# DORMAN PRODUCTS, INC.

Q1 2025 EARNINGS PRESENTATION

MAY 6, 2025

# 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 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, including Adjusted Gross Margin, Adjusted Diluted Earnings Per Share “EPS”, and Free Cash Flow. 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.

# Q1 2025 Highlights

- Net Sales of **$508 million**
  *up 8.3% over Q1 2024*
- Adjusted Operating Margin of **17.0%**
  *310 bps improvement over Q1 2024*
- Adjusted Diluted EPS of **$2.02**
  *a 54% increase over Q1 2024*
- Free Cash Flow of **$40 million,**
  *repaid **$20 million** of debt and repurchased **$12 million** of common stock*

*Strong results in first quarter position us well for growth in 2025*



DORMAN



Note: Adjusted Operating Margin, Adjusted Diluted EPS, and Free Cash Flow are non-GAAP figures. See reconciliations of non-GAAP amounts in appendix and on slide 10 of this presentation.

# Purpose-Built Resilience to Tariff Challenges

## Diversified Supply Chain

- We're asset-light and, and our geographically diverse supply chain features redundancy, flexibility, and resiliency to benefit our customers.

## Supplier Relationships

- We are a strategic customer, often one of the largest, for our global supply partners.

## Critical Products

- Our products play an essential role in the daily movement of people and products, and our portfolio is largely of non-discretionary parts.

## Innovation and Brand Power

- We're a growth engine for our customers, providing innovative products and leading brands that create deep relationships with technicians and end-users.

## Strong Financial Position

- We have a strong balance sheet and liquidity position, providing stability in challenging economic environments.

# Segment Observations

## Light Duty

- Macro trends remained strong through Q1'25, with vehicle miles traveled increasing year-over-year
- Strong customer demand in the quarter, with high-single digit POS
- New products drove continued above-market performance
- Non-discretionary parts expected to perform well through a down cycle

## Heavy Duty

- Soft market conditions persisted into Q1'25
- Early signs of stabilization continued, but tariffs creating future uncertainty
- Remain committed to new product investments and channel expansion
- Productivity initiatives to drive margin expansion

## Specialty Vehicle

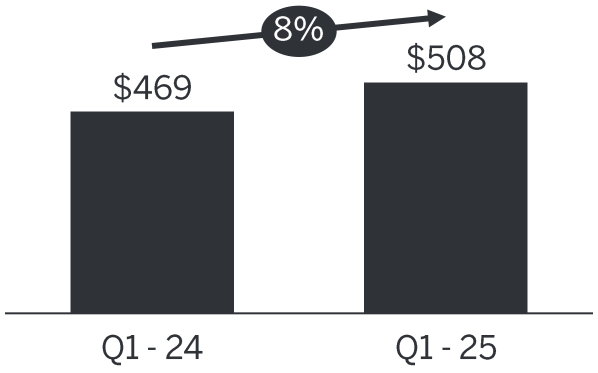
- Consumer sentiment softened in Q1'25, impacting customer demand
- Enthusiasm in UTV/ATV ridership remains strong, but expect tariffs to impact short-term demand
- Investment in non-discretionary parts expected to drive stability through market cycles
- Channel expansion strategies to increase market share



DORMAN®

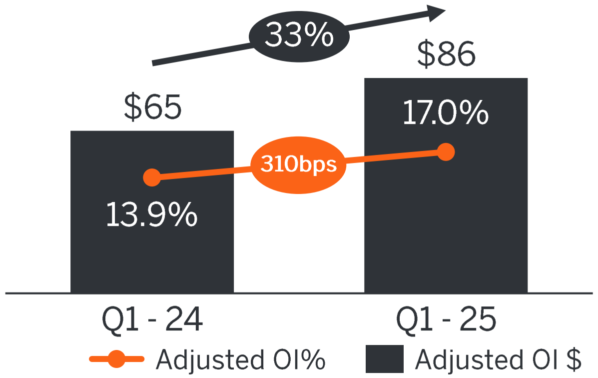
# Q1 2025 Performance Highlights

## Net Sales



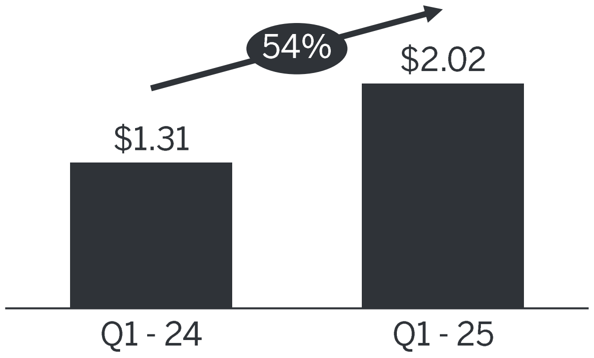

- Top-line growth driven by strong customer demand continuing in the quarter
- Positive macro trends in light-duty sector along with non-discretionary portfolio across the enterprise fueled growth
- New product development performed well across each segment

## Adj. Operating Income




- Adjusted Operating Income growth driven by strong sales performance
- Strong sales of new products mixed margin higher
- Supply chain diversification, productivity initiatives, and automation savings drove margin expansion

## Adj. Diluted EPS



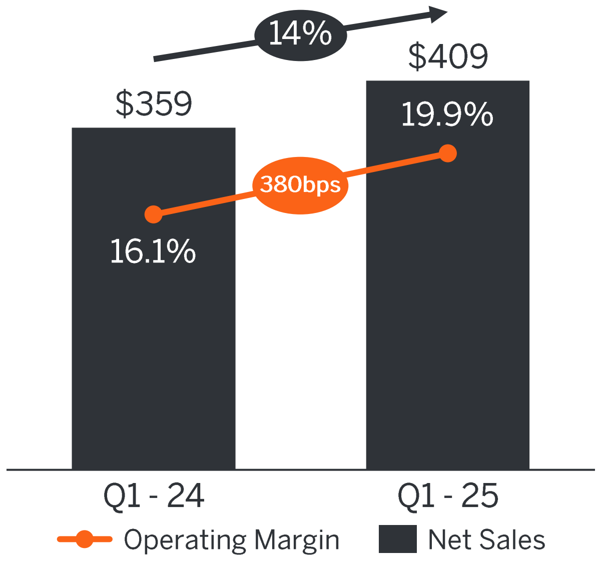

- Adjusted Diluted EPS growth driven by strong customer demand and margin expansion
- Recent debt repayments coupled with lower interest rates drove reduced interest expense
- Total diluted shares reduced by 440K from the first quarter of 2024



Note: Dollar amounts in millions. Adjusted Operating Income and Adjusted Diluted EPS are non-GAAP figures. See reconciliations of non-GAAP amounts in appendix of this presentation.

# Light Duty Segment Quarterly Financials

## Net Sales & Operating Margin



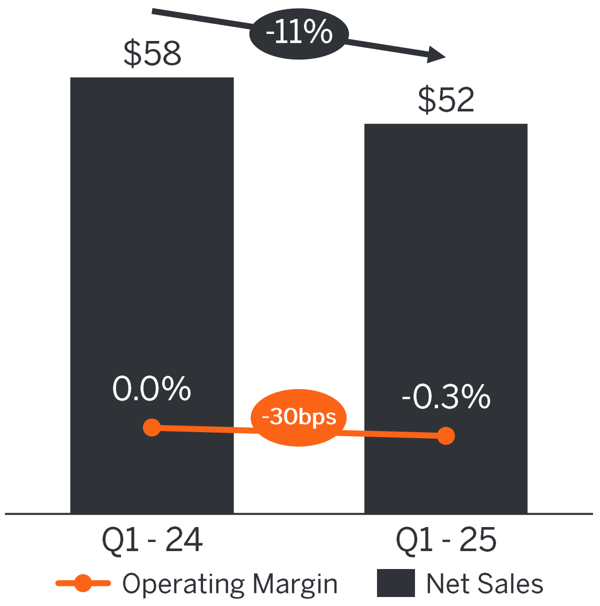

- Strong top-line growth, driven by increased customer demand and positive macro trends
- POS was strong in the first quarter, increasing high-single digits compared to the same period in 2024
- New products drove outperformance compared to broader aftermarket, with particular strength of Oil Filter Housing
- Operating Margin expanded due to positive new product mix, supplier diversification, productivity and automation initiatives, and higher leverage on volume



Note: Dollar amounts in millions.

# Heavy Duty Segment Quarterly Financials

## Net Sales & Operating Margin



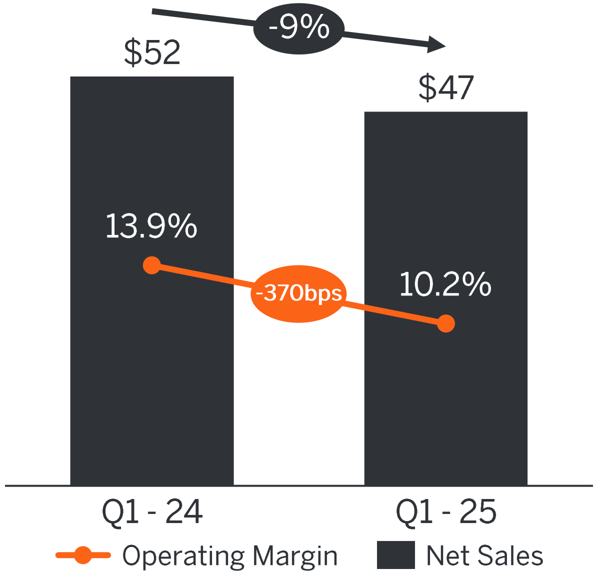

- Freight demand fluctuations and trucking overcapacity continued to impact the heavy-duty aftermarket
- Early signs of stabilization seen in Q4’24 continued during Q1’25, but implementation of tariffs created uncertainty in trucking market late in the quarter
- Deleverage of fixed expenses on lower net sales led to operating loss during the quarter
- Investments in innovation and commercialization initiatives expected to improve customer experience and drive long-term success



Note: Dollar amounts in millions.

# Specialty Vehicle Segment Quarterly Financials

## Net Sales & Operating Margin




- Softened consumer sentiment from Q4’24 to Q1’25 led to decrease in net sales compared to prior year period
- Operating Margin impacted by lower sales and deleverage of fixed expenses
- Remain focused on new product development and tuck-in acquisitions to expand product and brand portfolio, including a focus on non-discretionary parts
- Channel investments expected to contribute to market share expansion



Note: Dollar amounts in millions.

# Free Cash Flow

- Solid cash flow generation driven by strong earnings growth, partially offset by an investment in inventory
- Cash utilization during the quarter:
  - Invested $11 million in capital expenditures
  - Repaid $20 million in debt
  - Repurchased $12 million of common stock
- Strong cash generation has improved balance sheet capacity and flexibility




Note: Free Cash Flow is a non-GAAP figure.

# Leverage & Liquidity

## Strong Balance Sheet and Liquidity Position

### Net Leverage

| | |
|---|---|
| Revolving Credit Facility | $0 |
| Term Loan | $463 |
| Less: Cash and Cash Equivalents | ($61) |
| **Net Debt** | **$402** |
| LTM Consolidated EBITDA[1] | $399 |
| Total Net Leverage Ratio[1] | 1.01x |

### Liquidity

| | |
|---|---|
| Total Revolver Commitment | $600 |
| Less: Revolver Draw Outstanding[2] | ($1) |
| **Available Revolver Capacity** | **$599** |
| Cash and Cash Equivalents | $61 |
| Total Liquidity | $660 |

Note: As of March 29, 2025. Dollar amounts in millions.
[1] As determined under the Company's Credit Agreement, dated August 10, 2021, as amended, filed with the U.S. Securities and Exchange Commission.
[2] Includes $1.0 million in letters of credit.

# 2025 Guidance Reaffirmed

| | Reaffirm 2025 Guidance (as of May 5, 2025) |
|---|---|
| Net Sales change vs. previous year | 3% - 5% |
| | |
| Diluted EPS | \$7.00 - \$7.30 |
| *Change vs. previous year* | *14% - 19%* |
| Adjusted Diluted EPS | \$7.55 - \$7.85 |
| *Change vs. previous year* | *6% - 10%* |

- Guidance excludes any impact from U.S. tariffs enacted or proposed in 2025 or potential retaliatory measures from U.S. trade partners.
- Additionally, our guidance excludes any potential impact from future acquisitions and divestitures, supply chain disruptions, significant inflation, interest rate changes, and share repurchases.
- Assumes 24% effective tax rate




Note: Adjusted Diluted EPS is a non-GAAP figures See reconciliation of non-GAAP amounts in the appendix of this presentation.

# Appendix – Non-GAAP Reconciliations

# Reconciliation of Adjusted Gross Margin

| ($ in thousands) | Three Months Ended 3/29/25 | % of Sales* | 3/30/24 | % of Sales* |
|---|---|---|---|---|
| Gross profit (GAAP) | $207,708 | 40.9% | $ 181,446 | 38.7% |
| Pretax acquisition-related transaction and other costs | — | — | 8 | 0.0% |
| Adjusted gross profit (Non-GAAP) | $207,708 | 40.9% | $ 181,454 | 38.7% |

*Amounts may not add due to rounding

# Reconciliation of Adjusted SG&A

| | Three Months Ended | | | |
|---|---|---|---|---|
| ($ in thousands) | 3/29/25 | % of Sales* | 3/30/24 | % of Sales* |
| SG&A expenses (GAAP) | $ 127,634 | 25.1% | $127,008 | 27.1% |
| Pretax acquisition-related intangible assets amortization | (5,471) | -1.1% | (5,484) | -1.2% |
| Pretax acquisition-related transaction and other costs | (492) | -0.1% | (475) | -0.1% |
| Pretax reduction in workforce costs | (114) | -0.0% | (4,568) | -1.0% |
| Adjusted SG&A expenses (Non-GAAP) | $ 121,557 | 23.9% | $ 116,481 | 24.9% |

*Amounts may not add due to rounding

# Reconciliation of Adjusted Operating Income

| ($ in thousands) | Three Months Ended 3/29/25 | % of Sales | 3/30/24 | % of Sales |
|---|---|---|---|---|
| Income from operations (GAAP) | $ 80,074 | 15.8% | $ 54,438 | 11.6% |
| Pretax acquisition-related intangible assets amortization | 5,471 | 1.1% | 5,484 | 1.2% |
| Pretax acquisition-related transaction and other costs | 492 | 0.1% | 483 | 0.1% |
| Pretax reduction in workforce costs | 114 | 0.0% | 4,568 | 1.0% |
| Adjusted operating income (Non-GAAP) | $ 86,151 | 17.0% | $ 64,973 | 13.9% |

# Reconciliation of Adjusted Diluted EPS

| (in thousands, except per share amounts) | Three Months Ended 3/29/25 | Three Months Ended 3/30/24 |
|---|---|---|
| Net income (GAAP) | $ 57,505 | $ 32,828 |
| Pretax acquisition-related intangible assets amortization | 5,471 | 5,484 |
| Pretax acquisition-related transaction and other costs | 492 | 483 |
| Pretax reduction in workforce costs | 114 | 4,568 |
| Tax adjustment (related to above items) | (1,474) | (2,517) |
| Adjusted net income (Non-GAAP) | $ 62,108 | $ 40,846 |
| | | |
| Diluted earnings per share (GAAP) | $ 1.87 | $ 1.05 |
| Pretax acquisition-related intangible assets amortization | 0.18 | 0.18 |
| Pretax acquisition-related transaction and other costs | 0.02 | 0.02 |
| Pretax reduction in workforce costs | 0.00 | 0.15 |
| Tax adjustment (related to above items) | (0.05) | (0.08) |
| Adjusted diluted earnings per share (Non-GAAP)* | $ 2.02 | $ 1.31 |
| | | |
| Weighted average diluted shares outstanding | 30,810 | 31,250 |

*Amounts may not add due to rounding

# Reconciliation of Adjusted Diluted EPS - Guidance

| | Year Ending 12/31/2025 | |
|---|---|---|
| | Low End | High End |
| Diluted earnings per share (GAAP) | $ 7.00 | $ 7.30 |
| Pretax acquisition-related intangible assets amortization | 0.69 | 0.69 |
| Pretax acquisition transaction and other costs | 0.03 | 0.03 |
| Tax adjustment (related to above items) | (0.17) | (0.17) |
| Adjusted diluted earnings per share (Non-GAAP) | $ 7.55 | $ 7.85 |
| | | |
| Weighted average diluted shares outstanding (in thousands) | 30,800 | 30,800 |