

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

---

**FORM 8-K**

---

**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d)**  
**of the Securities Exchange Act of 1934**

**September 3, 2014**  
**Date of Report (Date of earliest event reported)**

---

**Smith & Wesson Holding Corporation**  
(Exact Name of Registrant as Specified in Charter)

---

**Nevada**  
(State or Other Jurisdiction  
of Incorporation)

**001-31552**  
(Commission  
File Number)

**87-0543688**  
(IRS Employer  
Identification No.)

**2100 Roosevelt Avenue**  
**Springfield, Massachusetts**  
**01104**  
(Address of Principal Executive Offices) (Zip Code)

**(800) 331-0852**  
(Registrant's telephone number, including area code)

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
-

**Item 7.01 Regulation FD Disclosure.**

We are furnishing this Current Report on Form 8-K in connection with the disclosure of information, in the form of the textual information from a PowerPoint presentation to be given at meetings with institutional investors or analysts. This information may be amended or updated at any time and from time to time through another Form 8-K, a later company filing, or other means. The PowerPoint presentation attached as Exhibit 99.1 to this Current Report on Form 8-K updates and replaces in its entirety all prior PowerPoint presentations filed by us, including the PowerPoint presentation filed as Exhibit 99.1 to the Current Report on Form 8-K dated June 20, 2014, which was filed with the Securities and Exchange Commission on June 20, 2014.

The information in this Current Report on Form 8-K (including the exhibit) is furnished pursuant to Item 7.01 and shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. This Current Report on Form 8-K will not be deemed an admission as to the materiality of any information in the Report that is required to be disclosed solely by Regulation FD.

We do not have, and expressly disclaim, any obligation to release publicly any updates or any changes in our expectations or any change in events, conditions, or circumstances on which any forward-looking statement is based.

The text included with this Report on Form 8-K is available on our website located at [www.smith-wesson.com](http://www.smith-wesson.com), although we reserve the right to discontinue that availability at any time.

**Item 9.01. Financial Statements and Exhibits.**

(a) *Financial Statements of Business Acquired.*

Not applicable.

(b) *Pro Forma Financial Information.*

Not applicable.

(c) *Shell Company Transactions.*

Not applicable.

(d) *Exhibits.*

Exhibit  
Number

Exhibits

99.1 Smith & Wesson Investor Presentation dated September 2014

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SMITH & WESSON HOLDING CORPORATION**

Date: September 3, 2014

By: /s/ Jeffrey D. Buchanan

Jeffrey D. Buchanan  
Executive Vice President, Chief Financial Officer,  
and Treasurer

---

**EXHIBIT INDEX**

99.1 Smith & Wesson Investor Presentation dated September 2014



# Smith & Wesson®

## INVESTOR PRESENTATION September 2014



[WWW.SMITH-WESSON.COM](http://WWW.SMITH-WESSON.COM)

NASDAQ | SWHC

# SAFE HARBOR

---

Certain statements contained in this presentation may be deemed to be forward-looking statements under federal securities laws, and the Company intends that such forward-looking statements be subject to the safe-harbor created thereby. Such forward-looking statements include but are not limited to statements regarding the Company's vision and mission; the Company's strategic corporate objectives and rules for success; the demand for the Company's products and services; inventory growth and channel conditions in the Company's industry; the Company's new products and strategic product development; operational and financial benefits of vertical integration and timing and impact of investments in flexible production; returning value to the Company's stockholders; the Company's business plan and strategic roadmap; the Company's markets and opportunities for growth as well as market drivers; the Company's focus and strategies; anticipated revenue, GAAP earnings per share, tax rate, share count and capital expenditures for the Company in future periods; and scalability and performance from the Company's ERP system. The Company cautions that these statements are qualified by important factors that could cause actual results to differ materially from those reflected by such forward-looking statements. Such factors include the demand for the Company's products, the Company's growth opportunities, the ability of the Company to obtain operational enhancements, the success of new products, the potential for increased regulation of firearms and firearm-related products, and other risks detailed from time to time in the Company's reports filed with the SEC.

# OUR VISION IS TO BE THE LEADING FIREARMS MANUFACTURER

**“Our mission is to enable our employees to design, produce, and market high quality, innovative firearms that meet the needs and desires of our consumer and professional customers.”**



**PROUDLY MADE  
IN THE USA**



# A U.S. MARKET LEADER IN FIREARMS SINCE 1852

- **Springfield, MA / 1,700 U.S. Employees**
- **Growing Market Share Within an Expanding Base of Consumers**
- **Healthy Balance Sheet**
- **Seasoned Management Team**



## CONSUMER MARKET

85% of Q1 FY15 Firearm Sales

- Sport/Competition
- Personal Protection
- Hunting
- Concealed Carry

## PROFESSIONAL MARKET

15% of Q1 FY15 Firearm Sales

- Law Enforcement
- Military
- Government
- International





# STRATEGIC CORPORATE OBJECTIVES



- 1 Protect and grow our core firearm business**
- 2 Focus on profitable growth**
- 3 Streamline and standardize our business operations**
- 4 Emphasize customer satisfaction and loyalty**
- 5 Pursue strategic relationships & acquisitions relating to our current business**

# RULES FOR SUCCESS

---

- **Concentrate on firearm industry – stay focused, keep it simple**
- **Protect and sustain the iconic Smith & Wesson brand**
- **Be a consumer-centric marketing-led company**
  - Compliance: Fanatical pursuit of excellence
  - Brand/Product: Invest in our brands
  - Channel: U.S. sporting goods
  - Customer: Consumer
  - Assets: High utilization
- **Launch new products strategically**



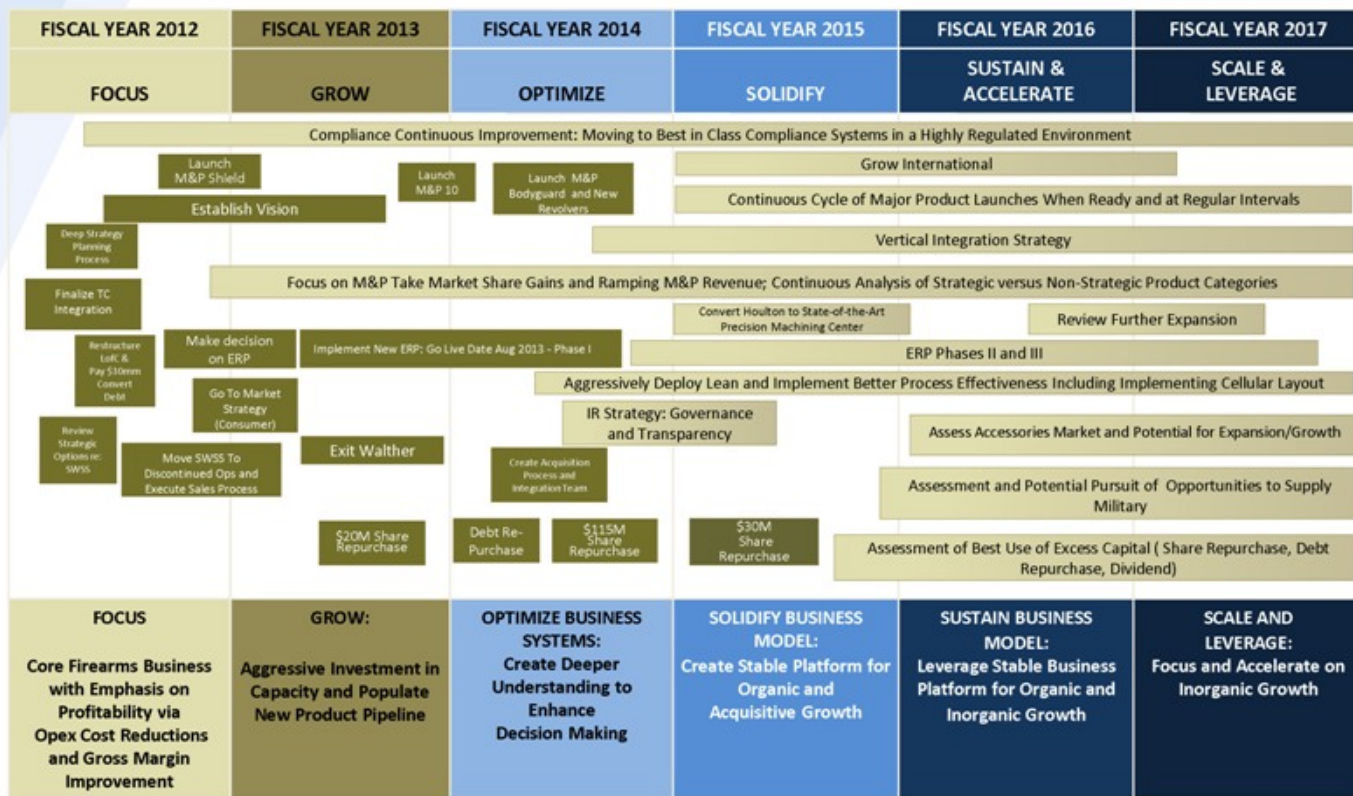
# Q1 Fiscal 2015 Highlights

## (July 31, 2014 – From Continuing Operations)

- Sales of \$131.9M: -22.9% Y/Y, results within guidance
- Long gun sales: MSRs drove 87% of sales decline
- Handgun sales slightly lower Y/Y at -3.2%
- Professional sales of \$20M: Growth in international and law enforcement
- Gross margin 37.2% vs. 42.6% Y/Y
- Income of \$14.6M vs. \$26.5M Y/Y
- EPS of \$0.26 per diluted share vs. \$0.40 per diluted share Y/Y
- Non-GAAP Adjusted EBITDAS of \$33.6M vs. \$55.2M Y/Y
- Cash of \$83.5M

- New products: M&P®22 Compact, M&P BODYGUARD® with Crimson Trace® laser
- Vertical integration through Deep River Plastics subsidiary; accretive in Q1FY15
- On track to complete Houlton, ME conversion to precision machining center, Fall 2014
- Attended 2<sup>nd</sup> Industry Day for U.S. Army modular handgun - M&P pistol
- Completed \$30M stock repurchase – returning value to stockholders
- Industry-wide inventory + summer slowness = unfavorable channel conditions

# Business Plan Supported by Detailed Strategic Roadmap



Note: Strategic roadmap is assessed regularly and timing is subject to change.

# A LEADING FIREARM & BRAND PORTFOLIO



Smith & Wesson®

▪ For sport, recreation, protection, and professional use, you can feel confident standing behind 162 years of reliability and accuracy. Smith & Wesson® knows firearms and the world knows Smith & Wesson. Only the best will do.



▪ Designed to be the most accurate, reliable, and ergonomically superior, M&P® firearms are built to meet your demanding standards. Durable and comfortable, they are capable of handling as many rounds as you are.



THOMPSON/CENTER  
America's Master Gunmaker®

▪ For hunting and shooting enthusiasts passionate about firearms. Since 1967, Thompson / Center Arms has been synonymous with firearms that stand up in the toughest situations and perform when it counts.



Performance  
Center  
by Smith & Wesson®

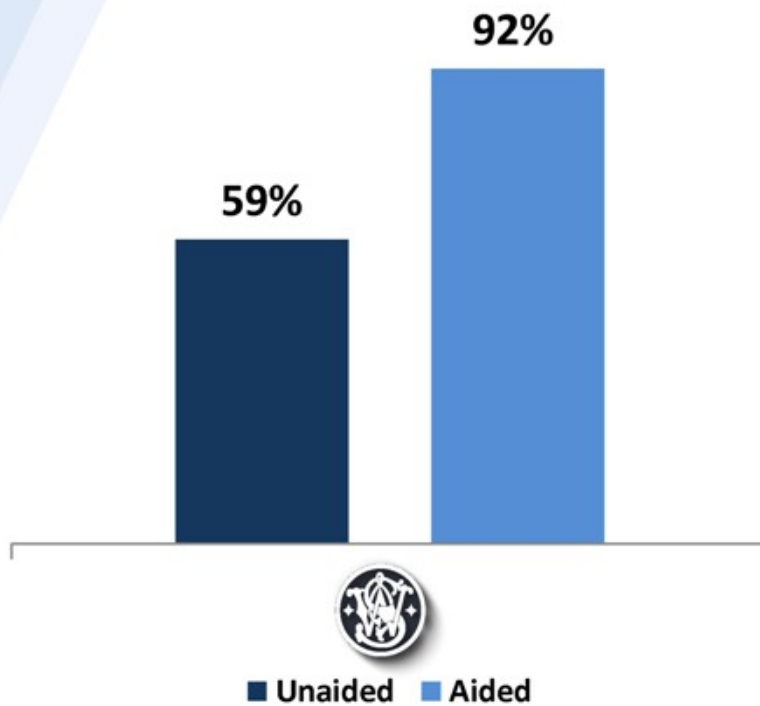


Performance Center® models offer sophisticated shooters limited run, uniquely designed, special-featured firearms under the Smith & Wesson® and M&P® brands.

 Smith & Wesson®

# THE #1 FIREARM BRAND IN AMERICA

## Smith & Wesson

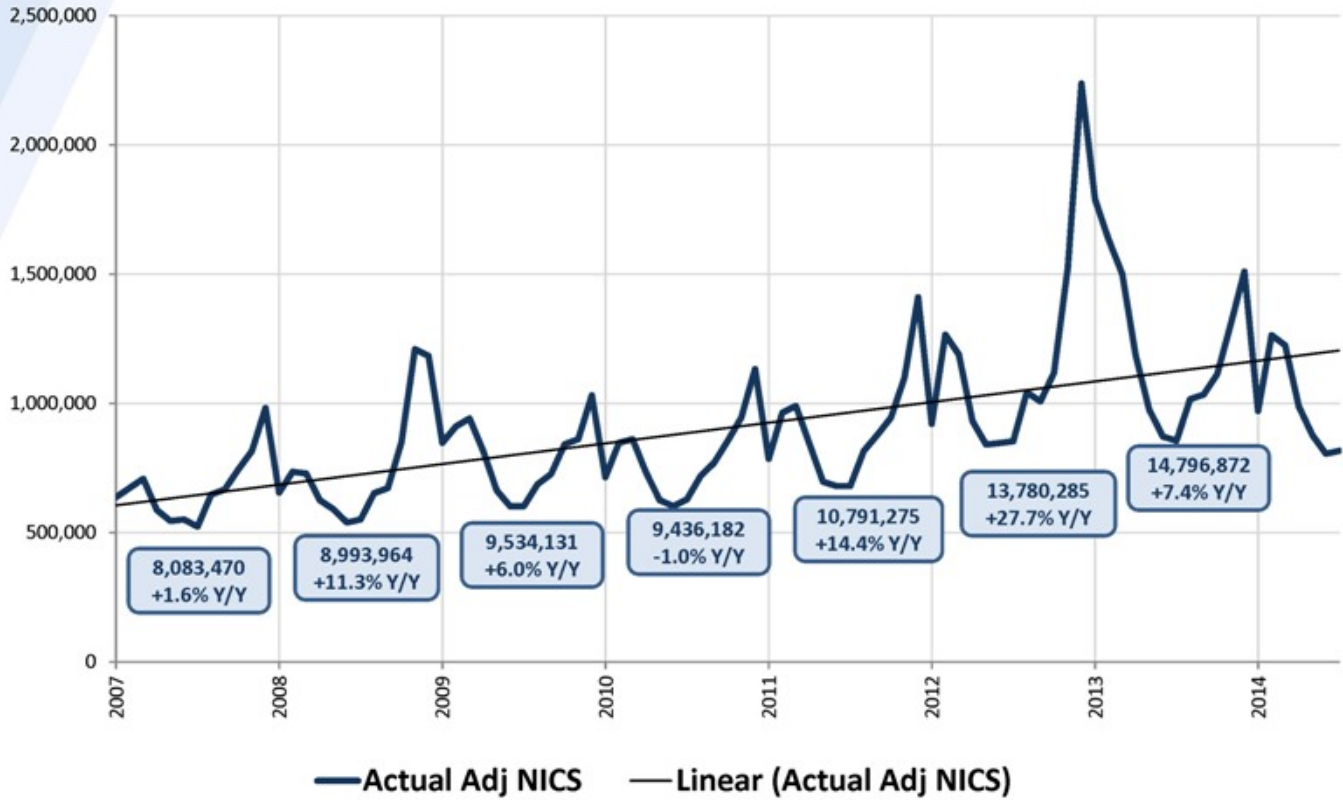


- Leads all firearm manufacturers in total brand awareness
- Leads in critical attribute ratings: Reliability, durability, and accuracy
- Most owned and considered revolver brand in the market: 1 of every 2 revolvers owned is a Smith & Wesson
- Endorser brand to M&P



Source: Smith & Wesson Handgun A&U Research - December 2011 & Smith & Wesson Awareness Tracking – Gen Pop – December 2012

# ADJUSTED NICS UP AVG. 9.6% ANNUALLY OVER 7 YEARS\*



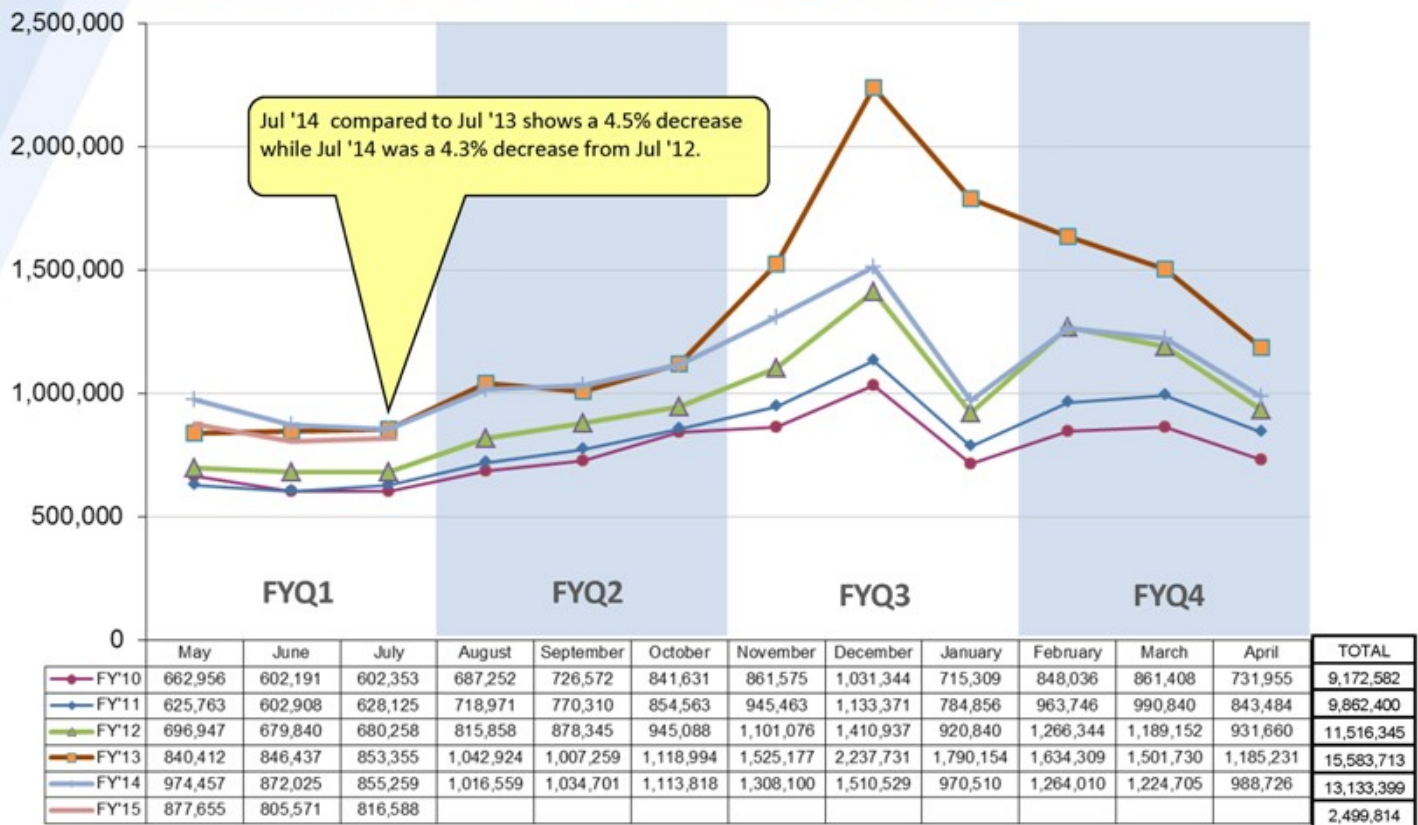
\*CY07 – CY14

Source: National Shooting Sports Foundation (NSSF)



# ADJUSTED NICS JULY 2014

## 3<sup>RD</sup> HIGHEST JULY ON RECORD



Source: NSSF. The NSSF adjusts FBI NICS data to eliminate background checks associated with permit applications and checks on active CCW permit databases. NSSF adjusted NICS data provides a more accurate picture of market conditions.



# OPPORTUNITY TO INCREASE PISTOL SALES TO FURTHER ALIGN WITH MARKET

U.S. Consumer Handgun Market	CY 2010	CY 2012
Pistols to Revolvers Ratio	4.0:1	5.7:1

Smith & Wesson Handgun Unit Sales	FY 2010	FY 2014
Pistols to Revolvers Ratio	1.4:1	4.1:1

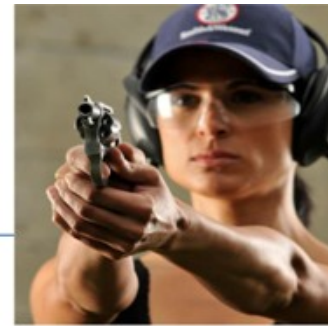
*Note: Excludes former Walther sales*

*Source: 2012 BATF and U.S. Int'l. Trade Commission, includes manufacture plus imports, excludes exports*



# KEY MARKET DRIVERS

## “Who’s buying?”



### ▪ New Shooters

- Of those who have been sport shooting in 2012, 20% were new to shooting within the past 5 years<sup>1</sup>. That included 11% who just began shooting in 2012

### ▪ Repeat Customers

- 90% of 10,511 respondents who own a handgun own multiple firearms<sup>2</sup>
- 8.1 = The average number of handguns owned by those respondents<sup>2</sup>
- Nearly 25% of first-time buyers bought at least one more firearm within the first year after their first purchase<sup>3</sup>



(1) Source: NSSF - An Analysis Of Sport Shooting Participation Trends In The United States 2008 - 2012  
(2) Source: NSSF - Handguns - 2011 Consumer Study On Ownership And Usage  
(3) Source: NSSF - First-Time Gun Buyers 2012

# KEY MARKET DRIVERS



## ■ What Are The Top Reasons For Gun Ownership? <sup>1</sup>

1. Personal Safety/ Protection 60%
2. Hunting 36%
3. Recreation/ Sport 13%
4. Target Shooting 8%

## ■ Personal Protection <sup>2</sup>

- Home protection and personal protection are top drivers for first time and existing owners of handguns
- Concealed carry and state legislative trends: Illinois became 50<sup>th</sup> state to issue concealed carry permits

## ■ Sport and Target Shooters <sup>3</sup>

- Over 17% or 41M adults participated in any type of target or sport shooting in 2012, an increase from the 15% participation rate in 2009
- Customer-centric: Users' needs drive new product features



(1) Source: Gallup Poll Social Series: Crime – October 2013

(2) Source: NSSF - First-Time Gun Buyers 2012, and Smith & Wesson Research

(3) Source: NSSF - An Analysis Of Sport Shooting Participation Trends In The U.S. 2008 - 2012

# NEW TARGET/SPORT SHOOTERS

## Less than 5 years experience



### ▪ Younger

- 18-34 year old age group makes up about two-thirds of new shooters<sup>1</sup>

### ▪ Sport Shooting More Often

- First-time buyers are active, 60% shooting once or more a month<sup>2</sup>

### ▪ Increasingly Urban/Suburban

- 47% of new shooters are urban / suburban versus rural consumers<sup>1</sup>

### ▪ Women Increasingly Represented

- Women represent 37% of new shooters versus 22% of established shooters<sup>1</sup>



(1) Source: NSSF - An Analysis Of Sport Shooting Participation Trends In The United States 2008 - 2012

(2) Source: NSSF - First-Time Gun Buyers 2012

# ROBUST RESEARCH

NEW

DEFINED CONSUMER PROFILES

EXPERIENCED



- **Process: In-depth S&W attitude, usage, and segmentation studies**
  - Systematic & quantitative review to track industry brands and consumer shifts
  - In-depth multi-city focus groups to gain deeper understanding of consumer needs
  - In-field research with consumers using our products as well as competitive products
- **Yield: Proprietary info and deep understanding of our targeted consumer segments**
  - Average number and type of firearms owned
  - Income, gender, brand perceptions, needs, wants, and desires
- **Result: Superior knowledge of where to play in market and how to win with the consumer**

# CONNECTING WITH NEW WOMEN SHOOTERS



- Lead sponsor of NRA Women's Network and "Love at First Shot"
- Television and digital marketing geared toward women
- Equipping NRA certified women instructors – Eyes & Ears
- Products designed with the needs of women shooters in mind

# STRATEGIC PRODUCT DEVELOPMENT

## Market research drives product development

- **Concepts market-tested with firearm owners & purchase intenders**
- **Results benchmarked against database of prior concepts/sales**
- **Leading concepts financially modeled as key component of overall business case**
- **Further consumer studies conducted to finalize most desired designs/features**



# 2014 NEW PRODUCTS

## Smith & Wesson



**Model 69 Combat Magnum – Smith & Wesson's first L-Frame revolver in powerful .44 Magnum**



**Model 66 Combat Magnum – .357 Magnum K-Frame revolver returns to the product lineup**



**Governor® – Multi-caliber revolver now offered in popular matte silver finish**



**SDVE 9 and 40 – Value driven pistols now available in California compliant models**



# 2014 NEW PRODUCTS – SHOT SHOW

## Smith & Wesson M&P



**M&P BODYGUARD 380 – A sub-compact .380 ACP pistol enhanced with M&P style features**



**M&P15-22 (Multi-color) – Popular M&P15-22 rifle now in four new camouflage finishes**



# 2014 NEW PRODUCTS – SHOT SHOW

## Performance Center® & ProSeries Products



**M929 – A 9mm competition revolver inspired by renowned, multi-record holder Jerry Miculek**



**M686 – A classic, time-tested .357 Magnum enhanced with popular self-defense features**



**M629 – A purpose built hunting package based on the renowned .44 Magnum cartridge**



**M460XVR – A multi-caliber and multi-purpose revolver built on the Smith & Wesson X-Frame**



**M986 Pro Series – A Pro Series 9mm revolver ready for any course of fire**

# OUR NEWEST PRODUCTS



**M&P22 Compact -- A tactical rimfire pistol that delivers the popular features of our M&P centerfire pistol in a smaller scale version. A great first firearm for new participants in the shooting sports.**



**M&P BODYGUARD -- Our popular line of BODYGUARD handguns now upgraded with enhanced, integrated lasers from Crimson Trace, an industry leader in laser sighting systems and tactical lighting for firearms.**

# THREE WAYS TO U.S. SPORTING GOODS MARKET



**Diverse path to market = Enhanced insight into retail environment**

# ACTIVE RETAIL ENGAGEMENT PROGRAM



- **Retail associate incentive rewards program**
- **Two-way dialogue opportunity with retail associates**
- **Ability to quickly assess market conditions through surveys, and communicate key product initiatives**
- **Key element in go-to-market strategy**



- Intuitive graphic interface, easy to use & register sales
- Points never expire and are transportable
- Extensive catalog of products & experiences, including select Smith & Wesson, M&P, and T/C® firearms



# PROFESSIONAL MARKET

## Demands Highest Standards for Performance



### ▪ Law Enforcement / Federal Government

- Focus: Top-tier agencies in high-volume NICS states
- LA County Sheriff, Fresno County Sheriffs Office, Texas DPS

### ▪ International

- Focus: Large agency opportunities
- Belgium, Australia, Canada, Puerto Rico

### ▪ U.S. Army Modular Handgun (9mm) Replacement

- Attended 2<sup>nd</sup> industry day
- M&P pistols strongly positioned to compete



# SMART INVESTMENTS IN FLEXIBLE PRODUCTION

- **Strategic investment in basic capacity and in tooling for production flexibility**
- **Selective outsourcing of parts production to better meet market demand and optimize internal capacity**
- **Conversion of Houlton, ME operation into a dedicated precision machining center**
- **Fiscal Year 2015 CapEx Estimate: \$35.0 M**

Springfield, MA  
Corporate HQ  
Primary Manufacturing



Houlton, ME  
High Volume CNC



Deep River, CT  
Plastic Injection Molding

# VERTICAL INTEGRATION

## Deep River Plastics

**MAY 2014**

**Asset purchase of key polymer supplier for \$24 M in cash delivers in-house custom plastic injection molding, rapid prototyping, and tooling**

**150,000 leased square feet  
45 injection molding machines  
Full tool-building capabilities**



### **Operational Benefits:**

- Integrates a key manufacturing process
- Increases flexibility
- Lowers production costs
- Reduces risk within supply chain
- Enhances new product development

### **Financial Benefits:**

- Accretive in fiscal 2015
- Positive impact on gross margin in Q1 FY15
- Planned payback: 4-5 years





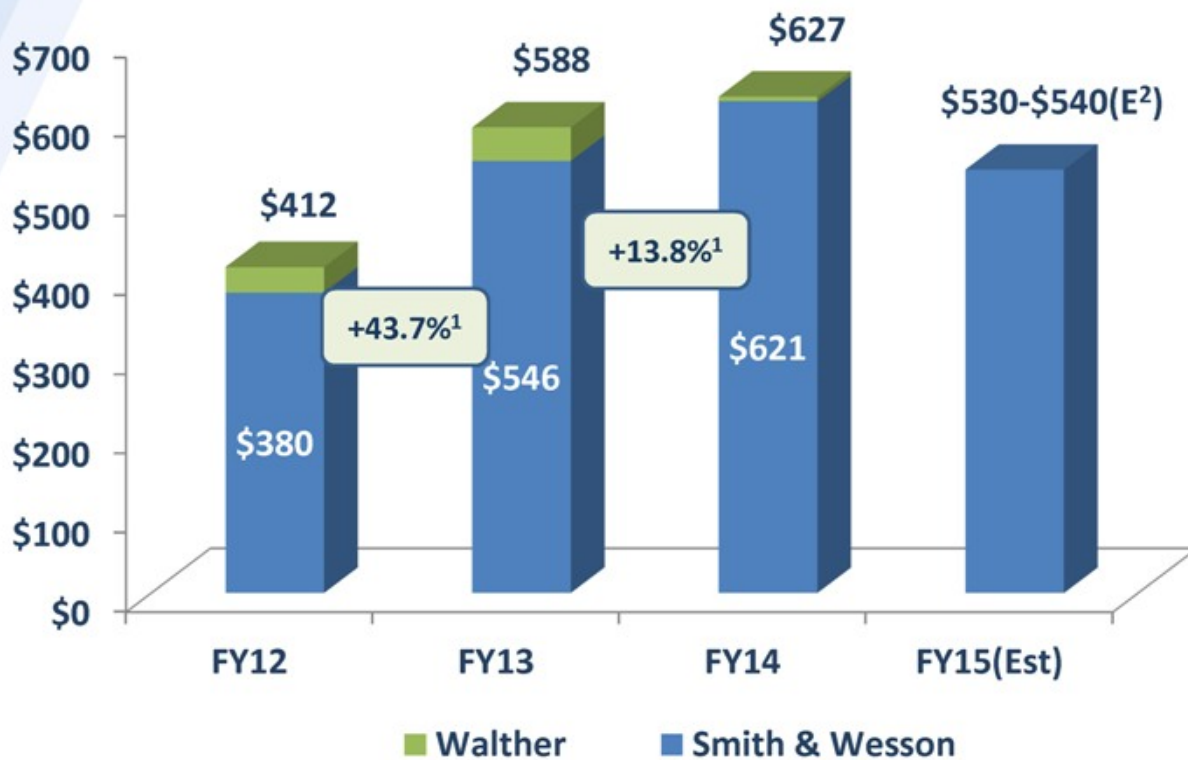
# FINANCIAL REVIEW

---



# REVENUE - ANNUAL

## U.S.\$ Millions – Continuing Operations



(1) Note: Excludes prior year Walther sales – an agreement which ended in Fiscal 2013  
 (2) Note: FY2015 estimates provided August 26, 2014

# REVENUE - QUARTERLY

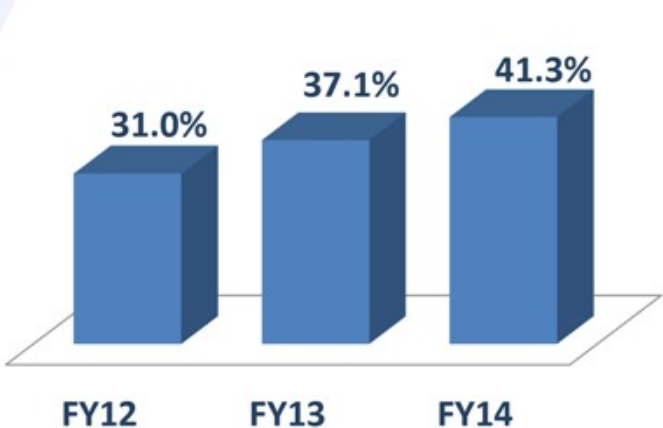
## U.S.\$ Millions – Continuing Operations



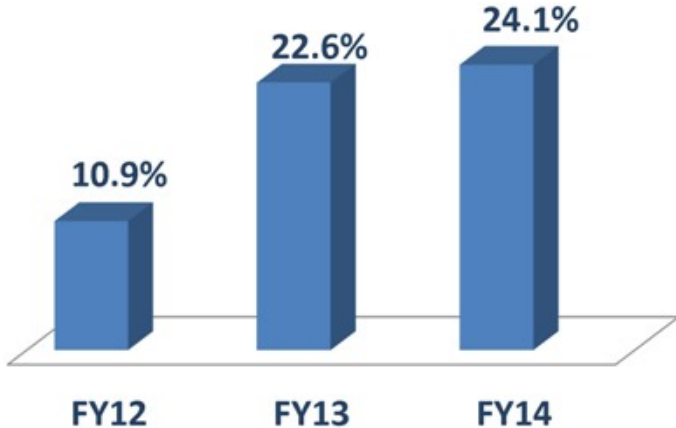
*Note: Excludes Walther sales – an agreement which ended in Fiscal 2013*

# ANNUAL MARGIN EXPANSION

## GROSS MARGIN

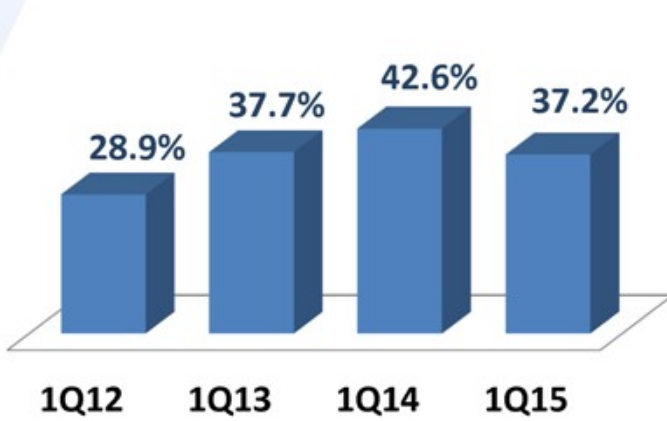


## OPERATING PROFIT MARGIN

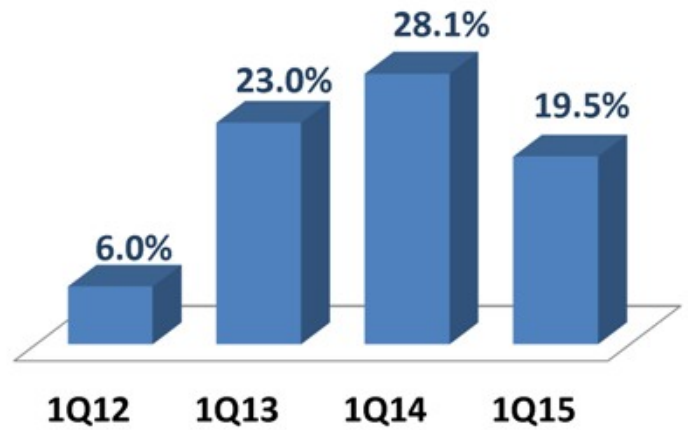


# MARGINS - QUARTERLY

## GROSS MARGIN



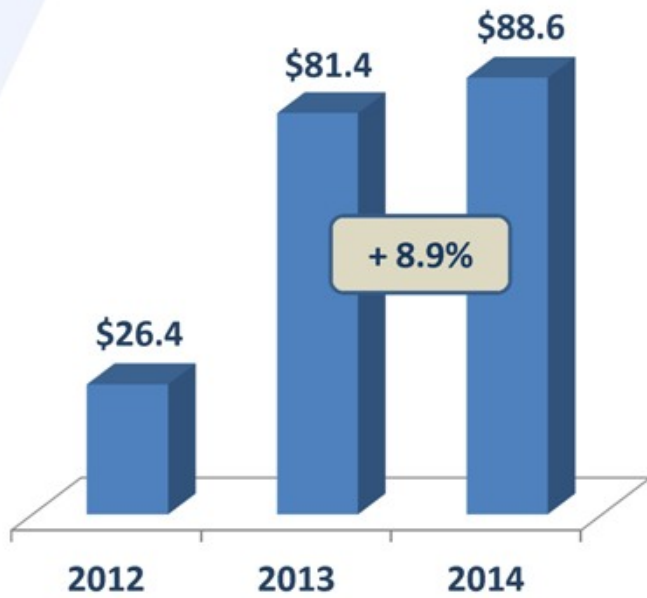
## OPERATING PROFIT MARGIN



# INCREASED PROFITABILITY - ANNUAL

## NET INCOME

(Continuing Operations, U.S.\$ Millions)



## EARNINGS PER DILUTED SHARE

(Continuing Operations)



# PROFITABILITY - QUARTERLY

## NET INCOME

(Continuing Operations, U.S.\$ Millions)



## EARNINGS PER DILUTED SHARE

(Continuing Operations)



# BALANCE SHEET & CASH FLOW

## CONDENSED BALANCE SHEET

For the period ending:	(U.S.\$ Thousands)	
	July 31, 2014	April 30, 2014
Cash	\$ 83,458	\$ 68,860
AR	53,411	55,890
Inventory	101,317	86,742
Other current assets	25,077	27,679
Total current assets	263,263	239,171
Long-term assets	172,492	142,332
Total assets	\$ 435,755	\$ 381,503
Current liabilities	\$ 85,563	\$ 92,543
Other non-current	22,233	22,137
Notes payable	175,000	100,000
Total liabilities	282,796	214,680
Total equity	152,959	166,823
Total liabilities & equity	\$ 435,755	\$ 381,503

## CONDENSED CASH FLOWS

For the three months ended:	(U.S.\$ Thousands)	
	July 31, 2014	July 31, 2013
Net cash provided by operating activities	\$ 10,780	\$ 19,011
Net cash used in investing activities	(38,696)	(12,045)
Net cash used in financing activities	42,514	(39,002)
Net increase/(decrease) in cash	\$ 14,598	\$ 45,968
Net cash provided by operating activities	\$ 10,780	\$ 19,011
CAPEX, including machine deposits	(14,588)	(12,035)
Free cash flow	\$ (3,808)	\$ 6,976

- **July 2014 - Company issued \$75 million of new 5.000% Senior Notes due 2018**
- **No borrowings under \$75 million credit facility**



# STOCK REPURCHASES

**RETURNING VALUE  
TO OUR  
STOCKHOLDERS**

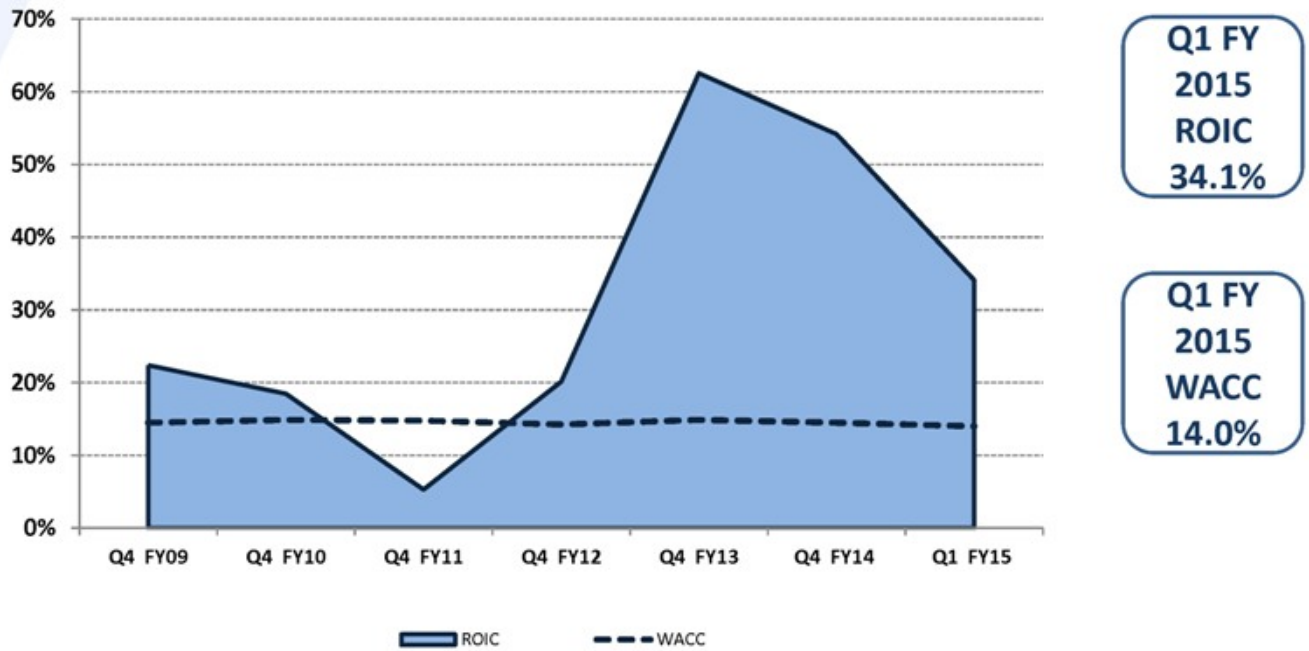
## **\$165M in shares repurchased Dec. 2012 – July 2014**

- **14.4M shares repurchased**
  - **\$11.49 average price**
  - **Share reduction of 21.7%**
  - **MAXIMUM shares allowed to be repurchased under loan covenants**
-

# RETURN ON INVESTED CAPITAL – ROIC

## Weighted Average Cost of Capital – WACC

(Trailing Four Quarters)



- **Efficient allocation of capital generating solid returns**



The ROIC presented above excludes all impairment charges and all non-recurring items. The WACC presented above is an average between the beginning and end of the respective period. Please see appendix for additional assumptions used.

# FINANCIAL GUIDANCE

**Fiscal Year Ending: April 30 – From continuing operations**

<b>FISCAL SECOND QUARTER 2015</b>	<b>Estimate</b>
<b>Revenue</b>	<b>\$100M to \$110M</b>
<b>GAAP Earnings Per Share</b>	<b>\$0.04 to \$0.08</b>

<b>FISCAL YEAR 2015</b>	<b>Estimate</b>
<b>Revenue</b>	<b>\$530M to \$540M</b>
<b>GAAP Earnings Per Share</b>	<b>\$0.89 to \$0.94</b>
<b>Tax Rate</b>	<b>37%</b>
<b>Share Count</b>	<b>55.5M</b>



Note: All financial information and guidance reflects information as of August 26, 2014. The Company is not updating this information to the present date nor does its inclusion constitute a reiteration or modification of this information.

# INVESTMENT SUMMARY



- **Leading position in the U.S. firearm market**
- **Iconic brand with customer driven product portfolio**
- **Focus strategically on new product opportunities**
- **Pure play strategy on growing market size & market share gains**
- **Strong financial performance: Profitable Growth**
  - Long-term target of quarterly gross margins in the range of 37% - 41%
  - Long-term target of quarterly operating margins in the range of 20% - 25%
  - Margins vary among quarters due to absorption impacts of seasonality, factory shutdowns, and holidays
  - Short-term headwinds for margins due to industry-wide excess inventories
- **Focus on operating efficiencies & targeted vertical integration**
- **New SAP ERP system, driving scalability & improved performance**



# **INVESTOR RELATIONS**

**Elizabeth Sharp**

**Vice President**

**Smith & Wesson**

**2100 Roosevelt Avenue**

**Springfield, MA 01104**

**Phone: 413 747 3304**

**Email: [Isharp@smith-wesson.com](mailto:Isharp@smith-wesson.com)**

**[WWW.SMITH-WESSON.COM](http://WWW.SMITH-WESSON.COM)**

# APPENDICES

---



# EXPERIENCED LEADERSHIP

## **JAMES DEBNEY PRESIDENT & CHIEF EXECUTIVE OFFICER**

---



**20+ years: multinational consumer and business-to-business environments, including President of Presto Products Co., a \$500 million business unit of Alcoa Consumer Products**

## **JEFFREY D. BUCHANAN EXECUTIVE VICE PRESIDENT & CHIEF FINANCIAL OFFICER**

---



**25+ years: public and private company experience in financial management and law; CFO for publicly traded, global manufacturing company; law firm partner; public company board member**

# KEY MARKET DRIVERS

## “Who’s buying?”

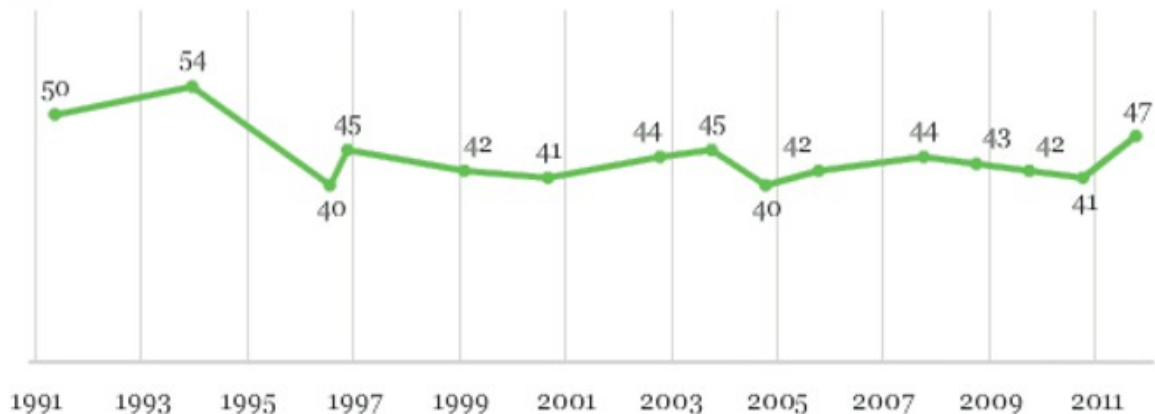


### Rising percentage of U.S. households owning firearms

*U.S. Gun Households, 1991-2011*

Do you have a gun in your home? (If no: Do you have a gun anywhere else on your property such as in your garage, barn, shed, or in your car or truck?)

■ Gun in home/elsewhere on property

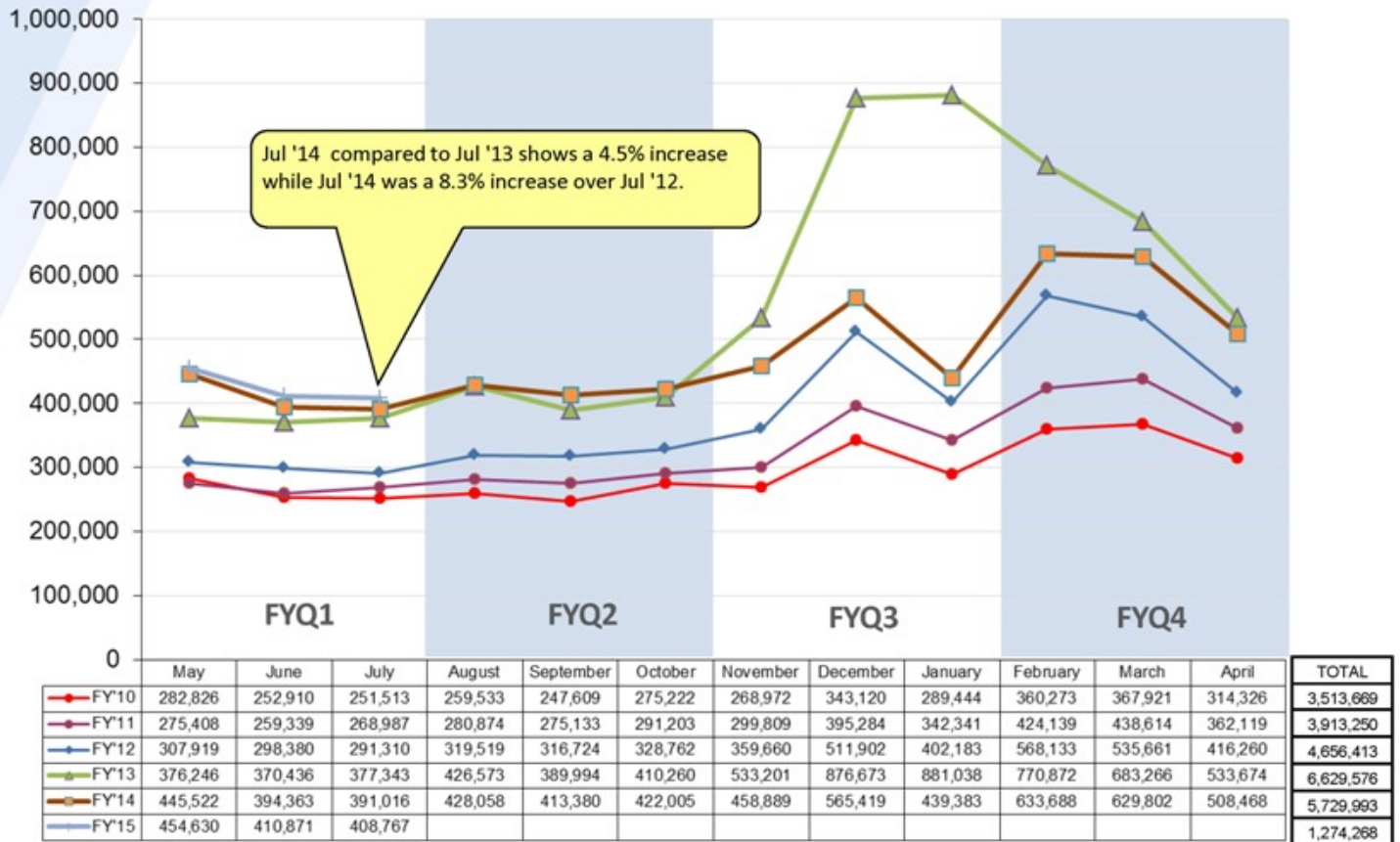


GALLUP®



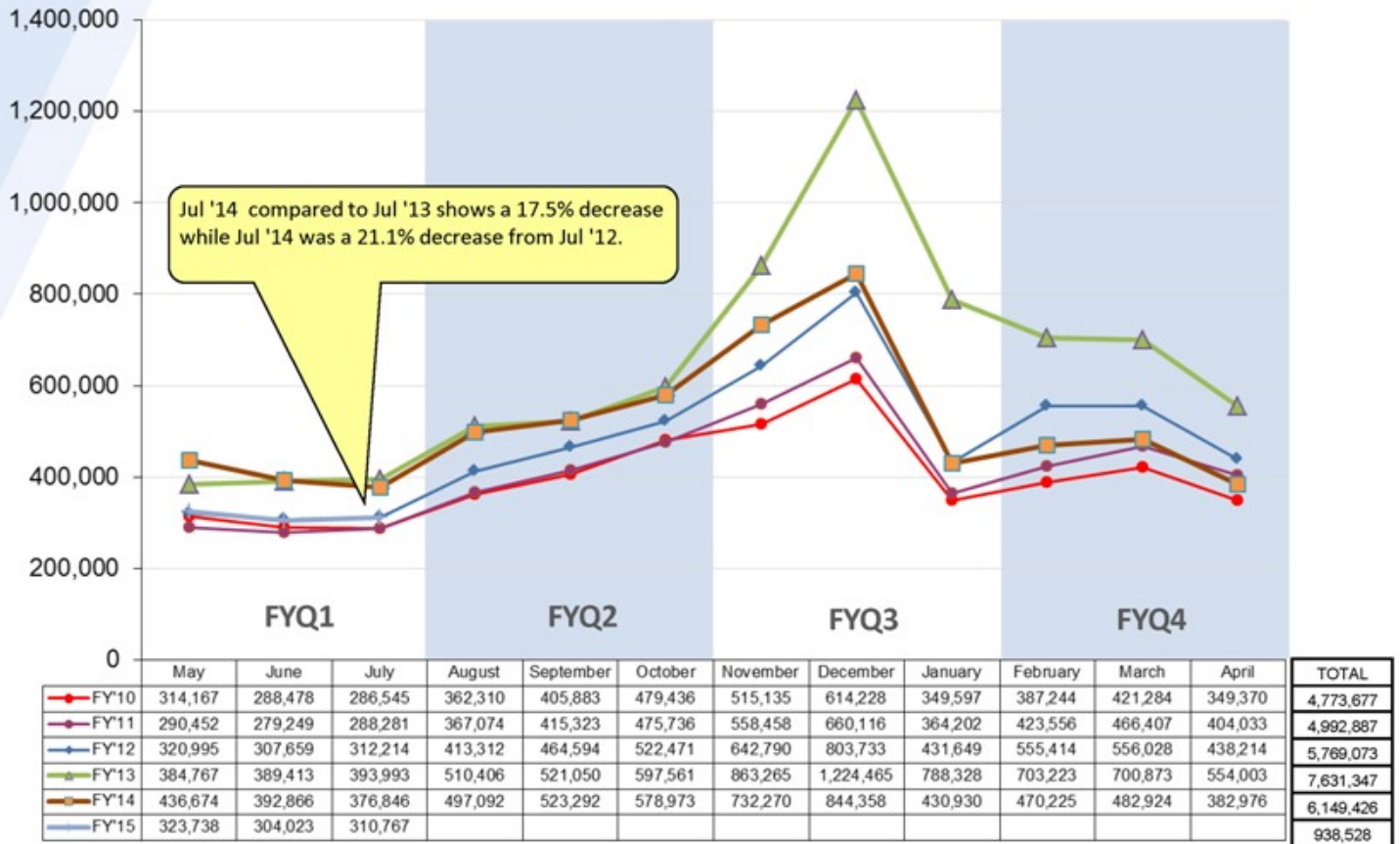


# JULY 2014 HANDGUN NICS BACKGROUND CHECKS



Source: FBI Total NICS Firearms Background Checks

# JULY 2014 LONG GUN NICS BACKGROUND CHECKS



Source: FBI Total NICS Firearms Background Checks

# PISTOLS vs. REVOLVERS

**Pistols and revolvers have different attributes, but pistols are preferred by both professionals and consumers**

- **Pistol advantages:**
  - Ergonomics/comfort
  - High tech/cutting edge
  - Modern shape
  - Trigger pull
  - Capacity
  - Safety features
  
- **Revolver advantages:**
  - Simpler to use
  - Easy maintenance
  - Reliability

# MARKET PARTICIPANTS

## Listed Alphabetically

SEMI AUTOMATIC PISTOLS	RIMFIRE SEMI AUTOMATIC PISTOLS	REVOLVERS	CENTERFIRE MSR	RIMFIRE MSR	BOLT ACTION	BLACK POWDER RIFLES
Smith & Wesson	Smith & Wesson	Smith & Wesson	Smith & Wesson	Smith & Wesson	Smith & Wesson	Smith & Wesson
Beretta	Ruger	Ruger	Colt	Colt	Browning	CVA
Glock	Sig Sauer	Taurus	DPMS/Bushmaster	Mossberg	Marlin	Traditions
H&K	Walther		Rock River	Ruger	Remington	
Kimber			Sig Sauer	Sig Sauer	Ruger	
Ruger					Savage Arms	
Sig Sauer					Weatherby	
Springfield					Winchester	

# INDUSTRY INDICATORS

- **NICS** \_\_\_\_\_ **WWW.FBI.GOV**
  - NICS background checks are conducted at the point of sale, tracked by the FBI, and reported monthly. NSSF adjusts the total to eliminate permit-related checks and other “noise”
- **ADJUSTED NICS** \_\_\_\_\_ **WWW.NSSF.ORG**
  - Adjusted NICS serves as a proxy for consumer sales since Smith & Wesson sells only to federally licensed firearm dealers who must, by law, conduct a background check on every firearm they sell
  - Applies to retail stores, gun shows, anywhere an FFL sells a firearm
- **FET Data** \_\_\_\_\_ **WWW.TTB.GOV**
  - Firearms and Ammunition Excise Tax Collections
    - Alcohol and Tobacco Tax and Trade Bureau
  - NSSF translates into manufacturer’s sales
  - Lagging data

# WACC ASSUMPTIONS

## Weighted Average Cost of Capital

	Q4 FY09	Q4 FY10	Q4 FY11	Q4 FY12	Q4 FY13	Q4 FY14	Q1 FY15
Market risk premium *	6.50%	6.70%	6.70%	6.62%	6.70%	6.96%	6.96%
Equity beta - end of period	1.36	1.74	1.25	1.68	1.67	1.48	1.67
Size premia *	3.74%	3.99%	4.07%	1.88%	1.85%	1.87%	1.87%
20-yr risk free rate - end of period	4.10%	4.36%	4.15%	2.73%	2.49%	3.22%	3.07%
Tax Rate **	36.74%	38.14%	34.30%	38.38%	36.68%	34.67%	34.00%

\* - Market risk premium and size premia are from Ibbotson® SBBI® Market Reports as of December 31st from the previous year

\*\* - Tax rate for trailing four quarters based on Form 10-K/10-Q reporting, excluding discrete items

# A DYNAMIC REGULATORY ENVIRONMENT

- **A solid history of making firearms that meet diverse state requirements, providing consumers with a choice**
- **We will not comply with new California microstamping requirement for pistols**
  - Flawed technology
  - Restricts rights of law-abiding citizens
- **Our grandfathered M&P Shield and SDVE™ pistols remain available for sale in California**





**THANK YOU**