

Net Leverage Ratio as of Q3 2021 was 4.15x

Reconciliation of LTM Q3 2021 Net Income and Debt Agreement Adjusted EBITDA for a Pro Forma Net Leverage Ratio

(\$ thousands)	Three months ended December 26, 2020	Nine months ended September 25, 2021	LTM Q3 2021
Net (Loss)/Income	(\$7,471)	\$48,321	\$40,850
Income tax expense	5,263	24,445	29,708
Interest expense, net	30,673	52,390	83,063
Depreciation and amortization	29,458	78,722	108,180
EBITDA	\$57,923	\$203,878	\$261,801
Acquisition related costs ⁽²⁾	2,395	2,674	5,069
Non-core items and project costs ⁽³⁾	6,962	3,910	10,872
Sponsor management fees ⁽⁴⁾	543	-	543
Straight-line rent adjustment ⁽⁵⁾	4,026	8,391	12,417
Equity-based compensation expense ⁽⁶⁾	815	2,944	3,759
Foreign currency transaction (gain)/loss ⁽⁷⁾	(13,618)	6,356	(7,262)
Bad debt expense ⁽⁸⁾	359	-	359
Asset impairment charges and closed store expenses ⁽⁹⁾	1,690	3,005	4,695
Loss on debt extinguishment ⁽¹⁰⁾	4,817	45,576	50,393
Adjusted EBITDA	\$65,912	\$276,734	\$342,646
Acquisition EBITDA adjustments ⁽¹¹⁾			26,081
Run Rate adjustments related to store opening and closings ⁽¹²⁾			6,007
Other adjustments permitted under Debt Agreement			15,962
Debt Agreement Adjusted EBITDA			\$390,696

(\$ thousands)	September 25, 2021	Pro Forma Adjustments ⁽¹⁾	September 25, 2021 (Pro Forma)
Total Debt	\$1,727,985	203,000	\$1,930,985
Less: Cash and cash equivalents	115,365	194,505	309,870
Net Debt	\$1,612,620	8,495	\$1,621,115
			September 25, 2021 (Pro Forma)
Net Debt			\$1,621,115
LTM Debt Agreement Adjusted EBITDA			\$390,696
Pro Forma Net Leverage Ratio			4.15x

Notes:

1. Represents the 2021-1 \$450M debt issuance, excluding debt issuance costs of \$8.5M, and the cash repayment of the outstanding revolver balance as of 9/25/2021 of \$247M.
2. Consists of acquisition costs as reflected within the consolidated statement 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. We expect to incur similar costs in connection with other acquisitions in the future and, under U.S. GAAP, such costs relating to acquisitions are expensed as incurred and not capitalized.
3. Consists of discrete items and project costs, including (i) third-party consulting and professional fees associated with strategic transformation initiatives, (ii) wage subsidies received directly attributable to the COVID-19 pandemic and (iii) other miscellaneous expenses, including non-capitalizable expenses relating to the Company's initial public offering and other strategic transactions.
4. Includes management fees paid to Roark Capital Management, LLC.
5. Consists of the non-cash portion of rent expense, which reflects the extent to which our straight-line rent expense recognized under U.S. GAAP exceeds or is less than our cash rent payments.
6. Represents non-cash equity-based compensation expense.
7. Represents foreign currency transaction gains and losses primarily related to the remeasurement of our intercompany loans and gain on remeasurement of cross currency swaps.
8. Represents bad debt expense related to uncollectible receivables outside of normal operations.
9. Relates to the impairment of certain fixed assets and operating lease right-of-use assets related to closed locations. Also represents lease exit costs and other costs associated with stores that were closed prior to their respective lease termination dates.
10. Represents the write-off of debt issuance costs associated with early termination of debt.
11. Represents our estimate of our anticipated annual operating results, including, without limitation, our estimates of the contribution of businesses acquired as if such acquisitions had occurred on the first day of the twelve-month period ended September 25, 2021.
12. 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 September 25, 2021.