



# Acquisition Overview: Alpha Safety

February 2024

# FORWARD-LOOKING STATEMENTS

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# ACQUISITION OVERVIEW



## BUSINESS OVERVIEW & STRATEGIC RATIONALE

- Alpha Safety is a provider of highly engineered, technical products and services spanning the nuclear value chain
- Highly-visible, recurring revenue driven by long-term contracts, commitments and recurring purchases from entrenched customer base
- Leading positions across all its key product lines and service offerings
- Large TAM with long-term industry tailwinds supported by 20-30+ year project timelines
- \$44 million in revenue for FY2023; EBITDA margin in excess of 20%
- Acquisition represents an opportunity to integrate a leading, niche protective products manufacturer, reinforcing Cadre's focus on mission-critical safety and survivability
- Customer overlap with the Department of Energy and key nuclear sites

## 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

**Alpha Safety Provides an Entrance Into a New Vertical with Multiple Growth Levers Across Nuclear Products and Services**

# PRODUCT AND SERVICE OVERVIEW

Alpha Safety's Products/Services Span the Nuclear Value Chain; Supporting Commercial and Government Missions with Radioactive Elements

## Ventilation and Containment



- **Overview:** Equipment and systems to contain and control radioactive and potentially hazardous contaminants
- **Products / Services:** Air filtration and carbon adsorber systems modular containment systems and nuclear shielding

## Engineered Containers



- **Overview:** Proprietary containers for handling and storing plutonium oxides, metals, powders and by products
- **Products / Services:** Container system enabled by proprietary filter technology co-developed with DoE / NNSA with all IP owned by Alpha

## Field Services and Maintenance



- **Overview:** Leader in nuclear material non-destructive assay testing services, flammable gas analysis for testing nuclear waste, and other maintenance
- **Products / Services:** Technical services for waste / radioactive material characterization, flammable gas analysis, contracted on annual container maintenance, and other technical onsite services

## Advanced Transportation Containers



- **Overview:** Solutions for transporting and long-term storage of radioactive materials and nuclear waste
- **Products / Services:** Leading U.S. manufacturer of certain advanced containers for transporting and safe disposal of plutonium and related hazardous materials

## Specialty Filters / Consumable Products



- **Overview:** Products and solutions built for the handling and transportation of radioactive material and release of flammable gases from waste drums
- **Products / Services:** Filters, containers, bags and other consumables

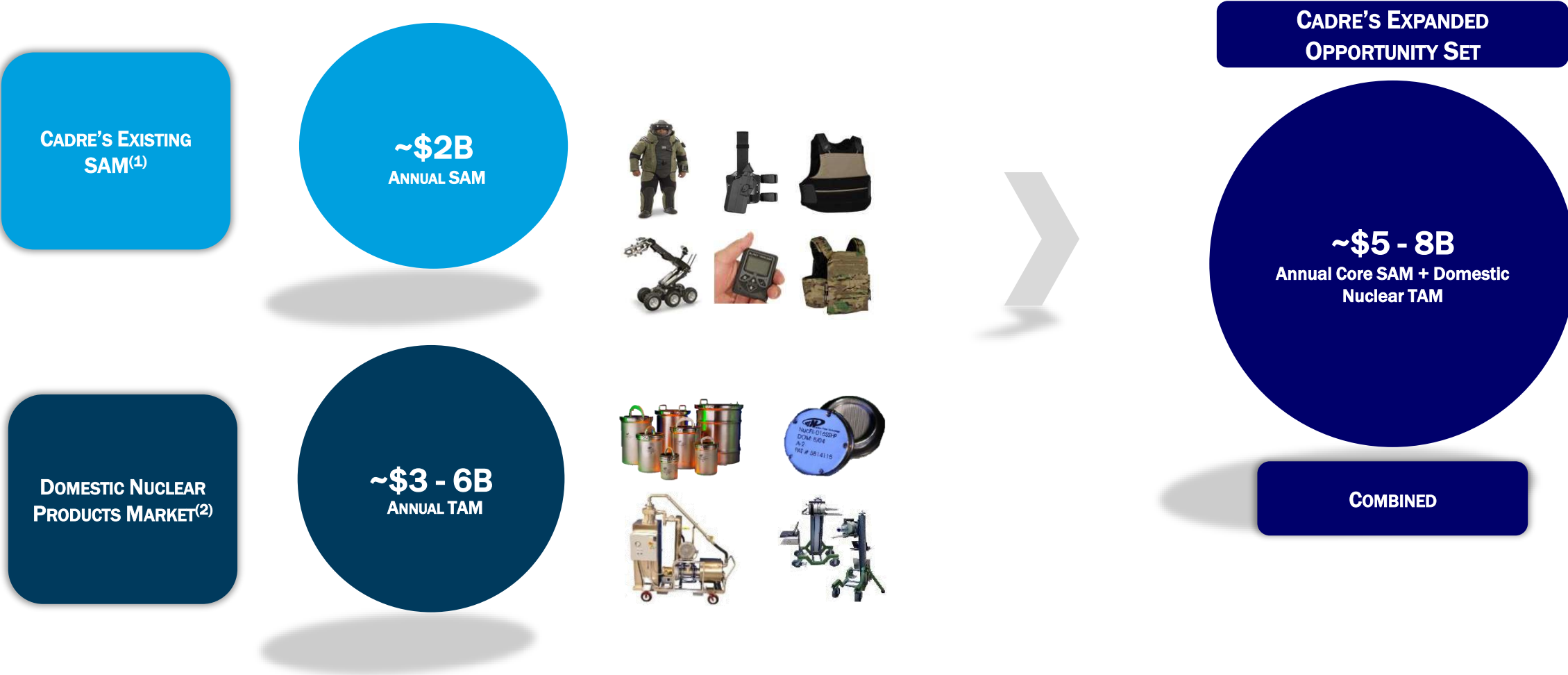
## Radiometric Instrumentation



- **Overview:** Products for monitoring radioactive material and assessing its composition and characteristics
- **Products / Services:** systems include standard and custom non-destructive assay solutions and criticality accident and alarm systems

# ACQUISITION EXPANDS ADDRESSABLE MARKET

Alpha Safety's large, total addressable market for domestic nuclear products and services immediately expands Cadre's TAM and already well-developed serviceable addressable market (SAM) in its core categories



Source:  
(1) See Management estimates from 10-K for additional detail. "Existing SAM" is calculated as: EoD Equipment (\$245mm) + Safety Holsters (\$380mm) + Blast Sensors (\$500mm) + Soft Body Armor (\$870mm) = ~\$2bn.  
(2) Oliver Wyman analysis.



# MACRO TAILWINDS SUPPORT LONG-TERM SUSTAINABLE GROWTH OPPORTUNITY



DoE Budget Supports Long-Term Growth for the Federal Nuclear Market

Growing DoE Environmental Liability Across Multiple Sites Requiring Remediation Spend Spanning 60+ Years

Stable U.S. Nuclear Power Market Positioned for Late-Decade Growth as Advanced Nuclear Reactors are Commercialized

# MACROECONOMIC ENVIRONMENT SUPPORTS NUCLEAR SECTOR

The nuclear sector offers multiple lucrative opportunities driven by enduring demand growth, supported by long-term federal directives and commercial initiatives

*“The Civil Nuclear Credit Program is a \$6 billion strategic investment through the Bipartisan Infrastructure Law (BIL) to help preserve the existing U.S. reactor fleet”*

– U.S. Department of Energy: Civil Nuclear Credit Program

*“With today’s passage of the bipartisan ADVANCE Act, we are one step closer to reestablishing America’s preeminence as the global leader in nuclear energy in the twenty-first century”*

– Senate Passes Bipartisan Nuclear Energy Bill from Capito, Carper,  
Whitehouse  
July 2023

*“The U.S. hasn’t manufactured pits regularly since 1989. The National Nuclear Security Administration has been directed to develop the capacity to make at least 80 pits a year by 2030”*

– U.S. Government Accountability Office  
January 2023

*“DOE’s environmental and disposal liabilities also include the estimated cleanup...for a period of 75 years after the balance sheet date, i.e., through 2097 in FY 2022 and through 2096 in FY 2021. While some post-cleanup monitoring and other long-term stewardship activities post-2097”*





– Bureau of Fiscal Service

*“It is clear that nuclear is one of the lowest emitting sources of power. Nuclear power emits just 10-15g/CO2 equivalent per kWh, which is competitive with both wind and solar and substantially better than coal and natural gas. Nuclear power is also the second largest source of low carbon energy after hydro power, more than wind and solar combined”*

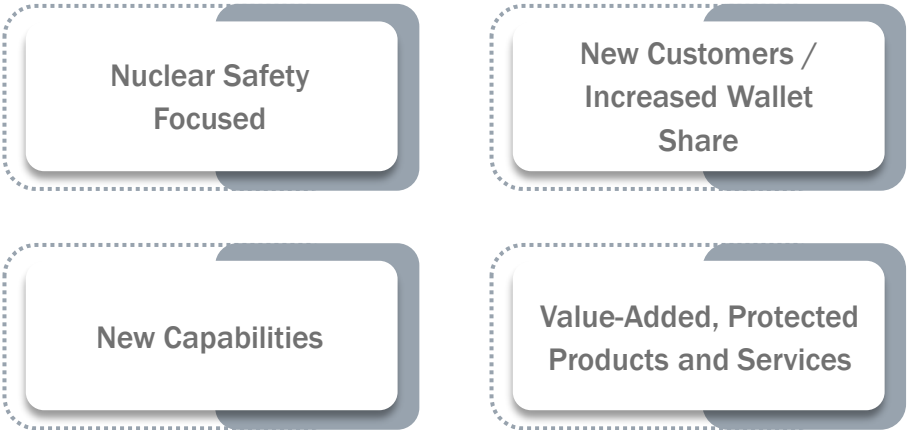
– Schroders | Nuclear Power: A Viable Option in an Energy Transition  
August 2023

# ATTRACTIVE MARKET AND PLATFORM FOR M&A







## TURNKEY M&A PLATFORM

-  Proven track record of executing M&A and strong sector relationships
-  Consolidated platform offers high synergy potential
-  100+ acquisition targets in M&A pipeline
-  Historical acquisitions have proven ability to scale and strengthen customer relationships

## SPECIFIC ACQUISITION CRITERIA...



## ...WITH PROVEN TRACK RECORD OF SUCCESSFUL ACQUISITIONS

-   Strengthen Relationship With Key Customers and Added Capabilities  
(2013)
-   Vertical Integration of Critical Production Capability  
(2021)
-   Added Number of Strategic Customers and Product / Service Capabilities  
(2023)

## ...LARGE PIPELINE OF ATTRACTIVE GLOBAL M&A TARGETS





# INVESTMENT HIGHLIGHTS

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Leading, Niche Protective Products Manufacturer that Syncs with Cadre's Focus on Mission-Critical Safety and Survivability

Protected Market Position Due to Technology Moat and Entrenched Customer Relationships

Highly-visible and Predictable Revenue Supported by Long-term Contracts, Commitments and Recurring Purchase Orders

Large TAM with Long-Term Industry Tailwinds Supported by 20-30+ Year Project Timelines

Financial Profile Highlighted by EBITDA Margin Greater Than 20%

Platform for Robust M&A Pipeline with 100+ Identified Targets to Grow Customer Wallet Share and Expand Geographically

Customer Overlap with Cadre's Armor Business Serving Key Commercial Nuclear Sites