HILLMAN

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Quarterly Earnings Presentation

Q1 2023

May 9, 2023

Forward Looking Statements

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All statements made in this presentation that are consider 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 operations, financial condition and cash flows including spending on home renovation or construction projects, inflation, recessions, instability in the financial markets or credit markets; (2) increased supply chain costs, including raw materials, sourcing, transportation and energy; (3) the highly competitive nature of the markets that we serve; (4) the ability to continue to innovate with new products and services; (5) seasonality; (6) large customer concentration; (7) the ability to recruit and retain qualified employees; (8) the outcome of any legal proceedings that may be instituted against the Company; (9) adverse changes in currency exchange rates; (10) the impact of COVID-19 on the Company’s business; 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 the Annual Report on Form 10-K filed February 27, 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.

Highlights for the 13 Weeks Ended April 1, 2023

- Net sales decreased (3.7)% to $349.7 million versus Q1 2022
    - Hardware Solutions +7.8%
    - Robotics and Digital Solutions ("RDS") +0.1%
    - Canada (5.1)%
    - Protective Solutions (21.1)% (excl. COVID sales)
- GAAP net loss totaled $(9.1) million, or $(0.05) per diluted share, compared $(1.9) million, or $(0.01) per diluted share, in Q1 2022
- Adjusted EBITDA totaled $40.2 million compared to $44.0 million in the prior year quarter
- Free Cash Flow totaled $13.4 million compared to $(16.1) million in the prior year quarter
- Adjusted EBITDA (ttm) / Net Debt: 4.2x at quarter end, unchanged from December 31, 2022

Please see reconciliation tables in the Appendix of this presentation for non-GAAP metrics.

Q1 2023 Operational Review

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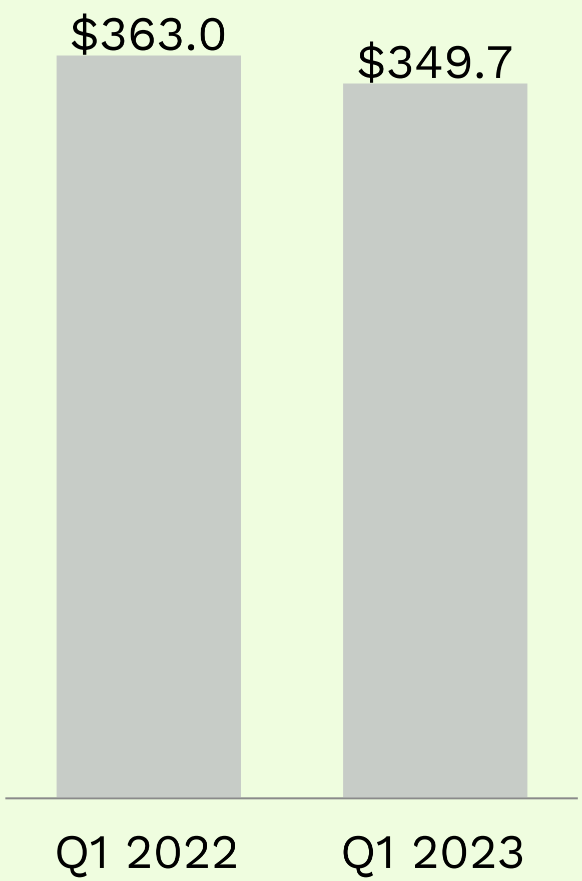
Highlights for the 13 Weeks Ended April 1, 2023

- Reiterated guidance
- Inventory reduced by $38 million during the quarter; reduced by a total of $124 million from the peak during June of 2022
- Fill rates averaged approximately 97% year to date
- New business (with existing and new customers) secured across multiple business segments
- Strong performance and customer service positions Hillman for continued new business wins and momentum

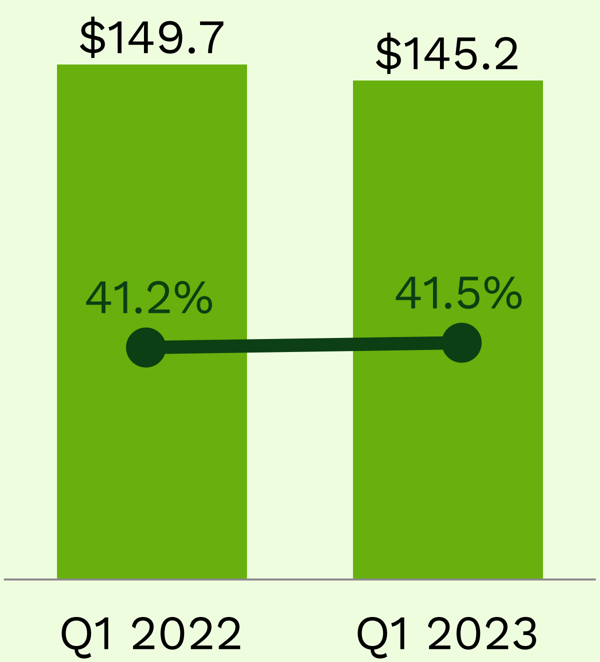
Quarterly Financial Performance

Top & Bottom Line

Net Sales
(millions $)



Adjusted 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.

Performance by Segment (Q1)

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Hardware & Protective	Q1 2022	Q1 2023	Δ	
For Thirteen Weeks Ended	*3/26/2022*	*4/1/2023*		*Comments*
Revenues	$265,377	$253,851	(4.3)%	Excluding COVID sales, revenues were flat
Adjusted EBITDA	$21,033	$18,879	(10.2)%	Inflation from 2022 flowing through income statement
Margin	7.9%	7.4%	*(50) bps*	Margin pressure from higher COGS and inflation

Robotics & Digital	Q1 2022	Q1 2023	Δ	
For Thirteen Weeks Ended	*3/26/2022*	*4/1/2023*		*Comments*
Revenues	$60,977	$61,066	0.1%	Increase in MinuteKey sales; decline in other offerings
Adjusted EBITDA	$18,349	$19,524	6.4%	Higher margin MinuteKey sales increased
Margin	*30.1%*	*32.0%*	*190 bps*	Near historical EBITDA margins of 32% to 33%

Canada	Q1 2022	Q1 2023	Δ	
For Thirteen Weeks Ended	*3/26/2022*	*4/1/2023*		*Comments*
Revenues	$36,659	$34,790	(5.1)%	Volumes up slightly, FX headwind, no pricing impact
Adjusted EBITDA	$4,629	$1,783	(61.5)%	Inflation from 2022 flowing through income statement
Margin	*12.6%*	*5.1%*	*(750) bps*	Margin pressure from higher COGS and inflation

Consolidated	Q1 2022	Q1 2023	Δ
For Thirteen Weeks Ended	*3/26/2022*	*4/1/2023*	
Revenues	$363,013	$349,707	(3.7)%
Adjusted EBITDA	$44,011	$40,186	(8.7)%
Margin (Rev/Adj. EBITDA)	*12.1%*	*11.5%*	*(60) bps*

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

Revenue by Product Category (Q1)

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	Hardware & Protective	Robotics & Digital	Canada	Revenue (QTD)
Thirteen Weeks Ended April 1, 2023				
Fastening and Hardware	$204,974	$—	$31,221	$236,195
Personal Protective	48,877	—	1,613	50,490
Keys and Key Accessories	—	48,548	1,941	50,489
Engraving and Resharp	—	12,518	15	12,533
Consolidated	**$253,851**	**$61,066**	**$34,790**	**$349,707**

	Hardware & Protective	Robotics & Digital	Canada	Revenue (QTD)
Thirteen Weeks Ended March 26, 2022				
Fastening and Hardware	$190,063	$—	$32,913	$222,976
Personal Protective	75,314	—	2,228	77,542
Keys and Key Accessories	—	47,537	1,504	49,041
Engraving and Resharp	—	13,440	14	13,454
Consolidated	**$265,377**	**$60,977**	**$36,659**	**$363,013**

Figures in Thousands of USD unless otherwise noted.

Capital Structure

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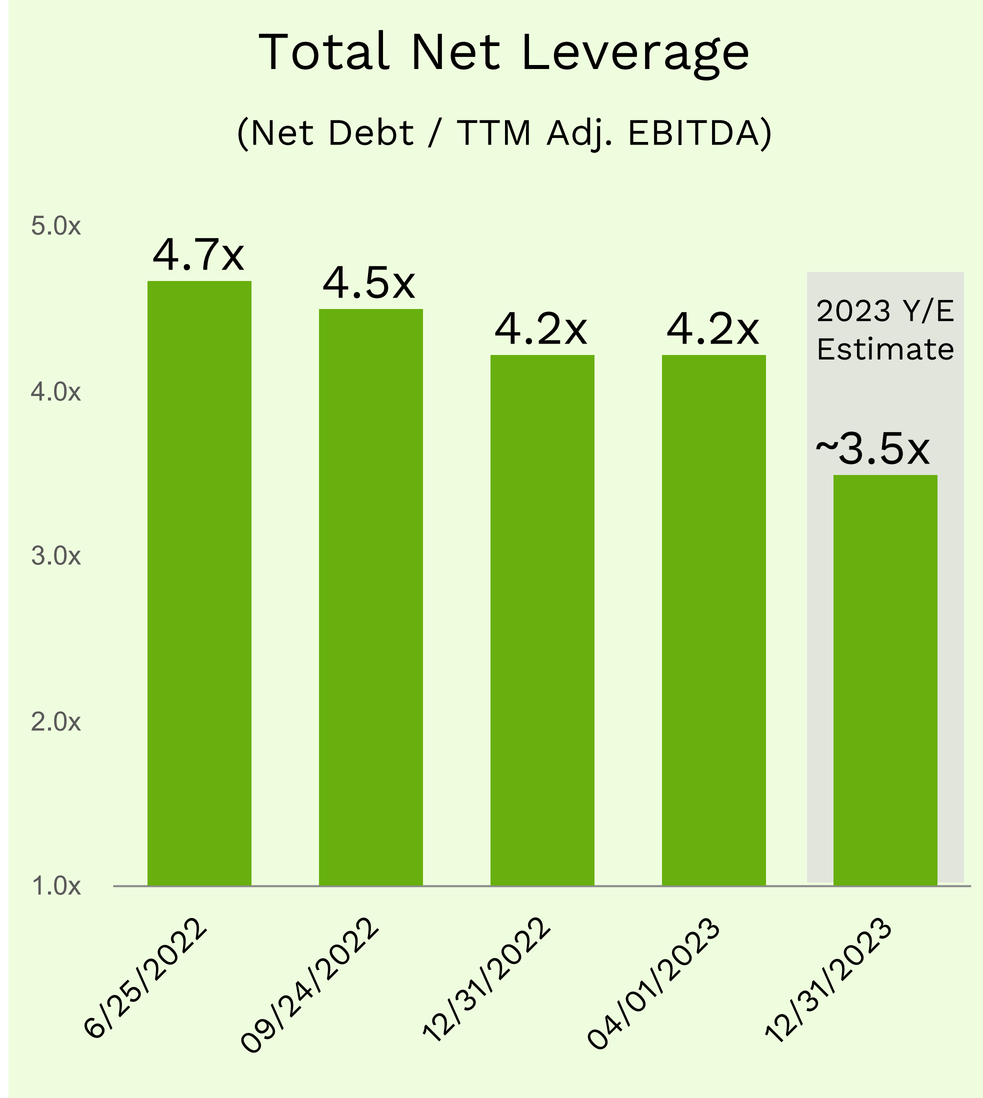
Committed to Improving Leverage as Inventory Converts to Cash

	April 1, 2023
ABL Revolver ($209 million capacity)	$67.0
Term Note	$838.2
Finance Leases and Other Obligations	$6.4
Total Debt	$911.6
Cash	$34.8
Net Debt	**$876.9**
TTM Adjusted EBITDA	**$206.4**
Net Debt/ TTM Adjusted EBITDA	**4.2 x**
Current Effective Interest Rate*	4.9%



Please see reconciliation of Adjusted EBITDA to Net Income and Net Debt in the Appendix of this presentation. Figures in Millions of USD unless otherwise noted.
**Current Effective Interest Rate as of May 8, 2023.*

2023 Outlook & Guidance

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2023 Full Year Guidance - Reiterated

On May 9, 2023, Hillman reiterated the following guidance (originally given on February 23, 2023) based on its current view of the market and its performance expectations for the fifty-two weeks ended December 30, 2023.

(in millions USD)	Full Year 2023 Guidance Range
Revenues	$1.45 to $1.55 billion
Adjusted EBITDA	$215 to $235 million
Free Cash Flow	$125 to $145 million

Assumptions

- 1H-23 Adj. EBITDA down in the "high single digit" percent range vs. 1H-22
- 2H-23 Adj. EBITDA up in the "low 20" percent range vs. 2H-22
- Net Debt / Adj. EBITDA leverage ratio will be approximately 3.5x at the end of 2023
- Interest Expense: $60-$70 million
- Cash Interest: $55-$65 million
- Cash Tax Expense: $5-$10 million
- Capital expenditures: $65-$75 million
- Fully diluted shares outstanding: ~198 million

Please see reconciliation of Adjusted EBITDA to Net Income and Free Cash Flow in the Appendix of this presentation.

Key Takeaways

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Inventory Turning to Cash; Focused on Delivering; Expected to Benefit from Price / Cost in 2H 2023

- Business has 59-year track record of success; proven to be resilient through multiple economic cycles
- Repair, Remodel and Maintenance industry has meaningful long-term tailwinds; record level of U.S. home equity driving investment in the home[1]
- 1,100-member distribution (sales and service) team and direct-to-store fulfillment continue to provide competitive advantages and strengthen competitive moat - drives new business wins
- Benefit from price/cost dynamic expected to flow through income statement in 2H 2023
- Inventory reduced by $124 million since mid-2022 peak; will continue to improve and reduce debt with free cash flow

Long-term Annual Growth Targets (Organic):

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

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

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

1) U.S. Home Equity Hits Highest Level on Record—$27.8 Trillion.

Appendix

Investment Highlights

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- Indispensable partner embedded with winning retailers
- Customers love us, trust us and rely on us
- Market and innovation leader across multiple categories
- Large, predictable, growing and resilient end markets
- Significant runway for incremental growth: Organic + M&A
- Management team with proven operational and M&A expertise
- Strong financial profile with 59-year track record

Hillman: Overview

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Who We Are

- We are a leading North American provider of hardware products and solutions, including;
    - Hardware and home improvement products
    - Protective and job site gear – including work gloves and job site storage
    - Robotic kiosk technologies (“RDS”): Key duplication, engraving & knife sharpening
- Our differentiated service model provides direct to-store shipping, in-store service, and category management solutions
- We have long-standing strategic partnerships with leading retailers across North America:
    - Home Depot, Lowes, Walmart, Tractor Supply, and ACE Hardware
- Founded in 1964; HQ in Cincinnati, Ohio

2022: By The Numbers

~20 billion Fasteners Sold	**~400 million** Pairs of Gloves Sold	**~120 million** Keys Duplicated
~112,000 SKUs Managed	**~40,000** Store Direct Locations	**~35,000** Kiosks in Retail Locations
#1 Position Across Core Categories	**10%** Long-Term Historical Sales CAGR	**58 Years** of Sales Growth in 59-Year History
$1.5 billion 2022 Sales	**11.6% CAGR** 2017-2022 Adj. EBITDA Growth	**14.1%** 2022 Adj. EBITDA Margin

**Third-party market study - 2019*
Adjusted EBITDA is a non-GAAP measure. Please see Appendix for a reconciliation of Adjusted EBITDA to Net Income

Primary Product Categories

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Hardware Solutions	Protective Solutions	Robotics & Digital Solutions

Hardware Solutions

#1 in Segment

Fasteners & Specialty

HILLMAN
DECK PLUS LIFETIME GUARANTEE

Construction Fasteners

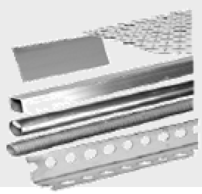
POWERPRO

Picture Hanging

OOK
HILLMAN

Builders Hardware & Metal Shapes

THE STEELWORKS BY HILLMAN
HILLMAN



Protective Solutions

#1 in Segment

Work Gear

AWP
McGuire-Nicholas EST. 1932

Gloves

GREASE MONKEY
GORILLA GRIP
FIRM GRIP
TRUEGRIP

Safety / PPE

FIRM GRIP
AWP
PREMIUM DEFENSE

Robotics & Digital Solutions

#1 in Segment

Key and Fob Duplication

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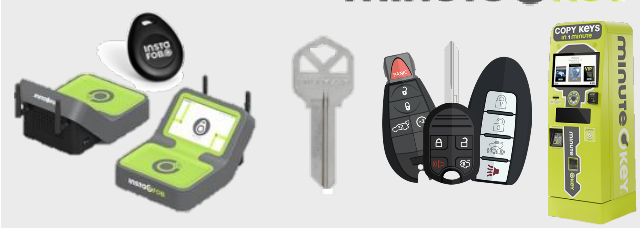
minuteKEY



Personalized Tags

QUICK TAG
TagWorks
i.d. SPOT

Knife Sharpening

resharp

Representative Top Customers

ACE Hardware
THE HOME DEPOT
LOWE'S
TSC TRACTOR SUPPLY CO
Walmart

Source: Third party industry report.

Adjusted EBITDA Reconciliation

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Thirteen weeks ended	March 26, 2022	April 1, 2023
Net loss	**$(1,887)**	**$(9,132)**
Income tax benefit	(892)	(7,856)
Interest expense, net	11,628	18,077
Depreciation	13,254	16,705
Amortization	15,521	15,572
EBITDA	**$37,624**	**$33,366**
Stock compensation expense	6,018	2,637
Restructuring [1]	52	1,408
Litigation expense [2]	1,010	260
Acquisition and integration expense [3]	777	800
Change in fair value of contingent consideration	(1,470)	1,715
Adjusted EBITDA	**$44,011**	**$40,186**

Footnotes:

1. Includes consulting and other costs associated with distribution center relocations and corporate restructuring activities.
2. Litigation expense includes legal fees associated with our litigation with Hy-Ko Products Company LLC.
3. Acquisition and integration expense includes professional fees and other costs related to the secondary offerings in 2022 and 2023.

Adjusted Gross Margin Reconciliation

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Thirteen weeks ended	March 26, 2022	April 1, 2023
Net Sales	**$363,013**	**$349,707**
Cost of sales (exclusive of depreciation and amortization)	**213,273**	**204,509**
Gross margin exclusive of depreciation and amortization	**$149,740**	**$145,198**
Gross margin exclusive of depreciation and amortization %	**41.2 %**	**41.5 %**

Adjusted SG&A Expense Reconciliation

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Thirteen weeks ended	*March 26, 2022*	*April 1, 2023*
Selling, general and administrative expenses	$114,538	$111,065
SG&A Adjusting Items [(1)]:		
Stock compensation expense	6,018	2,637
Restructuring	52	1,408
Litigation expense	1,010	260
Acquisition and integration expense	777	800
Adjusted SG&A	$106,681	$105,960
Adjusted SG&A as a % of Net Sales	29.4 %	30.3 %

1. See adjusted EBITDA Reconciliation for details of adjusting items

Net Debt & Free Cash Flow Reconciliations

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Reconciliation of Net Debt

As of	December 31, 2022	April 1, 2023
Revolving loans	$72,000	$67,000
Senior term loan	840,363	838,235
Finance leases and other obligations	6,406	6,367
Gross debt	**$918,769**	**$911,602**
Less cash	31,081	34,750
Net debt	**$887,688**	**$876,852**

Reconciliation of Free Cash Flow

	March 26, 2022	April 1, 2023
Net cash provided by (used for) operating activities	$(3,542)	$31,507
Capital expenditures	(12,541)	(18,111)
Free cash flow	**$(16,083)**	**$13,396**

Segment Adjusted EBITDA Reconciliations

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Thirteen weeks ended March 26, 2022	HPS	RDS	Canada	Consolidated
Operating (loss) income	$(1,947)	$7,402	$3,394	$8,849
Depreciation & amortization	17,057	10,483	1,235	28,775
Stock compensation expense	5,188	830	—	6,018
Restructuring	47	5	—	52
Litigation expense	—	1,010	—	1,010
Acquisition and integration expense	688	89	—	777
Change in fair value of contingent consideration	—	(1,470)	—	(1,470)
Adjusted EBITDA	**$21,033**	**$18,349**	**$4,629**	**$44,011**

Thirteen weeks ended April 1, 2023	HPS	RDS	Canada	Consolidated
Operating (loss) income	$(3,836)	$4,462	$463	$1,089
Depreciation & amortization	18,543	12,564	1,170	32,277
Stock compensation expense	2,205	282	150	2,637
Restructuring	1,257	151	—	1,408
Litigation expense	—	260	—	260
Acquisition and integration expense	710	90	—	800
Change in fair value of contingent consideration	—	1,715	—	1,715
Adjusted EBITDA	**$18,879**	**$19,524**	**$1,783**	**$40,186**