



GrabAGun Digital Holdings Inc.

Fourth Quarter & Full Year 2025 Earnings Conference Call

March 12, 2026

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' Fourth Quarter and Full Year 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, 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 our annual report on Form 10-K for the fiscal year ending December 31, 2025 filed with the Securities and Exchange Commission earlier today, 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 our earnings release which we filed with the SEC earlier 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

Good afternoon and thank you for joining us. I'm pleased to share that we delivered an exceptional fourth quarter, closing out an extraordinary year for GrabAGun. Our Q4 and Full Year results highlight the strength of our business model and our steadfast dedication to supporting Americans' Second Amendment rights. These achievements reflect disciplined execution across our operations and our continued commitment to serving a growing customer base that values constitutional freedoms and lawful access to a wide selection of premium firearms and accessories.

Fourth quarter revenue increased 14.1% to \$29.6 million, driven by a 19.1% increase firearms sales, reflecting 11.5% volume growth. Our growth continued to significantly outpace the broader industry as adjusted NICS background checks were down 4.1% during the same period. We are taking share in a challenging environment, and we believe that we are just scratching the surface of what this platform can do.

The strength of our business model is most evident in our customer metrics. Customer Lifetime Value grew, up 8% year-over-year, reflecting deeper relationships with our growing base of loyal customers. Mobile sessions drove a majority of both transactions and revenue in 2025, a direct result of the platform investments we have been making for years.

Mobile engagement accounted for 72% of traffic and 64% of revenue in 2025, up 19% and 11%, respectively, year-over-year. Mobile drives higher conversion rates, and our digital model runs at a structurally lower cost per transaction than traditional retail. The conversion rates, the customer lifetime

value growth, the mobile trajectory — these are the outputs of years of deliberate investment in building GrabAGun into a technology-enabled commerce platform.

The past year marked an inflection point for GrabAGun — one that validated both the breadth of our platform and the execution capability of our team.

The most significant milestone was the commercial launch of PEW Logistics, our wholly-owned, white-label direct-to-consumer fulfillment platform purpose-built for the firearms and outdoor industry. PEW Logistics is the product of fifteen years of infrastructure investment — it runs on the same battle-tested technology backbone that has powered GrabAGun's eCommerce operations since day one. That means our incremental cost to launch was minimal, and the margin profile reflects it: PEW Logistics operates on a software-style pricing model with revenue share, delivering economics that look far more like a scalable software business than a traditional logistics operation.

We launched with KelTec Weapons as our first implementation — a 35-year American manufacturer that chose PEW Logistics to power their direct-to-consumer channel, beginning with the launch of their all-new PR-3AT. KelTec's Director of Business Development said it directly: the platform gives them "real-time visibility into KelTec end-user buying behavior across the portfolio" — enabling smarter inventory planning, better product development alignment, and the ability to "reach customers they haven't been able to reach before."

In the first 30 days of transaction volume, PEW Logistics delivered results that exceeded our own internal projections — over 500 orders, approximately \$400,000 in gross merchandise value, and an average delivery time of just over 3 business days from checkout to doorstep. And our 1% e-commerce conversion rate is already outpacing the traditional online firearms retail benchmark — on a brand new storefront, in just month one.

Historically, firearms manufacturers faced a structural "friction gap" in direct-to-consumer sales: compliance complexity, FFL processing requirements, and fragmented fulfillment infrastructure made direct sales prohibitively expensive to stand up internally — resulting in what we call "referral leakage," where high-intent traffic on manufacturer websites bleeds out to third-party marketplaces with inaccurate inventory and competing brands. PEW Logistics closes that gap entirely.

And the reach behind our platform is real. We believe our FFL dealer network puts a licensed transfer dealer within 15 miles of 97% of the U.S. population. You don't build that overnight. That network is what makes nationwide compliant direct to consumer fulfillment something we can actually deliver today, not something we're working toward.

Our platform delivers the full operational stack: brand-owned storefronts, automated ATF-compliant FFL workflows, end-to-end fulfillment, and, critically, a first-party data and market intelligence layer that manufacturers have long been looking for but never had access to. For the first time, brands gain direct, real-time visibility into consumer behavior, purchase patterns, and demographic insights across their entire portfolio. That data doesn't just inform marketing, it shapes product development, inventory strategy, and channel growth. Manufacturers can now meet their customer anywhere, from first click to final checkout, under their own brand, on their own storefront, with a single-cart experience that eliminates the referral leak and converts high-intent traffic into high-margin, owned revenue.

The result is a defensible, high-switching-cost platform that allows manufacturers to launch DTC channels in weeks, not months, without hiring compliance, IT, or logistics teams. Layered on top of our capital-light build cost to launch the platform for a manufacturer, software-style margin structure, and a proprietary first-party data advantage that compounds with every manufacturer we add. PEW Logistics is a durable growth vector and it is one we intend to scale aggressively

We are putting capital to work organically as well. In Q4 we acquired our new headquarters and fulfillment facility for \$8.25 million — a purpose-built investment in the physical infrastructure required to scale both

GrabAGun and PEW Logistics. At approximately two and a half times our current footprint, the facility provides the operational capacity to support our growth well beyond 2026 including providing the anticipated needs as we aggressively scale PEW Logistics. We are currently outfitting the space and expect to be fully operational in Q4 2026. This is a long-term infrastructure investment, and one that reflects our conviction in where this business is headed.

In December, GrabAGun became the first major firearms retailer to accept cryptocurrency payments — adding Bitcoin, USDC, and USDT across our full catalog. This was not a novelty move. The crypto-native consumer skews younger, digitally fluent, and represents one of the fastest-growing segments of the firearms market. Reaching that customer where they already transact is a deliberate part of our strategy to capture next-generation market share. Importantly, our existing compliance infrastructure absorbed this capability without added regulatory complexity or capital outlay — a consistent theme you will see across our 2025 initiatives: a platform built over fifteen years that is designed to extend, not rebuild, when we identify new growth vectors.

We also launched Shoot and Subscribe, our ammunition subscription service — and in doing so, introduced something the firearms eCommerce category has not had: a predictable, recurring revenue model. Frequent shooters have a consistent, high-frequency consumption need, and Shoot and Subscribe converts that demand into a loyal, contracted customer relationship rather than a series of one-time transactions. Early adoption has been encouraging, and the model is architected to expand across additional product categories over time — building a recurring revenue layer that compounds alongside our transaction and platform businesses.

Our 290 basis point expansion in Q4 gross profit margin reflects a quarter where the right opportunities presented themselves and we were positioned to act on them. Favorable supplier dynamics, disciplined inventory management, and the continued maturation of our platform all contributed. We enter 2026 well-positioned — with strong inventory across high-velocity SKUs and the operational flexibility to move quickly when opportunities arise.

We repurchased \$8.9 million of our own stock in 2025 — a direct expression of management's conviction in GrabAGun's intrinsic value and long-term trajectory. We entered 2026 with \$11.1 million remaining under our current authorization, giving us continued flexibility to pursue opportunistic repurchases while preserving balance sheet strength to fund our growth initiatives.

On the M&A front, our pipeline remains active and our priority remains focused on disciplined, accretive opportunities that strengthen and complement our platform. What we are seeing is a disconnect between seller price expectations and fundamental value. Private market valuations in our space continue to reflect aspiration more than reality, and we have no interest in bridging that gap at our shareholders' expense. Every potential acquisition is evaluated against a straightforward standard: does it bring accretive revenue and income, and does it strengthen the ecosystem that we are trying to build? If the answer is not clearly yes, we walk away. That discipline is not a sign of inactivity — it is the job. Our war chest is intact, our criteria are well-defined, and when valuation and value align, we will move. In the meantime, build versus buy remains a live consideration on every opportunity, and we will continue to evaluate both with the same discipline.

GrabAGun enters 2026 with a clear structural advantage in what is an accelerating shift toward digital-native commerce in the firearms industry. The next generation of firearms consumers is already here — they transact on mobile, they transact with crypto, they expect frictionless experiences, and they hold GrabAGun to the same standard as the best retail platforms on the internet. Fifteen years of compounding investment in technology, supplier relationships, and customer trust have built competitive advantages that widen as the market evolves — not erode. Our Q4 results confirm the strategy is working across every customer segment, and we enter the new year with the platform, the relationships, and the momentum to extend that lead.

I will now turn the call over to Justin Hilty, our Chief Financial Officer, for a detailed review of our financial performance. Justin?

Justin Hilty

Thank you, Marc. Our fourth quarter results demonstrate continued momentum across key financial metrics, building on the operational improvements we've implemented throughout 2025.

Fourth quarter net revenue was \$29.6 million, our strongest quarter of the year, and a 14.1% increase over the prior year period. Firearms sales contributed \$25.7 million, reflecting a 19.1% increase driven by 11.5% volume growth and favorable pricing dynamics. Non-firearm sales of \$3.9 million reflected strategic inventory management decisions as we focused our resources on higher-margin opportunities.

Q4 gross profit margin expanded 290 basis points to 15.9%, driven primarily by select one-time purchasing opportunities, favorable product mix, strategic buying during the quarter, and continued progress in strengthening supplier relationships.

Operating expenses increased primarily due to stock-based compensation and public company costs, resulting in a loss from operations of \$0.4 million compared to income of \$1.8 million in the prior year. However, net income remained positive at \$0.4 million, demonstrating the strength of our underlying business. Adjusted EBITDA of \$231,000 for the quarter reflects disciplined cost management as we continue to invest in growth initiatives and absorb the incremental costs associated with operating as a public company.

For the full year 2025, revenues of \$96.4 million represented 3.6% growth with gross profit margin improving to 11.7% from 10.4% in the prior year. While we reported a net loss of \$2.5 million for the full year, this was driven by stock-based compensation expense and higher public company expenses following the business combination, including certain transaction-related expenses. Adjusted EBITDA of \$753,000 for the full year demonstrates our ability to maintain positive operating cash flow while making necessary investments for long-term growth.

We ended 2025 with \$110.4 million in cash and cash equivalents and minimal debt, providing substantial financial flexibility for capital deployment, including organic growth investments, share repurchases, and strategic acquisitions. We maintained strategic inventory levels throughout Q4, positioning ourselves to capture seasonal demand while avoiding excess carrying costs. Our supplier relationships have strengthened significantly, giving us better access to high-demand products and improved pricing terms.

I also want to emphasize that our cash position increased during Q4, demonstrating our ability to generate positive operating cash flow. Looking ahead, we expect our operations to be approximately cash flow neutral in 2026, with any cash deployment directed towards strategic share repurchases and high-return opportunities, including technology investments that enhance our competitive position and potential strategic investments or acquisitions that align with our growth strategy. Our strong balance sheet gives us the flexibility to be opportunistic while maintaining financial discipline.

As Marc mentioned, we recently launched our PEW Logistics platform, which is already contributing to our diversified revenue model. While still in early stages, we're seeing strong interest from manufacturers across multiple categories. The platform generates revenue through setup fees for storefront customization, monthly platform fees, per-transaction fulfillment fees, and optional marketing services. Because these services leverage our existing technology and logistics infrastructure, we believe this will result in a structurally higher margin profile than our core business as the platform scales. Over time, we believe platform revenue streams like PEW Logistics can become a meaningful contributor to both growth and margin expansion.

We repurchased approximately 1.56 million shares of our common stock during 2025 for \$8.9 million. As of the beginning of 2026, we had \$11.1 million remaining on our current repurchase authorization.

Looking ahead, we expect continued revenue growth driven by market share gains, customer acquisition, and platform expansion. Our focus remains on maintaining gross margin improvements while scaling our operations efficiently. The investments we've made in technology, supplier relationships, and customer experience position us well for sustained growth as the firearms industry continues its digital transformation.

I'll now turn the call back to Marc for closing remarks.

Marc Nemati

GrabAGun's mission is singular: to build the definitive digital platform for America's firearms community. We are building an ecosystem that serves manufacturers, dealers, and consumers through technology-driven innovation and uncompromising service, backed by 15 years of compliance expertise and a platform built to operate in one of the most regulated industries in the country.

PEW Logistics exemplifies our strategic evolution from pure-play retailer to industry infrastructure provider, and the economics of that shift are worth emphasizing. The operational excellence and compliance expertise we have built over 15 years serving consumers is now a monetizable infrastructure layer available to every manufacturer who wants to own their customer relationship. This B2B2C model materially expands our total addressable market while strengthening our position as an essential platform across the entire firearms value chain.

Early traction validates our thesis. Manufacturers need a trusted partner who can unlock the complexity of compliant direct-to-consumer operations. We believe GrabAGun is the only platform in the industry built to deliver it at scale.

Our Q4 results are not an accident. Against a backdrop of declining industry-wide NICS background check data, we delivered double-digit growth - proof that superior customer experience and operational excellence are durable competitive advantages and not cyclical tailwinds. The demographic trends are continuing to move in our direction: younger customers, increased mobile usage, crypto payments, and a preference for digital-first experiences. Every repeat purchase, every mobile session, every subscription deepens the customer relationship and improves economics. We are not a participant in the industry's digital transformation - we are driving it.

Thank you for your continued confidence in GrabAGun. We look forward to updating you on our progress as we execute on our growth strategy throughout 2026.

Operator, you may now open the line for questions.

Operator

At this time, I would like to remind everyone, in order to ask a question, please press star then the number one on your telephone keypad. We will pause for just a moment to compile the Q&A roster. Your first question comes from the line of Matt Koranda with ROTH Capital Partners. Your line is open.

Matthew Koranda

Hey guys, congrats on the nice fourth quarter growth. I guess I just wanted to hear a little bit more about where you think the key drivers of site traffic are coming from that are enabling the outperformance on firearms versus NICS. Maybe also just talk a little bit about pricing or mix that's helping you out there. It seems like it's a nice tailwind in the fourth quarter so I wanted to hear a little bit more about what's driving that growth as well.

Marc Nemati

Hey, Matt. Thanks for joining. Yeah, I mean, I think our outperformance is really driven by a lot of the fact that our digital model is working: we're continuing to take market share as we scale up the marketing side of our business and that customer acquisition funnel is continuing to grow. Really, that plus our digital platform makes the experience better for customers, and so they're going to continue to return to the platform. And a lot of that is really driving repeat buyers as well as we grab a lot more market share, additional revenue growth, throughout the year.

Matthew Koranda

Okay. Then trend on AOV, Marc, or just anything in terms of what's helping you out on price there. Is it a mix thing or anything to call out in terms of the growth?

Marc Nemati

Yeah. We definitely have a product mix there that's helping us, as well as, I think Justin mentioned, opportunistic buying. Us having the ability to have a lot of that cash allows us to make a lot of opportunistic buying for various products, whether that's firearms or accessories at better deals and we can leverage that for a larger gross margin or even larger AOVs.

Matthew Koranda

Okay. All right. Got it. Wondering if you guys could talk a little bit about any demand trends since the end of the fourth quarter. I mean, there's just been a lot of different geopolitical events that have happened in the last couple of months. Just wanted to see if the demand trend has changed in any way for you guys, how to think about either industry broader brush or for you guys specifically, anything you're willing to share, kind of year to date?

Marc Nemati

Yeah. I mean, obviously, we're very excited about Q1 and what's happened thus far. What's attributable to obviously what's going on globally versus what is driven by our increased market share grab; again, back to your first question there, as we scale up marketing where we're grabbing more customers. I think there's kind of a mix of everything that's going on that's driving some positively for us, potentially for the industry as well. I can only speak for us but we continue to grow and be successful.

Matthew Koranda

I noticed the marketing line ramping just a touch. It's still relatively low in terms of overall scale. Wondering if you were willing to share any channels or just avenues where you've had success in deploying incremental sales and marketing dollars in the fourth quarter and what's your spend for 2026?

Marc Nemati

Yeah. I mean, we've grown our marketing team internally a lot over the last quarter plus. We believe that's driving a lot of kind of new eyeballs on the brand. A lot of that is driven by a lot of in-house content that we're creating, social media content.

We're working also with brands that we carry. So instead of spending ad dollars, we're actually buying more product from manufacturers and leveraging those manufacturer relationships to grow our brand. It's a little bit different than your traditional digital ad spend, but it's returning kind of similar returns that you would see if we could spend dollars on Facebook and Instagram, which, as you know, we cannot. We are leveraging a lot of our own content creation, so more or less becoming an influencer in the industry, but at a much lower cost than it would be if we were paying for digital ads.

Matthew Koranda

Okay. Yeah, that makes total sense. I guess this last one from me, I wanted to hear a bit more on PEW Logistics. Maybe just how long has it been in place? And you mentioned you rattle off a bunch of stats on sort of transactions that you've seen in the first 30 days. Just wondering how we should be thinking about the ramp up there for the year ahead and how you think about going out and acquiring customers for PEW Logistics.

Then maybe for Justin, the \$8 million of investments in PEW Logistics, is that largely for the building and the expansion that you did and the capital that was deployed in the fourth quarter, or are there other buckets to spend in that \$8 million?

Marc Nemati

Yeah. I mean, we are definitely very excited about PEW Logistics. It's definitely transformational, not only for GrabAGun, but we believe for this industry. It's kind of a first of a kind offering of this such.

In the case of GrabAGun, the transformation is driven by the fact that the pricing model is much different than e-commerce retail. It's more of a software rev share model, so, the gross margin profile for PEW Logistics is definitely going to be a lot more attractive than that of the GrabAGun commerce side.

It actually adds a lot of value for manufacturers. We've seen a lot of interest because it grows their gross margin as well as they skip around a few different hops there in terms of margin leakage. And kind of what I mentioned before, manufacturers have the ability, really, they all do to have a lot of high intent traffic to their websites, as people are looking for their products. This actually gives them an avenue to convert that high intent traffic into actual sales and revenue without having to invest in a fulfillment network, a compliance person, customer service, e-commerce.

I mean, the 15 years of what GrabAGun has built and our understanding of e-commerce in the firearm space, they get on day one, and once they're contracted, it only takes a couple of weeks, really for them to get off the ground. It's definitely transformative for all those manufacturers in the industry. I think it's something that we're definitely gonna push on hard for 2026. Again, the margin profile here is much more different than that of GrabAGun.

As far as the investment, \$8 million, yeah, it's in the building, which can be shared and expensed across both PEW and GrabAGun. As both businesses continue to grow and scale in terms of personnel as well as top-line revenue, we just need more space and more facility to handle all that. That investment is for both of the businesses.

Matthew Koranda

All right. Makes sense. I'll take the rest of mine offline. Thanks, guys.

Operator

I will turn the call back over to Marc Nemati for closing remarks.

Marc Nemati

Before we conclude today's call, I want to express my appreciation to our entire GrabAGun team for their dedication and expertise. The results we've shared today reflect the hard work of talented individuals who are passionate about serving our customers and advancing our mission.

We're building something special at GrabAGun - a platform that respects the traditions and values of America's firearms community while embracing the technologies and innovations that will shape our industry's future. Our strong financial position, growing customer base, and expanding platform capabilities give us confidence in our ability to deliver sustained growth and value creation over the long term.

With that, thank you again for joining us today and we look forward to sharing our continued progress with you in the quarters ahead.

Operator

Ladie and gentleman, that concludes today's call. Thank you for joining. You may now disconnect.