

**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): May 7, 2024

HILLMAN™

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.)

**1280 Kemper Meadows Drive
Cincinnati, Ohio 45240**
(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

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 May 7, 2024, Hillman Solutions Corp. (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 thirteen weeks ended March 30, 2024.

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 May 7, 2024, announcing the financial results of Hillman Solutions Corp. for its thirteen weeks ended March 30, 2024.](#)

99.2 [Supplemental slides provided in connection with the first quarter 2024 earnings call of Hillman Solutions Corp.](#)

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.

Date: May 7, 2024

Hillman Solutions Corp.

By: /s/ Robert O. Kraft
Name: Robert O. Kraft
Title: Chief Financial Officer



Hillman Reports First Quarter 2024 Results

CINCINNATI, May 7, 2024 -- Hillman Solutions Corp. (Nasdaq: HLMN) (the "Company" or "Hillman"), a leading provider of hardware products and merchandising solutions, reported financial results for the thirteen weeks ended March 30, 2024.

First Quarter 2024 Highlights (Thirteen weeks ended March 30, 2024)

- Net sales increased 0.2% to \$350.3 million compared to \$349.7 million in the prior year quarter
- Net loss totaled \$(1.5) million, or \$(0.01) per diluted share, compared to net loss of \$(9.1) million, or \$(0.05) per diluted share, in the prior year quarter
- Adjusted diluted EPS¹ was \$0.10 per diluted share compared to \$0.06 per diluted share in the prior year quarter
- Adjusted EBITDA¹ totaled \$52.3 million compared to \$40.2 million in the prior year quarter
- Net cash provided by operating activities was \$11.7 million compared to \$31.5 million in the prior year quarter
- Free Cash Flow¹ totaled \$(6.1) million compared to \$13.4 million in the prior year quarter

Balance Sheet and Liquidity at March 30, 2024

- Gross debt was \$778.2 million, compared to \$760.9 million on December 30, 2023; net debt¹ outstanding was \$747.5 million, compared to \$722.4 million on December 30, 2023
- Liquidity available totaled approximately \$242.3 million, consisting of \$211.6 million of available borrowing under the revolving credit facility and \$30.7 million of cash and equivalents
- Net debt¹ to trailing twelve month Adjusted EBITDA improved to 3.2x from 3.3x at the end of 2023

Management Commentary

"We started 2024 off on the right foot with strong bottom-line results driven by healthy margins," stated Doug Cahill, Chairman, President, and Chief Executive Officer of Hillman. "Hillman's differentiated strategy and competitive moat continue to demonstrate resilience in the current market environment. Our performance has been the result of our operational execution, our commitment to taking care of our customers and the resilience of our end markets."

"Early in the first quarter, we finalized the acquisition of Koch Industries, which marks an important milestone for Hillman. This not only expands our product portfolio and enhances

1) Denotes Non-GAAP metric. For additional information, including our definitions, use of, and reconciliations of these metrics to the most directly comparable financial measures under GAAP, please see the reconciliations toward the end of the press release.

our leading position in the market, but it also marks our first recent acquisition of what we expect to be many over the coming years. M&A will be an important part of our growth strategy as we believe we can make accretive acquisitions and then leverage our moat to create additional value for our customers and shareholders.

"As we celebrate our 60th year in business in 2024, we remain steadfast in our commitment to taking care of our customers, our people, and driving profitable growth for years to come. With a solid foundation in place and a focused strategy, we are confident in our ability to deliver strong results throughout 2024 and beyond."

Full Year 2024 Guidance - Reiterated

Hillman reiterated the following guidance based on its current view of the market and its performance expectations during the fifty-two weeks ended December 28, 2024. This guidance was originally provided on February 22, 2024 with Hillman's fourth quarter 2023 results.

	Full year 2024 Guidance
Net Sales	\$1.475 to \$1.555 billion
Adjusted EBITDA ¹	\$230 to \$240 million
Free Cash Flow ¹	\$100 to \$120 million

First Quarter 2024 Results Presentation

Hillman plans to host a conference call and webcast presentation today, May 7, 2024, at 8:30 a.m. Eastern Time to discuss its results. Chairman, President, and Chief Executive Officer Doug Cahill, Chief Financial Officer Rocky Kraft, and Chief Operating Officer Jon Michael Adinolfi will host the results presentation.

Date: Tuesday, May 7, 2024

Time: 8:30 a.m. Eastern Time

Listen-Only Webcast: <https://edge.media-server.com/mmc/p/ogiyfvu/>

A webcast replay will be available approximately one hour after the conclusion of the call using the link above.

Hillman's quarterly presentation and Form 10-Q are expected to be filed with the SEC and posted to its Investor Relations website, <https://ir.hillmangroup.com>, prior to the webcast presentation.

About Hillman Solutions Corp.

Founded in 1964 and headquartered in Cincinnati, Ohio, Hillman Solutions Corp. ("Hillman") and its subsidiaries are leading North American providers of complete hardware solutions, delivered with outstanding customer service to over 46,000 locations. Hillman is celebrating 60 years of service this year, a significant milestone achieved by maintaining strong company values, an innovative culture, and delivering a "small business" experience with "big business" efficiency. Hillman designs innovative product and merchandising solutions for complex categories that deliver an outstanding customer experience to home improvement centers,

¹) Denotes Non-GAAP metric. For additional information, including our definitions, use of, and reconciliations of these metrics to the most directly comparable financial measures under GAAP, please see the reconciliations toward the end of the press release.

mass merchants, national and regional hardware stores, pet supply stores, and OEM & industrial customers. For more information on Hillman, visit www.hillmangroup.com.

Forward Looking Statements

All statements made in this press release 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 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.

Contact:

Michael Koehler
Vice President of Investor Relations & Treasury
513-826-5495
IR@hillmangroup.com

1) Denotes Non-GAAP metric. For additional information, including our definitions, use of, and reconciliations of these metrics to the most directly comparable financial measures under GAAP, please see the reconciliations toward the end of the press release.

HILLMAN SOLUTIONS CORP.

Condensed Consolidated Statement of Net Loss, GAAP Basis
(dollars in thousands) Unaudited

	Thirteen Weeks Ended March 30, 2024	Thirteen Weeks Ended April 1, 2023
Net sales	\$ 350,305	\$ 349,707
Cost of sales (exclusive of depreciation and amortization shown separately below)	183,434	204,509
Selling, warehouse, general and administrative expenses	118,565	111,065
Depreciation	16,338	16,705
Amortization	15,254	15,572
Other expense, net	410	767
Income from operations	16,304	1,089
Interest expense, net	15,271	18,077
Refinancing costs	3,008	—
Loss before income taxes	(1,975)	(16,988)
Income tax benefit	(483)	(7,856)
Net loss	\$ (1,492)	\$ (9,132)
Basic loss per share	\$ (0.01)	\$ (0.05)
Weighted average basic shares outstanding	195,365	194,548

HILLMAN SOLUTIONS CORP.

Condensed Consolidated Balance Sheets

(dollars in thousands)

Unaudited

	March 30, 2024	December 30, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 30,672	\$ 38,553
Accounts receivable, net of allowances of \$2,433 (\$2,770 - 2023)	127,332	103,482
Inventories, net	404,060	382,710
Other current assets	25,130	23,235
Total current assets	<u>587,194</u>	<u>547,980</u>
Property and equipment, net of accumulated depreciation of \$345,363 (\$333,875 - 2023)	205,025	200,553
Goodwill	828,279	825,042
Other intangibles, net of accumulated amortization of \$485,751 (\$470,791 - 2023)	643,359	655,293
Operating lease right of use assets	87,334	87,479
Other assets	15,155	14,754
Total assets	<u>\$ 2,366,346</u>	<u>\$ 2,331,101</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 156,827	\$ 140,290
Current portion of debt and financing lease liabilities	10,061	9,952
Current portion of operating lease liabilities	15,288	14,407
Accrued expenses:		
Salaries and wages	16,083	22,548
Pricing allowances	8,002	8,145
Income and other taxes	5,981	6,469
Interest	864	343
Other accrued liabilities	23,059	20,966
Total current liabilities	<u>236,165</u>	<u>223,120</u>
Long-term debt	751,315	731,708
Deferred tax liabilities	131,636	131,552
Operating lease liabilities	78,852	79,994
Other non-current liabilities	7,086	10,198
Total liabilities	<u>\$ 1,205,054</u>	<u>\$ 1,176,572</u>
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Common stock, \$0.0001 par, 500,000,000 shares authorized, 195,942,200 issued and outstanding at March 30, 2024 and 194,913,124 issued and outstanding at December 30, 2023	20	20
Additional paid-in capital	1,427,120	1,418,535
Accumulated deficit	(237,698)	(236,206)
Accumulated other comprehensive loss	(28,150)	(27,820)
Total stockholders' equity	<u>1,161,292</u>	<u>1,154,529</u>
Total liabilities and stockholders' equity	<u>\$ 2,366,346</u>	<u>\$ 2,331,101</u>

HILLMAN SOLUTIONS CORP.

Condensed Consolidated Statement of Cash Flows

(dollars in thousands)

Unaudited

	Thirteen Weeks Ended March 30, 2024	Thirteen Weeks Ended April 1, 2023
Cash flows from operating activities:		
Net loss	\$ (1,492)	\$ (9,132)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	31,592	32,277
Deferred income taxes	(386)	(2,594)
Deferred financing and original issue discount amortization	1,330	1,332
Stock-based compensation expense	2,829	2,637
Loss on debt restructuring	3,008	—
Cash paid to third parties in connection with debt restructuring	(1,554)	—
Loss on disposal of property and equipment	56	82
Change in fair value of contingent consideration	332	1,715
Changes in operating items:		
Accounts receivable, net	(25,095)	(33,963)
Inventories, net	(2,341)	38,871
Other assets	(4,014)	(5,934)
Accounts payable	14,632	11,406
Other accrued liabilities	(7,221)	(5,190)
Net cash provided by operating activities	<u>11,676</u>	<u>31,507</u>
Net cash from investing activities		
Acquisition of business, net of cash received	(23,956)	(300)
Capital expenditures	(17,759)	(18,111)
Other investing activities	(67)	(113)
Net cash used for investing activities	<u>(41,782)</u>	<u>(18,524)</u>
Cash flows from financing activities:		
Repayments of senior term loans	(2,128)	(2,128)
Financing fees	(33)	—
Borrowings on revolving credit loans	45,000	39,000
Repayments of revolving credit loans	(27,000)	(44,000)
Principal payments under finance lease obligations	(875)	(494)
Proceeds from exercise of stock options	5,899	—
Payments of contingent consideration	(72)	(1,079)
Other financing activities	(380)	(58)
Net cash provided by (used for) financing activities	<u>20,411</u>	<u>(8,759)</u>
Effect of exchange rate changes on cash	1,814	(555)
Net (decrease) increase in cash and cash equivalents	(7,881)	3,669
Cash and cash equivalents at beginning of period	38,553	31,081
Cash and cash equivalents at end of period	<u>\$ 30,672</u>	<u>\$ 34,750</u>

Reconciliations of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures

The Company uses non-GAAP financial measures to analyze underlying business performance and trends. The Company believes that providing these non-GAAP financial measures enhances the Company's and investors' ability to compare the Company's past financial performance with its current performance. These non-GAAP financial measures are provided as supplemental information to the financial measures presented in this press release that are calculated and presented in accordance with GAAP. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP. The Company's definitions of its non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies. Because GAAP financial measures on a forward-looking basis are not accessible, and reconciling information is not available without unreasonable effort, reconciliations to GAAP financial measures are not provided for forward-looking non-GAAP measures. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

Non-GAAP financial measures such as consolidated adjusted EBITDA and Adjusted Diluted Earnings per Share (EPS) exclude from the relevant GAAP metrics items that neither relate to the ordinary course of the Company's business, nor reflect the Company's underlying business performance.

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 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 March 30, 2024	Thirteen Weeks Ended April 1, 2023
Net loss	\$ (1,492)	\$ (9,132)
Income tax benefit	(483)	(7,856)
Interest expense, net	15,271	18,077
Depreciation	16,338	16,705
Amortization	15,254	15,572
EBITDA	<u>\$ 44,888</u>	<u>\$ 33,366</u>
Stock compensation expense	2,829	2,637
Restructuring and other ⁽¹⁾	991	1,408
Litigation expense ⁽²⁾	—	260
Transaction and integration expense ⁽³⁾	274	800
Change in fair value of contingent consideration	332	1,715
Refinancing costs ⁽⁴⁾	3,008	—
Total adjusting items	<u>7,434</u>	<u>6,820</u>
Adjusted EBITDA	<u>\$ 52,322</u>	<u>\$ 40,186</u>

(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 acquisition and the CCMP secondary offering in 2023.

(4) In the first quarter of 2024, we entered into a Repricing Amendment (2024 Repricing Amendment) on our existing Senior Term Loan due July 14, 2028.

Reconciliation of Adjusted Diluted Earnings Per Share

(in thousands, except per share data)

Unaudited

We define Adjusted Diluted EPS as reported diluted EPS excluding the effect of one-time, non-recurring activity and volatility associated with our income tax expense. The Company believes that Adjusted Diluted EPS provides further insight and comparability in operating performance as it eliminates the effects of certain items that are not comparable from one period to the next. The following is a reconciliation of reported diluted EPS from continuing operations to Adjusted Diluted EPS from continuing operations:

	Thirteen Weeks Ended March 30, 2024	Thirteen Weeks Ended April 1, 2023
Reconciliation to Adjusted Net Income		
Net loss	\$ (1,492)	\$ (9,132)
Remove adjusting items ⁽¹⁾		
	7,434	6,820
Remove amortization expense	15,254	15,572
Remove tax benefit on adjusting items and amortization expense ⁽²⁾	(2,236)	(1,661)
Adjusted Net Income	\$ 18,960	\$ 11,599
Reconciliation to Adjusted Diluted Earnings per Share		
Diluted Earnings per Share	\$ (0.01)	\$ (0.05)
Remove adjusting items ⁽¹⁾		
	0.04	0.03
Remove amortization expense	0.08	0.08
Remove tax benefit on adjusting items and amortization expense ⁽²⁾	(0.01)	(0.01)
Adjusted Diluted Earnings per Share	\$ 0.10	\$ 0.06
Reconciliation to Adjusted Diluted Shares Outstanding		
Diluted Shares, as reported	195,365	194,548
Non-GAAP dilution adjustments:		
Dilutive effect of stock options and awards	2,287	845
Adjusted Diluted Shares	197,652	195,394

Note: Adjusted EPS may not add due to rounding.

- (1) Please refer to "Reconciliation of Adjusted EBITDA" table above for additional information on adjusting items. See "Per share impact of Adjusting Items" table below for the per share impact of each adjustment.
- (2) We have calculated the income tax effect of the non-GAAP adjustments shown above at the applicable statutory rate of 25.1% for the U.S. and 26.2% for Canada except for the following items:
- The tax impact of stock compensation expense was calculated using the statutory rate of 25.1%, excluding certain awards that are non-deductible.
 - The tax impact of acquisition and integration expense was calculated using the statutory rate of 25.1%, excluding certain charges that were non-deductible.
 - Amortization expense for financial accounting purposes was offset by the tax benefit of deductible amortization expense using the statutory rate of 25.1%.

Per Share Impact of Adjusting Items

	Thirteen Weeks Ended March 30, 2024	Thirteen Weeks Ended April 1, 2023
Stock compensation expense	\$ 0.01	\$ 0.01
Restructuring and other costs	0.01	0.01
Litigation expense	0.00	0.00
Transaction and integration expense	0.00	0.00
Change in fair value of contingent consideration	—	0.01
Refinancing costs	0.02	—
Total adjusting items	\$ 0.04	\$ 0.03

Note: Adjusting items may not add due to rounding.

Reconciliation of Net Debt

We define Net Debt as reported gross debt less cash on hand. Net debt is not defined under U.S. GAAP and may not be computed the same as similarly titled measures used by other companies. The Company believes that Net Debt provides further insight and comparability into liquidity and capital structure. The following is a the calculation of Net Debt:

	March 30, 2024		December 30, 2023	
Revolving loans	\$	18,000	\$	—
Senior term loan, due 2028		749,725		751,852
Finance leases and other obligations		10,453		9,097
Gross debt	\$	778,178	\$	760,949
Less cash		30,672		38,553
Net debt	\$	747,506	\$	722,396

Reconciliation of Free Cash Flow

We calculate free cash flow as cash flows from operating activities less capital expenditures. Free cash flow is not defined under U.S. GAAP and may not be computed the same as similarly titled measures used by other companies. We believe free cash flow is an important indicator of how much cash is generated by our business operations and is a measure of incremental cash available to invest in our business and meet our debt obligations.

	Thirteen Weeks Ended March 30, 2024		Thirteen Weeks Ended April 1, 2023	
Net cash provided by operating activities	\$	11,676	\$	31,507
Capital expenditures		(17,759)		(18,111)
Free cash flow	\$	(6,083)	\$	13,396

Source: Hillman Solutions Corp

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HILLMAN

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Quarterly Earnings Presentation

Q1 2024

May 7, 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 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 March 30, 2024

- Net sales increased 0.2% to \$350.3 million versus Q1 2023
 - Hardware Solutions increased 4.6%
 - Canada up 0.5%
 - Protective Solution decreased (6.9)%
 - Robotics and Digital Solutions ("RDS") down (9.2)%
- GAAP net loss totaled \$(1.5) million, or \$(0.01) per diluted share, compared to net loss of \$(9.1) million, or \$(0.05) per diluted share, in Q1 2023
- Adjusted Gross Margins were 47.6% compared to 41.5% in Q1 2023
- Adjusted EBITDA totaled \$52.3 million compared to \$40.2 million in Q1 2023
- Adjusted EBITDA margins were 14.9% compared to 11.5% in Q1 2023
- Net Debt / Adjusted EBITDA (ttm): 3.2x at quarter end, improved from 3.3x from December 30, 2023

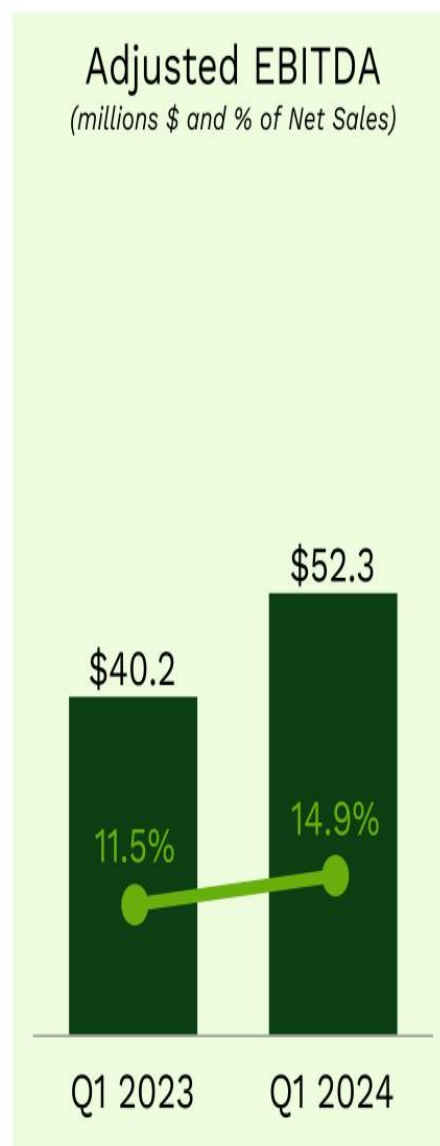
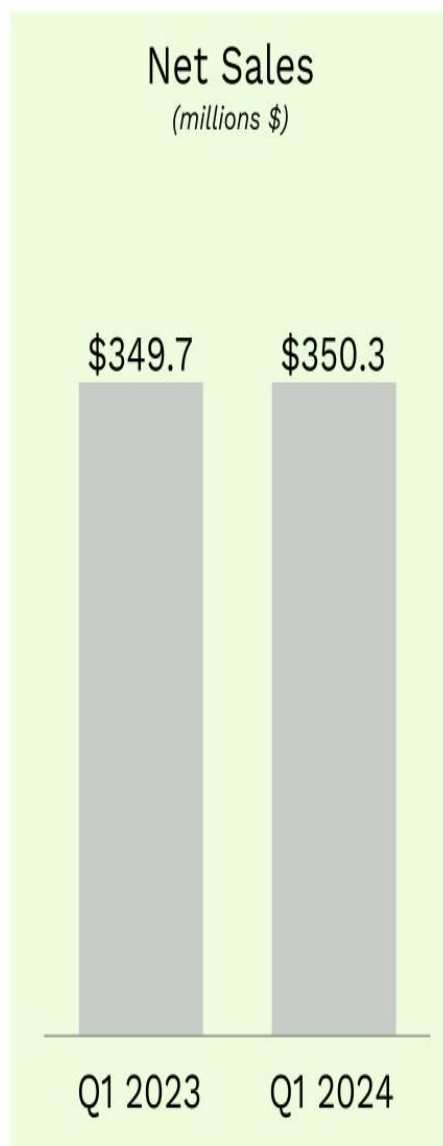
Please see reconciliation tables in the Appendix of this presentation for non-GAAP metrics.

Highlights for the 13 Weeks Ended March 30, 2024

- Acquired and successfully integrated Koch Industries into Hillman
 - Acquisition marks Hillman's entrance into rope and chain
 - Signals Hillman is actively pursuing accretive M&A opportunities that leverage its unique moat
- Inventories normalized - maintained appropriate inventory levels following supply chain disruption that led to excess inventory levels (which peaked in Q2 2022; normalized in Q4 2023)
- Reiterated full year 2024 guidance

Quarterly Financial Performance

Top & Bottom Line (vs Q1 2023)



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 (Q1)

Hardware & Protective	Q1 2023	Q1 2024	Δ	
<i>Thirteen Weeks Ended</i>	<i>4/1/2023</i>	<i>3/30/2024</i>		Comments
Revenues	\$253,851	\$259,874	2.4%	Driven by new business and Koch acquisition
Adjusted EBITDA	\$18,879	\$32,266	70.9%	Margin expansion from price/cost dynamic
Margin (Adj. EBITDA/Net Sales)	7.4%	12.4%	500 bps	

Robotics & Digital	Q1 2023	Q1 2024	Δ	
<i>Thirteen Weeks Ended</i>	<i>4/1/2023</i>	<i>3/30/2024</i>		Comments
Revenues	\$61,066	\$55,472	(9.2)%	Soft volumes across RDS
Adjusted EBITDA	\$19,524	\$17,013	(12.9)%	Mix of product sales
Margin (Adj. EBITDA/Net Sales)	32.0%	30.7%	(130) bps	

Canada	Q1 2023	Q1 2024	Δ	
<i>Thirteen Weeks Ended</i>	<i>4/1/2023</i>	<i>3/30/2024</i>		Comments
Revenues	\$34,790	\$34,959	0.5%	Driven by new business
Adjusted EBITDA	\$1,783	\$3,043	70.7%	Margin expansion from price/cost dynamic
Margin (Adj. EBITDA/Net Sales)	5.1%	8.7%	360 bps	

Consolidated	Q1 2023	Q1 2024	Δ	
<i>Thirteen Weeks Ended</i>	<i>4/1/2023</i>	<i>3/30/2024</i>		
Revenues	\$349,707	\$350,305	0.2%	
Adjusted EBITDA	\$40,186	\$52,322	30.2%	
Margin (Adj. EBITDA/Net Sales)	11.5%	14.9%	340 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 (Q1)

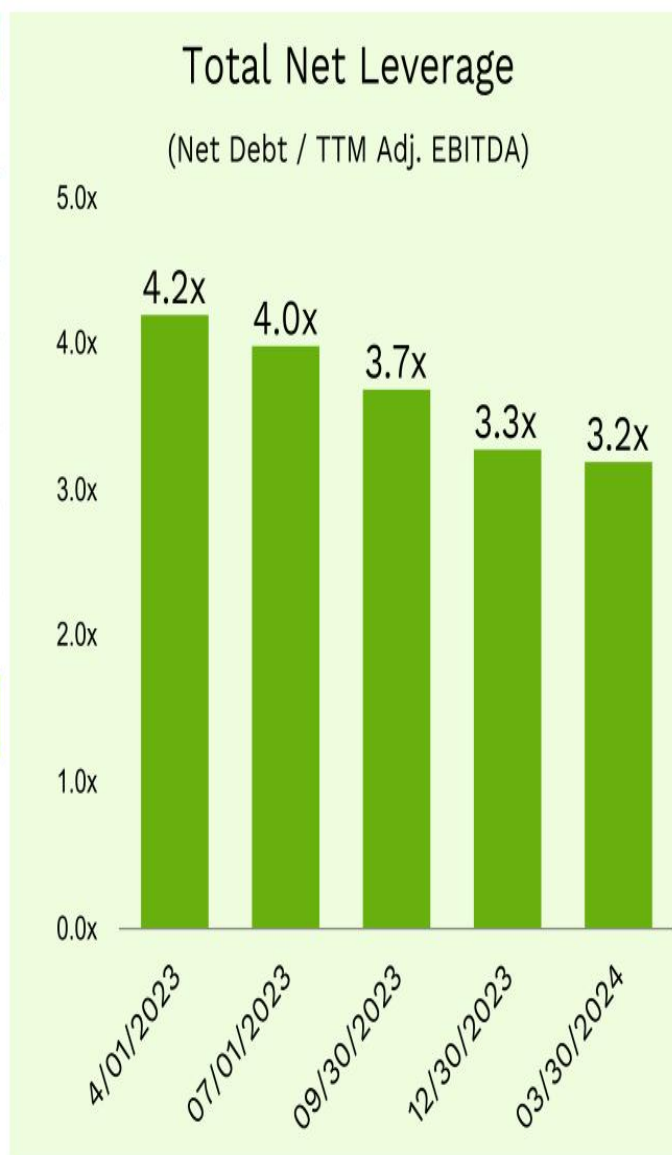
	Hardware & Protective	Robotics & Digital	Canada	Total Revenue
<i>Thirteen Weeks Ended March 30, 2024</i>				
Fastening and Hardware	\$214,390	\$—	\$31,589	\$245,979
Personal Protective	45,484	—	1,408	46,892
Keys and Key Accessories	—	43,637	1,952	45,589
Engraving and Resharp	—	11,835	10	11,845
Total Revenue	\$259,874	\$55,472	\$34,959	\$350,305

	Hardware & Protective	Robotics & Digital	Canada	Total Revenue
<i>Thirteen Weeks Ended April 1, 2023</i>				
Fastening and Hardware	\$204,974	\$—	\$31,221	\$236,195
Personal Protective	48,877	—	1,613	50,490
Keys and Key Accessories	—	48,548	1,941	50,489
Engraving and Resharp	—	12,518	15	12,533
Total Revenue	\$253,851	\$61,066	\$34,790	\$349,707

Figures in Thousands of USD unless otherwise noted.

Leverage Continues to Improve

	March 30, 2024
ABL Revolver (\$212 million capacity)	\$18.0
Term Note	\$749.7
Finance Leases and Other Obligations	\$10.5
Total Debt	\$778.2
Cash	\$30.7
Net Debt	\$747.5
TTM Adjusted EBITDA	\$231.5
Net Debt/ TTM Adjusted EBITDA	3.2x



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

On May 7, 2024, Hillman reiterated the following guidance (originally provided on February 22, 2024) based on its current view of the market and its performance expectations for the fifty-two week period ended December 28, 2024.

<i>(in millions USD)</i>	Full Year 2024 Guidance Range	Midpoint
Revenues	\$1.475 to \$1.555 billion	\$1.515 billion
Adjusted EBITDA	\$230 to \$240 million	\$235 million
Free Cash Flow	\$100 to \$120 million	\$110 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: \$10-\$20 million
- Capital expenditures: \$65-\$75 million
- Restructuring / Other: Approx. \$10 million
- Working Capital benefit: \$5 - \$15 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.

Actively 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 90% of homes pass 20 years of age during 2024 and 2025.¹
- 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 expanding to normal rates, should expand and hold through 2024
- Now that leverage has come down, 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) Jefferies Research Services: July 10, 2023

Appendix



Investment Highlights

HILLMAN
HLMN | Nasdaq Listed



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



Hillman: Overview

HILLMAN
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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
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~114,000 SKUs Managed	~46,000 Direct Shipping Locations	~31,000 Kiosks in Retail Locations
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#1 Position Across Core Categories*	8.0% Sales CAGR over past 10 years	60-Year Track record of success
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\$1.5 billion 2023 Sales	9.4% CAGR 2018-2023 Adj. EBITDA Growth	14.9% 2023 Adj. EBITDA Margin
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*Management Estimates
Adjusted EBITDA is a non-GAAP measure. Please see Appendix for a reconciliation of Adjusted EBITDA to Net loss

Primary Product Categories

Hardware Solutions

Protective Solutions

Robotics & Digital 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



#1 in Segment

Work Gear

AWP



McGuire-Nicholas
EST. 1932



Safety / PPE

FIRM GRIP **AWP**



PREMIUM DEFENSE

Gloves

GREASE MONKEY **GORILLA GRIP**

FIRM GRIP

TRUE GRIP



#1 in Segment

Key and Fob Duplication

HILLMAN

minuteKey



Personalized Tags



QUICK TAG

TagWorks



Knife Sharpening

resharp



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



ACE Hardware

Walmart

VSC TRACTOR SUPPLY CO

Source: Third party industry report.

Adjusted EBITDA Reconciliation

<i>Thirteen weeks ended</i>	April 1, 2023	March 30, 2024
Net loss	\$(9,132)	\$(1,492)
Income tax benefit	(7,856)	(483)
Interest expense, net	18,077	15,271
Depreciation	16,705	16,338
Amortization	15,572	15,254
EBITDA	\$33,366	\$44,888
Stock compensation expense	2,637	2,829
Restructuring and other ⁽¹⁾	1,408	991
Litigation expense ⁽²⁾	260	—
Transaction and integration expense ⁽³⁾	800	274
Change in fair value of contingent consideration	1,715	332
Refinancing costs ⁽⁴⁾	—	3,008
Adjusted EBITDA	\$40,186	\$52,322

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 acquisition 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.

Adjusted Gross Margin Reconciliation

HILLMAN
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<i>Thirteen weeks ended</i>	April 1, 2023	March 30, 2024
Net Sales	\$349,707	\$350,305
Cost of sales (exclusive of depreciation and amortization)	204,509	183,434
Gross margin exclusive of depreciation and amortization	\$145,198	\$166,871
Gross margin exclusive of depreciation and amortization %	41.5 %	47.6 %

Adjusted SG&A Expense Reconciliation

<i>Thirteen weeks ended</i>	<i>April 1, 2023</i>	<i>March 30, 2024</i>
Selling, general and administrative expenses	\$111,065	\$118,565
SG&A Adjusting Items ⁽¹⁾ :		
Stock compensation expense	2,637	2,829
Restructuring	1,408	991
Litigation expense	260	—
Acquisition and integration expense	800	274
Adjusted SG&A	\$105,960	\$114,471
Adjusted SG&A as a % of Net Sales	30.3 %	32.7 %

1. See adjusted EBITDA Reconciliation for details of adjusting items

Net Debt & Free Cash Flow Reconciliations

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Reconciliation of Net Debt

<i>As of</i>	December 30, 2023	March 30, 2024
Revolving loans	\$0	\$18,000
Senior term loan	751,852	749,725
Finance leases and other obligations	9,097	10,453
Gross debt	\$760,949	\$778,178
Less cash	38,553	30,672
Net debt	\$722,396	\$747,506

Reconciliation of Free Cash Flow

<i>Thirteen Weeks Ended</i>	April 1, 2023	March 30, 2024
Net cash provided by operating activities	\$31,507	\$11,676
Capital expenditures	(18,111)	(17,759)
Free cash flow	\$13,396	\$(6,083)

Segment Adjusted EBITDA Reconciliations

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<i>Thirteen weeks ended April 1, 2023</i>	HPS	RDS	Canada	Consolidated
Operating (loss) income	\$(3,836)	\$4,462	\$463	\$1,089
Depreciation & amortization	18,543	12,564	1,170	32,277
Stock compensation expense	2,205	282	150	2,637
Restructuring	1,257	151	—	1,408
Litigation expense	—	260	—	260
Transaction and integration expense	710	90	—	800
Change in fair value of contingent consideration	—	1,715	—	1,715
Adjusted EBITDA	\$18,879	\$19,524	\$1,783	\$40,186

<i>Thirteen weeks ended March 30, 2024</i>	HPS	RDS	Canada	Consolidated
Operating income	\$9,248	\$5,757	\$1,299	\$16,304
Depreciation & amortization	19,869	10,376	1,347	31,592
Stock compensation expense	2,337	280	212	2,829
Restructuring and other	549	257	185	991
Transaction and integration expense	263	11	—	274
Change in fair value of contingent consideration	—	332	—	332
Adjusted EBITDA	\$32,266	\$17,013	\$3,043	\$52,322

