

# Q3 2024 Earnings Presentation

November 8, 2024



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## Forward Looking Statements

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This presentation may include certain non-GAAP financial measures that are not prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and that may be different from non-GAAP financial measures used by other companies. The Company believes EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS, and Free Cash Flow are useful to investors in evaluating the Company's financial performance. The Company uses these measures internally to establish forecasts, budgets and operational goals to manage and monitor its business, as well as evaluate its underlying historical performance and/or to measure incentive compensation, as we believe that these non-GAAP financial measures depict the true performance of the business by encompassing only relevant and controllable events, enabling the Company to evaluate and plan more effectively for the future. Due to the forward-looking nature of the financial guidance included below, specific quantification of the charges excluded from the non-GAAP financial measures included in such financial guidance, including with respect to depreciation, amortization, interest, and taxes, that would be required to reconcile the non GAAP financial measures included in such financial guidance to GAAP measures are not available, so it is not feasible to provide accurate forecasted non-GAAP reconciliations without unreasonable effort. Consequently, no disclosure of estimated comparable GAAP measures is included, and no reconciliation of the forward-looking non-GAAP financial measures is included. In addition, the Company's debt agreements contain covenants that use a variation of these measures for purposes of determining debt covenant compliance. The Company believes that investors should have access to the same set of tools that its management uses in analyzing operating results. EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS, and Free Cash Flow should not be considered as measures of financial performance under U.S. GAAP, and the items excluded from EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS, and Free Cash Flow are significant components in understanding and assessing the Company's financial performance. Accordingly, these key business metrics have limitations as an analytical tool. They should not be considered as an alternative to net income or any other performance measures derived in accordance with U.S. GAAP or as an alternative to cash flows from operating activities as a measure of the Company's liquidity and may be different from similarly titled non-GAAP measures used by other companies. Please refer to the tables below for the reconciliation of net income to EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS, and Free Cash Flow.

## Industry and Market Information

Statements in this presentation concerning our industry and the markets in which we operate, including our general expectations and competitive position, business opportunity and market size, growth and share, are based on information from independent industry organizations and other third-party sources, data from our internal research and management estimates. Management estimates are derived from publicly available information and the information and data referred to above and are based on assumptions and calculations made by us based upon our interpretation of such information and data. The information and data referred to above are imprecise and may prove to be inaccurate because the information cannot always be verified with complete certainty due to the limitations on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, please be aware that the data and statistical information in this presentation may differ from information provided by our competitors or from information found in current or future studies conducted by market research institutes, consultancy firms or independent sources.

# Executive Summary

Net Sales: Q3 '24 vs. Q3 '23 increased 11% to \$107mm compared to \$97mm driven by strong international demand and product innovation

Adjusted EBITDA<sup>1</sup>: Q3 '24 vs. Q3 '23 increased 13% to \$40mm compared to \$36mm driven by higher net sales and lower SG&A

Dave Cote's Resolute Holdings acquired majority interest; Dave appointed executive chairman and we added new board members; impact eliminated dual-class stock & simplified tax structure, improving free cash flow

High-profile customer card programs launched this quarter including US Bank Smartly, Goldman Sachs Debit, BTG in Brazil, and variety of fintechs and international banks

Capital One contract extended for another two years

Revised guidance for full year 2024 Net Sales expected to be in the range of \$418mm to \$424mm and Adjusted EBITDA of \$148mm to \$151mm

<sup>1</sup>Adjusted EBITDA is a non-GAAP financial measure. For reconciliation of Adjusted EBITDA to the most directly comparable measure prepared in accordance with GAAP, please see the Appendix





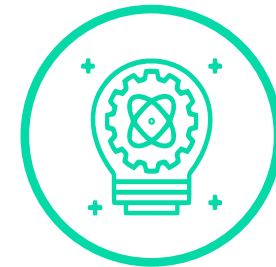
# 2024 Company Objectives

## 1 Grow Metal Payment Cards



Grow and diversify metal payment cards while delivering exceptional quality to our customers

## 2 Innovate Across Functions



Innovate across products, processes and platforms to differentiate from competition and continue emphasis on environmental impact

## 3 Demonstrate Arculus Success



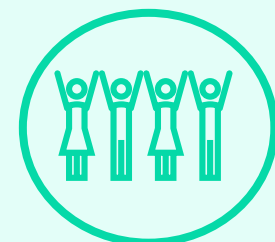
Drive Arculus Authenticate and Cold Storage by demonstrating to our customers the value proposition of both hardware and software solutions

## 4 Enhance Efficiency



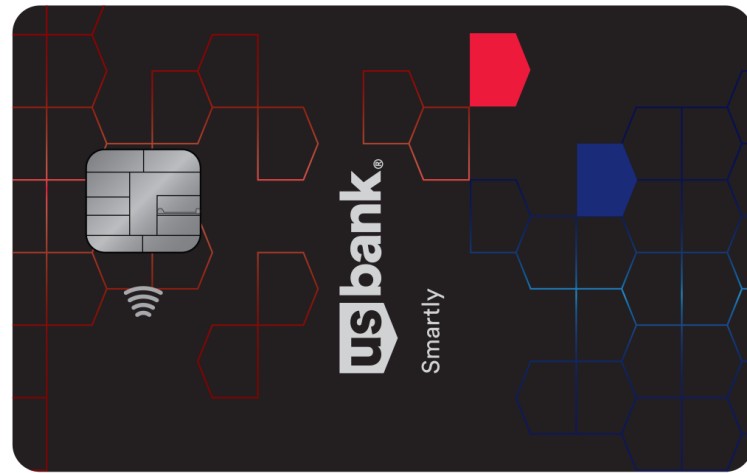
Maintain margins through improved quality, production efficiency, sourcing optimization, and automation

## 5 Focus On Our People

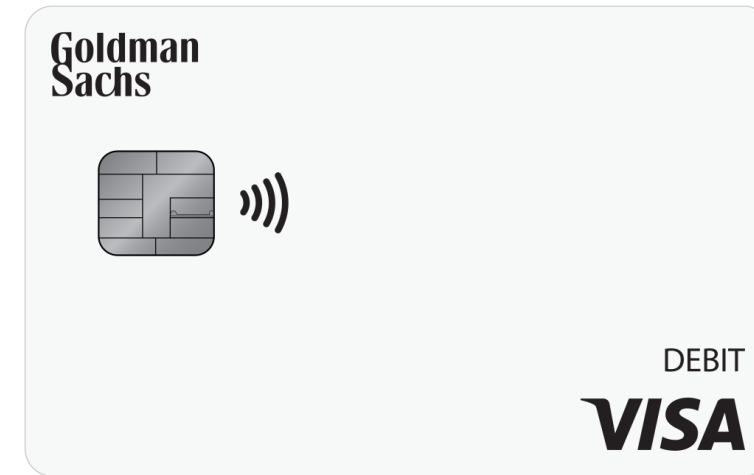


Continue to evolve as a world-class organization, innovator, and employer of choice to deliver unparalleled customer and shareholder value

# Key Highlights – New Metal Card Programs



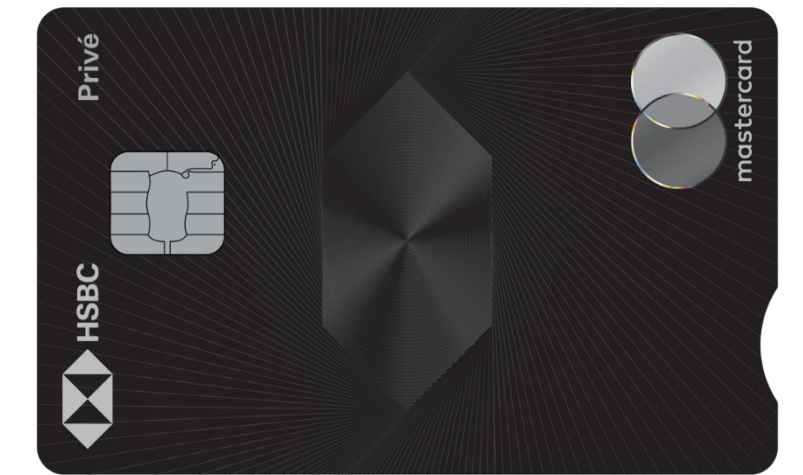
US Bank Smartly - US



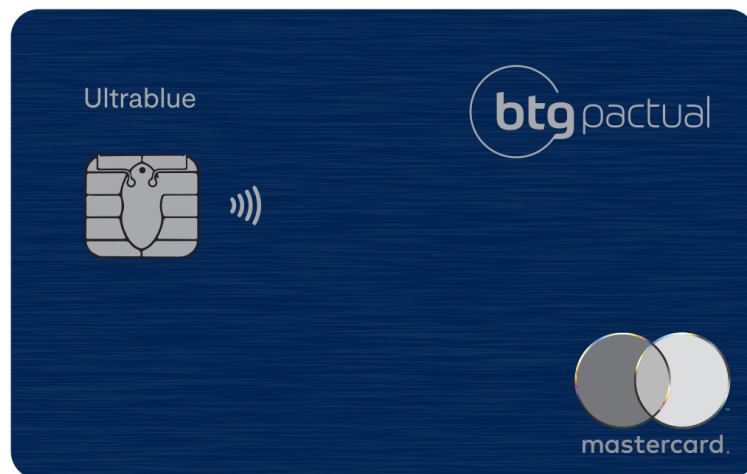
Goldman Sachs Debit - US



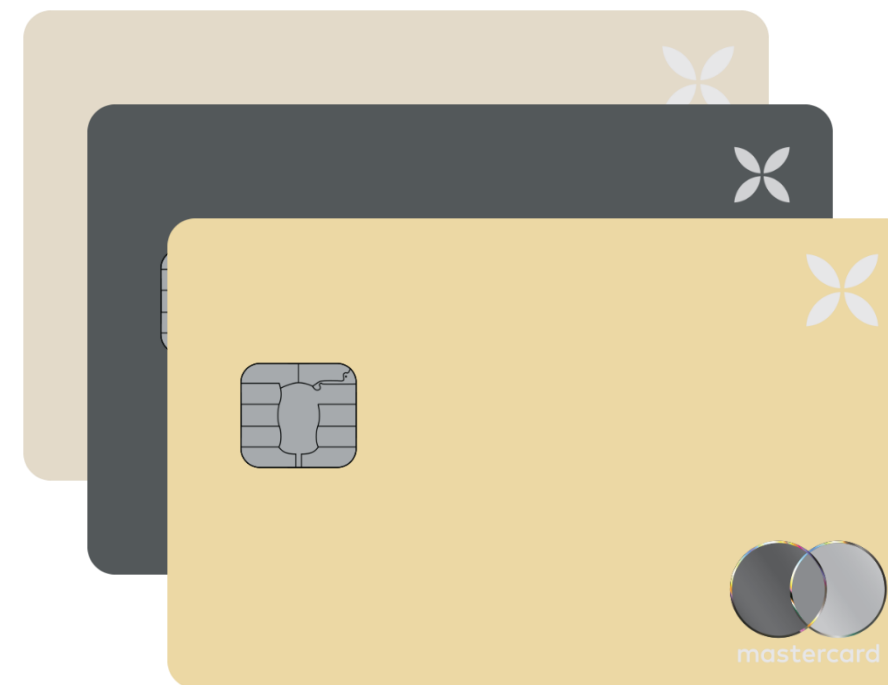
IDFC - India



HSBC - Singapore



BTG - Brazil



Qonto - France

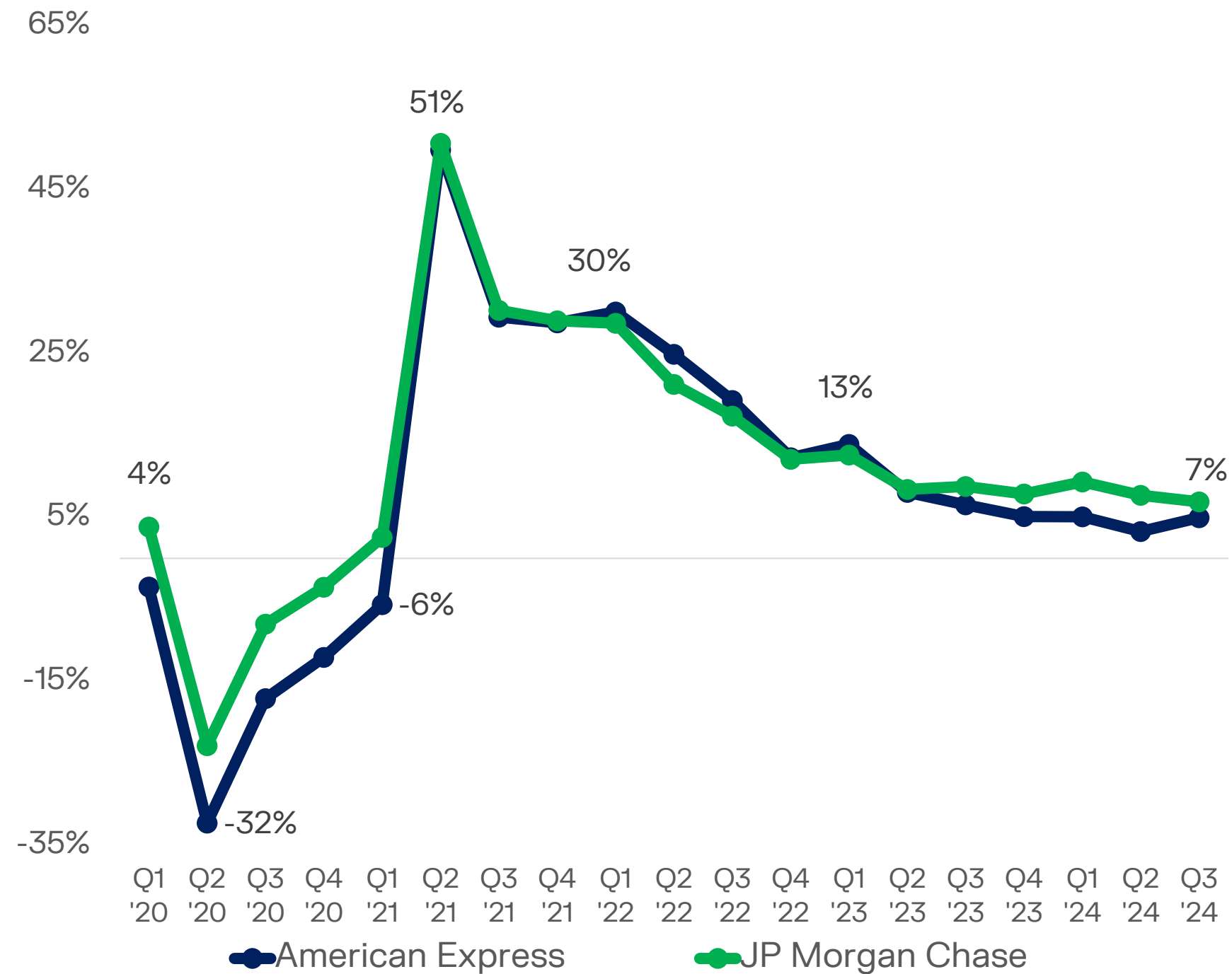


Military Bank - Vietnam

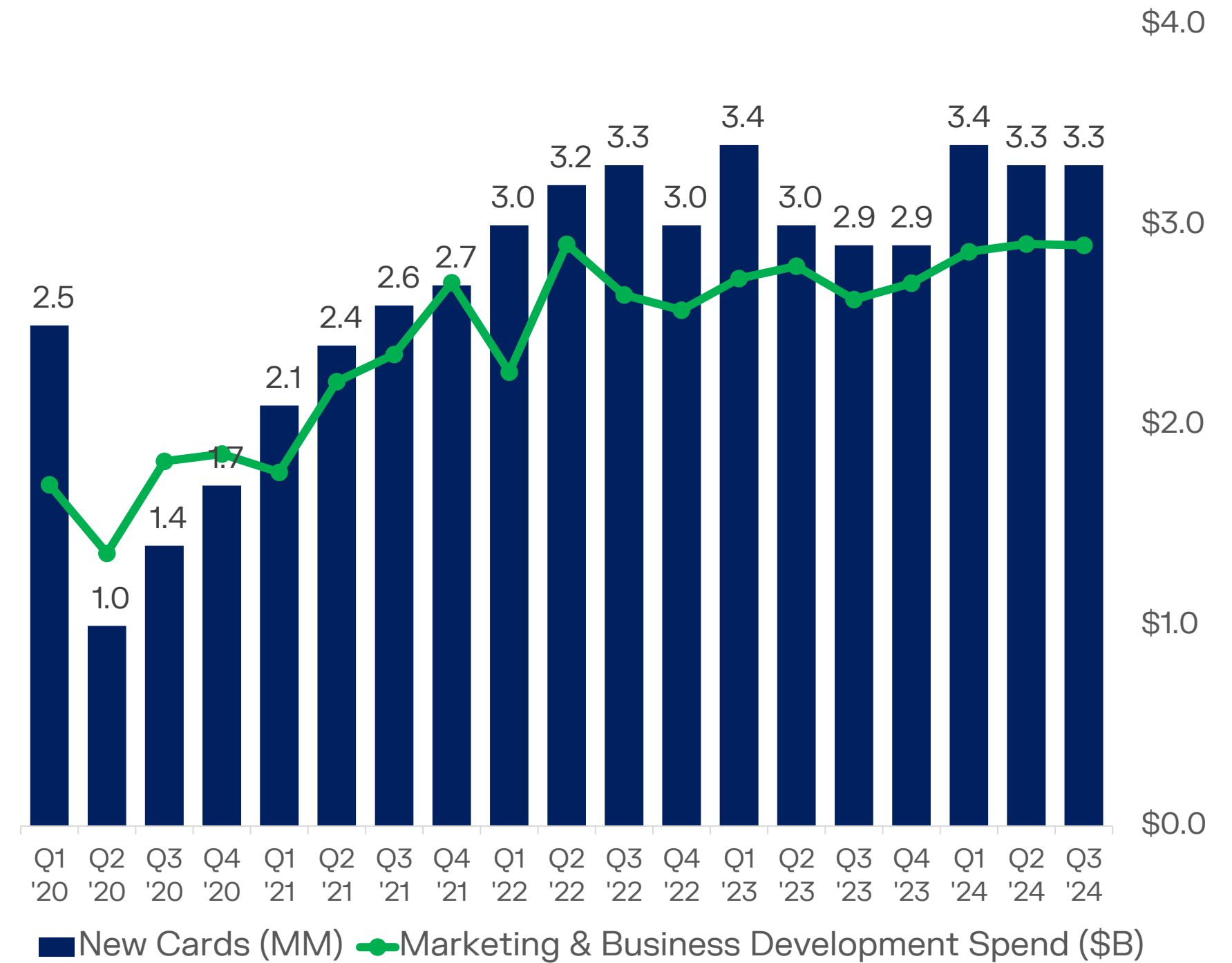
Several high-profile metal payment card launches across the globe including both traditional banks and fintechs

# Recent Trends across Payment Cards

Year over Year Purchase Volume Growth<sup>1</sup>



American Express New Card Acquisitions and Investment<sup>2</sup>



CompoSecure's largest customers reported purchase volume growth vs. prior year while American Express acquired 3.3mm new cards behind robust investments

<sup>1</sup>American Express & JP Morgan Chase Earnings Presentations  
<sup>2</sup>American Express Earnings Presentations

# Card Issuer and Payment Network Sentiment



“And we continue to see strong demand for our products as we bring new customers into the franchise with new cards acquired of 3.3 million in the quarter. Our strong acquisition and retention levels, along with our ongoing cycle of refreshing products continue to drive sustainable growth in card fee revenue. This strong growth represents a real proof point of the success of our strategy and the continued engagement of our customers.” – *Christophe Le Caillec (CFO)*<sup>1</sup>



“We continue to see compelling growth opportunities in our Domestic Card business. Our marketing continues to deliver strong new account growth across the Domestic Card business compared to the third quarter of 2023. Domestic Card marketing in the quarter included increased marketing to grow originations at the top of the market, higher media spend, and increased investment in differentiated customer experiences like our travel airport lounges and Capital One shopping.” – *Richard Fairbank (Chairman & CEO)*<sup>1</sup>

JPMORGAN CHASE & CO.



“So overall, we see the spending patterns as being sort of solid and consistent with the narrative that the consumer is on solid footing and consistent with the strong labor market and the current central case of a kind of new landing scenario economically.” – *Jeremy Barnum (CFO)*<sup>1</sup>

“The macroeconomic environment remained supportive and continues to underpin the strength in consumer spending. The labor market remained strong, even if slightly below historically tight levels. And inflation has moderated, albeit at varied levels across categories and countries. Overall, we remain positive about our growth outlook, but we will continue to monitor the environment.” – *Michael Miebach (CEO)*<sup>1</sup>

The payment card industry is performing well and remains optimistic about future growth



# Metal Payment Card's Value Proposition

## Cardholders

### Elevated, Premium Experience

- Metal cards instill feelings of quality, durability, exclusivity, and status

### Consumers Prefer Metal Cards Over Plastic

- Superior tactile experience
- Global surveys indicate consumer preference for metal

### Entrenched Preference for Physical Payment Cards Over Mobile

- Perception of increased security with physical payment cards vs. mobile
- Metal further elevates the tangible physical payment experience

### Environmental Sustainability

- 65% post-consumer recycled stainless steel
- Most new metal cards include a postage-paid envelope to return and recycle expired metal cards

## Issuers

### Highly Compelling Economics

- Low, predictable cost of metal cards relative to ongoing marketing/rewards costs drives ROI for issuers

### Innovative Product Differentiation

- Elevated user experience and branding encourages consumers to keep issuer cards top of wallet amidst highly competitive payment card market

### Quality Offering for Mass Affluent

- Pioneering technology and manufacturing capabilities have reduced production costs, enabling issuers to target a wider variety of consumers

### Superior Metal Construct

- Metal construction enables issuers to increase durability to support new technological capabilities

Metal payment cards offer an unmatched value proposition to both cardholders and issuers



# Differentiated Capabilities

## Expertise

- Extensive trade secrets in metal card printing, proprietary coatings, and specialized etching and engraving
- Key manufacturing equipment heavily customized to enable proprietary processes
- Vast industry experience across the leadership team and entire organization to collaborate closely with clients and drive innovation

**TRADE SECRETS**

## Patents

- Intense focus on intellectual property
- Broad protection on metal card manufacturing
- 60+ patents issued, 35+ pending, and with a constant focus on new technological innovations

**INTELLECTUAL PROPERTY**

## Expansive Operations

- Ability to provide volume and quality at scale larger than any competitor's existing metal card output
- Strong operating leverage; produced 31mm+ metal cards in 2023
- Available space to expand capacity within existing footprint

**SCALE**

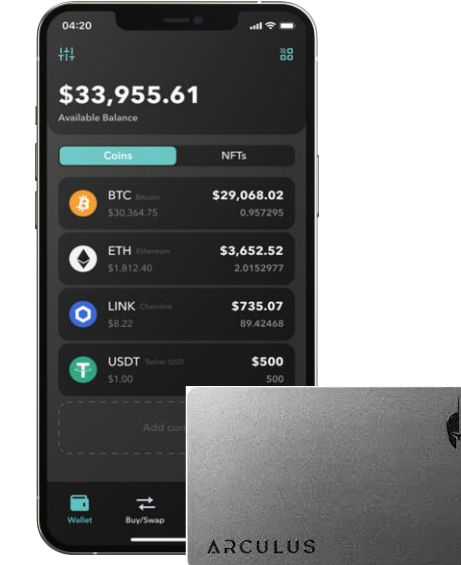
Comprehensive product portfolio, extensive business partnerships, advanced technology and innovation, and strong sustainability strategy

# Arculus Capabilities

## Arculus Authenticate



## Arculus Cold Storage



### Capability

Hardware-bound PassKey authenticator

### Use Cases

- Secure login on any iPhone, Android phone, or platform enabled with FIDO2 technology
- New device authentication (on-boarding new phone)
- Customer support authentication to call center
- Step-up authentication for high-risk transactions

### Example

- Secure account and prevent hackers from gaining access to banking or social media app

### Distribution Channels

- White-labeled or co-branded solution sold through businesses for usage by their customer base

Crypto and NFT hardware cold storage wallet

- Advanced three-factor authentication (biometric, PIN, and tapping card)
- Securely store, send, and receive digital assets via user-friendly mobile application
- Secure element with NFC connectivity (no battery or charging required)

- Generate, store, and secure keys for digital assets such as Bitcoin, Ethereum, Cardano, Solano, and many more

- White-labeled or co-branded solution sold through businesses for usage by their customer base
- Direct to consumer

Created capability for Arculus to enable Web3 payments - using digital assets for everyday purchases at point of sale

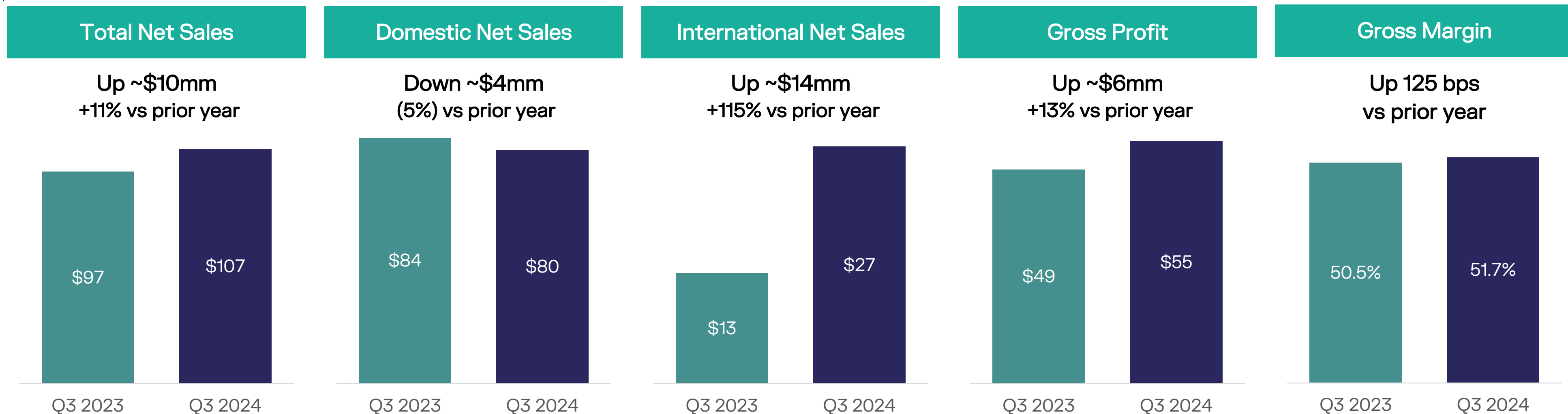
# Financial Overview





# Q3 2024

\$ Millions



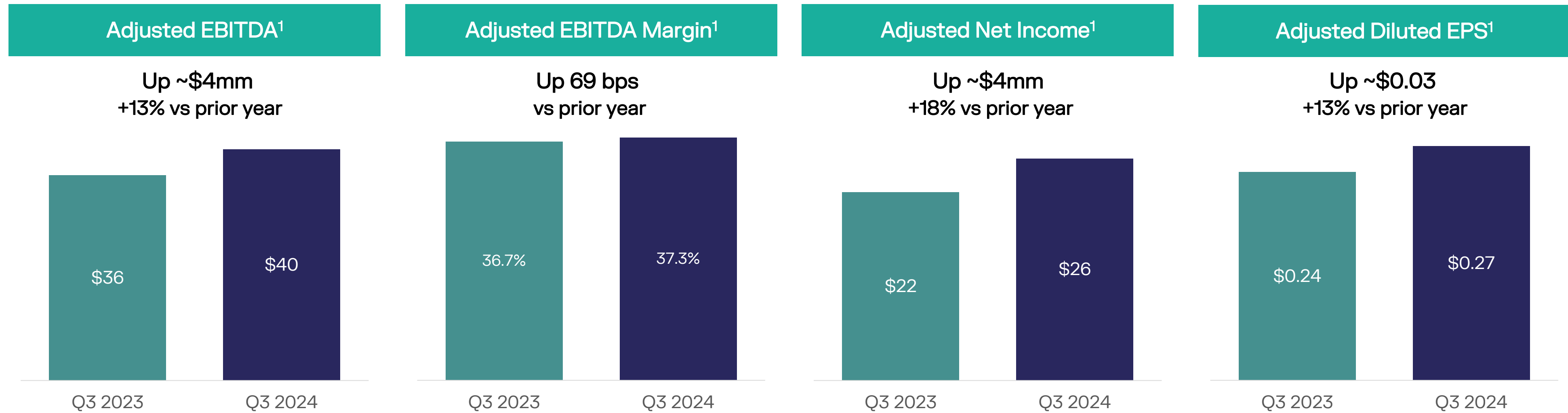
- Strong performance from both traditional financial institutions and fintech
- Lower in quarter but expected to rebound in Q4
- Momentum from new product innovation (Trade Republic's new program launch with our Echo Mirror card)
- Driven by net sales growth and improved production efficiencies
- Improved production efficiencies and favorable product mix

Strong third quarter results driven by international sales and improved production efficiencies



# Q3 2024

\$ Millions



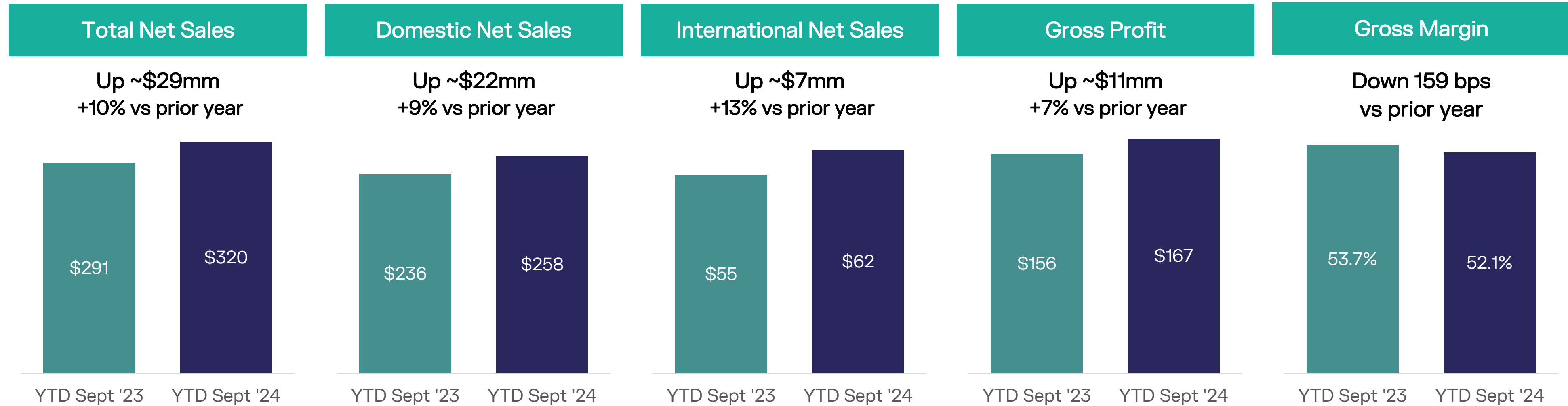
- Includes net impact from Arculus investment in Q3 '24 of (\$2.4mm) vs. Q3 '23 of (\$3.1mm)
- Improved efficiencies and spend management
- Adjusts out \$108mm of non-cash charges from stock price
- Number of diluted shares up 90.8mm to 93.9mm

Operating leverage increased in the quarter as Adjusted EBITDA grew at faster rate than Net Sales

<sup>1</sup>Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted EPS are non-GAAP financial measure. For reconciliation of these non-GAAP measures to the most directly comparable measure prepared in accordance with GAAP, please see the Appendix

# YTD Sept 2024

\$ Millions



- Expansion of existing client business as well as growth from new clients
- Strong performance from large traditional bank issuers
- Acceleration from both direct and indirect distribution channels
- Driven by net sales growth
- Primarily due to higher headcount and wage cost, inflationary costs of materials, and product mix

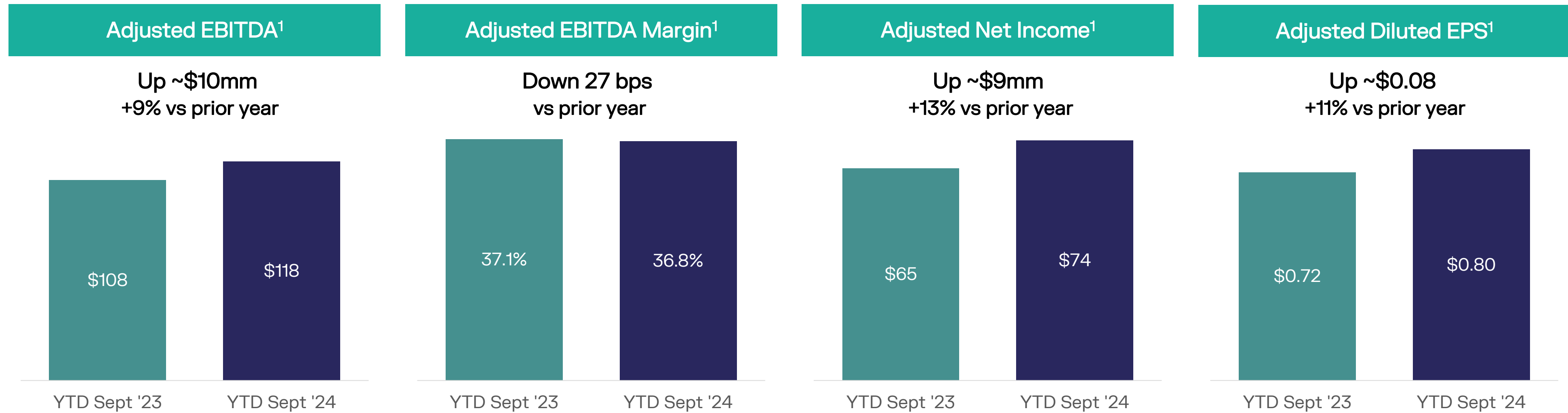
Strong year to date results driven by global sales growth across new and existing customers





# YTD Sept 2024

\$ Millions



- Includes net impact from Arculus investment YTD Q3 '24 of (\$6.5mm) vs. YTD Q3 '23 of (\$11.8mm)
- Impact from lower production efficiencies
- Benefitting from higher revenue growth
- Number of diluted shares up 90.4mm to 92.3mm

Net investment from Arculus continues to trend favorably vs. prior year and remains on track to turn profitable in 2025

<sup>1</sup>Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted EPS are non-GAAP financial measure. For reconciliation of these non-GAAP measures to the most directly comparable measure prepared in accordance with GAAP, please see the Appendix

# 2024 Guidance

Revised full year Net Sales and Adjusted EBITDA guidance<sup>1</sup>

2024F

Q4F

Net Sales

\$418mm - \$424mm

\$98mm - \$104mm

*B/(W) vs. '23*

*+\$27mm / +\$33mm*

*+7% / +9%*

Adjusted EBITDA<sup>2</sup>

\$148mm - \$151mm

\$30mm - \$33mm

*B/(W) vs. '23*

*+3mm / +\$6mm*

*+2% / +4%*

<sup>1</sup>Previous guidance was Net Sales of \$418mm - \$428mm and Adjusted EBITDA of \$150mm - \$157mm

<sup>2</sup>Adjusted EBITDA is a non-GAAP financial metric. For a reconciliation of Adjusted EBITDA to the most-comparable GAAP metric, please see the Appendix to this presentation

# Balance Sheet

(Unaudited)

(\$mm)	Q3 2024A	Q4 2023A
<b>Assets</b>		
<b>Current Assets</b>		
Cash & cash equivalents	\$53	\$41
Accounts receivable, net	44	40
Inventories	55	53
Prepaid expenses and other Current assets	5	5
<b>Total Current Assets</b>	<b>157</b>	<b>139</b>
Property and equipment, net	23	25
Deferred tax assets	245	24
Other assets	10	12
<b>Total assets</b>	<b>\$435</b>	<b>\$201</b>
<b>Liabilities and Members' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$10	\$5
Accrued expenses	13	12
Other current liabilities	31	13
Current portion of long-term debt	10	10
<b>Total current liabilities</b>	<b>65</b>	<b>41</b>
Long-term debt, net of deferred finance costs	188	198
Line of credit	0	0
Convertible Debt, net of debt discount	128	128
Other liabilities	339	39
<b>Total liabilities</b>	<b>\$720</b>	<b>\$407</b>
Members' Equity	(285)	(206)
<b>Total liabilities and members' equity</b>	<b>\$435</b>	<b>\$201</b>

Finished the quarter with \$53mm in cash, up \$12mm vs. end of year 2023



# Statement of Cash Flows

(Unaudited)

(\$mm)	YTD Q3 '24A	YTD Q3 '23A
<b>Cash flows from operating activities</b>		
<b>Net income</b>	<b>(\$35)</b>	<b>\$81</b>
Depreciation	7	6
Equity-based compensation expense	15	13
Amortization of deferred finance costs	1	1
Change in fair value of earnout, warrant and derivative	110	(12)
Accounts receivable	(3)	(11)
Accounts payable	4	7
Inventories	(3)	(10)
Deferred tax expense (benefit)	(5)	(1)
Other liabilities	0	(1)
Accrued expenses	1	4
<b>Net cash provided by operating activities</b>	<b>\$94</b>	<b>\$78</b>
<b>Cash flows from investing activities</b>		
<b>Acquisition of property and equipment</b>	<b>(5)</b>	<b>(7)</b>
<b>Net cash used in investing activities</b>	<b>(\$5)</b>	<b>(\$7)</b>
<b>Cash flows from financing activities</b>		
Proceeds from employee stock purchase plan and exercise of equity awards	3	1
Dividend to Class A shareholders	(9)	0
Payment of Tax receivable agreement liability	0	(2)
Payments for taxes related to net share settlement of equity awards	(8)	(3)
Payment of term loan	(10)	(18)
Distributions	(16)	0
Deferred finance costs related to debt origination	(2)	(0)
Tax Distribution to members	(35)	(38)
<b>Net cash used in financing activities</b>	<b>(\$77)</b>	<b>(\$61)</b>
<b>Net increase (decrease) cash, cash equivalents and restricted cash</b>	<b>11</b>	<b>10</b>
Cash, cash equivalents and restricted cash, beginning of year	\$41	\$14
Cash, cash equivalents and restricted cash, end of year	\$53	\$24

Net cash from operating activities YTD Sept '24 is \$94mm, up \$16mm vs. prior year

# Early Expectations for 2025

## Tailwinds

Positive sentiment of payment card industry, long-term contracts with largest customers, strong backlog, and visibility into sales pipeline provide confidence into metal card organic growth

Growing focus on fraud reduction provides Arculus Authenticate opportunities

Strong pipeline for new product innovation and interest from new and existing customers

Stable supply chain conditions with typical variability in material pricing and continued diversification of sources

Improvement of operational efficiencies through the development of the CompoSecure Operating System

Generation of strong free cash flow to invest in production and process innovation and diversify the business and customer base through M&A activity

## Headwinds

Continued competition across the metal card industry

Gradual adoption of digital wallets for point-of-sale transactions

Rising labor costs and competition for top talent

Global political and economic uncertainty

Will provide specific 2025 Net Sales and Adjusted EBITDA guidance at next reporting cycle, consistent with prior years

# Key Takeaways

Delivered strong results on both the top and bottom line driven by international performance and consistent sales execution

Customers reporting sustained growth and commitment to ongoing marketing investment reaffirming our belief in strong growing market for metal payment cards

Arculus net investment trending favorably and remains on track to turn profitable in 2025

With addition of Dave Cote as Executive Chairman and new board members, we are well-equipped to continue driving organic growth, maximize operating efficiencies, and pursue growth opportunities through M&A



# Investor Relations Contact

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# Appendix



# CompoSecure, Inc. (Nasdaq: CMPO)

## Summary Equity Capitalization Table (with net exercise model)

As of September 30, 2024

<u> Holders </u>	<u> # of Shares Issued &amp; Outstanding </u>	<u> # of Shares Issued &amp; Outstanding </u>
Public Shareholders: Class A	82.7mm	82.7mm
<u> Holders </u>	<u> # of Shares Reserved for Immediately Exercisable In-The-Money Options </u>	<u> # of Shares Reserved for Immediately Exercisable In-The-Money Options (assuming net exercise)<sup>1</sup> </u>
Merger Rollover Options	0.8mm	0.4mm
<b>Subtotal</b>	<b>83.5mm</b>	<b>83.1mm</b>
<u> Convertible Instruments </u>	<u> # of Shares Reserved for Conversion </u>	<u> # of Shares Reserved for Conversion (assuming net exercise) </u>
Public Warrants <sup>2</sup>	22.4mm	8.1mm
Exchangeable Notes <sup>3</sup>	13.6mm	13.6mm
<b>Grand Total</b>	<b>119.5mm</b>	<b>104.8mm</b>

Notes: The table above excludes shares which may be issued in the future for equity incentive plan, employee stock purchase plan, 401K plan and contingent “earnout”. Contingent “earnout” from 2021 merger gives certain equity holders the right to receive up to 7,500,000 additional shares of the Company's Class A common stock based on the achievement of certain stock price thresholds. See Note 9 to the Q3 2024 financial statements for more detail.

<sup>1</sup> Assumes exercise net of strike price, valuation at assumed FMV of \$10.00

<sup>2</sup> Assumes treasury stock method, \$11.50 strike price, & valuation at assumed FMV of \$18.00

<sup>3</sup> The conversion price has been temporarily adjusted to \$9.57 from September 19, 2024 to November 29, 2024 and will revert to \$10.98 after that period. See Note 5 to the Q3 2024 financial statements for more detail. Assumes \$10.98 conversion price with redemption (at company's discretion) on or after December 15, 2024 if stock price exceeds \$14.27.

# Statement of Operations

(Unaudited)

(\$mm)	Q3 2024A	Q3 2023A	YTD Q3 '24A	YTD Q3 '23A
Revenue				
<b>Net Sales</b>	<b>\$107</b>	<b>\$97</b>	<b>\$320</b>	<b>\$291</b>
Cost of Sales	(52)	(48)	(153)	(135)
<b>Gross Profit</b>	<b>\$55</b>	<b>\$49</b>	<b>\$167</b>	<b>\$156</b>
Operating Expenses				
Selling, general and administrative	(26)	(20)	(75)	(68)
<b>Income from operations</b>	<b>\$29</b>	<b>\$29</b>	<b>\$92</b>	<b>\$89</b>
Other expense				
Other income (expense), net	(115)	9	(127)	(7)
<b>Net Income (Loss)</b>	<b>(\$85)</b>	<b>\$38</b>	<b>(\$35)</b>	<b>\$81</b>

Source: Company financials

Note: Operating results have been derived from CompoSecure's consolidated financial statements for the three and nine months ended September 30, 2024 and 2023 respectively

Note: Totals may not sum due to rounding

<sup>1</sup> Includes other income (expense) and income tax (expense) benefit as presented in annual and interim financial statements

# Non-GAAP Adjusted EBITDA Reconciliation

(Unaudited)

\$mm	Q3 '24A	Q3 '23A	YTD Q3 '24A	YTD Q3 '23A
Net Income	(\$85)	\$38	(\$35)	\$81
Interest Expense	6	6	17	18
Depreciation and Amortization	2	2	7	6
Taxes	1	1	0	1
<b>Unadjusted EBITDA</b>	<b>(\$77)</b>	<b>\$47</b>	<b>(\$11)</b>	<b>\$107</b>
<b>1</b> Non-Cash Stock Comp Expense	6	5	15	13
<b>2</b> Mark-to-market Adjustments	108	-16	110	-12
Other	3	0	4	0
<b>Total EBITDA Adjustments</b>	<b>\$117</b>	<b>(\$12)</b>	<b>\$129</b>	<b>\$1</b>
<b>Adjusted EBITDA</b>	<b>\$40</b>	<b>\$36</b>	<b>\$118</b>	<b>\$108</b>
Adjusted EBITDA %	37.3%	36.7%	36.8%	37.1%

**1 Non-Cash Equity Awards:**  
Equity based expenses related to the equity incentive plan

**2 Non-Cash Mark-to-Market Adjustments:**  
Related to changes in fair value of liabilities for warrants, earnouts and derivatives assets



# Q3 Earnings per Share: GAAP

	Three Months Ended Sep 30, 2024		Three Months Ended Sep 30, 2023	
	Basic	Diluted	Basic	Diluted
GAAP Net Income (Loss)	(\$85.5mm)	(\$85.5mm)	\$38.1mm	\$38.1mm
Net Income (Loss) used in EPS	(\$42.1mm) <sup>1</sup>	(\$42.1mm) <sup>2</sup>	\$7.5mm	\$12.3mm
Total Shares used in EPS	38.2mm <sup>3</sup>	38.2mm <sup>4</sup>	19.1mm	35.8mm
Earnings per Share	(\$1.10)	(\$1.10)	\$0.39	\$0.34

Source: Company Financials

<sup>1</sup> 46.47% of Net Income (Loss) of (\$81.1mm) of operating entities plus 100% of C-Corp net loss of \$4.4mm.

<sup>2</sup> 46.47% of Net Income (Loss) of (\$81.1mm) of operating entities plus 100% of C-Corp net loss of \$4.4mm.

<sup>3</sup> Weighted-average outstanding Class A Shares.

<sup>4</sup> Weighted-average outstanding Class A Shares.

# Q3 Adjusted Earnings per Share

	Three Months Ended Sep 30, 2024		Three Months Ended Sep 30, 2023	
	Basic	Diluted	Basic	Diluted
GAAP Net Income (Loss)	(\$85.5mm)	(\$85.5mm)	\$38.1mm	\$38.1mm
Adjusted Net Income	\$25.6mm <sup>1</sup>	\$25.6mm <sup>1</sup>	\$21.7mm <sup>2</sup>	\$21.7mm <sup>2</sup>
Total Shares used in EPS	82.2mm <sup>3</sup>	93.9mm <sup>4</sup>	79.0mm <sup>3</sup>	90.8mm <sup>5</sup>
Adjusted EPS <sup>6</sup>	\$0.31	\$0.27	\$0.27	\$0.24

Source: Company Financials

<sup>1</sup> GAAP Net Income (Loss) of (\$85.5mm) less Additional Tax Provision of \$6.5mm plus Fair Value/Mark to Market Changes for Warrants and Earnouts, Equity Awards Adjustment and secondary offer transaction cost of \$117.5mm.

<sup>2</sup> GAAP Net Income of \$38.1mm less Additional Tax Provision of \$4.9mm less Fair Value/Mark to Market Changes for Warrants and Earnouts, Equity Awards Adjustment and secondary offer transaction cost of \$11.4mm.

<sup>3</sup> Outstanding Class A plus Class B Shares.

<sup>4</sup> Outstanding Class A plus Class B Shares plus \$8.1mm Public Warrants (Converted Using Treasury Stock Method) and \$3.5mm Equity Awards.

<sup>5</sup> Outstanding Class A plus Class B Shares plus \$8.1mm Public Warrants (Converted Using Treasury Stock Method) and \$3.7mm Equity Awards

<sup>6</sup> Adjusted Net Income and Adjusted EPS are non-GAAP financial measures. For reconciliation of these non-GAAP measures to the most directly comparable measures prepared in accordance with GAAP, please see the Appendix

# YTD Earnings per Share: GAAP

	Nine Months Ended Sep 30, 2024		Nine Months Ended Sep 30, 2023	
	Basic	Diluted	Basic	Diluted
GAAP Net Income (Loss)	(\$34.8mm)	(\$34.8mm)	\$81.5mm	\$81.5mm
Net Income (Loss) used in EPS	(\$16.4mm) <sup>1</sup>	(\$16.4mm) <sup>2</sup>	\$15.8mm	\$26.5mm
Total Shares used in EPS	28.1mm <sup>3</sup>	28.1mm <sup>4</sup>	18.4mm	35.4mm
Earnings per Share	(\$0.58)	(\$0.58)	\$0.86	\$0.75

Source: Company Financials

<sup>1</sup> 34.57% of net income of \$28.1mm of operating entities plus 100% of C-Corp net loss of \$6.7mm.

<sup>2</sup> 34.57% of net income of \$28.1mm of operating entities plus 100% of C-Corp net loss of \$6.7mm.

<sup>3</sup> Weighted-average outstanding Class A Shares.

<sup>4</sup> Weighted-average outstanding Class A Shares.

# YTD Adjusted Earnings per Share

	Nine Months Ended Sep 30, 2024		Nine Months Ended Sep 30, 2023	
	Basic	Diluted	Basic	Diluted
GAAP Net Income (Loss)	(\$34.8mm)	(\$34.8mm)	\$81.5mm	\$81.5mm
Adjusted Net Income	\$73.8mm <sup>1</sup>	\$73.8mm <sup>1</sup>	\$65.3mm <sup>2</sup>	\$65.3mm <sup>2</sup>
Total Shares used in EPS	81.3mm <sup>3</sup>	92.3mm <sup>4</sup>	78.4mm <sup>3</sup>	90.4mm <sup>5</sup>
Adjusted EPS <sup>6</sup>	\$0.91	\$0.80	\$0.83	\$0.72

Source: Company Financials

<sup>1</sup> GAAP Net Income (Loss) of (\$34.8mm) less Additional Tax Provision of \$20.4mm plus Fair Value/Mark to Market Changes for Warrants and Earnouts, Equity Awards Adjustment and secondary offer transaction cost of \$129.1mm.

<sup>2</sup> GAAP Net Income of \$81.5mm less Additional Tax Provision of \$17.0mm less Fair Value/Mark to Market Changes for Warrants and Earnouts and Equity Awards Adjustment of \$0.7mm.

<sup>3</sup> Outstanding Class A plus Class B Shares.

<sup>4</sup> Outstanding Class A plus Class B Shares plus \$8.1mm Public Warrants (Converted Using Treasury Stock Method) and \$2.9mm Equity Awards.

<sup>5</sup> Outstanding Class A plus Class B Shares plus \$8.1mm Public Warrants (Converted Using Treasury Stock Method) and \$3.9mm Equity Awards

<sup>6</sup> Adjusted Net Income and Adjusted EPS are non-GAAP financial measures. For reconciliation of these non-GAAP measures to the most directly comparable measures prepared in accordance with GAAP, please see the Appendix



# Q3 Non-GAAP EPS Reconciliation

(Unaudited)

<i>in millions</i>	Three months ended September 30, 2024		Three months ended September 30, 2023	
	BASIC	DILUTED	BASIC	DILUTED
<b>GAAP Net Income</b>	\$ (85.5)	\$ (85.5)	\$ 38.0	\$ 38.0
Adjust for tax (benefit) expense	0.6	0.6	0.9	0.9
Tax Provision	(7.1)	(7.1)	(5.9)	(5.9)
<b>Tax Adjusted Net Income</b>	\$ (92.0)	\$ (92.0)	\$ 33.0	\$ 33.0
Stock Based Compensation and Fair Value Adjustment	117.5	117.5	(11.4)	(11.4)
<b>Adjusted Net Income</b>	\$ 25.5	\$ 25.5	\$ 21.6	\$ 21.6
Class A + Class B Shares	82.2	82.2	79.0	78.5
Public Warrants <sup>1</sup>	—	8.1	—	8.1
Equity Awards <sup>2</sup>	—	3.5	—	4.0
Total Shares	82.2	93.8	79.0	90.6
<b>EPS</b>	\$ 0.31	\$ 0.27	\$ 0.27	\$ 0.24

Source: Company financials

<sup>1</sup> Assumes treasury stock method, valuation at assumed FMV of \$18.00

<sup>2</sup> Includes options, RSUs, and ESPP shares

# YTD Sept Non-GAAP EPS Reconciliation

(Unaudited)

<i>in millions</i>	Nine months ended September 30, 2024		Nine months ended September 30, 2023	
	BASIC	DILUTED	BASIC	DILUTED
<b>GAAP Net Income</b>	\$ (34.8)	\$ (34.8)	\$ 81.5	\$ 81.5
Adjust for tax (benefit) expense	0.1	0.1	0.7	0.7
Tax Provision	(20.5)	(20.5)	(17.6)	(17.6)
<b>Tax Adjusted Net Income</b>	\$ (55.2)	\$ (55.2)	\$ 64.6	\$ 64.6
Stock Based Compensation and Fair Value Adjustment	129.1	129.1	0.7	0.7
<b>Adjusted Net Income</b>	\$ 73.9	\$ 73.9	\$ 65.3	\$ 65.3
Class A + Class B Shares	81.3	81.3	78.4	78.4
Public Warrants <sup>1</sup>		8.1	—	8.1
Equity Awards <sup>2</sup>		2.9	—	3.9
Total Shares	81.3	92.3	78.4	90.4
<b>EPS</b>	\$ 0.91	\$ 0.80	\$ 0.83	\$ 0.72

Source: Company financials

<sup>1</sup> Assumes treasury stock method, valuation at assumed FMV of \$18.00

<sup>2</sup> Includes options, RSUs, and ESPP shares