
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 11, 2024

CLARUS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34767
(Commission File Number)

58-1972600
(IRS Employer
Identification Number)

2084 East 3900 South, Salt Lake City, Utah
(Address of principal executive offices)

84124
(Zip Code)

Registrant's telephone number, including area code: (801) 278-5552

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))

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.

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 \$.0001 per share	CLAR	NASDAQ Global Select Market

Item 7.01. Regulation FD Disclosure.

Clarus Corporation (“Clarus” or the “Company”) will host an investor day event on Monday, March 11, 2024, from 12:00 pm to 2:00 pm EDT in New York City, NY. The event will include a presentation (the “Presentation”) by Clarus’ management, including Warren B. Kanders, Executive Chairman; Michael J. Yates, Chief Financial Officer; Neil Fiske, President, Black Diamond Equipment; and Mathew Hayward, Managing Director of Clarus’ Adventure segment; followed by Q&A sessions. The investor day event will be broadcast live and available for replay on the Company’s website at www.claruscorp.com. The Presentation and related information are furnished herewith as Exhibit 99.1 and are incorporated herein by reference.

The Presentation contains the non-GAAP measures: (i) adjusted gross margin and adjusted gross profit, (ii) adjusted (loss) income from continuing operations and related earnings (loss) per diluted share, (iii) earnings before interest, taxes, other income or expense, depreciation and amortization (“EBITDA”), EBITDA margin, adjusted EBITDA, and adjusted EBITDA margin, and (iv) free cash (defined as net cash provided by operating activities less capital expenditures). 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 expectation. The non-GAAP measures are reconciled to comparable GAAP financial measures within 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 this Form 8-K and the Presentation attached hereto as Exhibit 99.1 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 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
99.1	Investor Day Event Presentation dated March 11, 2024 (furnished only).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

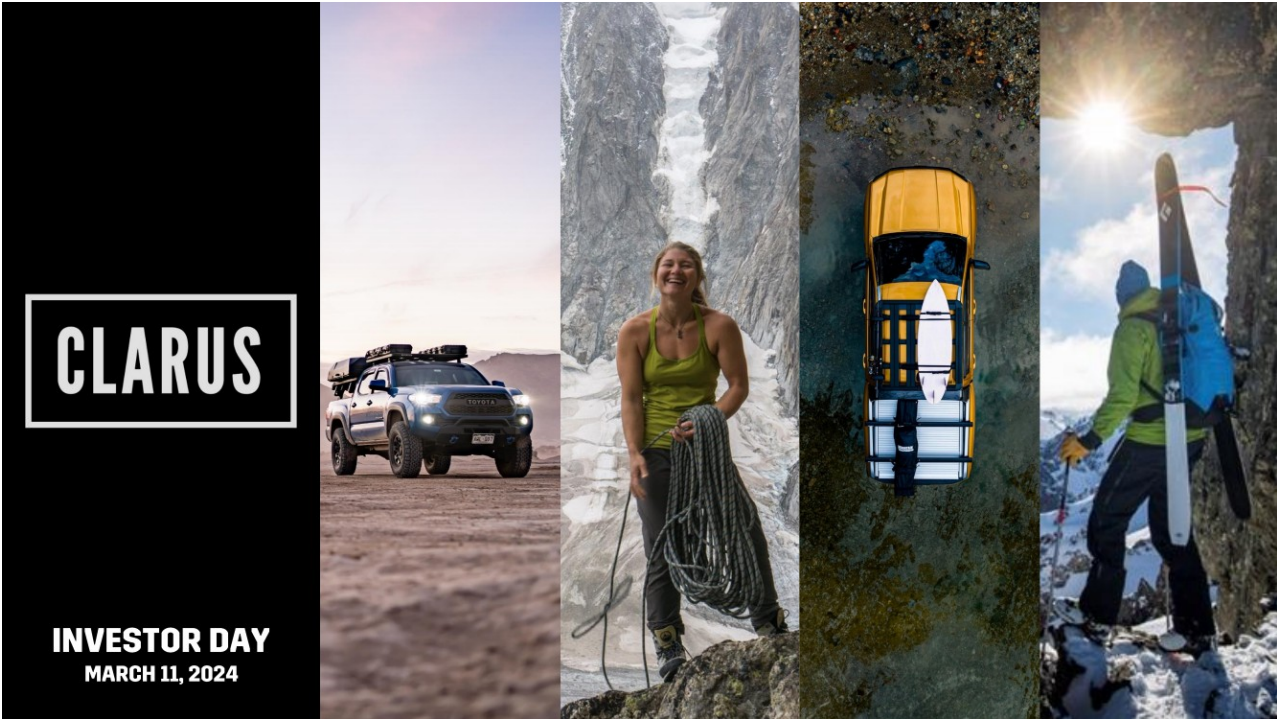
SIGNATURES

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 11, 2024

CLARUS CORPORATION

By: /s/ Michael J. Yates
Name: Michael J. Yates
Title: Chief Financial Officer



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.

Non-GAAP Financial Measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (“GAAP”). This presentation contains the non-GAAP measures: (i) adjusted gross margin and adjusted gross profit, (ii) adjusted (loss) income from continuing operations and related earnings (loss) per diluted share, (iii) earnings before interest, taxes, other income or expense, depreciation and amortization (“EBITDA”), EBITDA margin, adjusted EBITDA, and adjusted EBITDA margin, and (iv) free cash flow (defined as net cash provided by operating activities less capital expenditures). The Company believes that the presentation of certain non-GAAP measures, i.e.: (i) adjusted gross margin and adjusted gross profit, (ii) adjusted (loss) income from continuing operations and related earnings (loss) per diluted share, (iii) EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin, and (iv) free cash flow, provide 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 herein. 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.

Market and Industry Data

The market and industry data used throughout this presentation was obtained from various sources, including the Company’s own research and estimates, surveys or studies conducted by third parties and industry or general publications and forecasts. Industry publications, surveys and forecasts generally state that they have obtained information from sources believed to be reliable, but there can be no assurance as to the accuracy and completeness of such information. While the Company believes that each of these surveys, studies, publications and forecasts is reliable, it has not independently verified such data and the Company is not making any representation as to the accuracy of such information. Similarly, the Company believes its internal research and estimates are reliable but it has not been verified by any independent sources. In addition, while the Company believes that the industry and market information included herein is generally reliable, such information is inherently imprecise. While the Company is not aware of any misstatements regarding the industry and market data presented herein, its estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading “Forward-Looking Statements” above.



Warren Kanders
EXECUTIVE CHAIRMAN
Clarus



Mike Yates
CFO
Clarus



Neil Fiske
PRESIDENT
Black Diamond Equipment



Mat Hayward
MANAGING DIRECTOR
Adventure





OUTDOOR: DESIGNS, MARKETS AND SELLS EQUIPMENT AND SOFT GOODS FOR CLIMBERS, MOUNTAINEERS, HIKERS AND SKIERS



ADVENTURE: DESIGNS, MARKETS AND SELLS AUTOMOTIVE AFTERMARKET EQUIPMENT & ACCESSORIES FOR OUTDOOR ADVENTURES

OUTDOOR & ADVENTURE BUSINESS

- Positioned for growth and enhanced profitability in 2024 and beyond
- New, experienced leadership at the operating-company level
- Optionality with debt-free balance sheet and +\$40mm of cash

2024 GUIDANCE

- Net Sales: \$270mm to \$280mm
- Adj. EBITDA: \$16mm to \$18mm
- Capex: \$4mm to \$5mm
- Free Cash Flow: \$18mm to \$20mm

FOLLOWING A ROBUST SALE PROCESS, CLARUS DIVESTED PRECISION SPORT FOR \$175MM

INVESTMENT OVERVIEW



Purchased (Aug-17): \$89.0mm



Purchased (Nov-20): \$30.5mm

CLARUS VALUE ADD

- Rebuilt management team around recognized leaders
- Acquired Barnes Bullets out of the Remington bankruptcy process
- Tripled bullet output through targeted investment in capital expenditure and efficiency initiatives

SUCCESSFUL OUTCOME

- Monetized non-ESG business for highly attractive relative multiple
- Best-in-class EBITDA performance, averaging EBITDA margins of ~34%
- Generated cash returns of nearly ~\$270 million
- Utilized \$103 million of Clarus' NOLs
- Tax efficient exit with minimal leakage

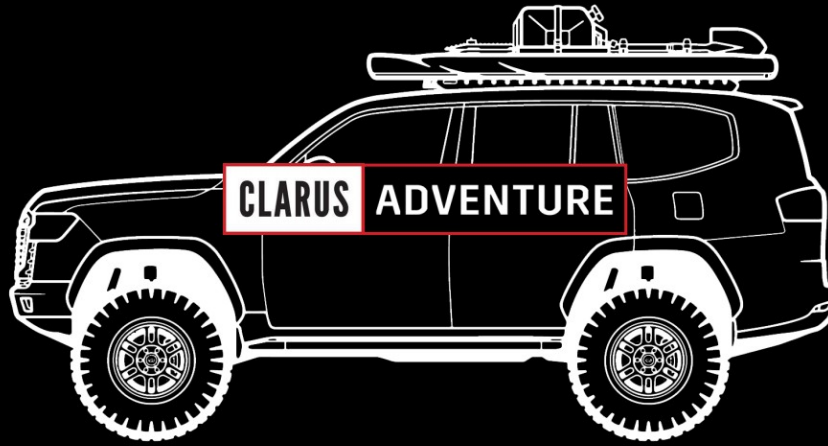
DEBT FREE BALANCE SHEET CREATES STRONG FOUNDATION FOR VALUE CREATION

Reinvest in existing businesses ▶ **Highest margin, highest return opportunities**

Seek bolt-on acquisitions ▶ **Only synergistic with existing operating infrastructure**

Prudent cash management ▶ **Invest cash in safe, liquid securities**

Return capital to shareholders ▶ **Quarterly cash dividend of \$0.025 per share**





CLARUS ADVENTURE

**THE ADVENTURE SEGMENT OF CLARUS IS A
GLOBAL GROWTH PLATFORM FOR OUR PORTFOLIO
OF ADVENTURE BRANDS: RHINO-RACK, MAXTRAX
AND TRED.**





THERE'S AN ADVENTURER IN ALL OF US

We help people make space for adventure with world ready outdoor gear born and proven in Australia.





THIS IS OUR LAB



THIS IS OUR QUALITY CONTROL

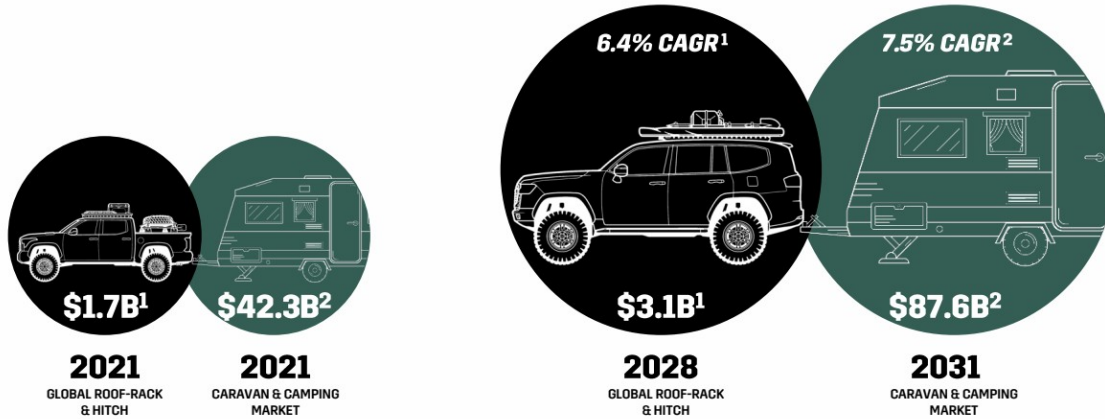


AND THIS IS OUR FIELD TEST

LARGE, UNDERLYING ADDRESSABLE MARKET

CLARUS ADVENTURE

ADVENTURE'S UNDERLYING GROWTH SUPPORTED BY LARGE AND GROWING ADDRESSABLE MARKETS ACROSS MULTIPLE VERTICALS INCLUDING ROOF RACKS, CAMPING AND CARAVANNING



1. UMR Global Roof Rack and Hitch Rack System Market, 2023
2. Allied Market Research Global Camping And Caravanning Market Report, 2023

FOLLOWING SIGNIFICANT INVESTMENT IN TOP LEADERSHIP, ORGANIZATIONAL STRUCTURAL EVOLUTION, PROCESS RE-ENGINEERING AND NEW PRODUCT, THE FOUNDATION IS SET FOR ADVENTURE TO BUILD ON ITS STRONG BACK-HALF PERFORMANCE IN 2023



\$90.0m
FY24F Revenue



\$13.5m
FY24F EBITDA



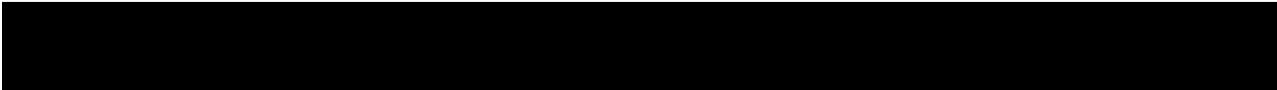
1,500 +
Retail Doors Worldwide



60 +
Countries Distributed to

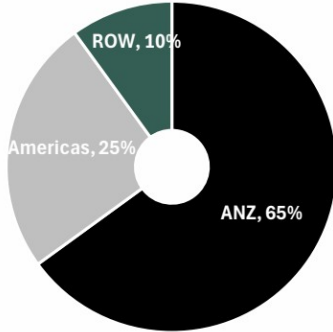


200 +
Employee's Worldwide

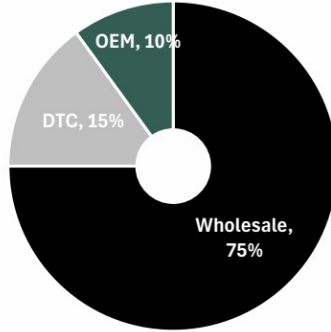


ADVENTURE PRESENTS A GLOBALLY DIVERSE PLATFORM WITH SIGNIFICANT UPSIDE BY PUSHING ON DIGITAL TRANSFORMATION AND OEM INITIATIVES, WHILE INTRODUCING HIGHER MARGIN ACCESSORIES TO COMPLEMENT THE CORE RACK BUSINESS

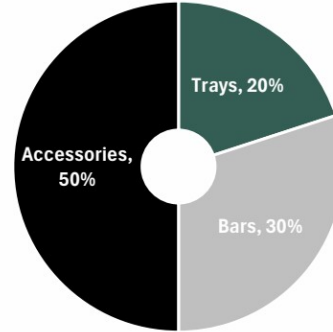
Sales by Region



Sales by Channel



Sales by Category



H1 2021 [ACQUIRED BY CLARUS]



MAKE SPACE FOR ADVENTURE



H2 2021 [ACQUIRED BY CLARUS]



GET IN. GET SET. GET OUT



H2 2023 [ACQUIRED BY CLARUS]



TOTALLY RELIABLE EXPLORER DRIVEN



BUILDING & EMPOWERING AN ADVENTURE COMMUNITY



OVERLANDING



CAMPING



WEEKEND ADVENTURE



TOURING



WATER SPORTS



CYCLING



SNOW



TRADE

**FUTURE STATE ADVENTURE
ECOSYSTEM IN ACTION**



WE ARE BUILDING OUT A PRODUCT ECOSYSTEM TO EMPOWER OUR CONSUMER'S OUTDOOR AND ADVENTURE PURSUITS

WE EMBRACE THE DIVERSITY OF ADVENTURE, UNDERSTANDING THAT IT HOLDS A DISTINCT MEANING FOR EACH INDIVIDUAL





MAXTRAX



PIONEER 3

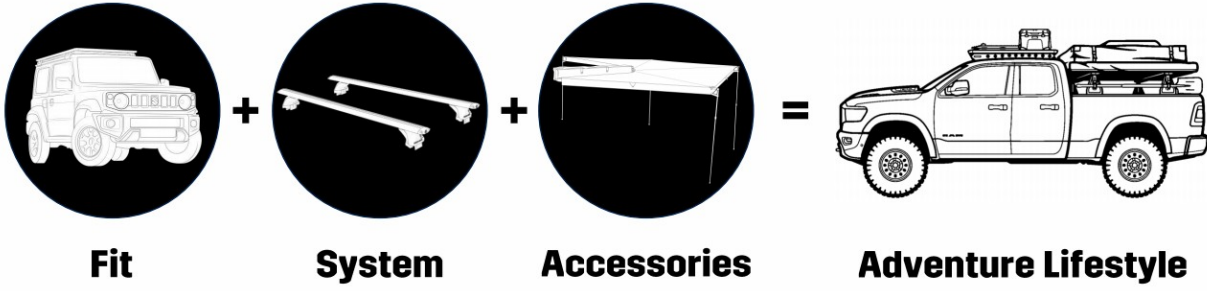


RHINO-RACK



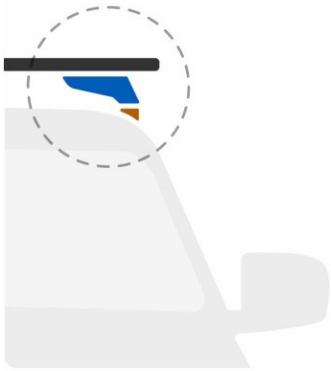
TRED





ESTABLISHING A PATH TO LIFE TIME VALUE

SIGNIFICANT PRODUCT SIMPLIFICATION TO DRIVE BETTER SKU PRODUCTIVITY, INVENTORY MANAGEMENT AND ORGANIZATIONAL EFFICIENCY



BEFORE		AFTER	
BAR	x4	BAR	x2
MOUNTING SYSTEM	x180	MOUNTING SYSTEM	x10
FIT KIT	x663	FIT KIT	X530*
	11,216 Fits		8,900 Fits*

*80/20 L1906
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REPOSITIONED ADVENTURE TO CONTINUE TO ADDRESS CORE CUSTOMER WHILE EXPANDING OFFERING THROUGH PRODUCT-FIT, NPD AND ACQUISITION TO SERVE SECONDARY CUSTOMER BASE







MATHEW HAYWARD
PRESIDENT
1.3Year at Clarus
35 years industry experience



6 Years at Rhino Rack
35 years industry experience



0.1 Years at Rhino Rack
20 years industry experience



6 Years at Rhino Rack
10 years industry experience



0.5 Years at Rhino Rack
15 years industry experience



0.3 Years at Rhino Rack
20 years industry experience



0.5 Years at Rhino Rack
20 years industry experience



2 Years at Rhino Rack
35 years industry experience



3 Years at Rhino Rack
30 years industry experience



SINCE JULY 2023, ADVENTURE HAS UNDERGONE DRAMATIC CHANGE, QUICKLY IDENTIFYING CHALLENGES AND SOLUTIONS, WHILE DELIVERING MONTH-OVER-MONTH IMPROVEMENT

CHALLENGE

Leadership team lacking integration, vision & direct experience to oversee global growth - 2 regions operating autonomously

Rigid focus on overlanding category, undermining vehicle-based product fits and reducing access to new vehicle launches

Multi-brand, decentralized approach added cost and pushed integration to the right

Multiple sourcing points for individual products increased shipping costs and touch points, resulting in poor timing and assembly processes

SOLUTION

Hired diverse, best-in-class management team, replacing prior leadership, and adding three regional GMs to fit growth-oriented geographic structure

Reset focus on the foundation of fit (~ 90 in 2023 to 180 in 2024+). Developed simplified product platform to drive efficiency – better for customer & consumer

Transparent, cost savings directives to centralize brands. 1 Global shared services team, operational alignment. Brands are customer facing.

Refocused sourcing on fewer, better partners, shortening distance for finished goods and improved delivery timelines

	RESET & STABILIZE	INVEST TO SCALE	TEST TO SCALE	ACCELERATE GROWTH
	2023	2024	2025	2026
NET SALES	\$82M	\$90M	\$125M	\$150M
EBITDA %	13.4%	15%	17%	20%
EBITDA	\$11M	\$15M	\$20M	\$30M
KEY INITIATIVES	<ul style="list-style-type: none"> • Rebuild organizational structure; seven senior hires • Solidify ANZ brand positioning • Deliver refreshed product roadmap • Establish shared service model 	<ul style="list-style-type: none"> • One global group, one go-to-market across three brands • Deliver 20 new product launches • Integrate back-end across brands • Launch ESG initiative • Global supply chain improvement plan 	<ul style="list-style-type: none"> • Deliver expanded product roadmap • Focus on growth across global geographies • Omni-channel strategy delivering DTC and enhancing customer experience 	<ul style="list-style-type: none"> • Accelerate Americas and ROW • Product category expansion • Product enhancing M&A

	RESET & STABILIZE	INVEST TO SCALE	TEST TO SCALE	ACCELERATE GROWTH
	2023	2024	2025	2026
NET SALES	\$82M	\$90M	\$125M	\$150M
KEY STRATEGIC & INVESTMENT PHASING	REBUILD LEADERSHIP TEAM	INTEGRATION OF ADVENTURE OPS	INVESTMENT INTO ROW	
	ESTABLISH GLOBAL HQ & 3 REGIONS	INVESTMENT INTO USA		
	ACQUISITION OF TRED: RV/CAMPING & WHITE LABEL GROWTH	INVESTMENT INTO BRAND		
		DIGITAL TRANSFORMATION	RAMP UP TRED WHITE LABEL	INVESTMENT INTO DTC
	1 ST RHINO RACK 3YR PRODUCT PLAN	GLOBAL SUPPLY CHAIN TRANSFORMATION		
		1 ST MAXTRAX & TRED 3YR PRODUCT PLAN		

BRAND STRENGTH

Cleaned up, integrated organizational structure divided between global shared services and Regional P&L ownership

Well-established brand recognition in "home" ANZ market

Category leading brand portfolio with established franchise products

Long-standing blue chip

GROWTH OPPORTUNITY

Model allows for accelerated scale and efficiency, across brand portfolio focus locally on customer

With ANZ stabilized, investment in international for acceleration of investment thesis

Expand categories, building on strength of brand to increase channel participation

Deeper wholesale relationships supported by digital transformation and trade marketing playbook

NO MATTER YOUR LIFESTYLE, WE'VE GOT YOU COVERED





CLARUS

OUTDOOR



**BLACK DIAMOND IS A GLOBALLY RECOGNIZED,
ICONIC BRAND THAT TRACES ITS ROOTS BACK TO
THE ORIGINS OF ROCK CLIMBING AND
MOUNTAINEERING**





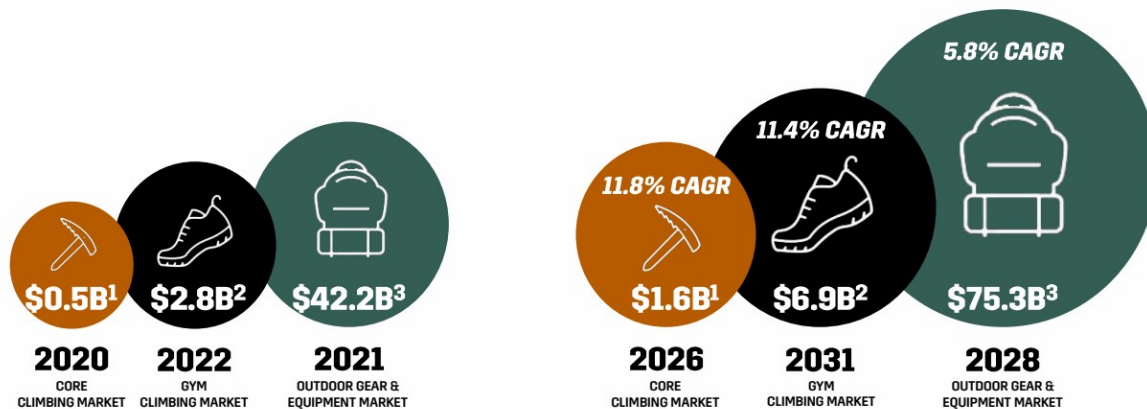
**“THE BEST DAYS OF CLIMBING
ARE IN THE WINDSHIELD, NOT
THE REAR VIEW MIRROR”**

Peter Metcalf, FOUNDER

BIG MARKET WITH CLEAR GROWTH POTENTIAL FOR BLACK DIAMOND



GROWTH SUPPORTED BY LONG-TERM TAILWIND IN CORE MARKETS WITH THE BIGGEST WHITE SPACE FOR BLACK DIAMOND IN APPAREL (CATEGORY), APAC (GEOGRAPHY) AND DTC (CHANNEL)

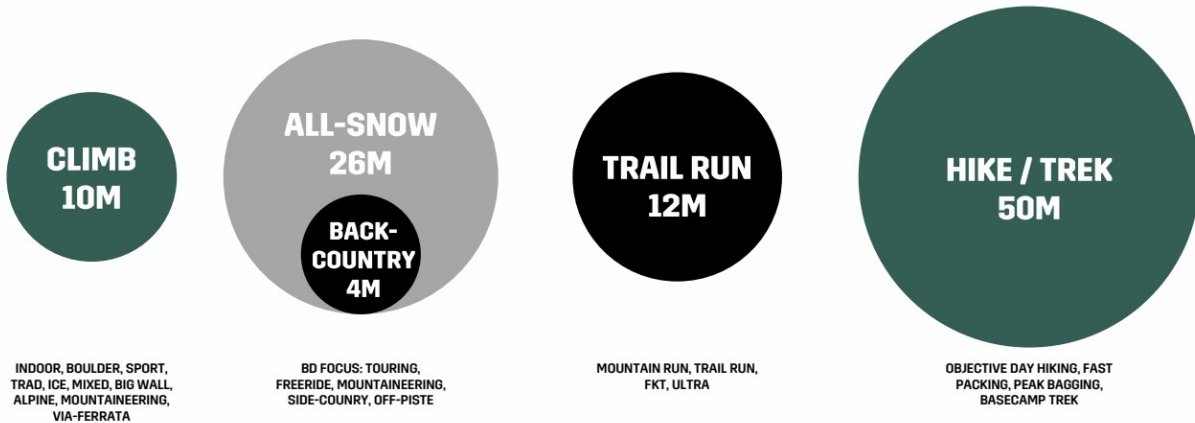


1. ROCK CLIMBING INDUSTRY - GITNUX MARKETDATA REPORT 2024 (CAGR 2021 to 2028)
2. GLOBAL GYM CLIMBING MARKET OUTLOOK 2031 - TRANSPARENCY MARKET RESEARCH (CAGR 23-31)
3. OUTDOOR GEAR & EQUIPMENT MARKET™ RESEARCH REPORT 2023 - INDUSTRY RESEARCH (CAGR 22-28)

U.S. PARTICIPATION RATES DRIVING BROAD CONSUMER APPEAL



BLACK DIAMOND ADDRESSES A LARGE USER BASE ACROSS MULTIPLE ACTIVITY SETS



Climb 10M, Backcountry 4M, Trail Run 12 M, Hike/Trak Represent US Participation data from OIA and SIA.

OUTDOOR SNAPSHOT



FOLLOWING SIGNIFICANT RIGHT-SIZING INITIATIVES IN 2023, MANAGEMENT'S OBJECTIVE IN 2024 IS TO RATIONALIZE UNPROFITABLE PRODUCT AND CATEGORIES TO SET THE FOUNDATION FOR PROFITABLE GROWTH IN FUTURE PERIODS



\$185m
FY24F Revenue



\$14.8m
FY24F EBITDA



9,000 +
Retail Doors Worldwide



60 +
Countries Distributed to



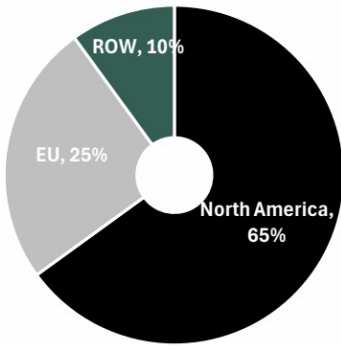
390 +
Employee's Worldwide



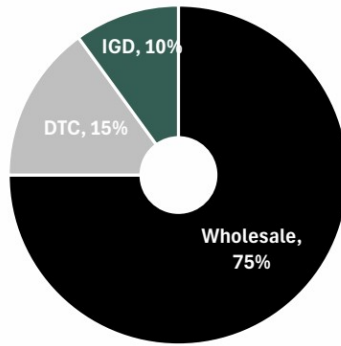


OUTDOOR PRESENTS A GLOBALLY DIVERSE PLATFORM DRIVEN BY ESTABLISHED POSITIONING WITHIN CORE MOUNTAIN AND CLIMB CATEGORIES. #1 OR #2 IN MANY PRODUCT CATEGORIES

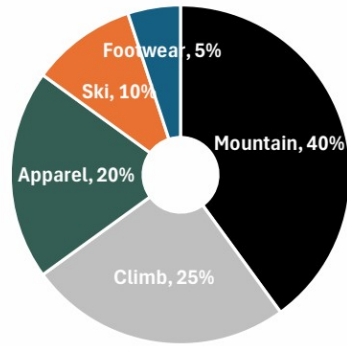
Sales by Region



Sales by Channel



Sales by Category





LEADERSHIP TEAM



NEIL FISKE
Managing Director
1 Year at Clarus
28 years industry experience



Recent return to BLACK DIAMOND (6.5 years prior experience)
17 years industry experience



20 Years at BLACK DIAMOND
20 years industry experience



Recent return to BLACK DIAMOND (20 years prior experience)
45 years industry experience



2 Years at BLACK DIAMOND
22 years industry experience



25 Years at BLACK DIAMOND
25 years industry experience



Recent return to BLACK DIAMOND (17 years prior experience)
26 years industry experience



10 Years at BLACK DIAMOND
20 years industry experience



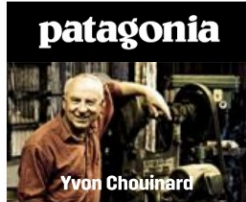
Chouinard  Equipment



 **Black Diamond**



Peter Metcalf



Yvon Chouinard

FOUNDER STORY

Climber, Ski Mountaineer, Public Lands Advocate

GM of Chouinard Equipment at age 27

Started Black Diamond in 1989

“One with the sports we serve and absolutely indistinguishable from them.”

“Make a difference on issues of great importance to our fellow community of climbers and backcountry skiers.”



CLIMBING IS THE CORE OF THE BRAND

- **Origins**
- **Bloodlines**
- **Leadership**
- **An expansive opportunity**

Build on positions of strength

“Own climbing wherever it exists” mandates we broaden and constantly evolve our view of what constitutes climbing

Concentric rings represent sports connected to climbing and shared passions among our core consumers



OPPORTUNITY FOR BLACK DIAMOND TO BUILD MORE COMPLETE CONSUMER, PRODUCT, AND CHANNEL PYRAMIDS, LEVERAGING OUR AUTHORITY AS AN EXPERT, ATHLETE DRIVEN BRAND





CONSUMER

CONSUMER

FRANCHISE

DISTRIBUTION



DISTANCE



Distance
Carbon FLZ
\$209.95

PURSUIT



Pursuit FLZ
\$159.95

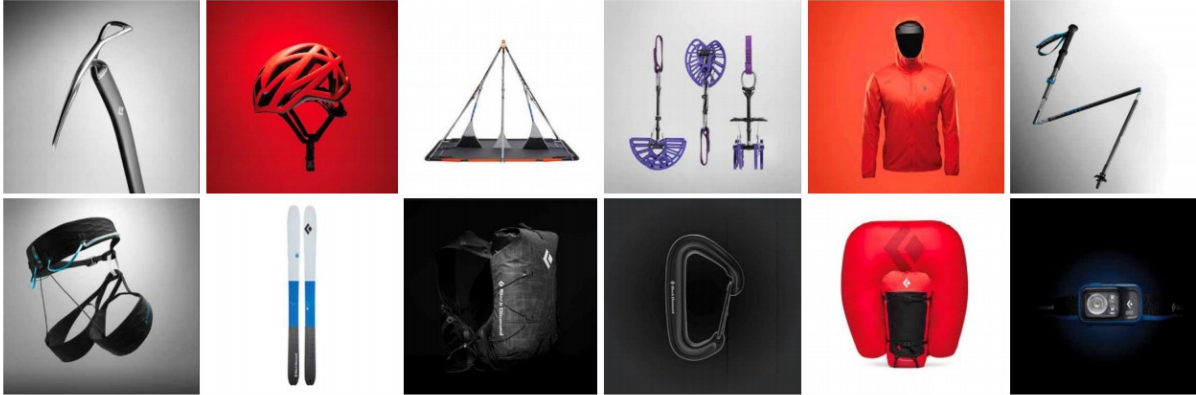
TRAIL



Trail Back
\$89.95



BEAUTIFUL DESIGN + SUPERIOR ENGINEERING = ICONIC, MARKET DEFINING PRODUCT. MARKET LEADER ACROSS OUR CORE CATEGORIES





SINCE FEBRUARY 2023, BLACK DIAMOND HAS BEEN SUBSTANTIALLY TRANSFORMED INTO A MORE FOCUSED, SIMPLIFIED, LEANER COMPANY, BETTER POSITIONED FOR PROFITABILITY AND GROWTH

CHALLENGE	SOLUTION
BRAND AND ORGANIZATION OVEREXTENDED, HIGHLY COMPLEX	DEVELOPED 7 PART STRATEGY DEFINED BY SIMPLIFICATION (FEWER, BIGGER, BETTER) AND REMOVING LOW VALUE WORK, TO BUILD ON HERITAGE AND POSITIONS OF STRENGTH
CONSISTENT TALENT LOSS, LOW MORALE, NO CULTURE	REVAMPED SENIOR LEADERSHIP TEAM, LEADING TO TALENT INFLUX, AND MAKING BD A DESIRED PLACE TO WORK
INVENTORIES TOO HIGH AND OUT OF BALANCE WITH MARKET DEMAND	INVENTORY CLEAN UP AND RIGHT SIZING TO BALANCE LEVELS; NEW INVENTORY MANAGEMENT DISCIPLINES FOCUSED ON DRIVING A AND B TIER PRODUCTS
LACKING CORE PROCESS DISCIPLINE	REDESIGNED CONCEPT TO CUSTOMER PROCESS, REVAMPED GO MARKET PROCESS, INSTALLED NEW SALES AND OPERATION PLANNING PROCESS

OUTDOOR: LONG RANGE TARGETS



	RESET	SIMPLIFY	GAIN TRACTION	ACCELERATE
	2023	2024	2025	2026
NET SALES	\$204M	\$185M	\$205M	\$225M
EBITDA %	0.7%	8%	11%	13%
EBITDA	\$1.5M	\$14.8M	\$23M	\$29M
KEY INITIATIVES	<ul style="list-style-type: none"> Adjust to post pandemic market correction Resize the business to new baseline demand Revamp Senior Leadership Team Rebuild the sales org and go to market approach 	<ul style="list-style-type: none"> Simplify business units, categories, styles and SKUs Rationalized organization (structure and number) BD Asia Digital re-platform & system upgrades 	<ul style="list-style-type: none"> Invest in brand awareness Apparel breakout year Product margin lift 	<ul style="list-style-type: none"> International and digital growth Year 2 of apparel and new product

SEQUENTIAL BUILDING BLOCKS FOR GROWTH AND PROFITABILITY **CLARUS** ADVENTURE

	RESET	SIMPLIFY	GAIN TRACTION	ACCELERATE GROWTH
	2023	2024	2025	2026
NET SALES	\$204M	\$185M	\$205M	\$225M
KEY STRATEGIC & INVESTMENT PHASING	REVAMP LEADERSHIP TEAM	3 YEAR PRODUCT PLAN	APPAREL BREAKOUT	APPAREL TO \$80M 18-20% CAGR
	RIGHT SIZE AND CLEAN UP INVENTORY	SIMPLIFICATION EXECUTION		
	RESTRUCTURE AND RIGHT SIZE ORG	DTC RE-PLATFORM	CUSTOMER EXPERIENCE PLATFORM/GDP	MARKETING RAMP
	REBUILD NA SALES TEAM	SYSTEMS UPGRADE	DTC GROWTH TO ~ 30%+ OF TOTAL	
	CLOSE UNPROFITABLE STORES	BD ASIA/ SUPPLY CHAIN OPTIMIZATION/SUSTAINABILITY		
	NEW APPAREL TEAM	CORE PROCESS IMPLEMENTATION	NEW INTERNATIONAL ORG	INTERNATIONAL BREAKOUT
	SIMPLIFICATION ROADMAP	EXPAND CLIMB LEADERSHIP: ALPINISM TO GYM. #1 CLIMB BRAND RMI PARTNERSHIP, NEW ATHLETES, COLLABS, LAUNCHES		



AFTER RESETTING THE FOUNDATION, BLACK DIAMOND FOCUSED ON VALUE DRIVERS

REVENUE GROWTH	CONSUMERS: segmentation initiatives CATEGORIES: grow apparel to \$100M+, focus on kits not items CHANNELS: DTC, non-traditional, account share gain GEOGRAPHY: focus on APAC	8-10% CAGR (after re-set)
GROSS MARGIN EXPANSION	SIMPLIFICATION: edit low margin & productivity styles PRICING: targeted re-pricing opportunities SOURCING: supply chain INVENTORY MGMT: better Supply/Demand alignment MIX: accelerate accretive categories	400 BPS+ FROM '22 BASELINE
COST LEVERAGE	ORGANIZATION: leveraged structure PRODUCTIVITY: gains from simplification	200-300 BPS



BRAND STRENGTH

RE-ESTABLISHED APPROPRIATE ORGANIZATIONAL SHAPE HIGHLIGHTED BY NEW LEADERSHIP TEAM AND ENHANCED OVERALL TALENT POOL

THE BLACK DIAMOND BRAND IS BIGGER THAN BUSINESS ITSELF

CATEGORY LEADING AND DEFINING PRODUCT IN THE CORE SPORTS WE SERVICE

FOUNDATIONS FOR NEW APPAREL AND DIGITAL SET

GROWTH OPPORTUNITY

LOWER FIXED COST STRUCTURE PRIMED TO YIELD OPERATING LEVERAGE AS SCALE REBOUNDS

CAPITALIZE ON IDENTIFIED WHITE SPACE IN CONSUMER SEGMENTS, CATEGORIES, CHANNELS, GEOGRAPHIES

EXPAND DEFINITION OF CORE SPORTS TO SERVE BROADER CUSTOMER BASE WITHIN CLIMB, SKI, TRAIL RUNNING AND TREKKING

BUILD LONG TERM PRODUCT FRANCHISES AND MORE HOLISTIC APPROACH TO ACTIVITY BASED OUTFITTING. HIGH LIFETIME VALUE PROVIDES BASIS FOR ACCELERATED DTC GROWTH



SUMMARY CLOSE
MARCH 11, 2024

LONG RANGE TARGETS: CLARUS CONSOLIDATED**CLARUS**

	2023	2024	2025	2026
NET SALES	\$286M	\$275M	\$330M	\$375M
EBITDA %	0%	6.2%	10%	13.1%
OpCo ADJ. EBITDA	\$12.1M	\$28.3M	\$43.0M	\$59.0M
CORP. COSTS (EXCL. NON-CASH)	(\$10.9)	(\$11M)	(\$10M)	(\$10M)
ADJ. EBITDA	\$1.2M	\$17M	\$33.0M	\$49.0M
CASH FLOWS	\$26.2M*	\$18M - \$20M	~ 85% EBITDA	~ 85% EBITDA

* INCLUSIVE OF PRECISION SPORTS

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OUTDOOR & ADVENTURE GROWTH MARKETS

Pure play Outdoor & Adventure business with in-demand brands and experienced leadership

CLEAR PLANS FOR GROWTH AND PROFITABILITY

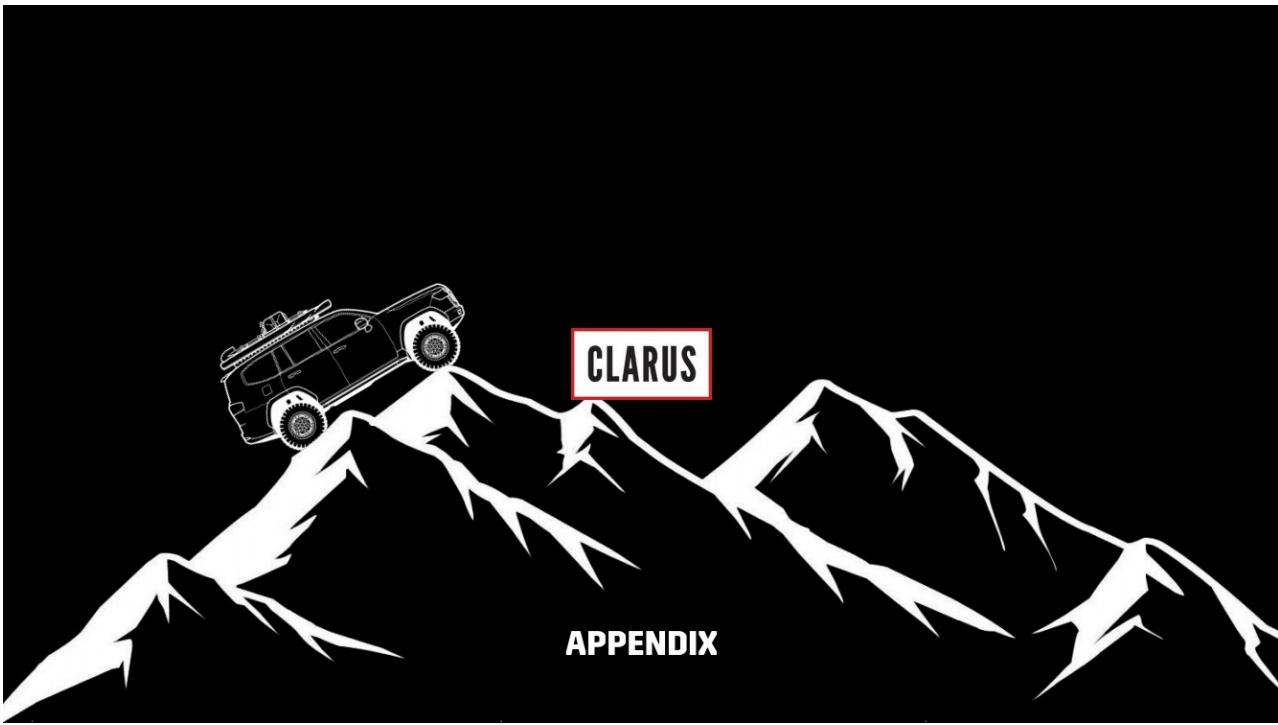
Established three-year plan aimed at enhancing growth and profitability

INVESTMENTS IN 2023 MOVING THE NEEDLE

Strategic initiatives beginning to yield progress at Outdoor and Adventure

DEBT-FREE

Debt-free balance sheet; Capital allocation priorities focused on creating near-term value



SALE OF PRECISION SPORT / DISCONTINUED OPERATIONS

On December 29, 2023, the Company announced the sale of its Precision Sport segment for \$175 million. As the disposition was completed on February 29, 2024, we expect to recognize a gain on the disposition during the three months ending March 31, 2024. The activities of the Precision Sport segment have been segregated and reported as discontinued operations for all periods presented. Certain prior period financial information, related to discontinued operations, have been reclassified and separately presented in the consolidated financial statements and accompanying notes to conform to the current period presentation. The following unaudited financial information is based upon the historical consolidated financial statements of the Company and provides information for continuing operations for each quarter during 2023.

THE NEXT 4 SLIDES REFLECT THE RESTATEMENT OF THE 2023 QUARTERLY RESULTS.



CLARUS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF LOSS
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended			
	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Sales				
Domestic sales	\$ 24,197	\$ 25,925	\$ 30,423	\$ 31,840
International sales	46,081	32,012	50,879	44,663
Total sales	70,278	57,937	81,302	76,503
Cost of goods sold	44,770	35,360	54,018	54,261
Gross profit	25,508	22,577	27,284	22,142
Operating expenses				
Selling, general and administrative	29,482	27,237	28,983	30,665
Restructuring charges	-	736	1,076	1,411
Transaction costs	37	22	400	134
Contingent consideration benefit	(1,565)	-	-	-
Total operating expenses	27,954	27,995	30,459	32,210
Operating loss	(2,446)	(5,418)	(3,175)	(10,068)
Other income (expense)				
Interest income, net	5	8	19	35
Other, net	76	226	(445)	1,104
Total other income (expense), net	81	234	(426)	1,139
Loss before income tax	(2,365)	(5,184)	(3,601)	(8,929)
Income tax (benefit) expense	(334)	(862)	(1,395)	(1,700)
Loss from continuing operations	(2,031)	(4,322)	(2,206)	(7,229)
Discontinued operations, net of tax	3,629	2,231	942	(1,160)
Net income (loss)	\$ 1,598	\$ (2,091)	\$ (1,264)	\$ (8,389)
Loss from continuing operations per share:				
Basic	\$ (0.05)	\$ (0.12)	\$ (0.06)	\$ (0.19)
Diluted	(0.05)	(0.12)	(0.06)	(0.19)
Net income (loss) per share:				
Basic	\$ 0.04	\$ (0.06)	\$ (0.03)	\$ (0.22)
Diluted	0.04	(0.06)	(0.03)	(0.22)
Weighted average shares outstanding:				
Basic	37,137	37,192	37,470	38,312
Diluted	37,137	37,192	37,470	38,312

RESTATED QUARTERLY 2023 RESULTS



CLARUS CORPORATION
RECONCILIATION FROM LOSS FROM CONTINUING OPERATIONS TO ADJUSTED (LOSS) INCOME FROM CONTINUING OPERATIONS AND
RELATED EARNINGS PER DILUTED SHARE
(In thousands, except per share amounts)

	Three Months Ended March 31, 2023						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	(Loss) income from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 70,278	\$ 25,508	\$ 27,954	\$ (334)	(14.1) %	\$ (2,031)	\$ (0.05)
Amortization of intangibles	-	-	(2,768)	278		2,490	
Stock-based compensation	-	-	(1,285)	277		1,008	
Transaction costs	-	-	(37)	6		31	
Contingent consideration (benefit) expense	-	-	1,565	(335)		(1,230)	
As adjusted	<u>\$ 70,278</u>	<u>\$ 25,508</u>	<u>\$ 25,429</u>	<u>\$ (108)</u>	(67.5) %	<u>\$ 268</u>	<u>\$ 0.01</u>

(1) Potentially dilutive securities are excluded from the computation of diluted earnings (loss) per share if their effect is anti-dilutive to the loss from continuing operations. Reported loss from continuing operations per share is calculated based on 37,137 basic and diluted weighted average shares of common stock. Adjusted income from continuing operations per share is calculated based on 38,109 diluted shares of common stock.

	Three Months Ended June 30, 2023						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	(Loss) income from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 57,937	\$ 22,577	\$ 27,995	\$ (862)	(16.6) %	\$ (4,322)	\$ (0.12)
Amortization of intangibles	-	-	(2,714)	613		2,101	
Stock-based compensation	-	-	(1,486)	295		1,191	
Restructuring charges	-	-	(736)	74		662	
Transaction costs	-	-	(22)	2		20	
As adjusted	<u>\$ 57,937</u>	<u>\$ 22,577</u>	<u>\$ 23,037</u>	<u>\$ 122</u>	54.0 %	<u>\$ (348)</u>	<u>\$ (0.01)</u>

(1) Potentially dilutive securities are excluded from the computation of diluted earnings (loss) per share if their effect is anti-dilutive to the loss from continuing operations. Reported loss from continuing operations per share and adjusted loss from continuing operations per share are both calculated based on 37,192 basic and diluted weighted average shares of common stock.

RESTATED QUARTERLY 2023 RESULTS



CLARUS CORPORATION
 RECONCILIATION FROM LOSS FROM CONTINUING OPERATIONS TO ADJUSTED (LOSS) INCOME FROM CONTINUING OPERATIONS AND
 RELATED EARNINGS PER DILUTED SHARE
 (In thousands, except per share amounts)

	Three Months Ended September 30, 2023						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	(Loss) income from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 81,302	\$ 27,284	\$ 30,459	\$ (1,395)	(38.7) %	\$ (2,206)	\$ (0.06)
Amortization of intangibles	-	-	(2,553)	866		1,687	
Stock-based compensation	-	-	(1,152)	284		868	
Restructuring charges	-	-	(1,076)	334		742	
Transaction costs	-	-	(400)	92		308	
As adjusted	<u>\$ 81,302</u>	<u>\$ 27,284</u>	<u>\$ 25,278</u>	<u>\$ 181</u>	11.5 %	<u>\$ 1,399</u>	<u>\$ 0.04</u>

(1) Potentially dilutive securities are excluded from the computation of diluted earnings (loss) per share if their effect is anti-dilutive to the loss from continuing operations. Reported loss from continuing operations per share is calculated based on 37,470 basic and diluted weighted average shares of common stock. Adjusted income from continuing operations per share is calculated based on 37,871 diluted shares of common stock.

	Three Months Ended December 31, 2023						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	(Loss) income from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 76,503	\$ 22,142	\$ 32,210	\$ (1,700)	(19.0) %	\$ (7,229)	\$ (0.19)
Amortization of intangibles	-	-	(2,680)	536		2,144	
Stock-based compensation	-	-	(1,218)	244		974	
Inventory fair value of purchase accounting	-	64	-	14		50	
Restructuring charges	-	-	(1,411)	282		1,129	
Transaction costs	-	-	(134)	27		107	
As adjusted	<u>\$ 76,503</u>	<u>\$ 22,206</u>	<u>\$ 26,767</u>	<u>\$ (597)</u>	(17.4) %	<u>\$ (2,825)</u>	<u>\$ (0.07)</u>

(1) Potentially dilutive securities are excluded from the computation of diluted earnings (loss) per share if their effect is anti-dilutive to the loss from continuing operations. Reported loss from continuing operations per share and adjusted loss from continuing operations per share are both calculated based on 38,312 basic and diluted weighted average shares of common stock.

CLARUS CORPORATION
 RECONCILIATION FROM LOSS FROM CONTINUING OPERATIONS TO EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION
 (EBITDA), EBITDA MARGIN, ADJUSTED EBITDA, AND ADJUSTED EBITDA MARGIN
 (In thousands)

	Three Months Ended			
	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Loss from continuing operations	\$ (2,031)	\$ (4,322)	\$ (2,206)	\$ (7,229)
Income tax (benefit) expense	(334)	(862)	(1,395)	(1,700)
Other, net	(76)	(226)	445	(1,104)
Interest expense, net	(5)	(8)	(19)	(35)
Operating loss	(2,446)	(5,418)	(3,175)	(10,068)
Depreciation	939	1,080	1,045	1,086
Amortization of intangibles	2,768	2,714	2,553	2,680
EBITDA	1,261	(1,624)	423	(6,302)
Restructuring charges	-	736	1,076	1,411
Transaction costs	37	22	400	134
Contingent consideration expense	(1,565)	-	-	-
Inventory fair value of purchase accounting	-	-	-	64
Stock-based compensation	1,285	1,486	1,152	1,218
Adjusted EBITDA	\$ 1,018	\$ 620	\$ 3,051	\$ (3,475)
Sales	\$ 70,278	\$ 57,937	\$ 81,302	\$ 76,503
EBITDA margin	1.8%	-2.8%	0.5%	-8.2%
Adjusted EBITDA margin	1.4%	1.1%	3.8%	-4.5%

CLARUS

Q&A

