

HILLMAN

HLMN | Nasdaq Listed

Investor Presentation

March 2024



Forward Looking Statements

This presentation contains certain forward-looking statements, including, but not limited to, certain plans, expectations, goals, projections, and statements, which are not historical facts and are subject to numerous assumptions, risks, and uncertainties. Statements that do not describe historical or current facts, including statements about beliefs and expectations, are forward-looking statements. All forward-looking statements are made in good faith by the company and are intended to qualify for the safe harbor from liability established by Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995. You should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "target," "goal," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, the Company's expectations with respect to future performance. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside the Company's control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) unfavorable economic conditions that may affect operations, financial condition and cash flows including spending on home renovation or construction projects, inflation, recessions, instability in the financial markets or credit markets; (2) increased supply chain costs, including raw materials, sourcing, transportation and energy; (3) the highly competitive nature of the markets that we serve; (4) the ability to continue to innovate with new products and services; (5) direct and indirect costs associated with the May 2023 ransomware attack, and our receipt of expected insurance receivables associated with that cyber security incident; (6) seasonality; (7) large customer concentration; (8) the ability to recruit and retain qualified employees; (9) the outcome of any legal proceedings that may be instituted against the Company; (10) adverse changes in currency exchange rates; or (11) regulatory changes and potential legislation that could adversely impact financial results. The foregoing list of factors is not exclusive, and readers should also refer to those risks that are included in the Company's filings with the Securities and Exchange Commission ("SEC"), including its Annual Report on Form 10-K for the fiscal year ended December 30, 2023. Given these uncertainties, current or prospective investors are cautioned not to place undue reliance on any such forward looking statements.

Except as required by applicable law, the Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements in this communication to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

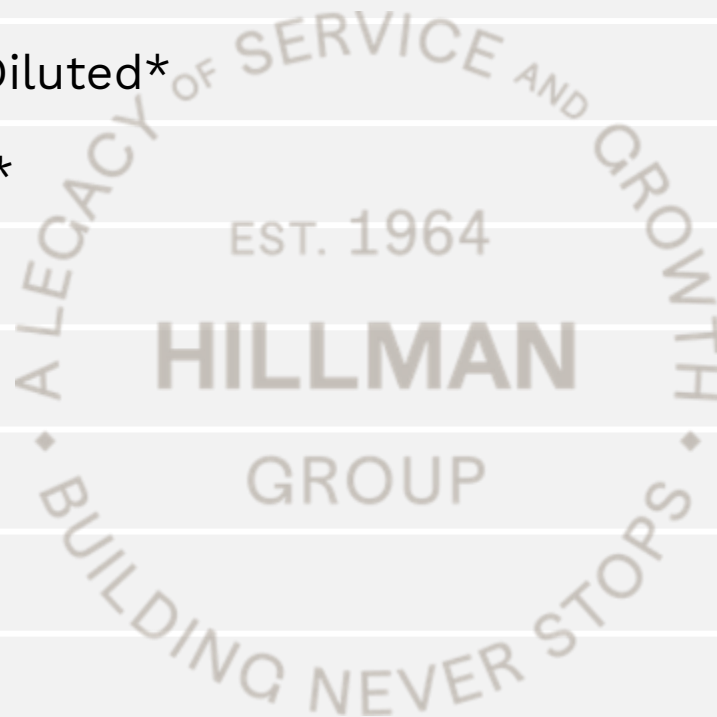
Presentation of Non-GAAP Financial Measures

In addition to the results provided in accordance with U.S. generally accepted accounting principles ("GAAP") throughout this presentation the company has provided non-GAAP financial measures, which present results on a basis adjusted for certain items. The company uses these non-GAAP financial measures for business planning purposes and in measuring its performance relative to that of its competitors. The company believes that these non-GAAP financial measures are useful financial metrics to assess its operating performance from period-to-period by excluding certain items that the company believes are not representative of its core business. These non-GAAP financial measures are not intended to replace, and should not be considered superior to, the presentation of the company's financial results in accordance with GAAP. The use of the non-GAAP financial measures terms may differ from similar measures reported by other companies and may not be comparable to other similarly titled measures. These non-GAAP financial measures are reconciled from the respective measures under GAAP in the appendix below.

The company is not able to provide a reconciliation of the company's non-GAAP financial guidance to the corresponding GAAP measures without unreasonable effort because of the inherent difficulty in forecasting and quantifying certain amounts necessary for such a reconciliation such as certain non-cash, nonrecurring or other items that are included in net income and EBITDA as well as the related tax impacts of these items and asset dispositions / acquisitions and changes in foreign currency exchange rates that are included in cash flow, due to the uncertainty and variability of the nature and amount of these future charges and costs.

HILLMAN SOLUTIONS CORP. - NASDAQ: HLMN

Share Price <i>(February 23, 2024 – Closing Price)</i>	\$9.65
52-Week Low / High	\$6.06 / \$10.02
Total Shares Outstanding / Diluted*	195.2 / 195.9 million
Equity Market Capitalization*	\$1.9 billion
Net Debt	\$722.4 million
Total Enterprise Value*	\$2.6 billion
Net Debt / Adj. EBITDA <i>(ttm)</i>	3.3x
Net Sales <i>(ttm)</i>	\$1.5 billion
Adj. EBITDA <i>(ttm)</i>	\$219.4 million
First Day of Trading: Nasdaq	July 15, 2021
Employees <i>(12/30/2023)</i>	~3,800



Total shares outstanding as of February 20, 2024. Diluted share count represents the weighted average diluted shares outstanding during the most recent quarter. Stats as of February 20, using Q4 2023 stats unless otherwise indicated.
Adjusted EBITDA and Net Debt are non-GAAP measures. Please see appendix for reconciliations to GAAP metrics.

WHO WE ARE

We are a leading North American provider of hardware products and solutions, including;

- 1) Hardware and home improvement products
- 2) Protective and job site gear – including work gloves and job site storage
- 3) Robotic kiosk technologies (“RDS”): Key duplication, engraving & knife sharpening

Our differentiated service model provides direct to-store shipping, in-store service, and category management solutions

We have long-standing strategic partnerships with leading retailers across North America:

- Home Depot, Lowe's, Walmart, Tractor Supply, and ACE Hardware

Founded in 1964; HQ in Cincinnati, Ohio

BY THE NUMBERS

~20 billion
Fasteners
Sold

~245 million
Pairs of Work
Gloves Sold

+115 million
Keys
Duplicated

~114,000
SKUs
Managed

~46,000
Direct Ship
Locations

~31,000
RDS Machines in
Retail Locations

#1
Position Across
Primary
Categories*

8.0%+
Sales CAGR over
past 10 years

60-Year
Track Record of
Success

\$1.5 billion
2023 Net Sales

9.4% CAGR
2018 – 2023 Adj.
EBITDA Growth

14.9%
2023 Adj.
EBITDA Margin

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

WHY WE WIN – WE MANAGE COMPLEXITY FOR CUSTOMERS

Direct-to-Store Shipping

Over 75% of the revenue from our 114,000 SKUs are shipped directly to our customers' retail stores.

Our products primarily flow through Hillman's hub-and-spoke distribution network (not through our customer's distribution centers).

Field Sales and Service Team

Our 1,100-member team works in our customers' stores regularly and has for the past 28 years.

Hillman's role varies by customer and ranges from managing the aisle, organizing and cleaning displays, managing inventory, and ordering products.

Innovative Hillman-Owned Brands

Over 90% of revenue comes from Hillman-owned brands.

Leading consumer brands with strong recognition

Research driven innovation provides differentiation with IP protection (150+ issued patents).

Enables Hillman to implement feedback from the DIYer, pro, and retailer customers.

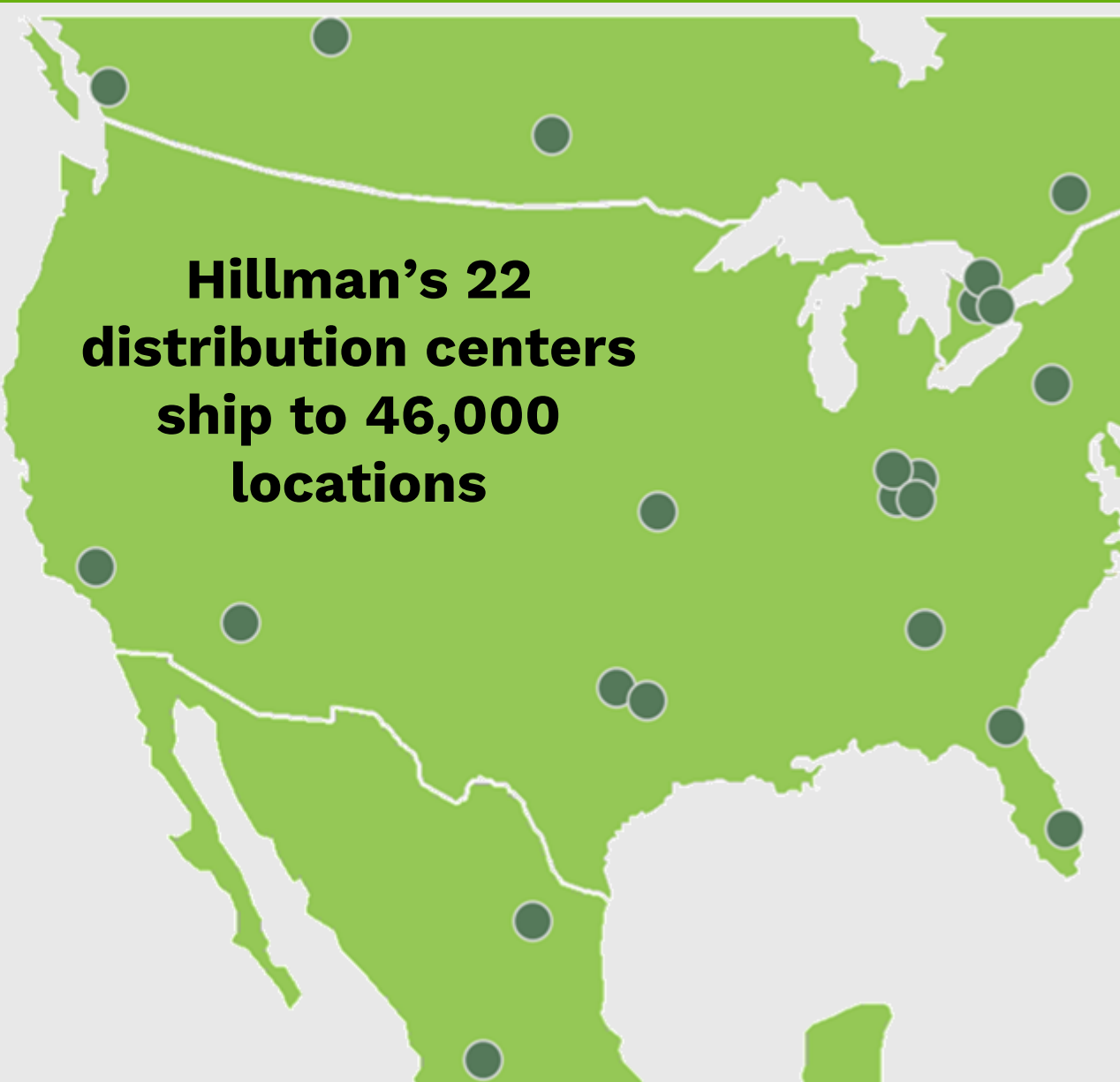
Our Competitive Advantages

Direct-to-Store Shipping

Field Sales & Service Team

Hillman-Owned Brands

- Over 75% of Hillman's 114,000 SKUs are shipped store-direct or store-specific
- Products flow through Hillman's 22 distribution centers ("DCs") to 46,000 locations across North America
- Products shipped direct-to-store do not flow through customer DCs
- Daily POS + Direct Store Delivery + Our Team in the store = fill rates of 94% during 2023
- Enables customers to utilize just-in-time inventory management
- Increases product-to-shelf speed and reduces retailer shipping and handing costs (freeing up capacity in their DCs)



**Hillman's 22
distribution centers
ship to 46,000
locations**

Our Competitive Advantages

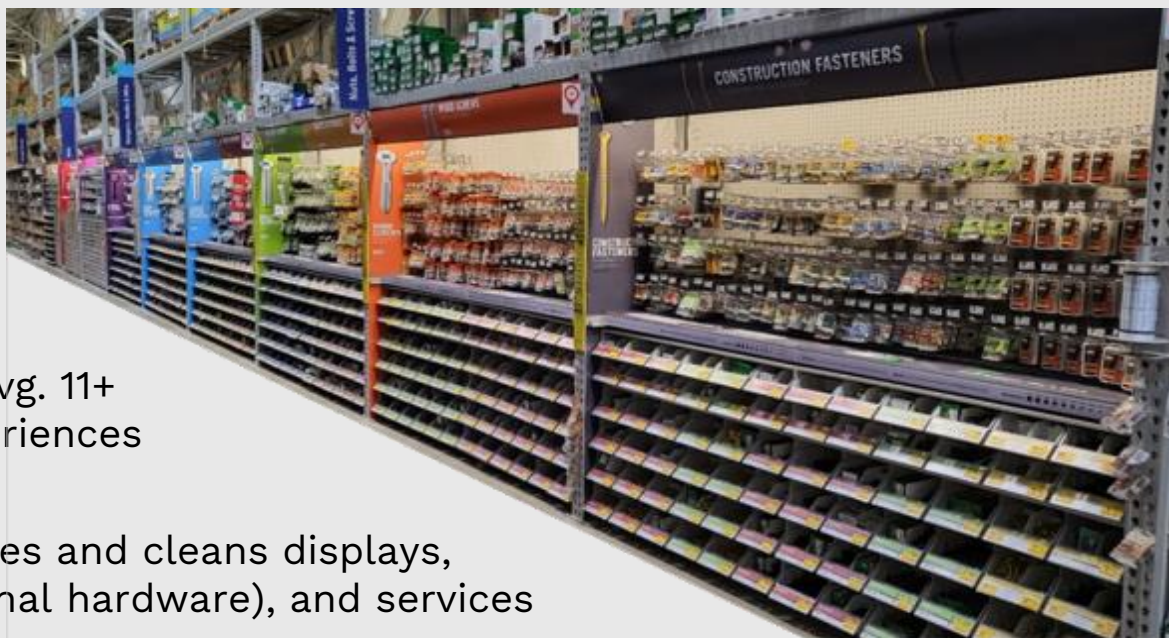
HILLMAN
HLMN | Nasdaq Listed

Direct-to-Store Shipping

Field Sales & Service Team

Hillman-Owned Brands

- Hillman's 1,100 team members are in customers' stores on a regular basis
- Spend \$90 million annually on this team which serves as the key differentiator vs. competition
- In a challenging labor market, Hillman's customers can rely on its long-tenured (avg. 11+ years) sales and service team, which experiences low turnover
- Hillman's team manages the aisle, organizes and cleans displays, manages inventory, writes orders (traditional hardware), and services RDS kiosks
- Team consists of four groups: traditional hardware, big box retail, Canadian retail, and RDS techs
- Our team has been in the stores of our customers for the past 28 years
- Consistently awarded Vendor of the Year Awards by top customers for delivering value & growth (2023: Tractor Supply and Mid States)



Our Competitive Advantages

Direct-to-Store Shipping

Field Sales & Service Team

Hillman-Owned Brands

- Over 90% of revenue comes from Hillman-owned brands
- Hillman's brands recognized by the consumer (DIYer and pro) and are often sought out by and preferred by the pro
- Able to differentiate offerings based on specific retailer strategies
- Capable of implementing feedback (from retailer, DIYer, or pro) to improve products to meet evolving customer needs
- Create products that align with our customer's strategy
- Develop innovative and differentiated products through R&D, enhancing brand equity

Hillman's Top 10 Brands

HILLMAN



paulin[®]



minute  **key**



FIRM GRIP



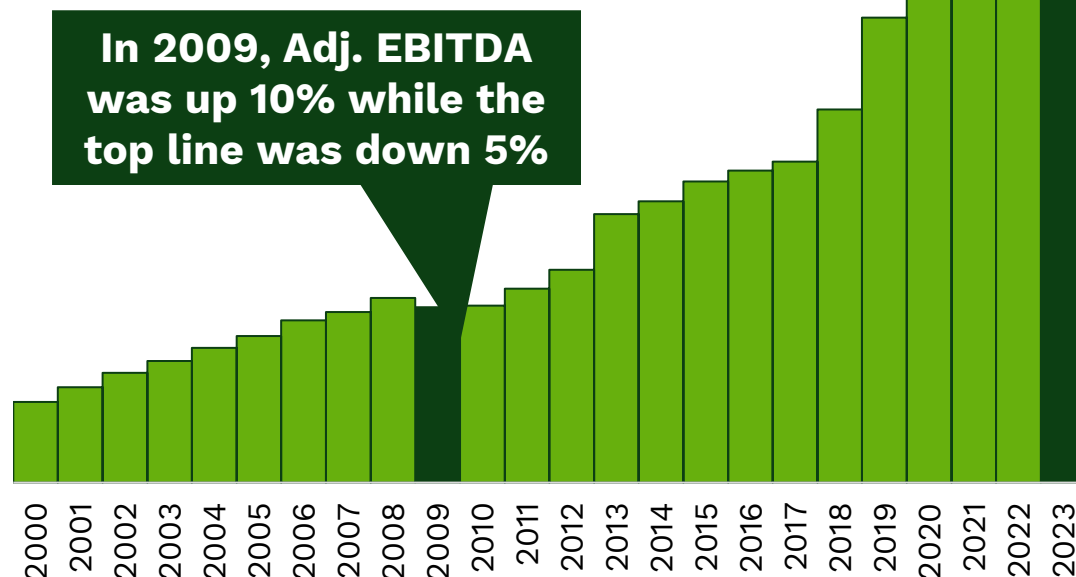
POWERPRO[®]
ENGINEERED PERFORMANCE



LONG-TERM TRACK RECORD OF TOP-LINE GROWTH

- Our products are used for home Repair, Remodel and Maintenance
- The end user of Hillman products are the “Pick Up Truck Pro” and the “DIYer”
- Not tied to new housing construction as we do not ship to job sites
- Highly attractive ~\$6 billion¹ market with strong tailwinds: aging inventory of U.S. housing, millennials buying homes, aging in place, etc.

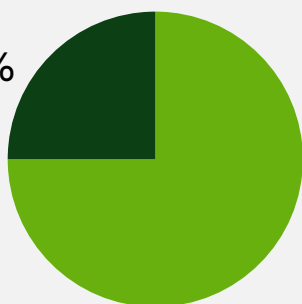
Total Annual Net Sales since 2000



End User of Hillman Products¹:

Professional: 25%

DIYer: 75%



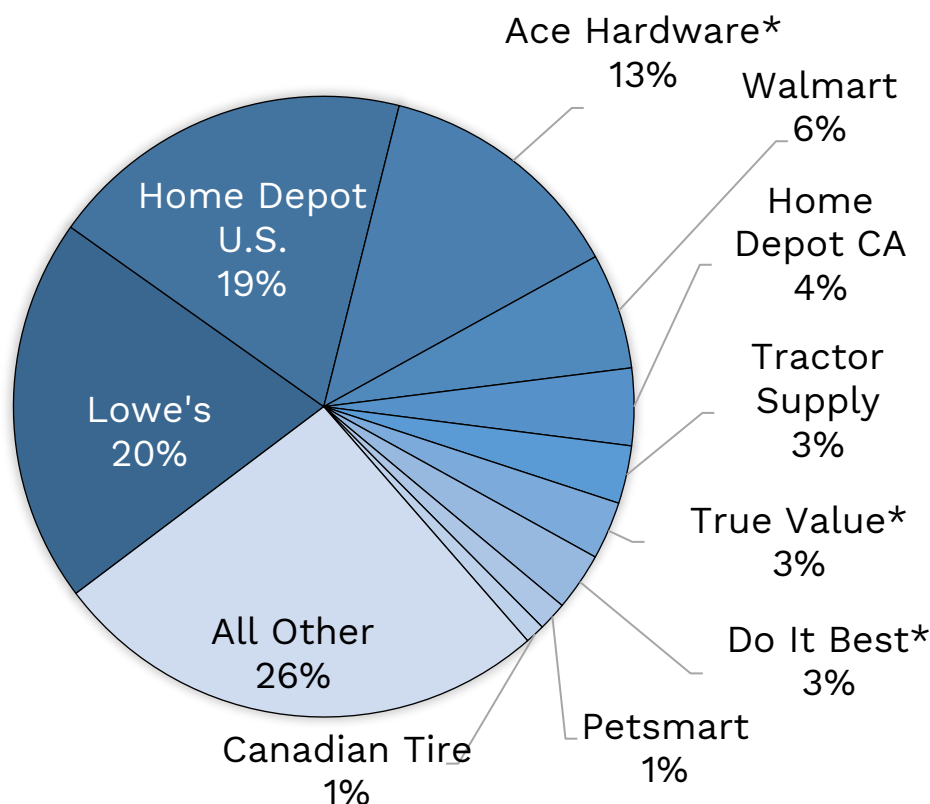
In 2024, Hillman celebrates its 60th anniversary



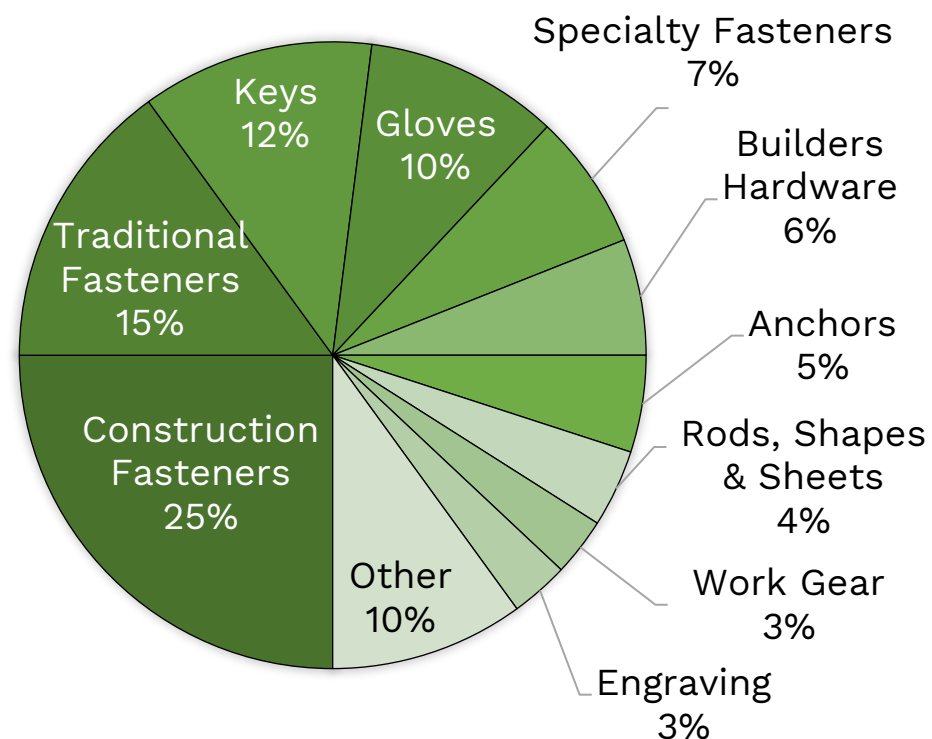
¹) Company Estimate

Customer and Product Details

NET SALES BY CUSTOMER



NET SALES BY PRODUCT TYPE



ON AVERAGE HILLMAN HAS BEEN SELLING ITS TOP CUSTOMERS FOR 25 YEARS:

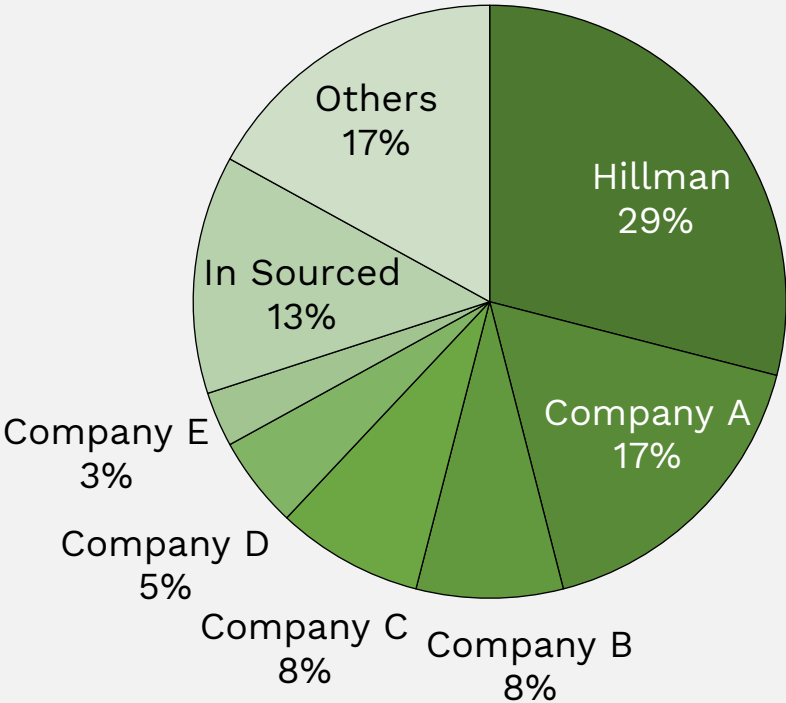


2023 Results

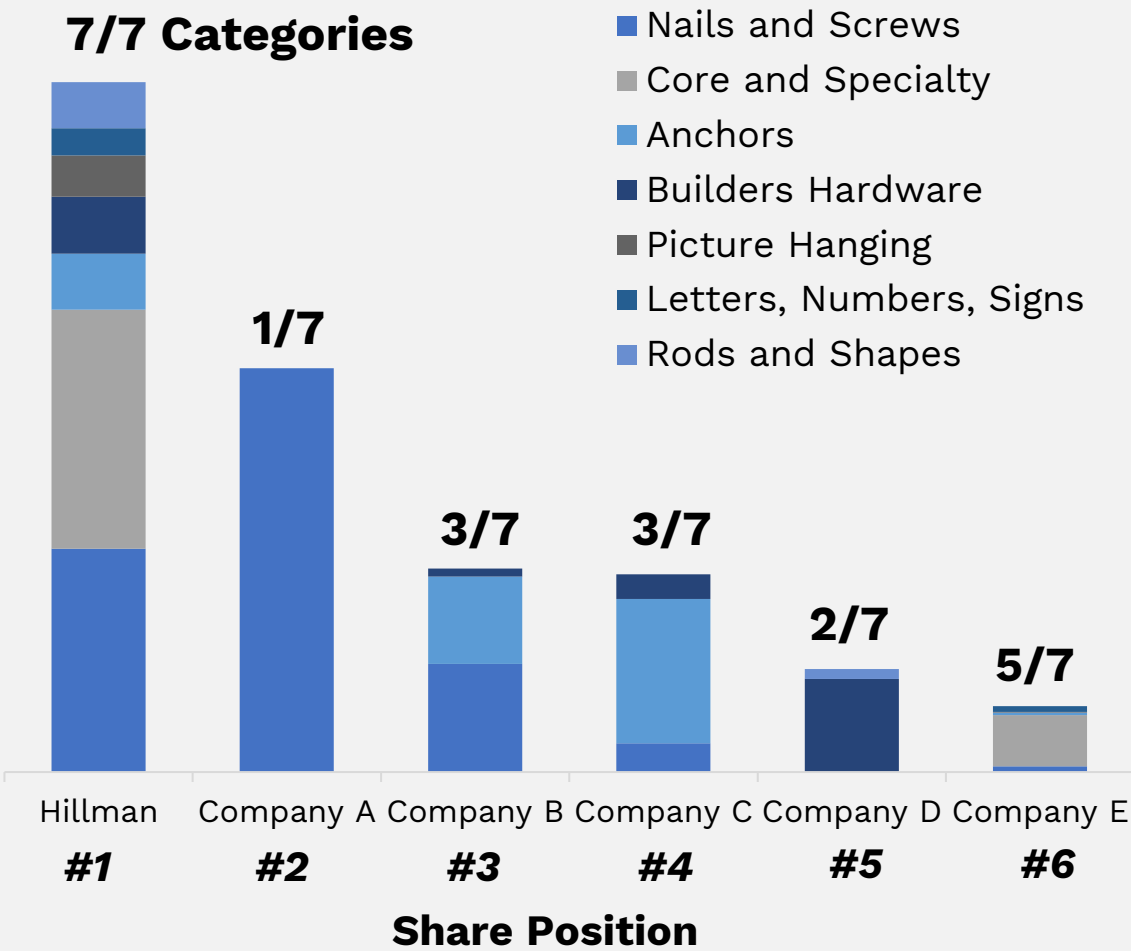
*Net sales include corporate (where applicable) and independent franchisees.

DEEP AND EXPANDING CATEGORY PENETRATION

Market Share by Manufacturer



Fastening & Hardware Categories



Management Estimates, 2023

HARDWARE SOLUTIONS

Construction Fasteners



Wall Hanging / Builders Hardware / Rope & Chain



Traditional / Specialty Fasteners



Letter, Numbers & Signs / Metal Shapes



PROTECTIVE SOLUTIONS

Work Gloves

FIRM GRIP



AWP



Jobsite Storage / Organization

AWP



Accessories / Lifestyle

digz

MAGNIFYe

rainbrella



Work Gear

AWP

FIRM GRIP



ROBOTICS AND DIGITAL SOLUTIONS

Key Duplication

HILLMAN
minuteKey



Pet Tag / Engraving



Auto Fob & RFID Fob Duplication

KEYSTART
DRIVEN BY QUALITY
INSTAFOB



Service & Sharpening

resharp



TOP & BOTTOM LINE

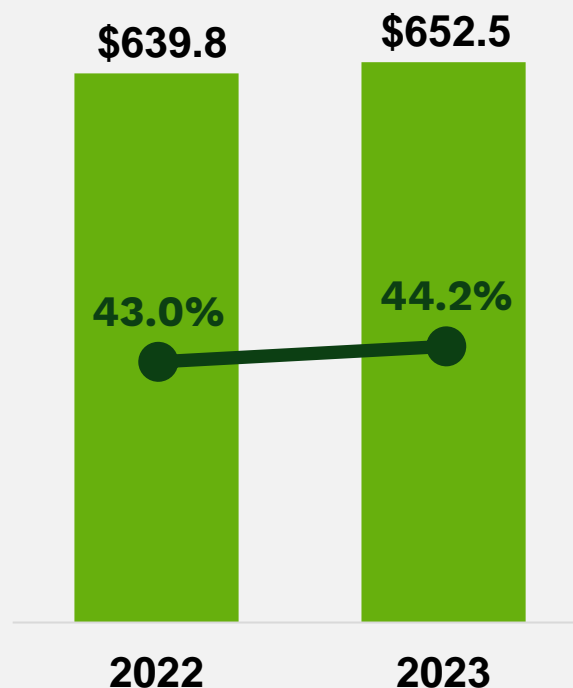
Net Sales

(billions \$)



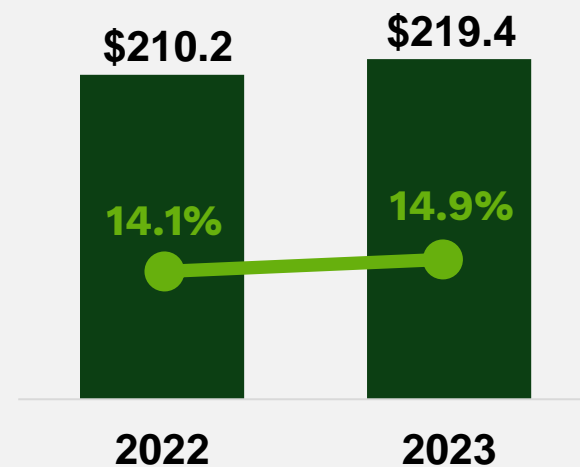
Adj. Gross Margin

(millions \$ and % of Net Sales)



Adjusted EBITDA

(millions \$ and % of Net Sales)



Please see reconciliation of Adjusted EBITDA and Adjusted Gross Margin in the Appendix of this presentation. Not to scale.

SUPPORTS GROWTH & ENABLES HEALTHY FILL RATES

\$ millions USD	Dec. 30, 2023
ABL Revolver (\$247 million available)	\$0
Term Note	\$751.9
Finance Leases & Other Obligations	\$9.1
Total Debt	\$760.9
Cash	\$38.6
Net Debt	\$722.4
TTM Adjusted EBITDA	\$219.4
Net Debt / TTM Adj. EBITDA	3.3 x

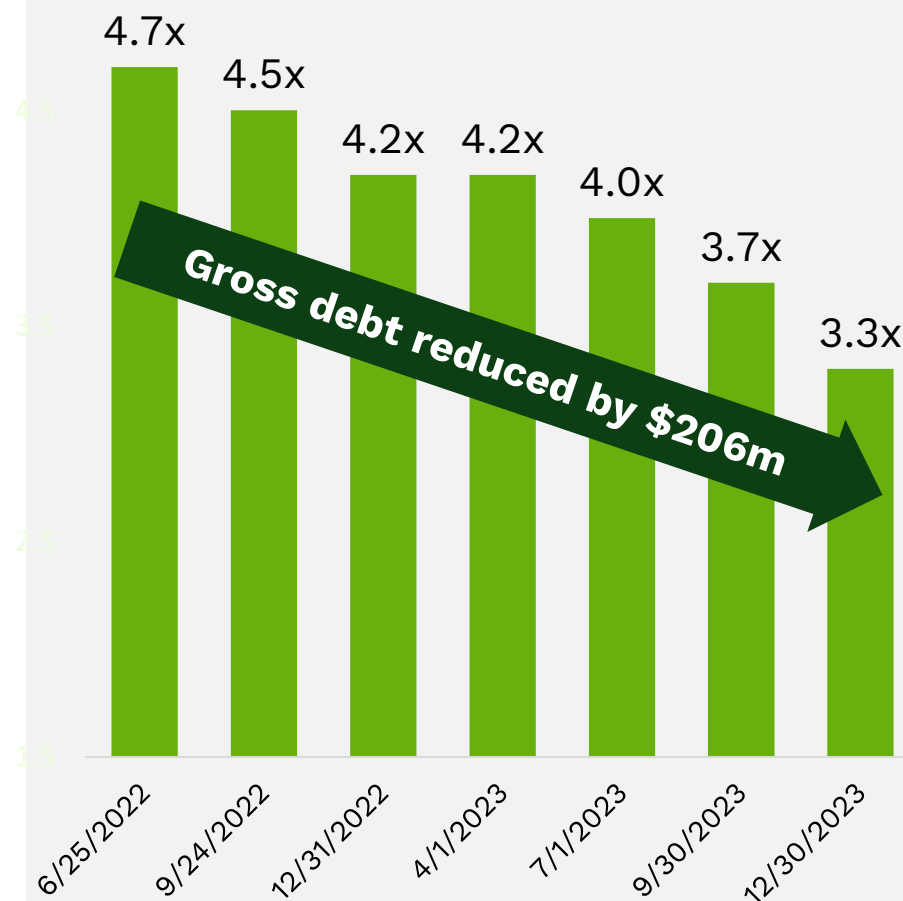
Interest Rate Hedging Details:

\$360 million of the Term Note is swapped to fixed at ~0.74% + 2.75% spread (~3.5% total); expiring on July 31, 2024.

Starting July 31, 2024: \$360 million of swaps go into effect at 3.62% + 2.75% spread (~6.4% total); expiring January 31, 2027.

Total Net Leverage

(Net Debt / TTM Adj. EBITDA)



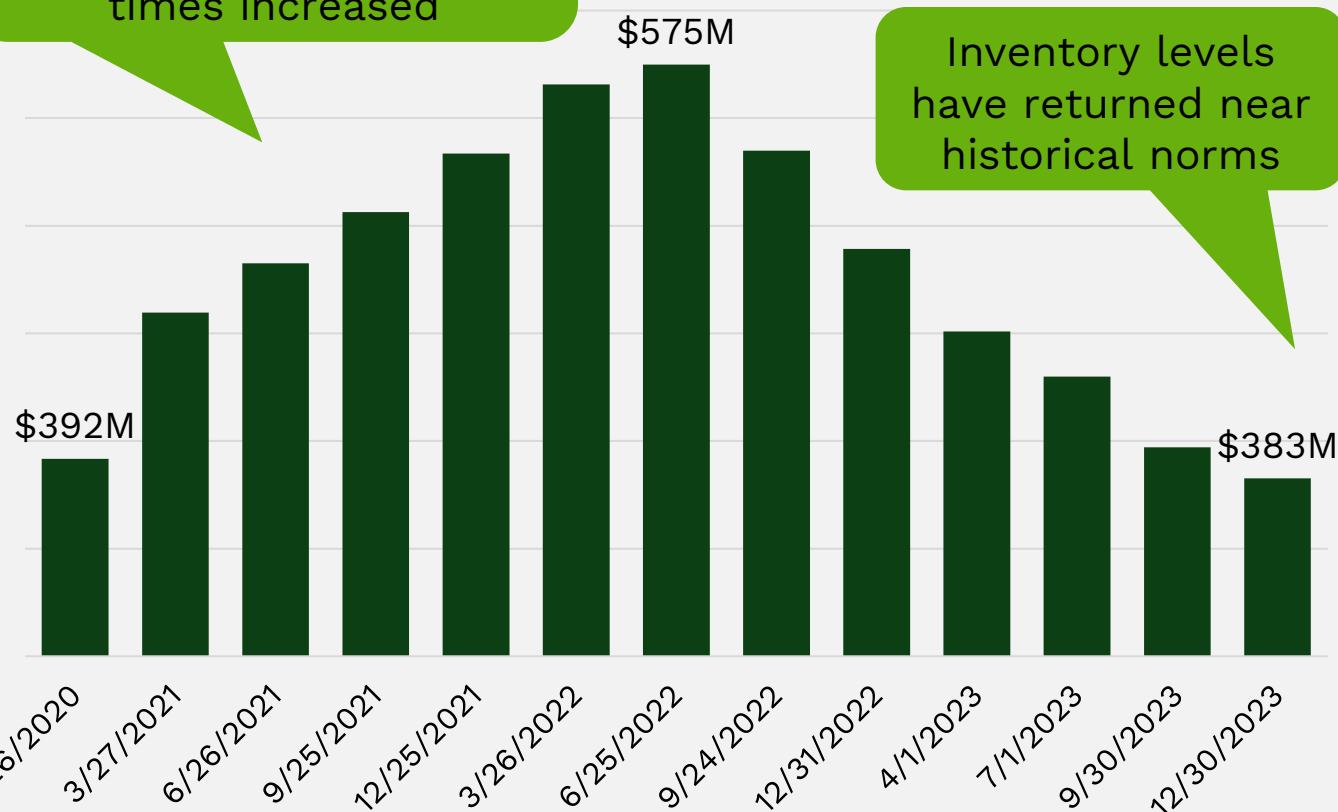
See reconciliation of Adjusted EBITDA to Net Income and Net Debt in the Appendix of this presentation.

INVENTORY REDUCED; HEALTHY FILL RATES

Net Inventories

During 2021 and 2022, we invested into inventory to protect fill rates as lead times increased

Inventory levels have returned near historical norms



Lead times peaked during January 2022 at 255 days

Hillman made the strategic decision to invest into inventory to take care of our customers and protect fill rates at the shelf

The result was that fill rates held strong during the supply chain uncertainty

Average annual fill rates:

- 2019: 96%
- 2020: 95%
- 2021: 91%
- 2022: 96%
- 2023: 94%

Seeking accretive, bolt-on acquisitions

With a vastly improved balance sheet, Hillman seeks to grow via M&A

Hillman can grow the companies it acquires by:

- Utilizing its 1,100-member field sales and service team and direct to store shipping capabilities to sell new products to its existing customer base
- Realize efficiencies / economies of scale in shipping, sourcing, and service
- Leverage long-term relationships with customers

Hillman seeks accretive, bolt-on acquisitions in hardware categories, as well as other complex / high-SKU categories (i.e. plumbing and electrical)

“Put it on the truck!”

January 2024: Koch Industries



Koch is a leading supplier of rope and chain products based in Minnesota

Hillman acquired Koch in January 2024 and entered the rope and chain category for the first time

Hillman expects to leverage its recent win in rope and chain *accessories* now that it manages the entire category

Koch's sales were approx. \$45m in 2023

2024 FULL YEAR GUIDANCE

On February 22, 2024, Hillman provided the following guidance based on its current view of the market and its performance expectations during the fifty-two weeks ended December 28, 2024.

(in millions USD)	Full Year 2024 Guidance Range	Midpoint
Revenues	\$1.475 to \$1.555 billion	\$1.515 billion
Adjusted EBITDA	\$230 to \$240 million	\$235 million
Free Cash Flow	\$100 to \$120 million	\$110 million

Assumptions

- Interest Expense: \$55-\$65 million
- Cash Interest: \$50-\$60 million
- Cash Tax Expense: \$10-\$20 million
- Capital expenditures: \$65-\$75 million
- Restructuring / Other: Approx. \$10 million
- Working Capital Benefit: \$5 - \$15 million
- Fully diluted shares outstanding: ~199 million

See reconciliation of Adjusted EBITDA to Net Income, Free Cash Flow and Net Debt in the Appendix of this presentation. Figures in Millions of USD unless otherwise noted.

Expand product categories with existing customers

(Example: Sell builder's hardware products at a retailer where we currently only sell fasteners)

Expand into new regions with existing customers

(Example: Sell the West region at a retailer where we currently only sell to the South and East)

Expand with retailers as they expand their footprint

(Example: Tractor Supply plans to open 80 stores in 2024, Home Depot expects to open 80 new stores in the next five years)

Expand into adjacent aisles with new product categories

(Example: Plumbing, electrical, etc.)

OPPORTUNITY WITH LEADING RETAILERS

RESILIENT BUSINESS FOCUSED ON DELEVERING & ACQUISITIONS

- Hillman celebrated its 60th anniversary in 2024, long-term track record of success; proven to be resilient through multiple economic cycles
- Repair, Remodel and Maintenance industry has meaningful long-term tailwinds; near-record levels of U.S. home equity driving investment in the home¹
- Benefiting from price/cost dynamic which began flowing through income statement in 2H 2023 and it expected to remain through 2024
- Leverage improved to 3.3x (from 4.2x a year ago); will continue to improve and reduce debt with free cash flow
- Seeking to execute low-risk, bolt-on acquisitions that leverage Hillman's moat (Acquired Koch Industries in January 2024, entering rope and chain category)

Historical Long-term Annual Growth Targets (Organic):

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

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

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

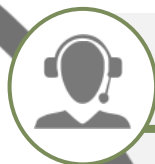
1) [U.S. Home Equity Hits Highest Level on Record—\\$27.8 Trillion.](#)

Investment Highlights

HILLMAN
HLMN | Nasdaq Listed



Indispensable partner embedded with winning retailers



Customers love us, trust us and rely on us



Market and innovation leader across multiple categories



Large, consistent, growing and resilient end markets



Significant runway for incremental growth: Organic + M&A



Management team with proven operational and M&A expertise



Long-term, 60-year track record of success



HILLMAN

Appendix



Top 20 Investors: Dec. 31, 2023

Investor	Ownership % of TSO	Investment Style	Equity AUM (\$ Millions)
The Vanguard Group, Inc.	9.9%	Index	\$5,526,402
Kayne Anderson Rudnick Investment Management	7.7	Core Growth	42,244
BlackRock Institutional Trust Company, N.A.	6.6	Index	3,547,213
Jefferies LLC	5.1	Broker-Dealer	6,069
JP Morgan Asset Management	4.9	GARP	607,318
Conestoga Capital Advisors, LLC	4.7	GARP	7,623
Neuberger Berman, LLC	4.2	GARP	121,147
Burgundy Asset Management Ltd.	4.2	Core Value	11,012
American Century Investment Management, Inc.	3.9	Core Growth	169,144
Reinhart Partners, LLC	3.5	GARP	2,232
ClearBridge Investments, LLC	2.4	GARP	124,568
AllianceBernstein L.P.	2.4	Core Growth	296,661
Geode Capital Management, L.L.C.	2.2	Index	1,137,311
State Street Global Advisors (US)	2.1	Index	2,190,207
Wellington Management Company, LLP	2.0	Core Value	631,233
Dimensional Fund Advisors, L.P.	1.7	Deep Value	503,522
WCM Investment Management	1.7	Growth	64,710
Clal Insurance Enterprises Holdings Ltd.	1.5	N/A	13,992
Allspring Global Investments, LLC	1.5	Core Value	70,160
Citadel Advisors LLC	1.4	Hedge Fund	98,666

As of most recent public filings on February 15, 2024.

Performance by Segment

Hardware & Protective	2022	2023	Δ	
53/52 weeks ended	12/31/2022	12/30/2023		Comments
Revenues	\$1,068,734	\$1,074,619	0.6%	Price + new business; offset by volume
Adjusted EBITDA	\$108,638	\$123,163	13.4%	Margin expansion from price/cost dynamic
Margin (Rev/Adj. EBITDA)	10.2%	11.5%	130 bps	

Robotics & Digital	2022	2023	Δ	
53/52 weeks ended	12/31/2022	12/30/2023		Comments
Revenues	\$245,633	\$245,400	(0.1)%	Soft volumes across RDS with MinuteKey the exception
Adjusted EBITDA	\$80,174	\$80,886	0.9%	Increase in higher-margin MinuteKey sales
Margin (Rev/Adj. EBITDA)	32.6%	33.0%	40 bps	

Canada	2022	2023	Δ	
53/52 weeks ended	12/31/2022	12/30/2023		Comments
Revenues	\$171,961	\$156,458	(9.0)%	Soft demand; slow economy
Adjusted EBITDA	\$21,437	\$15,311	(28.6)%	Higher costs & FX
Margin (Rev/Adj. EBITDA)	12.5%	9.8%	(270) bps	

Consolidated	2022	2023	Δ	
53/52 weeks ended	12/31/2022	12/30/2023		
Revenues	\$1,486,328	\$1,476,477	(0.7)%	
Adjusted EBITDA	\$210,249	\$219,360	4.3%	
Margin (Rev/Adj. EBITDA)	14.1%	14.9%	80 bps	

Please see reconciliation of Adjusted EBITDA to Net Income (Loss) in the Appendix of this presentation. Figures in Thousands of USD unless otherwise noted.

Revenue by Product Category

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

	Hardware & Protective	Robotics & Digital	Canada	Revenue
53 Weeks Ended December 31, 2022				
Fastening and Hardware	\$834,210	\$—	\$155,362	\$989,572
Personal protective	234,524	—	8,926	243,450
Keys and key accessories	—	189,364	7,625	196,989
Engraving and Resharp	—	56,269	48	56,317
Consolidated	\$1,068,734	\$245,633	\$171,961	\$1,486,328

Figures in Thousands of USD unless otherwise noted.

Adjusted EBITDA Reconciliation

53/52 Weeks Ended	12/31/2022	12/30/2023
Net loss	\$(16,436)	\$(9,589)
Income tax expense	1,769	2,207
Interest expense, net	54,560	68,310
Depreciation	57,815	59,331
Amortization	62,195	62,309
EBITDA	\$159,903	\$182,568
Stock compensation expense	13,524	12,004
Restructuring and other ⁽¹⁾	2,617	3,031
Litigation expense ⁽²⁾	32,856	339
Transaction and integration expense ⁽³⁾	2,477	1,754
Change in fair value of contingent consideration	(1,128)	(4,936)
Intangible impairment charges ⁽⁴⁾	—	24,600
Adjusted EBITDA	\$210,249	\$219,360

1. Restructuring includes severance, consulting, and other costs associated with streamlining our operations. 2023 includes costs associated with the Cybersecurity Incident that occurred in May 2023.
2. Litigation expense includes legal fees associated with our litigation with Hy-Ko Products Company LLC.
3. Transaction and integration expense includes professional fees, non-recurring bonuses, and other costs related to acquisitions, and the secondary offerings of shares in 2022 and 2023.
4. In the fourth quarter of 2023, we recorded an impairment charge in our Hardware and Protective Solutions segment of \$24.6 million, primarily related to the exit of certain retail locations and markets for a specific product line. We impaired \$19.6 million of intangible assets and recorded inventory revaluation charges of \$5.0 million.

Adjusted Gross Margin Reconciliation

<i>53/52 weeks ended</i>	December 31, 2022	December 30, 2023
Net Sales	\$1,486,328	\$1,476,477
Cost of sales (exclusive of depreciation and amortization)	846,551	828,956
Gross margin exclusive of depreciation and amortization	\$639,777	\$647,521
Gross margin exclusive of depreciation and amortization %	43.0 %	43.9 %
Adjusting Items ⁽¹⁾ :		
Impairment charges	—	5,000
Adjusted Gross Profit	\$639,777	\$652,521
Adjusted Gross Margin %	43.0 %	44.2 %

1. See adjusted EBITDA Reconciliation for details of adjusting items

Net Debt & Free Cash Flow Reconciliations

Reconciliation of Net Debt

As of	December 31, 2022	December 30, 2023
Revolving loans	\$72,000	\$—
Senior term loan	840,363	751,852
Finance leases and other obligations	6,406	9,097
Gross debt	\$918,769	\$760,949
Less cash	31,081	38,553
Net debt	\$887,688	\$722,396

Reconciliation of Free Cash Flow

53/52 Weeks Ended	December 31, 2022	December 30, 2023
Net cash provided by operating activities	\$119,011	\$238,035
Capital expenditures	(69,589)	(65,769)
Free cash flow	\$49,422	\$172,266

HILLMAN

Contact Investor Relations:

IR@hillmangroup.com

513-826-5495

ir.hillmangroup.com

