Holley
PERFORMANCE BRANDS

Third Quarter 2024 Financial Results Call

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 and platforms; 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; 17) inability to predict how products will ultimately be used; and 18) 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 EDBITDA 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.

Agenda

Presenter:	
Anthony Rozmus Investor Relations	Introductions & Forward-Looking Statements
Matt Stevenson President & CEO	Results and Highlights
Jesse Weaver CFO	Financial Results
Group	Q&A
Matt Stevenson President & CEO	Outlook

Results and Highlights

Matthew Stevenson

President and CEO

Q3 Executive Summary

Maintaining Out-the-Door Share Gains YTD Despite Continued Softness in Market Demand

Well Executed Strategic Marketing Calendar of Events Created a DTC Lift of 110% in the Quarter

B2B participation in Marketing Calendar Led to Positive Uplifts and a Reduction in Channel Inventory

Distributor Inventories Normalized Creating a Positive Step for Stabilized Demand Moving Forward

Operational Improvements Deliver Past Due Reductions of 55% YoY

Cost to Serve Savings of $2.5M and YTD Savings of $6.7M Supporting YOY Gross Margin Expansion

Launched Branded Experience Sites to Improve Consumer Engagement and Drive Order Growth

Finished Event Season with Combined Attendance of ~110,000 Attendees

Q3 Financial Results & Ongoing Business Highlights

2024 Q3 Results

Net Sales	Adj. Gross Margin[1]
$134.0M	**39.0%**
(14.4%) vs. PY	170bps vs. PY
Adjusted EBITDA Margin[1]	**Free Cash Flow[1]**
16.5%	**$(2.1)M**
(250bps) vs. PY	($23.8M) vs. PY

Business Highlights

New Products Launched in Q3 Across Verticals

NEW & HOT

Along with many more!

Baer Big Claw Brakes

DiabloSport PredatorX

ADS Mesa Shocks

Range Technology Module

Operational Excellence

$6.7M YTD Cost to Serve Savings

+3.2% YOY Top 2,500 Products In-Stock %

55.3% YOY Reduction in Past Dues

+0.3x YOY Improvement in Inventory Turns

Elevating Promotional Efforts

+110% DTC Incremental Sales Lift during Marketing Calendar Events

Flagship LS Fest East Event attendance of ~45,000 enthusiasts

~$2MM 3rd Party Valuation of LS Fest East Media Value

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

LS Fest East: Our flagship US event

Holley LSFest EAST

A Celebration Of Anything Powered by GM's Incredible LS Engine

Holley Created & Owned Consumer Event

- Key driver in Holley's success with domestic muscle/LS community
- Drives massive content & connections with influencers and media
  - 6M social media impressions (191K engagements)
  - 11M influencer reach
- 2,752 participating vehicles
  - Domestic Muscle, Modern Truck & Off Road, Euro & Import, and Safety & Racing verticals
- ~45,000 attendance in 2024

Steering Principals Guide our Success

LISTENING TO OUR TEAMMATES

PUTTING ALL CUSTOMERS FIRST

ENHANCING OPERATIONS

OPTIMIZING ACQUISITIONS

Q3 Progress on Keys to Unlocking Transformative Growth

Develop a High Performing Team

- All key leaders in place and driving increased professionalism & effectiveness
- Executed a restructuring to further deepen capabilities within the organization
- Numerous strategic hires in the within second and third levels of leadership
- Conducted Great Place to Work Survey and using results to elevate company

Digital Modernization & CXM Optimization

- Expansion of brand experience sites driving ~20% incremental growth
- SEO and microsites improving marketing efficiency with organic traffic
- Quarterly marketing calendar driving orchestrated sales lifts
- Completed CRM data consolidation initiative for activations in Q4
- Finalized Product Information Management single source of truth for DTC

B2B Sales Capabilities

R&R MARKETING CONSULTANTS, INC.

- Onboarded R&R to support growth in top 50 B2B partners including, E-Tailers, National Retailers, Wholesale Distributors
- R&R driving product data adoption improving organic growth of existing products
- Joint Business Planning w/ top customers to drive partnership and growth
- Developing standardized tracking tools to drive customer-level accountability

Product Management & Innovation

- Product launch groups driving improved new product adoption with distributors
- Phase-gate system driving 25% improvement in new product revenue YTD
- Developed formalized B2B product sales training on all Tier 1 products
- Invested in workflow management tools to improve efficiency in new launches

Strategic Pricing

- Automated competitive pricing updates on top 500 SKUs
- Developing Good/Better/Best Pricing Strategy for major categories
- Targeted pricing changes for Psychological Price points on ~1,500 SKUs
- Experiencing positive results from 80/20 pricing vs. prior price changes
- MAP enforcement now on over 20,000 SKUs

Continuing to Make Progress Across All Keys to Unlock Growth

Multiple Quantifiable Wins Across the Transformation

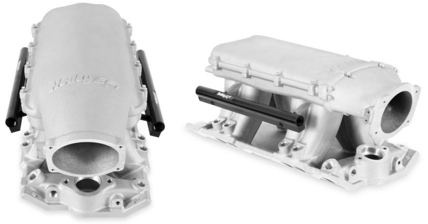
Holley PERFORMANCE BRANDS

Digital Modernization & CXM Optimization	B2B Sales Capabilities	Product Management & Innovation	Power Brands with Notable Growth YTD
+16% DTC Sales Up YOY for the Quarter	**~10%** Reported Distribution Partner Median Lift from Marketing Calendar Participation	**~133%** Improvement in Revenue Per SKU YTD	ADS, Stilo, DINAN
+20% Incremental lift on new stand-alone brand experience websites	**~12%** YTD National Retailer YOY Sales Growth	**25%** New Product Revenue YTD	APR, SIMPSON

Launching Exciting New Products

Domestic Muscle

Q3 Sniper 2 EFI Bundle w/ HyperSpark Ignition System



Q4 Small Block Chevy Hi-Ram Intake Manifolds

Q4 Ford Mid-Mount Accessory Drive System

Modern Truck & Off-Road

Q3 Flowmaster Signature Series

Q3 Baer Big Claw Brakes

Q3 ADS Mesa Shocks

Euro & Import

Q3 Dinan M550i/850i Carbon Fiber Cold Air Intake

Q3 APR MK8 Golf R Catback

Q4 Dinan S58 PCU (Performance Control Unit)

Safety

Q3 Stilo Venti WRX

Q4 Simpson Adventure Motorcycle Helmets

Q4 Stilo ST6 (FN & GT)

Exciting New Product Launches to Drive 2024 Revenue

Financial Results

Jesse Weaver

Chief Financial Officer

Financial Priorities – Four Pillars

Proactively Leading the Business to Drive Sustainable Results

RESTORE HISTORIC PROFITABILITY

- Target 40% GM & ≥20% Adj EBITDA
- Improved operating efficiency with Cost to Serve
- Generated material cost savings
- Proactively implemented furlough to protect near-term profitability

YTD Cost to Serve Savings of $6.7M

IMPROVE FREE CASH FLOW

- Greater fiscal discipline in daily operations
- Funding needed investments through reducing inefficient spend
- Proactive interest rate collar reducing interest expense in an elevated rate environment

YTD FCF of ~$40M

OPTIMIZE WORKING CAPITAL

- Optimizing portfolio by reducing non-performing SKUs
- Effective portfolio management by category, and strategic operations planning, to drive continuous improvement in inventory turns
- Exceeding Pre-Covid inventory turn performance

+0.3x YOY Improvement in Inventory Turns

DELEVER BALANCE SHEET

- Cash flow generation reducing leverage YoY
- S&P upgrade on Credit and Debt to “B” rating
- Moody’s Ratings Upgrades Holley’s CFR to B2
- Near-term cash flow prioritized for debt paydown

Moody’s Ratings Upgrade; Prepaid $75M of Debt since September 2023

Delivering on Key Financial Priorities in a Challenging Macro Environment

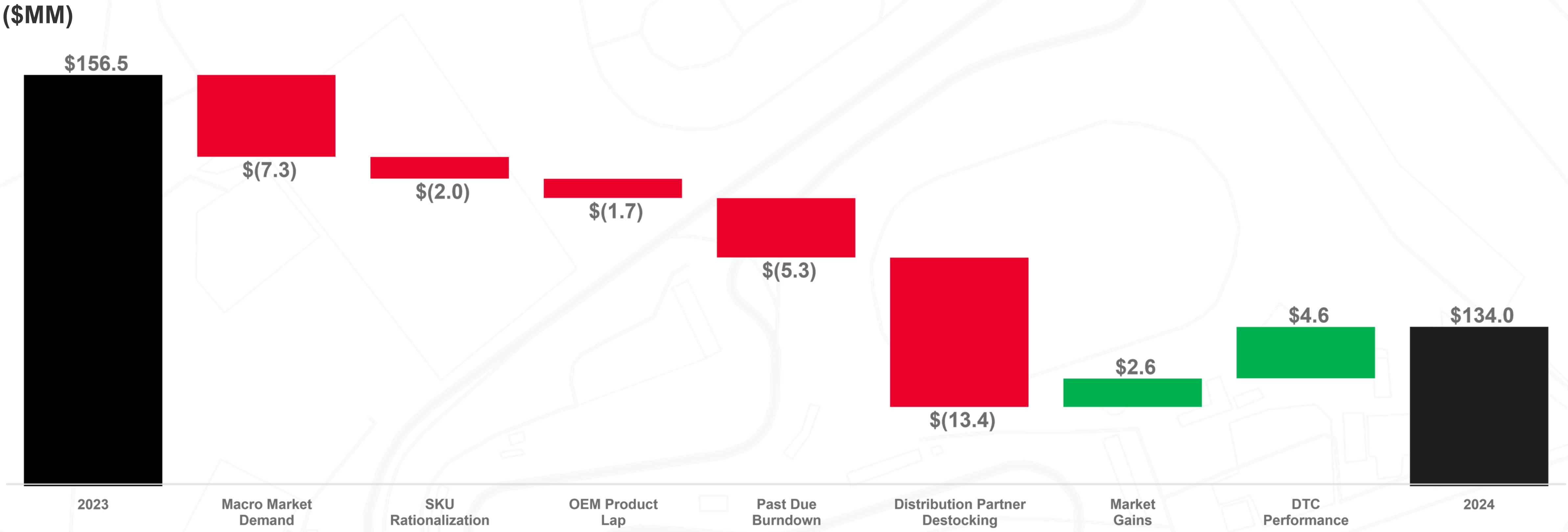
3Q24 KEY METRIC RECAP

$ millions	3Q24	3Q23	B/(W)
Net Sales	$134.0	$156.5	(14.4%)
Adj. Gross Margin[1]	39.0%	37.3%	170 bps
SG&A (incl. R&D)	$34.7	$35.0	$0.3
Adj. EBITDA[1]	$22.1	$29.7	($7.6)
Adj. EBITDA Margin[1]	16.5%	19.0%	(250 bps)
Interest Expense	$15.0	$13.7	($1.3)
Adj. Net Loss (Income)[1]	$(0.5)	$3.5	($4.0)
Adj. Diluted EPS[1]	$(0.01)	$0.04	($0.05)
Free Cash Flow[1]	$(2.1)	$21.7	($23.8)

Gross Margin Expansion Helping Offset Leverage Impact on Softer Sales

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

Key Factors of 3Q 2024 Net Sales

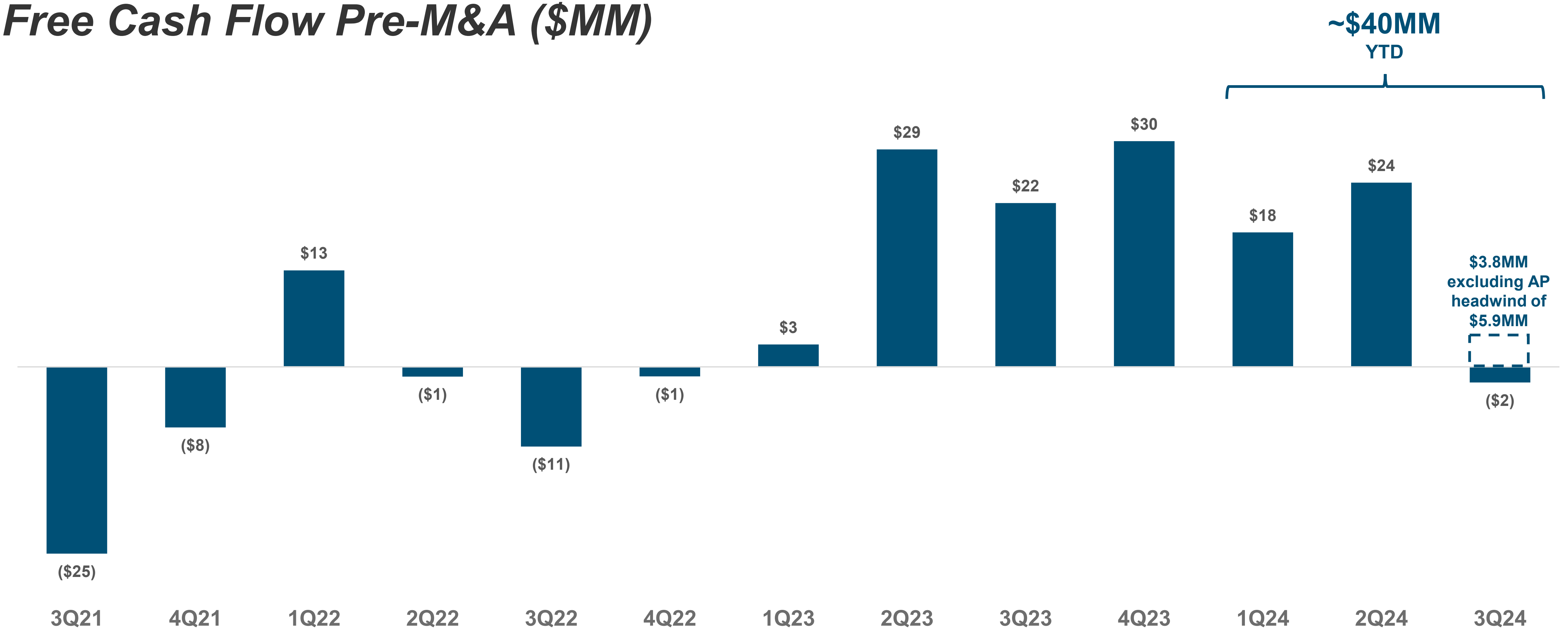


Key Factors Magnifying Net Sales Decline Include Overall Market Demand, The Reduction Of Past Dues In 2023, & Distributor Inventory De-stocking

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

Free Cash Flow[1] Generation

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

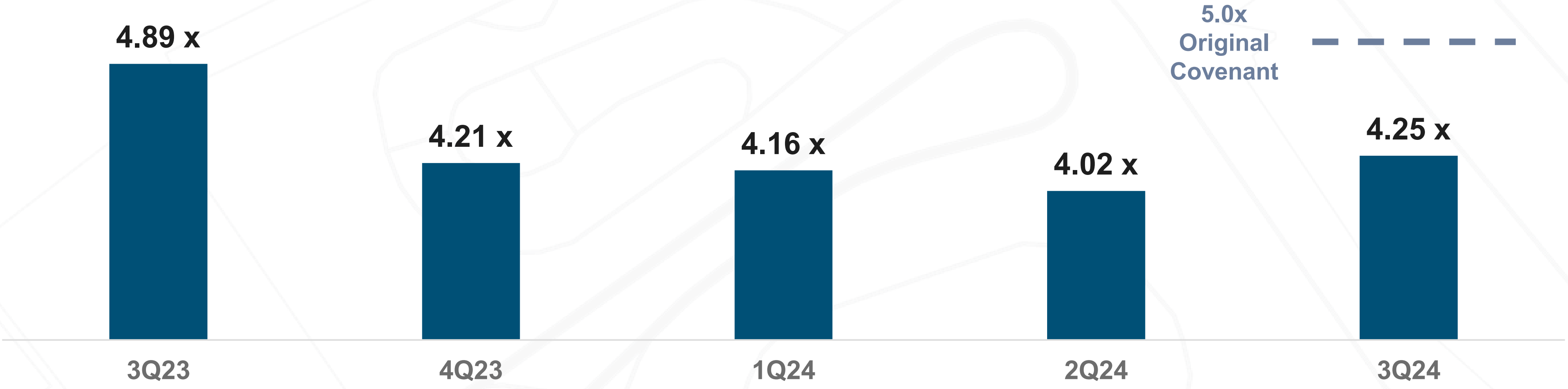


YTD Free Cash Flow of ~$40MM supported by Inventory Management & Cost Management

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

Net Debt to EBITDA Leverage Ratio[1]

Net Leverage Ratio (Net Debt/TTM Covenant EBITDA)



$ millions	3Q23	4Q23	1Q24	2Q24	3Q24
Net Debt	$584.4	$553.4	$536.0	$515.3	$515.1
Adj. EBITDA (TTM)[2]	116.7	130.1	126.8	126.3	118.7
Covenant Add-backs	2.8	1.5	1.9	1.9	2.4
Covenant EBITDA (TTM)[1]	$119.5	$131.6	$128.7	$128.2	$121.1

Covenant Leverage Remains Well Below 5.0x

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

FINANCIAL GUIDANCE – Q4 AND FULL YEAR 2024

Outlook ($ millions)	4Q24	FY24
Net Sales	$133 – $143	$595 – $605
Adjusted EBITDA[1]	$24 – $29	$115 – $120
Capital Expenditures		$6 – $8
Depreciation and Amortization		$23 – $25
Interest Expense (excluding Mark-to-Market on Collar)		$50 – $55
Bank-adjusted EBITDA Leverage Ratio[1]		4.35x – 4.15x

Distribution Partner Destocking & 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.

Q&A

Matt Stevenson
Chief Executive Officer

Jesse Weaver
Chief Financial Officer

Outlook

Matthew Stevenson

President and CEO

Working Together to Drive Financial Success

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

Massive $39B U.S. market with decades of uninterrupted growth[1]

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*

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

Appendix

Holley Products Compete 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

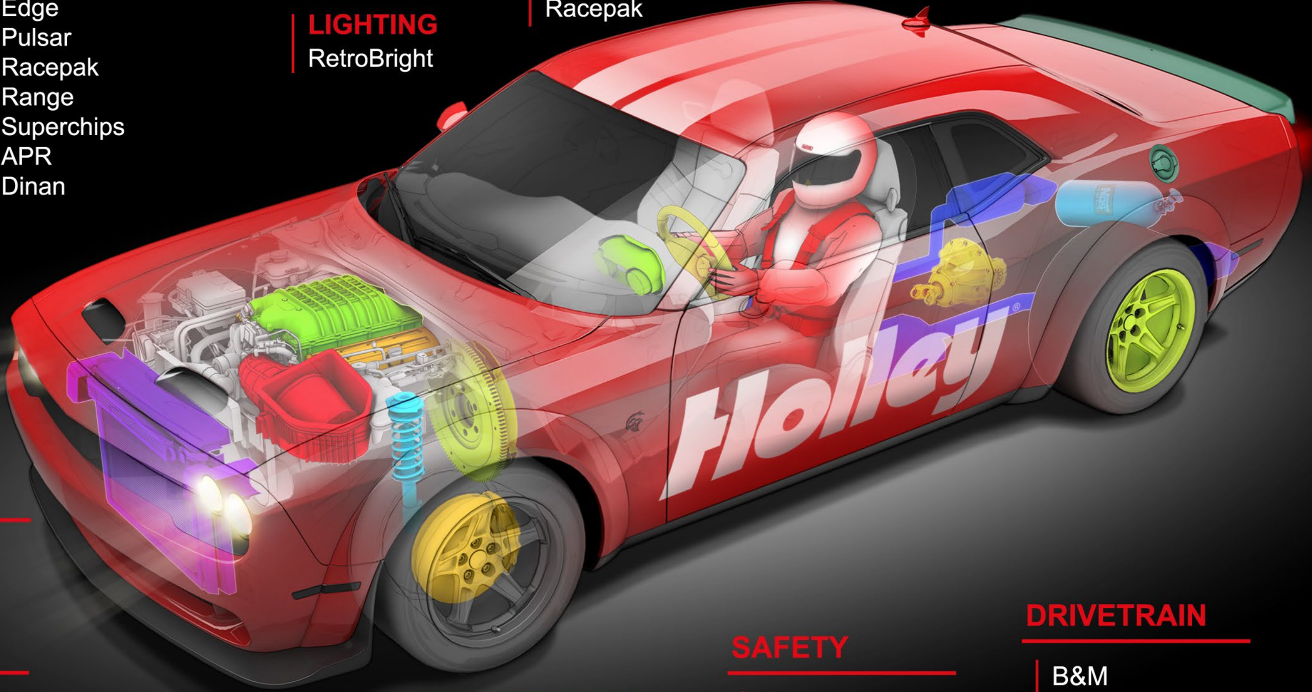
INDUCTION
- Flowmaster

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

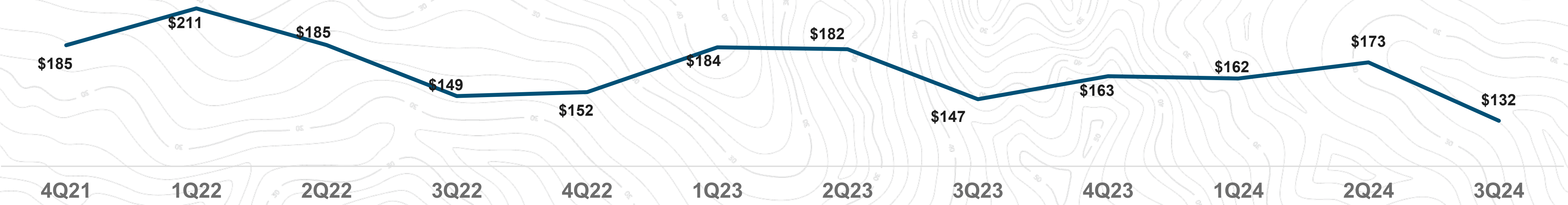
DRIVETRAIN
- B&M
- GearFX
- Hays
- Hurst
- Quicktime

WHEELS
- Carroll Shelby Wheels
- Halibrand
- Legendary
- REV
- Rocket

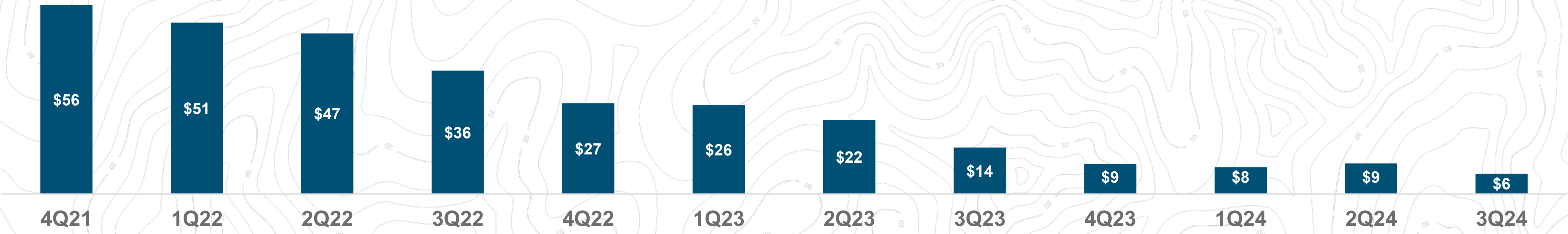
*Brands listed are representative of Key Holley Brands in each category

Orders and Past Due Balances

Orders ($MM)



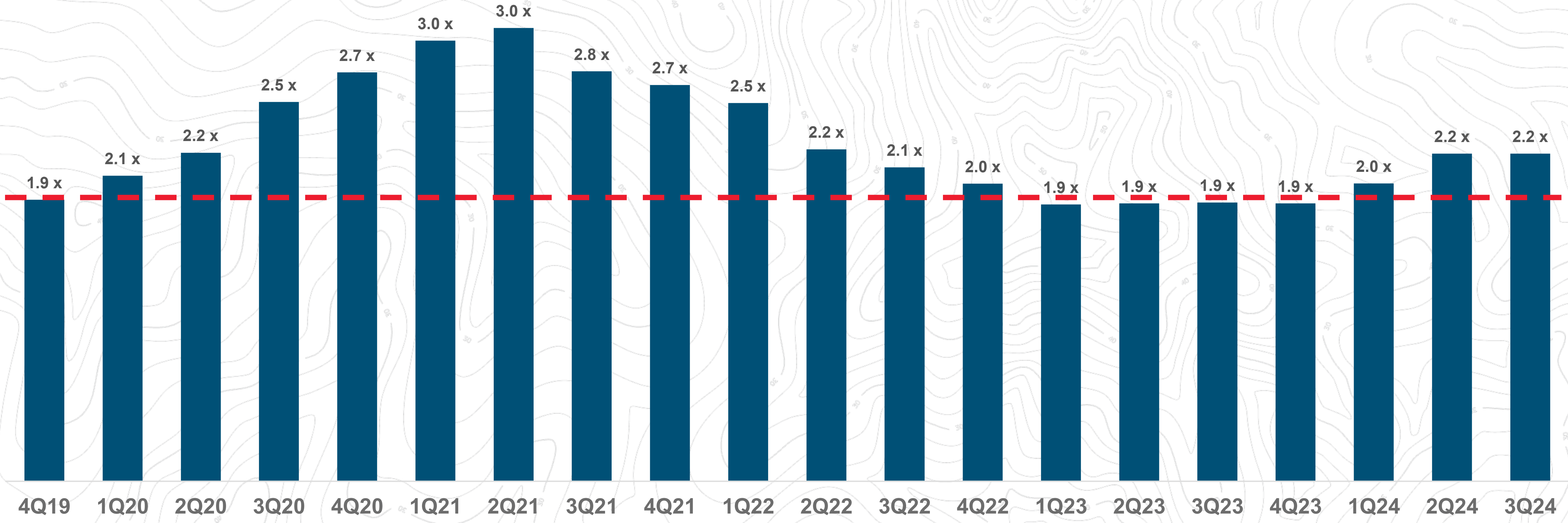
Past Due Orders ($MM)



Q3 Destocking Impacted Orders as B2B Partners Brought Inventory Back In-Line with PY

Inventory Levels Improving

Inventory Turnover (Turns/Year)



Year-over-Year Inventory Improvement of 0.3x

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

With the collar in place, YTD effective cash interest rate of ~8.5%

TTM EBITDA and Adjusted EBITDA Reconciliation

HOLLEY INC. and SUBSIDIARIES

USE AND RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions)

(Unaudited)

	TTM			
	4Q23	1Q24	2Q24	3Q24
Net Income	$ 19.2	$ 18.7	$ 22.8	$ 15.7
Adjustments:				
Interest Expense	60.7	53.5	56.7	58.0
Income Taxes	8.4	5.9	3.9	0.3
Depreciation	10.3	10.3	10.5	9.9
Amortization	14.6	14.3	14.1	13.8
EBITDA	**113.2**	**102.7**	**108.0**	**97.7**
Acquisition and Restructuring Costs	2.6	1.9	1.6	2.1
Write-down of assets held-for-sale	-	-	-	7.5
Change in Fair Value of Warrant Liability	4.1	(0.5)	(5.9)	(9.0)
Change in Fair Value of Earn-Out Liability	2.3	1.2	(0.8)	(2.1)
Loss (Gain) on Early Extinguishment of Debt	(0.7)	(0.6)	(0.6)	(0.6)
Equity-Based Compensation Expense	7.3	8.0	7.9	6.4
Strategic Product Rationalization Charge	(0.8)	8.9	8.8	8.8
Notable Items	1.3	4.4	7.0	7.2
Other Expense	0.8	0.7	0.3	0.5
Adjusted EBITDA	**$ 130.1**	**$ 126.8**	**$ 126.3**	**$ 118.7**

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. and SUBSIDIARIES
USE AND RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(In millions)
(Unaudited)

	For the thirteen weeks ended		For the thirty-nine weeks ended	
	September 29,2024	October 1, 2023	September 29,2024	October 1, 2023
Net Income	**$ (6.3)**	**$ 0.8**	**$ 14.5**	**$ 18.0**
Adjustments:				
Interest Expense	15.0	13.7	39.2	41.9
Income Taxes	(1.4)	2.0	(0.3)	7.8
Depreciation	2.2	2.8	7.4	7.7
Amortization	3.4	3.7	10.3	11.0
EBITDA	**12.9**	**23.0**	**71.1**	**86.4**
Acquisition and Restructuring Costs	1.0	0.4	1.6	2.1
Write-down of assets held-for-sale	7.5	-	7.5	-
Change in Fair Value of Warrant Liability	(1.0)	2.1	(7.6)	5.5
Change in Fair Value of Earn-Out Liability	(0.6)	0.7	(2.3)	2.1
Loss (Gain) on Early Extinguishment of Debt	-	-	0.1	-
Strategic Product Rationalization Charge	-	-	8.8	(0.8)
Equity-Based Compensation Expense	1.5	3.0	4.3	5.2
Notable Items	0.8	0.6	6.5	0.6
Other Expense	0.1	(0.1)	0.2	0.5
Adjusted EBITDA	**$ 22.1**	**$ 29.7**	**$ 90.2**	**$ 101.6**
Net Sales	**$ 134.0**	**$ 156.5**	**$ 462.2**	**$ 504.0**
Net Income Margin	**-4.7%**	**0.5%**	**3.1%**	**3.6%**
Adjusted EBITDA Margin	**16.5%**	**19.0%**	**19.5%**	**20.2%**

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.

Adjusted Gross Profit and Adjusted Gross Margin Reconciliation

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

	For the thirteen weeks ended		For the thirty-nine weeks ended	
	September 29,2024	October 1, 2023	September 29,2024	October 1, 2023
Gross Profit	$ 52.3	$ 58.4	$ 174.7	$ 195.8
Adjust for Strategic Product Rationalization Charge	-	—	8.8	(0.8)
Adjusted Gross Profit	$ 52.3	$ 58.4	$ 183.5	$ 195.0
Net Sales	$ 134.0	$ 156.5	$ 462.2	$ 504.0
Gross Margin	39.0%	37.3%	37.8%	38.9%
Adjusted Gross Margin	39.0%	37.3%	39.7%	38.7%

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	3Q24
Net cash provided by (used in) operating activities	$17.6	$25.9	$32.2	$12.8	$19.0	$27.4	$ (21.5)	$ (3.3)	$18.3	$ 2.5	$ (8.7)	$ 0.1	$ 3.7	$30.7	$22.5	$31.2	$18.8	$ 26.0	$ (1.7)
Capital expenditures	(1.3)	(2.2)	(3.2)	(2.8)	(3.1)	(4.0)	(3.3)	(4.8)	(5.7)	(3.9)	(2.1)	(1.8)	(1.0)	(1.7)	(1.7)	(1.5)	(1.2)	(1.0)	(0.3)
Proceeds from the disposal of fixed assets	—	—	—	0.7	—	0.3	—	—	0.2	0.1	0.2	0.4	0.3	—	0.9	0.2	0.2	—	0.0
Free cash flow	**$16.3**	**$23.7**	**$29.0**	**$10.7**	**$15.9**	**$23.7**	**$ (24.8)**	**$ (8.1)**	**$12.8**	**$ (1.3)**	**$ (10.6)**	**$ (1.3)**	**$ 3.0**	**$29.0**	**$21.7**	**$29.9**	**$17.8**	**$ 24.0**	**$ (2.1)**

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 this figure is of interest to investors and facilitates useful period-to-period comparison of the Company's operating results.

	For the thirteen weeks ended		For the thirty-nine weeks ended	
	September 29,2024	October 1, 2023	September 29,2024	October 1, 2023
Net Cash Provided by (Used in) Operating Activities	**$ (1.7)**	**$ 22.5**	**$ 42.8**	**$ 56.9**
Capital expenditures	(0.3)	(1.7)	(4.4)	(4.4)
Proceeds from the disposal of fixed assets	-	0.9	1.6	1.3
Free Cash Flow	**$ (2.1)**	**$ 21.7**	**$ 40.0**	**$ 53.7**

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 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 supoprt ongoing business operations.

Adjusted Net income and Adjusted diluted EPS Reconciliation

HOLLEY INC. and SUBSIDIARIES

USE AND RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions, except per share data)

(Unaudited)

	For the thirteen weeks ended		For the thirty-nine weeks ended	
	September 29,2024	October 1, 2023	September 29,2024	October 1, 2023
Net Income	**$ (6.3)**	**$ 0.8**	**$ 14.5**	**$ 18.0**
Special items:				
Adjust for: Change in Fair Value of Warrant Liability	(1.0)	2.0	(7.6)	5.5
Adjust for: Change in Fair Value of Earn-Out Liability	(0.6)	0.7	(2.3)	2.1
Adjust for: Write-down of assets held-for-sale	7.5	—	7.5	—
Adjust for: Loss on Early Extinguishment of Debt	-	—	0.1	—
Adjusted Net Income	**$ (0.5)**	**$ 3.5**	**$ 12.2**	**$ 25.6**
Weighted Average Common Shares Outstanding - Diluted	118.7	119.2	119.2	118.1
Adjusted Weighted Average Common Shares Outstanding - Diluted	118.7	119.2	119.2	118.1
Adjusted Diluted Earnings per Share	**$ (0.01)**	**$ 0.04**	**$ 0.10**	**$ 0.22**

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.