



SOMNIGROUP

NYSE: SGI

TEMPUR+SEALY

MATTRESSFIRM

Dreams

MAY 2025



SOMNIGROUP INVESTMENT THESIS



Leader in the \$120 billion³ global bedding market.



Broad, sustainable competitive advantages across iconic brands, capabilities, and scale; industry-leading design and manufacturing capabilities; vertically integrated operations; worldwide omni-channel distribution network.



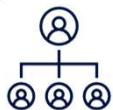
Attractive secular industry growth prospects as consumers increasingly connect sleep with health and wellness.



Opportunities for sales growth and margin expansion through market share gains, scale benefits and value-added product innovation.



Strong free cash flow and balance sheet provide financial flexibility.



Seasoned management team with proven track record of disciplined capital allocation, including reinvesting in the business, dividends, share repurchases and acquisitions.

ABOUT SOMNIGROUP

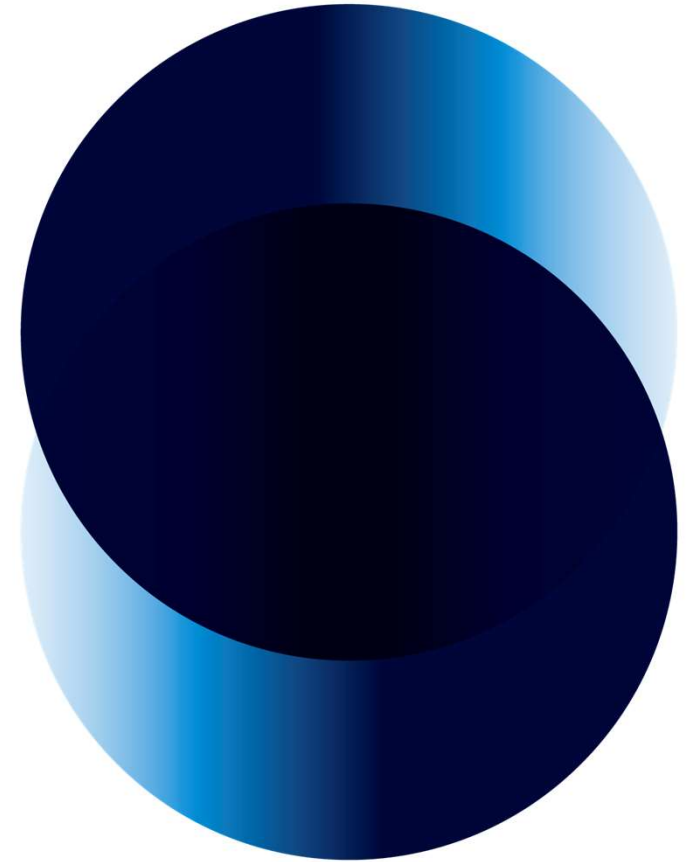
In February 2025, the Company was reimagined, and **Somnigroup International Inc.** was founded, reflecting the transformative nature of the Mattress Firm acquisition.

Somnigroup provides sleep solutions with a portfolio of outstanding businesses with iconic brands.

SOMN = sleep

OMNI = omnichannel

GROUP = company comprised of multiple subsidiaries enriching people's lives through the power of a good night's sleep



SOMNIGROUP'S STRUCTURE



High-level strategic direction • Corporate governance • Capital allocation



Tactical go-to-market strategy • Operational excellence • Passionate customer service

SOMNIGROUP

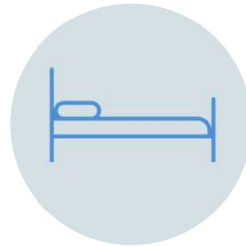
The world's largest bedding company, dedicated to enriching people's lives through the power of a good night's sleep.

CONSUMER-CENTRIC INNOVATION



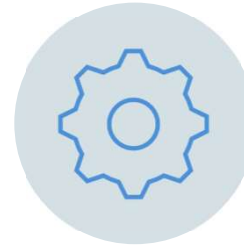
- Advanced R&D capabilities driving continuous solutions-based innovation

DIVERSIFIED PORTFOLIO



- Diverse brand portfolio includes the most highly recognized brands in the industry

MANUFACTURING & LOGISTICS



- Global manufacturing footprint with advanced manufacturing and logistics capabilities

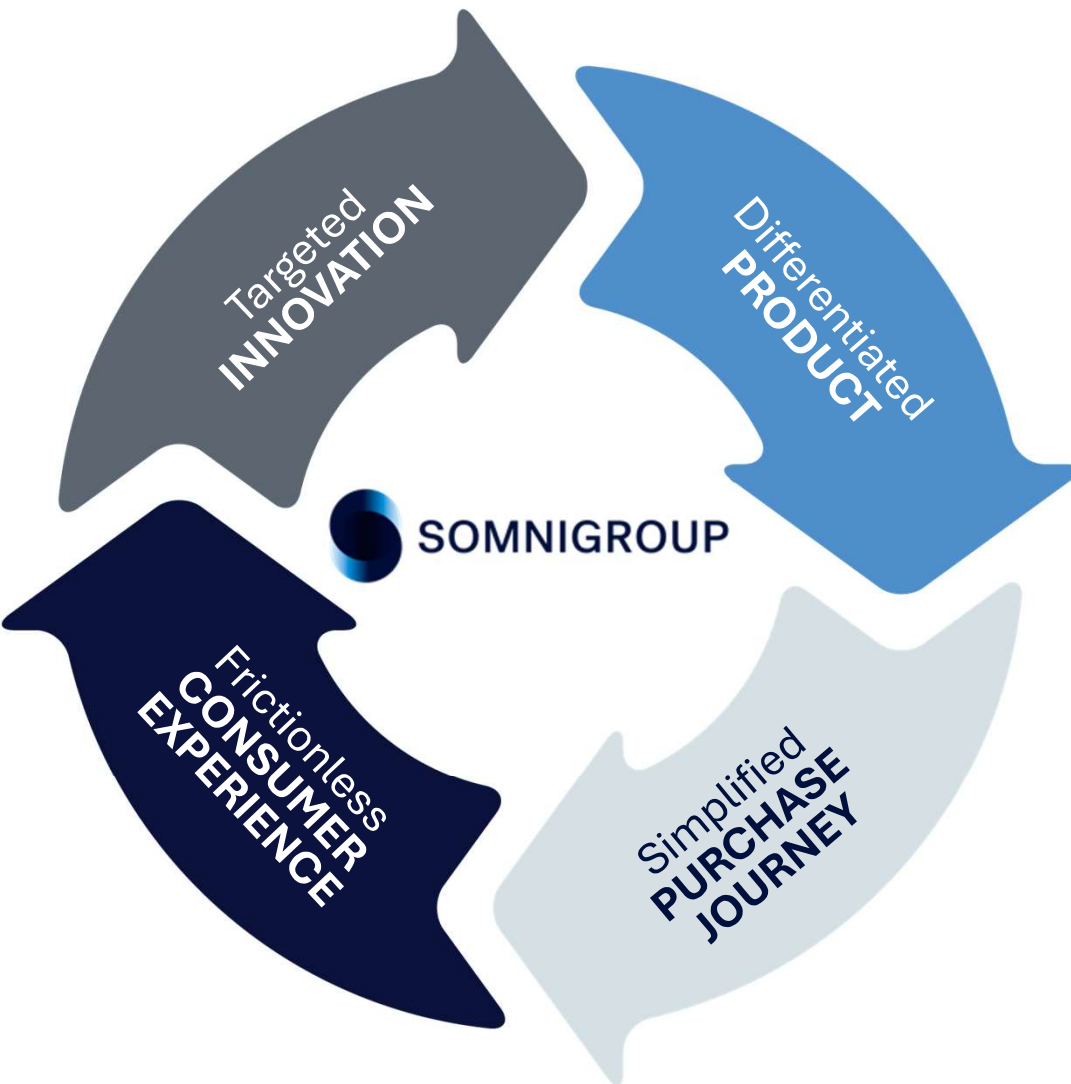
OMNI-CHANNEL RETAIL



- Leading bedding retailer in the U.S. and UK
- Integrated brick-and-mortar and e-commerce ecosystem

SOMNIGROUP

Uniquely positioned to optimize consumer experience



-  Optimize investments in sleep technology
-  Improve targeted innovation
-  Drive advertising share of voice
-  Enhance consumer outcomes
-  Accelerate continuous feedback loop

SOMNIGROUP'S VERTICALLY INTEGRATED STRATEGY

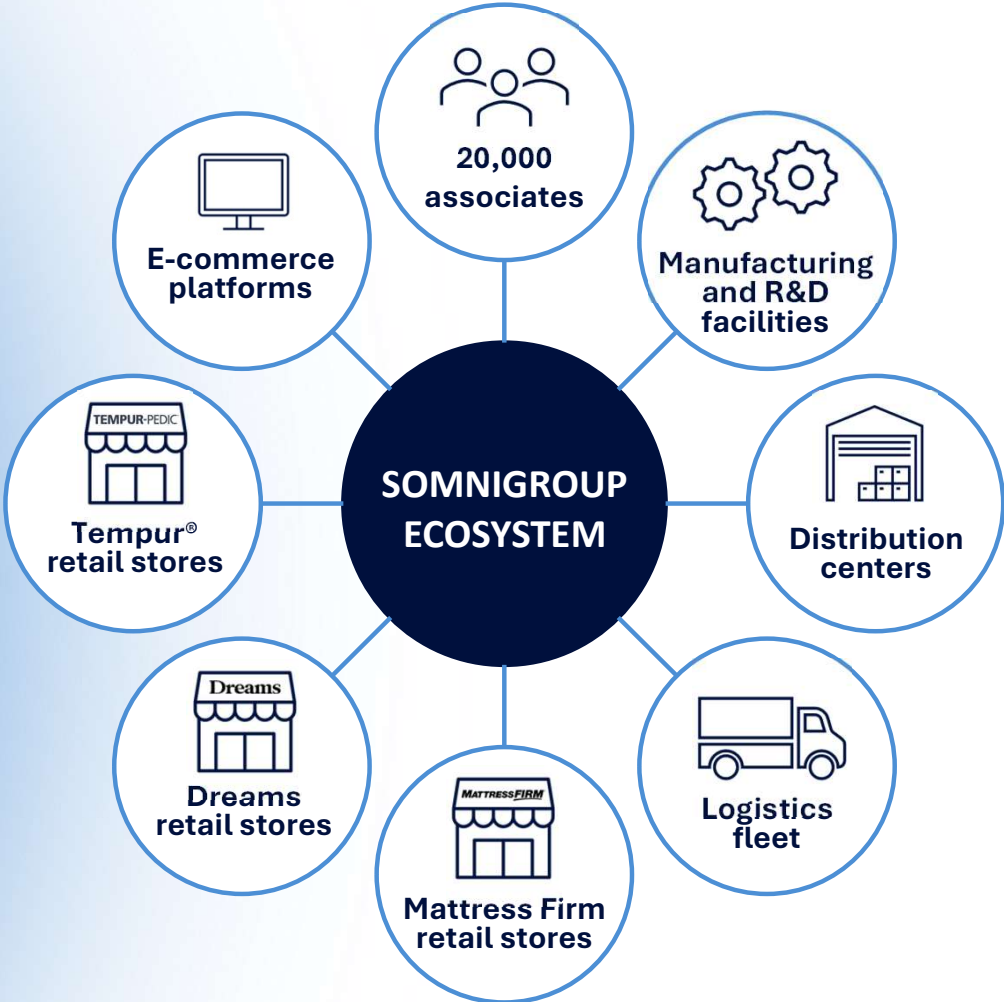
160+

OPERATIONS FACILITIES

WITH

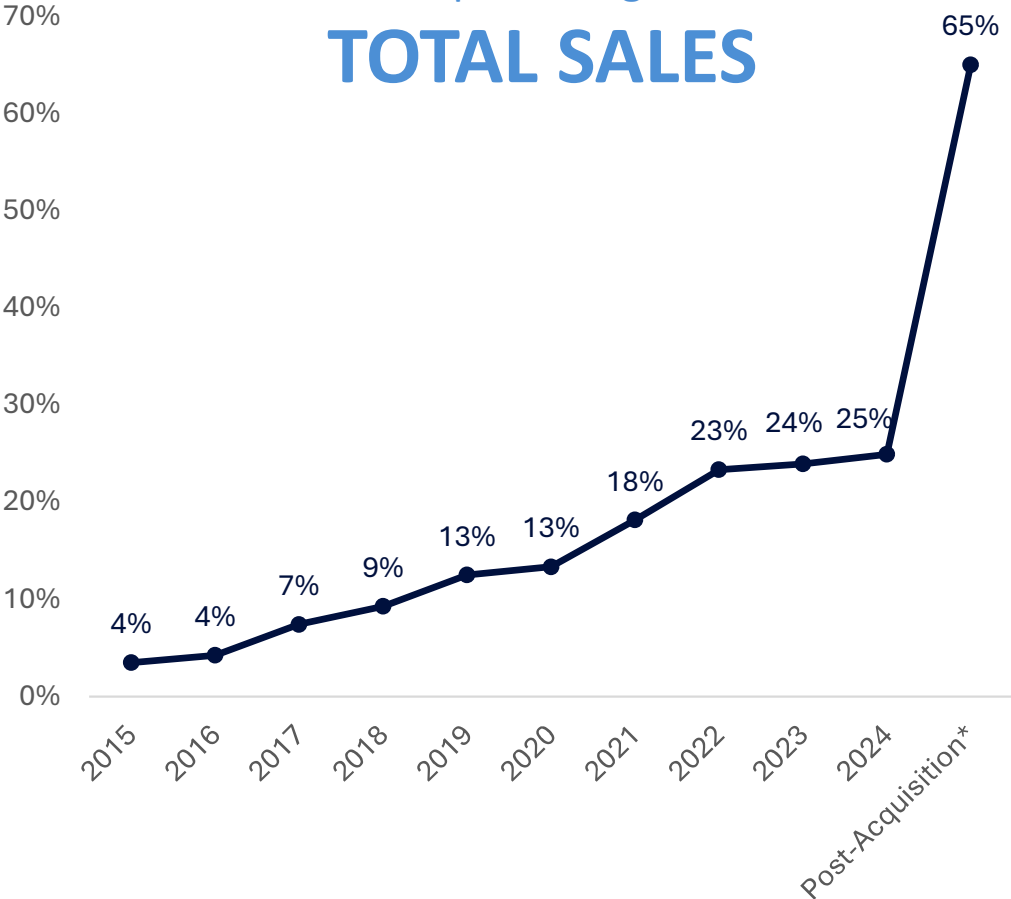
2,800+

RETAIL STORES



SOMNIGROUP'S JOURNEY TO VERTICAL RETAILER

DIRECT TO CONSUMER as a percentage of TOTAL SALES



*FY'24 pro forma sales⁴ were 65% direct and 35% wholesale.



SOMNIGROUP TEAM'S VALUE CREATION

Since the management change in 2015, sales have increased 70%, adjusted EBITDA² has increased over 100%, and adjusted EPS² has increased over 200%.

Current SGI Management Track Record Since 2015				
(in millions, except percentages, multiples, and per common share amounts)	Year Ended December 31, 2015	Trailing Twelve Months Ended March 31, 2025	CAGR	Total Growth
Net Sales	\$3,151	\$5,346	6%	70%
Adjusted EBITDA²	\$456	\$974	9%	113%
GAAP EPS	\$0.26	\$1.56	22%	506%
Adjusted EPS²	\$0.80	\$2.54	13%	218%

SOMNIGROUP EXECUTIVE TEAM



SCOTT THOMPSON
CHAIRMAN, CEO



TEMPUR+SEALY

**CLIFF
BUSTER**
CEO



MATTRESSFIRM

**STEVE
RUSING**
PRESIDENT



Dreams

**JONATHAN
HIRST**
CEO



SOMNIGROUP

**BHASKAR
RAO**
EVP, CFO



SOMNIGROUP

**DAVID
MONTGOMERY**
EVP, GLOBAL
BUSINESS
DEVELOPMENT



SOMNIGROUP

**KINDEL
NUÑO**
CHRO



SOMNIGROUP

**KINDRA
BELLIS**
CIO



SOMNIGROUP

**TOM
MURRAY**
EVP, CMO

TRANSACTION RATIONALE



1. Expands consumer touchpoints to enhance ability to keep pace with evolving consumer preferences



2. Accelerates U.S. omni-channel strategy, enabling a seamless consumer experience



3. Simplifies consumer purchase journey, reducing friction at each touchpoint



4. Aligns new product development and testing, facilitating consumer-centric innovation



5. Streamlines operations and enhances supply chain management, resulting in operational efficiencies



6. Drives adjusted EPS² accretion

SOMNIGROUP'S ROBUST CAPITAL ALLOCATION

5-year track record



INVESTMENTS IN GROWTH INITIATIVES

\$800M+
invested in our
people, plants
and processes

\$5.7B⁴
invested in
accretive M&A
activities



CAPITAL RETURNED TO SHAREHOLDERS

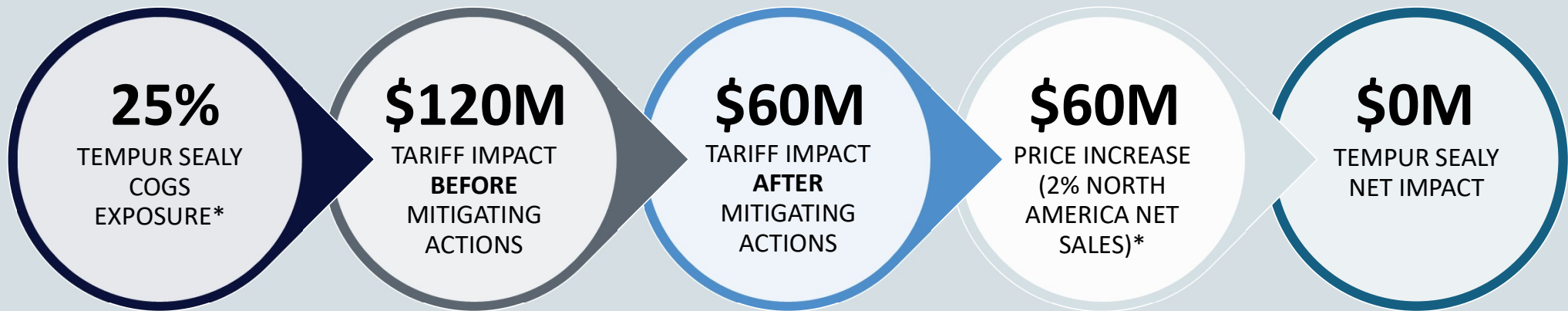
\$1.9B
invested in
share
repurchases

\$300M+
invested in
quarterly
dividends

2x-3x
target leverage²
range supported
by strong
balance sheet

SOMNIGROUP'S TARIFF EXPOSURE

Tempur Sealy North America



Mattress Firm

- We anticipate some tariff impact will be passed through price increases from some of Mattress Firm's suppliers, including Tempur Sealy
- We would anticipate Mattress Firm will pass through these pricing increases to the end-consumer or mitigate them through merchandising changes

*Tempur Sealy on a standalone basis before intercompany eliminations

All numbers are presented on an annualized basis. We expect the price increase to be effective in the third quarter 2025 and the lag to result in a temporary tariff headwind of approximately \$5 million to our Tempur Sealy North America segment in the second quarter 2025.

MATTRESS FIRM®



OVERVIEW – MATTRESS FIRM STANDALONE

LEADING OMNICHANNEL U.S. RETAILER

2,200+⁵ brick-and-mortar retail stores integrated with e-commerce and sleep education platforms to enable a seamless consumer purchase journey

STRONG CONSUMER ENGAGEMENT

Robust consumer touchpoints with deep insight into evolving preferences to optimize the consumer purchase journey and sustain consumer loyalty

EXCEPTIONAL RETAIL TALENT

6,000+ highly trained retail sales associates facilitate an educational and effective end-to-end consumer purchase journey

DIVERSIFIED PRODUCT OFFERING

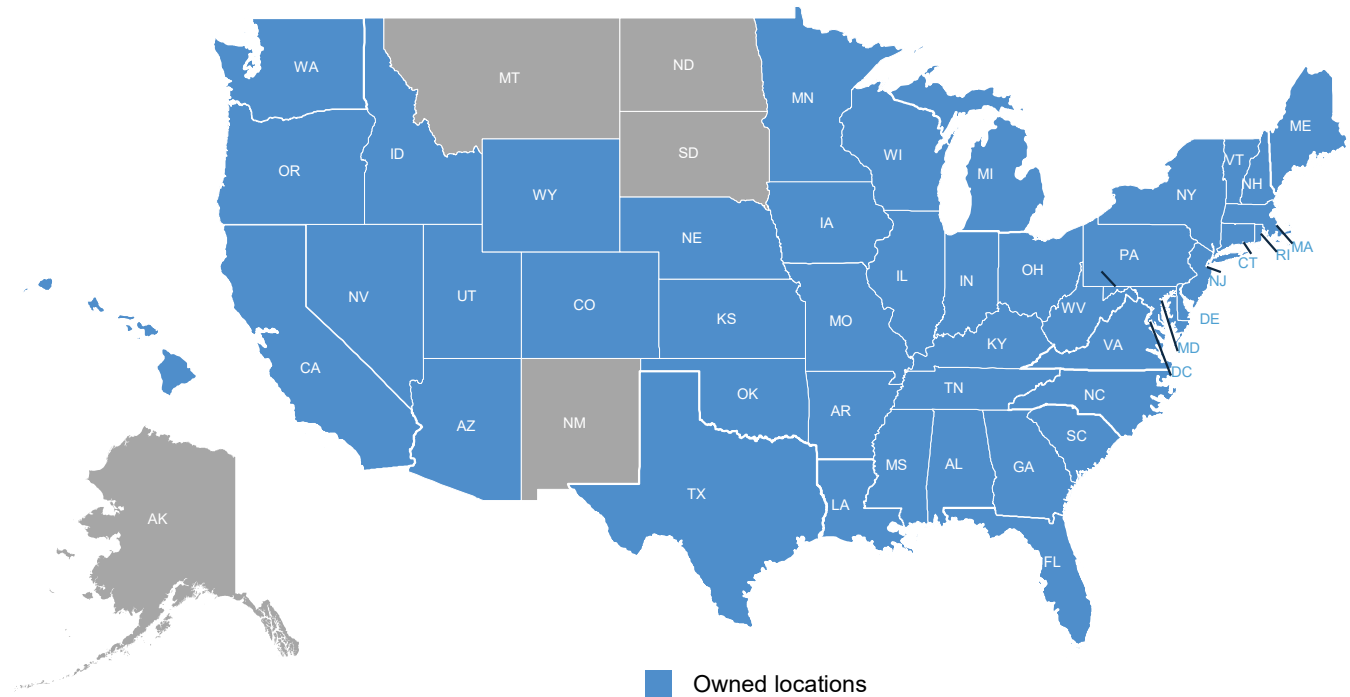
Leading brands and complementary private labels provide a range of innovative consumer solutions



RETAIL FOOTPRINT

- 2,200⁵+ owned retail stores across 45 states
- Integrated e-commerce capabilities with 75M+ website visitors⁶ annually

Geographic Footprint



MATTRESS FIRM'S DIVERSIFIED PRODUCT OFFERINGS

Somnigroup Brands and Private Label

- A leading retailer of Tempur-Pedic®, Sealy®, and Stearns & Foster® branded products
- Retailer of Sleepy's® private label bedding manufactured by Tempur Sealy

Other Leading Brands and Private Labels

- A leading retailer of Beautyrest®, Nectar®, Serta®, Simmons®, Tuft & Needle®, and Purple® branded products
- Retailer of Sleepy's® and tulo® private label bedding manufactured by third-party OEM

SOMNIGROUP BRANDS AND PRIVATE LABELS ARE EXPECTED TO REPRESENT A **HIGH-40s** PERCENTAGE OF MATTRESS FIRM'S 2025 SALES³

COMPETITIVE DIFFERENTIATORS

SCALE

PRODUCT SELECTION

Diverse and curated assortment

CONVENIENCE

Seamless experience nationwide on and offline

RETAIL EXPERTISE

Highly trained Sleep Experts

EXPERIENCE

Personalized to each consumer

CONSUMER TOUCHPOINTS

Data driven tools improving consumer outcomes

LOGISTICS

Accelerated order-to-deliver

SALES GROWTH OUTLOOK

Leverage improving U.S. industry and drive market share

Continuously align brick-and-mortar footprint to consumer demand

Invest in stores and products to improve consumer shopping experience

Drive conversion and AOV through enhanced RSA training

Drive e-commerce traffic via strategic investments in digital marketing



TEMPUR+SEALY



OVERVIEW – TEMPUR SEALY STANDALONE

CORE COMPETENCIES

Consumer-Centric Innovation

Leading Product Brands

World-Class Manufacturing

Integrated Marketing

Extensive Logistics Capabilities

OMNI-CHANNEL DISTRIBUTION

~70% Wholesale

~30% Direct-to-Consumer









PRODUCTS SOLD IN

100+

COUNTRIES
WORLDWIDE

COMPETITIVE DIFFERENTIATORS

SCALE		
 <p>ICONIC BRANDS Consumer preferred supported by advertising</p>	 <p>DIVERSE PORTFOLIO Wide range of price points and technologies</p>	 <p>MANUFACTURING Extensive capabilities across 70+ plants</p>
 <p>LOGISTICS Global integrated logistics operations</p>	 <p>R&D Advanced in-house technology and product development</p>	 <p>MARKETING Fully integrated data-driven marketing initiatives</p>

BRAND PORTFOLIO



TEMPUR-PEDIC®: LEADING WORLDWIDE PREMIUM BEDDING BRAND

Tempur-Pedic® uniquely adapts, supports, and aligns to you to deliver truly life-changing sleep.

\$2,200-\$9,998*



STEARNS & FOSTER®: HIGH-END-TARGETED BRAND

The world's finest beds that are made with exceptional materials, time-honored craftsmanship and impeccable design.

\$1,800-\$6,450*



SEALY®: #1 BEDDING BRAND³

Combines innovation, engineering and industry-leading testing to ensure quality and durability.

\$300-\$3,000*



PRIVATE LABEL OFFERINGS: CUSTOMIZED PRODUCT

Offers products for the value-oriented consumer.



GLOBAL MANUFACTURING FOOTPRINT



71 manufacturing facilities
20 million sq. ft. of manufacturing and distribution operations



4 state-of-the-art product testing locations
75k sq. ft. R&D innovation



● Wholly owned (31) ● Tempur-Pedic® Facility (4) ● Joint Venture (9) ● Licensee (27)

SUCCESSFUL OMNI-DISTRIBUTION PLATFORM



- Third-party retailers are our largest distribution channel
- Significant private label opportunity
- Valued win-win relationships with retailers

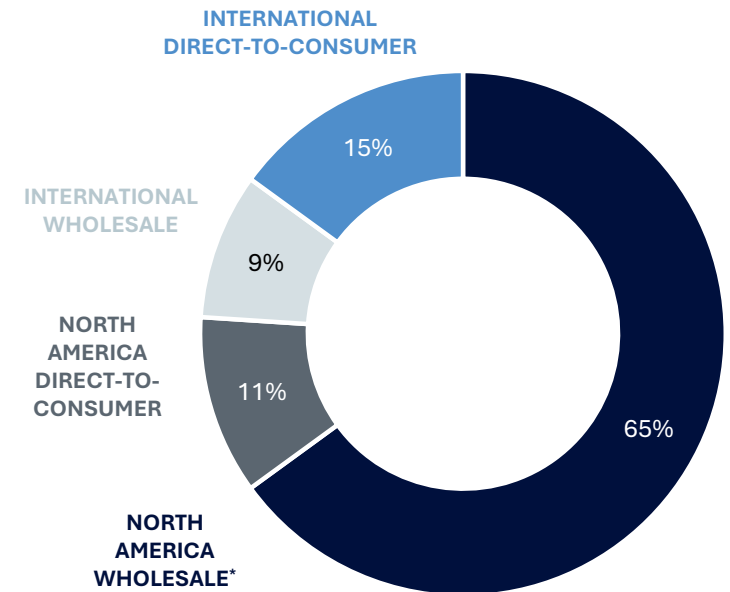


- Significant worldwide sales growth
- Highly profitable and rapidly expanding
- Direct customer relationships



- Luxury Tempur-Pedic® and Dreams® experiences
- Operate over 650⁵ stores worldwide and expanding direct customer relationships
- Highly profitable

TTM 1Q'25 Sales



*North America wholesale sales reflect the elimination of \$130M sales to Mattress Firm for the stub period

KEY MARKETS

NORTH AMERICA

- \$50B³ bedding market
- Concentrated
- Historically strong bedding industry growth, emerging from a prolonged downturn*
- Market share leader with continued opportunities to expand through higher slot velocity, expansion into non-traditional channels, and growing DTC presence

INTERNATIONAL

- \$70B³ bedding market
- Highly fragmented
- Historically solid bedding industry growth, emerging from a prolonged downturn
- Low single-digit market share today, opportunity for growth



*See historical U.S. industry detail in Appendix

SALES GROWTH OUTLOOK

- 
- Invest in innovation to meet customer demand.**
 - Grow wholesale through existing and new retail relationships.**
 - Expand into OEM market.**
 - Invest in U.S. Sealy and Stearns & Foster® products and marketing.**
 - Expand direct-to-consumer through e-commerce and company-owned stores.**



Dreams



OVERVIEW – DREAMS STANDALONE

LEADING UK BEDDING RETAILER

200+ brick-and-mortar retail stores, 2,000+ colleagues, and an integrated e-commerce platform attracting over 18M visitors⁶ annually

VERTICALLY INTEGRATED

In-house manufacturing, distribution and logistics operations result in Dreams producing and delivering the majority of the product it sells

DIVERSIFIED PRODUCT OFFERING

Multi-branded strategy comprised of in-house brands, Tempur Sealy brands, and third-party brands

MARKET SHARE OPPORTUNITY

Driving growth through leveraging its vertically integrated business model and broad brand range of offerings to meet consumer needs

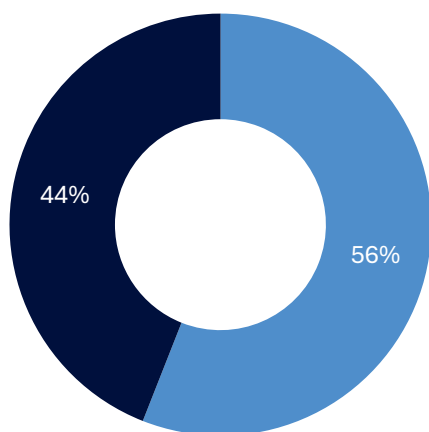


FINANCIALS



FIRST QUARTER PERFORMANCE

Q1 '25 Sales by Channel*



■ Direct ■ Wholesale

	Three Months Ended			Trailing Twelve Months Ended			
	(in millions, except percentages and per common share amounts)	March 31, 2025	March 31, 2024	% Change	March 31, 2025	March 31, 2024	% Change
Net Sales		\$1,604.7	\$1,189.4	34.9%	\$5,346.2	\$4,906.7	9.0%
Net Income		\$(33.1)	\$76.3	-143.4%	\$274.9	\$359.1	-23.4%
Adjusted Net Income²		\$97.0	\$89.7	8.1%	\$462.4	\$422.4	9.5%
EBITDA²		\$78.3	\$180.3	-56.6%	\$739.6	\$782.1	-5.4%
Adjusted EBITDA²		\$247.9	\$198.2	25.1%	\$973.5	\$877.8	10.9%
GAAP EPS		(\$0.17)	\$0.43	-139.5%	\$1.56	\$2.02	-22.8%
Adjusted EPS²		\$0.49	\$0.50	-2.0%	\$2.54	\$2.38	6.7%

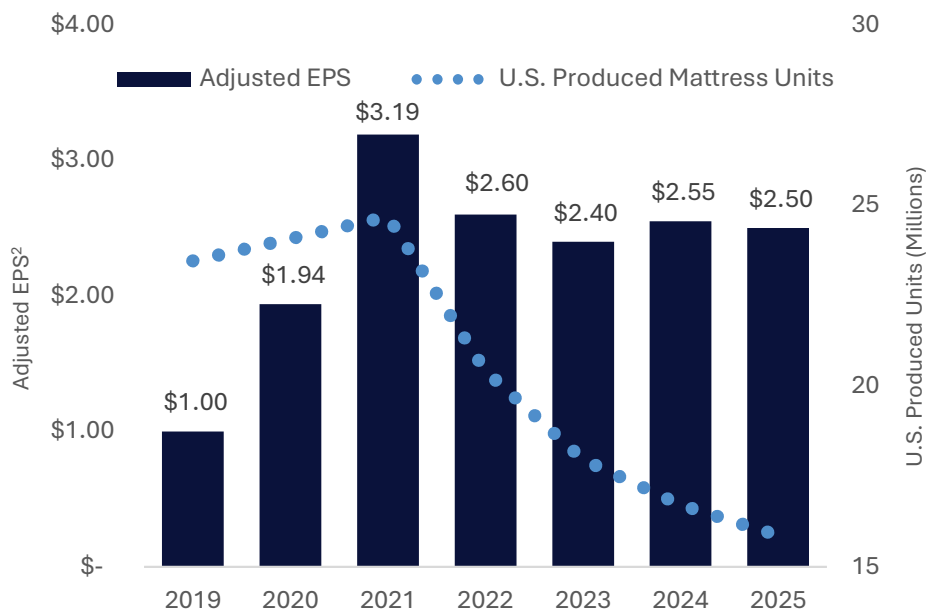
*FY'24 pro forma sales⁴ were 65% direct and 35% wholesale.

Adjusted EBITDA per credit facility is used to calculate leverage per the terms of our credit facility. Please refer to the appendix for a reconciliation of net income to adjusted EBITDA² and adjusted EBITDA per credit facility².

2025 OUTLOOK⁷

Expect full-year adjusted EPS² between \$2.30 and \$2.65

Projected Adjusted EPS² CAGR of 16%



- On a reported basis, we expect sales between \$7.3B and \$7.5B
- The global bedding industry to decline mid-single digits versus the prior year, with trends improving slightly in the second half of 2025
- Consolidated gross margin to be slightly above 44%
- \$700M of advertising investments
- Resulting in adjusted EBITDA² of \$1.2B to \$1.3B

Other Modeling Assumptions

Depreciation & Amortization	\$295M-\$305M
Capital Expenditures	\$225M
Interest Expense	\$260M-\$270M
U.S. Federal Tax Rate	25%
Diluted Share Count	210M shares

2025 OUTLOOK⁷

Impact of Mattress Firm acquisition



ACQUISITION AND DIVESTITURE

- The acquisition of Mattress Firm on February 5th
- The divestiture of 103 Sleep Outfitters and 73 Mattress Firm stores on May 1st
- The elimination of intercompany sales between Mattress Firm and Tempur Sealy, which is expected to be approximately 18% of global Tempur Sealy sales in 2025

P&L LANDSCAPING

- Tempur Sealy has historically accounted for store occupancy costs in operating expense. It is now treated as COGS. This will result in an approximate 150 basis point headwind to North America's gross margin and an 800 basis point headwind to International's gross margin year over year
- Mattress Firm has historically accounted for co-operative advertising dollars provided by Tempur Sealy as a reduction to COGS. It is now treated as a reduction to advertising expense. Tempur Sealy continues to account for all co-operative advertising investments in Advertising expense

PURCHASE PRICE ACCOUNTING

- Approximately \$15 million of incremental expense associated with the step up to fair value of the acquired Mattress Firm business, which will primarily impact Mattress Firm COGS

SYNERGIES

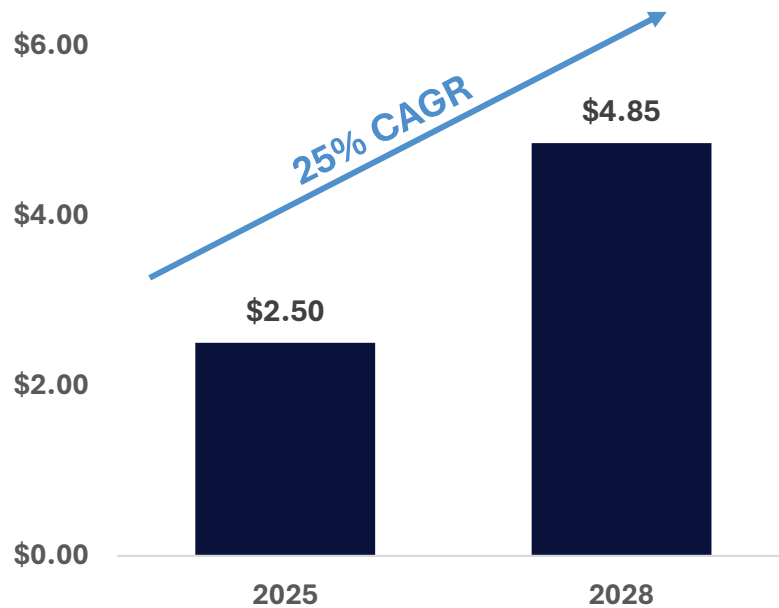
- Expected first year synergy benefits of \$15M, primarily realized in the back half of the year, with an expected ramp in subsequent years

LONG TERM PERSPECTIVE⁷

2026-2028



Adjusted EPS²



INTERNAL TARGETS³

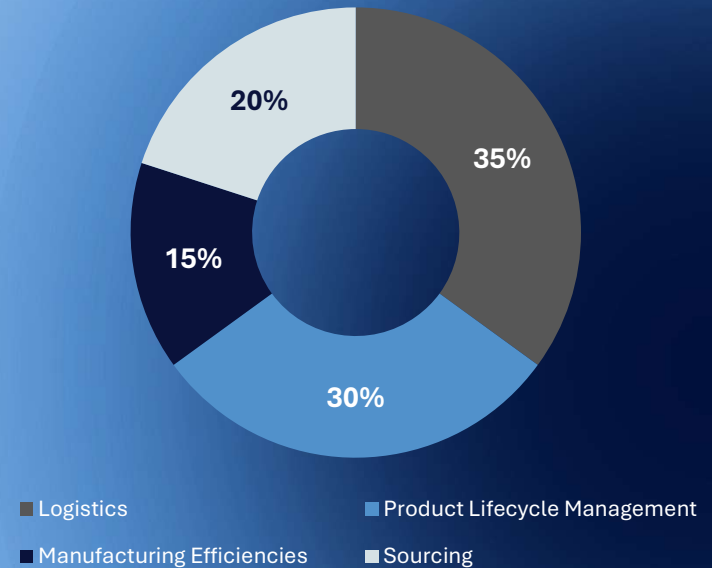
- We are internally targeting sales to grow at a compound annual rate of mid single digits starting in 2025.
- This indicates adjusted EPS² would increase from the \$2.50 midpoint for 2025 to approximately \$4.85 by 2028, a compound annual growth rate of 25%.

SYNERGIES OUTLOOK³

Enhanced visibility to consumer demand creates opportunities for agile and fortified supply chain management while expanded scale and vertical integration drive operational efficiencies.

- Increases scale and enhances operating metrics to drive **incremental investments in supply chain innovation**
- **Leverages the combined scale and vertically integrated infrastructure** across logistics, transportation, warehousing, supply chain planning, sourcing and product development to drive operational efficiencies and streamline order-to-delivery

EXPECTED RUN RATE SYNERGIES

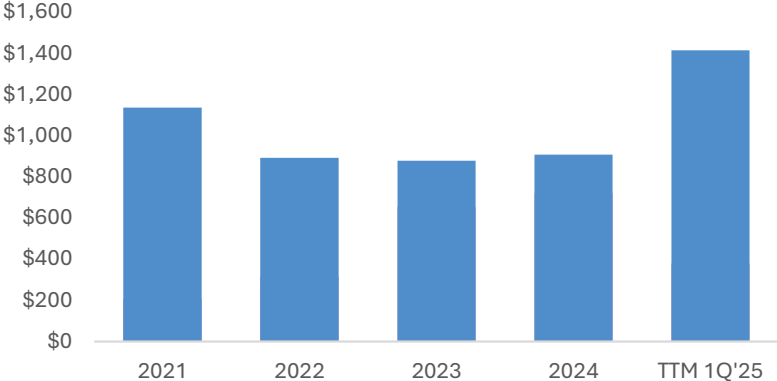


Expect to realize \$15M of synergies in 2025 and to achieve

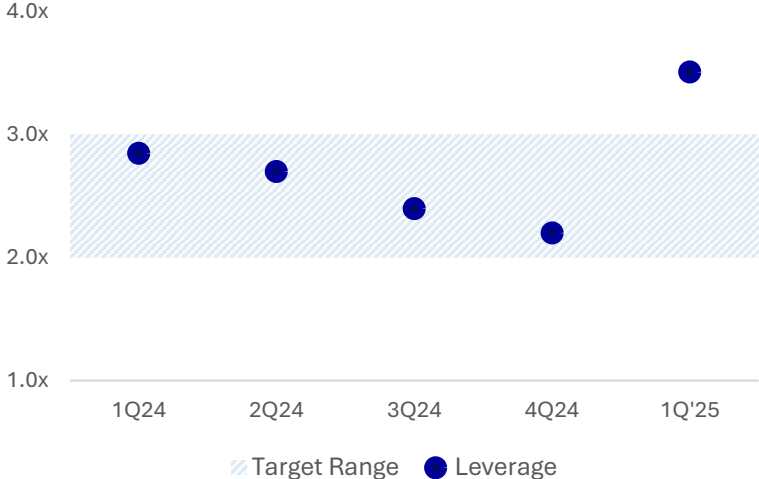
\$100M
OF RUN-RATE SYNERGIES

STRONG BALANCE SHEET & CASH FLOW

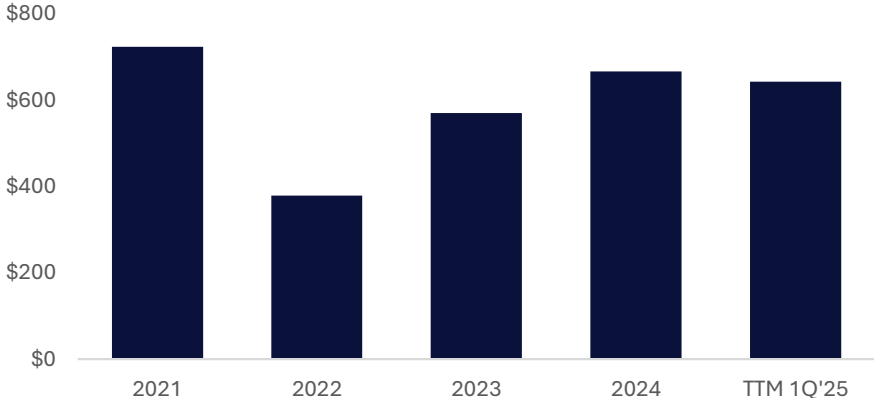
Full-Year Adjusted EBITDA²



Leverage²

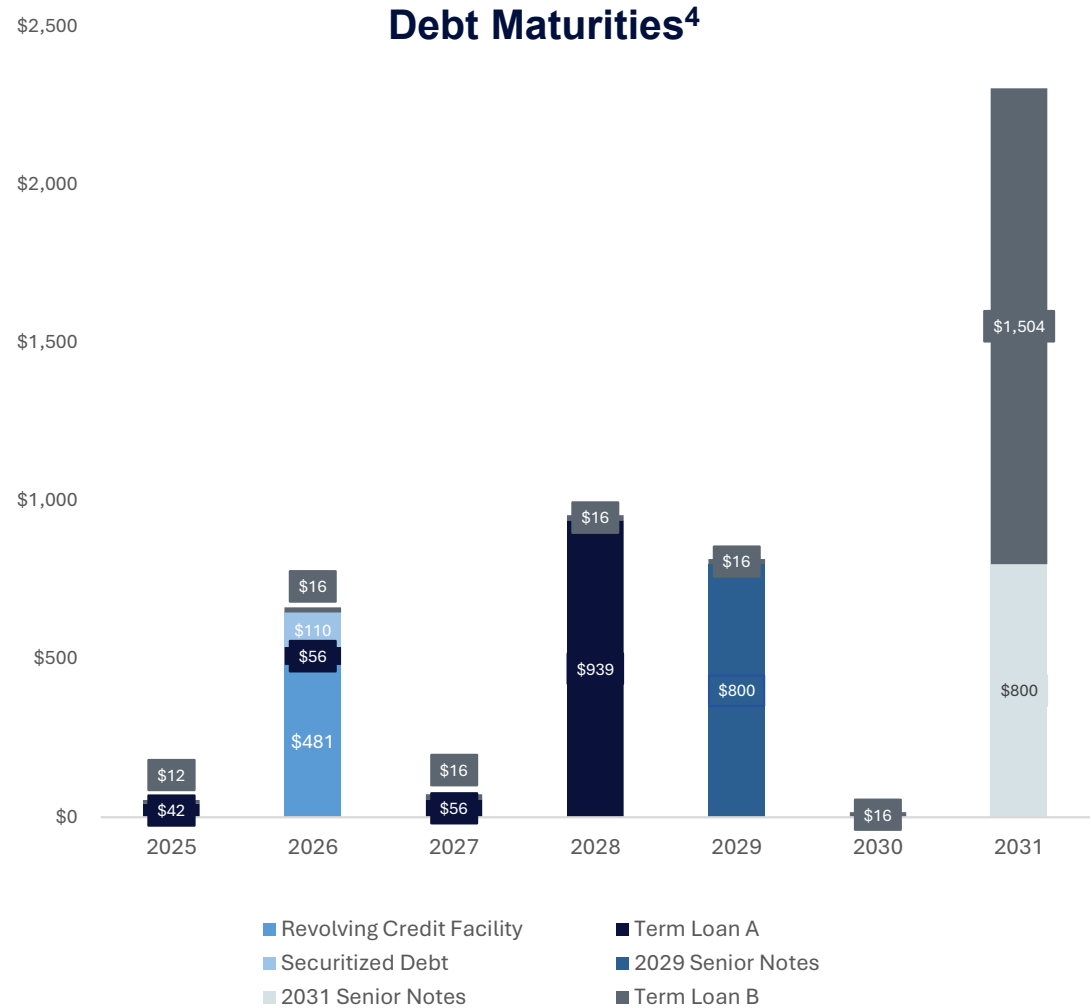


Full-Year Operating Cash Flow

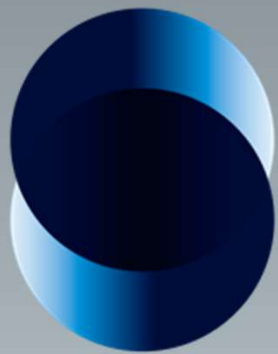


CAPITAL STRUCTURE

- Leverage² was 3.5x and liquidity was ~\$820M as of 3/31/25
- We expect to return to our target leverage range of 2.0x to 3.0x and for share repurchases to be minimal over the next 12 months and to return to active share repurchase thereafter
- Credit ratings
 - Fitch: BB+
 - Moody's: Ba2
 - S&P: BB



Thank you for
your interest in



SOMNIGROUP

For more information, please email: investor.relations@somnigroup.com

APPENDIX

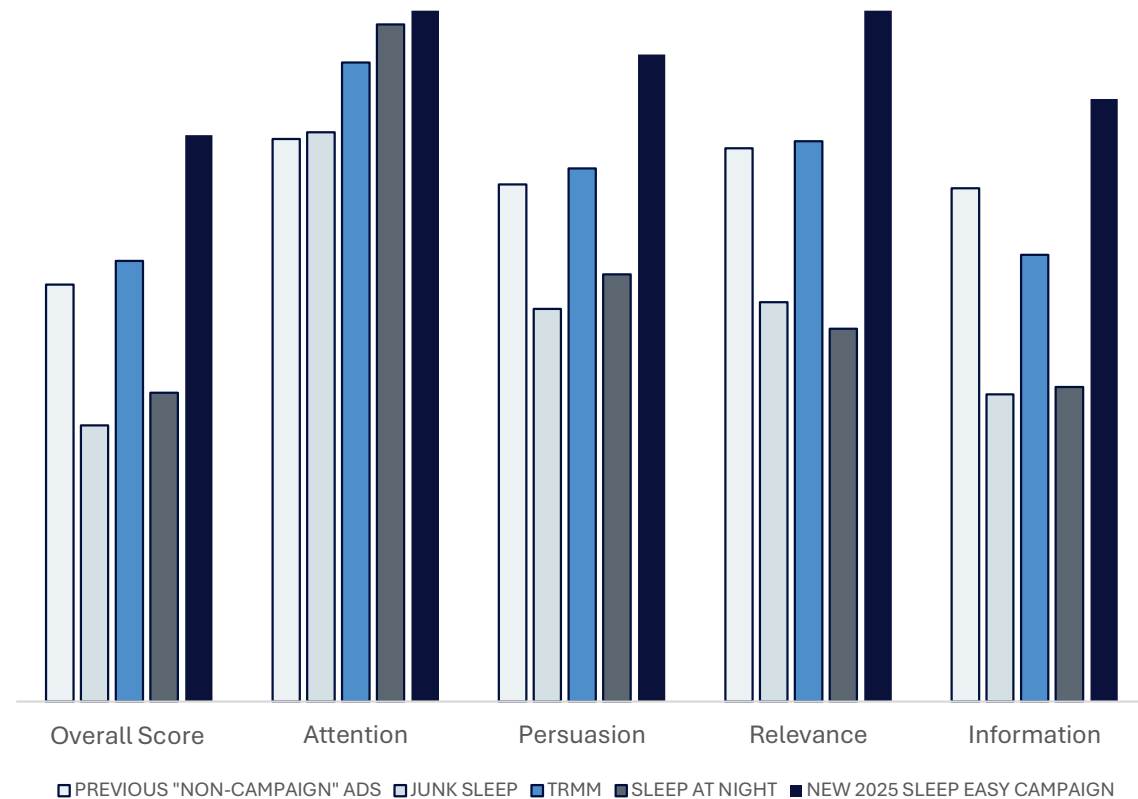


POST-ACQUISITION MATTRESS FIRM MARKETING

Mattress Firm Strategic Advertising Shift

- Revising Mattress Firm’s advertising strategy is expected to further enhance Somnigroup’s overall marketing effectiveness
- We have developed a new campaign that focuses on the role Mattress Firm and the products it sells can play to address widespread sleep problems
- We expect this new campaign will better highlight product value proposition and drive category interest and retail traffic industry-wide
- Preliminary testing has demonstrated the new campaign is Mattress Firm’s strongest in recent history, scoring meaningfully higher overall compared to prior campaigns
- We expect to launch this new campaign in 2H’25

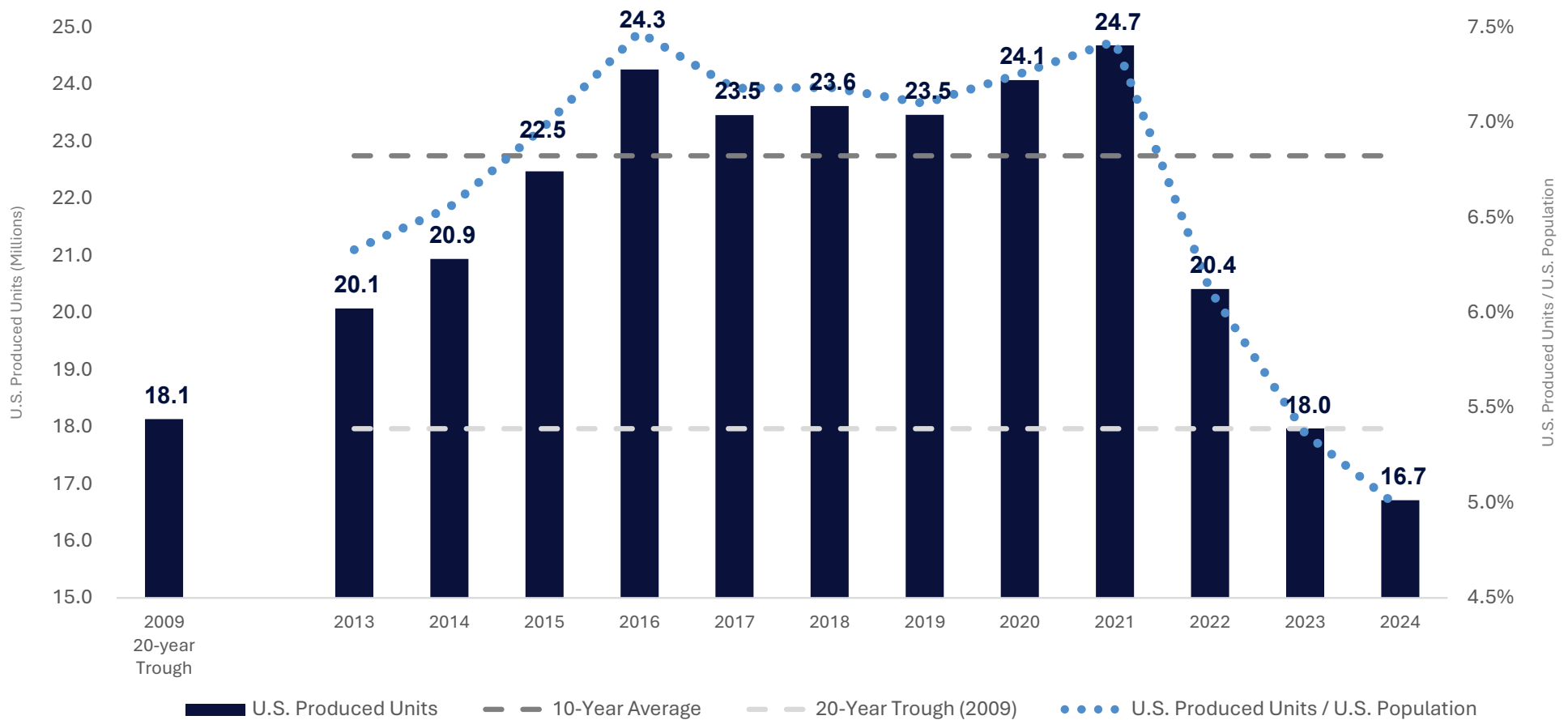
Average Third-Party Ad Testing Scores*
by Mattress Firm Campaign (Last 7 Years)



*Findings of third-party research measuring advertising effectiveness based on viewer reaction to video ads

U.S. HISTORICAL INDUSTRY VOLUMES³

U.S. Produced Mattress Units



SUSTAINABILITY INITIATIVES

2023 Updates

Environmental

- Achieved zero waste to landfill status at our Canadian and Mexican manufacturing operations and maintained our zero waste to landfill status at our U.S. and European manufacturing operations
- Achieved zero waste to landfill status at 75% of our corporate offices and R&D labs, in line with our goal to achieve zero landfill waste at our corporate offices and R&D labs by 2025
- Progressed towards our goal of achieving carbon neutrality by 2040 through reducing greenhouse gas emissions at our wholly owned manufacturing and logistics operations by 4%* compared to the prior year
- Summarized and published our approach to comprehensive chemical supply management in a Chemical Safety Policy

Purpose

- Continued to bring industry-leading innovation to market that provides consumers with access to higher quality sleep at a variety of price points, including the new U.S. product launches of TEMPUR-Breeze®, TEMPUR-Ergo® Smart Base, and Stearns & Foster, and the new international launches of TEMPUR® products
- Contributed approximately \$800,000 through the Tempur Sealy Foundation and donated more than 12,100 mattresses worth approximately \$16.9 million, bringing our ten-year donation total to over \$100 million

People

- Increased transparency and expanded disclosures around Employee Health & Safety, Ethics Line, and Employee Satisfaction & Engagement
- Embedded ESG performance as a factor in executive leadership's 2023 compensation program



The impact of acquisitions will be integrated into our Corporate Responsibility disclosures and initiatives 24 months after closing. In 2024, we shifted our annual sustainability reporting period to be aligned with our fiscal year. We anticipate publishing the report covering the 2024 fiscal year period in late 2025.

*This excludes the impact of new facilities opened in the trailing twelve-month period. Including the impact of new facilities, we reduced greenhouse gas emissions at our wholly owned manufacturing and logistics operations by 1% compared to the prior year.

FORWARD-LOOKING STATEMENTS

This investor presentation contains statements regarding the Company's expectations future performances, integration of acquired companies with our business (including Mattress Firm), the Company's quarterly cash dividend, the Company's expectations regarding geopolitical events (including the war in Ukraine and the conflict in the Middle East), the Company's share repurchase targets, the Company's expectations regarding net sales and adjusted EPS for 2025 and subsequent periods and the Company's expectations for increasing sales growth, product launches, channel growth, acquisitions and commodities outlook, expectations regarding the imposition of new tariffs and retaliatory tariffs, increases in existing tariffs and other changes in trade policy and regulations, and expectations regarding supply chain disruptions and the macroeconomic environment. Any forward-looking statements contained herein are based upon current expectations and beliefs and various assumptions. There can be no assurance that the Company will realize these expectations, meet its guidance, or that these beliefs will prove correct.

Numerous factors, many of which are beyond the Company's control, could cause actual results to differ materially from any that may be expressed herein as forward-looking statements. These potential risks include the factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2024. There may be other factors that may cause the Company's actual results to differ materially from the forward-looking statements. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

Note Regarding Historical Financial Information:

In this investor presentation we provide or refer to certain historical information for the Company. For a more detailed discussion of the Company's financial performance, please refer to the Company's SEC filings.

Note Regarding Trademarks, Trade Names, and Service Marks:

TEMPUR®, Tempur-Pedic®, the Tempur-Pedic & Reclining Figure Design®, TEMPUR-Adapt®, TEMPUR-ProAdapt®, TEMPUR-LuxeAdapt®, TEMPUR-ProBreeze®, TEMPUR-LuxeBreeze®, TEMPUR-Cloud®, TEMPUR-Contour™, TEMPUR-Rhapsody™, TEMPUR-Flex®, THE GRANDBED BY Tempur-Pedic®, TEMPUR-Ergo®, TEMPUR-UP™, TEMPUR-Neck™, TEMPUR-Symphony™, TEMPUR-Comfort™, TEMPUR-Traditional™, TEMPUR-Home™, Sealy®, Sealy Posturepedic®, Stearns & Foster®, COCOON by Sealy™, SealyChill™, Clean Shop Promise®, and Mattress Firm®, are trademarks, trade names, or service marks of Somnigroup International Inc., and/or its subsidiaries. All other trademarks, trade names, and service marks in this presentation are the property of the respective owners.

Limitations on Guidance: The guidance included herein is from or supplemental to the Company's press release and related earnings call on May 8, 2025. The Company is neither reconfirming this guidance as of the date of this investor presentation nor assuming any obligation to update or revise such guidance. See above.

USE OF NON-GAAP FINANCIAL MEASURES INFORMATION

In this investor presentation and certain of its press releases and SEC filings, the Company provides information regarding adjusted net income, adjusted EPS, EBITDA, adjusted EBITDA, free cash flow, consolidated indebtedness less netted cash, and leverage, which are not recognized terms under U.S. Generally Accepted Accounting Principles (“GAAP”) and do not purport to be alternatives to net income and earnings per share as a measure of operating performance, an alternative to cash provided by operating activities as a measure of liquidity, or an alternative to total debt. The Company believes these non-GAAP measures provide investors with performance measures that better reflect the Company’s underlying operations and trends, including trends in changes in margin and operating expenses, providing a perspective not immediately apparent from net income and operating income. The adjustments management makes to derive the non-GAAP measures include adjustments to exclude items that may cause short-term fluctuations in the nearest GAAP measure, but which management does not consider to be the fundamental attributes or primary drivers of the Company’s business.

The Company believes that exclusion of these items assists in providing a more complete understanding of the Company’s underlying results from continuing operations and trends, and management uses these measures along with the corresponding GAAP financial measures to manage the Company’s business, to evaluate its consolidated and business segment performance compared to prior periods and the marketplace, to establish operational goals and management incentive goals, and to provide continuity to investors for comparability purposes. Limitations associated with the use of these non-GAAP measures include that these measures do not present all the amounts associated with the Company’s results as determined in accordance with GAAP. These non-GAAP measures should be considered supplemental in nature and should not be construed as more significant than comparable measures defined by GAAP. Because not all companies use identical calculations, these presentations may not be comparable to other similarly titled measures of other companies. For more information regarding the use of these non-GAAP financial measures, please refer to the reconciliations on the following pages and the Company’s SEC filings.

EBITDA and Adjusted EBITDA

A reconciliation of the Company’s GAAP net income to EBITDA and adjusted EBITDA per credit facility is provided on the subsequent slides. Management believes that the use of EBITDA and adjusted EBITDA per credit facility provides investors with useful information with respect to the Company’s operating performance and comparisons from period to period as well as the Company’s compliance with requirements under its credit agreement.

Adjusted Net Income and Adjusted EPS

A reconciliation of the Company’s GAAP net income to adjusted net income and a calculation of adjusted EPS are provided on subsequent slides. Management believes that the use of adjusted net income and adjusted EPS also provides investors with useful information with respect to the Company’s operating performance and comparisons from period to period. Forward-looking Adjusted EPS is a non-GAAP financial measure. The Company is unable to reconcile this forward-looking non-GAAP measure to EPS, its most directly comparable forward-looking GAAP financial measure, without unreasonable efforts, because the Company is currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact EPS in 2025.

Leverage

Consolidated indebtedness less netted cash to adjusted EBITDA per credit facility, which the Company may refer to as leverage, is provided on a subsequent slide and is calculated by dividing consolidated indebtedness less netted cash, as defined by the Company’s senior secured credit facility, by adjusted EBITDA per credit facility. The Company provides this as supplemental information to investors regarding the Company’s operating performance and comparisons from period to period, as well as general information about the Company’s progress in managing its leverage.

QTD ADJUSTED NET INCOME² AND ADJUSTED EPS²

<i>(in millions, except per share amounts)</i>	Three Months Ended	
	March 31, 2025	March 31, 2024
Net (loss) income	\$ (33.1)	\$ 76.3
Acquisition-related costs ⁽¹⁾	114.2	—
Transaction costs ⁽²⁾	51.9	14.8
Transaction-related interest expense, net ⁽³⁾	6.8	—
Supply chain transition costs ⁽⁴⁾	3.5	—
Operational start-up costs ⁽⁵⁾	—	3.1
Adjusted income tax provision ⁽⁶⁾	(46.3)	(4.5)
Adjusted net income	<u>\$ 97.0</u>	<u>\$ 89.7</u>
Adjusted earnings per common share, diluted	<u>\$ 0.49</u>	<u>\$ 0.50</u>
Diluted shares outstanding	<u>198.9</u>	<u>178.0</u>

(1) In the first quarter of 2025, we recorded \$114.2 million of acquisition-related costs. Cost of sales included \$95.4 million primarily related to one-time business combination accounting and purchase price allocation adjustments. Operating expenses included \$18.8 million of professional fees and restructuring costs.

(2) In the first quarter of 2025, we recorded \$51.9 million of transaction costs associated with the Mattress Firm acquisition. Operating expenses primarily included legal and professional fees associated with the Mattress Firm acquisition. In the first quarter of 2024, we recorded \$14.8 million of transaction costs primarily related to legal and professional fees associated with the Mattress Firm acquisition.

(3) In the first quarter of 2025, we incurred \$6.8 million of transaction-related interest expense, net of interest income, related to the Term B Loan drawn and held in escrow. The proceeds of the Term B Loan were released upon the closing of the acquisition of Mattress Firm on February 5, 2025.

(4) In the first quarter of 2025, we recorded \$3.5 million of supply chain transition costs associated with the consolidation of certain manufacturing facilities, with \$1.9 million recorded in cost of sales and \$1.6 million recorded in operating expenses.

(5) In the first quarter of 2024, we recorded \$3.1 million of operational start-up costs related to the capacity expansion of manufacturing and distribution facilities in the U.S., including personnel and facility related costs.

(6) Adjusted income tax provision represents the tax effects associated with the aforementioned items.

TTM ADJUSTED NET INCOME² AND ADJUSTED EPS²

<i>(in millions, except per common share amounts)</i>	Trailing Twelve Months Ended	
	March 31, 2025	
Net income	\$	274.9
Acquisition-related costs ⁽¹⁾		114.2
Transaction costs ⁽²⁾		84.9
Customer-related transition charges ⁽³⁾		26.7
Transaction-related interest expense, net ⁽⁴⁾		16.6
Supply chain transition costs ⁽⁵⁾		13.0
Cybersecurity event ⁽⁶⁾		(4.9)
Adjusted income tax provision ⁽⁷⁾		(63.0)
Total adjustments	\$	187.5
Adjusted net income	\$	462.4
Adjusted earnings per share, diluted	\$	2.54

(1) In the first quarter of 2025, we recorded \$114.2 million of acquisition related costs. Cost of sales included \$95.4 million primarily related to one-time business combination accounting and purchase price allocation adjustments. Operating expenses included \$18.8 million of professional fees and restructuring costs.

(2) In the trailing twelve months ended March 31, 2025, we recognized \$84.9 million of transaction costs associated with the Mattress Firm acquisition.

(3) In the trailing twelve months ended March 31, 2025, we recorded \$26.7 million of transition charges as a result of a customer's acquisition which foreclosed on our OEM distribution to this customer.

(4) In the trailing twelve months ended March 31, 2025, we recognized \$16.6 million of transaction related interest expense, net of interest income, related to the Term B Loan drawn and held in escrow. The proceeds of the Term B Loan were released upon the closing of the Mattress Firm acquisition on February 5, 2025.

(5) In the trailing twelve months ended March 31, 2025, we recognized \$13.0 million in supply chain transition costs associated with the consolidation of certain manufacturing facilities.

(6) In the trailing twelve months ended March 31, 2025, we received proceeds of \$4.9 million for an insurance claim related to the previously disclosed cybersecurity event identified on July 23, 2023.

(7) Adjusted income tax provision represents the tax effects associated with the aforementioned items.

*For a reconciliation net income to adjusted net income and adjusted EPS in prior reporting periods, please refer to the Company's SEC filings.

ADJUSTED EBITDA²

<i>(in millions)</i>	Three Months Ended	
	March 31, 2025	March 31, 2024
Net (loss) income	\$ (33.1)	\$ 76.3
Interest expense, net	54.5	34.3
Transaction-related interest expense, net ⁽¹⁾	6.8	—
Income taxes	(16.5)	20.7
Depreciation and amortization	66.6	49.0
EBITDA	\$ 78.3	\$ 180.3
Adjustments:		
Acquisition-related costs ⁽²⁾	114.2	—
Transaction costs ⁽³⁾	51.9	14.8
Supply chain transition costs ⁽⁴⁾	3.5	—
Operational start-up costs ⁽⁵⁾	—	3.1
Adjusted EBITDA	\$ 247.9	\$ 198.2

- (1) In the first quarter of 2025, we incurred \$6.8 million of transaction-related interest expense, net of interest income, related to the Term B Loan drawn and held in escrow. The proceeds of the Term B Loan were released upon the closing of the Mattress Firm Acquisition on February 5, 2025.
- (2) In the first quarter of 2025, we recorded \$114.2 million of acquisition-related costs. Cost of sales included \$95.4 million, primarily related to one-time business combination accounting and purchase price allocation adjustments. Operating expenses included \$18.8 million of professional fees and restructuring costs.
- (3) In the first quarter of 2025, we recorded \$51.9 million of transaction costs associated with the Mattress Firm Acquisition. Operating expenses primarily included legal and professional fees associated with the Mattress Firm Acquisition. In the first quarter of 2024, we recorded \$14.8 million of transaction costs primarily related to legal and professional fees associated with the Mattress Firm Acquisition.
- (4) In the first quarter of 2025, we recorded \$3.5 million of supply chain transition costs associated with the consolidation of certain manufacturing facilities, with \$1.9 million recorded in cost of sales and \$1.6 million recorded in operating expenses.
- (5) In the first quarter of 2024, we recorded \$3.1 million of operational start-up costs related to the capacity expansion of manufacturing and distribution facilities in the U.S., including personnel and facility related costs.

*For a reconciliation net income to EBITDA and Adjusted EBITDA in prior reporting periods, please refer to the Company's SEC filings.

TTM ADJUSTED EBITDA²

<i>(in millions)</i>	Trailing Twelve Months Ended March 31, 2025	
Net income	\$	274.9
Interest expense, net		145.2
Transaction related interest expense, net ⁽¹⁾		16.6
Income tax provision		81.4
Depreciation and amortization		221.5
EBITDA	\$	739.6
Adjustments for financial covenant purposes:		
Acquisition related costs ⁽²⁾		114.2
Transaction costs ⁽³⁾		84.9
Customer-related transition charges ⁽⁴⁾		26.7
Supply chain transition costs ⁽⁵⁾		13.0
Cybersecurity event ⁽⁶⁾		(4.9)
Adjusted EBITDA	\$	973.5
Adjustments for financial covenant purposes:		
Unrestricted subsidiary ⁽⁷⁾	\$	10.1
Earnings from Mattress Firm prior to acquisition ⁽⁸⁾	\$	329.6
Future synergies to be realized from Mattress Firm acquisition ⁽⁹⁾	\$	100.0
Adjusted EBITDA per credit facility	\$	1,413.2
Consolidated indebtedness less netted cash	\$	4,958.8
Ratio of consolidated indebtedness less netted cash to adjusted EBITDA		3.51 times

- (1) In the trailing twelve months ended March 31, 2025, we recognized \$16.6 million of transaction-related interest expense, net of interest income, related to the Term B Loan drawn and held in escrow. The proceeds of the Term B Loan were released upon the closing of the Mattress Firm acquisition on February 5, 2025.
- (2) In the first quarter of 2025, we recorded \$114.2 million of acquisition-related costs.
- (3) In the trailing twelve months ended March 31, 2025, we recognized \$84.9 million of transaction costs associated with the Mattress Firm acquisition.
- (4) In the trailing twelve months ended March 31, 2025, we recorded \$26.7 million of transition charges as a result of a customer's acquisition which foreclosed on our OEM distribution to this customer.
- (5) In the trailing twelve months ended March 31, 2025, we recognized \$13.0 million in supply chain transition costs associated with the consolidation of certain manufacturing facilities.
- (6) In the trailing twelve months ended March 31, 2025, we received proceeds of \$4.9 million for an insurance claim related to the previously disclosed cybersecurity event identified on July 23, 2023.
- (7) A subsidiary in the Tempur Sealy North America business segment is accounted for as held for sale and has been designated as an unrestricted subsidiary under the 2023 Credit Agreement. Therefore, this subsidiary's financial results were excluded from our adjusted financial measures for covenant compliance purposes.
- (8) We completed the Mattress Firm Acquisition on February 5, 2025 and designated this subsidiary as restricted under the 2023 Credit Agreement. For covenant compliance purposes, we included \$329.6 million of Mattress Firm EBITDA for the period prior to acquisition in our calculation of adjusted EBITDA per credit facility for the trailing twelve months ended March 31, 2025.
- (9) For the trailing twelve months ended March 31, 2025, we are permitted to include \$100.0 million of future synergies expected to be realized in connection with acquisitions for the purpose of calculating our adjusted EBITDA in accordance with the 2023 Credit Agreement.

LEVERAGE² RECONCILIATION

<i>(in millions)</i>	March 31, 2025
Total debt, net	\$ 5,033.0
Plus: Deferred financing costs ⁽¹⁾	36.9
Total debt	5,069.9
Less: Netted cash ⁽²⁾	111.1
Consolidated indebtedness less netted cash	\$ 4,958.8

- (1) We present deferred financing costs as a direct reduction from the carrying amount of the related debt in the Condensed Consolidated Balance Sheets. For purposes of determining total debt for financial covenant purposes, the Company has added these costs back to total debt, net as calculated per the Condensed Consolidated Balance Sheets.
- (2) Netted cash includes cash and cash equivalents for domestic and foreign subsidiaries designated as restricted subsidiaries in the 2023 Credit Agreement.

FOOTNOTES

¹ Any financial information included in this presentation for Mattress Firm prior to the acquisition date of February 5, 2025, is based on Mattress Firm's historical financial reporting and has not been audited by the Company or the Company's accountants

² Adjusted net income, EBITDA, adjusted EBITDA, adjusted EBITDA per credit facility, adjusted EPS, leverage, and free cash flow are non-GAAP financial measures. Please refer to the "Use of Non-GAAP Financial Measures Information" on a previous slide for more information regarding the definitions of adjusted net income, EBITDA, adjusted EBITDA, adjusted EPS, leverage, and free cash flow, including the adjustments (as applicable) from the corresponding GAAP information. Please refer to "Forward-Looking Statements" and "Limitations on Guidance" on a previous slide

³ Management estimates, informed by equity research notes and other industry reports

⁴ Pro forma financials reflect Tempur Sealy's 12/31/24 results, updated for the impact of the Mattress Firm acquisition, including the elimination of intercompany sales between Tempur Sealy and Mattress Firm. Pro forma financials in this presentation do not reflect the May 1, 2025, divestiture of the Sleep Outfitters subsidiary and 73 Mattress Firm retail locations

⁵ Reflects the May 1, 2025 divestiture of 103 Sleep Outfitters retail locations and 73 Mattress Firm retail locations

⁶ Website visitors is defined as the number of website users, identified by internet protocol addresses and devices that have initiated at least one session on the referenced website during the period

⁷ Based on and supplemental to the Company's financial targets and long-term perspective provided in the press release dated May 8, 2025, and the related earnings call on May 8, 2025. Please refer to "Forward-Looking Statements" and "Limitations on Guidance." The Company is unable to reconcile forward-looking adjusted EPS, a non-GAAP financial measure, to EPS, its most directly comparable forward-looking GAAP financial measure, without unreasonable efforts, because the Company is currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact EPS in 2025 or beyond