



# Investor Presentation September 2015

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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.

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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.

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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.

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You are encouraged to read the SEC reports of DMC, particularly its Form 10-K for the Fiscal Year Ended December 31, 2014 for meaningful cautionary language disclosing why actual results may vary materially from those anticipated by management.





## 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 is comprised of NobelClad and DynaEnergetics. 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.



## SELECT DATA

Symbol (Nasdaq GS):	B00M
52-week price range:	\$8.82 - \$20.40
Average daily volume:	153,000
Market capitalization:	\$155 Million
Shares outstanding:	14.1 Million
Approximate float:	13.3 Million
Fiscal year:	December 31
Quarterly dividend:	\$0.04
Revenue (ttm):	\$189.4 Million
Adjusted EBITDA (ttm)	\$21.6 Million*

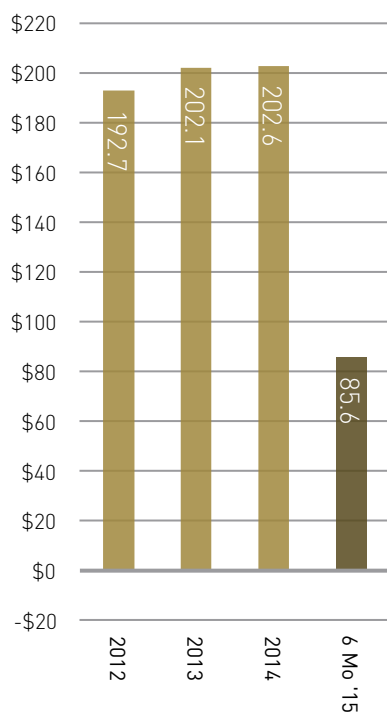
\*Excluding restructuring charges

B00M 1-Year Price & Volume



## FINANCIAL HIGHLIGHTS

### Sales



\$ in millions

### Operating Income



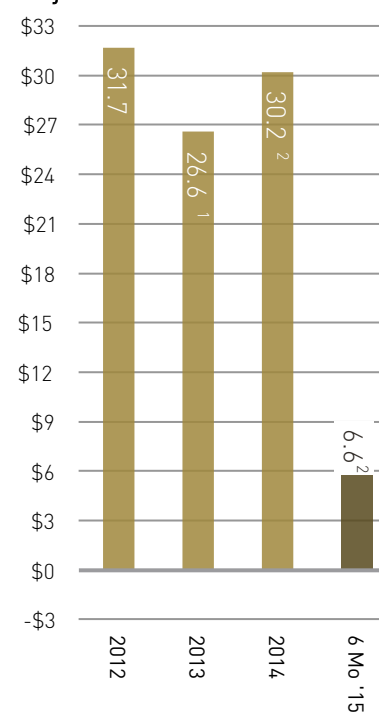
<sup>1</sup> Reflects approximately \$3.8 million in non-recurring expenses

<sup>2</sup> Excludes restructuring charges

### Income - Continuing Ops



### Adjusted EBITDA



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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 systems that support the global oil and gas industry.
<b>BUSINESSES</b>	<b>NobelClad</b>		<b>DynaEnergetics</b>
<b>SOLUTIONS FOCUS</b>	Explosive Metalworking	Synthetic Diamond Manufacturing	Perforating Components & Systems
<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>



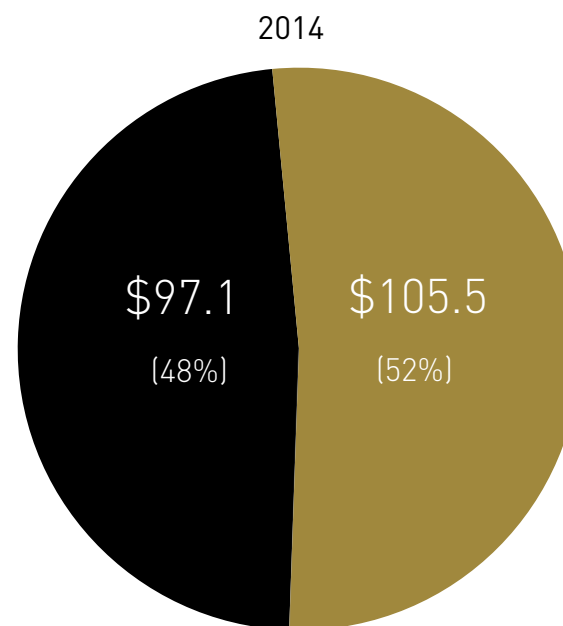
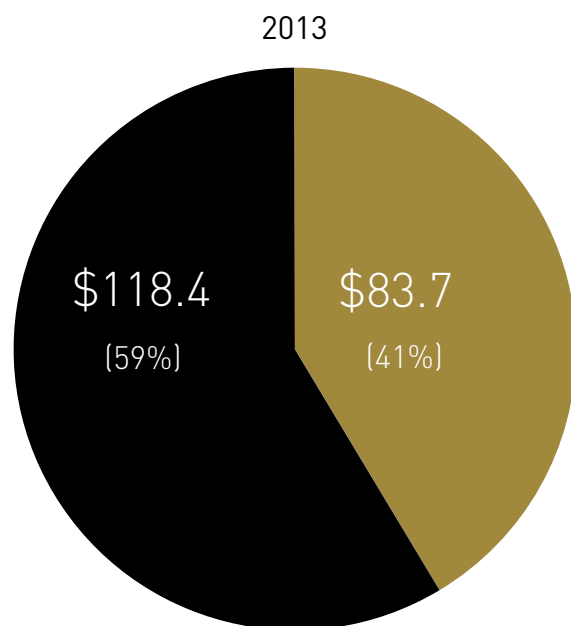
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## REVENUE BY BUSINESS

● NobelClad

● DynaEnergetics

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\$ in millions



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## EXECUTIVE LEADERSHIP



**KEVIN LONGE** President & CEO, DMC

- Named 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
- 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)



**MICHAEL KUTA** CFO, DMC

- Joined DMC as Chief Financial Officer in March 2014
- Former Corporate Controller at Berkshire Hathaway's Lubrizol Corporation, a global, \$6 billion specialty chemicals company
- Was responsible for building and managing financial operations for Lubrizol's disbursed global operations, including accounting, consolidation and financial reporting functions, and oversight of internal controls
- Former financial positions of increasing responsibility at Lincoln Electric and Eaton Corporation





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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 GRIESSES**  
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



**FRANCISCO MARCANO**  
Corporate VP, Oilfield Products & Services

- Joined DMC in 2014 with 20 years of experience in international Oilfield Services industry
- Former Global Director of Cased Hole Division, Weatherford
- Former President, Weatherford, Brazil.
- 9 years with Schlumberger managing operations in South America, Australia and New Zealand



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

- Responsible for Chinese business development and market positioning for NobelClad and DynaEnergetics
- 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



## 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.

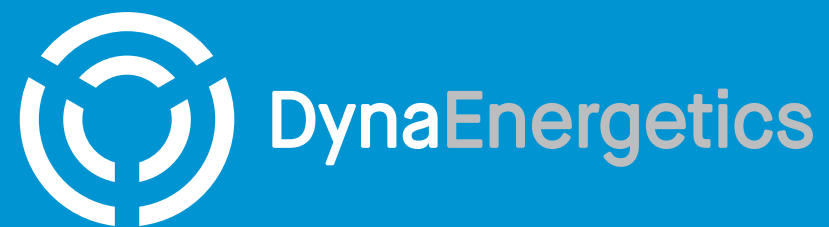
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Empowerment to meet market demands through decisions made at the local level.

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





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.

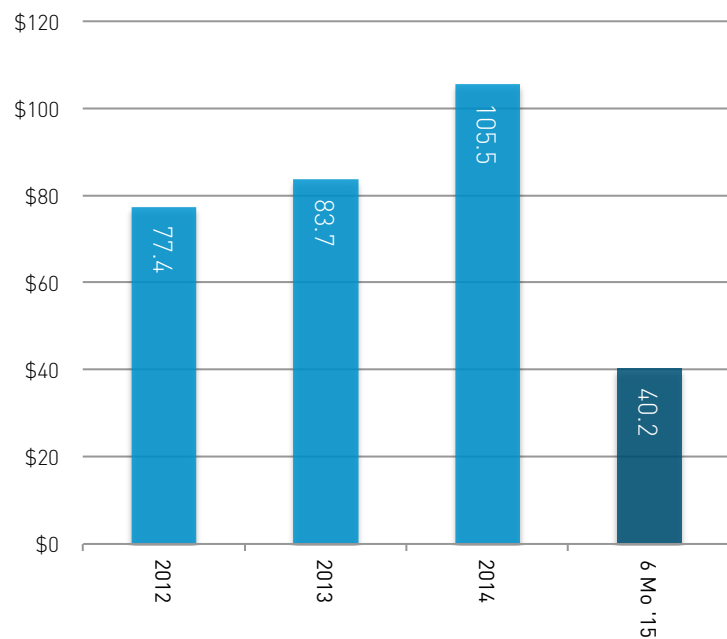
Reputation for product safety, technical innovation and systems reliability under extreme environmental conditions.

Significant portion of product sales come from well re-perforations and workovers.

Perforating and well completion technologies for improved productivity and lower operating cost.

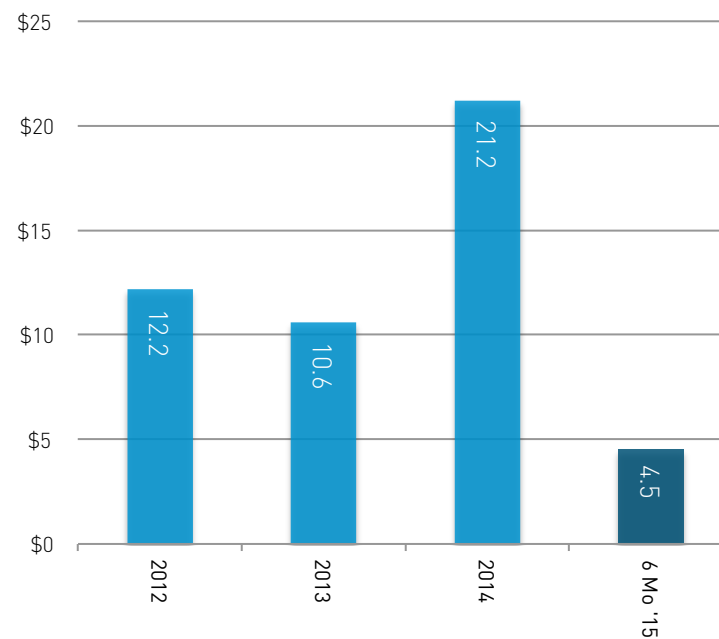
## DYNAENERGETICS PERFORMANCE

Sales



\$ in millions

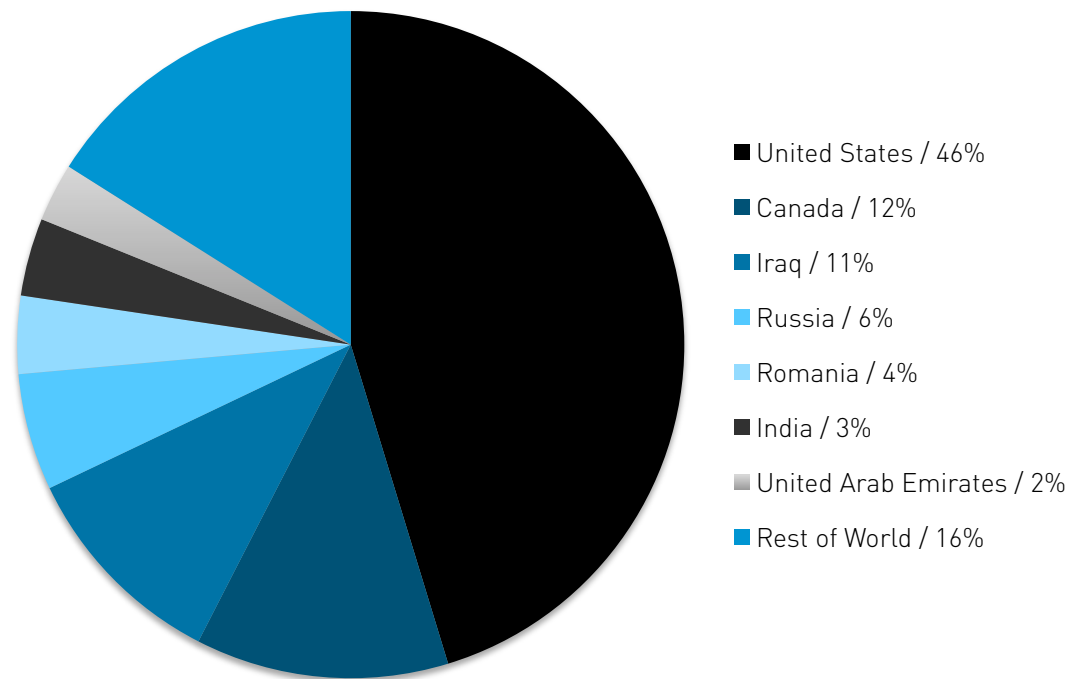
Adjusted EBITDA



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DYNAENERGETICS SALES BY GEOGRAPHY

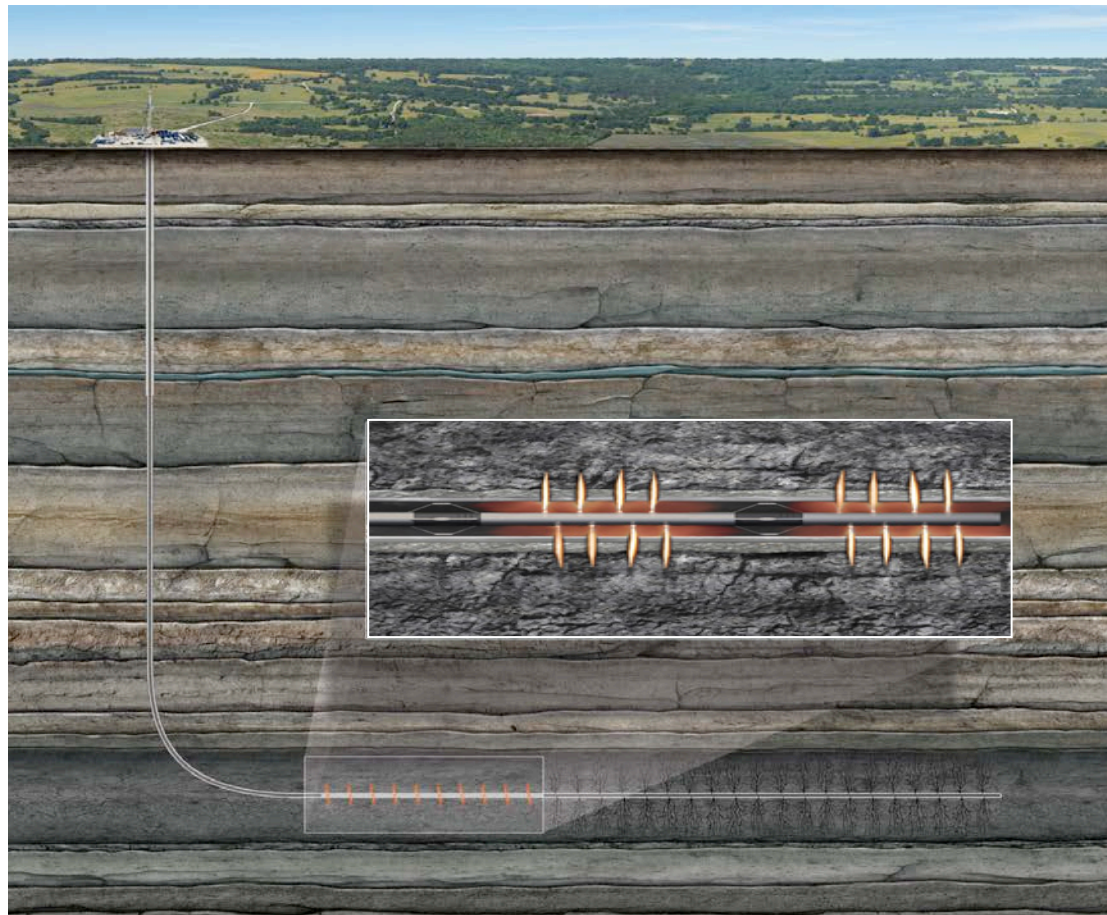
2014 Sales: \$105.5 Million





## PERFORATING BASICS

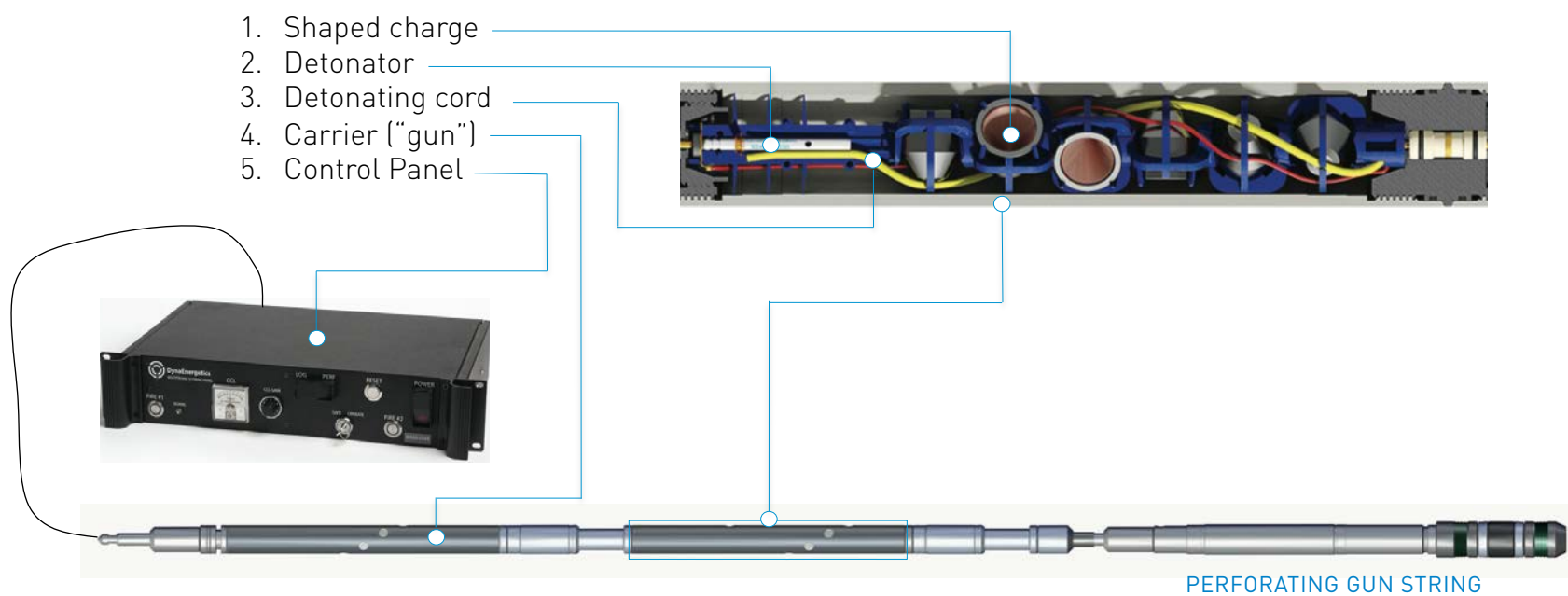
1. Once a wellbore is drilled and cement and steel casing are in place, a perforating gun is deployed into the well.
2. The perforating gun is fired, sending plasma jets through the casing and into the surrounding formation creating "perforation tunnels".
3. Oil or gas flows through the perforation tunnels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





## PRIMARY COMPONENTS OF A PERFORATING SYSTEM

*DynaEnergetics is the only company manufacturing all 5 components of a perforating system*



## DYNAENERGETICS PRODUCT INNOVATIONS



01

### DynaSelect Detonators

- Integrated RF-safe & selective technologies
- Enables concurrent perforating and fracturing
- Reduces the risk of accidents
- Time and cost savings from sequential gun initiation
- Improved set-up times and reliability from 40% fewer electrical wiring connections



02

### DynaStage™ Perforating System

- Factory assembled, performance assured
- Incorporates DynaSelect intrinsically safe detonating technology
- No wiring connections... reduces set-up time to seconds
- Removes the potential for electrical connection errors
- Eliminates gun loading steps
- Fully disposable and maintenance free



03

### DynaSlot™ Well Abandonment System

- Fast, cost-effective alternative to traditional plug and abandonment, and “cement squeeze” techniques
- Helical pattern of overlapping horizontal slots provides 360-degree cement coverage behind tubing or casing

## DYNASELECT™ AND DYNASTAGE™ PROVIDE BUSINESS MODEL ADVANTAGE

### CURRENT INDUSTRY MODEL



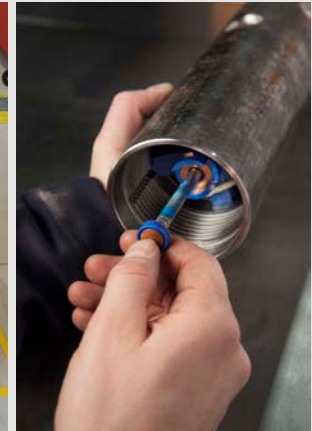
#### Current Process

Customer mixes & matches perforating components from multiple suppliers, then assembles and wires gun in the field

#### Challenges:

- Assembly errors lead to misfires
- Quality & safety
- Operating cost
- Complexity of supply chain

### DYNAENERGETICS MODEL: PRODUCT BENEFITS + BUSINESS MODEL ADVANTAGE



#### DynaStage Advantages

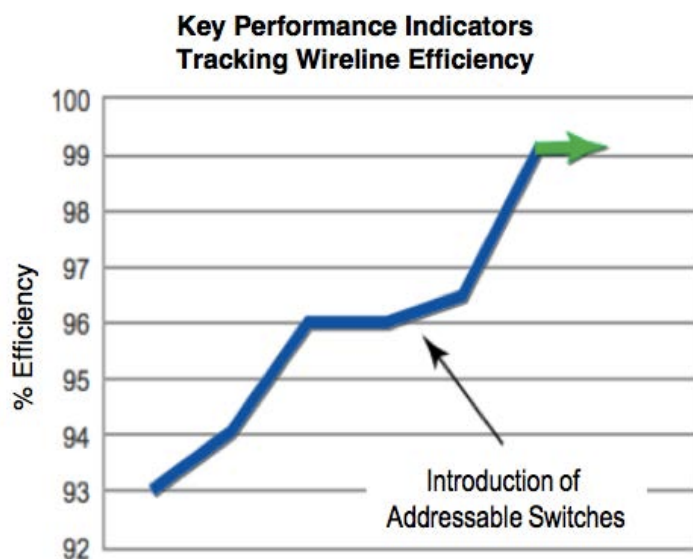
- Factory assembled and delivered to customer in the field
- System is armed upon installation of DynaStage switch detonator, eliminating field wiring
- Surface tester ensures system is fully functional before down-hole deployment

#### Benefits:

- No misfires, improved reliability
- Reduced transportation costs and field labor
- No need for gun assembly or storage facilities
- Simplified supply chain
- Reduced working capital, improved profitability for customers

## DYNASELECT IMPROVES CUSTOMER PERFORATING EFFICIENCIES

*Allied-Horizontal Wireline Services has highlighted the improvements in its operating efficiencies as a result of incorporating the DynaSelect™ integrated switch detonator.*



“The DYNA system has a proven reliability much greater than other perforating switch systems. Component failure is less than 1 per 2000 units for the DYNA system which is 10 times better than comparable systems.”

“...without question the safest electronic perforation system available.”

“The unique perforating switch processors provide a significant step change in the ability to get the horizontal stage shot the first time – every time.”

“... the system is qualified Radio Frequency (RF) safe, which is essential for simultaneous pumpdown and fracturing operations.”

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#### DYNAENERGETICS GROWTH INITIATIVES

- Investing in research and development of next-generation technologies
- Launching new products that improve customer operating efficiencies and drive down costs
- Forging strategic partnerships to enter new markets
- Innovating comprehensive solutions that meet anticipated market demand



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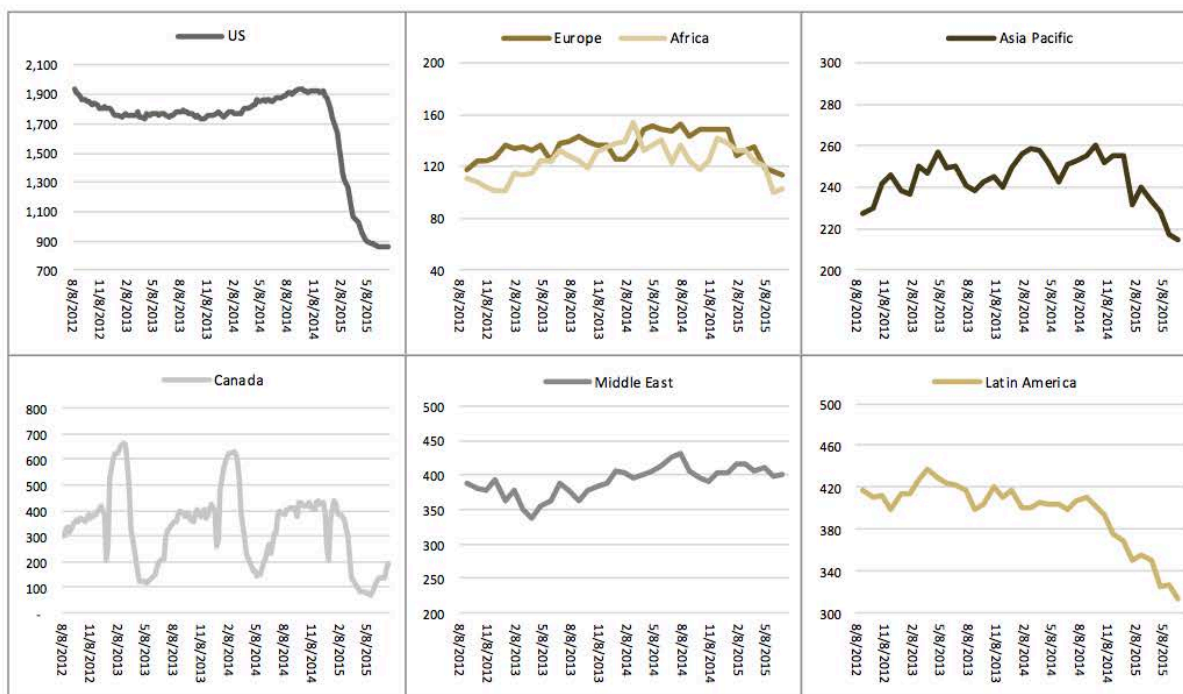
## SELECT END USERS



\* 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.



## DYNAENERGETICS MARKET INDICATORS: RIG COUNT BY GLOBAL REGION



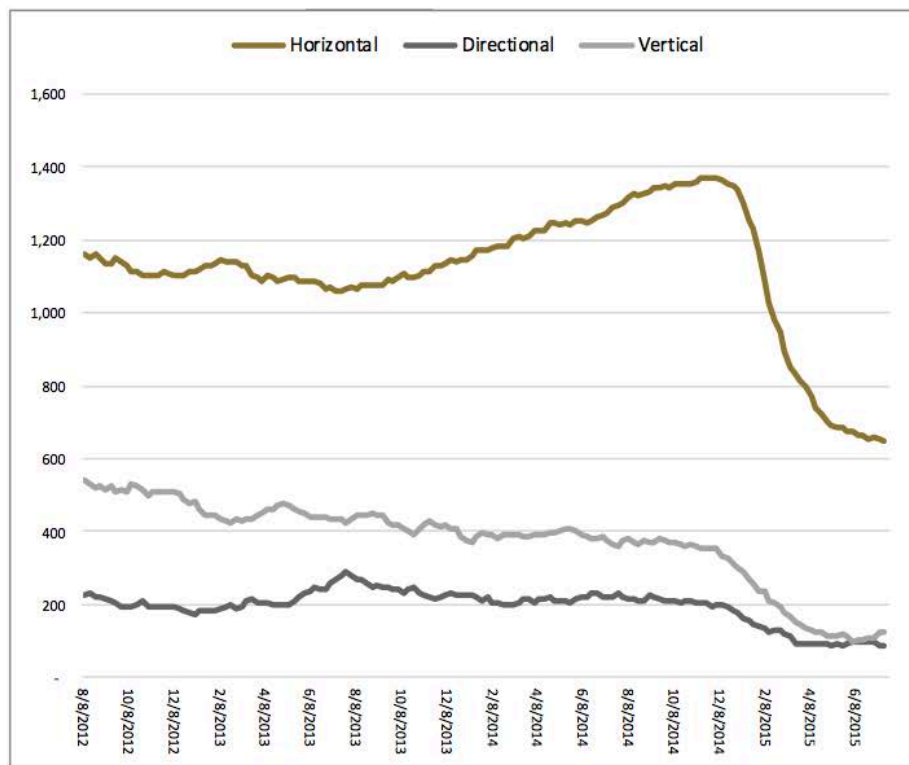
Original Data Source: Baker Hughes Rig Statistics

### Rig Statistics

	Most Recent*	1 Month Before**	3 Months Before**	1 Year Before
U.S.	857 7/17/2015	859 -2.8%	954 -40.7%	1,875 -54.3%
Europe	113 6/30/2015	116 -31.0%	135 -65.2%	147 -21.1%
Asia Pacific	215 6/30/2015	217 -11.1%	233 -30.9%	251 -14.3%
Canada	192 7/17/2015	127 n/a	80 n/a	315 -39.0%
Middle East	401 6/30/2015	398 9.0%	407 -5.9%	425 -5.6%
Latin America	314 6/30/2015	327 -47.7%	351 -42.2%	398 -21.1%
Africa	103 6/30/2015	100 36.0%	125 -70.4%	123 -16.3%
World Total	2,136 6/30/2015	2,127 5.1%	2,557 -65.9%	3,445 -38.0%

\* Most recent data varies by region

## DYNAENERGETICS MARKET INDICATORS: U.S. RIG COUNT BY TYPE



Original Data Source: Baker Hughes Rig Statistics

### Rig Statistics

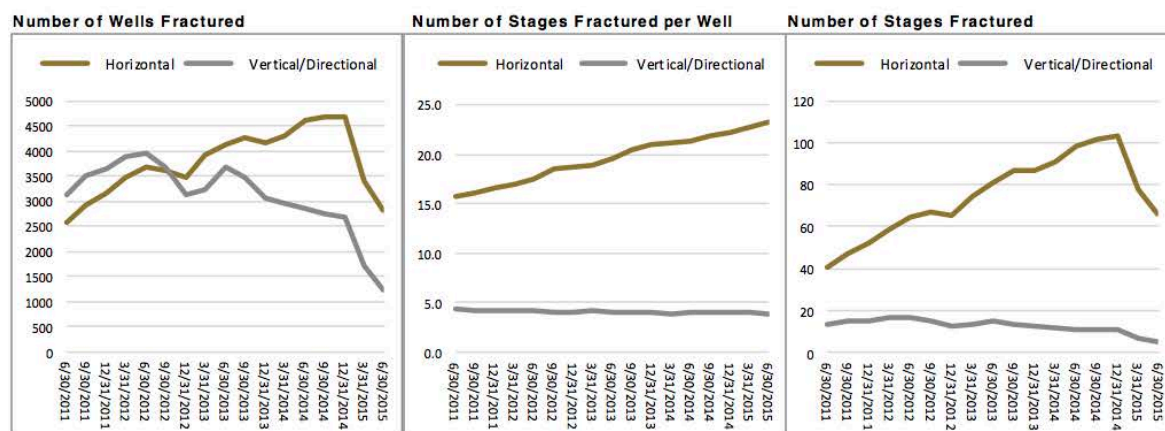
	Most Recent*	1 Month Before**	3 Months Before**	1 Year Before
Horizontal	650	663	741	1,276
	7/17/2015	-23.5%	-49.1%	-49.1%
Directional	84	95	91	222
	7/17/2015	-138.9%	-30.8%	-57.2%
Vertical	123	101	122	377
	7/17/2015	261.4%	3.3%	-67.4%
<b>Total Rigs</b>	<b>857</b>	<b>859</b>	<b>954</b>	<b>1,875</b>
	7/17/2015	-2.8%	-40.7%	-54.3%

\* Most recent data reported on 17-Jul-2015

\*\* % box shows annualized rates for comparison



## DYNAENERGETICS MARKET INDICATORS: U.S. HYDRAULIC FRACTURING ACTIVITY



Original Data Source: PacWest Consulting Partners

### Rig Statistics

		Most Recent*	3 Months Before**	1 Year Before
Wells	Horizontal	2,821	3,397	4,599
	6/30/2015		-67.8%	-38.7%
Stages	Vertical/Directional	1,236	1,706	2,840
	6/30/2015		-110.2%	-56.5%
Horizontal	Horizontal	65,700	77,400	98,100
	6/30/2015		-60.5%	-33.0%
Vertical/Directional	Vertical/Directional	4,800	6,800	11,200
	6/30/2015		-117.6%	-57.1%

\* Most recent data reported on 30-Jun-2015

\*\* % box shows annualized rates for comparison

Oil price decline is shifting the focus of the exploration, production and service industries.

Operators and service providers seeking to reduce costs, improve operational efficiencies, enhance competitiveness.

Ideal time to introduce next-generation products (i.e. DynaSelect, DynaStage, BTM) that deliver step change in efficiency, performance and safety.

Favorable environment to shift industry business model: Sell feature-rich perforating *systems* versus individual components.

Capitalize on anticipated growth of well re-completion and workover projects.

Manage internal costs.



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## NOBELCLAD OVERVIEW

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NobelClad is the worldwide leader in explosion welded plate production.

Largest global supplier of explosion clad plates.

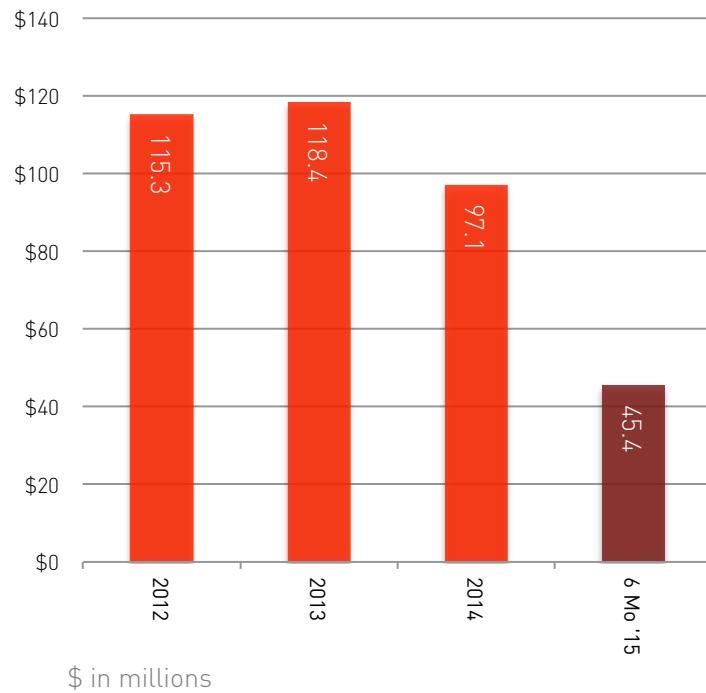
Serving a diversified roster of industrial and infrastructure end markets. Working to drive engineering specifications for clad.

Profiting from global industrial infrastructure investments.

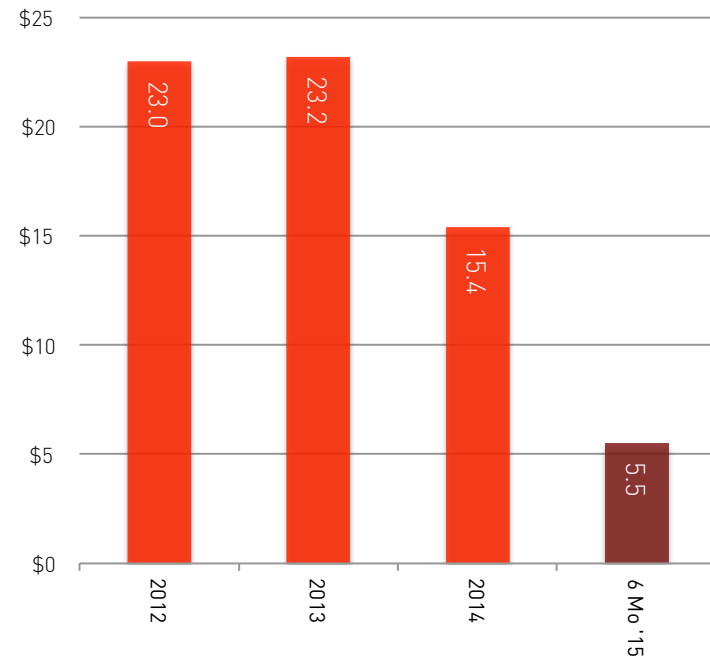
Strong free cash flow.

## NOBELCLAD'S PERFORMANCE

Sales



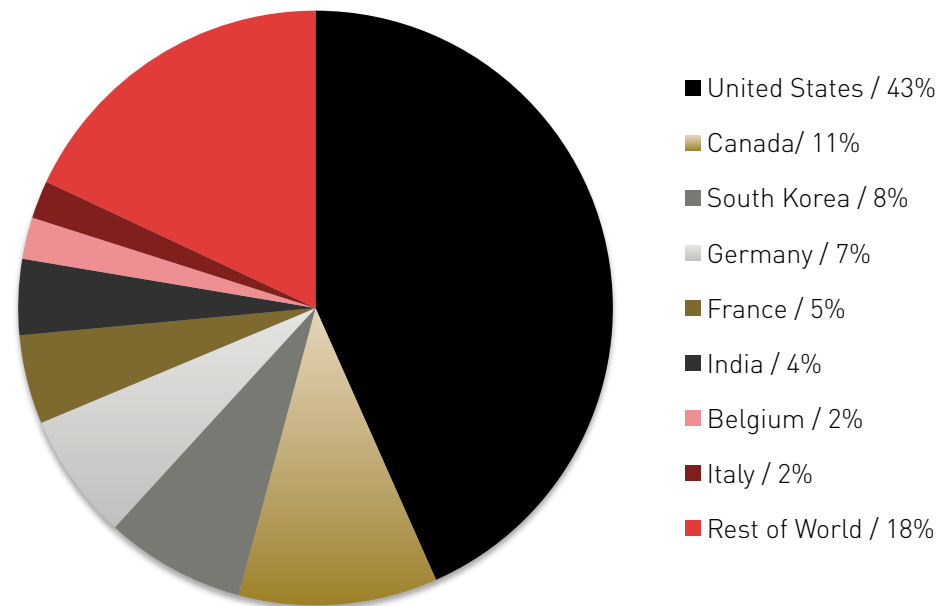
Adjusted EBITDA



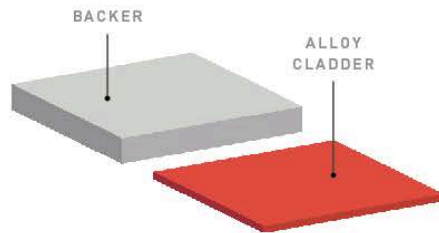
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**NOBELCLAD SALES BY GEOGRAPHY**

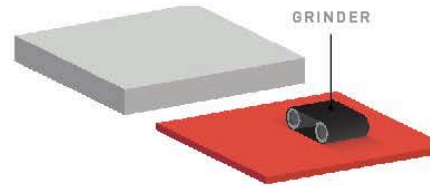
2014 Sales: \$97.1 Million



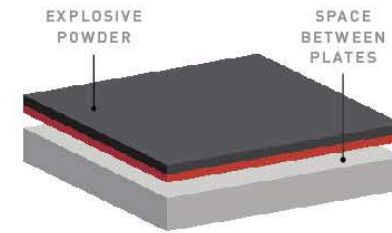
## EXPLOSION WELDING PROCESS



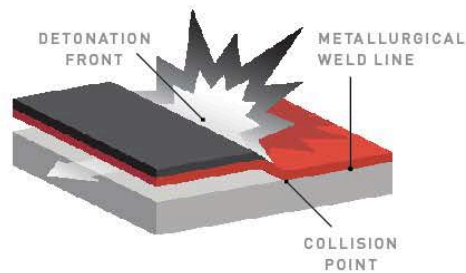
1. PLAIN MATERIAL INSPECTION



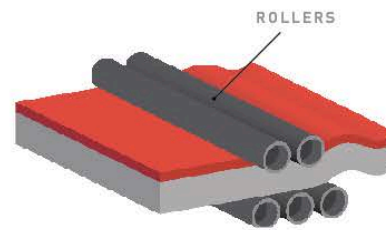
2. GRIND MATING SURFACES



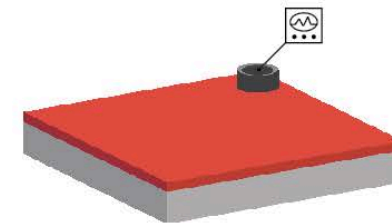
3. ASSEMBLE BACKER,  
CLADDER & EXPLOSIVE



4. EXPLOSION



5. FLATTENING & CUTTING



6. TESTING & INSPECTION

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## DEMAND DRIVERS FOR EXPLOSION WELDING



01  
Global Infrastructure  
Investment



02  
Corrosive  
Environments



03  
Design  
Flexibility

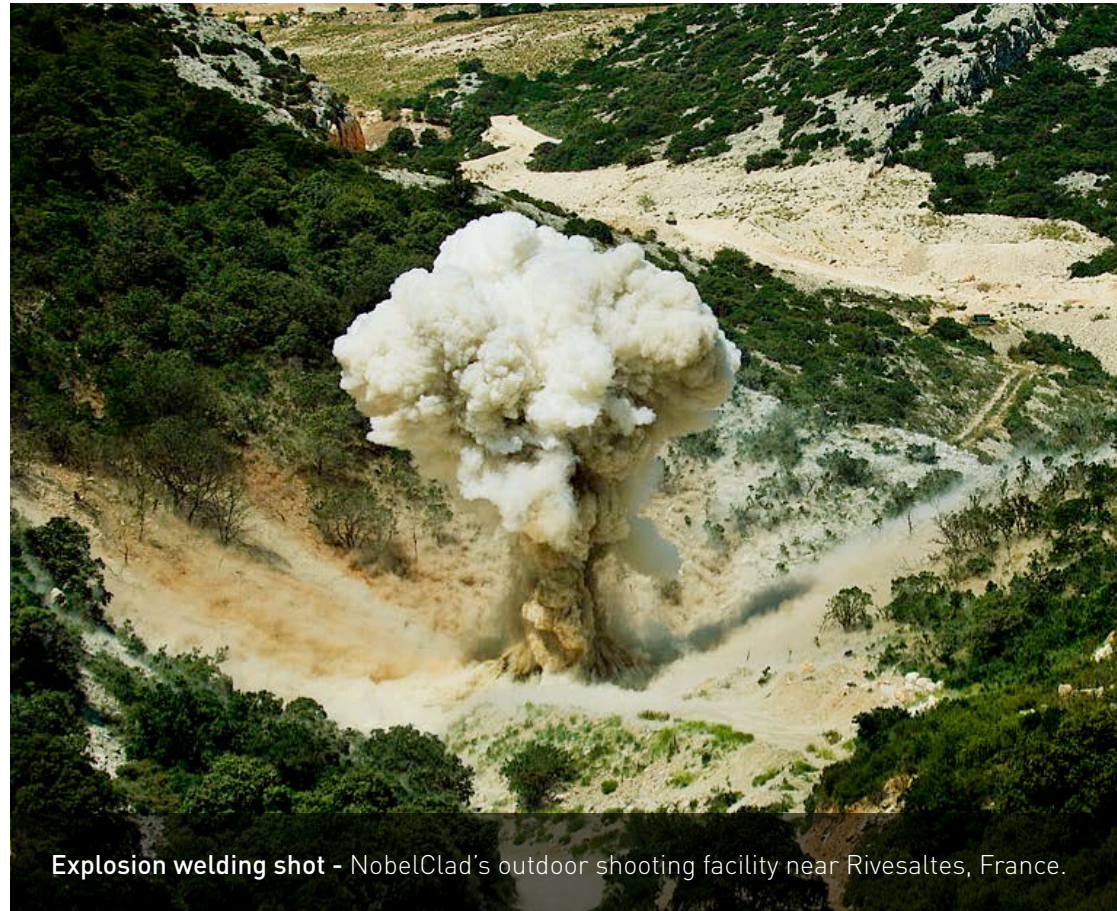


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#### NOBELCLAD'S COMPETITIVE ADVANTAGE

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, and Germany
- Mastery of explosion-welding process for large-scale production
- Strong working relationships with end-market customers



Explosion welding shot - NobelClad's outdoor shooting facility near Rivesaltes, France.

## NOBELCLAD GROWTH INITIATIVES

- Expanding market share in Asia
- R&D focused on new clad plate applications
- Applying process expertise to new market development
- Strengthening global sales force with addition of end-market experts
- Expanding production capabilities with new European manufacturing facility





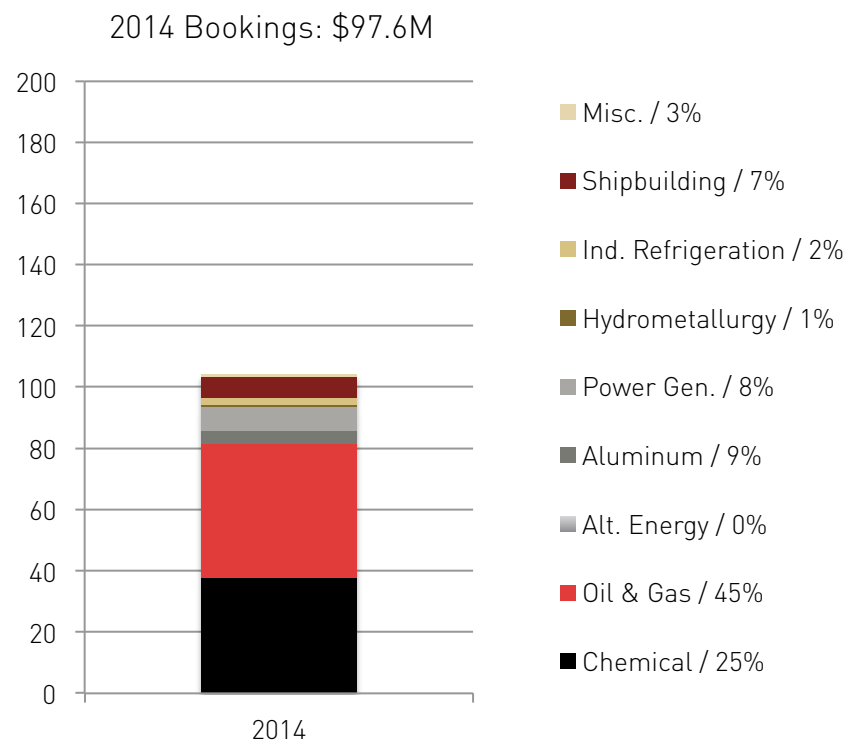
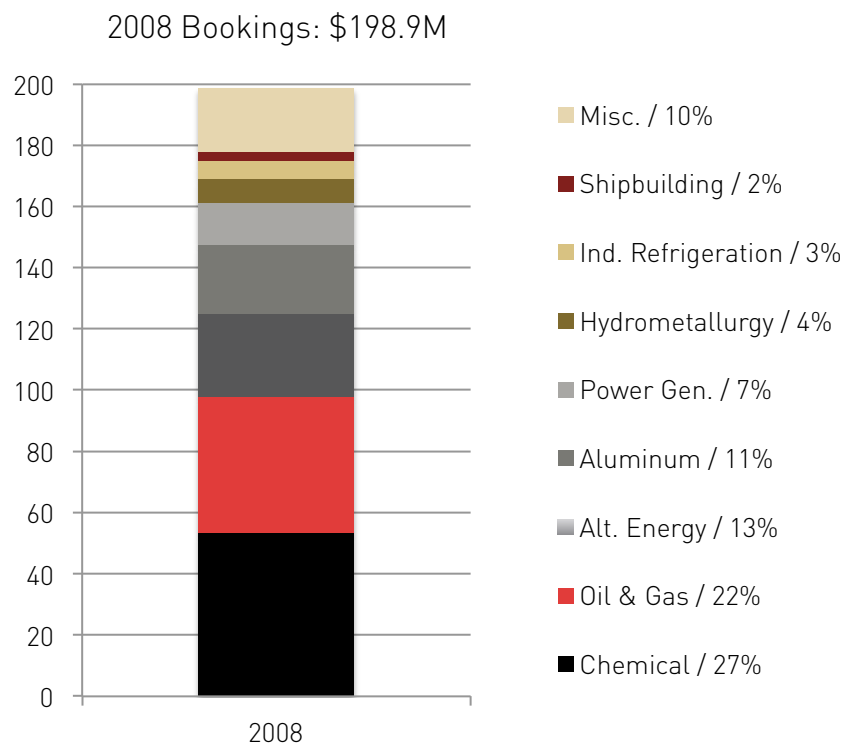
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#### PRIMARY END MARKETS SERVED

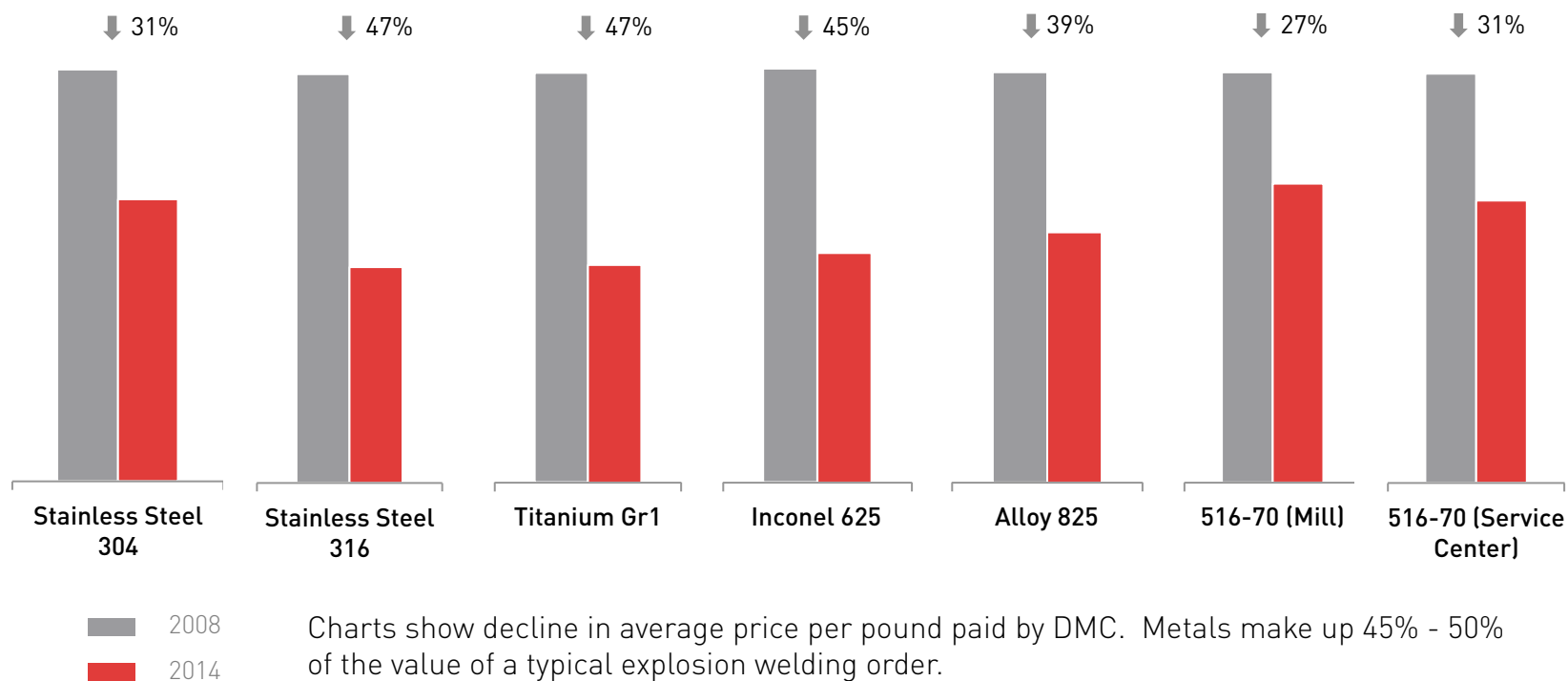
- Chemical
- Oil and Gas
- Metals and Mining
- Marine
- Power Generation
- Alternative Energy
- Industrial Refrigeration
- Transportation
- Defense and Protection



## BOOKINGS BY END MARKET: 2008 REVENUE PEAK TO 2014 TROUGH



## CLADDING METAL PRICE CHANGES: 2008 REVENUE PEAK THROUGH 2014 TROUGH



## 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.

## FINANCIAL PERFORMANCE REVIEW

(\$MM except per share amounts)	2012	2013	2014	6 Mo 2014	6 Mo 2015
Sales % growth	\$192.7 -3%	\$202.1 5%	\$202.6 0%	\$98.7 -2%	\$85.6 -13%
Gross Profit % margin	\$57.7 30%	\$58.1 29%	\$61.4 30%	\$30.6 31%	\$23.3 27%
Operating Profit % margin	\$16.0 8%	\$11.0 5%	\$13.4* 7%	\$6.9 7%	\$(0.2)* -0%
Adjusted EBITDA % margin	\$31.7 16%	\$26.6 13%	\$30.2* 15%	\$15.2 15%	\$6.6* 8%
Income from Continuing Operations % Growth	\$9.8 -4%	\$6.1 -38%	\$7.1* 16%	\$3.9 30%	(1.3)* -134%
Diluted EPS from Continuing Operations	\$0.73	\$0.44	\$0.51*	\$0.28	\$(0.10)*

\*Excludes restructuring expenses



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**BALANCE SHEET HIGHLIGHTS**

Assets (\$MM)	December 31, 2014	June 30, 2015
Cash, cash equivalents	\$9.4	\$10.9
Accounts receivables, net	\$35.5	\$35.5
Inventory	\$40.1	\$43.2
Total current assets	\$95.1	\$101.7
Total assets	\$219.3	\$219.5
Liabilities (\$MM)		
Total current liabilities	\$32.5	\$31.2
Lines of credit	\$22.8	\$33.7
Long-term debt	\$0.0	\$0.0
Total liabilities	\$64.4	\$75.6
Total stockholders' equity	\$154.9	\$143.9
Total liabilities and stockholders' equity	\$219.3	\$219.5





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## DMC'S PERFORMANCE TENETS

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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 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

### Contact

#### DMC

5405 Spine Road  
Boulder, Colorado 80301, USA  
T 800-821-2666

### Primary Contact

#### Geoff High

Director of Investor Relations  
E [ghigh@dmcglobal.com](mailto:ghigh@dmcglobal.com)  
T 303-514-0656



## 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.

