



DMC 2024 Letter to Stakeholders

PRESIDENT, CEO & DIRECTOR MICHAEL KUTA

Dear DMC Stakeholders,

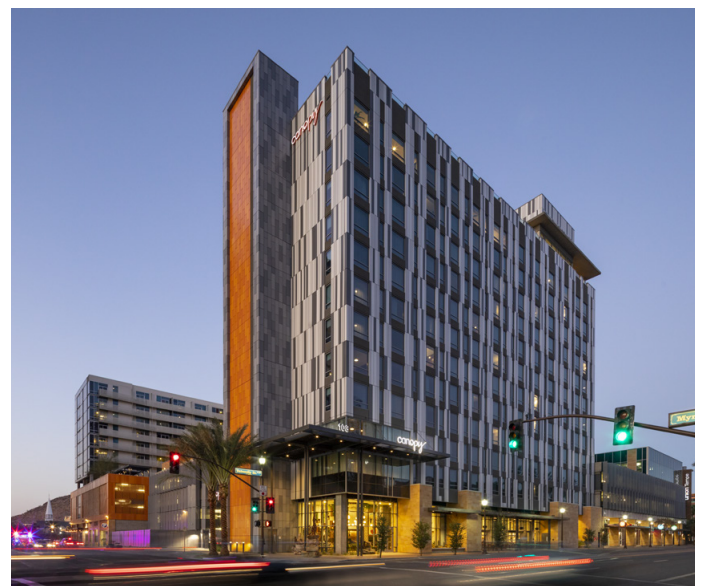
2023 was a pivotal year for your company. We achieved records for sales, adjusted EBITDA* and free cash flow*, and put in place new strategies to unlock long-term value for DMC's stockholders. In January 2023, our Board of Directors named David Aldous and me as interim co-CEOs. We immediately began a detailed review of our business-unit strategies and implemented a variety of performance-improvement initiatives. The Board and DMC's management team also commenced a strategic review of our business portfolio, a process we formally announced in January 2024.

Our analysis, coupled with investor feedback, revealed that while DMC operates three profitable, industry-leading businesses, the end markets they serve are highly diverse, and a simplification of our portfolio should be considered.

We determined Arcadia Products, our architectural building products business, is well positioned to achieve long-term sales and earnings growth given its large addressable market, strong brand, and differentiated business model. We also decided strategic alternatives should be considered for DynaEnergetics, our energy products business, and NobelClad, our composite metals business, both of which serve niche industrial end markets.

As we implemented our new strategies, we also focused on improving the operational and financial performance of each DMC business. At Arcadia, we spent 2023 putting in place the people, systems and structure to support sustainable growth. Management is now working to ensure Arcadia's three primary product offerings – commercial exterior framing systems, commercial interior framing systems,

and premium residential windows and doors – have a stronger commercial presence across Arcadia's entire network of service centers in the western and southwestern United States. Industrial engineering and debottlenecking initiatives during 2023 increased Arcadia's painting and anodizing capacity. In 2024 and 2025, we expect to further increase these capabilities through external resources and capacity expansion investments. As the construction markets improve, these initiatives should support a material increase in Arcadia's sales potential, as well as improved profit margins.



Canopy Hotel in Tempe, Arizona, featuring architectural framing systems from Arcadia



Custom Southern California home featuring thermal steel windows and doors from Arcadia Custom

At DynaEnergetics, which is experiencing pricing pressure due to customer consolidation, we are working to improve profitability through a variety of operational excellence initiatives. These include the automation of various manufacturing and gun-assembly processes, sourcing lower-cost raw materials, streamlining product designs and increasing sales of premium systems such as the successful Gravity 2.0 self-orienting perforating gun.

NobelClad is pursuing several large project opportunities in the petrochemical sector, and is increasing production capacity of its Cylindra™ product line. Cylindra is a five-metal cryogenic transition joint that is generating strong demand from the liquified natural gas industry.

In early August, David Aldous returned to his role as DMC's Chairman, and I accepted the position of full-time CEO and director. The Board recently welcomed Ouma Sananikone and James O'Leary as our newest directors, both of whom bring relevant industry experience and fresh perspectives. Directors Richard Graff and Robert Cohen, each of whom committed more than a decade of service to the DMC Board, are retiring and will not stand for reelection at the 2024 Annual Meeting. I want to sincerely thank them both for their extensive contributions to the Company.

In early 2024, we strengthened DMC's financial position when we entered a new \$300 million senior secured credit

facility with our commercial lending syndicate. The facility improves our financial flexibility as we seek to grow in the architectural building products industry, including acquiring the remaining 40% minority interest in Arcadia Products. A put/call option on the minority interest becomes exercisable on December 23, 2024.

Looking back on our 2023 business-level performance,

Arcadia Products reported full-year sales of \$298.9 million, flat versus 2022, while adjusted EBITDA attributable to DMC improved to \$29.8 million, up 6% from the prior year.

Arcadia's commercial exteriors business reported relatively steady product sales across its network of service centers. However, as construction activity slowed during the back half of the year, competition in several regions intensified, pressuring pricing and margins. Arcadia Custom, which serves the nation's ultra-high-end residential market, made important operational improvements at its Tucson, Arizona, manufacturing facility, which reduced lead times and strengthened profitability. Arcadia's commercial interiors business, Wilson Partitions, was negatively impacted by soft demand for commercial office space.

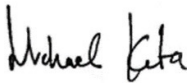
DynaEnergetics delivered record sales of \$315.0 million, up 19% from 2022, while adjusted EBITDA was a record \$56.3 million, up 20% from the prior year. Dyna's performance was driven by record international sales and continued strong

demand in North America for its flagship DynaStage perforating system. DynaStage unit sales increased 19% year over year to a new annual record.

NobelClad delivered its strongest sales and earnings performance in nearly a decade. Full-year sales were \$105.3 million, up 17% from the prior year, and adjusted EBITDA was \$22.8 million, up 91% from 2022. NobelClad's performance was driven by strong demand in both traditional and emerging clad-metal markets, as well as excellent execution by its U.S. and European production teams.

I am encouraged by the steps we are taking to strengthen our businesses and refine DMC's portfolio strategy. These initiatives will be key factors in our overarching objective of creating sustained value for DMC's stockholders. On behalf of the entire leadership team, I want to thank our employees around the world for their continued dedication to DMC's success.

Sincerely,



Michael Kuta
President, CEO & Director

*Use of Non-GAAP Financial Measures

Adjusted EBITDA and free-cash flow are non-GAAP financial measures used by management to measure operating performance. For a discussion of why we use non-GAAP financial measures and for reconciliations of the most directly comparable GAAP measures to non-GAAP measures, please see our annual report on Form 10-K for the year ended December 31, 2023.

Safe Harbor Language

Except for the historical information contained herein, this Stakeholder Letter 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 Arcadia's positioning to achieve long-term sales and earnings growth, Arcadia's intent to build stronger commercial presence across its entire network of service-centers in the western and southwestern United States; Arcadia's plans to increase painting and anodizing capacity in 2024 and 2025; the expectation that Arcadia's new initiatives will support a material increase in its sales potential, as well as improved profit margins; the expectation that new operational and sales initiatives at DynaEnergetics will improve profitability; NobelClad's ability to increase production of Cylindra; the expectation that we will acquire the remaining 40% minority interest in Arcadia Products; and our expectation that our business enhancement initiatives will drive improved value for our stakeholders. 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 news release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.



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