



**GrabAGun Digital Holdings, Inc.**

**Third Quarter 2025 Earnings Conference Call**

*November 13, 2025*

**CORPORATE PARTICIPANTS**

**Marc Nemati**, *Chief Executive Officer*  
**Justin Hilty**, *Chief Financial Officer*

**CONFERENCE CALL PARTICIPANTS**

**Matthew Koranda**, *Roth Capital Partners, LLC*

**Operator**

Good afternoon and welcome to GrabAGun Digital Holdings' Third Quarter 2025 earnings conference call. On today's call are Marc Nemati, Chief Executive Officer, and Justin Hilty, Chief Financial Officer. A recording of this conference call will be available on the GrabAGun Investor Relations website shortly after this call has ended.

I'd like to take this opportunity to remind you that during the call, we will be making certain forward-looking statements. This includes statements relating to the operating performance of our business, future financial results and guidance, strategy, long-term growth and overall future prospects. We may also make statements regarding regulatory or compliance matters. These statements are subject to known and unknown risks and uncertainties that could cause our actual results to differ materially from those projected or implied during this call, in particular, those described in our risk factors included in the final prospectus and definitive proxy statement filed by the Company with the SEC on June 23, 2025, as well as the current uncertainty and unpredictability in our business, the markets and the global economy generally.

You should not rely on our forward-looking statements as predictions of future events. All forward-looking statements that we make on this call are based on management's assumptions and beliefs as of the date hereof, and GrabAGun disclaims any obligation to update any forward-looking statements, except as required by law.

Our discussion today will include non-GAAP financial measures, including adjusted EBITDA. These non-GAAP measures should be considered in addition to and not as a substitute for or in isolation from our GAAP results. Information regarding our non-GAAP financial measures, including a reconciliation of our non-GAAP financial measures to our most comparable historical GAAP financial measures may be found in the Management's Discussion and Analysis of GrabAGun included in the Quarterly Report on Form 10-Q for Q3 2025 which we filed with the SEC today, and is available on the Company's Investor Relations site.

I'll now turn the call over to Marc Nemati, Chief Executive Officer of GrabAGun. Marc, please go ahead.

**Marc Nemati**

Thank you, and good afternoon, everyone. I'm pleased to report another exceptional quarter that demonstrates the strength of our business model and our unwavering commitment to defending Americans' Second Amendment rights. Our Q3 performance reflects not only strong operational execution but our mission to serve the growing community of Americans who value their constitutional freedoms, including lawful access to a broad assortment of high-quality firearms and accessories.

We delivered strong third quarter revenue of \$22.3 million, up 10% year over year and well ahead of industry trends. During the same period, adjusted FBI NICS data declined approximately 5.3%, highlighting GrabAGun's continued ability to capture market share and outperform the broader firearms industry. This performance reflects the strength of one of the most trusted, data-driven firearm retail platforms in America. Our combination of deep product selection, competitive pricing, and relentless focus on customer experience has made GrabAGun the go-to destination for gun enthusiasts nationwide, underscoring both the resilience of our platform and the loyalty of our growing customer base.

Our third quarter strength reflects the power of a platform that keeps earning customer trust. Performance was largely driven by growth in our customer base, higher order volumes, and a favorable product mix shift toward firearms. Repeat purchase momentum remained strong, with repeat sales up 8.1% year over year and the repeat rate improved by 47 basis points to 55%. Average Order Value increased by 7.7% from the prior year quarter, signaling customers are buying more and buying better.

What matters most is that customer value continues to compound. Lifetime value, or LTV, improved across every cohort. New Customer LTV rose 8.4% to \$551, existing customer LTV increased 5.7% to \$1,813, driving overall LTV up 10.8% to \$855.

These results show clear progress toward building a more predictable, high quality revenue base powered by loyal, engaged customers who view GrabAGun as their go-to destination.

We're strongly encouraged by the consumer trends we're seeing, which align squarely with our long-term growth and marketing strategy. The average customer profile continues to skew younger, with engagement and conversion growing across first-time visitors and new audiences. We're seeing more brands reaching out to partner with us than ever before, which we believe is a sign that GrabAGun's relevance continues to expand.

The momentum from the second quarter carried through Q3, led by mobile, which remains our dominant channel. Mobile sessions were up 13% year over year, driving a majority share of both transactions and revenue. Mobile transactions grew 2%, and mobile revenue increased 1.4% compared to last year, reflecting higher engagement and stronger conversion quality. This growth reflects intentional focus and is the result of our investments in meeting customers where they are, and building a frictionless, mobile-first experience that keeps them coming back.

Beyond our financial performance, we've made significant progress on key initiatives that reinforce our commitment to both our mission and our shareholders. Firstly, we were proud to announce our dual listing on NYSE Texas, the newly launched Dallas-based exchange, while maintaining our primary NYSE listing under the PEW ticker symbol. This dual listing emphasizes our deep commitment to Texas's business-friendly environment and our appreciation for the state's strong support of our growth.

We also strengthened our advocacy efforts through our new Gold-level corporate partnership with the Second Amendment Foundation, demonstrating our unwavering commitment to defending the constitutional rights that are fundamental to our business and our customers. In an era where those rights are increasingly challenged, we're proud to stand shoulder to shoulder with one of the nation's most effective defenders of the second amendment and the freedoms that define our customers and our company.

In August we launched Shoot & Subscribe, our new ammunition subscription service program designed to make shooting more affordable and effortless. Customers can lock in savings and reliable deliveries, eliminating friction that can be frustrating to frequent shooters. This subscription is a step towards generating more predictable, recurring revenue that deepens customer loyalty and builds long term enterprise value.

Building the right team is everything. This quarter, we welcomed Sina Azmoudeh as our new Chief Marketing Officer, a role created to take our brand and customer connection to the next level. Sina has spent nearly twenty years helping companies grow by telling great stories and creating seamless, frictionless experiences. He knows how to turn engagement into loyalty, and loyalty into growth.

During the quarter, we demonstrated our commitment to returning value to shareholders through our share repurchase program. We completed just under \$8.9 million in share repurchases under the current \$20 million authorization, with approximately \$11.1 million remaining.

Our balance sheet gives us the flexibility to pursue strategic acquisitions that can accelerate growth, but we will not chase inflated valuations. The reality is that many of the assets we're seeing remain priced for perfection, and that's not how we deploy capital. When the math and the mission align, we'll move decisively. Until then, we're more than capable of building what we need ourselves—continuing to invest organically in our platform, technology, and customer experience.

We are also seeing meaningful consolidation opportunities across the industry, and we intend to approach them with the same discipline and long-term focus that guide all of our capital decisions. In some cases, strategic partnerships or targeted acquisitions may make sense; in others, organic innovation will deliver a better return.

We believe this discipline, of buying when it's smart, and building when it's better, is how we will generate long-term value for our shareholders.

Looking ahead, we remain focused on building upon our market position through strategic initiatives that complement our core operations. And we're advancing our technology stack to redefine how modern firearm consumers shop, integrating smarter data, faster search, and personalized recommendations to make GrabAGun the most intuitive and trusted 2A retail experience in the market.

Our pipeline of development and team building is nothing short of groundbreaking, as we obsess over next-generation user experience and interface innovation, from mobile-first design and predictive navigation to real-time personalization, ensuring every interaction feels faster, smarter, and uniquely tailored to each customer.

I will now pass the call over to our CFO Justin Hilty to discuss third quarter results in more detail.

### **Justin Hilty**

Thank you, Marc. The third quarter demonstrated continued strong operational execution across key metrics, building on the momentum from Q2.

We delivered strong top-line growth with net revenues of \$22.3 million, up 10% over the prior year. Firearm sales contributed \$18.1 million, driven by a 16% increase in volumes, and non-firearm sales adding \$4.2 million.

Our gross profit margin was 11%, a 200-basis point increase compared with 9% gross profit margin in the prior-year quarter, and approximately a 70-basis point increase from the second quarter of this year, reflecting the benefits of strategic purchasing, strengthened supplier relationships, and ongoing operational efficiencies.

The loss from operations was \$4.2 million for Q3 2025. This compares to income from operations of \$500,000 for Q3 2024. The difference is primarily due to \$3.2 million worth of stock-based compensation expense as well as other legal and accounting expenses tied to the business combination transaction completed in Q3 2025 that resulted in the Company's public listing on the NYSE. Net loss was \$3.3 million in the quarter. The bulk of these items are primarily one time in nature and nonrecurring.

Adjusted EBITDA was approximately a \$300K loss primarily reflecting the anticipated ramp in expenses related to being a public company.

As of September 30, 2025, the Company held just over \$109 million in cash and cash equivalents providing a robust foundation to support ongoing operations, strategic initiatives, and other potential growth opportunities. The Company did earn approximately \$925,000 in interest income in the quarter, and the company has no debt.

The continued rise in mobile engagement, up to 67% of total orders and 64% of revenue in the third quarter, compared to 65% and 63% in the prior year period, respectively, creates operational efficiencies given our tech stack is optimized for mobile conversion. These shifts allow us to scale without proportionally increasing fulfillment or marketing expense, which is particularly important given the trajectory of our growth versus the industry.

As Marc mentioned, our share repurchase activity during the quarter reflects our disciplined capital allocation approach and strong conviction in the fundamentals of our business. Following our successful public listing in July, we remain well-capitalized with a strong balance sheet that provides us with the resources needed to execute our strategy and accelerate our growth initiatives.

We approach M&A with the same discipline, which is pursuing opportunities that align with our strategic priorities, offering accretive potential, and are available at the right valuation.

We've maintained healthy inventory positions across our highest-demand SKUs and expanded supplier relationships, giving us the flexibility to respond quickly to demand spikes without sacrificing margin. Inventory levels are slightly elevated versus last year, consistent with our seasonal buildup for the fall and holiday period—which historically includes some of our strongest weeks.

We're intentionally loading up on higher-margin products to capture anticipated demand through Black Friday, Cyber Monday, and other holiday promotions. Our bulk-buying initiatives continue to drive lower unit costs, allowing us to deliver more value to customers while preserving margins.

As we move through the fourth quarter, demand across our core categories remains healthy, led by continued strength in firearms and steady engagement across our digital platform. Seasonal activity is tracking as expected, with October and early November showing consistent conversion rates and solid customer activity.

Like many recent public growth companies, we're leaning into the next phase of strategic investment. Operating expenses increased as we expand our team, enhance technology infrastructure, and absorb the incremental costs of operating as a public company. These investments are intentional and designed to build the scale and efficiency that will drive long-term operating leverage.

Based on current trends, we believe we will see mid-to-high single digit year over year revenue growth in the fourth quarter and slight sequential improvement in gross margin.

I will now pass the call back to Marc.

**Marc Nemati**

Thanks, Justin. As we look ahead, our focus is simple. We are here to build a company that defines the future of firearms e-commerce. GrabAGun is positioned to lead that change, serving the next generation of responsible owners and sportsmen who expect a fast, trusted, digital experience.

The third quarter proved that our strategy is working. We're attracting younger customers, deepening loyalty, and strengthening our brand while continuing to invest in the people and technology that will drive the next phase of growth. Like other successful public growth companies, we're intentionally investing ahead of the curve to expand our reach and create meaningful operating leverage over time.

The work we're doing today in building scale, efficiency, and trust, we believe will set us up for years of durable growth and value creation. We're confident in our path forward and in the opportunity ahead.

Thank you again for joining us today and for your continued support. Operator, you may now open the line for questions.

**Operator**

Thank you. We will now begin the question-and-answer session. If you would like to ask a question, please press star one on your telephone keypad to raise your hand and join the queue. If you'd like to withdraw that question, again, press star one. Your first question comes from Matt Koranda with Roth Capital. Please go ahead.

**Matthew Koranda**

Hey, guys. Thanks for taking the questions. Curious on the 16% unit growth during the quarter. Just wondering how marketing investments might have fed into the growth that you saw in the third quarter? And how has that trended into the fourth quarter? In the commentary you gave, it sounded like you said mid-single digit to high single-digit growth. Just wondering if there's more marketing investments that you see in the fourth quarter that helps you with growth.

**Marc Nemati**

Hey, Matt. Thanks for joining. As you know, we've kind of been building out our marketing team. Sina has joined as our CMO. Historically, GrabAGun, over the last 15 years, has been a successful company but hasn't done much marketing. We see growing this company and investing more on the marketing side, including Sina and his team, as well as marketing dollars, is really going to push and kind of throw fuel on the fire of the success that we've seen over the last 15 or so years, including that 10% growth that we saw in this last quarter. I think that answers your question.

**Matthew Koranda**

Sure. I was just wondering also how we plan on deploying marketing dollars heading into the fourth quarter. I guess a seasonally stronger quarter, and you mentioned still healthy growth relative to the industry. Just curious how you're planning on ramping up marketing spend heading into the fourth?

**Marc Nemati**

Yeah, so marketing is definitely one of the levers that we're going to continue to pull on to grow into the fourth quarter, as well as a lot of the inventory that we're loading up on at better prices to kind of expand that margin. Sina and his team are partnering with a lot of different brands as well as creating our own unique content to continue to push marketing. You'll see those expense lines increase, but we expect that to return decent ROAS over the quarter and beyond.

**Matthew Koranda**

Okay. All right. That's helpful. Thanks, Mark. Then on the gross margin, I noticed good improvement year over year. Maybe I just want to hear you guys break out the improvement drivers on a year-over-year basis into the third quarter. How much came from the strategic purchases that you mentioned versus some of the operational benefits that you might be getting and any mixed benefits to call out in the quarter and how that might help you out in the fourth quarter here?

**Marc Nemati**

Yeah, definitely margin expansion is coming from a lot of that purchasing power. Obviously, with our ability to buy in higher volume, our teams are buying at better prices, which allows us to kind of expand that margin. That's pretty much the primary driver of that gross margin expansion.

**Matthew Koranda**

Okay. Just last one for me. I guess on G&A, trying to get a better sense for what core G&A looks like on an ongoing basis. Anything in sort of the adjusted G&A number to call out on an ongoing basis from a public company cost perspective? How did headcount ramp into the third quarter, and how is it sort of trending into the fourth? I guess just trying to get a better sense for the normalized run rates for G&A as we head into the last quarter here.

**Marc Nemati**

Yeah, so as you know, going public, there are those added costs. We have heavily been leveraging outsourcing for that with contractors for accounting and legal. GrabAGun really has become kind of this magnet of jobs. I want to give kind of credit to our Director of HR, Matt Koenig. He has really gone and found a lot of individuals that are very strong and I think much quicker than we had planned. Right now, we kind of have both costs of ramping up that headcount to offset some of those professional outsource services. These individuals, they are investing definitely in us, and we are investing in them, and they all believe in the mission.

A lot of costs are going to come from OpEx from that growing headcount but that's really going to grow our top line as well, I think, with that added headcount expense while also reducing a lot of those costs to those outsourced services. Really, these individuals being part of the team, these new, very strong, career-driven people, they believe in our mission, and they're not satisfied until we are, which is reaching a billion-dollar top line. The growth in OpEx you're going to see is going to be from us really investing a lot in those new heads to really drive this business forward.

**Matthew Koranda**

Okay. Thanks, Marc. I'll leave it there.

**Operator**

That concludes the question-and-answer session. I'll turn it back to Mark Nemati for closing comments.

**Marc Nemati**

Thank you. In closing, I want to thank everyone for joining us today and extend my gratitude to our entire team for the hard work and pride they bring to this mission every day. We're building a GrabAGun that isn't just a business; it's a platform that protects and strengthens the rights, traditions, and communities that define our customers. We're in a strong position for long-term growth with the strategy, talent, and conviction to keep winning. We'll stay focused on execution, on delivering real value for our customers and shareholders, and on leading this industry into the digital future it deserves. Thank you again for your trust and support, and we look forward to updating you on what we believe will be a strong Q4.