

***MASTERCRAFT
BOAT HOLDINGS INC.***

FISCAL SECOND QUARTER 2020 RESULTS

FEBRUARY 5, 2020

MasterCraft


CREST


NauticStar[®]
BOATS


AVIARA

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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.

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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 boat. The scene is illuminated by a warm, golden light, likely from a setting or rising sun, creating a serene and scenic atmosphere. The boat's hull is visible on the right side of the frame, and the water shows gentle ripples.

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SECOND QUARTER 2020 RESULTS

SECOND QUARTER HIGHLIGHTS

- Second quarter results slightly ahead of MasterCraft expectations
 - Net sales for the second quarter decreased to \$99.6 million, down 18.0%
 - Adjusted EBITDA decreased to \$13.6 million, down 27.2%
- Made progress on key initiatives to position the Company for growth and value creation
 - Continued to right-size dealer inventory levels
 - Executed on operational excellence programs
 - Introduced and began sales of AV36, second Aviara model
- Continue to emphasize the payment of debt in the near term and investments in high ROI organic growth initiatives
 - Paid down \$8.3 million in long-term debt, including \$6.0 million of voluntary prepayments, during the quarter

FISCAL 2020 SECOND QUARTER RESULTS

METRIC	FY 2020 Q2	FY 2019 Q2
Units – MasterCraft	716	893
Units – NauticStar	337	480
Units – Crest	420	675
Consolidated Q over Q Growth %	(28.1%)	—
Net Sales – MasterCraft	\$67.8	\$76.4
Net Sales – NauticStar	\$15.6	\$19.2
Net Sales – Crest	\$16.3	\$25.9
Consolidated Q over Q Growth %	(18.0%)	—
Adjusted EBITDA	\$13.6	\$18.6
Q over Q Growth %	(27.2%)	—

Note: \$'s in millions.

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

STRATEGIC FRAMEWORK TO EFFICIENTLY DRIVE GROWTH AND SUSTAINED VALUE CREATION

Enhance Customer Experience

- Provide customers with the best end-to-end experience in the industry
- Better understand customer needs
- Reorient development process with a customer-centric mindset; Leverage dealer network to better meet customer expectations and build brand loyalty

Expand Marketing Effort

- Activate customer-driven marketing strategy
- Increase customer awareness, create a community of enthusiasts, and expand our target market
- Improve lead generation as means to drive future sales and market share gains

Accelerate Operational Excellence

- Accelerate best-in-class operational initiatives across the organization to drive improved quality
- Gain efficiency and enhance quality across the manufacturing operations
- Deploy key manufacturing know-how to all brands

Strengthen Organization Framework

- Emphasize shared purpose, collaboration, engagement, empowerment and decisive leadership
- Attract, develop, and retain a highly skilled, motivated, and specialized workforce

Enhanced shareholder value and improved market positioning

FISCAL 2020 GUIDANCE

- FY2020 guidance assumes volume reductions across all our brands 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

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

Strength of Brands, Customer-Focused Strategy Expected to Unlock Opportunities to Drive Profitable Growth and Value Creation

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APPENDIX



SECOND 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 Q2	FY 2019 Q2
Net Income	\$6,879	\$10,188
Income tax expense	2,219	2,492
Interest expense	1,237	2,042
Depreciation & amortization	2,683	1,923
EBITDA	\$13,018	\$16,645
Aviara startup costs ⁽¹⁾	507	483
Share-based compensation	32	404
Transaction expense ⁽²⁾	-	699
Inventory step-up adjustment – acquisition related ⁽³⁾	-	382
Adjusted EBITDA	\$13,557	\$18,613
Adjusted EBITDA margin	13.6%	15.3%

Note: Dollars in thousands.

- Represents startup costs associated with Aviara - a completely new boat brand in an industry category previously not served by the company.
- Represents fees and expenses associated with our acquisition of Crest in fiscal 2019.
- Represents post-acquisition adjustment to cost of good sold for the fair value step up of inventory acquired, all of which was sold during fiscal 2019.

SECOND 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 Q2	FY 2019 Q2
Net Income	\$6,879	\$10,188
Income tax expense	2,219	2,492
Amortization of acquisition intangibles	961	961
Aviara startup costs ⁽¹⁾	507	483
Share-based compensation	32	404
Transaction expense ⁽²⁾	-	699
Inventory step-up adjustment – acquisition related ⁽³⁾	-	382
Adjusted net income before income taxes	\$10,598	\$15,609
Adjusted income tax expense ⁽⁴⁾	2,438	3,512
Adjusted net income	\$8,160	\$12,097
Adjusted net income per common share		
Basic	\$0.44	\$0.65
Diluted	\$0.43	\$0.64
Weighted average shares used for the computation of:		
Basic adjusted net income per share	18,730,688	18,653,111
Diluted adjusted net income per share	18,949,175	18,849,173

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

- Represents startup costs associated with Aviara - a completely new boat brand in an industry category previously not served by the company.
- Represents fees and expenses associated with our acquisition of Crest in fiscal 2019.
- Represents post-acquisition adjustment to cost of good sold for the fair value step up of inventory acquired, all of which was sold during fiscal 2019.
- 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.

SECOND 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 Q2	FY 2019 Q2
Net income per diluted share	\$0.37	\$0.54
Income tax expense	0.12	0.13
Amortization of acquisition intangibles	0.05	0.05
Aviara startup costs ⁽¹⁾	0.03	0.03
Share-based compensation	-	0.02
Transaction expense ⁽²⁾	-	0.04
Inventory step-up adjustment – acquisition related ⁽³⁾	-	0.02
Adjusted net income per diluted share before income taxes	0.57	0.83
Adjusted income tax expense per diluted share ⁽⁴⁾	(0.13)	(0.19)
Impact of increased share count ⁽⁵⁾	(0.01)	-
Adjusted net income per diluted weighted average share	\$0.43	\$0.64

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

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

3) Represents post-acquisition adjustment to cost of good sold for the fair value step up of inventory acquired, all of which was sold during fiscal 2019.

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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