

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): March 28, 2024

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 March 28, 2024, Stran & Company, Inc. (the "Company") issued a press release providing a business update and reporting its financial results for the fourth fiscal quarter and fiscal year ended December 31, 2023. The press release also announced that the Company will hold a conference call at 10:00 AM Eastern Time on March 28, 2024 to discuss its financial results for the fourth fiscal quarter and fiscal year ended December 31, 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 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 March 28, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

1

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: March 28, 2024

STRAN & COMPANY, INC.

/s/ Andrew Shape

Name: Andrew Shape

Title: President and Chief Executive Officer

2



**Stran & Company Reports 28.7% Increase in Sales
and Achieves Profitability for the 2023 Fiscal Year**

Benefitting from Increased Operating Efficiency and Economies of Scale, Evidenced by 156% Year-Over-Year Increase in Operating Income for the Fourth Quarter of 2023

Reports Net Earnings of \$883,000 for the Fourth Quarter of 2023

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

Quincy, MA / March 28, 2024 / 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 year ended December 31, 2023.

Andy Shape, President and CEO of Stran, commented, “We made meaningful progress throughout 2023, resulting in record sales of approximately \$75.9 million, a 28.7% increase over the prior year. Additionally, our gross profit increased 50.2% to approximately \$24.9 million, with our gross margin increasing to 32.8% compared to 28.1% for 2022, while achieving profitability for the full year. We also saw impressive results for the fourth quarter of 2023 where our sales increased by 27.5% to a quarterly record of approximately \$23.3 million, our gross profit increased by 63.5% to approximately \$8.7 million, and our gross margin increased to 37.4%, compared to 29.2% for the same period last year. Our fourth quarter results also demonstrate the operating leverage we are gaining, evidenced by a 156.1% increase to approximately \$1.1 million in operating income as well as \$883,000 of net earnings for the fourth quarter of 2023. Moreover, we are proud to have realized a 16.6% increase in organic sales for 2023. We believe these achievements highlight our robust competitive position, expanding market presence, growth within existing client relationships, and the addition of a number of new first-class customers.”

“During the year, we closed the T R Miller Co., Inc. (“T R Miller”) assets acquisition, which was our fourth acquisition within less than two years, following assets acquisitions from G.A.P. Promotions, LLC (“G.A.P. Promotions”), Trend Promotional Marketing Corporation (d/b/a Trend Brand Solutions) (“Trend Brand Solutions”), and Premier Business Services (“Premier NYC”). Each acquisition has delivered crucial strategic benefits to Stran and our operations, including the expansion of our geographic reach, bolstering our warehousing and manufacturing capabilities, and attracting esteemed clients to our already impressive portfolio. While we continue to actively explore M&A opportunities as they emerge, our primary focus is on nurturing our organic growth and optimizing the benefits of our existing acquisitions. In addition, our improved sales and marketing initiatives, including more targeted SEO and demand generation combined with an expanded sales leadership team, are having a positive effect on our contract pipeline.”

“Overall, we have preserved a strong balance sheet with approximately \$18.5 million in cash and investments as of December 31, 2023. We are very proud of the achievements we’ve accomplished thus far, including profitability, securing new contracts, and raising Stran’s visibility. Most importantly, we are beginning to realize greater efficiency and economies of scale that will continue to enhance our profitability. We eagerly anticipate further benefits from our growth initiatives and look forward to sharing additional updates with shareholders as they unfold.”

Financial Results

Fourth Quarter 2023 Results

Sales increased 27.5% to approximately \$23.3 million for the three months ended December 31, 2023, from approximately \$18.3 million for the three months ended December 31, 2022, resulting in the highest quarterly sales in the Company’s history. As in many previous years, our net sales and profits were impacted by the holiday selling season. The increase was primarily due to increased sales and marketing as well as the acquisitions of the assets of Premier NYC in December 2022 and T R Miller in June 2023.

Gross profit increased 63.5% to approximately \$8.7 million, or 37.4% of sales, for the three months ended December 31, 2023, from approximately \$5.3 million, or 29.2% of sales, for the three months ended December 31, 2022. The increase in the dollar amount of gross profit was due to increased sales, partially offset by an increase in purchasing costs.

Net earnings for the three months ended December 31, 2023 was approximately \$0.8 million compared to net earnings of approximately \$0.9 million for the three months ended December 31, 2022. This decrease was primarily due to tax provisions and increased operating expenses.

Full Year 2023 Results

Sales increased 28.7% to approximately \$75.9 million for the year ended December 31, 2023, from approximately \$59.0 million for the year ended December 31, 2022. The increase was primarily due to higher spending from existing clients as well as business from new customers. Additionally, the acquisitions of the G.A.P. Promotions assets in January 2022, the Trend Brand Solutions assets in August 2022, the Premier NYC assets in December 2022, and the T R Miller assets in June 2023 accounted for approximately \$14.7 million, or 19.4%, of sales, for 2023, compared to approximately \$6.5 million, or 11.0%, of sales for 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 16.6%, or approximately \$8.7 million, to \$61.2 million for the year ended December 31, 2023, from approximately \$52.5 million for the year ended December 31, 2022.

Gross profit increased 50.2% to approximately \$24.9 million, or 32.8% of sales, for the year ended December 31, 2023, from approximately \$16.6 million, or 28.1% of sales, for the year ended December 31, 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 year ended December 31, 2023 was approximately \$35,000, compared to a net loss of \$778,000 for the year ended December 31, 2022. This change was primarily due to the increase in sales during 2023 from the acquisition of the assets of each of G.A.P. Promotions, Trend Brand Solutions, Premier NYC, and T R Miller, and the increase of recurring organic sales during 2023 compared to 2022. These factors were partially offset by an increase in operating expenses and increase in purchasing costs.

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 fourth fiscal quarter and fiscal year ended December 31, 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: 730645. A webcast of the call may be accessed at <https://www.webcaster4.com/Webcast/Page/2855/50019> or on the Company's Investors section of the website: ir.stran.com/news-events/ir-calendar.

A webcast replay will be available on the Investor Relations section of the Company's website (ir.stran.com/news-events/ir-calendar) through March 28, 2025. A telephone replay of the call will be available approximately one hour following the call, through April 11, 2024, 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: 50019.

About Stran

For over 28 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 connect with both their customers and employees in order to build lasting brand loyalty. Additional information about the Company is available at: www.stran.com.

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:

Investor Relations Contact:

Crescendo Communications, LLC
Tel: (212) 671-1021
SWAG@crescendo-ir.com

Press Contact:

Howie Turkenkopf
press@stran.com

BALANCE SHEETS

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash & Cash Equivalents	\$ 7,988,803	\$ 15,253,756
Investments	10,463,799	9,779,355
Accounts Receivable, Net	20,465,564	14,442,626
Deferred Income Taxes	841,000	841,000
Inventory	6,639,358	6,867,564
Prepaid Corporate Taxes	16,800	87,459
Prepaid Expenses	952,691	386,884
Deposits	1,717,444	910,486
	<u>49,085,459</u>	<u>48,569,130</u>
PROPERTY AND EQUIPMENT, NET:	1,520,933	1,000,090
OTHER ASSETS:		
Intangible Assets - Customer Lists, Net	9,659,481	6,272,205
Right of Use Asset - Office Leases	1,335,653	784,683
	<u>10,995,134</u>	<u>7,056,888</u>
	<u>\$ 61,601,526</u>	<u>\$ 56,626,108</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Current Portion of Contingent Earn-Out Liabilities	\$ 2,870,274	\$ 1,809,874
Current Portion of Lease Liability	527,548	324,594
Accounts Payable and Accrued Expenses	4,316,198	4,051,657

Accrued Payroll and Related	2,563,238	608,589
Unearned Revenue	5,171,479	633,148
Rewards Program Liability	875,000	6,000,000
Sales Tax Payable	343,944	365,303
Note Payable - Wildman	-	162,358
	<u>16,667,681</u>	<u>13,955,523</u>
LONG-TERM LIABILITIES:		
Long-Term Contingent Earn-Out Liabilities	4,586,765	2,845,944
Long-Term Lease Liability	797,558	460,089
	<u>5,384,323</u>	<u>3,306,033</u>
STOCKHOLDERS' EQUITY:		
Common Stock, \$.0001 Par Value; 300,000,000 Shares Authorized, 18,534,073 and 18,475,521 Shares Issued and Outstanding as of December 31, 2023 and December 31, 2022, respectively	1,854	1,848
Additional Paid-In Capital	38,429,057	38,279,151
Retained Earnings	1,118,611	1,083,553
	<u>39,549,522</u>	<u>39,364,552</u>
	<u>\$ 61,601,526</u>	<u>\$ 56,626,108</u>

4

**STATEMENTS OF EARNINGS (LOSS) AND RETAINED EARNINGS
THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

	Three Months Ended December 31, 2023 (Unaudited)	Three Months Ended December 31, 2022 (Unaudited)	Twelve Months Ended December 31, 2023	Twelve Months Ended December 31, 2022
SALES	\$ 23,344,183	\$ 18,310,908	\$ 75,893,871	\$ 58,953,467
COST OF SALES:				
Purchases	12,962,024	11,548,916	45,399,202	37,391,939
Freight	1,642,901	1,418,024	5,613,169	4,991,854
	<u>14,604,925</u>	<u>12,966,940</u>	<u>51,012,371</u>	<u>42,383,793</u>
GROSS PROFIT	8,739,258	5,343,968	24,881,500	16,569,674
OPERATING EXPENSES:				
General and Administrative Expenses	7,660,067	4,922,595	26,030,030	18,075,369
	<u>7,660,067</u>	<u>4,922,595</u>	<u>26,030,030</u>	<u>18,075,369</u>
EARNINGS (LOSS) FROM OPERATIONS	1,079,191	421,373	(1,148,530)	(1,505,695)
OTHER INCOME AND (EXPENSE):				
Other Income (Expense)	61,325	20,383	375,063	112,507
Interest Income (Expense)	102,972	103,803	570,387	94,680
Unrealized Gain (Loss) on Short-Term Investments	135,235	51,994	269,587	(179,120)
	<u>299,532</u>	<u>176,180</u>	<u>1,215,037</u>	<u>28,067</u>
EARNINGS (LOSS) BEFORE INCOME TAXES	1,378,723	597,553	66,507	(1,477,628)
PROVISION FOR INCOME TAXES	495,406	(305,415)	31,449	(699,187)
NET EARNINGS (LOSS)	883,317	902,968	35,058	(778,441)
NET EARNINGS PER COMMON SHARE				
Basic	\$ 0.05	\$ 0.05	\$ 0.00	\$ (0.04)
Diluted	\$ 0.03	\$ 0.03	\$ 0.00	\$ (0.04)
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING				
Basic	18,528,074	19,202,619	18,519,615	19,202,619
Diluted	29,461,665	29,668,865	29,453,206	19,202,619

5