

The logo features the word "Holley" in a large, bold, red, sans-serif font. Above the letters "lley" is a blue, segmented arch. Below "Holley" is the text "PERFORMANCE BRANDS" in a smaller, white, bold, sans-serif font. A registered trademark symbol (®) is located to the right of the word "Holley".

Holley[®]

PERFORMANCE BRANDS

*Fourth Quarter and Full Year
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) disruptions and costs associated with doing business in certain countries; 18) Holley’s ability to adopt and react to risks posed by new technology; 19) 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

Matthew Stevenson

President & CEO

Jesse Weaver

CFO

Group

Matthew Stevenson

President & CEO

- Introductions & Forward-Looking Statements
- Results and Highlights
- Q4 and FY Financial Results, & 2025 Outlook
- Q&A
- Outlook

Results and Highlights

*Matthew Stevenson
President and CEO*



Highlights for Q4 and FY 2024 Highlights

- **Maintaining Out-the-Door Share Gains YTD Despite Continued Softness in Market Demand**
- **Comprehensive Improvements Across Our Consumer Journey Delivered YOY DTC growth of +8%**
- **Grew 17 Brands In Total YOY Across All Channels, 32 in DTC, and 16 in B2B**
- **Increased Support for ~80% of B2B Volume and Coverage Solutions for all B2B Accounts**
- **Renewed Strategic Partnerships and SKU Expansion Drove 12% Growth in National Retailers Channel**
- **Ops Improvements Delivered Past Due Reductions Every Qtr. YOY in 2024; most recently 22% YoY**
- **Cost to Serve Savings of \$7.8MM in 2024 Supporting Gross Margin Expansion YoY**
- **Successfully expanded into Mexico with Launch of Direct Distribution Relationships**

Q4 Financial Results & Ongoing Business Highlights



2024 Q4 Results

<p>Net Sales</p> <p>\$140.1M</p> <p>(10.1%) vs. PY</p>	<p>Gross Margin</p> <p>45.6%</p> <p>+690bps vs. PY</p>
<p>Adjusted EBITDA Margin¹</p> <p>20.8%</p> <p>+250bps vs. PY</p>	<p>Free Cash Flow¹</p> <p>\$1.8M</p> <p>(\$28.1M) vs. PY</p>

Business Highlights

New Products Launched in Q4 Across Divisions

NEW HOT Along with many more!

Ford Mid-Mount Accessory Drive System	Small Block Chevy Hi-Ram Intake Manifolds	Simpson Adventure Motorcycle Helmets	Stilo ST6 (FN & GT)
---------------------------------------	---	--------------------------------------	---------------------

Operational Excellence FY2024

\$7.8M	+1.5%	22%	+0.1x
YTD Cost to Serve Savings	YOY Top 2,500 Products In-Stock %	YOY Reduction in Past Dues	YOY Improvement in Inventory Turns

Elevated Promotional Efforts FY2024

>\$100M	3.1B	~\$10M
eCommerce Sales in 2024	Earned Media Impressions Generated by 2,904 Media Clips	Equivalent Media Value through Events & Social Media Platforms

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

Transformative Progress in 2024: Advancing Growth Levers

Develop a High Performing Team

- Completed hiring of all critical Level 1 and Level 2 leaders
- Created a Four Division structure with Centers of Excellence
- Opened new offices in Bowling Green, Nashville, Tucson, & Italy

Digital Modernization & CXM Optimization

- Increased DTC sales by 8% YoY
- Achieved a key milestone of over \$100M eCommerce sales, up 15% YoY
- Launched a Product Master Data warehouse (PIM)
- Activated our HubSpot CRM platform
- Activated an annual promotion calendar and targeted key selling periods
- Continued and improved Holley enthusiast events and trade show programs

B2B Sales Capabilities

- Completed Sales Reorganization and onboarding of R&R continuing to strengthen B2B Relationships
- Grew 16 Brands in the Channel
- National Retailers +12% driven by renewed strategic partnerships, SKU expansion
- The newly formed Team Safety Sales group traveled to 80+ events and entered new partnerships in '24 including NASCAR, INDYCAR, AMR Safety

Product Management & Innovation

- Implemented Phase-Gate system that drove 75%+ increase in new product revenue per SKU
- Launched over 88 products and 6 with run rates of over \$1m in first year sales
- Streamlined our product portfolio by removing an additional 12,000 underperforming SKUs

Strategic Pricing

- Developed a framework to automate monthly competitive pricing feeds for our top 500 SKUs
- Built in-house capabilities to monitor additional SKU monitoring capability
- Adjusted retail pricing to maximize pricing elasticity for ~1,500 high volume SKUs
- Effectively implemented a Precision Pricing model (80/20) in July
- Partnered with 3rd party to expand MAP SKU monitoring and strengthen policy enforcement

Successfully Addressed Key Areas to Propel Future Growth

Framework for 2025 and Beyond

 **GREAT Place to Work**

 **DELIVER Results**

 **FUND the Growth**

 **Transformational M&A**



 **Premier CONSUMER Journey**

 **Trailblazing Trusted PARTNER**

 **Product INNOVATION & Portfolio Management**

 **GLOBAL Expansion & NEW Markets**

Product Innovation in Q1



Modern Truck & Off-Road

Holley OFF-ROAD PERFORMANCE PACKAGES

BRAKES / SUSPENSION / TUNING / EXHAUST

SAVE 10% WHEN YOU BUNDLE

SHOP NOW



NEW!
SIERRA PERFORMANCE PACKAGES ARE HERE

UPGRADE TODAY AND SAVE 10%

TACOMA PERFORMANCE PACKAGES ARE HERE

UPGRADE TODAY AND SAVE 10%

BRONCO PERFORMANCE PACKAGES ARE HERE

UPGRADE TODAY AND SAVE 10%

SILVERADO PERFORMANCE PACKAGES ARE HERE

UPGRADE TODAY AND SAVE 10%

PERFORMANCE PACKAGES

Euro & Import

Dinan S58 PCU (Performance Control Unit)



Safety

THE NEW HANS IV

- 10% WEIGHT REDUCTION
- EXTENDED SIZE OFFERINGS
- INTEGRATED PADS
- IMPROVED BELT RETENTION



Domestic Muscle



Sniper 2 EFI HyperSpark Bundles

NOS Octane Booster



We are kicking off the year with some exciting new offerings!

Q4 Financial Results

Jesse Weaver
Chief Financial Officer



Financial Priorities



Proactively Leading the Business to Drive Sustainable Results

RESTORE HISTORICAL PROFITABILITY

- Target 40% GM & $\geq 20\%$ Adj EBITDA
- Improved operating efficiency with Cost to Serve
- Proactively implemented furlough to protect near-term profitability
- Over delivered “Cost to Serve” target of $> \$5\text{MM}$

FY Cost to Serve Savings of \$7.8M

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

+0.1x YOY Improvement in Inventory Turns

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

2024 FCF of ~\$42M

DELEVER BALANCE SHEET

- Using free cash flow to pre-pay debt
- S&P upgrade on Credit and Debt to “B” rating
- Moody’s Ratings Upgrades Holley’s CFR to B2
- Extended revolver and achieved covenant-lite amendment

\$50MM
2023 Prepayment
\$25MM
2024 Prepayment

Successfully Ended the Year with Wins Across All Four Key Financial Priorities

4Q24 KEY METRIC RECAP



<i>\$ millions</i>	4Q24	4Q23	B/(W)
Net Sales ¹	\$140.1	\$155.7	(10.1%)
Gross Margin	45.6%	38.7%	690 bps
SG&A (incl. R&D)	\$39.4	\$37.2	\$(2.2)
Adj. EBITDA ^{2,3}	\$29.1	\$28.5	\$0.6
Adj. EBITDA Margin ^{2,3}	20.8%	18.3%	250 bps
Interest Expense	\$11.5	\$18.8	\$7.3
Adj. Net Income (Loss) ²	\$12.6	\$(0.5)	\$13.1
Adj. Diluted EPS ²	\$0.11	\$0.0	\$0.11
Free Cash Flow ²	\$1.8	\$29.9	\$(28.1)

Gross Margin Expansion Helping Offset Leverage Impact on Softer Sales

1) 2024 Includes \$2.9MM and \$0.3MM of Net Sales from Divested Businesses and Strategic Product Rationalization; 2023 Includes \$3.2MM and \$0.2MM of Net Sales from Divested Businesses and Strategic Product Rat.

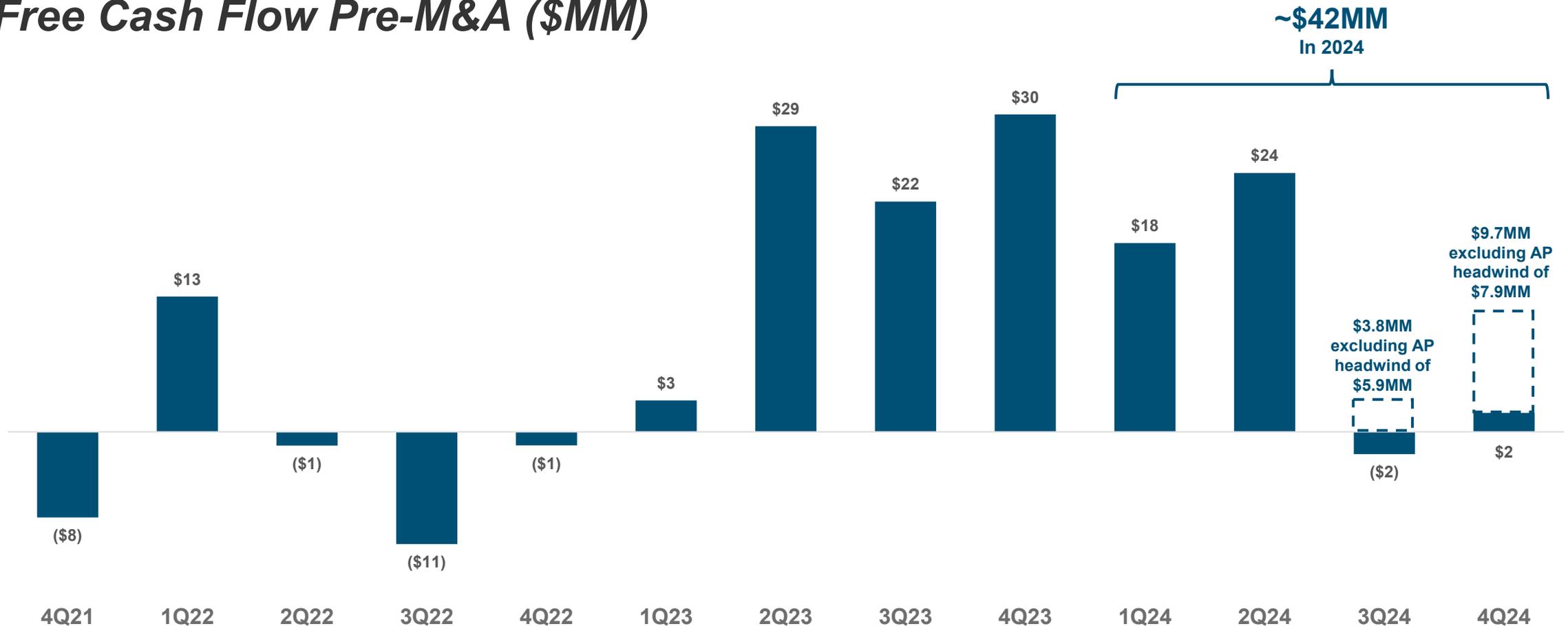
2) Non-GAAP measure. Please see the GAAP to Non-GAAP reconciliation in the Appendix to this presentation

3) 2024 Includes (\$0.9MM) and (\$0.3MM) of Adj. EBITDA from Divested Businesses and Strategic Product Rationalization; 2023 Includes (\$0.6MM) and \$0.0MM of Adj. EBITDA from Divested Businesses and Strategic Product Rat.

Free Cash Flow¹ Generation



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

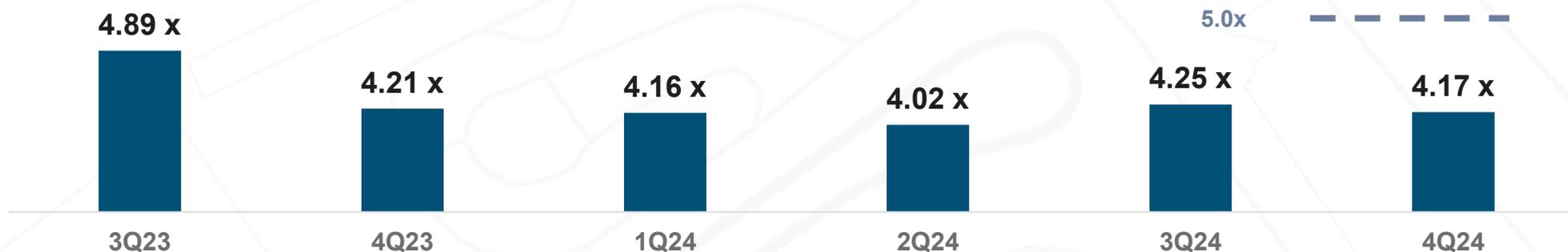


2024 Free Cash Flow of ~\$42MM supported by Inventory & Cost Management

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

Net Debt to EBITDA Leverage Ratio¹

Net Leverage Ratio (Net Debt/TTM Covenant EBITDA)



\$ millions	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Revolver Drawn	\$0	\$0	\$0	\$0	\$0	\$0
Net Debt	\$584.4	\$553.4	\$536.0	\$515.3	\$515.1	\$511.8
Adj. EBITDA (TTM) ²	116.7	130.9	117.5	117.5	109.9	110.5
Covenant Add-backs	2.8	0.7	11.2	10.7	11.3	12.3
Covenant EBITDA (TTM) ¹	\$119.5	\$131.6	\$128.7	\$128.2	\$121.2	\$122.8

New Covenant Lite Structure Does Not Require Test without Drawn Revolver

1) As calculated per our existing credit agreement; includes addback of non-cash write down related to Strategic Product Rationalization

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

'24 FY Performance at Top End of Adj. Guidance



<i>Outlook (\$ millions)</i>	November FY24 Guidance	FY24 Adjusted ¹ Guidance	FY24 Actual	Act vs. Mid point of Adj. Guidance B/(W)
Net Sales	\$595 – \$605	\$595 – \$605	\$602.2	\$2.2
Adjusted EBITDA ²	\$115 – \$120	\$106.8 – \$111.8	\$110.5	\$1.2
Capital Expenditures	\$6 – \$8	\$6 – \$8	\$6.8	\$0.2
Depreciation and Amortization	\$23 – \$25	\$23 – \$25	\$24.4	\$(0.4)
Interest Expense (excluding Mark-to-Market on Collar)	\$50 – \$55	\$50 – \$55	\$51.8	\$0.7
Bank-adjusted EBITDA Leverage Ratio ²	4.35x – 4.15x	4.35x – 4.15x	4.17x	0.08x

Adjusted Guidance Includes the \$8.2MM FY Non-Cash Impact of The Strategic Product Rationalization

1) Adjusted Guidance Includes the \$8.2MM FY Non-Cash Impact of The Strategic Product Rationalization

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

FY24 KEY METRIC RECAP



<i>\$ millions</i>	2024	2023	B/(W)
Net Sales	\$602.2	\$659.7	(8.7%)
Gross Margin ²	39.6%	38.8%	80 bps
SG&A (incl. R&D)	\$150.9	\$144.1	\$(6.8)
Adj. EBITDA ^{1,2}	\$110.5	\$130.9	\$(20.4)
Adj. EBITDA Margin ^{1,2}	18.3%	19.8%	(150 bps)
Interest Expense	\$50.7	\$60.7	\$10.0
Adj. Net Income ¹	\$24.8	\$25.0	\$(0.2)
Adj. Diluted EPS ¹	\$0.20	\$0.21	\$(0.01)
Free Cash Flow ¹	\$41.8	\$83.6	\$(41.8)

2024 & 2023 Net Sales Include \$12.8MM and \$13.4MM of Non-Core Business Net Sales, Respectively

2024 GM & EBITDA include \$8.2MM in Non-Cash Expense from Strategic Product Rationalization

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

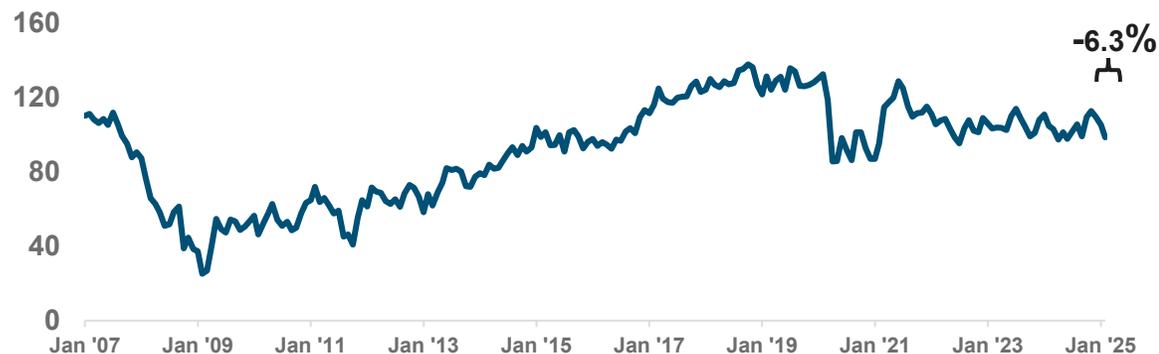
2) 2024 GM & EBITDA include \$8.2MM in Non-Cash Expense from Strategic Product Rationalization

Early Indicators Showing Downward Trend to Start '25

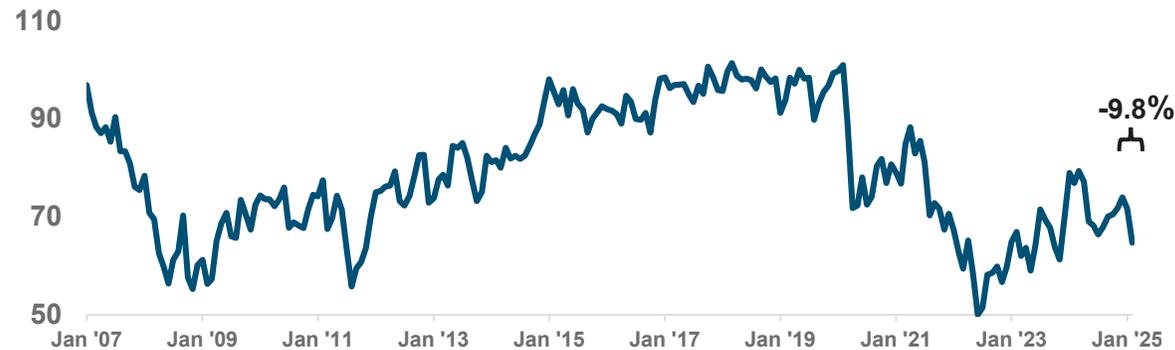


Consumer Sentiment deteriorated at its sharpest pace in 3.5 years in February

Confidence Board Consumer Confidence Index

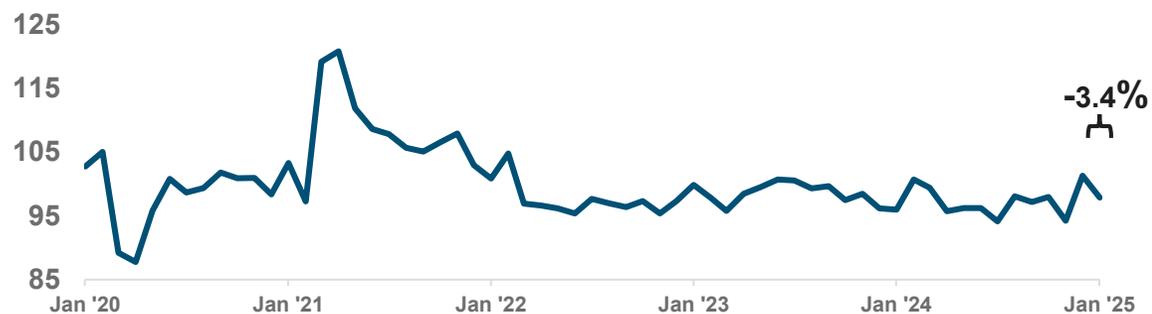


University of Michigan Consumer Confidence Index



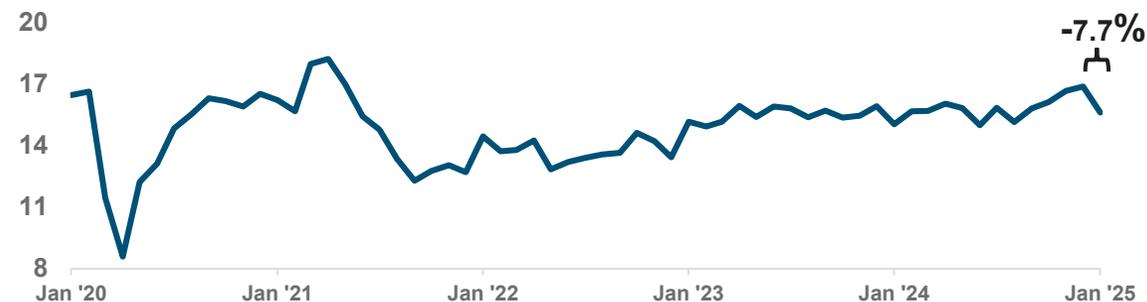
Discretionary Spending Momentum Slowing

Visa Spending Momentum Index: Discretionary: U.S.



Light Weight Vehicle Sales Declining

Light Weight Vehicle Sales: Autos and Light Trucks



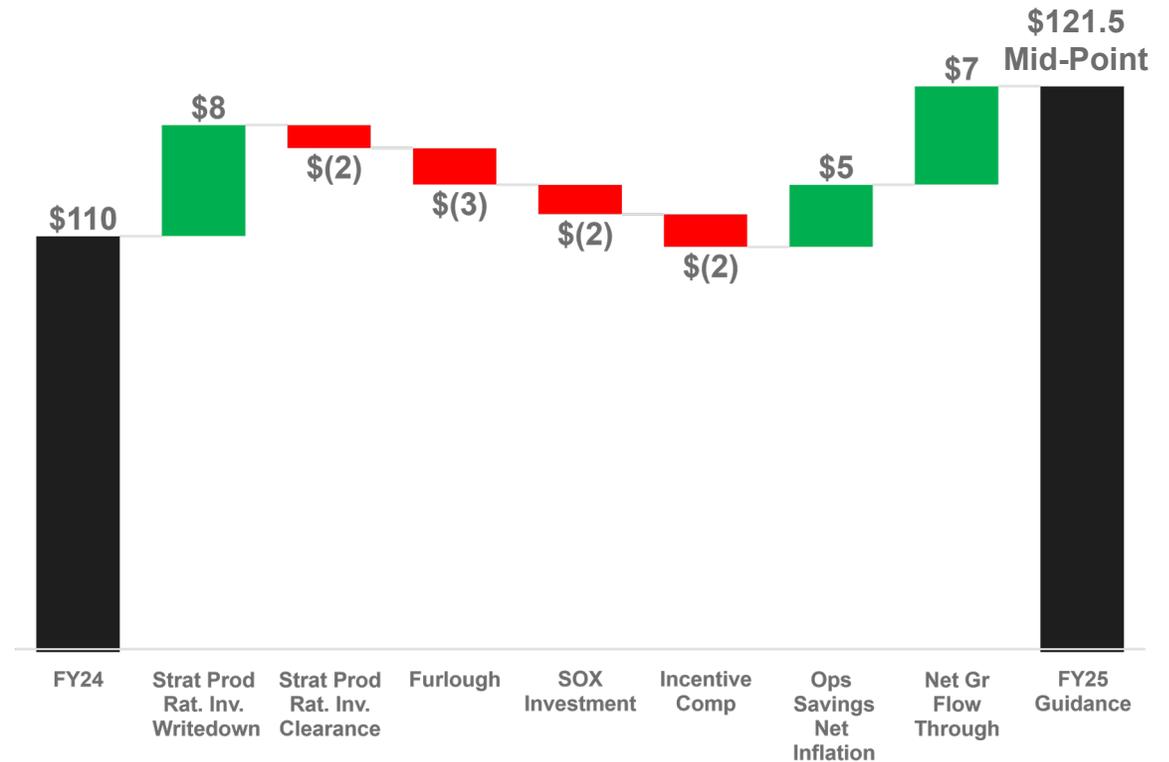
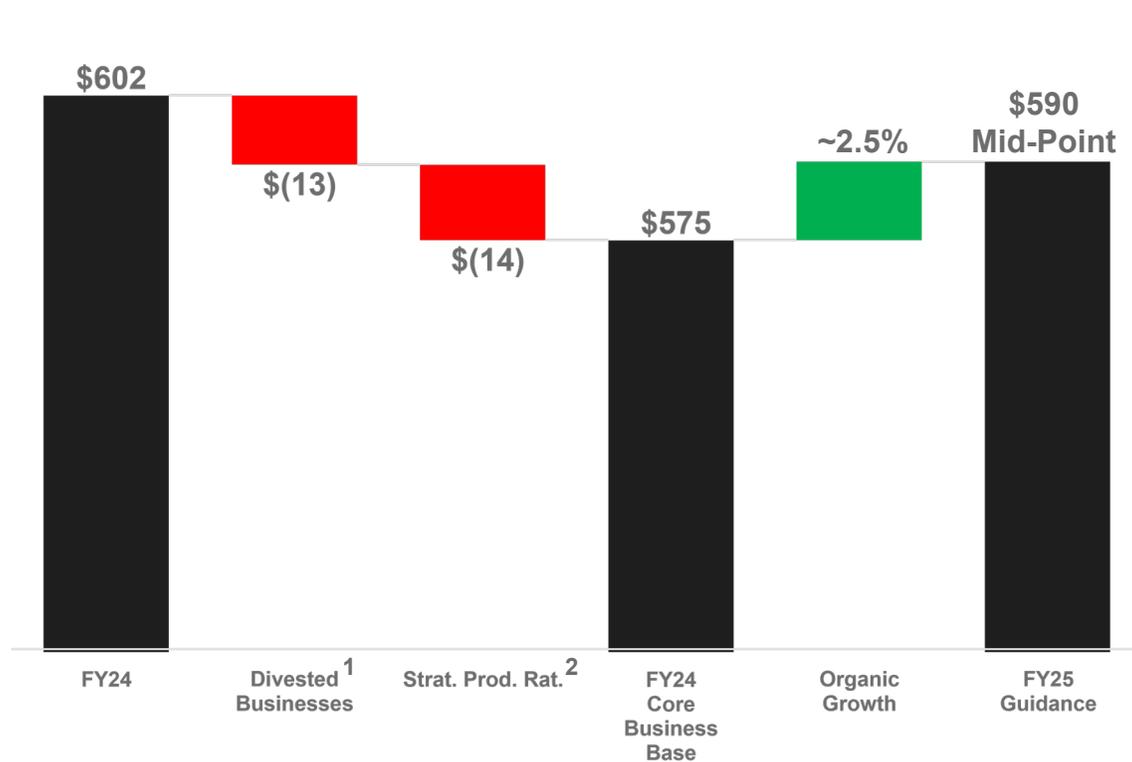
Consumer Optimism has Softened Since our Last Earnings Call

2025 Base Represents Core Operations Without Divestitures & Product Discontinuations



'25 FY Net Sales Walk (\$MM)

'25 FY Adj. EBITDA Walk (\$MM)



Core Business Growth Anticipated in Challenging Market



1) Divested Businesses includes 2024 Revenue from DSE, GearFX and Proforge 2) Includes sales from product-lines, categories and platforms the company exited in as part of Strategic Product Rationalization

FINANCIAL GUIDANCE – FULL YEAR 2025



<i>Outlook (\$ millions)</i>	FY25
Net Sales <i>YOY Growth%</i> ¹	\$580 – \$600 0.8% - 4.3%
Adjusted EBITDA ²	\$113 – \$130
Capital Expenditures	\$12 – \$16
Depreciation and Amortization	\$22 – \$24
Interest Expense (excluding Mark-to-Market on Collar)	\$47 – \$52

Expect Modest Net Sales Growth of ~2.5%¹ at the Midpoint in 2025

1) Excluding \$12.8 million from Divested Businesses of DSE, Gear FX and Proforged Contribution from 2024 and \$14.0 million in Clearance Sales of Strategic Product Rationalization in 2024
2) 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



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 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

- *Mid-Single Digit Organic Top Line Growth*
- *~40% Gross Margin Target*
- *>20% Adj. EBITDA Margin Target*
- *Sustainable Free Cash Flow*
- *Strategic Acquisitions*



F1

Appendix

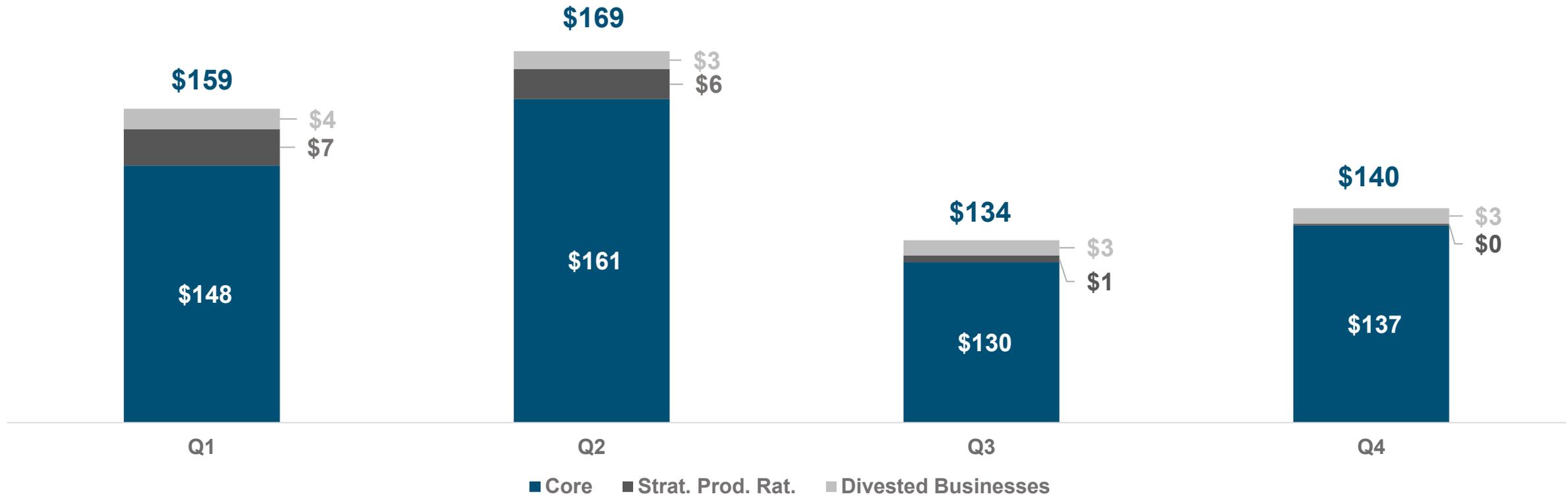
Holley
PERFORMANCE BRANDS



Net Sales Breakdown



Quarterly Net Sales Breakdown (\$MM)



\$13MM of Net Sales from Divested Businesses and \$14MM from Strat. Prod. Rationalization

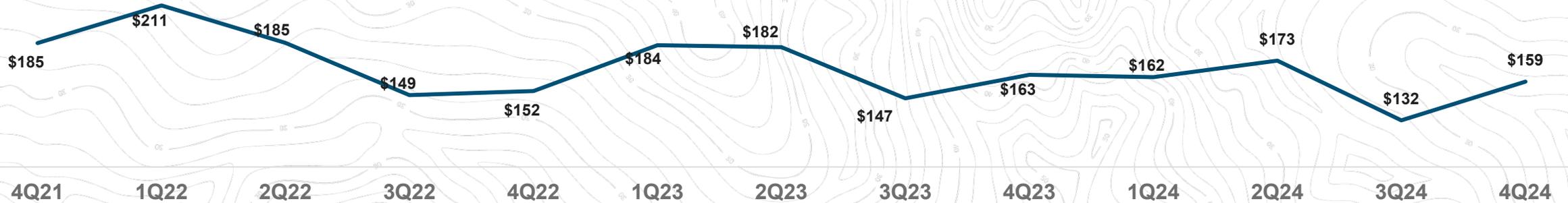


Note: Divested Non-Core Businesses include DSE, Pro Forged, and Gear FX

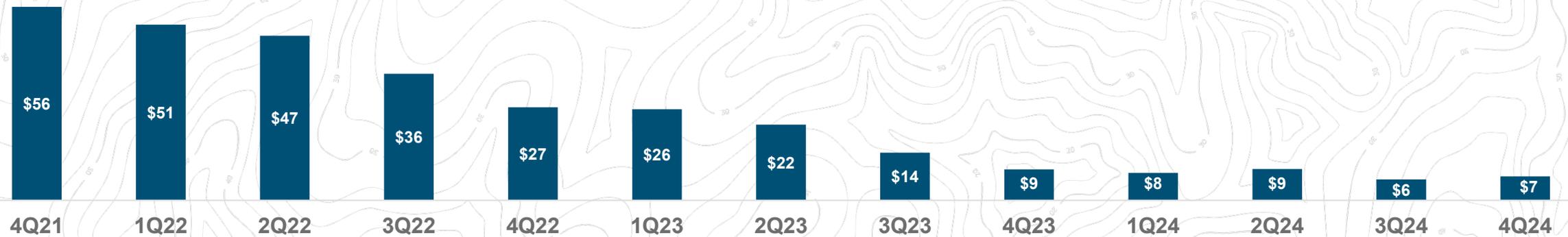
Orders and Past Due Balances



Orders (\$MM)



Past Due Orders (\$MM)

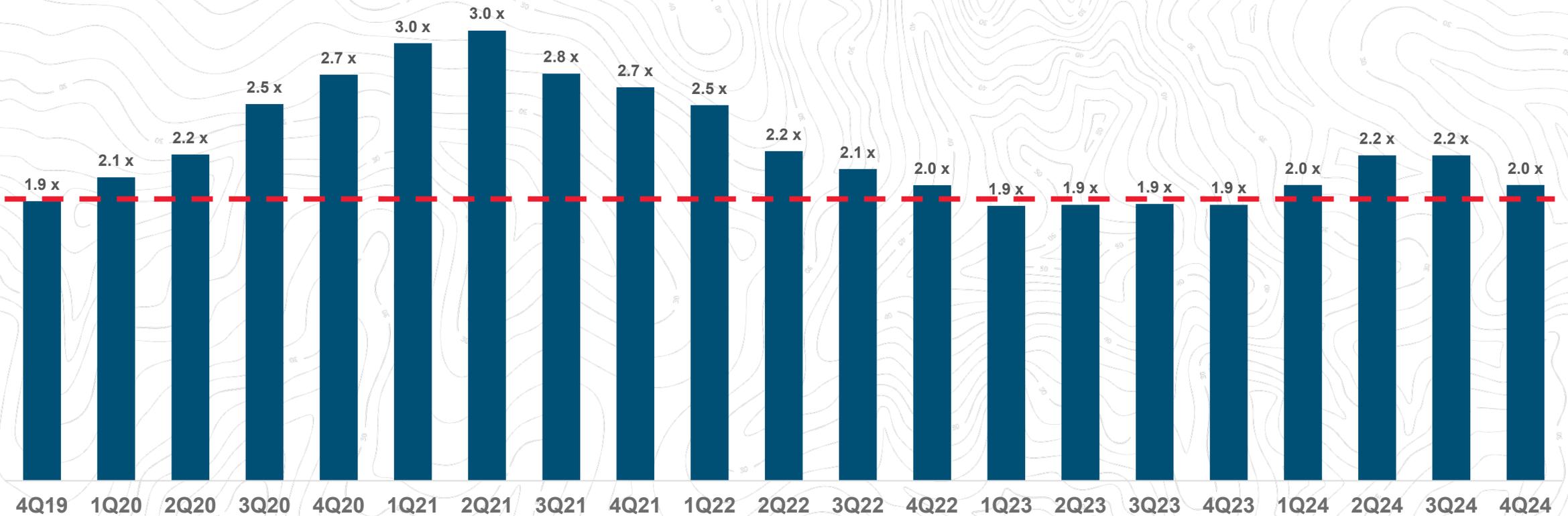


Q3 Destocking Impacted Orders as B2B Partners Brought Inventory Back In-Line with PY

Inventory Levels Improving



Inventory Turnover (Turns/Year)



Year-over-Year Inventory Improvement of 0.1x

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

Interest Rate Collar #1 Feb 2023 to Feb 2026 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 ~8.2%

Interest Rate Collar #2 Feb 2026 to Nov 2028 Summary



Key Terms

Effective Date	2/18/2026
Maturity Date	11/18/2028
Holley Inc. Buys a Cap	4.990%
Holley Inc. Sells a Floor	3.350%
Index	3 Month Term SOFR
Premium	Zero

TTM EBITDA and Adjusted EBITDA Reconciliation



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

(In millions)

(Unaudited)

	TTM			
	1Q24	2Q24	3Q24	4Q24
Net Income	\$ 18.7	\$ 22.8	\$ 15.7	\$ (23.2)
Adjustments:				
Interest Expense	53.5	56.7	58.0	50.7
Income Taxes	5.9	3.9	0.3	(3.0)
Depreciation	10.3	10.5	9.9	10.6
Amortization	14.3	14.1	13.8	13.8
EBITDA	102.7	108.0	97.7	48.9
Restructuring Costs	1.9	1.6	2.1	1.4
Impairment of Indefinite-Lived Intangible Assets	-	-	-	7.7
Impairment of Goodwill	-	-	-	40.9
Loss on Sale of Assets	-	-	7.5	9.2
Change in Fair Value of Warrant Liability	(0.5)	(5.9)	(9.0)	(7.6)
Change in Fair Value of Earn-Out Liability	1.2	(0.8)	(2.1)	(2.3)
Loss (Gain) on Early Extinguishment of Debt	(0.6)	(0.6)	(0.6)	0.1
Equity-Based Compensation Expense	8.0	7.9	6.4	5.2
Notable Items	4.4	7.0	7.2	7.1
Other Expense	0.7	0.3	0.5	(0.1)
Adjusted EBITDA	\$ 117.1	\$ 117.5	\$ 109.9	\$ 110.5

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 year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net Income	\$ (37.8)	\$ 1.2	\$ (23.2)	\$ 19.2
Adjustments:				
Interest Expense	11.5	18.8	50.7	60.7
Income Taxes	(2.7)	0.6	(3.0)	8.4
Depreciation	3.2	2.6	10.6	10.3
Amortization	3.6	3.5	13.9	14.6
EBITDA	(22.2)	26.8	48.9	113.2
Restructuring Costs	(0.2)	0.5	1.4	2.6
Impairment of Indefinite-Lived Intangible Assets	7.7	-	7.7	-
Impairment of Goodwill	40.9	-	40.9	-
Loss on Sale of Assets	1.7	-	9.2	-
Change in Fair Value of Warrant Liability	-	(1.4)	(7.6)	4.1
Change in Fair Value of Earn-Out Liability	0.0	0.2	(2.3)	2.3
Loss (Gain) on Early Extinguishment of Debt	-	(0.7)	0.1	(0.7)
Equity-Based Compensation Expense	0.9	2.1	5.2	7.3
Related Party Acquisition and Management Fee Costs	-	-	-	-
Notable Items	0.6	0.7	7.1	1.3
Other Expense	(0.3)	0.3	(0.1)	0.8
Adjusted EBITDA	\$ 29.1	\$ 28.5	\$ 110.5	\$ 130.9
Net Sales	\$ 140.1	\$ 155.7	\$ 602.2	\$ 659.7
Net Income Margin	-27.0%	0.8%	-3.9%	2.9%
Adjusted EBITDA Margin	20.8%	18.3%	18.3%	19.8%

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.

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	4Q24
Net cash provided by (used in) operating activities	\$ 17.0	\$ 25.9	\$ 32.1	\$ 12.8	\$ 18.9	\$ 28.0	\$ (21.5)	\$ (3.3)	\$ 19.0	\$ 2.5	\$ (8.7)	\$ -	\$ 3.6	\$ 30.7	\$ 23.0	\$ 31.2	\$ 18.8	\$ 25.7	\$ (1.7)	\$ 4.1
Capital expenditures	(1.0)	(2.2)	(3.2)	(2.8)	(3.1)	(4.0)	(3.3)	(4.8)	(6.0)	(3.9)	(2.1)	(2.0)	(1.0)	(1.7)	(2.0)	(1.5)	(1.1)	(1.3)	(1.8)	(2.4)
Proceeds from the disposal of fixed assets	-	-	-	0.7	-	-	-	-	-	-	-	1.0	-	-	1.0	0.2	-	-	1.4	0.1
Free cash flow	\$ 16.0	\$ 23.7	\$ 28.9	\$ 10.7	\$ 15.8	\$ 24.0	\$ (24.8)	\$ (8.1)	\$ 13.0	\$ (1.4)	\$ (10.8)	\$ (1.0)	\$ 2.6	\$ 29.0	\$ 22.0	\$ 29.9	\$ 17.7	\$ 24.4	\$ (2.1)	\$ 1.8

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		For the year weeks ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net Cash Provided by (Used in) Operating Activities	\$ 4.1	\$ 31.2	\$ 46.9	\$ 88.1
Capital expenditures	(2.4)	(1.5)	(6.5)	(5.9)
Proceeds from the disposal of fixed assets	0.1	0.2	1.4	1.4
Free Cash Flow	\$ 1.8	\$ 29.9	\$ 41.8	\$ 83.6

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 support 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 year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net Income	\$ (37.8)	\$ 1.2	\$ (23.2)	\$ 19.2
Special items:				
Adjust for: Change in Fair Value of Warrant Liability	-	(1.4)	(7.6)	4.1
Adjust for: Change in Fair Value of Earn-Out Liability	-	0.2	(2.3)	2.2
Adjust for: Impairment of Indefinite-lived intangible assets	7.7	-	7.7	-
Adjust for: Impairment of Goodwill	40.9	-	40.9	-
Adjust for: Loss on Sale of Assets	1.8	-	9.2	-
Adjust for: Loss on Early Extinguishment of Debt	-	(0.5)	0.1	(0.5)
Adjusted Net Income	\$ 12.6	\$ (0.5)	\$ 24.8	\$ 25.0
Weighted Average Common Shares Outstanding - Diluted	118.7	119.6	118.4	118.1
Adjusted Diluted Earnings per Share	\$ 0.11	\$ (0.00)	\$ 0.20	\$ 0.21

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.