



# DORMAN PRODUCTS, INC.

INVESTOR PRESENTATION  
2024



# Forward-Looking Statements & Non-GAAP Financial Measures

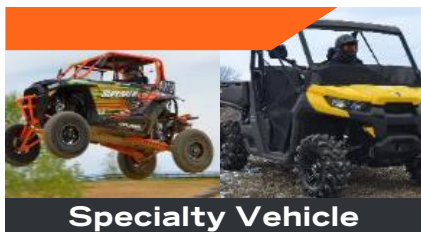
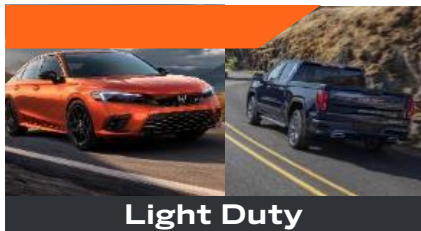
## **Forward-Looking Statements**

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Words such as “may,” “will,” “should,” “likely,” “probably,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “views,” “estimates” and similar expressions are used to identify these forward-looking statements. Readers are cautioned not to place undue reliance on those forward-looking statements, which speak only as of the date such statements were made. Such forward-looking statements are based on current expectations that involve a number of known and unknown risks, uncertainties and other factors (many of which are outside of our control). Such risks, uncertainties and other factors relate to, among other things: competition in and the evolution of the motor vehicle aftermarket industry; changes in our relationships with, or the loss of, any customers or suppliers; our ability to develop, market and sell new and existing products; our ability to anticipate and meet customer demand; our ability to purchase necessary materials from our suppliers and the impacts of any related logistics constraints; widespread public health pandemics; political and regulatory matters, such as changes in trade policy, the imposition of tariffs and climate regulation; our ability to protect our information security systems and defend against cyberattacks; our ability to protect our intellectual property and defend against any claims of infringement; and financial and economic factors, such as our level of indebtedness, fluctuations in interest rates and inflation. More information on these risks and other potential factors that could affect the Company’s business, reputation, results of operations, financial condition, and stock price is included in the Company’s filings with the Securities and Exchange Commission (“SEC”), including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the Company’s most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. The Company is under no obligation to, and expressly disclaims any such obligation to, update any of the information in this document, including but not limited to any situation where any forward-looking statement later turns out to be inaccurate whether as a result of new information, future events or otherwise.

## **Non-GAAP Financial Measures**

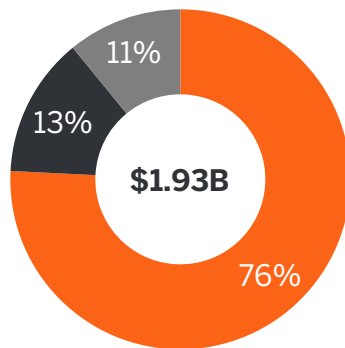
This presentation includes non-GAAP financial measures as defined under the rules of the Securities and Exchange Commission. These non-GAAP financial measures should not be used as a substitute for GAAP measures, or considered in isolation, for the purpose of analyzing our cash flows or results of operations. Additionally, these non-GAAP measures may not be comparable to similarly titled measures reported by other companies. Reconciliations of these non-GAAP measures to the most directly comparable GAAP financial measures are included in this presentation.

# Dorman: What We Do



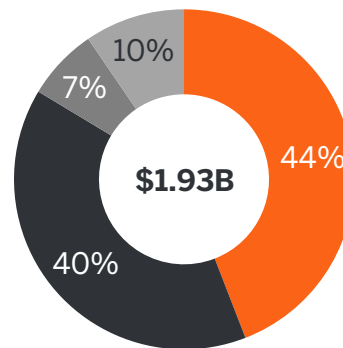
- We deliver product innovation to the aftermarket and develop new repair solutions
- **Design + Manufacture + Distribute** replacement and upgrade parts for the motor vehicle aftermarket

**FY2023 Net Sales by Segment**



Light Duty Heavy Duty Specialty Vehicle

**FY2023 Net Sales by Channel**



Retail Wholesale Distributor Direct to Consumer Other

# Dorman: How We Do It – *Our Culture of Contribution*



## **Ideation & Innovation**

We promote and reward inquisitiveness, courage and the pursuit of new ideas



## **Deliver Customer Value**

We are diligent in our efforts to understand our customers' needs and provide high quality products and services



## **Empower Our Contributors**

We provide our employees, who we call "contributors", the tools and resources necessary for their success



## **Accountability for Results**

We take responsibility for continually pushing toward improved results for our teams, customers and shareholders



## **Strive for Excellence**

We are committed to the endless pursuit of success



**Environmental Stewardship**



**Social Consciousness**



**Responsible Governance**

# Dorman By The Numbers

**\$1.93bn**

FY23 Net Sales

**18%**

Net Sales CAGR  
FY19 - FY23

**15.4%**

Q4-23  
Adj. Operating Margin<sup>3</sup>

- New product innovation drives growth
- Strong margin and cash flow profile

**19,000+**

SKUs Launched in the  
last 3 fiscal years<sup>2</sup>

**410+**

Product Categories<sup>1</sup>

**300+**

Global Suppliers<sup>1</sup>

**78%**

Branded Products  
Net Sales<sup>1</sup>

- Replacement parts redesigned to optimize the repair process
- Advanced network of manufacturing partners around the world

1 – At December 31, 2023.

2 – Adjusted to include Dayton Parts and SuperATV performance for periods prior to Dorman acquisitions.

3 – See reconciliation of non-GAAP amounts in appendix of this presentation.

**Strong Growth Fueled by Innovation  
Driving the Motor Vehicle Aftermarket**





# Pillars of Our Equity Story

- 1** Driving Innovation in the Aftermarket
- 2** Large TAM Across Light Duty, Heavy Duty and Specialty Vehicle
- 3** Positioned to Succeed in an Evolving Motor Vehicle Aftermarket with a Diverse Product Offering
- 4** Global Engineering, Supply Chain and Manufacturing Excellence
- 5** Compelling Financial Profile with Strong Growth, Margins and Cash Flow Generation

# Rapid Innovation at Scale is a Compelling Advantage



## New to the Aftermarket Innovation Engine

- End customer relationships drive new product ideation funnel
- Proprietary solutions that simplify repairs



## Broad and Technical Product Capabilities

- Design and produce solutions from bumper-to-bumper
- Drivetrain agnostic, serving ICE, Hybrid & BEV platforms
- Advanced technical capabilities in software and electronics



## Nimble Manufacturing and Supply Chain

- Asset-light, capital-efficient model
- Diversified global supply partners and logistics network
- Speed to market, speed to scale, and speed to pivot



## Effective Across Segments and Channels

- E-commerce investments facilitate omni channel approach
- Implementing “Dorman Model” in new adjacent segments

**19,000+**  
SKUs launched in the  
last 3 years<sup>1,2</sup>

Expansion to **Alternative  
Powertrain Solutions**

A Leader in  
**Aftermarket Complex  
Electronics**

**300+**  
Global Suppliers<sup>1</sup>

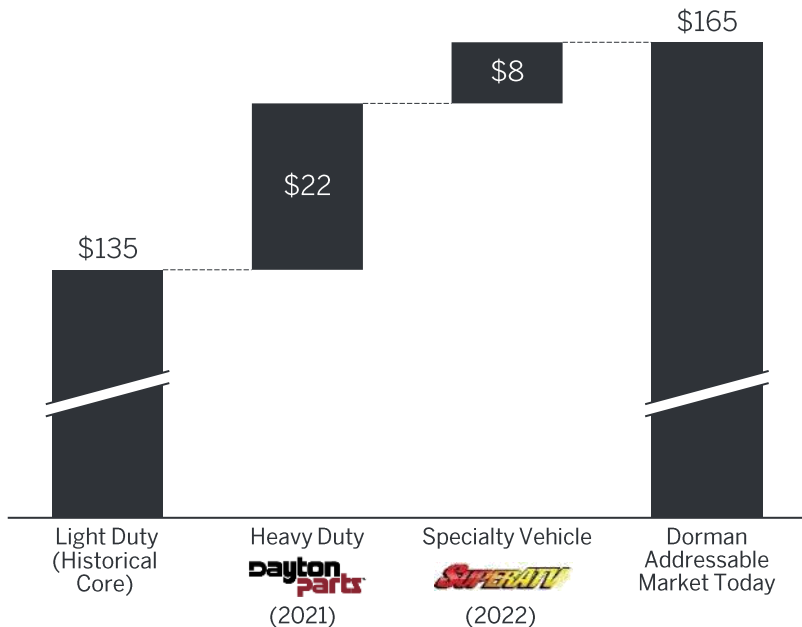
1 – At December 31, 2023.

2 – Adjusted to include Dayton Parts and SuperATV performance for periods prior to Dorman acquisitions.

# Opportunity to Leverage Dorman's Innovation Model Across a Large and Diverse TAM

Adjacent Investments Have Expanded TAM 22%

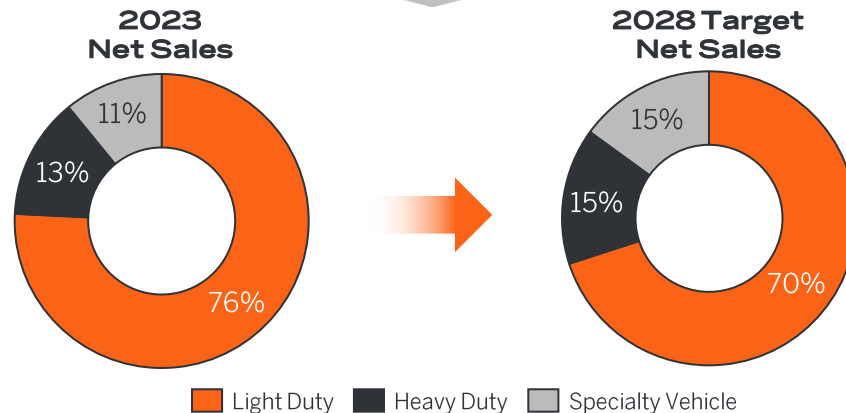
2023 TOTAL ADDRESSABLE MARKET (US\$ BILLIONS)<sup>1</sup>



Attractive Segment Characteristics



Dorman Products' Innovation Playbook



# Positioned Across Three Growing Sectors, With Opportunity to Drive Shareholder Value



- New products drive growth and margins
- Invest in high margin IP-centric categories
- Broad distribution to meet customers in all commercial channels
- Optimize operating performance
- Continue to reconfigure supply chain for resiliency and efficiency

**3-Yr Sector Growth: 3.7%<sup>1</sup>**



- Leverage Dorman's new-to-aftermarket model to drive growth and expand margins
- Generate returns on growth-oriented investments
- Improve manufacturing efficiency
- Enable best-in-class ecommerce platform and digital capabilities
- Broaden distribution to reach underserved commercial customers

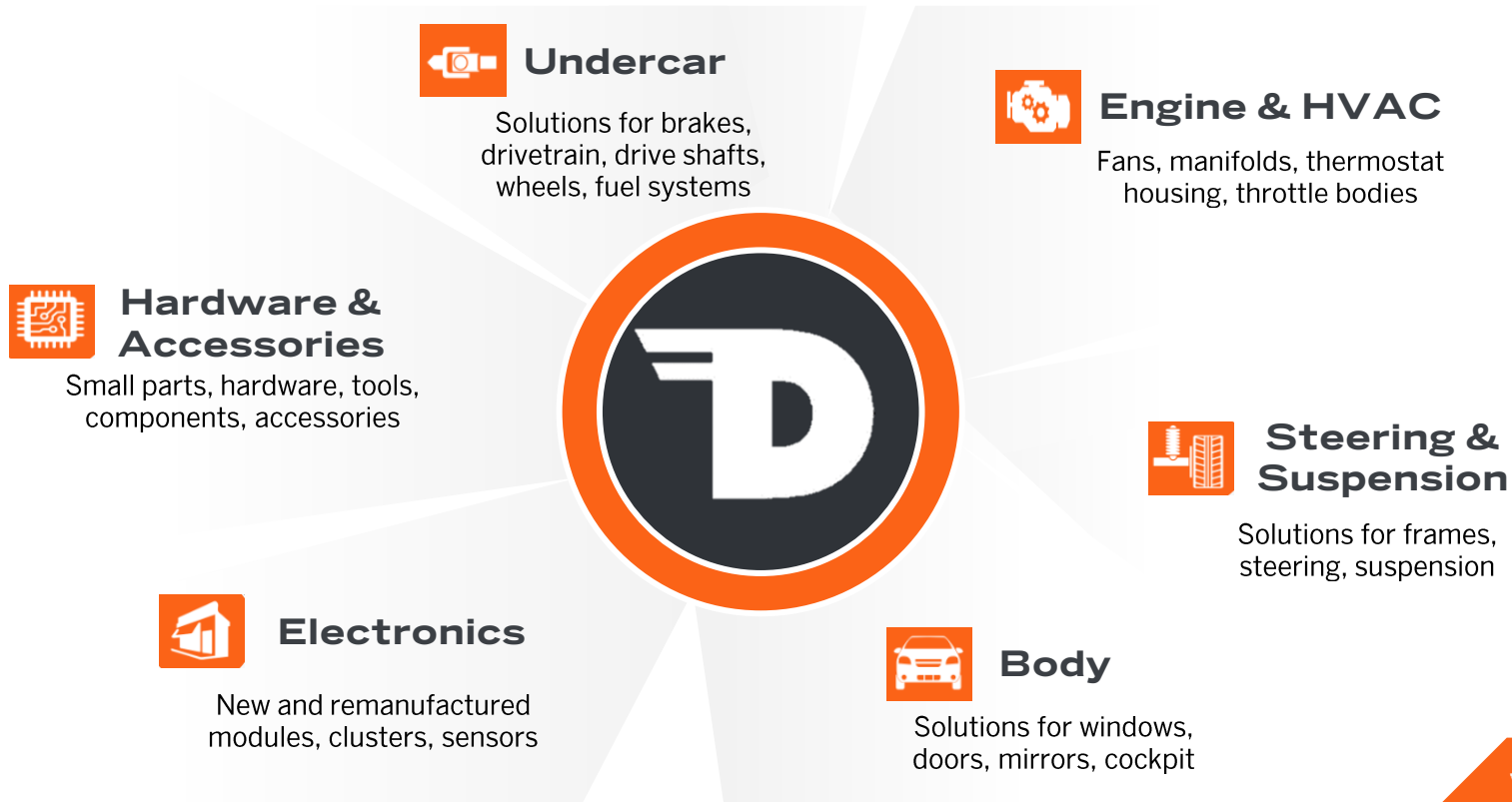
**3-Yr Sector Growth: 3.0%<sup>1</sup>**



- Invest in scalable, higher margin operation
- Accelerate development of new products
- Extend nondiscretionary product line coverage
- Expand penetration of dealers in new geographies
- Execute M&A tuck-in opportunities

**3-Yr Sector Growth: 4.0%<sup>1</sup>**

# Bumper-to-Bumper Product Coverage and Capability



# Positioned to Succeed in an Evolving Motor Vehicle Aftermarket



## Alternative Powertrains

Hybrid/EV  
Power Systems

Hybrid/EV Non-  
Power Systems

148 sub-categories<sup>1</sup>

~7,900 Active SKUs  
(153 OE FIX™)<sup>1</sup>



**BEV Model**  
Control Arm & Ball  
Joint Assembly



**BEV Model**  
Regulator & Motor  
Assembly



**BEV Model**  
Door Handle  
Repair Kit



## Complex Electronics



Modules &  
Sensors



ADAS

78 sub-categories<sup>1</sup>

~4,100 Active SKUs  
(281 OE FIX™)<sup>1</sup>

### COMPLEX INDEPENDENT MODULES



### DOMAIN CONTROL MODULES



# Leveraging Global Product Manufacturing Capabilities



State-of-the-Art  
Development and  
Testing Capabilities



High-Quality,  
Efficient & Scalable  
Production



Strategically  
Located Domestic &  
International  
Manufacturing



Vertically  
Integrated  
Warehousing &  
Distribution

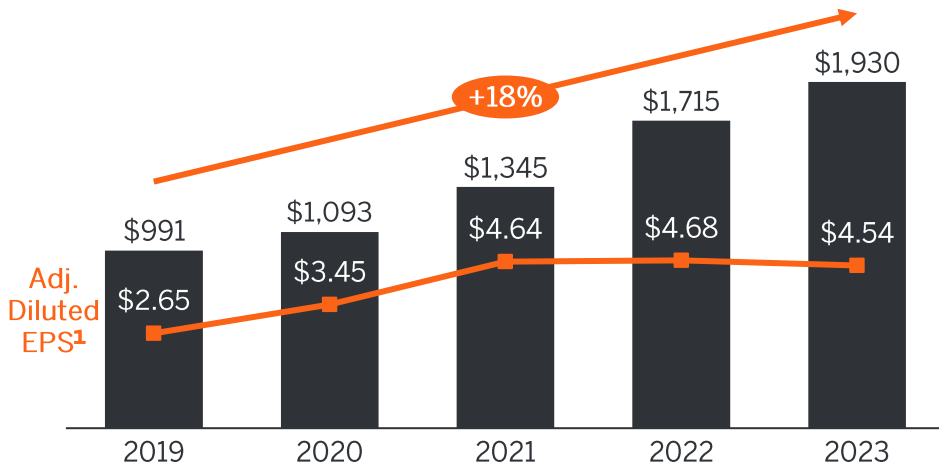
- Validation of high-quality standards across facilities by skilled engineers
- Asset light model allows for low CapEx and nimbleness in manufacturing
- Advanced network of manufacturing partners around the world

# Delivering Consistent Growth, Profitability and Cash Flow

## Topline Annualized Growth of 18% Since 2019

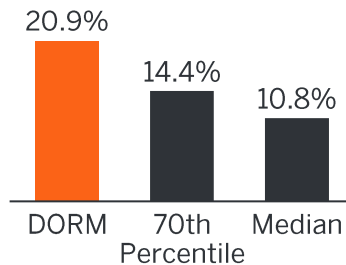
- Nondiscretionary parts focus performs well in difficult economies
- End-market diversification mitigates cycles
- Broad global supply chain network provides resiliency

### Net Sales<sup>1</sup> (USD millions)

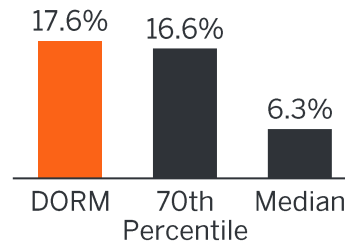


## Outperforming our Peers<sup>2</sup>

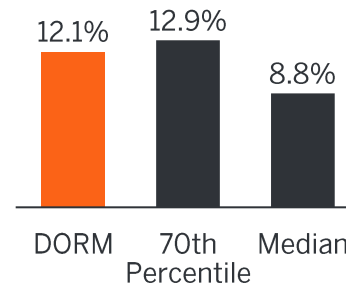
### 3-Year Net Sales Growth



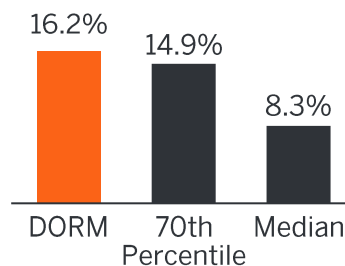
### 3-Year OI Growth<sup>3</sup>



### FY2023 OI Margin<sup>3</sup>



### 3-Year EBITDA Growth<sup>3</sup>



1 – Adjusted to exclude the 53<sup>rd</sup> week of FY 2022. See reconciliation of non-GAAP amounts in appendix of this presentation.

2 – Peer group includes AXL, CPS, FOXF, GNTX, GTX, HLIO, HLLY, LCII, MOD, MPAA, PATK, PRTS, SMP, SRI, VC. Data from Factset. 2023 performance includes some consensus estimates as at January 31, 2024.

3 – OI refers to Adjusted Operating Income, and EBITDA refers to Adjusted EBITDA. See reconciliation of non-GAAP amounts in appendix of this presentation.

# Multiple Levers to Drive Organic and Inorganic Growth Going Forward

## Market Expansion

- Drive above-market growth across three segments
- Support customers' expansion into new geographies and product categories

## Future Technology

- Significant annual R&D investment
- Expanding new technologies
- Investments in electronics and alternative powertrain development

## Strategic Acquisitions

- Light Duty bolt-on acquisitions
- Further penetration in Heavy Duty and Specialty Vehicle channels
- Opportunistically evaluate adjacent markets and regional expansion



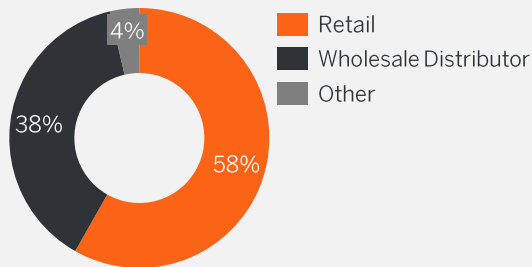
# Business Segments



# Light Duty Segment Overview

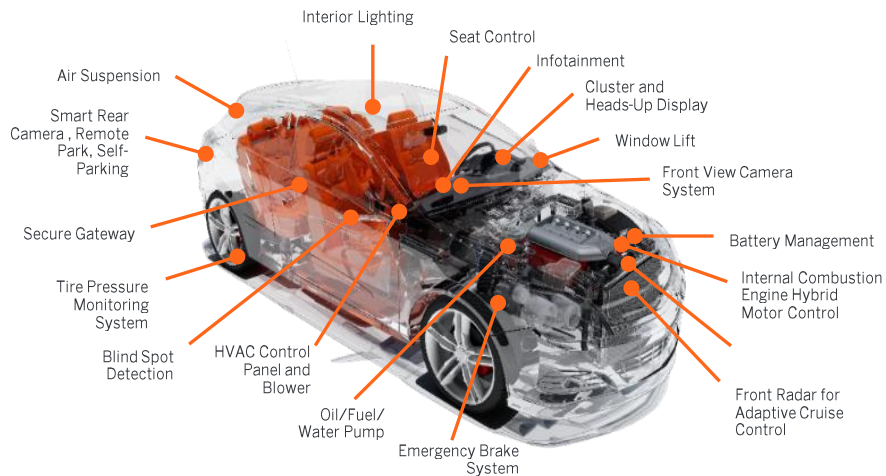
- ✓ **Strategic Supplier to** Aftermarket Retail
- ✓ **245+** Product Categories<sup>1</sup>
- ✓ **11,500+** SKU Launched in last 3 fiscal years<sup>1</sup>
- ✓ **9 Domestic** Facilities<sup>1</sup>
- ✓ **4 International** Facilities<sup>1</sup>

## 2023 Net Sales by Channel



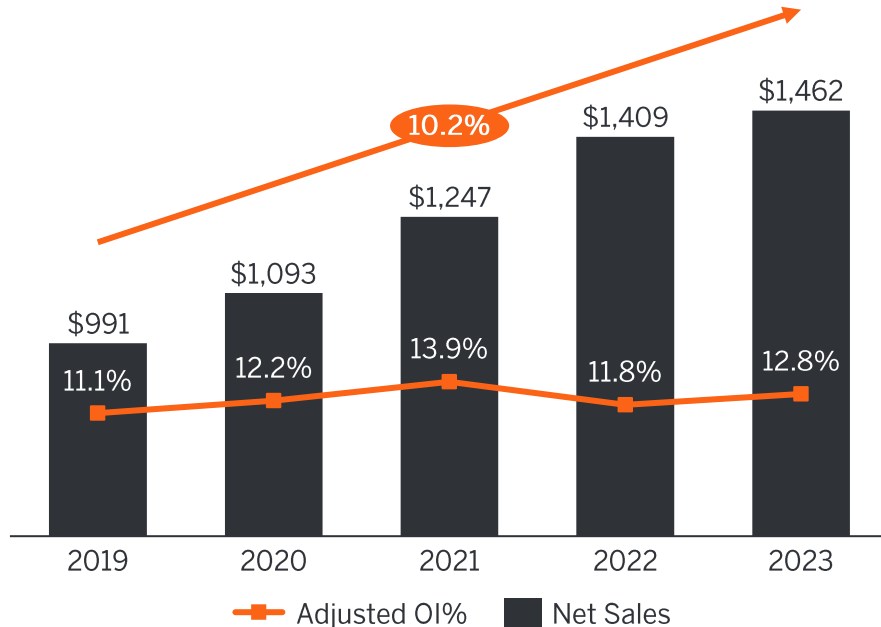
**12.8%**  
**Adj. Operating Margin<sup>1</sup>**

## Product Categories



# Light Duty Segment Historical Financials

Net Sales<sup>1</sup> &  
Adjusted Operating Income<sup>1</sup>



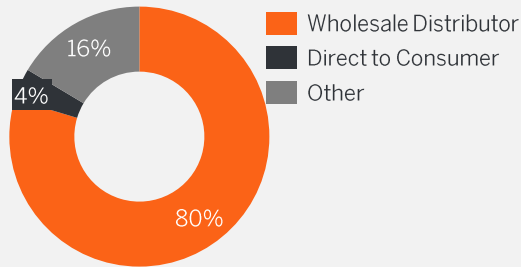
- Net Sales growth outpaced the sector growth rate of 6.5% over same period
- Target organic growth of roughly 2x automobile aftermarket industry rate
- Introduced hundreds of new products to the aftermarket every month
- FY22 and FY23 SG&A impacted by interest rate changes on factoring costs
- Pricing initiatives implemented to help offset higher costs
- Margins improved in FY23 as inflation abated

1 – Adjusted to exclude the 53<sup>rd</sup> week of FY 2022. Dollar amounts in millions. See reconciliations of non-GAAP amounts in appendix of this presentation.

# Heavy Duty Segment Overview

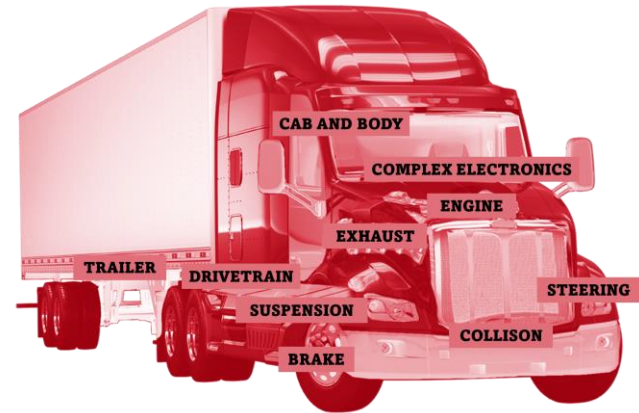
- ✓ **70+** Product Categories<sup>1</sup>
- ✓ **90% / 10%** Sales Below Frame / Sales Above Frame<sup>1</sup>
- ✓ **1,700+** SKU Launched in last 3 fiscal years<sup>1,2</sup>
- ✓ **7 Domestic** Manufacturing & Distribution Facilities
- ✓ **4 International** Manufacturing & Distribution Facilities

## 2023 Net Sales by Channel



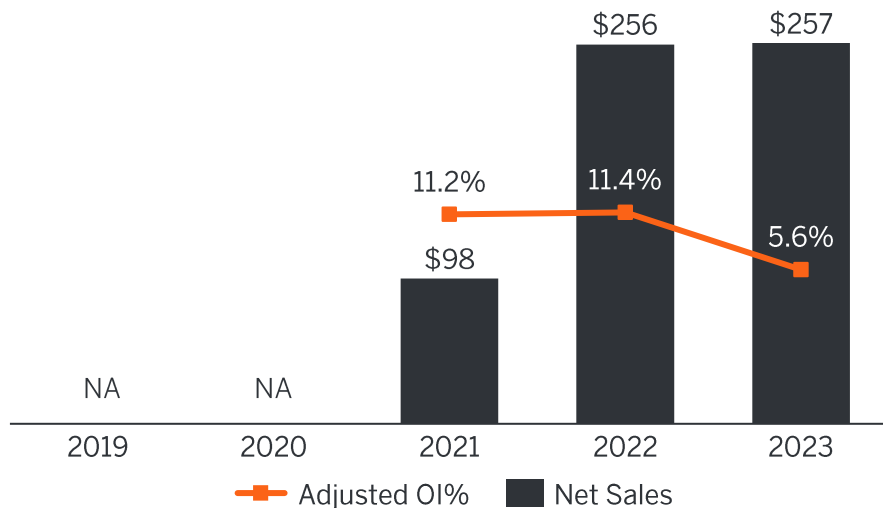
**5.6%**  
Adj. Operating  
Margin<sup>1</sup>

## Product Categories



# Heavy Duty Segment Historical Financials

Net Sales<sup>1</sup> &  
Adjusted Operating Income<sup>1</sup>



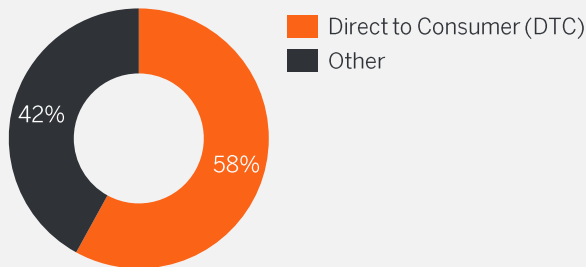
- Acquired Dayton Parts in August 2021 and combined with legacy Dorman heavy duty business to form the Heavy Duty segment
- Challenging market in 2023 due to soft trucking demand following very strong 2022 post-COVID
- 2022 was a strong comp, as estimated net sales growth from 2021 to 2023 was 13%
- High-cost inventory due to rapid inflation and unfavorable FX weighed on margins, with pricing actions and cost saving initiatives implemented to offset these higher costs
- Growth investments made in SG&A to drive future new product growth

1 – Adjusted to exclude the 53<sup>rd</sup> week of FY 2022. Dollar amounts in millions. See reconciliations of non-GAAP amounts in appendix of this presentation.

# Specialty Vehicle Segment Overview

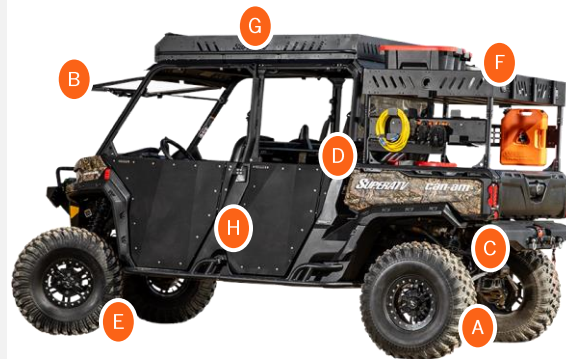
- ✓ **11,000 Products in 95** Product Categories<sup>1</sup>
- ✓ **6,100+** SKU Launched in last 3 fiscal years<sup>1,2</sup>
- ✓ **58% DTC** 42% Dealer / Other<sup>1</sup>
- ✓ **5,500+** Dealer customers<sup>1</sup>
- ✓ **5 Domestic / 1 International** manufacturing and distribution facilities

## 2023 Net Sales by Channel



**15.0%**  
Adj. Operating  
Margin<sup>1</sup>

## Product Categories



- A** Suspension / Handling
- B** Cabs / Roofs / Windshields / Mirrors
- C** Towing / Winches / Tools
- D** Overland Accessories
- E** Tires / Wheels
- F** Lighting / Electronics
- G** Storage / Cargo
- H** Other

## Brands

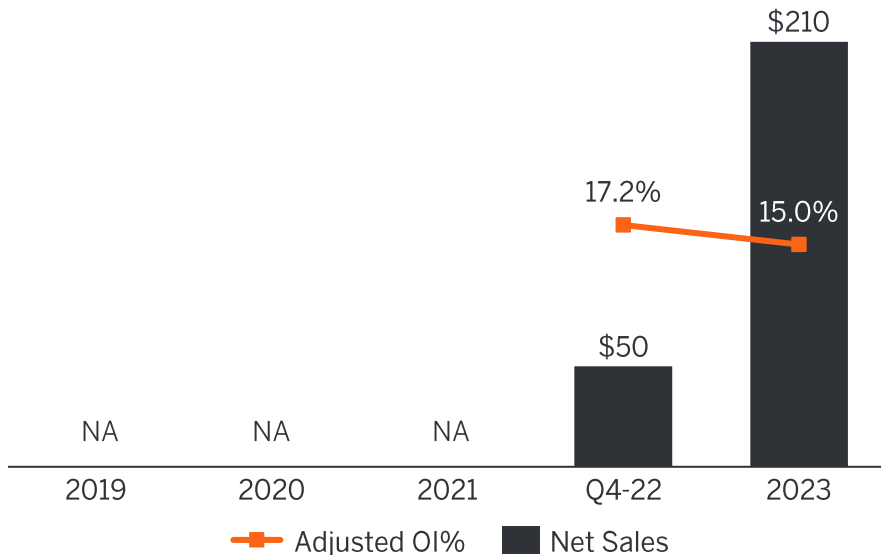


1 – As of December 31, 2023.

2 – Adjusted to include SuperATV performance for periods prior to Dorman acquisition.

# Specialty Vehicle Segment Historical Financials

Net Sales<sup>1</sup> &  
Adjusted Operating Income<sup>1</sup>



- SuperATV was acquired in October 2022
- Integration completed
- 2023 represents first full year of operations
- Estimate 50% of net sales are nondiscretionary (including repair parts and utility accessories)
- Introduction of parts for new machines and a focus on nondiscretionary parts contributed to growth
- Increased penetration of dealer network, particularly in west region (area of under-representation), a priority growth initiative

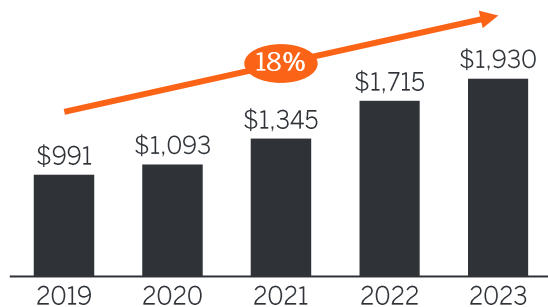


# Consolidated Financial Overview

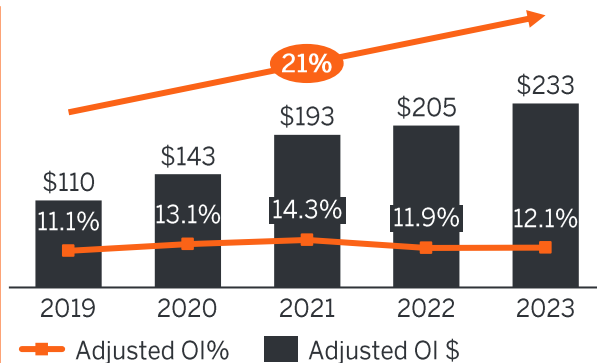


# Historical Financial Performance

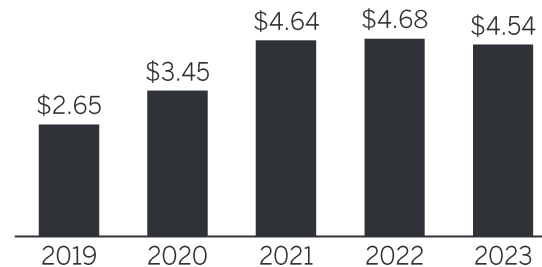
## Net Sales<sup>1,2</sup>



## Adj. Operating Income<sup>1,2</sup>



## Adj. Diluted EPS<sup>1,2</sup>



- For fiscal 2023, achieved record net sales of \$1.93bn
- Fiscal 2023 results reflect higher volume, including successful new product development and penetration, the addition of SuperATV, and price increases to offset inflationary effects

- Inflationary costs continue to ease resulting from improvements to global supply chains, combined with the impact of lower material and freight costs
- Pricing initiatives and cost-saving initiatives in place to offset higher costs
- Adjusted Operating Margin impacted by higher Adjusted Gross Margin due to lower-cost inventory, and positive margin mix from SuperATV, and offset by higher factoring costs

- For fiscal 2023, achieved adjusted diluted EPS of \$4.54
- Decrease in adj. diluted EPS in 2023 driven by higher interest expenses related to the acquisition of SuperATV and increase in SG&A expenses due to higher factoring costs, partially offset by a strong increase of 290 bps in gross margin

# Leverage & Liquidity

## Strong Balance Sheet and Liquidity Position

### Net Leverage

Revolving Credit Facility	\$93
Term Loan	\$484
Less: Cash and Cash Equivalents	(\$37)
<b>Net Debt</b>	<b>\$540</b>
LTM Consolidated EBITDA <sup>1</sup>	\$289
<b>Total Net Leverage Ratio<sup>1</sup></b>	<b>1.87x</b>

### Liquidity

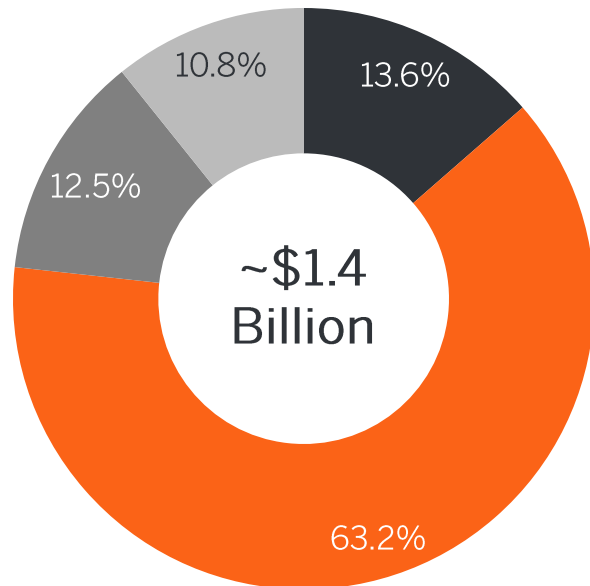
Total Revolver Commitment	\$600
Less: Revolver Draw Outstanding	(\$94)
<b>Available Revolver Capacity</b>	<b>\$506</b>
Cash and Cash Equivalents	\$37
<b>Total Liquidity</b>	<b>\$543</b>

Note: Fiscal Year ending December 31, 2023. Dollar amounts are presented in millions.

1 – As determined under the Company's Credit Agreement, dated August 10, 2021 and amended October 4, 2022, filed with the U.S. Securities and Exchange Commission.

# Capital Allocation Strategy

## 2019-2023 Capital Deployment



## Long Term Priorities

### Target Leverage

- Target 2.0x leverage, 3.0x in first year following acquisition

### Reinvestment

- Continue to fund R&D and Capital Expenditures to enhance our existing product portfolio

### M&A

- Acquisitions supplement our profitable growth, increase our customer base, add to our distribution capabilities, and enhance our product development resources

### Share Repurchases

- Share repurchase program allows for repurchase of up to \$600M of our outstanding common stock through December 31, 2024
- \$213M remaining authorization as of December 31, 2023

# 2024 Guidance

2024  
Guidance  
(as of February 26, 2024)

Net Sales change vs. previous year	3% - 5%
Adjusted Diluted EPS <sup>1</sup>	\$5.40 - \$5.70
<i>Change vs. previous year</i>	19% - 26%
Diluted EPS	\$4.71 - \$5.01

- Guidance excludes any potential impact from future M&A, additional supply chain disruptions, significant interest or inflationary rate increases, or share repurchases
- Guidance includes impact of February 2024 reduction in workforce
- Assumes 24% effective tax rate





# Appendix – Non-GAAP Reconciliations

# Results Adjusted for 53rd week of 2022

	Twelve Months Ended December 31				
	2023	2022	Impact of 53rd Week	2022 Adjusted	2023 vs. 2022 Adj.
(\$ in thousands, except EPS)					
<b>Net Sales</b>					
Light Duty	\$ 1,462,474	\$ 1,425,892	\$ (16,834)	\$ 1,409,058	4%
Heavy Duty	256,913	258,215	(2,365)	255,850	0%
Specialty	210,401	49,642	-	49,642	324%
Consolidated	<u>\$ 1,929,788</u>	<u>\$ 1,733,749</u>	<u>\$ (19,199)</u>	<u>\$ 1,714,550</u>	<u>13%</u>
<b>Adjusted Gross Margin</b>					
Consolidated	\$ 697,236	\$ 575,520	\$ (6,009)	\$ 569,511	\$ 127,725
%	36.1%	33.2%	31.3%	33.2%	290 bps
<b>Adjusted S,G&amp;A</b>					
Consolidated	\$ 463,954	\$ 367,666	\$ (2,750)	\$ 364,916	\$ 99,038
%	24.0%	21.2%	14.3%	21.3%	270 bps
<b>Adjusted Operating Income</b>					
Light Duty	\$ 187,159	\$ 169,579	\$ (2,786)	\$ 166,793	12%
Heavy Duty	14,505	29,738	(473)	29,265	-50%
Specialty	31,618	8,537	-	8,537	270%
Consolidated	<u>\$ 233,282</u>	<u>\$ 207,854</u>	<u>\$ (3,259)</u>	<u>\$ 204,595</u>	<u>14%</u>
<b>Adjusted Operating Margin</b>					
Light Duty	12.8%	11.9%		11.8%	100 bps
Heavy Duty	5.6%	11.5%		11.4%	(580) bps
Specialty	15.0%	17.2%		17.2%	(220) bps
Consolidated	<u>12.1%</u>	<u>12.0%</u>		<u>11.9%</u>	<u>20 bps</u>
<b>Adjusted Diluted EPS</b>					
Consolidated	\$ 4.54	\$ 4.76	\$ (0.08)	\$ 4.68	-3%

# Reconciliation of Adjusted Diluted EPS

(\$ in thousands)	Twelve Months Ended				
	12/31/23	12/31/22	12/25/21	12/26/20	12/28/19
Diluted earnings per share (GAAP)	\$ 4.10	\$ 3.85	\$ 4.12	\$ 3.30	\$ 2.56
Pretax acquisition-related intangible assets amortization	0.69	0.45	0.20	0.10	0.08
Pretax acquisition-related transaction and other costs	0.49	0.72	0.47	0.14	0.04
Capitalized debt issuance fee write-off	—	0.00	—	—	—
Executive transition services expense	0.06	—	—	—	—
Fair value adjustment to contingent consideration	(0.65)	—	—	—	—
Pretax gain on equity method investment	—	—	—	(0.08)	—
Noncash impairment related to equity method investment	—	—	—	0.06	—
Tax adjustment (related to above items)	(0.15)	(0.27)	(0.14)	(0.06)	(0.03)
Tax benefit for reversal of deferred tax liability for equity method investment	—	—	—	(0.03)	—
Adjusted diluted earnings per share (Non-GAAP)	<u>\$ 4.54</u>	<u>\$ 4.76</u>	<u>\$ 4.64</u>	<u>\$ 3.45</u>	<u>\$ 2.65</u>

# Reconciliation of Adjusted Operating Income

(\$ in thousands)	Three Months Ended				Twelve Months Ended							
	12/31/23	% of Sales	12/31/23	% of Sales	12/31/22	% of Sales	12/25/21	% of Sales	12/26/20	% of Sales	12/28/19	% of Sales
Income from operations (GAAP)	\$ 77,240	15.6%	\$ 214,760	11.1%	\$ 171,048	9.9%	\$ 171,551	12.8%	\$ 133,373	12.2%	\$ 105,828	10.7%
Pretax acquisition-related intangible assets amortization	5,481	1.1%	21,817	1.1%	14,070	0.8%	6,340	0.5%	3,205	0.3%	2,502	0.3%
Pretax acquisition-related transaction and other costs	493	0.1%	15,373	0.8%	22,736	1.3%	15,072	1.1%	4,527	0.4%	1,426	0.1%
Executive transition services expense	—	—	1,801	0.1%	—	—	—	—	—	—	—	—
Pretax noncash impairment related to equity method investment	—	—	—	—	—	—	—	—	2,080	0.2%	—	—
Fair value adjustment to contingent consideration	(7,069)	-1.4%	(20,469)	-1.1%	—	—	—	—	—	—	—	—
Adjusted operating income (Non-GAAP)	\$ 76,145	15.4%	\$ 233,282	12.1%	\$ 207,854	12.0%	\$ 192,963	14.3%	\$ 143,185	13.1%	\$ 109,756	11.1%

# Reconciliation of Adjusted EBITDA

(\$ in thousands)	<b>Twelve Months Ended</b>	
	<u>12/31/23</u>	<u>12/26/20</u>
Net income (GAAP)	\$ 129,259	\$ 106,870
Pretax acquisition-related intangible assets amortization	21,817	3,205
Pretax acquisition-related transaction and other costs	15,373	4,527
Pretax noncash impairment related to equity method investment	—	2,080
Pretax gain on equity method investment	—	(2,498)
Executive transition services expense	1,801	—
Fair value adjustment to contingent consideration	(20,469)	—
Tax adjustment (related to above items)	(4,606)	(1,810)
Tax benefit for reversal of deferred tax liability for equity method investment	—	(813)
Adjusted net income (Non-GAAP)	<u>\$ 143,175</u>	<u>\$ 111,561</u>
EBITDA addbacks:		
Provision for income taxes	43,850	31,489
Interest expense, net	48,061	599
Depreciation	32,371	26,742
Adjusted EBITDA (Non-GAAP)	<u><u>\$ 267,457</u></u>	<u><u>\$ 170,391</u></u>

## Reconciliation of Adjusted Diluted EPS - Guidance

	<b>Year Ending 12/31/2024</b>	
	<b>Low End</b>	<b>High End</b>
Diluted earnings per share (GAAP)	\$ 4.71	\$ 5.01
Pretax acquisition-related intangible assets amortization	0.70	0.70
Pretax acquisition transaction and other costs	0.05	0.05
Pretax reduction in workforce costs	0.12	0.12
Tax adjustment (related to above items)	(0.18)	(0.18)
Adjusted diluted earnings per share (Non-GAAP)	<u>\$ 5.40</u>	<u>\$ 5.70</u>
Weighted average diluted shares outstanding (in thousands)	31,500	31,500