



FOURTH QUARTER 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.

TODAY'S PRESENTERS



WARREN KANDERS

Chief Executive Officer and
Chairman of the Board



BRAD WILLIAMS

President



BLAINE BROWERS

Chief Financial Officer

AGENDA

- Q4 and FY Highlights
- Business Overview
- Financial Summary
- Full Year Outlook
- Conclusion and Q&A



CONTINUED EXECUTION IN Q4 AND YTD

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*

Q4 Mix: ✓ *Favorable mix driven by Duty Gear volume*

Orders Backlog: — *Backlog flat to PY, Acquisitions +\$27M, offset by EOD and Armor projects that shipped in 2024*

M&A Execution: ✓ *Announced agreement to acquire multiple leading nuclear brands in January 2025*

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

Returned Capital to Shareholders: ✓ *Declared 13th consecutive quarterly dividend—increased dividend by \$0.03 on an annualized basis*

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

North American Law Enforcement

- New administration has shown a continued commitment to prioritizing public safety

Geopolitical Landscape

- Focused on planning contingencies in a rapidly changing environment

Consumer

- Second consecutive year of high-single digit growth in Consumer duty gear channel

New Products/ Innovation

- At SHOT Show in January, launched new upgraded armor package, as well as Ballast holster, the most advanced duty rated holster 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



AGREEMENT TO ACQUIRE CARR'S ENGINEERING DIVISION



OVERVIEW & STRATEGIC RATIONALE

- In January 2025 announced agreement to acquire the Carr's Engineering division from Carr's Group plc for an enterprise value of £75mm
- Subject to regulatory approval and expected close in H1 2025
- 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

Q4 Financial Results



FOURTH QUARTER AND FULL YEAR 2024 HIGHLIGHTS

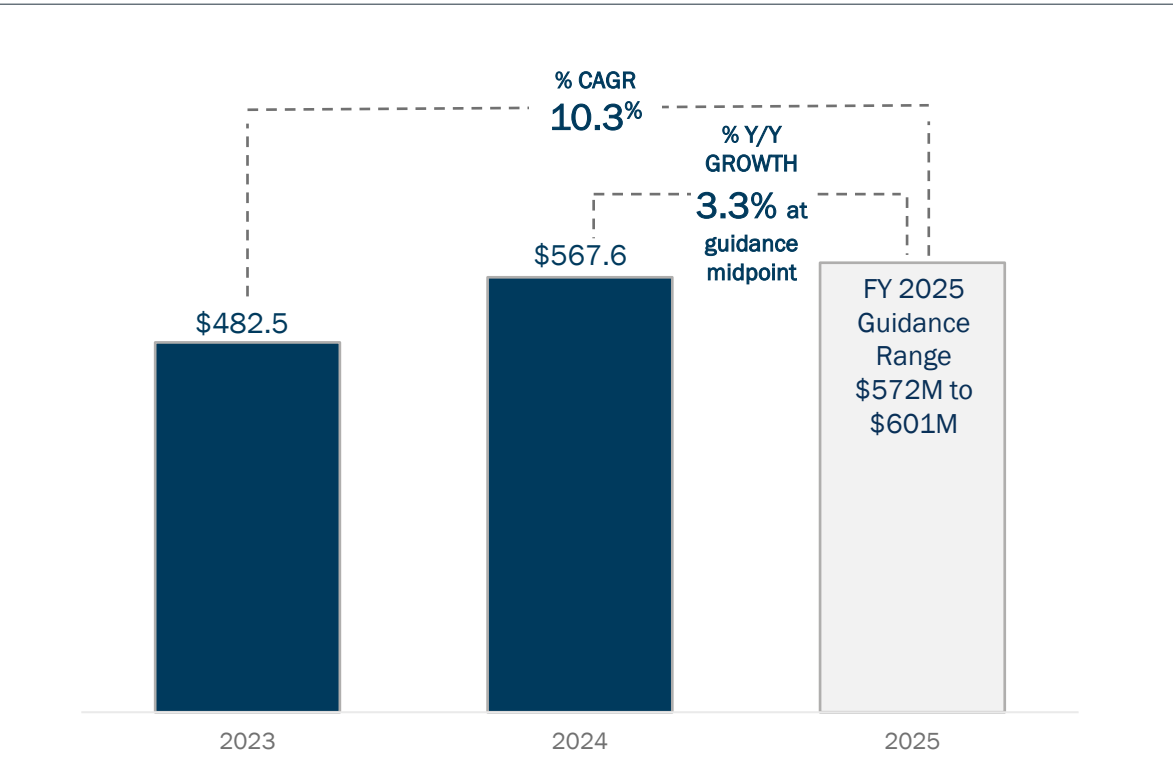


	Q4 2024	Q4 2023	FY 2024	FY 2023
NET SALES	\$176.0M	\$124.6M	\$567.6M	\$482.5M
GROSS MARGIN	43.9%	39.9%	41.1%	41.6%
NET INCOME	\$13.0M / \$0.32 per diluted share	\$9.6M / \$0.25 per diluted share	\$36.1M / \$0.90 per diluted share	\$38.6M / \$1.02 per diluted share
ADJUSTED EBITDA ¹	\$38.5M	\$20.7M	\$104.8M	\$85.8M
ADJUSTED EBITDA ¹ MARGIN	21.9%	16.6%	18.5%	17.8%

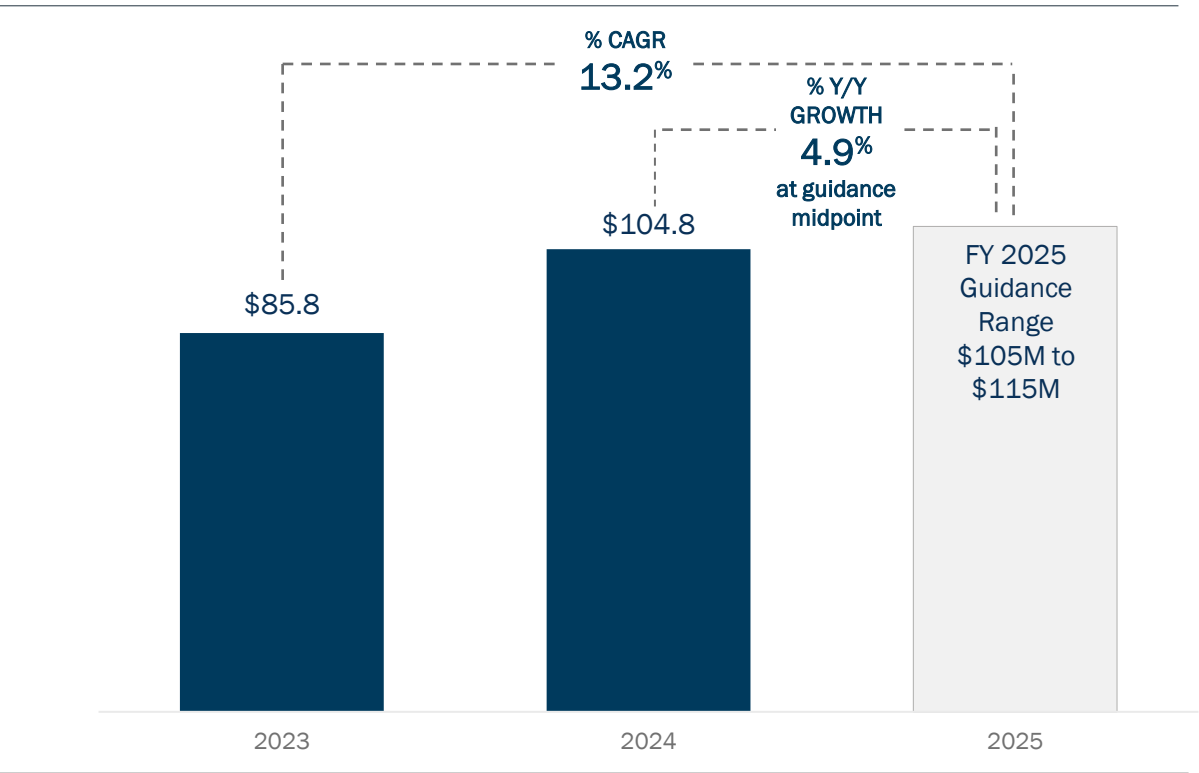
- Achieved record quarterly revenue, gross margin, adj. EBITDA and adj. EBITDA margin in Q4
- FY revenue increased 18% and adj. EBITDA increased 22% y/y

NET SALES AND ADJUSTED EBITDA

NET SALES (\$MM)



ADJ. EBITDA¹ (\$MM)



1. A non-GAAP financial measure. See slide 21 for definitions and reconciliations to the nearest GAAP measures

Q4 2024 CAPITAL STRUCTURE

December 31, 2024

(in thousands)

Cash and cash equivalents	\$	124,933
Debt:		
Revolver	\$	—
Current portion of long-term debt		11,375
Long-term debt		214,001
Capitalized discount/issuance costs		(2,171)
Total debt, net	\$	223,205
Net debt (Total debt net of cash)	\$	98,272
Total debt / Adj. EBITDA ⁽¹⁾		2.1
Net debt / Adj. EBITDA ⁽¹⁾		0.9
LTM Adj. EBITDA ⁽¹⁾	\$	104,840

2025 MANAGEMENT OUTLOOK



2025 GUIDANCE

NET SALES

\$572M to \$601M

ADJ. EBITDA

\$105M to \$115M

CAPITAL EXPENDITURES

\$7M to \$9M

CONCLUSION



Execution in line with strategic objectives in Q4



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



BALANCE SHEET

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

	December 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 124,933	\$ 87,691
Accounts receivable, net	93,523	58,360
Inventories	82,351	80,976
Prepaid expenses	19,027	11,930
Other current assets	7,737	6,886
Total current assets	327,571	245,843
Property and equipment, net	45,243	44,647
Operating lease assets	15,454	6,554
Deferred tax assets, net	4,552	4,004
Intangible assets, net	107,544	43,472
Goodwill	148,157	81,667
Other assets	4,192	4,992
Total assets	\$ 652,713	\$ 431,179
Liabilities, Mezzanine Equity and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 29,644	\$ 28,418
Accrued liabilities	46,413	44,524
Income tax payable	6,693	9,944
Current portion of long-term debt	11,375	12,320
Total current liabilities	94,125	95,206
Long-term debt	211,830	127,812
Long-term operating lease liabilities	10,733	3,186
Deferred tax liabilities	18,758	4,843
Other liabilities	5,752	2,970
Total liabilities	341,198	234,017
Mezzanine equity		
Preferred stock (\$0.0001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of December 31, 2024 and December 31, 2023)	—	—
Shareholders' equity		
Common stock (\$0.0001 par value, 190,000,000 shares authorized, 40,607,988 and 37,587,436 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively)	4	4
Additional paid-in capital	306,821	212,630
Accumulated other comprehensive (loss) income	(1,389)	634
Accumulated earnings (deficit)	6,079	(16,106)
Total shareholders' equity	311,515	197,162
Total liabilities, mezzanine equity and shareholders' equity	\$ 652,713	\$ 431,179

STATEMENT OF OPERATIONS

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

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net sales	\$ 175,984	\$ 124,583	\$ 567,561	\$ 482,532
Cost of goods sold	98,797	74,825	334,080	281,806
Gross profit	77,187	49,758	233,481	200,726
Operating expenses				
Selling, general and administrative	45,046	34,904	158,323	140,519
Restructuring and transaction costs	2,386	1,060	6,007	2,192
Related party expense	352	1,117	2,390	1,496
Total operating expenses	47,784	37,081	166,720	144,207
Operating income	29,403	12,677	66,761	56,519
Other expense				
Interest expense	(2,191)	(804)	(7,822)	(4,531)
Other (expense) income, net	(4,496)	541	(4,721)	936
Total other expense, net	(6,687)	(263)	(12,543)	(3,595)
Income before provision for income taxes	22,716	12,414	54,218	52,924
Provision for income taxes	(9,733)	(2,820)	(18,085)	(14,283)
Net income	\$ 12,983	\$ 9,594	\$ 36,133	\$ 38,641
Net income per share:				
Basic	\$ 0.32	\$ 0.26	\$ 0.90	\$ 1.03
Diluted	\$ 0.32	\$ 0.25	\$ 0.90	\$ 1.02
Weighted average shares outstanding:				
Basic	40,607,988	37,586,756	39,945,982	37,533,818
Diluted	40,977,622	38,125,787	40,332,042	37,920,488

STATEMENT OF CASH FLOWS

UNAUDITED (IN THOUSANDS)

	Year Ended December 31,	
	2024	2023
Cash Flows From Operating Activities:		
Net income	\$ 36,133	\$ 38,641
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	16,420	15,737
Amortization of original issue discount and debt issue costs	1,109	479
Amortization of inventory step-up	3,858	—
Deferred income taxes	(2,064)	(210)
Stock-based compensation	8,369	9,368
Remeasurement of contingent consideration	1,185	—
Provision for losses on accounts receivable	764	66
Unrealized foreign exchange transaction loss (gain)	1,880	(602)
Other loss (gain)	496	(381)
Changes in operating assets and liabilities, net of impact of acquisitions:		
Accounts receivable	(24,902)	6,602
Inventories	10,019	(10,223)
Prepaid expenses and other assets	(5,866)	(302)
Accounts payable and other liabilities	(15,624)	14,034
Net cash provided by operating activities	31,777	73,209
Cash Flows From Investing Activities:		
Purchase of property and equipment	(5,668)	(6,727)
Proceeds from disposition of property and equipment	55	207
Business acquisitions, net of cash acquired	(141,813)	—
Net cash used in investing activities	(147,426)	(6,520)

Continued on next slide

STATEMENT OF CASH FLOWS - CONTINUED

UNAUDITED (IN THOUSANDS)

	Year Ended December 31,	
	2024	2023
Cash Flows From Financing Activities:		
Proceeds from revolving credit facilities	5,500	—
Principal payments on revolving credit facilities	(5,500)	—
Proceeds from term loans	129,422	—
Principal payments on term loans	(43,334)	(10,000)
Proceeds from insurance premium financing	—	3,949
Principal payments on insurance premium financing	(2,187)	(3,973)
Payments for debt issuance costs	(3,105)	—
Taxes paid in connection with employee stock transactions	(5,311)	(2,725)
Proceeds from secondary offering, net of underwriter discounts	91,776	—
Deferred offering costs	(683)	—
Dividends distributed	(13,948)	(12,006)
Other	37	33
Net cash provided by (used in) financing activities	152,667	(24,722)
Effect of foreign exchange rates on cash and cash equivalents	224	438
Change in cash and cash equivalents	37,242	42,405
Cash and cash equivalents, beginning of period	87,691	45,286
Cash and cash equivalents, end of period	\$ 124,933	\$ 87,691
Supplemental Disclosure of Cash Flows Information:		
Cash paid for income taxes, net	\$ 24,207	\$ 8,729
Cash paid for interest	\$ 14,431	\$ 10,090
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Accruals and accounts payable for capital expenditures	\$ 176	\$ 234
Accruals and accounts payable for debt issuance costs	\$ 166	\$ —

NON-GAAP RECONCILIATION

(IN THOUSANDS)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net income	\$ 12,983	\$ 9,594	\$ 36,133	\$ 38,641
Add back:				
Depreciation and amortization	4,095	3,352	16,420	15,737
Interest expense	2,191	804	7,822	4,531
Provision for income taxes	9,733	2,820	18,085	14,283
EBITDA	\$ 29,002	\$ 16,570	\$ 78,460	\$ 73,192
Add back:				
Restructuring and transaction costs ⁽¹⁾	2,386	2,060	7,757	3,192
Other general income ⁽²⁾	—	(92)	—	(92)
Other expense (income), net ⁽³⁾	4,496	(541)	4,721	(936)
Stock-based compensation expense ⁽⁴⁾	2,114	2,308	8,369	9,368
Stock-based compensation payroll tax expense ⁽⁵⁾	—	14	441	234
LTIP bonus ⁽⁶⁾	—	371	49	860
Amortization of inventory step-up ⁽⁷⁾	7	—	3,858	—
Contingent consideration expense ⁽⁸⁾	500	—	1,185	—
Adjusted EBITDA	\$ 38,505	\$ 20,690	\$ 104,840	\$ 85,818
Adjusted EBITDA margin⁽⁹⁾	21.9 %	16.6 %	18.5 %	17.8 %

- 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 \$1.8 million fee paid to Kanders & Company, Inc. for services related to the acquisition of Alpha Safety for the year ended December 31, 2024 and a \$1.0 million fee paid to Kanders & Company, Inc. for services related to the acquisition of ICOR for the year ended December 31, 2023, which are included in related party expense in the Company's consolidated statements of operations.
- Reflects gains from long-lived asset sales.
- Reflects the "Other (expense) income, net" line item on our consolidated statements of operations and comprehensive income and primarily includes gains and losses due to fluctuations in foreign currency exchange rates.
- Reflects compensation expense related to equity and liability classified stock-based compensation plans.
- Reflects payroll taxes associated with vested stock-based compensation awards.
- Reflects the cost of a cash-based long-term incentive plan awarded to employees that vests over three years.
- Reflects amortization expense related to the step-up inventory adjustment recorded as a result of our recent acquisitions.
- Reflects contingent consideration expense related to the acquisition of ICOR.
- Reflects Adjusted EBITDA / Net sales for the relevant periods.

USE OF NON-GAAP MEASURES

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. 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.