



**First Quarter 2024
Financial Results Call**



May 8, 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) Holley’s ability to compete effectively in our market; 3) Holley’s ability to successfully design, develop, and market new products; 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; and 17) 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.

**Introductions &
Forward-Looking Statements**

Anthony Rozmus
Investor Relations

Results and Highlights

Matthew Stevenson
President & CEO

Financial Results

Jesse Weaver
CFO

Q&A

Group

Outlook

Matthew Stevenson
President & CEO



RESULTS & HIGHLIGHTS

Matthew Stevenson
President & CEO

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

Continued delivery of strong adjusted gross margin and adjusted EBITDA

Strong free cash flow generation and additional \$15M debt paydown

Cost to Serve program generating considerable savings in freight

Continued improvement in past due orders and inventory management

Expanding relationships with key distribution partners

Several new leaders hired in Q1 to fuel organic growth engine

FY2024 Q1 Results

Net Sales

\$158.6M

(7.9%) vs. PY

Adj. Gross Margin¹

38.9%

(40bps) vs. PY

Adjusted EBITDA Margin¹

19.3%

(40bps) vs. PY

Free Cash Flow¹

\$17.8M

+\$14.8M vs. PY

Business Highlights

New Products Launched in Q1 Across Verticals

48 NEW & HOT



23+ GM Mid-Size Truck Exhaust



21+ Bronco Chassis Components



Simpson Off-Road Seats

Elevating Promotional Efforts

Holley
Performance Brands

>786M

Media Impressions

500K

Expected Event Engagement of Enthusiasts and Customers in 2024

Operational Excellence

\$3.7MM

Cost to Serve Savings

+4.8%

YOY Top Product In-Stock %

~12K

Rationalization of Non-Performing SKUs

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

**FUEL
TEAMMATES**

Holley

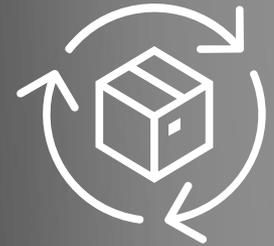
**ACCELERATE
PROFITABLE
GROWTH**

**SUPERCHARGE
CUSTOMERS**

**Listening to
Our Teammates**



**Enhancing
Operations**



**Optimizing
Acquisitions**



**Putting ALL
Customers First**





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



NEW LEADERS TO FUEL THE ORGANIC GROWTH ENGINE

Jordon Musser

Senior Vice President
Safety and Electronics



Former professional race car driver and avid enthusiast.
Favorite HPB: Stilo



Chet Baker

Senior Vice President
Sales



Family legacy in the auto business and avid enthusiast.
Favorite HPB: Holley



Charlie Taylor

Vice President
Digital Strategy



Avid enthusiast with extensive automotive experience.
Favorite HPB: APR



Will Robbins

Vice President
Consumer Product Strategy

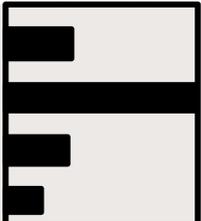
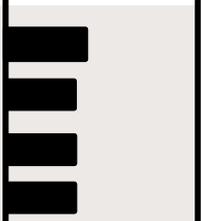
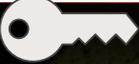
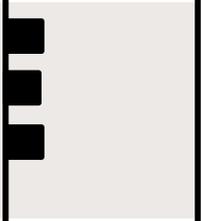
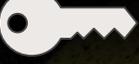


Weekend racer with extensive automotive experience.
Favorite HPB: HANS



Enhancing Leadership to Propel Growth and Product Innovation

KEYS TO UNLOCKING TRANSFORMATIVE GROWTH

| | | Status |
|---|---|--|
|  <p>Product Innovation</p> | <ul style="list-style-type: none"> ▪ Segmentation and Consumer Insights ▪ Transformative SKU Rationalization ▪ Innovation Phase Gate System ▪ Enhancing Launch Capabilities |  |
|  <p>Promotional Excellence</p> | <ul style="list-style-type: none"> ▪ Digital Transformation (Data, CRM, etc.) ▪ 3rd Party Marketplace Optimization ▪ Enhanced Consumer Engagement ▪ Distribution Participation |  |
|  <p>Strategic Pricing</p> | <ul style="list-style-type: none"> ▪ Market-Based Pricing Model ▪ Analytics Supported Pricing Optimization ▪ Develop Programs with Distributors that Drive Volume and Share Growth |  |
|  <p>Targeted M&A</p> | <ul style="list-style-type: none"> ▪ Segmentation Guided ▪ Growth Category Focused ▪ Fill Distribution and Portfolio Gaps ▪ Acquire Key Capabilities |  |

Systematically Making Progress Across All Keys to Unlock Growth



Dedicating Resources Across Each Vertical to Drive Focus and Innovation

LAUNCHING EXCITING NEW PRODUCTS

Domestic Muscle



Modern Truck & Off-Road



Euro & Import



Safety



Exciting New Product Launches to Drive 2024 Revenue



FINANCIAL RESULTS

Jesse Weaver
Chief Financial Officer

Proactively Leading the Business to Drive Sustainable Results



Continuing to Deliver on Key Financial Priorities

1Q24 KEY METRIC RECAP

| (\$MM) | 1Q24 | 1Q23 | B/(W) |
|---------------------------------|---------|---------|----------|
| Net Sales | \$158.6 | \$172.2 | (7.9%) |
| Adj. Gross Margin ¹ | 38.9% | 39.3% | (40 bps) |
| SG&A (incl. R&D) | \$37.8 | \$36.7 | (\$1.1) |
| Adj. EBITDA ¹ | \$30.7 | \$33.9 | (\$3.2) |
| Adj. EBITDA Margin ¹ | 19.3% | 19.7% | (40 bps) |
| Interest Expense | \$11.0 | \$18.3 | \$7.3 |
| Adj. Net Income ¹ | \$0.1 | \$6.1 | (\$6.0) |
| Adj. Diluted EPS ¹ | \$0.00 | \$0.05 | (\$0.05) |
| Free Cash Flow ¹ | \$17.8 | \$3.0 | \$14.8 |

Generated Free Cash Flow Amid Slowdown on Top Line Results

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

FREE CASH FLOW¹ GENERATION IMPROVING

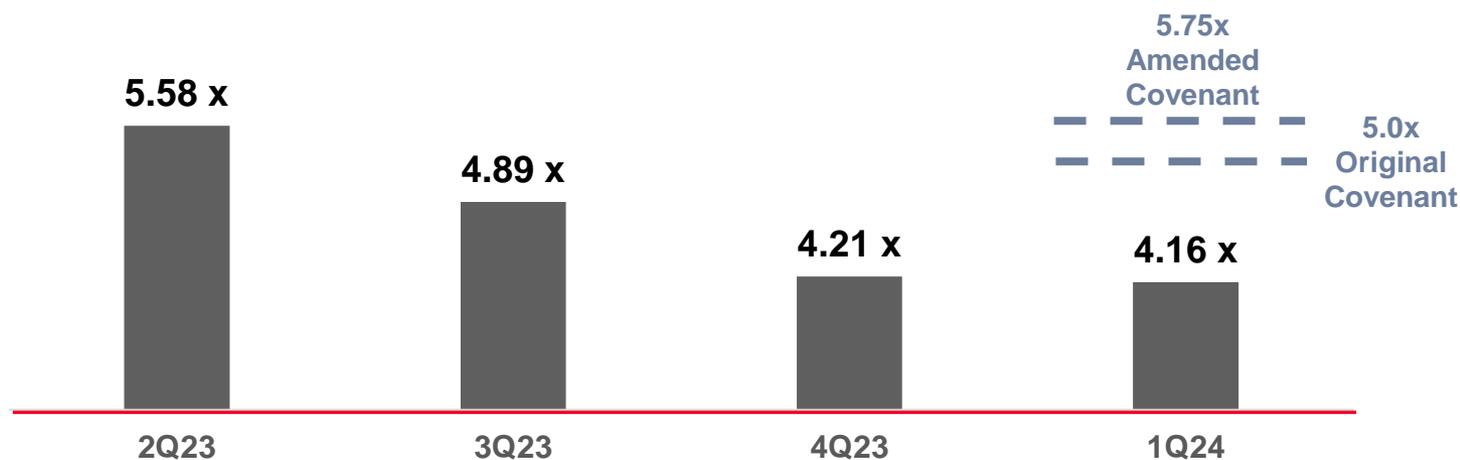
Free Cash Flow Pre-M&A (\$MM)



Free Cash Flow in 1Q24 up ~\$15M YOY due to improved working capital strategy and inventory 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> | 2Q23 | 3Q23 | 4Q23 | 1Q24 |
|--------------------------------|---------|---------|---------|---------|
| Net Debt | \$605.3 | \$584.4 | \$553.4 | \$536.0 |
| Adj. EBITDA (TTM) ² | 103.3 | 116.7 | 130.1 | 126.8 |
| Covenant Add-backs | 5.2 | 2.8 | 1.5 | 1.9 |
| Covenant EBITDA (TTM) | \$108.5 | \$119.5 | \$131.6 | \$128.7 |

Q1 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

| Outlook (\$ millions) | 2Q24 | FY24 |
|--|---------------|---------------|
| Net Sales | \$165 – \$175 | \$640 – \$680 |
| Adjusted EBITDA ¹ | \$34 – \$40 | \$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 ¹ | | 4.0x – 3.5x |

Maintaining Full Year Guidance After Q1 Performance

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 growth¹

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[®]
Performance Brands

Appendix

HOLLEY PRODUCTS SERVE NEEDS 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

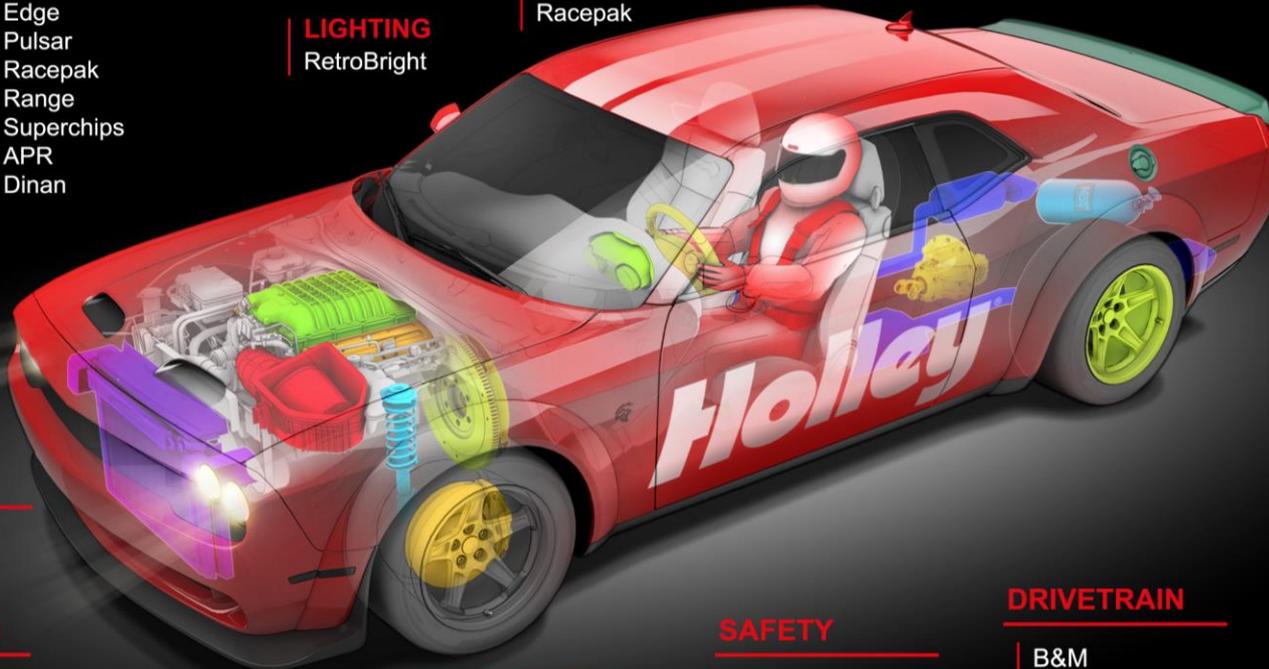
Hans
RaceQuip
Simpson
Stilo

DRIVETRAIN

B&M
GearFX
Hays
Hurst
Quicktime

WHEELS

Carroll Shelby
Wheels
Halibrand
Legendary
REV
Rocket



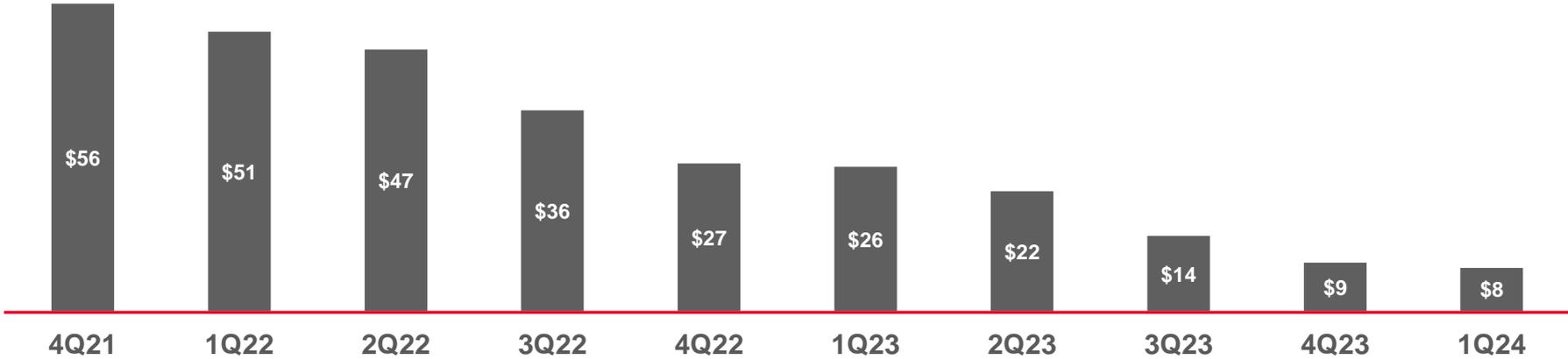
*Brands listed are representative of Key Holley Brands in each category

ORDERS AND PAST DUE BALANCES

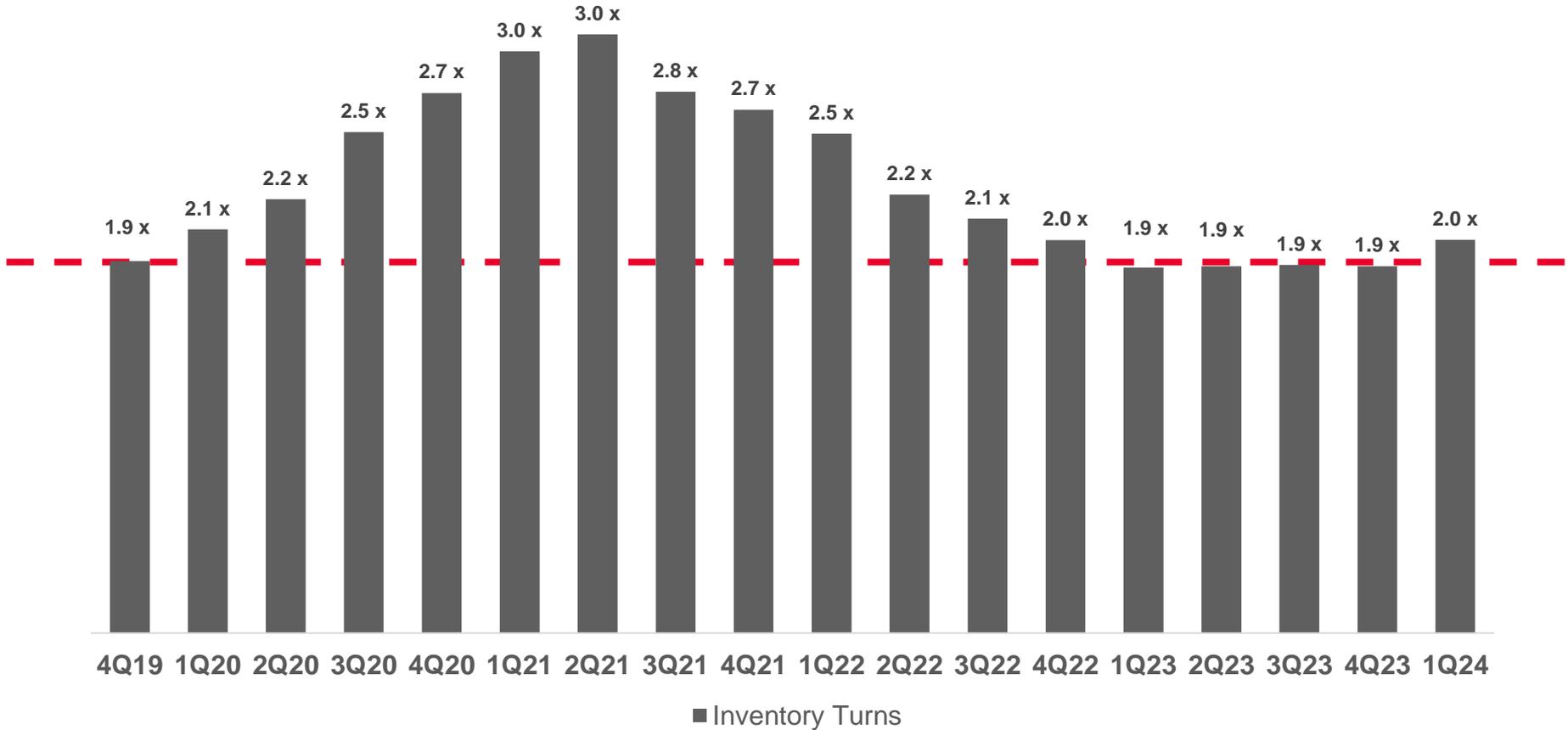
Orders (\$MM)



Past Due Orders (\$MM)



Inventory Turnover¹ (Turns/Year)



Improving Inventory Turns with the Rationalization of Non-Performing SKUs

1) 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 |
| Hedge Level | \$500MM |

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

TTM EBITDA AND ADJUSTED EBITDA RECONCILIATION

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

(In millions)

(Unaudited)

| | TTM | | | |
|--|----------------|----------------|----------------|----------------|
| | 2Q23 | 3Q23 | 4Q23 | 4Q23 |
| Net Income | \$ 33.6 | \$ 2.8 | \$ 19.2 | \$ 18.7 |
| Adjustments: | | | | |
| Interest Expense | 52.1 | 55.4 | 60.7 | 53.5 |
| Income Taxes | (0.1) | 3.4 | 8.4 | 5.9 |
| Depreciation | 10.4 | 10.3 | 10.3 | 10.3 |
| Amortization | 14.7 | 14.7 | 14.6 | 14.3 |
| EBITDA | 110.7 | 86.6 | 113.2 | 102.7 |
| Acquisition and Restructuring Costs | 4.2 | 3.4 | 2.6 | 1.9 |
| Impairment of Indefinite-Lived Intangible Assets | 2.4 | — | — | — |
| Change in Fair Value of Warrant Liability | (32.6) | (0.4) | 4.1 | (0.4) |
| Change in Fair Value of Earn-Out Liability | (7.5) | 0.7 | 2.3 | 1.2 |
| Gain on Early Extinguishment of Debt | — | — | (0.7) | (0.6) |
| Inventory Charges | 3.7 | 3.7 | (0.8) | 8.9 |
| Equity-Based Compensation Expense | 19.9 | 20.0 | 7.3 | 8.0 |
| Notable Items | 1.0 | 1.3 | 1.3 | 4.4 |
| Other Expense | 1.5 | 1.4 | 0.8 | 0.7 |
| Adjusted EBITDA | \$103.3 | \$116.7 | \$130.1 | \$126.8 |

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 | |
|--|------------------------------|-----------------|
| | March 31, 2024 | April 2, 2023 |
| Net Income | \$ 3.7 | \$ 4.2 |
| Adjustments: | | |
| Interest Expense | 11.0 | 18.3 |
| Income Taxes | (0.9) | 1.6 |
| Depreciation | 2.5 | 2.5 |
| Amortization | 3.4 | 3.7 |
| EBITDA | 19.7 | 30.3 |
| Restructuring Costs | 0.6 | 1.3 |
| Change in Fair Value of Warrant Liability | (3.1) | 1.4 |
| Change in Fair Value of Earn-Out Liability | (0.6) | 0.4 |
| Loss on Early Extinguishment of Debt | 0.1 | — |
| Inventory Charges | 9.7 | — |
| Equity-Based Compensation Expense | 1.2 | 0.4 |
| Notable Items | 3.1 | — |
| Other Expense | — | 0.1 |
| Adjusted EBITDA | \$ 30.7 | \$ 33.9 |
| Net Sales | \$ 158.6 | \$ 172.2 |
| Net Income Margin | 2.4% | 2.5% |
| Adjusted EBITDA Margin | 19.3% | 19.7% |

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.

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

(In millions)

(Unaudited)

| | For the thirteen weeks ended | |
|------------------------------|------------------------------|-----------------|
| | March 31, 2024 | April 2, 2023 |
| Gross Profit | \$ 52.1 | \$ 67.7 |
| Adjust for Inventory Charges | 9.7 | — |
| Adjusted Gross Profit | \$ 61.8 | \$ 67.7 |
| Net Sales | \$ 158.6 | \$ 172.2 |
| Gross Margin | 32.8% | 39.3% |
| Adjusted Gross Margin | 38.9% | 39.3% |

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 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|----------------|---------------|-----------|------------|-------------|------------|----------|-----------|-----------|-----------|-----------|
| Net cash provided by (used in) operating activities | \$ 17 | \$ 26 | \$ 32 | \$ 13 | \$ 19 | \$ 28 | \$ (22) | \$ (3) | \$ 19 | \$ 3 | \$ (9) | \$ — | \$ 4 | \$ 31 | \$ 23 | \$ 31 | \$ 19 |
| Capital expenditures | (1) | (2) | (3) | (3) | (3) | \$ (4) | (3) | (5) | \$ (6) | (4) | (2) | (2) | (1) | (2) | (2) | (1) | (1) |
| Proceeds from the disposal of fixed assets | — | — | — | 1 | — | — | — | — | — | — | — | 1 | — | — | 1 | — | — |
| Free cash flow | \$ 16 | \$ 24 | \$ 29 | \$ 11 | \$ 16 | \$ 24 | \$ (25) | \$ (8) | 13 | (1) | (11) | (1) | 3 | 29 | 22 | 30 | 18 |

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 that free cash flow is useful for investors to understand our performance and results of cash generation after making capital investments required to support ongoing business operations.

| | For the thirteen weeks ended | |
|--|------------------------------|---------------|
| | March 31, 2024 | April 2, 2023 |
| Net Cash Provided by Operating Activities | \$ 18.8 | \$ 3.7 |
| Capital expenditures | (1.2) | (1.0) |
| Proceeds from the disposal of fixed assets | 0.2 | 0.3 |
| Free Cash Flow | \$ 17.8 | \$ 3.0 |

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

(In millions, except per share data)

(Unaudited)

| | For the thirteen weeks ended | |
|---|------------------------------|----------------|
| | March 31, 2024 | April 2, 2023 |
| Net Income | \$ 3.7 | \$ 4.2 |
| Special items: | | |
| Adjust for: Change in Fair Value of Warrant Liability | (3.1) | 1.5 |
| Adjust for: Change in Fair Value of Earn-Out Liability | (0.6) | 0.4 |
| Adjust for: Loss on Early Extinguishment of Debt | 0.1 | — |
| Adjusted Net Income | \$ 0.1 | \$ 6.1 |
| Weighted Average Common Shares Outstanding - Diluted | 119.5 | 117.2 |
| Adjusted Weighted Average Common Shares Outstanding - Diluted | 119.5 | 117.2 |
| Adjusted Diluted Earnings per Share | \$ 0.00 | \$ 0.05 |

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.