



HILLMAN™

Investor Presentation

Fourth Quarter 2021

Safe Harbor Statement

Forward Looking Statements

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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.

2021 REVIEW

2021 Financial Highlights

- Began trading on NASDAQ under “HLMN” ticker
- Recapitalized balance sheet reducing leverage from 7.1x at June 30, 2021 to 4.5x TTM Adjusted EBITDA at December 25, 2021
- Continued to implement new business wins on time and complete thanks to field service teams
- Secured additional business wins for 2022
- Achieved fill-rates > 90%
- Two rounds of price increases completed; third round effective in Q1 2022
- 2021 Sales of \$1,425.97 million, +4.2% compared to 2020
- 2021 Adjusted EBITDA of \$207.42 million, -6.2% compared to 2020

(\$ in millions)

Outlook	2021	1H22	2H22	2022
Revenues	\$1,426.0	+High-Single Digits	+High-Single Digits	\$1,500 to \$1,600
Adjusted EBITDA	\$207.4	-Mid-Single Digits	+ Mid-Teens	\$207 to \$227

Note: Adjusted EBITDA is a non-GAAP measure. Please see reconciliation of Adjusted EBITDA to Net Income included in this presentation.

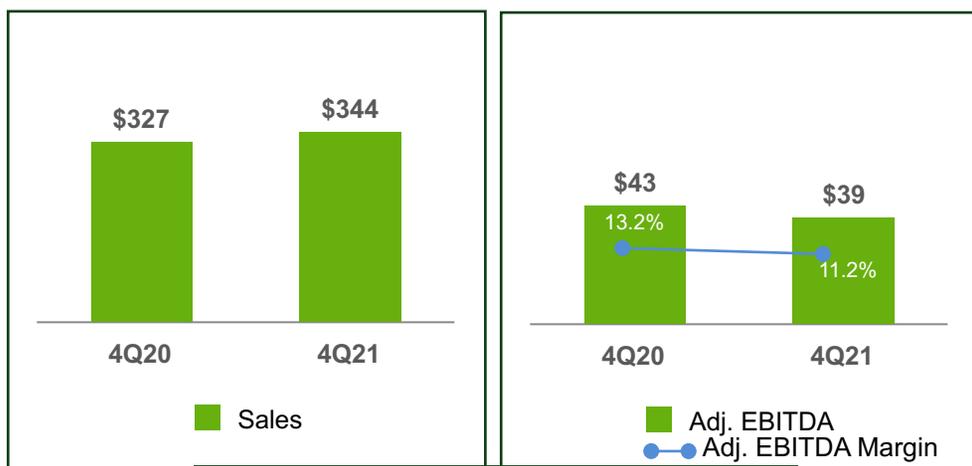
Solid Revenue Growth, Inflation Challenging

(\$ in millions)

Fourth Quarter

Sales

Adjusted EBITDA



Fourth Quarter Highlights

- Sales increased 5.3% in 4Q21, PS tough comparison
 HS +11.8% PS -14.4%
 RDS +15.9% Canada +3.4%
- Adjusted EBITDA decreased 10.4% and margin contracted 200 basis points primarily due to loss of higher margin COVID PPE sales and inflationary cost pressures
- 2-Year CAGR: Revenue +10.0%, Adjusted EBITDA +4.8%

2021

Sales

Adjusted EBITDA



2021 Highlights

- Sales increased 4.2% from 2020 to 2021.
 HS +4.7% PS -10.3%
 RDS +19.2% Canada +12.5%
- Adjusted EBITDA decreased 6.2% and margin contracted 170 basis points primarily due to loss of higher margin COVID PPE sales and inflationary cost pressures
- 2-Year CAGR: Revenue +8.4%, Adjusted EBITDA +7.7%

Note: Adjusted EBITDA is a non-GAAP measure. Please see reconciliation of Adjusted EBITDA to Net Income included in this presentation.

2021 Fourth Quarter Segment Results Summary

\$ Thousands

Hardware & Protective Solutions	4Q20	4Q21	\$	
<i>For Quarter Ended</i>	<i>12/26/2020</i>	<i>12/25/2021</i>	Change	Comments
Revenues	\$241,409	\$249,460	\$8,051	HS: volume growth & pricing actions, PS: less COVID PPE sales
Adjusted EBITDA	\$29,785	\$17,958	\$(11,827)	Lower PS demand & PS cost pressures
Margin	12.3 %	7.2 %	(510) bps	Lower higher margin COVID PPE sales and inflation

Robotics & Digital Solutions	4Q20	4Q21	\$	
<i>For Quarter Ended</i>	<i>12/26/2020</i>	<i>12/25/2021</i>	Change	Comments
Revenues	\$51,596	\$59,799	\$8,203	Recovery from prior year, increase in the installed base
Adjusted EBITDA	\$12,328	\$18,486	\$6,158	Strong sales growth and margin expansion
Margin	23.9 %	30.9 %	700 bps	Driven by favorable mix and pricing actions

Canada	4Q20	4Q21	\$	
<i>For Quarter Ended</i>	<i>12/26/2020</i>	<i>12/25/2021</i>	Change	Comments
Revenues	\$34,064	\$35,232	\$1,168	Recovery from COVID disruptions and foreign exchange rate
Adjusted EBITDA	\$998	\$2,168	\$1,170	Sales growth
Margin	2.9 %	6.2 %	330 bps	Higher gross margins from pricing actions & foreign exchange

Consolidated	4Q20	4Q21	\$	
<i>For Quarter Ended</i>	<i>12/26/2020</i>	<i>12/25/2021</i>	Change	Comments
Revenues	\$327,069	\$344,491	\$17,422	
Adjusted EBITDA	\$43,111	\$38,612	\$(4,499)	
Margin	13.2 %	11.2 %	(200) bps	

Note: Adjusted EBITDA is a non-GAAP measure. Please see reconciliation of Adjusted EBITDA to Net Income included in this presentation.

2021 Segment Results Summary

\$ Thousands

Hardware & Protective Solutions	2020	2021	\$	
<i>For Year Ended</i>	<i>12/26/2020</i>	<i>12/25/2021</i>	Change	Comments
Revenues	\$1,024,392	\$1,024,974	\$582	HS: volume growth & pricing actions, PS: less COVID PPE sales
Adjusted EBITDA	\$153,765	\$113,738	\$(40,027)	Lower PS demand & PS cost pressures
Margin	15.0 %	11.1 %	(390) bps	Lower higher margin COVID PPE sales and inflation

Robotics & Digital Solutions	2020	2021	\$	
<i>For Year Ended</i>	<i>12/26/2020</i>	<i>12/25/2021</i>	Change	Comments
Revenues	\$209,287	\$249,528	\$40,241	Recovery from prior year, increase in the installed base
Adjusted EBITDA	\$60,265	\$83,082	\$22,817	Strong sales growth and margin expansion
Margin	28.8 %	33.3 %	450 bps	Driven by favorable mix and pricing actions

Canada	2020	2021	\$	
<i>For Year Ended</i>	<i>12/26/2020</i>	<i>12/25/2021</i>	Change	Comments
Revenues	\$134,616	\$151,465	\$16,849	Recovery from COVID disruptions and foreign exchange rate
Adjusted EBITDA	\$7,185	\$10,598	\$3,413	Sales growth
Margin	5.3 %	7.0 %	170 bps	Higher gross margins from pricing actions & foreign exchange

Consolidated	2020	2021	\$	
<i>For Year Ended</i>	<i>12/26/2020</i>	<i>12/25/2021</i>	Change	Comments
Revenues	\$1,368,295	\$1,425,967	\$57,672	
Adjusted EBITDA	\$221,215	\$207,418	\$(13,797)	
Margin	16.2 %	14.5 %	(170) bps	

Note: Adjusted EBITDA is a non-GAAP measure. Please see reconciliation of Adjusted EBITDA to Net Income included in this presentation.

Segment Revenue Detail

\$ Thousands

<i>For Year Ended December 25, 2021</i>	Hardware & Protective Solutions	Robotics & Digital Solutions	Canada	Total Revenue
Fastening and Hardware	\$740,088	\$—	\$149,165	\$889,253
Personal protective	284,886	—	397	285,283
Keys and key accessories	—	190,697	1,826	192,523
Engraving	—	58,555	77	58,632
Resharp	—	276	—	276
Consolidated	\$1,024,974	\$249,528	\$151,465	\$1,425,967

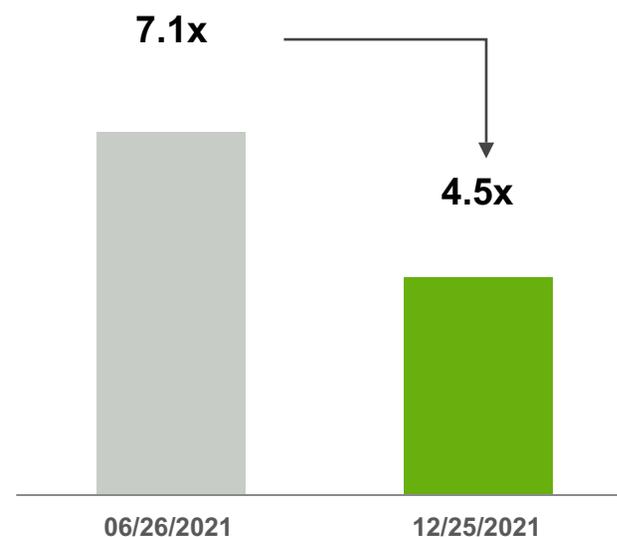
<i>For Year Ended December 26, 2020</i>	Hardware & Protective Solutions	Robotics & Digital Solutions	Canada	Total Revenue
Fastening and Hardware	\$706,865	\$—	\$131,493	\$838,358
Personal protective	317,527	—	239	317,766
Keys and key accessories	—	157,828	2,878	160,706
Engraving	—	51,423	6	51,429
Resharp	—	36	—	36
Consolidated	\$1,024,392	\$209,287	\$134,616	\$1,368,295

Capital Structure Supports Growth & Industry Leading Fill Rates

Total Leverage Based on Trailing Twelve Months (TTM) Adj. EBITDA

(\$ millions)	12/25/21
Cash	\$15
ABL Revolver (\$250 million)	\$93
Term Note	\$851
Finance Leases	\$2
Total Debt	\$946
Net Debt	\$931
TTM Adjusted EBITDA	\$207
Net Debt/ TTM Adjusted EBITDA	4.5x

Total Net Leverage Based on TTM Adj. EBITDA



Note: Adjusted EBITDA is a non-GAAP measure. Please see reconciliation of Adjusted EBITDA to Net Income included in this presentation.

2022 Outlook

(\$ in millions)

	2021	1H22E	2H22E	2022E
Revenues	\$1,426.0	+High-Single Digits	+High-Single Digits	\$1,500 to \$1,600
Adjusted EBITDA	\$207.4	-Mid-Single Digits	+ Mid-Teens	\$207 to \$227
Free Cash Flow				\$120 to \$130

Other

- Interest Expense: \$45-\$50 million/year
- Cash Interest: \$35-\$45 million/year
- Income Tax: modest cash taxpayer in 2022, then ~25% cash taxpayer
- Capital Expenditures: \$60-\$70 million/year
- Shares Outstanding: ~196 million

Long-term Growth Targets

- Organic: Revenue +6%, Adj EBITDA +10%
- Including Acquisitions: Revenue +10%, Adj EBITDA +15%

Note: Adjusted EBITDA is a non-GAAP measure. Please see reconciliation of Adjusted EBITDA to Net Income included in this presentation.

Adjusted EBITDA Reconciliation

\$ Thousands

For Period Ending	4Q20 12/26/2020	4Q21 12/25/2021	2020 12/26/2020	2021 12/25/2021
Net loss	\$(13,962)	\$6,547	\$(24,499)	\$(38,332)
Income tax benefit	(7,065)	(761)	(9,439)	(11,784)
Interest expense, net	19,028	11,258	86,774	61,237
Interest expense on junior subordinated debentures	3,152	—	12,707	7,775
Investment income on trust common securities	(95)	—	(378)	(233)
Depreciation	16,750	13,335	67,423	59,400
Amortization	14,896	15,502	59,492	61,329
Mark-to-market adjustment on interest rate swaps	(568)	—	601	(1,685)
EBITDA	\$32,136	\$45,881	\$192,681	\$137,707
Stock compensation expense	1,307	6,438	5,125	15,255
Management fees	126	—	577	270
Restructuring ⁽¹⁾	1,475	339	4,902	910
Litigation expense ⁽²⁾	2,066	1,833	7,719	12,602
Acquisition and integration expense ⁽³⁾	7,788	2,182	9,832	11,123
Facility exits ⁽⁴⁾	428	—	3,894	—
Inventory revaluation charges ⁽⁵⁾	—	—	—	32,026
Buy-back expense ⁽⁶⁾	—	—	—	2,000
Anti-dumping duties ⁽⁷⁾	—	1,359	—	3,995
Change in fair value of contingent consideration ⁽⁸⁾	(2,215)	(696)	(3,515)	(1,806)
Change in fair value of warrant liability ⁽⁹⁾	—	(18,724)	—	(14,734)
Refinancing costs ⁽¹⁰⁾	—	—	—	8,070
Adjusted EBITDA	\$43,111	\$38,612	\$221,215	\$207,418

1. Inventory write-offs, severance, rent, labor costs, etc. related to restructuring initiatives
2. Professional fees related to non-recurring litigation
3. Professional fees, non-recurring bonuses, severance and other costs related to merger and acquisition activity including merger with LCY
4. Costs associated with the closure of two facilities in HPS segment
5. Inventory valuation charge taken in connection with the exit of certain COVID-19 product lines
6. Remove infrequent buy-backs associated with 8 new business wins
7. Prior year anti-dumping duties related to nail business
8. Change in fair value of contingent consideration for acquisitions
9. The warrant liabilities are marked to market each period end.
10. In connection with the merger, we refinanced our Term Credit Agreement and ABL Revolver. Proceeds from the refinancing were used to redeem in full senior notes due July 15, 2022 (the "6.375% Senior Notes") and the 11.6% Junior Subordinated Debentures.

2021 Segment Adj EBITDA Reconciliations

\$ Thousands

Quarter Ended December 25, 2021	HPS	RDS	Canada	Consolidated
Operating Income (Loss)	\$(8,329)	\$5,700	\$949	\$(1,680)
Depreciation and Amortization	17,129	10,489	1,219	28,837
Stock Compensation Expense	5,543	895	—	6,438
Restructuring	339	—	—	339
Litigation Expense	—	1,833	—	1,833
Acquisition and Integration Expense	1,917	265	—	2,182
Anti-Dumping Duties	1,359	—	—	1,359
Change in Fair Value of Contingent Consideration	—	(696)	—	(696)
Adjusted EBITDA	\$17,958	\$18,486	\$2,168	\$38,612
Year Ended December 25, 2021	HPS	RDS	Canada	Consolidated
Operating Income	\$(17,185)	\$23,558	\$3,941	\$10,314
Depreciation and Amortization	69,264	45,305	6,160	120,729
Stock compensation expense	13,134	2,121	—	15,255
Management fees	232	38	—	270
Restructuring	403	10	497	910
Litigation expense	—	12,602	—	12,602
Acquisition and Integration Expense	9,869	1,254	—	11,123
Change in Fair Value of Contingent Consideration	—	(1,806)	—	(1,806)
Buy-Back Expense	2,000	—	—	2,000
Anti-Dumping Duties	3,995	—	—	3,995
Inventory Valuation Adjustment	32,026	—	—	32,026
Adjusted EBITDA	\$113,738	\$83,082	\$10,598	\$207,418

Note: Adjusted EBITDA is a non-GAAP measure. Please see above for a reconciliation of Adjusted EBITDA to Operating Income.

2020 Segment Adj EBITDA Reconciliations

\$ Thousands

Quarter Ended December 26, 2020	HPS	RDS	Canada	Consolidated
Operating Income (Loss)	\$3,930	\$(1,255)	\$(2,185)	\$490
Depreciation and Amortization	17,556	12,374	1,716	31,646
Stock Compensation Expense	1,131	176	—	1,307
Management Fees	108	18	—	126
Restructuring	8	—	1,467	1,475
Litigation Expense	—	2,066	—	2,066
Acquisition and Integration Expense	6,766	1,022	—	7,788
Facility Exit	428	—	—	428
Change in Fair Value of Contingent Consideration	—	(2,215)	—	(2,215)
Corporate & Intersegment Adjustments	(142)	142	—	—
Adjusted EBITDA	\$29,785	\$12,328	\$998	\$43,111
Year Ended December 26, 2020	HPS	RDS	Canada	Consolidated
Operating Income (Loss)	\$67,313	\$3,177	\$(4,724)	\$65,766
Depreciation & Amortization	69,164	50,670	7,081	126,915
Stock Compensation Expense	4,464	661	—	5,125
Management Fees	502	75	—	577
Facility Exits	3,894	—	—	3,894
Restructuring	74	—	4,828	4,902
Litigation Expense	—	7,719	—	7,719
Acquisition & Integration Expense	8,284	1,548	—	9,832
Corporate & Intersegment Adjustments	70	(70)	—	—
Change in Fair Value of Contingent Consideration	—	(3,515)	—	(3,515)
Adjusted EBITDA	\$153,765	\$60,265	\$7,185	\$221,215

Note: Adjusted EBITDA is a non-GAAP measure. Please see above for a reconciliation of Adjusted EBITDA to Operating Income.