

***MASTERCRAFT
BOAT HOLDINGS INC.***

FISCAL THIRD QUARTER 2020 RESULTS

MAY 6, 2020

MasterCraft


CREST


NauticStar[®]
BOATS


AVIARA

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This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, 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 Adjusted EBITDA to net income, the most directly comparable financial measure prepared in accordance with U.S. GAAP.

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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.

A photograph of a person in a wetsuit sitting in the water next to a Mastercraft boat. The scene is set at sunset, with a warm, golden glow. The boat's name 'Mastercraft' is visible on its side. The background shows a marina with many masts of other boats.

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THIRD QUARTER 2020 RESULTS

THIRD QUARTER HIGHLIGHTS

- Proactively pulled back production rate in early March and suspended production in late March in response to the COVID-19 pandemic
- Third quarter results lower than MasterCraft expectations primarily due to reduced production in anticipation of slower retail demand from COVID-19
 - Net sales for the third quarter decreased to \$102.6 million, down 20.1%
 - Adjusted EBITDA decreased to \$14.0 million, down 36.2%
 - GAAP earnings impacted by \$56.4 million noncash impairment of NauticStar and Crest goodwill and trade name
- Enhanced liquidity, as a precautionary measure, in response to COVID-19
 - \$35.0 million draw down of revolving credit facility
 - Currently finalizing a proposed amendment to our credit facility
- Withdrew previously issued guidance given the economic uncertainty around the business impact of the COVID-19 pandemic

FISCAL 2020 THIRD QUARTER RESULTS

METRIC	FY 2020 Q3	FY 2019 Q3
Units – MasterCraft	713	868
Units – NauticStar	313	485
Units – Crest	461	728
Consolidated Q over Q Growth %	(28.5%)	—
Net Sales – MasterCraft	\$70.5	\$79.4
Net Sales – NauticStar	\$14.2	\$21.7
Net Sales – Crest	\$17.9	\$27.3
Consolidated Q over Q Growth %	(20.1%)	—
Adjusted EBITDA	\$14.0	\$21.9
Q over Q Growth %	(36.2%)	—

Note: \$'s in millions.

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

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FISCAL 2020 THIRD QUARTER EARNINGS

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APPENDIX



THIRD QUARTER ADJUSTED EBITDA RECONCILIATION

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

METRIC	FY 2020 Q3	FY 2019 Q3
Net income (loss)	\$(36,713)	\$12,763
Income tax expense (benefit)	(11,550)	3,834
Interest expense	1,086	1,867
Depreciation & amortization	2,632	2,091
EBITDA	\$(44,545)	\$20,555
Goodwill and other intangible asset impairment ⁽¹⁾	56,437	-
COVID-19 Shutdown costs ⁽²⁾	1,506	-
Aviara startup costs ⁽³⁾	398	937
Share-based compensation	159	371
Transaction expense ⁽⁴⁾	-	27
Adjusted EBITDA	\$13,955	\$21,890
Adjusted EBITDA margin	13.6%	17.0%

Note: Dollars in thousands.

- 1) Represents noncash charges recorded in the NauticStar and Crest segments for impairments of goodwill and trade name.
- 2) Represents costs associated with the COVID-19 pandemic. Costs include lump sum severance payments and temporary continuation of healthcare benefits for laid off employees.
- 3) Represents startup costs associated with Aviara - a completely new boat brand in an industry category previously not served by the company.
- 4) Represents fees and expenses associated with our acquisition of Crest in fiscal 2019.

THIRD QUARTER ADJUSTED NET INCOME (LOSS) RECONCILIATION

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

METRIC	FY 2020 Q3	FY 2019 Q3
Net income (loss)	\$(36,713)	\$12,763
Income tax expense (benefit)	(11,550)	3,834
Goodwill and other intangible asset impairment ⁽¹⁾	56,437	-
COVID-19 Shutdown costs ⁽²⁾	1,506	-
Amortization of acquisition intangibles	960	960
Aviara startup costs ⁽³⁾	398	937
Share-based compensation	159	371
Transaction expense ⁽⁴⁾	-	27
Adjusted net income before income taxes	\$11,197	\$18,892
Adjusted income tax expense ⁽⁵⁾	2,575	4,251
Adjusted net income	\$8,622	\$14,641
Adjusted net income per common share		
Basic	\$0.46	\$0.78
Diluted	\$0.46	\$0.78
Weighted average shares used for the computation of:		
Basic adjusted net income per share	18,739,480	18,657,719
Diluted adjusted net income per share	18,947,877	18,849,136

Note: Dollars in thousands, except share and per share data.

- 1) Represents noncash charges recorded in the NauticStar and Crest segments for impairments of goodwill and trade name.
- 2) Represents costs associated with the COVID-19 pandemic. Costs include lump sum severance payments and temporary continuation of healthcare benefits for laid off employees.
- 3) Represents startup costs associated with Aviara - a completely new boat brand in an industry category previously not served by the company.
- 4) Represents fees and expenses associated with our acquisition of Crest in fiscal 2019.
- 5) Reflects income tax expense at an estimated annual effective tax rate of 23.0% for fiscal 2020 and 22.5% for the prior-year period.

THIRD QUARTER ADJUSTED NET INCOME (LOSS) PER SHARE RECONCILIATION

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

METRIC	FY 2020 Q3	FY 2019 Q3
Net income (loss) per diluted share	\$(1.96)	\$0.68
Income tax expense (benefit)	(0.62)	0.20
Goodwill and other intangible asset impairment ⁽¹⁾	3.01	-
COVID-19 Shutdown costs ⁽²⁾	0.08	-
Amortization of acquisition intangibles	0.05	0.05
Aviara startup costs ⁽³⁾	0.02	0.05
Share-based compensation	0.01	0.02
Adjusted net income per diluted share before income taxes	0.59	1.00
Adjusted income tax expense per diluted share ⁽⁴⁾	(0.14)	(0.22)
Impact of increased share count ⁽⁵⁾	0.01	-
Adjusted net income per diluted weighted average share	\$0.46	\$0.78

1) Represents noncash charges recorded in the NauticStar and Crest segments for impairments of goodwill and trade name.

2) Represents costs associated with the COVID-19 pandemic. Costs include lump sum severance payments and temporary continuation of healthcare benefits for laid off employees.

3) Represents startup costs associated with Aviara - a completely new boat brand in an industry category previously not served by the company.

4) Reflects income tax expense at an estimated annual effective tax rate of 23.0% for fiscal 2020 and 22.5% for the prior-year period.

5) 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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