



# Disclaimer



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**Forward looking statements.** This presentation contains "forward looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. Forward looking statements include, without limitation, statements regarding the estimated future financial performance, financial position and financial impacts of the Business Combination as well as of Landocadia, Hillman and the combined company following the Business Combination, the satisfaction of closing conditions to the Business Combination, the level of redemption by Landocadia's public stockholders and purchase price adjustments in connection with the Business Combination, the timing of the completion of the Business Combination, the anticipated pro forma enterprise value and projected revenue of the combined company following the Business Combination, anticipated ownership percentages of the combined company's stockholders following the potential transaction, and the business strategy, plans and objectives of management for future operations, including as they relate to the potential Business Combination. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this presentation, words such as "pro forma," "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "strive," "will," "would" and similar expressions may identify forward looking statements, but the absence of these words does not mean that a statement is not forward looking. When Landocadia discusses its strategies or plans, including as they relate to the Business Combination, it is making projections, forecasts and forward looking statements. Such statements are based on the beliefs of, as well as assumptions made by and information currently available to, Landocadia's management.

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 of Landocadia's and Hillman's control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) Landocadia's ability to complete the Business Combination or, if Landocadia does not complete the Business Combination, any other initial business combination; (2) satisfaction or waiver (if applicable) of the conditions to the Business Combination, including with respect to the approval of the stockholders of Landocadia; (3) the ability to maintain the listing of the combined company's securities on Nasdaq or another exchange; (4) the risk that the Business Combination disrupts current plans and operations of Landocadia or Hillman as a result of the announcement and consummation of the transaction described herein; (5) the impact of COVID-19 on Hillman's business and operations and/or the ability of the parties to complete the Business Combination; (6) the ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; (7) costs related to the Business Combination; (8) changes in applicable laws or regulations and delays in obtaining adverse conditions contained in, or the inability to obtain necessary regulatory approvals required to complete the Business Combination; (9) the possibility that Hillman and Landocadia may be adversely affected by other economic, business, and/or competitive factors; (10) the outcome of any legal proceedings that may be instituted against Landocadia, Hillman or any of their respective directors or officers following the announcement of the Business Combination; (11) the failure to realize anticipated pro forma results and underlying assumptions, including with respect to estimated stockholder redemptions and purchase price and other adjustments; and (12) other risks and uncertainties indicated from time to time in the preliminary proxy statement of Landocadia related to the Business Combination, including those under "Risk Factors" therein, and other documents filed or to be filed with the Securities and Exchange Commission ("SEC") by Landocadia or Hillman.

You are cautioned not to place undue reliance upon any forward looking statements. Forward looking statements included in this presentation speak only as of the date of this presentation. Neither Landocadia nor Hillman undertakes any obligation to update its forward looking statements to reflect events or circumstances after the date hereof. Additional risks and uncertainties are identified and discussed in Landocadia's and Hillman's reports filed with the SEC.

**No Offer or Solicitation.** This presentation shall not constitute a solicitation of a proxy, consent or authorization with respect to any securities or in respect of the Business Combination. This presentation does not constitute, or form a part of, an offer to sell or the solicitation of an offer to sell or an offer to buy or the solicitation of an offer to buy any securities, and there shall be no sale of securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

**Use of Projections.** This presentation contains financial forecasts. Neither Landocadia's nor Hillman's independent auditors have studied, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, neither of them has expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation. These projections are for illustrative purposes only and should not be relied upon as being necessarily indicative of future results. In this presentation, certain of the above mentioned projected information has been provided for purposes of providing comparisons with historical data. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Projections are inherently uncertain due to a number of factors outside of Landocadia's or Hillman's control. Accordingly, there can be no assurance that the prospective results are indicative of future performance of Landocadia, Hillman or the combined company after the Business Combination or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

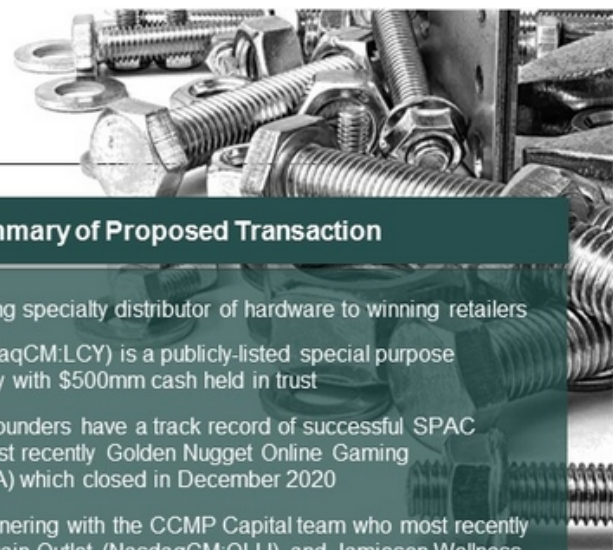
**Industry and Market Data.** In this presentation, we rely on and refer to information and statistics regarding market participants in the sectors in which Hillman competes and other industry data. We obtained this information and statistics from third party sources, including reports by market research firms and company filings. Being in receipt of the presentation you agree you may be restricted from dealing in (or encouraging others to deal in) price sensitive securities.

**Non-GAAP Financial Matters.** This presentation includes certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and free cash flow. EBITDA is defined as net income plus tax expense, interest expense and depreciation and amortization. Adjusted EBITDA is defined as EBITDA, less non-recurring expenses. Free cash flow is defined as Adjusted EBITDA less capital expenditures. Note that free cash flow does not represent residual cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations. These financial measures are not prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and may be different from non-GAAP financial measures used by other companies. Landocadia and Hillman believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends. These non-GAAP measures with comparable names should not be considered in isolation from, or as an alternative to, financial measures determined in accordance with GAAP. See the footnotes on the slides where these measures are discussed for a description of these non-GAAP financial measures and reconciliations of such non-GAAP financial measures to the most comparable GAAP amounts can be found. This presentation includes certain forward looking non-GAAP financial measures. To the extent a reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures is not provided in this presentation, it is because neither Landocadia nor Hillman is able to provide such reconciliation without unreasonable effort.

**Additional Information.** Landocadia intends to file with the SEC a preliminary proxy statement in connection with the Business Combination and, when available, will mail a definitive proxy statement and other relevant documents to its stockholders. The definitive proxy statement will contain important information about the Business Combination and the other matters to be voted upon at a meeting of stockholders to be held to approve the Business Combination and other matters (the "Special Meeting") and is not intended to provide the basis for any investment decision or any other decision in respect of such matters. Landocadia's stockholders and other interested persons are advised to read, when available, the preliminary proxy statement, the amendments thereto, and the definitive proxy statement in connection with Landocadia's solicitation of proxies for the Special Meeting because the proxy statement will contain important information about the Business Combination. When available, the definitive proxy statement will be mailed to Landocadia stockholders as of a record date to be established for voting on the Business Combination and the other matters to be voted upon at the Special Meeting. Landocadia's stockholders will also be able to obtain copies of the proxy statement, without charge once available, at the SEC's website at [www.sec.gov](http://www.sec.gov) or by directing a request to Landocadia's secretary at 1510 West Loop South, Houston, Texas 77027.

**Participants in the Solicitation.** Landocadia, Hillman and their respective directors and officers may be deemed participants in the solicitation of proxies of Landocadia stockholders in connection with the Business Combination. Landocadia's stockholders and other interested persons may obtain, without charge, more detailed information regarding the directors and officers of Landocadia in Landocadia's Registration Statement on Form S-1, which was initially filed with the SEC on September 17, 2020 and is available at the SEC's website at [www.sec.gov](http://www.sec.gov) or by directing a request to Landocadia's secretary at the address above. Information regarding the persons who may, under SEC rules, be deemed participants in the solicitation of proxies to Landocadia stockholders in connection with the Business Combination and other matters to be voted upon at the Special Meeting will be set forth in the proxy statement for the Business Combination when available. Additional information regarding the interests of participants in the solicitation of proxies in connection with the Business Combination will be included in the proxy statement that Landocadia intends to file with the SEC, including Jefferies Financial Group Inc.'s and/or its affiliate's various roles in the transaction. You should keep in mind that the interest of participants in such solicitation of proxies may have financial interests that are different from the interests of the other participants.

Jefferies



# Transaction Summary

## HILLMAN



**Doug Cahill**  
Chairman, Chief Executive Officer  
and President



**Rocky Kraft**  
Chief Financial Officer

## LH LANDCADIA HOLDINGS



**Tilman J. Fertitta**  
Co-Chairman and  
Chief Executive Officer



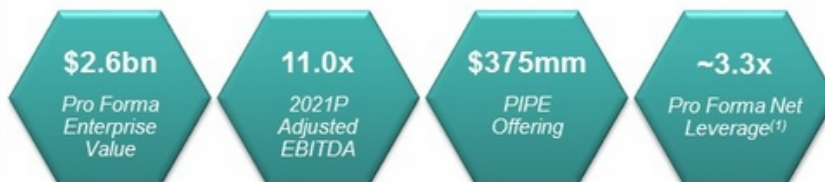
**Richard Handler**  
Co-Chairman and  
President



**Richard Liem**  
Vice President and  
Chief Financial Officer

### Summary of Proposed Transaction

- Hillman is the leading specialty distributor of hardware to winning retailers
- Landcadia III (NasdaqCM:LCY) is a publicly-listed special purpose acquisition company with \$500mm cash held in trust
  - Landcadia III's founders have a track record of successful SPAC acquisitions, most recently Golden Nugget Online Gaming (NasdaqCM:LCA) which closed in December 2020
- Landcadia III is partnering with the CCMP Capital team who most recently brought Ollie's Bargain Outlet (NasdaqGM:OLLI) and Jamieson Wellness (TSX:JWEL) to the public markets
- Hillman and Landcadia III plan to combine to accelerate growth across existing products and channels, and pursue attractive opportunities in adjacent categories
  - CCMP Capital will be the largest shareholder after the transaction



Note: 2020E defined as preliminary year-end results.  
Note: Adjusted EBITDA is a non-GAAP measure. Please see page 33 for a reconciliation of Adjusted EBITDA to Net Income.  
1. Assumes no redemptions from cash in trust and \$375 million PIPE offering. Based on 2020E Adjusted EBITDA.

# What We Like About Hillman

1

**Market Leader  
in Complex,  
Compelling  
Categories for  
Best-in-Class  
Retailers**

2

**55 Years of Sales  
Growth in the  
Last 56<sup>(1)</sup>**

3

**Differentiated  
Platform Drives  
Share Gains and  
Widens  
Competitive Moat**

4

**Favorable  
Demographic  
Tailwinds Supports  
6% Annual Organic  
Sales and 10%  
Adjusted EBITDA  
Growth**

5

**Well-Invested  
Infrastructure  
Poised to Support  
Sales and Margin  
Growth**

6

**Attractive  
Acquisition  
Opportunities**

7

**Management  
Team with Proven  
Operational and  
M&A Expertise**

8

**Strong  
Financial Profile  
Relative to Peers**

**Foundation in place to achieve 6% Sales and 10% Adjusted EBITDA growth before acquisitions**

Source: Third party industry report.

Note: Adjusted EBITDA is a non-GAAP measure. Please see page 33 for a reconciliation of Adjusted EBITDA to Net Income.

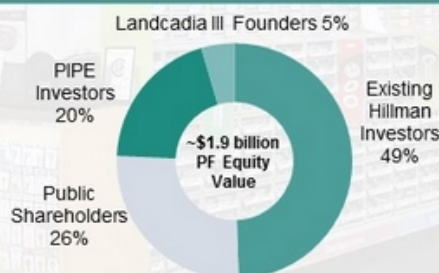
1. During the Great Recession ('08-'09), Sales declined by only 5%, while Adjusted EBITDA grew 10% and margins expanded 250bps.

## Indicative Transaction Overview

Estimated Sources & Uses	
<b>Sources:</b>	
Cash Held in Trust <sup>(1)</sup>	\$500
Existing Investor Rollover Equity	911
New Debt	835
PIPE Proceeds <sup>(2)</sup>	375
Cash on Hillman's Balance Sheet	22
<b>Total</b>	<b>\$2,643</b>
<b>Uses:</b>	
Stock Consideration to Existing Investors	\$911
Paydown of Existing Debt	1,544
Transaction Expenses	91
Cash to Hillman's Balance Sheet	96
<b>Total</b>	<b>\$2,643</b>

Illustrative Pro Forma Valuation	
Share Price	<b>\$10.00</b>
Shares Outstanding <sup>(3)</sup>	190
<b>Equity Value</b>	<b>1,901</b>
Less: Cash	(96)
Plus: Debt	837
<b>Implied Enterprise Value</b>	<b>\$2,642</b>
<b>Implied Multiple on 2021P Adj. EBITDA (\$240)</b>	<b>11.0x</b>
<b>PF Net Leverage<sup>(4)</sup> on 2020E Adj. EBITDA (\$221)</b>	<b>3.3x</b>

### Illustrative Pro Forma Ownership<sup>(4)</sup>



Note: The sources and uses of funds presented herein are forward-looking statements and reflect the Company's current plans and expectations regarding financing for the business combination. The Company may elect to obtain additional financing, including the sale of additional debt or equity, or alternative financing on different terms in connection with the business combination in which case the information presented herein may change. Pro forma figures include the run-rate contribution of recent acquisitions and public company cost assumptions. Due to rounding, numbers presented may not add up precisely to the totals indicated.

Note: 2020E defined as preliminary year-end results. Adjusted EBITDA is a non-GAAP measure. Please see page 33 for a reconciliation of Adjusted EBITDA to Net Income.

1. As of 9/30/2020. Assumes no redemption by Landcadia III's existing shareholders. Actual results in connection with the business combination may differ.

2. Assumes 37.5 million shares are issued at \$10.00 per share.

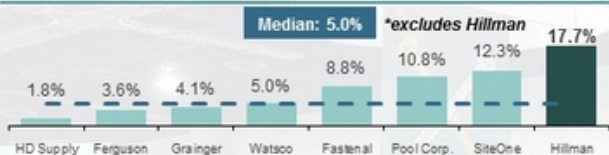
3. Pro forma share count assumes no redemption by Landcadia III's existing shareholders and includes 50.0 million Landcadia III public shares, 11.5 million Landcadia III founder shares (2.8 million founder shares transferred to existing Hillman shareholders), 37.5 million PIPE investor shares and 91.1 million diluted shares transferred to existing Hillman shareholders. Excludes warrants.

4. Assumes no redemptions from trust and \$375 million PIPE offering. Chart may not tie to 100% due to rounding. Includes existing shareholders' rolled options and RSUs, assumes treasury stock method.

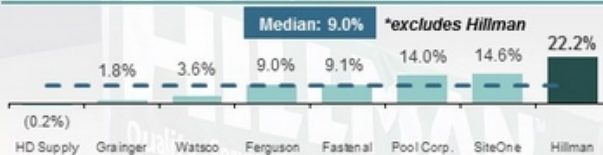
# Top-Tier Financial Profile Relative to Peers

--- Median  
\*excludes Hillman

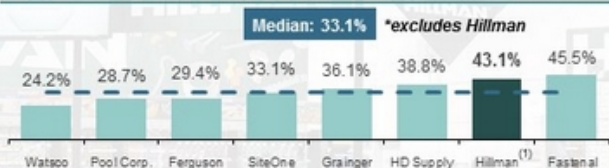
## 2017A– 2020E Revenue CAGR



## 2017A– 2020E Adjusted EBITDA CAGR



## 2020E Adjusted Gross Margin



## 2020E Adjusted EBITDA Margin



## EV / CY 2021P Adjusted EBITDA



Source: Capital IQ as of 1/22/2021.

Note: 2020E defined as preliminary year-end results. Adjusted EBITDA is a non-GAAP measure. Please see page 33 for a reconciliation of Adjusted EBITDA to Net Income and page 37 for a reconciliation of Adj. Gross Margin to Net Sales. All financial results have been calendarized, except for Ferguson, which has been adjusted to a year-end of 1/31 due to a lack of information to properly calendarize. HD Supply has been adjusted to account for the divestiture of its Construction & Industrial segment that was announced on 8/11/2020. HD Supply's EV / EBITDA multiple represents the forward valuation it was acquired for by Home Depot on 12/23/2020.

1. Adj. Gross Margin defined as (Net Sales less Adj. Cost of Sales (exclusive of depreciation and amortization)) / Net Sales. Adj. Gross margin also includes certain EBITDA adjustments.



# Investment Highlights



Indispensable partner embedded with winning retailers



Customers love us, trust us and rely on us



Market and innovation leader across compelling categories



Large, predictable, growing and non-cyclical end markets



Significant runway for incremental growth: organic and via M&A



Management team with proven operational and M&A expertise



Strong financial profile with 56-year track record

# HILLMAN

## Hillman at a Glance

### Business Description

- Founded in 1964; HQ in Cincinnati, OH
- The leading distributor of hardware and home improvement products, personal protective equipment and robotic kiosk technologies to a broad range of winning retailers in the U.S., Canada and Mexico
- The predominance of our sales come from Hillman-owned brands
- Highly attractive ~\$6 billion direct addressable market with strong secular tailwinds
- Long-standing strategic partnerships with winning retailers including Home Depot, Lowes, Walmart, Tractor Supply, ACE and independent hardware stores
- Provide highly complex logistics, inventory, category management and differentiated in-store merchandising services via ~1,100 person field sales and service team
- ~3,600 non-union employees across corporate HQ, 22 N.A. distribution centers, and Taiwan sourcing office

### By the Numbers

~20 billion Fasteners Sold per Year	~575 million Pairs of Gloves Sold per Year	~116 million Keys Duplicated per Year
~112,000 SKUs Managed	~42,000 Store Direct Locations	~32,500 Kiosks in Retail Locations
#1 Position Across Core Categories	10% Long-Term Historical Sales CAGR	55 Years Sales Growth in 56-Year History
~\$1.4bn 2020E Sales	22% 2017A-2020E Adj. EBITDA Growth	16% 2020E Adj. EBITDA Margin

*Note: Figures may not tie due to rounding and corporate eliminations.  
 Note: 2020E defined as preliminary year-end results. Adjusted EBITDA is a non-GAAP measure. Please see page 33 for a reconciliation of Adjusted EBITDA to Net Income.  
 Note: Operational metrics based on 2020E management estimates.*

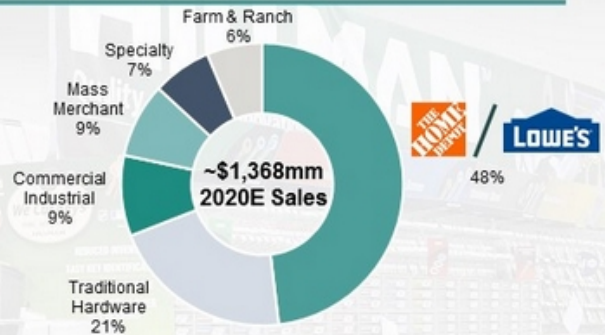
# Revenue and Adjusted EBITDA Snapshot

2020E, % of Total  
(\$ in millions)

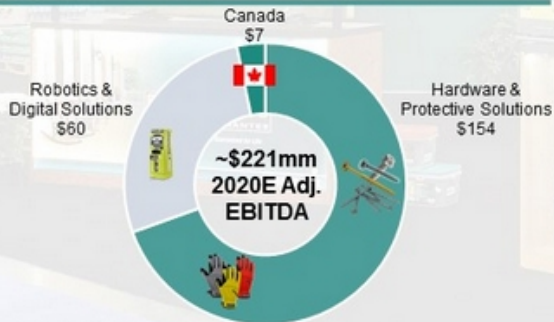
## Sales by Category



## Sales by Channel



## Adj. EBITDA by Category



## Sales by End Segment



Note: Figures may not tie due to rounding and corporate eliminations.  
Note: 2020E defined as preliminary year-end results. Adjusted EBITDA is a non-GAAP measure. Please see page 33 for a reconciliation of Adjusted EBITDA to Net Income, and pages 34-36 for a reconciliation of Adj. EBITDA by category to Reported Income from Operations.

# Our Primary Business Segments

## Hardware & Protective Solutions

Segment Position	Hardware Solutions		Protective Solutions		Robotics and Digital Solutions	
	#1		#1		#1	
Hillman-Owned Brands	Fasteners & Specialty	Construction Fasteners	Work Gear	Gloves	Key and Fob Duplication	
	<b>HILLMAN</b> <b>DECK PLUS</b>	<b>POWERPRO</b> <b>Fas-n-Tite</b>	<b>AWP</b> <b>SAFETY-SECTOR</b>	<b>GREEN GRIP</b> <b>FIRM GRIP</b> <b>TRUE GRIP</b> <b>digz</b>	<b>HILLMAN</b> <b>KEYKRAFTER</b>	<b>minutekey</b>
	Picture Hanging	Builders Hardware & Metal Shapes	Safety / PPE		Personalized Tags	Knife Sharpening
	<b>high &amp; mighty</b> <b>OOZ</b> <b>HILLMAN PLUS</b>	<b>STEELWORKS</b> <b>HILLMAN</b>	<b>FIRM GRIP</b> <b>AWP</b> <b>ARMED DEFENSE</b>	<b>id LOST</b> <b>TagWorks</b>	<b>resharp</b>	

### Representative Top Customers



Source: Third party industry report.

# Hardware Solutions Overview

**Broad and diversified product portfolio with ~61,000 SKUs**

- **Market leader** across the fastening and hardware industry
- Customer-first culture **servicing end user needs**
- Long-standing relationships **with all key customers**
- **Highly sticky and deeply moated** through a winning formula of:
  - Service
  - Quality
  - Category management
  - Value
  - Innovation



<b>#1</b> Market Position	<b>~\$710mm</b> 2020E Sales	<b>~8%</b> 2017A-2020E Organic Sales CAGR	<b>~10%</b> 2017A-2020E Total Sales CAGR
<b>~61,000</b> SKUs Offered	<b>~23,000</b> Store Direct Locations	<b>82%</b> Direct-to-Store Delivery	<b>95%+</b> Fill Rates <sup>(1)</sup>



Source: Third party industry report.  
 Note: Segment financials and all other figures exclude Canada business representing ~10% of sales. Figures may not tie due to rounding and corporate eliminations.  
 Note: 2020E defined as preliminary year-end results. Operational metrics based on 2020E management estimates.  
 1. Fill rates calculated based on 2018A – 2020E data.

# Protective Solutions Overview

**Leader in PPE consistently delivering disruptive innovation**

- Industry **leading brands**
- **Leading supplier** of personal protection equipment
- **Design driven culture** focused on product development with **speed to market**
- Serving **all pro and DIYer's needs**
- **Experienced sourcing team** with deep vendor partnerships



\$1.9bn



■ Current Penetration ■ Market Opportunity

**#1**  
Market Position

**~\$320mm**  
2020E Sales

**~15%**  
2017A-2020E Pro Forma Organic Sales CAGR<sup>(1)</sup>

**~2,900**  
SKUs Offered

**~575mm**  
Pairs of Gloves Sold per Year

**64%**  
New Product Vitality Rate

Source: Third party industry reports.

Note: Segment financials and all other figures exclude Canada business representing ~10% of sales. Figures may not tie due to rounding and corporate eliminations.

Note: 2020E defined as preliminary year-end results. Operational metrics based on 2020E management estimates.

1. 2017A – 2020E Organic Sales CAGR pro forma for the 2018 acquisition of Big Time Products.

# Robotics & Digital Solutions Overview

**Large network of robotic and digital technology delivers convenience, quality and recurring revenue**

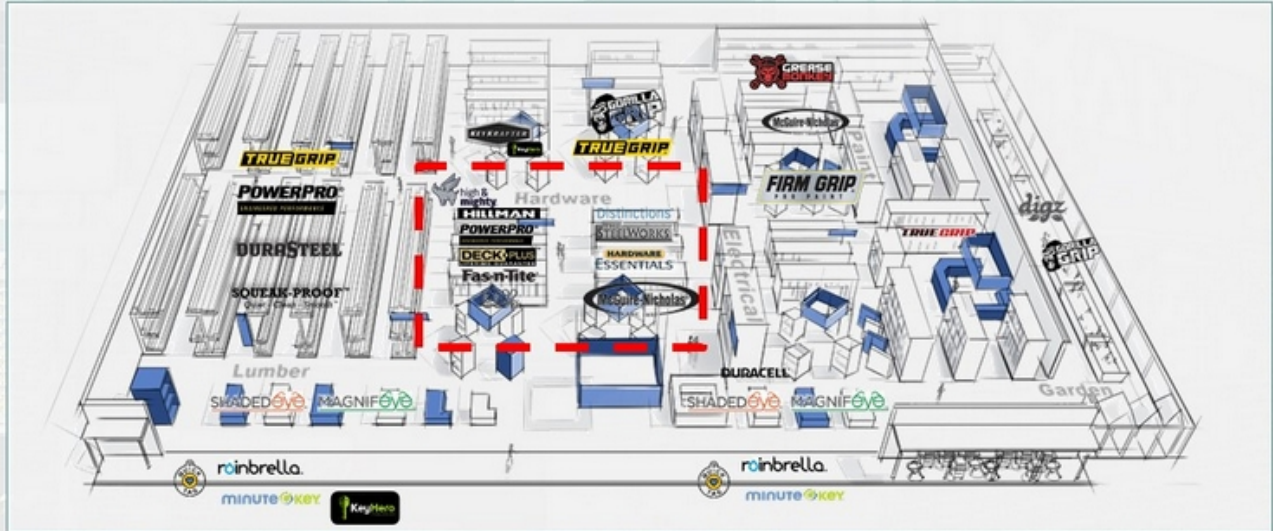
- Unique provider of **robotic consumer solutions**:
  - Key duplication (full-service and self-service)
  - Fob duplication
  - Pet tags
  - Knife sharpening
- **Cutting-edge products** and **proprietary technology platform**
- Expanding **innovation roadmap**
- Highly **attractive margin profile** and a **two year or less return on investment per machine**
- Installed base gives us **unique insights** into our customers and their needs



Source: Third party industry report.  
 Note: Segment financials and all other figures exclude Canada business representing ~10% of sales. Figures may not tie due to rounding and corporate eliminations.  
 Note: 2020E defined as preliminary year-end results. Operational metrics based on 2020E management estimates.  
 Note: Adjusted EBITDA is a non-GAAP measure. Please see page 35 for a reconciliation of Adjusted EBITDA to Reported Income from Operations.

# Indispensable Partner Embedded with Winning Retailers

*Trusted partner that provides mission-critical sourcing and in-store and online inventory, category management and in-store services*



- ✓ Ship direct to store: 112,000 SKUs to 42,000 locations
- ✓ 1,100 person in-store sales and service team
- ✓ Our products and brands are critical to our customers: consumable, foot traffic driving, basket building and highly profitable
- ✓ Diversification across buying departments and categories
- ✓ Track record of innovative new product introductions

# Customers Love Us, Trust Us and Rely on Us

Consistently recognized by customers and well-positioned to capture additional categories throughout the store

<p><b>95%+</b> Fill Rates<sup>(1)</sup></p>	<p><b>~1,100</b> Field Service Team Members</p>	<p><b>29</b> Network Facilities</p>	<p><b>~42,000</b> Store Direct Locations</p>	<p><b>~112,000</b> SKUs Managed</p>	<p><b>82%</b> Products Shipped Direct-To-Retail</p>
<p>2020 Vendor of the Year</p> <p>LOWE'S   THE HOME DEPOT TSC   Best</p>	<p>2019 Vendor of the Year</p> <p>TSC   ACE Hardware</p>	<p>2018 Innovation Partner of the Year</p> <p>LOWE'S</p>	<p>2018 Vendor of the Year</p> <p>Auto Zone</p>	<p>2017 Vendor of the Year</p> <p>True Value   THE HOME DEPOT</p>	

"This is an unprecedented time as we all navigate the ongoing global economic, social and health impacts of COVID-19... [ We would ] like to take a moment to mention just a few of the suppliers who made an extraordinary effort to keep our stores well stocked this quarter, despite their own challenging operating environments... in our hard lines business, Hillman... went above and beyond in their responsiveness."

"Our 2019 winners, like Hillman, delivered record-breaking growth and provided Ace retailers with product and channel differentiation, unique and dynamic promotions, training and in-store support, and high service levels..."

**LOWE'S** May 2020  
Earnings Call

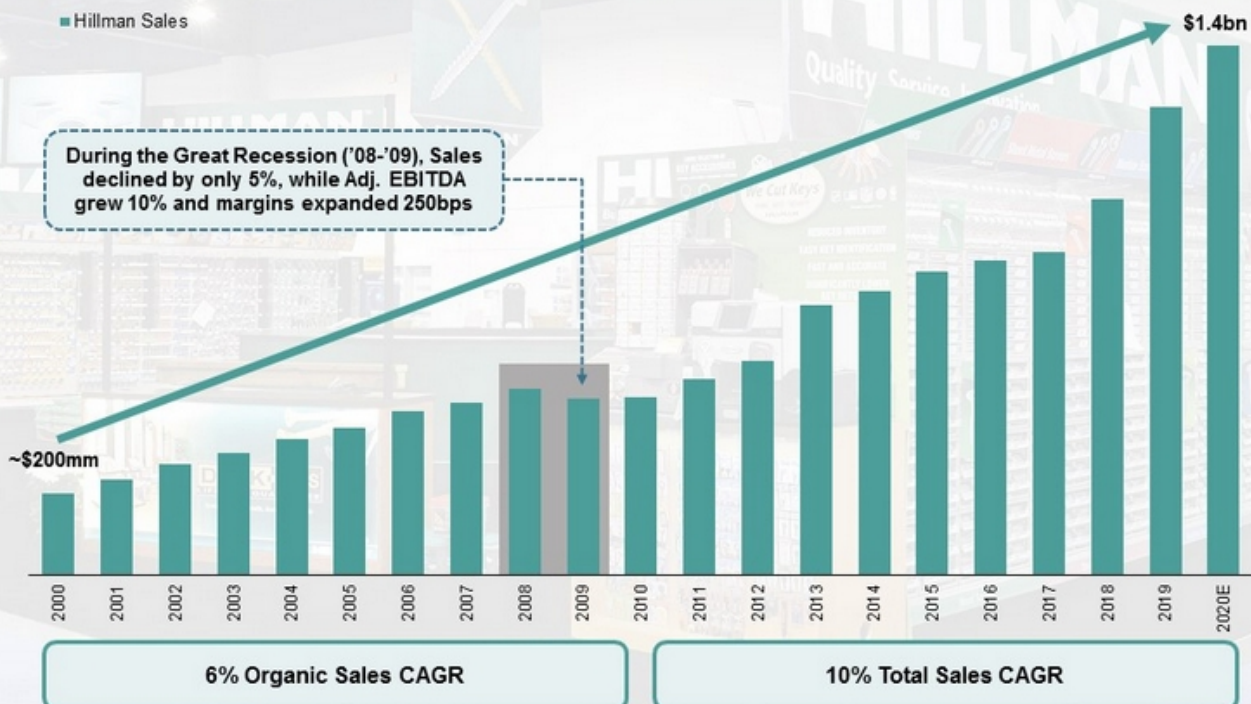
**ACE Hardware** March 2020  
Press Release

Note: 2020E defined as preliminary year-end results. Operational metrics based on 2020E management estimates.  
1. Fill rates calculated based on 2018A - 2020E data.

# Steady, Long-Term, Predictable Growth

Long-term sustainable growth with only one down sales year in the Company's 56-year history

## Track Record of Growth



Note: 2020E defined as preliminary year-end results. Adjusted EBITDA is a non-GAAP measure. Please see page 33 for a reconciliation of Adjusted EBITDA to Net Income. CAGRs based on 2000A – 2020E sales.



# Multiple Levers to Drive Growth

Unique platform and significant recent investments support accelerating growth



## MARKET GROWTH

- Hillman's markets expected to grow at 4% CAGR from 2020-2024
- Increasing home improvement spending



## GROW WITH EXISTING CUSTOMERS

- ~80% whitespace opportunity in existing products and channels
- Capture share in underpenetrated categories
- eCommerce expansion



## INNOVATION ENGINE

- Capitalize on innovation and technology leadership
- Roll-out of recently acquired technologies: ReSharp, InstaFob
- Near-term service sales opportunity



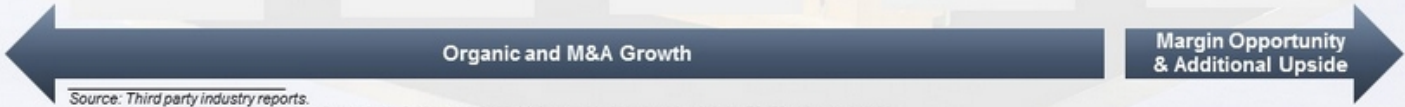
## EXECUTE M&A

- Acquire forward-looking innovative companies
- Leverage Hillman's relationships with leading retailers and powerful in-store model to help scale acquired companies



## DRIVE ADJ. EBITDA MARGIN IMPROVEMENT

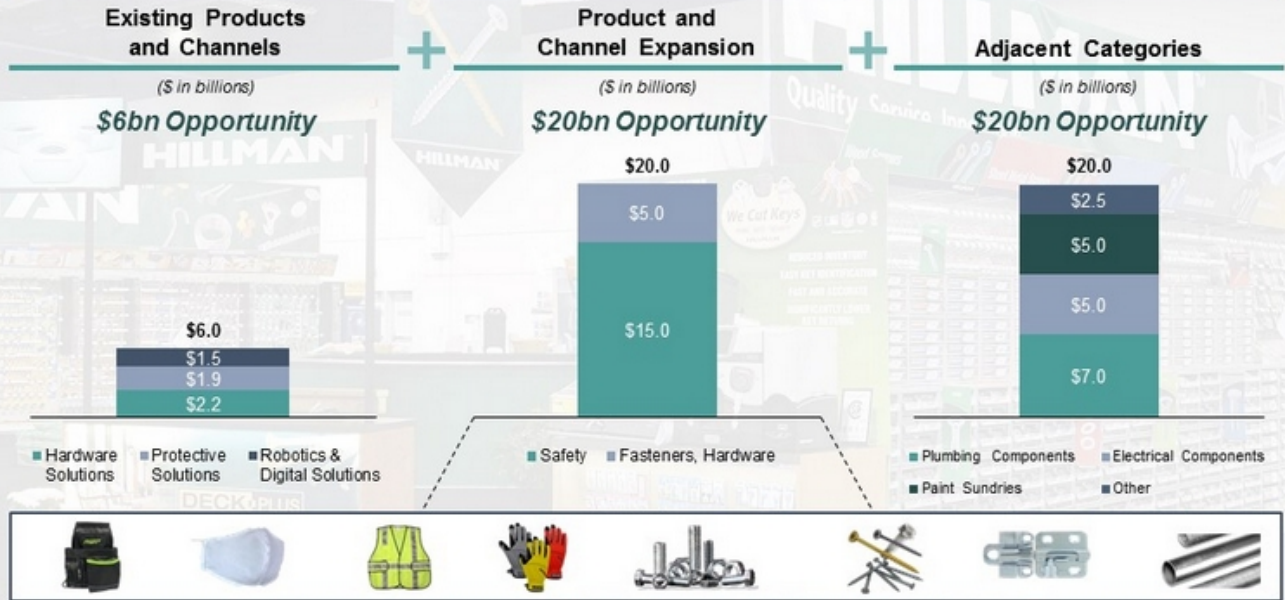
- Favorable margin mix shift due to faster growth of higher Adj. EBITDA margin categories
- Fixed cost leverage from incremental sales



Source: Third party industry reports.  
 Note: Adjusted EBITDA is a non-GAAP measure. Please see page 33 for a reconciliation of Adjusted EBITDA to Net Income.

# Attractive Market Dynamics Support Strong Future Growth

**~\$45 billion Total Addressable Market**



**Favorable secular trends and underlying Repair & Remodel activity supports 4% market growth**

<i>Positive Velocity from Megatrends</i>	<i>Underlying Resiliency within Repair &amp; Remodel</i>	<i>Product Segments Positioned to Outperform Competitors</i>
--	--	--

Source: Third party industry reports.

# Hardware Solutions Innovation: Driving **POWERPRO**® Into the Future

**Accelerated recent growth with anticipated opportunity to reach \$150mm in sales and beyond**

## Highly Successful Launch...

- Hillman developed premium PowerPro line in 2001
- Established brand with premium position to serve customer needs
  - **Innovation:** Redesigned to deliver new performance benefits
  - **Category Expansion:** Expanded beyond wood and trim
  - **Distribution Expansion:** Across traditional hardware stores, lumber building materials and retail

## ...Poised for Continued Future Growth

- **Channel and Market Focus:** Launch new Concrete Screw
- **Innovation Pipeline:** New product launches using proven milestone process



## Significant Growth Since Launch with Sustained Momentum and Upside Opportunity



# FIRM GRIP Case Study: User-Driven Innovation...

Through extensive in-field research, Protective Solutions develops patent protected products that resonate with the core consumer



## ...Creates Growth and Opportunity for Hillman

✓ #1 in Unaided Awareness in Category

✓ Doubled Sales in 3 Years

✓ From Gloves to Work Gear to Safety: Extendable

✓ Collaborative Partnership vs. Big Brand Tension

# resharp™ Case Study: New Product Development



- ✓ Quickly restores knife to factory sharpness
- ✓ Same day on demand accessibility
- ✓ No skill required, just watch
- ✓ Patented system



## ReSharp Poised to Open Doors to New Market Opportunities

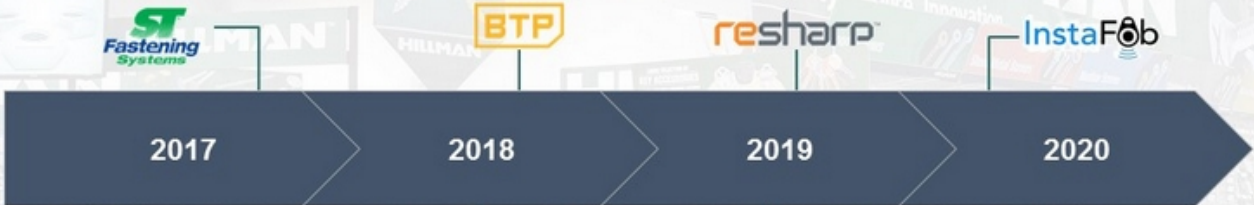


Source: Management estimates and analysis.  
 Note: ReSharp was acquired in 2019 and is reported under the Robotics and Digital Solutions segment.  
 Note: Adjusted EBITDA is a non-GAAP measure. Please see page 35 for a reconciliation of Adjusted EBITDA to Reported Income from Operations.

# M&A is, and Will Be, a Key Tool For Our Expansion

Hillman has a proven M&A platform with a strong track record of identifying, executing and integrating acquisitions

\$550mm+ spent on strategic acquisitions since 2017



**150+** Pipeline of 150+ targets identified

**50+** Recent management/ownership discussion with 50+ targets

**\$3bn+** Aggregate sales opportunity (targets with recent dialogue)

✓ New product categories

✓ Innovative technology

✓ Leverage our retail relationships

# **BTP** and **minutekey** Case Studies: M&A and Integration

*History of building out the business through strategic tuck-ins and transformative acquisitions, growing categories and adding leading, recognized brands*



**Strategic Rationale:**

Enter gloves / PPE category

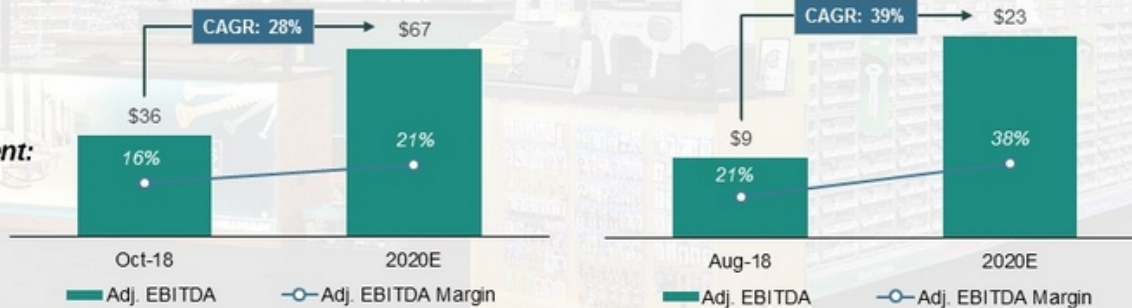
Enter new self-service / robotic key cutting category

**Purchase Price:**

**\$345M (2018)**

**\$157M (2018)**

**Growth and Margin Enhancement:**



Note: 2020E defined as preliminary year-end results. Adjusted EBITDA is a non-GAAP measure. BTP and MinuteKey were acquired in 2018 and are reported under Hardware & Protective Solutions and Robotics & Digital Solutions, respectively. Please see pages 34-35 for a reconciliation of Adjusted EBITDA to Reported Income from Operations.

# Management Team with Proven Operational and M&A Expertise

*Management team brings a results-driven approach to innovation and growth*



**Doug Cahill**  
Chairman, CEO, and President

- Appointed to current position in September 2019; Chairman since 2015
- Over 25 years of experience growing consumer-focused and industrial companies
- Previously served as a Managing Director at CCMP



**Rocky Kraft**  
Chief Financial Officer

- Joined Hillman in 2017



**Jon Michael Adinolfi**  
U.S. Divisional President

- Joined Hillman in 2019



**Kim Corbitt**  
Chief Human Resources Officer

- Joined Hillman in 2017



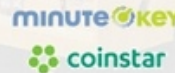
**Steven Bruner**  
Chief Information Officer

- Joined Hillman in 2020



**Randy Fagundo**  
Divisional President,  
Robotics & Digital Solutions

- Joined Hillman through MinuteKey acquisition in 2018



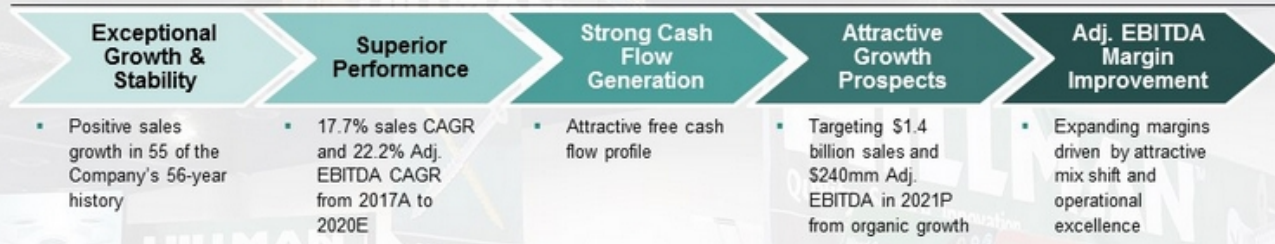
**Scott Ride**  
Chief Operating Officer, Canada

- Joined Hillman in 2015

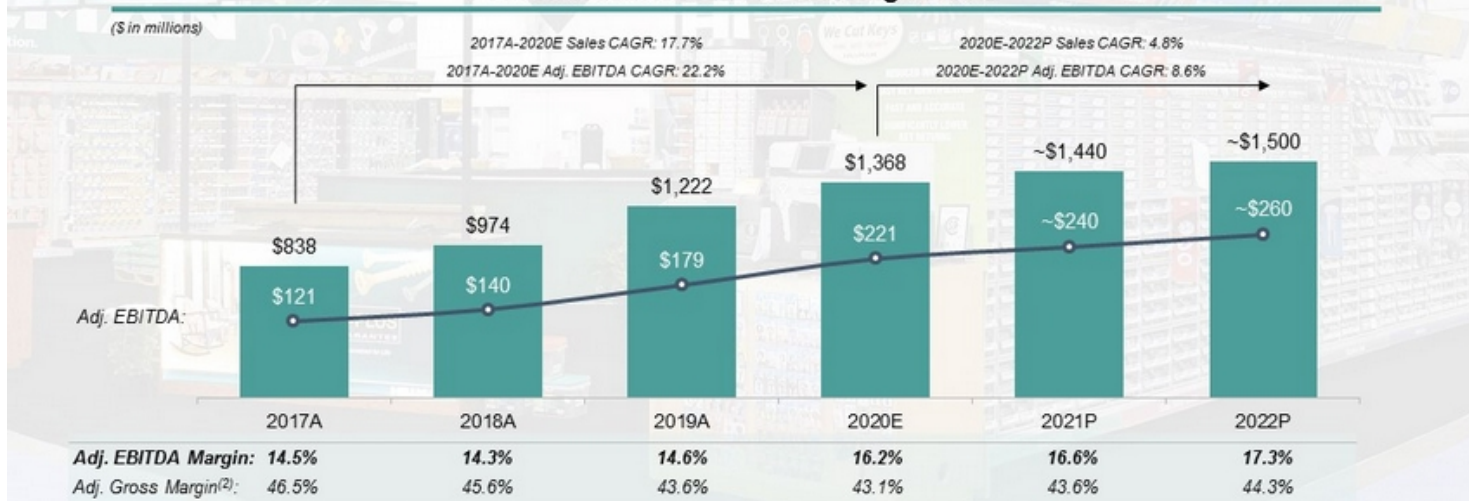




# Strong Financial Profile with 56-year Track Record



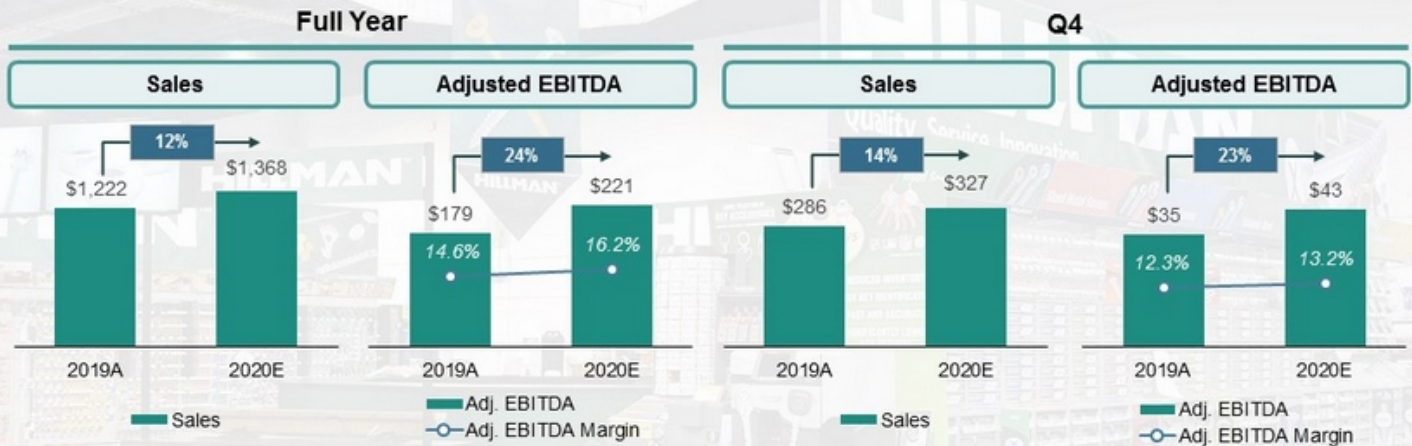
## Proven Track Record of Delivering Results<sup>(1)</sup>



Note: 2020E defined as preliminary year-end results. Adjusted EBITDA is a non-GAAP measure. Please see page 33 for a reconciliation of Adjusted EBITDA to Net Income.  
 1. Excludes potential acquisitions.  
 2. Adj. Gross Margin defined as (Net Sales less Adj. Cost of Sales (exclusive of depreciation and amortization)) / Net Sales. Adj. Gross Margin also includes certain EBITDA adjustments. Please see page 37 for a reconciliation of Adj. Gross Margin to Net Sales. Adj. Gross Margin decline from 2017A to 2020E entirely attributable to inclusion of Big Time acquisition, which has lower Adj. Gross Margin profile but higher than fleet average Adj. EBITDA Margin.

## Recent Developments – Strong Finish to 2020

(\$ in millions)







- Cash flow finished the year strong with Net Debt decreasing to \$1,525 million, down \$53 million from \$1,578 in 2019A
- Free Cash Flow for 2020 increased to \$176 million, up \$55 million or 46% from \$121 million in 2019A
  - Growth Capex in 2020 decreased to \$31 million, down \$8 million from \$39 million in 2019A
  - Maintenance Capex in 2020 decreased to \$15 million, down \$4 million from \$19 million in 2019A

Note: 2020E defined as preliminary year-end results.  
 Note: FY2020 EBITDA of \$221.2M includes \$28.4M of adjustments detailed beginning on page 33.

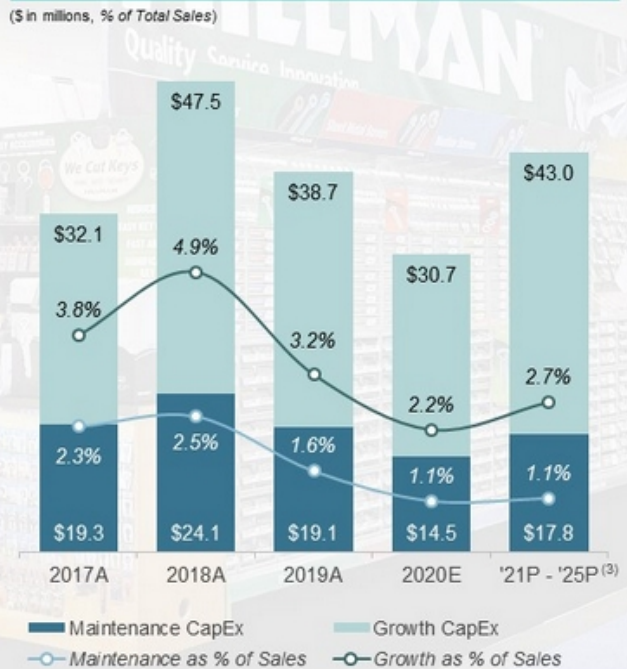
# Infrastructure in Place to Drive Future Growth

Strategic capital investments position Hillman for long-term, sustainable growth

## Capability-Enhancing, High-Return Growth CapEx Examples

	Robotic Kiosk Technologies	~\$120M	Strategic technology investments enhanced product quality and consumer convenience
	Data Analytics Tools	~\$5M	Data analytics allowed Hillman to access real-time data to optimize category productivity
	Distribution Center Upgrades	~\$20M	Distribution Center upgrades improved the efficiency of the Hillman platform to help drive growth
	Cutting-Edge ERP Technology	~\$20M	Improved agility and efficiency of Hillman operations

## Low Maintenance CapEx with Investment in High ROI Initiatives <sup>(1)(2)</sup>



**~\$300mm invested in capital expenditures over the last 5 years**

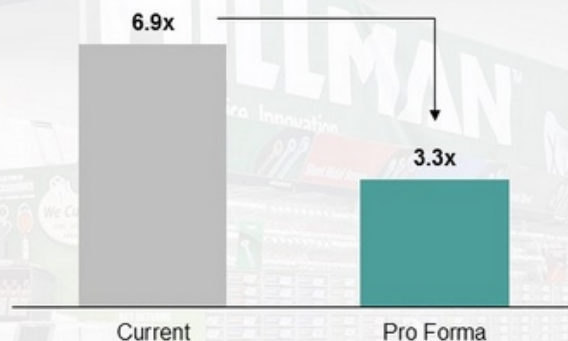
Note: 2020E defined as preliminary year-end results.  
 1. 2020E – 2025P sales used to calculate % of sales do not include projected acquisitions.  
 2. Does not include pro forma adjustments for pre-acquisition periods for acquired companies.  
 3. Represents average values for the 2021P – 2025P period.

## Strong Capital Structure and Free Cash Flow Support Growth

### Total Leverage Based on 2020E Adj. EBITDA

(\$ millions)	Current <sup>(1)</sup>	Pro Forma <sup>(2)</sup>
Cash	\$ 22	\$ 96
ABL Revolver (\$250.0 million)	\$ 72	
First Lien Term Loan	1,037	
Capital Leases	2	2
6.375% Senior Unsecured Notes	330	
Trust Preferred	105	
<b>New First Lien Term Loan</b>		<b>835</b>
<b>Total Debt</b>	<b>\$ 1,547</b>	<b>\$ 837</b>
2020E Adj. EBITDA	\$ 221	\$ 221
Gross Debt / 2020E Adj. EBITDA	7.0x	3.8x
PF Total Net Debt / 2020E Adj. EBITDA	6.9x	3.3x
PF Total Net Debt / 2021P Adj. EBITDA	6.3x	3.1x

### Total Net Leverage Based on 2020E Adj. EBITDA



### Free Cash Flow<sup>(3)</sup>

(\$ millions)	Historical FYE			Estimated
	2017	2018	2019	2020
Adjusted EBITDA	\$ 121	\$ 140	\$ 179	\$ 221
Maintenance CapEx	19	24	19	15
<b>Free Cash Flow (ex. Growth CapEx)</b>	<b>\$ 102</b>	<b>\$ 116</b>	<b>\$ 160</b>	<b>\$ 207</b>
% Conversion	84.0%	82.7%	89.3%	93.4%
Growth CapEx	32	47	39	31
<b>Free Cash Flow</b>	<b>\$ 70</b>	<b>\$ 68</b>	<b>\$ 121</b>	<b>\$ 176</b>
% Conversion	57.6%	48.8%	67.7%	79.5%

Note: 2020E defined as preliminary year-end results. Adjusted EBITDA is a non-GAAP measure. Please see page 33 for a reconciliation of Adjusted EBITDA to Net Income.

1. Represents FYE 2020E.

2. Assumes no redemption.

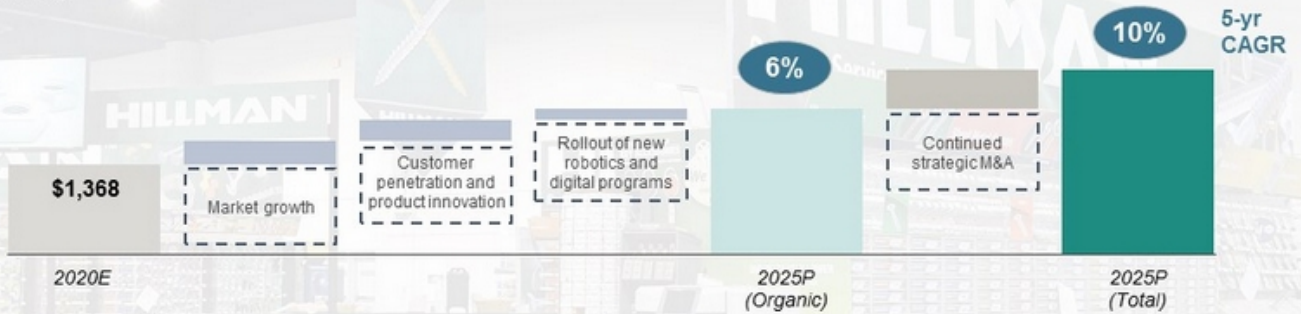
3. Free Cash Flow is a non-GAAP measure. Free Cash Flow is defined as Adjusted EBITDA less CapEx. Free Cash Flow Conversion is calculated as Free Cash Flow / Adjusted EBITDA. Please see page 33 for a reconciliation of Adjusted EBITDA to Net Income.

# A Clear Roadmap for Future Growth

Long-range (5-year) growth targets: 10% Sales and 15% Adjusted EBITDA CAGR

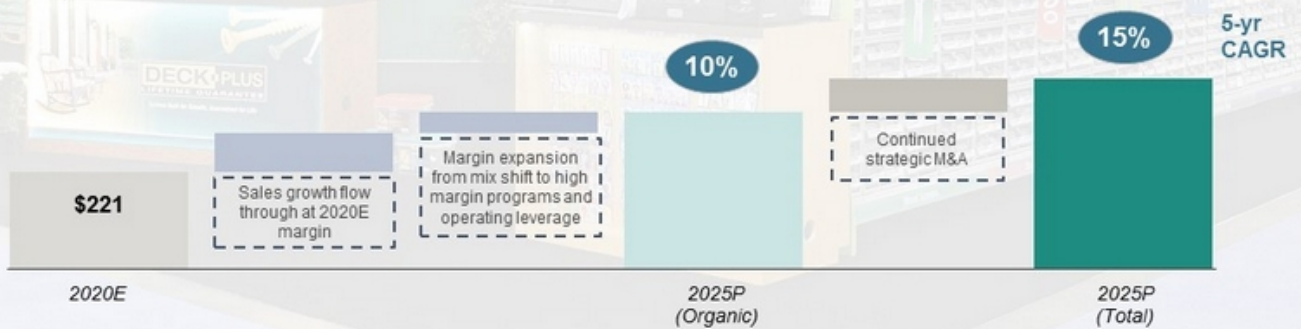
## Sales Growth

(\$ in millions)



## Adj. EBITDA Growth

(\$ in millions)



Note: 2020E defined as preliminary year-end results. Adjusted EBITDA is a non-GAAP measure. Please see page 33 for a reconciliation of Adjusted EBITDA to Net Income.

## When It Comes To Distributing Fasteners, Hardware, Keys, Tags & PPE to Winning Retailers, Hillman Is In a League of Its Own

### **Best In Class Specialty Distributor and Partner**

- ✓ Long standing, deeply embedded strategic partner to winning omni-channel retailers
- ✓ Unmatched ability to source, deliver, manage and service 110,000+ SKU's in 40,000+ locations including 32,500 kiosks
- ✓ Non-replicable field sales and service team, 1,100 strong, trusted with in store merchandising and category management

### **Clear Market Leader In Attractive Product Categories**

- ✓ #1 market positions in large and growing fastener, hardware, key, engraving and PPE product categories

### **Serving Large, High Growth and Resilient Markets**

- ✓ Total addressable market of ~\$45 billion
- ✓ Products serve highly resilient repair & remodel and PPE markets
- ✓ Enduring home improvement trends: home use has gone from eat, sleep and watch TV to work, school, recreation, fitness and entertainment with millennials buying homes, suburban migration, and boomers aging in place

### **Multiple Growth Drivers and Recession Resistance**

- ✓ Sales have grown every year but one in past 56 years
- ✓ Organic sales growth has been 6% p.a. over the past 20 years (2000-2020) with 10% total sales growth over the period
- ✓ Invested ~\$300 million in capex since 2015 and over \$550 million in acquisitions since 2018 to drive future growth
- ✓ Home improvement and other trends support mid single digit core organic growth
- ✓ Core organic growth amplified by new business wins, product innovation, rollout of kiosks and expansion of PPE
- ✓ Total organic growth amplified by large M&A pipeline and proven M&A track record

### **Winning Financial Profile**

- ✓ At end of 2020: 3-year compound annual growth of 18% top line and 22% Adj. EBITDA
- ✓ Strength proven during COVID: FY 2020E sales up 12% and Adj. EBITDA up 24%
- ✓ Leadership in highly attractive product categories drives top tier 17% 2021P Adj. EBITDA margin with clear path to 20%+
- ✓ Well-invested platform generating substantial cash flow

Note: 2020E defined as preliminary year-end results. Adjusted EBITDA is a non-GAAP measure. Please see page 33 for a reconciliation of Adjusted EBITDA to Net Income.

## Adjusted EBITDA Reconciliation

(\$ millions)	Historical & Preliminary											
			2019						2020			
	2017A	2018A	Q1A	Q2A	Q3A	Q4A	2019A	Q1A	Q2A	Q3A	Q4E	2020E
Net Income	\$58.6	(\$69.6)	(\$35.3)	(\$19.5)	(\$14.5)	(\$34.1)	(\$103.4)	(\$9.8)	(\$4.2)	\$10.7	(\$14.0)	(\$17.4)
Interest	63.2	82.8	29.6	29.1	27.9	27.2	113.8	26.2	27.0	23.8	22.1	99.1
Taxes	(84.9)	2.1	4.8	(2.9)	(3.8)	(3.5)	(5.4)	(9.3)	(1.7)	1.4	(7.0)	(16.6)
Depreciation & Amortization	72.1	90.6	30.6	31.3	30.9	31.7	124.6	32.4	32.1	30.8	31.6	126.9
Gains / Losses on Interest Rate Swaps	(1.5)	0.6	1.1	1.8	0.3	(0.6)	2.6	2.3	(0.3)	(0.8)	(0.6)	0.6
<b>Reported EBITDA</b>	<b>\$107.6</b>	<b>\$106.4</b>	<b>\$30.8</b>	<b>\$39.9</b>	<b>\$40.9</b>	<b>\$20.6</b>	<b>\$132.3</b>	<b>\$41.8</b>	<b>\$52.8</b>	<b>\$65.9</b>	<b>\$32.1</b>	<b>\$192.7</b>
1 Stock Compensation	2.5	1.6	0.4	0.3	1.2	1.1	3.0	1.1	1.5	1.1	1.3	5.1
2 CCMP Management Fee	0.5	0.5	0.1	0.1	0.1	0.2	0.6	0.1	0.2	0.1	0.1	0.6
3 Facility Exits <sup>(1)</sup>	0.1	1.3	-	-	-	-	-	-	0.4	3.0	0.4	3.9
4 Restructuring <sup>(2)</sup>	2.6	9.7	(0.1)	1.4	3.2	9.2	13.7	1.7	1.0	0.7	1.5	4.9
5 Litigation Expense	-	-	-	0.3	0.5	0.7	1.5	0.8	1.9	3.0	2.1	7.7
6 Acquisition and Integration Expense	1.6	12.4	3.1	3.4	4.7	1.3	12.6	(4.1)	3.8	1.1	5.6	6.3
7 Buy-back Expense	-	-	4.1	2.0	-	1.1	7.2	-	-	-	-	-
8 FastKey	-	-	-	6.8	0.1	1.0	7.9	-	-	-	-	-
9 Refinancing Costs	-	11.6	-	-	-	-	-	-	-	-	-	-
10 Anti-dumping Duties	6.3	(3.8)	-	-	-	-	-	-	-	-	-	-
<b>Total Adjustments</b>	<b>13.5</b>	<b>33.3</b>	<b>7.6</b>	<b>14.3</b>	<b>9.9</b>	<b>14.5</b>	<b>46.4</b>	<b>(0.3)</b>	<b>8.8</b>	<b>9.1</b>	<b>11.0</b>	<b>28.5</b>
<b>Adjusted EBITDA</b>	<b>\$121.2</b>	<b>\$139.8</b>	<b>\$38.5</b>	<b>\$54.2</b>	<b>\$50.8</b>	<b>\$35.1</b>	<b>\$178.7</b>	<b>\$41.5</b>	<b>\$61.6</b>	<b>\$75.0</b>	<b>\$43.1</b>	<b>\$221.2</b>

1 Stock compensation

2 CCMP management fees

3 Costs associated with the closure of facilities

4 Inventory write-offs, severance, rent, labor costs, etc. related to restructuring initiatives

5 Professional fees related to non-recurring litigation

6 Professional fees, non-recurring bonuses, severance and other costs related to historical acquisitions

7 Remove non-recurring buy-back expense for LOW and TSC

8 Impairment losses for the disposal of FastKey self-service key duplicating kiosks

9 Financing fees related to term loan

10 Anti-dumping duties related to nail business

Note: 2020E defined as preliminary year-end results.

1. Includes exits of the San Antonio, Parma and Dallas Warehouse facilities.

2. Includes the restructuring of Canadian operations and executive severance.

## Adjusted EBITDA Reconciliation: Hardware and Protective Solutions

(\$ millions)	Historical & Preliminary											
			2019				2020					
	2017A	2018A	Q1A	Q2A	Q3A	Q4A	2019A	Q1A	Q2A	Q3A	Q4E	2020E
Reported Income from Operations	\$7.8	\$18.6	(\$2.6)	\$10.9	\$8.0	(\$2.2)	\$14.2	\$8.9	\$24.4	\$30.1	\$3.9	\$67.3
Depreciation & Amortization	42.6	50.2	16.0	16.2	16.2	16.9	65.4	16.9	17.6	17.1	17.6	69.2
<b>Reported EBITDA</b>	<b>\$50.4</b>	<b>\$68.7</b>	<b>\$13.5</b>	<b>\$27.1</b>	<b>\$24.2</b>	<b>\$14.7</b>	<b>\$79.6</b>	<b>\$25.7</b>	<b>\$42.0</b>	<b>\$47.3</b>	<b>\$21.5</b>	<b>\$136.5</b>
1 Stock Compensation	2.1	1.3	0.3	0.2	1.0	0.9	2.4	1.0	1.3	1.0	1.2	4.5
2 CCMP Management Fee	0.5	0.5	0.1	0.1	0.1	0.2	0.6	0.1	0.2	0.1	0.1	0.5
3 Facility Exits <sup>(1)</sup>	0.1	1.3	-	-	-	-	-	-	0.4	3.0	0.4	3.9
4 Restructuring	(0.6)	-	-	-	1.1	2.0	3.2	-	-	0.1	0.0	0.1
5 Acquisition and Integration Expense	1.6	7.1	2.2	2.1	3.7	0.9	8.8	0.1	0.5	0.9	6.8	8.3
6 Buy-back Expense	-	-	4.1	2.0	-	1.1	7.2	-	-	-	-	-
7 Corporate and Intersegment Adjustments	1.0	1.8	-	-	-	(0.4)	(0.4)	-	-	-	0.1	0.1
8 Anti-dumping Duties	6.3	(3.8)	-	-	-	-	-	-	-	-	-	-
<b>Total Adjustments</b>	<b>10.9</b>	<b>8.2</b>	<b>6.7</b>	<b>4.5</b>	<b>5.9</b>	<b>4.6</b>	<b>21.7</b>	<b>1.2</b>	<b>2.4</b>	<b>5.1</b>	<b>8.6</b>	<b>17.3</b>
<b>Adjusted EBITDA</b>	<b>\$61.3</b>	<b>\$76.9</b>	<b>\$20.2</b>	<b>\$31.7</b>	<b>\$30.1</b>	<b>\$19.4</b>	<b>\$101.3</b>	<b>\$26.9</b>	<b>\$44.5</b>	<b>\$52.4</b>	<b>\$30.1</b>	<b>\$153.8</b>

1 Stock compensation

2 CCMP management fees

3 Costs associated with the closure of facilities

4 Inventory write-offs, severance, rent, labor costs, etc. related to restructuring initiatives

5 Professional fees, non-recurring bonuses, severance and other costs related to historical acquisitions

6 Remove non-recurring buy-back expense for LOW and TSC

7 Allocations of corporate and segment expenses

8 Anti-dumping duties related to nail business

Note: 2020E defined as preliminary year-end results.

1. Includes exits of the San Antonio, Parma and Dallas Warehouse facilities.

## Adjusted EBITDA Reconciliation: Robotics & Digital Solutions

(\$ millions)	Historical & Preliminary											
			2019				2020					
	2017A	2018A	Q1A	Q2A	Q3A	Q4A	2019A	Q1A	Q2A	Q3A	Q4E	2020E
Reported Income from Operations	\$24.8	\$17.7	\$3.0	(\$3.4)	\$4.2	(\$0.5)	\$3.4	\$5.9	(\$4.5)	\$3.0	(\$1.3)	\$3.2
Depreciation & Amortization	25.7	35.9	13.3	13.4	13.2	13.0	52.9	13.6	12.7	11.9	12.4	50.7
Reported EBITDA	\$50.5	\$53.6	\$16.3	\$10.0	\$17.4	\$12.6	\$56.3	\$19.5	\$8.2	\$14.9	\$11.1	\$53.8
1 Stock Compensation	0.4	0.3	0.1	0.1	0.2	0.2	0.5	0.2	0.2	0.1	0.1	0.7
2 CCMP Management Fee	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0	0.1
3 Restructuring	1.6	-	-	0.0	0.2	0.5	0.7	-	-	-	-	-
4 Litigation Expense	-	-	-	0.3	0.5	0.7	1.5	0.8	1.9	3.0	2.1	7.7
5 Acquisition and Integration Expense	-	5.2	1.0	1.3	1.1	0.4	3.7	(4.2)	3.3	0.2	(1.2)	(2.0)
6 FastKey	-	-	-	6.7	0.1	1.0	7.8	-	-	-	-	-
7 Corporate and Intersegment Adjustments	(1.0)	(1.8)	-	-	-	0.4	0.4	-	-	-	(0.1)	(0.1)
<b>Total Adjustments</b>	<b>1.0</b>	<b>3.8</b>	<b>1.0</b>	<b>8.3</b>	<b>2.1</b>	<b>3.2</b>	<b>14.7</b>	<b>(3.2)</b>	<b>5.4</b>	<b>3.3</b>	<b>0.9</b>	<b>6.4</b>
Adjusted EBITDA	\$51.5	\$57.4	\$17.3	\$18.3	\$19.6	\$15.7	\$71.0	\$16.3	\$13.6	\$18.3	\$12.1	\$60.3

1 Stock compensation

2 CCMP management fees

3 Inventory write-offs, severance, rent, labor costs, etc. related to restructuring initiatives

4 Professional fees related to non-recurring litigation

5 Professional fees, non-recurring bonuses, severance and other costs related to historical acquisitions

6 Impairment losses for the disposal of FastKey self-service key duplicating kiosks

7 Allocations of corporate and segment expenses

Note: 2020E defined as preliminary year-end results.

## Adjusted EBITDA Reconciliation: Canada

(\$ millions)	Historical & Preliminary											
			2019				2020					
	2017A	2018A	Q1A	Q2A	Q3A	Q4A	2019A	Q1A	Q2A	Q3A	Q4E	2020E
Reported Income from Operations	\$2.9	(\$8.8)	(\$0.2)	\$1.0	(\$2.3)	(\$8.4)	(\$9.9)	(\$5.3)	\$0.8	\$1.9	(\$2.2)	(\$4.7)
Depreciation & Amortization	3.8	4.6	1.3	1.7	1.5	1.8	6.3	1.9	1.7	1.8	1.7	7.1
Reported EBITDA	\$6.8	(\$4.2)	\$1.0	\$2.7	(\$0.8)	(\$6.6)	(\$3.6)	(\$3.4)	\$2.6	\$3.7	(\$0.5)	\$2.4
1 Restructuring <sup>(1)</sup>	1.6	9.7	(0.1)	1.5	1.9	6.7	10.0	1.7	1.0	0.7	1.5	4.8
2 Corporate and Intersegment Adjustments	(0.1)	-	-	-	-	-	-	-	-	-	-	-
<b>Total Adjustments</b>	<b>\$1.6</b>	<b>\$9.7</b>	<b>(\$0.1)</b>	<b>\$1.5</b>	<b>\$1.9</b>	<b>\$6.7</b>	<b>\$10.0</b>	<b>\$1.7</b>	<b>\$1.0</b>	<b>\$0.7</b>	<b>\$1.5</b>	<b>\$4.8</b>
Adjusted EBITDA	\$8.3	\$5.5	\$1.0	\$4.2	\$1.1	\$0.1	\$6.4	(\$1.7)	\$3.5	\$4.4	\$1.0	\$7.2

1 Inventory write-offs, severance, rent, labor costs, etc. related to restructuring initiatives

2 Allocations of corporate and segment expenses

Note: 2020E defined as preliminary year-end results.

1. Includes the restructuring of Canadian operations and executive severance.

## Adjusted Net Sales Reconciliation by Segment

(\$ millions)	Historical & Preliminary									
	2019A					2020E				
	Q1A	Q2A	Q3A	Q4A	2019A	Q1A	Q2A	Q3A	Q4E	2020E
<b>Hardware &amp; Protective Solutions</b>										
Net Sales (Reported)	\$201.6	\$226.4	\$222.9	\$202.1	\$853.0	\$213.2	\$269.5	\$300.3	\$241.4	\$1,024.4
Buy-back Expense	4.1	2.0	-	1.1	7.2	-	-	-	-	-
Net Sales (Adjusted)	\$205.7	\$228.4	\$222.9	\$203.2	\$860.2	\$213.2	\$269.5	\$300.3	\$241.4	\$1,024.4
<b>Robotics and Digital Solutions</b>										
Net Sales (Reported)	\$57.4	\$60.2	\$61.8	\$56.7	\$236.1	\$56.3	\$42.2	\$59.2	\$51.6	\$209.3
<b>Canada</b>										
Net Sales (Reported)	\$28.7	\$38.0	\$32.5	\$26.0	\$125.3	\$26.4	\$35.0	\$39.2	\$34.1	\$134.6
<b>Consolidated</b>										
Net Sales (Reported)	\$287.7	\$324.6	\$317.3	\$284.8	\$1,214.4	\$295.8	\$346.7	\$398.7	\$327.1	\$1,368.3
Buy-back Expense	4.1	2.0	-	1.1	7.2	-	-	-	-	-
Net Sales (Adjusted)	\$291.7	\$326.6	\$317.3	\$285.9	\$1,221.6	\$295.8	\$346.7	\$398.7	\$327.1	\$1,368.3

Note: 2020E defined as preliminary year-end results.

## Adjusted Gross Margin Reconciliation

(\$ millions)	Historical & Preliminary				Forecast	
	2017A	2018A	2019A	2020E	2021P	2022P
Net Sales (Reported)	\$838.4	\$974.2	\$1,214.4	\$1,368.3	\$1,443.6	\$1,503.5
Buy-back Expense	-	-	7.2	-	-	-
Net Sales (Adjusted)	\$838.4	\$974.2	\$1,221.6	\$1,368.3	\$1,443.6	\$1,503.5
Cost of Sales (Reported) <sup>(1)</sup>	\$455.7	\$537.9	\$693.9	\$781.8	\$814.6	\$838.1
Restructuring Related Charges	1.0	11.8	5.2	3.6	-	-
Anti-dumping Duties	6.3	(3.8)	-	-	-	-
Cost of Sales (Adjusted) <sup>(1)</sup>	\$448.4	\$529.9	\$688.7	\$778.2	\$814.6	\$838.1
Gross Profit (Reported) <sup>(1)</sup>	\$382.7	\$436.3	\$520.5	\$586.5	\$628.9	\$665.5
Gross Margin (Reported) <sup>(1)</sup>	45.6%	44.8%	42.9%	42.9%	43.6%	44.3%
Gross Profit (Adjusted) <sup>(1)</sup>	\$389.9	\$444.2	\$532.9	\$590.1	\$628.9	\$665.5
Gross Margin (Adjusted) <sup>(1)</sup>	46.5%	45.6%	43.6%	43.1%	43.6%	44.3%

Note: 2020E defined as preliminary year-end results.  
1. Exclusive of depreciation and amortization.