# Fiscal 2024 Third Quarter Results

DECEMBER 3, 2024

# CAUTIONARY STATEMENTS

## Cautionary Note Regarding Forward-Looking Statements

This presentation and accompanying discussion may include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, all statements other than statements of historical or current facts relating to our intentions, beliefs, assumptions or current expectations concerning, among other things, our future results of operations and financial position, business strategy and plans and objectives of management for future operations, including, among others, statements regarding expected growth, future capital expenditures, capital allocation and debt service obligations, and the anticipated impact on our business. Some of the forward-looking statements can be identified by the use of forward-looking terms such as "believes," "expects," "may," "will," "shall," "should," "would," "could," "seeks," "aims," "projects," "is optimistic," "intends," "plans," "estimates," "anticipates" or the negative versions of these words or other comparable terms. Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be outside our control. We caution you that forward-looking statements are not guarantees of future performance or outcomes and that actual performance and outcomes, including, without limitation, our actual results of operations, financial condition and liquidity, and the development of the market in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if our results of operations, financial condition, cash flows and the development of the market in which we operate, are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods. A number of important factors, including, without limitation, the risks and uncertainties discussed under the captions "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended January 28, 2024 ("Annual Report on Form 10-K") and other factors discussed in our filings with the United States Securities and Exchange Commission, could cause actual results and outcomes to differ materially from those reflected in the forward-looking statements. Furthermore, 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 presentation. Factors that could cause actual results and outcomes to differ from those reflected in forward-looking statements include, without limitation: declines, volatility and cyclicality in the U.S. residential and non-residential construction markets; slowdowns in municipal infrastructure spending and delays in appropriations of federal funds; our ability to competitively bid for municipal contracts; price fluctuations in our product costs; our ability to manage our inventory effectively, including during periods of supply chain disruptions; risks involved with acquisitions and other strategic transactions, including our ability to identify, acquire, close or integrate acquisition targets successfully; the fragmented and highly competitive markets in which we compete and consolidation within our industry; the development of alternatives to distributors of our products in the supply chain; our ability to hire, engage and retain key personnel, including sales representatives, qualified branch, district and regional managers and senior management; our ability to identify, develop and maintain relationships with a sufficient number of qualified suppliers and the potential that our exclusive or restrictive supplier distribution rights are terminated; the availability of freight; the ability of our customers to make payments on credit sales; changes in supplier rebates or other terms of our supplier agreements; our ability to identify and introduce new products and product lines effectively; the spread of, and response to public health crises and the inability to predict the ultimate impact on us; costs and potential liabilities or obligations imposed by environmental, health and safety laws and requirements; regulatory change and the costs of compliance with regulation; changes in stakeholder expectations in respect of environmental, social and governance and sustainability practices; exposure to product liability, construction defect and warranty claims and other litigation and legal proceedings; potential harm to our reputation; difficulties with or interruptions of our fabrication services; safety and labor risks associated with the distribution of our products; interruptions in the proper functioning of our and our third-party service providers' information technology systems, including from cybersecurity threats; impairment in the carrying value of goodwill, intangible assets or other long-lived assets; our ability to continue our customer relationships with short-term contracts; risks associated with exporting our products internationally; our ability to maintain effective internal controls over financial reporting and remediate any material weaknesses; our indebtedness and the potential that we may incur additional indebtedness that might restrict our operating flexibility; the limitations and restrictions in the agreements governing our indebtedness, the Amended and Restated Limited Partnership Agreement of Core & Main Holdings, LP as amended, and the Tax Receivable Agreements (each as defined in our Annual Report on Form 10-K); increases in interest rates; changes in our credit ratings and outlook; our ability to generate the significant amount of cash needed to service our indebtedness; our organizational structure, including our payment obligations under the Tax Receivable Agreements, which may be significant; our ability to sustain an active, liquid trading market for our Class A common stock; and risks related to other factors described under "Risk Factors" in our Annual Report on Form 10-K . These factors are not exhaustive, and new factors may emerge or changes to the foregoing factors may occur that could impact our business. Except to the extent required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, which speak only as of the date of this presentation.

## Use of Non-GAAP Financial Measures

In addition to providing results that are determined in accordance with accounting principles generally accepted in the United States of America ("GAAP"), we present EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Operating Cash Flow Conversion and Net Debt Leverage, all of which are non-GAAP financial measures. These measures are not considered measures of financial performance or liquidity under GAAP and the items excluded therefrom are significant components in understanding and assessing our financial performance or liquidity. These measures should not be considered in isolation or as alternatives to GAAP measures such as net income or net income attributable to Core & Main, Inc., as applicable, cash provided by or used in operating, investing or financing activities, or other financial statement data presented in the financial statements as an indicator of our financial performance or liquidity.

We use EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Operating Cash Flow Conversion and Net Debt Leverage to assess the operating results and effectiveness and efficiency of our business. We present these non-GAAP financial measures because we believe investors consider them to be important supplemental measures of performance, and we believe that these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Non-GAAP financial measures as reported by us may not be comparable to similarly titled metrics reported by other companies and may not be calculated in the same manner. These measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Reconciliations of such non-GAAP measures to the most directly comparable GAAP measure and calculations of the non-GAAP measures are set forth in the appendix of this presentation.

No reconciliation of the estimated range for Adjusted EBITDA, Adjusted EBITDA margin or Operating Cash Flow Conversion for fiscal 2024 are included herein because we are unable to quantify certain amounts that would be required to be included in net income attributable to Core & Main, Inc. or cash provided by or used in operating activities, the most directly comparable GAAP measures, without unreasonable efforts due to the high variability and difficulty to predict certain items excluded from Adjusted EBITDA. Consequently, we believe such reconciliation would imply a degree of precision that would be misleading to investors. In particular, the effects of acquisition expenses cannot be reasonably predicted in light of the inherent difficulty in quantifying such items on a forward-looking basis. We expect the variability of these excluded items may have an unpredictable, and potentially significant, impact on our future GAAP results.

## Presentation of Financial Information

The accompanying financial information presents the results of operations, financial position and cash flows of Core & Main, Inc. ("Core & Main" or the "Company") and its subsidiaries, which includes the consolidated financial information of Core & Main Holdings, LP, a Delaware limited partnership ("Holdings"), and its consolidated subsidiary, Core & Main LP, as the legal entity that conducts the operations of the Company. Core & Main is the primary beneficiary and general partner of Holdings and has decision making authority that significantly affects the economic performance of the entity. As a result, Core & Main consolidates the consolidated financial statements of Holdings. All intercompany balances and transactions have been eliminated in consolidation. The Company records non-controlling interests related to Partnership Interests (as defined in our Annual Report on Form 10-K) held by the Continuing Limited Partners (as defined in our Annual Report on Form 10-K) in Holdings.

The Company's fiscal year is a 52 or 53-week period ending on the Sunday nearest to January 31st. Quarters within the fiscal year include 13-week periods, unless a fiscal year includes a 53rd week, in which case the fourth quarter of the fiscal year will be a 14-week period. Each of the three months ended October 27, 2024 and three months ended October 29, 2023 included 13 weeks and each of the nine months ended October 27, 2024 and nine months ended October 29, 2023 included 39 weeks. The current fiscal year ending February 2, 2025 ("fiscal 2024") includes 53 weeks.

# TODAY'S PRESENTERS

**Steve LeClair**
Chair & CEO

**Mark Witkowski**
Chief Financial Officer

**Robyn Bradbury**
SVP, Finance & Investor Relations

# Business Update

STEVE LECLAIR

# Q3 2024 BUSINESS UPDATE

## Emerging Themes in Water

- Existing water supply already stressed
- Heightened demand for water from population growth and industrialization
- Existing water infrastructure is beyond its useful life
- Recent improvement in funding catalysts

## End Markets & Operations

- Macro environment largely unchanged from Q2; end markets continue to be stable
- Funding from the Infrastructure Investment and Jobs Act gaining momentum
- Minimal business disruption despite Hurricanes Helene and Milton

## Growth & Margin Initiatives

- Product, customer and geographic expansion initiatives continue to outpace core end market growth
- Opened new facilities in Hayden, Idaho and Chattanooga, Tennessee to expand geographic reach
- Drove strong initiative execution to expand gross margins sequentially from Q2

## Cash Flow & Capital Allocation

- Generated robust operating cash flow, supporting capital allocation strategy
- Investment in growth continues to be top priority; M&A pipeline is healthy and active
- Q3 share repurchases totaled $100M, or 2.46 million shares

# DRIVING SUSTAINABLE GROWTH THROUGH M&A

## Completed 5 Acquisitions with Combined Annualized Net Sales of ~$150M

| | HM Pipe Products | GroGreen Solutions | Green Equipment Company | Eastcom Associates | ARGCO Northeast |
|---|---|---|---|---|---|
| Status | Closed<br>August 2024 | Closed<br>September 2024 | Closed<br>September 2024 | Closed<br>October 2024 | Closed<br>November 2024 |
| # of Locations | 2 | 4 | 1 | 1 | 1 |
| Geography | Ontario, Canada | Florida, Georgia & Mississippi | Texas | New Jersey | New Jersey |
| Product Lines | Pipes, Valves & Fittings<br>Storm Drainage | Geosynthetics & Erosion Control | Pipe, Valves & Fittings<br>Meters | Pipe, Valves & Fittings<br>Meters | Fire Protection |
| | International Expansion | | | | |

# OUR INVESTMENT HIGHLIGHTS

- Leading position with size and scale in a highly fragmented market
- Strong value proposition in an industry with secular tailwinds
- Multiple levers to drive organic growth and margin expansion
- Proven ability to execute and integrate acquisitions
- Differentiated service offerings enhanced by proprietary technology tools
- Resilient financial profile with strong cash generation and attractive return characteristics

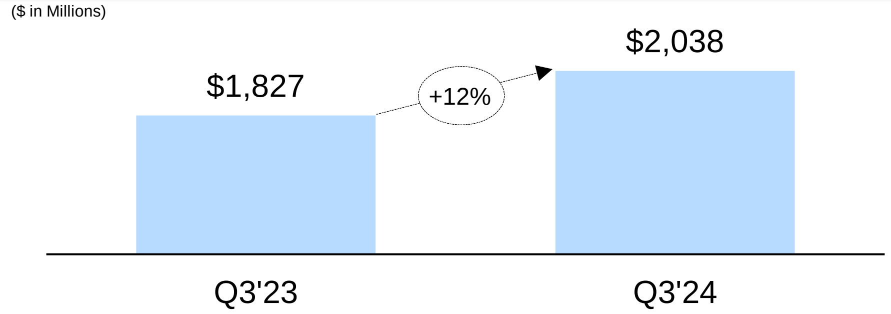
# Financial Results

MARK WITKOWSKI

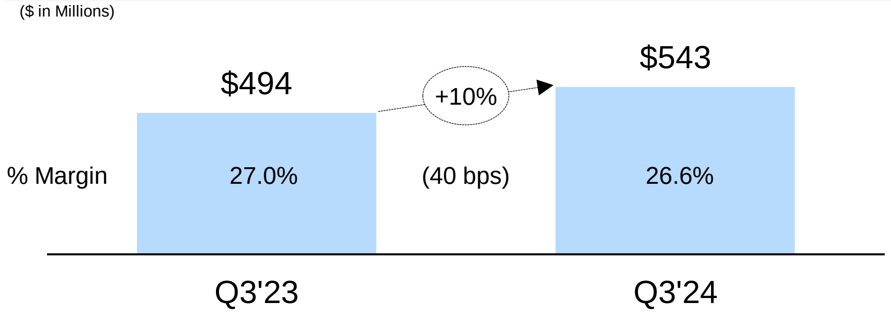
# Q3 2024 FINANCIAL RESULTS

## Driving Continued Growth & Market Share Gains

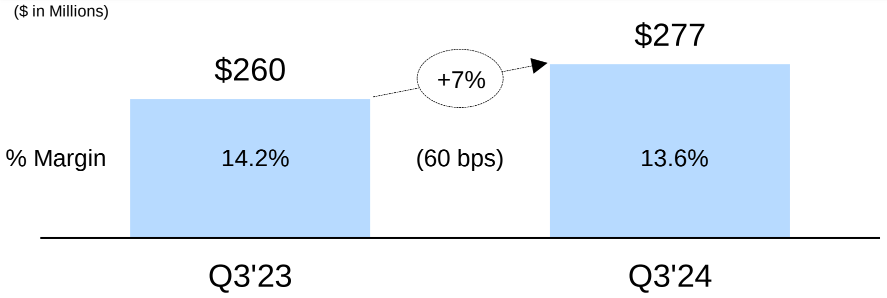
### Net Sales



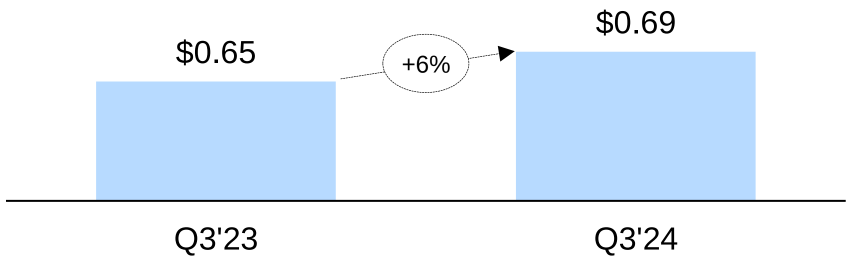

### Gross Profit




### Adjusted EBITDA(1)




### Diluted Earnings Per Share

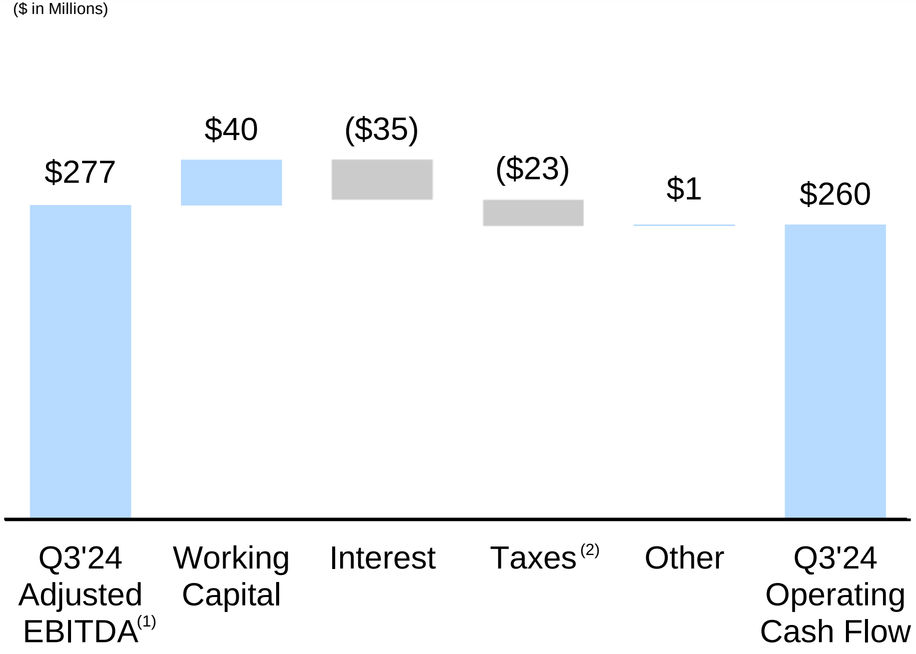



(1) Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. Refer to the appendix of the presentation for a reconciliation to the nearest GAAP measure.

# CASH FLOW & BALANCE SHEET

Robust Cash Flow and Strategic Approach to Capital Allocation

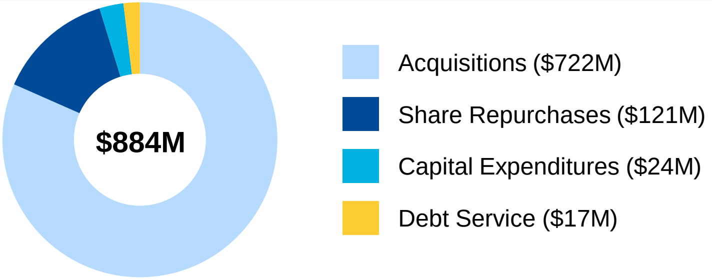
## Operating Cash Flow




## Capital Structure

| Facility | Maturity | Interest Rate | As of 10/27/24 |
|---|---|---|---|
| Senior ABL Credit Facility | 2/9/29 | S + 125[3] | 235 |
| Senior Term Loan due 2028 | 7/27/28 | S + 200 | 1,451 |
| Senior Term Loan due 2031 | 2/9/31 | S + 225 | 744 |
| Total Debt | | | $2,430 |
| **Net Debt Leverage[4][5]** | | | **2.7x** |
| **Total Liquidity** | | | **$1,000** |

## YTD Capital Allocation




(1) Adjusted EBITDA is a non-GAAP financial measure. Refer to the appendix of the presentation for a reconciliation to the nearest GAAP measure. (2) Represents operating cash taxes paid to the IRS and other state & local taxing authorities. Does not include the portion of our tax obligation distributed to non-controlling interest holders as a financing cash outflow. (3) Carries interest at term secured overnight financing rate ("Term SOFR") plus a margin ranging from 125 to 175 basis points, depending on borrowing capacity. (4) Net Debt Leverage represents gross consolidated debt net of cash & cash equivalents divided by Adjusted EBITDA for the last twelve months, which is a non-GAAP financial measure. Refer to the appendix of the presentation for a reconciliation to the nearest GAAP measure. (5) Does not give pro forma effect to acquisitions.

# FISCAL 2024 OUTLOOK

## Expect Notable Growth & Cash Flow Generation

| Metric | Prior FY24 Outlook | Current FY24 Outlook |
|---|---|---|
| Net Sales<br>% Growth vs. FY23 | \$7.30B - \$7.40B<br>+8.9% to +10.4% | \$7.35B - \$7.45B<br>+9.7% to +11.2% |
| Adjusted EBITDA(1)<br>% Growth vs. FY23 | \$900M - \$930M<br>-1.1% to +2.2% | \$915M - \$935M<br>+0.5% to +2.7% |
| Adjusted EBITDA Margin(1) | 12.3% - 12.6% | 12.4% - 12.6% |
| Operating Cash Flow Conversion(1)(2) | 65% - 75% | 65% - 75% |

| End Market Assumptions | % of Net Sales | Current FY24 Outlook |
|---|---|---|
| Residential | ~20% | ↑ Mid Single Digit |
| Non-Residential | ~38% | ↓ Low Single Digit |
| Municipal | ~42% | ↑ Low Single Digit |

## Considerations

- Raising outlook primarily due to the addition of recent acquisitions
- Expect end markets to remain steady through year-end
- Pricing environment expected to remain sequentially stable
- Continue to expect gross margins will sustain in the mid-26% range
- Operating cash flow conversion remains strong
- Committed to returning capital to shareholders and maintaining a flexible balance sheet

(1) Adjusted EBITDA, Adjusted EBITDA margin and Operating Cash Flow Conversion are non-GAAP financial measures. Refer to "Use of Non-GAAP Financial Measures" for a discussion regarding the lack of a reconciliation of these estimated ranges (2) Defined as net cash provided by (used in) operating activities divided by Adjusted EBITDA for the period presented.

# ANNUAL VALUE CREATION TARGETS

## Long-Term Value Creation Targets Remain Intact

| +2 – 4% | +2 – 4% | +2 – 4% | 30 – 50 bps | 60 – 70% |
|---|---|---|---|---|
| Market Volume Growth | Organic Above Market Volume Growth | Growth from Acquisitions | Adjusted EBITDA Margin Enhancement | Operating Cash Flow Conversion |

**Multiple Levers to Drive Sustainable Growth and Margin Expansion Over the Long Term**

# Appendix

# CORE & MAIN SNAPSHOT

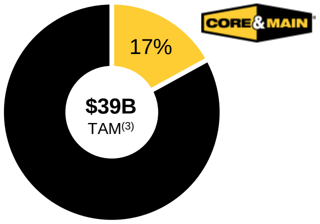
## Key Stats

| $9.0B | $7.2B | $911M | $680M |
|---|---|---|---|
| Market Cap[1] | LTM Q3'24 Net Sales | LTM Q3'24 Adjusted EBITDA[2] | LTM Q3'24 Operating Cash Flow |

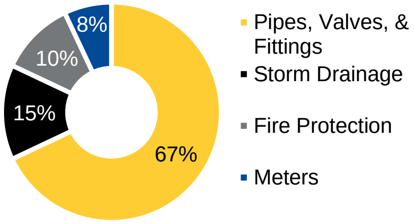
## Market Reach

| 350+ | ~5,500 | 49 | 60K+ | ~5,000 | 200K+ |
|---|---|---|---|---|---|
| Branches | Employees | States | Customers | Suppliers | SKUs |

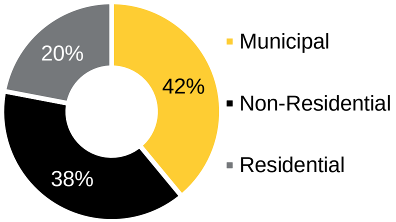
### Market Share



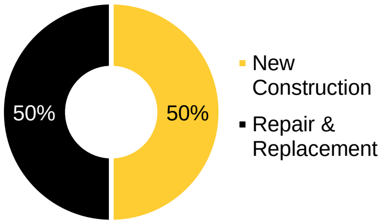

### Product Mix

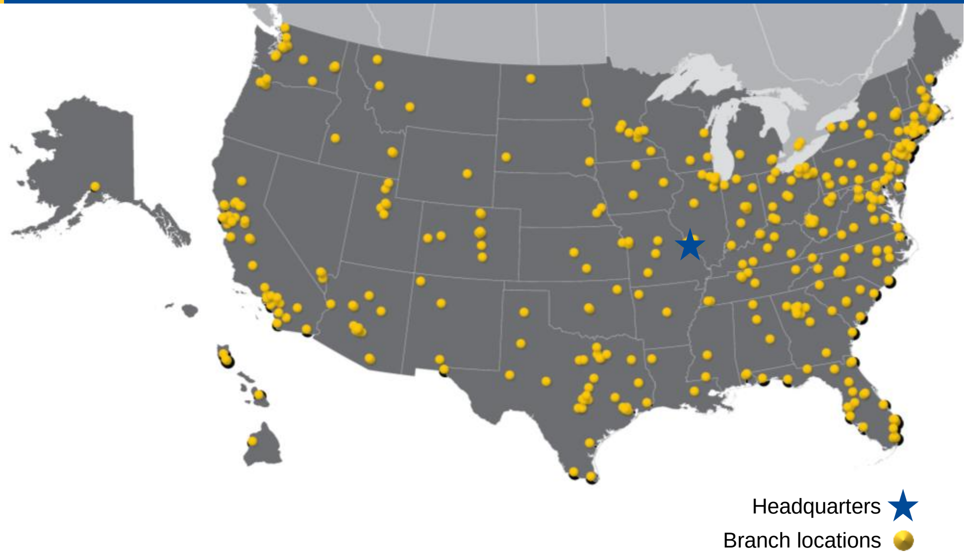



### Market Mix




### New Construction vs. Repair & Replace

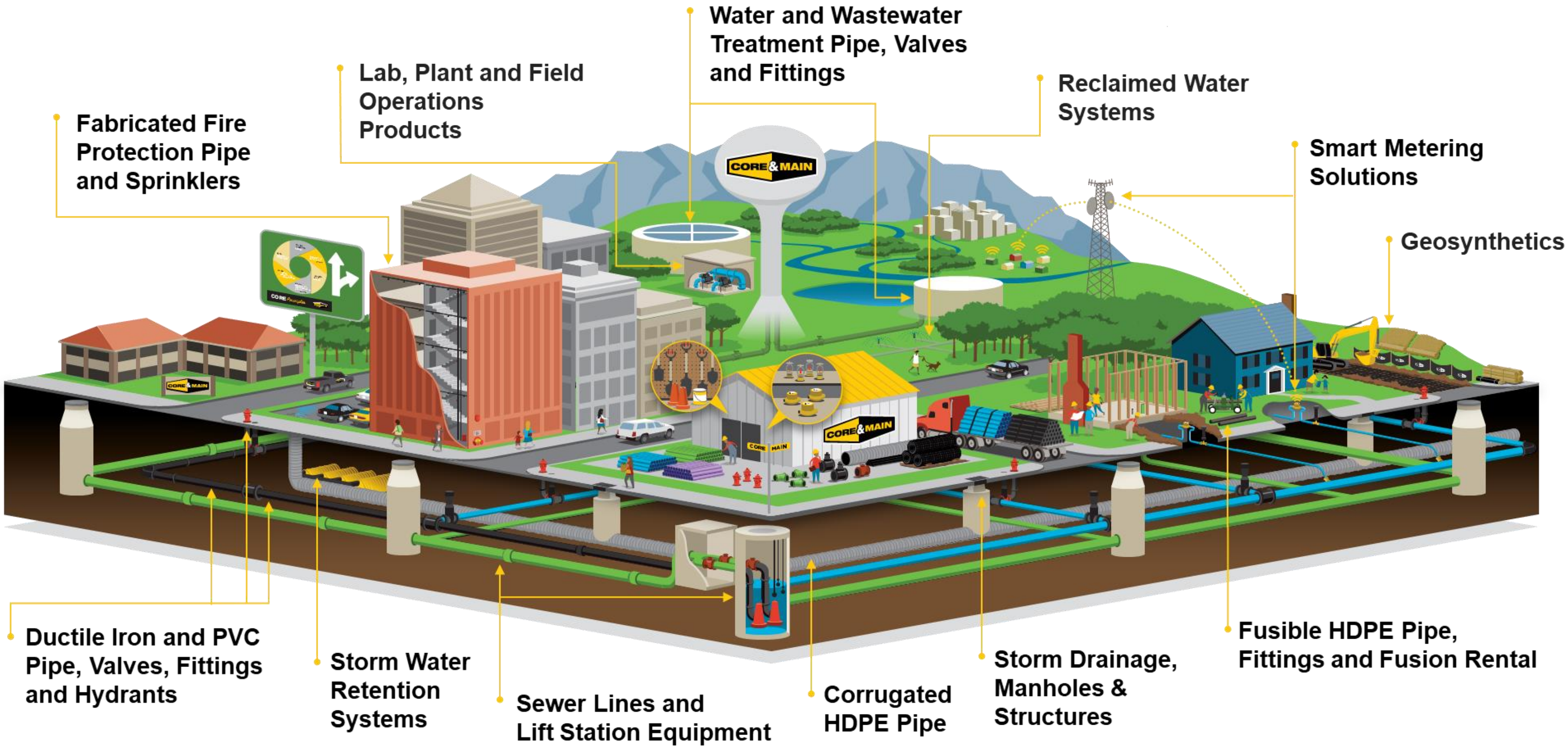



**Leader in Advancing Reliable Infrastructure with Local Service, Nationwide**

(1) As of October 27, 2024. (2) Adjusted EBITDA is a non-GAAP financial measure. Refer to page 18 for a reconciliation to the nearest GAAP measure. (3) Based on independent third-party research and management estimates.

# PRODUCT & SERVICE OFFERING



# CAPITAL ALLOCATION FRAMEWORK

**Significant Cash Generation with a Focus on Fueling Growth & Shareholder Returns**

**Operating Cash Flow Target ~60% – 70% of Adjusted EBITDA**

**Maintain Flexible Balance Sheet with Net Debt Leverage Target of 1.5x – 3.0x**

**Priority Uses for Capital**

| | |
|---|---|
| **Organic Growth & Operational Initiatives** | ▪ Expect future capital expenditures to average ~0.5% – 0.6% of net sales |
| **M&A** | ▪ Maintain a robust M&A pipeline and a disciplined approach to sourcing, acquiring and integrating businesses |
| **Share Repurchases or Dividends** | ▪ Deploy surplus capital towards share repurchases and/or, subject to board approval, dividends |

# COMPOUNDING GROWTH THROUGH M&A

## Completed 10 Acquisitions YTD with Combined Annualized Net Sales of ~$620M

### Maximize Market Presence

- Significant opportunity to fill existing geographies and product lines or expand into new geographies and product lines
- Ability to access attractive markets, new technologies and product innovations
- Diligent assessment of macro growth trends and competitive landscape

### Drive Value Creation

- Our size, scale and differentiated capabilities drives immediate synergistic value with a focus on people, process and strategy
- Past synergies have driven highly attractive returns on capital and support shareholder value creation

### Leverage Entrepreneurial Culture

- Successful track record of retaining and promoting management and associates of acquired companies
- Our “local service, nationwide” philosophy incentivizes acquired companies to be entrepreneurial, making decisions grounded in a customer-centric approach

### 2017

- Minnesota Pipe & Equipment

### 2018

- STL Fab & Supply
- DOT Sales
- Finish Line Systems
- DCL Fabrication & Supply

### 2019

- Maskell Pipe & Supply
- Long Island Pipe Supply
- J&J Supply / Erosion Resources & Supply

### 2020

- R&B Company
- Water Works Supply

### 2021

- Triple T Pipe & Supply
- Pacific Pipe
- L&M Bag and Supply
- CES Industrial Piping Supply
- Catalone Pipe & Supply

### 2022

- Dodson Engineered Products
- Lock City Supply
- Earthsavers Erosion Control
- Inland Water Works Supply
- Trumbull
- Distributors
- Lanier Municipal Supply Co.

### 2023

- Landscape & Construction Supplies
- UPSCO
- Midwest Pipe Supply
- Foster Supply
- D'Angelo Company
- Enviroscape
- Granite Water Works
- Lee Supply Company

### 2024 YTD

- Eastern Supply
- Dana Kepner
- ACF West
- EGW Utilities
- Geothermal Supply Company
- HM Pipe Products
- GroGreen Solutions
- Green Equipment Company
- Eastcom Associates
- ARGCO Northeast

# RECONCILIATION OF NON-GAAP MEASURES

($ in Millions)

## Adjusted EBITDA & Adjusted EBITDA Margin

| | Three Months Ended | | Nine Months Ended | | Twelve Months Ended | |
|---|---|---|---|---|---|---|
| | October 27, 2024 | October 29, 2023 | October 27, 2024 | October 29, 2023 | October 27, 2024 | October 29, 2023 |
| Net income attributable to Core & Main, Inc. | $ 133 | $ 112 | $ 347 | $ 308 | $ 410 | $ 362 |
| Plus: net income attributable to non-controlling interest | 7 | 46 | 20 | 147 | 33 | 177 |
| Net income | 140 | 158 | 367 | 455 | 443 | 539 |
| Depreciation and amortization[1] | 46 | 38 | 137 | 111 | 175 | 147 |
| Provision for income taxes | 47 | 39 | 122 | 110 | 140 | 130 |
| Interest expense | 36 | 20 | 106 | 59 | 128 | 79 |
| EBITDA | $ 269 | $ 255 | $ 732 | $ 735 | $ 886 | $ 895 |
| Equity-based compensation | 4 | 3 | 11 | 8 | 13 | 10 |
| Acquisition expenses[2] | 4 | 1 | 8 | 4 | 10 | 6 |
| Offering expenses[3] | - | 1 | - | 3 | 2 | 3 |
| Adjusted EBITDA | $ 277 | $ 260 | $ 751 | $ 750 | $ 911 | $ 914 |
| Adjusted EBITDA Margin: | | | | | | |
| Net Sales | $ 2,038 | $ 1,827 | $ 5,743 | $ 5,262 | $ 7,183 | $ 6,636 |
| Adjusted EBITDA / Net Sales | 13.6% | 14.2% | 13.1% | 14.3% | 12.7% | 13.8% |

(1) Includes depreciation of certain assets which are reflected in “cost of sales” in our Statement of Operations.

(2) Represents expenses associated with acquisition activities, including transaction costs, post-acquisition employee retention bonuses, severance payments and expense recognition of purchase accounting fair value adjustments (excluding amortization).

(3) Represents costs related to secondary offerings reflected in SG&A expenses in our Statement of Operations.

# RECONCILIATION OF NON-GAAP MEASURES

($ in Millions)

## Net Debt Leverage

| | As of | |
|---|---|---|
| | October 27, 2024 | October 29, 2023 |
| Senior ABL Credit Facility due February 2029 | $ 235 | $ - |
| Senior Term Loan due July 2028 | 1,451 | 1,466 |
| Senior Term Loan due February 2031 | 744 | - |
| Total Debt | 2,430 | 1,466 |
| Less: Cash & Cash Equivalents | (10) | (101) |
| Net Debt | $ 2,420 | $ 1,365 |
| Twelve Months Ended Adjusted EBITDA | 911 | 914 |
| Net Debt Leverage | 2.7x | 1.5x |