snap one™

Q4 and FY 2021 Results

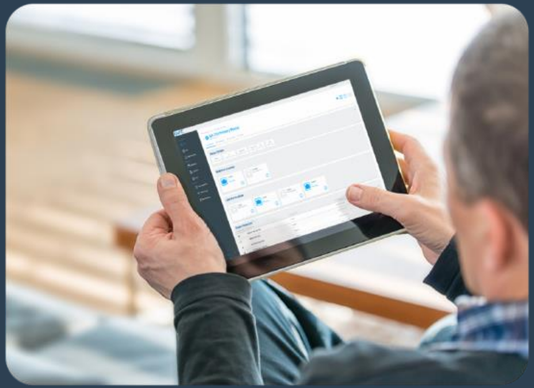
Disclaimer

This material includes certain historical performance information and "forward looking statements" regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of the Snap One Holdings Corp. (the “Company”). Terms such as "anticipate," "believe," "will," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "should," "would," or similar expressions may identify forward-looking statements, but the absence of these words does not mean the statement is not forward-looking.

Forward-looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the businesses of the Company to which this presentation relates are based on information currently available to the Company as of the date of this material and on current expectations that are subject to known and unknown risks and uncertainties, which could cause actual results or outcomes to differ materially from expectations expressed or implied by such forward-looking statements. These determinations and assumptions are inherently subjective and uncertain. These forward-looking statements are not guarantees of future performance, and actual operating results may differ substantially due to a number of factors. Such forward looking statements are as to future events and are not to be viewed as facts, and involve significant known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and their respective Representatives. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various risks and uncertainties, including but not limited to: failure to compete effectively, failure to develop, acquire, market and offer products and services that meet customer requirements, introduction of new technology, information security and privacy, macroeconomic conditions and economic impact of the COVID-19 pandemic, risks associated with cyber-attacks, failure to realize the anticipated benefits of past or future acquisitions, failure to effectively manage critical strategic third-party business relationships, disruption in our supply chain that causes us not to be able to timely deliver product to our customers, changes in accounting principles and tax regulations, uncertainty in the financial markets and economic conditions in the countries where we operate, and other various risks associated with being a multinational company. For a discussion of these and other risks and uncertainties, please refer to Snap One’s Registration Statement on Form S-1 filed with the SEC, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov. There can be no assurance that the information contained in this presentation is reflective of future performance to any degree. Recipients are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance. The forward-looking statements in this presentation speak as of the date of this presentation. The Company assumes no obligation to, and does not currently intend to, update these forward-looking statements whether as a result of new information, future events, changes in assumptions or otherwise.

This presentation may include certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP"), including, but not limited to, Contribution Margin and Adjusted EBITDA, Adjusted Net Income, Free Cash Flow, and Adjusted Operating Expense. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of expense, profitability, liquidity or performance under GAAP. In addition, historical financial measures included in this presentation have not been audited and are subject to review and adjustment accordingly. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies. For a reconciliation of non-GAAP financial measure to GAAP, see the Appendix provided herewith.

Business Update



Company Overview

Snap One is the leading vertically-integrated provider of products and services to a network of over 16,000 domestic professional do-it-for-me integrators ("DIFM") creating seamless connected experiences in homes and small businesses

Who Do We Serve?

Snap One serves **professional integrators** who design, sell, install, and manage technology in residential, security, and commercial end markets to meet the rapidly growing demand for integrated "smart living" experiences

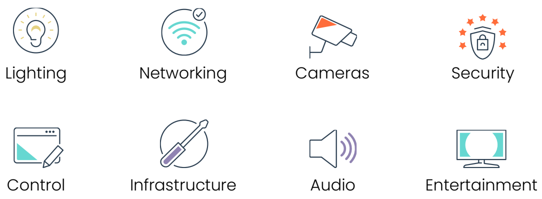
Typical Integrator Profile

- Typically small- to medium-sized businesses
- Focus on home and small business connected systems
- $10,000 to $20,000 typical DIFM consumer spend per job[1]
- Provide full lifecycle services across design, installation, and support

Notes:
1 Frost & Sullivan April 2021

What Do We Provide?

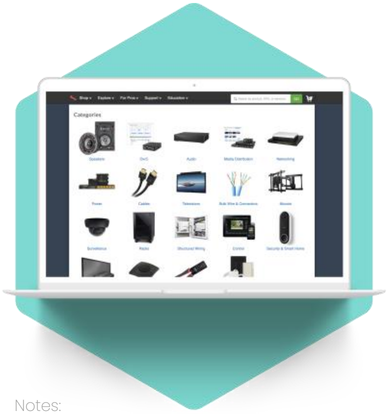
We provide integrators with a leading suite of **proprietary and third-party products** across **a broad range of categories, exclusive software platforms, and technology-enabled workflow solutions**



How Do We Serve?

As the **leading specialized distribution partner** to our professional integrators, we engage on an **omni-channel basis**, blending the benefits of our **comprehensive e-commerce portal** with the convenience of our 31 **local branch network** for same-day product availability

e-commerce Portal Drives Value for Key Stakeholders



Extensive / Expanding Strategic Local Branch Network

Notes:
31 local branches as of December 31, 2021

Investment Highlights

A Market Leader in Large, High Growth Market

- 16,000+ integrators rely on Snap One product and workflow solutions
- ~2X nearest competitor's share of integrator wallet [1]
- Large market with multiple long-term secular tailwinds
- Differentiated offering driving continued market share gains

Vertically Integrated Solutions Servicing the Full Spectrum of the Connected Home

- Proprietary and 3rd party products delivered to integrators via leading specialized local and virtual distribution platform
- 2,800+ proprietary SKUs drives end-to-end platform
- Robust software solutions allow seamless integration
- Complementary portfolio of 3rd party products

Software-Driven Innovation

- Software platforms deepen competitive moat and enable subscription-based services
- Comprehensive feedback loop drives targeted R&D spend

Technology-Enabled Workflow Solutions Drive Positive Network Effects

- Award-winning lifecycle service and support
- Cloud-based software embedded in the integrator's workflow
- e-commerce centric omni-channel offering

Visible Growth, Attractive Profitability

- Multiple growth vectors to grow share and expand TAM
- New integrator / wallet share expansion growth algorithm
- Demonstrated M&A engine
- Visibility from integrator re-occurring spending
- Vertical integration drives robust profitability

Notes:
1. Based on a survey conducted by Frost & Sullivan where 20% of respondents indicated that Snap One was their most used source for installation equipment from March 2020 to March 2021, twice the share of the next highest source

Snap One Playbook to Drive Growth

Long-Term Growth Algorithm	**Spend per Integrator**		X	**# of Integrators**	+	**New Revenue Models**	+	**M&A**
Strategy	**Consistent Innovation**	**Wallet Share Gains**		**Grow Integrator Network**		**Software Services and Revenue Models**		**Strategic M&A**

How?	▪ Introduce new products and software
	▪ Partner with leading third-party vendors
	▪ Deliver new and enhanced technology-enabled workflow solutions
		▪ Local branch expansion
		▪ Product ecosystem and loyalty program encourages integrator adoption and standardization
		▪ Pricing as a lever
				▪ Apply learnings and ongoing track record of growing penetration in Residential Home Technology to adjacent markets, including:
				  ▪ Security
				  ▪ Commercial
				  ▪ International
						▪ Introduce new software revenue models, including:
						  ▪ Remote management (OvrC, Parasol)
						  ▪ 4Sight expansion
						  ▪ Data and vendor services
						  ▪ Surveillance-as-a-service
						  ▪ Cybersecurity
								▪ Execute accretive acquisition strategy, including:
								  ▪ Complementary products and technology
								  ▪ Targeted local branch expansion
								  ▪ Geographic expansion

2021 Year in Review

Company Goals

- Completed successful **IPO**
- **Rebranded** as **Snap One** (formerly SnapAV)
- Announced **new consolidated Company partner rewards program**, beginning January 31, 2022
- Meaningfully improved service levels, **enhancing the overall partner experience**
- Hired **new Chief People Officer**, Kathleen Creech, and announced **three new board member appointments**
- **Strengthened balance sheet** by completing refinancing in December

Executed Tuck-in M&A

- Acquired **Access Networks**, an **enterprise-grade networking solutions provider**
- Acquired **HCA Distributing,** which **expanded the Company's local distribution presence** in the Denver and Salt Lake City markets
- Recent Developments: Acquired **Staub** in January 2022. Acquisition adds two **Canadian** locations to Snap One's local branch footprint, bringing the total to 33 locations as of January 2022

Omni-Channel Expansion

- **Opened 8 local branches** in key markets, bringing our year-end 2021 footprint to 31 domestic branches. In January we then acquired Staub, bringing total locations to 33

Product & Software Innovation

- Recognized by the industry for our leading products and services, resulting in being **ranked the #1 and/or #2 brand 36 times across 62 identified product sub-categories** in the 2021 CE Pro 100 Brand Analysis Awards
- **Upgraded Control4 OS 3 software** to provide **full support for OvrC remote management** to Control4 controllers and added fundamental platform enhancements for commercial deployments
- **Updated OvrC remote management platform** to improve user interface and bring improved notification accuracy
- Certified **3,023** new interoperability drivers and delivered **1,242** Control4 developed drivers
- Announced a **significant investment** in **Parasol**, an industry leading provider of 24/7 remote support solutions that improves integrator productivity and service levels

3P Vendor Partnerships

- Drove **25 new 3P launches with over 250 SKUs** - including Sound United, Lutron Caséta, Ecobee, JVC, ClareVision, and Pulse 8
- **Extended Josh.ai partnership** through exclusive distribution agreement and first-of-its kind Control4 certified driver

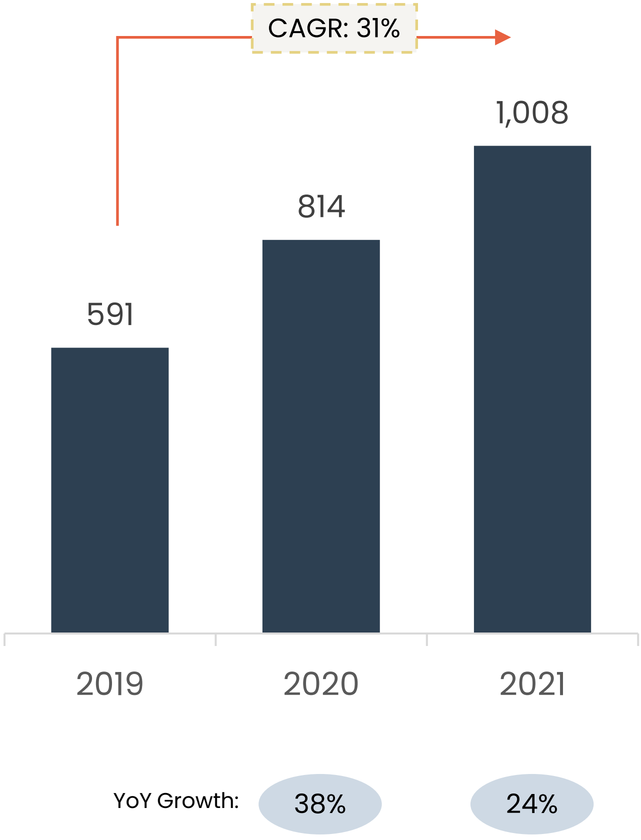
Delivered Exceptional Performance Despite Headwinds

- Successfully navigated **COVID** impact and headwind on integrator capacity
- Met our partners' needs despite **supply chain headwinds** across component sourcing, JDM and contract manufacturer partner periodic shut-downs due to COVID, inbound logistics including port congestion, purchase price variance and strategic use of air freight
- *Results in being awarded **16 2021 CE Pro Quest for Quality Awards** out of 25 identified sub-categories; ~2x the awards received by nearest competitor*

Scaling Platform with Profitable Growth

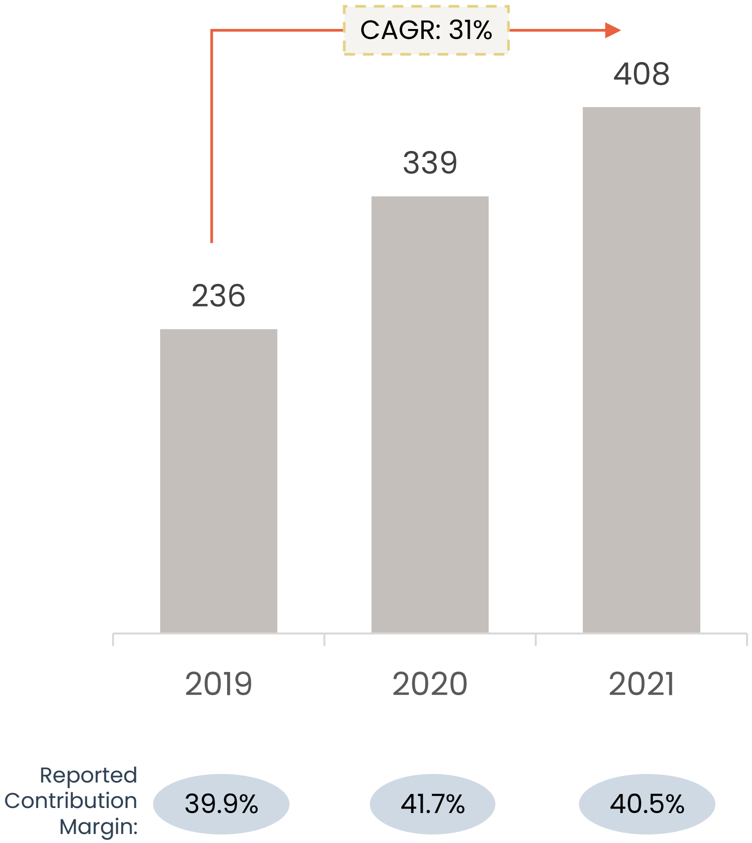
Reported Net Sales

($ in millions)



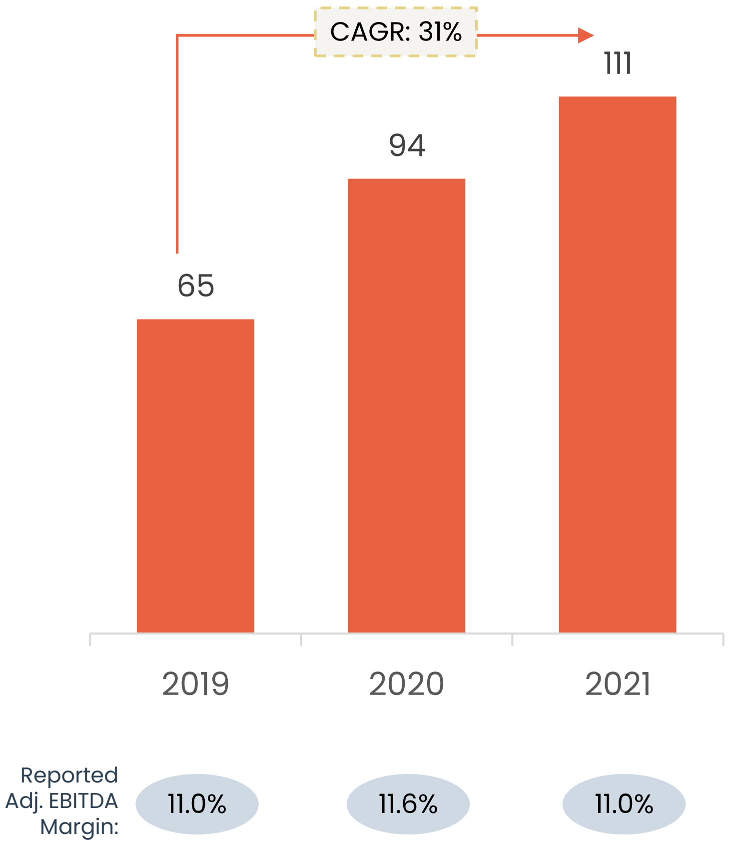
Contribution Margin[1]

($ in millions)



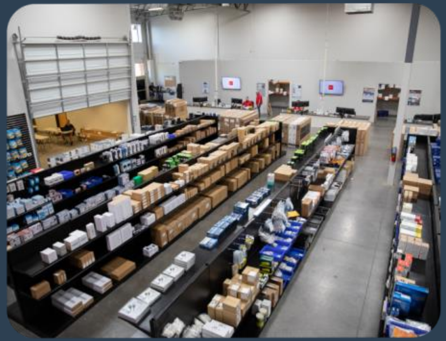
Adjusted EBITDA[2]

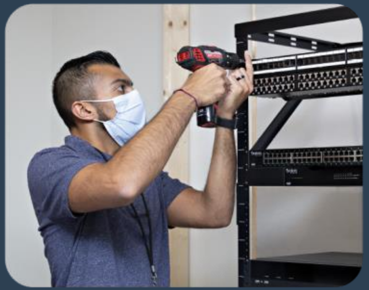
($ in millions)



Notes:
1. Contribution margin defined as net sales less cost of sales, exclusive of depreciation and amortization
2. Adjusted EBITDA defined as net loss, plus interest expense, net, net income tax benefit, depreciation and amortization, further adjusted to exclude equity-based compensation, acquisition- and integration related costs and certain other non-recurring, non-core, infrequent or unusual charges

Financial Update





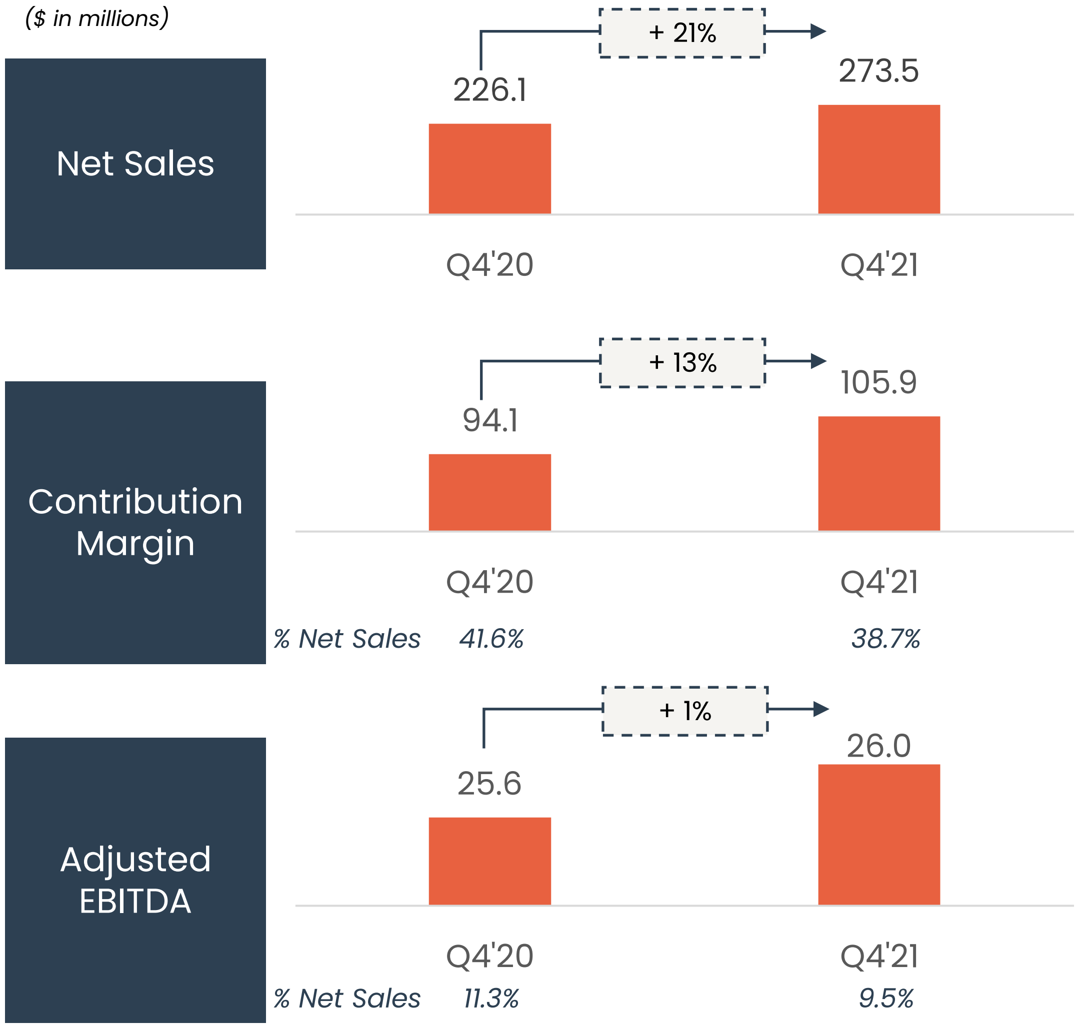
Q4 Financial Updates

Q4 Highlights (compared to Q4 2020)

- ✓ Net Sales of $273.5M (up 21% YoY)
- ✓ Contribution Margin $105.9M (38.7% of Net Sales) (up 13% YoY)
- ✓ SG&A expenses of $91.2M (up 25% YoY)
- ✓ Adjusted Net Income $13.9M (up 63% YoY)
- ✓ Adjusted EBITDA of $26.0M (up 1% YoY)

Review of Q4 Performance

Summary Financials

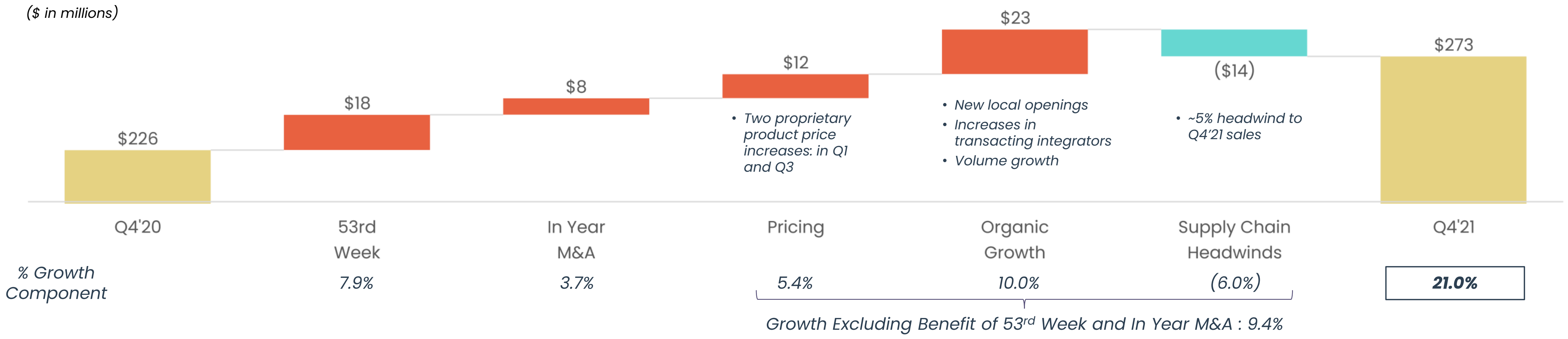


Financial Highlights

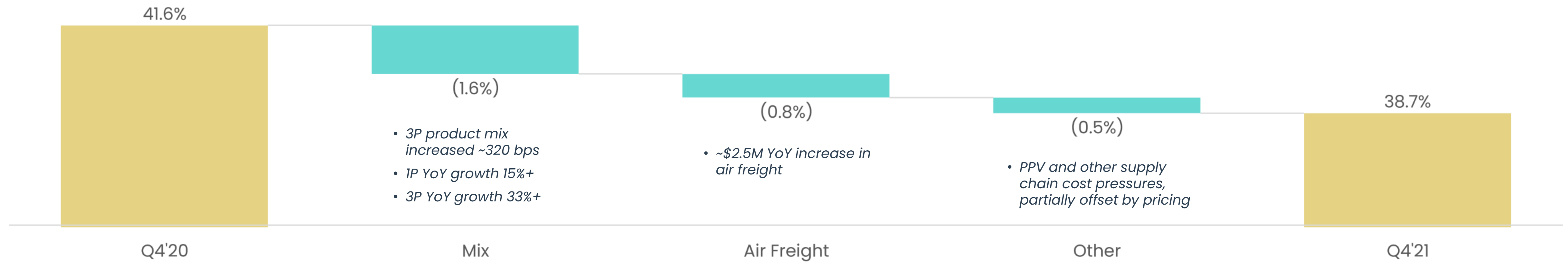
- **Net Sales**
  - YoY growth of 21%; 14th week in Q4 added ~$17.9M in Net Sales, excluding 14th week Net Sales YoY growth of 13%
  - Driven by continued strong demand across geographies, markets, and product categories, offset by modest supply chain headwinds
  - Q4'21 also benefitted from full quarter contribution of Access Networks (acquired May 2021)
- **Contribution Margin**
  - 38.7% of Net Sales
  - YoY margin rate decline driven by sales growth of third-party products outpacing sales growth of proprietary products, due in part to local branch expansion, and increased costs due to supply chain pressures
- **Adjusted EBITDA**
  - 9.5% of Net Sales
  - Adj. EBITDA up $0.4M and down ~180bps as a % of Net Sales YoY
  - Adj. EBITDA $ increase driven by Net Sales and Contribution Margin growth, offset by increases in SG&A expenses
  - Adj. EBITDA % of Net Sales decrease driven by Contribution Margin rate decline, slightly offset by adjusted non variable operating expenses decreasing 80bps as a % of sales (see appendix p. 22)

Q4 Net Sales and Contribution Margin Rate Bridges

Q4’20 – Q4’21 Net Sales Growth



Q4’20 – Q4’21 Contribution Margin %



Notes: Components based on management estimates.

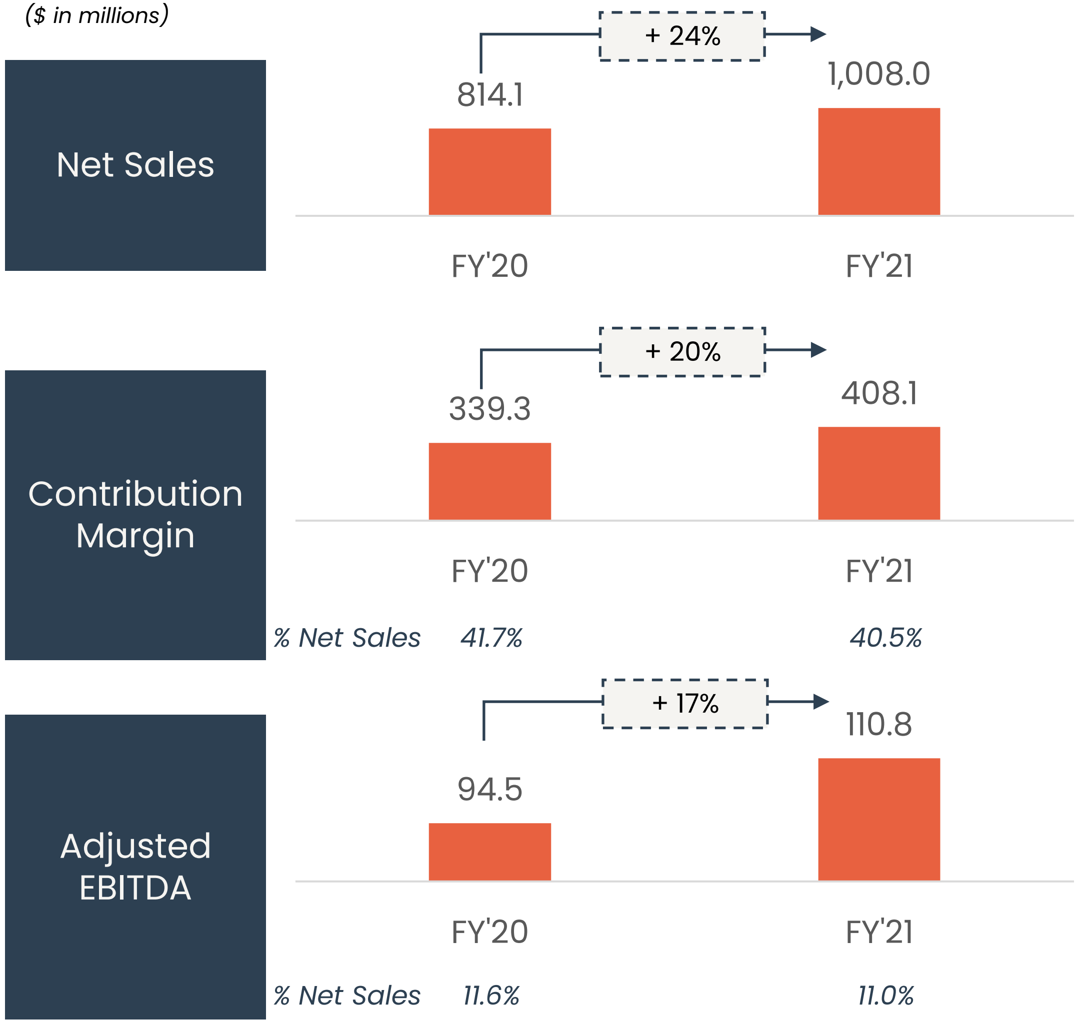
FY 2021 Financial Updates

FY 2021 Highlights (compared to FY 2020)

- ✓ Net Sales of $1,008.0M (up 24% YoY)
- ✓ Contribution Margin $408.1M (40.5% of Net Sales) (up 20% YoY)
- ✓ SG&A expenses of $350.3M (up 31% YoY)
- ✓ Adjusted Net Income $53.6M (up 89% YoY)
- ✓ Adjusted EBITDA of $110.8M (up 17% YoY)

Review of FY 2021 Performance

Summary Financials



Financial Highlights

- Net Sales
  - YoY growth of 24%; 53rd week added ~$17.9M in Net Sales, excluding 53rd week Net Sales YoY growth of 22%
  - Driven by strong demand across the business, including relatively balanced growth contributions from net new transacting integrators and increasing spend per integrator
  - Also benefited from ownership of Access Networks (acquired May 2021), pricing, and opening of eight local branch in year, offset by supply chain headwinds
- Contribution Margin
  - 40.5% of Net Sales
  - YoY margin rate decline driven by sales growth of third-party products outpacing sales growth of proprietary products, due in part to local branch expansion, and increased costs due to supply chain pressures
- Adjusted EBITDA
  - 11.0% of Net Sales
  - Adj. EBITDA up $16.3M and down ~60bps as a % of Net Sales YoY
  - Adj. EBITDA $ increase driven by Net Sales and Contribution Margin growth, offset by increases in SG&A expenses
  - LTM Adj. EBITDA increased $0.4M from Q3 to Q4 2021
  - Adj. EBITDA % of Net Sales decrease driven by Contribution Margin rate decline, slightly offset by adjusted non variable operating expenses decreasing ~110bps as a % of sales (see appendix p. 22)

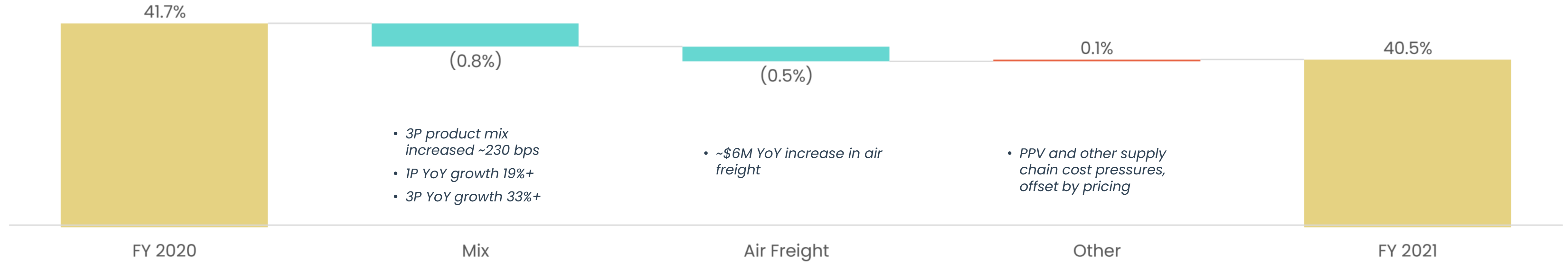
FY Net Sales and Contribution Margin Rate Bridges

FY'20 – FY'21 Net Sales Growth

% Growth Component		2.2%	2.4%	2.8%	20.1%	(3.7%)	**23.8%**

Growth Excluding Benefit of 53rd Week and In Year M&A : 19.3%

FY'20 – FY'21 Contribution Margin %



Notes: Components based on management estimates.

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FY 2021 Balance Sheet & Cash Flow Highlights

For Years ended Dec. 25, 2020 & Dec. 31, 2021

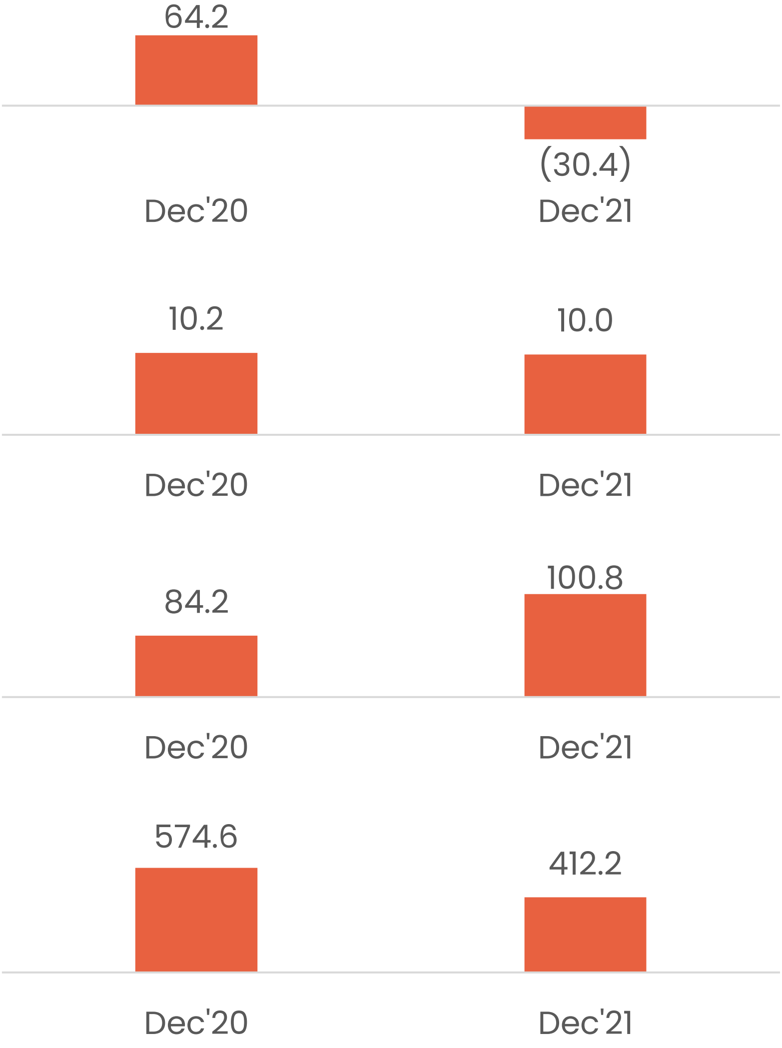
($ in millions)

Cash (Used In) Provided By Operating Activities

Purchases of Property and Equipment

Free Cash Flow

Net Debt



Summary

(compared to prior-year period)

- Cash (Used In) Provided by Operating Activities
  - Net cash used in operating activities of $30.4M
  - Driven by strategic use of balance sheet to protect against supply chain uncertainty, results in use of net working capital, including increases in inventory and prepaid vendor deposits to secure componentry and address end of life inventory for product cycles
- Purchases of Property and Equipment
  - Purchases of property and equipment ~1% of net sales and primarily related to local branch openings and buildouts
- Free Cash Flow
  - Free cash flow (Adj. EBITDA less purchases of property and equipment) of $100.8M, representing 91% of sales
  - Increase from prior year driven by Adj. EBITDA growth while capex remained ~$10M
- Net Debt
  - Defined as current debt plus long-term debt less cash and cash equivalents
  - Decrease in net debt driven by use of proceeds from IPO to repay portion of balance
  - Completed debt refinancing in December

Notes: Free cash flow defined as Adjusted EBITDA less purchases of property and equipment.

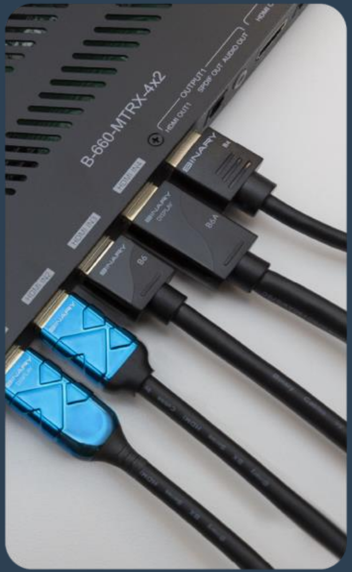
FY 2022 Outlook

$Millions	FY'21 Actuals	FY'22 Outlook	
		Low	High
Net Sales	$1,008	**$1,140**	**$1,170**
% Growth (Reported)		*13%*	*16%*
% Growth (52 Wk. Adj.)		***15%***	***18%***
Adj. EBITDA	$110.8	**$114**	**$120**
Adj. EBITDA Margin %	*11.0%*	*10.0%*	*10.3%*
% Growth (Reported)		*3%*	*8%*
% Growth (52 Wk. & PubCo Cost Adj.)(1)		***8%***	***14%***

- Strong demand sensors and sharpened visibility into our organic growth initiatives, position us for 15 – 18% Net Sales annual growth on a 52-week adjusted basis
    - ~10% – 13% YoY organic growth
    - ~5% YoY growth from recently completed M&A (Access Networks and Staub Electronics)
- Adjusted EBITDA guidance of $114M - $120M reflects:
    - Long-term growth investments in the business
    - Supply chain / inflationary cost pressures

Notes:
1. 2021 52 Wk. & PubCo Cost Adj. EBITDA reflects following adjustments: Removed EBITDA impact of 53rd week and burdened EBITDA by the annualized impact of ongoing public company costs.

Appendix



Reconciliation of Net Income (Loss) to Adjusted Net Income

($ in millions)	2020					2021				
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21
Net loss	**$ (19.0)**	**$ (3.2)**	**$ 1.4**	**$ (4.4)**	**$ (25.2)**	**$ (6.0)**	**$ (1.1)**	**$ (21.5)**	**$ (7.8)**	**$ (36.5)**
Amortization	11.9	11.9	11.9	11.9	47.5	11.9	12.1	12.3	12.3	48.6
Equity-based compensation	1.4	1.2	1.0	0.7	4.3	1.1	1.2	14.4	4.9	21.5
Foreign currency (gains) loss	1.1	(1.0)	(0.1)	(0.3)	(0.2)	(0.0)	(0.1)	0.5	(0.1)	0.1
Gain on sale of business	-	(1.0)	-	-	(1.0)	-	-	-	-	-
Loss on extinguishment of debt	-	-	-	-	-	-	-	6.6	5.4	12.1
Compensation expense for payouts in lieu of TRA participation (a)	-	-	-	-	-	-	-	10.6	0.3	10.9
Initial public offering costs (b)	-	-	-	0.5	0.5	1.7	1.2	1.6	0.2	4.8
Fair value adjustment to contingent value rights (c)	(0.3)	(0.7)	1.3	0.5	0.8	1.3	1.5	(1.6)	3.7	4.9
Deferred acquisitions payments (d)	3.3	2.9	2.0	1.4	9.6	2.2	1.4	1.6	1.4	6.5
Deferred revenue purchase accounting adjustment (e)	0.4	0.3	0.2	0.2	1.0	0.1	0.1	0.1	0.1	0.5
Acquisition and integration related costs (f)	3.5	0.9	0.6	0.3	5.3	0.0	0.2	0.1	0.1	0.4
Other (g)	(0.1)	(0.0)	0.0	0.9	0.8	0.7	1.1	0.8	0.6	3.2
Income tax effect of adjustments (h)	(4.9)	(3.6)	(3.6)	(3.2)	(15.2)	(3.9)	(3.8)	(8.8)	(7.1)	(23.5)
Adjusted Net Income	**$ (2.7)**	**$ 7.7**	**$ 14.8**	**$ 8.5**	**$ 28.3**	**$ 9.0**	**$ 13.9**	**$ 16.7**	**$ 13.9**	**$ 53.6**

Notes:

a. Represents non-recurring expense related to payments to certain pre-IPO owners in lieu of their participation in the TRA. Management does not believe such costs are indicative of our ongoing operations as they are one-time awards specific to the establishment of the TRA

b. Represents expenses related to professional fees in connection with preparation for our IPO

c. Represents noncash gains and losses recorded from fair value adjustments related to contingent value right liabilities. Contingent value right ("CVR") liabilities represent potential obligations to the prior sellers in conjunction with the acquisition of the Company by investment funds managed by Hellman & Friedman in August 2017 and are based on estimates of expected cash payments to the prior sellers based on specified targets for the return on the original capital investment

d. Represents expenses incurred related to deferred payments to employees associated with our Control4 acquisition and other historical acquisitions. The deferred payments are cash retention awards for key personnel from the acquired companies and are expected to be paid to employees through 2023. Management does not believe such costs are indicative of our ongoing operations as they are one-time awards specific to acquisitions and are incremental to our typical compensation costs incurred and we do not expect such costs to be reflective of future increases in base compensation expense

e. Represents an adjustment related to the fair value of deferred revenue related to the Control4 acquisition

f. Represents costs directly associated with acquisitions and acquisition-related integration activities. For fiscal year 2020, the costs relate primarily to third-party consultant and information technology integration costs directly related to the Company's acquisition of Control4 acquisition. For fiscal year 2019, the costs primarily relate to third-party professional fees and integration costs related to the Control4 acquisition as well as similar costs incurred in connection with the MRI and CPD acquisitions. These costs also include certain restructuring costs (e.g., severance) and other third-party transaction advisory fees associated with the acquisitions

g. Represents non-recurring expenses related to consulting, restructuring, and other expenses which management believes are not representative of our operating performance

h. Represents the tax impacts with respect to each adjustment noted above after taking into account the impact of permanent differences using the statutory tax rate related to the applicable federal and foreign jurisdictions and the blended state tax rate.

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Reconciliation of Net Income (Loss) to Adjusted EBITDA

($ in millions)	2020					2021				
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21
Net loss	**$ (19.0)**	**$ (3.2)**	**$ 1.4**	**$ (4.4)**	**$ (25.2)**	**$ (6.0)**	**$ (1.1)**	**$ (21.5)**	**$ (7.8)**	**$ (36.5)**
Interest expense	12.8	11.7	11.3	9.7	45.5	9.5	9.5	7.5	6.6	33.2
Income tax benefit	(4.3)	(1.0)	(0.7)	1.7	(4.4)	(0.8)	0.1	(2.7)	(3.3)	(6.6)
Depreciation and amortization	14.5	14.5	14.4	14.6	58.0	13.7	14.2	14.3	14.4	56.6
Other expense (income), net	0.9	(2.2)	(0.2)	(0.3)	(1.8)	(0.2)	(0.3)	0.3	(0.7)	(0.9)
Loss on extinguishment of debt	-	-	-	-	-	-	-	6.6	5.4	12.1
Equity-based compensation	1.4	1.2	1.0	0.7	4.3	1.1	1.2	14.4	4.9	21.5
Compensation expense for payouts in lieu of TRA participation (a)	-	-	-	-	-	-	-	10.6	0.3	10.9
Initial public offering costs (b)	-	-	-	0.5	0.5	1.7	1.2	1.6	0.2	4.8
Fair value adjustment to contingent value rights (c)	(0.3)	(0.7)	1.3	0.5	0.8	1.3	1.5	(1.6)	3.7	4.9
Deferred acquisitions payments (d)	3.3	2.9	2.0	1.4	9.6	2.2	1.4	1.6	1.4	6.5
Deferred revenue purchase accounting adjustment (e)	0.4	0.3	0.2	0.2	1.0	0.1	0.1	0.1	0.1	0.5
Acquisition and integration related costs (f)	3.5	0.9	0.6	0.3	5.3	0.0	0.2	0.1	0.1	0.4
Other (g)	0.0	0.0	0.0	0.7	0.7	0.7	1.1	0.9	0.6	3.3
Adjusted EBITDA	**$ 13.1**	**$ 24.4**	**$ 31.4**	**$ 25.6**	**$ 94.5**	**$ 23.3**	**$ 29.3**	**$ 32.1**	**$ 26.0**	**$ 110.8**
Net Sales	$ 172.6	$ 189.1	$ 226.3	$ 226.1	$ 814.1	$ 220.5	$ 253.3	$ 260.7	$ 273.5	$ 1,008.0
Adjusted EBITDA Margin	*7.6%*	*12.9%*	*13.9%*	*11.3%*	*11.6%*	*10.6%*	*11.6%*	*12.3%*	*9.5%*	*11.0%*

Notes:

a. Represents non-recurring expense related to payments to certain pre-IPO owners in lieu of their participation in the TRA. Management does not believe such costs are indicative of our ongoing operations as they are one-time awards specific to the establishment of the TRA

b. Represents expenses related to professional fees in connection with preparation for our IPO

c. Represents noncash gains and losses recorded from fair value adjustments related to contingent value right liabilities. Contingent value right ("CVR") liabilities represent potential obligations to the prior sellers in conjunction with the acquisition of the Company by investment funds managed by Hellman & Friedman in August 2017 and are based on estimates of expected cash payments to the prior sellers based on specified targets for the return on the original capital investment

d. Represents expenses incurred related to deferred payments to employees associated with our Control4 acquisition and other historical acquisitions. The deferred payments are cash retention awards for key personnel from the acquired companies and are expected to be paid to employees through 2023. Management does not believe such costs are indicative of our ongoing operations as they are one-time awards specific to acquisitions and are incremental to our typical compensation costs incurred and we do not expect such costs to be reflective of future increases in base compensation expense

e. Represents an adjustment related to the fair value of deferred revenue related to the Control4 acquisition

f. Represents costs directly associated with acquisitions and acquisition-related integration activities. For fiscal year 2020, the costs relate primarily to third-party consultant and information technology integration costs directly related to the Company's acquisition of Control4 acquisition. For fiscal year 2019, the costs primarily relate to third-party professional fees and integration costs related to the Control4 acquisition as well as similar costs incurred in connection with the MRI and CPD acquisitions. These costs also include certain restructuring costs (e.g., severance) and other third-party transaction advisory fees associated with the acquisitions

g. Represents non-recurring expenses related to consulting, restructuring, and other expenses which management believes are not representative of our operating performance

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Non-GAAP Reconciliations

Contribution Margin

($ in millions)	2020 Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	2021 Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21
Net Sales	**$ 172.6**	**$ 189.1**	**$ 226.3**	**$ 226.1**	**$ 814.1**	**$ 220.5**	**$ 253.3**	**$ 260.7**	**$ 273.5**	**$ 1,008.0**
Cost of Sales, Exclusive of Depreciation and Amortization (a)	100.4	109.2	133.1	132.0	474.8	128.9	152.1	151.3	167.6	599.9
Net Sales Less Cost of Sales, Exclusive of Depreciation and Amortization	**$ 72.2**	**$ 79.9**	**$ 93.1**	**$ 94.1**	**$ 339.3**	**$ 91.6**	**$ 101.2**	**$ 109.5**	**$ 105.9**	**$ 408.1**
Contribution Margin	**41.8%**	**42.2%**	**41.2%**	**41.6%**	**41.7%**	**41.5%**	**39.9%**	**42.0%**	**38.7%**	**40.5%**

Free Cash Flow – As shown in 10-K

($ in millions)	2020 Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	2021 Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21
Net cash provided by (used in) operating activities	$ (13.7)	$ 51.8	$ 4.5	$ 21.6	$ 64.2	$ (23.9)	$ 19.3	$ (6.6)	$ (19.2)	$ (30.4)
Purchases of property and equipment	(2.4)	(2.7)	(2.0)	(3.1)	(10.2)	(2.0)	(2.4)	(2.4)	(3.2)	(10.0)
Free Cash Flow	**$ (16.1)**	**$ 49.2**	**$ 2.5**	**$ 18.4**	**$ 54.0**	**$ (25.9)**	**$ 16.9**	**$ (9.0)**	**$ (22.4)**	**$ (40.4)**

Free Cash Flow – As defined on page 16

($ in millions)	2020 Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	2021 Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21
Adjusted EBITDA	$ 13.1	$ 24.4	$ 31.4	$ 25.6	$ 94.5	$ 23.3	$ 29.3	$ 32.1	$ 26.0	$ 110.8
Purchases of property and equipment	(2.4)	(2.7)	(2.0)	(3.1)	(10.2)	(2.0)	(2.4)	(2.4)	(3.2)	(10.0)
Free Cash Flow	**$ 10.7**	**$ 21.8**	**$ 29.3**	**$ 22.5**	**$ 84.2**	**$ 21.3**	**$ 26.9**	**$ 29.7**	**$ 22.8**	**$ 100.8**

Notes:
a. Cost of sales, exclusive of depreciation and amortization, for the years ended December 31,2021 and December 25, 2020, excludes depreciation and amortization of $56,581 and $57,972, respectively.

Reconciliation to Non-GAAP Operating Expenses

	2020					2021				
	Q1 '20	Q2 '20	Q3 '20	Q4 '20	FY '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	FY '21
GAAP Selling, general and administrative expenses	**$ 67.4**	**$ 60.1**	**$ 67.0**	**$ 72.8**	**$ 267.2**	**$ 75.4**	**$ 78.7**	**$ 105.0**	**$ 91.2**	**$ 350.3**
<u>Components of GAAP SG&A</u>										
Variable Operating Expenses (Non-GAAP)	10.4	10.7	12.7	14.7	48.5	14.7	17.1	16.1	17.3	65.2
% Net Sales	*6.0%*	*5.6%*	*5.6%*	*6.5%*	*6.0%*	*6.7%*	*6.8%*	*6.2%*	*6.3%*	*6.5%*
Non-Variable Operating Expenses (Non-GAAP)	57.0	49.4	54.3	58.1	218.8	60.7	61.5	88.9	74.0	285.0
<u>Adjustments to Non-Variable Operating Expenses</u>										
Equity-based compensation	1.4	1.2	1.0	0.7	4.3	1.1	1.2	14.4	4.9	21.5
Compensation expense for payouts in lieu of TRA participation (a)	-	-	-	-	-	-	-	10.6	0.3	10.9
Initial public offering costs (b)	-	-	-	0.5	0.5	1.7	1.2	1.6	0.2	4.8
Fair value adjustment to contingent value rights (c)	(0.3)	(0.7)	1.3	0.5	0.8	1.3	1.5	(1.6)	3.7	4.9
Deferred acquisitions payments (d)	3.3	2.9	2.0	1.4	9.6	2.2	1.4	1.6	1.4	6.5
Acquisition and integration related costs (f)	3.5	0.9	0.6	0.3	5.3	0.0	0.2	0.1	0.1	0.4
Other (g)	0.0	0.0	0.0	0.7	0.7	0.7	1.1	0.9	0.6	3.3
Adjusted Non-Variable Operating Expenses (Non-GAAP)	**$ 49.2**	**$ 45.1**	**$ 49.3**	**$ 53.9**	**$ 197.4**	**$ 53.7**	**$ 54.9**	**$ 61.3**	**$ 62.8**	**$ 232.7**
% Net Sales	***28.5%***	***23.8%***	***21.8%***	***23.8%***	***24.2%***	***24.4%***	***21.7%***	***23.5%***	***23.0%***	***23.1%***
% YoY Growth						*9.2%*	*21.7%*	*24.4%*	*16.4%*	*17.9%*

Notes:

a. Represents non-recurring expense related to payments to certain pre-IPO owners in lieu of their participation in the TRA. Management does not believe such costs are indicative of our ongoing operations as they are one-time awards specific to the establishment of the TRA

b. Represents expenses related to professional fees in connection with preparation for our IPO

c. Represents noncash gains and losses recorded from fair value adjustments related to contingent value right liabilities. Contingent value right ("CVR") liabilities represent potential obligations to the prior sellers in conjunction with the acquisition of the Company by investment funds managed by Hellman & Friedman in August 2017 and are based on estimates of expected cash payments to the prior sellers based on specified targets for the return on the original capital investment

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f. Represents costs directly associated with acquisitions and acquisition-related integration activities. For fiscal year 2020, the costs relate primarily to third-party consultant and information technology integration costs directly related to the Company's acquisition of Control4 acquisition. For fiscal year 2019, the costs primarily relate to third-party professional fees and integration costs related to the Control4 acquisition as well as similar costs incurred in connection with the MRI and CPD acquisitions. These costs also include certain restructuring costs (e.g., severance) and other third-party transaction advisory fees associated with the acquisitions

g. Represents non-recurring expenses related to consulting, restructuring, and other expenses which management believes are not representative of our operating performance