

# 2025 INVESTOR PRESENTATION

SEPTEMBER 2025

**ENVELA**  
CORPORATION





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## ADDITIONAL REFERENCE MATERIALS

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All figures presented are in U.S. dollars ("\$").

## NON-UNITED STATES ("U.S.") GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP") FINANCIAL MEASURES

This presentation includes certain non-U.S. GAAP financial measures and presentational disclosures, which have no standardized meaning under U.S. GAAP and may not be comparable to similar measures used by other issuers. These non-U.S. GAAP measures should not be considered a substitute for, nor superior to, financial results and measures determined or calculated in accordance with U.S. GAAP. When evaluated in conjunction with U.S. GAAP financial measures, the Company believes that these non-U.S. GAAP measures add meaningful insight into our financial position, results of operations, liquidity, and ability to meet financial obligations. Included herein are the definitions and reconciliations of our non-U.S. GAAP measures to the most comparable U.S. GAAP measures.

These non-U.S. GAAP measures include Adjusted EBITDA, Adjusted EBITDAR, Net Cash, Debt Leverage Ratio, Net Debt Leverage Ratio, Adjusted Debt Leverage Ratio, Adjusted Net Debt Leverage Ratio, and Free Cash Flow. Details regarding the definitions of these non-U.S. GAAP measures may be found in the glossary of this presentation, which we encourage you to read in its entirety.

Management considers Adjusted EBITDA to be a key performance measure to assess our overall operating performance. Management further considers Adjusted EBITDAR to be a key performance measure to assess our overall operating performance, excluding the impact of variability in leasing methods and capital structures. Management considers Net Cash to be helpful in understanding the Company's liquidity. Management considers the Debt Leverage Ratio and Net Debt Leverage Ratio to be helpful in understanding the Company's ability to service Debt Obligations, excluding and including the impact of Total Cash available to service such obligations. Management considers Adjusted Debt Leverage Ratio and Adjusted Net Debt Leverage Ratio to be helpful in understanding the Company's ability to service debt and operating lease obligations, excluding and including the impact of Total Cash available to service such obligations. Management considers Free Cash Flow to be helpful for understanding the amount of cash flow the company can utilize to meet its financing needs.

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# WHO WE ARE

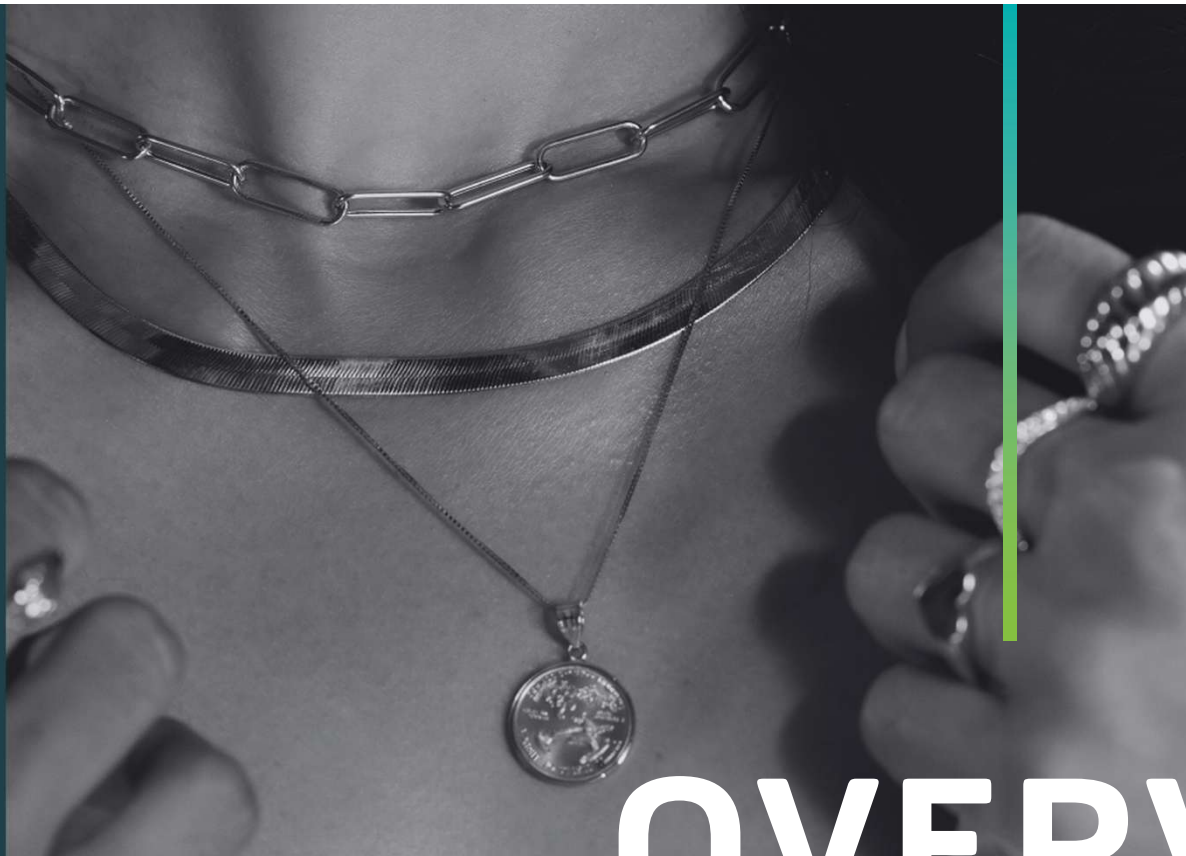
Envela is a leading recommerce and recycling services provider at the forefront of the circular economy.

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

## KEY COMPANY DATA

<b>NYSE American Ticker</b>	ELA
<b>52 Week Share Price Range</b>	\$4.42 - \$7.88 <sup>1,2</sup>
<b>Market Capitalization</b>	\$159.0 million <sup>3,4</sup>
<b>Share Count Outstanding</b>	25,975,038 <sup>3</sup>
<b>Headquarters</b>	Irving, TX

<sup>1</sup> Yahoo!finance  
<sup>2</sup> July 1, 2024 to June 30, 2025  
<sup>3</sup> As of the last day of trading: June 30, 2025  
<sup>4</sup> Share price as of June 30, 2025: \$6.12





# OVERVIEWS

# OVERVIEW

- + **Envela is a portfolio of leading brands** dedicated to *sustainability* and *value creation* for both buyers and sellers.
- + Envela's brands **operate in multiple recommerce and recycling verticals**, resulting in *diversification* of revenue streams.

## CONSUMER SEGMENT

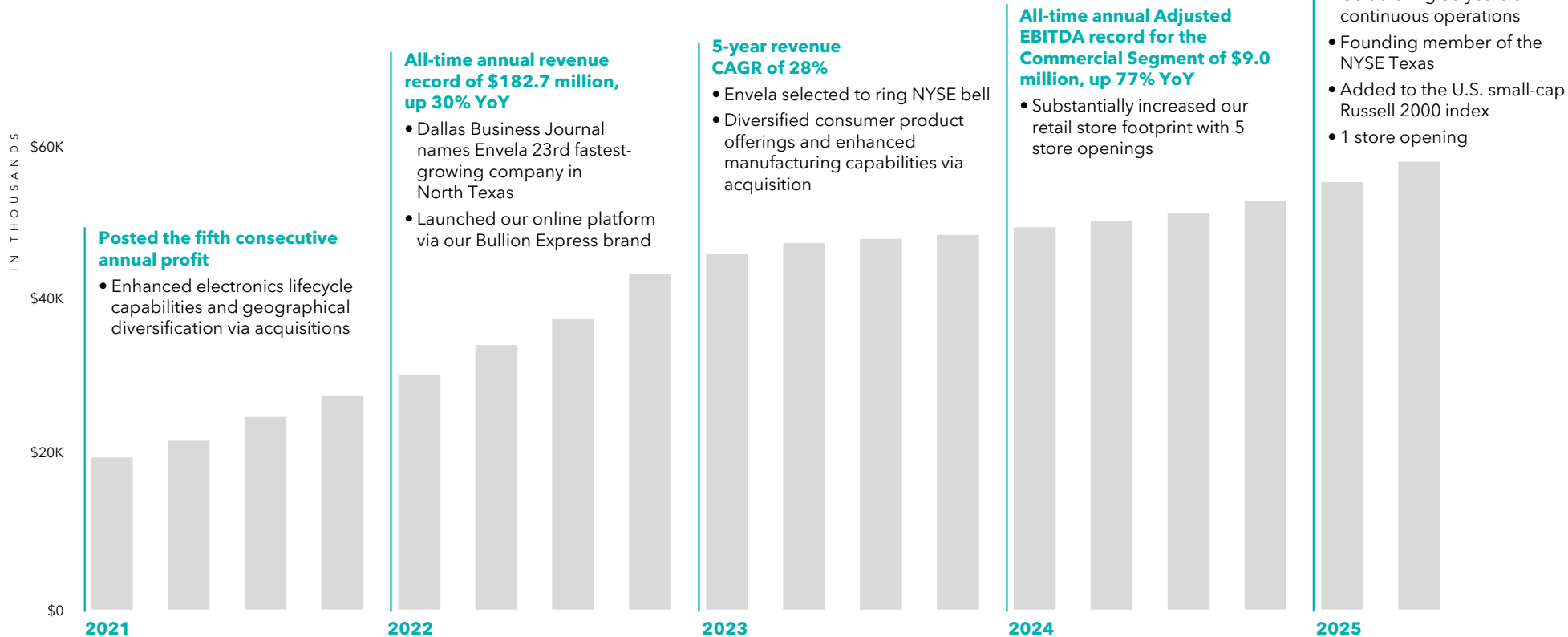
 Retail	 Wholesale	 Online	 Manufacturing
<ul style="list-style-type: none"> <li>• Bullion</li> <li>• Designer handbags</li> <li>• Fine jewelry</li> <li>• Numismatics &amp; collectibles</li> <li>• Repair services</li> <li>• Luxury watches</li> </ul>	<ul style="list-style-type: none"> <li>• Bullion</li> <li>• Diamonds &amp; gemstones</li> </ul>	<ul style="list-style-type: none"> <li>• Bullion</li> <li>• Numismatics &amp; collectibles</li> </ul>	Value manufacturing capabilities utilizing repurposed materials

## COMMERCIAL SEGMENT

 Recycling	 ITAD	 Trade-In	 Product Returns
<ul style="list-style-type: none"> <li>• Asset destruction</li> <li>• Electronics</li> <li>• Plastics</li> <li>• Sustainability consulting</li> </ul>	<ul style="list-style-type: none"> <li>• Asset recovery buy-back</li> <li>• Data center decommissioning</li> </ul>	Trade-in programs for retailers & global consumer electronics companies	Testing, inventorying & reselling services for retailers & global consumer electronics companies

# RECENT ACCOMPLISHMENTS & MILESTONES

**Proven track record** of profitability and growth.



## SHAREHOLDERS' EQUITY

Source: Company filings and data

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

Refer to the Appendices for reconciliations of non-U.S. GAAP measures to the most comparable U.S. GAAP measures

# CONSUMER SEGMENT

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## CONSUMER SEGMENT OVERVIEW

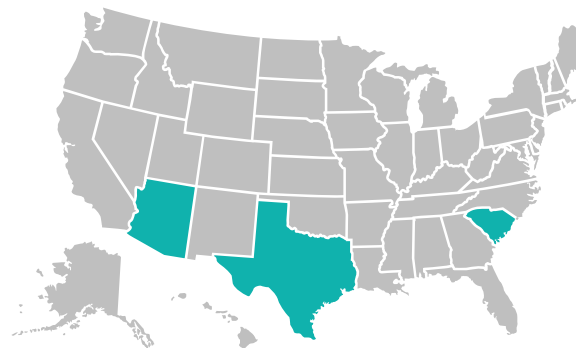
### What our consumer segment does:

Our consumer segment is a retail organization that operates several brands specializing in buying and selling pre-owned luxury hard assets.

### What sets us apart from other retail/online purveyors:

- Growing nationwide and online footprint.
- Transparent buying and selling process that creates consumer confidence in our brands, allowing for repeat customers.
- Industry-leading product and authentication experts accustomed to providing best-in-class service and value creation.
- Luxury retail store experience that offers a safe, secure, and discreet transaction experience.
- An inventory of the world's most iconic brands at accessible prices.

## FOOTPRINT



**Texas:** 9 stores

**Arizona:** 4 stores

**South Carolina:** 1 store

## BUSINESS PROCESS FLOW



**We primarily focus on asset groups with intrinsic value (e.g., precious metals), which allows for greater stability in margins, as much of our retail inventory can also be separated and sold into underlying commodity markets without heavy discounting.**

# COMMERCIAL SEGMENT

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## COMMERCIAL SEGMENT

## OVERVIEW

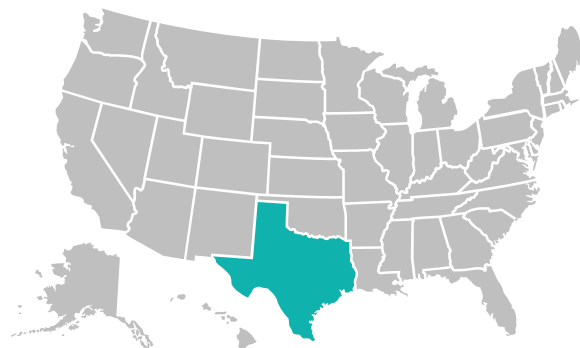
**What our commercial segment does:**

Our commercial segment operates in multiple verticals focused on the responsible disposition of end-of-life technology assets. We have significant and diverse business partnerships comprised of big-box retailers, global electronics manufacturers, and major corporations.

**What makes us a provider of choice?**

- Nationwide footprint with international capabilities via our partner network.
- Seamless end-to-end customer solutions where we are fully engaged from freight arrangement through final disposition.
- Tailored contracts geared toward maximizing the value of technology assets or commodities.
- Diverse service offerings, including secured physical destruction of assets, serialization and data-sanitization, remarketing, and consulting.
- Compliance-driven business that utilizes industry-leading software and processes to ensure assets and commodities are responsibly disposed.

## FOOTPRINT



**Texas:** 2 production facilities

## BUSINESS PROCESS FLOW



**We primarily focus on asset groups with lower processing intensity than those requiring significant refurbishment or complex downstream recoveries, allowing for an efficient production process with high inventory turns.**



# INVESTMENT HIGHLIGHTS

## COMMERCIAL SEGMENT

## INDUSTRY DYNAMICS

## GROWTH DRIVERS

- 64% of Gen Z and Millennials are influenced by sustainability when making purchases.<sup>1</sup>
- Consumer interest in access to luxury goods at discounted rates.
- Pre-owned luxury goods are no longer viewed as “used”; they are coveted for their authenticity, with some brands achieving alternative-investment status.
- Digital marketplaces offering transparency and seamless end-to-end experiences.
- Luxury retailers such as Neiman Marcus and Saks Fifth Avenue have entered the pre-owned space, bringing greater acceptance and awareness to the resale market.
- The global secondary watch market will top new sales by 2033 at \$85 Billion.<sup>2</sup>

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**Luxury resale market is growing 4 times faster than the primary luxury market.<sup>4</sup>**

<sup>1</sup> BCG X Altgamma<sup>2</sup> Bloomberg, January 2023<sup>3</sup> imarc<sup>4</sup> Luxe Digital, March 2023

**~\$8 BILLION**

Total U.S. resale market in 2024<sup>3</sup>

## COMMERCIAL SEGMENT

## INDUSTRY DYNAMICS

## GROWTH DRIVERS

- The proliferation of electronic devices in all aspects of society, along with a wider acceptance of secondary market technology.
- Recommerce-led sustainability is now a major strategic goal for businesses:
  - Offers waste diversion, enhanced compliance, and the opportunity to offset costs of disposing of end-of-life technology.
- Major brands & retailers increasingly recognize the significance of re-commerce as a means to offer branded technology at an affordable price point, along with appealing to environmentally conscious consumers.
- Increasing metals (e.g., aluminum, copper, silver) demand driven by energy storage, AI, electric vehicles, and sustainable manufacturing, further intensified by companies seeking responsibly sourced supply chains.
- Greater opportunities for sustainable gold, resulting from mine reserve depletion, declining ore grades, and a rise in resource nationalism.<sup>3</sup>

**The US e-waste market is projected to grow at a ~6.5% CAGR (2024-2029).<sup>1</sup>**

<sup>1</sup> Markets and Markets, November 2024

<sup>2</sup> Statista, 2025

<sup>3</sup> Mining.com, December, 2025



# REVENUE DIVERSIFICATION

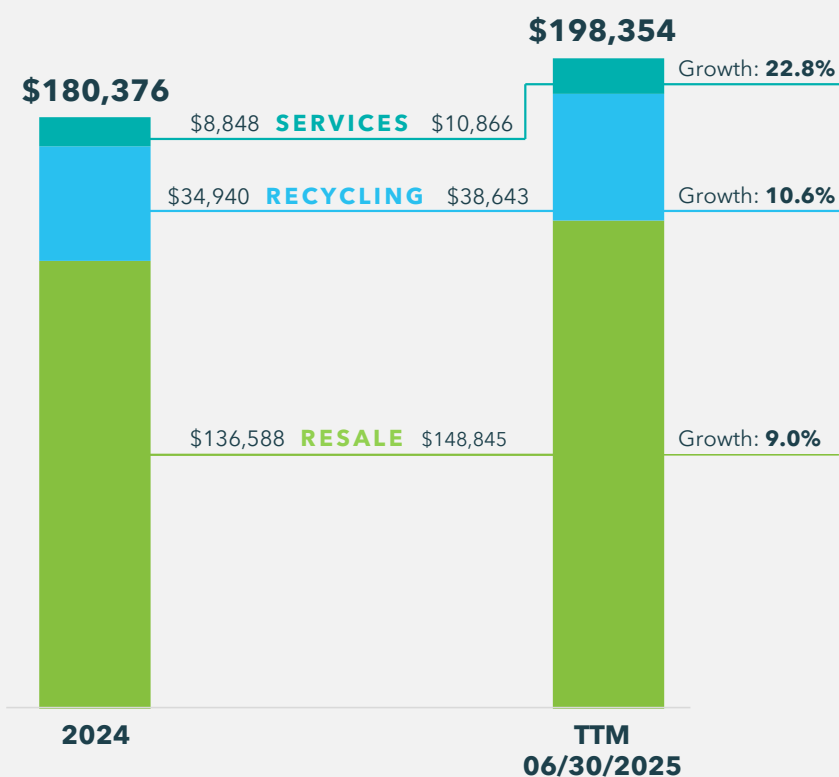
Envela's brand portfolio is economically diverse and offers exposure to recycled commodities (e.g., materials), luxury resale (e.g., consumer discretionary), and business and consumer services.

We are integral to our customers' environmental, and sustainability goals and reverse-supply-chain strategies.

**Envela's Consumer Segment** is underpinned by the unique value proposition of secondary market goods, which allows us to be competitive in fluctuating economic cycles.

**Envela's Commercial Segment** is underpinned by multi-year contracts with major retailers and global electronics companies, resulting in stable service revenue and flows of inbound technology and commodity feedstock.

## REVENUE BREAKOUT

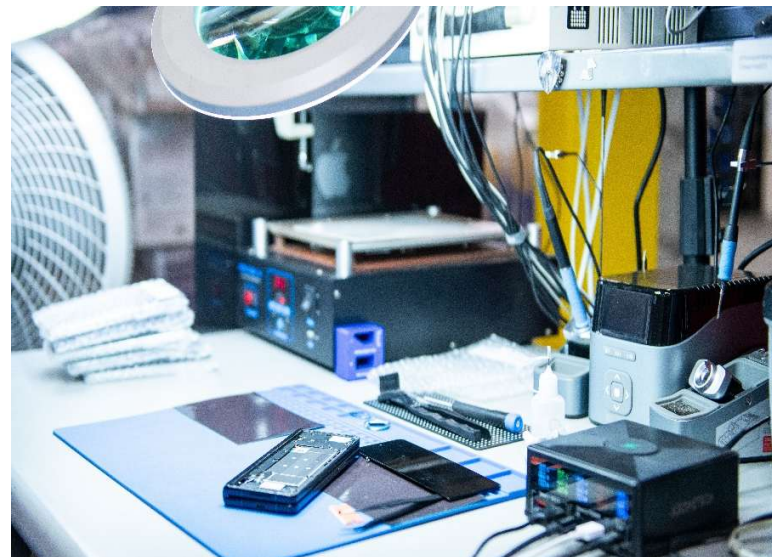


Source: Company filings and data  
Refer to the Glossary at the end of this presentation for definitions of key terms

# FIXED ASSET-LIGHT BUSINESS MODEL

Our business model is inherently light in fixed assets.

Our processes involve light processing and sorting for e-waste, data sanitizing, testing, and repackaging for technology assets, and authentication for luxury hard assets. Our property and equipment, net in absolute dollars and as a percent of total assets, is depicted below:



\$000s	DEC. 31, 2021		DEC. 31, 2022		DEC. 31, 2023		DEC. 31, 2024		JUN. 30, 2025	
Non-production assets, net	\$8,833	14.9%	\$8,358	11.7%	\$8,348	11.4%	\$12,287	15.8%	\$12,494	15.1%
Construction in progress	0	0.0%	0	0.0%	1,601	2.2%	136	0.2%	145	0.2%
Production assets, net	973	1.6%	1,036	1.5%	815	1.1%	1,091	1.4%	1,163	1.4%
<b>Property and equipment, net</b>	<b>9,806</b>	<b>16.5%</b>	<b>9,394</b>	<b>13.2%</b>	<b>10,764</b>	<b>14.7%</b>	<b>13,514</b>	<b>17.4%</b>	<b>13,802</b>	<b>16.7%</b>
Non-property and equipment, net	49,461	83.5%	61,883	86.8%	62,710	85.3%	64,356	82.6%	68,914	83.3%
<b>Total assets</b>	<b>\$59,267</b>	<b>100.0%</b>	<b>\$71,277</b>	<b>100.0%</b>	<b>\$73,474</b>	<b>100.0%</b>	<b>\$77,870</b>	<b>100.0%</b>	<b>\$82,716</b>	<b>100.0%</b>

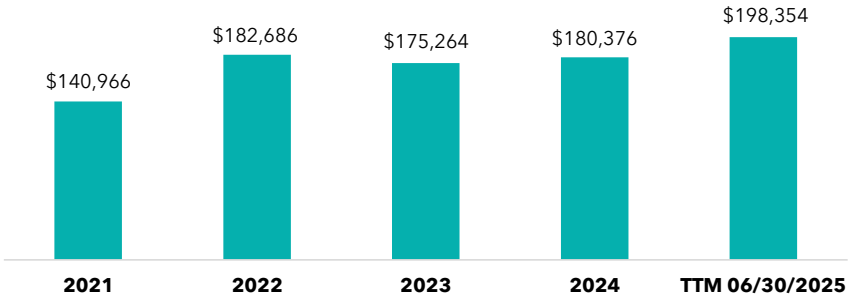
Source: Company filings and data

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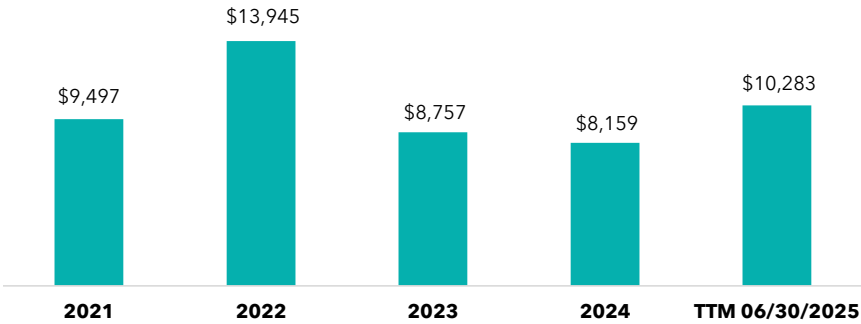
Due to rounding, formulas presented may not add up precisely to the totals provided

# OPERATING METRICS

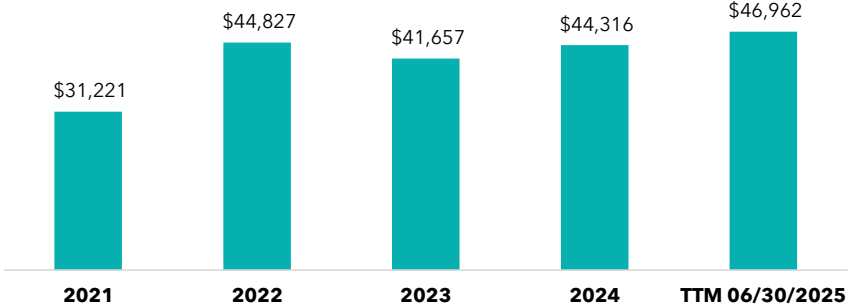
Consolidated Revenue (\$ in thousands)



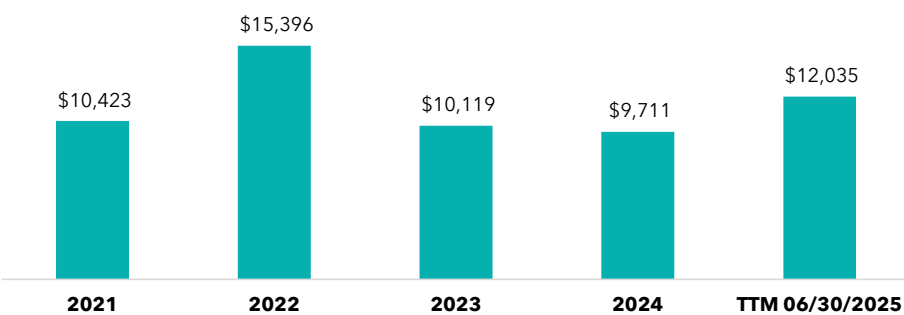
Consolidated Operating Income (\$ in thousands)



Consolidated Gross Margin (\$ in thousands)



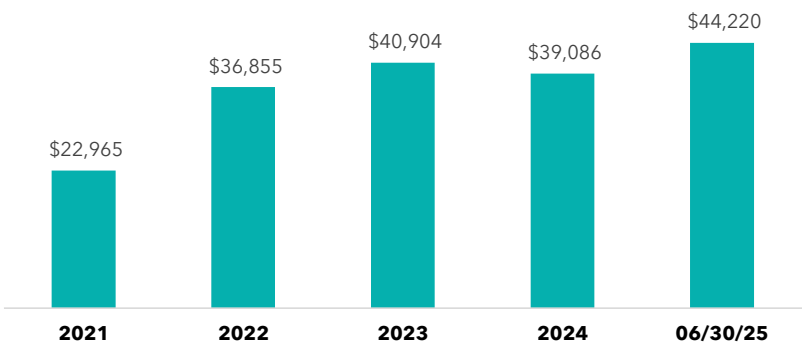
Consolidated Adjusted EBITDA (\$ in thousands)



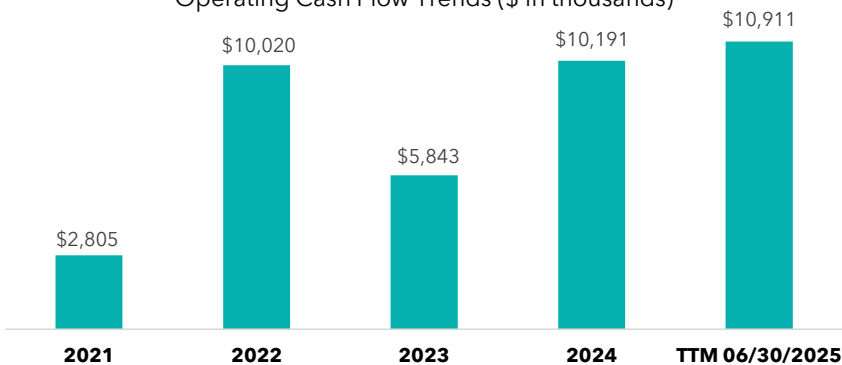
Source: Company filings and data  
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# BALANCE SHEET AND LIQUIDITY METRICS

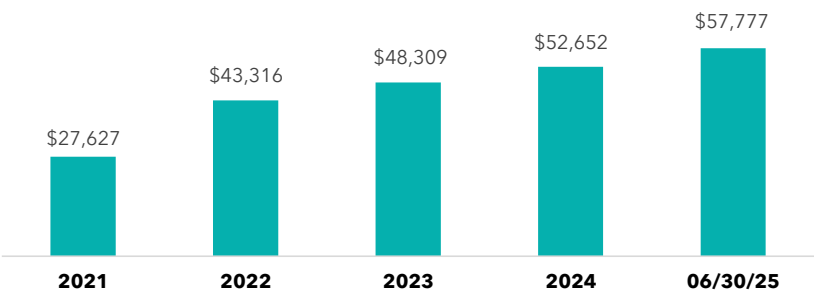
Consolidated New Working Capital (\$ in thousands)<sup>1</sup>



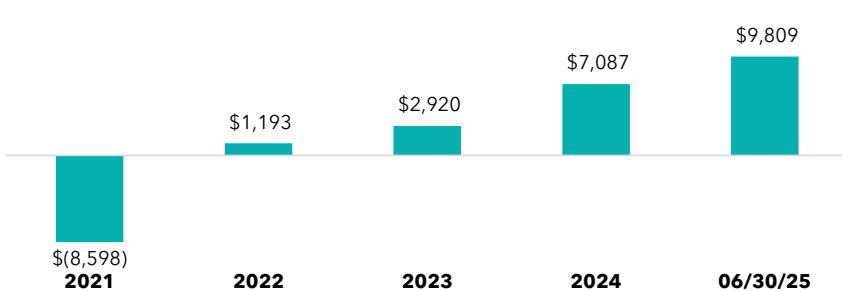
Operating Cash Flow Trends (\$ in thousands)



Shareholders' Equity (\$ in thousands)



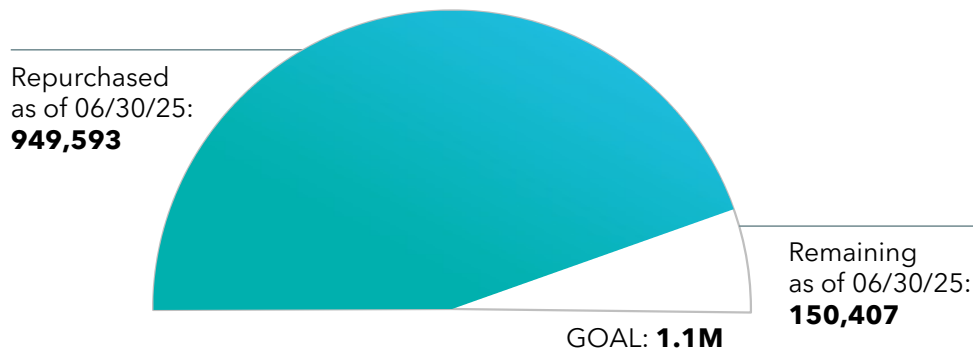
Net Cash (\$ in thousands)



<sup>1</sup>Historical data has been adjusted to reflect the Company's most recent current vs. noncurrent classifications  
 Source: Company filings and data  
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# SHARE REPURCHASES

The company has implemented a strategic buyback program, recognizing the inherent value of repurchasing stock when it is undervalued. This initiative reflects our ongoing commitment to maximizing shareholder value.



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

# ESGS PROFILE

ESGS is paramount to our overall business model, whether relating to a business seeking a responsible partner to manage asset disposition or a retail consumer seeking responsibly sourced luxury goods at an attractive price point.

We believe our ESGS strategy is critical to our profitability and maintaining strong relationships with our business partners.

## STATISTICS

	FY 2023	FY 2024	TTM 06/30/25
<b>Energy Supply and Resource Consumption</b>			
Electricity, natural gas, and water consumption as % of sales	0.3%	0.3%	0.3%
<b>Sustainability</b>			
<b>CONSUMER</b>			
Refining-grade scrap precious metals sold <sup>1</sup>	2.0	2.2	2.7
<b>COMMERCIAL</b>			
Electronic scrap containing base and precious metals sold <sup>1</sup>	12,862.4	12,837.7	11,847.0
Individual secondary electronics units sold	1,202,632	1,267,632	1,096,728
<b>Safety</b>			
TRIFR <sup>2</sup>	0.3	0.6	*
LTIFR <sup>2</sup>	-	0.3	*

<sup>1</sup> Metric tons

<sup>2</sup> Number of injuries per 200,000 hours worked

\* Statistic is only provided on an annual basis

Source: Company filings and data

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

## Environmental

We are focused on minimizing the environmental impact of our business partners through waste diversion and our inherently light production processes.

## Social

We aim to serve and strengthen the communities we operate in by repurposing dormant infrastructure, creating jobs, increasing tax base, and selling sustainable products. We believe diversity and inclusion foster a collaborative culture, allowing for differing perspectives, which fuels our ability to innovate as we work to create a more sustainable future.

## Governance

We believe that ethics and compliance allow us to be a business partner of choice as we are entrusted to substantiate value and authenticity in our consumer segment, while our commercial segment ensures technology assets are responsibly disposed of or reintroduced into the marketplace in accordance with our clients' protocols and applicable laws.

## Safety

We work to continuously improve all aspects of our safety performance. Our approach to safety is proactive, focusing on active leadership, engagement, risk and hazard identification, training, and ensuring that controls associated with operating equipment and material handling processes are adhered to.

# GROWth STRATEGY

	CONSUMER SEGMENT	COMMERCIAL SEGMENT
Geographic	Utilize market intelligence to identify optimal geographies for store placement.	Deliver freight-advantaged services to new and existing inbound customers, as well as new market expansion via acquisition and organic growth.
Revenue Diversification	Revenue diversification through geographic expansion, as well as continuing to focus on sales channels and inventory curation that results in optimal margins.	Revenue diversification through the continued development of service offerings for an array of product types.
Operational Efficiencies	Optimize the financial performance of our recently added stores through building brand awareness and ensuring a best-in-class buying and selling experience while maintaining a disciplined approach to managing overhead costs.	Optimize our capabilities through capital investment and critical evaluation of production processes and overhead costs.
Working Capital	Balance sheet discipline: high inventory turnover, strong cash position, and capital-deployment strategies that reduce financial impact in economic downturns.	

# KEY FINANCIAL STATISTICS

## Consolidated

\$000s	FY 2021	FY 2022	FY 2023	FY 2024	TTM 06/30/25
Sales	\$140,966	\$182,686	\$175,264	\$180,376	\$198,354
Gross margin	\$31,221	\$44,827	\$41,657	\$44,316	\$46,962
Operating income	\$9,497	\$13,945	\$8,757	\$8,159	\$10,283
Income before income taxes	\$10,162	\$14,380	\$9,021	\$8,749	\$11,027
Net income	\$10,049	\$15,689	\$7,147	\$6,757	\$8,531
Adjusted EBITDA	\$10,423	\$15,396	\$10,119	\$9,711	\$12,035
Adjusted EBITDAR	\$11,705	\$17,277	\$12,031	\$11,816	\$14,259

% Change					
Sales	23.7%	29.6%	-4.1%	2.9%	10.0%
Gross margin	35.3%	43.6%	-7.1%	6.4%	6.0%
Operating income	39.9%	46.8%	-37.2%	-6.8%	26.0%
Income before income taxes	57.0%	41.5%	-37.3%	-3.0%	26.0%
Net income	57.4%	56.1%	-54.4%	-5.5%	26.3%
Adjusted EBITDA	38.7%	47.7%	-34.3%	-4.0%	23.9%
Adjusted EBITDAR	46.9%	47.2%	-30.2%	-1.8%	20.7%

Margins					
Gross margin	22.1%	24.5%	23.8%	24.6%	23.7%
Operating income margin	6.7%	7.6%	5.0%	4.5%	5.2%
Pretax margin	7.2%	7.9%	5.1%	4.9%	5.6%
Net income margin	7.1%	8.6%	4.1%	3.7%	4.3%
Adjusted EBITDA margin	7.4%	8.4%	5.8%	5.4%	6.1%
Adjusted EBITDAR margin	8.3%	9.4%	6.9%	6.6%	7.2%

Source: Company filings and data

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Refer to the Appendices for reconciliations of non-U.S. GAAP measures to the most comparable U.S. GAAP measures

## Consumer Segment

\$000s	FY 2021	FY 2022	FY 2023	FY 2024	TTM 06/30/25
Sales	\$96,719	\$131,107	\$129,414	\$130,469	\$150,198
Gross margin	\$12,608	\$16,234	\$15,649	\$15,882	\$17,180
Operating income	\$4,590	\$7,061	\$4,682	\$145	\$911
Income before income taxes	\$5,216	\$6,879	\$4,574	\$21	\$940
Net income	\$5,171	\$8,305	\$3,647	\$16	\$818
Adjusted EBITDA	\$4,980	\$7,472	\$5,008	\$670	\$1,606
Adjusted EBITDAR	\$5,437	\$7,974	\$5,549	\$1,417	\$2,487

% Change					
Sales	12.9%	35.6%	-1.3%	0.8%	15.1%
Gross margin	21.6%	28.8%	-3.6%	1.5%	8.2%
Operating income	47.4%	53.8%	-33.7%	-96.9%	526.8%
Income before income taxes	72.7%	31.9%	-33.5%	-99.5%	4,343.4%
Net income	73.6%	60.6%	-56.1%	-99.6%	4,907.4%
Adjusted EBITDA	44.9%	50.0%	-33.0%	-86.6%	139.7%
Adjusted EBITDAR	39.9%	46.7%	-30.4%	-74.5%	75.5%

Margins					
Gross margin	13.0%	12.4%	12.1%	12.2%	11.4%
Operating income margin	4.7%	5.4%	3.6%	0.1%	0.6%
Pretax margin	5.4%	5.2%	3.5%	0.0%	0.6%
Net income margin	5.3%	6.3%	2.8%	0.0%	0.5%
Adjusted EBITDA margin	5.1%	5.7%	3.9%	0.5%	1.1%
Adjusted EBITDAR margin	5.6%	6.1%	4.3%	1.1%	1.7%

## Commercial Segment

\$000s	FY 2021	FY 2022	FY 2023	FY 2024	TTM 06/30/25
Sales	\$44,247	\$51,578	\$45,850	\$49,907	\$48,156
Gross margin	\$18,613	\$28,593	\$26,008	\$28,434	\$29,781
Operating income	\$4,907	\$6,883	\$4,074	\$8,013	\$9,372
Income before income taxes	\$4,946	\$7,501	\$4,447	\$8,728	\$10,087
Net income	\$4,878	\$7,384	\$3,501	\$6,741	\$7,713
Adjusted EBITDA	\$5,443	\$7,924	\$5,111	\$9,041	\$10,429
Adjusted EBITDAR	\$6,269	\$9,252	\$6,481	\$10,398	\$11,772

% Change					
Sales	56.6%	16.6%	-11.1%	8.8%	-3.5%
Gross margin	46.6%	53.6%	-9.0%	9.3%	4.7%
Operating income	33.6%	40.3%	-40.8%	96.7%	17.0%
Income before income taxes	43.2%	51.7%	-40.7%	96.2%	15.6%
Net income	43.3%	51.4%	-52.6%	92.6%	14.4%
Adjusted EBITDA	33.4%	45.6%	-35.5%	76.9%	15.4%
Adjusted EBITDAR	53.7%	47.6%	-29.9%	60.4%	13.2%

Margins					
Gross margin	42.1%	55.4%	56.7%	57.0%	61.8%
Operating income margin	11.1%	13.3%	8.9%	16.1%	19.5%
Pretax margin	11.2%	14.5%	9.7%	17.5%	20.9%
Net income margin	11.0%	14.3%	7.6%	13.5%	16.0%
Adjusted EBITDA margin	12.3%	15.4%	11.1%	18.1%	21.7%
Adjusted EBITDAR margin	14.2%	17.9%	14.1%	20.8%	24.4%



# APPENDICES

# HISTORICAL FINANCIAL RESULTS

## Consolidated

\$000s, except per unit amounts	FY 2021	FY 2022	FY 2023	FY 2024	TTM 06/30/25
Sales	140,966	182,686	175,264	180,376	198,354
Cost of goods sold	109,745	137,859	133,607	136,060	151,393
<b>Gross margin</b>	<b>\$31,221</b>	<b>\$44,827</b>	<b>\$41,657</b>	<b>\$44,316</b>	<b>\$46,962</b>
Expenses:					
Selling, general and administrative	20,798	29,431	31,538	34,605	34,926
Depreciation and amortization	926	1,452	1,362	1,552	1,752
<b>Total operating expenses</b>	<b>\$21,724</b>	<b>\$30,883</b>	<b>\$32,900</b>	<b>\$36,157</b>	<b>\$36,678</b>
<b>Operating income</b>	<b>\$9,497</b>	<b>\$13,945</b>	<b>\$8,757</b>	<b>\$8,159</b>	<b>\$10,283</b>
Other income (expense):					
Other income (expense)	1,369	919	728	1,038	1,174
Interest expense	(704)	(484)	(463)	(447)	(430)
<b>Income before income taxes</b>	<b>\$10,162</b>	<b>\$14,380</b>	<b>\$9,021</b>	<b>\$8,749</b>	<b>\$11,027</b>
Income tax expense	(113)	1,310	(1,874)	(1,992)	(2,496)
<b>Net income</b>	<b>\$10,049</b>	<b>\$15,689</b>	<b>\$7,147</b>	<b>\$6,757</b>	<b>\$8,531</b>
Basic earnings per share:					
Net income	0.37	0.58	0.27	0.26	*
Diluted earnings per share:					
Net income	0.37	0.58	0.27	0.26	*
Weighted average shares outstanding:					
Basic	26,925	26,925	26,823	26,181	*
Diluted	26,940	26,940	26,838	26,181	*
<b>Adjusted EBITDA reconciliation</b>					
Net income	10,049	15,689	7,147	6,757	8,531
Addition (deduction):					
Depreciation and amortization	926	1,452	1,362	1,552	1,752
Other income	(1,369)	(919)	(728)	(1,038)	(1,174)
Interest expense	704	484	463	447	430
Income tax expense	113	(1,310)	1,874	1,992	2,496
	<b>\$10,423</b>	<b>\$15,396</b>	<b>\$10,119</b>	<b>\$9,711</b>	<b>\$12,035</b>
<b>Adjusted EBITDAR reconciliation</b>					
Addition:					
Rent expense	1,282	1,830	1,912	2,105	2,223
	<b>\$11,705</b>	<b>\$17,227</b>	<b>\$12,031</b>	<b>\$11,816</b>	<b>\$14,259</b>

\* Data is only provided on an annual basis

Source: Company filings and data

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

Due to rounding, formulas presented may not add up precisely to the totals provided.

# HISTORICAL FINANCIAL RESULTS

## Consumer Segment

\$000s	FY 2021	FY 2022	FY 2023	FY 2024	TTM 06/30/25
Sales	96,719	131,107	129,414	130,469	150,198
Cost of goods sold	84,111	114,873	113,765	114,588	133,018
<b>Gross margin</b>	<b>\$12,608</b>	<b>\$16,234</b>	<b>\$15,649</b>	<b>\$15,882</b>	<b>\$17,180</b>
Expenses:					
Selling, general and administrative	7,628	8,762	10,641	15,212	15,574
Depreciation and amortization	390	411	325	525	695
<b>Total operating expenses</b>	<b>\$8,018</b>	<b>\$9,173</b>	<b>\$10,966</b>	<b>\$15,736</b>	<b>\$16,269</b>
<b>Operating income</b>	<b>\$4,590</b>	<b>\$7,061</b>	<b>\$4,682</b>	<b>\$145</b>	<b>\$911</b>
Other income (expense):					
Other income (expense)	914	62	84	105	246
Interest expense	(288)	(244)	(192)	(229)	(217)
<b>Income before income taxes</b>	<b>\$5,216</b>	<b>\$6,879</b>	<b>\$4,574</b>	<b>\$21</b>	<b>\$940</b>
Income tax expense	(45)	1,427	(927)	(5)	(122)
<b>Net income</b>	<b>\$5,171</b>	<b>\$8,305</b>	<b>\$3,647</b>	<b>\$16</b>	<b>\$818</b>
<b>Adjusted EBITDA reconciliation</b>					
Net Income	5,171	8,305	3,647	16	818
Addition (deduction):					
Depreciation and amortization	390	411	325	525	695
Other income	(914)	(62)	(84)	(105)	(246)
Interest expense	288	244	192	229	217
Income tax expense	45	(1,427)	927	5	122
	<b>\$4,980</b>	<b>\$7,472</b>	<b>\$5,008</b>	<b>\$670</b>	<b>\$1,606</b>
<b>Adjusted EBITDAR reconciliation</b>					
Addition:					
Rent expense	457	502	541	747	881
	<b>\$5,437</b>	<b>\$7,974</b>	<b>\$5,549</b>	<b>\$1,417</b>	<b>\$2,487</b>

## Commercial Segment

\$000s	FY 2021	FY 2022	FY 2023	FY 2024	TTM 06/30/25
Sales	44,247	51,578	45,850	49,907	48,156
Cost of goods sold	25,634	22,986	19,842	21,473	18,375
<b>Gross margin</b>	<b>\$18,613</b>	<b>\$28,593</b>	<b>\$26,008</b>	<b>\$28,434</b>	<b>\$29,781</b>
Expenses:					
Selling, general and administrative	13,170	20,668	20,897	19,393	19,352
Depreciation and amortization	536	1,041	1,037	1,027	1,057
<b>Total operating expenses</b>	<b>\$13,706</b>	<b>\$21,709</b>	<b>\$21,934</b>	<b>\$20,420</b>	<b>\$20,409</b>
<b>Operating income</b>	<b>\$4,907</b>	<b>\$6,883</b>	<b>\$4,074</b>	<b>\$8,013</b>	<b>\$9,372</b>
Other income (expense):					
Other income (expense)	455	857	644	933	928
Interest expense	(416)	(239)	(271)	(219)	(213)
<b>Income before income taxes</b>	<b>\$4,946</b>	<b>\$7,501</b>	<b>\$4,447</b>	<b>\$8,728</b>	<b>\$10,087</b>
Income tax expense	(68)	(117)	(947)	(1,987)	(2,374)
<b>Net income</b>	<b>\$4,878</b>	<b>\$7,384</b>	<b>\$3,501</b>	<b>\$6,741</b>	<b>\$7,713</b>
<b>Adjusted EBITDA reconciliation</b>					
Net Income	4,878	7,384	3,501	6,741	7,713
Addition (deduction):					
Depreciation and amortization	536	1,041	1,037	1,027	1,057
Other income	(455)	(857)	(644)	(933)	(928)
Interest expense	416	239	271	219	213
Income tax expense	68	117	947	1,987	2,374
	<b>\$5,443</b>	<b>\$7,924</b>	<b>\$5,111</b>	<b>\$9,041</b>	<b>\$10,429</b>
<b>Adjusted EBITDAR reconciliation</b>					
Addition:					
Rent expense	825	1,328	1,370	1,358	1,343
	<b>\$6,259</b>	<b>\$9,252</b>	<b>\$6,481</b>	<b>\$10,398</b>	<b>\$11,772</b>

Source: Company filings and data  
Refer to the Glossary at the end of this presentation for definitions of key terms  
Due to rounding, formulas presented may not add up precisely to the totals provided

# SUPPLEMENTAL FINANCIAL METRICS

## Consolidated

\$000s	QTR. 3 FY 2024	QTR. 4 FY 2024	QTR. 1 FY 2025	QTR. 2 FY 2025	TTM 06/30/25
<b>Adjusted EBITDA reconciliation</b>					
Net Income	\$1,685	\$1,600	\$2,493	\$2,752	\$8,531
Addition (deduction):					
Depreciation and amortization	415	431	445	460	1,752
Other income	(340)	(233)	(206)	(394)	(1,174)
Interest expense	106	111	106	106	430
Income tax expense	570	411	724	791	2,496
	<b>\$2,435</b>	<b>\$2,320</b>	<b>\$3,564</b>	<b>\$3,716</b>	<b>\$12,035</b>
<b>Adjusted EBITDAR reconciliation</b>					
Addition:					
Rent Expense	540	580	559	544	2,223
	<b>\$2,975</b>	<b>\$2,901</b>	<b>\$4,123</b>	<b>\$4,260</b>	<b>\$14,259</b>
<b>Free Cash Flow</b>					
Operating Cash Flow	\$3,448	\$3,741	\$1,131	\$2,592	\$10,911
Capital Expenditures	(1,996)	(501)	(385)	(497)	(3,379)
	<b>\$1,452</b>	<b>\$3,240</b>	<b>\$746</b>	<b>\$2,094</b>	<b>\$7,532</b>
					<b>TTM</b>
	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>06/30/25</b>
<b>Free Cash Flow</b>					
Operating Cash Flow	\$2,805	\$10,020	\$5,843	\$10,191	\$10,911
Capital Expenditures	(3,139)	(273)	(2,238)	(3,758)	(3,379)
	<b>\$(334)</b>	<b>\$9,747</b>	<b>\$3,605</b>	<b>\$6,432</b>	<b>\$7,532</b>

\$000s	12/31/21	12/31/22	12/31/23	12/31/24	06/30/25
<b>Debt</b>					
Debt Obligations	\$18,736	\$15,977	\$14,933	\$13,522	\$13,043
Total Cash	(10,138)	(17,170)	(17,854)	(20,609)	(22,852)
<b>Net Debt Obligations</b>	<b>\$8,598</b>	<b>\$(1,193)</b>	<b>\$(2,290)</b>	<b>\$(7,087)</b>	<b>\$(9,809)</b>
Debt Obligations	\$18,736	\$15,977	\$14,933	\$13,522	\$13,043
Operating Lease Liabilities	7,447	6,055	4,368	4,848	4,729
<b>Adjusted Debt Obligations</b>	<b>\$26,183</b>	<b>\$22,033</b>	<b>\$19,302</b>	<b>\$18,370</b>	<b>\$17,772</b>
Adjusted Debt Obligations	\$26,183	\$22,033	\$19,302	\$18,370	\$17,772
Total Cash	(10,138)	(17,170)	(17,854)	(20,609)	(22,852)
<b>Adjusted Net Debt Obligations</b>	<b>\$16,045</b>	<b>\$4,863</b>	<b>\$1,448</b>	<b>\$(2,239)</b>	<b>\$(5,080)</b>
					<b>TTM</b>
	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>06/30/2025</b>
<b>Ratios</b>					
Debt Obligations	\$18,736	\$15,977	\$14,933	\$13,522	\$13,043
Net Income	10,049	15,689	7,147	6,757	8,531
<b>Debt to Net Income Leverage</b>	<b>1.86x</b>	<b>1.02x</b>	<b>2.09x</b>	<b>2.00x</b>	<b>1.53x</b>
Debt Obligations	\$18,736	\$15,977	\$14,933	\$13,522	\$13,043
Adjusted EBITDA	10,423	15,396	10,119	9,711	12,035
<b>Debt Leverage</b>	<b>1.80x</b>	<b>1.04x</b>	<b>1.48x</b>	<b>1.39x</b>	<b>1.08x</b>
Net Debt Obligations	\$8,598	\$(1,193)	\$(2,920)	\$(7,087)	\$(9,809)
Adjusted EBITDA	10,423	15,396	10,119	9,711	12,035
<b>Net Debt Leverage</b>	<b>0.82x</b>	<b>-0.08x</b>	<b>-0.29x</b>	<b>-0.73x</b>	<b>-0.81x</b>
Adjusted Debt Obligations	\$26,183	\$22,033	\$19,302	\$18,370	\$17,772
Adjusted EBITDAR	11,705	17,227	12,031	11,816	14,259
<b>Adjusted Debt Leverage</b>	<b>2.24x</b>	<b>1.28x</b>	<b>1.60x</b>	<b>1.55x</b>	<b>1.25x</b>
Adjusted Net Debt Obligations	\$16,045	\$4,863	\$1,448	\$(2,239)	\$(5,080)
Adjusted EBITDAR	11,705	17,227	12,031	11,816	14,259
<b>Adjusted Net Debt Leverage</b>	<b>1.37x</b>	<b>0.28x</b>	<b>0.12x</b>	<b>-0.19x</b>	<b>-0.36x</b>

Source: Company filings and data  
Refer to the Glossary at the end of this presentation for definitions of key terms  
Due to rounding, formulas presented may not add up precisely to the totals provided

## GLOSSARY

### ADJUSTED DEBT LEVERAGE RATIO

The Adjusted Debt Leverage Ratio is a non-U.S. GAAP measure and represents (i) Adjusted Debt Obligations divided by (ii) Adjusted EBITDAR.

### ADJUSTED DEBT OBLIGATIONS

Adjusted Debt Obligations represents (i) Debt Obligations plus (ii) operating lease liabilities per the Balance Sheet.

### ADJUSTED EBITDA

Adjusted EBITDA is a non-U.S. GAAP measure and equals net income plus (i) depreciation and amortization expense, (ii) interest expense, (iii) income tax expense, less (iv) other income.

### ADJUSTED EBITDAR

Adjusted EBITDAR is a non-U.S. GAAP measure and equals Adjusted EBITDA plus minimum fixed rent expense for properties occupied under operating leases.

### ADJUSTED NET DEBT LEVERAGE RATIO

The Adjusted Net Debt Leverage Ratio is a non-U.S. GAAP measure and represents (i) Adjusted Net Debt Obligations divided by (ii) Adjusted EBITDAR.

### ADJUSTED NET DEBT OBLIGATIONS

Adjusted Net Debt Obligations is a non-U.S. GAAP measure and represents the difference between (i) Adjusted Debt Obligations per the Balance Sheet and (ii) Total Cash.

### CAGR

Compound Average Growth Rate represents the average annual growth rate over a period of time.

### CAPITAL EXPENDITURES

Capital Expenditures represent the purchase of (i) property and equipment, and (ii) intangible assets.

### COMPANY

Envela Corporation, a Nevada corporation, and its subsidiaries

### DEBT TO NET INCOME LEVERAGE RATIO

The Debt to Net Income Leverage Ratio represents the leverage ratio of the Company utilizing the following U.S. GAAP measures: (i) Debt Obligations divided by (ii) Net Income.

### DEBT LEVERAGE RATIO

The Debt Leverage Ratio is a non-U.S. GAAP measure and represents (i) Debt Obligations divided by (ii) Adjusted EBITDA.

### DEBT OBLIGATIONS

Debt Obligations represents amounts outstanding under notes payable balances per the Balance Sheet.

### EDGAR

SEC Electronic Data Gathering, Analysis, and Retrieval System

### ENVELA

Envela Corporation, a Nevada corporation, and its subsidiaries

### FY

Fiscal Year

### FREE CASH FLOW

Free Cash Flow is a non-U.S. GAAP measure and represents the difference between the Company's (i) Operating Cash Flow and (ii) Capital Expenditures.

### GROSS MARGIN

Gross Margin is the amount of (i) revenue less (ii) cost of goods sold, as a percent of total revenue.

### LTIFR

Lost Time Injury Frequency Rate (i)  $([\text{Number of Lost Time Injuries in the Reporting Period}] \times 200,000) / (\text{ii}) (\text{Total Hours Worked in the Reporting Period})$

### MARKET CAPITALIZATION

Market Capitalization equals (i) price per share x (ii) shares outstanding as of the end of the reporting period.

# GLOSSARY

## MD&A

Management Discussion and Analysis

## METRIC TON

1 Metric Ton equals 2,204.62 pounds

## NET CASH

Net Cash is a non-U.S. GAAP measure and represents the difference between (i) Total Cash and (ii) Debt Obligations per the Balance Sheet.

## NET DEBT OBLIGATIONS

Net Debt Obligations is a non-U.S. GAAP measure and represents the difference between (i) Debt Obligations per the Balance Sheet and (ii) Total Cash.

## NET DEBT LEVERAGE RATIO

The Net Debt Leverage Ratio is a non-U.S. GAAP measure that represents (i) Net Debt Obligations divided by (ii) Adjusted EBITDA.

## NET WORKING CAPITAL

Net Working Capital is a non-U.S. GAAP measure and equals the difference between (i) total current assets and (ii) total current liabilities per the Balance Sheet.

## OPERATING CASH FLOW

Operating Cash Flow measures the amount of cash generated from normal business operations during a specific period and is referred to as net cash provided by operations in the Statement of Cash Flows.

## OPERATING EXPENSE

Operating Expense is the amount of expense that is incurred from performing core operations. Operating expense represents (i) selling, general and administrative expense, and (ii) depreciation and amortization expense.

## OPERATING INCOME

Operating Income is the amount of income that is generated from core operations. Operating income represents sales, less (i) cost of goods sold, (ii) selling, general and administrative expense, and (iii) depreciation and amortization expense.

## PRESENTATION OF TOTAL ASSETS

The presentation of Total Assets on slide 16 is a non-U.S. GAAP presentation of Balance Sheet categories and is defined as (i) non-production assets, net: land, building and improvements, leasehold improvements, vehicles, (ii) construction in progress, (iii) production assets, net: machinery and equipment, and (iv) all other assets not categorized. All property and equipment balances, excluding land and construction in progress, are net of accumulated depreciation.

## RENT EXPENSE

Minimum fixed rent expense for properties occupied under operating leases.

## REVENUE

Revenue is total sales derived from the income statement.

## SEC

Securities and Exchange Commission

## SOW

Scope of Work

## TOTAL CASH

Total Cash represents cash and cash equivalents per the Balance Sheet.

## TRIFR

Total Recordable Injury Frequency Rate (i)  $\left( \frac{\text{Total Recordable Injuries in the Reporting Period}}{\text{Total Hours Worked in the Reporting Period}} \right) \times 200,000$  / (ii) (Total Hours Worked in the Reporting Period)

## TTM 06/30/2025

Represents the trailing 12-month period ending June 30, 2025.

## U.S.

United States

## U.S. GAAP

U.S. Generally Accepted Accounting Principles

## \$

U.S. Dollar

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THANK YOU

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