UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
Amendment No. 1

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **October 1, 2018**

MasterCraft Boat Holdings, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**001-37502**	**06-1571747**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

100 Cherokee Cove Drive Vonore, Tennessee	**37885**
(Address of Principal Executive Offices)	(Zip Code)

(423) 884-2221
(Registrant's telephone number, including area code)

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12).

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b)).

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

EXPLANATORY NOTE

On October 1, 2018, MasterCraft Boat Holdings, Inc., a Delaware corporation (the "Company" or the "Purchaser") acquired all of the outstanding membership interests and other equity securities of Crest Marine LLC, a Michigan limited liability company ("Crest") from its existing members (collectively, the "Sellers") pursuant to a membership interest purchase agreement, dated as of September 10, 2018 (the "Membership Interest Purchase Agreement"), by and among the Purchaser, Crest, the Sellers and each of the other parties thereto (the "Acquisition").

This Amendment No.1 to the Current Report on Form 8-K/A ("Amendment No. 1") amends and supplements Item 9.01 of the original Current Report on Form 8-K filed by the Company on October 1, 2018 (the "Initial Form 8-K") to provide certain historical financial statements for Crest and certain pro forma financial information in connection with the Acquisition. Any information required to be set forth in the Initial Form 8-K that is not being amended or supplemented pursuant to this Amendment No. 1 is hereby incorporated by reference. Except as set forth herein, no modifications have been made to the information contained in the Initial Form 8-K and the Company has not updated any information contained therein to reflect the events that have occurred since the date of the Initial Form 8-K. Accordingly, this Amendment No. 1 should be read in conjunction with the Initial Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

1. The consolidated financial statements of Crest Marine LLC as of and for each of the years ended December 31, 2017 and 2016, together with the notes thereto and the report of independent public accounting firm thereon, are filed as Exhibit 99.1 to this Amendment No. 1 to Current Report on Form 8-K/A and are incorporated herein by reference.

2. The unaudited financial statements of Crest Marine LLC as of June 30, 2018 and for each of the six months ended June 30, 2018 and 2017, together with the notes thereto, are filed as Exhibit 99.2 to this Amendment No. 1 to Current Report on Form 8-K/A and are incorporated herein by reference.

(b) *Pro Forma* Financial Information.

1. Unaudited *pro forma* condensed combined balance sheet as of June 30, 2018 and unaudited statements of operations for the fiscal year ended June 30, 2018, each giving effect to the acquisition of Crest Marine LLC and related financing, and the notes thereto, are filed as Exhibit 99.3 to this Amendment No. 1 to Current Report on Form 8-K/A and are incorporated herein by reference.

(d) Exhibits.

The following exhibits are being furnished as part of this report:

Exhibit No.	Description
23.1	Consent of Davison & Associates, CPA, independent auditor for Crest Marine LLC
99.1	Audited financial statements of Crest Marine LLC as of and for each of the years ended December 31, 2017 and 2016, together with the notes thereto and the report of independent public accounting firm thereon
99.2	Unaudited financial statements of Crest Marine LLC as of June 30, 2018 and for each of the six months ended June 30, 2018 and 2017, together with the notes thereto
99.3	Unaudited *pro forma* condensed combined balance sheet as of June 30, 2018 and unaudited statements of operations for the fiscal year ended June 30, 2018, each giving effect to the acquisition of Crest Marine LLC and related financing, and the notes thereto

EXHIBIT INDEX

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MCBC HOLDINGS, INC.

Dated: December 7, 2018

/s/ Timothy M. Oxley

Timothy M. Oxley

Chief Financial Officer, Treasurer and Secretary

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITOR

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-212812) and Form S-8 (No. 333-205825) of MasterCraft Boat Holdings, Inc. of our report dated October 18, 2018, relating to our review of the financial statements of Crest Marine, LLC. as of and for the years ended June 30, 2018 and 2017 and our report dated February 23, 2018, except as to Note F, which is October 18, 2018, relating to our audit of the financial statements of Crest Marine, LLC., as of and for the years ended December 31, 2017 and 2016 (Restated), included in this Current Report on Form 8-K/A.

/s/ Davison & Associates, CPA

Troy, Michigan
December 7, 2018

Exhibit 99.1

FINANCIAL STATEMENTS AND REPORT OF

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Crest Marine, LLC

December 31, 2017 and 2016 (Restated)

CONTENTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Members
Crest Marine LLC

We have audited the accompanying balance sheets of Crest Marine, LLC (a Michigan limited liability company) as of December 31, 2017 and 2016 and the related statements of earnings, members' equity and cash flows, and the supplemental information presented herein for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles used and significant estimates made by management. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crest Marine, LLC as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As more fully described in Note F, Crest Marine, LLC improperly recognized assets and liabilities during the years ended December 31, 2017 and 2016. Crest Marine, L LC has restated its 2017 and 2016 financial statements for the correction of these misstatements. Our opinions on the 2017 and 2016 financial statements are not modified with respect to this matter.

Davison & Associates

Troy, Michigan
February 23, 2018, except as to Note F, which is October 18, 2018

Crest Marine, LLC

BALANCE SHEETS

December 31, (Restated)

	2017 (Restated)	2016 (Restated)
ASSETS (note C)		
CURRENT ASSETS		
Cash in bank (note A2)	$ 2,222,825	$ 1,122,123
Accounts receivable		
Trade (note A3)	3,388,223	3,552,410
Inventories (note A4), less reserve for obsolete inventory of $211,400 in 2017 and $173,000 in 2016	7,829,181	5,909,476
Prepaid expenses	103,309	97,640
Total current assets	13,543,538	10,681,649
PROPERTY AND EQUIPMENT - AT COST (note A5)		
Leasehold improvements	826,774	193,226
Machinery and equipment	2,389,915	1,824,415
Computer software	47,956	47,956
Vehicles	527,950	309,748
	3,792,595	2,375,345
Less accumulated depreciation	1,626,775	1,237,979
	2,165,820	1,137,366
	$ 15,709,358	$ 11,819,015
LIABILITIES		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 447,601	$ 238,164
Accounts payable		
Trade	2,910,471	2,309,413
Related parties (note B)	133,850	48,243
Accrued liabilities		
Warranty (note A6)	88,824	176,548
Repurchased boats (note D)	35,000	36,572
Other liabilities	592,087	576,561
	715,911	789,681
Total current liabilities	4,207,833	3,385,501
LONG TERM DEBT, LESS CURRENT PORTION (note C)	175,401	300,350
COMMITMENTS (note D)	—	—
CONTINGENCIES (note E)	—	—
MEMBERS' EQUITY	11,326,124	8,133,164
	$ 15,709,358	$ 11,819,015

The accompanying notes are an integral part of these statements.

Crest Marine, LLC

STATEMENTS OF EARNINGS

Years ended December 31, (Restated)

	2017 (Restated)		2016 (Restated)	
	Amount	Percent of net sales	Amount	Percent of net sales
Net sales	$ 65,399,275	100.0 %	$ 53,858,951	100.0 %
Cost of sales	52,909,092	80.9	43,339,850	80.5
Gross profit	12,490,183	19.1	10,519,101	19.5
Operating expenses	7,764,026	11.9	6,723,524	12.5
Operating profit	4,726,157	7.2	3,795,577	7.0
Other expense				
Interest expense	21,274	—	35,958	—
NET EARNINGS	$ 4,704,883	7.2 %	$ 3,759,619	7.0 %

The accompanying notes are an integral part of these statements.

Crest Marine, LLC

STATEMENTS OF MEMBERS' EQUITY

Years ended December 31, (Restated)

	2017 (Restated)	2016 (Restated)
Members' equity at beginning of year	$ 8,133,164	$ 6,062,833
Prior period adjustment (note F)	—	(291,957)
Net earnings for the year	4,704,883	3,759,619
Distributions	(1,511,923)	(1,397,331)
Members' equity at end of year	$ 11,326,124	$ 8,133,164

The accompanying notes are an integral part of these statements.

Crest Marine, LLC

STATEMENTS OF CASH FLOWS

Years ended December 31, (Restated)

	2017 (Restated)	2016 (Restated)
Cash flows from operating activities		
Cash received from customers	$ 65,563,462	$ 52,528,894
Cash paid to suppliers and employees	(61,682,408)	(50,767,565)
Interest paid	(21,274)	(35,958)
Net cash provided by operating activities	3,859,780	1,725,371
Cash flows from investing activities		
Purchase of property and equipment	(1,417,250)	(753,294)
Net payments from related parties	85,607	93,302
Net cash used in investing activities	(1,331,643)	(659,992)
Cash flows from financing activities		
Long-term debt incurred	258,750	50,660
Payments on long-term debt	(174,262)	(182,445)
Distributions	(1,511,923)	(1,397,331)
Net cash used in financing activities	(1,427,435)	(1,529,116)
Net increase (decrease) in cash	1,100,702	(463,737)
Cash at beginning of year	1,122,123	1,585,860
Cash at end of year	$ 2,222,825	$ 1,122,123
Reconciliation of net earnings to net cash provided by operating activities		
Net Earnings	$ 4,704,883	$ 3,759,619
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation	388,796	253,230
(Increase) decrease in assets:		
Accounts receivable	164,187	(1,330,057)
Inventories	(1,919,705)	(632,256)
Prepaid expenses	(5,669)	(19,419)
Increase (decrease) in liabilities:		
Accounts payable	601,058	(354,032)
Accrued liabilities	(73,770)	48,286
Total adjustments	(845,103)	(2,034,248)
Net cash provided by operating activities	$ 3,859,780	$ 1,725,371

The accompanying notes are an integral part of these statements.

NOTE A – SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Business Activity and Revenue Recognition

The Company's principal business activity is the manufacturing and sale of pontoon boats to retailers throughout the United States.

The Company's revenue is derived primarily from the sale of boats, marine parts, and accessories. Revenue is recognized in accordance with the terms of the sale, primarily upon shipment to customers, once the sales price is fixed or determinable and collectability is reasonably assured.

2. Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of one year or less. The company places its temporary cash investments with high credit quality financial institutions. At times these investments are not entirely FDIC insured; however, the company does not believe it is exposed to any significant credit risk on cash and cash equivalents. At December 31, 2017 and 2016, there was $1,972,825 and $872,123 of cash that was not FDIC insured.

3. Receivables and Concentration of Credit Risk

The Company considers its receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made. At December 31, 2017, the accounts receivable from two customers in the boat financing industry totaled $2,373,283. At December 31, 2016, the accounts receivable from two customers in the boat financing industry totaled $1,691,086. The company does not generally require collateral on its accounts receivable.

4. Inventories

Inventories are valued at the lower of cost or market and are shown net of an inventory allowance on the balance sheet. Inventory cost includes material, labor, and manufacturing overhead and is determined based on the first-in, first-out (FIFO) method. Provisions are made as necessary to reduce inventory amounts to their net realizable value or to provide for obsolete products.

Inventory consists of the following for the years ended December 31:

	2017	2016
Raw materials		
Motors	$ 1,551,203	$ 1,276,553
Boat components	4,306,257	3,521,331
Finished goods	2,183,121	1,284,592
Obsolescence reserve	(211,400)	(173,000)
	$ 7,829,181	$ 5,909,476

Activity in the obsolescence reserve was as follows for the years ended December 31:

	2017	2016
Beginning balance	$ 173,000	$ 160,965
Charged to cost and expenses	38,400	12,035
Ending balance	$ 211,400	$ 173,000

5. Depreciation and Amortization

Depreciation and amortization is provided for in amounts sufficient to relate the cost of property and equipment to operations over their estimated service lives using the straight-line and accelerated methods.

6. Product Warranties

The Company provides a warranty with each manufactured boat sold. There exists a possible loss as a result of future warranty service claims. The Company records an accrual for estimated future claims. Such accruals are based upon historical experience and management's estimates of the level of future claims, and are subject to adjustment as actual claims are determined or as changes in the obligations become reasonably estimable. Warranty expense for the year ended December 31, 2017 and 2016 was $158,147 and $221,934, respectively.

Activity in the product warranty reserve was as follows for the years ended December 31:

	2017	2016
Beginning balance	$ 176,548	$ 164,668
Accrued for warranties issued	216,515	177,263
Warranty claims paid	(304,239)	(165,383)
Ending balance	$ 88,824	$ 176,548

7. Accounting Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

8. Advertising

Advertising costs are charged to operations when incurred. Advertising expense for the years ended December 31, 2017 and 2016 was $310,610 and $369,407, respectively.

9. Income Taxes

The Company is treated as a partnership for income tax purposes; therefore, the profit or loss of Crest Marine LLC is included in the income tax returns of the Members. Accordingly, no recognition has been given to income taxes in the accompanying statements. As of December 31, 2017, the tax returns for the years ended December 31, 2016, 2015, and 2014 are open for audit by the taxing authorities.

NOTE B – RELATED PARTY TRANSACTIONS

The accounts receivable (payable) with related parties at years ended December 31 are as follows:

	2017	2016
Affiliates	$ (146,824)	$ (61,217)
Member	12,974	12,974
	$ (133,850)	$ (48,243)

The accounts receivable (payable) with affiliates is with limited liability companies related through common ownership. The related party accounts are non-interest bearing, unsecured and without specific payment terms; however, management anticipates the balance to be paid within the next year.

The following is a summary of the activity on the accounts for the years ended December 31:

	2017	2016
Beginning balance	$ (48,243)	$ 45,059
Rent charged by affiliate	(205,235)	(155,235)
Administrative fee	60,000	—
Expenses paid on behalf of affiliates	59,628	61,933
Ending balance	$ (133,850)	$ (48,243)

In addition, the Company purchases materials and tooling supplies from one of the affiliates related through common ownership. The expense charged to operations for these materials and tooling supplies for the years ended December 31, 2017 and 2016 was $2,788,743 and $1,719,723, respectively. For the year ended December 31, 2017, the company received $60,000 for an administrative fee from this affiliate.

NOTE C – LONG-TERM DEBT

Long-term debt consists of a note payable to a bank in monthly principal payments of $8,928 plus interest at 4.25% with final payment April 2020. The note is collateralized by substantially all assets of the company and by real estate held by a company related through common ownership. The agreement with the bank contains covenants which, among other things, require a minimum net worth and debt coverage ratio. At December 31, 2017 and 2016, there was $258,823 and $365,957 outstanding on this loan, respectively.

The Company has available a bank draw down line of credit loan which provides for borrowings up to $250,000 for purchase of business property and equipment. This is a multiple advance note with final payment due in September 2017. Advances on the note bear interest at 1% over the bank’s prime rate with a minimum rate of 4.5% (total rate of 4.75% at December 31, 2016). The note is payable in monthly installments of $5,708, which includes principal and interest. The note is collateralized by substantially all assets of the company. The note contains covenants which, among other things, require a minimum net worth and debt service coverage ratio. At December 31, 2016, there was $46,062 outstanding on this line of credit loan.

The Company has available a bank draw down line of credit loan which provides for borrowings up to $500,000 for purchase of business property and equipment. Advances on the note bear interest at the bank’s prime rate (4.5% at December 31, 2017) and is collateralized by substantially all assets of the company. At December 31, 2017 and 2016, there was $322,570 and $63,820 outstanding on this line of credit, respectively.

The Company also has notes payable to the bank which provided borrowings for the purchase of company vehicles. Monthly installments of $1,863 are required through October 2020 at interest rates varying from 2.29% to 2.99%. The notes are collateralized by vehicles with a cost of $114,941. At December 31, 2017 and 2016, there was $41,609 and $62,676 outstanding on these bank notes, respectively.

The following is a schedule, by years, of the principal payments required for long-term debt:

Years ending December 31,	
2018	$447,601
2019	120,075
2020	55,326
	$623,002

NOTE D – COMMITMENT

The Company conducts its operations in facilities leased from a company related through common ownership (note B). The facility is leased under an operating lease on a month to month basis which provides for monthly payments of $17,103 per month, plus payment by the company of real estate taxes, operating and maintenance expenses. Rent expense charged to operations for the years ended December 31, 2017 and 2016 was $205,235 and $155,235, respectively.

In connection with its dealers' wholesale floor-plan financing of boats, the Company has entered into repurchase agreements with various lending institutions. The repurchase commitment is on an individual unit basis with a term from the date it is financed by the lending institution through payment date by the dealer, generally not exceeding three years. Such agreements are customary in the industry and the Company's exposure to loss under such agreements is limited by contractual caps and the resale value of the inventory which is required to be repurchased. The company records an accrual for estimated future repurchase commitments based on historical experience of amount of boats repurchased and losses experienced.

Activity in the repurchase boats reserve was as follows for the years ended December 31:

	2017	2016
Beginning balance	$ 36,572	$ 70,068
Repurchased boat sales	407,613	240,731
Repurchased boat costs	(446,878)	(305,174)
Provision	37,693	30,947
Ending balance	$ 35,000	$ 36,572

NOTE E – CONTINGENCIES

At December 31, 2017 and 2016, the company had a third party guarantee outstanding of approximately $127,692 and $180,578, respectively. The guarantee is the liability of the company related through common ownership that owns the building in which the company conducts its operations. No loss is anticipated as a result of the guarantee.

NOTE F – RESTATEMENT OF FINANCIAL STATEMENTS

The Company is restating its financial statements for the years ended December 31, 2017 and 2016 to correct various account balances as summarized below. The restatements are being made in accordance with ASC 250

“Accounting Changes and Error Corrections”. The effects of the adjustments on the Company’s previously issued financial statements are summarized as follows:

Balance sheet as of December 31, 2017:

	Previously Reported	Increase (Decrease)	Restated
Accounts receivable	$ 3,258,069	$ 130,154	$ 3,388,223
Inventory	7,940,581	(111,400)	7,829,181
Accounts payable	2,749,762	160,709	2,910,471
Warranty liability	—	88,824	88,824
Repurchased boats liability	—	35,000	35,000
Members’ equity	11,591,903	(265,779)	11,326,124

Income statement year ended December 31, 2017:

	Previously Reported	Increase (Decrease)	Restated
Sales	$ 65,883,110	$ (483,835)	$ 65,399,275
Materials and supplies	43,753,849	(428,478)	43,325,371
Interest free program	1,016,072	(19,498)	996,574
Warranty expense	245,871	(87,724)	158,147
Boat shows	597,970	63,425	661,395

Balance sheet as of December 31, 2016:

	Previously Reported	Increase (Decrease)	Restated
Accounts receivable	$ 3,371,151	$ 181,259	$ 3,552,410
Inventory	6,002,476	(93,000)	5,909,476
Accounts payable	2,180,055	129,358	2,309,413
Warranty liability	—	176,548	176,548
Repurchased boats liability	—	36,572	36,572
Members’ equity	8,387,383	(254,219)	8,133,164

Income statement year ended December 31, 2016:

	Previously Reported	Increase (Decrease)	Restated
Sales	$ 54,102,632	$ (243,681)	$ 53,858,951
Materials and supplies	36,205,991	(278,173)	35,927,818
Interest free program	672,020	456	672,476
Warranty expense	210,054	11,880	221,934
Boat shows	544,983	(15,582)	529,401

The company reevaluated the methodology originally used to estimate the liabilities and receivables associated with warranty, repurchase boat agreements, obsolete inventory, and customer and vendor rebates.

NOTE G – SUBSEQUENT EVENTS

In preparing the financial statements, management has evaluated for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2017, the most recent statement of financial position presented herein, through February 23, 2018, except as to Note F, which is October 18, 2018, the date the financial statements were issued. No such significant events or transactions were identified.

SUPPLEMENTAL INFORMATION

Crest Marine, LLC

COST OF SALES

Years ended December 31, (Restated)

	2017 (Restated)		2016 (Restated)	
	Amount	**Percent of net sales**	**Amount**	**Percent of net sales**
Materials and supplies	$ 43,325,371	66.4 %	$ 35,927,818	66.7 %
Delivery, travel and fuel	74,254	0.1	62,780	0.1
Insurance	585,728	0.9	388,023	0.7
Interest free program	996,574	1.5	672,476	1.2
Research and development	149,433	0.2	231,403	0.4
Freight	1,231,107	1.9	945,018	1.8
Depreciation	388,796	0.6	253,230	0.5
Equipment maintenance	63,287	0.1	66,218	0.1
Direct labor	5,192,620	7.9	3,917,502	7.4
Payroll taxes	582,941	0.9	494,784	0.9
Utilities	160,834	0.2	158,664	0.3
Warranty expense	158,147	0.2	221,934	0.4
	$ 52,909,092	80.9 %	$ 43,339,850	80.5 %

Crest Marine, LLC

OPERATING EXPENSES

Years ended December 31, (Restated)

	2017 (Restated)		2016 (Restated)	
	Amount	Percent of net sales	Amount	Percent of net sales
Advertising	$ 310,610	0.5 %	$ 369,407	0.7 %
Bad debt	84,794	0.1	—	—
Bank fees	21,711	—	16,081	—
Boat shows	661,395	1.0	529,401	1.0
Commissions expense	1,141,369	1.8	800,773	1.5
Consulting	158,098	0.2	44,313	0.1
Contributions	1,225	—	1,475	—
Dues and subscriptions	22,503	—	21,122	—
Employee welfare	122,531	0.2	36,975	0.1
Rent	205,235	0.3	155,235	0.3
Internet	183,116	0.3	178,518	0.3
Legal and accounting	91,597	0.1	399,380	0.7
Maintenance - building	85,349	0.1	84,697	0.2
Meals and entertainment	12,828	—	3,616	—
Office supplies	69,495	0.1	54,872	0.1
Payroll fees	81,643	0.1	58,561	0.1
Postage and delivery	3,581	—	2,798	—
Printing and reproduction	120,152	0.2	145,306	0.3
Salaries	2,574,923	4.1	2,167,783	4.0
Payroll taxes	182,304	0.3	151,699	0.3
Sanitation	62,672	0.1	50,620	0.1
Taxes - property and other	39,966	0.1	15,925	—
Telephone	26,534	—	33,172	0.1
Travel	156,096	0.2	195,153	0.4
Truck and auto expense	1,404,299	2.2	1,206,642	2.2
Administrative fee	(60,000)	(0.1)	—	—
	$ 7,764,026	11.9 %	$ 6,723,524	12.5 %

Exhibit 99.2

FINANCIAL STATEMENTS AND REPORT OF

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Crest Marine, LLC

June 30, 2018 and 2017

CONTENTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Members
Crest Marine, LLC
Owosso, Michigan

We have reviewed the accompanying interim financial statements of Crest Marine, LLC (a Michigan limited liability company), which comprises the balance sheets as of June 30, 2018 and 2017, and the related statements of earnings, members' equity and cash flows for the six months then ended, and the related notes to the interim financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the interim financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statement on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the interim financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Davison & Associates

Troy, Michigan
October 18, 2018

3250 West Big Beaver, Suite 540 ▪ Troy, Michigan 48084
Tel (248) 643-0026 ▪ Fax (248) 643-0035 ▪ E-Mail: gary@davisonandassoc.com

Crest Marine, LLC

BALANCE SHEETS

June 30,

	2018	2017
ASSETS (note C)		
CURRENT ASSETS		
Cash in bank (note A2)	$ 3,795,114	$ 1,580,256
Accounts receivable		
Trade (note A3)	3,872,053	3,239,855
Related parties (note B)	884,585	—
Inventories (note A4), less reserve for obsolete inventory of $231,916 in 2018 and $500,000 in 2017	7,400,130	6,504,242
Prepaid expenses	116,564	68,700
Total current assets	16,068,446	11,393,053
PROPERTY AND EQUIPMENT - AT COST (note A5)		
Leasehold improvements	1,342,460	780,316
Machinery and equipment	2,389,915	1,884,415
Computer software	47,956	47,956
Vehicles	531,660	464,648
	4,311,991	3,177,335
Less accumulated depreciation	1,817,262	1,409,722
	2,494,729	1,767,613
	$ 18,563,175	$ 13,160,666
LIABILITIES		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 427,176	$ 205,728
Accounts payable		
Trade	3,095,393	1,984,323
Related parties (note B)	—	90,771
Accrued liabilities		
Warranty (note A6)	125,453	150,963
Repurchased boats (note D)	61,448	58,243
Other liabilities	985,886	571,112
	1,172,787	780,318
Total current liabilities	4,695,356	3,061,140
LONG TERM DEBT, LESS CURRENT PORTION (note C)	115,528	235,373
COMMITMENTS (note D)	—	—
CONTINGENCIES (note E)	—	—
MEMBERS' EQUITY	13,752,291	9,864,153
	$ 18,563,175	$ 13,160,666

The accompanying notes are an integral part of these statements.

Crest Marine, LLC

STATEMENTS OF EARNINGS

Six months ended June 30,

	2018		2017	
	Amount	**Percent of net sales**	**Amount**	**Percent of net sales**
Net sales	$ 46,372,522	100.0 %	$ 37,594,747	100.0 %
Cost of sales	37,377,388	80.6	30,500,761	81.1
Gross profit	8,995,134	19.4	7,093,986	18.9
Operating expenses	4,560,513	9.8	3,840,975	10.2
Operating profit	4,434,621	9.6	3,253,011	8.7
Other expense				
Interest expense	11,164	—	10,099	—
NET EARNINGS	$ 4,423,457	9.6 %	$ 3,242,912	8.7 %

The accompanying notes are an integral part of these statements.

Crest Marine, LLC

STATEMENTS OF MEMBERS' EQUITY

Six months ended June 30,

	2018	2017
Members' equity at beginning of period	$ 11,326,124	$ 8,133,164
Net earnings for the six months	4,423,457	3,242,912
Distributions	(1,997,290)	(1,511,923)
Members' equity at end of period	$ 13,752,291	$ 9,864,153

The accompanying notes are an integral part of these statements.

Crest Marine, LLC

STATEMENTS OF CASH FLOWS

Six months ended June 30,

	2018	2017
Cash flows from operating activities		
Cash received from customers	$ 45,888,692	$ 37,907,302
Cash paid to suppliers and employees	(40,690,222)	(35,070,272)
Interest paid	(11,164)	(10,099)
Net cash provided by operating activities	5,187,306	2,826,931
Cash flows from investing activities		
Purchase of property and equipment	(518,994)	(801,990)
Net payments (to) from related parties	(1,018,435)	42,528
Net cash used in investing activities	(1,537,429)	(759,462)
Cash flows from financing activities		
Long-term debt incurred	258,750	—
Payments on long-term debt	(339,048)	(97,413)
Distributions	(1,997,290)	(1,511,923)
Net cash used in financing activities	(2,077,588)	(1,609,336)
Net increase in cash	1,572,289	458,133
Cash at beginning of period	2,222,825	1,122,123
Cash at end of period	$ 3,795,114	$ 1,580,256
Reconciliation of net earnings to net cash provided by operating activities		
Net earnings	$ 4,423,457	$ 3,242,912
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation	190,085	171,743
(Increase) decrease in assets:		
Accounts receivable	(483,830)	312,555
Inventories	429,051	(594,766)
Prepaid expenses	(13,255)	28,940
Increase (decrease) in liabilities:		
Accounts payable	184,922	(325,090)
Accrued liabilities	456,876	(9,363)
Total adjustments	763,849	(415,981)
Net cash provided by operating activities	$ 5,187,306	$ 2,826,931

The accompanying notes are an integral part of these statements.

NOTE A – SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Business Activity and Revenue Recognition

The Company's principal business activity is the manufacturing and sale of pontoon boats to retailers throughout the United States.

The Company's revenue is derived primarily from the sale of boats, marine parts, and accessories. Revenue is recognized in accordance with the terms of the sale, primarily upon shipment to customers, once the sales price is fixed or determinable and collectability is reasonably assured.

2. Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of one year or less. The company places its temporary cash investments with high credit quality financial institutions. At times these investments are not entirely FDIC insured; however, the company does not believe it is exposed to any significant credit risk on cash and cash equivalents. At June 30, 2018 and 2017, there was $3,545,114 and $1,330,256 of cash that was not FDIC insured.

3. Receivables and Concentration of Credit Risk

The Company considers its receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made. The accounts receivable from three customers totaled $2,254,298 and $1,596,926 for the periods ended June 30, 2018 and 2017 respectively. Two of the customers are in the boat financing industry and the other customer is a boat dealer.

The customers are in the following industries:

	2018	2017
Boat financing	$ 1,870,461	$ 1,011,348
Boat dealership	383,837	585,578
	$ 2,254,298	$ 1,596,926

4. Inventories

Inventories are valued at the lower of cost or market and are shown net of an inventory allowance on the balance sheet. Inventory cost includes material, labor, and manufacturing overhead and is determined based on the first-in, first-out (FIFO) method. Provisions are made as necessary to reduce inventory amounts to their net realizable value or to provide for obsolete products.

Inventory consists of the following for the six months ended June 30:

	2018	2017
Raw materials		
Motors	$ 1,615,414	$ 2,182,413
Boat components	4,713,829	4,106,366
Finished goods	1,302,803	715,463
Obsolescence reserve	(231,916)	(500,000)
	$ 7,400,130	$ 6,504,242

Activity in the obsolescence reserve was as follows for the six months ended June 30:

	2018	2017
Beginning balance	$ 211,400	$ 173,000
Charged to cost and expenses	20,516	327,000
Ending balance	$ 231,916	$ 500,000

5. Depreciation and Amortization

Depreciation and amortization is provided for in amounts sufficient to relate the cost of property and equipment to operations over their estimated service lives using the straight-line and accelerated methods.

6. Product Warranties

The Company provides a warranty with each manufactured boat sold. There exists a possible loss as a result of future warranty service claims. The Company records an accrual for estimated future claims. Such accruals are based upon historical experience and management's estimates of the level of future claims, and are subject to adjustment as actual claims are determined or as changes in the obligations become reasonably estimable. Warranty expense for the six months ended June 30, 2018 and 2017 was $151,596 and $108,258, respectively.

Activity in the product warranty reserve was as follows for the six months ended June 30:

	2018	2017
Beginning balance	$ 88,824	$ 176,548
Accrued for warranties issued	151,596	108,258
Warranty claims paid	(114,967)	(133,843)
Ending balance	$ 125,453	$ 150,963

7. Accounting Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

8. Advertising

Advertising costs are charged to operations when incurred. Advertising expense for the six months ended June 30, 2018 and 2017 was $116,903 and $167,277, respectively.

9. Income Taxes

The Company is treated as a partnership for income tax purposes; therefore, the profit or loss of Crest Marine LLC is included in the income tax returns of the Members. Accordingly, no recognition has been given to income taxes in the accompanying statements. As of June 30, 2018, the tax returns for the years ended December 31, 2017, 2016, and 2015 are open for audit by the taxing authorities.

NOTE B – RELATED PARTY TRANSACTIONS

The accounts receivable (payable) with related parties at six months ended June 30 are as follows:

	2018	2017
Affiliates	$ (128,389)	$ (103,745)
Member	1,012,974	12,974_
	$ 884,585	$ (90,771)

The accounts receivable (payable) with affiliates is with limited liability companies related through common ownership. The related party accounts are non-interest bearing, unsecured and without specific payment terms; however, management anticipates the balance to be paid within the next year.

The following is a summary of the activity on the related party accounts for the six months ended June 30:

	2018	2017
Beginning balance	$ (133,850)	$ (48,243)
Rent charged by affiliate	(77,617)	(102,618)
Administrative fee	30,000	30,000
Payments	(60,000)	—
Advances	1,000,000	—
Expenses paid on behalf of affiliates	126,052	30,090
Ending balance	$ 884,585	$ (90,771)

In addition, the Company purchases materials and tooling supplies from one of the affiliates related through common ownership. The expense charged to operations for these materials and tooling supplies for the six months ended June 30, 2018 and 2017 was $2,006,867 and $1,326,054, respectively. The company received $30,000 for an administrative fee from this affiliate for each six month period ended June 30, 2018 and 2017.

NOTE C – LONG-TERM DEBT

Long-term debt consists of a note payable to a bank in monthly principal payments of $8,928 plus interest at 4.25% with final payment April 2020. The note is collateralized by substantially all assets of the company and by real estate held by a company related through common ownership. The agreement with the bank contains covenants which, among other things, require a minimum net worth and debt coverage ratio. At June 30, 2018 and 2017, there was $205,256 and $312,390 outstanding on this loan, respectively.

The Company has available through April 12, 2018 a bank draw down line of credit loan which provides for borrowings up to $250,000 for purchase of business property and equipment. This is a multiple advance note with final payment due in September 2017. Advances on the note bear interest at 1% over the bank's prime rate with a minimum rate of 4.5% (total rate of 4.75% at June 30, 2017). The note is payable in monthly installments of $5,708, which includes principal and interest. The note is collateralized by substantially all assets of the company. The note contains covenants which, among other things, require a minimum net worth and debt service coverage ratio. At June 30, 2017, there was $12,607 outstanding on this line of credit loan.

The Company has available a bank draw down line of credit loan which provides for borrowings up to $500,000 for purchase of business property and equipment. Advances on the note bear interest at the bank's prime rate (4.75% at June 30, 2018) and is collateralized by substantially all assets of the company. At June 30, 2018 and 2017, there was $307,335 and $63,820 outstanding on this line of credit, respectively.

The Company also has notes payable to the bank which provided borrowings for the purchase of company vehicles. At June 30, 2018, monthly installments of $1,105 are required through October 2020 at an interest rate of 2.29%. The notes are collateralized by vehicles with a cost of $70,265. At June 30, 2018 and 2017, there was $30,113 and $52,282 outstanding on these bank notes, respectively.

The following is a schedule, by years, of the principal payments required for long-term debt:

Years ending June 30,		
2019	$	427,176
2020		111,128
2021		4,400
	$	542,704

NOTE D – COMMITMENT

The Company conducts its operations in facilities leased from a company related through common ownership (note B). The facility is leased under an operating lease that expires on December 31, 2022, which provides for monthly payments of $12,936. Prior to 2018 the company leased the facility on a month to month basis with monthly rent of $17,103. The company also pays real estate taxes, operating and maintenance expenses. Rent expense charged to operations for the six months ended June 30, 2018 and 2017 was $77,617 and $102,618, respectively. The company has four options for five years each to extend the lease upon its termination.

The following is a schedule, by years, of the future minimum lease payments required under the lease agreement:

Years ending June 30,		
2019	$	155,235
2020		155,235
2021		155,235
2022		155,235
2023		77,618
	$	698,558

In connection with its dealers' wholesale floor-plan financing of boats, the Company has entered into repurchase agreements with various lending institutions. The repurchase commitment is on an individual unit basis with a term from the date it is financed by the lending institution through payment date by the dealer, generally not exceeding three years. Such agreements are customary in the industry and the Company's exposure to loss under such agreements is limited by contractual maximums and the resale value of the inventory which is required to be repurchased. The company records an accrual for estimated future repurchase commitments based upon historical expense and management's estimates of future claims.

Activity in the repurchase boats reserve was as follows for the years ended December 31:

	2018	2017
Beginning balance	$ 35,000	$ 36,572
Provision	26,448	21,671
Ending balance	$ 61,448	$ 58,243

NOTE E – CONTINGENCIES

At June 30, 2018 and 2017, the company had a third party guarantee outstanding of approximately $101,300 and $154,187, respectively. The guarantee is the liability of the company related through common ownership that owns the building in which the company conducts its operations. No loss is anticipated as a result of the guarantee.

NOTE F – SUBSEQUENT EVENTS

On October 18, 2018, the members of Crest Marine, LLC. sold all membership interest in the Company to MCBC Holdings, Inc.. The partnership of Crest Marine, LLC. ceases to exist.

Crest Marine, LLC

COST OF SALES

Six months ended June 30,

	2018		2017	
	Amount	Percent of net sales	Amount	Percent of net sales
Materials and supplies	$ 30,694,032	66.3 %	$ 25,412,305	67.5 %
Delivery, travel and fuel	59,814	0.1	34,346	0.1
Insurance	312,196	0.7	226,190	0.6
Interest free program	1,006,149	2.2	759,845	2.0
Research and development	50,301	0.1	96,724	0.3
Freight	810,132	1.7	591,332	1.6
Depreciation	190,085	0.4	171,743	0.5
Equipment maintenance	37,187	0.1	45,473	0.1
Direct labor	3,543,642	7.6	2,641,503	7.0
Payroll taxes	430,948	0.9	328,990	0.9
Utilities	91,306	0.2	84,052	0.2
Warranty expense	151,596	0.3	108,258	0.3
	$ 37,377,388	80.6 %	$ 30,500,761	81.1 %

Crest Marine, LLC

OPERATING EXPENSES

Six months ended June 30,

	2018		2017	
	Amount	Percent of net sales	Amount	Percent of net sales
Advertising	$ 116,903	0.3 %	$ 167,277	0.4 %
Bank fees	7,058	—	11,009	—
Boat shows	247,543	0.5	161,482	0.4
Commissions expense	743,154	1.6	702,543	2.0
Consulting	14,050	—	14,222	—
Contributions	750	—	975	—
Dues and subscriptions	24,236	0.1	5,979	—
Employee welfare	45,525	0.1	67,578	0.2
Rent	77,618	0.2	102,618	0.3
Internet	80,398	0.2	79,425	0.2
Legal and accounting	135,871	0.3	43,730	0.1
Maintenance - building	15,741	—	36,542	0.1
Meals and entertainment	8,122	—	8,610	—
Office supplies	45,700	0.1	52,915	0.1
Payroll fees	27,818	0.1	35,268	0.1
Postage and delivery	1,226	—	1,842	—
Printing and reproduction	37,687	0.1	23,896	0.1
Salaries	1,460,135	3.1	1,201,897	3.2
Payroll taxes	114,222	0.2	104,901	0.3
Sanitation	31,236	0.1	40,607	0.1
Taxes - property and other	152,703	0.3	19,486	0.1
Telephone	11,230	—	16,799	—
Travel	115,817	0.2	91,248	0.2
Truck and auto expense	1,075,770	2.4	880,126	2.4
Administrative fee	(30,000)	(0.1)	(30,000)	(0.1)
	$ 4,560,513	9.8 %	$ 3,840,975	10.2 %

Exhibit 99.3

MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On October 1, 2018 (the "Closing Date"), MasterCraft Boat Holdings, Inc., collectively referred to as "we," "our," "MasterCraft," or the "Company," purchased all of the outstanding units of Crest Marine LLC (the "Acquisition"), for a purchase price of approximately $80 million, subject to certain adjustments, including customary adjustments for the amount of working capital in the business, as set forth in the Membership Interest Purchase Agreement. The Company funded the purchase price primarily with borrowings under its Fourth Amended and Restated Credit Agreement (the "Amended Credit Agreement"). The Amended Credit Agreement provides the Company with a $190 million senior secured credit facility, consisting of a $75 million term loan, an $80 million term loan and a $35 million revolving credit facility. The Amended Credit Agreement bears interest, at the Company's option, at either the prime rate plus an applicable margin ranging from 0.5% to 1.5%, or at an adjusted London Interbank Offered Rate ("LIBOR") plus an applicable margin ranging from 1.5% to 2.5%, in each case based on the Company's senior leverage ratio. Based on the Company's current senior leverage ratio, the applicable margin for loans accruing interest at the prime rate is 1.25% and the applicable margin for loans accruing interest at LIBOR is 2.25%. The Amended Credit Agreement is secured by a first-priority security interest in substantially all of the Company's assets. Obligations under the Amended Credit Agreement are guaranteed by the Company and secured by the assets of each of its domestic subsidiaries. The Amended Credit Agreement contains a number of covenants that, among other things, restrict the Company's ability to, subject to specified exceptions, incur additional debt; incur additional liens and contingent liabilities; sell or dispose of assets; merge with or acquire other companies; liquidate or dissolve; engage in businesses that are not in a related line of business; make loans, advances or guarantees; pay dividends or make other distributions; engage in transactions with affiliates; and make investments. The Company is also required to maintain a specified consolidated fixed charge coverage ratio and a specified total leverage ratio. The Amended Credit Agreement includes customary events of default, including, but not limited to, payment defaults, covenant defaults, breaches of representations and warranties, cross-defaults to certain indebtedness, certain events of bankruptcy and insolvency, defaults under any security documents, and a change of control. The Term Loans will mature, and all remaining amounts outstanding thereunder will be due and payable on October 1, 2023.

The following unaudited pro forma condensed combined financial information is based on the historical consolidated financial statements of the Company and the historical combined financial statements of Crest Marine LLC ("Crest") and is intended to provide information about how the Acquisition of Crest and related financing may have affected the Company's historical consolidated financial statements. The unaudited pro forma condensed combined statements of operations information for the twelve months ended June 30, 2018 is presented as if the Acquisition and related financing occurred on July 1, 2017. The unaudited pro forma condensed combined balance sheet as of June 30, 2018 is presented as if the Acquisition and related financing had occurred on June 30, 2018. The pro forma adjustments are described in the accompanying notes and are based upon available information and assumptions that we believe are reasonable at the time of the filing of this report on Form 8-K/A.

The Company and Crest have different year ends. The Company's fiscal year end is June 30 and Crest's year end is December 31. As the year ends differ by more than 93 days, the unaudited pro forma condensed combined statement of operations for the fiscal year ended June 30, 2018 was derived from i) the Company's audited consolidated statement of operations for the fiscal year ended June 30, 2018 and ii) Crest's condensed consolidated statement of operations for the twelve months ended June 30, 2018, which was derived by adding the historical financial information included in Crest's audited Statement of Earnings for the year ended December 31, 2017 and Crest's unaudited Statement of Earnings for the six months ended June 30, 2018, and excluding Crest's unaudited Statement of Earnings for the six months ended June 30, 2017.

The unaudited pro forma condensed combined financial statements are presented for informational purposes only. The unaudited pro forma condensed combined financial statements are not necessarily indicative of what our financial position or results of operations would have been had we completed the Acquisition as of the dates indicated. In addition, the unaudited pro forma condensed combined financial statements do not purport to project the future financial position or operating results of the combined company.

Crest's assets and liabilities are recorded at their estimated fair values. Pro forma purchase price allocation adjustments have been made for the purpose of providing unaudited pro forma condensed combined financial information based on current estimates and currently available information, and are subject to revision based on final, independent determinations of fair value and final allocation of purchase price to the assets and liabilities of the business acquired. The unaudited pro forma condensed combined statements of operations do not reflect the realization of any expected cost savings and other synergies resulting from the Acquisition as a result of any cost saving initiatives planned subsequent to the closing of the Acquisition and related financing, nor do they reflect any nonrecurring costs directly attributable to the Acquisition and related financing.

The accounting policies used in the presentation of the following unaudited pro forma condensed combined financial information are those set out in the Company's audited consolidated financial statements for the fiscal year ended June 30, 2018. Certain reclassifications of amounts contained in Crest's historical statements of income have been made to conform to the Company's accounting policies.

The unaudited pro forma condensed combined consolidated financial statements along with the assumptions underlying the pro forma adjustments are described in the accompanying notes and should be read in conjunction with the historical consolidated financial statements contained in the Company's annual report on Form 10-K for the fiscal year ended June 30, 2018 and Crest's historical financial statements included in Exhibits 99.1 and 99.2 contained in this Form 8-K/A.

MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES
Pro Forma Consolidated Statements of Operations (Unaudited)
For the Fiscal Year Ended June 30, 2018
(In thousands, except share data)

	MasterCraft Boat Holdings, Inc. Historical Fiscal Year Ended June 30, 2018	Crest Marine LLC Historical Twelve Months Ended June 30, 2018	Pro Forma Adjustments	MasterCraft Boat Holdings, Inc. Pro Forma Combined
NET SALES	$ 332,725	$ 74,177	$ (1,341)(a)	$ 405,561
COST OF SALES	242,361	59,786	449(b)	302,596
GROSS PROFIT	90,364	14,391	(1,790)	102,965
OPERATING EXPENSES:				
Selling and marketing	13,011	2,714	—	15,725
General and administrative	19,773	5,769	(1,905)(c)	23,637
Amortization of intangible assets	1,597	—	1,849(d)	3,446
Total operating expenses	34,381	8,483	(56)	42,808
OPERATING INCOME	55,983	5,908	(1,734)	60,157
OTHER EXPENSE (INCOME):				
Interest expense	3,474	22	3,296(e)	6,792
Other	—	—	—	—
INCOME BEFORE INCOME TAX EXPENSE	52,509	5,886	(5,030)	53,365
INCOME TAX EXPENSE	12,856	—	273(f)	13,129
NET INCOME (LOSS)	$ 39,653	$ 5,886	$ (5,303)	$ 40,236
WEIGHTED AVERAGE SHARES USED FOR COMPUTATION OF:				
Basic earnings (loss) per share	18,619,793			18,619,793
Diluted earnings (loss) per share	18,714,531			18,714,531

(a) Reflects reclassifications of floor plan discounts from cost of sales to net sales to conform the presentation of Crest's financial information to MasterCraft's presentation.

(b) Reflects reclassifications of $1,341 for floor plan discounts from cost of sales to net sales, $1,577 for reclassifications for transportation expenses from general and administrative to cost of sales, $163 for reclassifications for rent expenses from general and administrative to cost of sales, reclassifications of $165 for building maintenance expenses from general and administrative to cost of sales and a reduction of $115 in depreciation expense due to estimated fair value step down in tangible assets assumed for pro forma purposes. Excludes the increase of $382 attributable to the nonrecurring estimated fair value step up in inventory assumed as part of the Acquisition.

(c) Reflects reclassifications of $1,577 for transportation expenses from general and administrative to cost of sales, reclassifications of $163 for rent expenses from general and administrative to cost of sales, and reclassifications of $165 for building maintenance expenses from general and administrative to cost of sales to conform the presentation of Crest's financial information to MasterCraft's presentation.

(d) Reflects the amortization expense attributable to intangible assets assumed to be acquired as part of the Acquisition.

(e) Reflects increased interest expense resulting from the borrowings in connection with the Acquisition based on the current interest rate of 4.28%. The Company, in connection with the Acquisition, entered into the Amended Credit Agreement and used the proceeds from the $80 term loan under the Amended Credit Agreement to fund the payment of the Acquisition purchase price.

(f) Represents the income tax impact of the pro forma adjustments based on the applicable blended rate, including, (i) interest expense on the Company's additional proceeds from the new term loan assumed to finance the Acquisition, (ii) amortization expense of intangible assets assumed acquired as part of the Acquisition, and (iii) depreciation expense for tangible assets assumed as part of the Acquisition.

MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES
Pro Forma Consolidated Balance Sheet (Unaudited)
As of June 30, 2018
(In thousands, except share data)

	MasterCraft Boat	Crest Marine LLC		MasterCraft Boat

	Holdings, Inc. Historical As of June 30, 2018	Historical As of June 30, 2018	Pro Forma Adjustments	Holdings, Inc. Pro Forma Combined
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 7,909	$ 3,795	$ (2,586)(a)	$ 9,118
Accounts receivable — net	5,515	4,757	—	10,272
Inventories — net	20,467	7,400	382 (b)	28,249
Prepaid expenses and other current assets	3,295	117	—	3,412
Total current assets	37,186	16,069	(2,204)	51,051
Property, plant and equipment — net	22,265	2,495	(631)(c)	24,129
Intangible assets — net	51,046	—	35,245 (d)	86,291
Goodwill	65,792	—	33,013 (e)	98,805
Deferred debt issuance costs — net	383	—	179 (f)	562
Other	252	—	—	252
Total assets	176,924	18,564	65,602	261,090
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Accounts payable	17,266	3,095	799 (g)	21,160
Income tax payable	705	—		705
Accrued expenses and other current liabilities	27,866	1,174		29,040
Current portion of long term debt, net of unamortized debt issuance costs	5,069	427	5,846 (h)	11,342
Total current liabilities	50,906	4,696	6,645	62,247
Long term debt, net of unamortized debt issuance costs	70,087	116	73,508 (h)	143,711
Deferred income taxes	1,427	—		1,427
Unrecognized tax positions	1,982	—		1,982
Total liabilities	124,402	4,812	80,153	209,367
STOCKHOLDERS' EQUITY:				
Common stock, $.01 par value per share — authorized, 100,000,000 shares; issued and outstanding, 18,637,445 shares at June 30, 2018	187	—	—	187
Member units		13,752	(13,752) (i)	—
Additional paid-in capital	114,052	—	—	114,052
Accumulated deficit	(61,717)	—	(799)(g)	(62,516)
Total stockholders' equity	52,522	13,752	(14,551)	51,723
Total liabilities and stockholders' equity	$ 176,924	$ 18,564	$ 65,602	$ 261,090

(a) Reflects cash proceeds used by the Company to fund the Acquisition.

(b) Represents an increase of $382 in the estimated fair value of inventory. The allocation of fair value to inventory is based on preliminary estimates; the final acquisition cost allocation may differ materially from the preliminary assessment outlined above. An independent valuation estimate has not been completed at the time of this report. Any changes to the initial estimates of the fair value of the assets and liabilities will be allocated to goodwill.

(c) Represents the decrease in estimated fair value of tangible assets for pro forma purposes. This allocation is based on preliminary estimates; the final acquisition cost allocation may differ materially from the preliminary assessment outlined above. An independent valuation estimate has not been completed at the time of this report. Any changes to the initial estimates of the fair value of the assets and liabilities will be allocated to goodwill.

(d) Reflects the preliminary estimate of the fair value of the acquired intangible assets, including trade name, customer relationship assets and non-compete agreements with key employees. The purchase price allocated to these intangible assets was based on management’s estimate of the fair value of assets purchased and has not been subject to an independent valuation at the time of this report.

(e) Reflects the estimated amount of goodwill acquired at the date of the Acquisition. Goodwill represents the total excess of the total purchase price over the fair value of the net assets acquired. This allocation is based on preliminary estimates; the final acquisition cost allocation may differ materially from the preliminary assessment outlined above. Any changes to the initial estimates of the fair value of the assets and liabilities will be allocated to goodwill. Residual goodwill at the date of Acquisition will vary from goodwill presented in the unaudited pro forma condensed combined balance sheet due to changes in the net book value of intangible assets during the period presented through the date of acquisition as well as results of an independent valuation, which has not been completed at the time of this report.

(f) Reflects additional debt financing costs incurred by MasterCraft in connection with the Amended Credit Agreement that are attributable to the revolving credit facility.

(g) Reflects additional non-recurring transaction costs incurred by MasterCraft that are directly attributable to the Acquisition.

(h) Reflects borrowings net of debt issuance costs under the Amended Credit Agreement used to repay the Company's previously existing term loan, fund the Acquisition and pay certain fees and expenses related to entering into the Credit Agreement.

(i) Represents the elimination of the historical owners' equity interest in Crest.