This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation other than statements of historical fact, including statements regarding our future operating results and financial position, our business strategy and plans, business and market trends, our objectives for future operations, macroeconomic and geopolitical conditions, and the sufficiency of our cash balances, working capital and cash generated from operating, investing, and financing activities for our future liquidity and capital resource needs may constitute forward-looking statements. Words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "outlook," "plan," "project," "seek," "will," and similar expressions, are intended to identify such forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those expressed or implied by any forward-looking statements, including the following: failure of suppliers to consistently supply the Company with opportunistic products at attractive pricing; inability to successfully identify trends and maintain a consistent level of opportunistic products; failure to maintain or increase comparable store sales; failure to open, relocate or remodel stores on schedule and on budget; insufficient online order processing capability, technology and infrastructure; changes in consumer buying behaviors and preferences; competition in the retail food industry; movement of consumer trends toward private labels and away from name-brand products; failure of the Company's independent operators ("IOs") to successfully manage their business; failure of the IOs to repay notes outstanding to the Company; inability to attract and retain qualified IOs; inability of the IOs to avoid excess inventory shrink; any loss or changeover of an IO; legal proceedings initiated against an IO; legal challenges to the IO/independent contractor business model; failure to maintain positive relationships with the IOs; risks associated with actions the IOs could take that may harm the Company's business; failure to comply with any of these restrictions could result in acceleration of the Company's debt; risks associated with tax matters; changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters; and the other factors discussed under "Risk Factors" in the Company's most recent annual report on Form 10-K and in other subsequent reports the Company files with the United States Securities and Exchange Commission (the "SEC"). The Company’s periodic filings are accessible on the SEC’s website at www.sec.gov. Moreover, the Company operates in a very competitive and rapidly changing environment, and the results from operations and the ability to service its long-term debt obligations. These non-GAAP financial measures should not be considered in isolation or as a substitute for any operating performance or liquidity measures derived in accordance with U.S. GAAP. The Company also relied, to the extent available, upon management's review of independent industry surveys and publications and other publicly available information prepared by a number of third-party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although the Company believes that these sources are reliable, it cannot guarantee the accuracy or completeness of this information, and the Company has not independently verified this information. While the Company believes the estimates of the Company’s future performance and the future performance of the industry in which the Company operates are necessarily subject to a high degree of caution and risk due to the variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in the Company’s estimates and beliefs and in the estimates prepared by independent parties.

Industry Information

Market data and industry information used throughout this presentation are based on management’s knowledge of the industry and information prepared by management's review of independent industry surveys and publications and other publicly available information prepared by a number of third-party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although the Company believes that these sources are reliable, it cannot guarantee the accuracy or completeness of this information, and the Company has not independently verified this information. While the Company believes the estimates of the Company’s future performance and the future performance of the industry in which the Company operates are necessarily subject to a high degree of caution and risk due to the variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in the Company’s estimates and beliefs and in the estimates prepared by independent parties.

Non-GAAP Financial Measures

In this presentation, the Company provides EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, interest coverage, net debt and net leverage as supplemental measures that are not required by, or presented in accordance with, United States ("U.S.") generally accepted accounting principles ("GAAP"). Management believes it is useful to investors and analysts to evaluate these non-GAAP measures on the same basis as management does to evaluate the Company's operating results and liquidity. The Company uses EBITDA, adjusted EBITDA, adjusted EBITDA margin and adjusted net income as supplemental measures of operating performance to evaluate the effectiveness of its business strategies, to make budgeting decisions, to compare its performance against that of other peer companies using similar measures and, for certain measures, to evaluate performance in connection with compensation decisions. The Company uses interest coverage, net debt and net leverage as supplemental measures of its liquidity performance to monitor and evaluate the Company’s overall liquidity and financial flexibility to pursue operational strategies and to evaluate its capital structure, progress towards leveraging targets and ability to service its long-term debt obligations. These non-GAAP financial measures should not be considered in isolation or as a substitute for any operating performance or liquidity measures derived in accordance with U.S. GAAP. The presentation of such non-GAAP financial measures also should not be construed as an inference that future results will be unaffected by the adjustments used to derive these non-GAAP financial measures. See the supplemental materials for reconciliations to the most directly comparable GAAP financial measures. The Company has not reconciled forward-looking guidance or outlooks included in this presentation to the most directly comparable GAAP measures because this cannot be done without unreasonable effort due to the variability and low visibility with respect to taxes and non-recurring items, which are potential adjustments to future earnings. We expect the variability of these items to have a potentially unpredictable, and a potentially significant, impact on our future GAAP financial results.

Data in this presentation is generally as of the second quarter ended July 1, 2023, or for the fiscal year ended December 31, 2022, unless otherwise noted.
COMPANY OVERVIEW
Grocery Outlet Is a Differentiated, High-Growth, Off-Price Retailer

**DIFFERENTIATED MODEL**

40% - 70%
Prices Below Conventional Retailers On Our Best Deals

5,000+
Ever-Changing SKUs Per Store Promote Treasure Hunt Experience

400+
Independent Operators Create Local Shopping Experience

~14,000+
Square Foot Average Store Size

**ATTRACTIVE STORE BASE**

10%
Long-Term Annual Store Growth Target

~4,800
Long Term National Store Potential

35%
Year 4 Cash-on-Cash New Store Return Target

**STRONG FINANCIAL PERFORMANCE**

$3.82bn
Net Sales (2)

5.4%
Average Comparable Store Sales Growth Over Past 19 Years (3)

$244.7M
Adjusted EBITDA (2)

$106.6M
Adjusted Net Income (2)

$87.6M
Cash Balance (4)

---

(1) Source: eSite
(2) LTM as of Q2'2023
(3) Fiscal year 2004 – Q2'2023
(4) As of the end of Q2'2023
The WOW! Shopping Experience

**PRICE**
- Extreme value
  - ~40% average basket savings \(^{(1)}\)
  - ~40% - 70% savings on best deals \(^{(1)}\)
- Distinct and proven buying model

**QUALITY**
- Name-brand products
- Fresh
- Natural Organic Specialty Healthy (NOSH)
- Quality guarantee
- Clean, well-merchandised stores

**SERVICE**
- Locally owned and operated
- Friendly, high-touch service
- Active in community
- Family-run stores
- Easy-to-shop stores

**TREASURE HUNT DISCOVERY = FUN!**
- Unexpected deals
- Ever-changing assortment
- Curated and localized merchandise

\(^{(1)}\) Savings vs. Conventional/Discount derived from Grocery Outlet's Fiscal 2022 pricing research
Solid Growth and Consistent Margin Performance

**Strong Comp Performance**

**Disciplined Store Growth**

**Consistent Margins**

**Track Record of Earnings Growth**

- **Comp Store Sales**
  - Average: 5.4%
  - **CAGR: 8.8%**

- **Total Stores**
  - **CAGR: 8.8%**

- **Gross Margin %**
  - **Strong and Consistent Annual Gross Margins Between 30.2% and 31.1%**

- **Adjusted EBITDA ($M)**
  - **CAGR: 13.4%**

---

**Key Performance Indicators**

- **Total Stores**: 237 to 447
- **Comp Store Sales**: 8.4% to 12.7%
- **Gross Margin %**: 30.2% to 31.1%
- **Adjusted EBITDA ($M)**: $95 to $245
While Each Recession is Unique, Grocery Outlet Had Strong Comparable Store Sales Growth Performance in 2008-2009

Recessionary Conditions (2008-2009)

2-year stack Comparable Store Sales Growth of selected public retailers (1)

Source: Company filings, company projections, publicly available information and FactSet. n = 184

(1) Reflects 2008 and 2009 comparable store sales growth stack for all U.S. retailers that were public during 2008 and 2009 and have reported comparable store sales growth figures for these years on FactSet.
Grocery Outlet Evolution: Over 75 Years of Delivering The WOW!

- Jim Read opens “Cannery Sales”
- Signs first IO Agreement in Redmond, OR
- Acquires Amelia’s and expands to East Coast
- Eric Lindberg and MacGregor Read become Co-CEOs
- Expands to Southern California market
- Hellman & Friedman invests
- Reaches $2 billion in sales
- IPO listed on NASDAQ
- 400th store opens in Hailey, ID
- Reaches $3 billion in sales
- Our 300th store opens in Inglewood, CA
- Launched eCommerce
- RJ Sheedy becomes CEO

Timeline:
- 1946: Jim Read opens “Cannery Sales”
- 1973: Signs first IO Agreement in Redmond, OR
- 2006: Acquires Amelia’s and expands to East Coast
- 2011: Eric Lindberg and MacGregor Read become Co-CEOs
- 2012: Expands to Southern California market
- 2014: Hellman & Friedman invests
- 2017: Reaches $2 billion in sales
- 2018: IPO listed on NASDAQ
- 2019: 400th store opens in Hailey, ID
- 2020: Reaches $3 billion in sales
- 2021: Our 300th store opens in Inglewood, CA
- 2022: Launched eCommerce
- 2023: RJ Sheedy becomes CEO
Our Mission

Touching lives for the better.

Our Vision

Touch lives by being the first choice for bargain-minded consumers in the U.S.

Our Values & Behaviors

**Achievement**
We continuously improve and drive results.

**Service**
We exist to serve others and improve the communities in which we operate.

**Diversity**
We drive change through Equity, Diversity, and Inclusion.

**Family**
We nurture strong relationships to create a safe space where everyone can be themselves.

**Entrepreneurship**
We innovate and take calculated risks to drive our business forward.

**Integrity**
We do what's right, not what's convenient.

**Fun**
We celebrate our victories and don't take ourselves too seriously.
INVESTMENT HIGHLIGHTS & GROWTH STRATEGIES
Investment Highlights & Growth Strategies

**Investment Highlights**

- Powerful customer value proposition supported by a “WOW!” experience
- Flexible sourcing and distribution model that is difficult to replicate
- Independent Operators: Our “small business at scale” model
- Strong consumer engagement and alignment with macro trends
- Attractive and consistent new store economics support whitespace

**Growth Strategies**

*Be the First Choice for Bargain-Minded Customers Across the Country*

- Drive comparable store sales growth
- Execute on store expansion plans
- Improve productivity and reinvest in the value proposition
Our Fundamentally Different Approach To Buying and Selling

<table>
<thead>
<tr>
<th>HOW WE BUY</th>
<th>HOW WE SELL</th>
</tr>
</thead>
</table>
| • Opportunistic sourcing of quality, name-brand, fresh products | • Independently operated, local, small-box stores  
  • Personalized customer service  
  • High community involvement |
| • Large, centralized purchasing team  
  • Long-standing, actively managed supplier relationships | • IOs control store operations and oversee:  
  • Product selection  
  • Hiring, training and managing their store workers  
  • Local marketing |
| • Proactive sourcing of on-trend products and brands | “Out Chain the Locals, Out Local the Chains” |
| • Everyday core staples to complement our WOW! offerings | |

*Small Business at Scale*
Flexible Sourcing and Distribution Model Anchored by Purchasing Team and Relationships

Long-Standing Suppliers...

...And New Emerging Suppliers

...Who Make Us One of Their First Calls

RELATIONSHIP

BRAND PROTECTION

EXECUTION

SCALE
Substantial Opportunity to Further Grow Opportunistic Supply

Significant Share Gain Opportunity

Ongoing Secondary Market Growth

New Emerging Brands

Faster Innovation Cycles

New Categories (e.g., Natural / Organic)

New Packaging

Greater Emphasis on Fresh
Grocery Outlet’s Differentiated Sourcing Model Delivers Great Value To Customers

Two Primary Methods

**Opportunistic**

• Opportunistic purchases represent CPG excess inventory

• GO is a preferred CPG partner for a non-disruptive, brand-protected sales channel

• Allows GO to pass along significant savings to customers while making a healthy margin

**Everyday Core Staples**

• When staples, such as milk or sugar, cannot be sourced opportunistically, GO buys from traditional suppliers

• Provides customer convenience via a more complete product assortment

• Products priced at or below conventional supermarkets’ and discount competitors’ everyday prices
Favorable Value Proposition vs. Other Retailers

Basket Savings

% Savings Across Store Relative to Competitors\(^{(1)}\)

- **~40%** Conventional Grocery
- **~20%** Discount Retailers

AND WE PROVIDE EXTREME VALUE!  
AND IN AN EASY-TO-SHOP STORE!

Further Differentiation

- **CLUB STORES** BUT WITH NO MEMBERSHIP FEE OR BULK SIZES!
- **DEEP DISCOUNTERS** BUT OFFERS LEADING NATIONAL BRANDS!
- **DOLLAR STORES** ACROSS A FULL GROCERY ASSORTMENT!
- **ONLINE** BUT WITH FRIENDLY, HIGH-TOUCH SERVICE!

\(^{(1)}\) Savings vs. Conventional/Discount derived from Grocery Outlet's 2022 pricing research
Unique Independent Operator Model Fuels Success

“In Chain the Locals, Out Local the Chains”

**GROCERY OUTLET**

**Operational**
- Sourcing
- Initial pricing
- Recruiting and training IOs
- Real estate
- Distribution and logistics

**Financial**
- Own inventory (consigned to IOs)
- Regional marketing
- Rent
- Capex
- Corporate SG&A

**INDEPENDENT OPERATORS**

**Operational**
- Merchandising
- Managing inventory
- Modify pricing
- Hiring and training store employees
- Community and customer service

**Financial**
- Wages
- Local marketing
- Store operating expenses
- Operating working capital
- Operating assets

**Grocery Outlet Benefits**
- Aligned economic interests
- Reduced fixed costs
- Locally driven loyalty

**IO Benefits**
- Autonomy
- Scale benefits
- Significant income opportunity

Collaboration with and among IOs enables real-time feedback and best-practice sharing for continual improvement
Compelling Store Economics For Both Grocery Outlet & Independent Operators

<table>
<thead>
<tr>
<th></th>
<th>GO</th>
<th>IO</th>
</tr>
</thead>
<tbody>
<tr>
<td>CapEx Buildout</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>Inventory/Pre-Opening</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>IO Assets/Working Capital</td>
<td>✗</td>
<td>✓</td>
</tr>
</tbody>
</table>

Illustrative Year-4 P&L

<table>
<thead>
<tr>
<th>Sales</th>
<th>$7 mil</th>
<th>$2 mil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of Gross Profit, 50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Wages, Taxes, Benefits, ✓</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Occupancy, ✓</td>
<td>✗</td>
<td>✓</td>
</tr>
</tbody>
</table>

IO Model Reduces GO’s Fixed Cost Burden

Illustrative Expense Split

"Traditional" Model vs IO Model

- Fixed Costs
- IO Commission
- COGS ex. Rent

IO model reduces fixed cost burden
Selective Independent Operator Recruiting And Rigorous Training

Annual Leads: ~30,000

First Contact: Phone Screen & Initial Review

Considered: On-Site Executive Interviews

Selected: 70+

Enter 6-9 Month Aspiring Operator in Training Program
Centralized Marketing Coupled With Local IO Marketing Efforts

**ENTERPRISE MARKETING DRIVEN BY GROCERY OUTLET**

- **DIGITAL**
  - SOCIAL MEDIA
    - Facebook
    - Instagram
    - Pinterest
    - YouTube
  - DIGITAL ADS
  - WOW! ALERTS

- **RADIO/CONNECTED TV**
  - SiriusXM
  - Roku
  - Spotify
  - Apple TV

- **TRADITIONAL**
  - PRINT
  - RADIO
  - TELEVISION

**LOCAL MARKETING DRIVEN BY OPERATORS**

- **IN-STORE LOCALIZATION**

- **TARGETED PROMOTIONS**

- **ACTIVE SOCIAL MEDIA PRESENCE**

- **COMMUNITY INVOLVEMENT**

- **PERSONALIZATION**
  - INFLUENCER
Significant Whitespace Opportunity

Long term market potential to establish ~4,800 stores nationally

(1) Source: eSite.
Note: Map figures as of July 1, 2023.
Attractive and Historically Consistent New Store Economics

New Store Underwriting Assumptions

- We employ a blended underwriting model reflecting average economics across all urbanicities, geographies and store types
- New stores target average net cash investment of ~$2.0M
- 4-5 year store ramp until maturity
- Payback period of approximately 4 years
- Recent cohorts have performed inline with return expectations

Model Assumptions (Year 4)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>~$6,875</td>
</tr>
<tr>
<td>GO Four Wall EBITDA Contribution</td>
<td>~$680</td>
</tr>
<tr>
<td>% Four Wall EBITDA Margin</td>
<td>~10%</td>
</tr>
<tr>
<td>Cash-on-Cash Return</td>
<td>~35%</td>
</tr>
</tbody>
</table>

Note: Dollars in thousands. Cash-on-cash return defined as four-wall EBITDA divided by total initial net cash investment. Four-wall EBITDA includes store level costs such as product and distribution costs, commissions, occupancy, marketing and other costs.
We Are Winning Through Constant Investments To Continually Strengthen Our Value Proposition

Invest in generating the WOW!

Reinvesting in the customer experience to strengthen value proposition

Identify and implement productivity initiatives

Talent

Technology
FINANCIAL PERFORMANCE & OUTLOOK
Strong and Disciplined Net Sales Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Unit Growth</th>
<th>Comp</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>9%</td>
<td>4.2%</td>
</tr>
<tr>
<td>2016</td>
<td>12%</td>
<td>3.6%</td>
</tr>
<tr>
<td>2017</td>
<td>11%</td>
<td>5.3%</td>
</tr>
<tr>
<td>2018</td>
<td>8%</td>
<td>3.9%</td>
</tr>
<tr>
<td>2019</td>
<td>10%</td>
<td>5.2%</td>
</tr>
<tr>
<td>2020</td>
<td>10%</td>
<td>12.7%</td>
</tr>
<tr>
<td>2021</td>
<td>9%</td>
<td>-6.0%</td>
</tr>
<tr>
<td>2022</td>
<td>6%</td>
<td>11.8%</td>
</tr>
</tbody>
</table>

Historical Financial Performance

1. Fiscal 2020 was a 53-week year. The extra week contributed $53.3 million in sales in fiscal 2020.
2. Data reflects Q2 2023 results.

Track Record of Adjusted EBITDA Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>5.9%</td>
</tr>
<tr>
<td>2016</td>
<td>5.9%</td>
</tr>
<tr>
<td>2017</td>
<td>6.3%</td>
</tr>
<tr>
<td>2018</td>
<td>6.1%</td>
</tr>
<tr>
<td>2019</td>
<td>6.8%</td>
</tr>
<tr>
<td>2020</td>
<td>5.9%</td>
</tr>
<tr>
<td>2021</td>
<td>6.0%</td>
</tr>
<tr>
<td>2022</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

Dollars in millions.

Stores: 237, 265, 293, 316, 347, 380, 415, 441, 447

Unit Growth: 9%, 12%, 11%, 8%, 10%, 10%, 9%, 6%, 5%

Comp: 4.2%, 3.6%, 5.3%, 3.9%, 5.2%, 12.7%, -6.0%, 11.8%, 12.8%
Long History of Comparable Store Sales Performance Across Cycles

2004 – Q2’2023 Average: ~5.4%

Q1 2019 – Q2 2023 Quarterly Comparable Store Sales Results

Q1’2019 – Q2’2023 Average ~ 6.5%
Q2 2023 Highlights & Fiscal 2023 Outlook

Q2 Highlights

- Repaid the $25M of principal under the revolving credit facility.
- Opened four new stores and closed one, ending the quarter with 447 stores in eight states
- Comp store sales increased 9.2% on top of 11.2% last year
- Adjusted EBITDA increased 22.7% to $70.5M
- Adjusted Net Income increased 18.5% to $31.9M

Fiscal 2023 Outlook (2)

- Expect to open 25 to 28 net new stores
- Net sales of approximately $3.95B
- Comp store sales increase of 7.0% to 8.0%
- Adjusted EBITDA of $254M to $260M
- Adjusted earnings per diluted share of $1.04 to $1.08

---

(1) Represents 2-year stacked comparable store sales growth, which is the sum of the increase in comparable store sales, as reported, in the second quarters of fiscal 2023 and 2022

(2) As of Q2 earnings call on August 8, 2023
Healthy Balance Sheet with Strong Liquidity

- Reduced net leverage \(^{(1)}\) from 5.8x pre-IPO \(^{(2)}\) to 0.9x as of Q2’2023.
- $395.8M remaining borrowing capacity under revolving credit facility at end of Q2’2023.
- $93.3M repurchase authority remaining under $100M share repurchase program at end of Q2’2023.

**Capitalization ($ in millions)**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>Q2 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$140.1</td>
<td>$102.7</td>
<td>$87.6</td>
</tr>
<tr>
<td>Total Debt</td>
<td>$451.5</td>
<td>$379.7</td>
<td>$296.3</td>
</tr>
<tr>
<td>Net Debt</td>
<td>$311.4</td>
<td>$276.9</td>
<td>$208.7</td>
</tr>
<tr>
<td>Adj. EBITDA</td>
<td>$182.9</td>
<td>$214.7</td>
<td>$244.7 (^{(4)})</td>
</tr>
<tr>
<td>Net Debt / Adj. EBITDA (^{(4)})</td>
<td>1.7x</td>
<td>1.3x</td>
<td>0.9x</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Defined as \((\text{Total Debt} - \text{Cash}) / \text{Adj. EBITDA}\)
\(^{(2)}\) Reflects fiscal 2018; IPO in June 2019
\(^{(3)}\) Defined as \(\text{Adj. EBITDA} / \text{Net Interest Expense}\)
\(^{(4)}\) Adjusted EBITDA on an LTM basis

**Interest Coverage**

- 2020: 10.6x
- 2021: 11.8x
- 2022: 11.9x
- LTM Q2 2023: 11.6x

**Net Leverage**

- Pre-IPO: 5.8x
- 2019: 2.7x
- 2020: 1.6x
- 2021: 1.7x
- 2022: 1.3x
- LTM Q2 2023: 0.9x
## Long-Term Targets

<table>
<thead>
<tr>
<th>Objective</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Unit Growth</td>
<td>~10%</td>
</tr>
<tr>
<td>Comparable Store Sales Growth</td>
<td>1 – 3% annually</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>Stable as a % of Sales</td>
</tr>
<tr>
<td>Adjusted Net Income Growth</td>
<td>Mid-teens %</td>
</tr>
</tbody>
</table>
## Adjusted EBITDA Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>Q2 2019</th>
<th>Q2 2020</th>
<th>Q2 2021</th>
<th>Q2 2022</th>
<th>Q2 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income</strong></td>
<td>$(10.6)</td>
<td>$29.3</td>
<td>$19.6</td>
<td>$20.1</td>
<td>$24.5</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>15.5</td>
<td>5.3</td>
<td>3.9</td>
<td>3.9</td>
<td>4.8</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>(4.2)</td>
<td>(2.2)</td>
<td>4.1</td>
<td>1.7</td>
<td>7.2</td>
</tr>
<tr>
<td>Depreciation and amortization expenses</td>
<td>13.2</td>
<td>13.9</td>
<td>17.7</td>
<td>19.6</td>
<td>21.1</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$13.7</td>
<td>$46.2</td>
<td>$45.3</td>
<td>$45.2</td>
<td>$57.6</td>
</tr>
<tr>
<td>Share-based compensation expenses</td>
<td>22.8</td>
<td>10.2</td>
<td>4.2</td>
<td>9.5</td>
<td>11.3</td>
</tr>
<tr>
<td>Loss on debt extinguishment and modification</td>
<td>5.2</td>
<td>-</td>
<td>-</td>
<td>1.3</td>
<td>-</td>
</tr>
<tr>
<td>Asset impairment and gain or loss on disposition</td>
<td>0.2</td>
<td>-</td>
<td>0.3</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Other</td>
<td>0.4</td>
<td>2.0</td>
<td>(3.4)</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$42.3</td>
<td>$58.4</td>
<td>$46.4</td>
<td>$57.5</td>
<td>$70.5</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>6.6%</td>
<td>7.3%</td>
<td>6.0%</td>
<td>6.4%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Interest coverage</td>
<td>2.7x</td>
<td>11.1x</td>
<td>11.8x</td>
<td>14.8x</td>
<td>14.8x</td>
</tr>
</tbody>
</table>

**Note:** Dollars in millions.

1. Includes non-cash share-based compensation expense and cash dividends paid on vested share-based awards as a result of dividends declared in connection with recapitalizations that occurred in fiscal 2018 and 2016.
2. Represents the write-off of debt issuance costs and debt discounts as well as debt modification costs related to refinancing and/or repayment of our credit facilities.
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5. Adjusted EBITDA margin represents adjusted EBITDA divided by net sales.
6. Defined as adjusted EBITDA divided by net interest expense.
## Adjusted Net Income Reconciliation

### Net Income

<table>
<thead>
<tr>
<th></th>
<th>Q2 2019</th>
<th>Q2 2020</th>
<th>Q2 2021</th>
<th>Q2 2022</th>
<th>Q2 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>($10.6)</td>
<td>$29.3</td>
<td>$19.6</td>
<td>$20.1</td>
<td>$24.5</td>
</tr>
<tr>
<td>Share-based compensation expenses&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>22.8</td>
<td>10.2</td>
<td>4.2</td>
<td>9.5</td>
<td>11.3</td>
</tr>
<tr>
<td>Loss on debt extinguishment and modification&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>5.2</td>
<td>-</td>
<td>-</td>
<td>1.3</td>
<td>-</td>
</tr>
<tr>
<td>Asset impairment and gain or loss on disposition&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>0.2</td>
<td>-</td>
<td>0.3</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Other&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>0.4</td>
<td>2.0</td>
<td>(3.4)</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Amortization of purchase accounting assets and deferred financing costs&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>3.8</td>
<td>2.9</td>
<td>2.9</td>
<td>3.1</td>
<td>1.4</td>
</tr>
<tr>
<td>Tax adjustment to normalize effective tax rate&lt;sup&gt;(6)&lt;/sup&gt;</td>
<td>-</td>
<td>(9.6)</td>
<td>(2.4)</td>
<td>(4.3)</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Tax effect of total adjustments&lt;sup&gt;(7)&lt;/sup&gt;</td>
<td>(9.2)</td>
<td>(4.2)</td>
<td>(1.1)</td>
<td>(4.2)</td>
<td>(4.4)</td>
</tr>
</tbody>
</table>

### Adjusted Net Income

<table>
<thead>
<tr>
<th></th>
<th>Q2 2019</th>
<th>Q2 2020</th>
<th>Q2 2021</th>
<th>Q2 2022</th>
<th>Q2 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Net Income</td>
<td>$12.5</td>
<td>$30.7</td>
<td>$20.2</td>
<td>$26.9</td>
<td>$31.9</td>
</tr>
</tbody>
</table>

---

**Note:** Dollars in millions.

1. Includes non-cash share-based compensation expense and cash dividends paid on vested share-based awards as a result of dividends declared in connection with recapitalizations that occurred in fiscal 2018 and 2016.
2. Represents the write-off of debt issuance costs and debt discounts as well as debt modification costs related to refinancing and/or repayment of our credit facilities.
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7. Represents the tax effect of the total adjustments. We calculate the tax effect of the total adjustments on a discrete basis excluding any non-recurring and unusual tax items.
### Adjusted EBITDA Reconciliation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income</strong></td>
<td>$4.8</td>
<td>$10.2</td>
<td>$20.6</td>
<td>$15.9</td>
<td>$15.4</td>
<td>$106.7</td>
<td>$62.3</td>
<td>$65.1</td>
<td>$67.2</td>
<td>$71.6</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>45.9</td>
<td>47.1</td>
<td>49.7</td>
<td>55.4</td>
<td>45.9</td>
<td>20.0</td>
<td>15.6</td>
<td>18.0</td>
<td>20.2</td>
<td>21.1</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>3.5</td>
<td>6.7</td>
<td>5.2</td>
<td>6.0</td>
<td>1.4</td>
<td>(19.6)</td>
<td>15.2</td>
<td>10.7</td>
<td>14.4</td>
<td>19.9</td>
</tr>
<tr>
<td>Depreciation and amortization expenses</td>
<td>31.2</td>
<td>37.2</td>
<td>43.2</td>
<td>47.1</td>
<td>50.1</td>
<td>58.1</td>
<td>71.1</td>
<td>78.3</td>
<td>79.9</td>
<td>81.5</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$85.4</td>
<td>$101.2</td>
<td>$118.6</td>
<td>$124.3</td>
<td>$112.9</td>
<td>$165.2</td>
<td>$164.2</td>
<td>$172.0</td>
<td>$181.7</td>
<td>$194.1</td>
</tr>
<tr>
<td>Share-based compensation expenses (1)</td>
<td>0.2</td>
<td>2.9</td>
<td>1.7</td>
<td>10.4</td>
<td>31.4</td>
<td>38.1</td>
<td>17.6</td>
<td>32.6</td>
<td>33.4</td>
<td>35.3</td>
</tr>
<tr>
<td>Loss on debt extinguishment and modification (2)</td>
<td>5.5</td>
<td>-</td>
<td>1.5</td>
<td>5.3</td>
<td>5.6</td>
<td>0.2</td>
<td>-</td>
<td>1.3</td>
<td>6.6</td>
<td>5.3</td>
</tr>
<tr>
<td>Asset impairment and gain or loss on disposition (3)</td>
<td>0.9</td>
<td>0.5</td>
<td>0.5</td>
<td>1.3</td>
<td>2.0</td>
<td>1.7</td>
<td>1.2</td>
<td>1.2</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Other (4)</td>
<td>3.5</td>
<td>3.7</td>
<td>0.8</td>
<td>2.1</td>
<td>3.3</td>
<td>7.5</td>
<td>(0.2)</td>
<td>7.7</td>
<td>9.0</td>
<td>9.0</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$95.4</td>
<td>$108.4</td>
<td>$123.1</td>
<td>$143.4</td>
<td>$155.2</td>
<td>$212.7</td>
<td>$182.9</td>
<td>$214.7</td>
<td>$231.7</td>
<td>$244.7</td>
</tr>
<tr>
<td>Adjusted EBITDA margin (5)</td>
<td>5.9%</td>
<td>5.9%</td>
<td>5.9%</td>
<td>6.3%</td>
<td>6.1%</td>
<td>6.8%</td>
<td>5.9%</td>
<td>6.0%</td>
<td>6.2%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Interest coverage (6)</td>
<td>2.1x</td>
<td>2.3x</td>
<td>2.5x</td>
<td>2.6x</td>
<td>3.4x</td>
<td>10.6x</td>
<td>11.8x</td>
<td>11.9x</td>
<td>11.5x</td>
<td>11.6x</td>
</tr>
</tbody>
</table>

**Note:** Dollars in millions.
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5. Adjusted EBITDA margin represents adjusted EBITDA divided by net sales.
6. Defined as adjusted EBITDA divided by net interest expense.
Adjusted Net Income Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Q1 2023 LTM</th>
<th>Q2 2023 LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>$15.4</td>
<td>$106.7</td>
<td>$62.3</td>
<td>$65.1</td>
<td>$67.2</td>
<td>$71.6</td>
</tr>
<tr>
<td>Share-based compensation expenses (1)</td>
<td>31.4</td>
<td>38.1</td>
<td>17.6</td>
<td>32.6</td>
<td>33.4</td>
<td>35.3</td>
</tr>
<tr>
<td>Loss on debt extinguishment and modification (2)</td>
<td>5.6</td>
<td>0.2</td>
<td>0.0</td>
<td>1.3</td>
<td>6.6</td>
<td>5.3</td>
</tr>
<tr>
<td>Asset impairment and gain or loss on disposition (3)</td>
<td>2.0</td>
<td>1.7</td>
<td>1.2</td>
<td>1.2</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Other (4)</td>
<td>3.3</td>
<td>7.5</td>
<td>(0.2)</td>
<td>7.7</td>
<td>9.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Amortization of purchase accounting assets and deferred financing costs (5)</td>
<td>11.9</td>
<td>11.8</td>
<td>11.8</td>
<td>10.9</td>
<td>9.3</td>
<td>7.7</td>
</tr>
<tr>
<td>Tax adjustment to normalize effective tax rate (6)</td>
<td>(3.6)</td>
<td>(44.1)</td>
<td>(5.9)</td>
<td>(10.1)</td>
<td>(8.3)</td>
<td>(6.5)</td>
</tr>
<tr>
<td>Tax effect of total adjustments (7)</td>
<td>(15.2)</td>
<td>(16.6)</td>
<td>(8.3)</td>
<td>(14.7)</td>
<td>(16.5)</td>
<td>(16.7)</td>
</tr>
<tr>
<td>Adjusted Net Income</td>
<td>$50.8</td>
<td>$105.3</td>
<td>$78.6</td>
<td>$93.9</td>
<td>$101.7</td>
<td>$106.7</td>
</tr>
</tbody>
</table>

Note: Dollars in millions.

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## Net Debt Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Q1’23</th>
<th>Q1’23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Debt</strong></td>
<td>$857.4</td>
<td>$448.0</td>
<td>$449.2</td>
<td>$451.5</td>
<td>$379.7</td>
<td>$323.1</td>
<td>$296.3</td>
</tr>
<tr>
<td><strong>Less: cash and cash equivalents</strong></td>
<td>$21.1</td>
<td>$28.1</td>
<td>$105.3</td>
<td>$140.1</td>
<td>$102.7</td>
<td>$82.1</td>
<td>$87.6</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>$836.3</td>
<td>$419.9</td>
<td>$343.9</td>
<td>$311.4</td>
<td>$276.9</td>
<td>$240.9</td>
<td>$208.7</td>
</tr>
<tr>
<td><strong>Net Leverage (1)</strong></td>
<td>5.8x</td>
<td>2.7x</td>
<td>1.6x</td>
<td>1.7x</td>
<td>1.3x</td>
<td>1.0x</td>
<td>0.9x</td>
</tr>
</tbody>
</table>

**Note: Dollars in millions.**

1. Defined as (Total Debt – Cash) / LTM Adj. EBITDA.