
United States
Securities and Exchange Commission
Washington, D.C. 20549

Form 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 5, 2024

CADRE HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40698
(Commission File Number)

38-3873146
(IRS Employer
Identification Number)

13386 International Pkwy
Jacksonville, Florida
(Address of principal executive offices)

32218
(Zip Code)

Registrant's telephone number, including area code: (904) 741-5400

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.0001	CDRE	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On March 5, 2024, Cadre Holdings, Inc. (the “Company”) issued a press release announcing its financial results for the fourth quarter and year ended December 31, 2023. A copy of this press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. Attached hereto as Exhibit 99.2 and incorporated herein by reference is a presentation regarding the Company’s financial results for the fourth quarter and year ended December 31, 2023.

The press release and presentation contain the non-GAAP measures earnings before interest, taxes, other income or expense, depreciation and amortization (“EBITDA”), adjusted EBITDA and adjusted EBITDA margin. The Company believes that 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. The non-GAAP measures are reconciled to comparable GAAP financial measures within the press release and the presentation. 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.

The information in Items 2.02 and 7.01 of this Current Report on Form 8-K (including Exhibits 99.1 and 99.2 attached hereto) shall not be deemed “filed” for purposes of Section 18 of the Securities Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 7.01. Regulation FD Disclosure

The information set forth under Item 2.02 “Results of Operations and Financial Condition” is incorporated into this Item 7.01 by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit	Description
99.1	Press Release, dated March 5, 2024 (furnished only).
99.2	Slide Presentation for Conference Call held on March 5, 2024 (furnished only).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 5, 2024

CADRE HOLDINGS, INC.

By: /s/ Blaine Browers

Name: Blaine Browers

Title: Chief Financial Officer

Cadre Holdings Reports Fourth Quarter and Full Year 2023 Financial Results

Achieved Annual Net Sales of \$483 Million, Gross Margin of 41.6% and Net Income of \$39 million

Generated Record Annual Adjusted EBITDA and Adjusted EBITDA Margin

Expects Full Year 2024 Net Sales of \$553 to \$572 Million and Adjusted EBITDA of \$104 to \$108 Million

JACKSONVILLE, Fla., March 5, 2024 – Cadre Holdings, Inc. (NYSE: CDRE) ("Cadre" or "the Company"), a global leader in the manufacturing and distribution of safety equipment, announced today its consolidated operating results for the quarter and year ended December 31, 2023.

- Net sales of \$124.6 million for the fourth quarter; net sales of \$482.5 million for the year ended December 31, 2023
- Gross profit margin of 39.9% for the fourth quarter; gross profit margin of 41.6% for the year ended December 31, 2023
- Net income of \$9.6 million, or \$0.25 per diluted share, for the fourth quarter; net income of \$38.6 million, or \$1.02 per diluted share, for the year ended December 31, 2023
- Adjusted EBITDA of \$20.7 million for the fourth quarter; Adjusted EBITDA of \$85.8 million for year ended December 31, 2023
- Adjusted EBITDA margin of 16.6% for the fourth quarter; Adjusted EBITDA margin of 17.8% for the year ended December 31, 2023
- Declared quarterly cash dividend of \$0.0875 per share in January 2024. On an annualized basis, this dividend represents an increase of \$0.03 per share, or 9.4% per share, over the previous annualized dividend of \$0.32 per share.

“2023 was a record year, reflective of Cadre’s outstanding strategic execution and the strong and recurring demand for our best-in-class, mission-critical safety equipment,” said Warren Kanders, CEO and Chairman. “Strong fourth quarter results capped off an outstanding year, in which we generated our highest annual revenue, Adjusted EBITDA, gross margin, and Adjusted EBITDA margin since inception. Based on the ongoing, successful implementation of the Cadre operating model, strong secular tailwinds, and confidence in our leading platform of premium safety brands moving forward, our 2024 guidance shared today implies at its midpoints full-year revenue and adjusted EBITDA growth next year of 16.5% and 23.5%, respectively.”

Mr. Kanders added, “M&A has been a key tenet of our strategy to seek to unlock long-term value, and we are pleased to have recently capitalized on attractive opportunities to add two high-margin safety businesses with recurring revenues. With the acquisition of ICOR Technology, we’ve considerably expanded our ability to provide mission-critical EOD robots to law enforcement agencies and military organizations. Additionally, the acquisition of Alpha Safety represents an important step in diversifying Cadre’s platform, as we enter an attractive new adjacent vertical with a large and growing total addressable market. Supported by a robust acquisition pipeline, as well as favorable industry dynamics, we believe Cadre is ideally positioned to continue to grow our platform and further enhance our market leadership over the long-term.”

Fourth Quarter and Year Ended 2023 Operating Results

For the quarter ended December 31, 2023, Cadre generated net sales of \$124.6 million, as compared to \$123.6 million for the quarter ended December 31, 2022. Net sales were impacted by a decrease in the Product segment primarily resulting from project timing in our explosive ordnance disposal (“EOD”) products which were offset by an increased demand for armor products, duty gear products and crowd control products. Net sales were also impacted by an increase in the Distribution segment primarily the result of agency demand for hard goods.

For the year ended December 31, 2023, Cadre generated net sales of \$482.5 million, as compared to \$457.8 million for the prior year period, mainly driven by higher demand for armor and crowd control products, as well as recent acquisitions, partially offset by a decrease from large international orders for EOD products fulfilled in the prior year.

For the quarter ended December 31, 2023, Cadre generated gross profit of \$49.8 million, as compared to \$48.5 million for the quarter ended December 31, 2022. For the year ended December 31, 2023, Cadre generated gross profit of \$200.7 million, as compared to \$175.7 million for the prior year period.

Gross profit margin was 39.9% for the quarter ended December 31, 2023, as compared to 39.2% for the quarter ended December 31, 2022 mainly driven by favorable pricing and product mix.

Gross profit margin was 41.6% for the year ended December 31, 2023, as compared to 38.4% for the prior year period, mainly driven by favorable pricing, product mix and productivity, partially offset by inflation and pressure from a stronger Mexican peso.

Net income was \$9.6 million for the quarter ended December 31, 2023, as compared to net income of \$6.6 million for the quarter ended December 31, 2022. The increase resulted primarily from increased net sales, unrealized foreign exchange and lower tax expense.

Net income was \$38.6 million for the year ended December 31, 2023, as compared to net income of \$5.8 million for the prior year period, primarily as a result of an increase in net sales and decreased stock-based compensation expense.

Cadre generated \$20.7 million of Adjusted EBITDA for the quarter ended December 31, 2023, as compared to \$22.4 million for the quarter ended December 31, 2022. Adjusted EBITDA margin was 16.6% for the quarter ended December 31, 2023, as compared to 18.1% for the prior year period.

Cadre generated \$85.8 million of Adjusted EBITDA for the year ended December 31, 2023, as compared to \$75.7 million for the prior year period. Adjusted EBITDA margin was 17.8% for the year ended December 31, 2023, as compared to 16.5% for the prior year period.

Product segment gross profit margin was 40.7% for the fourth quarter and 43.1% for the year ended December 31, 2023. This compares to 40.4% and 40.3% for the respective prior year periods.

Distribution segment gross profit margin was 23.9% for the fourth quarter and 23.5% for the year ended December 31, 2023. This compares to 21.8% and 21.1% for the respective prior year periods.

Liquidity, Cash Flows and Capital Allocation

- Cash and cash equivalents increased by \$42.4 million from \$45.3 million as of December 31, 2022 to \$87.7 million as of December 31, 2023.
- Total debt decreased by \$9.6 million from \$149.7 million as of December 31, 2022, to \$140.1 million as of December 31, 2023.
- Net debt (total debt net of cash and cash equivalents) decreased by \$52.0 million from \$104.4 million as of December 31, 2022, to \$52.4 million as of December 31, 2023.
- Capital expenditures totaled \$2.7 million for the fourth quarter and \$7.0 million for the year ended December 31, 2023, compared with \$1.5 million for the fourth quarter and \$4.7 million for the year ended December 31, 2022.

Dividend

On January 23, 2024, the Company announced that its Board of Directors declared a quarterly cash dividend of \$0.0875 per share, or \$0.35 per share on an annualized basis, which represents an increase of \$0.03 per share, or 9.4% per share, over the previous annualized dividend of \$0.32 per share. Cadre's dividend payment was made on February 16, 2024, to shareholders of record as of the close of business on the record date of February 2, 2024. The declaration of any future dividend is subject to the discretion of the Company's Board of Directors.

Acquisition of ICOR Technology

On January 10, 2024, Cadre announced the completion of its accretive acquisition of ICOR Technology, a leading manufacturer and distributor of EOD and tactical robots and specialized protective security equipment for EOD and

military organizations worldwide. The purchase price was funded through available cash on the Company's balance sheet.

Acquisition of Alpha Safety

On March 1, 2024, Cadre completed its accretive acquisition of Alpha Safety, a leading nuclear safety solutions company, for \$106.5 million (including working capital and certain other adjustments at closing). The transaction was funded through available cash on the Company's balance sheet and an increase in term debt under its existing credit facility.

2024 Outlook

For the full year 2024, Cadre expects to generate net sales in the range of \$553 million to \$572 million and Adjusted EBITDA in the range of \$104 million and \$108 million. We expect capital expenditures to be in the range of \$8 million to \$10 million. Cadre has not provided net income guidance due to the inherent difficulty of forecasting certain types of expenses and gains, which affect net income but not Adjusted EBITDA. Therefore, we do not provide a reconciliation of Adjusted EBITDA guidance to net income guidance.

Conference Call

Cadre management will host a conference call on Tuesday, March 5, 2024, at 5:00 PM EST to discuss the latest corporate developments and financial results. The dial-in number for callers in the US is (888)-596-4144 and the dial-in number for international callers is 646-968-2525. The access code for all callers is 3272793. A live webcast will also be available on the Company's website at <https://www.cadre-holdings.com/>.

A replay of the call will be available through March 19, 2024. To access the replay, please dial 800-770-2030 in the U.S. or +1-609-800-9909 if outside the U.S., and then enter the access code 3272793.

About Cadre

Headquartered in Jacksonville, Florida, Cadre is a global leader in the manufacturing and distribution of safety products. Cadre's equipment provides critical protection to allow users to safely and securely perform their duties and protect those around them in hazardous or life-threatening situations. The Company's core products include body armor, explosive ordnance disposal equipment, and duty gear. Our highly engineered products are utilized in over 100 countries by federal, state and local law enforcement, fire and rescue professionals, explosive ordnance disposal teams, and emergency medical technicians. Our key brands include Safariland® and Med-Eng®, amongst others.

Use of Non-GAAP Measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). The press release 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 press release. 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.

Forward-Looking Statements

Except for historical information, certain matters discussed in this press release may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include but are not limited to all projections and anticipated levels of future performance. Forward-looking statements involve risks,

uncertainties and other factors that may cause our actual results to differ materially from those discussed herein. Any number of factors could cause actual results to differ materially from projections or forward-looking statements, including without limitation, the availability of capital to satisfy our working capital requirements; anticipated trends and challenges in our business and the markets in which we operate; our ability to anticipate market needs or develop new or enhanced products to meet those needs; our expectations regarding market acceptance of our products; the success of competing products by others that are or become available in the market in which we sell our products; the impact of adverse publicity about the Company and/or its brands, including without limitation, through social media or in connection with brand damaging events and/or public perception; changes in political, social, economic or regulatory conditions generally and in the markets in which we operate; our ability to maintain or broaden our business relationships and develop new relationships with strategic alliances, suppliers, customers, distributors or otherwise; our ability to retain and attract senior management and other key employees; our ability to quickly and effectively respond to new technological developments; the effect of an outbreak of disease or similar public health threat, such as the COVID-19 pandemic, on the Company's business; the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; the ability of our information technology systems or information security systems to operate effectively, including as a result of security breaches, viruses, hackers, malware, natural disasters, vendor business interruptions or other causes; our ability to properly maintain, protect, repair or upgrade our information technology systems or information security systems, or problems with our transitioning to upgraded or replacement systems; our ability to protect our trade secrets or other proprietary rights and operate without infringing upon the proprietary rights of others and prevent others from infringing on the proprietary rights of the Company; our ability to maintain a quarterly dividend; logistical challenges related to supply chain disruptions and delays; the impact of inflation; the increased expenses associated with being a public company; and the related increased disclosure and reporting obligations; our ability to integrate the operations of the businesses we have acquired, including, without limitation, ICOR Technology Inc. and Alpha Safety, and may acquire in the future; and any material differences in the actual financial results of the Company's past and future acquisitions as compared with the Company's expectation. More information on potential factors that could affect the Company's financial results are more fully described from time to time in the Company's public reports filed with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. All forward-looking statements included in this press release are based upon information available to the Company as of the date of this press release, 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 press release.

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CADRE HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share and per share amounts)

	December 31,	
	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 87,691	\$ 45,286
Accounts receivable, net	58,360	64,557
Inventories	80,976	70,273
Prepaid expenses	11,930	10,091
Other current assets	6,886	6,811
Total current assets	245,843	197,018
Property and equipment, net	44,647	45,285
Operating lease assets	6,554	8,489
Deferred tax assets, net	4,004	2,255
Intangible assets, net	43,472	50,695
Goodwill	81,667	81,576
Other assets	4,992	6,634
Total assets	\$ 431,179	\$ 391,952
Liabilities, Mezzanine Equity and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 28,418	\$ 23,406
Accrued liabilities	44,524	38,720
Income tax payable	9,944	4,584
Current portion of long-term debt	12,320	12,211
Total current liabilities	95,206	78,921
Long-term debt	127,812	137,476
Long-term operating lease liabilities	3,186	4,965
Deferred tax liabilities	4,843	3,508
Other liabilities	2,970	1,192
Total liabilities	234,017	226,062
Mezzanine equity		
Preferred stock (\$0.0001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of December 31, 2023 and December 31, 2022)	—	—
Shareholders' equity		
Common stock (\$0.0001 par value, 190,000,000 shares authorized, 37,587,436 and 37,332,271 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively)	4	4
Additional paid-in capital	212,630	206,540
Accumulated other comprehensive income	634	2,087
Accumulated deficit	(16,106)	(42,741)
Total shareholders' equity	197,162	165,890
Total liabilities, mezzanine equity and shareholders' equity	\$ 431,179	\$ 391,952

CADRE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net sales	\$ 124,583	\$ 123,645	\$ 482,532	\$ 457,837
Cost of goods sold	74,825	75,117	281,806	282,159
Gross profit	49,758	48,528	200,726	175,678
Operating expenses				
Selling, general and administrative	34,904	34,698	140,519	153,129
Restructuring and transaction costs	1,060	975	2,192	4,355
Related party expense	1,117	132	1,496	1,478
Total operating expenses	37,081	35,805	144,207	158,962
Operating income	12,677	12,723	56,519	16,716
Other expense				
Interest expense	(804)	(1,710)	(4,531)	(6,206)
Other income (expense), net	541	1,675	936	(1,137)
Total other expense, net	(263)	(35)	(3,595)	(7,343)
Income before provision for income taxes	12,414	12,688	52,924	9,373
Provision for income taxes	(2,820)	(6,089)	(14,283)	(3,553)
Net income	\$ 9,594	\$ 6,599	\$ 38,641	\$ 5,820
Net income per share:				
Basic	\$ 0.26	\$ 0.18	\$ 1.03	\$ 0.16
Diluted	\$ 0.25	\$ 0.17	\$ 1.02	\$ 0.16
Weighted average shares outstanding:				
Basic	37,586,756	37,332,271	37,533,818	36,109,844
Diluted	38,125,787	37,887,600	37,920,488	36,122,374

CADRE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Cash Flows From Operating Activities:			
Net income	\$ 38,641	\$ 5,820	\$ 12,661
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	15,737	15,651	13,718
Amortization of original issue discount and debt issue costs	479	740	3,193
Amortization of inventory step-up	—	4,255	—
Loss on extinguishment of debt	—	—	15,155
Deferred income taxes	(210)	(1,087)	4,772
Stock-based compensation	9,368	31,858	355
Provision for (recoveries from) losses on accounts receivable	66	417	(188)
Foreign exchange (gain) loss	(602)	1,517	102
Other	(381)	(170)	—
Changes in operating assets and liabilities, net of impact of acquisitions:			
Accounts receivable	6,602	(11,536)	(4,641)
Inventories	(10,223)	1,162	(3,189)
Prepaid expenses and other assets	(302)	(7,711)	(4,564)
Accounts payable and other liabilities	14,034	5,493	2,720
Net cash provided by operating activities	<u>73,209</u>	<u>46,409</u>	<u>40,094</u>
Cash Flows From Investing Activities:			
Purchase of property and equipment	(6,727)	(4,494)	(2,832)
Proceeds from disposition of property and equipment	207	411	—
Business acquisitions, net of cash acquired	—	(55,543)	—
Net cash used in investing activities	<u>(6,520)</u>	<u>(59,626)</u>	<u>(2,832)</u>
Cash Flows From Financing Activities:			
Proceeds from revolving credit facilities	—	43,000	257,980
Principal payments on revolving credit facilities	—	(43,000)	(258,612)
Proceeds from term loans	—	—	198,716
Principal payments on term loans	(10,000)	(10,116)	(266,000)
Proceeds from insurance premium financing	3,949	3,989	5,010
Principal payments on insurance premium financing	(3,973)	(4,952)	(3,061)
Payments for debt issuance costs	—	—	(2,198)
Payments on extinguishment of debt	—	—	(4,217)
Taxes paid in connection with employee stock transactions	(2,725)	(6,300)	—
Proceeds from initial public offering, net of underwriter discounts	—	—	83,421
Proceeds from secondary offering, net of underwriter discounts	—	56,329	—
Deferred offering costs	—	(2,953)	(4,841)
Dividends distributed	(12,006)	(11,509)	(12,751)
Other	33	(25)	(43)
Net cash (used in) provided by financing activities	<u>(24,722)</u>	<u>24,463</u>	<u>(6,596)</u>
Effect of foreign exchange rates on cash and cash equivalents	438	183	318
Change in cash and cash equivalents	42,405	11,429	30,984
Cash and cash equivalents, beginning of period	45,286	33,857	2,873
Cash and cash equivalents, end of period	<u>\$ 87,691</u>	<u>\$ 45,286</u>	<u>\$ 33,857</u>
Supplemental Disclosure of Cash Flows Information:			
Cash paid for income taxes, net	\$ 8,729	\$ 1,395	\$ 1,158
Cash paid for interest	\$ 10,090	\$ 6,109	\$ 13,336
Supplemental Disclosure of Non-Cash Investing and Financing Activities:			
Accruals and accounts payable for capital expenditures	\$ 234	\$ 172	\$ 197

CADRE HOLDINGS, INC.
SEGMENT INFORMATION
(Unaudited)
(In thousands)

	Three Months Ended December 31, 2023			
	Product	Distribution	Reconciling Items ⁽¹⁾	Total
Net sales	\$ 105,768	\$ 27,777	\$ (8,962)	\$ 124,583
Cost of goods sold	62,733	21,135	(9,043)	74,825
Gross profit	<u>\$ 43,035</u>	<u>\$ 6,642</u>	<u>\$ 81</u>	<u>\$ 49,758</u>

	Three Months Ended December 31, 2022			
	Product	Distribution	Reconciling Items ⁽¹⁾	Total
Net sales	\$ 107,482	\$ 23,270	\$ (7,107)	\$ 123,645
Cost of goods sold	64,053	18,196	(7,132)	75,117
Gross profit	<u>\$ 43,429</u>	<u>\$ 5,074</u>	<u>\$ 25</u>	<u>\$ 48,528</u>

	Year Ended December 31, 2023			
	Product	Distribution	Reconciling Items ⁽¹⁾	Total
Net sales	\$ 410,825	\$ 102,371	\$ (30,664)	\$ 482,532
Cost of goods sold	233,937	\$ 78,335	\$ (30,466)	281,806
Gross profit	<u>\$ 176,888</u>	<u>\$ 24,036</u>	<u>\$ (198)</u>	<u>\$ 200,726</u>

	Year Ended December 31, 2022			
	Product	Distribution	Reconciling Items ⁽¹⁾	Total
Net sales	\$ 385,423	\$ 97,106	\$ (24,692)	\$ 457,837
Cost of goods sold	230,245	76,633	(24,719)	282,159
Gross profit	<u>\$ 155,178</u>	<u>\$ 20,473</u>	<u>\$ 27</u>	<u>\$ 175,678</u>

⁽¹⁾ Reconciling items consist primarily of intercompany eliminations and items not directly attributable to operating segments.

CADRE HOLDINGS, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(Unaudited)
(In thousands)

	<u>Three Months Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net income	\$ 9,594	\$ 6,599	\$ 38,641	\$ 5,820
Add back:				
Depreciation and amortization	3,352	4,332	15,737	15,651
Interest expense	804	1,710	4,531	6,206
Provision for income taxes	2,820	6,089	14,283	3,553
EBITDA	<u>\$ 16,570</u>	<u>\$ 18,730</u>	<u>\$ 73,192</u>	<u>\$ 31,230</u>
Add back:				
Restructuring and transaction costs(1)	2,060	975	3,192	5,355
Other general income(2)	(92)	(159)	(92)	(159)
Other (income) expense, net(3)	(541)	(1,675)	(936)	1,137
Stock-based compensation expense(4)	2,308	2,878	9,368	32,239
Stock-based compensation payroll tax expense(5)	14	—	234	305
LTIP bonus(6)	371	436	860	1,369
Amortization of inventory step-up(7)	—	1,200	—	4,255
Adjusted EBITDA	<u>\$ 20,690</u>	<u>\$ 22,385</u>	<u>\$ 85,818</u>	<u>\$ 75,731</u>
Adjusted EBITDA margin⁽⁸⁾	16.6 %	18.1 %	17.8 %	16.5 %

(1) Reflects the “Restructuring and transaction costs” line item on our consolidated statement of operations and comprehensive income, which primarily includes transaction costs composed of legal and consulting fees. In addition, this line item reflects \$1.0 million transaction fees paid to Kanders & Company, Inc. for services related to the acquisition of ICOR and Cyalume for the years ended December 31, 2023 and 2022, respectively, which is included in related party expense in the Company’s consolidated statements of operations. Kanders & Company, Inc. is a company controlled by Warren B. Kanders, our Chairman of the Board and Chief Executive Officer.

(2) Reflects gains from long-lived asset sales.

(3) Reflects the “Other income (expense), net” line item on our consolidated statements of operations and primarily includes gains and losses due to fluctuations in foreign currency exchange rates.

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(5) Reflects payroll taxes associated with vested stock-based compensation awards.

(6) Reflects the cost of a cash-based long-term incentive plan awarded to employees that vests over three years.

(7) Reflects amortization expense related to the step-up inventory adjustment recorded as a result of our recent acquisitions.

(8) Reflects Adjusted EBITDA / Net sales for the relevant periods.

ADRE
HOLDINGS

FOURTH QUARTER
2023



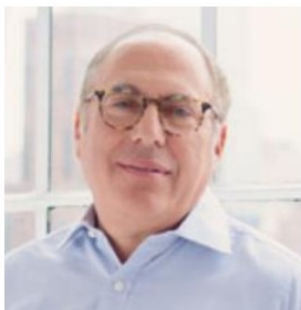
FORWARD-LOOKING STATEMENTS

Except for historical information, certain matters discussed in this press release may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include but are not limited to all projections and anticipated levels of future performance. Forward-looking statements involve risks, uncertainties and other factors that may cause our actual results to differ materially from those discussed herein. Any number of factors could cause actual results to differ materially from projections or forward-looking statements, including without limitation, the availability of capital to satisfy our working capital requirements; anticipated trends and challenges in our business and the markets in which we operate; our ability to anticipate market needs or develop new or enhanced products to meet those needs; our expectations regarding market acceptance of our products; the success of competing products by others that are or become available in the market in which we sell our products; the impact of adverse publicity about the Company and/or its brands, including without limitation, through social media or in connection with brand damaging events and/or public perception; changes in political, social, economic or regulatory conditions generally and in the markets in which we operate; our ability to maintain or broaden our business relationships and develop new relationships with strategic alliances, suppliers, customers, distributors or otherwise; our ability to retain and attract senior management and other key employees; our ability to quickly and effectively respond to new technological developments; the effect of an outbreak of disease or similar public health threat, such as the COVID-19 pandemic, on the Company's business; the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; the ability of our information technology systems or information security systems to operate effectively, including as a result of security breaches, viruses, hackers, malware, natural disasters, vendor business interruptions or other causes;

FORWARD-LOOKING STATEMENTS - CONTINUED

our ability to properly maintain, protect, repair or upgrade our information technology systems or information security systems, or problems with our transitioning to upgraded or replacement systems; our ability to protect our trade secrets or other proprietary rights and operate without infringing upon the proprietary rights of others and prevent others from infringing on the proprietary rights of the Company; our ability to maintain a quarterly dividend; logistical challenges related to supply chain disruptions and delays; the impact of inflation; the increased expenses associated with being a public company; and the related increased disclosure and reporting obligations; our ability to integrate the operations of the businesses we have acquired, including, without limitation, ICOR Technology Inc. and Alpha Safety, and may acquire in the future; and any material differences in the actual financial results of the Company's past and future acquisitions as compared with the Company's expectation. More information on potential factors that could affect the Company's financial results are more fully described from time to time in the Company's public reports filed with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. All forward-looking statements included in this press release are based upon information available to the Company as of the date of this press release, 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 press release.

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

Cadre continues to deliver on strategic objectives, generating record quarterly Adj. EBITDA and achieving significant margin expansion

Commentary:

Pricing Growth: ✓ *Exceeded target*

Q4 Mix: — *As expected, lower EOD volume driving unfavorable mix*

Orders Backlog: ✓ *Increased by \$8.8 million in 2023, primarily driven by demand for explosive ordinance disposal products*

M&A Execution ✓ *Completed acquisitions of ICOR Technology in January and Alpha Safety in March*

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

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

MACRO TAILWINDS SUPPORT LONG TERM SUSTAINABLE GROWTH OPPORTUNITY



Police protection expenditures have continued to trend upward even during previous financial and industrial recessions

Major US cities continue to increase police budgets

The American Rescue Plan provides \$350 billion to hire more police

Two-thirds of all NATO countries spend less than 2% of GDP targets on defense and security

Amidst current geopolitical turmoil, European leaders have advocated for significant increases in defense budgets

LATEST MARKET TRENDS

North American Law Enforcement	<ul style="list-style-type: none">• Spend per officer increasing but police departments still struggling to fill open positions
Geopolitical Landscape	<ul style="list-style-type: none">• Future opportunities to provide safety and survivability equipment—primarily EOD products—as war in Ukraine de-escalates
Supply Chain/Labor	<ul style="list-style-type: none">• Majority of supply chain is stable• Effectively managing labor force for long-term
Consumer	<ul style="list-style-type: none">• Demand for Cadre’s products is strong with new product introductions driving growth
New Products/Innovation	<ul style="list-style-type: none">• Continue to hear supportive feedback related to armor and holster product launches. Newest body armor innovation was launched in January 2024 with overwhelmingly positive feedback

M&A



CADRE'S 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



ACQUISITION OF ALPHA SAFETY



BUSINESS OVERVIEW & STRATEGIC RATIONALE

- Alpha Safety is a provider of highly engineered, technical products and services spanning the nuclear value chain
- Highly-visible, expected 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 (Total Addressable Market) 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



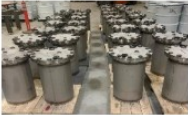
- **Overview:** Proprietary containers for handling and storing plutonium oxides, metals, powders and by products
- **Products / Services:** Container system enabled by proprietary filter technology co-developed with DoE / NNSA with all IP owned by Alpha

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



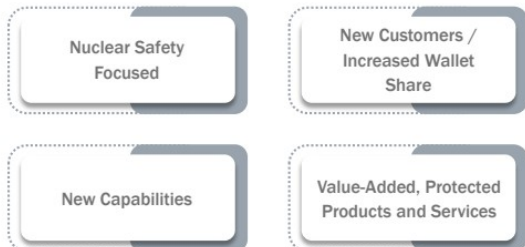
Source:
 (1) See Management estimates from the 2022 Form 10-K filed with the SEC on March 15, 2023 for additional detail. "Existing SAM" is calculated as: EoD Equipment (\$245mm) + Safety Holsters (\$380mm) + Blast Sensors (\$500mm) + Soft Body Armor (\$870mm) = ~\$2bn.
 (2) Oliver Wyman analysis.

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+ potential 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 POTENTIAL ATTRACTIVE GLOBAL M&A TARGETS



ACQUISITION OF ICOR TECHNOLOGY



BUSINESS OVERVIEW & STRATEGIC RATIONALE

- ICOR is a trusted global supplier of high-quality, reliable, innovative, and cost-effective EOD robots
- Headquartered in Ottawa, Ontario, strategically located near the national headquarters of the Canadian Department of National Defence and the Royal Canadian Mounted Police
- Key customers are EOD and military organizations worldwide, including SWAT and Chemical, Biological, Radiological, Nuclear, and high-yield Explosives (CBRNE) teams
- Advances Cadre's strategic focus on seeking to acquire accretive, high-margin businesses with mission-critical products
- Opportunities to further penetrate ICOR's key markets, drawing on Cadre's scale and extensive sales channels

CADRE'S KEY M&A CRITERIA MET

- Leading market position
- Mission-critical to customer
- Strong brand recognition
- Niche market
- Attractive ROIC
- Resiliency thru market cycles
- Recurring revenue profile

Meaningfully Expands Cadre's Ability to Provide Mission-critical EOD Robots to Law Enforcement Agencies and Military Organizations

Q4 Financial Results



FOURTH QUARTER AND FULL YEAR 2023 HIGHLIGHTS

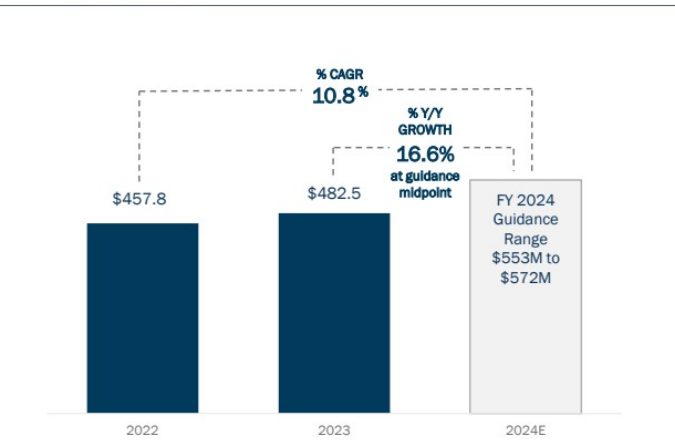


	Q4 2023	Q4 2022	FY 2023	FY 2022
NET SALES	\$124.6M	\$123.6M	\$482.5M	\$457.8M
GROSS MARGIN	39.9%	39.2%	41.6%	38.4%
NET INCOME	\$9.6M / \$0.25 per diluted share	\$6.6M / \$0.17 per diluted share	\$38.6M / \$1.02 per diluted share	\$5.8M ¹ / \$0.16 per diluted share
ADJUSTED EBITDA ²	\$20.7M	\$22.4M	\$85.8M	\$75.7M
ADJUSTED EBITDA ² MARGIN	16.6%	18.1%	17.8%	16.5%

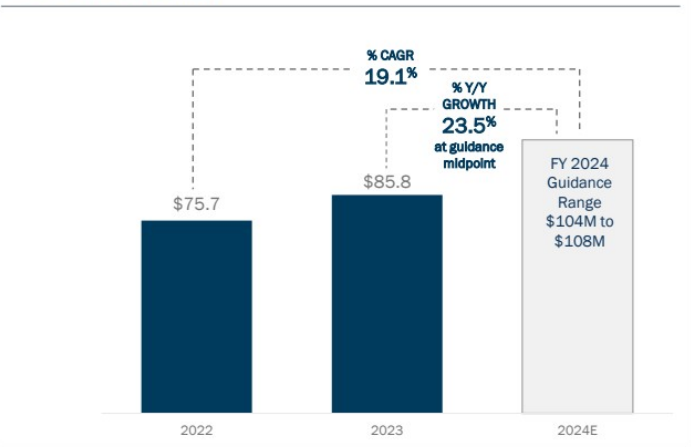
- Achieved record FY revenue, gross margin and net income
- Q4 net income increased 45% y/y

NET SALES AND ADJUSTED EBITDA

NET SALES (\$MM)



ADJ. EBITDA¹ (\$MM)



1. A non-GAAP financial measure. See slide 27 for definitions and reconciliations to the nearest GAAP measures

Q4 2023 CAPITAL STRUCTURE

December 31, 2023

(in thousands)

Cash and cash equivalents	\$	87,691
Debt:		
Revolver	\$	—
Current portion of long-term debt		12,320
Long-term debt		128,962
Capitalized discount/issuance costs		(1,150)
Total debt, net	\$	140,132
Net debt (Total debt net of cash)	\$	52,441
Total debt / Adj. EBITDA ⁽¹⁾		1.6
Net debt / Adj. EBITDA ⁽¹⁾		0.6
LTM Adj. EBITDA ⁽¹⁾	\$	85,818

2024 MANAGEMENT OUTLOOK



CONCLUSION



-  Outstanding execution in Q4 and 2024 YTD
-  Ongoing implementation of Cadre operating model
-  FY Revenue, Net Income and Adjusted EBITDA Growth Y/Y
-  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, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 87,691	\$ 45,286
Accounts receivable, net	58,360	64,557
Inventories	80,976	70,273
Prepaid expenses	11,930	10,091
Other current assets	6,886	6,811
Total current assets	245,843	197,018
Property and equipment, net	44,647	45,285
Operating lease assets	6,554	8,489
Deferred tax assets, net	4,004	2,255
Intangible assets, net	43,472	50,695
Goodwill	81,667	81,576
Other assets	4,992	6,634
Total assets	\$ 431,179	\$ 391,952
Liabilities, Mezzanine Equity and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 28,418	\$ 23,406
Accrued liabilities	44,524	38,720
Income tax payable	9,944	4,584
Current portion of long-term debt	12,320	12,211
Total current liabilities	95,206	78,921
Long-term debt	127,512	137,476
Long-term operating lease liabilities	3,186	4,965
Deferred tax liabilities	4,843	3,508
Other liabilities	2,970	1,192
Total liabilities	234,017	226,062
Mezzanine equity		
Preferred stock (\$0.0001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of December 31, 2023 and December 31, 2022)	—	—
Shareholders' equity		
Common stock (\$0.0001 par value, 190,000,000 shares authorized, 37,587,436 and 37,332,271 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively)	4	4
Additional paid-in capital	212,630	206,540
Accumulated other comprehensive income	634	2,087
Accumulated deficit	(16,106)	(42,741)
Total shareholders' equity	197,162	165,890
Total liabilities, mezzanine equity and shareholders' equity	\$ 431,179	\$ 391,952

STATEMENT OF OPERATIONS

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

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net sales	\$ 124,583	\$ 123,645	\$ 482,532	\$ 457,837
Cost of goods sold	74,825	75,117	281,806	282,159
Gross profit	49,758	48,528	200,726	175,678
Operating expenses				
Selling, general and administrative	34,904	34,698	140,519	153,129
Restructuring and transaction costs	1,060	975	2,192	4,355
Related party expense	1,117	132	1,496	1,478
Total operating expenses	37,081	35,805	144,207	158,962
Operating income	12,677	12,723	56,519	16,716
Other expense				
Interest expense	(804)	(1,710)	(4,531)	(6,206)
Other income (expense), net	541	1,675	936	(1,137)
Total other expense, net	(263)	(35)	(3,595)	(7,343)
Income before provision for income taxes	12,414	12,688	52,924	9,373
Provision for income taxes	(2,820)	(6,089)	(14,283)	(3,553)
Net income	\$ 9,594	\$ 6,599	\$ 38,641	\$ 5,820
Net income per share:				
Basic	\$ 0.26	\$ 0.18	\$ 1.03	\$ 0.16
Diluted	\$ 0.25	\$ 0.17	\$ 1.02	\$ 0.16
Weighted average shares outstanding:				
Basic	37,586,756	37,332,271	37,533,818	36,109,844
Diluted	38,125,787	37,887,600	37,920,488	36,122,374

STATEMENT OF CASH FLOWS

UNAUDITED (IN THOUSANDS)

	Year Ended December 31,	
	2023	2022
Cash Flows From Operating Activities:		
Net income	\$ 38,641	\$ 5,820
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	15,737	15,651
Amortization of original issue discount and debt issue costs	479	740
Amortization of inventory step-up	—	4,255
Loss on extinguishment of debt	—	—
Deferred income taxes	(210)	(1,087)
Stock-based compensation	9,368	31,858
Provision for (recoveries from) losses on accounts receivable	66	417
Foreign exchange (gain) loss	(602)	1,517
Other	(381)	(170)
Changes in operating assets and liabilities, net of impact of acquisitions:		
Accounts receivable	6,602	(11,536)
Inventories	(10,223)	1,162
Prepaid expenses and other assets	(302)	(7,711)
Accounts payable and other liabilities	14,034	5,493
Net cash provided by operating activities	73,209	46,409
Cash Flows From Investing Activities:		
Purchase of property and equipment	(6,727)	(4,494)
Proceeds from disposition of property and equipment	207	411
Business acquisitions, net of cash acquired	—	(55,543)
Net cash used in investing activities	(6,520)	(59,626)

Continued on next slide

STATEMENT OF CASH FLOWS - CONTINUED

UNAUDITED (IN THOUSANDS)

	Year Ended December 31,	
	2023	2022
Cash Flows From Financing Activities:		
Proceeds from revolving credit facilities	—	43,000
Principal payments on revolving credit facilities	—	(43,000)
Proceeds from term loans	—	—
Principal payments on term loans	(10,000)	(10,116)
Proceeds from insurance premium financing	3,949	3,989
Principal payments on insurance premium financing	(3,973)	(4,952)
Payments for debt issuance costs	—	—
Payments on extinguishment of debt	—	—
Taxes paid in connection with employee stock transactions	(2,725)	(6,300)
Proceeds from initial public offering, net of underwriter discounts	—	—
Proceeds from secondary offering, net of underwriter discounts	—	56,329
Deferred offering costs	—	(2,953)
Dividends distributed	(12,006)	(11,509)
Other	33	(25)
Net cash (used in) provided by financing activities	(24,722)	24,463
Effect of foreign exchange rates on cash and cash equivalents	438	183
Change in cash and cash equivalents	42,405	11,429
Cash and cash equivalents, beginning of period	45,286	33,857
Cash and cash equivalents, end of period	\$ 87,691	\$ 45,286
Supplemental Disclosure of Cash Flows Information:		
Cash paid for income taxes, net	\$ 8,729	\$ 1,395
Cash paid for interest	\$ 10,090	\$ 6,109
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Accruals and accounts payable for capital expenditures	\$ 234	\$ 172

NON-GAAP RECONCILIATION

(IN THOUSANDS)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income	\$ 9,594	\$ 6,599	\$ 38,641	\$ 5,820
Add back:				
Depreciation and amortization	3,352	4,332	15,737	15,651
Interest expense	804	1,710	4,531	6,206
Provision for income taxes	2,820	6,089	14,283	3,553
EBITDA	\$ 16,570	\$ 18,730	\$ 73,192	\$ 31,230
Add back:				
Restructuring and transaction costs ⁽¹⁾	2,060	975	3,192	5,355
Other general income ⁽²⁾	(92)	(159)	(92)	(159)
Other (income) expense, net ⁽³⁾	(541)	(1,675)	(936)	1,137
Stock-based compensation expense ⁽⁴⁾	2,308	2,878	9,368	32,239
Stock-based compensation payroll tax expense ⁽⁵⁾	14	—	234	305
LTIP bonus ⁽⁶⁾	371	436	860	1,369
Amortization of inventory step-up ⁽⁷⁾	—	1,200	—	4,255
Adjusted EBITDA	\$ 20,690	\$ 22,385	\$ 85,818	\$ 75,731
Adjusted EBITDA margin⁽⁴⁰⁾	16.6 %	18.1 %	17.8 %	16.5

1. Reflects the "Restructuring and transaction costs" line item on our consolidated statement of operations and comprehensive income, which primarily includes transaction costs composed of legal and consulting fees. In addition, this line item reflects \$1.0 million transaction fees paid to Kanders & Company, Inc. for services related to the acquisition of ICOR and Cyalume for the years ended December 31, 2023 and 2022, respectively, which is included in related party expense in the Company's consolidated statements of operations. Kanders & Company, Inc. is a company controlled by Warren B. Kanders, our Chairman of the Board and Chief Executive Officer.
2. Reflects gains from long-lived asset sales.
3. Reflects the "Other income (expense), net" line item on our consolidated statements of operations and primarily includes gains and losses due to fluctuations in foreign currency exchange rates.
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5. Reflects payroll taxes associated with vested stock-based compensation awards.
6. Reflects the cost of a cash-based long-term incentive plan awarded to employees that vests over three years.
7. Reflects amortization expense related to the step-up inventory adjustment recorded as a result of our recent acquisitions.
8. 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 press release 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 press release. 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.