

HILLMAN

HLMN | Nasdaq Listed

Investor Presentation Q3 2024



Forward Looking Statements

All statements made in this presentation that are considered to be forward-looking are made in good faith by the Company and are intended to qualify for the safe harbor from liability established by Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995. You should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "target," "goal," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, the Company's expectations with respect to future performance. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside the Company's control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) unfavorable economic conditions that may affect our and our customers', suppliers' and other business partners' operations, financial condition and cash flows including spending on home renovation or construction projects, inflation, recessions, instability in the financial markets or credit markets; (2) increased supply chain costs, including raw materials, sourcing, transportation and energy; (3) the highly competitive nature of the markets that we serve; (4) the ability to continue to innovate with new products and services; (5) direct and indirect costs associated with the May 2023 ransomware attack, and our receipt of expected insurance receivables associated with that cyber security incident; (6) seasonality; (7) large customer concentration; (8) the ability to recruit and retain qualified employees; (9) the outcome of any legal proceedings that may be instituted against the Company; (10) adverse changes in currency exchange rates; or (11) regulatory changes and potential legislation that could adversely impact financial results. The foregoing list of factors is not exclusive, and readers should also refer to those risks that are included in the Company's filings with the Securities and Exchange Commission ("SEC"), including the Annual Report on Form 10-K filed on February 22, 2024. Given these uncertainties, current or prospective investors are cautioned not to place undue reliance on any such forward looking statements.

Except as required by applicable law, the Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements in this communication to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

Presentation of Non-GAAP Financial Measures

In addition to the results provided in accordance with U.S. generally accepted accounting principles ("GAAP") throughout this presentation the company has provided non-GAAP financial measures, which present results on a basis adjusted for certain items. The company uses these non-GAAP financial measures for business planning purposes and in measuring its performance relative to that of its competitors. The company believes that these non-GAAP financial measures are useful financial metrics to assess its operating performance from period-to-period by excluding certain items that the company believes are not representative of its core business. These non-GAAP financial measures are not intended to replace, and should not be considered superior to, the presentation of the company's financial results in accordance with GAAP. The use of the non-GAAP financial measures terms may differ from similar measures reported by other companies and may not be comparable to other similarly titled measures. These non-GAAP financial measures are reconciled from the respective measures under GAAP in the appendix.

The company is not able to provide a reconciliation of the company's non-GAAP financial guidance to the corresponding GAAP measures without unreasonable effort because of the inherent difficulty in forecasting and quantifying certain amounts necessary for such a reconciliation such as certain non-cash, nonrecurring or other items that are included in net income and EBITDA as well as the related tax impacts of these items and asset dispositions / acquisitions and changes in foreign currency exchange rates that are included in cash flow, due to the uncertainty and variability of the nature and amount of these future charges and costs.

HILLMAN SOLUTIONS CORP. - NASDAQ: HLMN

Share Price (November 5, 2024)	\$11.09
52-Week Low / High	\$6.02 / \$11.18
Shares Outstanding / Diluted*	196.6 / 199.6 million
Equity Market Capitalization*	\$2.2 billion
Net Debt	\$698.7 million
Total Enterprise Value*	\$2.9 billion
Net Debt / Adj. EBITDA (ttm)	2.8x
Net Sales (ttm)	\$1.47 billion
Adj. EBITDA (ttm)	\$247.6 million
First Day of Trading: Nasdaq	July 15, 2021
Employees (12/30/2023)	~3,800

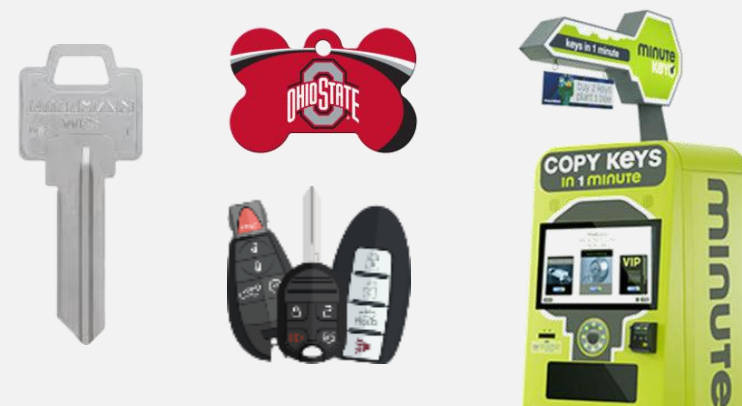
Hardware Solutions “HS”



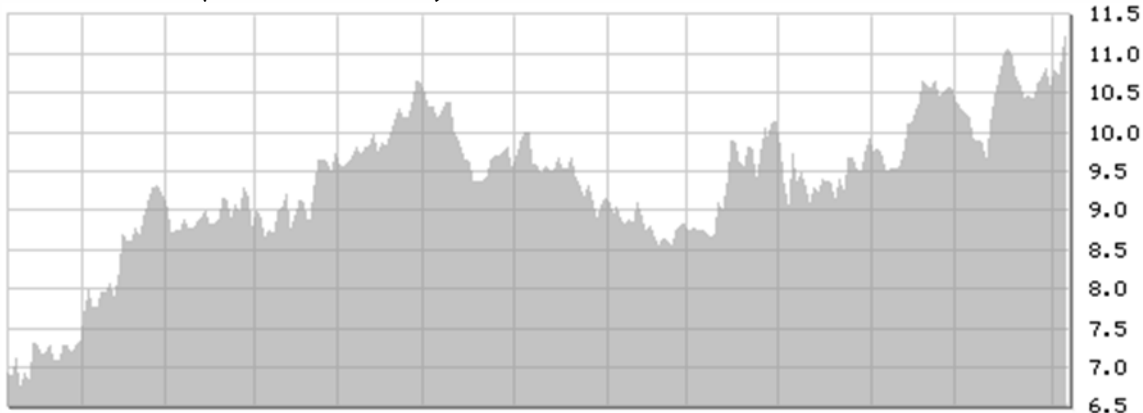
Protective Solutions “PS”



Robotics and Digital Solutions “RDS”



Stock Chart (last 12 months):



Total shares outstanding as of November 1, 2024. Diluted share count represents the weighted average diluted shares outstanding during the most recent quarter. Stats as of market close on November 5, 2024, using most recent quarterly data unless otherwise indicated. Adjusted EBITDA and Net Debt are non-GAAP measures. Please see appendix for reconciliations to GAAP metrics.

WHO WE ARE

We are a leading North American provider of hardware products and solutions, including;

- 1) Hardware and home improvement products
- 2) Protective and job site gear – including work gloves and job site storage
- 3) Robotic kiosk technologies (“RDS”): Key duplication, engraving & knife sharpening

Our differentiated service model provides direct to-store shipping, in-store service, and category management solutions

We have long-standing strategic partnerships with leading retailers across North America:

- Home Depot, Lowe’s, Walmart, Tractor Supply, and ACE Hardware

Founded in 1964; HQ in Cincinnati, Ohio

BY THE NUMBERS

~20 billion
Fasteners
Sold

~245 million
Pairs of Work
Gloves Sold

+115 million
Keys
Duplicated

~114,000
SKUs
Managed

~46,000
Direct Ship
Locations

~31,000
RDS Machines in
Retail Locations

#1
Position Across
Primary
Categories*

8.0%+
Sales CAGR over
past 10 years

60-Year
Track Record of
Success

\$1.5 billion
2023 Net Sales

9.4% CAGR
2018 – 2023 Adj.
EBITDA Growth

14.9%
2023 Adj.
EBITDA Margin

*Management estimates. Adjusted EBITDA is a non-GAAP measure. Please see Appendix for a reconciliation of Adjusted EBITDA to Net Income.

WHY WE WIN – WE MANAGE COMPLEXITY FOR CUSTOMERS

Direct-to-Store Shipping

114,000 SKU's shipped direct to store

Over 75% of the revenue from our 114,000 SKUs are shipped directly to our customers' retail stores.

Shipped to 46,000 locations in 2023

Our products primarily flow through Hillman's hub-and-spoke distribution network (not through our customer's distribution centers).

Field Sales and Service Team

1,100-member field sales and service team

Our team works in our customers' stores regularly and has for the past 28 years.

Hillman's role varies by customer and ranges from managing the aisle, organizing and cleaning displays, managing inventory, and ordering products.

Hillman's 60 Years of History

Customer Relationships

25+ years working with top customers produces great relationships

Category Management

No one sells more fasteners in the U.S. – we leverage data to better manage categories

Innovative Brands; Hillman-owned

90% of what we sell are brands that we own; talented engineering team and state-of-the-art testing labs produce great products

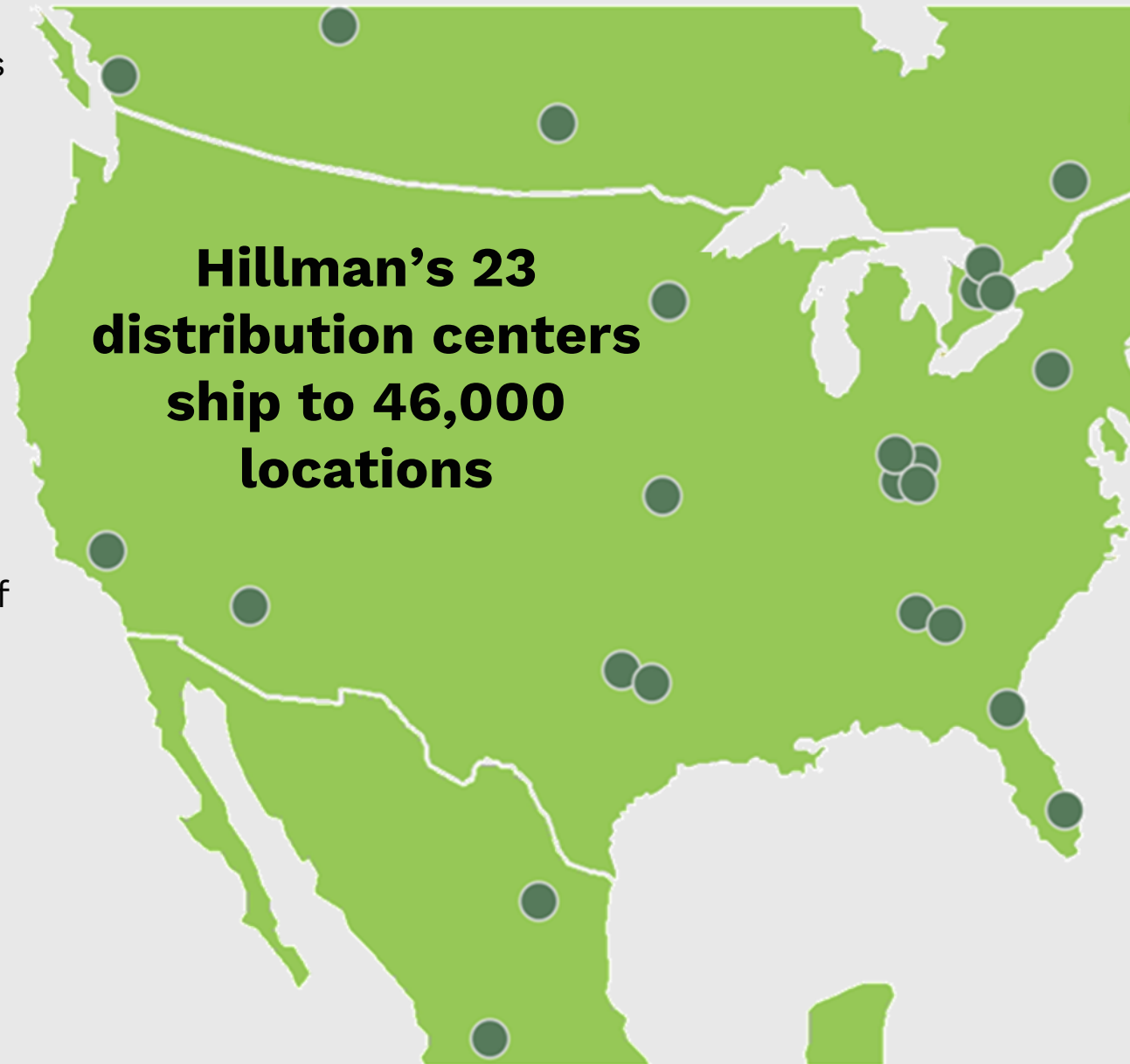
Our Competitive Advantages

Direct-to-Store Shipping

Field Sales & Service Team

60+ Years of Experience

- Over 75% of Hillman's 114,500 SKUs are shipped store-direct or store-specific
- Products flow through Hillman's 23 distribution centers ("DCs") to 46,000 locations across North America
- Products shipped direct-to-store do not flow through customer DCs
- Daily POS + Direct Store Delivery + Our Team in the store = fill rates of 94% during first half of 2024
- Enables customers to utilize just-in-time inventory management
- Increases product-to-shelf speed and reduces retailer shipping and handing costs (freeing up capacity in their DCs)



Our Competitive Advantages

Direct-to-Store Shipping

Field Sales & Service Team

60+ Years of Experience

- Hillman's 1,100 team members are in customers' stores on a regular basis
- Spend \$90 million annually on this team which serves as the key differentiator vs. competition
- In a challenging labor market, Hillman's customers can rely on its long-tenured (avg. 11+ years) sales and service team, which experiences low turnover
- Hillman's team manages the aisle, organizes and cleans displays, manages inventory, writes orders (traditional hardware), and services RDS kiosks
- Team consists of four groups: traditional hardware, big box retail, Canadian retail, and RDS techs
- Our team has been in the stores of our customers for the past 28 years
- Consistently awarded Vendor of the Year Awards by top customers for delivering value & growth (October 2024: Lowe's and Home Depot)



Our Competitive Advantages

Direct-to-Store Shipping

Field Sales & Service Team

60+ Years of Experience

(1) Customer Relationships

- 60 years of experience and 25+ years of working with top customers
- Great relationships throughout the organization – associates in the store, store managers and merchants, leadership

(2) Category Management

- Hillman is a market leader in its product categories – leverage this data to better manage categories
- SKU-level POS reporting provides critical data related to product trends, consumer insights and research
- Enables Hillman to be the partner of choice for its customers, helping customers meet their goals while putting the best products on the shelves for the end user

(3) Hillman-owned brands:

- 90% of revenue comes from Hillman-owned brands
- Recognized by the consumer (DIYer and pro)
- Capable of implementing feedback (from retailer, DIYer, or pro) to improve products to meet evolving customer needs
- Talented engineering team and state-of-the-art testing labs
- Develop innovative and differentiated products through R&D, enhancing brand equity

Hillman's Top Brands

HILLMAN



paulinTM



minute  **key**

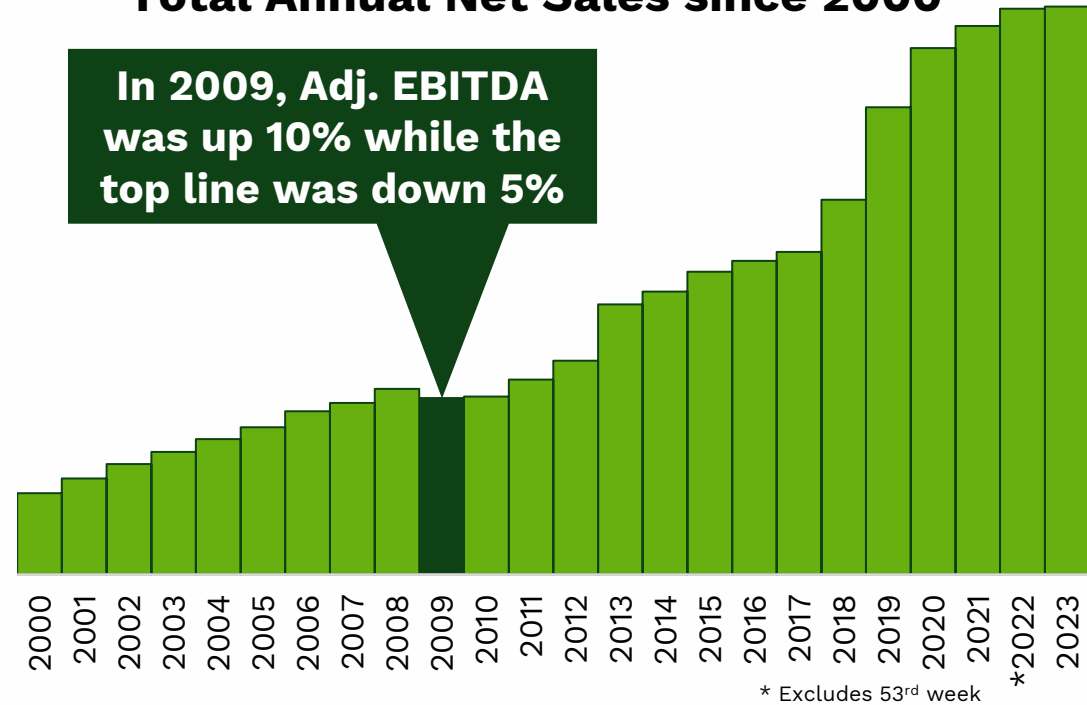
FIRM GRIP[®]

POWERPRO[®]
ENGINEERED PERFORMANCE

LONG-TERM TRACK RECORD OF TOP-LINE GROWTH

- Our products are used for home Repair, Remodel and Maintenance
- The end user of Hillman products are the “Pick Up Truck Pro” and the “DIYer”
- Not tied to new housing construction; we do not ship to job sites
- Highly attractive ~\$6 billion¹ market with strong tailwinds: aging inventory of U.S. housing, millennials buying homes, aging in place, etc.

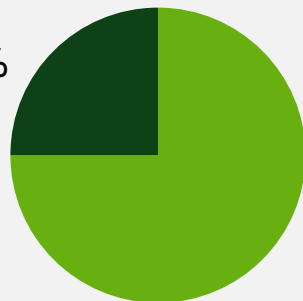
Total Annual Net Sales since 2000



End User of Hillman Products¹:

Professional: 25%

DIYer: 75%



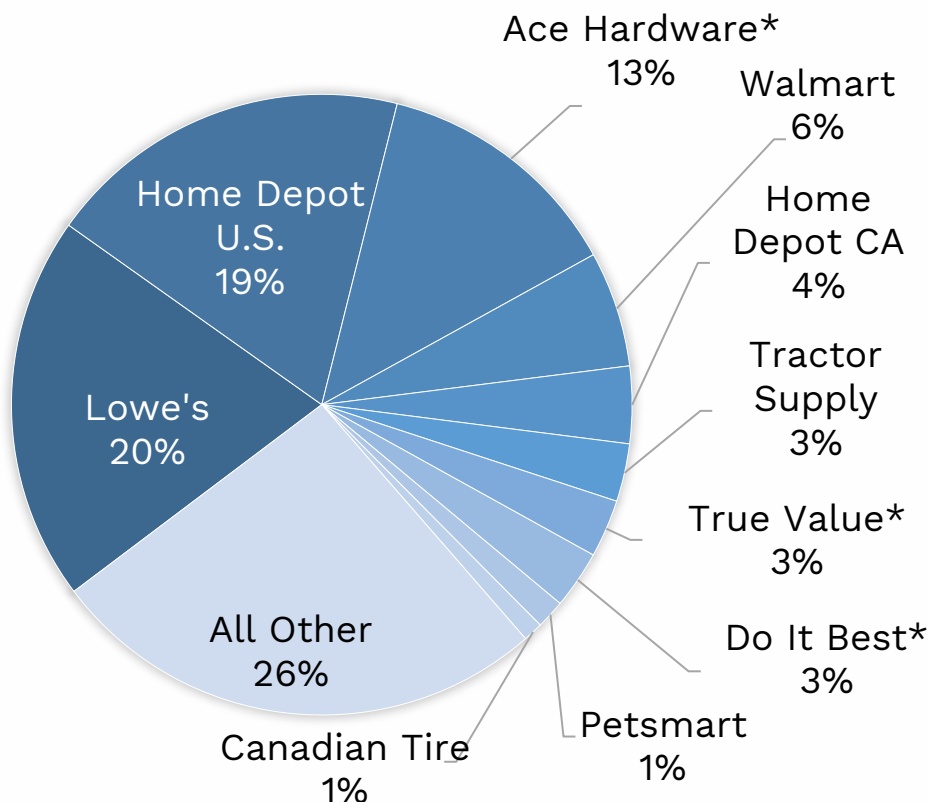
In 2024, Hillman celebrated its 60th anniversary



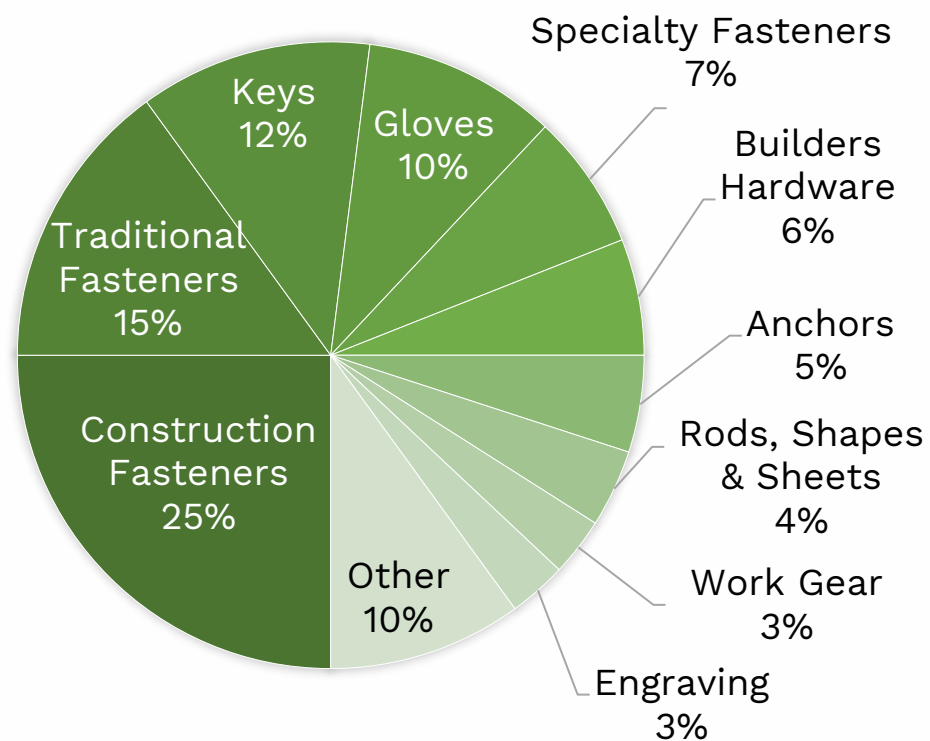
1) Company Estimate

Customer and Product Details

NET SALES BY CUSTOMER



NET SALES BY PRODUCT TYPE



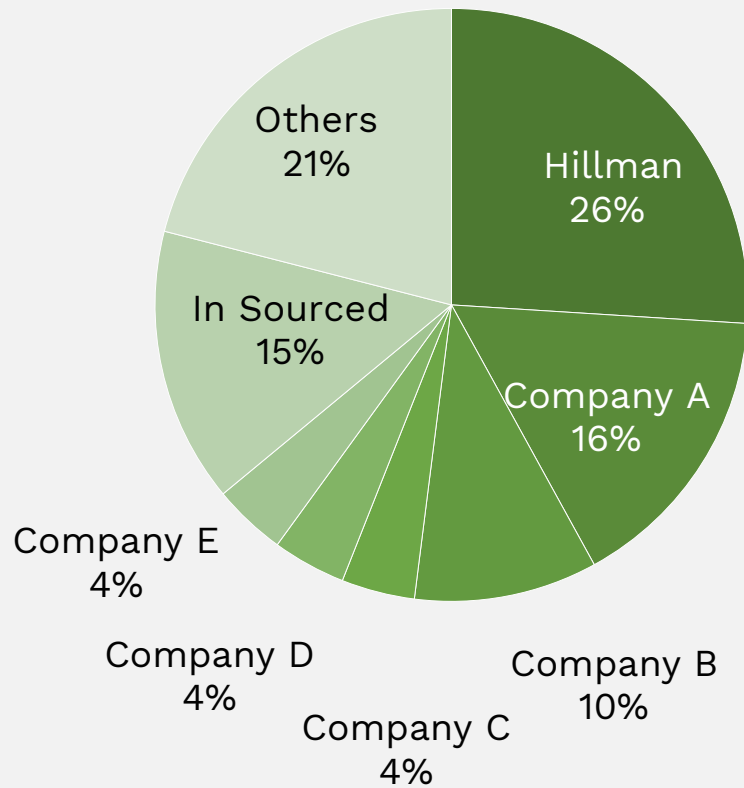
ON AVERAGE HILLMAN HAS BEEN SELLING ITS TOP CUSTOMERS FOR 25 YEARS:



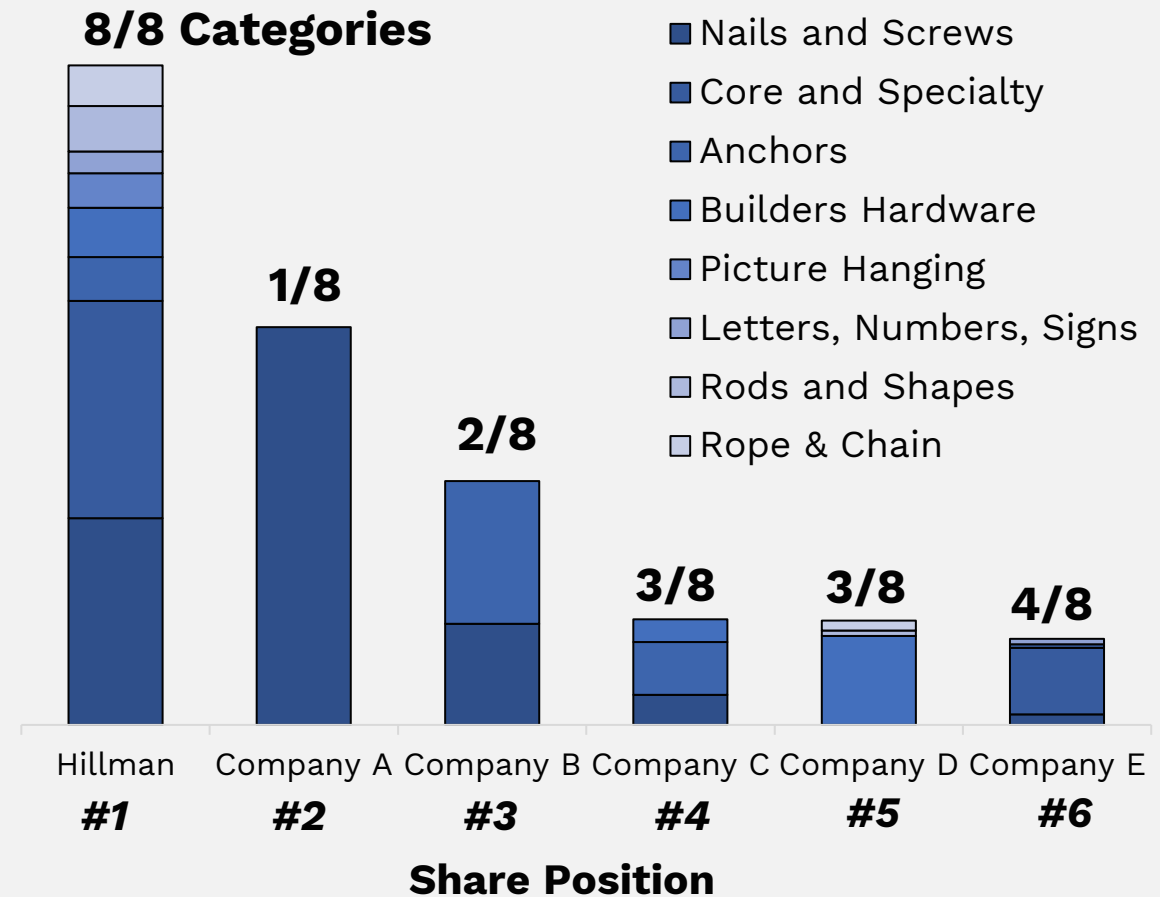
2023 Results. *Net sales include corporate (where applicable) and independent franchisees.

DEEP AND EXPANDING CATEGORY PENETRATION NOW INCLUDING ROPE, CHAIN & ACCESSORIES

Market Share by Manufacturer



Fastening & Hardware Categories



Management Estimates, 2024

HARDWARE SOLUTIONS

Construction Fasteners



Wall Hanging / Builders Hardware / Rope & Chain



Traditional / Specialty Fasteners



Letter, Numbers & Signs / Metal Shapes



PROTECTIVE SOLUTIONS

Work Gloves

FIRM GRIP



AWP



Jobsite Storage / Organization

AWP



Accessories / Lifestyle

digz

MAGNIFeye

roinbrella



Work Gear / Cleaning

AWP

FIRM GRIP

intex



ROBOTICS AND DIGITAL SOLUTIONS “RDS”

Key Duplication

HILLMAN
minuteKey



Pet Tag / Engraving



Auto Fob & RFID Fob Duplication

KEYSTART
DRIVEN BY QUALITY
INSTAFOB



Service & Sharpening

resharp





- Hillman expects +1,200 MinuteKey 3.5 machines in the field by the end of 2024
- The rollout consists of both retrofits of existing MinuteKey 3.0 machines and brand-new machines
- Hillman has accelerated the rollout of these machines out to its top RDS customers



Enhanced MinuteKey 3.5 capabilities:

Metal Auto Keys

Ex. 1990 Subaru



Transponder Auto Keys

Ex. 2004 Chevy



Smart Auto Keys & Valet Key

Ex. 2016 Ford



RFID Fobs/Badges

Ex. Apartments / Gates



Endless Aisle

Ex. Entire catalog of licensed, unstocked, and rare keys



2024 Q3 Financial Performance

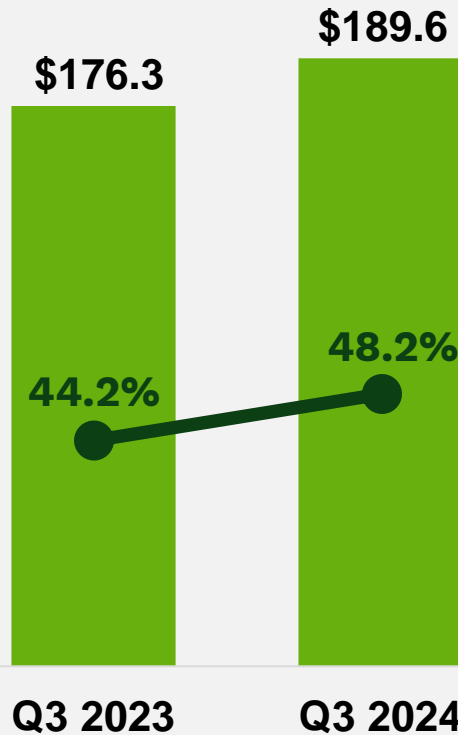
Net Sales

(millions \$)



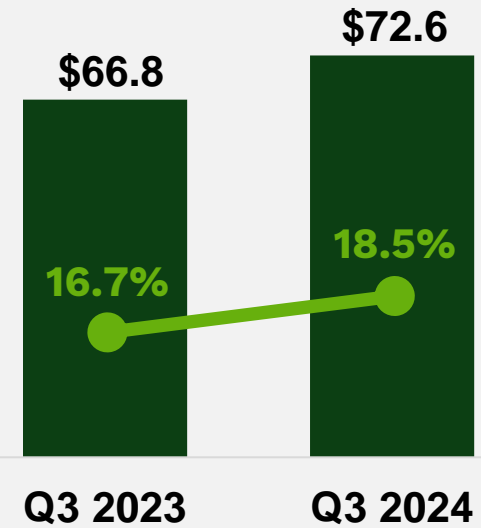
Adj. Gross Margin

(millions \$ and % of Net Sales)



Adjusted EBITDA

(millions \$ and % of Net Sales)



Please see reconciliation of Adjusted EBITDA and Adjusted Gross Margin in the Appendix of this presentation. Not to scale.

2023 Financial Performance

Net Sales

(billions \$)

\$1.486

\$1.476

2022

2023

Adj. Gross Margin

(millions \$ and % of Net Sales)

\$639.8

\$652.5

43.0%

44.2%

2022

2023

Adjusted EBITDA

(millions \$ and % of Net Sales)

\$210.2

\$219.4

14.1%

14.9%

2022

2023

Please see reconciliation of Adjusted EBITDA and Adjusted Gross Margin in the Appendix of this presentation. Not to scale.

Capital Structure

<i>\$ millions USD</i>	Sept. 28, 2024
ABL Revolver (\$268.4 million available)	\$0
Term Note	\$747.6
Finance Leases & Other Obligations	\$11.0
Total Debt	\$758.6
Cash	\$59.8
Net Debt	\$698.7
TTM Adjusted EBITDA	\$247.6
Net Debt / TTM Adj. EBITDA	2.8 x

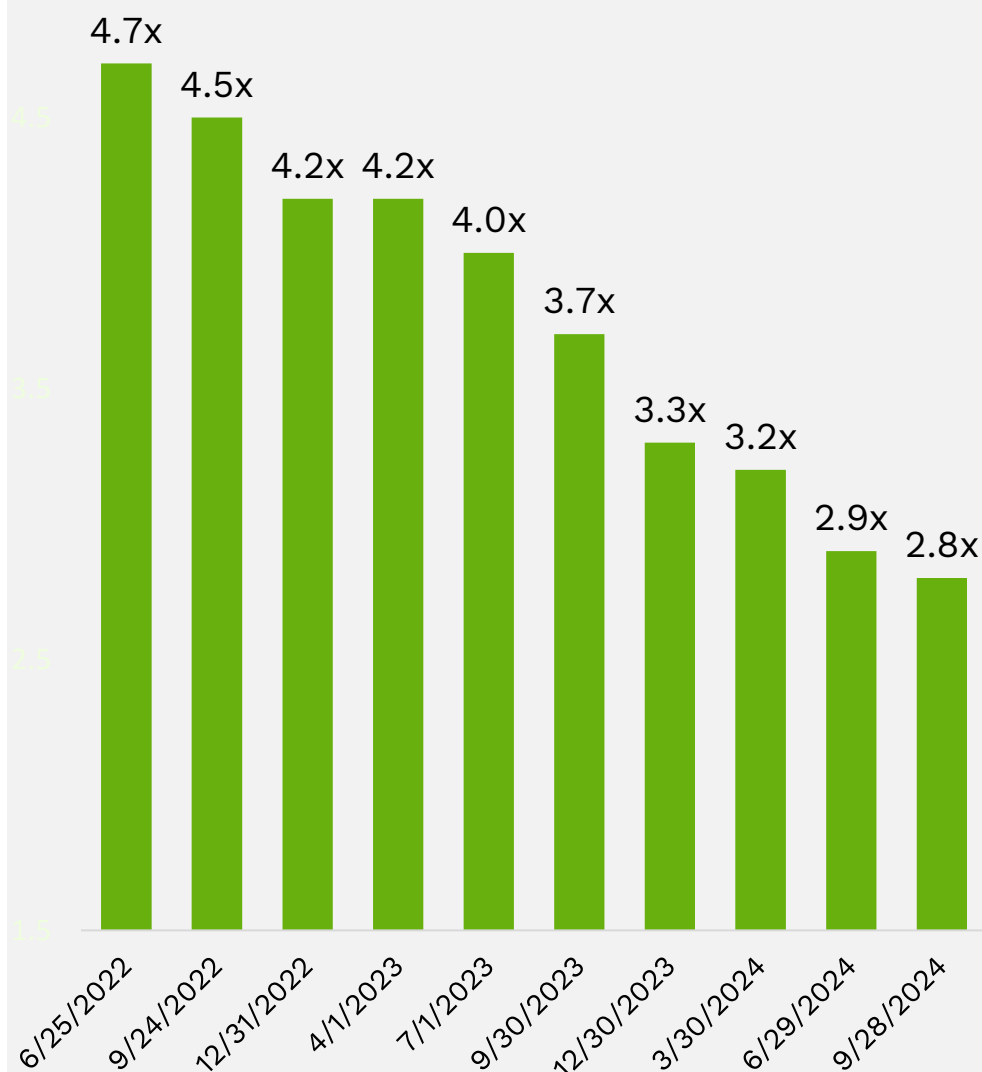
Interest Rate Hedging Details (Term Note):

Effective July 31, 2024, \$360 million of swaps are in effect at 3.69% + 2.25% spread (~5.94% total); expiring Jan 31, 2027

Remaining balance on Term Note is 1-Month Term SOFR + 2.25% spread. Term note expires July 14, 2028.

Total Net Leverage

(Net Debt / TTM Adj. EBITDA)



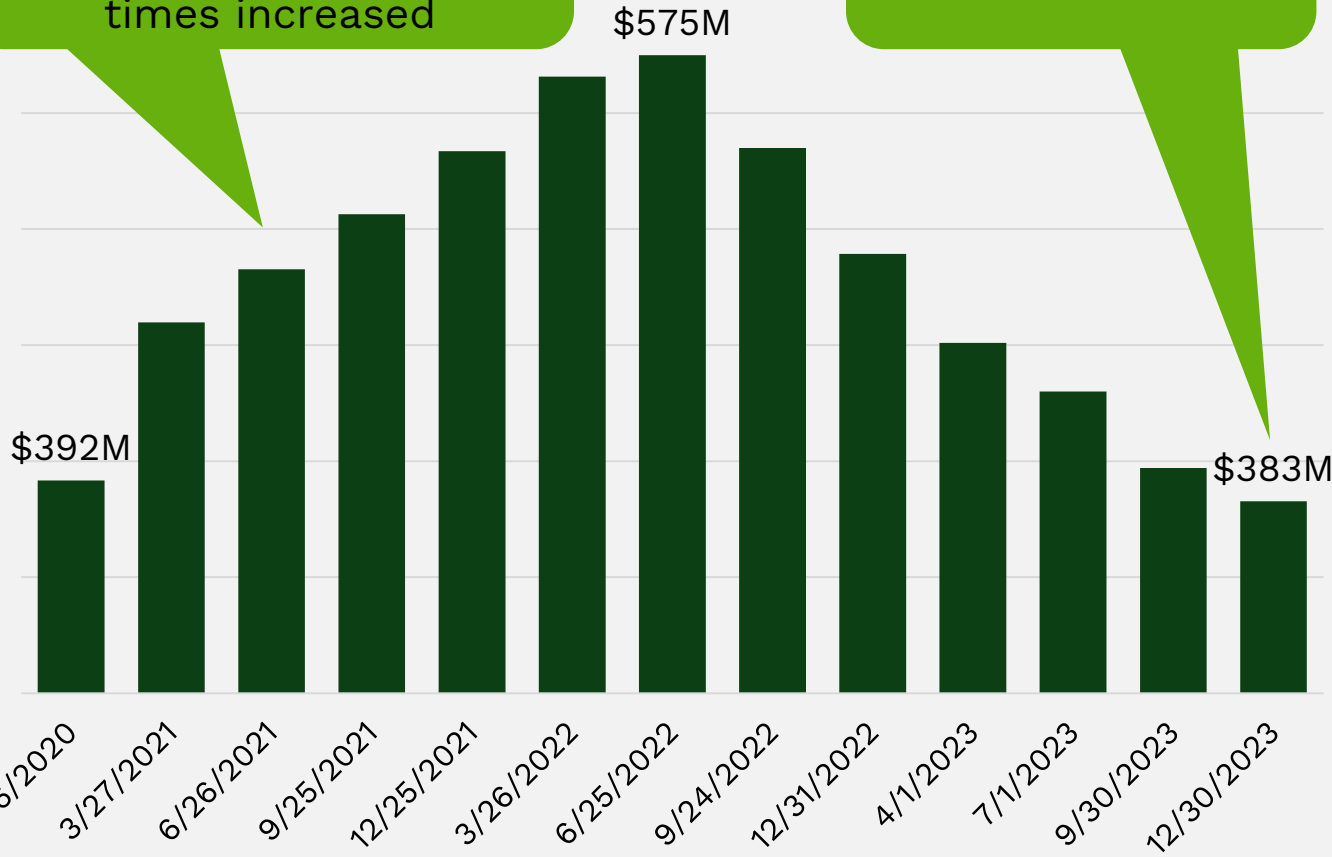
See reconciliation of Adjusted EBITDA to Net Income and Net Debt in the Appendix of this presentation.

INVENTORY REDUCED 2021 – 2023; HEALTHY FILL RATES

Net Inventories

During 2021 and 2022, we invested into inventory to protect fill rates as lead times increased

Inventory levels have returned near historical norms



When lead times peaked during January 2022, Hillman strategically invested into inventory to take care of our customers and protect fill rates at the shelf

Fill rates were strong during the uncertainty of 2021 & 2022

2024 YTD fill rates total 95 percent (as of Q3 2024)

Seeking accretive, bolt-on acquisitions

Hillman runs a comprehensive process to ensure potential acquisitions can leverage its moat to drive profitable growth:

- Utilizing its 1,100-member field sales and service team
- Direct to store shipping capabilities
- Sell new products to its existing customer base / cross-sell legacy products to new customers
- Realize efficiencies / economies of scale in shipping, sourcing, and service
- Leverage long-term relationships with customers

Hillman seeks accretive, bolt-on acquisitions in its primary product categories, as well as other complex / high-SKU categories

Examples of Important Considerations for M&A Targets:

MOAT: Can we leverage store direct delivery	✓
MOAT: Can we service it with our in-store warriors	✓
MOAT: Is it a brand we can own / Is it a strong brand	✓
MOAT: Can we add value through category mgmt?	✓
Growth: Does it have attractive growth potential?	✓
Customers: Do our customers want us to own it?	✓

August 2024: Intex DIY

Intex DIY, Inc. “Intex” is a leading supplier of wiping cloths, shop rags and cleaning textiles

Acquisition expands Hillman’s presence in cleaning products, Intex’s products are a great complement to Hillman’s cleaning gloves

Intex provides opportunity to cross sell and expand into new customers

Intex’s 2024 sales are expected to be approx. \$55m



2024 FULL YEAR GUIDANCE - UPDATED

On November 5, 2024, Hillman updated its guidance most recently provided on August 6, 2024 with Hillman's second quarter 2024 results.

(in millions USD)	Updated Full Year 2024 Guidance Range	Midpoint
Revenues	\$1.455 to \$1.485 billion	\$1.470 billion
Adjusted EBITDA	Approx. \$250 million	
Free Cash Flow	\$100 to \$115 million	\$107.5 million

Assumptions

- Net Debt / Adj. EBITDA leverage ratio expected to be ~2.7x at the end of 2024
- Interest Expense: \$55-\$65 million
- Cash Interest: \$50-\$60 million
- Cash Tax Expense: \$5-\$15 million
- *Capital expenditures: \$80-\$85 million
- *Restructuring / Other: \$10 - \$12 million
- *Working Capital Benefit: \$0 - \$10 million
- Fully diluted shares outstanding: ~199 million

**Updated.
See reconciliation of Adjusted EBITDA to Net Income, Free Cash Flow and Net Debt in the Appendix of this presentation.*

Expand product categories with existing customers

(Example: Sell builder's hardware products at a retailer where we currently only sell fasteners)

Expand into new regions with existing customers

(Example: Sell the West region at a retailer where we currently only sell to the South and East)

Expand with retailers as they expand their footprint

(Example: Tractor Supply plans to open 80 stores in 2024, Home Depot expects to open 80 new stores in the next five years)

Expand into adjacent aisles with new product categories

(Example: Plumbing, electrical, etc.)

OPPORTUNITY WITH LEADING RETAILERS

RESILIENT BUSINESS FOCUSED ON DELEVERING & ACQUISITIONS

- Business has 60-year track record of success; proven to be resilient through multiple economic cycles
- Repair, Remodel and Maintenance industry has meaningful long-term tailwinds; expected increase in future home spending as 24 million homes in the U.S. will reach "prime remodeling" years (between 20-39 years old) by 2027¹
- 1,100-member distribution (sales and service) team and direct-to-store fulfillment continue to provide competitive advantages and strengthen competitive moat - drives new business wins
- Cost of goods peaked in May 2023, margins have since expanded and are expected to remain strong
- Executing tuck-in M&A that leverage the Hillman moat in order to fuel long-term growth (Acquired Koch Industries in January 2024, entering rope and chain category; and Intex DIY in August 2024, expanding presence in cleaning products category)

Historical Long-term Annual Growth Targets (Organic):

Revenue Growth: +6% & Adj. EBITDA Growth: +10%

Historical Long-term Annual Growth Targets (incl. Acquisitions):

Revenue Growth: +10% & Adj. EBITDA Growth: +15%

1) John Burns Research and Consulting

Investment Highlights



Indispensable partner embedded with winning retailers



Customers love us, trust us and rely on us



Market and innovation leader across multiple categories



Large, consistent, growing and resilient end markets



Significant runway for incremental growth: Organic + M&A



Management team with proven operational and M&A expertise



Long-term, 60-year track record of success



HILLMAN

Appendix



Top 20 Investors: June 30, 2024

Investor	Ownership % of TSO	Investment Style	Equity AUM (\$ Millions)
The Vanguard Group, Inc.	9.76	Index	6,027,275
Kayne Anderson Rudnick	7.55	Core Growth	43,914
BlackRock Institutional Trust Company	6.42	Index	3,773,298
JP Morgan Asset Management	5.16	GARP	664,624
Jefferies LLC	5.03	Broker-Dealer	4,684
Conestoga Capital Advisors, LLC	4.90	GARP	7,919
Burgundy Asset Management Ltd.	4.34	Core Value	11,630
Neuberger Berman, LLC	4.05	GARP	125,239
Allspring Global Investments, LLC	3.60	Core Value	70,167
Reinhart Partners, LLC	3.56	GARP	2,465
American Century	3.07	Core Growth	187,254
Dimensional Fund Advisors, L.P.	2.43	Deep Value	543,475
ClearBridge Investments, LLC	2.36	GARP	124,017
Geode Capital Management, L.L.C.	2.36	Index	1,290,275
State Street Global Advisors (US)	2.16	Index	2,345,260
Wellington Management Company, LLP	2.09	Core Value	646,679
AllianceBernstein L.P.	1.74	Core Growth	303,822
WCM Investment Management	1.64	Growth	65,906
GW&K Investment Management, LLC	1.38	Core Growth	11,533
Ostrum Asset Management	1.27	Core Value	67,569

As of most recent public filings on August 15, 2024.

Performance by Segment (Q3)

Hardware & Protective	Q3 2024	Q3 2023	Δ	
<i>Thirteen Weeks Ended</i>	<i>9/28/2024</i>	<i>9/30/2023</i>		Comments
Revenues	\$295,843	\$295,553	0.1%	Driven by Koch and Intex acquisitions and new business
Adjusted EBITDA	\$48,710	\$40,659	19.8%	Margin expansion from price/cost dynamic
Margin (Adj. EBITDA/Net Sales)	16.5%	13.8%	270 bps	

Robotics & Digital	Q3 2024	Q3 2023	Δ	
<i>Thirteen Weeks Ended</i>	<i>9/28/2024</i>	<i>9/30/2023</i>		Comments
Revenues	\$60,131	\$63,468	(5.3)%	Soft volumes across RDS
Adjusted EBITDA	\$19,346	\$21,347	(9.4)%	Mix of product sales
Margin (Adj. EBITDA/Net Sales)	32.2%	33.6%	(140) bps	

Canada	Q3 2024	Q3 2023	Δ	
<i>Thirteen Weeks Ended</i>	<i>9/28/2024</i>	<i>9/30/2023</i>		Comments
Revenues	\$37,322	\$39,922	(6.5)%	Soft market and economy more than offset new wins
Adjusted EBITDA	\$4,506	\$4,816	(6.4)%	
Margin (Adj. EBITDA/Net Sales)	12.1%	12.1%	0 bps	

Consolidated	Q3 2024	Q3 2023	Δ	
<i>Thirteen Weeks Ended</i>	<i>9/28/2024</i>	<i>9/30/2023</i>		
Revenues	\$393,296	\$398,943	(1.4)%	
Adjusted EBITDA	\$72,562	\$66,822	8.6%	
Margin (Adj. EBITDA/Net Sales)	18.4%	16.7%	170 bps	

Please see reconciliation of Adjusted EBITDA to Net Income in the Appendix of this presentation. Figures in Thousands of USD unless otherwise noted.

Performance by Segment (Q3 YTD)

Hardware & Protective	Q3 2024	Q3 2023	Δ	
<i>Thirty-nine weeks ended</i>	<i>9/28/2024</i>	<i>9/30/2023</i>		Comments
Revenues	\$833,847	\$818,198	1.9%	Driven by Koch and Intex acquisitions and new business
Adjusted EBITDA	\$124,611	\$87,385	42.6%	Margin expansion from price/cost dynamic
Margin (Adj. EBITDA/Net Sales)	14.9%	10.7%	420 bps	

Robotics & Digital	Q3 2024	Q3 2023	Δ	
<i>Thirty-nine weeks ended</i>	<i>9/28/2024</i>	<i>9/30/2023</i>		Comments
Revenues	\$173,086	\$186,990	(7.4)%	Soft volumes across RDS
Adjusted EBITDA	\$54,625	\$63,388	(13.8)%	Mix of product sales
Margin (Adj. EBITDA/Net Sales)	31.6%	33.9%	(230) bps	

Canada	Q3 2024	Q3 2023	Δ	
<i>Thirty-nine weeks ended</i>	<i>9/28/2024</i>	<i>9/30/2023</i>		Comments
Revenues	\$116,100	\$123,481	(6.0)%	Soft market and economy in Canada
Adjusted EBITDA	\$14,005	\$14,217	(1.5)%	Margin expansion from operations
Margin (Adj. EBITDA/Net Sales)	12.1%	11.5%	60 bps	

Consolidated	Q3 2024	Q3 2023	Δ	
<i>Thirty-nine weeks ended</i>	<i>9/28/2024</i>	<i>9/30/2023</i>		
Revenues	\$1,123,033	\$1,128,669	(0.5)%	
Adjusted EBITDA	\$193,241	\$164,990	17.1%	
Margin (Adj. EBITDA/Net Sales)	17.2%	14.6%	260 bps	

Please see reconciliation of Adjusted EBITDA to Net Income in the Appendix of this presentation. Figures in Thousands of USD unless otherwise noted.

Revenue by Product Category (Q3)

	Hardware & Protective	Robotics & Digital	Canada	Total Revenue
Thirteen Weeks Ended September 28, 2024				
Fastening and Hardware	\$224,850	\$—	\$33,918	\$258,768
Personal Protective	70,993	—	724	71,717
Keys and Key Accessories	—	48,593	2,674	51,267
Engraving and Resharp	—	11,538	6	11,544
Total Revenue	\$295,843	\$60,131	\$37,322	\$393,296

	Hardware & Protective	Robotics & Digital	Canada	Total Revenue
Thirteen Weeks Ended September 30, 2023				
Fastening and Hardware	\$228,515	\$—	\$35,497	\$264,012
Personal Protective	67,038	—	1,933	68,971
Keys and Key Accessories	—	50,408	2,477	52,885
Engraving and Resharp	—	13,060	15	13,075
Total Revenue	\$295,553	\$63,468	\$39,922	\$398,943

Figures in Thousands of USD unless otherwise noted.

Revenue by Product Category (Q3 YTD)

	Hardware & Protective	Robotics & Digital	Canada	Total Revenue
Thirty-nine weeks ended September 28, 2024				
Fastening and Hardware	\$670,369	\$—	\$106,109	\$776,478
Personal Protective	163,478	—	3,327	166,805
Keys and Key Accessories	—	137,395	6,634	144,029
Engraving and Resharp	—	35,691	30	35,721
Total Revenue	\$833,847	\$173,086	\$116,100	\$1,123,033

	Hardware & Protective	Robotics & Digital	Canada	Total Revenue
Thirty-nine weeks ended September 30, 2023				
Fastening and Hardware	\$658,629	\$—	\$111,462	\$770,091
Personal Protective	159,569	—	5,474	165,043
Keys and Key Accessories	—	147,976	6,510	154,486
Engraving and Resharp	—	39,014	35	39,049
Total Revenue	\$818,198	\$186,990	\$123,481	\$1,128,669

Figures in Thousands of USD unless otherwise noted.

Revenue by Product Category Full Year 2023

	Hardware & Protective	Robotics & Digital	Canada	Revenue
52 Weeks ended December 30, 2023				
Fastening and Hardware	\$865,212	\$—	\$140,699	\$1,005,911
Personal protective	209,407	—	6,997	216,404
Keys and key accessories	—	193,212	8,711	201,923
Engraving and Resharp	—	52,188	51	52,239
Consolidated	\$1,074,619	\$245,400	\$156,458	\$1,476,477

	Hardware & Protective	Robotics & Digital	Canada	Revenue
53 Weeks Ended December 31, 2022				
Fastening and Hardware	\$834,210	\$—	\$155,362	\$989,572
Personal protective	234,524	—	8,926	243,450
Keys and key accessories	—	189,364	7,625	196,989
Engraving and Resharp	—	56,269	48	56,317
Consolidated	\$1,068,734	\$245,633	\$171,961	\$1,486,328

Figures in Thousands of USD unless otherwise noted.

Adjusted EBITDA Reconciliation

<i>Thirteen weeks ended</i>	September 28, 2024	September 30, 2023
Net income	\$7,434	\$5,057
Income tax expense (benefit)	4,372	12,957
Interest expense, net	15,108	16,728
Depreciation	17,948	14,434
Amortization	15,354	15,583
EBITDA	\$60,216	\$64,759
Stock compensation expense	3,257	3,069
Restructuring and other ⁽¹⁾	1,322	179
Litigation expense ⁽²⁾	—	79
Transaction and integration expense ⁽³⁾	477	289
Change in fair value of contingent consideration	(467)	(1,553)
Non-recurring bad debt expense ⁽⁴⁾	7,757	0
Adjusted EBITDA	\$72,562	\$66,822

Footnotes:

1. Includes consulting and other costs associated with severance related to our distribution center relocations and corporate restructuring activities.
2. Litigation expense includes legal fees associated with our litigation with Hy-Ko Products Company LLC
3. Transaction and integration expense includes professional fees and other costs related to the Koch Industries, Inc and Intex DIY, Inc acquisitions and the CCMP secondary offerings in 2023.
4. Bad debt expense includes amounts written off in connection with the True Value Chapter 11 bankruptcy filing on October 14, 2024.

Adjusted EBITDA Reconciliation

<i>Thirty-nine weeks ended</i>	September 28, 2024	September 30, 2023
Net income (loss)	\$18,477	\$470
Income tax benefit	9,003	3,278
Interest expense, net	44,316	52,880
Depreciation	50,583	44,939
Amortization	45,857	46,733
EBITDA	\$168,236	\$148,300
Stock compensation expense	9,742	9,111
Restructuring and other ⁽¹⁾	3,192	3,027
Litigation expense ⁽²⁾	—	339
Transaction and integration expense ⁽³⁾	993	1,599
Change in fair value of contingent consideration	313	2,614
Refinancing costs ⁽⁴⁾	3,008	—
Non-recurring bad debt expense ⁽⁵⁾	7,757	—
Adjusted EBITDA	\$193,241	\$164,990

Footnotes:

1. Includes consulting and other costs associated with severance related to our distribution center relocations and corporate restructuring activities.
2. Litigation expense includes legal fees associated with our litigation with Hy-Ko Products Company LLC
3. Transaction and integration expense includes professional fees and other costs related to the Koch Industries, Inc and Intex DIY, Inc acquisitions and the CCMP secondary offerings in 2023.
4. In the first quarter of 2024, we entered into a Repricing Amendment on our existing Senior Term Loan due July 14, 2028.
5. Bad debt expense includes amounts written off in connection with the True Value Chapter 11 bankruptcy filing on October 14, 2024.

Adjusted EBITDA Reconciliation

53/52 Weeks Ended	12/30/2023	12/31/2022
Net loss	\$(9,589)	\$(16,436)
Income tax expense	2,207	1,769
Interest expense, net	68,310	54,560
Depreciation	59,331	57,815
Amortization	62,309	62,195
EBITDA	\$182,568	\$159,903
Stock compensation expense	12,004	13,524
Restructuring and other ⁽¹⁾	3,031	2,617
Litigation expense ⁽²⁾	339	32,856
Transaction and integration expense ⁽³⁾	1,754	2,477
Change in fair value of contingent consideration	(4,936)	(1,128)
Intangible impairment charges ⁽⁴⁾	24,600	—
Adjusted EBITDA	\$219,360	\$210,249

1. Restructuring includes severance, consulting, and other costs associated with streamlining our operations. 2023 includes costs associated with the Cybersecurity Incident that occurred in May 2023.
2. Litigation expense includes legal fees associated with our litigation with Hy-Ko Products Company LLC.
3. Transaction and integration expense includes professional fees, non-recurring bonuses, and other costs related to acquisitions, and the secondary offerings of shares in 2022 and 2023.
4. In the fourth quarter of 2023, we recorded an impairment charge in our Hardware and Protective Solutions segment of \$24.6 million, primarily related to the exit of certain retail locations and markets for a specific product line. We impaired \$19.6 million of intangible assets and recorded inventory revaluation charges of \$5.0 million.

Adjusted Gross Margin Reconciliation

<i>Thirteen weeks ended</i>	September 28, 2024	September 30, 2023
Net Sales	\$393,296	\$398,943
Cost of sales (exclusive of depreciation and amortization)	203,700	222,644
Gross margin exclusive of depreciation and amortization	\$189,596	\$176,299
Gross margin exclusive of depreciation and amortization %	48.2 %	44.2 %

<i>Thirty-nine weeks ended</i>	September 28, 2024	September 30, 2023
Net Sales	\$1,123,033	\$1,128,669
Cost of sales (exclusive of depreciation and amortization)	581,806	643,652
Gross margin exclusive of depreciation and amortization	\$541,227	\$485,017
Gross margin exclusive of depreciation and amortization %	48.2 %	43.0 %

Net Debt & Free Cash Flow Reconciliations

Reconciliation of Net Debt

<i>As of</i>	September 28, 2024	December 30, 2023
Revolving loans	\$0	\$0
Senior term loan	747,597	751,852
Finance leases and other obligations	10,956	9,097
Gross debt	\$758,553	\$760,949
Less cash	59,820	38,553
Net debt	\$698,733	\$722,396

Reconciliation of Free Cash Flow

<i>Thirty-nine Weeks Ended</i>	September 28, 2024	September 30, 2023
Net cash provided by operating activities	\$140,187	\$171,477
Capital expenditures	(64,196)	(52,145)
Free cash flow	\$75,991	\$119,332

Net Debt & Free Cash Flow Reconciliations

Reconciliation of Net Debt

<i>As of</i>	December 30, 2023	December 31, 2022
Revolving loans	\$—	\$72,000
Senior term loan	751,852	840,363
Finance leases and other obligations	9,097	6,406
Gross debt	\$760,949	\$918,769
Less cash	38,553	31,081
Net debt	\$722,396	\$887,688

Reconciliation of Free Cash Flow

<i>53/52 Weeks Ended</i>	December 30, 2023	December 31, 2022
Net cash provided by operating activities	\$238,035	\$119,011
Capital expenditures	(65,769)	(69,589)
Free cash flow	\$172,266	\$49,422

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