

HILLMAN

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Quarterly Earnings Presentation

Q3 2024

November 5, 2024



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 below.

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.

Highlights for the 13 Weeks Ended September 28, 2024

- Net sales decreased (1.4)% to \$393.3 million versus Q3 2023
 - Hardware and Protective Solutions ("HPS") increased 0.1%
 - Hardware Solutions decreased (1.6)%
 - Protective Solutions increased +5.9%
 - Robotics and Digital Solutions ("RDS") decreased (5.3)%
 - Canada decreased (6.5)%
- GAAP net income totaled \$7.4 million, or \$0.04 per diluted share, compared to \$5.1 million, or \$0.03 per diluted share, in Q3 2023
- Adjusted Gross Margins improved to 48.2% compared to 44.2% in Q3 2023
- Adjusted EBITDA totaled \$72.6 million compared to \$66.8 million in Q3 2023
- Adjusted EBITDA margins were 18.4% compared to 16.7% in Q3 2023
- Net Debt / Adjusted EBITDA (ttm): 2.8x at quarter end, improved from 3.3x on December 30, 2023, and 3.7x on September 30, 2023

Please see reconciliation tables in the Appendix of this presentation for non-GAAP metrics.

Highlights for the 13 Weeks Ended September 28, 2024

- Continued taking great care of customers:
 - YTD fill rates averaged 95%
- Acquired Intex DIY, a leading supplier of cleaning rags, cloths, and textiles
- Subsequent to quarter end, Hillman won:
 - 2024 Divisional Vendor Partner of the Year in Hardlines at Lowe's
 - 2024 Partner of the Year in Hardware at Home Depot
- Continue to pursue accretive, tuck-in M&A opportunities that leverage the Hillman moat
- Increased FY 2024 top and bottom line guidance and refined free cash flow guide

Highlights for the 39 Weeks Ended September 28, 2024

- Net sales decreased (0.5)% to \$1,123.0 million versus the thirty-nine weeks ended September 30, 2023
 - Hardware and Protective Solutions ("HPS") increased 1.9%
 - Hardware Solutions increased +1.8%
 - Protective Solutions increased +2.5%
 - Robotics and Digital Solutions ("RDS") decreased (7.4)%
 - Canada decreased (6.0)%
- GAAP net income totaled \$18.5 million, or \$0.09 per diluted share, compared to GAAP net income of \$0.5 million, or \$0.00 per diluted share during the thirty-nine weeks ended September 30, 2023.
- Adjusted Gross Margins were 48.2% compared to 43.0% in Q3 2023
- Adjusted EBITDA totaled \$193.2 million compared to \$165.0 million in Q3 2023
- Adjusted EBITDA margins were 17.2% compared to 14.6% in Q3 2023
- Free Cash Flow totaled \$76.0 million compared to \$119.3 million in Q3 2023

Please see reconciliation tables in the Appendix of this presentation for non-GAAP metrics.

Top & Bottom Line (vs Q3 2023)

Net Sales
(millions \$)

\$398.9 \$393.3

Q3 2023 Q3 2024

Adjusted Gross Margin
(millions \$ and % of Net Sales)

\$176.3 \$189.6

44.2% 48.2%

Q3 2023 Q3 2024

Adjusted EBITDA
(millions \$ and % of Net Sales)

\$66.8 \$72.6

16.7% 18.4%

Q3 2023 Q3 2024

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

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)%	Sequential decline narrowing driven by MinuteKey
Adjusted EBITDA	\$19,346	\$21,347	(9.4)%	Decline in revenue decreases leverage
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)%	Decline in revenue decreases leverage
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
<i>Thirty-nine weeks ended September 28, 2024</i>				
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
<i>Thirty-nine weeks ended September 30, 2023</i>				
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.

Leverage Continues to Improve

	September 28, 2024
ABL Revolver (\$264.8 million capacity)	\$—
Term Note	\$747.6
Finance Leases and Other Obligations	\$11.0
Total Debt	\$758.6
Cash	\$59.8
Net Debt	\$698.7
TTM Adjusted EBITDA	\$247.6
Net Debt/ TTM Adjusted EBITDA	2.8x

Total Net Leverage

(Net Debt / TTM Adj. EBITDA)



Please see reconciliation of Non-GAAP metrics Adjusted EBITDA and Net Debt in the Appendix of this presentation. Figures in Millions of USD unless otherwise noted.

2024 Full Year Guidance - Update

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

<i>(in millions USD)</i>	Previous FY 2024 Guidance	Full Year 2024 Guidance Range - Updated	FY 2024 Guidance Midpoint - Updated
Revenues	\$1.44 to \$1.48 billion	\$1.455 to \$1.485 billion	\$1.470 billion
Adjusted EBITDA	\$240 to \$250 million	Approx. \$250 million	
Free Cash Flow	\$100 to \$120 million	\$100 to \$115 million	\$107.5 million

Assumptions

- Net Debt / Adj. EBITDA leverage ratio expected to be around 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

Please see reconciliation of Non-GAAP metrics Adjusted EBITDA and Free Cash Flow in the Appendix of this presentation.

Executing M&A; Winning New Business; Strong Margin Profile

- 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

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

Appendix





Indispensable partner embedded with winning retailers



Customers love us, trust us and rely on us



Market and innovation leader across multiple categories



Large, predictable, growing and resilient end markets



Significant runway for incremental growth: Organic + M&A



Management team with proven operational and M&A expertise



Strong financial profile with 60-year track record



Who We Are

- We are a leading North American provider of hardware products and solutions, including;
 - Hardware and home improvement products
 - Protective and job site gear – including work gloves and job site storage
 - 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, Lowes, Walmart, Tractor Supply, and ACE Hardware
- Founded in 1964; HQ in Cincinnati, Ohio

2023: 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 Shipping
Locations

~31,000

Kiosks in
Retail Locations

#1

Position Across
Core Categories*

8.0%

Sales CAGR over
past 10 years

60-Year

Track record of
success

\$1.5 billion

2023 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 loss*

Primary Product Categories

HILLMAN

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Hardware Solutions

#1 in Segment

Fasteners & Specialty

HILLMAN

DECK+PLUS
LIFETIME GUARANTEE



Picture Hanging

OOK

HILLMAN



Construction Fasteners

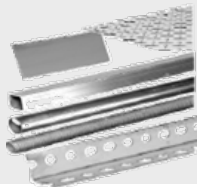
POWERPRO



Builders Hardware & Metal Shapes

THE STEELWORKS
BY HILLMAN

HILLMAN



Protective Solutions

#1 in Segment

Work Gear

AWP



McGuire-Nicholas
EST. 1932



Gloves



FIRM GRIP

TRUEGRIP



Safety / PPE / Cleaning

FIRM GRIP

AWP



Robotics & Digital Solutions

#1 in Segment

Key and Fob Duplication

HILLMAN

minuteKey



Personalized Tags



TagWorks



Knife Sharpening

resharp



Hillman has been selling its top customers for 25 years on average



Source: Third party industry report.

Adjusted EBITDA Reconciliation

HILLMAN

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<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)
Customer bankruptcy reserve ⁽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.
4. Customer bankruptcy reserve 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	—
Customer bankruptcy reserve ⁽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. Customer bankruptcy reserve includes amounts written off in connection with the True Value Chapter 11 bankruptcy filing on October 14, 2024.

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 %

Adjusted SG&A Expense Reconciliation

<i>Thirteen weeks ended</i>	September 28, 2024	September 30, 2023
Selling, general and administrative expenses	\$130,261	\$113,359
SG&A Adjusting Items ⁽¹⁾:		
Stock compensation expense	3,257	3,069
Restructuring	1,322	179
Litigation expense	—	79
Acquisition and integration expense	477	289
Customer bankruptcy reserve	7,757	—
Adjusted SG&A	\$117,448	\$109,743
Adjusted SG&A as a % of Net Sales	29.9 %	27.5 %

<i>Thirty-nine weeks ended</i>	September 28, 2024	September 30, 2023
Selling, general and administrative expenses	\$369,980	\$335,876
SG&A Adjusting Items ⁽¹⁾:		
Stock compensation expense	9,742	9,111
Restructuring	3,192	3,027
Litigation expense	—	339
Acquisition and integration expense	993	1,599
Customer bankruptcy reserve	7,757	—
Adjusted SG&A	\$348,296	\$321,800
Adjusted SG&A as a % of Net Sales	31.0 %	28.5 %

1. See adjusted EBITDA Reconciliation for details of adjusting items

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

Segment Adjusted EBITDA Reconciliations

<i>Thirteen weeks ended September 28, 2024</i>	HPS	RDS	Canada	Consolidated
Operating income	\$17,210	\$7,342	\$2,362	\$26,914
Depreciation & amortization	20,673	11,472	1,157	33,302
Stock compensation expense	2,850	333	74	3,257
Restructuring and other	19	390	913	1,322
Transaction and integration expense	463	14	—	477
Change in fair value of contingent consideration	—	(467)	—	(467)
Customer bankruptcy reserve	7,495	262	—	7,757
Adjusted EBITDA	\$48,710	\$19,346	\$4,506	\$72,562

<i>Thirteen weeks ended September 30, 2023</i>	HPS	RDS	Canada	Consolidated
Operating income	\$18,556	\$12,772	\$3,414	\$34,742
Depreciation & amortization	19,149	9,674	1,194	30,017
Stock compensation expense	2,536	325	208	3,069
Restructuring	163	16	—	179
Litigation expense	—	79	—	79
Transaction and integration expense	255	34	—	289
Change in fair value of contingent consideration	—	(1,553)	—	(1,553)
Adjusted EBITDA	\$40,659	\$21,347	\$4,816	\$66,822

Segment Adjusted EBITDA Reconciliations

<i>Thirty-nine weeks ended September 28, 2024</i>	HPS	RDS	Canada	Consolidated
Operating income	\$46,501	\$20,409	\$7,894	\$74,804
Depreciation & amortization	60,786	31,914	3,740	96,440
Stock compensation expense	8,239	946	557	9,742
Restructuring and other	631	747	1,814	3,192
Transaction and integration expense	959	34	—	993
Change in fair value of contingent consideration	—	313	—	313
Customer bankruptcy reserve	7,495	262	—	7,757
Adjusted EBITDA	\$124,611	\$54,625	\$14,005	\$193,241

<i>Thirty-nine weeks ended September 30, 2023</i>	HPS	RDS	Canada	Consolidated
Operating income	\$19,087	\$27,608	\$9,933	\$56,628
Depreciation & amortization	56,720	31,349	3,603	91,672
Stock compensation expense	7,606	935	570	9,111
Restructuring	2,548	368	111	3,027
Litigation expense	—	339	—	339
Transaction and integration expense	1,424	175	—	1,599
Change in fair value of contingent consideration	—	2,614	—	2,614
Adjusted EBITDA	\$87,385	\$63,388	\$14,217	\$164,990