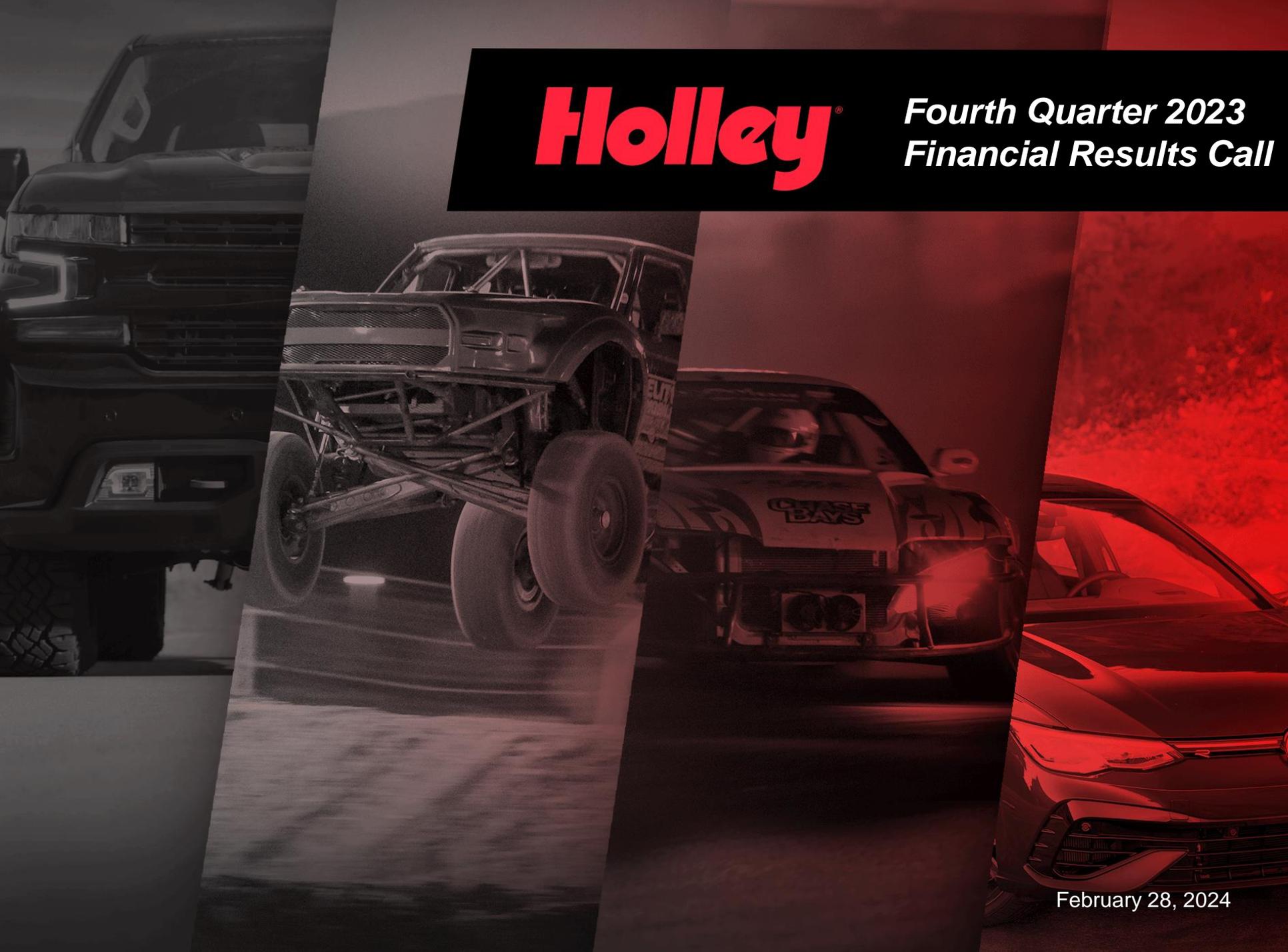




*Fourth Quarter 2023  
Financial Results Call*



February 28, 2024

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) costs related to Holley being a public company; 3) disruptions to Holley’s operations, including as a result of cybersecurity incidents; 4) changes in applicable laws or regulations; 5) the outcome of any legal proceedings that have been or may be instituted against Holley; 6) general economic and political conditions, including the current macroeconomic environment, political tensions and war (including the conflict in Ukraine, the conflict in Israel and surrounding areas, and the possible expansion of such conflicts and potential geopolitical consequences); 7) 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); 8) Holley’s estimates of its financial performance (e.g., the successful execution of cost saving initiatives); 9) 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; and 10) 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, 2022 filed with the U.S. Securities and Exchange Commission (“SEC”) on March 15, 2023, 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, Adjusted EBITDA, Adjusted EDBITDA 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 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 are estimated in a manner consistent with the relevant definitions and assumptions noted herein.

**Introductions &  
Forward-Looking Statements**

**Ross Collins**  
Investor Relations

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**Results and Highlights**

**Matthew Stevenson**  
President & CEO

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**Financial Results**

**Jesse Weaver**  
CFO

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**Q&A**

**Group**

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**Outlook**

**Matthew Stevenson**  
President & CEO



# RESULTS & HIGHLIGHTS

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**Matthew Stevenson**  
President & CEO

**Focused on Unlocking A Path For Growth and Delivering Annual Gross Margin of ~40% and  $\geq$  20% Adj. EBITDA Margin**

**Quarterly revenue increased on a year-over-year basis**

**Continued delivery of improved gross margin and adjusted EBITDA**

**Strong free cash flow and debt paydown drove net leverage lower**

**Advancement of sales and marketing initiatives to boost top-line growth**

**Embarking on a transformation journey with the goal of long-term, sustainable, and profitable growth**

## FY2023 Q4 Results

<p><b>Net Sales</b></p> <p><b>\$155.7M</b></p> <p>+1.0% vs. PY</p>	<p><b>Gross Margin</b></p> <p><b>38.7%</b></p> <p>+800bps vs. PY</p>
<p><b>Adjusted EBITDA Margin<sup>1</sup></b></p> <p><b>18.3%</b></p> <p>+850bps vs. PY</p>	<p><b>Free Cash Flow<sup>1</sup></b></p> <p><b>\$29.9M</b></p> <p>+31.2M vs. PY</p>

## Business Highlights

### New Products Launched in Q4 Across Verticals

**56 NEW & HOT**

Domestic Muscle



Off-Road



Euro & Import

### Elevating Promotional Efforts

**>670<sub>MM</sub>**

Media Impressions

**+10%**

Expanded Holley Days Lift

**7%**

PRI Safety Promo Lift

### Operational Excellence

**\$5<sub>MM</sub>**

Past Due Improvement

**+4.6%**

YOY Top Product In-Stock %

**\$14<sub>MM</sub>**

Cash Flow from Inventory

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

**FUEL  
TEAMMATES**

**Holley**

**ACCELERATE  
PROFITABLE  
GROWTH**

**SUPERCHARGE  
CUSTOMERS**

**Listening to  
Our Teammates**



**Enhancing  
Operations**



**Optimizing  
Acquisitions**



**Putting ALL  
Customers First**



Midway through our journey in developing essential building blocks to drive growth



## *Drive Accountability and Empowerment*

- Foster transparent communication throughout the organization
- Define and track Key Performance Indicators (KPIs) for critical functions
- Establish a daily routine for reporting and discussing results
- Standardized weekly evaluations of key projects and programs
- Set fundamental leadership standards and expectations

## *Focus the Organization on the Greatest Areas of Opportunities*

- Consumer segmentation to reveal new opportunities
- Prioritized quick wins through data
- Identified key areas for growth and improvement over the next 12 months
- Implemented targeted projects to address identified opportunities.
- Began partnering with distribution to drive growth
- An initial wave of talent to spearhead change

## *Develop a High-Performing Team*

- Develop essential leadership skills within the organization
- Assess skill set gaps and establish talent acquisition goals
- Restructure the organization to focus on consumer verticals and platforms
- Introduce dynamic leadership to drive transformation at various levels of the organization

## *Unlock Transformative Growth*





## Product Innovation

- Market and Consumer Segmentation
- Transformative SKU Rationalization
- Innovation Phase Gate System
- Enhancing Launch Capabilities



## Promotional Excellence

- Digital Transformation
- 3<sup>rd</sup> Party Marketplace Optimization
- Enhanced Consumer Engagement
- Distribution Participation



## Strategic Pricing

- Market-Based Pricing Model
- Analytics Supported Pricing Optimization
- Develop Programs with Distributors that Drive Volume and Share Growth



## Targeted M&A

- Segmentation Guided
- Growth Category Focused
- Fill Distribution and Portfolio Gaps
- Acquire Key Capabilities

**Bringing the Right Products to Market with Faster Adoption**



Dedicating Resources to Each Vertical to Foster Growth

## Examples from our Off-Road and Euro Verticals



Shifting From Pieces and Parts to Solutions for Consumers

## 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

**TOMORROW**

# HOLLEY PERFORMANCE BRANDS

**NOT JUST PARTS.  
ALWAYS PART OF SOMETHING MORE POWERFUL.**

### 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



# FINANCIAL RESULTS

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**Jesse Weaver**  
Chief Financial Officer

# Q4 KEY METRIC RECAP



(\$MM)	4Q23	4Q22	B/(W)
<b>Net Sales</b>	\$155.7	\$154.2	1.0%
<b>Gross Margin</b>	38.7%	30.7%	800 bps
<b>SG&amp;A (incl. R&amp;D)</b>	\$37.2	\$54.9	\$17.7
<b>Adj. EBITDA<sup>1</sup></b>	\$28.5	\$15.1	\$13.4
<b>Adj. EBITDA Margin<sup>1</sup></b>	18.3%	9.8%	850 bps
<b>Interest Expense</b>	\$18.8	\$13.4	(\$5.4)
<b>Adj. Net Loss<sup>1</sup></b>	(\$0.5)	(\$22.6)	\$22.1
<b>Adj. Diluted EPS<sup>1</sup></b>	\$0.00	(\$0.19)	\$0.19
<b>Free Cash Flow</b>	\$29.9	(\$1.3)	(\$31.2)

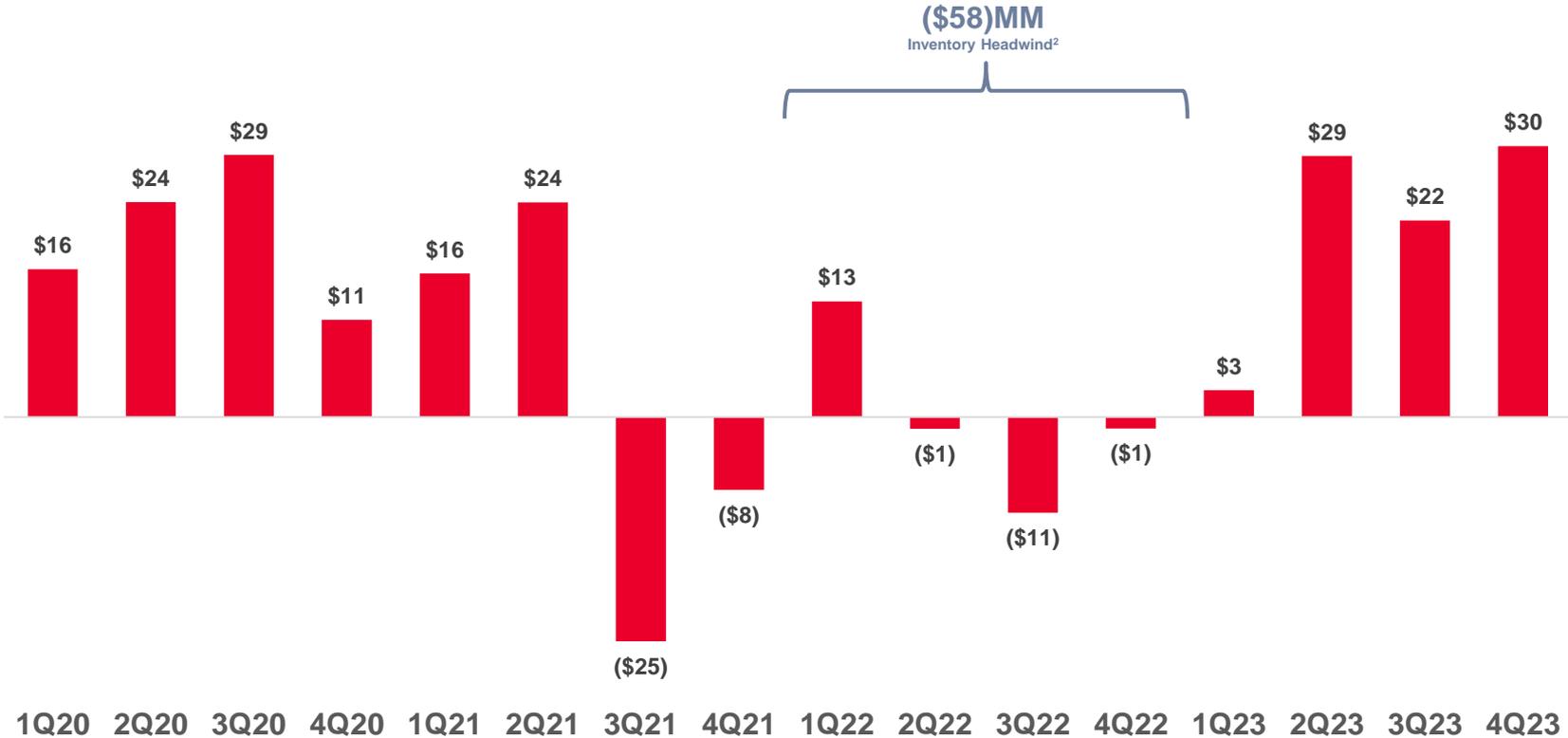
**Second consecutive quarter of growth in net sales and meaningful profit growth year-over-year from freight savings and operational improvements**

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

# FREE CASH FLOW<sup>1</sup> GENERATION IMPROVING



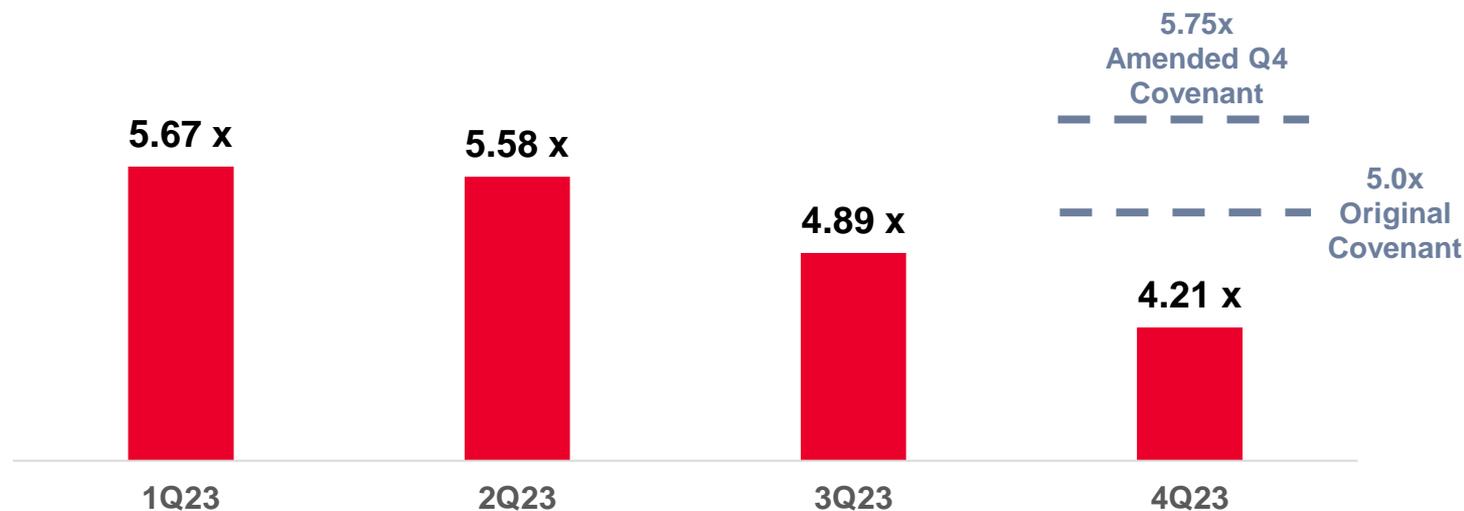
## Free Cash Flow Pre-M&A (\$MM)



**Free Cash Flow in 4Q23 up ~\$31M YOY due to higher EBITDA and improved working capital management**

1) Non-GAAP measure. Please see the GAAP to Non-GAAP reconciliation in the Appendix to this presentation  
 2) \$58mm in cash invested in inventory in 2022; excludes cash impacts off of P&L from \$13MM provision for inventory reserves

## Net Leverage Ratio (Net Debt/TTM Covenant EBITDA)



<i>\$ millions</i>	1Q23	2Q23	3Q23	4Q23
Net Debt	\$634.1	605.3	584.4	553.4
Adj. EBITDA (TTM) <sup>2</sup>	102.6	103.3	116.7	130.1
Covenant Add-backs	9.2	5.2	2.8	1.5
Covenant EBITDA (TTM)	\$111.8	108.5	119.5	131.6

**Q4 Net Leverage Ratio was meaningfully below Amended Credit Agreement Covenant of 5.75x and below Original Agreement Covenant of 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

# FY KEY METRIC RECAP



(\$MM)	FY23	FY22	B/(W)
<b>Net Sales</b>	\$659.7	\$688.4	(4.2%)
<b>Gross Margin</b>	38.8%	36.8%	200 bps
<b>SG&amp;A (incl. R&amp;D)</b>	\$144.1	\$179.8	\$35.7
<b>Adj. EBITDA<sup>1</sup></b>	\$130.1	\$114.7	\$15.4
<b>Adj. EBITDA Margin<sup>1</sup></b>	19.7%	16.7%	300 bps
<b>Interest Expense</b>	\$60.7	\$40.2	(\$20.5)
<b>Adj. Net Income<sup>1</sup></b>	\$25.0	\$7.9	\$17.1
<b>Adj. Diluted EPS<sup>1</sup></b>	\$0.21	\$0.07	\$0.14
<b>Free Cash Flow</b>	\$83.6	(\$0.4)	\$84.0

**Cost reduction efforts drive improved margins in 2023; better working capital management and progress on Past Due dramatically improves free cash flow**

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

## Proactively Leading the Business to Drive Sustainable Results

RESTORE PROFITABILITY	IMPROVE FREE CASH FLOW	OPTIMIZE WORKING CAPITAL	DELEVER BALANCE SHEET
<ul style="list-style-type: none"><li>• Identified material cost savings</li><li>• Accelerated recent M&amp;A integrations</li><li>• Facility consolidation and footprint optimization</li><li>• Improved operating efficiency with Cost to Serve</li></ul>	<ul style="list-style-type: none"><li>• Improved free cash flow from operating performance and cash flow management</li><li>• Improved forecasting to align inventory levels to demand</li><li>• Collar protecting cash flow in rising rate environment</li></ul>	<ul style="list-style-type: none"><li>• Inventory turns back in line with historical pre-COVID levels</li><li>• Working to balance inventory based on immediate needs and continue to improve past due orders</li></ul>	<ul style="list-style-type: none"><li>• Cash flow generation reducing leverage</li><li>• Amended credit agreement provides additional financial flexibility through mid-2024</li><li>• Near-term cash flow prioritized for debt paydown</li></ul>
<i>Delivered annualized cost savings of \$35.6MM vs. commitment of \$30MM</i>	<i>Full Year Free Cash Flow Generation of \$83.6MM vs. PY of (\$0.4MM)</i>	<i>Inventory Reduced by \$40.1MM in 2023</i>	<i>2023 Ended at 4.21x Leverage, well below Amended Covenant of 5.75x</i>

**2024 Remaining Focused on Improving Profit, Generating Free Cash Flow and Reducing Leverage**

## Key Drivers of Q1 and Initial 2024 Guidance

- Softer than expected out-the-door sales at our distribution partners in late 2023 impacting 1Q sales
- Lack of past due tailwinds impacting full year 2024 sales
- Sales and EBITDA ranges include further rationalization of non-performing SKUs and business lines
- Additional cost savings of \$5 - \$10 million in 2024 through our cost-to-serve efforts
- Accelerated growth in the back half (2H) of 2024

Outlook (\$ millions)	Q124	FY24
Net Sales	\$150 – \$160	\$640 – \$680
Adjusted EBITDA <sup>1</sup>	\$27 – \$33	\$125 – \$145
Capital Expenditures		\$8 – \$12
Depreciation and Amortization		\$24 – \$26
Interest Expense (excluding Mark-to-Market on Collar)		\$50 – \$55
Bank-adjusted EBITDA Leverage Ratio <sup>1</sup>		4.0x – 3.5x

1) Non-GAAP measure. Please see Slide 2 for disclaimer regarding inability to reconcile to GAAP.



**Matthew Stevenson**  
President & CEO



**Jesse Weaver**  
Chief Financial Officer



# OUTLOOK

---

**Matthew Stevenson**  
President & CEO

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

*Massive \$39B U.S. market with decades of uninterrupted growth<sup>1</sup>*

*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**

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



**Holley**<sup>®</sup>

*Appendix*

# HOLLEY PRODUCTS SERVE NEEDS ACROSS THE VEHICLE **Holley**

## 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

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#### 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

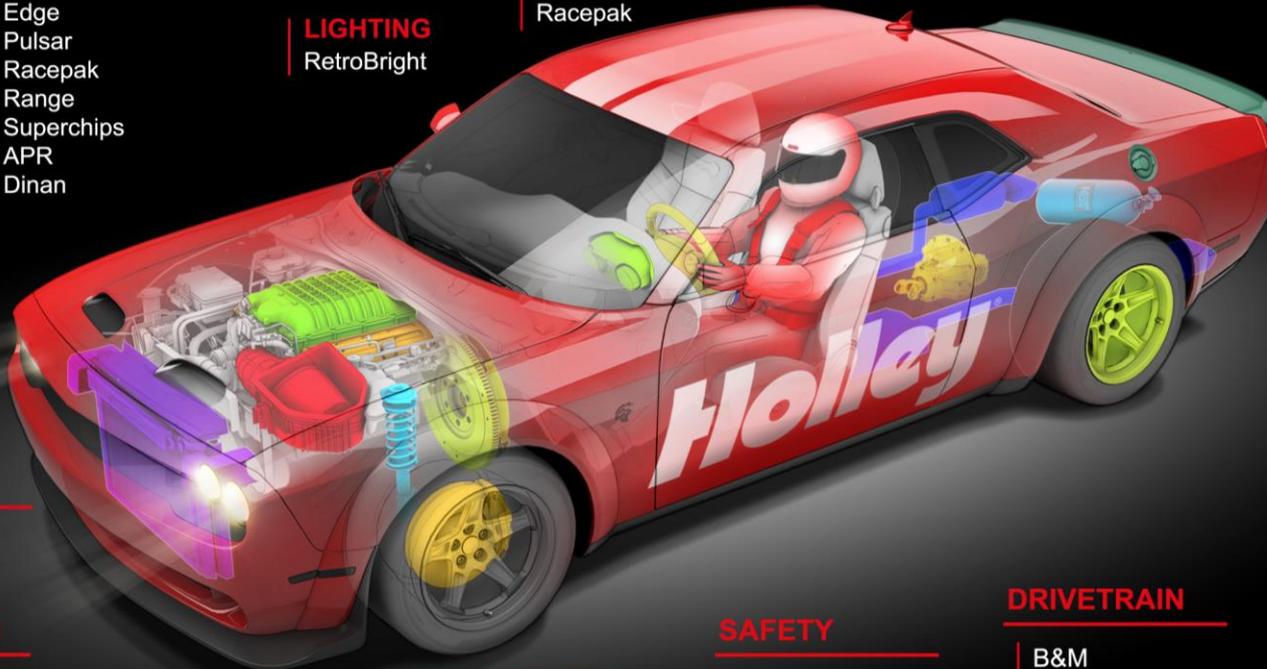
Hans  
RaceQuip  
Simpson  
Stilo

### 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

## Quarterly Net Sales

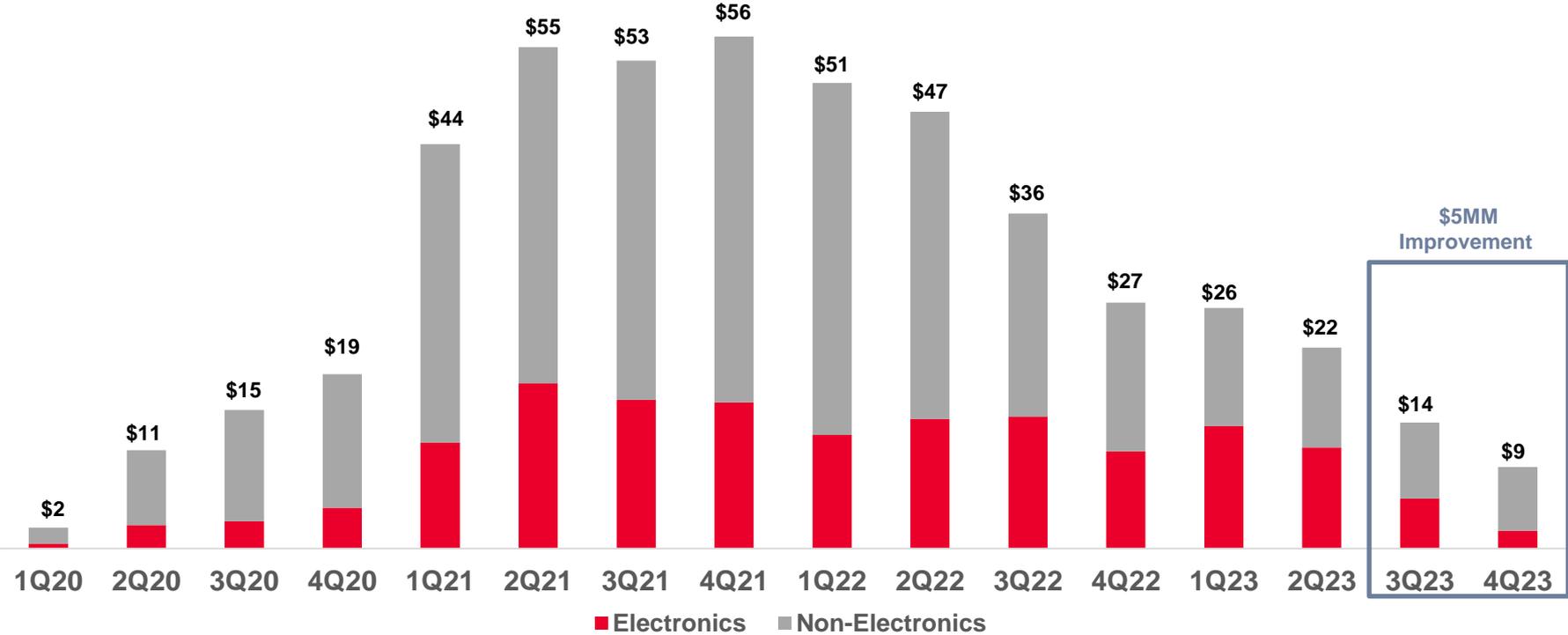


Positive year-over-year growth in both 3Q23 and 4Q23, benefited by continued Past Due Orders improvement

# INVENTORY IN-STOCK HELPING REDUCE PAST DUES



## Past Due Order Trends by Product Category (\$MM)

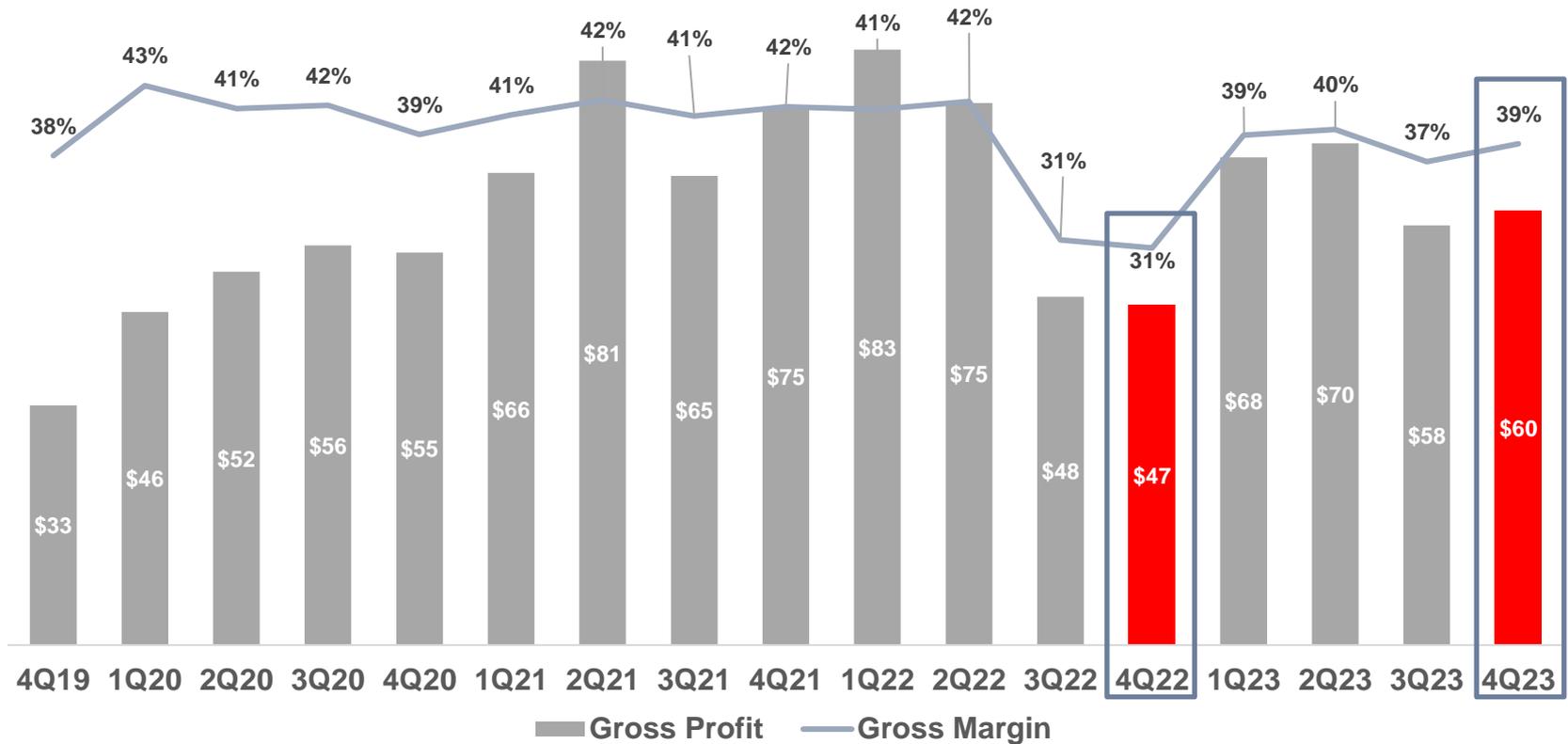


Past Dues at lowest level since Q1 of 2020

1) Non-Electronics includes Mechanical, Exhaust, Accessories, and Safety

# GROSS PROFIT TRENDS

## Gross Profit (\$MM) and Gross Margin (%)

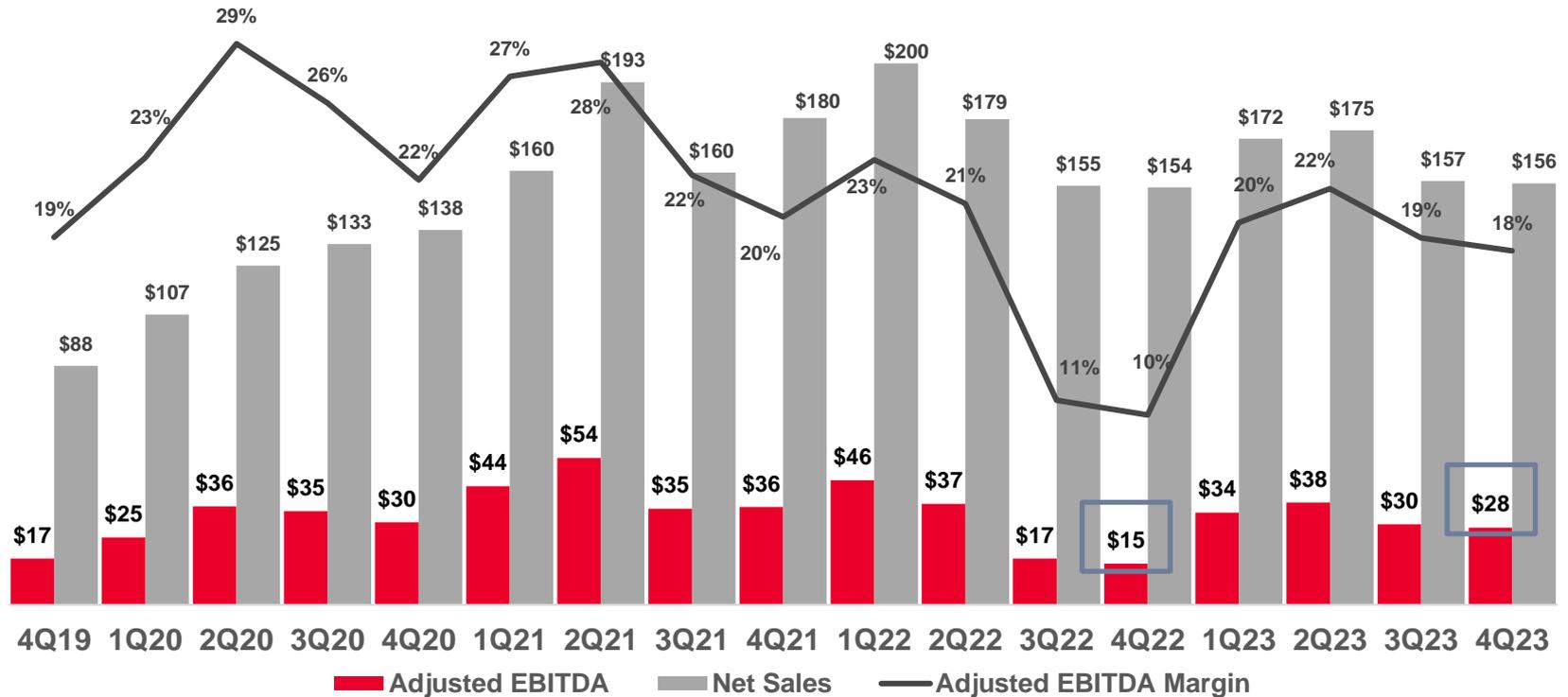


YOY Increases in margin were primarily driven by lower freight costs and lack of SKU rationalization impacts seen in 2022

# ADJUSTED EBITDA<sup>1</sup> TRENDS



## Adjusted EBITDA (\$MM), Net Sales (\$MM) and Adjusted EBITDA Margin (%)



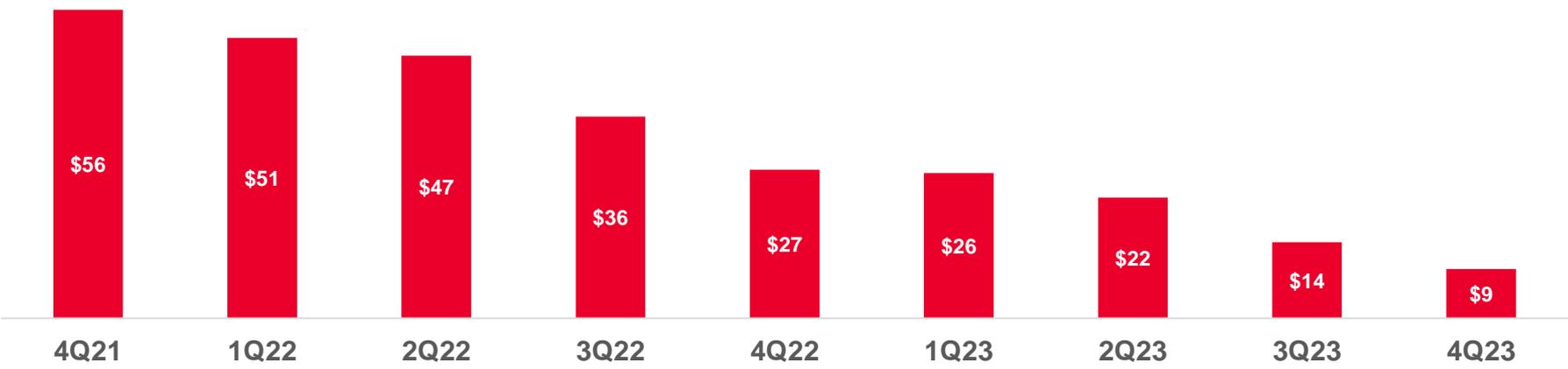
Adjusted EBITDA for 4Q23 was up \$13.4MM from 4Q22 driven primarily by Operating Profit Improvements

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

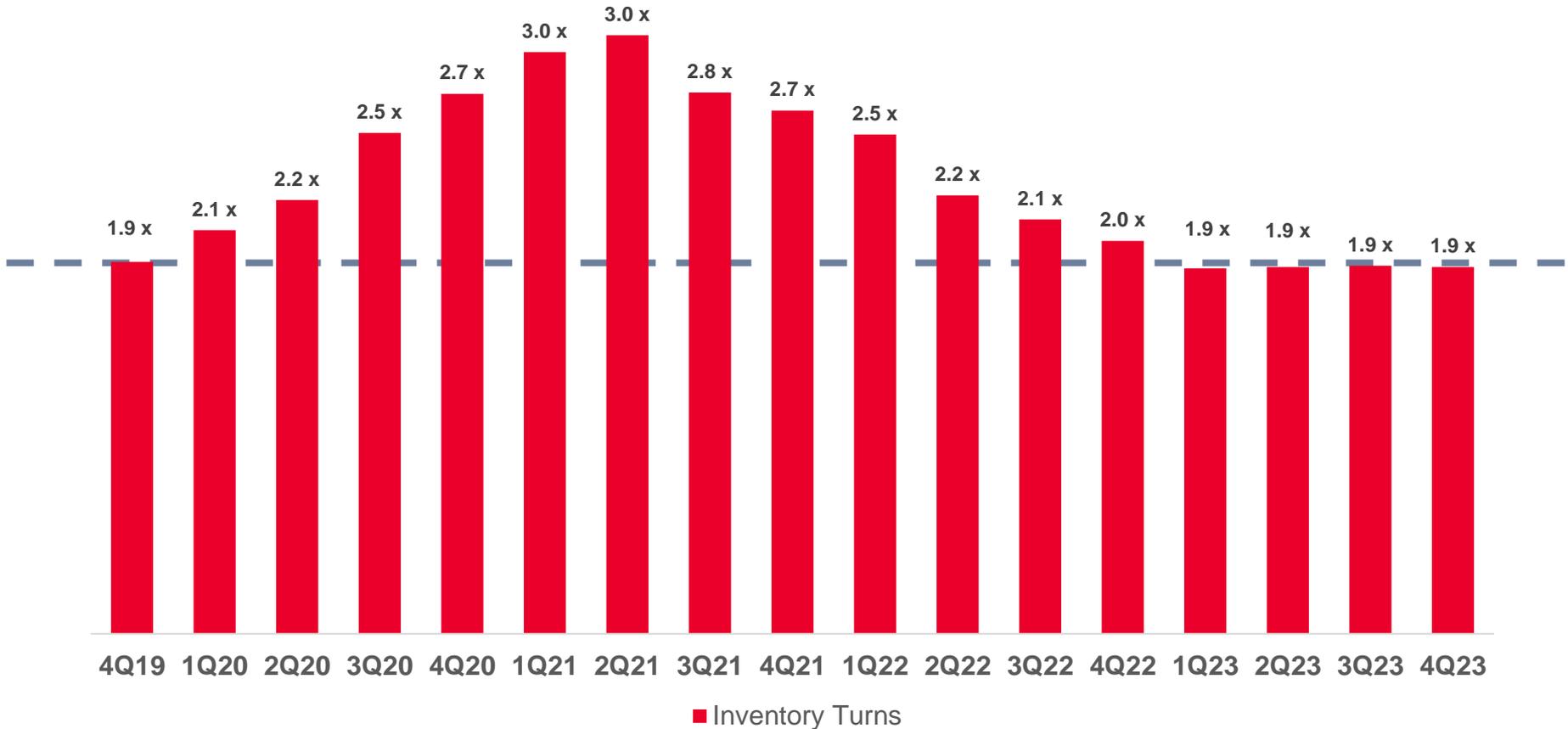
## Orders vs Shipments (\$MM)



## Past Due Orders (\$MM)



## Inventory Turnover<sup>1</sup> (Turns/Year)



Inventory levels back in-line with historical trends with upside optimization work being done to improve long-term performance and drive FCF from working capital

1) Inventory Turns = Trailing 12 month Cost of Goods Sold / Trailing 12 month average inventory

## 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
Hedge Level	\$500MM

With the collar in place, YTD effective cash interest rate of ~8.9%

# TTM EBITDA RECONCILIATION



## HOLLEY INC. and SUBSIDIARIES USE AND RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions)

(Unaudited)

	TTM			
	1Q23	2Q23	3Q23	4Q23
<b>Net Income</b>	<b>\$ 61.2</b>	<b>\$ 33.6</b>	<b>\$ 2.8</b>	<b>\$ 19.2</b>
<b>Adjustments:</b>				
Interest Expense	51.1	52.1	55.4	60.7
Income Taxes	(1.1)	(0.1)	3.4	8.4
Depreciation	10.4	10.4	10.3	10.3
Amortization	14.7	14.7	14.7	14.6
<b>EBITDA</b>	<b>136.3</b>	<b>110.7</b>	<b>86.6</b>	<b>113.2</b>
Acquisition and Restructuring Costs	5.6	4.2	3.4	2.6
Impairment of Indefinite-Lived Intangible Assets	2.4	2.4	—	—
Change in Fair Value of Warrant Liability	(57.8)	(32.6)	(0.4)	4.1
Change in Fair Value of Earn-Out Liability	(12.7)	(7.5)	0.7	2.3
Loss on Early Extinguishment of Debt	—	—	—	(1)
Product Rationalization	4.5	3.7	3.7	(0.8)
Equity-Based Compensation Expense	21.6	19.9	20.0	7.3
Notable Items	1.4	1.0	1.3	1.3
Other Expense	1.3	1.5	1.4	0.8
<b>Adjusted EBITDA</b>	<b>\$102.6</b>	<b>\$103.3</b>	<b>\$116.7</b>	<b>\$130.1</b>

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.

# QUARTERLY EBITDA RECONCILIATION



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

	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
<b>Net Income (Loss)</b>	<b>\$ (11)</b>	<b>\$ 29</b>	<b>\$ 5</b>	<b>\$ 13</b>	<b>\$ 13</b>	<b>\$ 2</b>	<b>\$ (2)</b>	<b>\$ 23</b>	<b>\$ (30)</b>	<b>\$ (18)</b>	<b>\$ 17</b>	<b>\$ 41</b>	<b>\$ 31</b>	<b>\$ (15)</b>	<b>\$ 4</b>	<b>\$ 13</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>Adjustments:</b>																		
Interest Expense	13	12	12	11	9	13	10	11	10	8	7	9	10	14	18	10	14	19
Income Taxes	—	(5)	1	3	6	(2)	5	6	(3)	3	7	3	(1)	(5)	2	4	2	1
Depreciation	2	3	2	1	2	2	2	2	3	4	2	2	3	3	2	2	3	3
Amortization	11	(24)	3	3	3	2	3	4	3	4	4	4	4	3	4	4	3	3
<b>EBITDA</b>	<b>15</b>	<b>15</b>	<b>23</b>	<b>31</b>	<b>33</b>	<b>17</b>	<b>18</b>	<b>46</b>	<b>(17)</b>	<b>1</b>	<b>37</b>	<b>59</b>	<b>47</b>	<b>-</b>	<b>30</b>	<b>33</b>	<b>23</b>	<b>27</b>
Acquisition and Restructuring Costs	1	1	1	3	1	4	2	3	—	2	—	2	2	1	1	—	1	1
Earn-Out from Simpson Acquisition	—	—	—	—	—	—	17	—	—	—	—	—	—	—	—	—	—	—
Impairment of Indefinite-Lived Intangible Assets	—	—	—	—	—	—	—	—	—	—	—	—	2	—	—	—	—	—
Change in Fair Value of Warrant Liability	—	—	—	—	—	—	—	—	17	15	2	(23)	(30)	(6)	2	2	2	(2)
Change in Fair Value of Earn-Out Liability	—	—	—	—	—	—	—	—	7	2	3	(4)	(7)	(2)	1	1	1	—
Loss (Gain) on Early Extinguishment of Debt	—	—	—	—	—	—	—	—	1	12	—	—	—	—	—	—	—	(1)
Product Rationalization	—	—	—	—	—	—	—	—	—	—	—	—	—	5	—	(1)	—	—
Equity-Based Compensation Expense	—	—	—	—	—	—	—	—	3	2	3	3	3	15	—	2	3	2
Related Party Acquisition & Management Fee Costs	1	1	1	1	1	3	1	1	23	—	—	—	—	—	—	—	—	—
Notable Items	—	—	—	1	—	3	6	4	1	1	1	—	—	1	—	—	—	1
Other Expense	1	—	—	—	—	3	—	—	—	1	—	—	—	1	—	1	—	—
<b>Adjusted EBITDA</b>	<b>\$ 18</b>	<b>\$ 17</b>	<b>\$ 25</b>	<b>\$ 36</b>	<b>\$ 35</b>	<b>\$ 30</b>	<b>\$ 44</b>	<b>\$ 54</b>	<b>\$ 35</b>	<b>\$ 36</b>	<b>\$ 46</b>	<b>\$ 37</b>	<b>\$ 17</b>	<b>\$ 15</b>	<b>\$ 34</b>	<b>\$ 38</b>	<b>\$ 30</b>	<b>\$ 28</b>
<b>Net Sales</b>	90	88	107	125	133	138	160	193	160	180	200	179	155	154	172	175	157	156
Adjusted EBITDA Margin	20%	19%	23%	29%	26%	22%	27%	28%	22%	20%	23%	21%	11%	10%	20%	22%	19%	18%

Holley's 2019 quarterly results reflect a period during which it was a privately held company. Accordingly, certain adjustments were included in the fourth quarter 2019 results to reflect the effects of the Business Combination on its audited financial statements.

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.

**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
Net cash provided by (used in) operating activities	\$ 17	\$ 26	\$ 32	\$ 13	\$ 19	\$ 28	\$ (22)	\$ (3)	\$ 19	\$ 3	\$ (9)	\$ —	\$ 4	\$ 31	\$ 23	\$ 31
Capital expenditures	(1)	(2)	(3)	(3)	(3)	\$ (4)	(3)	(5)	\$ (6)	(4)	(2)	(2)	(1)	(2)	(2)	(1)
Proceeds from the disposal of fixed assets	—	—	—	1	—	—	—	—	—	—	—	1	—	—	1	—
<b>Free cash flow</b>	<b>\$ 16</b>	<b>\$ 24</b>	<b>\$ 29</b>	<b>\$ 11</b>	<b>\$ 16</b>	<b>\$ 24</b>	<b>\$ (25)</b>	<b>\$ (8)</b>	<b>13</b>	<b>(1)</b>	<b>(11)</b>	<b>(1)</b>	<b>3</b>	<b>29</b>	<b>22</b>	<b>30</b>

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.

## 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 year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<b>Net Income</b>	<b>\$ 1.2</b>	<b>\$ (15.2)</b>	<b>\$ 19.2</b>	<b>\$ 73.8</b>
Adjust for: Change in Fair Value of Warrant Liability	(1.4)	(5.9)	4.1	(57.0)
Adjust for: Change in Fair Value of Earn-Out Liability	0.2	(1.5)	2.3	(10.8)
Adjust for: Gain on Early Extinguishment of Debt	(0.5)	—	(0.6)	—
Adjust for: Impairment of Indefinite-Lived Intangible Assets	—	—	—	1.9
<b>Adjusted Net Income</b>	<b>\$ (0.5)</b>	<b>\$ (22.6)</b>	<b>\$ 25.0</b>	<b>\$ 7.9</b>
Weighted Average Common Shares Outstanding - Diluted	119.6	117.2	118.5	117.2
Adjusted Weighted Average Common Shares Outstanding - Diluted	119.6	117.2	118.5	116.9
<b>Adjusted Diluted Earnings per Share</b>	<b>\$ (0.00)</b>	<b>\$ (0.19)</b>	<b>\$ 0.21</b>	<b>\$ 0.07</b>

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.