



FOR IMMEDIATE RELEASE

## **Core & Main Announces Preliminary Fiscal 2023 Third Quarter Results**

ST. LOUIS, Nov. 6, 2023—[Core & Main Inc.](#) (NYSE: CNM) (the “Company”), a leader in advancing reliable infrastructure with local service, nationwide, today announced preliminary estimated financial results for the third fiscal quarter ended October 29, 2023 in advance of its presentation at the 2023 Baird Global Industrial Conference.

### ***Unaudited Preliminary Estimated Results for the Three Months Ended October 29, 2023***

Set forth below are unaudited preliminary estimated financial results for the Company, based on information available to the Company as of the date of this press release. The amounts set forth below are subject to revision based upon the completion of the Company’s quarter-end financial closing process, a final review by the management, as well as the related external review of the Company’s results of operations for the three months ended October 29, 2023 and the preparation of full financial statements and related notes. The unaudited preliminary estimated financial information included in this press release has been prepared by, and is the responsibility of, the management.

PricewaterhouseCoopers LLP has not audited, reviewed, compiled or applied agreed-upon procedures with respect to the preliminary financial information. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto. The processes the Company used to produce the unaudited preliminary estimated financial information required a greater degree of estimation and assumptions than required during a typical period end closing process. During the completion of such procedures and preparation, the Company may identify additional items that require material adjustments to the unaudited preliminary estimated financial information presented below. The unaudited preliminary estimated financial information should not be considered a substitute for the financial statements for the three months ended October 29, 2023 prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) once they become available. Therefore, investors should not place undue reliance on the unaudited preliminary estimated financial information below. The estimates presented below do not purport to indicate the Company’s results of operations for the full third fiscal quarter of 2023 and are not necessarily indicative of any future period or any full fiscal year and should be read together with the Company’s audited consolidated financial statements and related notes, the Company’s unaudited condensed interim consolidated financial statements and related notes and the Company’s other financial information reported in its Annual Report on Form 10-K for the fiscal year ended January 29, 2023 and Quarterly Reports on Form 10-Q for the quarterly periods ended April 30, 2023 and July 30, 2023. The Company undertakes no obligation to update or revise these amounts as a result of new information or otherwise.

	<b>Three Months Ended</b>		
	<b>October 29, 2023 (low end of the range)</b>	<b>October 29, 2023 (high end of the range)</b>	<b>October 30, 2022</b>
<b>Dollars in millions, unaudited</b>			
Net sales	\$1,822	\$1,832	\$1,818
Net income	\$153	\$163	\$178
Adjusted EBITDA <sup>(1)</sup>	\$257	\$263	\$275

<sup>(1)</sup> Adjusted EBITDA is a non-GAAP financial measure. See below for reconciliations of these amounts to the most directly comparable GAAP financial measure.

In addition to providing results that are determined in accordance with GAAP, the Company presents Adjusted EBITDA, which is a non-GAAP financial measure. This measure is not considered a measure of financial performance or liquidity under GAAP and the items excluded therefrom are significant components in understanding and assessing the Company's financial performance or liquidity. This measure should not be considered in isolation or as an alternative to GAAP measures such as net income, cash provided by or used in operating, investing or financing activities or other financial statement data presented in the Company's financial statements as an indicator of the Company's financial performance or liquidity.

The Company defines EBITDA as net income adjusted for depreciation and amortization, provision for income taxes and interest expense. The Company defines Adjusted EBITDA as EBITDA as further adjusted for certain items management believes are not reflective of the underlying operations of the Company's business, including (a) loss on debt modification and extinguishment, (b) equity-based compensation, (c) expenses associated with public offerings and (d) expenses associated with acquisition activities. Net income is the most directly comparable GAAP measure to Adjusted EBITDA.

The Company uses Adjusted EBITDA to assess the operating results and effectiveness and efficiency of its business. The Company presents this non-GAAP financial measure because it believes that investors consider it to be an important supplemental measure of performance, and it believes that this measure is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in its industry. Non-GAAP financial measures as reported by the Company may not be comparable to similarly titled metrics reported by other companies and may not be calculated in the same manner. These measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of the Company's results as reported under GAAP. For example, Adjusted EBITDA:

- does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on debt;
- does not reflect income tax expenses, the cash requirements to pay taxes or related distributions;
- does not reflect cash requirements to replace in the future any assets being depreciated and amortized; and
- excludes certain transactions or expenses as allowed by the various agreements governing our indebtedness.

Adjusted EBITDA is not an alternative measure of financial performance or liquidity under GAAP and therefore should be considered in conjunction with net income and other performance measures such as gross profit or net cash provided by or used in operating, investing or financing activities and not as

alternatives to such GAAP measures. In evaluating Adjusted EBITDA, you should be aware that, in the future, the Company may incur expenses similar to those eliminated in this presentation.

The following table sets forth a reconciliation of net income to Adjusted EBITDA for the periods presented.

	<b>Three Months Ended</b>		
	<b>October 29, 2023 (low end of the range)</b>	<b>October 29, 2023 (high end of the range)</b>	<b>October 30, 2022</b>
	<b>Dollars in millions, unaudited</b>		
Net income	\$153	\$163	\$178
Depreciation and amortization <sup>(1)</sup>	38	38	37
Provision for income taxes	41	37	40
Interest expense	20	20	16
<b>EBITDA</b>	<b>\$252</b>	<b>\$258</b>	<b>\$271</b>
Equity-based compensation	3	3	2
Acquisition expenses <sup>(2)</sup>	1	1	1
Offering expenses <sup>(3)</sup>	1	1	1
<b>Adjusted EBITDA</b>	<b>\$257</b>	<b>\$263</b>	<b>\$275</b>

<sup>(1)</sup> Includes depreciation of certain assets, which is expected to be reflected in “cost of sales” in the Company’s Statement of Operations in the unaudited condensed consolidated financial statement for the three months ended October 29, 2023.

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

<sup>(3)</sup> Represents costs related to secondary offerings.

## **About Core & Main**

Based in St. Louis, Core & Main is a leader in advancing reliable infrastructure™ with local service, nationwide®. As a leading specialized distributor with a focus on water, wastewater, storm drainage and fire protection products, and related services, Core & Main provides solutions to municipalities, private water companies and professional contractors across municipal, non-residential and residential end markets, nationwide. With approximately 320 locations across the U.S., the company provides its customers local expertise backed by a national supply chain. Core & Main’s 4,500 associates are committed to helping their communities thrive with safe and reliable infrastructure.

## **Cautionary Note Regarding Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Some of the forward-looking statements can be identified by the use of forward-looking terms such as “believes,” “expects,” “may,” “will,” “shall,” “should,” “would,” “could,” “seeks,” “aims,” “projects,” “is optimistic,” “intends,” “plans,” “estimates,” “anticipates” or the negative versions of these words or other comparable terms. Forward-looking statements include, without limitation, all matters that are not historical facts. They appear in a number of places throughout this press release and include, without limitation, statements regarding our intentions, beliefs, assumptions or current expectations concerning, among other things, the Company’s financial position, results of operations, cash flows, prospects, and growth strategies.

Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be outside the Company’s control. The Company cautions you that forward-looking statements are not guarantees of future performance or outcomes and that actual performance and outcomes, including, without limitation, the Company’s actual results of operations, financial condition and liquidity, and the development of the market in which it operates, may differ materially from those made in or suggested by the forward-looking statements contained in this press release. In addition, even if the Company’s results of operations, financial condition and cash flows, and the development of the market in which it operates, are consistent with the forward-looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods. A number of important factors, including, without limitation, the risks and uncertainties discussed under the caption “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended January 29, 2023 and those described from time to time in the Company’s other filings with the SEC, could cause actual results and outcomes to differ materially from those reflected in the forward-looking statements. Furthermore, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this press release. Factors that could cause actual results and outcomes to differ from those reflected in forward-looking statements include, without limitation: declines, volatility and cyclicality in the U.S. residential and non-residential construction markets; slowdowns in municipal infrastructure spending and delays in appropriations of federal funds; the Company’s ability to competitively bid for municipal contracts; price fluctuations in the Company’s product costs; the Company’s ability to manage our inventory effectively, including during periods of supply chain disruptions; risks involved with acquisitions and other strategic transactions, including the Company’s ability to identify, acquire, close or integrate acquisition targets successfully; the fragmented and highly competitive markets in which the Company competes and consolidation within its industry; the development of alternatives to distributors of the Company’s products in the supply chain; the Company’s ability to hire, engage and retain key personnel, including sales representatives, qualified branch, district and regional managers and senior management; the Company’s ability to identify, develop and maintain relationships with a sufficient number of qualified suppliers and the potential that its exclusive or restrictive supplier distribution rights are terminated; the availability and cost of freight; the ability of the Company’s customers to make payments on credit sales; changes in supplier rebates or other terms of the Company’s supplier agreements; the Company’s ability to identify and introduce new products and product lines effectively; the spread of, and response to public health crises and the inability to predict the ultimate impact on the Company; costs and potential liabilities or obligations imposed by environmental, health and safety laws and requirements; regulatory change and the costs of compliance with regulation; changes in stakeholder expectations in respect of environmental, social and governance and sustainability practices; exposure to product liability, construction defect and warranty claims and other litigation and legal proceedings; potential harm to the Company’s reputation; difficulties with or interruptions of the Company’s fabrication services; safety and labor risks associated with the distribution of the Company’s products as well as work stoppages and other disruptions due to labor disputes; impairment in the carrying value of goodwill, intangible assets or other long-lived assets; interruptions in the proper functioning of the Company’s and the Company’s third-party service providers’ information technology systems, including from cybersecurity threats; the Company’s ability to continue its customer relationships with short-term contracts; risks associated with exporting the Company’s products internationally; the Company’s ability to maintain effective internal controls over financial reporting and

remediate any material weaknesses; the Company's indebtedness and the potential that it may incur additional indebtedness; the limitations and restrictions in the agreements governing the Company's indebtedness, the Amended and Restated Limited Partnership Agreement of Holdings and the Tax Receivable Agreements; increases in interest rates and the impact of transitioning away from the London Interbank Offered Rate, generally to the term secured overnight financing rate, as a benchmark rate in contracts; changes in the Company's credit ratings and outlook; the Company's ability to generate the significant amount of cash needed to service its indebtedness; the Company's organizational structure, including its payment obligations under the Tax Receivable Agreements, which may be significant; the Company's ability to sustain an active, liquid trading market for its Class A common stock; the significant influence that CD&R has over the Company and potential conflicts between the interests of CD&R and other stockholders; and other risks and factors included under "Risk Factors" and elsewhere in the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2023 and those described from time to time in the Company's other filings with the SEC.

You should read this press release, the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2023, the Company's Quarterly Reports on Form 10-Q for the quarterly periods ended April 30, 2023 and July 30, 2023 and the Company's other filings with the SEC, completely and with the understanding that actual future results may be materially different from expectations. All forward-looking statements attributable to the Company or persons acting on its behalf that are made in this press release are qualified in their entirety by these cautionary statements. These forward-looking statements are made only as of the date presented, and the Company does not undertake any obligation, other than as may be required by law, to update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, and changes in future operating results over time or otherwise.

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