



DMC Global
First Quarter 2024 Earnings
Presentation

May 2, 2024

GRAND CANYON UNIVERSITY ARENA

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ARCADIA ARCHITECTURAL FRAMING SYSTEMS FEATURED IN GRAND CANYON UNIVERSITY ARENA

USE OF NON-GAAP FINANCIAL MEASURES & SAFE HARBOR LANGUAGE

***Use of Non-GAAP Financial Measures**

Adjusted net income (loss), adjusted EBITDA, adjusted EPS, net debt, and free-cash flow are non-GAAP financial measures used by management to measure operating performance. For reconciliations of the most directly comparable GAAP measures to non-GAAP measures, please see the tables at the back of this presentation. For a discussion of why we use non-GAAP financial measures, please see our Form 10-K for the year ended December 31, 2023.

Safe Harbor Language

Except for the historical information contained herein, this presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including guidance on sales, adjusted EBITDA, depreciation and amortization expense, interest expense, tax rate, capital expenditures, our plans to advance our strategic alternatives process and create associated shareholder value, our plans to deploy Arcadia's full product and service offering across all of its service-center locations, the expansion of Arcadia's paint and anodizing capabilities, the execution of automation and operational excellence initiatives at DynaEnergetics, and maintaining operational excellence at NobelClad. Such statements and information are based on numerous assumptions regarding present and future business strategies, the markets in which we operate, anticipated costs and the ability to achieve goals. Forward-looking information and statements are subject to known and unknown risks, uncertainties and other important factors that may cause actual results and performance to be materially different from those expressed or implied by such forward-looking information and statements, including but not limited to: our ability to realize sales from our backlog; our ability to obtain new contracts at attractive prices; the execution of purchase commitments by our customers, and our ability to successfully deliver on those purchase commitments; the size and timing of customer orders and shipments; changes to customer orders; product pricing and margins; fluctuations in customer demand; our ability to successfully navigate slowdowns in market activity or execute and capitalize upon growth opportunities; the success of DynaEnergetics' product and technology development initiatives; our ability to successfully protect our technology and intellectual property and the costs associated with these efforts; consolidation among DynaEnergetics' customers; fluctuations in foreign currencies; fluctuations in tariffs and quotas; the cost and availability of energy; the cyclical nature of our business; competitive factors; the timely completion of contracts; the timing and size of expenditures; the timing and price of metal and other raw material; the adequacy of local labor supplies at our facilities; our ability to attract and retain key personnel; current or future limits on manufacturing capacity at our various operations; government actions or other changes in laws and regulations; the availability and cost of funds; our ability to access our borrowing capacity under our credit facility; geopolitical and economic instability, including recessions, depressions, wars or other military actions; inflation; supply chain delays and disruptions; transportation disruptions; general economic conditions, both domestic and foreign, impacting our business and the business of our customers and the end-market users we serve; as well as the other risks detailed from time to time in our SEC reports, including the annual report on Form 10-K for the year ended December 31, 2023. We do not undertake any obligation to release public revisions to any forward-looking statement, including, without limitation, to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.



AGENDA

Opening Remarks and Operational Update

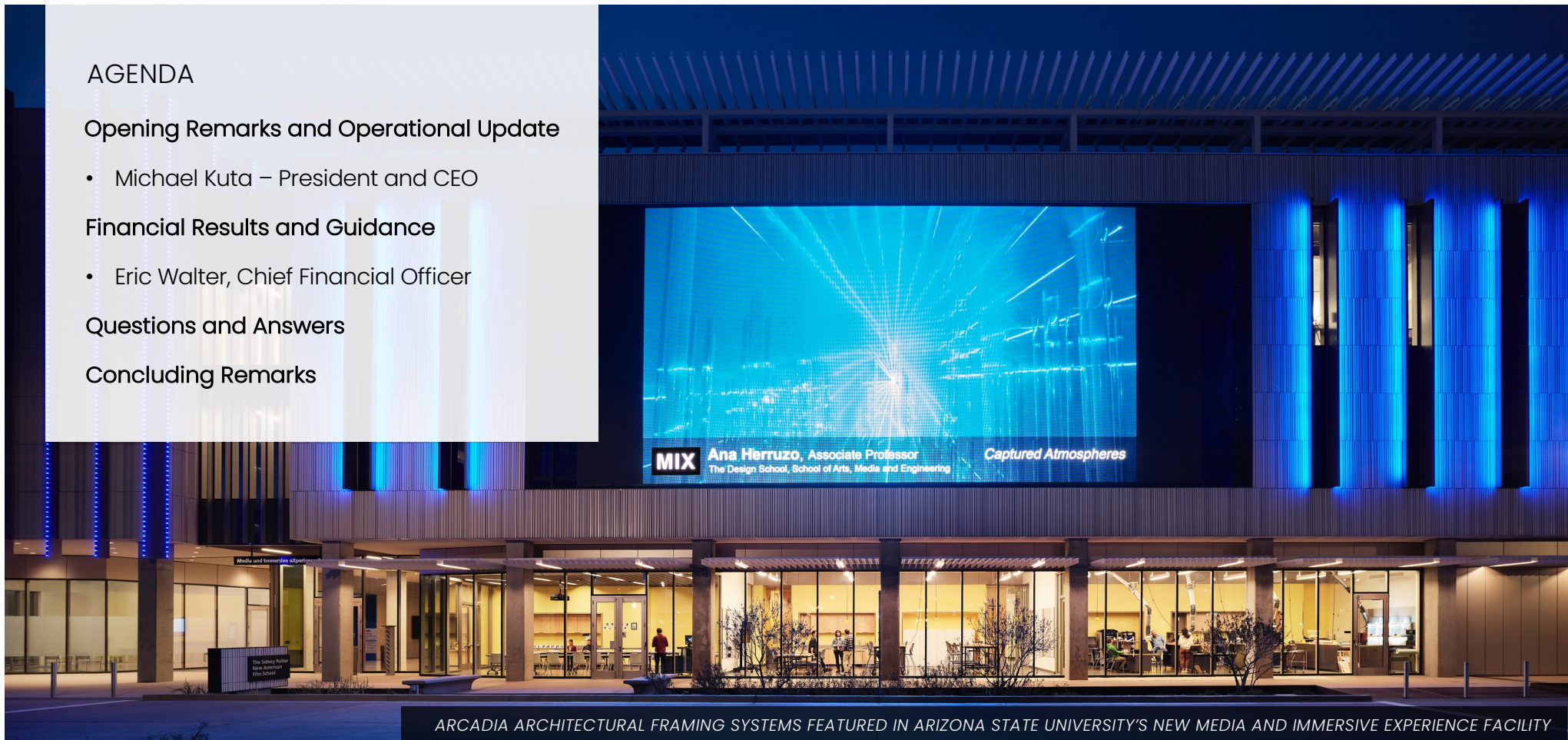
- Michael Kuta – President and CEO

Financial Results and Guidance

- Eric Walter, Chief Financial Officer

Questions and Answers

Concluding Remarks

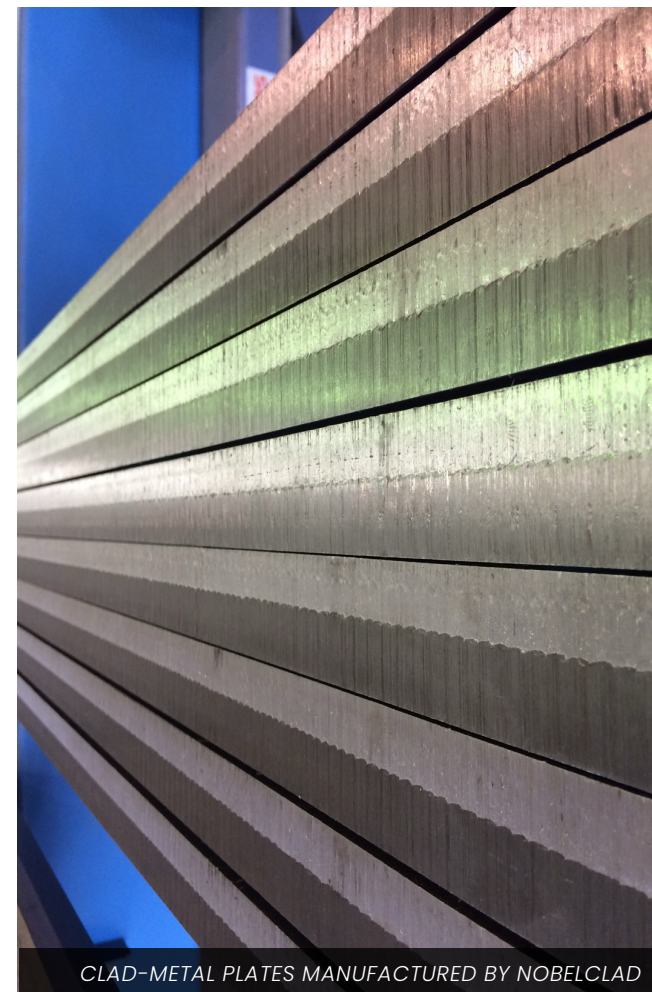


ARCADIA ARCHITECTURAL FRAMING SYSTEMS FEATURED IN ARIZONA STATE UNIVERSITY'S NEW MEDIA AND IMMERSIVE EXPERIENCE FACILITY



FIRST QUARTER SUMMARY

- Consolidated Q1 sales were \$166.9 million, down 9% vs. Q1 2023
 - Challenging market conditions at Arcadia, and lower North American pricing at DynaEnergetics led to sales declines of 23% and 5%, respectively, versus Q1 2023
 - NobelClad delivered 22% sales increase vs. Q1 2023
- Adjusted EPS* of \$0.21 versus \$0.32 in Q1 2023
- Adjusted EBITDA attributable to DMC* was \$16.7 million, down 17% vs. Q1 2023
- Adjusted EBITDA, inclusive of Arcadia NCI*, was \$19.0 million, or 11.4% of sales
- Consolidated recurring SG&A expense improved to 17% of sales from 18% in Q1 2023
- Free Cash Flow* increased to \$10.5 million versus \$4.8 million in Q1 2023
- Debt-to-adjusted EBITDA leverage ratio reduced to 1.0 versus covenant threshold of 3.0

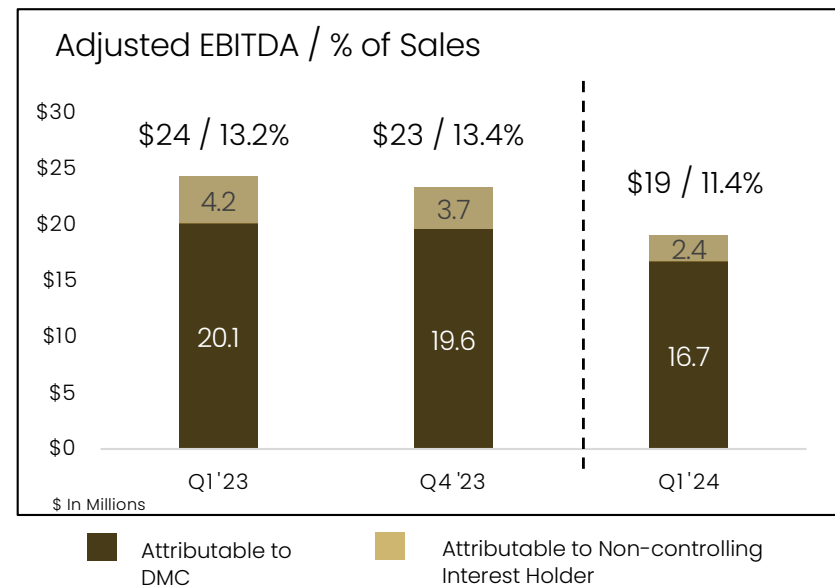
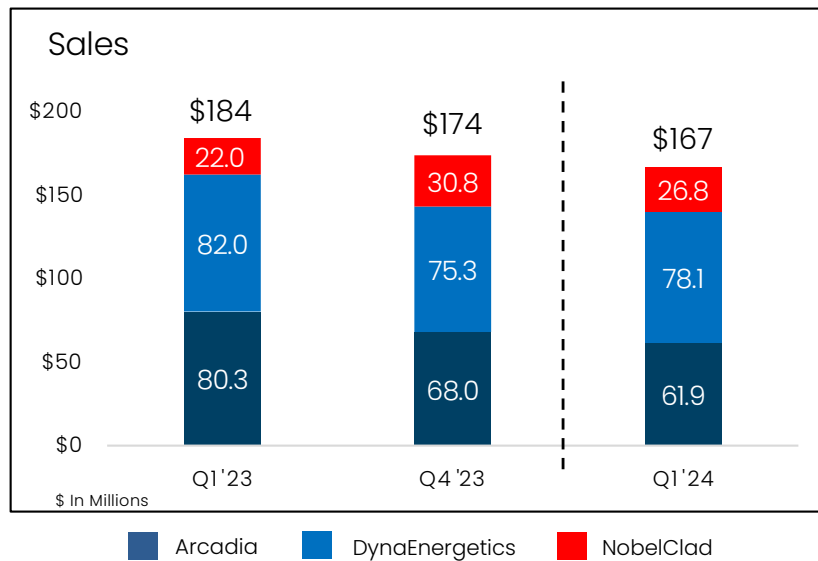


CLAD-METAL PLATES MANUFACTURED BY NOBELCLAD

* Non-GAAP measure. See explanation on page 2.
2024 First Quarter Earnings Presentation



DMC Q1 2024 FINANCIAL HIGHLIGHTS

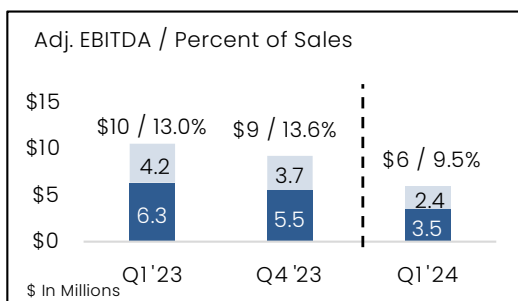
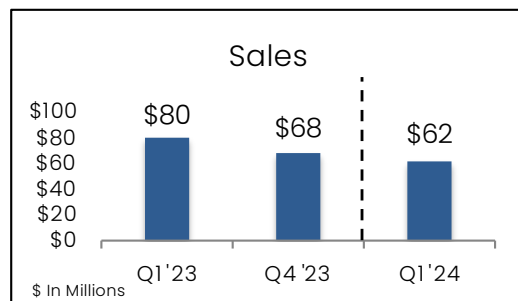


- Consolidated gross margin of 25.4% vs. 28.3% in Q1 2023
- Recurring SG&A of \$28.2 million down 15% versus Q1 2023

- Adjusted EBITDA margins declined versus Q1 2023 due to lower gross margins

FIRST QUARTER 2024 BUSINESS-LEVEL FINANCIAL PERFORMANCE

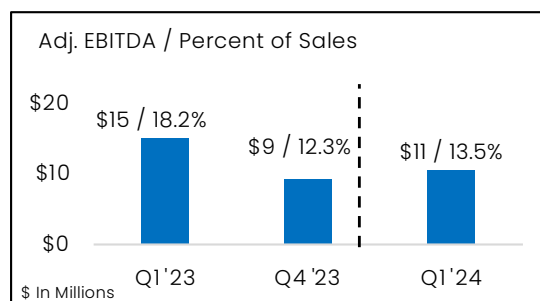
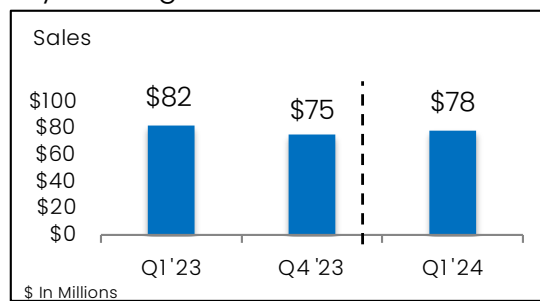
Arcadia



- Sales decline principally reflects lower volumes and an approximately 10% decline in aluminum pricing vs. Q1 2023
- Adj. EBITDA margin decline vs. Q1 2023 and sequentially due to lower sales

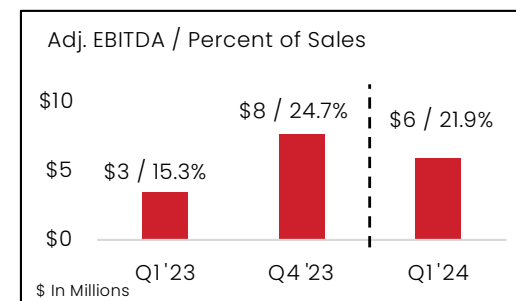
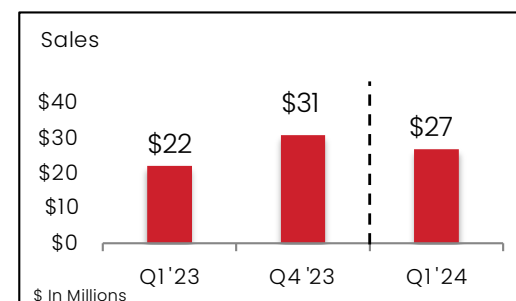
■ Attributable to Non-controlling Interest Holder
■ Attributable to DMC

DynaEnergetics



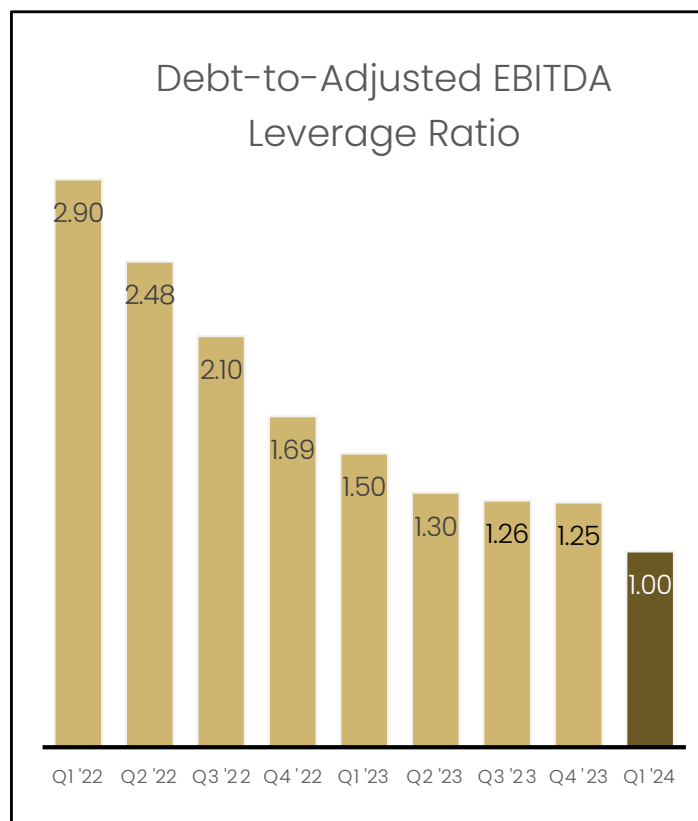
- Sales decline vs. Q1 2023 due to pricing pressure in North America, partially offset by higher unit volume
- Adj. EBITDA margin decline vs. Q1 2023 due to lower gross margin percentage

NobelClad



- Sales increase vs. Q1 2023 reflects strong demand from multiple end markets and increased Cylindra™ cryogenic-transition-joint sales
- Improved Adj. EBITDA margin vs. Q1 2023 due to more favorable project mix

IMPROVING FINANCIAL STRENGTH



Note: Maximum covenant leverage ratio = 3.00

Liquidity Summary	March 31, 2024 ⁽¹⁾
Cash and Cash Equivalents	\$20
Unused Credit Capacity ⁽²⁾	\$210
Total	\$230
Total Outstanding Debt ⁽³⁾	\$88
Net Debt	\$68
Net Debt Leverage Ratio	0.77x

⁽¹⁾ Amounts in millions

⁽²⁾ Includes \$160 million of revolving loan availability and \$50 million of delayed draw term loan availability

⁽³⁾ Net of deferred financing costs



GUIDANCE FOR SECOND QUARTER 2024

Measure	Expected Range
DMC Consolidated Sales	\$161M - \$171M
Arcadia Sales	\$64M - \$68M
DynaEnergetics Sales	\$73M - \$77M
NobelClad Sales	\$24M - \$26M
Adjusted EBITDA attributable to DMC	\$14M - \$17M
Arcadia before NCI allocation	\$7M - \$9M
Arcadia after NCI allocation	\$4M - \$5M
DynaEnergetics	\$9M - \$10M
NobelClad	\$3.5M - \$4.5M
Corporate Unallocated	~ (\$3M)
Full-Year 2024 Guidance on Select Items	
Depreciation & Amortization	\$35M - \$36M
Interest Expense	\$8M - \$9M
Annualized effective tax rate	27% - 29%
Capital Expenditures	\$18M - \$24M



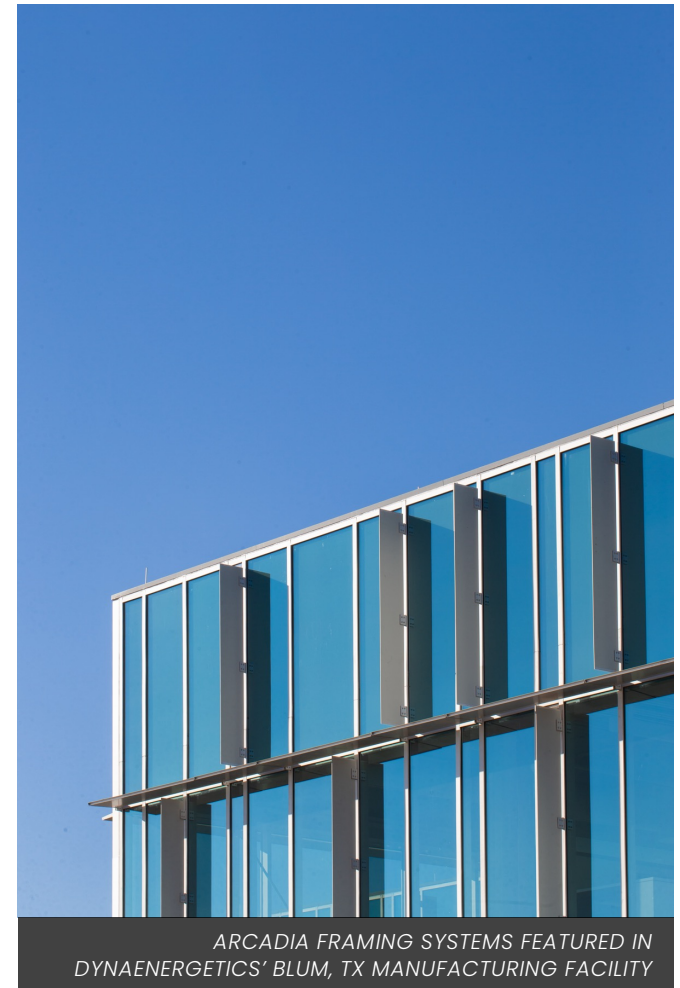
KEY OBJECTIVES FOR BALANCE OF 2024

- Advance DMC's strategic-alternatives process to unlock shareholder value
- Execute on Arcadia's growth initiatives, including:
 - Deployment of full product and service offering across all service-center locations
 - Expansion of paint and anodizing capabilities
- Improve profitability at DynaEnergetics through automation and operational excellence initiatives
- Maintain operational excellence at NobelClad to effectively address strong order backlog and large project opportunities



DMC INVESTMENT CONSIDERATIONS

- Executing defined strategy for unlocking shareholder value
- Three valuable businesses with leadership positions in critical industries
- Compelling valuation vs. peers in building products and energy products industries
- Strong financial position
- Experienced, growth-focused leadership teams



ARCADIA FRAMING SYSTEMS FEATURED IN
DYNAENERGETICS' BLUM, TX MANUFACTURING FACILITY



Questions & Answers



RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS – NET DEBT AND FREE-CASH FLOW

(\$000's)	Q1 2023
Long-term debt	\$85,509
Current portion of long-term debt	2,500
Less: Cash and cash equivalents	(20,444)
Total net debt	\$67,565
Net cash provided by operating activities	\$13,440
Less: Acquisition of property, plant and equipment	(2,968)
Total free-cash flow	\$10,472



RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS – CONSOLIDATED ADJUSTED EBITDA

(\$000's)	Q1 2024	Q4 2023	Q1 2023
Net income	2,319	3,569	2,139
Interest expense, net	2,317	2,311	2,381
Income tax provision	1,643	1,933	2,500
Depreciation	3,419	3,546	3,400
Amortization of purchased intangible assets	5,292	5,666	5,667
EBITDA	14,990	17,025	16,087
Stock-based compensation	1,477	1,557	5,027
Strategic review expenses	2,169	-	-
Restructuring expenses, net and asset impairments	-	3,251	-
CEO transition expenses	-	-	2,965
Other expense, net	409	1,445	200
Adjusted EBITDA	19,045	23,278	24,279
Less: Adjusted EBITDA attributable to redeemable noncontrolling interest	(2,362)	(3,689)	(4,188)
Adjusted EBITDA attributable to DMC Global Inc.	16,683	19,589	20,091



RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS – ARCADIA ADJUSTED EBITDA

(\$000's)	Q1 2024	Q4 2023	Q1 2023
Operating (loss) income, as reported	(588)	2,218	3,133
Adjustments			
Depreciation	875	1,020	817
Amortization of purchased intangible assets	5,277	5,652	5,652
Stock-based compensation	342	332	579
CEO transition expenses	–	–	289
Adjusted EBITDA	5,906	9,222	10,470
Less: Adjusted EBITDA attributable to redeemable noncontrolling interest	(2,362)	(3,689)	(4,188)
Adjusted EBITDA attributable to DMC Global Inc.	3,544	5,533	6,282



RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS – DYNAENERGETICS ADJUSTED EBITDA

(\$000's)	Q1 2024	Q4 2023	Q1 2023
Operating income, as reported	8,842	4,581	13,168
Adjustments			
Depreciation	1,682	1,680	1,772
Amortization of purchased intangible assets	15	14	15
Restructuring expenses, net and asset impairments	–	3,011	–
Adjusted EBITDA	10,539	9,286	14,955



RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS – NOBELCLAD ADJUSTED EBITDA

(\$000's)	Q1 2024	Q4 2023	Q1 2023
Operating income, as reported	5,100	6,867	2,621
Adjustments			
Depreciation	780	741	740
Adjusted EBITDA	5,880	7,608	3,361

