

CLARUS

**Q2 EARNINGS
PRESENTATION**
AUGUST 1, 2024



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, 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, (iv) segment EBITDA and adjusted segment EBITDA, and (v) 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, (iv) segment EBITDA and adjusted segment EBITDA, and (v) 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 herein. We do not provide a reconciliation of the non-GAAP guidance measures, i.e.: (i) adjusted EBITDA, adjusted EBITDA margin, and mid-point adjusted EBITDA margin (ii) adjusted corporate costs, and (iii) adjusted free cash flow for the fiscal year 2024 to the most comparable GAAP financial measure, due to the inherent difficulty of forecasting certain types of expenses and gains, without unreasonable effort. 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



Mat Hayward
MANAGING DIRECTOR
Adventure

**Positioned for long-term growth
as pure-play outdoor business**



Q2 execution consistent with strategic objectives

**Black Diamond objective:
Simplify and focus on the core**



**Progress rationalizing product lines, continued
stabilization of North American wholesale channel**

**Adventure objective:
Invest to scale**



**Fourth consecutive quarter of y/y revenue growth,
further investment to achieve 3-year strategic plan to scale
geographically and expand DTC channel via new tech**

**Strong balance sheet/prudent
capital allocation**



**Debt-free with \$46.2 million of cash on the balance sheet
at 6/30**

Q2 RESULTS AT A GLANCE

CLARUS

Solid foundation in place, with continued operational progress at Outdoor and Adventure



\$56.5m

Revenue
-3% Y/Y



\$20.3m

Adventure Revenue
+14% Y/Y

Adventure
Adj. EBITDA:
\$1.2m



\$36.2m

Outdoor Revenue
-10% Y/Y

Outdoor
Adj. EBITDA:
\$(0.4)m



37.4%

Adj. Gross Margin
-160 BPS Y/Y



\$(1.9)m

Adj. EBITDA
-300% Y/Y

BUILDING BLOCKS IN FOCUS

INVESTMENT INTO U.S. AND ROW

INVESTMENT INTO BRAND

REBUILT LEADERSHIP TEAM

MANAGEMENT COMMENTARY

- **Focused on primary objective: invest to scale**
- **Strong results in core Australia/New Zealand markets:**
 - **Sales growth and margin expansion driven by strong OEM customer demand and specific key accounts**
 - **Success driving down inventory levels below targets**
- **Outperformance in Wholesale and OEM channels, while sales in U.S. and ROW lagged**
- **Made key investments in Q2 to accelerate U.S. and international growth:**
 - **New leader responsible for managing and growing brands in U.S., Canada and Latin America**
 - **Appointed new Head of EMEA Sales and Head of APAC**
- **In total, brought on 15 new team members across 3 regions in 1H24**



BUILDING BLOCKS IN FOCUS

SIMPLIFICATION EXECUTION

PRODUCT LEADERSHIP

FEWER, BIGGER, BETTER

MANAGEMENT COMMENTARY

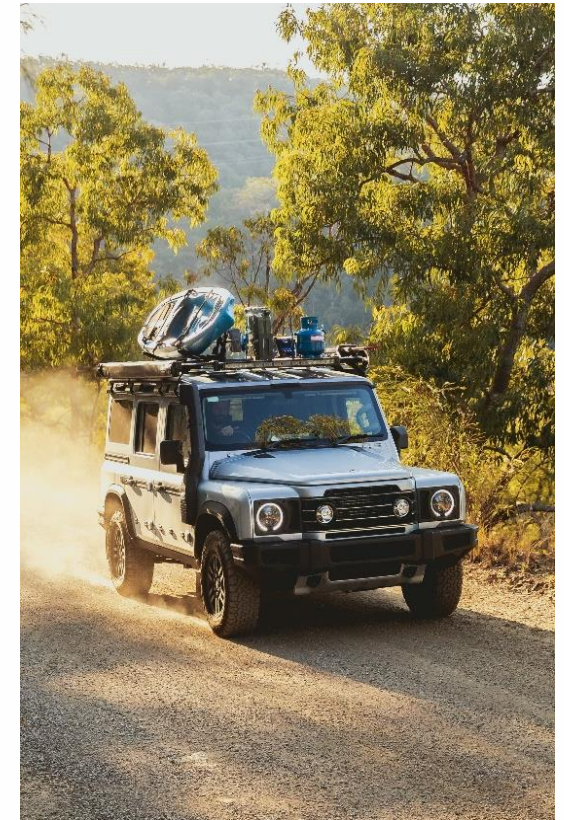
- Strategic initiatives continuing to yield incremental near-term benefits, driving Q2 results in line with expectations
- Market still adjusting to post-pandemic demand levels
- Benefitting from rebuilt sales team in North America – in 1H 2024, NA Wholesale grew 1% y/y; stabilization trend intact
- Challenging demand trends in Europe but signs that conditions should stabilize in 2H 2024
- Consistent with simplification objectives, operating costs down 9% year over year with continued improvement expected during remainder of 2024
- Further progress on inventory reduction initiatives, highlighted by 17% inventory decline in Q2 y/y
- Undertaking strategic review of PIEPS snow safety brand



	Q2 2024	Q2 2023
NET SALES	\$56.5M	\$57.9M
ADJ. GROSS MARGIN	37.4%	39.0%
ADJ. NET INCOME	(\$5.5M)	(\$4.3M)
ADJ. EBITDA	(\$1.9M)	\$1.0M
ADJ. EBITDA MARGIN	(3.4)%	1.7%



	2024
NET SALES	\$270M - \$280M
ADJ. EBITDA	\$11M - \$14M
MID-POINT ADJ. EBITDA %	4.5%
ADJ. CORPORATE COSTS	\$(11.0)M
CAPEX	\$6M - \$7M
ADJ. FREE CASH FLOWS	\$7M - \$9M



- **Consistent with historical seasonal pattern, H2 accelerates versus H1**
- **Q3 guidance: net sales between \$70-\$75 million; adj. EBITDA between \$3-\$4 million**



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APPENDIX

BALANCE SHEET

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

	June 30, 2024	December 31, 2023
Assets		
Current assets		
Cash	\$ 46,221	\$ 11,324
Accounts receivable, less allowance for credit losses of \$1,566 and \$1,412	43,721	53,971
Inventories	91,456	91,409
Prepaid and other current assets	6,018	4,865
Income tax receivable	1,371	892
Assets held for sale	-	137,284
Total current assets	188,787	299,745
Property and equipment, net	17,029	16,587
Other intangible assets, net	35,779	41,466
Indefinite-lived intangible assets	57,694	58,527
Goodwill	38,834	39,320
Deferred income taxes	17,199	22,869
Other long-term assets	14,078	16,824
Total assets	\$ 369,400	\$ 495,338
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 9,533	\$ 20,015
Accrued liabilities	23,358	24,580
Income tax payable	-	805
Current portion of long-term debt	-	119,790
Liabilities held for sale	-	5,744
Total current liabilities	32,891	170,934
Deferred income taxes	16,697	18,124
Other long-term liabilities	12,529	14,160
Total liabilities	62,117	203,218
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; 42,940 and 42,761 issued and 38,298 and 38,149 outstanding, respectively	4	4
Additional paid in capital	694,194	691,198
Accumulated deficit	(336,261)	(350,739)
Treasury stock, at cost	(33,114)	(32,929)
Accumulated other comprehensive loss	(17,540)	(15,414)
Total stockholders' equity	307,283	292,120
Total liabilities and stockholders' equity	\$ 369,400	\$ 495,338

INCOME STATEMENT (Q2)

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

	Three Months Ended	
	June 30, 2024	June 30, 2023
Sales		
Domestic sales	\$ 22,934	\$ 25,925
International sales	33,550	32,012
Total sales	56,484	57,937
Cost of goods sold	36,078	35,360
Gross profit	20,406	22,577
Operating expenses		
Selling, general and administrative	28,081	26,882
Restructuring charges	161	736
Transaction costs	27	22
Contingent consideration benefit	(125)	-
Legal costs and regulatory matter expenses	399	355
Total operating expenses	28,543	27,995
Operating loss	(8,137)	(5,418)
Other income		
Interest income, net	455	8
Other, net	414	226
Total other income, net	869	234
Loss before income tax	(7,268)	(5,184)
Income tax benefit	(1,775)	(862)
Loss from continuing operations	(5,493)	(4,322)
Discontinued operations, net of tax	-	2,231
Net loss	\$ (5,493)	\$ (2,091)
Loss from continuing operations per share:		
Basic	\$ (0.14)	\$ (0.12)
Diluted	(0.14)	(0.12)
Net loss per share:		
Basic	\$ (0.14)	\$ (0.06)
Diluted	(0.14)	(0.06)
Weighted average shares outstanding:		
Basic	38,297	37,192
Diluted	38,297	37,192

INCOME STATEMENT (YTD)

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

	Six Months Ended	
	June 30, 2024	June 30, 2023
Sales		
Domestic sales	\$ 51,218	\$ 50,122
International sales	74,577	78,093
Total sales	125,795	128,215
Cost of goods sold	80,538	80,130
Gross profit	45,257	48,085
Operating expenses		
Selling, general and administrative	56,296	56,236
Restructuring charges	531	736
Transaction costs	65	59
Contingent consideration benefit	(125)	(1,565)
Legal costs and regulatory matter expenses	3,401	483
Total operating expenses	60,168	55,949
Operating loss	(14,911)	(7,864)
Other (expense) income		
Interest income, net	825	13
Other, net	(495)	302
Total other income, net	330	315
Loss before income tax	(14,581)	(7,549)
Income tax benefit	(2,626)	(1,196)
Loss from continuing operations	(11,955)	(6,353)
Discontinued operations, net of tax	28,346	5,860
Net income (loss)	\$ 16,391	\$ (493)
Loss from continuing operations per share:		
Basic	\$ (0.31)	\$ (0.17)
Diluted	(0.31)	(0.17)
Net income (loss) per share:		
Basic	\$ 0.43	\$ (0.01)
Diluted	0.43	(0.01)
Weighted average shares outstanding:		
Basic	38,253	37,164
Diluted	38,253	37,164

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

THREE MONTHS ENDED

	<u>June 30, 2024</u>		<u>June 30, 2023</u>
Sales	\$ 56,484	Sales	\$ 57,937
Gross profit as reported	\$ 20,406	Gross profit as reported	\$ 22,577
Plus impact of PFAS inventory reserve	716	Plus impact of PFAS inventory reserve	-
Adjusted gross profit	<u>\$ 21,122</u>	Adjusted gross profit	<u>\$ 22,577</u>
Gross margin as reported	<u>36.1%</u>	Gross margin as reported	<u>39.0%</u>
Adjusted gross margin	<u>37.4%</u>	Adjusted gross margin	<u>39.0%</u>

SIX MONTHS ENDED

	<u>June 30, 2024</u>		<u>June 30, 2023</u>
Sales	\$ 125,795	Sales	\$ 128,215
Gross profit as reported	\$ 45,257	Gross profit as reported	\$ 48,085
Plus impact of PFAS inventory reserve	1,445	Plus impact of PFAS inventory reserve	-
Adjusted gross profit	<u>\$ 46,702</u>	Adjusted gross profit	<u>\$ 48,085</u>
Gross margin as reported	<u>36.0%</u>	Gross margin as reported	<u>37.5%</u>
Adjusted gross margin	<u>37.1%</u>	Adjusted gross margin	<u>37.5%</u>

NON-GAAP RECONCILIATION (Q2)

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 June 30, 2024						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	Loss from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 56,484	\$ 20,406	\$ 28,543	\$ (1,775)	(24.4) %	\$ (5,493)	\$ (0.14)
Amortization of intangibles	-	-	(2,451)	265		2,186	
Restructuring charges	-	-	(161)	37		124	
Transaction costs	-	-	(27)	6		21	
Contingent consideration benefit	-	-	125	(38)		(87)	
PFAS inventory reserve	-	716	-	146		570	
Legal costs and regulatory matter expenses	-	-	(399)	152		247	
Stock-based compensation	-	-	(1,528)	306		1,222	
As adjusted	<u>\$ 56,484</u>	<u>\$ 21,122</u>	<u>\$ 24,102</u>	<u>\$ (901)</u>	42.7 %	<u>\$ (1,210)</u>	<u>\$ (0.03)</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 38,297 basic and diluted weighted average shares of common stock.

	Three Months Ended June 30, 2023						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	Loss from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 57,937	\$ 22,577	\$ 27,995	\$ (862)	(16.6) %	\$ (4,322)	\$ (0.12)
Amortization of intangibles	-	-	(2,714)	613		2,101	
Restructuring charges	-	-	(736)	74		662	
Transaction costs	-	-	(22)	2		20	
Legal costs and regulatory matter expenses	-	-	(355)	69		286	
Stock-based compensation	-	-	(1,486)	295		1,191	
As adjusted	<u>\$ 57,937</u>	<u>\$ 22,577</u>	<u>\$ 22,682</u>	<u>\$ 191</u>	148.1 %	<u>\$ (62)</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 37,192 basic and diluted weighted average shares of common stock.

NON-GAAP RECONCILIATION (YTD)

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

	Six Months Ended June 30, 2024						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	Loss from continuing operations	Diluted EPS ^(a)
As reported	\$ 125,795	\$ 45,257	\$ 60,168	\$ (2,626)	(18.0) %	\$ (11,955)	\$ (0.31)
Amortization of intangibles	-	-	(4,900)	882		4,018	
Restructuring charges	-	-	(531)	96		435	
Transaction costs	-	-	(65)	12		53	
Contingent consideration benefit	-	-	125	(38)		(87)	
PFAS inventory reserve	-	1,445	-	260		1,185	
Legal costs and regulatory matter expenses	-	-	(3,401)	613		2,788	
Stock-based compensation	-	-	(2,706)	487		2,219	
As adjusted	\$ 125,795	\$ 46,702	\$ 48,690	\$ (314)	18.9 %	\$ (1,344)	\$ (0.04)

(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 38,253 basic and diluted weighted average shares of common stock.

	Six Months Ended June 30, 2023						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	(Loss) income from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 128,215	\$ 48,085	\$ 55,949	\$ (1,196)	(15.8) %	\$ (6,353)	\$ (0.17)
Amortization of intangibles	-	-	(5,482)	891		4,591	
Restructuring charges	-	-	(736)	74		662	
Transaction costs	-	-	(59)	8		51	
Contingent consideration benefit	-	-	1,565	(335)		(1,230)	
Legal costs and regulatory matter expenses	-	-	(483)	71		412	
Stock-based compensation	-	-	(2,772)	572		2,200	
As adjusted	\$ 128,215	\$ 48,085	\$ 47,982	\$ 85	20.3 %	\$ 333	\$ 0.01

(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 is calculated based on 37,164 basic and diluted weighted average shares of common stock. Adjusted income from continuing operations per share is calculated based on 38,086 diluted shares of common stock.

NON-GAAP RECONCILIATION (Q2)

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

	Three Months Ended	
	June 30, 2024	June 30, 2023
Loss from continuing operations	\$ (5,493)	\$ (4,322)
Income tax benefit	(1,775)	(862)
Other, net	(414)	(226)
Interest income, net	(455)	(8)
Operating loss	(8,137)	(5,418)
Depreciation	1,045	1,080
Amortization of intangibles	2,451	2,714
EBITDA	(4,641)	(1,624)
Restructuring charges	161	736
Transaction costs	27	22
Contingent consideration benefit	(125)	-
PFAS inventory reserve	716	-
Legal costs and regulatory matter expenses	399	355
Stock-based compensation	1,528	1,486
Adjusted EBITDA	\$ (1,935)	\$ 975
Sales	\$ 56,484	\$ 57,937
EBITDA margin	-8.2%	-2.8%
Adjusted EBITDA margin	-3.4%	1.7%

NON-GAAP RECONCILIATION (YTD)

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

	Six Months Ended	
	June 30, 2024	June 30, 2023
Loss from continuing operations	\$ (11,955)	\$ (6,353)
Income tax benefit	(2,626)	(1,196)
Other, net	495	(302)
Interest income, net	(825)	(13)
Operating loss	(14,911)	(7,864)
Depreciation	2,071	2,019
Amortization of intangibles	4,900	5,482
EBITDA	(7,940)	(363)
Restructuring charges	531	736
Transaction costs	65	59
Contingent consideration benefit	(125)	(1,565)
PFAS inventory reserve	1,445	-
Legal costs and regulatory matter expenses	3,401	483
Stock-based compensation	2,706	2,772
Adjusted EBITDA	\$ 83	\$ 2,122
Sales	\$ 125,795	\$ 128,215
EBITDA margin	-6.3%	-0.3%
Adjusted EBITDA margin	0.1%	1.7%

NON-GAAP RECONCILIATION (Q2)

CLARUS CORPORATION
RECONCILIATION FROM OPERATING LOSS TO SEGMENT EBITDA AND ADJUSTED SEGMENT EBITDA
(In thousands)

	Three Months Ended June 30, 2024			
	Outdoor Segment	Adventure Segment	Corporate Costs	Total
Operating loss	\$ (2,395)	\$ (1,267)	\$ (4,475)	\$ (8,137)
Depreciation	661	384	-	1,045
Amortization of intangibles	285	2,166	-	2,451
EBITDA	(1,449)	1,283	(4,475)	(4,641)
Restructuring charges	146	15	-	161
Transaction costs	-	-	27	27
Contingent consideration	-	(125)	-	(125)
PFAS inventory reserve	716	-	-	716
Legal costs and regulatory matter expenses	180	-	219	399
Stock-based compensation	-	-	1,528	1,528
Adjusted EBITDA	\$ (407)	\$ 1,173	\$ (2,701)	\$ (1,935)
Sales	\$ 36,187	\$ 20,297	\$ -	\$ 56,484
EBITDA Margin	-4.0%	6.3%		-8.2%
Adjusted EBITDA Margin	-1.1%	5.8%		-3.4%

NON-GAAP RECONCILIATION (YTD)

CLARUS CORPORATION
RECONCILIATION FROM OPERATING LOSS TO SEGMENT EBITDA AND ADJUSTED SEGMENT EBITDA
(In thousands)

	Six Months Ended June 30, 2024			
	Outdoor Segment	Adventure Segment	Corporate Costs	Total
Operating loss	\$ (4,106)	\$ (2,037)	\$ (8,768)	\$ (14,911)
Depreciation	1,334	737	-	2,071
Amortization of intangibles	571	4,329	-	4,900
EBITDA	(2,201)	3,029	(8,768)	(7,940)
Restructuring charges	370	161	-	531
Transaction costs	-	-	65	65
Contingent consideration	-	(125)	-	(125)
PFAS inventory reserve	1,445	-	-	1,445
Legal costs and regulatory matter expenses	2,885	-	516	3,401
Stock-based compensation	-	-	2,706	2,706
Adjusted EBITDA	\$ 2,499	\$ 3,065	\$ (5,481)	\$ 83
Sales	\$ 83,209	\$ 42,586	\$ -	\$ 125,795
EBITDA Margin	-2.6%	7.1%		-6.3%
Adjusted EBITDA Margin	3.0%	7.2%		0.1%