Q3 2024 RESULTS & THREE YEAR FINANCIAL PLAN

NOVEMBER 14 | 2024

Forward Looking Statements and Non-GAAP

Certain statements herein are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are usually identifiable by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast, “guidance,” “intend,” “likely,” “may,” “plan,” “position,” “possible,” “potential,” “probable,” “project,” “should,” “strategy,” “target,” “will,” or similar language. All statements other than statements of historical fact are forward-looking statements, including, but not limited to, statements about the company’s strategic initiatives, restructuring and asset optimization plans, financial objectives, operational plans and objectives, statements about the sale of the company’s Worldpac business, including statements regarding the benefits of the sale and use of proceeds therefrom, statements regarding expectations for economic conditions, future business and financial performance, as well as statements regarding underlying assumptions related thereto. Forward-looking statements reflect the company’s views based on historical results, current information and assumptions related to future developments. Except as may be required by law, the company undertakes no obligation to update any forward-looking statements made herein. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those projected or implied by the forward-looking statements. They include, among others, the company’s ability to hire, train and retain qualified employees, the timing and implementation of strategic initiatives, risks associated with the company’s restructuring and asset optimization plans, deterioration of general macroeconomic conditions, geopolitical factors, the highly competitive nature of the industry, demand for the company’s products and services, ongoing risks associated with the disposition of Worldpac, the company’s ability to maintain credit ratings, risks relating to the impairment of assets, including intangible assets such as goodwill, access to financing on favorable terms, complexities in the company’s inventory and supply chain and challenges with transforming and growing its business. Please refer to “Item 1A. Risk Factors” of the company’s most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”), as updated by the company’s subsequent filings with the SEC, for a description of these and other risks and uncertainties that could cause actual results to differ materially from those projected or implied by the forward-looking statements.

Non-GAAP Financial Measures.
The company's financial results include certain financial measures not derived in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Non-GAAP financial measures, including Adjusted net income and Adjusted EPS, should not be used as a substitute for GAAP financial measures, or considered in isolation, for the purpose of analyzing our operating performance, financial position or cash flows. For additional information about these measures and a reconciliation to their most comparable GAAP measures, please refer to the Appendix in these materials.

AGENDA

Q3 2024 Results
Shane O'Kelly, President and CEO
Ryan Grimsland, EVP and CFO

Our Path Forward
Shane O'Kelly

Financial Objectives
Ryan Grimsland

Q&A

Q3 2024 RESULTS

Shane O’Kelly

Ryan Grimsland

Q3 2024 SUMMARY

Making progress on decisive actions

Completed sale of Worldpac

Confident in strategic path forward

Q3 2024 RESULTS

Advance Auto Parts Continuing Operations

Net Sales

$2.1B

(-3.2% YoY)

Comparable Sales

-2.3% YoY

Adjusted Loss Per Share

-$0.04

(+$1.15 YoY)

Leverage Ratio

3.7x

(-0.3x vs. Q4 2023)

TTM Adj. Debt/ Adj. EBITDAR

Gross Margin

42.3%

(+541bps YoY)

Adjusted SG&A Margin

41.5%

(+130 bps YoY)

Adjusted Operating Income Margin

0.8%

(+411 bps YoY)

Leverage Ratio shown based on consolidated operations including discontinued operations

Q3 2024 ADDITIONAL ITEMS

Reported Financials

Comparable Sales	Gross Margin	Adjusted SG&A Margin	Adjusted Operating Income Margin	Adjusted Loss Per Share
-2.3% YoY	42.3% (+541bps YoY)	41.5% (+130 bps YoY)	0.8% (+411 bps YoY)	-$0.04 (+$1.15 YoY)

Items that impacted Q3 results. Not included in Non-GAAP adjustments

	Comparable Sales	Gross Margin	Adjusted SG&A Margin	Adjusted Operating Income Margin	Adjusted Loss Per Share
Crowdstrike systems outage	✓	✓		✓	✓
Hurricane Helene	✓	✓	✓	✓	✓
Inventory-related		✓		✓	✓
Others		✓	✓	✓	✓
Total	-0.50%	-0.70%	+0.55%	-1.25%	-$0.34

ADVANCE AUTO PARTS

OUR PATH FORWARD

Shane O'Kelly

DRIVERS OF OUR TURNAROUND

01

Advance operates in an attractive industry with **strong demand drivers**

02

We are getting **back to fundamentals** of selling auto parts with a **focus on the blended box**

03

Our execution is supported by **experienced leadership** and **improved liquidity**

04

Operational productivity review identified opportunities to improve profitability

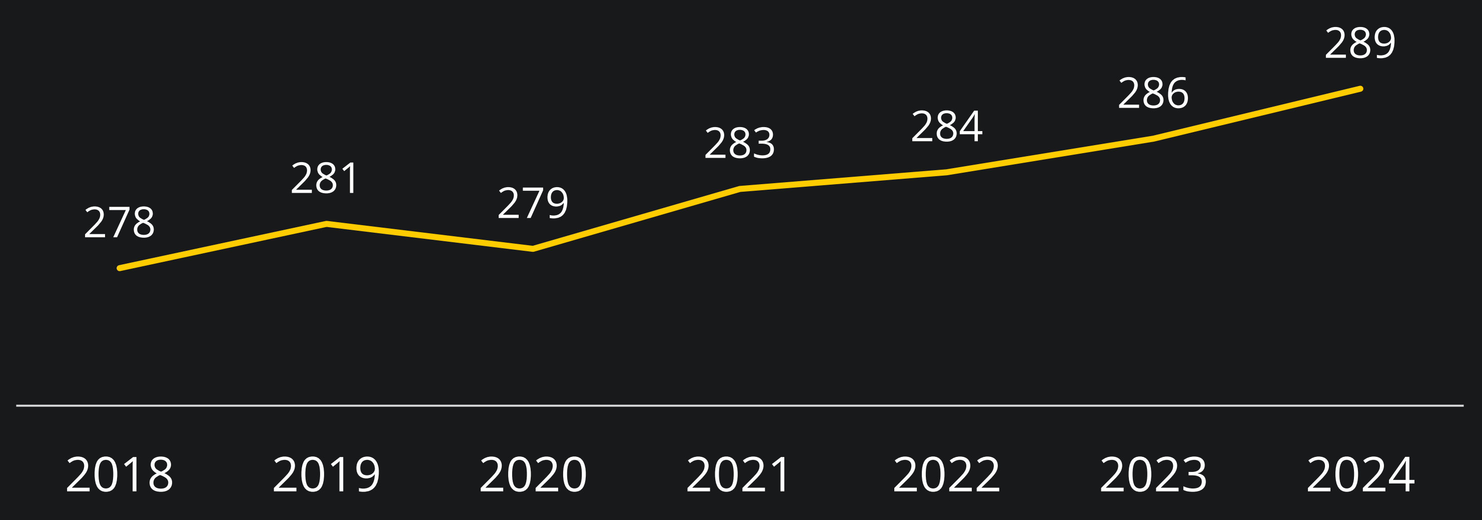
05

Targeting to achieve **approx. 7% adjusted operating income margin by FY27**

ATTRACTIVE INDUSTRY WITH STRONG DEMAND DRIVERS

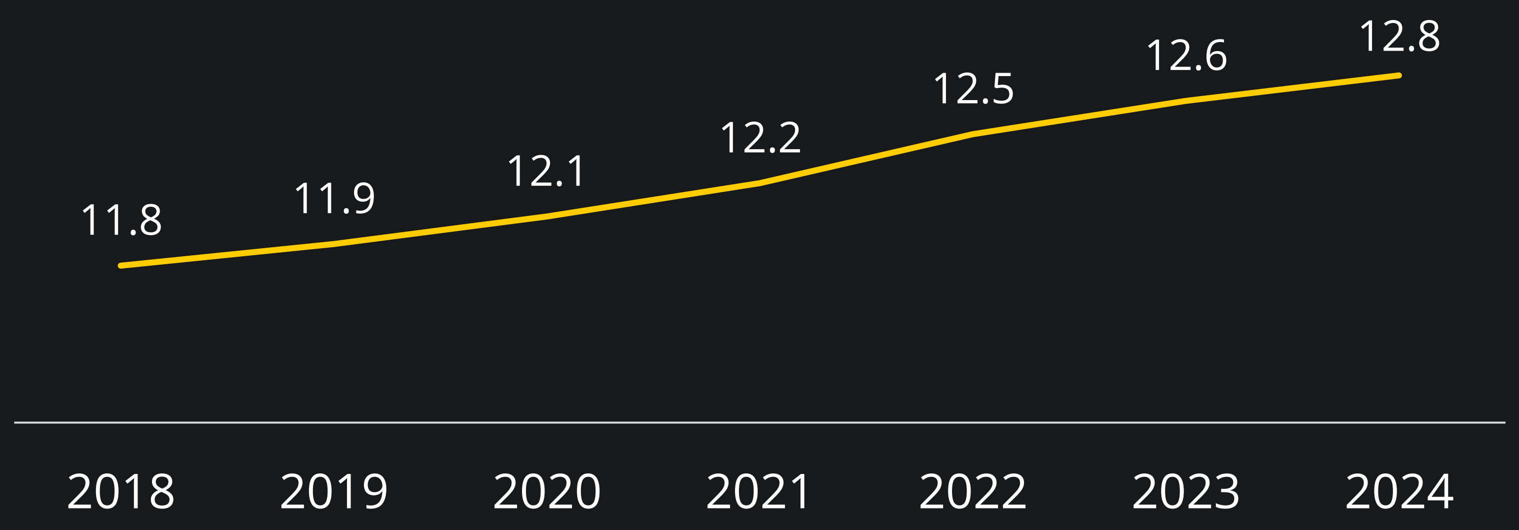
01

Total Number of Light-Duty Vehicles in Operation
(Million)



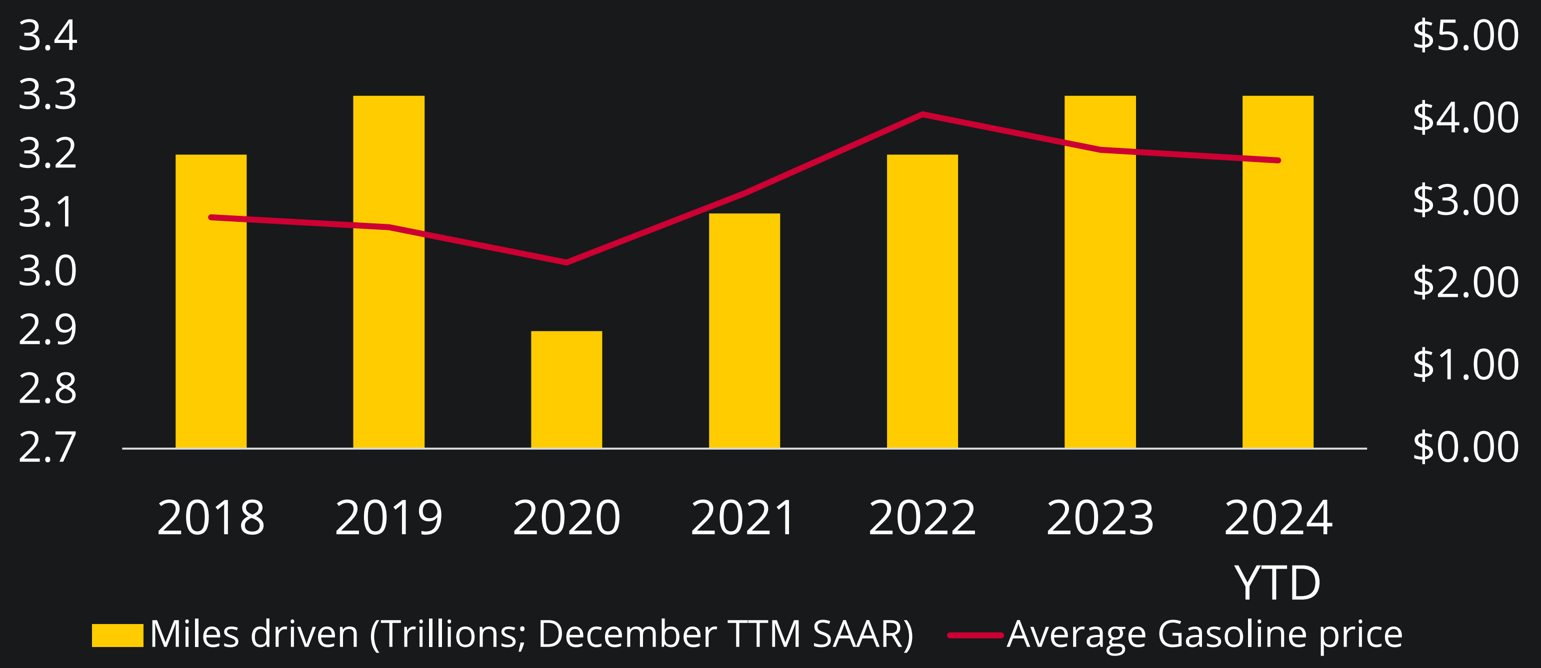
Over **280 million vehicles** in operation with **~85% at least 4 years old**

Average Age of Light-Duty Vehicles in Operation



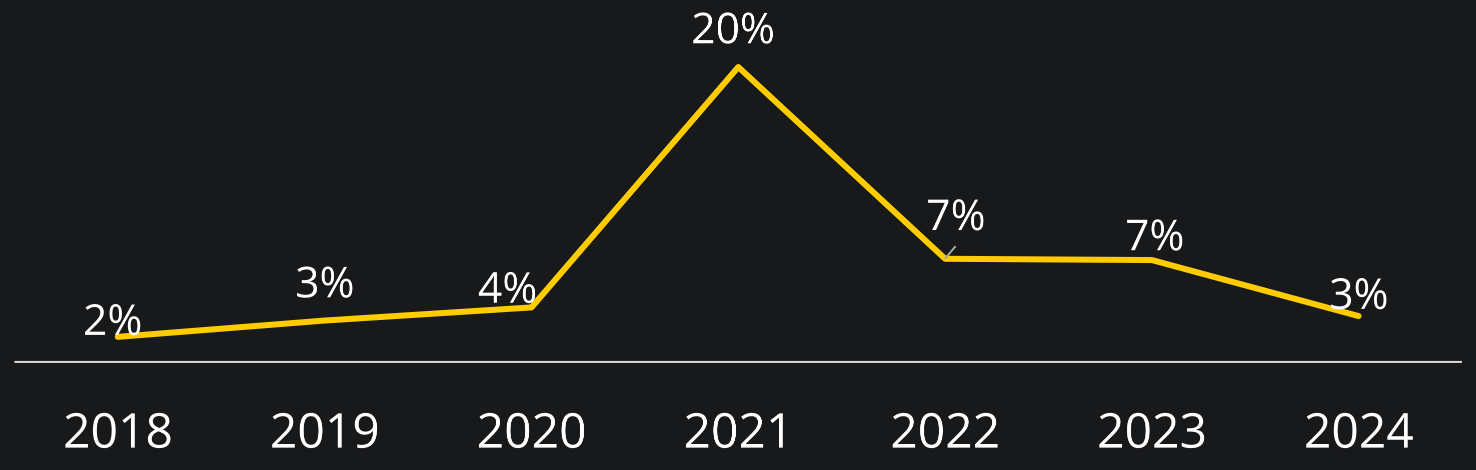
Average **vehicle age of 12.8 years**

Miles driven (Dec TTM SAAR) vs Gasoline Prices



Continued **growth in miles driven**, despite the volatility in energy prices

Personal Consumption Expenditures (PCE)
YoY Annual average growth



Consumer spending on accessories & parts normalizing

S&P Global Mobility, DOT/FHWA, EIA, U.S. Bureau of Labor Statistics and FOMC forecasts

ADVANCE AUTO PARTS

CUSTOMER FIRST MINDSET

- Customer
- Front Line
- Field Support
- Staff
- Corporate Leaders

DECISIVE ACTIONS ALREADY TAKEN

02

- Completed sale of **Worldpac**
- Retained the **Canada business**
- **Invested** in the frontline
- Initiated **supply chain consolidation** and build out of **market hub** stores
- **Invested in price** to improve market competitiveness
- Established **talented leadership**

COMMITTED TO THE BLENDED BOX

DIY

PRO

STRENGTHENED LEADERSHIP TEAM

03

Shane O'Kelly
President & CEO
AAP: ~1 year
~35 years experience

Ryan Grimsland
EVP & CFO
AAP: ~1 year
~24 years experience

Sri Donthi
EVP & CTO
AAP: ~7 years
~30 years experience

Bruce Starnes
EVP Merchandising
AAP: <1 year
~25 years experience

Tammy Finley
EVP General Counsel & Corporate Secretary
AAP: ~26 years
~30 years experience

Steve Szilagyi
EVP Supply Chain
AAP: ~2 years
~40 years experience

Jason Hand
SVP U.S. Stores
AAP: ~25 years
~25 years experience

Junior Word
EVP, Professional, Independent & Canada
AAP: ~22 years
~27 years experience

Todd Davenport
SVP Real Estate & Development
AAP: ~2 years
~25 years experience

Kristen Soler
EVP & CHRO
AAP: ~7 years
~25 years experience

Combined ~300 years of automotive and retail fundamental experience

WORLDPAC SALE STRENGTHENS BALANCE SHEET

03

Current AAP cash position of ~$2B includes **Worldpac sale proceeds**

OPERATIONAL PRODUCTIVITY REVIEW

04

Store Operations

Store closures
to optimize footprint for long-term success

DIY and Pro
operating model standardization

Labor productivity
improvements to drive higher fixed cost leverage

Merchandising Excellence

Strategic sourcing
to lower direct product costs

Assortment management
to enhance accuracy of parts

Promotions management
to maximize sales & margins

Supply Chain

DC consolidation
to create economies of scale

Build hub network
to improve service and parts availability

Optimize transportation
to lower supply chain costs

Right-sized organization structure to support execution of our strategic plan

04

STORE FOOTPRINT OPTIMIZATION

727 store closures/ exits	**523** Advance / Carquest stores **204** Independent locations **4** Distribution Centers
Decision criteria	**Multiple factors considered - Profitability, DC productivity, Operational execution**
Operational impact	**>75%** of revised store footprint located in **DMAs** with **#1 and #2 share*** **Approx. $60 - 80M** in operating income savings

* Relative market share based on store density

HEALTHY FOOTPRINT POST CLOSURES

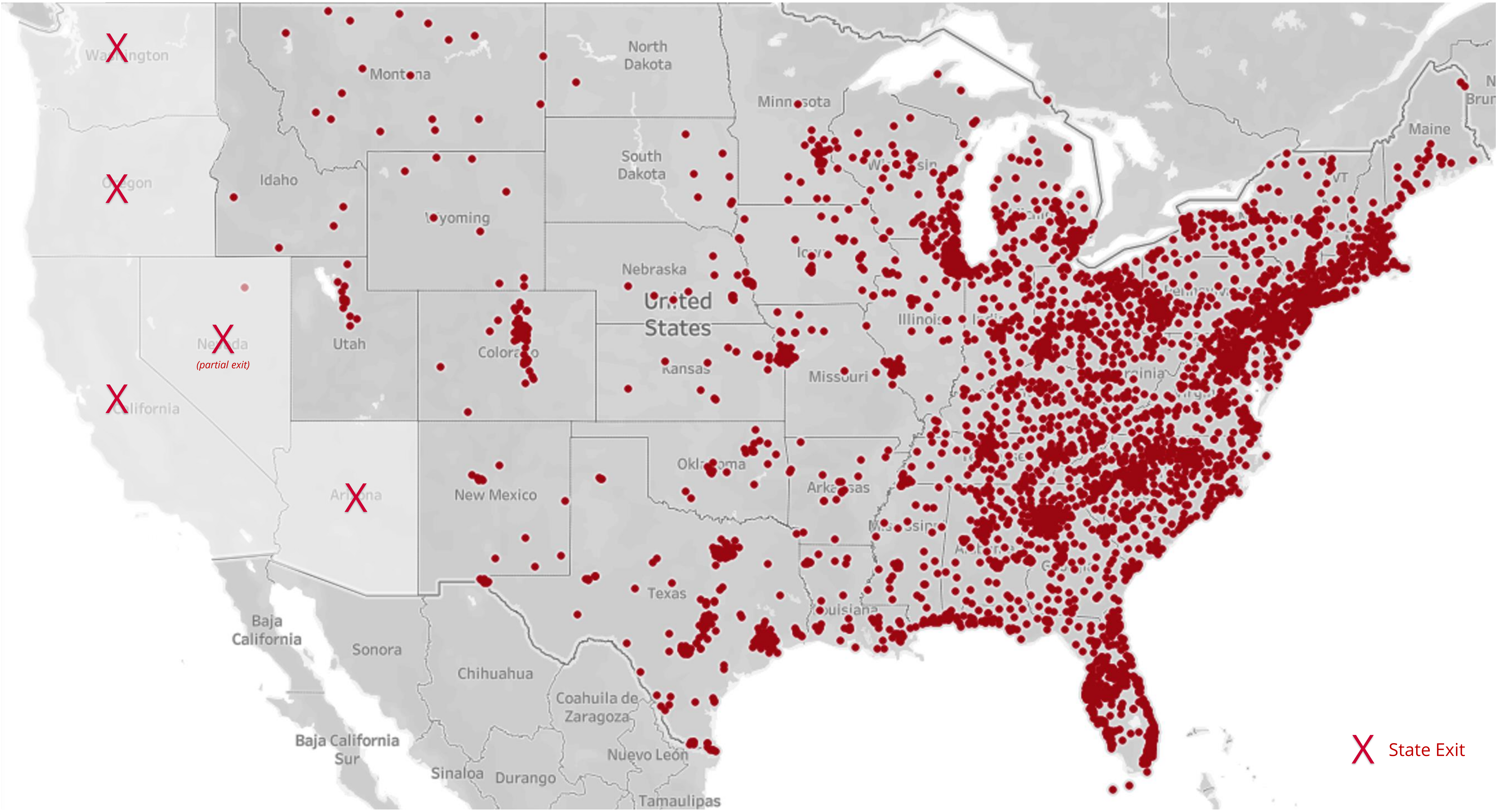
04

Metrics	Pre-Closures	Revised
# of US Corp Stores	4,631	4,108
# of US Independents	1,000	796
# Canada (Corp | Independent)	150 | 125	150 | 125
Revenue LTM ($M), all locations (US & CA)	$9,113	$8,413
Revenue/Store LTM, US & CA Corp Stores ($M)	$1.77	$1.84

Pre-closures and financial data based on the third quarter ending October 5, 2024

REVISED USA STORE FOOTPRINT

Corporate and Independent Locations



Improved concentration of stores in strongest markets

Note: Map does not include retained Puerto Rico and Canada stores.

REDESIGNING STORE OPERATIONS TO FOCUS ON QUALITY AND SPEED

- Standardize **in-store and outside sales operating model** for DIY / Pro
- Allocate **resources** based on **performance metrics**
- **Centralized recruitment** program and **stronger training** capabilities
- **Guide the customer** and provide solutions to **build trust**
- Reduce **time to serve** and improve **sales efficiency**

WINNING THE AFTERMARKET THROUGH MERCHANDISING EXCELLENCE

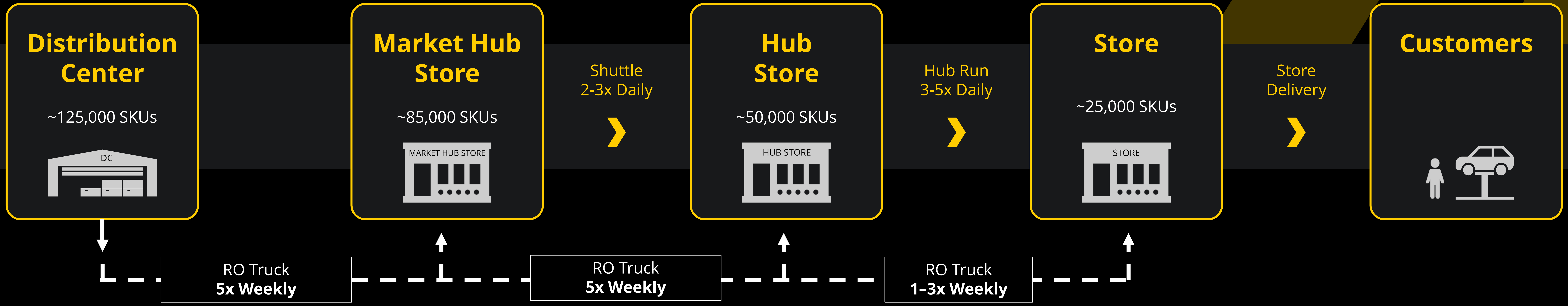
04

Provide High Quality Products and Brands to Our Customers

- People and Process
- Vendor Relationships & Line Reviews
- Speed of Parts Set Up
- Capture Demand Signals
- Assortment & Inventory Management
- Effective Pricing & Promotions

Requirements for **Driving Strong Merchandising Excellence**

MULTI ECHELON SUPPLY CHAIN



Replenishment Orders (RO)

Same Day Sourcing

Create Economies of Scale

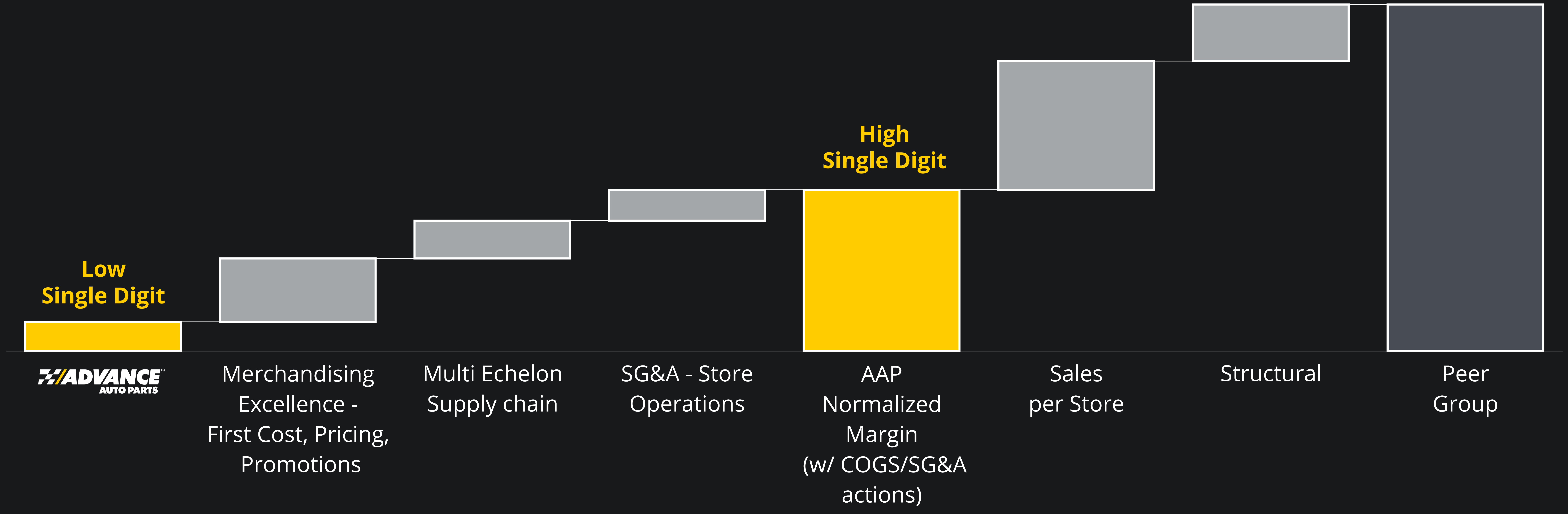
Compete In-Market with Speed

Operate Efficiently

OPPORTUNITY TO NARROW GAP TO PEERS

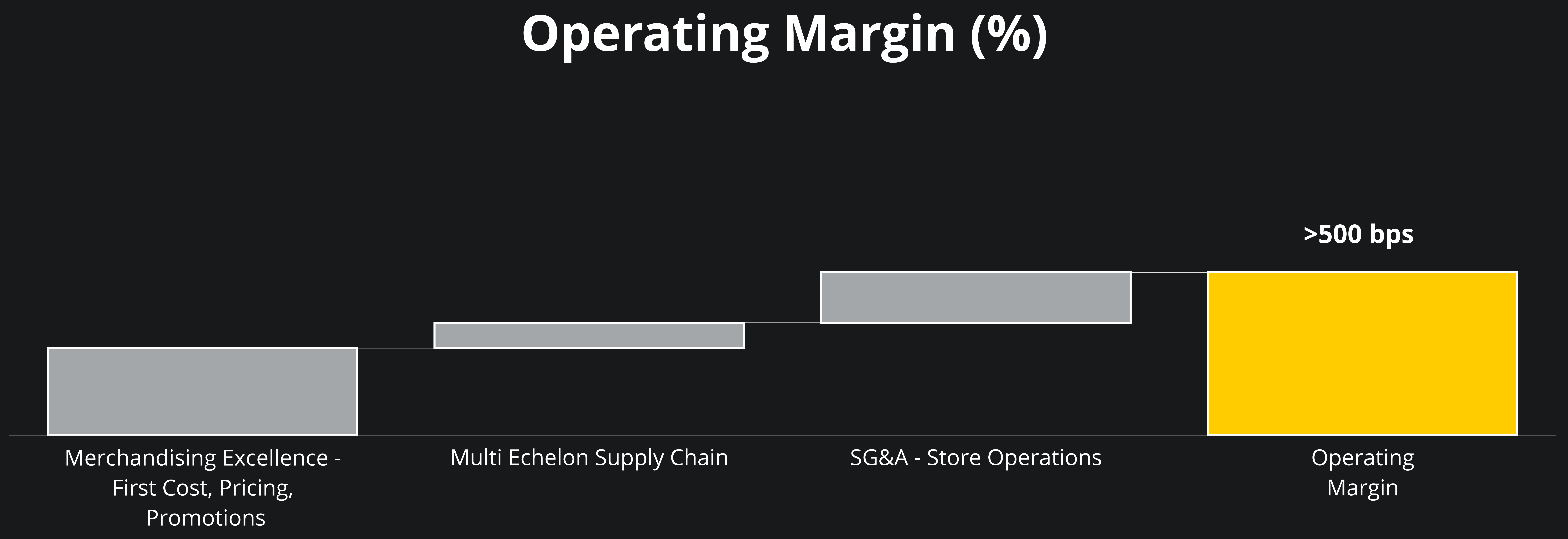
05

Operating Margin (%)



PRODUCTIVITY REVIEW IDENTIFIES OVER 500BPS OF MARGIN OPPORTUNITY

05



FINANCIAL OBJECTIVES

Ryan Grimsland

OUR VALUE CREATION ROADMAP

- OPTIMIZE COST STRUCTURE AND ASSET BASE
- IMPROVE MARGINS THROUGH MERCHANDISING, SUPPLY CHAIN AND OPERATIONAL EFFICIENCIES
- INVEST FOR GROWTH
- GENERATE STRONG FREE CASH FLOW

ENHANCE SHAREHOLDER RETURNS

STRATEGIC INITIATIVES TIMELINE

	Implementation				Critical Metric
	2024	2025	2026	2027+	
Merchandising Excellence					Store availability
Address product gaps and strategic sourcing					
Assortment management					
Pricing & promotions management					
Supply Chain					DC labor productivity
Distribution center consolidation					
Multi echelon network build out					
Transportation optimization					
Store Operations					Time to serve
Standardize store operating model					
Service level improvements					
Accelerate new store growth					

Sales and margin realization will lag implementation

REBASED REMAINCO FINANCIALS

Net Sales	
FY24 Guidance	**Approx. $9.0 Billion**
Store closures	**($0.6 – $0.8 Billion)**
Pro-forma Run Rate	**$8.2 to 8.4 Billion**

Adjusted Operating Income Margin	
FY24 Guidance (midpoint)	**0.5%**
Store closure operating margin savings	**0.7% to 0.9%**
Add’l items impacting FY performance *(Hurricane, CrowdStrike, and others)*	**0.3%**
Worldpac intercompany margin, net	**(0.3%)**

Key Points

- Store closures expected to be completed in mid-2025
- Annualized run-rate of financial impact of store closures expected in 2H26

For a better understanding of the company's non-GAAP adjustments, refer to the reconciliation of non-GAAP financial measures in the company's most recently filed 8-K and 10-Q.

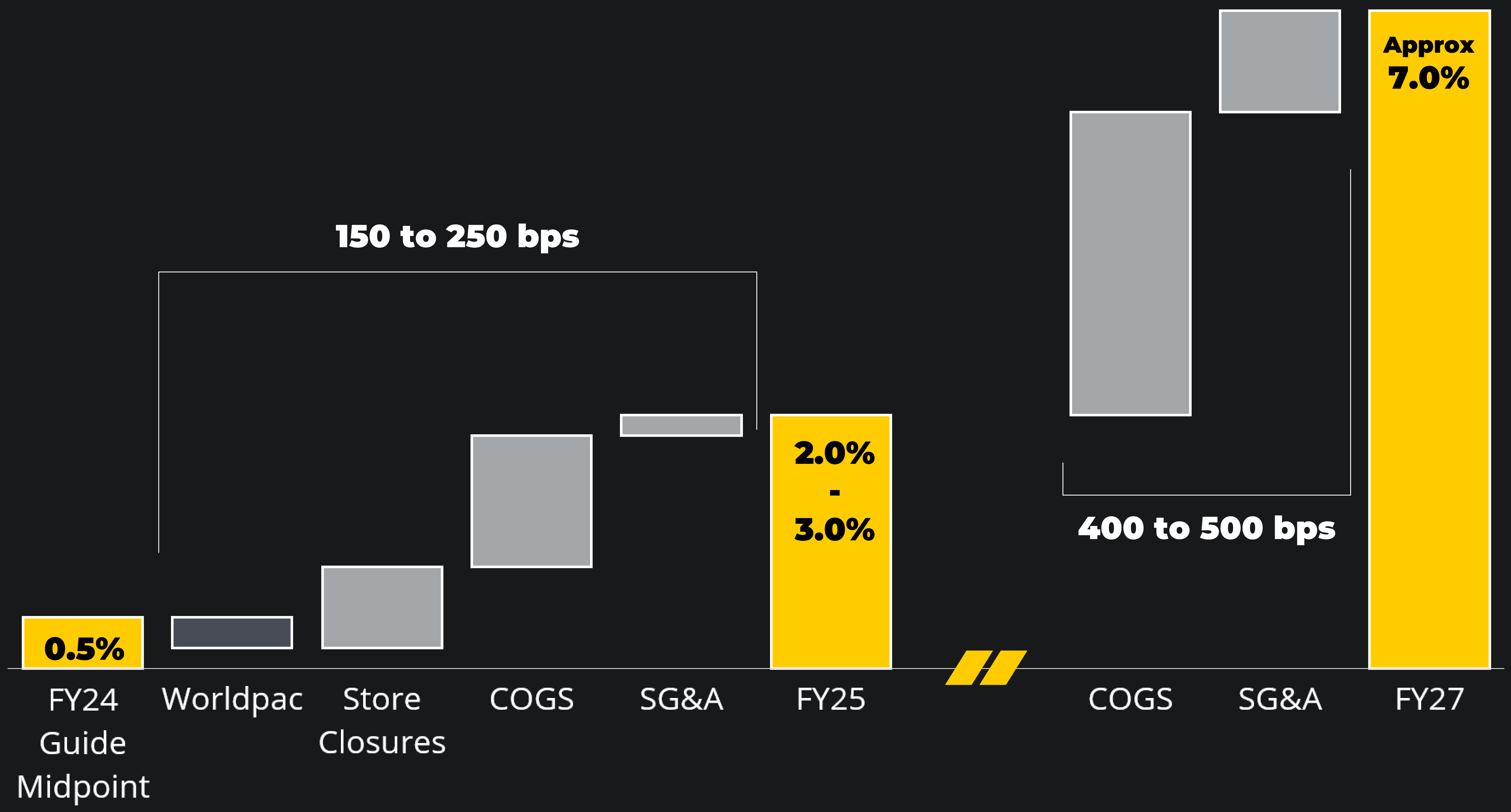
FY25 – FY27 NET SALES OUTLOOK

FY24 Guidance	**Approx. $9.0 Billion**
Store Closures	($0.5 - 0.7 Billion) partial annualized impact
Comparable Sales Growth	0.5% to 1.5%
New Stores	Open 30 stores
FY25	**$8.4 - 8.6 Billion**

FY26 - FY27	
Store Closures	($0.6 - 0.8 Billion) full annualized impact
Comparable Sales Growth	Positive low-single digit % each year
New Stores	Open 50 to 70 stores per year
FY27	**Approx. $9.0 Billion**

The company calculates comparable store sales based on the change in store or branch sales starting once a location has been open for approximately one year and by including e-commerce sales and excluding sales fulfilled by distribution centers to independently owned Carquest locations. Acquired stores are included in the company's comparable store sales one year after acquisition. The company includes sales from relocated stores in comparable store sales from the original date of opening.

FY25 – FY27 ADJUSTED OPERATING INCOME MARGIN OUTLOOK



Key Points

- Improvement in COGS driven by supply chain and merchandising initiatives
- Improvement in SG&A productivity driven by store operating model changes

The company is not able to provide a reconciliation of these forward-looking non-GAAP measures because it is unable to predict with reasonable accuracy the value of certain adjustments and as a result, the comparable GAAP measures are unavailable without unreasonable efforts.

CASH AND LIQUIDITY AS OF Q3 2024

Q3 2024 Cash	**$0.5 Billion**
Worldpac sale net proceeds	$1.2 Billion
One-time strategic cash costs	($0.3 - $0.5 Billion)[1]
Q3 2024 Pro-forma Cash Available	**$1.2 – $1.4 Billion**
Availability on revolver	$1.0 Billion[2]
Q3 2024 Pro-forma Liquidity	**$2.2 - $2.4 Billion**

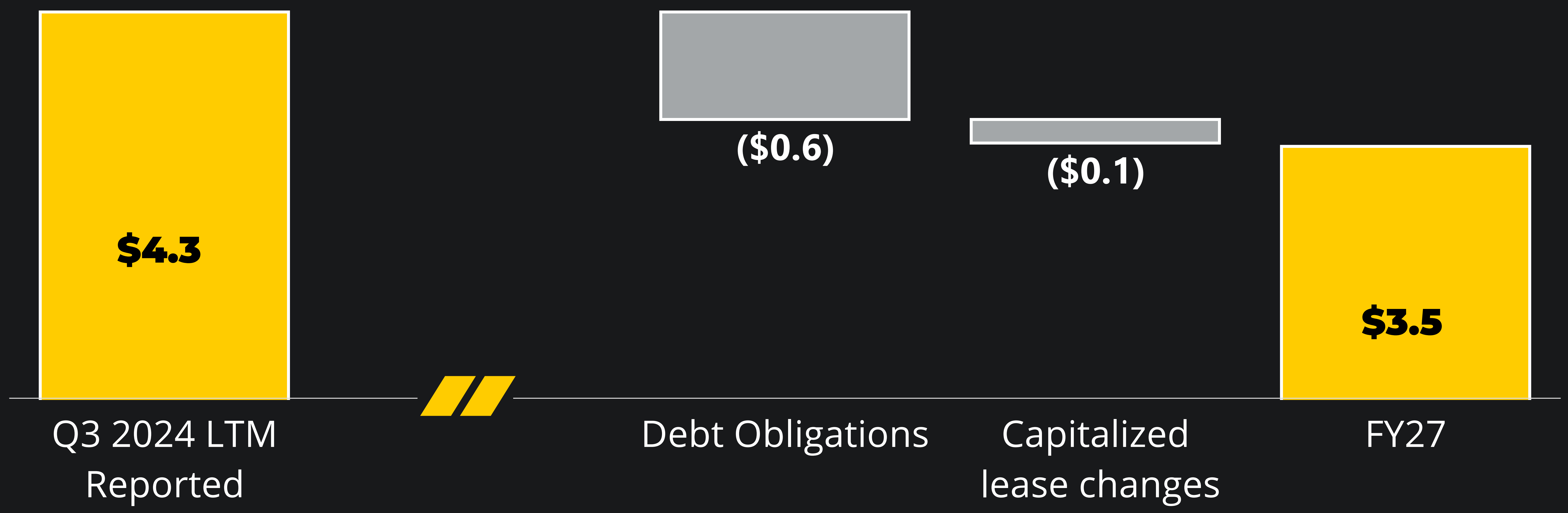
Key Points

- Healthy liquidity position to fund our strategic investments
- Expect to enhance liquidity through stronger operating cash flow generation
- Improvement in free cash flow will provide opportunity to enhance shareholder returns

1 Preliminary estimate
2 Lower capacity on amendment and does not reflect the previously disclosed letter of credit of up to $200 million, under its unsecured revolving credit facility, for up to 12 months after closing of the transaction as credit support for Worldpac's new supply chain financing program, which letter of credit will reduce to zero no later than 24 months after closing.

DEBT REDUCTION AND LEVERAGE RATIO

Adjusted Debt



>4.0x

RemainCo

~2.5x

RemainCo

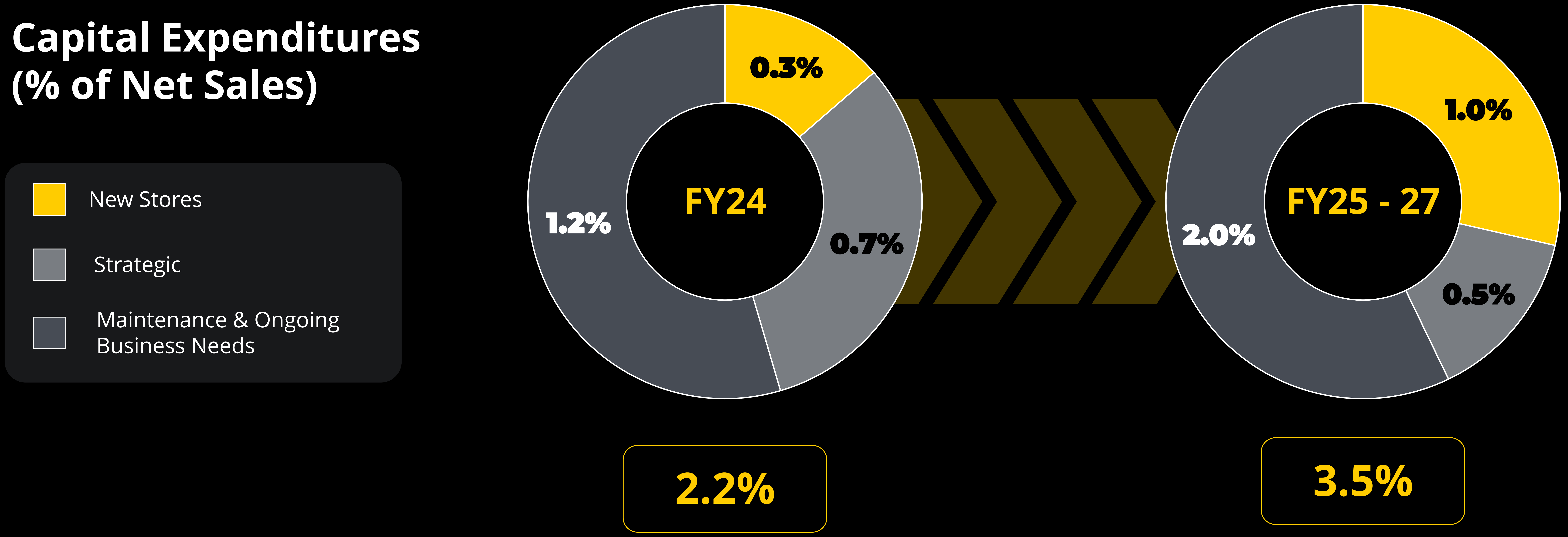
Leverage Ratio

(Adjusted debt to Adjusted EBITDAR)

Key Points

- Repay debt at or before maturity
- Maintain sufficient liquidity for investments
- Maintain supply chain financing agreements
- Evaluate lease obligations associated with store closures
- Deploy excess cash generated toward debt reduction

CAPITAL EXPENDITURE OUTLOOK



FY27 OBJECTIVES

~$9B

Net sales

Low Single Digit %

Comparable sales growth

~7%

Adjusted Operating income margin

~2.5x

Leverage Ratio (Adjusted Debt/ Adjusted EBITDAR)

FY24 REMAINCO GUIDANCE

($ in million, except margins and per share data)	**Current -** As of November 14, 2024
Net sales	Approx. $9,000
Comparable store sales	Approx. (1.0%)
Adjusted operating income margin	0.25% - 0.75%
Adjusted diluted EPS	($0.60) - $0.00
Capital expenditures	$175 - $225
Free cash flow	Approx. flat (incl. one-time strategic cash costs)

The company is not able to provide a reconciliation of these forward-looking non-GAAP measures because it is unable to predict with reasonable accuracy the value of certain adjustments and as a result, the comparable GAAP measures are unavailable without unreasonable efforts.

WHY INVEST IN ADVANCE AUTO PARTS

01

Retail expertise, trusted brand name, and extensive footprint

02

Well-positioned to capitalize on attractive industry demand drivers

03

Executing strategy focused on getting the basics right

04

Strong balance sheet to support turnaround plan

05

Pathway to margin improvement and value creation

Q&A

APPENDIX –

Q3 CONTINUING OPERATIONS AND NON-GAAP FINANCIALS

HISTORICAL STATEMENT OF GAAP CONTINUING OPERATIONS

Condensed Consolidated Statements of Operations:

	2023[1]					2024		
	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3
(in thousands, except per share data)								
Net sales	$ 2,786.1	$ 2,190.4	$ 2,218.2	$ 2,014.4	$ 9,209.1	$ 2,772.5	$ 2,177.8	$ 2,148.0
Comp sales	-1.2%	-0.9%	1.2%	-1.7%	-0.7%	-0.1%	0.4%	-2.3%
Cost of sales, including purchasing and warehousing costs	1,532.9	1,220.6	1,400.6	1,194.8	5,349.0	1,568.4	1,228.4	1,240.1
Gross profit	1,253.1	969.8	817.6	819.6	3,860.1	1,204.0	949.5	907.9
Selling, general and administrative expenses	1,188.4	874.7	896.1	862.0	3,821.2	1,150.8	896.4	907.5
Operating income (loss)	64.7	95.1	(78.6)	(42.4)	38.9	53.2	53.1	0.4
Other, net:								
Interest expense	(29.7)	(20.9)	(19.4)	(18.0)	(88.0)	(24.7)	(18.6)	(18.8)
Other income (expense), net	(0.8)	1.4	(0.3)	1.7	1.9	1.2	9.1	2.4
Total other, net	(30.6)	(19.5)	(19.7)	(16.4)	(86.1)	(23.5)	(9.4)	(16.4)
(Loss) income before provision for income taxes	34.1	75.7	(98.3)	(58.7)	(47.2)	29.7	43.6	(16.0)
Provision for income taxes	10.6	19.8	(24.1)	(23.5)	(17.2)	12.3	13.1	9.4
Net (loss) income from continuing operations	23.5	55.8	(74.2)	(35.2)	(30.0)	17.4	30.5	(25.4)
Net income from discontinued operations	24.8	22.7	12.1	0.1	59.8	22.6	14.5	19.4
Net (loss) income	$ 48.3	$ 78.6	$ (62.0)	$ (35.1)	$ 29.7	$ 40.0	$ 45.0	$ (6.0)
Basic (loss) earnings per common share from continuing operations	$ 0.40	$ 0.94	$ (1.24)	$ (0.59)	$ (0.51)	$ 0.29	$ 0.51	$ (0.42)
Basic (loss) earnings per common share from discontinued operations	0.41	0.38	0.20	0.0	1.01	0.38	0.24	0.32
Basic (loss) earnings per common share	$ 0.81	$ 1.32	$ (1.04)	$ (0.59)	$ 0.50	$ 0.67	$ 0.75	$ (0.10)
Weighted-average common shares outstanding	59.3	59.5	59.5	59.3	59.3	59.6	59.6	59.7
Diluted (loss) earnings per common share from continuing operations	$ 0.40	$ 0.94	$ (1.24)	$ (0.59)	$ (0.50)	$ 0.29	$ 0.51	$ (0.42)
Diluted (loss) earnings per common share from discontinued operations	0.41	0.38	0.20	0.0	1.00	0.38	0.24	0.32
Diluted (loss) earnings per common share	$ 0.81	$ 1.32	$ (1.04)	$ (0.59)	$ 0.50	$ 0.67	$ 0.75	$ (0.10)
Diluted weighted-average common shares outstanding	59.5	59.6	59.6	59.7	59.6	59.8	59.9	59.9

(1) The condensed consolidated statement of operations for 2023, reflects the correction of non-material errors the company discovered in previously reported results.

RECONCILIATION OF CONTINUING OPERATIONS NON-GAAP FINANCIAL MEASURES

The company's financial results include certain financial measures not derived in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Non-GAAP financial measures, including Adjusted Net income, Adjusted EPS, Adjusted SG&A Margin, and Adjusted Operating Income, should not be used as a substitute for GAAP financial measures, or considered in isolation, for the purpose of analyzing our operating performance, financial position or cash flows.

The company has presented these non-GAAP financial measures as the company believes that the presentation of the financial results that exclude (1) transformation expenses under the company’s turnaround plan, (2) other significant costs and (3) nonrecurring tax expense are useful and indicative of the company's base operations because the expenses vary from period to period in terms of size, nature and significance. These measures assist in comparing the company’s current operating results with past periods and with the operational performance of other companies in the industry. The disclosure of these measures allows investors to evaluate the company’s performance using the same measures management uses in developing internal budgets and forecasts and in evaluating management’s compensation. Included below is a description of the expenses the company has determined are not normal, recurring cash operating expenses necessary to operate the company’s business and the rationale for why providing these measures is useful to investors as a supplement to the GAAP measures.

Transformation Expenses — Costs incurred in connection with the company's turnaround plan and specific transformative activities related to asset optimization that the Company does not view to be normal cash operating expenses. These expenses primarily include:

- **Distribution network optimization** — Costs primarily relating to the conversion of the stores and DCs to market hubs, including temporary labor, team member severance, long-lived asset write off charges and incremental depreciation, as a result of accelerating depreciation of long-lived assets over a shorter useful life as a result of the optimization plans.
- **Third-party professional services** — Costs relating to non-recurring services rendered by third-party vendors assisting with the turnaround initiatives.

Other Expenses — Costs incurred by the company that are not viewed as normal cash operating expenses and vary from period to period in terms of size, nature and significance, including but not limited to executive turnover and incremental costs associated with remediating the company's previously-disclosed material weaknesses in internal control over financial reporting.

Nonrecurring Tax Expense — Income tax incurred by the Company from the book to tax basis difference in the Worldpac Canada stock directly resulting from the sale of Worldpac.

RECONCILIATION OF CONTINUING OPERATIONS NON-GAAP FINANCIAL MEASURES

Reconciliation of Adjusted Net Income and Adjusted EPS:

	2023					2024		
	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3
(in thousands, except per share data)								
Net income from continuing operations (GAAP)	$ 23.5	$ 55.8	$ (74.2)	$ (35.2)	$ (30.0)	$ 17.4	$ 30.5	$ (25.4)
SG&A adjustments:								
Transformation expenses:								
Restructuring costs and third-party professional services	0.2	0.1	0.0	7.5	7.8	(0.5)	2.2	3.6
Distribution network optimization	-	-	-	-	-	0.3	4.7	8.9
Other nonrecurring charges:								
Executive turnover	0.0	1.5	3.8	2.8	8.2	1.0	0.4	0.1
Material weakness remediation	-	-	0.4	1.0	1.4	2.0	0.3	1.3
Other significant costs(1)	-	-	-	-	-	-	1.1	2.4
SG&A adjustments subtotal	*0.2*	*1.6*	*4.3*	*11.3*	*17.4*	*2.9*	*8.8*	*16.3*
Provision for income taxes on adjustments(2)	(0.0)	(0.4)	(1.1)	(2.8)	(4.4)	(0.7)	(2.2)	(4.1)
Nonrecurring tax expense	-	-	-	-	-	-	-	10.0
Adjusted net income (Non-GAAP)	$ 23.7	$ 57.1	$ (71.0)	$ (26.7)	$ (16.9)	$ 19.6	$ 37.1	$ (3.2)
Diluted earnings per share from continuing operations (GAAP)	$ 0.40	$ 0.94	$ (1.24)	$ (0.59)	$ (0.50)	$ 0.29	$ 0.51	$ (0.42)
Adjustments, net of tax	(0.00)	0.02	0.05	0.14	0.22	0.04	0.11	0.38
Adjusted EPS (Non-GAAP)	$ 0.40	$ 0.96	$ (1.19)	$ (0.45)	$ (0.28)	$ 0.33	$ 0.62	$ (0.04)

(1) During the twelve and forty weeks ended October 5, 2024, the Company recorded expense of $2.4 million and $3.5 million for costs incurred following a cybersecurity incident that occurred during the twelve weeks ended July 13, 2024.
(2) The income tax impact of non-GAAP adjustments is calculated using the estimated tax rate in effect for the respective non-GAAP adjustments.

RECONCILIATION OF CONTINUING OPERATIONS NON-GAAP FINANCIAL MEASURES

Reconciliation of Adjusted Selling, General and Administrative Expenses:

	2023					2024		
	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3
(in thousands)								
SG&A (GAAP)	**$ 1,188.3**	**$ 874.7**	**$ 896.1**	**$ 862.0**	**$ 3,821.3**	**$ 1,150.8**	**$ 896.4**	**$ 907.5**
SG&A adjustments	0.2	1.6	4.3	11.3	17.4	2.9	8.8	16.3
Adjusted SG&A (Non-GAAP)	$ 1,188.2	$ 873.0	$ 891.9	$ 850.7	$ 3,803.8	$ 1,147.9	$ 887.7	$ 891.2
Adjusted SG&A (Non-GAAP) % Net Sales	42.6%	39.9%	40.2%	42.2%	41.3%	41.4%	40.8%	41.5%

Reconciliation of Adjusted Operating Income:

	2023					2024		
	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3
(in thousands)								
Operating income (GAAP)	**$ 64.7**	**$ 95.1**	**$ (78.6)**	**$ (42.4)**	**$ 38.9**	**$ 53.2**	**$ 53.1**	**$ 0.4**
SG&A adjustments	0.2	1.6	4.3	11.3	17.4	2.9	8.8	16.3
Adjusted operating income (Non-GAAP)	$ 64.9	$ 96.8	$ (74.3)	$ (31.0)	$ 56.3	$ 56.2	$ 61.8	$ 16.7
Adjusted operating income (Non-GAAP) % Net Sales	2.3%	4.4%	-3.3%	-1.5%	0.6%	2.0%	2.8%	0.8%

NOTE: Adjusted SG&A, Adjusted SG&A as a percentage of Net sales, Adjusted operating income and Adjusted operating income margin (calculated by dividing Adjusted operating income by Net sales) are non-GAAP measures. Management believes these non-GAAP measures are important metrics in assessing the overall performance of the business and utilizes these metrics in its ongoing reporting. On that basis, management believes it is useful to provide these metrics to investors and prospective investors to evaluate the company's operating performance across periods adjusting for these items (refer to the reconciliations of non-GAAP adjustments above). These non-GAAP measures might not be calculated in the same manner as, and thus might not be comparable to, similarly titled measures reported by other companies. Non-GAAP measures should not be used by investors or third parties as the sole basis for formulating investment decisions, as they may exclude a number of important cash and non-cash recurring items.