

**MASTERCRAFT
BOAT HOLDINGS INC.**



BAIRD 2023 GLOBAL CONSUMER, TECHNOLOGY & SERVICES CONFERENCE

June 7, 2023

DISCLAIMER

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 the year ended June 30, 2022, and subsequent Quarterly Reports on Form 10-Q, 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, Adjusted Net Income Per Share, and Free Cash Flow. 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, Adjusted Net Income Per Share, and Free Cash Flow.

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.

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.

On September 2, 2022, the Company completed the sale of its NauticStar business. This business, which was previously reported as the Company's NauticStar segment until fiscal 2023, is now being reported as discontinued operations for all periods presented.

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.

COMPANY PARTICIPANTS



Tim Oxley
Chief Financial Officer



George Steinbarger
Chief Revenue Officer



Bobby Potter
Director of Treasury and
Investor Relations



INVESTMENT HIGHLIGHTS

Iconic MasterCraft Brand Anchoring Strong Portfolio



#1 brand⁽¹⁾ in the fastest growing, highest-margin category of the powerboat industry, representing 70% of consolidated net sales

Strong Track Record and Commitment to Growth



Committed to pursuing organic and inorganic growth that aligns with our strategic vision and creates shareholder value

Financial Flexibility & Resilience



Fortress balance sheet & strong cash flow to fuel growth and ensure resilience throughout the business cycle

Premium Performance at Attractive Valuation









Valuation underappreciates performance driven by our people, strong brands, & positive secular growth trends




**Leading boat manufacturer with diversified portfolio of strong brands, committed to quality, innovation, and growth
Trading at attractive valuation given record operating and financial performance and brand leadership**

(1) Source: SSI Data; R12 retail sales data as of December 31, 2022; all States reporting.



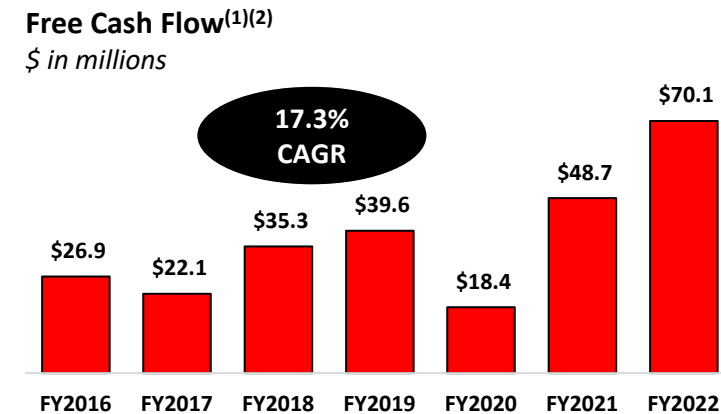
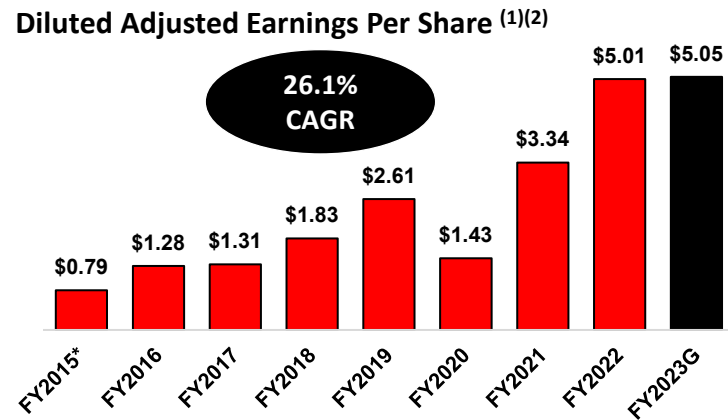
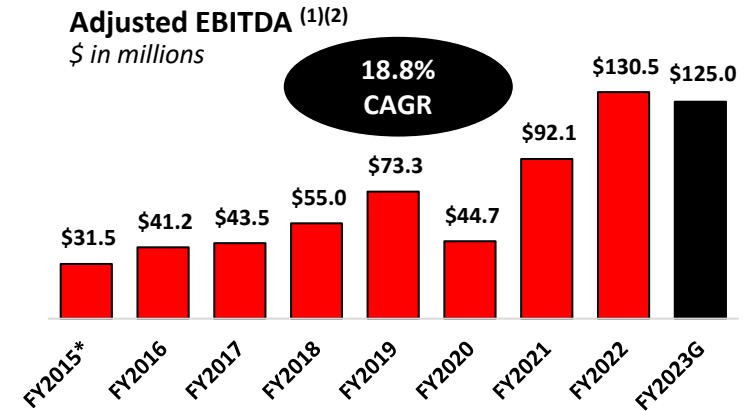
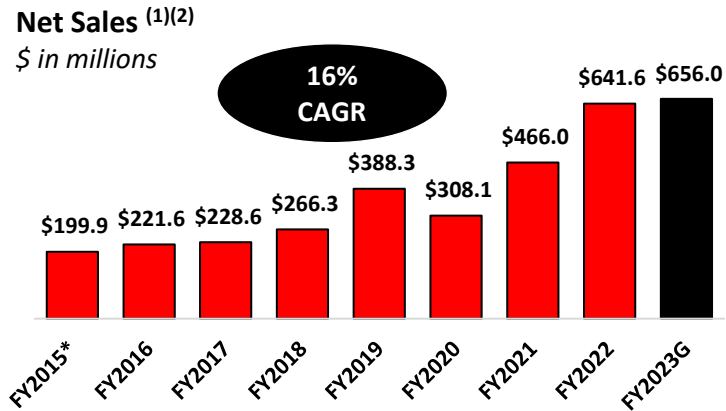
-  #1 ski-wake brand
-  Most-awarded in ski-wake
-  Iconic marine brand

-  Top 10 pontoon brand
-  Runway for continued growth
-  Emphasis on premium positioning

-  Innovative luxury day boat brand
-  Runway for continued growth
-  Rapidly achieving brand leadership

Diversified portfolio of growing, innovative marine brands

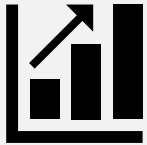
TRACK-RECORD OF GROWTH



Guiding to a third consecutive year of record-setting net sales and diluted adjusted earnings per share

(1) Financial information referenced is presented on a continuing operations basis. FY2023G represents current guidance.
 (2) Non-GAAP metric. See Appendix for reconciliation to most comparable GAAP metric.
 * FY15 excludes financial results attributable to our Hydra-Sports business and the related manufacturing agreement.

CAPITAL ALLOCATION FRAMEWORK



Invest in Growth

Organic Growth:

- Capacity expansion
- New products and R&D
- Internal brand development

M&A:

- Strategic acquisitions to fill consumer white space



Return Excess Cash to Shareholders

- \$50 million, 3-year share repurchase program authorized in June 2021
- More than 80% of total authorization spent as of Q3 FY23
- Continue to prudently and opportunistically return excess cash to shareholders



Retain Strong Financial Position

- Maintain healthy balance sheet
- Ensure adequate liquidity
- Currently have zero net debt
- Record free cash flow generated during YTD Q3 FY23

Fortress balance sheet allows us to continue to invest in growth and return capital to shareholders

MASTERCRAFT BOAT HOLDINGS INC.

MasterCraft


CREST


AVIARA

NON-GAAP RECONCILIATION

	GAAP Net income (loss) Reconciled to Non-GAAP Adjusted EBITDA from continuing operations							
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Net income (loss)	\$ 5,534	\$ 10,210	\$ 19,570	\$ 39,653	\$ 21,354	\$ (24,047)	\$ 56,170	\$ 58,214
Net income (loss) from discontinued operations	-	-	-	6,621	(27,784)	(17,682)	(2,269)	(29,730)
Net income (loss) from continuing operations	\$ 5,534	\$ 10,210	\$ 19,570	\$ 33,032	\$ 49,138	\$ (6,365)	\$ 58,439	\$ 87,944
Income tax expense	6,594	8,308	11,723	12,856	5,392	(7,565)	16,079	26,780
Interest Expense	5,171	1,280	2,222	3,474	6,513	5,045	3,392	1,471
Depreciation and Amortization	3,278	3,444	3,231	3,284	5,103	7,073	8,368	9,731
EBITDA from continuing operations	20,577	23,242	36,746	52,646	66,146	(1,812)	86,278	125,926
Share-based compensation	-	13,687	711	1,156	1,623	969	2,932	3,510
Change in Common Stock Warrant Fair Value ^(a)	6,621	3,425	-	-	-	-	-	-
Transaction Expenses ^(b)	7,068	479	71	1,630	2,377	-	-	-
Litigation charge ^(c)	539	1,606	5,948	-	-	-	-	-
Litigation settlement ^(d)	-	(1,212)	-	-	-	-	-	-
Hydra-Sports ^(e)	(3,265)	-	-	-	-	-	-	-
Warranty adjustment ^(f)	-	-	-	(1,033)	-	-	-	-
Aviara start-up costs ^(g)	-	-	-	561	2,840	1,446	-	-
Inventory step-up adjustment - acquisition related ^(h)	-	-	-	-	382	-	-	-
Goodwill and intangible asset impairment ⁽ⁱ⁾	-	-	-	-	-	43,237	-	1,100
COVID-19 shutdown costs ^(j)	-	-	-	-	-	886	-	-
Aviara transition costs ^(k)	-	-	-	-	-	-	2,150	-
Debt refinancing charges ^(l)	-	-	-	-	-	-	769	-
Adjusted EBITDA from continuing operations	\$ 31,540	\$ 41,227	\$ 43,476	\$ 54,960	\$ 73,368	\$ 44,726	\$ 92,129	\$ 130,536
Adjusted EBITDA margin	15.8%	18.6%	19.0%	20.6%	18.9%	14.5%	19.8%	20.3%

- a. Represents non-cash expense related to increases in the fair market value of our common stock warrant.
- b. Represents fees and expenses related to our initial public offering, payment of a special cash dividend in June 2016, expenses associated with recapitalization activities completed in March 2015, and acquisition related costs and other integration costs associated with our acquisition of Crest in fiscal 2019.
- c. Represents legal and advisory fees related to certain intellectual property litigation matters.
- d. Represents receipt of a one-time payment to settle certain litigation matters.
- e. Represents the operating income attributable to the operations of our Hydra-Sports business and the related manufacturing agreement, adjusted to exclude depreciation and amortization related to Hydra-Sports.
- f. Represents an out-of-period adjustment to correct an immaterial error related to our warranty accrual calculation identified during the fiscal year ended June 30, 2018.
- g. Represents start-up costs associated with Aviara, a completely new boat brand in an industry category previously not served by the Company. We began selling the brand's first two models, the AV32 and the AV36, during the first and second quarters of fiscal 2020, respectively. We began selling one additional model, the AV40, in fiscal 2022. Start-up costs presented for fiscal 2020 are related to the AV36 and AV40 models. Start-up costs presented for fiscal 2019 are related to the launch of the Aviara brand and the three initial Aviara models which had not yet begun selling.
- h. Represents post-acquisition adjustment to cost of goods sold for the fair value step up of inventory acquired all of which was sold during fiscal 2019 and fiscal 2018, respectively.
- i. Represents non-cash charges recorded in the Crest and Aviara segments for impairment of goodwill and trade name intangible assets.
- j. Represents lump sum severance payments and costs related to temporary continuation of healthcare benefits for certain laid off employees, in connection with the COVID-19 pandemic.
- k. 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).
- l. Represents loss recognized upon refinancing the Company's debt. 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.

NON-GAAP RECONCILIATION

GAAP Net income (loss) Reconciled to Non-GAAP Adjusted Net Income from continuing operations

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Net income (loss)	\$ 5,534	\$ 10,210	\$ 19,570	\$ 39,653	\$ 21,354	\$ (24,047)	\$ 56,170	\$ 58,214
Net income (loss) from discontinued operations	-	-	-	6,621	(27,784)	(17,682)	(2,269)	(29,730)
Net income (loss) from continuing operations	\$ 5,534	\$ 10,210	\$ 19,570	\$ 33,032	\$ 49,138	\$ (6,365)	\$ 58,439	\$ 87,944
Income tax expense	6,594	8,308	11,723	12,856	5,392	(7,565)	16,079	26,780
Amortization of acquisition intangibles	-	-	-	-	1,387	1,849	1,849	1,849
Share-based compensation	-	13,687	711	1,156	1,623	969	2,932	3,510
Change in Common Stock Warrant Fair Value ^(a)	6,621	3,425	-	-	-	-	-	-
Transaction Expenses ^(b)	7,068	479	71	1,630	2,377	-	-	-
Litigation charge ^(c)	539	1,606	5,948	-	-	-	-	-
Litigation settlement ^(d)	-	(1,212)	-	-	-	-	-	-
Hydra-Sports ^(e)	(3,265)	-	-	-	-	-	-	-
Warranty adjustment ^(f)	-	-	-	(1,033)	-	-	-	-
Aviara start-up costs ^(g)	-	-	-	561	2,840	1,446	-	-
Inventory step-up adjustment - acquisition related ^(h)	-	-	-	-	382	-	-	-
Goodwill and intangible asset impairment ⁽ⁱ⁾	-	-	-	-	-	43,237	-	1,100
COVID-19 shutdown costs ^(j)	-	-	-	-	-	886	-	-
Aviara transition costs ^(k)	-	-	-	-	-	-	2,150	-
Debt refinancing charges ^(l)	-	-	-	-	-	-	769	-
Adjusted Net Income before income taxes	23,091	36,503	38,023	48,202	63,139	34,457	82,218	121,183
Adjusted income tax expense	8,313	13,141	13,688	13,979	14,206	7,925	18,910	27,872
Adjusted Net Income from continuing operations	\$ 14,778	\$ 23,362	\$ 24,335	\$ 34,223	\$ 48,933	\$ 26,532	\$ 63,308	\$ 93,311

- a. Represents non-cash expense related to increases in the fair market value of our common stock warrant.
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- c. Represents legal and advisory fees related to certain intellectual property litigation matters.
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- j. Represents lump sum severance payments and costs related to temporary continuation of healthcare benefits for certain laid off employees, in connection with the COVID-19 pandemic.
- k. 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).
- l. Represents loss recognized upon refinancing the Company's debt. 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.

NON-GAAP RECONCILIATION

GAAP Net income (loss) Reconciled to Non-GAAP Adjusted Net Income per diluted share from continuing operations

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Net income (loss) per diluted share	\$ 0.47	\$ 0.56	\$ 1.05	\$ 2.12	\$ 1.14	\$ (1.28)	\$ 2.96	\$ 3.12
Net income (loss) per diluted share from discontinued operations	-	-	-	0.35	(1.48)	(0.94)	(0.12)	(1.61)
Net income (loss) per diluted share from continuing operations	\$ 0.47	\$ 0.56	\$ 1.05	\$ 1.77	\$ 2.62	\$ (0.34)	\$ 3.08	\$ 4.73
Income tax expense	0.56	0.46	0.63	0.69	0.29	(0.40)	0.85	1.44
Amortization of acquisition intangibles	-	-	-	-	0.07	0.10	0.10	0.10
Share-based compensation	-	0.75	0.04	0.06	0.09	0.05	0.15	0.19
Change in Common Stock Warrant Fair Value ^(a)	0.56	0.19	-	-	-	-	-	-
Transaction Expenses ^(b)	0.60	0.03	-	0.09	0.13	-	-	-
Litigation charge ^(c)	0.05	0.09	0.32	-	-	-	-	-
Litigation settlement ^(d)	-	(0.07)	-	-	-	-	-	-
Hydra-Sports ^(e)	(0.28)	-	-	-	-	-	-	-
Warranty adjustment ^(f)	-	-	-	(0.06)	-	-	-	-
Aviara start-up costs ^(g)	-	-	-	0.03	0.15	0.08	-	-
Inventory step-up adjustment - acquisition related ^(h)	-	-	-	-	0.02	-	-	-
Goodwill and intangible asset impairment ⁽ⁱ⁾	-	-	-	-	-	2.31	-	0.06
COVID-19 shutdown costs ^(j)	-	-	-	-	-	0.05	-	-
Aviara transition costs ^(k)	-	-	-	-	-	-	0.11	-
Debt refinancing charges ^(l)	-	-	-	-	-	-	0.04	-
Adjusted Net Income per diluted share before income taxes from continuing operations	1.96	2.01	2.04	2.58	3.37	1.85	4.33	6.52
Impact of adjusted income tax expense on net income per diluted share before income taxes	(1.17)	(0.73)	(0.73)	(0.75)	(0.76)	(0.42)	(0.99)	(1.51)
Adjusted Net Income per diluted share from continuing operations	\$ 0.79	\$ 1.28	\$ 1.31	\$ 1.83	\$ 2.61	\$ 1.43	\$ 3.34	\$ 5.01

- a. Represents non-cash expense related to increases in the fair market value of our common stock warrant.
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NON-GAAP RECONCILIATION

	GAAP Net Cash Provided by Operating Activities Reconciled to Non-GAAP Free Cash Flow from continuing operations						
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Net cash provided by operating activities	\$ 30,747	\$ 26,232	\$ 49,397	\$ 55,886	\$ 30,198	\$ 68,538	\$ 73,311
Net cash provided by (used in) operating activities from discontinued operations	-	-	9,896	4,314	390	(5,423)	(9,067)
Net cash provided by operating activities from continuing operations	\$ 30,747	\$ 26,232	\$ 39,501	\$ 51,572	\$ 29,808	\$ 73,961	\$ 82,378
Purchases of property, plant, and equipment	(3,817)	(4,135)	(5,305)	(14,064)	(14,241)	(27,862)	(15,820)
Purchases of property, plant, and equipment of discontinued operations	-	-	1,071	2,069	2,804	2,643	3,524
Purchases of property, plant, and equipment of continuing operations	(3,817)	(4,135)	(4,234)	(11,995)	(11,437)	(25,219)	(12,296)
Free cash flow from continuing operations	\$ 26,930	\$ 22,097	\$ 35,267	\$ 39,577	\$ 18,371	\$ 48,742	\$ 70,082