



# INVESTOR PRESENTATION

November 2023



# FORWARD-LOOKING STATEMENTS

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Except for historical information, certain matters discussed in this presentation may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include but are not limited to all projections and anticipated levels of future performance. Forward-looking statements involve risks, uncertainties and other factors that may cause our actual results to differ materially from those discussed herein. Any number of factors could cause actual results to differ materially from projections or forward-looking statements, including without limitation, global economic, social and political conditions, spending patterns of government agencies, competitive pressures, the impact of acquisitions and related integration activities, logistical challenges related to disruptions and delays, product liability claims, the success of new product introductions, currency exchange rate fluctuations and the risks of doing business in the markets in which we operate, including foreign countries. More information on potential factors that could affect the Company's financial results are more fully described from time to time in the Company's public reports filed with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and 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.

# SENIOR MANAGEMENT TEAM



**WARREN KANDERS**

Chief Executive Officer and  
Chairman of the Board



Benson  
Eyecare



**KANDERS & CO.**



**BRAD WILLIAMS**

President



**BLAINE BROWERS**

Chief Financial Officer





# WHO IS CADRE?

## BODY ARMOR



## DUTY GEAR



## EOD



## KEY FACTS AND FIGURES



**2,380+**  
Employees



**23,000+**  
First Responders and  
Federal Agencies that  
Rely on Cadre's Products



**55+**  
Years in  
Business



**85+**  
Design Engineers  
and Technicians



**104+**  
Countries in  
which Cadre's  
Products are  
Sold



**16**  
Manufacturing Facilities

# CADRE'S FOUNDATION





# INVESTMENT HIGHLIGHTS

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Warren Kanders' Track Record of Creating Shareholder Value

Leadership Positions For Mission-critical Products with Recurring Demand

Entrenched Position in Large and Expanding TAM

Robust Acquisition Pipeline to Accelerate Growth

Strong Free Cash Flow Generation

# STRATEGIC OBJECTIVES

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*Achieve Organic Revenue Growth*



*Continuously Improve Gross and Adj. EBITDA Margins*



*Pursue M&A Opportunities*

# MACRO FUNDAMENTALS SUPPORT LONG TERM SUSTAINABLE GROWTH OPPORTUNITY

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

Major US cities continue to increase police budgets

The American Rescue Plan provides \$350 billion to hire more police

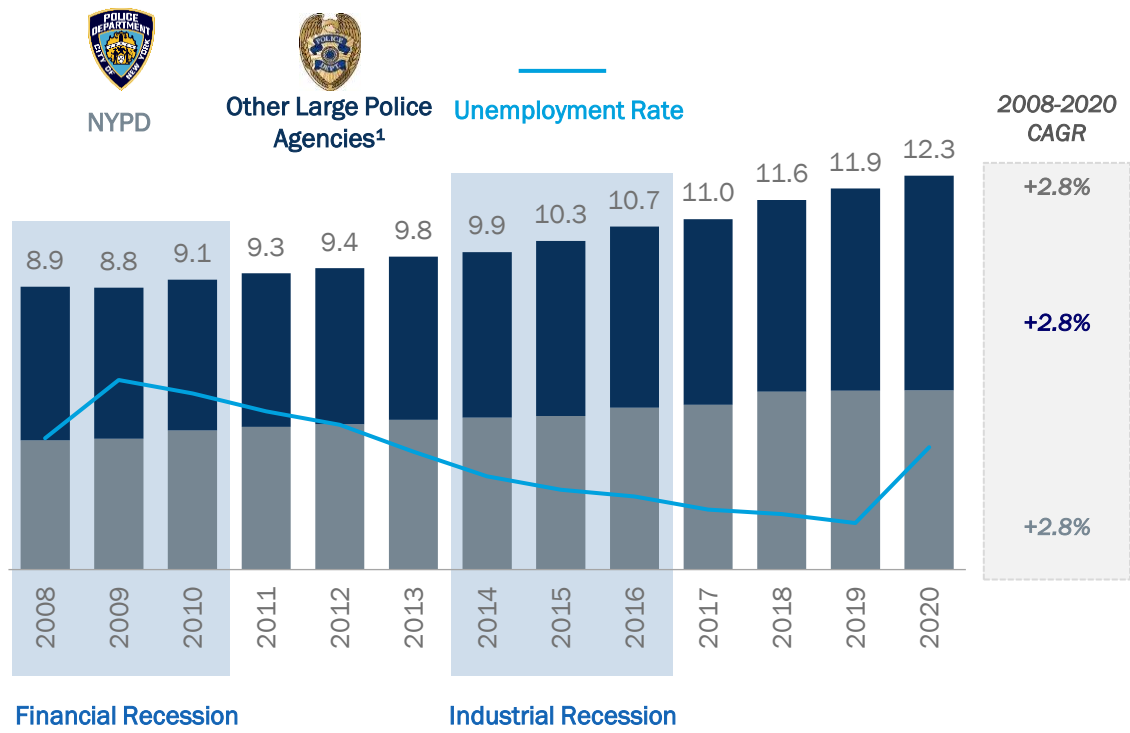
Two-thirds of all NATO countries spend less than 2% of GDP targets on defense and security

Amidst current geopolitical turmoil, European leaders have advocated for significant increases in defense budgets

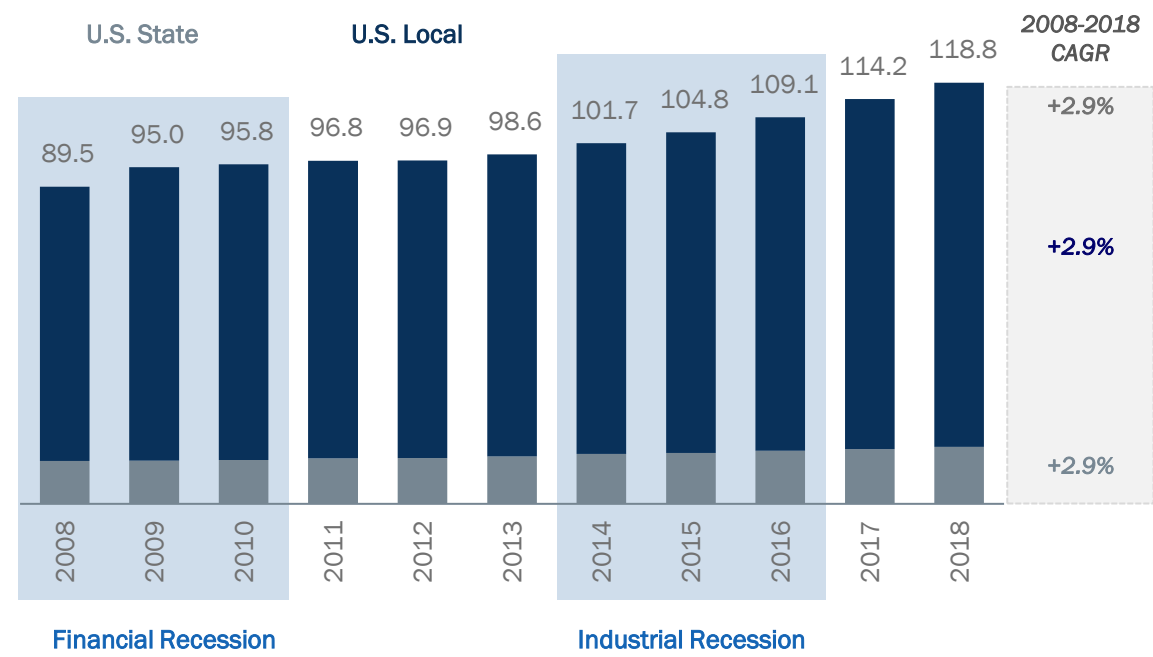


# ATTRACTIVE TAILWINDS DRIVING DEMAND AND VISIBILITY FOR CADRE'S PRODUCTS

## MAJOR DOMESTIC LAW ENFORCEMENT BUDGETS (\$BN)



## DOMESTIC STATE & LOCAL GOVERNMENT POLICE PROTECTION EXPENDITURES (\$BN)



Source: Public budget proposals (2007-2019), Federal Reserve, U.S. Census Bureau, 2008 - 2018 Annual Surveys of State and Local Government Finances  
1. Includes Los Angeles, Chicago, Houston, Baltimore, Philadelphia, Detroit, Atlanta, Minneapolis and Orlando Police Departments

## PATROL

### LOADOUT

HOLSTERS/GEAR  
BODY ARMOR  
COMMS/HEARING  
ARMOR SYSTEMS  
GEAR  
DRUG TESTING



**7360 7TS™ ALS®**  
HI-RIDE BELT SLIDE  
CONCEALMENT HOLSTER



**M2™ CARRIER WITH SX02 BALLISTIC PANEL**



**7955 ERGOTEK™ DUTY**  
BELT 2.25" (58MM)



**CIPS™ COMMS KIT**  
(COVERT-IN-PLAIN-  
SIGHT)



**STANDARD STEEL**  
CHAIN HANDCUFFS



**NIK® TEST L - HEROIN**



## EOD TECHNICIAN

### LOADOUT

SUPPORT SUIT  
ROBOT  
MANIPULATOR  
BLAST SENSOR  
CAMCORDER  
TOOLS



TAC 6E SUPPORT TEAM  
BLAST PROTECTION



AVENGER ROBOT



CUSTOMIZED BLAST ATTEN-  
UATION SEATS



TM 600 TELESCOPIC MANIPULATOR



BLAST TRACK  
SENSOR



BOMB SUIT VIDEO CAMCORDER

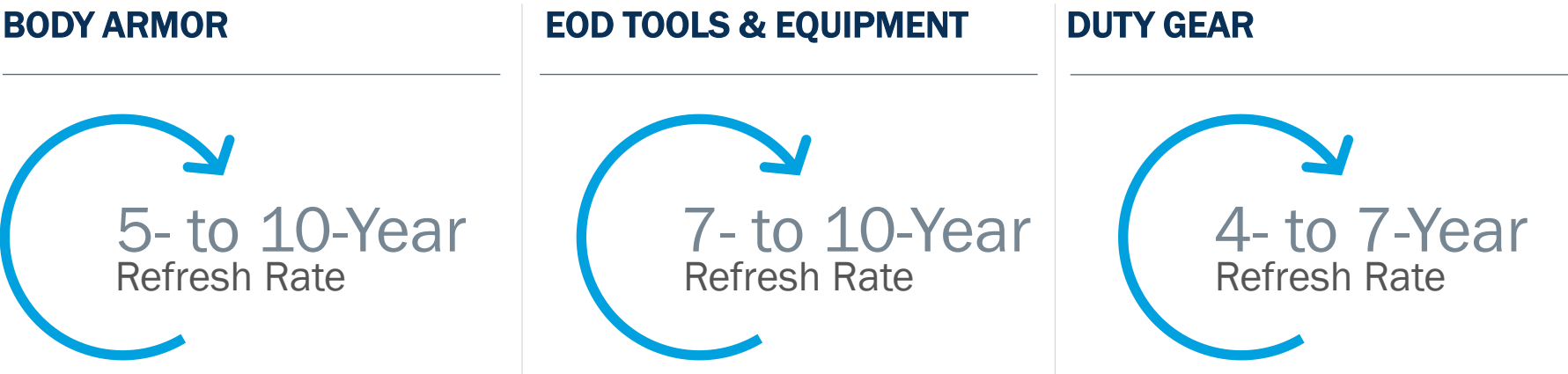


HAL TACTICAL  
HOOK AND LINE



# MISSION-CRITICAL PRODUCTS WITH RECURRING DEMAND CHARACTERISTICS

Over 80% of Cadre’s product line is tied to customer refresh cycles which drives a predictable revenue stream



Additional Catalysts Drive Steady, Recurring Demand For Cadre’s Equipment



Technology Upgrades / Advancements



Brilliance Award for Best Tactical Holster from Optics Planet

Regulatory Environment



Safety



Brandy Pierce  
Save #2000



Stephan O'Dell  
Save #2040

# CADRE'S 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



# ACCRETIVE ACQUISITIONS IN 2022



Over 60 years as a leading manufacturer of chemical light solutions. Preeminent supplier of light sticks, chemi-luminescent ammunition and infra-red devices to US, NATO military forces, and commercial and law enforcement markets.

## KEY M&A CRITERIA MET

- ✓ Leading market position
- ✓ Mission-critical to customer
- ✓ Strong brand recognition
- ✓ Asset light
- ✓ Attractive ROIC
- ✓ Resiliency thru market cycles
- ✓ Recurring revenue profile

Increases wallet share with current military, law enforcement and commercial customer base. Adds resilient recurring revenue stream to our portfolio.



Premiere family-owned duty gear business with 60+ year history that specializes in the production of high-quality holsters, belts, duty belts, and other accessories, generating the majority of its revenue in Europe.

## KEY M&A CRITERIA MET

- ✓ Leading market position
- ✓ Mission-critical to customer
- ✓ Strong brand recognition
- ✓ Asset light
- ✓ Attractive ROIC
- ✓ Resiliency thru market cycles

Expands reach of holsters into the EU and adds to Cadre's international footprint in the UK and Lithuania to support growing international customer base.



# Q3 2023 Results



# CONTINUED EXECUTION IN Q3

Cadre continues to deliver on strategic objectives, generating record quarterly Adj. EBITDA and achieving significant margin expansion

## Commentary:

Pricing Growth:

✓ *Exceeded target*

Q3 Mix:

✓ *Favorable armor demand resulted in continued solid product and portfolio mix*

Orders Backlog:

✓ *Increased by \$8.3 million in 2023, driven by higher demand for EOD products*

Healthy M&A Funnel:

✓ *Continue to actively evaluate pipeline of opportunities*

Returned Capital to Shareholders:

✓ *Declared eighth consecutive quarterly dividend of \$0.08*



# THIRD QUARTER 2023 FINANCIAL PERFORMANCE



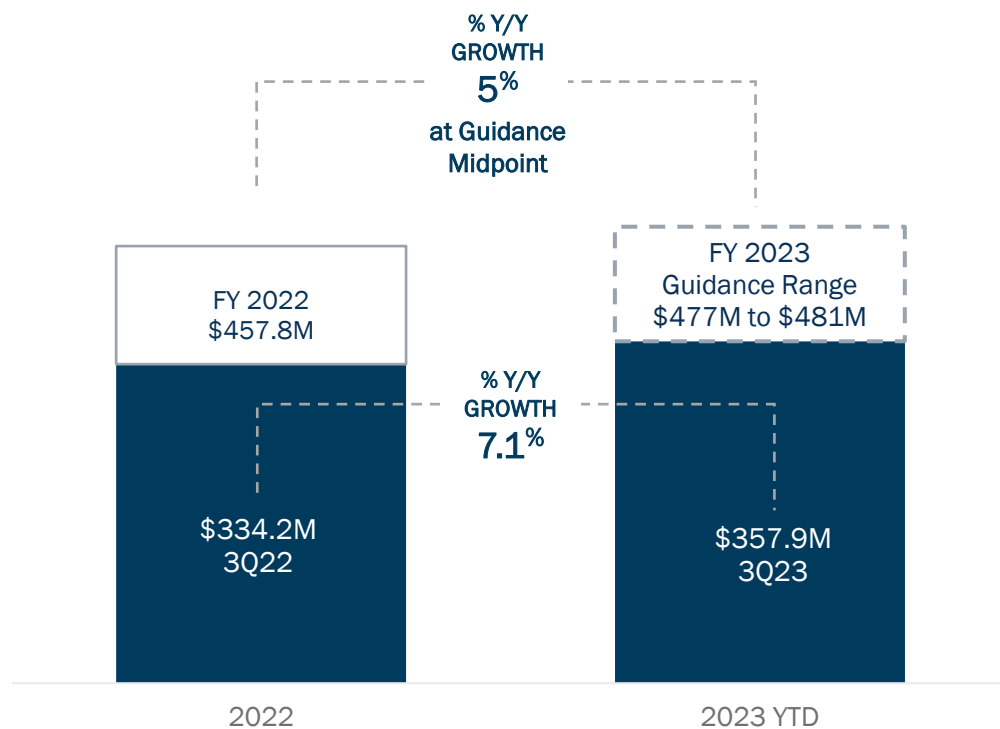
	Q3 2023	Q2 2023	Q3 2022
NET SALES	\$125.1M	\$121.1M	\$111.6M
GROSS MARGIN	42.9%	41.9%	39.2%
NET INCOME	\$11.1M / \$0.29 per diluted share	\$11.0M / \$0.29 per diluted share	\$4.9M / \$0.13 per diluted share
ADJUSTED EBITDA <sup>1</sup>	\$23.7M	\$22.8M	\$20.7M
ADJUSTED EBITDA MARGIN <sup>1</sup>	19.0%	18.8%	18.6%

- Second consecutive quarter of record adjusted EBITDA and adjusted EBITDA margin
- Achieved pricing growth that exceeded target and grew orders backlog YTD

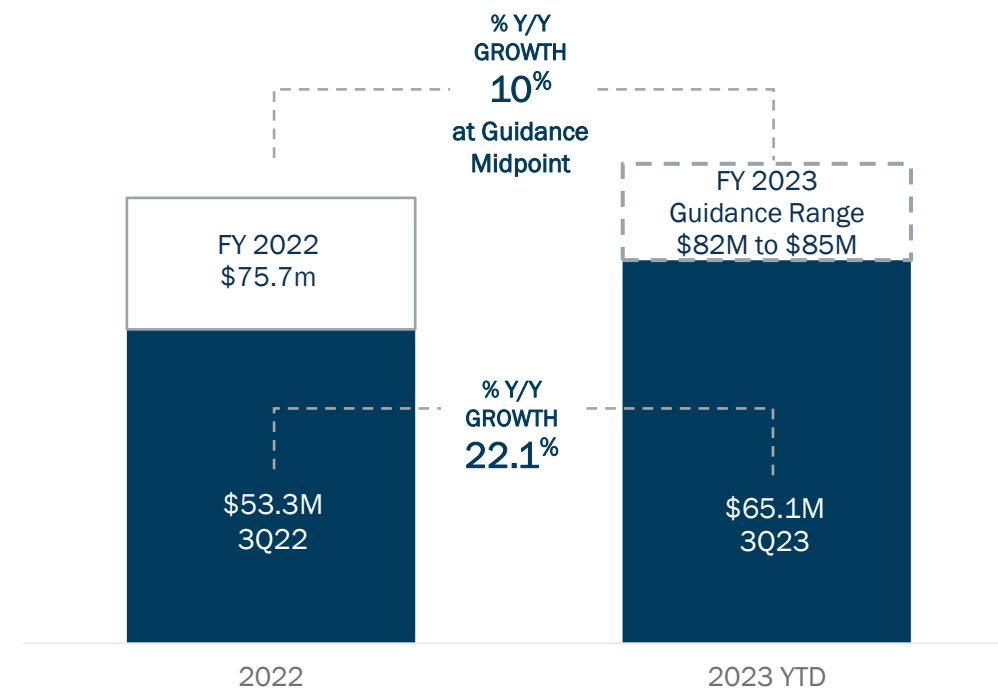


# NET SALES AND ADJUSTED EBITDA

## NET SALES (\$MM)



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



# Q3 2023 CAPITAL STRUCTURE

September 30, 2023

(in thousands)

Cash and cash equivalents	\$	69,412
Debt:		
Revolver	\$	—
Current portion of long-term debt		13,251
Long-term debt		131,573
Capitalized discount/issuance costs		(1,264)
<b>Total debt, net</b>	<b>\$</b>	<b>143,560</b>
<b>Net debt (Total debt net of cash)</b>	<b>\$</b>	<b>74,148</b>
Total debt / Adj. EBITDA <sup>(1)</sup>		1.6
Net debt / Adj. EBITDA <sup>(1)</sup>		0.8
LTM Adj. EBITDA <sup>(1)</sup>	\$	87,513

# 2023 MANAGEMENT OUTLOOK



## 2023 GUIDANCE

### NET SALES

**\$477M to \$481M**

Previous: \$472M to \$484M

### ADJ. EBITDA

**\$82M to \$85M**

Previous: \$80M to \$84M

### CAPITAL EXPENDITURES

**\$7M to \$8M**

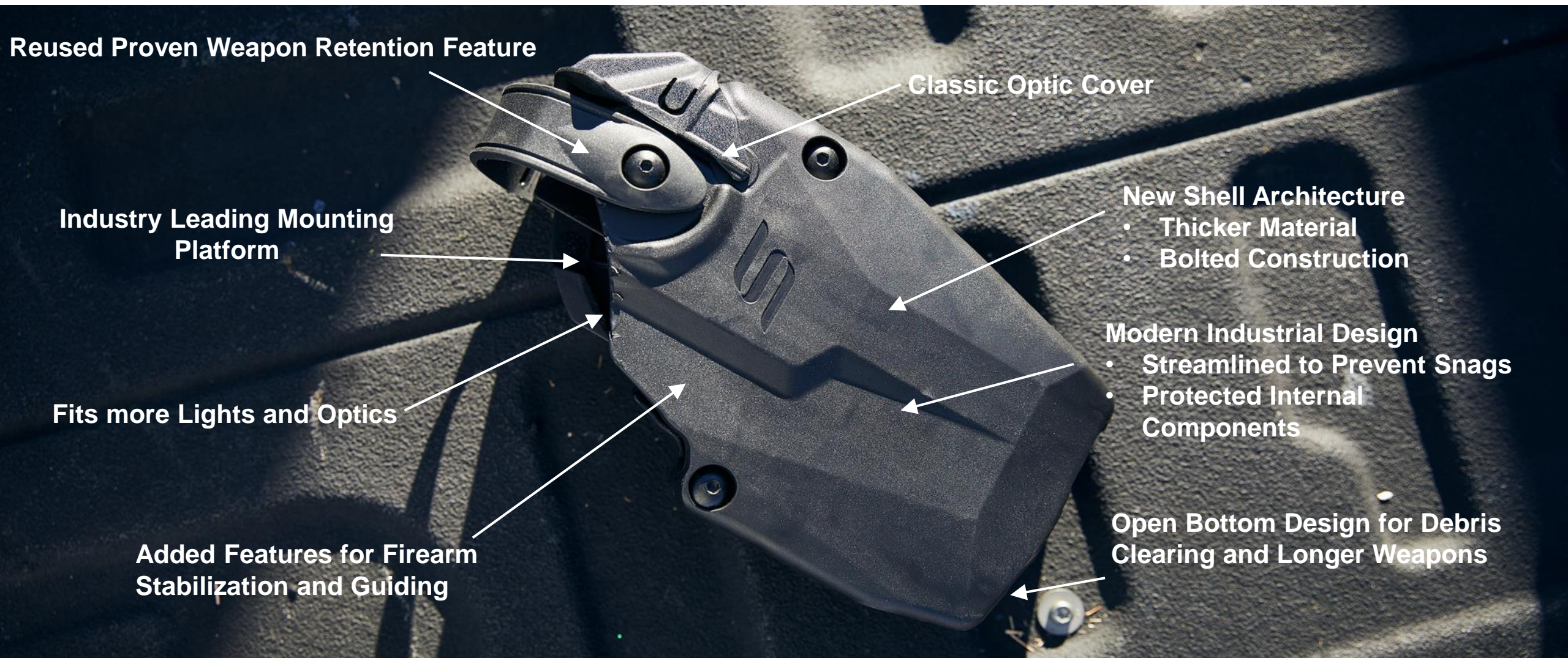


# APPENDIX





# SAFARI-VAULT: FEATURES & BENEFITS





# HYPERX TACTICAL ARMOR PLATFORM: KEY FEATURES



- Designed to capture the functionality of a plate rack, but with the additional protection offered by full-coverage armor systems
- Capitalize on our strengths in Hard Armor and Soft Ballistics technology to form a purpose-built system that eliminates excess material, weight, and bulk
- Innovative design creating market leading adaptability which sets a new standard in customization and scalability in a tactical armor system



# XPERTFIT: 3D BODY SIZING

Using **patented technology**, we can measure fully dressed individuals with the highest precision of accuracy in **seconds**. The **neural algorithm** was trained on a proprietary data set of user generated scans, manually measured and digitally scanned people with an in-house scanning lab.

Powered By **3DLOOK**

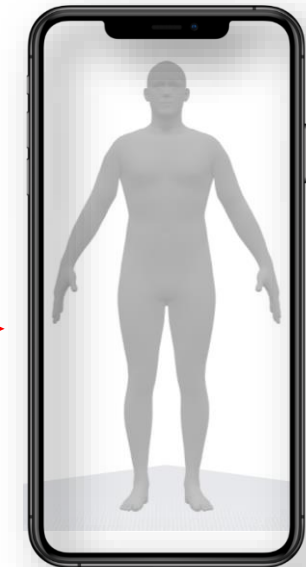
Start with the XpertFit Sizing App on any iOS or Android device



Perform a front and side scan. Scans are done against any Background, fully clothed

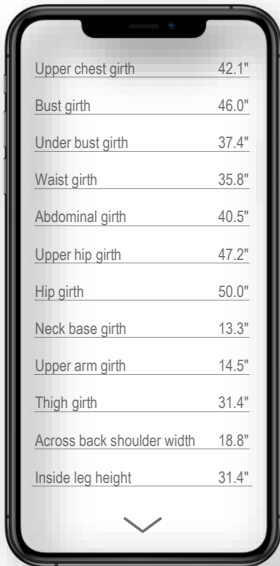


Computer vision algorithms Detect the human body under The clothes



Statistical modeling and 3D Matching algorithms Accurately create a 3D model And 3D body profile

Over 80 measurements are Computed from the generated 3D model



3D model and detailed Measurements are behind the Scenes and not provided To customers



Armor size is based on Safariland's many years Of experience

# BALANCE SHEET

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

	September 30, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 69,412	\$ 45,286
Accounts receivable, net of allowance for doubtful accounts of \$819 and \$924, respectively	61,261	64,557
Inventories	82,546	70,273
Prepaid expenses	14,667	10,091
Other current assets	8,836	6,811
<b>Total current assets</b>	<b>236,722</b>	<b>197,018</b>
Property and equipment, net of accumulated depreciation and amortization of \$48,994 and \$42,694, respectively	43,657	45,285
Operating lease assets	6,643	8,489
Deferred tax assets, net	2,299	2,255
Intangible assets, net	44,333	50,695
Goodwill	81,212	81,576
Other assets	5,639	6,634
<b>Total assets</b>	<b>\$ 420,505</b>	<b>\$ 391,952</b>
Liabilities, Mezzanine Equity and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 30,733	\$ 23,406
Accrued liabilities	38,673	38,720
Income tax payable	7,049	4,584
Liabilities held for sale	—	—
Current portion of long-term debt	13,251	12,211
<b>Total current liabilities</b>	<b>89,706</b>	<b>78,921</b>
Long-term debt	130,309	137,476
Long-term operating lease liabilities	3,603	4,965
Deferred tax liabilities	5,047	3,508
Other liabilities	1,843	1,192
<b>Total liabilities</b>	<b>230,508</b>	<b>226,062</b>
Mezzanine equity		
Preferred stock (\$0.0001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of September 30, 2023 and December 31, 2022)	—	—
Shareholders' equity		
Common stock (\$0.0001 par value, 190,000,000 shares authorized, 37,586,031 and 37,332,271 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively)	4	4
Additional paid-in capital	210,543	206,540
Accumulated other comprehensive income	2,143	2,087
Accumulated deficit	(22,693)	(42,741)
<b>Total shareholders' equity</b>	<b>189,997</b>	<b>165,890</b>
<b>Total liabilities, mezzanine equity and shareholders' equity</b>	<b>\$ 420,505</b>	<b>\$ 391,952</b>

# STATEMENT OF OPERATIONS

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net sales	\$ 125,114	\$ 111,554	\$ 357,949	\$ 334,192
Cost of goods sold	71,511	67,814	206,981	207,042
Gross profit	53,603	43,740	150,968	127,150
Operating expenses				
Selling, general and administrative	36,314	31,732	105,615	118,431
Restructuring and transaction costs	439	1,578	1,132	3,380
Related party expense	116	112	379	1,346
Total operating expenses	36,869	33,422	107,126	123,157
Operating income	16,734	10,318	43,842	3,993
Other expense				
Interest expense	(1,073)	(1,567)	(3,727)	(4,496)
Other (expense) income, net	(315)	(1,851)	395	(2,812)
Total other expense, net	(1,388)	(3,418)	(3,332)	(7,308)
Income (loss) before provision for income taxes	15,346	6,900	40,510	(3,315)
(Provision) benefit for income taxes	(4,293)	(1,959)	(11,463)	2,536
Net income (loss)	\$ 11,053	\$ 4,941	\$ 29,047	\$ (779)
Net income (loss) per share:				
Basic	\$ 0.29	\$ 0.13	\$ 0.77	\$ (0.02)
Diluted	\$ 0.29	\$ 0.13	\$ 0.77	\$ (0.02)
Weighted average shares outstanding:				
Basic	37,586,031	37,289,880	37,515,976	35,697,891
Diluted	37,930,888	37,747,614	37,830,790	35,697,891



# STATEMENT OF CASH FLOWS

## UNAUDITED (IN THOUSANDS)

	Nine Months Ended September 30,	
	2023	2022
<b>Cash Flows From Operating Activities:</b>		
Net income (loss)	\$ 29,047	\$ (779)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	12,385	11,319
Amortization of original issue discount and debt issue costs	359	554
Amortization of inventory step-up	—	3,055
Deferred income taxes	1,317	(2,755)
Stock-based compensation	7,060	28,988
Gain on sale of fixed assets	(98)	—
Provision for losses on accounts receivable	37	245
Foreign exchange (gain) loss	(243)	3,006
Other	(296)	—
Changes in operating assets and liabilities, net of impact of acquisitions:		
Accounts receivable	3,429	(3,271)
Inventories	(12,229)	(7,187)
Prepaid expenses and other assets	(3,131)	986
Accounts payable and other liabilities	8,623	(4,660)
<b>Net cash provided by operating activities</b>	<b>46,260</b>	<b>29,501</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase of property and equipment	(4,248)	(2,938)
Proceeds from disposition of property and equipment	206	—
Business acquisitions, net of cash acquired	—	(55,039)
<b>Net cash used in investing activities</b>	<b>(4,042)</b>	<b>(57,977)</b>

Continued on next slide

# STATEMENT OF CASH FLOWS - CONTINUED

## UNAUDITED (IN THOUSANDS)

	Nine Months Ended September 30,	
	2023	2022
<b>Cash Flows From Financing Activities:</b>		
Proceeds from revolving credit facilities	—	43,000
Principal payments on revolving credit facilities	—	(43,000)
Principal payments on term loans	(7,500)	(7,514)
Proceeds from insurance premium financing	3,949	3,989
Principal payments on insurance premium financing	(2,909)	(3,878)
Payment of capital leases	—	(26)
Taxes paid in connection with employee stock transactions	(2,725)	(6,216)
Proceeds from secondary offering, net of underwriter discounts	—	56,329
Deferred offering costs	—	(2,953)
Dividends distributed	(8,999)	(8,521)
<b>Net cash (used in) provided by financing activities</b>	<b>(18,184)</b>	<b>31,210</b>
Effect of foreign exchange rates on cash and cash equivalents	92	(241)
<b>Change in cash and cash equivalents</b>	<b>24,126</b>	<b>2,493</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>45,286</b>	<b>33,857</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 69,412</b>	<b>\$ 36,350</b>
<b>Supplemental Disclosure of Cash Flows Information:</b>		
Cash paid for income taxes, net	\$ 7,923	\$ 710
Cash paid for interest	\$ 7,389	\$ 3,860
<b>Supplemental Disclosure of Non-Cash Investing and Financing Activities:</b>		
Accruals and accounts payable for capital expenditures	\$ 24	\$ 272

# NON-GAAP RECONCILIATION

(IN THOUSANDS)

	Year ended	Three Months	Three Months Ended		Nine Months Ended		Last Twelve
	December 31,	Ended June 30,	September 30,		September 30,		Months
	2022	2023	2023	2022	2023	2022	September 30, 2023
Net income (loss)	\$ 5,820	\$ 10,992	\$ 11,053	\$ 4,941	\$ 29,047	\$ (779)	\$ 35,646
Add back:							
Depreciation and amortization	15,651	3,959	4,165	3,939	12,385	11,319	16,717
Interest expense	6,206	1,013	1,073	1,567	3,727	4,496	5,437
Provision (benefit) for income taxes	3,553	4,229	4,293	1,959	11,463	(2,536)	17,552
<b>EBITDA</b>	<b>\$ 31,230</b>	<b>\$ 20,193</b>	<b>\$ 20,584</b>	<b>\$ 12,406</b>	<b>\$ 56,622</b>	<b>\$ 12,500</b>	<b>\$ 75,352</b>
Add back:							
Restructuring and transaction costs <sup>(1)</sup>	5,335	693	439	1,578	1,132	4,380	2,107
Other general income <sup>(2)</sup>	(159)	—	—	—	—	—	(159)
Other expense (income), net <sup>(3)</sup>	1,137	(346)	315	1,851	(395)	2,812	(2,070)
Stock-based compensation expense <sup>(4)</sup>	32,239	2,105	2,208	2,820	7,060	29,361	9,938
Stock-based compensation payroll tax expense <sup>(5)</sup>	305	—	—	—	220	305	220
LTIP bonus <sup>(6)</sup>	1,369	160	185	375	489	933	925
Amortization of inventory step-up <sup>(7)</sup>	4,255	—	—	1,711	—	3,055	1,200
<b>Adjusted EBITDA</b>	<b>\$ 75,731</b>	<b>\$ 22,805</b>	<b>\$ 23,731</b>	<b>\$ 20,741</b>	<b>\$ 65,128</b>	<b>\$ 53,346</b>	<b>\$ 87,513</b>
<b>Adjusted EBITDA margin<sup>(8)</sup></b>	<b>16.5%</b>	<b>18.8%</b>	<b>19.0 %</b>	<b>18.6 %</b>	<b>18.2 %</b>	<b>16.0 %</b>	

1. Reflects the “Restructuring and transaction costs” line item on our condensed consolidated statement of operations, which primarily includes transaction costs composed of legal and consulting fees, and \$1.0 million paid to Kanders & Company, Inc., a company controlled by our Chief Executive Officer, for services related to the acquisition of Cyalume, which is included in related party expense in the Company’s consolidated statements of operations for the year ended December 31, 2022.
2. Reflects the “Other general income” line item on our condensed consolidated statement of operations and includes a gain from a long-lived asset sale.
3. Reflects the “Other (income) expense, net” line item on our condensed consolidated statement of operations and primarily includes gains and losses on foreign currency transactions.
4. Reflects compensation expense related to equity and liability classified stock-based compensation plans.
5. Reflects payroll taxes associated with vested stock-based compensation awards.
6. Reflects the cost of a cash-based long-term incentive plan awarded to employees that vests over three years.
7. Reflects amortization expense related to the step-up inventory adjustment recorded as a result of our recent acquisitions.
8. Reflects Adjusted EBITDA / Net Sales for the relevant periods.