

1847 Holdings



Corporate Presentation

December 2023
NYSE American:EFSH



Disclaimers

Forward Looking Statements:

This presentation contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to us. All statements other than statements of historical facts are forward-looking. These statements relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- our ability to effectively integrate and operate the businesses that we acquire;*
- our ability to successfully identify and acquire additional businesses;*
- our organizational structure, which may limit our ability to meet our dividend and distribution policy;*
- our ability to service and comply with the terms of indebtedness;*
- our cash flow available for distribution and our ability to make distributions to our common shareholders;*
- our ability to pay the management fee, profit allocation and put price to our manager when due;*
- labor disputes, strikes or other employee disputes or grievances;*
- the regulatory environment in which our businesses operate under;*
- trends in the industries in which our businesses operate;*
- the competitive environment in which our businesses operate;*
- changes in general economic or business conditions or economic or demographic trends in the United States including changes in interest rates and inflation;*
- our and our manager's ability to retain or replace qualified employees of our businesses and our manager;*
- casualties, condemnation or catastrophic failures with respect to any of our business' facilities;*
- costs and effects of legal and administrative proceedings, settlements, investigations and claims; and*
- extraordinary or force majeure events affecting the business or operations of our businesses.*

In some cases, you can identify forward-looking statements by terms such as "may," "could," "will," "should," "would," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential," "project" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the heading "Risk Factors" and elsewhere in the registration statement that we have filed with the SEC. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance.

The forward-looking statements made in this presentation relate only to events or information as of the date on which the statements are made in this presentation. Although we have ongoing disclosure obligations under United States federal securities laws, we do not intend to update or otherwise revise the forward-looking statements in this presentation, whether as a result of new information, future events or otherwise.

Risk Factors:

An investment in our securities involves a high degree of risk. You should carefully consider the risk factors listed under the heading "Risk Factors" in the registration statement that we have filed with the SEC before purchasing our securities. Any of these risk factors could harm our business, financial condition, results of operations or prospects, and could result in a partial or complete loss of your investment.

Company Overview

“It's not always easy to do what's unpopular, but that's where you generate above average returns. Buy businesses that look mundane to narrow-minded investors and hang on until their real value is recognized.”

- 1847 “channeling” John Neff



Company Overview

1847 Holdings Overview

- 1847 Holdings is a publicly traded diversified acquisition holding company that invests in companies whose business models enable them to drive their own growth
 - Intending to deliver a 10% or higher annual dividend on our book value of equity while retaining enough earnings to fuel internal and external growth



1847 Competitive Advantages

- Robust Network**
 - National network of personal relationships with intermediaries, seasoned operating executives, entrepreneurs and managers
- Disciplined Deal Sourcing**
 - Leverages relationships with more than 3,000 qualified deal sources through regular calling, mail and email campaigns, industry events, etc.
- Differentiated Acquisition Capabilities in the Small Business Market**
 - Concentrated efforts on mature companies with sustainable value propositions, which can be supported by its resources and institutional expertise
- Value Proposition for Business Owners**
 - Employ a creative, flexible approach by tailoring each acquisition structure to meet liquidity needs and qualitative objectives of the target
- Operating Partner**
 - Consistently work with a strong network of seasoned operating partners – former executives with extensive experience building, managing, and optimizing successful small business across a range of industries
- Small Business Market Experience**
 - Since 2000, the management team has collectively been presented with several thousand investment opportunities and actively worked with 30 small businesses on all facets of strategy, development and operations

1847 Strategy

- Long-term goals:**
 - Making and growing regular distributions to its common shareholders
 - Increase common shareholder value
- Continue to identify, perform due diligence on, negotiate and consummate platform acquisitions of small businesses in attractive industries
- Plan to limit the use of third-party acquisition leverage so its debt will not exceed the market value of the assets acquired and that its debt to EBITDA ratio will not exceed 1.25x to 1 for its operating subsidiaries
- By limiting the leverage in this manner, it will avoid the imposition on stringent lender controls on its operations that would otherwise hamper growth and otherwise harm the its business even during times when there are positive cash flows

1847 Financial Snapshot

Key Stats⁽¹⁾

Recent Price (NYSE American:EFSH)	\$0.55
Market Cap	\$1.8 M
Shares Outstanding	3.2M
Float	2.9M
Average Volume (90-Day)	345K
Fiscal Year	Dec. 31

Notes:

(1) All statistics are as of market close on November 28, 2023, and are based on post-split shares outstanding.

Acquisition of High Mountain Door & Trim, Inc. and Innovative Cabinets & Design

In October 2021, 1847 acquired High Mountain Door & Trim, Inc. & Innovative Cabinets & Design for an aggregate purchase price of approximately \$15.4 million

Brief Overview



- High Mountain specializes in all aspects of finished carpentry products and services, including doors, door frames, base boards, crown molding, cabinetry, bathroom sinks and cabinets, bookcases, built-in closets, fireplace mantles, etc., working primarily with large homebuilders of single-family homes and commercial and multi-family developers
- Sierra Homes d/b/a Innovative Cabinets & Design specializes in custom cabinetry and countertops for a client base consisting of single-family homeowners, builders of multi-family homes, as well as commercial clients

Financial Highlights⁽¹⁾

- Revenues from the construction segment increased by \$1,182,633, or 11.8%, to \$11,230,579 for the three months ended September 30, 2023, from \$10,047,946 for the three months ended September 30, 2022. The increase in revenues was primarily attributed to an increase in new multi-family projects and an increase in the average customer contract value.
- Cost of revenues for the construction segment decreased by \$1,072,127, or 16.4%, to \$5,472,716 for the three months ended September 30, 2023, from \$6,544,843 for the three months ended September 30, 2022.

Acquisition Details

Purchase Consideration at Preliminary Fair Value:

Cash	\$	10,687,500
Notes Payable, Net of Debt Discount		4,753,673
Amount of Consideration	\$	15,441,173

Assets Acquired & Liabilities Assumed at Preliminary Fair Value:

Cash	\$	208,552
Accounts Receivable		1,042,194
Inventory		1,848,729
Contract Assets		367,177
Other Current Assets		80,771
Marketing Intangible		1,610,000
Customer Intangible		4,843,000
Property & Equipment		610,882
Operating Lease Assets		831,951
Other Assets		-
Accounts Payable & Accrued Expenses		(1,207,424)
Contract Liabilities		(3,770,081)
Deferred Tax Liabilities		(1,670,000)
Lease Liabilities		(856,377)
Financing Leases		(18,600)
Loans Payable		(204,399)
Net Tangible Assets Acquired	\$	3,716,375
Total Net Assets Acquired	\$	3,716,375
Consideration Paid		15,441,173
Preliminary Goodwill	\$	11,724,798

Services & Products



- Entry & Interior Doors
- Windows
- Millwork
- Showers



- Custom Cabinetry
- Custom Countertops
- Home. Office, & Other Renovations



Acquisition of Wolo

In March 2021, 1847 acquired Wolo for an aggregate purchase price of approximately \$8.3 million

Brief Overview



- Wolo designs and sells horn and safety products (electric, air, truck, marine, motorcycle and industrial equipment), and offers vehicle emergency and safety warning lights for cars, trucks, industrial equipment and emergency vehicles
- Focused on the automotive and industrial after-market, we sell our products to big-box national retail chains, through specialty and industrial distributors, as well as on- line/mail order retailers and OEMs
- With a stellar reputation for innovative design, our current product line consists of over 455 products, including 54 patented products, as well as over 90 exclusive trademarks

Financial Highlights⁽¹⁾

- Revenues from the automotive supplies segment decreased by \$606,630, or 40.7%, to \$883,080 for the three months ended September 30, 2023, from \$1,489,710 for the three months ended September 30, 2022. The decline in revenues was primarily attributed to ongoing supply chain delays with manufacturers and decreased customer demand.
- Cost of revenues for the automotive supplies segment decreased by \$241,731, or 27.9%, to \$625,841 for the three months ended September 30, 2023, from \$867,572 for the three months ended September 30, 2022.

Acquisition Details

Purchase Consideration at Fair Value:

Notes Payable	\$	850,000
Cash		6,550,000
Net Cash Paid to Seller (Post-Closing)		944,056
Amount of Consideration		8,344,056

Assets Acquired & Liabilities Assumed at Fair Value:

Cash	\$	1,171,655
Accounts Receivable		1,860,107
Inventory		1,944,929
Customer Related Intangibles		233,000
Marketed Related Intangibles		992,000
Technology Related Intangibles		623,000
Other Current Assets		218,154
Deferred Tax Liability		(325,000)
Accounts Payable & Accrued Expenses		(111,442)
Net Tangible Assets Acquired	\$	6,606,403
Total Net Assets Acquired	\$	6,606,403
Consideration Paid		8,344,056
Goodwill	\$	1,737,653

Services & Products

Lighting



Horns



Alarms / Sirens



(1) Audited Financials

Acquisition of Kyle's Custom Wood Shop, Inc.

In September 2020, 1847 acquired Kyle's Custom Wood Shop, Inc. for an aggregate purchase price of approximately \$8.6 million

Brief Overview

Kyle's Custom Wood Shop, Inc.

- Kyle's is a leading custom cabinetry maker servicing contractors and homeowners since 1976 in Boise, Idaho and the surrounding area
- Kyle's focuses on designing, building, and installing custom cabinetry primarily for custom and semi-custom builders
- Company's production has been oriented to working primarily with custom and semi-custom builders in the last several years

Acquisition Details

Purchase Consideration at Fair Value:

Common Shares	\$	3,675,000
Notes Payable		498,979
Cash		4,389,792
Amount of Consideration		8,563,771

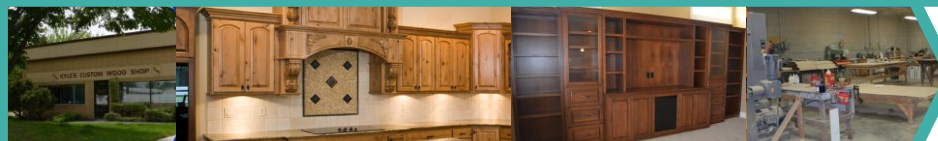
Assets Acquired & Liabilities Assumed at Fair Value:

Cash	\$	130,000
Accounts Receivable		385,095
Costs in Excess of Billings		122,016
Other Current Assets		13,707
Property & Equipment		200,737
Customer Related Intangibles		2,727,000
Marketing Related Intangibles		294,000
Accounts Payable & Accrued Expenses		(263,597)
Billings in Excess of Costs		(43,428)
Other Liabilities		(49,000)
Net Tangible Assets Acquired	\$	3,516,530
Total Net Assets Acquired	\$	3,516,530
Consideration Paid		8,563,771
Preliminary Goodwill	\$	5,047,241

Services & Products

Fine Custom Cabinet Design and Artisan Finishes

- Professional cabinet design that blends artistic design elements with maximum efficiency



Quality Custom Cabinetry by Skilled Craftsmen

- Equipped with state-of-the-art tools operated by skilled cabinetmakers

Professional Cabinet Installation and Loyal Service

- Professional installation that are built, and great care is taken over the final fit



Acquisition of Asien's Appliance

In May 2020, 1847 acquired Asien's Appliance for an aggregate purchase price of approximately \$2.1 million

Brief Overview



- Asien's has been in business since 1948 serving the North Bay area of Sonoma County, California
- It provides a wide variety of appliance services, including sales, delivery/installation, in-home service and repair, extended warranties, and financing
- Its focus is delivering personal sales and exceptional service to its customers at competitive prices
- Established strong relationships with customers and contractors in the community and provide products and services to a diverse group of customers, including homeowners, builders, and designers

Asien's Appliance Highlights

- Operates **one of the area's oldest appliance stores** and are well known and highly respected throughout the North Bay area
- Strong, established relationships** with customers and contractors in the community
- Provides products and services to a **diverse group of customers**, including homeowners, buildings, and designers
- As a member of BrandSource, a buying group that offers vendor programs, factory direct deals, marketing support, opportunity buys, close-outs, consumer rebates, finance offers, and similar benefits, Asien Appliances offers a **full line of top brands** from U.S. and international manufacturers

Acquisition Details

Purchase Consideration at Fair Value:

Common Shares	\$	1,037,500
Notes Payable		855,000
Cash Paid to Seller (Post-Closing)		233,000
Amount of Consideration		2,125,500

Assets Acquired & Liabilities Assumed at Fair Value:

Cash	\$	1,501,285
Account Receivable		235,746
Inventories		1,457,489
Other Current Assets		41,427
Property & Equipment		157,052
Customer Related Intangibles		462,000
Marketing Related Intangibles		547,000
Accounts Payable & Accrued Expenses		(280,752)
Customer Deposits		(2,405,703)
Notes Payable		(509,272)
Other Liabilities		(23,347)
Net Assets Acquired	\$	1,182,925
Total Net Assets Acquired	\$	1,182,925
Consideration Paid		2,125,500
Goodwill	\$	942,575

Services & Products



Refrigeration



Laundry



Cooking



Housewares



Dishwashers



Outdoor



Small Appliances

Acquisition of ICU Eyewear, a Leading Eyewear Designer

In Feb 2023, 1847 acquired ICU Eyewear for an aggregate purchase price of approximately \$4.5 million

Brief Overview



- ICU Eyewear Holdings Inc. was founded in 1956 and is headquartered in Hollister, California
- ICU Eyewear is a recognized leading designer of Over-the-Counter (OTC), non-prescription reading glasses, sunglasses, blue light blocking eyewear, sun readers and outdoor specialty sunglasses
- ICU is the only OTC eyewear supplier in the U.S. to have meaningful penetration in all significant retail channels including grocery, specialty, office supply, pharmacy, and outdoor sports stores
- ICU's line of distinctive eyewear has earned itself the title of #1 provider of OTC eyewear at Target

ICU's Highlights

- Revenue in Excess of \$19.0 million and \$1.7 million of Adjusted EBITDA in 2021
- ICU has developed a highly profitable and sustainable business model, with solid financials, positive EBITDA and gross margin of approximately 40%
- ICU has 10 brands and a comprehensive and innovative product offering of over 3,000 SKUs across the reading glass, sunglass, and health & personal care segments
- ICU's customer base consists of a broad range of national, regional and specialty retailers comprising over 7,500 retail locations

Acquisition Details

Purchase Consideration at Fair Value:

Common Shares	\$	4,000,000
Notes Payable		500,000
		<u>4,500,000</u>

Assets Acquired & Liabilities Assumed at Fair Value:

Cash	\$	963,625
Account Receivable		2,077,905
Inventories		10,432,728
Other Current Assets		130,094
NBV PP&E		304,256
Intangibles Assets		3,700,000
Other Assets		74,800
Line of Credit		(2,872,206)
Accounts Payable		(5,643,970)
Accrued Liabilities		(191,726)
Net Assets Acquired	\$	8,975,505
Total Net Assets Acquired	\$	8,975,505
Consideration Paid		4,500,000
Goodwill	\$	<u>0</u>

Products



Readers



Sun



Personal Care



Outdoor



The investment criteria includes the following:

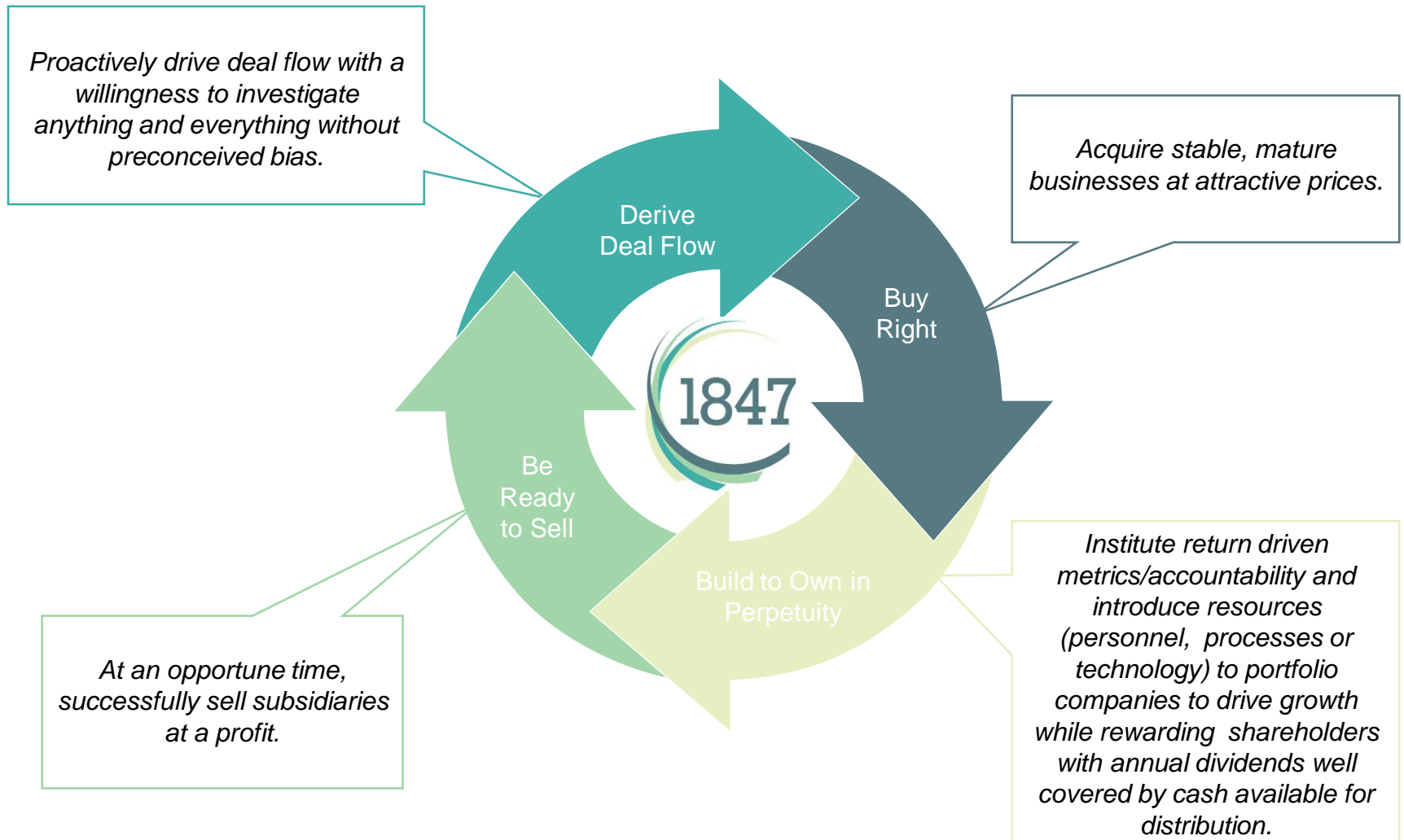
- Revenues of at least **\$5.0 million**
- Current year EBITDA / Pre-tax Income of at least **\$1.5 million** with a history of positive cash flow
- Clearly identifiable “blueprint” for growth with the potential for break-out returns
- Well-positioned companies within our management’s core industry categories (consumer-driven, business-to-business, light manufacturing, and specialty finance)
- Opportunities wherein building management team, infrastructure, and access to capital are the primary drivers of creating value
- Headquartered in North America

Market Opportunity

- Merger and acquisition market for small businesses is highly fragmented and provides significant opportunities to purchase business at attractive prices
- For example, according to the GF Data, platform acquisitions with enterprise values greater than \$50.0 million commanded valuation premiums 30% higher than platform acquisitions with enterprise values less than \$50.0 million (8.2x trailing 12-month adj. EBITDA vs. 6.3x trailing 12-month adj. EBITDA)
- The following factors contribute to lower acquisition multiples for small businesses:
 1. Typically, fewer potential acquirers
 2. 3rd-party financing generally is less available
 3. Sellers of these businesses may consider non-economic features, such as continuing board membership or the effect of sale on their employees
 4. These businesses are generally less frequently sold pursuant to auction process

Repeatable Process

1847 Holdings industry agnostic process applies to all companies and industries





THANK YOU

Corporate Headquarters

1847 Holdings LLC
590 Madison Avenue, 21st Floor
New York, NY 10022

Phone: 212.417.9800
Fax: 917.793.5950
Web: 1847holdings.com

Investor Relations Contact

Crescendo Communications LLC
Chrysler Building
405 Lexington Ave
9th Floor, Suite 9034
New York, NY 10174

Phone: 212.671.1020
Email: efsh@crescendo-ir.com