

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 27, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-39898



Driven Brands Holdings Inc.
(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

47-3595252

(I.R.S. Employer Identification No.)

**440 South Church Street, Suite 700
Charlotte, North Carolina**

(Address of principal executive offices)

28202

(Zip Code)

Registrant's telephone number, including area code: (704) 377-8855

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value	DRVN	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Non-accelerated filer ☐

Accelerated filer ☐

Small reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of November 3, 2025, the Registrant had 164,454,218 shares of Common Stock outstanding.

Driven Brands Holdings Inc.

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Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are generally identified by the use of forward-looking terminology, including the terms “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “likely,” “may,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” and, in each case, their negative or other various or comparable terminology. All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, trends, plans, objectives of management, impact of accounting standards and guidance, impairments, and expected market growth are forward-looking statements. In particular, forward-looking statements include, among other things, statements relating to: (i) potential post-closing obligations and liabilities relating to the sale of our U.S. Car Wash business; (ii) the current geopolitical environment, including the impact, both direct and indirect, of government actions, such as proposed and enacted tariffs and governmental shutdowns; (iii) our strategy, outlook, and growth prospects; (iv) our operational and financial targets and dividend policy; (v) general economic trends and trends in the industry and markets; (vi) the risks and costs associated with the integration of, and or ability to integrate, our stores and business units successfully; (vii) the proper application of generally accepted accounting principles, which are highly complex and involve many subjective assumptions, estimates, and judgments; and (viii) the competitive environment in which we operate. Forward-looking statements are not based on historical facts but instead represent our current expectations and assumptions regarding our business, the economy, and other future conditions, and involve known and unknown risks, uncertainties, and other important factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. It is not possible to predict or identify all such risks. These risks include, but are not limited to, the risk factors that are described under the section titled “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 28, 2024 as well as in our other filings with the Securities and Exchange Commission, which are available on its website at www.sec.gov.

Forward-looking statements represent our estimates and assumptions only as of the date on which they are made, and we undertake no obligation to update or review publicly any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

DRIVEN BRANDS HOLDINGS INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
<i>(in thousands, except per share amounts)</i>				
Net revenue:				
Franchise royalties and fees	\$ 50,824	\$ 49,475	\$ 144,714	\$ 144,549
Company-operated store sales	331,259	298,798	978,670	884,944
Independently-operated store sales	51,410	49,959	189,841	163,286
Advertising contributions	27,883	26,823	80,249	75,804
Supply and other revenue	74,308	77,284	209,361	234,544
Total net revenue	535,684	502,339	1,602,835	1,503,127
Operating Expenses:				
Company-operated store expenses	193,129	177,510	565,391	525,529
Independently-operated store expenses	30,178	29,382	104,713	90,693
Advertising expenses	27,884	26,823	80,249	75,804
Supply and other expenses	42,552	35,779	116,939	112,531
Selling, general, and administrative expenses	145,177	149,789	471,347	393,418
Depreciation and amortization	34,828	33,418	102,883	97,358
Total operating expenses	473,748	452,701	1,441,522	1,295,333
Operating income	61,936	49,638	161,313	207,794
Other expenses, net:				
Interest expense, net	23,603	43,674	91,496	119,241
Foreign currency transaction (gain) loss, net	(5,419)	765	(17,406)	5,767
Loss on debt extinguishment	4,549	205	4,549	205
Other expenses, net	22,733	44,644	78,639	125,213
Income before taxes from continuing operations	39,203	4,994	82,674	82,581
Income tax (benefit) expense	(21,659)	16,474	(7,487)	45,292
Net income (loss) from continuing operations	\$ 60,862	\$ (11,480)	\$ 90,161	\$ 37,289
Gain on sale of discontinued operations, net of tax	—	—	37,367	—
Net loss from discontinued operations, net of tax	—	(3,467)	(13,596)	(17,816)
Net income (loss)	\$ 60,862	\$ (14,947)	\$ 113,932	\$ 19,473
Basic earnings (loss) per share:				
Continuing Operations	\$ 0.37	\$ (0.07)	\$ 0.55	\$ 0.23
Discontinued Operations	—	(0.02)	0.14	(0.11)
Net basic earnings (loss) per share	\$ 0.37	\$ (0.09)	\$ 0.69	\$ 0.12
Diluted earnings (loss) per share:				
Continuing Operations	\$ 0.37	\$ (0.07)	\$ 0.55	\$ 0.23
Discontinued Operations	—	(0.02)	0.14	(0.11)
Net diluted earnings (loss) per share	\$ 0.37	\$ (0.09)	\$ 0.69	\$ 0.12
Weighted average shares outstanding				
Basic	163,900	159,804	162,434	159,743
Diluted	165,124	159,804	163,686	160,713

The accompanying notes are an integral part of these unaudited consolidated financial statements.

DRIVEN BRANDS HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

<i>(in thousands)</i>	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net income (loss)	\$ 60,862	\$ (14,947)	\$ 113,932	\$ 19,473
Other comprehensive income:				
Foreign currency translation adjustments	(10,452)	21,212	51,287	2,629
Unrealized (loss) gain from cash flow hedges, net of tax	(4,666)	558	(4,409)	(924)
Actuarial gain of defined pension plan, net of tax	—	12	16	2
Other comprehensive (loss) income, net	(15,118)	21,782	46,894	1,707
Comprehensive income attributable to Driven Brands Holdings Inc.	\$ 45,744	\$ 6,835	\$ 160,826	\$ 21,180

The accompanying notes are an integral part of these unaudited consolidated financial statements.

DRIVEN BRANDS HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited)

(in thousands, except share and per share amounts)

	September 27, 2025	December 28, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 162,028	\$ 149,573
Restricted cash	335	358
Accounts and notes receivable, net	188,208	177,654
Inventory	65,195	66,539
Prepaid and other assets	35,178	37,841
Income tax receivable	16,025	14,294
Advertising fund assets, restricted	63,617	49,716
Assets held for sale	54,540	77,616
Current assets of discontinued operations	—	83,847
Total current assets	585,126	657,438
Other assets	120,802	125,422
Property and equipment, net	758,874	711,505
Operating lease right-of-use assets	570,213	524,442
Deferred commissions	7,589	7,246
Intangibles, net	655,792	665,896
Goodwill	1,445,383	1,403,056
Deferred tax assets	9,151	8,206
Non-current assets of discontinued operations	—	1,158,576
Total assets	<u>\$ 4,152,930</u>	<u>\$ 5,261,787</u>
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$ 89,355	\$ 85,843
Accrued expenses and other liabilities	226,515	193,638
Income tax payable	13,190	6,860
Current portion of long-term debt	277,770	32,232
Income tax receivable liability	22,674	22,676
Advertising fund liabilities	18,644	22,030
Current liabilities of discontinued operations	—	70,616
Total current liabilities	648,148	433,895
Long-term debt	1,936,610	2,656,308
Deferred tax liabilities	72,249	87,485
Operating lease liabilities	541,110	491,282
Income tax receivable liability	110,907	110,935
Deferred revenue	29,641	31,314
Long-term accrued expenses and other liabilities	20,775	20,122
Non-current liabilities of discontinued operations	—	823,112
Total liabilities	3,359,440	4,654,453
Preferred Stock \$0.01 par value; 100,000,000 shares authorized; none issued or outstanding	—	—
Common stock, \$0.01 par value, 900,000,000 shares authorized: and 164,454,218 and 163,842,248 shares outstanding; respectively	1,645	1,638
Additional paid-in capital	1,725,174	1,699,851
Accumulated deficit	(888,651)	(1,002,583)
Accumulated other comprehensive loss	(44,678)	(91,572)
Total shareholders' equity	793,490	607,334
Total liabilities and shareholders' equity	<u>\$ 4,152,930</u>	<u>\$ 5,261,787</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

DRIVEN BRANDS HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

	Three Months Ended			
	September 27, 2025		September 28, 2024	
	Shares	Amount	Shares	Amount
<i>(in thousands, except share amounts)</i>				
Preferred stock, \$0.01 par value per share	—	\$ —	—	\$ —
Common stock, \$0.01 par value per share				
Balance at beginning of period	164,274,617	\$ 1,643	164,082,430	\$ 1,641
Stock issued relating to Employee Stock Purchase Plan	31,912	—	29,432	—
Shares issued for exercise/vesting of share-based compensation awards	147,689	2	1,932	—
Balance at end of period	164,454,218	\$ 1,645	164,113,794	\$ 1,641
Additional paid-in capital				
Balance at beginning of period		\$ 1,720,825		\$ 1,674,766
Share-based compensation expense		5,191		12,798
Stock issued relating to Employee Stock Purchase Plan		438		402
Tax obligations for share-based compensation		(1,280)		(18)
Balance at end of period		\$ 1,725,174		\$ 1,687,948
(Accumulated deficit) retained earnings				
Balance at beginning of period		\$ (949,513)		\$ (675,667)
Net income (loss)		60,862		(14,947)
Balance at end of period		\$ (888,651)		\$ (690,614)
Accumulated other comprehensive loss				
Balance at beginning of period		\$ (29,560)		\$ (57,950)
Other comprehensive (loss) income		(15,118)		21,782
Balance at end of period		\$ (44,678)		\$ (36,168)
Total shareholders' equity		\$ 793,490		\$ 962,807

The accompanying notes are an integral part of these unaudited consolidated financial statements.

DRIVEN BRANDS HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

	Nine Months Ended			
	September 27, 2025		September 28, 2024	
	Shares	Amount	Shares	Amount
<i>(in thousands, except share amounts)</i>				
Preferred stock, \$0.01 par value per share	—	\$ —	—	\$ —
Common stock, \$0.01 par value per share				
Balance at beginning of period	163,842,248	\$ 1,638	163,965,231	\$ 1,640
Stock issued relating to Employee Stock Purchase Plan	76,605	1	73,196	—
Shares issued for exercise/vesting of share-based compensation awards	540,973	6	174,953	2
Forfeiture of restricted stock awards	(5,608)	—	(99,586)	(1)
Balance at end of period	164,454,218	\$ 1,645	164,113,794	\$ 1,641
Additional paid-in capital				
Balance at beginning of period		\$ 1,699,851		\$ 1,652,401
Share-based compensation expense		28,269		35,641
Stock issued relating to Employee Stock Purchase Plan		961		904
Tax obligations for share-based compensation		(3,907)		(998)
Balance at end of period		\$ 1,725,174		\$ 1,687,948
(Accumulated deficit) retained earnings				
Balance at beginning of period		\$ (1,002,583)		\$ (710,087)
Net income		113,932		19,473
Balance at end of period		\$ (888,651)		\$ (690,614)
Accumulated other comprehensive loss				
Balance at beginning of period		\$ (91,572)		\$ (37,875)
Other comprehensive income		46,894		1,707
Balance at end of period		\$ (44,678)		\$ (36,168)
Non-controlling interests				
Balance at beginning of period		\$ —		\$ 644
Acquisition of non-controlling interest		—		(644)
Balance at end of period		\$ —		\$ —
Total shareholders' equity		\$ 793,490		\$ 962,807

The accompanying notes are an integral part of these unaudited consolidated financial statements.

DRIVEN BRANDS HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Nine Months Ended	
	September 27, 2025	September 28, 2024
<i>(in thousands)</i>		
Net income	\$ 113,932	\$ 19,473
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	105,109	131,219
Share-based compensation expense	28,269	35,641
(Gain) loss on foreign denominated transactions	(21,560)	8,744
Loss (gain) on foreign currency derivatives	4,154	(2,977)
(Gain) loss on sale and disposal of businesses, fixed assets, and sale leaseback transactions	(21,560)	32,998
Loss on fair value of Seller Note	17,000	—
Reclassification of interest rate hedge to income	(5,980)	(1,560)
Bad debt expense	13,275	5,759
Asset impairment charges and lease terminations	19,747	15,008
Amortization of deferred financing costs and bond discounts	7,441	7,240
Amortization of cloud computing	15,190	3,436
Provision for deferred income taxes	(36,628)	13,571
Loss on extinguishment of debt	4,549	205
Other, net	(2,500)	3,219
Changes in operating assets and liabilities, net of acquisitions:		
Accounts and notes receivable, net	(30,866)	(37,752)
Inventory	2,657	1,337
Prepaid and other assets	2,242	7,648
Advertising fund assets and liabilities, restricted	(14,845)	(4,209)
Other assets	(18,210)	(63,015)
Deferred commissions	(343)	642
Deferred revenue	(1,679)	1,248
Accounts payable	(533)	11,504
Accrued expenses and other liabilities	39,296	27,359
Income tax receivable	16,588	(8,230)
Cash provided by operating activities	234,745	208,508
Cash flows from investing activities:		
Capital expenditures	(167,384)	(219,307)
Cash used in business acquisitions, net of cash acquired	(8,112)	(2,759)
Proceeds from sale leaseback transactions	35,279	17,944
Proceeds from Seller Note	113,000	—
Proceeds from sale or disposal of businesses and fixed assets, net of cash sold	277,062	255,548
Cash provided by investing activities	249,845	51,426
Cash flows from financing activities:		
Payment of debt extinguishment and issuance costs	(1,414)	(9,646)
Proceeds from the issuance of long-term debt	—	274,794
Repayment of long-term debt	(370,915)	(422,492)
Proceeds from revolving lines of credit and short-term debt	121,000	46,000
Repayment of revolving lines of credit and short-term debt	(236,000)	(71,000)
Repayment of principal portion of finance lease liability	(3,581)	(4,301)
Payment of Tax Receivable Agreement	—	(38,374)
Acquisition of non-controlling interest	—	(644)
Tax obligations for share-based compensation	(3,907)	(998)

Cash used in financing activities	(494,817)	(226,661)
Effect of exchange rate changes on cash	4,709	71
Net change in cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted	(5,518)	33,344
Cash and cash equivalents, beginning of period	169,954	176,522
Cash included in advertising fund assets, restricted, beginning of period	38,930	38,537
Restricted cash, beginning of period	358	657
Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, beginning of period	209,242	215,716
Cash and cash equivalents, end of period	162,028	204,181
Cash included in advertising fund assets, restricted, end of period	41,361	40,465
Restricted cash, end of period	335	4,414
Cash, cash equivalents, restricted cash, and cash included in advertising fund assets, restricted, end of period	\$ 203,724	\$ 249,060

Supplemental cash flow disclosures - non-cash items:

Capital expenditures included in accrued expenses and other liabilities	\$	5,745	\$	16,742
Deferred consideration included in accrued expenses and other liabilities		718		1,705

Supplemental cash flow disclosures - cash paid for:

Interest	\$	86,688	\$	111,304
Income taxes		22,770		27,771

Cash flows from discontinued operations are included in the above amounts and explained in [Note 2](#) and [Note 13](#).

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1—Description of Business**Description of Business**

Driven Brands Holdings Inc. is a Delaware corporation and is the parent holding company of Driven Brands, Inc. and Shine Holdco (UK) Limited (collectively with its subsidiaries, “Driven Brands” or the “Company”). Driven Brands is the largest automotive services company in North America with a growing and highly-franchised base of approximately 4,900 franchised, independently-operated, and company-operated locations across 49 states in the U.S. and 13 other countries. The Company has a portfolio of highly recognized brands, including Take 5 Oil Change®, Meineke Car Care Centers®, MAACO®, CARSTAR®, AutoGlassNow®, IMO®, and 1-800-Radiator & A/C® that compete in the automotive services industry.

Tax Receivable Agreement

The Company expects to be able to utilize certain tax benefits which are related to periods prior to the effective date of the Company’s IPO and are attributed to our pre-IPO shareholders. The Company previously entered into a Tax Receivable Agreement which provides our pre-IPO shareholders with the right to receive payment of 85% of the amount of cash savings, if any, in U.S. and Canadian federal, state, local, and provincial income tax that the Company will actually realize or divests. The Tax Receivable Agreement was effective as of the date of the Company’s IPO. The Company recorded a current income tax receivable liability of \$23 million as of September 27, 2025 and December 28, 2024, respectively, and a non-current income tax receivable liability of \$111 million as of September 27, 2025 and December 28, 2024, respectively, on the consolidated balance sheets. We made payments of approximately \$38 million under the Tax Receivable Agreement in the nine months ended September 28, 2024. No payments were made during the nine months ended September 27, 2025.

Note 2—Summary of Significant Accounting Policies**Fiscal Year**

The Company operates and reports financial information on a 52- or 53-week year with the fiscal year ending on the last Saturday in December and fiscal quarters ending on the 13th Saturday of each quarter (or 14th Saturday when applicable with respect to the fourth fiscal quarter). The three and nine months ended September 27, 2025 and September 28, 2024 each consisted of 13 weeks and 39 weeks, respectively. The Car Wash segment is consolidated based on a calendar month end.

Basis of Presentation

The unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). In the opinion of management, the unaudited interim financial data includes all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair statement of the results of operations, balance sheet, cash flows, and shareholders’ equity for the interim periods presented. The adjustments include the accounts of the Company and its wholly-owned subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation.

On February 24, 2025, the Company entered into a definitive agreement to sell its U.S. Car Wash business to Express Wash Operations, LLC dba Whistle Express Car Wash. On April 10, 2025, the Company completed the sale. The net assets and operations of the disposal group met the criteria to be classified as “discontinued operations” and are reported as such in all periods presented unless otherwise noted. The consolidated statements of cash flows include cash flows from discontinued operations. Refer to [Note 13](#) for more information.

These unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements as of and for the year ended December 28, 2024. Certain information and note disclosures normally included in the unaudited financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The results of operations for the three and nine months ended September 27, 2025 may not be indicative of the results to be expected for any other interim period or the year ending December 27, 2025.

The nine months ended September 28, 2024 includes an adjustment to the unaudited consolidated balance sheet and consolidated statement of operations that originated in the prior year resulting in increased loss from discontinued operations, net of tax, by \$3 million on the unaudited consolidated statement of operations.

The three months ended September 27, 2025 includes adjustments to the consolidated statement of operations that originated in a prior interim period in the current year resulting in decreased selling, general, and administrative expenses by approximately \$6 million and decreased income tax benefit by \$3 million.

The nine months ended September 27, 2025 includes an adjustment to the unaudited consolidated balance sheets and consolidated statement of operations that originated in the prior year impacting accrued expenses and other liabilities and foreign currency transaction gain by approximately \$5 million. In addition, the unaudited consolidated balance sheet as of September 27, 2025 includes an adjustment relating to the prior year resulting in increased operating lease right-of-use assets and operating lease liabilities of \$8 million. The Company evaluated the materiality of these adjustments on prior period financial statements, recorded the adjustments in the current periods as outlined above, and concluded the effect of these adjustments were immaterial to both the current and prior financial statements.

Certain prior year amounts have been reclassified to conform to current year presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and the related notes to the consolidated financial statements. Significant items that are subject to estimates and assumptions include, but are not limited to: valuation of intangible assets and goodwill, income taxes, allowances for credit losses, valuation of derivatives, self-insurance claims, and share-based compensation. Management evaluates its estimates on an ongoing basis and may employ outside experts to assist in its evaluations. Changes in such estimates, based on historical experience, current conditions, and various other additional information, may affect amounts reported in future periods. Actual results could differ due to uncertainty inherent in the nature of these estimates.

Fair Value of Financial Instruments

Financial assets and liabilities are categorized, based on the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to the quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. Observable market data, when available, is required to be used in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

The Company classifies and discloses assets and liabilities carried at fair value in one of the following three categories:

- Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date;
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or
- Level 3:** Unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The Company estimates the fair value of financial instruments using available market information and appropriate valuation methodologies. The carrying amount for cash and cash equivalents, restricted cash, accounts receivable, inventory, other current assets, accounts payable and accrued expenses approximate fair value because of their short maturities. The held to maturity notes receivable carrying values approximate fair value using interest rates that approximate market rates for agreements with similar maturities and credit quality.

The fair value of the Company’s foreign currency derivative instruments is derived from valuation models, which use Level 2 observable inputs such as quoted market prices, interest rates, and forward yield curves. The fair value of long-term debt is estimated based on Level 2 inputs using discounted cash flows and market-based expectations for interest rates, credit risk and contractual terms of the debt agreements.

Financial assets and liabilities measured at fair value on a recurring basis as of September 27, 2025 and December 28, 2024 are summarized as follows:

Items Measured at Fair Value at September 27, 2025					
(in thousands)	Level 1		Level 2		Total
Derivative assets, recorded in Other assets	\$	—	\$	4,588	\$ 4,588
Derivative liabilities, recorded in Accrued expenses and other liabilities		—		112	112

Items Measured at Fair Value at December 28, 2024

<i>(in thousands)</i>	Level 1		Level 2		Total
Derivative assets, recorded in Other assets	\$	—	\$	5,742	\$ 5,742
Derivative liabilities, recorded in Accrued expenses and other liabilities		—		19	19

The carrying value and estimated fair value of total long-term debt were as follows:

<i>(in thousands)</i>	September 27, 2025		December 28, 2024	
	Carrying value	Estimated fair value	Carrying value	Estimated fair value
Long-term debt	\$ 2,237,006	\$ 2,207,877	\$ 2,722,766	\$ 2,649,880

Recently Issued Accounting Standards

In December 2023, the Financial Accounting Standards Board (“FASB”) issued ASU 2023-09, *Improvements to Income Tax Disclosures*. This ASU improves the transparency of income tax disclosures, including consistent categories and greater disaggregation of information in the tax rate reconciliation as well as disaggregation of income taxes paid by jurisdiction. This ASU is effective for annual periods beginning after December 15, 2024, with early adoption permitted for annual financial statements that have not yet been issued or made available for issuance. The ASU will impact the Company’s income tax disclosures beginning with the financial statements included in the 2025 Annual Report on Form 10-K, but will have no impact on its results of operations, cash flows, or financial condition.

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* and in January 2025, the FASB subsequently issued ASU 2025-01, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, which clarified the effective date of ASU 2024-03. ASU 2024-03 includes amendments that require entities to bifurcate specified expense line items on the income statement into underlying components, including purchases of inventory, employee compensation, depreciation, intangible asset amortization and depletion, as applicable. Qualitative descriptions of the remaining components are required. These enhanced disclosures are required for both interim and annual periods. Selling expenses must also be separately disclosed for both interim and annual periods, along with an annual qualitative description of the composition of selling expenses. ASU 2024-03 will be effective for the annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with the option to early adopt at any time prior to the effective date and should be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. The Company is evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments-Credit Losses (Topic 326)*. This ASU provides a practical expedient permitting entities to assume current conditions (as of the last balance sheet date) remain unchanged over the remaining life of current accounts receivable and current contract assets. The new standard is effective for annual periods beginning after December 15, 2025, with early adoption permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. The Company is evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40)*. The amendments in this update improve the operability of the guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods. This update is effective for annual periods beginning after December 15, 2027, including interim periods within those fiscal years, though early adoption is permitted. The Company is evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

Note 3—Acquisitions and Divestitures

The Company strategically acquires companies and assets to increase its footprint and offer products and services that diversify its existing offerings, primarily through asset purchase agreements. These acquisitions are accounted for as business combinations using the acquisition method, whereby the purchase price is allocated to the assets acquired and liabilities assumed, based on their fair values as of the date of the acquisition with the remaining amount recorded in goodwill.

2025 Acquisitions

The Company completed six acquisitions within the Take 5 segment during the nine months ended September 27, 2025, representing seven sites, for an aggregate cash consideration, net of cash acquired and liabilities assumed, of \$9 million.

2024 Acquisitions

The Company completed one acquisition within the Take 5 segment and one non-U.S. acquisition in the Car Wash segment during the nine months ended September 28, 2024, representing two sites and one site, respectively, for an aggregate cash consideration, net of cash acquired and liabilities assumed, of less than \$2 million.

2025 Divestitures

For information relating to the divestiture of our U.S. Car Wash business, refer to [Note 13](#).

2024 Divestitures

During the three months ended September 28, 2024, the Company completed the sale of its Canadian distribution business, primarily operated under the PH Vitres D'Auto brand, within the Corporate segment at a purchase price of approximately \$78 million. The sale included essentially all assets and liabilities associated with the business as well as allocated goodwill of \$13 million resulting in a gain of \$3 million on the sale of business within selling, general and administrative expenses on the unaudited consolidated statement of operations during the three and nine months ended September 28, 2024. Approximately \$47 million of the sale proceeds were utilized to repay a portion of outstanding secured senior notes with the remainder primarily utilized to repay a portion of the outstanding Term Loan.

During the nine months ended September 28, 2024, the Company sold nine company-operated stores within the Franchise Brands segment to a franchisee at a sale price of \$18 million resulting in a gain of \$6 million on the sale of businesses within selling, general, and administrative expenses on the consolidated statement of operations.

Note 4—Segment Information

In the first quarter of 2025, the Company reorganized its operating segments to simplify the reporting structure, align with the Company's current business model, and increase transparency for our investors, which resulted in a change to the reportable segments. As a result, the Company has the following reportable segments: Take 5, Franchise Brands, and Car Wash.

The Take 5 segment is primarily composed of the Company and franchise-operated Take 5 Oil Change business, and revenue is primarily derived from the performance of maintenance services, including oil changes and certain as-needed automotive maintenance enhancements. The Take 5 segment revenue also includes franchise royalties and fees and supply and other product sales.

The Franchise Brands segment is primarily composed of the Company's portfolio of franchise brands, which include: CARSTAR, Meineke, Maaco, and 1-800 Radiator, along with other smaller brands and services for both retail and commercial customers, such as commercial fleet operators and insurance carriers.

The Car Wash segment operates under the IMO brand across Europe and Australia, providing express-style conveyor car wash services to both retail and commercial customers.

The Company's consolidated financial results include "Corporate and Other" activity. Corporate and Other includes revenue and costs associated with the AutoGlassNow businesses, which provide glass replacement and calibration services to commercial, retail, and insurance customers. In addition, advertising fund contribution revenue and related costs as well as shared service costs, which are related to finance, IT, human resources, legal, supply chain, and other support services are recorded within Corporate and Other. Corporate and Other activity includes the adjustments necessary to eliminate certain intercompany transactions, namely supply sales fulfilled by the Take 5 segment to the Franchise Brands segment.

The Chief Operating Decision Maker ("CODM") is the Chief Executive Officer. The CODM evaluates segment performance and allocates resources, including capital expenditures and variable compensation, to each segment primarily as part of the annual budget process based on Adjusted EBITDA. The CODM reviews budget-to-actual results to assess performance and adjust resource allocations as necessary.

Adjusted EBITDA is defined as earnings from continuing operations before interest expense, net, income tax expense, and depreciation and amortization, with further adjustments for acquisition related costs, cloud computing amortization, equity compensation, loss on debt extinguishment, and certain non-recurring, non-core, infrequent or unusual charges. Adjusted EBITDA is a supplemental measure of the operating performance of our segments and may not be comparable to similar measures reported by other companies. Other segment items primarily include, but not limited to, payroll and payroll-related costs, costs of inventory and supply costs, utilities, and rent expense as well as marketing costs associated with non-franchised

businesses within the reportable segments. No asset information has been provided for these reportable segments as the Chief Operating Decision Maker does not regularly review asset information by reportable segment.

Certain information within the tables below has been revised to conform to current year presentation to reflect financial results for continuing operations and segment changes.

Segment results for the three and nine months ended September 27, 2025 and September 28, 2024 are as follows:

(in thousands)	Three Months Ended September 27, 2025			
	Take 5	Franchise Brands	Car Wash	Total
Franchise royalties and fees	\$ 10,029	\$ 40,795	\$ —	\$ 50,824
Company-operated store sales	255,749	4,720	—	260,469
Independently-operated store sales	—	—	51,410	51,410
Supply and other revenue	40,580	29,821	2,640	73,041
Total segment net revenue	\$ 306,358	\$ 75,336	\$ 54,050	\$ 435,744
Corporate and Other revenue				99,940
Total consolidated net revenue				\$ 535,684
Other segment items	199,051	25,602	39,020	
Reportable segment Adjusted EBITDA	\$ 107,307	\$ 49,734	\$ 15,030	\$ 172,071
Less:				
Corporate and Other loss				35,811
Depreciation and amortization				34,828
Interest expense, net				23,603
Acquisition related costs ^(a)				(214)
Non-core items and project costs, net ^(b)				18,557
Cloud computing amortization ^(c)				6,055
Share-based compensation expense ^(d)				5,191
Foreign currency transaction (gain), net ^(e)				(5,419)
Asset sale leaseback (gain) loss, net, impairment, notes receivable loss, and closed store expenses ^(f)				9,907
Loss on debt extinguishment ^(g)				4,549
Income before taxes from continuing operations				\$ 39,203

(in thousands)	Three Months Ended September 28, 2024			
	Take 5	Franchise Brands	Car Wash	Total
Franchise royalties and fees	\$ 6,365	\$ 43,110	\$ —	\$ 49,475
Company-operated store sales	231,021	4,674	—	235,695
Independently-operated store sales	—	—	49,959	49,959
Supply and other revenue	32,479	29,316	1,759	63,554
Total segment net revenue	\$ 269,865	\$ 77,100	\$ 51,718	\$ 398,683
Corporate and Other revenue				103,656
Total consolidated net revenue				\$ 502,339
Other segment items	176,578	26,904	35,718	
Reportable segment Adjusted EBITDA	\$ 93,287	\$ 50,196	\$ 16,000	\$ 159,483
Less:				
Corporate and Other loss				27,540
Depreciation and amortization				33,418
Interest expense, net				43,674
Acquisition related costs ^(a)				(393)
Non-core items and project costs, net ^(b)				6,424
Cloud computing amortization ^(c)				1,022
Share-based compensation expense ^(d)				12,798
Foreign currency transaction loss, net ^(e)				765
Asset sale leaseback (gain) loss, net, impairment, notes receivable loss, and closed store expenses ^(f)				29,036
Loss on debt extinguishment ^(g)				205
Income before taxes from continuing operations				\$ 4,994

(in thousands)	Nine Months Ended September 27, 2025			
	Take 5	Franchise Brands	Car Wash	Total
Franchise royalties and fees	\$ 27,933	\$ 116,781	\$ —	\$ 144,714
Company-operated store sales	763,998	13,366	—	777,364
Independently-operated store sales	—	—	189,841	189,841
Supply and other revenue	112,093	91,480	5,605	209,178
Total segment net revenue	\$ 904,024	\$ 221,627	\$ 195,446	\$ 1,321,097
Corporate and Other revenue				281,738
Total consolidated net revenue				\$ 1,602,835
Other segment items	587,646	82,067	128,731	
Reportable segment Adjusted EBITDA	\$ 316,378	\$ 139,560	\$ 66,715	\$ 522,653
Less:				
Corporate and Other loss				118,056
Depreciation and amortization				102,883
Interest expense, net				91,496
Acquisition related costs ^(a)				784
Non-core items and project costs, net ^(b)				32,770
Cloud computing amortization ^(c)				15,191
Share-based compensation expense ^(d)				28,269
Foreign currency transaction (gain), net ^(e)				(17,406)
Asset sale leaseback (gain) loss, net, impairment, notes receivable loss, and closed store expenses ^(f)				63,387
Loss on debt extinguishment ^(g)				4,549
Income before taxes from continuing operations				\$ 82,674

(in thousands)	Nine Months Ended September 28, 2024			
	Take 5	Franchise Brands	Car Wash	Total
Franchise royalties and fees	\$ 18,418	\$ 126,131	\$ —	\$ 144,549
Company-operated store sales	682,701	14,286	—	696,987
Independently-operated store sales	—	—	163,286	163,286
Supply and other revenue	88,491	94,033	4,606	187,130
Total segment net revenue	\$ 789,610	\$ 234,450	\$ 167,892	\$ 1,191,952
Corporate and Other revenue				311,175
Total consolidated net revenue				\$ 1,503,127
Other segment items	509,027	82,461	111,692	
Reportable segment Adjusted EBITDA	\$ 280,583	\$ 151,989	\$ 56,200	\$ 488,772
Less:				
Corporate and Other loss				90,592
Depreciation and amortization				97,358
Interest expense, net				119,241
Acquisition related costs ^(a)				1,572
Non-core items and project costs, net ^(b)				16,166
Cloud computing amortization ^(c)				3,436
Share-based compensation expense ^(d)				35,641
Foreign currency transaction loss, net ^(e)				5,767
Asset sale leaseback (gain) loss, net, impairment, notes receivable loss, and closed store expenses ^(f)				36,213
Loss on debt extinguishment ^(g)				205
Income before taxes from continuing operations				\$ 82,581

^(a) Consists of acquisition costs as reflected within the consolidated statements of operations, including legal, consulting, and other fees, and expenses incurred in connection with acquisitions completed during the applicable period, as well as inventory rationalization expenses incurred in connection with acquisitions. As acquisitions occur in the future we expect to incur similar costs and, under U.S. GAAP, such costs relating to acquisitions are expensed as incurred and not capitalized.

^(b) Consists of discrete items and project costs, including third-party professional costs associated with strategic transformation initiatives as well as non-recurring payroll-related costs and non-ordinary course legal settlements.

^(c) Includes non-cash amortization expenses relating to cloud computing arrangements.

^(d) Represents non-cash share-based compensation expense.

^(e) Represents foreign currency transaction (gains) losses, net that primarily related to the remeasurement of our intercompany loans as well as gains and losses on cross currency swaps.

^(f) Consists of the following items (i) (gains) losses, net on sale leasebacks, disposal of assets, or sale of business; (ii) net losses (gains) on sale for assets held for sale; (iii) impairment of certain fixed assets and operating lease right-of-use assets related to closed and underperforming locations, lease exit costs and other costs associated with stores that were closed prior to the respective lease termination dates; and (iv) loss on fair value of the Seller Note. See [Note 13](#) for additional information regarding the Seller Note.

^(g) Represents charges incurred related to the Company's full repayment of the Term Loan in conjunction with the sale of the U.S. Car Wash business in the current year and charges incurred related to the Company's partial repayment of Senior Secured Notes in conjunction with the sale of its Canadian distribution business in the prior year.

Note 5—Assets Held For Sale

The changes in assets held for sale for the nine months ended September 27, 2025 were as follows:

<i>(in thousands)</i>	
Balance at December 28, 2024	\$ 77,616
Additions	2,361
Transfer to held and used	(1,575)
Loss on sale, net	(8,027)
Sales and disposals	(15,835)
Balance at September 27, 2025	\$ 54,540

During the nine months ended September 27, 2025 management continued to enhance properties included within held for sale resulting in additions to assets held for sale. The Company recognized a net loss on sale within selling, general, and administrative expenses on the unaudited consolidated statement of operations of \$2 million and \$9 million during the three and nine months ended September 27, 2025, respectively, and a net loss on sale of \$6 million and \$20 million during the three and nine months ended September 28, 2024, respectively. The net loss on sale included the sale of three locations and nine locations, during the three and nine months ended September 27, 2025, respectively, and the sale of 18 locations and 48 locations during the three and nine months ended September 28, 2024, respectively, as well as adjustments in fair values during the periods. The Company will continue to evaluate the fair value of assets held for sale, which may result in additional net losses upon sale based on unfavorable market conditions or other economic factors in the future.

Note 6—Goodwill

As a result of the Company's change to its reportable segments outlined in [Note 4](#), the Company's operating segments and reporting units also changed during the nine months ended September 27, 2025. The Company performed quantitative impairment assessments of goodwill immediately prior to the change in reporting units and immediately after the change on its new reporting units. The Company used the relative fair value method to reallocate the goodwill to the associated reporting units impacted by the change in reporting units in the quarter.

In performing a quantitative test for impairment of goodwill, the Company primarily used the income approach method of valuation that includes the discounted cash flow method and the market approach that includes the guideline public company method to determine the fair value of reporting units. Significant assumptions used by management in estimating fair value under the discounted cash flow model include revenue growth rates, long-term revenue growth rates, discount rates, EBITDA margins, capital expenditures, and tax rates. Other assumptions include operating expenses and overhead expenses. Assumptions used to determine fair value under the guideline public company method include the selection of guideline companies and the valuation multiples applied. No impairment charges were recorded during the nine months ended September 27, 2025.

Changes in the carrying amount of goodwill for the nine months ended September 27, 2025 are detailed below:

<i>(in thousands)</i>	Balance at December 28, 2024	Resegmentation allocation	Acquisitions	Foreign exchange	Balance at September 27, 2025
Maintenance	\$ 482,446	\$ (482,446)	\$ —	\$ —	\$ —
Paint, Collision & Glass	584,086	(584,086)	—	—	—
Platform Services	138,998	(138,998)	—	—	—
Car Wash	197,526	—	—	33,602	231,128
Take 5	—	435,986	4,455	69	440,510
Franchise Brands	—	620,264	—	4,201	624,465
Corporate and Other	—	149,280	—	—	149,280
Total	\$ 1,403,056	\$ —	\$ 4,455	\$ 37,872	\$ 1,445,383

Note 7—Long-Term Debt

The Company's long-term debt obligations consist of the following:

<i>(in thousands)</i>	September 27, 2025	December 28, 2024
Series 2019-1 Securitization Senior Notes, Class A-2	\$ 272,926	\$ 275,176
Series 2019-2 Securitization Senior Notes, Class A-2	252,195	254,258
Series 2020-1 Securitization Senior Notes, Class A-2	161,769	163,081
Series 2020-2 Securitization Senior Notes, Class A-2	418,173	421,548
Series 2021-1 Securitization Senior Notes, Class A-2	421,466	424,841
Series 2022-1 Securitization Senior Notes, Class A-2	345,418	348,156
Series 2024-1 Securitization Senior Notes, Class A-2	271,563	273,625
Term Loan Facility	—	353,750
Revolving Credit Facility	75,000	190,000
Other debt ^(a)	18,496	18,331
Total debt	2,237,006	2,722,766
Less: unamortized debt issuance costs	(22,626)	(34,226)
Less: current portion of long-term debt	(277,770)	(32,232)
Total long-term debt, net	\$ 1,936,610	\$ 2,656,308

^(a) Consists primarily of finance lease obligations.

Series 2022-1 Variable Funding Securitization Senior Notes

In conjunction with the issuance of the Series 2022-1 Class A-2 Securitization Senior Notes (the "2022-1 Senior Notes"), the Issuer and Driven Brands Canada Funding Corporation (together "the Co-Issuers") also issued Series 2022-1 Class A-1 Notes in the amount of \$135 million, which can be accessed at the Co-Issuers' option if certain conditions are met.

Series 2024-1 Variable Funding Securitization Senior Notes

In July 2024, the Co-Issuers issued Series 2024-1 Variable Funding Senior Notes, Class A-1 (the "2024 VFN") in the revolving amount of \$400 million. The 2024 VFN have a final legal maturity date in October 2054. The commitment under the 2024 VFN is set to expire in October 2029, with the option of two one-year extensions. The 2024 VFN are secured by substantially all assets of the Co-Issuers and are guaranteed by the Co-Issuers and each of their respective subsidiaries. Borrowings incur interest at the Base Rate plus an applicable margin or SOFR plus an applicable margin. As of September 27, 2025, there were no amounts outstanding under the 2024 VFN and \$25 million of outstanding letters of credit, which reduced the borrowing availability under the 2024 VFN.

Series 2025-1 Securitization Senior Notes

In October 2025, the Co-Issuers issued \$500 million of Series 2025-1 Securitization Senior Notes (the "2025-1 Senior Notes") bearing a fixed interest rate of 5.296% per annum. The 2025-1 Senior Notes have a final legal maturity date in October 2055 and an anticipated repayment date in October 2030. The 2025-1 Senior Notes are secured by substantially all assets of the Co-Issuers and are guaranteed by the Co-Issuers and each of their respective subsidiaries. Proceeds from the 2025-1 Senior Notes were used in combination with the Company's Revolving Credit Facility to repay the Company's 2019-1 and 2022-1 Class A-2 Securitization Senior Notes.

Driven Holdings Revolving Credit Facility

In May 2021, Driven Holdings, LLC, (the "Borrower") a Delaware limited liability company and indirect wholly-owned subsidiary of Driven Brands Holdings Inc., entered into a credit agreement to secure a revolving line of credit with a group of financial institutions (the "Revolving Credit Facility"), which provides for an aggregate amount of up to \$300 million, and had a maturity date in May 2026 (the "Credit Agreement"). In February 2025, the Borrower entered into an amendment extending the Credit Agreement maturity date to February 2030, subject to certain conditions. Borrowings will incur interest at a rate equal to SOFR plus an applicable term adjustment between 2.00% and 2.25%. The Revolving Credit Facility also includes periodic commitment fees based on the available unused balance and a quarterly administrative fee.

As of September 27, 2025, the Company had an outstanding balance of \$75 million on the Revolving Credit Facility and \$6 million of outstanding letters of credit, which reduced the borrowing availability under the Revolving Credit Facility to \$219

million. In conjunction with the issuance of the 2025-1 Senior Notes, the Company borrowed approximately \$130 million in October 2025 to fully repay the Company’s 2019-1 and 2022-1 Class A-2 Securitization Senior Notes.

Term Loan Facility

In December 2021, the Borrower amended the Credit Agreement to provide for a new term loan credit facility (the “Term Loan Facility”), which has an initial aggregate commitment of \$500 million, with loans and other extensions of credit thereunder maturing in December 2028. The Company made repayments of \$354 million during 2025, primarily from proceeds received through the sale of the U.S. Car Wash business, including proceeds from the Seller Note. The Term Loan Facility has been fully repaid as of September 27, 2025 and no future borrowings can be drawn on this facility.

The Company’s debt agreements are subject to certain quantitative and qualitative covenants. As of September 27, 2025, the Company and its subsidiaries were in material compliance with such covenants.

Note 8—Leases

During the nine months ended September 27, 2025, the Company sold 19 maintenance properties and one non-U.S. car wash property for a total of \$36 million. During the nine months ended September 28, 2024, the Company sold 12 maintenance properties for a total of \$17 million. Concurrently with the closing of these sales, the Company entered into various operating lease agreements pursuant to which the Company leased back the properties. These lease agreements each have an initial term of 20 to 27 years. The Company does not include option periods in its determination of the lease term unless renewals are deemed reasonably certain to be exercised. The Company recorded an operating lease right-of-use asset and operating lease liability of \$26 million each, as of September 27, 2025, and \$13 million each, as of September 28, 2024 related to these lease arrangements. The Company recorded a loss of \$2 million and a gain of less than \$1 million for the three and nine months ended September 27, 2025, respectively, and gains of \$2 million and \$5 million for the three and nine months ended September 28, 2024, respectively.

Supplemental cash flow information related to the Company’s lease arrangements for the nine months ended September 27, 2025 and September 28, 2024, respectively, was as follows:

(in thousands)	Nine Months Ended	
	September 27, 2025	September 28, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows used in operating leases	\$ 81,118	\$ 72,846
Operating cash flows used in finance leases	139	150
Financing cash flows used in finance leases	3,581	297

Note 9—Share-based Compensation

The Company granted new awards during the three months ended September 27, 2025, consisting of 29,357 restricted stock units (“RSUs”) and 50,833 performance stock units (“PSUs”). The Company granted new awards during the nine months ended September 27, 2025 including 877,356 RSUs and 1,112,831 PSUs.

Awards are eligible to vest provided that the employee remains in continuous service on each vesting date. The RSUs vest ratably each year on the anniversary date generally over a two-or three-year period. The PSUs vest after a three-year performance period. Generally, the number of PSUs that vest is contingent on the Company achieving certain award specific goals, typically a performance and market condition. The number of PSU shares that vest may range from 0% to 200% of the original grant, based upon the level of performance. Certain awards are considered probable of meeting vesting requirements, and therefore, the Company has started recognizing expense. For both RSUs and PSUs, if the grantee’s continuous service terminates for any reason, the grantee shall forfeit all rights, title, and interest in any unvested units as of the termination date.

The fair value of the total RSUs, performance-based PSUs, and market-based PSUs granted during the three months ended September 27, 2025 were less than \$1 million each. The fair value of the total RSUs, performance-based PSUs, and market-based PSUs granted during the nine months ended September 27, 2025 was \$15 million, \$13 million, and \$10 million, respectively. The Company based the fair value of the RSUs and performance-based PSUs on the Company’s stock price on the grant date.

The range of assumptions used for issued PSUs with a market condition valued using the Monte Carlo model were as follows:

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Annual dividend yield	—%	—%
Expected term (years)	2.3 - 2.8	2.4 - 2.8
Risk-free interest rate	3.47% - 3.89%	3.89% - 4.65%
Expected volatility	48.2% - 51.7%	49.2% - 54.1%
Correlation to the index peer group	36.5% - 41.4%	42.6% - 49.2%

The Company recorded \$5 million and \$28 million of share-based compensation expense during the three and nine months ended September 27, 2025, respectively, and \$13 million and \$36 million during the three and nine months ended September 28, 2024, respectively, within selling, general, and administrative expenses on the unaudited consolidated statements of operations.

Note 10—Earnings (Loss) Per Share

The Company calculates basic and diluted earnings (loss) per share using the two-class method. The following table sets forth the computation of basic and diluted earnings per share attributable to common shareholders:

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
<i>(in thousands, except per share amounts)</i>				
Basic earnings (loss) per share:				
Net income (loss) from continuing operations	\$ 60,862	\$ (11,480)	\$ 90,161	\$ 37,289
Less: Net income (loss) attributable to participating securities, continuing operations	155	(243)	836	789
Net income (loss) after participating securities, continuing operations	60,707	(11,237)	89,325	36,500
Net income (loss) from discontinued operations, net of tax	—	(3,467)	23,771	(17,816)
Less: Net income (loss) attributable to participating securities, discontinued operations	—	(73)	221	(377)
Net income (loss) after participating securities, discontinued operations	—	(3,394)	23,550	(17,439)
Weighted-average common shares outstanding	163,900	159,804	162,434	159,743
Continuing operations	0.37	(0.07)	0.55	0.23
Discontinued operations	—	(0.02)	0.14	(0.11)
Net basic earnings (loss) per share	\$ 0.37	\$ (0.09)	\$ 0.69	\$ 0.12

(in thousands, except per share amounts)	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Diluted earnings (loss) per share:				
Net income (loss) from continuing operations	\$ 60,862	\$ (11,480)	\$ 90,161	\$ 37,289
Less: Net income (loss) attributable to participating securities, continuing operations	140	(46)	208	149
Net income (loss) after participating securities, continuing operations	60,722	(11,434)	89,953	37,140
Net income (loss) from discontinued operations, net of tax	—	(3,467)	23,771	(17,816)
Less: Net income (loss) attributable to participating securities, discontinued operations	—	(14)	55	(71)
Net income (loss) after participating securities, discontinued operations	—	(3,453)	23,716	(17,745)
Weighted-average common shares outstanding	163,900	159,804	162,434	159,743
Dilutive effect of share-based awards	1,224	—	1,252	970
Weighted-average common shares outstanding, as adjusted	165,124	159,804	163,686	160,713
Continuing operations	0.37	(0.07)	0.55	0.23
Discontinued operations	—	(0.02)	0.14	(0.11)
Net diluted earnings (loss) per share	\$ 0.37	\$ (0.09)	\$ 0.69	\$ 0.12

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding for the period. In addition, the Company's participating securities are related to certain restricted stock awards issued to Section 16 officers, which include non-forfeitable dividend rights.

The Company has performance awards that are contingent on performance conditions which have not yet been met and therefore were excluded from the computation of weighted average shares of 2,283,890 for the three and nine months ended September 27, 2025 and 1,887,842 shares for the three and nine months ended September 28, 2024.

For the three months ended September 28, 2024, the Company had net losses from operations. As a result, no potentially dilutive securities were included in the denominator for computing diluted loss per share as their inclusion would be antidilutive.

The following securities were not included in the computation of diluted shares outstanding because the effect would be antidilutive:

Number of securities (in thousands)	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Restricted stock units	2	575	159	738
Stock Options	1,743	1,740	1,743	1,740
Total	1,745	2,315	1,902	2,478

Note 11—Income Taxes

The Company's tax provision is comprised of the most recent estimated annual effective tax rate applied to year-to-date ordinary income before taxes. The tax impacts of unusual or infrequently occurring items, including changes in judgment about valuation allowances and effects of changes in tax laws or rates, are recorded discretely in the interim period in which they occur.

The One Big Beautiful Bill Act ("OBBA") was enacted on July 4, 2025 with several key tax provisions impacting businesses, including permanent reinstatement of 100 percent bonus depreciation for qualified property, modification of the business interest deduction limitation, and several international tax provisions. The Company applied the provisions impacting our financial position for the three and nine months ended September 27, 2025.

Income tax benefit was \$22 million for the three months ended September 27, 2025 compared to an income tax expense of \$16 million for the three months ended September 28, 2024. The effective income tax rate differs from the U.S. federal statutory rate of 21% primarily due to non-deductible share-based compensation, limitation on interest deduction in certain foreign jurisdictions, state taxes related to pre-tax income, and U.S. tax impacts of its foreign operations. The three months ended September 27, 2025 includes the release of a valuation allowance of \$37 million, which incorporates the impact from the enactment of OBCCA, which increased the Company's interest expense limitation under Section 163(j).

Income tax benefit was \$7 million for the nine months ended September 27, 2025 compared to an income tax expense of \$45 million for the nine months ended September 28, 2024. The effective income tax rate differs from the U.S. federal statutory rate of 21% primarily due to non-deductible share-based compensation, limitation on interest deduction in certain foreign jurisdictions, state taxes related to pre-tax income, and U.S. tax impacts of its foreign operations. The nine months ended September 27, 2025 includes the release of a valuation allowance of \$37 million, including the impact from the enactment of OBCCA, which increased the Company's interest expense limitation under Section 163(j).

Note 12—Commitments and Contingencies

The Company is subject to various lawsuits, administrative proceedings, audits, and claims. Some of these lawsuits purport to be class actions and/or seek substantial damages. The Company is required to record an accrual for litigation loss contingencies that are both probable and reasonably estimable. Management regularly assesses our insurance deductibles, analyzes litigation information with our attorneys, and evaluates our loss experience in connection with pending legal proceedings. The Company records its best estimate of a loss when the loss is considered probable and the amount of such loss can be reasonably estimated. When a loss is probable and there is a range of estimated loss with no best estimate within the range, the minimum estimated liability related to the lawsuit or claim is recorded. As additional information becomes available, the potential liability and our accruals are reassessed, if necessary. Legal fees and expenses associated with the defense of all of our litigation are expensed as such fees and expenses are incurred. Because of uncertainties related to the resolution of lawsuits and claims, the ultimate outcome may differ materially from our estimates.

Genesee County Employees' Retirement System v. Driven Brands Holdings Inc., et al. – On December 22, 2023, Genesee County Employees' Retirement System filed a putative class action lawsuit in the U.S. District Court for the Western District of North Carolina (the "Court") against the Company as well as CEO Jonathan Fitzpatrick and former CFO Tiffany Mason (the "Individual Defendants") alleging violations of Section 10(b) and Rule 10b-5 of the Exchange Act by the Company, as well as violations of Section 20(a) of the Exchange Act by the Individual Defendants. The Court appointed Genesee County Employees' Retirement System, Oakland County Employees' Retirement System, and Oakland County Voluntary Employees' Beneficiary Association (collectively the "Michigan Funds"), as lead plaintiffs on May 31, 2024. Then, the Michigan Funds filed an amended complaint on October 14, 2024, which the Company and the Individual Defendants subsequently moved to dismiss. The Court denied the motion to dismiss on February 20, 2025, and the Company and Individual Defendants moved on March 6, 2025 for reconsideration of the Court's order or, in the alternative, requested that the Court certify its decision for interlocutory appeal. On October 29, 2025, the Court granted the motion for reconsideration but still denied the motion to dismiss. The Company disputes the allegations of wrongdoing and intends to vigorously defend against the action. No assessment as to the likelihood or range of any potential adverse outcome has been made as of the date of this filing.

Terwilliger v. Fitzpatrick, et al. – On January 10, 2025, Daniel Terwilliger filed a purported derivative complaint in the Court against certain current and former Company executive officers and board members, including Jonathan Fitzpatrick, Tiffany Mason, Neal Aronson, Catherine Halligan, Chadwick Hume, Rick Puckett, Karen Stroup, Peter Swinburn, Michael Thompson, and Jose Tomas (collectively, "Defendants"). The *Terwilliger* complaint makes largely the same allegations as those in Genesee Complaint, namely, that the Company failed to disclose information, which allegedly resulted in material misstatements about the Company's business and prospects in its quarterly filings, and purports to state claims for (i) breach of fiduciary duty; (ii) unjust enrichment; (iii) abuse of control; (iv) gross mismanagement; (v) waste of corporate assets; and (vi) violations of Sections 10(b) and 21D of the Exchange Act. On April 30 2025, the Court granted the Parties' joint motion for a stay of proceedings, pending the completion of discovery in the underlying securities class action. The Company disputes the allegations of wrongdoing and intends to vigorously defend against the action. No assessment as to the likelihood or range of any potential adverse outcome has been made as of the date of this filing.

Gaiman v. Fitzpatrick, et al. – On April 30, 2025, Jonathan Gaiman filed a purported derivative complaint in the Court against certain current and former Company executive officers and board members, including Jonathan Fitzpatrick, Tiffany Mason, Neal Aronson, Catherine Halligan, Chadwick Hume, Rick Puckett, Karen Stroup, Peter Swinburn, Michael Thompson, and Jose Tomás. The *Gaiman* complaint makes largely the same allegations as those in the *Genesee* and *Terwilliger* complaints, namely, that the Company failed to disclose information, which allegedly resulted in material misstatements about the Company's business and prospects in its quarterly filings, and purports to state claims for (i) breach of fiduciary duty; (ii) aiding and abetting breaches of fiduciary duty; (iii) unjust enrichment; (iv) waste of corporate assets; (v) violations of Sections 10(b) and

21D of the Exchange Act; and (vi) violations of Sections 14(a) and Rule 14a-9 of the Exchange Act. The Company disputes the allegations of wrongdoing and intends to vigorously defend against the action. No assessment as to the likelihood or range of any potential adverse outcome has been made as of the date of this filing.

On May 20, 2025, the Court granted the Parties' joint motion to consolidate the *Gaiman* action with the *Terwilliger* action and to stay the consolidated action pending the completion of discovery in the underlying securities class action.

Kalimon v. Aronson, et al. – On October 7, 2025, John Kalimon filed a purported derivative complaint in the Court against certain current and former Company executive officers and board members, including Neal Aronson, Jonathan Fitzpatrick, Daniel Rivera, Catherine Halligan, Damien Harmon, Chadwick Hume, Rick Puckett, Karen Stroup, Peter Swinburn, Michael Thompson, Jose Tomás, and Tiffany Mason. The *Kalimon* complaint makes largely the same allegations as those in the *Genesee*, *Terwilliger*, and *Gaiman* complaints, namely, that the Company failed to disclose information, which allegedly resulted in material misstatements about the Company's business and prospects in its quarterly filings, and purports to state claims for (i) breach of fiduciary duty; (ii) unjust enrichment; (iii) violations of Sections 10(b) and 21D of the Exchange Act; and (iv) violations of Sections 14(a) and Rule 14a-9 of the Exchange Act. The Company disputes the allegations of wrongdoing and intends to vigorously defend against the action. No assessment as to the likelihood or range of any potential adverse outcome has been made as of the date of this filing.

Other than the matters described above, there are no current proceedings or litigation matters involving the Company or its property that we believe would have a material adverse effect on our consolidated financial position or cash flows as of September 27, 2025, although they could have a material adverse effect on our operating results for a particular reporting period.

Note 13—Discontinued Operations

U.S. Car Wash Divestiture

On February 24, 2025, the Company entered into a definitive agreement to sell its U.S. Car Wash business to Express Wash Operations, LLC dba Whistle Express Car Wash (the "Buyer") for an aggregate purchase price of \$385 million, subject to customary adjustments for cash, indebtedness, working capital, and transaction expenses. Under the terms of the agreement, the Buyer agreed to pay the Company \$255 million in cash and deliver to the Company an interest-bearing seller note ("Seller Note") evidencing a loan in the initial principal amount of \$130 million, subject to customary adjustments.

On April 10, 2025, we received net cash proceeds of \$252 million and consummated the Seller Note resulting in a net gain on sale of \$37 million. The net gain includes \$12 million of income tax expense and \$3 million of transaction costs. In July 2025, the Company sold the Seller Note for \$113 million. Net proceeds were utilized to repay the outstanding balance of \$46 million on the Term Loan Facility and \$65 million on the Revolving Credit Facility.

This divestiture qualified as discontinued operations as of February 24, 2025 as it represented a strategic shift relating to our car wash footprint and services offered within the U.S. and has a major effect on our consolidated results of operations. Accordingly, the results of operations for the U.S. Car Wash disposal group and certain transaction related costs have been classified as discontinued operations within the unaudited consolidated statement of operations. Results outlined below were historically reflected within the Car Wash Segment within our previously filed financial statements, prior to the Company resegmenting in the current year.

In conjunction with the sale of the U.S. Car Wash business, we entered into a Transition Services Agreement ("TSA") to provide certain support services for up to 12 months or less from the closing date of the sale. These services include, among others, accounting, information technology, treasury, human resources, and marketing services. The Company recognized less than \$1 million of other income during the three and nine months ended September 27, 2025 relating to the TSA. In addition, the Company entered into an Employee Services Leasing Agreement ("ESLA") outlining certain U.S. Car Wash operational employees may be leased from the date of sale through December 31, 2025. Costs associated with the ESLA have been and will continue to be reimbursed by the Buyer. The Company recognized \$2 million and \$3 million during the three and nine months ended September 27, 2025, relating to services associated with the ESLA.

Financial Information of Discontinued Operations

The following table summarizes the results of operations of the U.S. Car Wash business that are being reported as discontinued operations within the unaudited consolidated statement of operations:

(in thousands)	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net revenue:				
Company-operated store sales	\$ —	\$ 89,334	\$ 101,840	\$ 272,325
Supply and other revenue	—	6	165	19
Total net revenue	—	89,340	102,005	272,344
Operating Expenses:				
Company-operated store expenses	—	64,563	84,050	212,771
Supply and other expenses	—	11	704	29
Selling, general, and administrative expenses	—	24,958	32,200	54,945
Depreciation and amortization	—	9,939	2,226	33,861
Total operating expenses	—	99,471	119,180	301,606
Operating loss	—	(10,131)	(17,175)	(29,262)
Other expenses, net:				
Interest expense, net	—	3	7	4
Loss before taxes from discontinued operations	—	(10,134)	(17,182)	(29,266)
Income tax benefit	—	(6,667)	(3,586)	(11,450)
Net loss from discontinued operations	\$ —	\$ (3,467)	\$ (13,596)	\$ (17,816)

The following tables summarizes the U.S. Car Wash business assets and liabilities classified as discontinued operations within the unaudited consolidated balance sheets:

(in thousands)	September 27, 2025	December 28, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ —	\$ 20,381
Accounts and notes receivable, net	—	1,955
Inventory	—	988
Prepaid and other assets	—	3,842
Assets held for sale	—	56,681
Total current assets of discontinued operations	—	83,847
Property and equipment, net	—	312,663
Operating lease right-of-use assets	—	845,913
Total assets of discontinued operations	\$ —	\$ 1,242,423
Liabilities		
Current liabilities:		
Accounts payable	\$ —	\$ 9,417
Accrued expenses and other liabilities	—	60,244
Current portion of long-term debt	—	955
Total current liabilities of discontinued operations	—	70,616
Long-term debt	—	4,047
Operating lease liabilities	—	811,751
Long-term accrued expenses and other liabilities	—	7,314
Total liabilities of discontinued operations	\$ —	\$ 893,728

Assets held for sale in the table above represent properties purchased by the Buyer that were initially marketed separately from the sale of the U.S. Car Wash business.

The cash flows related to discontinued operations have not been segregated and are included within the unaudited statement of cash flows. The following table presents cash flow and non-cash information related to discontinued operations:

(in thousands)	Nine Months Ended	
	September 27, 2025	September 28, 2024
Depreciation and amortization	\$ 2,226	\$ 33,861
Capital expenditures	2,948	23,287
Loss on sale or disposal of assets	553	12,342

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis for Driven Brands Holdings Inc. and Subsidiaries ("Driven Brands," "the Company," "we," "us," or "our") should be read in conjunction with our consolidated financial statements and the related notes to our consolidated financial statements included elsewhere in this Quarterly Report. We operate on a 52-or 53-week fiscal year, which ends on the last Saturday in December. The three and nine months ended September 27, 2025 and September 28, 2024 were both 13 and 39 week periods, respectively.

Overview

Driven Brands is the largest automotive services company in North America with a growing and highly-franchised base of approximately 4,900 locations across 49 states in the U.S. and 13 other countries. Our scaled, diversified platform fulfills an extensive range of core retail and commercial automotive needs, including paint, collision, glass, and repair services, as well as a variety of more frequent services, such as oil changes and car washes. We have continued to grow our base of consistent recurring revenue through same store sales and adding new franchised and company-operated stores. Driven Brands generated net revenue of approximately \$536 million and \$1.6 billion during the three and nine months ended September 27, 2025, respectively, an increase of 7% and 7% compared to the prior year period, and system-wide sales of approximately \$1.6 billion and \$4.8 billion during the three and nine months ended September 27, 2025, respectively, a respective increase of 5% and 3% compared to the prior year period.

We have experienced and expect to continue experiencing softening demand within certain businesses, primarily as a result of inflationary pressures, increased competition, industry and macroeconomic dynamics, tariffs, and negative weather patterns.

Resegmentation

In the first quarter of 2025, the Company reorganized its operating segments to simplify the reporting structure, align with the Company's current business model, and increase transparency for our investors, which resulted in a change to the reportable segments. As a result, the Company has the following reportable segments: Take 5, Franchise Brands, and Car Wash. Prior period information has been recast to reflect the current reportable segments.

Discontinued Operations

As previously disclosed in the Company's 2024 Form 10-K, on February 24, 2025, the Company entered into a definitive agreement to sell its U.S. Car Wash business to Express Wash Operations, LLC dba Whistle Express Car Wash (the "Buyer") for an aggregate purchase price of \$385 million, subject to customary adjustments. Under the terms of the agreement, the Buyer agreed to pay the Company \$255 million in cash and deliver to the Company an interest-bearing seller note ("Seller Note") evidencing a loan of \$130 million. The transaction was completed on April 10, 2025. In July 2025, the Company sold the Seller Note for \$113 million.

The net assets and operations of the disposal group met the criteria to be classified as "discontinued operations" and are reported as such in all periods. Unless otherwise noted, the discussion throughout Part I Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Form 10-Q, including the various metrics cited, excludes the U.S. Car Wash business and pertains only to our continuing operations. For information on discontinued operations, refer to [Note 2](#) and [Note 13](#) to our consolidated financial statements.

Q3 2025 Three Months Ended Highlights and Key Performance Indicators

(as compared to same period in the prior year, unless otherwise noted)

Net Revenue

Net revenue was \$536 million for the three months ended September 27, 2025 compared to \$502 million for the three months ended September 28, 2024. The increase of \$34 million was primarily due to the following:

- same store sales growth across all segments, predominantly within the Take 5 and Car Wash segments; and
- net new store growth within the Take 5 segment.

Net Income From Continuing Operations

We recognized net income from continuing operations of \$61 million, or \$0.37 per diluted share, for the three months ended September 27, 2025 compared to a net loss of \$11 million, or \$0.07 loss per diluted share, for the three months ended September 28, 2024. The improvement of approximately \$72 million was primarily due to the following:

- same store sales growth across all segments, predominantly within the Take 5 and Car Wash segments;
- net new store growth within the Take 5 segment;
- the net release of a valuation allowance for deferred tax assets which includes the release of a valuation allowance of \$37 million that incorporates the impact from the enactment of OBBA;
- decreased interest expense;
- decreased net losses on the sale or disposal of fixed assets;
- decreased impairment related charges;
- reduced share-based compensation expense; and
- a positive impact from foreign exchange.

These factors were partially offset by:

- costs directly associated with sales growth in the period;
- a loss from debt extinguishment; and
- increased payroll-related and professional services costs and cloud computing amortization reflective of the Company's growth and technological investments.

Adjusted Net Income

Adjusted Net Income was \$56 million, or \$0.34 per diluted share, for the three months ended September 27, 2025 compared to \$38 million, or \$0.23 per diluted share, for the three months ended September 28, 2024. The increase of approximately \$18 million was primarily due to the following:

- same store sales growth across all segments, predominantly within the Take 5 and Car Wash segments;
- net new store growth within the Take 5 segment; and
- decreased interest expense.

These factors were partially offset by:

- costs directly associated with sales growth in the period; and
- increased payroll-related and professional services costs reflective of the Company's growth and technological investments.

Adjusted EBITDA

Adjusted EBITDA was \$136 million for the three months ended September 27, 2025 compared to \$132 million for the three months ended September 28, 2024. The increase of \$4 million was primarily due to:

- same store sales growth across all segments, predominantly within the Take 5 and Car Wash segments; and
- net new store growth within the Take 5 segment.

These factors were partially offset by:

- costs directly associated with sales growth in the period; and
- increased payroll-related and professional services costs reflective of the Company's growth and technological investments.

Key Performance Indicators

- Consolidated same store sales increased 2.8%.
- Consolidated system-wide sales increased \$73 million.
- The Company added 39 net new stores during the quarter.

Q3 2025 Nine Months Ended Highlights and Key Performance Indicators

(as compared to same period in the prior year, unless otherwise noted)

Net Revenue

Net revenue was \$1,603 million for the nine months ended September 27, 2025 compared to \$1,503 million for the nine months ended September 28, 2024. The increase of \$100 million was primarily due to the following:

- same store sales growth, predominantly within the Take 5 and Car Wash segments; and
- net new store growth within the Take 5 segment.

These factors were partially offset by:

- the absence of earnings in 2025 due to the sale of our Canadian distribution business that was sold in the third quarter of 2024; and
- negative same store sales within the Franchise Brands segment.

Net Income From Continuing Operations

We recognized net income from continuing operations of \$90 million, or \$0.55 per diluted share, for the nine months ended September 27, 2025, compared to \$37 million, or \$0.23 per diluted share, for the nine months ended September 28, 2024. The increase of approximately \$53 million was primarily due to the following:

- same store sales growth, predominantly within the Take 5 and Car Wash segments;
- net new store growth within the Take 5 segment;
- the net release of a valuation allowance for deferred tax assets which includes the release of a valuation allowance of \$37 million that incorporates the impact from the enactment of OBBBA;
- decreased interest expense;
- reduced share-based compensation expense; and
- a positive impact from foreign exchange.

These factors were partially offset by:

- costs directly associated with sales growth in the period;
- loss on fair value of Seller Note;
- decreased net losses on the sale or disposal of fixed assets;
- a loss from debt extinguishment;
- the absence of earnings in 2025 due to the sale of our Canadian distribution business that was sold in the third quarter of 2024;
- increased payroll-related and professional services costs and cloud computing amortization reflective of the Company's growth and technological investments; and
- negative same store sales within the Franchise Brands segment.

Adjusted Net Income

Adjusted Net Income was \$160 million for the nine months ended September 27, 2025 compared to \$138 million for the nine months ended September 28, 2024. This increase of approximately \$22 million was primarily due to the following:

- same store sales growth, predominantly within the Take 5 and Car Wash segments;
- net new store growth within the Take 5 segment; and
- decreased interest expense.

These factors were partially offset by:

- costs directly associated with sales growth in the period;
- the absence of Adjusted Net Income in 2025 due to the sale of our Canadian distribution business that was sold in the third quarter of 2024;
- increased payroll-related and professional services costs reflective of the Company's growth and technological investments; and
- negative same store sales within the Franchise Brands segment.

Adjusted EBITDA

Adjusted EBITDA was \$405 million for the nine months ended September 27, 2025 compared to \$398 million for the nine months ended September 28, 2024. The increase of approximately \$7 million was primarily due to:

- same store sales growth, predominantly within the Take 5 and Car Wash segments; and
- net new store growth within the Take 5 segment.

These factors were partially offset by:

- costs directly associated with sales growth in the period;
- the absence of Adjusted EBITDA in 2025 due to the sale of our Canadian distribution business that was sold in the third quarter of 2024;
- increased payroll-related and professional services costs reflective of the Company's growth and technological investments; and
- negative same store sales within the Franchise Brands segment.

Key Performance Indicators

- Consolidated same store sales increased by 1.7%.
- Consolidated system-wide sales increased \$156 million.
- The Company added 167 net new stores during the trailing twelve months.

Key Performance Indicators

Key measures that we use in assessing our business and evaluating our segments include the following:

System-wide sales — System-wide sales represent the total of net sales for our franchised, independently-operated, and company-operated stores. This measure allows management to better assess the total size and health of each segment, our overall store performance, and the strength of our market position relative to competitors. Sales at franchised stores are not included as revenue in our results from continuing operations, but rather, we include franchise royalties and fees that are derived from sales at franchised stores.

Store count — Store count reflects the number of franchised, independently-operated, and company-operated stores open at the end of the reporting period. Management reviews the number of new, closed, acquired, and divested stores to assess net unit growth and drivers of trends in system-wide sales, franchise royalties and fees revenue, company-operated store sales, and independently-operated store sales.

Same store sales — Same store sales reflect the change in sales year-over-year for the same store base. We define the same store base to include all franchised, independently-operated, and company-operated stores open for comparable weeks during the given fiscal period in both the current and prior year, which may be different from how others define similar terms. This measure highlights the performance of existing stores, while excluding the impact of new store openings and closures and acquisitions and divestitures.

Adjusted EBITDA — We define Adjusted EBITDA as earnings from continuing operations before interest expense, net, income tax expense, and depreciation and amortization, with further adjustments for acquisition related costs, equity compensation, loss on debt extinguishment, foreign currency transaction related gains or losses, cloud computing amortization, and certain non-recurring and non-core, infrequent or unusual charges. Adjusted EBITDA is a supplemental measure of operating performance of our segments and may not be comparable to similar measures reported by other companies. Adjusted EBITDA is a performance metric utilized by our Chief Operating Decision Maker to allocate resources to and assess performance of our segments. Refer to [Note 4](#) in our consolidated financial statements for a reconciliation of reportable segment Adjusted EBITDA to income from continuing operations before taxes for the three and nine months ended September 27, 2025 and September 28, 2024.

The following table sets forth our key performance indicators for the three and nine months ended September 27, 2025 and September 28, 2024:

(in thousands, except store count or as otherwise noted)	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
System-Wide Sales				
System-Wide Sales:				
Take 5	\$ 411,620	\$ 349,867	\$ 1,205,676	\$ 1,023,125
Franchise Brands	1,091,612	1,089,493	3,200,214	3,267,000
Car Wash	51,410	49,959	189,841	163,286
Corporate and Other	70,790	63,103	201,306	187,957
Total	\$ 1,625,432	\$ 1,552,422	\$ 4,797,037	\$ 4,641,368
System-Wide Sales by Business Model:				
Franchised Stores	\$ 1,242,763	\$ 1,203,665	\$ 3,628,526	\$ 3,593,138
Company-Operated Stores	331,259	298,798	978,670	884,944
Independently-Operated Stores	51,410	49,959	189,841	163,286
Total	\$ 1,625,432	\$ 1,552,422	\$ 4,797,037	\$ 4,641,368
Store Count				
Store Count:				
Take 5	1,282	1,120	1,282	1,120
Franchise Brands	2,676	2,666	2,676	2,666
Car Wash	717	719	717	719
Corporate and Other	213	216	213	216
Total	4,888	4,721	4,888	4,721
Store Count by Business Model:				
Franchised Stores	3,165	3,078	3,165	3,078
Company-Operated Stores	1,006	924	1,006	924
Independently-Operated Stores	717	719	717	719
Total	4,888	4,721	4,888	4,721
Same Store Sales % by segment				
Take 5	6.8%	5.4%	7.1%	5.9%
Franchise Brands	0.7%	0.7%	(1.2%)	0.6%
Car Wash	3.9%	14.3%	16.9%	3.4%
Total consolidated	2.8%	1.4%	1.7%	1.0%
Adjusted EBITDA by segment				
Take 5	\$ 107,307	\$ 93,287	\$ 316,378	\$ 280,583
Franchise Brands	49,734	50,196	139,560	151,989
Car Wash	15,030	16,000	66,715	56,200
Adjusted EBITDA margin by segment				
Take 5	35.0 %	34.6 %	35.0 %	35.5 %
Franchise Brands	66.0 %	65.1 %	63.0 %	64.8 %
Car Wash	27.8 %	30.9 %	34.1 %	33.5 %
Total consolidated	25.4 %	26.3 %	25.2 %	26.5 %

Reconciliation of Non-GAAP Financial Information

To supplement our consolidated financial statements prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures throughout this Quarterly Report, as described further below, to provide investors with additional useful information about our financial performance, to enhance the overall understanding of our past performance and future prospects and to allow for greater transparency with respect to important metrics used by our management for financial and operational decision-making.

Non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. In addition, non-GAAP financial measures may be calculated differently from, and therefore may not be directly comparable to, similarly titled measures used by other companies. As a result, non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, our consolidated financial statements prepared and presented in accordance with GAAP.

Adjusted Net Income/Adjusted Earnings per Share — We define Adjusted Net Income as net income from continuing operations calculated in accordance with GAAP, adjusted for acquisition related costs, equity compensation, loss on debt extinguishment, cloud computing amortization, and certain non-recurring, non-core, infrequent or unusual charges, amortization related to acquired intangible assets, and the tax effect of the adjustments. Adjusted Earnings Per Share is calculated by dividing Adjusted Net Income by the weighted average shares outstanding. Management believes this non-GAAP financial measure is useful because it is a key measure used by our management team to evaluate our operating performance, generate future operating plans, and make strategic decisions.

The following table provides a reconciliation of Net Income (Loss) from continuing operations to Adjusted Net Income and Adjusted Earnings per Share:

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
<i>(in thousands, except per share data)</i>				
Net income (loss) from continuing operations	\$ 60,862	\$ (11,480)	\$ 90,161	\$ 37,289
Adjustments:				
Acquisition related costs ^(a)	(214)	(393)	784	1,572
Non-core items and project costs, net ^(b)	18,557	6,424	32,770	16,166
Cloud computing amortization ^(c)	6,055	1,022	15,191	3,436
Share-based compensation expense ^(d)	5,191	12,798	28,269	35,641
Foreign currency transaction (gain) loss, net ^(e)	(5,419)	765	(17,406)	5,767
Asset sale leaseback (gain) loss, net, impairment, notes receivable loss, and closed store expenses ^(f)	9,907	29,036	63,387	36,213
Loss on debt extinguishment ^(g)	4,549	205	4,549	205
Amortization related to acquired intangible assets ^(h)	4,295	5,375	13,482	17,713
Acceleration of interest rate hedge ⁽ⁱ⁾	(4,422)	—	(4,422)	—
Valuation allowance for deferred tax asset ^(j)	(34,275)	7,032	(31,841)	8,287
Adjusted net income before tax impact of adjustments	65,086	50,784	194,924	162,289
Tax impact of adjustments ^(k)	(8,891)	(12,703)	(35,410)	(23,818)
Adjusted net income from continuing operations	\$ 56,195	\$ 38,081	\$ 159,514	\$ 138,471
Basic earnings (loss) per share from continuing operations	\$ 0.37	\$ (0.07)	\$ 0.55	\$ 0.23
Diluted earnings (loss) per share from continuing operations	\$ 0.37	\$ (0.07)	\$ 0.55	\$ 0.23
Adjusted basic earnings per share from continuing operations	\$ 0.34	\$ 0.23	\$ 0.97	\$ 0.85
Adjusted diluted earnings per share from continuing operations	\$ 0.34	\$ 0.23	\$ 0.97	\$ 0.85
Weighted average shares outstanding				
Basic	163,900	159,804	162,434	159,743
Diluted	165,124	159,804	163,686	160,713
Weighted average shares outstanding for Adjusted Net Income				
Basic	163,900	159,804	162,434	159,743
Diluted	165,124	161,113	163,686	160,713

Adjusted EBITDA — We define Adjusted EBITDA as earnings from continuing operations before interest expense, net, income tax expense, and depreciation and amortization, with further adjustments for acquisition related costs, equity compensation, loss on debt extinguishment, foreign currency transaction related gains or losses, cloud computing amortization, and certain non-recurring and non-core, infrequent or unusual charges. Adjusted EBITDA may not be comparable to similarly titled metrics of other companies due to differences in methods of calculation. Management believes this non-GAAP financial measure is useful because it is a key measure used by our management team to evaluate our operating performance, generate future operating plans, and make strategic decisions.

The following table provides a reconciliation of Net income from continuing operations to Adjusted EBITDA:

Adjusted EBITDA

(in thousands)	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net income (loss) from continuing operations	\$ 60,862	\$ (11,480)	\$ 90,161	\$ 37,289
Income tax (benefit) expense	(21,659)	16,474	(7,487)	45,292
Interest expense, net	23,603	43,674	91,496	119,241
Depreciation and amortization	34,828	33,418	102,883	97,358
EBITDA	97,634	82,086	277,053	299,180
Acquisition related costs ^(a)	(214)	(393)	784	1,572
Non-core items and project costs, net ^(b)	18,557	6,424	32,770	16,166
Cloud computing amortization ^(c)	6,055	1,022	15,191	3,436
Share-based compensation expense ^(d)	5,191	12,798	28,269	35,641
Foreign currency transaction (gain) loss, net ^(e)	(5,419)	765	(17,406)	5,767
Asset sale leaseback (gain) loss, net, impairment, notes receivable loss, and closed store expenses ^(f)	9,907	29,036	63,387	36,213
Loss on debt extinguishment ^(g)	4,549	205	4,549	205
Adjusted EBITDA	\$ 136,260	\$ 131,943	\$ 404,597	\$ 398,180

^(a) Consists of acquisition costs as reflected within the consolidated statements of operations, including legal, consulting and other fees, and expenses incurred in connection with acquisitions completed during the applicable period, as well as inventory rationalization expenses incurred in connection with acquisitions. As acquisitions occur in the future, we expect to incur similar costs and, under U.S. GAAP, such costs relating to acquisitions are expensed as incurred and not capitalized.

^(b) Consists of discrete items and project costs, including third-party professional costs associated with strategic transformation initiatives as well as non-recurring payroll-related costs and non-ordinary course legal settlements.

^(c) Includes non-cash amortization expenses relating to cloud computing arrangements.

^(d) Represents non-cash share-based compensation expense.

^(e) Represents foreign currency transaction (gains) losses, net that primarily related to the remeasurement of our intercompany loans as well as gains and losses on cross currency swaps.

^(f) Consists of the following items (i) (gains) losses, net on sale leasebacks, disposal of assets, or sale of business; (ii) net losses (gains) on sale for assets held for sale; (iii) impairment of certain fixed assets and operating lease right-of-use assets related to closed and underperforming locations, lease exit costs and other costs associated with stores that were closed prior to the respective lease termination dates; and (iv) loss on fair value of the Seller Note.

^(g) Represents charges incurred related to the Company's full repayment of the Term Loan in conjunction with the sale of the U.S. Car Wash business in the current year and charges incurred related to the Company's partial repayment of Senior Secured Notes in conjunction with the sale of its Canadian distribution business in the prior year.

^(h) Consists of amortization related to acquired intangible assets as reflected within depreciation and amortization in the consolidated statement of operations.

⁽ⁱ⁾ Consists of the accelerated amortization of an interest rate hedge associated with the Series 2022-1 Senior Securitization Notes, which was refinanced in October 2025.

- ① Represents valuation allowances on income tax carryforwards in certain jurisdictions that are not more likely than not to be realized.
- ② Represents the tax impact of adjustments associated with the reconciling items between net income from continuing operations and Adjusted Net Income, excluding the provision for uncertain tax positions and valuation allowance for certain deferred tax assets. To determine the tax impact of the deductible reconciling items, we utilized statutory income tax rates ranging from 9% to 36% depending upon the tax attributes of each adjustment and the applicable jurisdiction.

Results of Operations for the Three Months Ended September 27, 2025 Compared to the Three Months Ended September 28, 2024

To facilitate the review of our results of operations, the following tables set forth our financial results for the periods indicated. All information is derived from the unaudited consolidated statements of operations. Certain percentages presented in this section have been rounded, therefore, totals may not equal the sum of the line items in the tables below.

Net Revenue

(in thousands)	Three Months Ended			
	September 27, 2025	% of Net Revenues	September 28, 2024	% of Net Revenues
Franchise royalties and fees	\$ 50,824	9.5 %	\$ 49,475	9.9 %
Company-operated store sales	331,259	61.8 %	298,798	59.5 %
Independently-operated store sales	51,410	9.6 %	49,959	9.9 %
Advertising fund contributions	27,883	5.2 %	26,823	5.3 %
Supply and other revenue	74,308	13.9 %	77,284	15.4 %
Total net revenue	\$ 535,684	100.0 %	\$ 502,339	100.0 %

Franchise Royalties and Fees

Franchise royalties and fees increased by \$1 million, or 3%, primarily due to higher franchise system-wide sales of \$39 million, which was predominately related to Take 5 same store sales growth and new store openings.

Company-Operated Store Sales

Company-operated store sales increased \$32 million, or 11%, which predominately related to Take 5 same store sales growth and 82 net new company-operated store openings.

Independently-Operated Store Sales

Independently-operated store sales (comprised entirely of sales from the Car Wash segment) increased by \$1 million, or 3%, primarily due to same store sales growth as a result of improved price realization.

Advertising Fund Contribution

Advertising fund contributions increased \$1 million, or 4%, due to increased franchise system-wide sales. Our franchise agreements typically require the franchisee to pay continuing advertising fund fees based on a percentage of franchisee gross sales or a stated fee.

Supply and Other Revenue

Supply and other revenue decreased \$3 million, or 4%, primarily due to the absence of supply and other revenue in 2025 from our Canadian distribution business, which was sold in the third quarter of 2024, partially offset by increased supply sales primarily within the Take 5 segment.

Operating Expenses

(in thousands)	Three Months Ended			
	September 27, 2025	% of Net Revenues	September 28, 2024	% of Net Revenues
Company-operated store expenses	\$ 193,129	36.1 %	\$ 177,510	35.3 %
Independently-operated store expenses	30,178	5.6 %	29,382	5.8 %
Advertising fund expenses	27,884	5.2 %	26,823	5.3 %
Supply and other expenses	42,552	7.9 %	35,779	7.1 %
Selling, general, and administrative expenses	145,177	27.1 %	149,789	29.8 %
Depreciation and amortization	34,828	6.5 %	33,418	6.7 %
Total operating expenses	\$ 473,748	88.4 %	\$ 452,701	90.1 %

Company-Operated Store Expenses

Company-operated store expenses increased \$16 million, or 9%, corresponding to variable costs associated with increased Take 5 company-operated store sales in the current period as well as store related costs associated with 82 net new company-operated stores.

Independently-Operated Store Expenses

Independently-operated store expenses (comprised entirely of sales from the Car Wash segment) increased \$1 million, or 3%, primarily related to variable costs associated with the increase in sales as well as increased rent and utility costs.

Advertising Fund Expenses

Advertising fund expenses increased \$1 million, or 4%, which is commensurate to advertising fund contributions during the period. Advertising fund expenses generally trend consistent with advertising fund contributions.

Supply and Other Expenses

Supply and other expenses increased \$7 million, or 19%, primarily due to increased supply sales within the Take 5 segment, partially offset by the absence of supply and other expenses in 2025 from our Canadian distribution business, which was sold in the third quarter of 2024.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased \$5 million, or 3%, primarily due to decreased asset impairment charges and loss on sale or disposal of fixed assets, partially offset by increased payroll-related and professional services costs and cloud computing amortization reflective of the Company's growth and technological investments.

Depreciation and Amortization

Depreciation and amortization expense increased \$1 million, or 4%, primarily relating to 82 net new company-operated stores in the current period compared to the prior year period.

Other expenses, net

(in thousands)	Three Months Ended			
	September 27, 2025	% of Net Revenues	September 28, 2024	% of Net Revenues
Interest expense, net	\$ 23,603	4.4 %	\$ 43,674	8.7 %
Foreign currency transaction (gain) loss, net	(5,419)	(1.0 %)	765	0.2%
Loss on debt extinguishment	4,549	0.8 %	205	—%
Other expenses, net	\$ 22,733	4.2 %	\$ 44,644	8.9%

Interest Expense, Net

Interest expense decreased \$20 million, or 46%, primarily related to decreased borrowings on the Term Loan Facility and Revolving Credit Facility in the current period as well as the accelerated amortization of the hedge on the 2022-1 Class A-2 Securitization Senior Notes.

Foreign Currency Transaction (Gain) Loss, Net

The foreign currency transaction gain for the three months ended September 27, 2025 was primarily comprised of \$4 million on transaction gains in our foreign operations and a gain on foreign currency hedges of \$1 million. The foreign currency transaction loss for the three months ended September 28, 2024 was primarily comprised of a loss on foreign currency hedges of \$2 million, partially offset by a gain of \$1 million on transaction gains in our foreign operations.

Loss on Debt Extinguishment

Loss on debt extinguishment for the three months ended September 27, 2025 related to charges incurred for the Company's full repayment of the Term Loan in conjunction with the sale of the U.S. Car Wash business in the current year. Loss on debt extinguishment for the three months ended September 28, 2024 related to the Company's partial repayment of the Senior Secured Notes in conjunction with the sale of the Canadian distribution business in the prior year.

Income Tax (Benefit) Expense

(in thousands)	Three Months Ended			
	September 27, 2025	% of Net Revenues	September 28, 2024	% of Net Revenues
Income tax (benefit) expense	\$ (21,659)	(4.0) %	\$ 16,474	3.3%

The effective income tax rate in both periods primarily differs from the U.S. federal statutory rate of 21% primarily due to non-deductible share-based compensation, limitation on interest deduction in certain foreign jurisdictions, state taxes related to pre-tax income, and U.S. tax impacts of its foreign operations. The current period includes the release of a valuation allowance of \$37 million, which incorporates the impact from the enactment of OBBA, which increased the Company's interest expense limitation under Section 163(j).

Results of Operations for the Nine Months Ended September 27, 2025 Compared to the Nine Months Ended September 28, 2024

To facilitate the review of our results of operations, the following tables set forth our financial results for the periods indicated. All information is derived from the consolidated statements of operations. Certain percentages presented have been rounded to the nearest number, therefore, totals may not equal the sum of the line items in the tables below.

Net Revenue

(in thousands)	Nine Months Ended			
	September 27, 2025	% of Net Revenues	September 28, 2024	% of Net Revenues
Franchise royalties and fees	\$ 144,714	9.0 %	\$ 144,549	9.6 %
Company-operated store sales	978,670	61.1 %	884,944	58.9 %
Independently-operated store sales	189,841	11.8 %	163,286	10.9 %
Advertising fund contributions	80,249	5.0 %	75,804	5.0 %
Supply and other revenue	209,361	13.1 %	234,544	15.6 %
Total net revenue	\$ 1,602,835	100.0 %	\$ 1,503,127	100.0 %

Franchise Royalties and Fees

Franchise royalties and fees remained flat primarily due to an increase of \$101 million system-wide sales for Take 5, offset by a decrease in franchised stores system-wide sales of \$66 million related to Franchise Brands as well as royalty rate mix.

Company-Operated Store Sales

Company-operated store sales increased \$94 million, or 11%, which predominately related to Take 5 same store sales growth and 82 net new company-operated store openings.

Independently-Operated Store Sales

Independently-operated store sales (comprised entirely of sales from the Car Wash segment) increased \$27 million, or 16%, primarily due to same store sales growth as a result of increased volume and improved price realization.

Advertising Fund Contribution

Advertising fund contributions increased by \$4 million, or 6%, primarily due to increased franchise system-wide sales. Our franchise agreements typically require the franchisee to pay continuing advertising fund fees based on a percentage of franchisee gross sales or a stated fee.

Supply and Other Revenue

Supply and other revenue decreased \$25 million, or 11%, primarily due to the absence of supply and other revenue in 2025 from our Canadian distribution business, which was sold in the third quarter of 2024, partially offset by increased supply sales within the Take 5 segment.

Operating Expenses

(in thousands)	Nine Months Ended			
	September 27, 2025	% of Net Revenues	September 28, 2024	% of Net Revenues
Company-operated store expenses	\$ 565,391	35.3 %	\$ 525,529	35.0 %
Independently-operated store expenses	104,713	6.5 %	90,693	6.0 %
Advertising fund expenses	80,249	5.0 %	75,804	5.0 %
Supply and other expenses	116,939	7.3 %	112,531	7.5 %
Selling, general, and administrative expenses	471,347	29.4 %	393,418	26.2 %
Depreciation and amortization	102,883	6.4 %	97,358	6.5 %
Total operating expenses	\$ 1,441,522	89.9 %	\$ 1,295,333	86.2 %

Company-Operated Store Expenses

Company-operated store expenses increased \$40 million, or 8%, corresponding to variable costs associated with increased Take 5 company-operated store sales in the current period as well as store related costs associated with 82 net new company-operated stores in the current period compared to the prior year period.

Independently-Operated Store Expenses

Independently-operated store expenses (comprised entirely of sales from the Car Wash segment) increased \$14 million, or 15%, primarily related to variable costs associated with the increase in sales as well as increased rent and utility costs.

Advertising Fund Expenses

Advertising fund expenses increased by \$4 million, or 6%, which is commensurate with the increase to advertising fund contributions during the period. Advertising fund expenses generally trend consistent with advertising fund contributions.

Supply and Other Expenses

Supply and other expenses increased \$4 million, or 4%, primarily due to costs associated with the increased Take 5 supply revenue, partially offset by the absence of supply and other expenses in 2025 from our Canadian distribution business, which was sold in the third quarter of 2024 and decreased supply revenue within Franchise Brands.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses increased \$78 million, or 20%, primarily due to losses on the sale or disposal of fixed assets, loss on fair value of the Seller Note, increased payroll-related costs, marketing expenses, and third-party professional fees.

Depreciation and Amortization

Depreciation and amortization expense increased \$6 million, or 6%, primarily due to 82 net new company-operated stores in the current year compared to the prior year.

Other expenses, net

(in thousands)	Nine Months Ended			
	September 27, 2025	% of Net Revenues	September 28, 2024	% of Net Revenues
Interest expense, net	\$ 91,496	5.7 %	\$ 119,241	7.9 %
Foreign currency transaction (gain) loss, net	(17,406)	(1.1)%	5,767	0.4 %
Loss on debt extinguishment	4,549	0.3 %	205	— %
Other expenses, net	\$ 78,639	4.9 %	\$ 125,213	8.3 %

Interest Expense, Net

Interest expense, net decreased \$28 million, or 23%, primarily related to decreased borrowings on the Term Loan Facility and Revolving Credit Facility in the current period as well as the accelerated amortization of the hedge on the 2022-1 Class A-2 Securitization Senior Notes.

Foreign Currency Transactions (Gain) Loss, Net

The foreign currency transaction gain for the nine months ended September 27, 2025 was primarily comprised of transaction gains of \$21 million in our foreign operations, partially offset by a loss on foreign currency hedges of \$4 million. The foreign currency transaction loss for the nine months ended September 28, 2024 was primarily comprised of transaction losses in our foreign operations of \$9 million, partially offset by a gain on foreign currency hedges of \$3 million.

Loss on Debt Extinguishment

Loss on debt extinguishment for the nine months ended September 27, 2025 related to charges incurred for the Company's full repayment of the Term Loan in conjunction with the sale of the U.S. Car Wash business in the current year. Loss on debt extinguishment for the nine months ended September 28, 2024 related to the Company's partial repayment of the Senior Secured Notes in conjunction with the sale of the Canadian distribution business in the prior year.

Income Tax (Benefit) Expense

(in thousands)	Nine Months Ended			
	September 27, 2025	% of Net Revenues	September 28, 2024	% of Net Revenues
Income tax (benefit) expense	\$ (7,487)	(0.5 %)	\$ 45,292	3.0%

The effective income tax rate in both periods primarily differs from the U.S. federal statutory rate of 21% primarily due to non-deductible share-based compensation, limitation on interest deduction in certain foreign jurisdictions, state taxes related to pre-tax income, and U.S. tax impacts of its foreign operations. The current period includes the release of a valuation allowance of \$37 million, which incorporates the impact from the enactment of OBBBA, which increased the Company's interest expense limitation under Section 163(j).

Segment Results of Operations for the Three Months Ended September 27, 2025 Compared to the Three Months Ended September 28, 2024

We assess the performance of our segments based on Adjusted EBITDA, which is defined as earnings from continuing operations before interest expense, net, income tax expense, and depreciation and amortization, with further adjustments for acquisition related costs, store closure costs, equity compensation, loss on debt extinguishment, cloud computing amortization, and certain non-recurring, non-core, foreign currency, infrequent or unusual charges. Shared services costs are not allocated to these segments and are included in Corporate and Other. Adjusted EBITDA may not be comparable to similarly titled metrics of other companies due to differences in methods of calculation.

Take 5

	Three Months Ended		2025	2024
	September 27, 2025	September 28, 2024	% Net Revenue For Segment	% Net Revenue For Segment
<i>(in thousands, unless otherwise noted)</i>				
Net revenue				
Franchise royalties and fees	\$ 10,029	\$ 6,365	3.3 %	2.4 %
Company-operated store sales	255,749	231,021	83.5 %	85.6 %
Supply and other revenue	40,580	32,479	13.2 %	12.0 %
Total net revenue	\$ 306,358	\$ 269,865	100.0 %	100.0 %
Adjusted EBITDA	\$ 107,307	\$ 93,287	35.0 %	34.6 %
System-Wide Sales			Change	
Franchised stores	\$ 155,871	\$ 118,846	\$ 37,025	31.2 %
Company-operated stores	255,749	231,021	24,728	10.7 %
Total system-wide sales	\$ 411,620	\$ 349,867	\$ 61,753	17.7 %
Store Count (in whole numbers)			Change	
Franchised stores	502	425	77	18.1%
Company-operated stores	780	695	85	12.2%
Total store count	1,282	1,120	162	14.5%
Same Store Sales %	6.8 %	5.4 %		

Take 5 net revenue increased \$36 million, or 14%, driven primarily by a \$25 million increase in company-operated store sales from same store sales growth and 85 net new company-operated stores. Supply and other revenue increased by \$8 million, or 25%, primarily due to higher system-wide sales. Franchise royalties and fees increased by \$4 million, or 58%, primarily due to a \$37 million, or 31%, increase in franchised stores system-wide sales driven by same store sales growth and 77 net new franchised stores.

Take 5 Adjusted EBITDA increased \$14 million, or 15%, corresponding with net new store growth and same store sales growth, partially offset by variable costs associated with the increased company-operated store sales and store related costs associated with 85 net new company-operated stores in the current period compared to the prior year period.

Franchise Brands

	Three Months Ended		2025	2024
	September 27, 2025	September 28, 2024	% Net Revenue For Segment	% Net Revenue For Segment
<i>(in thousands, unless otherwise noted)</i>				
Net revenue				
Franchise royalties and fees	\$ 40,795	\$ 43,110	54.2 %	55.9 %
Company-operated store sales	4,720	4,674	6.3 %	6.1 %
Supply and other revenue	29,821	29,316	39.5 %	38.0 %
Total net revenue	<u>\$ 75,336</u>	<u>\$ 77,100</u>	<u>100.0 %</u>	<u>100.0 %</u>
Adjusted EBITDA	<u>\$ 49,734</u>	<u>\$ 50,196</u>	<u>66.0 %</u>	<u>65.1 %</u>
System-Wide Sales			Change	
Franchised stores	\$ 1,086,892	\$ 1,084,819	\$ 2,073	0.2%
Company-operated stores	4,720	4,674	46	1.0%
Total system-wide sales	<u>\$ 1,091,612</u>	<u>\$ 1,089,493</u>	<u>\$ 2,119</u>	<u>0.2%</u>
Store Count (in whole numbers)			Change	
Franchised stores	2,663	2,653	10	0.4 %
Company-operated stores	13	13	—	—%
Total store count	<u>2,676</u>	<u>2,666</u>	<u>10</u>	<u>0.4 %</u>
Same Store Sales %	0.7%	0.7 %		

Franchise Brands net revenue decreased \$2 million, or 2%, driven by the royalty rate mix associated with system-wide sales period over period, partially offset by same store sales growth.

Franchise Brands Adjusted EBITDA decreased less than \$1 million, or 1%, primarily due to decreased net revenue in the period.

Car Wash

	Three Months Ended		2025	2024
	September 27, 2025	September 28, 2024	% Net Revenue For Segment	% Net Revenue For Segment
<i>(in thousands, unless otherwise noted)</i>				
Net revenue				
Independently-operated store sales	51,410	49,959	95.1 %	96.6 %
Supply and other revenue	2,640	1,759	4.9 %	3.4 %
Total net revenue	<u>\$ 54,050</u>	<u>\$ 51,718</u>	<u>100.0 %</u>	<u>100.0 %</u>
Adjusted EBITDA	<u>\$ 15,030</u>	<u>\$ 16,000</u>	<u>27.8 %</u>	<u>30.9 %</u>
System-Wide Sales			Change	
Independently-operated stores	51,410	49,959	1,451	2.9 %
Total system-wide sales	<u>\$ 51,410</u>	<u>\$ 49,959</u>	<u>\$ 1,451</u>	<u>2.9 %</u>
Store Count (in whole numbers)			Change	
Independently-operated stores	717	719	(2)	(0.3 %)
Total store count	<u>717</u>	<u>719</u>	<u>(2)</u>	<u>(0.3 %)</u>
Same Store Sales %	3.9 %	14.3 %		

Car Wash net revenue increased by \$2 million, or 5%, driven by same store sales growth resulting from improved price realization and supply sales.

Car Wash Adjusted EBITDA decreased by \$1 million, or 6%, primarily due to costs associated with increased sales as well as increased rent and utility costs.

Segment Results of Operations for the Nine Months Ended September 27, 2025 Compared to the Nine Months Ended September 28, 2024

We assess the performance of our segments based on Adjusted EBITDA, which is defined as earnings from continuing operations before interest expense, net, income tax expense, and depreciation and amortization, with further adjustments for acquisition related costs, store closure costs, equity compensation, loss on debt extinguishment, cloud computing amortization, and certain non-recurring, non-core, foreign currency, infrequent or unusual charges. Shared services costs are not allocated to these segments and are included in Corporate and Other. Adjusted EBITDA may not be comparable to similarly titled metrics of other companies due to differences in methods of calculation.

Take 5

	Nine Months Ended		2025	2024
	September 27, 2025	September 28, 2024	% Net Revenue For Segment	% Net Revenue For Segment
<i>(in thousands, unless otherwise noted)</i>				
Net revenue				
Franchise royalties and fees	\$ 27,933	\$ 18,418	3.1 %	2.3 %
Company-operated store sales	763,998	682,701	84.5 %	86.5 %
Supply and other revenue	112,093	88,491	12.4 %	11.2 %
Total net revenue	\$ 904,024	\$ 789,610	100.0 %	100.0 %
Adjusted EBITDA	\$ 316,378	\$ 280,583	35.0 %	35.5 %
System-Wide Sales			Change	
Franchised stores	\$ 441,678	\$ 340,424	\$ 101,254	29.7 %
Company-operated stores	763,998	682,701	81,297	11.9 %
Total system-wide sales	\$ 1,205,676	\$ 1,023,125	\$ 182,551	17.8 %
Store Count (in whole numbers)			Change	
Franchised stores	502	425	77	18.1 %
Company-operated stores	780	695	85	12.2 %
Total store count	1,282	1,120	162	14.5 %
Same Store Sales %	7.1%	5.9%		

Take 5 net revenue increased \$114 million, or 14%, driven primarily by a \$81 million increase in company-operated store sales from same store sales growth and 85 net new company-operated stores. Supply and other revenue increased by \$24 million, or 27%, primarily due to higher system-wide sales. Franchise royalties and fees increased by \$10 million, or 52%, primarily due to a \$101 million, or 30%, increase in franchised stores system-wide sales from same store sales growth and 77 net new franchised stores.

Take 5 Adjusted EBITDA increased \$36 million, or 13%, corresponding with net new store growth and same store sales growth, partially offset by variable costs associated with the increased company-operated store sales and supply and other revenue as well as store related costs associated with 85 net new company-operated stores in the current period compared to the prior year period.

Franchise Brands

	Nine Months Ended		2025	2024
	September 27, 2025	September 28, 2024	% Net Revenue For Segment	% Net Revenue For Segment
<i>(in thousands, unless otherwise noted)</i>				
Net revenue				
Franchise royalties and fees	\$ 116,781	\$ 126,131	52.7 %	53.8 %
Company-operated store sales	13,366	14,286	6.0 %	6.1 %
Supply and other revenue	91,480	94,033	41.3 %	40.1 %
Total net revenue	\$ 221,627	\$ 234,450	100.0 %	100.0 %
Adjusted EBITDA	\$ 139,560	\$ 151,989	63.0 %	64.8 %
System-Wide Sales			Change	
Franchised stores	\$ 3,186,848	\$ 3,252,714	\$ (65,866)	(2.0%)
Company-operated stores	13,366	14,286	(920)	(6.4%)
Total system-wide sales	\$ 3,200,214	\$ 3,267,000	\$ (66,786)	(2.0%)
Store Count <i>(in whole numbers)</i>			Change	
Franchised stores	2,663	2,653	10	0.4%
Company-operated stores	13	13	—	—%
Total store count	2,676	2,666	10	0.4%
Same Store Sales %	(1.2%)	0.6 %		

Franchise Brands net revenue decreased \$13 million, or 5%, driven by the royalty rate mix, a decrease in franchised stores system-wide sales of \$66 million, or 2%, and decreased supply sales primarily driven by lower volume in the current period.

Franchise Brands Adjusted EBITDA decreased \$12 million, or 8%, primarily due to decreased net revenue in the period.

Car Wash

	Nine Months Ended		2025	2024
	September 27, 2025	September 28, 2024	% Net Revenue For Segment	% Net Revenue For Segment
<i>(in thousands, unless otherwise noted)</i>				
Net revenue				
Independently-operated store sales	\$ 189,841	\$ 163,286	97.1 %	97.3 %
Supply and other revenue	5,605	4,606	2.9 %	2.7 %
Total net revenue	<u>\$ 195,446</u>	<u>\$ 167,892</u>	<u>100.0 %</u>	<u>100.0 %</u>
Adjusted EBITDA	<u>\$ 66,715</u>	<u>\$ 56,200</u>	<u>34.1 %</u>	<u>33.5 %</u>
System-Wide Sales			Change	
Independently-operated stores	\$ 189,841	\$ 163,286	26,555	16.3 %
Total system-wide sales	<u>\$ 189,841</u>	<u>\$ 163,286</u>	<u>\$ 26,555</u>	<u>16.3%</u>
Store Count (in whole numbers)			Change	
Independently-operated stores	717	719	(2)	(0.3 %)
Total store count	<u>717</u>	<u>719</u>	<u>(2)</u>	<u>(0.3%)</u>
Same Store Sales %	16.9 %	3.4 %		

Car Wash net revenue increased \$28 million, or 16%, driven primarily by same store sales growth as a result of increased volume and improved price realization.

Car Wash Adjusted EBITDA increased by \$11 million, or 19%, driven primarily by same store sales growth, partially offset by variable costs associated with increased sales as well as increased rent and utility costs.

Financial Condition, Liquidity and Capital Resources

Sources of Liquidity and Capital Resources

Cash flow from operations, supplemented with our long-term borrowings and Revolving Credit Facility, has been sufficient to fund our operations while allowing us to make strategic investments to grow our business. We believe that our sources of liquidity and capital resources will be adequate to fund our operations, acquisitions, company-operated store development, other general corporate needs, and the additional expenses we expect to incur for at least the next twelve months. We expect to continue to have access to the capital markets at acceptable terms. However, this could be adversely affected by many factors including macroeconomic factors, a downgrade of our credit rating, or a deterioration of certain financial ratios.

Driven Brands Funding, LLC (the “Issuer”), a wholly-owned subsidiary of the Company, and Driven Brands Canada Funding Corporation (along with the Issuer, the “Co-Issuers”) are subject to certain quantitative covenants related to debt service coverage and leverage ratios in connection with our securitization senior notes. Our Revolving Credit Facility also has certain qualitative covenants. As of September 27, 2025, the Co-Issuers and Driven Holdings were in material compliance with all such covenants under their respective credit agreements.

The Company’s Series 2019-1 Securitization Senior Notes had an anticipated repayment date in April 2026 and Series 2019-2 Securitization Senior Notes has an anticipated repayment date in October 2026. In October 2025, the Company issued \$500 million of Series 2025-1 Class A-2 Securitization Senior Notes and used the proceeds in combination with approximately \$130 million of the Company’s Revolving Credit Facility to repay the Company’s Series 2019-1 and 2022-1 Class A-2 Securitization Senior Notes. The utilization of the Revolving Credit Facility to repay a portion of the debt provides the Company additional flexibility regarding the timing of future debt repayments.

The Company anticipates refinancing the Series 2019-2 Securitization Senior Notes prior to its anticipated repayment date. As of the date of this filing, the Company has sufficient potential borrowing capacity under the Revolving Credit Facility and the Company’s variable funding notes to repay the Series 2019-2 Securitization Senior Notes. See [Note 7](#) to our consolidated financial statements for additional information.

At September 27, 2025, the Company had total liquidity of \$756 million consisting of \$162 million in cash and cash equivalents and \$594 million of undrawn capacity on its variable funding securitization senior notes and Revolving Credit Facility. This did not include the additional \$135 million Series 2022 Class A-1 Notes that expand the Company’s variable funding note borrowing capacity if the Company elects to exercise them, assuming certain conditions continue to be met.

In February 2025, Driven Holdings, LLC entered into an amendment extending the maturity date of the Revolving Credit Facility to February 2030, subject to certain terms and conditions. Refer to [Note 7](#) for additional information.

On February 24, 2025, the Company entered into a definitive agreement to sell its U.S. Car Wash business to the Buyer for an aggregate purchase price of \$385 million, subject to customary adjustments. Under the terms of the agreement, the Buyer agreed to pay the Company \$255 million in cash and deliver to the Company an interest-bearing seller note evidencing a loan in the initial principal amount of \$130 million. The transaction was completed on April 10, 2025.

In July 2025, the Company sold the Seller Note for \$113 million. Net proceeds were utilized to repay the outstanding balance of \$46 million on the Term Loan Facility and \$65 million on the Revolving Credit Facility.

The following table illustrates the main components of our cash flows for the nine months ended September 27, 2025 and September 28, 2024:

(in thousands)	Nine Months Ended	
	September 27, 2025	September 28, 2024
Net cash provided by operating activities	\$ 234,745	\$ 208,508
Net cash provided by investing activities	249,845	51,426
Net cash used in financing activities	(494,817)	(226,661)
Effect of exchange rate changes on cash	4,709	71
Net change in cash, cash equivalents, restricted cash, and restricted cash included in advertising fund assets	\$ (5,518)	\$ 33,344

Cash flow information is inclusive of cash flows from discontinued operations.

Operating Activities

Net cash provided by operating activities was \$235 million for the nine months ended September 27, 2025 compared to \$209 million for the nine months ended September 28, 2024. The increase in cash provided by operating activities was primarily due to increased net income and working capital improvements, including reduced cloud computing arrangements expenditures, during the nine months ended September 27, 2025.

Investing Activities

Net cash provided by investing activities was \$250 million for the nine months ended September 27, 2025 compared to \$51 million for the nine months ended September 28, 2024. The increase in cash provided by investing activities was primarily due to increased proceeds from the sale of businesses and fixed assets, including sale leaseback transactions, assets held for sale and the sale of the U.S. Car Wash business, including the Seller Note, of \$152 million as well as a \$52 million decrease in capital expenditures.

Financing Activities

Net cash used in financing activities was \$495 million for the nine months ended September 27, 2025 compared to \$227 million for the nine months ended September 28, 2024. The increase in cash used in financing activities was primarily related to an increase in net repayments of debt, including finance leases, of \$38 million, primarily associated with Term Loan Facility repayments and net repayments on the Revolving Credit Facility in the current year as well as the issuance of \$275 million of senior notes in the prior year, partially offset by Tax Receivable Agreement payments of \$38 million in the prior year. See [Note 7](#) to our consolidated financial statements for additional information regarding the Company's debt.

Tax Receivable Agreement

The Company expects to be able to utilize certain tax benefits which are related to periods prior to the effective date of the Company's IPO and are attributed to our pre-IPO shareholders. The Company previously entered into a Tax Receivable Agreement, which provides our pre-IPO shareholders with the right to receive payment of 85% of the amount of cash savings, if any, in U.S. and Canadian federal, state, local, and provincial income tax that the Company will actually realize or divests. The Tax Receivable Agreement was effective as of the date of the Company's IPO. The Company recorded a current income tax receivable liability of \$23 million as of September 27, 2025 and December 28, 2024, respectively, and a non-current income tax receivable liability of \$111 million as of September 27, 2025 and December 28, 2024, respectively, on the consolidated balance sheets. We made payments of approximately \$38 million under the Tax Receivable Agreement in the nine months ended September 28, 2024. No payments were made during the nine months ended September 27, 2025.

For purposes of the Tax Receivable Agreement, cash savings in income tax will be computed by reference to the reduction in the liability for income taxes resulting from the utilization of the Pre-IPO and IPO-Related Tax Benefits. The term of the Tax Receivable Agreement commenced upon the effective date of the Company's initial public offering and will continue until the Pre-IPO and IPO-Related Tax Benefits have been utilized, accelerated, or expired.

Because we are a holding company with no operations of our own, our ability to make payments under the Tax Receivable Agreement is dependent on the ability of our subsidiaries to make distributions to us. The securitized debt facility may restrict the ability of our subsidiaries to make distributions to us, which could affect our ability to make payments under the Tax Receivable Agreement. To the extent that we are unable to make payments under the Tax Receivable Agreement because of restrictions under our outstanding indebtedness, such payments will be deferred and will generally accrue interest. As of July 1, 2023, interest accrues at the Base Rate plus an applicable margin or SOFR plus an applicable term adjustment plus 1.0%. To the extent that we are unable to make payments under the Tax Receivable Agreement for any other reason, such payments will generally accrue interest at a rate of SOFR plus an applicable term adjustment plus 5.0% per annum until paid.

Critical Accounting Policies and Estimates

Our significant accounting policies are more fully described in Note 2 of the consolidated financial statements presented in our Form 10-K for the year ended December 28, 2024. There have been no material changes to our critical accounting policies from those disclosed in our Form 10-K for the year ended December 28, 2024.

Application of New Accounting Standards

See [Note 2](#) of the consolidated financial statements for a discussion of recently issued accounting standards applicable to the Company.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Refer to the Company's annual report for the year ended December 28, 2024 for a complete discussion of the Company's market risk. There have been no material changes in the Company's market risk from those disclosed in the Company's Form 10-K for the year ended December 28, 2024.

Item 4. Controls and Procedures**Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our CEO and CFO, has evaluated the design effectiveness of our disclosure controls and procedures (as defined in Rules 13a--15(e) and 15d--15(e) under the Exchange Act), as of September 27, 2025. The term "disclosure controls and procedures," means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on their evaluation of the design effectiveness of our disclosure controls and procedures as of September 27, 2025, our CEO and CFO have concluded that as of such date, our disclosure controls and procedures were designed effectively and will provide a reasonable level of assurance.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the most recently completed quarter ended September 27, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

Information relating to this item is included within [Note 12](#) of our financial statements included elsewhere within this Form 10-Q.

Item 1A. Risk Factors

For a discussion of risk factors that could adversely affect our results of operations, financial condition, business reputation or business prospects, we refer you to Part I, Item 1A "Risk Factors" included in our Annual Report on Form 10-K for the fiscal year ended December 28, 2024. There have been no material changes in the Company's risk factors from those disclosed in the Company's Form 10-K for the year ended December 28, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 5. Other Information

(c) Trading Plans

On August 24, 2025, Scott O'Melia, Executive Vice President and Chief Legal Officer of the Company, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell up to 90,990 shares of common stock over a period ending on September 1, 2026, subject to certain conditions.

Item 6. Exhibits.

Exhibit Number	Exhibit Description
10.1*†	Letter of Employment by and between Daniel R. Rivera and Driven Brands Shared Services LLC, dated as of September 16, 2025.
31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002 and 18 U.S.C. Section 1350
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002 and 18 U.S.C. Section 1350
101.INS*	XBRL Instance Document
101.SCH*	XBRL Schema Document
101.CAL*	XBRL Calculation Linkbase Document
101.DEF*	XBRL Definition Linkbase Document
101.LAB*	XBRL Label Linkbase Document
101.PRE*	XBRL Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
*	Filed herewith.
†	Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 5, 2025

DRIVEN BRANDS HOLDINGS INC.

By:	<u>/s/ Daniel Rivera</u>
Name:	Daniel Rivera
Title:	President and Chief Executive Officer

By:	<u>/s/ Rebecca Fondell</u>
Name:	Rebecca Fondell
Title:	Senior Vice President, Chief Accounting Officer

September 16, 2025

Daniel Rivera

VIA EMAIL

Re: Letter of Employment

Dear Daniel:

This agreement outlines your employment terms as President and Chief Executive Officer of Driven Brands Holdings Inc. ("DBHI" and, collectively, with all of DBHI's direct and indirect subsidiaries, the "Company"), commencing effective as of May 9, 2025 (the "Commencement Date"). This agreement supersedes in all respects your employment letter agreement with the Company dated November 7, 2012, effective as of the Commencement Date.

Responsibilities and Duties

You will be employed by Driven Brands Shared Services LLC ("DBSS") and will report to the Board of Directors of DBHI (the "Board") as President and Chief Executive Officer of DBHI, performing such duties and responsibilities as are customarily attendant to your position with respect to the business of the Company and such other duties and responsibilities as may from time to time be assigned to you by the Board. During your employment as President and Chief Executive Officer, you may serve as a member of the Board (subject to any required approval by the Company's stockholders) and, to the extent requested by the Board, a director or officer of any of the direct or indirect subsidiaries of DBHI, in each case without additional compensation.

You will devote your full time and best efforts to conduct the business of the Company as may be reasonably required to effectively discharge your duties under this agreement.

Annual Salary

In consideration for the performance of your duties and responsibilities hereunder, the Company will pay you an annual base salary of Eight Hundred Thousand Dollars (\$800,000) effective as of the Commencement Date. Your base salary shall be paid in accordance with the Company's regular payroll practices.

Annual Bonus

For FY2025 and each fiscal year thereafter, in accordance with the terms and conditions of the Company's annual bonus plan, which may change from time to time, you shall be eligible to earn an annual performance-based cash bonus subject to the successful completion of Key Performance Indicators ("KPIs"), as approved by the Board. The KPIs, and the performance levels and payout ranges associated with each, are determined by the Board each fiscal year and are subject to change. Any amounts payable under the annual bonus plan are also subject to Board approval. The majority weighting of KPIs typically include one or more key financial or operational metrics relevant to the success of the business and may include, but are not limited to, EBITDA, Revenue, and other growth-related metrics.

The target annual performance-based cash bonus that you may earn for FY2025 and each fiscal year thereafter is one hundred and fifty percent (150%) of your annual base salary. The amount of the annual bonus awarded for a fiscal year shall be determined by the Board following the end of the fiscal year to which such bonus relates and shall be paid to you during the following fiscal year when annual bonuses for the prior fiscal year are paid to other senior executives of the Company generally.

Except as provided below, to be eligible for any annual bonus, you must be Employed (as defined below) as of the date when annual bonuses for the prior year are paid to other senior executives of the Company. For purposes of this Agreement, "Employed" means that you have not (a) resigned or given notice of your intention to resign your employment with the Company such employment with the Company or (b) been terminated by the Company with or without Cause (as defined below).

Annual Long-Term Incentive

You are eligible to continue to participate in the Amended and Restated Driven Brands Holdings Inc. 2021 Omnibus Incentive Plan (or any successor Company omnibus equity plan) with an annual long-term incentive ("LTI") grant date target value equivalent to four hundred percent (400%) of your annual base salary or such other amount determined by the Board. Your first annual grant with this new LTI target will be in FY2025. Your FY2025 annual LTI awards will be weighted two-thirds as performance-based Restricted Stock Units ("PSUs") and one-third as time-based Restricted Stock Units ("RSUs"). PSUs vest on subject to the achievement of corporate performance goals. RSUs vest in one-third increments on the 1st, 2nd and 3rd anniversaries of the grant date. The structure and terms of annual LTI awards are determined by the Board each fiscal year and are subject to change.

Benefits

You are eligible to continue to participate in a number of the Company's health and welfare programs as well as the 401(k) retirement savings program. Such program offerings are subject to change from time to time.

Business Expenses

The Company will reimburse you for all reasonable business-related expenses that you incur in the discharge of your responsibilities to the Company, provided that expenses are submitted in accordance with Company expense policy in a form that is acceptable to the Company.

Termination

By signing below, you acknowledge that you are remaining employed as an employee of the Company voluntarily, that you understand that there is no specified length to your employment with the Company, and that your employment continues to be at will. Your signature below further acknowledges that "at will" means that either you or the Company may terminate your employment at any time, with or without Cause or advance notice.

Payments upon Termination.

Upon termination of your employment with the Company for any reason, the Company shall pay you on its next regular payroll date (or sooner if required under applicable law), all base salary earned by you

through your last day of employment.

Severance.

If (i) the Company terminates your employment without Cause (and not for death or disability) or (ii) you resign for Good Reason, then, upon your Termination of Employment (as defined below), the Company will (in lieu of any other severance benefits under any of the Company employee benefit plans, programs or policies) continue to pay your base salary at the rate in effect the time of such termination for a period of eighteen (18) months. Such severance will be payable in equal installments in accordance with the Company's normal payroll practices, subject to such withholding and other taxes as may be required by applicable law, commencing on the first payroll date on or next following the date the Release (as defined below) becomes fully irrevocable; provided that, if the period for execution and revocation of the Release spans two calendar years, the first installment shall commence during the later calendar year.

Further, upon such a termination without Cause (and not for death or disability) or resignation for Good Reason, the Company will (i) pay you any earned but unpaid annual bonus for the previous fiscal year, payable at the same time as such annual bonus is paid to other executives of the Company, but no later than March 15th of the year following the applicable related fiscal year (or the first payroll date on or next following the date the Release becomes fully irrevocable, if later); and (ii) pay you an annual bonus for the fiscal year during which such Termination of Employment occurs based on actual performance of the applicable performance metrics, pro-rated for the portion of the fiscal year that elapsed prior to the Termination of Employment based on whole months worked, and payable at the same time as such annual bonus is paid to other executives of the Company, but no later than March 15th of the year following the Termination of Employment.

The Company will have no obligation to make any severance payments hereunder if (i) you violate any of the provisions hereof, including the restrictive covenants contained herein, or (ii) you do not execute and deliver (without revoking) to the Company a general release in form and substance satisfactory to the Company of any and all claims you may have against the Company and its affiliates (the "Release") within the thirty (30) day period (or such longer release period as may be required under applicable law) following the later of (x) your Termination of Employment or (y) the date the Company delivers the Release to you.

You waive your rights, if any, to have the severance payments provided for hereunder taken into account in computing any other benefits payable to, or on behalf of, you by the Company.

Notwithstanding anything to the contrary herein, if a change of control of the Company occurs, neither the Company, any affiliate of the Company, nor any acquirer of the Company or any affiliate of the acquirer will have any obligation to make severance payments under this Section solely as a result of such change of control unless your employment is terminated without Cause or you resign for Good Reason simultaneously with such change of control.

"Termination of Employment" means the date on which your "separation from service" occurs within the meaning of Section 409A (as defined below).

"Cause" means: (A) embezzlement, theft, misappropriation or conversion, or attempted embezzlement, theft, misappropriation or conversion, by you of any property, funds or business opportunity of the Company or any of its subsidiaries or affiliates; (B) any breach by you of your restrictive covenants

hereunder; (C) any breach by you of any other material provision hereof, which breach is not cured, to the extent susceptible to cure, within thirty (30) days after the Company has given written notice to you describing such breach; (D) willful failure or refusal by you to perform any lawful directive of the Board or any committee thereof or the duties of your employment hereunder which continues for a period of thirty (30) days following notice thereof by the Board or such committee thereof to you; (E) any act by you constituting a felony (or its equivalent in any non-United States jurisdiction) or otherwise involving theft, fraud, material dishonesty, misrepresentation or moral turpitude; (F) conviction of, or plea of nolo contendere (or a similar plea) to, or your failure to contest your prosecution for, any other criminal offense; (G) any violation of any law, rule or regulation (collectively, "Law") relating in any way to the business of activities of the Company, or its subsidiaries or affiliates, or other Law that is violated during the course of your performance of services hereunder, regulatory disqualification or failure to comply with any legal or compliance policies or code of ethics, code of business conduct, conflicts of interest policy, or similar policies of the Company or its subsidiaries or affiliates; (H) gross negligence or material willful misconduct on your part in the performance of your duties as an employee, officer or director of the Company or any of its subsidiaries or affiliates; (I) your breach of fiduciary duty or duty of loyalty to the Company or any of its subsidiaries or affiliates; (J) any act or omission to act by you intended to materially harm or damage the business, property, operations, financial condition or reputation of the Company or any of its subsidiaries or affiliates; (K) your failure to cooperate, if requested by the Board with any investigation or inquiry into your or the Company's business practices, whether internal or external, including, but not limited to, your refusal to be deposed or to provide testimony or evidence at any trial, proceeding or inquiry; (L) any chemical dependence by you which materially interferes with the performance of your duties and responsibilities to the Company or any of its subsidiaries or affiliates; or (M) your voluntary resignation or other termination of employment effected by you at any time when the Company could effect such termination with Cause pursuant hereto.

"Good Reason" will exist if, without your written signed consent (i) either your base salary or target annual bonus percentage or target LTI award percentage is materially decreased (except in the case of a reduction that applies to all senior executives of the Company), (ii) there is a material diminution in your authority, duties or responsibilities, (iii) you are required to report to anybody other than the Board, or (iv) the geographic location of the primary place for performance of your duties and responsibilities is moved greater than a fifty (50) mile radius from Miami, Florida; provided, however, that no act or omission described in clauses (i) through (iv) will be treated as "Good Reason" hereunder unless (1) you deliver to the Company a written statement of the basis for your belief that Good Reason exists within thirty (30) days of the event giving rise to the claim of Good Reason, (2) you give the Company thirty (30) days after delivery of such statement to cure the basis for such belief, and (3) you actually resign during the five (5) day period which begins immediately after the end of such thirty (30) day cure period if Good Reason continues to exist after the end of such thirty (30) day cure period.

Restrictive Covenants

In consideration for your continued employment with the Company and the compensation increases specified hereunder, and intending to be legally bound hereby, you agree to abide by the covenants set forth below.

Confidentiality

You recognize and acknowledge that the knowledge and information about your relationship with the employees, business associates, customers, clients, and agents of the Company, and its affiliated

companies, and the business methods, systems, plans, and policies of the Company and its affiliated companies, which you have and will receive, obtain, or establish as an employee of the Company or otherwise, are valuable and unique assets of the Company and its affiliated companies. Accordingly, you agree that during your employment with the Company and thereafter you shall not (unless compelled by a governmental, judicial, or administrative order or proceeding) disclose, or use for the benefit of yourself or any other person or entity other than in furtherance of your duties hereunder, without the written consent of the Company, any confidential or proprietary information, know-how, or data pertaining to the Company or its subsidiaries or affiliates or its or their business, personnel, or plans to any person, firm, corporation, or other entity, for any reason or purpose whatsoever. You acknowledge and agree that all memoranda, notes, records, and other documents made or compiled by you or made available to you during your employment concerning the business of the Company or its subsidiaries or affiliates or its or their business, personnel, or plans shall be the Company's exclusive property and shall be delivered by you to the Company upon expiration or termination of your employment or any other time upon the request of the Company. The provisions of this paragraph shall survive the termination hereof or of your employment without regard to the reason therefore.

18 U.S.C. § 1833(b) provides: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Nothing herein is intended to conflict with 18 U.S.C. § 1833(b). Further, nothing herein prevents you from discussing or disclosing unlawful acts in the workplace, such as harassment or discrimination, or restricts your ability to communicate with the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (each a "Government Agency") or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including reporting possible violations of law or other disclosures protected under the whistleblower provisions of applicable law or regulation, without notice to the Company.

You hereby acknowledge that the services rendered and to be rendered by you are of a special, unique and extraordinary character, and in connection with such services, you will have access to confidential information concerning the Company's business. By reason of this, you consent and agree that if you violate any of the provisions hereof with respect to confidentiality, the covenant not to compete, and non-solicitation, the Company would sustain irreparable harm and, therefore, in addition to any other remedies which the Company may have hereunder or otherwise, the Company will be entitled to an injunction to be issued by any court of competent jurisdiction restraining you from committing or continuing any such violation hereof (without the necessity of posting a bond or other security).

Covenant Not to Compete

You agree that for the duration of your employment with the Company and for a period of two (2) years thereafter and regardless of the reason for the termination of your employment, you will not, on behalf of yourself, or on behalf of any other person, company, corporation, partnership or other entity or enterprise, as employee (in an executive or managerial capacity), consultant (providing services of an executive or managerial level or providing services in an advisory capacity to executives, managers, owners, members, or directors), proprietor, stockholder, partner, officer, or in any similar capacity, engage in any business or activity competitive with the products and services of the Company relative to the automotive aftermarket business, and which business or activity is located within six (6) miles from any of the Company's franchised or company-owned retail outlets, whether operated under any name or trade-name of the Company, whether or not you perform or direct someone to perform such activity within these geographic restrictions; provided, however, that notwithstanding anything herein to the contrary and to the extent required by applicable law or regulations, nothing contained herein shall be construed to prevent you from owning less than two percent (2%) of the issued and outstanding shares of a publicly traded company even if that company provides products or services competitive with the Company active in the automotive aftermarket franchise business, provided that you have no role in the management of such company. You agree that for every day you do not abide by this covenant that the covenant period shall be extended for one additional day. The provisions of this section shall survive the termination hereof or of your employment for any reason.

Non-Solicitation of Franchisees

You agree that for the duration of your employment with the Company and for a period of two (2) years thereafter and regardless of the reason for the termination of your employment, you shall not, directly or indirectly: (a) interfere with the Company's relationship with any of its franchisees (including prospective franchisees) including without limitation soliciting or hiring any employee of a franchisee, or (b) in connection with any business or activity competitive with the products and services of the Company and which business or activity is located within six (6) miles from any of the Company's franchised or company-owned retail outlets, whether operated under any name or trade-name of the Company, solicit and/or contract with any person or entity who or which is, or was within the twelve (12) months preceding such solicitation or contracting, a franchisee of the Company.

Non-Solicitation of Employees

You agree that for the duration of your employment with the Company and for a period of two (2) years after the date of termination of your employment with the Company for any reason, you will not, directly or indirectly, hire or attempt to hire or solicit or attempt to solicit any employee of the Company, or directly or indirectly, hire or attempt to hire or solicit or attempt to solicit any employee of any franchisee of the Company, to terminate employment with the Company or any Company franchisee or to accept employment with any other person or entity.

Miscellaneous

DBSS shall have the right to assign this agreement to any direct or indirect of DBHI, or any person, firm or corporation resulting from the reorganization of the Company or succeeding to the business or assets of the Company by purchase, merger, and consolidation or otherwise, without your prior authorization. This agreement shall be binding on and inure to the benefit of the successors and assigns of the Company and

its successors and assigns. You shall not have the right to assign any of the benefits or duties of this agreement without the prior written consent of the Company. This agreement supersedes any prior agreements between you and the Company governing the same subject matter.

The intent of the parties is that payments and benefits under this agreement comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and pronouncements thereunder ("Section 409A"). To the extent that the Company determines that any severance payments may be considered to be "nonqualified deferred compensation" subject to Section 409A and that you are deemed a "specified employee" within the meaning of Section 409A, to the extent necessary to avoid the imposition of any additional taxes under Section 409A, the severance payments described herein shall be delayed and paid to you, in a lump sum for any such delayed installments, on the earlier of (i) the date which is six months and one day after your Termination of Employment for any reason other than death, and (ii) the date of your death. Each payment and/or benefit provided hereunder shall be a payment in a series of separate payments for purposes of Section 409A.

This agreement shall be interpreted under the laws of North Carolina. In the event that there shall arise a dispute between the parties hereto regarding the interpretation of the terms of this agreement, any party bringing a cause of action to enforce the terms of it shall bring such action exclusively in the courts of North Carolina.

Please indicate your acceptance of this agreement by signing, dating, and returning one copy of this letter to me via email at scott.omelia@drivenbrands.com. Your signature to this agreement constitutes your agreement to the above terms and conditions of your continued employment with the Company.

We look forward to your continued contributions to our future growth. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Driven Brands Shared Services LLC

/s/ Scott O'Melia

Scott O'Melia
Chief Legal Officer

Accepted: /s/ Daniel R. Rivera
Daniel R. Rivera

Date: 09/16/2025

Certification Pursuant to Section 302 of the Sarbanes Oxley Act of 2002

I, Daniel Rivera, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of Driven Brands Holdings Inc. (the “Registrant”);
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- (4) The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
- (5) The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Dated: November 5, 2025

/s/ Daniel Rivera

Daniel Rivera

President and Chief Executive Officer

Certification Pursuant to Section 302 of the Sarbanes Oxley Act of 2002

I, Michael F. Diamond, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of Driven Brands Holdings Inc. (the “Registrant”);
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- (4) The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
- (5) The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Dated: November 5, 2025

/s/ Michael F. Diamond

Michael F. Diamond

Executive Vice President and Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Driven Brands Holdings Inc. (the “Company”) for the quarter ended September 27, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Daniel Rivera, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 5, 2025

/s/ Daniel Rivera

Daniel Rivera

President and Chief Executive Officer

**Certification Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Driven Brands Holdings Inc. (the “Company”) for the quarter ended September 27, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael F. Diamond, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 5, 2025

/s/ Michael F. Diamond

Michael F. Diamond

Executive Vice President and Chief Financial Officer