

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):

November 9, 2015

LAWSON PRODUCTS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

0-10546

(Commission File Number)

36-2229304

(I.R.S. Employer Identification No.)

8770 W. Bryn Mawr Ave., Suite 900, Chicago, Illinois

(Address of principal executive offices)

60631

(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))

Item 7.01 Regulation FD Disclosure.

Lawson Products, Inc. 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 November 2015

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: November 9, 2015

By: /s/ Ronald J. Knutson

Name: Ronald J. Knutson

Title: Executive Vice President, Chief Financial Officer, Treasurer and Controller

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
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99.1

Investor Presentation November 2015



LAWSON Products



Investor Presentation

November 2015

Presented By:

Mike DeCata – President and Chief Executive Officer

Ron Knutson – EVP, Chief Financial Officer

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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, 2014.

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.

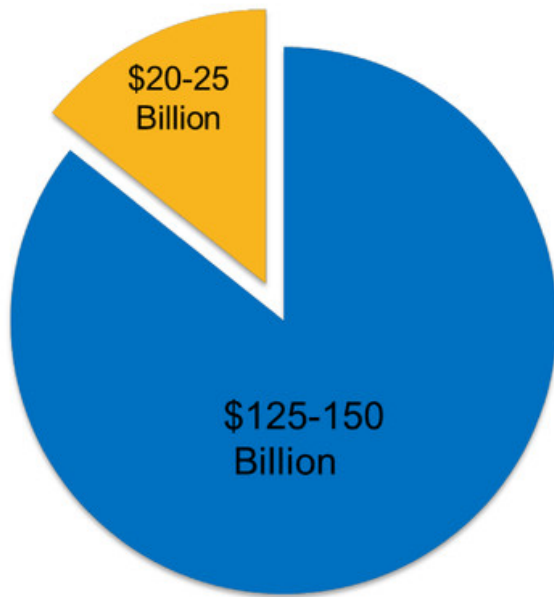
Lawson Products: At a Glance

- **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**
 - 5 strategically located distribution centers
 - Workforce ~1,500 (over 900 sales reps)
- **Supplies approximately 300,000 products to the MRO marketplace**
- **VMI and private label drives high gross margins**



Competitive Advantages and Differentiators

“Not the Typical MRO Distributor”



■ Broad Based MRO Market ■ Service Based VMI Market

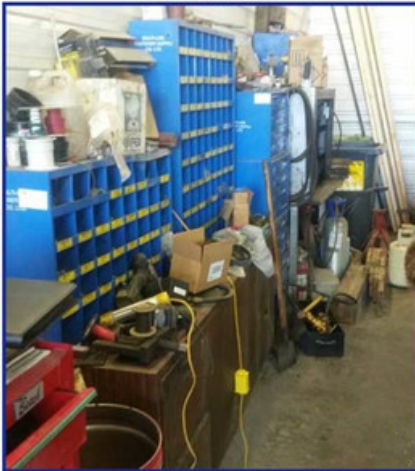
What differentiates Lawson:

- 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

Our Commitment to our 70,000 Customers

High touch service and technical expertise drives customer relationships

Before



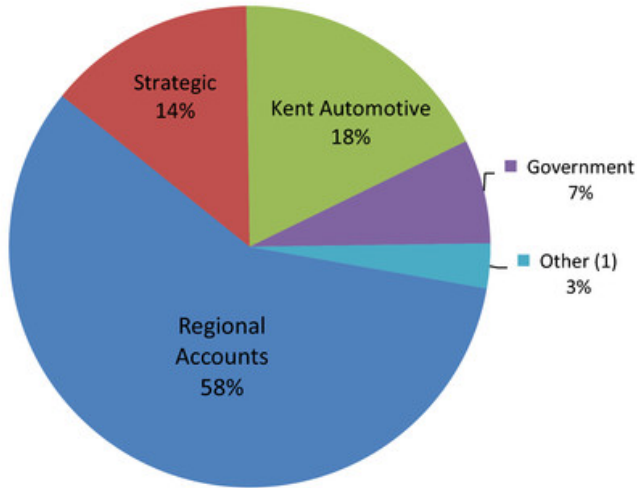
After



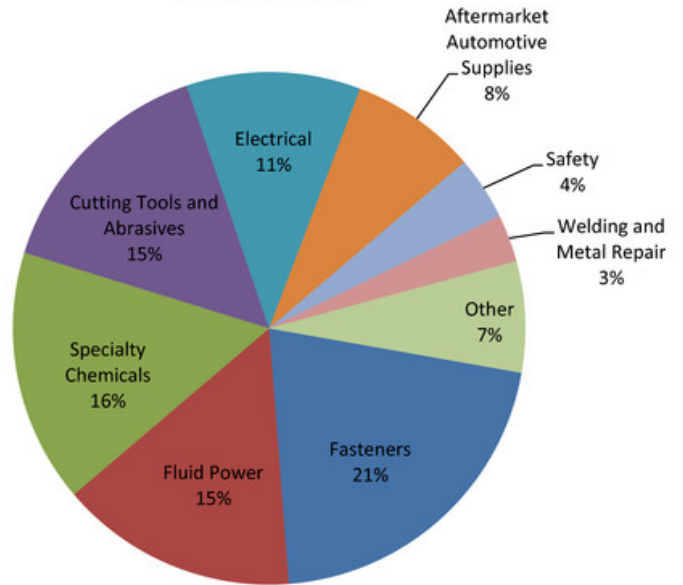
One Company, Zero Headaches	Inventory Management Options	Access to Industry Knowledge & Expertise
<ul style="list-style-type: none"> Approximately 300,000 products 	<ul style="list-style-type: none"> Lawson Managed Inventory 	<ul style="list-style-type: none"> Product recommendations from your Lawson Representative
<ul style="list-style-type: none"> Hundreds of pre-built assortments 	<ul style="list-style-type: none"> Industrial vending 	<ul style="list-style-type: none"> Application advice from our test and application engineers
<ul style="list-style-type: none"> Unlimited sourcing of hard-to-find items 	<ul style="list-style-type: none"> Self-service inventory management 	<ul style="list-style-type: none"> Complimentary on-site safety & product usage training

Customer and Product Profile

Customer Mix



Product Mix

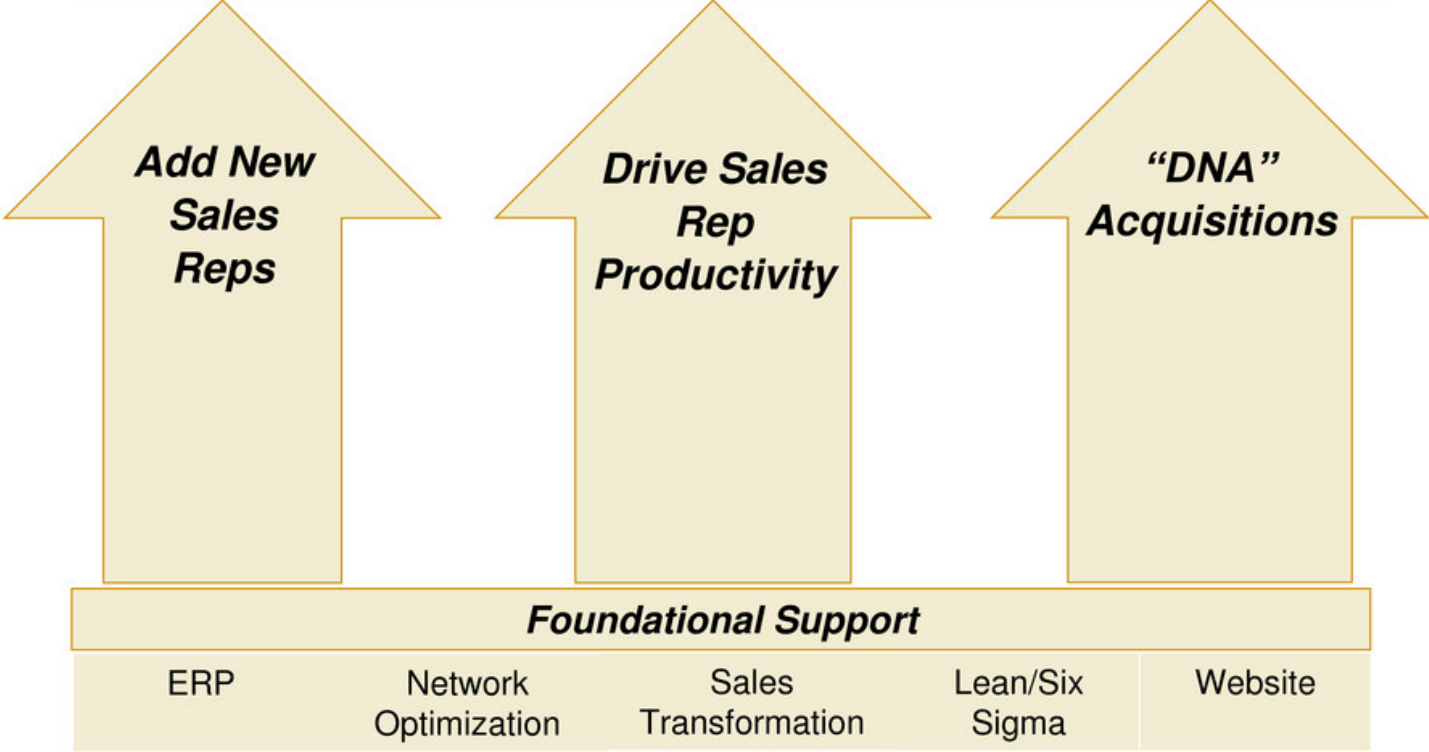


(1) Other consists primarily of freight revenue



Lawson Growth Strategy

Sales Growth Driven By



2015/2016 Focus: Actions Across the Value Chain Driving Growth

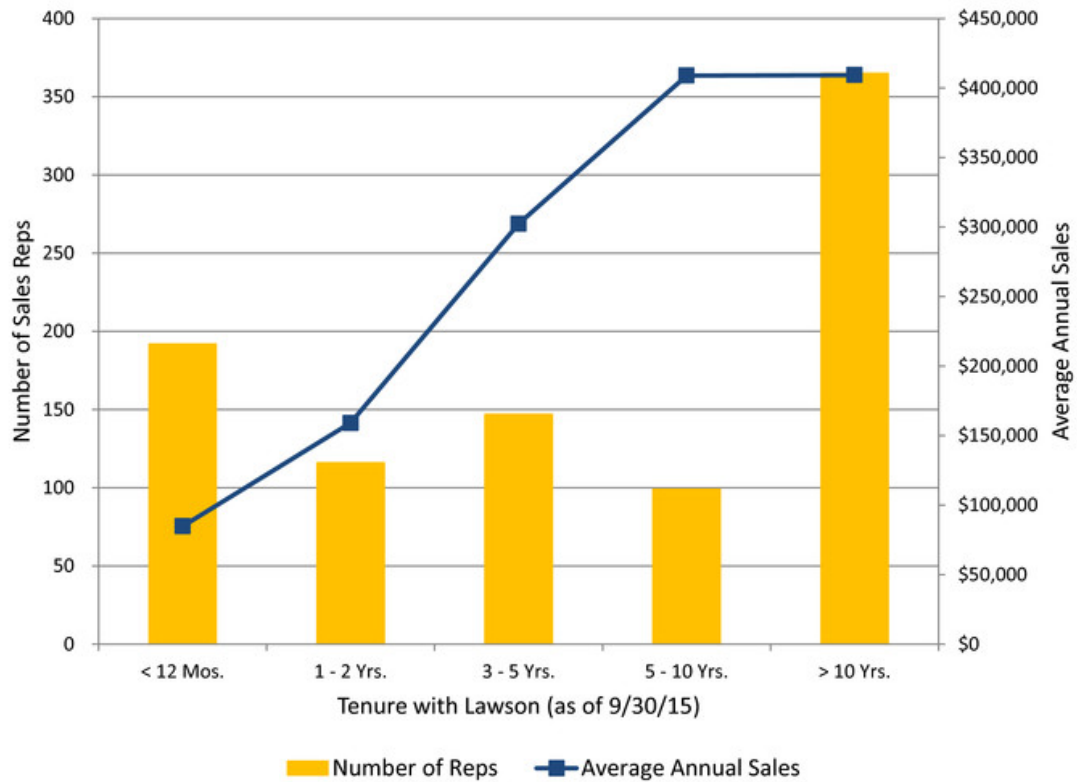
Add New Sales Reps and Drive Rep Productivity



Sales Process / Sales Reps	Customer Service / Order Entry	Product Management / Pricing	DC Operations	Sourcing / Purchasing
<ul style="list-style-type: none"> • Increase sales rep count • Onboarding process/training • Sales Management dashboard • EDI with customers 	<ul style="list-style-type: none"> • Reduction of cycle times • Order pad • Consolidation of shipments • Sales service reps 	<ul style="list-style-type: none"> • Leverage vendor drop-ship programs • Fleet maintenance focus • Pricing enhancements • Website 	<ul style="list-style-type: none"> • Reduce cycle time • Refine "Pull" strategy • Freight enhancements • Minimize backorders • Improve service levels • Forecasting tool 	<ul style="list-style-type: none"> • Supplier negotiation process • Vendor metrics • Electronic communication

Information Technology – Integration of Web and SAP
Lean / Six Sigma

Longer Sales Rep Tenure Drives Rep Productivity



Financial Highlights

- **Ended Q3 2015 with 925 sales reps, up 31 from Q3 2014**
- **Strong gross margins** – 61.7% in Q3 2015 v. 60.1% in Q3 2014
- **Adjusted EBITDA margin improving**
 - ✓ 7.5% in Q3 2015 v. 5.9% in Q3 2014
 - ✓ Continued investment in new sales reps
 - ✓ Cost control measures in place
- **Significant operating leverage reflected in EPS**
 - ✓ \$0.27 in Q3 2015 vs. \$0.05 in Q3 2014
- **Strong balance sheet**
 - ✓ No debt
 - ✓ Significant capital investments completed to support growth
 - ✓ \$40 million credit facility in place

Lawson Products: Poised for Growth

- **Foundational Investments Completed**
- **Operational Excellence**
- **Leverage Current Infrastructure**
- **Continued Sales Force Expansion**
- **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 Foundational Activities

August 2011	➤ Implemented SAP
October 2011	➤ Commenced construction of new McCook, Ill distribution center
May 2012	➤ Relocated corporate headquarters
June 2012	➤ Announced \$20M in annual costs savings ➤ Restructured senior team
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	➤ Completed planned staff reduction ➤ 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 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	➤ Closed on sale of Reno distribution facility for net proceeds of \$8.3M; began 10 year lease for currently used portion of facility
December 2014	➤ Ended year with over 900 sales reps
February 2015	➤ Held North American sales meeting
September 2015	➤ Completed Western Canada acquisition

Regulation G – GAAP Reconciliation

Appendix P-2

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 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Net Sales	\$67,213	\$68,317	\$68,235	\$65,738	\$69,204	\$72,080	\$74,128	\$70,281	\$69,904	\$ 70,726	\$ 70,243
Operating Income (Loss)	(3,530)	(201)	870	(3,002)	(4,713)	1,241	678	(2,169)	(947)	3,243	2,810
Depreciation & Amortization	2,061	2,244	2,367	2,358	2,295	2,163	2,160	2,133	2,096	2,126	2,119
EBITDA	(1,469)	2,043	3,237	(644)	(2,418)	3,404	2,838	(36)	1,149	5,369	4,929
<u>Excluded Costs</u>											
Severance	-	2	962	(127)	728	290	(328)	(59)	571	50	372
Stock Based Compensation (Benefit)	1,596	76	33	562	1,125	408	2,423	2,443	(541)	971	(30)
Loss/(Gain) on Disposal of Property	-	-	(36)	32	-	-	97	45	-	-	(2)
Legal Settlement	-	-	-	-	-	-	(688)	-	-	-	-
Employment Tax Matter	-	-	-	(400)	-	-	-	-	-	-	-
Loss on Sub-Lease	-	-	-	2,928	-	-	-	-	-	-	-
National sales meeting	1,225	-	-	-	-	-	-	-	1,889	-	-
Remediation expense	-	-	-	-	-	-	-	340	-	-	-
Property Impairment Loss	-	-	-	-	2,914	132	-	-	-	-	-
Adjusted EBITDA	\$ 1,352	\$ 2,121	\$ 4,196	\$ 2,351	\$ 2,349	\$ 4,234	\$ 4,342	\$ 2,733	\$ 3,068	\$ 6,390	\$ 5,269
Adjusted EBITDA % of Sales	2.0%	3.1%	6.1%	3.6%	3.4%	5.9%	5.9%	3.9%	4.4%	9.0%	7.5%

Quarterly Results

	(Dollars in thousands)				
	Three Months Ended				
	Sep. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sep. 30, 2014
Number of business days	64	64	63	61	64
Average daily net sales	\$ 1,098	\$ 1,105	\$ 1,110	\$ 1,152	\$ 1,158
Sequential quarter increase (decrease)	(0.6)%	(0.5)%	(3.6)%	(0.5)%	2.8 %
Average active sales rep. count	917	912	911	908	882
Period-end active sales rep. count	925	920	917	916	894
Sales per rep. per day	\$ 1.197	\$ 1.212	\$ 1.218	\$ 1.269	\$ 1.313
Sequential quarter decrease	(1.2)%	(0.5)%	(4.0)%	(3.4)%	(0.5)%
Net sales	\$ 70,243	\$ 70,726	\$ 69,904	\$ 70,281	\$ 74,128
Gross profit	43,342	43,808	42,883	42,935	44,533
Gross profit percentage	61.7%	61.9%	61.3%	61.1%	60.1%
Operating expenses					
Selling, general & administrative expenses	\$ 40,532	\$ 40,565	\$ 43,830	\$ 44,764	\$ 43,855
Other expenses, net	—	—	—	340	—
	<u>40,532</u>	<u>40,565</u>	<u>43,830</u>	<u>45,104</u>	<u>43,855</u>
Operating income (loss)	<u>\$ 2,810</u>	<u>\$ 3,243</u>	<u>\$ (947)</u>	<u>\$ (2,169)</u>	<u>\$ 678</u>

Consolidated Balance Sheet

Appendix P-4

	September 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,780	\$ 4,207
Restricted cash	800	800
Accounts receivable, less allowance for doubtful accounts	31,439	31,546
Inventories	42,691	44,517
Miscellaneous receivables and prepaid expenses	5,013	5,433
Total current assets	87,723	86,503
Property, plant and equipment, net	36,996	41,588
Cash value of life insurance	10,228	9,188
Deferred income taxes	51	51
Other assets	752	510
Total assets	\$ 135,750	\$ 137,840
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 9,905	\$ 7,867
Accrued expenses and other liabilities	25,059	30,861
Total current liabilities	34,964	38,728
Security bonus plan	15,084	15,857
Financing lease obligation	8,765	9,414
Deferred compensation	4,684	5,102
Deferred rent liability	4,027	4,361
Other liabilities	2,624	2,523
Total liabilities	70,148	75,985
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 - 8,763,524 and 8,720,350 shares, respectively		
Outstanding - 8,748,092 and 8,706,467 shares, respectively	8,764	8,720
Capital in excess of par value	9,586	8,701
Retained earnings	47,260	43,275
Treasury stock – 15,432 and 13,883 shares, respectively	(272)	(267)
Accumulated other comprehensive income	284	1,426
Total stockholders' equity	65,602	61,855
Total liabilities and stockholders' equity	\$ 135,750	\$ 137,840

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