



# HILLMAN

HLMN | Nasdaq Listed

## Quarterly Earnings Results Presentation

Q4 2025 (February 2026)

# 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 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 its Annual Report on Form 10-K for the fiscal year ended December 27, 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.

## **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 27, 2025***

- Net sales increased 4.5% to \$365 million versus Q4 2024
  - Hardware and Protective Solutions +6%
  - Robotics and Digital Solutions ("RDS") decreased (1)%
  - Canada decreased (2)%
- GAAP net income totaled \$1.6 million, or \$0.01 per diluted share, compared to GAAP net loss of \$(1.2) million, or \$(0.01) per diluted share in Q4 2024
- Adjusted diluted EPS was \$0.10 per diluted share compared to \$0.10 in Q4 2024
- Adjusted Gross Margins totaled 47.6%
- Adjusted EBITDA improved to \$57.5 million from \$56.3 million in Q4 2024
- Adjusted EBITDA margins were 15.8%

## ***Highlights for the 52 Weeks Ended December 27, 2025***

- Net sales increased 5.4% to \$1,552 million versus 2024
  - Hardware and Protective Solutions +8%
  - Robotics and Digital Solutions ("RDS") +2%
  - Canada decreased (7)%
- GAAP net income improved to \$40.3 million, or \$0.20 per diluted share, compared to net income of \$17.3 million, or \$0.09 per diluted share in 2024
- Adjusted diluted EPS was \$0.58 per diluted share, compared to \$0.49 in 2024
- Adjusted Gross Margins totaled 48.7%
- Adjusted EBITDA totaled \$275.3 million, versus \$241.8 million in 2024
- Adjusted EBITDA margins were 17.7%
- Free Cash Flow totaled \$35.1 million
- Net Debt / Adjusted EBITDA (ttm): 2.4x at December 27, 2025, improved from 2.8x on December 28, 2024

## ***Highlights for the 52 Weeks Ended December 27, 2025***

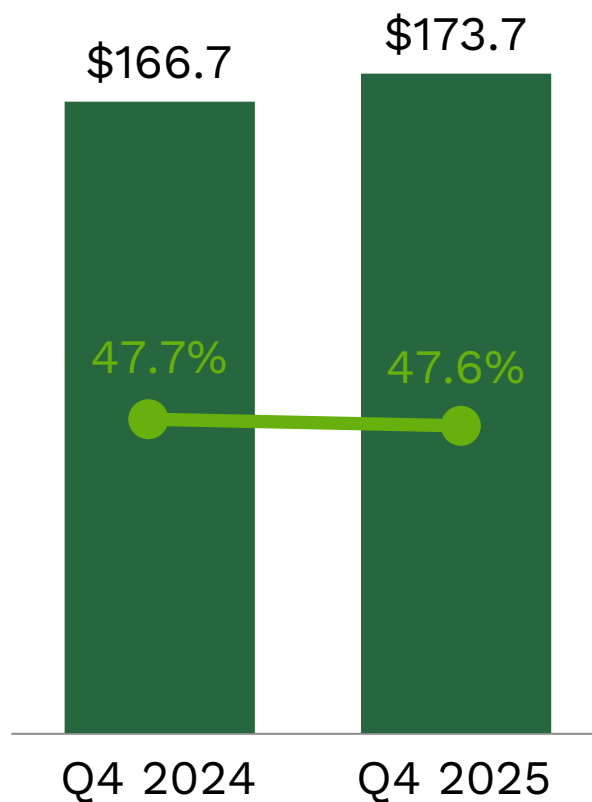
- Continued taking great care of customers:
  - Full Year fill rates averaged in the mid-to-high 90% range
- Continue to pursue accretive M&A opportunities that:
  - Leverage the Hillman moat, and
  - Expand Hillman's pro, commercial, and industrial businesses
- Hillman continued to optimize its "dual faucet" supply chain strategy:
  - Dual source products in different countries
  - Diversify the country of origin to have the ability to reduce China exposure
- Repurchased approximately 1.4 million shares of its common stock at an average price of \$9.07 per share, totaling \$12.4 million

# Quarterly Financial Performance

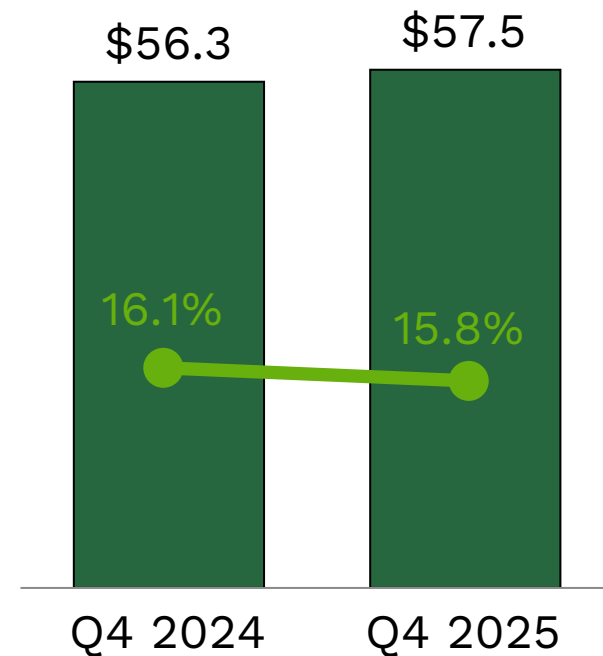
## Net Sales (millions \$)



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



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



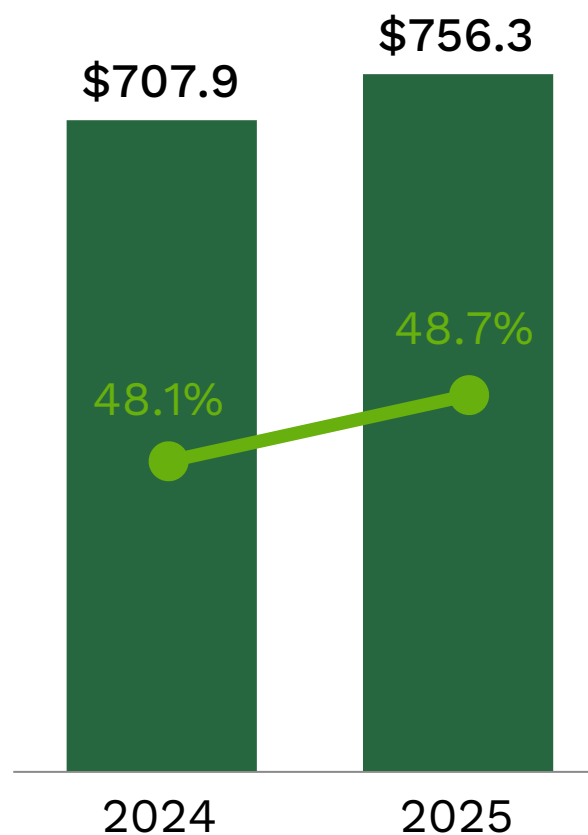
Please see reconciliation of non-GAAP metrics to GAAP results in the Appendix of this presentation. Not to scale.

# Full Year Financial Performance

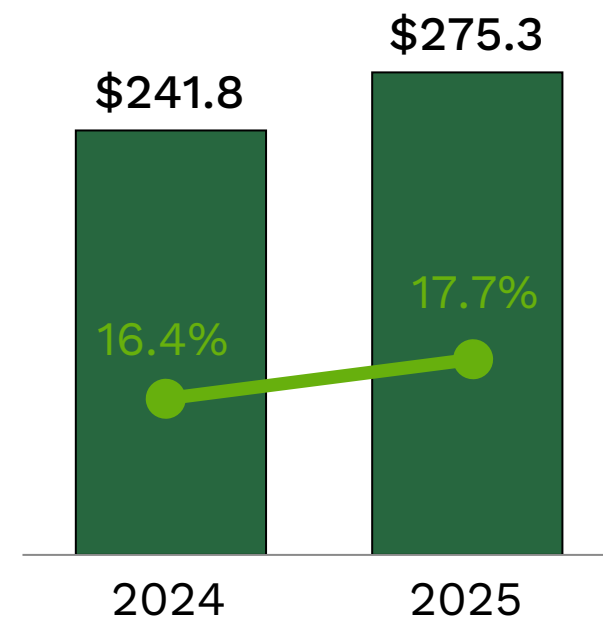
Net Sales  
(millions \$)



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



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



# Quarterly Performance

## by Operating Segment

Hardware & Protective	Q4 2025	Q4 2024	Δ
<i>Thirteen weeks ended</i>	<i>12/27/2025</i>	<i>12/28/2024</i>	
Net Sales	\$280,902	\$264,029	6.4%
Adjusted EBITDA	\$40,611	\$35,617	14.0%
Adjusted EBITDA Margin %	14.5%	13.5%	100 bps

Robotics & Digital	Q4 2025	Q4 2024	Δ
<i>Thirteen weeks ended</i>	<i>12/27/2025</i>	<i>12/28/2024</i>	
Net Sales	\$53,154	\$53,732	(1.1)%
Adjusted EBITDA	\$15,213	\$18,877	(19.4)%
Adjusted EBITDA Margin %	28.6%	35.1%	(650) bps

Canada	Q4 2025	Q4 2024	Δ
<i>Thirteen weeks ended</i>	<i>12/27/2025</i>	<i>12/28/2024</i>	
Net Sales	\$31,083	\$31,801	(2.3)%
Adjusted EBITDA	\$1,713	\$1,775	(3.5)%
Adjusted EBITDA Margin %	5.5%	5.6%	(10) bps

Consolidated	Q4 2025	Q4 2024	Δ
<i>Thirteen weeks ended</i>	<i>12/27/2025</i>	<i>12/28/2024</i>	
Net Sales	\$365,139	\$349,562	4.5%
Adjusted EBITDA	\$57,537	\$56,269	2.3%
Adjusted EBITDA Margin %	15.8%	16.1%	(30) bps

Please see reconciliation of non-GAAP metrics to GAAP results in the Appendix of this presentation. Figures in Thousands of USD unless otherwise noted.



# Annual Performance

## by Operating Segment

Hardware & Protective	2025	2024	Δ
<i>Year ended</i>	<i>12/28/2024</i>	<i>12/28/2024</i>	
Net Sales	\$1,193,957	\$1,107,993	7.8%
Adjusted EBITDA	\$196,250	\$155,698	26.0%
Adjusted EBITDA Margin %	16.4%	14.1%	230 bps
Robotics & Digital	2025	2024	Δ
<i>Year ended</i>	<i>12/27/2025</i>	<i>12/28/2024</i>	
Net Sales	\$220,157	\$216,701	1.6%
Adjusted EBITDA	\$65,913	\$70,275	(6.2)%
Adjusted EBITDA Margin %	29.9%	32.4%	(250) bps
Canada	2025	2024	Δ
<i>Year ended</i>	<i>12/27/2025</i>	<i>12/28/2024</i>	
Net Sales	\$138,110	\$147,901	(6.6)%
Adjusted EBITDA	\$13,154	\$15,780	(16.6)%
Adjusted EBITDA Margin %	9.5%	10.7%	(120) bps
Consolidated	2025	2024	Δ
<i>Year ended</i>	<i>12/27/2025</i>	<i>12/28/2024</i>	
Net Sales	\$1,552,224	\$1,472,595	5.4%
Adjusted EBITDA	\$275,317	\$241,753	13.9%
Adjusted EBITDA Margin %	17.7%	16.4%	130 bps

Please see reconciliation of non-GAAP metrics to GAAP results in the Appendix of this presentation. Figures in Thousands of USD unless otherwise noted.

# Quarterly Revenue

## by Product Category

	Hardware & Protective	Robotics & Digital	Canada	Revenue (QTD)
<b><i>Thirteen Weeks Ended December 27, 2025</i></b>				
Fastening and Hardware	\$225,157	\$—	\$27,197	\$252,354
Personal Protective	55,745	—	1,165	56,910
Keys and Key Fobs	—	41,449	2,713	44,162
Engraving and Resharp	—	11,705	8	11,713
<b>Consolidated</b>	<b>\$280,902</b>	<b>\$53,154</b>	<b>\$31,083</b>	<b>\$365,139</b>

	Hardware & Protective	Robotics & Digital	Canada	Revenue (QTD)
<b><i>Thirteen Weeks Ended December 28, 2024</i></b>				
Fastening and Hardware	\$202,029	\$—	\$27,859	\$229,888
Personal Protective	62,000	—	1,120	63,120
Keys and Key Fobs	—	41,360	2,812	44,172
Engraving and Resharp	—	12,372	10	12,382
<b>Consolidated</b>	<b>\$264,029</b>	<b>\$53,732</b>	<b>\$31,801</b>	<b>\$349,562</b>

Figures in Thousands of USD unless otherwise noted.

# Annual Revenue

## by Product Category

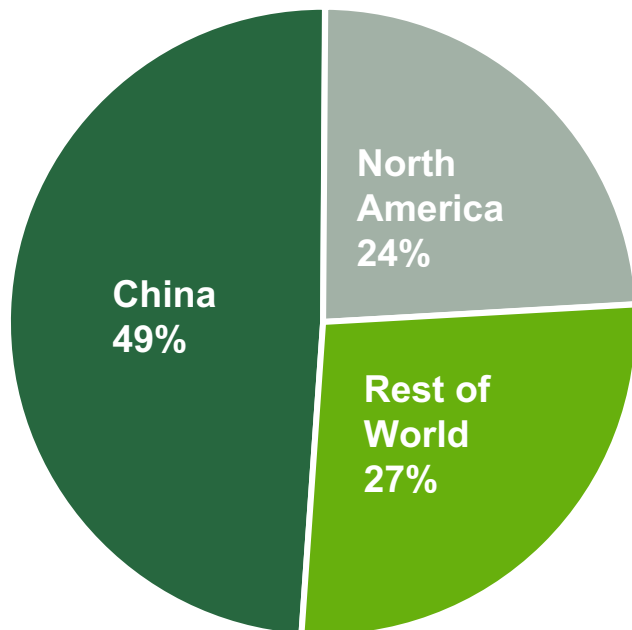
	Hardware & Protective	Robotics & Digital	Canada	Revenue (YTD)
<b>52 Weeks Ended December 27, 2025</b>				
Fastening and Hardware	\$928,445	\$—	\$122,916	\$1,051,361
Personal Protective	265,512	—	5,425	270,937
Keys and Key Fobs	—	179,215	9,739	188,954
Engraving and Resharp	—	40,942	30	40,972
<b>Consolidated</b>	<b>\$1,193,957</b>	<b>\$220,157</b>	<b>\$138,110</b>	<b>\$1,552,224</b>

	Hardware & Protective	Robotics & Digital	Canada	Revenue (YTD)
<b>52 Weeks Ended December 28, 2024</b>				
Fastening and Hardware	\$882,515	\$—	\$133,968	\$1,016,483
Personal Protective	225,478	—	4,447	229,925
Keys and Key Fobs	—	168,637	9,446	178,083
Engraving and Resharp	—	48,064	40	48,104
<b>Consolidated</b>	<b>\$1,107,993</b>	<b>\$216,701</b>	<b>\$147,901</b>	<b>\$1,472,595</b>

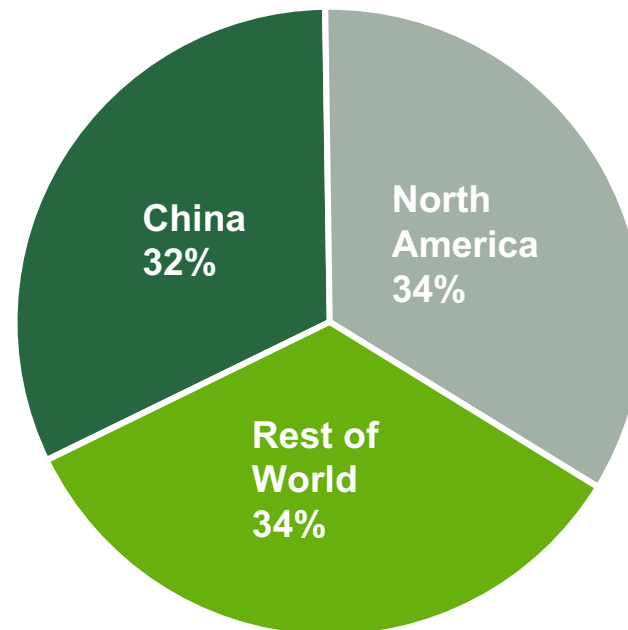
Figures in Thousands of USD unless otherwise noted.

# Hillman's Diversified Supply Chain

2018 SUPPLIER COUNTRY OF ORIGIN  
Approximate Spend FY



2025 SUPPLIER COUNTRY OF ORIGIN  
Approximate Spend FY



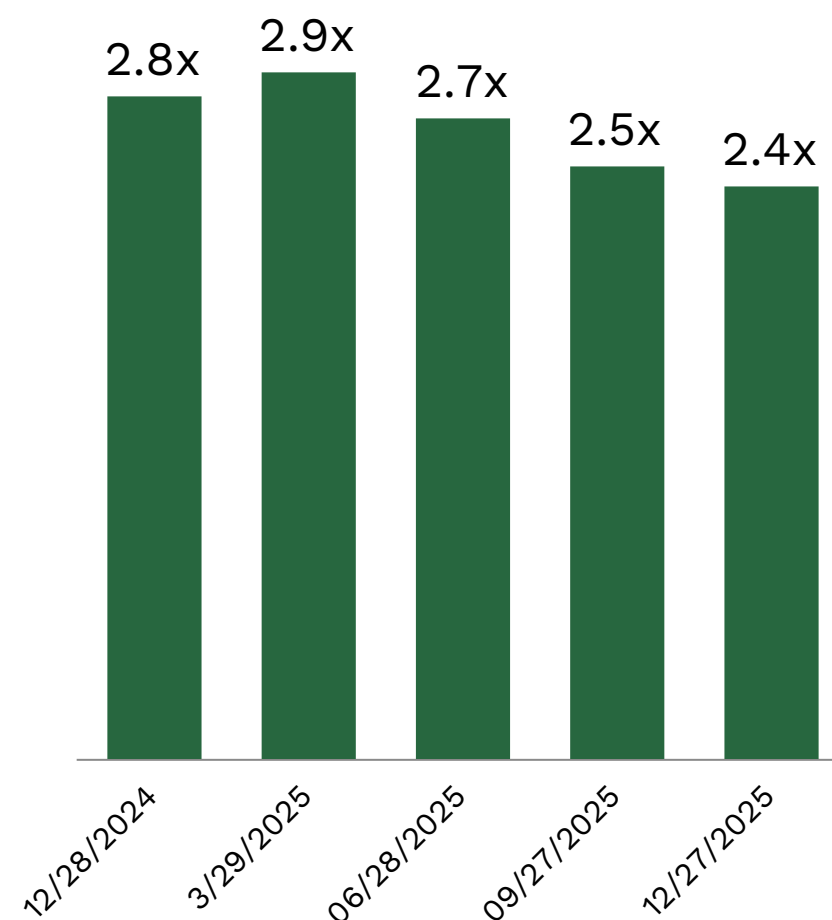
- Over the past several years, Hillman has lowered its exposure to suppliers based in China
- Hillman continues to accelerate its “Dual Faucet” strategy; sourcing from multiple suppliers in multiple countries
- Currently, Hillman has the *ability to reduce* China exposure to 20%; this will continue to decrease throughout 2026
- Hillman remains focused on delivering quality products at the best overall value for its customers, no matter the country of origin

***Strong balance sheet; will continue to delever, buy stock back, and/or execute M&A***

***December 27, 2025***

ABL Revolver (\$279 million capacity)	\$36.0
Term Note	\$637.0
Finance Leases and other obligations	\$20.1
<b>Total Debt</b>	<b>\$693.1</b>
Cash	\$27.3
<b>Net Debt</b>	<b>\$665.8</b>
TTM Adjusted EBITDA	\$275.3
<b>Net Debt / TTM Adjusted EBITDA</b>	<b>2.4x</b>

**Total Net Leverage**  
(Net Debt / TTM Adj. EBITDA)



Please see reconciliation of non-GAAP metrics to GAAP results in the Appendix of this presentation. Figures in Millions of USD unless otherwise noted, and may not tie due to rounding.

# 2026 Full Year Guidance

On February 17, 2026, Hillman provided the following guidance based on its current view of the market and its performance expectations during fiscal 2026.

<b><i>(in millions USD)</i></b>	<b>Full Year 2026 Guidance Range</b>	<b>Midpoint</b>
Net sales	\$1.600 to \$1.700 billion	\$1.650 billion
Adjusted EBITDA	\$275 to \$285 million	\$280 million
Free Cash Flow	\$100 to \$120 million	\$110 million

*Please see reconciliation of non-GAAP metrics to GAAP results in the Appendix of this presentation.*

## ***Resilient Business; Focused on Execution***

- Business has 60+ year track record of success; proven to be resilient through multiple economic cycles with great long-term partnerships with customers
- Hillman products are utilized for repair, maintenance and remodel projects; products are generally low-cost and a very small percentage of a given project
- 1,200-member sales and service team and direct-to-store fulfillment continue to provide competitive advantages and strengthen competitive moat - drives new business wins
- Given the tariff environment, Hillman continues to diversify its supply chain to optimize costs and value; working to mitigate higher costs
- Leverage improved to 2.4x (from 2.8x a year ago); focused on investing in growth opportunities and M&A opportunities

### **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%

# HILLMAN®



## Appendix



## 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

## 2025: By The Numbers

<b>~18 billion</b> Fasteners Sold	<b>~214 million</b> Pairs of Work Gloves Sold	<b>~105 million</b> Keys Duplicated
<b>~111,000</b> SKUs Managed	<b>~29,000</b> Direct Ship Retail Locations	<b>~31,300</b> Kiosks in Retail Locations
<b>#1</b> Position Across Core Categories*	<b>7.3%</b> 20-Year Sales CAGR	<b>62-Year</b> track record of success
<b>\$1.6 billion</b> 2025 Sales	<b>10.2% CAGR</b> 2018-2025 Adj. EBITDA Growth	<b>17.7%</b> 2025 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

## 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**

**TRUE GRIP**



#### Safety / PPE

**FIRM GRIP**

**AWP**



**PREMIUM DEFENSE**

## Robotics & Digital Solutions

### #1 in Segment

#### Key and Fob Duplication

**HILLMAN**

**minutekey**



#### Personalized Tags



**TagWorks**



#### Knife Sharpening

**resharp**



## Representative Top Customers

**ACE Hardware**



**TSC TRACTOR SUPPLY CO.**

**Walmart**

# Adjusted EBITDA Reconciliation

## Q4

<i>Thirteen weeks ended</i>	<b>December 27, 2025</b>	<b>December 28, 2024</b>
<b>Net income (loss)</b>	<b>\$1,598</b>	<b>\$(1,222)</b>
Income tax expense	1,712	294
Interest expense, net	13,423	14,925
Depreciation	20,527	18,183
Amortization	15,295	15,417
<b>EBITDA</b>	<b>\$52,555</b>	<b>\$47,597</b>
Stock compensation expense	3,507	3,721
Restructuring and other costs <sup>(1)</sup>	1,198	(214)
Litigation expense <sup>(2)</sup>	—	5,000
Transaction and integration expense <sup>(3)</sup>	17	250
Change in fair value of contingent consideration	260	(85)
<b>Adjusted EBITDA</b>	<b>\$57,537</b>	<b>\$56,269</b>

1. Restructuring and other costs includes consulting and other costs associated with severance related to our distribution center relocations and corporate restructuring activities. 2024 includes costs associated with the Cybersecurity Incident that occurred in May 2023.
2. Litigation expense includes an accrual for the tentative settlement of a California wage-hour class action / Private Attorneys General Act (PAGA) claim in 2025 along with a settlement and legal fees paid in association with a dispute with a kiosk development partner in 2024.
3. Transaction and integration expense includes professional fees and other costs related to acquisition activity, including without limitation the Koch Industries, Inc. and Intex DIY, Inc acquisitions.

# Adjusted EBITDA Reconciliation Full Year 2025

<b>52 Weeks Ended</b>	<b>December 27, 2025</b>	<b>December 28, 2024</b>
<b>Net income</b>	<b>\$40,305</b>	<b>\$17,255</b>
Income tax expense	16,291	9,297
Interest expense, net	56,467	59,241
Depreciation	79,870	68,766
Amortization	61,232	61,274
<b>EBITDA</b>	<b>\$254,165</b>	<b>\$215,833</b>
Stock compensation expense	14,246	13,463
Restructuring and other costs <sup>(1)</sup>	4,058	2,978
Litigation expense <sup>(2)</sup>	1,950	5,000
Transaction and integration expense <sup>(3)</sup>	232	1,243
Change in fair value of contingent consideration	(240)	228
Refinancing charges <sup>(4)</sup>	906	3,008
<b>Adjusted EBITDA</b>	<b>\$275,317</b>	<b>\$241,753</b>

1. Restructuring and other costs includes consulting and other costs associated with severance related to our distribution center relocations and corporate restructuring activities. 2024 includes costs associated with the Cybersecurity Incident that occurred in May 2023.
2. Litigation expense includes an accrual for the tentative settlement of a California wage-hour class action / Private Attorneys General Act (PAGA) claim in 2025 along with a settlement and legal fees paid in association with a dispute with a kiosk development partner in 2024.
3. Transaction and integration expense includes professional fees and other costs related to acquisition activity, including without limitation the Koch Industries, Inc. and Intex DIY, Inc.
4. 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.

# Adjusted Gross Profit Margin Reconciliation

<i>Thirteen weeks ended</i>	December 27, 2025	December 28, 2024
Net Sales	<b>\$365,139</b>	<b>\$349,562</b>
Cost of sales (exclusive of depreciation and amortization)	191,419	182,885
<b>Gross margin (exclusive of depreciation and amortization)</b>	<b>\$173,720</b>	<b>\$166,677</b>
<b>Gross margin % (exclusive of depreciation and amortization)</b>	<b>47.6 %</b>	<b>47.7 %</b>
Adjusting Items:		
<b>Adjusted Gross Profit (exclusive of depreciation and amortization)</b>	<b>\$173,720</b>	<b>\$166,677</b>
<b>Adjusted Gross Margin % (exclusive of depreciation and amortization)</b>	<b>47.6 %</b>	<b>47.7 %</b>

<i>52 weeks ended</i>	December 27, 2025	December 28, 2024
Net Sales	<b>\$1,552,224</b>	<b>\$1,472,595</b>
Cost of sales (exclusive of depreciation and amortization)	795,875	764,691
<b>Gross margin (exclusive of depreciation and amortization)</b>	<b>\$756,349</b>	<b>\$707,904</b>
<b>Gross margin % (exclusive of depreciation and amortization)</b>	<b>48.7 %</b>	<b>48.1 %</b>
Adjusting Items:		
<b>Adjusted Gross Profit (exclusive of depreciation and amortization)</b>	<b>\$756,349</b>	<b>\$707,904</b>
<b>Adjusted Gross Margin % (exclusive of depreciation and amortization)</b>	<b>48.7 %</b>	<b>48.1 %</b>

1. See adjusted EBITDA Reconciliation for details of adjusting items

# Adjusted SG&A Expense Reconciliation

<i>Thirteen weeks ended</i>	December 27, 2025	December 28, 2024
Net sales	<b>\$365,139</b>	<b>\$349,562</b>
Selling, general and administrative expenses	\$120,899	\$118,722
<b>SG&amp;A as a % of Net Sales</b>	<b>33.1 %</b>	<b>34.0 %</b>
<b>Adjusting Items <sup>(1)</sup>:</b>		
Stock compensation expense	3,507	3,721
Restructuring and other	1,198	(214)
Litigation expense	—	5,000
Transaction and integration expense	17	250
<b>Adjusted SG&amp;A</b>	<b>\$116,177</b>	<b>\$109,965</b>
<b>Adjusted SG&amp;A as a % of Net Sales</b>	<b>31.8 %</b>	<b>31.5 %</b>

<i>52 weeks ended</i>	December 27, 2025	December 28, 2024
Net sales	<b>\$1,552,224</b>	<b>\$1,472,595</b>
Selling, general and administrative expenses	\$502,000	\$488,702
<b>SG&amp;A as a % of Net Sales</b>	<b>32.3 %</b>	<b>33.2 %</b>
<b>Adjusting Items <sup>(1)</sup>:</b>		
Stock compensation expense	14,246	13,463
Restructuring and other	4,058	2,978
Litigation expense	1,950	5,000
Transaction and integration expense	232	1,243
<b>Adjusted SG&amp;A</b>	<b>\$481,514</b>	<b>\$466,018</b>
<b>Adjusted SG&amp;A as a % of Net Sales</b>	<b>31.0 %</b>	<b>31.6 %</b>

1. See adjusted EBITDA Reconciliation for details of adjusting items

# Net Debt & Free Cash Flow Reconciliations

## Reconciliation of Net Debt

<b>As of</b>	<b>December 27, 2025</b>	<b>December 28, 2024</b>
Revolving loans	\$36,000	\$62,000
Senior term loan	636,960	645,470
Finance leases and other obligations	20,090	11,085
<b>Gross debt</b>	<b>\$693,050</b>	<b>\$718,555</b>
Less cash	27,276	44,510
<b>Net debt</b>	<b>\$665,774</b>	<b>\$674,045</b>

## Reconciliation of Free Cash Flow

<b>52 Weeks Ended</b>	<b>December 27, 2025</b>	<b>December 28, 2024</b>
Net cash provided by operating activities	\$105,185	\$183,336
Capital expenditures	(70,100)	(85,219)
<b>Free cash flow</b>	<b>\$35,085</b>	<b>\$98,117</b>

# Free Cash Flow Conversion

## Free Cash Flow Conversion

<b>52 Weeks Ended</b>	<b>December 27, 2025</b>	<b>December 28, 2024</b>
Net Income	\$40,305	\$17,255
Remove adjusting items <sup>(1)</sup>	21,152	25,920
Remove amortization expense	61,232	61,274
Remove tax benefit on adjusting items and amortization expense <sup>(2)</sup>	(6,730)	(7,230)
<b>Adjusted Net Income</b>	<b>\$115,959</b>	<b>\$97,219</b>
Free cash flow <sup>(3)</sup>	\$35,085	\$98,117
Divided by: Adjusted Net Income	\$115,959	\$97,219
<b>Free Cash Flow Conversion</b>	<b>30 %</b>	<b>101 %</b>

1. See adjusted EBITDA Reconciliation for details of adjusting items

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 rates above, excluding certain awards that are non-deductible.
- b. Amortization expense for financial accounting purposes was offset by the tax benefit of deductible amortization expense using the statutory rate of 25%.

3. See free cash flow reconciliation for calculation of free cash flow



# Segment Adjusted EBITDA Reconciliations

<b><i>Thirteen Weeks Ended December 27, 2025</i></b>	<b>HPS</b>	<b>RDS</b>	<b>Canada</b>
Operating Income (Loss)	\$14,476	\$2,331	\$(74)
Depreciation & amortization	22,313	12,291	1,218
Stock compensation expense	3,151	288	68
Restructuring and other costs	654	43	501
Transaction and integration expense	17	—	—
Change in fair value of contingent consideration	—	260	—
<b>Adjusted EBITDA</b>	<b>\$40,611</b>	<b>\$15,213</b>	<b>\$1,713</b>

<b><i>Thirteen Weeks Ended December 28, 2024</i></b>	<b>HPS</b>	<b>RDS</b>	<b>Canada</b>
Operating Income	\$11,233	\$2,544	\$220
Depreciation & amortization	21,248	11,159	1,193
Stock Compensation Expense	3,179	315	227
Restructuring and other costs	(291)	(58)	135
Litigation expense	—	5,000	—
Transaction and integration expense	248	2	—
Change in fair value of contingent consideration	—	(85)	—
<b>Adjusted EBITDA</b>	<b>\$35,617</b>	<b>\$18,877</b>	<b>\$1,775</b>

1. See adjusted EBITDA Reconciliation for details of adjusting items

# Segment Adjusted EBITDA Reconciliations

<b>52 Weeks ended December 27, 2025</b>	<b>HPS</b>	<b>RDS</b>	<b>Canada</b>
Operating Income	\$90,553	\$17,322	\$6,094
Depreciation & amortization	88,829	47,390	4,883
Stock Compensation Expense	12,080	1,144	1,022
Restructuring	2,783	120	1,155
Litigation expense	1,780	170	—
Transaction and integration expense	225	7	—
Change in fair value of contingent consideration	—	(240)	—
<b>Adjusted EBITDA</b>	<b>\$196,250</b>	<b>\$65,913</b>	<b>\$13,154</b>

<b>52 Weeks ended December 28, 2024</b>	<b>HPS</b>	<b>RDS</b>	<b>Canada</b>
Operating Income	\$60,138	\$20,549	\$8,114
Depreciation & amortization	82,446	42,661	4,933
Stock Compensation Expense	11,562	1,117	784
Restructuring	340	689	1,949
Legal settlements	—	5,000	—
Transaction and integration expense	1,212	31	—
Change in fair value of contingent consideration	—	228	—
<b>Adjusted EBITDA</b>	<b>\$155,698</b>	<b>\$70,275</b>	<b>\$15,780</b>

1. See adjusted EBITDA Reconciliation for details of adjusting items