements preceded by, followed by or that otherwise include the word “believes,” “expects,” “anticipates,” “intends,” “projects,” “estimates,” “plans,” “may increase,” “may fluctuate,” and similar expressions or future or conditional verbs such as “will,” “should,” “would,” “may,” and “could,” are generally forward-looking in nature and not historical facts. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is based on the current plans and expectations of our management. Although we believe that these statements are based on reasonable assumptions, they are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those indicated in such statements. These factors include those listed under “Risk Factors” in Part I, Item 1A of our Form 10-K for the fiscal year ended December 31, 2023, Part II, Item 1A of our Form 10-Q for the quarterly period ended June 30, 2024, and other filings with the SEC.

The forward-looking statements included in this document are made as of the date of this presentation and, except pursuant to any obligations to disclose material information under the federal securities laws, we undertake no obligation to update, amend or clarify any forward-looking statements to reflect events, new information or circumstances occurring after the date of this presentation.

MasterBrand Overview

#1 North American residential cabinet manufacturer

MasterBrand at a glance [1]

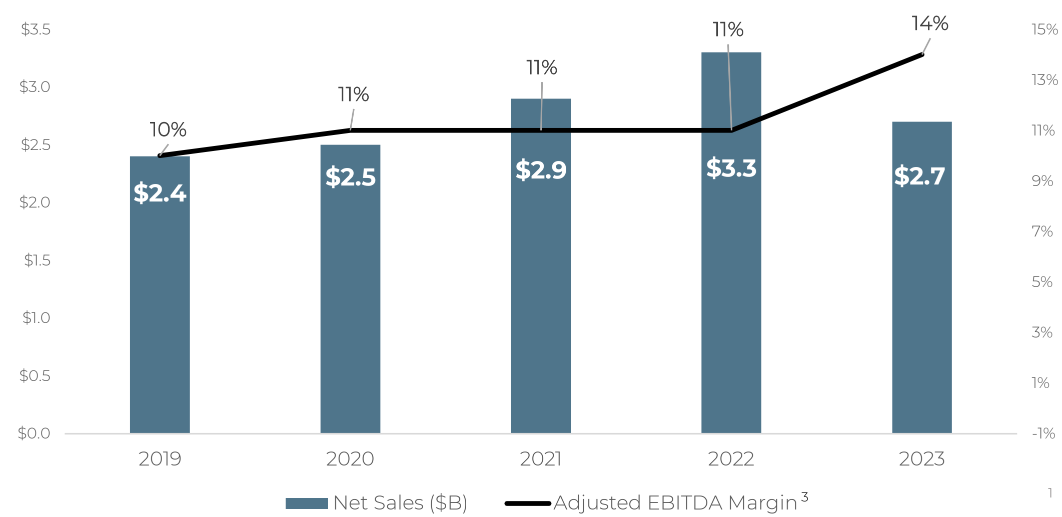
~65%
Net sales to R&R

13,000+
Employees

20+
Manufacturing facilities

6,000+
Dealer network

MasterBrand key financial metrics [2]



$2.7 billion
2023 Net sales

$383 million
2023 Adjusted EBITDA[3]

Key brands

Aristokraft, Bertch, Diamond, Dura Supreme Cabinetry, Homecrest, Kemper, KitchenCraft Cabinetry, Mantra, Omega Cabinetry, Schrock, Starmark Cabinetry, Thomasville Cabinetry

[1] Includes Supreme acquisition
[2] Excludes Supreme acquisition
[3] Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP metrics. Please see Appendix for definitions and corresponding reconciliations to historical GAAP measures

The MasterBrand Story

OUR PURPOSE

Building great experiences together

OUR VISION

Build on our rich history by innovating how we work and what we offer to delight our customers

OUR CULTURE

Make the team better
Be bold
Champion improvement

How?

Tools that enable us to:

PRE-SPIN-OFF

Industry Leader
Largest distribution network

Product & Brand Portfolio
Leader amongst peers

Operational Excellence
At Scale

DELIVERED THROUGH THE MASTERBRAND WAY

TODAY

Align to Grow
Deliver on the unique needs of each customer

Lead through Lean
Engage teams and foster problem-solving

Tech Enabled
Drive profitable growth and transform the way we work through digital, data, and analytics

CSR HIGHLIGHTS

MASTERBRAND

At MasterBrand, we have built a foundation of doing what is right for people and the environment. Our sustainability journey is ongoing, and as our associates continue to innovate, inspire and lead by example, we find more opportunities to positively impact our industry and stakeholders worldwide.

We are committed to fulfilling our roles as good corporate citizens by seeking to improve our impact on the environment, ensure that our business practices support our associates and the community at large and continue to protect stakeholder interests through effective corporate governance.

Environmental Responsibility & Sustainability

We integrate environmental care into our business beliefs, which continually drive us to enhance the sustainability of our operations.

In 2023, we achieved **landfill avoidance rates of at least 90%** at five MasterBrand facilities

We continue to invest in **product quality improvements**, which will result in less rework and, ultimately, less waste

We have developed partnerships to reclaim wood waste and spent solvent for **reuse and recycling**

People

With a relentless focus on safety, MasterBrand is committed to empowering associates to lead change in their work environment, benefiting from a diverse workforce, and giving back to members of our communities.

In 2023, MasterBrand was recognized as one of **America's Safest Companies** by *EHS Today*

We have continued to invest in **robust wellness benefits** to help our associates and their families feel their best at home and work

We strive to **foster workplace inclusion**, even at the highest levels of leadership; four out of nine members of our executive leadership team are women and two out of nine are People of Color (POC)

Governance

MasterBrand relies on the experience of our diverse Board of Directors and executive management team to provide oversight, establish policy and set sound business practices that guide us in our mission.

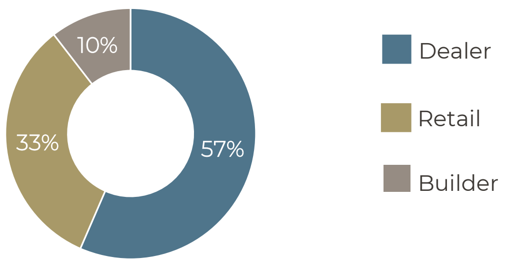
We have continued to develop our compliance program through the creation of a **Policy Review Committee**

We implemented a new software program to **monitor our supply chain** for potential risks

We added two new members to the Board of Directors, enhancing our Board's diverse range of **industry experience and business expertise**

Industry Leading Customer Base

MasterBrand channel mix [1]



57% **Dealer:** provide customer education, service and design consultation

33% **Retail:** common box products that offer some customization along with in-stock standardized products

10% **Builder:** sold directly and highly correlated to single-family housing starts

MasterBrand has a leadership position across channels...

Overview of primary sales channels in the US and Canada:

	Dealer Channel	Retailers / Home Center Channel	Builder Channel
Industry Channel Size *% of total*	**$7.3bn** *~61%*	**$3.4bn** *~28%*	**$1.3bn** *~11%*
Primary End Market Exposure	**R&R / New Home Construction**	**R&R**	**New Home Construction**
Customer Concentration	**Low** (25,000+)	**High** (Top 3 represent ~90%)	**Medium** (Growing trend of National Homebuilder Consolidation)

...and why it matters

Fragmented network: Requires broad products and regional presence to address and allows for a variety of consumer touch points

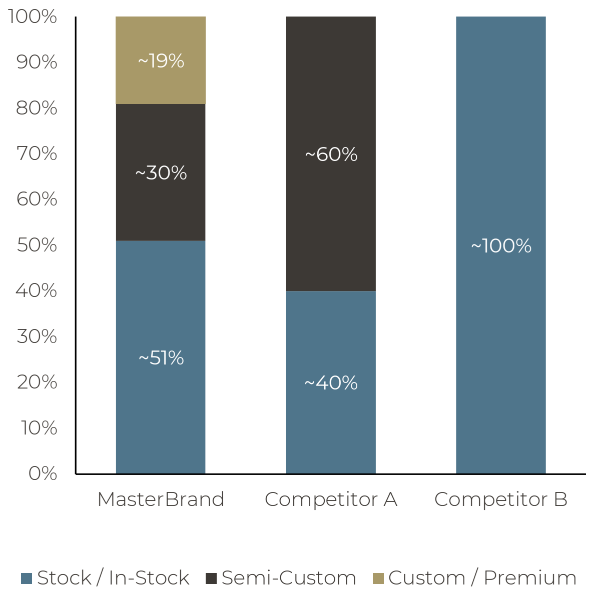
Multi-brand strategy: Dealers offer multiple brands, enabling trade up and down to drive sales

High retention rate: Physical showroom investments and sales training drive retention

[1] Channel mix for fiscal year 2023, including pro forma impact of Supreme acquisition

Multi-Branded Strategy Across Price Points and Products

MasterBrand offers the most diverse product portfolio and covers the price spectrum [1]



MasterBrand portfolio by type and key brands

Price point (per cabinet): <$350 … >$750

Stock /In-Stock	Semi-Custom	Custom/Premium
Aristokraft	Diamond	Bertch
Diamond	HOMECREST	Decora
MANTRA	KitchenCraft	DURASUPREME
Thomasville	KEMPER	FIELDSTONE
	MC mid continent CABINETRY	OMEGA
	Schrock	STARMARK
	Thomasville	ultracraft
	URBAN EFFECTS	

[1] Includes pro forma impact of Supreme acquisition

Integrated Manufacturing Network & Strong Track Record of Continuous Improvement

OLD MODEL: **10+ product platform / plant silos**

Assets + Capabilities + Product + Specs

NEW MODEL: **4 construction-specific product platforms**

Networked manufactured footprint

Capability duplication aligned to demand

Aligned product continuum

- ✓ Footprint optimization
- ✓ Proven tools of our business system, enable product portfolio simplification
- ✓ Continuous improvement culture
- ✓ Efficient capital spending profile

MasterBrand's strategic transformation initiatives have created >$90 million of cumulative annual savings since 2019, with another $50 million of incremental savings anticipated in 2024

Note: Excludes Supreme acquisition

Align to Grow

Simplified manufacturing to fulfill market needs

FACILITY RATIONALIZATION

2 Facilities closed

1 Facility absorbed

MANUFACTURING FLEXIBILITY

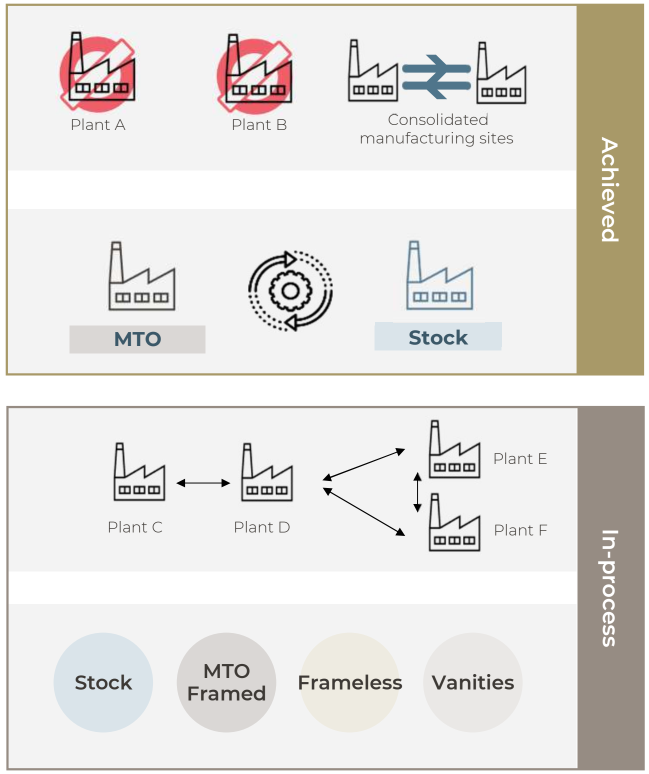
1 Quarter facility transition from Made-to-Order to Stock

PLANT NETWORKS

20 Independent Plants → **5** Networks

COMMON CONSTRUCTION

10+ Platforms → **4** Platforms



Reduce complexity, without limiting customer selection

~55% Reduction in Doors

~85% Reduction in Paints and Stains

~40% Reduction in Species

Note: Excludes Supreme acquisition

Lead Through Lean

Four years into our journey, we're progressing toward our vision of being a best place to work

LEAN FOUNDATION TOOLS

Consistent opportunities to strengthen lean skills with 266 formal kaizen events in 2023

ASSOCIATE ENGAGEMENT

Lead Through Lean further improved engagement scores in 2023

REWARDS & RECOGNITION

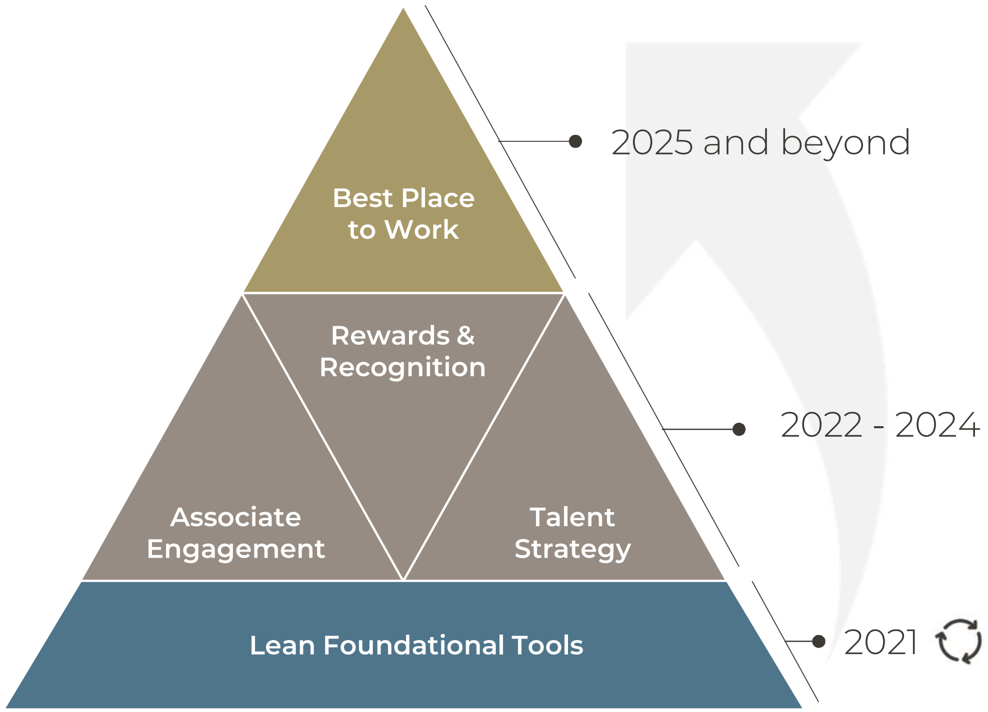
Since inception over 400K peer-to-peer recognition awards given

TALENT STRATEGY

Talent Philosophy & Success Model provides consistent lexicon and code for all associates around talent processes

BEST PLACE TO WORK

Continued evolution of Best Place to Work, supported by three robust processes



Leveraging Data and Analytics to Unlock Shareholder Value

Simplify and Automate Backoffice Processes

Digitize our Plants

Enhance Customer Experience

Supreme Cabinetry Brands Acquisition Completed July 2024

1. **Enhances MasterBrand's Portfolio** with Complementary Products in Resilient and Attractive Categories
2. **Extends Diversity of Channel Distribution** to Reach More Consumers
3. Combines Best-in-Class Competencies to Win Today and Tomorrow, **Enriching Consumer Value, Product Access, and Service**
4. **Drives Augmented Financial Profile** and Value Creation via Highly Achievable Cost Synergies
5. Reinforces Opportunity for Capital Flexibility Through **Strong Balance Sheet and Cash Flow**

Q3 2024 Highlights

Financial Results

($ in millions, except per share amounts)	Q3 2024	Q3 2023	B/(W)
Net Sales	$718.1	$677.3	6.0%
Gross Profit	$238.0	$237.5	0.2%
Gross Profit Margin	*33.1%*	*35.1%*	*(200 bps)*
SG&A	$166.3	$140.3	18.5%
Net Income	$29.1	$59.7	(51.3%)
Net Income Margin	*4.1%*	*8.8%*	*(470 bps)*
Adjusted EBITDA[1]	$104.5	$109.8	(4.8%)
Adjusted EBITDA Margin[1]	*14.6%*	*16.2%*	*(160 bps)*
Diluted EPS (GAAP)	$0.22	$0.46	(52.2%)
Adjusted Diluted EPS[1]	$0.40	$0.49	(18.4%)
Net Cash Provided By Operating Activities (YTD)	$176.9	$336.5	(47.4%)
Free Cash Flow[1] (YTD)	$142.3	$315.1	(54.8%)

- Net sales increased 6% driven by 9% growth from our Supreme acquisition, partially offset by a 3% decline in organic net sales due to lower net average selling price (ASP). The impact of volume and foreign exchange were roughly flat year-on-year.
- Net income decreased 51%, primarily due to acquisition costs, lower gross profit margin, restructuring charges and higher interest expense, partially offset by favorable variable compensation and positive net income contribution from Supreme. Net income margin contracted 470 bps.
- Adjusted EBITDA margin[1] declined 160 bps primarily due to the timing of price realization relative to inflationary pressures, continued investments in strategic initiatives, and approximately $6 million in non-repeating insurance proceeds and medical rebates in the same period last year.
- Operating cash flow (YTD) and Free Cash Flow[1] (YTD) declined primarily due to a benefit in the prior year from the release of a strategic inventory build meant to mitigate various supply chain constraints.

Near-Term Expectations

Full Year 2024 Outlook[1]

Market Growth

Low Single-Digit % Decline
North American Cabinets Market

MasterBrand

Increase of low single-digit %
Net Sales

$385-$405 million
Adjusted EBITDA[2]

~14.0%-14.5%
Adjusted EBITDA Margin[2]

$1.50-$1.62
Adjusted Diluted EPS[2]

Drivers

- Organic net sales decline of low single-digit % and acquisition-related increase of mid single-digit %
- Promotional activity and trade downs to continue at a similar pace, but impact to moderate from a y-o-y perspective
- Continued growth in new construction, but expected to moderate y-o-y and sequentially; R&R demand to be at the lower end of mid-single digit % declines
- Q4 net sales to outperform normal seasonality due to previously implemented price and traction from new products and channel specific offerings
- Ability to flex manufacturing, ongoing continuous improvement efforts, and price actions will support adj. EBITDA[2], and reduce the impact of recent cost inflation. Anticipating seasonally higher than normal adj. EBITDA margin[2] in Q4.
- Free Cash Flow[2] is expected to be in excess of Net Income in 2024.

STRONG BALANCE SHEET WITH FINANCIAL FLEXIBILITY

[1] This outlook information was presented by the Company on its third quarter 2024 Earnings Conference Call on November 5, 2024, and it speaks only as of that date. Its inclusion in this presentation does not constitute a reaffirmation or update of such information as of the date hereof or any other date.

[2] Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Diluted EPS, and Free Cash Flow are non-GAAP metrics. Please see Appendix for definitions.

Long-Term Financial Targets

Long Term Outlook[1]

Market Growth		MasterBrand
3-5% CAGR North American Cabinets Market	>	**4-6% CAGR** Net Sales **~16%-18%** FY Adjusted EBITDA Margin[2]

Clear Path to Achieving Results

1. Business and portfolio aligned with the customer
2. Operational Excellence will fuel margin growth
3. Flexible platform allows us to navigate any market condition

STRONG FOCUS ON MARGIN EXPANSION

[1] This outlook information was presented by the Company at its Investor Day 2022 presentation on December 6, 2022, and it speaks only as of that date. Its inclusion in this presentation does not constitute a reaffirmation or update of such information as of the date hereof or any other date.

[2] Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP metrics. Please see Appendix for definitions.

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Appendix

Non-GAAP Financial Measures

To supplement the financial information presented in accordance with generally accepted accounting principles in the United States ("GAAP") in this presentation, certain non-GAAP financial measures as defined under SEC rules have been included. It is our intent to provide non-GAAP financial information to enhance understanding of our financial information as prepared in accordance with GAAP. Non-GAAP financial measures should be considered in addition to, not as a substitute for, other financial measures prepared in accordance with GAAP. Our methods of determining these non-GAAP financial measures may differ from the methods used by other companies for these or similar non-GAAP financial measures. Accordingly, these non-GAAP financial measures may not be comparable to measures used by other companies.

We use EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted net income margin, adjusted diluted earnings per share ("adjusted diluted EPS"), free cash flow, net debt, and net debt to adjusted EBITDA, which are all non-GAAP financial measures. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. We evaluate the performance of our business based on income before income taxes, but also look to EBITDA as a performance evaluation measure because interest expense is related to corporate functions, as opposed to operations. For that reason, we believe EBITDA is a useful metric to investors in evaluating our operating results. Adjusted EBITDA is calculated by removing the impact of non-operational results and special items from EBITDA. Adjusted EBITDA margin is calculated as adjusted EBITDA divided by net sales. Adjusted net income is calculated by removing the impact of non-operational results, including non-cash amortization expense, which is not deemed to be indicative of the results of current or future operations, and special items from net income. Adjusted net income margin is calculated as adjusted net income divided by net sales. Adjusted diluted EPS is a measure of our diluted earnings per share excluding non-operational results and special items. We believe these non-GAAP measures are useful to investors as they are representative of our core operations and are used in the management of our business, including decisions concerning the allocation of resources and assessment of performance.

Free cash flow is defined as cash flow from operations less capital expenditures. We believe that free cash flow is a useful measure to investors because it is a meaningful indicator of cash generated from operating activities available for the execution of our business strategy, and is used in the management of our business, including decisions concerning the allocation of resources and assessment of performance. Net debt is defined as total balance sheet debt less cash and cash equivalents. We believe this measure is useful to investors as it provides a measure to compare debt less cash and cash equivalents across periods on a consistent basis. Net debt to adjusted EBITDA is calculated by dividing net debt by the trailing twelve months adjusted EBITDA. Net debt to adjusted EBITDA is used by management to assess our financial leverage and ability to service our debt obligations.

As required by SEC rules, see the appendix of this presentation for detailed reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measure. We have not provided a reconciliation of our fiscal 2024 adjusted EBITDA, adjusted EBITDA margin and adjusted diluted EPS guidance because the information needed to reconcile these measures is unavailable due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred, including gains and losses associated with our defined benefit plans and restructuring and other charges, which are excluded from adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted net income margin, and adjusted diluted EPS. Additionally, estimating such GAAP measures and providing a meaningful reconciliation consistent with the Company's accounting policies for future periods requires a level of precision that is unavailable for these future periods and cannot be accomplished without unreasonable effort. Forward-looking non-GAAP measures are estimated consistent with the relevant definitions and assumptions used for historical non-GAAP measures.

Full Year Non-GAAP Reconciliations

(In millions, except percentages)	Fiscal Year Ended December 29, 2019	Fiscal Year Ended December 27, 2020	Fiscal Year Ended December 26, 2021	Fiscal Year Ended December 25, 2022	Fiscal Year Ended December 31, 2023
Reconciliation of Net Income to EBITDA to ADJUSTED					
Net income (GAAP)	**$ 100.7**	**$ 145.7**	**$ 182.6**	**$ 155.4**	**$ 182.0**
Related party interest income, net	(0.1)	(2.4)	(4.6)	(12.9)	-
Interest expense	-	-	-	2.2	65.2
Income tax expense	34.5	50.5	55.7	58.0	56.7
Depreciation expense	44.3	48.0	44.4	47.3	49.0
Amortization expense	17.8	17.8	17.8	17.2	15.3
EBITDA (Non-GAAP Measure)	**$ 197.2**	**$ 259.6**	**$ 295.9**	**$ 267.2**	**$ 368.2**
[1] Separation costs	-	-	-	15.4	2.4
[2] Restructuring charges	10.2	6.1	4.2	25.1	10.1
[3] Restructuring-related items	0.5	5.3	3.7	12.7	(0.2)
[4] Asset impairment charges	41.5	9.5	-	46.4	-
[5] Recognition of actuarial gains	-	-	-	0.2	2.9
Adjusted EBITDA (Non-GAAP Measure)	**$ 249.4**	**$ 280.5**	**$ 303.8**	**$ 367.0**	**$ 383.4**
NET SALES	**$ 2,388.7**	**$ 2,469.3**	**$ 2,855.3**	**$ 3,275.5**	**$ 2,726.2**
Net Income Margin	**4%**	**6%**	**6%**	**5%**	**7%**
Adjusted EBITDA Margin %	**10%**	**11%**	**11%**	**11%**	**14%**

Note: See tick legend on following page

Full Year Non-GAAP Reconciliations Tick Legend

[1] Separation costs represent one-time costs incurred directly by MasterBrand related to the separation from Fortune Brands.

[2] Restructuring charges are nonrecurring costs incurred to implement significant cost reduction initiatives and may consist of workforce reduction costs, facility closure costs, and other costs to maintain certain facilities where operations have ceased, but which we are still responsible for. The restructuring charges for the periods presented are comprised primarily of workforce reduction costs and facility closure costs.

[3] Restructuring-related charges are expenses directly related to restructuring initiatives that do not represent normal, recurring expenses necessary to operate the business, but cannot be reported as restructuring under GAAP. Such costs may include losses on disposal of inventories from exiting product lines, accelerated depreciation expense, and gains/losses on the sale of facilities closed as a result of restructuring actions. Restructuring-related adjustments are recoveries of previously recorded restructuring-related charges resulting from changes in estimates of accruals recorded in prior periods. Restructuring-related charges/(adjustments) for the periods presented are related primarily to the reserves for losses on disposal of inventories.

[4] The year-ended December 25, 2022 included $46.4 million of pre-tax impairment charges related to impairments of indefinite-lived tradenames.

[5] We exclude the impact of actuarial gains and losses related to our U.S. defined benefit pension plan as they are not deemed indicative of future operations.

Q3 2024 Non-GAAP Reconciliations

SUPPLEMENTAL INFORMATION - Quarter-to-date

(Unaudited)

(U.S. Dollars presented in millions, except per share amounts and percentages)	13 Weeks Ended September 29, 2024	13 Weeks Ended September 24, 2023
1. Reconciliation of Net Income to EBITDA to ADJUSTED EBITDA		
Net income (GAAP)	**$ 29.1**	**$ 59.7**
Interest expense	20.0	15.3
Income tax expense	10.3	18.2
Depreciation expense	13.8	11.9
Amortization expense	6.3	3.6
EBITDA (Non-GAAP Measure)	**$ 79.5**	**$ 108.7**
[1] Separation costs	—	0.1
[2] Restructuring charges	7.8	1.4
[3] Restructuring-related adjustments	—	(0.4)
[4] Acquisition-related costs	15.0	—
[5] Purchase accounting cost of products sold	2.2	—
Adjusted EBITDA (Non-GAAP Measure)	**$ 104.5**	**$ 109.8**
2. Reconciliation of Net Income to Adjusted Net Income		
Net Income (GAAP)	**$ 29.1**	**$ 59.7**
[1] Separation costs	—	0.1
[2] Restructuring charges	7.8	1.4
[3] Restructuring-related adjustments	—	(0.4)
[4] Acquisition-related costs	15.0	—
[5] Purchase accounting cost of products sold	2.2	—
[6] Amortization expense	6.3	3.6
[7] Income tax impact of adjustments	(7.8)	(1.2)
Adjusted Net Income (Non-GAAP Measure)	**$ 52.6**	**$ 63.2**
3. Earnings per Share Summary		
Diluted EPS (GAAP)	$ 0.22	$ 0.46
Impact of adjustments	$ 0.18	$ 0.03
Adjusted Diluted EPS (Non-GAAP Measure)	$ 0.40	$ 0.49
Weighted average diluted shares outstanding	130.8	130.3
4. Profit Margins		
Net Sales (GAAP)	$ 718.1	$ 677.3
Net Income Margin % (GAAP)	4.1 %	8.8 %
Adjusted Net Income Margin % (Non-GAAP Measure)	7.3 %	9.3 %
Adjusted EBITDA Margin % (Non-GAAP Measure)	14.6 %	16.2 %

Note: See tick legend on following page

Q3 2024 Non-GAAP Reconciliations Tick Legend

[1] Separation costs represent one-time costs incurred directly by MasterBrand related to the separation from Fortune Brands.

[2] Restructuring charges are nonrecurring costs incurred to implement significant cost reduction initiatives and may consist of workforce reduction costs, facility closure costs, and other costs to maintain certain facilities where operations have ceased, but which we are still responsible for. The restructuring charges for all periods presented are mainly comprised of workforce reduction costs and other costs to maintain facilities that have been closed, but not yet sold.

[3] Restructuring-related charges are expenses directly related to restructuring initiatives that do not represent normal, recurring expenses necessary to operate the business, but cannot be reported as restructuring under GAAP. Such costs may include losses on disposal of inventories from exiting product lines, and gains/losses on the sale of facilities closed as a result of restructuring actions. Restructuring-related adjustments are recoveries of previously recorded restructuring-related charges resulting from changes in estimates of accruals recorded in prior periods. The restructuring-related adjustments in fiscal 2023 are recoveries of previously recorded restructuring-related charges resulting from changes in estimates of accruals recorded in prior periods.

[4] Acquisition-related costs are transaction and integration costs, including legal, accounting and other professional fees, severance, stock-based compensation, and other integration related costs. These charges are primarily recorded within selling, general and administrative expenses within the Condensed Consolidated Statements of Income. Acquisition-related costs are significantly impacted by the timing and complexity of the underlying acquisition related activities and are not indicative of the Company's ongoing operating performance. The acquisition-related costs in fiscal 2024 are associated with the acquisition of Supreme Cabinetry Brands, Inc., which was announced in the second quarter of fiscal 2024 and closed early in the third quarter of fiscal 2024, and are comprised primarily of professional fees.

[5] Purchase accounting cost of products sold relates to the fair market value adjustment required under GAAP for inventory obtained in the acquisition of Supreme Cabinetry Brands, Inc. All inventory obtained was sold in the third quarter of 2024.

[6] Beginning in the second quarter of fiscal 2024 reporting, management began adding back amortization of intangible assets in calculating adjusted net income and adjusted diluted EPS for all periods presented. Non-cash amortization expenses is not indicative of the Company's ongoing operations. Prior period information has been recast to reflect the updated presentation.

[7] In order to calculate Adjusted Net Income, each of the items described in Items [1] - [6] above reflect tax effects based upon an estimated annual effective income tax rate of 25.0 percent, inclusive of recurring permanent differences and the net effect of state income taxes and excluding the impact of discrete income tax items. Discrete items are recorded in the relevant period identified and include, but are not limited to, changes in judgment or estimates of uncertain tax positions related to prior periods, return-to-provision adjustments, the tax effect of relevant stock-based compensation items, certain changes in the valuation allowance for the realizability of deferred tax assets, or enacted changes in tax law. Management believes this approach assists investors in understanding the income tax provision and the estimated annual effective income tax rate related to ongoing operations.

Q3 2024 Non-GAAP Reconciliations

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(U.S. Dollars presented in millions)	39 Weeks Ended September 29, 2024	39 Weeks Ended September 24, 2023
OPERATING ACTIVITIES		
Net income	$ 111.9	$ 145.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	39.5	34.9
Amortization of intangibles	13.7	11.6
Restructuring charges, net of cash payments	4.3	(13.9)
Write-off and amortization of finance fees	8.2	1.7
Stock-based compensation	16.8	13.2
Changes in operating assets and liabilities:		
Accounts receivable	(2.3)	60.1
Inventories	(32.5)	103.9
Other current assets	(1.8)	6.9
Accounts payable	18.0	(42.8)
Accrued expenses and other current liabilities	(3.5)	9.2
Other items	4.6	5.8
NET CASH PROVIDED BY OPERATING ACTIVITIES	176.9	336.5
INVESTING ACTIVITIES		
Capital expenditures	(34.6)	(21.4)
Proceeds from the disposition of assets	8.4	0.3
Acquisition of business, net of cash acquired	(515.7)	—
NET CASH USED IN INVESTING ACTIVITIES	(541.9)	(21.1)
FINANCING ACTIVITIES		
Issuance of long-term and short-term debt	1,130.0	55.0
Repayments of long-term and short-term debt	(767.5)	(327.5)
Payment of financing fees	(17.8)	—
Repurchase of common stock	(6.5)	(15.6)
Payments of employee taxes withheld from share-based awards	(5.3)	(3.0)
Other items	(1.6)	(1.0)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	331.3	(292.1)
Effect of foreign exchange rate changes on cash and cash equivalents	(5.6)	(1.9)
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	$ (39.3)	$ 21.4
Cash, cash equivalents, and restricted cash at beginning of period	$ 148.7	$ 101.1
Cash, cash equivalents, and restricted cash at end of period	$ 109.4	$ 122.5
Cash and cash equivalents	$ 108.4	$ 122.5
Restricted cash included in other assets	1.0	—
Total cash, cash equivalents and restricted cash	$ 109.4	$ 122.5

Reconciliation of Free Cash Flow		
Net cash provided by operating activities	$ 176.9	$ 336.5
Less: Capital expenditures	(34.6)	(21.4)
Free cash flow	$ 142.3	$ 315.1

Prior Year to Current Year Net Sales Walk

	Q3	% Change	YTD	% Change
2023 Net Sales *(millions)*	$ 677.3		$ 2,049.1	
Volume	(2.4)	0%	8.7	0%
ASP[1]	(17.2)	-3%	(85.2)	-4%
Acquisition of Supreme	60.8	9%	60.8	3%
Foreign Currency	(0.4)	0%	(0.7)	0%
2024 Net Sales *(millions)*	$ 718.1	6%	$ 2,032.7	-1%

[1] ASP includes price/mix and other factors that could impact average selling price