

***MASTERCRAFT
BOAT HOLDINGS INC.***

FISCAL THIRD QUARTER 2023 RESULTS

MAY 10, 2023



FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events and include, without limitation, projections, forecasts and estimates about possible or assumed future results of the Company's business, financial condition, liquidity, results of operations, plans and objectives. In some cases, you can identify forward-looking statements because they contain words such as "may," "might," "will," "would," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "likely," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions.

These forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by the Company and its management, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, those factors identified in the Company's Annual Report on Form 10-K for 2022 and Quarterly Reports on Form 10-Q for 2023 in the sections titled "Risk factors," "Cautionary note regarding forward-looking statements" and "Management's discussion and analysis of financial condition and results of operations." New risks and uncertainties arise over time, and it is not possible for us to predict all such factors or how they may affect us.

Nothing in this presentation should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Company undertakes no duty to update these forward-looking statements. Certain of the economic and market information contained herein has been obtained from published sources and/or prepared by other parties. Neither the Company nor any of its directors, stockholders, officers, affiliates, employees, agents or advisers, nor any other person, assumes any responsibility for the accuracy, reliability or completeness of any information in this presentation, and we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in expectation or events, conditions or circumstances on which such statements are based.

This presentation includes certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA, EBITDA Margin, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Net Income Per Share. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation for a reconciliation of Net Income, the most directly comparable financial measure prepared in accordance with U.S. GAAP, to EBITDA, Adjusted EBITDA, Adjusted Net Income, and Adjusted Net Income Per Share.

This presentation is confidential and may not be reproduced or otherwise distributed or disseminated, in whole or part, without the prior written consent of the Company, which consent may be withheld in its sole and absolute discretion.

Any investment in the Company will be subject to certain risks related to the nature of the Company's business and the structure and operations of the Company. Any investment in the Company should be made only with an appreciation of the applicable risks, which are described in the Company's filings with the SEC.

We do not provide forward-looking guidance for certain financial measures on a U.S. GAAP basis because we are unable to predict certain items contained in the U.S. GAAP measures without unreasonable efforts. These items may include acquisition-related costs, litigation charges or settlements, impairment charges, and certain other unusual adjustments.

CALL PARTICIPANTS



Fred Brightbill
CEO and Chairman of the Board



Tim Oxley
Chief Financial Officer



George Steinbarger
Chief Revenue Officer



DIVERSIFIED PORTFOLIO OF LEADING BRANDS

SERVING THE FASTEST GROWING CATEGORIES OF THE POWERBOAT INDUSTRY

MasterCraft



SKI-WAKE BOATS

Iconic brand recognized as the premier brand in the fastest-growing, highest-margin category of the powerboat industry, focused on high performance, relentless innovation and the highest quality

CREST



PONTOON BOATS

Growing pontoon brand delivering consumers a broad product offering of high-quality, stylish and comfortable boats at an incredible value



AVIARA



LUXURY DAY BOATS

De novo brand that creates an elevated open water experience by fusing progressive European style and effortless comfort with American engineering



FISCAL THIRD QUARTER 2023 RESULTS

THIRD QUARTER 2023 EARNINGS HIGHLIGHTS



Better-Than-Expected Third Quarter Financial Results

- Net sales of \$166.8M, down 1.5% YoY
- Adjusted EBITDA of \$33.0M, down 5.8% YoY
- Diluted Adjusted Net Income per share of \$1.36, matching record FY22 Q3
- Record operating cash flow, more than double prior year period



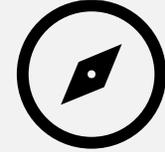
Operational Excellence Providing Abundant Flexibility

- Operating performance yielding record cash flow
- Fortress balance sheet provides resilience and flexibility
- Well positioned to pursue capital allocation priorities
- Laying the foundation for future growth with targeted initiatives



Dealer Inventories Optimized

- Exceptional product availability for the summer selling season:
 - Optimal dealer inventories
 - Robust and innovative product portfolio
- Seeing return of more historical consumer demand and seasonality
- Inventories still approximately 20% lower than Q3 FY19



Raising Full Year Guidance on Strong Performance

- Net sales of approximately \$656M
- Adjusted EBITDA of approximately \$125M
- Adjusted Earnings Per Share approximately \$5.05
- Capital expenditures in the \$30M range



- Dealer inventories refilled to optimal levels ahead of summer selling season
- Now guiding to a third consecutive year of record-setting net sales and adjusted earnings per share

THIRD QUARTER 2023 COMPARATIVE RESULTS

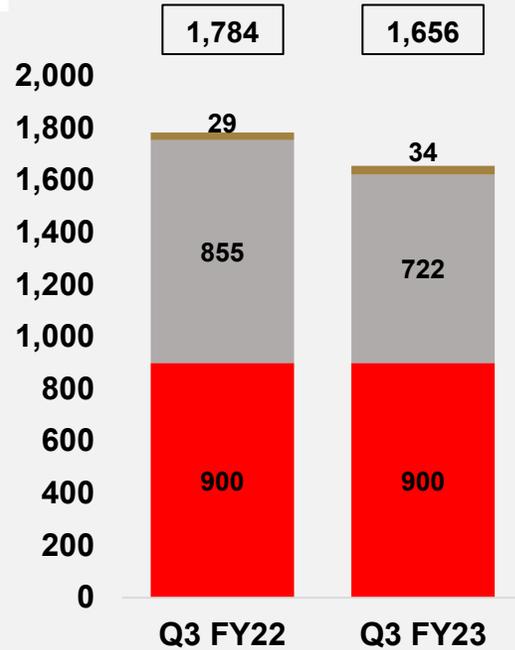
NET SALES (\$'s in millions)



■ **MasterCraft** ■ **CREST** ■ **AVIARA**

- Net sales of \$166.8M, down 1.5%

UNIT VOLUME



■ **MasterCraft** ■ **CREST** ■ **AVIARA**

- Wholesale units of 1,656, down 7.2%

ADJUSTED EBITDA (\$'s in millions)



- Adjusted EBITDA of \$33.0M, down 5.8%

ADJUSTED DILUTED NET INCOME PER SHARE



- \$1.36 per share, matching prior Q3 record

THIRD QUARTER 2023 YTD COMPARATIVE RESULTS

NET SALES

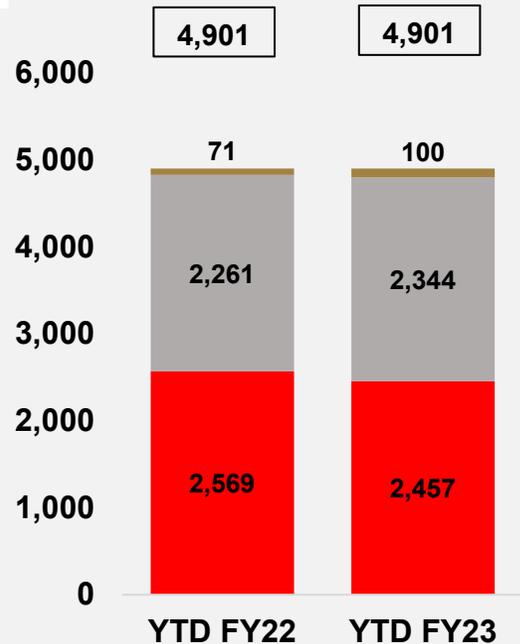
(\$'s in millions)



■ **MasterCraft** ■ **CREST** ■ **AVIARA**

- Increased to a record \$495.5 million, up 11.5%

UNIT VOLUME



■ **MasterCraft** ■ **CREST** ■ **AVIARA**

- 4,901 wholesale units matched prior record Q3 YTD period

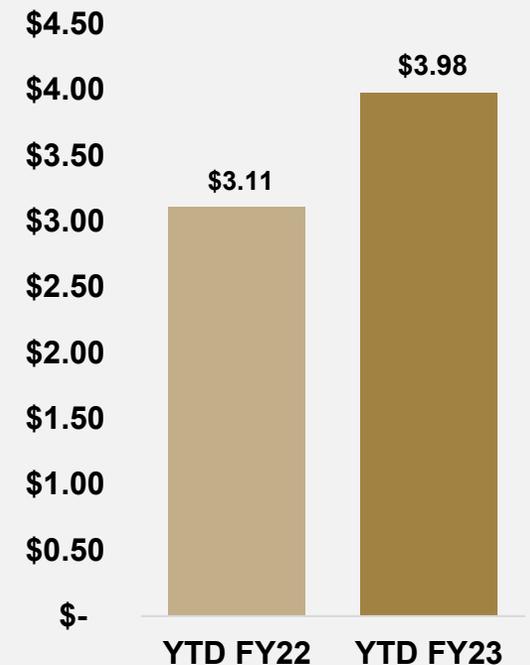
ADJUSTED EBITDA

(\$'s in millions)



- Increased to a record \$98.7 million, up 19.0%

ADJUSTED DILUTED NET INCOME PER SHARE



- Increased to a record \$3.98 per share, up 28.0%

CASH FLOW AND CAPITAL ALLOCATION

OPERATING CASH FLOW

(\$'s in millions)



- More than doubled to a record \$107.4 million
- Driven by record earnings and diligent working capital management

FREE CASH FLOW

(\$'s in millions)



- More than doubled to a record \$88.5 million
- Well positioned to pursue capital allocation priorities

KEY METRICS

(\$'s in millions)

Cash and Investments	\$101.4
Total Debt	\$54.4
Capital Expenditures (YTD)	\$18.9
Share Repurchase (YTD)	\$16.0

CAPITAL ALLOCATION FRAMEWORK



Financial Resilience



Investments in Growth



Excess Capital Return



FISCAL YEAR 2023 GUIDANCE



METRIC	FY 2023
Net Sales	Approximately \$656M
Adjusted EBITDA	Approximately \$125M
Adjusted EPS	Approximately \$5.05
Capital Expenditures	Approximately \$30M

- Represents expectations for our continuing operations only
- Raising guidance for full year on strong performance and incremental retail demand visibility

APPENDIX

THIRD QUARTER ADJUSTED EBITDA RECONCILIATION

- The following table sets forth a reconciliation of net income from continuing operations as determined in accordance with U.S. GAAP to EBITDA and adjusted EBITDA and net income from continuing operations margin to EBITDA margin and adjusted EBITDA margin (each expressed as a percentage of net sales) for the periods indicated:

(\$ in thousands)	Q3 FY23	% of sales	Q3 FY22	% of sales
Net income from continuing operations	\$22,782	13.7%	\$24,306	14.4%
Income tax expense	6,744		6,957	
Interest expense	695		341	
Interest income	(1,195)		-	
Depreciation and amortization	2,622		2,507	
EBITDA	\$31,648	19.0%	\$34,111	20.1%
Share-based compensation	1,026		894	
Business development consulting costs ⁽¹⁾	312		-	
Adjusted EBITDA	\$32,986	19.8%	\$35,005	20.7%

1) Represents non-recurring third-party costs associated with business development activities, primarily relating to consulting costs for evaluation and execution of internal growth and other strategic initiatives.

THIRD QUARTER YTD ADJUSTED EBITDA RECONCILIATION

- The following table sets forth a reconciliation of net income from continuing operations as determined in accordance with U.S. GAAP to EBITDA and adjusted EBITDA and net income from continuing operations margin to EBITDA margin and adjusted EBITDA margin (each expressed as a percentage of net sales) for the periods indicated:

(\$ in thousands)	Q3 FY23 YTD	% of sales	Q3 FY22 YTD	% of sales
Net income from continuing operations	\$67,400	13.6%	\$54,397	12.2%
Income tax expense	20,353		16,126	
Interest expense	1,923		1,080	
Interest income	(1,967)		-	
Depreciation and amortization	7,833		7,329	
EBITDA	\$95,542	19.3%	\$78,932	17.8%
Impairments ⁽¹⁾	-		1,100	
Share-based compensation	2,892		2,927	
Business development consulting costs ⁽²⁾	312		-	
Adjusted EBITDA	\$98,746	19.9%	\$82,959	18.7%

1) Represents a non-cash charge recorded in the Aviara segment for impairment of goodwill.

2) Represents non-recurring third-party costs associated with business development activities, primarily relating to consulting costs for evaluation and execution of internal growth and other strategic initiatives.

THIRD QUARTER ADJUSTED NET INCOME RECONCILIATION

- The following table sets forth a reconciliation of net income from continuing operations as determined in accordance with U.S. GAAP to adjusted net income for the periods indicated:

(\$ in thousands, except per share and share amounts)	Q3 FY23	Q3 FY22
Net income from continuing operations	\$22,782	\$24,306
Income tax expense	6,744	6,957
Amortization of acquisition intangibles	462	462
Share-based compensation	1,026	894
Business development consulting costs ⁽¹⁾	312	-
Adjusted net income before income taxes	\$31,326	\$32,619
Adjusted income tax expense ⁽²⁾	7,205	7,502
Adjusted net income	\$24,121	\$25,117
Adjusted net income per share		
Basic	\$1.37	\$1.37
Diluted	\$1.36	\$1.36
Weighted average shares used for the computation of: ⁽³⁾		
Basic adjusted net income per share	17,559,920	18,295,949
Diluted adjusted net income per share	17,748,910	18,487,346

- 1) Represents non-recurring third-party costs associated with business development activities, primarily relating to consulting costs for evaluation and execution of internal growth and other strategic initiatives.
- 2) Reflects income tax expense at an income tax rate of 23.0% for each period presented.
- 3) Represents the Weighted Average Shares used for the computation of Basic and Diluted earnings per share as presented on the Consolidated Statements of Operations to calculate Adjusted Net Income per diluted share for all periods presented herein.

THIRD QUARTER YTD ADJUSTED NET INCOME RECONCILIATION

- The following table sets forth a reconciliation of net income from continuing operations as determined in accordance with U.S. GAAP to adjusted net income for the periods indicated:

	Q3 FY23 YTD	Q3 FY22 YTD
(\$ in thousands, except per share and share amounts)		
Net income from continuing operations	\$67,400	\$54,397
Income tax expense	20,353	16,126
Impairments ⁽¹⁾	-	1,100
Amortization of acquisition intangibles	1,386	1,386
Share-based compensation	2,892	2,927
Business development consulting costs ⁽²⁾	312	-
Adjusted net income before income taxes	\$92,343	\$75,936
Adjusted income tax expense ⁽³⁾	21,239	17,465
Adjusted net income	\$71,104	\$58,471
Adjusted net income per share		
Basic	\$4.01	\$3.14
Diluted	\$3.98	\$3.11
Weighted average shares used for the computation of:⁽⁴⁾		
Basic adjusted net income per share	17,725,208	18,622,878
Diluted adjusted net income per share	17,851,655	18,796,867

- 1) Represents a non-cash charge recorded in the Aviara segment for impairment of goodwill.
- 2) Represents non-recurring third-party costs associated with business development activities, primarily relating to consulting costs for evaluation and execution of internal growth and other strategic initiatives.
- 3) Reflects income tax expense at an income tax rate of 23.0% for each period presented.
- 4) Represents the Weighted Average Shares used for the computation of Basic and Diluted earnings per share as presented on the Consolidated Statements of Operations to calculate Adjusted Net Income per diluted share for all periods presented herein.

THIRD QUARTER ADJUSTED NET INCOME PER SHARE RECONCILIATION

- The following table sets forth a reconciliation of net income from continuing operations per diluted share as determined in accordance with U.S. GAAP to adjusted net income per diluted share for the periods indicated:

	Q3 FY23	Q3 FY22
Net income from continuing operations per diluted share	\$1.28	\$1.31
Income tax expense	0.38	0.38
Amortization of acquisition intangibles	0.03	0.02
Share-based compensation	0.06	0.05
Business development consulting costs ⁽¹⁾	0.02	-
Adjusted net income per diluted share before income taxes	\$1.77	\$1.76
Impact of adjusted income tax expense on net income per diluted share before income taxes ⁽²⁾	(0.41)	(0.40)
Adjusted net income per diluted share	\$1.36	\$1.36

- 1) Represents non-recurring third-party costs associated with business development activities, primarily relating to consulting costs for evaluation and execution of internal growth and other strategic initiatives.
- 2) Reflects income tax expense at an income tax rate of 23.0% for each period presented.

THIRD QUARTER YTD ADJUSTED NET INCOME PER SHARE RECONCILIATION

- The following table sets forth a reconciliation of net income from continuing operations per diluted share as determined in accordance with U.S. GAAP to adjusted net income per diluted share for the periods indicated:

	Q3 FY23 YTD	Q3 FY22 YTD
Net income from continuing operations per diluted share	\$3.78	\$2.89
Income tax expense	1.14	0.87
Impairments ⁽¹⁾	-	0.06
Amortization of acquisition intangibles	0.08	0.07
Share-based compensation	0.16	0.16
Business development consulting costs ⁽²⁾	0.02	-
Adjusted net income before income taxes	5.18	4.05
Impact of adjusted income tax expense on net income per diluted share before income taxes ⁽³⁾	(1.20)	(0.94)
Adjusted net income per diluted share	\$3.98	\$3.11

- 1) Represents a non-cash charge recorded in the Aviara segment for impairment of goodwill.
- 2) Represents non-recurring third-party costs associated with business development activities, primarily relating to consulting costs for evaluation and execution of internal growth and other strategic initiatives.
- 3) Reflects income tax expense at an income tax rate of 23.0% for each period presented.

THIRD QUARTER YTD FREE CASH FLOW RECONCILIATION

The following table sets forth a reconciliation of net cash provided by operating activities of continuing operations as determined in accordance with U.S. GAAP to free cash flow for the periods indicated:

(\$ in thousands)	Q3 FY23 YTD	Q3 FY22 YTD
Net cash provided by operating activities of continuing operations	\$107,365	\$51,863
Purchases of property, plant and equipment	(18,871)	(8,021)
Free cash flow	\$88,494	\$43,842

MASTERCRAFT BOAT HOLDINGS INC.

MasterCraft


CREST


AVIARA