

# 2025 INVESTOR PRESENTATION

MARCH 2025

**ENVELA**  
CORPORATION





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# WHO WE ARE

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

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

## KEY COMPANY DATA

<b>NYSE American Ticker</b>	ELA
<b>52 Week Share Price Range</b>	\$4.21 - \$7.88 <sup>1,2</sup>
<b>Market Capitalization</b>	\$186.9 million <sup>3</sup>
<b>Share Count Outstanding</b>	25,995,701 <sup>3</sup>
<b>Headquarters</b>	Irving, TX

<sup>1</sup> Yahoo!finance  
<sup>2</sup> January 2, 2024 to December 30, 2024  
<sup>3</sup> As of the last day of trading: December 30, 2024







# 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 recycling and recommerce 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>	<ul style="list-style-type: none"> <li>• Value manufacturing capabilities utilizing repurposed materials</li> </ul>

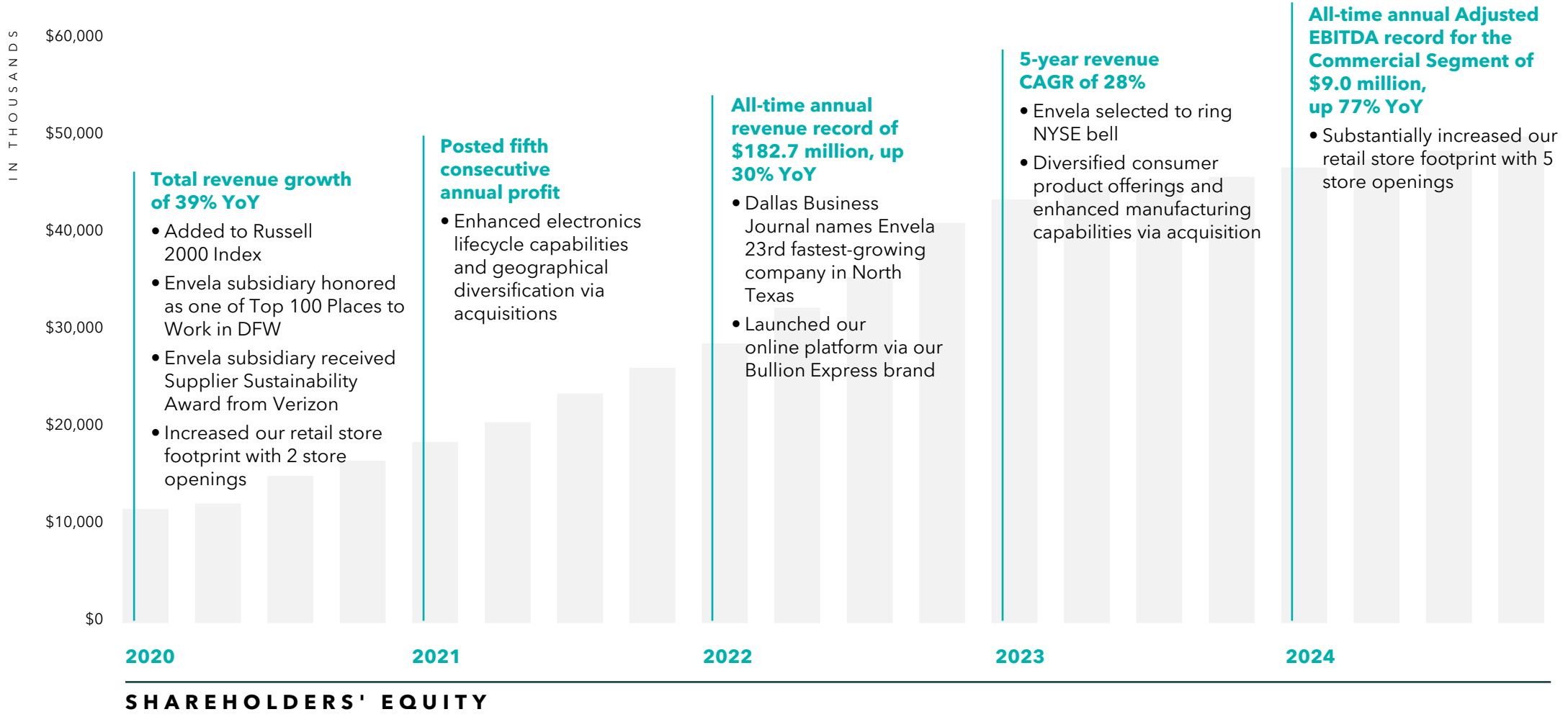
## COMMERCIAL SEGMENT

 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>	<ul style="list-style-type: none"> <li>• Trade-in programs for retailers &amp; global consumer electronics companies</li> </ul>	<ul style="list-style-type: none"> <li>• Testing, inventorying &amp; reselling services for retailers &amp; global consumer electronics companies</li> </ul>

LAST 5 YEARS

# ACCOMPLISHMENTS & MILESTONES

Proven track record of profitability and growth.



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

# CONSUMER SEGMENT

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## CONSUMER SEGMENT OVERVIEW

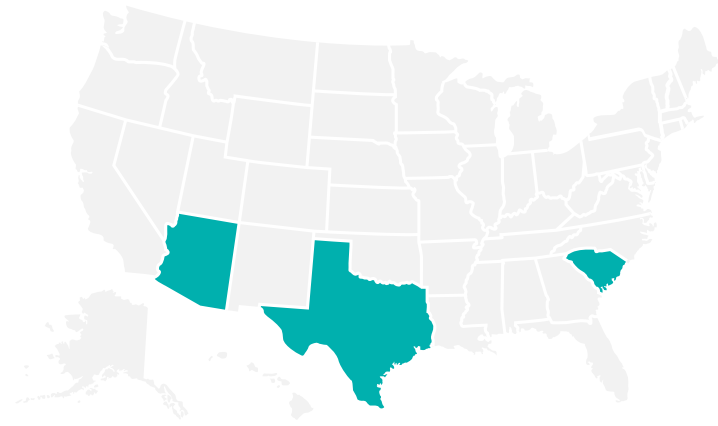
### What our consumer segment does:

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:** 3 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

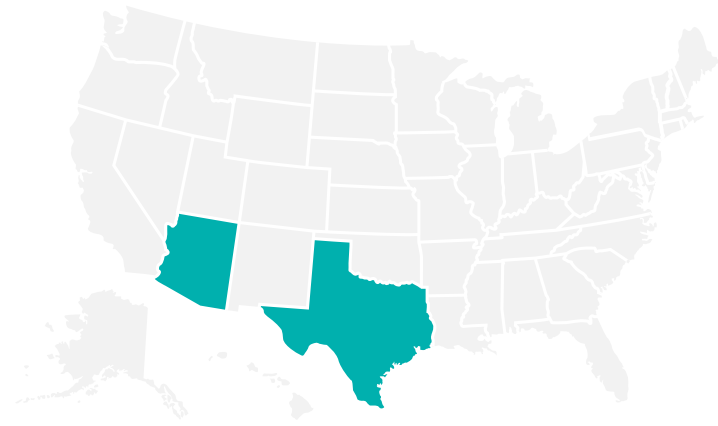
### What our commercial segment does:

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 to 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.

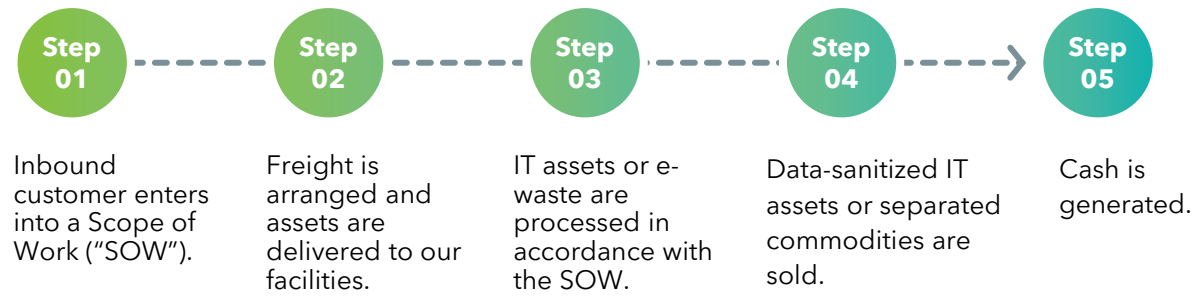
### FOOTPRINT



**Texas:** 2 production facilities

**Arizona:** 1 production facility

### 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

## 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 global 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> Statistica, 2025  
<sup>3</sup> Mining.com, December, 2025



**~\$48 BILLION**

Total global e-waste market in 2024<sup>1</sup>

**#2**

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

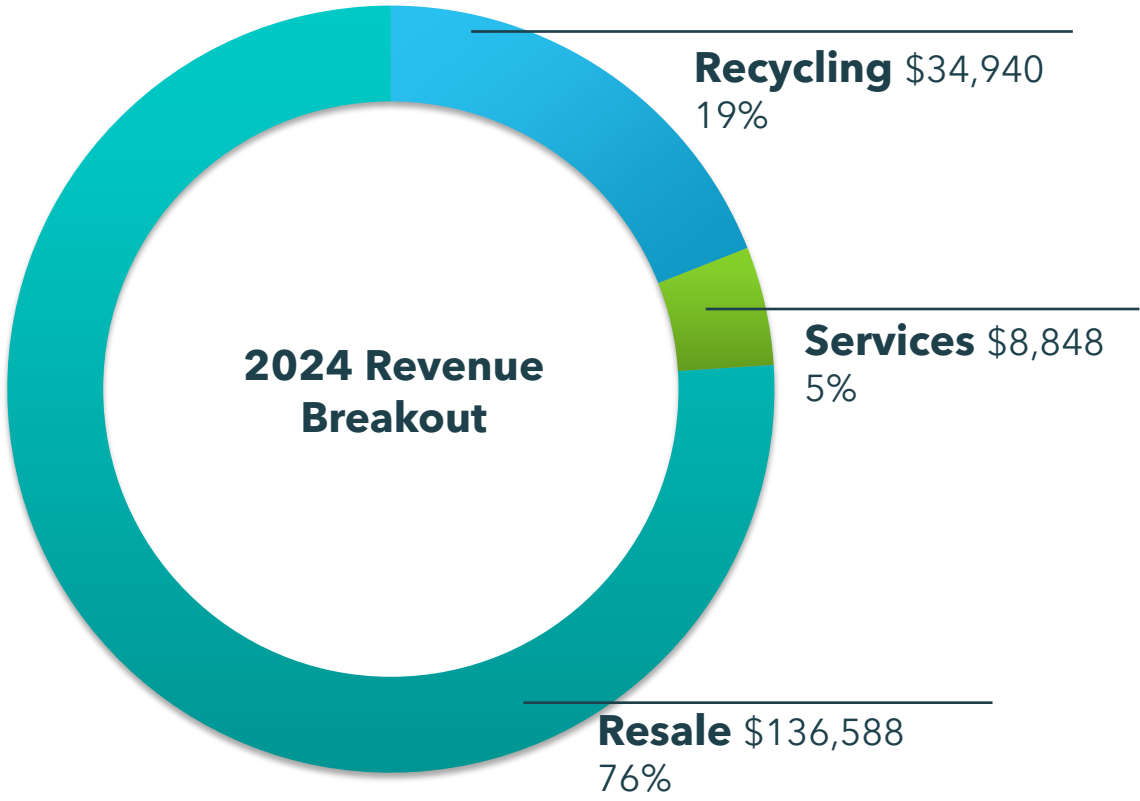
# REVENUE DIVERSIFICATION

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 commodities feedstock.

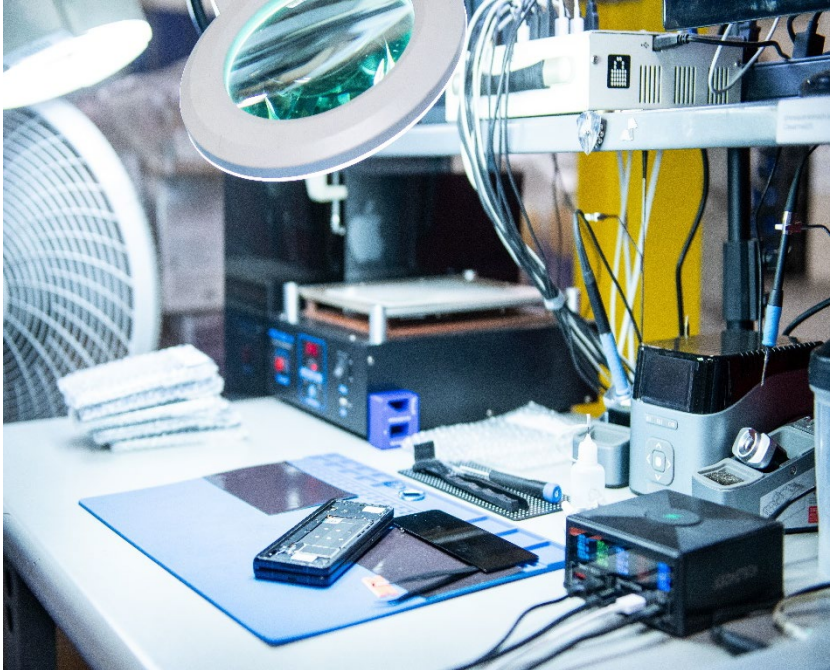


Source: Company filings and data  
 Refer to the Glossary at the end of this presentation for definitions of key terms

# 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:

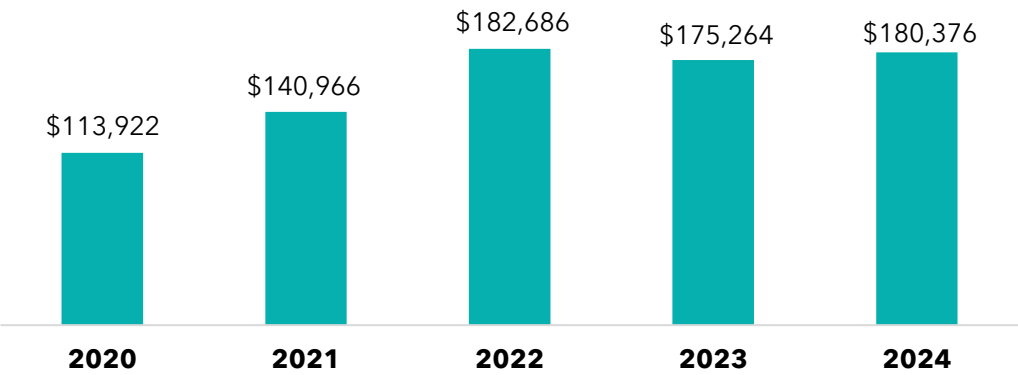


\$000s	DEC. 31, 2020		DEC. 31, 2021		DEC. 31, 2022		DEC. 31, 2023		DEC. 31, 2024	
Non-production assets, net	\$6,619	16.3%	\$8,833	14.9%	\$8,358	11.7%	\$8,348	11.4%	\$12,287	15.8%
Construction in progress	0	0.0%	0	0.0%	0	0.0%	1,601	2.2%	136	0.2%
Production assets, net	270	0.7%	973	1.6%	1,036	1.5%	815	1.1%	1,091	1.4%
<b>Property and equipment, net</b>	<b>6,889</b>	<b>17.0%</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>
Non-property and equipment, net	33,690	83.0%	49,461	83.5%	61,883	86.8%	62,710	85.3%	64,356	82.6%
<b>Total assets</b>	<b>\$40,579</b>	<b>100.0%</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>

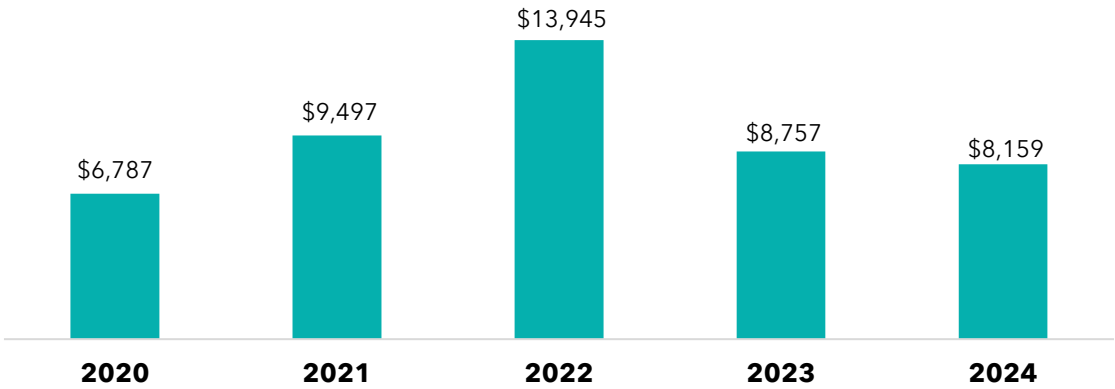
Source: Company filings and data  
Refer to the Glossary at the end of this presentation for definitions of key terms

# OPERATING RESULTS

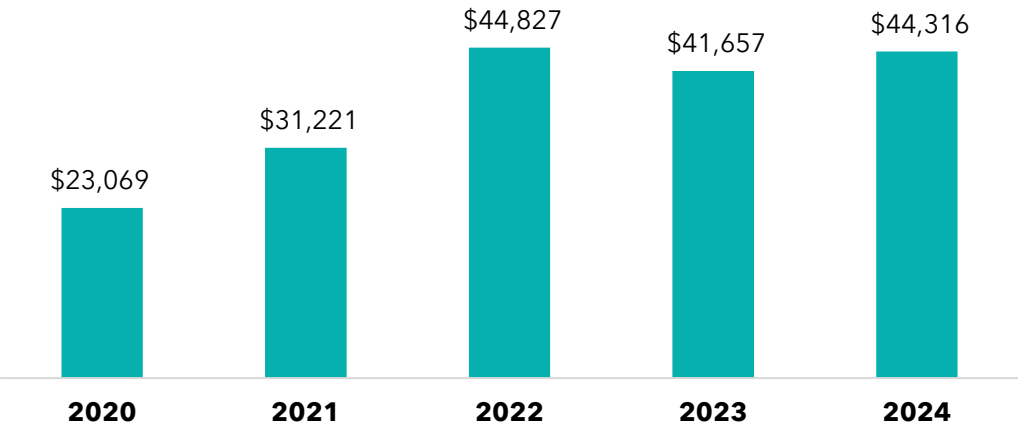
Consolidated Revenue (\$ in thousands)



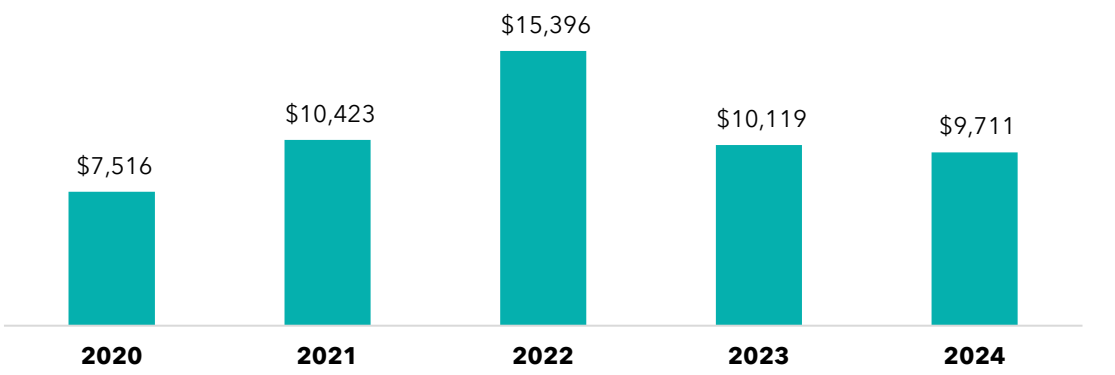
Consolidated Operating Income (\$ in thousands)



Consolidated Gross Margin (\$ in thousands)



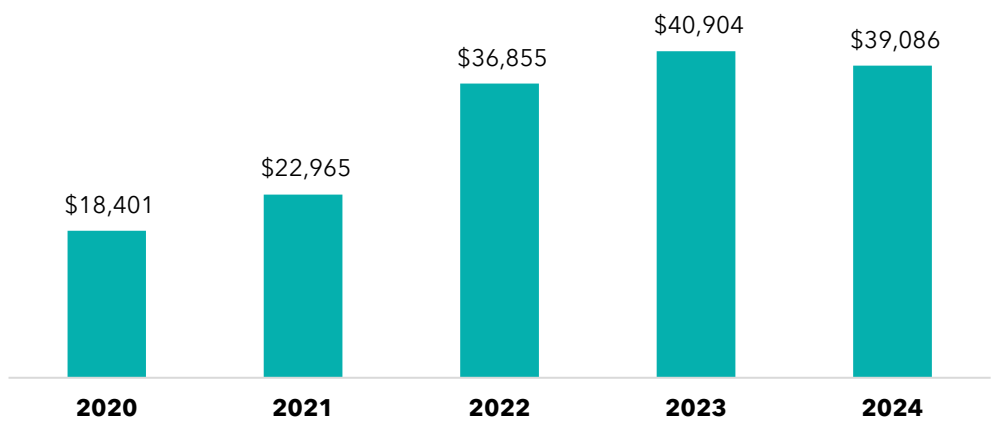
Consolidated Adjusted EBITDA (\$ in thousands)



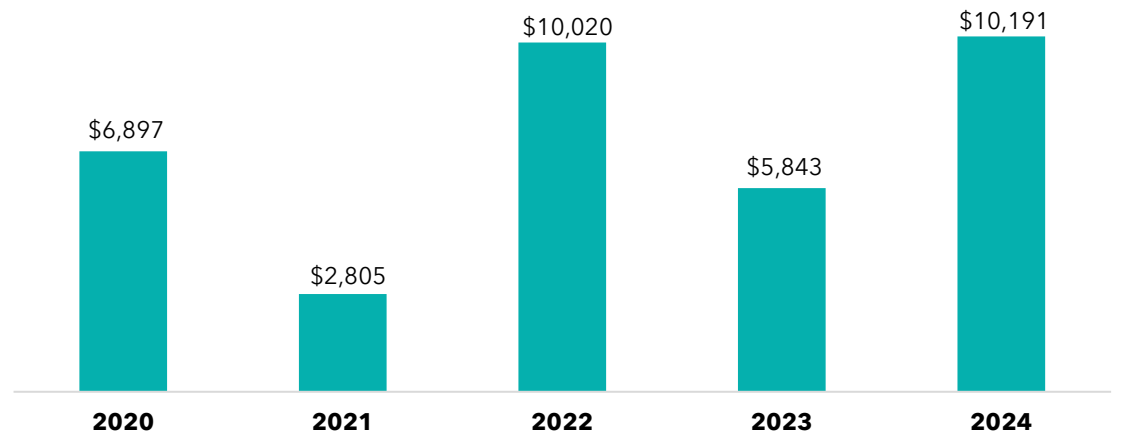
Source: Company filings and data  
 Refer to the Glossary at the end of this presentation for definitions of key terms

# BALANCE SHEET AND LIQUIDITY METRICS

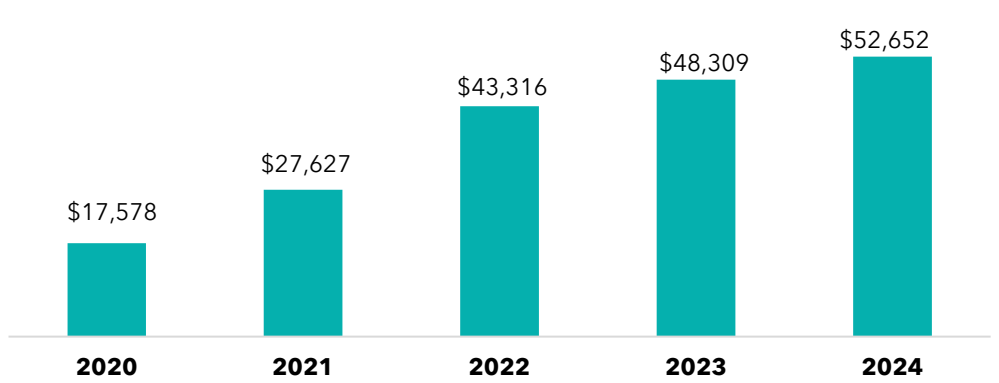
Consolidated Net Working Capital (\$ in thousands)<sup>1</sup>



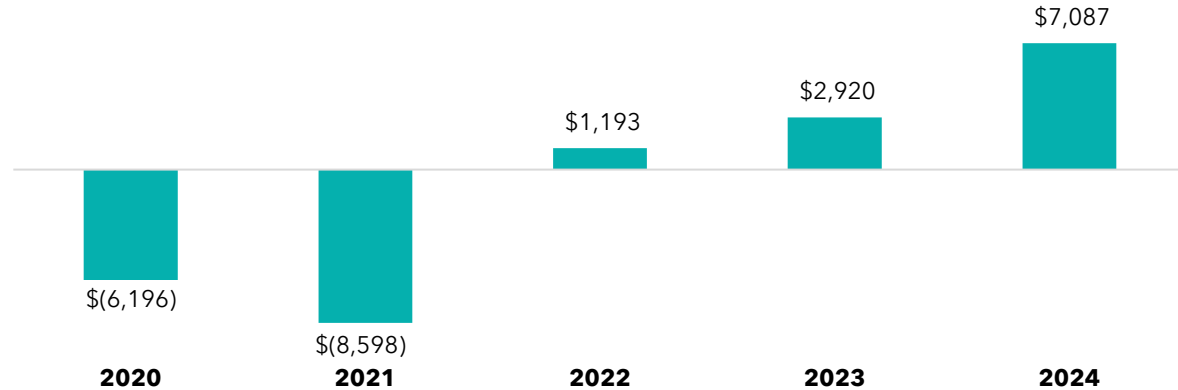
Consolidated Operating Cash Flow (\$ in thousands)



Consolidated Shareholders' Equity (\$ in thousands)



Consolidated Net Cash (Debt) (\$ in thousands)

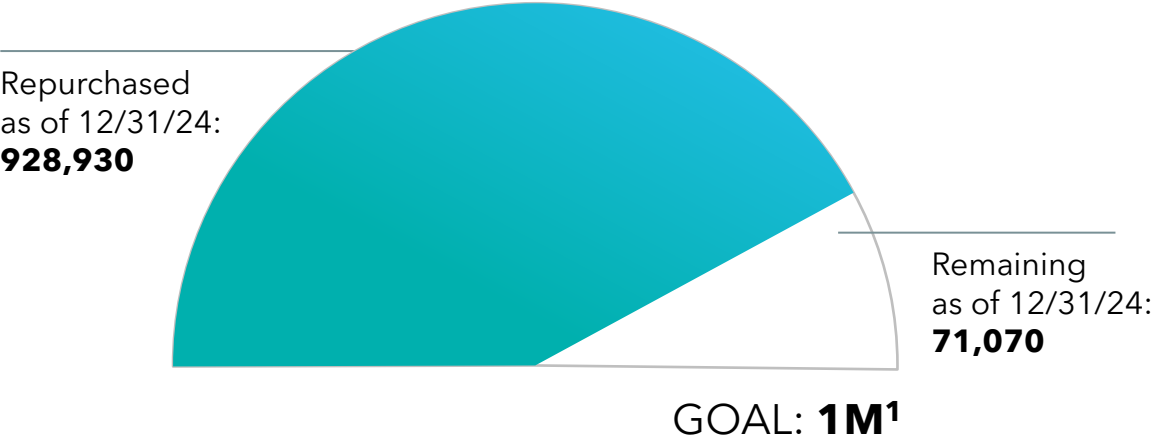


<sup>1</sup>Historical data has been adjusted to reflect the Company's most recent current vs. noncurrent classifications

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

# 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  
<sup>1</sup> Upsized to 1.1 million on March 27, 2025



# ESGS PROFILE

ESGS is paramount to our overall business model, whether it is 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
<b>Energy Supply and Resource Consumption</b>		
Electricity, natural gas, and water consumption as % of sales	0.3%	0.3%
<b>Sustainability</b>		
<b>CONSUMER</b>		
Refining-grade scrap precious metals sold <sup>1</sup>	2.0	2.2
<b>COMMERCIAL</b>		
Electronic scrap containing base and precious metals sold <sup>1</sup>	12,862.4	12,837.7
Individual secondary electronics units sold	1,202,632	1,267,632
<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

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.	Identify business development opportunities that provide freight advantage to our inbound customers.
<b>Revenue Diversification</b>	Revenue diversification through geographic expansion and identifying sales channels that optimize margins and inventory turnover.	Revenue diversification through the continued development of service delivery offerings for an array of product types.
<b>Operational Efficiencies</b>	Continue to refine our store expansion playbook to reduce the costs of new store openings.	Optimize our capabilities through capital investment and critical evaluation of processes and cost structures.
<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 2020	FY 2021	FY 2022	FY 2023	FY 2024
Sales	\$113,922	\$140,966	\$182,686	\$175,264	\$180,376
Gross margin	\$23,069	\$31,221	\$44,827	\$41,657	\$44,316
Operating income	\$6,787	\$9,497	\$13,945	\$8,757	\$8,159
Income before income taxes	\$6,474	\$10,162	\$14,380	\$9,021	\$8,749
Net income	\$6,384	\$10,049	\$15,689	\$7,147	\$6,757
Adjusted EBITDA	\$7,516	\$10,423	\$15,396	\$10,119	\$9,711

### YoY % Change

Sales	38.9%	23.7%	29.6%	-4.1%	2.9%
Gross margin	41.9%	35.3%	43.6%	-7.1%	6.4%
Operating income	109.4%	39.9%	46.8%	-37.2%	-6.8%
Income before income taxes	125.1%	57.0%	41.5%	-37.3%	-3.0%
Net income	129.6%	57.4%	56.1%	-54.4%	-5.5%
Adjusted EBITDA	99.8%	38.7%	47.7%	-34.3%	-4.0%

### Margins

Gross margin	20.2%	22.1%	24.5%	23.8%	24.6%
Operating income margin	6.0%	6.7%	7.6%	5.0%	4.5%
Pretax margin	5.7%	7.2%	7.9%	5.1%	4.9%
Net income margin	5.6%	7.1%	8.6%	4.1%	3.7%
Adjusted EBITDA margin	6.6%	7.4%	8.4%	5.8%	5.4%

## Consumer Segment

\$000s	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Sales	\$85,661	\$96,719	\$131,107	\$129,414	\$130,469
Gross margin	\$10,370	\$12,608	\$16,234	\$15,649	\$15,882
Operating income	\$3,115	\$4,590	\$7,061	\$4,682	\$145
Income before income taxes	\$3,019	\$5,216	\$6,879	\$4,574	\$21
Net income	\$2,979	\$5,171	\$8,305	\$3,647	\$16
Adjusted EBITDA	\$3,437	\$4,980	\$7,472	\$5,008	\$670

### YoY % Change

Sales	26.9%	12.9%	35.6%	-1.3%	0.8%
Gross margin	16.3%	21.6%	28.8%	-3.6%	1.5%
Operating income	167.6%	47.4%	53.8%	-33.7%	-96.9%
Income before income taxes	185.6%	72.7%	31.9%	-33.5%	-99.5%
Net income	204.4%	73.6%	60.6%	-56.1%	-99.6%
Adjusted EBITDA	139.9%	44.9%	50.0%	-33.0%	-86.6%

### Margins

Gross margin	12.1%	13.0%	12.4%	12.1%	12.2%
Operating income margin	3.6%	4.7%	5.4%	3.6%	0.1%
Pretax margin	3.5%	5.4%	5.2%	3.5%	0.0%
Net income margin	3.5%	5.3%	6.3%	2.8%	0.0%
Adjusted EBITDA margin	4.0%	5.1%	5.7%	3.9%	0.5%

## Commercial Segment

\$000s	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Sales	\$28,261	\$44,247	\$51,578	\$45,850	\$49,907
Gross margin	\$12,699	\$18,613	\$28,593	\$26,008	\$28,434
Operating income	\$3,672	\$4,907	\$6,883	\$4,074	\$8,013
Income before income taxes	\$3,454	\$4,946	\$7,501	\$4,447	\$8,728
Net income	\$3,405	\$4,878	\$7,384	\$3,501	\$6,741
Adjusted EBITDA	\$4,079	\$5,443	\$7,924	\$5,111	\$9,041

### YoY % Change

Sales	94.8%	56.6%	16.6%	-11.1%	8.8%
Gross margin	73.1%	46.6%	53.6%	-9.0%	9.3%
Operating income	76.8%	33.6%	40.3%	-40.8%	96.7%
Income before income taxes	89.9%	43.2%	51.7%	-40.7%	96.2%
Net income	88.9%	43.3%	51.4%	-52.6%	92.6%
Adjusted EBITDA	75.2%	33.4%	45.6%	-35.5%	76.9%

### Margins

Gross margin	44.9%	42.1%	55.4%	56.7%	57.0%
Operating income margin	13.0%	11.1%	13.3%	8.9%	16.1%
Pretax margin	12.2%	11.2%	14.5%	9.7%	17.5%
Net income margin	12.0%	11.0%	14.3%	7.6%	13.5%
Adjusted EBITDA margin	14.4%	12.3%	15.4%	11.1%	18.1%



# APPENDICES

# GLOSSARY

## ADJUSTED EBITDA

Adjusted EBITDA is a non-U.S. GAAP measure and equals net income plus (a) depreciation and amortization expense, (b) interest expense, (c) income tax expense, less (d) other income.

## CAGR

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

## EDGAR

SEC Electronic Data Gathering, Analysis, and Retrieval System

## FY

Fiscal Year

## GROSS MARGIN

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

## LTIFR

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

## MARKET CAPITALIZATION

Market Capitalization equals (a) price per share x (b) shares outstanding as of the end of the FY24 reporting period.

## MD&A

Management Discussion and Analysis

## METRIC TON

1 Metric Ton equals 2,204.62 pounds

## NET CASH (DEBT)

Net Cash (Debt) is a non-U.S. GAAP measure and equals the difference between (a) cash and cash equivalents and (b) the sum of debt obligations per the Balance Sheet.

## NET WORKING CAPITAL

Net Working Capital is a non-U.S. GAAP measure and equals the difference between (a) total current assets and (b) total current liabilities 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 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 (a) selling, general and administrative expense, and (b) depreciation and amortization expense.

## OPERATING INCOME

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.

## 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 (a) non-production assets, net: land, building and improvements, leasehold improvements, vehicles, (b) construction in progress, (c) production assets, net: machinery and equipment, and (d) all other assets not categorized. All property and equipment balances, excluding land and construction in progress, are net of accumulated depreciation.

## REVENUE

Revenue is total sales derived from the income statement.

## SEC

Securities and Exchange Commission

## TRIFR

Total Recordable Injury Frequency Rate (a)  $([\text{Total Recordable Injuries in the Reporting Period}] \times 200,000) / (b) (\text{Total Hours Worked in the Reporting Period})$

## U.S.

United States

## U.S. GAAP

U.S. Generally Accepted Accounting Principles

## \$

U.S. Dollar

# HISTORICAL FINANCIAL RESULTS

## Consolidated

<b>\$000s, except per unit amounts</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Sales	113,922	140,966	182,686	175,264	180,376
Cost of goods sold	90,853	109,745	137,859	133,607	136,060
<b>Gross margin</b>	<b>\$23,069</b>	<b>\$31,221</b>	<b>\$44,827</b>	<b>\$41,657</b>	<b>\$44,316</b>
Expenses:					
Selling, general and administrative	15,553	20,798	29,431	31,538	34,605
Depreciation and amortization	729	926	1,452	1,362	1,552
<b>Total operating expenses</b>	<b>\$16,282</b>	<b>\$21,724</b>	<b>\$30,883</b>	<b>\$32,900</b>	<b>\$36,157</b>
<b>Operating income</b>	<b>\$6,787</b>	<b>\$9,497</b>	<b>\$13,945</b>	<b>\$8,757</b>	<b>\$8,159</b>
Other income (expense):					
Other income (expense)	307	1,369	919	728	1,038
Interest expense	(620)	(704)	(484)	(463)	(447)
<b>Income before income taxes</b>	<b>\$6,474</b>	<b>\$10,162</b>	<b>\$14,380</b>	<b>\$9,021</b>	<b>\$8,749</b>
Income tax expense	(90)	(113)	1,310	(1,874)	(1,992)
<b>Net income</b>	<b>\$6,384</b>	<b>\$10,049</b>	<b>\$15,689</b>	<b>\$7,147</b>	<b>\$6,757</b>
Basic earnings per share:					
Net income	0.24	0.37	0.58	0.27	0.26
Diluted earnings per share:					
Net income	0.24	0.37	0.58	0.27	0.26
Weighted average shares outstanding:					
Basic	26,925	26,925	26,925	26,823	26,181
Diluted	26,925	26,940	26,940	26,838	26,181
<b>Adjusted EBITDA Reconciliation</b>					
Net income	6,384	10,049	15,689	7,147	6,757
Addition (deduction):					
Depreciation and amortization	729	926	1,452	1,362	1,552
Other income	(307)	(1,369)	(919)	(728)	(1,038)
Interest expense	620	704	484	463	447
Income tax expense	90	113	(1,310)	1,874	1,992
	<b>\$7,516</b>	<b>\$10,423</b>	<b>\$15,396</b>	<b>\$10,119</b>	<b>\$9,711</b>

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

## Consumer Segment

\$000s	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Sales	85,661	96,719	131,107	129,414	130,469
Cost of goods sold	75,292	84,111	114,873	113,765	114,588
<b>Gross margin</b>	<b>\$10,370</b>	<b>\$12,608</b>	<b>\$16,234</b>	<b>\$15,649</b>	<b>\$15,882</b>
Expenses:					
Selling, general and administrative	6,933	7,628	8,762	10,641	15,212
Depreciation and amortization	322	390	411	325	525
<b>Total operating expenses</b>	<b>\$7,255</b>	<b>\$8,018</b>	<b>\$9,173</b>	<b>\$10,966</b>	<b>\$15,736</b>
<b>Operating income</b>	<b>\$3,115</b>	<b>\$4,590</b>	<b>\$7,061</b>	<b>\$4,682</b>	<b>\$145</b>
Other income (expense):					
Other income (expense)	114	914	62	84	105
Interest expense	(209)	(288)	(244)	(192)	(229)
<b>Income before income taxes</b>	<b>\$3,019</b>	<b>\$5,216</b>	<b>\$6,879</b>	<b>\$4,574</b>	<b>\$21</b>
Income tax expense	(40)	(45)	1,427	(927)	(5)
<b>Net income</b>	<b>\$2,979</b>	<b>\$5,171</b>	<b>\$8,305</b>	<b>\$3,647</b>	<b>\$16</b>
<b>Adjusted EBITDA Reconciliation</b>					
Net Income	\$2,979	\$5,171	\$8,305	\$3,647	\$16
Addition (deduction):					
Depreciation and amortization	322	390	411	325	525
Other income	(114)	(914)	(62)	(84)	(105)
Interest expense	209	288	244	192	229
Income tax expense	40	45	(1,427)	927	5
	<b>\$3,437</b>	<b>\$4,980</b>	<b>\$7,472</b>	<b>\$5,008</b>	<b>\$670</b>

## Commercial Segment

\$000s	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Sales	28,261	44,247	51,578	45,850	49,907
Cost of goods sold	15,562	25,634	22,986	19,842	21,473
<b>Gross margin</b>	<b>\$12,699</b>	<b>\$18,613</b>	<b>\$28,593</b>	<b>\$26,008</b>	<b>\$28,434</b>
Expenses:					
Selling, general and administrative	8,620	13,170	20,668	20,897	19,393
Depreciation and amortization	407	536	1,041	1,037	1,027
<b>Total operating expenses</b>	<b>\$9,027</b>	<b>\$13,706</b>	<b>\$21,709</b>	<b>\$21,934</b>	<b>\$20,420</b>
<b>Operating income</b>	<b>\$3,672</b>	<b>\$4,907</b>	<b>\$6,883</b>	<b>\$4,074</b>	<b>\$8,013</b>
Other income (expense):					
Other income (expense)	193	455	857	644	933
Interest expense	(411)	(416)	(239)	(271)	(219)
<b>Income before income taxes</b>	<b>\$3,454</b>	<b>\$4,946</b>	<b>\$7,501</b>	<b>\$4,447</b>	<b>\$8,728</b>
Income tax expense	(49)	(68)	(117)	(947)	(1,987)
<b>Net income</b>	<b>\$3,405</b>	<b>\$4,878</b>	<b>\$7,384</b>	<b>\$3,501</b>	<b>\$6,741</b>
<b>Adjusted EBITDA Reconciliation</b>					
Net income	\$3,405	\$4,878	\$7,384	\$3,501	\$6,741
Addition (deduction):					
Depreciation and amortization	407	536	1,041	1,037	1,027
Other income	(193)	(455)	(857)	(644)	(933)
Interest expense	411	416	239	271	219
Income tax expense	49	68	117	947	1,987
	<b>\$4,079</b>	<b>\$5,443</b>	<b>\$7,924</b>	<b>\$5,111</b>	<b>\$9,041</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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THANK YOU

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