

***MASTERCRAFT  
BOAT HOLDINGS INC.***

# **FISCAL FOURTH QUARTER & 2022 RESULTS**

September 8, 2022



# 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 2021 and Quarterly Reports on Form 10-Q for 2022 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.

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This presentation includes certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA, 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 (Loss), the most directly comparable financial measure prepared in accordance with U.S. GAAP, to Adjusted EBITDA, Adjusted Net Income, and Adjusted Net Income Per Share.

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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.

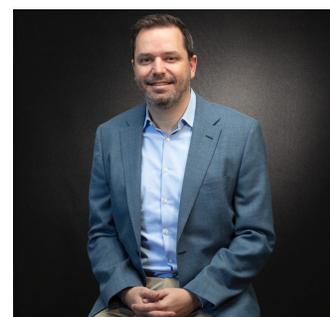
# CALL PARTICIPANTS



**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

A speedboat is shown from a low angle, resting on a sandy beach. The boat's hull is dark and reflects the warm, golden light of the setting sun. The background is a soft, hazy sky with a distant shoreline. The overall mood is serene and professional.

# FISCAL FOURTH QUARTER & 2022 RESULTS

# FISCAL 2022 EARNINGS HIGHLIGHTS



## Record Financial Results

- Second consecutive record-setting year
- Record net sales of \$707.9 million, up 34.6%
- Record Diluted Adjusted Net Income per share of \$4.54, up 37.2%
- Record Adjusted EBITDA of \$121.1 million, up 30.5%



## Resilient Performance Despite Production Constraints

- Wholesale units up 14.2% vs. fiscal 2021
- Most units produced in any year
- Production limited by supply chain, and operational challenges at NauticStar
- MasterCraft, Crest and Aviara gained market share versus top competitors



## Industry-Leading Innovation and Organic Growth

- Remarkable new product and feature announcements across our brands
- MasterCraft brand net sales up nearly 33%
- Crest net sales up more than 37%
- Aviara net sales up nearly 180%



## Guiding to a Strong Fiscal 2023

- Net sales between \$580M to and \$615M
- Adjusted EBITDA between \$105M and \$115M
- Adjusted Earnings Per Share between \$3.89 and \$4.31
- Capital expenditures in the \$30 million range



- Delivered second consecutive year of record results despite a challenging supply chain environment
- Guiding to second-best year in the Company's history

# RECORD FULL-YEAR RESULTS

## NET SALES (\$'s in millions)



## ADJUSTED EBITDA (\$'s in millions)



## ADJUSTED NET INCOME PER SHARE



Achieved record Net Sales, Adjusted EBITDA, and Adjusted Net Income Per Share in fiscal 2022, eclipsing the previous records posted in fiscal 2021

# MASTERCRAFT TAKES MARKET SHARE

- Our ability to ramp up production faster than our largest competitors has been key to gaining market share
- Enabled MasterCraft to outgain top brands by 80 to 240 basis points for 12 months ended March 31
- Solidifies MasterCraft as #1 ski-wake brand

Rank	Ski-Wake Brand	Market Share <sup>(1)</sup>	Y-o-Y Change <sup>(2)</sup>
1	<b><i>MasterCraft</i></b>	<b>21.3%</b>	<b>0.4%</b>
2	Malibu	19.3%	(1.3)%
3	Nautique	13.9%	(2.1)%
4	Axis Wake Research	10.5%	(0.4)%

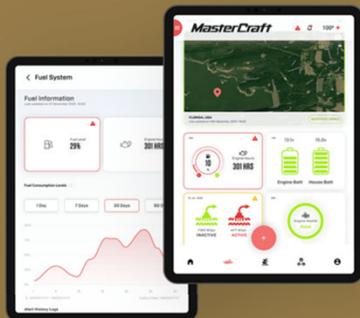
(1) Ski-wake category market share per Statistical Surveys, Inc. data for the rolling 12-month period ended March 31, 2022; all states reporting.

(2) Change in market share as compared to the rolling 12-month period ended March 31, 2021; all states reporting.

# MASTERCRAFT MODEL YEAR 2023 INNOVATIONS

## Telematics and MasterCraft Connect App

- New, standard onboard telematics
- Provides ability to stay connected to the boat remotely
- Allows monitoring of boat's health, critical data, and ability to alert dealer for service needs



**MasterCraft  
CONNECT**

## 6.2L Supercharged Engine World's most powerful towboat engine



## Easy to Use Swim Step



## Completely Redesigned XT20



## All-New XT22 T



# FISCAL 2022 RESULTS

## NET SALES

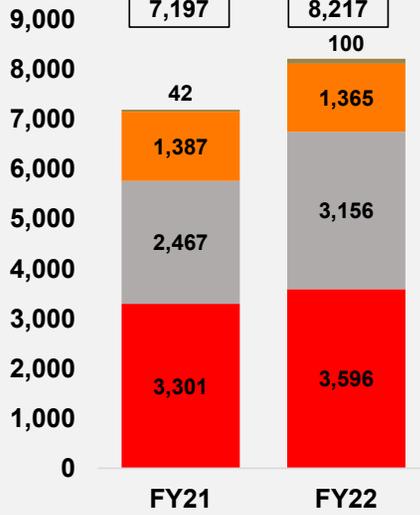
(\$'s in millions)



■ MasterCraft ■ Crest  
■ NauticStar ■ Aviara

- Increased to a record \$707.9 million, up 34.6%

## UNIT VOLUME



■ MasterCraft ■ Crest  
■ NauticStar ■ Aviara

- Increased to a record 8,217 units, up 14.2%

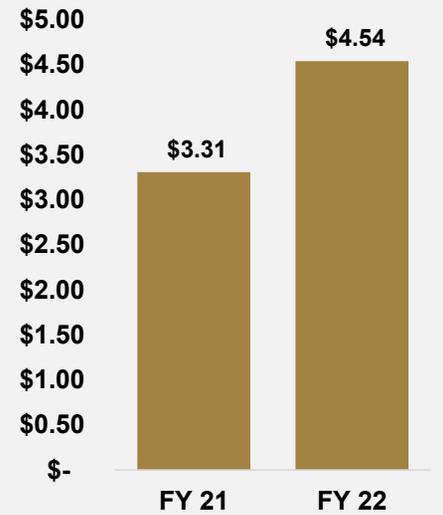
## ADJUSTED EBITDA

(\$'s in millions)



- Increased to a record \$121.1 million, up 30.5%

## ADJUSTED NET INCOME PER SHARE



- Increased to a record \$4.54 per share, up 37.2%

# FOURTH QUARTER 2022 RESULTS

## NET SALES

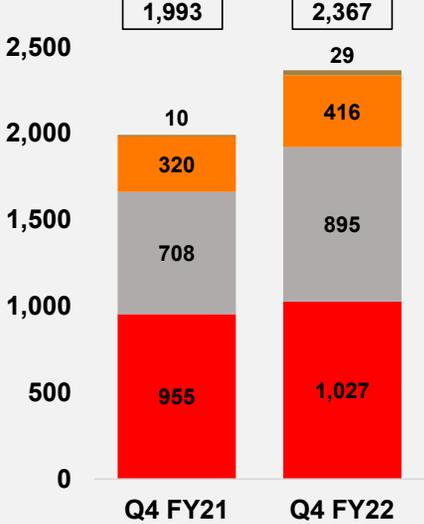
(\$'s in millions)



■ MasterCraft ■ Crest  
■ NauticStar ■ Aviara

- Increased to a record \$217.7 million, up 40%

## UNIT VOLUME

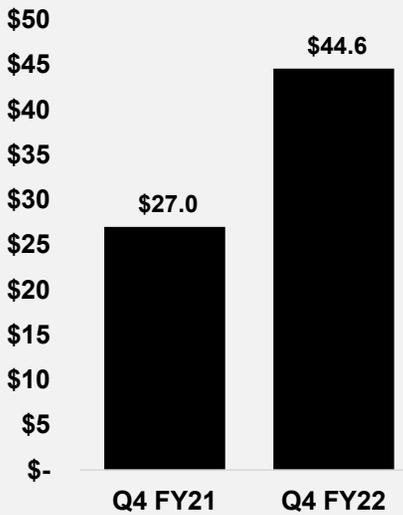


■ MasterCraft ■ Crest  
■ NauticStar ■ Aviara

- Increased to a fourth-quarter record of 2,367 units, up 18.8%

## ADJUSTED EBITDA

(\$'s in millions)



- Increased to a record \$44.6 million, up 65.6%

## ADJUSTED DILUTED NET INCOME PER SHARE

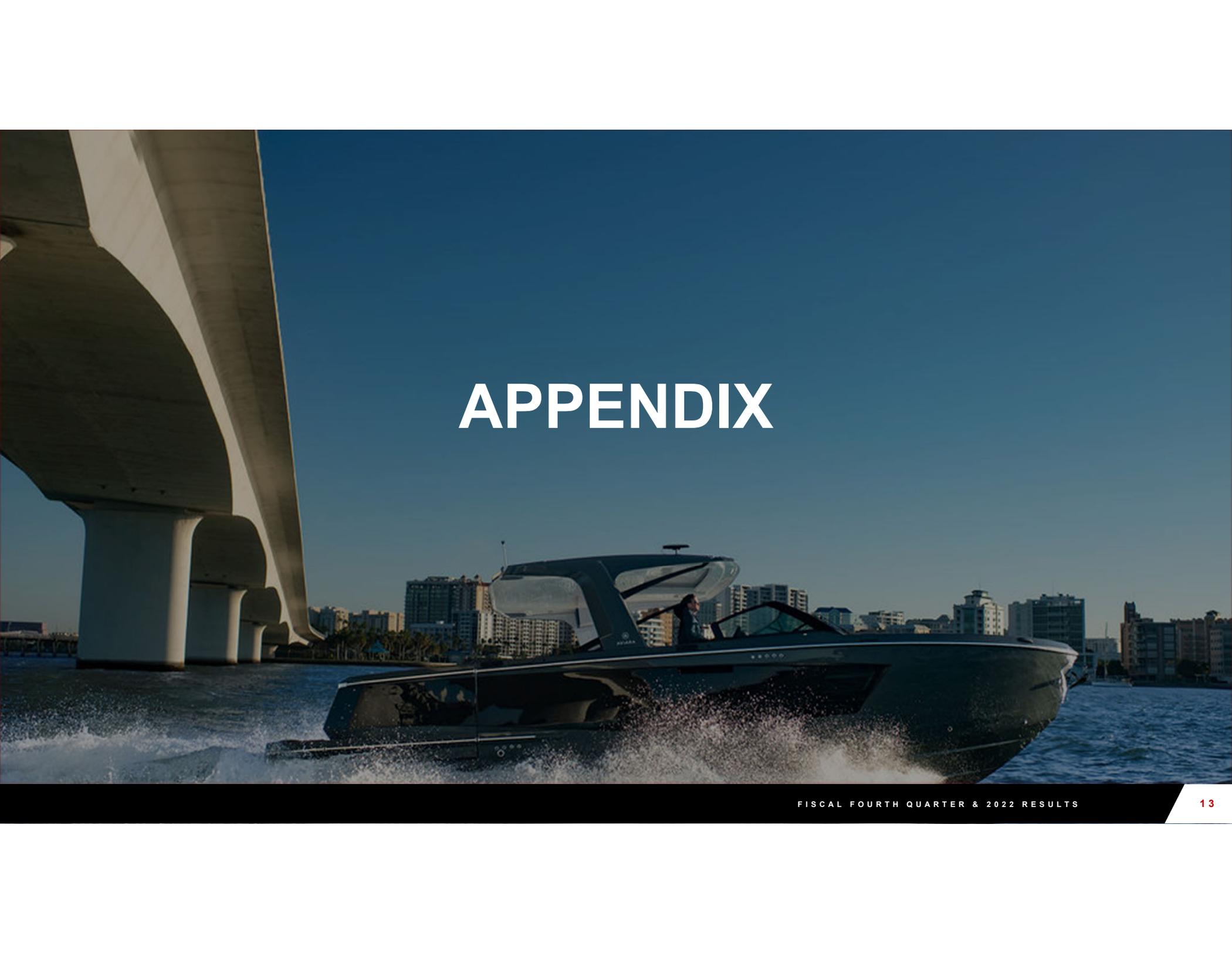


- Increased to a record \$1.77 per share, up 80.6%

# FISCAL YEAR 2023 GUIDANCE

- Divested NauticStar business during Q1 fiscal 2023
- Beginning Q1 fiscal 2023, will report NauticStar as discontinued operations, separate from the results of our continuing operations
- Our guidance represents expectations for our continuing operations only

<b>METRIC</b>	<b>FY 2023 Q1</b>	<b>FY 2023</b>
<b>Net Sales</b>	Approximately \$165M	Between \$580M and \$615M
<b>Adjusted EBITDA Margin</b>	Approximately \$33.5M	Between \$105M and \$115M
<b>Adjusted EPS</b>	Approximately \$1.30	Between \$3.89 and \$4.31
<b>Capital Expenditures</b>	N/A	Approximately \$30 million

A dark speedboat is shown from a low angle, moving quickly across the water. The boat is creating a large splash of white water behind it. In the background, a city skyline with several high-rise buildings is visible under a clear blue sky. To the left, the large, white, curved concrete structure of a bridge dominates the foreground, framing the scene.

# APPENDIX

# FOURTH QUARTER ADJUSTED EBITDA RECONCILIATION

- The following table sets forth a reconciliation of net income as determined in accordance with GAAP to adjusted EBITDA for the periods indicated:

(\$ in thousands)	Q4 FY22	% of sales	Q4 FY21	% of sales
<b>Net income</b>	<b>\$11,491</b>	<b>5.3%</b>	<b>\$16,534</b>	<b>10.6%</b>
Income tax expense	3,891		5,026	
Interest expense	391		748	
Depreciation and amortization	3,460		3,082	
<b>EBITDA</b>	<b>\$19,233</b>	<b>8.8%</b>	<b>\$25,390</b>	<b>16.3%</b>
Impairments <sup>(1)</sup>	23,833		-	
Share-based compensation	583		800	
Operational improvement initiative <sup>(2)</sup>	984		-	
Debt refinancing charges <sup>(3)</sup>	-		769	
<b>Adjusted EBITDA</b>	<b>\$44,633</b>	<b>20.5%</b>	<b>\$26,959</b>	<b>17.3%</b>

- 1) Represents a non-cash charge of \$23.8 million recorded in the NauticStar segment for impairment of other intangible and fixed assets.
- 2) Represents third-party consulting fees associated with the operational improvement initiative at our NauticStar segment.
- 3) Represents loss recognized upon refinancing the Company's debt in fiscal 2021. The loss is comprised of unamortized debt issuance costs related to the previously existing credit facility and third-party legal costs associated with the refinancing.

# FISCAL YEAR 2022 ADJUSTED EBITDA RECONCILIATION

- The following table sets forth a reconciliation of net income as determined in accordance with GAAP to adjusted EBITDA for the periods indicated:

(\$ in thousands)	FY2022	% of sales	FY2021	% of sales
<b>Net income</b>	<b>\$58,214</b>	<b>8.2%</b>	<b>\$56,170</b>	<b>10.7%</b>
Income tax expense	18,172		15,658	
Interest expense	1,471		3,392	
Depreciation and amortization	13,614		11,630	
<b>EBITDA</b>	<b>\$91,471</b>	<b>12.9%</b>	<b>\$86,850</b>	<b>16.5%</b>
Impairments <sup>(1)</sup>	24,933		-	
Share-based compensation	3,458		2,984	
Operational improvement initiative <sup>(2)</sup>	1,216		-	
Aviara transition costs <sup>(3)</sup>	-		2,150	
Debt refinancing charges <sup>(4)</sup>	-		769	
<b>Adjusted EBITDA</b>	<b>\$121,078</b>	<b>17.1%</b>	<b>\$92,753</b>	<b>17.6%</b>

- 1) Represents non-cash charges of \$1.1 million recorded in the Aviara segment for impairment of goodwill and \$23.8 million recorded in our NauticStar segment for impairment of other intangible and fixed assets.
- 2) Represents third-party consulting fees associated with the operational improvement initiative at our NauticStar segment.
- 3) Represents costs to transition production of the Aviara brand from Vonore, Tennessee to Merritt Island, Florida. Costs include duplicative overhead costs and costs not indicative of ongoing operations (such as training and facility preparation).
- 4) Represents loss recognized upon refinancing the Company's debt in fiscal 2021. The loss is comprised of unamortized debt issuance costs related to the previously existing credit facility and third-party legal costs associated with the refinancing.

# FOURTH QUARTER ADJUSTED NET INCOME RECONCILIATION

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

(\$ in thousands, except per share and share amounts)	Q4 FY22	Q4 FY21
<b>Net income</b>	<b>\$11,491</b>	<b>\$16,534</b>
Income tax expense	3,891	5,026
Impairments <sup>(1)</sup>	23,833	-
Amortization of acquisition intangibles	961	961
Share-based compensation	583	800
Operational improvement initiative <sup>(2)</sup>	984	-
Debt refinancing charges <sup>(3)</sup>	-	769
<b>Adjusted net income before income taxes</b>	<b>\$41,743</b>	<b>\$24,090</b>
Adjusted income tax expense <sup>(4)</sup>	9,602	5,541
<b>Adjusted net income</b>	<b>\$32,141</b>	<b>\$18,549</b>
<b>Adjusted net income per share</b>		
Basic	\$1.79	\$0.99
Diluted	\$1.77	\$0.98
<b>Weighted average shares used for the computation of:</b> <sup>(5)</sup>		
Basic adjusted net income per share	17,952,267	18,822,231
Diluted adjusted net income per share	18,155,449	19,021,220

- 1) Represents a non-cash charge of \$23.8 million recorded in the NauticStar segment for impairment of other intangible and fixed assets.
- 2) Represents third-party consulting fees associated with the operational improvement initiative at our NauticStar segment.
- 3) Represents loss recognized upon refinancing the Company's debt in fiscal 2021. The loss is comprised of unamortized debt issuance costs related to the previously existing credit facility and third-party legal costs associated with the refinancing.
- 4) Reflects income tax expense at an income tax rate of 23.0% for each period presented.
- 5) Represents the Weighted Average Shares Used for the Computation of Basic and Diluted earnings (loss) per share as presented on the Consolidated Statements of Operations to calculate Adjusted Net Income per diluted share for all periods presented herein.

# FISCAL YEAR 2022 ADJUSTED NET INCOME RECONCILIATION

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

(\$ in thousands, except per share and share amounts)	FY2022	FY2021
<b>Net income</b>	<b>\$58,214</b>	<b>\$56,170</b>
Income tax expense	18,172	15,658
Impairments <sup>(1)</sup>	24,933	-
Amortization of acquisition intangibles	3,881	3,842
Share-based compensation	3,458	2,984
Operational improvement initiative <sup>(2)</sup>	1,216	-
Aviara transition costs <sup>(3)</sup>	-	2,150
Debt refinancing charges <sup>(4)</sup>	-	769
<b>Adjusted net income before income taxes</b>	<b>\$109,874</b>	<b>\$81,573</b>
Adjusted income tax expense <sup>(5)</sup>	25,271	18,762
<b>Adjusted net income</b>	<b>\$84,603</b>	<b>\$62,811</b>
<b>Adjusted net income per share</b>		
Basic	\$4.58	\$3.34
Diluted	\$4.54	\$3.31
<b>Weighted average shares used for the computation of:<sup>(6)</sup></b>		
Basic adjusted net income per share	18,455,226	18,805,464
Diluted adjusted net income per share	18,636,512	18,951,521

- 1) Represents non-cash charges of \$1.1 million recorded in the Aviara segment for impairment of goodwill and \$23.8 million recorded in our NauticStar segment for impairment of other intangible and fixed assets.
- 2) Represents third-party consulting fees associated with the operational improvement initiative at our NauticStar segment.
- 3) Represents costs to transition production of the Aviara brand from Vonore, Tennessee to Merritt Island, Florida. Costs include duplicative overhead costs and costs not indicative of ongoing operations (such as training and facility preparation).
- 4) Represents loss recognized upon refinancing the Company's debt in fiscal 2021. The loss is comprised of unamortized debt issuance costs related to the previously existing credit facility and third-party legal costs associated with the refinancing.
- 5) Reflects income tax expense at an income tax rate of 23.0% for each period presented.
- 6) Represents the Weighted Average Shares Used for the Computation of Basic and Diluted earnings (loss) per share as presented on the Consolidated Statements of Operations to calculate Adjusted Net Income per diluted share for all periods presented herein.

# FOURTH QUARTER ADJUSTED NET INCOME PER SHARE RECONCILIATION

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

(\$ in thousands, except per share amounts)	Q4 FY22	Q4 FY21
<b>Net income per diluted share</b>	<b>\$0.63</b>	<b>\$0.87</b>
Income tax expense	0.22	0.27
Impairments <sup>(1)</sup>	1.31	-
Amortization of acquisition intangibles	0.05	0.05
Share-based compensation	0.03	0.04
Operational improvement initiative <sup>(2)</sup>	0.05	-
Debt refinancing charges <sup>(3)</sup>	-	0.04
<b>Adjusted net income per diluted share before income taxes</b>	<b>\$2.29</b>	<b>\$1.27</b>
Impact of adjusted income tax expense on net income per diluted share before income taxes <sup>(4)</sup>	(0.52)	(0.29)
<b>Adjusted net income per diluted share</b>	<b>\$1.77</b>	<b>\$0.98</b>

- 1) Represents a non-cash charge of \$23.8 million recorded in the NauticStar segment for impairment of other intangible and fixed assets.
- 2) Represents third-party consulting fees associated with the operational improvement initiative at our NauticStar segment.
- 3) Represents loss recognized upon refinancing the Company's debt in fiscal 2021. The loss is comprised of unamortized debt issuance costs related to the previously existing credit facility and third-party legal costs associated with the refinancing.
- 4) Reflects income tax expense at an income tax rate of 23.0% for each period presented.

# FISCAL YEAR 2022 ADJUSTED NET INCOME PER SHARE RECONCILIATION

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

(\$ in thousands, except per share amounts)	FY2022	FY2021
<b>Net income</b>	<b>\$3.12</b>	<b>\$2.96</b>
Income tax expense	0.98	0.83
Impairments <sup>(1)</sup>	1.34	-
Amortization of acquisition intangibles	0.21	0.20
Share-based compensation	0.19	0.16
Operational improvement initiative <sup>(2)</sup>	0.07	-
Aviara transition costs <sup>(3)</sup>	-	0.11
Debt refinancing charges <sup>(4)</sup>	-	0.04
<b>Adjusted net income before income taxes</b>	<b>5.91</b>	<b>4.30</b>
Impact of adjusted income tax expense on net income per diluted share before income taxes <sup>(5)</sup>	(1.37)	(0.99)
<b>Adjusted net income per diluted share</b>	<b>\$4.54</b>	<b>\$3.31</b>

- 1) Represents non-cash charges of \$1.1 million recorded in the Aviara segment for impairment of goodwill and \$23.8 million recorded in our NauticStar segment for impairment of other intangible and fixed assets.
- 2) Represents third-party consulting fees associated with the operational improvement initiative at our NauticStar segment.
- 3) Represents costs to transition production of the Aviara brand from Vonore, Tennessee to Merritt Island, Florida. Costs include duplicative overhead costs and costs not indicative of ongoing operations (such as training and facility preparation).
- 4) Represents loss recognized upon refinancing the Company's debt in fiscal 2021. The loss is comprised of unamortized debt issuance costs related to the previously existing credit facility and third-party legal costs associated with the refinancing.
- 5) Reflects income tax expense at an income tax rate of 23.0% for each period presented.

# ***MASTERCRAFT BOAT HOLDINGS INC.***

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***MasterCraft***

  
**CREST**

  
**AVIARA**