

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 30, 2021 (July 29, 2021)

Hillman Solutions Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39609
(Commission File No.)

85-2096734
(I.R.S. Employer
Identification No.)

**10590 Hamilton Avenue
Cincinnati, Ohio 45231**
(Address of principal executive offices)

Registrant's telephone number, including area code: **(513) 851-4900**

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbols	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	HLMN	The Nasdaq Stock Market LLC
Warrants to purchase one share of common stock, each at an exercise price of \$11.50	HLMNW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.02 Results of Operations and Financial Condition.

On July 29, 2021, The Hillman Companies, Inc. (the "Company") issued a press release, furnished as Exhibit 99.1 and incorporated herein by reference, announcing the Company's selected summary financial results for its twenty-six weeks ended June 26, 2021.

The information provided pursuant to Item 2.02, including the exhibit attached hereto, is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- [99.1](#) [Press Release, dated July 29, 2021, announcing the financial results of The Hillman Companies, Inc. for its twenty-six weeks ended June 26, 2021.](#)
- [99.2](#) [Supplemental slides provided in connection with the second quarter 2021 earnings call of The Hillman Companies, Inc.](#)

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 hereunto duly authorized.

HILLMAN SOLUTIONS CORP.

Dated: July 30, 2021

By: /s/ Robert O. Kraft

Robert O. Kraft

Title: Chief Financial Officer

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
<u>99.1</u>	<u>Press Release of The Hillman Companies, Inc., dated July 29, 2021</u>
<u>99.2</u>	<u>Supplemental slides provided in connection with the second quarter 2021 earnings call of The Hillman Companies, Inc.</u>



News Release

The Hillman Group Reports Second Quarter and Year-to-Date 2021 Results

CINCINNATI, July 29, 2021 -- The Hillman Companies, Inc. (NYSE-AMEX: HLM.PR) (the "Company" or "Hillman") reported today selected financial results for the twenty-six weeks ended June 26, 2021.

Second Quarter 2021 Highlights

- Net sales for the second quarter of 2021 increased 8.4% to \$375.7 million as compared to prior year quarter net sales of \$346.7 million
- Operating income decreased 5.9% to \$19.5 million compared to \$20.7 million in the prior year second quarter
- Adjusted EBITDA¹ increased 4.6% to \$64.5 million compared to \$61.6 million in the prior year quarter

Year-to-Date 2021 Highlights

- Net sales for the twenty-six weeks ended June 26, 2021 increased 11.6% to \$717.0 million as compared to \$642.5 million in 2020
- Operating income for the twenty-six weeks ended June 26, 2021 decreased 16.2% to \$25.3 million as compared to \$30.2 million in 2020
- Adjusted EBITDA¹ for the twenty-six weeks ended June 26, 2021 increased 8.9% to \$112.3 million compared to \$103.1 million in 2020

Doug Cahill, Chairman, President and Chief Executive Officer, stated "It has been an exciting time for Hillman with the closing of the transaction with Landcadia III and on July 15th ringing the bell and becoming a publicly traded company on Nasdaq under the symbol 'HLMN'. With the transaction complete and the recapitalization of our balance sheet, we are even better positioned to do what we do best, solved complexity, labor and logistics problems for best-in-class retailers from big box to your local hardware stores. I can't remember a time in the hardware and home improvement business when these were more important to our retailers than they are right now."

Conference Call and Webcast

The Company will host a conference call to discuss the financial results for the thirteen and twenty-six weeks ended June 26, 2021 on Friday, July 30, 2021, at 10:00 am Eastern time. Participants may join the call by dialing 1-(866)-673-2033, passcode: 8163153, a few minutes before the call start time. A live audio webcast of the conference call will also be available in a listen-only mode on the Investor Info page of the Company's website, which is located at www.ir.hillmangroup.com. Participants who want to access the webcast should visit the company's website about five minutes before the call. The archived webcast will be available for replay on the company's website after the call.

About Hillman

Founded in 1964 and headquartered in Cincinnati, Ohio, Hillman is a leading North American provider of complete hardware solutions, delivered with industry best customer service to over 40,000 locations. Hillman designs innovative product and merchandising solutions for complex categories that deliver an outstanding customer experience to home improvement centers, mass merchants, national and regional hardware stores, pet supply stores, and OEM & Industrial customers. Leveraging a world-class distribution and sales network, Hillman delivers a "small business" experience with "big business" efficiency. For more information on Hillman, visit www.hillmangroup.com.

1) Adjusted EBITDA is a non-GAAP financial measure. Refer to the "Reconciliation of Adjusted EBITDA" section of this press release for additional information as well as reconciliations between the company's GAAP and non-GAAP financial results.

Forward-Looking Statements

This press release may contain "forward-looking statements" within the meaning of the federal securities law. All statements other than statements of historical fact included in this presentation are forward-looking statements made in good faith by the company and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. The Company's actual results may differ from their expectations, estimates and projections and consequently, 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," "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 operations, financial condition and cash flows including inflation, recessions, instability in the financial markets or credit markets; (2) highly competitive markets that could adversely impact financial results (3) ability to continue to innovate with new products and services; (4) seasonality; (5) large customer concentration; (6) ability to recruit and retain qualified employees; (7) the outcome of any legal proceedings that may be instituted against the Company (8) adverse changes in currency exchange rates; (9) the impact of COVID-19 on the Company's business; or (10) 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 will be included under the header "Risk Factors" set forth in Item 1A of the company's annual report filed on Form 10-K. Given these uncertainties, current or prospective investors are cautioned not to place undue reliance on any such forward looking statements. 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 presentation to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based. All estimates of financial metrics in this presentation for fiscal 2021 and beyond are current as of July 29, 2021.

Contact

VP Investor Relations

Jennifer Hills

jennifer.hills@hillmangroup.com

THE HILLMAN COMPANIES, INC. AND SUBSIDIARIES
Consolidated Statement of Operating Income, GAAP Basis
(dollars in thousands)
Unaudited

	Thirteen Weeks Ended June 26, 2021	Thirteen Weeks Ended June 27, 2020	Twenty-six Weeks Ended June 26, 2021	Twenty-six Weeks Ended June 27, 2020
Net sales	\$ 375,715	\$ 346,710	\$ 716,996	\$ 642,546
Cost of sales (exclusive of depreciation and amortization shown separately below)	215,967	196,402	417,265	362,813
Selling, general and administrative expenses	111,662	94,970	214,841	184,723
Depreciation	15,270	17,230	31,611	34,747
Amortization	15,414	14,865	30,323	29,713
Management fees to related party	88	196	214	321
Other (income) expense	(2,195)	2,319	(2,547)	55
Income from operations	19,509	20,728	25,289	30,174
Interest expense, net	19,159	23,878	38,178	47,058
Interest expense on junior subordinated debentures	3,152	3,184	6,304	6,336
(Gain) loss on mark-to-market adjustment of interest rate swap	(751)	(308)	(1,424)	1,942
Investment income on trust common securities	(94)	(94)	(189)	(189)
Loss before income taxes	(1,957)	(5,932)	(17,580)	(24,973)
Income tax provision (benefit)	1,428	(895)	(5,225)	(5,132)
Net loss	\$ (3,385)	\$ (5,037)	\$ (12,355)	\$ (19,841)

THE HILLMAN COMPANIES, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(dollars in thousands)
Unaudited

	June 26, 2021	December 26, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 16,255	\$ 21,520
Accounts receivable, net of allowances of \$2,586 (\$2,395 - 2020)	146,865	121,228
Inventories, net	482,645	391,679
Other current assets	22,125	19,280
Total current assets	667,890	553,707
Property and equipment, net of accumulated depreciation of \$260,692 (\$236,031 - 2020)	174,466	182,674
Goodwill	826,969	816,200
Other intangibles, net of accumulated amortization of \$322,230 (\$291,434 - 2020)	826,949	825,966
Operating lease right of use assets	85,312	76,820
Deferred tax assets	2,728	2,075
Other assets	12,739	11,176
Total assets	\$ 2,597,053	\$ 2,468,618
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 229,618	\$ 201,461
Current portion of debt and capital leases	11,442	11,481
Current portion of operating lease liabilities	11,838	12,168
Accrued expenses:		
Salaries and wages	16,738	29,800
Pricing allowances	7,636	6,422
Income and other taxes	2,647	5,986
Interest	13,550	12,988
Other accrued expenses	33,935	31,605
Total current liabilities	327,404	311,911
Long term debt	1,651,476	1,535,508
Deferred tax liabilities	151,970	156,118
Operating lease liabilities	78,204	68,934
Other non-current liabilities	24,154	31,560
Total liabilities	\$ 2,233,208	\$ 2,104,031
Commitments and contingencies (Note 6)		
Stockholders' Equity:		
Preferred stock, \$0.01 par, 5,000 shares authorized, none issued or outstanding at June 26, 2021 and December 26, 2020	—	—
Common stock, \$0.01 par, 5,000 shares authorized, issued and outstanding at June 26, 2021 and December 26, 2020	—	—
Additional paid-in capital	571,122	565,824
Accumulated deficit	(184,204)	(171,849)

Accumulated other comprehensive loss	(23,073)	(29,388)
Total stockholders' equity	363,845	364,587
Total liabilities and stockholders' equity	<u>\$ 2,597,053</u>	<u>\$ 2,468,618</u>

THE HILLMAN COMPANIES, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

(dollars in thousands)

Unaudited

	Twenty-six Weeks Ended June 26, 2021	Twenty-six Weeks Ended June 27, 2020
Cash flows from operating activities:		
Net loss	\$ (12,355)	\$ (19,841)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	61,934	64,460
Deferred income taxes	(4,709)	(4,771)
Deferred financing and original issue discount amortization	1,800	1,879
Stock-based compensation expense	3,537	2,669
Asset impairment	—	210
(Gain) on disposal of property and equipment	—	(337)
Change in fair value of contingent consideration	(1,212)	(1,300)
Other non-cash interest and change in value of interest rate swap	(1,424)	1,942
Changes in operating items:		
Accounts receivable	(23,547)	(61,318)
Inventories	(73,049)	592
Other assets	(15,786)	1,307
Accounts payable	22,443	4,475
Other accrued liabilities	(17,471)	21,690
Net cash provided by (used for) operating activities	(59,839)	11,657
Cash flows from investing activities:		
Acquisition of business, net of cash received	(39,102)	(800)
Capital expenditures	(22,684)	(22,196)
Net cash used for investing activities	(61,786)	(22,996)
Cash flows from financing activities:		
Repayments of senior term loans	(5,304)	(5,304)
Borrowings on senior term loans	35,000	—
Financing fees	(1,027)	—
Borrowings on revolving credit loans	128,000	66,000
Repayments of revolving credit loans	(42,000)	(50,000)
Principal payments under finance and capitalized lease obligations	(460)	(411)
Proceeds from exercise of stock options	1,761	—
Net cash provided by financing activities	115,970	10,285
Effect of exchange rate changes on cash	390	(315)
Net decrease in cash and cash equivalents	(5,265)	(1,369)
Cash and cash equivalents at beginning of period	21,520	19,973
Cash and cash equivalents at end of period	<u>\$ 16,255</u>	<u>\$ 18,604</u>

THE HILLMAN COMPANIES, INC. AND SUBSIDIARIES **RECONCILIATION OF ADJUSTED EBITDA (Unaudited)** **(dollars in thousands)**

Adjusted EBITDA is a non-GAAP financial measure and is the primary basis used to measure the operational strength and performance of our businesses as well as to assist in the evaluation of underlying trends in our businesses. This measure eliminates the significant level of noncash depreciation and amortization expense that results from the capital-intensive nature of our businesses and from intangible assets recognized in business combinations. It is also unaffected by our capital and tax structures, as our management excludes these results when evaluating our operating performance. Our management and Board of Directors use this financial measure to evaluate our consolidated operating performance and the operating performance of our operating segments and to allocate resources and capital to our operating segments. Additionally, we believe that Adjusted EBITDA is useful to investors because it is one of the bases for comparing our operating performance with that of other companies in our industries, although our measure of Adjusted EBITDA may not be directly comparable to similar measures used by other companies.

	Thirteen Weeks Ended June 26, 2021	Thirteen Weeks Ended June 27, 2020	Twenty-six Weeks Ended June 26, 2021	Twenty-six Weeks Ended June 27, 2020
Net loss	\$ (3,385)	\$ (5,037)	\$ (12,355)	\$ (19,841)
Income tax benefit	1,428	(895)	(5,225)	(5,132)
Interest expense, net	19,159	23,878	38,178	47,058
Interest expense on junior subordinated debentures	3,152	3,184	6,304	6,336
Investment income on trust common securities	(94)	(94)	(189)	(189)
Depreciation	15,270	17,230	31,611	34,747
Amortization	15,414	14,865	30,323	29,713

Mark-to-market adjustment on interest rate swaps	(751)	(308)	(1,424)	1,942
EBITDA	<u>\$ 50,193</u>	<u>\$ 52,823</u>	<u>\$ 87,223</u>	<u>\$ 94,634</u>
Stock compensation expense	1,796	1,524	3,537	2,669
Management fees	88	196	214	321
Restructuring ⁽¹⁾	—	980	109	2,710
Litigation expense ⁽²⁾	6,322	1,893	10,282	2,674
Acquisition and integration expense ⁽³⁾	3,299	661	8,139	990
Buy-back expense ⁽⁴⁾	1,350	—	1,350	—
Anti-dumping duties ⁽⁵⁾	2,636	—	2,636	—
Facility closures ⁽⁶⁾	—	433	—	433
Change in fair value of contingent consideration	(1,212)	3,100	(1,212)	(1,300)
Adjusted EBITDA	<u>\$ 64,472</u>	<u>\$ 61,610</u>	<u>\$ 112,278</u>	<u>\$ 103,131</u>

- (1) Restructuring includes restructuring costs associated with restructuring in our Canada segment announced in 2018, including facility consolidation, severance, sale of property and equipment, and charges relating to exiting certain lines of business. Also included is restructuring in our United States business announced in 2019, including severance related to management realignment and the integration of sales and operating functions (see Note 9 - Restructuring of the Notes to Condensed Consolidated Financial Statements for additional information). Finally, includes consulting and other costs associated with streamlining our manufacturing and distribution operations.
- (2) Litigation expense includes legal fees associated with our ongoing litigation with KeyMe, Inc. (see Note 6 - Commitments and Contingencies of the Notes to Condensed Consolidated Financial Statements for additional information).
- (3) Acquisition and integration expense includes professional fees, non-recurring bonuses, and other costs related to the pending merger along with historical acquisitions.
- (4) Infrequent buy backs associated with new business wins.
- (5) Anti-dumping duties assessed related to the nail business for prior year purchases.
- (6) Facility exits include costs associated with the closure of facilities in San Antonio, Texas.



Investor Presentation

Second Quarter 2021

Safe Harbor Statement

Forward Looking Statements

This presentation may contain "forward-looking statements" within the meaning of federal securities laws. All statements other than statements of historical fact included in this presentation are forward-looking statements made in good faith by the company and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. The Company's actual results may differ from their expectations, estimates and projections and consequently, 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," "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 operations, financial condition and cash flows including inflation, recessions, instability in the financial markets or credit markets; (2) highly competitive markets that could adversely impact financial results (3) ability to continue to innovate with new products and services; (4) seasonality; (5) large customer concentration; (6) ability to recruit and retain qualified employees; (7) the outcome of any legal proceedings that may be instituted against the Company (8) adverse changes in currency exchange rates; (9) the impact of COVID-19 on the Company's business; or (10) 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 will be included under the header "Risk Factors" set forth in Item 1A of the company's annual report filed on Form 10-K. Given these uncertainties, current or prospective investors are cautioned not to place undue reliance on any such forward looking statements. 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 presentation to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based. All estimates of financial metrics in this presentation for fiscal 2021 and beyond are current as of July 29, 2021.

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.

2Q21 Review



HILLMAN™

2Q21 & YTD Highlights

Financial Highlights

- 2Q21 Sales of \$375.7 million (+8.4% y/y) and Adjusted EBITDA of \$64.5 million (+4.6% y/y)
- YTD Sales of \$717.0 million (+11.6% y/y) and Adjusted EBITDA of \$112.2 million (+8.9% y/y)
- Completed merger with Landcadia III, began trading on NASDAQ under “HLMN” ticker
- Recapitalized balance sheet reducing leverage to 3.8x TTM adjusted EBITDA from 7.1x
- Achieved fill-rates >90%, above competitors
- Implemented initial price increase end of second quarter
- Rolled-out new business wins

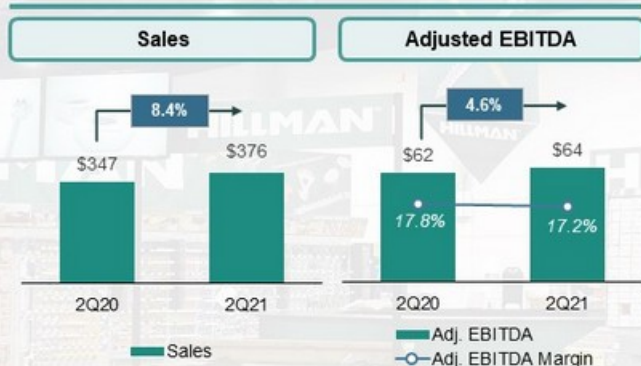
Outlook (\$ millions)	2019	2020	2021E	2022E
Revenues	\$1,214.4	\$1,368.3	\$1,400	\$1,500
Adjusted EBITDA	\$178.7	\$221.2	\$220-\$230	\$245-\$255

Note: Adjusted EBITDA is a non-GAAP measure. Please see page 14 for a reconciliation of Adjusted EBITDA to Net Income.

Solid Start to 2021

(\$ in millions)

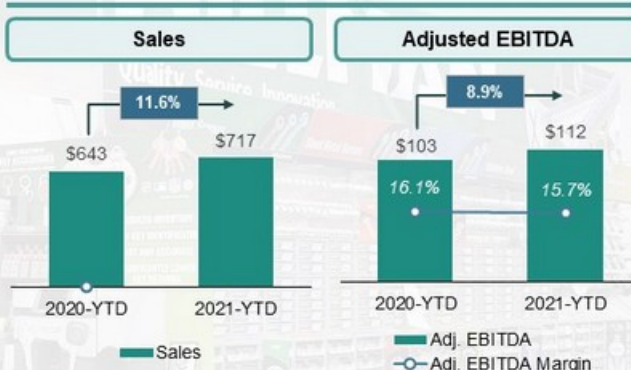
Second Quarter



Second Quarter Highlights

- Sales grew 8.4% in 2Q21
 - HS +5.6%
 - PS -21.5%
 - RDS +57.2%
 - Canada +32.1%
- Adjusted EBITDA grew 4.6% and margin contracted 60 basis points primarily due to mix and higher operating expenses
- 2-Year Growth: Revenue +15.7%, Adjusted EBITDA +19.0%

6-Month YTD



6-Month YTD Highlights

- Sales grew 11.6% 6-month YTD
 - HS +7.9%
 - PS +3.2%
 - RDS +24.1%
 - Canada +31.5%
- Adjusted EBITDA grew 8.9% and margin contracted 40 basis points primarily due to mix and higher operating expenses
- 2-Year Growth: Revenue +17.1%, Adjusted EBITDA +21.1%

Note: Adjusted EBITDA is a non-GAAP measure. Please see page 14 for a reconciliation of Adjusted EBITDA to Net Income.

2Q21 Segment Results Summary

\$ Thousands

Hardware & Protective	2Q20	2Q21	\$	
For Quarter Ended	6/27/2020	6/26/2021	Change	Comments
Revenues	\$269,499	\$263,129	(\$6,370)	Lower gloves & mask sales partially offset by hardware growth
Adjusted EBITDA	\$45,704	\$36,114	(\$9,590)	Lower mask sales, higher operating expenses
Margin	17.0%	13.7%	(330 bps)	Higher freight & material cost, sales mix

Robotics & Digital Solutions	2Q20	2Q21	\$	
For Quarter Ended	6/27/2020	6/26/2021	Change	Comments
Revenues	\$42,198	\$66,351	\$24,153	Recovery from weak demand during covid lock-downs
Adjusted EBITDA	\$12,373	\$23,696	\$11,323	Stronger sales
Margin	29.3%	35.7%	640 bps	Operating leverage from stronger sales

Canada	2Q20	2Q21	\$	
For Quarter Ended	6/27/2020	6/26/2021	Change	Comments
Revenues	\$35,013	\$46,235	\$11,222	Strong demand from big box retailers
Adjusted EBITDA	\$3,533	\$4,662	\$1,129	
Margin	10.1%	10.0%	(10 bps)	Sales leverage offset by higher variable labor & delivery costs

Note: Adjusted EBITDA is a non-GAAP measure. Please see page 15 and 16 for a reconciliation of Adjusted EBITDA to Net Income.

Year-To-Date Segment Results

\$ Thousands

Hardware & Protective For Six Months Ended	YTD 6/27/2020	YTD 6/26/2021	\$ Change	Comments
Revenues	\$482,676	\$514,058	\$31,382	Strong hardware demand and PPE contribution
Adjusted EBITDA	\$71,366	\$65,146	(\$6,220)	
Margin	14.8%	12.7%	(210 bps)	Inflation costs and negative mix

Robotics & Digital Solutions For Six Months Ended	YTD 6/27/2020	YTD 6/26/2021	\$ Change	Comments
Revenues	\$98,505	\$122,230	\$23,725	Recovery in key and engraving sales post Covid
Adjusted EBITDA	\$29,943	\$41,113	\$11,170	
Margin	30.4%	33.6%	320 bps	Operating leverage from sales growth

Canada For Six Months Ended	YTD 6/27/2020	YTD 6/26/2021	\$ Change	Comments
Revenues	\$61,365	\$80,708	\$19,343	Strong demand from big box retailers
Adjusted EBITDA	\$1,822	\$6,019	\$4,197	
Margin	3.0%	7.5%	450 bps	Operating leverage from sales growth

Note: Adjusted EBITDA is a non-GAAP measure. Please see page 15 and 16 for a reconciliation of Adjusted EBITDA to Net Income.

2Q21 Two-Year Growth Comparison

\$ Millions

Hardware & Protective	2Q19	2Q21	%	YTD 2019	YTD 2021	%
For Quarter Ended	6/29/2019	6/26/2021	Change	6/29/2019	6/26/2021	Change
Revenues	\$226.4	\$263.1	16.2%	\$428.0	\$514.1	20.1%
Adjusted EBITDA	\$31.4	\$36.1	15.0%	\$51.6	\$65.1	26.2%
Margin	13.9%	13.7%	(30 bps)	12.1%	12.7%	60 bps

Robotics & Digital Solutions	2Q19	2Q21	%	YTD 2019	YTD 2021	%
For Quarter Ended	6/29/2019	6/26/2021	Change	6/29/2019	6/26/2021	Change
Revenues	\$60.2	\$66.4	10.3%	\$117.6	\$122.2	3.9%
Adjusted EBITDA	\$18.6	\$23.7	27.4%	\$35.9	\$41.1	14.5%
Margin	31.0%	35.7%	470 bps	30.5%	33.6%	310 bps

Canada	2Q19	2Q21	%	YTD 2019	YTD 2021	%
For Quarter Ended	6/29/2019	6/26/2021	Change	6/29/2019	6/26/2021	Change
Revenues	\$38.0	\$46.2	21.5%	\$66.7	\$80.7	19.9%
Adjusted EBITDA	\$4.2	\$4.7	11.9%	\$5.2	\$6.0	15.4%
Margin	11.1%	10.0%	110 bps	7.8%	7.5%	(30 bps)

Consolidated	2Q19	2Q21	%	YTD 2019	YTD 2021	%
For Quarter Ended	6/29/2019	6/26/2021	Change	6/29/2019	6/26/2021	Change
Revenues	\$324.6	\$375.7	15.7%	\$612.3	\$717.0	17.1%
Adjusted EBITDA	\$54.2	\$64.5	19.0%	\$92.7	\$112.3	21.1%
Margin	16.7%	17.2%	50 bps	15.1%	15.7%	60 bps

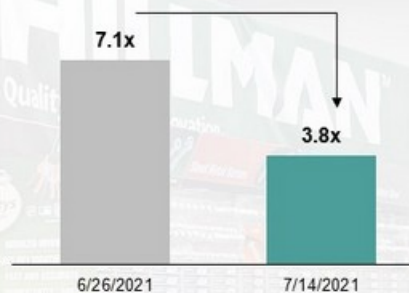
Note: Adjusted EBITDA is a non-GAAP measure. Please see page 15 and 17 for a reconciliation of Adjusted EBITDA to Net Income.

Strong Capital Structure Supports Growth

Total Leverage Based on TTM Adj. EBITDA

(\$ millions)	7/14/2021
Cash	\$ 58
ABL Revolver (\$250 million)	93
New Term Note	851
Total Debt	\$ 944
Net Debt	\$ 886
TTM Adjusted EBITDA	\$ 230.4
Gross Debt/ TTM Adjusted EBITDA	4.1x
Net Debt/ TTM Adjusted EBITDA	3.8x

Total Net Leverage Based on TTM Adj. EBITDA



Note: Adjusted EBITDA is a non-GAAP measure. Please see page 14 for a reconciliation of Adjusted EBITDA to Net Income.

Outlook

Outlook (\$ millions)	2019	2020	2021E	2022E
Revenues	\$1,214.4	\$1,368.3	\$1,400	\$1,500
Adjusted EBITDA	\$178.7	\$221.2	\$220-\$230	\$245-\$255

Long-term Growth

- Revenue - +6%
- Adj EBITDA - +10%

Other

- SGA – 25% fixed, 75% driven by revenues
- Interest Expense - ~\$30 million/year
- Income Tax – cash taxpayer late 2022, then ~25% effective tax rate
- Capital Expenditures - ~\$60 million/year, \$40 million growth
- Shares outstanding – 187.6 million, 24.7 million warrants outstanding at \$11.50 strike price

Note: Adjusted EBITDA is a non-GAAP measure. Please see page 14 for a reconciliation of Adjusted EBITDA to Net Income.

Appendix



HILLMAN™

Investment Highlights



Hillman at a Glance

Business Description

- Founded in 1964; HQ in Cincinnati, OH
- The leading distributor of hardware and home improvement products, personal protective equipment and robotic kiosk technologies to a broad range of winning retailers in the U.S., Canada and Mexico
- The predominance of our sales come from Hillman-owned brands
- Highly attractive ~\$6 billion direct addressable market with strong secular tailwinds
- Long-standing strategic partnerships with winning retailers including Home Depot, Lowes, Walmart, Tractor Supply, ACE and independent hardware stores
- Provide highly complex logistics, inventory, category management and differentiated in-store merchandising services via ~1,100 person field sales and service team
- ~3,600 non-union employees across corporate HQ, 22 N.A. distribution centers, and Taiwan sourcing office

By the Numbers

~20 billion
Fasteners
Sold per Year

~575 million
Pairs of Gloves
Sold per Year

~116 million
Keys Duplicated
per Year

~112,000
SKUs
Managed

~42,000
Store Direct
Locations

~32,500
Kiosks in
Retail Locations

#1
Position Across
Core Categories

10%
Long-Term
Historical
Sales CAGR

55 Years
Sales Growth in
56-Year History

~\$1.4bn
2020E
Sales

22%
2017A-2020 Adj.
EBITDA Growth

16%
2020 Adj.
EBITDA Margin

Note: Figures may not tie due to rounding and corporate eliminations.
Adjusted EBITDA is a non-GAAP measure. Please see page 14 for a reconciliation of Adjusted EBITDA to Net Income.
Operational metrics based on 2020 management estimates.

Our Primary Business Segments

Hardware & Protective Solutions

Segment Position	Hardware Solutions		Protective Solutions		Robotics and Digital Solutions
	#1		#1		#1
Hillman-Owned Brands	Fasteners & Specialty	Construction Fasteners	Work Gear	Gloves	Key and Fob Duplication
					

Representative Top Customers

ACE Hardware



TSC TRACTOR SUPPLY CO

Walmart

Source: Third party industry report.

Adjusted EBITDA Reconciliation

\$ Thousands For Period Ending		2Q20 6/27/20	2Q21 6/26/21	1H20 6/27/20	1H21 6/26/21
Income from Operations		\$20,728	\$19,509	\$30,174	\$25,289
D&A		32,095	30,684	64,460	61,934
EBITDA		\$52,823	\$50,193	\$94,634	\$87,223
1	Stock Compensation	1,524	1,796	2,669	3,537
2	CCMP Management Fees	196	88	321	214
3	Facility Exits	433	-----	433	-----
4	Restructuring	980	-----	2,710	109
5	Litigation Fees	1,893	6,322	2,674	10,282
6	Acquisition & Integration	661	3,299	990	8,139
7	Buy-back Expense	-----	1,350	-----	1,350
8	Anti-Dumping Expense	-----	2,636	-----	2,636
9	Change in Fair Value	3,100	(1,212)	(1,300)	(1,212)
Adjusted EBITDA		\$61,610	\$64,472	\$103,131	\$112,278
1	Stock compensation				
2	CCMP management fees				
3	Costs associated with the closure of facility in San Antonio, Texas				
4	Inventory write-offs, severance, rent, labor costs, etc. related to restructuring initiatives				
5	Professional fees related to non-recurring litigation				
6	Professional fees, non-recurring bonuses, severance and other costs related to merger and acquisition activity including merger with LCY				
7	Remove infrequent buy-backs associated with new business wins				
8	Prior year anti-dumping duties related to nail business				
9	Change in fair value of contingent consideration for acquisitions				

Note: Adjusted EBITDA is a non-GAAP measure. Please see above for a reconciliation of Adjusted EBITDA to Net Income.

2021 Segment Adjusted EBITDA Reconciliations

Thirteen Weeks Ended June 26, 2021	HPS	RDS	Canada	Consolidated
Operating Income (Loss)	\$9,995	\$6,546	\$2,968	\$19,509
Depreciation & Amortization	\$17,397	\$11,593	\$1,694	\$30,684
Stock Compensation Expense	\$1,552	\$244	----	\$1,796
Management Fees	\$76	\$12	----	\$88
Restructuring	----	----	----	----
Litigation Expense	----	\$6,322	----	\$6,322
Acquisition & Integration Expense	\$3,108	\$191	----	\$3,299
Buy-Back Expense	\$1,350	----	----	\$1,350
Anti-dumping Duties	\$2,636	----	----	\$2,636
Change in Fair Value of Contingent Consideration	----	(\$1,212)	----	(\$1,212)
Adjusted EBITDA	\$36,114	\$23,696	\$4,662	\$64,472

Twenty-Six Weeks Ended June 26, 2021	HPS	RDS	Canada	Consolidated
Operating Income (Loss)	\$16,045	\$6,700	\$2,544	\$25,289
Depreciation & Amortization	\$34,520	\$23,974	\$3,440	\$61,934
Stock Compensation Expense	\$3,056	\$481	----	\$3,537
Management Fees	\$185	\$29	----	\$214
Restructuring	\$64	\$10	\$35	\$109
Litigation Expense	----	\$10,282	----	\$10,282
Acquisition & Integration Expense	\$7,290	\$849	----	\$8,139
Buy-Back Expense	\$1,350	----	----	\$1,350
Anti-dumping Duties	\$2,636	----	----	\$2,636
Change in Fair Value of Contingent Consideration	----	(\$1,212)	----	(\$1,212)
Adjusted EBITDA	\$65,146	\$41,113	\$6,019	\$112,278

Note: Adjusted EBITDA is a non-GAAP measure. Please see above for a reconciliation of Adjusted EBITDA to Operating Income

2020 Segment Adjusted EBITDA Reconciliations

Thirteen Weeks Ended June 27, 2020	HPS	RDS	Canada	Consolidated
Operating Income (Loss)	\$24,423	(\$4,510)	\$815	\$20,728
Depreciation & Amortization	\$17,608	\$12,749	\$1,738	\$32,095
Stock Compensation Expense	\$1,379	\$145	----	\$1,524
Management Fees	\$176	\$20	----	\$196
Restructuring	----	----	\$980	\$980
Litigation Expense	----	\$1,893	----	\$1,893
Acquisition & Integration Expense	\$498	\$163	----	\$661
Buy-Back Expense	\$433	----	----	\$433
Anti-dumping Duties	----	----	----	----
Change in Fair Value of Contingent Consideration	----	\$3,100	----	\$3,100
Corporate & Intersegment Adjustments	\$1,187	(\$1,187)	----	----
Adjusted EBITDA	\$45,704	\$12,373	\$3,533	\$61,610

Twenty-Six Weeks Ended June 27, 2020	HPS	RDS	Canada	Consolidated
Operating Income (Loss)	\$33,276	\$1,386	(\$4,488)	\$30,174
Depreciation & Amortization	\$34,462	\$26,398	\$3,600	\$64,460
Stock Compensation Expense	\$2,330	\$339	----	\$2,669
Management Fees	\$280	\$41	----	\$321
Restructuring	----	----	\$2,710	\$2,710
Litigation Expense	----	\$2,674	----	\$2,674
Acquisition & Integration Expense	\$632	\$358	----	\$990
Buy-Back Expense	\$433	----	----	\$433
Anti-dumping Duties	----	----	----	\$0
Change in Fair Value of Contingent Consideration	----	(\$1,300)	----	(\$1,300)
Corporate & Intersegment Adjustments	(\$47)	\$47	----	----
Adjusted EBITDA	\$71,366	\$29,943	\$1,822	\$103,131

Note: Adjusted EBITDA is a non-GAAP measure. Please see above for a reconciliation of Adjusted EBITDA to Operating Income

2019 Segment Adjusted EBITDA Reconciliations

Thirteen Weeks Ended June 29, 2019	HPS	RDS	Canada	Consolidated
Operating Income (Loss)	\$10,914	(\$3,412)	\$1,044	\$8,546
Depreciation & Amortization	\$16,228	\$13,405	\$1,703	\$31,336
Stock Compensation Expense	\$246	\$55	----	\$301
Management Fees	\$125	----	----	\$125
Restructuring	\$42	\$9	\$1,467	\$1,518
Litigation Expense	----	\$297	----	\$297
Acquisition & Integration Expense	\$2,110	\$1,289	----	\$3,399
Buy-Back Expense	\$2,014	----	----	\$2,014
Anti-dumping Duties	----	----	----	----
Corporate & Intersegment Adjustments	(\$312)	\$312	----	----
Impairment	----	\$6,686	----	\$6,686
Adjusted EBITDA	\$31,367	\$18,641	\$4,214	\$54,222

Twenty-Six Weeks Ended June 29, 2019	HPS	RDS	Canada	Consolidated
Operating Income (Loss)	\$8,361	(\$384)	\$834	\$8,811
Depreciation & Amortization	\$32,270	\$26,696	\$2,954	\$61,920
Stock Compensation Expense	\$541	\$121	----	\$662
Management Fees	\$256	----	----	\$256
Restructuring	\$42	\$9	\$1,403	\$1,454
Litigation Expense	----	\$297	----	\$297
Acquisition & Integration Expense	\$4,280	\$2,248	----	\$6,528
Buy-Back Expense	\$6,083	----	----	\$6,083
Anti-dumping Duties	----	----	----	----
Corporate & Intersegment Adjustments	(\$205)	\$205	----	----
Impairment	----	\$6,686	----	\$6,686
Adjusted EBITDA	\$51,628	\$35,878	\$5,191	\$92,697

Note: Adjusted EBITDA is a non-GAAP measure. Please see above for a reconciliation of Adjusted EBITDA to Operating Income