UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 27, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission file number 001-38070

Floor & Decor Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-3730271**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2500 Windy Ridge Parkway SE **Atlanta, Georgia** (Address of principal executive offices)	**30339** (Zip Code)
(404) 471-1634 (Registrant's telephone number, including area code)	**Not Applicable** (Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, $0.001 par value per share	FND	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding at April 28, 2025**
Class A common stock, $0.001 par value per share	107,605,986

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Forward-Looking Statements

The discussion in this Form 10-Q for the quarterly period ended March 27, 2025 (the "Quarterly Report"), including under Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of Part I and Item 1A, "Risk Factors" of Part II, contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact contained in this Quarterly Report, including statements regarding our future operating results and financial position, business strategy and plans, and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "seeks," "intends," "targets," "projects," "contemplates," "believes," "estimates," "predicts," "budget," "potential," or "continue" or the negative of these terms or other similar expressions.

The forward-looking statements contained in this Quarterly Report are based on our current expectations, assumptions, estimates, and projections regarding the Company's business, the economy, and other future conditions. These statements involve known and unknown risks, uncertainties, and other important factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements in this Quarterly Report are reasonable, we cannot guarantee future events, results, performance, or achievements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements in this Quarterly Report, including, without limitation, those factors described in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of Part I of this Quarterly Report, Item 1A, "Risk Factors" of Part II of this Quarterly Report, and elsewhere in the Company's filings with the Securities and Exchange Commission (the "SEC"). Some of the key factors that could cause actual results to differ from our expectations include the following:

- an overall decline in the health of the economy, the hard surface flooring industry, consumer confidence and discretionary spending, and the housing market, including as a result of persistently high or rising inflation or interest rates, geopolitical events or uncertainty, or tariffs;
- our failure to successfully manage the challenges that our planned new store growth poses or the impact of unexpected difficulties or higher costs during our expansion;
- our inability to lease or acquire new store locations on acceptable terms, renew or replace our current store leases, or make payments under our leases;
- our failure to maintain and enhance our brand image and awareness;
- our failure to successfully anticipate and manage trends, consumer preferences, and demand;
- our inability to successfully manage increased competition;
- geopolitical risks, policies related to global trade and tariffs in the U.S. and other countries, and any antidumping and countervailing duties, any of which could impact our ability to import from foreign suppliers or raise our costs;
- our inability to manage our inventory, including the impact of inventory obsolescence, shrink, and damage;
- any disruption in our distribution capabilities, supply chain, and our related planning and control processes, including carrier capacity constraints, port congestion, strike, or shut down, and other supply chain costs or product shortages;
- any increases in wholesale prices of products, materials, and transportation costs beyond our control, including increases in costs due to inflation or tariffs;
- the resignation, incapacitation, or death of any key personnel, including our executive officers;
- our inability to attract, hire, train, and retain highly qualified managers and staff;
- the impact of any labor activities;
- our dependence on foreign imports for the products we sell, including risks associated with obtaining products from abroad;
- any failure by any of our suppliers to supply us with quality products on attractive terms and prices or to adhere to the quality standards that we set for our products;
- our inability to locate sufficient suitable natural products;

- the effects of weather conditions, natural disasters, or other unexpected events, including public health crises, that may disrupt our operations;
- restrictions imposed by our indebtedness on our current and future operations, including risks related to our variable rate debt;
- any allegations, investigations, lawsuits, or violations of laws and regulations applicable to us, our products, or our suppliers;
- our inability to adequately protect the privacy and security of information related to our customers, us, our associates, our suppliers, and other third parties;
- any material disruption in our information systems, including our website;
- our ability to manage our comparable store sales;
- our inability to maintain sufficient levels of cash flow or liquidity to fund our expanding business and service our existing indebtedness;
- new or changing laws or regulations, including tax laws and trade policies and regulations;
- any failure to protect our intellectual property rights or disputes regarding our intellectual property or the intellectual property of third parties;
- the impact of any future strategic transactions; and
- our ability to manage risks related to corporate social responsibility.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The forward-looking statements contained in this Quarterly Report speak only as of the date hereof. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. If a change to the events and circumstances reflected in our forward-looking statements occurs, our business, financial condition, and operating results may vary materially from those expressed in our forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, or otherwise.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Floor & Decor Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

in thousands, except for share and per share data	March 27, 2025	December 26, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 186,930	$ 187,669
Income taxes receivable	5,082	21,735
Receivables, net	100,419	101,486
Inventories, net	1,189,318	1,132,599
Prepaid expenses and other current assets	49,749	48,896
Total current assets	1,531,498	1,492,385
Fixed assets, net	1,797,356	1,786,587
Right-of-use assets	1,595,344	1,331,238
Intangible assets, net	149,286	150,203
Goodwill	257,940	257,940
Deferred income tax assets, net	17,252	17,082
Other assets	19,588	15,043
Total long-term assets	3,836,766	3,558,093
Total assets	$ 5,368,264	$ 5,050,478
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of term loan	$ 2,103	$ 2,103
Current portion of lease liabilities	145,088	138,646
Trade accounts payable	814,418	794,855
Accrued expenses and other current liabilities	277,299	295,425
Deferred revenue	14,596	13,163
Total current liabilities	1,253,504	1,244,192
Term loan	194,424	194,527
Lease liabilities	1,611,851	1,351,282
Deferred income tax liabilities, net	62,803	67,832
Other liabilities	23,919	22,487
Total long-term liabilities	1,892,997	1,636,128
Total liabilities	3,146,501	2,880,320
Commitments and contingencies (Note 5)		
Stockholders' equity		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; 0 shares issued and outstanding at March 27, 2025 and December 26, 2024	—	—
Common stock Class A, $0.001 par value; 450,000,000 shares authorized; 107,605,986 shares issued and outstanding at March 27, 2025 and 107,356,999 issued and outstanding at December 26, 2024	108	107
Additional paid-in capital	550,554	547,818
Accumulated other comprehensive income (loss), net	(50)	(40)
Retained earnings	1,671,151	1,622,273
Total stockholders' equity	2,221,763	2,170,158
Total liabilities and stockholders' equity	$ 5,368,264	$ 5,050,478

See accompanying notes to condensed consolidated financial statements.

Floor & Decor Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

in thousands, except for per share data	Thirteen Weeks Ended	
	March 27, 2025	**March 28, 2024**
Net sales	$ 1,160,740	$ 1,097,289
Cost of sales	652,572	627,263
Gross profit	508,168	470,026
Operating expenses:		
Selling and store operating	368,805	334,345
General and administrative	69,141	66,777
Pre-opening	5,993	9,593
Total operating expenses	443,939	410,715
Operating income	64,229	59,311
Interest expense, net	1,548	1,955
Income before income taxes	62,681	57,356
Income tax expense	13,803	7,324
Net income	$ 48,878	$ 50,032
Change in fair value of hedge instruments, net of tax	(10)	(970)
Total comprehensive income	$ 48,868	$ 49,062
Basic earnings per share	$ 0.45	$ 0.47
Diluted earnings per share	$ 0.45	$ 0.46

See accompanying notes to condensed consolidated financial statements.

Floor & Decor Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

in thousands	Common Stock Class A Shares	Common Stock Class A Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
Balance, December 27, 2024	107,357	$ 107	$ 547,818	$ (40)	$ 1,622,273	$ 2,170,158
Stock-based compensation expense	—	—	6,580	—	—	6,580
Exercise of stock options	50	—	1,288	—	—	1,288
Issuance of common stock upon vesting of restricted stock units	247	1	(1)	—	—	—
Shares issued under employee stock purchase plan	36	—	3,081	—	—	3,081
Common stock redeemed for tax liability	(84)	—	(8,212)	—	—	(8,212)
Other comprehensive loss, net of tax	—	—	—	(10)	—	(10)
Net income	—	—	—	—	48,878	48,878
Balance, March 27, 2025	107,606	$ 108	$ 550,554	$ (50)	$ 1,671,151	$ 2,221,763

in thousands	Common Stock Class A Shares	Common Stock Class A Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
Balance, December 29, 2023	106,738	$ 107	$ 513,060	$ 1,422	$ 1,416,401	$ 1,930,990
Stock-based compensation expense	—	—	7,232	—	—	7,232
Exercise of stock options	171	—	3,854	—	—	3,854
Issuance of common stock upon vesting of restricted stock units	184	—	—	—	—	—
Shares issued under employee stock purchase plan	28	—	2,720	—	—	2,720
Common stock redeemed for tax liability	(110)	—	(13,057)	—	—	(13,057)
Other comprehensive loss, net of tax	—	—	—	(970)	—	(970)
Net income	—	—	—	—	50,032	50,032
Balance, March 28, 2024	107,011	$ 107	$ 513,809	$ 452	$ 1,466,433	$ 1,980,801

See accompanying notes to condensed consolidated financial statements.

Floor & Decor Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

in thousands	Thirteen Weeks Ended March 27, 2025	Thirteen Weeks Ended March 28, 2024
Operating activities		
Net income	$ 48,878	$ 50,032
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	59,965	56,423
Stock-based compensation expense	6,580	7,232
Deferred income taxes	(5,188)	(7,530)
Change in fair value of contingent earn-out liabilities	(375)	576
Loss on asset impairments and disposals, net	32	37
Changes in operating assets and liabilities:		
Receivables, net	1,067	(1,438)
Inventories, net	(56,719)	74,020
Trade accounts payable	20,668	(35,079)
Accrued expenses and other current liabilities	(19,969)	(7,905)
Income taxes	18,125	13,186
Deferred revenue	1,433	2,918
Other, net	(3,333)	(4,962)
Net cash provided by operating activities	71,164	147,510
Investing activities		
Purchases of fixed assets	(66,728)	(111,688)
Net cash used in investing activities	(66,728)	(111,688)
Financing activities		
Payments on term loan	(526)	(526)
Borrowings on revolving line of credit	—	258,600
Payments on revolving line of credit	—	(258,600)
Payments of contingent earn-out liabilities	(806)	(5,769)
Proceeds from exercise of stock options	1,288	3,854
Proceeds from employee stock purchase plan	3,081	2,720
Tax payments for stock-based compensation awards	(8,212)	(13,057)
Net cash used in financing activities	(5,175)	(12,778)
Net (decrease) increase in cash and cash equivalents	(739)	23,044
Cash and cash equivalents, beginning of the period	187,669	34,382
Cash and cash equivalents, end of the period	$ 186,930	$ 57,426
Supplemental disclosures of cash flow information		
Buildings and equipment acquired under operating leases	$ 303,474	$ 68,360
Cash paid for interest, net of capitalized interest	$ 2,595	$ 1,195
Cash paid for income taxes, net of refunds	$ 773	$ 1,665
Fixed assets accrued at the end of the period	$ 65,635	$ 100,091

See accompanying notes to condensed consolidated financial statements.

Floor & Decor Holdings, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation and Summary of Significant Accounting Policies

Nature of Business

Floor & Decor Holdings, Inc., together with its subsidiaries ("Floor & Decor," the "Company," "we," "our," or "us") is a high-growth, differentiated, multi-channel specialty retailer of hard surface flooring and related accessories and seller of commercial surfaces. The Company offers a broad in-stock assortment of laminate and vinyl, tile, wood, and natural stone flooring and installation materials and decorative accessories, as well as adjacent categories, at everyday low prices. Our stores appeal to a variety of customers, including professional installers and commercial businesses ("Pro") and homeowners, which are comprised of do-it-yourself customers ("DIY") and buy-it-yourself customers, who buy our products for professional installation ("BIY").

As of March 27, 2025, the Company, through its wholly owned subsidiary, Floor and Decor Outlets of America, Inc. ("Outlets"), operates 254 warehouse-format stores, which average 77,000 square feet, and five small-format standalone design studios in 38 states, as well as four distribution centers, an e-commerce site, *FloorandDecor.com*, and a commercial surfaces business through its subsidiary, Spartan Surfaces, LLC ("Spartan"). Substantially all of the Company's operating assets and liabilities are held by Outlets.

Fiscal Year

The Company's fiscal year is the 52- or 53-week period ending on the Thursday on or preceding December 31st. The fiscal year ending December 25, 2025 ("fiscal 2025") and the fiscal year ended December 26, 2024 ("fiscal 2024") include 52 weeks. 52-week fiscal years consist of thirteen-week periods in each quarter of the fiscal year. When a 53-week fiscal year occurs, the Company reports the additional week at the end of the fiscal fourth quarter.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. These financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information. The Condensed Consolidated Balance Sheet as of December 26, 2024 has been derived from the audited Consolidated Balance Sheet for the fiscal year then ended. The interim condensed consolidated financial statements should be read together with the audited consolidated financial statements and related footnote disclosures included in the Company's Annual Report on Form 10-K for fiscal 2024, filed with the SEC on February 20, 2025 (the "Annual Report"). Management believes the accompanying unaudited condensed consolidated financial statements reflect all normal recurring adjustments considered necessary for a fair statement of results for the interim periods presented. Results of operations for the thirteen weeks ended March 27, 2025 are not necessarily indicative of the results to be expected for the full year.

Summary of Significant Accounting Policies

There were no significant changes to our Significant Accounting Policies as disclosed in the Annual Report. For more information regarding our Significant Accounting Policies and Estimates, see Note 1, "Summary of Significant Accounting Policies" in Part II, Item 8, "Financial Statements and Supplementary Data" of our Annual Report.

Recently Adopted Accounting Pronouncements

Codification Improvements. In March 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2024-02, *"Codification Improvements - Amendments to Remove References to the Concepts Statements."* ASU No. 2024-02 removes references to various FASB Concepts Statements within the Codification. In the first quarter of fiscal 2025, the Company adopted ASU No. 2024-02 on a prospective basis. The adoption of ASU No. 2024-02 did not have a material impact on the Company's consolidated financial statements or related disclosures.

Recently Issued Accounting Pronouncements

There were no significant changes in the recently issued accounting pronouncements from those disclosed in Note 1, "Summary of Significant Accounting Policies" in Part II, Item 8, "Financial Statements and Supplementary Data" of our Annual Report. Recently issued accounting pronouncements not disclosed in this Quarterly Report or in the Annual Report are either not applicable to the Company or are not expected to have a material impact to the Company.

2. Revenue

Net sales consist of revenue associated with contracts with customers for the sale of goods and services in amounts that reflect the consideration the Company is entitled to receive in exchange for those goods and services.

Deferred Revenue & Contract Liabilities

In accordance with ASC 606, *Revenue from Contracts with Customers*, the Company recognizes revenue when the customer obtains control of the inventory. Amounts in deferred revenue at period-end reflect orders for which the inventory was not yet ready for physical transfer to customers.

Contract liabilities within the Condensed Consolidated Balance Sheets as of March 27, 2025 and December 26, 2024 primarily consisted of deferred revenue as well as unredeemed gift cards in accrued expenses and other current liabilities. As of March 27, 2025, contract liabilities totaled $22.3 million and included $14.6 million of deferred revenue and $7.7 million of unredeemed gift cards. As of December 26, 2024, contract liabilities totaled $20.2 million and included $13.2 million of deferred revenue and $7.0 million of unredeemed gift cards. Of the contract liabilities outstanding as of December 26, 2024, approximately $14.1 million was recognized in revenue during the thirteen weeks ended March 27, 2025.

Disaggregated Revenue

The Company has one reportable segment. The following table presents the net sales of each major product category:

	Thirteen Weeks Ended			
	March 27, 2025		March 28, 2024	
dollars in thousands	Net Sales	% of Net Sales	Net Sales	% of Net Sales
Laminate and vinyl	$ 286,160	25 %	$ 265,393	24 %
Tile	261,246	23	256,386	23
Installation materials and tools	237,344	20	219,487	20
Decorative accessories and wall tile	197,425	17	193,868	18
Wood	81,650	7	67,740	6
Natural stone	50,506	4	49,992	5
Adjacent categories	30,608	3	23,058	2
Other (1)	15,801	1	21,365	2
Total	$ 1,160,740	100 %	$ 1,097,289	100 %

(1) Other includes delivery, sample, and other product revenue and adjustments for deferred revenue, sales returns reserves, and other revenue related adjustments that are not allocated on a product-category basis.

3. Debt

The following table summarizes the Company's long-term debt as of March 27, 2025 and December 26, 2024:

in thousands	Maturity Date	Interest Rate Per Annum at March 27, 2025		March 27, 2025	December 26, 2024
Credit Facilities:					
Term Loan Facility (1)	February 14, 2027	6.32%	Variable	$ 199,767	$ 200,293
Asset-based Loan Facility ("ABL Facility")	August 4, 2027	5.57%	Variable	—	—
Total secured debt at par value				199,767	200,293
Less: current maturities				2,103	2,103
Long-term debt maturities				197,664	198,190
Less: unamortized discount and debt issuance costs				3,240	3,663
Total long-term debt				$ 194,424	$ 194,527

(1) The applicable interest rate for the Term Loan Facility as presented herein does not include the effect of the interest rate cap agreement. Refer to Note 8, "Fair Value Measurements" for additional details related to the Company's interest rate cap agreement.

The following table summarizes scheduled maturities of the Company's debt as of March 27, 2025:

in thousands	Amount
Thirty-nine weeks ending December 25, 2025	$ 1,577
2026	2,629
2027	195,561
Total minimum debt payments	$ 199,767

Components of interest expense are as follows for the periods presented:

	Thirteen Weeks Ended	
in thousands	March 27, 2025	March 28, 2024
Total interest expense, net of interest income (1)	$ 2,745	$ 3,802
Less: interest capitalized	1,197	1,847
Interest expense, net	$ 1,548	$ 1,955

(1) Total interest expense, net of interest income includes interest income related to the Company's cash on hand and interest rate cap agreements. The Company recognized interest income of $1.6 million for both the thirteen weeks ended March 27, 2025 and March 28, 2024. Refer to Note 8, "Fair Value Measurements" for additional details related to the Company's interest rate cap agreement.

Term Loan Facility

The Term Loan Facility bears interest at a rate equal to either (a) a base rate determined by reference to the highest of (1) the "Prime Rate," (2) the U.S. federal funds rate plus 0.5% and (3) the one-month Term Secured Overnight Financing Rate ("SOFR") plus 1.0%, or (b) Adjusted Term SOFR, plus, in each case, the Applicable Margin (each term as defined in the Term Loan Facility credit agreement). The Applicable Margin for base rate loans will be between 1.00% and 1.25%, and the Applicable Margin for SOFR loans will be between 2.00% and 2.25% (subject to a floor of 0.00%), in each case, if the Company exceeds certain leverage ratio tests.

All obligations under the Term Loan Facility are secured by (1) a first-priority security interest in substantially all of the property and assets of Outlets and the other guarantors under the Term Loan Facility (other than the collateral that secures the ABL Facility on a first-priority basis), with certain exceptions, and (2) a second-priority security interest in the collateral securing the ABL Facility on a first-priority basis.

ABL Facility

As of March 27, 2025, the Company's ABL Facility had a maximum availability of $800.0 million with actual available borrowings limited to the sum, at the time of calculation, of (a) eligible credit card receivables multiplied by the credit card advance rate, plus (b) the cost of eligible inventory, net of inventory reserves, multiplied by the applicable appraisal percentage, plus (c) 85% of eligible net trade receivables, plus (d) all eligible cash on hand, plus (e) 100% of the amount for which any eligible letter of credit must be honored after giving effect to any draws, minus certain Availability Reserves (each component as defined in the ABL Facility). The ABL Facility is available for issuance of letters of credit and contains a sublimit of $50.0 million for standby letters of credit and commercial letters of credit combined. Available borrowings under the facility are reduced by the face amount of outstanding letters of credit. The Company's ABL Facility allows for the Company, under certain circumstances, to increase the size of the facility by an additional amount up to $200.0 million.

All obligations under the ABL Facility are secured by (1) a first-priority security interest in the cash and cash equivalents, accounts receivable, inventory, and related assets of Outlets and the other guarantors under the ABL Facility, with certain exceptions, and (2) a second-priority security interest in substantially all of the other property and assets of Outlets and the other guarantors that secure the Term Loan Facility on a first-priority basis.

As of March 27, 2025, net availability under the ABL Facility was $762.9 million as reduced by letters of credit of $37.1 million.

Covenants

The credit agreements governing the Term Loan Facility and ABL Facility contain customary restrictive covenants, which, among other things and with certain exceptions, limit the Company's ability to (i) incur additional indebtedness and liens in connection with such indebtedness, (ii) pay dividends and make certain other restricted payments, (iii) effect mergers or consolidations, (iv) enter into transactions with affiliates, (v) sell or dispose of property or assets, and (vi) engage in unrelated lines of business. In addition, these credit agreements subject the Company to certain reporting obligations and require that the Company satisfy certain financial covenants, including, among other things, a requirement that if borrowings under the ABL Facility exceed 90% of availability, the Company will maintain a certain fixed charge coverage ratio (defined as Consolidated EBITDA less non-financed capital expenditures and income taxes paid to consolidated fixed charges, in each case as more fully defined in the ABL Facility).

The Term Loan Facility has no financial maintenance covenants. The Company is currently in compliance with all covenants under the credit agreements.

Fair Value of Debt

Market risk associated with the Company's long-term debt relates to the potential change in fair value and negative impact to future earnings, respectively, from a change in interest rates. The aggregate fair value of debt is based primarily on the Company's estimates of interest rates, maturities, credit risk, and underlying collateral. The estimated fair value and classification within the fair value hierarchy of the Term Loan Facility was as follows as of March 27, 2025 and December 26, 2024:

in thousands	Fair Value Hierarchy Classification	March 27, 2025	December 26, 2024
Term Loan Facility	Level 3	$ 199,018	$ 199,542

The Term Loan Facility fair value is classified as Level 3 within the fair value hierarchy due to the use of unobservable inputs significant to the valuation, including indicative pricing from counterparties and discounted cash flow methods. No amounts were outstanding under the ABL Facility as of March 27, 2025 and December 26, 2024.

4. Income Taxes

Effective tax rates for the thirteen weeks ended March 27, 2025 and March 28, 2024 were based on the Company's forecasted annualized effective tax rates and were adjusted for discrete items that occurred within each period. The Company's effective income tax rate was 22.0% and 12.8% for the thirteen weeks ended March 27, 2025 and March 28, 2024, respectively. For the thirteen weeks ended March 27, 2025, the effective income tax rate was higher than the statutory federal income tax rate of 21.0% primarily due to state income taxes that were partially offset by federal tax credits. For the thirteen weeks ended March 28, 2024, the effective income tax rate was lower than the statutory federal income tax rate of 21.0% primarily due to tax deductions in excess of book expense related to stock-based compensation awards.

5. Commitments and Contingencies

Lease Commitments

The Company accounts for leases in accordance with ASC 842, *Leases*. The majority of the Company's long-term operating lease agreements are for its retail locations, distribution centers, and corporate office, which expire in various years through 2055. Most of these agreements are retail leases wherein both the land and building are leased. The Company also has ground leases in which only the land is leased. The initial lease terms for the Company's retail locations, distribution centers, and corporate office typically range from 10-20 years. The majority of the Company's leases also include options to extend, which are factored into the recognition of their respective assets and liabilities when appropriate based on management's assessment of the probability that the options will be exercised.

When readily determinable, the rate implicit in the lease is used to discount lease payments to present value; however, substantially all of the Company's leases do not provide a readily determinable implicit rate. If the rate implicit in the lease is not readily determinable, the Company uses a third party to assist in the determination of a secured incremental borrowing rate, determined on a collateralized basis, to discount lease payments based on information available at lease commencement. The secured incremental borrowing rate is estimated based on yields obtained from Bloomberg for U.S. consumers with a BB credit rating and is adjusted for collateralization as well as inflation. As of March 27, 2025 and March 28, 2024, the Company's weighted average discount rate was 6.0% and 5.8%, respectively. As of both March 27, 2025 and March 28, 2024, the weighted average remaining lease term of the Company's leases was approximately 12 years.

Lease Costs

The table below presents components of lease expense for operating leases within the Company's Condensed Consolidated Statements of Operations and Comprehensive Income:

		Thirteen Weeks Ended	
in thousands		**March 27, 2025**	**March 28, 2024**
Fixed operating lease cost:	Selling and store operating	$ 47,277	$ 42,735
	Cost of sales	10,227	6,452
	Pre-opening	1,531	3,063
	General and administrative	1,129	1,029
Total fixed operating lease cost		$ 60,164	$ 53,279
Variable lease cost (1):	Selling and store operating	$ 21,591	$ 18,092
	Cost of sales	1,651	1,283
	Pre-opening	161	173
	General and administrative	349	579
Total variable lease cost		$ 23,752	$ 20,127
Sublease income	Cost of sales	(755)	(682)
Total operating lease cost (2)		$ 83,161	$ 72,724

(1) Includes variable costs for common area maintenance, property taxes, and insurance on leased real estate.

(2) Excludes short-term lease costs, which were immaterial for the thirteen weeks ended March 27, 2025 and March 28, 2024.

Undiscounted Cash Flows

Future minimum lease payments under non-cancelable operating leases as of March 27, 2025 were as follows:

in thousands	**Amount**
Thirty-nine weeks ending December 25, 2025	$ 179,674
2026	245,458
2027	235,135
2028	214,965
2029	202,864
Thereafter	1,511,798
Total minimum lease payments (1) (2)	2,589,894
Less: amount of lease payments representing interest	832,955
Present value of future minimum lease payments	1,756,939
Less: current obligations under leases	145,088
Long-term lease obligations	$ 1,611,851

(1) Future lease payments exclude approximately $16.6 million of legally binding minimum lease payments for operating leases signed but not yet commenced.

(2) Operating lease payments include $272.1 million related to options to extend lease terms that are reasonably certain of being exercised.

For the thirteen weeks ended March 27, 2025 and March 28, 2024, cash paid for amounts included in the measurement of operating lease liabilities was $60.1 million and $50.3 million, respectively.

Litigation

On November 15, 2021, the Company was added as a defendant in a wrongful death lawsuit, Nguyen v. Inspections Now, Inc., No. 21-DCV-287142, pending in the 434th Judicial District Court of Fort Bend County, Texas. Bestview International Company ("Bestview International") is also named as a defendant in the case; former defendants Inspections Now, Inc., Jason Post Homes, LLC and Bestview (Fuzhou) Import & Export Co. LTD have been dismissed. Plaintiff's petition alleges that "wood paneling" allegedly purchased from the Company was installed in the vicinity of plaintiff's fireplace and caught fire while the fireplace was lit. The fire consumed plaintiff's home and resulted in injuries to plaintiff and another occupant and the death of plaintiff's three children and mother. Plaintiff alleges product defect and failure to warn claims against the Company and product defect, failure to warn, and strict liability claims against Bestview International. Plaintiff's petition seeks damages in excess of $1.0 million for property damage, personal injury, and wrongful death. The petition also seeks exemplary damages. Plaintiff's ex-husband, brother, and the additional occupant have since intervened as plaintiffs in the lawsuit. Intervenors allege the same claims against the Company and Bestview International and collectively seek damages in excess of $11.0 million for property damage, personal injury (as to the other occupant), wrongful death, and exemplary damages. The Company has answered all petitions, denying the allegations. The case is currently set for trial in the third quarter of fiscal 2025.

The Company maintains insurance that may cover any liability arising out of the above-referenced litigation up to the policy limits and subject to meeting certain deductibles and to other terms and conditions thereof. Estimating an amount or range of possible losses resulting from litigation proceedings is inherently difficult, particularly where the matters involve indeterminate claims for monetary damages and are in the stages of the proceedings where key factual and legal issues have not been resolved. For these reasons, the Company is currently unable to predict the ultimate timing or outcome of or reasonably estimate the possible losses or a range of possible losses that may result from the above-referenced litigation.

The Company is also subject to various other legal actions, claims, and proceedings arising in the ordinary course of business, which may include claims related to general liability, workers' compensation, product liability, intellectual property, and employment-related matters resulting from its business activities. As with most actions such as these, an estimation of any possible and/or ultimate liability cannot always be determined. The Company establishes reserves for specific legal proceedings when it determines that the likelihood of an unfavorable outcome is probable and the amount of loss can be reasonably estimated. These various other ordinary course proceedings are not expected to have a material impact on the Company's consolidated financial position, cash flows, or results of operations. Regardless of the outcome, however, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources, and other factors.

6. Stock-based Compensation

In accordance with ASC 718, *Compensation – Stock Compensation*, the Company measures compensation cost for all stock-based awards at fair value on the date of grant and recognizes compensation expense, net of forfeitures, using the straight-line method over the requisite service period of awards expected to vest, which for each of the awards is the service vesting period. Stock-based compensation expense within the Company's Condensed Consolidated Statements of Operations and Comprehensive Income for the thirteen weeks ended March 27, 2025 and March 28, 2024 was $6.6 million and $7.2 million, respectively.

Stock Options

The table below summarizes stock option activity for the thirteen weeks ended March 27, 2025:

	Options	Weighted Average Exercise Price
Outstanding at December 27, 2024	1,147,400	$ 30.93
Exercised	(49,858)	$ 25.84
Forfeited or expired	(77)	$ 74.81
Outstanding at March 27, 2025	1,097,465	$ 31.16
Vested and exercisable at March 27, 2025	1,097,465	$ 31.16

Restricted Stock Units

The Company periodically grants restricted stock units ("RSUs"), each of which represents an unfunded, unsecured right to receive a share of the Company's Class A common stock upon vesting. During the thirteen weeks ended March 27, 2025, the Company granted RSUs to certain employees, executive officers, and non-employee directors comprised of service-based RSUs and performance-based RSUs. Service-based RSUs vest based on the grantee's continued service through the vesting date. The performance-based RSUs cliff vest based on (i) the Company's achievement of predetermined financial metrics at the end of a three-year performance period and (ii) the grantee's continued service through the vesting date. Depending on the extent to which the relevant performance goals are achieved, the number of common shares earned upon vesting may range from 0% to 200% of the award granted. The Company assesses the probability of achieving all performance goals on a quarterly basis. The service period for RSUs granted during the period varies by grantee and is one year from the grant date for non-employee directors and three years from the grant date for employees and executive officers. The grant-date fair value of service-based RSUs and performance-based RSUs is based on the closing market price of the Company's Class A common stock on the date of grant.

The following table summarizes RSU activity during the thirteen weeks ended March 27, 2025:

	Restricted Stock Units					
	Service-based		Performance-based		Total shareholder return	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Unvested at December 27, 2024	589,061	$ 101.03	224,168	$ 96.09	54,650	$ 104.67
Granted	306,902	$ 97.53	76,483	$ 97.53	—	$ —
Vested	(246,763)	$ 100.29	—	$ —	—	$ —
Forfeited	(43,509)	$ 97.53	(56,113)	$ 94.50	(16,815)	$ 104.67
Unvested at March 27, 2025	605,691	$ 99.81	244,538	$ 96.91	37,835	$ 104.67

Restricted Stock Awards

The following table summarizes restricted stock award activity during the thirteen weeks ended March 27, 2025:

	Service-based Restricted Stock Awards	
	Shares	Weighted Average Grant Date Fair Value
Unvested at December 27, 2024	3,499	$ 95.68
Vested	(3,499)	$ 95.68
Unvested at March 27, 2025	—	$ —

7. Earnings Per Share

Net Income per Common Share

The Company calculates basic earnings per share by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted average number of common shares outstanding adjusted for the dilutive effect of share-based awards using the treasury stock method.

The following table shows the computation of basic and diluted earnings per share for the periods presented:

in thousands, except per share data	Thirteen Weeks Ended March 27, 2025	Thirteen Weeks Ended March 28, 2024
Net income	$ 48,878	$ 50,032
Basic weighted average shares outstanding	107,455	106,770
Dilutive effect of share-based awards	987	1,485
Diluted weighted average shares outstanding	108,442	108,255
Basic earnings per share	$ 0.45	$ 0.47
Diluted earnings per share	$ 0.45	$ 0.46

The following potentially dilutive securities were excluded from the computation of diluted earnings per share as a result of their anti-dilutive effect:

in thousands	Thirteen Weeks Ended March 27, 2025	Thirteen Weeks Ended March 28, 2024
Stock options	40	2
Restricted stock units	305	2

8. Fair Value Measurements

As of March 27, 2025 and December 26, 2024, the Company had certain financial assets and liabilities on its Condensed Consolidated Balance Sheets that were required to be measured at fair value on a recurring or non-recurring basis. The estimated fair values of financial assets and liabilities such as cash and cash equivalents, receivables, prepaid expenses and other current assets, other assets, accounts payable, and accrued expenses and other current liabilities approximate their respective carrying values as reported within the Condensed Consolidated Balance Sheets. See Note 3, “Debt” for discussion of the fair value of the Company’s debt.

Contingent Earn-out Liabilities

As of March 27, 2025, the Company’s contingent earn-out liability had an aggregate estimated fair value of $0.8 million, which is included in accrued expenses and other current liabilities within the Condensed Consolidated Balance Sheets. The contingent earn-out liability is classified as Level 3 within the fair value hierarchy due to the use of unobservable inputs that are significant to the valuation. The table below summarizes changes in contingent earn-out liabilities during the thirteen weeks ended March 27, 2025:

in thousands	Contingent Earn-out Liabilities
Balance at December 26, 2024	$ 4,502
Fair value adjustment	(375)
Payments	(3,377)
Balance at March 27, 2025	$ 750

The $0.4 million decrease in the fair value of the contingent earn-out liability during the thirteen weeks ended March 27, 2025 was recognized as a benefit in general and administrative expense within the Condensed Consolidated Statements of Operations and Comprehensive Income.

Interest Rate Cap Contract

Changes in interest rates impact the Company’s results of operations. In an effort to manage exposure to this risk, the Company enters into derivative contracts and may adjust its derivative portfolio as market conditions change.

As of March 27, 2025, the Company's outstanding interest rate cap contract was designated as a cash flow hedge. The contract has a notional value of $150.0 million and effectively caps SOFR-based interest payments on a portion of the Company's Term Loan Facility at 5.50% beginning in May 2024 and will continue until the agreement expires in April 2026. The effective portion of the gain or loss on effective cash flow hedges is reported as a component of accumulated other comprehensive income ("AOCI") and reclassified into earnings in the same period in which the hedged transaction affects earnings. The effective portion of the derivative represents the change in fair value of the hedge that offsets the change in fair value of the hedged item. To the extent the change in the fair value of the hedge does not perfectly offset the change in the fair value of the hedged item, the ineffective portion of the hedge is immediately recognized in earnings.

The Company's outstanding interest rate cap contract as of March 27, 2025 and December 26, 2024 was valued primarily using Level 2 inputs based on data readily observable in public markets. The Company's interest rate cap contract was negotiated with counterparties without going through a public exchange. Accordingly, the Company's fair value assessment for the derivative contract gave consideration to the risk of counterparty default as well as the Company's own credit risk. For the thirteen weeks ended March 27, 2025 and March 28, 2024, the change in fair value of the Company's interest rate cap contracts was approximately less than $0.1 million and $1.0 million, respectively, which is presented on the Condensed Consolidated Statements of Operations and Comprehensive Income net of tax of less than $0.1 million and $0.3 million, respectively. No interest income was reclassified from AOCI into earnings related to the interest rate cap contract during the thirteen weeks ended March 27, 2025 compared to $1.4 million of interest income reclassified from AOCI into earnings related to the interest rate cap contracts during the thirteen weeks ended March 28, 2024.

9. Supply Chain Finance

The Company facilitates supply chain finance programs through financial intermediaries, which provide certain suppliers the option to be paid by the financial intermediaries earlier than the due date on the applicable invoice. When a supplier utilizes one of the supply chain finance programs and receives an early payment from a financial intermediary, the supplier takes a discount on the invoice. The Company then pays the financial intermediary the full amount of the invoice on the original due date. The Company does not reimburse suppliers for any costs they incur for participation in the program. Supplier participation is voluntary, and there are no assets pledged as security or other forms of guarantees provided for the committed payment to the financial intermediaries. As a result, all amounts owed to the financial intermediaries are presented as trade accounts payable in the Condensed Consolidated Balance Sheets. Amounts due to the financial intermediaries reflected in trade accounts payable at March 27, 2025 and December 26, 2024 were $177.3 million and $167.7 million, respectively.

10. Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") for purposes of allocating resources and evaluating financial performance. The Company's CODM, its Chief Executive Officer, reviews financial information about the Company's two operating segments, Floor & Decor Retail ("Retail") and Spartan, for purposes of allocating resources and evaluating financial performance. The Retail segment sells hard surface flooring and related accessories through retail stores located in the United States and through its website. The Spartan segment, which engages in selling commercial surfaces and is entirely comprised of the Company's Spartan subsidiary, does not meet the materiality criteria of ASC 280, *Segment Reporting*, and is therefore not disclosed separately as a reportable segment.

The Company does not report capital expenditures or assets at the segment level as the information is not regularly provided to the CODM. The Company does not have intersegment sales.

The following table shows the Company's segment information for the periods presented:

	Thirteen Weeks Ended					
	March 27, 2025			March 28, 2024		
in thousands	Retail	Other (1)	Consolidated	Retail	Other (1)	Consolidated
Net sales	$ 1,106,044	$ 54,696	$ 1,160,740	$ 1,044,572	$ 52,717	$ 1,097,289
Less:						
Cost of sales	616,089			590,496		
Personnel expense (2)	193,446			175,013		
Property cost (3)	141,801			128,854		
Other segment items (4)	92,779			93,159		
Operating income (5)	61,929	2,300	64,229	57,050	2,261	59,311
Interest expense, net			1,548			1,955
Income before income taxes			$ 62,681			$ 57,356

(1) Represents the Company's non-reportable operating segment.

(2) Personnel expense is primarily comprised of store and store support center compensation including wages, incentive compensation, and benefits.

(3) Property cost is primarily comprised of rent, common area maintenance, utilities, property taxes, and insurance, as well as depreciation and amortization of leasehold improvements, buildings and improvements, furniture, fixtures, and equipment, and computer software and hardware at stores and the store support center.

(4) Other segment items expense is comprised of advertising costs, credit card fees, information technology costs, and other operating expenses.

(5) Includes depreciation and amortization expense of $58.2 million and $54.8 million for the thirteen weeks ended March 27, 2025 and March 28, 2024, respectively, in our Retail segment.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial condition and results of our operations should be read together with the financial statements and related notes of Floor & Decor Holdings, Inc. and Subsidiaries included in Part I, Item 1, "Financial Statements" of this Quarterly Report and with our audited financial statements and the related notes included in our Annual Report. As used in this Quarterly Report, except where the context otherwise requires or where otherwise indicated, the terms "Floor & Decor," "Company," "we," "our," or "us" refer to Floor & Decor Holdings, Inc. and its subsidiaries, and "Spartan" refers to our subsidiary Spartan Surfaces, LLC.

Overview

Founded in 2000, Floor & Decor is a high-growth, differentiated, multi-channel specialty retailer of hard surface flooring and related accessories and seller of commercial surfaces with 254 warehouse-format stores and five small-format standalone design studios across 38 states as of March 27, 2025. We believe our unique approach to selling hard surface flooring and our consistent and disciplined culture of innovation and reinvestment create a differentiated business model in the hard surface flooring category. We believe that we offer the broadest in-stock assortment of laminate and vinyl, tile, wood, and natural stone flooring and installation materials and decorative accessories, as well as adjacent categories, at everyday low prices. This positions us as the one-stop destination for our customers' entire hard surface flooring needs. We appeal to a variety of customers, including Pros and homeowners, which are comprised of DIY and BIY customers.

During the thirteen weeks ended March 27, 2025, we opened four new warehouse-format stores and closed one warehouse-format store, ending the quarter with 254 warehouse-format stores and five design studios.

We operate on a 52- or 53-week fiscal year ending the Thursday on or preceding December 31. The following discussion contains references to the thirteen weeks ended March 27, 2025 and March 28, 2024, respectively.

Key Performance Indicators

We consider a variety of performance and financial measures in assessing the performance of our business. The key performance and financial measures we use to determine how our business is performing are comparable store sales, the number of new store openings, gross profit and gross margin, operating income, and EBITDA and Adjusted EBITDA. For definitions and a discussion of how we use our key performance indicators, see the "Key Performance Indicators" section of Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report. See "Non-GAAP Financial Measures" below for a discussion of how we define EBITDA and Adjusted EBITDA and a reconciliation of EBITDA and Adjusted EBITDA to net income, the most directly comparable financial measure calculated and presented in accordance with GAAP.

Other key financial terms we use include net sales, selling and store operating expenses, general and administrative expenses, and pre-opening expenses. For definitions and a discussion of how we use other key financial terms, see the "Other Key Financial Definitions" section of Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report.

Results of Operations

Results of operations for any period should not be considered indicative of future results. See Part II, Item 1A, "Risk Factors" for information about the potential impacts that risks, such as declines in economic conditions that affect the residential housing market and consumer spending for hard surface flooring, interest rates, inflation, global supply chain disruptions, regulatory and political conditions, trade policy, and geopolitical instability, among others, may have on our results of operations and overall financial performance for future periods.

The following tables summarize key components of our results of operations for the periods indicated:

	Thirteen Weeks Ended					
	March 27, 2025		March 28, 2024		Increase (Decrease)	
dollars in thousands	Amount	% of Net Sales	Amount	% of Net Sales	$	%
Net sales	$ 1,160,740	100.0 %	$ 1,097,289	100.0 %	$ 63,451	5.8 %
Cost of sales	652,572	56.2	627,263	57.2	25,309	4.0 %
Gross profit	508,168	43.8	470,026	42.8	38,142	8.1 %
Operating expenses:						
Selling and store operating	368,805	31.8	334,345	30.5	34,460	10.3 %
General and administrative	69,141	6.0	66,777	6.1	2,364	3.5 %
Pre-opening	5,993	0.5	9,593	0.8	(3,600)	(37.5)%
Total operating expenses	443,939	38.3	410,715	37.4	33,224	8.1 %
Operating income	64,229	5.5	59,311	5.4	4,918	8.3 %
Interest expense, net	1,548	0.1	1,955	0.2	(407)	(20.8)%
Income before income taxes	62,681	5.4	57,356	5.2	5,325	9.3 %
Income tax expense	13,803	1.2	7,324	0.6	6,479	88.5 %
Net income	$ 48,878	4.2 %	$ 50,032	4.6 %	$ (1,154)	(2.3)%

	Thirteen Weeks Ended	
	March 27, 2025	March 28, 2024
Comparable store sales	(1.8)%	(11.6)%
Comparable average ticket	2.1 %	(4.2)%
Comparable transactions	(3.8)%	(7.7)%
Number of warehouse-format stores	254	225
Adjusted EBITDA (in thousands) (1)	$ 129,821	$ 122,998
Adjusted EBITDA (% of net sales)	11.2 %	11.2 %

(1) Refer to "Non-GAAP Financial Measures" further below for a reconciliation of Adjusted EBITDA to net income.

Net Sales

Net sales during the thirteen weeks ended March 27, 2025 increased $63.5 million, or 5.8%, compared to the corresponding prior year period primarily due to sales from the 30 new warehouse-format stores that we opened since March 28, 2024, partially offset by a decrease in comparable store sales of 1.8%. The comparable store sales decline during the period of 1.8%, or $18.5 million, was due to a 3.8% decrease in comparable transactions, which we believe was largely driven by the impact of lower existing home sales, partially offset by a 2.1% increase in comparable average ticket, which was primarily due to change in sales mix. Non-comparable sales of $82.0 million during the same period were primarily driven by new stores.

We estimate that retail sales during the thirteen weeks ended March 27, 2025 were approximately 50% from homeowners and 50% from Pros compared to approximately 55% from homeowners and 45% from Pros during the thirteen weeks ended March 28, 2024.

Gross Profit and Gross Margin

Gross profit during the thirteen weeks ended March 27, 2025 increased $38.1 million, or 8.1%, compared to the corresponding prior year period. The increase in gross profit was primarily driven by the 5.8% increase in net sales and an increase in gross margin to 43.8%, up approximately 100 basis points from 42.8% in the same period a year ago primarily driven by a decrease in supply chain costs.

Selling and Store Operating Expenses

Selling and store operating expenses during the thirteen weeks ended March 27, 2025 increased $34.5 million, or 10.3%, compared to the corresponding prior year period. The increase in selling and store operating expenses was primarily driven by $38.5 million for new stores, partially offset by a decrease of $5.0 million at our comparable stores. As a percentage of net sales, selling and store operating expenses increased by approximately 130 basis points to 31.8% from 30.5% in the corresponding prior year period. The increase in selling and store operating expenses in total and as a percentage of net sales was primarily attributable to the addition of new stores and deleverage from a decrease in comparable store sales.

General and Administrative Expenses

General and administrative expenses during the thirteen weeks ended March 27, 2025 increased $2.4 million, or 3.5%, compared to the corresponding prior year period. The increase in general and administrative expenses was primarily driven by an increase of $2.9 million in personnel expenses. Our general and administrative expenses as a percentage of net sales decreased by approximately 10 basis points to 6.0% from 6.1% in the corresponding prior year period.

Pre-Opening Expenses

Pre-opening expenses during the thirteen weeks ended March 27, 2025 decreased $3.6 million, or 37.5%, compared to the corresponding prior year period. The decrease in pre-opening expenses during the thirteen weeks ended March 27, 2025 primarily resulted from a decrease in the number of future stores that we were preparing to open compared to the corresponding prior year period.

Interest Expense, Net

Net interest expense during the thirteen weeks ended March 27, 2025 decreased $0.4 million, or 20.8%, compared to the corresponding prior year period due to lower average interest rates and lower average outstanding borrowings.

Income Tax Expense

Income tax expense was $13.8 million during the thirteen weeks ended March 27, 2025 compared to $7.3 million during the thirteen weeks ended March 28, 2024. The effective tax rate was 22.0% for the thirteen weeks ended March 27, 2025 compared to 12.8% in the corresponding prior year period. The effective tax rate increase during the thirteen weeks ended March 27, 2025 was primarily due to a decrease in excess tax benefits related to stock-based compensation awards.

Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA are key metrics used by management and our Board of Directors to assess our financial performance and enterprise value. We believe that EBITDA and Adjusted EBITDA are useful measures, as they eliminate certain expenses that are not indicative of our core operating performance and facilitate comparisons on a consistent basis from period to period. We also use Adjusted EBITDA as a basis to determine covenant compliance with respect to our ABL Facility and Term Loan Facility (together, the “Credit Facilities”), to supplement GAAP measures of performance to evaluate the effectiveness of our business strategies, to make budgeting decisions, and to compare our performance against that of other peer companies using similar measures. EBITDA and Adjusted EBITDA are also frequently used by analysts, investors, and other interested parties as performance measures to evaluate companies in our industry.

EBITDA and Adjusted EBITDA are supplemental measures of financial performance that are not required by or presented in accordance with GAAP. We define EBITDA as net income before interest, taxes, and depreciation and amortization. We define Adjusted EBITDA as net income before interest, taxes, and depreciation and amortization adjusted to eliminate the impact of non-cash stock-based compensation expense and certain items that we do not consider indicative of our core operating performance. See below for a reconciliation of EBITDA and Adjusted EBITDA to net income, the most directly comparable financial measure calculated and presented in accordance with GAAP.

EBITDA and Adjusted EBITDA are non-GAAP measures of our financial performance and should not be considered as alternatives to net income as a measure of financial performance or any other performance measure derived in accordance with GAAP, and they should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Additionally, EBITDA and Adjusted EBITDA are not intended to be measures of liquidity or free cash flow for management's discretionary use. In addition, these non-GAAP measures exclude certain non-recurring and other charges. Each of these non-GAAP measures has its limitations as an analytical tool, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. In evaluating EBITDA and Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the items eliminated in the adjustments made to determine EBITDA and Adjusted EBITDA, such as stock-based compensation expense, fair value adjustments related to contingent earn-out liabilities, and other adjustments. Definitions and calculations of EBITDA and Adjusted EBITDA differ among companies in the retail industry, and therefore EBITDA and Adjusted EBITDA disclosed by us may not be comparable to the metrics disclosed by other companies.

For the periods presented, the following table reconciles EBITDA and Adjusted EBITDA to net income, the most directly comparable financial measure calculated and presented in accordance with GAAP:

	Thirteen Weeks Ended	
in thousands	**March 27, 2025**	**March 28, 2024**
Net income	$ 48,878	$ 50,032
Depreciation and amortization (1)	59,387	55,879
Interest expense, net	1,548	1,955
Income tax expense	13,803	7,324
EBITDA	123,616	115,190
Stock-based compensation expense (2)	6,580	7,232
Other (3)	(375)	576
Adjusted EBITDA	$ 129,821	$ 122,998

(1) Excludes amortization of deferred financing costs, which is included as part of interest expense, net.

(2) Represents non-cash charges related to stock-based compensation programs, which vary from period to period depending on the timing of awards and forfeitures.

(3) Other adjustments include amounts management does not consider indicative of our core operating performance. Amounts for both the thirteen weeks ended March 27, 2025 and March 28, 2024 relate to changes in the fair value of contingent earn-out liabilities.

Liquidity and Capital Resources

Liquidity is provided primarily by cash flows from operations and our $800.0 million ABL Facility. Unrestricted liquidity as of March 27, 2025 was $949.8 million, consisting of $186.9 million in cash and cash equivalents and $762.9 million immediately available for borrowing under the ABL Facility without violating any covenants thereunder. Our liquidity is generally not seasonal.

Our primary cash needs are for merchandise inventories, payroll, store rent, and other operating expenses and capital expenditures associated with opening new stores and remodeling existing stores as well as information technology, e-commerce, store support center, and distribution center infrastructure. We also use cash for the payment of taxes and interest and, as applicable, acquisitions. We expect that cash generated from operations together with cash on hand, the availability of borrowings under our Credit Facilities, and if necessary, additional funding through other forms of external financing, will be sufficient to meet liquidity requirements, anticipated capital expenditures, and payments due under our Credit Facilities for the next twelve months and the foreseeable future.

Total capital expenditures in fiscal 2025 are planned to be between approximately $310 million to $360 million and are expected to be funded primarily by cash generated from operations and borrowings under the ABL Facility. Our capital needs may change in the future due to changes in our business, new opportunities that we choose to pursue, or other factors. We currently expect the following for capital expenditures in fiscal 2025 (projected amounts are based on the gross costs that we expect to accrue for these investments on the Condensed Consolidated Balance Sheets in fiscal 2025, which may include amounts incurred but not yet settled in cash during the period):

- invest approximately $200 million to $235 million to open 20 warehouse-format stores, relocate stores, and begin construction on stores opening after fiscal 2025;
- invest approximately $20 million to $25 million in new distribution centers near Seattle and Baltimore;
- invest approximately $50 million to $55 million in existing stores and distribution centers; and
- invest approximately $40 million to $45 million in information technology infrastructure, e-commerce, and other store support center initiatives.

Cash Flow Analysis

A summary of our operating, investing, and financing activities is shown in the following table:

	Thirteen Weeks Ended	
in thousands	**March 27, 2025**	**March 28, 2024**
Net cash provided by operating activities	$ 71,164	$ 147,510
Net cash used in investing activities	(66,728)	(111,688)
Net cash used in financing activities	(5,175)	(12,778)
Net (decrease) increase in cash and cash equivalents	$ (739)	$ 23,044

Net Cash Provided by Operating Activities

Cash provided by operating activities consists primarily of (i) net income adjusted for non-cash items, including depreciation and amortization, stock-based compensation, deferred income taxes, and changes in the fair values of contingent earn-out liabilities and (ii) changes in working capital.

Net cash provided by operating activities during the thirteen weeks ended March 27, 2025 and March 28, 2024 was $71.2 million and $147.5 million, respectively. The decrease in net cash provided by operating activities was primarily driven by the change in inventory, which was partially offset by an increase in trade accounts payable.

Net Cash Used in Investing Activities

Investing activities typically consist primarily of capital expenditures for new store openings and existing store remodels, including leasehold improvements, racking, fixtures, vignettes, design centers, and new infrastructure and information systems. Cash payments to acquire businesses are also included in investing activities.

Net cash used in investing activities during the thirteen weeks ended March 27, 2025 and March 28, 2024 was $66.7 million and $111.7 million, respectively. The decrease in net cash used in investing activities was due to a decrease in capital expenditures driven by a decrease in new stores under construction compared to the corresponding prior year period.

Net Cash Used in Financing Activities

Financing activities consist primarily of borrowings and related repayments under our Credit Facilities, tax payments related to the vesting or exercise of stock-based compensation awards, proceeds from the exercise of stock options and our employee share purchase program, and payments of contingent earn-out consideration.

Net cash used in financing activities during the thirteen weeks ended March 27, 2025 and March 28, 2024 was $5.2 million and $12.8 million, respectively. The decrease in net cash used in financing activities was primarily driven by a decrease in payments of contingent earn-out liabilities and tax payments for stock-based compensation awards.

Our Credit Facilities

As of March 27, 2025, total Term Loan Facility debt outstanding was $199.8 million, and no amounts were outstanding under our ABL Facility. For additional information regarding our Term Loan Facility and ABL Facility, including applicable covenants and other details, please refer to Note 3, "Debt" to our condensed consolidated financial statements included in this Quarterly Report.

Credit Ratings

Our credit ratings are periodically reviewed by rating agencies. As of March 27, 2025, our Standard & Poor's issuer credit rating of BB with a stable outlook and Moody's issuer credit rating of Ba3 with a stable outlook remain unchanged from December 26, 2024. These ratings and our current credit condition affect, among other things, our ability to access new capital. Negative changes to these ratings may result in more stringent covenants and higher interest rates under the terms of any new debt. Our credit ratings could be lowered or rating agencies could issue adverse commentaries in the future, which could have a material adverse effect on our business, financial condition, results of operations, and liquidity. In particular, a weakening of our financial condition, including an increase in our leverage or decrease in our profitability or cash flows, could adversely affect our ability to obtain necessary funds, result in a credit rating downgrade or change in outlook, or otherwise increase our cost of borrowing.

U.S. Tariffs and Global Economy

In fiscal 2024, approximately 73% of the products we sold were produced outside of the U.S., including around 18% from China. The current geopolitical environment, particularly related to existing and potential changes in global trade and tariffs, has created uncertainty surrounding the future state of the global economy and related impacts to our supply chain. In early 2025, the U.S. imposed significant additional tariffs on products from most countries where we source products, with further tariffs being considered. Although some of those tariffs were subsequently paused, it is unclear whether the pause will remain in place, and if so, for how long. Additionally, certain countries where we source products, such as China, either have imposed or are considering imposing new tariffs on U.S. products in response, resulting in potentially escalating tariffs from both the U.S. and its trading partners.

As we continue to manage the impact these tariffs may have on our business and the complexities of the various trade policy actions, we continue taking steps to mitigate some of the cost increases through negotiations with our vendors, sourcing from alternative countries, and increasing retail pricing as we deem appropriate. We also intend to continue to significantly decrease the amount of our products that are sourced from China. While we continue to mitigate the overall effect of increased tariffs, these tariffs have increased and will continue to increase our inventory costs and associated cost of sales, which may result in increased retail prices and may adversely impact sales. Furthermore, the broader impact of increased tariffs on the economy may negatively impact consumer demand, which may also have an adverse impact on sales.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with GAAP, which requires management to make estimates and assumptions that affect reported amounts. The estimates and assumptions are based on historical experience and other factors management believes to be reasonable. These estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates under different assumptions or conditions.

For a description of our critical accounting policies and estimates, refer to Part II, Item 7, "Critical Accounting Policies and Estimates" in our Annual Report. There have been no material changes to our critical accounting policies and estimates as disclosed in our Annual Report. See Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" to our condensed consolidated financial statements included in this Quarterly Report, which describes recent accounting pronouncements adopted by us.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For quantitative and qualitative disclosures about market risk affecting the Company, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" of Part II of the Annual Report. While our exposure to market risk has not changed materially since December 26, 2024, uncertainty with respect to the economic effects of declines in economic conditions that affect the residential housing market and consumer spending for hard surface flooring, inflation, global supply chain disruptions, regulatory and political conditions, trade policy, and geopolitical instability, among other factors, have introduced significant volatility in the financial markets, including interest rates and foreign currency exchange rates. See further discussion in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional details.

Interest Rate Risk

Our operating results are subject to risk from interest rate fluctuations on our Credit Facilities, which have variable interest rates. Based on the $199.8 million total outstanding principal balance of our Credit Facilities as of March 27, 2025, a 1.0% increase in the effective interest rate of this debt would cause an increase in interest expense of approximately $2.0 million over the next twelve months, excluding the impact of our interest rate cap agreement. To lessen our exposure to interest rate risk, we entered into an interest rate cap agreement in January 2024 with a notional value of $150.0 million. The interest rate cap agreement effectively caps SOFR-based interest payments on a portion of the Company's Term Loan Facility at 5.50% beginning in May 2024 and will continue until the agreement expires in April 2026. For additional information related to the Company's Credit Facilities, refer to Note 3, "Debt" to our condensed consolidated financial statements included in this Quarterly Report.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are designed to provide reasonable assurance that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act are recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in reports filed or submitted under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. The Company's management, including the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the Company's disclosure controls and procedures as of March 27, 2025 and, based on their evaluation, have concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level. The condensed consolidated financial statements included in this Quarterly Report fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with GAAP.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) during the fiscal quarter ended March 27, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company has begun a multi-year implementation of portions of our enterprise resource planning (ERP) system, which will replace our existing core financial and merchandising systems. The implementation is expected to occur in phases through 2027. As the phased implementation occurs, it may result in changes to our processes and procedures, which may result in changes to our internal controls over financial reporting. As such changes occur, we will evaluate quarterly whether they materially affect our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See the information under the "Litigation" caption in Note 5, "Commitments and Contingencies" to our condensed consolidated financial statements included in this Quarterly Report, which we incorporate here by reference.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report, you should carefully consider the risk factors described in Part I, Item 1A, "Risk Factors" in our Annual Report, which could materially affect our business, financial condition, and/or operating results. Except as discussed under the heading "U.S. Tariffs and Global Economy" in Part II, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report, there have been no material changes to the risk factors in our Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the fiscal quarter ended March 27, 2025, the Company did not engage in any unregistered sales of any of its equity securities.

Issuer Purchases of Equity Securities

The following table presents the number and average price of the Company's common shares repurchased in each fiscal month of the first quarter of fiscal 2025:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (1)
December 27, 2024 - January 23, 2025	—	$ —	N/A	N/A
January 24, 2025 - February 20, 2025	—	—	N/A	N/A
February 21, 2025 - March 27, 2025	1,480	96.63	N/A	N/A
Total	1,480	$ 96.63	N/A	N/A

(1) Under the Floor & Decor Holdings, Inc. 2017 Stock Incentive Plan (the "2017 Plan"), participants may surrender shares as payment of applicable tax withholding on the vesting of restricted stock awards. Shares so surrendered by participants in the 2017 Plan are repurchased pursuant to the terms of the 2017 Plan and applicable award agreements and not pursuant to any publicly announced share repurchase programs.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the fiscal quarter ended March 27, 2025, none of our directors or executive officers adopted or terminated any contract, instruction, or written plan for the purchase or sale of our securities to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits

Exhibit	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
3.1	Amended & Restated Certificate of Incorporation of Floor & Decor Holdings, Inc.	10-Q	001-38070	3.1	8/5/2021
3.2	Third Amended and Restated Bylaws of Floor & Decor Holdings, Inc.	10-Q	001-38070	3.2	11/2/2023
10.1	Employment Agreement, dated February 12, 2025, between Floor & Decor Holdings, Inc., Floor and Decor Outlets of America, Inc., and Bradley S. Paulsen#*				
10.2	Form of Non-CEO Performance Stock Unit Agreement under the Floor & Decor Holdings, Inc. 2017 Stock Incentive Plan#*				
10.3	Form of CEO Performance Stock Unit Agreement under the Floor & Decor Holdings, Inc. 2017 Stock Incentive Plan#*				
10.4	Form of Restricted Stock Unit Agreement for Non-employee Directors under the Floor & Decor Holdings, Inc. 2017 Stock Incentive Plan#*				
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*				
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*				
32.1	Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**				
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document*				
101.SCH	Inline XBRL Taxonomy Extension Schema Document*				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*				
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document*				

Denotes a management contract or compensatory plan or arrangement.

* *Filed herewith.*

** *These certifications are not deemed filed by the SEC and are not to be incorporated by reference in any filing we make under the Securities Act of 1933 or the Securities Exchange Act of 1934, irrespective of any general incorporation language in any filings.*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FLOOR & DECOR HOLDINGS, INC.

Dated: May 1, 2025

By: /s/ Thomas V. Taylor
Thomas V. Taylor
Chief Executive Officer
(Principal Executive Officer)

Dated: May 1, 2025

By: /s/ Bryan H. Langley
Bryan H. Langley
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.1

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of February 12, 2025 between Floor and Decor Outlets of America, Inc., a Delaware corporation (the "Operating Company"), Floor & Decor Holdings, Inc., a Delaware corporation (f/k/a FDO Holdings, Inc.) ("Holdings" and, together with the Operating Company, the "Company") and Bradley S. Paulsen, the undersigned individual ("Executive").

The Agreement will become effective on the first day of Executive's employment with the Company on March 10, 2025 (the "Effective Date") and if Executive does not commence employment on the Effective Date for any reason, the Agreement will be null and void and of no further force or effect.

RECITALS

WHEREAS, Executive is to be employed as the President of the Company;

WHEREAS, the parties desire to enter into this Agreement, subject to the terms and provisions herein contained.

AGREEMENT

NOW, THEREFORE, the parties mutually agree as follows:

1. Employment.

(a) Term; Duties and Responsibilities. Beginning on the Effective Date, Executive shall serve as the President of the Company. The term of employment hereunder shall commence on the Effective Date and terminate on the fourth anniversary of the Effective Date, unless earlier terminated as set forth herein; provided, that commencing on the fourth anniversary of the Effective Date and each anniversary date thereafter, the term of this Agreement shall automatically be extended for one additional year (subject to earlier termination, as set forth herein) unless, not later than 60 calendar days prior to any such anniversary date, either the Company or Executive, in such party's sole discretion, shall elect that such extension shall not take effect and shall have given timely written notice of such election not to extend. The period of time between the Effective Date and the termination of Executive's employment hereunder shall be referred to herein as the "Employment Period."

(b) Duties and Responsibilities. During the Employment Period, Executive shall at all times, except as expressly set forth below: (i) devote substantially all working time and efforts to the business and affairs of the Company and its subsidiaries on a full-time basis, (ii) faithfully, industriously and to the best of Executive's ability, experience and talent, perform all duties that may be reasonably required by the Company, and observe and comply with all rules, regulations, policies and practices in effect on the Effective Date or amended or adopted by the Company in the future and (iii) not engage in any other business activities, as a director, officer, employee or consultant or in any other capacity, whether or not he receives compensation therefor, without the prior written consent of the Board of Directors of Holdings (the "Board"). Notwithstanding the foregoing, Executive may serve on the boards of charitable organizations, engage in charitable and community affairs and activities and manage his personal investments so long as such activities do not interfere with the performance of Executive's Duties and Responsibilities (as defined below) hereunder. Executive shall report to the Chief Executive Officer of the Company and shall have all the authority, duties and responsibilities customarily exercised by an individual serving in the position of President at an entity engaged in a retail business which is national in scope, set forth in the bylaws of the Company, provided in the Delaware General Corporation Law and such additional duties and responsibilities as may from time to time be assigned or prescribed to him by the Chief Executive Officer of the Company, consistent with the Executive's position (collectively, "Executive's Duties and Responsibilities").

(c) Location. Executive's principal place of employment shall be at the Company's principal executive offices, currently located in Atlanta, Georgia, with Executive being provided an office and secretarial and administrative support that is customary for a similarly situated executive. Executive acknowledges that the Duties

and Responsibilities to be performed by Executive hereunder are such that Executive may be required to travel extensively at times.

2. Compensation.

(a) Base Salary. During the Employment Period, Executive shall be paid a base salary at the annual rate of $800,000 ("Base Salary"), payable in installments consistent with Company's normal payroll practices.

(b) Annual Bonus. In addition to Executive's Base Salary, during the Employment Period, Executive will be eligible to earn an annual bonus ("Bonus") under the Company's Corporate Incentive Compensation Plan (the "Bonus Plan"). The target Bonus for any fiscal year shall be 100% of Executive's Base Salary for such year, with the actual amount of the Bonus being determined based on the level of achievement of certain performance goals in accordance with the Bonus Plan. The Bonus paid for the 2025 calendar year will be prorated based on a fraction, the numerator of which is the number of days from the Effective Date through and including December 31, 2025 and the denominator of which is 365 and the Base Salary will be calculated based on the Base Salary actually paid during the 2025 calendar year. Executive must be actively employed by the Company on the date the Bonus is paid in order to receive the Bonus for any fiscal year, and Executive's Bonus, if any, shall be paid to him as provided under the Bonus Plan or, if no payment date is provided in the Bonus Plan, no later than March 15 of the calendar year following the fiscal year for which the Bonus is payable. The Company may amend the Bonus Plan at any time.

(c) Sign-on Bonus. Executive will receive a sign-on bonus equal to $1,600,000 ("Sign-on Bonus") to be payable within 30 days of the Effective Date; provided, however that if Executive's employment is terminated For Cause (as defined in Section 4(a)) before the second anniversary of the Effective Date, Executive will be required to repay to the Company the gross amount of the Sign-on Bonus. If the Executive's employment is terminated by Executive's resignation without Good Reason (as defined in Section 4(b)): (i) before the first anniversary of the Effective Date, Executive will be required to repay to the Company the gross amount of the Sign-on Bonus; and (ii) after the first anniversary of the Effective Date but before the second anniversary of the Effective Date, Executive will be required to repay to the Company: (1) $1,600,000 minus (2) the product of: (y) $1,600,000 multiplied by (z) a fraction, the numerator of which is the number of days Executive was employed by the Company and the denominator of which is 730. If Executive does not remain employed through the second anniversary of the Effective Date, the Company will have all rights under law and equity to recoup the applicable portion of such Sign-on Bonus, including the right to offset any amounts otherwise payable to Executive.

(d) 2025 Equity Grant. Subject to Board approval, Executive will be eligible for a 2025 long-term equity grant under the terms and conditions of the Holdings' 2017 Stock Incentive Plan and the applicable award agreements thereunder ("2025 Equity Grant"). The 2025 Equity Grant will be granted on the next regularly scheduled grant date following the Effective Date and will equal $3,700,000 in granted units, determining the unit numbers by dividing $3,700,000 by the closing price of the Company's stock price on the grant date. Fifty percent (50%) of the 2025 Equity Grant will be granted in the form of time-based restricted stock units that will vest in three equal annual installments on the first three anniversaries of the grant date. The remaining 50% of the 2025 Equity Grant will be granted in the form of performance share units that will vest in accordance with the terms of performance share unit award agreements provided to similarly situated executives of the Company. The 2025 Equity Grant will be subject in all respects to the terms and conditions of the Holdings' 2017 Stock Incentive Plan and the applicable award agreements that will grant the 2025 Equity Grant. Future long-term incentive grants will be subject to the discretion and approval of the Board in all respects.

(e) Recoupment/Clawback. By executing this Agreement, Executive affirms, acknowledges and accepts the Company's right to recoup and clawback any compensation provided to Executive under this Agreement or through separate award agreements or contract, as required or permitted under Holdings' Dodd-Frank Clawback Policy or Holdings' Incentive Compensation Recoupment Policy, both of which policies are hereby incorporated by reference into this Agreement.

(f) Payment. Payment of all compensation and other amounts to Executive hereunder shall be made in accordance with the relevant Company policies in effect from time to time, including normal payroll practices, and shall be subject to all applicable withholding, including employment and withholding taxes.

3. Other Employment Benefits.

(a) Business Expenses. Upon timely submission of itemized expense statements and other documentation in conformance with the procedures specified by the Company, Executive shall be entitled to reimbursement for reasonable business and travel expenses duly incurred by Executive in the performance of Executive's Duties and Responsibilities under this Agreement during the Employment Period.

(b) Benefit Plans. During the Employment Period, Executive shall be entitled to participate in the Company's employee benefit plans and programs (sometimes "Benefit Plan" or "Benefit Plans") as they may exist from time to time, in each case as offered by the Company to its executive officers generally, subject to the terms and conditions thereof. Nothing in this Agreement shall require the Company to maintain any Benefit Plan or shall preclude the Company from terminating or amending any Benefit Plan from time to time.

(c) Vacation. Executive shall be entitled to four weeks of paid vacation annually in accordance with the Company's vacation policy for senior executives. Executive acknowledges that given his position at the Company, Executive will use Executive's best efforts to remain generally available and accessible to the Company's senior managers in person or through an electronic means of communication when reasonably possible (the Company acknowledging that some vacation activities may prevent or limit such availability and accessibility).

4. Termination of Employment. Notwithstanding anything herein to the contrary,

(a) For Cause. The Company may terminate Executive's employment For Cause immediately upon written notice for any of the following reasons: (i) Executive's (x) commission of, or being indicted for, a felony under U.S. or applicable state law, or (y) commission of a misdemeanor where imprisonment may be imposed other than for a traffic-related offense, (ii) any act of material misconduct or gross negligence by Executive in the performance of Executive's Duties and Responsibilities or any act of moral turpitude by Executive, (iii) Executive's commission of any act of theft, fraud or material dishonesty, (iv) Executive's willful failure to perform any reasonable duties assigned to him by the Chief Executive Officer of the Company or Executive's refusal or failure to follow the lawful directives of the Company after written notice from the Company of, and 30 calendar days to cure, such refusal or failure, (v) any material breach by Executive of this Agreement or any other written agreement executed by Executive with the Company or any of its affiliates that is not cured within ten calendar days following written notice of such breach, and (vi) Executive's unlawful appropriation of a material corporate opportunity ("For Cause"). Upon termination of Executive's employment For Cause, the Company shall be under no further obligation to Executive, except to pay or provide (A) all accrued but unpaid Base Salary through the date of termination within 30 days following such termination, less all applicable deductions, and (B) any benefits and payments pursuant to the terms of any Benefit Plan, including any rights under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (the payments and benefits described in subsections (A) and (B) herein shall be referred herein as the "Accrued Benefits").

(b) Without Cause; Company Non-Renewal; Good Reason. The Company may terminate Executive's employment at any time "Without Cause," immediately upon written notice; the Company may terminate Executive's employment by electing not to extend the Employment Period, upon 60 days' written notice, as provided for in Section 1(a) above ("Company Non-Renewal"); and Executive may terminate Executive's employment at any time for "Good Reason." Upon termination of Executive's employment by the Company Without Cause, a Company Non-Renewal or by Executive for Good Reason, Executive shall be entitled to receive, in each case less all applicable deductions, (i) the Accrued Benefits, plus (ii) contingent on Executive executing and not revoking a release of any and all claims that the Executive may have against the Company substantially in the form set forth in Exhibit A (the "Separation Agreement"), and subject to Section 11(f) hereof, (x) severance in an amount equal to 1.5 times Executive's Base Salary on the date of termination, payable over 18 months in

substantially equal installments on the Company's regular pay dates, commencing on the first regular pay date following the 60th calendar day following Executive's termination date, plus (y) the Bonus, determined pursuant to Section 2(b), with respect to the most recently completed fiscal year if such Bonus is unpaid on the date of termination of employment, payable upon the later of (I) the date Bonuses are paid to executives generally and (II) the first regular pay date following the 60th calendar day following Executive's employment termination date, plus (z) the Bonus, determined pursuant to Section 2(b), with respect to the current fiscal year, multiplied by a fraction, the numerator of which is the number of days between the first day of the fiscal year and the date of such termination of employment (inclusive) and the denominator of which is 365, payable upon the later of (1) the date Bonuses are paid to executives generally for that fiscal year and (2) the first regular pay date following the 60th calendar day following Executive's employment termination date. If the Separation Agreement fails to become effective and irrevocable prior to the 60th calendar day following Executive's employment termination date because Executive delays, fails or refuses to execute or revokes the Separation Agreement, the Company shall have no obligation to make the payments provided by Section 4(b)(ii). A termination of Executive under this Section 4(b) does not include a termination by reason of Executive's Disability or upon the death of Executive.

"Good Reason" shall mean, without Executive's written consent, (i) a material diminution in Executive's then authority, duties or responsibilities; (ii) a material diminution in Executive's Base Salary; (iii) relocation of Executive's office to a location that is more than 50 miles from the Atlanta, Georgia metropolitan area; or (iv) any material breach of this Agreement by the Company, provided, that Executive must provide the Company with written notice of the existence of the event or change constituting Good Reason within 30 calendar days of any such event or change having occurred and allow the Company 60 calendar days from receipt of such notice from Executive to cure the same. If the Company so cures the event or change, Executive shall not have a basis for terminating his employment for Good Reason with respect to such cured event or change. If such event or change is not cured within such 60-day period, Executive must resign his employment with the Company within 30 calendar days of the end of the cure period or Executive will be deemed to have waived his right to terminate his employment for Good Reason based upon such event or change.

(c) Resignation; Executive's Election not to Renew.

(i) Resignation. Executive may resign his employment upon 60 calendar days prior written notice to the Company. If Executive fails to provide such notice, such resignation shall constitute a breach of this Agreement for which Executive shall be liable to the Company for any damages the Company sustains. In addition, the Company shall have the right to terminate Executive's employment before the end of the 60-day notice period and such termination shall not be treated as a termination Without Cause. Upon termination of Executive's employment under this Section 4(c)(i), the Company shall be under no further obligation to Executive, except to pay the Accrued Benefits.

(ii) Non-Renewal. Executive's timely notice of his option not to extend the term of the Employment Period shall not be considered to be a breach of this Agreement. In the event that Executive elects not to renew this Agreement, the Company shall be under no further obligation to Executive, except to pay the Accrued Benefits through the end of the Employment Period.

(d) Disability of Executive. The Company may terminate this Agreement if Executive experiences a Disability (as defined below, "Disability" means an illness, injury or other incapacitating condition as a result of which Executive is unable to perform, with or without reasonable accommodation, the services required to be performed under this Agreement for more than: (i) 90 consecutive calendar days during the Employment Period or (ii) a period or periods aggregating more than 120 calendar days in any 12 consecutive months. If, at the time the question of possible termination for Disability arises, the Company is subject to the Federal Family and Medical Leave Act, any applicable state equivalent, or any federal or state disability discrimination laws, the requirements of those laws shall, to the extent required, supersede the provisions of this paragraph. Executive agrees to submit to such medical examinations as may be reasonably requested by the Company, from time to time, to determine whether a Disability exists. Any determination as to the existence of a Disability shall be made as

follows: first, the Company shall be entitled to engage a physician to determine the existence of a Disability; then, if Executive disagrees with such determination, Executive shall give written notice of Executive's disagreement within ten days after Executive is notified in writing of such determination, and Executive shall be entitled to engage a physician to determine the existence of a Disability; and if Executive's physician disagrees with the determination made by the Company's physician, then these two physicians shall mutually agree upon a third physician who shall make a determination whether a Disability exists, and such determination shall be final and binding upon the Company and Executive. The Company and Executive shall share equally in the costs of such third physician. Upon such termination, the Company shall be under no further obligation to Executive, except to pay the Accrued Benefits.

(e) Cooperation. Following termination for any reason, Executive shall (i) reasonably cooperate with the Company, as reasonably requested by the Company, to effect a transition of Executive's responsibilities and to ensure that the Company is aware of all matters being handled by Executive and (ii) cooperate and provide assistance to the Company at its reasonable request in connection with any action, suit or proceeding brought by or against the Company or any of its affiliates (or in which any of them is or may be a party) or that relates in any way to Executive's acts or omissions while employed by the Company. The Company agrees to promptly reimburse Executive for reasonable expenses incurred by him in connection with assisting the Company in the manner described in the immediately preceding sentence. Reimbursement shall be made in accordance with the applicable policy of the Company then in effect. Upon termination for any reason, Executive shall be deemed to have resigned from all offices and directorships then held with the Company or any of its subsidiaries. Executive's obligations under this Section 4(e) shall survive the termination of Executive's employment and the expiration or termination of the Agreement.

(f) Company Property. All assets, property and equipment and all tangible and intangible information relating to the Company, its affiliates and their respective employees, customers or vendors furnished to, obtained by or prepared by Executive or any other person during the course of or incident to Executive's employment by the Company or any of its subsidiaries are and shall remain the sole property of Company ("Company Property"). Company Property includes, but is not limited to, computer equipment, books, manuals, records, reports, notes, correspondence, contracts, customer lists, business cards, advertising, sales, financial, personnel, operations, and manufacturing materials and information, data processing reports, computer programs, software, customer information and records, business records, price lists or information, and samples, and in each case shall include all copies thereof in any medium, including paper, electronic and magnetic media and all other forms of information storage. Following termination of Executive's employment for any reason, Executive must return all Company Property to the Company without demand or request by the Company therefor. Executive shall further permanently delete any Company information from any computers or other electronic storage devices owned by Executive. Upon request of the Company, Executive shall certify in writing that Executive has complied with the requirements of this Section 4(f). Notwithstanding the foregoing, Executive shall be permitted to retain one or more copies of his contacts list and his appointment calendars. Executive's obligations under this Section 4(f) shall survive termination of Executive's employment and the expiration or termination of the Agreement until Executive has returned all Company Property to the Company.

1. Death of Executive. In the event of the death of Executive during the Employment Period, the Company's obligations hereunder shall automatically cease and terminate; provided, that the Company shall pay to the Executive's personal representatives under Executive's last will and testament, and if none exists, to his heirs at law, the Accrued Benefits.

2. Restrictive Covenants.

(a) Definitions. When capitalized and used herein, the following terms shall have the following meanings set forth below:

(i) "Business" means the business (whether operated in physical locations or online over the internet) of selling hard surface flooring materials, with respect to the post-employment portion of the Restricted Period, as of the termination date of Executive's employment.

(ii) "Competitive Area" means the 30-mile radius around any location where the Company (A) has a then current location or (B) has a *bona fide* intention to open a new location, in each case, with respect to the post-employment portion of the Restricted Period, as of the termination date of Executive's employment.

(iii) "Competitive Business Activity" shall mean providing services to a Competitor that are the same or similar to Executive's Duties and Responsibilities under this Agreement, whether as an employee, independent contractor or consultant.

(iv) "Competitor" means any Person (other than the Company and its affiliates) engaged in the Business. To the extent that a Competitor is engaged in any business activities other than the Business, the term "Competitor" does not restrict Executive's involvement with such other business activities, subject to protocols to prevent Executive from disclosing Confidential Information.

(v) "Confidential Information" means information developed by or on behalf of any of the Company or its affiliates that is not generally known by persons not employed by the Company or its affiliates and that could not easily be determined or learned by someone outside the Company, including information concerning (A) Customers, Suppliers, internal corporate policies and strategies, corporate opportunities, financial and sales information, personnel information, forecasts, business and marketing plans, (B) the affairs or assets of the Company and its affiliates, accounts, or clients for which the Company or its any of its affiliates performs, directly or indirectly, services, or (C) the nature and material terms of business opportunities, investors, business and proposals available to the Company or its affiliates. Confidential Information (x) includes both written information and information not reduced to writing, whether or not explicitly designated as confidential, (y) is of a special and unique nature and value to the Company, its affiliates and their respective businesses and (z) provides the Company or its affiliates with a competitive advantage. Confidential Information does not include information that is publicly available or is readily ascertainable from publicly available information.

(vi) "Customer" means any Person who is a customer or client of the Company or its affiliates that is a professional contractor and with whom Executive had material business-related contact (whether in person, by telephone or by paper or electronic correspondence), on behalf of the Company or its affiliates.

(vii) "Person" means any individual or entity.

(viii) "affiliates" means a Person's controlled subsidiaries, affiliates, successors, transferees or assigns that are engaged in the Business.

(ix) "Restricted Period" means the time period beginning on the Effective Date of this Agreement and ending two years after the termination of Executive's employment with the Company for any reason, whether by Executive or Company.

(x) "Supplier" means any Person who supplies products or services to the Company in support of the Company's Business and with whom Executive had material business-related contact (whether in person, by telephone or by paper or electronic correspondence), on behalf of the Company or its affiliates.

(b) Confidentiality. Executive shall not, while employed under this Agreement and after the Employment Period terminates, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person any Confidential Information, other than in the course and scope of Executive's Duties and Responsibilities under this Agreement. In the event that Executive receives a subpoena or other request having force of law, or reasonably believes that disclosure of Confidential Information is required by law, Executive shall promptly provide the Company, to the extent reasonably possible, with written notice thereof, and shall reasonably

cooperate, at no expense to Executive, with the Company if the Company elects to seek a judicial protective order or other appropriate judicial protection of such Confidential Information.

(c) Whistleblowers. Executive understands that nothing in this Agreement shall prohibit Executive from (i) voluntarily communicating with his attorney; (ii) reporting possible violations of the law to government agencies, including the Securities and Exchange Commission ("SEC"), the Equal Employment Opportunity Commission, or any other state or local commission on human rights, or self-regulatory organization or government agency; (iii) recovering a SEC whistleblower award as provided under Section 21F of the Securities Exchange Act of 1934; (iv) disclosing the underlying facts or circumstances relating to claims of discrimination, in violation of laws prohibiting discrimination, against the Company; or (iv) communicating with or participating in any investigation or proceeding before any government agency, making disclosures to government agencies that are protected by law (such as providing testimony or information during a government investigation); and Executive is not required to notify the Company that Executive has made any such reports or disclosures. In response to a valid subpoena, court order or other written request, Executive may provide testimony or information about the Company (including Confidential Information) to a court or other administrative or legislative body, but to the extent legally permitted, and subject to the protected rights in this Section, Executive agrees to provide the Company notice in advance of any such disclosure so that the Company may seek to quash the subpoena or limit the disclosure, if appropriate. Executive also understands that this non-disclosure provision does not interfere with, restrain, or prevent employee communications with each other regarding wages, hours, or other employment terms and conditions. Further, in accordance with 18 U.S.C. Section 1833, notwithstanding anything to the contrary in this Agreement: (A) Executive shall not be in breach of this Agreement and shall not be held criminally or civilly liable under any federal or state trade secret law (y) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (z) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (B) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

(d) Noncompete. Executive will not, during the Restricted Period, directly or indirectly, engage in a Competitive Business Activity in a Competitive Area.

(e) Non-Solicitation of Customers and Suppliers. Executive shall not, during the Restricted Period (whether on Executive's own behalf or on behalf of another Person), directly or indirectly: (a) solicit Customers to purchase products on behalf of a Competitor, or (b) solicit Suppliers to provide products or services to support a Competitor.

(f) Non-Solicitation of Employees. Executive shall not, during the Restricted Period (whether on Executive's own behalf or on behalf of some other Person) and in the Competitive Area, Georgia, or any state in which the Company conducts business in the United States, (a) directly or indirectly solicit or attempt to hire any individual who is at that time an employee, independent contractor or other agent of the Company or any of its affiliates or (b) induce or encourage any employee, independent contractor or other agent of the Company or any of its affiliates to terminate or materially reduce, as applicable, his employment or other business relationship or affiliation with the Company or any of its affiliates. This provision is limited to those employees, independent contractors, or agents with whom Executive had material contact during the one-year period before Executive's date of termination or about which Executive possesses Confidential Information.

(g) Non-Disparagement. Except as occurs performing Executive's Duties and Responsibilities during the Employment Period (such as chastising or criticizing store management, suppliers and others doing business with the Company for performing in a manner Executive in good faith believes is not in the best interests of the Company and the Business), while employed by the Company and for a period of three years after the Employment Period terminates, Executive will not directly or indirectly, make or publish any disparaging or derogatory statements or otherwise disparage the business reputation of the Company or any of its affiliates or take any actions

that are harmful, in any material respect, to the Company's (or any of its affiliates') goodwill with its Customers, Suppliers, employees, the media or the public. While Executive is employed by the Company and for a period of three years after the Employment Period terminates, the Company shall instruct its officers and directors not to, directly or indirectly, make or publish any disparaging or derogatory statements or otherwise take any actions that disparage Executive's business reputation or take any actions that are harmful, in any material respect, to Executive's goodwill with the Company's Customers, Suppliers, employees, the media or the public, except as occurs performing their duties during the Employment Period (such as chastising or criticizing Executive for performing in a manner such officers or directors in good faith believe are not in the best interests of the Company and the Business). Provided, however, the foregoing shall not prohibit the Executive or any director or officer of the Company from making truthful statements to a governmental agency or body or its representative, or in connection with any governmental investigation or proceeding.

(h) Executive's Consent to Reasonable Restrictions. Executive agrees that the covenants set forth in this Section 6 are *reasonable with respect to duration, geographical area and scope,* in light of the nature and geographic scope of the Business subject to such restrictions. Executive represents, warrants, acknowledges and agrees that he has been fully advised by counsel in connection with the negotiation, preparation, execution and delivery of this Agreement; and no reasonable Person in the position of the Company would employ Executive under the terms and conditions of this Agreement without the benefit of the restrictive covenants applicable to Executive under Sections 6(a) through 6(g) of this Agreement, and without the other agreements by Executive contained herein (collectively, the "Restrictive Covenants and Agreements"). Accordingly, Executive agrees to be bound by the Restrictive Covenants and Agreements contained in this Agreement to the maximum extent permitted by law, it being the intent and spirit of the parties that the Restrictive Covenants and Agreements contained herein shall be valid and enforceable in all respects.

(i) Reformation. If any court determines that any of the Restrictive Covenants and Agreements, or any part thereof set forth in this Section 6, is or are unenforceable due to over breadth or any other reason, such court shall have the power to modify such provision to the extent necessary to make it reasonable and enforceable and such modified provision shall then be enforceable to the maximum extent permitted by applicable law. Executive acknowledges and agrees that the Restrictive Covenants and Agreements of Executive in this Agreement are reasonable and valid in geographic and temporal scope and in all other respects. If, however, any court subsequently determines that any of the Restrictive Covenants and Agreements, or any part thereof, is or are invalid or unenforceable and not capable of modification, the remainder of the Restrictive Covenants and Agreements shall not thereby be affected and shall be given full effect without regard to the invalid portions.

(j) Survival. Executive's obligations under this Section 6 shall survive the termination of Executive's employment and the expiration or termination of this Agreement in accordance with the terms and conditions herein. The Restrictive Covenants and Agreements, and Executive's obligations under this Section 6, are in addition to and not in lieu of any restrictive covenants or similar covenants, conditions, or obligations applicable to Executive pursuant to any other agreement, plan, policy or arrangement with the Company.

3. Inventions.

(a) Executive acknowledges and agrees that all *ideas, methods*, inventions, discoveries, improvements, work products or developments (collectively, "Inventions"), whether patentable or unpatentable, made or conceived by Executive, solely or jointly with others, that are related to Executive's work as an employee or other service provider to the Company, shall belong exclusively to the Company (or its designee), whether or not patent applications are filed thereon. For the avoidance of doubt, Executive understands that the provisions of this Section 7 requiring assignment of Inventions to the Company do not apply to any Invention that Executive developed entirely on his own time without using the Company's equipment, supplies, facilities, or trade secret information except for those Inventions that either (1) relate at the time of conception or reduction to practice of the Invention to the Company's Business, or actual or demonstrably anticipated research or development of the Company; or (2) result from any work performed by an employee for the Company (other than Executive). Executive will assign to the Company the Inventions and all patents that may issue thereon in any and all countries, whether during or subsequent to the Employment Period, together with the right to file, in Executive's name or in

the name of the Company (or its designee), applications for patents and equivalent rights (the "Applications"). Executive will, at any time during and for a period of three years subsequent to the Employment Period, make such applications, sign such papers, take all rightful oaths, and perform all acts as may be reasonably requested from time to time by the Company with respect to the Inventions, provided that Executive shall not be obligated to incur any expense in connection therewith. Executive will also execute assignments to the Company (or its designee) of the Applications, and give the Company and its attorneys all reasonable assistance (including the giving of testimony), at no expense to Executive, to obtain the Inventions for its benefit, all without additional compensation to Executive from the Company.

(b) In addition, the Inventions will be deemed Work for Hire, as such term is defined under the copyright laws of the United States, on behalf of the Company and Executive agrees that the Company will be the sole owner of the Inventions, and all underlying rights therein, in all media now known or hereinafter devised, throughout the universe and in perpetuity without any further obligations to Executive. If the Inventions, or any portion thereof, are deemed not to be Work for Hire, Executive hereby irrevocably conveys, transfers and assigns to the Company, all rights, in all media now known or hereinafter devised, throughout the universe and in perpetuity, in and to the Inventions, including all of Executive's right, title and interest in the copyrights (and all renewals, revivals and extensions thereof) to the Inventions, including all rights of any kind or any nature now or hereafter recognized, including the unrestricted right to make modifications, adaptations and revisions to the Inventions, to exploit and allow others to exploit the Inventions and all rights to sue at law or in equity for any infringement, or other unauthorized use or conduct in derogation of the Inventions, known or unknown, including the right to receive all proceeds and damages therefrom. In addition, Executive hereby waives any so-called "moral rights" with respect to the Inventions. Executive hereby waives any and all currently existing and future monetary rights in and to the Inventions and all patents that may issue thereon, including any rights that would otherwise accrue to Executive's benefit by virtue of Executive being an employee of, or other service provider to the Company. Executive's obligations under this Section 7 shall survive the termination of employment and the expiration or termination of this Agreement in accordance with the terms and conditions herein.

4. No Inconsistent Obligations. Executive hereby represents, warrants and agrees that: (a) there are no restrictions or agreements, oral or written, to which Executive is a party or by which Executive is bound that prevent or make unlawful Executive's execution and delivery of, or performance under, this Agreement; (b) to the best actual knowledge and belief of Executive, none of the information supplied by Executive to Company in connection with Executive's employment by Company misstated a material fact or omitted material facts necessary to make the information supplied by Executive not materially misleading; (c) Executive does not have any business or employment relationship that creates a conflict between the interests of Executive and the Company or any of its subsidiaries; and (d) Executive will not disclose to the Company, or use, or induce the Company to use, any proprietary information or trade secrets of others.

5. Indemnification of Executive. While employed by the Company and for so long thereafter as liability exists with regard to the Executive's activities while employed by the Company, the Company shall indemnify and advance expenses to, and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, Executive to the extent Executive is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was an officer of the Company or, while an officer of the Company, is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such indemnitee. Notwithstanding the preceding sentence, the Company shall be required to indemnify, or advance expenses to, Executive in connection with a proceeding (or part thereof) commenced by Executive only if the commencement of such proceeding (or part thereof) by Executive was authorized by the Board; provided, that the Company shall be required to advance expenses to Executive in connection with a proceeding (or part thereof) commenced by Executive to enforce indemnification rights. The rights to indemnification and to the advance of expenses conferred in this Section 9 shall not be exclusive of any other right that Executive may have or hereafter acquire under the Company's

Certificate of Incorporation or Bylaws, any statute, agreement, vote of stockholders or disinterested directors or otherwise.

6. Section 409A. Notwithstanding anything herein to the contrary:

(a) Although the Company does not guarantee to Executive any particular tax treatment relating to the payments and benefits under this Agreement, it is intended that such payments and benefits be exempt from, or comply with, Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations and guidance promulgated thereunder (collectively, "Section 409A"), and all provisions of this Agreement shall be administered, interpreted and construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Notwithstanding any other provision hereof, in no event shall the Company be liable for, or be required to indemnify Executive for, any liability of Executive for taxes or penalties under Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(c) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided, that this clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect; and (iii) such payments shall be made on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred.

(d) Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within ten calendar days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company. If under this Agreement, an amount is to be paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

(e) Notwithstanding any other provision hereof, if Executive is, as of the date of termination, a "specified employee" for purposes of Treas. Reg. § 1.409A-1(i), then any amount payable to Executive pursuant to Section 4 hereof that is neither a short-term deferral within the meaning of Treas. Reg. § 1.409A-1(b)(4) nor within the involuntary separation pay limit under Treas. Reg. § 1.409A-1(b)(9)(iii)(A) will not be paid before the date that is six months after the date of termination, or if earlier, the date of Executive's death. Any payments to which Executive would otherwise be entitled during such non-payment period will be accumulated and paid or otherwise provided to Executive on the first day of the seventh month following such date of termination, or if earlier, within 30 calendar days of Executive's death to his surviving spouse (or to his estate if Executive's spouse does not survive him).

7. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia without regard to conflict of law principles.

(b) Assignment and Transfer. Executive's rights and obligations under this Agreement shall not be transferable by assignment or otherwise, and any purported assignment, transfer or delegation thereof shall be

void. This Agreement shall inure to the benefit of, and be binding upon and enforceable by, any purchaser of substantially all of the Company's assets, any corporate successor to the Company or any assignee thereof.

(c) Entire Agreement. This Agreement, any outstanding equity agreements between Executive and Holdings relating to an award under Holdings' 2017 Stock Incentive Plan, and the Company's policies and procedures, contain the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersede any prior or contemporaneous written or oral agreements, representations and warranties between them respecting the subject matter hereof.

(d) Amendment and Waiver; Rights Cumulative. This Agreement may be amended, waived or discharged only by a writing signed by Executive and by a duly authorized representative of Holdings and the Operating Company (other than Executive). No failure or neglect of either party hereto in any instance to exercise any right, power or privilege hereunder or under law shall constitute a waiver of any other right, power or privilege or of the same right, power or privilege in any other instance. All waivers by either party hereto must be contained in a written instrument signed by the party to be charged and, in the case of Holdings and the Operating Company, by a duly authorized representative of Holdings and the Operating Company (other than Executive). The rights and remedies provided by this Agreement are cumulative, and the exercise of any right or remedy by either party hereto (or by its successor), whether pursuant to this Agreement, to any other agreement, or to law, shall not preclude or waive its right to exercise any or all other rights and remedies.

(e) Severability. If any term, provision, covenant or condition of this Agreement, or the application thereof to any person, place or circumstance, shall be held to be invalid, unenforceable or void, the remainder of this Agreement and such term, provision, covenant or condition as applied to other persons, places and circumstances shall remain in full force and effect.

(f) Remedy for Breach. In the event of breach or threatened breach of any Restrictive Covenants and Agreements of Executive hereunder, including any breach of Sections 4(e), 4(f), 6 or 7, the damage or imminent damage to the value and the goodwill of the Company and its subsidiaries' business would be inestimable and irreparable, and therefore any remedy at law or in damages shall be inadequate. Accordingly, (i) the provisions of Section 11(h) shall not preclude the Company from obtaining provisional relief, including injunctive relief, from a court of appropriate jurisdiction to protect its rights under this Agreement, and (ii) the Company shall be entitled to seek an injunction to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions thereof in addition to any other remedy (including damages) to which they are entitled at law or in equity. Each party agrees and consents to personal jurisdiction, service of process and venue in any federal or state court within the State of Georgia, in connection with any action brought in connection with a request for any such provisional or injunctive relief, and in connection with any action to enforce this arbitration clause or an award in arbitration. The prevailing party in any action instituted pursuant to this Agreement shall be entitled to recover from the other party its reasonable attorneys' fees and other expenses incurred in such action. In the event Executive violates (i) the Restrictive Covenants and Agreements (pursuant to the terms thereof) or (ii) Executive's obligations in Sections 4(e) or 4(f) or Section 7 above, and does not cure such violations within 30 days after written notice from the Company to Executive that such violation has occurred, then any obligations to pay amounts to Executive pursuant to Section 4(b) of this Agreement (other than the Accrued Benefits) shall immediately cease. This Section 11(f) shall survive Executive's termination of employment and the expiration or termination of this Agreement.

(g) Notices. All notices, demands or requests made pursuant to, under or by virtue of this Agreement must be in writing and sent to the party to which the notice, demand or request is being made by (i) by nationally recognized overnight courier delivery for next business day delivery, (ii) by hand delivery, or (iii) by facsimile or electronic mail transmission followed by overnight delivery the next business day to the addresses listed below; or to such other street address to which hand deliveries may be made as is specified by a party by not less than five days prior notice to the other party given in accordance with the provisions of this Section. Any notice given in accordance with the provisions of this Section shall be deemed given on the date of initial delivery or initial attempted delivery in the event of rejection or other refusal to accept or inability to deliver because of changed address of which proper notice was not given shall be deemed to be receipt of the notice, request, demand

or other communication, provided that such delivery or attempted delivery at the addresses listed below must be on a business day between 8:30 a.m. and 5:30 p.m. in the time zone in which such address is located. Legal counsel for the respective parties may send to the other party any notices, requests, demands or other communications required or permitted to be given hereunder by such party.

If to Executive:

At the address shown
on the records of the Company

If to the Company:

Floor and Decor Outlets of America, Inc.
2500 Windy Ridge Parkway, SE
Atlanta, Georgia 30339
Telephone: (404) 471-1634
Facsimile: (404) 393-3540
Attention: General Counsel

with copies to:

Floor & Decor Holdings, Inc.
2500 Windy Ridge Parkway, SE
Atlanta, Georgia 30339
Telephone: (404) 471-1634
Facsimile: (404) 393-3540
Attention: General Counsel

(h) Arbitration. Subject to Section 11(f), any dispute, claim, controversy or cause of action, in law (but not in equity), directly or indirectly relating to or arising out of or related to this Agreement, the termination or validity hereof, including the determination of the scope or applicability of this agreement to arbitrate, or the employment relationship, shall, to the fullest extent permitted by law, be exclusively determined by final, binding and confidential arbitration in Atlanta, Georgia conducted by JAMS, Inc. ("JAMS"), or its successor, pursuant to the JAMS Comprehensive Arbitration Rules and Procedures in effect as of the Effective Date. If Executive files a demand for arbitration hereunder, Executive shall not be required to pay the cost of the filing fees in excess of the amount Executive would be required to pay to commence a comparable action in the applicable state or federal courts of Georgia and the Company shall be responsible for the payment of any excess. There shall be limited discovery prior to the arbitration hearing as follows: (a) exchange of witness lists and copies of documentary evidence and documents relating to or arising out of the issues to be arbitrated, (b) depositions of all party witnesses and (c) such other depositions as may be allowed by the arbitrators upon a showing of good cause. Depositions shall be conducted in accordance with Georgia law, the arbitrators shall be required to provide in writing to the parties the basis for the award or order of such arbitrator, and a court reporter shall record all hearings, with such record constituting the official transcript of such proceedings. The arbitrator shall, in their award, allocate all of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail. The award in the arbitration shall be final and binding. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§1–16, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The arbitrator will have the same, but *no greater, remedial authority than would a court of law* (except that the arbitrator shall not have the power or authority to award punitive damages, consequential damages, lost profits or speculative damages to either party). This agreement to resolve any disputes by binding arbitration extends to claims by or against the Company and claims by or against any of its affiliates, and applies to claims directly or indirectly arising under or out of (i) federal, state and local laws, including claims of alleged discrimination on any basis, or (ii) the common law. In the event of a conflict between this provision and any provision in the applicable rules of JAMS, the provisions of this Agreement will prevail. The parties shall keep confidential the existence of the claim, controversy or disputes from

third parties (other than the arbitrator), and the determination thereof, unless otherwise required by law or necessary for the business of the Company or the other parties to the arbitration, provided that notwithstanding the foregoing, Executive shall be entitled to disclose the existence of, and information and documentation regarding, the claim, controversy or disputes to Executive's accountants, lawyers and financial and other consultants on a "need to know" basis who are assisting or representing such Executive in connection with the arbitration proceeding. **If for any reason this arbitration clause becomes not applicable, then each party, to the fullest extent permitted by applicable law, hereby irrevocably waives all right to trial by jury as to any issue relating hereto in any action, proceeding, or counterclaim arising out of or relating to this Agreement or any other matter involving the parties hereto**. Each of the parties hereto agree and consent to personal jurisdiction, service of process and venue in any federal or state court within the City of Atlanta in the State of Georgia in connection with any action brought to enforce an award in arbitration. This Section 11(h) shall survive Executive's termination of employment and the expiration or termination of this Agreement.

By initialing below, the parties hereby agree to the provisions set forth in this Section 11(h):

EXECUTIVE: /s/BSP OPERATING COMPANY: /s/TT HOLDINGS: /s/TT

(i) Further Assurances. Executive shall, upon the Company's reasonable request, execute such further documents and take such other actions as may be permitted or reasonably required by law to implement the purposes, objectives, terms, and provisions of this Agreement. The Company shall, upon the Executive's reasonable request, execute such further documents and take such other actions as may be permitted or reasonably required by law to implement the purposes, objectives, terms, and provisions of this Agreement.

(j) Interpretation. The headings and captions of this Agreement are provided for convenience only and are intended to have no effect in construing or interpreting this Agreement. The language in all parts of this Agreement shall be in all cases construed according to its fair meaning and not strictly for or against the Company or Executive. As used herein: (i) reference to any gender includes each other gender; (ii) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof; (iii) reference to any law, rule or regulation means such law, rule or regulation as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any law, rule or regulation means that provision of such law, rule or regulation from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision; (iv) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular article, section or other provision hereof; (v) numbered or lettered articles, sections and subsections herein contained refer to articles, sections and subsections of this Agreement; (vi) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; (vii) "or" is used in the inclusive sense of "and/or"; (viii) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto; and (ix) reference to dollars or $ shall be deemed to refer to U.S. dollars.

(k) Acknowledgement. Executive understands the terms and conditions set forth in this Agreement and acknowledges having had adequate time to consider whether to agree to the terms and conditions and to consult a lawyer or other advisor of Executive's choice.

(l) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered to have the force and effect of an original.

(m) Each Party the Drafter. Executive understands the terms and conditions set forth in this Agreement and acknowledges having had adequate time to consider whether to agree to the terms and conditions and to consult a lawyer or other advisor of Executive's choice. This Agreement and the provisions contained herein shall not be construed or interpreted for or against any party to this Agreement because that party drafted or caused that party's legal representative to draft any of its provisions.

(n) Time of Essence. Time is and shall be of the essence in connection with this Agreement and the terms and conditions contained herein.

(o) Survival. To the extent not otherwise expressly provided in this Agreement, all rights and obligations of any party to this Agreement not fully satisfied or performed, as applicable, on the date Executive's employment is terminated, shall survive the termination of Executive's employment and the expiration or termination of the Agreement, including but not limited to Sections 2(c), 2(e), 4, 5, 6, 7, 8, 9 and 11 of the Agreement.

[Remainder of Page Intentionally Left Blank / Signatures on Next Page]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

FLOOR & DECOR HOLDINGS, INC.

By: /s/ Thomas V. Taylor
Name: Thomas V. Taylor
Title: CEO

FLOOR AND DECOR OUTLETS OF AMERICA, INC.

By: /s/ Thomas V. Taylor
Name: Thomas V. Taylor
Title: CEO

BRADLEY S. PAULSEN

By: /s/ Bradley S. Paulsen

EXHIBIT A

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (this "Agreement"), between Floor and Decor Outlets of America, Inc., a Delaware corporation (the "Operating Company"), Floor & Decor Holdings, Inc., a Delaware corporation ("Holdings" and together with the Operating Company, the "Company") and Bradley S. Paulsen ("Employee" or "You"), each of whom agrees to the following terms and conditions regarding the separation of Employee's employment with the Company:

1. No Admission. This Agreement shall not be construed as (i) an admission of liability or wrongdoing by either the Company or any of the Releasees (as defined below) or you or (ii) an admission by either the Company or you that you would otherwise have standing or eligibility to bring any claims under the statutes referenced herein (including the statutes specified in Section 7). This Agreement simply reflects the parties' desire to end their service relationship in a business-like fashion.

2. Separation Date. You have been advised of the separation of your employment with the Company effective [●●●●●] [●], 20[●●] (the "Separation Date"). You agree that after the Separation Date, you shall not represent yourself as being associated with, or an employee or representative of, the Company for any purpose, and you hereby resign as an officer of the Company and all of its affiliates, from all directorships and other positions with the Company and its affiliates and as a fiduciary of any benefit plan. The Separation Date shall be the termination date of your employment for purposes of participation in and coverage under all benefit plans and programs sponsored by or through the Company, except as otherwise provided in Section 3 of this Agreement.

3. Separation Benefits. In exchange for and subject to your waiver and release of claims against the Company (and non-revocation thereof) and your compliance with the other terms and conditions of this Agreement, the Company agrees to provide you with the following separation benefits:

(a) A severance payment in the gross amount of $[●●●●][1] (less applicable tax withholdings and other payroll deductions) pursuant to Section 4(b)(ii)(x) of Employee's employment agreement with the Company, effective [●] (the "Employment Agreement"). [This payment shall be made in substantially equal installments on the Company's regular pay dates, payable over the 18-month period commencing on the pay day following the 60th calendar day following the Separation Date];

(b) the Bonus, determined pursuant to Section 2(b), with respect to the most recently completed fiscal year if such Bonus is unpaid on the date of termination of employment, pursuant to Section 4(b)(y) of the Employment Agreement, payable upon the later of (i) the date Bonuses are paid to executives generally and (ii) the 60th calendar day following the Separation Date; and

(c) A pro-rated bonus payment based on the Bonus for the current fiscal year pursuant to Section 4(b)(ii)(y) of the Employment Agreement, payable upon the later of (i) the date Bonuses are paid to executives generally for that fiscal year and (ii) the first regular pay date following the 60th calendar day following Executive's employment termination date.

1. Unemployment. The Company will not contest any application for unemployment filed by you.

2. No Claims. You represent that you have not filed any claims or charges against the Company, nor against any of the Releasees (as defined below), with any governmental agency or court based upon any actions or omissions by the Company or any of the Releasees that occurred prior to the execution of this Agreement. You further represent that you have not assigned the right to bring a claim or charge against the Company, nor against any of the Releasees, with any governmental agency or court to any third party.

3. Full Discharge; Payments Represent Additional Amounts. You acknowledge and agree that the payment(s) and other benefits provided pursuant to this Agreement: (i) are in full discharge of any and all liabilities and obligations of the Company to you, monetarily or with respect to employee benefits or otherwise, including but not limited to any and all obligations arising under any alleged written or oral employment agreement, policy, plan

[1] To be calculated in accordance with Section 4(b) of Employee's employment agreement with the Company.

or procedure of the Company and/or any alleged understanding or arrangement between the Company and you and any Company representative and you; and (ii) exceed(s) any payment, benefit, or other thing of value to which you might otherwise be entitled under any policy, plan or procedure of any of the Company and/or any agreement between the Company and you, including but not limited to any severance plan or policy of the Company.

4. Release.

(a) In exchange for the consideration set forth in Section 3, you, for yourself and for your heirs, executors, administrators, successors and assigns (referred to collectively as "Releasor"), forever release and discharge the Company and any and all of the Company's affiliates, successors and assigns, and any and all of its and their past and present officers, directors, partners, managers, agents, employees, employee benefit plans and their fiduciaries and administrators, successors and assigns (referred to collectively as the "Releasees"), from any and all claims, demands, causes of action, fees and liabilities of any kind whatsoever, whether known or unknown, which Releasor ever had, now has or may have against Releasees or any of them by reason of any actual or alleged act, omission, transaction, practice, conduct, occurrence or other matter up to and including the date Employee signs this Agreement.

(b) Without limiting the generality of the foregoing, this Agreement is intended to and shall release Releasees from any and all claims, whether known or unknown, up to and including the date Employee signs this Agreement, that Releasor ever had, now has or may have against Releasees or any of them arising out of Employee's employment with the Company, the terms and conditions of such employment and/or the termination of such employment, including but not limited to any claim under: (i) the Age Discrimination in Employment Act, as amended; (ii) the Employee Retirement Income Security Act of 1974, as amended, (iii) Title VII of the Civil Rights Act of 1964, as amended; (iv) the Americans with Disabilities Act, as amended; (iv) the Family Medical Leave Act; (v) the Fair Labor Standards Act, as amended; (vi) the Older Workers Benefit Protection Act; (vii) the Delaware Discrimination in Employment Act, the Delaware Handicapped Persons Employment Protections Act, the Delaware Whistleblower's Protection Act, Delaware's equal pay laws (Del. Code. Ann. § 1107A), Delaware's worker's compensation laws (Del. Code Ann. tit. 19, §2365) and Delaware's wage payment laws (Del. Code Ann. tit. 19, §1101 *et seq*.); (viii) the Georgia Fair Employment Practices Act of 1978, the Georgia Equal Pay Act, the Georgia Equal Employment for People with Disabilities Code, Georgia's age discrimination laws (Ga. Code Ann. § 34-1-2), Georgia's whistleblower protection laws (Ga. Code Ann. § 45-1-4(d)) and Georgia's payment laws (Ga. Code Ann. § 34-4-1 *et seq*.); (ix) any other claim of discrimination, harassment or retaliation in employment (whether based on federal, state or local law, statutory or decisional); (x) any claim sounding in tort or contract (express or implied); and (xi) any claim for attorneys' fees, costs, disbursements or the like.

(c) You acknowledge and agree that by virtue of the foregoing, you have waived any relief available to you (including monetary damages, equitable relief and reinstatement) under any of the claims and/or causes of action waived in this Agreement. Therefore you agree that you will not accept any award or settlement from any source or proceeding (including but not limited to any proceeding brought by any other person or by any government agency) with respect to any claim or right waived in this Agreement.

(d) Nothing herein, however, shall constitute a waiver of claims arising after the date Employee signs this Agreement, or of any rights to accrued, vested benefits under any qualified or non-qualified employee benefit plan of the Company (in accordance with the terms of the official plan documents and applicable law) or claims for benefits under the Company's group medical, dental and vision plans (in accordance with the terms of such plans and applicable law), or any claim that cannot be waived by law. In addition, nothing herein shall be a waiver of Employee's right to file a charge with, provide truthful information about this Agreement or Releasees to, or to cooperate with any investigation being conducted by any governmental agency; provided, however, Employee acknowledges that by virtue of his release, he has waived and may not recover monetary or equitable relief of any kind from Releasees in connection with the claims he has waived in this Agreement.

4. Whistleblower Actions or Investigations. You understand that nothing in this Agreement shall prohibit you from (i) voluntarily communicating with your attorney; (ii) reporting possible violations of the law to government agencies, including the Securities and Exchange Commission ("SEC"), the Equal Employment Opportunity Commission, or any other state or local commission on human rights, or self-regulatory organization or

government agency; (iii) recovering a SEC whistleblower award as provided under Section 21F of the Securities Exchange Act of 1934; (iv) disclosing the underlying facts or circumstances relating to claims of discrimination, in violation of laws prohibiting discrimination, against the Company; or (iv) communicating with or participating in any investigation or proceeding before any government agency, making disclosures to government agencies that are protected by law (such as providing testimony or information during a government investigation); and you are not required to notify the Company that you have made any such reports or disclosures. In response to a valid subpoena, court order or other written request, you may provide testimony or information about the Company to a court or other administrative or legislative body, but to the extent legally permitted, and subject to the protected rights in this Section, you agrees to provide the Company notice in advance of any such disclosure so that the Company may seek to quash the subpoena or limit the disclosure, if appropriate.

5. Claims Based Upon Different or Additional Facts Also Released. You understand and agree that if, hereafter, you discover facts different from or in addition to those which you now know or believe to be true, that the waivers and releases of Section 7 of this Agreement shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery of such facts.

6. Voluntary Agreement. You understand and acknowledge the significance and consequences of this Agreement, that it is voluntary, that it has not been given as a result of any coercion, and you expressly confirm that it is to be given full force and effect according to all of its terms, including those relating to unknown claims as specified in Sections 7 and 9. You were hereby advised of your right to seek the advice of an attorney prior to signing this Agreement. You acknowledge that you have signed this Agreement only after full reflection and analysis, that you understand it and that you are entering into it voluntarily.

7. Continuing Obligations. You acknowledge and agree that you are still subject to the obligations under Sections 4, 6, 7, and 11 of the Employment Agreement. Such Sections of the Employment Agreement as well as Sections 5, 8 and 9 shall survive your termination of employment with the Company in accordance with the terms thereof.

8. Cooperation. Following the Separation Date, Employee shall (i) reasonably cooperate with the Company, as reasonably requested by the Company, to effect a transition of Employee's responsibilities and to ensure that the Company is aware of all matters being handled by Employee and (ii) cooperate and provide assistance to the Company at its reasonable request in connection with any action, suit or proceeding brought by or against the Company or any of its affiliates (or in which any of them is or may be a party) or that relates in any way to Employee's acts or omissions while employed by the Company. The Company agrees to promptly reimburse Employee for reasonable expenses incurred by him in connection with assisting the Company in the manner described in the immediately preceding sentence. Reimbursement shall be made in accordance with the applicable policy of the Company then in effect.

9. Return of Property. By the close of business on the Separation Date, you agree to return to the Company all Company Property (as defined below). All assets, property and equipment and all tangible and intangible information relating to the Company, its affiliates and their respective employees, customers or vendors furnished to, obtained by or prepared by Employee or any other person during the course of or incident to Employee's employment by the Company or any of its subsidiaries are and shall remain the sole property of Company ("Company Property"). Company Property includes, but is not limited to, computer equipment, books, manuals, records, reports, notes, correspondence, contracts, customer lists, business cards, advertising, sales, financial, personnel, operations, and manufacturing materials and information, data processing reports, computer programs, software, customer information and records, business records, price lists or information, and samples, and in each case shall include all copies thereof in any medium, including paper, electronic and magnetic media and all other forms of information storage. Employee shall further permanently delete any Company information from any computers or other electronic storage devices owned by Employee. Upon request of the Company, Employee shall certify in writing that Employee has complied with the requirements of this Section 13. Notwithstanding the foregoing, Employee shall be permitted to retain one or more copies of his contacts list and his appointment calendars.

10. Severability. If any provision of this Agreement is held to be illegal, void, or unenforceable, such provision shall be of no force or effect. However, the illegality or unenforceability of such provision shall have no effect upon, and shall not impair the enforceability of, any other provision of this Agreement. Further, to the extent

any provision of this Agreement is deemed to be overbroad or unenforceable as written, such provision shall be given the maximum effect permissible under law.

11. Complete Agreement. This Agreement, the Employment Agreement and the Company's policies and procedures state the entire understanding between the parties hereto with respect to the subject matter hereof, supersede any and all prior agreements and understandings (whether oral or written) with respect to the subject matter hereof, and may not be changed or modified except by a written agreement signed by both of the parties hereto after the Effective Date. You represent and agree that, in signing this Agreement, you are not relying on any promises or representations not contained in this Agreement and acknowledge that you are not entitled to any other compensation or benefits from the Company except as otherwise expressly provided for herein.

12. Governing Law and Exclusive Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Georgia. Additionally, any action to enforce the terms of this Agreement shall be commenced exclusively in the state of Georgia. Both parties consent to personal jurisdiction in federal and state courts in the state of Georgia.

13. Specific Performance. In the event of breach or threatened breach of any Restrictive Covenants and Agreements (as defined in the Employment Agreement) of Employee hereunder, including any breach of Sections 11, 12 or 13 above, the damage or imminent damage to the value and the goodwill of the Company and its subsidiaries' business would be inestimable and irreparable, and therefore any remedy at law or in damages shall be inadequate. Accordingly, (i) the provisions of Section 18 shall not preclude the Company from obtaining provisional relief, including injunctive relief (without the necessity of posting a bond), from a court of appropriate jurisdiction to protect its rights under this Agreement, and (ii) the Company shall be entitled to seek an injunction to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions thereof in addition to any other remedy (including damages) to which they are entitled at law or in equity. Each party agrees and consents to personal jurisdiction, service of process and venue in any federal or state court within the State of Georgia, in connection with any action brought in connection with a request for any such provisional or injunctive relief, and in connection with any action to enforce this arbitration clause or an award in arbitration. The prevailing party in any action instituted pursuant to this Agreement shall be entitled to recover from the other party its reasonable attorneys' fees and other expenses incurred in such action. In the event Employee violates (i) the Restrictive Covenants and Agreements (pursuant to the terms thereof) or (ii) Employee's obligations in Sections 11, 12 or 13 above, and does not cure such violations within 30 days of written notice from the Company to Employee that such violation has occurred, then any obligations to pay amounts to Employee pursuant to Section 3 above shall immediately cease.

14. Arbitration. Subject to Section 17 above, any dispute, claim, controversy or cause of action, in law (but not in equity), directly or indirectly relating to or arising out of or related to this Agreement, the termination or validity hereof, including the determination of the scope or applicability of this agreement to arbitrate, or the employment relationship, shall, to the fullest extent permitted by law, be exclusively determined by final, binding and confidential arbitration in Atlanta, Georgia conducted by JAMS, Inc. ("JAMS"), or its successor, pursuant to the JAMS Comprehensive Arbitration Rules and Procedures in effect as of the Effective Date (as defined in the Employment Agreement). If Employee files a demand for arbitration hereunder, Employee shall not be required to pay the cost of the filing fees in excess of the amount Employee would be required to pay to commence a comparable action in the applicable state or federal courts of Georgia and the Company shall be responsible for the payment of any excess. There shall be limited discovery prior to the arbitration hearing as follows: (a) exchange of witness lists and copies of documentary evidence and documents relating to or arising out of the issues to be arbitrated, (b) depositions of all party witnesses and (c) such other depositions as may be allowed by the arbitrators upon a showing of good cause. Depositions shall be conducted in accordance with Georgia law, the arbitrators shall be required to provide in writing to the parties the basis for the award or order of such arbitrator, and a court reporter shall record all hearings, with such record constituting the official transcript of such proceedings. The arbitrator shall, in their award, allocate all of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail. The award in the arbitration shall be final and binding. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§1–16, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The arbitrator will have the same, but no greater, remedial authority than would a court of law (except that the arbitrator

shall not have the power or authority to award punitive damages, consequential damages, lost profits or speculative damages to either party). This agreement to resolve any disputes by binding arbitration extends to claims by or against the Company and claims by or against any of its affiliates, and applies to claims directly or indirectly arising under or out of (i) federal, state and local laws, including claims of alleged discrimination on any basis, or (ii) the common law. In the event of a conflict between this provision and any provision in the applicable rules of JAMS, the provisions of this Agreement will prevail. The parties shall keep confidential the existence of the claim, controversy or disputes from third parties (other than the arbitrator), and the determination thereof, unless otherwise required by law or necessary for the business of the Company or the other parties to the arbitration, provided that notwithstanding the foregoing, Employee shall be entitled to disclose the existence of, and information and documentation regarding, the claim, controversy or disputes to Employee's accountants, lawyers and financial and other consultants on a "need to know" basis who are assisting or representing such Employee in connection with the arbitration proceeding. **If for any reason this arbitration clause becomes not applicable, then each party, to the fullest extent permitted by applicable law, hereby irrevocably waives all right to trial by jury as to any issue relating hereto in any action, proceeding, or counterclaim arising out of or relating to this Agreement or any other matter involving the parties hereto**. Each of the parties hereto agree and consent to personal jurisdiction, service of process and venue in any federal or state court within the City of Atlanta in the State of Georgia in connection with any action brought to enforce an award in arbitration.

By initialing below, the parties hereby agree to the provisions set forth in this Section 18:

EMPLOYEE: _____ OPERATING COMPANY: _____ HOLDINGS: _____

15. Attorneys Fees. Should the Company or you institute any legal action or administrative proceeding with respect to any claim waived by this Agreement, or pursue any dispute or matter covered by this Section 19 by any method other than said arbitration, the responding party shall be entitled to recover from the other party all damages, costs, expenses and attorneys' fees incurred as a result of such action.

16. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of (a) the Company and any entity it succeeds by acquisition, merger or otherwise to all, or substantially all, of the Company's business and (b) Employee and Employee's heirs, legatees, executors, and administrators and legal representatives. Employee may not assign this Agreement, and any such purported assignment shall be void, but the Company may freely assign this Agreement and the benefits hereunder without the consent of Employee at any time to any person or entity.

17. Execution of Agreement. You acknowledge that you: (a) have carefully read this Agreement in its entirety; (b) have had an opportunity to consider the terms of this Agreement for at least 21 days; (c) have been and are hereby advised by the Company in writing to consult with an attorney of your choice before signing this Agreement; (d) fully understand the significance of all of the terms and conditions of this Agreement and have discussed them with an attorney of your choice, or have had a reasonable opportunity to do so; and (e) are signing this Agreement voluntarily and of your own free will and agree to abide by all the terms and conditions contained herein.

18. Manner of Acceptance; Revocation. You may accept this Agreement by signing it before a notary public, inserting the date of signature in the space provided, and sending it to FLOOR AND DECOR OUTLETS OF AMERICA, INC.; 2500 WINDY RIDGE PARKWAY, SE, ATLANTA, GEORGIA 30339; ATTENTION: GENERAL COUNSEL, by first class mail or certified mail on or before the later of the 21st day after you receive this Agreement. After signing this Agreement, you shall have seven days (the "Revocation Period") to revoke your decision. If the last day of the Revocation Period falls on a Saturday, Sunday or a legal holiday, then the last day of the Revocation Period will be deemed to be the next business day. You may exercise your right to revoke your decision by doing so in writing and sending such written notice of revocation to the General Counsel of the Company, as applicable, at the above address by first class or certified mail or by facsimile with the written original mailed by no later than the last day of the Revocation Period. Provided you do not revoke this Agreement during the Revocation Period, the Effective Date of this Agreement shall be the day after the last day of the Revocation Period (the "Effective Date"). You understand that if you revoke this Agreement you will not be entitled to any of the payments and benefits set forth hereunder, whether under Section 3 or otherwise.

19. Miscellaneous. This Agreement shall also be subject to the following miscellaneous terms and conditions:

(a) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instruments.

(b) Headings. The headings of the sections and sub-sections contained in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Agreement.

(c) Amendment. This Agreement may not be modified, altered or changed except upon express written consent of both parties wherein specific reference is made to this Agreement.

(d) Interpretation or Construction. Should any provision of this Agreement require interpretation or construction, it is agreed by the parties that the entity interpreting or constructing this Agreement shall not apply a presumption against one party by reason of the rule of construction that a document is to be construed more strictly against the party who prepared the document.

(e) Third Party Beneficiaries. Each of the Releasees is a third-party beneficiary of this Agreement.

(f) Taxes. All payments to be made to you under this Agreement will be subject to any applicable deductions or withholdings required by law or authorized by you, including but not limited to withholding of federal, state and local income and employment taxes.

(g) Section 409A. The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively, "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Company or any of its affiliates be liable for any additional tax, interest or penalty that may be imposed on you by Code Section 409A or any damages for failing to comply with Code Section 409A.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

FLOOR & DECOR HOLDINGS, INC.

By: _____
Name: _____
Title: _____

FLOOR AND DECOR OUTLETS OF AMERICA, INC.

By: _____
Name: _____
Title: _____

BRADLEY S. PAULSEN

By: _____
Date: _____

FLOOR & DECOR HOLDINGS, INC.

Form of Performance Stock Unit Agreement
Pursuant to the
Floor & Decor Holdings, Inc.
2017 Stock Incentive Plan

AGREEMENT (this "**Agreement**"), dated as of _____ (the "**Grant Date**") between Floor & Decor Holdings, Inc., a Delaware corporation (the "**Company**" and, collectively with its controlled Affiliates, the "**Employer**"), and _____ (the "**Participant**").

Preliminary Statement

Subject to the terms and conditions set forth herein, the Committee hereby grants the Participant the right to receive the number of shares of Common Stock specified in Section 1 (the "**Performance Stock Units**"), as an Eligible Employee, Consultant or Non-Employee Director, on the Grant Date pursuant to the Floor & Decor Holdings, Inc. 2017 Stock Incentive Plan, as it may be amended from time to time (the "**Plan**"). Except as otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan. By signing and returning this Agreement, the Participant acknowledges having received and read a copy of the Plan and agrees to comply with it, this Agreement and all applicable laws and regulations.

Accordingly, the parties hereto agree as follows:

1. **Grant of Performance Stock Units.** Subject to the Plan and the terms and conditions set forth herein and therein, including the conditions set forth in Section 2 hereof, the Participant is hereby granted Performance Stock Units on the Grant Date as follows. Each Performance Stock Unit represents an unfunded, unsecured right to receive one (1) share of Common Stock on the Payment Date(s) specified in Section 2(d) hereof.

2. **Target Number of Performance Stock Units: [●]**

3. **Maximum Number of Performance Stock Units: [●]**

4. **Vesting.**

(a) The number of Performance Stock Units (if any) that become vested shall be determined upon the date on which the Committee determines and certifies the extent to which the performance goals set forth in Exhibit A attached hereto (the "**Performance Goals**") have been achieved (or not) (the "**Measurement Date**"), which date shall occur as soon as practicable following the end of the Performance Period (as defined in Exhibit A attached hereto), but in no event later than 60 days following the end of the Performance Period; provided that the Participant has not incurred a Termination prior to the Measurement Date (except as otherwise set forth in this Agreement). In no event shall the number of Performance Stock Units that vest hereunder exceed the Maximum Number of Performance Stock Units indicated above. All Performance Stock Units that do not become vested as of the Measurement Date shall be automatically forfeited without consideration therefor. The Committee's determination and certification of (i) the achievement of Performance Goals and

(ii) the number of Performance Stock Units that vest (if any) pursuant to this Section 2(a), shall be final and binding on the Participant.

(b) Notwithstanding anything herein to the contrary, the Committee shall have discretion to adjust the Performance Goals, or the metrics used to determine achievement of the Performance Goals, to reflect (A) a change in accounting standards or principles, (B) a significant acquisition or divestiture, (C) a significant capital transaction, (D) a change to or difference in the applicable fiscal year, or (E) any other unusual, nonrecurring or other extraordinary event or item.

(c) **Detrimental Activity.**

(i) In consideration for the grant of the Performance Stock Units and in addition to any other remedies available to the Company, the Participant acknowledges and agrees that the Performance Stock Units are subject to the provisions in the Plan regarding Detrimental Activity. If the Participant engages in any Detrimental Activity prior to, or during the two-year period after, any vesting of the Performance Stock Units, all unvested Performance Stock Units, and vested Performance Stock Units that have not been settled, shall be forfeited, without compensation, and the Committee shall be entitled to recover from the Participant (at any time within one year after such engagement in Detrimental Activity) an amount equal to the Fair Market Value as of the vesting date(s) of any Performance Stock Units that had vested and been settled in the period referred to above.

(ii) The restrictions regarding Detrimental Activity are necessary for the protection of the business and goodwill of the Company and are considered by the Participant to be reasonable for such purposes. Without intending to limit the legal or equitable remedies available in the Plan and in this Agreement, the Participant acknowledges that engaging in Detrimental Activity will cause the Company material irreparable injury for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such activity or threat thereof, the Company shall be entitled, in addition to the remedies provided under the Plan, to obtain from any court of competent jurisdiction a temporary restraining order or a preliminary or permanent injunction restraining the Participant from engaging in Detrimental Activity or such other relief as may be required to specifically enforce any of the covenants in the Plan and this Agreement without the necessity of posting a bond, and in the case of a temporary restraining order or a preliminary injunction, without having to prove special damages.

(d) **Termination; Forfeiture.** Except as provided in this Section 2(c), the Participant shall forfeit, without compensation, any and all unvested Performance Stock Units upon the Participant's Termination for any reason. Notwithstanding anything in the foregoing to the contrary, in the event of the Participant's Termination by the Company without Cause within the one (1) year period immediately following a Change in Control, the Performance Stock Units shall become vested at a Payout Percentage of 100% and shall become payable in accordance with Section 2(d), in each case subject to and conditioned upon, (i) the Participant's continued compliance with all confidentiality obligations and restrictive covenants to which the Participant is subject, and (ii) the Participant's timely execution and delivery (without revocation) to the Company of a general release of all claims of any kind that the Participant has or may have against the Company and its Affiliates and their respective officers, directors, employees, shareholders, agents, representatives, and advisors (in a form satisfactory to the Company and that is delivered to the Participant no later than the

date of the Participant's Termination), within twenty-one (21) days (or such longer period as may be required by law).

(e) **Payment.** The Company shall, as soon as reasonably practicable following the earliest of (i) the Measurement Date and (ii) the date the Performance Stock Units otherwise become vested in accordance with Section 2(c) (and in no event later than March 15th of the calendar year following the calendar year in which the applicable date occurs) (each, a "**Payment Date**"), deliver (or cause to be delivered) to the Participant one share of Common Stock with respect to each vested Performance Stock Unit, as settlement of such Performance Stock Unit and each such Performance Stock Unit shall thereafter be cancelled.

(f) **Withholding.** Unless otherwise directed or permitted by the Committee, the Participant shall pay or provide for all applicable withholding taxes in respect of the settlement of the Performance Stock Units by (i) remitting the aggregate amount of such taxes to the Company in full, by cash, or by check, bank draft or money order payable to the order of the Company, (ii) to the extent permitted by the Company, having the Employer withhold, from shares of Common Stock delivered upon settlement of the Performance Stock Units, a number of whole shares of Common Stock having a Fair Market Value equal to an amount necessary to satisfy all required federal, state, local and other non-U.S. withholding obligations using up to the maximum statutory withholding rates, as determined by the Company, for federal, state, local or non-U.S. tax purposes, including payroll taxes, or (iii) to the extent permitted by the Company, by making arrangements with the Company to have such taxes withheld from other compensation due to the Participant.

5. **Dividend Equivalents.** With respect to ordinary cash dividends in respect of shares of Common Stock covered by any outstanding Performance Stock Units, Participant will have the right to receive an amount in cash equal to the product of (i) the amount of any ordinary cash dividend paid with respect to a share of Common Stock on or after the Grant Date and on or prior to the earlier to occur of (A) the Payment Date, or (B) the termination or forfeiture for any reason of the outstanding Performance Stock Units, multiplied by (ii) the number of shares of Common Stock covered by such Performance Stock Units (a "**Dividend Equivalent**"). A Dividend Equivalent shall be subject to the same vesting restrictions and payment conditions as the Performance Stock Units to which such Dividend Equivalent relates, as set forth in Section 2(a) and subject to Section 2(c). Any Dividend Equivalents in respect of Performance Stock Units that do not vest, shall be forfeited and retained by the Company. For the avoidance of doubt, (I) if a Performance Stock Unit does not ultimately become vested hereunder, no Dividend Equivalent payments shall be made with respect to such unvested Performance Stock Unit, and (II) in no event shall a Dividend Equivalent be paid that would result in Participant receiving both the Dividend Equivalent and the actual dividend with respect to a Performance Stock Units and the corresponding share of Common Stock.

6. **Termination and Change in Control.** Except as expressly provided in Section 2(c), the provisions in the Plan regarding Termination and Change in Control shall apply to the Performance Stock Units.

7. **Performance Stock Unit Transfer Restrictions.** Unless otherwise determined by the Committee, Performance Stock Units may not be directly or indirectly transferred, sold, assigned, pledged, hypothecated, encumbered or otherwise disposed of whether for value or for no value and whether voluntarily or involuntarily (including by operation of law) by the Participant (a "**Transfer**") other than by will or by the laws of descent and distribution, and any other purported Transfer shall be void and unenforceable against the Company and its Affiliates.

8. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions and provisions of the Plan, including the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that this Agreement conflicts or is inconsistent with the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly.

9. **Notices.** All notices, demands or requests made pursuant to, under or by virtue of this Agreement must be in writing and sent to the party to which the notice, demand or request is being made:

(a) unless otherwise specified by the Company in a notice delivered by the Company in accordance with this Section 7, any notice required to be delivered to the Company shall be properly delivered if delivered to:

Floor & Decor Holdings, Inc.
2500 Windy Ridge Parkway, SE
Atlanta, GA 30339
Attention: General Counsel
Telephone: (404) 471-1634
Facsimile: (404) 393-3540

(b) if to the Participant, to the address on file with the Employer.

Any notice, demand or request, if made in accordance with this Section 7 shall be deemed to have been duly given: (i) when delivered in person; (ii) three days after being sent by United States mail; or (iii) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service.

10. **No Right to Employment/Consultancy/Directorship.** This Agreement shall not give the Participant or other Person any right to employment, consultancy or directorship by the Employer, or limit in any way the right of the Employer to terminate the Participant's employment, consultancy or directorship at any time.

11. **Waiver of Jury Trial.** EACH PARTY TO THIS AGREEMENT, FOR ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THE PLAN OR THIS AGREEMENT OR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THE PLAN OR THIS AGREEMENT.

12. **Dispute Resolution**. All controversies and claims arising out of or relating to this Agreement, or the breach hereof, shall be settled by the Employer's mandatory dispute resolution procedures as may be in effect from time to time with respect to matters arising out of or relating to Participant's employment with the Employer.

13. **Severability of Provisions.** If at any time any of the provisions of this Agreement shall be held invalid or unenforceable, or are prohibited by the laws of the jurisdiction where they are to be performed or enforced, by reason of being vague or unreasonable as to duration or geographic scope or

scope of the activities restricted, or for any other reason, such provisions shall be considered divisible and shall become and be immediately amended to include only such restrictions and to such extent as shall be deemed to be reasonable and enforceable by the court or other body having jurisdiction over this Agreement and the Company and the Participant agree that the provisions of this Agreement, as so amended, shall be valid and binding as though any invalid or unenforceable provisions had not been included.

14. **Governing Law.** All matters arising out of or relating to this Agreement and the transactions contemplated hereby, including its validity, interpretation, construction, performance and enforcement, shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to its principles of conflict of laws.

15. **Section 409A.** Although the Company makes no guarantee with respect to the tax treatment of the Performance Stock Units, the award of Performance Stock Units and Dividend Equivalents pursuant to this Agreement is intended to comply with, or to be exempt from, Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent. The Performance Stock Units and Dividend Equivalents shall be limited, construed and interpreted in accordance with such intent; provided that the Employer does not guarantee to the Participant any particular tax treatment of the Performance Stock Units or Dividend Equivalents. In no event whatsoever shall the Employer be liable for any additional tax, interest or penalties that may be imposed on the Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. Dividend Equivalents shall be treated separately from the Performance Stock Units and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A of the Code.

16. **Interpretation.** Unless a clear contrary intention appears: (a) the defined terms herein shall apply equally to both the singular and plural forms of such terms; (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by the Plan or this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually; (c) any pronoun shall include the corresponding masculine, feminine and neuter forms; (d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof; (e) reference to any law, rule or regulation means such law, rule or regulation as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any law, rule or regulation means that provision of such law, rule or regulation from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision; (f) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular article, section or other provision hereof; (g) numbered or lettered articles, sections and subsections herein contained refer to articles, sections and subsections of this Agreement; (h) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; (i) "or" is used in the inclusive sense of "and/or"; (j) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto; and (k) reference to dollars or $ shall be deemed to refer to U.S. dollars.

17. **No Strict Construction.** This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

FLOOR & DECOR HOLDINGS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

By: _____
Name: _____

Exhibit 10.3

FLOOR & DECOR HOLDINGS, INC.

Form of Performance Stock Unit Agreement
Pursuant to the
Floor & Decor Holdings, Inc.
2017 Stock Incentive Plan

AGREEMENT (this "**Agreement**"), dated as of _____ (the "**Grant Date**") between Floor & Decor Holdings, Inc., a Delaware corporation (the "**Company**" and, collectively with its controlled Affiliates, the "**Employer**"), and _____ (the "**Participant**").

Preliminary Statement

Subject to the terms and conditions set forth herein, the Committee hereby grants the Participant the right to receive the number of shares of Common Stock specified in Section 1 (the "**Performance Stock Units**"), as an Eligible Employee, Consultant or Non-Employee Director, on the Grant Date pursuant to the Floor & Decor Holdings, Inc. 2017 Stock Incentive Plan, as it may be amended from time to time (the "**Plan**"). Except as otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan. By signing and returning this Agreement, the Participant acknowledges having received and read a copy of the Plan and agrees to comply with it, this Agreement and all applicable laws and regulations.

Accordingly, the parties hereto agree as follows:

1. **Grant of Performance Stock Units.** Subject to the Plan and the terms and conditions set forth herein and therein, including the conditions set forth in Section 2 hereof, the Participant is hereby granted Performance Stock Units on the Grant Date as follows. Each Performance Stock Unit represents an unfunded, unsecured right to receive one (1) share of Common Stock on the Payment Date(s) specified in Section 2(d) hereof.

2. **Target Number of Performance Stock Units:**

3. **Maximum Number of Performance Stock Units:**

4. **Vesting.**

(a) The number of Performance Stock Units (if any) that become vested shall be determined upon the date on which the Committee determines and certifies the extent to which the performance goals set forth in Exhibit A attached hereto (the "**Performance Goals**") have been achieved (or not) (the "**Measurement Date**"), which date shall occur as soon as practicable following the end of the Performance Period (as defined in Exhibit A attached hereto), but in no event later than 60 days following the end of the Performance Period; provided that the Participant has not incurred a Termination prior to the Measurement Date (except as otherwise set forth in this Agreement). In no event shall the number of Performance Stock Units that vest hereunder exceed the Maximum Number of Performance Stock Units indicated above. All Performance Stock Units that do not become vested as of the Measurement Date shall be automatically forfeited without consideration therefor. The Committee's determination and certification of (i) the achievement of Performance Goals and

(ii) the number of Performance Stock Units that vest (if any) pursuant to this Section 2(a), shall be final and binding on the Participant.

(b) Notwithstanding anything herein to the contrary, the Committee shall have discretion to adjust the Performance Goals, or the metrics used to determine achievement of the Performance Goals, to reflect (A) a change in accounting standards or principles, (B) a significant acquisition or divestiture, (C) a significant capital transaction, (D) a change to or difference in the applicable fiscal year, or (E) any other unusual, nonrecurring or other extraordinary event or item.

(c) **Detrimental Activity.**

(i) In consideration for the grant of the Performance Stock Units and in addition to any other remedies available to the Company, the Participant acknowledges and agrees that the Performance Stock Units are subject to the provisions in the Plan regarding Detrimental Activity. If the Participant engages in any Detrimental Activity prior to, or during the two-year period after, any vesting of the Performance Stock Units, all unvested Performance Stock Units, and vested Performance Stock Units that have not been settled, shall be forfeited, without compensation, and the Committee shall be entitled to recover from the Participant (at any time within one year after such engagement in Detrimental Activity) an amount equal to the Fair Market Value as of the vesting date(s) of any Performance Stock Units that had vested and been settled in the period referred to above.

(ii) The restrictions regarding Detrimental Activity are necessary for the protection of the business and goodwill of the Company and are considered by the Participant to be reasonable for such purposes. Without intending to limit the legal or equitable remedies available in the Plan and in this Agreement, the Participant acknowledges that engaging in Detrimental Activity will cause the Company material irreparable injury for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such activity or threat thereof, the Company shall be entitled, in addition to the remedies provided under the Plan, to obtain from any court of competent jurisdiction a temporary restraining order or a preliminary or permanent injunction restraining the Participant from engaging in Detrimental Activity or such other relief as may be required to specifically enforce any of the covenants in the Plan and this Agreement without the necessity of posting a bond, and in the case of a temporary restraining order or a preliminary injunction, without having to prove special damages.

(d) **Termination; Forfeiture.** Except as provided in this Section 2(c), the Participant shall forfeit, without compensation, any and all unvested Performance Stock Units upon the Participant's Termination for any reason (for the avoidance of doubt, in the event that the Participant becomes a Consultant or a Non-Employee Director upon the termination of his employment, unless otherwise determined by the Committee no Termination of Employment shall be deemed to occur until such time as such Eligible Employee is no longer an Eligible Employee, a Consultant or a Non-Employee Director). Notwithstanding anything in the foregoing to the contrary, in the event of the Participant's Termination by the Company without Cause or due to the Participant's Termination for Good Reason, in each case within the one (1) year period immediately following a Change in Control, the Performance Stock Units shall become vested at a Payout Percentage of 100% and shall become payable in accordance with Section 2(d), in each case subject to and conditioned upon, (i) the Participant's continued compliance with all confidentiality obligations and restrictive

covenants to which the Participant is subject, and (ii) the Participant's timely execution and delivery (without revocation) to the Company of a general release of all claims of any kind that the Participant has or may have against the Company and its Affiliates and their respective officers, directors, employees, shareholders, agents, representatives, and advisors (in a form satisfactory to the Company and that is delivered to the Participant no later than the date of the Participant's Termination), within twenty-one (21) days (or such longer period as may be required by law).

(e) **Payment.** The Company shall, as soon as reasonably practicable following the earliest of (i) the Measurement Date and (ii) the date the Performance Stock Units otherwise become vested in accordance with Section 2(c) (and in no event later than March 15th of the calendar year following the calendar year in which the applicable date occurs) (each, a "**Payment Date**"), deliver (or cause to be delivered) to the Participant one share of Common Stock with respect to each vested Performance Stock Unit, as settlement of such Performance Stock Unit and each such Performance Stock Unit shall thereafter be cancelled.

(f) **Withholding.** Unless otherwise directed or permitted by the Committee, the Participant shall pay or provide for all applicable withholding taxes in respect of the settlement of the Performance Stock Units by (i) remitting the aggregate amount of such taxes to the Company in full, by cash, or by check, bank draft or money order payable to the order of the Company, (ii) to the extent permitted by the Company, having the Employer withhold, from shares of Common Stock delivered upon settlement of the Performance Stock Units, a number of whole shares of Common Stock having a Fair Market Value equal to an amount necessary to satisfy all required federal, state, local and other non-U.S. withholding obligations using up to the maximum statutory withholding rates, as determined by the Company, for federal, state, local or non-U.S. tax purposes, including payroll taxes, or (iii) to the extent permitted by the Company, by making arrangements with the Company to have such taxes withheld from other compensation due to the Participant.

5. **Dividend Equivalents.** With respect to ordinary cash dividends in respect of shares of Common Stock covered by any outstanding Performance Stock Units, Participant will have the right to receive an amount in cash equal to the product of (i) the amount of any ordinary cash dividend paid with respect to a share of Common Stock on or after the Grant Date and on or prior to the earlier to occur of (A) the Payment Date, or (B) the termination or forfeiture for any reason of the outstanding Performance Stock Units, multiplied by (ii) the number of shares of Common Stock covered by such Performance Stock Units (a "**Dividend Equivalent**"). A Dividend Equivalent shall be subject to the same vesting restrictions and payment conditions as the Performance Stock Units to which such Dividend Equivalent relates, as set forth in Section 2(a) and subject to Section 2(c). Any Dividend Equivalents in respect of Performance Stock Units that do not vest, shall be forfeited and retained by the Company. For the avoidance of doubt, (I) if a Performance Stock Unit does not ultimately become vested hereunder, no Dividend Equivalent payments shall be made with respect to such unvested Performance Stock Unit, and (II) in no event shall a Dividend Equivalent be paid that would result in Participant receiving both the Dividend Equivalent and the actual dividend with respect to a Performance Stock Units and the corresponding share of Common Stock.

6. **Termination and Change in Control.** Except as expressly provided in Section 2(c), the provisions in the Plan regarding Termination and Change in Control shall apply to the Performance Stock Units.

7. **Performance Stock Unit Transfer Restrictions.** Unless otherwise determined by the Committee, Performance Stock Units may not be directly or indirectly transferred, sold, assigned, pledged, hypothecated, encumbered or otherwise disposed of whether for value or for no value and whether voluntarily or involuntarily (including by operation of law) by the Participant (a "**Transfer**") other than by will or by the laws of descent and distribution, and any other purported Transfer shall be void and unenforceable against the Company and its Affiliates.

8. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions and provisions of the Plan, including the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that this Agreement conflicts or is inconsistent with the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly.

9. **Notices.** All notices, demands or requests made pursuant to, under or by virtue of this Agreement must be in writing and sent to the party to which the notice, demand or request is being made:

(a) unless otherwise specified by the Company in a notice delivered by the Company in accordance with this Section 7, any notice required to be delivered to the Company shall be properly delivered if delivered to:

Floor & Decor Holdings, Inc.
2500 Windy Ridge Parkway, SE
Atlanta, GA 30339
Attention: General Counsel
Telephone: (404) 471-1634
Facsimile: (404) 393-3540

(b) if to the Participant, to the address on file with the Employer.

Any notice, demand or request, if made in accordance with this Section 7 shall be deemed to have been duly given: (i) when delivered in person; (ii) three days after being sent by United States mail; or (iii) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service.

10. **No Right to Employment/Consultancy/Directorship.** This Agreement shall not give the Participant or other Person any right to employment, consultancy or directorship by the Employer, or limit in any way the right of the Employer to terminate the Participant's employment, consultancy or directorship at any time.

11. **Waiver of Jury Trial.** EACH PARTY TO THIS AGREEMENT, FOR ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THE PLAN OR THIS AGREEMENT OR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THE PLAN OR THIS AGREEMENT.

12. **Dispute Resolution**. All controversies and claims arising out of or relating to this Agreement, or the breach hereof, shall be settled by the Employer's mandatory dispute resolution procedures as may be in effect from time to time with respect to matters arising out of or relating to Participant's employment with the Employer.

13. **Severability of Provisions.** If at any time any of the provisions of this Agreement shall be held invalid or unenforceable, or are prohibited by the laws of the jurisdiction where they are to be performed or enforced, by reason of being vague or unreasonable as to duration or geographic scope or scope of the activities restricted, or for any other reason, such provisions shall be considered divisible and shall become and be immediately amended to include only such restrictions and to such extent as shall be deemed to be reasonable and enforceable by the court or other body having jurisdiction over this Agreement and the Company and the Participant agree that the provisions of this Agreement, as so amended, shall be valid and binding as though any invalid or unenforceable provisions had not been included.

14. **Governing Law.** All matters arising out of or relating to this Agreement and the transactions contemplated hereby, including its validity, interpretation, construction, performance and enforcement, shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to its principles of conflict of laws.

15. **Section 409A.** Although the Company makes no guarantee with respect to the tax treatment of the Performance Stock Units, the award of Performance Stock Units and Dividend Equivalents pursuant to this Agreement is intended to comply with, or to be exempt from, Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent. The Performance Stock Units and Dividend Equivalents shall be limited, construed and interpreted in accordance with such intent; provided that the Employer does not guarantee to the Participant any particular tax treatment of the Performance Stock Units or Dividend Equivalents. In no event whatsoever shall the Employer be liable for any additional tax, interest or penalties that may be imposed on the Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. Dividend Equivalents shall be treated separately from the Performance Stock Units and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A of the Code.

16. **Interpretation.** Unless a clear contrary intention appears: (a) the defined terms herein shall apply equally to both the singular and plural forms of such terms; (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by the Plan or this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually; (c) any pronoun shall include the corresponding masculine, feminine and neuter forms; (d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof; (e) reference to any law, rule or regulation means such law, rule or regulation as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any law, rule or regulation means that provision of such law, rule or regulation from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision; (f) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular article, section or other provision hereof; (g) numbered or lettered articles, sections and subsections herein contained refer to articles, sections and subsections of this Agreement; (h) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; (i) "or"

is used in the inclusive sense of "and/or"; (j) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto; and (k) reference to dollars or $ shall be deemed to refer to U.S. dollars.

17. **No Strict Construction.** This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

FLOOR & DECOR HOLDINGS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

By: _____
Name: _____

Exhibit 10.4

FLOOR & DECOR HOLDINGS, INC.

Restricted Stock Unit Agreement
Pursuant to the
Floor & Decor Holdings, Inc.
2017 Stock Incentive Plan

AGREEMENT (this "**Agreement**"), dated as of _____ (the "**Grant Date**") between Floor & Decor Holdings, Inc., a Delaware corporation (the "**Company**" and, collectively with its controlled Affiliates, "**Floor & Decor**"), and _____ (the "**Participant**").

Preliminary Statement

Subject to the terms and conditions set forth herein, the Committee hereby grants the Participant the right to receive the number of shares of Common Stock specified in Section 1 (the "**Restricted Stock Units**"), as a Non-Employee Director, on the Grant Date pursuant to the Floor & Decor Holdings, Inc. 2017 Stock Incentive Plan, as it may be amended from time to time (the "**Plan**"). Except as otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan. By signing and returning this Agreement, the Participant acknowledges having received and read a copy of the Plan and agrees to comply with it, this Agreement and all applicable laws and regulations.

Accordingly, the parties hereto agree as follows:

NOW, THEREFORE, the parties agree as follows:

1. **Grant of Restricted Stock Units.** Subject in all respects to the Plan and the terms and conditions set forth herein and therein, effective on the Grant Date, the Company hereby awards to the Participant ____ Restricted Stock Units. Each Restricted Stock Unit represents an unfunded, unsecured right to receive a share of Common Stock on the Payment Date(s) specified in Section 2(d) hereof.

2. **Vesting**.

(a) The Restricted Stock Units granted pursuant to Section 1 shall vest on the first anniversary of the Grant Date (the "**Vesting Date**"); provided that the Participant has been continuously providing services through the Vesting Date. Except as provided in Section 2(c)(ii), there shall be no proportionate or partial vesting.

(b) **Detrimental Activity.**

(i) In consideration for the grant of the Restricted Stock Units and in addition to any other remedies available to the Company, the Participant acknowledges and agrees that the Restricted Stock Units are subject to the provisions in the Plan regarding Detrimental Activity. If the Participant engages in any Detrimental Activity prior to, or during the one-year period after, any vesting of Restricted Stock Units, all unvested Restricted Stock Units or vested Restricted Stock Units that have not been settled, shall be forfeited, without compensation, and the Committee shall be entitled to recover from the Participant (at any time within one year after such engagement in Detrimental

Activity) an amount equal to the Fair Market Value as of the vesting date of any Restricted Stock Units that had vested and been settled in the period referred to above.

(ii) The restrictions regarding Detrimental Activity are necessary for the protection of the business and goodwill of the Company and are considered by the Participant to be reasonable for such purposes. Without intending to limit the legal or equitable remedies available in the Plan and in this Agreement, the Participant acknowledges that engaging in Detrimental Activity will cause the Company material irreparable injury for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such activity or threat thereof, the Company shall be entitled, in addition to the remedies provided under the Plan, to obtain from any court of competent jurisdiction a temporary restraining order or a preliminary or permanent injunction restraining the Participant from engaging in Detrimental Activity or such other relief as may be required to specifically enforce any of the covenants in the Plan and this Agreement without the necessity of posting a bond, and in the case of a temporary restraining order or a preliminary injunction, without having to prove special damages.

(c) **Termination; Forfeiture.** Except as expressly provided in this Section 2(c), the Participant shall forfeit to the Company, without compensation, any and all unvested Restricted Stock Units upon the Participant's Termination for any reason. Notwithstanding the foregoing, if the Participant incurs a Termination due to:

(i) the Participant's death within the six-month period prior to the Vesting Date, any unvested portion of the Restricted Stock Units shall vest on such Termination, which shall be a Vesting Date; or

(ii) the Participant's resignation after (A) continuously providing services to the Company as a Non-Employee Director for at least five years (a "**Qualifying Resignation**"), and (B) the end of the Company's first fiscal quarter of the Company's fiscal year in which such Qualifying Resignation occurs (a "**Resignation Year**"), then a percentage of the Restricted Stock Units shall vest on such Qualifying Resignation (rounded down to the nearest whole Restricted Stock Unit), which shall be a Vesting Date, with such percentage determined as follows: (1) 25% of the Restricted Stock Units granted hereunder shall become vested if such Qualifying Resignation is during the Company's second fiscal quarter of the Participant's Resignation Year; (2) 50% of the Restricted Stock Units granted hereunder shall become vested if such Qualifying Resignation is during the Company's third fiscal quarter of the Participant's Resignation Year; and (3) 75% of the Restricted Stock Units granted hereunder shall become vested if such Qualifying Resignation is after the end of the Company's third fiscal quarter of the Participant's Resignation Year and before the first anniversary of the Grant Date.

For the avoidance of doubt, nothing in this Section 2(c) modifies the provisions applicable in the event of Detrimental Activity as set forth in Section 2(b), which shall continue to apply to all vested and unvested Restricted Stock Units hereunder in accordance with their terms.

(d) **Payment.** The Company shall, as soon as reasonably practicable following a Vesting Date (and in no event later than March 15th of the calendar year following the calendar year in which the applicable Vesting Date occurs) (each, a "**Payment Date**"), deliver (or cause to be delivered) to the Participant one share of Common Stock with respect to each vested Restricted Stock Unit, as

settlement of such Restricted Stock Unit and each such Restricted Stock Unit shall thereafter be cancelled. Notwithstanding the foregoing, if the Participant is eligible to participate in the Company's Director Nonqualified Excess Plan, then the Participant may elect to defer settlement of the Restricted Stock Units by making a timely election pursuant to and in accordance with the terms of the Nonqualified Deferred Compensation Director Plan.

(e) **Withholding.** Unless otherwise directed or permitted by the Committee, if applicable, the Participant shall pay or provide for all applicable withholding taxes in respect of the vesting of the Restricted Stock Units by (i) remitting the aggregate amount of such taxes to the Company in full, by cash, or by check, bank draft or money order payable to the order of the Company, (ii) to the extent permitted by the Company, having Floor & Decor withhold, from shares of Common Stock delivered upon settlement of the Restricted Stock Units, a number of whole shares of Common Stock having a Fair Market Value equal to an amount necessary to satisfy all required federal, state, local and other non-U.S. withholding obligations using up to the maximum statutory withholding rates, as determined by the Company, for federal, state, local or non-U.S. tax purposes, including payroll taxes, or (iii) to the extent permitted by the Company, by making arrangements with the Company to have such taxes withheld from other compensation due to the Participant.

3. **Dividend Equivalents.** With respect to ordinary cash dividends in respect of shares of Common Stock covered by any outstanding Restricted Stock Units, Participant will have the right to receive an amount in cash equal to (a) the amount of any ordinary cash dividend paid with respect to a share of Common Stock on or after the Grant Date and on or prior to the earlier to occur of (i) the Payment Date, or (ii) the termination or forfeiture for any reason of the outstanding Restricted Stock Units, multiplied by (b) the number of shares of Common Stock covered by such Restricted Stock Units (a "**Dividend Equivalent**"). A Dividend Equivalent shall be subject to the same vesting restrictions as the Restricted Stock Units to which such Dividend Equivalent relates, as set forth in Section 2(a). Dividend Equivalents will be held, without interest thereon, until delivered to the Participant on the Payment Date, in each case, subject to Section 2(e); provided that if the Participant elects to participate in the Company's Nonqualified Deferred Compensation Directors Plan and elects to defer settlement of the Restricted Stock Units to which such Dividend Equivalents relate in accordance with Section 2(d) then, to the extent permitted pursuant to the Director Nonqualified Excess Plan, settlement of such Dividend Equivalents shall also be deferred pursuant to the same terms and conditions as those that apply to the corresponding Restricted Stock Units. Any Dividend Equivalents in respect of Restricted Stock Units that do not vest, shall be forfeited and retained by the Company. For the avoidance of doubt, (A) if a Restricted Stock Unit is not ultimately earned hereunder, no Dividend Equivalent payments shall be made with respect to such unearned Restricted Stock Unit, and (B) in no event shall a Dividend Equivalent be paid that would result in Participant receiving both the Dividend Equivalent and the actual dividend with respect to a Restricted Stock Unit and the corresponding share of Common Stock.

4. **Termination and Change in Control.** Except as expressly provided in Section 2(c), the provisions in the Plan regarding Termination and Change in Control shall apply to the Restricted Stock Units.

5. **Restricted Stock Unit Transfer Restrictions**. Unless otherwise determined by the Committee, Restricted Stock Units may not be directly or indirectly transferred, sold, assigned, pledged, hypothecated, encumbered or otherwise disposed of whether for value or for no value and whether voluntarily or involuntarily (including by operation of law) by the Participant (a "**Transfer**") other than by will or by the laws of descent and distribution, and any other purported Transfer shall be void and unenforceable against the Company and its Affiliates.

6. **Rights as a Stockholder**. The Participant shall have no rights as a stockholder with respect to shares of Common Stock covered by Restricted Stock Units.

7. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions and provisions of the Plan, including the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that this Agreement conflicts or is inconsistent with the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly.

8. **Notices.** All notices, demands or requests made pursuant to, under or by virtue of this Agreement must be in writing and sent to the party to which the notice, demand or request is being made:

(a) unless otherwise specified by the Company in a notice delivered by the Company in accordance with this Section 8, any notice required to be delivered to the Company shall be properly delivered if delivered to:

Floor & Decor Holdings, Inc.
2500 Windy Ridge Parkway, SE
Atlanta, GA 30339
Attention: General Counsel
Telephone: (404) 471-1634
Facsimile: (404) 393-3540

(b) if to the Participant, to the address on file with Floor & Decor.

Any notice, demand or request, if made in accordance with this Section 8 shall be deemed to have been duly given: (i) when delivered in person; (ii) three days after being sent by United States mail; or (iii) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service.

9. **No Right to Employment/Consultancy/Directorship.** This Agreement shall not give the Participant or other Person any right to employment, consultancy or directorship by Floor & Decor, or limit in any way the right of Floor & Decor to terminate the Participant's employment, consultancy or directorship at any time.

10. **Waiver of Jury Trial.** EACH PARTY TO THIS AGREEMENT, FOR ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THE PLAN OR THIS AGREEMENT OR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THE PLAN OR THIS AGREEMENT.

11. **Dispute Resolution**. All controversies and claims arising out of or relating to this Agreement, or the breach hereof, shall be settled by Floor & Decor's mandatory dispute resolution procedures as may be in effect from time to time with respect to matters arising out of or relating to Participant's services to Floor & Decor.

12. **Severability of Provisions.** If at any time any of the provisions of this Agreement shall be held invalid or unenforceable, or are prohibited by the laws of the jurisdiction where they are to be performed or enforced, by reason of being vague or unreasonable as to duration or geographic scope or scope of the activities restricted, or for any other reason, such provisions shall be considered divisible and shall become and be immediately amended to include only such restrictions and to such extent as shall be deemed to be reasonable and enforceable by the court or other body having jurisdiction over this Agreement and the Company and the Participant agree that the provisions of this Agreement, as so amended, shall be valid and binding as though any invalid or unenforceable provisions had not been included.

13. **Governing Law.** All matters arising out of or relating to this Agreement and the transactions contemplated hereby, including its validity, interpretation, construction, performance and enforcement, shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to its principles of conflict of laws.

14. **Section 409A.** Although the Company makes no guarantee with respect to the tax treatment of the Restricted Stock Units, the award of Restricted Stock Units and Dividend Equivalents pursuant to this Agreement is intended to comply with, or to be exempt from, Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent. The Restricted Stock Units and Dividend Equivalents shall be limited, construed and interpreted in accordance with such intent; provided that Floor & Decor does not guarantee to the Participant any particular tax treatment of the Restricted Stock Units or Dividend Equivalents. In no event whatsoever shall Floor & Decor be liable for any additional tax, interest or penalties that may be imposed on the Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. Dividend Equivalents shall be treated separately from the Restricted Stock Units and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A of the Code. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may the Participant, directly or indirectly, designate the calendar year of any payment to be made under this Agreement.

15. **Interpretation.** Unless a clear contrary intention appears: (a) the defined terms herein shall apply equally to both the singular and plural forms of such terms; (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by the Plan or this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually; (c) any pronoun shall include the corresponding masculine, feminine and neuter forms; (d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof; (e) reference to any law, rule or regulation means such law, rule or regulation as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any law, rule or regulation means that provision of such law, rule or regulation from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision; (f) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular article, section or other provision hereof; (g) numbered or lettered articles, sections and subsections herein contained refer to articles, sections and subsections of this Agreement; (h) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; (i) "or" is used in the inclusive sense of "and/or"; (j) references to documents, instruments or agreements shall be

deemed to refer as well to all addenda, exhibits, schedules or amendments thereto; and (k) reference to dollars or $ shall be deemed to refer to U.S. dollars.

16. **No Strict Construction.** This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

FLOOR & DECOR HOLDINGS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

By: _____
Name: _____

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas V. Taylor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Floor & Decor Holdings, Inc. for the fiscal quarter ended March 27, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2025

/s/ Thomas V. Taylor

Thomas V. Taylor
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bryan H. Langley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Floor & Decor Holdings, Inc. for the fiscal quarter ended March 27, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2025

/s/ Bryan H. Langley

Bryan H. Langley

Executive Vice President and Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the fiscal quarter ended March 27, 2025 of Floor & Decor Holdings, Inc. (the "Company") as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), Thomas V. Taylor, as Chief Executive Officer of the Company, and Bryan H. Langley, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), that, to the best of his knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2025

/s/ Thomas V. Taylor

Thomas V. Taylor
Chief Executive Officer
(Principal Executive Officer)

Date: May 1, 2025

/s/ Bryan H. Langley

Bryan H. Langley
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

A signed original of this written statement as required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.