



DMC Global  
Fourth Quarter 2024  
Earnings Presentation  
February 24, 2025



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ARCADIA COMMERCIAL FRAMING SYSTEMS USED IN UCLA'S MARION ANDERSON HALL SCHOOL OF MANAGEMENT

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## USE OF NON-GAAP FINANCIAL MEASURES & SAFE HARBOR LANGUAGE

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

Adjusted net income, adjusted diluted EPS, adjusted EBITDA, 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, 2024.

### **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 and adjusted EBITDA; our plans to improve operations at Arcadia, and improve profitability at DynaEnergetics. 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; the timely completion of contracts; 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, technology, and margin enhancement 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 cyclicity of our business; competitive factors; 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; the potential effects of activist stockholder actions and actions that we may take to discourage takeover attempts, 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, 2024. 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 news release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.







## AGENDA

### Opening Remarks and Operational Update

- James O' Leary – Interim CEO

### Financial Results and Guidance

- Eric Walter – Chief Financial Officer

### Questions and Answers

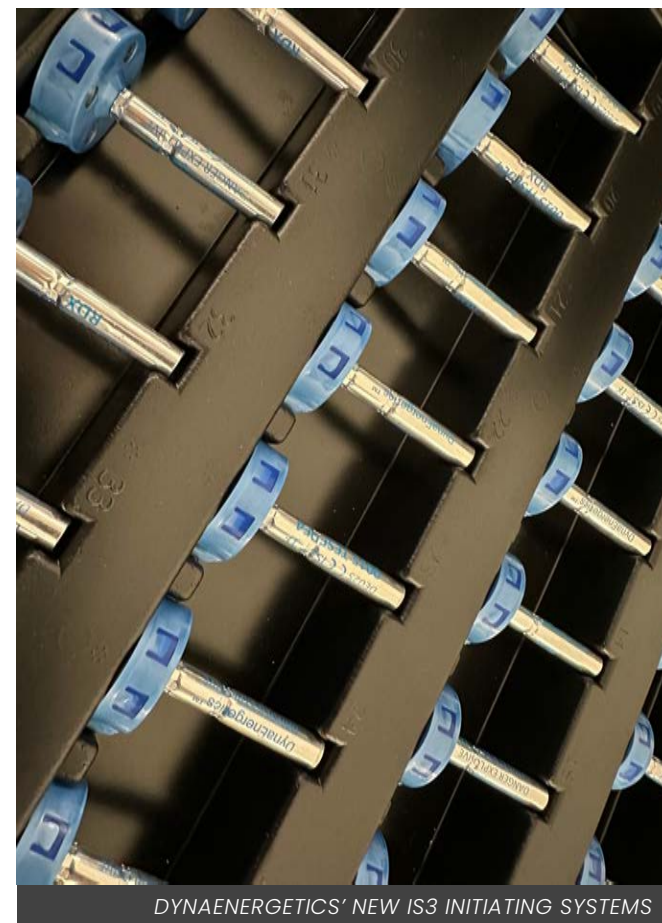
### Concluding Remarks

CYLINDRA™ TRANSITION JOINTS FROM NOBELCLAD USED IN LNG PROCESSING FACILITIES

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#### FOURTH QUARTER SUMMARY

- Consolidated sales were \$152.4 million, flat sequentially and down 12% vs Q4 '23
  - YoY decline reflects softer demand from construction and energy markets
- Net income attributable to DMC was \$0.3 million, while total net loss was \$1.2 million
- Adjusted net income attributable to DMC\* was \$1.8 million, or \$0.09, per diluted share
- Adjusted EBITDA attributable to DMC\* was \$10.4 million
- Adjusted EBITDA, inclusive of Arcadia NCI\*, was \$11.9 million, or 7.8% of sales
- Debt-to-adjusted EBITDA leverage ratio was 1.35 versus covenant threshold of 3.0

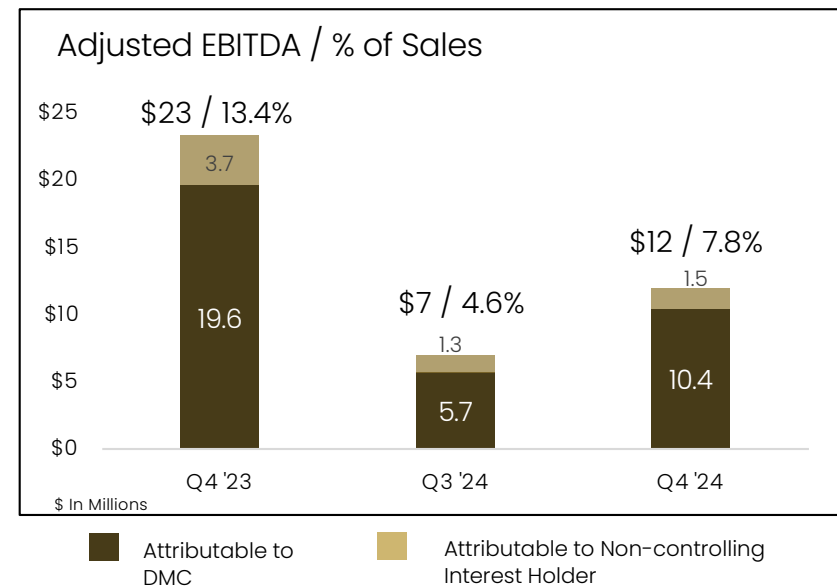
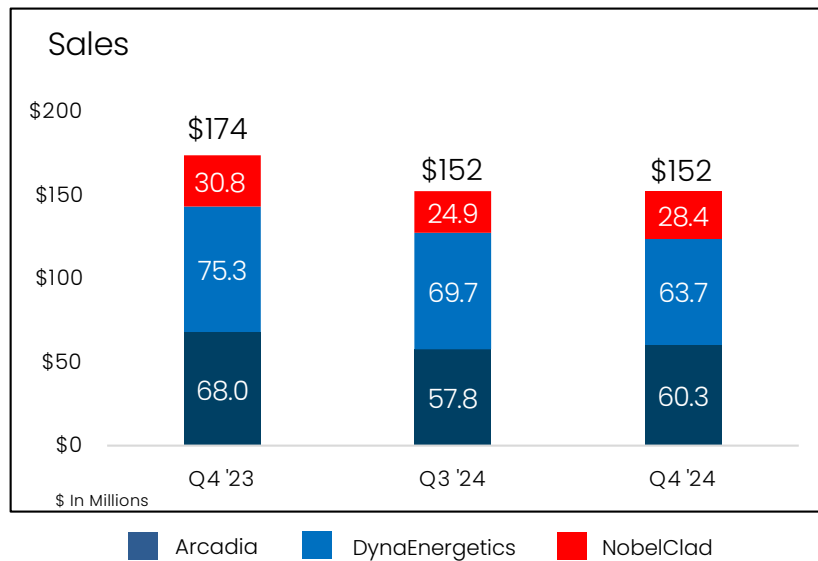


DYNAENERGETICS' NEW IS3 INITIATING SYSTEMS

\*Non-GAAP measure. See explanation on page 2.



## DMC Q4 2024 FINANCIAL HIGHLIGHTS



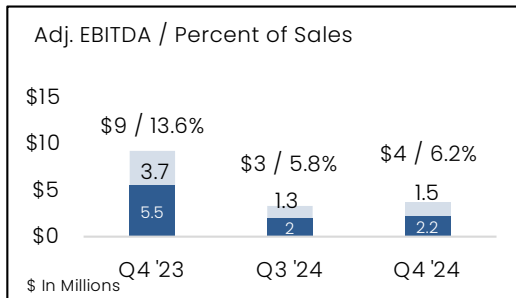
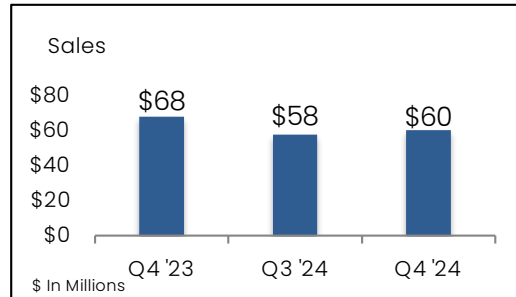
- Consolidated gross margin of 20.8% vs. 19.8% in Q3 2024 and 26.1% in Q4 2023
- SG&A of \$25.1 million is down 11% sequentially\* and 8% vs. Q4 2023

- Sales decline vs. Q4 2023 reflects lower sales of Arcadia's high-end residential products, and weaker pricing in Dyna's North American market
- YoY EBITDA margin decline primarily reflects lower sales volume and less fixed-cost absorption at both Arcadia and DynaEnergetics

\*Q3 2024 SG&A included \$3.6 million of bad debt expense  
2024 Fourth Quarter Earnings Presentation

## FOURTH QUARTER 2024 BUSINESS-LEVEL FINANCIAL PERFORMANCE

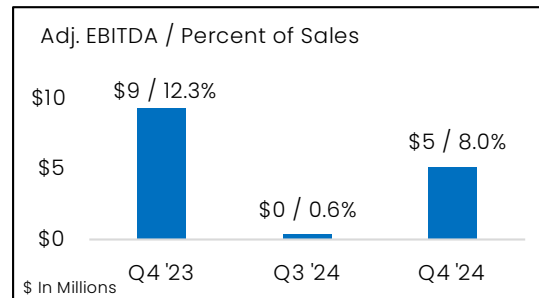
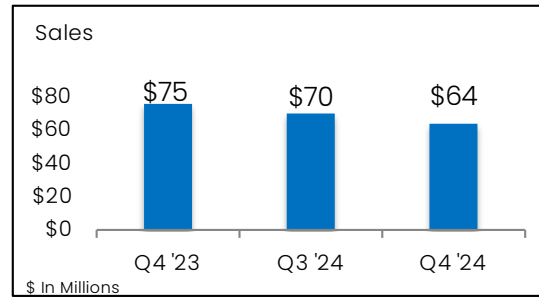
### Arcadia



- Sales decline principally reflects weaker high-end residential construction activity
- Adj. EBITDA decline vs. Q4 '23 was disproportionate to sales decline due to higher fixed costs associated with manufacturing luxury residential products

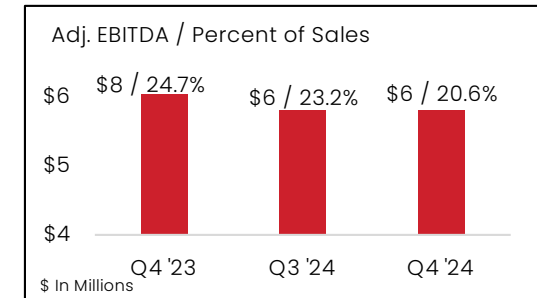
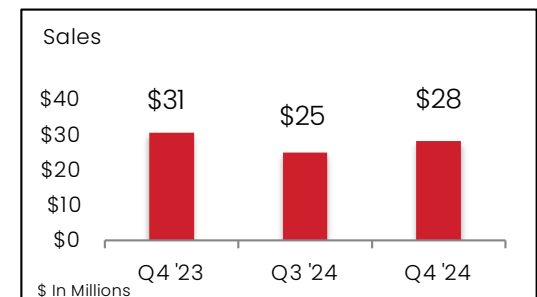
■ Attributable to Non-controlling Interest Holder  
■ Attributable to DMC

### DynaEnergetics



- YoY Sales decline and adj. EBITDA margin contraction reflect slowdown in U.S. well completions and mix shift to lower-margin customers

### NobelClad

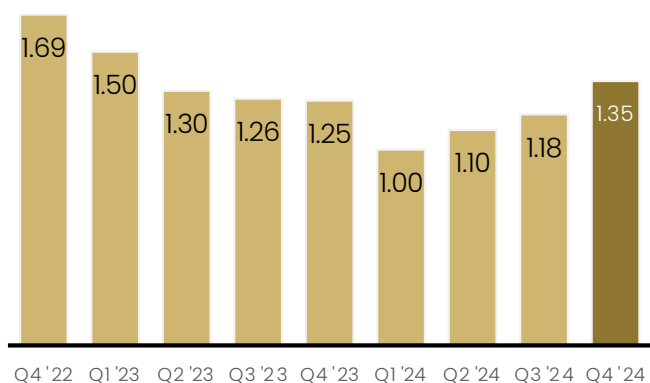


- Adj. EBITDA margin contraction in YoY and sequential periods due to less favorable project mix



## IMPROVING FINANCIAL STRENGTH

### Debt-to-Adjusted EBITDA Leverage Ratio



Note: Maximum covenant leverage ratio = 3.00

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| Liquidity Summary                     | December 31, 2024 <sup>(1)</sup> |
|---------------------------------------|----------------------------------|
| Cash and Cash Equivalents             | \$14                             |
| Unused Credit Capacity <sup>(2)</sup> | \$226                            |
| Total                                 | \$240                            |
| Total Outstanding Debt <sup>(3)</sup> | \$71                             |
| Net Debt                              | \$57                             |
| Net Debt Leverage Ratio               | 1.09x                            |

(1) Amounts in millions

(2) Before consideration of covenant limitations, includes \$176 million of revolving loan availability and \$50 million of delayed draw term loan availability

(3) Net of deferred financing costs



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GUIDANCE FOR FOURTH QUARTER 2024

| Measure                             | Expected Range  |
|-------------------------------------|-----------------|
| DMC Consolidated Sales              | \$146M - \$154M |
| Adjusted EBITDA attributable to DMC | \$8M - \$11M    |





## KEY OBJECTIVES FOR 2025

- Continue “back-to-basics” initiatives at Arcadia
  - Right-size cost structure to match market realities
  - Strengthen core commercial operations in western and southwestern U.S. regions
  - Address underperforming residential product offerings
- Deliver on margin-improvement initiatives at DynaEnergetics
  - Capitalize on cost benefits of new DynaStage system
  - Complete automation of DynaStage assembly operations in Blum, TX
- Maintain operational excellence at NobelClad



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

| (\$000's)  | Q4 2024  |
|--|----------|
| Long-term debt   | \$68,318 |
| Current portion of long-term debt                                      | 2,500    |
| Less: Cash and cash equivalents  | (14,289) |
| Total net debt   | \$56,529 |
|  |          |
| Net cash provided by operating activities                              | \$11,811 |
| Less: Acquisition of property, plant and equipment, net                | (5,684)  |
| Plus: Proceeds from property, plant and equipment reimbursements/sales | 590      |
| Total free-cash flow   | \$6,717  |



## RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS – CONSOLIDATED ADJUSTED EBITDA

| (\$000's)  | Q4 2024 | Q3 2024   | Q4 2023 |
|--|---------|-----------|---------|
| Net (loss) income  | (1,156) | (159,416) | 3,569   |
| Interest expense, net  | 1,918   | 2,113     | 2,311   |
| Income tax (benefit) provision   | (1,313) | 7,848     | 1,933   |
| Depreciation   | 3,597   | 3,444     | 3,546   |
| Amortization of purchased intangible assets                              | 5,278   | 5,278     | 5,666   |
| EBITDA   | 8,324   | (140,733) | 17,025  |
| Stock-based compensation   | 1,706   | 1,671     | 1,557   |
| Goodwill impairment  | –       | 141,725   | –       |
| Strategic review expenses  | 1,813   | 1,763     | –       |
| Restructuring expenses and asset impairments                             | 178     | 2,069     | 3,251   |
| Other (income) expense, net  | (145)   | 520       | 1,445   |
| Adjusted EBITDA  | 11,876  | 7,015     | 23,278  |
| Less: Adjusted EBITDA attributable to redeemable noncontrolling interest | (1,494) | (1,344)   | (3,689) |
| Adjusted EBITDA attributable to DMC Global Inc.                          | 10,382  | 5,671     | 19,589  |



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RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS – ARCADIA ADJUSTED EBITDA

| (\$000's)  | Q4 2024 | Q3 2024   | Q4 2023 |
|--|---------|-----------|---------|
| Operating (loss) income, as reported                                     | (3,645) | (145,122) | 2,218   |
| Adjustments  |         |           |         |
| Depreciation   | 1,004   | 914       | 1,020   |
| Amortization of purchased intangible assets                              | 5,278   | 5,278     | 5,652   |
| Stock-based compensation   | 982     | 315       | 332     |
| Goodwill impairment  | –       | 141,725   | –       |
| Restructuring expenses and asset impairments                             | 118     | 248       | –       |
| Adjusted EBITDA  | 3,737   | 3,358     | 9,222   |
| Less: Adjusted EBITDA attributable to redeemable noncontrolling interest | (1,494) | (1,344)   | (3,689) |
| Adjusted EBITDA attributable to DMC Global Inc.                          | 2,243   | 2,014     | 5,533   |





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RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS – DYNAENERGETICS ADJUSTED EBITDA

| (\$000's)                                    | Q4 2024 | Q3 2024 | Q4 2023 |
|--|---------|---------|---------|
| Operating income (loss), as reported         | 3,322   | (3,049) | 4,581   |
| Adjustments                                  |         |         |         |
| Depreciation                                 | 1,716   | 1,642   | 1,680   |
| Amortization of purchased intangible assets  | –       | –       | 14      |
| Restructuring expenses and asset impairments | 60      | 1,821   | 3,011   |
| Adjusted EBITDA                              | 5,098   | 414     | 9,286   |



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RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS – NOBELCLAD ADJUSTED EBITDA

| (\$000's)                     | Q4 2024 | Q3 2024 | Q4 2023 |
|-------------------------------|---------|---------|---------|
| Operating income, as reported | 5,050   | 4,969   | 6,867   |
| Adjustments                   |         |         |         |
| Depreciation                  | 798     | 807     | 741     |
| Adjusted EBITDA               | 5,848   | 5,776   | 7,608   |

