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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): November 25, 2025**

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**LESLIE'S, INC.**

(Exact name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-39667**  
(Commission File Number)

**20-8397425**  
(IRS Employer  
Identification No.)

**2005 East Indian School Road**  
**Phoenix, Arizona**  
(Address of Principal Executive Offices)

**85016**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: (602) 366-3999**

(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Securities registered pursuant to Section 12(b) of the Act:**

| <b>Title of each class</b>                | <b>Trading<br/>Symbol(s)</b> | <b>Name of each exchange on which registered</b> |
|---|------------------------------|--|
| Common stock, par value \$0.001 per share | LESL                         | The Nasdaq Global Select Market                  |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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**Item 2.02 Results of Operations and Financial Condition.**

On December 2, 2025 Leslie’s, Inc. (the “Company”) issued a press release announcing its financial results for the fourth quarter and fiscal year ended October 4, 2025. A copy of the press release is furnished as Exhibit 99.1 to this report.

The information under Item 2.02 of this report, including Exhibit 99.1 hereto, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information and the accompanying exhibit shall not be deemed to be incorporated by reference into filings with the U.S. Securities and Exchange Commission made by the Company, except as shall be expressly set forth by specific reference in such filing.

**Item 2.05 Costs Associated With Exit or Disposal Activities**

On November 25, 2025 the Company approved a plan to streamline operations and improve long-term profitability (the "Plan"). As part of the Plan, the Company intends to close approximately 80-90 U.S. stores identified as underperforming. The Company expects the closures to be substantially completed by the end of first fiscal quarter of 2026.

In connection with the Plan, the Company expects to incur total pre-tax charges of approximately \$12.0 million to \$17.0 million in the first fiscal quarter of 2026, consisting primarily of:

- Impairment of long-lived assets of approximately \$8.0 million
- Inventory write-offs of approximately \$4.0 million to \$9.0 million

The Company cannot currently estimate in good faith the amount or range of amounts of the charges that will result in future cash expenditures.

**Item 2.06 Material Impairments**

The information set forth in Item 2.05 above is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits.**

| Exhibit No. | Description   |
|-------------|---|
| 99.1        | <a href="#">Press Release of Leslie’s, Inc., dated December 2, 2025</a>     |
| 104         | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LESLIE'S, INC.

By: /s/ Jeff White  
Name: Jeff White  
Title: Chief Financial Officer and Treasurer (Principal Financial Officer and  
Principal Accounting Officer)

Date: December 2, 2025

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## Leslie's, Inc. Announces Fourth Quarter & Fiscal 2025 Financial Results

*Fourth quarter sales and adjusted EBITDA exceed high-end of guided range*

*Store and DC optimization to include the closure of 80 to 90 underperforming stores and one distribution center yielding immediate EBITDA improvement for FY26*

*Available liquidity of approximately \$168 million and no borrowings under ABL*

*Improved inventory efficiency with ~10% year-over-year reduction*

PHOENIX – December 2, 2025 – Leslie's, Inc. (NASDAQ: LESL), the largest and most trusted direct-to-customer brand in the U.S. pool and spa care industry serving residential customers and pool professionals nationwide, today announced its financial results for both the fiscal fourth quarter and fiscal year 2025.

"We delivered fourth quarter sales and adjusted EBITDA above the high end of our previously established guidance range and are today announcing the closure of 80-90 underperforming stores and one distribution center as we work with speed and urgency to improve Leslie's operations and establish a clear path to financial recovery," said Jason McDonell, Chief Executive Officer of Leslie's. "In addition, we will continue to focus diligently on rightsizing the cost base of our business by reducing inventory 10% year over year and delivering direct cost reductions of \$7-\$12 million which we will invest back into our customer price value proposition."

McDonell continued, "These initiatives represent the next phase of our strategic transformation plan, focused on strengthening our balance sheet, optimizing our cost structure, and rebuilding stakeholder confidence. We remain committed to executing this strategic transformation with urgency and delivering the results our customers, employees, and investors expect."

### Fiscal Fourth Quarter Ended October 4, 2025 Results

- Sales were \$389.2 million, a decrease of (2.2)% compared to \$397.9 million in the prior year period. Comparable sales decreased (6.5)%. Non-comparable sales from new stores contributed \$0.3 million in the quarter.
- Gross profit was \$150.1 million, an increase of 4.8% compared to \$143.2 million in the prior year period. Gross margin increased to 38.6% compared to 36.0 % in the prior year period.
- Selling, general and administrative expenses ("SG&A") were \$116.4 million compared to \$116.8 million in the prior year period.
- Impairment was \$183.8 million, comprised of \$180.7 million for goodwill and \$3.1 million of asset write offs for underperforming stores. No impairment charges were recorded in the prior year period.
- Net loss was \$(162.8) million compared to \$(9.9) million in the prior year period.
- Adjusted net income was \$0.8 million compared to \$4.4 million in the prior year period.
- Diluted loss per share was \$(17.54) compared to \$(1.07) in the prior year period. Adjusted diluted earnings (loss) per share was \$0.09 compared to \$0.47 in the prior year period.
- Adjusted EBITDA increased to \$45.2 million compared to \$43.0 million in the prior year period.

Fiscal 2025 Results

- Sales were \$1,242.0 million a decrease of (6.6)% compared to \$1,330.1 million in the prior year. Comparable sales decreased (8.1)%. Non-comparable sales from new stores contributed \$3.2 million for the year.
- Gross profit decreased (7.8)% to \$439.6 million compared to \$476.8 million in the prior year. Gross margin decreased to 35.4% from 35.8% in the prior year.
- SG&A increased \$6.0 million to \$425.7 million compared to \$419.7 million in the prior year.
- Impairment was \$183.8 million, comprised of \$180.7 million for goodwill and \$3.1 million asset write offs for underperforming stores. No impairment charges were recorded in the prior year.
- Interest expense decreased \$7.5 million to \$62.9 million compared to \$70.4 million in the prior year.
- Net loss was \$(237.0) million compared to \$(23.4) million in the prior year.
- Adjusted net loss was \$(43.7) million compared to \$(1.1) million in the prior year.
- Diluted loss per share was \$(25.51) compared to \$(2.53) in the prior year. Adjusted diluted loss per share was \$(4.70) compared to \$(0.12) in the prior year.
- Adjusted EBITDA was \$61.4 million compared to \$108.7 million in the prior year.

Balance Sheet Highlights

- Capital expenditures totaled \$25.5 million in the year ended October 4, 2025 compared to \$47.2 million in the year ended September 28, 2024.
- Cash and cash equivalents totaled \$64.3 million as of October 4, 2025, a decrease of \$44.2 million, compared to \$108.5 million as of September 28, 2024.
- Inventories totaled \$208.0 million as of October 4, 2025, a decrease of \$26.3 million or 11.2%, compared to \$234.3 million as of September 28, 2024.

Full Year Fiscal 2026 Expectations

As is typical for our business, we anticipate generating the majority of our sales and earnings during the second half of the year driven by the seasonal nature of our industry. The guide provided is for the 52 week period of Fiscal Year 2026 and includes the impact on revenue of the store closures noted above as well as the addback of expected costs incurred with these closures.

|                      |                                    |
|----------------------|------------------------------------|
| Sales                | \$1,100 million to \$1,250 million |
| Adjusted EBITDA      | \$55 million to \$75 million       |
| Capital Expenditures | \$20 million to \$25 million       |

\*Note: A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty of expenses that may be incurred in the future, although it is important to note that these factors could be material to our results computed in accordance with GAAP.

Conference Call Details

The company will host a conference call at 5:00 p.m. Eastern time on December 2, 2025 to discuss the financial results for the fourth quarter and full year fiscal 2025 as well as progress against the company’s strategic transformation initiatives. A live audio webcast of the conference call will be available online at <https://ir.lesliespool.com/>.

A replay of the conference call will be available within approximately three hours of the conclusion of the call and will be available on the company’s Investor Relations website for 180 days.

## About Leslie's

Founded in 1963, Leslie's is the largest and most trusted direct-to-customer brand in the U.S. pool and spa care industry serving residential customers and pool professionals nationwide. The company serves the aftermarket needs of residential and professional consumers with an extensive and largely exclusive assortment of essential pool and spa care products. The company operates an integrated ecosystem of over 1,000 physical locations and a robust digital platform, enabling consumers to engage with Leslie's whenever, wherever, and however they prefer to shop. Its dedicated team of associates, pool and spa care experts, and experienced service technicians are passionate about empowering Leslie's consumers with the knowledge, products, and solutions necessary to confidently maintain and enjoy their pools and spas.

## Use of Non-GAAP Financial Measures and Other Operating Measures

In addition to reporting financial results in accordance with accounting principles generally accepted in the United States ("GAAP"), we use certain non-GAAP financial measures and other operating measures, including comparable sales growth, Adjusted EBITDA, Adjusted net income (loss), and Adjusted diluted earnings per share, to evaluate the effectiveness of our business strategies, to make budgeting decisions, and to compare our performance against that of other peer companies using similar measures. These non-GAAP financial measures and other operating measures should not be considered in isolation or as substitutes for our results as reported under GAAP. In addition, these non-GAAP financial measures and other operating measures are not calculated in the same manner by all companies, and accordingly, are not necessarily comparable to similarly titled measures of other companies and may not be appropriate measures for performance relative to other companies.

### *Comparable Sales Growth*

We measure comparable sales growth as the increase or decrease in sales recorded by the comparable base in any reporting period, compared to sales recorded by the comparable base in the prior reporting period. The comparable base includes sales through our locations and through our e-commerce websites and third-party marketplaces. Comparable sales growth is a key measure used by management and our board of directors to assess our financial performance.

### *Adjusted EBITDA*

Adjusted EBITDA is defined as earnings before interest (including amortization of debt issuance costs), taxes, depreciation and amortization, equity-based compensation expense, executive transition costs, severance, strategic project costs, merger and acquisition costs, and other non-recurring, non-cash or discrete items. Adjusted EBITDA is a key measure used by management and our board of directors to assess our financial performance. Adjusted EBITDA is also frequently used by analysts, investors, and other interested parties to evaluate companies in our industry, when considered alongside other GAAP measures. We use Adjusted EBITDA to supplement GAAP measures of performance to evaluate the effectiveness of our business strategies, to make budgeting decisions, and to compare our performance against that of other companies using similar measures.

Adjusted EBITDA is not a recognized measure of financial performance under GAAP but is used by some investors to determine a company's ability to service or incur indebtedness. Adjusted EBITDA is not calculated in the same manner by all companies, and accordingly, is not necessarily comparable to similarly titled measures of other companies and may not be an appropriate measure for performance relative to other companies. Adjusted EBITDA should not be construed as an indicator of a company's operating performance in isolation from, or as a substitute for, net income (loss), cash flows from operations or cash flow data, all of which are prepared in accordance with GAAP. We have presented Adjusted EBITDA solely as supplemental disclosure because we believe it allows for a more complete analysis of results of operations. Adjusted EBITDA is not intended to represent, and should not be considered more meaningful than, or as an alternative to, measures of operating performance as determined in accordance with GAAP. In the future, we may incur expenses or charges such as those added back to calculate Adjusted EBITDA. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these items.

#### *Adjusted Net Income (Loss) and Adjusted Diluted Earnings (Loss) per Share*

Adjusted net income (loss) and Adjusted diluted earnings (loss) per share are additional key measures used by management and our board of directors to assess our financial performance. Adjusted net income (loss) and Adjusted diluted earnings (loss) per share are also frequently used by analysts, investors, and other interested parties to evaluate companies in our industry, when considered alongside other GAAP measures.

Adjusted net income (loss) is defined as net income (loss) adjusted to exclude equity-based compensation expense, executive transition costs, severance, strategic project costs, merger and acquisition costs, change in valuation allowance for deferred taxes, and other non-recurring, non-cash, or discrete items. Adjusted diluted earnings (loss) per share is defined as Adjusted net income (loss) divided by the diluted weighted average number of common shares outstanding.

#### **Forward-Looking Statements**

This press release contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical fact contained in this press release, including statements regarding our future results of operations or financial condition, business strategy, including our strategic transformation plan, value proposition, dispositions, legal proceedings, competitive advantages, market size, growth opportunities, industry expectations, plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would,” or the negative of these words or other similar terms or expressions. Our actual results or outcomes, or timing of our results or outcomes, could differ materially from those indicated in these forward-looking statements for a variety of reasons, including, among others:

- our ability to execute on our growth strategies;
- our expectations regarding our cash resources and cash generation from normal operations;
- supply disruptions or increased costs, including as a result of trade policies;
- our ability to maintain favorable relationships with suppliers and manufacturers;
- competition from mass merchants and specialty retailers;
- impacts on our business from the sensitivity of our business to weather conditions, changes in the economy (including high interest rates, recession fears, inflationary pressures and changes in trade policies, including tariffs or other trade restrictions or the threat of such actions), geopolitical events or conflicts, and the housing market;
- disruptions in the operations of our distribution centers;
- our ability to implement technology initiatives that deliver the anticipated benefits, without disrupting our operations;
- our ability to execute on our management transition plans and to attract and retain senior management and other qualified personnel;
- regulatory changes and developments affecting our current and future products including evolving legal standards, regulations and stakeholder expectations concerning sustainability matters;
- our ability to obtain additional capital to finance operations;
- commodity price inflation and deflation;
- impacts on our business from epidemics, pandemics, or natural disasters;
- impacts on our business from cyber incidents and other security threats or disruptions;
- our ability to regain and maintain compliance with Nasdaq listing standards;
- our ability to remediate material weaknesses or other deficiencies in our internal control over financial reporting or to maintain effective disclosure controls and procedures and internal control over financial reporting; and
- other risks and uncertainties, including those listed in the section titled “Risk Factors” in our filings with the United States Securities and Exchange Commission (“SEC”).

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this press release primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the year ended October 4, 2025 and in our other filings with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this press release. The results, outcomes, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results or outcomes, or the timing of results and outcomes, could differ materially from those described in the forward-looking statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this press release, and, while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this press release are based on events or circumstances as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this press release to reflect events or circumstances after the date of this press release or to reflect new information, changed expectations, the occurrence of unanticipated events or otherwise, except as required by law. We may not actually achieve the plans, intentions, outcomes, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments.

#### **Contact**

Tom Filandro  
Partner, ICR  
Lesliesir@icrinc.com



**Condensed Consolidated Statements of Operations**  
**(Amounts in thousands, except per share amounts)**

|  | Three Months Ended |                    | Year Ended      |                    |
|--|--------------------|--------------------|-----------------|--------------------|
|  | October 4, 2025    | September 28, 2024 | October 4, 2025 | September 28, 2024 |
|  | (Unaudited)        | (Unaudited)        | (Unaudited)     | (Audited)          |
| Sales  | \$ 389,206         | \$ 397,859         | \$ 1,241,915    | \$ 1,330,121       |
| Cost of merchandise and services sold        | 239,112            | 254,645            | 802,268         | 853,331            |
| Gross profit                                 | 150,094            | 143,214            | 439,647         | 476,790            |
| Selling, general and administrative expenses | 116,363            | 116,795            | 425,676         | 419,673            |
| Impairments                                  | 183,826            | -                  | 183,826         | -                  |
| Operating (loss) income                      | (150,095)          | 26,419             | (169,855)       | 57,117             |
| Interest expense                             | 15,494             | 17,015             | 62,919          | 70,395             |
| Net (loss) income before tax                 | (165,589)          | 9,404              | (232,774)       | (13,278)           |
| Income tax (benefit) expense                 | (2,774)            | 19,328             | 4,196           | 10,101             |
| Net loss                                     | \$ (162,815)       | \$ (9,924)         | \$ (236,970)    | \$ (23,379)        |
| Earnings (loss) per share:                   |                    |                    |                 |                    |
| Basic  | \$ (17.54)         | \$ (1.07)          | \$ (25.51)      | \$ (2.53)          |
| Diluted                                      | \$ (17.54)         | \$ (1.07)          | \$ (25.51)      | \$ (2.53)          |
| Weighted average shares outstanding:         |                    |                    |                 |                    |
| Basic  | 9,283              | 9,246              | 9,290           | 9,234              |
| Diluted                                      | 9,283              | 9,246              | 9,290           | 9,234              |

**Other Financial Data <sup>(1)</sup>**  
**(Amounts in thousands, except per share amounts)**

|                                     | Three Months Ended |                    | Year Ended      |                    |
|-------------------------------------|--------------------|--------------------|-----------------|--------------------|
|                                     | October 4, 2025    | September 28, 2024 | October 4, 2025 | September 28, 2024 |
|                                     | (Unaudited)        | (Unaudited)        | (Unaudited)     | (Audited)          |
| Adjusted EBITDA                     | \$ 45,163          | \$ 42,972          | \$ 61,356       | \$ 108,744         |
| Adjusted net income (loss)          | \$ 840             | \$ 4,380           | \$ (43,664)     | \$ (1,084)         |
| Adjusted diluted earnings per share | \$ 0.09            | \$ 0.47            | \$ (4.70)       | \$ (0.12)          |

(1) See section titled "GAAP to Non-GAAP Reconciliation."

**Condensed Consolidated Balance Sheets**  
**(Amounts in thousands, except share and per share amounts)**

|   | October 4, 2025<br>(Unaudited) | September 28, 2024<br>(Audited) |
|---|--------------------------------|---------------------------------|
| <b>Assets</b>   |                                |                                 |
| Current assets  |                                |                                 |
| Cash and cash equivalents   | \$ 64,340                      | \$ 108,505                      |
| Accounts and other receivables, net   | 23,217                         | 45,467                          |
| Inventories   | 207,983                        | 234,283                         |
| Prepaid expenses and other current assets   | 33,249                         | 34,179                          |
| Total current assets  | 328,789                        | 422,434                         |
| Property and equipment, net   | 92,544                         | 98,447                          |
| Operating lease right-of-use assets   | 252,988                        | 270,488                         |
| Goodwill and other intangibles, net   | 30,732                         | 215,127                         |
| Deferred tax assets   | -                              | 4,168                           |
| Other assets  | 36,422                         | 39,661                          |
| Total assets  | <u>\$ 741,475</u>              | <u>\$ 1,050,325</u>             |
| <b>Liabilities and stockholders' deficit</b>  |                                |                                 |
| Current liabilities   |                                |                                 |
| Accounts payable  | \$ 51,894                      | \$ 67,622                       |
| Accrued expenses and other current liabilities  | 82,447                         | 106,713                         |
| Operating lease liabilities   | 74,720                         | 63,357                          |
| Income taxes payable  | -                              | 1,127                           |
| Current portion of long-term debt   | -                              | 8,100                           |
| Total current liabilities   | 209,061                        | 246,919                         |
| Deferred tax liabilities  | 287                            | -                               |
| Operating lease liabilities, noncurrent   | 185,076                        | 209,067                         |
| Long-term debt, net   | 752,055                        | 769,065                         |
| Other long-term liabilities   | 2,988                          | 2,423                           |
| Total liabilities   | 1,149,467                      | 1,227,474                       |
| Commitments and contingencies   |                                |                                 |
| Stockholders' deficit   |                                |                                 |
| Common stock, \$0.001 par value, 50,000,000 shares authorized and 9,290,311 and 9,248,464 issued and outstanding as of October 4, 2025 and September 28, 2024 | 9                              | 9                               |
| Additional paid-in capital  | 113,174                        | 107,047                         |
| Retained deficit  | (521,175)                      | (284,205)                       |
| Total stockholders' deficit   | (407,992)                      | (177,149)                       |
| Total liabilities and stockholders' deficit   | <u>\$ 741,475</u>              | <u>\$ 1,050,325</u>             |

**Condensed Consolidated Statements of Cash Flows**  
(Amounts in thousands)

|   | Year Ended                     |                                 |
|---|--------------------------------|---------------------------------|
|   | October 4, 2025<br>(Unaudited) | September 28, 2024<br>(Audited) |
| <b>Operating Activities</b>   |                                |                                 |
| Net loss  | \$ (236,970)                   | \$ (23,379)                     |
| Adjustments to reconcile net loss to net cash provided by operating activities: |                                |                                 |
| Depreciation and amortization   | 33,467                         | 33,078                          |
| Equity-based compensation   | 6,203                          | 8,589                           |
| Amortization of deferred financing costs and debt discounts                     | 2,198                          | 2,191                           |
| Impairments   | 183,826                        | -                               |
| Provision for credit losses   | (1,401)                        | 1,466                           |
| Deferred income taxes   | 4,455                          | 3,430                           |
| Loss on asset dispositions  | 192                            | 464                             |
| Changes in operating assets and liabilities:                                    |                                |                                 |
| Accounts and other receivables  | 23,651                         | (18,684)                        |
| Inventories   | 26,300                         | 85,879                          |
| Prepaid expenses and other current assets                                       | 1,898                          | (1,019)                         |
| Other assets  | 2,956                          | 6,861                           |
| Accounts payable  | (15,728)                       | 1,889                           |
| Accrued expenses  | (22,842)                       | 5,209                           |
| Income taxes payable  | (1,127)                        | (4,655)                         |
| Operating lease assets and liabilities, net                                     | 1,744                          | 6,147                           |
| Net cash provided by operating activities                                       | 8,822                          | 107,466                         |
| <b>Investing Activities</b>   |                                |                                 |
| Purchases of property and equipment   | (25,491)                       | (47,244)                        |
| Proceeds from asset dispositions  | 141                            | 81                              |
| Net cash used in investing activities   | (25,350)                       | (47,163)                        |
| <b>Financing Activities</b>   |                                |                                 |
| Borrowings on Revolving Credit Facility   | 159,500                        | 140,500                         |
| Payments on Revolving Credit Facility   | (159,500)                      | (140,500)                       |
| Repayment of long-term debt   | (27,025)                       | (6,075)                         |
| Payment on finance lease  | (536)                          | (145)                           |
| Payments of employee tax withholdings related to restricted stock vesting       | (76)                           | (998)                           |
| Net cash used in financing activities   | (27,637)                       | (7,218)                         |
| Net (decrease) increase in cash and cash equivalents                            | (44,165)                       | 53,085                          |
| Cash and cash equivalents, beginning of year                                    | 108,505                        | 55,420                          |
| Cash and cash equivalents, end of year  | \$ 64,340                      | \$ 108,505                      |
| <b>Supplemental Information:</b>  |                                |                                 |
| Supplemental Information:   |                                |                                 |
| Interest  | 65,415                         | 63,242                          |
| Income taxes, net of refunds received   | 3,386                          | 10,933                          |

**GAAP to Non-GAAP Reconciliation**  
(Amounts in thousands except per share amounts)

|  | Three Months Ended |                    | Year Ended      |                    |
|--|--------------------|--------------------|-----------------|--------------------|
|  | October 4, 2025    | September 28, 2024 | October 4, 2025 | September 28, 2024 |
|  | (Unaudited)        | (Unaudited)        | (Unaudited)     | (Audited)          |
| Net loss   | \$ (162,815)       | \$ (9,924)         | \$ (236,970)    | \$ (23,379)        |
| Interest expense                                     | 15,494             | 17,015             | 62,919          | 70,395             |
| Income tax (benefit) expense                         | (2,774)            | 19,328             | 4,196           | 10,101             |
| Impairments <sup>(1)</sup>                           | 183,826            | -                  | 183,826         | -                  |
| Depreciation and amortization expense <sup>(2)</sup> | 8,387              | 8,659              | 33,467          | 33,078             |
| Equity-based compensation expense <sup>(3)</sup>     | 1,012              | 967                | 6,254           | 8,650              |
| Strategic project costs <sup>(4)</sup>               | 778                | 1,025              | 2,614           | 2,083              |
| Executive transition costs and other <sup>(5)</sup>  | 1,255              | 5,902              | 5,050           | 7,816              |
| Adjusted EBITDA                                      | \$ 45,163          | \$ 42,972          | \$ 61,356       | \$ 108,744         |

|   | Three Months Ended |                    | Year Ended      |                    |
|---|--------------------|--------------------|-----------------|--------------------|
|   | October 4, 2025    | September 28, 2024 | October 4, 2025 | September 28, 2024 |
|   | (Unaudited)        | (Unaudited)        | (Unaudited)     | (Audited)          |
| Net loss  | \$ (162,815)       | \$ (9,924)         | \$ (236,970)    | \$ (23,379)        |
| Impairments <sup>(1)</sup>                          | 183,826            | —                  | 183,826         | —                  |
| Equity-based compensation expense <sup>(3)</sup>    | 1,012              | 967                | 6,254           | 8,650              |
| Strategic project costs <sup>(4)</sup>              | 778                | 1,025              | 2,614           | 2,083              |
| Executive transition costs and other <sup>(5)</sup> | 1,255              | 5,902              | 5,050           | 7,816              |
| Changes in valuation allowance <sup>(6)</sup>       | 23,502             | 11,177             | 44,998          | 11,177             |
| Tax effects of these adjustments <sup>(7)</sup>     | (46,718)           | (4,767)            | (49,436)        | (7,431)            |
| Adjusted net income (loss)                          | \$ 840             | \$ 4,380           | \$ (43,664)     | \$ (1,084)         |
| Diluted earnings per share                          | \$ (17.54)         | \$ (1.07)          | \$ (25.51)      | \$ (2.53)          |
| Adjusted diluted earnings per share                 | \$ 0.09            | \$ 0.47            | \$ (4.70)       | \$ (0.12)          |
| Weighted average shares outstanding                 |                    |                    |                 |                    |
| Basic   | 9,283              | 9,246              | 9,290           | 9,234              |
| Diluted   | 9,283              | 9,247              | 9,290           | 9,234              |

- (1) Represents non-cash charges related to the write-off of our goodwill given recent operating and market capitalization declines and asset write offs for certain underperforming stores.
- (2) Includes depreciation related to our distribution centers and store locations, which is reported in cost of merchandise and services sold and SG&A in our condensed consolidated statements of operations.
- (3) Represents charges related to equity-based compensation and our related payroll tax expense, which are reported in SG&A in our condensed consolidated statements of operations.
- (4) Represents non-recurring costs, such as third-party consulting costs related to technology initiatives, replacements of systems that are no longer supported by our vendors, investment in and development of new products outside of the course of continuing operations, or other discrete strategic projects that are infrequent or unusual in nature and potentially distortive to continuing operations. These items are reported in SG&A in our condensed consolidated statements of operations.
- (5) Includes certain senior executive transition costs and severance associated with completed corporate restructuring activities across the organization, losses on asset dispositions, merger and acquisition costs, and other non-recurring, non-cash, or discrete items as determined by management. Amounts are reported in SG&A in our condensed consolidated statements of operations.
- (6) Represents non-cash change in valuation allowance for deferred taxes. This item is reported in income tax benefit (expense) in our condensed consolidated statements of operations.
- (7) Represents the tax effect of the total adjustments based on our combined U.S. federal and state statutory tax rates. Amounts are reported in income tax benefit (expense) in our condensed consolidated statements of operations.