

March 16, 2026

VALUATION

Current Price	\$3.14
52 Week Range	\$2.55–21.40
Market Cap (\$-Mn)	92.6
Cash and equivalents (4Q25)	\$110.4 Mn
Shares Out. (Mn)	30.01
Float	64.7%
Avg. 3-Month Volume	0.73 Mn
P/Sales (2026E)	0.92x

Source: Exec Edge Research, TIKR

FUNDAMENTALS

Revenue (2024)	\$93.1 Mn
Revenue (2025)	\$96.5 Mn
Revenue (2026E)	\$100.5Mn
Revenue (2027E)	\$108.5 Mn
Net Income (2024)	\$4.5 Mn
Net Income (2025E)	\$(2.5) Mn
Net Income (2026E)	\$(7.9) Mn
Net Income (2027E)	\$(8.2) Mn

Source: Company Filings, Forward Estimates
Sourced from TIKR

STOCK PRICE PERFORMANCE



Source: TIKR

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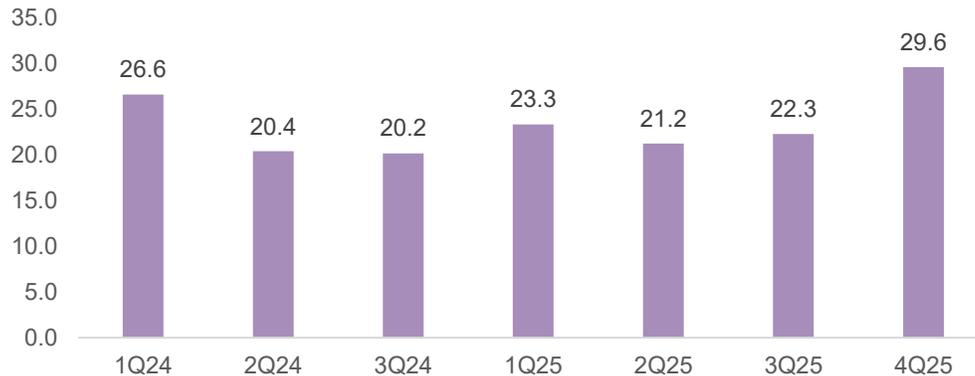
GrabAGun Digital Holdings Inc. (PEW)

Market Share Gains Continue. PEW Logistics Adds a New Growth Vector. Attractively Valued.

■ Key Takeaways

- PEW continues to stand out in a tough industry environment as strong digital execution supports growth and market share gains.
 - PEW Logistics launch creates a new growth vector and marks a key strategic inflection point in its evolution toward a scalable platform.
 - Digital marketplace positioning and platform expansion support the growth outlook, with 2026E revenue expected to cross \$100 million and reach \$108.5 million in 2027E. (Estimates source: TIKR)
 - Stock has reacted well to the current earnings print. However, it remains attractively valued as the current market cap of \$92.6 million is lower than cash and cash equivalents of \$110.4 million, suggesting that the core business is available to investors as optionality. PEW also trades at a discount to peers and its SPAC deal valuation. Share repurchases lend further confidence in the business outlook and valuation.
- **Strong digital execution continues to support growth and market share gains despite persistent industry headwinds.** PEW's 4Q25 topline came in at \$29.6 million, up 14.1% y/y. For 2025, net revenue reached \$96.5 million, up 3.6% y/y compared to \$93.1 million in 2024. This represents significant outperformance as firearms sales volumes declined 4.1% industry-wide, per Adjusted NICS data, suggesting that PEW's digitally native firearms platform continues to drive market share gains.
- **Firearms category strength continues to drive overall sales growth, supported by higher volumes.** Firearms sales increased 19.1% y/y to \$25.7 million, reflecting volume growth of 11.5%. Non-firearms sales declined by 10.3% to \$3.9 million, reflecting 34.7% lower unit volume.
 - **The 2025 conversion rate was 0.7%, reflecting steady customer engagement and continued traffic growth on the platform.** Average order value increased by 7% y/y to \$453 in 2025, driven by favorable product mix and opportunistic inventory purchases.
 - **Gross profit margin was 15.9%, a 290 bps y/y increase,** primarily driven by selective one-time purchasing opportunities, favorable product mix, strategic buying, and continued strengthening of supplier relationships.
- **Customer engagement metrics remain robust,** with customer lifetime value increasing 8.9% y/y to \$875, reflecting deep relationships with a growing base of loyal customers.
- **Mobile-first strategy continues to drive engagement and revenue mix,** with mobile accounting for 72% of traffic and 64% of revenue in 2025, up 19% and 11% y/y, respectively, supporting higher conversion rates and a structurally lower cost per transaction versus traditional retail channels.
- **Overall, PEW's 4Q25 performance reflects continued strong digital execution and platform engagement,** enabling it to gain market share despite industry headwinds while strengthening customer loyalty and brand positioning.

Chart 1: PEW – Quarterly Revenue



Source: Exec Edge Research, PEW SEC Filings

- **Commercial launch of PEW Logistics marks a key strategic inflection point in PEW's evolution toward a scalable platform.** The company introduced PEW Logistics, a wholly owned white-label direct-to-consumer fulfillment platform designed for the firearms and outdoor industry, built on PEW's 15-year technology and logistics infrastructure. The platform operates on a software-style revenue-share model, implying a structurally higher margin profile than traditional e-commerce logistics. KelTec, a 35-year U.S. manufacturer, was the first partner to launch on the platform, leveraging PEW to power its direct-to-consumer channel and gain real-time visibility into end-customer purchasing behavior. Early traction appears encouraging, with the platform generating 500+ orders and ~\$400K in gross merchandise value within the first 30 days, alongside an average delivery time of just over three business days, indicating initial validation of the model and potential scalability as additional manufacturers onboard.
 - **Early traction for PEW Logistics demonstrates strong initial validation, with conversion already outperforming traditional online firearms retail benchmarks.** Management highlighted that the platform achieved a ~1% e-commerce conversion rate within its first month, exceeding typical industry benchmarks for online firearms retail. PEW Logistics addresses long-standing structural barriers that have limited manufacturers' ability to sell directly to consumers, including regulatory compliance complexity, FFL transfer requirements, and fragmented fulfillment infrastructure. Leveraging PEW's established FFL dealer network, which provides licensed transfer coverage within 15 miles of ~97% of the U.S. population, the platform enables compliant nationwide direct-to-consumer fulfillment. In addition to logistics and compliance capabilities, PEW Logistics provides a fully integrated solution including brand-owned storefronts, automated compliance workflows, end-to-end fulfillment, and access to first-party consumer data, allowing manufacturers to convert high-intent website traffic into direct sales while maintaining full control of the customer relationship. Its integrated infrastructure and data capabilities create high switching costs and enable manufacturers to launch direct-to-consumer channels within weeks rather than months.
 - **PEW Logistics is positioned as a scalable growth vector supported by strategic infrastructure investment.** Management emphasized PEW Logistics as a capital-light, software-style revenue model with a proprietary first-party data advantage, which strengthens as more manufacturers join the platform and positions it as a durable long-term growth driver. **To support this expansion, PEW invested ~\$8.25 million to acquire a new headquarters and fulfillment facility, increasing the operational footprint by ~2.5x.** The facility is expected to provide sufficient capacity to support the scaling of both GrabAGun and PEW Logistics well beyond 2026 and is currently being outfitted with plans to be fully operational by 4Q26, underscoring management's long-term infrastructure commitment to support platform growth.
- **Cryptocurrency payment adoption reflects continued innovation in digital commerce.** PEW recently became the first major firearm retailer to accept cryptocurrency payments, aligning its platform with the preferences of a new generation of digitally native consumers who increasingly expect flexible and frictionless payment options. Management noted that the initiative supports the company's broader strategy of enhancing the online purchasing experience and strengthening its positioning as the firearms industry continues to shift toward digitally native commerce.

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- **Launch of “Shoot & Subscribe” adds a recurring revenue layer to the platform.** PEW rolled out Shoot & Subscribe in August, an ammunition subscription service designed to convert frequent shooters’ high-frequency purchasing needs into predictable, recurring revenue streams rather than one-time transactions. Early adoption has been encouraging, with management indicating potential to expand the subscription model across additional product categories over time, creating a compounding revenue layer alongside the company’s existing transaction and platform businesses.
 - **Net loss in 2025 driven by one-off public company and stock-based compensation expenses.** PEW reported a net income of \$0.4 million in 4Q25 compared to net income of \$2.0 million in the prior-year period, while 2025 net loss totaled \$2.5 million. The loss was largely attributable to stock-based compensation and higher public company expenses following the business combination, including certain transaction-related costs.
 - **Adjusted EBITDA, however, remained positive despite incremental public company costs.** PEW reported adjusted EBITDA of \$0.23 million for the quarter, reflecting disciplined cost management while continuing to invest in growth initiatives. Management noted that profitability was maintained even as the business absorbed incremental expenses associated with operating as a public company.
 - **Future outlook remains supported by platform expansion and continued market share gains.** Management expects revenue growth to be driven by ongoing customer acquisition, market share gains, and the expansion of platform-based revenue streams such as PEW Logistics, which could become a meaningful contributor to both growth and margin expansion over time. PEW also aims to **sustain gross margin improvements** while scaling operations efficiently, supported by prior investments in technology, supplier relationships, and customer experience as the firearms industry continues its digital transformation.
 - **Digital marketing scale and platform experience are driving traffic and market share gains.** Management indicated that the company’s outperformance in firearms sales has been supported by continued scaling of its digital marketing and customer acquisition funnel. The strength of the digital platform is enhancing the customer experience, which is driving higher repeat purchases, improving customer retention, and enabling the company to gain market share and generate incremental revenue growth.
 - **Content-driven marketing strategy supporting brand visibility at lower cost.** PEW has expanded its internal marketing team and is increasingly leveraging in-house content creation and social media to drive brand awareness and customer acquisition. Rather than relying on traditional digital advertising, PEW is also working closely with manufacturers and using product partnerships to promote the brand, effectively creating an influencer-style marketing approach that generates comparable returns at a lower cost.
 - **Early 1Q demand trends remain encouraging, with continued growth momentum.** Management indicated that performance in early 1Q has been strong, with the company continuing to grow and gain market share. While broader geopolitical developments may be contributing to industry demand, management noted that increased marketing scale and ongoing customer acquisition are key drivers supporting the company’s continued growth trajectory.
 - **The future outlook reflects strong positioning entering 2026, supported by disciplined capital deployment and platform-led growth.** PEW enters 2026 with strong inventory across high-velocity SKUs and operational flexibility to capitalize on demand opportunities. The M&A pipeline remains active, although the company emphasized a disciplined approach given the current disconnect between seller price expectations and fundamental valuations in the private market. At the same time, PEW Logistics reflects the company’s strategic evolution from a pure-play retailer toward an industry infrastructure and platform provider. Long-term investments in technology, supplier relationships, and customer trust have created durable competitive advantages as the firearms industry shifts toward digitally native commerce. With increasing adoption of mobile-first and frictionless purchasing experiences among next-generation consumers, the company believes its platform is well positioned to extend its market leadership, with encouraging operating trends already visible in early 1Q activity.
 - **Top-line growth is expected to continue, and revenue is estimated to cross \$100 million by 2026, led by market share gains.** According to Street estimates sourced from TIKR, PEW is likely to generate a topline of \$24.5 million in 1Q26. Annual estimates suggest that growth is set to continue as revenue is likely to cross the \$100 million mark in 2026 and reach \$108.5 million in 2027.

Chart 2: PEW – Revenue Estimates



Source: Exec Edge Research, PEW SEC Filings, Forward Estimates sourced from TIKR.

Chart 3: PEW Street Estimates

Estimates (\$ million)	2024	2025	2026E	2027E
Revenue	93.1	96.5	100.5	108.5
Net Income	4.5	-2.5	-7.9	-8.2

Source: Exec Edge Research, PEW SEC Filings, Forward Estimates sourced from TIKR.

- Balance sheet strength supports strategic flexibility.** PEW ended 2025 with \$110.4 million in cash and cash equivalents and minimal debt, providing flexibility for strategic investments. Management has demonstrated a willingness to deploy capital opportunistically, repurchasing 1.56 million shares of common stock for \$8.9 million during 2025, with \$11.1 million remaining under the current authorization. The company also maintained strategic inventory levels in 4Q to capture seasonal demand while avoiding excess carrying costs, supported by strengthened supplier relationships that have improved access to high-demand products and pricing terms. Management continues to evaluate acquisition opportunities across the firearms ecosystem, with a disciplined focus on transactions that expand platform capabilities or strengthen technology infrastructure.

Attractive Valuation Supported by Strong Competitive Position and Improving Fundamentals

- Our analysis suggests that PEW stock is attractively valued.** The following analysis is presented for illustrative purposes only and does not constitute a stock recommendation, price target, or buy/sell/hold rating. We apply multiple valuation approaches, including comparison with the SPAC deal valuation and trading peers. **While we do not provide a price target for PEW, the analysis indicates potential upside based on these valuation frameworks.**
- Stock has reacted well to the current earnings print; however, PEW's current market cap (\$92.6 million) is lower than its cash and cash equivalents of \$110.4 million suggesting that the core business is available to investors as optionality and that the market is currently undervaluing PEW's best-in-class digital platform, market share gains, sustained growth, and a strong competitive positioning.**
- PEW is also trading at a big discount to its SPAC deal valuation.** PEW was valued at \$312.5 million (equity value) in its SPAC deal with Colombar Acquisition Corp. II which closed in July 2025. The stock has come off ever since, and the company's current market cap is \$92.6 million (3/13 close). While the stock has corrected, the underlying business remains strong, as evidenced in PEW's growing market share, expanding topline that is expected to cross \$100 million this year, resilient profitability, and a cash-rich balance sheet. This strength is rooted in a defensible business model built around strong regulatory, technological, and operational moat elements, and is likely to be the prime driver of the stock re-rating. A reversion to the SPAC deal valuation implies large upside from current levels.
 - Street price target also reflects upside potential** with mean target price of \$6.75/share (source TIKR), 115% above current levels. We expect valuation re-rating to play out as PEW continues to gain market share through

its digital platform, scale higher-margin platform initiatives such as PEW Logistics, and benefit from increasing mobile engagement and customer acquisition.

Chart 4: PEW – Valuation Discount vs. SPAC Deal and Consensus Street Price Target

Discount vs. SPAC Deal	
SPAC Deal Valuation (Equity)	\$ 312.5
Current Market Cap	\$ 92.6
Upside	237%

Discount vs. Street Price Target	
Consensus Target (Mean)	\$ 6.75
Current Share Price	\$ 3.14
Upside	115%

Source: Exec Edge Research, Company Filings, TIKR, Data as of 3/13 close.

Chart 5: Trading Comps – PEW vs. Peers

Ticker	Peer Companies	Market Cap (\$Mn)	NTM P/Sales
PEW	GrabAGun Digital Holdings Inc.	93	0.92
SWBI	Smith & Wesson Brands, Inc.	614	1.21
RGR	Sturm, Ruger & Company, Inc.	611	1.10
POWW	Outdoor Holding Company	236	4.70
ASO	Academy Sports and Outdoors, Inc.	3,757	0.59
	Average	1,062	1.70
	<i>PEW's Multiple vs. Peer Average</i>		-46%

Source: Exec Edge Research, TIKR, Data as of 3/13 close.

Chart 6: PEW Financial Snapshot

Income Statement (\$000s)	1Q25	2Q25	3Q25	4Q25	2023	2024	2025
Revenues:							
Net revenues	23,331	21,228	22,267	29,624	96,283	93,122	96,449
Cost of goods sold	21,091	18,985	20,139	24,910	85,986	83,413	85,123
Gross profit	2,240	2,243	2,128	4,714	10,297	9,709	11,326
Gross Profit Margin	9.6%	10.6%	9.6%	15.9%	10.7%	10.4%	11.7%
Operating expenses:							
Sales and marketing	140	122	250	405	709	543	917
General and administrative	2,058	1,339	6,642	4,734	5,236	5,051	14,773
Total operating expenses	2,198	1,461	6,892	5,139	5,945	5,594	15,690
Income from operations	42	782	(4,764)	(425)	4,352	4,115	(4,364)
Other income	-	-	1	-	167	164	1
Net income	95	823	(3,838)	413	4,519	4,509	(2,507)
Net Income Margin	0.4%	3.9%	-17.2%	1.4%	4.7%	4.8%	-2.6%
Add Back:							
Interest income	(47)	(47)	(925)	(850)		(241)	(1,868)
Income tax expense	-	-	-	12		11	12
Depreciation and amortization	51	50	49	65	359	310	217
Stock-based compensation expense	-	-	3,203	577		-	3,781
Non-recurring costs	453	71	580	14	-	101	1,118
Adjusted EBITDA	553	898	(931)	231	4,696	4,690	753
% Adjusted EBITDA margin	2.4%	4.2%	-4.2%	0.8%	4.9%	5.0%	0.8%
Balance Sheet - Key Items (\$000s)							
Assets							
Current assets:							
Cash and cash equivalents	7,418	4,642	109,546	110,395	10,738	7,887	110,395
Inventory, net	5,770	5,468	6,732	8,532	3,469	4,244	8,532
Total current assets	14,663	12,199	118,075	120,688	15,047	12,965	120,688
Total assets	15,390	12,931	119,824	131,262	16,132	13,704	131,262
Liabilities and Stockholders' Equity							
Accounts payable	11,602	10,067	10,338	11,833	10,770	8,687	11,833
Unearned revenue	2,216	1,773	1,548	2,453	2,630	2,274	2,453
Total current liabilities	14,925	12,664	13,217	16,774	14,557	12,273	16,774
Total liabilities	14,925	12,664	13,217	23,661	14,831	12,314	23,661
Total stockholders' equity	465	267	106,607	107,601	1,301	1,390	107,601
Total liabilities and stockholders' capital	15,390	12,931	119,824	131,262	16,132	13,704	131,262

Source: Exec Edge Research, PEW SEC Filings, TIKR. Notes: 1) The company has restated certain financials. As a result, some quarterly line items may not reconcile precisely to the reported annual totals. 2) Interest income for 1Q25 and 2Q25 has been estimated based on the company's reported full-year 2025 interest income.

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