

Net leverage ratio as of Q1 2026 was 3.2x



Reconciliation of LTM Q1 Fiscal 2026 Net Income and Debt Agreement Adjusted EBITDA

(\$ thousands)	Nine months ended 27-Dec-25	Three months ended 28-Mar-26	Twelve months ended 28-Mar-26
Net income from continuing operations	\$118,565	\$23,831	\$142,396
Income tax expense	(18,296)	9,407	(8,889)
Interest expense, net	84,936	23,452	108,388
Depreciation and amortization	61,547	21,331	82,878
EBITDA	\$246,752	\$78,021	\$324,773
Acquisition related costs ^(a)	1,629	170	1,799
Non-core items and project costs, net ^(b)	18,350	2,492	20,842
Cloud computing amortization ^(c)	15,815	5,185	21,000
Share-based compensation expense ^(d)	19,819	6,348	26,167
Foreign currency transaction loss (gain), net ^(e)	(14,244)	8,930	(5,314)
Impairment, (gain) loss on sale of assets, net, and closed store expenses ^(f)	53,266	1,106	54,372
Loss on debt extinguishment ^(g)	5,392	1,820	7,212
Adjusted EBITDA	\$346,779	\$104,072	\$450,851
Pro forma EBITDA adjustments ^(h)			979
Run rate adjustments related to store opening and closings ⁽ⁱ⁾			10,305
Restatement costs ^(j)			9,099
Other adjustments permitted under Debt Agreement			12,949
Debt Agreement Adjusted EBITDA			\$484,182

(\$ thousands)	28-Mar-26
Total Debt	\$1,686,199
Less: Cash and cash equivalents	133,412
Net Debt	\$1,552,787
Debt Agreement Adjusted EBITDA	484,182
Net Leverage Ratio	3.2x

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Notes:

- 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 the intercompany loans as well as gains and losses on cross-currency swaps.
- f. Consists of the following items (i) asset impairments, (ii) (gains) losses, net on sale leasebacks, disposal of assets, including assets held for sale, or sale of business; and (iii) closed store expenses.
- g. Represents charges incurred related to the Company's partial repayment of the 2020-1 Senior Notes and full repayment of the Series 2019-2 Senior Notes.
- h. Represents our estimate of our anticipated annual operating results, including, without limitation, our estimates of the contribution of businesses acquired or sold as if such acquisitions or sales had occurred on the first day of the twelve-month period ended March 28, 2026.
- i. Represents our estimate of our anticipated annual operating results from new store openings and store closings annualized as if such store openings and store closings had occurred on the first day of the twelve-month period ended March 28, 2026.
- j. Consists primarily of third-party services associated with the Company's restatement and accounting transformation activities.