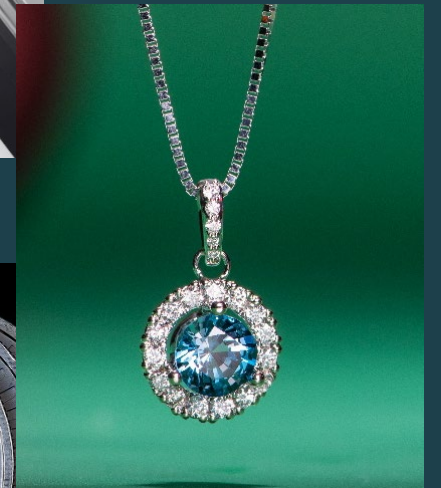


# 2026 INVESTOR PRESENTATION

MARCH 2026

**ENVELA**  
CORPORATION





# INDEX

## INTRODUCTION

Disclaimers and References	<b>3</b>
Key Company Data	<b>4</b>

## OVERVIEWS

Envela	<b>6</b>
Consumer Segment	<b>9</b>
Commercial Segment	<b>11</b>

## INVESTMENT HIGHLIGHTS

Industry Dynamics	<b>13</b>
Base and Precious Metals Demand	<b>15</b>
Revenue Diversification	<b>16</b>
Fixed Asset-Light Business Model	<b>17</b>
Operating Metrics	<b>18</b>
Balance Sheet and Liquidity Metrics	<b>19</b>
Share Repurchases	<b>20</b>
ESGS Profile	<b>21</b>
Growth Strategy	<b>22</b>
Key Financial Statistics	<b>23</b>

## APPENDICES

Historical Financial Results	<b>25</b>
Supplemental Financial Metrics	<b>27</b>
Glossary	<b>29</b>
Analyst Coverage	<b>31</b>
Contact Us	<b>32</b>

# DISCLAIMERS AND REFERENCES

## ADDITIONAL REFERENCE MATERIALS

This presentation should be read in conjunction with materials from Envela Corporation (“Envela” or the “Company”), including news releases, website content, and Securities and Exchange Commission (“SEC”) filings, including our most recent annual and quarterly financial statements and related management discussion and analysis (“MD&A”) (collectively “Disclosure Documents”), for full details of the information referenced throughout this presentation. These documents are available on the Company’s website at [www.envela.com](http://www.envela.com) or as applicable on the SEC’s Electronic Data Gathering, Analysis, and Retrieval System (“EDGAR”) at [www.sec.gov](http://www.sec.gov).

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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 under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can generally be identified by the use of forward-looking terminology, such as “may,” “will,” “should,” “could,” “can,” “would,” “believe,” “anticipate,” “project,” “plan,” “expect,” “estimate,” “goal,” “seek,” “ensure,” “potential,” “opportunity,” “intend,” “predict,” “committed,” “likely,” “continue,” “strive,” “aim,” “scheduled,” “focused on,” “long-term,” “future,” “over time,” “ongoing,” “uncertain,” “moving forward,” “subject to,” or similar words. 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 SEC. 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.

## THIRD-PARTY NAMES AND TRADEMARKS

All third-party product and company names are trademarks or registered trademarks of the respective third-party holders. Our use of such trademarks in our presentation does not imply an endorsement by or affiliation with such third parties.

## CURRENCY

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 to Adjusted EBITDA Leverage Ratio, Net Debt to Adjusted EBITDA Leverage Ratio, Adjusted Debt to Adjusted EBITDAR Leverage Ratio, Adjusted Net Debt to Adjusted EBITDAR 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 to Adjusted EBITDA Leverage Ratio and Net Debt to Adjusted EBITDA 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 to Adjusted EBITDAR Leverage Ratio and Adjusted Net Debt to Adjusted EBITDAR 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.

## KEY PERFORMANCE MEASURES

In addition to non-U.S. GAAP financial measures, management utilizes certain performance metrics to assess its operations. A key performance metric that is calculated consistently across our reportable segments is the Inventory Turnover Ratio. As a purveyor of recommerce assets and recycling-grade base and precious metals, our ability to acquire inventory with appropriate margin, turn over our inventory, and redeploy sale proceeds is critical to our success. Appropriate inventory turns also reduce our exposure to changing consumer preferences and commodity market volatility.

## DISCLAIMER

Information provided in this presentation is summarized and may not contain all available material information. Accordingly, readers are cautioned to review the Company’s disclosures in full. The Company expressly disclaims any responsibility for readers’ reliance on this presentation. This presentation is the property of the Company.

This presentation is not intended to constitute legal, tax, regulatory, financial accounting, or other advice. Readers of this presentation should seek advice from their independent tax advisor, legal counsel, and/or other advisor on such matters.



# WHO WE ARE

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

## KEY COMPANY DATA

<b>NYSE Ticker</b>	ELA <sup>1</sup>
<b>52 Week Share Price Range</b>	\$5.29 - \$14.57 <sup>2,3</sup>
<b>Market Capitalization</b>	\$347.4 million <sup>4,5</sup>
<b>Share Count Outstanding</b>	25,963,476 <sup>4</sup>
<b>Headquarters</b>	Irving, TX

<sup>1</sup> NYSE Registered Exchange(s): American and Texas  
<sup>2</sup> Yahoo!finance  
<sup>3</sup> January 1, 2025 to December 31, 2025  
<sup>4</sup> As of the last day of trading: December 31, 2025  
<sup>5</sup> Share price as of December 31, 2025: \$13.38



# 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

- Bullion
- Designer handbags
- Fine jewelry
- Numismatics & collectibles
- Repair services
- Luxury watches



### Wholesale

- Bullion
- Scrap jewelry
- Diamonds & gemstones



### Online

- Bullion
- Numismatics & collectibles



### Manufacturing

- Value manufacturing capabilities utilizing repurposed materials

## COMMERCIAL SEGMENT



### Recycling

- Asset destruction
- Electronics
- Plastics
- Sustainability consulting



### ITAD

- Asset recovery buy-back
- Data center decommissioning



### Trade-In

- Trade-in programs for retailers & global consumer electronics companies



### Product Returns

- 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

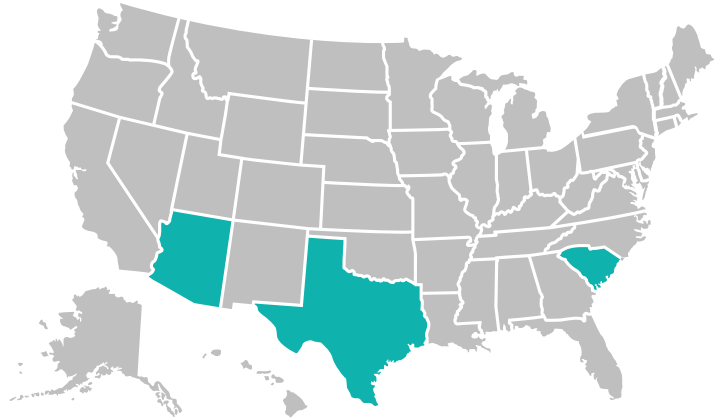
**What our consumer segment does:**

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

**What sets us apart from other retail and 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

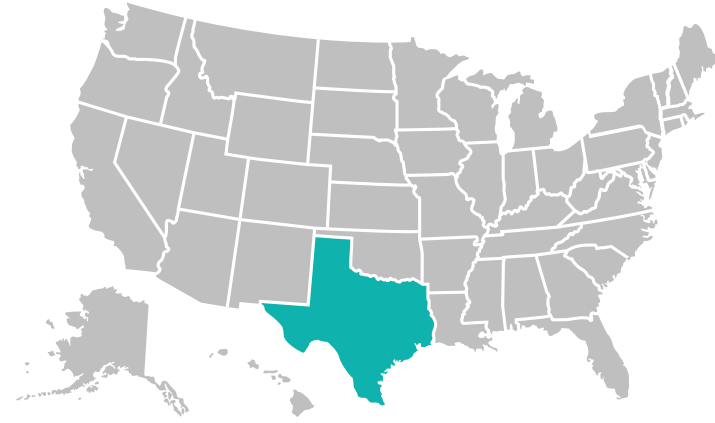
### What our commercial segment does:

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?

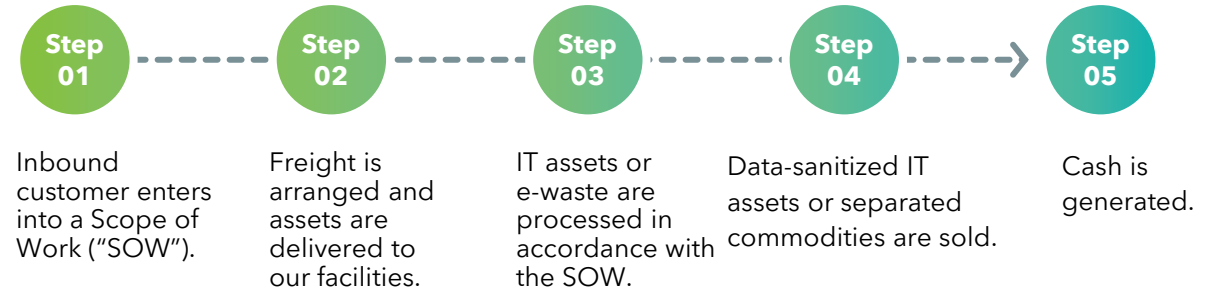
- Nationwide footprint with international capabilities via our partner network.
- Seamless end-to-end customer solutions where we are fully engaged from freight arrangement through final disposition.
- Tailored contracts geared toward maximizing the value of technology assets or commodities.
- Diverse 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.
- Certified to R2v3, ISO 9001, ISO 14001, and ISO 45001 standards.
- Supports client ESG objectives and ensures compliance with HIPAA, GDPR, and NIST 800-88.

## 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

CONSUMER SEGMENT

# INDUSTRY DYNAMICS

## SECONDARY MARKET LUXURY GOODS GROWTH DRIVERS

- Gen Z and millennials are influenced by sustainability when making purchases.<sup>1</sup>
- Luxury resale market is growing 4 times faster than the primary luxury market.<sup>2</sup>
- Pre-owned luxury goods are no longer viewed as “used”; they are coveted for their authenticity, with some brands achieving alternative-investment status.
- Advancements in technology-based authentication ensure integrity in the marketplace.
- 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 U.S. resale market is projected to grow at a ~7.2% CAGR (2026-2034).<sup>3</sup>**

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



**~\$8.7 BILLION**

Total U.S. resale market in 2025<sup>3</sup>

COMMERCIAL SEGMENT

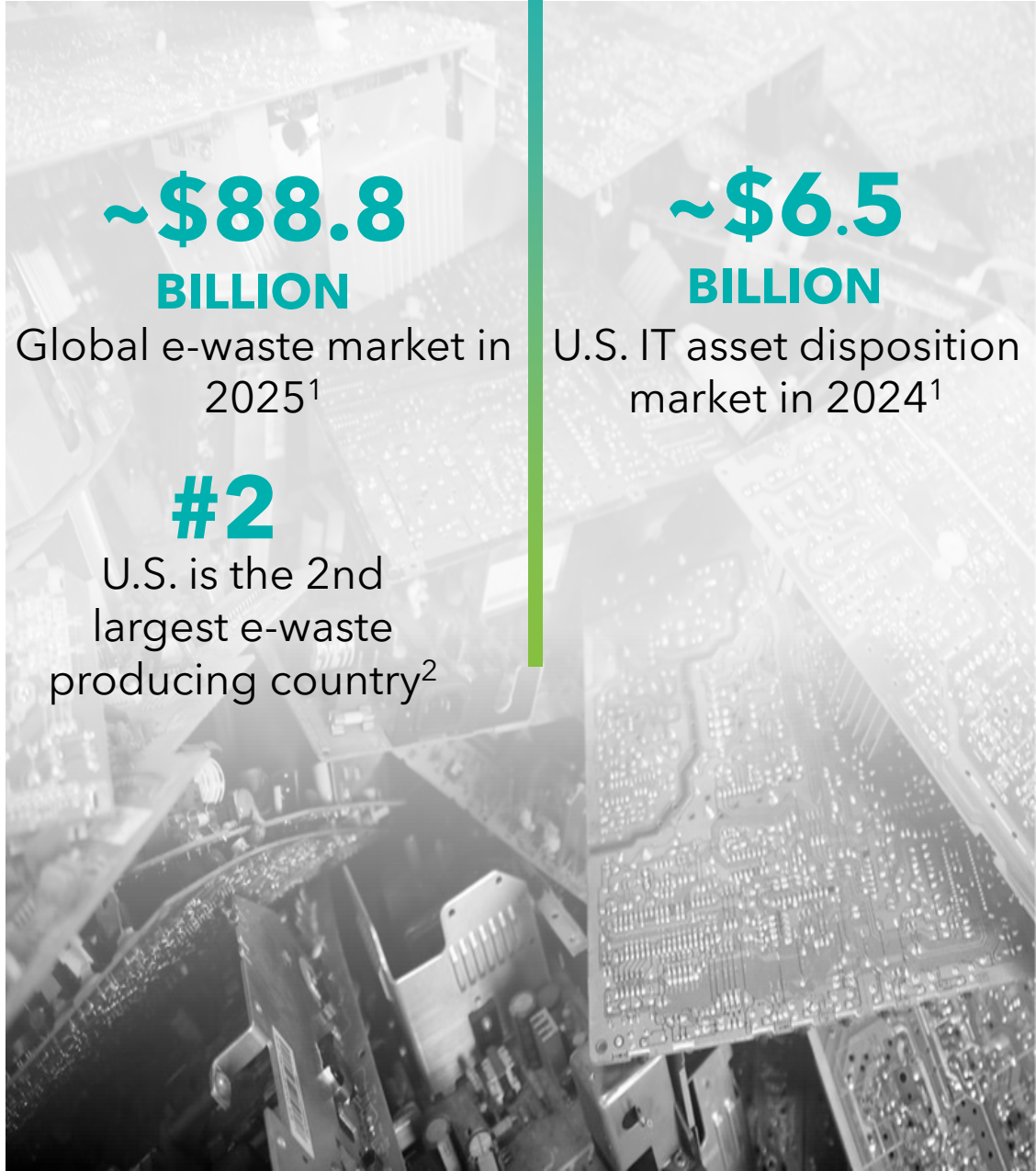
# INDUSTRY DYNAMICS

## SECONDARY MARKET TECHNOLOGY AND E-WASTE 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.
- Strong market dynamics for our primary base and precious metals-laden inventories.

**The U.S. IT asset disposition market is projected to grow at a ~7.5% CAGR (2026-2034).<sup>1</sup>**

**The global e-waste market is projected to grow at a ~10.6% CAGR (2026-2034).<sup>1</sup>**



**~\$88.8  
BILLION**

Global e-waste market in 2025<sup>1</sup>

**~\$6.5  
BILLION**

U.S. IT asset disposition market in 2024<sup>1</sup>

**#2**

U.S. is the 2nd largest e-waste producing country<sup>2</sup>

<sup>1</sup> imarc  
<sup>2</sup> Statista, 2025

# BASE AND PRECIOUS METALS DEMAND

Envela’s business verticals provide low capital intensity and sustainable (e.g., non-extractive) exposure to “in-demand” base and precious metals.



## Gold

## Silver

## Aluminum

## Copper

**VERTICAL**

- Bullion
- Scrap Jewelry
- Electronic Waste

- Bullion
- Scrap Jewelry
- Electronic Waste

- Electronic Waste

- Electronic Waste

**USGS CRITICAL MINERALS LISTING<sup>1</sup>**

- Not included

- Included

- Included

- Included

**MARKET DEMAND**

- Demand for global gold-backed ETFs, along with uncertain global trade policy, geopolitical turbulence, and the rising gold price, has fueled inflows.<sup>2</sup>
- Bar and coin investors, attracted by the rising price and gold’s safe-haven attributes.<sup>2</sup>
- Central banks adding to gold reserves.<sup>2</sup>

- Battery energy storage, AI-driven data centers and technology, electric vehicles, and sustainable manufacturing.

<sup>1</sup> United States Geological Survey’s 2025 List of Critical Minerals  
<sup>2</sup> World Gold Council: Gold Demand Trends: Q2 2025, July 31, 2025

# REVENUE DIVERSIFICATION

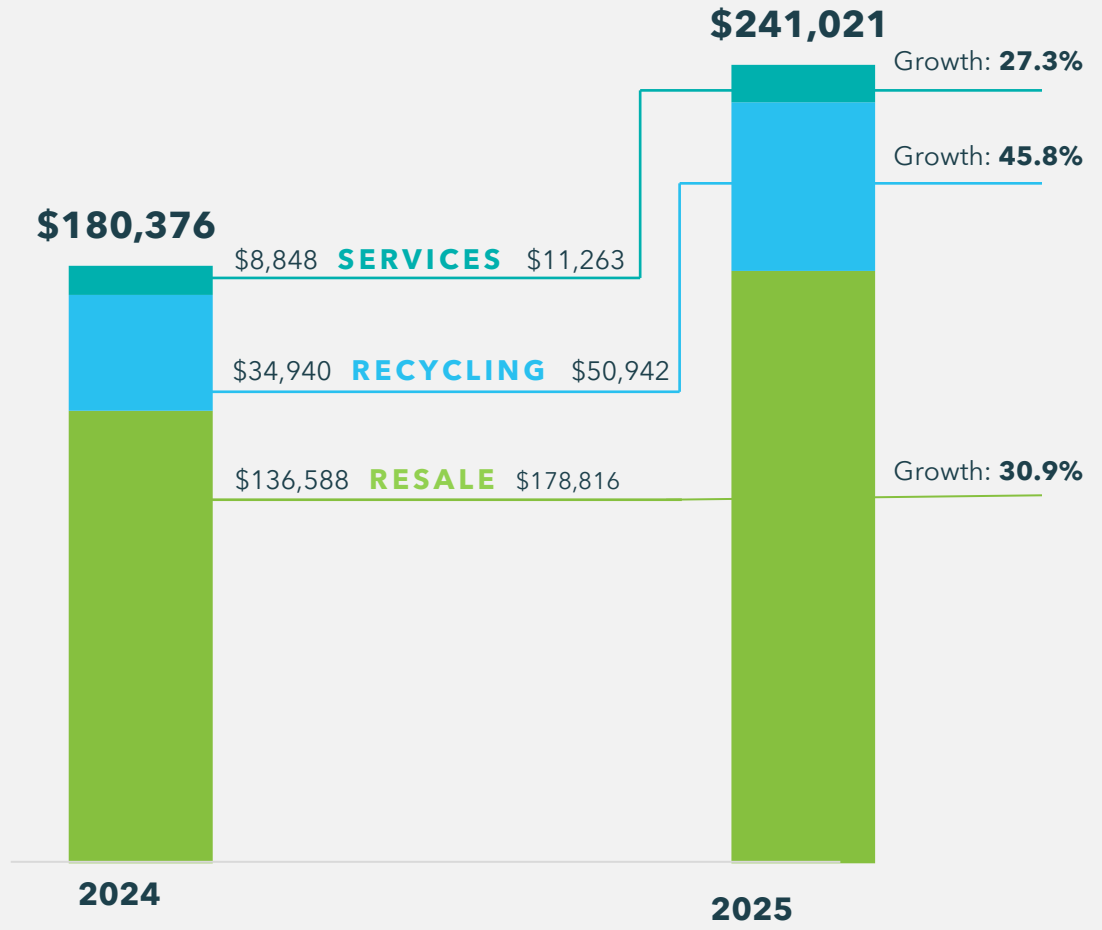
Envela’s brand portfolio is economically diverse and offers exposure to recycled commodities (e.g., materials), luxury resale (e.g., consumer discretionary), and business and consumer services.

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

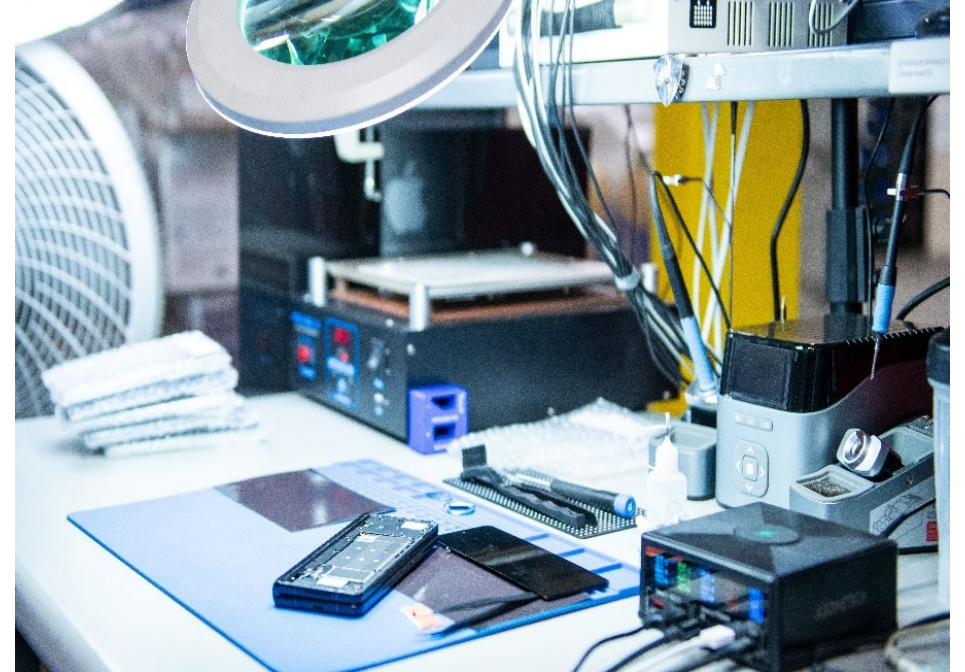


Source: Company filings and data  
Refer to the Glossary at the end of this presentation for definitions of key terms

# 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:

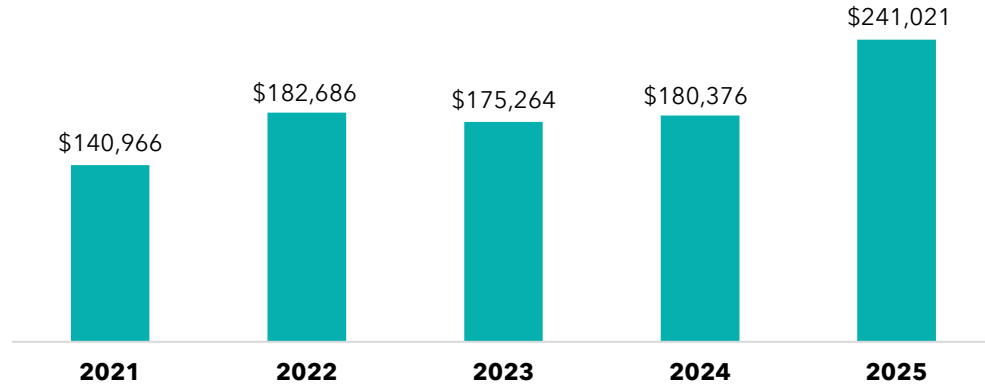


\$000s	DEC. 31, 2021		DEC. 31, 2022		DEC. 31, 2023		DEC. 31, 2024		DEC. 31, 2025	
Non-production assets, net	\$8,833	14.9%	\$8,358	11.7%	\$8,348	11.4%	\$12,287	15.8%	\$12,339	12.8%
Construction in progress	0	0.0%	0	0.0%	1,601	2.2%	136	0.2%	158	0.2%
Production assets, net	973	1.6%	1,036	1.5%	815	1.1%	1,091	1.4%	1,087	1.1%
<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>13,584</b>	<b>14.1%</b>
Non-property and equipment, net	49,461	83.5%	61,883	86.8%	62,710	85.3%	64,356	82.6%	82,439	85.9%
<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>\$96,023</b>	<b>100.0%</b>

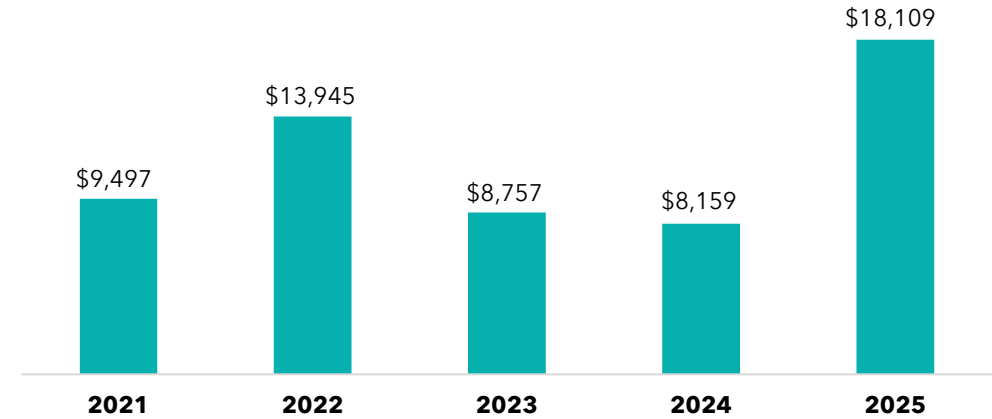
Source: Company filings and data  
Refer to the Glossary at the end of this presentation for definitions of key terms  
Due to rounding, formulas presented may not add up precisely to the totals provided

# OPERATING METRICS

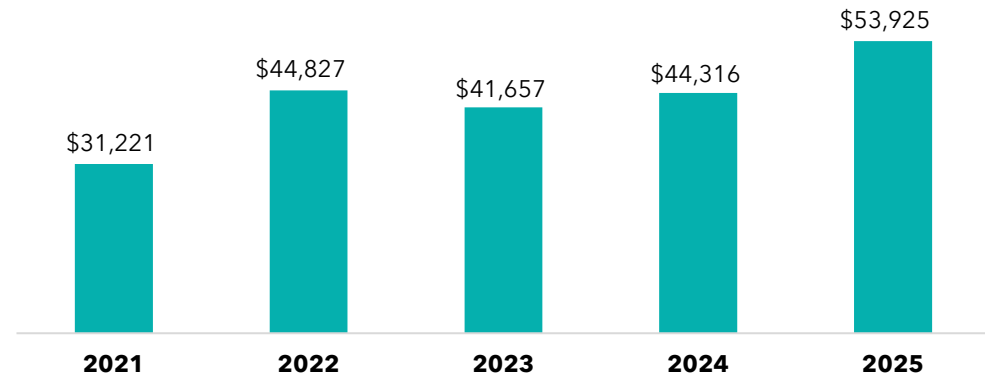
Consolidated Revenue (\$ in thousands)



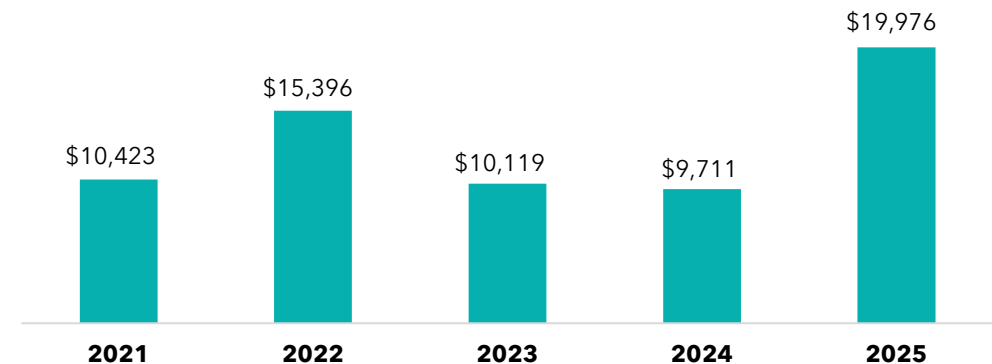
Consolidated Operating Income (\$ in thousands)



Consolidated Gross Margin (\$ in thousands)



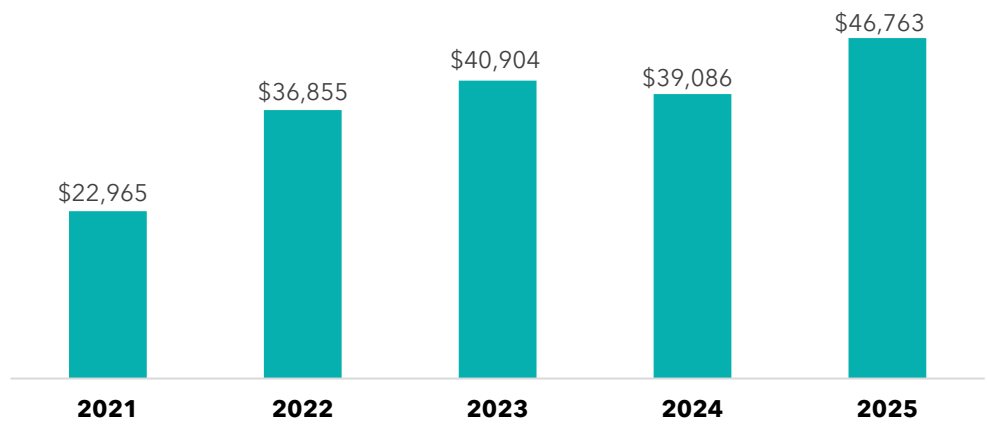
Consolidated Adjusted EBITDA (\$ in thousands)



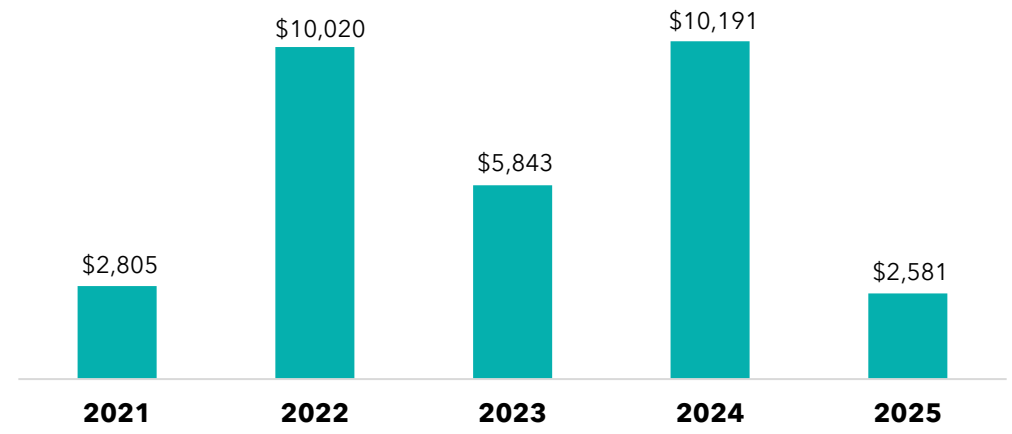
Source: Company filings and data  
 Refer to the Glossary at the end of this presentation for definitions of key terms  
 Refer to the Appendices for reconciliations of non-U.S. GAAP measures to the most comparable U.S. GAAP measures

# BALANCE SHEET AND LIQUIDITY METRICS

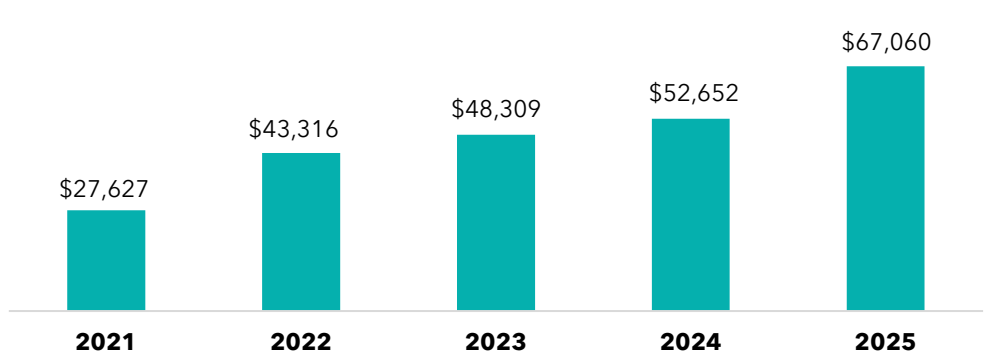
Consolidated New Working Capital (\$ in thousands)<sup>1</sup>



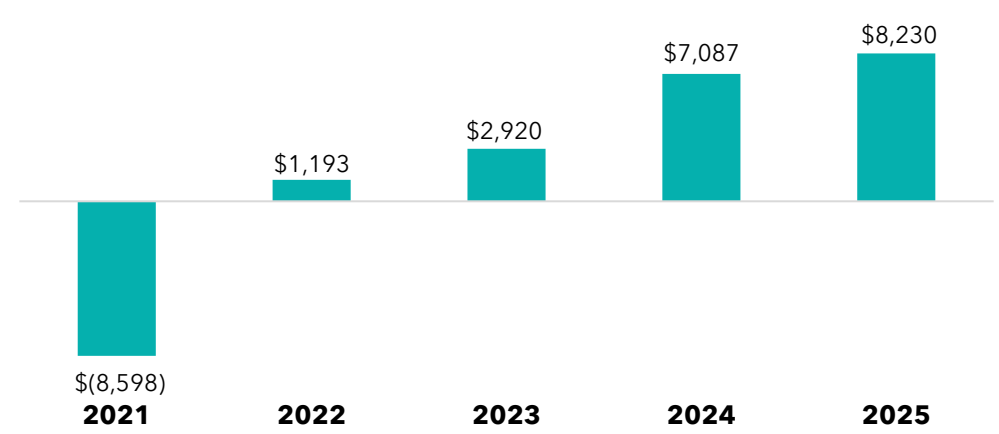
Operating Cash Flow Trends (\$ in thousands)



Shareholders' Equity (\$ in thousands)



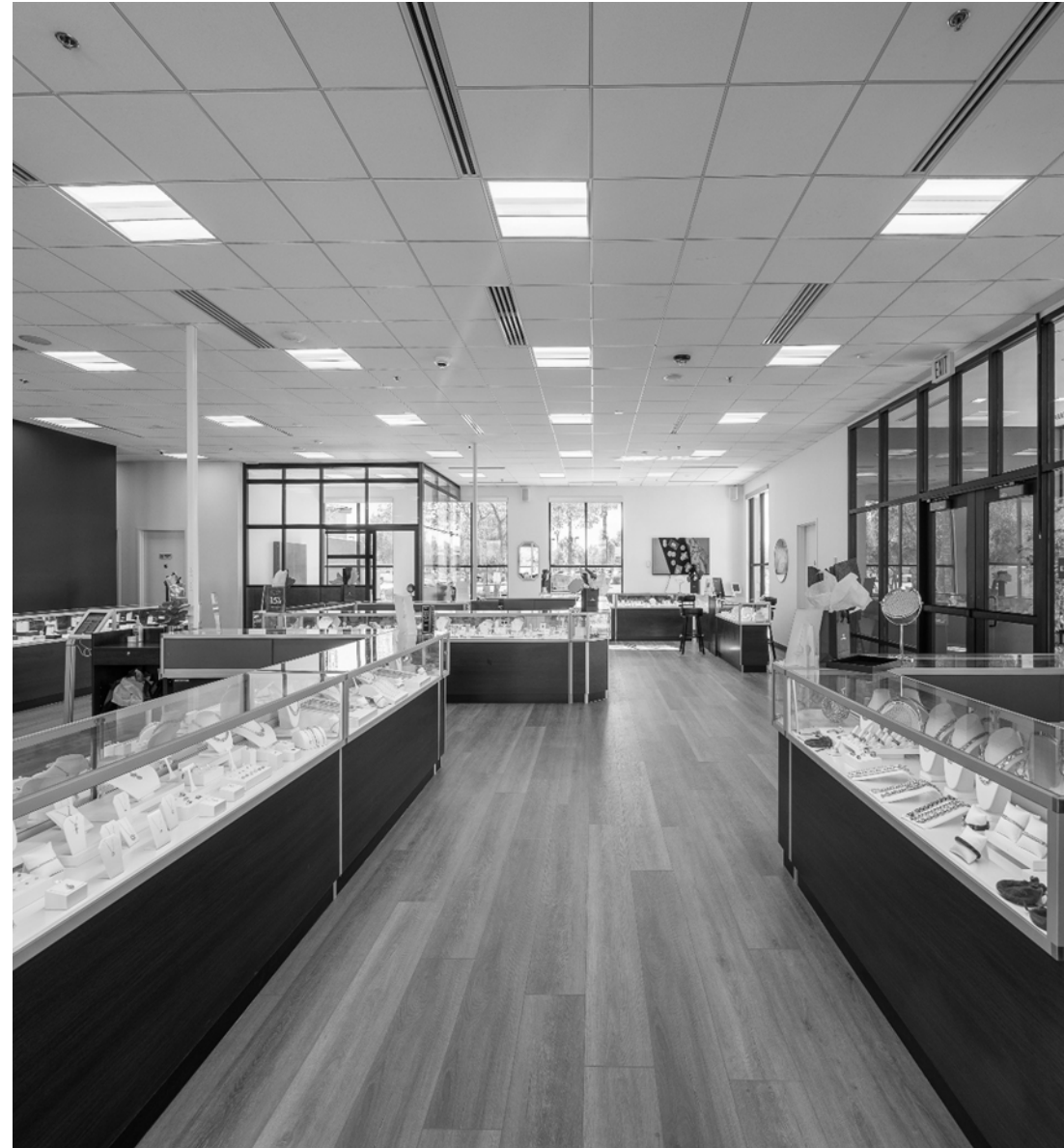
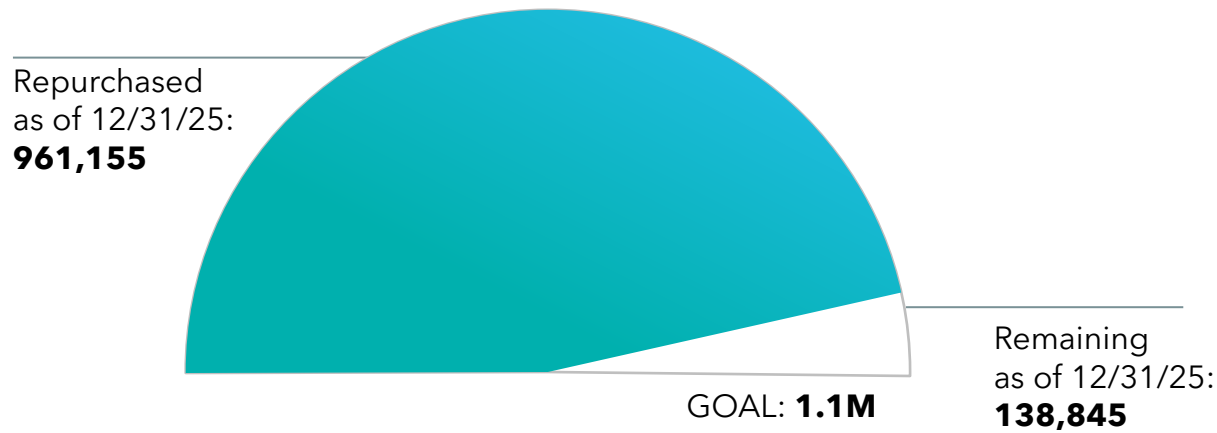
Net Cash (\$ in thousands)



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

# 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	FY 2025
<b>Energy Supply and Resource Consumption</b>			
Electricity, natural gas, and water consumption as % of sales	0.3%	0.3%	0.2%
<b>Sustainability</b>			
<b>CONSUMER</b>			
Refining-grade scrap precious metals sold <sup>1</sup>	2.0	2.2	3.3
<b>COMMERCIAL</b>			
Electronic scrap containing base and precious metals sold <sup>1</sup>	12,862.4	12,837.7	9,158.5
Individual secondary electronics units sold	1,202,632	1,267,632	921,480
<b>Safety</b>			
TRIFR <sup>2</sup>	0.3	0.6	1.0
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
<b>Geographic</b>	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.
<b>Revenue Diversification</b>	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.
<b>Operational Efficiencies</b>	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.
<b>Working Capital</b>	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	FY 2025
Sales	\$140,966	\$182,686	\$175,264	\$180,376	\$241,021
Gross margin	\$31,221	\$44,827	\$41,657	\$44,316	\$53,925
Operating income	\$9,497	\$13,945	\$8,757	\$8,159	\$18,109
Income before income taxes	\$10,162	\$14,380	\$9,021	\$8,749	\$18,723
Net income	\$10,049	\$15,689	\$7,147	\$6,757	\$14,597
Adjusted EBITDA	\$10,423	\$15,396	\$10,119	\$9,711	\$19,976
Adjusted EBITDAR	\$11,705	\$17,277	\$12,031	\$11,816	\$22,542
<b>% Change</b>					
Sales	23.7%	29.6%	-4.1%	2.9%	33.6%
Gross margin	35.3%	43.6%	-7.1%	6.4%	21.7%
Operating income	39.9%	46.8%	-37.2%	-6.8%	122.0%
Income before income taxes	57.0%	41.5%	-37.3%	-3.0%	114.0%
Net income	57.4%	56.1%	-54.4%	-5.5%	116.0%
Adjusted EBITDA	38.7%	47.7%	-34.3%	-4.0%	105.7%
Adjusted EBITDAR	46.9%	47.2%	-30.2%	-1.8%	90.8%
<b>Margins</b>					
Gross margin	22.1%	24.5%	23.8%	24.6%	22.4%
Operating income margin	6.7%	7.6%	5.0%	4.5%	7.5%
Pretax margin	7.2%	7.9%	5.1%	4.9%	7.8%
Net income margin	7.1%	8.6%	4.1%	3.7%	6.1%
Adjusted EBITDA margin	7.4%	8.4%	5.8%	5.4%	8.3%
Adjusted EBITDAR margin	8.3%	9.4%	6.9%	6.6%	9.4%

Source: Company filings and data

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

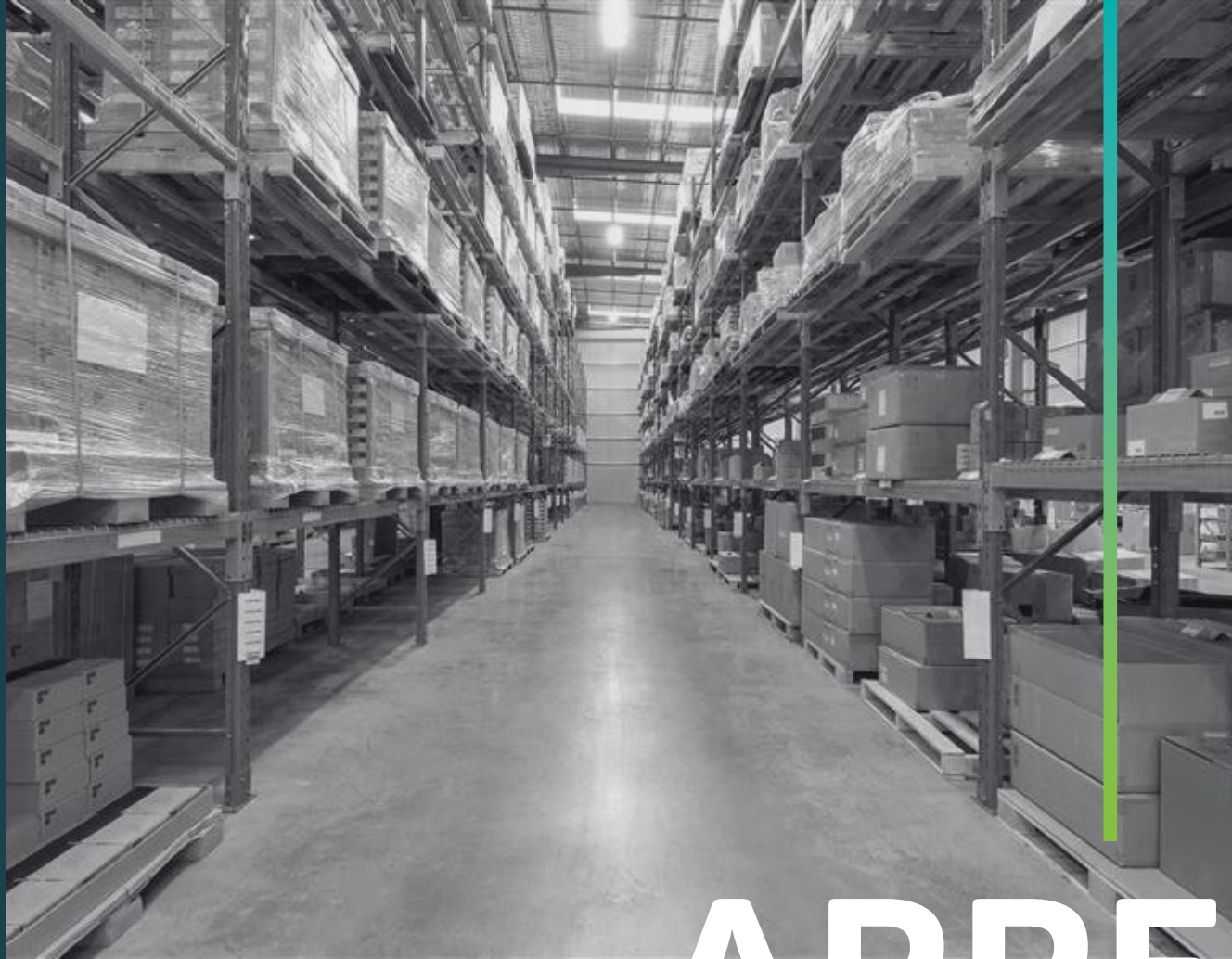
Refer to the Appendices for reconciliations of non-U.S. GAAP measures to the most comparable U.S. GAAP measures

## Consumer Segment

\$000s	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Sales	\$96,719	\$131,107	\$129,414	\$130,469	\$192,718
Gross margin	\$12,608	\$16,234	\$15,649	\$15,882	\$22,924
Operating income	\$4,590	\$7,061	\$4,682	\$145	\$6,678
Income before income taxes	\$5,216	\$6,879	\$4,574	\$21	\$6,825
Net income	\$5,171	\$8,305	\$3,647	\$16	\$5,334
Adjusted EBITDA	\$4,980	\$7,472	\$5,008	\$670	\$7,470
Adjusted EBITDAR	\$5,437	\$7,974	\$5,549	\$1,417	\$8,587
<b>% Change</b>					
Sales	12.9%	35.6%	-1.3%	0.8%	47.7%
Gross margin	21.6%	28.8%	-3.6%	1.5%	44.3%
Operating income	47.4%	53.8%	-33.7%	-96.9%	4,493.0%
Income before income taxes	72.7%	31.9%	-33.5%	-99.5%	32,157.6%
Net income	73.6%	60.6%	-56.1%	-99.6%	32,541.6%
Adjusted EBITDA	44.9%	50.0%	-33.0%	-86.6%	1,015.0%
Adjusted EBITDAR	39.9%	46.7%	-30.4%	-74.5%	505.9%
<b>Margins</b>					
Gross margin	13.0%	12.4%	12.1%	12.2%	11.9%
Operating income margin	4.7%	5.4%	3.6%	0.1%	3.5%
Pretax margin	5.4%	5.2%	3.5%	0.0%	3.5%
Net income margin	5.3%	6.3%	2.8%	0.0%	2.8%
Adjusted EBITDA margin	5.1%	5.7%	3.9%	0.5%	3.9%
Adjusted EBITDAR margin	5.6%	6.1%	4.3%	1.1%	4.5%

## Commercial Segment

\$000s	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Sales	\$44,247	\$51,578	\$45,850	\$49,907	\$48,304
Gross margin	\$18,613	\$28,593	\$26,008	\$28,434	\$31,001
Operating income	\$4,907	\$6,883	\$4,074	\$8,013	\$11,431
Income before income taxes	\$4,946	\$7,501	\$4,447	\$8,728	\$11,898
Net income	\$4,878	\$7,384	\$3,501	\$6,741	\$9,263
Adjusted EBITDA	\$5,443	\$7,924	\$5,111	\$9,041	\$12,506
Adjusted EBITDAR	\$6,269	\$9,252	\$6,481	\$10,398	\$13,955
<b>% Change</b>					
Sales	56.6%	16.6%	-11.1%	8.8%	-3.2%
Gross margin	46.6%	53.6%	-9.0%	9.3%	9.0%
Operating income	33.6%	40.3%	-40.8%	96.7%	42.6%
Income before income taxes	43.2%	51.7%	-40.7%	96.2%	36.3%
Net income	43.3%	51.4%	-52.6%	92.6%	37.4%
Adjusted EBITDA	33.4%	45.6%	-35.5%	76.9%	38.3%
Adjusted EBITDAR	53.7%	47.6%	-29.9%	60.4%	34.2%
<b>Margins</b>					
Gross margin	42.1%	55.4%	56.7%	57.0%	64.2%
Operating income margin	11.1%	13.3%	8.9%	16.1%	23.7%
Pretax margin	11.2%	14.5%	9.7%	17.5%	24.6%
Net income margin	11.0%	14.3%	7.6%	13.5%	19.2%
Adjusted EBITDA margin	12.3%	15.4%	11.1%	18.1%	25.9%
Adjusted EBITDAR margin	14.2%	17.9%	14.1%	20.8%	28.9%



# APPENDICES

# HISTORICAL FINANCIAL RESULTS

## Consolidated

<b>\$000s, except per unit amounts</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
Sales	140,966	182,686	175,264	180,376	241,021
Cost of goods sold	109,745	137,859	133,607	136,060	187,096
<b>Gross margin</b>	<b>\$31,221</b>	<b>\$44,827</b>	<b>\$41,657</b>	<b>\$44,316</b>	<b>\$53,925</b>
Expenses:					
Selling, general and administrative	20,798	29,431	31,538	34,605	33,949
Depreciation and amortization	926	1,452	1,362	1,552	1,867
<b>Total operating expenses</b>	<b>\$21,724</b>	<b>\$30,883</b>	<b>\$32,900</b>	<b>\$36,157</b>	<b>\$35,816</b>
<b>Operating income</b>	<b>\$9,497</b>	<b>\$13,945</b>	<b>\$8,757</b>	<b>\$8,159</b>	<b>\$18,109</b>
Other income (expense):					
Other income (expense)	1,369	919	728	1,038	1,021
Interest expense	(704)	(484)	(463)	(447)	(407)
<b>Income before income taxes</b>	<b>\$10,162</b>	<b>\$14,380</b>	<b>\$9,021</b>	<b>\$8,749</b>	<b>\$18,723</b>
Income tax expense	(113)	1,310	(1,874)	(1,992)	(4,126)
<b>Net income</b>	<b>\$10,049</b>	<b>\$15,689</b>	<b>\$7,147</b>	<b>\$6,757</b>	<b>\$14,597</b>
Basic earnings per share:					
Net income	\$0.37	\$0.58	\$0.27	\$0.26	\$0.56
Diluted earnings per share:					
Net income	\$0.37	\$0.58	\$0.27	\$0.26	\$0.56
Weighted average shares outstanding:					
Basic	26,925	26,925	26,823	26,181	25,979
Diluted	26,940	26,940	26,838	26,181	25,979
<b>Adjusted EBITDA reconciliation</b>					
Net income	10,049	15,689	7,147	6,757	14,597
Addition (deduction):					
Depreciation and amortization	926	1,452	1,362	1,552	1,867
Other income	(1,369)	(919)	(728)	(1,038)	(1,021)
Interest expense	704	484	463	447	407
Income tax expense	113	(1,310)	1,874	1,992	4,126
	<b>\$10,423</b>	<b>\$15,396</b>	<b>\$10,119</b>	<b>\$9,711</b>	<b>\$19,976</b>
<b>Adjusted EBITDAR reconciliation</b>					
Addition:					
Rent expense	1,282	1,830	1,912	2,105	2,566
	<b>\$11,705</b>	<b>\$17,227</b>	<b>\$12,031</b>	<b>\$11,816</b>	<b>\$22,542</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

(\*) The Company elects not to show this data if presented on a Trailing Four Quarters basis

# HISTORICAL FINANCIAL RESULTS

## Consumer Segment

\$000s	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Sales	96,719	131,107	129,414	130,469	192,718
Cost of goods sold	84,111	114,873	113,765	114,588	169,793
<b>Gross margin</b>	<b>\$12,608</b>	<b>\$16,234</b>	<b>\$15,649</b>	<b>\$15,882</b>	<b>\$22,924</b>
Expenses:					
Selling, general and administrative	7,628	8,762	10,641	15,212	15,455
Depreciation and amortization	390	411	325	525	792
<b>Total operating expenses</b>	<b>\$8,018</b>	<b>\$9,173</b>	<b>\$10,966</b>	<b>\$15,736</b>	<b>\$16,247</b>
<b>Operating income</b>	<b>\$4,590</b>	<b>\$7,061</b>	<b>\$4,682</b>	<b>\$145</b>	<b>\$6,678</b>
Other income (expense):					
Other income (expense)	914	62	84	105	352
Interest expense	(288)	(244)	(192)	(229)	(205)
<b>Income before income taxes</b>	<b>\$5,216</b>	<b>\$6,879</b>	<b>\$4,574</b>	<b>\$21</b>	<b>\$6,825</b>
Income tax expense	(45)	1,427	(927)	(5)	(1,491)
<b>Net income</b>	<b>\$5,171</b>	<b>\$8,305</b>	<b>\$3,647</b>	<b>\$16</b>	<b>\$5,334</b>
<b>Adjusted EBITDA reconciliation</b>					
Net Income	5,171	8,305	3,647	16	5,334
Addition (deduction):					
Depreciation and amortization	390	411	325	525	792
Other income	(914)	(62)	(84)	(105)	(352)
Interest expense	288	244	192	229	205
Income tax expense	45	(1,427)	927	5	1,491
	<b>\$4,980</b>	<b>\$7,472</b>	<b>\$5,008</b>	<b>\$670</b>	<b>\$7,470</b>
<b>Adjusted EBITDAR reconciliation</b>					
Addition:					
Rent expense	457	502	541	747	1,117
	<b>\$5,437</b>	<b>\$7,974</b>	<b>\$5,549</b>	<b>\$1,417</b>	<b>\$8,587</b>

## Commercial Segment

\$000s	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Sales	44,247	51,578	45,850	49,907	48,304
Cost of goods sold	25,634	22,986	19,842	21,473	17,303
<b>Gross margin</b>	<b>\$18,613</b>	<b>\$28,593</b>	<b>\$26,008</b>	<b>\$28,434</b>	<b>\$31,001</b>
Expenses:					
Selling, general and administrative	13,170	20,668	20,897	19,393	18,495
Depreciation and amortization	536	1,041	1,037	1,027	1,075
<b>Total operating expenses</b>	<b>\$13,706</b>	<b>\$21,709</b>	<b>\$21,934</b>	<b>\$20,420</b>	<b>\$19,570</b>
<b>Operating income</b>	<b>\$4,907</b>	<b>\$6,883</b>	<b>\$4,074</b>	<b>\$8,013</b>	<b>\$11,431</b>
Other income (expense):					
Other income (expense)	455	857	644	933	669
Interest expense	(416)	(239)	(271)	(219)	(202)
<b>Income before income taxes</b>	<b>\$4,946</b>	<b>\$7,501</b>	<b>\$4,447</b>	<b>\$8,728</b>	<b>\$11,898</b>
Income tax expense	(68)	(117)	(947)	(1,987)	(2,635)
<b>Net income</b>	<b>\$4,878</b>	<b>\$7,384</b>	<b>\$3,501</b>	<b>\$6,741</b>	<b>\$9,263</b>
<b>Adjusted EBITDA reconciliation</b>					
Net Income	4,878	7,384	3,501	6,741	9,263
Addition (deduction):					
Depreciation and amortization	536	1,041	1,037	1,027	1,075
Other income	(455)	(857)	(644)	(933)	(669)
Interest expense	416	239	271	219	202
Income tax expense	68	117	947	1,987	2,635
	<b>\$5,443</b>	<b>\$7,924</b>	<b>\$5,111</b>	<b>\$9,041</b>	<b>\$12,506</b>
<b>Adjusted EBITDAR reconciliation</b>					
Addition:					
Rent expense	825	1,328	1,370	1,358	1,449
	<b>\$6,259</b>	<b>\$9,252</b>	<b>\$6,481</b>	<b>\$10,398</b>	<b>\$13,955</b>

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

# SUPPLEMENTAL FINANCIAL METRICS

## Consolidated

\$000s	QTR. 1 FY 2025	QTR. 2 FY 2025	QTR. 3 FY 2025	QTR. 4 FY 2025	FY 2025
<b>Adjusted EBITDA reconciliation</b>					
Net Income	\$2,493	\$2,752	\$3,357	\$5,995	\$14,597
Addition (deduction):					
Depreciation and amortization	446	460	473	488	1,867
Other income	(206)	(394)	(234)	(187)	(1,021)
Interest expense	107	106	106	88	407
Income tax expense	724	792	972	1,638	4,126
	<b>\$3,564</b>	<b>\$3,716</b>	<b>\$4,674</b>	<b>\$8,022</b>	<b>\$19,976</b>

## Adjusted EBITDAR reconciliation

Addition:					
Rent Expense	602	606	630	728	2,566
	<b>\$4,166</b>	<b>\$4,322</b>	<b>\$5,304</b>	<b>\$8,750</b>	<b>\$22,542</b>

## Free Cash Flow

Operating Cash Flow	\$1,131	\$2,592	\$2,404	\$(3,546)	\$2,581
Capital Expenditures	(385)	(497)	(206)	(163)	(1,251)
	<b>\$746</b>	<b>\$2,094</b>	<b>\$2,198</b>	<b>\$(3,709)</b>	<b>\$1,330</b>

\$000s	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>Free Cash Flow</b>					
Operating Cash Flow	\$2,805	\$10,020	\$5,843	\$10,191	\$2,581
Capital Expenditures	(3,139)	(273)	(2,238)	(3,759)	(1,251)
	<b>\$(334)</b>	<b>\$9,747</b>	<b>\$3,605</b>	<b>\$6,432</b>	<b>\$1,330</b>

Source: Company filings and data  
Refer to the Glossary at the end of this presentation for definitions of key terms  
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\$000s	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
<b>Debt</b>					
Debt Obligations	\$18,736	\$15,977	\$14,933	\$13,522	\$9,925
Total Cash	(10,138)	(17,170)	(17,854)	(20,609)	(18,155)
<b>Net Debt Obligations</b>	<b>\$8,598</b>	<b>\$(1,193)</b>	<b>\$(2,291)</b>	<b>\$(7,087)</b>	<b>\$(8,230)</b>
Debt Obligations	\$18,736	\$15,977	\$14,933	\$13,522	\$9,925
Operating Lease Liabilities	7,447	6,055	4,368	4,848	9,934
<b>Adjusted Debt Obligations</b>	<b>\$26,183</b>	<b>\$22,032</b>	<b>\$19,301</b>	<b>\$18,370</b>	<b>\$19,859</b>
Adjusted Debt Obligations	\$26,183	\$22,032	\$19,301	\$18,370	\$19,859
Total Cash	(10,138)	(17,170)	(17,854)	(20,609)	(18,155)
<b>Adjusted Net Debt Obligations</b>	<b>\$16,045</b>	<b>\$4,862</b>	<b>\$1,447</b>	<b>\$(2,239)</b>	<b>\$1,704</b>

\$000s	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>Ratios</b>					
Debt Obligations	\$18,736	\$15,977	\$14,933	\$13,522	\$9,925
Net Income	10,049	15,689	7,147	6,757	14,597
<b>Debt to Net Income Leverage</b>	<b>1.86x</b>	<b>1.02x</b>	<b>2.09x</b>	<b>2.00x</b>	<b>0.68x</b>
Adjusted Debt Obligations	\$26,183	\$22,032	\$19,301	\$18,370	\$19,859
Net Income	10,049	15,689	7,147	6,757	14,597
<b>Adjusted Debt to Net Income Leverage</b>	<b>2.61x</b>	<b>1.40x</b>	<b>2.70x</b>	<b>2.72x</b>	<b>1.36x</b>
Debt Obligations	\$18,736	\$15,977	\$14,933	\$13,522	\$9,925
Adjusted EBITDA	10,423	15,396	10,119	9,711	19,976
<b>Debt to Adjusted EBITDA Leverage</b>	<b>1.80x</b>	<b>1.04x</b>	<b>1.48x</b>	<b>1.39x</b>	<b>0.50x</b>
Net Debt Obligations	\$8,598	\$(1,193)	\$(2,291)	\$(7,087)	\$(8,230)
Adjusted EBITDA	10,423	15,396	10,119	9,711	19,976
<b>Net Debt to Adjusted EBITDA Leverage</b>	<b>0.82x</b>	<b>-0.08x</b>	<b>-0.29x</b>	<b>-0.73x</b>	<b>-0.41x</b>
Adjusted Debt Obligations	\$26,183	\$22,032	\$19,301	\$18,370	\$19,859
Adjusted EBITDAR	11,705	17,227	12,031	11,816	22,542
<b>Adjusted Debt to Adjusted EBITDAR Leverage</b>	<b>2.24x</b>	<b>1.28x</b>	<b>1.60x</b>	<b>1.55x</b>	<b>0.88x</b>
Adjusted Net Debt Obligations	\$16,045	\$4,862	\$1,447	\$(2,239)	\$1,704
Adjusted EBITDAR	11,705	17,227	12,031	11,816	22,542
<b>Adjusted Net Debt to Adjusted EBITDAR Leverage</b>	<b>1.37x</b>	<b>0.28x</b>	<b>0.12x</b>	<b>-0.19x</b>	<b>0.08x</b>

# SUPPLEMENTAL FINANCIAL METRICS

## Consolidated

	QTR. 1 FY 2025	QTR. 2 FY 2025	QTR. 3 FY 2025	QTR. 4 FY 2025	FY 2025
<b>\$000s</b>					
<b>Cost of goods sold less shipping and handling costs</b>					
Cost of goods sold	\$36,288	\$42,489	\$44,322	\$63,997	\$187,096
Less:					
Shipping and handling costs	(1,008)	(940)	(1,001)	(1,024)	(3,973)
	<b>\$35,280</b>	<b>\$41,549</b>	<b>\$43,321</b>	<b>\$62,973</b>	<b>\$183,123</b>
<b>\$000s</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Cost of goods sold less shipping and handling costs</b>					
Cost of goods sold	\$109,745	\$137,859	\$133,607	\$136,060	\$187,096
Less:					
Shipping and handling costs	(1,368)	(3,194)	(5,699)	(4,936)	(3,973)
	<b>\$108,377</b>	<b>\$134,655</b>	<b>\$127,908</b>	<b>\$131,124</b>	<b>\$183,123</b>
<b>Average inventory</b>					
Beginning inventory	\$10,007	\$14,048	\$18,756	\$23,146	\$25,706
Ending inventory	14,048	18,756	23,146	25,706	35,066
	<b>\$12,028</b>	<b>\$16,402</b>	<b>\$20,951</b>	<b>\$24,426</b>	<b>\$30,386</b>
<b>Inventory turnover ratio</b>	<b>9.01x</b>	<b>8.21x</b>	<b>6.11x</b>	<b>5.37x</b>	<b>6.03x</b>

Source: Company filings and data  
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Due to rounding, the amounts presented may not add up precisely to the totals provided

## Consumer

	QTR. 1 FY 2025	QTR. 2 FY 2025	QTR. 3 FY 2025	QTR. 4 FY 2025	FY 2025
<b>\$000s</b>					
<b>Cost of goods sold less shipping and handling costs</b>					
Cost of goods sold	\$32,560	\$38,516	\$39,867	\$58,850	\$169,793
Less:					
Shipping and handling costs	(17)	(14)	(13)	(24)	(68)
	<b>\$32,543</b>	<b>\$38,502</b>	<b>\$39,854</b>	<b>\$58,826</b>	<b>\$169,725</b>
<b>\$000s</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Cost of goods sold less shipping and handling costs</b>					
Cost of goods sold	\$84,111	\$114,873	\$113,765	\$114,587	\$169,793
Less:					
Shipping and handling costs	(3)	-	(13)	(96)	(68)
	<b>\$84,108</b>	<b>\$114,873</b>	<b>\$113,752</b>	<b>\$114,492</b>	<b>\$169,725</b>
<b>Average inventory</b>					
Beginning inventory	\$9,164	\$10,434	\$16,510	\$21,905	\$23,974
Ending inventory	10,434	16,510	21,905	23,974	32,814
	<b>\$9,799</b>	<b>\$13,472</b>	<b>\$19,207</b>	<b>\$22,939</b>	<b>\$28,394</b>
<b>Inventory turnover ratio</b>	<b>8.58x</b>	<b>8.53x</b>	<b>5.92x</b>	<b>4.99x</b>	<b>5.98x</b>

## Commercial

	QTR. 1 FY 2025	QTR. 2 FY 2025	QTR. 3 FY 2025	QTR. 4 FY 2025	FY 2025
<b>\$000s</b>					
<b>Cost of goods sold less shipping and handling costs</b>					
Cost of goods sold	\$3,728	\$3,973	\$4,455	\$5,147	\$17,303
Less:					
Shipping and handling costs	(991)	(926)	(988)	(1,000)	(3,905)
	<b>\$2,737</b>	<b>\$3,047</b>	<b>\$3,467</b>	<b>\$4,147</b>	<b>\$13,398</b>
<b>\$000s</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Cost of goods sold less shipping and handling costs</b>					
Cost of goods sold	\$25,634	\$22,986	\$19,842	\$21,473	\$17,303
Less:					
Shipping and handling costs	(1,365)	(3,194)	(5,686)	(4,840)	(3,905)
	<b>\$24,269</b>	<b>\$19,792</b>	<b>\$14,156</b>	<b>\$16,633</b>	<b>\$13,398</b>
<b>Average inventory</b>					
Beginning inventory	\$843	\$3,614	\$2,246	\$1,241	\$1,732
Ending inventory	3,614	2,246	1,241	1,732	2,252
	<b>\$2,229</b>	<b>\$2,930</b>	<b>\$1,744</b>	<b>\$1,487</b>	<b>\$1,992</b>
<b>Inventory turnover ratio</b>	<b>10.89x</b>	<b>6.75x</b>	<b>8.12x</b>	<b>11.19x</b>	<b>6.73x</b>

# GLOSSARY

## ADJUSTED DEBT TO ADJUSTED EBITDAR LEVERAGE RATIO

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

## ADJUSTED DEBT TO NET INCOME LEVERAGE RATIO

The Adjusted Debt to Net Income Leverage Ratio is a non-U.S. GAAP measure and represents the sum of (i) Debt Obligations and (ii) operating lease liabilities divided by (iii) net income.

## 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 is defined as Adjusted Earnings Before Interest, Tax, Depreciation, and Amortization and equals (i) net income (loss) of the Company, adjusted for additions (deductions) of (ii) interest expense, (iii) other (income) expense, (iv) income tax expense (benefit), and (v) depreciation and amortization.

## 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 TO ADJUSTED EBITDAR 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.

## AVERAGE INVENTORY

Average Inventory is calculated by (i) adding the beginning inventory and ending inventory for that period and (ii) dividing by two.

## 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 TO ADJUSTED EBITDA LEVERAGE RATIO

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

## DEBT OBLIGATIONS

Debt Obligations represents the sum of 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.

## INVENTORY TURNOVER

Inventory Turnover Ratio is a performance measure and represents (i) cost of goods sold less shipping and handling costs divided by (ii) Average Inventory. The Company excludes shipping and handling costs in the definition of Inventory Turnover as they are inclusive of both inbound and outbound freight costs; the Company does not capitalize inbound freight costs into the value of its inventory.

## LTIFR

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

# GLOSSARY

## MARKET CAPITALIZATION

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

## 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 TO ADJUSTED EBITDA LEVERAGE RATIO

The Net Debt to Adjusted EBITDA 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 17 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)  $([\text{Total Recordable Injuries in the Reporting Period}] \times 200,000) / (\text{ii}) (\text{Total Hours Worked in the Reporting Period})$

## TRAILING FOUR QUARTERS

The Trailing Four Quarters ended period is defined as the cumulative total amount of the most recent four consecutive fiscal quarters of financial results for the respective reported balance.

## 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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