



3Q 2020 Highlights

October 29th, 2020

Our Mission



***Empowering those in a
vulnerable situation***



Socio-economic drivers of revenues

- ✓ Social climate
- ✓ Credibility of police force
- ✓ Divisive political environment
- ✓ Consumer sentiment
- ✓ Crime rates
- ✓ Weather
- ✓ Outdoor activities
- ✓ College attendance
- ✓ Health fads
- ✓ Rate of GDP change
- ✓ Price of resin

Key Priorities



- ❖ Employee health and safety
- ❖ Land new retailers
- ❖ Working capital management
- ❖ Find a new lender
- ❖ Management of customers and vendors amidst supply chain challenges
- ❖ Order to ship process flow
- ❖ Restructuring digital campaigns



Key Financial Highlights Q3 '20



- ✓ Net Sales of \$4.76MM, up 94% or \$2.31MM versus prior year driven by organic growth, product line extension to current customers, and sales to new customers
- ✓ Gross Profit was \$1.95MM up 108% versus prior year
- ✓ Net Income was \$682K an increase of \$843K versus prior year



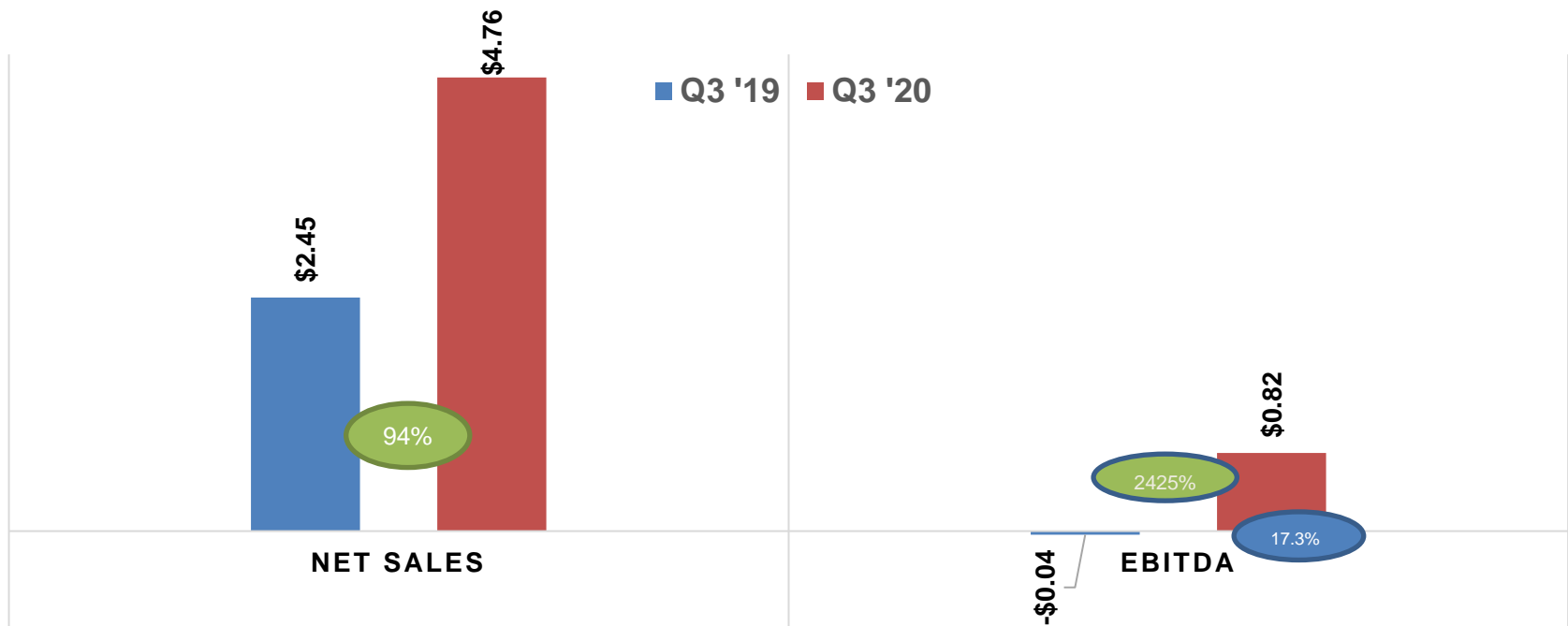
Select Financial Stats through 3Q20 – positive and sequential improvement in financial performance



MM	<u>Income Statement</u>					
	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>1Q 20</u>	<u>2Q 20</u>	<u>3Q 20</u>
Sales	\$ 10.0	11.5	10.5	2.8	3.5	4.8
Chg. YOY		15.1%	-8.6%	3.0%	16.0%	94.0%
Gross Margins	42.8%	36.7%	36.2%	38.7%	40.8%	41.1%
SG&A	\$ 4.1	4.8	5.1	0.9	0.8	1.2
EBITDA	\$ 0.27	(\$1.5)	(\$1.2)	\$0.2	\$0.6	\$0.8
Rate	2.7%	-13.3%	-11.5%	8.6%	17.2%	17.3%
MM	<u>Treasury</u>					
	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>		<u>2Q 20</u>	<u>3Q 20</u>
CASH	\$ 0.7	0.2	0.3		1.6	0.5
DEBT	\$ 1.1	1.0	1.1		1.6	1.0
DSO	62	59	75		76	70
DSI	127	109	98		132	107
Ent. Value	\$ 24.34	18.4	16.6		17.3	29.3
OCF/ASSETS	-3%	-5%	1%		12%	2%



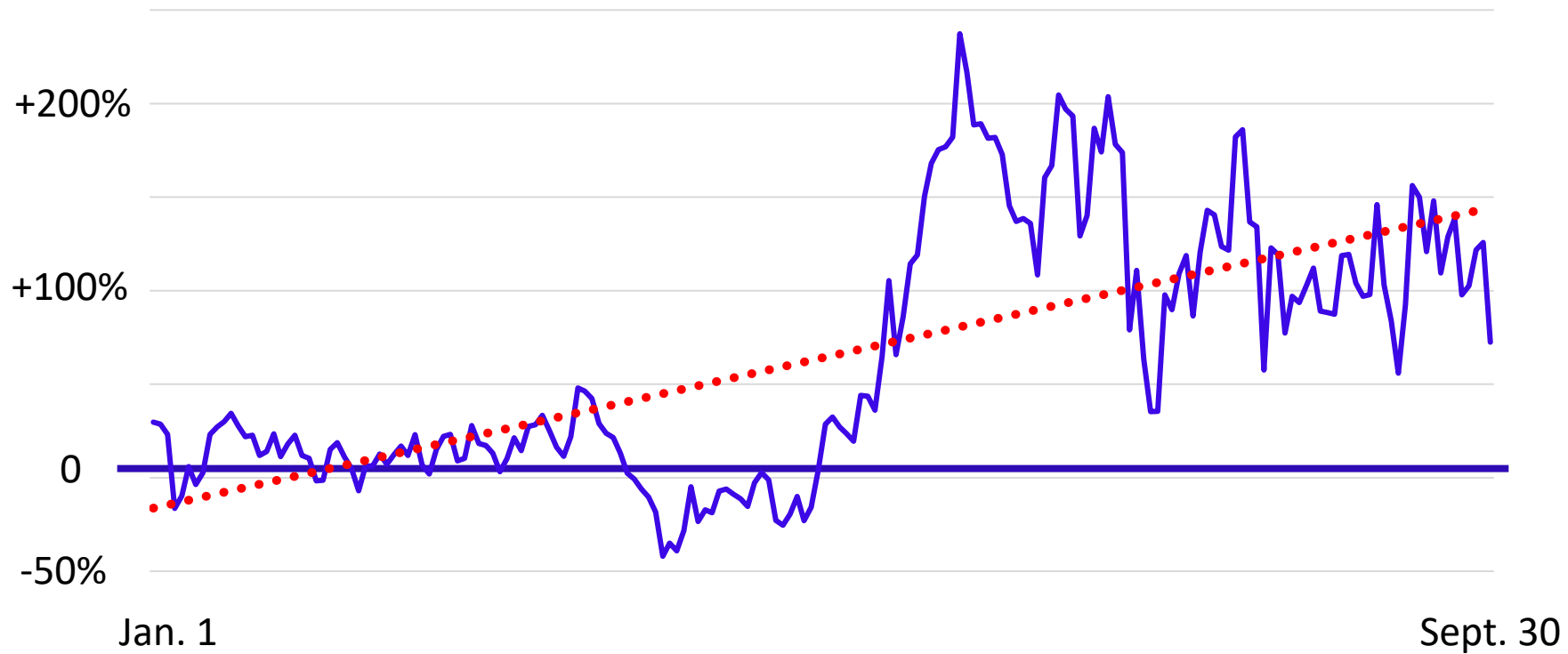
Q3 '20 OVERVIEW



- ❑ Net sales grew by \$2,310K driven by organic growth, strong e-commerce sales, addition of new customers and product line extensions.
- ❑ EBITDA increased by \$860K vs last quarter
- ❑ Volume impact to gross margin was \$877K
- ❑ Efficiencies and higher fixed cost leverage were \$138K
- ❑ SG&A was higher by \$177K due to higher variable sales commissions and performance-related incentives

Targeting a minimum EBITDA rate of 15%

YTD 09/30/20 Incoming Orders – 12 Day Moving Average



3Q20 Summary



- Digital sales continue growing at triple-digit rate (on a percentage basis)
- Incoming order trends remain strong
- 2 new products placed in key retailers
- New products introduced at retail continue to strongly outpace 2020 forecasts
- Robust backlog heading into 4Q20



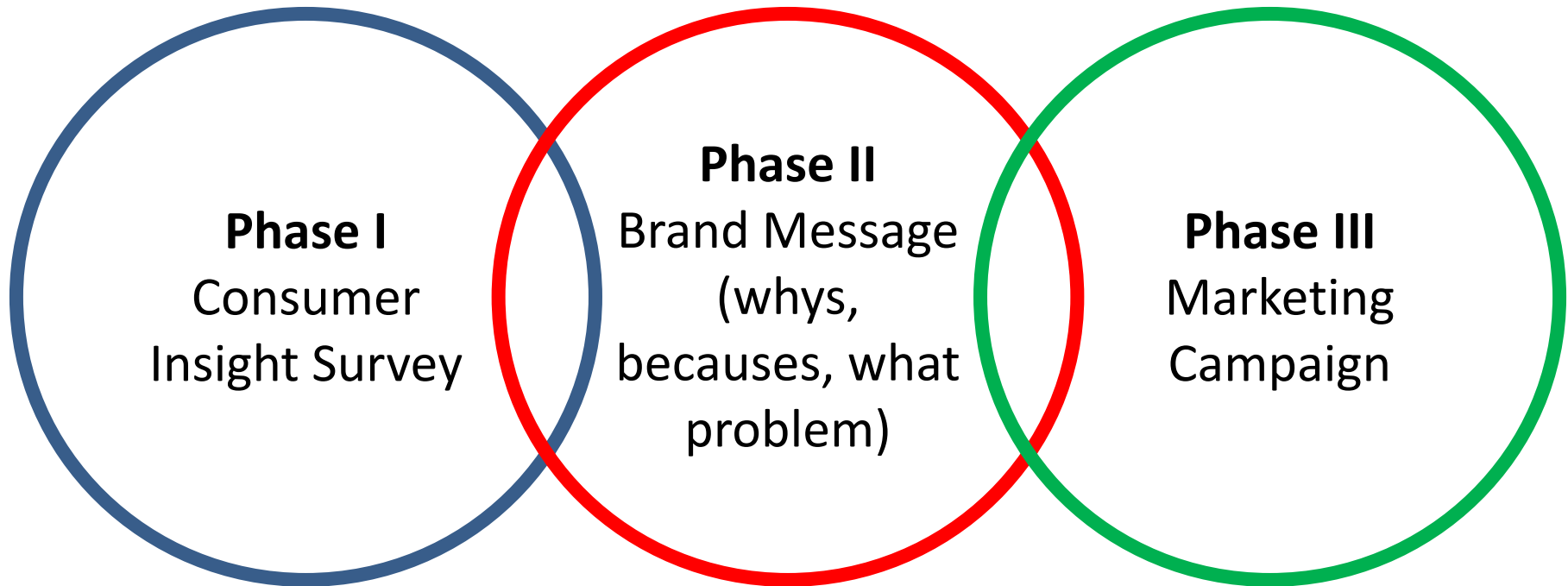
Q3 Priorities



- **Health and Safety of our employees**
- **Growth** : New business, new products, expansion of offerings to current customers and DTC
- **Operations Excellence**: improvements in supply chain management and order to ship processes
- **Balance Sheet Strength**
- **Investor Relations conferences**
- **Leadership team** : fill Operations management and CFO positions



DTC/Awareness Project



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

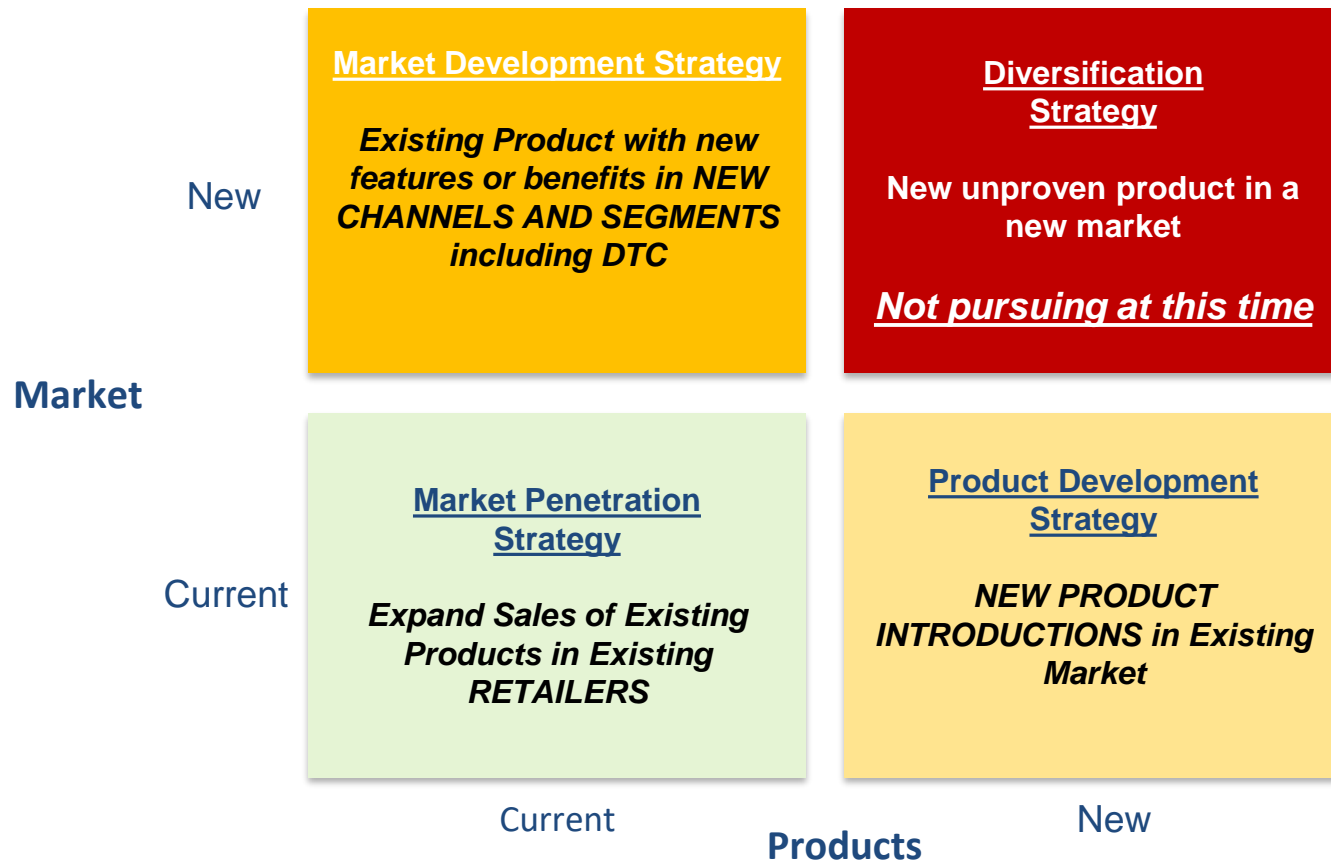


REVENUE Growth Strategies



Less risky

More risky





Positioned for Growth Key Priorities



Long-Term

- ✓ Employee Safety and Culture
- ✓ Acquisitions
- ✓ New products/extensions
- ✓ Continued channel addition and retailer penetration
- ✓ Automation
- ✓ International
- ✓ Expand personal safety device offerings

Mid-Term

- ✓ Employee safety and culture
- ✓ Reduce process steps by 30%
- ✓ Drive (minimum) 200 bp increase in Gross Profit Margins
- ✓ Land (minimum) 4 new retailers
- ✓ Increase DTC by (minimum) 3X
- ✓ Investment in DTC and AI
- ✓ New products/product line extensions
- ✓ Licensing deals

Short-Term

- ✓ Employee safety and health
- ✓ Redefine mission/culture code
- ✓ Order to Cash Management
- ✓ New-look product and packaging
- ✓ Management of supply chain
- ✓ Lean out non value-added processes
- ✓ Advertising/awareness/IR investment