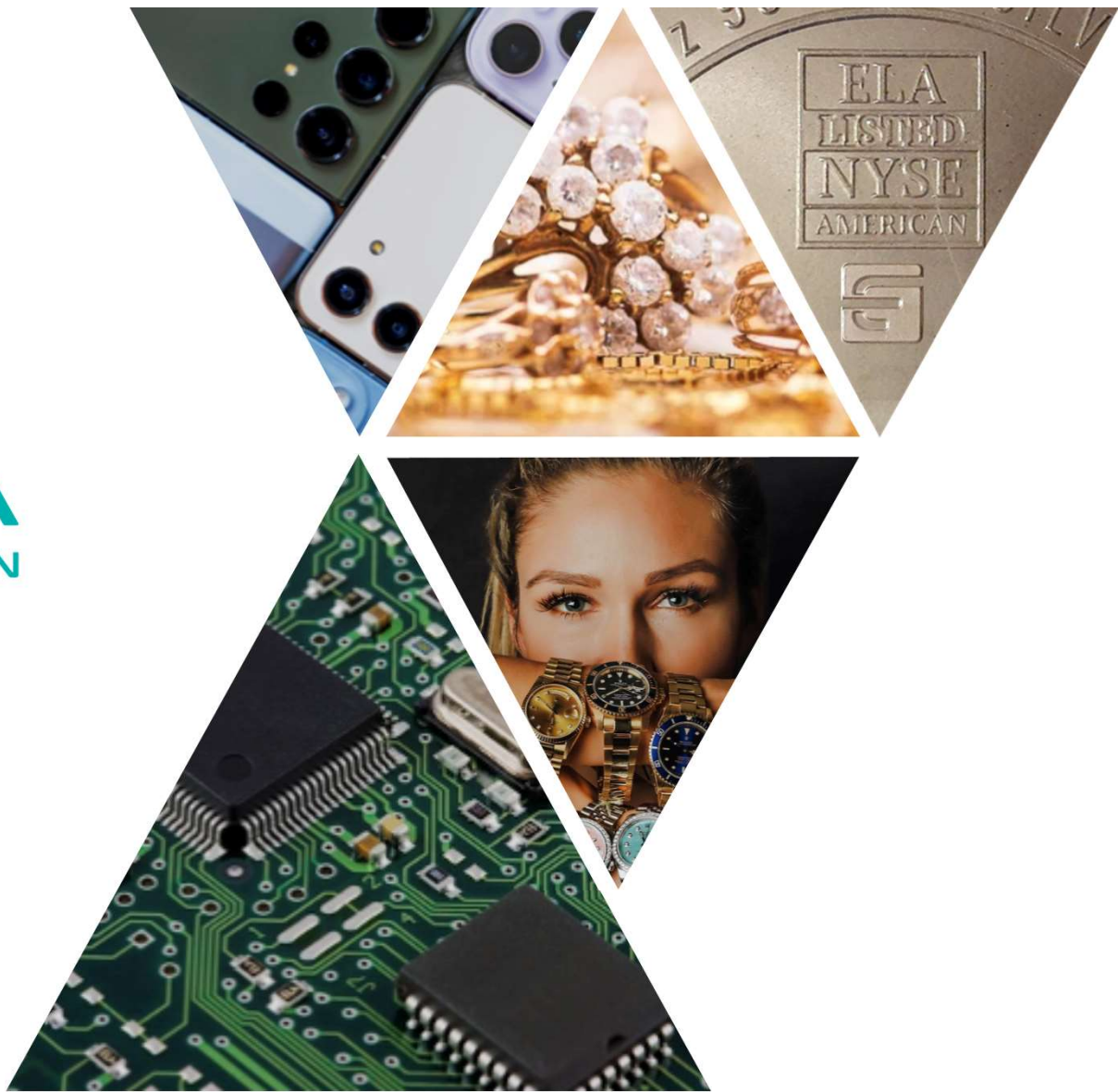




Q3 2024 Financial Results
NYSE: ELA



FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

This presentation includes statements that may constitute “forward-looking” statements, including statements regarding acquisitions, financial outlook, and the potential future success of business lines and strategies. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, market conditions and other risks detailed in the Company’s periodic report filings with the Securities and Exchange Commission. By making these statements, the Company undertakes no obligation to update these statements for revisions or changes after the date of this release except as required by law.

Envela is a leading provider of recommerce services at the forefront of the circular economy

Envela's diversified portfolio serves multiple industries through its Commercial and Consumer business segments:



Commercial

Re-commercializes consumer electronics and IT equipment and provides end-of-life recycling services including extracting, collecting and reselling high-value components, metals and other materials



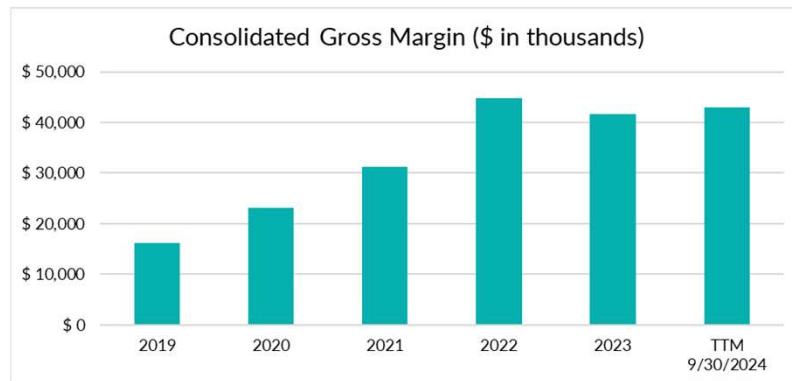
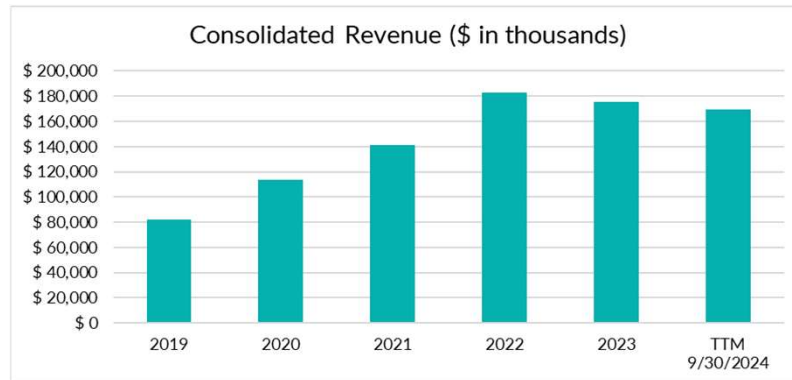
Consumer

Buys and sells pre-owned luxury hard assets and precious metals, including gold, silver and diamonds, through retail stores and online

Consolidated Business



Revenue and Gross Margin



TTM 9/30/2024:

Revenue of \$169.5 million

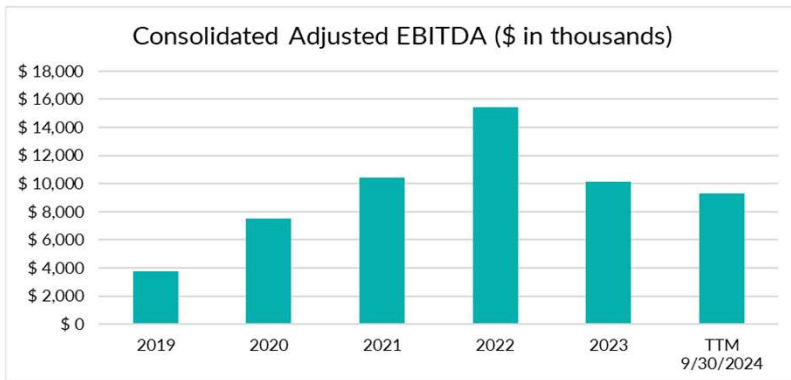
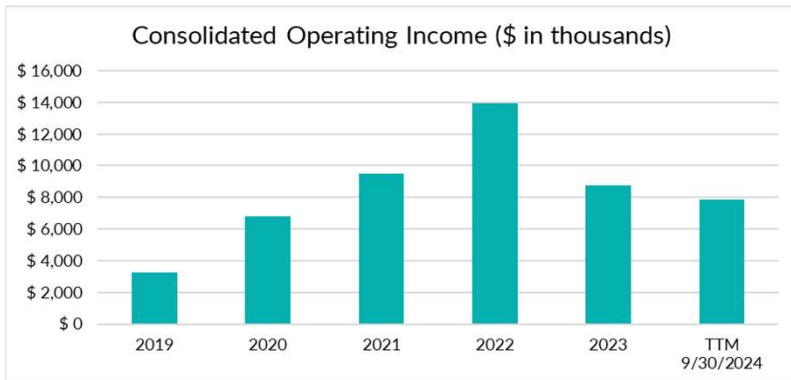
Gross Margin of \$42.9 million

Q3 2024:

Revenue of \$46.9 million

Gross Margin of \$11.5 million

Operating Income and Adjusted EBITDA



TTM 9/30/2024:

Operating Income of \$7.9 million

Adjusted EBITDA of \$9.3 million

Q3 2024:

Operating Income of \$2.0 million

Adjusted EBITDA of \$2.4 million

Source: Company filings and data
Refer to the Glossary at the end of this presentation for definitions of key terms

Strong Balance Sheet



Q3 2024:

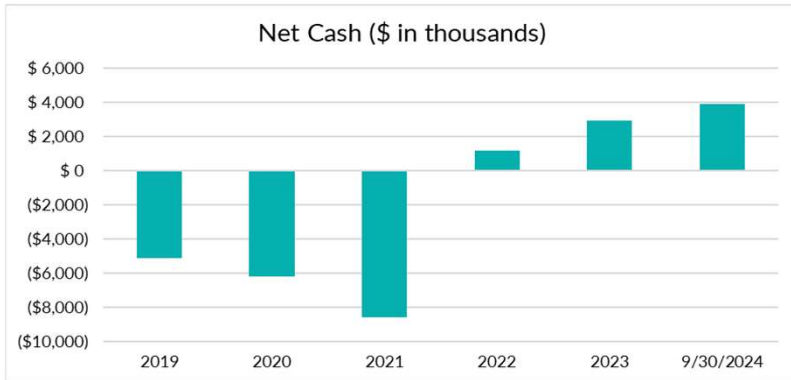
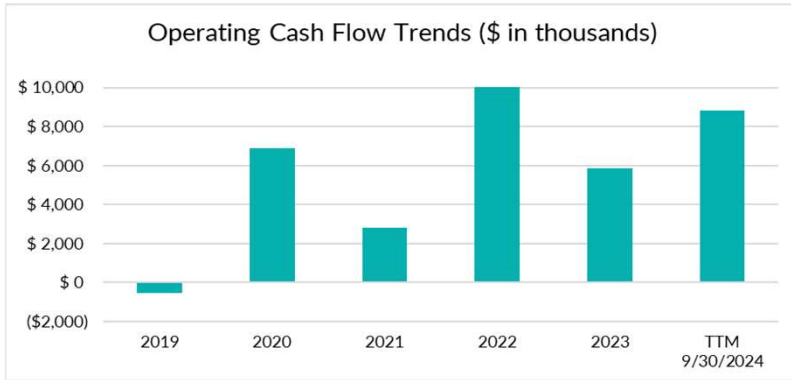
Total Shareholders' Equity: **\$51.1 Million**

Cash position: **\$17.8 Million**

Total Debt: **\$13.8 Million**

Source: Company filings and data
Refer to the Glossary at the end of this presentation for definitions of key terms

Liquidity Position



TTM 9/30/2024:

Operating Cash Flow of \$8.8 million

Q3 2024:

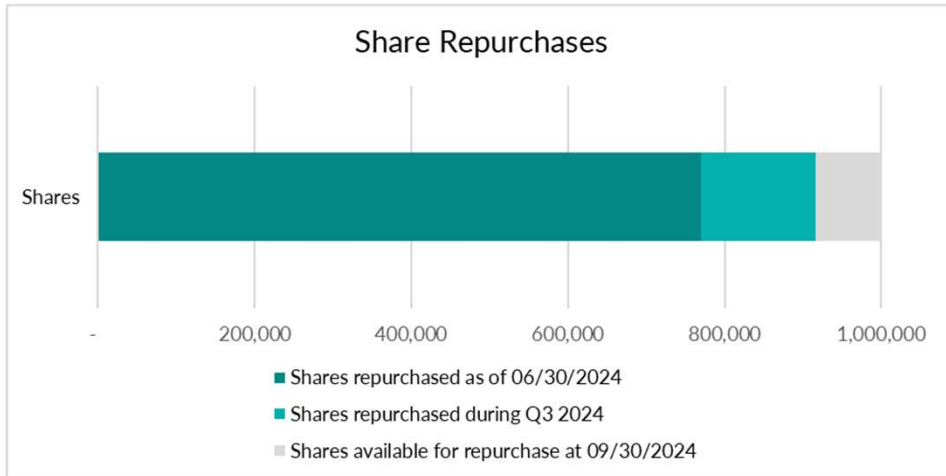
Operating Cash Flow of \$3.4 million

Net Cash of \$3.9 million

Undrawn line of credit: \$3.5 million

Source: Company filings and data
Refer to the Glossary at the end of this presentation for definitions of key terms

Share Repurchases



Q3 2024 Activity:

Repurchased shares as of 6/30/2024: **769,402**

Shares repurchased during Q3 2024: **147,195**

Repurchased shares as of 9/30/2024: **916,597**

Shares available for repurchase at 09/30/2024⁽¹⁾: **83,403**

Source: Company filings and data

Refer to the Glossary at the end of this presentation for definitions of key terms

(1): All shares were purchased in open-market transactions through the stock repurchase program approved by the Board on March 14, 2023, for the repurchase of up to one million shares of the Company's common stock. The stock repurchase program was publicly announced on May 3, 2023, and expires March 31, 2026. Repurchases under the stock repurchase plan began on May 10, 2023.

Consolidated	3Q 2024	3Q 2023
	Unaudited	Unaudited
Sales	\$ 46,900	\$ 36,876
Cost of goods sold	35,435	27,142
Gross margin	11,464	9,734
Expenses:		
Selling, general and administrative	9,029	7,446
Depreciation and amortization	415	338
Total operating expenses	9,444	7,784
Operating income	2,020	1,950
Other income (expense):		
Other income	340	192
Interest expense	(106)	(117)
Income before income taxes	2,255	2,025
Income tax expense	(570)	(318)
Net income	\$ 1,685	\$ 1,707

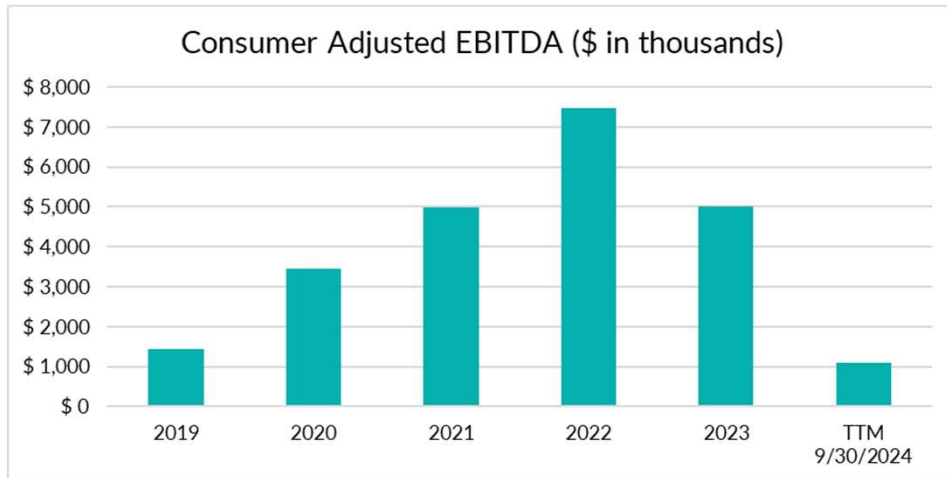
Consolidated Financial Results:

- **Revenue** increased 27.2% to \$46.9 million in the third quarter of 2024 compared to \$36.9 million in the prior-year quarter
- **Gross margin** increased 17.8% to \$11.5 million in the third quarter of 2024 compared to \$9.7 million in the prior-year quarter
- **Operating expenses** increased 21.3% to \$9.4 million in the third quarter of 2024 compared to \$7.8 million in the prior-year quarter
- **Operating income** increased 3.6% to \$2.0 million in the second quarter of 2024 compared to \$2.0 million in the prior-year quarter

Consumer Business



Adjusted EBITDA



TTM 9/30/2024:

Adjusted EBITDA of \$1.1 million

Q3 2024:

Adjusted EBITDA of (\$10) thousand

Consumer	3Q 2024	3Q 2023
	Unaudited	Unaudited
Sales	\$ 33,757	\$ 26,881
Cost of goods sold	29,840	23,292
Gross margin	3,916	3,589
Expenses:		
Selling, general and administrative	3,926	2,589
Depreciation and amortization	151	76
Total operating expenses	4,077	2,664
Operating income (loss)	(160)	925
Other income (expense):		
Other income	63	23
Interest expense	(51)	(60)
Income (loss) before income taxes	(149)	888
Income tax expense	122	(121)
Net income (loss)	\$ (27)	\$ 767

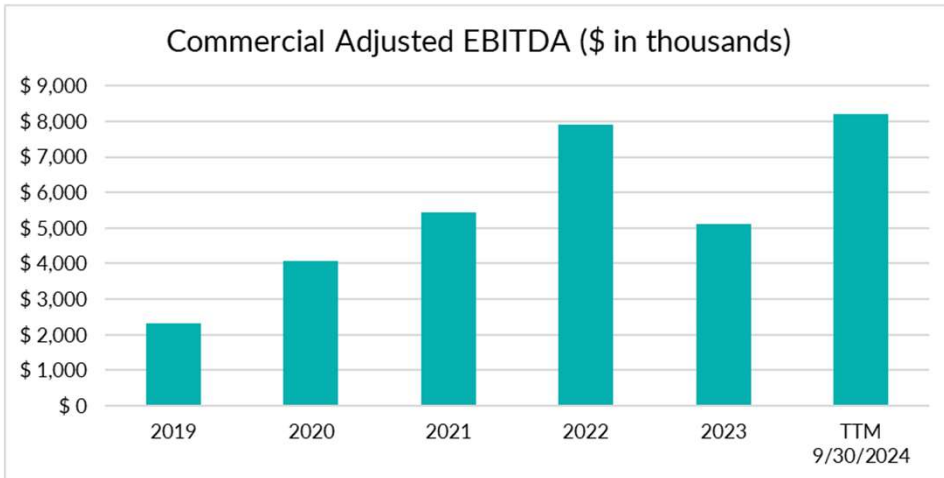
Consumer Division Financial Results:

- **Revenue** increased 25.6% to \$33.8 million in the third quarter of 2024 compared to \$26.9 million in the prior-year quarter
- **Gross margin** increased 9.1% to \$4.0 million in the third quarter of 2024 compared to \$3.6 million in the prior-year quarter
- **Operating expenses** increased 53.0% to \$4.1 million in the third quarter of 2024 compared to \$2.7 million in the prior-year quarter
- **Operating income (loss)** in the third quarter of 2024 was a \$160 thousand operating loss, compared to operating income of \$925 thousand in the prior-year quarter

Commercial Business



Adjusted EBITDA



TTM 9/30/2024:

Adjusted EBITDA of \$8.2 million

Q3 2024:

Adjusted EBITDA of \$2.4 million

Commercial	3Q 2024	3Q 2023
	Unaudited	Unaudited
Sales	\$ 13,143	\$ 9,995
Cost of goods sold	5,595	3,850
Gross margin	7,548	6,145
Expenses:		
Selling, general and administrative	5,103	4,858
Depreciation and amortization	264	262
Total operating expenses	5,367	5,120
Operating income	2,181	1,025
Other income (expense):		
Other income	278	170
Interest expense	(55)	(58)
Income before income taxes	2,404	1,137
Income tax expense	(692)	(197)
Net income	\$ 1,712	\$ 940

Commercial Division Financial Results:

- **Revenue** increased 31.5% to \$13.1 million in the third quarter of 2024 compared to \$10.0 million in the prior-year quarter
- **Gross margin** increased 22.8% to \$7.5 million in the third quarter of 2024 compared to \$6.1 million in the prior-year quarter
- **Operating expenses** increased 4.8% to \$5.4 million in the third quarter of 2024 compared to \$5.1 million in the prior-year quarter
- **Operating income** increased 112.7% to \$2.2 million in the third quarter of 2024 compared to \$1.0 million in the prior-year quarter

Appendix

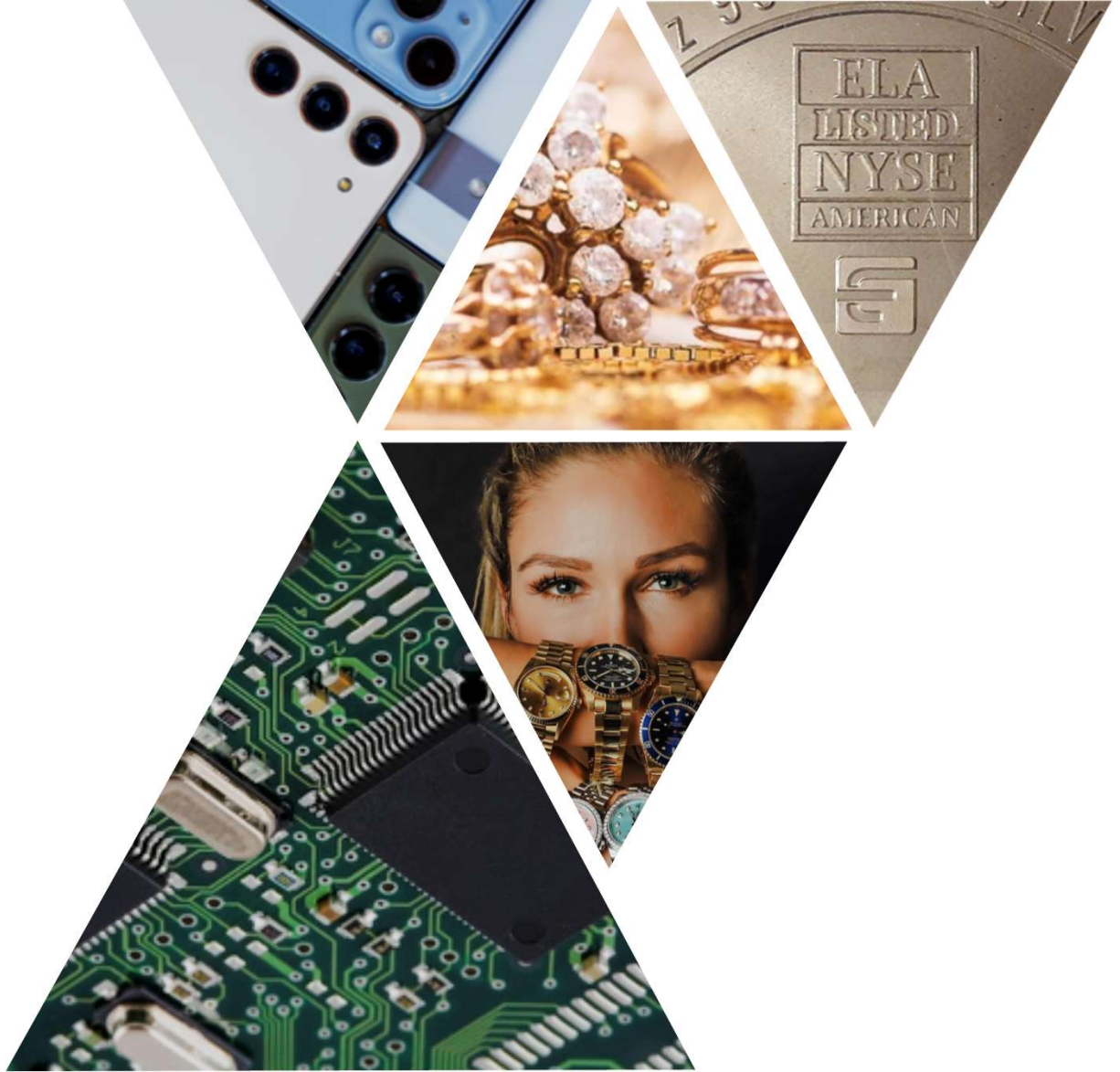


Historical Financial Results

Income Statement (\$ in thousands)													
(\$ in thousands, except per unit amounts)	2019	2020	2021	2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	2023	1Q 2024	2Q 2024	3Q 2024	2024 YTD
	Audited	Audited	Audited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	
Sales	\$ 82,024	\$ 113,922	\$ 140,966	\$ 182,686	\$ 49,810	\$ 51,096	\$ 36,876	\$ 37,482	\$ 175,264	\$ 39,858	\$ 45,297	\$ 46,900	\$ 132,054
Cost of goods sold	65,769	90,853	109,745	137,859	38,400	40,334	27,142	27,732	133,607	29,537	33,908	35,435	98,880
Gross margin	16,256	23,069	31,221	44,827	11,410	10,762	9,734	9,750	41,657	10,321	11,389	11,464	33,174
Expenses:													
Selling, general and administrative	12,495	15,553	20,798	29,431	7,905	8,363	7,446	7,823	31,538	7,637	9,118	9,029	25,784
Depreciation and amortization	520	729	926	1,452	354	336	338	334	1,362	344	362	415	1,121
Total operating expenses	13,015	16,282	21,724	30,883	8,260	8,699	7,784	8,157	32,900	7,981	9,480	9,444	26,905
Operating income	3,241	6,787	9,497	13,945	3,150	2,063	1,950	1,593	8,757	2,340	1,909	2,020	6,270
Other income (expense):													
Other income	50	307	1,369	919	211	154	192	171	728	239	225	340	804
Interest expense	(415)	(620)	(704)	(484)	(117)	(115)	(117)	(114)	(463)	(121)	(109)	(106)	(336)
Income before income taxes	2,876	6,474	10,162	14,380	3,244	2,102	2,025	1,650	9,021	2,458	2,025	2,255	6,738
Income tax expense (benefit)	(95)	(90)	(113)	1,310	(718)	(499)	(318)	(340)	(1,874)	(550)	(461)	(570)	(1,581)
Net income	\$ 2,781	\$ 6,384	\$ 10,049	\$ 15,689	\$ 2,526	\$ 1,604	\$ 1,707	\$ 1,310	\$ 7,147	\$ 1,908	\$ 1,564	\$ 1,685	\$ 5,157
Basic earnings per share:	\$ 0.10	\$ 0.24	\$ 0.37	\$ 0.58	\$ 0.09	\$ 0.06	\$ 0.06	\$ 0.05	\$ 0.27	\$ 0.07	\$ 0.06	\$ 0.06	\$ 0.20
Diluted earnings per share:	\$ 0.10	\$ 0.24	\$ 0.37	\$ 0.58	\$ 0.09	\$ 0.06	\$ 0.06	\$ 0.05	\$ 0.27	\$ 0.07	\$ 0.06	\$ 0.06	\$ 0.20
Weighted average shares outstanding:													
Basic	26,925	26,925	26,925	26,925	26,925	26,925	26,810	26,640	26,823	26,419	26,249	26,062	26,242
Diluted	26,940	26,940	26,940	26,940	26,940	26,940	26,825	26,655	26,838	26,434	26,264	26,077	26,257
Adjusted EBITDA	3,761	7,516	10,423	15,396	3,505	2,399	2,288	1,927	10,119	2,684	2,271	2,435	7,390

Source: Company filings and data
Refer to the Glossary at the end of this presentation for definitions of key terms

Glossary



Glossary

- **Adjusted EBITDA.** We use Adjusted EBITDA as a non-US GAAP measure to track our performance and assess our ability to service our borrowings. This is a non-US GAAP financial measure supplement and should be considered in addition to and not in lieu of, the results of operations, prepared in accordance with US GAAP. Adjusted EBITDA is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of net income. Adjusted EBITDA represents net income plus (a) depreciation and amortization expense, (b) interest expense, (c) income tax expense, less (d) other income.
- **Gross Margin.** Gross margin is the amount of revenue less cost of goods sold, as a percent of total revenue.
- **Net Cash.** Net cash is the difference between (i) cash and cash equivalents and (ii) the sum of debt obligations per the Balance Sheet.
- **Operating Cash Flow.** Operating cash flow is the measure of how much cash is generated from normal business operations during the specific period.
- **Operating Expense.** Operating expenses is the amount of expense that is incurred from performing core operations. Operating income represents (a) selling, general and administrative expense, and (b) depreciation and amortization expense.
- **Operating Income (Loss).** Operating income is the amount of income that is generated from core operations. Operating income represents sales, less (a) cost of goods sold, (b) selling, general and administrative expense, and (c) depreciation and amortization expense.
- **Revenue.** Revenue is total sales derived from the income statement.

ENVELA
CORPORATION

