



March 2014  
Investor Presentation

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INGENUITY IN ACTION.

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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This presentation contains, and the Company may from time to time make, written or oral "forward-looking statements" within the safe harbor provisions of the Private Securities Litigations Reform Act of 1995. These statements include information with respect to our financial condition and its results of operations and businesses. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "will," "continue," "project" and similar expressions, as well as statements in the future tense, identify forward-looking statements.

These forward-looking statements are not guarantees of our future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements. These risks and uncertainties include, but are not limited to:

*See column to the right*

- The ability to obtain new contracts at attractive prices;
- The size and timing of customer orders;
- Fluctuations in customer demand;
- Competitive factors;
- The timely completion of contracts;
- The timing and size of expenditures;
- The timely receipt of government approvals and permits;
- The adequacy of local labor supplies at our facilities;
- The availability and cost of funds;
- General economic conditions, both domestically and abroad;
- The successful integration of acquisitions; and fluctuations in foreign currencies.

The effects of these factors are difficult to predict. New factors emerge from time to time and we cannot assess the potential impact of any such factor on the business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Any forward-looking statement speaks only as of its date and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of such statement or to reflect the occurrence of unanticipated events. In addition, see "Risk Factors" for a discussion of these and other factors.

You are encouraged to read the SEC reports of DMC, particularly its Form 10-K for the Fiscal Year Ended December 31, 2012 for meaningful cautionary language disclosing why actual results may vary materially from those anticipated by management.



# 01

## DMC Overview



NOTES ▾


## OUR STORY

DMC is a growth company focused on building a family of technical product and process businesses for the global energy, industrial and infrastructure markets. We serve a network of industrial customers through a family of technical businesses that currently includes NobelClad, DynaEnergetics and AMK Technical Services. The DMC family consists of a global network of production facilities and sales and distribution centers. Our global footprint is critical to successfully meeting the demands of our customer base.



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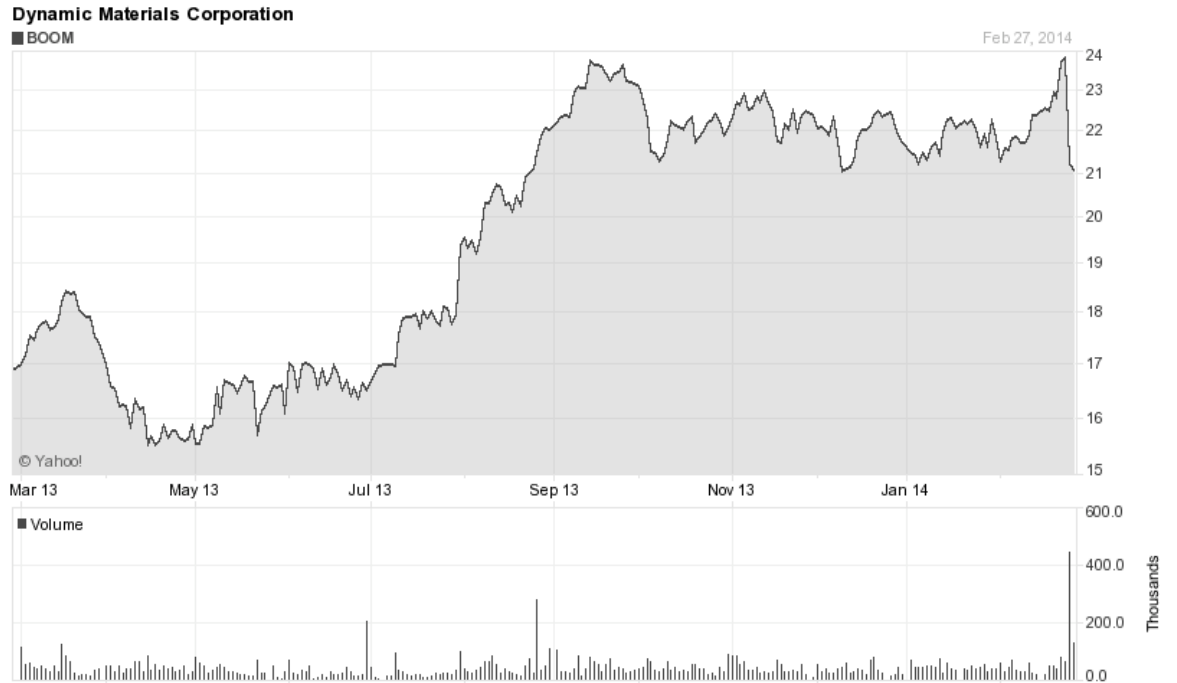
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**SELECT DATA**

Symbol (Nasdaq GS):	B00M
52-week stock range:	\$15.19 - \$24.09
Average daily volume:	54,515
Market capitalization:	\$281 Million
Shares outstanding:	13.7 Million
Approximate float:	13.0 Million
Fiscal year:	December 31
Quarterly dividend:	\$0.04
Revenue (ttm):	\$209.6 Million
Adjusted EBITDA (ttm)	\$27.9 Million



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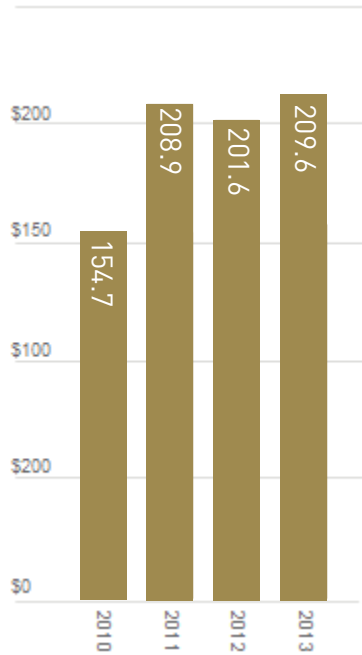
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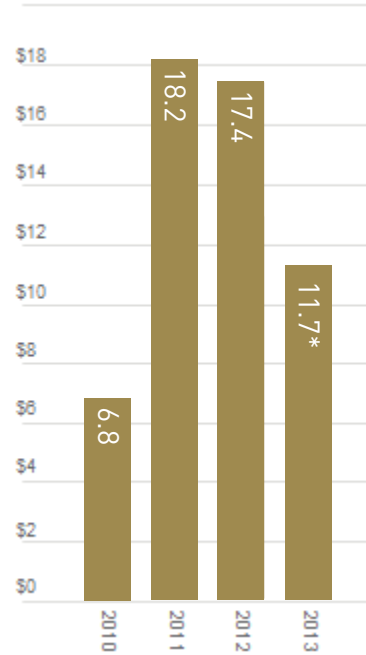
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## FINANCIAL HIGHLIGHTS

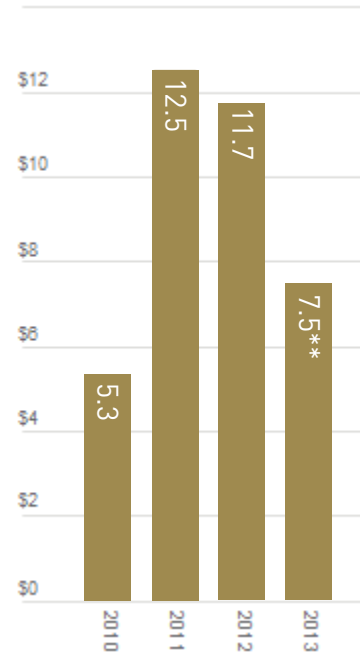
Sales



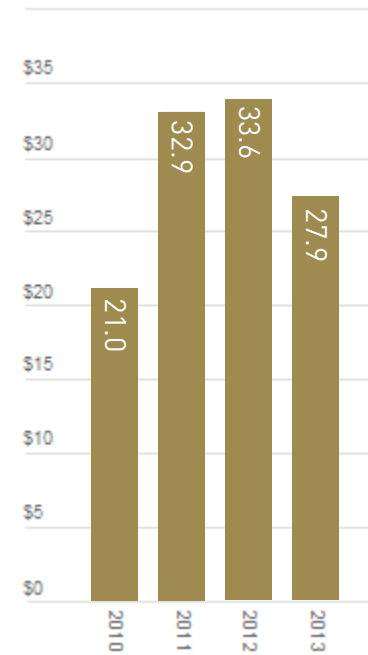
Operating Income



Net Income



Adjusted EBITDA



\$ in millions

\* Reflects \$3.0 million in non-recurring expenses associated with management retirements recognized during Q1

\*\* Reflects approximately \$1.2 million in tax benefits recognized during the first quarter



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**DMC'S SECTOR FOCUS**

<b>SECTORS</b>	Industrial and Infrastructure		Energy	
<b>DESCRIPTION</b>	Products and technical processes that support industrial and infrastructure markets.		Consumables, products and OEM technical services that support oil & gas, ground power and aerospace industries.	
<b>BRANDS</b>	NobelClad		DynaEnergetics	AMK Technical Services
<b>SOLUTIONS FOCUS</b>	Explosive Metalworking	Synthetic Diamond Manufacturing	Perforating Components & Systems	OEM Technical Services
<b>PRODUCTS/ SERVICES</b>	<ul style="list-style-type: none"> <li>• Plates</li> <li>• Heads</li> <li>• Rolled &amp; Tacked Cylinders</li> <li>• Tubesheets</li> <li>• Transition Joints</li> <li>• Cylindricals</li> <li>• Fabricated Components</li> </ul>	<ul style="list-style-type: none"> <li>• Industrial Diamonds</li> </ul>	<ul style="list-style-type: none"> <li>• Perforating Guns</li> <li>• Explosive Shaped Charges</li> <li>• Detonating Cords</li> <li>• Detonators</li> <li>• Explosive Control Systems</li> </ul>	<ul style="list-style-type: none"> <li>• Welding &amp; Machining</li> <li>• Quality Systems</li> </ul>



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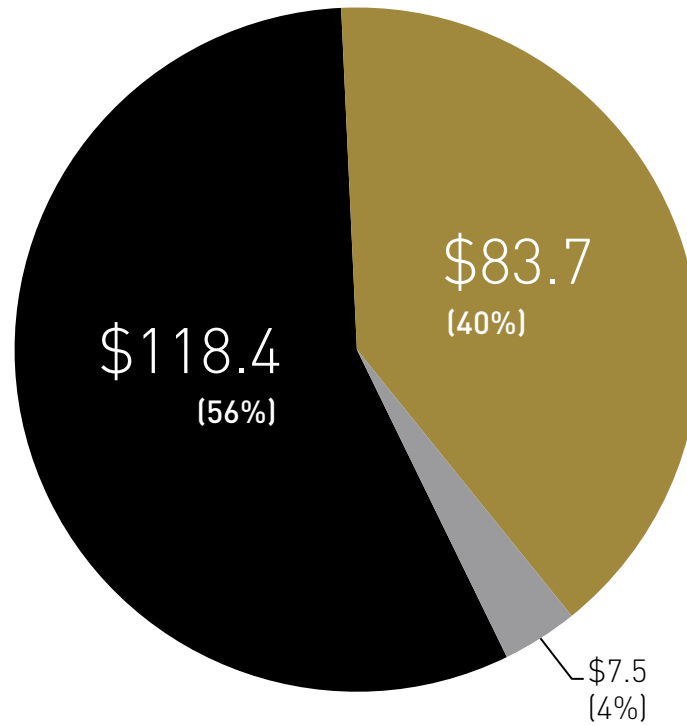
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2013 SALES BY BUSINESS

- NobelClad
  - DynaEnergetics
  - AMK Technical Services
- \$ in millions



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# 02 Opportunity



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**BUSINESS OPPORTUNITY**

DMC companies serve the world's multi-trillion dollar industrial, infrastructure and energy industries, which are addressing major capital investments in both established and emerging markets. In North America, a resurgence in oil and gas production and a renewed focus on chemical processing capacity are creating considerable opportunities for each of DMC's businesses. In the world's emerging markets, demand for energy and modern industrial processing infrastructure is also leading to compelling growth prospects for DMC and its family of specialized product and process businesses.



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# 03 Leadership Team



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**EXECUTIVE LEADERSHIP**



**KEVIN LONGE** President & CEO, DMC

- Named DMC President, CEO and Director in March 2013
- Joined DMC as Chief Operating Officer in July 2012
- Former VP and GM of Sonoco's \$600 million Protective Packaging division
- Former President of Sonoco's ThermoSafe Brands business
- Oversaw global sales, marketing, engineering and R&D for the life sciences, medical, food and industrial durables markets
- Oversaw eight manufacturing centers in the U.S., Europe and Asia
- Former President of three operating divisions at Lydall, Inc. (NYSE-LDL)

2014 Investor Presentation



**RICHARD SANTA** Sr. VP, CFO & Secretary, DMC

- Named Senior Vice President, Chief Financial Officer and Secretary in January 2008
- Joined DMC as Vice President, Chief Financial Officer and Secretary in October 1996
- Responsible for integration of seven acquisitions while at DMC
- Former Chief Financial Officer of Scott USA, a sports equipment manufacturer and distributor
- Former senior manager with Price Waterhouse

→ [DMCGlobal.com](http://DMCGlobal.com)



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**LEADERSHIP TEAM**

**JEFF NICOL**  
President, NobelClad

- Became head of NobelClad's newly unified global operations in 2012
- Previously VP and General Manager of DMC Clad Metal, North America
- Joined DMC in 2008 as VP of Sales and Marketing
- Spent 21 years with Alcoa, where he ascended to chief metallurgist and global marketing director



**IAN GRIEVES**  
President, DynaEnergetics

- Joined DynaEnergetics in 2013
- 20 years of diverse operational, engineering, finance and management experience with international industrial businesses
- Previously Senior Vice President of Lydall, Inc.'s Performance Materials division



**GARY KLEIN**  
President, AMK Technical Services

- Previously general manager of the Americas at DynaEnergetics
- Extensive operational and management experience in manufacturing, industrial engineering, aerospace and energy industries
- Former Vice President of operations for Tegrant Corp. and former VP and business unit manager AMETEK, Inc.



**BIN ZHANG**  
Managing Director, China, DMC

- Responsible for Chinese business development and market positioning for NobelClad, DynaEnergetics and AMK Technical Services
- Native of Beijing with 20 years of senior level business experience
- Established an Asia Pacific sales and marketing presence for a Sheldahl, Inc., a specialized manufacturer based in Minnesota



# 04

## Defining Characteristics



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## OUR CULTURE

DMC builds global companies by developing people and organizations. We institutionalize entrepreneurship and celebrate technical ingenuity. Our growth is fueled by energized, relevant and nimbly executed solutions that make a real difference to our customers. We offer a global manufacturing network with intimate localized service, so customers know they can rely on DMC companies when the stakes are high. DMC's empowered and responsive management strategies are aimed at serving the world's growth markets, giving investors high returns throughout varying economic cycles.



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**DMC TRAITS**

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The DMC family of brands share many traits that are critical to our growth and success.

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Technical expertise, ingenuity and proficiency in our respective industries.

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A culture of critical and creative thinking that allows us to innovate new solutions for our clients.

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Empowerment to meet market demands through decisions made at the local level.

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A passion for the processes that drive efficiency, dependability and ultimate value for our clients.



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# Solutions



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NobelClad is the worldwide leader in explosion welded plate production.

With 90% market share in North America, 70% in Europe, 30% Global.

Serving a diversified roster of industrial and infrastructure end markets. Working to drive engineering specifications for clad.

Profiting from global industrial infrastructure investments.

Strong free cash flow through low capital expenditure model.

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DEMAND DRIVERS FOR EXPLOSION WELDING



01  
Global Infrastructure  
Investment



02  
Corrosive  
Environments



03  
Design  
Flexibility

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**BENEFITS OF CLAD**

**Welding Type**

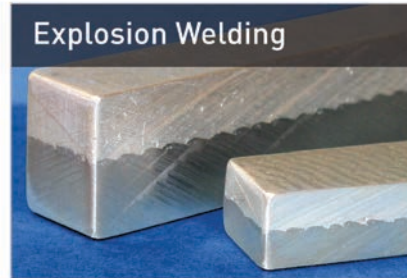
**Performed by**

**Compatible Metals**

**Non-Compatible Metals**

**Thickness Spectrum**

Inches

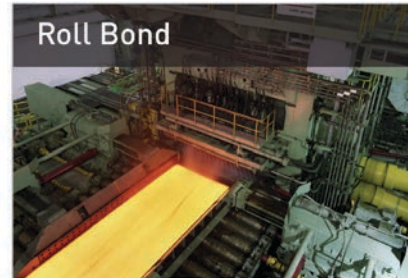
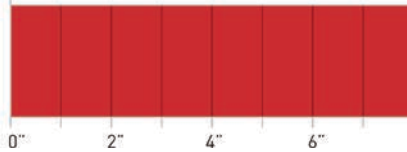


**Explosion Welding**

A small field of international competitors led by NobelClad

Yes

Yes



**Roll Bond**

A small group of international hot rolling steel mills

Yes

No



**Weld Overlay**

Arc-welding, metal fabricators

Yes

No



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**NOBELCLAD GROWTH MILESTONES**

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1965 – Company founded as Explosive Fabricators

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1996 – Acquired Detaclad®, the explosion welding business of Dupont

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2001 – Acquired Nobelclad (France)

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2007 – Acquired Dynaplat (Germany)

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2012 – Opened sales office in South Korea

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2013 – Unified global explosion welding operations under NobelClad  
– Opened sales office in China

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**NOBELCLAD'S COMPETITIVE ADVANTAGE**

**NobelClad's dominant position in the explosion welding industry is protected by significant barriers to entry.**

- Global network of specialty metals providers
- Permits and shooting sites in U.S., France, Sweden and Germany
- Mastery of explosion-welding process for large-scale production
- Strong working relationships with end-market customers



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**NOBELCLAD GROWTH INITIATIVES**

- Expanding market share in Asia
- R&D focused on new clad plate applications
- Applying process expertise to new market development
- Global launch of new brand marketing and digital assets to improve customer experience and service design



**Separating equipment** – A natural gas production facility where NobelClad's explosion welded plates were used in the fabrication of specialized pipes.



## GLOBAL PRODUCTION & SALES FOOTPRINT

### LEGEND

- Sales Offices & Agents
- Explosion Welding Production Centers



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**PRIMARY END MARKETS SERVED**

- Chemical
- Oil and Gas
- Metals and Mining
- Marine
- Power Generation
- Alternative Energy
- Industrial Refrigeration
- Transportation
- Defense and Protection



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**SELECT END USERS**

Chemicals	Refining	Mining	Engineering
    	     	       	    

NobelClad provides value to its industrial and infrastructure customers by collaborating at every stage of development. During design phases, NobelClad is a key resource for process architects and engineers who often write NobelClad plates into their manufacturing specifications.

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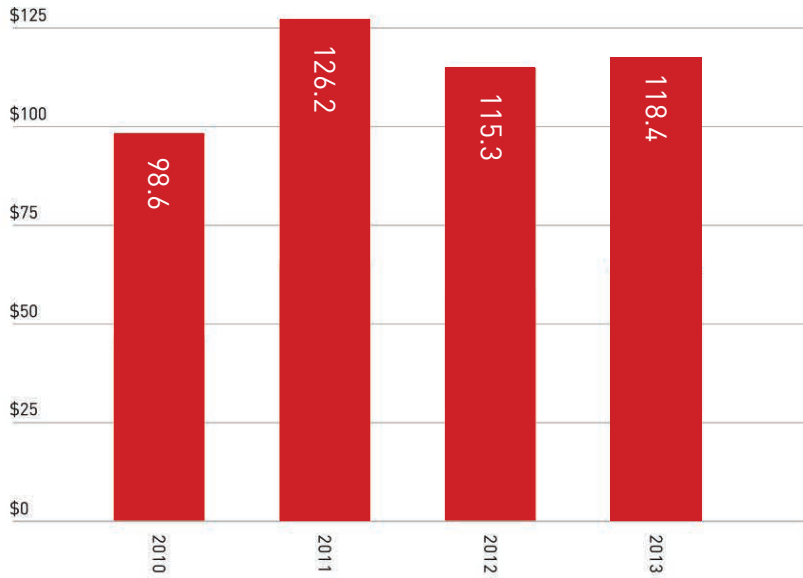
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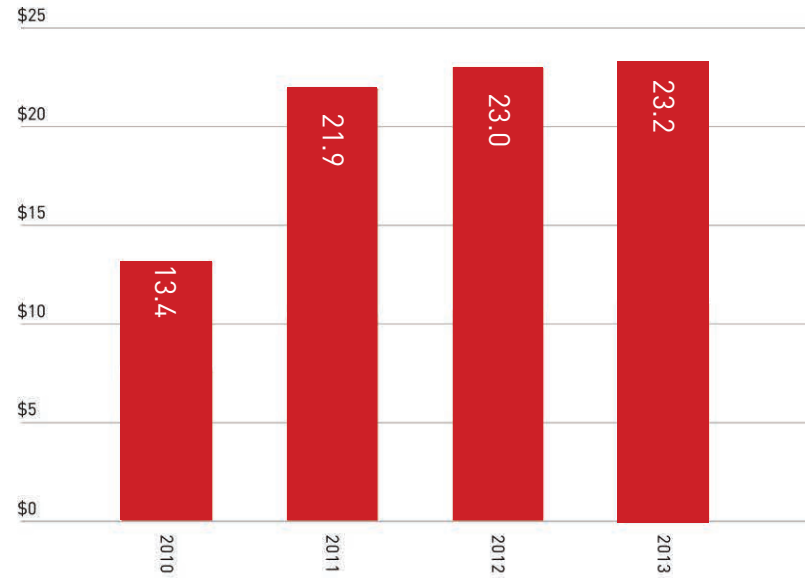
## NOBELCLAD'S PERFORMANCE

### Sales



\$ in millions

### Adjusted EBITDA





NOTES ▾


A top-tier provider of compatibility tested perforating systems.

Acquired in 2007 as new platform business for DMC.

Unmatched global reach serving oil and gas service providers, with approximately 7% global market share.

Reputation for product safety, technical innovation and systems reliability under extreme environmental conditions.

50% of product sales from well re-perforations and work-overs.

Driving R&D to advance perforating and well completion technologies.

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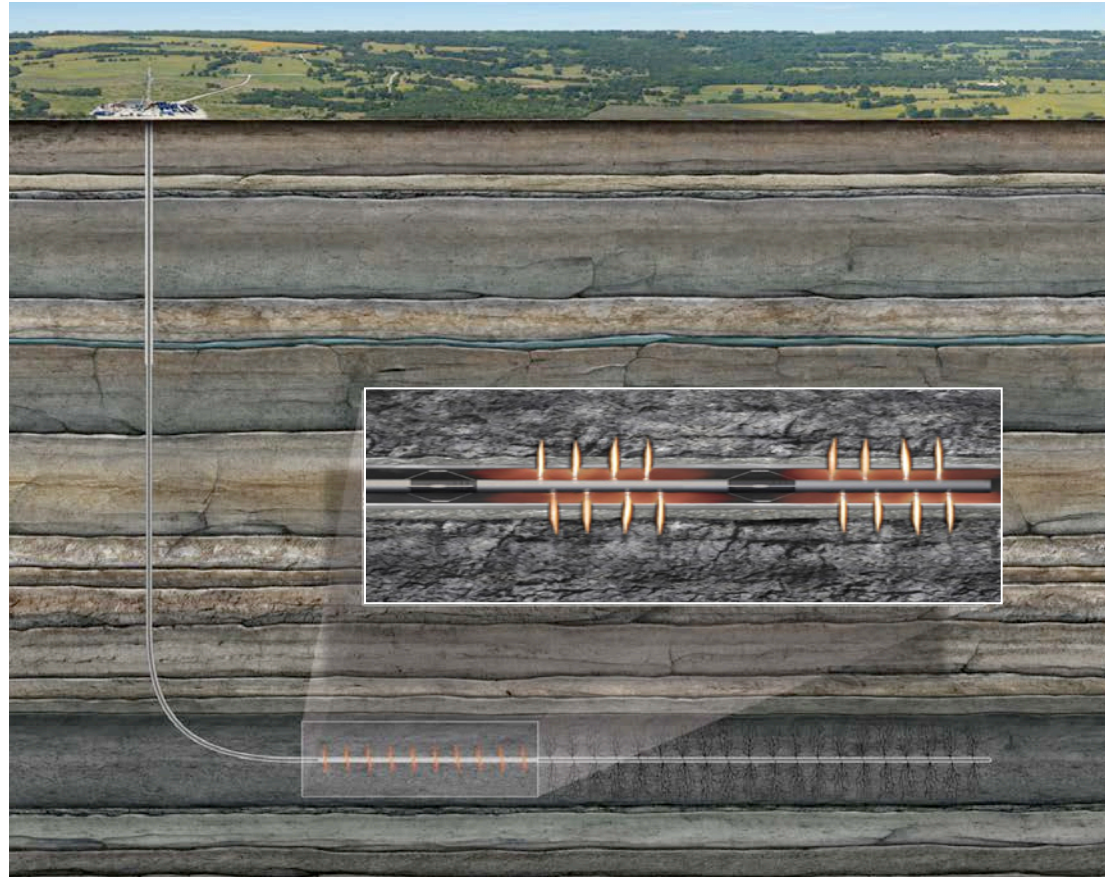
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## PERFORATING BASICS

1. Once a wellbore is drilled and cement and steel casing are in place, a perforating gun is deployed into the well.
2. The perforating gun is fired, sending plasma jets through the casing and into the surrounding formation creating "perforation tunnels".
3. Oil or gas flows through the perforation tunnels and into the well.



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**DYNAENERGETICS GROWTH MILESTONES**

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2007 – Company acquired DynaEnergetics, a new global platform business

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2009 – Acquired LRI Oil Tools (Canada)

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2010 – Acquired outstanding interests in two Russian oilfield product joint ventures  
– Acquired Austin Explosives (Texas)

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2012 – Acquired TRX Industries (Texas)

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2013 – Opened distribution centers in Bogota, Colombia and West Texas  
– Opening new shaped charge manufacturing plant for Americas (Texas)

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2014 – Opening new gun and shaped charge manufacturing plant in Russia (Siberia)

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**DYNAENERGETICS COMPETITIVE ADVANTAGE**

- Manufacturing expertise and technical proficiency using industrial explosives
- Robust product portfolio
- Global distribution expertise
- Strong industry relationships
- Advanced Section IV Testing Facility simulates most challenging well environments



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**DYNAENERGETICS GROWTH INITIATIVES**

- Investing in new technologies to expand product offerings
- Forging strategic partnerships to enter new markets
- Innovating solutions that meet anticipated market demand
- Global launch of new brand marketing and digital assets to improve customer experience and service design



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## DYNAENERGETICS GLOBAL FOOTPRINT



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SELECT END USERS



\* These major energy service companies are both competitors and customers. When distribution limitations inhibit these companies' ability to supply perforating equipment to certain international locations, they often turn to DynaEnergetics.

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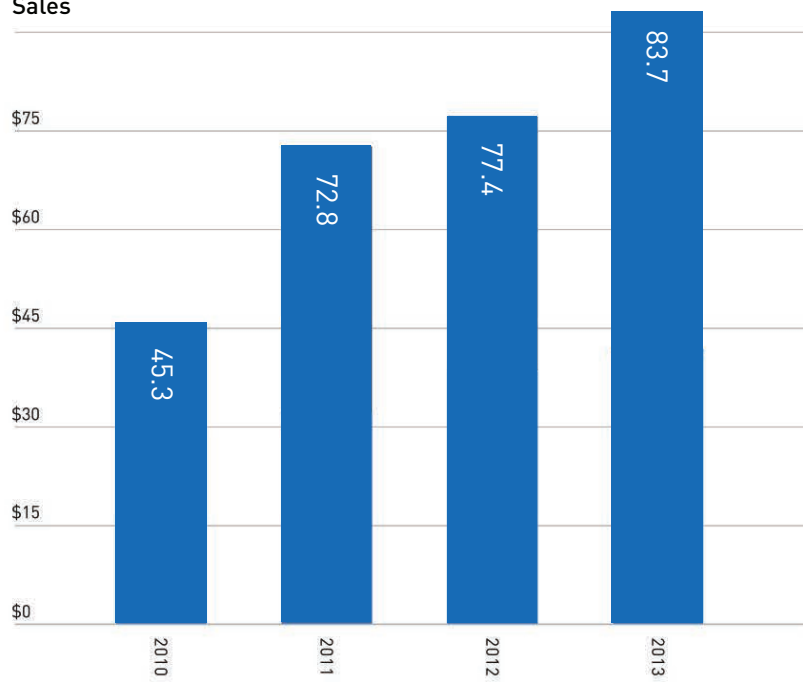
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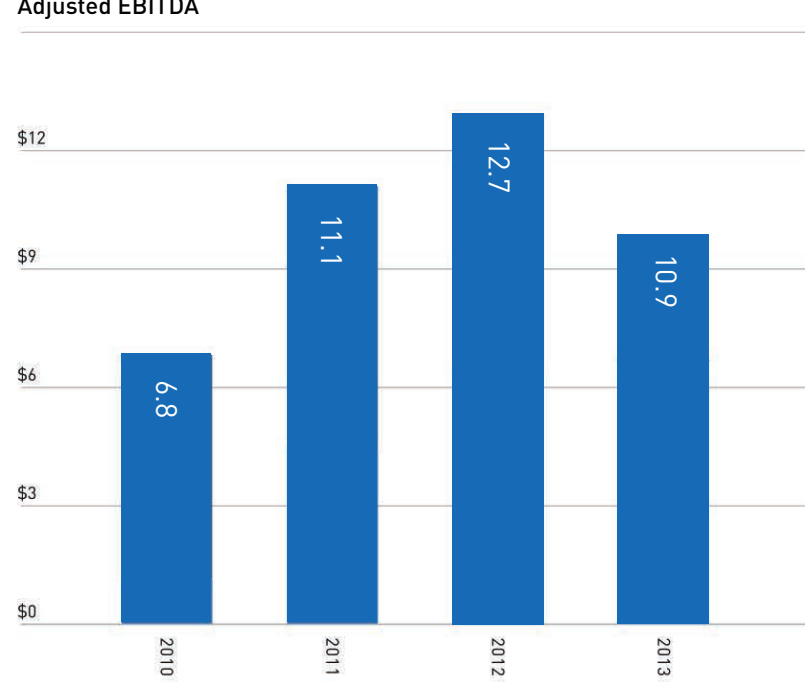
## DYNAENERGETICS' PERFORMANCE

### Sales



\$ in millions

### Adjusted EBITDA



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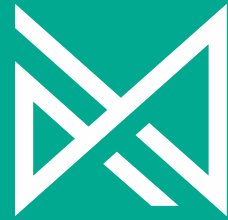
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**AMK**  
Technical Services



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A specialized provider of sophisticated and comprehensive welding and machining services for diversified industrial clients.

40-year history of manufacturing specialized parts for the aerospace and energy industries.

60% of current revenue driven by energy and power industries.

Expertise in solving complex welding challenges like joining dissimilar materials and high temp alloys.

Serving OEM and Tier 1 suppliers, AMK's product expertise includes aircraft and jet engines, and ground-based, gas-fired turbines.

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WELDING & MACHINING BASICS



01  
Electron Beam  
Welding



02  
TIG Welding (Manual &  
Chamber) and GTAW  
Automatic Welding



03  
Machining

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**AMK COMPETITIVE ADVANTAGE**

- Technical expertise across a broad spectrum of welding and machining applications
- Intimate customer relationships with some of the world's leading OEMs
- Reputation for solving complex joining challenges through process innovation and customer collaboration



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**AMK GROWTH INITIATIVES**

- Capitalizing on new process capabilities to increase penetration of existing customer base
- New experienced management in place
- Strengthening customer program management
- Establishing new OEM relationships that expand presence in energy industry
- Global launch of new brand marketing and digital assets to improve customer experience and service design



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AMK SELECT END USERS



**Honeywell**



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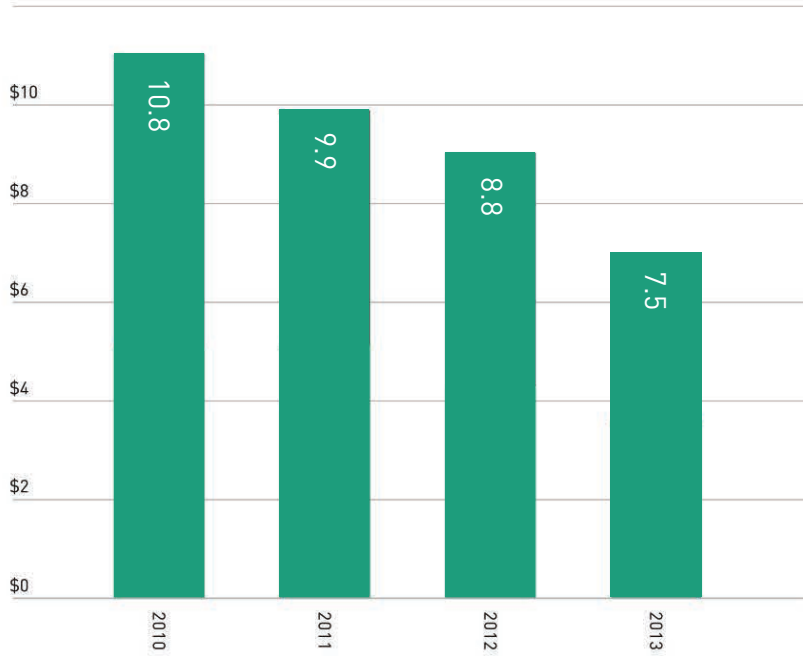
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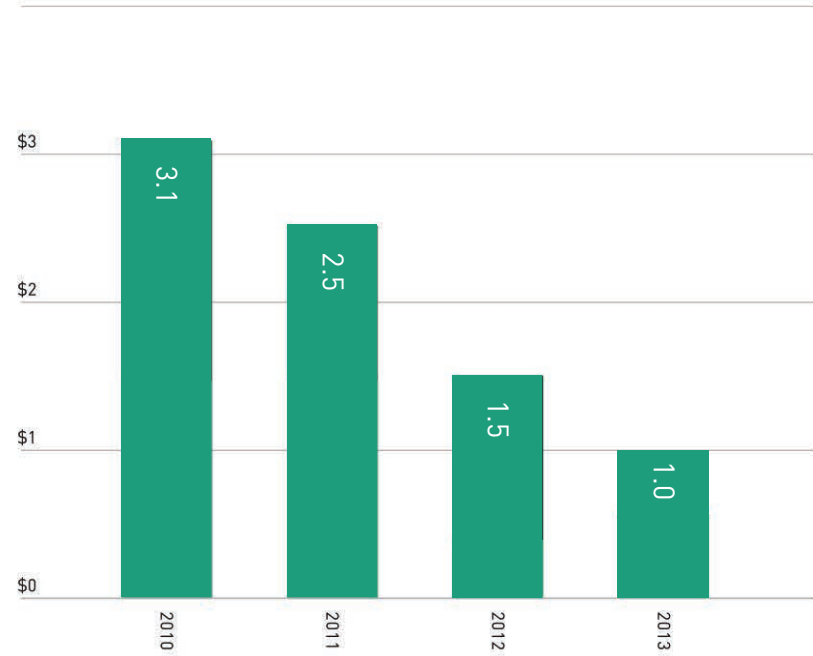
## AMK'S PERFORMANCE

### Sales



\$ in millions

### Adjusted EBITDA



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# 06 Financial Overview



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**FINANCIAL PERFORMANCE REVIEW**

(\$MM except per share amounts)	2010	2011	2012	2013
Sales % growth	\$154.7 -6%	\$208.9 35%	\$201.6 -4%	\$209.6 4%
Gross Profit % margin	\$37.0 24%	\$55.4 27%	\$59.7 30%	\$59.5 28%
Operating Profit % margin	\$6.8 4%	\$18.2 9%	\$17.4 9%	\$11.7 6%
Adjusted EBITDA % margin	\$21.0 14%	\$32.9 16%	\$33.6 17%	\$27.9 13%
Net Income % growth	\$5.3 -38%	\$12.5 137%	\$11.7 -6%	\$7.5 -36%
Diluted EPS % growth	\$0.40 -39%	\$0.93 133%	\$0.87 -6%	\$0.54 -38%



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**BALANCE SHEET HIGHLIGHTS**

<b>Assets (\$MM)</b>	<b>Dec. 31, 2011</b>	<b>Dec. 31, 2012</b>	<b>Dec. 31, 2013</b>
Cash, cash equivalents	\$5.3	\$8.2	\$10.6
Accounts receivables, net	\$36.4	\$37.0	\$38.7
Inventory	\$43.2	\$48.3	\$41.6
Total current assets	\$91.2	\$100.0	\$98.8
Total assets	\$213.4	\$235.4	\$240.6
<b>Liabilities (\$MM)</b>			
Total current liabilities	\$29.3	\$24.4	\$31.2
Lines of credit	\$26.5	\$37.8	\$26.4
Long-term debt	\$ .1	\$ .1	\$ .0
Total liabilities	\$67.4	\$72.9	\$67.8
Total stockholders' equity	\$146.0	\$162.6	\$172.8
Total liabilities and stockholders' equity	\$213.4	\$235.4	\$240.6



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# 07

Summary



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Through share ownership, DMC management has closely aligned its interest with independent shareholders, and all management decisions are made to maximize shareholder value.

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DMC has recently adopted three tenets to guide superior share price performance:

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1. Maximize free cash flow through financial discipline
  2. Maximize return on invested capital by achieving operational excellence and making discerning investment decisions
  3. Invest in new technology, product and market development to drive sustained growth and increased profitability
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**CONTACT INFORMATION**

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## APPENDIX: USE OF NON-GAAP FINANCIAL MEASURES

Non-GAAP results used in this presentation are provided only as a supplement to the financial statements based on U.S. generally accepted accounting principles (GAAP). The non-GAAP financial information is provided to enhance the reader's understanding of DMC's financial performance, but no non-GAAP measure should be considered in isolation or as a substitute for financial measures calculated in accordance with GAAP. Reconciliations of the most directly comparable GAAP measures to non-GAAP measures are provided within the schedules attached to this release.

EBITDA is defined as net income plus or minus net interest plus taxes, depreciation and amortization. Adjusted EBITDA excludes stock-based compensation and, when appropriate, other items that management does not utilize in assessing DMC's operating performance (as further described in the attached financial schedules). None of these non-GAAP financial measures are recognized terms under GAAP and do not purport to be an alternative to net income as an indicator of operating performance or any other GAAP measure.

Management uses these non-GAAP measures in its operational and financial decision-making, believing that

it is useful to eliminate certain items in order to focus on what it deems to be a more reliable indicator of ongoing operating performance and the company's ability to generate cash flow from operations. As a result, internal management reports used during monthly operating reviews feature the adjusted EBITDA. Management also believes that investors may find non-GAAP financial measures useful for the same reasons, although investors are cautioned that non-GAAP financial measures are not a substitute for GAAP disclosures. EBITDA and adjusted EBITDA are also used by research analysts, investment bankers, and lenders to assess operating performance. For example, a measure similar to EBITDA is required by the lenders under DMC's credit facility.

Because not all companies use identical calculations, DMC's presentation of non-GAAP financial measures may not be comparable to other similarly-titled measures of other companies. However, these measures can still be useful in evaluating the company's performance against its peer companies because management believes the measures provide users with valuable insight into key components of GAAP financial disclosures. For example, a company with greater GAAP net income may not be as appealing to investors if its net income is more heavily

comprised of gains on asset sales. Likewise, eliminating the effects of interest income and expense moderates the impact of a company's capital structure on its performance.

All of the items included in the reconciliation from net income to EBITDA and adjusted EBITDA are either (i) non-cash items (e.g., depreciation, amortization of purchased intangibles and stock-based compensation) or (ii) items that management does not consider to be useful in assessing DMC's operating performance (e.g., income taxes and gain on sale of assets). In the case of the non-cash items, management believes that investors can better assess the company's operating performance if the measures are presented without such items because, unlike cash expenses, these adjustments do not affect DMC's ability to generate free cash flow or invest in its business. For example, by adjusting for depreciation and amortization in computing EBITDA, users can compare operating performance without regard to different accounting determinations such as useful life. In the case of the other items, management believes that investors can better assess operating performance if the measures are presented without these items because their financial impact does not reflect ongoing operating performance.



