



**EMPOWERING AMERICANS**



## SAFE HARBOR STATEMENT

Certain statements contained in this presentation may be deemed to be forward-looking statements under federal securities laws, and we intend that such forward-looking statements be subject to the safe-harbor created thereby. Such forward-looking statements include, among others, our estimated addressable market; our growth lanes; our pillars for success; our belief that with flexible manufacturing we have a built in ability to react faster, ramp up, ramp down, maintain profit margins, and maximize capital utilization; our belief that we are the best brand; our belief that we are #1 rated in awareness, most used, most trusted, most owned, and highest in quality; our strategy to refocus on our core values; our purpose, mission, and vision; our goal to create a brand that is trusted by all gun owners; our plans for targeted marketing; our plans for product innovation and innovation beyond the product; our estimates for EBITDAS, gross margin, cash, and debt for future periods; and our plans to grow our dividend and reduce share count. We caution that these statements are qualified by important risks, uncertainties, and other factors that could cause actual results to differ materially from those reflected by such forward-looking statements. Such factors include, among others, economic, social, political, legislative, and regulatory factors; the potential for increased regulation of firearms and firearm-related products; actions of social activists that could have an adverse effect on our business; the impact of lawsuits; the demand for our products; the state of the U.S. economy in general and the firearm industry in particular; general economic conditions and consumer spending patterns; our competitive environment; the supply, availability, and costs of raw materials and components; our strategies; our ability to maintain and enhance brand recognition and reputation; our ability to introduce new products; the success of new products; the potential for cancellation of orders from our backlog; and other factors detailed from time to time in our reports filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended April 30, 2021.

# YEAR IN REVIEW

**\$1.1B**

Net revenue surpassed \$1B for 1st time in 169-year history

**\$317M**

Cash from operations leveraged flex model to capitalize on demand surge

**34.6%**

EBITDAS percentage of revenue

**14%**

Reduction in outstanding shares since spin through share repurchase program

**\$16.5M**

Profits shared with employees

**300**

New jobs created in FY21

**15.9M**

First time visitors to our website<sup>1</sup>

**2.2M**

Views of GUNSMARTS videos<sup>2</sup>

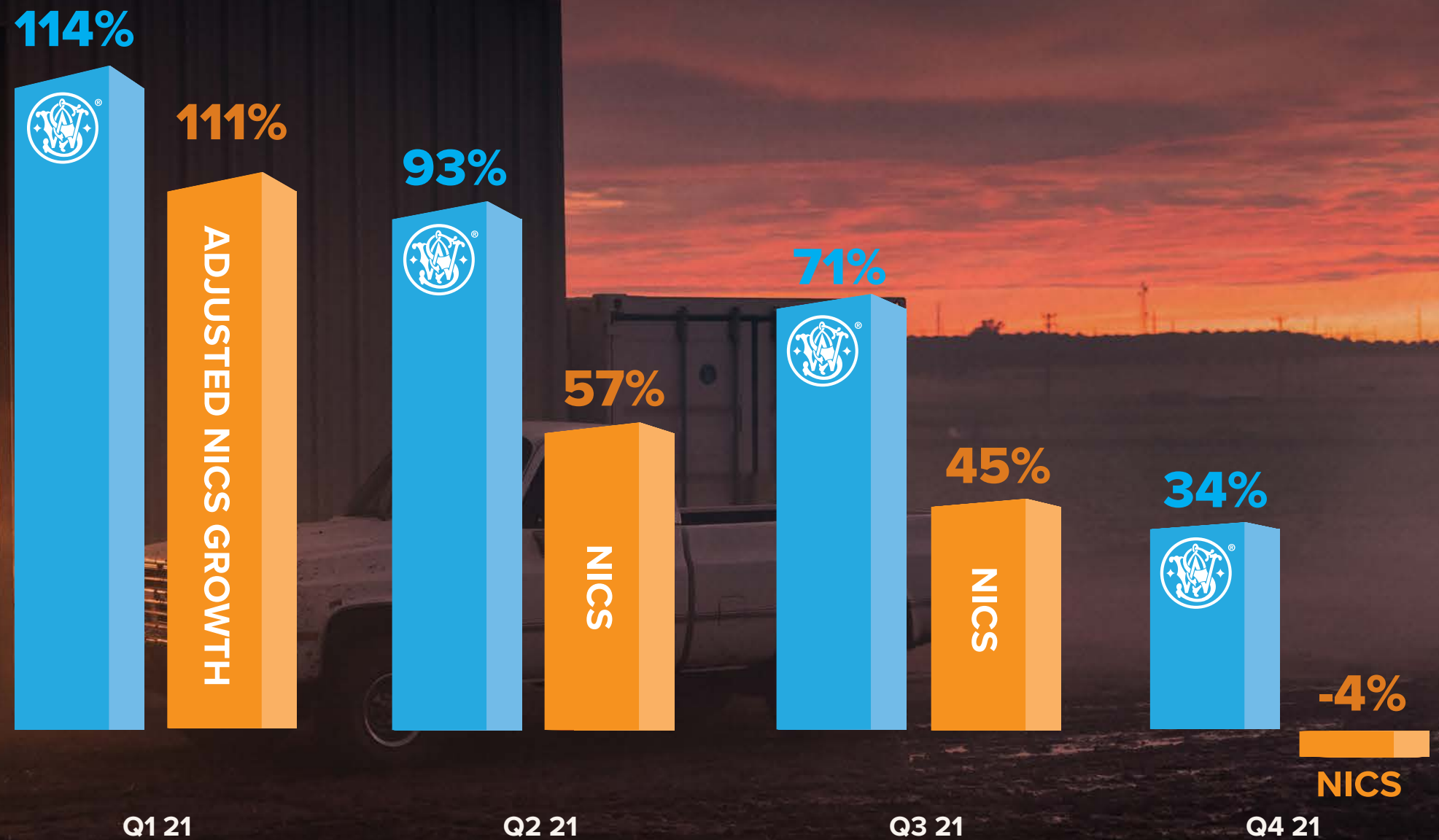
**2.6M**

Total firearms shipped during FY21, a 68% increase YoY

# YEAR IN REVIEW

In a year of turmoil, **we gained market share** in a cyclical industry

Smith & Wesson®  
outpaced  
NICS by  
**28%**



S&W units shipped growth vs NICS growth<sup>1</sup>

The August 2020 Spin-Off

# THE MONTH THAT DEFINED OUR FUTURE

*A return to our roots*

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- Singular focus
- Simplification of the business
- Execution & results

WE'RE JUST GETTING STARTED.

# GROWTH

**\$5.2B TTL ADDRESSABLE MARKET<sup>1</sup>**  
**5.25% 20 YR CAGR<sup>2</sup>**



# OVER TIME

## LARGE AND GROWING ADDRESSABLE FIREARMS MARKET

- Estimated annual domestic non-military firearm market based on shipments is \$2.9B for handguns and \$2.3B for long guns.
- Estimated 66 million gun owners in the US. First time buyers, minorities, and women driving growth in 2020.<sup>3</sup>

# S&W GROWTH LANES

## **CORE INNOVATION**

- Handguns & MSR's
- New products to enthusiasts

## **NEW GROWTH**

- Hunting rifles & shotguns
- Untapped markets

## **NEW CONSUMERS**

- 8 million & growing<sup>1</sup>
- Estimated \$40B lifetime value<sup>2</sup>

## **FIREARMS ADJACENCIES**

- Licensing
- Gun parts & accessories
- Manufacturing services

# RUNWAY FOR GROWTH

# PILLARS FOR SUCCESS



**EMPOWERING AMERICANS**

## KEYS TO SUCCESS

**INCREASED MARKET SHARE**

**BUSINESS SIMPLICITY**

**MARKET LEADING PRODUCT PORTFOLIO**

**SHAREHOLDER RETURN**

**FLEXIBLE  
MANUFACTURING**

**MARKETING  
DRIVEN**

**EFFICIENCY  
THROUGH  
AUTOMATION**

## NON-NEGOTIABLES

**QUALITY**

**COST**

**EXECUTION**

**COMPLIANCE**

**2ND AMENDMENT**

**SAFETY**

**BUSINESS ETHICS**

## FOUNDATION

**ENGAGED EMPLOYEES & CULTURE**



# EXPERIENCED MANAGEMENT TEAM

## Mark Smith

President & CEO

## Deana McPherson

EVP, CFO & Treasurer

## Sue Cupero

Vice President, Sales

## Rob Cicero

Sr. VP, General Counsel,  
Chief Compliance Officer & Secretary

## Kyle Tengwall

Vice President,  
Marketing

## Kathy Salvador

Sr. Director,  
Human Resources

## Steve Rowley

Sr. Director, Business  
Systems & Analytics

## Luc Hardyn

Vice President, Operations

## Smith & Wesson® Experience

**138 Years  
Total Combined**

**19 Years  
Average Tenure**

## Broad Backgrounds

**B Bushnell®**

**Deloitte.**



**ECOLAB®**

**Hartz**

**FEDERAL**

**wood.**



**Smith & Wesson®**

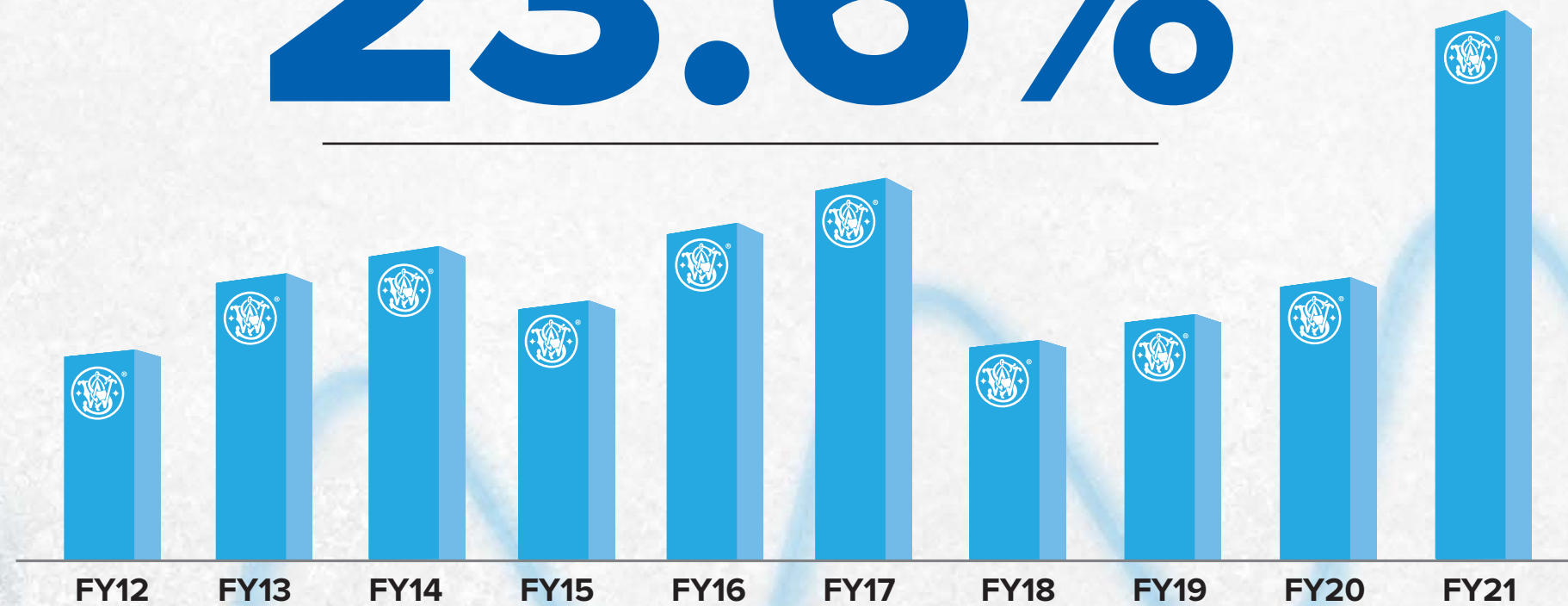
# FLEXIBLE MANUFACTURING

## Built in ability to react faster

- Ramp up
- Maintain profit margins
- Ramp down
- Maximize capital utilization

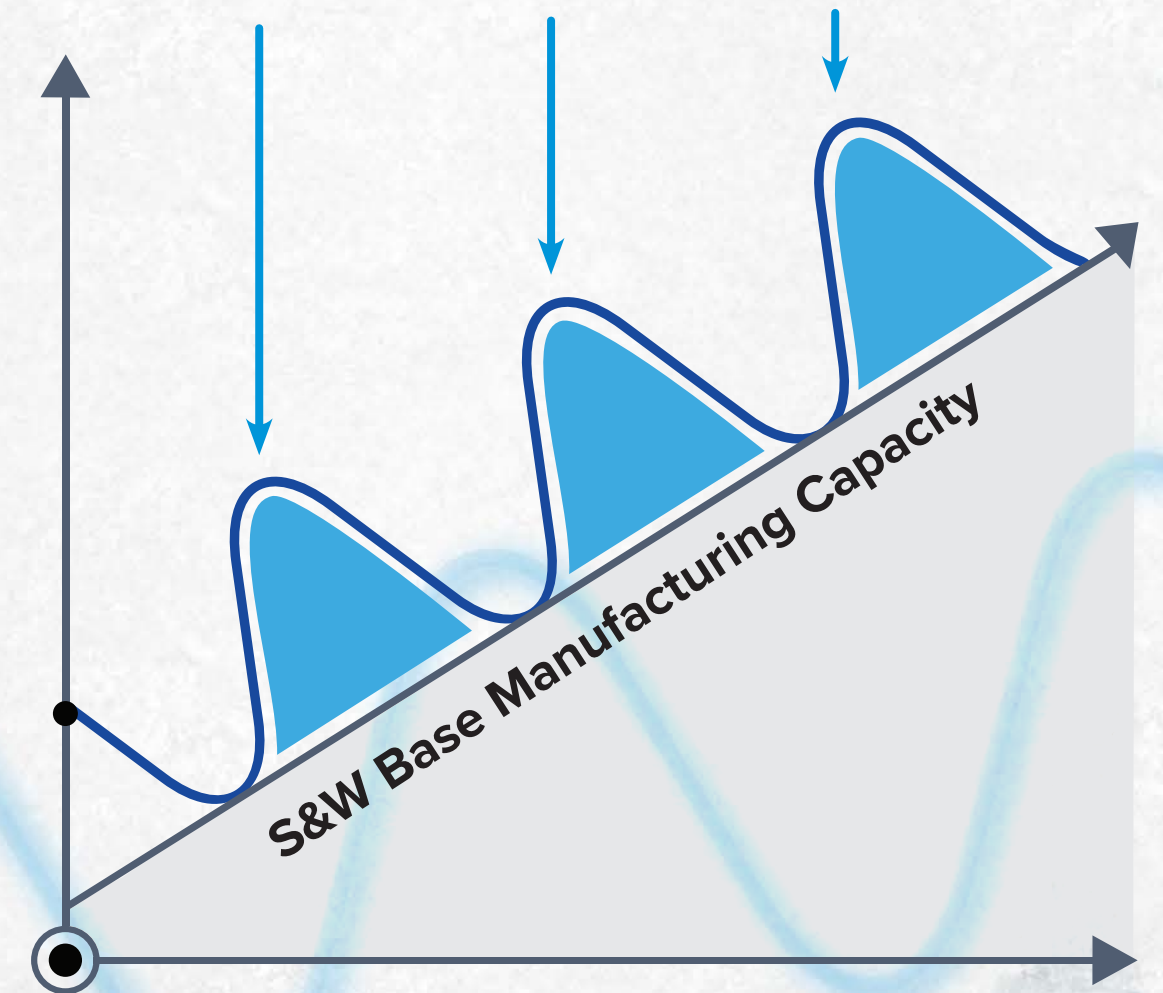
10-Year EBITDAS Average

**23.6%**



S&W 10-Year Firearms Net Sales

## MAXIMIZE SURGES WITH OUTSOURCED SUPPLIERS



# MARKETING *DRIVEN*

Our advantages...

**#1**  
IN AWARENESS  
**84%**  
AWARE OF  
S&W

**#1**  
MOST TRUSTED  
**85% ARE**  
LIKELY TO  
RECOMMEND

**#1**  
MOST USED  
**63% HAVE**  
USED S&W  
FIREARMS

**#1**  
MOST OWNED  
**37% OWN 1 OR**  
MORE S&W  
FIREARMS



**BEST BRAND**  
**HIGHEST IN QUALITY**

# MARKETING *DRIVEN*

## Core Values

**Empowering Americans** Since 1852 Smith & Wesson has empowered Americans with the security and confidence to pursue their goals and define their futures.

**Behind every gun we build is you** Our brand is more than our products. It is the people who make them and the empowered Americans who own them.

## Reason for Being

**Purpose** Equip, educate, and encourage Americans to own firearms for personal protection and the lifelong enjoyment of shooting.

**Mission** Continuously improve the experience of buying, owning, and shooting a gun, offering 1st time gun buyers and enthusiasts the knowledge to choose the right gun, promote safety, improve their skills, and pass it on.

**Vision** Ensure Americans always have the confidence and freedom that only comes with personal security.

# MARKETING *DRIVEN*



## TELLING OUR BRAND STORY



**CLICK TO PLAY VIDEO**

**<https://www.youtube.com/watch?v=QvG96wIKoD4>**

# MARKETING DRIVEN

Powerful

“...video was about good values and looking out for each other.”

- Experienced gun buyer

**What consumers felt...**

Believable	79%
Relevant	74%
Important	71%
Talking to me	70%
Would purchase	64%

“...inspiring and moving.”

- Novice gun owner

“...made me want to learn more about the brand and what they represent.”

- Novice gun owner

“...‘Prepare for the worst, but expect the best,’ is a great message...”

- Experienced gun owner

“It says that I am dealing with a quality company.”

- Experienced gun owner

“I just get the sense that Smith & Wesson caters to all buyers.”

- Novice gun owner

“...American as apple pie.”

- Novice gun owner

# MARKETING *DRIVEN*

## A brand that is trusted by all Gun Owners

### **Serve core consumers**

Our enthusiasts are our largest segment and most loyal brand ambassadors. Their word-of-mouth is sought out by the gun curious.

### **Attract more 1st time gun buyers**

Our research has painted a clear picture of the gun curious and 1st time buyer. Our brand is built to welcome them.

### **Create lifelong enthusiasts**

As a trusted source for new and experienced gun owners alike, we foster lifelong enthusiasts.



EMPOWERING AMERICANS SINCE 1852.

# MARKETING *DRIVEN*

# TRUST

Putting it  
into action...



...establishing  
trust, credibility,  
and long-lasting  
relationships with  
our consumers.

# RELATIONSHIPS



# MARKETING *DRIVEN*

Identify and understand consumer needs throughout the pathway.



## CONSUMER EXPERIENCE PATHWAY

From unique backgrounds to a common destination.

Gun Curious > 1st Time Gun Buyer > Gaining Experience > Enthusiast

**40%+**

Of first time buyers were women and minorities in 2020<sup>1</sup>

**\$650**

Average spend per firearm<sup>2</sup>

**41%**

Made their last purchase at an independent gun store<sup>2</sup>

**75%+**

Say personal protection is a reason to own<sup>3</sup>

**64%**

Use their firearm at least once per month<sup>2</sup>

**7.6**

Average number guns owned<sup>2</sup>

# MARKETING *DRIVEN*

## Welcome to the journey

Targeted marketing moves them along the pathway

### Comfort

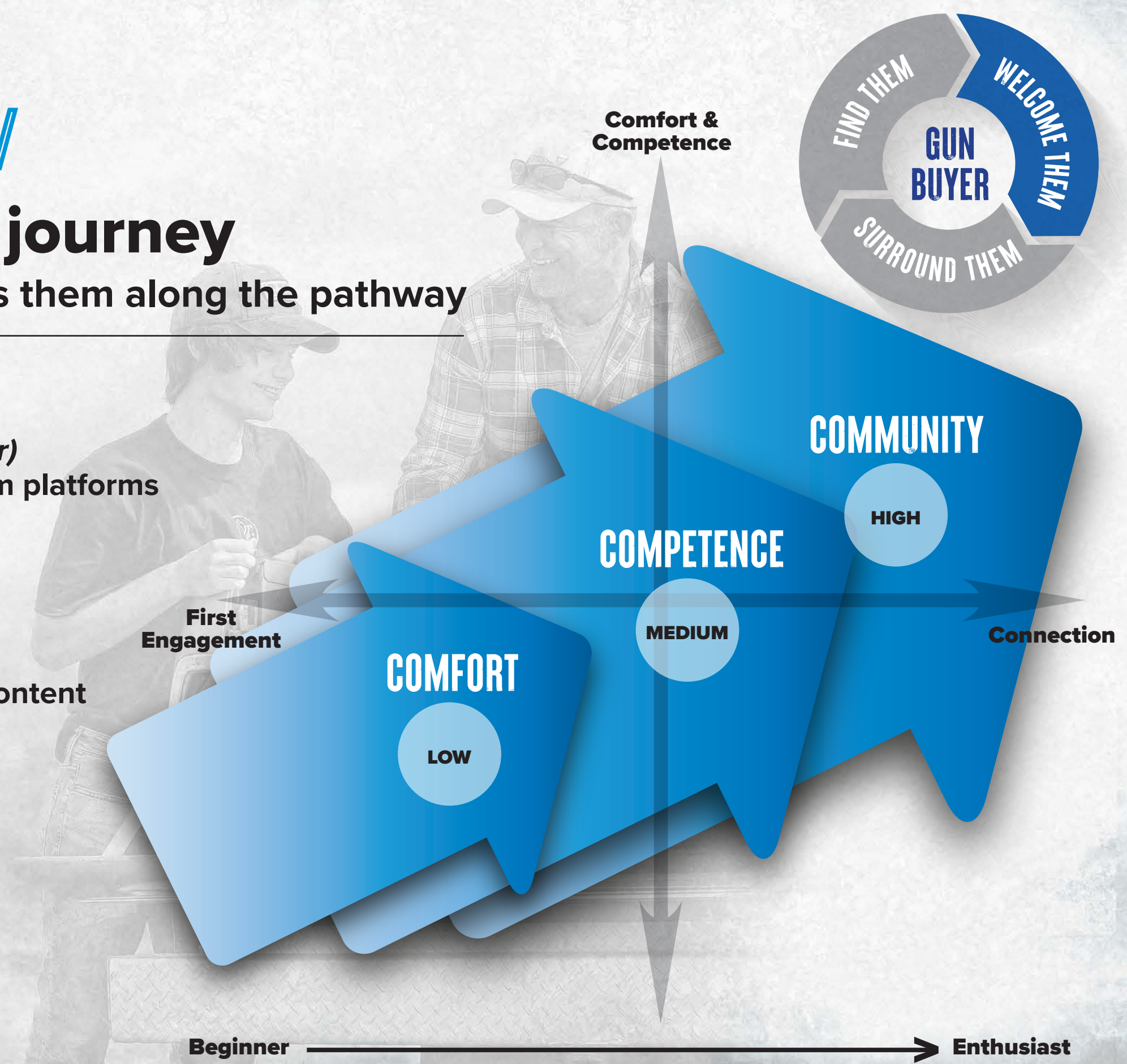
- GUNSMARTS
- Website redesign (*GunBuilder*)
- Increase reach via mainstream platforms
- Improve retail experience

### Competence

- GUNSMARTS
- Retail events / training
- Professional shooting team content

### Community

- Social media
- Influencer partnerships
- Create new digital platforms



# MARKETING *DRIVEN*



LEARN FROM THE PROS  
**GUNSMARTS SERIES 2**

WATCH NOW

CLICK TO PLAY VIDEO

<https://www.youtube.com/watch?v=SlmHcXilapM>



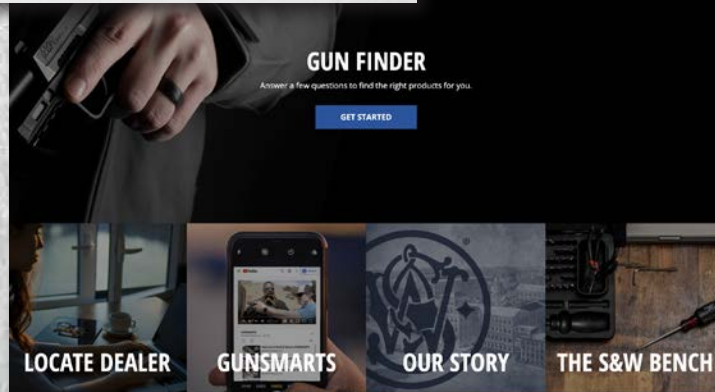
# GUNSMARTS



# MARKETING *DRIVEN*

## 360° Marketing Approach

- Relevant & targeted messaging
- Consistency across platforms
- Prolific content generation



# MARKETING *DRIVEN*

**PRODUCT**

**INNOVATION**

**BEYOND PRODUCT**

## TWO-PRONGED APPROACH

**Identify & Address Existing Market White Space**

- Lowest risk
- Steal market share; make it better; make more
- Leverage brand reputation

**Identify & Address Unmet Consumer Needs**

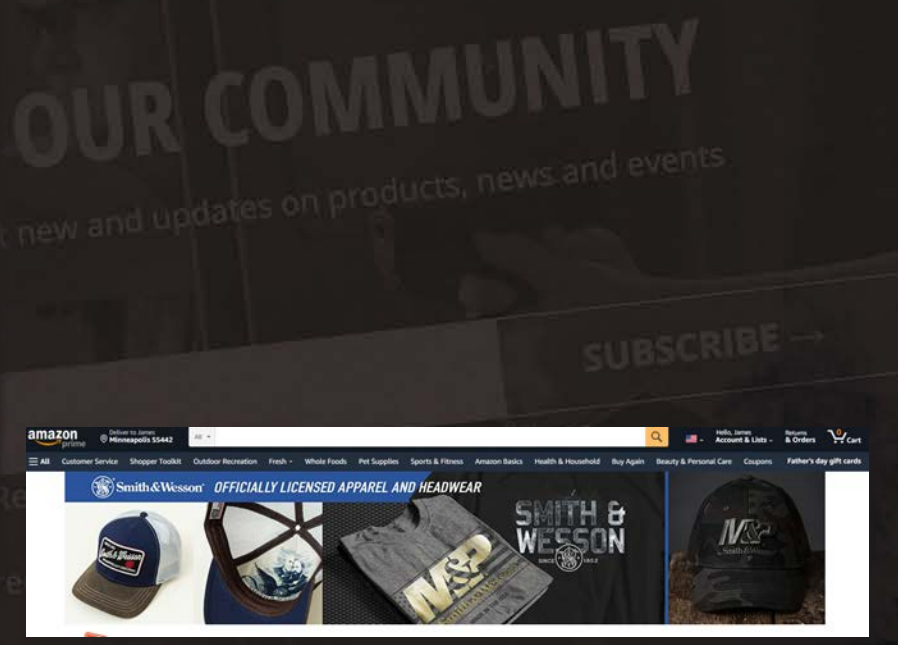
- Largest opportunity potential
- Expand market by generating new segments
- Enhance brand reputation

## SPEED TO MARKET FOCUS



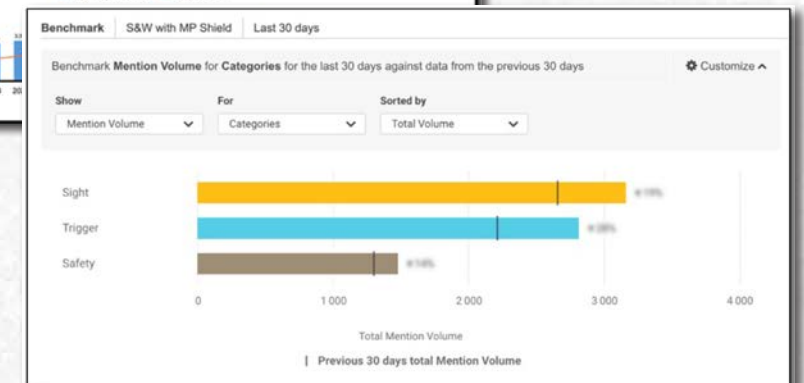
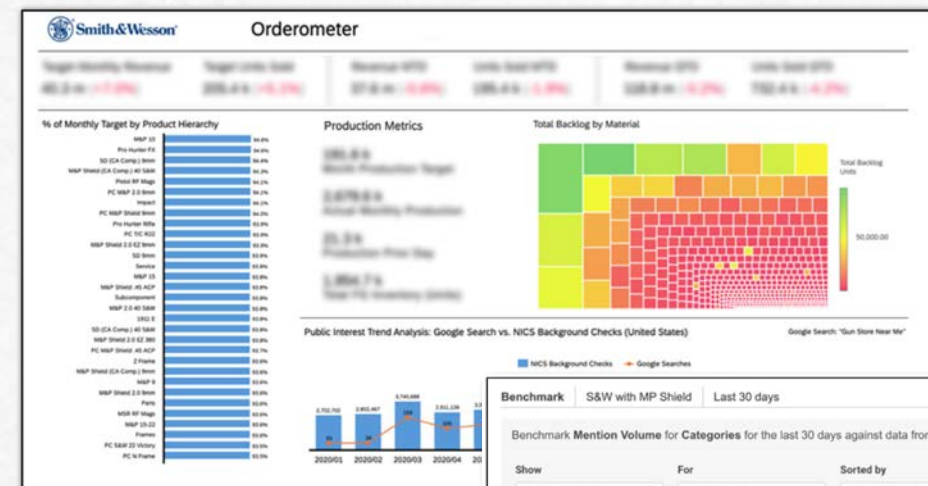
## Be the “It” Brand by Being Unconventional

- State of the art retail displays
- Sophistication in website and social media
- Reinforce brand message through licensees



# EFFICIENCY THROUGH AUTOMATION

## Operations + Back Office



### Manufacturing

- Efficiency
- Quality / Repeatability
- Throughput

### Distribution

- Traceability / Compliance
- Shipping capacity
- Flexibility

### Information Technology

- Modernize back office technology
- AI driven consumer insights
- Sophistication in business analytics

# NO MATTER WHAT HAPPENS...



- 20% - 30% EBITDAS
- 32% - 42% Gross Margin

- \$100M+ Cash on Hand
- \$0 Debt

- >\$75M Cash Generated
- ~\$25M Annual Capital Spend
- Grow Dividend
- Reduce Share Count

THANK YOU



Smith & Wesson®



# S&W Analyst Day Presentation

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## *Data Sources*

### **Year in Review (pgs. 2)**

- (1) Smith & Wesson Google analytics data, Fiscal year 2021
- (2) Smith & Wesson social media analytics data, 2020-2021

### **Year in Review (pgs. 3)**

- (1) National Sporting Shooting Foundation (NSSF) Adjusted NICS data, Fiscal year 2021

### **Large Addressable and Growing Market (pg. 5)**

- (1) U.S. Bureau of Alcohol, Tobacco, and Firearms (ATF) – Firearms and Ammunition Excise Tax data for calendar year 2020
- (2) NSSF Adjusted NICS data
- (3) Firearms in the United States data, Statista, 2020

### **Runway for Growth (pg. 6)**

- (1) NSSF industry data
- (2) Smith & Wesson Attitudes, Trial, Usage and Brand Positioning study, 2020

### **Smith & Wesson Advantages (pg. 10)**

- (1) Smith & Wesson Attitudes, Trial, Usage and Brand Positioning study, 2020

### **Brand Anthem (pg. 13)**

- (1) Smith & Wesson – brand anthem full film and advertising evaluation research, 2021

### **Consumer Pathway Experience (pg. 16)**

- (1) NSSF Industry data
- (2) Smith & Wesson Attitudes, Trial, Usage and Brand Positioning study, 2020
- (3) NSSF Firearms Consumer Personas research, 2020