

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 6, 2023

STRAN & COMPANY, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

001-41038
(Commission File Number)

04-3297200
(IRS Employer
Identification No.)

2 Heritage Drive, Suite 600, Quincy, MA
(Address of principal executive offices)

02171
(Zip Code)

800-833-3309
(Registrant's telephone number, including area code)

(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(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	SWAG	The NASDAQ Stock Market LLC
Warrants, each warrant exercisable for one share of Common Stock at an exercise price of \$4.81375	SWAGW	The NASDAQ Stock Market LLC

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

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 6, 2023, Stran & Company, Inc. (the "Company") issued a press release providing a business update and reporting its financial results for the quarter ended September 30, 2023. The press release also announced that the Company will hold a conference call at 10:00 A.M. Eastern Time on November 6, 2023 to discuss its financial results for the quarter ended September 30, 2023, the Company's corporate progress and other developments. A copy of the press release is furnished as Exhibit 99.1 to this report.

The information furnished pursuant to this Item 2.02 (including Exhibit 99.1 hereto), shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933, as amended (the "Securities Act"), except as expressly set forth by specific reference in such a filing.

Forward-Looking Statements

The press release and the statements contained therein include "forward-looking" statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or the Company's future financial or operating performance. In some cases, you can identify these statements because they contain words such as "may," "will," "believes," "expects," "anticipates," "estimates," "projects," "intends," "should," "seeks," "future," "continue," "plan," "target," "predict," "potential," or the negative of such terms, or other comparable terminology that concern the Company's expectations, strategy, plans, or intentions. Forward-looking statements relating to expectations about future results or events are based upon information available to the Company as of today's date and are not guarantees of the future performance of the Company, and actual results may vary materially from the results and expectations discussed. Forward-looking statements include, but are not limited to, the Company's expectations regarding synergies from its acquired businesses, its financial position and operating performance, its expectations regarding its business initiatives, the Company's expectations about its operating performance, trends in its business, the effectiveness of its strategies, its market opportunity, and demand for its products and services in general. The Company's expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected,

including risks and uncertainties described in the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and other filings with the Securities and Exchange Commission. All subsequent written and oral forward-looking statements concerning the Company or other matters and that are attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. The Company does not undertake any obligation to publicly update any of these forward-looking statements to reflect events or circumstances that may arise after the date hereof, except as required by law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description of Exhibit
99.1	Press Release dated November 6, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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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.

Date: November 6, 2023

STRAN & COMPANY, INC.

/s/ Andrew Shape

Name: Andrew Shape

Title: President and Chief Executive Officer

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**Stran & Company Announces 42% Increase in Revenue
and Reports Profitable Net Earnings for the Third Quarter of 2023**

Conference call to be held today at 10:00 AM ET

Quincy, MA / November 6, 2023 / Stran & Company, Inc. (“Stran” or the “Company”) (NASDAQ: SWAG) (NASDAQ: SWAGW), a leading outsourced marketing solutions provider that leverages its promotional products and loyalty incentive expertise, today provided a business update and reported financial results for the three months ended September 30, 2023.

Andy Shape, President and Chief Executive Officer of Stran, commented, “Following our business growth initiatives, we generated a 42% increase in revenue to a record \$19.3 million for the third quarter of 2023. At the same time, our gross profit increased by 50% to \$6.4 million, with gross profit margin increasing to 33% compared to 31% for the same period last year, and we booked net earnings of approximately \$684,000. We believe our growth and net earnings this quarter reflect infrastructure and technology investments, marketing initiatives, and strategic acquisitions we have pursued in recent quarters while managing our expenses. Moreover, we are proud to have grown organic revenue 30% to \$15.4 million for the third quarter of 2023 and achieved these results despite a challenging macroeconomic environment, reflecting our competitive position and increase in market share. As a result, we believe we are continuing to lead the highly fragmented, \$25.8 billion promotional products industry through continued organic growth, coupled with a highly accretive acquisition strategy.”

“Over the last eighteen months, we have completed four acquisitions and have now integrated all of these businesses into Stran. Each acquisition has brought assets that are significant to Stran, by expanding our geographic footprint, increasing our logistical capabilities, and bringing preferred clientele to our roster of clients. While we will continue to explore strategic M&A opportunities as they arise, our primary focus is organic growth and maximizing the potential of these acquisitions. By combining our M&A strategy with expanded sales and marketing programs, we have further developed our client base, as illustrated by a recent three-year contract estimated to provide up to several hundred thousand dollars in annual spending with a leading medical group. In addition, we recently expanded our relationship with an online sports and entertainment customer, and have launched a loyalty redemption program. This program received over 22,000 orders, generating over \$2 million in sales within the first week alone. By combining reliability and execution, we serve notable brands and intend to continue to deliver on customer needs.”

“Reflecting our confidence in our financial position and the outlook of the business, during the last quarter we continued to conduct our stock repurchase program initially announced in February 2022. As of September 30, 2023, we have repurchased a total of approximately \$3.4 million of stock over the course of the program, and management team members have also reported purchases of Company stock in the open market. At the same time, we completed the quarter with \$19.7 million in cash and liquid investments as of September 30, 2023, and continued to manage expenses. Overall, we plan to continue to apply our growth strategy by innovating and investing in technology, initiating marketing efforts to help deepen and develop client relationships, and selectively pursuing acquisitions to sustain our growing operations.”

Financial Results

Revenue increased 42% to approximately \$19.3 million for the three months ended September 30, 2023 from approximately \$13.6 million for the three months ended September 30, 2022. The increase was primarily due to higher spending from existing customers as well as business from new customers. Additionally, the acquisitions of the assets of each of G.A.P. Promotions, LLC (“G.A.P. Promotions”) in January 2022, Trend Promotional Marketing Corporation (d/b/a Trend Brand Solutions) (“Trend Brand Solutions”) in August 2022, Premier Business Services (“Premier NYC”) in December 2022, and T R Miller Co., Inc. (“T R Miller”) in June 2023, respectively, accounted for an aggregate of approximately \$3.9 million, or 20.4%, of sales, for the third quarter of 2023, compared to approximately \$1.7 million, or 12.6%, of sales, for the third quarter of 2022 from the acquisition of the G.A.P. Promotions assets in January 2022 and the acquisition of the Trend Brand Solutions assets in August 2022. Recurring organic sales, defined as sales excluding revenue from the acquisitions of the assets of each of G.A.P. Promotions, Trend Brand Solutions, Premier NYC, and T R Miller, increased 29.5%, or approximately \$3.5 million, to approximately \$15.4 million for the three months ended September 30, 2023, compared to approximately \$11.9 million for the three months ended September 30, 2022.

Gross profit increased 50% to approximately \$6.4 million, or 33.0% of revenue, for the three months ended September 30, 2023, from approximately \$4.2 million, or 31.3% of revenue, for the three months ended September 30, 2022. The increase in the dollar amount of gross profit was due to increased sales, partially offset by an increase in purchasing and freight costs.

Net earnings for the three months ended September 30, 2023 were approximately \$0.7 million, compared to a net loss of approximately \$0.7 million for the three months ended September 30, 2022. This change was primarily due to the increase in sales during the three months ended September 30, 2023, partially offset by an increase in operating expenses.

Conference Call

The Company will host a conference call at 10:00 A.M. Eastern Time today to discuss the Company’s financial results for the Company’s financial results for the third quarter of 2023 ended September 30, 2023, as well as the Company’s corporate progress and other developments.

The conference call will be available via telephone by dialing toll free 888-506-0062 for U.S. callers or +1 973-528-0011 for international callers and using entry code: 926511. A webcast of the call may be accessed at <https://www.webcaster4.com/Webcast/Page/2855/49360> or on the Investor Relations section of the Company’s website at <https://ir.stran.com/news-events/ir-calendar>.

A webcast replay will be available on the Investor Relations section of the Company’s website (<https://ir.stran.com/news-events/ir-calendar>), through November 6, 2024. A telephone replay of the call will be available approximately one hour following the call, through November 20, 2023, and can be accessed by dialing 877-481-4010 for U.S. callers or +1 919-882-2331 for international callers and entering conference ID: 49360.

About Stran

For over 27 years, Stran has grown to become a leader in the promotional products industry, specializing in complex marketing programs to help recognize the value of promotional products, branded merchandise, and loyalty incentive programs as a tool to drive awareness, build brands and impact sales. Stran is the chosen promotional programs manager of many Fortune 500 companies, across a variety of industries, to execute their promotional marketing, loyalty and incentive, sponsorship activation, recruitment, retention, and wellness campaigns. Stran provides world-class customer service and utilizes cutting-edge technology, including efficient ordering and logistics technology to provide order processing, warehousing and fulfillment functions. The Company’s mission is to develop long-term relationships with its clients, enabling them to

Forward Looking Statements

This press release contains “forward-looking statements” that are subject to substantial risks and uncertainties. All statements, other than statements of historical fact, contained in this press release are forward-looking statements. Forward-looking statements contained in this press release may be identified by the use of words such as “anticipate,” “believe,” “contemplate,” “could,” “estimate,” “expect,” “intend,” “seek,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “target,” “aim,” “should,” “will” “would,” or the negative of these words or other similar expressions, although not all forward-looking statements contain these words. Forward-looking statements are based on the Company’s current expectations and are subject to inherent uncertainties, risks and assumptions that are difficult to predict. Further, certain forward-looking statements are based on assumptions as to future events that may not prove to be accurate. These and other risks and uncertainties are described more fully in the section titled “Risk Factors” in the Company’s periodic reports which are filed with the Securities and Exchange Commission. Forward-looking statements contained in this announcement are made as of this date, and the Company undertakes no duty to update such information except as required under applicable law.

Contacts:

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BALANCE SHEETS

	September 30, 2023 (unaudited)	December 31, 2022
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash & Cash Equivalents	\$ 9,435,090	\$ 15,253,756
Investments	10,257,675	9,779,355
Accounts Receivable, Net	16,530,027	14,442,626
Deferred Income Taxes	1,334,000	841,000
Inventory	6,903,305	6,867,564
Prepaid Corporate Taxes	87,459	87,459
Prepaid Expenses	796,018	386,884
Deposits	2,886,051	910,486
	<u>48,229,625</u>	<u>48,569,130</u>
PROPERTY AND EQUIPMENT, NET:	1,413,870	1,000,090
OTHER ASSETS:		
Intangible Assets - Customer Lists, Net	10,313,107	6,272,205
Right of Use Asset - Office Leases	1,344,160	784,683
	<u>11,657,267</u>	<u>7,056,888</u>
	<u>\$ 61,300,762</u>	<u>\$ 56,626,108</u>
<u>LIABILITIES AND STOCKHOLDER’S EQUITY</u>		
CURRENT LIABILITIES:		
Current Portion of Contingent Earn-Out Liabilities	\$ 3,083,215	\$ 1,809,874
Current Portion of Lease Liability	460,464	324,594
Accounts Payable and Accrued Expenses	4,858,590	4,051,657
Accrued Payroll and Related	1,224,071	608,589
Unearned Revenue	4,268,990	633,148
Rewards Program Liability	2,750,000	6,000,000
Sales Tax Payable	278,945	365,303
Note Payable - Wildman	-	162,358
	<u>16,924,275</u>	<u>13,955,523</u>
LONG-TERM LIABILITIES:		
Long-Term Contingent Earn-Out Liabilities	4,883,265	2,845,944
Long-Term Lease Liability	858,214	460,089
	<u>5,741,479</u>	<u>3,306,033</u>
STOCKHOLDERS’ EQUITY:		
Common Stock, \$.0001 Par Value; 300,000,000 Shares Authorized, 18,521,332 and 18,475,521 Shares Issued and Outstanding as of September 30, 2023 and December 31, 2022, respectively	1,853	1,848
Additional Paid-In Capital	38,397,861	38,279,151
Retained Earnings	235,294	1,083,553
	<u>38,635,008</u>	<u>39,364,552</u>
	<u>\$ 61,300,762</u>	<u>\$ 56,626,108</u>

STATEMENTS OF EARNINGS (LOSS) AND RETAINED EARNINGS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(UNAUDITED)

	<u>Three Months Ended September 30, 2023</u>	<u>Three Months Ended September 30, 2022</u>	<u>Nine Months Ended September 30, 2023</u>	<u>Nine Months Ended September 30, 2022</u>
SALES	\$ 19,303,335	\$ 13,576,072	\$ 52,549,688	\$ 40,642,559
COST OF SALES:				
Purchases	11,603,364	8,388,856	32,437,178	25,843,023
Freight	1,328,603	939,865	3,970,268	3,573,830
	<u>12,931,967</u>	<u>9,328,721</u>	<u>36,407,446</u>	<u>29,416,853</u>
GROSS PROFIT	6,371,368	4,247,351	16,142,242	11,225,706
OPERATING EXPENSES:				
General and Administrative Expenses	5,939,694	4,896,386	18,369,963	13,152,774
	<u>5,939,694</u>	<u>4,896,386</u>	<u>18,369,963</u>	<u>13,152,774</u>
EARNINGS (LOSS) FROM OPERATIONS	431,674	(649,035)	(2,227,721)	(1,927,068)
OTHER INCOME AND (EXPENSE):				
Other Income	242,009	20,471	313,738	92,124
Interest Income (Expense)	183,156	(2,881)	467,415	(9,023)
Unrealized Gain (Loss) on Investments	35,770	(231,214)	134,352	(231,214)
	<u>460,935</u>	<u>(213,624)</u>	<u>915,505</u>	<u>(148,113)</u>
EARNINGS (LOSS) BEFORE INCOME TAXES	892,609	(862,659)	(1,312,216)	(2,075,181)
PROVISION FOR INCOME TAXES	208,000	(174,507)	(463,957)	(393,772)
NET EARNINGS (LOSS)	684,609	(688,152)	(848,259)	(1,681,409)
NET EARNINGS (LOSS) PER COMMON SHARE				
Basic and Diluted	\$ 0.04	\$ (0.03)	\$ (0.05)	\$ (0.09)
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING				
Basic and Diluted	18,515,206	19,702,136	18,515,206	19,702,136