
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): May 2, 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 2.02 Results of Operations and Financial Condition

On May 2, 2024, Clarus Corporation (the “Company”) issued a press release announcing results for the first quarter ended March 31, 2024 (the “Press Release”). A copy of the Press Release is furnished as Exhibit 99.1 and 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 first quarter ended March 31, 2024 (the “Presentation”).

The Press Release and 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, (iv) segment EBITDA and adjusted segment EBITDA, and (v) free cash flow (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 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 Item 2.02 of this Current Report on Form 8-K (including Exhibits 99.1 and 99.2) 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>
<u>99.1</u>	<u>Press Release dated May 2, 2024 (furnished only).</u>
<u>99.2</u>	<u>Slide Presentation for Conference Call held on May 2, 2024 (furnished only)</u>
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: May 2, 2024

CLARUS CORPORATION

By: /s/ Michael J. Yates

Name: Michael J. Yates

Title: Chief Financial Officer



ClarUS Reports First Quarter 2024 Results

Increased Quarterly Adventure Sales 27%

Reduced Apparel Inventory at Outdoor 38%

Reaffirms Full Year Guidance

SALT LAKE CITY, May 2, 2024 (GLOBE NEWSWIRE) -- Clarus Corporation (NASDAQ: CLAR)

("Clarus" and/or the "Company"), a global company focused on the outdoor enthusiast markets, reported financial results for the first quarter ended March 31, 2024.

First Quarter 2024 Financial Summary vs. Same Year-Ago Quarter (adjusted to reflect the reclassification of the Precision Sport segment as discontinued operations)

- Sales of \$69.3 million compared to \$70.3 million.
- Gross margin was 35.9% compared to 36.3%; adjusted gross margin of 36.9% compared to 36.3%.
- Net income, which includes the impact of discontinued operations, of \$21.9 million, or \$0.57 per diluted share, compared to \$1.6 million, or \$0.04 per diluted share.
- Loss from continuing operations of \$6.5 million, or \$(0.17) per diluted share, compared to loss from continuing operations of \$2.0 million, or \$(0.05) per diluted share.
- Adjusted EBITDA from continuing operations of \$2.0 million with an adjusted EBITDA margin of 2.9% compared to \$1.1 million with an adjusted EBITDA margin of 1.6%.

Management Commentary

"We entered 2024 with a strong balance sheet and an experienced leadership team focused on initiating our strategic plan for our next phase as a pure-play, ESG-friendly outdoor business," said Warren Kanders, Clarus' Executive Chairman. "We are pleased with our execution in the first quarter, prioritizing simplification and right-sizing in Outdoor, along with the launch of compelling new products and expansion beyond the home market in Adventure. Based on our results to date, we have reaffirmed our full-year guidance and believe we have laid the foundation to drive increased profitability and unlock new growth opportunities going forward."

Mr. Kanders added, "During the quarter, we saw evidence that our strategic initiatives are yielding incremental near-term benefits. Specifically, at Outdoor, we made progress on our inventory reduction initiatives, highlighted by a decline in apparel inventory of nearly 38% year-over-year. Overall, while we saw continued stabilization of the North American wholesale market, Europe and our independent global distributor markets still face difficult conditions. Building on the momentum we generated in the second half of last year, Adventure sales increased 27% in Q1 driven by strength in OEM customer demand. We are committed to establishing a best-in-class product ecosystem across the Adventure segment, while remaining intensely focused on enhanced product margins as we scale."



First Quarter 2024 Financial Results

Sales in the first quarter were \$69.3 million compared to \$70.3 million in the same year-ago quarter. This decrease was primarily driven by softness in the European wholesale market at Outdoor, partly offset by strength at the Adventure segment due to continued success with new product launches and OEM customers.

Sales in the Adventure segment increased 27% to \$22.3 million, or \$23.0 million on a constant currency basis, compared to \$17.5 million in the year-ago quarter, reflecting higher demand from OEM customers and the impact of the TRED Outdoors acquisition. Sales in the Outdoor segment were \$47.0 million, or \$46.7 million on a constant currency basis, compared to \$52.8 million in the year-ago quarter. The decline primarily reflects weakness in European and independent global distributor markets, partially offset by growth in the North American wholesale channel.

Gross margin in the first quarter was 35.9% compared to 36.3% in the year-ago quarter. The decrease in gross margin was primarily due to promotional pricing at the Outdoor segment, the increase in PFAS related inventory reserves, as well as unfavorable channel mix at the Adventure segment. Adjusted gross margin in the first quarter was 36.9% compared to 36.3% in the year-ago quarter.

Selling, general and administrative expenses in the first quarter were \$28.2 million compared to \$29.4 million in the same year-ago quarter. The decrease was attributable to expense reduction initiatives in the Outdoor segment to manage costs, as well as lower intangible amortization and lower stock compensation expenses. The decrease was partially offset by higher investment in marketing initiatives in the Adventure segment.

The loss from continuing operations in the first quarter of 2024 was \$6.5 million, or \$(0.17) per diluted share, compared to loss from continuing operations of \$2.0 million, or \$(0.05) per diluted share in the year-ago quarter. Loss from continuing operations in the first quarter included \$3.0 million of charges relating to legal cost and regulatory matter expenses and \$0.7 million of PFAS inventory reserve.

Adjusted loss from continuing operations in the first quarter of 2024 was \$0.1 million, or \$(0.00) per diluted share, compared to adjusted income from continuing operations of \$0.4 million, or \$0.01 per diluted share, in the year-ago quarter. Adjusted (loss) income from continuing operations excludes legal cost and regulatory matters expenses, PFAS inventory reserves, restructuring charges and transaction costs, as well as non-cash items for intangible amortization and stock-based compensation.



Adjusted EBITDA from continuing operations in the first quarter was \$2.0 million, or an adjusted EBITDA margin of 2.9%, compared to \$1.1 million, or an adjusted EBITDA margin of 1.6%, in the same year-ago quarter.

Net cash used in operating activities for the three months ended March 31, 2024, was \$16.4 million compared to net cash generated of \$3.2 million in the prior year quarter. Capital expenditures in the first quarter of 2024 were \$1.9 million compared to \$1.5 million in the prior year quarter. Free cash flow for the first quarter of 2024 was an outflow of \$18.3 million compared to positive free cash flow of \$1.7 million in the prior year quarter. Free cash flow was significantly lower because of a significant reduction in accounts payable.

Liquidity at March 31, 2024 vs. December 31, 2023

- Cash and cash equivalents totaled \$47.5 million compared to \$11.3 million.
- Total debt of \$0.1 million compared to \$119.8 million.
- On February 29, 2024, approximately \$135.0 million of long-term debt, interest and fees were repaid and the credit agreement was terminated.

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 recognized a gain of \$40.6 million, pending customary working capital adjustments, 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.

2024 Outlook

The Company continues to expect fiscal year 2024 sales to range between \$270 million to \$280 million and adjusted EBITDA of approximately \$16 million to \$18 million, or an adjusted EBITDA margin of 6.2% at the mid-point of revenue and adjusted EBITDA. In addition, capital expenditures are expected to range between \$4 million to \$5 million and free cash flow is expected to range between \$18 million to \$20 million for the full year 2024.

Net Operating Loss (NOL)

The Company has net operating loss carryforwards (“NOLs”) for U.S. federal income tax purposes of \$7.7 million. None of the NOLs expire until December 31, 2029.

Conference Call

The Company will hold a conference call today at 5:00 p.m. Eastern time to discuss its first quarter 2024 results.

Date: Thursday, May 2, 2024

Time: 5:00 p.m. Eastern time (3:00 p.m. Mountain time)

Registration Link: <https://register.vevent.com/register/BIc6b6a4a884d64ac9a3bcfb6965a71f6>



To access the call by phone, please register via the live call registration link above and you will be provided with dial-in instructions and details. The conference call will be broadcast live and available for replay here and on the Company's website at www.claruscorp.com.

About Clarus Corporation

Headquartered in Salt Lake City, Utah, Clarus Corporation is a global leading designer, developer, manufacturer and distributor of best-in-class outdoor equipment and lifestyle products focused on the outdoor enthusiast markets. Each of our brands has a long history of continuous product innovation for core and everyday users alike. The Company's products are principally sold globally under the Black Diamond®, Rhino-Rack®, MAXTRAX®, TRED Outdoors® brand names through outdoor specialty and online retailers, our own websites, distributors, and original equipment manufacturers. Our portfolio of iconic brands is well-positioned for sustainable, long-term growth underpinned by powerful industry trends across the outdoor and adventure sport end markets. For additional information, please visit www.claruscorp.com or the brand websites at www.blackdiamondequipment.com, www.rhinorack.com, www.maxtraxus.com / www.maxtrax.com.au, www.tredoutdoors.com, or www.pieps.com.

Use of Non-GAAP Measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (“GAAP”). This press release 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 within this press release. We do not provide a reconciliation of the non-GAAP guidance measures Adjusted EBITDA and/or Adjusted EBITDA Margin for the fiscal year 2024 to net income for the fiscal year 2024, the most comparable GAAP financial measure, due to the inherent difficulty of forecasting certain types of expenses and gains, without unreasonable effort, which affect net income but not Adjusted EBITDA and/or Adjusted EBITDA Margin. 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

Please note that in this press release 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 press release, 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 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.

Company Contact:

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Leon Berman / Matt Berkowitz
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CLARUS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except per share amounts)

	March 31, 2024	December 31, 2023
Assets		
Current assets		
Cash	\$ 47,484	\$ 11,324
Accounts receivable, less allowance for credit losses of \$1,394 and \$1,412	51,954	53,971
Inventories	88,630	91,409
Prepaid and other current assets	7,966	4,865
Income tax receivable	930	892
Assets held for sale	-	137,284
Total current assets	196,964	299,745
Property and equipment, net	16,345	16,587
Other intangible assets, net	37,526	41,466
Indefinite-lived intangible assets	56,897	58,527
Goodwill	38,300	39,320
Deferred income taxes	16,280	22,869
Other long-term assets	14,664	16,824
Total assets	\$ 376,976	\$ 495,338
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 12,772	\$ 20,015
Accrued liabilities	22,441	24,580
Income tax payable	816	805
Current portion of long-term debt	44	119,790
Liabilities held for sale	-	5,744
Total current liabilities	36,073	170,934
Long-term debt, net	37	-
Deferred income taxes	17,324	18,124
Other long-term liabilities	13,167	14,160
Total liabilities	66,601	203,218
Stockholders' Equity		
Preferred stock, \$0.0001 par value per share; 5,000 shares authorized; none issued	-	-
Common stock, \$0.0001 par value per share; 100,000 shares authorized; 42,878 and 42,761 issued and 38,236 and 38,149 outstanding, respectively	4	4
Additional paid in capital	692,381	691,198
Accumulated deficit	(329,811)	(350,739)
Treasury stock, at cost	(33,114)	(32,929)
Accumulated other comprehensive loss	(19,085)	(15,414)
Total stockholders' equity	310,375	292,120
Total liabilities and stockholders' equity	\$ 376,976	\$ 495,338

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

	Three Months Ended	
	March 31, 2024	March 31, 2023
Sales		
Domestic sales	\$ 28,284	\$ 24,197
International sales	41,027	46,081
Total sales	69,311	70,278
Cost of goods sold	44,460	44,770
Gross profit	24,851	25,508
Operating expenses		
Selling, general and administrative	28,215	29,354
Restructuring charges	370	-
Transaction costs	38	37
Contingent consideration benefit	-	(1,565)
Legal costs and regulatory matter expenses	3,002	128
Total operating expenses	31,625	27,954
Operating loss	(6,774)	(2,446)
Other (expense) income		
Interest income, net	370	5
Other, net	(909)	76
Total other (expense) income, net	(539)	81
Loss before income tax	(7,313)	(2,365)
Income tax benefit	(851)	(334)
Loss from continuing operations	(6,462)	(2,031)
Discontinued operations, net of tax	28,346	3,629
Net income	\$ 21,884	\$ 1,598
Loss from continuing operations per share:		
Basic	\$ (0.17)	\$ (0.05)
Diluted	(0.17)	(0.05)
Net income per share:		
Basic	\$ 0.57	\$ 0.04
Diluted	0.57	0.04
Weighted average shares outstanding:		
Basic	38,208	37,137
Diluted	38,208	37,137

CLARUS CORPORATION
RECONCILIATION FROM GROSS PROFIT TO ADJUSTED GROSS PROFIT
AND ADJUSTED GROSS MARGIN

March 31, 2024		March 31, 2023	
Sales	\$ 69,311	Sales	\$ 70,278
Gross profit as reported	\$ 24,851	Gross profit as reported	\$ 25,508
Plus impact of PFAS inventory reserve	729	Plus impact of PFAS inventory reserve	-
Adjusted gross profit	\$ 25,580	Adjusted gross profit	\$ 25,508
Gross margin as reported	35.9%	Gross margin as reported	36.3%

Adjusted gross margin

36.9%

Adjusted gross margin

36.3%



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, 2024						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	Loss from continuing operations
As reported	\$ 69,311	\$ 24,851	\$ 31,625	\$ (851)	(11.6)%	\$ (6,462)
Amortization of intangibles	-	-	(2,449)	617		1,832
Restructuring charges	-	-	(370)	59		311
Transaction costs	-	-	(38)	6		32
PFAS inventory reserve	-	729	-	114		615
Legal costs and regulatory matter expenses	-	-	(3,002)	461		2,541
Stock-based compensation	-	-	(1,178)	181		997
As adjusted	\$ 69,311	\$ 25,580	\$ 24,588	\$ 587	129.6%	\$ (134)

(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 38,208 basic and diluted weighted average shares of common stock.

Three Months Ended March 31, 2023						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	(Loss) income from continuing operations
As reported	\$ 70,278	\$ 25,508	\$ 27,954	\$ (334)	(14.1)%	\$ (2,031)
Amortization of intangibles	-	-	(2,768)	278		2,490
Transaction costs	-	-	(37)	6		31
Contingent consideration (benefit) expense	-	-	1,565	(335)		(1,230)
Legal costs and regulatory matter expenses	-	-	(128)	2		126
Stock-based compensation	-	-	(1,286)	277		1,009
As adjusted	\$ 70,278	\$ 25,508	\$ 25,300	\$ (106)	(36.7)%	\$ 395

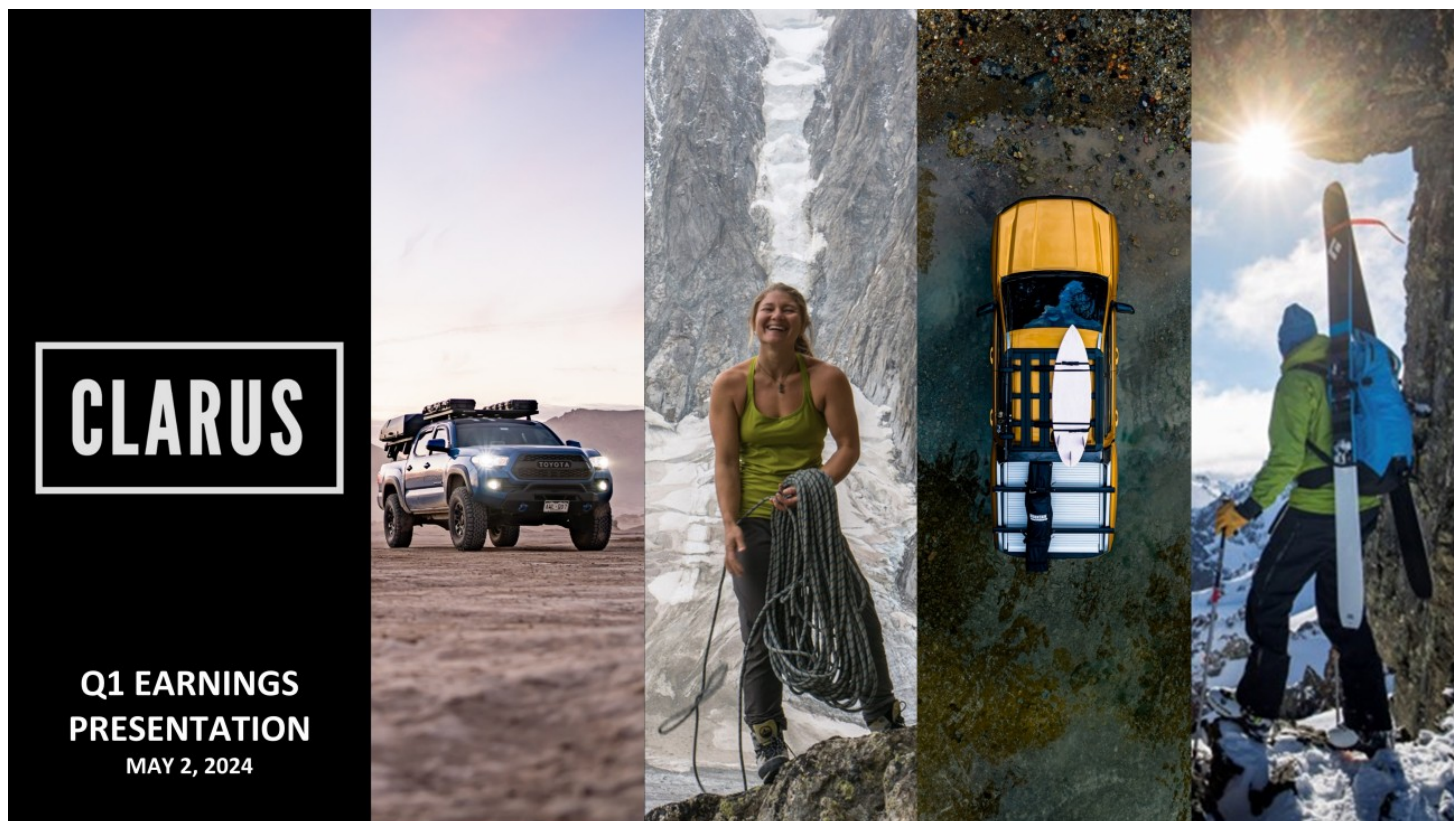
(1) Potentially dilutive securities are excluded from the computation of diluted earnings (loss) per share if their effect is anti-dilutive to the loss from continuing operations. Reported loss from continuing operations per share is calculated based on 37,137 basic and diluted weighted average shares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



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, 2024	March 31, 2023
Loss from continuing operations	\$	(6,462)	\$ (2,031)
Income tax benefit		(851)	(334)
Other, net		909	(76)
Interest income, net		(370)	(5)
Operating loss		(6,774)	(2,446)
Depreciation		1,026	939
Amortization of intangibles		2,449	2,768
EBITDA		(3,299)	1,261

Restructuring charges	370	-
Transaction costs	38	37
Contingent consideration benefit	-	(1,565)
PFAS inventory reserve	729	-
Legal costs and regulatory matter expenses	3,002	128
Stock-based compensation	<u>1,178</u>	<u>1,286</u>
Adjusted EBITDA	<u>\$ 2,018</u>	<u>\$ 1,147</u>
Sales	\$ 69,311	\$ 70,278
EBITDA margin	-4.8%	1.8%
Adjusted EBITDA margin	2.9%	1.6%



CLARUS

**Q1 EARNINGS
PRESENTATION**
MAY 2, 2024

DISCLAIMER

CLARUS

Forward-Looking Statements

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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, (iv) segment EBITDA and adjusted segment EBITDA, and (v) 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, (iv) segment EBITDA and adjusted segment EBITDA, and (v) 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. We do not provide a reconciliation of the non-GAAP guidance measures Adjusted EBITDA and/or Adjusted EBITDA Margin for the fiscal year 2024 to net income for the fiscal year 2024, the most comparable GAAP financial measure, due to the inherent difficulty of forecasting certain types of expenses and gains, without unreasonable effort, which affect net income but not Adjusted EBITDA and/or Adjusted EBITDA Margin. 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.

TODAY'S PRESENTERS

CLARUS



Warren Kanders
EXECUTIVE CHAIRMAN
Clarus



Mike Yates
CFO
Clarus



Neil Fiske
PRESIDENT
Black Diamond Equipment



Mat Hayward
MANAGING DIRECTOR
Adventure

THE NEW CLARUS: Q1 2024

CLARUS

Positioned for long-term growth as
pure-play outdoor business



Q1 execution consistent with strategic objectives

Black Diamond Objective:
Simplify and focus on the core



Cathedral specialty, regional and national wholesale accounts
stabilizing; SKU rationalization on track

Adventure Objective:
Invest to scale



Global investment in marketing programs yielding better
brand awareness; additional investment in personnel

Strong balance sheet/prudent
capital allocation



Debt-free with \$47.5 million of cash on the balance sheet at
3/31

Solid foundation in place, driven by momentum in Adventure and operational progress in Outdoor



\$69.3m

Revenue
- 1 % Y/Y



\$22.3m

Adventure Revenue
+ 27% Y/Y

Adventure
Adj. EBITDA: \$1.9m



\$47.0m

Outdoor Revenue
- 11% Y/Y

Outdoor
Adj. EBITDA:
\$2.9m



36.9%

Adj. Gross Margin
+ 60 BPS Y/Y



\$2.0m

Adj. EBITDA
+ 76% Y/Y

ADVENTURE - STRATEGIC PRIORITIES: Q1 2024 HIGHLIGHTS

BUILDINGS BLOCKS IN FOCUS

INVESTMENT INTO US

INVESTMENT INTO BRAND

PRODUCT PLAN

MANAGEMENT COMMENTARY

- Q1 2024 represents first phase of our 3-year strategic plan
- Sales increased 27% supported by two primary drivers:
 1. In Wholesale, strong key account performance across Australia/New Zealand, combined with a new key account in US & driving into key season
 2. Strong OEM customer demand
- Q1 margins affected by product & channel mix
- New product launches across Q1 – primarily 4 new products for US market, new accessories globally, including roof top tents
- Committed to establishing best-in-class product ecosystem, while remaining intensely focused on enhanced product margins as we scale
- US growth focus supported by management changes, investment into talent and brand



BUILDINGS BLOCKS IN FOCUS

SIMPLIFICATION EXECUTION

PRODUCT LEADERSHIP

FEWER, BIGGER, BETTER

MANAGEMENT COMMENTARY

- Strategic initiatives beginning to yield incremental near-term benefits, driving Q1 results in line with expectations
- North American wholesale channel grew 15% y/y
- Continued focus on rationalizing product lines under the direction of “fewer, bigger, better”
- Operating costs down 8.3% y/y with continued improvement expected over the course of 2024
- Significant progress on inventory reduction initiatives, highlighted by decline in apparel inventory of ~38% y/y
- Geographically: continued stabilization of the North American wholesale market, while Europe and independent global distributor markets still face difficult conditions
- Less promotional than the overall market in North America and Europe

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Q1 2024 FINANCIAL RESULTS

CLARUS



	Q1 2024	Q1 2023
NET SALES	\$69.3M	\$70.3M
ADJ. GROSS MARGIN	36.9%	36.3%
ADJ. NET INCOME	(\$6.5M)	(\$2.0M)
ADJ. EBITDA	\$2.0M	\$1.1M
ADJ. EBITDA %	2.9%	1.6%

- 2024 guidance reaffirmed based on Q1 execution and in-line results

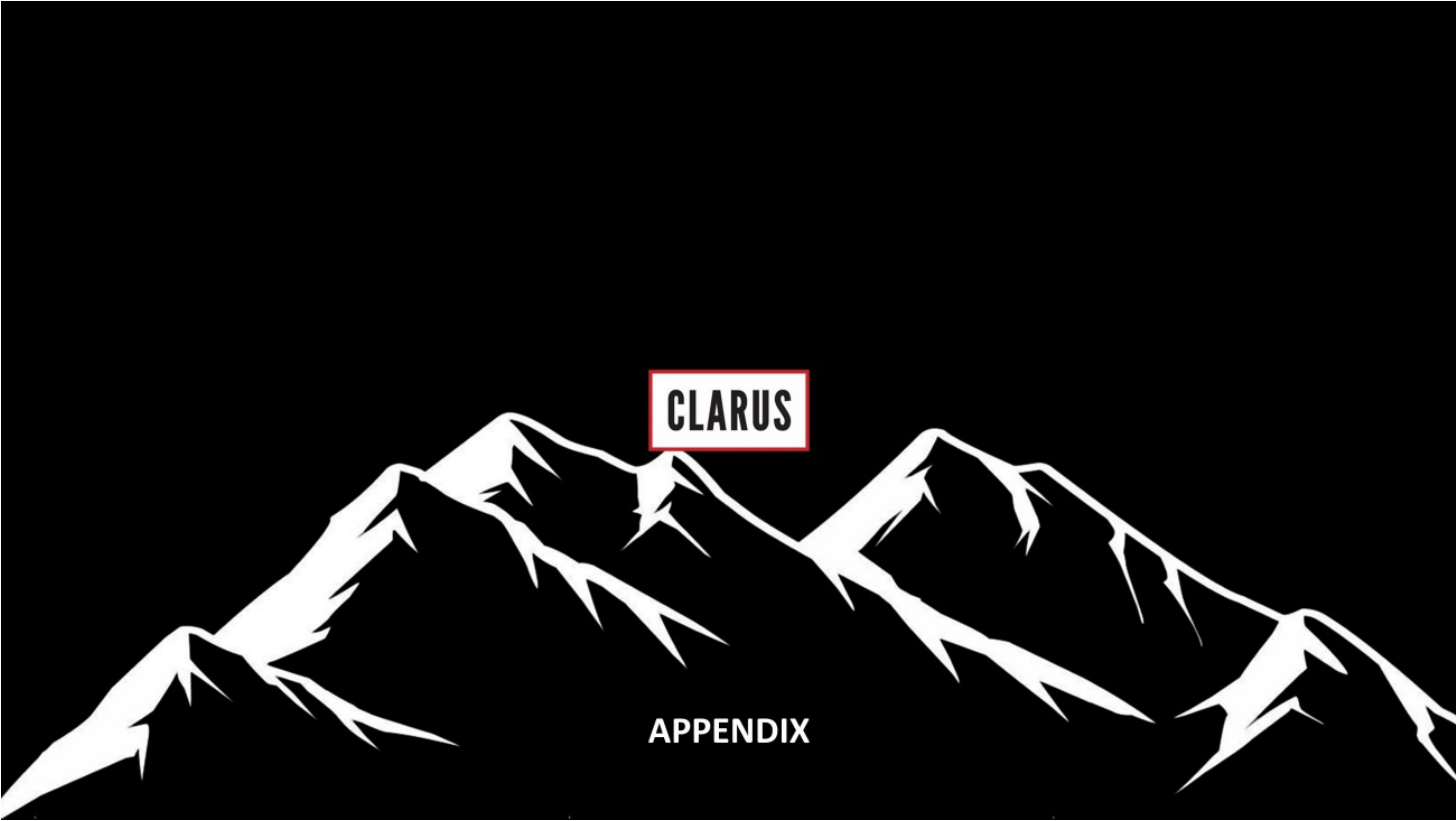
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	2024
NET SALES	\$270M - \$280M
ADJ. EBITDA	\$16M - \$18M
MID-POINT ADJ. EBITDA %	6.2%
ADJ. CORPORATE COSTS	\$(11)M
CAPEX	\$4M - \$5M
CASH FLOWS	\$18M - \$20M



- Consistent with historical seasonal pattern, Q2 decelerates versus Q1
- Q2 guidance: net sales between \$58-\$62 million; adj. EBITDA between \$0-\$0.5 million



BALANCE SHEET

CLARUS

CLARUS CORPORATION CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) (In thousands, except per share amounts)

	March 31, 2024	December 31, 2023
Assets		
Current assets		
Cash	\$ 47,484	\$ 11,324
Accounts receivable, less allowance for credit losses of \$1,394 and \$1,412	51,954	53,971
Inventories	88,630	91,409
Prepaid and other current assets	7,966	4,865
Income tax receivable	930	892
Assets held for sale	-	137,284
Total current assets	196,964	299,745
Property and equipment, net	16,345	16,587
Other intangible assets, net	37,526	41,466
Indefinite-lived intangible assets	56,897	58,527
Goodwill	38,300	39,320
Deferred income taxes	16,280	22,869
Other long-term assets	14,664	16,824
Total assets	\$ 376,976	\$ 495,338
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 12,772	\$ 20,015
Accrued liabilities	22,441	24,580
Income tax payable	816	805
Current portion of long-term debt	44	119,790
Liabilities held for sale	-	5,744
Total current liabilities	36,073	170,934
Long-term debt, net	37	-
Deferred income taxes	17,324	18,124
Other long-term liabilities	13,167	14,160
Total liabilities	66,601	203,218
Stockholders' Equity		
Preferred stock, \$0.0001 par value per share; 5,000 shares authorized; none issued	-	-
Common stock, \$0.0001 par value per share; 100,000 shares authorized; 42,878 and 42,761 issued and 38,236 and 38,149 outstanding, respectively	4	4
Additional paid in capital	692,381	691,198
Accumulated deficit	(329,811)	(350,739)
Treasury stock, at cost	(33,114)	(32,929)
Accumulated other comprehensive loss	(19,085)	(15,414)
Total stockholders' equity	310,375	292,120
Total liabilities and stockholders' equity	\$ 376,976	\$ 495,338

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INCOME STATEMENT

CLARUS

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

	Three Months Ended	
	March 31, 2024	March 31, 2023
Sales		
Domestic sales	\$ 28,284	\$ 24,197
International sales	41,027	46,081
Total sales	69,311	70,278
Cost of goods sold	44,460	44,770
Gross profit	24,851	25,508
Operating expenses		
Selling, general and administrative	28,215	29,354
Restructuring charges	370	-
Transaction costs	38	37
Contingent consideration benefit	-	(1,565)
Legal costs and regulatory matter expenses	3,002	128
Total operating expenses	31,625	27,954
Operating loss	(6,774)	(2,446)
Other (expense) income		
Interest income, net	370	5
Other, net	(909)	76
Total other (expense) income, net	(539)	81
Loss before income tax	(7,313)	(2,365)
Income tax benefit	(851)	(334)
Loss from continuing operations	(6,462)	(2,699)
Discontinued operations, net of tax	28,346	3,629
Net income	\$ 21,884	\$ 1,598
Loss from continuing operations per share:		
Basic	\$ (0.17)	\$ (0.05)
Diluted	(0.17)	(0.05)
Net income per share:		
Basic	\$ 0.57	\$ 0.04
Diluted	0.57	0.04
Weighted average shares outstanding:		
Basic	38,208	37,137
Diluted	38,208	37,137

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NON-GAAP RECONCILIATION

CLARUS

CLARUS CORPORATION RECONCILIATION FROM GROSS PROFIT TO ADJUSTED GROSS PROFIT AND ADJUSTED GROSS MARGIN

THREE MONTHS ENDED

	March 31, 2024		March 31, 2023
Sales	\$ 69,311	Sales	\$ 70,278
Gross profit as reported	\$ 24,851	Gross profit as reported	\$ 25,508
Plus impact of PFAS inventory reserve	729	Plus impact of PFAS inventory reserve	-
Adjusted gross profit	\$ 25,580	Adjusted gross profit	\$ 25,508
Gross margin as reported	35.9%	Gross margin as reported	36.3%
Adjusted gross margin	36.9%	Adjusted gross margin	36.3%

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NON-GAAP RECONCILIATION

CLARUS

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, 2024						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	Loss from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 69,311	\$ 24,851	\$ 31,625	\$ (851)	(11.6) %	\$ (6,462)	\$ (0.17)
Amortization of intangibles	-	-	(2,449)	617		1,832	
Restructuring charges	-	-	(370)	59		311	
Transaction costs	-	-	(38)	6		32	
PFAS inventory reserve	-	729	-	114		615	
Legal costs and regulatory matter expenses	-	-	(3,002)	461		2,541	
Stock-based compensation	-	-	(1,178)	181		997	
As adjusted	\$ 69,311	\$ 25,580	\$ 24,588	\$ 587	129.6 %	\$ (134)	\$ (0.00)

(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 38,208 basic and diluted weighted average shares of common

	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	
Transaction costs	-	-	(37)	6		31	
Contingent consideration (benefit) expense	-	-	1,565	(335)		(1,230)	
Legal costs and regulatory matter expenses	-	-	(128)	2		126	
Stock-based compensation	-	-	(1,286)	277		1,009	
As adjusted	\$ 70,278	\$ 25,508	\$ 25,300	\$ (106)	(36.7) %	\$ 395	\$ 0.01

(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.

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NON-GAAP RECONCILIATION

CLARUS

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

	Three Months Ended	
	March 31, 2024	March 31, 2023
Loss from continuing operations	\$ (6,462)	\$ (2,031)
Income tax benefit	(851)	(334)
Other, net	909	(76)
Interest income, net	(370)	(5)
Operating loss	(6,774)	(2,446)
Depreciation	1,026	939
Amortization of intangibles	2,449	2,768
EBITDA	(3,299)	1,261
Restructuring charges	370	-
Transaction costs	38	37
Contingent consideration benefit	-	(1,565)
PFAS inventory reserve	729	-
Legal costs and regulatory matter expenses	3,002	128
Stock-based compensation	1,178	1,286
Adjusted EBITDA	\$ 2,018	\$ 1,147
Sales	\$ 69,311	\$ 70,278
EBITDA margin	-4.8%	1.8%
Adjusted EBITDA margin	2.9%	1.6%

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NON-GAAP RECONCILIATION

CLARUS

CLARUS CORPORATION
RECONCILIATION FROM OPERATING LOSS TO SEGMENT EBITDA AND ADJUSTED SEGMENT EBITDA
(In thousands)

	Three Months Ended March 31, 2024			
	Outdoor Segment	Adventure Segment	Corporate Costs	Total
Operating loss	\$ (1,711)	\$ (770)	\$ (4,293)	\$ (6,774)
Depreciation	673	353	-	1,026
Amortization of intangibles	286	2,163	-	2,449
EBITDA	(752)	1,746	(4,293)	(3,299)
Restructuring charges	224	146	-	370
Transaction costs	-	-	38	38
PFAS inventory reserve	729	-	-	729
Legal costs and regulatory matter expenses	2,705	-	297	3,002
Stock-based compensation	-	-	1,178	1,178
Adjusted EBITDA	\$ 2,906	\$ 1,892	\$ (2,780)	\$ 2,018
Sales	\$ 47,022	\$ 22,290	\$ -	\$ 69,311
EBITDA Margin %	-1.6%	7.8%	-	-4.8%
Adjusted EBITDA Margin %	6.2%	8.5%	-	2.9%

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