

**MASTERCRAFT  
BOAT HOLDINGS INC.**

# Fiscal Fourth Quarter & 2024 Results

August 29, 2024



# 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 Fiscal Year 2024 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 (Loss), and Adjusted Net Income (Loss) 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 EBITDA, Adjusted EBITDA, Adjusted Net Income (Loss), and Adjusted Net Income (Loss) 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.

Unless otherwise noted, the commentary herein is made on a continuing operations basis.

# Call Participants



**Brad Nelson**  
Chief Executive Officer



**Tim Oxley**  
Chief Financial Officer





**MasterCraft**



#1 ski-wake brand<sup>(1)</sup>



Most-awarded in ski-wake



Iconic marine brand



**CREST**



Leading pontoon brand



Runway for continued growth



65+ years of brand equity



**BALISE**



Innovative luxury pontoon brand



De novo brand with growth potential



Emphasis on premium positioning



(1) Source: SSI Data; preliminary R12 retail sales data as of July 31, 2024



# Fiscal Fourth Quarter & 2024 Results

# Fiscal 2024 Earnings Overview



## Financial Results Above Recent Expectations

- Net sales of \$366.6 million
- Diluted Adjusted Net Income per share of \$1.22
- Adjusted EBITDA of \$32.9 million



## Resilient Balance Sheet Provides Abundant Flexibility

- Returned >\$16 million of capital through share repurchase program
- Strong balance sheet positions us well to pursue capital allocation priorities
- Laying the foundation for long-term growth with targeted initiatives (i.e. Balise)



## Rebalancing Dealer Inventories

- Substantial destocking of field inventory levels during year
- Economic uncertainty and elevated interest rates driving up inventory levels and dealer carrying costs
- Rebalancing inventories as we prioritize long-term dealer health



## Balise Pontoon Launch

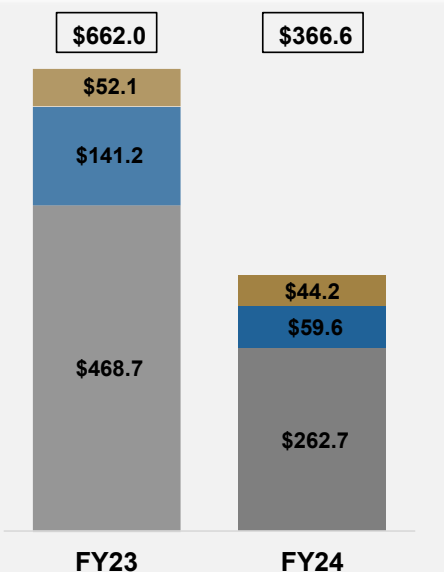
- Launch of luxury pontoon brand, Balise, in Q4
- Minimal capital investment as we leverage existing facility
- Accretive to Pontoon Segment
- Profitable in year one
- Largely incremental dealer network in expansive markets



# Fiscal Year Comparative Results

## Net Sales\*

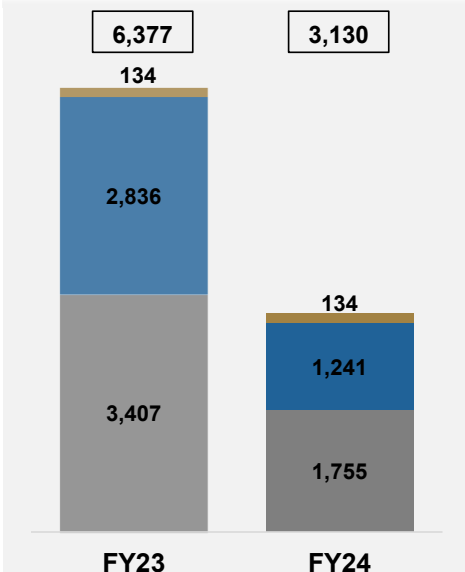
(\$'s in millions)



- Net sales of \$366.6 million, down 45% from FY23

\*Totals may not tie due to rounding

## Unit Volume



- Wholesale units of 3,130, down 51% from FY23

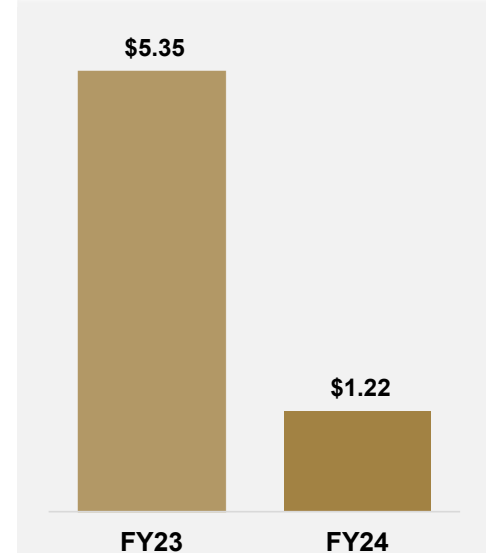
## Adjusted EBITDA

(\$'s in millions)



- Adjusted EBITDA of \$32.9 million, down 75% from FY23

## Adjusted Diluted Net Income Per Share

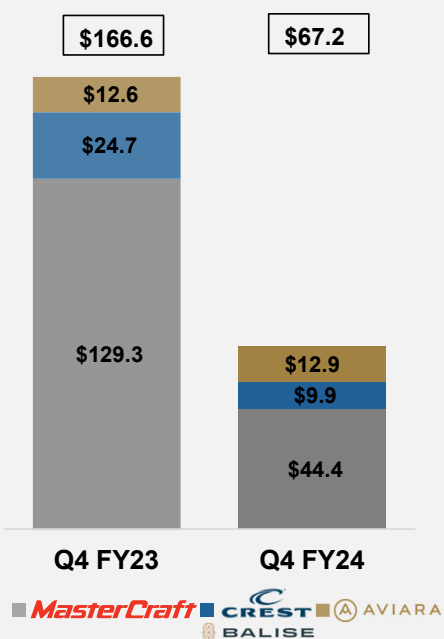


- Adjusted Diluted Net Income of \$1.22 per share, compared to \$5.35 in FY23

# Fourth Quarter Comparative Results

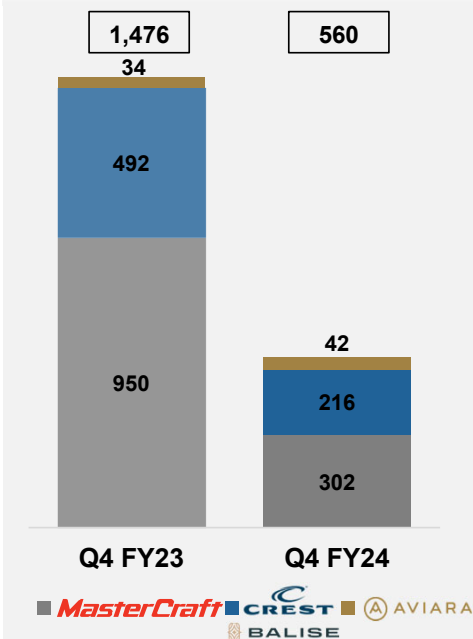
## Net Sales

(\$'s in millions)



- Net sales of \$67.2 million, down 60% from Q4 FY23

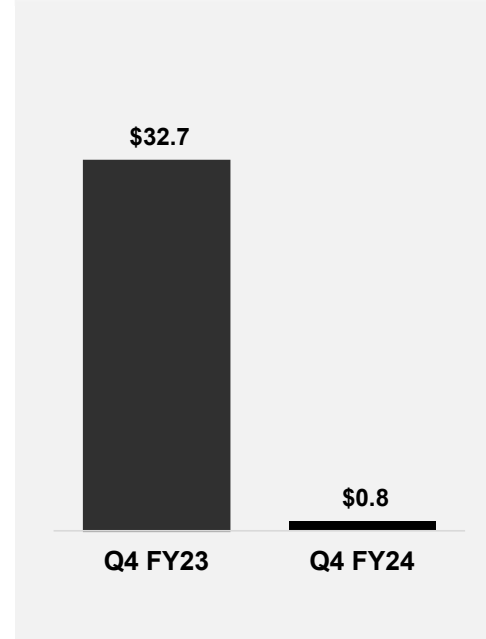
## Unit Volume



- Wholesale units of 560, down 62% from Q4 FY23

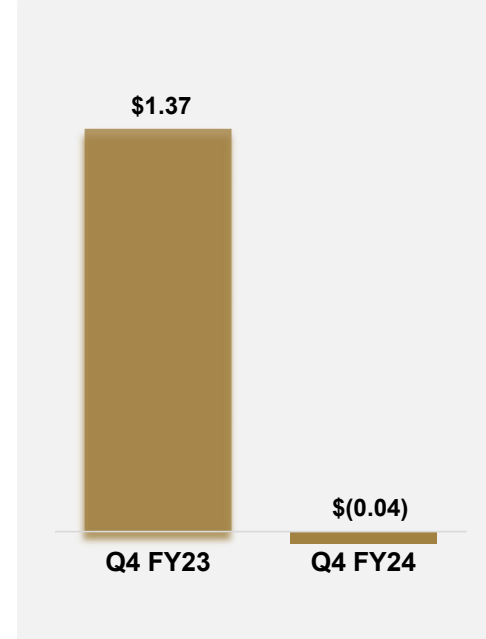
## Adjusted EBITDA

(\$'s in millions)



- Adjusted EBITDA of \$0.8 million, down 97% from Q4 FY23

## Adjusted Diluted Net Income Per Share



- Adjusted Diluted Net Income of \$(0.04) per share, compared to \$1.37 in Q4 FY23



# Model Year 2025 Products & Innovations

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# Capital Allocation Framework



## Retain Strong Financial Position

- Maintain healthy balance sheet
- Ensure adequate liquidity
- Zero net debt



## Invest in Long-Term Growth

### Organic Growth:

- Focused innovation
- Product line development
- Internal brand development

### Inorganic Growth / M&A:

- Highly selective and disciplined approach



## Return Excess Cash

- \$50 million share repurchase program authorized in July 2023 (>\$35 million available)
- Returned ~\$65M to shareholders through program over last 3 years
- Maintain flexibility to continue returning excess cash to shareholders



## Key Metrics

(\$'s in millions)

Cash and ST Investments	\$86.2
Total Debt	\$49.3
Capital Expenditures (FY24)	\$16.4
Share Repurchases (FY24)	\$16.3



# FY 2025 Guidance

Metric	FY 2025 Q1	FY 2025
<b>Net Sales</b>	Approximately \$61M	Between \$265M and \$300M
<b>Adjusted EBITDA</b>	Approximately \$2M	Between \$15M and \$26M
<b>Adjusted EPS</b>	Approximately \$0.04	Between \$0.36 and \$0.87
<b>Capital Expenditures</b>	N/A	Approximately \$12M



# Appendix

# Fiscal Year 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)	FY24	% of sales	FY23	% of sales
<b>Net income from continuing operations</b>	<b>\$8,722</b>	<b>2.4%</b>	<b>\$90,452</b>	<b>13.7%</b>
Income tax expense	1,407		27,135	
Interest expense	3,292		2,679	
Interest income	(5,789)		(3,351)	
Depreciation and amortization	11,182		10,569	
<b>EBITDA</b>	<b>\$18,814</b>	<b>5.1%</b>	<b>\$127,484</b>	<b>19.3%</b>
Impairments <sup>(1)</sup>	9,827		-	
Share-based compensation <sup>(2)</sup>	2,598		3,656	
CEO transition costs <sup>(3)</sup>	1,708		-	
Business development consulting costs <sup>(4)</sup>	-		312	
<b>Adjusted EBITDA</b>	<b>\$32,947</b>	<b>9.0%</b>	<b>\$131,452</b>	<b>19.9%</b>

- Represents non-cash charges recorded in the Aviara segment of \$9.8 million primarily for impairment of property, plant, equipment and inventory in fiscal 2024.
- Included in share-based compensation are the impacts of accelerating expense recognition for equity awards related to the CEO transition.
- Represents amounts paid to the Company's former CEO upon his departure under the terms of his transition agreements and legal fees incurred with the transition, but excluding amounts related to accelerating expense recognition for equity awards related to the CEO transition noted in (2). Also included are recruiting and relocation costs related to the new CEO.
- 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. The evaluation and execution of the internal growth and other strategic initiatives is a bespoke initiative, and the costs associated therewith do not constitute normal recurring cash operating expenses necessary to operate the Company's business.

## Fourth Quarter Adjusted EBITDA Reconciliation

- The following table sets forth a reconciliation of net income (loss) from continuing operations as determined in accordance with U.S. GAAP to EBITDA and adjusted EBITDA and net income (loss) 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)	Q4 FY24	% of sales	Q4 FY23	% of sales
<b>Net income (loss) from continuing operations</b>	<b>(\$8,107)</b>	<b>-12.1%</b>	<b>\$23,052</b>	<b>13.8%</b>
Income tax expense (benefit)	(3,001)		6,782	
Interest expense	798		756	
Interest income	(1,625)		(1,384)	
Depreciation and amortization	2,856		2,736	
<b>EBITDA</b>	<b>(\$9,079)</b>	<b>-13.5%</b>	<b>\$31,942</b>	<b>19.2%</b>
Impairments <sup>(1)</sup>	9,827		-	
Share-based compensation	67		765	
CEO transition costs <sup>(2)</sup>	31		-	
<b>Adjusted EBITDA</b>	<b>\$846</b>	<b>1.3%</b>	<b>\$32,707</b>	<b>19.6%</b>

1) Represents non-cash charges recorded in the Aviara segment of \$9.8 million primarily for impairment of property, plant, equipment and inventory in fiscal 2024.

2) Represents amounts paid to the Company's former CEO upon his departure under the terms of his transition agreements and legal fees incurred with the transition, but excluding amounts related to accelerating expense recognition for equity awards related to the CEO transition noted in (2). Also included are recruiting and relocation costs related to the new CEO.

# Fiscal Year 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)	FY24	FY23
<b>Net income from continuing operations</b>	<b>\$8,722</b>	<b>\$90,452</b>
Income tax expense	1,407	27,135
Impairments <sup>(1)</sup>	9,827	-
Amortization of acquisition intangibles	1,812	1,849
Share-based compensation <sup>(2)</sup>	2,598	3,656
CEO transition costs <sup>(3)</sup>	1,708	-
Business development consulting costs <sup>(4)</sup>	-	312
<b>Adjusted net income before income taxes</b>	<b>\$26,074</b>	<b>\$123,404</b>
Adjusted income tax expense <sup>(5)</sup>	5,214	28,383
<b>Adjusted net income</b>	<b>\$20,860</b>	<b>\$95,021</b>
<b>Adjusted net income per share</b>		
Basic	\$1.23	\$5.39
Diluted	\$1.22	\$5.35
<b>Weighted average shares used for the computation of:<sup>(6)</sup></b>		
Basic adjusted net income per share	16,930,348	17,618,797
Diluted adjusted net income per share	17,038,305	17,765,117

- Represents non-cash charges recorded in the Aviara segment of \$9.8 million primarily for impairment of property, plant, equipment and inventory in fiscal 2024.
- Included in share-based compensation are the impacts of accelerating expense recognition for equity awards related to the CEO transition.
- Represents amounts paid to the Company's former CEO upon his departure under the terms of his transition agreements and legal fees incurred with the transition, but excluding amounts related to accelerating expense recognition for equity awards related to the CEO transition noted in (2). Also included are recruiting and relocation costs related to the new CEO.
- 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. The evaluation and execution of the internal growth and other strategic initiatives is a bespoke initiative, and the costs associated therewith do not constitute normal recurring cash operating expenses necessary to operate the Company's business.
- For fiscal 2024 and 2023, income tax expense reflects an income tax rate of 20.0% and 23.0%, respectively, for each period presented.
- 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 basic and diluted share for all periods presented herein.

# Fourth Quarter Adjusted Net Income Reconciliation

- The following table sets forth a reconciliation of net income (loss) 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)	Q4 FY24	Q4 FY23
<b>Net income (loss) from continuing operations</b>	<b>(\$8,107)</b>	<b>\$23,052</b>
Income tax expense (benefit)	(3,001)	6,782
Impairments <sup>(1)</sup>	9,827	-
Amortization of acquisition intangibles	450	462
Share-based compensation	67	765
CEO transition costs <sup>(2)</sup>	31	-
<b>Adjusted net income (loss) before income taxes</b>	<b>(\$733)</b>	<b>\$31,061</b>
Adjusted income tax expense (benefit) <sup>(3)</sup>	(147)	7,144
<b>Adjusted net income (loss)</b>	<b>(\$586)</b>	<b>\$23,917</b>
<b>Adjusted net income (loss) per share</b>		
Basic	(\$0.04)	\$1.38
Diluted	(\$0.04)	\$1.37
<b>Weighted average shares used for the computation of:<sup>(4)</sup></b>		
Basic adjusted net income per share	16,710,544	17,299,562
Diluted adjusted net income per share	16,710,544	17,505,504

- Represents non-cash charges recorded in the Aviara segment of \$9.8 million primarily for impairment of property, plant, equipment and inventory in fiscal 2024.
- Represents amounts paid to the Company's former CEO upon his departure under the terms of his transition agreements and legal fees incurred with the transition, but excluding amounts related to accelerating expense recognition for equity awards related to the CEO transition noted in (2). Also included are recruiting and relocation costs related to the new CEO.
- For fiscal 2024 and 2023, income tax expense (benefit) reflects an income tax rate of 20.0% and 23.0%, respectively, for each period presented.
- 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 (loss) per basic and diluted share for all periods presented herein.



# Fiscal Year 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:

	FY24	FY23
<b>Net income from continuing operations per diluted share</b>	<b>\$0.51</b>	<b>\$5.09</b>
Income tax expense	0.08	1.53
Impairments <sup>(1)</sup>	0.57	-
Amortization of acquisition intangibles	0.11	0.10
Share-based compensation <sup>(2)</sup>	0.15	0.21
CEO transition costs <sup>(3)</sup>	0.10	-
Business development consulting costs <sup>(4)</sup>	-	0.02
<b>Adjusted net income before income taxes</b>	<b>1.52</b>	<b>6.95</b>
Impact of adjusted income tax expense on net income per diluted share before income taxes <sup>(5)</sup>	(0.30)	(1.60)
<b>Adjusted net income per diluted share</b>	<b>\$1.22</b>	<b>\$5.35</b>

- Represents non-cash charges recorded in the Aviara segment of \$9.8 million primarily for impairment of property, plant, equipment and inventory in fiscal 2024.
- Included in share-based compensation are the impacts of accelerating expense recognition for equity awards related to the CEO transition.
- Represents amounts paid to the Company's former CEO upon his departure under the terms of his transition agreements and legal fees incurred with the transition, but excluding amounts related to accelerating expense recognition for equity awards related to the CEO transition noted in (2). Also included are recruiting and relocation costs related to the new CEO.
- 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. The evaluation and execution of the internal growth and other strategic initiatives is a bespoke initiative, and the costs associated therewith do not constitute normal recurring cash operating expenses necessary to operate the Company's business.
- For fiscal 2024 and 2023, income tax expense reflects an income tax rate of 20.0% and 23.0%, respectively, for each period presented.

# Fourth Quarter Adjusted Net Income Per Share Reconciliation

- The following table sets forth a reconciliation of net income (loss) 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:

	Q4 FY24	Q4 FY23
<b>Net income (loss) from continuing operations per diluted share</b>	<b>(\$0.49)</b>	<b>\$1.32</b>
Income tax expense (benefit)	(0.18)	0.39
Impairments <sup>(1)</sup>	0.59	-
Amortization of acquisition intangibles	0.03	0.03
Share-based compensation	-	0.04
<b>Adjusted net income (loss) per diluted share before income taxes</b>	<b>(\$0.05)</b>	<b>\$1.78</b>
Impact of adjusted income tax expense (benefit) on net income per diluted share before income taxes <sup>(2)</sup>	0.01	(0.41)
<b>Adjusted net income (loss) per diluted share</b>	<b>(\$0.04)</b>	<b>\$1.37</b>

- 1) Represents non-cash charges recorded in the Aviara segment of \$9.8 million primarily for impairment of property, plant, equipment and inventory in fiscal 2024.
- 2) For fiscal 2024 and 2023, income tax expense (benefit) reflects an income tax rate of 20.0% and 23.0%, respectively, for each period presented.

# Fiscal Year Adjusted EBITDA Excluding Aviara Reconciliation

- The following table sets forth a reconciliation of operating loss of the Aviara segment as determined in accordance with U.S. GAAP to EBITDA and adjusted EBITDA of the Aviara Segment, and Adjusted EBITDA excluding the Aviara Segment for the periods presented<sup>(2)</sup>:

(\$ in thousands)	FY24	FY23
<b>Operating loss - Aviara Segment</b>	<b>(\$19,844)</b>	<b>(\$4,515)</b>
Depreciation and amortization	2,807	2,173
<b>EBITDA - Aviara Segment</b>	<b>(\$17,037)</b>	<b>(\$2,342)</b>
Impairments <sup>(1)</sup>	9,827	-
Share-based compensation	(4)	194
<b>Adjusted EBITDA - Aviara Segment</b>	<b>(\$7,214)</b>	<b>(\$2,148)</b>
Adjusted EBITDA	32,947	131,452
<b>Adjusted EBITDA excluding Aviara Segment</b>	<b>\$40,161</b>	<b>\$133,600</b>

- 1) Represents non-cash charges recorded in the Aviara segment of \$9.8 million primarily for impairment of property, plant, equipment and inventory in fiscal 2024.
- 2) Reconciling to operating loss as all material corporate costs are included in the MasterCraft segment.

# *MASTERCRAFT BOAT HOLDINGS INC.*

*MasterCraft*

  
CREST



BALISE