

HILLMAN

HLMN | Nasdaq Listed

Quarterly Earnings Presentation Q4 2023

February 22, 2024



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.

Highlights for the 13 Weeks Ended December 30, 2023

- Net sales decreased (0.8)% to \$348 million versus the 14 weeks ended December 31, 2022; excluding the 14th week during 2022, net sales increased 3.8% from \$335 million in 2022 to \$348 million in 2023.
 - Hardware Solutions (1)%; +4% excl. 14th week in 2022
 - Protective Solutions +4%; +11% excl. 14th week in 2022
 - Robotics and Digital Solutions ("RDS") +3%; +11% excl. 14th week in 2022
 - Canada (14)%; (14th week did not impact Canada in 2022)
- GAAP net loss totaled \$10.1 million, or \$(0.05) per diluted share, compared to GAAP net loss of \$13.9 million, or \$(0.07) per diluted share, in Q4 2022
- Adjusted EBITDA improved to \$54.4 million from \$45.0 million in Q4 2022
- Adjusted EBITDA (ttm) / Net Debt: 3.3x at December 30, 2023
- Compared to Pre-COVID (Q4 2023 vs Q4 2019):
 - Net sales increased +22% (+5.1% CAGR)
 - Adjusted EBITDA +55% (+11.5% CAGR)

Please see reconciliation of Adjusted EBITDA to Net Income (Loss) and Net Debt in the Appendix of this presentation.

Highlights for the 52 Weeks Ended December 30, 2023

- Net sales decreased (0.7)% to \$1,476 million versus the 53 weeks ended December 31, 2022; excluding the 53rd week during 2022, net sales increased 0.4% from \$1,471 million in 2022 to \$1,476 million in 2023.
 - Hardware Solutions +4%; +5% excl. 53rd week
 - Protective Solutions (11)%; (2.5)% excl. COVID-related PPE sales and 53rd week
 - Robotics and Digital Solutions ("RDS") (0.1)%; +2% excl. 53rd week
 - Canada (9)%; (53rd week did not impact Canada in 2022)
- GAAP net loss improved to \$(9.6) million, or \$(0.05) per diluted share, compared to a net loss of \$(16.4) million, or \$(0.08) per diluted share, in the 53 weeks ended December 31, 2022
- Adjusted EBITDA totaled \$219.4 million versus \$210.2 million million in the 53 weeks ended December 31, 2022

Please see reconciliation of Adjusted EBITDA to Net Income (Loss) in the Appendix of this presentation.

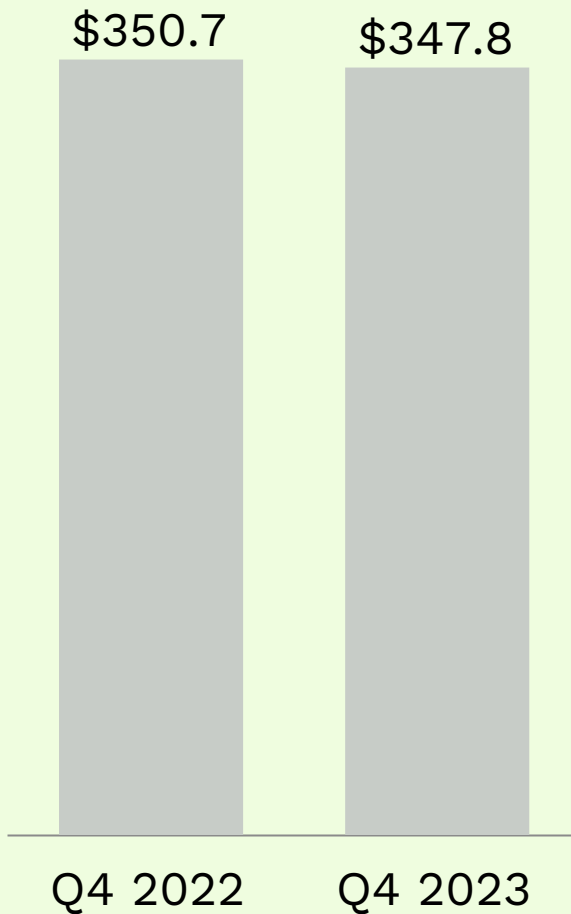
Highlights for the 52 Weeks Ended December 30, 2023

- Successfully rolled out new business wins across product portfolio including a major rollout of rope and chain accessories with a top five customer
- Continue to win new business with existing and new customers across business segments
- Maintained average fill rates of approximately 94% for the year
- Reduced inventory by \$104 million during the year
- Free Cash Flow totaled \$172.3 million
- Net Debt / Adj. EBITDA leverage ratio improved to 3.3x from 4.2x a year ago
- Awarded 2023 Vendor of the Year by Tractor Supply Co. and Mid-States Distributing
- Subsequent to the year end, acquired Koch Industries, marking Hillman's entrance into rope and chain

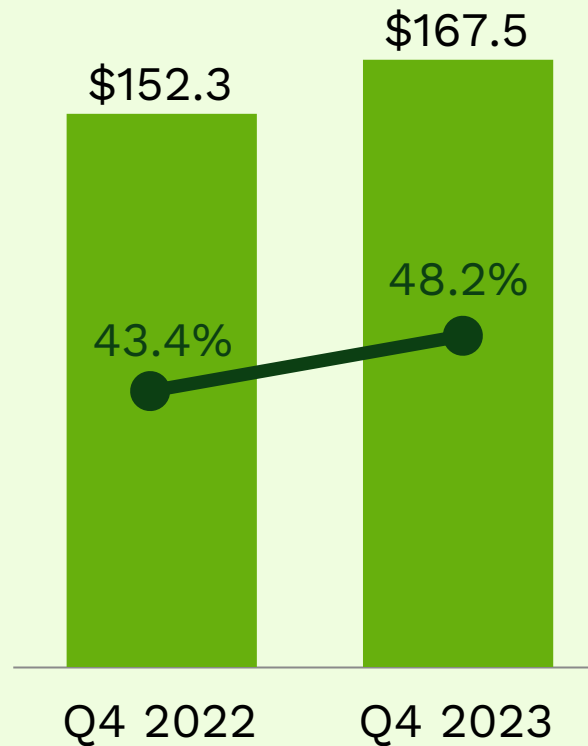
Please see reconciliation of Free Cash Flow in the Appendix of this presentation.

Top & Bottom Line

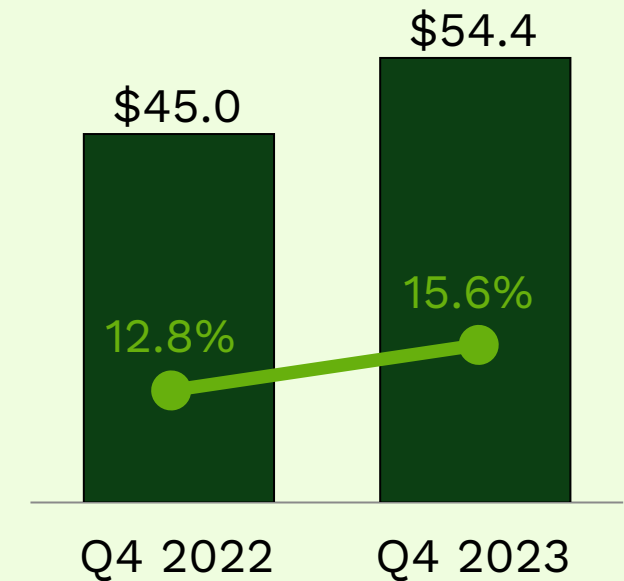
Net Sales
(millions \$)



Adjusted Gross Margin
(millions \$ and % of Net Sales)



Adjusted EBITDA
(millions \$ and % of Net Sales)



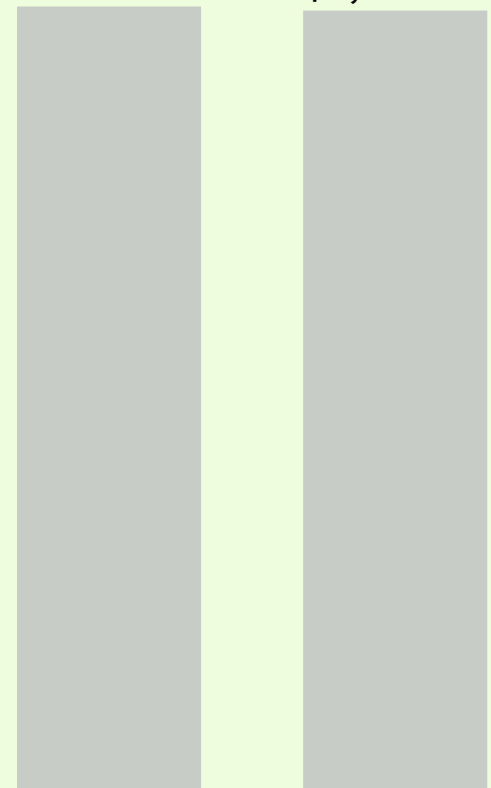
Please see reconciliation of Adjusted EBITDA to Net Income (Loss) in the Appendix of this presentation. Fiscal Q4 2023 consisted of 13 weeks compared to 14 weeks in fiscal Q4 2022, which should be taken into account when comparing each period. Not to scale.

Top & Bottom Line

Net Sales

(millions \$)

\$1,486.3 \$1,476.5



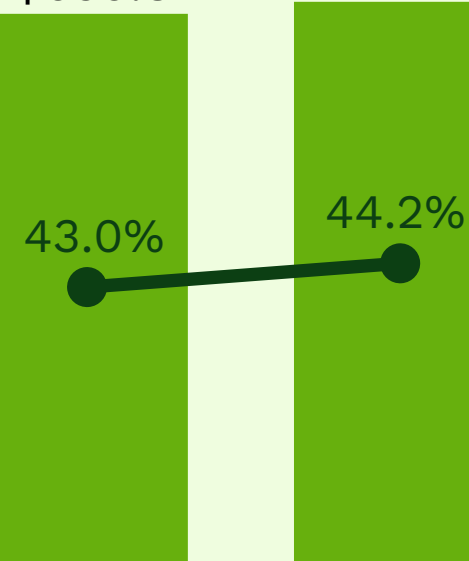
2022

2023

Adjusted Gross Margin

(millions \$ and % of Net Sales)

\$639.8 \$652.5



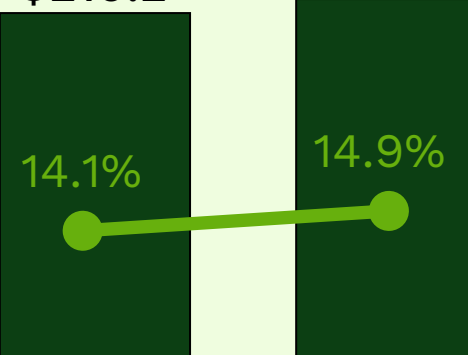
2022

2023

Adjusted EBITDA

(millions \$ and % of Net Sales)

\$210.2 \$219.4



2022

2023

Please see reconciliation of Adjusted EBITDA to Net Income (Loss) in the Appendix of this presentation. Fiscal 2023 consisted of 52 weeks compared to 53 weeks in fiscal 2022, which should be taken into account when comparing each period. Not to scale.

Performance by Product Category (Q4)

Hardware & Protective	Q4 2022	Q4 2023	Δ	
<i>Fourteen/thirteen weeks ended</i>	<i>12/31/2022</i>	<i>12/30/2023</i>		Comments
Revenues	\$255,803	\$256,421	0.2%	New business offset by market volume + 53rd week in '22
Adjusted EBITDA	\$27,932	\$35,777	28.1%	Margin expansion from price/cost dynamic
Margin (Rev/Adj. EBITDA)	10.9%	14.0%	310 bps	

Robotics & Digital	Q4 2022	Q4 2023	Δ	
<i>Fourteen/thirteen weeks ended</i>	<i>12/31/2022</i>	<i>12/30/2023</i>		Comments
Revenues	\$56,567	\$58,410	3.3%	Better than expected volumes
Adjusted EBITDA	\$17,277	\$17,498	1.3%	Mix of product sales
Margin (Rev/Adj. EBITDA)	30.5%	30.0%	(50) bps	

Canada	Q4 2022	Q4 2023	Δ	
<i>Fourteen/thirteen weeks ended</i>	<i>12/31/2022</i>	<i>12/30/2023</i>		Comments
Revenues	\$38,293	\$32,977	(13.9)%	Soft demand; slow economy
Adjusted EBITDA	\$(219)	\$1,095	NM	Lower COGS in '23
Margin (Rev/Adj. EBITDA)	(0.6)%	3.3%	390 bps	

Consolidated	Q4 2022	Q4 2023	Δ
<i>Fourteen/thirteen weeks ended</i>	<i>12/31/2022</i>	<i>12/30/2023</i>	
Revenues	\$350,663	\$347,808	(0.8)%
Adjusted EBITDA	\$44,990	\$54,370	20.8%
Margin (Rev/Adj. EBITDA)	12.8%	15.6%	280 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.

Performance by Product Category (YTD)

Hardware & Protective	2022	2023	Δ	
<i>53/52 weeks ended</i>	<i>12/31/2022</i>	<i>12/30/2023</i>		Comments
Revenues	\$1,068,734	\$1,074,619	0.6%	Price + new business; offset by vol + 53rd week in '22
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	
<i>53/52 weeks ended</i>	<i>12/31/2022</i>	<i>12/30/2023</i>		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	
<i>53/52 weeks ended</i>	<i>12/31/2022</i>	<i>12/30/2023</i>		Comments
Revenues	\$171,961	\$156,458	(9.0)%	Soft demand; slow economy & FX
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
<i>53/52 weeks ended</i>	<i>12/31/2022</i>	<i>12/30/2023</i>	
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 Business Segment (Q4)

	Hardware & Protective	Robotics & Digital	Canada	Revenue (QTD)
Thirteen Weeks Ended December 30, 2023				
Fastening and Hardware	\$206,583	\$—	\$29,237	\$235,820
Personal protective	49,838	—	1,523	51,361
Keys and key accessories	—	45,236	2,201	47,437
Engraving and Resharp	—	13,174	16	13,190
Consolidated	\$256,421	\$58,410	\$32,977	\$347,808

	Hardware & Protective	Robotics & Digital	Canada	Revenue (QTD)
Fourteen Weeks Ended December 31, 2022				
Fastening and Hardware	\$208,036	\$—	\$34,284	\$242,320
Personal protective	47,767	—	2,148	49,915
Keys and key accessories	—	42,614	1,847	44,461
Engraving and Resharp	—	13,953	14	13,967
Consolidated	\$255,803	\$56,567	\$38,293	\$350,663

Figures in Thousands of USD unless otherwise noted.

Revenue by Business Segment (YTD)

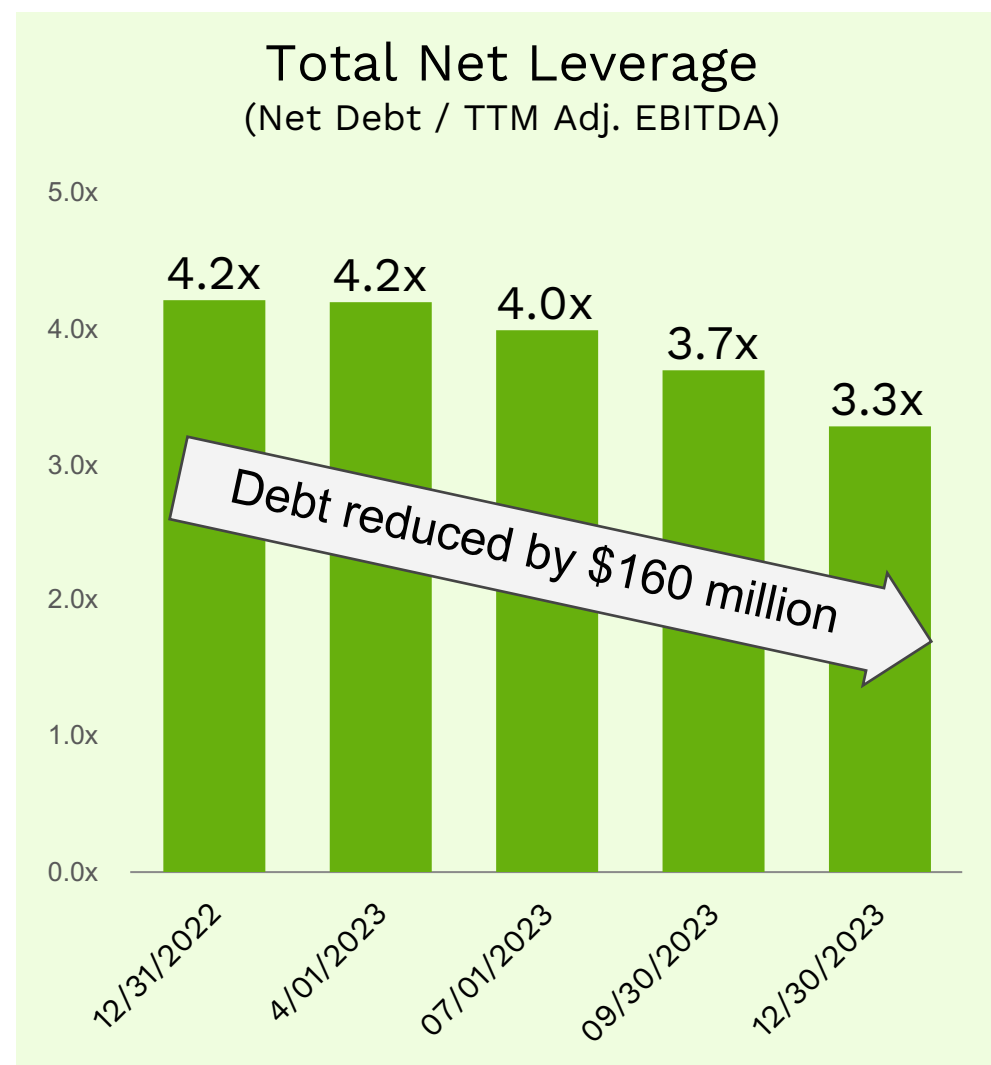
	Hardware & Protective	Robotics & Digital	Canada	Revenue
52 Weeks ended December 30, 2023				
Fastening and Hardware	\$865,212	\$—	\$140,699	\$1,005,911
Personal protective	209,407	—	6,997	216,404
Keys and key accessories	—	193,212	8,711	201,923
Engraving and Resharp	—	52,188	51	52,239
Consolidated	\$1,074,619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

Leverage Continues to Improve

	<i>December 30, 2023</i>
ABL Revolver (\$247 million capacity)	\$—
Term Note	\$751.9
Finance Leases and other obligations	\$9.1
Total Debt	\$760.9
Cash	\$38.6
Net Debt	\$722.4
TTM Adjusted EBITDA	\$219.4
Net Debt / TTM Adjusted EBITDA	3.3x



Please see reconciliation of Adjusted EBITDA to Net Income (loss) and Net Debt in the Appendix of this presentation.
Figures in Millions of USD unless otherwise noted.

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.

<i>(in millions USD)</i>	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 for 2024

- Interest Expense: \$55-\$65 million
- Cash Interest: \$50-\$60 million
- Cash Tax Expense: \$10-\$20 million
- Capital expenditures: \$65-\$75 million
- Restricting / Other: Approx. \$10 million
- Working Capital Benefit: \$5 - \$15 million
- Fully diluted weighted average share count: ~199 million

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

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
- 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)

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%

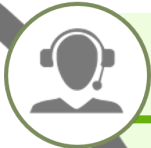
¹) [U.S. Home Equity Hits Highest Level on Record—\\$27.8 Trillion.](#)

Appendix





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 60-year track record



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

2023: 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 Shipping Locations	~31,000 Kiosks in Retail Locations
#1 Position Across Core Categories*	8.0% 20-Year Sales CAGR	60-Year track record of success
\$1.5 billion 2023 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 (Loss)

Primary Product Categories

HILLMAN

HLMN | Nasdaq Listed

Hardware Solutions

#1 in Segment

Fasteners & Specialty

HILLMAN

DECK+PLUS
LIFETIME GUARANTEE



Picture Hanging

OOK

HILLMAN



Construction Fasteners

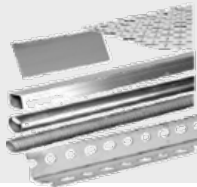
POWERPRO



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

HILLMAN

minuteKey



Personalized Tags

Knife Sharpening



resharp



Representative Top Customers **ACE Hardware**



Source: Third party industry report.

Adjusted EBITDA Reconciliation Q4

<i>Fourteen/thirteen weeks ended</i>	December 31, 2022	December 30, 2023
Net loss	\$(13,899)	\$(10,059)
Income tax expense (benefit)	1,916	(1,071)
Interest expense, net	15,703	15,430
Depreciation	16,077	14,392
Amortization	15,551	15,576
EBITDA	\$35,348	\$34,268
Stock compensation expense	2,735	2,893
Restructuring and other ⁽¹⁾	1,136	4
Litigation expense ⁽²⁾	3,889	—
Transaction and integration expense ⁽³⁾	84	155
Change in fair value of contingent consideration	1,798	(7,550)
Impairment charges ⁽⁴⁾	—	24,600
Adjusted EBITDA	\$44,990	\$54,370

1. Restructuring includes severance, consulting, and other costs associated with streamlining our operations.
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.
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 EBITDA Reconciliation 2023

<i>53/52 Weeks Ended</i>	December 31, 2022	December 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)
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 Profit Margin Reconciliation

<i>Fourteen/thirteen weeks ended</i>	December 31, 2022	December 30, 2023
Net Sales	\$350,663	\$347,808
Cost of sales (exclusive of depreciation and amortization)	198,330	185,304
Gross margin exclusive of depreciation and amortization	\$152,333	\$162,504
Gross margin exclusive of depreciation and amortization %	43.4 %	46.7 %
Adjusting Items ⁽¹⁾ :		
Impairment charges	—	5,000
Adjusted Gross Profit	\$152,333	\$167,504
Adjusted Gross Margin %	43.4 %	48.2 %

<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

Adjusted SG&A Expense Reconciliation

<i>Fourteen/thirteen weeks ended</i>	December 31, 2022	December 30, 2023
Selling, general and administrative expenses	\$114,980	\$116,234
Adjusting Items ⁽¹⁾ :		
Stock compensation expense	2,735	2,893
Restructuring and other	1,136	4
Litigation expense	3,889	—
Transaction and integration expense	84	155
Adjusted SG&A	\$107,136	\$113,182
Adjusted SG&A as a % of Net Sales	30.6 %	32.5 %

<i>53/52 weeks ended</i>	December 31, 2022	December 30, 2023
Selling, general and administrative expenses	\$480,993	\$452,110
Adjusting Items ⁽¹⁾ :		
Stock compensation expense	13,524	12,004
Restructuring and other	2,617	3,031
Litigation expense	32,856	339
Transaction and integration expense	2,477	1,754
Adjusted SG&A	\$429,519	\$434,982
Adjusted SG&A as a % of Net Sales	28.9 %	29.5 %

1. See adjusted EBITDA Reconciliation for details of adjusting items

Net Debt & Free Cash Flow Reconciliations

Reconciliation of Net Debt

<i>As of</i>	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

<i>53/52 Weeks Ended</i>	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

Segment Adjusted EBITDA Reconciliations

Fourteen Weeks Ended December 31, 2022	HPS	RDS	Canada	Consolidated
Operating Income (Loss)	\$5,350	\$(113)	\$(1,517)	\$3,720
Depreciation & amortization	19,107	11,363	1,158	31,628
Stock Compensation Expense	2,364	231	140	2,735
Restructuring	985	151	—	1,136
Litigation expense	—	3,889	—	3,889
Transaction and integration expense	126	(42)	—	84
Change in fair value of contingent consideration	—	1,798	—	1,798
Adjusted EBITDA	\$27,932	\$17,277	\$(219)	\$44,990

Thirteen Weeks Ended December 30, 2023	HPS	RDS	Canada	Consolidated
Operating (Loss) Income	\$(10,721)	\$15,345	\$(324)	\$4,300
Depreciation & amortization	19,379	9,365	1,224	29,968
Stock compensation expense	2,382	316	195	2,893
Restructuring	—	4	—	4
Litigation expense	—	—	—	—
Transaction and integration expense	137	18	—	155
Change in fair value of contingent consideration	—	(7,550)	—	(7,550)
Impairment charges	24,600	—	—	24,600
Adjusted EBITDA	\$35,777	\$17,498	\$1,095	\$54,370

1. See adjusted EBITDA Reconciliation for details of adjusting items

Segment Adjusted EBITDA Reconciliations

53 Weeks ended December 31, 2022	HPS	RDS	Canada	Consolidated
Operating Income	\$20,742	\$3,541	\$15,610	\$39,893
Depreciation & amortization	72,266	42,905	4,839	120,010
Stock Compensation Expense	11,057	1,479	988	13,524
Restructuring	2,342	275	—	2,617
Litigation expense	—	32,856	—	32,856
Transaction and integration expense	2,231	246	—	2,477
Change in fair value of contingent consideration	—	(1,128)	—	(1,128)
Adjusted EBITDA	\$108,638	\$80,174	\$21,437	\$210,249

52 Weeks ended December 30, 2023	HPS	RDS	Canada	Consolidated
Operating Income	\$8,366	\$42,953	\$9,609	\$60,928
Depreciation & amortization	76,099	40,714	4,827	121,640
Stock Compensation Expense	9,988	1,251	765	12,004
Restructuring	2,549	372	110	3,031
Litigation expense	—	339	—	339
Transaction and integration expense	1,561	193	—	1,754
Change in fair value of contingent consideration	—	(4,936)	—	(4,936)
Impairment charges	24,600	—	—	24,600
Adjusted EBITDA	\$123,163	\$80,886	\$15,311	\$219,360

1. See adjusted EBITDA Reconciliation for details of adjusting items