News Release

FOR IMMEDIATE RELEASE

Core & Main Announces Record Fiscal 2022 Second Quarter Results

ST. LOUIS, Sept. 13, 2022—[Core & Main, Inc.](#) (NYSE: CNM), a leading specialized distributor of water, wastewater, storm drainage and fire protection products, and related services, today announced financial results for the second fiscal quarter ended July 31, 2022.

Fiscal 2022 Second Quarter Highlights (Compared with Fiscal 2021 Second Quarter)

- Net sales increased 43.4% to $1,861 million
- Gross profit margin increased 190 basis points to 26.9%
- Net income increased $172 million to $182 million
- Adjusted EBITDA (Non-GAAP) increased 78.7% to $277 million
- Adjusted EBITDA margin (Non-GAAP) increased 300 basis points to 14.9%
- Net Debt Leverage (Non-GAAP) of 1.9x as of July 31, 2022
- Remained active in M&A during and subsequent to the quarter, closing the Earthsavers Erosion Control and Inland Water Works Supply Co. acquisitions, and signing a definitive agreement to acquire the municipal waterworks division of Trumbull Industries, Inc. and an affiliated entity
- Raising expectation for fiscal 2022 Adjusted EBITDA to be in the range of $840 to $890 million, representing year-over-year growth of 39% to 47%

"I am pleased to report another record quarter as we continue to build on our momentum, achieving solid growth in both net sales and Adjusted EBITDA," said Steve LeClair, chief executive officer of Core & Main.

"This is a remarkable accomplishment considering our strong performance in the same period last year. Our teams are utilizing our best-in-class capabilities and executing at a high level to support our customers, suppliers and communities. Our customers remain busy, and we continue to experience healthy demand across each of our end markets and product lines. During the quarter, we improved our margins by executing our gross margin enhancement initiatives, achieving strong operating leverage and passing through rising material costs."

LeClair concluded, "We remain active in M&A, driving sustainable growth through acquisitions. During and subsequent to the quarter, we closed the Earthsavers Erosion Control and Inland Water Works Supply Co. acquisitions, and signed a definitive agreement to acquire the municipal waterworks division of Trumbull Industries. These businesses align well with our core M&A strategy, offering expansion into new geographies, access to new product lines and the addition of key talent. While the near-term environment remains dynamic with inflation, supply chain challenges and broader economic uncertainty, we are confident that the underlying demand trends, our robust M&A pipeline and strategic initiatives will position us for sustainable growth."

Three Months Ended July 31, 2022

Net sales for the three months ended July 31, 2022 increased $563 million, or 43.4%, to $1,861 million compared with $1,298 million for the three months ended August 1, 2021. The increase in net sales was primarily attributable to price inflation, volume growth and acquisitions, with price inflation representing approximately three-fourths of the net sales increase. The volume increases were driven by market volume growth and share gains in part due to preferred access to products during a period of material shortages, which helped drive growth across all product lines. Net sales growth for pipes, valves & fittings and storm drainage products benefited from price inflation, end-market growth and acquisitions. Net sales growth for fire protection products also benefited from price inflation and end-market growth. Net sales of meter products grew at a slower pace primarily due to continued shortages of semi-conductor chips that are components of certain smart meter products.

Gross profit for the three months ended July 31, 2022 increased $176 million, or 54.2%, to $501 million compared with $325 million for the three months ended August 1, 2021. The increase in net sales contributed an additional $141 million of gross profit and the increase in gross profit as a percentage of net sales contributed $35 million. Gross profit as a percentage of net sales for the three months ended July 31, 2022 was 26.9% compared with 25.0% for the three months ended August 1, 2021. The overall increase in gross profit as a percentage of net sales was primarily attributable to strategic inventory investments ahead of announced price increases, a favorable pricing environment, the execution of our gross margin initiatives and accretive acquisitions.

Selling, general and administrative ("SG&A") expenses for the three months ended July 31, 2022 increased $38 million, or 19.8%, to $230 million compared with $192 million during the three months ended August 1, 2021. The increase was primarily attributable to an increase of $39 million in personnel expenses, which was primarily driven by higher variable compensation costs and headcount from acquisitions. In addition, distribution and facility costs increased related to volume, inflation and acquisitions. These factors were partially offset by a $15 million decrease related to equity-based compensation expense due to accounting for a modification to equity awards in the prior year period. SG&A expenses as a percentage of net sales was 12.4% for the three months ended July 31, 2022 compared with 14.8% for the three months ended August 1, 2021. The decrease was attributable to our ability to leverage our fixed costs and lower equity-based compensation expense during fiscal 2022.

Net income for the three months ended July 31, 2022 increased $172 million to $182 million compared with $10 million for the three months ended August 1, 2021. The increase in net income was primarily attributable to higher operating income, the $50 million loss on debt modification and extinguishment and equity award modification expense, both of which occurred in fiscal 2021, and lower interest expense, partially offset by an increase in income taxes.

Adjusted EBITDA for the three months ended July 31, 2022 increased $122 million, or 78.7%, to $277 million compared with $155 million for the three months ended August 1, 2021. Growth in Adjusted EBITDA was primarily attributable to higher net sales, improved gross profit margins, and leveraging our cost structure on the increase in net sales. Adjusted EBITDA margin increased 300 basis points to 14.9% from 11.9% in the prior year period.

Six Months Ended July 31, 2022

Net sales for the six months ended July 31, 2022 increased $1,106 million, or 47.0%, to $3,459 million compared with $2,353 million for the six months ended August 1, 2021. The increase in net sales was primarily attributable to price inflation, volume growth and acquisitions, with price inflation representing approximately three-fourths of the net sales increase. The volume increases were driven by market volume growth and share gains in part due to preferred access to products during a period of material shortages, which helped drive growth across all product lines. Net sales growth for pipes, valves & fittings and storm drainage products benefited from price inflation, end-market growth and acquisitions. Net sales growth for fire protection products also benefited from price inflation and end-market growth. Net sales of meter products grew at a slower pace primarily due to continued shortages of semi-conductor chips that are components of certain smart meter products.

Gross profit for the six months ended July 31, 2022 increased $340 million, or 58.4%, to $922 million compared with $582 million for the six months ended August 1, 2021. The increase in net sales contributed an additional $273 million of gross profit and the increase in gross profit as a percentage of net sales contributed $67 million. Gross profit as a percentage of net sales for the six months ended July 31, 2022 was 26.7% compared with 24.7% for the six months ended August 1, 2021. The overall increase in gross profit as a percentage of net sales was primarily attributable to strategic inventory investments ahead of announced price increases, a favorable pricing environment, the execution of our gross margin initiatives and accretive acquisitions.

SG&A expenses for the six months ended July 31, 2022 increased $90 million, or 26.0%, to $436 million compared with $346 million during the six months ended August 1, 2021. The increase was primarily attributable to an increase of $76 million in personnel expenses, which was primarily driven by higher variable compensation costs and headcount from acquisitions. In addition, distribution and facility costs increased related to volume, inflation and acquisitions. These factors were partially offset by a $13 million decrease related to equity-based compensation expense due to accounting for a modification to equity awards in the prior year period. SG&A expenses as a percentage of net sales was 12.6% for the six months ended July 31, 2022 compared with 14.7% for the six months ended August 1, 2021. The decrease was attributable to our ability to leverage our fixed costs and lower equity-based compensation expense during fiscal 2022.

Net income for the six months ended July 31, 2022 increased $282 million to $319 million compared with $37 million for the six months ended August 1, 2021. The increase in net income was primarily attributable to higher operating income, the $50 million loss on debt modification and extinguishment and equity award modification expense, both of which occurred in fiscal 2021, and lower interest expense, partially offset by an increase in income taxes.

Adjusted EBITDA for the six months ended July 31, 2022 increased $232 million, or 87.9%, to $496 million compared with $264 million for the six months ended August 1, 2021. Growth in Adjusted EBITDA was primarily attributable to higher net sales, improved gross profit margins, and leveraging our cost structure on the increase in net sales. Adjusted EBITDA margin increased 310 basis points to 14.3% from 11.2% in the prior year period.

Capital Structure and Liquidity

Net Debt, calculated as gross consolidated debt net of cash and cash equivalents, as of July 31, 2022 was $1,627 million. Net Debt Leverage (defined as the ratio of net debt to Adjusted EBITDA for the last 12 months) was 1.9x, an improvement of 1.4x from August 1, 2021. The improvement was attributable to an increase in Adjusted EBITDA, partially offset by $142 million of borrowings under our Senior ABL Credit Facility.

On July 29, 2022, we amended the terms of the credit agreement governing our senior asset-based revolving credit facility (the "Senior ABL Credit Facility") in order to, among other things, increase the aggregate amount of commitments by $400 million to $1,250 million, subject to borrowing base availability. The Senior ABL Credit Facility has a maturity date of July 27, 2026.

As of July 31, 2022, Core & Main had total liquidity of $1,099 million, consisting of excess availability under our Senior ABL Credit Facility, which is net of $142 million of borrowings and approximately $9 million of outstanding letters of credit.

Fiscal 2022 Outlook

"We expect continued growth in the second half of the year despite the strong growth we achieved in the same period last year," LeClair continued. "We remain confident in the long-term stability of our business and end markets, as roughly 50% of our net sales is driven by non-discretionary repair & replacement activity. Executing our operating priorities and capitalizing on our industry-leading position will allow us to sustain solid growth for the full-year. We are raising our expectation for fiscal 2022 Adjusted EBITDA to be in the range of $840 to $890 million, representing year-over-year growth of 39% to 47%. This reflects our growing confidence in the stability of demand despite the current economic backdrop."

Conference Call & Webcast Information

Core & Main will host a conference call and webcast on September 13, 2022 at 8:30 a.m. EDT to discuss the Company's financial results. The live webcast will be accessible via the events calendar at ir.coreandmain.com. The conference call also may be accessed by dialing (844) 200-6205 or +1 (929) 526-1599 (international). The passcode for the live call is 284832. To ensure participants are connected for the full call, please dial in at least 10 minutes prior to the start of the call.

An archived version of the webcast will be available immediately following the call. A slide presentation highlighting Core & Main's results and key performance indicators will also be made available on the Investor Relations section of Core & Main's website prior to the call.

About Core & Main

Based in St. Louis, Core & Main is a leading specialized distributor of water, wastewater, storm drainage and fire protection products, and related services, to municipalities, private water companies and professional contractors across municipal, non-residential and residential end markets nationwide. With approximately 300 locations, the company provides its customers local expertise backed by a national supply chain. Core & Main's 4,100 associates are committed to helping their communities thrive with safe and sustainable infrastructure. Visit coreandmain.com to learn more.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this press release include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include information concerning Core & Main's financial and operating outlook, as well as any other statement that does not directly relate to any historical or current fact. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "could," "should," "forecasts," "expects," "intends," "plans," "anticipates," "projects," "outlook," "believes," "estimates," "predicts," "potential," "continue," "preliminary," or the negative of these terms or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct. These forward-looking statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to differ materially from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements.

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; price fluctuations in our product costs, particularly with respect to the commodity-based products that we sell; our ability to manage our inventory effectively, including during periods of supply chain disruptions; our ability to obtain product; general business and economic conditions; risks involved with acquisitions and other strategic transactions, including our ability to identify, acquire, close or integrate acquisition targets successfully; the impact of seasonality and weather-related impacts, including natural disasters or similar extreme weather events; the fragmented and highly competitive markets in which we compete and consolidation within our industry; our ability to competitively bid for municipal and private contracts; the development of alternatives to distributors of our products in the supply chain; our ability to hire, engage and retain key personnel, including sales representatives, qualified branch, district and region managers and senior management; our ability to identify, develop and maintain relationships with a sufficient number of qualified suppliers and the potential that our exclusive or restrictive supplier distribution rights are terminated; the availability and cost of freight and energy, such as fuel; the ability of our customers to make payments on credit sales; changes in supplier rebates or other terms of our supplier agreements; our ability to identify and introduce new products and product lines effectively; the spread of, and response to, COVID-19, and the inability to predict the ultimate impact on us; costs and potential liabilities or obligations imposed by environmental, health and safety laws and requirements; regulatory change and the costs of compliance with regulation; exposure to product liability, construction defect and warranty claims and other litigation and legal proceedings; potential harm to our reputation; difficulties with or interruptions of our fabrication services; safety and labor risks associated with the distribution of our products 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; the domestic and international political environment with regard to trade relationships and tariffs, as well as difficulty sourcing products as a result of import constraints; our ability to operate our business consistently through highly dispersed locations across the United States; interruptions in the proper functioning of our information technology systems, including from cybersecurity threats; risks associated with raising capital; our ability to continue our customer relationships with short-term contracts; risks associated with exporting our products internationally; our ability to renew or replace our existing leases on favorable terms or at all; our ability to maintain effective internal controls over financial reporting and remediate any material weaknesses; our substantial indebtedness and the potential that we may incur additional indebtedness; the limitations and restrictions in the agreements governing our indebtedness, the Second Amended and Restated Agreement of Limited Partnership of Core & Main Holdings, LP, as amended, and the Tax Receivable Agreements (each as defined in our Quarterly Report on Form 10-Q for the three months ended July 31, 2022); increases in interest rates and the impact of transitioning from LIBOR as the benchmark rate in contracts; changes in our credit ratings and outlook; our ability to generate the significant amount of cash needed to service our indebtedness; our organizational structure, including our payment obligations under the Tax Receivable Agreements, which may be significant; our ability to sustain an active, liquid trading market for our Class A common stock; the significant influence that Clayton, Dubilier & Rice, LLC ("CD&R") has over us and potential conflicts between the interests of CD&R and other stockholders; and risks related to other factors discussed under “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended January 30, 2022.

Additional information concerning these and other factors can be found in our filings with the Securities and Exchange Commission. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

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CORE & MAIN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Amounts in millions (except share and per share data), unaudited

	Three Months Ended		Six Months Ended	
	July 31, 2022	August 1, 2021	July 31, 2022	August 1, 2021
Net sales	$ 1,861	$ 1,298	$ 3,459	$ 2,353
Cost of sales	1,360	973	2,537	1,771
Gross profit	501	325	922	582
Operating expenses:				
Selling, general and administrative	230	192	436	346
Depreciation and amortization	34	33	69	67
Total operating expenses	264	225	505	413
Operating income	237	100	417	169
Interest expense	17	37	30	73
Loss on debt modification and extinguishment	—	50	—	50
Income before provision for income taxes	220	13	387	46
Provision for income taxes	38	3	68	9
Net income	182	10	319	37
Less: net income (loss) attributable to non-controlling	67	(17)	118	(17)
Net income attributable to Core & Main, Inc. (1)	$ 115	$ 27	$ 201	$ 54
Earnings per share (2)				
Basic	$ 0.69	$ (0.14)	$ 1.20	$ (0.14)
Diluted	$ 0.67	$ (0.14)	$ 1.17	$ (0.14)
Number of shares used in computing EPS (2)				
Basic	167,876,179	138,978,366	167,708,034	138,978,366
Diluted	246,175,878	138,978,366	246,160,811	138,978,366

(1) For the three and six months ended August 1, 2021, the net income (loss) attributable to Core & Main, Inc. includes net income prior to the Reorganization Transactions (as defined in Note 1 to the condensed consolidated financial statements included in our Quarterly Report on Form 10-Q for the three months ended July 31, 2022) of $47 million and $74 million, respectively, and a net loss subsequent to the Reorganization Transactions of $20 million for both periods.

(2) For the three and six months ended August 1, 2021, this represents basic and diluted earnings per share of Class A common stock and weighted average shares of Class A common stock outstanding for the period from July 23, 2021 through August 1, 2021, which is the period following the Reorganization Transactions described in Note 1. Refer to calculation of earnings per share in Note 10 to the condensed consolidated financial statements included in our Quarterly Report on Form 10-Q for the three months ended July 31, 2022.

CORE & MAIN, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
Amounts in millions (except share and per share data), unaudited

	July 31, 2022		January 30, 2022	
ASSETS				
Current assets:				
Cash and cash equivalents	$	—	$	1
Receivables, net of allowance for credit losses of $8 and $5, respectively		1,264		884
Inventories		1,166		856
Prepaid expenses and other current assets		31		26
Total current assets		2,461		1,767
Property, plant and equipment, net		101		94
Operating lease right-of-use assets		166		152
Intangible assets, net		824		871
Goodwill		1,527		1,515
Other assets		69		35
Total assets	$	5,148	$	4,434
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Current maturities of long-term debt	$	15	$	15
Accounts payable		826		608
Accrued compensation and benefits		90		109
Current operating lease liabilities		52		49
Other current liabilities		96		58
Total current liabilities		1,079		839
Long-term debt		1,592		1,456
Non-current operating lease liabilities		114		103
Deferred income taxes		31		35
Payable to related parties pursuant to Tax Receivable Agreements		148		153
Other liabilities		19		17
Total liabilities		2,983		2,603
Commitments and contingencies				
Class A common stock, par value $0.01 per share, 1,000,000,000 shares authorized, 167,963,575 and 167,522,403 shares issued and outstanding as of July 31, 2022 and January 30, 2022, respectively		2		2
Class B common stock, par value $0.01 per share, 500,000,000 shares authorized, 77,930,404 and 78,398,141 shares issued and outstanding as of July 31, 2022 and January 30, 2022, respectively		1		1
Additional paid-in capital		1,216		1,214
Retained earnings		298		92
Accumulated other comprehensive income		33		16
Total stockholders' equity attributable to Core & Main, Inc.		1,550		1,325
Non-controlling interests		615		506
Total stockholders' equity		2,165		1,831
Total liabilities and stockholders' equity	$	5,148	$	4,434

CORE & MAIN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Amounts in millions, unaudited

	Six Months Ended	
	July 31, 2022	**August 1, 2021**
Cash Flows From Operating Activities:		
Net income	$ 319	$ 37
Adjustments to reconcile net cash from operating activities:		
Depreciation and amortization	73	75
Provision for bad debt	3	1
Equity-based compensation expense	7	20
Loss on debt modification and extinguishment	—	48
Other	(8)	(4)
Changes in assets and liabilities:		
(Increase) decrease in receivables	(376)	(277)
(Increase) decrease in inventories	(298)	(209)
(Increase) decrease in other assets	(7)	—
Increase (decrease) in accounts payable	217	239
Increase (decrease) in accrued liabilities	9	(24)
Increase (decrease) in other liabilities	1	(5)
Net cash used in operating activities	(60)	(99)
Cash Flows From Investing Activities:		
Capital expenditures	(15)	(8)
Acquisitions of businesses, net of cash acquired	(42)	—
Settlement of interest rate swap	—	(5)
Proceeds from the sale of property and equipment	1	—
Net cash used in investing activities	(56)	(13)
Cash Flows From Financing Activities:		
IPO proceeds, net of underwriting discounts and commissions	—	664
Payments for offering costs	—	(4)
Distributions to non-controlling interest holders	(17)	(20)
Borrowings on asset-based revolving credit facility	214	—
Repayments on asset-based revolving credit facility	(72)	—
Issuance of long-term debt	—	1,500
Repayments of long-term debt	(8)	(2,311
Payment of debt redemption premiums	—	(18)
Debt issuance costs	(2)	(13)
Net cash provided by (used in) financing activities	115	(202)
Decrease in cash and cash equivalents	(1)	(314)
Cash and cash equivalents at the beginning of the period	1	381
Cash and cash equivalents at the end of the period	$ —	$ 67
Cash paid for interest	$ 27	$ 102
Cash paid for taxes	62	15

Non-GAAP Financial Measures

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

We define EBITDA as net income or net income attributable to Core & Main, Inc., as applicable, adjusted for non-controlling interests, depreciation and amortization, provision for income taxes and interest expense. We define Adjusted EBITDA as EBITDA as further adjusted for certain items management believes are not reflective of the underlying operations of our business, including (a) loss on debt modification and extinguishment, (b) equity-based compensation, (c) expenses associated with the IPO and subsequent secondary offering and (d) expenses associated with acquisition activities. Net income attributable to Core & Main, Inc. is the most directly comparable GAAP measure to EBITDA and Adjusted EBITDA. We define Adjusted EBITDA margin as Adjusted EBITDA divided by net sales. We define Net Debt Leverage as total consolidated debt (gross of unamortized discounts and debt issuance costs), net of cash and cash equivalents, divided by Adjusted EBITDA for the last twelve months.

We use EBITDA, Adjusted EBITDA, Adjusted EBITDA margin and Net Debt Leverage to assess the operating results and effectiveness and efficiency of our business, Adjusted EBITDA includes amounts otherwise attributable to non-controlling interests as we manage the consolidated company and evaluate operating performance in a similar manner. We present these non-GAAP financial measures because we believe that investors consider them to be important supplemental measures of performance, and we believe that these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Non-GAAP financial measures as reported by us may not be comparable to similarly titled metrics reported by other companies and may not be calculated in the same manner. These measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. For example, EBITDA and Adjusted EBITDA:

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

EBITDA, Adjusted EBITDA, Adjusted EBITDA margin and Net Debt Leverage are not alternative measures of financial performance or liquidity under GAAP and therefore should be considered in conjunction with net income, net income attributable to Core & Main, Inc. 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, we may incur expenses similar to those eliminated in this presentation.

No reconciliation of the estimated range for Adjusted EBITDA for fiscal 2022 is included herein because we are unable to quantify certain amounts that would be required to be included in net income attributable to Core & Main, Inc., the most directly comparable GAAP measure, without unreasonable efforts due to the high variability and difficulty to predict certain items excluded from Adjusted EBITDA. Consequently, we believe such reconciliation would imply a degree of precision that would be misleading to investors. In particular, the effects of acquisition expenses and associated taxes cannot be reasonably predicted in light of the inherent difficulty in quantifying such items on a forward-looking basis. We expect the variability of these excluded items may have an unpredictable, and potentially significant, impact on our future GAAP financial results.

The following tables set forth a reconciliation of net income or net income attributable to Core & Main, Inc. to EBITDA and Adjusted EBITDA, as applicable, for the periods presented, as well as a calculation of Adjusted EBITDA margin for the periods presented:

(Amounts in millions, unaudited)	**Three Months Ended**		**Six Months Ended**	
	July 31, 2022	**August 1, 2021**	**July 31, 2022**	**August 1, 2021**
Net income attributable to Core & Main, Inc.	$ 115	$ 27	$ 201	$ 54
Less: net income (loss) attributable to non-controlling interest	67	(17)	118	(17)
Net income	182	10	319	37
Depreciation and amortization (1)	34	34	70	69
Provision for income taxes	38	3	68	9
Interest expense	17	37	30	73
EBITDA	$ 271	$ 84	$ 487	$ 188
Loss on debt modification and extinguishment	—	50	—	50
Equity-based compensation	4	19	7	20
Acquisition expenses (2)	2	1	2	3
Offering expenses (3)	—	1	—	3
Adjusted EBITDA	$ 277	$ 155	$ 496	$ 264
Adjusted EBITDA Margin:				
Net Sales	$ 1,861	$ 1,298	$ 3,459	$ 2,353
Adjusted EBITDA / Net Sales	14.9%	11.9%	14.3%	11.2%

(Amounts in millions, unaudited)	**Twelve Months Ended**	
	July 31, 2022	**August 1, 2021**
Net income attributable to Core & Main, Inc.	$ 313	$ 76
Less: net income (loss) attributable to non-controlling interest	194	(17)
Net income	507	59
Depreciation and amortization (1)	143	140
Provision for income taxes	110	13
Interest expense	55	144
EBITDA	$ 815	$ 356
Loss on debt modification and extinguishment	1	50
Equity-based compensation	12	22
Acquisition expenses (2)	6	7
Offering expenses (3)	2	3
Adjusted EBITDA	$ 836	$ 438

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

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

(3) Represents costs related to the IPO and Secondary Offering reflected in SG&A expenses in our Statement of Operations.

The following table sets forth a calculation of Net Debt Leverage for the periods presented:

(Amounts in millions, unaudited)	As Of	
	July 31, 2022	August 1, 2021
Senior ABL Credit Facility due July 2026	$ 142	$ —
Senior Term Loan due July 2028	1,485	1,500
Total Debt	1,627	1,500
Less: Cash & Cash Equivalents	—	(67)
Net Debt	$ 1,627	$ 1,433
Twelve Months Ended Adjusted EBITDA	836	438
Net Debt Leverage	1.9x	3.3x