

Net leverage ratio as of Q4 2021 was 4.4x



Reconciliation of Fiscal 2021 Net Income and Debt Agreement Adjusted EBITDA

(\$ thousands)	Twelve months ended December 25, 2021
Net (Loss)/Income	\$9,536
Income tax expense	25,536
Interest expense, net	75,914
Depreciation and amortization	112,777
EBITDA	\$223,583
Acquisition related costs ^(a)	\$62,386
Non-core items and project costs, net ^(b)	5,656
Straight-line rent adjustment ^(c)	11,619
Equity-based compensation expense ^(d)	4,301
Foreign currency transaction (gain)/loss, net ^(e)	20,383
Bad debt expense (recovery) ^(f)	(3,183)
Asset sale leaseback (gain) loss, impairment and closed store expenses ^(g)	(8,935)
Loss on debt extinguishment ^(h)	45,576
Adjusted EBITDA	\$361,686
Acquisition EBITDA adjustments ⁽ⁱ⁾	37,464
Run Rate adjustments related to store opening and closings ^(j)	8,486
Other adjustments permitted under Debt Agreement	13,447
Debt Agreement Adjusted EBITDA	\$421,083

(\$ thousands)	December 25, 2021	Pro Forma Adjustments (k)	December 25, 2021 (Pro Forma)
Total Debt	\$2,382,364	-	\$2,382,364
Less: Cash and cash equivalents	\$523,414	(\$228,563)	\$294,581
Net Debt	\$1,858,950	\$228,563	\$2,087,513

(\$ thousands)	December 25, 2021	Pro Forma Adjustments (k)	December 25, 2021 (Pro Forma)
Debt Agreement Adjusted EBITDA	\$421,083	\$21,991	\$443,074

(\$ thousands)	December 25, 2021	December 25, 2021 (Pro Forma)
Net Debt	\$1,858,950	\$2,087,513
LTM Debt Agreement Adjusted EBITDA	\$421,083	\$443,074
Pro Forma Net Leverage Ratio	4.4x	4.7x

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Notes:

- (a) 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.
- (b) 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.
- (c) 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.
- (d) Represents non-cash equity-based compensation expense.
- (e) Represents foreign currency transaction gains, net that primarily related to the remeasurement of our intercompany loans. These gains are slightly offset by unrealized losses on remeasurement of cross currency swaps.
- (f) Represents bad debt expense (recovery) related to uncollectible receivables outside of normal operations
- (g) Relates to the discontinuation of the use of the Pro Oil trade name as those locations were transitioned to the Take 5 trade name, as well as 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.
- (h) Represents the write-off of debt issuance costs and prepayment penalties associated with early termination of debt.
- (i) 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 December 25, 2021.
- (j) 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 December 25, 2021.
- (k) Represents the pro-forma impact of the acquisition of Auto Glass Now ("AGN") which closed on December 30, 2021