

Floor & Decor

Investor Day 2022



Floor & Decor

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Wayne Hood
Vice President
Investor Relations



Cautionary statement concerning forward-looking statements, Part 1

This presentation and the associated webcast contain information that includes or is based upon forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements generally pertain to expectations concerning or forecasting future events. All statements other than statements of historical fact contained in this presentation, including **statements** regarding Floor & Decor Holdings, Inc.'s ("the Company") future operating results and financial position, expectations related to our acquisition of Spartan Surfaces, Inc. ("Spartan"), business strategy and plans, objectives of management for future operations, and the impact of the coronavirus (COVID-19) pandemic, are forward-looking statements. These statements are based on our current expectations, assumptions, estimates and projections. These statements involve known and unknown risks, uncertainties and other important factors that may cause the Company's actual results, performance or achievements to be materially different from any future **results**, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are based on management's current expectations and assumptions regarding the Company's business, the economy and other future conditions, including the impact of the COVID-19 pandemic.

In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "seeks," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "budget," "potential," "focused on" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements contained in this presentation are only predictions. Although the Company believes that the expectations reflected in the forward-looking statements in this presentation are reasonable, the Company cannot guarantee future events, results, performance or achievements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements in this presentation or the associated webcast, including, without limitation, (1) an overall decline in the health of the economy, the hard surface flooring industry, consumer confidence and spending and the housing market, including as a result of rising inflation or interest rates or the COVID-19 pandemic, (2) an economic recession or depression, (3) global inflationary pressures on raw materials could cause our vendors to seek further price increases on the products we sell, (4) our failure to successfully anticipate consumer preferences and demand, (5) our inability to manage our growth, (6) our inability to manage costs and risks relating to new store openings, (7) our inability to find available locations for our stores on terms acceptable to us, (8) any disruption in our distribution capabilities, including from difficulties operating our distribution centers, (9) any disruption in our supply chain, including carrier capacity constraints, higher shipping prices and other supply chain costs or product shortages, (10) our failure to execute our business strategy effectively and deliver value to our customers, (11) our inability to find, train and retain key personnel, (12) the resignation, incapacitation or death of any key personnel, (13) the inability to staff our stores and distribution centers sufficiently, including for reasons due to the COVID-19 pandemic and other impacts of the COVID-19 pandemic, (14) a pandemic, such as COVID-19, or other natural disaster or unexpected event, and its impacts on our suppliers, customers, employees, lenders, operations, including our ability to operate our distribution centers and stores or on the credit markets or our future financial and operating results, (15) our dependence on foreign imports for the products we sell, which may include the impact of tariffs and other duties, (16) geopolitical risks that impact our ability to import from foreign suppliers, (17) any restrictions, regulations, blocks or changes in the use of "cookie" tracking technologies could cause cookies to become less reliable or acceptable as a means of tracking consumer behavior, which could cause the amount of accuracy of internet user information we collect to decrease, which could harm our business and operating results, (18) violations of laws and regulations applicable to us or our suppliers, (19) our failure to adequately protect against security breaches involving our information technology systems and customer information, (20) suppliers may sell similar or identical products to our competitors, (21) competition from other stores and internet-based competition, (22) increases in commodity, material, transportation and energy costs, including the impact such increases could have on the cost of goods sold, (23) impact of acquired companies, including Spartan, (24) our inability to manage our inventory obsolescence, shrinkage and damage, (25) our inability to maintain sufficient levels of cash flow or liquidity to meet growth expectations, (26) our inability to obtain merchandise on a timely basis at prices acceptable to us, (27) restrictions imposed by our indebtedness on our current and future operations and (28) the impact of the Russia conflict with Ukraine and any heightened geopolitical instability or results that may follow, including reductions in consumer confidence, heightened inflation, production disruptions in Europe, cyber disruptions or attacks, higher natural gas costs, higher manufacturing costs and higher supply chain costs. Additional information concerning these and other factors are described in "Forward-Looking Statements," Item 1, "Business" and Item 1A, "Risk Factors" of Part I and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 9A, "Controls and Procedures" of Part II of the Company's Annual Report for fiscal 2021 filed with the Securities and Exchange Commission (the "SEC") on February 24, 2022 (the "Annual Report") and elsewhere in the Annual Report, and those described in the Company's other filings with the SEC.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The forward-looking statements contained in this presentation or the associated webcast speak only as of the date hereof. New risks and uncertainties arise over time, and it is not possible for the Company to predict those events or how they may affect the Company. If a change to the events and circumstances reflected in the Company's forward-looking statements occurs, the Company's business, financial condition and operating results may vary materially from those expressed in the Company's forward-looking statements. Except as required by applicable law, the Company does not plan to publicly update or revise any forward-looking statements contained herein or in the associated webcast, whether as a result of any new information, future events or otherwise.

Cautionary statement concerning forward-looking statements, Part 2

Statement relating to non-U.S. financial GAAP measures

While the Company reports its financial results in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”), during the course of this presentation, certain non-U.S. GAAP financial measures are presented. Management believes that these non-U.S. GAAP financial measures, when used in conjunction with information presented in accordance with U.S. GAAP, can facilitate a better understanding of the impact of various factors and trends on the Company’s financial condition and results of operations. Management also uses these non-U.S. GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company’s performance. The non-U.S. GAAP financial measures in this presentation have limitations as analytical tools and should not be considered in isolation or as a substitute for, or superior to, an analysis of our results presented in accordance with U.S. GAAP. In addition, because not all companies use identical calculations, our presentation of non-U.S. GAAP financial measures may not be comparable to similarly titled measures disclosed by other companies, including companies in our industry. These slides, including the reconciliation, are also available on the Company’s website at <https://www.flooranddecor.com/>.

The following is a list of all non-U.S. GAAP financial measures included in this presentation. See the Appendix for a reconciliation of all presented non-U.S. GAAP measures (and their components) to U.S. GAAP financial measures.

- EBITDA
- Adjusted EBITDA
- Adjusted Operating Income
- Adjusted EPS
- Adjusted Operating Margin

Nothing in this presentation should be construed as reaffirming or disaffirming the guidance set forth in the Company’s most recent earnings release and earnings call. This presentation is not an offer to sell or a solicitation of offers to buy any of the Company’s securities.

Agenda

Welcoming Comments	Wayne Hood, VP Investor Relations
Strategic Overview	Tom Taylor, Chief Executive Officer
Customer Segmentation and Insights	Lisa Laube, President
Strong Merchandising Capabilities	Ersan Sayman, EVP Merchandising
10-Minute Break	
New Store Opportunity	Bryan Dodge, SVP Real Estate
Store Operations / Pro / Design	Steve Denny, EVP Store Operations
Supply Chain & Commercial	Brian Robbins, EVP Biz Dev / Supply Chain
10-Minute Break	
Delivering Strong Earnings Growth	Trevor Lang, EVP and Chief Financial Officer
Wrap Up	Tom Taylor, Chief Executive Officer
Executive Panel Q&A	

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An Exciting Journey Ahead

Tom Taylor



Five Key Takeaways

1

Disruptive High-growth Specialty Retailer
with a Unique Business Model

2

Strong Execution of Strategic Plan

3

Strategy for Continued Growth

4

Large and Growing TAM

5

Disciplined Capital Allocation





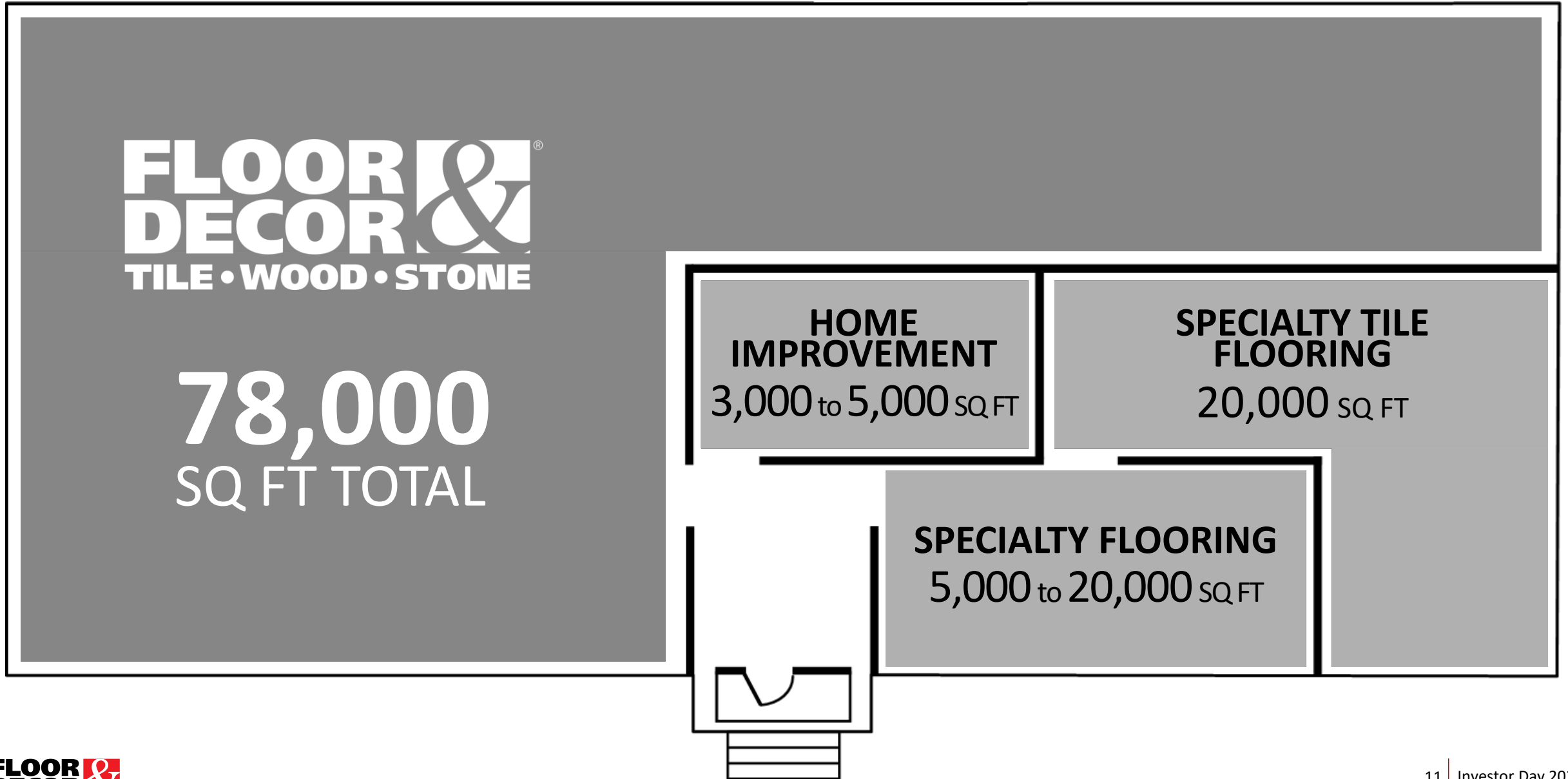
DISRUPTIVE HIGH-GROWTH SPECIALTY RETAILER WITH A UNIQUE BUSINESS MODEL



We Are Successful as a Disruptive High Growth Specialty Retailer of Hard Surface Flooring and Related Accessories Because...



Large Store Size Positions Us as a Destination For **All** Flooring Needs



More Square Footage Dedicated to Hard-Surface Flooring than Anyone

2021

Stores & Design Studios **12.6M**

Distribution Centers **5.6M**

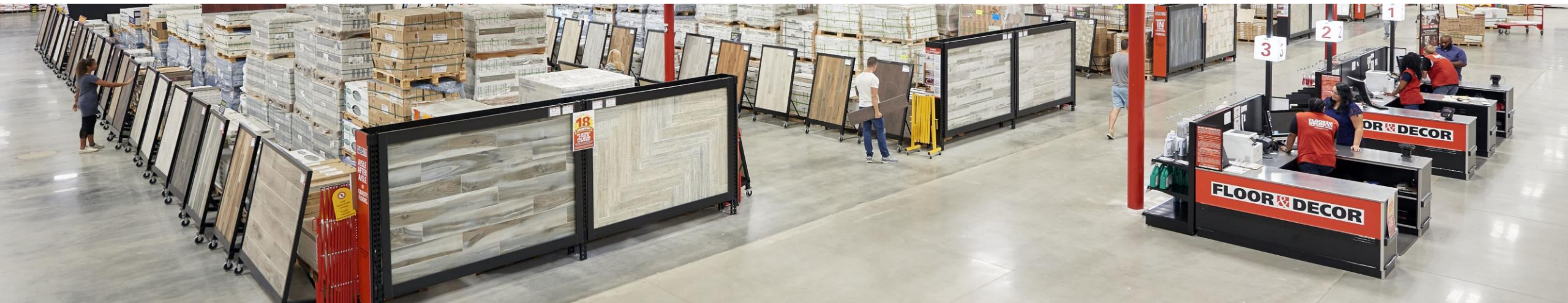
Total **18.2M**

2024

Stores & Design Studios **21.6M**

Distribution Centers **8.3M**

Total **29.9M**



Visually Inspiring Stores Running the Gamut of Trend Forward Design and Innovation



Oversized Displays that Best Visualize Products and Drive Inspiration

Trend Right Vignettes Drive Store Traffic and Importantly Drive Design Ideas

Average **32** Vignettes Per Store

Over **2,300** Sq Ft Per Store Dedicated to Vignettes

Refreshed Yearly with Updated Trends

One Stop Shopping Experience Catering to Distinct Customer Segments

Homeowners



PROs



Commercial



>2.9M

Active Homeowner & PRO Customers

Leveraging Our Strengths with
Commercial Customers

Dedicated PRO Team and Tailored Services



**Dedicated PRO
Desk**



**PRO Premier
Rewards Loyalty
Program**



**Commercial
Credit Options**



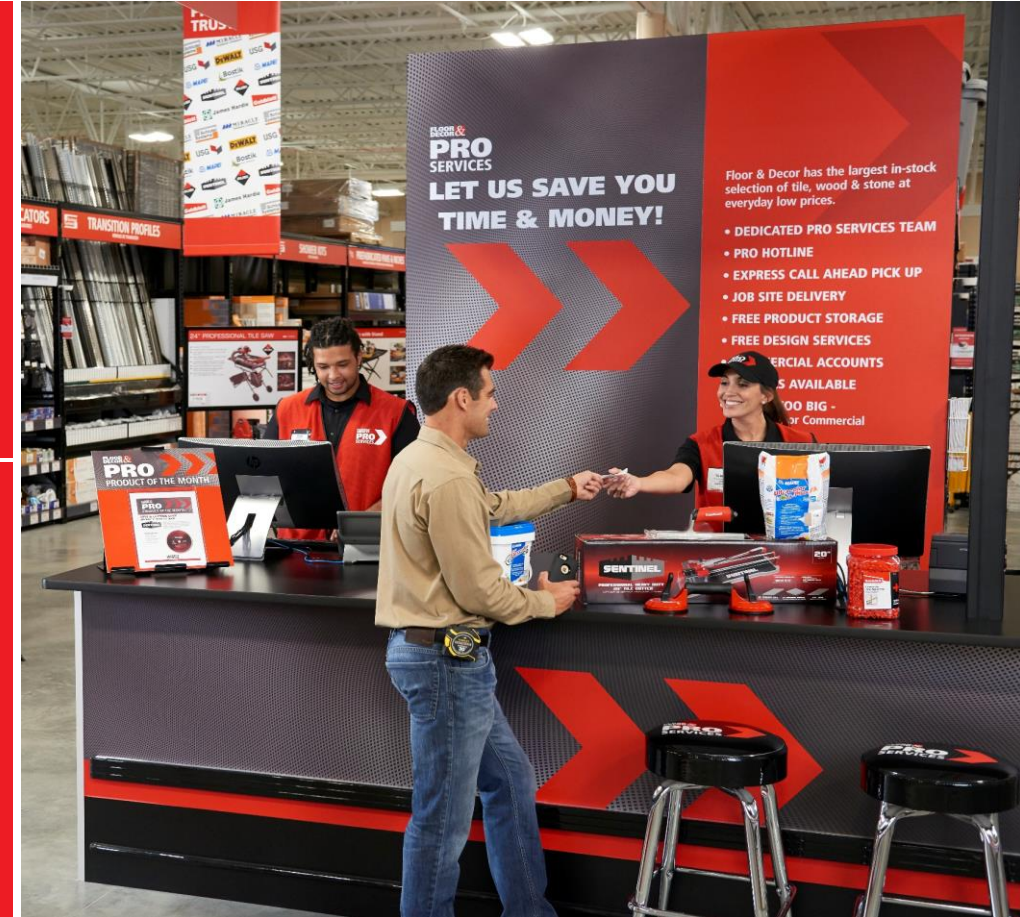
**Free Storage
and Return
Option**



**PRO
Premier App**



**PRO Education
Events**



Free Design Services Offered by Flooring Experts

D **S** **DESIGN** **SERVICES** **FLOOR & DECOR**



Expert Designers
to Bring Vision
to Reality From
Start to
Completion



In Store or Virtual
Appointments
Possible



Recommendations
Made to Suit Budget
and Lifestyle with
Expert Budgeting
and Planning
Advice



Unique Direct Sourcing Model and Agile Supply Chain

Typical Hard-Surface Flooring Supply Chain


Manufacturer


Agent/Broker


Importer


Distributor


Retailer

Floor & Decor's Hard-Surface Flooring Supply Chain


Manufacturer

Direct Sourcing of Products

>240
Suppliers in
24
Countries

Simplify the Process
by Eliminating
Agent/Broker
Importer
Distributor

Improves Collaboration
and Creates Efficiency
between Manufacturer
and End User

**FLOOR
& DECOR**

Everyday Low Prices A Distinct Value Proposition for Our Customers



STRONG EXECUTION OF STRATEGIC PLAN



Strong Track Record of Execution by Our Management Team



**LISA
LAUBE**

President



**ERSAN
SAYMAN**

EVP, Merchandising



**BRIAN
ROBBINS**

EVP, Business
Development Strategy



**STEVE
DENNY**

EVP, Store Operations



**BRYAN
DODGE**

SVP, Real Estate
& Construction

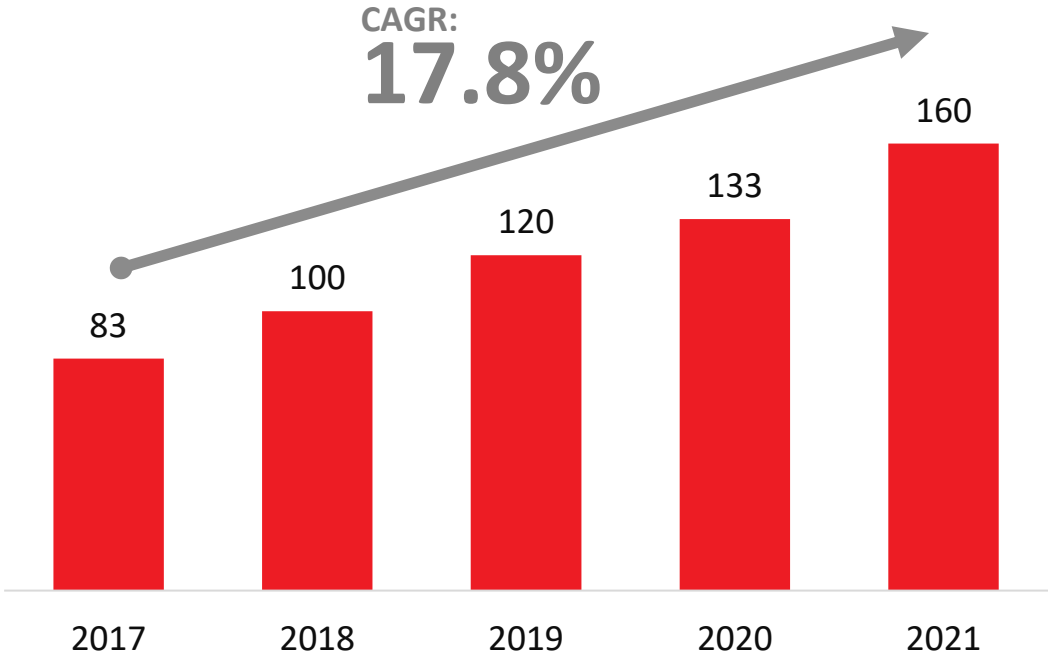


**TREVOR
LANG**

EVP & Chief Financial
Officer

Rapid Warehouse Store Growth with 160 Stores in 33 States

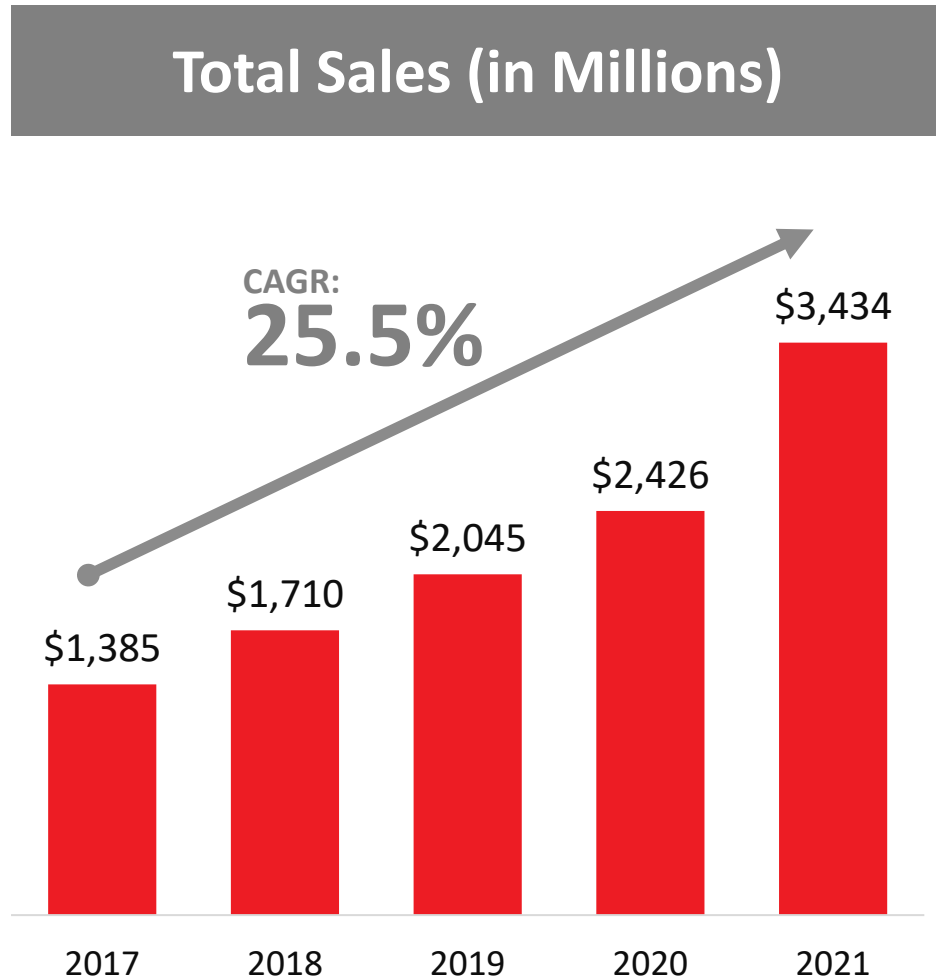
Significant Store Growth



Locations Throughout the US

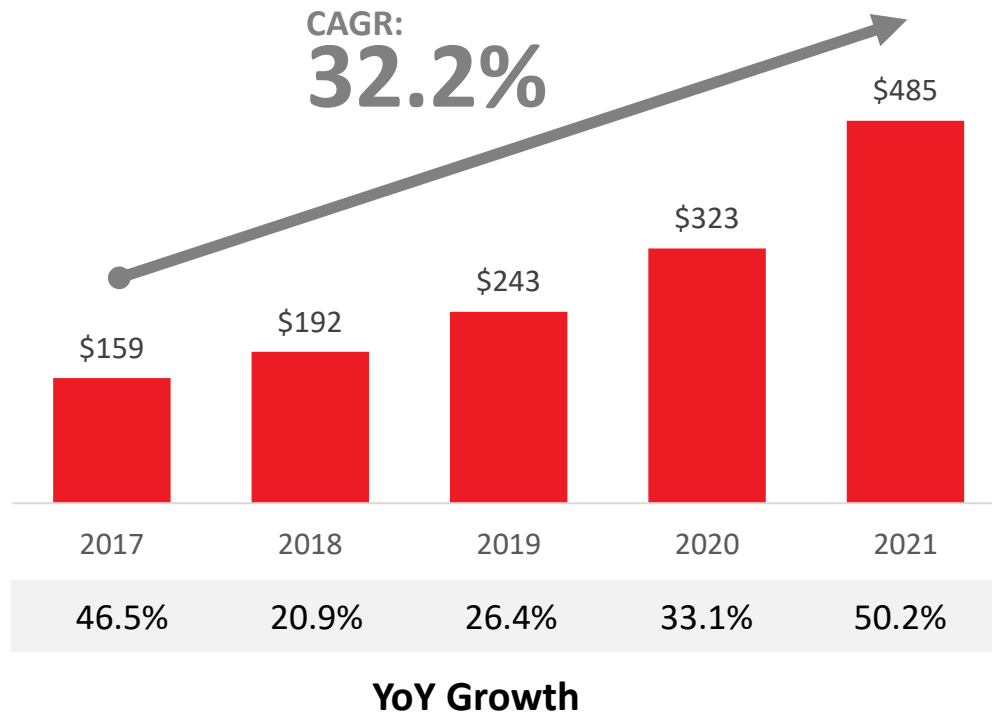


Strong Sales Performance Over the Last 5 Years

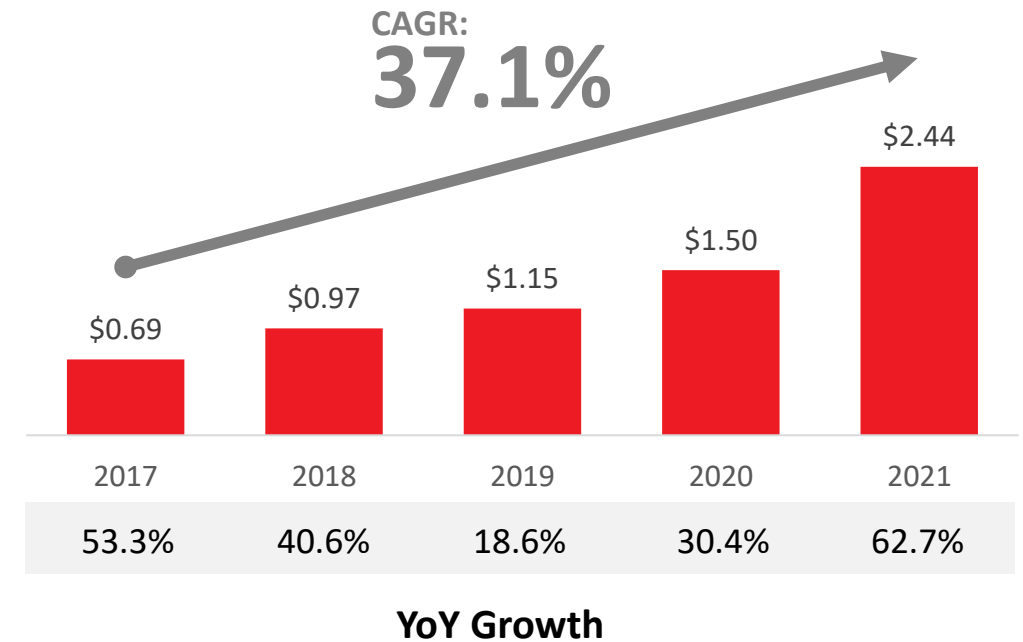


Leading to Attractive Double-Digit Earnings Growth

Adjusted EBITDA (in Millions)



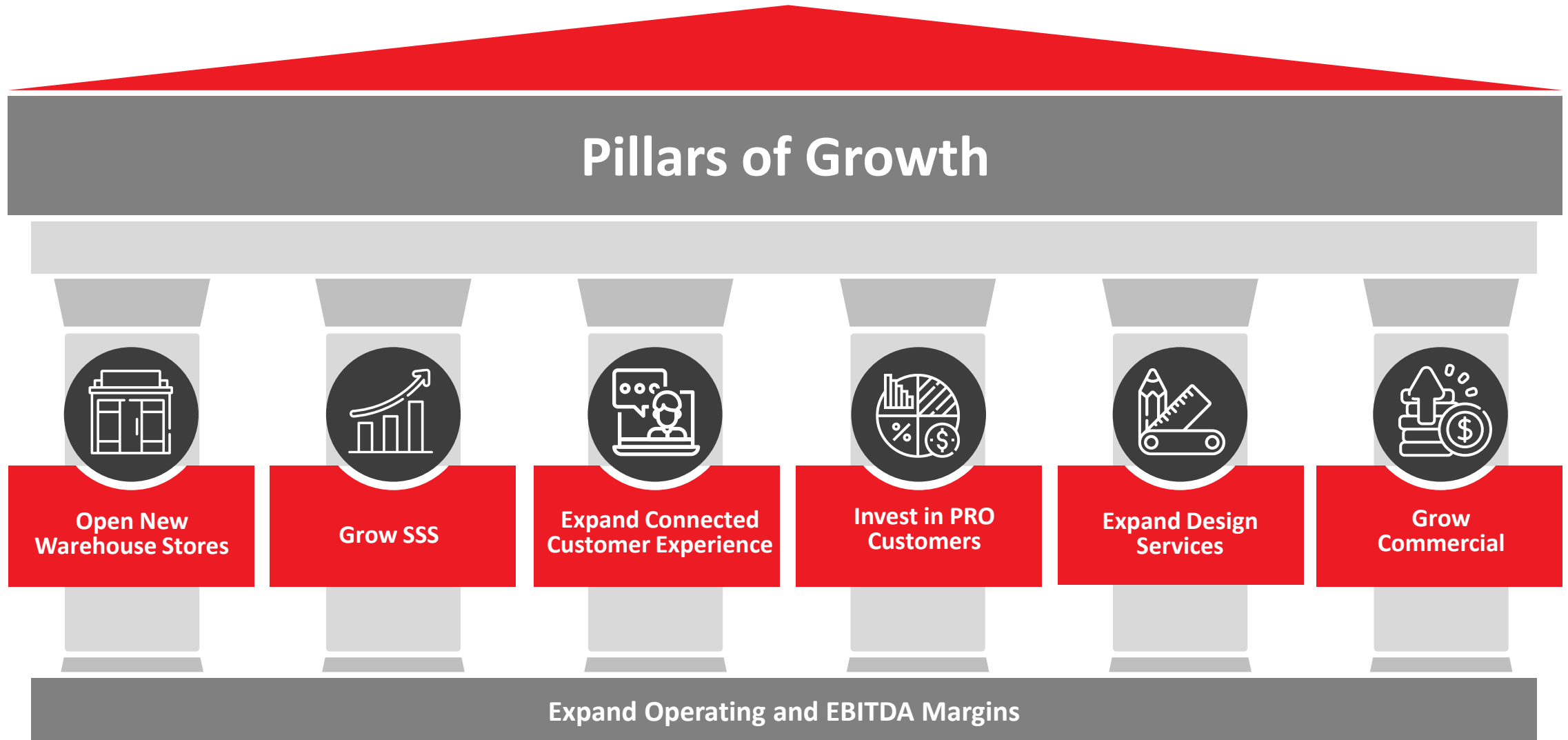
Adjusted EPS



STRATEGY FOR CONTINUED GROWTH



Pillars to Achieving Our Long-Term Sales and Earnings Growth



LARGE AND GROWING TAM



Our TAM is Now Larger, Including Adjacent Categories



ADJACENT
CATEGORIES
\$8-13B



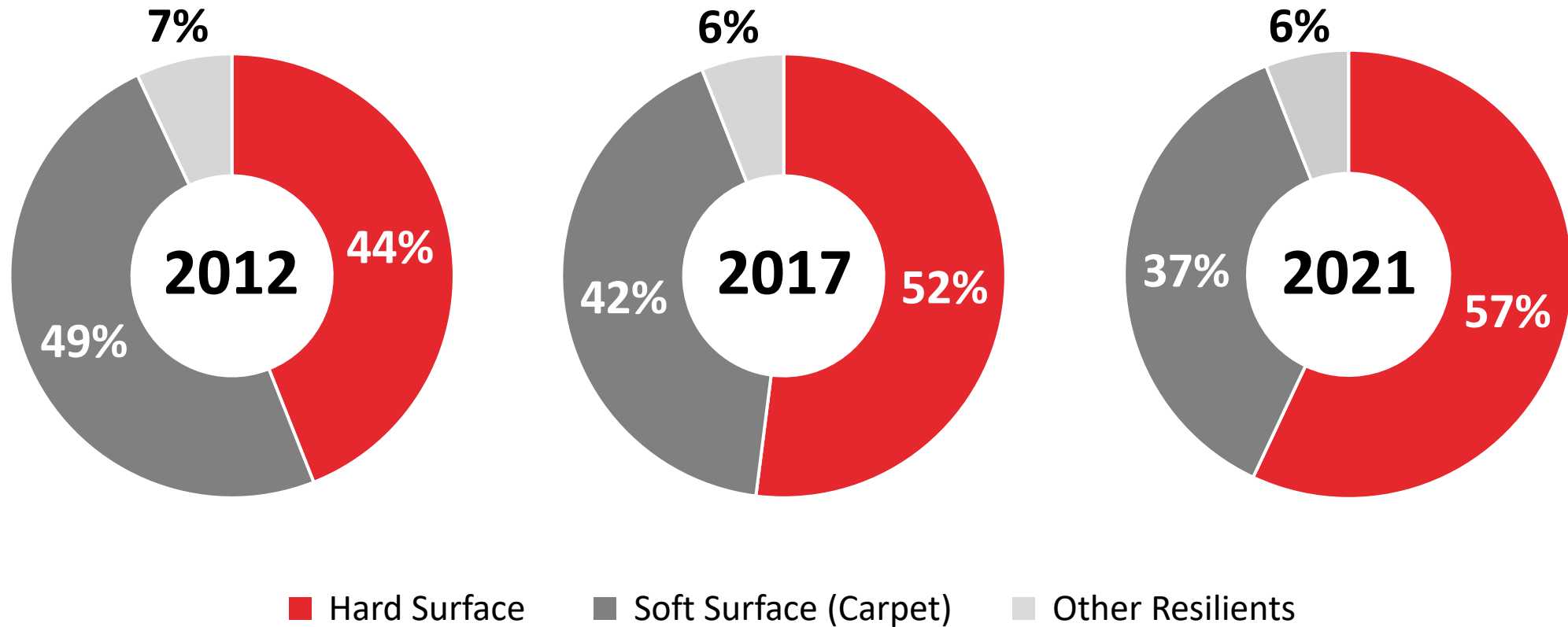
HARD-SURFACE
FLOORING
\$41B



TAM
\$49-54B

Hard Surface Flooring Captures 13 Points of Market Share From 2012

MARKET SHARE





DISCIPLINED CAPITAL ALLOCATION



Floor & Decor Capital Allocation Priorities

Framework for Capital Investments

1

Core Business

2

Additional Growth Initiatives

3

Acquisitions



Significant U.S. Growth Remains Ahead

Summary of Initiatives

■ Warehouse Stores & Design Studios

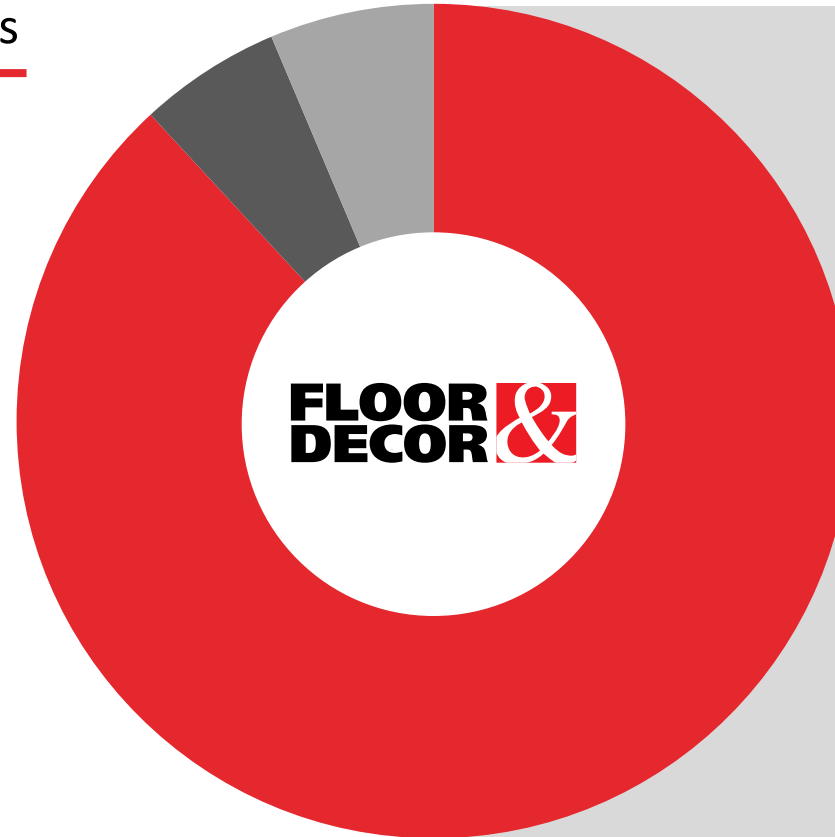
500 STORES
\$15B IN SALES

■ Adjacent Categories

\$500M IN SALES

■ Commercial

\$1.5B IN SALES



\$17B

~33%

**Hard-Surface
Market Share**

*Adjacent categories align with flooring projects like vanities, bathroom accessories, frameless glass in the bathroom, and customized countertops for the kitchen.

Full Board and Committee Engagement on ESG Issues

Doing the Right Thing as We Help Our Customers Turn Their Dreams Into Reality

Operations



Sourcing and Operating Responsibly and Efficiently

Carbon Footprint Per SqFt Down >25% Since 2017 From Investments in Energy Efficiency

People



Taking Care of Our Associates and Giving Back to Our Local Communities

West Fund Surpasses \$1 Million Raised Since 2015

Product



Partnering with Our Suppliers to Deliver Products Our Customers Trust and Love

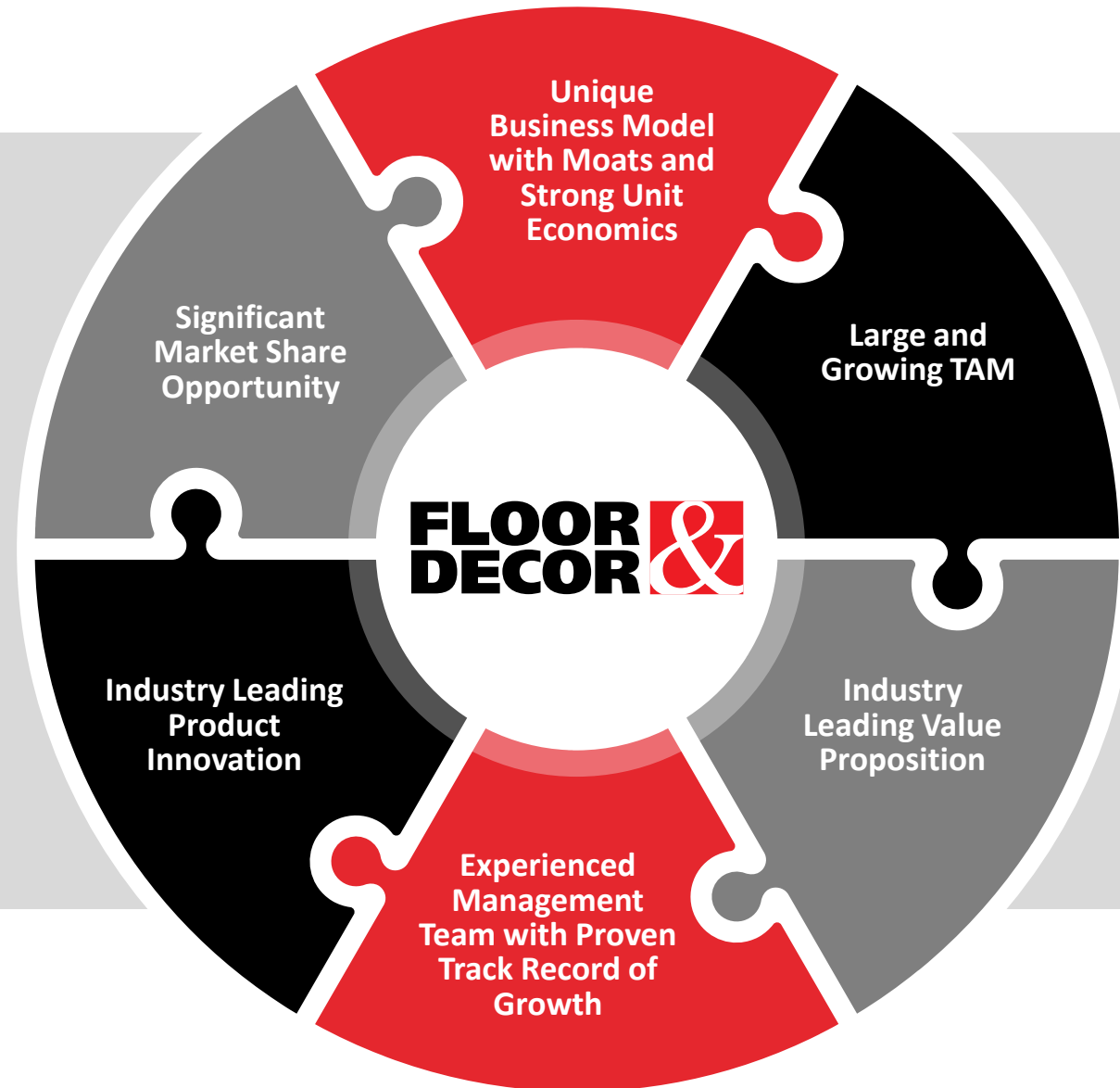
100% of Laminate and Vinyl Products are Certified for Low VOC Emissions

Looking Ahead

- 1** 2022 Materiality Assessment Will Provide Insights on Business Drivers and Stakeholder Priorities
- 2** Commitment to Increasing Transparency and Disclosure
- 3** Commitment to Align with Leading Standards:



The Floor & Decor Investment Proposition



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Floor & Decor --- Customer Insights

Lisa Laube



Customer Insights

1

We Understand Our Customers

2

Awareness and Marketing Strategy

3

Connected Customer and Initiatives



**WE UNDERSTAND
OUR CUSTOMERS**



Typical Homeowner Demographics and Profile

Who They Are

Household Income
Median: \$96K

Years in Residence
Median: 7 Years

Year Home Built
51% Built Prior to 1980s

Home Value
Median: \$300K

Homeowner Influence
(45% BIY & 15% DIY)



Why They Shop Us

- ✓ Large Selection of In-stock, Trend Right, High Quality Flooring
- ✓ Everyday Low Prices
- ✓ One Stop Solution For All Flooring Needs
- ✓ Knowledgeable Staff Including Free Design Services

Strong Value Proposition

Typical PRO Demographics and Profile

Who They Are

DEMOGRAPHICS

Age
Median:
50 Years

Flooring Installer
General Contractor
Homebuilder

BUSINESS

Sales Volume
Most Under
\$1M

**Number of
Employees**
Median:
3 Employees

PRO Influence
(40% of Sales)



Why They Shop Us

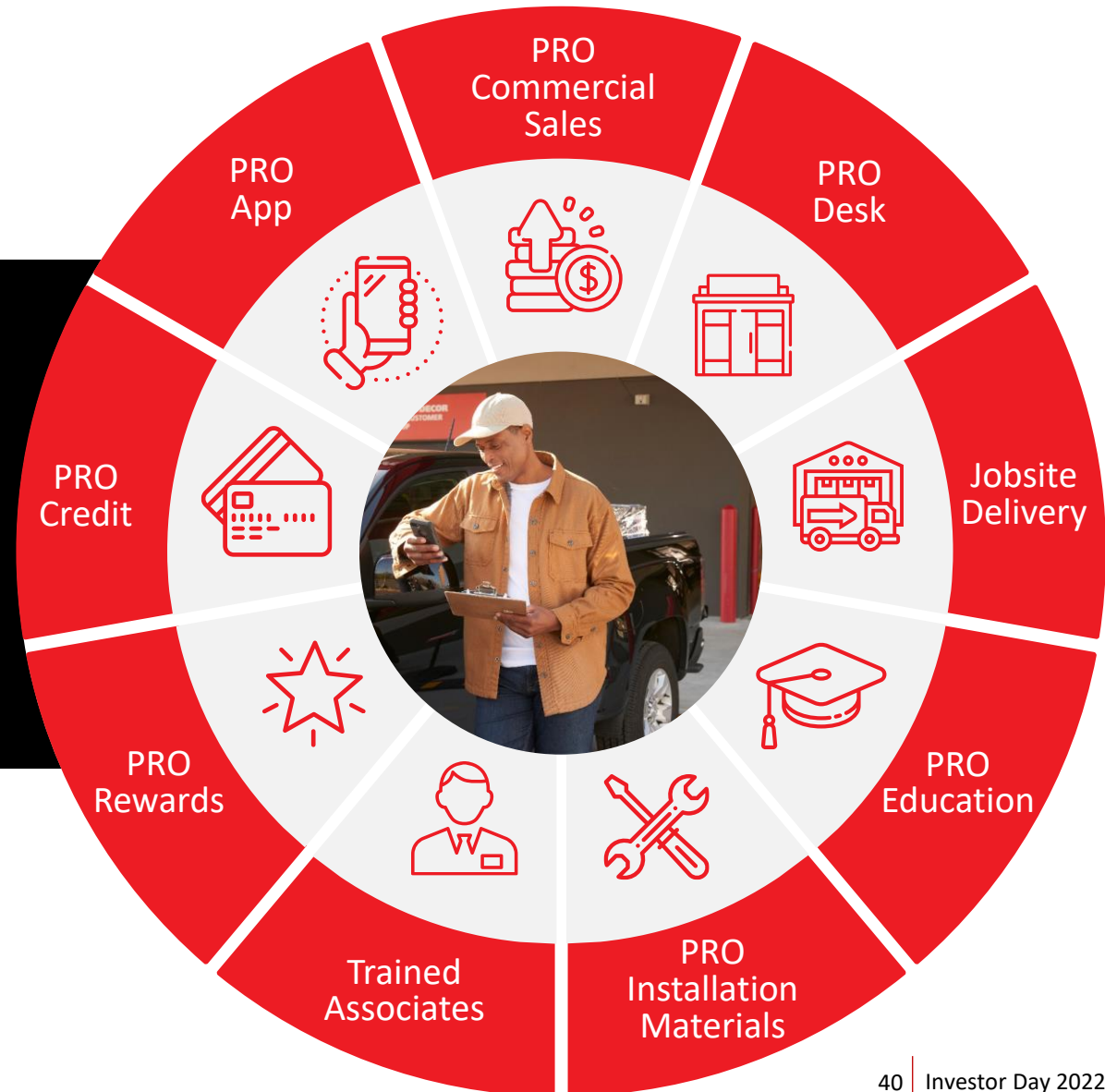
- ✓ Large In-stock Selection of Trend Right Flooring
- ✓ High Quality Products
- ✓ One Stop Solution For All Flooring Needs
- ✓ Dedicated PRO Sales Team
- ✓ PRO Rewards Loyalty Program

Strong Value Proposition

Continuing to Invest in the PRO Customer

59% of Active PROs are Enrolled in PRO Premier Rewards Program and Spend 3x More than Non-PPR PROs

Top 10% of PROs Purchased 37 Projects with Us and Increased Average Spend 24% in 2021



Significant Opportunity in Design Services

Our Design Services Offering Gives Us a Distinct Competitive Advantage



343,000
Appointments



Average Ticket 2x
Non-design
Customer



Higher Average
Customer Satisfaction
Score



Conversion is Greater
than Non-design
Customer



FREE DESIGN SERVICES

- ✓ Expert Design Professionals
- ✓ In-Store & Virtual Appointments
- ✓ Dedicated Help from Start to Finish
- ✓ Product Recommendations Based on Budget & Lifestyle
- ✓ Budget Planning Expertise



Drive Growth through Customer Relationship Management “CRM”



Growing Our Addressable Audience and Positioning to **Improve Customer Acquisition Capabilities**



Creating a Unified Data Environment for a **Cookieless Future**



Targeted Marketing Strategy Supported by Customer Data

AWARENESS AND MARKETING STRATEGY



Brand Awareness Increasing Among Core Customers

Homeowner

Brand Awareness Increased to **70%** in 2021 from 62% in 2020

New Markets Still have Significant Opportunity



PRO

Brand Awareness is Higher with the PRO at **75%**, an Increase from 71% in 2020

Established Markets are Higher than New



Marketing Drives Awareness & Consideration

Customer Data-driven Media Plans to Acquire High-value Homeowners and PROs

Search &
Shopping



Capture Demand

Broadcast &
Digital Video



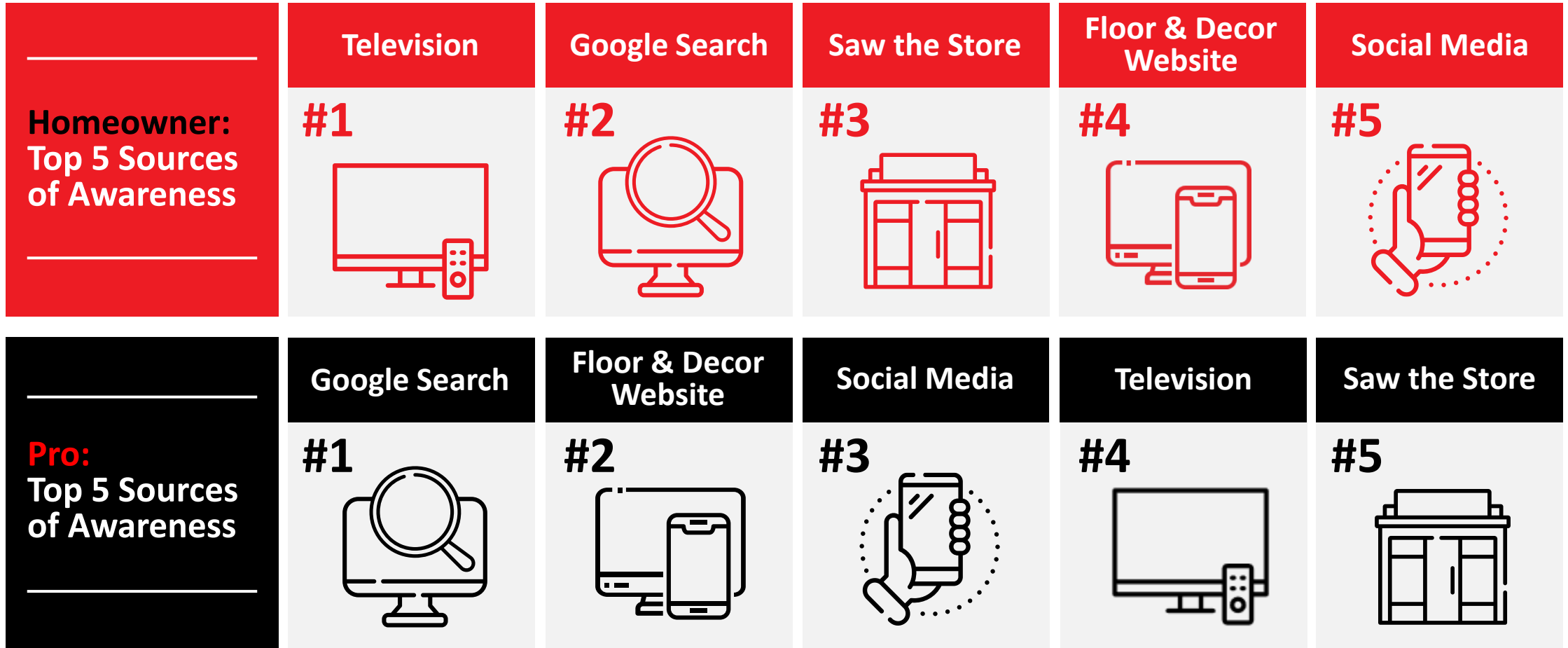
Drive Targeted Awareness

Instagram &
Pinterest



Inspire Where People Plan

How Customers Discover Floor & Decor



CONNECTED CUSTOMER & INITIATIVES



Why Omni-channel is Important



Interactive and User-friendly Interface Allows Customers to Shop Easily in Store or Online

- ✓ **71%** of Customers Who Purchased Online had Been in a Store
- ✓ **79%** of Customers Who Purchased in Stores had Been on the Website



eCommerce Transactions are Growing

- ✓ Online Traffic has **Accelerated Rapidly** Since 2019
- ✓ eCommerce is Now Over **16%** of Sales



Physical Stores are Integral to Fulfillment

- ✓ **80%** of Customers Buy Online and Pick Up in Store

Homeowner – Omni-channel Spend is 2.5x More | PRO – Omni-channel Spend is 2.8x More

What Customers Expect



Inform

Assistance in Comparing Product Characteristics & Better Trained Sales Associates



Inspire

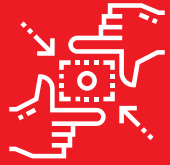
Most Consumers Lack the Skills Necessary to Translate Their Own Flooring Tastes into Concrete Design Plans



Install

BIY Consumers Seek Deeper Guidance on Installer Selection and Broader Understanding on How the Installation Process Works

The Future Focus for eCommerce



Product Visualization and Inspiration

- **Envision** Look and Feel
- **Upload Photos** into Visualizer
- Add **Vanities & Adjacent Categories**
- **Technology** Drives Visualization



Mobile

- **Mobile First**
- Complementary **App & Web** Features
- **In-Store** Experience
- **Pick-Up & Delivery Assistance**
- **Text and Push Notifications**



Information and Education

- Inspirational and How-to **Video Solutions**
- **Questions & Answers** to Aid the Customers
- **Customer Help Center**
- **Ask The Expert Program**



Shopping, Pickup & Delivery

- More **Fulfillment Options**
- **Fulfillment and Delivery** Improvement
- Coordinated **Mobile & Website** Order Status
- **Special Order Product Delivery**

Customer Insights Recap

1

Better Understanding Our Customers Enables Us to Grow and Service Our Addressable Market

2

We are Driving Customer Acquisition and Retention by Leveraging Our Design and PPR Value Propositions

3

Continuing to Enhance Our Omni-channel Capabilities by Focusing on the Connected Customer Experience



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Floor & Decor Merchandising

Ersan Sayman



Key Takeaways

1

Broad Assortment of High-quality In-stock Products Meets All Flooring Needs

2

Strong Merchandising Capabilities

3

Direct Sourcing Reduces Costs Enabling "Everyday Low Price Promise"

4

Leading with Innovation, Design, and Trend

5

Incremental Growth Opportunity in Adjacent Categories



Merchandising Leadership Team



**ALEX
MACHADO**

MVP, Installation
Materials



**GARY
REMICK**

MVP, Stone &
Adjacent



**GRETCHEN
SABOL**

MVP, Deco



**JOHN
DECARREAU**

MVP, Tile & Wall Tile



**LINDSAY
TILLIE**

MVP, Laminate &
Vinyl



**STACEY
SPILLMAN**

MVP, Wood



**MICHAEL
CHOI**

Sr Dir. Merchandising
Planning

Combined 100+ Years of "Floor & Decor Merchandising" Experience

**BROAD ASSORTMENT
OF HIGH-QUALITY IN-
STOCK PRODUCTS
MEETS ALL FLOORING
NEEDS**



Broad and Comprehensive Assortment of Flooring and Accessories

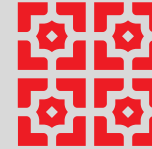


Investing in Inventory Combined with Optimized Inventory Management Leading to High Levels of In-stock Availability Across All Categories

LARGEST IN-STOCK SELECTION.

La selección más grande en tienda.

FLOOR & DECOR



Job Lot Quantities Catering for Project Completion

FLOOR & DECOR
TILE • WOOD • STONE

~2,350
Available

~1,730
In-Stock

Specialty Lumber
Flooring Company

>500
Available

~65-70
In-Stock

Specialty Tile
Flooring Company

~2,100
Available

~10-50
In-Stock

Home Improvement
Centers

~630-680
Available

~400-450
In-Stock

Independent
Stores

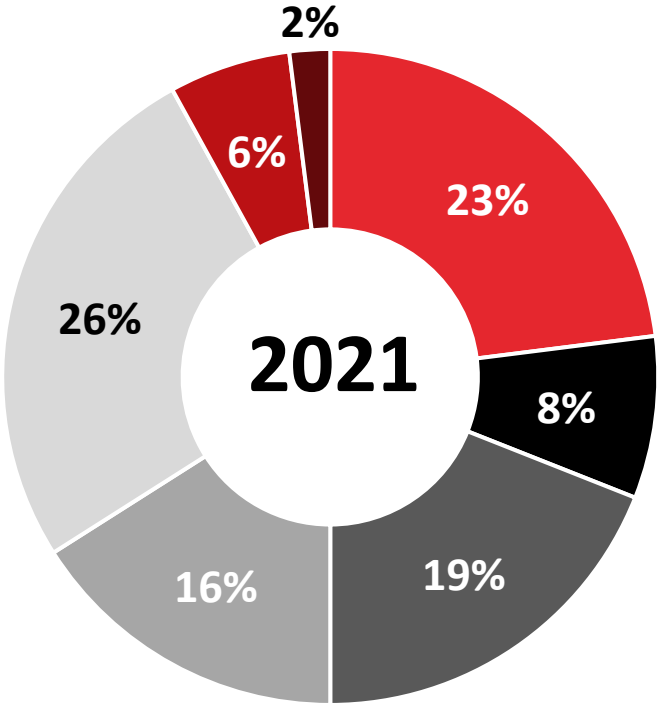
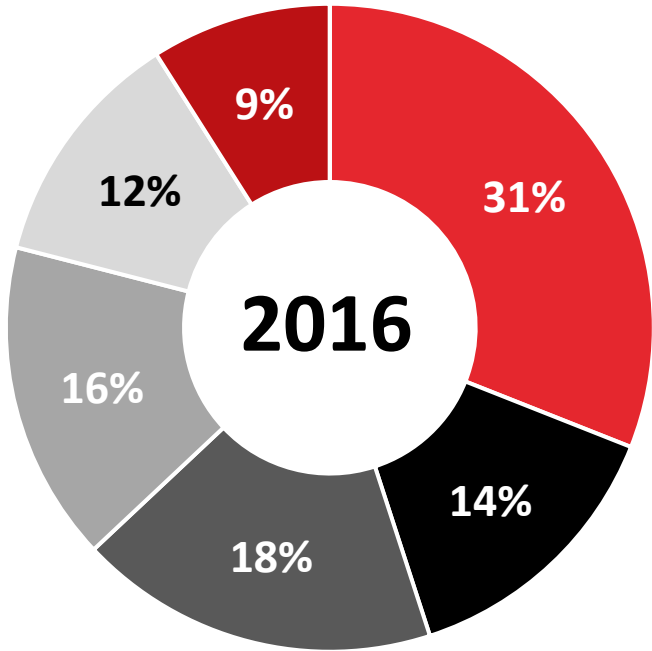
Varies
Available

Varies
In-Stock

Flooring & Decorative Average SKUs per Store Excluding Installation Materials

Large Stores Allows Us to Flex Our Merchandising Mix With Trends

Sales Breakdown

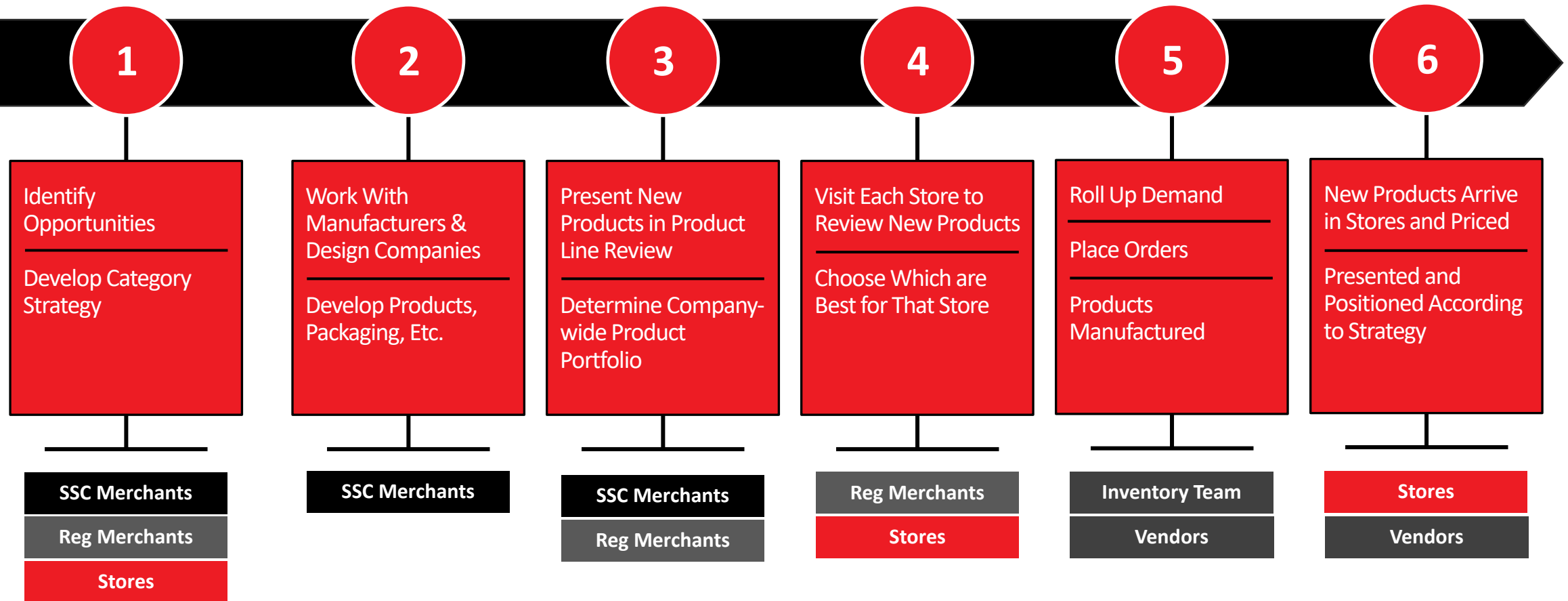


- Tile
- Decorative Accessories
- Laminate & Luxury Vinyl
- Adjacent Categories & Other
- Wood
- Installation Materials & Tools
- Natural Stone

STRONG MERCHANDISING CAPABILITIES



Merchandising Process Delivers Localized Innovative Trend Forward Assortments



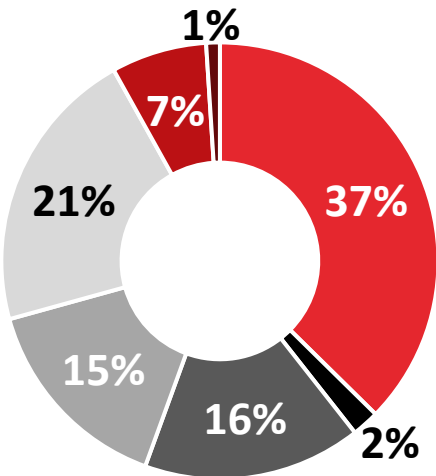
Advantages of Local Assortment & Micro-Merchandising

XL Porcelain Slabs in Florida

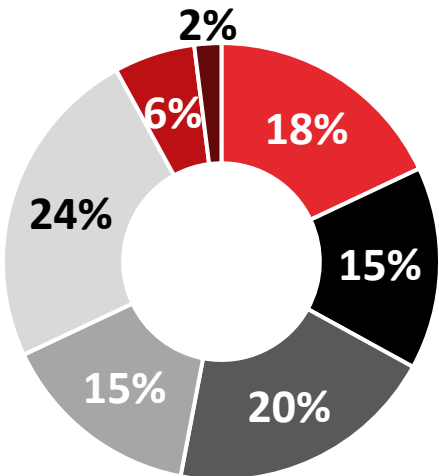


Assortment Tailored to Local Preferences and Trends

Pompano Beach, Florida



Alexandria, Virginia



STORE SALES MIX

- Tile
- Decorative Accessories
- Laminate & Luxury Vinyl
- Adjacent Categories
- Wood
- Installation Materials & Tools
- Natural Stone

Extensive Wood Selection in Virginia



This Requires the Implementation of Processes, Systems, Training and Talent Which We Believe is Difficult to Emulate and Leads to a **COMPETITIVE ADVANTAGE**

**DIRECT SOURCING
REDUCES COSTS
ENABLING “EVERYDAY
LOW PRICE PROMISE”**



Unique, Direct Product Sourcing Business Model Reduces Costs

Floor & Decor's
Hard-Surface
Flooring
Supply Chain


Manufacturer

Direct Sourcing of Products

>240
Suppliers in
24
Countries

Simplify the Process
by Eliminating
Agent/Broker
Importer
Distributor

Improves Collaboration
and Creates Efficiency
Between Manufacturer
and End User

**FLOOR
DECOR** &



Diverse
Vendor Base



Strategic Long-Term
Vendor Partnerships



Big
Purchasing Power



Worldwide
Direct Sourcing



Experienced Merchants
Help Us Achieve Low Costs

**LEADING WITH
INNOVATION, DESIGN,
AND TREND**

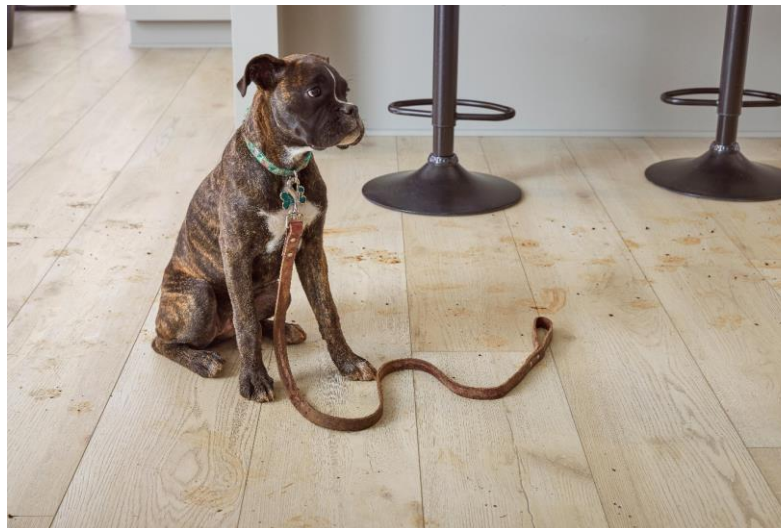


Driving Innovation with Product Selection

New Technology Enhances the Product Look, Durability, or End Use

Partner with Vendors to Apply the **Best New Technology** to Our Products

These **Long-Term Partnerships** Enable Us to Influence and Steer the Path to New Ideas and Technology (e.g., **Optimax**)



Setting Trends Through Design

Working with Design Companies and Vendors, Our Team **Identifies Trends** Quickly and **Brings Them To Market**

Retaining a Sense of **Newness** in Our Design Allows Us to Continue to **Win** Market Share



Good-Better-Best Assortments Gaining Momentum

OPENING PRICE



GOOD



BETTER



BEST



This Mix Continues to **Grow Benefitting Sales and Margin**

Proprietary Brands in Good-Better-Best Assortments

**INCREMENTAL
GROWTH
OPPORTUNITIES IN
ADJACENT CATEGORIES**



Incremental Opportunity in Adjacent Categories

Vanities

Shower Doors

Custom Countertops

Faucets

Bathroom Fixtures

Bathroom Lighting

Bathroom Mirrors



**ADJACENT
CATEGORIES**

Vanities



Shower Doors



Custom Countertops



Faucets



Bathroom Fixtures



Bathroom Lighting



Bathroom Mirrors



Enhancing the Customer Shopping Experience

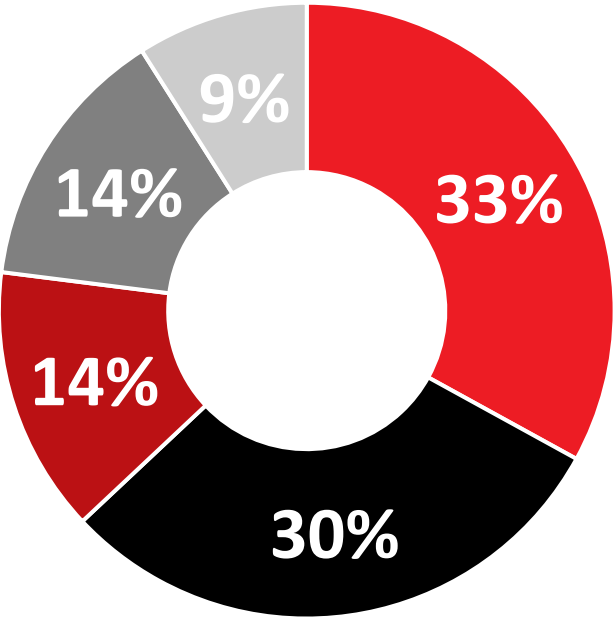
**ADJACENT
CATEGORIES
\$8-13B**



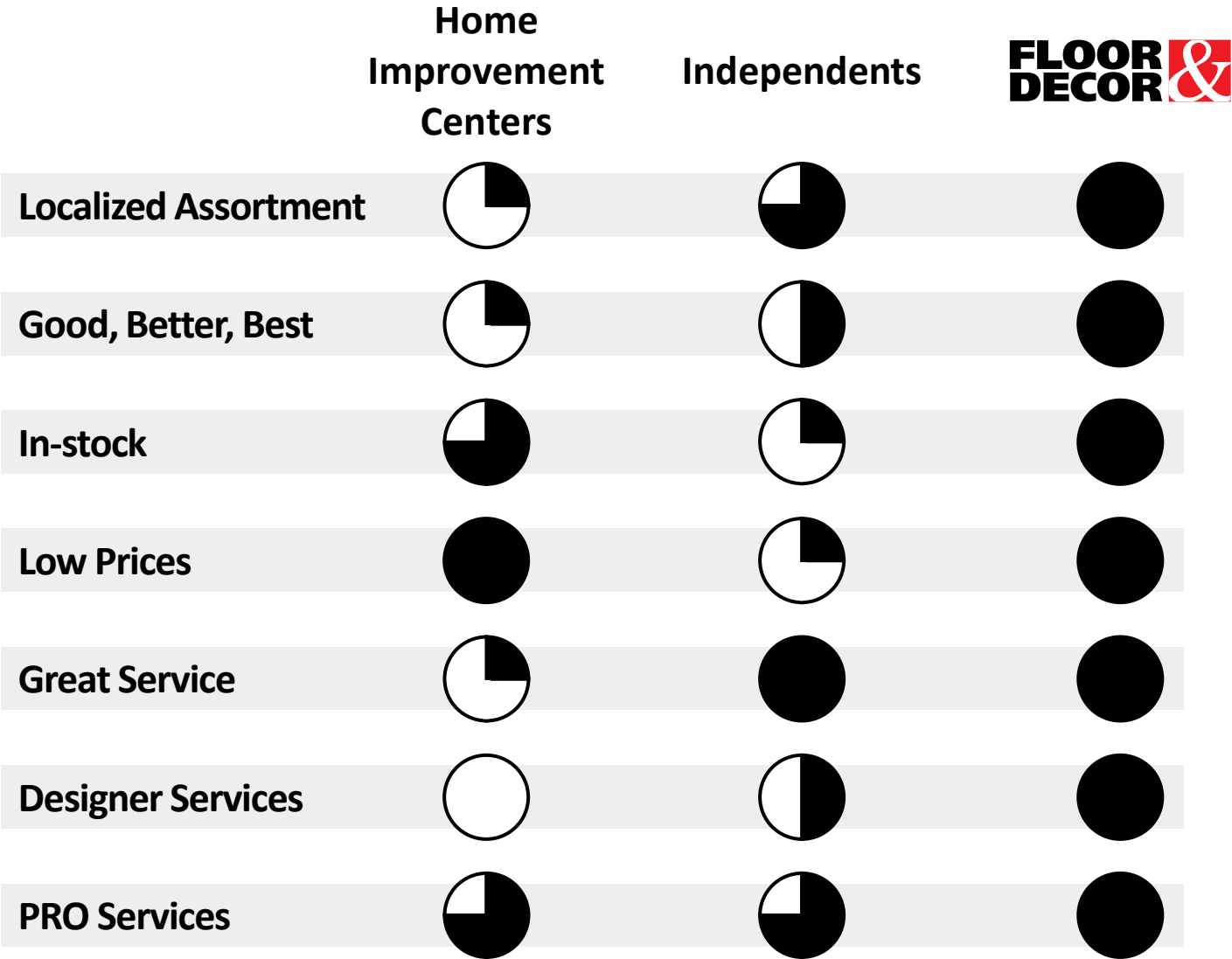
Adjacent Categories Allow Us to Complete the Customer's Projects

Competition

Estimated Market Share of F&D Addressable Market



- Independent
- Home Improvement Centers
- Distributors
- Specialty
- Other Retailers



Floor & Decor

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Floor & Decor

**Real Estate &
Construction**

Bryan Dodge



Key Takeaways

1 A Large and Growing Retail Network

2 New Store Development

3 Real Estate Strategy for Future Growth

4 Design Studios

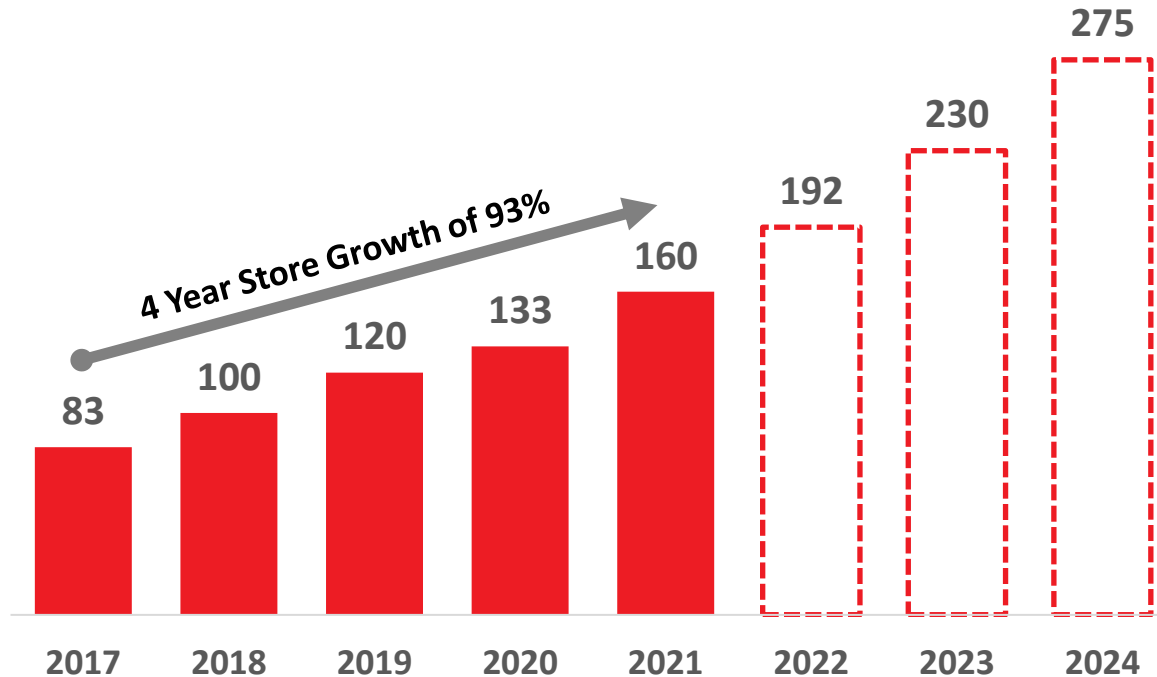


A LARGE AND GROWING RETAIL NETWORK



Aggressive Future Growth

Plan Continued 20% New Store Growth



160 Stores in **33** States
at the End of 2021

12.6M
Sq Ft of Retail Stores

103%
Sq Ft Growth Since 2017

57% of Stores Built
Between 2017 & 2021

2.2 Years
Avg Store Age Between
2017 & 2021

Significant White Space Opportunity

Approximately
32% Built
Out

68% of U.S.
Population
is Within **59** Minutes of
a Floor & Decor Store

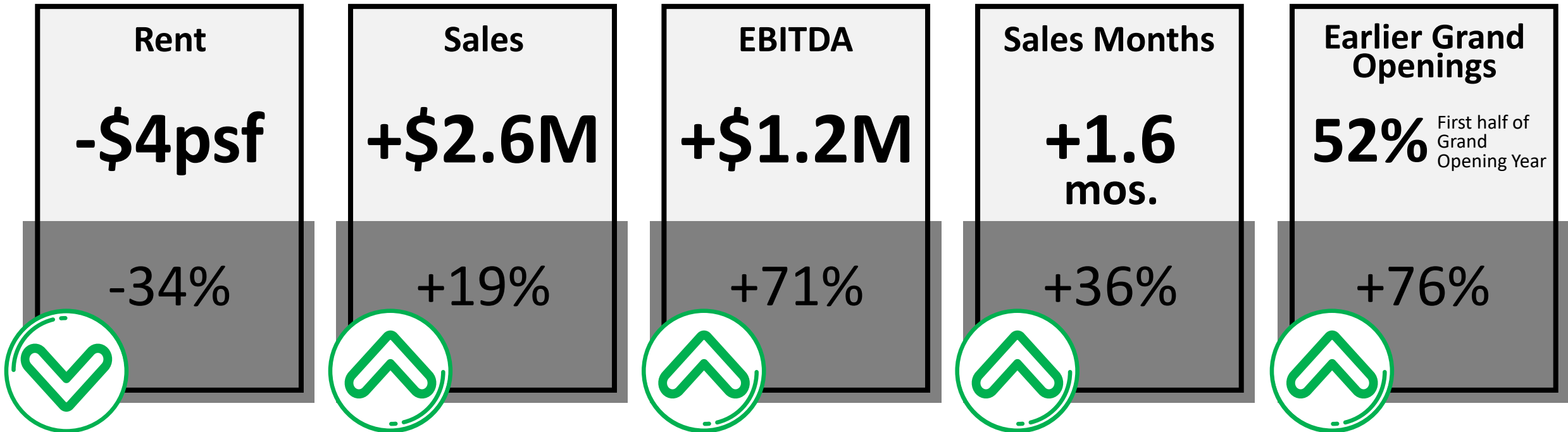


NEW STORE DEVELOPMENT

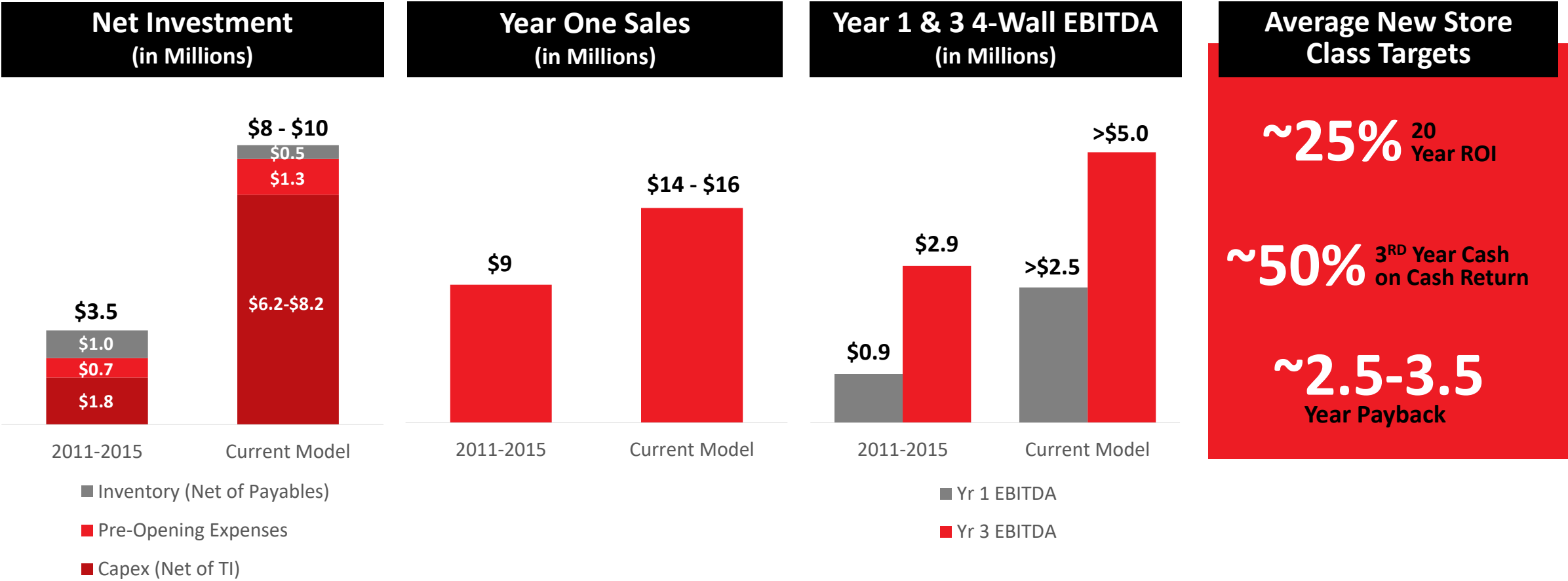


Class of 2021 Compared to the Class of 2018

Per Store Basis



New Store Economics





REAL ESTATE STRATEGY FOR FUTURE GROWTH



The Path to 500 Stores

Average Trade Area
Demographics

	FND Store Market
Population	355K to 555K
Housing Units	153K to 225K
Owner Occupied Homes	50K to 97K
Median Household Income	\$64K to \$79K
# of Markets	~130
# of Existing Stores	160
# of Incremental Stores	340
U.S. Store Potential	500



Key Drivers of Increased Store Potential

Larger Market

Category Growth / Bigger Demand

More In-Fills / Increased Market Share

Ability to Profitably Serve More U.S. Markets

DESIGN STUDIOS



Design Studio

Driving Incremental Market Share



Incremental Sales & Market Share



Unlock Customer Segment



Deployment

7K to 12K Sq Ft

Convenient Locations Near Affluent Customers

High-population and Income-dense Interior
Design Districts

Freestanding and In-store



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Floor & Decor Store Operations

Steve Denny



Store Operations

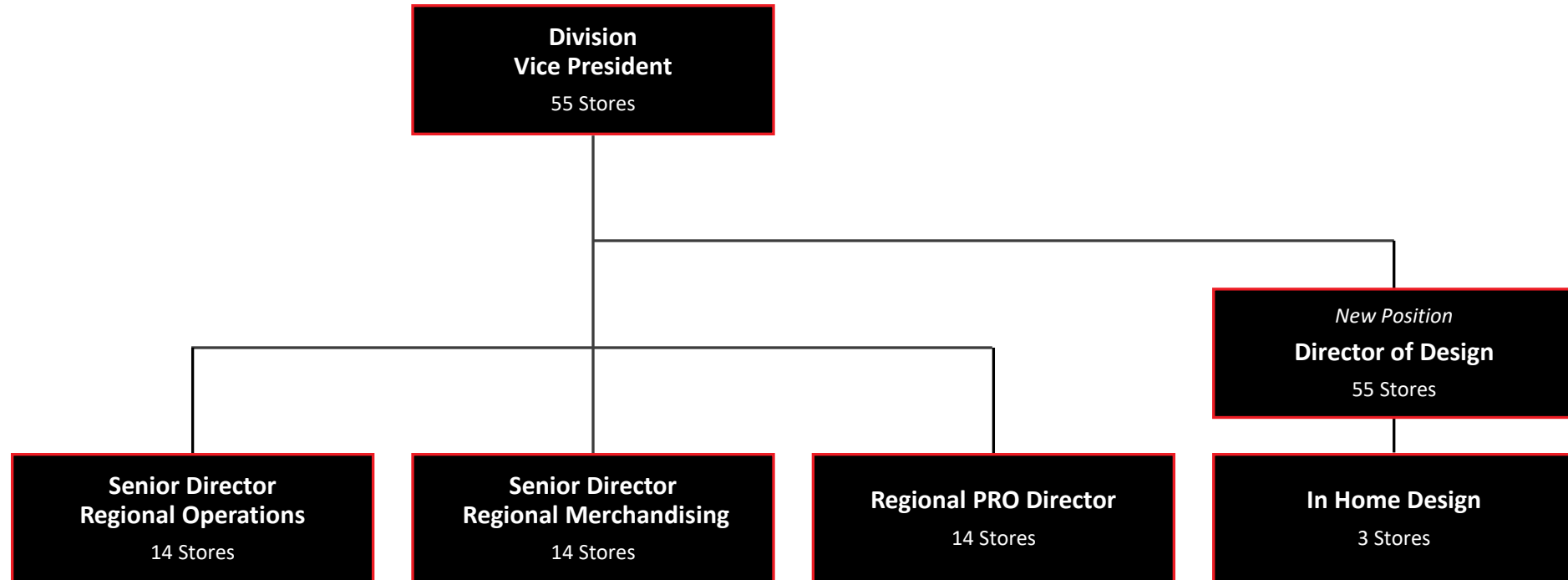
- 1 How We Support and Scale Our Growth
- 2 How We Win with Customer Service
- 3 Using Technology to Improve the Customer Experience
- 4 Free Design Service Solutions
- 5 Building Relationships with Pros



HOW WE SUPPORT AND SCALE OUR GROWTH

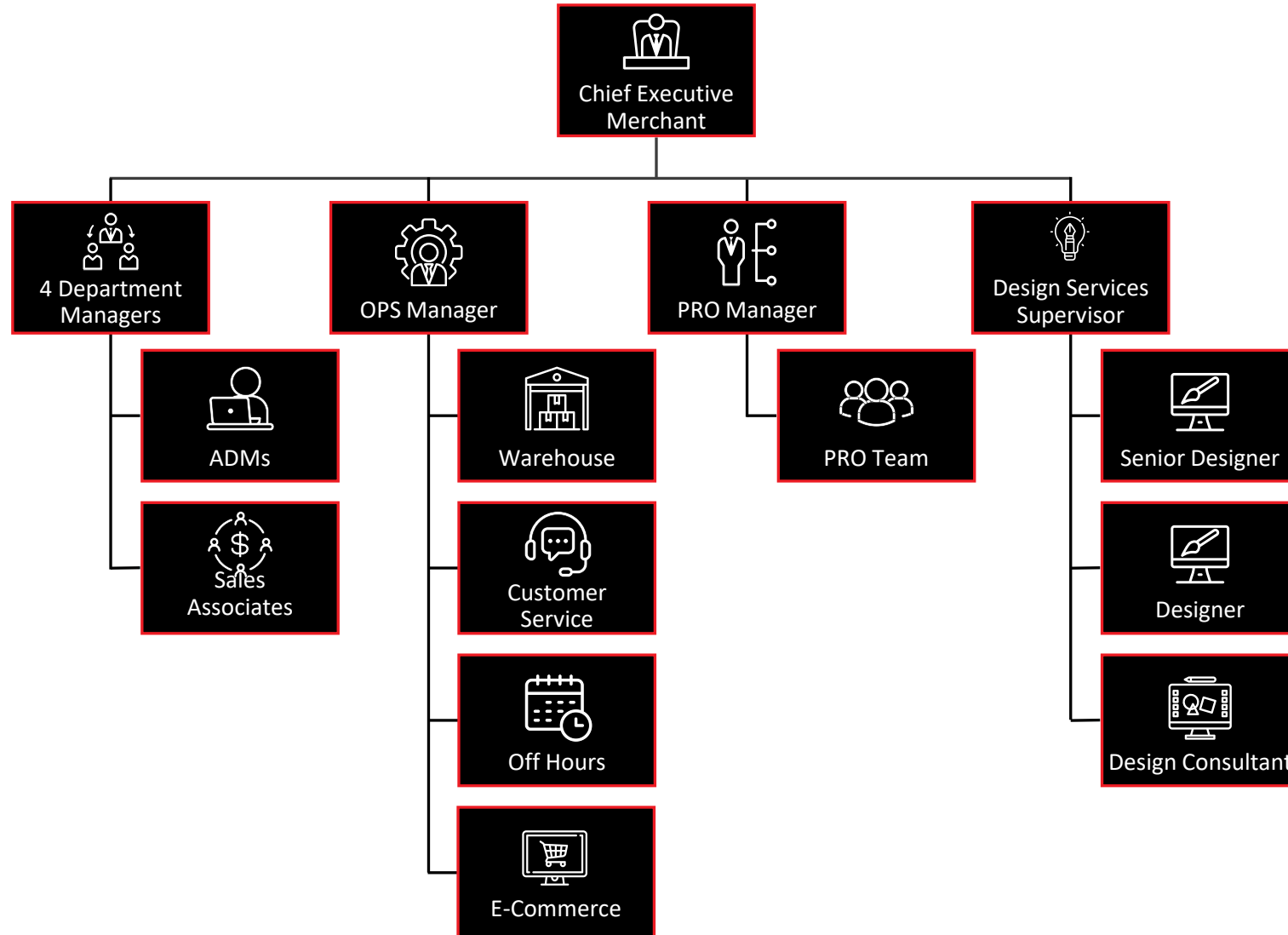


Dedicated Regional Hard-Surface Flooring Experts That Are Close to Customers



Dedicated Hard-Surface Flooring Experts in Every Store

Store Reporting Structure



Growing Future Leaders

**Workforce
Management**

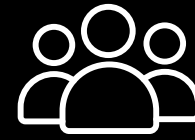


Talent

**Leadership
Training**



Develop



Diversity

**CEMIT/OPSIT
Program**



Recruiting

Leadership Development

Serving MyCustomer with CARE

Leading with CARE: Inspirational Coaching

CARE for Our Associates

Introduce CARE Service and Sales Model
Updated the CARE Manager Program
Introduce Positive and Constructive Feedback Coaching Conversations

Introduce Four Coaching Conversations to Lead with CARE:
Setting Expectations
Positive Feedback
Constructive Feedback
Development

Review the Process and Skills to CARE for Our Associates Throughout the Lifecycle from Recruiting Through Ongoing Retention

Leadership Styles

	LOW LEADERSHIP STYLES	HIGH LEADERSHIP STYLES
HIGH SUPPORTIVE BEHAVIOR	S3 High Supportive & Low Directive Behavior	S2 High Directive & High Supportive Behavior
LOW SUPPORTIVE BEHAVIOR	S4 Low Supporting & Low Directive Behavior	S1 High Directive & Low Supportive Behavior

FLOOR DECOR &

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HOW WE WIN WITH CUSTOMER SERVICE



What Customers Expect



Inform

Assistance in Comparing Product Characteristics & Better Trained Sales Associates



Inspire

Most Consumers Lack the Skills Necessary to Translate Their Own Flooring Tastes into Concrete Design Plans



Install

BIY Consumers Seek Deeper Guidance on Installer Selection and Broader Understanding on How the Installation Process Works

“CARE” Pillars Underpins Customer Service

C

Connect

**Be Proactive with a
Friendly Greeting**

A

Ask

**Ask Specific and
Strategic Questions**

R

Recommend

**Deliver a Tailored Solution
for the Customer**

E

Excite

**Energize the Customer
and Close the Sale**

Initiatives Underway to Improve the Customer Experience

Experience the Difference



**Design Inspired
Sales Floor Model**



**Emphasis On
Off-Hours Process**



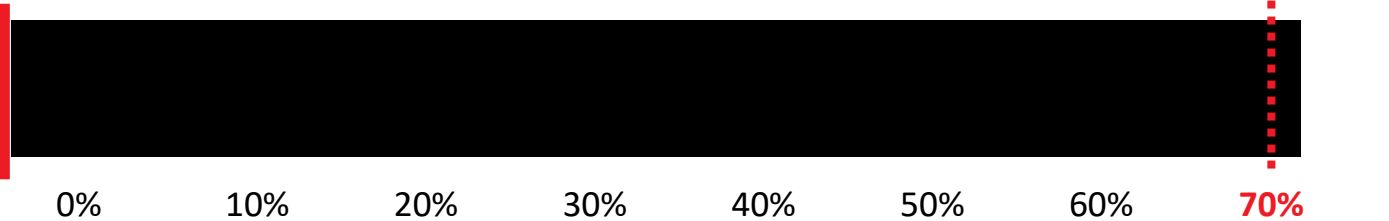
FIT Team

Key Customer Service Metrics

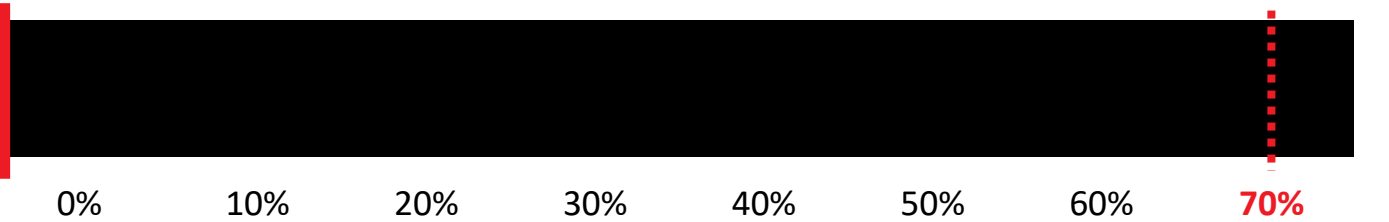
Our Customers Value Friendly, Knowledgeable, and Efficient Service



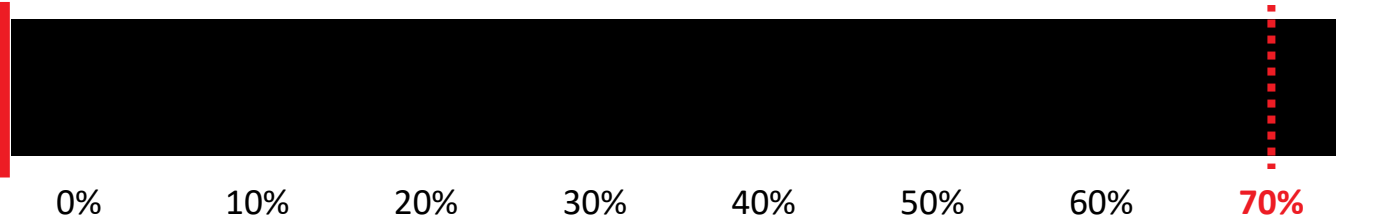
Associate Engagement



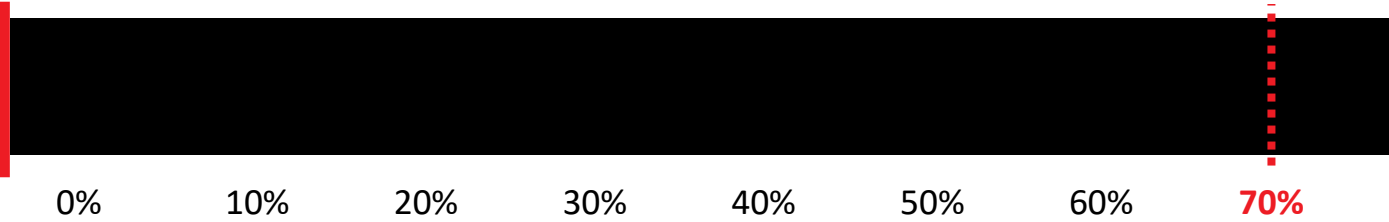
Checkout



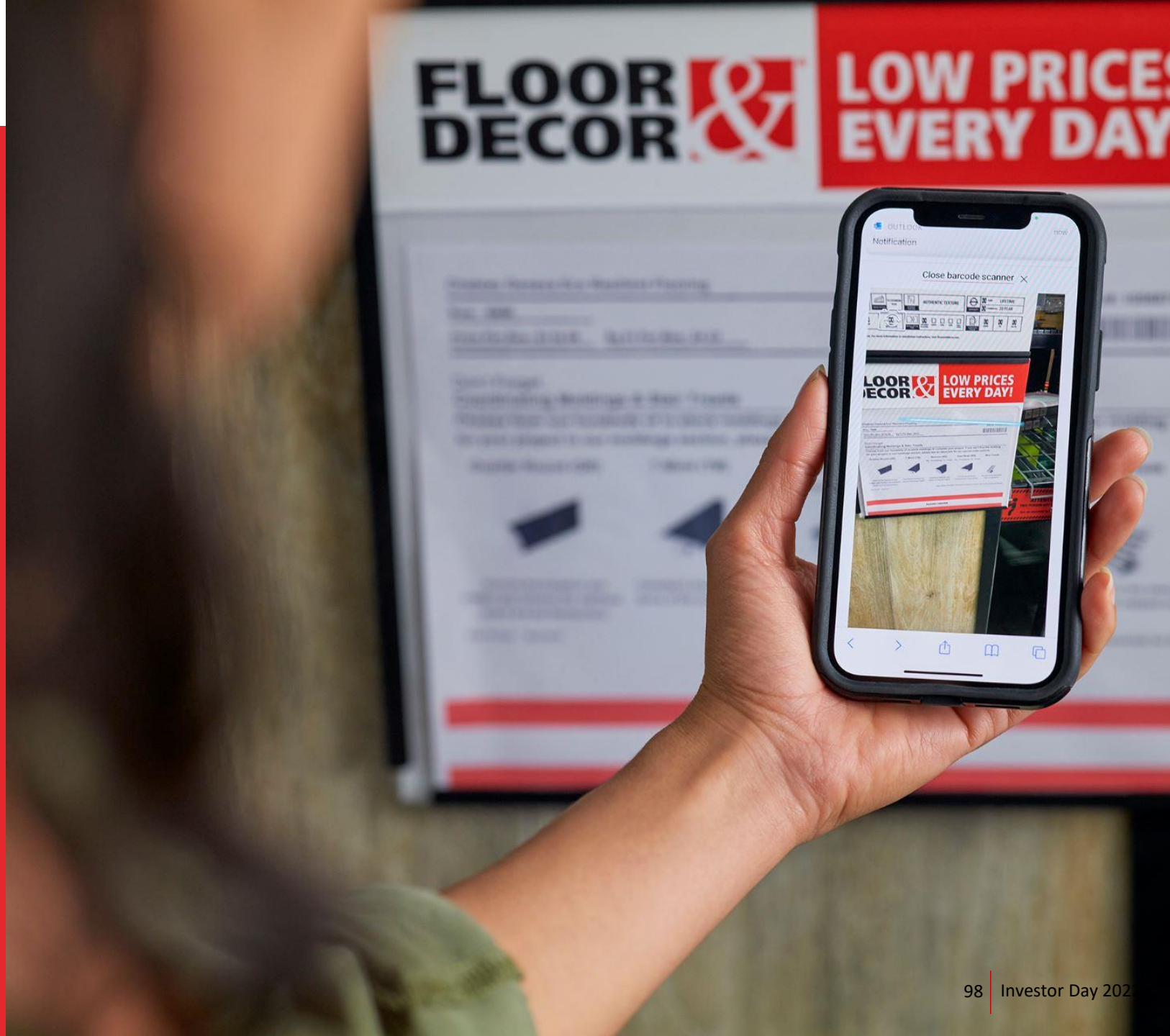
Overall Experience



Design Services Appointment



USING TECHNOLOGY TO IMPROVE THE CUSTOMER EXPERIENCE



Connected Associate Mobility Solutions

ThinkTime: Communications & Task Management

MyProject: C.A.R.E Project Selling & Quote Sharing Tool

Phone Tree Enhancements: Call Menu & Routing Optimization

Mobile Inventory: Inventory Accuracy & Adjustments



**Technology
Improves
Customer
Experience**

Order Fulfillment & Visibility

Optimizing Customer Interactions

Enabling Convenience is the Catalyst for Enhancing the Customer Pickup Experience

Current State



- Prepping For Arrival
- Complete
- Staged
- Cancelled
- Delivery In Progress
- Put Back

Scheduled Pickup
Appointments



Curbside
Check-In

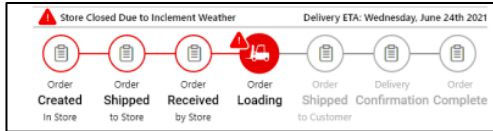
Arrived		
● #2 Tim Jones	XXXXXXXXXX	:02 min
● #3 Tracy Little	XXXXXXXXXX	:01 min
In Route		
● #7 Jason Cole	XXXXXXXXXX	:02 min
● #1 Jen Jackson	XXXXXXXXXX	:05 min
● #6 Jim Fisher	XXXXXXXXXX	:10 min



Wait Time
Estimator

2022 Planned Rollouts

Where's my order?
How long will it take to deliver?
Where can I see the order status?



V.I.E.W
Order Visibility

Connected Customer Order Fulfillment Experience

FREE DESIGN SERVICE SOLUTIONS



Enables Us to Elevate and Deepen our Relationship with Customers



Elevating the Design Services Experience



DESIGN SERVICES
FLOOR & DECOR

Elevate Associate Experience

Dedicated Department within
Corporate Structure

Career Trajectory and Growth
Opportunities at All Levels

Elevate Customer Experience

In Home Design

Advanced
Technology

Access to Dedicated
Design Professionals by
Appointment

What Makes Floor & Decor Different

Plans to Grow
Dedicated Design
Staff by 29% in
2022

Customer
Connection

Access to
Materials

Access to Adjacent
Categories

BUILDING RELATIONSHIPS WITH PROS



Our PRO Customer Strategy is Well Embedded



Build It

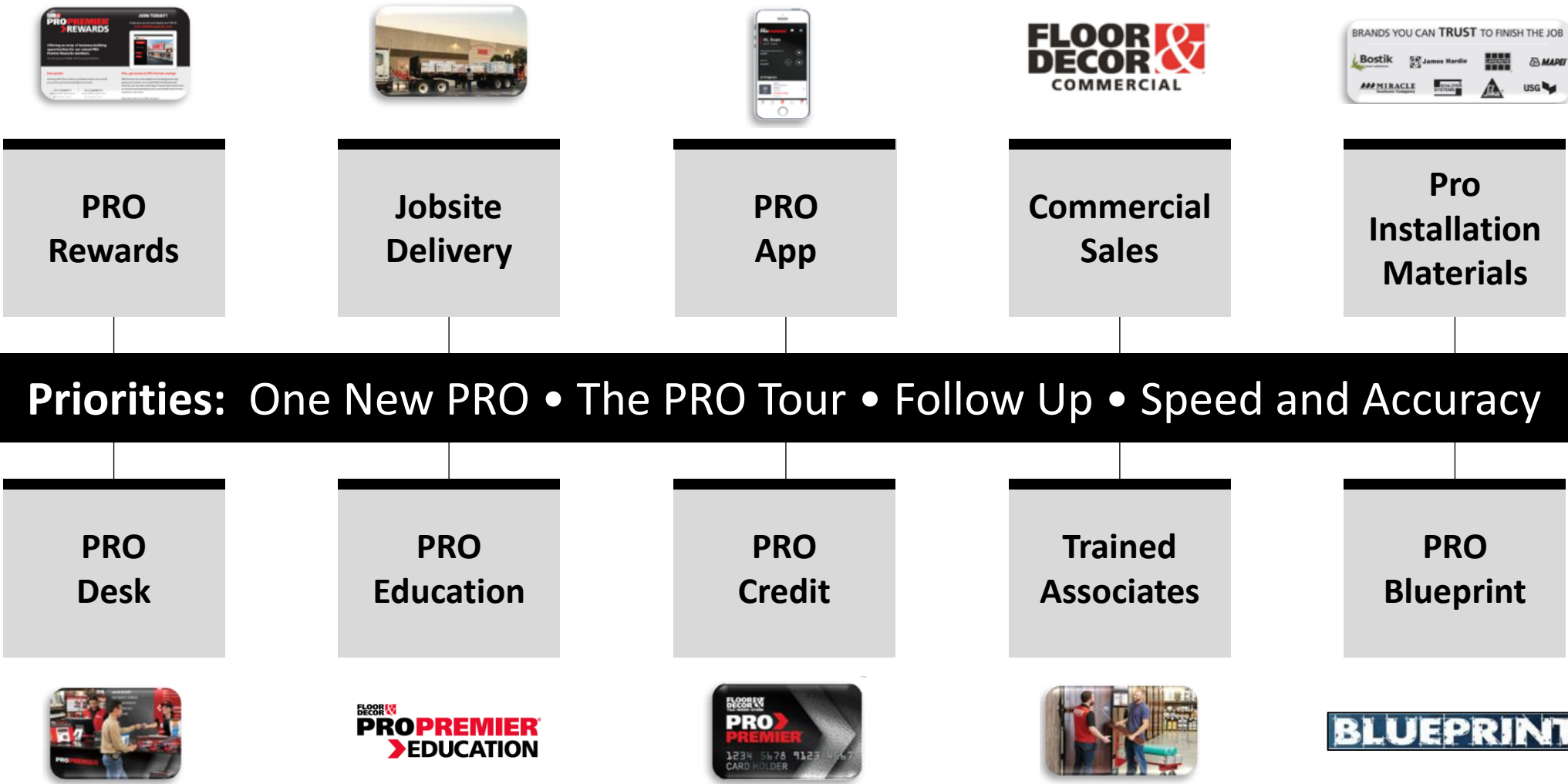


Keep It

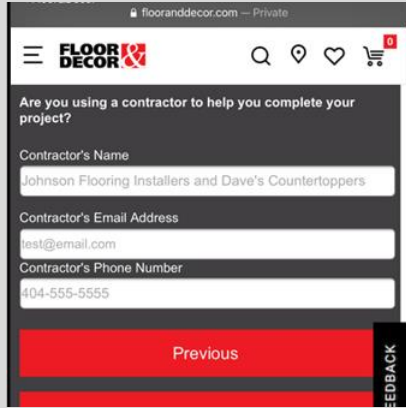


Grow It

PRO Premier Priorities



Identifying PRO Customers



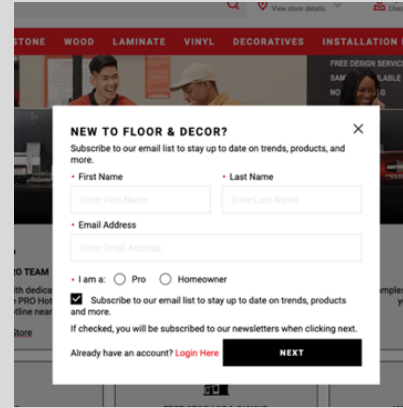
Design Scheduler

"Are You Working with a Contractor to Complete Your Project?"



PRO Pickup

Customer Provides New PRO Through 3rd Party Pickup

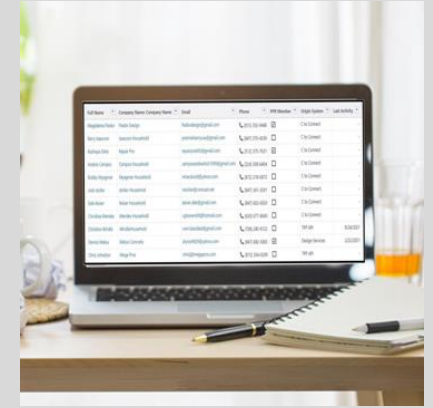


C to Connect

Website –
"Are You a New PRO?"



In the Aisles



Dashboard Tools

PRO Premier App Enhances Engagement

PRO Premier App Transforms How We Engage with Our PROs

Full Inventory Availability/Scan Product

Detailed Order Tracking

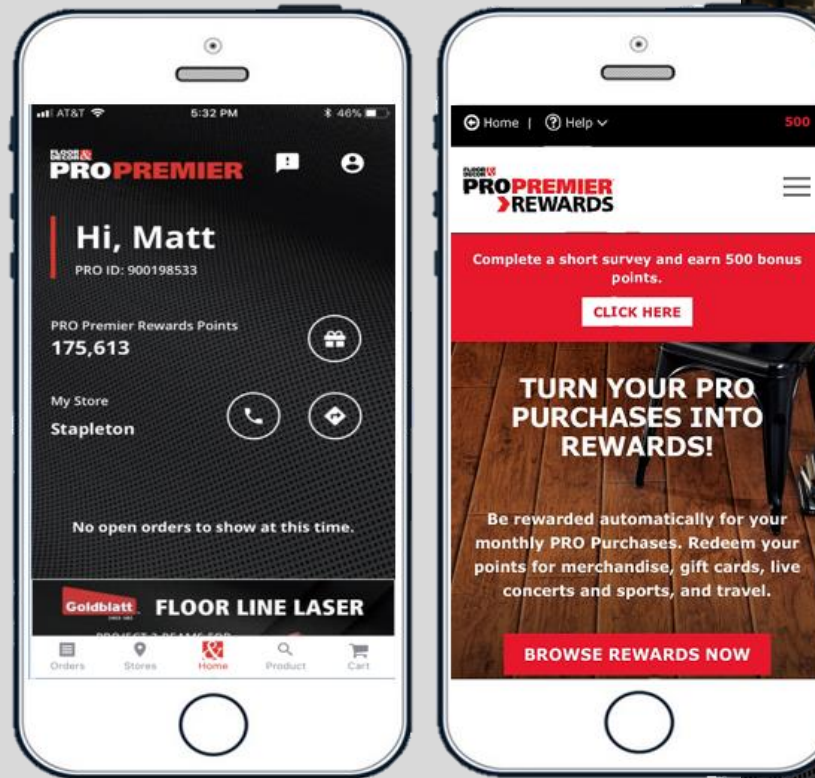
PRO Premier Rewards

Scheduled Pickup and Check-in

Building and Sharing Quotes

Purchasing Product

Schedule Design Appointment



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Business Development & Supply Chain

Brian Robbins



Key Takeaways

1 Direct Sourcing Creates Significant Cost Savings

2 Logistics Cost Headwinds and Tailwinds

3 Commercial Market Share Opportunity

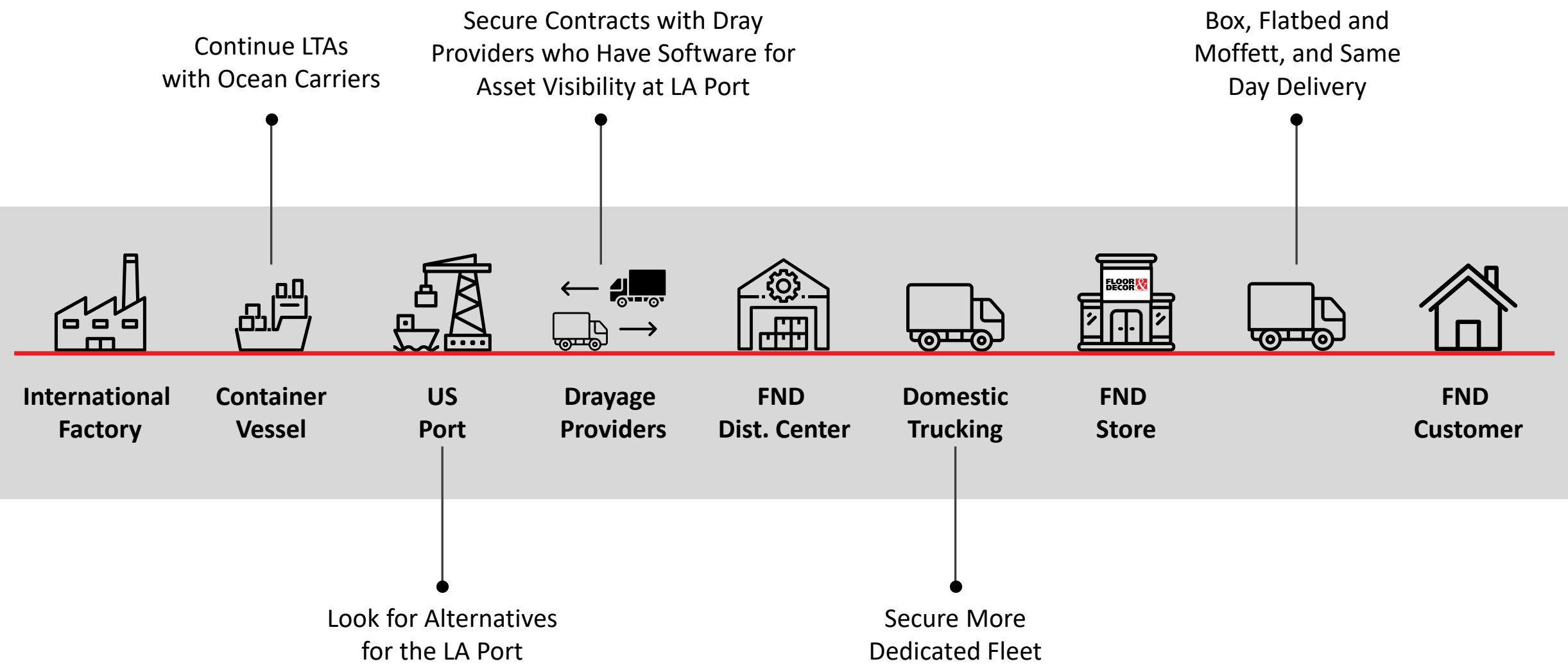
4 Spartan Surfaces Represents Unique Value Creation Opportunity in Commercial



DIRECT SOURCING CREATES SIGNIFICANT COST SAVINGS



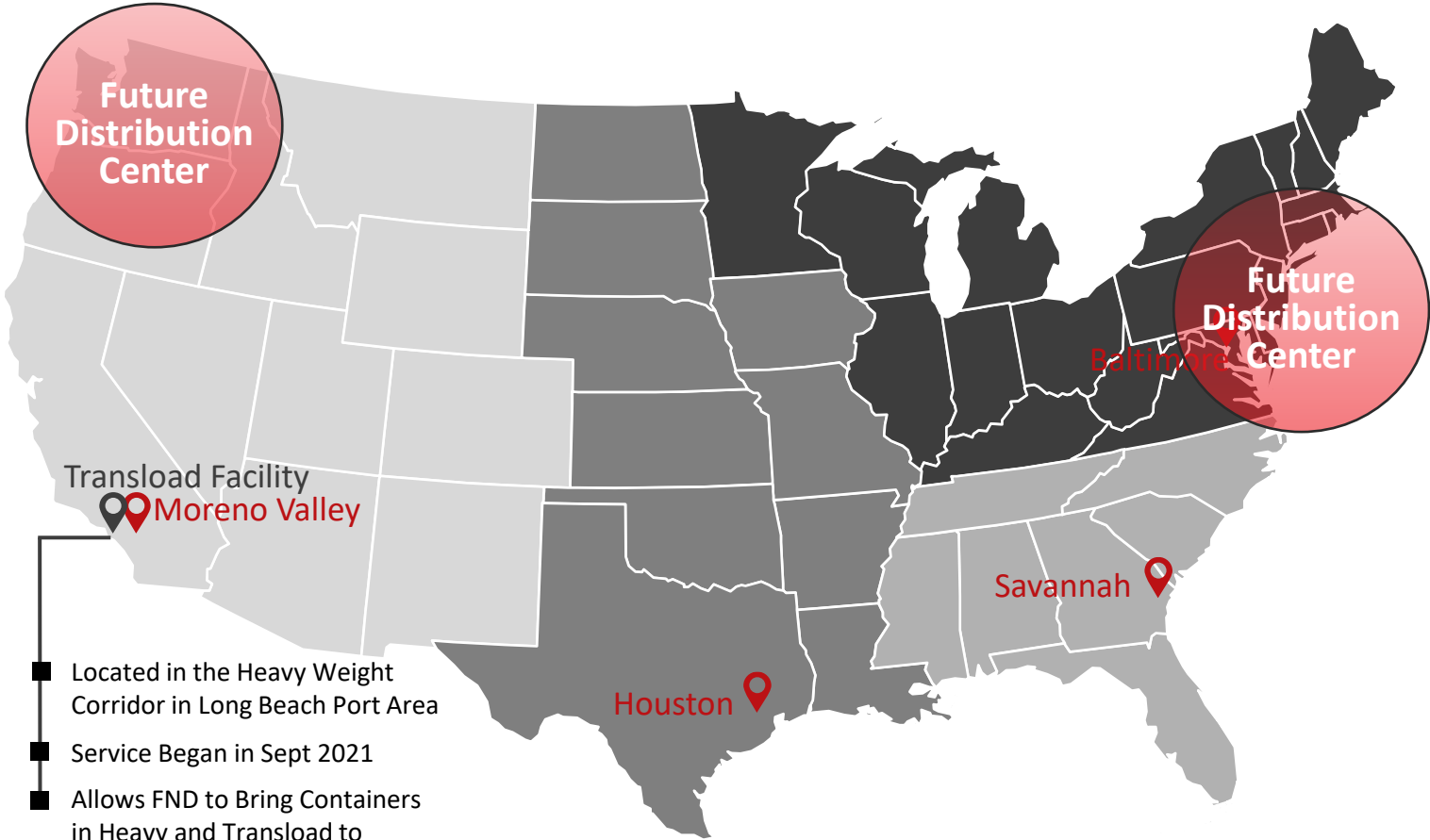
Superior Global Supply Chain Capability and Agility



Distribution Centers Strategically Placed to Reduce Total Cost for Heavy Pallet Distribution

Size			
Savannah	Houston	Moreno Valley	Baltimore
1.4M SqFt	1.5M SqFt new in 2022	1.1M SqFt	1.5M SqFt
2022 #Stores/Capacity			

Savannah	Houston	Moreno Valley	Baltimore
48/71	37/75	52/55	55/75



- Located in the Heavy Weight Corridor in Long Beach Port Area
- Service Began in Sept 2021
- Allows FND to Bring Containers in Heavy and Transload to Equipment at a Significant Cost Savings













LOGISTICS COST HEADWINDS AND TAILWINDS
























State of Supply Chain Management Globally and F&D

Global Situation

International Logistics













Major Issue	October	Today	2022 YE
Ocean Capacity Constraints			
Port Congestion			
Rising Ocean Rates			
On Time Delays			

North America Logistics






















Major Issue	October	Today	2022 YE
Truckload Capacity			
Truckload Rates			
COVID – Truck Drivers			
Driver Shortage			
Drayage Capacity			
Equipment Shortage			
Container Demurrage			

F&D Situation

International Logistics

Major Issue	October	Today	2022 YE
Ocean Capacity Constraints			
Port Congestion			
Rising Ocean Rates			
On Time Delays			

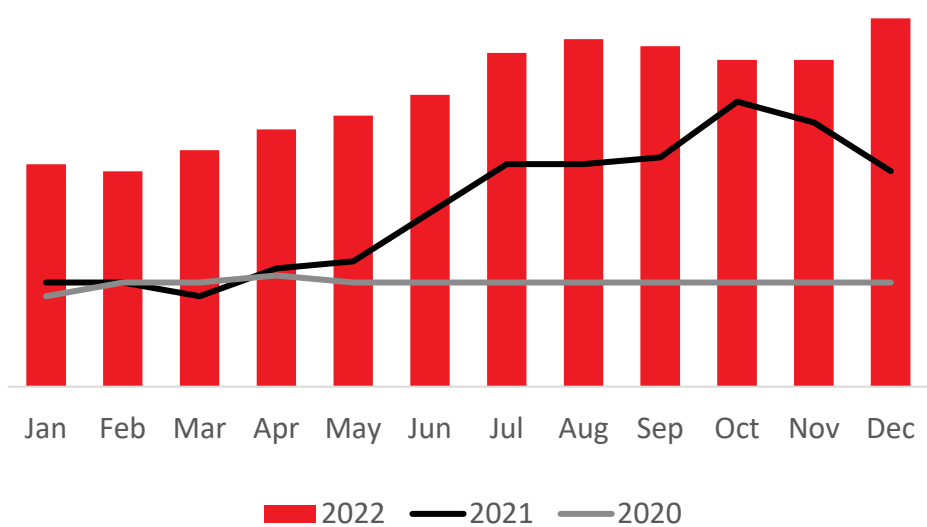
North America Logistics

Major Issue	October	Today	2022 YE
Truckload Capacity			
Truckload Rates			
COVID – Truck Drivers			
Driver Shortage			
Drayage Capacity			
Equipment Shortage			
Container Demurrage			

Proactively Managing our Estimated Freight Costs in 2022

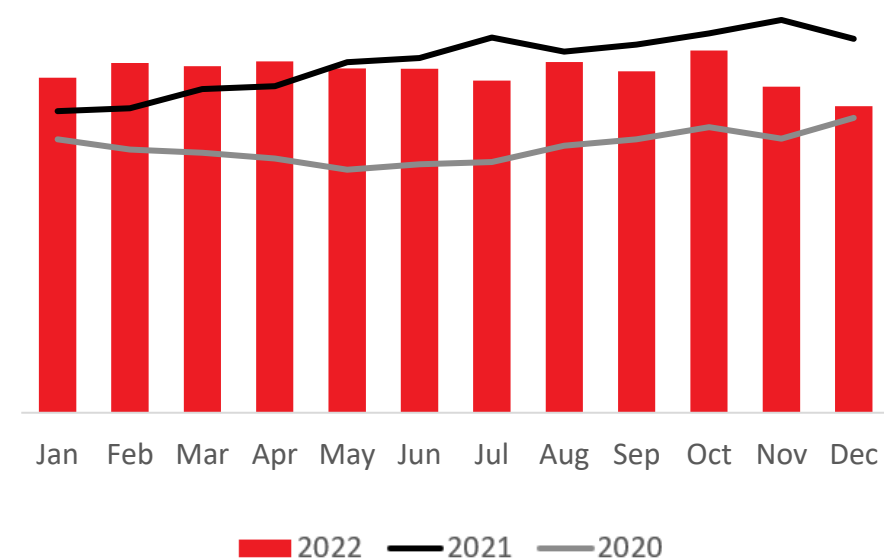
International Logistics

Ocean Cost per Container



North American Logistics

Domestic Cost per Truckload

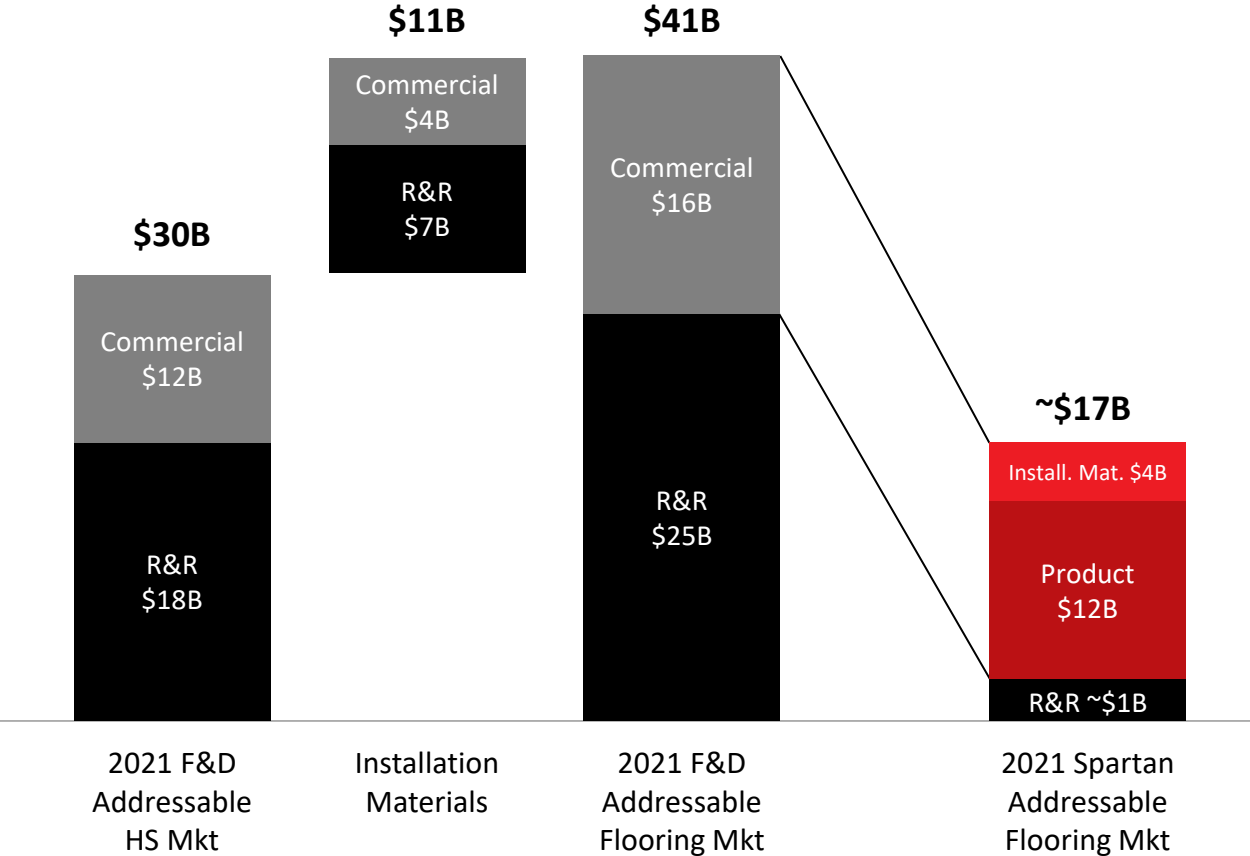


COMMERCIAL MARKET SHARE OPPORTUNITY



Commercial Market Opportunity

Size of Commercial Market



~60% Specifier

Large Jobs With Hard Specs

**A&D Firms
Building Owners**

**General Contractors
Developers**

Accelerated Expansion is Planned by Organic and In-Organic Growth of Spartan Reps and Potential M&A Value-added Specifiers

~40% Main Street

30% Soft Specs & 10% No Specs

**Small Owners
Builders**

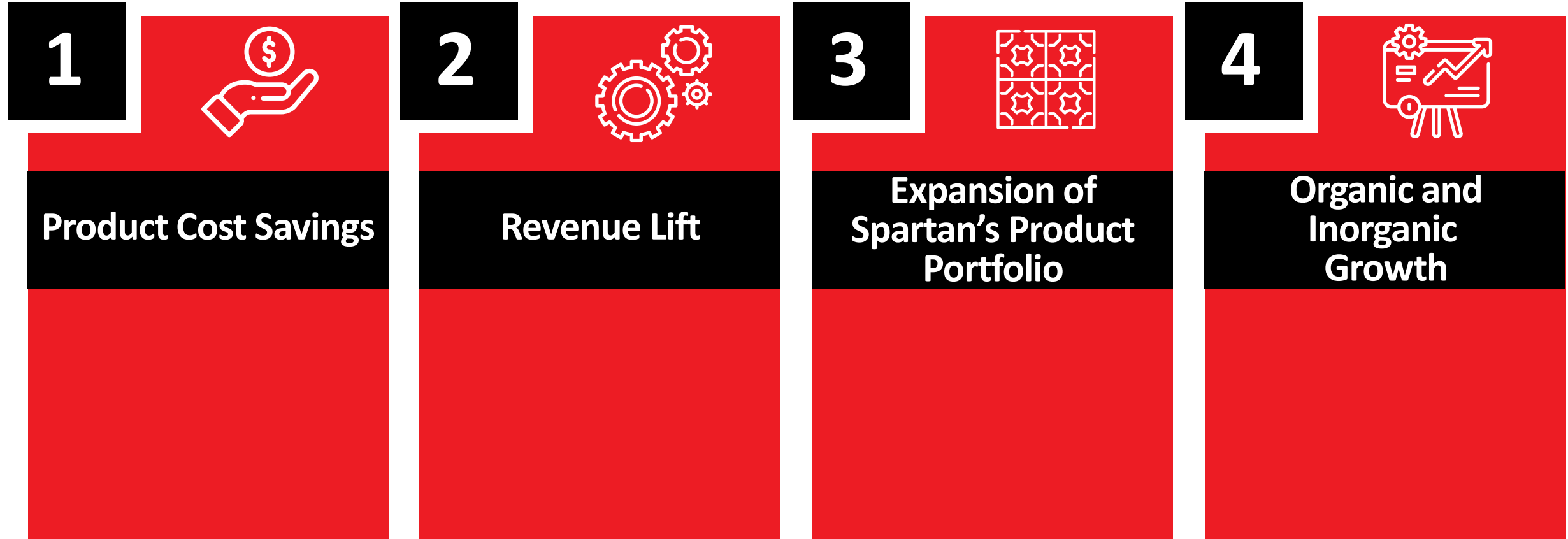
**Downstream PROs
Contractors**

Continued Growth by Increasing the Number of Spartan Reps and F&D RAMs

**SPARTAN SURFACES
REPRESENTS
UNIQUE VALUE
CREATION
OPPORTUNITY IN
COMMERCIAL**



Value Creation of Commercial Strategy with Spartan



Spartan Growth Strategy



Enhance Existing Volumes and Gross Margin

Move Spartan to FND Ocean and NA Logistic Contracts

Move to FND Products and Supply Base

Organically Extend Spartan's Sales Footprint Nationally

Open Sales Offices and Reps in Top MSA's that will Take Advantage of FND's Distribution Centers

Expand Inorganically

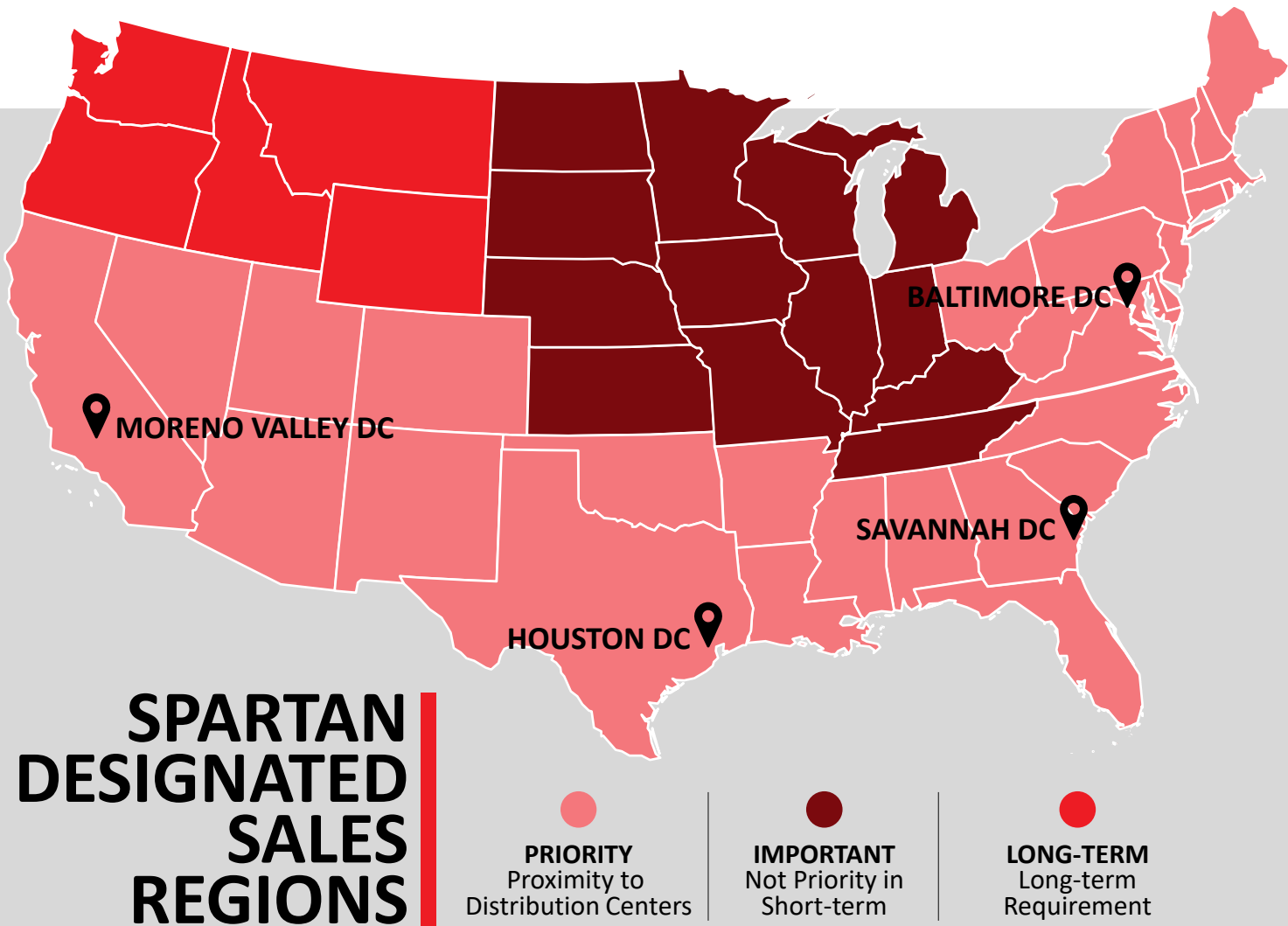
Continue to Look for Potential Adjacent Product Category Specifiers

Independent Sales Agent "Roll Up" that Have Same Key Supplier Partners

Spartan Organic Rep Growth

TOP 25 MSAs POTENTIAL SPARTAN REP GROWTH

Top U.S. MSAs	Total Market Size	Current # Spartan Reps	Max. # Reps to Support Mkt.
DMV (DC/MD/Vir.)	~400M	11	12
New York City	~730M	3	22
Los Angeles	~430M	0	13



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Our Best Days Are Yet Ahead

Trevor Lang



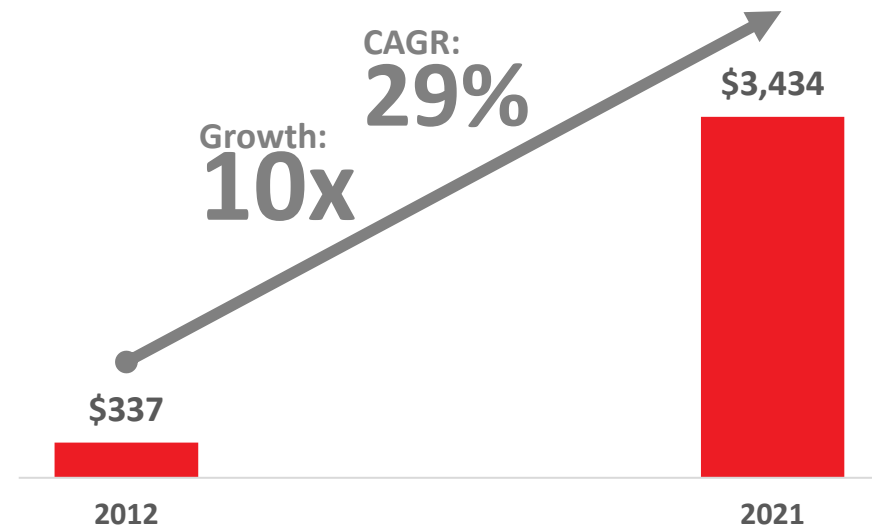
Key Takeaway Growth Goals FY22-24

- 1 Continued 20% Warehouse Format Unit Growth
- 2 New Stores + Comp Sales + Commercial = Total Sales Growth +20%
- 3 3-year +25% Operating Income CAGR and Margin Expansion
- 4 Maintain Strong Balance Sheet and Low Leverage
- 5 Disciplined Capital Deployment to Drive Higher ROIC

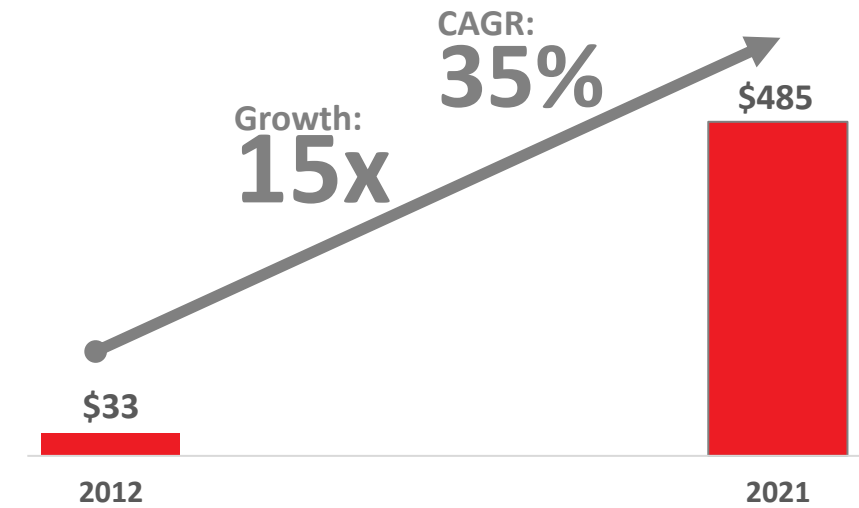


Strong Track Record Under Current Management

Sales



Adjusted EBITDA



1

Highly Experienced
Leadership Team

2

Large and
Growing TAM

3

Unique, Successful
Model with Continued
Growth Potential in
Fragmented Industry

4

Strong DIY, BIY,
PRO & Commercial
Growth Opportunities

5

Best In Class
Merchandising and
Supply Chain

6

Strong Historical
Performance

Macro and Changing Consumer Trends Underpinning Demand...



Aging Housing
Inventory



Rising Home
Equity Value



Record US Wealth:
Cash, Housing &
Investments



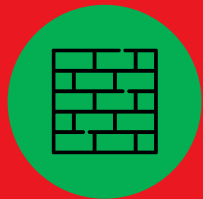
Innovation &
Affordability in
Hard Surface
Flooring



Secular Long-Term
Shift Towards
Hard Surface
Flooring



Millennials
Forming
Households



Non-traditional
Use of Flooring
on Walls



Over 1.5M New
U.S. Households
Per Year



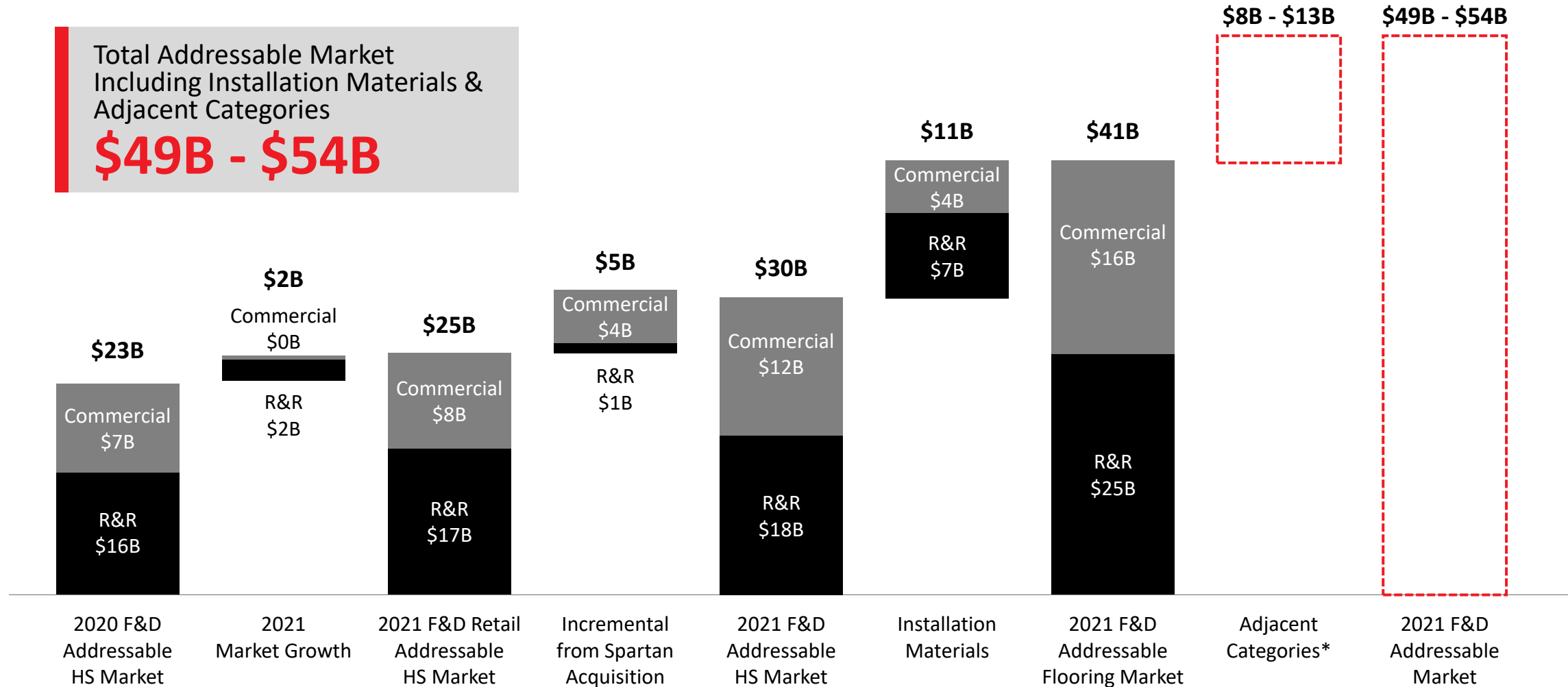
Rising Inflation &
Interest Rates



Existing Home Sales
& Affordability

Growing Total Addressable Market

(in Billions)

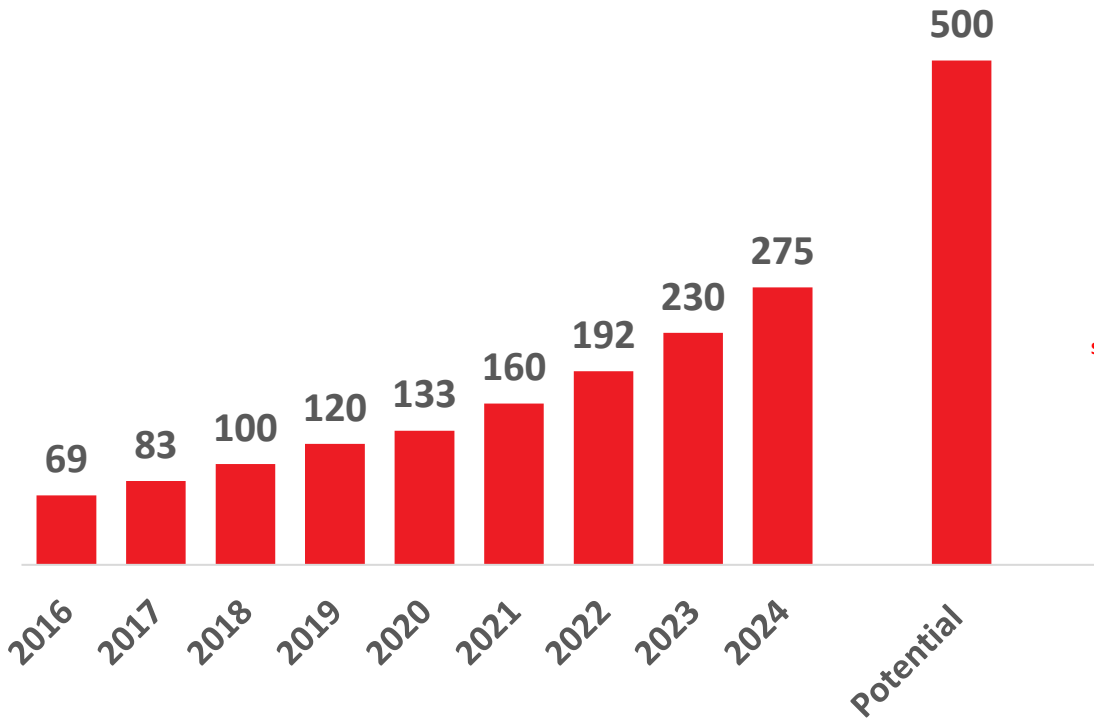


CONTINUED 20% WAREHOUSE FORMAT UNIT GROWTH



Our Whitespace Potential is Significant

Significant Store Growth



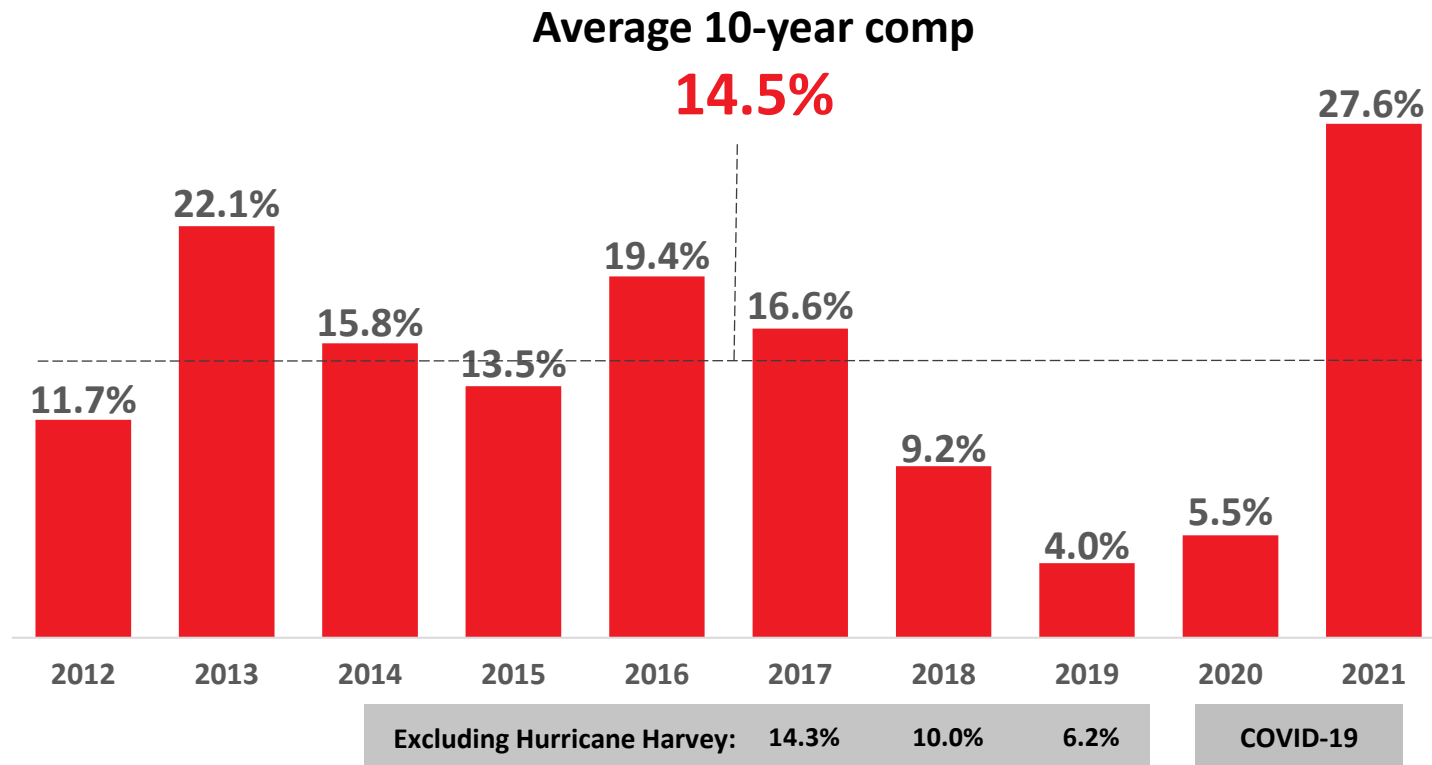
Locations Throughout the US



**NEW STORES
+ COMP SALES
+ COMMERCIAL
= TOTAL SALES
GROWTH +20%**



Strong Track Record of Growing Comparable Store Sales



Favorable Industry Projections

~60% Independent/Smaller Competitor Market Share Opportunity

Maturation of New Store Comparable Store Sales

Good/Better/Best, Low Price, Broad, Trend-right, In-stock Assortment

Adjacent Categories

In-store Pro, Commercial, and Design Strategies

eCommerce Information, Education, Inspiration, and Ease of Transacting

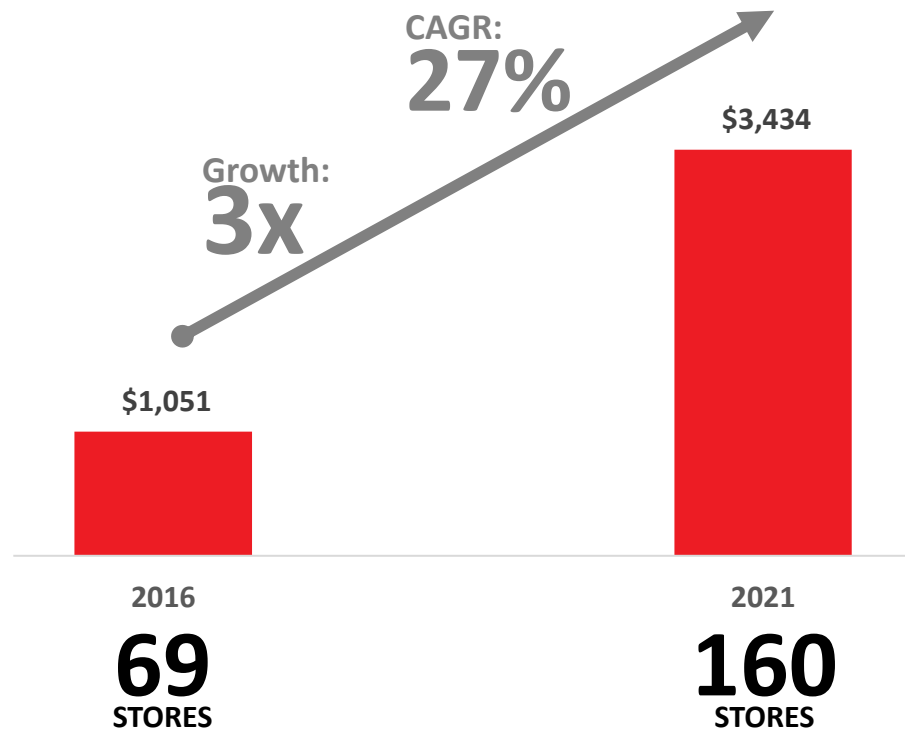
Improved Marketing and CRM Strategies and Increased Brand Awareness

**3-YEAR +25%
OPERATING
INCOME CAGR
& MARGIN
EXPANSION**

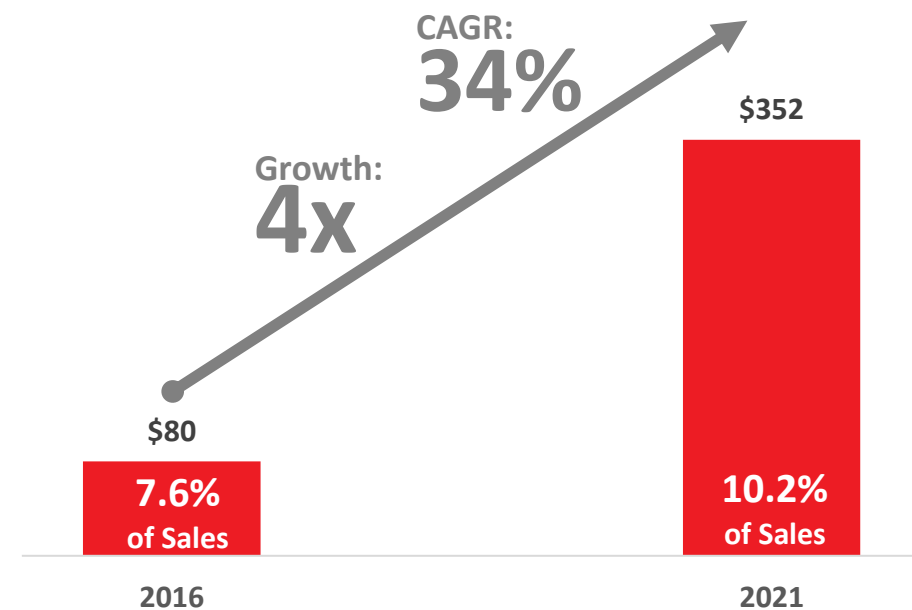


Historical Sales and Adjusted Operating Income Since Going Public

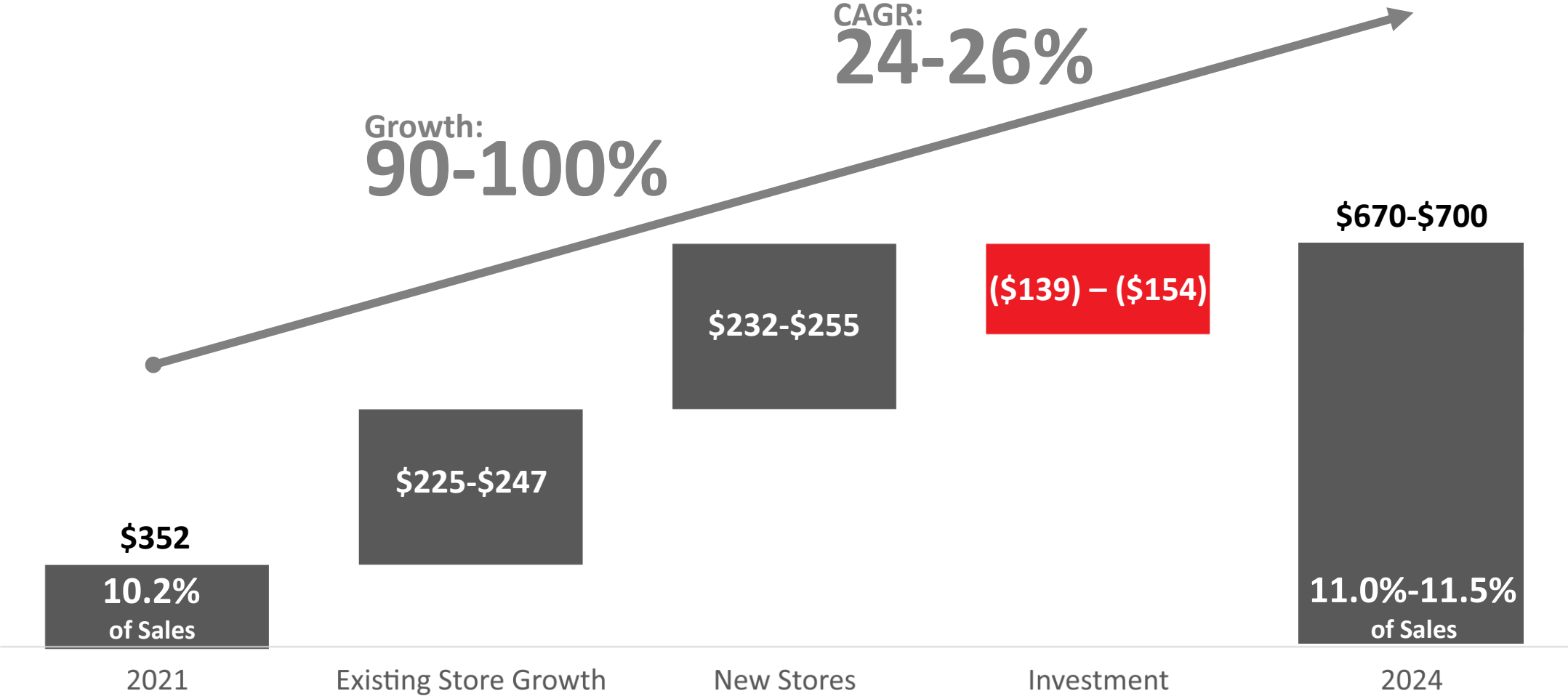
Sales



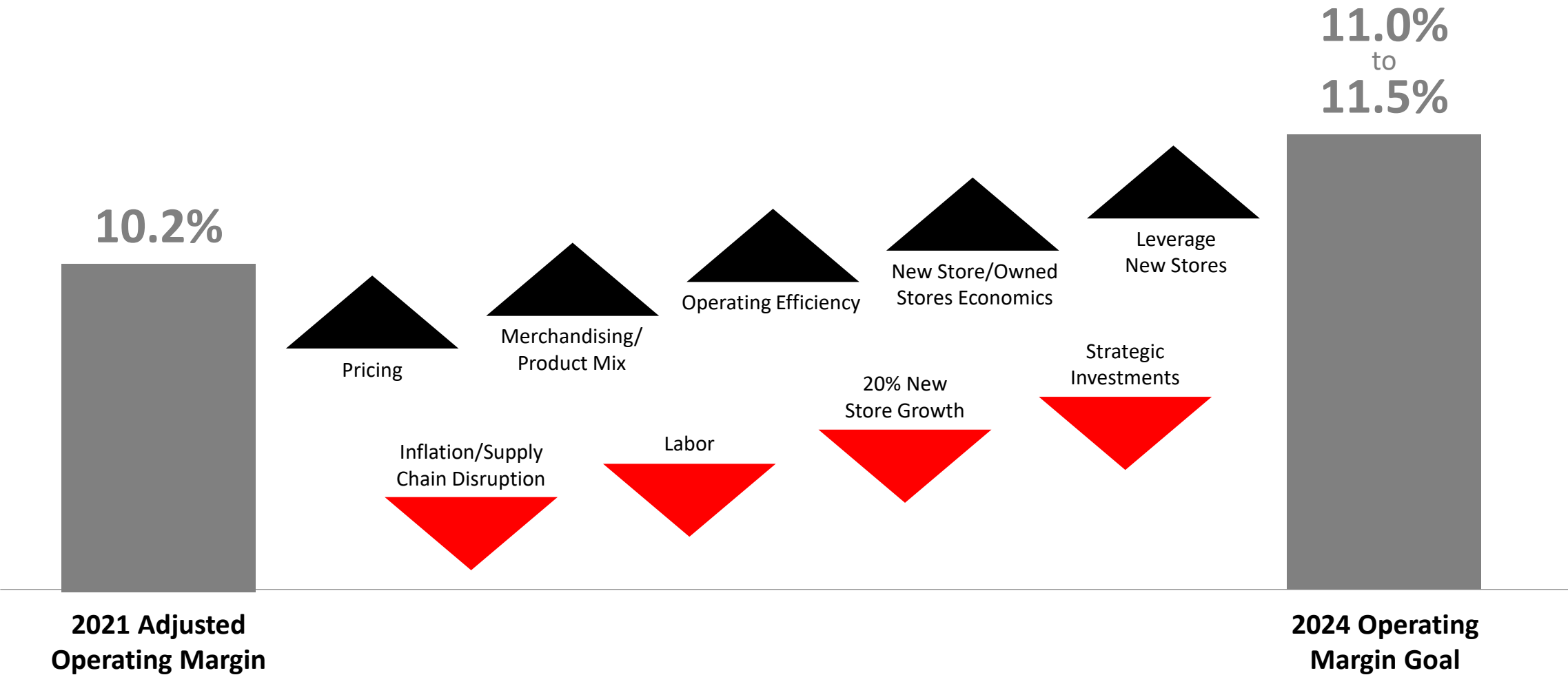
Adjusted Operating Income



Building Blocks to 3-Year 25% Operating Income Growth



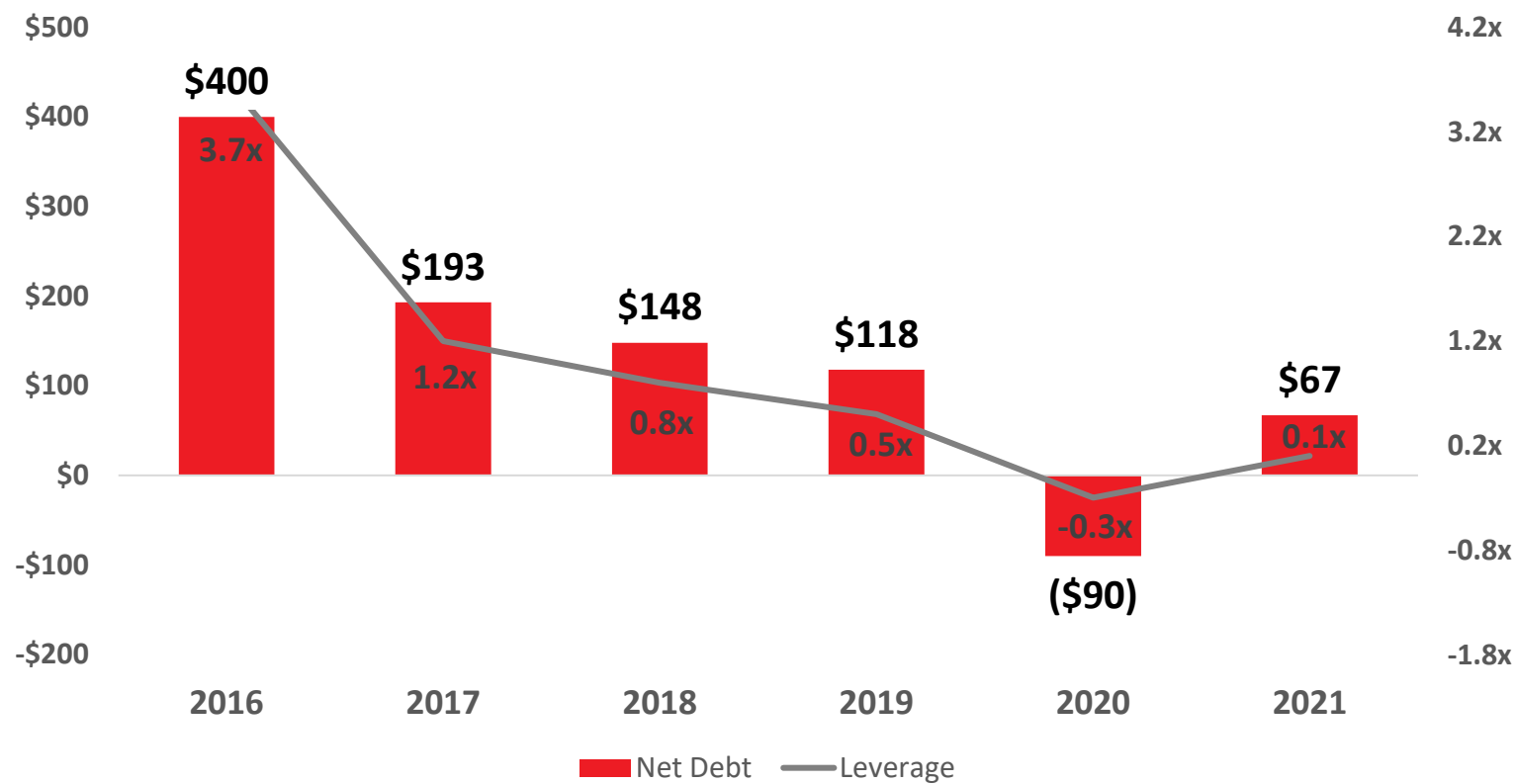
Increase Operating Margin



MAINTAIN STRONG BALANCE SHEET & LOW LEVERAGE



Low Leverage Allows for Growth Investment



Add ~2x Turns For Lease Adjusted Leverage

Keep Leverage Low
While Free Cash Flow
Is Used To Support
**20% UNIT
GROWTH**

Expect Negative Free
Cash Flow In
2022 & 2023

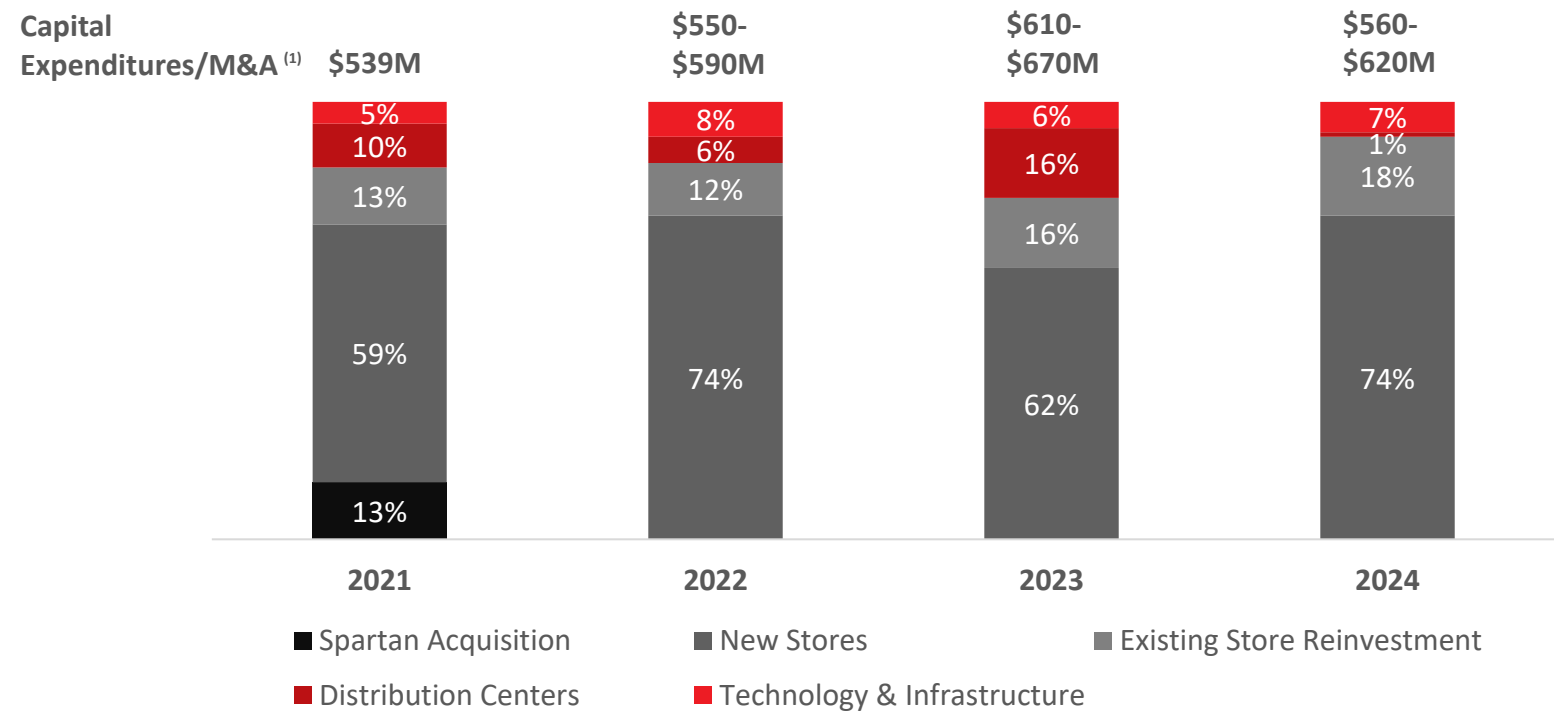
Modest Positive Free
Cash Flow In
2024

**DISCIPLINED CAPITAL
DEPLOYMENT TO
DRIVE HIGHER ROIC**



FY22-24 CAPEX

Capital Investments



SUPPORT
20%
NEW STORE
GROWTH



Reinvest In Existing Stores



Supply Chain



IT Capabilities



Digital Innovation



Consideration Of M&A Where Value is Added

⁽¹⁾ Includes CapEx Accrued at the End of the Period

Disclaimer - Information is as of 03/16/22 and Does Not Contemplate any Potential Impacts from the War in Ukraine

Disciplined Capital Deployment to Drive Higher ROIC



Disciplined Approach to M&A

Key Acquisition Criteria



**Must Enable/
Encompass A
Strategic
Focus**



**Clear Path For
Profitable
Growth**



**Accretive To
Long-term
EBIT**



**Asset Light
Preference With
People And
Relationships
A Priority**



**Leverage Our
Strengths**
Merchandising
Supply Chain
Scale

Long-Term Financial Objectives and Outlook



Long Term Financial Objectives

2022 - 2024

New Store Growth

20%

Sales

+20%

Operating Income

+25%

EBITDA Margins

Mid Teens

Capex

10-14%
of sales

Balance Sheet

Low Leverage

Opportunities

Housing Over The Long Term
Hard Surface Flooring Takes Share From Carpet
Independents Ceding Market Share
Retail Pricing

Sales And Associated Operating Leverage
Growing Brand Awareness & CRM
In-stock Inventory Improvement

Risks

Inflation/Global Supply Chain Disruption/Gross Margin
Interest Rates Rising And Housing Turnover
Employment And Wage Growth

Energy
Government Regulation
Pandemic
Geopolitical

APPENDIX RECONCILIATION OF GAAP TO NON-GAAP MEASURES



Non-GAAP Financial Measures

Adjusted net income, Adjusted diluted EPS, Adjusted Operating Income, EBITDA and Adjusted EBITDA (which are shown in the reconciliations on the following pages) are presented as supplemental measures of financial performance that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). We define Adjusted net income as net income adjusted to eliminate the impact of certain items that we do not consider indicative of our core operating performance and the tax effect related to those items. We define Adjusted diluted EPS as Adjusted net income divided by weighted average shares outstanding. We define Adjusted operating income as operating income adjusted to eliminate the impact of certain items that we do not consider indicative of our core operating performance. We define EBITDA as net income before interest, loss (gain) on early extinguishment of debt, taxes, depreciation and amortization. We define Adjusted EBITDA as net income before interest, loss (gain) on early extinguishment of debt, taxes, depreciation and amortization, adjusted to eliminate the impact of certain items that we do not consider indicative of our core operating performance. Reconciliations of these measures to the most directly comparable GAAP financial measure are set forth in the tables below.

Adjusted net income, Adjusted diluted EPS, Adjusted Operating Income, EBITDA and Adjusted EBITDA are key metrics used by management and our board of directors to assess our financial performance and enterprise value. We believe that Adjusted net income, Adjusted diluted EPS, EBITDA and Adjusted EBITDA are useful measures, as they eliminate certain items that are not indicative of our core operating performance and facilitate a comparison of our core operating performance on a consistent basis from period to period. We also use Adjusted EBITDA as a basis to determine covenant compliance with respect to our credit facilities, 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 peer companies using similar measures. Adjusted net income, Adjusted diluted EPS, Adjusted Operating Income, EBITDA and Adjusted EBITDA are also used by analysts, investors and other interested parties as performance measures to evaluate companies in our industry.

Adjusted net income, Adjusted diluted EPS, Adjusted Operating Income, EBITDA and Adjusted EBITDA are non-GAAP measures of our financial performance and should not be considered as alternatives to operating income, net income or diluted EPS as a measure of financial performance, or any other performance measure derived in accordance with GAAP and they should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Additionally, Adjusted net income, Adjusted operating income, EBITDA and Adjusted EBITDA are not intended to be measures of liquidity or free cash flow for management's discretionary use. In addition, these non-GAAP measures exclude certain non-recurring and other charges. Each of these non-GAAP measures has its limitations as an analytical tool, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. In evaluating Adjusted net income, Adjusted diluted EPS, Adjusted operating income, EBITDA and Adjusted EBITDA, you should be aware that in the future we will incur expenses that are the same as or similar to some of the items eliminated in the adjustments made to determine Adjusted net income, Adjusted diluted EPS, Adjusted operating income, EBITDA and Adjusted EBITDA, such as stock compensation expense, loss on asset impairments and disposals, and other adjustments. Our presentation of Adjusted net income, Adjusted diluted EPS, Adjusted operating income, EBITDA and Adjusted EBITDA should not be construed to imply that our future results will be unaffected by any such adjustments. Definitions and calculations of Adjusted net income, Adjusted diluted EPS, Adjusted operating income, EBITDA and Adjusted EBITDA differ among companies in the retail industry, and therefore Adjusted net income, Adjusted diluted EPS, Adjusted operating income, EBITDA and Adjusted EBITDA disclosed by us may not be comparable to the metrics disclosed by other companies.

Reconciliation Adjusted Net Income and Adjusted Diluted EPS

	Fiscal Year Ended					
	12/29/2016	12/28/2017	12/27/2018	12/26/2019	12/31/2020	12/30/2021
Net Income (GAAP)	\$ 43.0	\$ 102.8	\$ 116.2	\$ 150.6	\$ 195.0	\$ 283.2
Acquisition and Integration Expense	-	-	-	-	-	3.4
Store Support Center and Distribution Center Relocations and Closures	-	-	7.1	12.0	0.3	2.8
Tariff Refund Adjustments	-	-	-	(8.5)	(4.3)	1.5
COVID-19 Costs	-	-	-	-	3.6	1.2
Contingent Earn-out Liability Fair Value Adjustment	-	-	-	-	-	1.1
Debt Modification Expense	-	-	-	-	0.7	0.2
Secondary Offering Costs	-	1.7	1.1	0.7	0.8	-
Loss\Gain on Early Extinguishment of Debt	1.8	5.4	-	-	(1.0)	-
Hurricane Disaster Recovery	-	0.1	(0.5)	-	-	-
Litigation Settlement	10.5	-	-	-	-	-
Interest Due to 2016 Refinancing	(8.8)	-	-	-	-	-
Interest Due to IPO	10.9	4.1	-	-	-	-
Term Loan Repricing	1.9	0.9	-	-	-	-
Tax Benefit of Stock-based Compensation Awards	(8.5)	(21.8)	(19.7)	(33.8)	(30.8)	(28.6)
Tax Benefit of CARES Act	-	-	-	-	(7.7)	-
Deferred Tax Adjustment Due to Tax Reform and Other Credits	-	(17.8)	(1.2)	-	-	-
Research and Development Tax Credits	-	(0.4)	-	-	-	-
Tax Impact of Adjustments to Net Income	(6.2)	(3.9)	(1.6)	(0.7)	2.7	(2.4)
Adjusted Net Income	\$ 44.7	\$ 71.0	\$ 101.5	\$ 120.3	\$ 159.3	\$ 262.4
Adjusted Diluted Weighted Average Shares Outstanding	98.6	102.9	104.6	105.0	106.1	107.4
Adjusted Diluted EPS	\$ 0.45	\$ 0.69	\$ 0.97	\$ 1.15	\$ 1.50	\$ 2.44
Diluted Weighted Average Shares Outstanding (GAAP)	88.4	99.7	104.6	105.0	106.1	107.4
Adjustments for Issuance of Shares at IPO	10.1	3.3	-	-	-	-
Adjusted Diluted Weighted Average Shares Outstanding	98.6	102.9	104.6	105.0	106.1	107.4

Reconciliation Adjusted Operating Income

	Fiscal Year Ended	
	12/29/2016	12/30/2021
Operating Income (GAAP)	\$ 69.1	\$ 339.0
Acquisition and Integration Expense	-	3.4
Store Support Center and Distribution Center Relocations and Closures	-	2.8
Tariff Refund Adjustments	-	1.7
COVID-19 Costs	-	1.2
Contingent Earn-out Liability Fair Value Adjustment	-	1.1
Debt Modification Expense	-	0.2
Employer Tax Expense of Stock-based Compensation Awards	0.4	2.3
Litigation settlement	10.5	-
Adjusted Operating Income	<u>\$ 80.0</u>	<u>\$ 351.7</u>

Reconciliation EBITDA and Adjusted EBITDA

	Fiscal Year Ended						
	12/27/2012	12/29/2016	12/28/2017	12/27/2018	12/26/2019	12/31/2020	12/30/2021
Net Income (GAAP)	\$ 12.8	\$ 43.0	\$ 102.8	\$ 116.2	\$ 150.6	\$ 195.0	\$ 283.2
Depreciation and Amortization	4.6	25.1	33.5	46.3	73.0	90.5	115.2
Interest Expense, Net	6.5	12.8	13.8	8.9	8.8	8.4	4.9
Gain on Early Extinguishment of Debt	-	1.8	5.4	-	-	(1.0)	-
Income Tax Expense	8.1	11.5	(4.2)	6.2	(0.3)	12.2	50.8
EBITDA	32.1	94.2	151.3	177.6	232.2	305.1	454.2
Stock-based Compensation Expense	1.0	3.2	5.0	6.5	8.7	16.1	20.5
Acquisition and Integration Expense	-	-	-	-	-	-	3.4
Tariff Refund Adjustments	-	-	-	-	(8.1)	(3.7)	1.7
COVID-19 Costs	-	-	-	-	-	3.6	1.2
Loss on Asset Impairments and Disposals	0.2	0.5	0.1	-	4.1	-	-
Litigation Settlement	-	10.5	-	-	-	-	-
Other	(0.7)	-	2.4	7.8	5.7	1.9	4.1
Adjusted EBITDA	\$ 32.6	\$ 108.4	\$ 158.8	\$ 191.9	\$ 242.6	\$ 323.0	\$ 485.1

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