



# ALLIANCE ENTERTAINMENT

## INVESTOR PRESENTATION

**WE BUILD YOUR COLLECTION**  
**WORLD OF COLLECTIBLES**  
**COLLECT THE WORLD**

Nasdaq: AENT

**MAY  
20  
25**  
**THE SUN**

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## Forward Looking Statements

Certain statements included in this Presentation that are not historical facts are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “plan,” “predict,” “potential,” “seem,” “seek,” “future,” “outlook,” “project,” and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of other financial and performance metrics and projections of market opportunity. These statements are based on various assumptions, whether identified in this Presentation, and on the current expectations of Alliance’s management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as and must not be relied on by an investor as, a guarantee, an assurance, a prediction, or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Alliance. These forward-looking statements are subject to a number of risks and uncertainties, including changes in domestic and foreign business, market, financial, political, and legal conditions; risks related to the rollout of Alliance’s business and the timing of expected business milestones; the effects of competition on Alliance’s future business; risks and failure by Alliance to meet the covenant requirements of its revolving credit facility, our ability to issue equity or equity-linked securities or obtain debt financing in the future, and the potential negative effect on the price and liquidity of Alliance’s securities and those factors discussed in Alliance’s Annual Report on Form 10-K for the fiscal year ended June 30, 2024 under the heading “Risk Factors”.

Additional risks related to Alliance’s business in particular include, but are not limited to competition, the ability of Alliance to grow and manage growth profitably, the ability of Alliance to maintain relationships with customers and suppliers and retain key employees; changes in the applicable laws or regulations; the possibility that Alliance may be adversely affected by other economic, business in Alliance’s internal control over financial reporting, and/or competitive factors. There may be additional risks and uncertainties that Alliance does not presently know or currently believes are immaterial that could cause actual results to differ from those contained in the forward-looking statements. Such risk factors also include, among others, future growth expectations and acquisitions; specific economic conditions in the United States; changes in laws and regulations; potential liability from future litigation; the diversion of management time on acquisitions and integration related issues; modifications or adjustments to Alliance’s financial statements as a result of applicable securities laws; and general economic conditions. Most of these factors are outside Alliance’s control and are difficult to predict.

## Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with United States generally accepted accounting principles (“GAAP”), some of the financial information and data contained in this Presentation, such as Adjusted EBITDA, EBITDA-CapEx and EV/EBITDA, has not been prepared in accordance with GAAP. Alliance believes these non-GAAP measures of financial results provide useful informant to management and investors regarding certain financial and business trends relating to Alliance’s financial condition and results of operations. Alliance’s management uses these non-GAAP measures for trend analyses, for purposes of determining management incentive compensation, and for budgeting and planning purposes.

Alliance believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating operating results and trends in and in comparing Alliance’s financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. Management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in Alliance’s financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Accordingly, our Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including companies in our industry, because other companies may calculate Adjusted EBITDA in a different manner than we calculate this measure. In order to compensate for these limitations, management presents non-GAAP financial measures in connection with GAAP results. In evaluating Adjusted EBITDA and EBITDA, you should be aware that in the future we may or may not incur expenses similar to some of the adjustments we have reported. Our presentation of Adjusted EBITDA and EBITDA does not imply that our future results will be unaffected by these adjustments or any unusual or non-recurring items. You should review Alliance’s audited financial statements, which have been included in the Annual Report on Form 10-K for the fiscal year ended June 30, 2024.

## Trademarks

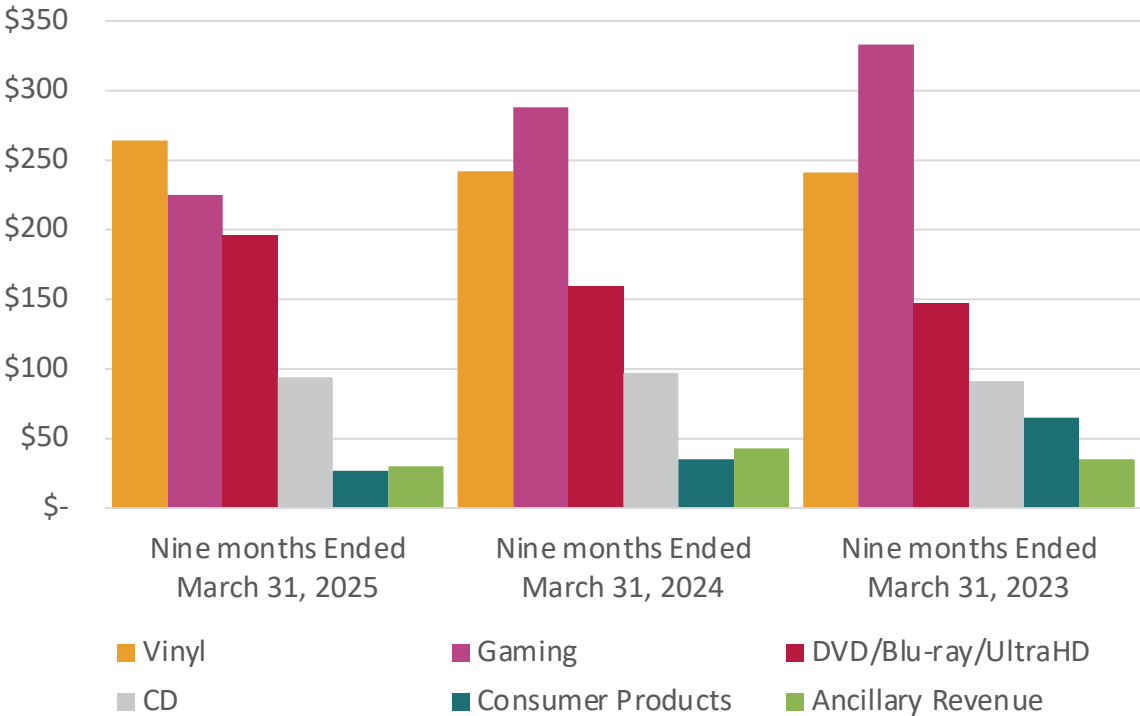
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The information contained herein is as of March 31<sup>st</sup>, 2025, and does not reflect any subsequent events.

# Alliance Entertainment, we build your collection!

Alliance Entertainment leads the industry in delivering collectible entertainment products, including Vinyl, CDs, DVDs, Blu-rays, Games, Toys and Vinyl Figures-driving over \$1 billion in annual revenue by connecting fans with the media they love

- Niche market expertise: Caters to collectors and physical media enthusiasts
- Exclusive content: Offers unique, licensed products not available elsewhere
- Omni-channel distribution: Serves 200+ online retailers and 35,000+ physical stores
- Trusted brand: Known for quality, reliability, and exceptional customer service
- Efficient operations: Scalable, capital-light model with advanced warehousing and logistics
- Proven growth strategy: Over 13 acquisitions and strong strategic partnerships

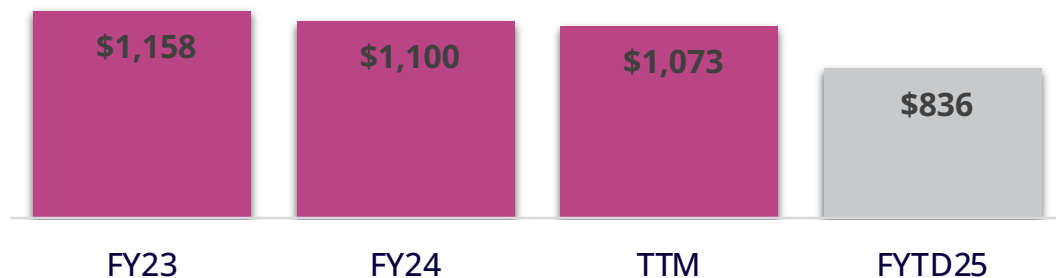


\$ Millions	Nine Months Ended		Nine Months Ended		Nine Months Ended				
	March 31, 2025		March 31, 2024		March 31, 2023				
Vinyl	\$	264	32%	\$	242	28%	\$	241	26%
Gaming		225	27%		288	33%		333	36%
DVD/Blu-ray/UltraHD		196	24%		159	18%		147	16%
CD		94	11%		97	11%		91	10%
Consumer Products		27	3%		35	4%		65	7%
Ancillary Revenue		30	4%		43	5%		35	4%
<i>Total</i>	\$	836	100%	\$	864	100%	\$	912	100%

## Revenue

\$ in millions

Fiscal Year Ended 6/30; Nine Months Ended 3/31/25



### EARNINGS PER SHARE

Period	Earnings Per Share
FY23	\$(0.74)
FY24	\$0.09
TTM	\$0.23
FYTD25	\$0.18

## Balance Sheet

\$ in millions

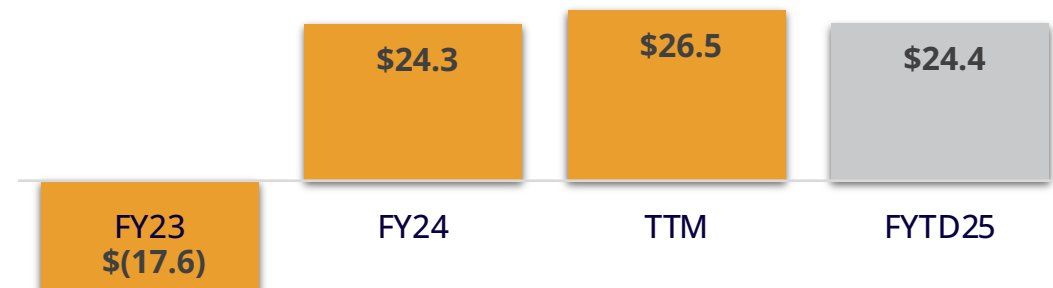
Fiscal Year Ended 6/30; 3/31/25

	FY 23	FY 24	Q3 25
Debt	\$133.3	\$79.6	\$75.2
Inventory	\$146.8	\$97.4	\$93.2

## Adjusted EBITDA

\$ in millions

Fiscal Year Ended 6/30; Nine Months Ended 3/31/25



### ADJUSTED EBITDA MARGIN

Period	Adjusted EBITDA Margin
FY23	-1.5%
FY24	2.2%
TTM	2.5%
FYTD25	2.9%

### Strong working capital while expanding SKU offerings and driving EBITDA growth

- Strong capital position
- Improvement in working capital
- Focus on licensing opportunities from Movie Studios

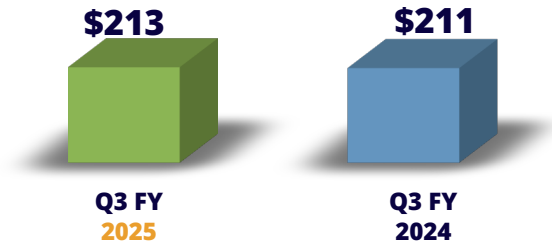
Nasdaq: **AENT** | IPO: **2023** | FOUNDED: **1990** | Closing Price \$2.63<sup>1)</sup> | Market Cap \$135M | 52-week Range \$1.10-11.57 | TTM Revenue \$1,073B  
| Avg Volume (90-day) 63,140 | Shares Outstanding 50.97M | Float 2.34M | Employee Owners 654

1) As of May 13, 2025

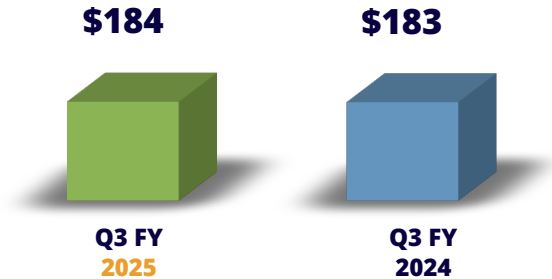
# Financial Highlights

FY25 Q3

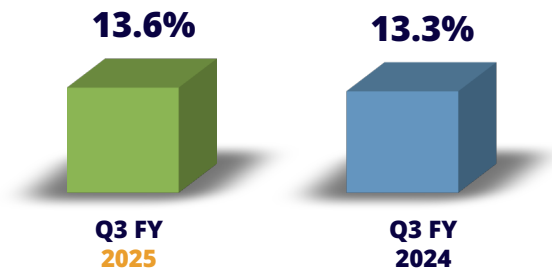
## Revenue in millions



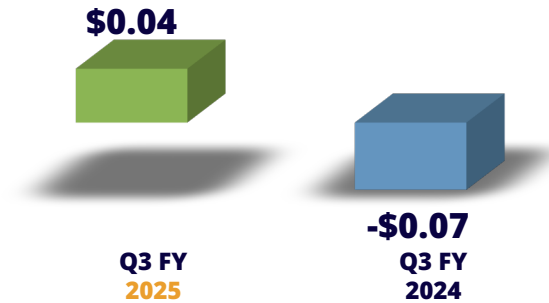
## Cost of Revenue in millions



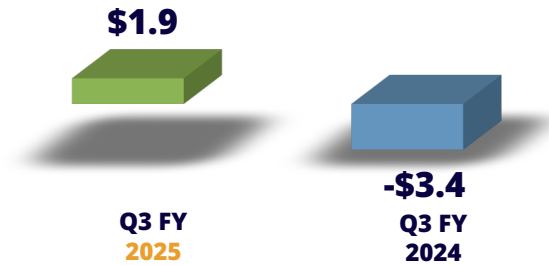
## Gross Margin percent



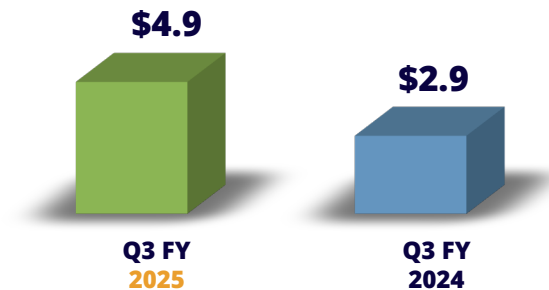
## Earnings Per Share



## Net Income in millions



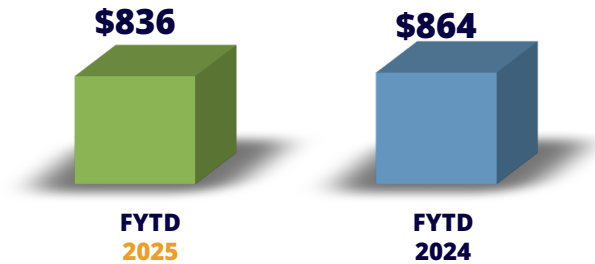
## Adjusted EBITDA in millions



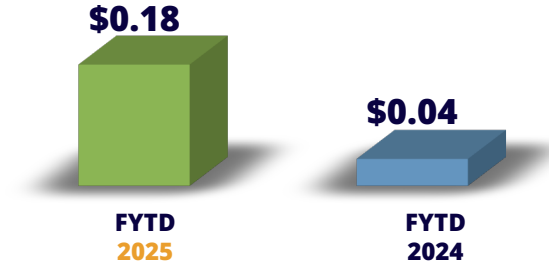
# Financial Highlights

FYTD25 Nine Months Ended 3/31/25

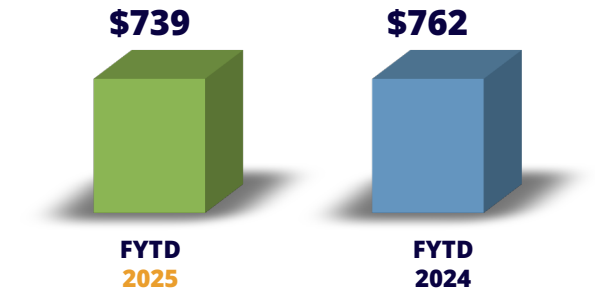
## Revenue in millions



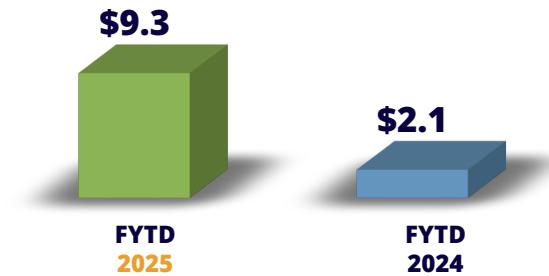
## Earnings Per Share



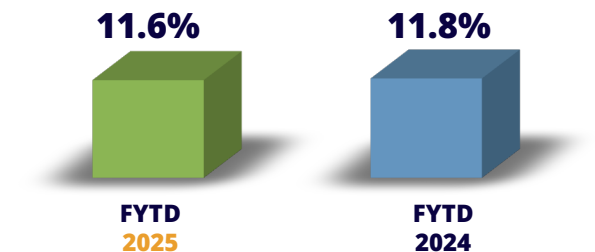
## Cost of Revenue in millions



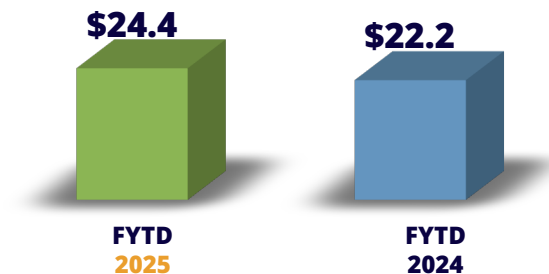
## Net Income in millions



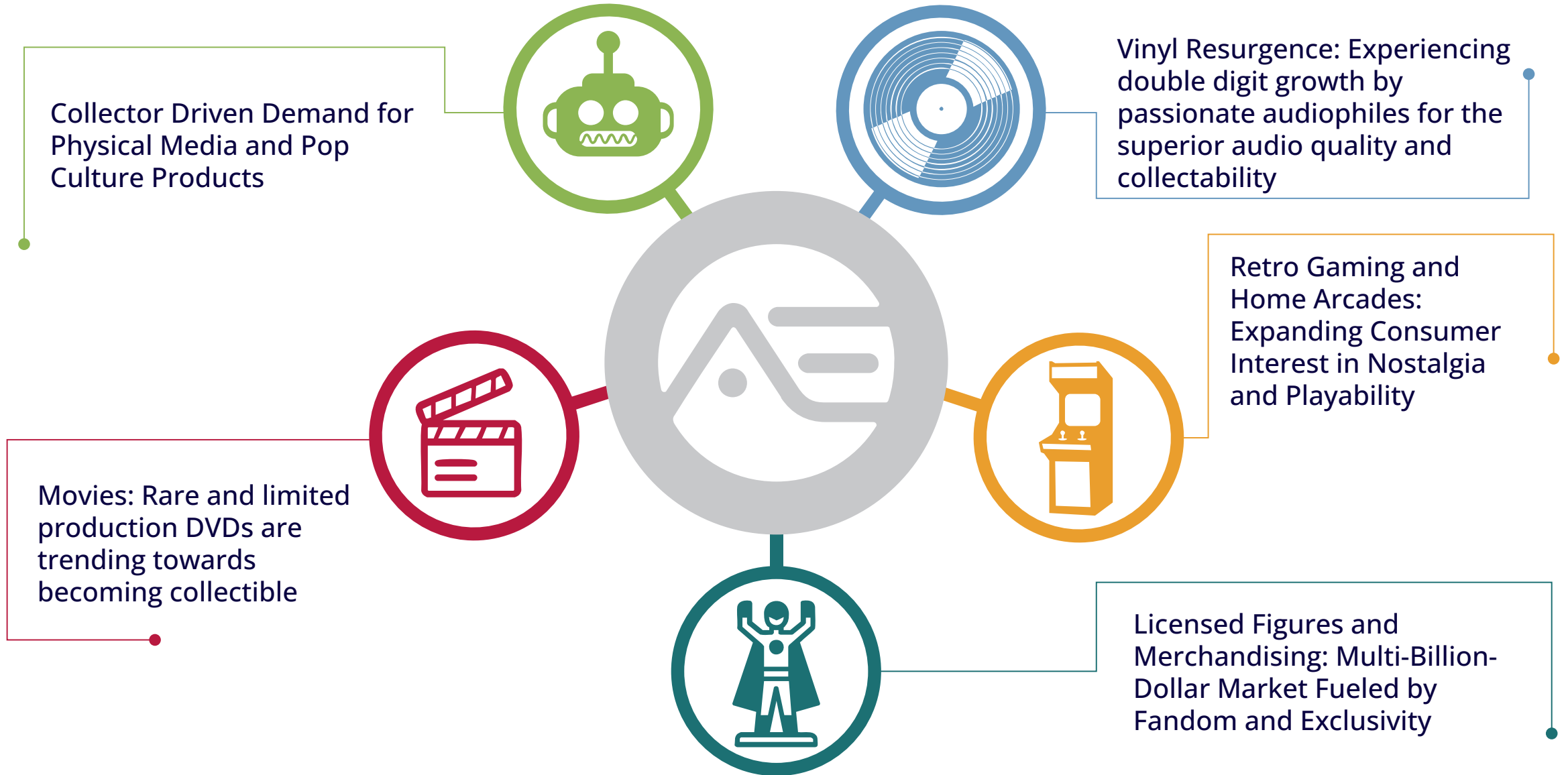
## Gross Margin percent



## Adjusted EBITDA in millions



# The Power of Collectibles



# Suppliers

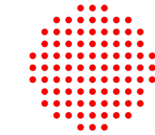
Alliance Entertainment distributes and markets products worldwide for the industry's premier content providers and manufacturers



UNIVERSAL MUSIC GROUP



*R.D.S. Industries Inc.*



SONY MUSIC



SONY PICTURES

SQUARE ENIX

**THRUSTMASTER®**



WALT DISNEY  
Studios



SDS  
Studio  
Distribution  
Services



# B2B Customers

Alliance Entertainment provides unparalleled distribution services to our B2B customers, including major chains and independent retailers



Walmart

BARNES & NOBLE



verizon✓



meijer

Fred Meyer



BrandsMart USA



Aaron's

amazon



ebay™

sam's club

wayfair

fingerhut.



curacao



PC.  
RICHARD  
& SON



# Supporting Independent Retail with a strong portfolio of products catered to enthusiasts across a variety of product categories

Alliance Entertainment supports independent retailers with a diverse selection of entertainment, music, video games, and collectibles, helping them attract customers and enrich their communities. Our goal is to help these stores thrive through access to high-quality, in-demand products.

- Vinyl Records
- Movie & Film (Including DVD, Blu-ray, 4K and Special Edition SteelBook®)
- Toys & Collectibles



## PROUD SUPPORTER OF RECORD STORE DAY

Powering Record Store Day with 600,000+ vinyl units shipped to over 1,000 stores.

# Direct To Consumer (DTC)

Alliance Entertainment's extensive inventory selection allows DTC customers to access a wide range of entertainment products and collectibles through our dropshipping service, eliminating the need for them to invest in inventory

## E-commerce DTC Fulfillment

A core competency offering broad product selection, high in-stock rates, fast and accurate pick/pack/ship, flexible integrations, and diverse shipping options.

## Flexible Fulfillment Solutions

Serving clients from specialty shops to national retailers, our DTC and 3PL solutions meet stringent SLAs and support blended inventory models (consigned + Alliance Entertainment).

## Enhanced Retail Experience

Alliance Entertainment Rich Data powers engaging web content with robust product metadata across our extensive catalog.

## Scalable Operations

- Over 12M packages shipped annually, covering 325,000+ SKUs
- Capacity to scale to 280,000 daily units during peak demand

## Our DTC Team

Includes DTC Support and Account Managers, working together to ensure smooth integration, ongoing support, and sales growth.

- DTC Support handles technical setup, testing, go-live, and post-launch issue resolution
- DTC Account Managers drive sales opportunities, support program execution, and serve as the primary contact for customer needs



# Exclusive Distribution & Licensing

Our expanding portfolio of exclusive distribution and licensing agreements drives annual sales exceeding \$350 million

AMPED



With over 100+ labels, AMPED delivers CD's and vinyl with cutting-edge distribution services

DISTRIBUTION SOLUTIONS



DS brings a collective 30+ years' experience of e-commerce management with an integrated sales, marketing, and ops team approach

MILL CREEK ENTERTAINMENT



An independent studio for Digital, Blu-ray, and DVD distribution of theatrical movies, TV series, and original documentaries

ARCADE1UP



As an exclusive distributor for Arcade1up, Alliance has the latest in Home Arcade and electronic gaming boards

HANDMADE BY ROBOTS



Features a wide range of limited-edition licensed figures from film, TV, and holiday-related themes

- Exclusive distribution & licensing strengthens retailer relationships
- Became Exclusive Licensor for Paramount Pictures video movies as of 1/1/2025



# Exclusive Music Distribution

- Exclusive distribution for over 100 labels such as Better Noise, Empire, Epitaph, FUGA, Hopeless, Integral PIAS, Kai Media, Merge, Naxos, Nuclear Blast, Secretly Distribution, Sub Pop, Vydia sells to more brick and click retailers than any other music distributor:
  - 3,000+ Independent retailers
  - Non-traditional retailers such as Urban Outfitters, Hot Topic, Books-a-Million, Guitar Center, Project M
  - Mass Merchants and Chains: Target, Wal-Mart, B&N and Best Buy
  - We sell on all marketplaces across the globe via Alliance Entertainment Retail Group: Amazon, TikTok, eBay, Temu, Shein and many more
- Detailed and customizable B2B detailing sales and inventory management in real time with a huge variety of class of trade and genre reporting options

## **Billboard – Luminate Chart Activity**

Record Label Independent Albums – 45 of the Top 200

Indie Store Album Sales – 23 of the Top 200

Top New Artists – 32 of the Top 200

Alternative New Artist Chart – 13 of the Top 50

Hard Rock – 21 of the Top 100

Album Chart – 19 of the Top 200

Blues – 14 of the Top 100

Independent Albums – 9 of the Top 50



[ampeddistribution.com](https://ampeddistribution.com)



# Exclusive Physical and Digital Video Distribution

- Our exclusive content includes titles from some of the most recognizable brands in the world including, A24, Paramount, Sony Pictures, Disney, Lionsgate, The Criterion Collection, AMC Networks, Cineverse, Fifth Season, Maverick, Magenta and many more
- The ONLY independent distributor with preferred Amazon Vendor Services (AVS) agreement, allowing unparalleled sales, marketing, forecasting and reporting/analytics capabilities
- Key partner for products promoted in-store and online with targeted social media campaigns, keyword promotions, and more at Walmart.com, Target.com, BN.com, and Independent/ specialty accounts is an exclusive digital licensor of films and television series for a growing roster of independent label partners and licensed major studios supplies content across all digital and streaming formats—including VOD, AVOD, SVOD and TV licensing
- Home to a library of nearly 600 films and 60 TV series
- Capabilities includes an in-house creative team, with video editing, marketing, and digital delivery to major endpoints

[ds.aent.com](https://ds.aent.com)



## EXCLUSIVE LICENSED DISTRIBUTOR

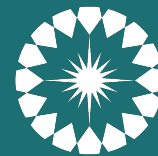
Distribution Solutions (AENT) exclusively started handling Paramount Pictures' Blu-ray, 4K, and DVD content for creation, manufacturing, marketing, and sales to retailers like Walmart and Amazon



**MILL CREEK**  
ENTERTAINMENT

# Leading Independent Studio for Digital, Blu-ray, and DVD Distribution

A reliable partner for major studios and independent content owners, with a proven track record of performance, revenue generation, and royalty management. Acquired by Alliance Entertainment in 2018. Participant in international industry events and licensing exhibitions – including MOPCOM, TIFF, AFM, The Licensing Show, CES, and NATPE.



**TWIN CITIES**  
FILM FEST

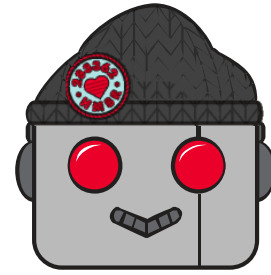
Mill Creek holds a seat on the Twin Cities Film Festival board, fostering a direct connection to filmmakers, producers, and financiers.



## Exclusive Distributor

- Alliance Entertainment is the exclusive distribution partner for Arcade1Up
- Warehouse, handling both direct-to-consumer and shipments to retail distributions centers and store locations
- Planning/Manufacturing works closely with Arcade1Up parent company Tastemakers to forecast and project accurate manufacturing runs
- Direct To Consumer (DTC) dropships Arcade1Up products to consumers on behalf of the world's largest ecommerce retailers
- Marketing, collaborates with Arcade1Up to promote the brand and maximize sales both in-store and online
- Promotions, creates a finetuned promotional strategy to capitalize and grow sales during key moments throughout the year, especially during the holiday season





HANDMADE BY  
**ROBOTS™**

## Preposterously adorable vinyl figures

Handmade by Robots creates collectible vinyl figures that mimic the look of knit plush toys. Inspired by popular movies, TV shows, and holidays, each figure features sculpted “knit-like” details and unique touches like glow-in-the-dark elements. Licensed from fan-favorite franchises such as DC Comics, Harry Potter, and Stranger Things, these durable designs appeal to collectors and casual fans alike.

[handmadebyrobots.com](http://handmadebyrobots.com)

**COMING SOON!**



# Alliance Entertainment Retail Group (AERG)

Alliance Entertainment Retail Group is led by in-house brands Critics' Choice Video, DeepDiscount, Movies Unlimited, Collectors' Choice Music, popmarket and WowHD, AERG markets and sells AENT's vast variety of products across in-house websites, mail-order catalogs, third party marketplaces (including Amazon, Walmart, Temu, Shein, and eBay), social media (including Facebook and TikTok) and specialty retailers (including Urban Outfitters and Discogs).

- \$85.8M TTM in Revenue
- 4,600,000 Catalogs Shipped
- Over 2,700,000 Individual Shipments
- 245,000 Distinct Products Sold
- Over 70 Countries Shipped to



[ccmusic.com](http://ccmusic.com)

[importcds.com](http://importcds.com)

[moviesunlimited.com](http://moviesunlimited.com)

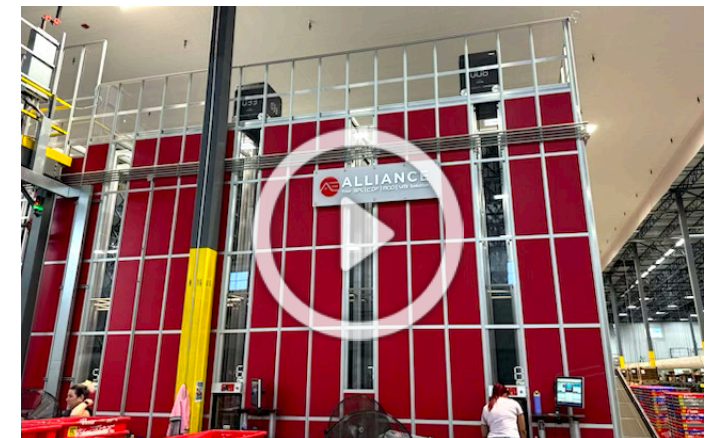
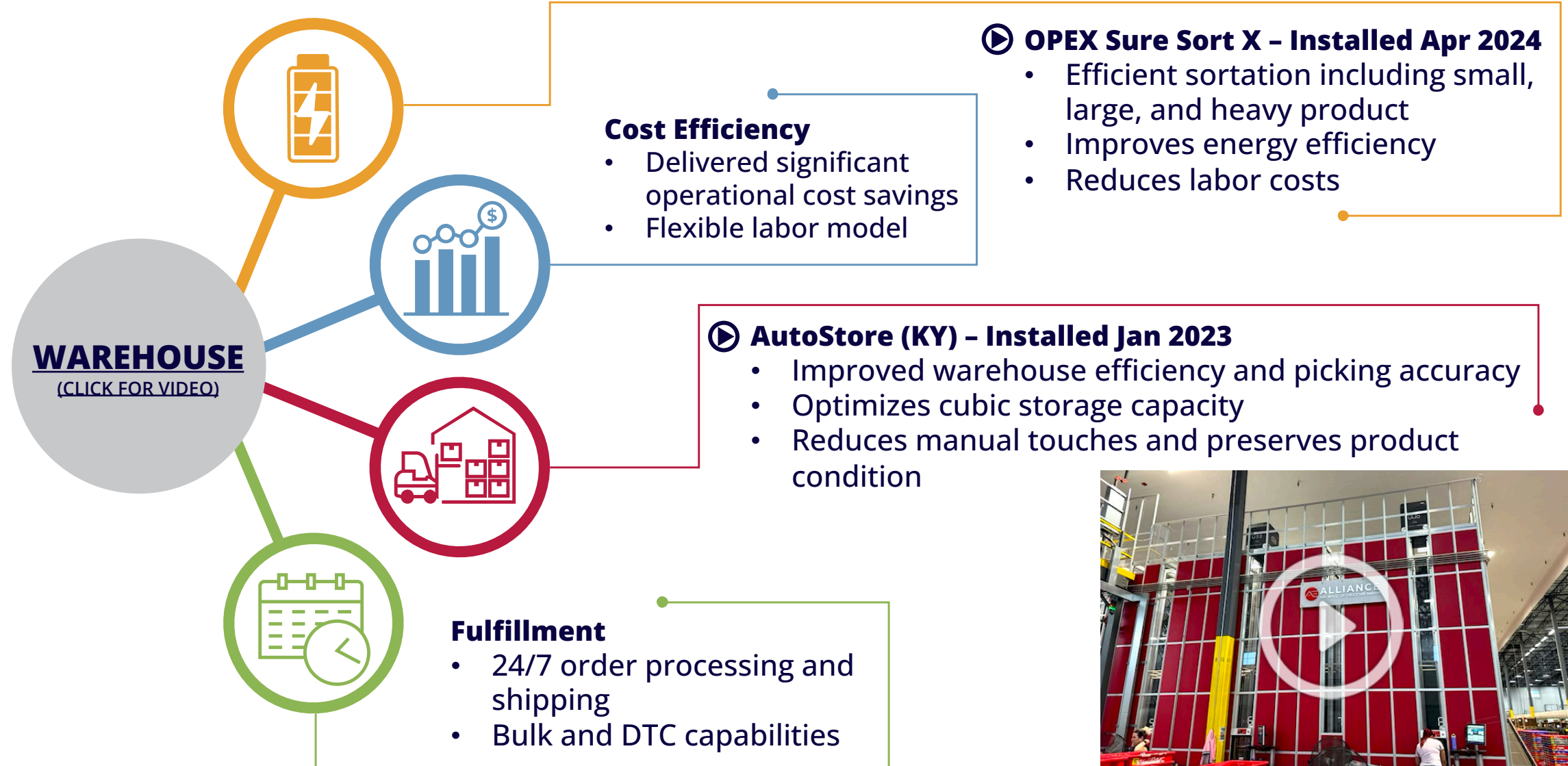
[deepdiscount.com](http://deepdiscount.com)

[popmarket.com](http://popmarket.com)

[ccvideo.com](http://ccvideo.com)

# Warehouse Automation

Enhanced warehouse efficiency, increasing performance and reducing costs



[\(CLICK FOR VIDEO\)](#)

Over **13**  
Acquisitions  
Over 20+ Years

Expanding  
Our Collectibles  
& Media  
Portfolio



HANDMADE BY  
**ROBOTS™**

Strengthening  
Our Pop Culture  
Collectibles  
Offering



# Strategic M&A

Strengthening Our Leadership in  
Collectibles & Entertainment.

## Opportunities:

- Other Large Movie Studios in discussions to sell/license and outsource their Home Entertainment Divisions of physical media rights
- Licensing and manufacturers of entertainment products
- Acquisition opportunities of aging family-owned competitors wanting liquidity event for estate planning purposes
- Strategic entertainment distributors and wholesalers
- ECommerce retailers of entertainment products
- Acquisitions of specialty fan communities and services

## Future Targets

Collectibles  
Brands

Exclusive  
Licensing, &  
Enhanced  
E-Commerce  
Fulfillment



## Ongoing Focus

Expanding  
Licensing  
Agreements  
& Proprietary  
Collectible  
Products



# Appendix

# Leadership

## Senior Management

81.9%  
Insider  
Ownership



**Jeff Walker**  
CEO, CFO, Director

Jeff's entrepreneurial spirit and financial acumen drives innovation, growth, and execution by focusing on transformative strategies and future opportunities.

Jeff Walker co-founded the CD Listening Bar, which evolved into Super D, a leading music wholesaler. Partnering with Bruce Ogilvie, they expanded Super D's footprint, leading to the acquisition of Alliance Entertainment.



**Bruce Ogilvie**  
Executive Chairman

As Chairman, Bruce uses his strategic vision and technical expertise to drive innovation and accelerate efficiency and growth.

Bruce Ogilvie founded Abbey Road Distributors, growing it to over \$94 million in sales. He led a major retail chain through a turnaround, resulting in its acquisition by a private equity firm. Partnering with Jeff Walker, the duo grew Super D leading to the acquisition of Alliance Entertainment.



**Warwick Goldby**  
Chief Operating Officer

Warwick Goldby joined Alliance in 2016 as a Project Manager with over 20 years of experience in operations, inventory management, analytic problem solving and performance analysis. His critical role in the Company's recent automation initiatives, including AutoStore storage and retrieval technology and Sure Sort® X, a cost-saving sortation technology system have positioned him to lead the Company's overall operations and continue to steer innovation.



**Amanda Gnecco**  
Chief Accounting Officer

Joining Alliance Entertainment in 2018 as Senior Accountant, Amanda Gnecco brings over 15 years of finance and accounting experience in both private and public sectors. Her expertise includes navigating complex financials and driving major initiatives like acquisitions and the recent de-SPAC. In her new role, she will lead the Accounting and Finance team, overseeing SEC reporting, regulatory compliance, corporate governance, risk management, cost management, and ESG reporting.



**Robert Black**  
Chief Compliance Officer

Joining Alliance Entertainment in 2019, Robert Black brings over 25 years of experience in financial planning and analysis, improving profitability, and working in both private and public sectors. In his new role, he will be responsible for developing and managing compliance activities to ensure regulatory adherence. He will also drive a culture of innovation in risk and information management to maintain the highest organizational standards.

# Leadership

## Independent Members



**Tom Donaldson**

**Director, Compensation, Audit, and Nominating and Corporate Governance Committees**

Tom Donaldson is the Founder and Managing Partner of Charlotte-based investment firm Blystone & Donaldson, focused on middle-market companies. He served as a director of Adara Acquisition Corp. from its 2020 inception through its 2023 combination. Previously, Donaldson was an executive at Investors Management Corporation (IMC), focusing on investments, risk management, and company relationships. Before IMC, he was a Partner at Morehead Capital Management (merged into IMC in 2016) and practiced law at McGuireWoods LLP, representing private funds and companies. He holds an MBA and JD from Villanova University and a Political Science degree from North Carolina State University.



**Chris Nagelson**

**Director, Compensation, and Nominating and Corporate Governance Committees**

During his time as Vice President, DMM for Walmart, Inc. in Bentonville, AR, Chris provided strategic direction that drove market share growth and supported the company's overall strategy. He established key performance indicators to enhance team efficiency and sales strategies, while leading cross-functional teams in strategic executive-level planning. Prior to Walmart, Chris served as Divisional Merchandise Manager for American Eagle Outfitters, Inc. in Pittsburgh, PA, from June 1997 to February 2005.



**Teri Wielenga**

**Director, Chair of Audit Committee**

Teri is a senior global finance executive, board director, and advisor with over 30 years of experience at Fortune 500 companies and a Big Four firm. She led global tax policy and strategy for Gilead Sciences and currently serves as a board director, secretary, and treasurer for The Gilead Foundation, as well as audit committee chair for the Arc Research Institute. Teri previously managed rapid global growth as Senior Vice President of Tax for Allergan, where she also served as CFO of the Allergan Foundation and as a board director for multiple international subsidiaries.

# Income Statement – FY25 Q3

(\$ in thousands)	Three Months Ended 3/31/2025		Three Months Ended 3/31/2024		
Net Revenues	\$	213,045	\$	211,209	
Cost of Revenues (excluding depreciation and amortization)		183,984		183,196	
Operating Expenses					
Distribution and Fulfillment Expense		9,989	4.7%	11,125	5.3%
Selling, General and Administrative Expense		14,187		13,948	
Depreciation and Amortization		1,352		1,402	
Transaction Costs		-		2,086	
Restructuring Cost		4		179	
Gain on Disposal of Fixed Assets		-		(51)	
Total Operating Expenses		25,532		28,689	
Operating Income (Loss)		3,529		(800)	
Other Expenses					
Interest Expense, Net		2,435	1.1%	3,052	1.4%
Change in Fair Value of Warrants		(1,676)		124	
Total Other Expenses		759		3,176	
Income (Loss) Before Income Tax Expense (Benefit)		2,770		(3,852)	
Income Tax Expense (Benefit)		919		(475)	
Net Income (Loss)	\$	1,851	\$	(3,377)	
Net Income (Loss) per Share	\$	0.04	\$	(0.07)	

- Operating Income up \$4.3 million year over year
- Profitability driven by a \$1.1 million or 10% decline in Distribution and Fulfillment expense
- Net Income up \$5.2 million year over year

- EBITDA up \$6.0 million or 989% year over year
- Adjusted EBITDA up \$1.9 million or 66% year over year due to variability of non-cash expense for Fair Value of Warrants

(\$ in thousands)	Three Months Ended 3/31/2025		Three Months Ended 3/31/2024	
<b>Net Income (Loss)</b>	\$	<b>1,851</b>	\$	<b>(3,377)</b>
<i>Add back:</i>				
Interest Expense		2,435		3,052
Income Tax Expense		919		(475)
Depreciation and Amortization		1,352		1,402
<b>EBITDA</b>	<b>\$</b>	<b>6,557</b>	<b>\$</b>	<b>602</b>
<i>Adjustments</i>				
Stock-based Compensation Expense		-		2,086
Change In Fair Value of Warrants		(1,676)		124
Gain on Disposal of PPE		-		(51)
Restructuring Cost		4		179
<b>Adjusted EBITDA</b>	<b>\$</b>	<b>4,885</b>	<b>\$</b>	<b>2,940</b>
Adjusted EBITDA Margin		2.3%		1.4%

# Income Statement – FYTD25 Q3

(\$ in thousands)	Nine Months Ended 3/31/2025	Nine Months Ended 3/31/2024
<b>Net Revenues</b>	\$ 835,707	\$ 863,549
Cost of Revenues (excluding depreciation and amortization)	738,821	761,580
<b>Operating Expenses</b>		
Distribution and Fulfillment Expense	31,425 3.8%	37,983 4.4%
Selling, General and Administrative Expense	41,092	43,667
Depreciation and Amortization	3,865	4,455
Transaction Costs	-	2,086
Restructuring Cost	73	226
Gain on Disposal of Fixed Assets	(15)	(51)
<b>Total Operating Expenses</b>	<b>76,440</b>	<b>88,366</b>
<b>Operating Income</b>	<b>20,446</b>	<b>13,644</b>
<b>Other Expenses</b>		
Interest Expense, Net	8,101 1.0%	9,520 1.1%
Change in Fair Value of Warrants	910	(41)
<b>Total Other Expenses</b>	<b>9,011</b>	<b>9,479</b>
Income Before Income Tax Expense	11,435	4,124
Income Tax Expense	2,116	2,049
<b>Net Income</b>	<b>\$ 9,319</b>	<b>\$ 2,075</b>
<b>Net Income per Share</b>	<b>\$ 0.18</b>	<b>\$ 0.04</b>

- Operating Income up \$6.8 million or 50% year over year
- Driven by 17% decline in Distribution and Fulfillment expense
- Net Income up \$7.2 million or 350% year over year

- Adjusted EBITDA up \$2.2 million or 10% year over year
- Fair Value of Warrants variability
- Interest expense decreased from \$9.5 million to \$8.1 million (-\$1.4 million or -15%) as less reliance on debt

(\$ in thousands)	Nine Months Ended 3/31/2025	Nine Months Ended 3/31/2024
<b>Net Income</b>	<b>\$ 9,319</b>	<b>\$ 2,075</b>
<i>Add back:</i>		
Interest Expense	8,101	9,520
Income Tax Expense	2,116	2,049
Depreciation and Amortization	3,865	4,455
<b>EBITDA</b>	<b>\$ 23,401</b>	<b>\$ 18,099</b>
<i>Adjustments</i>		
Stock-based Compensation Expense	-	1,386
Transaction Costs	-	2,086
Restructuring Cost	73	226
Change In Fair Value of Warrants	910	(41)
Merger-related Contingent Losses	-	461
Gain on Disposal of Property and Equipment	(15)	(51)
<b>Adjusted EBITDA</b>	<b>\$ 24,369</b>	<b>\$ 22,166</b>
Adjusted EBITDA Margin	2.9%	2.6%

# Balance Sheet & Cashflow Statement

March 31, 2025

(\$ in thousands)	March 31, 2024 Unaudited	June 30, 2024 Audited
<b>Assets</b>		
Cash and Equivalents	\$ 2,030	\$ 1,129
Accounts Receivable	94,860	92,357
Inventory	93,188	97,429
Other Current Assets	11,369	5,298
Net PP&E & Operating Lease Right-of-Use Assets	31,805	35,066
Net Intangible Assets	19,353	13,381
Net Goodwill	89,116	89,116
Total Other Assets	7,675	7,036
<b>Total Assets</b>	<b>\$ 349,396</b>	<b>\$ 340,812</b>
<b>Liabilities</b>		
Accounts Payable & Accrued Expenses	148,490	142,592
Revolving Credit Facility, Net, & Shareholder Loan	75,164	79,587
Other Current Liabilities	6,658	5,328
Non-Current Liabilities	21,682	25,676
<b>Total Liabilities</b>	<b>\$ 251,994</b>	<b>\$ 253,183</b>
<b>Equity</b>		
<b>Total Equity</b>	<b>\$ 97,402</b>	<b>\$ 87,629</b>
<b>Total Liabilities and Equity</b>	<b>\$ 349,396</b>	<b>\$ 340,812</b>

- Inventory values relatively flat and optimal for market conditions
- Current ratio at 1.3 demonstrates our effective management of working capital and healthy liquidity position
- Equity value up \$9.8 million or 11% since June 30th

- Net Income improved by \$7.2 million or 349% year over year
- Operating Activities \$4.1 million inventory reduction vs. large reduction prior year
- Investment Activities this period driven by \$7.5 million for Handmade by Robots
- Cash used in Financing a result of reduced borrowings year over year

(\$ in thousands)	Nine Months Ended March 31, 2025	Nine Months Ended March 31, 2024
<b>Net Income</b>	\$ 9,319	\$ 2,075
<b>Net Cash (Used In) Provided By:</b>		
Operating Activities	16,081	46,115
Investing Activities	(7,588)	(143)
Financing Activities	(7,592)	(45,195)

# Contact Information

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