

CLARUS CORP.

NASDAQ:CLAR



SUMMARY

Clarus is a holding specialized in outdoor that looks for opportunities to acquire and expand businesses which can create long term value. The company has accumulated NOLs (Net Operating Losses) and looks forward to maximizing them. Clarus Corp's businesses are focused on product design, production and commercialization of products, equipment and clothing for outdoor activities such as rock climbing, alpinism, trekking, trail running or ski among others. These products are sold mainly under brands like Black Diamond, Sierra, Ski nourishment or PIEPS by specialized retail stores, wholesale companies, online shops and other US and international manufacturers. Those are leader brands in their niche, having a background in growth and innovation.

DATA & RATIOS

Shares (M):	31,06	PER:	22,03
Float (M):	23,55	NetDebt/EBITDA:	1,91
Volume (k)	414	ROE:	10.49%
Div Yield%:	0.71%	MarketCap (M):	447,26

*All data are in USD (k)-thousand (M)-million

ESTIMATIONS

Year	2021	2022	2023	2024
Revenue	231	254	280	307
Operating R.	8	12	17	24
Profit	6	10	15	22

*All data are in Million USD.

TARGET PRICE

KEYS

- Outsider management team
- The management owns the 28% of Clarus
- Super fan brands
- Diversified business by products, channels and geographically
- Season diversity: suffers no impact due to winter-summer seasonality
- More than 12M in stock repurchase since 2016
- Favourable trends in outdoor market
- 250M in NOLs
- \$0.025 cash dividend per share
- Low debt
- Small bets strategy in M&A



PRICE VS RISK

- In our opinion Clarus offers a low permanent capital loss risk and a great asymmetry thanks to their small bets strategy.
- We would find reasonable that in a window of 5-7 years (after pandemic) Clarus will be able to increase in 2-3 times its current value, about \$30-\$45 per share.
- We think that the associated risk and adverse sceneries are limited.

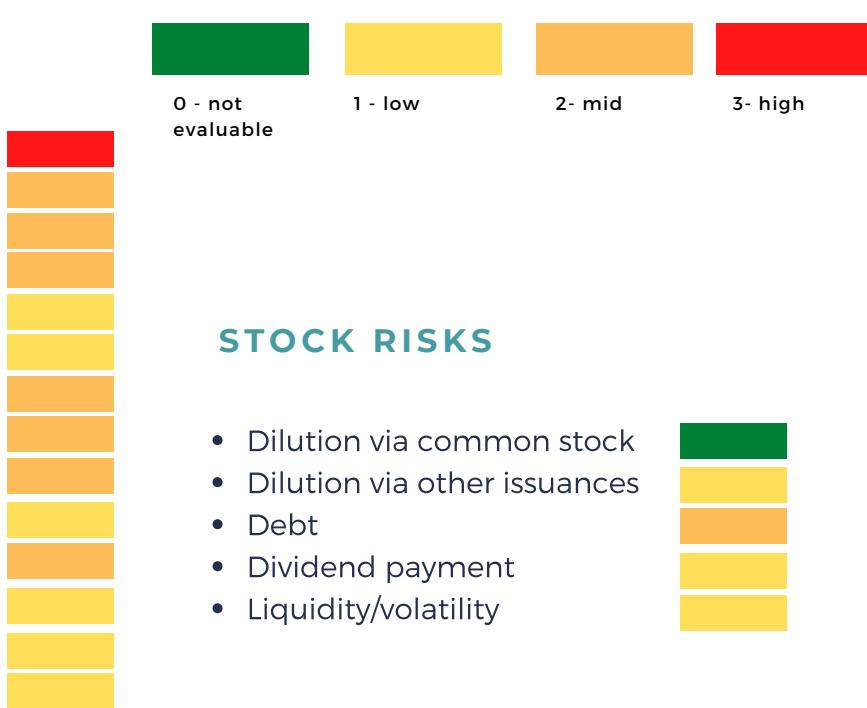
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RISKS SUMMARY



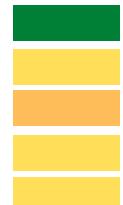
INDUSTRY RISKS

- Product Warranty-Liability claims
- Small number of customers
- Cyclical consumer spending
- Dependence of retail industry
- Seasonality and weather conditions
- Climate change
- Forecasting demand
- Niche Competition
- Expand/Develop new customers
- Intellectual property
- Foreign changes in cultural,
- Innovation & new products development
- Raw materials
- Regulations



STOCK RISKS

- Dilution via common stock
- Dilution via other issuances
- Debt
- Dividend payment
- Liquidity/volatility

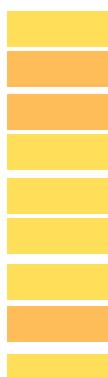


RISK PUNCTUATION

- Total punctuation: 40

BUSINESS RISKS

- Acquisition & integration of businesses
- Financial markets & financing
- Covenants on debt
- Interest rate risk
- Currency devaluations
- Information systems safety
- Not realization of NOLS
- Key management loss/exit
- Compensation policy



RISK INDICATOR

