



Nasdaq: HWKN

Investor Presentation

FISCAL 2025, QUARTER 4

Published: May 14, 2025



FORWARD-LOOKING STATEMENTS

The information contained in this presentation includes “forward-looking statements” which reflect management’s expectations or beliefs as of the date of this presentation. Hawkins, Inc. cautions that actual future results could differ materially from the forward-looking statements in this presentation. Actual results may be affected by many important factors including risks and uncertainties identified in the section captioned Risk Factors in Item 1A of Hawkins, Inc.’s Annual Report on Form 10-K. Hawkins disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



INVESTMENT HIGHLIGHTS







1. Long track record of growth since our founding in 1938
2. Consistently paid out dividends since 1985
3. Critical products and services
4. Executing on growth strategy



OUR MISSION, PROMISE & CORE VALUES

To supply quality products and innovative solutions with exceptional service.

We will respond quickly to changing customer needs with a focus on safety, technical expertise, and responsible care of the environment and of our community.

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RESPONSIBILITY We will not compromise on safety, quality, our obligations to our communities or protection of the environment.	CUSTOMER FOCUS We are dedicated to the highest level of customer service.	COURAGE We will speak the truth and encourage candor to drive improvement and innovation.	ACTION-ORIENTED We will be nimble and value action over words.	TEAMWORK We value passionate, inquisitive employees who have fun and value winning as a team.	RELATIONSHIPS We cultivate trusted relationships with suppliers, customers and employees, focusing on the long-term.

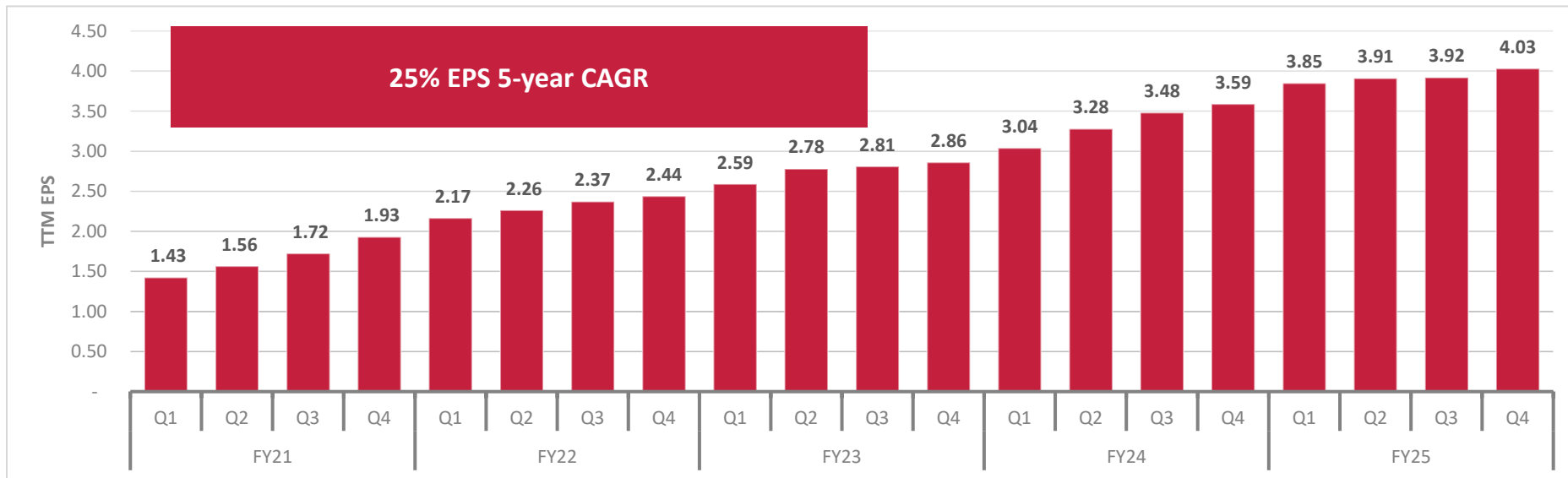
GROWTH STRATEGY

- **Grow earnings**
- **Expand our specialty and value-added services**
- **Bolster and improve our extensive supplier base**
- **Add new Water Treatment facilities annually**
- **Invest in capabilities for higher margin / growth products**
- **Foster strong people culture**
 - Hire and develop employees
 - Safe and ethical
 - Continuous improvement





TRAILING TWELVE MONTHS QUARTERLY EPS



STRONG TRACK RECORD OF ACCRETIVE ACQUISITIONS

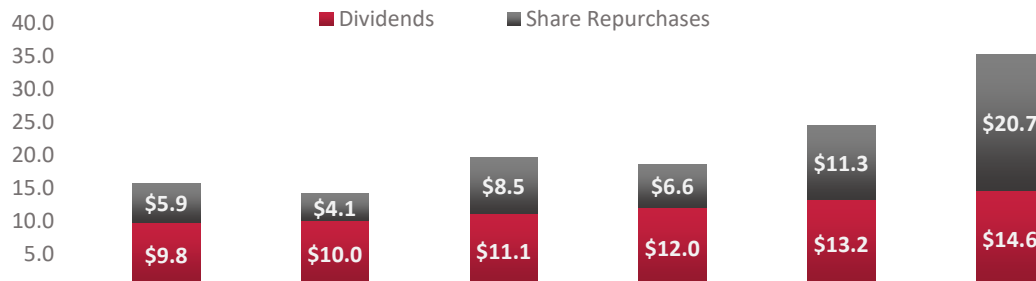


04/2025	<i>WaterSurplus in Illinois</i> (Water Treatment)
01/2025	<i>Amerochem in North Carolina</i> (Water Treatment)
10/2024	<i>Water Guard in North Carolina</i> (Water Treatment)
07/2024	<i>Wofford Water Service in Mississippi</i> (Water Treatment)
06/2024	<i>Intercoastal Trading in Maryland</i> (Water Treatment)
03/2024	<i>Industrial Research Corporation in Louisiana</i> (Water Treatment)
10/2023	<i>Water Solutions Unlimited in Indiana</i> (Water Treatment)
10/2023	<i>Miami Products & Chemical Company in Ohio</i> (Water Treatment)
07/2023	<i>EcoTech Enterprises in Arkansas</i> (Water Treatment)
12/2021	<i>NAPCO Chemical Company in Texas</i> (Water Treatment)
11/2021	<i>Water & Waste Specialties in Alabama</i> (Water Treatment)
09/2021	<i>Southeast Water Systems in Alabama</i> (Water Treatment)
01/2021	<i>C&L Aqua and LC Blending in Louisiana</i> (Water Treatment)
07/2020	<i>American Development Corporation of Tennessee</i> (Water Treatment)
12/2015	<i>Stauber Performance Ingredients</i> (Health and Nutrition)
09/2015	<i>Davis Supply in Florida</i> (Water Treatment)
10/2014	<i>Dumont Company in Florida</i> (Water Treatment)
10/2013	<i>Advance Chemical Solutions in Oklahoma</i> (Water Treatment)
09/2012	<i>Ingredient Works</i> (Industrial)
01/2011	<i>Vertex Chemical Corporation</i> (Industrial)



CONSISTENT RETURN OF CAPITAL TO SHAREHOLDERS

DIVIDENDS & SHARE REPURCHASES (IN MILLIONS)



	FY2021	FY2021	FY2022	FY2023	FY2024	FY2025
Dividends per Share	\$0.46	\$0.47	\$0.52	\$0.57	\$0.63	\$0.70

Share repurchases are to offset dilution.

Dividends are adjusted for the stock split that occurred in March 2021.

0.7%

DIVIDEND YIELD

40

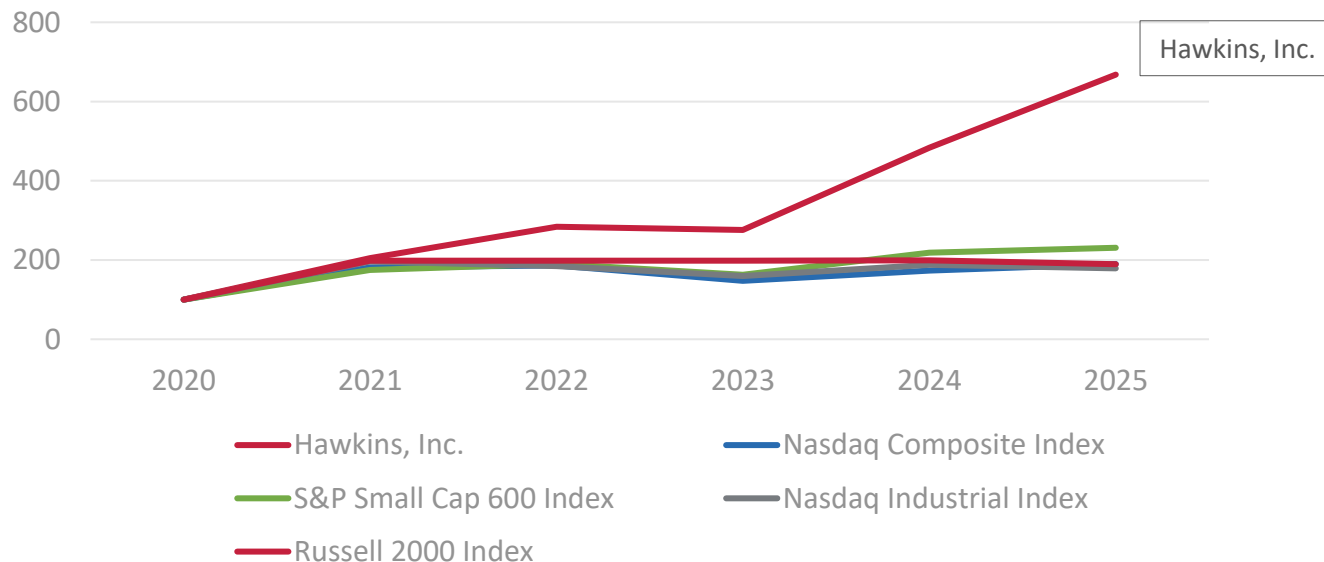
CONSECUTIVE YEARS OF
CASH DIVIDENDS

10.5%

DIVIDEND CAGR



STOCK PERFORMANCE

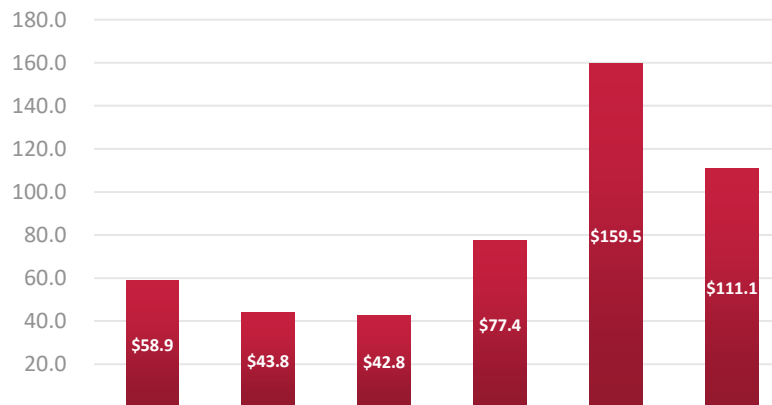


This graph compares the cumulative total shareholder return on our common shares with the cumulative total returns of the Nasdaq Industrial Index, the Nasdaq Composite Index, the Russell 2000 Index and the Standard & Poor's ("S&P") Small Cap 600 Index for our last five completed fiscal years. The graph assumes the investment of \$100 in our stock and each of those indices on March 31, 2020, and reinvestment of all dividends.

CAPITAL ALLOCATION

- Invest in the business
- Pay dividends
- Manage debt
- Repurchase shares to offset dilution
- Opportunistic acquisitions

OPERATING CASH FLOW (IN \$ MILLIONS)



	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Operating Cash Flow	\$58.9	\$43.8	\$42.8	\$77.4	\$159.5	\$111.1
Capital Expenditures	(\$24.5)	(\$20.8)	(\$28.5)	(\$48.3)	(\$40.2)	(\$41.1)

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

▪ Environmental

- Products we sell generally can be neutralized to a safe pH balance, reducing their impact on the environment
- Many of our products can be used to help our customers improve efficiencies and reduce emissions

▪ Social

- Supply the products that keep water safe and clean for millions of people throughout the United States
- Contribute to local non-profit organizations, enhancing the communities we serve

▪ Governance

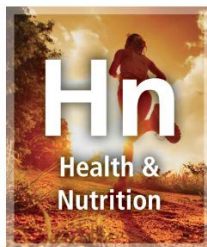
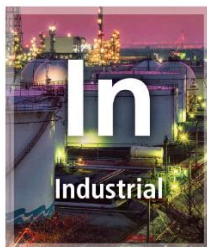
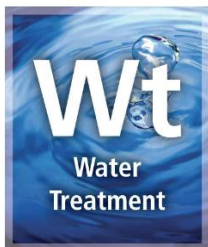
- Core to our business is ensuring product quality, safety, and responsible distribution
- Diversity throughout company, 45% among employee base and 25% within the Board



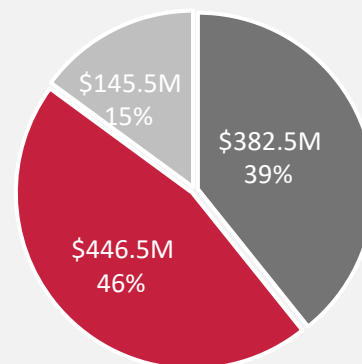
COMPANY SNAPSHOT

Hawkins' diversified market segments provide multiple avenues for sustainable and profitable growth and create synergies among the different segments

Three Business Segments:



FISCAL 2025 REVENUE OF \$974.4M



- Water Treatment
- Industrial
- Health & Nutrition



SEGMENT GROWTH FOCUS

▪ **Water Treatment**

- Grow all 51 water treatment facilities, while adding new locations through acquisitions or new greenfield expansion
- Continued focus on superior service with local expertise

▪ **Industrial**

- Grow pharmaceutical, food, and agricultural business through new product development, capital and people investments
- Maintain large bulk purchases and sales to leverage supply chain

▪ **Health and Nutrition**

- Focus on growing specialty branded products, backed by science, delivering to the customer with technical expertise
- Leverage and grow manufactured products



LOCATIONS



63 FACILITIES IN 28 STATES
WITH ~1,000 EMPLOYEES





PEOPLE & CULTURE MATTER



▪ Strong Supplier Relationships

- Strong partnerships with key suppliers including caustic soda, hydrochloric acid, phosphates and specialty products

▪ Tenured Employees

- Average tenure 7 years
- Approximately 1,100 employees
- Median employee pay \$94k and CEO pay ratio of 34:1

▪ Long-Term Customers

- Strong, long-term relationships
- Deliveries 365 days/year

▪ Local Community Involvement

- Products to municipalities that have been damaged due to storms, hurricanes, etc.
- Dollars to food shelves and front-line workers
- Workers participate in events from helping kids in need to feeding the homeless
- Natural disaster relief – donate dollars, water, chemicals, and other needed items



INFRASTRUCTURE DIFFERENTIATORS

▪ 63 locations to serve our customers

- 51 Water Treatment locations
- 10 Manufacturing facilities
- 2 main office locations

▪ Facility Space

- Over 2M square feet of manufacturing and warehouse space
- Warehouse space throughout the U.S., including on the west and east coasts

▪ Bulk purchase capabilities

- 5 locations with Rail and Barge Access
- Rail Access at 9 additional locations

▪ Hawkins Fleet

- 230+ Water Treatment Route Sales Trucks to deliver the last mile to the customer
- 35+ Tractors
- 100+ Trailers

▪ ~25M gallons of tank capacity to meet our Customers' just-in-time inventory needs



FINANCIALS

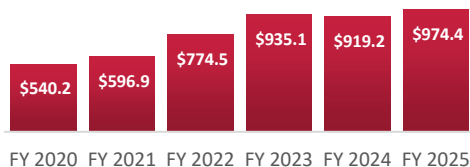




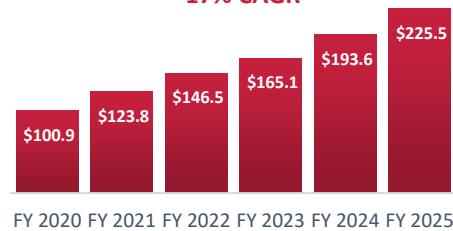
FISCAL 2020-2025 FINANCIALS

(IN MILLIONS, EXCEPT PER SHARE DATA)

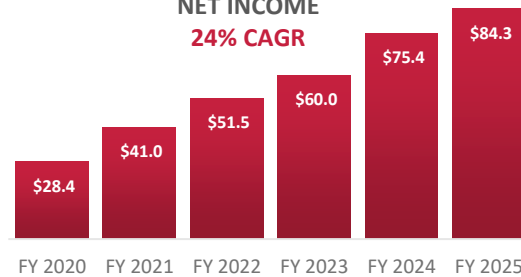
SALES
13% CAGR



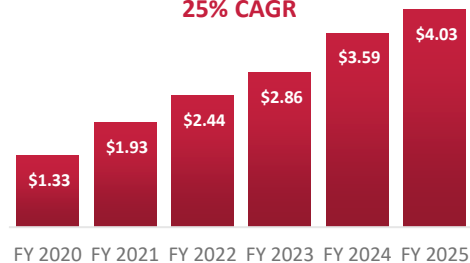
GROSS PROFIT
17% CAGR



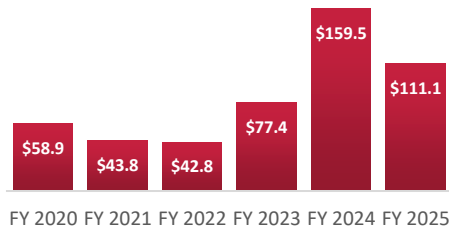
NET INCOME
24% CAGR



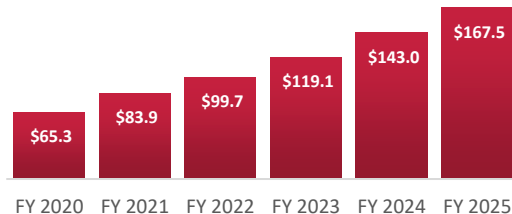
DILUTED EPS
25% CAGR



OPERATING CASH FLOW
13% CAGR



ADJUSTED EBITDA*
21% CAGR



* Refer to reconciliation of this non-GAAP measure on slide 40 of this deck

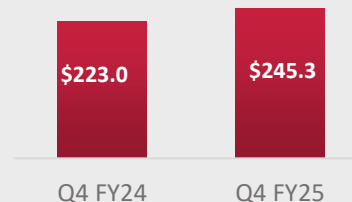


FISCAL 2025 FOURTH QUARTER FINANCIALS

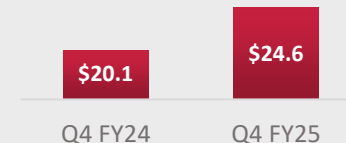
28th CONSECUTIVE QUARTER OF YEAR-OVER-YEAR OPERATING INCOME GROWTH

- Record 4th quarter revenue of \$245.3M, growth of 10% from the prior year
- Record 4th quarter gross profit of \$52.2M, growth of 15% over the prior year
- Record 4th quarter operating income of \$24.6M, growth of 22% over the prior year
- Record 4th quarter Diluted Earnings Per Share (EPS) of \$0.78, 18% higher than the prior year
- Quarterly Operating Cash Flow of \$30.8M, a decrease of 26% from last year due to management of working capital

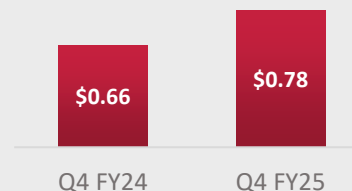
REVENUE (\$ Million)



OPERATING INCOME (\$ Million)



DILUTED EPS



OPERATING CASH FLOW

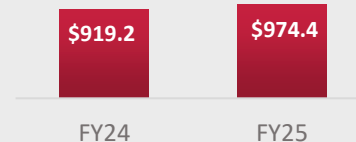


FISCAL 2025 FOURTH QUARTER YEAR-TO-DATE FINANCIALS

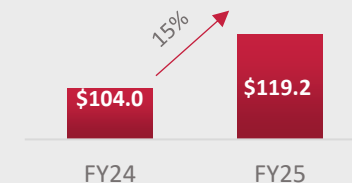
DOUBLE-DIGIT YEAR-OVER-YEAR GROWTH IN KEY MEASURES, INCLUDING REVENUE, GROSS PROFIT, OPERATING INCOME, NET INCOME AND DILUTED EARNINGS PER SHARE (EPS)

- Record full-year revenue of \$974.4M, 6% growth over the prior year
- Record full-year gross profit of \$225.5M, growth of 16% over the prior year
- Record EPS of \$4.03, 12% higher than the prior year
- Operating Cash Flow of \$111.1M
- Record Adjusted EBITDA* of \$167.5M, 17% higher than the previous TTM period

REVENUE
(\$ Million)



OPERATING INCOME
(\$ Million)



NET INCOME
(\$ Million)



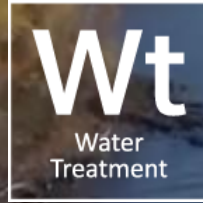
DILUTED EPS





REPORTING SEGMENTS





Our Water Treatment Group specializes in providing chemicals, equipment, and solutions for treatment of potable water, municipal and industrial wastewater, agricultural water, and industrial process water.

Our salesperson/route driver is a trained technician who can deliver our products and diagnose our customers' water treatment needs.

We believe that the high level of service provided by these individuals allows us to serve as the trusted water treatment expert for the municipalities and other customers that we serve.



FOCUS AREAS

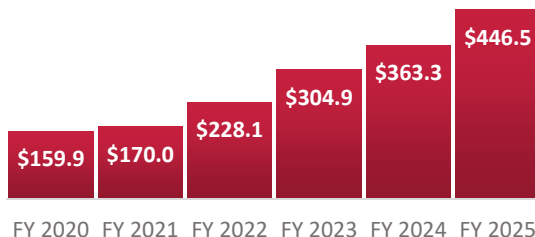
- Municipal Drinking Water
- Municipal Wastewater
- Municipal Swimming Pools
- Industrial Wastewater
- Industrial Process Water
- Cooling Systems/Cooling Towers
- Breweries/Wineries
- Agricultural Water Treatment
 - o Poultry
 - o Swine
 - o Dairy
 - o Citrus Groves
 - o Farm Crops

DIFFERENTIATORS

- **Large Geographic Territory**
 - Locations in 51 Cities in 26 States
- **Full Line Product Offering**
 - Chemistries and Equipment
- **Route Sales/Service Business Model**
 - Technical Application Specialists

WATER TREATMENT FINANCIALS (IN MILLIONS)

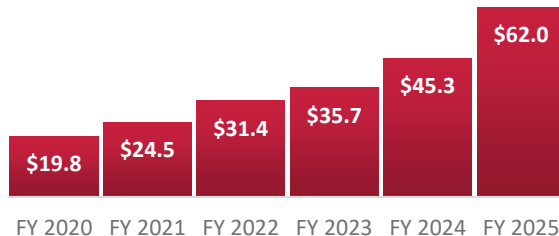
SALES (23% CAGR)



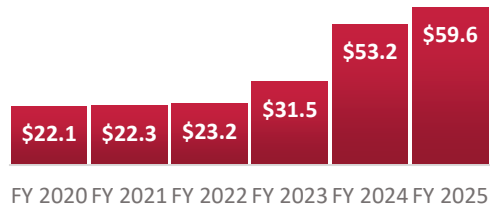
GROSS PROFIT (24% CAGR)



SG&A (26% CAGR)



**OPERATING INCOME
(22% CAGR)**





Our Industrial Group formulates, manufactures, and distributes specialty and industrial chemicals.

Hawkins also provides custom toll blending and product development services for our customers.



FOCUS AREAS

- **Pharmaceutical**

- Sugars
- Excipients
- Phosphates
- Cleaners, Acid, Alkaline

- **Food and Beverage**

- Preservatives
- Dairy Processing Aids
- Acidulants
- Brewery Products
- Ingredients

- **Industrial/Manufacturing**

- Mining and Oil Fields
- Metal Salts
- Cleaners and Acids
- Plating Additives

- **Agriculture**

- Fertilizers
- Crop Preservation



DIFFERENTIATORS

- **Technical Knowledge**

- 85+ Years of Experience

- **Geographic Distribution**

- Multiple Manufacturing Facilities with Extensive Storage Capacity

- **Custom Solutions, Toll Blending, Large and Diverse Product Lines**

- **Packaging to Fit Customers' Needs:**

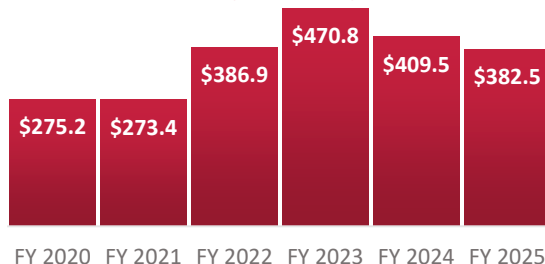
- Bulk, Drums, Totes, Custom Packaging

- **Services Include:**

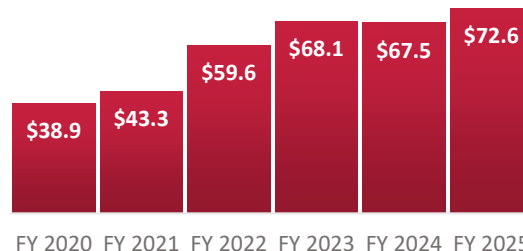
- Contract Manufacturing and Packaging
- Regulatory and Safety Assistance
- Inventory Management
- Remote Tank Monitoring
- Technical and Engineering Support

INDUSTRIAL FINANCIALS (IN MILLIONS)

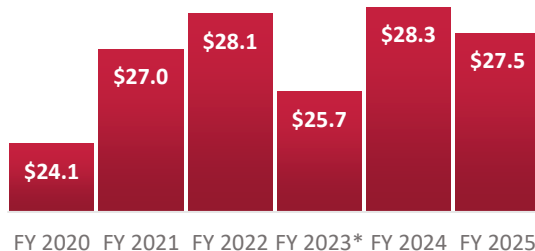
SALES (7% CAGR)



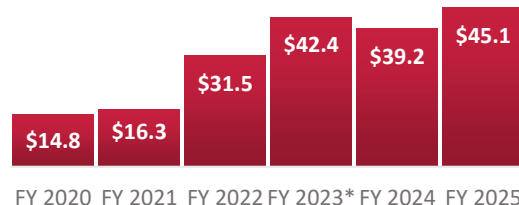
GROSS PROFIT (13% CAGR)



SG&A (3% CAGR)



OPERATING INCOME (25% CAGR)



* FY23 Operating Income included a gain of \$3M on the sale of certain assets related to our consumer bleach packaging business, recorded within SG&A expense



Our Health & Nutrition Group provides a broad spectrum of high-quality ingredients for use in dietary supplements, functional food and beverage, pharmaceutical and pet food products.

Our Health & Nutrition Group has a team of professionals trained to sell all product categories, to fully support product development on specific raw material requirements and applications.



FOCUS AREAS

- Energy, Immunity, and Cognition Ingredients
- Amino Acids
- Antioxidants
- Botanicals
- Enzymes
- Joint Products
- Minerals
- Oils/Oil Powders
- Fibers
- Probiotics
- Plant Proteins
- Vitamins

DIFFERENTIATORS

Our Health & Nutrition group is positioned as a one-stop ingredient solution provider to its customers and is highly regarded as a leader in the health and nutrition industry

- Robust product portfolio
- Represents key brand manufacturers that offer science-based, clinically studied products
- Provides value-added services, including dry blending and granulation, quality control and compliance, and innovative solutions with an exceptional level of customer service

GLOBAL INNOVATION THROUGH STRATEGIC PARTNERSHIPS

STAUBER proudly partners with leading industry companies.



Our success is driven by customer dedication and strong, quality-focused partnerships.
We prioritize agility, product excellence, transparency, and teamwork in our distribution efforts.

HEALTH AND NUTRITION FINANCIALS (IN MILLIONS)

SALES (7% CAGR)



FY 2020 FY 2021 FY 2022 FY 2023 FY 2024 FY 2025

GROSS PROFIT (9% CAGR)



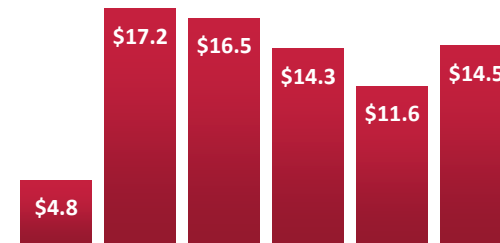
FY 2020 FY 2021 FY 2022 FY 2023 FY 2024 FY 2025

SG&A (2% CAGR)



FY 2020 FY 2021 FY 2022 FY 2023 FY 2024 FY 2025

**OPERATING INCOME
(25% CAGR)**



FY 2020 FY 2021 FY 2022 FY 2023 FY 2024 FY 2025



SUMMARY

BUSINESS STRATEGY

- **Expand our specialty and value-added services**
 - Customer formulation
 - Technical and quality
 - Sales
- **Add new Water Treatment facilities annually**
- **Bolster and improve our extensive supplier base**
- **Invest in higher margin/growth production capabilities**
- **Foster strong people culture**
- **Grow earnings**





APPENDIX



END MARKETS SERVED

▪ **Pharmaceutical**

- Sugars
- Excipients
- Phosphates
- Cleaners, Acid, Alkaline

▪ **Food and Beverage**

- Preservatives
- Dairy Processing Aids
- Acidulants
- Brewery Products
- Ingredients

▪ **Water Usage**

- Wastewater
- Drinking Water
- Pools
- Bioaugmentation

▪ **Industrial/Manufacturing**

- Mining and Oil Fields
- Metal Salts
- Cleaners and Acids
- Plating Additives

▪ **Agriculture**

- Fertilizers
- Barn Water Treatment
- Crop Preservation

▪ **Health and Nutrition**

- Vitamins
- Amino Acids
- Minerals
- Botanicals
- Joint Products
- Sweeteners
- Excipients

▪ **Other Markets**

- Custom Blending
- Toll Manufacturing
- Customer Formulations

SIGNIFICANT PRODUCTS

- Acetic Acid
- Ammonia and Aqua Ammonia
- Bleach
- Calcium Chloride
- Caustic Potash (Potassium Hydroxide)
- Caustic Soda (Sodium Hydroxide)
- Chlorine Gas
- Ferric Chloride
- Formic Acid
- Hydrochloric Acid
- Nitric Acid
- Phosphoric Acid
- Propionic Acid
- Propylene Glycol
- Sulfuric Acid
- Urea
- Food Additives and Preservatives
- Brewery Products
- Flocculants
- Coagulants
- Precipitants
- Antifoams
- Fluoridation
- Equipment
- Agricultural Fertilizers and Adjuvants
- Amino acids
- Minerals
- Oils
- **and thousands more...**

NON-GAAP MEASURES

ADJUSTED EBITDA*

<i>(in thousands)</i>	Fiscal				
	2021	2022	2023	2024	2025
Net Income	\$40,980	\$51,542	\$60,041	\$75,363	\$84,345
Interest expense, net	1,467	1,404	5,234	4,282	5,432
Income tax expense	14,871	18,437	22,541	25,782	30,038
Amortization expense	5,839	6,462	6,924	8,539	12,764
Depreciation expense	16,829	17,667	20,516	23,264	27,184
Non-cash compensation expense	3,343	3,818	3,825	4,880	6,498
Non-recurring acquisition expense	562	-	-	917	1,229
Reported Adjusted EBITDA	\$83,891	\$99,699	\$119,081	\$143,027	\$167,490

* We define adjusted EBITDA as GAAP net income adjusted for the impact of the following: net interest expense resulting from our net borrowing position; income tax expense; non-cash expenses including amortization of intangibles, depreciation and charges for the employee stock purchase plan and restricted stock grants; and non-recurring items of income or expense, if applicable.



Celebrating 85+ Years of Serving Our Customers

Questions/Comments

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