

# CLARUS

**INVESTOR DAY**  
**MARCH 11, 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, 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 herein. 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.



# PRESENTERS



**Warren Kanders**  
EXECUTIVE CHAIRMAN  
Clarus



**Mike Yates**  
CFO  
Clarus



**Neil Fiske**  
PRESIDENT  
Black Diamond Equipment



**Mat Hayward**  
MANAGING DIRECTOR  
Adventure





**OUTDOOR: DESIGNS, MARKETS AND SELLS EQUIPMENT AND SOFT GOODS FOR CLIMBERS, MOUNTAINEERS, HIKERS AND SKIERS**



**ADVENTURE: DESIGNS, MARKETS AND SELLS AUTOMOTIVE AFTERMARKET EQUIPMENT & ACCESSORIES FOR OUTDOOR ADVENTURES**

## OUTDOOR & ADVENTURE BUSINESS

- **Positioned for growth and enhanced profitability in 2024 and beyond**
- **New, experienced leadership at the operating-company level**
- **Optionality with debt-free balance sheet and +\$40mm of cash**

## 2024 GUIDANCE

- **Net Sales: \$270mm to \$280mm**
- **Adj. EBITDA: \$16mm to \$18mm**
- **Capex: \$4mm to \$5mm**
- **Free Cash Flow: \$18mm to \$20mm**



**FOLLOWING A ROBUST SALE PROCESS, CLARUS DIVESTED PRECISION SPORT FOR \$175MM**

## INVESTMENT OVERVIEW



**Purchased (Aug-17): \$89.0mm**



**Purchased (Nov-20): \$30.5mm**

## CLARUS VALUE ADD

- **Rebuilt management team around recognized leaders**
- **Acquired Barnes Bullets out of the Remington bankruptcy process**
- **Tripled bullet output through targeted investment in capital expenditure and efficiency initiatives**

## SUCCESSFUL OUTCOME

- **Monetized non-ESG business for highly attractive relative multiple**
- **Best-in-class EBITDA performance, averaging EBITDA margins of ~34%**
- **Generated cash returns of nearly ~ \$270 million**
- **Utilized \$103 million of Clarus' NOLs**
- **Tax efficient exit with minimal leakage**

## DEBT FREE BALANCE SHEET CREATES STRONG FOUNDATION FOR VALUE CREATION

**Reinvest in existing businesses**



**Highest margin, highest return opportunities**

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**Seek bolt-on acquisitions**



**Only synergistic with existing operating infrastructure**

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**Prudent cash management**



**Invest cash in safe, liquid securities**

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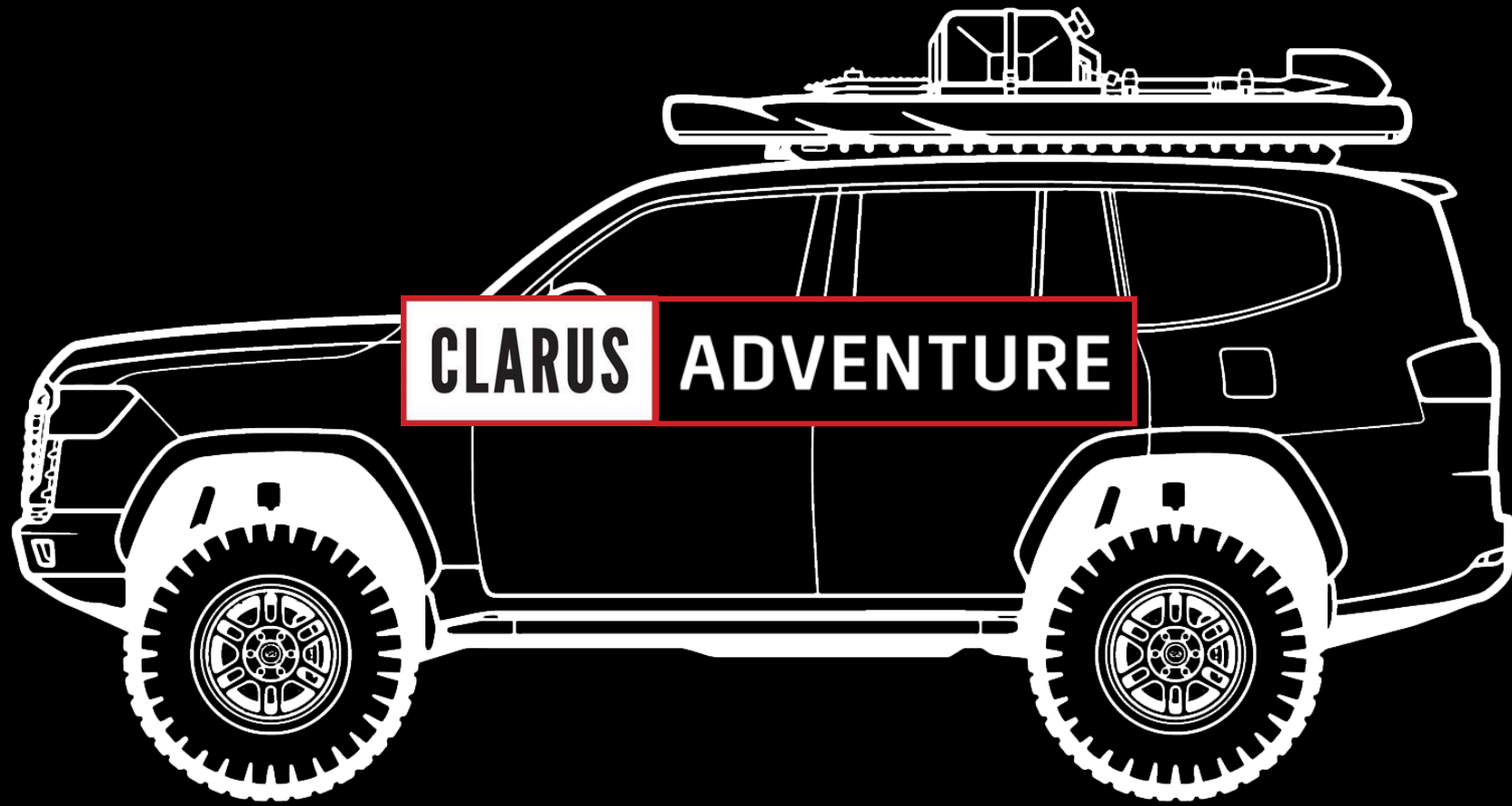
**Return capital to shareholders**



**Quarterly cash dividend of \$0.025 per share**

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**CLARUS ADVENTURE**

**CLARUS ADVENTURE**

**THE ADVENTURE SEGMENT OF CLARUS IS A  
GLOBAL GROWTH PLATFORM FOR OUR PORTFOLIO  
OF ADVENTURE BRANDS: RHINO-RACK, MAXTRAX  
AND TRED.**



A white Jeep Rubicon is driving on a sandy beach at sunset. The sun is low on the horizon, creating a golden glow over the water and sand. The Jeep is equipped with a roof rack and is leaving tracks in the sand. The word "RUBICON" is visible on the side of the vehicle. In the background, there are other vehicles parked on the beach near the water's edge.

# THERE'S AN ADVENTURER IN ALL OF US

**We help people make space for adventure with world ready outdoor gear born and proven in Australia.**



An aerial photograph of a white utility vehicle, possibly a truck or van, driving on a dirt road. The vehicle is moving from the upper left towards the lower right, kicking up a cloud of dust behind it. The landscape is arid and hilly, with sparse, dry vegetation and scattered trees. The lighting suggests late afternoon or early morning, with long shadows cast across the terrain. The text "THIS IS OUR LAB" is overlaid in large, white, bold, sans-serif capital letters across the center of the image.

**THIS IS OUR LAB**



A white off-road vehicle, possibly a Jeep, is shown driving on a rocky, gravelly trail. The vehicle is equipped with a roof rack carrying a blue kayak, a spare tire, and other gear. The front of the vehicle has a 'YOKOHAMA' decal on the hood and a 'TRAIL ROAD CHOSE ME' sticker on the side. The scene is set during sunset or sunrise, with a warm, golden light illuminating the landscape. In the background, there are rolling hills and a large body of water, possibly a lake or reservoir, surrounded by mountains. The overall atmosphere is adventurous and scenic.

**THIS IS OUR QUALITY CONTROL**



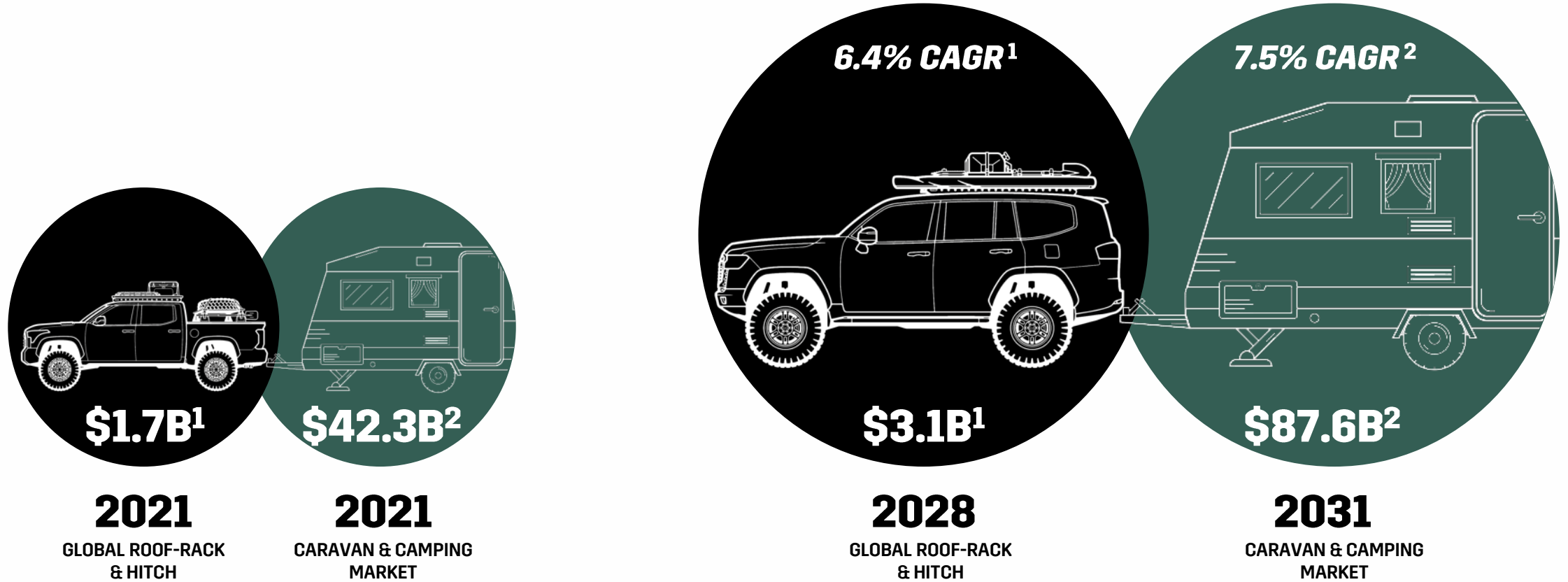
An aerial view of a silver utility vehicle driving on a dirt road, kicking up a large cloud of dust. The road is surrounded by dry, yellowish-brown grass and scattered trees. A yellow road sign with a black arrow pointing left is visible on the left side of the road. The text "AND THIS IS OUR FIELD TEST" is overlaid in large white letters across the center of the image.

**AND THIS IS OUR FIELD TEST**



# LARGE, UNDERLYING ADDRESSABLE MARKET

ADVENTURE'S UNDERLYING GROWTH SUPPORTED BY LARGE AND GROWING ADDRESSABLE MARKETS ACROSS MULTIPLE VERTICALS INCLUDING ROOF RACKS, CAMPING AND CARAVANNING



1. UMR Global Roof Rack and Hitch Rack System Market, 2023  
2. Allied Market Research Global Camping And Caravanning Market Report, 2023

**FOLLOWING SIGNIFICANT INVESTMENT IN TOP LEADERSHIP, ORGANIZATIONAL STRUCTURAL EVOLUTION, PROCESS RE-ENGINEERING AND NEW PRODUCT, THE FOUNDATION IS SET FOR ADVENTURE TO BUILD ON ITS STRONG BACK-HALF PERFORMANCE IN 2023**



**\$90.0m**

FY24F Revenue



**\$13.5m**

FY24F EBITDA



**1,500 +**

# Retail Doors Worldwide



**60 +**

# Countries Distributed to



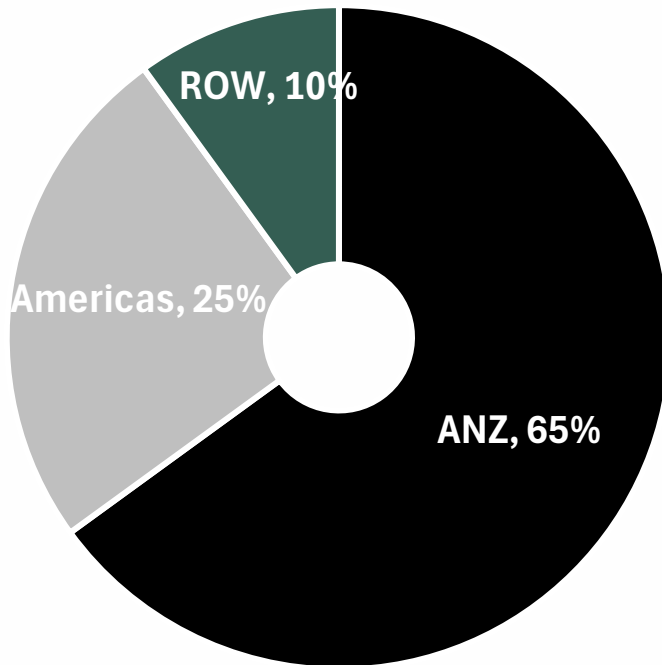
**200 +**

# Employee's Worldwide

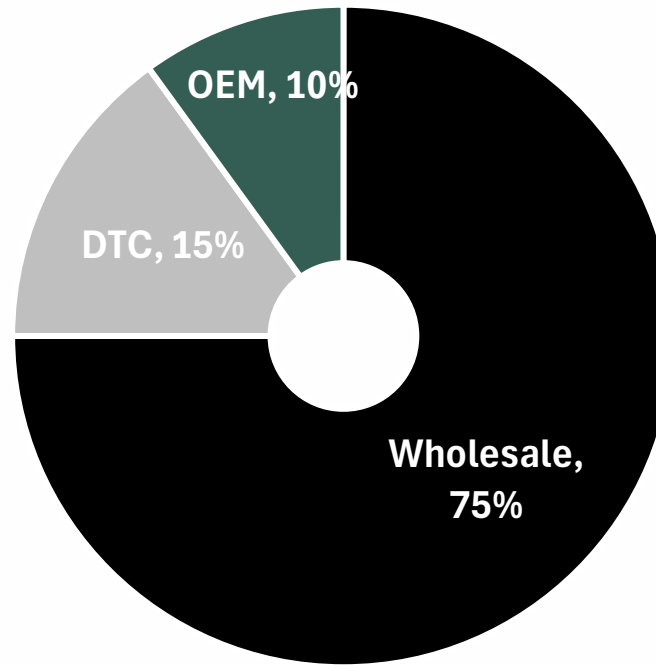


**ADVENTURE PRESENTS A GLOBALLY DIVERSE PLATFORM WITH SIGNIFICANT UPSIDE BY PUSHING ON DIGITAL TRANSFORMATION AND OEM INITIATIVES, WHILE INTRODUCING HIGHER MARGIN ACCESSORIES TO COMPLEMENT THE CORE RACK BUSINESS**

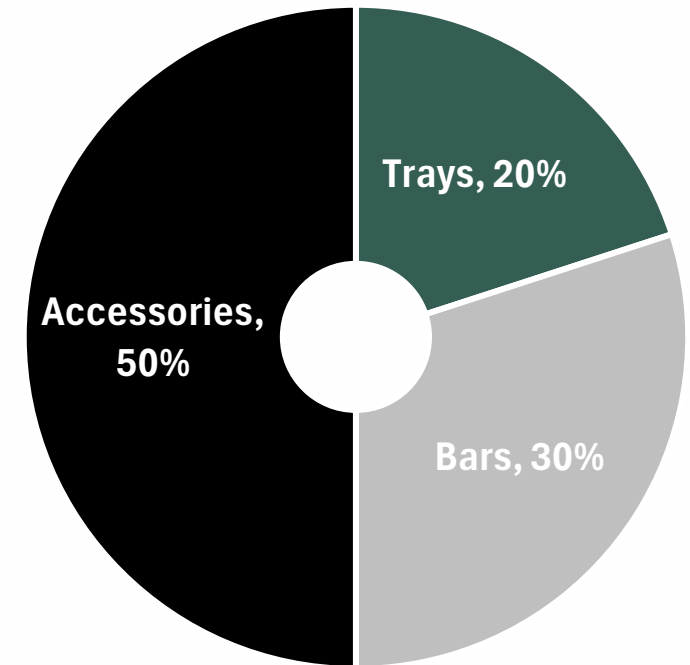
**Sales by Region**



**Sales by Channel**



**Sales by Category**



**H1 2021** [ACQUIRED BY CLARUS]



**MAKE SPACE FOR ADVENTURE**



**H2 2021** [ACQUIRED BY CLARUS]



**GET IN. GET SET. GET OUT**



**H2 2023** [ACQUIRED BY CLARUS]



**TOTALLY RELIABLE EXPLORER DRIVEN**



**BUILDING & EMPOWERING AN ADVENTURE COMMUNITY**



**OVERLANDING**



**CAMPING**



**WEEKEND ADVENTURE**



**TOURING**



**WATER SPORTS**



**CYCLING**



**SNOW**



**TRADE**



# FUTURE STATE ADVENTURE ECOSYSTEM IN ACTION





**WE ARE BUILDING OUT A PRODUCT ECOSYSTEM TO EMPOWER OUR CONSUMER'S OUTDOOR AND ADVENTURE PURSUITS**

**WE EMBRACE THE DIVERSITY OF ADVENTURE, UNDERSTANDING THAT IT HOLDS A DISTINCT MEANING FOR EACH INDIVIDUAL**





# NPD DELIVERING BRAND GROWTH



## MAXTRAX



## PIONEER 6

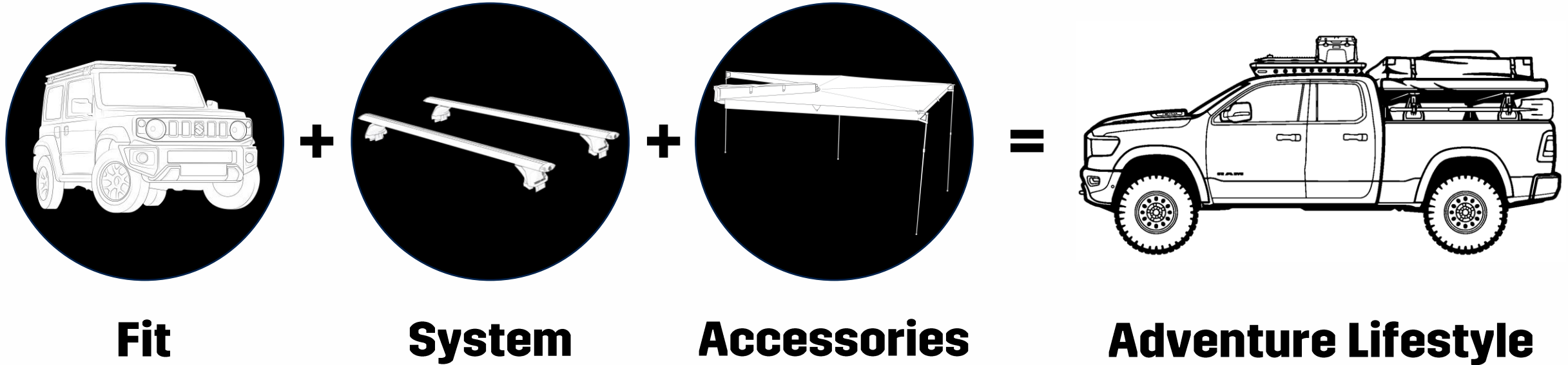


## RHINO-RACK



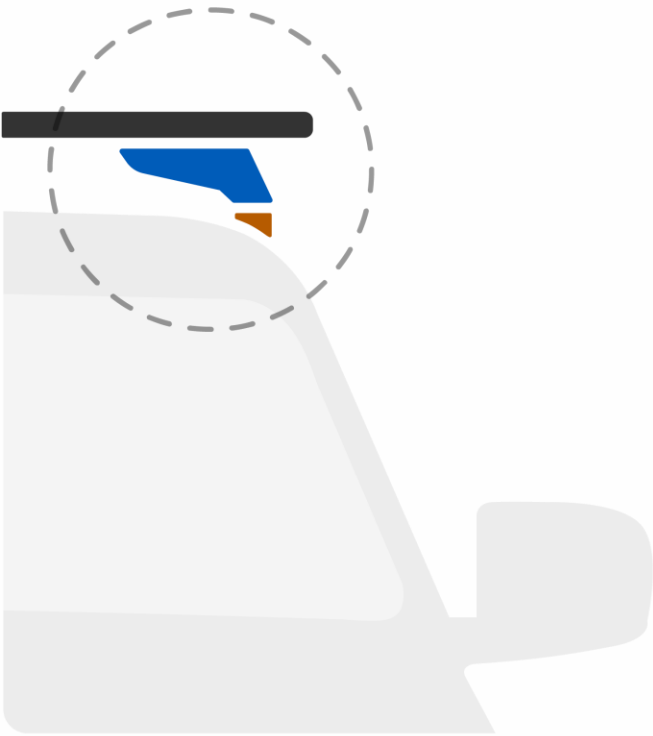
## TRED

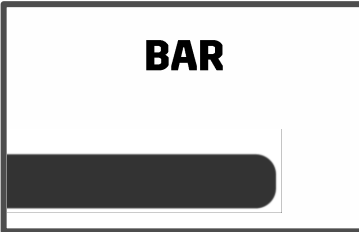





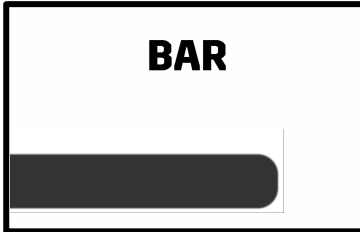





**ESTABLISHING A PATH TO LIFE TIME VALUE**

## SIGNIFICANT PRODUCT SIMPLIFICATION TO DRIVE BETTER SKU PRODUCTIVITY, INVENTORY MANAGEMENT AND ORGANIZATIONAL EFFICIENCY



BEFORE	
 BAR	x4
 MOUNTING SYSTEM	x180
 FIT KIT	x663
	11,216 Fits

AFTER	
 BAR	x2
 MOUNTING SYSTEM	x10
 FIT KIT	x530*
	8,900 Fits*

\*80/20 rule

## REPOSITIONED ADVENTURE TO CONTINUE TO ADDRESS CORE CUSTOMER WHILE EXPANDING OFFERING THROUGH PRODUCT-FIT, NPD AND ACQUISITION TO SERVE SECONDARY CUSTOMER BASE



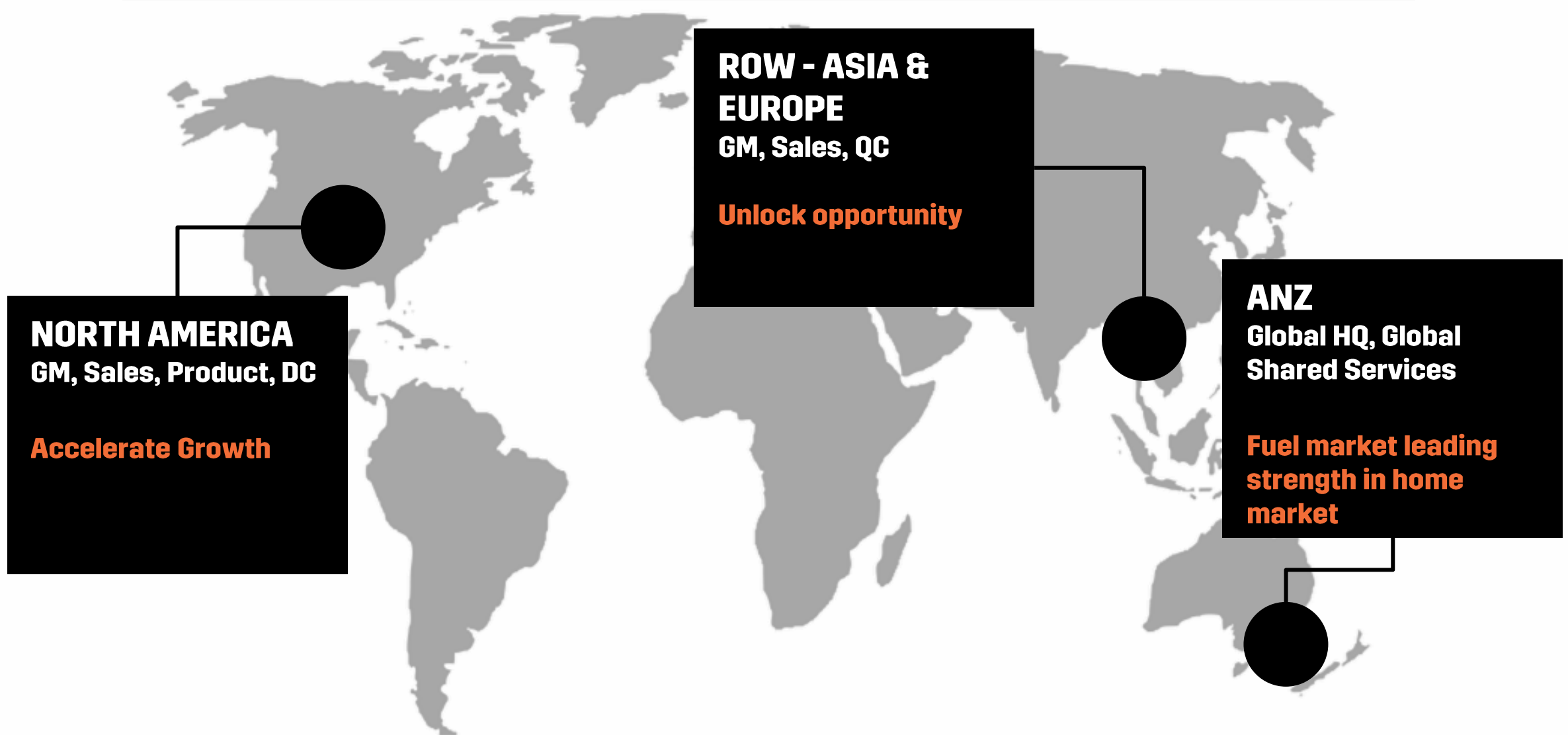
**OFF-ROAD**



**OUTDOOR**



# 3 REGIONS. 3 BRANDS. 1 GLOBAL PLATFORM



# LEADERSHIP TEAM



**MATHEW HAYWARD**  
PRESIDENT  
1.3Year at Clarus  
35 years industry experience



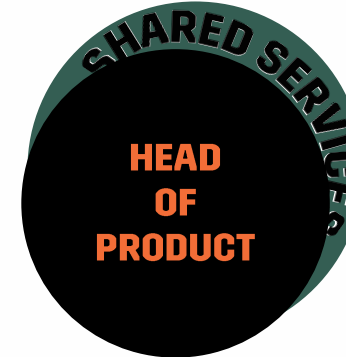
**CHIEF  
FINANCIAL  
OFFICER**

6 Years at Rhino Rack  
35 years industry experience



**HEAD  
OF  
OPERATIONS**

0.1 Years at Rhino Rack  
20 years industry experience



**HEAD  
OF  
PRODUCT**

6 Years at Rhino Rack  
10 years industry experience



**HEAD OF  
MKTING &  
DIGITAL**

0.5 Years at Rhino Rack  
15 years industry experience



**HEAD OF  
PEOPLE &  
CULTURE**

0.3 Years at Rhino Rack  
20 years industry experience



**GM  
ANZ**

0.5 Years at Rhino Rack  
20 years industry experience



**GM  
AMERICAS**

2 Years at Rhino Rack  
35 years industry experience



**GM  
ROW**

3 Years at Rhino Rack  
30 years industry experience





**SINCE JULY 2023, ADVENTURE HAS UNDERGONE DRAMATIC CHANGE, QUICKLY IDENTIFYING CHALLENGES AND SOLUTIONS, WHILE DELIVERING MONTH-OVER-MONTH IMPROVEMENT**

## CHALLENGE

**Leadership team lacking integration, vision & direct experience to oversee global growth - 2 regions operating autonomously**

**Rigid focus on overlanding category, undermining vehicle-based product fits and reducing access to new vehicle launches**

**Multi-brand, decentralized approach added cost and pushed integration to the right**

**Multiple sourcing points for individual products increased shipping costs and touch points, resulting in poor timing and assembly processes**

## SOLUTION

**Hired diverse, best-in-class management team, replacing prior leadership, and adding three regional GMs to fit growth-oriented geographic structure**

**Reset focus on the foundation of fit (~ 90 in 2023 to 180 in 2024+). Developed simplified product platform to drive efficiency – better for customer & consumer**

**Transparent, cost savings directives to centralize brands. 1 Global shared services team, operational alignment. Brands are customer facing.**

**Refocused sourcing on fewer, better partners, shortening distance for finished goods and improved delivery timelines**

# ADVENTURE: LONG RANGE TARGETS

	RESET & STABILIZE	INVEST TO SCALE	TEST TO SCALE	ACCELERATE GROWTH
	2023	2024	2025	2026
NET SALES	\$82M	\$90M	\$125M	\$150M
EBITDA %	13.4%	15%	17%	20%
EBITDA	\$11M	\$13.5M	\$20M	\$30M
KEY INITIATIVES	<ul style="list-style-type: none"> <li>• Rebuild organizational structure; seven senior hires</li> <li>• Solidify ANZ brand positioning</li> <li>• Deliver refreshed product roadmap</li> <li>• Establish shared service model</li> </ul>	<ul style="list-style-type: none"> <li>• One global group, one go-to-market across three brands</li> <li>• Deliver 20 new product launches</li> <li>• Integrate back-end across brands</li> <li>• Launch ESG initiative</li> <li>• Global supply chain improvement plan</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver expanded product roadmap</li> <li>• Focus on growth across global geographies</li> <li>• Omni-channel strategy delivering DTC and enhancing customer experience</li> </ul>	<ul style="list-style-type: none"> <li>• Accelerate Americas and ROW</li> <li>• Product category expansion</li> <li>• Product enhancing M&amp;A</li> </ul>



# ADVENTURE: BUILDING BLOCKS FOR GROWTH

	RESET & STABILIZE	INVEST TO SCALE	TEST TO SCALE	ACCELERATE GROWTH
	2023	2024	2025	2026
NET SALES	\$82M	\$90M	\$125M	\$150M
KEY STRATEGIC & INVESTMENT PHASING	REBUILD LEADERSHIP TEAM	INTEGRATION OF ADVENTURE OPS	INVESTMENT INTO ROW	
	ESTABLISH GLOBAL HQ & 3 REGIONS	INVESTMENT INTO USA		
	ACQUISITION OF TRED: RV/CAMPING & WHITE LABEL GROWTH	INVESTMENT INTO BRAND		
		DIGITAL TRANSFORMATION	RAMP UP TRED WHITE LABEL	INVESTMENT INTO DTC
	1 <sup>ST</sup> RHINO RACK 3YR PRODUCT PLAN	GLOBAL SUPPLY CHAIN TRANSFORMATION		
		1 <sup>ST</sup> MAXTRAX & TRED 3YR PRODUCT PLAN		

## BRAND STRENGTH

**Cleaned up, integrated organizational structure divided between global shared services and Regional P&L ownership**

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**Well-established brand recognition in “home” ANZ market**

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**Category leading brand portfolio with established franchise products**

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**Long-standing blue chip**

## GROWTH OPPORTUNITY

**Model allows for accelerated scale and efficiency, across brand portfolio focus locally on customer**

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**With ANZ stabilized, investment in international for acceleration of investment thesis**

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**Expand categories, building on strength of brand to increase channel participation**

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**Deeper wholesale relationships supported by digital transformation and trade marketing playbook**



**NO MATTER YOUR LIFESTYLE, WE'VE GOT YOU COVERED**







**CLARUS**

**OUTDOOR**





**BLACK DIAMOND IS A GLOBALLY RECOGNIZED,  
ICONIC BRAND THAT TRACES ITS ROOTS BACK TO  
THE ORIGINS OF ROCK CLIMBING AND  
MOUNTAINEERING**



A photograph of a person in a red shirt and white gloves climbing a steep, reddish-brown rock face. The climber is positioned on the right side of the frame, reaching up. The background shows a rugged, rocky landscape with scattered vegetation. The overall scene is dramatic and emphasizes the challenge of rock climbing.

**“THE BEST DAYS OF CLIMBING  
ARE IN THE WINDSHIELD, NOT  
THE REAR VIEW MIRROR”**

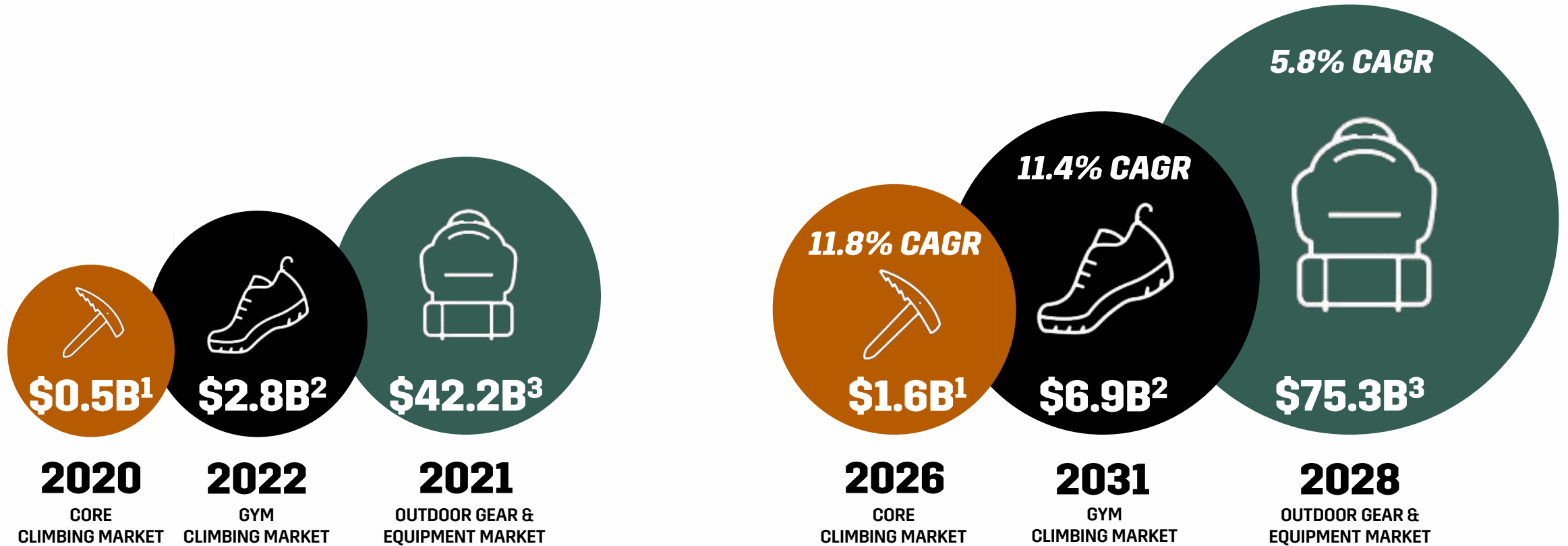
**Peter Metcalf, FOUNDER.**



# BIG MARKET WITH CLEAR GROWTH POTENTIAL FOR BLACK DIAMOND



GROWTH SUPPORTED BY LONG-TERM TAILWIND IN CORE MARKETS WITH THE BIGGEST WHITE SPACE FOR BLACK DIAMOND IN APPAREL (CATEGORY), APAC (GEOGRAPHY) AND DTC (CHANNEL)

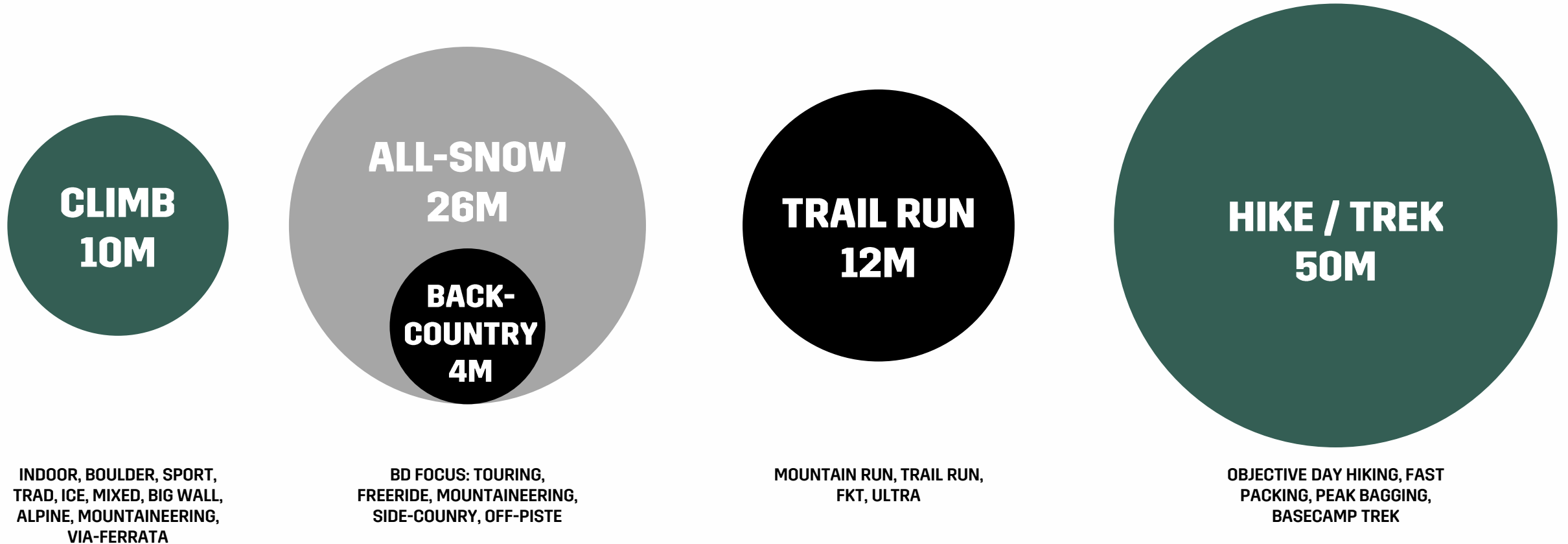


1. ROCK CLIMBING INDUSTRY - GITNUX MARKETDATA REPORT 2024 ( CAGR 2021 to 2028)
2. GLOBAL GYM CLIMBING MARKET OUTLOOK 2031 – TRANSPARENCY MARKET RESEARCH (GAGR 23 – 31)
3. OUTDOOR GEAR & EQUIPMENT MARKET” RESEARCH REPORT 2023 – INDUSTRY RESEARCH (GAGR 22 – 28)

# U.S. PARTICIPATION RATES DRIVING BROAD CONSUMER APPEAL



## BLACK DIAMOND ADDRESSES A LARGE USER BASE ACROSS MULTIPLE ACTIVITY SETS



Climb 10M, Backcountry 4M, Trail Run 12 M, Hike/Trak Represent US Participation data from OIA and SIA.



# OUTDOOR SNAPSHOT



**FOLLOWING SIGNIFICANT RIGHT-SIZING INITIATIVES IN 2023, MANAGEMENT'S OBJECTIVE IN 2024 IS TO RATIONALIZE UNPROFITABLE PRODUCT AND CATEGORIES TO SET THE FOUNDATION FOR PROFITABLE GROWTH IN FUTURE PERIODS**



**\$185m**

FY24F Revenue



**\$14.8m**

FY24F EBITDA



**9,000 +**

# Retail Doors Worldwide



**60 +**

# Countries Distributed to



**390 +**

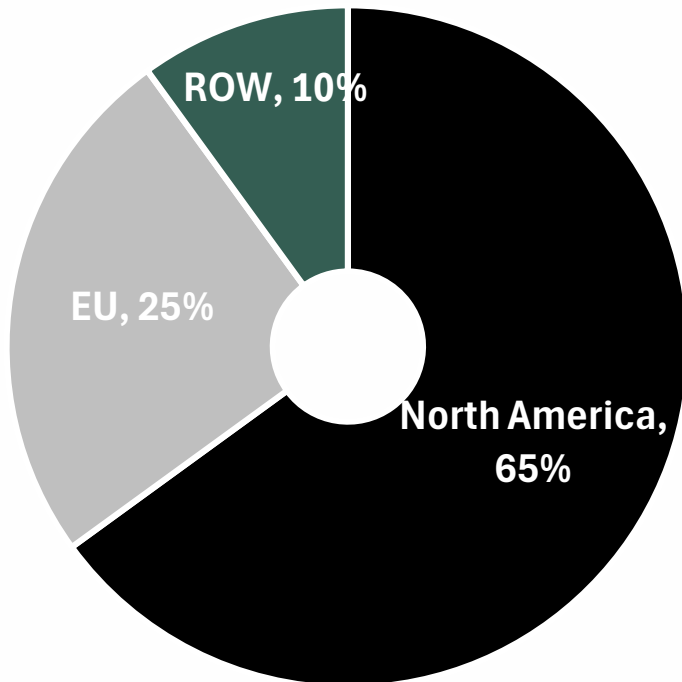
# Employee's Worldwide

# OUTDOOR BY THE NUMBERS

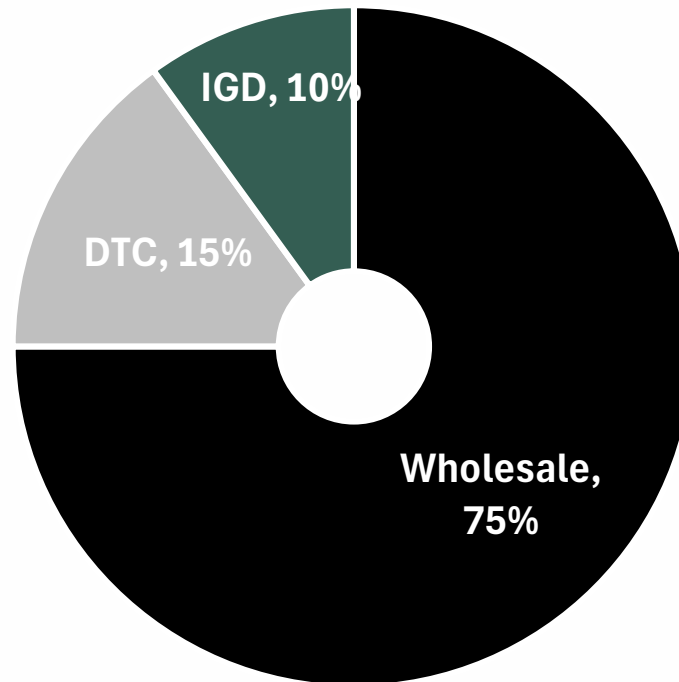


**OUTDOOR PRESENTS A GLOBALLY DIVERSE PLATFORM DRIVEN BY ESTABLISHED POSITIONING WITHIN CORE MOUNTAIN AND CLIMB CATEGORIES. #1 OR #2 IN MANY PRODUCT CATEGORIES**

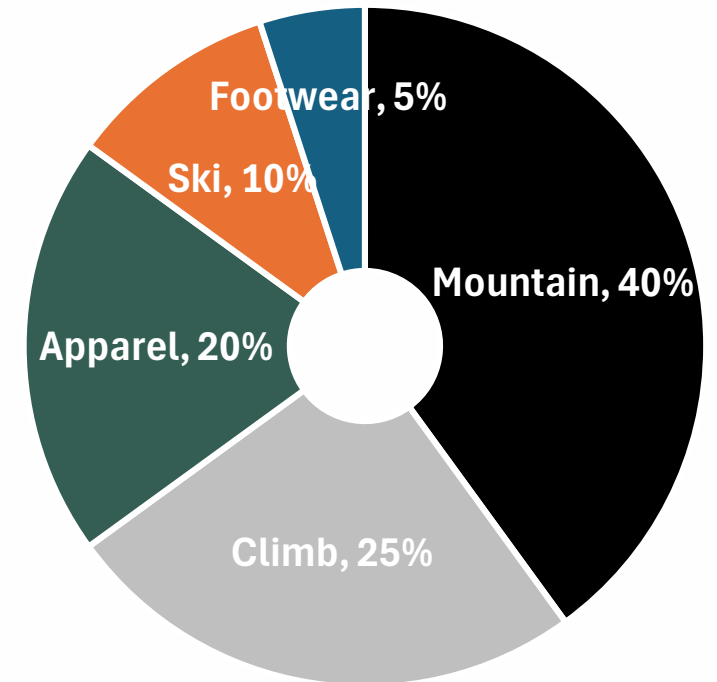
### Sales by Region



### Sales by Channel



### Sales by Category







# LEADERSHIP TEAM



**NEIL FISKE**  
 Managing Director  
 1 Year at Clarus  
 28 years industry experience

Bath & Body Works® **EDDIE BAUER**



Recent return to BLACK DIAMOND (6.5 years prior experience)  
 17 years industry experience



20 Years at BLACK DIAMOND  
 20 years industry experience



Recent return to BLACK DIAMOND (20 years prior experience)  
 45 years industry experience



2 Years at BLACK DIAMOND  
 22 years industry experience



25 Years at BLACK DIAMOND  
 25 years industry experience



Recent return to BLACK DIAMOND (17 years prior experience)  
 26 years industry experience



10 Years at BLACK DIAMOND  
 20 years industry experience





Chouinard  Equipment



 **Black Diamond™**



Peter Metcalf



Yvon Chouinard

## FOUNDER STORY

**Climber, Ski Mountaineer, Public Lands Advocate**

**GM of Chouinard Equipment at age 27**

**Started Black Diamond in 1989**

**“One with the sports we serve and absolutely indistinguishable from them.”**

**“Make a difference on issues of great importance to our fellow community of climbers and backcountry skiers.”**



## CLIMBING IS THE CORE OF THE BRAND

- **Origins**
- **Bloodlines**
- **Leadership**
- **An expansive opportunity**

**Build on positions of strength**

**“Own climbing wherever it exists” mandates we broaden and constantly evolve our view of what constitutes climbing**

**Concentric rings represent sports connected to climbing and shared passions among our core consumers**

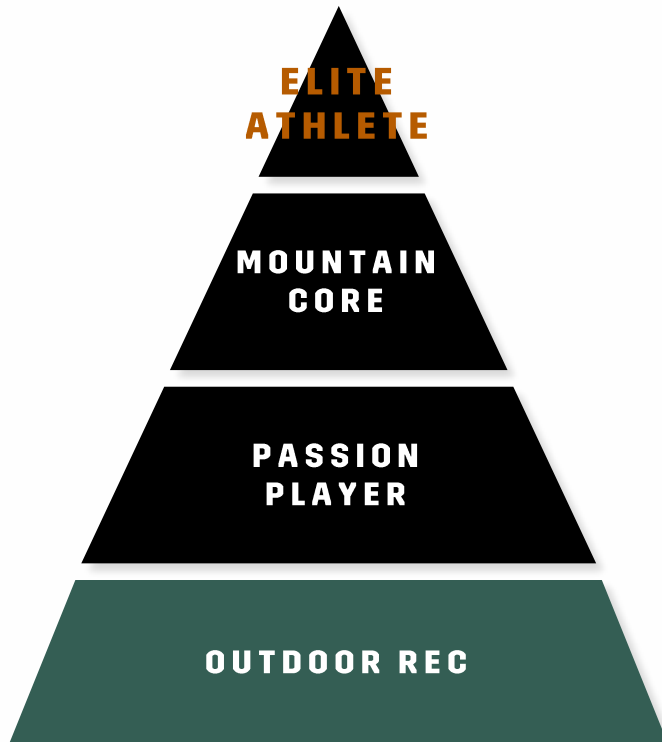


# WIN FROM THE TOP DOWN



**OPPORTUNITY FOR BLACK DIAMOND TO BUILD MORE COMPLETE CONSUMER, PRODUCT, AND CHANNEL PYRAMIDS, LEVERAGING OUR AUTHORITY AS AN EXPERT, ATHLETE DRIVEN BRAND**

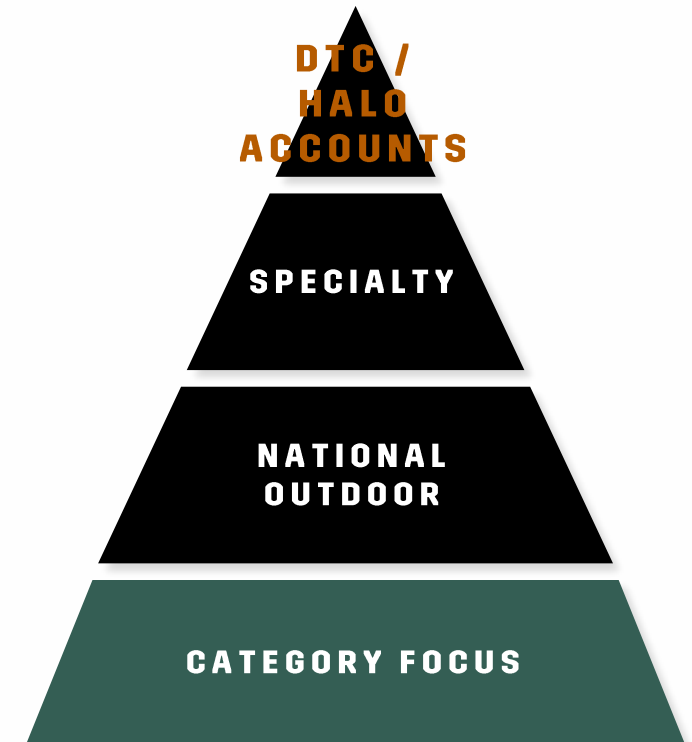
## CONSUMER



## PRODUCT



## DISTRIBUTION



# CONSUMER PRICING TIER EXAMPLE: HIKE / TREK



CONSUMER

CONSUMER

FRANCHISE

DISTRIBUTION

ELITE  
ATHLETE

MOUNTAIN  
CORE

PASSION  
PLAYER

OUTDOOR REC



DISTANCE



Distance  
Carbon FLZ  
**\$209.95**

PURSUIT



Pursuit FLZ  
**\$159.95**

TRAIL



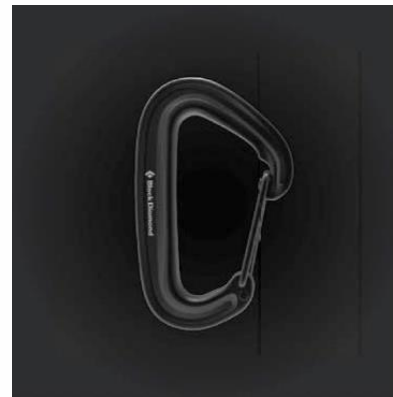
Trail Back  
**\$89.95**



# PRODUCT LEADERSHIP



**BEAUTIFUL DESIGN + SUPERIOR ENGINEERING = ICONIC, MARKET DEFINING PRODUCT. MARKET LEADER ACROSS OUR CORE CATEGORIES**



# ORGANIZATIONAL CHANGE DRIVING GROWTH



**SINCE FEBRUARY 2023, BLACK DIAMOND HAS BEEN SUBSTANTIALLY TRANSFORMED INTO A MORE FOCUSED, SIMPLIFIED, LEANER COMPANY, BETTER POSITIONED FOR PROFITABILITY AND GROWTH**

## CHALLENGE

**BRAND AND ORGANIZATION OVEREXTENDED, HIGHLY COMPLEX**

**CONSISTENT TALENT LOSS, LOW MORALE, NO CULTURE**

**INVENTORIES TOO HIGH AND OUT OF BALANCE WITH MARKET DEMAND**

**LACKING CORE PROCESS DISCIPLINE**

## SOLUTION

**DEVELOPED 7 PART STRATEGY DEFINED BY SIMPLIFICATION (FEWER, BIGGER, BETTER) AND REMOVING LOW VALUE WORK, TO BUILD ON HERITAGE AND POSITIONS OF STRENGTH**

**REVAMPED SENIOR LEADERSHIP TEAM, LEADING TO TALENT INFLUX, AND MAKING BD A DESIRED PLACE TO WORK**

**INVENTORY CLEAN UP AND RIGHT SIZING TO BALANCE LEVELS; NEW INVENTORY MANAGEMENT DISCIPLINES FOCUSED ON DRIVING A AND B TIER PRODUCTS**

**REDESIGNED CONCEPT TO CUSTOMER PROCESS, REVAMPED GO MARKET PROCESS, INSTALLED NEW SALES AND OPERATION PLANNING PROCESS**

# OUTDOOR: LONG RANGE TARGETS



	RESET	SIMPLIFY	GAIN TRACTION	ACCELERATE
	2023	2024	2025	2026
NET SALES	\$204M	\$185M	\$205M	\$225M
EBITDA %	0.7%	8%	11%	13%
EBITDA	\$1.5M	\$14.8M	\$23M	\$29M
KEY INITIATIVES	<ul style="list-style-type: none"> <li>Adjust to post pandemic market correction</li> <li>Resize the business to new baseline demand</li> <li>Revamp Senior Leadership Team</li> <li>Rebuild the sales org and go to market approach</li> </ul>	<ul style="list-style-type: none"> <li>Simplify business units, categories, styles and SKUs</li> <li>Rationalized organization (structure and number)</li> <li>BD Asia</li> <li>Digital re-platform &amp; system upgrades</li> </ul>	<ul style="list-style-type: none"> <li>Invest in brand awareness</li> <li>Apparel breakout year</li> <li>Product margin lift</li> </ul>	<ul style="list-style-type: none"> <li>International and digital growth</li> <li>Year 2 of apparel and new product</li> </ul>



# BUILDING BLOCKS FOR GROWTH AND PROFITABILITY

	RESET	SIMPLIFY	GAIN TRACTION	ACCELERATE GROWTH
	2023	2024	2025	2026
NET SALES	\$204M	\$185M	\$205M	\$225M
KEY STRATEGIC & INVESTMENT PHASING	REVAMP LEADERSHIP TEAM	3 YEAR PRODUCT PLAN	APPAREL BREAKOUT	APPAREL TO \$80M 18-20% CAGR
	RIGHT SIZE AND CLEAN UP INVENTORY	SIMPLIFICATION EXECUTION		
	RESTRUCTURE AND RIGHT SIZE ORG	DTC RE-PLATFORM	CUSTOMER EXPERIENCE PLATFORM/CDP	MARKETING RAMP
	REBUILD NA SALES TEAM	SYSTEMS UPGRADE	DTC GROWTH TO ~ 30%+ OF TOTAL	
	CLOSE UNPROFITABLE STORES	BD ASIA/ SUPPLY CHAIN OPTIMIZATION/SUSTAINABILITY		
	NEW APPAREL TEAM	CORE PROCESS IMPLEMENTATION	NEW INTERNATIONAL ORG	INTERNATIONAL BREAKOUT
	SIMPLIFICATION ROADMAP	EXPAND CLIMB LEADERSHIP: ALPINISM TO GYM. #1 CLIMB BRAND RMI PARTNERSHIP, NEW ATHLETES, COLLABS, LAUNCHES		



## AFTER RESETTING THE FOUNDATION, BLACK DIAMOND FOCUSED ON VALUE DRIVERS

<b>REVENUE GROWTH</b>	<b>CONSUMERS:</b> segmentation initiatives <b>CATEGORIES:</b> grow apparel to \$100M+, focus on kits not items <b>CHANNELS:</b> DTC, non-traditional, account share gain <b>GEOGRAPHY:</b> focus on APAC	<b>8-10% CAGR (after re-set)</b>
<b>GROSS MARGIN EXPANSION</b>	<b>SIMPLIFICATION:</b> edit low margin & productivity styles <b>PRICING:</b> targeted re-pricing opportunities <b>SOURCING:</b> supply chain <b>INVENTORY MGMT:</b> better Supply/Demand alignment <b>MIX:</b> accelerate accretive categories	<b>400 BPS+ FROM '22 BASELINE</b>
<b>COST LEVERAGE</b>	<b>ORGANIZATION:</b> leveraged structure <b>PRODUCTIVITY:</b> gains from simplification	<b>200-300 BPS</b>



## BRAND STRENGTH

**RE-ESTABLISHED APPROPRIATE ORGANIZATIONAL SHAPE HIGHLIGHTED BY NEW LEADERSHIP TEAM AND ENHANCED OVERALL TALENT POOL**

**THE BLACK DIAMOND BRAND IS BIGGER THAN BUSINESS ITSELF**

**CATEGORY LEADING AND DEFINING PRODUCT IN THE CORE SPORTS WE SERVICE**

**FOUNDATIONS FOR NEW APPAREL AND DIGITAL SET**

## GROWTH OPPORTUNITY

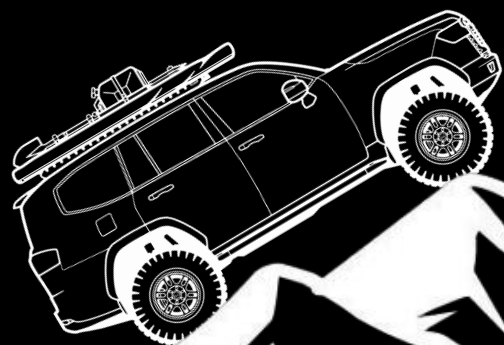
**LOWER FIXED COST STRUCTURE PRIMED TO YIELD OPERATING LEVERAGE AS SCALE REBOUNDS**

**CAPITALIZE ON IDENTIFIED WHITE SPACE IN CONSUMER SEGMENTS, CATEGORIES, CHANNELS, GEOGRAPHIES**

**EXPAND DEFINITION OF CORE SPORTS TO SERVE BROADER CUSTOMER BASE WITHIN CLIMB, SKI, TRAIL RUNNING AND TREKKING**

**BUILD LONG TERM PRODUCT FRANCHISES AND MORE HOLISTIC APPROACH TO ACTIVITY BASED OUTFITTING. HIGH LIFETIME VALUE PROVIDES BASIS FOR ACCELERATED DTC GROWTH**





**CLARUS**

**SUMMARY CLOSE**  
**MARCH 11, 2024**

# LONG RANGE TARGETS: CLARUS CONSOLIDATED

**CLARUS**

	2023	2024	2025	2026
NET SALES	\$286M	\$275M	\$330M	\$375M
EBITDA %	0%	6.2%	10%	13.1%
OpCo ADJ. EBITDA	\$12.1M	\$28.3M	\$43.0M	\$59.0M
CORP. COSTS (EXCL. NON-CASH)	(\$10.9)	(\$11M)	(\$10M)	(\$10M)
ADJ. EBITDA	\$1.2M	~\$17M	\$33.0M	\$49.0M
CASH FLOWS	\$26.2M*	\$18M - \$20M	~ 85% EBITDA	~ 85% EBITDA

## OUTDOOR & ADVENTURE GROWTH MARKETS

**Pure play Outdoor  
& Adventure  
business with in-  
demand brands and  
experienced  
leadership**

## CLEAR PLANS FOR GROWTH AND PROFITABILITY

**Established three-  
year plan aimed at  
enhancing growth  
and profitability**

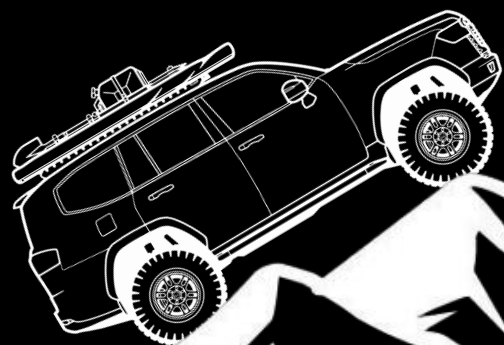
## INVESTMENTS IN 2023 MOVING THE NEEDLE

**Strategic initiatives  
beginning to yield  
progress at Outdoor  
and Adventure**

## DEBT-FREE

**Debt-free balance  
sheet; Capital  
allocation priorities  
focused on creating  
near-term value**





**CLARUS**

**APPENDIX**

## **SALE OF PRECISION SPORT / DISCONTINUED OPERATIONS**

On December 29, 2023, the Company announced the sale of its Precision Sport segment for \$175 million. As the disposition was completed on February 29, 2024, we expect to recognize a gain on the disposition during the three months ending March 31, 2024. The activities of the Precision Sport segment have been segregated and reported as discontinued operations for all periods presented. Certain prior period financial information, related to discontinued operations, have been reclassified and separately presented in the consolidated financial statements and accompanying notes to conform to the current period presentation. The following unaudited financial information is based upon the historical consolidated financial statements of the Company and provides information for continuing operations for each quarter during 2023.

**THE NEXT 4 SLIDES REFLECT THE RESTATEMENT OF THE 2023 QUARTERLY RESULTS.**

# RESTATED QUARTERLY 2023 RESULTS

CLARUS

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

	Three Months Ended			
	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Sales				
Domestic sales	\$ 24,197	\$ 25,925	\$ 30,423	\$ 31,840
International sales	46,081	32,012	50,879	44,663
Total sales	<u>70,278</u>	<u>57,937</u>	<u>81,302</u>	<u>76,503</u>
Cost of goods sold	<u>44,770</u>	<u>35,360</u>	<u>54,018</u>	<u>54,361</u>
Gross profit	25,508	22,577	27,284	22,142
Operating expenses				
Selling, general and administrative	29,482	27,237	28,983	30,665
Restructuring charges	-	736	1,076	1,411
Transaction costs	37	22	400	134
Contingent consideration benefit	<u>(1,565)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>27,954</u>	<u>27,995</u>	<u>30,459</u>	<u>32,210</u>
Operating loss	<u>(2,446)</u>	<u>(5,418)</u>	<u>(3,175)</u>	<u>(10,068)</u>
Other income (expense)				
Interest income, net	5	8	19	35
Other, net	<u>76</u>	<u>226</u>	<u>(445)</u>	<u>1,104</u>
Total other income (expense), net	<u>81</u>	<u>234</u>	<u>(426)</u>	<u>1,139</u>
Loss before income tax	(2,365)	(5,184)	(3,601)	(8,929)
Income tax (benefit) expense	<u>(334)</u>	<u>(862)</u>	<u>(1,395)</u>	<u>(1,700)</u>
Loss from continuing operations	<u>(2,031)</u>	<u>(4,322)</u>	<u>(2,206)</u>	<u>(7,229)</u>
Discontinued operations, net of tax	<u>3,629</u>	<u>2,231</u>	<u>942</u>	<u>(1,160)</u>
Net income (loss)	<u>\$ 1,598</u>	<u>\$ (2,091)</u>	<u>\$ (1,264)</u>	<u>\$ (8,389)</u>
Loss from continuing operations per share:				
Basic	\$ (0.05)	\$ (0.12)	\$ (0.06)	\$ (0.19)
Diluted	(0.05)	(0.12)	(0.06)	(0.19)
Net income (loss) per share:				
Basic	\$ 0.04	\$ (0.06)	\$ (0.03)	\$ (0.22)
Diluted	0.04	(0.06)	(0.03)	(0.22)
Weighted average shares outstanding:				
Basic	37,137	37,192	37,470	38,312
Diluted	37,137	37,192	37,470	38,312



# RESTATED QUARTERLY 2023 RESULTS

**CLARUS**

**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)

**Three Months Ended March 31, 2023**

	<b>Total sales</b>	<b>Gross profit</b>	<b>Operating expenses</b>	<b>Income tax (benefit) expense</b>	<b>Tax rate</b>	<b>(Loss) income from continuing operations</b>	<b>Diluted EPS <sup>(1)</sup></b>
As reported	\$ 70,278	\$ 25,508	\$ 27,954	\$ (334)	(14.1) %	\$ (2,031)	\$ (0.05)
Amortization of intangibles	-	-	(2,768)	278		2,490	
Stock-based compensation	-	-	(1,285)	277		1,008	
Transaction costs	-	-	(37)	6		31	
Contingent consideration (benefit) expense	-	-	1,565	(335)		(1,230)	
As adjusted	<u>\$ 70,278</u>	<u>\$ 25,508</u>	<u>\$ 25,429</u>	<u>\$ (108)</u>	(67.5) %	<u>\$ 268</u>	<u>\$ 0.01</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 is calculated based on 37,137 basic and diluted weighted average shares of common stock. Adjusted income from continuing operations per share is calculated based on 38,109 diluted shares of common stock.

**Three Months Ended June 30, 2023**

	<b>Total sales</b>	<b>Gross profit</b>	<b>Operating expenses</b>	<b>Income tax (benefit) expense</b>	<b>Tax rate</b>	<b>(Loss) income from continuing operations</b>	<b>Diluted EPS <sup>(1)</sup></b>
As reported	\$ 57,937	\$ 22,577	\$ 27,995	\$ (862)	(16.6) %	\$ (4,322)	\$ (0.12)
Amortization of intangibles	-	-	(2,714)	613		2,101	
Stock-based compensation	-	-	(1,486)	295		1,191	
Restructuring charges	-	-	(736)	74		662	
Transaction costs	-	-	(22)	2		20	
As adjusted	<u>\$ 57,937</u>	<u>\$ 22,577</u>	<u>\$ 23,037</u>	<u>\$ 122</u>	54.0 %	<u>\$ (348)</u>	<u>\$ (0.01)</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.

# RESTATED QUARTERLY 2023 RESULTS

**CLARUS**

**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)

**Three Months Ended September 30, 2023**

	<u>Total sales</u>	<u>Gross profit</u>	<u>Operating expenses</u>	<u>Income tax (benefit) expense</u>	<u>Tax rate</u>	<u>(Loss) income from continuing operations</u>	<u>Diluted EPS <sup>(1)</sup></u>
As reported	\$ 81,302	\$ 27,284	\$ 30,459	\$ (1,395)	(38.7) %	\$ (2,206)	\$ (0.06)
Amortization of intangibles	-	-	(2,553)	866		1,687	
Stock-based compensation	-	-	(1,152)	284		868	
Restructuring charges	-	-	(1,076)	334		742	
Transaction costs	-	-	(400)	92		308	
As adjusted	<u>\$ 81,302</u>	<u>\$ 27,284</u>	<u>\$ 25,278</u>	<u>\$ 181</u>	11.5 %	<u>\$ 1,399</u>	<u>\$ 0.04</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 is calculated based on 37,470 basic and diluted weighted average shares of common stock. Adjusted income from continuing operations per share is calculated based on 37,871 diluted shares of common stock.

**Three Months Ended December 31, 2023**

	<u>Total sales</u>	<u>Gross profit</u>	<u>Operating expenses</u>	<u>Income tax (benefit) expense</u>	<u>Tax rate</u>	<u>(Loss) income from continuing operations</u>	<u>Diluted EPS <sup>(1)</sup></u>
As reported	\$ 76,503	\$ 22,142	\$ 32,210	\$ (1,700)	(19.0) %	\$ (7,229)	\$ (0.19)
Amortization of intangibles	-	-	(2,680)	536		2,144	
Stock-based compensation	-	-	(1,218)	244		974	
Inventory fair value of purchase accounting	-	64	-	14		50	
Restructuring charges	-	-	(1,411)	282		1,129	
Transaction costs	-	-	(134)	27		107	
As adjusted	<u>\$ 76,503</u>	<u>\$ 22,206</u>	<u>\$ 26,767</u>	<u>\$ (597)</u>	(17.4) %	<u>\$ (2,825)</u>	<u>\$ (0.07)</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 38,312 basic and diluted weighted average shares of common stock.

# RESTATED QUARTERLY 2023 RESULTS

**CLARUS**

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

	Three Months Ended			
	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Loss from continuing operations	\$ (2,031)	\$ (4,322)	\$ (2,206)	\$ (7,229)
Income tax (benefit) expense	(334)	(862)	(1,395)	(1,700)
Other, net	(76)	(226)	445	(1,104)
Interest expense, net	(5)	(8)	(19)	(35)
Operating loss	(2,446)	(5,418)	(3,175)	(10,068)
Depreciation	939	1,080	1,045	1,086
Amortization of intangibles	2,768	2,714	2,553	2,680
EBITDA	1,261	(1,624)	423	(6,302)
Restructuring charges	-	736	1,076	1,411
Transaction costs	37	22	400	134
Contingent consideration expense	(1,565)	-	-	-
Inventory fair value of purchase accounting	-	-	-	64
Stock-based compensation	1,285	1,486	1,152	1,218
Adjusted EBITDA	\$ 1,018	\$ 620	\$ 3,051	\$ (3,475)
Sales	\$ 70,278	\$ 57,937	\$ 81,302	\$ 76,503
EBITDA margin	1.8%	-2.8%	0.5%	-8.2%
Adjusted EBITDA margin	1.4%	1.1%	3.8%	-4.5%



# CLARUS

Q&A

