

LV

# Live Ventures Incorporated

A Diversified Holding Company

Investor Presentation

December 2023

**NASDAQ:LIVE**

# Disclaimers

## FORWARD-LOOKING STATEMENTS

The words “Live Ventures,” “company” or “Company” refer to Live Ventures Incorporated and its wholly-owned subsidiaries. This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, each as amended, that are intended to be covered by the “safe harbor” created by those sections and other applicable laws. In accordance with such safe harbor provisions, statements contained herein that look forward in time that include everything other than historical information involve risks and uncertainties that may affect the company’s actual results. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements. These forward-looking statements include, but are not limited to, statements regarding annualized sales, annualized revenue, and adjusted EBITDA. These statements are based on various estimates and assumptions, whether or not identified in this presentation, believed to be reasonable at the time of preparation; however, no assurance can be given that any such estimates or valuations will ultimately be realized or that realizations will occur within the timeframes on which these estimates are made. Forward-looking information is inherently subjective and uncertain, and is not necessarily indicative of the future performance, nor is it a guaranty that such results will be attained. Forward-looking information is based on the assessment of various valuation and operating parameters, but actual future performance and market conditions are volatile and unpredictable. Live Ventures may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”) on Forms 10-K and 10-Q, Current Reports on Form 8-K, in its annual report to stockholders, in press releases and other written materials, and in oral statements made by its officers, directors or employees to third parties. There can be no assurance that such statements will prove to be accurate and there are a number of important factors that could cause actual results to differ materially from those expressed in any forward-looking statements made by the company, including, but not limited to, plans and objectives of management for future operations or products, the market acceptance or future success of the company’s products, and the company’s future financial performance. The company cautions that these forward-looking statements are further qualified by other factors, including, but not limited to, those set forth in the company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2022 and Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023 (available at <http://www.sec.gov>). Live Ventures undertakes no obligation to publicly update or revise any statements in this presentation, whether as a result of new information, future events, or otherwise.

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## Key Investment Highlights

Live Ventures is a diversified holding company with a strategic focus on value-oriented acquisitions of domestic middle-market companies.

Live Ventures' acquisition strategy is sector agnostic and focuses on well-run, closely held businesses with a demonstrated track record of earnings growth and cash flow generation.

### Driving Shareholder Value:

- Solid growth, profitable, free cash flow, no capital raises from stock issuance since 2014
- Experienced acquirer and manager of U.S. based middle-market companies
- Track record of growth & building shareholder value through excellence in operations and disciplined capital allocation
- Patient capital with long-term investment focus
- Diversified capital allocation strategy
- Highly invested management team: Compensation structure aligned with shareholders
- Liquid alternative to investing in middle-market private equity

# Share Price Performance & Equity Overview

## 3-Year Performance LIVE vs Nasdaq Composite

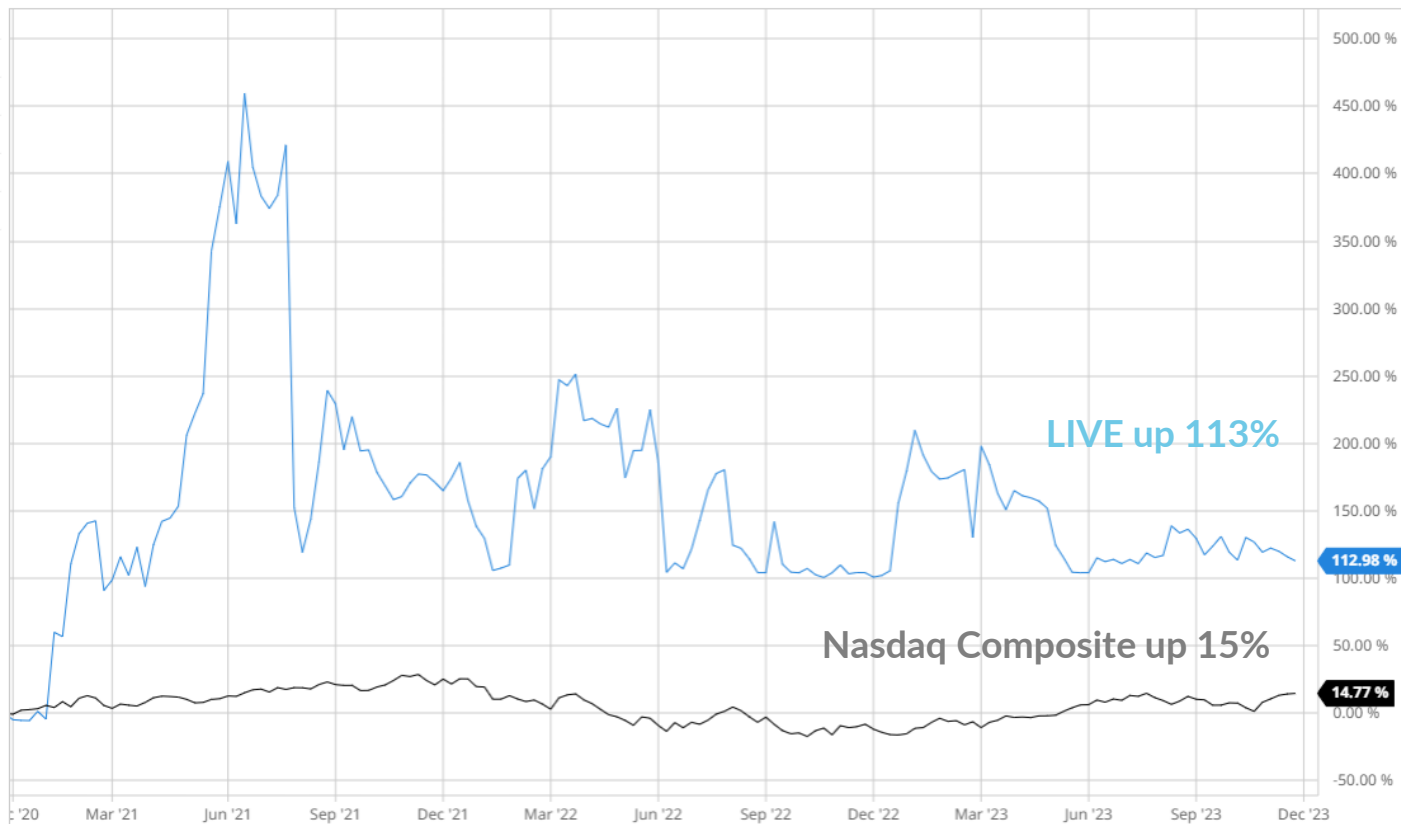


Chart source: barchart.com as of 12.01.2023; Equity Overview source: Yahoo Finance! as of 12.01.2023

## EQUITY OVERVIEW (as of 12.01.23)

Price Per Share: \$26.07

52-Week Range: \$22.81 - \$40.38

Shares Outstanding: 3.16 M

Market Cap: \$87 M

Total Assets: \$360 M

Stockholders' Equity: \$104 M

Revenues (ltm): \$325 M

Net Income (ltm): \$3.83 M

Q3 2023 Revenues: \$91.5 M

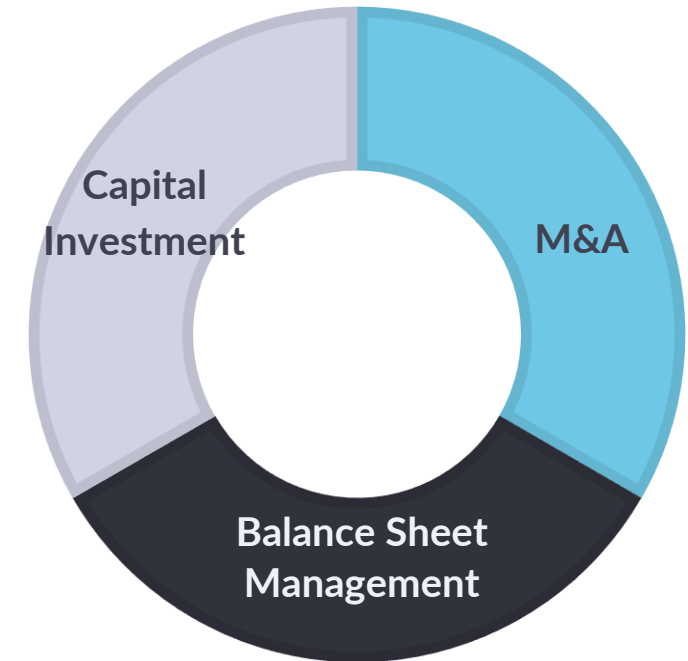
Q3 2023 Net Income: \$1.1 M

# Acquisition & Capital Allocation

## Acquisition Strategy:

- Target companies with annual earnings between \$5 and \$50 million
- Closely held or family-founded businesses with a strong culture and management team that is looking to continue operating the business
- Companies with a defensible market position and track record of stable earnings and cash flow
- Companies in need of new ownership and outside capital to support growth, both organically and through acquisitions
- Value-oriented with focus on accretive acquisitions
- Have retained all acquired companies to date

## Capital Allocation Strategy



## Differentiators



Long-term focused,  
Buy-Build-Hold  
strategy



Strategic focus on  
acquiring U.S.-based  
middle market  
growth companies,  
industry-agnostic



Value-oriented with  
focus on accretive  
acquisitions



Patient capital with  
opportunities to invest  
through new platforms

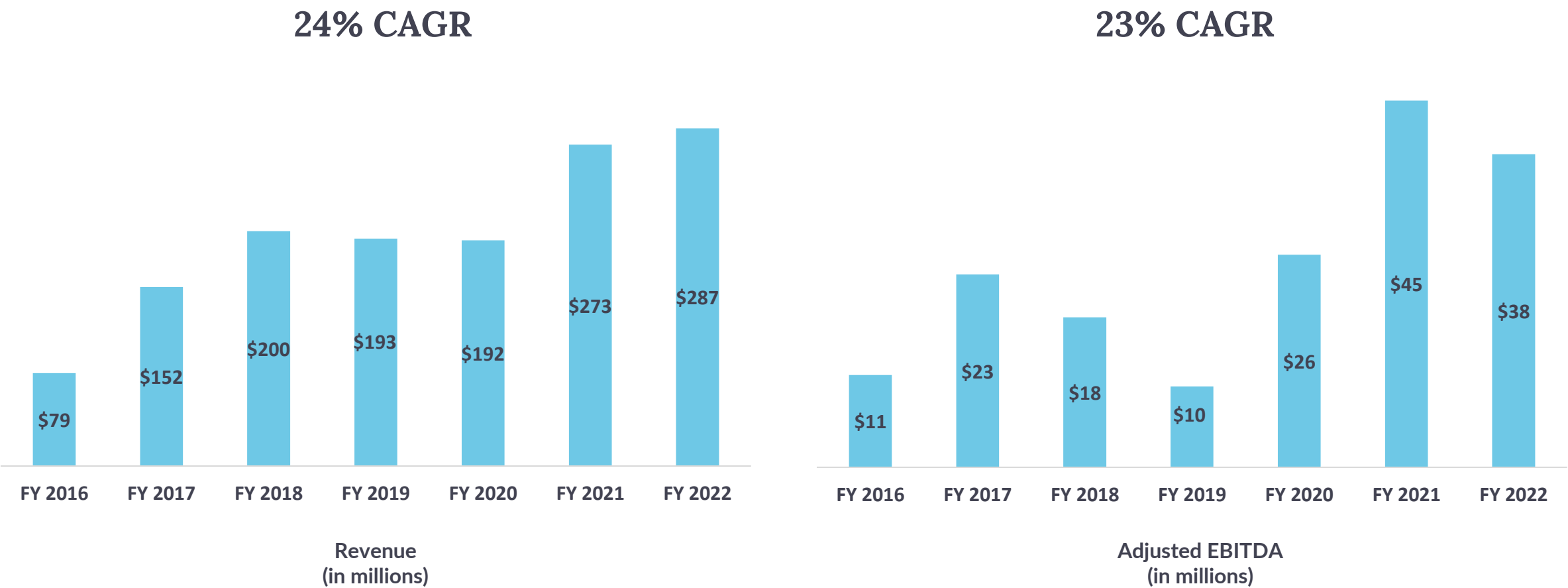


Investment in  
existing platforms  
(both organic and  
bolt-on)



Growing, diversified  
portfolio

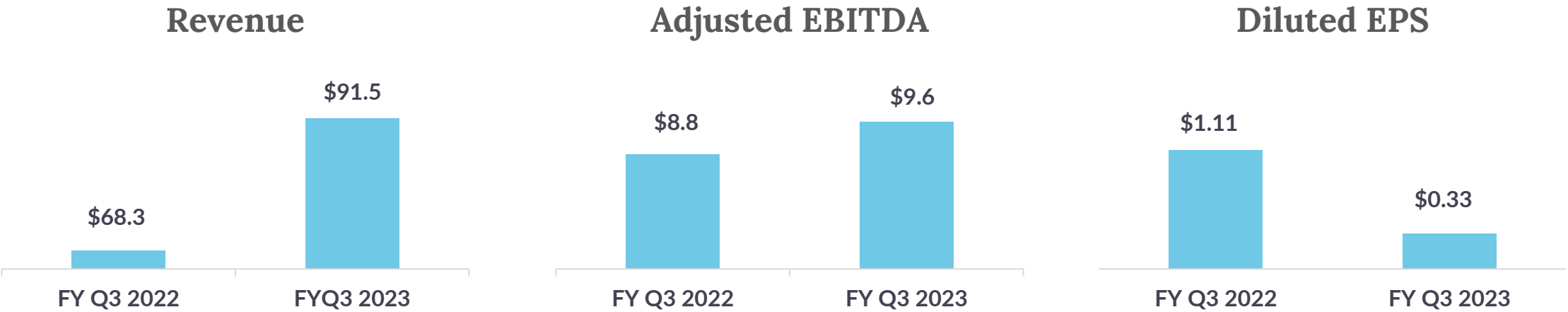
# Annual Revenue & Adjusted EBITDA Growth



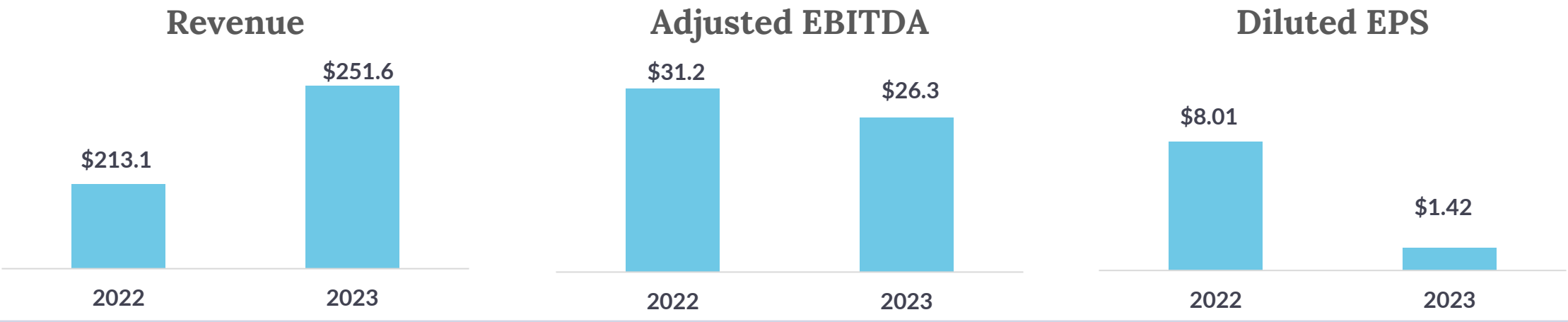
See Appendix for a reconciliation of Net (loss) income to total Adjusted EBITDA for the periods indicated

Recent Financial Performance  
(\$ in millions, except per share)

Q3 FY 2023



Nine Months Ended June 30, 2023 FY 2023



See Appendix for a reconciliation of Net income to total Adjusted EBITDA for the periods indicated.

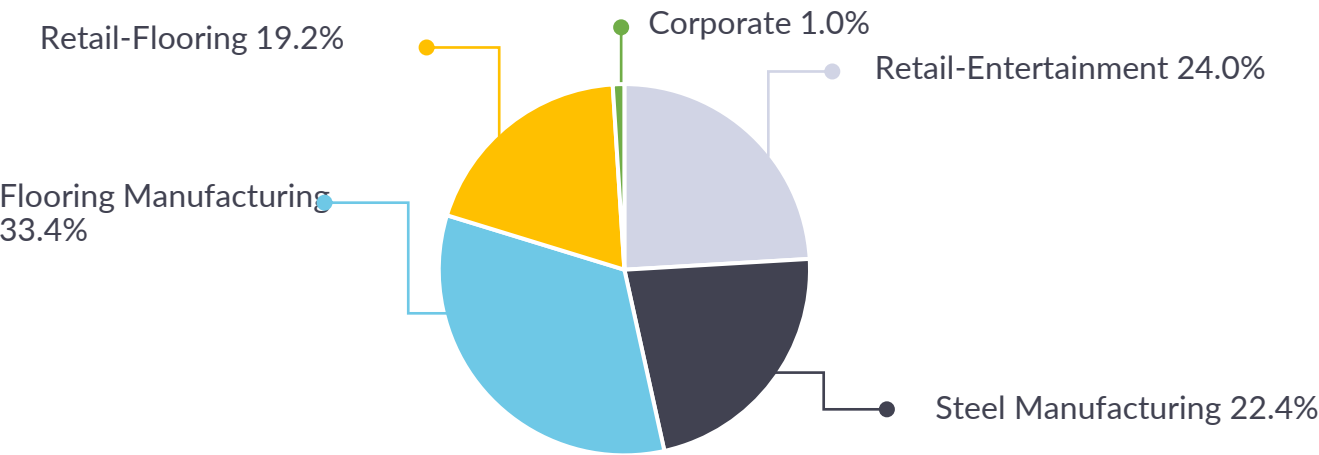


# Diverse Portfolio - 4 Main Platform Investments

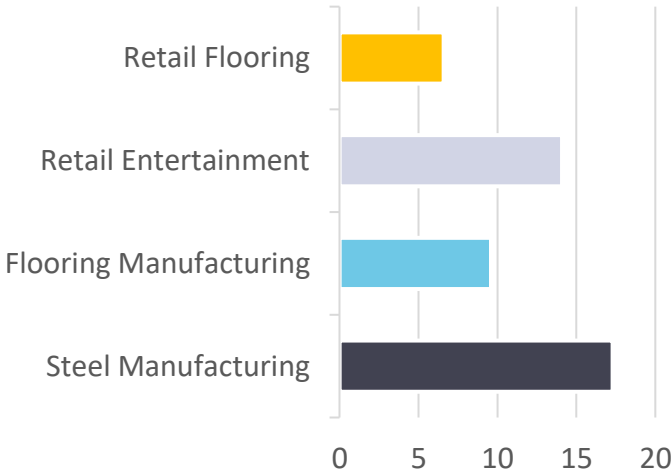
\$291M

Total Invested

YTD 2023 % of total Revenue by Segment



YTD 2023 Adjusted EBITDA as % of Revenue by Segment



See Appendix for a reconciliation of Net income to total Adjusted EBITDA for the periods indicated.

# Portfolio Timeline

2015 acquired Marquis Industries

2016 acquired Vintage Stock

2020 acquired Precision Marshall

2022 acquired The Kinetic Co.

2023 acquired Flooring Liquidators; Harris Flooring Group; and Precision Metal Works



Flooring Manufacturing



Retail Entertainment

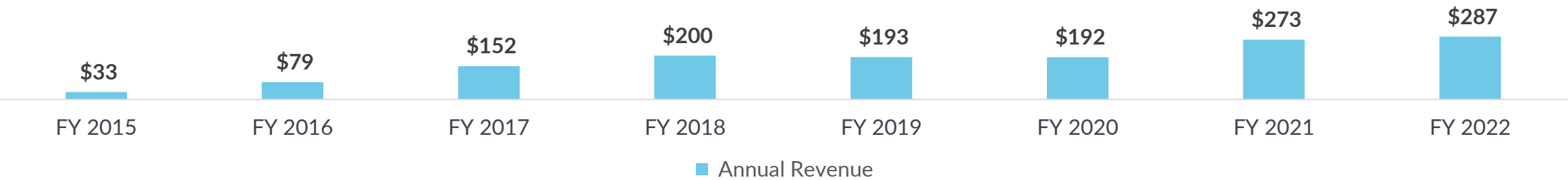


Steel Manufacturing



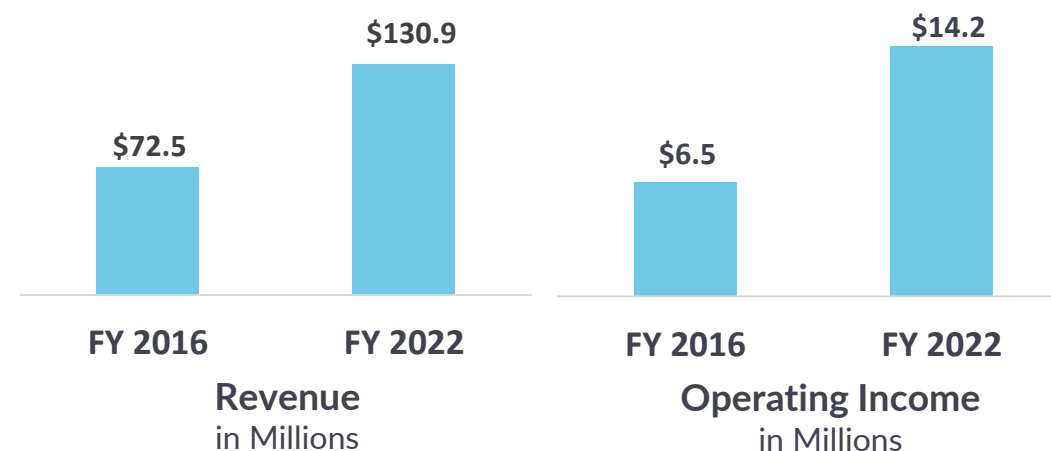
Retail Flooring

Live Ventures Consolidated Annual Revenue (\$ Millions )



## Marquis Industries (Flooring Manufacturing) - Case Study

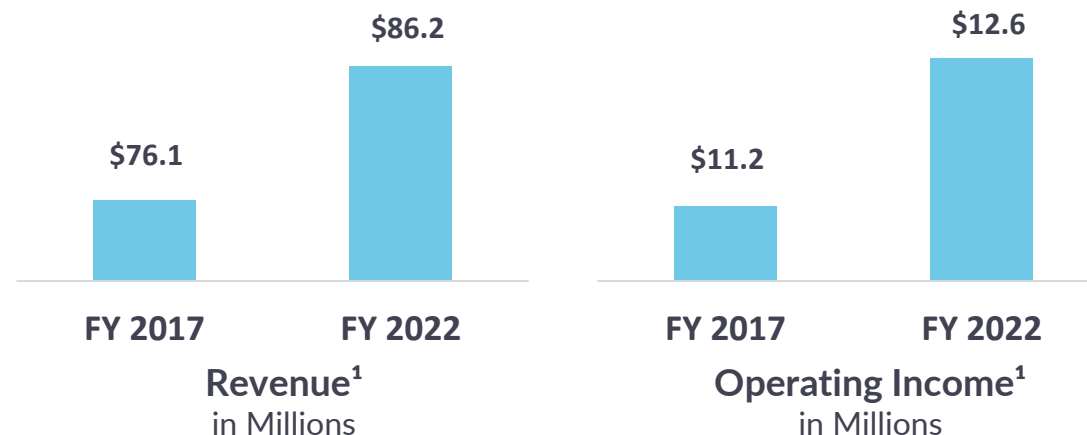
- Year Acquired: 2015
- Purchase price: ~\$30 million, including ~\$10 million in net operating loss carryforward
  - EV/EBITDA ~3.8X
- At purchase:
  - Revenue ~\$60 million
  - EBITDA ~\$8 million
- FY 2022:
  - Revenue \$131 million
  - EBITDA \$17.0 million
- Acquisition debt paid off
- Invested ~\$35 million in Capex
- Bolt-on acquisition in 2020 of Lonesome Oak for \$14 million



- Leading carpet manufacturer and distributor of carpet and hard-surface flooring products focused primarily on the residential, niche commercial, and hospitality end-markets and serves thousands of customers
- Innovator and leader in the value-oriented polyester carpet sector, which is currently the market's fastest-growing fiber category
- State-of-the-art operations enable high-quality products, unique customization, and exceptionally short lead-times

## Vintage Stock (Retail Entertainment) - Case Study

- Year Acquired: 2016
- Purchase price: \$60 million
  - EV/EBITDA ~4.3X
- At purchase:
  - Revenue ~\$65 million
  - EBITDA ~\$14 million
- FY 2022:
  - Revenue \$86.2 million
  - EBITDA \$14.1 million
- Increased stores from 57 to 70
- De-levered ~\$40 million of acquisition debt

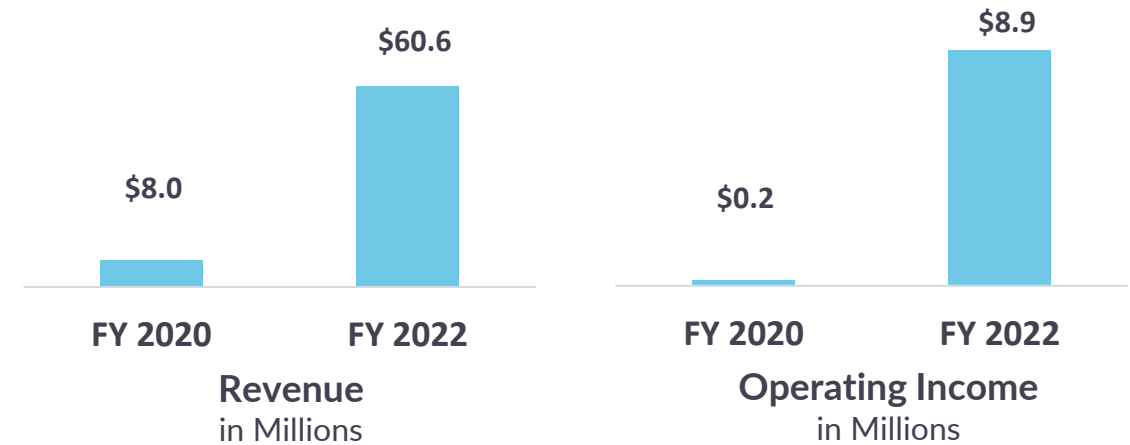


<sup>1</sup> FY 2016 unaudited pro forma information, assumes Vintage Stock acquired at the beginning of the fiscal year 2016

- Award-winning specialty entertainment retailer offering a large selection of entertainment products, including new and pre-owned movies, video games, and music products
- Buy/sell/trade model offers customers a unique value proposition through 70 retail store locations and online
- Strategically positioned across Arkansas, Colorado, Idaho, Illinois, Kansas, Missouri, New Mexico, Oklahoma, Texas, and Utah

## Precision Marshall (Steel Manufacturing) – Case Study

- Year acquired: July 2020
- Purchase price: \$31.5 million
  - EV/EBITDA ~7.0X
- At purchase:
  - Revenue ~\$41 million
  - EBITDA ~\$4.4 million
- FY 2022:
  - Revenue \$60.6 million
  - EBITDA \$10.2 million
- June 2022 acquired The Kinetic Co.



- North American leader in providing and manufacturing pre-finished de-carb free tool and die steel offering over 1,200 SKUs
- For over 70 years, has offered exemplary availability and value-added processing capabilities for its steel distributor customers providing them quick and accurate service and reducing their turnaround time and processing costs

## Investment Oversight / Management

### Jon Isaac

President &  
Chief Executive Officer

- Founder of the Isaac Capital Group, LLC, a privately held investment company, and the strategic investor behind Live Ventures. Mr. Isaac acquired the then named LiveDeal, a struggling company, in late 2011 and in 2015 repurposed Live Ventures into its current diversified holdings model
- Through both Isaac Capital Group and the Company, Mr. Isaac has closed numerous multi-faceted real estate transactions and traditional buy-out transactions with a focus on creative structuring and financing

### Eric Althofer

Chief Operating Officer  
& Managing Director

- Prior to joining Live Ventures in 2021, Mr. Althofer served as a director of Capitala Investment Advisors, responsible for underwriting and executing middle-market debt transactions. Previously, Mr. Althofer held roles in investment banking with Jefferies LLC and strategy and operations consulting at Deloitte Consulting

### David Verret

Chief Financial Officer

- Prior to joining Live Ventures in 2021, Mr. Verret spent 10 years at Brinks Home Security™, where he served as the Chief Accounting Officer. In the preceding 13 years, he was with KPMG LLP and served as a senior manager in its audit practice

## Key Investment Highlights

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# Live Ventures Incorporated

Appendix

**NASDAQ:LIVE**

## Non-GAAP Financial Information Adjusted EBITDA

The following table provides a reconciliation of Net (loss) income to total Adjusted EBITDA for the periods indicated:

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Net (loss) income	\$ 17,954	\$ 6,502	\$ 5,923	\$ (4,012)	\$ 10,659	\$ 31,017	\$ 24,741
Depreciation and amortization	3,125	5,026	6,048	5,673	5,862	6,791	7,168
Stock-based compensation	256	204	497	270	86	489	37
Interest expense, net	4,021	7,597	8,643	6,315	5,254	5,205	4,209
Income tax expense	(15,568)	4,082	4,407	(1,625)	4,957	8,662	6,875
Gain on bankruptcy settlement	-	-	-	-	-	(1,765)	(11,352)
Gain/loss on extinguishment of debt	-	-	-	-	-	(6,150)	84
Gain on bargain purchase of acquisition	(1,499)	-	(7,294)	-	(1,507)	-	-
Impairment charges	-	-	-	3,222	525	-	4,910
Non-cash interest expense associated with loan fees	2,802	-	-	-	-	-	-
Non-cash note and agreement reductions due to settlement	(963)	-	-	-	-	-	-
Non-cash write-down of inventory	1,080	-	-	-	-	-	-
Acquisition costs	-	-	-	-	-	-	1,470
Write-off of fixed assets	-	-	-	-	-	-	438
Write-off of ROU assets	-	-	-	-	-	-	-
Other company initiatives	-	-	-	-	-	-	(196)
Non-recurring loan costs	-	-	-	-	-	271	-
Adjusted EBITDA	\$ 11,208	\$ 23,411	\$ 18,224	\$ 9,843	\$ 25,836	\$ 44,520	\$ 38,384

LTM - Last 12 months ended June 30, 2022

## Non-GAAP Financial Information Adjusted EBITDA

The following table provides a reconciliation of Net income to total Adjusted EBITDA for the periods indicated:

	For the Three Months Ended		For the Nine Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net income	\$ 1,060	\$ 3,472	\$ 4,462	\$ 25,376
Depreciation and amortization	3,683	1,571	9,978	4,616
Stock-based compensation	287	—	396	37
Interest expense, net	3,485	674	8,767	2,549
Income tax expense	297	1,365	1,462	7,848
Gain on bankruptcy settlement	—	—	—	(11,352)
(Gain)/loss on extinguishment of debt	—	(279)	—	84
SW Financial settlement gain	(1,000)	—	(2,000)	—
Disposition of SW Financial	1,697	—	1,697	—
Non-recurring costs for acquisitions	66	974	1,538	974
Write-off of fixed assets	—	438	—	438
Write-off of ROU assets	—	522	—	522
Other non-recurring company initiatives	—	103	—	101
Adjusted EBITDA	<u>\$ 9,575</u>	<u>\$ 8,840</u>	<u>\$ 26,300</u>	<u>\$ 31,193</u>