

**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): February 18, 2025

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 Meadow Drive
Cincinnati, Ohio 45240**
(Address of principal executive offices)

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

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 February 18, 2025, 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 and fifty-two weeks ended December 28, 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 13, 2025, upon the recommendation of the Nominating and ESG Committee, the Board of Directors (the “Board”) of the Company increased the size of the Board to ten directors and appointed Jon Michael Adinolfi, Chief Executive Officer and President of the Company, to join the Board as a director effective as of February 13, 2025. Mr. Adinolfi will serve as a Class I director until the Company’s 2025 annual meeting of stockholders and until his successor is duly elected and qualified or until his earlier resignation or removal. As a non-independent director, Mr. Adinolfi is not eligible to serve on any committees of the Board, and will receive no additional compensation for his Board service other than his previously disclosed compensation for serving as the Company’s Chief Executive Officer and President.

Mr. Adinolfi is not a party to any transaction with the Company that would require disclosure under Item 404(a) of Regulation S-K, and there are no arrangements or understandings between Mr. Adinolfi and any other persons pursuant to which he was selected as a director.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated February 18, 2025, announcing the financial results of Hillman Solutions Corp. for its thirteen and fifty-two weeks ended December 28, 2024.
99.2	Supplemental slides provided in connection with the thirteen and fifty-two weeks ended December 28, 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.

Hillman Solutions Corp.

Date: February 18, 2025

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



Hillman Reports Record Fourth Quarter 2024 Results; Provides 2025 Guidance

CINCINNATI, February 18, 2025 -- Hillman Solutions Corp. (Nasdaq: HLMN) (the "Company" or "Hillman"), a leading provider of hardware products and merchandising solutions, reported financial results for the thirteen and fifty-two weeks ended December 28, 2024.

Fourth Quarter 2024 Highlights (Thirteen Weeks Ended December 28, 2024)

- Net sales increased 0.5% to \$349.6 million compared to \$347.8 million in the prior year quarter
- Net loss totaled \$(1.2) million, or \$(0.01) per diluted share, compared to net loss of \$(10.1) million, or \$(0.05) per diluted share, in the prior year quarter
- Adjusted diluted EPS¹ was \$0.10 per diluted share compared to \$0.10 per diluted share in the prior year quarter
- Adjusted EBITDA¹ totaled \$56.3 million compared to \$54.4 million in the prior year quarter
- On February 13, 2025, Jon Michael Adinolfi, Hillman's president and chief executive officer, was appointed to the Hillman Board of Directors; following the appointment, the board consists of ten members, eight of which are independent

Full Year 2024 Highlights (Fifty-Two Weeks Ended December 28, 2024)

- Net sales decreased (0.3)% to \$1.47 billion compared to \$1.48 billion in the prior year
- Net income totaled \$17.3 million, or \$0.09 per diluted share, compared to net loss of \$(9.6) million, or \$(0.05) per diluted share, in the prior year
- Adjusted diluted EPS¹ was \$0.49 per diluted share, which includes the impact of a \$0.03 per diluted share write off of receivables from True Value, compared to \$0.41 per diluted share in the prior year
- Adjusted EBITDA¹ totaled a record \$241.8 million, which includes the impact of a \$8.6 million write off of receivables from True Value, compared to \$219.4 million in the prior year
- Net cash provided by operating activities totaled \$183.3 million compared to \$238.0 million in the prior year
- Free Cash Flow¹ totaled \$98.1 million compared to \$172.3 million in the prior year
- Acquired Koch Industries, a provider of rope and twine, chain and wire rope, and related hardware products in January 2024; and Intex DIY, a supplier of wiping cloths, consumable rags and cleaning textiles in August 2024

Balance Sheet and Liquidity at December 28, 2024

- Gross debt decreased to \$718.6 million from \$760.9 million at December 30, 2023
- Net debt¹ decreased to \$674.0 million from \$722.4 million at December 30, 2023
- Liquidity available totaled \$233 million, consisting of \$189 million of available borrowing under the revolving credit facility and \$45 million of cash and equivalents
- Net debt¹ to trailing twelve month Adjusted EBITDA improved to 2.8x times from 3.3x at December 30, 2023

Management Commentary

Doug Cahill, Hillman's executive chairman commented: "During 2024, Hillman delivered record bottom line results despite the soft macro environment. Our focus on disciplined execution and taking care of our customers added to Hillman's 60-year legacy of service, which resulted in us winning vendor of the year awards at our two biggest customers: Home Depot and Lowe's."

"Throughout the year we reduced our net debt by \$48 million while strategically expanding our portfolio through the acquisitions of Koch and Intex DIY, further strengthening our position in these key product categories. These accomplishments underscore our focus on creating value for our customers and shareholders, positioning us for continued success in the years ahead."

Jon Michael Adinolfi, Hillman's newly appointed chief executive officer added: "The progress we made during 2024 has set us up for a successful 2025, as we expect to grow both our top and bottom line during the year. Our focus remains unchanged - taking great care of our customers, securing new business wins to drive organic growth, and expanding our offerings by way of acquisitions."

"During 2025, we will continue our measured and prudent capital investments into our MinuteKey 3.5 fleet and other growth opportunities, which we expect to generate healthy returns on invested capital in the future. We are confident we can drive strong results for our shareholders during 2025 and beyond."

Full Year 2025 Guidance

Hillman has provided the following guidance based on its current view of the market and its performance expectations during the fifty-two weeks ended December 27, 2025.

	Full Year 2025 Guidance
Net Sales	\$1.495 to \$1.575 billion
Adjusted EBITDA ¹	\$255 to \$275 million
Free Cash Flow ¹	\$90 to \$110 million

1. Adjusted EBITDA, Adjusted Diluted EPS, Net Debt, and Free Cash Flow are non-GAAP financial measures. Refer to the "Reconciliation of Adjusted EBITDA", "Reconciliation of Adjusted Earnings per Share", "Reconciliation of Net Debt" and "Reconciliation of Free Cash Flow" sections of this press release for additional information as well as reconciliations between the company's GAAP and non-GAAP financial results

Fourth Quarter and Full Year 2024 Results Presentation

Hillman plans to host a conference call and webcast presentation today, February 18, 2025, at 8:30 a.m. Eastern Time to discuss its results and guidance. Executive Chairman Doug Cahill; President and Chief Executive Officer Jon Michael Adinolfi; and Chief Financial Officer Rocky Kraft will host the results presentation.

Date: Today, February 18, 2025

Time: 8:30 am Eastern Time

Listen-only Webcast: <https://edge.media-server.com/mmc/p/33zifmes>

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

Hillman's earnings release and results presentation are expected to be filed with the SEC and posted to its website, <https://ir.hillmangroup.com>, before the webcast presentation begins, with the 10-K being filed and posted subsequent to the call.

About Hillman Solutions Corp.

Hillman Solutions Corp. ("Hillman") is a leading provider of hardware-related products and solutions to home improvement, hardware, and farm and fleet retailers across North America. Renowned for its commitment to customer service, Hillman has differentiated itself with its competitive moat built on direct-to-store shipping, a dedicated in-store sales and service team of over 1,200 professionals, and over 60 years of product and industry experience. Hillman's extensive portfolio includes hardware solutions (fasteners, screws, nuts and bolts), protective solutions (work gloves, jobsite storage and protective gear), and robotic and digital solutions (key duplication and tag engraving). Leveraging its world-class distribution network, Hillman regularly earns vendor of the year recognition from top customers. For more information on Hillman, visit www.hillman.com.

Forward Looking Statements

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) seasonality; (6) large customer concentration; (7) the ability to recruit and retain qualified employees; (8) the outcome of any legal proceedings that may be instituted against the Company; (9) adverse changes in currency exchange rates; 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 are included in the Company's filings with the Securities and Exchange Commission ("SEC"), including its Annual Report on Form 10-K for the fiscal year ended December 28, 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
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HILLMAN SOLUTIONS CORP.

Condensed Consolidated Statement of Net Income, GAAP Basis

(dollars in thousands)

Unaudited

	Thirteen Weeks Ended December 28, 2024	Thirteen Weeks Ended December 30, 2023	Fifty-two Weeks Ended December 28, 2024	Fifty-two Weeks Ended December 30, 2023
Net sales	\$ 349,562	\$ 347,808	\$ 1,472,595	\$ 1,476,477
Cost of sales (exclusive of depreciation and amortization shown separately below)	182,885	185,304	764,691	828,956
Selling, warehouse, general and administrative expenses	118,722	116,234	488,702	452,110
Depreciation	18,183	14,392	68,766	59,331
Amortization	15,417	15,576	61,274	62,309
Other expense, net	358	12,002	361	12,843
Income from operations	13,997	4,300	88,801	60,928
Interest expense, net	14,925	15,430	59,241	68,310
Refinancing costs	—	—	3,008	—
Loss (income) before income taxes	(928)	(11,130)	26,552	(7,382)
Income tax expense (benefit)	294	(1,071)	9,297	2,207
Net loss (income)	\$ (1,222)	\$ (10,059)	\$ 17,255	\$ (9,589)
Basic (loss) income per share	\$ (0.01)	\$ (0.05)	\$ 0.09	\$ (0.05)
Weighted average basic shares outstanding	196,689	194,903	196,108	194,722
Diluted (loss) income per share	\$ (0.01)	\$ (0.05)	\$ 0.09	\$ (0.05)
Weighted average diluted shares outstanding	196,689	194,903	198,915	194,722

HILLMAN SOLUTIONS CORP.

Condensed Consolidated Balance Sheets

(dollars in thousands)

Unaudited

	December 28, 2024	December 30, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 44,510	\$ 38,553
Accounts receivable, net of allowances of \$2,827 (\$2,770 - 2023)	109,788	103,482
Inventories, net	403,673	382,710
Other current assets	15,213	23,235
Total current assets	<u>573,184</u>	<u>547,980</u>
Property and equipment, net of accumulated depreciation of \$376,150 (\$333,875 - 2023)	224,174	200,553
Goodwill	828,553	825,042
Other intangibles, net of accumulated amortization of \$530,398 (\$470,791 - 2023)	605,859	655,293
Operating lease right of use assets	81,708	87,479
Other assets	17,025	14,754
Total assets	<u>\$ 2,330,503</u>	<u>\$ 2,331,101</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 139,057	\$ 140,290
Current portion of debt and finance lease liabilities	12,975	9,952
Current portion of operating lease liabilities	16,850	14,407
Accrued expenses:		
Salaries and wages	34,977	22,548
Pricing allowances	7,651	8,145
Income and other taxes	10,377	6,469
Other accrued liabilities	31,843	21,309
Total current liabilities	<u>253,730</u>	<u>223,120</u>
Long-term debt	691,726	731,708
Deferred tax liabilities	124,611	131,552
Operating lease liabilities	71,474	79,994
Other non-current liabilities	6,591	10,198
Total liabilities	<u>\$ 1,148,132</u>	<u>\$ 1,176,572</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, 0.0001 par, 500,000,000 shares authorized, 196,705,710 issued and outstanding at December 28, 2024 and 194,913,124 issued and outstanding at December 30, 2023	20	20
Additional paid-in capital	1,442,958	1,418,535
Accumulated deficit	(218,951)	(236,206)
Accumulated other comprehensive loss	(41,656)	(27,820)
Total stockholders' equity	<u>1,182,371</u>	<u>1,154,529</u>
Total liabilities and stockholders' equity	<u>\$ 2,330,503</u>	<u>\$ 2,331,101</u>

HILLMAN SOLUTIONS CORP.

Condensed Consolidated Statement of Cash Flows

(dollars in thousands)

Unaudited

	Year Ended December 28, 2024	Year Ended December 30, 2023
Cash flows from operating activities:		
Net income (loss)	\$ 17,255	\$ (9,589)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	130,040	121,640
Gain on dispositions of property and equipment	56	(34)
Impairment of long lived assets	—	24,600
Deferred income taxes	(5,038)	(8,693)
Deferred financing and original issue discount amortization	5,065	5,323
Loss on debt restructuring, net of third party fees paid	3,008	—
Cash paid to third parties in connection with debt restructuring	(1,554)	—
Stock-based compensation expense	13,463	12,004
Customer bankruptcy reserve	8,640	—
Change in fair value of contingent consideration	228	(4,936)
Changes in operating items:		
Accounts receivable, net	(4,545)	(15,898)
Inventories, net	8,710	103,660
Other assets	(6,004)	3,068
Accounts payable	(7,784)	8,029
Accrued salaries and wages	12,707	6,750
Other accrued liabilities	9,089	(7,889)
Net cash provided by operating activities	<u>183,336</u>	<u>238,035</u>
Cash flows from investing activities:		
Acquisition of business, net of cash received	(57,900)	(1,700)
Capital expenditures	(85,219)	(65,769)
Other investing activities	(278)	(383)
Net cash used for investing activities	<u>(143,397)</u>	<u>(67,852)</u>
Cash flows from financing activities:		
Repayments of senior term loans	(106,383)	(88,510)
Borrowings of revolving credit loans	177,000	178,000
Repayments of revolving credit loans	(115,000)	(250,000)
Financing fees	(33)	—
Principal payments under finance lease obligations	(3,682)	(2,410)
Proceeds from exercise of stock options	9,657	2,167
Payments of contingent consideration	(260)	(1,232)
Other financing activities	(567)	9
Net cash used for financing activities	<u>(39,268)</u>	<u>(161,976)</u>
Effect of exchange rate changes on cash	5,286	(735)
Net increase in cash and cash equivalents	5,957	7,472
Cash and cash equivalents at beginning of period	38,553	31,081
Cash and cash equivalents at end of period	<u>\$ 44,510</u>	<u>\$ 38,553</u>

HILLMAN SOLUTIONS CORP.

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.

Change to Non-GAAP metrics

After dialogue with the SEC, we have revised our presentation of Adjusted EBITDA and Adjusted Diluted Earnings per Share on a prospective basis to include the impact of a \$8.6 million write off of receivables from True Value, which was previously excluded from the Non-GAAP figures in the thirteen and thirty-nine weeks ended September 28, 2024. The charge resulted from True Value's Chapter 11 filing in October of 2024. See the "Recent Developments" section of Management's Discussion and Analysis of our third quarter 10-Q filed on November 5, 2024 for additional information on this write off.

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 December 28, 2024	Thirteen Weeks Ended December 30, 2023	Fifty-two Weeks Ended December 28, 2024	Fifty-two Weeks Ended December 30, 2023
Net loss (income)	\$ (1,222)	\$ (10,059)	\$ 17,255	\$ (9,589)
Income tax expense (benefit)	294	(1,071)	9,297	2,207
Interest expense, net	14,925	15,430	59,241	68,310
Depreciation	18,183	14,392	68,766	59,331
Amortization	15,417	15,576	61,274	62,309
EBITDA	<u>\$ 47,597</u>	<u>\$ 34,268</u>	<u>\$ 215,833</u>	<u>\$ 182,568</u>
Stock compensation expense	3,721	2,893	13,463	12,004
Restructuring and other costs ⁽¹⁾	(214)	4	2,978	3,031
Litigation expense ⁽²⁾	5,000	—	5,000	339
Transaction and integration expense ⁽³⁾	250	155	1,243	1,754
Change in fair value of contingent consideration	(85)	(7,550)	228	(4,936)
Refinancing charges ⁽⁴⁾	—	—	3,008	—
Impairment charges ⁽⁵⁾	—	24,600	—	24,600
Total adjusting items	<u>\$ 8,672</u>	<u>\$ 20,102</u>	<u>\$ 25,920</u>	<u>\$ 36,792</u>
Adjusted EBITDA	<u>\$ 56,269</u>	<u>\$ 54,370</u>	<u>\$ 241,753</u>	<u>\$ 219,360</u>

- (1) Restructuring and other costs includes consulting and other costs associated with severance related to our distribution center relocations and corporate restructuring activities, in addition to costs associated with the Cybersecurity Incident that occurred in May 2023
- (2) Litigation expense includes a settlement paid in association with a dispute with a kiosk development partner, and legal fees associated with the Hy-Ko Products Company LLC litigation
- (3) Transaction and integration expense includes professional fees, non-recurring bonuses, and other costs related to acquisitions and the secondary offerings of shares 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
- (5) In the fourth quarter of 2023, we recorded an impairment charge in our Hardware and Protective Solutions segment of \$24.6 million, primarily related to review of certain product offerings. In the fourth quarter of 2023, we evaluated a specific product line and decided to exit certain retail locations and markets, which reduced the future cash flows from this product line and impacted the lower of cost or market valuation of inventory. As a result of this review we impaired \$19.6 million of intangible assets and recorded inventory revaluation charges of \$5.0 million

Reconciliation of Adjusted Diluted EPS
(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 December 28, 2024	Thirteen Weeks Ended December 30, 2023	Fifty-two Weeks Ended December 28, 2024	Fifty-two Weeks Ended December 30, 2023
Reconciliation to Adjusted Net Income				
Net Loss (Income)	\$ (1,222)	\$ (10,059)	\$ 17,255	\$ (9,589)
Remove adjusting items ⁽¹⁾				
	8,672	20,102	25,920	36,792
Remove amortization expense	15,417	15,576	61,274	62,309
Remove tax benefit on adjusting items and amortization expense ⁽²⁾	(2,301)	(5,145)	(7,230)	(10,052)
Adjusted Net Income	\$ 20,566	\$ 20,474	\$ 97,219	\$ 79,460
Reconciliation to Adjusted Diluted Earnings per Share				
Diluted Earnings per Share	\$ (0.01)	\$ (0.05)	\$ 0.09	\$ (0.05)
Remove adjusting items ⁽¹⁾				
	0.04	0.10	0.13	0.19
Remove amortization expense	0.08	0.08	0.31	0.32
Remove tax benefit on adjusting items and amortization expense ⁽²⁾	(0.01)	(0.03)	(0.04)	(0.05)
Adjusted Diluted Earnings per Share	\$ 0.10	\$ 0.10	\$ 0.49	\$ 0.41
Reconciliation to Adjusted Diluted Shares Outstanding				
Diluted Shares, as reported	196,689	194,903	198,915	194,722
Non-GAAP dilution adjustments				
Dilutive effect of stock options and awards ⁽³⁾				
	3,860	1,034	—	1,136
Adjusted Diluted Shares	200,549	195,937	198,915	195,858

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:
 - a. The tax impact of stock compensation expense was calculated using the statutory rate of 25.1%, excluding certain awards that are non-deductible.
 - b. The tax impact of acquisition and integration expense included in "Other" was calculated using the statutory rate of 25.1%, excluding certain charges that were non-deductible.
 - c. Amortization expense for financial accounting purposes was offset by the tax benefit of deductible amortization expense using the statutory rate of 25.1%.
- (3) Diluted shares on a GAAP basis for the Fifty-two Weeks Ended December 28, 2024 include the dilutive impact of 2,807 options and awards.

Per Share Impact of Adjusting Items

	Thirteen Weeks Ended December 28, 2024	Thirteen Weeks Ended December 30, 2023	Fifty-two Weeks Ended December 28, 2024	Fifty-two Weeks Ended December 30, 2023
Stock compensation expense	\$0.02	\$0.01	\$0.07	\$0.01
Restructuring and other costs	—	—	0.01	0.01
Litigation expense	0.02	—	0.03	—
Acquisition and integration expense	—	—	0.01	0.01
Change in fair value of contingent consideration	—	(0.04)	—	(0.03)
Impairment charges	—	0.13	—	0.13
Refinancing charges	—	—	0.02	—
Total adjusting items	\$0.04	\$0.10	\$0.13	\$0.13

Note: Adjusting items may not tie 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 the calculation of Net Debt:

	December 28, 2024	December 30, 2023
Revolving loans	\$ 62,000	\$ —
Senior term loan, due 2028	645,470	751,852
Finance leases and other obligations	11,085	9,097
Gross debt	\$ 718,555	\$ 760,949
Less cash	44,510	38,553
Net debt	\$ 674,045	\$ 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.

	Fifty-two Weeks Ended December 28, 2024	Fifty-two Weeks Ended December 30, 2023
Net cash provided by operating activities	\$ 183,336	\$ 238,035
Capital expenditures	(85,219)	(65,769)
Free cash flow	\$ 98,117	\$ 172,266

Source: Hillman Solutions Corp.

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HILLMAN

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Quarterly Earnings Results Presentation

Q4 2024 (February 2025)

Forward Looking Statements

This presentation contains certain forward-looking statements, including, but not limited to, certain plans, expectations, goals, projections, and statements, which are not historical facts and are subject to numerous assumptions, risks, and uncertainties. Statements that do not describe historical or current facts, including statements about beliefs and expectations, are forward-looking statements. All forward-looking statements 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) seasonality; (6) large customer concentration; (7) the ability to recruit and retain qualified employees; (8) the outcome of any legal proceedings that may be instituted against the Company; (9) adverse changes in currency exchange rates; 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 are included in the Company's filings with the Securities and Exchange Commission ("SEC"), including its Annual Report on Form 10-K for the fiscal year ended December 28, 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.

Change to Non-GAAP metrics

After dialogue with the SEC, we have revised our presentation of Adjusted EBITDA and Adjusted Diluted Earnings per Share on a prospective basis to include the impact of a \$8.6 million write off of receivables from True Value, which was previously excluded from the Non-GAAP figures in the thirteen and thirty-nine weeks ended September 28, 2024. The charge resulted from True Value's Chapter 11 filing in October of 2024. See the "Recent Developments" section of Management's Discussion and Analysis of our third quarter 10-Q filed on November 5, 2024 for additional information on this write off.

Q4 2024 Financial Review

Highlights for the 13 Weeks Ended December 28, 2024

- Net sales increased 0.5% to \$350 million versus Q4 2023
 - Hardware and Protective Solutions +2%
 - Hardware Solutions decreased (4)%
 - Protective Solutions +24%
 - Robotics and Digital Solutions ("RDS") decreased (2)%
 - Canada decreased (4)%
- GAAP net loss totaled \$1.2 million, or \$(0.01) per diluted share, compared to GAAP net loss of \$10.1 million, or \$(0.05) per diluted share in Q4 2023
- Adjusted EBITDA improved to \$56.3 million from \$54.4 million in Q4 2023

Please see reconciliation of Adjusted EBITDA to Net Income (Loss) and Net Debt in the Appendix of this presentation.

Highlights for the 52 Weeks Ended December 28, 2024

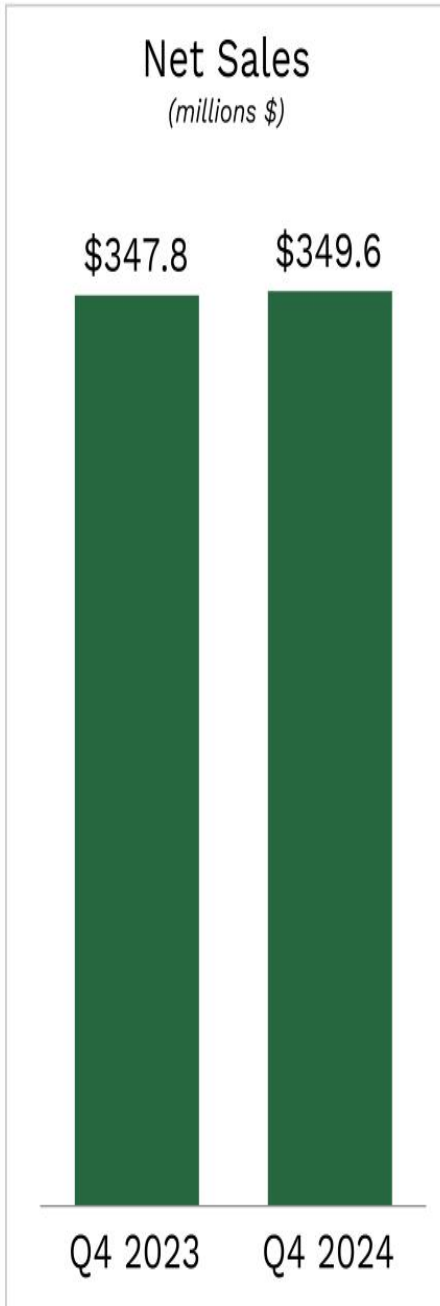
- Net sales decreased (0.3)% to \$1,473 million versus 2023
 - Hardware and Protective Solutions +2%
 - Hardware Solutions remained consistent
 - Protective Solutions +8%
 - Robotics and Digital Solutions ("RDS") decreased (6.1)%
 - Canada decreased (5)%
- GAAP net income improved to \$17.3 million, or \$0.09 per diluted share, compared to net loss of \$(9.6) million, or \$(0.05) per diluted share in 2023
- Adjusted EBITDA totaled \$241.8 million, which includes the impact of a \$8.6 million write off of receivables from True Value, versus \$219.4 million in 2023
- Net Debt / Adjusted EBITDA (ttm): 2.8x at December 28, 2024, improved from 3.3x on December 30, 2023
- Free Cash Flow totaled \$98.1 million

Please see reconciliation of non-GAAP metrics to GAAP results in the Appendix of this presentation.

Highlights for the 52 Weeks Ended December 28, 2024

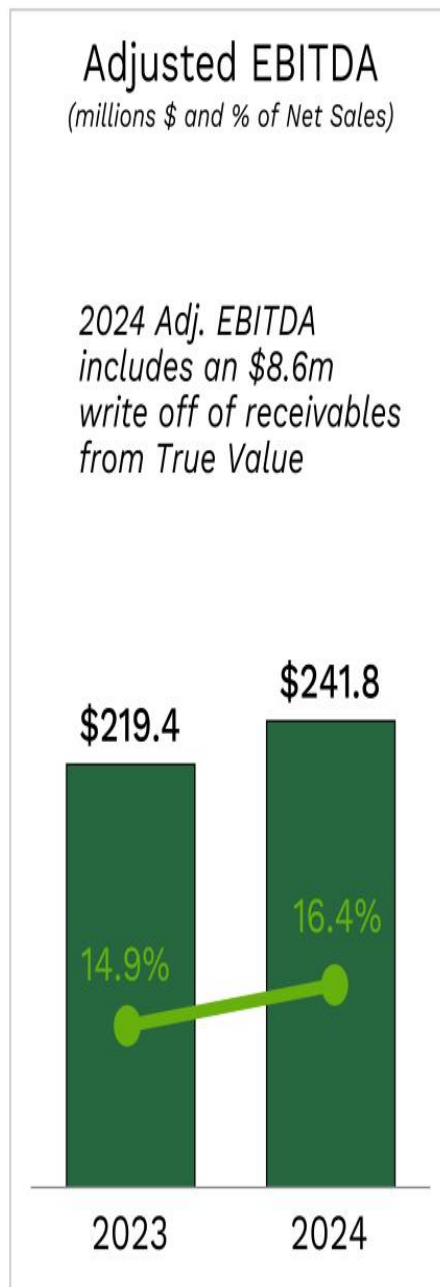
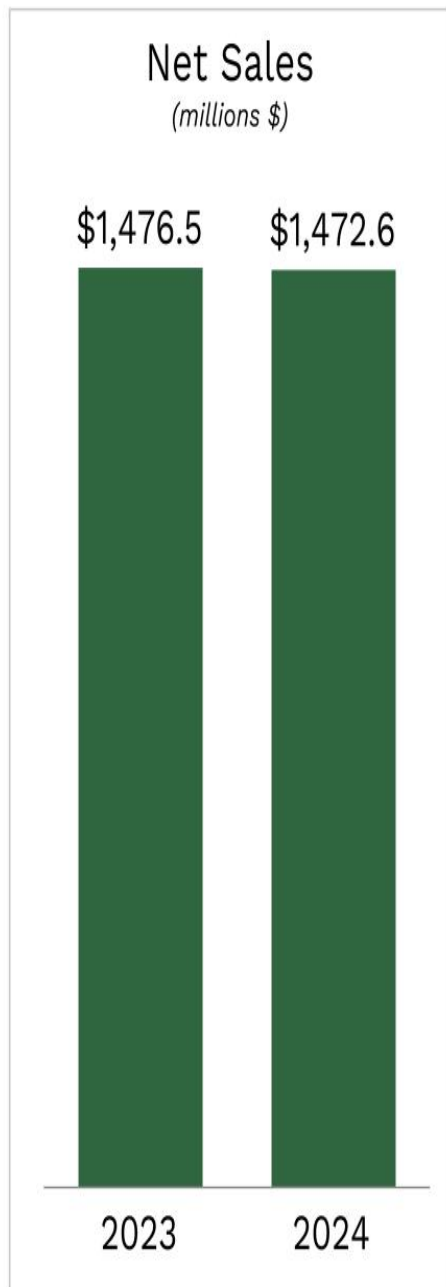
- Successfully rolled out new business wins across product portfolio with existing and new customers across all business segments
- Effectively managed costs and operations across our global supply chain
- Maintained average fill rates of over 96% for the year
- Won Vendor of the Year Awards at our two largest customers:
 - Won 2024 Partner of the Year in Hardware by The Home Depot
 - Won 2024 Vendor Partner of the Year in Hard lines by Lowe's
- Executed two bolt-on acquisitions:
 - Koch Industries (January 2024) - rope and twine, chain and wire rope, and related hardware products
 - Intex DIY (August 2024) - wiping cloths, consumable rags and cleaning textiles

Quarterly Financial Performance



Please see reconciliation of non-GAAP metrics to GAAP results in the Appendix of this presentation. Not to scale.

Full Year Financial Performance



Please see reconciliation of non-GAAP metrics to GAAP results in the Appendix of this presentation. Not to scale.

Quarterly Performance

by Product Category

Hardware & Protective	Q4 2024	Q4 2023	Δ	
<i>Thirteen weeks ended</i>	<i>12/28/2024</i>	<i>12/30/2023</i>		<i>Comments</i>
Net Sales	\$260,530	\$256,421	1.6%	New business and M&A offset by market volume and price
Adjusted EBITDA	\$34,444	\$35,777	(3.7)%	Price headwinds
Adjusted EBITDA Margin %	13.2%	14.0%	(80) bps	

Robotics & Digital	Q4 2024	Q4 2023	Δ	
<i>Thirteen weeks ended</i>	<i>12/28/2024</i>	<i>12/30/2023</i>		<i>Comments</i>
Net Sales	\$57,231	\$58,410	(2.0)%	Market volumes offset by MinuteKey 3.5 benefits
Adjusted EBITDA	\$20,050	\$17,498	14.6%	Variable G&A expenses decreased vs 2023
Adjusted EBITDA Margin %	35.0%	30.0%	500 bps	

Canada	Q4 2024	Q4 2023	Δ	
<i>Thirteen weeks ended</i>	<i>12/28/2024</i>	<i>12/30/2023</i>		<i>Comments</i>
Net Sales	\$31,801	\$32,977	(3.6)%	Market volume and price offset by new business
Adjusted EBITDA	\$1,775	\$1,095	62.1%	Improved gross margins vs 2023
Adjusted EBITDA Margin %	5.6%	3.3%	230 bps	

Consolidated	Q4 2024	Q4 2023	Δ	
<i>Thirteen weeks ended</i>	<i>12/28/2024</i>	<i>12/30/2023</i>		
Net Sales	\$349,562	\$347,808	0.5%	
Adjusted EBITDA	\$56,269	\$54,370	3.5%	
Adjusted EBITDA Margin %	16.1%	15.6%	50 bps	

Please see reconciliation of non-GAAP metrics to GAAP results in the Appendix of this presentation. Figures in Thousands of USD unless otherwise noted.

Annual Performance

by Product Category

Hardware & Protective	2024	2023	Δ	
<i>Year ended</i>	12/28/2024	12/30/2023		<i>Comments</i>
Net Sales	\$1,094,377	\$1,074,619	1.8%	New business and M&A offset by market volume and price
Adjusted EBITDA	\$151,560	\$123,163	23.1%	Lower COGS in 2024; cost control, includes the impact of a \$8.4 write off of receivables from True Value
Adjusted EBITDA Margin %	13.8%	11.5%	230 bps	

Robotics & Digital	2024	2023	Δ	
<i>Year ended</i>	12/28/2024	12/30/2023		<i>Comments</i>
Net Sales	\$230,317	\$245,400	(6.1)%	Market volume offset by MinuteKey 3.5 benefit
Adjusted EBITDA	\$74,413	\$80,886	(8.0)%	Variable G&A expenses decreased vs 2023
Adjusted EBITDA Margin %	32.3%	33.0%	(70) bps	

Canada	2024	2023	Δ	
<i>Year ended</i>	12/28/2024	12/30/2023		<i>Comments</i>
Net Sales	\$147,901	\$156,458	(5.5)%	Market volume and price offset by new business wins
Adjusted EBITDA	\$15,780	\$15,311	3.1%	Improved gross margins vs 2023
Adjusted EBITDA Margin %	10.7%	9.8%	90 bps	

Consolidated	2024	2023	Δ
<i>Year ended</i>	12/28/2024	12/30/2023	
Net Sales	\$1,472,595	\$1,476,477	(0.3)%
Adjusted EBITDA	\$241,753	\$219,360	10.2%
Adjusted EBITDA Margin %	16.4%	14.9%	150 bps

Please see reconciliation of non-GAAP metrics to GAAP results in the Appendix of this presentation. Figures in Thousands of USD unless otherwise noted.

Quarterly Revenue

by Product Category

	Hardware & Protective	Robotics & Digital	Canada	Revenue (QTD)
Thirteen Weeks Ended December 28, 2024				
Fastening and Hardware	\$198,530	\$—	\$27,859	\$226,389
Personal protective	62,000	—	1,120	63,120
Keys and key accessories	—	44,858	2,812	47,670
Engraving and Resharp	—	12,373	10	12,383
Consolidated	\$260,530	\$57,231	\$31,801	\$349,562

	Hardware & Protective	Robotics & Digital	Canada	Revenue (QTD)
Thirteen Weeks Ended December 30, 2023				
Fastening and Hardware	\$206,583	\$—	\$29,237	\$235,820
Personal protective	49,838	—	1,523	51,361
Keys and key accessories	—	45,236	2,201	47,437
Engraving and Resharp	—	13,174	16	13,190
Consolidated	\$256,421	\$58,410	\$32,977	\$347,808

Figures in Thousands of USD unless otherwise noted.

Annual Revenue

by Product Category

	Hardware & Protective	Robotics & Digital	Canada	Revenue (YTD)
52 Weeks Ended December 28, 2024				
Fastening and Hardware	\$868,899	\$—	\$133,968	\$1,002,867
Personal protective	225,478	—	4,447	229,925
Keys and key accessories	—	182,253	9,446	191,699
Engraving and Resharp	—	48,064	40	48,104
Consolidated	\$1,094,377	\$230,317	\$147,901	\$1,472,595

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

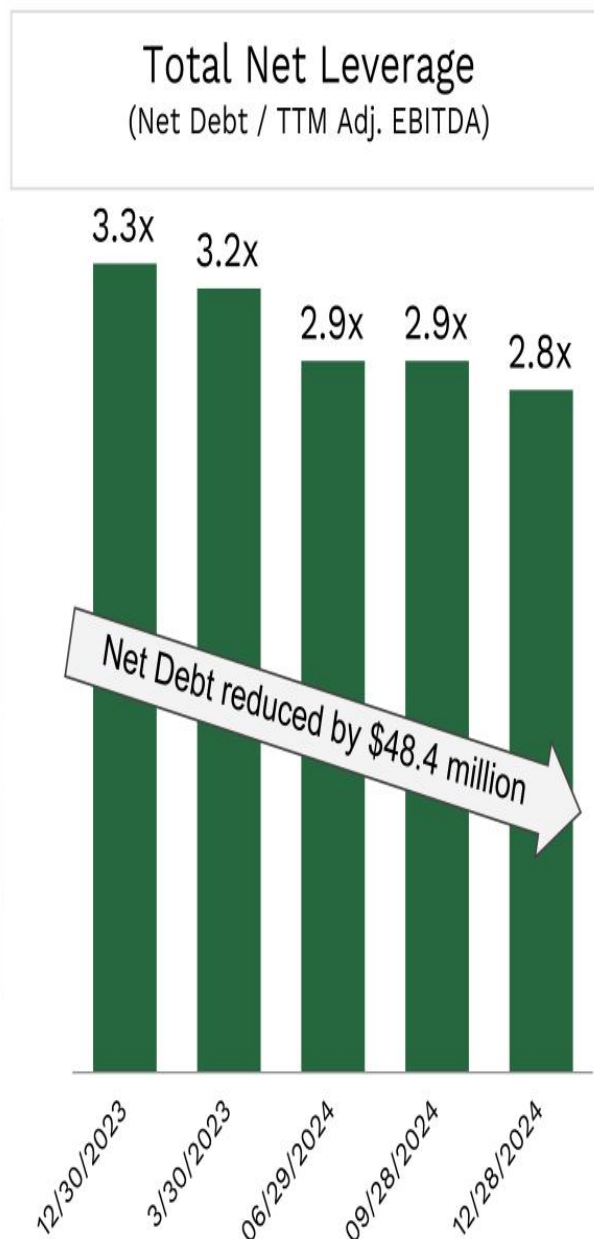
Figures in Thousands of USD unless otherwise noted.

Capital Structure

Leverage continues to improve while executing M&A

December 28, 2024

ABL Revolver (\$189 million capacity)	\$62.0
Term Note	\$645.5
Finance Leases and other obligations	\$11.1
Total Debt	\$718.6
Cash	\$44.5
Net Debt	\$674.0
TTM Adjusted EBITDA	\$241.8
Net Debt / TTM Adjusted EBITDA	2.8x



Please see reconciliation of non-GAAP metrics to GAAP results in the Appendix of this presentation. Figures in Millions of USD unless otherwise noted, and may not tie due to rounding.

2025 Full Year Guidance

On February 18, 2025, Hillman provided the following guidance based on its current view of the market and its performance expectations during the fifty-two weeks ending December 27, 2025.

(in millions USD)	Full Year 2025 Guidance Range	Midpoint
Net sales	\$1.495 to \$1.575 billion	\$1.535 billion
Adjusted EBITDA	\$255 to \$275 million	\$265 million
Free Cash Flow	\$90 to \$110 million	\$100 million

Assumptions

- Net Debt / Adj. EBITDA leverage ratio expected to be 2.2x at the end of 2025, assuming the midpoint of the range
- Interest Expense: \$45 - \$55 million
- Cash Interest: \$40 - \$50 million
- Cash Tax Expense: \$15 - \$25 million
- Capital expenditures: \$90 million
- Restructuring / Other: Approx. \$10 million
- Working Capital Use (Benefit) : \$0 million
- Fully diluted weighted average share count: ~201 million

Please see reconciliation of non-GAAP metrics to GAAP results in the Appendix of this presentation.

Resilient Business; Focused on Execution & Acquisitions

- Hillman celebrated its 60th anniversary in 2024, long-term track record of success; proven to be resilient through multiple economic cycles
- Repair, Remodel and Maintenance industry has meaningful long-term tailwinds; near-record levels (\$35 Trillion) of U.S. home equity driving investment in the home¹
- Continues to manage costs and drive healthy margins
- Leverage improved to 2.8x (from 3.3x a year ago); will continue to improve and reduce debt with free cash flow
- Seeking to execute acquisitions that leverage Hillman's moat (Acquired Koch Industries in January 2024 and Intex DIY in August 2024)

Long-term Annual Growth Targets (Organic):

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

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

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

1) FRED Economic Data St. Louis Households; Owners' Equity in Real Estate, Level <https://fred.stlouisfed.org/series/OEHRENWBSHNO>

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Appendix

Investment Highlights



Indispensable partner embedded with winning retailers



Customers love us, trust us and rely on us



Market and innovation leader across multiple categories



Large, 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

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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

2024: By The Numbers

~19 billion Fasteners Sold	~222 million Pairs of Work Gloves Sold	106+ million Keys Duplicated
~111,000 SKUs Managed	~29,000 Direct Ship Retail Locations	~31,500 Kiosks in Retail Locations
#1 Position Across Core Categories*	7.4% 20-Year Sales CAGR	61-Year track record of success
\$1.5 billion 2024 Sales	9.6% CAGR 2018-2024 Adj. EBITDA Growth	16.4% 2024 Adj. EBITDA Margin

*Management Estimates

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



Gloves

GREASE MONKEYS **GORILLA GRIP**

FIRM GRIP

TRUEGRIP



Safety / PPE

FIRM GRIP **AWP**



PREMIUM DEFENSE

#1 in Segment

Key and Fob Duplication

HILLMAN

minuteKey



Personalized Tags



Knife Sharpening



Representative Top Customers

ACE Hardware



TSC TRACTOR SUPPLY CO

Walmart

Source: Third party industry report.

Adjusted EBITDA Reconciliation

Q4

<i>Thirteen weeks ended</i>	December 28, 2024	December 30, 2023
Net loss	\$(1,222)	\$(10,059)
Income tax (benefit) expense	294	(1,071)
Interest expense, net	14,925	15,430
Depreciation	18,183	14,392
Amortization	15,417	15,576
EBITDA	\$47,597	\$34,268
Stock compensation expense	3,721	2,893
Restructuring and other costs ⁽¹⁾	(214)	4
Litigation expense ⁽²⁾	5,000	—
Transaction and integration expense ⁽³⁾	250	155
Change in fair value of contingent consideration	(85)	(7,550)
Impairment charges ⁽⁴⁾	—	24,600
Adjusted EBITDA	\$56,269	\$54,370

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

Adjusted EBITDA Reconciliation Full Year 2024



52 Weeks Ended	December 28, 2024	December 30, 2023
Net (loss) income	\$17,255	\$(9,589)
Income tax expense	9,297	2,207
Interest expense, net	59,241	68,310
Depreciation	68,766	59,331
Amortization	61,274	62,309
EBITDA	\$215,833	\$182,568
Stock compensation expense	13,463	12,004
Restructuring and other costs ⁽¹⁾	2,978	3,031
Litigation expense ⁽²⁾	5,000	339
Transaction and integration expense ⁽³⁾	1,243	1,754
Change in fair value of contingent consideration	228	(4,936)
Refinancing charges ⁽⁴⁾	3,008	—
Impairment charges ⁽⁵⁾	—	24,600
Adjusted EBITDA	\$241,753	\$219,360

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

Adjusted Gross Profit Margin Reconciliation

<i>Thirteen weeks ended</i>	December 28, 2024	December 30, 2023
Net Sales	\$349,562	\$347,808
Cost of sales (exclusive of depreciation and amortization)	182,885	185,304
Gross margin (exclusive of depreciation and amortization)	\$166,677	\$162,504
Gross margin % (exclusive of depreciation and amortization)	47.7 %	46.7 %
Adjusting Items ⁽¹⁾ :		
Impairment charges	—	5,000
Adjusted Gross Profit (exclusive of depreciation and amortization)	\$166,677	\$167,504
Adjusted Gross Margin % (exclusive of depreciation and amortization)	47.7 %	48.2 %

<i>52 weeks ended</i>	December 28, 2024	December 30, 2023
Net Sales	\$1,472,595	\$1,476,477
Cost of sales (exclusive of depreciation and amortization)	764,691	828,956
Gross margin (exclusive of depreciation and amortization)	\$707,904	\$647,521
Gross margin % (exclusive of depreciation and amortization)	48.1 %	43.9 %
Adjusting Items ⁽¹⁾ :		
Impairment charges	—	5,000
Adjusted Gross Profit (exclusive of depreciation and amortization)	\$707,904	\$652,521
Adjusted Gross Margin % (exclusive of depreciation and amortization)	48.1 %	44.2 %

1. See adjusted EBITDA Reconciliation for details of adjusting items

Adjusted SG&A Expense Reconciliation

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<i>Thirteen weeks ended</i>	December 28, 2024	December 30, 2023
Net sales	\$349,562	\$347,808
Selling, general and administrative expenses	\$118,722	\$116,234
SG&A as a % of Net Sales	34.0 %	33.4 %
Adjusting Items ⁽¹⁾ :		
Stock compensation expense	3,721	2,893
Restructuring and other	(214)	4
Litigation expense	5,000	—
Transaction and integration expense	250	155
Adjusted SG&A	\$109,965	\$113,182
Adjusted SG&A as a % of Net Sales	31.5 %	32.5 %

<i>52 weeks ended</i>	December 28, 2024	December 30, 2023
Net sales	\$1,472,595	\$1,476,477
Selling, general and administrative expenses	\$488,702	\$452,110
SG&A as a % of Net Sales	33.2 %	30.6 %
Adjusting Items ⁽¹⁾ :		
Stock compensation expense	13,463	12,004
Restructuring and other	2,978	3,031
Litigation expense	5,000	339
Transaction and integration expense	1,243	1,754
Adjusted SG&A	\$466,018	\$434,982
Adjusted SG&A as a % of Net Sales	31.6 %	29.5 %

1. See adjusted EBITDA Reconciliation for details of adjusting items

Net Debt & Free Cash Flow Reconciliations



Reconciliation of Net Debt

<i>As of</i>	December 28, 2024	December 30, 2023
Revolving loans	\$62,000	\$—
Senior term loan	645,470	751,852
Finance leases and other obligations	11,085	9,097
Gross debt	\$718,555	\$760,949
Less cash	44,510	38,553
Net debt	\$674,045	\$722,396

Reconciliation of Free Cash Flow

<i>52 Weeks Ended</i>	December 28, 2024	December 30, 2023
Net cash provided by operating activities	\$183,336	\$238,035
Capital expenditures	(85,219)	(65,769)
Free cash flow	\$98,117	\$172,266

Segment Adjusted EBITDA Reconciliations

Thirteen Weeks Ended December 28, 2024	HPS	RDS	Canada
Operating Income	\$10,289	\$3,488	\$220
Depreciation & amortization	21,075	11,331	1,194
Stock compensation expense	3,121	373	227
Restructuring and other costs	(289)	(59)	134
Litigation expense	—	5,000	—
Transaction and integration expense	248	2	—
Change in fair value of contingent consideration	—	(85)	—
Adjusted EBITDA	\$34,444	\$20,050	\$1,775

Thirteen Weeks Ended December 30, 2023	HPS	RDS	Canada
Operating (Loss) Income	\$(10,721)	\$15,345	\$(324)
Depreciation & amortization	19,379	9,365	1,224
Stock Compensation Expense	2,382	316	195
Restructuring and other costs	—	4	—
Transaction and integration expense	137	18	—
Change in fair value of contingent consideration	—	(7,550)	—
Impairment charges	24,600	—	—
Adjusted EBITDA	\$35,777	\$17,498	\$1,095

1. See adjusted EBITDA Reconciliation for details of adjusting items

Segment Adjusted EBITDA Reconciliations



52 Weeks ended December 28, 2024	HPS	RDS	Canada
Operating Income	\$56,790	\$23,897	\$8,114
Depreciation & amortization	81,861	43,245	4,934
Stock Compensation Expense	11,360	1,319	784
Restructuring	342	688	1,948
Litigation expense	—	5,000	—
Transaction and integration expense	1,207	36	—
Change in fair value of contingent consideration	—	228	—
Adjusted EBITDA	\$151,560	\$74,413	\$15,780

52 Weeks ended December 30, 2023	HPS	RDS	Canada
Operating Income	\$8,366	\$42,953	\$9,609
Depreciation & amortization	76,099	40,714	4,827
Stock Compensation Expense	9,988	1,251	765
Restructuring	2,549	372	110
Legal settlements	—	339	—
Transaction and integration expense	1,561	193	—
Change in fair value of contingent consideration	—	(4,936)	—
Impairment charges	24,600	—	—
Adjusted EBITDA	\$123,163	\$80,886	\$15,311

1. See adjusted EBITDA Reconciliation for details of adjusting items

