



4Q 2020 Highlights

March 30th, 2021

Our Mission



***Providing community and family
safety through individual
empowerment***



Revenue Drivers



- **Fear/Uncertainty**
 - COVID-related social behavior
 - Pending trials in MN, WI, GA, KY
 - Social unrest
 - Increasing crime rates (tied to unemployment)
- **Consumer Spending**
 - Consumer confidence
 - Working from home
 - Unemployment rate (tied to crime)
 - Wages/stimulus
- **Seasonal/Weather**
 - Outdoor activities (e.g. camping)
 - Health-related (e.g. running)
- **Back-to-school**
 - College attendance
 - Impact of virtual schooling



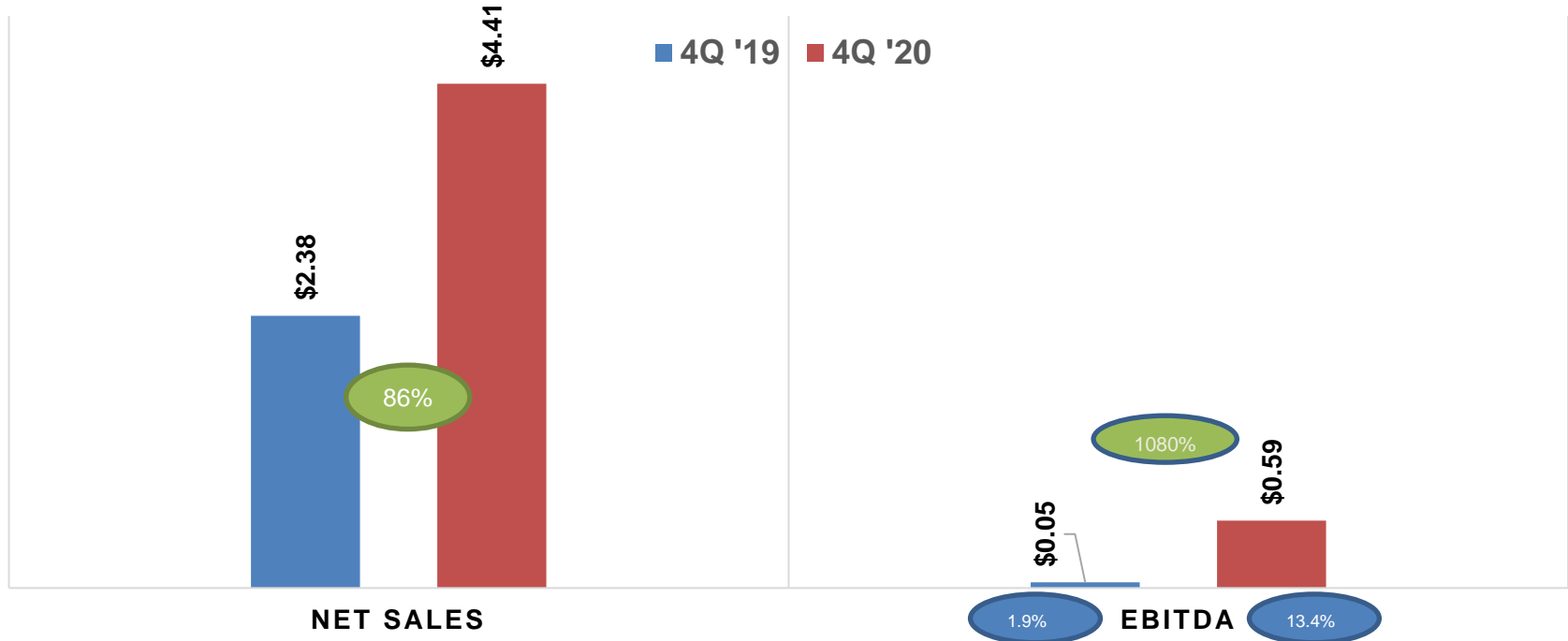
Key Financial Highlights 4Q '20



- ✓ Net Sales of \$4,411K, up 86% or \$2,034K versus prior year driven by organic retail growth, new direct-to-consumer sales and new product line extensions
- ✓ Gross Profit was \$1,760K, up 96% versus prior year
- ✓ Net Income was \$446K an increase of \$523K versus prior year



4Q '20 OVERVIEW



- Net sales grew by \$2,034K driven by organic retail growth, new direct-to-consumer sales and new product line extensions
- EBITDA increased by \$547K vs fourth quarter 2019
- Volume impact to gross margin was \$769K
- Sales mix, efficiencies and higher fixed cost leverage were \$93K
- SG&A was higher by \$346K due to higher variable sales commissions and performance-related incentives

Targeting a minimum EBITDA rate of 15%

Select Financial Stats through 4Q20



Income Statement (\$MM)

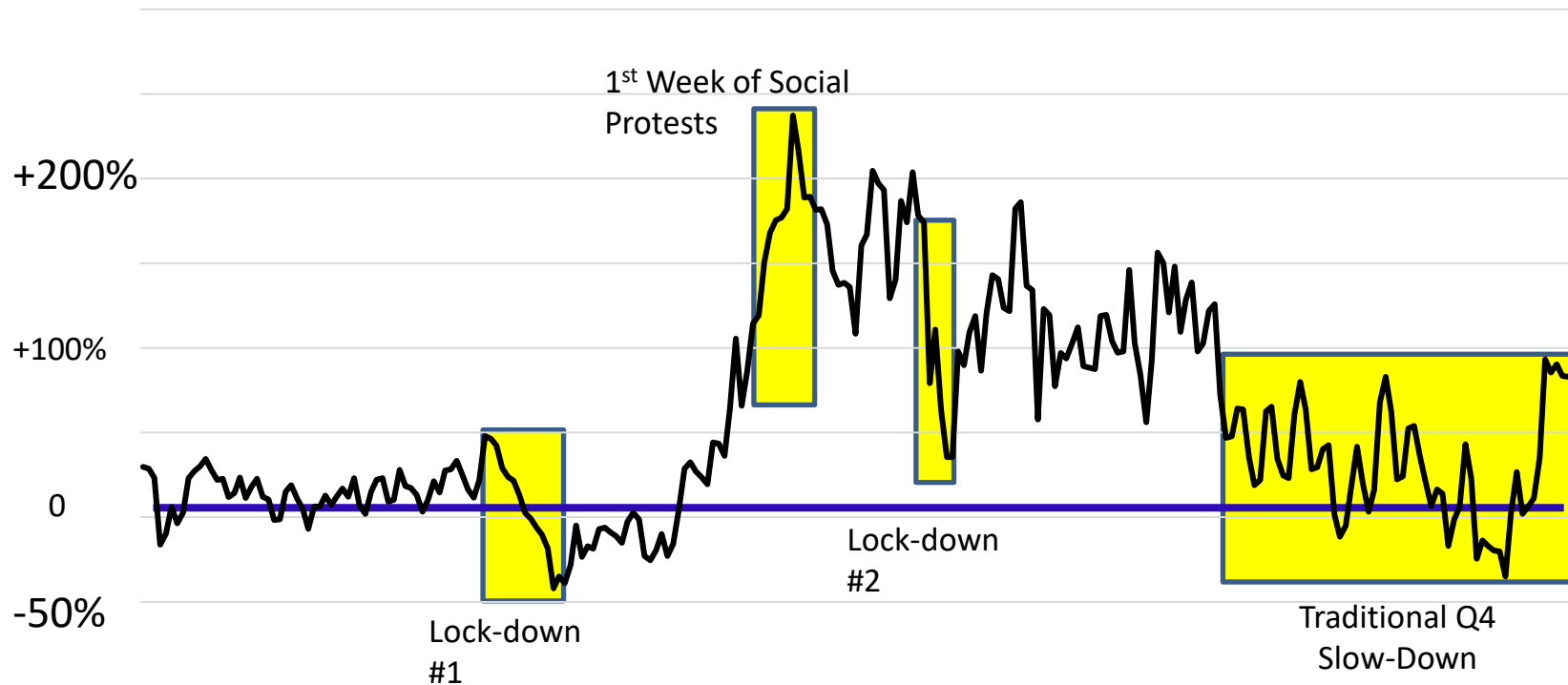
	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>1Q20</u>	<u>2Q20</u>	<u>3Q20</u>	<u>4Q20</u>
Sales	\$10.0	\$11.5	\$10.5	\$15.4	\$2.8	\$3.5	\$4.8	\$4.4
Sales Change YOY		15.1%	(8.6%)	47%	3.0%	16.0%	94.0%	86.0%
Gross Margins	42.8%	36.7%	36.2%	40.3%	38.7%	40.8%	41.1%	39.9%
SG&A	\$4.1	\$4.8	\$5.1	\$4.1	\$0.9	0.8	1.2	1.2
EBITDA	\$0.27	(\$1.5)	(\$1.2)	\$2.3	\$0.2	\$0.6	\$0.8	\$0.6
Rate	2.7%	(13.3%)	(11.5%)	14.6%	8.6%	17.2%	17.3%	13.4%

Treasury (\$MM)

	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>2Q20</u>	<u>3Q20</u>	<u>4Q20</u>
CASH	\$0.7	0.2	0.3	0.8	\$1.6	0.5	0.8
DEBT	\$1.1	1.0	1.1	0.9	\$1.6	1.0	0.9
DSO	62	59	75	71	76	70	71
DSI	127	109	98	99	132	107	99
Ent. Value	\$24.34	18.4	16.6	25.2	\$17.3	29.3	25.2
OCF/ASSETS	(3%)	(5%)	(1%)	7%	12%	2%	2%



2020 Incoming Order Pattern – 12DMA



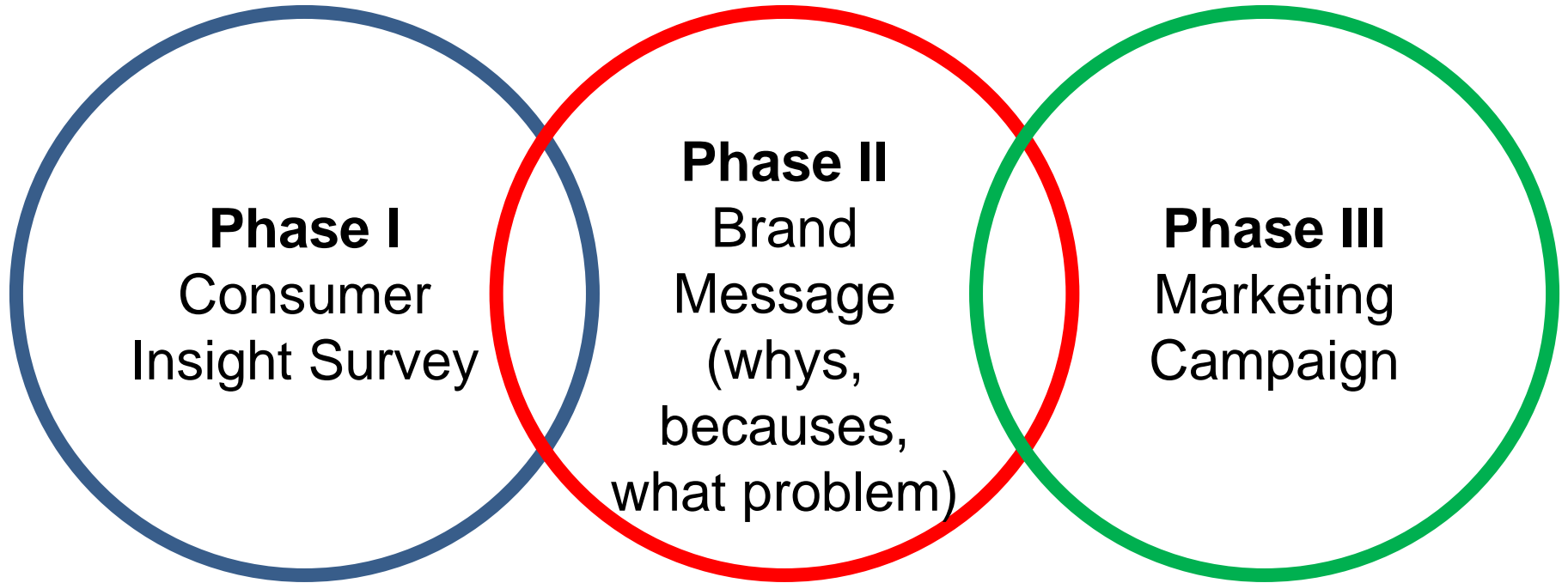
Key Priorities for 1H21



- ❖ Employee health and safety
- ❖ Land (5) new retailers
- ❖ Introduce new products (2)/line extensions
- ❖ Increase EBITDA to cash conversion by minimum 30% to 4Q20
- ❖ Increase gross profit rate to 50% by end of 2Q21
- ❖ Eliminate waste in the order-to-ship process plant wide
- ❖ Increase direct-to-consumer sales by 50%
- ❖ Invest in branding, advertising campaigns, social engagement and direct-to-consumer acquisition initiatives
- ❖ Fill digital marketing manager position



DTC/Awareness Project



**In-play, hired new
DTC partner**

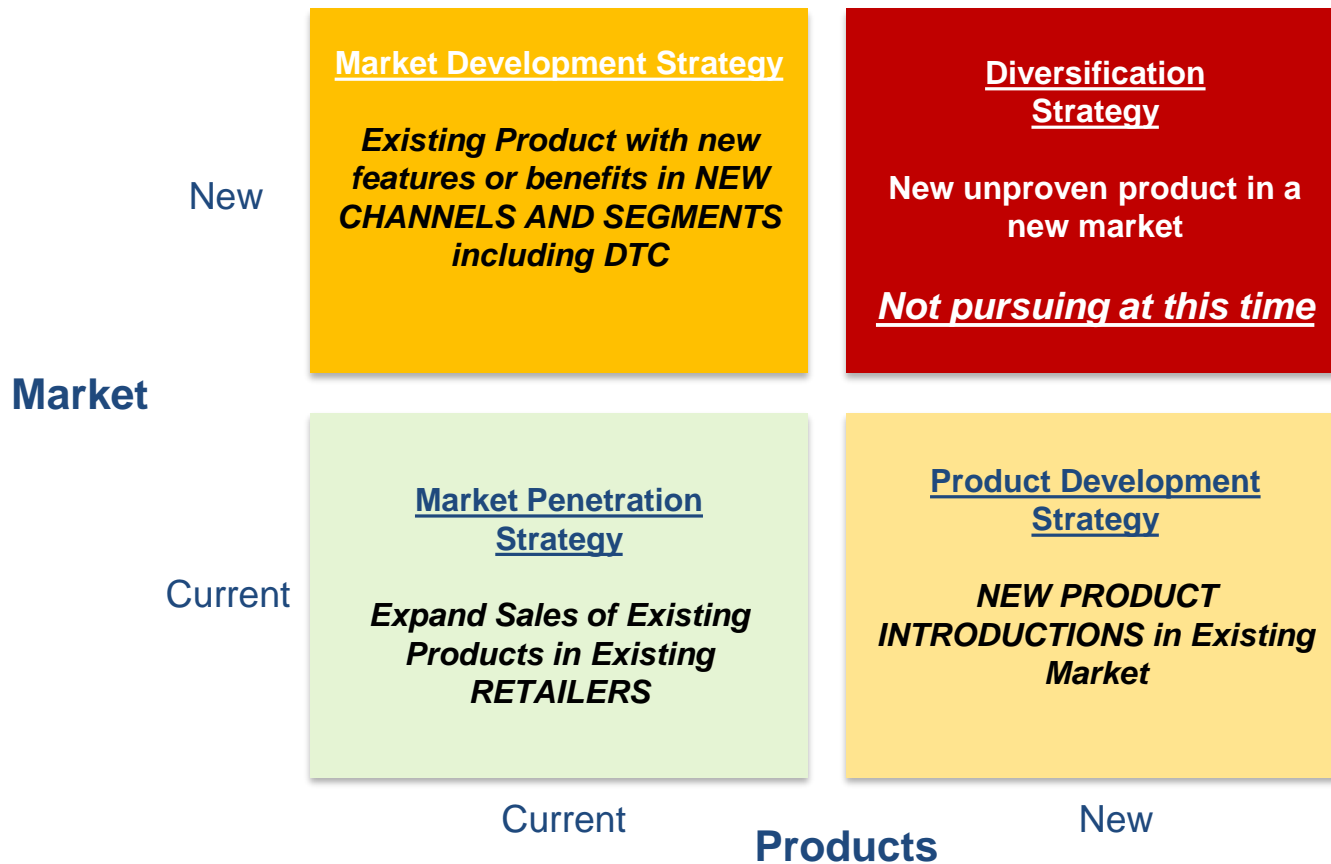


REVENUE Growth Strategies



Less risky

More risky



Positioned for Growth



Key Priorities



Long-Term

Mid-Term

Short-Term

- ✓ Employee safety and health
- ✓ Land 4-5 new retailers
- ✓ Increase DTC by 50%
- ✓ Launch 2 new products
- ✓ Increase EBITDA to cash conversion by minimum 30%

- ✓ Employee safety and culture
- ✓ Reduce process steps by 30%
- ✓ Drive (minimum) 50% GP rate
- ✓ Launch additional 2 new products
- ✓ Licensing deals

- ✓ Employee Safety and Culture
- ✓ Evaluate acquisitions
- ✓ Automation of order-to-ship process
- ✓ International markets
- ✓ Target 20%+ EBITDA

