UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 4, 2021

Lifetime Brands, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	0-19254	11-2682486
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1000 Stewart Avenue, Garden City, New York 11530
(Address of Principal Executive Offices) (Zip Code)

516-683-6000
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the

registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	**LCUT**	**The Nasdaq Global Select Market**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On November 4, 2021, Lifetime Brands, Inc. (the "Company") issued a press release announcing the Company's results for the third quarter ended September 30, 2021, and uploaded an investor presentation to the Investor Relations section of its website, www.lifetimebrands.com. A copy of the Company's press release and a copy of the investor presentation is furnished as Exhibit 99.1 and Exhibit 99.2 hereto, respectively.

The information contained in the investor presentation is summary information that is intended to be considered in the context of the Company's filings with the Securities and Exchange Commission (the "SEC") and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure, including on the Company's website.

The information set forth in Item 2.02 of this Current Report on Form 8-K and the related Exhibits 99.1 and 99.2 are being furnished, and the information contained therein shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Furthermore, the information contained in Exhibits 99.1 and 99.2 shall not be deemed to be incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Index

Exhibit No.	
99.1	Press release dated November 4, 2021
99.2	Investor Presentation
104	Cover Page Interactive Data File (formatted in Inline XBRL document)

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Lifetime Brands, Inc.

By: /s/ Laurence Winoker

Laurence Winoker
Senior Vice President – Finance, Treasurer and
Chief Financial Officer

Date: November 4, 2021

Exhibit 99.1

Lifetime Brands, Inc. Reports Third Quarter 2021 Financial Results

Strong performance driven by 5.5% growth in gross profit
Declares Regular Quarterly Dividend

GARDEN CITY, NY, November 4, 2021 – Lifetime Brands, Inc. (NasdaqGS: LCUT), a leading global designer, developer and marketer of a broad range of branded consumer products used in the home, today reported its financial results for the quarter ended September 30, 2021.

Robert Kay, Lifetime's Chief Executive Officer, commented, "We are pleased to report another strong quarter of growth in a challenging macroeconomic environment, as we continue to see robust demand for our products. Our growth has been achieved as a result of the Lifetime 2.0 strategy the company implemented over the past two plus years and aided by the mitigating actions we have taken to offset inflationary and supply chain disruptions. Compared to a very strong quarter last year, gross profit increased 5.5%. This strong performance has resulted in our ability to generate adjusted EBITDA of $96.7 million over the trailing twelve month period ended September 30, 2021, an increase of 25.1% compared to adjusted EBITDA over the trailing twelve month period ended December 31, 2020. The transformation of our international business continues to deliver improved profitability and year over growth in net sales of 16.8%. In addition, we believe that we are making good progress on our strategic growth initiatives, which have now been formalized into our next five-year plan and from which we expect to drive significant growth and long-term value creation."

Mr. Kay continued, "Our team has done an excellent job mitigating the impact from global supply chain disruptions, as evidenced by our strong gross margin improvement in the third quarter. Our proactive actions to manage inventory levels and implement price increases, coupled with our best-in-class supply chain and logistics capabilities, have enabled us to continue meeting strong customer demand and positioned us well for the fourth quarter despite shipping challenges. As a result of these actions, and notwithstanding continued supply chain disruptions that have caused some missed shipments, we have once again raised our adjusted EBITDA guidance for the full year."

Third Quarter Financial Highlights:

Consolidated net sales were $224.8 million for both the three months ended September 30, 2021 and 2020. In constant currency, a non-GAAP financial measure, consolidated net sales decreased by $1.4 million, or 0.6%, as compared to consolidated net sales in the corresponding period in 2020. A table reconciling this non-GAAP financial measure to consolidated net sales, as reported, is included below.

Gross margin for the three months ended September 30, 2021 was $83.1 million, or 37.0%, as compared to $78.8 million, or 35.1%, for the corresponding period in 2020.

Income from operations was $21.7 million, as compared to $21.5 million for the corresponding period in 2020.

Net income was $12.6 million, or $0.57 per diluted share, as compared to a net income of $13.9 million, or $0.65 per diluted share, in the corresponding period in 2020.

Adjusted net income was $13.4 million, or $0.61 per diluted share, as compared to adjusted net income, of $13.9 million, or $0.65 per diluted share, in the corresponding period in 2020. A table reconciling this non-GAAP financial measure to net income, as reported, is included below.

Nine Months Financial Highlights:

Consolidated net sales for the nine months ended September 30, 2021 were $607.1 million, an increase of $87.1 million, or 16.8%, as compared to net sales of $520.0 million for the corresponding period in 2020. In constant currency, a non-GAAP financial measure, consolidated net sales increased by $82.5 million, or 15.7%, as compared to consolidated net sales in the corresponding period in 2020.

Gross margin for the nine months ended September 30, 2021 was $215.3 million, or 35.5%, as compared to $185.9 million, or 35.8%, for the corresponding period in 2020.

Income from operations was $41.9 million, as compared to income from operations of $0.6 million for the corresponding period in 2020. Excluding a $20.1 million non-cash charge for goodwill impairment, and a $2.8 million non-cash charge for bad debt reserves to establish a provision against potential credit problems from certain retail customers due to the COVID-19 pandemic, income from operations would have been $23.5 million, for the corresponding period in 2020.

Net income was $21.4 million, or $0.98 per diluted share, as compared to a net loss of $(18.2) million, or $(0.87) per diluted share, in the corresponding period in 2020.

Adjusted net income was $22.4 million, or $1.02 per diluted share, as compared to adjusted net income, of $5.1 million, or $0.24 per diluted share, in the corresponding period in 2020. A table reconciling this non-GAAP financial measure to net income (loss), as reported, is included below.

Adjusted EBITDA, after giving effect to certain adjustments as permitted and defined under our debt agreements, was $96.7 million for the twelve months ended September 30, 2021. A table reconciling this non-GAAP financial measure to net income, as reported, is included below.

Full Year 2021 Guidance Update

For the full fiscal year ending December 31, 2021, the Company is providing raised financial guidance:

	Year Ended December 31, 2020	Guidance for the Year Ending December 31, 2021
Net sales	$769.2 million	$870 to $890 million
Income from operations	$25.0 million	$59 to $62.5 million
Adjusted income from operations	$47.9 million	$59.5 to $63 million
Net (loss) income	$(3.0) million	$30.9 to $33.6 million
Adjusted net income	$20.2 million	$31.2 to $33.9 million
Diluted (loss) income per common share	$(0.14) per share	$1.40 to $1.53 per share
Adjusted diluted income per common share	$0.95 per share	$1.42 to $1.54 per share
Weighted-average diluted shares	20.9 million	22 million
Adjusted EBITDA	$77.3 million	$88 to $92 million

This guidance is based on a forecasted GBP to USD rate of $1.35. Net income and diluted income per common share were calculated based on an effective tax rate of 30%. Tables reconciling non-GAAP financial measures to GAAP financial measures, as reported, are included below.

The Company has previously provided long term financial objectives within its investor presentations, available on the Company's website in the 'Investor Relations' section. Based upon the company's accelerated growth and success in achieving its previously disclosed long term financial objectives, the Company has revised those objectives upward, including the following forward-looking financial measures:

Five Year Financial Objectives	
Sales	$1.25 billion
Adjusted EBITDA[1]	$145 million

[1]The Company is not providing a quantitative reconciliation with respect to this forward-looking non-GAAP measure in reliance on the "unreasonable efforts" exception set forth in SEC rules because certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated. For example, unusual, one-time, non-ordinary, or non-recurring costs, which cannot be reasonably estimated.

Mr. Kay added, “Since launching Lifetime 2.0 in 2018, we have taken significant steps to optimize our business model, utilize our infrastructure more efficiently, and invest in meaningful growth opportunities. Our strategy is working, and thanks to the hard work of our team, we have made incredible progress improving our operations and taking our business to the next level. As we embark on our next stage of growth at Lifetime, we are pleased to announce our new five-year financial objectives, demonstrating our confidence in the prospects for the business. Our revised targets, which were recently finalized and approved by our Board of Directors, reflect our progress to date as well as greater visibility into key growth opportunities, including commercial foodservice, our Year & Day® brand and new product categories that already are or will be shipping this year. In addition to these growth drivers, we also plan to undertake an expansion and redesign of our U.S. distribution operations that will support our planned growth and drive further efficiencies and incremental profitability moving forward. We are proud of what we have accomplished over the past few years, and look forward to continuing to execute the next phase of our strategy, which we believe will enable us to achieve these long-term financial objectives to the benefit of our shareholders.”

Dividend

On November 2, 2021, the Board of Directors declared a quarterly dividend of $0.0425 per share payable on February 14, 2022 to shareholders of record on January 31, 2022.

Conference Call

The Company has scheduled a conference call for Thursday, November 4, 2021 at 11:00 a.m. The dial-in number for the conference call is (877) 876-9177 (U.S.) or (785) 424-1672 (International), Conference ID: LCUTQ321.

A live webcast of the conference call will be accessible through:
https://event.on24.com/wcc/r/3492211/A3C2AC18245173CCAC310C2D77C2058B

For those who cannot listen to the live broadcast, an audio replay of the webcast will be available.

Non-GAAP Financial Measures

This earnings release contains non-GAAP financial measures, including consolidated net sales in constant currency, adjusted income from operations, adjusted net income, adjusted diluted income per common share, and adjusted EBITDA. A non-GAAP financial measure is a numerical measure of a company’s historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets, or statements of cash flows of a company; or, includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. As required by SEC rules, the Company has provided reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures. These non-GAAP financial measures are provided because management of the Company uses these financial measures in evaluating the Company’s on-going financial results and trends, and management believes that exclusion of certain items allows for more accurate period-to-period comparison of the Company’s operating performance by investors and analysts. Management uses these non-GAAP financial measures as indicators of business performance. These non-GAAP financial measures should be viewed as a supplement to, and not a substitute for, GAAP financial measures of performance.

Forward-Looking Statements

In this press release, the use of the words “believe,” “could,” “expect,” “intend,” “may,” “positioned,” “project,” “projected,” “should,” “will,” “would” or similar expressions is intended to identify forward-looking statements. Such statements include all statements regarding the growth of the Company, our financial guidance, our ability to navigate the current environment and advance our strategy, including our five-year strategic plan, our commitment to increasing investments in future growth initiatives, our initiatives to create value, our efforts to mitigate geopolitical factors and tariffs, our current and projected financial and operating performance, results, and profitability and all guidance related thereto, including forecasted exchange rates and effective tax rates, as well as our continued growth and success, future plans and intentions regarding the Company and its consolidated subsidiaries. Such statements represent the Company’s current judgments, estimates, and assumptions about possible future events. The Company believes these judgments, estimates, and assumptions are reasonable, but these statements are not guarantees of any events or financial or operational results, and actual results may differ materially due to a variety of important factors. Such factors might include, among others, the Company’s ability to comply with the requirements of its credit agreements; the availability of funding under such credit agreements; the Company’s ability to maintain adequate liquidity and financing sources and an appropriate level of debt, as well as to deleverage its balance sheet; the possibility of impairments to the Company’s goodwill; the possibility of impairments to the Company’s intangible assets; changes in U.S. or foreign trade or tax law and policy; the impact of tariffs on imported goods and materials; changes in general economic conditions which could affect customer payment practices or consumer spending; the impact of changes in general economic conditions on the Company's customers; customer ordering behavior; the performance of our newer products; expenses and other challenges relating to the integration of any future acquisitions; changes in demand for the Company's products; changes in the Company's management team; the significant influence of the Company's largest stockholder; fluctuations in foreign exchange rates; changes in U.S. trade policy or the trade policies of nations in which we or our suppliers do business; uncertainty regarding the long-term ramifications of the U.K.'s exit from the European Union; shortages of and price volatility for certain commodities; global health epidemics, such as the COVID-19 pandemic; social unrest, including related protests and disturbances; our expectations regarding the future level of demand for our products; our ability to execute on the goals and strategies set forth in our five-year plan; and significant changes in the competitive environment and the effect of competition on the Company's markets, including on the Company's pricing policies, financing sources and ability to maintain an appropriate level of debt. The Company undertakes no obligation to update these forward-looking statements other than as required by law.

Lifetime Brands, Inc.
Lifetime Brands is a leading global designer, developer and marketer of a broad range of branded consumer products used in the home. The Company markets its products under well-known kitchenware brands, including Farberware®, KitchenAid®, Sabatier®, Amco Houseworks®, Chef'n® Chicago™ Metallic, Copco®, Fred® & Friends, Houdini™, KitchenCraft®, Kamenstein®, La Cafetière®, MasterClass®, Misto®, Swing-A-Way®, Taylor® Kitchen, and Rabbit®; respected tableware and giftware brands, including Mikasa®, Pfaltzgraff®, Fitz and Floyd®, Empire Silver™, Gorham®, International® Silver, Towle® Silversmiths, Wallace®, Wilton Armetale®, V&A®, Royal Botanic Gardens Kew® and Year & Day®; and valued home solutions brands, including BUILT NY®, Taylor® Bath, Taylor® Kitchen, Taylor® Weather and Planet Box®. The Company also provides exclusive private label products to leading retailers worldwide.

The Company's corporate website is www.lifetimebrands.com.

Contacts:

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or

Joele Frank, Wilkinson Brimmer Katcher
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212-355-4449

LIFETIME BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands—except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net sales	$ 224,777	$ 224,750	$ 607,066	$ 519,960
Cost of sales	141,662	145,958	391,790	334,066
Gross margin	83,115	78,792	215,276	185,894
Distribution expenses	18,893	18,961	56,470	50,710
Selling, general and administrative expenses	42,542	38,325	116,879	114,274
Restructuring expenses	—	—	—	253
Goodwill and other impairments	—	—	—	20,100
Income from operations	21,680	21,506	41,927	557
Interest expense	(3,835)	(4,128)	(11,668)	(13,094)
Mark to market gain (loss) on interest rate derivatives	120	99	664	(2,316)
Income (loss) before income taxes and equity in earnings (losses)	17,965	17,477	30,923	(14,853)
Income tax provision	(5,589)	(3,711)	(9,837)	(3,013)
Equity in earnings (losses), net of taxes	195	147	341	(362)
NET INCOME (LOSS)	$ 12,571	$ 13,913	$ 21,427	$ (18,228)
BASIC INCOME (LOSS) PER COMMON SHARE	$ 0.58	$ 0.66	$ 1.00	$ (0.87)
DILUTED INCOME (LOSS) PER COMMON SHARE	$ 0.57	$ 0.65	$ 0.98	$ (0.87)

LIFETIME BRANDS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands—except share data)

	September 30, 2021 (unaudited)	December 31, 2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 8,682	$ 35,963
Accounts receivable, less allowances of $17,968 at September 30, 2021 and $17,013 at December 31, 2020	169,223	170,037
Inventory	256,922	203,164
Prepaid expenses and other current assets	8,991	12,129
TOTAL CURRENT ASSETS	443,818	421,293
PROPERTY AND EQUIPMENT, net	21,629	23,120
OPERATING LEASE RIGHT-OF-USE ASSETS	89,211	96,543
INVESTMENTS	22,144	20,032
INTANGIBLE ASSETS, net	231,014	244,025
OTHER ASSETS	1,991	2,468
TOTAL ASSETS	$ 809,807	$ 807,481
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturity of term loan	$ 8,549	$ 17,657
Accounts payable	60,594	66,095
Accrued expenses	108,579	80,050
Income taxes payable	2,152	4,788
Current portion of operating lease liabilities	12,397	11,480
TOTAL CURRENT LIABILITIES	192,271	180,070
OTHER LONG-TERM LIABILITIES	14,779	16,483
INCOME TAXES PAYABLE, LONG-TERM	1,444	1,444
OPERATING LEASE LIABILITIES	93,978	102,355
DEFERRED INCOME TAXES	11,031	10,714
REVOLVING CREDIT FACILITY	1,600	27,302
TERM LOAN	238,729	238,977
STOCKHOLDERS' EQUITY		
Preferred stock, $1.00 par value, shares authorized: 100 shares of Series A and 2,000,000 shares of Series B; none issued and outstanding	—	—
Common stock, $0.01 par value, shares authorized: 50,000,000 at September 30, 2021 and December 31, 2020; shares issued and outstanding: 22,018,193 at September 30, 2021 and 21,755,195 at December 31, 2020	220	218
Paid-in capital	270,309	268,666
Retained earnings	18,999	424
Accumulated other comprehensive loss	(33,553)	(39,172)
TOTAL STOCKHOLDERS' EQUITY	255,975	230,136
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 809,807	$ 807,481

LIFETIME BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2021	**2020**
OPERATING ACTIVITIES		
Net income (loss)	$ 21,427	$ (18,228)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	17,560	18,385
Goodwill and other impairments	—	20,100
Amortization of financing costs	1,309	1,326
Mark to market (gain) loss on interest rate derivatives	(664)	2,316
Non-cash lease expense	(1,089)	2,915
Provision (recovery) for doubtful accounts	(166)	3,011
Stock compensation expense	3,973	4,321
Undistributed (earnings) losses from equity investment, net of taxes	(341)	362
Changes in operating assets and liabilities:		
Accounts receivable	659	(55,466)
Inventory	(54,117)	(37,303)
Prepaid expenses, other current assets and other assets	4,733	3,573
Accounts payable, accrued expenses and other liabilities	24,093	100,798
Income taxes receivable	—	1,577
Income taxes payable	(2,779)	1,521
NET CASH PROVIDED BY OPERATING ACTIVITIES	14,598	49,208
INVESTING ACTIVITIES		
Purchases of property and equipment	(3,361)	(1,645)
Proceeds from sale of shares of equity method investment	3,061	—
Acquisition	(178)	—
NET CASH USED IN INVESTING ACTIVITIES	(478)	(1,645)
FINANCING ACTIVITIES		
Proceeds from revolving credit facility	16,845	107,418
Repayments of revolving credit facility	(42,531)	(113,652)
Repayments of term loan	(10,478)	(7,583)
Payments for finance lease obligations	(71)	(75)
Payments of tax withholding for stock based compensation	(3,186)	(486)
Proceeds from the exercise of stock options	877	—
Cash dividends paid	(2,913)	(1,862)
NET CASH USED IN FINANCING ACTIVITIES	(41,457)	(16,240)
Effect of foreign exchange on cash	56	(18)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(27,281)	31,305
Cash and cash equivalents at beginning of period	35,963	11,370
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 8,682	$ 42,675

LIFETIME BRANDS, INC.
Supplemental Information
(in thousands)

Reconciliation of GAAP to Non-GAAP Operating Results

Adjusted EBITDA for the twelve months ended September 30, 2021:

	Quarter Ended				
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	Twelve Months Ended September 30, 2021
			(in thousands)		
Net income as reported	$ 15,221	$ 3,067	$ 5,789	$ 12,571	$ 36,648
Undistributed equity (losses) earnings, net	(1,620)	247	(393)	(195)	(1,961)
Income tax provision	6,853	2,416	1,832	5,589	16,690
Interest expense	4,183	4,014	3,819	3,835	15,851
Mark to market gain on interest rate derivatives	(172)	(498)	(46)	(120)	(836)
Depreciation and amortization	6,279	5,958	5,765	5,837	23,839
Stock compensation expense	1,630	1,444	1,328	1,201	5,603
Acquisition related expenses	126	182	72	41	421
Restructuring benefit	(42)	—	—	—	(42)
Wallace facility remedial design expense	—	—	—	500	500
Adjusted EBITDA	$ 32,458	$ 16,830	$ 18,166	$ 29,259	$ 96,713

Adjusted EBITDA is a non-GAAP financial measure which is defined in the Company’s debt agreements. Adjusted EBITDA is defined as net income, adjusted to exclude undistributed equity in (losses) earnings, income tax provision, interest expense, mark to market gain on interest rate derivatives, depreciation and amortization, stock compensation expense, and other items detailed in the table above that are consistent with exclusions permitted by our debt agreements.

LIFETIME BRANDS, INC.
Supplemental Information
(in thousands—except per share data)

Reconciliation of GAAP to Non-GAAP Operating Results (continued)

Adjusted net income (loss) and adjusted diluted income (loss) per common share (in thousands -except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income (loss) as reported	$ 12,571	$ 13,913	$ 21,427	$ (18,228)
Adjustments:				
Acquisition related expenses	41	57	295	159
Restructuring expenses	—	—	—	253
Warehouse relocation	—	—	—	1,093
Mark to market (gain) loss on interest rate derivatives	(120)	(99)	(664)	2,316
Goodwill and other impairments	—	—	—	20,100
Foreign currency translation loss reclassified from Accumulated Other Comprehensive Loss	1,362	—	3,404	235
Gain on change in ownership in equity method investment	(971)	—	(2,703)	—
Wallace facility remedial design expense	500	—	500	—
Income tax effect on adjustments	43	11	116	(878)
Adjusted net income	$ 13,426	$ 13,882	$ 22,375	$ 5,050
Adjusted diluted income per common share(1)	$ 0.61	$ 0.65	$ 1.02	$ 0.24

Adjusted net income and adjusted diluted income per common share in the three and nine months ended September 30, 2021 excludes acquisition related expenses, mark to market (gain) on interest rate derivatives, foreign currency translation loss reclassified from Accumulated Other Comprehensive Loss, gain on change in ownership in equity method investment and Wallace facility remedial design expense. The income tax effect on adjustments reflects the statutory tax rates applied on the adjustments.

Adjusted net income and adjusted diluted income per common share in the three and nine months ended September 30, 2020 excludes acquisition related expenses, restructuring expenses, warehouse relocation, mark to market (gain) loss on interest rate derivatives, goodwill and other impairments, and foreign currency translation loss reclassified from Accumulated Other Comprehensive Loss. The income tax effect on adjustments reflects the statutory tax rates applied on the adjustments.

(1)Adjusted diluted income per common share is calculated based on diluted weighted-average shares outstanding of 22,085 and 21,285 for the three month period ended September 30, 2021 and 2020, respectively. Adjusted diluted income per common share is calculated based on diluted weighted-average shares outstanding of 21,964 and 21,015 for the nine month period ended September 30, 2021 and 2020, respectively. The diluted weighted-average shares outstanding for the three and nine month period ended September 30, 2021 include the effect of dilutive securities of 536 and 621, respectively. The diluted weighted-average shares outstanding for the three and nine month period ended September 30, 2020 include the effect of dilutive securities of 350 and 180 shares, respectively.

LIFETIME BRANDS, INC.
Supplemental Information
(in thousands)

Reconciliation of GAAP to Non-GAAP Operating Results (continued)

Constant Currency:

	As Reported Three Months Ended September 30,			Constant Currency [1] Three Months Ended September 30,				Year-Over-Year Increase (Decrease)		
Net sales	**2021**	**2020**	**Increase (Decrease)**	**2021**	**2020**	**Increase (Decrease)**	**Currency Impact**	**Excluding Currency**	**Including Currency**	**Currency Impact**
U.S.	$ 197,724	$ 201,539	$ (3,815)	$ 197,724	$ 201,620	$ (3,896)	$ (81)	(1.9)%	(1.9)%	0.0%
International	27,053	23,211	3,842	27,053	24,588	2,465	(1,377)	10.0%	16.6%	6.6%
Total net sales	$ 224,777	$ 224,750	$ 27	$ 224,777	$ 226,208	$ (1,431)	$ (1,458)	(0.6)%	0.0%	0.6%

	As Reported Nine Months Ended September 30,			Constant Currency [1] Nine Months Ended September 30,				Year-Over-Year Increase (Decrease)		
Net sales	**2021**	**2020**	**Increase (Decrease)**	**2021**	**2020**	**Increase (Decrease)**	**Currency Impact**	**Excluding Currency**	**Including Currency**	**Currency Impact**
U.S.	$ 540,488	$ 463,338	$ 77,150	$ 540,488	$ 463,482	$ 77,006	$ (144)	16.6%	16.7%	0.1%
International	66,578	56,622	9,956	66,578	61,047	5,531	(4,425)	9.1%	17.6%	8.5%
Total net sales	$ 607,066	$ 519,960	$ 87,106	$ 607,066	$ 524,529	$ 82,537	$ (4,569)	15.7%	16.8%	1.1%

[1] "Constant Currency" is determined by applying the 2021 average exchange rates to the prior year local currency sales amounts, with the difference between the change in "As Reported" net sales and "Constant Currency" net sales, reported in the table as "Currency Impact". Constant currency sales growth is intended to exclude the impact of fluctuations in foreign currency exchange rates.

LIFETIME BRANDS, INC.
Supplemental Information

Reconciliation of GAAP to Non-GAAP Guidance

Adjusted EBITDA guidance for the full fiscal year ending December 31, 2021 (in millions):

Net income guidance	$30.9 to $33.6
Add back:	
Income tax expense	12.6 to 13.4
Interest expense	15
Depreciation and amortization	23.5
Stock compensation expense	5
Other adjustments[1]	1 to 1.5
Adjusted EBITDA guidance	$88 to $92

[1] Includes estimates for acquisition related expenses, undistributed equity in (earnings) losses, Wallace facility remedial design expense, and other items that are consistent with exclusions permitted by our debt agreements.

Adjusted income from operations guidance for the full fiscal year ending December 31, 2021 (in millions):

Income from operations guidance	$59 to $62.5
Wallace facility remedial design expense	0.5
Adjusted income from operations guidance	$59.5 to $63.0

Adjusted net income and adjusted diluted income per common share guidance for the full fiscal year ending December 31, 2021 (in millions - except per share data):

Net income guidance	$30.9 to $33.6
Wallace facility remedial design expense	0.5
Other adjustments [1]	0
Income tax effect on adjustment	(0.2)
Adjusted net income guidance	$31.2 to $33.9
Adjusted diluted income per share guidance	$1.42 to $1.54

[1] Includes estimates for acquisition related expenses, mark to market (gain) on interest rate derivatives, foreign currency translation loss reclassified from Accumulated Other Comprehensive Loss and gain on change in ownership in equity method investment.

Reconciliation of GAAP to Non-GAAP Operating Results

Adjusted EBITDA for the year ended December 31, 2020:

	Three Months Ended				Year Ended
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	December 31, 2020
			(in thousands)		
Net (loss) income as reported	$ (28,164)	$ (3,977)	$ 13,913	$ 15,221	$ (3,007)
Undistributed equity losses (earnings), net	(339)	848	(147)	(1,620)	(1,258)
Income tax (benefit) provision	(3,729)	3,031	3,711	6,853	9,866
Interest expense	4,736	4,230	4,128	4,183	17,277
Mark to market loss (gain) on interest rate derivatives	2,251	164	(99)	(172)	2,144
Depreciation and amortization	6,234	6,061	6,090	6,279	24,664
Goodwill and other impairments	20,100	—	—	—	20,100
Stock compensation expense	1,326	1,420	1,575	1,630	5,951
Acquisition related expenses	47	55	57	126	285
Restructuring expenses (benefit)	—	253	—	(42)	211
Warehouse relocation expenses	790	303	—	—	1,093
Adjusted EBITDA	$ 3,252	$ 12,388	$ 29,228	$ 32,458	$ 77,326

Adjusted EBITDA is a non-GAAP financial measure which is defined in the Company's debt agreements. Adjusted EBITDA is defined as net income (loss), adjusted to exclude undistributed equity in (earnings) losses, income tax (benefit) provision, interest expense, depreciation and amortization, mark to market loss (gain) on interest rate derivatives, goodwill and other impairments, stock compensation expense, and other items detailed in the table above that are consistent with exclusions permitted by our debt agreements.

LIFETIME BRANDS, INC.
Supplemental Information
(in thousands—except per share data)

Reconciliation of GAAP to Non-GAAP Operating Results (continued)

Adjusted net income and adjusted diluted income per common share (in thousands - except per share data):

	Year Ended December 31, 2020
Net loss as reported	$ (3,007)
Adjustments:	
Acquisition related expenses	285
Restructuring expenses	211
Warehouse relocation expenses	1,093
Mark to market loss on interest rate derivatives	2,144
Goodwill and other impairments	20,100
Foreign currency translation loss reclassified from Accumulated Other Comprehensive Loss	235
Income tax effect on adjustments	(858)
Adjusted net income	$ 20,203
Adjusted diluted income per share [(1)]	$ 0.95

[1]Adjusted diluted income per common share is calculated based on diluted weighted-average shares outstanding of 21,179 for the year ended December 31, 2020. The diluted weighted-average shares outstanding for the year ended December 31, 2020 include the effect of dilutive securities of 319 shares.

Adjusted income from operations (in thousands):

	Year Ended December 31, 2020	
	(in thousands)	
Income from operations	$	24,970
Excluded non-cash charges:		
Goodwill and other impairments		20,100
Bad debt reserve related to COVID-19 pandemic [1]		2,844
Total excluded non-cash charges	$	22,944
Adjusted income from operations	$	47,914

[1] Bad debt reserve recorded in the first quarter of fiscal 2020 to establish a provision against potential credit problems from certain retail customers who may have financial difficulty that has been caused or increased due to the COVID-19 pandemic. This reflects the Company's assessment of risk of not being able to collect such receivables from certain customers in the U.S. that are at risk of seeking or have already obtained bankruptcy protection and our international customer base which has a higher proportion of small and independent brick-and-mortar retailers. This charge was taken in response to the Company's assessment of the impact of the COVID-19 pandemic on these accounts


LifetimeBrands
INVESTOR PRESENTATION

Forward-Looking Statements

In this presentation, the use of the words "believe," "could," "expect," "intend", "may," "positioned," "project," "projected," "should," "will," "would" or similar expressions is intended to identify forward-looking statements. Such statements include all statements regarding our long-term growth-targets and objectives, the growth of the Company, our financial guidance, our ability to navigate the current environment and advance our strategy, including our five-year strategic plan, our commitment to increasing investments in future growth initiatives, our initiatives to create value, our efforts to mitigate geopolitical factors and tariffs, our current and projected financial and operating performance, results, and profitability and all guidance related thereto, including forecasted exchange rates and effective tax rates, as well as our continued growth and success, future plans and intentions regarding the Company and its consolidated subsidiaries. Such statements represent the Company's current judgments, estimates, and assumptions about possible future events. The Company believes these judgments, estimates, and assumptions are reasonable, but these statements are not guarantees of any events or financial or operational results, and actual results may differ materially due to a variety of important factors. Such factors might include, among others, the Company's ability to comply with the requirements of its credit agreements; the availability of funding under such credit agreements; the Company's ability to maintain adequate liquidity and financing sources and an appropriate level of debt; as well as to deleverage its balance sheet; the possibility of impairments to the Company's goodwill; the possibility of impairments to the Company's intangible assets; changes in U.S. or foreign trade or tax law and policy; the impact of tariffs on imported goods and materials; changes in general economic conditions which could affect customer payment practices or consumer spending; the impact of changes in general economic conditions on the Company's customers; customer ordering behavior; the performance of our newer products; expenses and other challenges relating to the integration of any future acquisitions; changes in demand for the Company's products; changes in the Company's management team; the significant influence of the Company's largest stockholder; fluctuations in foreign exchange rates; changes in U.S. trade policy or the trade policies of nations in which we or our suppliers do business; uncertainty regarding the long-term ramifications of the U.K.'s exit from the European Union; shortages of and price volatility for certain commodities; global health epidemics, such as the COVID-19 pandemic; social unrest, including related protests and disturbances; our expectations regarding the future level of demand for our products; our ability to execute on the goals and strategies set forth in our five-year plan; and significant changes in the competitive environment and the effect of competition on the Company's markets, including on the Company's pricing policies, financing sources and ability to maintain an appropriate level of debt. The Company undertakes no obligation to update these forward-looking statements other than as required by law.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures, including adjusted net income (loss), adjusted diluted income (loss) per common share, adjusted income (loss) from operations and adjusted EBITDA, adjusted EBITDA margin, adjusted leverage ratio, free cash flow and sales growth (CAGR). A non-GAAP financial measure is a numerical measure of a company's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets, or statements of cash flows of a company; or, includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. As required by SEC rules, the Company has provided reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures. These non-GAAP financial measures are provided because management of the Company uses these financial measures in evaluating the Company's on-going financial results and trends, and management believes that exclusion of certain items allows for more accurate period-to-period comparison of the Company's operating performance by investors and analysts. Management uses these non-GAAP financial measures as indicators of business performance. These non-GAAP financial measures may not be comparable to similarly titled measures used by other companies. These non-GAAP financial measures should be viewed as a supplement to, and not a substitute for, GAAP financial measures of performance.

Use of Projections

This presentation contains projections with respect to the Company. The Company's independent auditors have not audited, reviewed, compiled, or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, did not express an opinion or provide any other form of assurance with respect thereto for the purpose of this presentation. These projections are based upon various assumptions and should not be relied upon as being necessarily indicative of future results.

Lifetime Brands: Who We Are

Leading durables consumer products company with a focus on home products

- ~80% owned/controlled and ~20% licensed and private label consumer brands with targeted brand equity
- #1 positions in Kitchen Tools & Gadgets*, Cutlery,* Barware Accessories, Bath Scales*; #2 position across Tabletop categories
- Award-winning product design and development team
- 2 million ft^2 of warehouse and manufacturing space across United States, Europe, China and Puerto Rico distribution network
- Best-in-class execution and operational capabilities

LifetimeBrands

* Per NPD Group

Lifetime Brands Investment Highlights

Leading global designer, developer and marketer of a broad range of durable consumer products with a focus on the home

- Leading portfolio of strong, recognizable brands with multi-channel growth opportunities in core end markets
- Significant opportunities in adjacent durables categories for growth above end market growth rates
- Best-in-class innovation engine to strategically drive growth and maintain industry leadership
- Efficient global platform with industry-leading scale and operational effectiveness
- Strong cash flow generation to enable financial flexibility

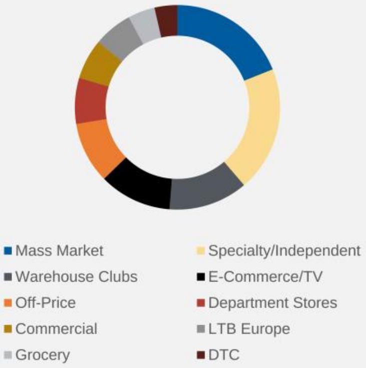
Lifetime's Strong, Recognized Brands

Portfolio of brands with targeted brand equity

Diversified Channel Strategy

Revenues by Channel

Channels



Mass Market	Off-Price	Department Stores	Specialty Stores	Warehouse Clubs
Walmart, TARGET, FredMeyer	T.J.maxx, ROSS, BIG LOTS!, Burlington	macy's, Dillard's, KOHL'S, belk, bloomingdale's	BED BATH & BEYOND, WILLIAMS-SONOMA, Crate&Barrel, Sur la table	COSTCO WHOLESALE, BJ's, Sam's Club
E-commerce/TV	**Supermarkets**	**Independent Retailers**	**Commercial**	**DTC**
amazon.com, wayfair, HSN, QVC	meijer, Publix, Kroger, SAFEWAY, BI-LO	Over 7,000 independent retailers	Starbucks, Restaurant Depot, US Foods, Don	Lifetime has ecommerce sites for direct-to-consumer sales.

Leading Positions Across Product Categories

Kitchen Tools & Gadgets	Cutlery	Kitchen & Bath Measurement	Barware / Pantryware	Tabletop
#1 U.S. category supplier* Leading national brands at key price points, including Farberware and KitchenAid Core category with complementary licensed and private label brands	#1 U.S. provider*: – Open-stock cutlery – Cutting boards – Knife blocks Farberware is the #1 selling cutlery brand in the U.S.	#1 market share in measurement* – Gap between #1 and #2 is vast High-margin, high-performing category for retailers Known for innovation in precision measurement; most technology comes from food service market	#1 U.S. wine/bar opener supplier*; leading global barware supplier Price points across a broad range Spices are approved by the ASTA and bottled in our own FDA certified facility Over 700,000 registrations for our free spice refill program	Leader in bridal, upstairs, and housewares dinnerware Top provider of flatware and serveware with top brands in each category Cheers by Mikasa is one of the most successful glassware franchises
KitchenAid, Farberware, Misto, Sabatier, Chicago Metallic, KitchenCraft, Copco, Chef'n, Food Network	Farberware, Sasaki, Sabatier	Taylor, Eat Smart	Rabbit, RBT, Kamenstein	Mikasa, Pfaltzgraff, Towle Silversmiths, Wallace, Fitz and Floyd, Wilton Armetale, Gorham, London Pottery

Lifetime Brands

* NPD Group

Licensed Brands & Private Label Provide Additional Growth Stream

- Enable retailers to develop their own brands, while minimizing their start-up costs
- Broaden revenue stream to capture incremental market share through supplemental brands
- Capture opportunistic trends
- Support retailers with market analysis, product assortments, promotional and merchandising solutions

KitchenAid | Instant Pot
food network | WILLIAMS-SONOMA
MAINSTAYS | SCOTT LIVING
allrecipes | MAXWELL & WILLIAMS DESIGNER HOMEWARES

E-Commerce

Three Distinct Categories

Pure Play	Omni Channel	Direct to Consumer
		
wayfair, amazon.com, Alibaba.com, 天猫 TMALL.COM	COSTCO WHOLESALE, TARGET, Walmart, WILLIAMS-SONOMA, INC.	BUILT, MIKASA, rabbit, PLANETBOX

Lifestyle/Emerging Brands

- Built, a leading fashion brand, is gaining significant market share in insulated bags, hydration, and lunch boxes. It has broad consumer appeal with significant digital presence and broad brand recognition. Acquired $2 million revenue business and led by founder, revenues have grown 20+ times since acquisition.
- Planet Box has a loyal consumer base of parents wanting to pack healthy, portioned lunches for their children. Primarily D2C offering on own website with expansion with Amazon.
- Exclusive licensee for Instant Pot branded accessories.
- Recent acquisition of Year & Day adds to incubation strategy. Broadens dinnerware offering to younger millennials with a D2C offering targeting this demographic.

BUILT PLANETBOX Instant Pot YEAR & DAY

Lifetime 2.0 Accomplished: Strategic Plan Led to Transformation

Merged two industry leaders to create a powerhouse in consumer durable products

2018 successfully focused on integration of one unified business platform and achievement of a leaner cost structure

2019 strategy focused on optimization

2020 executed on strategy and accomplished goals established for Lifetime 2.0

Value Creation Drivers

- Portfolio optimization and focused business model will yield strong results for core
- Strong cash flow from core business lines
- Actively seeking opportunities to engage with consumers in new channels and new ways
- Actively looking to enter new adjacencies and categories to increase market share and improve margin and growth profile
- Continue LTB Europe improvement in growth and profitability
- Expect that International sales effort will bring growth from core in new geographies
- Believe that Commercial Food Service launch will bring growth and market diversification

Value Realization

- Increasing float and institutional shareholdings
- Expanding investor relations platform
- Focused on increasing shareholder value through debt reduction, providing a cash flow return on assets
- Growth initiatives yielding additional cash flows

The Next Phase of Growth

Key Growth Drivers

Adjacent Product Categories

Capitalizing on opportunities to expand into adjacent product categories that fit core competencies in manufacturing, design and innovation, including pet, storage, higher end cutlery, outdoor, storage and organization.

International Expansion

Restructured UK-based international business now poised to drive profitable growth through enhanced drop ship capabilities and tailored strategy for each market. Shift to in country managers in select geographies and strategic penetration of brands/ products across the globe.

Food Service

Opportunity to leverage recognized brands and strengths in design, manufacturing, and distribution that we have developed on the consumer side to further penetrate the commercial market.

Disciplined M&A

Significant cash flow and strong balance sheet position Lifetime well to pursue a disciplined M&A strategy.

New Business Opportunities

Incubate new business opportunities both externally and internally. Invest capital and use infrastructure to create new brands and lines of business.

LifetimeBrands

Operations Redesign Project Supports Margin Enhancement and Continued Growth

Project Timeline & Milestones

Q3 2020	Engaged Advisors to Analyze Opportunity
Q3 2021	Operations Redesign Plan Finalized
2022	Begin Implementation of Plan
2023	Open New Warehouse and Invest Capex to Execute Plan
2024+	~$6.0 – $9.5M+ of Annual Cost Benefit

Capital Expense	$18M
Other Set-up Expense	$7M
Total Investment for Ops Redesign	$25M
Less: Investment Required to Add Growth Capacity Only	($13M)
Incremental Investment for Operations Redesign	$12M
Annual Cost Benefit	$6.0 – 9.5M
	vs.
	~1.2 – 1.9x Year Payback

End Goal: Three U.S. Distribution Centers Providing Optimal Network and Pick/Pack Automation to Support Growth

Execution Steps

1. Add distribution center capacity with new 750k feet² warehouse
2. Relocate inventory across distribution centers to optimize logistics routing
3. Enhance automation to further support pick/pack capabilities for ecommerce growth

Commercial Food Service Initiative

- Launched Mikasa Hospitality in 2019
- Existing presence in back-of-house industry segment for 15 years
- Focused on developing a complete front-of-house product line similar in scope and quality to the top existing names
- Plan to add future category additions including:
  - Glassware
  - Buffet and hospitality service
  - Expanded smallwares
- $2 billion food service addressable market*
- Target $100 million incremental revenue opportunity in N.A. and Europe within 5 years

*Source: Tabletop News

The International Opportunity

- International business now positioned to thrive and compete in the new retail environment
- Presence in over 100 markets
- Approach new market entry with tailored country by country plan
- Targeting break even in 2021 vs $10 million loss in 2020
- Total addressable market internationally of $82 billion*
- $4.6 million improvement in operating results in Q1 2021

LifetimeBrands

*Management estimate

Adjacent Product Categories

Ability to leverage Lifetime's leadership in design, manufacturing, and scale to expand into adjacent product categories

- Organic and external investments to create incremental growth
- Pursue identified categories and/or product development that present high growth or margin opportunities

2019
Launched Mikasa Hospitality and developed new line of soft-handle KitchenAid tools for mass market; invested and optimized infrastructure for pure play and omni-channel ecommerce; launched Instant branded tools and accessories

2020
Developed line of pet products under Built and Fred brands; developed line of storage products under Built and Copco brands

2021
Launch KitchenAid cutlery line filling in best product offering; launch KitchenAid bakeware line; international launch of KitchenAid; introduce new brand in Walmart across several categories; acquisition and incubation of Year & Day tabletop brand

LifetimeBrands

Additional Growth Through Disciplined M&A

- Strategic program to provide long-term growth opportunities
- Focused on revenue growth opportunities and/or margin expansion
- Investigating opportunities to expand product categories and brand offerings
- Further generate operating economies with existing Lifetime infrastructure
- Pursuing incubation opportunities with venture stage companies
- Ability to consolidate smaller players in existing categories

LifetimeBrands

Impact of COVID-19

- While the impact of the pandemic has hurt overall retail, many of our product categories have seen a surge as consumers are cooking, eating, and entertaining more at home.
- Lifetime's supply chain has remained intact, distribution centers are operational, and office employees are able to work remotely, allowing us to operate seamlessly throughout the pandemic.
- The actions we've taken before and during the pandemic have allowed us to achieve solid results.
- Ecommerce and omni-channel customers have delivered increased sales during this time period.
- We expect to benefit from increases in home building and homeownership supplemented by an increase in home entertainment driven by vaccinations and a return to social gatherings which are expected to grow home entertaining.
- NPD anticipates restaurants steadily improving throughout the year to 91% of pre-COVID levels which aligns with our hospitality initiative.

Macroeconomic Challenges

The COVID-19 pandemic as well as other factors including increased demand and shifts in consumer shopping patterns have disrupted the global supply chain.

Challenges:

- Limited availability of containers
- Increased freight cost to import products; guidance reflects a 200% increase (or 3x) compared to the period prior to the COVID-19 pandemic
- Continued container availability, port delays and costs of shipping remain unknown
- Increased product costs due to higher commodity prices

Company's response:

- Selling price increases began in the second half of fiscal 2021
- Over the past nine months the Company has made a significant investment in inventory
- Cost reduction strategy to mitigate impacts

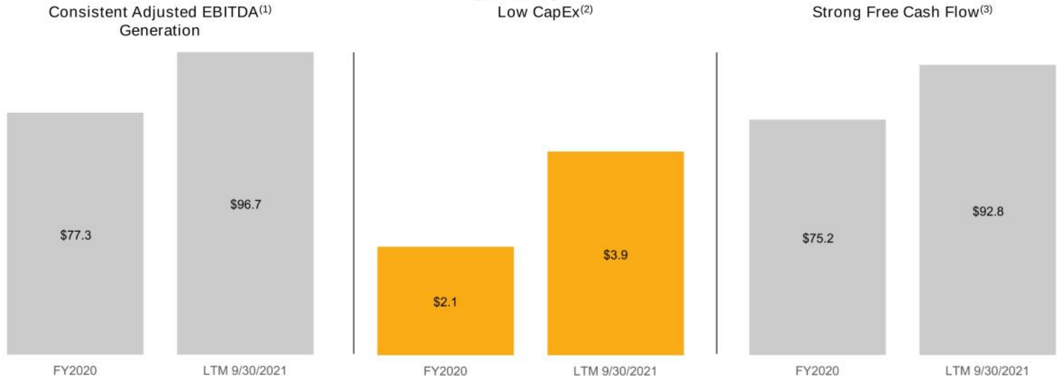
Summary of Recent Operating Results

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	($ in millions, except per share amounts)			
Net sales	$224.8	$224.8	$607.1	$520.0
Adjusted income from operations (1)	21.7	21.5	41.9	23.5
Goodwill and other impairments	—	—	—	20.1
Income tax provision	(5.6)	(3.7)	(9.8)	(3.0)
Net Income (loss)	12.6	13.9	21.4	(18.2)
Diluted income (loss) per common share	0.57	0.65	0.98	(0.87)
Adjusted diluted income (loss) per common share (1)	0.61	0.65	1.02	0.24
Adjusted EBITDA (1)	$29.2	$29.2		

(1) Adjusted diluted income (loss) per common share, adjusted EBITDA, and adjusted income from operations represent non-GAAP financial measures. These non-GAAP financial measures are provided because the Company uses them in evaluating its financial results and trends and as an indicator of business performance. See appendix pages for a reconciliation to the most directly comparable GAAP measures.

Company Generates Strong Cash Flow While Maintaining Low CapEx

($ in millions)



(1) Adjusted EBITDA represents a non-GAAP financial measure. This non-GAAP financial measure is provided because the Company uses it in evaluating its financial results and trends and as an indicator of business performance. See appendix pages for a reconciliation to the most directly comparable GAAP measure.
(2) Maintenance CapEx is approximately $5 million.
(3) Free cash flow, a non-GAAP financial measure, is calculated as Adjusted EBITDA minus CapEx

Attractive Credit Facility with Limited Financial Risk

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
	($ in millions)				
Credit Facility due 2023	$1.6	$—	$—	$27.3	$25.7
Senior Secured Term Loan due 2025	252.1	252.1	252.1	262.6	262.6
Less: Cash	(8.7)	(33.3)	(30.6)	(36.0)	(42.7)
Net Debt	245.0	218.8	221.5	253.9	245.6
LTM Adjusted EBITDA (1)	96.7	96.7	90.9	77.3	72.7
Adjusted Leverage Ratio(2)	2.5x	2.3x	2.4x	3.3x	3.4x
Borrowing Capacity(3) plus Cash	$153.8	$179.9	$177.3	$156.0	$164.4

- Significant deleverage of balance sheet accomplished to 2.5x at September 30, 2021 from 3.4x at September 30, 2020
- Strong liquidity position provides significant operating flexibility to execute growth plan
- Credit facility and term loan have no financial maintenance covenants
- No required debt amortization

(1) Adjusted EBITDA, represents a non-GAAP financial measure. This non-GAAP financial measures is provided because the Company uses it in evaluating its financial results and trends and as an indicator of business performance. See appendix pages for a reconciliation to the most directly comparable GAAP measure.

(2) Adjusted Leverage Ratio, a non-GAAP financial measure, is a calculated ratio of Net Debt over LTM Adjusted EBITDA.

(3) Borrowing Capacity is a measure defined in the Company's debt agreements as "availability" and disclosed as such in the Company's quarterly and annual reports on Forms 10-Q and 10-K, respectively.

Capital Allocation Priorities

1. Use strong balance sheet to gain competitive advantage
2. Internal Investment (e.g., Commercial Food Service; Operations Redesign)
3. Disciplined M&A
4. Further Deleverage
5. Maintain current dividend rate

Full Year 2021 Guidance Update

	Year Ended December 31, 2020	Guidance for the Year Ending December 31, 2021
	(in millions, except per share amounts)	
Net sales	$769.2	$870 to $890
Income from operations	$25.0	$59 to $62.5
Adjusted income from operations (1)	$47.9	$59.5 to $63.0
Net (loss) income	$(3.0)	$30.9 to $33.6
Adjusted net income (1)	$20.2	$31.2 to $33.9
Diluted (loss) income per common share	$(0.14) per share	$1.40 to $1.53 per share
Adjusted diluted income per common share (1)	$0.95 per share	$1.42 to $1.54 per share
Weighted-average diluted shares	20.9	22
Adjusted EBITDA (1)	$77.3	$88 to $92

The raised Full Year Guidance for the year ending December 31, 2021 compared to year ended December 31, 2020:

- Net sales increase of 13.1% to 15.7%
- Adjusted income from operations(1) increase of 24.2% to 31.5%
- Adjusted net income(1) increase of 54.5% to 67.8%
- Adjusted EBITDA(1) increase of 13.8% to 19.0%

This guidance is based on a forecasted GBP to USD rate of $1.35. Net income and diluted income per common share were calculated based on an effective tax rate of 30%.

(1) Adjusted income from operations, adjusted net income, adjusted diluted income per common share and adjusted EBITDA represent non-GAAP financial measures. These non-GAAP financial measures are provided because the Company uses them in evaluating its financial results and trends and as an indicator of business performance. See appendix pages for a reconciliation to the most directly comparable GAAP measures.

Path to $145 Million in Adjusted EBITDA[1]

Key Drivers

- Mid single digit growth in core business
- Further penetrate commercial food service market
- Expand sales in international markets
- Stable gross margin — normalization of input costs
- Leverage distribution and administrative infrastructure
- Does not assume acquisitions

(1) Adjusted EBITDA represents a non-GAAP financial measure. This non-GAAP financial measure is provided because the Company uses it in evaluating its financial results and trends and as an indicator of business performance. The Company is not providing a quantitative reconciliation with respect to this forward-looking non-GAAP measure in reliance on the “unreasonable efforts” exception set forth in SEC rules because certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated. For example, the impact of U.S. tariffs, which are out of the Company’s control, and acquisition-related costs depend on the timing and amount of future acquisitions, which cannot be reasonably estimated.

Five Year Financial Objectives

Sales	$1.25 billion
Adjusted EBITDA Margin(1)(2)	12%
Capital Expenditures - Maintenance annual	$5 - 7 million
Capital Expenditures - Operations redesign	$18 million
Adjusted EBITDA(1)(2)	$145 million

Key Assumptions

Sales growth includes organic U.S., adjacent product categories, commercial food service, International, Year & Day®, as well as channel and geographic expansion

Leverage of existing infrastructure and operations redesign

Continuous improvement in operating efficiency

No change in foreign exchange rates, tax rates

(1) Adjusted EBITDA and adjusted EBITDA margin and represent non-GAAP financial measures. These non-GAAP financial measures are provided because the Company uses them in evaluating its financial results and trends and as indicators of business performance.

(2) The Company is not providing a quantitative reconciliation with respect to these forward-looking non-GAAP measures in reliance on the "unreasonable efforts" exception set forth in SEC rules because certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated. For example, unusual, one-time, non-ordinary, or non-recurring costs, which cannot be reasonably estimated.

Strong Financial Foundation for Growth

Significant cash flows will enable continued deleveraging, investments in growth, and opportunistic M&A

Steady Cash Flows

- Strong Free Cash Flow
- Growth initiatives yielding additional cash flows
- Diverse and strong financial customer base

Strong Credit Profile

- Attractive, low-risk credit facility
- Use strong cash flows to reduce debt
- Continuing to increase liquidity

Disciplined Capital Allocation

- Low maintenance CapEx requirements
- Strategic and opportunistic M&A strategy
- Internal investment opportunities

Commitment to Shareholder Returns

- Committed to maintaining dividend
- Consider opportunistic share repurchases
- Drive share price improvement

Appendix

Adjusted Net Income (Loss) — U.S. GAAP Reconciliation

Adjusted net income (loss) and adjusted diluted income (loss) per common share (in millions, except per share amounts):	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended December 31,
	2021	2020	2021	2020	2020
Net income (loss) as reported	$12.6	$13.9	$21.4	$(18.2)	$(3.0)
Adjustments:					
Acquisition related expenses	0.0	0.1	0.3	0.2	0.3
Restructuring expenses	—	—	—	0.3	0.2
Warehouse relocation	—	—	—	1.1	1.1
Mark to market (gain) loss on interest rate derivatives	(0.1)	(0.1)	(0.7)	2.3	2.1
Goodwill and other impairments	—	—	—	20.1	20.1
Foreign currency translation loss reclassified from Accumulated Other Comprehensive Loss	1.4	—	3.4	0.2	0.2
Gain on change in ownership in equity method investment	(1.0)	—	(2.7)	—	—
Wallace facility remedial design expense	0.5	—	0.5	—	—
Income tax effect on adjustments	0.0	0.0	0.1	(0.9)	(0.8)
Adjusted net income	$13.4	$13.9	$22.3	$5.1	$20.2
Adjusted diluted income per common share(1)	$0.61	$0.65	$1.02	$0.24	$0.95

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(1) Adjusted diluted income per common share is calculated based on diluted weighted-average shares outstanding of 22,085 and 21,285 for the three month period ended September 30, 2021 and 2020, respectively, and 21,964 and 21,015 for the nine month period ended September 30, 2021 and 2020, respectively, and 21,179 for the year ended December 31, 2020. The diluted weighted-average shares outstanding for the three and nine month period ended September 30, 2021 include the effect of dilutive securities of 536 and 621 shares, respectively. The diluted weighted-average shares outstanding for the three and nine month period ended September 30, 2020, include the effect of dilutive securities of 350 and 180 shares, respectively, and 319 for the year ended December 31, 2020. (Share amounts stated in thousands).

Adjusted Income From Operations

	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended December 30,
	2021	2020	2021	2020	2020
	($ in millions)				
Income from operations	$21.7	$21.5	$41.9	$0.6	$25.0
Excluded non-cash charges:					
Goodwill and other impairments	—	—	—	20.1	20.1
Bad debt reserve[1]	—	—	—	2.8	2.8
Total excluded non-cash charges	—	—	—	22.9	22.9
Adjusted income from operations	$21.7	$21.5	$41.9	$23.5	$47.9

(1) Bad debt reserve recorded in the first quarter of fiscal 2020 to establish a provision against potential credit problems from certain retail customers who may have financial difficulty that has been caused or increased due to the COVID-19 pandemic. This reflects the Company's assessment of risk of not being able to collect such receivables from certain customers in the U.S. that are at risk of seeking or have already obtained bankruptcy protection and our international customer base which has a higher proportion of small and independent brick-and-mortar retailers. This charge was taken in response to the Company's assessment on the impact of the COVID-19 pandemic on these accounts.

Reconciliation of GAAP to Non-GAAP Guidance

Adjusted EBITDA guidance for the full fiscal year ending December 31, 2021:	Guidance for the Year Ending December 31, 2021 (in millions)
Net income guidance	$30.9 to $33.6
Add back:	
Income tax expense	12.6 to 13.4
Interest expense	15
Depreciation and amortization	23.5
Stock compensation expense	5
Other adjustments[1]	1 to 1.5
Adjusted EBITDA guidance	$88 to $92

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[1] Includes estimates for acquisition related expenses, undistributed equity in (earnings) losses, Wallace facility remedial design expense, and other items that are consistent with exclusions permitted by our debt agreements.

Reconciliation of GAAP to Non-GAAP Guidance, Continued

Adjusted income from operations guidance for the full fiscal year ending December 31, 2021 (in millions):	
Income from operations guidance	$59 to $62.5
Wallace facility remedial design expense	$0.5
Adjusted income from operations guidance	$59.5 to $63.0

Adjusted net income and adjusted diluted income per common share guidance for the full fiscal year ending December 31, 2021 (in millions - except per share data):	
Net income guidance	$30.9 to $33.6
Wallace facility remedial design expense	$0.5
Other adjustments (1)	$0
Income tax effect on adjustment	$(0.2)
Adjusted net income guidance	$31.2 to $33.9
Adjusted diluted income per share guidance	$1.42 to $1.54

[1] Includes estimates for acquisition related expenses, mark to market (gain) on interest rate derivatives, foreign currency translation loss reclassified from Accumulated Other Comprehensive Loss and gain on change in ownership in equity method investment.

Adjusted EBITDA — U.S. GAAP Reconciliation LTM September 2021

	Three Months Ended				Twelve Months Ended
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	September 30, 2021
			(in millions)		
Net income as reported	$15.2	$3.1	$5.8	$12.6	$36.6
Undistributed equity (losses) earnings, net	(1.6)	0.2	(0.4)	(0.2)	(2.0)
Income tax provision	6.9	2.4	1.8	5.6	16.7
Interest expense	4.2	4.0	3.8	3.8	15.9
Mark to market gain on interest rate derivatives	(0.2)	(0.5)	—	(0.1)	(0.8)
Depreciation and amortization	6.3	6.0	5.8	5.8	23.8
Stock compensation expense	1.6	1.4	1.3	1.2	5.6
Acquisition related expenses	0.1	0.2	0.1	0.0	0.4
Restructuring expenses (benefit)	—	0.0	—	—	0.0
Wallace facility remedial design expense	—	—	—	0.5	0.5
Adjusted EBITDA	$32.5	$16.8	$18.2	$29.2	$96.7

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Adjusted EBITDA is a non-GAAP financial measure which is defined in the Company's debt agreements. Adjusted EBITDA is defined as net income, adjusted to exclude undistributed equity in (losses) earnings, income tax provision, interest expense, mark to market gain on interest rate derivatives, depreciation and amortization, stock compensation expense, and other items detailed in the table above that are consistent with exclusions permitted by our debt agreement.

Adjusted EBITDA — U.S. GAAP Reconciliation LTM June 2021

	Three Months Ended				Twelve Months Ended
	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	June 30, 2021
	(in millions)				
Net income as reported	$13.9	$15.2	$3.1	$5.8	$38.0
Undistributed equity (losses) earnings, net	(0.1)	(1.6)	0.2	(0.4)	(1.9)
Income tax provision	3.7	6.9	2.4	1.8	14.8
Interest expense	4.1	4.2	4.0	3.8	16.1
Mark to market (gain) loss on interest rate derivatives	(0.1)	(0.2)	(0.5)	0.0	(0.8)
Depreciation and amortization	6.1	6.3	6.0	5.8	24.1
Stock compensation expense	1.6	1.6	1.4	1.3	6.0
Acquisition related expenses	0.0	0.1	0.2	0.1	0.4
Restructuring expenses (benefit)	—	(0.0)	—	—	—
Adjusted EBITDA	$29.2	$32.5	$16.8	$18.2	$96.7

Adjusted EBITDA is a non-GAAP financial measure which is defined in the Company's debt agreements. Adjusted EBITDA is defined as net income, adjusted to exclude undistributed equity in (losses) earnings, income tax provision, interest expense, mark to market gain on interest rate derivatives, depreciation and amortization, stock compensation expense, and other items detailed in the table above that are consistent with exclusions permitted by our debt agreement.

Adjusted EBITDA — U.S. GAAP Reconciliation LTM March 2021

	Three Months Ended				Twelve Months Ended
	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	March 31, 2021
	(in millions)				
Net (loss) income as reported	$(4.0)	$13.9	$15.2	$3.1	$28.2
Undistributed equity losses (earnings), net	0.8	(0.1)	(1.6)	0.2	(0.7)
Income tax provision	3.0	3.7	6.9	2.4	16.0
Interest expense	4.2	4.1	4.2	4.0	16.6
Mark to market loss (gain) on interest rate derivatives	0.2	(0.1)	(0.2)	(0.5)	(0.6)
Depreciation and amortization	6.1	6.1	6.3	6.0	24.4
Stock compensation expense	1.4	1.6	1.6	1.4	6.1
Acquisition related expenses	0.1	0.0	0.1	0.2	0.4
Restructuring expenses (benefit)	0.3	—	(0.0)	—	0.2
Warehouse relocation expenses	0.3	—	—	—	0.3
Adjusted EBITDA	$12.4	$29.2	$32.5	$16.8	$90.9

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Adjusted EBITDA is a non-GAAP financial measure which is defined in the Company's debt agreements. Adjusted EBITDA is defined as net (loss) income, adjusted to exclude undistributed equity in losses (earnings), income tax provision, interest expense, mark to market loss (gain) on interest rate derivatives, depreciation and amortization, stock compensation expense, and other items detailed in the table above that are consistent with exclusions permitted by our debt agreement.

Adjusted EBITDA — U.S. GAAP Reconciliation LTM December 2020

	Three Months Ended				Year Ended
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	December 31, 2020
			(in millions)		
Net (loss) income as reported	$(28.2)	$(4.0)	$13.9	$15.2	$(3.0)
Undistributed equity (earnings) losses, net	(0.3)	0.8	(0.1)	(1.6)	(1.3)
Income tax (benefit) provision	(3.7)	3.0	3.7	6.9	9.9
Interest expense	4.7	4.2	4.1	4.2	17.3
Mark to market loss (gain) on interest rate derivatives	2.3	0.2	(0.1)	(0.2)	2.1
Depreciation and amortization	6.2	6.1	6.1	6.3	24.7
Goodwill and other impairments	20.1	—	—	—	20.1
Stock compensation expense	1.3	1.4	1.6	1.6	6.0
Acquisition related expenses	0.0	0.1	0.0	0.1	0.3
Restructuring expenses (benefit)	—	0.3	—	(0.0)	0.2
Warehouse relocation expenses	0.8	0.3	—	—	1.1
Adjusted EBITDA	$3.2	$12.4	$29.2	$32.5	$77.3

Adjusted EBITDA is a non-GAAP financial measure which is defined in the Company's debt agreements. Adjusted EBITDA is defined as net (loss) income, adjusted to exclude undistributed equity (earnings) losses, income tax (benefit) provision, interest expense, depreciation and amortization, mark to market loss (gain) on interest rate derivatives, goodwill and other impairments, stock compensation expense, and other items detailed in the table above that are consistent with exclusions permitted by our debt agreements.

Adjusted EBITDA — U.S. GAAP Reconciliation LTM September 2020

	Three Months Ended				Twelve Months Ended
	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	September 30, 2020
			(in millions)		
Net (loss) income as reported	$(14.5)	$(28.2)	$(4.0)	$13.9	$(32.7)
Undistributed equity losses (earnings), net	(0.7)	(0.3)	0.8	(0.1)	(0.4)
Income tax (benefit) provision	(5.7)	(3.7)	3.0	3.7	(2.7)
Interest expense	5.3	4.7	4.2	4.1	18.3
Mark to market loss (gain) on interest rate derivatives	0.3	2.3	0.2	(0.1)	2.7
Depreciation and amortization	6.3	6.2	6.1	6.1	24.7
Goodwill and other impairments	33.2	20.1	—	—	53.3
Stock compensation expense	1.4	1.3	1.4	1.6	5.8
Acquisition related expenses	0.1	0.0	0.1	0.0	0.2
Restructuring expenses	0.3	—	0.3	—	0.6
Integration charges	0.2	—	—	—	0.2
Warehouse relocation expenses	1.7	0.8	0.3	—	2.7
Adjusted EBITDA	$27.9	$3.2	$12.4	$29.2	$72.7

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Thank You