

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended September 27, 2025  
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 001-39609

**HILLMAN**<sup>®</sup>

**Hillman Solutions Corp.**

(Exact name of registrant as specified in its charter)

Delaware

85-2096734

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1280 Kemper Meadow Drive

Cincinnati, Ohio

45240

(Address of principal executive offices)

(Zip Code)

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

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

| Title of Each Class                        | Trading Symbol(s) | 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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

|                         |                                                                        |                           |                          |
|-------------------------|------------------------------------------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/>                                    | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/> (Do not check if a smaller reporting company) | Smaller reporting company | <input type="checkbox"/> |
| Emerging growth company | <input type="checkbox"/>                                               |                           |                          |

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On October 31, 2025, 197,289,638 shares of common stock, par value \$0.0001 per share, were outstanding.

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# HILLMAN SOLUTIONS CORP. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(dollars in thousands)

|                                                                                                                                                                                                 | As of September 27,<br>2025 | As of December<br>28, 2024 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------|
| <b>ASSETS</b>                                                                                                                                                                                   |                             |                            |
| Current assets:                                                                                                                                                                                 |                             |                            |
| Cash and cash equivalents                                                                                                                                                                       | \$ 37,731                   | \$ 44,510                  |
| Accounts receivable, net of allowances of \$1,414 (\$2,827 - 2024)                                                                                                                              | 144,933                     | 109,788                    |
| Inventories, net                                                                                                                                                                                | 460,089                     | 403,673                    |
| Other current assets                                                                                                                                                                            | 28,375                      | 15,213                     |
| Total current assets                                                                                                                                                                            | 671,128                     | 573,184                    |
| Property and equipment, net of accumulated depreciation of \$421,912 (\$376,150 - 2024)                                                                                                         | 235,114                     | 224,174                    |
| Goodwill                                                                                                                                                                                        | 830,098                     | 828,553                    |
| Other intangibles, net of accumulated amortization of \$577,051 (\$530,398 - 2024)                                                                                                              | 560,943                     | 605,859                    |
| Operating lease right of use assets                                                                                                                                                             | 79,187                      | 81,708                     |
| Other assets                                                                                                                                                                                    | 20,423                      | 17,025                     |
| Total assets                                                                                                                                                                                    | \$ 2,396,893                | \$ 2,330,503               |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                                                                                                     |                             |                            |
| Current liabilities:                                                                                                                                                                            |                             |                            |
| Accounts payable                                                                                                                                                                                | \$ 162,358                  | \$ 139,057                 |
| Current portion of debt and finance lease liabilities                                                                                                                                           | 15,447                      | 12,975                     |
| Current portion of operating lease liabilities                                                                                                                                                  | 17,796                      | 16,850                     |
| Accrued expenses:                                                                                                                                                                               |                             |                            |
| Salaries and wages                                                                                                                                                                              | 33,837                      | 34,977                     |
| Pricing allowances                                                                                                                                                                              | 7,567                       | 7,651                      |
| Income and other taxes                                                                                                                                                                          | 7,320                       | 10,377                     |
| Other accrued expenses                                                                                                                                                                          | 28,867                      | 31,843                     |
| Total current liabilities                                                                                                                                                                       | 273,192                     | 253,730                    |
| Long-term debt                                                                                                                                                                                  | 683,200                     | 691,726                    |
| Deferred tax liabilities                                                                                                                                                                        | 135,579                     | 124,611                    |
| Operating lease liabilities                                                                                                                                                                     | 67,739                      | 71,474                     |
| Other non-current liabilities                                                                                                                                                                   | 7,053                       | 6,591                      |
| Total liabilities                                                                                                                                                                               | \$ 1,166,763                | \$ 1,148,132               |
| Commitments and contingencies (Note 6)                                                                                                                                                          |                             |                            |
| Stockholders' equity:                                                                                                                                                                           |                             |                            |
| Common stock: \$0.0001 par value, 500,000,000 shares authorized, 197,757,293 and 197,431,709 issued and outstanding in 2025, respectively and 196,705,710 shares issued and outstanding in 2024 | 20                          | 20                         |
| Treasury stock, at cost, 325,584 shares in 2025                                                                                                                                                 | (3,165)                     | —                          |
| Additional paid-in capital                                                                                                                                                                      | 1,453,457                   | 1,442,958                  |
| Accumulated deficit                                                                                                                                                                             | (180,244)                   | (218,951)                  |
| Accumulated other comprehensive loss                                                                                                                                                            | (39,938)                    | (41,656)                   |
| Total stockholders' equity                                                                                                                                                                      | 1,230,130                   | 1,182,371                  |
| Total liabilities and stockholders' equity                                                                                                                                                      | \$ 2,396,893                | \$ 2,330,503               |

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

# HILLMAN SOLUTIONS CORP. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

(dollars in thousands, except for per share amounts)

|                                                                                   | Thirteen Weeks<br>Ended<br>September 27,<br>2025 | Thirteen Weeks<br>Ended<br>September 28,<br>2024 | Thirty-nine Weeks<br>Ended<br>September 27,<br>2025 | Thirty-nine<br>Weeks Ended<br>September 28,<br>2024 |
|-----------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Net sales                                                                         | \$ 424,939                                       | \$ 393,296                                       | \$ 1,187,085                                        | \$ 1,123,033                                        |
| Cost of sales (exclusive of depreciation and amortization shown separately below) | 205,378                                          | 203,700                                          | 604,456                                             | 581,806                                             |
| Selling, warehouse, general and administrative expenses                           | 138,342                                          | 130,261                                          | 381,101                                             | 369,980                                             |
| Depreciation                                                                      | 20,100                                           | 17,948                                           | 59,343                                              | 50,583                                              |
| Amortization                                                                      | 15,265                                           | 15,354                                           | 45,937                                              | 45,857                                              |
| Other (income) expense, net                                                       | (50)                                             | (881)                                            | (988)                                               | 3                                                   |
| Income from operations                                                            | 45,904                                           | 26,914                                           | 97,236                                              | 74,804                                              |
| Interest expense, net                                                             | 14,692                                           | 15,108                                           | 43,044                                              | 44,316                                              |
| Refinancing costs                                                                 | —                                                | —                                                | 906                                                 | 3,008                                               |
| Income before income taxes                                                        | 31,212                                           | 11,806                                           | 53,286                                              | 27,480                                              |
| Income tax expense                                                                | 8,020                                            | 4,372                                            | 14,579                                              | 9,003                                               |
| Net income                                                                        | <u>\$ 23,192</u>                                 | <u>\$ 7,434</u>                                  | <u>\$ 38,707</u>                                    | <u>\$ 18,477</u>                                    |
| Basic net income per share                                                        | \$ 0.12                                          | \$ 0.04                                          | \$ 0.20                                             | \$ 0.09                                             |
| Weighted average basic shares outstanding                                         | 197,754                                          | 196,297                                          | 197,544                                             | 195,914                                             |
| Diluted net income per share                                                      | \$ 0.12                                          | \$ 0.04                                          | \$ 0.19                                             | \$ 0.09                                             |
| Weighted average diluted shares outstanding                                       | 199,849                                          | 199,034                                          | 199,454                                             | 198,370                                             |
| Net income from above                                                             | \$ 23,192                                        | \$ 7,434                                         | \$ 38,707                                           | \$ 18,477                                           |
| Other comprehensive income (loss):                                                |                                                  |                                                  |                                                     |                                                     |
| Foreign currency translation adjustments                                          | (1,556)                                          | (14,350)                                         | 4,450                                               | (18,570)                                            |
| Hedging activity                                                                  | (183)                                            | 7,486                                            | (2,732)                                             | 7,249                                               |
| Total other comprehensive income (loss)                                           | <u>(1,739)</u>                                   | <u>(6,864)</u>                                   | <u>1,718</u>                                        | <u>(11,321)</u>                                     |
| Comprehensive income                                                              | <u>\$ 21,453</u>                                 | <u>\$ 570</u>                                    | <u>\$ 40,425</u>                                    | <u>\$ 7,156</u>                                     |

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

# HILLMAN SOLUTIONS CORP. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(dollars in thousands)

|                                                                                   | Thirty-nine Weeks<br>Ended<br>September 27, 2025 | Thirty-nine Weeks<br>Ended<br>September 28, 2024 |
|-----------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Cash flows from operating activities:                                             |                                                  |                                                  |
| Net income                                                                        | \$ 38,707                                        | \$ 18,477                                        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                                  |                                                  |
| Depreciation and amortization                                                     | 105,280                                          | 96,440                                           |
| Deferred income taxes                                                             | 9,791                                            | (1,326)                                          |
| Deferred financing and original issue discount amortization                       | 3,767                                            | 3,807                                            |
| Stock-based compensation expense                                                  | 10,739                                           | 9,742                                            |
| Customer bankruptcy reserve                                                       | —                                                | 7,757                                            |
| Loss on debt restructuring                                                        | 906                                              | 3,008                                            |
| Cash paid to third parties in connection with debt restructuring                  | (906)                                            | (1,554)                                          |
| (Gain) loss on disposal of property and equipment                                 | (135)                                            | 56                                               |
| Change in fair value of contingent consideration                                  | (500)                                            | 313                                              |
| Changes in operating items:                                                       |                                                  |                                                  |
| Accounts receivable, net                                                          | (34,721)                                         | (22,906)                                         |
| Inventories, net                                                                  | (53,925)                                         | (2,036)                                          |
| Other assets                                                                      | (19,691)                                         | (142)                                            |
| Accounts payable                                                                  | 22,575                                           | 17,822                                           |
| Accrued salaries and wages                                                        | (1,217)                                          | 7,150                                            |
| Other accrued expenses                                                            | (6,381)                                          | 3,579                                            |
| Net cash provided by operating activities                                         | 74,289                                           | 140,187                                          |
| Cash flows from investing activities:                                             |                                                  |                                                  |
| Acquisition of business, net of cash received                                     | —                                                | (57,762)                                         |
| Capital expenditures                                                              | (55,347)                                         | (64,196)                                         |
| Other investing activities                                                        | (154)                                            | (211)                                            |
| Net cash used for investing activities                                            | (55,501)                                         | (122,169)                                        |
| Cash flows from financing activities:                                             |                                                  |                                                  |
| Repayments of senior term loans                                                   | (6,384)                                          | (4,255)                                          |
| Financing fees                                                                    | —                                                | (33)                                             |
| Borrowings on revolving credit loans                                              | 109,000                                          | 77,000                                           |
| Repayments of revolving credit loans                                              | (122,000)                                        | (77,000)                                         |
| Principal payments under finance lease obligations                                | (4,156)                                          | (2,698)                                          |
| Proceeds from exercise of stock options                                           | 1,177                                            | 8,938                                            |
| Repurchases of common stock                                                       | (3,165)                                          | —                                                |
| Payments of contingent consideration                                              | (199)                                            | (196)                                            |
| Other financing activities                                                        | 142                                              | (103)                                            |
| Net cash (used for) provided by financing activities                              | (25,585)                                         | 1,653                                            |
| Effect of exchange rate changes on cash                                           | 18                                               | 1,596                                            |
| Net (decrease) increase in cash and cash equivalents                              | (6,779)                                          | 21,267                                           |
| Cash and cash equivalents at beginning of period                                  | 44,510                                           | 38,553                                           |
| Cash and cash equivalents at end of period                                        | \$ 37,731                                        | \$ 59,820                                        |
| Supplemental disclosure of cash flow information:                                 |                                                  |                                                  |
| Interest paid                                                                     | \$ 39,928                                        | \$ 30,348                                        |
| Income taxes paid                                                                 | 9,859                                            | 7,967                                            |
| Capital expenditures in accounts payable                                          | 644                                              | 2,200                                            |

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

# HILLMAN SOLUTIONS CORP. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)

(dollars in thousands)

|                                                                      | Common<br>Stock<br>Amount | Treasury<br>Stock<br>Amount | Additional<br>Paid-in-<br>Capital | Accumulated<br>Deficit | Accumulated<br>Other<br>Comprehensive<br>Loss | Total<br>Stockholders'<br>Equity |
|----------------------------------------------------------------------|---------------------------|-----------------------------|-----------------------------------|------------------------|-----------------------------------------------|----------------------------------|
| Thirty-nine weeks ended September 27, 2025                           |                           |                             |                                   |                        |                                               |                                  |
| Balance at December 28, 2024                                         | \$ 20                     | \$ —                        | \$ 1,442,958                      | \$ (218,951)           | \$ (41,656)                                   | \$ 1,182,371                     |
| Net loss                                                             | —                         | —                           | —                                 | (317)                  | —                                             | (317)                            |
| Stock option activity, stock awards and employee stock purchase plan | —                         | —                           | 1,307                             | —                      | —                                             | 1,307                            |
| Hedging activity                                                     | —                         | —                           | —                                 | —                      | (1,990)                                       | (1,990)                          |
| Change in cumulative foreign currency translation adjustment         | —                         | —                           | —                                 | —                      | 682                                           | 682                              |
| Balance at March 29, 2025                                            | \$ 20                     | \$ —                        | \$ 1,444,265                      | \$ (219,268)           | \$ (42,964)                                   | \$ 1,182,053                     |
| Net Income                                                           | —                         | —                           | —                                 | 15,832                 | —                                             | 15,832                           |
| Stock option activity, stock awards and employee stock purchase plan | —                         | —                           | 4,288                             | —                      | —                                             | 4,288                            |
| Hedging activity                                                     | —                         | —                           | —                                 | —                      | (559)                                         | (559)                            |
| Change in cumulative foreign currency translation adjustment         | —                         | —                           | —                                 | —                      | 5,324                                         | 5,324                            |
| Balance at June 28, 2025                                             | \$ 20                     | \$ —                        | \$ 1,448,553                      | \$ (203,436)           | \$ (38,199)                                   | \$ 1,206,938                     |
| Net Income                                                           | —                         | —                           | —                                 | 23,192                 | —                                             | 23,192                           |
| Stock option activity, stock awards and employee stock purchase plan | —                         | —                           | 4,904                             | —                      | —                                             | 4,904                            |
| Repurchases of common stock                                          | —                         | (3,165)                     | —                                 | —                      | —                                             | (3,165)                          |
| Hedging activity                                                     | —                         | —                           | —                                 | —                      | (183)                                         | (183)                            |
| Change in cumulative foreign currency translation adjustment         | —                         | —                           | —                                 | —                      | (1,556)                                       | (1,556)                          |
| Balance at September 27, 2025                                        | \$ 20                     | \$ (3,165)                  | \$ 1,453,457                      | \$ (180,244)           | \$ (39,938)                                   | \$ 1,230,130                     |
| Thirty-nine weeks ended September 28, 2024                           |                           |                             |                                   |                        |                                               |                                  |
| Balance at December 30, 2023                                         | \$ 20                     | \$ —                        | \$ 1,418,535                      | \$ (236,206)           | \$ (27,820)                                   | \$ 1,154,529                     |
| Net loss                                                             | —                         | —                           | —                                 | (1,492)                | —                                             | (1,492)                          |
| Stock option activity, stock awards and employee stock purchase plan | —                         | —                           | 8,585                             | —                      | —                                             | 8,585                            |
| Hedging activity                                                     | —                         | —                           | —                                 | —                      | (1,817)                                       | (1,817)                          |
| Change in cumulative foreign currency translation adjustment         | —                         | —                           | —                                 | —                      | 1,487                                         | 1,487                            |
| Balance at March 30, 2024                                            | \$ 20                     | \$ —                        | \$ 1,427,120                      | \$ (237,698)           | \$ (28,150)                                   | \$ 1,161,292                     |
| Net Income                                                           | —                         | —                           | —                                 | 12,535                 | —                                             | 12,535                           |
| Stock option activity, stock awards and employee stock purchase plan | —                         | —                           | 4,742                             | —                      | —                                             | 4,742                            |
| Hedging activity                                                     | —                         | —                           | —                                 | —                      | 1,580                                         | 1,580                            |
| Change in cumulative foreign currency translation adjustment         | —                         | —                           | —                                 | —                      | (5,707)                                       | (5,707)                          |
| Balance at June 29, 2024                                             | \$ 20                     | \$ —                        | \$ 1,431,862                      | \$ (225,163)           | \$ (32,277)                                   | \$ 1,174,442                     |
| Net Income                                                           | —                         | —                           | —                                 | 7,434                  | —                                             | 7,434                            |
| Stock option activity, stock awards and employee stock purchase plan | —                         | —                           | 6,212                             | —                      | —                                             | 6,212                            |
| Hedging activity                                                     | —                         | —                           | —                                 | —                      | 7,486                                         | 7,486                            |
| Change in cumulative foreign currency translation adjustment         | —                         | —                           | —                                 | —                      | (14,350)                                      | (14,350)                         |
| Balance at September 28, 2024                                        | \$ 20                     | \$ —                        | \$ 1,438,074                      | \$ (217,729)           | \$ (39,141)                                   | \$ 1,181,224                     |

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

## 1. BASIS OF PRESENTATION

The accompanying condensed financial statements include the consolidated accounts of Hillman Solutions Corp. and its wholly-owned subsidiaries (collectively "Hillman" or the "Company"). The accompanying unaudited financial statements include the condensed consolidated accounts of the Company for the thirteen and thirty-nine weeks ended September 27, 2025. Unless the context requires otherwise, references to "Hillman," "we," "us," "our," or "our Company" refer to Hillman Solutions Corp. and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

The accompanying unaudited Condensed Consolidated Financial Statements present information in accordance with accounting principles generally accepted in the United States for interim financial information and the instructions to Form 10-Q and applicable rules of Regulation S-X. Accordingly, they do not include all information or footnotes required by U.S. generally accepted accounting principles for complete financial statements. Operating results for the thirteen and thirty-nine weeks ended September 27, 2025 do not necessarily indicate the results that may be expected for the full year. For further information, refer to the Consolidated Financial Statements for the year ended December 28, 2024 and notes thereto included in the Form 10-K filed on February 20, 2025 with the Securities and Exchange Commission ("SEC").

"Hillman Solutions Corp.," "HMAN Group Holdings Inc.," and "The Hillman Companies, Inc." are holding companies with no other operations, cash flows, material assets or liabilities other than the equity interests in "The Hillman Group, Inc.," which is the borrower under the credit facility.

### Nature of Operations:

The Company is comprised of three separate operating business segments: (1) Hardware and Protective Solutions, (2) Robotics and Digital Solutions, and (3) Canada.

In the second quarter of 2025, the Company realigned its Hardware and Protective Solutions segment to include the sales of accessories, which are now managed by the Hardware and Protective Solutions leadership team. Previously, accessories were included under the Robotics and Digital Solutions segment and managed by that leadership team. See Note 16 - Segment Reporting for additional information.

Hillman provides and, on a limited basis, produces products such as fasteners and related hardware items; threaded rod and metal shapes; keys, key duplication systems, and accessories; personal protective equipment such as gloves, eye-wear and cleaning rags; rope and chain; builder's hardware; and identification items, such as tags and letters, numbers, and signs, to retail outlets, primarily hardware stores, home centers and mass merchants, pet supply stores, grocery stores, and drug stores. The Canada segment also produces fasteners, stampings, fittings, and processes threaded parts for automotive suppliers, industrial Original Equipment Manufacturers ("OEMs"), and industrial distributors.

### Reclassifications:

Due to the segment realignment mentioned above, certain amounts in the prior year Condensed Consolidated Financial Statements and in the Notes to the Condensed Consolidated Financial Statements were reclassified to conform to the current year's presentation. This had no impact on the prior periods' condensed consolidated balance sheets, condensed consolidated statements of comprehensive income, condensed consolidated statements of cash flows, or condensed consolidated statements of stockholder's equity.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies should be read in conjunction with the significant accounting policies included in the Form 10-K filed on February 20, 2025 with the SEC.

### Use of Estimates in the Preparation of Financial Statements:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and

disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses for the reporting periods. Actual results may differ from these estimates.

### **Share Repurchase Program:**

On July 31, 2025, the Board of Directors of the Company authorized a share repurchase program of up to \$100,000 (the "Repurchase Program") of the Company's common stock. The Company accounts for the repurchase of its common stock under the cost method. Under this method, the repurchased shares are recorded at their cost as a reduction of stockholders' equity. Upon repurchase, the treasury stock account is debited for the cost paid, and the cash account is credited. When treasury shares are reissued, any excess of the reissuance price over the repurchase cost is credited to additional paid-in capital. If the reissuance price is less than the repurchase cost, the difference is first debited to additional paid-in capital (from previous treasury stock transactions) and then to retained earnings. The Company does not recognize gains or losses from treasury stock transactions in its income statement. See Note 11 - Equity and Accumulated Other Comprehensive Loss for more information.

### **Revenue Recognition:**

Revenue is recognized when control of goods or services is transferred to our customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Sales and other taxes the Company collects concurrent with revenue-producing activities are excluded from revenue.

The Company offers a variety of sales incentives to its customers primarily in the form of discounts and rebates. Discounts are recognized in the Condensed Consolidated Financial Statements at the date of the related sale. Rebates are based on the revenue to date and the contractual rebate percentage to be paid. A portion of the cost of the rebate is allocated to each underlying sales transaction. Discounts and rebates are included in the determination of net sales.

The Company also establishes reserves for customer returns and allowances. The reserve is established based on historical rates of returns and allowances. The reserve is adjusted quarterly based on actual experience. Returns and allowances are included in the determination of net sales.

The following tables display our disaggregated revenue by product category. Certain amounts in the prior year presentation between segments were reclassified to conform to the current year's presentation. See Note 16 - Segment Reporting for more information.



| Thirteen weeks ended September 27, 2025 |                                   |                                |                  |                   |
|-----------------------------------------|-----------------------------------|--------------------------------|------------------|-------------------|
|                                         | Hardware and Protective Solutions | Robotics and Digital Solutions | Canada           | Total Revenue     |
| Fastening and Hardware                  | \$ 249,174                        | \$ —                           | \$ 33,264        | \$ 282,438        |
| Personal Protective                     | 79,948                            | —                              | 1,380            | 81,328            |
| Keys and Key Fobs                       | —                                 | 48,733                         | 2,595            | 51,328            |
| Engraving and Resharp                   | —                                 | 9,840                          | 5                | 9,845             |
| Total Revenue                           | <u>\$ 329,122</u>                 | <u>\$ 58,573</u>               | <u>\$ 37,244</u> | <u>\$ 424,939</u> |

| Thirteen weeks ended September 28, 2024 |                                   |                                |                  |                   |
|-----------------------------------------|-----------------------------------|--------------------------------|------------------|-------------------|
|                                         | Hardware and Protective Solutions | Robotics and Digital Solutions | Canada           | Total Revenue     |
| Fastening and Hardware                  | \$ 228,293                        | \$ —                           | \$ 33,918        | \$ 262,211        |
| Personal Protective                     | 70,993                            | —                              | 724              | 71,717            |
| Keys and Key Fobs                       | —                                 | 45,152                         | 2,674            | 47,826            |
| Engraving and Resharp                   | —                                 | 11,536                         | 6                | 11,542            |
| Total Revenue                           | <u>\$ 299,286</u>                 | <u>\$ 56,688</u>               | <u>\$ 37,322</u> | <u>\$ 393,296</u> |

| Thirty-nine weeks ended September 27, 2025 |                                   |                                |                   |                     |
|--------------------------------------------|-----------------------------------|--------------------------------|-------------------|---------------------|
|                                            | Hardware and Protective Solutions | Robotics and Digital Solutions | Canada            | Total Revenue       |
| Fastening and Hardware                     | \$ 703,288                        | \$ —                           | \$ 95,719         | \$ 799,007          |
| Personal Protective                        | 209,767                           | —                              | 4,260             | 214,027             |
| Keys and Key Fobs                          | —                                 | 137,766                        | 7,026             | 144,792             |
| Engraving and Resharp                      | —                                 | 29,237                         | 22                | 29,259              |
| Total Revenue                              | <u>\$ 913,055</u>                 | <u>\$ 167,003</u>              | <u>\$ 107,027</u> | <u>\$ 1,187,085</u> |

| Thirty-nine weeks ended September 28, 2024 |                                   |                                |                   |                     |
|--------------------------------------------|-----------------------------------|--------------------------------|-------------------|---------------------|
|                                            | Hardware and Protective Solutions | Robotics and Digital Solutions | Canada            | Total Revenue       |
| Fastening and Hardware                     | \$ 680,486                        | \$ —                           | \$ 106,109        | \$ 786,595          |
| Personal Protective                        | 163,478                           | —                              | 3,327             | 166,805             |
| Keys and Key Fobs                          | —                                 | 127,277                        | 6,634             | 133,911             |
| Engraving and Resharp                      | —                                 | 35,692                         | 30                | 35,722              |
| Total Revenue                              | <u>\$ 843,964</u>                 | <u>\$ 162,969</u>              | <u>\$ 116,100</u> | <u>\$ 1,123,033</u> |

The following tables disaggregate our revenue by geographic location. Certain amounts in the prior year presentation between segments were reclassified to conform to the current year's presentation. See Note 16 - Segment Reporting for more information.

| Thirteen weeks ended September 27, 2025 |                                   |                                |                  |                   |
|-----------------------------------------|-----------------------------------|--------------------------------|------------------|-------------------|
|                                         | Hardware and Protective Solutions | Robotics and Digital Solutions | Canada           | Total Revenue     |
| United States                           | \$ 324,924                        | \$ 58,573                      | \$ —             | \$ 383,497        |
| Canada                                  | —                                 | —                              | 37,244           | 37,244            |
| Mexico                                  | 4,198                             | —                              | —                | 4,198             |
| Consolidated                            | <u>\$ 329,122</u>                 | <u>\$ 58,573</u>               | <u>\$ 37,244</u> | <u>\$ 424,939</u> |

  

| Thirteen weeks ended September 28, 2024 |                                   |                                |                  |                   |
|-----------------------------------------|-----------------------------------|--------------------------------|------------------|-------------------|
|                                         | Hardware and Protective Solutions | Robotics and Digital Solutions | Canada           | Total Revenue     |
| United States                           | \$ 295,193                        | \$ 56,688                      | \$ —             | \$ 351,881        |
| Canada                                  | —                                 | —                              | 37,322           | 37,322            |
| Mexico                                  | 4,093                             | —                              | —                | 4,093             |
| Consolidated                            | <u>\$ 299,286</u>                 | <u>\$ 56,688</u>               | <u>\$ 37,322</u> | <u>\$ 393,296</u> |

  

| Thirty-nine weeks ended September 27, 2025 |                                   |                                |                   |                     |
|--------------------------------------------|-----------------------------------|--------------------------------|-------------------|---------------------|
|                                            | Hardware and Protective Solutions | Robotics and Digital Solutions | Canada            | Total Revenue       |
| United States                              | \$ 901,655                        | \$ 167,003                     | \$ —              | \$ 1,068,658        |
| Canada                                     | —                                 | —                              | 107,027           | 107,027             |
| Mexico                                     | 11,400                            | —                              | —                 | 11,400              |
| Consolidated                               | <u>\$ 913,055</u>                 | <u>\$ 167,003</u>              | <u>\$ 107,027</u> | <u>\$ 1,187,085</u> |

  

| Thirty-nine weeks ended September 28, 2024 |                                   |                                |                   |                     |
|--------------------------------------------|-----------------------------------|--------------------------------|-------------------|---------------------|
|                                            | Hardware and Protective Solutions | Robotics and Digital Solutions | Canada            | Total Revenue       |
| United States                              | \$ 830,823                        | \$ 162,969                     | \$ —              | \$ 993,792          |
| Canada                                     | —                                 | —                              | 116,100           | 116,100             |
| Mexico                                     | 13,141                            | —                              | —                 | 13,141              |
| Consolidated                               | <u>\$ 843,964</u>                 | <u>\$ 162,969</u>              | <u>\$ 116,100</u> | <u>\$ 1,123,033</u> |

The Company's revenue by geography is allocated based on the location of its sales operations.

Hardware and Protective Solutions' revenues consist primarily of the delivery of fasteners, anchors, specialty fastening products, rope and chain, and personal protective equipment such as gloves and eyewear, as well as accessories, and in-store merchandising services for the related product category.

Robotics and Digital Solutions revenues consist primarily of sales of keys, key fobs, and identification tags through self-service key duplication and engraving kiosks. It also includes our associate-assisted key duplication systems.

Canada revenues consist primarily of the delivery to Canadian customers of fasteners and related hardware items, threaded rod, keys, key duplicating systems, accessories, personal protective equipment, and identification items as well as in-store merchandising services for the related product category.

The Company's performance obligations under its arrangements with customers are providing products, in-store merchandising services, and access to key duplicating and engraving equipment. Generally, the price of the merchandising services and the access to the key duplicating and engraving equipment is included in the price of the related products. Control of products is transferred at the point in time when the customer accepts the goods, which occurs upon delivery of the products. Judgment is required in determining the time at which to recognize revenue for the in-store services and the access to key duplicating and engraving equipment. Revenue is recognized for in-store service and access to key duplicating and engraving equipment as the related products are delivered, which approximates a time-based recognition pattern. Therefore, the entire amount of consideration related to the sale of products, in-store merchandising services, and access to key duplicating and engraving equipment is recognized upon the delivery of the products.

The costs to obtain a contract are insignificant and generally contract terms do not extend beyond one year. Therefore, these costs are expensed as incurred. Freight and shipping costs and the cost of our in-store merchandising service teams are recognized in selling, warehouse, general, and administrative expense when control over products is transferred to the customer.

The Company used the practical expedient regarding the existence of a significant financing component as payments are due in less than one year after delivery of the products.

### 3. RECENT ACCOUNTING PRONOUNCEMENTS

On December 14, 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09, Improvements to Income Tax Disclosures. The amendments in this update require that public business entities on an annual basis (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. The amendments on Income Tax Disclosures are effective for fiscal years beginning after December 15, 2024, and will be applied retrospectively to all prior periods presented. The Company is currently evaluating this ASU, but it is expecting the adoption of this standard to result in additional annual disclosures.

On January 6, 2025, the FASB issued ASU 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses, as an amendment to ASU 2024-03. This ASU mandates that public business entities provide detailed disclosures in the notes to their financial statements, breaking down certain expense categories presented on the income statement into specified natural expense components. This enhanced disclosure aims to provide investors with more detailed information about the types of expenses included in commonly presented expense captions, such as cost of sales, selling, general, and administrative expenses (SG&A), and research and development. The amendments introduced by ASU 2025-01 are effective for public business entities for fiscal years beginning after December 15, 2026 and for interim periods beginning after December 15, 2027 with early adoption permitted. The Company is currently evaluating the impact provided by the new standard.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets (ASU 2025-05), which provides a practical expedient to measure credit losses on current accounts receivable and current contract assets under Accounting Standards Codification 606, Revenue from Contracts with Customers. The practical expedient assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. For public business entities, ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption of ASU 2025-05 is permitted. The Company is currently evaluating the impact provided by the new standard.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software, which is intended to modernize the accounting for the costs of internal-use software. The amendments remove all references to prescriptive and sequential development stages and, instead, require an entity to start capitalizing software costs when management has authorized and committed to funding the software project, and it is probable that the project will be completed and the software will be used to perform the function intended. The amendments are effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period with the amendments to be applied using a prospective, modified or retrospective transition approach. The Company is currently evaluating the impact provided by the new standard.

### 4. ACQUISITIONS

#### Intex DIY, Inc.

On August 23, 2024, the Company completed the acquisition of Intex DIY, Inc. ("Intex"), a leading supplier of wiping cloths, consumable rags, and cleaning textiles for a total purchase price of \$34,064. This acquisition expands Hillman's offerings in the cleaning products category. Intex has business operations throughout North America and its financial results will reside in the Company's Hardware and Protective Solutions reportable segment.

The following table reconciles the final fair value of the acquired assets and assumed liabilities to the total purchase price of Intex.

|                        |    |         |
|------------------------|----|---------|
| Accounts receivable    | \$ | 11,981  |
| Inventory              |    | 14,486  |
| Other current assets   |    | 26      |
| Property and equipment |    | 949     |
| Goodwill               |    | 3,829   |
| Customer relationships |    | 9,400   |
| Trade names            |    | 104     |
| Total assets acquired  | \$ | 40,775  |
| Less:                  |    |         |
| Liabilities assumed    |    | (6,711) |
| Total purchase price   | \$ | 34,064  |

Net sales and operating income from Intex included in the Company's Condensed Consolidated Statement of Comprehensive Income for the thirteen and thirty-nine weeks ended September 27, 2025 were as follows:

|                  | Thirteen weeks ended<br>September 27, 2025 | Thirty-nine weeks<br>ended September 27,<br>2025 |
|------------------|--------------------------------------------|--------------------------------------------------|
| Net sales        | \$ 15,243                                  | \$ 47,773                                        |
| Operating income | 1,678                                      | 5,606                                            |

Pro forma financial information has not been presented for Intex as the financial results of Intex were insignificant to the financial results of the Company on a standalone basis.

## 5. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill amounts by reportable segment are summarized as follows:

|                                   | Goodwill at<br>December 28,<br>2024 | Acquisitions | Dispositions | Other <sup>(1)</sup> | Goodwill at<br>September 27,<br>2025 |
|-----------------------------------|-------------------------------------|--------------|--------------|----------------------|--------------------------------------|
| Hardware and Protective Solutions | \$ 581,187                          | \$ 309       | \$ —         | \$ 10,916            | \$ 592,412                           |
| Robotics and Digital Solutions    | 220,936                             | —            | —            | (10,580)             | 210,356                              |
| Canada                            | 26,430                              | —            | —            | 900                  | 27,330                               |
| Total                             | \$ 828,553                          | \$ 309       | \$ —         | \$ 1,236             | \$ 830,098                           |

- (1) The "Other" change to goodwill relates to adjustments resulting from fluctuations in foreign currency exchange rates for the Canada, Hardware Solutions, and Protective Solutions reporting units. "Other" also includes a reallocation of \$10,580 thousand of goodwill from our Robotics and Digital Solutions reporting unit to our Hardware Solutions reporting unit in connection with the segment realignment - see Note 16 - Segment Reporting for additional information.

Other intangibles, net, as of September 27, 2025 and December 28, 2024 consist of the following:

|                                | Estimated Useful Life (Years) |   |    | September 27, 2025 | December 28, 2024 |
|--------------------------------|-------------------------------|---|----|--------------------|-------------------|
| Customer relationships         | 9                             | - | 20 | \$ 956,199         | \$ 954,888        |
| Trademarks - indefinite        | Indefinite                    |   |    | 85,138             | 84,883            |
| Trademarks - other             | 2                             | - | 15 | 29,549             | 29,549            |
| Technology and patents         | 5                             | - | 12 | 67,108             | 66,937            |
| Intangible assets, gross       |                               |   |    | 1,137,994          | 1,136,257         |
| Less: Accumulated amortization |                               |   |    | 577,051            | 530,398           |
| Other intangibles, net         |                               |   |    | \$ 560,943         | \$ 605,859        |

The amortization expense for intangible assets, including the adjustments resulting from fluctuations in foreign currency exchange rates for the thirteen and thirty-nine weeks ended September 27, 2025 was \$15,265 and \$45,937, and the thirteen and thirty-nine weeks ended September 28, 2024 was \$15,354 and \$45,857, respectively.

The Company tests goodwill and indefinite-lived intangible assets for impairment annually in the fourth quarter. Impairment is also tested when events or changes in circumstances indicate that the carrying values of the assets may be greater than their fair values. During the thirteen and thirty-nine weeks ended September 27, 2025 and the thirteen and thirty-nine weeks ended September 28, 2024, the Company did not identify any triggering events that would result in an impairment analysis outside of the annual assessment.

## 6. COMMITMENTS AND CONTINGENCIES

### Insurance Coverage

The Company self-insures its general liability including product liability, automotive and workers' compensation losses up to \$500 per occurrence. Catastrophic coverage has been purchased from third party insurers for occurrences up to \$60,000. The two risk areas involving the most significant accounting estimates are workers' compensation and automotive liability. Actuarial valuations performed by the Company's outside risk insurance expert were used by the Company's management to form the basis for workers' compensation and automotive liability loss reserves. The actuary contemplated the Company's specific loss history, actual claims reported, and industry trends among statistical and other factors to estimate the range of reserves required. Risk insurance reserves are comprised of specific reserves for individual claims and additional amounts expected for development of these claims, as well as for incurred but not yet reported claims. The Company believes that the liability of approximately \$2,761 recorded for such risks is adequate as of September 27, 2025.

As of September 27, 2025, the Company has provided certain vendors and insurers letters of credit aggregating to \$42,168 related to our product purchases and insurance coverage for product liability, workers' compensation, and general liability.

The Company self-insures group health claims up to an annual stop loss limit of \$300 per participant. Historical group insurance loss experience forms the basis for the recognition of group health insurance reserves. Provisions for losses expected under these programs are recorded based on an analysis of historical insurance claim data and certain actuarial assumptions. The Company believes that the liability of approximately \$3,467 recorded for such risks is adequate as of September 27, 2025.

### Import Duties

The Company imports large quantities of fastener products which are subject to customs requirements and to tariffs and quotas set by governments through mutual agreements and bilateral actions. The Company could be subject to the assessment of additional duties and interest if it or its suppliers fail to comply with customs regulations or similar laws. The U.S. Department of Commerce (the "Department") has received requests from petitioners to conduct administrative reviews of compliance with anti-dumping duty and countervailing duty laws for certain nail products sourced from Asian countries. The Company sourced products under review from vendors in China and Taiwan during the periods selected for review. The Company accrues for the duty expense once it is determined to be probable and the amount can be reasonably estimated.

### Litigation

We are involved in litigation arising in the normal course of business. In management’s opinion, any such litigation is not expected to have a material adverse effect on our consolidated financial condition, results of operations, or cash flows.

7. RELATED PARTY TRANSACTIONS

Sales to related parties, which are included in net sales, consist of the sale of excess inventory to Ollie’s Bargain Outlet Holdings, Inc. (“Ollie’s”). John Swygert, Executive Chairman of Ollie’s since 2025, and before that President and Chief Executive Officer of Ollie’s, is a member of our Board of Directors. Sales to related parties were immaterial in the thirteen and thirty-nine weeks ended September 27, 2025. Sales to related parties were \$204 and \$469 in the thirteen and thirty-nine weeks ended September 28, 2024, respectively.

In late 2024, the Company signed a contract with Ollie’s to place Minute Key and Quick-Tag machines in select Ollie’s locations. The Company paid royalties shares to Ollie’s as a result of this agreement. The payments to related parties were immaterial in the thirteen and thirty-nine weeks ended September 27, 2025.

8. INCOME TAXES

ASC 740 requires companies to apply their estimated annual effective tax rate on a year-to-date basis in each interim period. These rates are derived, in part, from expected annual pre-tax income or loss. In the thirteen and thirty-nine weeks ended September 27, 2025, and for the thirteen and thirty-nine weeks ended September 28, 2024, the Company applied an estimated annual effective tax rate based on expected annual pre-tax income to the interim period pre-tax income to calculate the income tax expense.

For the thirteen and thirty-nine weeks ended September 27, 2025, the effective income tax rate was 25.7% and 27.4%. The Company recorded an income tax provision for the thirteen and thirty-nine weeks ended September 27, 2025 of \$8,020 and \$14,579, respectively. The difference between the expected statutory tax rate and the effective tax rate for the thirteen and thirty-nine weeks ended September 27, 2025 was the result of certain non-deductible expenses and state and foreign income taxes.

For the thirteen and thirty-nine weeks ended September 28, 2024, the effective income tax rate was 37.0% and 32.8%. The Company recorded an income tax provision for the thirteen and thirty-nine weeks ended September 28, 2024 of \$4,372 and \$9,003, respectively. The effective tax rate for the thirteen and thirty-nine weeks ended September 28, 2024 was the result of certain non-deductible expenses and state and foreign income taxes.

On July 4, 2025, the One Big Beautiful Bill Act (“OBGBA”) was enacted in the U.S. The legislation included several provisions that impact the timing and magnitude of certain tax deductions, including, among others, making 100% bonus depreciation permanent, allowing for the expensing of domestic research costs, and modifying the business interest expense limitation calculation. These changes were incorporated into our income tax provision for the thirteen and thirty-nine weeks ended September 27, 2025. Although we do not expect the OBGBA to have a material impact on our effective tax rate, we do expect favorable changes to the timing of cash tax payments in the current fiscal year and future periods.

9. LONG-TERM DEBT

The following table summarizes the Company’s debt:

|                                                      | September 27, 2025 | December 28, 2024 |
|------------------------------------------------------|--------------------|-------------------|
| Revolving loans                                      | \$ 49,000          | \$ 62,000         |
| Senior Term Loan, due 2028                           | 639,088            | 645,470           |
| Finance lease & other obligations                    | 21,434             | 11,085            |
|                                                      | <u>709,522</u>     | <u>718,555</u>    |
| Unamortized discount on Senior Term Loan             | (2,300)            | (2,940)           |
| Current portion of long-term debt and finance leases | (15,447)           | (12,975)          |
| Deferred financing fees                              | (8,575)            | (10,914)          |
| Total long-term debt, net                            | <u>\$ 683,200</u>  | <u>\$ 691,726</u> |

As of September 27, 2025, the Asset-Backed Loan ("ABL") Revolver had an outstanding balance of \$49,000, and had outstanding letters of credit of \$42,168. The Company has \$239,152 of available borrowings under the revolving credit facility as a source of liquidity as of September 27, 2025 based on the customary ABL borrowing base and availability provisions.

## 2024 Repricing

On March 26, 2024, the Company entered into a Repricing Amendment (2024 Repricing Amendment) on its existing Senior Term Loan due July 14, 2028. The 2024 Repricing Amendment (i) reduces the interest rate per annum applicable to the Term Loan outstanding from SOFR plus a margin varying from 2.50% to 2.75% plus a Credit Spread Adjustment ("CSA") varying between 0.11% to 0.43% to SOFR plus a margin varying from 2.25% to 2.50%, without the CSA and (ii) implements a 1% prepayment premium for the existing Term Loan to apply to Repricing Transactions that occur within six months after the effective date of the 2024 Repricing Amendment. In connection with the closing of the 2024 Repricing Amendment, the Company expensed \$3,008 consisting of \$1,554 of existing fees written off and \$1,454 in new fees expensed. The Company capitalized an additional \$33 primarily for the payment of upfront lender fees (original issue discount).

## 2025 Repricing

On January 14, 2025, the Company entered into a Repricing Amendment (2025 Repricing Amendment) on its existing Senior Term Loan due July 14, 2028. The 2025 Repricing Amendment (i) reduces the interest rate per annum applicable to the Term Loan outstanding from SOFR plus a margin varying from 2.25% to 2.50% to SOFR plus a margin of 2.00%, as well as a 1.00% margin for ABR Loans and (ii) implements a 1% prepayment premium for the existing Term Loan to apply to Repricing Transactions that occur within six months after the effective date of the 2025 Repricing Amendment. In connection with the closing of the 2025 Repricing Amendment, the Company expensed \$906 of new fees.

# 10. LEASES

## Lessee

The Company determines if a contract is or contains a lease at inception or modification of a contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Control over the use of the identified asset means the lessee has both 1) the right to obtain substantially all of the economic benefits from the use of the asset and 2) the right to direct the use of the asset. The Company leases certain distribution center locations, vehicles, forklifts, computer equipment, and its corporate headquarters with expiration dates through 2042. Certain lease arrangements include escalating rent payments and options to extend the lease term. Expected lease terms include these options to extend or terminate the lease when it is reasonably certain the Company will exercise the option. The Company's leasing arrangements do not contain material residual value guarantees, nor material restrictive covenants.

The components of operating and finance lease costs for the thirteen and thirty-nine weeks ended September 27, 2025 and thirteen and thirty-nine weeks ended September 28, 2024 were as follows:

|                                     | Thirteen Weeks Ended<br>September 27,<br>2025 | Thirteen Weeks Ended<br>September 28,<br>2024 | Thirty-nine Weeks Ended<br>September 27,<br>2025 | Thirty-nine Weeks Ended<br>September 28,<br>2024 |
|-------------------------------------|-----------------------------------------------|-----------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Operating lease costs               | \$ 5,921                                      | \$ 5,335                                      | \$ 17,275                                        | \$ 15,778                                        |
| Short term lease costs              | 774                                           | 689                                           | 2,079                                            | 2,996                                            |
| Variable lease costs                | 367                                           | 657                                           | 1,653                                            | 1,821                                            |
| Finance lease costs:                |                                               |                                               |                                                  |                                                  |
| Amortization of right of use assets | 1,536                                         | 989                                           | 4,216                                            | 2,875                                            |
| Interest on lease liabilities       | 292                                           | 142                                           | 775                                              | 405                                              |

Rent expense is recognized on a straight-line basis over the expected lease term. Rent expense totaled \$7,062 and \$21,007 in the thirteen and thirty-nine weeks ended September 27, 2025, respectively, and \$6,681 and \$20,595 in the thirteen and thirty-nine weeks ended September 28, 2024, respectively. Rent expense includes operating lease costs as well as expenses for non-lease components such as common area maintenance, real estate taxes, real estate insurance, variable costs related to our leased vehicles, and short-term rental expenses.

The implicit rate is not determinable in most of the Company's leases, as such management uses the Company's incremental borrowing rate based on the information available at commencement date in determining the present value of future payments.

The weighted average remaining lease terms and discount rates for all of our operating leases were as follows as of September 27, 2025 and December 28, 2024:

|                                       | September 27, 2025  |                   | December 28, 2024   |                   |
|---------------------------------------|---------------------|-------------------|---------------------|-------------------|
|                                       | Operating<br>Leases | Finance<br>Leases | Operating<br>Leases | Finance<br>Leases |
| Weighted average remaining lease term | 5.03                | 4.14              | 5.41                | 3.06              |
| Weighted average discount rate        | 6.48 %              | 5.82 %            | 6.70 %              | 5.91 %            |

Supplemental balance sheet information related to the Company's finance leases was as follows as of September 27, 2025 and December 28, 2024:

|                                                                     | September 27, 2025 | December 28, 2024 |
|---------------------------------------------------------------------|--------------------|-------------------|
| Finance lease assets, net, included in property plant and equipment | \$ 19,483          | \$ 9,415          |
| Current portion of long-term debt                                   | 5,661              | 3,720             |
| Long-term debt, less current portion                                | 14,235             | 6,028             |
| Total principal payable on finance leases                           | \$ 19,896          | \$ 9,748          |

Supplemental cash flow information related to the Company's operating and finance leases was as follows for the thirty-nine weeks ended September 27, 2025 and thirty-nine weeks ended September 28, 2024:

|                                                                         | Thirty-nine Weeks Ended<br>September 27, 2025 | Thirty-nine Weeks Ended<br>September 28, 2024 |
|-------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Cash paid for amounts included in the measurement of lease liabilities: |                                               |                                               |
| Operating cash outflow from operating leases                            | \$ 16,631                                     | \$ 15,980                                     |
| Operating cash outflow from finance leases                              | 742                                           | 402                                           |
| Financing cash outflow from finance leases                              | 4,156                                         | 2,698                                         |

Maturities of our lease liabilities for all operating and finance leases are as follows as of September 27, 2025:



|                                         | Operating Leases |          | Finance Leases |         |
|-----------------------------------------|------------------|----------|----------------|---------|
| Remaining 2025                          | \$               | 5,693    | \$             | 1,766   |
| 2026                                    |                  | 22,150   |                | 6,281   |
| 2027                                    |                  | 21,024   |                | 5,037   |
| 2028                                    |                  | 18,508   |                | 4,023   |
| 2029                                    |                  | 13,766   |                | 3,321   |
| Thereafter                              |                  | 18,977   |                | 1,852   |
| Total future minimum rental commitments |                  | 100,118  |                | 22,280  |
| Less - amounts representing interest    |                  | (14,583) |                | (2,384) |
| Present value of lease liabilities      | \$               | 85,535   | \$             | 19,896  |

In July 2025, the Company entered into two additional operating leases; one is for an expansion project at the existing Bakersfield, California location, the second lease is for a new property located in Forest Park, Ohio for the purpose of consolidating office, warehouse, and distribution in the Cincinnati area. Occupancy has not yet commenced for either lease. The estimated future minimum rental commitments are approximately \$407 per annum for the Bakersfield, California location beginning in 2026. The estimated future minimum rental commitments for the Forest Park lease are approximately \$4.5 million per year beginning in late summer 2027 and increasing 3.25% per year thereafter for 15 years.

**Lessor**

The Company has certain arrangements for key duplication equipment under which we are the lessor. These leases meet the criteria for operating lease classification. Lease income associated with these leases is not material.

**11. EQUITY AND ACCUMULATED OTHER COMPREHENSIVE LOSS**

**Common Stock**

Hillman Solutions Corp. has one class of common stock.

**Share Repurchases**

On July 31, 2025, the Board of Directors of the Company authorized a share repurchase program of up to \$100,000 (the “Repurchase Program”) of the Company's common stock. The Repurchase Program permits shares of common stock to be repurchased from time to time at management's discretion, through a variety of methods, including a 10b5-1 trading plan, open market purchases, privately negotiated transactions or transactions otherwise in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended.

The timing and number of shares of common stock repurchased will be opportunistic depending on a variety of factors, including price, general business and market conditions, alternative investment opportunities and funding considerations. The Repurchase Program does not obligate the Company to repurchase any specific number of shares of common stock and may be suspended or discontinued at any time.

The following table presents information about our repurchases of common stock, all of which were completed through open market purchases (amounts in thousands):

|                                                 | Thirteen weeks ended<br>September 27, 2025 |
|-------------------------------------------------|--------------------------------------------|
| Total number of shares repurchased              | (326)                                      |
| Total cost of shares repurchased <sup>(1)</sup> |                                            |
|                                                 | \$ (3,165)                                 |

(1) Effective January 1, 2023, the Company's share repurchases are subject to a 1% excise tax as a result of the Inflation Reduction Act of 2022. Excise taxes incurred on share repurchases represent direct costs of the repurchase and are recorded as a part of the cost basis of the shares within treasury stock.

The cost of shares repurchased may differ from the repurchases of common stock amounts in the consolidated statements of cash flows due to unsettled share repurchases at the end of a period and excise taxes incurred on share repurchases.

## Stock Rollforward

The following table presents a reconciliation of the number of shares of our common stock outstanding (amounts in thousands).

|                                                                      | Common Stock<br>(Shares) | Treasury Stock<br>(Shares) | Total Net Shares<br>Outstanding |
|----------------------------------------------------------------------|--------------------------|----------------------------|---------------------------------|
| Thirty-nine weeks ended September 27, 2025                           |                          |                            |                                 |
| Balance at December 28, 2024                                         | 196,706                  | —                          | 196,706                         |
| Stock option activity, stock awards and employee stock purchase plan | 675                      | —                          | 675                             |
| Repurchases of common stock                                          | —                        | —                          | —                               |
| Balance at March 29, 2025                                            | 197,381                  | —                          | 197,381                         |
| Stock option activity, stock awards and employee stock purchase plan | 184                      | —                          | 184                             |
| Repurchases of common stock                                          | —                        | —                          | —                               |
| Balance at June 28, 2025                                             | 197,565                  | —                          | 197,565                         |
| Stock option activity, stock awards and employee stock purchase plan | 193                      | —                          | 193                             |
| Repurchases of common stock                                          | —                        | (326)                      | (326)                           |
| Balance at September 27, 2025                                        | 197,758                  | (326)                      | 197,432                         |
| Thirty-nine weeks ended September 28, 2024                           |                          |                            |                                 |
| Balance at December 30, 2023                                         | 194,913                  | —                          | 194,913                         |
| Stock option activity, stock awards and employee stock purchase plan | 1,029                    | —                          | 1,029                           |
| Repurchases of common stock                                          | —                        | —                          | —                               |
| Balance at March 30, 2024                                            | 195,942                  | —                          | 195,942                         |
| Stock option activity, stock awards and employee stock purchase plan | 214                      | —                          | 214                             |
| Repurchases of common stock                                          | —                        | —                          | —                               |
| Balance at June 29, 2024                                             | 196,156                  | —                          | 196,156                         |
| Stock option activity, stock awards and employee stock purchase plan | 358                      | —                          | 358                             |
| Repurchases of common stock                                          | —                        | —                          | —                               |
| Balance at September 28, 2024                                        | 196,514                  | —                          | 196,514                         |

## Accumulated Other Comprehensive Income (Loss)

The following is detail of the changes in the Company's accumulated other comprehensive income (loss) from December 30, 2023 to September 27, 2025, including the effect of significant reclassifications out of accumulated other comprehensive income (loss) (net of tax):

|                                                              | Accumulated Other<br>Comprehensive Income<br>(Loss) |
|--------------------------------------------------------------|-----------------------------------------------------|
| Balance at December 30, 2023                                 |                                                     |
|                                                              | \$ (27,820)                                         |
| Other comprehensive income before reclassifications          | (25,516)                                            |
| Amounts reclassified from other comprehensive income         | 11,680                                              |
| Net current period other comprehensive loss <sup>(1)</sup>   | (13,836)                                            |
| Balance at December 28, 2024                                 | (41,656)                                            |
| Other comprehensive income before reclassifications          | 3,467                                               |
| Amounts reclassified from other comprehensive income         | (1,749)                                             |
| Net current period other comprehensive income <sup>(2)</sup> | 1,718                                               |
| Balance at September 27, 2025                                | (39,938)                                            |

- During the year ended December 28, 2024, the Company deferred a loss of \$8,162, reclassified a loss of \$11,680 and a tax benefit of \$883 into other comprehensive loss due to hedging activities. The amounts reclassified out of other comprehensive loss were recorded as interest expense. See Note 14 - Derivatives and Hedging for additional information on the interest rate swaps.
- During the thirty-nine weeks ended September 27, 2025, the Company deferred a gain of \$1,893, reclassified a gain of \$1,749 and a tax loss of \$910 into other comprehensive income due to hedging activities. The amounts reclassified out of other comprehensive income were recorded as interest expense. See Note 14 - Derivatives and Hedging for additional information on the interest rate swaps.

## 12. STOCK-BASED COMPENSATION

### 2014 Equity Incentive Plan

The 2014 Equity Incentive Plan may grant options, stock appreciation rights, restricted stock, and other stock-based awards for up to an aggregate of 14,523,510 shares of its common stock.

The 2014 Equity Incentive Plan had stock compensation expense of \$73 recognized in the accompanying thirty-nine weeks ended September 27, 2025, but there was not any expense recognized in the thirteen weeks ended September 27, 2025 due to all grants being vested. In the thirteen and thirty-nine weeks ended September 28, 2024 stock compensation expense of \$337 and \$1,335 was recognized, respectively.

#### Stock Options

The fair value of stock options is determined at the grant date using the Black-Scholes option pricing model. The time-based stock option awards generally vest evenly over four years from the grant date and performance-based options vest based on Company stock price hurdles.

#### Restricted Stock Units

The Restricted Stock Units ("RSUs") granted to employees for service generally vest after three years, subject to continued employment.

### 2021 Equity Incentive Plan

Effective July 14, 2021, the Company established the 2021 Equity Incentive Plan. On June 7, 2024, the 2021 Equity Incentive Plan was amended to increase the share reserve by 2,000,000 shares of common stock (the 2021 Equity Incentive Plan as amended is referred to as the "2021 Plan"). On June 3, 2025, the 2021 Equity Incentive Plan was amended to increase the share reserve by 1,800,000 shares of common stock (the 2021 Equity Incentive Plan as amended is referred to as the "2021 Plan"). Under the 2021 Plan, as amended, the maximum number of shares of common stock that may be delivered in satisfaction of awards under the 2021 Plan as of the Effective Date is (i) 10,950,814 shares, plus (ii) the number of shares of stock underlying awards under the 2014 Equity Incentive Plan that on or after the Effective Date expire or become unexercisable, or are forfeited, cancelled or otherwise terminated, in each case, without delivery of shares or cash therefore, and would have become available again for

grant under the Prior Plan in accordance with its terms (in the case of this subclause (ii), not to exceed 14,523,510 shares of common stock in the aggregate).

The 2021 Equity Incentive Plan had stock compensation expense of \$3,807 and \$10,361 recognized in the accompanying Condensed Consolidated Statements of Comprehensive Income for the thirteen and thirty-nine weeks ended September 27, 2025, respectively, and \$2,826 and \$8,111 was recorded for the thirteen and thirty-nine weeks ended September 28, 2024, respectively.

**Stock Options**

The fair value of stock options is determined at the grant date using the Black-Scholes option pricing model. The time-based stock option awards generally vest evenly over four years from the grant date and performance-based options vest based on specified targets such as Company performance and Company stock price hurdles.

**Restricted Stock Units**

Beginning in the first quarter of 2025, the RSUs granted to employees for service generally vest evenly over three years from the grant date, subject to continued employment. Prior to 2025, the RSUs granted to employees for service generally vest after three years, subject to continued employment. The RSUs granted to non-employee directors generally vest in full on the sooner of the first anniversary of the grant date or the Company's next annual meeting of stockholders.

**Performance Stock Units**

Beginning in the first quarter of 2025, the Company determined to grant Performance Stock Units ("PSUs"), using return on invested capital as the performance metric, instead of granting stock options. The PSUs granted to employees for service generally vest after three years, subject to continued employment.

**2021 Employee Stock Purchase Plan**

Our Employee Stock Purchase Plan ("ESPP") became effective on July 14, 2021, in which 1,140,754 shares of common stock were available for issuance under the ESPP. On June 3, 2025, the ESPP plan was amended to increase the share reserve by 1,000,000 shares of common stock, for a total of 2,140,754 shares available for issuance. Under the ESPP, eligible employees are granted options to purchase shares of common stock at 85% of the fair market value at the time of exercise. Options to purchase shares are granted four times a year on the first payroll date in January, April, July, and October of each year and ending approximately three months later on the last business day in March, June, September or December. No employee may be granted an option under the Plan if, immediately after the option is granted, the employee would own stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company.

Compensation expense associated with ESPP purchase rights is recognized on a straight-line basis over the vesting period. As of the thirteen and thirty-nine weeks ended September 27, 2025 there was approximately \$97 and \$305 of compensation expense related to the ESPP, respectively. For the thirteen and thirty-nine weeks ended September 28, 2024, there was approximately \$94, and \$296 of compensation expense related to the ESPP, respectively.

**13. EARNINGS PER SHARE**

Basic earnings per share is computed based on the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share include the dilutive effect of stock options and restricted stock awards and units. The following is a reconciliation of the basic and diluted earnings per share ("EPS") computations for both the numerator and denominator (in thousands, except per share data):

|                                                | Thirteen Weeks Ended<br>September 27, 2025 |                         |                     | Thirty-nine Weeks Ended<br>September 27, 2025 |                         |                     |
|------------------------------------------------|--------------------------------------------|-------------------------|---------------------|-----------------------------------------------|-------------------------|---------------------|
|                                                | Earnings<br>(Numerator)                    | Shares<br>(Denominator) | Per Share<br>Amount | Earnings<br>(Numerator)                       | Shares<br>(Denominator) | Per Share<br>Amount |
| Net income                                     | \$ 23,192                                  | 197,754                 | 0.12                | \$ 38,707                                     | 197,544                 | \$ 0.20             |
| Dilutive effect of stock<br>options and awards | —                                          | 2,095                   | —                   | —                                             | 1,910                   | —                   |
| Net income per diluted<br>common share         | \$ 23,192                                  | 199,849                 | 0.12                | \$ 38,707                                     | 199,454                 | \$ 0.19             |

  

|                                                | Thirteen Weeks Ended<br>September 28, 2024 |                         |                     | Thirty-nine Weeks Ended<br>September 28, 2024 |                         |                     |
|------------------------------------------------|--------------------------------------------|-------------------------|---------------------|-----------------------------------------------|-------------------------|---------------------|
|                                                | Earnings<br>(Numerator)                    | Shares<br>(Denominator) | Per Share<br>Amount | Earnings<br>(Numerator)                       | Shares<br>(Denominator) | Per Share<br>Amount |
| Net income                                     | \$ 7,434                                   | 196,297                 | 0.04                | \$ 18,477                                     | 195,914                 | \$ 0.09             |
| Dilutive effect of stock<br>options and awards | —                                          | 2,737                   | —                   | —                                             | 2,456                   | —                   |
| Net income per diluted<br>common share         | \$ 7,434                                   | 199,034                 | 0.04                | \$ 18,477                                     | 198,370                 | \$ 0.09             |

Stock options and awards outstanding totaling 3,033 and 5,862 were excluded from the computation for the thirteen and thirty-nine weeks ended September 27, 2025, respectively, and 2,671 and 2,779 for the thirteen and thirty-nine weeks ended September 28, 2024, respectively, as they would have had an antidilutive effect under the treasury stock method.

## 14. DERIVATIVES AND HEDGING

FASB ASC 815, Derivatives and Hedging ("ASC 815"), provides the disclosure requirements for derivatives and hedging activities with the intent to provide users of financial statements with an enhanced understanding of: (a) how and why an entity uses derivative instruments, (b) how the entity accounts for derivative instruments and related hedged items, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. Further, qualitative disclosures are required that explain the Company's objectives and strategies for using derivatives, as well as quantitative disclosures about the fair value of and gains and losses on derivative instruments.

The Company uses derivative financial instruments to manage its exposures to (1) interest rate fluctuations on its floating rate senior term loan and (2) fluctuations in foreign currency exchange rates. The Company measures those instruments at fair value and recognizes changes in the fair value of derivatives in earnings in the period of change, unless the derivative qualifies as an effective hedge that offsets certain exposures.

The Company does not enter into derivative transactions for speculative purposes and, therefore, holds no derivative instruments for trading purposes.

### Interest Rate Swap Agreements

On December 19, 2023, the Company entered into an interest swap agreement ("2024 Swap 1") for a notional amount of \$144,000. The forward start date of the 2024 Swap 1 was July 21, 2024 and the termination date is January 31, 2027. The 2024 Swap 1 has a determined pay fixed interest rate of 3.8%. In accordance with ASC 815, the Company determined the 2024 Swap 1 constituted an effective cash flow hedge and therefore changes in fair value are recorded within other comprehensive income (loss) within the Company's Statement of Comprehensive Income and the deferred gains or losses are reclassified out of other comprehensive income (loss) into interest expense in the same period during which the hedged transactions affect earnings.

On December 19, 2023, the Company entered into an interest swap agreement ("2024 Swap 2") for a notional amount of \$216,000. The forward start date of the 2024 Swap 2 was July 21, 2024 and the termination date is January 31, 2027. The 2024 Swap 2 has a determined pay fixed interest rate of 3.62%. In accordance with ASC 815, the Company determined the 2024 Swap 2 constituted an effective cash flow hedge and therefore changes in fair value are recorded within other comprehensive income (loss) within the Company's Statement of Comprehensive

Income and the deferred gains or losses are reclassified out of other comprehensive income (loss) into interest expense in the same period during which the hedged transactions affect earnings.

The following table summarizes the Company's derivative financial instruments:

| Asset Derivatives                              |                                           |                                |                               | Liability Derivatives            |                               |
|------------------------------------------------|-------------------------------------------|--------------------------------|-------------------------------|----------------------------------|-------------------------------|
|                                                |                                           | As of<br>September 27,<br>2025 | As of<br>December 28,<br>2024 | As of September<br>27, 2025      | As of<br>December 28,<br>2024 |
| Balance Sheet<br>Location                      |                                           | Fair Value                     | Fair Value                    | Balance Sheet<br>Location        | Fair Value                    |
| Derivatives designated as hedging instruments: |                                           |                                |                               |                                  |                               |
| 2024 Swap 1                                    | Other current/other<br>non-current assets | —                              | 787                           | Other non-current<br>liabilities | (561)                         |
| 2024 Swap 2                                    | Other current/other<br>non-current assets | 56                             | 1,961                         | Other non-current<br>liabilities | (388)                         |
| Total hedging instruments:                     |                                           | \$ 56                          | \$ 2,748                      | \$ (949)                         | \$ —                          |

## Foreign Currency Forward Contracts

As of September 27, 2025 and December 28, 2024 the Company entered into foreign currency forward contracts. The purpose of the Company's foreign currency forward contracts is to manage the Company's exposure to fluctuations in the exchange rate of the Canadian dollar.

The total notional amount of contracts outstanding was C\$4,656 and C\$4,087 as of September 27, 2025 and December 28, 2024, respectively. The total fair value of the foreign currency forward contracts was \$3,375 and \$4,325 as of September 27, 2025 and December 28, 2024, respectively, and was reported on the accompanying Condensed Consolidated Balance Sheets in other accrued expenses. A loss in other income of \$31 and gain of \$49 was recorded in the Condensed Consolidated Statements of Comprehensive Income for the change in fair value during the thirteen and thirty-nine weeks ended September 27, 2025, respectively.

The Company's foreign currency forward contracts did not qualify for hedge accounting treatment because they did not meet the provisions specified in ASC 815. Accordingly, the gain or loss on these derivatives was recognized in other (income) expense in the Condensed Consolidated Statements of Comprehensive Income.

The Company does not enter into derivative transactions for speculative purposes and, therefore, holds no derivative instruments for trading purposes.

Additional information with respect to the fair value of derivative instruments is included in Note 15 - Fair Value Measurements.

## 15. FAIR VALUE MEASUREMENTS

The Company uses the accounting guidance that applies to all assets and liabilities that are being measured and reported on a fair value basis. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance also establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs reflecting the reporting entity's own assumptions.

The accounting guidance establishes a hierarchy which requires an entity to maximize the use of quoted market prices and minimize the use of unobservable inputs. An asset or liability's level is based on the lowest level of input that is significant to the fair value measurement.

The following tables set forth the Company's financial assets and liabilities that were measured at fair value on a recurring basis during the period, by level, within the fair value hierarchy:

| As of September 27, 2025           |         |         |         |        |
|------------------------------------|---------|---------|---------|--------|
|                                    | Level 1 | Level 2 | Level 3 | Total  |
| Trading securities                 | \$ 840  | \$ —    | \$ —    | \$ 840 |
| Interest rate swaps                | —       | (893)   | —       | (893)  |
| Foreign exchange forward contracts | —       | 3,375   | —       | 3,375  |
| Contingent consideration payable   | —       | —       | 4,164   | 4,164  |

  

| As of December 28, 2024            |         |         |         |        |
|------------------------------------|---------|---------|---------|--------|
|                                    | Level 1 | Level 2 | Level 3 | Total  |
| Trading securities                 | \$ 796  | \$ —    | \$ —    | \$ 796 |
| Interest rate swaps                | —       | 2,748   | —       | 2,748  |
| Foreign exchange forward contracts | —       | 4,325   | —       | 4,325  |
| Contingent consideration payable   | —       | —       | 4,863   | 4,863  |

Trading securities are valued using quoted prices on an active exchange. Trading securities represent assets held in a Rabbi Trust to fund deferred compensation liabilities and are included as Other assets on the accompanying Condensed Consolidated Balance Sheets.

The Company utilizes interest rate swap contracts to manage our targeted mix of fixed and floating rate debt, and these contracts are valued using observable benchmark rates at commonly quoted intervals for the full term of the swap contracts. As of September 27, 2025 and December 28, 2024, the Company's interest rate swaps were recorded on the accompanying Condensed Consolidated Balance Sheets in accordance with ASC 815.

The Company utilizes foreign exchange forward contracts to manage our exposure to currency fluctuations in the Canadian dollar versus the U.S. dollar. The forward contracts were valued using observable benchmark rates at commonly quoted intervals during the term of the forward contract. As of September 27, 2025 and December 28, 2024, the foreign exchange forward contracts were included in other accrued expenses on the accompanying Condensed Consolidated Balance Sheets.

The contingent consideration represents future potential earn-out payments related to the Resharp acquisition in fiscal 2019 and the Instafood acquisition in the first quarter of 2020. The estimated fair value of the contingent earn-outs was determined using a Monte Carlo analysis examining the frequency and mean value of the resulting earn-out payments. The resulting value captures the risk associated with the form of the payout structure. The risk neutral method is applied, resulting in a value that captures the risk associated with the form of the payout structure and the projection risk. The carrying amount of the liability may fluctuate significantly and actual amounts paid may be materially different from the estimated value of the liability. The current and non-current portions of these obligations are reported separately on the Condensed Consolidated Balance Sheets as other accrued expense and other non-current liabilities, respectively. Subsequent changes in the fair value of the contingent consideration liabilities, as determined by using a simulation model of the Monte Carlo analysis that includes updated projections applicable to the liability, are recorded within other income (expense) in the Condensed Consolidated Statements of Comprehensive Income.

The table below provides a summary of the changes in fair value of the Company's contingent consideration (Level 3) for Resharp and Instafood as of September 27, 2025.

|                                                  | Resharp                |                               | Instafood              |                               | Total           |
|--------------------------------------------------|------------------------|-------------------------------|------------------------|-------------------------------|-----------------|
|                                                  | Other accrued expenses | Other non-current liabilities | Other accrued expenses | Other non-current liabilities |                 |
| Fair value as of December 28, 2024               | \$ 226                 | \$ 4,574                      | \$ 23                  | \$ 40                         | \$ 4,863        |
| Fair value of cash consideration paid            | (191)                  | —                             | (8)                    | —                             | (199)           |
| Change in fair value of contingent consideration | 165                    | (674)                         | —                      | 9                             | (500)           |
| Fair value as of September 27, 2025              | <u>\$ 200</u>          | <u>\$ 3,900</u>               | <u>\$ 15</u>           | <u>\$ 49</u>                  | <u>\$ 4,164</u> |

Cash, accounts receivable, short-term borrowings and accounts payable are reflected in the Condensed Consolidated Balance Sheets at book value, which approximates fair value, due to the short-term nature of these instruments. The carrying amounts of the long-term debt under the revolving credit facility and term loan approximate the fair value at September 27, 2025 and December 28, 2024 as the interest rate is variable and approximates current market rates of debt based on observable market transactions with similar terms and comparable credit risk.

Additional information with respect to the derivative instruments is included in Note 14 - Derivatives and Hedging.

## 16. SEGMENT REPORTING

The Company's segment reporting structure uses the Company's management reporting structure as the foundation for how the Company manages its business. The Company periodically evaluates its segment reporting structure in accordance with ASC 350-20-55 and has concluded that it has three reportable segments as of September 27, 2025.

The segments are as follows:

- Hardware and Protective Solutions
- Robotics and Digital Solutions
- Canada

In the second quarter of 2025, the Company realigned its Hardware and Protective Solutions segment to include the sales of accessories, which are now managed by the Hardware and Protective Solutions leadership team. Previously, accessories were included under the Robotics and Digital Solutions segment leadership team. Please see Note 1 - Basis of Presentation for more information.

For a reconciliation of our segment sales by product category and geographic area, please see Note 2 - Summary of Significant Accounting Policies.

The tables below present net sales, significant segment expenses, and segment adjusted EBITDA for the reportable segments for the thirteen and thirty-nine weeks ended September 27, 2025 and thirteen and thirty-nine weeks ended September 28, 2024. See Note 2 - Summary of Significant Accounting Policies for a reconciliation of total reportable segments' revenues to consolidated revenues. Certain amounts in the prior year Condensed Consolidated Financial Statements and in the Notes to the Condensed Consolidated Financial Statements were reclassified to conform to the current year's presentation. This had no impact on the prior period's condensed consolidated balance sheets, condensed consolidated statements of comprehensive income, condensed consolidated statements of cash flows, or condensed consolidated statements of stockholder's equity.

| Hardware and Protective Solutions                          | Thirteen weeks ended<br>September 27,<br>2025 | Thirteen weeks ended<br>September 28,<br>2024 | Thirty-nine weeks ended<br>September 27,<br>2025 | Thirty-nine weeks ended<br>September 28,<br>2024 |
|------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Net sales                                                  | \$ 329,122                                    | \$ 299,286                                    | \$ 913,055                                       | \$ 843,964                                       |
| Significant segment expenses                               |                                               |                                               |                                                  |                                                  |
| Cost of sales (exclusive of depreciation and amortization) | 168,753                                       | 166,816                                       | 496,921                                          | 468,672                                          |
| Adjusted selling expense <sup>(1)</sup>                    | 34,860                                        | 29,403                                        | 93,212                                           | 87,391                                           |
| Adjusted warehouse expense <sup>(2)</sup>                  | 37,643                                        | 36,641                                        | 110,369                                          | 108,864                                          |
| Adjusted general and administrative expense <sup>(3)</sup> | 22,356                                        | 24,782                                        | 57,621                                           | 59,725                                           |
| Other segment items                                        | (330)                                         | (224)                                         | (707)                                            | (769)                                            |
| Segment adjusted EBITDA                                    | \$ 65,840                                     | \$ 41,868                                     | \$ 155,639                                       | \$ 120,081                                       |

1. Adjusted selling expense excludes expense related to corporate restructuring activities.
2. Adjusted warehouse expense excludes restructuring expense associated with our distribution center relocations and corporate restructuring activities.
3. Adjusted general and administrative expense excludes stock-based compensation, acquisition and integration costs, expense associated with corporate restructuring, and legal charges related to settlements.



| Robotics and Digital Solutions                             | Thirteen weeks ended<br>September 27,<br>2025 | Thirteen weeks ended<br>September 28,<br>2024 | Thirty-nine weeks ended<br>September 27,<br>2025 | Thirty-nine weeks ended<br>September 28,<br>2024 |
|------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Net sales                                                  | \$ 58,573                                     | \$ 56,688                                     | \$ 167,003                                       | \$ 162,969                                       |
| Significant segment expenses                               |                                               |                                               |                                                  |                                                  |
| Cost of sales (exclusive of depreciation and amortization) | 15,090                                        | 15,003                                        | 44,908                                           | 45,241                                           |
| Adjusted selling expense <sup>(1)</sup>                    | 17,584                                        | 16,392                                        | 50,506                                           | 45,646                                           |
| Adjusted warehouse expense <sup>(2)</sup>                  | 2,824                                         | 2,432                                         | 7,899                                            | 7,109                                            |
| Adjusted general and administrative expense <sup>(3)</sup> | 4,669                                         | 4,416                                         | 12,855                                           | 13,440                                           |
| Other segment items <sup>(4)</sup>                         | 16                                            | 14                                            | 135                                              | 135                                              |
| Segment adjusted EBITDA                                    | <u>\$ 18,390</u>                              | <u>\$ 18,431</u>                              | <u>\$ 50,700</u>                                 | <u>\$ 51,398</u>                                 |

- Adjusted selling expense excludes expense related to corporate restructuring activities.
- Adjusted warehouse expense excludes restructuring expense associated with our distribution center relocations and corporate restructuring activities.
- Adjusted general and administrative expense excludes stock compensation expense, acquisition and integration expense, consulting expense and legal charges related to settlements, see Note 6 - Commitments and Contingencies.
- Other excludes the gain or loss on the revaluation of our contingent consideration liability, see Note 15 - Fair Value Measurements.

| Canada                                                     | Thirteen weeks ended<br>September 27,<br>2025 | Thirteen weeks ended<br>September 28,<br>2024 | Thirty-nine weeks ended<br>September 27,<br>2025 | Thirty-nine weeks ended<br>September 28,<br>2024 |
|------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Net sales                                                  | \$ 37,244                                     | \$ 37,322                                     | \$ 107,027                                       | \$ 116,100                                       |
| Significant segment expenses                               |                                               |                                               |                                                  |                                                  |
| Cost of sales (exclusive of depreciation and amortization) | 21,535                                        | 21,883                                        | 62,627                                           | 67,895                                           |
| Adjusted selling expense <sup>(1)</sup>                    | 3,768                                         | 3,722                                         | 10,610                                           | 10,958                                           |
| Adjusted warehouse expense <sup>(2)</sup>                  | 5,965                                         | 5,397                                         | 16,643                                           | 17,195                                           |
| Adjusted general and administrative expense <sup>(3)</sup> | 1,979                                         | 2,019                                         | 5,621                                            | 5,723                                            |
| Other segment items                                        | 201                                           | (205)                                         | 85                                               | 324                                              |
| Segment adjusted EBITDA                                    | <u>\$ 3,796</u>                               | <u>\$ 4,506</u>                               | <u>\$ 11,441</u>                                 | <u>\$ 14,005</u>                                 |

- Adjusted selling expense excludes restructuring expense.
- Adjusted warehouse expense excludes restructuring expense associated with our distribution center relocations and corporate restructuring activities.
- Adjusted general and administrative expense excludes stock-based compensation and expense associated with corporate restructuring activities.

The following table reconciles segment adjusted EBITDA by segment to the Company's consolidated income (loss) before income taxes. Certain amounts in the prior year presentation between segments were reclassified to conform to the current year's presentation.

|                                                  | Thirteen weeks<br>ended<br>September 27,<br>2025 | Thirteen weeks<br>ended<br>September 28,<br>2024 | Thirty-nine<br>weeks ended<br>September 27,<br>2025 | Thirty-nine<br>weeks ended<br>September 28,<br>2024 |
|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Hardware and Protective Solutions                | \$ 65,840                                        | \$ 41,868                                        | \$ 155,639                                          | \$ 120,081                                          |
| Robotics and Digital Solutions                   | 18,390                                           | 18,431                                           | 50,700                                              | 51,398                                              |
| Canada                                           | 3,796                                            | 4,506                                            | 11,441                                              | 14,005                                              |
| Total adjusted EBITDA                            | 88,026                                           | 64,805                                           | 217,780                                             | 185,484                                             |
| Interest expense, net                            | 14,692                                           | 15,108                                           | 43,044                                              | 44,316                                              |
| Depreciation                                     | 20,100                                           | 17,948                                           | 59,343                                              | 50,583                                              |
| Amortization                                     | 15,265                                           | 15,354                                           | 45,937                                              | 45,857                                              |
| Stock compensation expense                       | 3,904                                            | 3,257                                            | 10,739                                              | 9,742                                               |
| Restructuring and other costs                    | 749                                              | 1,322                                            | 2,860                                               | 3,192                                               |
| Litigation expense                               | 1,950                                            | —                                                | 1,950                                               | —                                                   |
| Transaction and integration expense              | 87                                               | 477                                              | 215                                                 | 993                                                 |
| Change in fair value of contingent consideration | 67                                               | (467)                                            | (500)                                               | 313                                                 |
| Refinancing costs                                | —                                                | —                                                | 906                                                 | 3,008                                               |
| Total adjusting items                            | 56,814                                           | 52,999                                           | 164,494                                             | 158,004                                             |
| Income before income taxes                       | \$ 31,212                                        | \$ 11,806                                        | \$ 53,286                                           | \$ 27,480                                           |

# ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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The following discussion provides information which the Company's management believes is relevant to an assessment and understanding of the Company's operations and financial condition. This discussion should be read in conjunction with the Condensed Consolidated Financial Statements and accompanying notes in addition to the Consolidated Financial Statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 28, 2024.

## FORWARD-LOOKING STATEMENTS

This quarterly report contains certain forward-looking statements, including, but not limited to, certain disclosures related to acquisitions, refinancing, capital expenditures, resolution of pending litigation, and realization of deferred tax assets, 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 our and our customers', suppliers' and other business partners' operations, financial condition and cash flows including spending on home renovation or construction projects, inflation, recessions, instability in the financial markets or credit markets; (2) increased supply chain costs, including tariffs, 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 the Annual Report on Form 10-K filed on February 20, 2025. 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.

## GENERAL

Hillman Solutions Corp. and its wholly-owned subsidiaries (collectively, "Hillman" or "Company") are one of the largest providers of hardware-related products and related merchandising services to retail markets in North America. Our principal business is operated through our wholly-owned subsidiary, Hillman Solutions Corp. and its wholly-owned subsidiaries (collectively, "Hillman Group"), which had net sales of \$424.9 million in the thirteen weeks ended September 27, 2025 and \$1,187.1 million in the thirty-nine weeks ended September 27, 2025. Hillman sells its products to hardware stores, home improvement centers, mass merchants, pet supply stores, and other retail outlets principally in the United States, Canada, and Mexico. Product lines include thousands of small hardware parts such as fasteners and related items; threaded rod and metal shapes; keys and accessories; builder's hardware; personal protective equipment, such as gloves and eyewear; rope and chain; and identification

items, such as tags and letters, numbers, and signs. We support product sales with services that include design and installation of merchandising systems, maintenance of appropriate in-store inventory levels, and break-fix for our robotics kiosks.

## RECENT DEVELOPMENTS

### Tariff Environment

In 2025, the U.S. government announced tariffs on imports from countries from which we import products and components. Subsequent to the initial announcements, there have been changes to the effective dates and amounts, and as a result, we are unable to fully quantify the impact that tariffs, when ultimately enacted, will have on our results of operations given the dynamic tariff environment.

We estimate we source approximately 33% of our products from China, 33% from suppliers based in North America, and 33% from all other countries. Based on the current facts and tariff environment as of the date of this filing, tariffs have resulted in an increase in our net working capital and cost of sales. We have raised our prices to offset the tariff costs that are expected to further increase our cost of sales, although these price increases could impact future demand for our products. We continue to analyze the impact of these actions and what, if any, steps, including pricing actions, we may take to mitigate the impact of the tariffs. Consistent with our normal course of business, we will continue exploring alternative suppliers in other countries to source quality products that provide the best value for our customers.

### Segment Realignment

In the second quarter of 2025, the Company realigned its Hardware and Protective Solutions segment to include the sales of accessories, which are now managed by the Hardware and Protective Solutions leadership team. Previously, accessories were included under the Robotics and Digital Solutions segment leadership team. See Note 16 - Segment Reporting of the Notes to Condensed Consolidated Financial Statements for additional information.

### Share Repurchases

On July 31, 2025, the Board of Directors of the Company authorized a share repurchase program of up to \$100,000 (the "Repurchase Program") of the Company's common stock.

## IMPACT OF GLOBAL ECONOMIC CONDITIONS ON OUR RESULTS OF OPERATIONS

Our business is impacted by general economic conditions in the North American markets, particularly the U.S. and Canadian retail markets, including hardware stores, home improvement centers, mass merchants, and other retailers. Changes in current economic conditions, including inflationary pressures in the cost of inventory, transportation, and employee compensation, foreign currency volatility, housing market trends, tariffs, and concerns of a potential recession, have impacted consumer discretionary income levels and spending. Consumer discretionary income levels and spending impact the purchasing trends of our products by our retail customers. Any adverse trends in discretionary income and consumer spending could have a material adverse effect on our business or operating results.

We are exposed to the risk of unfavorable changes in foreign currency exchange rates for the U.S. dollar versus local currency of our suppliers, particularly those located in China and Taiwan, because we purchase a majority of our products for resale from multiple vendors located in these countries. The purchase price of these products is routinely negotiated in U.S. dollar amounts rather than the local currency of the vendors and our suppliers' profit margins decrease when the U.S. dollar declines in value relative to the local currency. This puts pressure on our suppliers to increase prices to us. The U.S. dollar declined in value relative to the CNY by approximately 2.3% in the thirty-nine weeks ended September 27, 2025, increased by 2.8% in 2024, and increased by 2.9% in 2023. The U.S. dollar declined in value relative to the Taiwan dollar by approximately 6.9% in the thirty-nine weeks ended September 27, 2025, increased by 7.1% in 2024, and declined by 0.4% in 2023.

We are also exposed to risk of unfavorable changes in the Canadian dollar exchange rate versus the U.S. dollar. Our sales in Canada are denominated in Canadian dollars, while a majority of the products are sourced in U.S. dollars. A weakening of the Canadian dollar versus the U.S. dollar results in lower sales in terms of U.S. dollars.

while the cost of sales remains unchanged. We have a practice of hedging some of our Canadian subsidiary's purchases denominated in U.S. dollars. The U.S. dollar declined in value relative to the Canadian dollar by approximately 3.3% in the thirty-nine weeks ended September 27, 2025, increased by 9.0% in 2024, and declined by 2.4% in 2023.

In addition, the negotiated purchase price of our products may be dependent upon market fluctuations in the cost of raw materials (i.e. steel, zinc, and nickel) used by our vendors in their manufacturing processes. The final purchase cost of our products may also be dependent upon inflation or deflation in the local economies of vendors that could impact the cost of labor and materials used in the manufacturing of our products. We identify the directional impact of changes in our product cost, but the quantification of each of these variable impacts cannot be measured as to the individual impact on our product cost with a sufficient level of precision. We may take pricing action, when warranted, in an attempt to offset a portion of product cost increases. The ability of our operating divisions to implement or maintain price increases and seek price concessions, as appropriate, is dependent on competitive market conditions.

We import products, which are subject to customs requirements and to tariffs and quotas set by governments, through mutual agreements and bilateral actions. The historical U.S. tariffs on steel and aluminum and other imported goods have increased our product costs and required us to increase prices on the affected products. Current uncertainties about increases in tariffs of imported products from countries may have an adverse effect on our results. (see Recent Developments - Tariff Environment of Item 2 - Management's Discussion and Analysis above and Risk Factors of Part II - Other Information for additional information).

# Thirteen weeks ended September 27, 2025 vs the Thirteen weeks ended September 28, 2024

## FINANCIAL SUMMARY AND OTHER KEY METRICS

- Net sales for the thirteen weeks ended September 27, 2025 were \$424.9 million compared to net sales of \$393.3 million for the thirteen weeks ended September 28, 2024, an increase of approximately \$31.6 million or 8.0%.
- Net income for the thirteen weeks ended September 27, 2025 was \$23.2 million, or \$0.12 per diluted share, compared to net income of \$7.4 million, or \$0.04 per diluted share for the thirteen weeks ended September 28, 2024.
- Adjusted EBITDA<sup>(1)</sup> totaled \$88.0 million versus \$64.8 million in the thirteen weeks ended September 27, 2025 and in the thirteen weeks ended September 28, 2024, respectively.

## RESULTS OF OPERATIONS

The following analysis of results of operations includes a brief discussion of the factors that affected our operating results and a comparative analysis of the thirteen weeks ended September 27, 2025 and the thirteen weeks ended September 28, 2024.

|                                                                                   | Thirteen weeks ended<br>September 27, 2025 |                   | Thirteen weeks ended<br>September 28, 2024 |                   |
|-----------------------------------------------------------------------------------|--------------------------------------------|-------------------|--------------------------------------------|-------------------|
| (dollars in thousands)                                                            | Amount                                     | % of<br>Net Sales | Amount                                     | % of<br>Net Sales |
| Net sales                                                                         | \$ 424,939                                 | 100.0 %           | \$ 393,296                                 | 100.0 %           |
| Cost of sales (exclusive of depreciation and amortization shown separately below) | 205,378                                    | 48.3              | 203,700                                    | 51.8              |
| Selling, warehouse, general and administrative expenses                           | 138,342                                    | 32.6              | 130,261                                    | 33.1              |
| Depreciation                                                                      | 20,100                                     | 4.7               | 17,948                                     | 4.6               |
| Amortization                                                                      | 15,265                                     | 3.6               | 15,354                                     | 3.9               |
| Other (income) expense, net                                                       | (50)                                       | —                 | (881)                                      | (0.2)             |
| Income from operations                                                            | 45,904                                     | 10.8              | 26,914                                     | 6.8               |
| Interest expense, net                                                             | 14,692                                     | 3.5               | 15,108                                     | 3.8               |
| Income before income taxes                                                        | 31,212                                     | 7.3               | 11,806                                     | 3.0               |
| Income tax (benefit) expense                                                      | 8,020                                      | 1.9               | 4,372                                      | 1.1               |
| Net income                                                                        | \$ 23,192                                  | 5.5 %             | \$ 7,434                                   | 1.9 %             |
| Adjusted EBITDA <sup>(1)</sup>                                                    | \$ 88,026                                  | 20.7 %            | \$ 64,805                                  | 16.5 %            |

(1) Adjusted EBITDA is a non-GAAP financial measure. Refer to the “Non-GAAP Financial Measures” section for additional information, including our definition and our use of Adjusted EBITDA, and for a reconciliation from net income to Adjusted EBITDA.

## Net Sales by Segment

|                                   | Thirteen weeks<br>ended September<br>27, 2025 |        | Thirteen weeks<br>ended September<br>28, 2024 |        | \$ Change | % Change |
|-----------------------------------|-----------------------------------------------|--------|-----------------------------------------------|--------|-----------|----------|
| Hardware and Protective Solutions | \$ 329,122                                    | 77.5 % | \$ 299,286                                    | 76.1 % | \$ 29,836 | 10.0 %   |
| Robotics and Digital Solutions    | 58,573                                        | 13.8   | 56,688                                        | 14.4   | 1,885     | 3.3      |
| Canada                            | 37,244                                        | 8.8    | 37,322                                        | 9.5    | (78)      | (0.2)    |
| Consolidated                      | \$ 424,939                                    |        | \$ 393,296                                    |        | \$ 31,643 | 8.0 %    |

The increase in total net sales during the third quarter of 2025 was primarily driven by the factors described below:

Hardware and Protective Solutions' net sales increased by \$29.8 million in the thirteen weeks ended September 27, 2025 due to the following:

- Hardware net sales increased by \$20.9 million primarily due to price increases of \$28.6 million offset by \$7.6 million in reduced volume.
- Protective equipment net sales increased by \$9.0 million primarily due to \$8.7 million in additional sales related to the Intex acquisition. Additionally, sales were impacted by price increases of \$6.5 million partially offset by \$6.3 million in reduced volume.

Robotics and Digital Solutions' net sales in the thirteen weeks ended September 27, 2025 increased by \$1.9 million primarily due to \$4.6 million in price increases partially offset by lower volumes.

Canada net sales were comparable to prior year quarter.

## Cost of Sales (excluding depreciation and amortization)

The following table summarizes cost of sales by segment:

|                                   | Thirteen weeks<br>ended September 27,<br>2025 |         | % of Segment<br>Net Sales | Thirteen weeks<br>ended September 28,<br>2024 |         | % of Segment<br>Net Sales | \$ Change | % Change |
|-----------------------------------|-----------------------------------------------|---------|---------------------------|-----------------------------------------------|---------|---------------------------|-----------|----------|
| Hardware and Protective Solutions | \$                                            | 168,753 | 51.3 %                    | \$                                            | 166,814 | 55.7 %                    | \$ 1,939  | 1.2 %    |
| Robotics and Digital Solutions    |                                               | 15,090  | 25.8                      |                                               | 15,003  | 26.5                      | 87        | 0.6      |
| Canada                            |                                               | 21,535  | 57.8                      |                                               | 21,883  | 58.6                      | (348)     | (1.6)    |
| Consolidated                      | \$                                            | 205,378 | 48.3 %                    | \$                                            | 203,700 | 51.8 %                    | \$ 1,678  | 0.8 %    |

Hardware and Protective Solutions' cost of sales as a percentage of net sales decreased primarily due to the timing of price increases driven by higher tariff costs. During the quarter, we began taking pricing actions with our customers as we are paying the additional tariff costs in 2025. We expect higher tariff expense to be included in our cost of sales in the fourth quarter of 2025 as we sell through the inventory purchased prior to the new tariffs.

Robotics and Digital Solutions' cost of sales as a percentage of net sales decreased due to price increases and sales mix.

Canada cost of sales as a percentage of net sales decreased primarily due to decreased product and shipping costs.

## Selling, Warehouse, and General and Administrative Expenses

The following table summarizes selling, warehouse, and general and administrative expense ("SG&A") by segment:

|                                   | Thirteen weeks<br>ended September<br>27, 2025 |         | % of Segment<br>Net Sales | Thirteen weeks<br>ended September<br>28, 2024 |         | % of Segment<br>Net Sales | \$ Change | % Change |
|-----------------------------------|-----------------------------------------------|---------|---------------------------|-----------------------------------------------|---------|---------------------------|-----------|----------|
| Hardware and Protective Solutions | \$                                            | 99,758  | 30.3 %                    | \$                                            | 94,208  | 31.5 %                    | \$ 5,550  | 5.9 %    |
| Robotics and Digital Solutions    |                                               | 25,669  | 43.8                      |                                               | 23,926  | 42.2                      | 1,743     | 7.3      |
| Canada                            |                                               | 12,915  | 34.7                      |                                               | 12,127  | 32.5                      | 788       | 6.5      |
| Consolidated                      | \$                                            | 138,342 | 32.6 %                    | \$                                            | 130,261 | 33.1 %                    | \$ 8,081  | 6.2 %    |

Hardware and Protective Solutions' SG&A increased due to the following:

- Selling expense increased \$5.5 million due to increased compensation costs.
- Warehouse expense increased \$1.0 million primarily due to increased labor costs along with increased rent and maintenance.
- General and administrative expense ("G&A") decreased \$0.9 million due to a write off of \$7.5 million of accounts receivable, net, due to True Value declaring bankruptcy in 2024 partially offset by increased variable compensation costs and legal fees.

Robotics and Digital Solutions' SG&A increased due to the following:

- Selling expense increased \$1.2 million primarily due to increased variable selling expenses due to the shift from full-service keys to self-service keys, which have a higher variable selling cost.
- Warehouse expense increased \$0.4 million due to inflation in labor and shipping costs.
- G&A expense was comparable to prior year.

Canada SG&A decreased due to the following:

- G&A expense increased by \$1.0 million primarily due to severance expense recorded in connection with corporate restructuring activities in the third quarter of 2025.
- Selling expense decreased by \$0.2 million primarily due to lower severance costs associated with sales restructuring activities in the prior year.
- Warehouse expense was comparable to prior year.

## Other Operating Expenses

Depreciation expense increased \$2.2 million due to capital spend on merchandising racks.

Amortization expense in the thirteen weeks ended September 27, 2025 was comparable to prior year quarter.

In the thirteen weeks ended September 27, 2025, other income (expense) consisted primarily of exchange rate losses of \$0.2 million and a \$0.1 million loss on the revaluation of the contingent consideration associated with the acquisition of Resharp and Instafof (see Note 15 - Fair Value Measurements of the Notes to Condensed Consolidated Financial Statements for additional information). In addition, we recorded income related to certain rebates received of \$0.3 million.

In the thirteen weeks ended September 28, 2024, other income (expense) consisted primarily of a \$0.5 million gain on the revaluation of the contingent consideration associated with the acquisition of Resharp and Instafof.

Income from Operations

|                                      | Thirteen weeks ended<br>September 27, 2025 | Thirteen weeks ended<br>September 28, 2024 | \$ Change | % Change |
|--------------------------------------|--------------------------------------------|--------------------------------------------|-----------|----------|
| Hardware and Protective Solutions    | \$ 38,935                                  | \$ 17,673                                  | \$ 21,262 | 120.3 %  |
| Robotics and Digital Solutions       | 5,626                                      | 6,879                                      | (1,253)   | (18.2)   |
| Canada                               | 1,343                                      | 2,362                                      | (1,019)   | (43.1)   |
| Total segment income from operations | \$ 45,904                                  | \$ 26,914                                  | \$ 18,990 | 70.6 %   |

Income from operations in our Hardware and Protective Solutions segment increased \$21.3 million due to the changes in net sales, cost of sales, and SG&A expenses described above. These changes were partially offset by an increase in depreciation expense of \$1.6 million due to capital spend on merchandising racks.

Income from operations in our Robotics and Digital Solutions segment decreased \$1.3 million. The \$1.3 million decrease is primarily due to the changes in net sales, cost of sales, and SG&A expenses described above, in addition to an increase in depreciation expense of \$0.5 million due to capital spend on key duplication kiosks and machines. Additionally, we saw a decrease of \$0.5 million in other income driven by the changes in revaluation of the contingent consideration described above.

Canada's income from operations decreased by \$1.0 million primarily due to the changes in net sales, cost of sales and SG&A expenses described above. In addition, in the thirteen weeks ended September 27, 2025, Canada recorded exchange rate losses of \$0.2 million and in the thirteen weeks ended September 28, 2024, Canada recorded exchange rate gains of \$0.2 million.

Interest expense, net, decreased \$0.4 million primarily due to a reduction in outstanding debt and a reduction in interest rate spreads driven by the debt repricing in the first quarter of 2025 (see Note 9 - Long-term Debt of the Notes to Condensed Consolidated Financial Statements for additional information).

Income Taxes

For the thirteen weeks ended September 27, 2025 and thirteen weeks ended September 28, 2024, the effective income tax rate was 25.7% and 37.0%, respectively. The Company recorded an income tax provision for the thirteen weeks ended September 27, 2025 of \$8.0 million based on a pre-tax income of \$31.2 million, and an income tax provision for the thirteen weeks ended September 28, 2024 of \$4.4 million based on a pre-tax income of \$11.8 million.

In 2025 and 2024, the effective tax rate differed from the U.S. federal statutory tax rate due to state and foreign income taxes and certain non-deductible expenses. See Note 8 - Income Taxes of the Notes to Condensed Consolidated Financial Statements for additional information.

Thirty-nine weeks ended September 27, 2025 vs the Thirty-nine weeks ended September 28, 2024

FINANCIAL SUMMARY AND OTHER KEY METRICS



- Net sales for the thirty-nine weeks ended September 27, 2025 were \$1,187.1 million compared to \$1,123.0 million for the thirty-nine weeks ended September 28, 2024, an increase of approximately \$64.1 million or 5.7%.
- Net income for the thirty-nine weeks ended September 27, 2025 was \$38.7 million, or \$0.19 per diluted share, compared to net income of \$18.5 million, or \$0.09 per diluted share for the thirty-nine weeks ended September 28, 2024.
- Adjusted EBITDA<sup>(1)</sup> totaled \$217.8 million versus \$185.5 million in the thirty-nine weeks ended September 27, 2025 and in the thirty-nine weeks ended September 28, 2024, respectively.

## RESULTS OF OPERATIONS

The following analysis of results of operations includes a brief discussion of the factors that affected our operating results and a comparative analysis of the thirty-nine weeks ended September 27, 2025 and the thirty-nine weeks ended September 28, 2024.

|                                                                                   | Thirty-nine weeks ended<br>September 27, 2025 |                   | Thirty-nine weeks ended<br>September 28, 2024 |                   |
|-----------------------------------------------------------------------------------|-----------------------------------------------|-------------------|-----------------------------------------------|-------------------|
| <i>(dollars in thousands)</i>                                                     | Amount                                        | % of<br>Net Sales | Amount                                        | % of<br>Net Sales |
| Net sales                                                                         | \$ 1,187,085                                  | 100.0 %           | \$ 1,123,033                                  | 100.0 %           |
| Cost of sales (exclusive of depreciation and amortization shown separately below) | 604,456                                       | 50.9              | 581,806                                       | 51.8              |
| Selling, warehouse, general and administrative expenses                           | 381,101                                       | 32.1              | 369,980                                       | 32.9              |
| Depreciation                                                                      | 59,343                                        | 5.0               | 50,583                                        | 4.5               |
| Amortization                                                                      | 45,937                                        | 3.9               | 45,857                                        | 4.1               |
| Other (income) expense, net                                                       | (988)                                         | (0.1)             | 3                                             | —                 |
| Income from operations                                                            | 97,236                                        | 8.2               | 74,804                                        | 6.7               |
| Interest expense, net                                                             | 43,044                                        | 3.6               | 44,316                                        | 3.9               |
| Refinancing charges                                                               | 906                                           | 0.1               | 3,008                                         | 0.3               |
| Income before income taxes                                                        | 53,286                                        | 4.5               | 27,480                                        | 2.4               |
| Income tax expense                                                                | 14,579                                        | 1.2               | 9,003                                         | 0.8               |
| Net income                                                                        | <u>\$ 38,707</u>                              | <u>3.3 %</u>      | <u>\$ 18,477</u>                              | <u>1.6 %</u>      |
| Adjusted EBITDA <sup>(1)</sup>                                                    | \$ 217,780                                    | 18.3 %            | \$ 185,484                                    | 16.5 %            |

(1) Adjusted EBITDA is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section for additional information, including our definition and our use of Adjusted EBITDA, and for a reconciliation from net income to Adjusted EBITDA.

## Net Sales by Segment

|                                      | Thirty-nine weeks<br>ended September 27,<br>2025 |           | Thirty-nine weeks<br>ended September<br>28, 2024 |    | \$ Change | % Change |           |       |
|--------------------------------------|--------------------------------------------------|-----------|--------------------------------------------------|----|-----------|----------|-----------|-------|
| Hardware and Protective<br>Solutions | \$                                               | 913,055   | 76.9 %                                           | \$ | 843,964   | 75.2 %   | \$ 69,091 | 8.2 % |
| Robotics and Digital Solutions       |                                                  | 167,003   | 14.1                                             |    | 162,969   | 14.5     | 4,034     | 2.5   |
| Canada                               |                                                  | 107,027   | 9.0                                              |    | 116,100   | 10.3     | (9,073)   | (7.8) |
| Consolidated                         | \$                                               | 1,187,085 |                                                  | \$ | 1,123,033 |          | \$ 64,052 | 5.7 % |

The increase in total net sales during the thirty-nine weeks ended September 27, 2025 was primarily driven by the factors described below:

Hardware and Protective Solutions' net sales increased by \$69.1 million in the thirty-nine weeks ended September 27, 2025 due to the following:

- Hardware net sales increased by \$22.8 million primarily driven by \$28.7 million in price increases offset by decreased volume.
- Protective equipment net sales increased by \$46.3 million primarily driven by \$41.2 million of additional sales related to the Intex acquisition along with \$5.8 million in price increases.

Robotics and Digital Solutions' net sales in the thirty-nine weeks ended September 27, 2025 increased by \$4.0 million primarily driven by \$11.2 million of increased prices offset by decreased volume of \$7.2 million in key and engraving sales.

Canada net sales decreased by \$9.1 million primarily due to volume decreases of \$5.0 million and an unfavorable impact of the exchange rate from Canadian dollars to U.S. dollars of \$2.7 million.

## Cost of Sales (excluding depreciation and amortization)

The following table summarizes cost of sales by segment:

|                                      | Thirty-nine weeks<br>ended September<br>27, 2025 | % of Segment<br>Net Sales | Thirty-nine weeks<br>ended September<br>28, 2024 | % of<br>Segment Net<br>Sales | \$ Change | % Change |  |
|--------------------------------------|--------------------------------------------------|---------------------------|--------------------------------------------------|------------------------------|-----------|----------|--|
| Hardware and Protective<br>Solutions | \$ 496,921                                       | 54.4 %                    | \$ 468,670                                       | 55.5 %                       | \$ 28,251 | 6.0 %    |  |
| Robotics and Digital Solutions       | 44,908                                           | 26.9                      | 45,241                                           | 27.8                         | (333)     | (0.7)    |  |
| Canada                               | 62,627                                           | 58.5                      | 67,895                                           | 58.5                         | (5,268)   | (7.8)    |  |
| Consolidated                         | \$ 604,456                                       | 50.9 %                    | \$ 581,806                                       | 51.8 %                       | \$ 22,650 | 3.9 %    |  |

Hardware and Protective Solutions' cost of sales as a percentage of net sales decreased primarily due to the timing of price increases driven by higher tariff costs. During the quarter, we began taking pricing actions with our customers as we are paying the additional tariff costs in 2025. We expect higher tariff expense to be included in our cost of sales in the fourth quarter of 2025 as we sell through the inventory purchased prior to the new tariffs. These were partially offset by a higher mix of Protective Solutions sales which generally have higher costs than Hardware Solutions products.

Robotics and Digital Solutions' cost of sales as a percentage of net sales decreased primarily due to price increases and sales mix.

Canada cost of sales as a percentage of net sales was comparable to prior year.

## Selling, Warehouse, and General and Administrative Expenses

The following table summarizes selling, warehouse, and general and administrative expense ("SG&A") by segment:

|                                   | Thirty-nine weeks<br>ended September<br>27, 2025 | % of Segment<br>Net Sales | Thirty-nine weeks<br>ended September<br>28, 2024 | % of Segment<br>Net Sales | \$ Change        | % Change     |
|-----------------------------------|--------------------------------------------------|---------------------------|--------------------------------------------------|---------------------------|------------------|--------------|
| Hardware and Protective Solutions | \$ 274,248                                       | 30.0 %                    | \$ 265,956                                       | 31.5 %                    | \$ 8,292         | 3.1 %        |
| Robotics and Digital Solutions    | 72,371                                           | 43.3                      | 67,774                                           | 41.6                      | 4,597            | 6.8          |
| Canada                            | 34,482                                           | 32.2                      | 36,250                                           | 31.2                      | (1,768)          | (4.9)        |
| Consolidated                      | <u>\$ 381,101</u>                                | <u>32.1 %</u>             | <u>\$ 369,980</u>                                | <u>32.9 %</u>             | <u>\$ 11,121</u> | <u>3.0 %</u> |

Hardware and Protective Solutions' SG&A increased due to the following:

- Selling expense increased by \$5.7 million primarily due to increased compensation and benefit expense.
- Warehouse expense increased \$2.0 million due to inflation in shipping costs along with rent and maintenance. Additionally, warehouse expense includes \$0.6 million in costs incurred related to our Cincinnati, Ohio distribution center consolidation project.
- General and administrative ("G&A") expense increased \$0.6 million. The increase was primarily driven by increased compensation and benefit expenses along with an increased investment into information technology. These current year increases were partially offset by a prior year write off of \$7.5 million of accounts receivable, net, due to True Value declaring bankruptcy in 2024.

Robotics and Digital Solutions' SG&A increased due to the following:

- Selling expense increased by \$4.9 million primarily due to the shift from full-service keys to self-service keys, which have a higher variable selling cost.
- Warehouse expense increased \$0.8 million due to inflation in labor and shipping costs.
- G&A expense decreased \$1.1 million due to reduced compensation and benefit expense.

Canada SG&A decreased due to the following:

- Warehouse expense decreased \$1.1 million primarily due to lower sales volumes along with improved operational efficiencies.
- Selling expense decreased by \$0.9 million primarily due to lower severance costs associated with restructuring activities in the prior year.
- G&A expense was consistent with the prior year.

## Other Operating Expenses

Depreciation expense increased \$8.8 million due to capital spend on merchandising racks along with key duplication kiosks.

Amortization expense in the thirty-nine weeks ended September 27, 2025 was comparable to prior year.

In the thirty-nine weeks ended September 27, 2025, other income (expense) consisted primarily of a \$0.5 million gain on the revaluation of the contingent consideration associated with the acquisition of Resharp and Instafof (see Note 15 - Fair Value Measurements of the Notes to Condensed Consolidated Financial Statements for additional information). In addition, we recorded income related to certain rebates received of \$0.6 million partially offset by exchange rate losses of \$0.1 million in the thirty-nine weeks ended September 27, 2025.

## Income from Operations

|                                      | Thirty-nine weeks ended<br>September 27, 2025 | Thirty-nine weeks ended<br>September 28, 2024 | \$ Change | % Change |
|--------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------|----------|
| Hardware and Protective Solutions    | \$ 76,077                                     | \$ 48,905                                     | \$ 27,172 | 55.6 %   |
| Robotics and Digital Solutions       | 14,991                                        | 18,005                                        | (3,014)   | (16.7)   |
| Canada                               | 6,168                                         | 7,894                                         | (1,726)   | (21.9)   |
| Total segment income from operations | \$ 97,236                                     | \$ 74,804                                     | \$ 22,432 | 30.0 %   |

Income from operations in our Hardware and Protective Solutions segment increased \$27.2 million due to the changes in net sales, cost of sales, and SG&A expenses described above. These impacts were partially offset by an increase in depreciation expense of \$5.2 million due to capital spend on merchandising racks.

Income from operations in our Robotics and Digital Solutions segment decreased \$3.0 million. The \$3.0 million decrease is primarily due to the changes in net sales, cost of sales, and SG&A expenses described above, along with by an increase in depreciation expense of \$3.6 million due to capital spend on key duplication kiosks. Additionally, there was an increase of \$0.8 million in other expense driven by the changes in revaluation of the contingent consideration described above.

Canada's income from operations decreased by \$1.7 million primarily due to the changes in net sales, cost of sales and SG&A expenses described above offset by exchange rate losses of \$0.1 million in the thirty-nine weeks ended September 27, 2025 and exchange rate losses of \$0.3 million in the thirty-nine weeks ended September 28, 2024.

Interest expense, net, decreased \$1.3 million in the thirty-nine weeks ended September 27, 2025 primarily due to a reduction in outstanding debt and a reduction in interest rate spreads driven by the debt repricing in the first quarter of 2025 (see Note 9 - Long-term Debt of the Notes to Condensed Consolidated Financial Statements for additional information).

## Income Taxes

For the thirty-nine weeks ended September 27, 2025 and thirty-nine weeks ended September 28, 2024, the effective income tax rate was 27.4% and 32.8%, respectively. The Company recorded an income tax provision for the thirty-nine weeks ended September 27, 2025 of \$14.6 million based on a pre-tax income of \$53.3 million, and an income tax provision for the thirty-nine weeks ended September 28, 2024 of \$9.0 million based on a pre-tax provision of \$27.5 million.

In 2025 and 2024, the effective tax rate differed from the U.S. federal statutory tax rate due to state and foreign income taxes and certain non-deductible expenses (see Note 8 - Income Taxes of the Notes to Condensed Consolidated Financial Statements for additional information).

## NON-GAAP FINANCIAL MEASURES

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 uses this financial measure to evaluate our consolidated operating performance and the operating performance of our operating segments as well as 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.

The following table presents a reconciliation of net income, the most directly comparable financial measure under GAAP, to Adjusted EBITDA for the periods presented:

| <i>(dollars in thousands)</i>                      | Thirteen Weeks<br>Ended<br>September 27,<br>2025 | Thirteen Weeks<br>Ended<br>September 28,<br>2024 | Thirty-nine Weeks<br>Ended<br>September 27,<br>2025 | Thirty-nine Weeks<br>Ended<br>September 28,<br>2024 |
|----------------------------------------------------|--------------------------------------------------|--------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Net income                                         | \$ 23,192                                        | \$ 7,434                                         | \$ 38,707                                           | \$ 18,477                                           |
| Income tax expense                                 | 8,020                                            | 4,372                                            | 14,579                                              | 9,003                                               |
| Interest expense, net                              | 14,692                                           | 15,108                                           | 43,044                                              | 44,316                                              |
| Depreciation                                       | 20,100                                           | 17,948                                           | 59,343                                              | 50,583                                              |
| Amortization                                       | 15,265                                           | 15,354                                           | 45,937                                              | 45,857                                              |
| EBITDA                                             | \$ 81,269                                        | \$ 60,216                                        | \$ 201,610                                          | \$ 168,236                                          |
| Stock compensation expense                         | 3,904                                            | 3,257                                            | 10,739                                              | 9,742                                               |
| Restructuring and other <sup>(1)</sup>             | 749                                              | 1,322                                            | 2,860                                               | 3,192                                               |
| Litigation expense <sup>(2)</sup>                  | 1,950                                            | —                                                | 1,950                                               | —                                                   |
| Transaction and integration expense <sup>(3)</sup> | 87                                               | 477                                              | 215                                                 | 993                                                 |
| Change in fair value of contingent consideration   | 67                                               | (467)                                            | (500)                                               | 313                                                 |
| Refinancing costs <sup>(4)</sup>                   | —                                                | —                                                | 906                                                 | 3,008                                               |
| Adjusted EBITDA                                    | \$ 88,026                                        | \$ 64,805                                        | \$ 217,780                                          | \$ 185,484                                          |

(1) Includes consulting and other costs associated with severance related to our distribution center relocations and corporate restructuring activities.

(2) Litigation expense includes an accrual for the tentative settlement of a California wage-hour class action / Private Attorneys General Act (PAGA) claim.

(3) Transaction and integration expense includes professional fees and other costs related to the Koch Industries, Inc. and Intex DIY, Inc. acquisitions.

(4) In the first quarters of 2025 and 2024, we entered into a Repricing Amendment (2025 Repricing Amendment and 2024 Repricing Amendment) on our existing Senior Term Loan due July 14, 2028 (see Note 9 - Long-term Debt of the Notes to Condensed Consolidated Financial Statements for additional information).

The following tables presents a reconciliation of segment operating income, the most directly comparable financial measure under GAAP, to segment Adjusted EBITDA for the periods presented.

| Thirteen weeks ended September 27, 2025          | Hardware and Protective Solutions | Robotics and Digital Solutions | Canada          |
|--------------------------------------------------|-----------------------------------|--------------------------------|-----------------|
| Operating income                                 | \$ 38,935                         | \$ 5,626                       | \$ 1,343        |
| Depreciation and amortization                    | 22,007                            | 12,107                         | 1,251           |
| Stock compensation expense                       | 3,010                             | 405                            | 489             |
| Restructuring and other                          | 24                                | 12                             | 713             |
| Litigation expense                               | 1,780                             | 170                            | —               |
| Transaction and integration expense              | 84                                | 3                              | —               |
| Change in fair value of contingent consideration | —                                 | 67                             | —               |
| Adjusted EBITDA                                  | <u>\$ 65,840</u>                  | <u>\$ 18,390</u>               | <u>\$ 3,796</u> |

| Thirteen weeks ended September 28, 2024          | Hardware and Protective Solutions | Robotics and Digital Solutions | Canada          |
|--------------------------------------------------|-----------------------------------|--------------------------------|-----------------|
| Operating income                                 | \$ 17,673                         | \$ 6,879                       | \$ 2,362        |
| Depreciation and amortization                    | 20,811                            | 11,334                         | 1,157           |
| Stock compensation expense                       | 2,900                             | 283                            | 74              |
| Restructuring and other                          | 19                                | 390                            | 913             |
| Transaction and integration expense              | 465                               | 12                             | —               |
| Change in fair value of contingent consideration | —                                 | (467)                          | —               |
| Adjusted EBITDA                                  | <u>\$ 41,868</u>                  | <u>\$ 18,431</u>               | <u>\$ 4,506</u> |

| Thirty-nine weeks ended September 27, 2025       | Hardware and Protective Solutions | Robotics and Digital Solutions | Canada           |
|--------------------------------------------------|-----------------------------------|--------------------------------|------------------|
| Operating income                                 | \$ 76,077                         | \$ 14,991                      | \$ 6,168         |
| Depreciation and amortization                    | 66,516                            | 35,099                         | 3,665            |
| Stock compensation expense                       | 8,929                             | 856                            | 954              |
| Restructuring and other                          | 2,129                             | 77                             | 654              |
| Litigation expense                               | 1,780                             | 170                            | —                |
| Transaction and integration expense              | 208                               | 7                              | —                |
| Change in fair value of contingent consideration | —                                 | (500)                          | —                |
| Adjusted EBITDA                                  | <u>\$ 155,639</u>                 | <u>\$ 50,700</u>               | <u>\$ 11,441</u> |

| Thirty-nine weeks ended September 28, 2024       | Hardware and Protective Solutions | Robotics and Digital Solutions | Canada           |
|--------------------------------------------------|-----------------------------------|--------------------------------|------------------|
| Operating income                                 | \$ 48,905                         | \$ 18,005                      | \$ 7,894         |
| Depreciation and amortization                    | 61,198                            | 31,502                         | 3,740            |
| Stock compensation expense                       | 8,383                             | 802                            | 557              |
| Restructuring and other                          | 631                               | 747                            | 1,814            |
| Transaction and integration expense              | 964                               | 29                             | —                |
| Change in fair value of contingent consideration | —                                 | 313                            | —                |
| Adjusted EBITDA                                  | <u>\$ 120,081</u>                 | <u>\$ 51,398</u>               | <u>\$ 14,005</u> |

# LIQUIDITY AND CAPITAL RESOURCES

Our working capital position, which we define as current assets minus current liabilities, of \$397.9 million as of September 27, 2025 represents an increase of \$78.4 million from the December 28, 2024 level of \$319.5 million driven by seasonality of the business and tariff costs. We expect to generate sufficient operating cash flows to meet our short-term liquidity needs, and we expect to maintain access to the capital markets, although there can be no assurance of our ability to do so. However, disruption and volatility in the global capital markets and economic uncertainties driven by increases in tariffs could impact our capital resources and liquidity in the future. We do expect the current tariff environment to increase our costs of products we import, which will increase our working capital position and unfavorably impact our future cash flows (see Recent Developments - Tariff Environment of Item 2 - Management's Discussion and Analysis and Risk Factors of Part II - Other Information for additional information).

The following table presents the key categories of our condensed consolidated statements of cash flows:

|                                                      | Thirty-nine weeks<br>ended September 27,<br>2025 |          | Thirty-nine weeks<br>ended September 28,<br>2024 |           | \$ Change   |
|------------------------------------------------------|--------------------------------------------------|----------|--------------------------------------------------|-----------|-------------|
| Net cash provided by operating activities            | \$                                               | 74,289   | \$                                               | 140,187   | \$ (65,898) |
| Net cash used for investing activities               |                                                  | (55,501) |                                                  | (122,169) | 66,668      |
| Net cash (used for) provided by financing activities |                                                  | (25,585) |                                                  | 1,653     | (27,238)    |
| Net (decrease) increase in cash and cash equivalents |                                                  | (6,779)  |                                                  | 21,267    | (28,046)    |

## Operating Cash Flows:

Net cash provided by operating activities for the thirty-nine weeks ended September 27, 2025 was unfavorably impacted by increases in the costs of inventory due to the recently enacted tariffs. Increased accounts receivable also unfavorably impacted cash flows due to pricing actions we have taken with our customers in response to the tariff cost increases. Increased accounts payable driven by the tariff costs partially offset the inventory and receivables changes. Additionally, operating cash flow in the thirty-nine weeks ended September 27, 2025 was unfavorably impacted by increases in other assets due to our investment in cloud based information technology. Finally, net cash provided by operating activities was unfavorably impacted by a decrease in accrued incentive compensation related to the payout of 2024 incentive compensation.

Net cash provided by operating activities for the thirty-nine weeks ended September 28, 2024 was unfavorably impacted by increases in accounts receivable due to the seasonality of our business as well as accounts receivable generated by the Koch business post acquisition. Additionally, we saw increased accounts payable due to the timing of inventory purchases and payments.

## Capital Expenditures:

Cash of \$55.3 million and \$64.2 million was used in the thirty-nine weeks ended September 27, 2025 and thirty-nine weeks ended September 28, 2024, respectively, to invest in new key duplicating kiosks and merchandising racks.

## Financing Cash Flows:

### Term Loan:

The Company used \$6.4 million of cash for principal payments on the senior term loan. As of September 27, 2025, we have outstanding borrowings of \$639.1 million on the term loan. See Note 9 - Long-term Debt of the Notes to Condensed Consolidated Financial Statements for additional information.

### ABL Revolver:

Our revolver payments, net of draws, used cash of \$13.0 million in the thirty-nine weeks ended September 27, 2025, primarily used to fund the additional tariff costs in the current year.

We drew approximately \$77.0 million on our revolver, in the thirty-nine weeks ended September 28, 2024, primarily to fund seasonal inventory purchases along with the acquisitions of Koch and Intex. We were able to fully repay the draws during the thirty-nine weeks ended September 28, 2024 using cash generated from our operations. On a net basis, the activity on the revolver had no impact to our cash flows used for financing activities in the thirty-nine weeks ended September 28, 2024.

### Stock Option Exercises:

In the thirty-nine weeks ended September 27, 2025 and thirty-nine weeks ended September 28, 2024 the Company received \$1.2 million and \$8.9 million from the exercise of stock options, respectively.

### Share Repurchases:

In the thirteen and thirty-nine weeks ended September 27, 2025 the Company paid \$3.2 million related to share repurchases.

## OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Significant accounting policies and estimates are summarized in the Notes to the Condensed Consolidated Financial Statements. Some accounting policies require management to exercise significant judgment in selecting the appropriate assumptions for calculating financial estimates. Such judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, known trends in our industry, terms of existing contracts, and other information from outside sources, as appropriate. Management believes that these estimates and assumptions are reasonable based on the facts and circumstances as of September 27, 2025, however, actual results may differ from these estimates under different assumptions and circumstances.

There have been no material changes to our critical accounting policies and estimates which are discussed in the "Critical Accounting Policies and Estimates" section of "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Annual Report on Form 10-K for the year ended December 28, 2024, as filed with the Securities and Exchange Commission on February 20, 2025.

### Recent Accounting Pronouncements

See "Note 3 - Recent Accounting Pronouncements" of the Notes to Condensed Consolidated Financial Statements.

## ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### INTEREST RATE EXPOSURE

We are exposed to the impact of interest rate changes as borrowings under the Senior Facilities bear interest at variable interest rates. It is our policy to enter into interest rate swaps only to the extent considered necessary to meet our objectives.

Based on our exposure to variable rate borrowings at September 27, 2025, after consideration of our SOFR floor rate and interest rate swap agreements, a one percent (1%) change in the weighted average interest rate for a period of one year would change the annual interest expense by approximately \$3.3 million.



## FOREIGN CURRENCY EXCHANGE

We are exposed to foreign exchange rate changes of the Canadian and Mexican currencies as they impact the \$131.6 million tangible and intangible net asset value of our Canadian and Mexican subsidiaries as of September 27, 2025. The foreign subsidiaries' net tangible assets were \$79.3 million and the net intangible assets were \$52.3 million as of September 27, 2025.

We utilize foreign exchange forward contracts to manage the exposure to currency fluctuations in the Canadian dollar versus the U.S. Dollar. See Note 14 - Derivatives and Hedging of the Condensed Notes to the accompanying Condensed Consolidated Financial Statements.

## COMMODITY PRICE RISK

Our transportation costs are exposed to fluctuations in the price of fuel and some of our products contain commodity-priced materials. The Company regularly monitors commodity trends and works to mitigate any material exposure to commodity price risk by having alternative sourcing plans in place, limiting supplier concentrations, passing commodity-related inflation to customers, and continuing to scale its distribution networks.

# ITEM 4 - CONTROLS AND PROCEDURES

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## DISCLOSURE CONTROLS AND PROCEDURES

We carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, as of September 27, 2025, in ensuring that material information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

## CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the thirteen weeks ended September 27, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

# PART II - OTHER INFORMATION

## ITEM 1. – LEGAL PROCEEDINGS

The Information required by this Item is set forth in Note 6 - Commitments and Contingencies, to the accompanying Condensed Consolidated Financial Statements included in this Form 10-Q and is incorporated into this Item by reference.

## ITEM 1A – RISK FACTORS

You should carefully consider the following risk, as well as the information contained in this report and in our 2024 Annual Report on Form 10-K, including the information under "Risk Factors" in Item 1A of Part I thereof, and the Consolidated Financial Statements and the related Notes to Consolidated Financial Statements and schedules thereto. However, the risks set forth below are not the only risks that we face, and we face other risks which have not yet been identified or which are not yet otherwise predictable. If any of the following risks or the risks contained in our 2024 Annual Report on Form 10-K, including the information under "Risk Factors" in Item 1A of Part I, occur or are otherwise realized, our business, financial condition, and results of operations could be materially adversely affected. Except as set forth below, there have been no material changes to the risks from those disclosed in our Form 10-K filed on February 20, 2025 with the Securities and Exchange Commission ("SEC").

**Tariffs and other import measures imposed by the United States, or by other countries in response to such actions or threatened actions by the United States, may adversely affect our business, operations, and financial results.**

We currently import a majority of our products and rely on foreign sources to meet our supply demands at prices that support our current operating margins. Substantially all of our import operations are subject to customs requirements, tariffs, and quotas set by governments through mutual agreements or unilateral actions.

In 2025, the U.S. government announced tariffs on imports from countries from which we import products and components. Subsequent to the initial announcements, there have been changes to the effective dates and amounts, and as a result, we are unable to fully quantify the impact that tariffs, when ultimately enacted, will have on our results of operations given the dynamic tariff environment.

We estimate we source approximately 33% of our products from China, 33% from suppliers based in North America, and 33% from all other countries. Based on the current facts and tariff environment as of the date of this filing, we expect the tariffs to drive an increase in our net working capital and cost of sales. We have raised our prices to offset the tariff costs that are expected to increase our cost of sales, although these price increases could impact future demand for our products. We continue to analyze the impact of these actions and what, if any, steps, including pricing actions, we may take to mitigate the impact of the tariffs. Consistent with our normal course of business, we will continue exploring alternative suppliers in other countries to source quality products that provide the best value for our customers.

## ITEM 2. – UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

### ISSUER PURCHASES OF EQUITY SECURITIES

The following table presents the number and average price of shares purchased in each fiscal month of the third quarter of fiscal 2025, all of which were completed through open market purchases (shares in whole numbers, dollars in thousands):

| Period                               | Total Number of Shares Purchased <sup>(1)</sup> | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plan | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan <sup>(2)</sup> |
|--------------------------------------|-------------------------------------------------|------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| June 29, 2025 - July 26, 2025        | —                                               | \$ —                         | —                                                                   | \$ —                                                                                       |
| July 27, 2025 - August 23, 2025      | 97,184                                          | 9.88                         | 97,184                                                              | 99,040                                                                                     |
| August 24, 2025 - September 27, 2025 | 228,400                                         | \$ 9.65                      | 325,584                                                             | \$ 96,835                                                                                  |
|                                      | <u>325,584</u>                                  | <u>\$ 9.72</u>               | <u>325,584</u>                                                      |                                                                                            |

(1) On July 31, 2025, the Board of Directors of the Company authorized a share repurchase program of up to \$100,000. The July 2025 authorization does not have a prescribed expiration date.

(2) Excludes excise taxes incurred on share repurchases.

## ITEM 3. – DEFAULTS UPON SENIOR SECURITIES

Not applicable.

## ITEM 4. – MINE SAFETY DISCLOSURES

Not applicable.

## ITEM 5. – OTHER INFORMATION

### Insider Adoption or Termination of Trading Arrangements

On August 22, 2025, Scott K. Moore, President, Robotics & Digital Solutions Division of the Company, adopted a trading arrangement for the sale of securities of the Company's common stock (a "Rule 10b5-1 Trading Plan") that is intended to satisfy the affirmative defense conditions of Securities Exchange Act Rule 10b5-1(c). Mr. Moore's Rule 10b5-1 Trading Plan, which has a term extending through November 24, 2026, provides for the sale of up to 32,036.1 shares of common stock pursuant to the terms of the plan.

### Segment Realignment

In the second quarter of 2025, the Company realigned its Hardware and Protective Solutions segment to include the sales of accessories, which are now managed by the Hardware and Protective Solutions leadership team. Previously, accessories were included in the Robotics and Digital Solutions segment and managed by that leadership team.

If the aforementioned changes in segments were in effect for the thirteen weeks ended March 29, 2025 and March 30, 2024, and the years ended December 28, 2024, December 30, 2023, and December 31, 2022, net sales for our Hardware and Protective Solutions segment would have been higher by \$3.6 million, \$3.4 million, \$13.6 million, \$15.9 million and \$17.4 million, respectively, and net sales for our Robotics and Digital Solutions segment would have been lower by \$3.6 million, \$3.4 million, \$13.6 million, \$15.9 million and \$17.4 million, respectively.

In addition, the changes to the significant segment expenses and segment Adjusted EBITDA did not have a material impact on the financial statements as of March 29, 2025, March 30, 2024, December 28, 2024, December 30, 2023, or December 31, 2022.

The tables below present the results as if the segment changes had been in effect for the noted periods.

| Hardware and Protective Solutions                                                  | Thirteen weeks ended March 29, 2025 | Thirteen weeks ended March 30, 2024 | Year ended December 28, 2024 | Year ended December 30, 2023 | Year ended December 31, 2022 |
|------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Net sales                                                                          | \$ 278,009                          | \$ 263,322                          | \$ 1,107,993                 | \$ 1,090,473                 | \$ 1,086,144                 |
| Significant segment expenses                                                       |                                     |                                     |                              |                              |                              |
| Adjusted cost of sales (exclusive of depreciation and amortization) <sup>(1)</sup> | 159,223                             | 148,647                             | 617,689                      | 662,080                      | 676,627                      |
| Adjusted selling expense <sup>(2)</sup>                                            | 28,900                              | 28,836                              | 114,351                      | 104,060                      | 104,034                      |
| Adjusted warehouse expense <sup>(3)</sup>                                          | 34,845                              | 35,950                              | 143,682                      | 143,308                      | 141,991                      |
| Adjusted general and administrative expense <sup>(4)</sup>                         | 16,944                              | 16,869                              | 77,386                       | 55,432                       | 49,796                       |
| Other segment items <sup>(5)</sup>                                                 | (162)                               | (268)                               | (813)                        | (1,788)                      | (231)                        |
| Segment Adjusted EBITDA                                                            | \$ 38,259                           | \$ 33,288                           | \$ 155,698                   | \$ 127,381                   | \$ 113,927                   |

- Adjusted cost of sales (exclusive of depreciation and amortization) excludes an inventory revaluation charge made in the fourth quarter of 2023.
- Adjusted selling expense excludes expense related to corporate restructuring activities.
- Adjusted warehouse expense excludes restructuring expense associated with our distribution center relocations and corporate restructuring activities.
- Adjusted general and administrative expense excludes stock-based compensation, acquisition and integration costs, expense associated with corporate restructuring, and amounts related to the Cybersecurity Incident, see Note 15 - Commitments and Contingencies of the Form 10-K filed on February 20, 2025 with the Securities and Exchange Commission ("SEC").
- Other excludes an impairment charge related to the write down of intangible assets, primarily related to review of certain product offerings in 2023.

| Robotics and Digital Solutions                             | Thirteen weeks ended March 29, 2025 | Thirteen weeks ended March 30, 2024 | Year ended December 28, 2024 | Year ended December 30, 2023 | Year ended December 31, 2022 |
|------------------------------------------------------------|-------------------------------------|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Net sales                                                  | \$ 52,910                           | \$ 52,024                           | \$ 216,701                   | \$ 229,546                   | \$ 228,223                   |
| Significant segment expenses                               |                                     |                                     |                              |                              |                              |
| Cost of sales (exclusive of depreciation and amortization) | 14,897                              | 14,343                              | 60,233                       | 64,389                       | 66,819                       |
| Adjusted selling expense <sup>(1)</sup>                    | 16,528                              | 14,122                              | 60,642                       | 60,111                       | 58,673                       |
| Adjusted warehouse expense <sup>(2)</sup>                  | 2,437                               | 2,366                               | 9,316                        | 10,373                       | 11,976                       |
| Adjusted general and administrative expense <sup>(3)</sup> | 4,450                               | 5,145                               | 16,019                       | 17,880                       | 15,870                       |
| Other segment items <sup>(4)</sup>                         | 61                                  | 57                                  | 216                          | 125                          | —                            |
| Segment Adjusted EBITDA                                    | \$ 14,537                           | \$ 15,991                           | \$ 70,275                    | \$ 76,668                    | \$ 74,885                    |

- Adjusted selling expense excludes expense related to corporate restructuring activities.
- Adjusted warehouse expense excludes restructuring expense associated with our distribution center relocations and corporate restructuring activities.
- Adjusted general and administrative expense excludes stock compensation expense, acquisition and integration expense, consulting expense and legal charges related to settlements, see Note 6 - Commitments and Contingencies and Note 15 - Commitments and Contingencies of the Form 10-K filed on February 20, 2025 with the Securities and Exchange Commission ("SEC").
- Other excludes the gain or loss on the revaluation of our contingent consideration liability, see Note 15 - Fair Value Measurements and Note 14 - Fair Value Measurements of the Form 10-K filed on February 20, 2025 with the SEC.

| Canada                                                     | Thirteen weeks ended March 29, 2025 | Thirteen weeks ended March 30, 2024 | Year ended December 28, 2024 | Year ended December 30, 2023 | Year ended December 31, 2022 |
|------------------------------------------------------------|-------------------------------------|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Net sales                                                  | \$ 28,424                           | \$ 34,959                           | \$ 147,901                   | \$ 156,458                   | \$ 171,961                   |
| Significant segment expenses                               |                                     |                                     |                              |                              |                              |
| Cost of sales (exclusive of depreciation and amortization) | 16,620                              | 20,444                              | 86,769                       | 97,495                       | 103,107                      |
| Adjusted selling expense <sup>(1)</sup>                    | 3,198                               | 3,537                               | 14,476                       | 13,721                       | 13,764                       |
| Adjusted warehouse expense <sup>(2)</sup>                  | 4,966                               | 5,826                               | 22,398                       | 23,036                       | 25,517                       |
| Adjusted general and administrative expense <sup>(3)</sup> | 1,759                               | 1,820                               | 7,748                        | 7,062                        | 7,897                        |
| Other segment items                                        | 151                                 | 289                                 | 730                          | (167)                        | 239                          |
| Segment Adjusted EBITDA                                    | \$ 1,730                            | \$ 3,043                            | \$ 15,780                    | \$ 15,311                    | \$ 21,437                    |

1. Adjusted selling expense excludes restructuring expense.
2. Adjusted warehouse expense excludes restructuring expense associated with our distribution center relocations and corporate restructuring activities.
3. Adjusted general and administrative expense excludes stock-based compensation and expense associated with corporate restructuring activities.

The following table reconciles segment Adjusted EBITDA by segment to the Company's consolidated income (loss) before income taxes.

|                                                  | Thirteen weeks ended March 29, 2025 | Thirteen weeks ended March 30, 2024 | Year ended December 28, 2024 | Year ended December 30, 2023 | Year ended December 31, 2022 |
|--------------------------------------------------|-------------------------------------|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Hardware and Protective Solutions                | \$ 38,259                           | \$ 33,288                           | \$ 155,698                   | \$ 127,381                   | \$ 113,927                   |
| Robotics and Digital Solutions                   | 14,537                              | 15,991                              | 70,275                       | 76,668                       | 74,885                       |
| Canada                                           | 1,730                               | 3,043                               | 15,780                       | 15,311                       | 21,437                       |
| Total Adjusted EBITDA                            | 54,526                              | 52,322                              | 241,753                      | 219,360                      | 210,249                      |
| Interest expense, net                            | 14,460                              | 15,271                              | 59,241                       | 68,310                       | 54,560                       |
| Depreciation                                     | 19,395                              | 16,338                              | 68,766                       | 59,331                       | 57,815                       |
| Amortization                                     | 15,415                              | 15,254                              | 61,274                       | 62,309                       | 62,195                       |
| Stock compensation expense                       | 3,278                               | 2,829                               | 13,463                       | 12,004                       | 13,524                       |
| Restructuring and other costs                    | 1,691                               | 991                                 | 2,978                        | 3,031                        | 2,617                        |
| Litigation expense                               | —                                   | —                                   | 5,000                        | 339                          | 32,856                       |
| Transaction and integration expense              | 58                                  | 274                                 | 1,243                        | 1,754                        | 2,477                        |
| Change in fair value of contingent consideration | (326)                               | 332                                 | 228                          | (4,936)                      | (1,128)                      |
| Impairment charges                               | —                                   | —                                   | —                            | 24,600                       | —                            |
| Refinancing costs                                | 906                                 | 3,008                               | 3,008                        | —                            | —                            |
| Total adjusting items                            | 54,877                              | 54,297                              | 215,201                      | 226,742                      | 224,916                      |
| (Loss) income before income taxes                | \$ (351)                            | \$ (1,975)                          | \$ 26,552                    | \$ (7,382)                   | \$ (14,667)                  |

# ITEM 6. – EXHIBITS

- a) Exhibits, including those incorporated by reference.
- 10.1\* [Separation Agreement, dated September 16, 2025, by and between the Company and Scott C. Ride \(incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed with the SEC on September 19, 2025\).](#)
- 31.1 [Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) or 15d-14\(a\) under the Exchange Act](#) (filed herewith).
- 31.2 [Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) or 15d-14\(a\) under the Exchange Act](#) (filed herewith).
- 32.1 [Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#) (filed herewith).
- 32.2 [Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#) (filed herewith).
- 101 The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended September 27, 2025 filed with the Securities and Exchange Commission on November 4, 2025, formatted in eXTensible Business Reporting Language: (i) Condensed Consolidated Balance Sheets as of September 27, 2025 and December 28, 2024, (ii) Condensed Consolidated Statements of Comprehensive Income for the thirteen and thirty-nine weeks ended September 27, 2025 and the thirteen and thirty-nine weeks ended September 28, 2024, (iii) Condensed Consolidated Statements of Cash Flows for the thirty-nine weeks ended September 27, 2025 and the thirty-nine weeks ended September 28, 2024, (iv) Condensed Consolidated Statements of Stockholders' Equity for the thirteen and thirty-nine weeks ended September 27, 2025 and the thirteen and thirty-nine weeks ended September 28, 2024, and (v) Notes to Condensed Consolidated Financial Statements.

\* Indicates management contract or any compensatory plan, contract or arrangement.

## SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

### HILLMAN SOLUTIONS CORP.

/s/ Robert O. Kraft

Robert O. Kraft  
Chief Financial Officer  
(Principal Financial Officer)

/s/ Anne S. McCalla

Anne S. McCalla  
Controller  
(Chief Accounting Officer)

DATE: November 4, 2025

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

I, Jon Michael Adinolfi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hillman Solutions Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2025

/s/ Jon Michael Adinolfi

Jon Michael Adinolfi  
President and Chief Executive Officer



**CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Robert O. Kraft, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hillman Solutions Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2025

/s/ Robert O. Kraft

Robert O. Kraft  
Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-  
OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the thirty-nine weeks ended September 27, 2025 (the "Report") of Hillman Solutions Corp. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Jon Michael Adinolfi, the President and Chief Executive Officer of the Registrant, certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Jon Michael Adinolfi

Name: Jon Michael Adinolfi

Date: November 4, 2025

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-  
OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the thirty-nine weeks ended September 27, 2025 (the "Report") of Hillman Solutions Corp. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Robert O. Kraft, the Chief Financial Officer of the Registrant, certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Robert O. Kraft

Name: Robert O. Kraft

Date: November 4, 2025