

*MASTERCRAFT  
BOAT HOLDINGS INC.*

# FISCAL FIRST QUARTER 2020 RESULTS

NOVEMBER 7, 2019

**MasterCraft**

  
**CREST**

  
**NauticStar**<sup>®</sup>  
BOATS

  
AVIARA

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A person in a wetsuit is in the water next to a boat. The scene is set at sunset, with a warm, golden glow. The boat is on the right, and the person is on the left. The water is dark, and the sky is bright. The overall mood is serene and adventurous.

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**FIRST QUARTER 2020 RESULTS**

# FIRST QUARTER HIGHLIGHTS

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- Record-setting results in net sales, gross profit and adjusted EBITDA
- Net sales for the first quarter increased to \$109.8 million, up 17.2%
- Gross profit increased to \$25.5 million, up 10.0%
- Adjusted EBITDA increased to \$15.9 million, up 5.7%

# FISCAL 2020 FIRST QUARTER RESULTS

METRIC	FY 2020 Q1	FY 2019 Q1
Units – MasterCraft	741	848
Units – NauticStar	396	426
Units – Crest	526	—
Consolidated Q over Q Growth %	30.5%	—
Net Sales – MasterCraft	\$72.9	\$76.2
Net Sales – NauticStar	\$18.0	\$17.4
Net Sales – Crest	\$18.9	—
Consolidated Q over Q Growth %	17.2%	—
Adjusted EBITDA	\$15.9	\$15.0
Q over Q Growth %	5.7%	—

Note: \$'s in millions.

Note: See appendix for reconciliation of non-GAAP Adjusted EBITDA.

# FISCAL 2020 GUIDANCE

- FY2020 guidance assumes volume reductions at MasterCraft and Crest to allow for healthy dealer inventory levels heading into 2020 selling season
- Contribution from Aviara in first partial year of production estimated at \$10 - \$15 million; gross margins at Aviara expected to be slightly accretive to MasterCraft segment's gross margins over time

METRIC	FY 2020
Net Sales Growth	Down low-single digit percent
Adjusted EBITDA Margin	Down 50 – 100 basis points
Adjusted EPS Growth	Down high-single digit percent

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**APPENDIX**



# FIRST 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:

METRIC	FY 2020 Q1	FY 2019 Q1
<b>Net Income</b>	<b>\$8,623</b>	<b>\$8,465</b>
Income tax expense	2,730	2,226
Interest expense	1,344	920
Depreciation & amortization	2,371	1,435
<b>EBITDA</b>	<b>\$15,068</b>	<b>\$13,046</b>
Transaction expense <sup>(1)</sup>	-	1,318
Aviara startup costs <sup>(2)</sup>	308	280
Share-based compensation	512	384
<b>Adjusted EBITDA</b>	<b>\$15,888</b>	<b>\$15,028</b>
<b>Adjusted EBITDA margin</b>	<b>14.5%</b>	<b>16.0%</b>

1) Represents fees and expenses associated with our acquisition of Crest in fiscal 2019.

2) Represents startup costs associated with Aviara - a completely new boat brand in a segment of the market neither MasterCraft, NauticStar nor Crest serves.



# FIRST 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:

METRIC	FY 2020 Q1	FY 2019 Q1
<b>Net Income</b>	<b>\$8,623</b>	<b>\$8,465</b>
Income tax expense	2,730	2,226
Transaction expense <sup>(1)</sup>	-	1,318
Amortization of acquisition intangibles	960	503
Aviara startup costs <sup>(2)</sup>	308	280
Share-based compensation	512	384
<b>Adjusted net income before income taxes</b>	<b>\$13,133</b>	<b>\$13,176</b>
Adjusted income tax expense <sup>(3)</sup>	3,021	2,965
<b>Adjusted net income</b>	<b>\$10,112</b>	<b>\$10,211</b>
<b>Adjusted net income per common share</b>		
Basic	\$0.54	\$0.55
Diluted	\$0.53	\$0.54
<b>Weighted average shares used for the computation of:</b>		
Basic adjusted net income per share	18,723,845	18,646,039
Diluted adjusted net income per share	18,960,678	18,874,494

# FIRST 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:

METRIC	FY 2020 Q1	FY 2019 Q1
<b>Net income per diluted share</b>	<b>\$0.46</b>	<b>\$0.45</b>
Income tax expense	0.15	0.12
Transaction expense <sup>(1)</sup>	-	0.07
Amortization of acquisition intangibles	0.05	0.03
Aviara startup costs <sup>(2)</sup>	0.02	0.01
Share-based compensation	0.03	0.02
<b>Adjusted net income per diluted share before income taxes</b>	<b>0.71</b>	<b>0.70</b>
Adjusted income tax expense per diluted share <sup>(3)</sup>	(0.16)	(0.16)
Impact of increased share count <sup>(4)</sup>	(0.02)	-
<b>Adjusted net income per diluted weighted average share</b>	<b>\$0.53</b>	<b>\$0.54</b>

1) Represents fees and expenses associated with our acquisition of Crest in fiscal 2019.

2) Represents startup costs associated with Aviara - a completely new boat brand in a segment of the market neither MasterCraft, NauticStar nor Crest serves.

3) Reflects income tax expense at an estimated annual effective tax rate of 23.0% for the current period and 22.5% for the prior-year period.

4) Reflects the impact of increased share counts giving the effect to the exchange of all RSAs, the vesting of all PSUs and for the dilutive effect of stock options included in outstanding shares and rounding.

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