

CLARUS

**Q1 EARNINGS
PRESENTATION**
MAY 8, 2025



Forward-Looking Statements

Please note that in this presentation we may use words such as “appears,” “anticipates,” “believes,” “plans,” “expects,” “intends,” “future,” and similar expressions which constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are made based on our expectations and beliefs concerning future events impacting the Company and therefore involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements. Potential risks and uncertainties that could cause the actual results of operations or financial condition of the Company to differ materially from those expressed or implied by forward-looking statements in this presentation, include, but are not limited to, the possibility that a condition to closing of the sale of PIEPS may not be satisfied and the sale will not be consummated which could negatively impact the price of the Company’s shares of common stock or the business, results of operations, and financial condition of the Company, as well as those risks and uncertainties more fully described from time to time in the Company’s public reports filed with the Securities and Exchange Commission, including under the section titled “Risk Factors” in the Company’s Annual Report on Form 10-K, and/or Quarterly Reports on Form 10-Q, as well as in the Company’s Current Reports on Form 8-K. All forward-looking statements included in this presentation are based upon information available to the Company as of the date of this presentation and speak only as of the date hereof. We assume no obligation to update any forward- looking statements to reflect events or circumstances after the date of this presentation.

Non-GAAP Financial Measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (“GAAP”). This presentation contains the non-GAAP measures: (i) adjusted gross margin and adjusted gross profit, (ii) adjusted (loss) income from continuing operations and related earnings (loss) per diluted share, (iii) earnings before interest, taxes, other income or expense, depreciation and amortization (“EBITDA”), EBITDA margin, adjusted EBITDA, and adjusted EBITDA margin, and (iv) free cash flow (defined as net cash provided by operating activities less capital expenditures). The Company believes that the presentation of certain non-GAAP measures, i.e.: (i) adjusted gross margin and adjusted gross profit, (ii) adjusted (loss) income from continuing operations and related earnings (loss) per diluted share, (iii) EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin, and (iv) free cash flow, provide useful information for the understanding of its ongoing operations and enables investors to focus on period-over-period operating performance, and thereby enhances the user’s overall understanding of the Company’s current financial performance relative to past performance and provides, along with the nearest GAAP measures, a baseline for modeling future earnings expectations. Non-GAAP measures are reconciled to comparable GAAP financial measures within this presentation. We do not provide a reconciliation of the non-GAAP guidance measures adjusted EBITDA and/or adjusted EBITDA margin for the fiscal year 2025 to net income for the fiscal year 2025, the most comparable GAAP financial measure, due to the inherent difficulty of forecasting certain types of expenses and gains, without unreasonable effort, which affect net income but not adjusted EBITDA and/or adjusted EBITDA margin. The Company cautions that non-GAAP measures should be considered in addition to, but not as a substitute for, the Company’s reported GAAP results. Additionally, the Company notes that there can be no assurance that the above referenced non-GAAP financial measures are comparable to similarly titled financial measures used by other publicly traded companies.

Market and Industry Data

The market and industry data used throughout this presentation was obtained from various sources, including the Company’s own research and estimates, surveys or studies conducted by third parties and industry or general publications and forecasts. Industry publications, surveys and forecasts generally state that they have obtained information from sources believed to be reliable, but there can be no assurance as to the accuracy and completeness of such information. While the Company believes that each of these surveys, studies, publications and forecasts is reliable, it has not independently verified such data and the Company is not making any representation as to the accuracy of such information. Similarly, the Company believes its internal research and estimates are reliable but it has not been verified by any independent sources. In addition, while the Company believes that the industry and market information included herein is generally reliable, such information is inherently imprecise. While the Company is not aware of any misstatements regarding the industry and market data presented herein, its estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading “Forward-Looking Statements” above.

TODAY'S PRESENTERS

CLARUS



Warren Kanders

EXECUTIVE CHAIRMAN
Clarus



Mike Yates

CFO
Clarus



Neil Fiske

PRESIDENT
Black Diamond Equipment

Positioned for long-term sustainable growth



Strategic roadmap continues to guide execution

Black Diamond objective: Simplify and focus on the core



Steady progress on key initiatives with overall Q1 performance in line with expected market softness

Adventure objective: Invest to scale



New Adventure leader to execute next phase of growth strategy and capitalize on compelling long-term opportunities, particularly outside home market

Strong balance sheet/prudent capital allocation



Nearly debt-free¹ with \$41.3M of cash on the balance sheet at 3/31; sale of PIEPS consistent with simplification strategy

¹ Total debt of \$1.9 million at 3/31 related to the RockyMounts acquisition

FIRST QUARTER RESULTS AT A GLANCE

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Commitment to operational and organizational progress despite increasingly challenging macro backdrop



\$60.4m

Revenue
-13% Y/Y



\$16.1m

Adventure Revenue
-28% Y/Y

Adventure
Adj. EBITDA:
\$(0.2)m



\$44.3m

Outdoor Revenue
-6% Y/Y

Outdoor
Adj. EBITDA:
\$1.7m



34.6%

Adj. Gross Margin
-230 BPS Y/Y



\$(0.8)m

Adj. EBITDA



BUILDING BLOCKS IN FOCUS

SIMPLIFICATION EXECUTION

PRODUCT LEADERSHIP

FEWER, BIGGER, BETTER

MANAGEMENT COMMENTARY

- **Delivering on commitment to reshape business**
- **Important progress on simplification over the last two years puts Black Diamond in far better position to manage current period of uncertainty stemming from U.S. global trade policies**
- **Lower Q1 gross margin was due to higher mix and quantity of discontinued merchandise, plus one-time cost items**
- **Enhanced inventories - down 3.5% y/y - with 74% of value in most profitable “A” styles**
- **Healthy order book for F/W winter season, with initial apparel bookings up 30% in Europe and 50% in North America**
- **Actively implementing solutions to offset the cost impact of tariffs, taking a long-term view to emerge in an even stronger competitive position**

BUILDING BLOCKS IN FOCUS

INVESTMENT INTO U.S. AND ROW

INVESTMENT INTO BRAND


REBUILT LEADERSHIP TEAM

MANAGEMENT COMMENTARY

- Promoted leadership from within and appointed Tripp Wyckoff to serve as new Adventure head
- Industry veteran with 20+ yrs experience, Wyckoff has helped drive critical progress in U.S. organization since joining Clarus in July 2024
- Lower Q1 results – 28% y/y revenue decline related to performance at three accounts
- Sales in Australia, removing impact from three accounts, were flat y/y despite difficult market
- RockyMounts delivered Q1 revenue of \$1.3M
- Continuing to make inroads with new customers across all product categories, particularly in North America and R.O.W.

Q1 2025 FINANCIAL RESULTS

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		Q1 2025	Q1 2024
	NET SALES	\$60.4M	\$69.3M
	ADJ. GROSS MARGIN	34.6%	36.9%
	ADJ. EBITDA	(\$0.8M)	\$2.0M
	ADJ. EBITDA MARGIN	(1.3)%	2.9%

- Due to ongoing macroeconomic uncertainty stemming from U.S. global trade policies, including the impact of tariffs and resulting potential consequences on consumer demand, withdrawing previously issued FY 2025 revenue, adjusted EBITDA, capital expenditures and free cash flow guidance



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APPENDIX

CLARUS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except per share amounts)

	March 31, 2025	December 31, 2024
Assets		
Current assets		
Cash	\$ 41,315	\$ 45,359
Accounts receivable, less allowance for credit losses of \$1,146 and \$1,271	42,764	43,678
Inventories	87,483	82,278
Prepaid and other current assets	5,485	5,555
Income tax receivable	1,294	910
Total current assets	178,341	177,780
Property and equipment, net	17,845	17,606
Other intangible assets, net	29,532	31,516
Indefinite-lived intangible assets	47,086	46,750
Goodwill	3,804	3,804
Deferred income taxes	36	36
Other long-term assets	16,193	16,602
Total assets	\$ 292,837	\$ 294,094
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 15,893	\$ 11,873
Accrued liabilities	22,219	22,276
Current portion of long-term debt	1,919	1,888
Total current liabilities	40,031	36,037
Deferred income taxes	11,207	12,210
Other long-term liabilities	12,309	12,754
Total liabilities	63,547	61,001
Stockholders' Equity		
Preferred stock, \$0.0001 par value per share; 5,000 shares authorized; none issued	-	-
Common stock, \$0.0001 par value per share; 100,000 shares authorized; 43,054 and 43,004 issued and 38,402 and 38,362 outstanding, respectively	4	4
Additional paid in capital	699,061	697,592
Accumulated deficit	(413,060)	(406,857)
Treasury stock, at cost	(33,156)	(33,114)
Accumulated other comprehensive loss	(23,559)	(24,532)
Total stockholders' equity	229,290	233,093
Total liabilities and stockholders' equity	\$ 292,837	\$ 294,094

INCOME STATEMENT

CLARUS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) INCOME
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended	
	March 31, 2025	March 31, 2024
Sales		
Domestic sales	\$ 24,809	\$ 28,284
International sales	35,624	41,027
Total sales	60,433	69,311
Cost of goods sold	39,639	44,460
Gross profit	20,794	24,851
Operating expenses		
Selling, general and administrative	26,616	28,215
Restructuring charges	173	370
Transaction costs	142	38
Legal costs and regulatory matter expenses	625	3,002
Total operating expenses	27,556	31,625
Operating loss	(6,762)	(6,774)
Other income (expense)		
Interest income, net	257	370
Other, net	459	(909)
Total other income (expense), net	716	(539)
Loss before income tax	(6,046)	(7,313)
Income tax benefit	(802)	(851)
Loss from continuing operations	(5,244)	(6,462)
Discontinued operations, net of tax	-	28,346
Net (loss) income	\$ (5,244)	\$ 21,884
Loss from continuing operations per share:		
Basic	\$ (0.14)	\$ (0.17)
Diluted	(0.14)	(0.17)
Net (loss) income per share:		
Basic	\$ (0.14)	\$ 0.57
Diluted	(0.14)	0.57
Weighted average shares outstanding:		
Basic	38,366	38,208
Diluted	38,366	38,208

CLARUS CORPORATION
RECONCILIATION FROM GROSS PROFIT TO ADJUSTED GROSS PROFIT
AND ADJUSTED GROSS MARGIN

THREE MONTHS ENDED

	<u>March 31, 2025</u>		<u>March 31, 2024</u>
Sales	\$ 60,433	Sales	\$ 69,311
Gross profit as reported	\$ 20,794	Gross profit as reported	\$ 24,851
Plus impact of inventory fair value adjustment	120	Plus impact of inventory fair value adjustment	-
Plus impact of PFAS and other inventory reserves	-	Plus impact of PFAS and other inventory reserves	729
Adjusted gross profit	<u>\$ 20,914</u>	Adjusted gross profit	<u>\$ 25,580</u>
Gross margin as reported	<u>34.4%</u>	Gross margin as reported	<u>35.9%</u>
Adjusted gross margin	<u>34.6%</u>	Adjusted gross margin	<u>36.9%</u>

NON-GAAP RECONCILIATION

CLARUS CORPORATION
RECONCILIATION FROM LOSS FROM CONTINUING OPERATIONS TO ADJUSTED LOSS FROM CONTINUING OPERATIONS
AND RELATED EARNINGS PER DILUTED SHARE
(In thousands, except per share amounts)

	Three Months Ended March 31, 2025						
	Total sales	Gross profit	Operating expenses	Income tax benefit	Tax rate	Loss from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 60,433	\$ 20,794	\$ 27,556	\$ (802)	(13.3) %	\$ (5,244)	\$ (0.14)
Amortization of intangibles	-	-	(2,224)	295		1,929	
Disposal of internally developed software	-	-	(365)	48		317	
Restructuring charges	-	-	(173)	23		150	
Transaction costs	-	-	(142)	19		123	
Inventory fair value of purchase accounting	-	120	-	16		104	
Legal costs and regulatory matter expenses	-	-	(625)	83		542	
Stock-based compensation	-	-	(1,469)	48		1,421	
As adjusted	<u>\$ 60,433</u>	<u>\$ 20,914</u>	<u>\$ 22,558</u>	<u>\$ (270)</u>	29.1 %	<u>\$ (658)</u>	<u>\$ (0.02)</u>

(1) Potentially dilutive securities are excluded from the computation of diluted earnings (loss) per share if their effect is anti-dilutive to the loss from continuing operations. Reported loss from continuing operations per share and adjusted loss from continuing operations per share are both calculated based on 38,366 basic and diluted weighted average shares of common stock.

	Three Months Ended March 31, 2024						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	Loss from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 69,311	\$ 24,851	\$ 31,625	\$ (851)	(11.6) %	\$ (6,462)	\$ (0.17)
Amortization of intangibles	-	-	(2,449)	617		1,832	
Restructuring charges	-	-	(370)	59		311	
Transaction costs	-	-	(38)	6		32	
PFAS and other inventory reserves	-	729	-	114		615	
Legal costs and regulatory matter expenses	-	-	(3,002)	461		2,541	
Stock-based compensation	-	-	(1,178)	181		997	
As adjusted	<u>\$ 69,311</u>	<u>\$ 25,580</u>	<u>\$ 24,588</u>	<u>\$ 587</u>	129.6 %	<u>\$ (134)</u>	<u>\$ (0.00)</u>

(1) Potentially dilutive securities are excluded from the computation of diluted earnings (loss) per share if their effect is anti-dilutive to the loss from continuing operations. Reported loss from continuing operations per share and adjusted loss from continuing operations per share are both calculated based on 38,208 basic and diluted weighted average shares of common stock.

NON-GAAP RECONCILIATION

CLARUS CORPORATION
RECONCILIATION FROM OPERATING INCOME (LOSS) TO EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA), EBITDA MARGIN, ADJUSTED EBITDA, AND ADJUSTED EBITDA MARGIN
(In thousands)

	Three Months Ended March 31, 2025				Three Months Ended March 31, 2024			
	Outdoor Segment	Adventure Segment	Corporate Costs	Total	Outdoor Segment	Adventure Segment	Corporate Costs	Total
Operating income (loss)	\$ 122	\$ (3,054)	\$ (3,830)	\$ (6,762)	\$ (1,709)	\$ (770)	\$ (4,295)	\$ (6,774)
Depreciation	506	377	-	883	673	353	-	1,026
Amortization of intangibles	283	1,941	-	2,224	286	2,163	-	2,449
EBITDA	911	(736)	(3,830)	(3,655)	(750)	1,746	(4,295)	(3,299)
Restructuring charges	173	-	-	173	224	146	-	370
Transaction costs	70	40	32	142	-	-	38	38
Legal costs and regulatory matter expenses	578	-	47	625	2,705	-	297	3,002
Disposal of internally developed software	-	365	-	365	-	-	-	-
Stock-based compensation	-	-	1,469	1,469	-	-	1,178	1,178
Inventory fair value of purchase accounting	-	120	-	120	-	-	-	-
PFA S and other inventory reserves	-	-	-	-	729	-	-	729
Adjusted EBITDA	\$ 1,732	\$ (211)	\$ (2,282)	\$ (761)	\$ 2,908	\$ 1,892	\$ (2,782)	\$ 2,018
Sales	\$ 44,323	\$ 16,110	\$ -	\$ 60,433	47,022	22,289	-	69,311
EBITDA margin	2.1 %	(4.6) %		(6.0) %	(1.6) %	7.8 %		(4.8) %
Adjusted EBITDA margin	3.9 %	(1.3) %		(1.3) %	6.2 %	8.5 %		2.9 %