

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): November 7, 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 November 7, 2024, 2024, Clarus Corporation (the “Company”) issued a press release announcing results for the third quarter ended September 30, 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 third quarter ended September 30, 2024 (the “Presentation”).

The Press Release and/or the Presentation contain 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 the Press Release and/or the Presentation. 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.

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.

Exhibit	Description
99.1	Press Release dated November 7, 2024 (furnished only).
99.2	Slide Presentation for Conference Call held on November 7, 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: November 7, 2024

CLARUS CORPORATION

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



Clarus Reports Third Quarter 2024 Results

Continues to Advance Strategic Plan to Capitalize on Long-Term Growth Opportunities

SALT LAKE CITY, November 7, 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 third quarter ended September 30, 2024.

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

- Sales of \$67.1 million compared to \$81.3 million.
- Gross margin was 35.0% compared to 33.6%; adjusted gross margin of 37.8% compared to 33.6%.
- Net loss, which includes the impact of discontinued operations, of \$3.2 million, or \$(0.08) per diluted share, compared to net loss of \$1.3 million, or \$(0.03) per diluted share.
- Loss from continuing operations of \$3.2 million, or \$(0.08) per diluted share, compared to loss from continuing operations of \$2.2 million, or \$(0.06) per diluted share.
- Adjusted EBITDA from continuing operations of \$2.4 million with an adjusted EBITDA margin of 3.6% compared to \$3.6 million with an adjusted EBITDA margin of 4.5%.

Management Commentary

"While macroeconomic headwinds have continued to limit consumer demand in the near-term, our focus in the third quarter was on advancing our strategic plan to position Clarus for long-term profitable growth," said Warren Kanders, Clarus' Executive Chairman. "Specifically, in the Outdoor segment we continued to improve the quality and composition of our inventory to focus on the best and most profitable styles across categories. In line with our stated strategic objective, inventory was down 4% year-over-year. Our Adventure business performed in line with expectations for the first two months of the quarter, but results were ultimately affected by market softness in September in both North America and Australia/New Zealand."

Mr. Kanders added, "There remains significant work outstanding to execute our multi-year growth initiatives, but we believe we are on track at Outdoor as we continue to simplify the business operationally and drive SKU rationalization, despite the challenging global market conditions. Our objective to scale the Adventure segment to a global footprint has not yet come to fruition. We have established a strategic roadmap that we are executing on and remain confident that the significant investments we have made in 2024 will enable our Adventure businesses to accelerate traction, particularly in the US and international markets, and strengthen our global OEM initiatives. All of this is supported by a debt-free balance sheet, to take the next steps in our turnaround."



Third Quarter 2024 Financial Results

Sales in the third quarter were \$67.1 million compared to \$81.3 million in the same year-ago quarter. This decrease was primarily driven by softness across all selling channels in Outdoor, as well as the effect from the product line simplification strategy. The decrease was further driven by lower Adventure segment sales, specifically in the OEM channel and challenging wholesale markets globally, partially offset by the benefit from the TRED Outdoors acquisition.

Sales in the Outdoor segment were \$49.3 million, compared to \$61.1 million in the year-ago quarter. Sales in the Adventure segment decreased 11.9% to \$17.8 million, or \$17.5 million on a constant currency basis, compared to \$20.2 million in the year-ago quarter.

Gross margin in the third quarter was 35.0% compared to 33.6% in the year-ago quarter. The increase in gross margin was primarily due to favorable product mix at the Outdoor segment as a result of product simplification and SKU rationalization efforts, as well as a favorable channel mix due to lower OEM sales and higher MAXTRAX revenue at the Adventure segment. This was partially offset by an increase in polyfluoroalkyl substances ("PFAS") related inventory reserve expenses at the Outdoor segment, as well as sales return reserve and rebate expenses at the Adventure segment. Adjusted gross margin reflecting the PFAS related inventory reserve was 37.8% for the quarter.

Selling, general and administrative expenses in the third quarter were \$27.9 million compared to \$28.4 million in the same year-ago quarter. The decrease was primarily a result of lower retail expenses due to store closures and other expense reduction initiatives to manage costs at the Outdoor segment. These decreases were partially offset by investments in global marketing and e-commerce initiatives to accelerate growth at the Adventure segment and incremental SG&A from the TRED Outdoors acquisition.

The loss from continuing operations in the third quarter of 2024 was \$3.2 million, or \$(0.08) per diluted share, compared to loss from continuing operations of \$2.2 million, or \$(0.06) per diluted share in the year-ago quarter. Loss from continuing operations in the third quarter included \$0.4 million of charges relating to legal cost and regulatory matter expenses and \$1.9 million of PFAS inventory reserves.

Adjusted income from continuing operations in the third quarter of 2024 was \$1.9 million, or \$0.05 per diluted share, compared to adjusted income from continuing operations of \$1.8 million, or \$0.05 per diluted share, in the year-ago quarter. Adjusted 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 third quarter was \$2.4 million, or an adjusted EBITDA margin of 3.6%, compared to adjusted EBITDA from continuing operations of \$3.6 million, or an adjusted EBITDA margin of 4.5%, in the same year-ago quarter.

Net cash used in operating activities for the three months ended September 30, 2024, was \$8.3 million compared to net cash provided by operating activities of \$0.1 million in

the prior year quarter. Capital expenditures in the third quarter of 2024 were \$1.1 million compared to \$1.2 million in the prior year quarter. Free cash flow for the third quarter of 2024 was an outflow of \$9.4 million compared to an outflow of \$1.1 million in the prior year quarter.

Liquidity at September 30, 2024 vs. December 31, 2023

- Cash and cash equivalents totaled \$36.4 million compared to \$11.3 million.
- Total debt of \$0.0 million compared to \$119.8 million.

2024 Outlook

The Company now expects fiscal year 2024 sales to range between \$260 million to \$266 million. Due to softer global revenue and the continued investments in the Adventure segment to scale the business, the Company now expects adjusted EBITDA of approximately \$7 million to \$9 million, or an adjusted EBITDA margin of 3.0% at the mid-point of revenue and adjusted EBITDA. In addition, the Company now expects capital expenditures to range between \$5.0 million to \$6.0 million, of which \$0.9 million related to Precision Sport prior to disposal, and free cash flow to range between \$(6) million to \$(8) million for the full year 2024, which includes approximately \$7.0 of cash outflow related to the Precision Sport disposal.

Net Operating Loss (NOL)

The Company has net operating loss carryforwards (“NOLs”) for U.S. federal income tax purposes of \$7.7 million which we expect to fully utilize in 2024.

Conference Call

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

Date: Thursday, November 7, 2024

Time: 5:00 pm ET

Registration Link: <https://register.vevent.com/register/B155fc3dd7523c4a8e885ce228015f2987>

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 leader in the design and development of best-in-class equipment and lifestyle products for outdoor enthusiasts. Driven by our rich history of engineering and innovation, our objective is to provide safe, simple, effective and beautiful products so that our customers can maximize their outdoor pursuits and adventures. 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.

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:

Michael J. Yates
Chief Financial Officer
mike.yates@claruscorp.com

Investor Relations:

The IGB Group
Leon Berman / Matt Berkowitz

CLARUS

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Assets		
Current assets		
Cash	\$ 36,399	\$ 11,324
Accounts receivable, less allowance for credit losses of \$1,569 and \$1,412	54,337	53,971
Inventories	93,147	91,409
Prepaid and other current assets	6,707	4,865
Income tax receivable	983	892
Assets held for sale	-	137,284
Total current assets	191,573	299,745
Property and equipment, net	17,171	16,587
Other intangible assets, net	34,366	41,466
Indefinite-lived intangible assets	59,040	58,527
Goodwill	39,632	39,320
Deferred income taxes	19,192	22,869
Other long-term assets	14,364	16,824
Total assets	<u>\$ 375,338</u>	<u>\$ 495,338</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 12,677	\$ 20,015
Accrued liabilities	23,325	24,580
Income tax payable	-	805
Current portion of long-term debt	-	119,790
Liabilities held for sale	-	5,744
Total current liabilities	36,002	170,934
Deferred income taxes	18,221	18,124
Other long-term liabilities	12,641	14,160
Total liabilities	<u>66,864</u>	<u>203,218</u>
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; 43,004 and 42,761 issued and 38,362 and 38,149 outstanding, respectively	4	4
Additional paid in capital	696,021	691,198
Accumulated deficit	(340,377)	(350,739)
Treasury stock, at cost	(33,114)	(32,929)
Accumulated other comprehensive loss	(14,060)	(15,414)
Total stockholders' equity	<u>308,474</u>	<u>292,120</u>
Total liabilities and stockholders' equity	<u>\$ 375,338</u>	<u>\$ 495,338</u>

CLARUS

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

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Sales		
Domestic sales	\$ 24,365	\$ 30,423
International sales	42,750	50,879
Total sales	67,115	81,302

Cost of goods sold	43,618	54,018
Gross profit	23,497	27,284
Operating expenses		
Selling, general and administrative	27,880	28,404
Restructuring charges	478	1,076
Transaction costs	103	400
Legal costs and regulatory matter expenses	394	579
Total operating expenses	28,855	30,459
Operating loss	(5,358)	(3,175)
Other income (expense)		
Interest income, net	373	19
Other, net	1,164	(445)
Total other income (expense), net	1,537	(426)
Loss before income tax	(3,821)	(3,601)
Income tax benefit	(664)	(1,395)
Loss from continuing operations	(3,157)	(2,206)
Discontinued operations, net of tax	-	942
Net loss	\$ (3,157)	\$ (1,264)
Loss from continuing operations per share:		
Basic	\$ (0.08)	\$ (0.06)
Diluted	(0.08)	(0.06)
Net loss per share:		
Basic	\$ (0.08)	\$ (0.03)
Diluted	(0.08)	(0.03)
Weighted average shares outstanding:		
Basic	38,352	37,470
Diluted	38,352	37,470



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

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Sales		
Domestic sales	\$ 75,583	\$ 80,545
International sales	117,327	128,972
Total sales	192,910	209,517
Cost of goods sold	124,156	134,148
Gross profit	68,754	75,369
Operating expenses		
Selling, general and administrative	84,176	84,640
Restructuring charges	1,009	1,812
Transaction costs	168	459
Contingent consideration benefit	(125)	(1,565)
Legal costs and regulatory matter expenses	3,795	1,062
Total operating expenses	89,023	86,408
Operating loss	(20,269)	(11,039)
Other income (expense)		
Interest income, net	1,198	32
Other, net	669	(143)
Total other income (expense), net	1,867	(111)
Loss before income tax	(18,402)	(11,150)
Income tax benefit	(3,290)	(2,591)

Loss from continuing operations		(15,112)	(8,559)
Discontinued operations, net of tax		28,346	6,802
Net income (loss)	\$	13,234	\$ (1,757)
Loss from continuing operations per share:			
Basic	\$	(0.39)	\$ (0.23)
Diluted		(0.39)	(0.23)
Net income (loss) per share:			
Basic	\$	0.35	\$ (0.05)
Diluted		0.35	(0.05)
Weighted average shares outstanding:			
Basic		38,286	37,267
Diluted		38,286	37,267

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

THREE MONTHS ENDED

	September 30, 2024		September 30, 2023
Sales	\$ 67,115	Sales	\$ 81,302
Gross profit as reported	\$ 23,497	Gross profit as reported	\$ 27,284
Plus impact of PFAS inventory reserve	1,878	Plus impact of PFAS inventory reserve	-
Adjusted gross profit	\$ 25,375	Adjusted gross profit	\$ 27,284
Gross margin as reported	35.0%	Gross margin as reported	33.6%
Adjusted gross margin	37.8%	Adjusted gross margin	33.6%

NINE MONTHS ENDED

	September 30, 2024		September 30, 2023
Sales	\$ 192,910	Sales	\$ 209,517
Gross profit as reported	\$ 68,754	Gross profit as reported	\$ 75,369
Plus impact of PFAS inventory reserve	3,323	Plus impact of PFAS inventory reserve	-
Adjusted gross profit	\$ 72,077	Adjusted gross profit	\$ 75,369
Gross margin as reported	35.6%	Gross margin as reported	36.0%
Adjusted gross margin	37.4%	Adjusted gross margin	36.0%

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

	Three Months Ended September 30, 2024						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	(Loss) income from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 67,115	\$ 23,497	\$ 28,855	\$ (664)	(17.4)%	\$ (3,157)	\$ (0.08)
Amortization of intangibles	-	-	(2,416)	629		1,787	
Restructuring charges	-	-	(478)	112		366	
Transaction costs	-	-	(103)	23		80	
PFAS inventory reserve	-	1,878	-	427		1,451	
Legal costs and regulatory matter expenses	-	-	(394)	171		223	
Stock-based compensation	-	-	(1,547)	392		1,155	
As adjusted	\$ 67,115	\$ 25,375	\$ 23,917	\$ 1,102	36.8%	\$ 1,893	\$ 0.05

(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 38,352 basic and diluted weighted average shares of common stock. Adjusted income from continuing operations per share is calculated based on 38,455 diluted shares of common stock.

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	
Restructuring charges	-	-	(1,076)	334		742	
Transaction costs	-	-	(400)	92		308	
Legal costs and regulatory matter expenses	-	-	(579)	155		424	
Stock-based compensation	-	-	(1,151)	284		867	
As adjusted	\$ 81,302	\$ 27,284	\$ 24,700	\$ 336	15.6%	\$ 1,822	\$ 0.05

(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.

CLARUS

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

Nine Months Ended September 30, 2024							
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	(Loss) income from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 192,910	\$ 68,754	\$ 89,023	\$ (3,290)	(17.9)%	\$ (15,112)	\$ (0.39)
Amortization of intangibles	-	-	(7,316)	1,511		5,805	
Restructuring charges	-	-	(1,009)	208		801	
Transaction costs	-	-	(168)	35		133	
Contingent consideration benefit	-	-	125	(26)		(99)	
PFAS inventory reserve	-	3,323	-	687		2,636	
Legal costs and regulatory matter expenses	-	-	(3,795)	784		3,011	
Stock-based compensation	-	-	(4,253)	879		3,374	
As adjusted	\$ 192,910	\$ 72,077	\$ 72,607	\$ 788	58.9%	\$ 549	\$ 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 38,286 basic and diluted weighted average shares of common stock. Adjusted income from continuing operations per share is calculated based on 38,426 diluted shares of common stock.

Nine 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	\$ 209,517	\$ 75,369	\$ 86,408	\$ (2,591)	(23.2)%	\$ (8,559)	\$ (0.23)
Amortization of intangibles	-	-	(8,035)	1,757		6,278	
Restructuring charges	-	-	(1,812)	408		1,404	
Transaction costs	-	-	(459)	100		359	
Contingent consideration benefit	-	-	1,565	(335)		(1,230)	
Legal costs and regulatory matter expenses	-	-	(1,062)	226		836	
Stock-based compensation	-	-	(3,923)	856		3,067	
As adjusted	\$ 209,517	\$ 75,369	\$ 72,682	\$ 421	16.3%	\$ 2,155	\$ 0.06

(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 37,267 basic and diluted weighted average shares of common stock. Adjusted income from continuing operations per share is calculated based on 38,015 diluted shares of common stock.

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 MARGIN
(In thousands)

	Three Months Ended	
	September 30, 2024	September 30, 2023
Loss from continuing operations	\$ (3,157)	\$ (2,206)
Income tax benefit	(664)	(1,395)
Other, net	(1,164)	445
Interest income, net	(373)	(19)
Operating loss	(5,358)	(3,175)
Depreciation	980	1,045
Amortization of intangibles	2,416	2,553
EBITDA	(1,962)	423
Restructuring charges	478	1,076
Transaction costs	103	400
PFAS inventory reserve	1,878	-
Legal costs and regulatory matter expenses	394	579
Stock-based compensation	1,547	1,151
Adjusted EBITDA	\$ 2,438	\$ 3,629
Sales	\$ 67,115	\$ 81,302
EBITDA margin	-2.9%	0.5%
Adjusted EBITDA margin	3.6%	4.5%



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)

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Loss from continuing operations	\$ (15,112)	\$ (8,559)
Income tax benefit	(3,290)	(2,591)
Other, net	(669)	143
Interest income, net	(1,198)	(32)
Operating loss	(20,269)	(11,039)
Depreciation	3,051	3,064
Amortization of intangibles	7,316	8,035
EBITDA	(9,902)	60
Restructuring charges	1,009	1,812
Transaction costs	168	459
Contingent consideration benefit	(125)	(1,565)
PFAS inventory reserve	3,323	-
Legal costs and regulatory matter expenses	3,795	1,062
Stock-based compensation	4,253	3,923
Adjusted EBITDA	\$ 2,521	\$ 5,751
Sales	\$ 192,910	\$ 209,517
EBITDA margin	-5.1%	0.0%
Adjusted EBITDA margin	1.3%	2.7%

CLARUS

Q3 EARNINGS PRESENTATION NOVEMBER 7, 2024



DISCLAIMER

CLARUS

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, (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, i.e.: (i) adjusted EBITDA, adjusted EBITDA margin, and mid-point adjusted EBITDA margin (ii) adjusted corporate costs, and (iii) adjusted free cash flow for the fiscal year 2024 to the most comparable GAAP financial measure, due to the inherent difficulty of forecasting certain types of expenses and gains, without unreasonable effort. 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

THE NEW CLARUS: Q3 2024



Positioned for long-term sustainable growth



Strategic roadmap continued to guide execution in Q3

Black Diamond objective:
Simplify and focus on the core



Improved quality and composition of inventory focusing on best and most profitable styles; 70% of inventory is now "A" styles

Adventure objective:
Invest to scale



In line performance for first two months of quarter but results ultimately affected by September market softness

Strong balance sheet/prudent capital allocation



Debt-free with \$36.4 million of cash on the balance sheet at 9/30

Continued operational progress at Outdoor and roadmap in place at Adventure



\$67.1m

Revenue
- 17% Y/Y

\$17.8m

Adventure Revenue
- 12% Y/Y

Adventure
Adj. EBITDA:
\$0.25m



\$49.3m

Outdoor Revenue
- 19% Y/Y

Outdoor
Adj. EBITDA:
\$4.4m



37.8%

Adj. Gross Margin
+420 BPS Y/Y

\$2.4m

Adj. EBITDA
- 33% Y/Y

ADVENTURE - STRATEGIC PRIORITIES: Q3 2024 HIGHLIGHTS

CLARUS ADVENTURE

BUILDING BLOCKS IN FOCUS

INVESTMENT INTO U.S. AND ROW

INVESTMENT INTO BRAND

REBUILT LEADERSHIP TEAM

MANAGEMENT COMMENTARY

- Strategic roadmap established guiding execution
- Q3 presented unique events that had material impact on business and results
- Largest OEM customer stopped production due to supply chain challenges
- Market softness in both core Australia/NZ market and U.S.
- Made significant investments in 1H24 to accelerate U.S. and international growth and strengthen global OEM initiatives
- New leadership in place to capitalize on positive long-term industry dynamics and large and growing TAM across verticals
- Commenced meaningful cost-out initiatives focused on global reorganization, while preserving previously announced growth investment



BUILDING BLOCKS IN FOCUS

SIMPLIFICATION EXECUTION

PRODUCT LEADERSHIP

FEWER, BIGGER, BETTER

MANAGEMENT COMMENTARY

- Successful execution of strategic initiatives in Q3
- While revenue down 19% y/y, consistent with expectations, adjusted EBITDA up 25%
- Gross margins lifting and will continue to expand; 37.0% adj. gross margin in Q3 vs. 31.2% PY
- Outdoor market still in recession from its peak of 2022
- Operating expenses down 13.1% y/y
- Core of the business much healthier now and capable of delivering double digit EBITDA margins even without topline growth
- Confident that initiatives focused on products, channels, marketing, and geographic expansion position Black Diamond for a return to growth as the market stabilizes

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Q3 2024 FINANCIAL RESULTS

CLARUS



	Q3 2024	Q3 2023
NET SALES	\$67.1M	\$81.3M
ADJ. GROSS MARGIN	37.8%	33.6%
LOSS FROM CONT. OPS.	(\$3.2M)	(\$2.2M)
ADJ. EBITDA	\$2.4M	\$3.6M
ADJ. EBITDA MARGIN	3.6%	4.5%

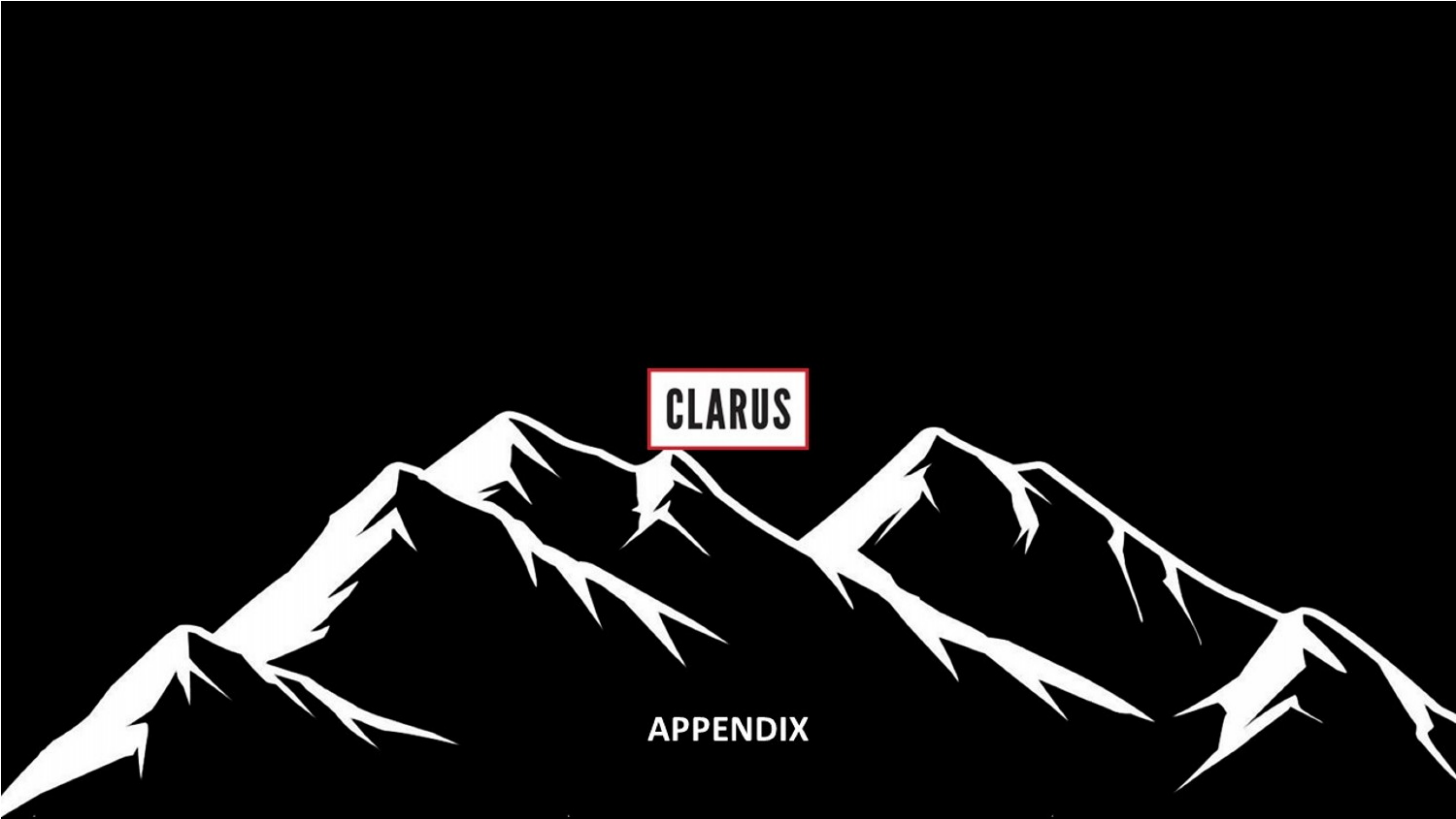
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	2024
NET SALES	\$260M - \$266M
ADJ. EBITDA	\$7M - \$9M
MID-POINT ADJ. EBITDA %	3.0%
ADJ. CORPORATE COSTS	\$(10)M
CAPEX	\$5M - \$6M
FREE CASH FLOWS	\$(6)M - \$(8)M



- Consistent with historical seasonal pattern, Q4 sales, adjusted EBITDA and cash flow are expected to be quarterly highs for 2024
- Q4 guidance: net sales of approx. \$70M; adj. EBITDA of \$5-7M



BALANCE SHEET

CLARUS

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

	September 30, 2024	December 31, 2023
Assets		
Current assets		
Cash	\$ 36,399	\$ 11,324
Accounts receivable, less allowance for credit losses of \$1,569 and \$1,412	54,337	53,971
Inventories	93,147	91,409
Prepaid and other current assets	6,707	4,865
Income taxes receivable	928	892
Assets held for sale	-	137,284
Total current assets	191,578	299,745
Property and equipment, net	17,171	16,587
Other intangible assets, net	34,366	41,466
Indefinite-lived intangible assets	59,040	58,527
Goodwill	39,632	39,320
Deferred income taxes	19,192	22,969
Other long-term assets	14,356	16,924
Total assets	\$ 375,338	\$ 495,538
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 12,677	\$ 20,015
Accrued liabilities	23,325	24,580
Income tax payable	-	805
Current portion of long-term debt	-	119,790
Liabilities held for sale	-	5,744
Total current liabilities	36,002	170,894
Deferred income taxes	18,221	18,124
Other long-term liabilities	12,641	14,160
Total liabilities	66,864	203,178
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; 43,004 and 42,761 issued and 38,362 and 38,149 outstanding, respectively	4	4
Additional paid in capital	49,602	69,198
Accumulated deficit	(340,377)	(350,739)
Treasury stock, at cost	(33,114)	(32,929)
Accumulated other comprehensive loss	(14,080)	(15,414)
Total stockholders' equity	308,474	292,360
Total liabilities and stockholders' equity	\$ 375,338	\$ 495,538

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INCOME STATEMENT (Q3)

CLARUS

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

	Three Months Ended	
	September 30, 2024	September 30, 2023
Sales		
Domestic sales	\$ 24,365	\$ 30,423
International sales	49,750	50,879
Total sales	67,115	81,302
Cost of goods sold	41,618	54,018
Gross profit	25,497	27,284
Operating expenses		
Selling, general and administrative	27,890	28,404
Restructuring charges	478	1,076
Transaction costs	103	400
Legal costs and regulatory matter expenses	394	579
Total operating expenses	28,865	30,459
Operating loss	(5,368)	(3,175)
Other income (expense)		
Interest income, net	379	19
Other, net	1,164	(448)
Total other income (expense), net	1,543	(429)
Loss before income tax	(3,825)	(3,604)
Income tax benefit	(664)	(1,388)
Loss from continuing operations	(3,187)	(2,206)
Discontinued operations, net of tax	-	957
Net loss	\$ (3,187)	\$ (1,249)
Loss from continuing operations per share:		
Basic	\$ (0.08)	\$ (0.08)
Diluted	(0.08)	(0.08)
Net loss per share:		
Basic	\$ (0.08)	\$ (0.08)
Diluted	(0.08)	(0.08)
Weighted average shares outstanding:		
Basic	38,352	37,470
Diluted	38,352	37,470

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INCOME STATEMENT (YTD)

CLARUS

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

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Sales		
Domestic sales	\$ 75,583	\$ 80,545
International sales	117,327	128,872
Total sales	192,910	209,517
Cost of goods sold	124,166	134,148
Gross profit	68,754	75,369
Operating expenses		
Selling, general and administrative	84,176	84,640
Restructuring charges	1,009	1,812
Transaction costs	168	459
Contingent consideration benefit	(129)	(1,549)
Legal costs and related matters expenses	3,795	1,092
Total operating expenses	89,073	86,408
Operating loss	(20,319)	(11,039)
Other income (expense)		
Interest income, net	1,198	32
Other, net	662	(143)
Total other income (expense), net	1,860	(111)
Loss before income tax	(18,459)	(11,150)
Income tax benefit	(3,290)	(2,591)
Loss from continuing operations	(21,749)	(13,741)
Discontinued operations, net of tax	28,346	4,802
Net income (loss)	\$ 16,597	\$ (8,939)
Loss from continuing operations per share:		
Basic	\$ (0.39)	\$ (0.23)
Diluted	(0.39)	(0.23)
Net income (loss) per share:		
Basic	\$ 0.35	\$ (0.05)
Diluted	0.35	(0.05)
Weighted average shares outstanding:		
Basic	38,286	37,267
Diluted	38,286	37,267

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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

	September 30, 2024		September 30, 2023
Sales	\$ 67,115	Sales	\$ 81,302
Gross profit as reported	\$ 23,497	Gross profit as reported	\$ 27,284
Plus impact of PFAS inventory reserve	1,878	Plus impact of PFAS inventory reserve	-
Adjusted gross profit	\$ 25,375	Adjusted gross profit	\$ 27,284
Gross margin as reported	35.0%	Gross margin as reported	33.6%
Adjusted gross margin	37.8%	Adjusted gross margin	33.6%

NINE MONTHS ENDED

	September 30, 2024		September 30, 2023
Sales	\$ 192,910	Sales	\$ 209,517
Gross profit as reported	\$ 68,754	Gross profit as reported	\$ 75,369
Plus impact of PFAS inventory reserve	3,323	Plus impact of PFAS inventory reserve	-
Adjusted gross profit	\$ 72,077	Adjusted gross profit	\$ 75,369
Gross margin as reported	35.6%	Gross margin as reported	36.0%
Adjusted gross margin	37.4%	Adjusted gross margin	36.0%

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NON-GAAP RECONCILIATION (Q3)

CLARUS

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

	Three Months Ended September 30, 2024						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	(Loss) income from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 67,115	\$ 23,497	\$ 28,855	\$ (664)	(17.4) %	\$ (3,157)	\$ (0.08)
Amortization of intangibles	-	-	(2,416)	629		1,787	
Restructuring charges	-	-	(478)	112		366	
Transaction costs	-	-	(103)	23		80	
PFAS inventory reserve	-	1,878	-	427		1,451	
Legal costs and regulatory matter expenses	-	-	(394)	171		223	
Stock-based compensation	-	-	(1,547)	392		1,155	
As adjusted	\$ 67,115	\$ 25,375	\$ 23,917	\$ 1,102	36.8 %	\$ 1,893	\$ 0.05

(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 38,352 basic and diluted weighted average shares of common stock. Adjusted income from continuing operations per share is calculated based on 38,455 diluted shares of common stock.

	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	\$ (1,399)	(38.7) %	\$ (2,206)	\$ (0.06)
Amortization of intangibles	-	-	(2,553)	866		1,687	
Restructuring charges	-	-	(1,076)	334		742	
Transaction costs	-	-	(400)	92		308	
Legal costs and regulatory matter expenses	-	-	(579)	155		424	
Stock-based compensation	-	-	(1,151)	284		867	
As adjusted	\$ 81,302	\$ 27,284	\$ 24,700	\$ 336	15.6 %	\$ 1,822	\$ 0.05

(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.

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NON-GAAP RECONCILIATION (YTD)

CLARUS

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

	Nine Months Ended September 30, 2024						
	Total sales	Gross profit	Operating expenses	Income tax (benefit) expense	Tax rate	(Loss) income from continuing operations	Diluted EPS ⁽¹⁾
As reported	\$ 192,910	\$ 68,754	\$ 89,023	\$ (3,290)	(17.9) %	\$ (15,112)	\$ (0.39)
Amortization of intangibles	-	-	(7,316)	1,511		5,805	
Restructuring charges	-	-	(1,099)	208		891	
Transaction costs	-	-	(168)	35		133	
Contingent consideration benefit	-	-	125	(26)		(99)	
PFAS inventory reserve	-	3,323	-	687		2,636	
Legal costs and regulatory matter expenses	-	-	(3,795)	784		3,011	
Stock-based compensation	-	-	(4,253)	879		3,374	
As adjusted	\$ 192,910	\$ 72,077	\$ 72,607	\$ 788	58.9 %	\$ 549	\$ 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 38,286 basic and diluted weighted average shares of common stock. Adjusted income from continuing operations per share is calculated based on 38,426 diluted shares of common stock.

	Nine 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	\$ 209,517	\$ 75,369	\$ 86,408	\$ (2,591)	(23.2) %	\$ (8,559)	\$ (0.23)
Amortization of intangibles	-	-	(8,035)	1,757		6,278	
Restructuring charges	-	-	(1,812)	408		1,404	
Transaction costs	-	-	(459)	100		359	
Contingent consideration benefit	-	-	1,565	(335)		(1,230)	
Legal costs and regulatory matter expenses	-	-	(1,062)	226		836	
Stock-based compensation	-	-	(3,923)	856		3,067	
As adjusted	\$ 209,517	\$ 75,369	\$ 72,682	\$ 421	16.3 %	\$ 2,155	\$ 0.06

(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 37,267 basic and diluted weighted average shares of common stock. Adjusted income from continuing operations per share is calculated based on 38,015 diluted shares of common stock.

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NON-GAAP RECONCILIATION (Q3)

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 MARGIN
(In thousands)

	Three Months Ended	
	September 30, 2024	September 30, 2023
Loss from continuing operations	\$ (3,157)	\$ (2,206)
Income tax benefit	(664)	(1,395)
Other, net	(1,164)	445
Interest income, net	(373)	(19)
Operating loss	(5,358)	(3,175)
Depreciation	980	1,045
Amortization of intangibles	2,416	2,553
EBITDA	(1,962)	423
Restructuring charges	478	1,076
Transaction costs	103	400
PFA S inventory reserve	1,878	-
Legal costs and regulatory matter expenses	394	579
Stock-based compensation	1,547	1,151
Adjusted EBITDA	\$ 2,438	\$ 3,629
Sales	\$ 67,115	\$ 81,302
EBITDA margin	-2.9%	0.5%
Adjusted EBITDA margin	3.6%	4.5%

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NON-GAAP RECONCILIATION (YTD)

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 MARGIN
(In thousands)

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Loss from continuing operations	\$ (15,112)	\$ (8,559)
Income tax benefit	(3,290)	(2,591)
Other, net	(669)	143
Interest income, net	(1,198)	(32)
Operating loss	(20,269)	(11,039)
Depreciation	3,051	3,064
Amortization of intangibles	7,316	8,035
EBITDA	(9,902)	60
Restructuring charges	1,009	1,812
Transaction costs	168	459
Contingent consideration benefit	(125)	(1,565)
PFA S inventory reserve	3,323	-
Legal costs and regulatory matter expenses	3,795	1,062
Stock-based compensation	4,253	3,923
Adjusted EBITDA	\$ 2,521	\$ 5,751
Sales	\$ 192,910	\$ 209,517
EBITDA margin	-5.1%	0.0%
Adjusted EBITDA margin	1.3%	2.7%

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NON-GAAP RECONCILIATION (Q3)

CLARUS

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

Three Months Ended September 30, 2024				
	Outdoor Segment	Adventure Segment	Corporate Costs	Total
Operating loss	\$ 1,210	\$ (2,507)	\$ (4,061)	\$ (5,358)
Depreciation	640	340	-	980
Amortization of intangibles	286	2,130	-	2,416
EBITDA	2,136	(37)	(4,061)	(1,962)
Restructuring charges	189	289	-	478
Transaction costs	-	-	103	103
Contingent consideration	-	-	-	-
PFAS inventory reserve	1,878	-	-	1,878
Legal costs and regulatory matter expenses	194	-	200	394
Stock-based compensation	-	-	1,547	1,547
Adjusted EBITDA	\$ 4,397	\$ 252	\$ (2,211)	\$ 2,438
Sales	\$ 49,287	\$ 17,828	\$ -	\$ 67,115
EBITDA Margin	4.3%	-0.2%		-2.9%
Adjusted EBITDA Margin	8.9%	1.4%		3.6%

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NON-GAAP RECONCILIATION (YTD)

CLARUS

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

Nine Months Ended September 30, 2024				
	Outdoor Segment	Adventure Segment	Corporate Costs	Total
Operating loss	\$ (2,896)	\$ (4,544)	\$ (12,829)	\$ (20,269)
Depreciation	1,974	1,077	-	3,051
Amortization of intangibles	857	6,459	-	7,316
EBITDA	(65)	2,992	(12,829)	(9,902)
Restructuring charges	560	449	-	1,009
Transaction costs	-	-	168	168
Contingent consideration	-	(125)	-	(125)
PFAS inventory reserve	3,323	-	-	3,323
Legal costs and regulatory matter expenses	3,078	-	717	3,795
Stock-based compensation	-	-	4,253	4,253
Adjusted EBITDA	\$ 6,896	\$ 3,316	\$ (7,691)	\$ 2,521
Sales	\$ 132,496	\$ 60,414	\$ -	\$ 192,910
EBITDA Margin	0.0%	5.0%		-5.1%
Adjusted EBITDA Margin	5.2%	5.5%		1.3%

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