



DORMAN PRODUCTS, INC.

BAIRD'S 2024 GLOBAL INDUSTRIAL CONFERENCE
NOVEMBER 13, 2024

DAVID M. HESSION
SENIOR VICE PRESIDENT & CHIEF FINANCIAL OFFICER



Forward-Looking Statements & Non-GAAP Financial Measures

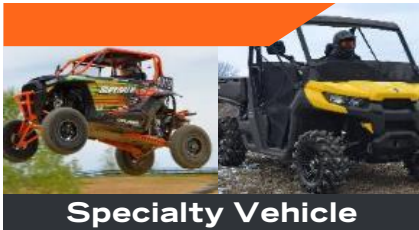
Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Words such as “may,” “will,” “should,” “likely,” “probably,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “views,” “estimates” and similar expressions are used to identify these forward-looking statements. Readers are cautioned not to place undue reliance on those forward-looking statements, which speak only as of the date such statements were made. Such forward-looking statements are based on current expectations that involve a number of known and unknown risks, uncertainties and other factors (many of which are outside of our control). Such risks, uncertainties and other factors relate to, among other things: competition in and the evolution of the motor vehicle aftermarket industry; changes in our relationships with, or the loss of, any customers or suppliers; our ability to develop, market and sell new and existing products; our ability to anticipate and meet customer demand; our ability to purchase necessary materials from our suppliers and the impacts of any related logistics constraints; widespread public health pandemics; political and regulatory matters, such as changes in trade policy, the imposition of tariffs and climate regulation; our ability to protect our information security systems and defend against cyberattacks; our ability to protect our intellectual property and defend against any claims of infringement; and financial and economic factors, such as our level of indebtedness, fluctuations in interest rates and inflation. More information on these risks and other potential factors that could affect the Company’s business, reputation, results of operations, financial condition, and stock price is included in the Company’s filings with the Securities and Exchange Commission (“SEC”), including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the Company’s most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. The Company is under no obligation to, and expressly disclaims any such obligation to, update any of the information in this document, including but not limited to any situation where any forward-looking statement later turns out to be inaccurate whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

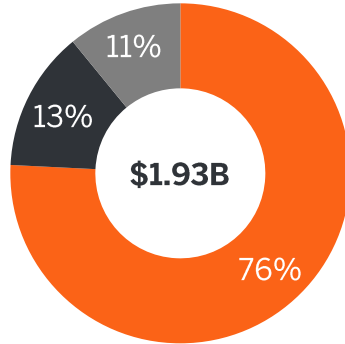
This presentation includes non-GAAP financial measures as defined under the rules of the Securities and Exchange Commission. These non-GAAP financial measures should not be used as a substitute for GAAP measures, or considered in isolation, for the purpose of analyzing our cash flows or results of operations. Additionally, these non-GAAP measures may not be comparable to similarly titled measures reported by other companies. Reconciliations of these non-GAAP measures to the most directly comparable GAAP financial measures are included in this presentation.

Dorman: What We Do



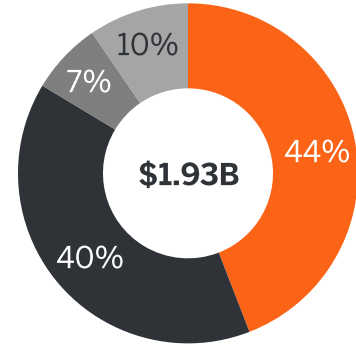
- We deliver product innovation to the aftermarket and develop new repair solutions
- **Design + Manufacture + Distribute replacement and upgrade parts for the motor vehicle aftermarket**

FY2023 Net Sales by Segment



Light Duty Heavy Duty Specialty Vehicle

FY2023 Net Sales by Channel



Retail Wholesale Distributor Direct to Consumer Other

Rapid Innovation at Scale is a Compelling Advantage



New to the Aftermarket Innovation Engine

- End customer relationships drive new product ideation funnel
- Proprietary solutions that simplify repairs



Broad and Technical Product Capabilities

- Design and produce solutions from bumper-to-bumper
- Drivetrain agnostic, serving ICE, Hybrid & BEV platforms
- Advanced technical capabilities in software and electronics



Nimble Manufacturing and Supply Chain

- Asset-light, capital-efficient model
- Diversified global supply partners and logistics network
- Speed to market, speed to scale, and speed to pivot



Effective Across Segments and Channels

- E-commerce investments facilitate omni channel approach
- Implementing “Dorman Model” in new adjacent segments

19,000+
SKUs launched in the
last 3 years^{1,2}

Expansion to **Alternative
Powertrain Solutions**

A Leader in
**Aftermarket Complex
Electronics**

300+
Global Suppliers¹

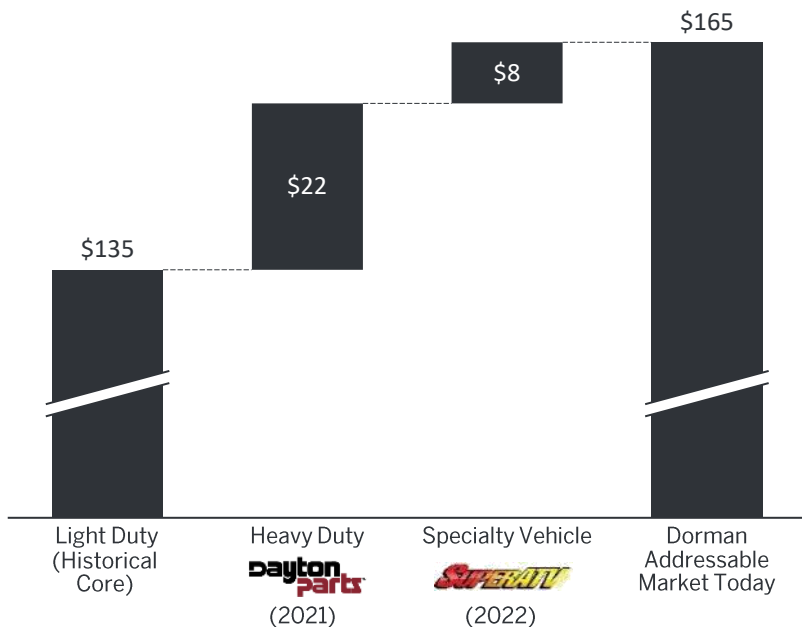
1 – At December 31, 2023.

2 – Adjusted to include Dayton Parts and SuperATV performance for periods prior to Dorman acquisitions.

Opportunity to Leverage Dorman's Innovation Model Across a Large and Diverse TAM

Adjacent Investments Have Expanded TAM 22%

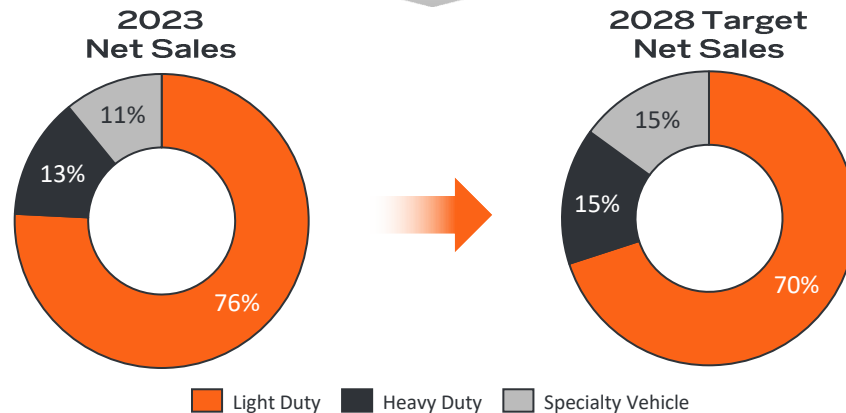
2023 TOTAL ADDRESSABLE MARKET (US\$ BILLIONS)¹



Attractive Segment Characteristics



Dorman Products' Innovation Playbook



Emerging Technologies Shaping the Future of Transportation

Powertrain Agnostic: Multi-Platform Approach Accelerating Growth Opportunity

Internal Combustion Engine (ICE)



- Expected to remain ~90% of VIO through 2035*
- Regulation and platform changes provide significant aftermarket opportunity

Hybrid Vehicles



- Dual powertrain provides greater opportunity for aftermarket repair
- In VIO “sweet spot” currently, with increased adoption across OEMs for future models

Electric Vehicles (EV)



- Lower VIO exposure today, but applying Dorman approach to innovation strategy
- Higher component average selling price



+6,000 SKUs Hybrid / EV
Body & Suspension Application Components



+2,500 SKUs ICE / Hybrid / EV
Complex Electronics & Smart Motors



+1,700 SKUs Hybrid / EV
Drivetrain Application Components



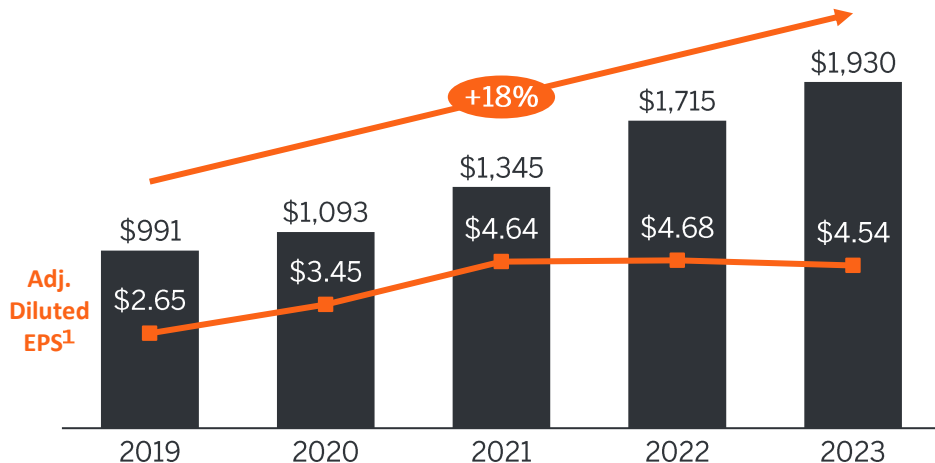
+500 SKUs ICE / Hybrid / EV
Advance Driver Assist Systems (ADAS)

Delivering Consistent Growth, Profitability and Cash Flow

Topline Annualized Growth of 18% Since 2019

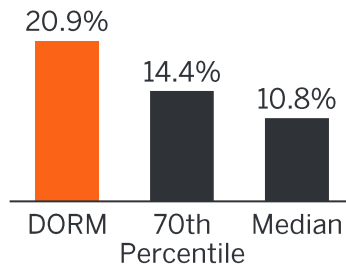
- Nondiscretionary parts focus performs well in difficult economies
- End-market diversification mitigates cycles
- Broad global supply chain network provides resiliency

Net Sales¹ (USD millions)

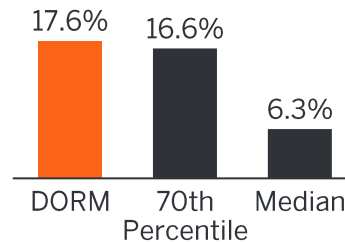


Outperforming our Peers²

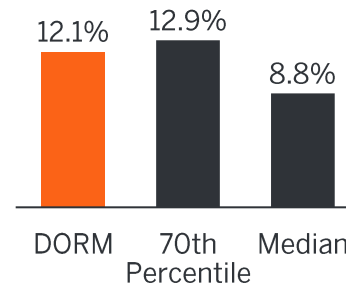
3-Year Net Sales Growth



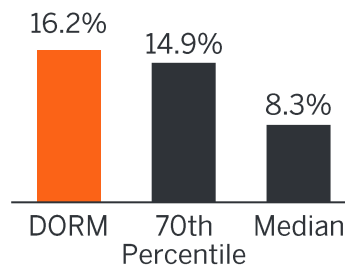
3-Year OI Growth³



FY2023 OI Margin³



3-Year EBITDA Growth³



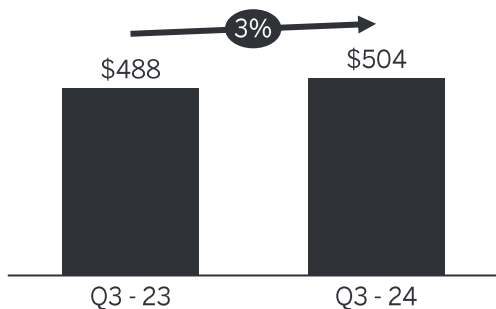
1 – Adjusted to exclude the 53rd week of FY 2022. See reconciliation of non-GAAP amounts in appendix of this presentation.

2 – Peer group includes AXL, CPS, FOXF, GNTX, GTX, HLIO, HLLY, LCII, MOD, MPAA, PATK, PRTS, SMP, SRI, VC. Data from Factset. 2023 performance includes some consensus estimates as at January 31, 2024.

3 – OI refers to Adjusted Operating Income, and EBITDA refers to Adjusted EBITDA. See reconciliation of non-GAAP amounts in appendix of this presentation.

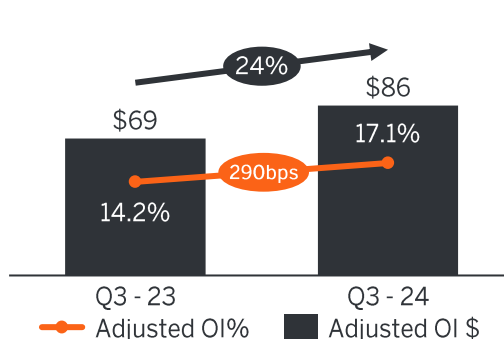
Q3 2024 Performance Highlights

Net Sales¹



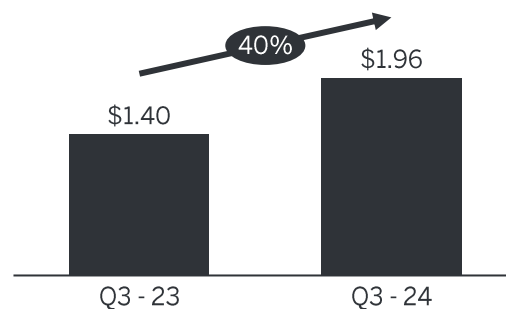
- Top-line growth driven by solid demand in Light Duty
- Heavy Duty and Specialty Vehicle segments performed well in challenging markets
- New product innovation continued to drive growth

Adj. Operating Income¹



- Strong profitability growth across enterprise
- Segment Profit Margin improved in each business
- Gross Margin expansion driven by continued easing of inflationary pressures, operational efficiencies, and favorable product mix

Adj. Diluted EPS¹



- Adjusted Diluted EPS¹ growth continued in the quarter, driven by favorable margins and balance sheet improvements
- Recent debt repayments coupled with lower interest rates drove reduced interest expense
- Total diluted shares reduced by 816K from Q3 2023

Updated 2024 Guidance

| | Updated 2024 Guidance (as of November 1, 2024) | Prior 2024 Guidance |
|------------------------------------|--|------------------------|
| Net Sales change vs. previous year | 3.5% - 4.5% | 3% - 5% |
| Diluted EPS | \$6.15 - \$6.25 | \$5.32 - \$5.52 |
| <i>Change vs. previous year</i> | <i>50% - 52%</i> | <i>30% - 35%</i> |
| Adjusted Diluted EPS ¹ | \$6.85 - \$6.95 | \$6.00 - \$6.20 |
| <i>Change vs. previous year</i> | <i>51% - 53%</i> | <i>32% - 37%</i> |

- Adjusted Diluted EPS¹ midpoint increases \$0.80 (+13%)
- Excludes any potential impact from future M&A, supply chain disruptions, significant inflation, interest rate changes, and additional share repurchases
- Assumes 24% effective tax rate



Thank You





Appendix – Non-GAAP Reconciliations

Results Adjusted for 53rd week of 2022

| | Twelve Months Ended December 31 | | | | |
|----------------------------------|---------------------------------|---------------------|------------------------|---------------------|-----------------------|
| | 2023 | 2022 | Impact of 53rd Week | 2022 Adjusted | 2023 vs. 2022 Adj. |
| (\$ in thousands, except EPS) | | | | | |
| Net Sales | | | | | |
| Light Duty | \$ 1,462,474 | \$ 1,425,892 | \$ (16,834) | \$ 1,409,058 | 4% |
| Heavy Duty | 256,913 | 258,215 | (2,365) | 255,850 | 0% |
| Specialty | 210,401 | 49,642 | - | 49,642 | 324% |
| Consolidated | <u>\$ 1,929,788</u> | <u>\$ 1,733,749</u> | <u>\$ (19,199)</u> | <u>\$ 1,714,550</u> | <u>13%</u> |
| Adjusted Gross Margin | | | | | |
| Consolidated | \$ 697,236 | \$ 575,520 | \$ (6,009) | \$ 569,511 | \$ 127,725 |
| % | 36.1% | 33.2% | 31.3% | 33.2% | 290 bps |
| Adjusted S,G&A | | | | | |
| Consolidated | \$ 463,954 | \$ 367,666 | \$ (2,750) | \$ 364,916 | \$ 99,038 |
| % | 24.0% | 21.2% | 14.3% | 21.3% | 270 bps |
| Adjusted Operating Income | | | | | |
| Light Duty | \$ 187,159 | \$ 169,579 | \$ (2,786) | \$ 166,793 | 12% |
| Heavy Duty | 14,505 | 29,738 | (473) | 29,265 | -50% |
| Specialty | 31,618 | 8,537 | - | 8,537 | 270% |
| Consolidated | <u>\$ 233,282</u> | <u>\$ 207,854</u> | <u>\$ (3,259)</u> | <u>\$ 204,595</u> | <u>14%</u> |
| Adjusted Operating Margin | | | | | |
| Light Duty | 12.8% | 11.9% | | 11.8% | 100 bps |
| Heavy Duty | 5.6% | 11.5% | | 11.4% | (580) bps |
| Specialty | 15.0% | 17.2% | | 17.2% | (220) bps |
| Consolidated | <u>12.1%</u> | <u>12.0%</u> | | <u>11.9%</u> | <u>20 bps</u> |
| Adjusted Diluted EPS | | | | | |
| Consolidated | \$ 4.54 | \$ 4.76 | \$ (0.08) | \$ 4.68 | -3% |

Reconciliation of Adjusted Diluted EPS

| (\$ in thousands) | Twelve Months Ended | | | | |
|---|---------------------|----------------|----------------|----------------|----------------|
| | 12/31/23 | 12/31/22 | 12/25/21 | 12/26/20 | 12/28/19 |
| Diluted earnings per share (GAAP) | \$ 4.10 | \$ 3.85 | \$ 4.12 | \$ 3.30 | \$ 2.56 |
| Pretax acquisition-related intangible assets amortization | 0.69 | 0.45 | 0.20 | 0.10 | 0.08 |
| Pretax acquisition-related transaction and other costs | 0.49 | 0.72 | 0.47 | 0.14 | 0.04 |
| Capitalized debt issuance fee write-off | — | 0.00 | — | — | — |
| Executive transition services expense | 0.06 | — | — | — | — |
| Fair value adjustment to contingent consideration | (0.65) | — | — | — | — |
| Pretax gain on equity method investment | — | — | — | (0.08) | — |
| Noncash impairment related to equity method investment | — | — | — | 0.06 | — |
| Tax adjustment (related to above items) | (0.15) | (0.27) | (0.14) | (0.06) | (0.03) |
| Tax benefit for reversal of deferred tax liability for equity method investment | — | — | — | (0.03) | — |
| Adjusted diluted earnings per share (Non-GAAP) | <u>\$ 4.54</u> | <u>\$ 4.76</u> | <u>\$ 4.64</u> | <u>\$ 3.45</u> | <u>\$ 2.65</u> |

Reconciliation of Adjusted Operating Income

| (\$ in thousands) | Three Months Ended | | | | Twelve Months Ended | | | | | | | |
|---|--------------------|------------|------------|------------|---------------------|------------|------------|------------|------------|------------|------------|------------|
| | 12/31/23 | % of Sales | 12/31/23 | % of Sales | 12/31/22 | % of Sales | 12/25/21 | % of Sales | 12/26/20 | % of Sales | 12/28/19 | % of Sales |
| Income from operations (GAAP) | \$ 77,240 | 15.6% | \$ 214,760 | 11.1% | \$ 171,048 | 9.9% | \$ 171,551 | 12.8% | \$ 133,373 | 12.2% | \$ 105,828 | 10.7% |
| Pretax acquisition-related intangible assets amortization | 5,481 | 1.1% | 21,817 | 1.1% | 14,070 | 0.8% | 6,340 | 0.5% | 3,205 | 0.3% | 2,502 | 0.3% |
| Pretax acquisition-related transaction and other costs | 493 | 0.1% | 15,373 | 0.8% | 22,736 | 1.3% | 15,072 | 1.1% | 4,527 | 0.4% | 1,426 | 0.1% |
| Executive transition services expense | — | — | 1,801 | 0.1% | — | — | — | — | — | — | — | — |
| Pretax noncash impairment related to equity method investment | — | — | — | — | — | — | — | — | 2,080 | 0.2% | — | — |
| Fair value adjustment to contingent consideration | (7,069) | -1.4% | (20,469) | -1.1% | — | — | — | — | — | — | — | — |
| Adjusted operating income (Non-GAAP) | \$ 76,145 | 15.4% | \$ 233,282 | 12.1% | \$ 207,854 | 12.0% | \$ 192,963 | 14.3% | \$ 143,185 | 13.1% | \$ 109,756 | 11.1% |

Reconciliation of Adjusted EBITDA

| (\$ in thousands) | Twelve Months Ended | |
|---|----------------------------|--------------------------|
| | <u>12/31/23</u> | <u>12/26/20</u> |
| Net income (GAAP) | \$ 129,259 | \$ 106,870 |
| Pretax acquisition-related intangible assets amortization | 21,817 | 3,205 |
| Pretax acquisition-related transaction and other costs | 15,373 | 4,527 |
| Pretax noncash impairment related to equity method investment | — | 2,080 |
| Pretax gain on equity method investment | — | (2,498) |
| Executive transition services expense | 1,801 | — |
| Fair value adjustment to contingent consideration | (20,469) | — |
| Tax adjustment (related to above items) | (4,606) | (1,810) |
| Tax benefit for reversal of deferred tax liability for equity method investment | — | (813) |
| Adjusted net income (Non-GAAP) | <u>\$ 143,175</u> | <u>\$ 111,561</u> |
| EBITDA addbacks: | | |
| Provision for income taxes | 43,850 | 31,489 |
| Interest expense, net | 48,061 | 599 |
| Depreciation | <u>32,371</u> | <u>26,742</u> |
| Adjusted EBITDA (Non-GAAP) | <u><u>\$ 267,457</u></u> | <u><u>\$ 170,391</u></u> |

Reconciliation of Adjusted Diluted EPS - Guidance

| | Year Ending 12/31/2024 | |
|--|-------------------------------|-----------------|
| | <u>Low End</u> | <u>High End</u> |
| Diluted earnings per share (GAAP) | \$ 6.15 | \$ 6.25 |
| Pretax acquisition-related intangible assets amortization | 0.73 | 0.73 |
| Pretax acquisition transaction and other costs | 0.05 | 0.05 |
| Pretax reduction in workforce costs | 0.15 | 0.15 |
| Tax adjustment (related to above items) | (0.23) | (0.23) |
| Adjusted diluted earnings per share (Non-GAAP) | <u>\$ 6.85</u> | <u>\$ 6.95</u> |
| Weighted average diluted shares outstanding (in thousands) | 31,000 | 31,000 |