



**FINANCIAL RESULTS AND COMPANY OVERVIEW**

**2017 Fourth-Quarter and Fiscal Year  
Performance**

March 13<sup>th</sup>, 2018

## **Forward-Looking Statements and Preliminary Results**

*This presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements are based on management’s beliefs and assumptions and information currently available to management and are subject to known and unknown risks and uncertainties, many of which may be beyond our control. We caution you that the forward-looking information presented in this presentation is not a guarantee of future results, and that actual results may differ materially from those made in or suggested by the forward-looking information contained in this presentation. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “plan,” “seek,” “comfortable with,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe” or “continue” or the negative thereof or variations thereon or similar terminology. A number of important factors could cause actual events to differ materially from those contained in or implied by the forward-looking statements, including those “Risk factors” in our annual report on Form 10-K, for the fiscal year ended January 28, 2018, filed on March 13, 2018 and those described from time to time in our, and HD Supply, Inc.’s, other filings with the U.S. Securities and Exchange Commission, which can be found at the SEC’s website [www.sec.gov](http://www.sec.gov). Any forward-looking information presented herein is made only as of the date of this presentation, and we do not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.*

*Estimates for Net sales, Adjusted EBITDA and Adjusted net income per diluted share are preliminary estimates and are subject to risks and uncertainties, including, among others, changes in connection with quarter-end adjustments. Any variation between HD Supply’s actual results and the preliminary financial data set forth herein may be material.*

## **Non-GAAP Financial Measures**

*HD Supply supplements its financial results that are determined in accordance with accounting principles generally accepted in the United States of America (“GAAP”) with non-GAAP measurements, including Adjusted EBITDA, Adjusted net income, Adjusted net income per diluted share, Net debt and Free cash flow. This supplemental information should not be considered in isolation or as a substitute for the GAAP measurements. Additional information regarding Adjusted EBITDA, Adjusted net income and Adjusted net income per diluted share referred to in this presentation is included at the end of this presentation under “Reconciliation of Non-GAAP Measures.”*

# FY'17 Execution Highlights



- ✓ **+6% Net Sales Growth** Versus Prior Year (“VPY”)
- ✓ **+8% Operating Income Growth** VPY
- ✓ **+\$101M Income from Continuing Operations** VPY
- ✓ **+\$774M Net Income** VPY Including Gain of \$732M on the Sale of our Waterworks Business, Completed in August 2017
- ✓ **+8% Adjusted EBITDA<sup>1</sup> Growth** VPY
  - ✓ Operating Leverage<sup>2</sup> of 1.2x
- ✓ **+54% Adjusted Net Income per Diluted Share<sup>1</sup> Growth** VPY
- ✓ **\$502M Operating Cash Flow**
- ✓ **\$408M Free Cash Flow<sup>3</sup>**

<sup>1</sup> See appendix slides 22 and 23 for a reconciliation of Adjusted EBITDA, Adjusted Net Income and Adjusted Net Income per Diluted Share to Net Income and Income from Continuing Operations

<sup>2</sup> Operating Leverage is defined as Adjusted EBITDA growth divided by total Net Sales growth

<sup>3</sup> Free Cash Flow is defined as Operating Cash Flow of \$502M, Less Capital Expenditures of \$94M (including Cash Flow from Discontinued Operations)

Note: “VPY” denotes Versus Prior Year

# Q4'17 Execution Highlights



- ✓ **+9% Net Sales Growth VPY**
- ✓ **+15% Operating Income Growth VPY**
- ✓ **\$18M Loss from Continuing Operations**
- ✓ **\$9M Net Loss**
  - ✓ Loss from Continuing Operations and Net Loss Reflect a \$72M Non-Cash Charge Resulting from the Tax Cuts and Jobs Act of 2017
- ✓ **+25% Adjusted EBITDA<sup>1</sup> Growth VPY**
  - ✓ Operating Leverage<sup>2</sup> of 2.7x
- ✓ **+113% Adjusted Net Income per Diluted Share<sup>1</sup> Growth VPY**

<sup>1</sup> See appendix slides 22 and 23 for a reconciliation of Adjusted EBITDA, Adjusted Net Income and Adjusted Net Income per Diluted Share to Net Income (Loss) and Income (Loss) from Continuing Operations

<sup>2</sup> Operating Leverage is defined as Adjusted EBITDA growth divided by total Net Sales growth

Note: "VPY" denotes Versus Prior Year

# FY'17 Execution Examples



- ✓ **Sale of Waterworks Business** for \$2.5B
- ✓ **Achieved Financial Leverage Target** of 2x to 3x<sup>1</sup>
- ✓ **Announced \$1B of Share Repurchase Programs**
- ✓ **Announced Acquisition of A.H. Harris** for \$380M
- ✓ **One-Time Bonus for Hourly Associates**



- ✓ **Will Stengel Announced as President...** New Leadership Team in Position
- ✓ **Enhanced Sales Tools and Incentives**
- ✓ **Substantially Completed Account Reassignment**
- ✓ **Accelerated Investment in Selling Channels and Enabling Functions**



- ✓ **+10% Adj. EBITDA Margin**<sup>2</sup>
- ✓ **78% of Branches Delivered Double-Digit Adj. EBITDA %...** +2 Pts VPY
- ✓ **47 Branches** Generating In-Store Purchases >40%
- ✓ **+20% Sales Growth VPY** in Top Performing Regions
- ✓ **4 New Locations Opened** in Priority Districts

<sup>1</sup> Net Debt to LTM Adj. EBITDA

<sup>2</sup> Beginning with fiscal 2017 results, and with all prior periods presented revised, all Corporate overhead costs are allocated to the reportable business units

**Focused on Controllable Execution**

# Topics of Recent Investor Interest



Topic	Consideration
1. Corporate Tax Reform	Future GAAP Tax Rate of 25-26%
2. Rebar Pricing	Continued Pressure in Short-Term; Tariff Uncertainty
3. Winter Weather	Mild December Offset by Snow and Ice in January
4. Share Repurchases	\$445M Remaining Under Existing Authorization <sup>1</sup>
5. Competitive Environment	No Change; Continued Intense Environment

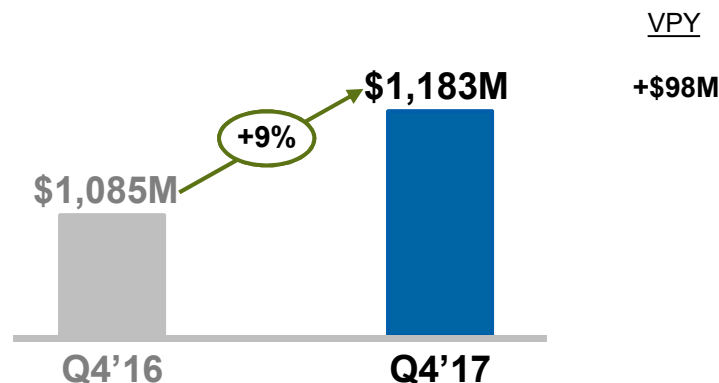
<sup>1</sup> Through March 12, 2018

# Q4'17 Financial Results



(\$ in millions, except per share data)

## Net Sales



<b>Gross Profit</b>	\$431M	\$468M	+9%
<i>Gross Margin %</i>	39.7%	39.6%	-10 BPs
<b>Operating Income</b>	\$102M	\$117M	+15%
<i>Op. Income %</i>	9.4%	9.9%	+50 BPs
<b>Net Income (Loss)<sup>1</sup></b>	\$52M	-\$9M	-\$61M
<i>Per Diluted Share<sup>1</sup></i>	\$0.26	-\$0.05	-\$0.31
<b>Adj. EBITDA<sup>2</sup></b>	\$122M	\$152M	+25%
<i>Adj. EBITDA %</i>	11.2%	12.8%	+160 BPs
<b>Adj. Net Income<sup>2</sup></b>	\$47M	\$91M	+94%
<i>Per Diluted Share<sup>2</sup></i>	\$0.23	\$0.49	+113%

<sup>1</sup> The decrease in Net income (loss) and Net income (loss) per Diluted share was due to a \$72M one-time non-cash charge to remeasure our net deferred tax assets as a result of the Tax Cuts and Jobs Act of 2017

<sup>2</sup> See appendix slides 22 and 23 for a reconciliation of Adjusted EBITDA, Adjusted Net Income and Adjusted Net Income per Diluted Share to Net Income (loss) and Income (loss) from Continuing Operations

## +9.0% Net Sales Growth VPY

# Q4'17 and FY'17 Business Unit Performance **HD**SUPPLY®

(\$ in millions)

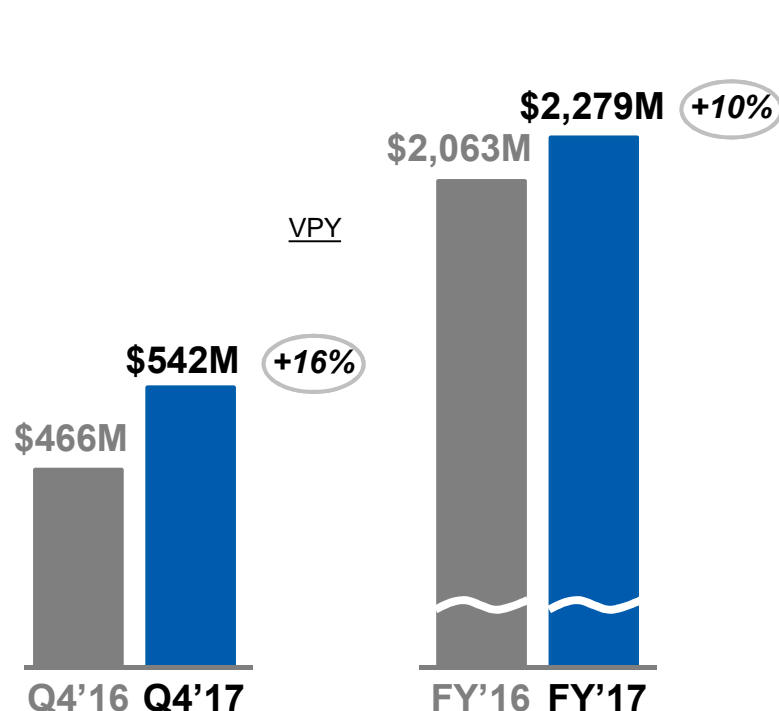
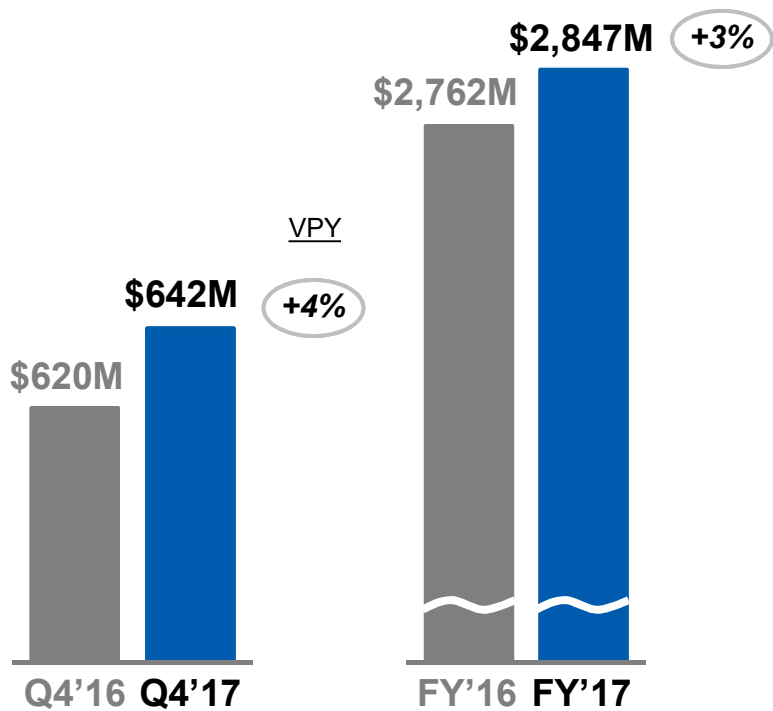


VPY



VPY

Net Sales



Adj. EBITDA<sup>1</sup>

\$88M \$102M (+16%)

\$482M \$499M (+4%)

\$34M \$50M (+47%)

\$198M \$232M (+17%)

<sup>1</sup> Beginning with fiscal 2017 results, and with all prior periods presented revised, all Corporate overhead costs are allocated to the business units

## Organic Growth Across Business Units



## Taxes

- **Favorable Tax Asset with Significant Gross Federal Net Operating Loss Carryforwards of Approximately \$790 Million**
  - ~\$250M Tax-affected Amount of Federal and State NOLs
- **Cash Taxes**
  - \$2M in Q4'17
  - \$2-4M Estimated in Q1'18
  - \$11-13M Estimated in FY'18
- **Effective Rate**
  - ~35% for Q4'17 (Excluding a One-Time Non-Cash Charge Resulting from the Tax Cuts and Jobs Act)
  - Expected to be **25-26%** for FY'18

## Cash Flow

- **\$1.6B Net Debt<sup>1</sup> at the End of Q4'17**
  - 2.2x Net Debt to Adj. EBITDA
- **\$408M FY'17 Free Cash Flow<sup>2</sup>**
- **\$29M of Capital Expenditures in Q4'17**
  - \$94M of Capital Expenditures in FY'17

*Note: Contains forward-looking information; please see Disclaimer on slide 2*

<sup>1</sup> Reconciled on slide 18

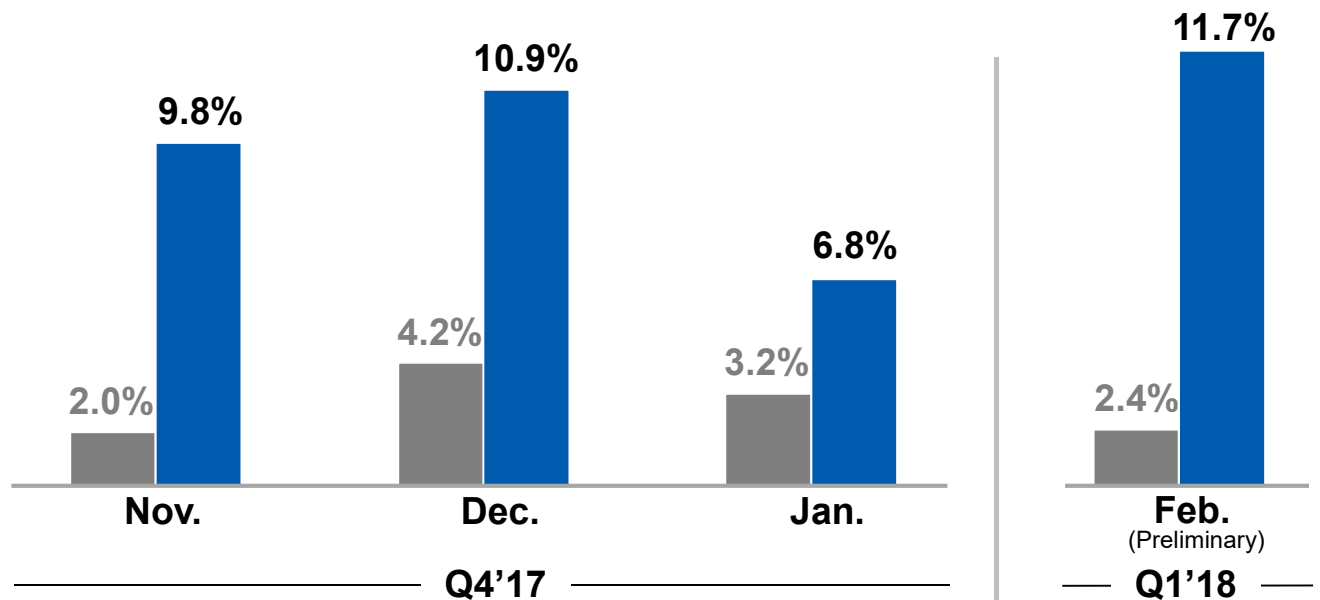
<sup>2</sup> Free Cash Flow is defined as Operating Cash Flow of \$502M, Less Capital Expenditures of \$94M (including Cash Flow from Discontinued Operations)

# Q4'17 Monthly Average Daily Sales (%)



■ Prior Year  
■ Current Year

## HD Supply Average Daily Sales Growth VPY



	Nov.	Dec.	Jan.	Feb. (Preliminary)
<b>Facilities Maintenance</b>	0.9% 4.3%	2.5% 4.9%	2.8% 2.2%	0.2% 7.1%
<b>Construction &amp; Industrial</b>	3.4% 16.4%	6.4% 18.6%	3.7% 13.3%	5.3% 17.3%
<b>HD Supply Net Sales</b>	\$338M \$372M	\$352M \$390M	\$395M \$421M	\$350M \$391M

'18 Selling Days	18	20	28 <sup>1</sup>	20
'17 Selling Days	18	20	23	20
'16 Selling Days	18	20	23	20

<sup>1</sup> Contains an extra selling week as compared with other years. Fiscal 2018 contains 53 weeks.  
Note: Contains forward-looking information; please see Disclaimer on slide 2

## +9.0% Q4'17 Average Daily Sales Growth

# FY'18 End Market Preliminary Outlook



— FY'18 End Market Estimates<sup>1</sup> —

## Primary End Market



Current View  
as of March '18

Residential  
Construction



↑ Mid-Single Digit

Non-Residential  
Construction



↑ Low Single Digits to  
Mid-Single Digit

“Living Space”  
MRO



↑ 1% to 2%



↑ ~2 to 3%

<sup>1</sup> Management estimate end market growth based on multiple quantitative and qualitative inputs  
Note: Contains forward-looking information; please see Disclaimer on slide 2

**~2 to 3% End Market Growth for FY'18**

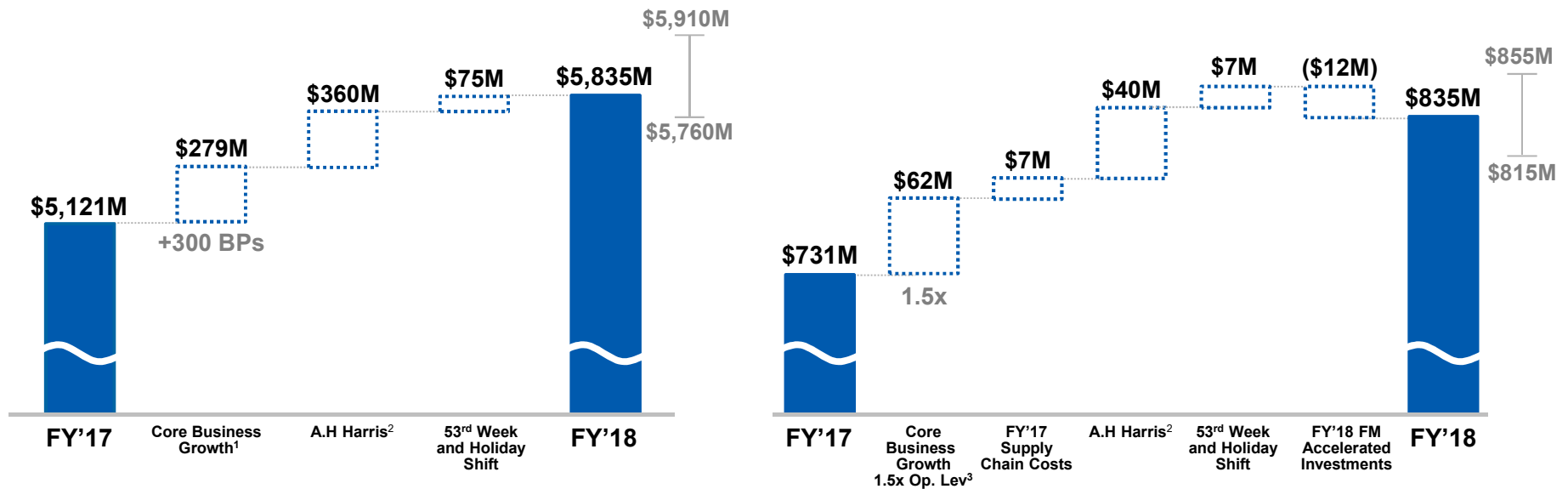
# FY'18 Guidance



(\$ in millions)

## Net Sales Midpoint

## Adj. EBITDA Midpoint



<sup>1</sup> End Market estimate of 2%-3% is the management estimate of the growth of our markets based on multiple quantitative and long-term average growth target based on management estimates and projections

<sup>2</sup> Consolidated from March 5, 2018

<sup>3</sup> Operating Leverage is Defined as Adjusted EBITDA Growth Divided by Total Net Sales Growth

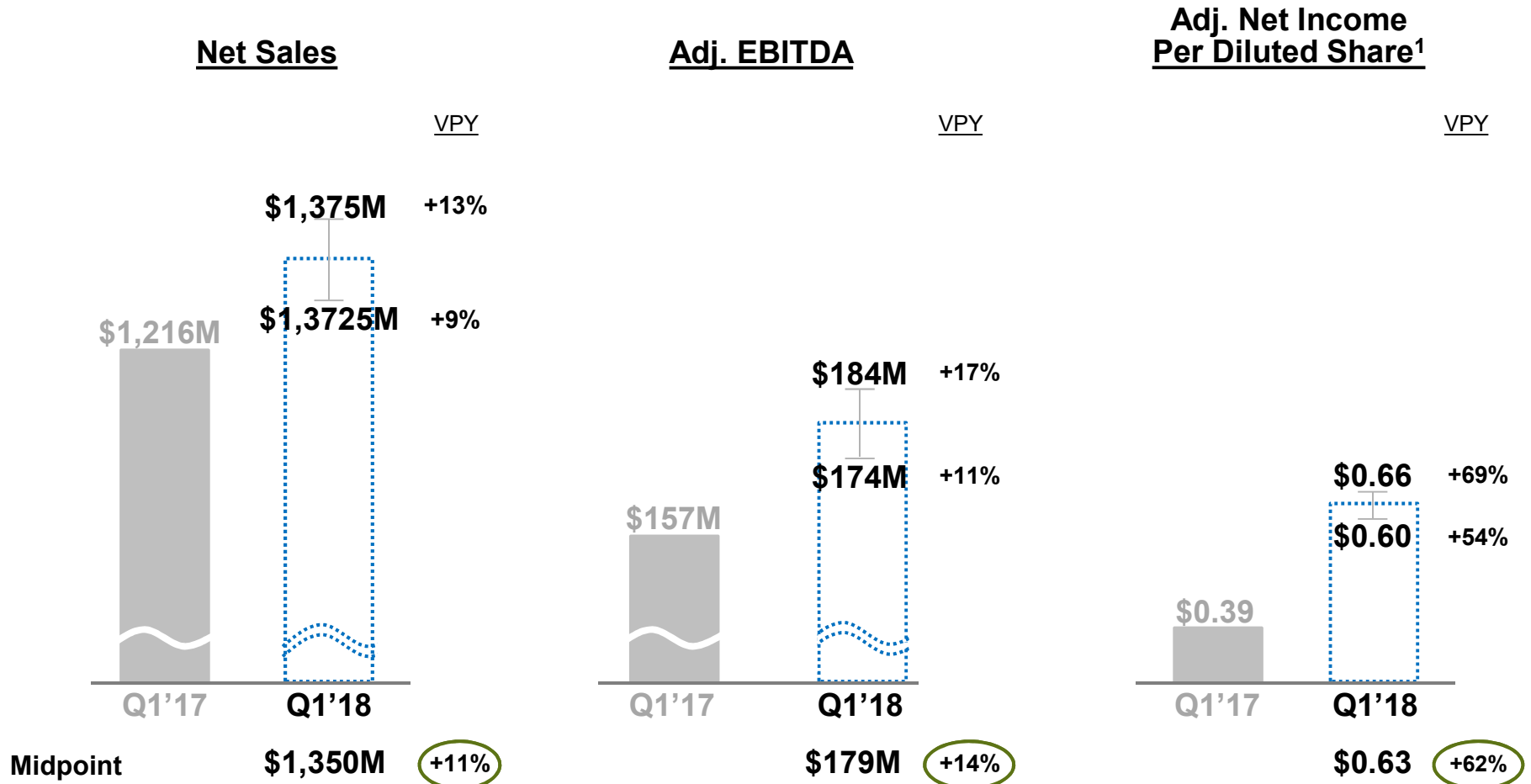
Note: Contains forward looking information; please see Disclaimer on slide 2. No reconciliation of the forecasted range for Adjusted EBITDA to Net income for the full year fiscal 2018 is included in this press release because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

## Strong Sales and Earnings Growth

# Q1'18 Guidance



(\$ in millions, except per share amounts)



<sup>1</sup> Q1'18 Adjusted Net Income per Diluted Share range assumes a fully diluted weighted average share count of ~186 million  
 Note: Contains forward looking information; please see Disclaimer on slide 2. No reconciliation of the forecasted range for Adjusted EBITDA to Net income and Adjusted net income per diluted share to Net income (loss) per diluted share for the first quarter of fiscal 2018 is included in this press release because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

**+11% Net Sales Growth VPY at Midpoint**

## Q1'18

- **+11% Net Sales VPY at Midpoint**
  - \$1,325M to \$1,375M Net Sales
- **+14% Adj. EBITDA VPY at Midpoint**
  - \$174M to \$184M Adj. EBITDA
- **+62% Adj. Net Income per Diluted Share Increase VPY at Midpoint**
  - \$0.60 to \$0.66 Adj. Net Income per Diluted Share
- **Assumes ~186M Diluted Share Count<sup>2</sup>**

## FY'18

- **+2% to +3% End Market VPY<sup>1</sup>**
- **+14% Net Sales VPY at Midpoint**
  - \$5,760M to \$5,910M Net Sales
- **+14% Adj. EBITDA VPY at Midpoint**
  - \$815M to \$855M Adj. EBITDA
- **+34% Adj. Net Income per Diluted Share Increase VPY at Midpoint**
  - \$2.99 to \$3.21 Adj. Net Income per Diluted Share
- **Assumes ~186M Diluted Share Count<sup>2</sup>**

*Note: Contains forward looking information; please see Disclaimer on slide 2. No reconciliation of the forecasted range for Adjusted EBITDA to Net income or Income from Continuing Operations and Adjusted net income per diluted share to Net income per diluted share or Income from Continuing Operations per diluted share for the first quarter of fiscal 2018 and full year fiscal 2018 is included in this presentation because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors.*

<sup>1</sup> End Market estimate is management estimate of the growth of our markets based on multiple quantitative and long-term average growth target based on management estimates and projections

<sup>2</sup> Assumes No Additional Share Repurchases

The image features a black and white photograph of a city skyline at night, with numerous skyscrapers and a complex highway interchange. The HD Supply logo is overlaid in the top left corner. The logo consists of the letters 'HD' in a bold, yellow, sans-serif font, followed by 'SUPPLY' in a white, bold, sans-serif font. A registered trademark symbol (®) is located at the end of the word 'SUPPLY'.

**HD SUPPLY®**

**Q&A**

- **Continual Operational Improvement**
  - **+6% Net Sales Growth** in FY'17 VPY
  - **+8% Adjusted EBITDA<sup>1</sup> Growth** in FY'17 VPY
    - **1.2x Operating Leverage<sup>2</sup>**
  - **+54% Adjusted Net Income per Diluted Share Growth<sup>1</sup>** in FY'17 VPY
  
- **Move to New Atlanta Leadership Development Center**
  - **First Investor Day: June 21<sup>st</sup>, 2018**
  
- **Continued Momentum into 2018**

<sup>1</sup> See appendix slides 22 and 23 for a reconciliation of Adjusted EBITDA, Adjusted Net Income per Diluted Share to Net Income and Income from Continuing Operations

<sup>2</sup> Operating Leverage is Defined as Adjusted EBITDA Growth Divided by Total Net Sales Growth

Note: "VPY" denotes Versus Prior Year.





**HD SUPPLY**®

**APPENDIX**

# Capital Structure Overview



(\$ in millions)

	Q4'17 Debt Balances			
	Balance	Interest Rate <sup>1</sup>	Maturity	Soft Call Date <sup>2</sup>
Senior ABL Facility	\$58	2.86%	4/5/22	n/a
Term B-3 Loans	534	3.94%	8/13/21	Now
Term B-4 Loans	544	4.19%	10/17/23	Now
April 2016 Senior Unsecured Notes	1,000	5.75%	4/15/24	4/15/19
<b>Outstanding Debt<sup>3</sup></b>	<b>\$2,136</b>			
Plus: Letters of Credit	27			
Less: Cash and Cash Equivalents	(558)			
<b>Net Debt</b>	<b>\$1,605</b>			

<sup>1</sup> Represents the stated rate of interest, without including the effect of discounts or premiums

<sup>2</sup> Subject to applicable redemption price terms

<sup>3</sup> Excludes Unamortized Discounts of \$6M and Unamortized Deferred Financing Costs of \$29M

# Illustrative Adjusted EPS Calculation



(\$ in millions, except per share data)

Illustrative

	Actual				Estimates	
	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	FY'18
<b>Adjusted EBITDA</b>	\$157M	\$208M	\$214M	\$152M	TBD	TBD
( - ) Depreciation and Amortization <sup>1,2</sup>	(\$22M)	(\$22M)	(\$22M)	(\$24M)	(~\$24M)	(~\$100M)
( + ) Amortization of Acquired Intangibles <sup>2</sup>	\$3M	\$3M	\$3M	\$3M	~\$3M	~\$12M
( - ) Interest Expense, Net (GAAP)	(\$49M)	(\$49M)	(\$35M)	(\$31M)	(~\$33M)	(~\$135M)
( - ) Cash Income Taxes <sup>3</sup>	(\$3M)	(\$7M)	(\$4M)	(\$2M)	(~\$3M)	(~\$12M)
( - ) Stock-based Compensation	(\$6M)	(\$6M)	(\$7M)	(\$7M)	(~\$6M)	(~\$24M)
<b>= Adjusted Net Income</b>	\$80M	\$127M	\$149M	\$91M	TBD	TBD
<b>÷ Diluted Shares Outstanding</b>	~203M	~199M	~187M	~186M	~186M	~186M
<b>= Adjusted Net Income per Diluted Share</b>	\$0.39	\$0.64	\$0.80	\$0.49	TBD	TBD

<sup>1</sup> Includes Amounts Recorded within Cost of Sales

<sup>2</sup> Q1'18 and FY'18 estimates exclude A.H. Harris amortization of acquired intangibles

<sup>3</sup> Q3'17 excludes \$13 million of taxes paid in relation to the sale of the Waterworks Business Unit

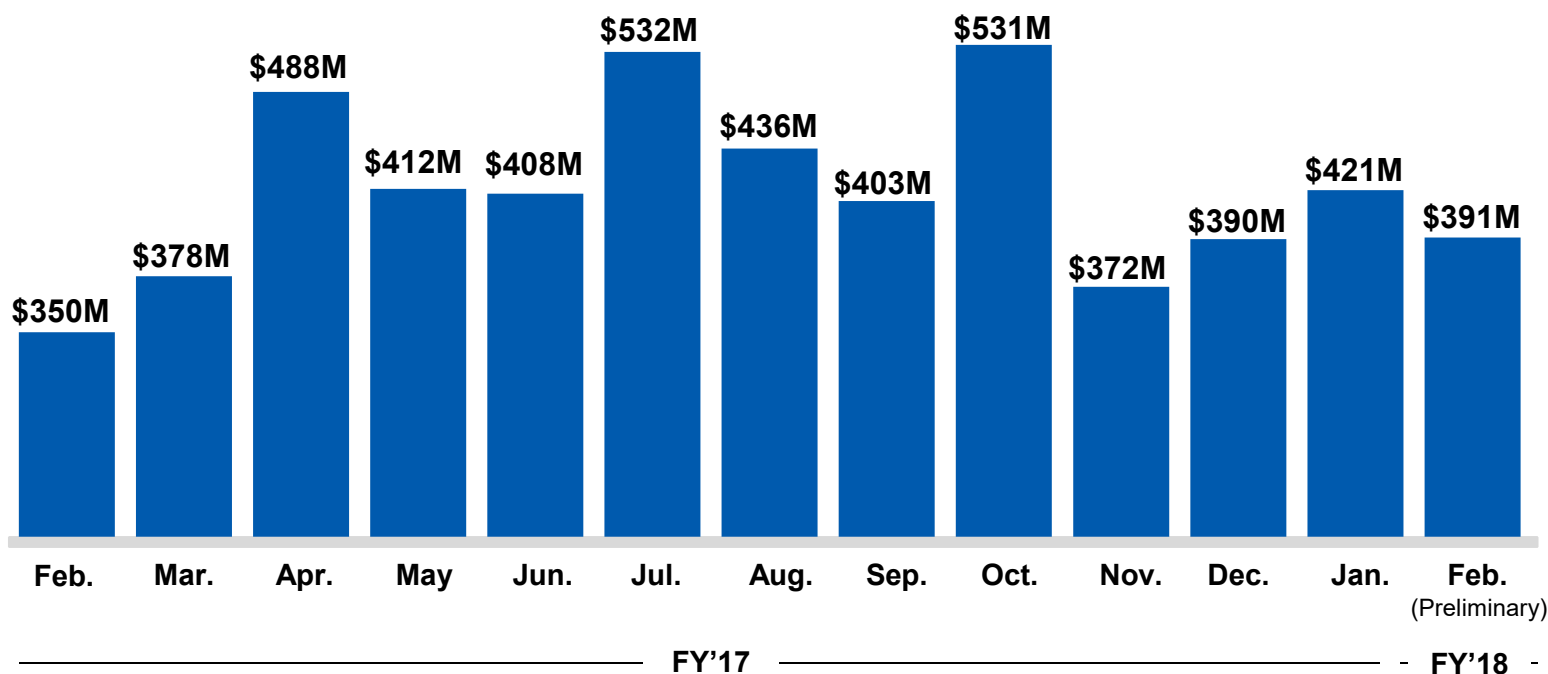
Note: Contains forward looking information; please see Disclaimer on slide 2. No reconciliation of the forecasted range for Adjusted EBITDA to Net income (loss) and Adjusted net income per diluted share to Net income (loss) per diluted share for the first quarter of fiscal 2018 and full year fiscal 2018 is included in this press release because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

# Monthly Net Sales (\$)



(\$ in millions)

## HD Supply Net Sales



	FY'17												FY'18
Facil. Maint.	\$198	\$212	\$272	\$232	\$231	\$306	\$248	\$223	\$283	\$197	\$208	\$237	\$212
Const. & Ind.	\$153	\$166	\$217	\$180	\$178	\$226	\$188	\$180	\$249	\$175	\$182	\$185	\$179

'18 Selling Days	20	20	25	20	19	24	20	19	25	18	20	28 <sup>1</sup>	20
'17 Selling Days	20	20	25	20	19	24	20	19	25	18	20	23	20
'16 Selling Days	20	20	25	20	19	24	20	19	25	18	20	23	20

Note: Contains forward-looking information; please see Disclaimer on slide 2  
<sup>1</sup> Contains an extra selling week as compared with other years. Fiscal 2018 contains 53 weeks.

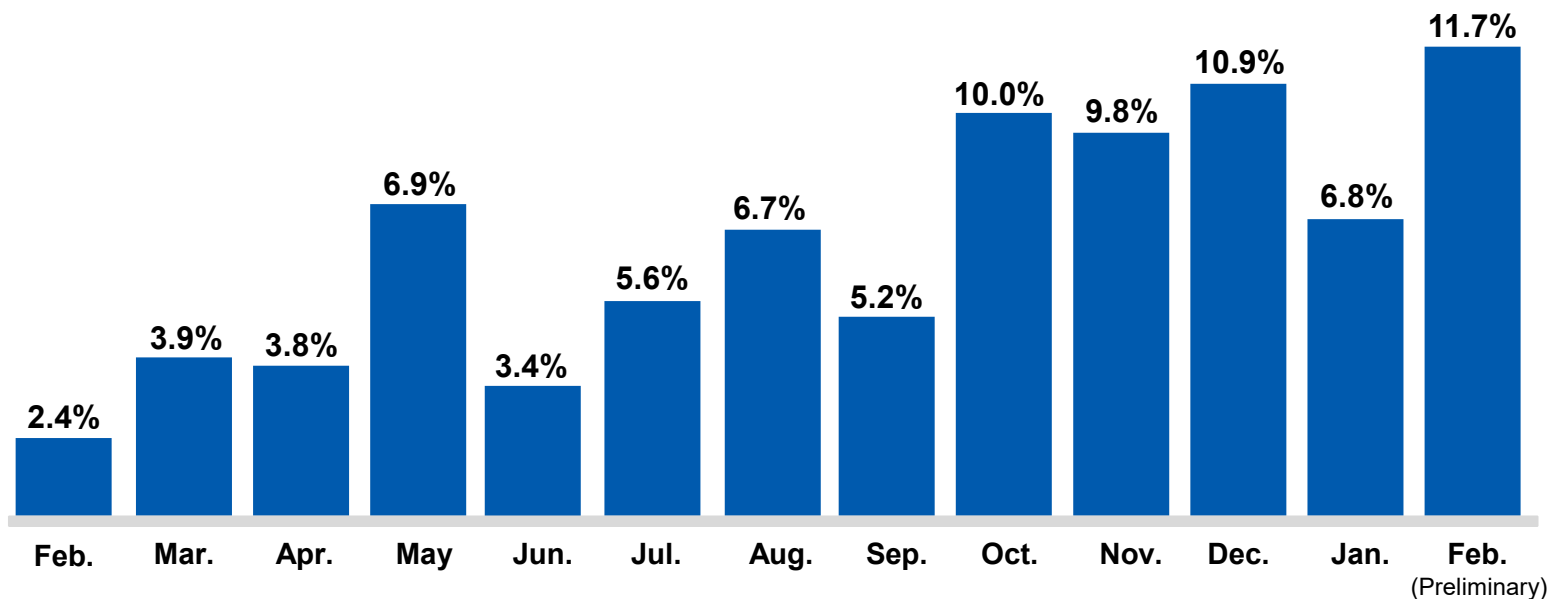
## \$391M Preliminary February Sales

# Average Daily Sales – Organic<sup>1</sup> (VPY%)



(VPY%)

## HD Supply Organic Average Daily Sales Growth VPY<sup>1</sup>



	FY'17												FY'18
	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb. (Preliminary)
<b>Facil. Maint.</b>	0.2%	1.1%	0.8%	5.2%	2.6%	3.7%	4.3%	1.3%	6.1%	4.3%	4.9%	2.2%	7.1%
<b>Const. &amp; Ind.</b>	5.3%	7.9%	7.7%	9.3%	4.5%	8.2%	9.8%	10.3%	14.5%	16.4%	18.6%	13.3%	17.3%
<sup>18</sup> Selling Days	20	20	25	20	19	24	20	19	25	18	20	28 <sup>2</sup>	20
<sup>17</sup> Selling Days	20	20	25	20	19	24	20	19	25	18	20	23	20
<sup>16</sup> Selling Days	20	20	25	20	19	24	20	19	25	18	20	23	20

<sup>1</sup> Adjusted for Acquisitions, Divestitures, and Selling Days

<sup>2</sup> Contains an extra selling week as compared with other years. Fiscal 2018 contains 53 weeks.

Note: "VPY" denotes Versus Prior Year; Contains forward-looking information; please see Disclaimer on slide 2

## +11.7% Preliminary Average Daily Sales Growth in February

## Reconciliation of Non-GAAP Measures: Net Income (Loss) to Adjusted EBITDA



(\$ in millions)

	<u>Q4'17</u>	<u>Q4'16</u>	<u>FY'17</u>	<u>FY'16</u>
<b>Net income (loss)</b>	<b>(\$9)</b>	<b>\$ 52</b>	<b>\$970</b>	<b>\$ 196</b>
Less income from discontinued operations, net of tax	<b>9</b>	<b>26</b>	<b>803</b>	<b>130</b>
<b>Income (loss) from continuing operations</b>	<b>(18)</b>	<b>26</b>	<b>167</b>	<b>66</b>
Interest expense, net	<b>31</b>	<b>50</b>	<b>164</b>	<b>269</b>
Provision for income taxes	<b>101</b>	<b>21</b>	<b>193</b>	<b>51</b>
Depreciation and amortization <sup>1</sup>	<b>24</b>	<b>22</b>	<b>90</b>	<b>88</b>
Loss on extinguishment & modification of debt <sup>2</sup>	<b>3</b>	<b>5</b>	<b>84</b>	<b>179</b>
Restructuring charges <sup>3</sup>	<b>3</b>	<b>(7)</b>	<b>6</b>	<b>7</b>
Stock-based compensation	<b>7</b>	<b>5</b>	<b>26</b>	<b>20</b>
Acquisition Costs <sup>4</sup>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>
<b>Adjusted EBITDA</b>	<b>\$ 152</b>	<b>\$ 122</b>	<b>\$ 731</b>	<b>\$ 680</b>

<sup>1</sup> Depreciation and amortization includes amounts recorded within Cost of sales in the Consolidated Statements of Operations

<sup>2</sup> Represents the loss on extinguishment of debt including the write-off of unamortized deferred financing costs, original issue discount, and other assets or liabilities associated with such debt. Also includes the cost of debt modification

<sup>3</sup> Represents the costs incurred for strategic alignment of our workforce. These costs include severance, relocation costs and other related costs

<sup>4</sup> Represents the costs incurred in the acquisition of A.H. Harris Construction Supplies

## Reconciliation of Non-GAAP Measures: Net Income (Loss) to Adjusted Net Income and Adjusted Net Income Per Share



(\$ in millions, except share and per share amounts)

	<u>Q4'17</u>	<u>Q4'16</u>	<u>FY'17</u>	<u>FY'16</u>
<b>Net income (loss)</b>	(\$9)	\$ 52	\$ 970	\$ 196
Less income from discontinued operations, net of tax	<u>9</u>	<u>26</u>	<u>803</u>	<u>130</u>
<b>Income (loss) from continuing operations</b>	<u>(18)</u>	<u>26</u>	<u>167</u>	<u>66</u>
Provision for income taxes	101	21	193	51
Cash paid for income taxes <sup>1</sup>	(2)	(1)	(16)	(13)
Amortization of acquisition related intangible assets (other than software)	3	3	12	12
Loss on extinguishment & modification of debt <sup>2</sup>	3	5	84	179
Restructuring charges <sup>3</sup>	3	(7)	6	7
Acquisition costs <sup>4</sup>	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
<b>Adjusted Net Income</b>	<u><u>\$ 91</u></u>	<u><u>\$ 47</u></u>	<u><u>\$ 447</u></u>	<u><u>\$ 302</u></u>
Weighted average common shares outstanding (in thousands)				
Basic	184,831	199,888	192,236	199,385
Diluted	185,897	202,587	193,668	202,000
<b>Adjusted Net Income Per Share - Basic</b>	<b>\$0.49</b>	\$0.24	<b>\$2.33</b>	\$1.51
<b>Adjusted Net Income Per Share - Diluted</b>	<b>\$0.49</b>	\$0.23	<b>\$2.31</b>	\$1.50

<sup>1</sup> Cash paid for income taxes in fiscal 2017 excludes \$13 million in payments related to the sale of the Waterworks business unit

<sup>2</sup> Represents the loss on extinguishment of debt including the write-off of unamortized deferred financing costs, original issue discount, and other assets or liabilities associated with such debt. Also includes the cost of debt modification

<sup>3</sup> Represents the costs incurred for strategic alignment of our workforce. These costs include severance, relocation costs and other related costs

<sup>4</sup> Represents the costs incurred in the acquisition of A.H. Harris Construction Supplies