UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): August 3, 2021

LAWSON PRODUCTS, INC.

(Exact name of registrant as specified in its charter)

Delaware	0-10546	36-2229304
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

8770 W. Bryn Mawr Ave., Suite 900, Chicago, Illinois	60631
(Address of principal executive offices)	(Zip Code)

(Registrant's telephone number, including area code) (773) 304-5050

Not Applicable
(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:

☐ 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	Name of each exchange on which registered
Common stock, $1.00 par value	LAWS	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 7.01 Regulation FD Disclosure.

Lawson Products, Inc. (the "Company") has updated its Investor Presentation (the “Presentation”) which is furnished as Exhibit 99.1 to this Report on Form 8-K. A copy of the Presentation is also available on the Company’s website at www.lawsonproducts.com.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Investor Presentation Second Quarter 2021

SIGNATURES

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

	LAWSON PRODUCTS, INC.
	(Registrant)
Date: August 3, 2021	By: /s/ Ronald J. Knutson
	Name: Ronald J. Knutson
	Title: Executive Vice President, Chief Financial Officer and Treasurer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Investor Presentation Second Quarter 2021

LAWSON Products

Investor Presentation

Second Quarter 2021

Presenters: Michael DeCata, President & CEO
Ronald Knutson, EVP & CFO

Lawson Products, Inc.

"Safe Harbor" Statement under the Securities Litigation Reform Act of 1995:

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. The terms "may," "should," "could," "anticipate," "believe," "continues," "estimate," "expect," "intend," "objective," "plan," "potential," "project" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. These statements are based on management's current expectations, intentions or beliefs and are subject to a number of factors, assumptions and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause or contribute to such differences or that might otherwise impact the business include: failure to retain a talented workforce including productive sales representatives; the inability of management to successfully implement strategic initiatives; failure to manage change; the ability to adequately fund our operating and working capital needs through cash generated from operations; the ability to meet the covenant requirements of our line of credit; disruptions of the Company's information and communication systems; the effect of general economic and market conditions; inventory obsolescence; work stoppages and other disruptions at transportation centers or shipping ports; changing customer demand and product mixes; increases in commodity prices; violations of environmental protection regulations; a negative outcome related to tax matters; and, all other factors discussed in the Company's "Risk Factors" set forth in its Annual Report on Form 10-K for the year ended December 31, 2020 and in the Form 10-Q for the quarter ended June 30, 2021.

The Company undertakes no obligation to update any such factors or to publicly announce the results of any revisions to any forward-looking statements contained herein whether as a result of new information, future events or otherwise.

Lawson Products: At a Glance

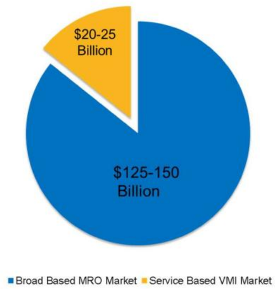
- Leading service based provider of consumables in MRO market
- Serves industrial, commercial, institutional and government markets in all 50 states, Canada, Mexico, Puerto Rico and the Caribbean
- Headquartered in Chicago, IL
  - Strategically located distribution centers
  - Workforce ~1,900 (~ 1,100 sales reps)
- Supplies a comprehensive line of products to the MRO marketplace
- VMI and private label drives high gross margins

Fasteners	Cutting Tools	Chemicals	Hydraulics	Other

LAWSON Products

Competitive Advantages and Differentiators

"Not the Typical MRO Distributor"



What differentiates Lawson:

- Service intensive "high touch" value proposition
- Vendor managed inventory or "keep fill"
- Deep product knowledge
- Broad geographic sales and service coverage throughout the US and Canada
- Leverage investments in sales team, facilities and technology to enable outstanding customer service
- Lowest total cost

LAWSON Products

Our Commitment to our 90,000+ Customers

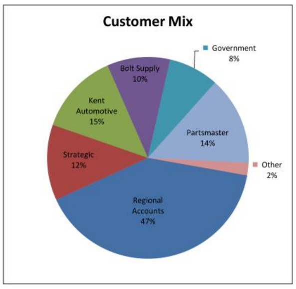
High touch service and technical expertise drives customer relationships

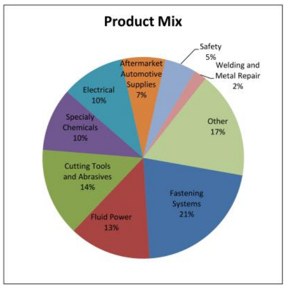
Before

After

One Company, Zero Headaches	Inventory Management Options	Access to Industry Knowledge & Expertise
• Comprehensive line of products	• Lawson Managed Inventory	• Product recommendations from your Lawson Representative
• Hundreds of pre-built assortments	• Industrial vending	• Application advice from our test and application engineers
• Unlimited sourcing of hard-to-find items	• Self-service inventory management	• Complimentary on-site safety & product usage training

Customer and Product Profile





Retain over 90% of customer revenues from year to year

Partsmaster Acquisition

What PARTSMASTER adds to LAWSON Products

- Very good strategic fit
  - ✓ Similar high touch, consumable MRO provider
  - ✓ High quality VMI service to customers
  - ✓ Diverse, complimentary product portfolio
  - ✓ Private label products

- Key statistics
  - $63 million annual sales
  - 16,000 customers
  - 200 sales reps in US and Canada
  - 40,000 SKUs
  - DC located in Greenville, TX

- Acquisition details
  - Acquired in August 2020
  - Purchase price of $35.3 million cash and additional assumed liabilities
  - $2.3 million paid at closing; additional $33.0 million paid in May 2021
  - Contributed $31.0 million in revenue
  - Fully integrated as of July 2021

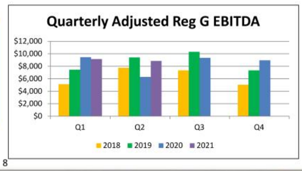
PARTSMASTER

Financial Highlights for Second Quarter 2021

- Sales increased 47.7% compared to Q2 2021 and 2.9% compared with Q1 2021
  - Includes $15.3 million from Partsmaster acquisition
  - MRO sales at 97% of pre-COVID run rates

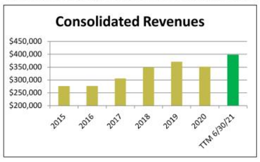
- Key trends
  - ✓ Ended quarter with $0.9 million in cash on hand; net of borrowings
  - ✓ Ended quarter with $91.9 million in available borrowing capacity

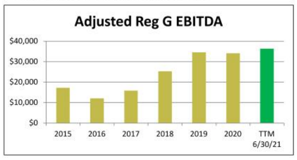
- Adjusted EBITDA of $8.8 million
  - 8.3% of sales
  - Approximately 120 bps impact of supply chain disruptions and integration costs
  - Partsmaster contributed adjusted EBITDA of $0.9 million

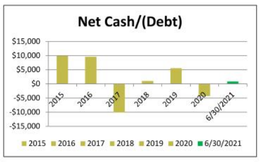


Historical Financial Performance

Recent sales growth and earnings expansion providing financial flexibility







Key Take-Aways:

- Continued growth through rep productivity and acquisitions
- Took actions in 2020 to preserve strength; retained certain 2020 cost saving actions
- Coming out of 2020 in strong position
- Strong balance sheet

Capital Allocation Priorities

Maintain Strong Balance Sheet	• $0.9 million net cash position at the end of Q2; $91.9 million of available borrowing capacity under our credit agreement • Paid $33.0 million in May 2021 for Partsmaster acquisition
Reinvest for Growth	• Increased our borrowing capacity to $100.0 million (additional $50.0 million accordion) in late 2019 • Capital expenditures expected to be approximately $5.0 - $6.0 million in 2021 • Growth initiatives: add new reps and increase sales rep productivity
Pursue Disciplined M&A	• Closed Partsmaster acquisition in August 2020 • Closed Screw Products Inc. acquisition in October 2018 • Closed Bolt Supply House acquisition in October 2017
Return Capital	• Share repurchase to offset award dilution; opportunistic purchases • $7.5 million stock repurchase program announced Q2 2019; $4.5 million remaining

Lawson Growth Strategy
Sales Growth Driven By
New Sales Reps
Sales Rep Productivity
Acquisitions
Foundational Support
ERP
Network Optimization
Sales Transformation
Lean Six Sigma
Website
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LAWSON Products
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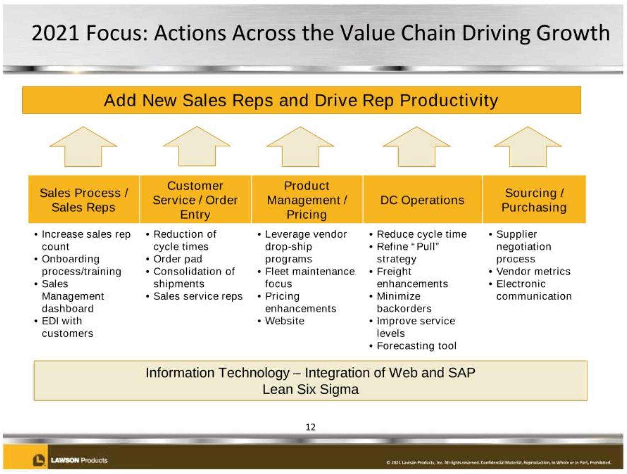
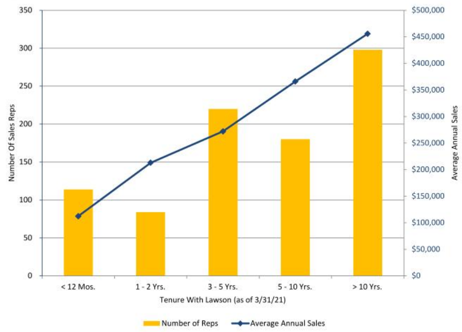

2021 Focus: Actions Across the Value Chain Driving Growth
Add New Sales Reps and Drive Rep Productivity
Sales Process / Sales Reps
Customer Service / Order Entry
Product Management / Pricing
DC Operations
Sourcing / Purchasing
• Increase sales rep count
• Onboarding process/training
• Sales Management dashboard
• EDI with customers
• Reduction of cycle times
• Order pad
• Consolidation of shipments
• Sales service reps
• Leverage vendor drop-ship programs
• Fleet maintenance focus
• Pricing enhancements
• Website
• Reduce cycle time
• Refine "Pull" strategy
• Freight enhancements
• Minimize backorders
• Improve service levels
• Forecasting tool
• Supplier negotiation process
• Vendor metrics
• Electronic communication
Information Technology – Integration of Web and SAP
Lean Six Sigma
12
LAWSON Products

Longer Sales Rep Tenure Drives Rep Productivity



Lawson Products: Poised for Growth

- Leverage Current Infrastructure
- Continued Sales Growth
- Foundational Investments Completed
- Operational Excellence
- Large Fragmented Market

For More Information

Contact:

Ronald J. Knutson
EVP, CFO
Investor Relations
(773) 304-5665
ron.knutson@lawsonproducts.com

And see our Website at
http://www.lawsonproducts.com/company-info/investor-relations.jsp

Appendices

Significant Activities

Appendix P-1

May 2012	➢Relocated corporate headquarters
June 2012	➢Restructured senior team. Announced $20M cost savings plan
August 2012	➢Transitioned packaging facility to McCook, Ill distribution center ➢Entered into new five-year $40M credit facility
October 2012	➢Announced new CEO and President, Michael G. DeCata ➢Consolidated Vernon Hills distribution center into McCook, Ill
November 2012	➢Rolled out new website to existing web customers
December 2012	➢Completed transition of U.S. independent agents to employees
April 2013	➢Roll-out of new website to new web customers
April/May 2013	➢McCook DC begins to ship customer orders
November 2013	➢Entered into sub-lease of headquarters space to generate $2.9M of future cash savings
December 2013	➢Ended year with over 800 sales reps – First increase in 8 years
February 2014	➢Closed on Automatic Screw Machine Products sale for net proceeds of $12.1M
June 2014	➢Entered into sale-leaseback of Reno distribution facility for net proceeds of $8.3M
December 2014	➢Ended year with over 900 sales reps
February 2015	➢Held North American sales meeting
September 2015	➢Completed West Coast Fasteners acquisition
March 2016	➢Completed Perfect Products of Michigan acquisition
May 2016	➢Completed F. B. Feeney acquisition
June 2016	➢Expanded sales team to over 1,000 sales reps
September 2016	➢Extended credit facitlity to August, 2020
November 2016	➢Completed Mattic Industries acquisition
March 2017	➢Consolidated Fairfield, NJ distribution operations into McCook, Ill and Suwanee, GA
May 2017	➢Sold Fairfield, NJ distribution center for a gain of $5.4M
October 2017	➢Completed Bolt Supply House acquisition
April 2018	➢Opened MRO distribution center in Calgary, Canada
October 2018	➢Completed Screw Products acquisition and added Bolt Supply branch
June 2019	➢Achieved Q2 9.8% adjusted EBITDA
September 2019	➢Achieved Q3 10.9% adjusted EBITDA; hired VP, M&A
October 2019	➢Entered into new five-year $100M credit facility, with additional $50 million accordion feature
August 2020	➢Completed Partsmaster acquisition
July 2021	➢Completed integration of Partsmaster

Regulation G – GAAP Reconciliation

Non GAAP Reconciliation of Adjusted EBITDA to Sales Percentage

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, the Company's management believes that certain non-GAAP financial measures may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain non-operational, non-recurring or intermittently recurring items that impact the overall comparability. See the table below for supplemental financial data and corresponding reconciliations to GAAP financial measures for quarterly adjusted EBITDA as a percentage of net sales. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

($ in thousands)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Net Sales	$ 84,459	$90,382	$88,530	$86,266	$91,343	$ 96,097	$94,779	$88,566	$91,035	$72,146	$90,277	$98,133	$103,556	$106,540
Operating Income (Loss)	1,837	5,554	(2,266)	4,085	5,544	1,623	6,446	(4,547)	18,638	569	2,001	(658)	4,810	3,382
Depreciation & Amortization	1,686	1,679	1,755	1,735	1,478	1,455	1,468	1,492	1,509	1,511	1,640	2,041	1,935	2,004
EBITDA	3,523	7,233	(511)	5,820	7,022	3,078	7,914	(3,055)	20,147	2,080	3,641	1,383	6,745	5,386
Excluded Costs														
Severance	628	64	31	126	27	1,485	30	214	7	1,025	488	557	404	(126)
Stock Based Compensation (Benefit)	970	87	7,637	(1,186)	408	4,839	2,374	10,167	(10,700)	3,187	4,746	4,776	1,000	1,574
Acquisition Related Costs	-	-	168	62	-	-	-	-	-	-	473	325	172	155
Lease Termination Gain	-	(164)	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill Impairment	-	-	-	-	-	-	-	-	-	-	-	1,918	-	-
Inventory Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	825	500
Costs related to potential acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	1,354
Discontinued Operation Accrual	-	529	-	-	-	-	-	-	-	-	-	-	-	-
Building Impairment	-	-	-	231	-	-	-	-	-	-	-	-	-	-
Reg G Adjusted EBITDA	$ 5,121	$ 7,749	$ 7,325	$ 5,053	$ 7,457	$ 9,402	$10,318	$ 7,326	$ 9,454	$ 6,292	$ 9,348	$ 8,959	$ 9,146	$ 8,843
Adjusted EBITDA % of Sales	6.1%	8.6%	8.3%	5.9%	8.2%	9.8%	10.9%	8.3%	10.4%	8.7%	10.4%	9.1%	8.8%	8.3%

Consolidated Balance Sheet

	June 30, 2021 (Unaudited)	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,855	$ 28,393
Restricted cash	1,003	998
Accounts receivable, less allowance for doubtful accounts of $680 and $654, respectively	46,228	44,515
Inventories, net	63,029	61,867
Miscellaneous receivables and prepaid expenses	7,545	7,289
Total current assets	123,660	143,062
Property, plant and equipment, net	17,439	15,800
Deferred income taxes	19,456	18,482
Goodwill	35,674	35,176
Cash value of life insurance	16,895	16,185
Intangible assets, net	17,592	18,503
Right of use assets	13,483	8,764
Other assets	329	332
Total assets	$ 244,528	$ 256,304
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	23,787	22,262
Accrued acquisition liability	—	32,673
Lease obligation	4,417	4,568
Accrued expenses and other liabilities	38,024	38,492
Total current liabilities	66,228	97,995
Revolving line of credit	5,000	—
Security bonus plan	10,958	11,262
Lease obligation	10,611	5,738
Deferred compensation	11,493	10,461
Deferred tax liability	3,560	2,841
Other liabilities	5,780	5,585
Total liabilities	113,630	133,882
Stockholders' equity:		
Preferred stock, $1 par value:		
Authorized - 500,000 shares, Issued and outstanding — None	—	—
Common stock, $1 par value:		
Authorized - 35,000,000 shares Issued - 9,304,366 and 9,287,625 shares, respectively Outstanding - 9,077,512 and 9,061,039 shares, respectively	9,304	9,288
Capital in excess of par value	20,798	19,841
Retained earnings	108,140	101,609
Treasury stock – 226,854 and 226,586 shares, respectively	(9,028)	(9,015)
Accumulated other comprehensive income (loss)	1,684	699
Total stockholders' equity	130,898	122,422
Total liabilities and stockholders' equity	$ 244,528	$ 256,304