



**ADRE**  
HOLDINGS

**SECOND QUARTER**  
**2025**

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# FORWARD-LOOKING STATEMENTS

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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.

# TODAY'S PRESENTERS

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**WARREN KANDERS**

Chief Executive Officer and  
Chairman of the Board



**BRAD WILLIAMS**

President



**BLAINE BROWERS**

Chief Financial Officer

# AGENDA

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- Q2 Highlights
- Business Overview
- Financial Summary
- Full Year Outlook
- Conclusion and Q&A



# CONTINUED EXECUTION IN Q2

Cadre continues to deliver on strategic objectives and capitalize on favorable market trends driving strong demand for mission-critical safety equipment

## Commentary:

Pricing Growth: ✓ *Exceeded target*

Q2 Mix: — *Neutral mix consistent with expectations*

Orders Backlog: ✓ *Stable backlog, excluding new acquisition*

M&A Execution: ✓ *Completed acquisition of multiple leading nuclear brands in April 2025*

Healthy M&A Funnel: ✓ *Continuing to actively evaluate pipeline of opportunities*

Returned Capital to Shareholders: ✓ *Declared 15<sup>th</sup> consecutive quarterly dividend*

# LONG-TERM INDUSTRY TAILWINDS SUPPORTING SUSTAINABLE GROWTH OPPORTUNITY



## Public Safety Tailwinds

Police protection expenditures have continued to trend upward even during previous financial and industrial recessions

Major US cities continue to increase police budgets

European leaders continue to advocate for significant increases in defense budgets

## Nuclear Safety Tailwinds

Environmental Safety: Growing DoE environmental liability across multiple sites requiring remediation spend spanning 60+ years

National Security: Expanding national defense programs drive consistent and growing demand

Nuclear Energy: Increasing global demand for sustainable and clean energy driving investment in nuclear energy, including next gen reactors

# LATEST MARKET TRENDS

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## North American Law Enforcement

- Current administration has demonstrated commitment to prioritizing public safety with significant investments in border patrol and ICE

## Geopolitical Landscape

- Environments within conflict zones have not changed at this point to allow for unexploded ordnance cleanup

## Consumer

- While overall consumer demand for handguns is down, our consumer holster demand has not followed the same trend due to strong brand and premium products

## New Products/Innovation

- Successful new product launches over the past 24 months continue to provide customers with new options in the market

# KEY M&A CRITERIA

## Business

- Leading market position
- Cost structure where material > labor
- High cost of substitution
- Leading and defensible technology
- Mission-critical to customer
- Strong brand recognition

## Financial

- Recurring revenue profile
- Asset-light
- Attractive ROIC

## Market

- Niche market
- No large-cap competition
- Resiliency through market cycles





# ACQUISITION OF CARR'S ENGINEERING DIVISION



## OVERVIEW & STRATEGIC RATIONALE

- In April 2025 completed acquisition of Carr's Engineering division from Carr's Group plc for an enterprise value of £75 million
- Set of leading, niche global brands providing products and engineering services for nuclear safety and protection, with additional focus on the rapidly growing nuclear medicine and nuclear fusion categories
- Manufacturing and assembly facilities in the U.S., the U.K. and Germany
- Expands the nuclear TAM through entry into international channel, and nuclear medicine and nuclear energy markets
- £51 million in revenue for FY 2024 (ended August 31, 2024); EBITDA margin consistent with the lower bound of Cadre's operating model

## CADRE'S KEY M&A CRITERIA MET

- Leading market position
- High cost of substitution
- Leading and defensible technology
- Strong brand recognition
- Attractive ROIC
- Niche market
- Resiliency thru market cycles

Deepens Exposure to the Nuclear Market, Strengthening Relationships with Key International Customers, and Providing an Entry Point to New Sub-Verticals including Commercial Nuclear and Nuclear Medicine

# Q2 Financial Results



# SECOND QUARTER 2025 HIGHLIGHTS

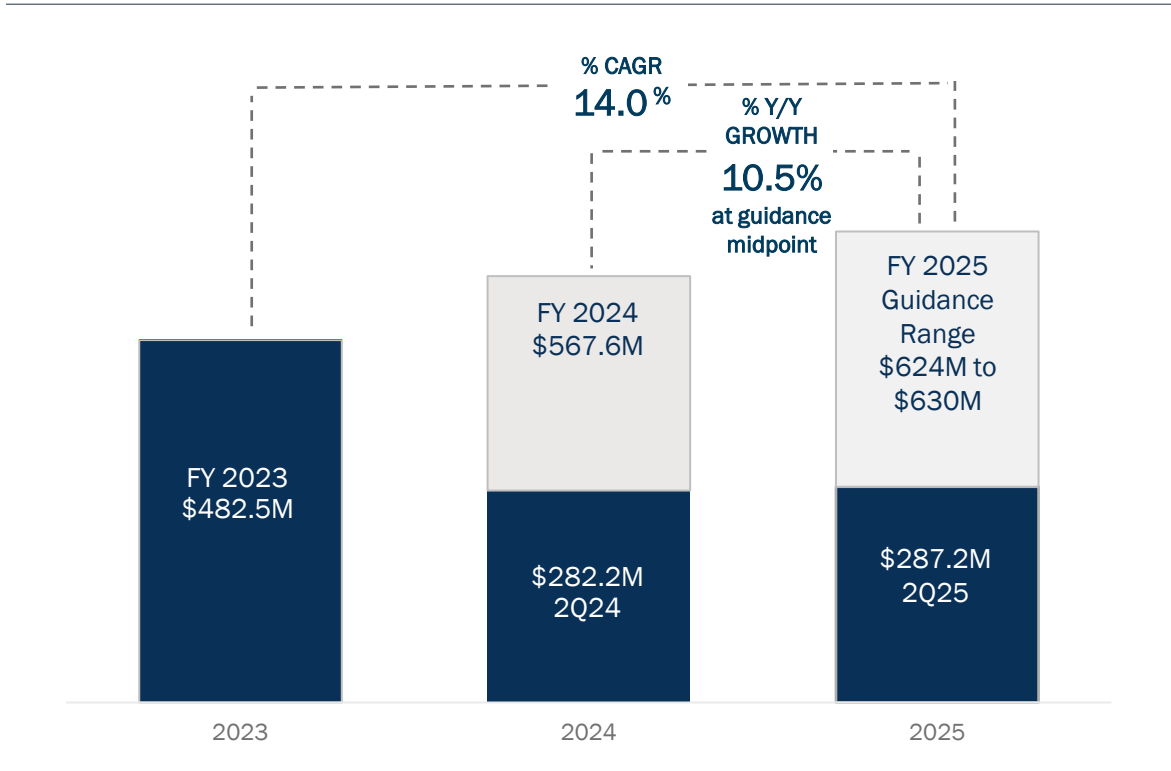


|  | Q2 2025                                  | Q1 2025                                 | Q2 2024                                  |
|--|--|---|--|
| NET SALES                              | \$157.1M                                 | \$130.1M                                | \$144.3M                                 |
| GROSS MARGIN                           | 40.9%                                    | 43.1%                                   | 40.6%                                    |
| NET INCOME                             | \$12.2M /<br>\$0.30 per<br>diluted share | \$9.2M /<br>\$0.23 per<br>diluted share | \$12.6M /<br>\$0.31 per<br>diluted share |
| ADJUSTED EBITDA <sup>1</sup>           | \$27.0M                                  | \$20.5M                                 | \$28.3M                                  |
| ADJUSTED EBITDA<br>MARGIN <sup>1</sup> | 17.2%                                    | 15.8%                                   | 19.6%                                    |

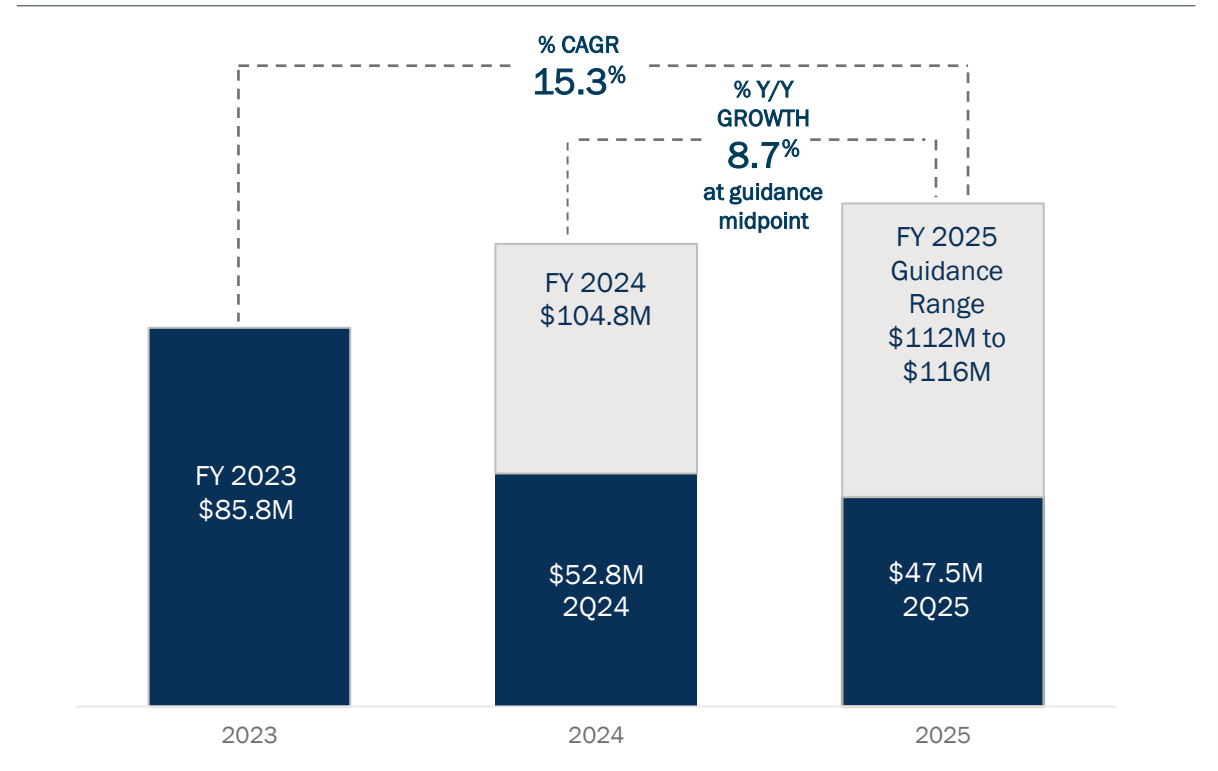
- Achieved pricing growth that exceeded target
- Increased quarterly net sales 9% with gross margin that improved 30 bps y/y

# NET SALES AND ADJUSTED EBITDA

## NET SALES (\$MM)



## ADJ. EBITDA<sup>1</sup> (\$MM)



# Q2 2025 CAPITAL STRUCTURE

June 30, 2025

(in thousands)

|  |           |                |
|--|-----------|----------------|
| Cash and cash equivalents                | \$        | 137,469        |
| Debt:                                    |           |                |
| Revolver                                 | \$        | —              |
| Current portion of long-term debt        |           | 16,265         |
| Long-term debt                           |           | 300,961        |
| Capitalized discount/issuance costs      |           | (2,076)        |
| <b>Total debt, net</b>                   | <b>\$</b> | <b>315,150</b> |
| <b>Net debt (Total debt net of cash)</b> | <b>\$</b> | <b>177,681</b> |
| Total debt / Adj. EBITDA <sup>(1)</sup>  |           | 3.2            |
| Net debt / Adj. EBITDA <sup>(1)</sup>    |           | 1.8            |
| LTM Adj. EBITDA <sup>(1)</sup>           | \$        | 99,521         |

# 2025 MANAGEMENT OUTLOOK



## 2025 GUIDANCE

### NET SALES

\$624M to \$630M

### ADJ. EBITDA

\$112M to \$116M

### CAPITAL EXPENDITURES

\$7M to \$8M

- *Revised midpoints versus prior forecast reflect updated expectations around the timing of orders*
- *Ranges do not incorporate impact of new tariffs announced July 31 and expected to be effective in August 2025*

# CONCLUSION

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*Execution in line with strategic objectives in Q2*



*Ongoing implementation of Cadre operating model*



*Committed to improving gross and Adj. EBITDA margins*



*Continuously focused on M&A opportunities*



*Capitalizing on strong macro tailwinds driving demand and visibility for Cadre's mission-critical products*

# APPENDIX

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# BALANCE SHEET

UNAUDITED (IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

|   | June 30, 2025     | December 31, 2024 |
|---|-------------------|-------------------|
| <b>Assets</b>   |                   |                   |
| Current assets  |                   |                   |
| Cash and cash equivalents   | \$ 137,469        | \$ 124,933        |
| Accounts receivable, net of allowance for doubtful accounts of \$905 and \$876, respectively  | 108,127           | 93,523            |
| Inventories   | 109,604           | 82,351            |
| Prepaid expenses  | 11,836            | 19,027            |
| Other current assets  | 13,980            | 7,737             |
| <b>Total current assets</b>   | <b>381,016</b>    | <b>327,571</b>    |
| Property and equipment, net of accumulated depreciation and amortization of \$58,658 and \$54,384, respectively   | 81,909            | 45,243            |
| Operating lease assets  | 21,314            | 15,454            |
| Deferred tax assets, net  | 4,917             | 4,552             |
| Intangible assets, net  | 126,411           | 107,544           |
| Goodwill  | 174,462           | 148,157           |
| Other assets  | 4,408             | 4,192             |
| <b>Total assets</b>   | <b>\$ 794,437</b> | <b>\$ 652,713</b> |
| <b>Liabilities, Mezzanine Equity and Shareholders' Equity</b>   |                   |                   |
| Current liabilities   |                   |                   |
| Accounts payable  | \$ 32,004         | \$ 29,644         |
| Accrued liabilities   | 56,531            | 46,413            |
| Income tax payable  | 1,268             | 6,693             |
| Current portion of long-term debt   | 16,265            | 11,375            |
| <b>Total current liabilities</b>  | <b>106,068</b>    | <b>94,125</b>     |
| Long-term debt  | 298,885           | 211,830           |
| Long-term operating lease liabilities   | 15,645            | 10,733            |
| Deferred tax liabilities  | 30,306            | 18,758            |
| Other liabilities   | 11,073            | 5,752             |
| <b>Total liabilities</b>  | <b>461,977</b>    | <b>341,198</b>    |
| Mezzanine equity  |                   |                   |
| Preferred stock (\$0.0001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of June 30, 2025 and December 31, 2024)                                    | —                 | —                 |
| Shareholders' equity  |                   |                   |
| Common stock (\$0.0001 par value, 190,000,000 shares authorized, 40,663,844 and 40,607,988 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively) | 4                 | 4                 |
| Additional paid-in capital  | 310,099           | 306,821           |
| Accumulated other comprehensive income (loss)   | 2,540             | (1,389)           |
| Accumulated earnings  | 19,817            | 6,079             |
| <b>Total shareholders' equity</b>   | <b>332,460</b>    | <b>311,515</b>    |
| <b>Total liabilities, mezzanine equity and shareholders' equity</b>   | <b>\$ 794,437</b> | <b>\$ 652,713</b> |

# STATEMENT OF OPERATIONS

UNAUDITED (IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

|   | Three Months Ended June 30, |                  | Six Months Ended June 30, |                  |
|---|-----------------------------|------------------|---------------------------|------------------|
|   | 2025                        | 2024             | 2025                      | 2024             |
| Net sales                                   | \$ 157,109                  | \$ 144,309       | \$ 287,215                | \$ 282,169       |
| Cost of goods sold                          | 92,860                      | 85,659           | 166,835                   | 165,891          |
| <b>Gross profit</b>                         | <b>64,249</b>               | <b>58,650</b>    | <b>120,380</b>            | <b>116,278</b>   |
| Operating expenses                          |                             |                  |                           |                  |
| Selling, general and administrative         | 45,129                      | 38,577           | 86,882                    | 79,296           |
| Restructuring and transaction costs         | 3,326                       | 19               | 4,024                     | 3,106            |
| Related party expense                       | 1,109                       | 101              | 1,237                     | 1,944            |
| <b>Total operating expenses</b>             | <b>49,564</b>               | <b>38,697</b>    | <b>92,143</b>             | <b>84,346</b>    |
| <b>Operating income</b>                     | <b>14,685</b>               | <b>19,953</b>    | <b>28,237</b>             | <b>31,932</b>    |
| Other expense                               |                             |                  |                           |                  |
| Interest expense                            | (3,590)                     | (2,003)          | (5,821)                   | (3,640)          |
| Other income (expense), net                 | 6,114                       | (336)            | 7,401                     | (1,780)          |
| <b>Total other expense, net</b>             | <b>2,524</b>                | <b>(2,339)</b>   | <b>1,580</b>              | <b>(5,420)</b>   |
| Income before provision for income taxes    | 17,209                      | 17,614           | 29,817                    | 26,512           |
| Provision for income taxes                  | (4,998)                     | (5,047)          | (8,358)                   | (7,017)          |
| <b>Net income</b>                           | <b>\$ 12,211</b>            | <b>\$ 12,567</b> | <b>\$ 21,459</b>          | <b>\$ 19,495</b> |
| <b>Net income per share:</b>                |                             |                  |                           |                  |
| Basic                                       | \$ 0.30                     | \$ 0.31          | \$ 0.53                   | \$ 0.50          |
| Diluted                                     | \$ 0.30                     | \$ 0.31          | \$ 0.52                   | \$ 0.49          |
| <b>Weighted average shares outstanding:</b> |                             |                  |                           |                  |
| Basic                                       | 40,661,955                  | 40,606,825       | 40,640,433                | 39,276,700       |
| Diluted                                     | 40,941,790                  | 40,855,185       | 40,960,025                | 39,701,754       |

# STATEMENT OF CASH FLOWS

## UNAUDITED (IN THOUSANDS)

|   | Six Months Ended June 30, |                  |
|---|---------------------------|------------------|
|   | 2025                      | 2024             |
| <b>Cash Flows From Operating Activities:</b>                                      |                           |                  |
| Net income  | \$ 21,459                 | \$ 19,495        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                           |                  |
| Depreciation and amortization   | 8,532                     | 8,562            |
| Amortization of original issue discount and debt issue costs                      | 829                       | 502              |
| Amortization of inventory step-up   | 356                       | 2,310            |
| Deferred income taxes   | 266                       | (1,915)          |
| Stock-based compensation  | 4,393                     | 4,151            |
| Remeasurement of contingent consideration   | 857                       | 509              |
| Provision for losses on accounts receivable                                       | 40                        | 769              |
| Unrealized foreign exchange transaction (gain) loss                               | (3,492)                   | 971              |
| Other loss  | 152                       | 251              |
| Changes in operating assets and liabilities, net of impact of acquisitions:       |                           |                  |
| Accounts receivable   | 10,365                    | (3,387)          |
| Inventories   | (11,304)                  | 2,355            |
| Prepaid expenses and other assets   | 3,375                     | 705              |
| Accounts payable and other liabilities  | (15,849)                  | (21,998)         |
| <b>Net cash provided by operating activities</b>                                  | <b>19,979</b>             | <b>13,280</b>    |
| <b>Cash Flows From Investing Activities:</b>                                      |                           |                  |
| Purchase of property and equipment  | (2,733)                   | (3,365)          |
| Proceeds from disposition of property and equipment                               | 6                         | 49               |
| Business acquisitions, net of cash acquired                                       | (89,590)                  | (141,813)        |
| <b>Net cash used in investing activities</b>                                      | <b>(92,317)</b>           | <b>(145,129)</b> |

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# STATEMENT OF CASH FLOWS – CONTINUED

UNAUDITED (IN THOUSANDS)

|  | Six Months Ended June 30, |                   |
|--|---------------------------|-------------------|
|  | 2025                      | 2024              |
| <b>Cash Flows From Financing Activities:</b>                                   |                           |                   |
| Proceeds from revolving credit facilities                                      | —                         | 5,500             |
| Principal payments on revolving credit facilities                              | —                         | (5,500)           |
| Proceeds from term loans   | 97,500                    | 80,000            |
| Principal payments on term loans   | (5,689)                   | (6,065)           |
| Principal payments on insurance premium financing                              | —                         | (2,187)           |
| Payments for debt issuance costs   | —                         | (844)             |
| Taxes paid in connection with employee stock transactions                      | (1,185)                   | (5,311)           |
| Proceeds from secondary offering, net of underwriter discounts                 | —                         | 91,776            |
| Deferred offering costs  | —                         | (683)             |
| Dividends distributed  | (7,721)                   | (6,842)           |
| Other  | 38                        | 37                |
| <b>Net cash provided by financing activities</b>                               | <b>82,943</b>             | <b>149,881</b>    |
| Effect of foreign exchange rates on cash and cash equivalents                  | 1,931                     | 180               |
| <b>Change in cash and cash equivalents</b>                                     | <b>12,536</b>             | <b>18,212</b>     |
| <b>Cash and cash equivalents, beginning of period</b>                          | <b>124,933</b>            | <b>87,691</b>     |
| <b>Cash and cash equivalents, end of period</b>                                | <b>\$ 137,469</b>         | <b>\$ 105,903</b> |
| <b>Supplemental Disclosure of Cash Flows Information:</b>                      |                           |                   |
| Cash paid for income taxes, net  | \$ 16,937                 | \$ 21,605         |
| Cash paid for interest   | \$ 8,202                  | \$ 6,458          |
| <b>Supplemental Disclosure of Non-Cash Investing and Financing Activities:</b> |                           |                   |
| Accruals and accounts payable for capital expenditures                         | \$ 259                    | \$ 58             |

# NON-GAAP RECONCILIATION

(IN THOUSANDS)

|   | Year ended        | Three Months     | Three Months Ended |                  | Six Months Ended |                  | Last Twelve      |
|---|-------------------|------------------|--------------------|------------------|------------------|------------------|------------------|
|   | December 31,      | Ended March 31,  | June 30,           |                  | June 30,         |                  | Months           |
|   | 2024              | 2025             | 2025               | 2024             | 2025             | 2024             | June 30, 2025    |
| Net income  | \$ 36,133         | \$ 9,248         | \$ 12,211          | \$ 12,567        | \$ 21,459        | \$ 19,495        | \$ 38,097        |
| Add back:   |                   |                  |                    |                  |                  |                  |                  |
| Depreciation and amortization                               | 16,420            | 3,856            | 4,676              | 4,620            | 8,532            | 8,562            | 16,390           |
| Interest expense  | 7,822             | 2,231            | 3,590              | 2,003            | 5,821            | 3,640            | 10,003           |
| Provision for income taxes                                  | 18,085            | 3,360            | 4,998              | 5,047            | 8,358            | 7,017            | 19,426           |
| <b>EBITDA</b>   | <b>\$ 78,460</b>  | <b>\$ 18,695</b> | <b>\$ 25,475</b>   | <b>\$ 24,237</b> | <b>\$ 44,170</b> | <b>\$ 38,714</b> | <b>\$ 83,916</b> |
| Add back:   |                   |                  |                    |                  |                  |                  |                  |
| Restructuring and transaction costs <sup>(1)</sup>          | 7,757             | 698              | 4,326              | 19               | 5,024            | 4,856            | 7,925            |
| Other expense (income), net <sup>(2)</sup>                  | 4,721             | (1,287)          | (6,114)            | 336              | (7,401)          | 1,780            | (4,460)          |
| Stock-based compensation expense <sup>(3)</sup>             | 8,369             | 1,968            | 2,425              | 2,084            | 4,393            | 4,151            | 8,611            |
| Stock-based compensation payroll tax expense <sup>(4)</sup> | 441               | 92               | —                  | 48               | 92               | 441              | 92               |
| LTIP bonus <sup>(5)</sup>                                   | 49                | —                | —                  | (1)              | —                | 49               | —                |
| Amortization of inventory step-up <sup>(6)</sup>            | 3,858             | —                | 356                | 1,541            | 356              | 2,310            | 1,904            |
| Contingent consideration expense <sup>(7)</sup>             | 1,185             | 331              | 526                | 58               | 857              | 509              | 1,533            |
| <b>Adjusted EBITDA</b>                                      | <b>\$ 104,840</b> | <b>\$ 20,497</b> | <b>\$ 26,994</b>   | <b>\$ 28,322</b> | <b>\$ 47,491</b> | <b>\$ 52,810</b> | <b>\$ 99,521</b> |
| <b>Adjusted EBITDA margin<sup>(8)</sup></b>                 | <b>18.5 %</b>     | <b>15.8 %</b>    | <b>17.2 %</b>      | <b>19.6 %</b>    | <b>16.5 %</b>    | <b>18.7 %</b>    |                  |

1. Reflects the “Restructuring and transaction costs” line item on our consolidated statements of operations, which primarily includes transaction costs composed of legal and consulting fees. In addition, this line item reflects a \$1.0 million fee paid to Kanders & Company, Inc. for services related to the acquisition of Zircaloy for the three and six months ended June 30, 2025 and a \$1.8 million fee paid to Kanders & Company, Inc. for services related to the acquisition of Alpha Safety for the six months ended June 30, 2024, which are included in related party expense in the Company’s condensed consolidated statements of operations.
2. Reflects the “Other income (expense), net” line item on our condensed consolidated statements of operations and primarily includes transaction gains and losses due to fluctuations in foreign currency exchange rates.
3. Reflects compensation expense related to equity and liability classified stock-based compensation plans.
4. Reflects payroll taxes associated with vested stock-based compensation awards.
5. Reflects the cost of a cash-based long-term incentive plan awarded to employees that vests over three years.
6. Reflects amortization expense related to the step-up inventory adjustment recorded as a result of our recent acquisitions.
7. Reflects contingent consideration expense related to the acquisition of ICOR.
8. Reflects Adjusted EBITDA / Net sales for the relevant periods.

# USE OF NON-GAAP MEASURES

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The Company reports its financial results in accordance with U.S. generally accepted accounting principles (“GAAP”). The presentation contains the non-GAAP measures: (i) earnings before interest, taxes, other income or expense, depreciation and amortization (“EBITDA”), (ii) adjusted EBITDA and (iii) adjusted EBITDA margin and (iv) last twelve months adjusted EBITDA. The Company believes the presentation of these non-GAAP measures provides 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 measure Adjusted EBITDA 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. 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.