August 5, 2025

HILLMAN™

Hillman Reports Second Quarter 2025 Results

Raises mid-point of 2025 Net Sales and Adj. EBITDA guidance

Board approves $100 million Share Repurchase Program

CINCINNATI, Aug. 05, 2025 (GLOBE NEWSWIRE) -- Hillman Solutions Corp. (Nasdaq: HLMN) (the "Company" or "Hillman"), a leading provider of hardware products and merchandising solutions, reported financial results for the thirteen and twenty-six weeks ended June 28, 2025.

Second Quarter 2025 Highlights (Thirteen weeks ended June 28, 2025)

- Net sales increased 6.2% to $402.8 million compared to $379.4 million in the prior year quarter
- Net income totaled $15.8 million, or $0.08 per diluted share, compared to $12.5 million, or $0.06 per diluted share, in the prior year quarter
- Adjusted diluted EPS[1] totaled $0.17 per diluted share compared to $0.16 per diluted share in the prior year quarter
- Adjusted EBITDA[1] increased to $75.2 million compared to $68.4 million in the prior year quarter
- Net cash provided by operating activities was $48.7 million compared to $64.8 million in the prior year quarter
- Free Cash Flow[1] totaled $31.2 million compared to $42.5 million in the prior year quarter
- Subsequent to quarter-end, Hillman's Board of Directors authorized a new $100 million share repurchase program

Balance Sheet and Liquidity at June 28, 2025

- Gross debt was $708.9 million compared to $718.6 million on December 28, 2024
- Net debt[1] was $674.7 million compared to $674.0 million on December 28, 2024
- Liquidity available totaled $246.9 million; consisting of $212.7 million of available borrowing under the revolving credit facility and $34.2 million of cash and equivalents
- Net debt[1] to trailing twelve month Adjusted EBITDA improved to 2.7x at quarter end compared to 2.8x on December 28, 2024

Management Commentary

"Our team has done a fantastic job successfully managing the tariff environment while continuing to provide great customer service at the shelf and delivering orders on-time and in-full," commented Jon Michael Adinolfi, President and CEO of Hillman. "During the quarter, we delivered robust top and bottom-line results which produced strong free cash flow and reduced our net debt outstanding. Looking forward, we are confident that the resilience of our business together with our long-term growth opportunities will drive growth for the remainder of 2025 and for years to come."

Full Year 2025 Guidance - Updated

Based on year-to-date performance and its expectations for the remainder of the year, management is updating its guidance most recently provided on April 29, 2025 with Hillman's first quarter 2025 results.

	Previous FY 2025 Guidance	Updated FY 2025 Guidance
Net Sales	$1.495 to $1.575 billion	$1.535 to $1.575 billion
Adjusted EBITDA[1]	$255 to $275 million	$265 to $275 million
Year-end leverage	2.5x leverage at year end	2.4x leverage at year end

Rocky Kraft, Hillman's chief financial officer added: "Strong execution during the first half of the year, some clarity around tariffs, and a better outlook for the second half of the year have resulted in us raising the low-end of our guidance for both Net Sales and Adjusted EBITDA, therefore raising the midpoint of both. We now believe we will end the year with a leverage ratio of around 2.4 times, even with a modest share repurchase."

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

Share Repurchase Program

Hillman's Board of Directors authorized a share repurchase program ("SRP") for up to $100 million of the currently outstanding shares of the Company's common stock. The SRP 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.

Second Quarter 2025 Results Presentation

Hillman plans to host a conference call and webcast presentation today, August 5, 2025, at 8:30 a.m. Eastern Time to discuss its results. President and Chief Executive Officer Jon Michael Adinolfi and Chief Financial Officer Rocky Kraft will host the results presentation.

Date: Tuesday, August 5, 2025

Time: 8:30 a.m. Eastern Time

Listen-Only Webcast: https://edge.media-server.com/mmc/p/jok22dbq

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

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

About Hillman Solutions Corp.

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

Forward-Looking Statements

All statements made in this press release that are considered to be forward-looking are made in good faith by the Company and are intended to qualify for the safe harbor from liability established by Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995. You should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "target", "goal", "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, the Company's expectations with respect to future performance. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside the Company's control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) unfavorable economic conditions that may affect 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.

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HILLMAN SOLUTIONS CORP.
Condensed Consolidated Statement of Net Loss, GAAP Basis
(dollars in thousands) Unaudited

	Thirteen Weeks Ended June 28, 2025	Thirteen Weeks Ended June 29, 2024	Twenty-six Weeks Ended June 28, 2025	Twenty-six Weeks Ended June 29, 2024
Net sales	$ 402,803	$ 379,432	$ 762,146	$ 729,737
Cost of sales (exclusive of depreciation and amortization shown separately below)	208,338	194,672	399,078	378,106
Selling, warehouse, general and administrative expenses	123,707	121,154	242,759	239,719
Depreciation	19,848	16,297	39,243	32,635
Amortization	15,257	15,249	30,672	30,503
Other (income) expense	(664)	474	(938)	884
Income from operations	36,317	31,586	51,332	47,890
Interest expense, net	13,892	13,937	28,352	29,208
Refinancing costs	—	—	906	3,008
Income before income taxes	22,425	17,649	22,074	15,674
Income tax expense	6,593	5,114	6,559	4,631
Net income	$ 15,832	$ 12,535	$ 15,515	$ 11,043
Basic income per share	$ 0.08	$ 0.06	$ 0.08	$ 0.06
Weighted average basic shares outstanding	197,593	196,075	197,439	195,721
Diluted income per share	$ 0.08	$ 0.06	$ 0.08	$ 0.06
Weighted average diluted shares outstanding	198,676	198,420	199,257	198,037

HILLMAN SOLUTIONS CORP.
Condensed Consolidated Balance Sheets
(dollars in thousands)
Unaudited

	June 28, 2025	December 28, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 34,188	$ 44,510
Accounts receivable, net of allowances of $1,644 ($2,827 - 2024)	141,178	109,788
Inventories, net	427,633	403,673
Other current assets	20,545	15,213
Total current assets	623,544	573,184
Property and equipment, net of accumulated depreciation of $406,602 ($376,150 - 2024)	234,852	224,174
Goodwill	830,535	828,553
Other intangibles, net of accumulated amortization of $562,043 ($530,398 - 2024)	576,459	605,859
Operating lease right of use assets	74,088	81,708
Other assets	17,152	17,025
Total assets	$ 2,356,630	$ 2,330,503
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 169,483	$ 139,057
Current portion of debt and financing lease liabilities	13,912	12,975
Current portion of operating lease liabilities	17,426	16,850
Accrued expenses:		
Salaries and wages	24,452	34,977
Pricing allowances	6,374	7,651
Income and other taxes	10,536	10,377
Other accrued liabilities	31,068	31,843
Total current liabilities	273,251	253,730
Long-term debt	683,082	691,726
Deferred tax liabilities	123,064	124,611
Operating lease liabilities	63,057	71,474
Other non-current liabilities	7,238	6,591
Total liabilities	$ 1,149,692	$ 1,148,132
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Common stock: $0.0001 par value, 500,000,000 shares authorized, 197,565,451 and 196,705,710 issued and outstanding in 2025 and 2024, respectively	20	20
Additional paid-in capital	1,448,553	1,442,958
Accumulated deficit	(203,436)	(218,951)
Accumulated other comprehensive loss	(38,199)	(41,656)
Total stockholders' equity	1,206,938	1,182,371
Total liabilities and stockholders' equity	$ 2,356,630	$ 2,330,503

HILLMAN SOLUTIONS CORP.
Condensed Consolidated Statement of Cash Flows
(dollars in thousands)
Unaudited

	Twenty-six Weeks Ended June 28, 2025	Twenty-six Weeks Ended June 29, 2024
Cash flows from operating activities:		
Net income	$ 15,515	$ 11,043
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	69,915	63,138
Deferred income taxes	(3,101)	(1,706)
Deferred financing and original issue discount amortization	2,511	2,551
Stock-based compensation expense	6,835	6,485
Loss on debt restructuring	906	3,008
Cash paid to third parties in connection with debt restructuring	(906)	(1,554)
Loss on disposal of property and equipment	(63)	56
Change in fair value of contingent consideration	(567)	780
Changes in operating items:		
Accounts receivable, net	(30,905)	(28,414)
Inventories, net	(20,812)	(10,929)
Other assets	(7,702)	(4,409)
Accounts payable	29,015	28,683
Accrued salaries and wages	(10,681)	5,926
Other accrued expenses	(1,908)	1,818
Net cash provided by operating activities	48,052	76,476
Net cash from investing activities		
Acquisition of business, net of cash received	—	(23,783)
Capital expenditures	(38,175)	(40,078)
Other investing activities	(109)	(153)
Net cash used for investing activities	(38,284)	(64,014)
Cash flows from financing activities:		
Repayments of senior term loans	(4,256)	(4,255)
Financing fees	—	(33)
Borrowings on revolving credit loans	79,000	65,000
Repayments of revolving credit loans	(92,000)	(65,000)
Principal payments under finance lease obligations	(2,653)	(1,758)
Proceeds from exercise of stock options	490	6,379
Payments of contingent consideration	(137)	(133)
Other financing activities	(855)	570
Net cash (used for) provided by financing activities	(20,411)	770
Effect of exchange rate changes on cash	321	2,231
Net (decrease) increase in cash and cash equivalents	(10,322)	15,463
Cash and cash equivalents at beginning of period	44,510	38,553
Cash and cash equivalents at end of period	$ 34,188	$ 54,016

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

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

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

Reconciliation of Adjusted EBITDA (Unaudited)
(dollars in thousands)

Adjusted EBITDA is a non-GAAP financial measure and is the primary basis used to measure the operational strength and performance of our businesses as well as to assist in the evaluation of underlying trends in our businesses. This measure eliminates the significant level of noncash depreciation and amortization expense that results from the capital-intensive nature of our businesses and from intangible assets recognized in business combinations. It is also unaffected by our capital and tax structures, as our management excludes these results when evaluating our operating performance. Our management use this financial measure to evaluate our consolidated operating performance and the operating performance of our operating segments 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.

	Thirteen Weeks Ended June 28, 2025	Thirteen Weeks Ended June 29, 2024	Twenty-six Weeks Ended June 28, 2025	Twenty-six Weeks Ended June 29, 2024
Net income	$ 15,832	$ 12,535	$ 15,515	$ 11,043
Income tax expense	6,593	5,114	6,559	4,631
Interest expense, net	13,892	13,937	28,352	29,208
Depreciation	19,848	16,297	39,243	32,635
Amortization	15,257	15,249	30,672	30,503
EBITDA	$ 71,422	$ 63,132	$ 120,341	$ 108,020
Stock compensation expense	3,557	3,656	6,835	6,485
Restructuring and other (1)	420	879	2,111	1,870
Transaction and integration expense (2)	70	242	128	516
Change in fair value of contingent consideration	(241)	448	(567)	780
Refinancing costs (3)	—	—	906	3,008
Total adjusting items	3,806	5,225	9,413	12,659
Adjusted EBITDA	$ 75,228	$ 68,357	$ 129,754	$ 120,679

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

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

(3) 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.

Reconciliation of Adjusted Diluted Earnings Per Share
(in thousands, except per share data)
Unaudited

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

	Thirteen Weeks Ended June 28, 2025	Thirteen Weeks Ended June 29, 2024	Twenty-six Weeks Ended June 28, 2025	Twenty-six Weeks Ended June 29, 2024
Reconciliation to Adjusted Net Income				
Net income	$ 15,832	$ 12,535	$ 15,515	$ 11,043
Remove adjusting items (1)	3,806	5,225	9,413	12,659
Remove amortization expense	15,257	15,249	30,672	30,503
Remove tax benefit on adjusting items and amortization expense (2)	(1,176)	(1,544)	(2,896)	(3,780)
Adjusted Net Income	$ 33,719	$ 31,465	$ 52,704	$ 50,425
Reconciliation to Adjusted Diluted Earnings per Share				
Diluted Earnings per Share	$ 0.08	$ 0.06	$ 0.08	$ 0.06
Remove adjusting items (1)	0.02	0.03	0.05	0.06
Remove amortization expense	0.08	0.08	0.15	0.15
Remove tax benefit on adjusting items and amortization expense (2)	(0.01)	(0.01)	(0.01)	(0.02)
Adjusted Diluted Earnings per Share	$ 0.17	$ 0.16	$ 0.26	$ 0.25

Note: Adjusted EPS may not add due to rounding.

(1) Please refer to the "Reconciliation of Adjusted EBITDA" table above for additional information on adjusting items. See the "Per share impact of Adjusting Items" table below for the per share impact of each adjustment.

(2) We have calculated the income tax effect of the non-GAAP adjustments shown above at the applicable statutory rate of 25% for the U.S. and 26.2% for Canada except for the following items:

   a. The tax impact of stock compensation expense was calculated using the statutory rate of 25%, excluding certain awards that are non-deductible.

   b. The tax impact of acquisition and integration expense was calculated using the statutory rate of 25%, excluding certain charges that were non-deductible.

   c. Amortization expense for financial accounting purposes was offset by the tax benefit of deductible amortization expense using the statutory rate of 25%.

(3) Diluted shares on a GAAP basis for the thirteen and twenty-six weeks ended June 28, 2025 include the dilutive impact of 1,083 and 1,818 options and awards, respectfully. Diluted shares on a GAAP basis for the thirteen and twenty-six weeks ended June 29, 2024 include the dilutive impact of 2,345 and 2,316 options and awards, respectfully.

Per Share Impact of Adjusting Items

	Thirteen Weeks Ended June 28, 2025		Thirteen Weeks Ended June 29, 2024		Twenty-six Weeks Ended June 28, 2025		Twenty-six Weeks Ended June 29, 2024	
Stock compensation expense	$	0.02	$	0.02	$	0.03	$	0.03
Restructuring and other costs		0.00		0.00		0.01		0.01
Transaction and integration expense		0.00		0.00		0.00		0.00
Change in fair value of contingent consideration		0.00		0.00		0.00		0.00
Refinancing costs		0.00		0.00		0.00		0.02
Total adjusting items	$	0.02	$	0.03	$	0.05	$	0.06

Note: Adjusting items may not add due to rounding.

Reconciliation of Net Debt

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

	June 28, 2025		December 28, 2024	
Revolving loans	$	49,000	$	62,000
Senior term loan, due 2028		641,215		645,470
Finance leases and other obligations		18,647		11,085
Gross debt	$	708,862	$	718,555
Less cash		34,188		44,510
Net debt	$	674,674	$	674,045

Reconciliation of Free Cash Flow

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

	Thirteen Weeks Ended June 28, 2025		Thirteen Weeks Ended June 29, 2024		Twenty-six Weeks Ended June 28, 2025		Twenty-six Weeks Ended June 29, 2024	
Net cash provided by operating activities	$	48,707	$	64,800	$	48,052	$	76,476
Capital expenditures		(17,517)		(22,319)		(38,175)		(40,078)
Free cash flow	$	31,190	$	42,481	$	9,877	$	36,398

Source: Hillman Solutions Corp.

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Source: The Hillman Group