DMC Global's Third Quarter 2024 Earnings Presentation

November 4, 2024

ARCADIA FRAMING SYSTEMS USED IN ANTERO RESOURCES HEADQUARTERS – DENVER, COLORADO

USE OF NON-GAAP FINANCIAL MEASURES & SAFE HARBOR LANGUAGE

***Use of Non-GAAP Financial Measures**

Adjusted net income (loss), adjusted EBITDA, adjusted EPS, net debt, and free-cash flow are non-GAAP financial measures used by management to measure operating performance. For reconciliations of the most directly comparable GAAP measures to non-GAAP measures, please see the tables at the back of this presentation. For a discussion of why we use non-GAAP financial measures, please see our Form 10-K for the year ended December 31, 2023.

Safe Harbor Language

Except for the historical information contained herein, this presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including guidance on sales and adjusted EBITDA; our plans to improve operations at Arcadia, and improve profitability at DynaEnergetics. Such statements and information are based on numerous assumptions regarding present and future business strategies, the markets in which we operate, anticipated costs and the ability to achieve goals. Forward-looking information and statements are subject to known and unknown risks, uncertainties and other important factors that may cause actual results and performance to be materially different from those expressed or implied by such forward-looking information and statements, including but not limited to: our ability to realize sales from our backlog; our ability to obtain new contracts at attractive prices; the execution of purchase commitments by our customers, and our ability to successfully deliver on those purchase commitments; the size and timing of customer orders and shipments; the timely completion of contracts; changes to customer orders; product pricing and margins; fluctuations in customer demand; our ability to successfully navigate slowdowns in market activity or execute and capitalize upon growth opportunities; the success of DynaEnergetics' product, technology, and margin enhancement initiatives; our ability to successfully protect our technology and intellectual property and the costs associated with these efforts; consolidation among DynaEnergetics' customers; fluctuations in foreign currencies; fluctuations in tariffs and quotas; the cost and availability of energy; the cyclicality of our business; competitive factors; the timing and size of expenditures; the timing and price of metal and other raw material; the adequacy of local labor supplies at our facilities; our ability to attract and retain key personnel; current or future limits on manufacturing capacity at our various operations; government actions or other changes in laws and regulations; the availability and cost of funds; our ability to access our borrowing capacity under our credit facility; geopolitical and economic instability, including recessions, depressions, wars or other military actions; inflation; supply chain delays and disruptions; transportation disruptions; general economic conditions, both domestic and foreign, impacting our business and the business of our customers and the end-market users we serve; the potential effects of activist stockholder actions and actions that we may take to discourage takeover attempts, as well as the other risks detailed from time to time in our SEC reports, including the annual report on Form 10-K for the year ended December 31, 2023, and our quarterly reports on Form 10-Q for the quarters ended March 31, 2024, June 30, 2024 and September 30, 2024. We do not undertake any obligation to release public revisions to any forward-looking statement, including, without limitation, to reflect events or circumstances after the date of this news release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

AGENDA

Opening Remarks and Operational Update

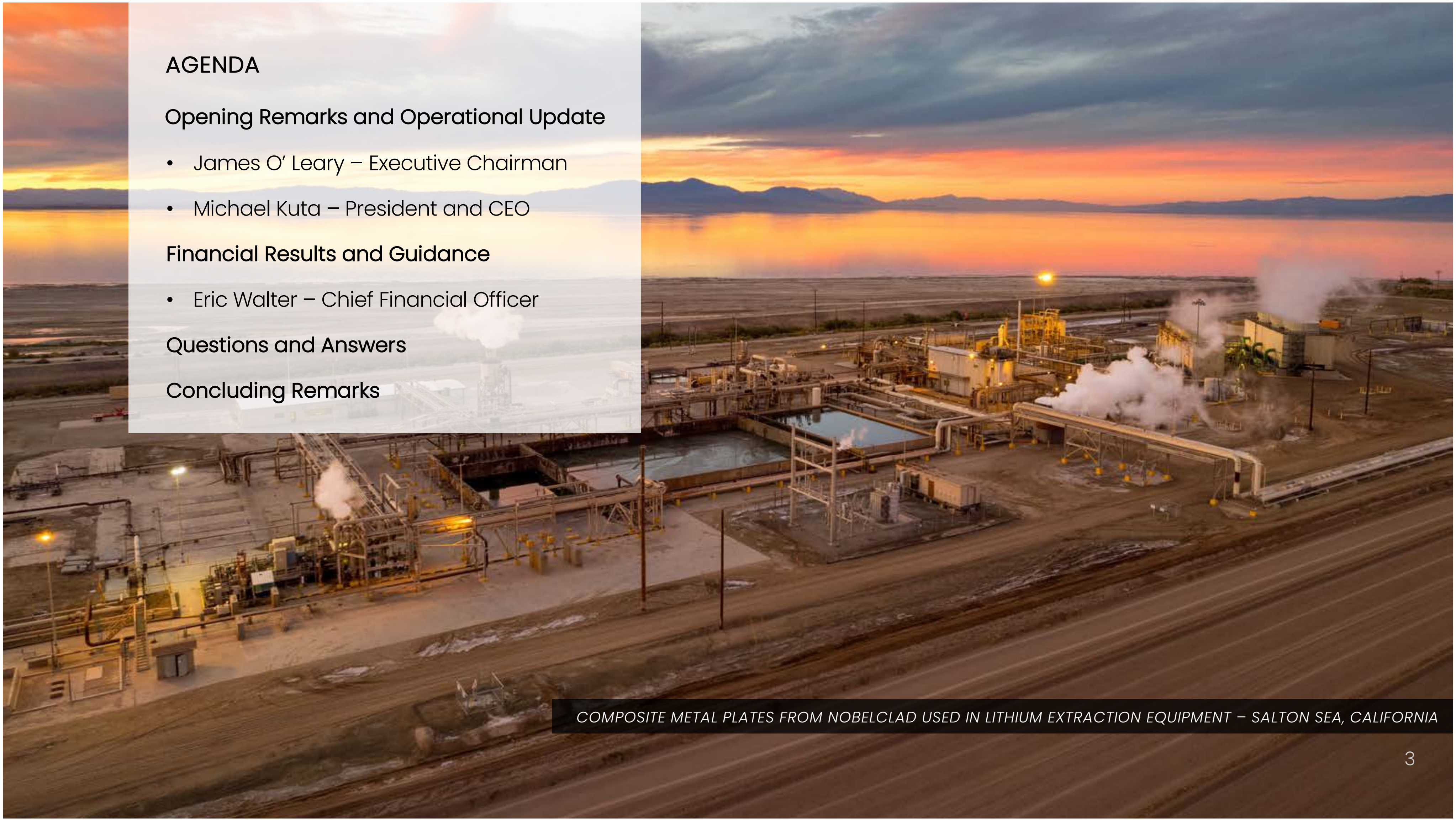
- James O' Leary – Executive Chairman
- Michael Kuta – President and CEO

Financial Results and Guidance

- Eric Walter – Chief Financial Officer

Questions and Answers

Concluding Remarks



COMPOSITE METAL PLATES FROM NOBELCLAD USED IN LITHIUM EXTRACTION EQUIPMENT – SALTON SEA, CALIFORNIA

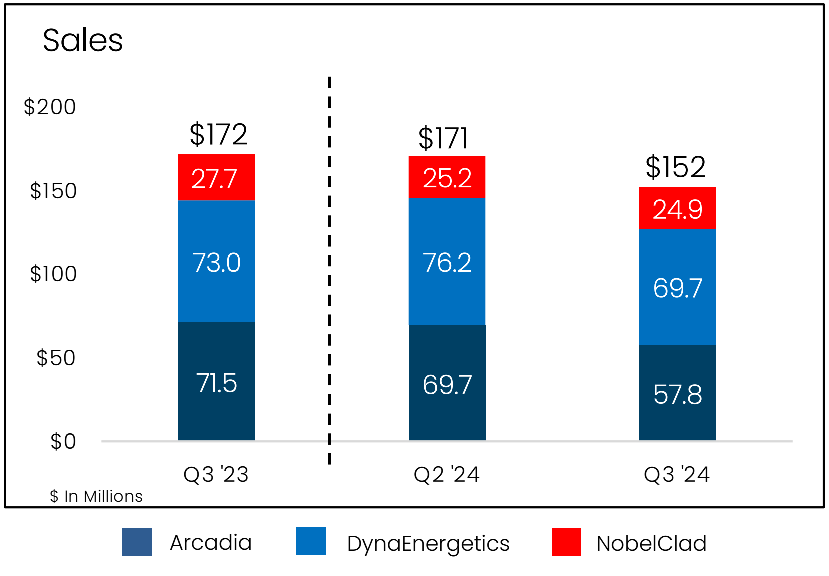
THIRD QUARTER SUMMARY

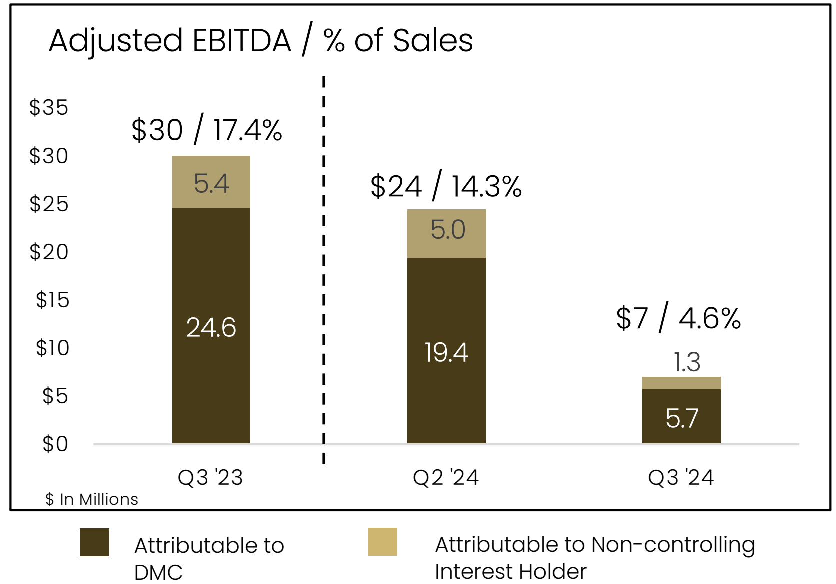
- Consolidated sales were $152.4 million, down 11% both sequentially and vs Q3 ‘24
  - YoY decline reflects softer demand from construction and energy markets
- Adjusted diluted EPS* of $(0.49) versus $0.29 in Q2 2024 and $0.50 in Q3 2023
- Adjusted EBITDA attributable to DMC* was $5.7 million, down 71% sequentially and down 77% vs. Q3 2023
- Adjusted EBITDA, inclusive of Arcadia NCI*, was $7.0 million, or 4.6% of sales
- Debt-to-adjusted EBITDA leverage ratio was 1.18 versus covenant threshold of 3.0

RESIDENTIAL ALUMINUM WINDOWS AND DOORS FROM ARCADIA CUSTOM

* Non-GAAP measure. See explanation on page 2.

DMC Q3 2024 FINANCIAL HIGHLIGHTS



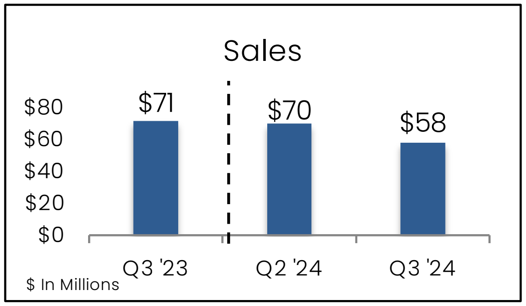


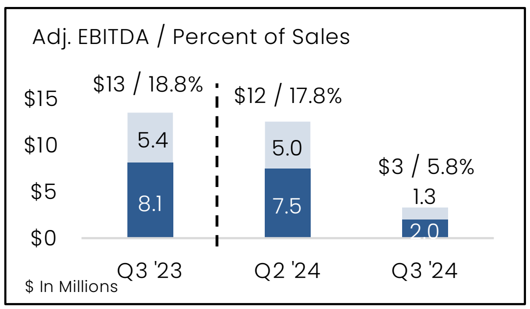
- Consolidated gross margin of 19.8% vs. 27.1% in Q2 2024 and 30.6% in Q3 2023
- SG&A of $28.2 million includes $3.5 million in bad debt charges at Dyna

- Sales decline vs. Q3 2023 reflect weakness in Arcadia's and Dyna's end markets
- Sequential and YoY EBITDA margin decline primarily reflects lower sales volume, lower fixed-cost absorption at both Arcadia and DynaEnergetics, and SG&A charges at Dyna

THIRD QUARTER 2024 BUSINESS-LEVEL FINANCIAL PERFORMANCE

Arcadia



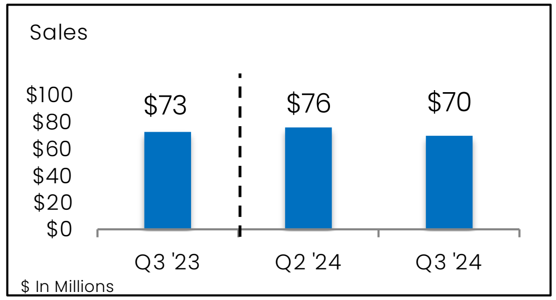


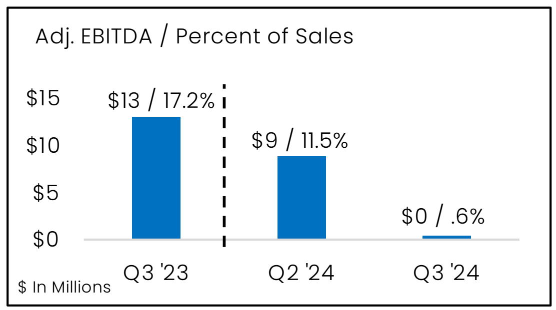
- Sales decline principally reflects weak high-end residential and commercial construction activity
- Adj. EBITDA margin contraction primarily reflects lower fixed-cost absorption

Attributable to Non-controlling Interest Holder

Attributable to DMC

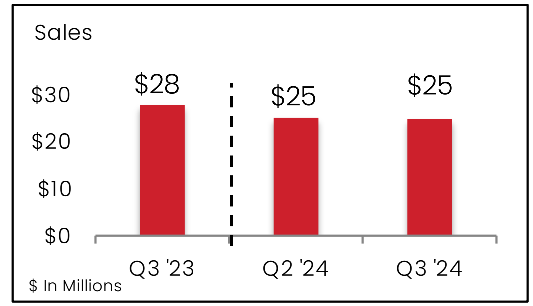
DynaEnergetics

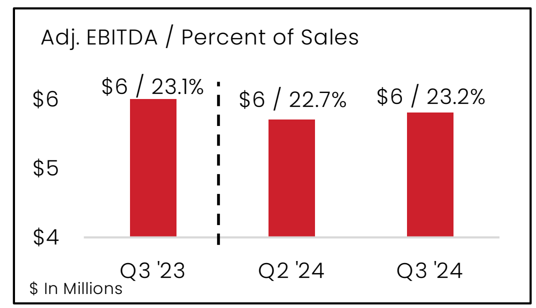




- Sales decline and adj. EBITDA margin contraction reflect slowdown in well completions and lower-margin U.S. customer mix
- Adj. EBITDA includes $5 million in inventory and bad debt charges

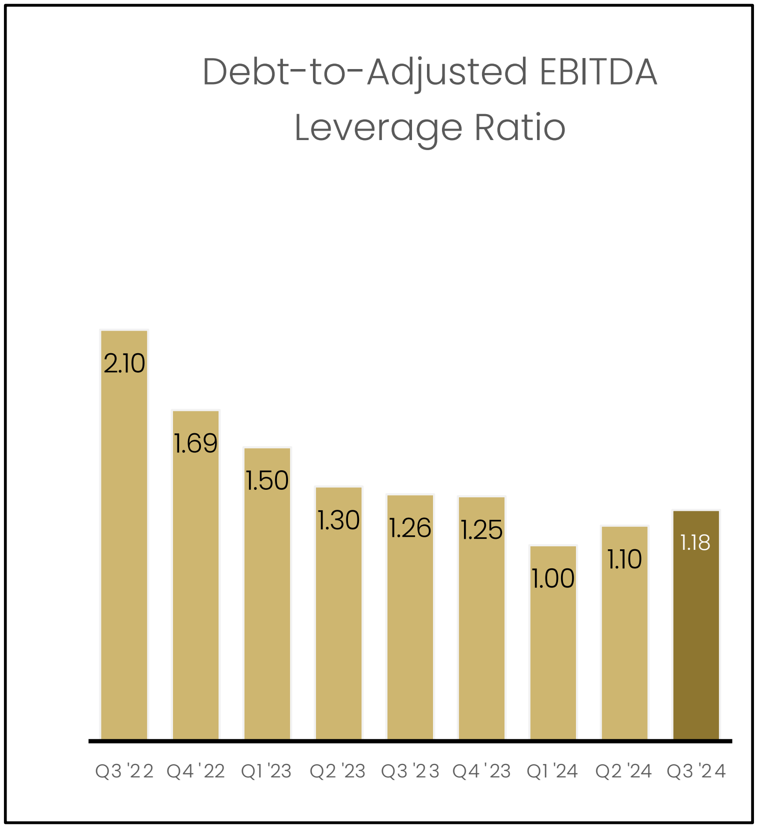
NobelClad





- Adj. EBITDA margin expansion in YoY and sequential periods due to more favorable project mix

IMPROVING FINANCIAL STRENGTH



Note: Maximum covenant leverage ratio = 3.00

Liquidity Summary	September 30, 2024[1]
Cash and Cash Equivalents	$15
Unused Credit Capacity [2]	$223
Total	$238
Total Outstanding Debt [3]	$74
Net Debt	$60
Net Debt Leverage Ratio	0.96x

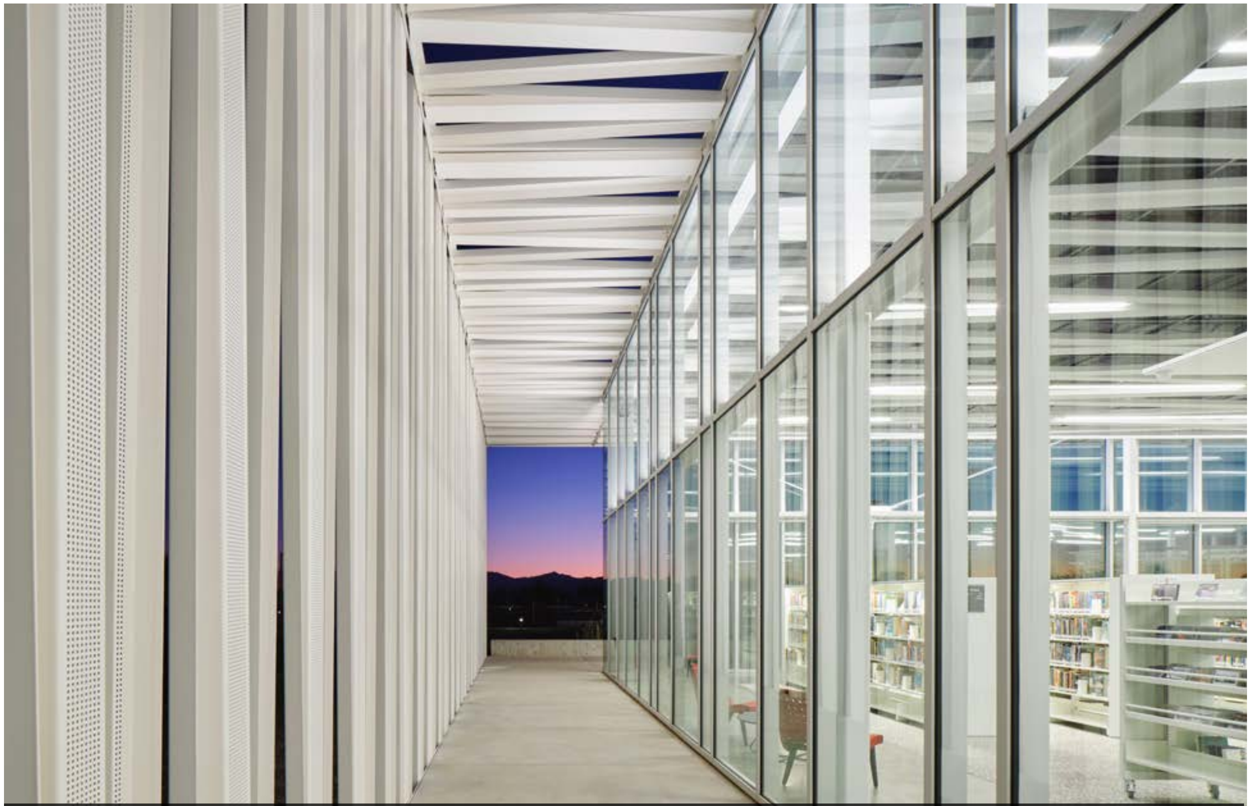
[1] Amounts in millions
[2] Before consideration of covenant limitations, includes $173 million of revolving loan availability and $50 million of delayed draw term loan availability
[3] Net of deferred financing costs

GUIDANCE FOR FOURTH QUARTER 2024

Measure	Expected Range
DMC Consolidated Sales	$138M - $148M
Adjusted EBITDA attributable to DMC	$5M - $8M

KEY OBJECTIVES FOR BALANCE OF 2024

- Execute on Arcadia's operations improvement initiatives:
  - Strengthen sourcing and supply chain functions
  - Improve sales, inventory and operations planning processes
  - More effectively utilize enterprise resource planning system
- Improve profitability at DynaEnergetics through cost reductions, automation and operational excellence initiatives
- Maintain operational excellence at NobelClad



ALUMINUM FRAMING SYSTEMS FROM ARCADIA USED IN ASANTE LIBRARY – SURPRISE, ARIZONA

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS – NET DEBT AND FREE-CASH FLOW

($000's)	Q3 2024
Long-term debt	$71,715
Current portion of long-term debt	2,500
Less: Cash and cash equivalents	(14,511)
Total net debt	$59,704
Net cash provided by operating activities	$19,002
Less: Acquisition of property, plant and equipment	(6,085)
Plus: Proceeds from property, plant and equipment reimbursements	406
Total free-cash flow	$13,323

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS – CONSOLIDATED ADJUSTED EBITDA

($000's)	Q3 2024	Q2 2024	Q3 2023
Net (loss) income	(159,416)	6,293	11,525
Interest expense, net	2,113	2,316	2,392
Income tax provision	7,848	2,792	4,087
Depreciation	3,444	3,431	3,460
Amortization of purchased intangible assets	5,278	5,307	5,667
EBITDA	(140,733)	20,139	27,131
Stock-based compensation	1,671	1,676	1,832
Goodwill impairment	141,725	-	-
Strategic review expenses	1,763	2,020	-
Restructuring expenses and asset impairments	2,069	279	515
CEO transition expenses	-	-	805
Other expense (income), net	520	284	(302)
Adjusted EBITDA	7,015	24,398	29,981
Less: Adjusted EBITDA attributable to redeemable noncontrolling interest	(1,344)	(4,978)	(5,374)
Adjusted EBITDA attributable to DMC Global Inc.	5,671	19,420	24,607

($000's)	Q3 2024	Q2 2024	Q3 2023
Operating (loss) income, as reported	(145,122)	5,719	6,476
Adjustments			
Depreciation	914	888	969
Amortization of purchased intangible assets	5,278	5,278	5,652
Stock-based compensation	315	281	337
Goodwill impairment	141,725	-	-
Restructuring expenses and asset impairments	248	279	-
Adjusted EBITDA	3,358	12,445	13,434
Less: Adjusted EBITDA attributable to redeemable noncontrolling interest	(1,344)	(4,978)	(5,374)
Adjusted EBITDA attributable to DMC Global Inc.	2,014	7,467	8,060

($000's)	Q3 2024	Q2 2024	Q3 2023
Operating (loss) income, as reported	(3,049)	7,052	10,871
Adjustments			
Depreciation	1,642	1,671	1,682
Amortization of purchased intangible assets	–	29	15
Restructuring expenses and asset impairments	1,821	–	-
Adjusted EBITDA	414	8,752	12,568

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS – NOBELCLAD ADJUSTED EBITDA

($000's)	Q3 2024	Q2 2024	Q3 2023
Operating income, as reported	4,969	4,932	5,232
Adjustments			
Depreciation	807	790	712
Restructuring expenses and asset impairments	-	-	440
Adjusted EBITDA	5,776	5,722	6,384