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

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: April 2, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________________ to

Commission File Number 001-37502

MASTERCRAFT BOAT HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**06-1571747**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*

100 Cherokee Cove Drive, Vonore, TN 37885
(Address of Principal Executive Office) (Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	MCFT	NASDAQ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☑
Non-accelerated filer	☐	Smaller reporting company	☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☑ No

As of May 5, 2023, there were 17,495,267 shares of the Registrant's common stock, par value $0.01 per share, issued and outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain “forward-looking statements” within the meaning of the federal securities laws. These forward-looking statements can generally be identified by the use of statements that include words such as “could,” “may,” “might,” “will,” “expect,” “likely,” “believe,” “continue,” “anticipate,” “estimate,” “intend,” “plan,” “project” and other similar words or phrases. Forward-looking statements involve estimates and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are based on assumptions that we have made considering our industry experience and our perceptions of historical trends, current conditions, expected future developments and other important factors we believe are appropriate under the circumstances. As you read and consider this Quarterly Report on Form 10-Q, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties (many of which are beyond our control) and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many important factors could affect our actual operating and financial performance and cause our performance to differ materially from the performance anticipated in the forward-looking statements, including but not limited to the following: changes in interest rates, the potential effects of supply chain disruptions and production inefficiencies, general economic conditions, demand for our products, inflation, changes in consumer preferences, competition within our industry, our reliance on our network of independent dealers, our ability to manage our manufacturing levels and our fixed cost base, the successful introduction of our new products, geopolitical conflicts, financial institution disruptions and the other important factors described under the caption “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2022, filed with the Securities and Exchange Commission (“SEC”) on September 9, 2022 (our “2022 Annual Report”) and our Quarterly Report on Form 10-Q for the fiscal quarter ended January 1, 2023, filed with the SEC on February 8, 2023 (our "Fiscal Second Quarter Quarterly Report"). Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove incorrect, our actual operating and financial performance may vary in material respects from the performance projected in these forward-looking statements.

Further, any forward-looking statement speaks only as of the date on which it is made, and except as required by law, we undertake no obligation to update any forward-looking statement contained in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. New important factors that could cause our business not to develop as we expect may emerge from time to time, and it is not possible for us to predict all of them.

MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	April 2, 2023	April 3, 2022	April 2, 2023	April 3, 2022
NET SALES	$ 166,776	$ 169,343	$ 495,480	$ 444,393
COST OF SALES	124,178	125,269	368,682	333,376
GROSS PROFIT	42,598	44,074	126,798	111,017
OPERATING EXPENSES:				
Selling and marketing	3,927	3,017	10,748	9,966
General and administrative	9,156	8,964	26,874	26,881
Amortization of other intangible assets	489	489	1,467	1,467
Goodwill impairment	—	—	—	1,100
Total operating expenses	13,572	12,470	39,089	39,414
OPERATING INCOME	29,026	31,604	87,709	71,603
OTHER INCOME (EXPENSE):				
Interest expense	(695)	(341)	(1,923)	(1,080)
Interest income	1,195	—	1,967	—
INCOME BEFORE INCOME TAX EXPENSE	29,526	31,263	87,753	70,523
INCOME TAX EXPENSE	6,744	6,957	20,353	16,126
NET INCOME FROM CONTINUING OPERATIONS	22,782	24,306	67,400	54,397
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX (Note 3)	(272)	(3,371)	(21,139)	(7,674)
NET INCOME	$ 22,510	$ 20,935	$ 46,261	$ 46,723
NET INCOME (LOSS) PER SHARE:				
Basic				
Continuing operations	$ 1.30	$ 1.33	$ 3.80	$ 2.92
Discontinued operations	(0.02)	(0.19)	(1.19)	(0.41)
Net income	$ 1.28	$ 1.14	$ 2.61	$ 2.51
Diluted				
Continuing operations	$ 1.28	$ 1.31	$ 3.78	$ 2.89
Discontinued operations	(0.01)	(0.18)	(1.19)	(0.40)
Net income	$ 1.27	$ 1.13	$ 2.59	$ 2.49
WEIGHTED AVERAGE SHARES USED FOR COMPUTATION OF:				
Basic earnings per share	17,559,920	18,295,949	17,725,208	18,622,878
Diluted earnings per share	17,748,910	18,487,346	17,851,655	18,796,867

Notes to Unaudited Condensed Consolidated Financial Statements form an integral part of the condensed consolidated financial statements.

MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share amounts)

	April 2, 2023	June 30, 2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 27,453	$ 34,203
Held-to-maturity securities (Note 4)	73,914	—
Accounts receivable, net of allowance of $155 and $214, respectively	18,688	22,472
Inventories, net (Note 5)	55,268	58,595
Prepaid expenses and other current assets	10,673	7,232
Current assets associated with discontinued operations (Note 3)	—	23,608
Total current assets	185,996	146,110
Property, plant and equipment, net (Note 6)	70,510	55,823
Goodwill (Note 7)	28,493	28,493
Other intangible assets, net (Note 7)	35,951	37,418
Deferred income taxes	14,331	21,525
Deferred debt issuance costs, net	330	406
Other long-term assets	2,663	1,290
Non-current assets associated with discontinued operations (Note 3)	—	5,987
Total assets	$ 338,274	$ 297,052
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	27,335	23,375
Income tax payable	5,582	4,600
Accrued expenses and other current liabilities (Note 8)	66,070	54,437
Current portion of long-term debt, net of unamortized debt issuance costs (Note 9)	4,004	2,873
Current liabilities associated with discontinued operations (Note 3)	—	7,887
Total current liabilities	102,991	93,172
Long-term debt, net of unamortized debt issuance costs (Note 9)	50,391	53,676
Unrecognized tax positions	6,469	6,358
Other long-term liabilities	2,276	198
Total liabilities	162,127	153,404
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Common stock, $.01 par value per share — authorized, 100,000,000 shares; issued and outstanding, 17,571,882 shares at April 2, 2023 and 18,061,437 shares at June 30, 2022	176	181
Additional paid-in capital	82,827	96,584
Retained earnings	93,144	46,883
Total stockholders' equity	176,147	143,648
Total liabilities and stockholders' equity	$ 338,274	$ 297,052

Notes to Unaudited Condensed Consolidated Financial Statements form an integral part of the condensed consolidated financial statements.

MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Dollars in thousands)

	Common Stock		Additional Paid-in	Retained	
	Shares	Amount	Capital	Earnings	Total
Balance at June 30, 2022	18,061,437	$ 181	$ 96,584	$ 46,883	$ 143,648
Share-based compensation activity	128,040	1	649	—	650
Repurchase and retirement of common stock	(191,360)	(2)	(4,176)	—	(4,178)
Net income	—	—	—	4,068	4,068
Balance at October 2, 2022	17,998,117	180	93,057	50,951	144,188
Share-based compensation activity	2,466	—	745	—	745
Repurchase and retirement of common stock	(224,284)	(2)	(4,792)	—	(4,794)
Net income	—	—	—	19,683	19,683
Balance at January 1, 2023	17,776,299	178	89,010	70,634	159,822
Share-based compensation activity	5,733	—	883	—	883
Repurchase and retirement of common stock	(210,150)	(2)	(7,066)	—	(7,068)
Net income	—	—	—	22,510	22,510
Balance at April 2, 2023	17,571,882	$ 176	$ 82,827	$ 93,144	$ 176,147

	Common Stock		Additional Paid-in	Retained Earnings (Accumulated	
	Shares	Amount	Capital	Deficit)	Total
Balance at June 30, 2021	18,956,719	$ 189	$ 118,930	$ (11,331)	$ 107,788
Share-based compensation activity	62,865	1	705	—	706
Repurchase and retirement of common stock	(58,379)	(1)	(1,486)	—	(1,487)
Net income	—	—	—	10,386	10,386
Balance at October 3, 2021	18,961,205	189	118,149	(945)	117,393
Share-based compensation activity	5,913	—	1,159	—	1,159
Repurchase and retirement of common stock	(356,296)	(3)	(9,885)	—	(9,888)
Net income	—	—	—	15,402	15,402
Balance at January 2, 2022	18,610,822	186	109,423	14,457	124,066
Share-based compensation activity	(6,086)	—	766	—	766
Repurchase and retirement of common stock	(395,948)	(4)	(10,075)	—	(10,079)
Net income	—	—	—	20,935	20,935
Balance at April 3, 2022	18,208,788	$ 182	$ 100,114	$ 35,392	$ 135,688

Notes to Unaudited Condensed Consolidated Financial Statements form an integral part of the condensed consolidated financial statements.

MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Nine Months Ended	
	April 2, 2023	April 3, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 46,261	$ 46,723
Loss from discontinued operations, net of tax	21,139	7,674
Net income from continuing operations	67,400	54,397
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	7,833	7,329
Share-based compensation	2,892	2,927
Unrecognized tax benefits	111	1,340
Deferred income taxes	7,194	(3)
Amortization of debt issuance costs	172	178
Goodwill impairment	—	1,100
Changes in certain operating assets and liabilities	21,610	(15,946)
Other, net	153	541
Net cash provided by operating activities of continuing operations	107,365	51,863
Net cash used in operating activities of discontinued operations	(2,403)	(16,561)
Net cash provided by operating activities	104,962	35,302
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(18,871)	(8,021)
Purchases of investments	(83,509)	—
Maturities of investments	10,000	—
Net cash used in investing activities of continuing operations	(92,380)	(8,021)
Net cash used in investing activities of discontinued operations	(501)	(2,818)
Net cash used in investing activities	(92,881)	(10,839)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on revolving credit facility	—	(38,000)
Borrowings on revolving credit facility	—	12,000
Principal payments on long-term debt	(2,250)	(2,250)
Repurchase and retirement of common stock	(15,972)	(21,454)
Other, net	(609)	(245)
Net cash used in financing activities of continuing operations	(18,831)	(49,949)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(6,750)	(25,486)
CASH AND CASH EQUIVALENTS — BEGINNING OF PERIOD	34,203	39,252
CASH AND CASH EQUIVALENTS — END OF PERIOD	$ 27,453	$ 13,766
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash payments for interest	$ 1,773	$ 874
Cash payments for income taxes	6,209	13,139
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Capital expenditures in accounts payable and accrued expenses	2,855	421

Notes to Unaudited Condensed Consolidated Financial Statements form an integral part of the condensed consolidated financial statements.

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The Company's fiscal year begins July 1 and ends June 30, with the interim quarterly reporting periods consisting of 13 weeks. Therefore, the fiscal quarter end will not always coincide with the date of the end of a calendar month.

The accompanying unaudited condensed consolidated financial statements include the accounts of MasterCraft Boat Holdings, Inc. ("Holdings") and its wholly owned subsidiaries. Holdings and its subsidiaries collectively are referred to herein as the "Company." The unaudited condensed consolidated financial statements have been prepared on the same basis as the Company's audited consolidated financial statements for the year ended June 30, 2022, and, in the opinion of management, reflect all adjustments considered necessary to present fairly the Company's financial position as of April 2, 2023, its results of operations for the three and nine months ended April 2, 2023 and April 3, 2022, its cash flows for the nine months ended April 2, 2023 and April 3, 2022, and its statements of stockholders' equity for the three and nine months ended April 2, 2023 and April 3, 2022. All adjustments are of a normal, recurring nature. Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the applicable rules and regulations of the SEC for financial information have been condensed or omitted pursuant to such rules and regulations. The June 30, 2022 condensed consolidated balance sheet data was derived from the audited financial statements but does not include all disclosures required by U.S. GAAP for complete financial statements. However, management believes that the disclosures in these condensed consolidated financial statements are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto included in our 2022 Annual Report.

Due to the seasonality of the Company's business, the interim results are not necessarily indicative of the results that may be expected for the remainder of the fiscal year.

There were no significant changes in or changes to the application of the Company's significant or critical accounting policies or estimation procedures for the three and nine months ended April 2, 2023, as compared with those described in the Company's audited consolidated financial statements for the fiscal year ended June 30, 2022.

Investments — The Company has, and may continue to invest excess cash balances in short-term debt securities, such as money market funds, government-sponsored securities, corporate bonds, and/or certificates of deposit. The Company accounts for its investments in debt securities in accordance with ASC 320, *Investments — Debt and Equity Securities*.

We classify our investments in debt securities based on the facts and circumstances present at the time of purchase of the securities. We subsequently reassess the appropriateness of that classification at each reporting date. As of April 2, 2023, all of our investments in debt securities were classified as held-to-maturity and are due to mature within one year (see Note 4).

Estimated fair value measurements related to our debt securities are Level 2 measurements. See Part IV. Item 15, Note 1 — Significant Accounting Policies, Fair Value Measurements in Notes to Consolidated Financial Statements in our 2022 Annual Report for further fair value measurement details.

Discontinued Operations — On September 2, 2022, the Company sold substantially all of the assets and liabilities of its NauticStar segment. The disposal represented the Company's exit from the saltwater fishing and deck boat category, a strategic shift that has a significant effect on the Company's operations and financial results, and as such, qualifies for reporting as discontinued operations. The NauticStar segment results, for the periods presented, are reflected in our condensed consolidated statements of operations and condensed consolidated statements of cash flows as discontinued operations. Additionally, the related assets and liabilities associated with the discontinued operations are classified as discontinued operations in our condensed consolidated balance sheet for the prior period presented (see Note 3).

Unless otherwise indicated, the financial disclosures and related information provided herein relate to our continuing operations and we have recast prior period amounts to reflect discontinued operations.

Reclassifications — Certain historical amounts have been reclassified in these condensed consolidated financial statements and the accompanying notes herewith to conform to the current presentation.

2. REVENUE RECOGNITION

The following tables present the Company's revenue by major product category for each reportable segment:

	Three Months Ended April 2, 2023			
	MasterCraft	Crest	Aviara	Total
Major Product Categories:				
Boats and trailers	$ 114,514	$ 35,936	$ 12,777	$ 163,227
Parts	2,798	285	—	3,083
Other revenue	318	148	—	466
Total	$ 117,630	$ 36,369	$ 12,777	$ 166,776

	Nine Months Ended April 2, 2023			
	MasterCraft	Crest	Aviara	Total
Major Product Categories:				
Boats and trailers	$ 328,254	$ 115,444	$ 39,570	$ 483,268
Parts	9,693	671	—	10,364
Other revenue	1,368	480	—	1,848
Total	$ 339,315	$ 116,595	$ 39,570	$ 495,480

	Three Months Ended April 3, 2022			
	MasterCraft	Crest	Aviara	Total
Major Product Categories:				
Boats and trailers	$ 116,964	$ 38,351	$ 10,428	$ 165,743
Parts	2,742	262	—	3,004
Other revenue	250	346	—	596
Total	$ 119,956	$ 38,959	$ 10,428	$ 169,343

	Nine Months Ended April 3, 2022			
	MasterCraft	Crest	Aviara	Total
Major Product Categories:				
Boats and trailers	$ 309,356	$ 100,088	$ 24,192	$ 433,636
Parts	8,625	649	—	9,274
Other revenue	763	720	—	1,483
Total	$ 318,744	$ 101,457	$ 24,192	$ 444,393

Contract Liabilities

As of June 30, 2022, the Company had $1.4 million of contract liabilities associated with customer deposits. During the nine months ended April 2, 2023, all of this amount was recognized as revenue. As of April 2, 2023, total contract liabilities associated with customer deposits and services were $2.8 million, were reported in Accrued expenses and other current liabilities and Other long-term liabilities on the condensed consolidated balance sheet, and $1.1 million of the amounts are expected to be recognized as revenue during the remainder of the year ending June 30, 2023.

3. DISCONTINUED OPERATIONS

On September 2, 2022, the Company sold its NauticStar business to certain affiliates of Iconic Marine Group, LLC ("Purchaser"). Pursuant to the terms of the purchase agreement, substantially all of the assets of NauticStar were sold, including, among other things, all of the issued and outstanding membership interests in its wholly-owned subsidiary NS Transport, LLC, all owned real property, equipment, inventory, intellectual property and accounts receivable, and the Purchaser assumed substantially all of the liabilities of NauticStar, including, among other things, product liability and warranty claims.

In conjunction with the purchase agreement, the Company entered into a joint employer services agreement and a transition services agreement, which provide certain services to the Purchaser for various periods of time after the sale. Both agreements ended during the second quarter of fiscal 2023. These agreements did not a have a material impact on expenditures, earnings, nor cash flows during the three and nine months ended April 2, 2023.

Further, the Company entered into the Second Amendment to the Credit Agreement as described further in Note 9 related to waivers of restrictions within the Credit Agreement, as amended, on the sale of assets.

During the nine months ended April 2, 2023, the Company recognized a $22.5 million loss on sale, subject to further changes based upon a customary working capital adjustment. Furthermore, assets and liabilities retained, primarily related to certain claims, are subject to change, with activity after the date of sale being recorded as discontinued operations.

The following table summarizes the operating results of discontinued operations for the following periods:

	Three Months Ended	Nine Months Ended	
	April 3, 2022	April 2, 2023	April 3, 2022
NET SALES	$ 17,392	$ 7,767	$ 45,817
COST OF SALES	19,433	9,732	49,481
GROSS LOSS	(2,041)	(1,965)	(3,664)
OPERATING EXPENSES:			
Selling, general and administrative	1,578	2,639	4,322
Amortization of other intangible assets	498	—	1,533
Total operating expenses	2,076	2,639	5,855
OPERATING LOSS	(4,117)	(4,604)	(9,519)
Loss on sale of discontinued operations	—	22,487	—
LOSS BEFORE INCOME TAX BENEFIT	(4,117)	(27,091)	(9,519)
INCOME TAX BENEFIT	746	5,952	1,845
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	$ (3,371)	$ (21,139)	$ (7,674)

The operating results, and components thereof, of discontinued operations for the three months ended April 2, 2023 were not significant.

The following table summarizes the assets and liabilities associated with discontinued operations:

	June 30, 2022
CURRENT ASSETS:	
Accounts receivable, net of allowance	$ 3,130
Inventories, net	20,044
Other current assets	434
Total current assets classified as discontinued operations	$ 23,608
NON-CURRENT ASSETS:	
Property, plant and equipment, net	$ 5,924
Other long-term assets	63
Total non-current assets classified as discontinued operations	$ 5,987
CURRENT LIABILITIES:	
Accounts payable	$ 4,675
Accrued expenses and other current liabilities	3,212
Total current liabilities classified as discontinued operations	$ 7,887

4. INVESTMENTS

During the three and nine months ended April 2, 2023, we invested a portion of our cash and cash equivalents in short-term investments, which primarily consist of investment grade corporate bonds. We have the ability and intention to hold these investments until maturity and therefore have classified these investments as held-to-maturity and recorded them at amortized cost and presented them in "Held-to-maturity securities" on our condensed consolidated balance sheet as of April 2, 2023. As of June 30, 2022, there were no outstanding held-to-maturity investments.

The following is a summary of investments as of April 2, 2023:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Held-to-maturity securities:				
Fixed income securities:				
Corporate bonds	$ 73,914	$ 22	$ (132)	$ 73,804
Total held-to-maturity securities	$ 73,914	$ 22	$ (132)	$ 73,804

5. INVENTORIES

Inventories consisted of the following:

	April 2, 2023	June 30, 2022
Raw materials and supplies	$ 37,617	$ 45,021
Work in process	11,478	7,634
Finished goods	8,306	7,710
Obsolescence reserve	(2,133)	(1,770)
Total inventories	$ 55,268	$ 58,595

6. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment, net consisted of the following:

	April 2, 2023	June 30, 2022
Land and improvements	$ 6,457	$ 6,367
Buildings and improvements	36,437	35,379
Machinery and equipment	41,438	39,457
Furniture and fixtures	3,863	3,394
Construction in progress	21,062	6,315
Total property, plant, and equipment	109,257	90,912
Less accumulated depreciation	(38,747)	(35,089)
Property, plant, and equipment — net	$ 70,510	$ 55,823

Property, plant, and equipment, net increased mainly due to capital spending focused on maintenance capital, which includes tooling, capacity expansion, and information technology.

7. GOODWILL AND OTHER INTANGIBLE ASSETS

The carrying amounts of goodwill as of April 2, 2023 and June 30, 2022, along with accumulated goodwill reallocations and accumulated impairment losses attributable to each of the Company's reportable segments, were as follows:

	MasterCraft	Crest	Aviara	Total
Goodwill	$ 29,593	$ 36,238	$ —	$ 65,831
Goodwill reallocation	(1,100)	—	1,100	—
Accumulated impairment losses	—	(36,238)	(1,100)	(37,338)
Goodwill, net	28,493	—	—	28,493

Fiscal 2022 Goodwill Impairment

During the first quarter of fiscal 2022, a $1.1 million impairment charge was recognized for our Aviara reporting unit. See Part IV. Item 15, Note 5 — Goodwill and Other Intangible Assets in Notes to Consolidated Financial Statements in our 2022 Annual Report for further details. No goodwill impairment charges were recognized during the three and nine months ended April 2, 2023.

The following table presents the carrying amount of Other intangible assets, net:

	April 2, 2023			June 30, 2022		
	Gross Amount	Accumulated Amortization / Impairment	Other intangible assets, net	Gross Amount	Accumulated Amortization / Impairment	Other intangible assets, net
Amortized intangible assets						
Dealer networks	$ 19,500	$ (9,573)	$ 9,927	$ 19,500	$ (8,143)	$ 11,357
Software	245	(221)	24	245	(184)	61
	19,745	(9,794)	9,951	19,745	(8,327)	11,418
Unamortized intangible assets						
Trade names	33,000	(7,000)	26,000	33,000	(7,000)	26,000
Total other intangible assets	$ 52,745	$ (16,794)	$ 35,951	$ 52,745	$ (15,327)	$ 37,418

Amortization expense related to Other intangible assets, net for the three and nine months ended April 2, 2023 and April 3, 2022, was $0.5 million and $1.5 million, respectively. Estimated amortization expense for the fiscal year ending June 30, 2023 is $2.0 million.

8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following:

	April 2, 2023	June 30, 2022
Warranty	$ 30,652	$ 25,824
Dealer incentives	20,914	15,508
Compensation and related accruals	5,151	4,908
Contract liabilities	1,465	1,447
Inventory repurchase contingent obligation	1,315	661
Self-insurance	1,179	1,171
Liabilities retained associated with discontinued operations	776	—
Other	4,618	4,918
Total accrued expenses and other current liabilities	$ 66,070	$ 54,437

Accrued warranty liability activity was as follows for the nine months ended:

	April 2, 2023	April 3, 2022
Balance at the beginning of the period	$ 25,824	$ 20,655
Provisions	10,766	8,453
Payments made	(9,069)	(6,192)
Aggregate changes for preexisting warranties	3,131	1,266
Balance at the end of the period	$ 30,652	$ 24,182

9. LONG-TERM DEBT

Long-term debt is as follows:

	April 2, 2023	June 30, 2022
Term loan	$ 54,750	$ 57,000
Debt issuance costs on term loan	(355)	(451)
Total debt	54,395	56,549
Less current portion of long-term debt	4,125	3,000
Less current portion of debt issuance costs on term loan	(121)	(127)
Long-term debt, net of current portion	$ 50,391	$ 53,676

On June 28, 2021, the Company entered into a credit agreement with a syndicate of certain financial institutions (the “Credit Agreement”). The Credit Agreement provides the Company with a $160.0 million senior secured credit facility, consisting of a $60.0 million term loan (the “Term Loan”) and a $100.0 million revolving credit facility (the “Revolving Credit Facility”). The Credit Agreement refinanced and replaced the previously existing credit agreement. The Credit Agreement is secured by a first priority security interest in substantially all of the Company’s assets.

The 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 minimum fixed charge coverage ratio and a maximum net leverage ratio.

On August 31, 2022, the Company entered into the Second Amendment to the Credit Agreement to obtain the necessary consents and waivers related to the sale of the NauticStar segment on September 2, 2022, as discussed in Note 3.

The Credit Agreement, as amended, bears interest, at the Company’s option, at either the prime rate plus an applicable margin ranging from 0.25% to 1.00% or at an adjusted term benchmark rate plus an applicable margin ranging from 1.25% to 2.00%, in each case based on the Company’s net leverage ratio. The Company is also required to pay a commitment fee for any unused portion of the revolving credit facility ranging from 0.15% to 0.30% based on the Company’s net leverage ratio. Effective during the three and nine months ended April 2, 2023, the applicable margin for loans accruing at the prime rate was 0.25% and the applicable margin for loans accruing interest at the benchmark rate was 1.25%. As of April 2, 2023, the interest rate on the Company’s term loan was 6.16%.

The Credit Agreement will mature and all remaining amounts outstanding thereunder will be due and payable on June 28, 2026. As of April 2, 2023, the Company was in compliance with its financial covenants under the Credit Agreement.

Revolving Credit Facility

As of April 2, 2023, the Company had no amounts outstanding on its Revolving Credit Facility and had remaining availability of $100.0 million.

10. INCOME TAXES

The Company's consolidated interim effective tax rate is based on a current estimate of the annual effective income tax rate adjusted to reflect the impact of discrete items. The differences between the Company's effective tax rates and the statutory federal tax rate of 21.0% primarily relate to the inclusion of the state tax rate in the overall effective rate, the benefit of federal and state credits, and a permanent benefit associated with the foreign derived intangible income deduction, partially offset by a permanent add-back for Section 162(m) limitations. During the three months ended April 2, 2023 and April 3, 2022, the Company's effective tax rate was 22.8% and 22.3%, respectively. During the nine months ended April 2, 2023 and April 3, 2022, the Company's effective tax rate was 23.2% and 22.9%, respectively.

11. SHARE-BASED COMPENSATION

The following table presents the components of share-based compensation expense by award type.

	Three Months Ended		Nine Months Ended	
	April 2, 2023	**April 3, 2022**	**April 2, 2023**	**April 3, 2022**
Restricted stock awards	$ 587	$ 441	$ 1,723	$ 1,399
Performance stock units	439	453	1,169	1,528
Share-based compensation expense	$ 1,026	$ 894	$ 2,892	$ 2,927

Restricted Stock Awards

During the nine months ended April 2, 2023, the Company granted 97,525 restricted stock awards ("RSAs") to the Company's non-executive directors, officers and certain other key employees. Generally, the shares of restricted stock granted during the nine months ended April 2, 2023, vest pro-rata over three years for officers and certain other key employees and over one year for non-executive directors. The Company determined the fair value of the shares awarded by using the close price of our common stock as of the date of grant. The weighted average grant date fair value of RSAs granted in the nine months ended April 2, 2023, was $23.55 per share.

The following table summarizes the status of nonvested RSAs as of April 2, 2023, and changes during the nine months then ended.

	Nonvested Restricted Shares	**Average Grant-Date Fair Value (per share)**
Nonvested at June 30, 2022	106,408	$ 21.65
Granted	97,525	23.55
Vested	(34,418)	18.71
Forfeited	(5,509)	21.96
Nonvested at April 2, 2023	164,006	23.39

As of April 2, 2023, there was $2.2 million of total unrecognized compensation expense related to nonvested RSAs. The Company expects this expense to be recognized over a weighted average period of 1.7 years.

Performance Stock Units

Performance stock units ("PSUs") are a form of long-term incentive compensation awarded to executive officers and certain other key employees designed to directly align the interests of employees to the interests of the Company's stockholders, and to create long-term stockholder value. The awards will be earned based on the Company's achievement of certain performance criteria over a three-year performance period. The performance period for the awards commences on July 1 of the fiscal year in which they were granted and continue for a three-year period, ending on June 30 of the applicable year. The probability of achieving the performance criteria is assessed quarterly. Following the determination of the Company's achievement with respect to the performance criteria, the number of shares awarded is subject to further adjustment based on the application of a total shareholder return ("TSR") modifier. The grant date fair value is determined based on both the probability assessment of the Company achieving the performance criteria and an estimate of the expected TSR modifier. The TSR modifier estimate is determined using a Monte Carlo Simulation model, which considers the likelihood of numerous possible outcomes of long-term market performance. Compensation expense related to nonvested PSUs is recognized ratably over the performance period.

The following table summarizes the status of nonvested PSUs as of April 2, 2023, and changes during the nine months then ended.

	Nonvested Performance Stock Units	Average Grant-Date Fair Value (per share)
Nonvested at June 30, 2022	105,190	$ 25.30
Granted	76,567	26.08
Forfeited	(1,996)	26.15
Nonvested at April 2, 2023	179,761	25.62

As of April 2, 2023, there was $2.0 million of total unrecognized compensation expense related to nonvested PSUs. The Company expects this expense to be recognized over a weighted average period of 1.9 years.

Nonqualified Stock Options

In July 2015, the Company granted 137,786 nonqualified stock options ("NSOs") to certain employees. As of July 2019, all outstanding options were fully vested and exercisable. All outstanding options as of June 30, 2022, were exercised during the three months ended April 2, 2023.

The following table summarizes the NSO activity for the nine months ended April 2, 2023.

	Shares	Weighted Average Exercise Price
Outstanding at June 30, 2022	15,146	$ 10.70
Granted	—	—
Exercised	(15,146)	10.70
Forfeited or expired	—	—
Outstanding at April 2, 2023	—	

12. EARNINGS PER SHARE AND COMMON STOCK

The following table sets forth the computation of the Company's net income per share:

	Three Months Ended		Nine Months Ended	
	April 2, 2023	April 3, 2022	April 2, 2023	April 3, 2022
Net income from continuing operations	$ 22,782	$ 24,306	$ 67,400	$ 54,397
Loss from discontinued operations, net of tax	(272)	(3,371)	(21,139)	(7,674)
Net income	$ 22,510	$ 20,935	$ 46,261	$ 46,723
Weighted average shares — basic	17,559,920	18,295,949	17,725,208	18,622,878
Dilutive effect of assumed exercises of stock options	4,816	9,044	7,028	12,093
Dilutive effect of assumed restricted share awards/units	184,174	182,353	119,419	161,896
Weighted average outstanding shares — diluted	17,748,910	18,487,346	17,851,655	18,796,867
Basic net income (loss) per share				
Continuing operations	$ 1.30	$ 1.33	$ 3.80	$ 2.92
Discontinued operations	(0.02)	$ (0.19)	(1.19)	(0.41)
Net income	$ 1.28	$ 1.14	$ 2.61	$ 2.51
Diluted net income (loss) per share				
Continuing operations	$ 1.28	$ 1.31	$ 3.78	$ 2.89
Discontinued operations	(0.01)	$ (0.18)	(1.19)	(0.40)
Net income	$ 1.27	$ 1.13	$ 2.59	$ 2.49

For the three and nine months ended April 2, 2023 and April 3, 2022, an immaterial number of shares were excluded from the computation of diluted earnings per share as the effect would have been anti-dilutive.

Stock Repurchase Program

On June 24, 2021, the board of directors of the Company authorized a stock repurchase program that allows for the repurchase of up to $50.0 million of the Company's common stock during the three-year period ending June 24, 2024. During the three months ended April 2, 2023 and April 3, 2022, the Company repurchased 210,150 shares and 395,948 shares of common stock for $7.0 million and $10.1 million, respectively, in cash, including related fees and expenses. During the nine months ended April 2, 2023 and April 3, 2022, the Company repurchased 625,794 shares and 810,623 shares of common stock for $16.0 million and $21.5 million, respectively, in cash, including related fees and expenses. As of April 2, 2023, $8.6 million remained available under the program.

13. SEGMENT INFORMATION

Reportable Segments

Operating segments are identified as components of an enterprise about which discrete financial information is available for evaluation by the CODM in making decisions on how to allocate resources and assess performance. For the three and nine months ended April 2, 2023, the Company's CODM regularly assessed the operating performance of the Company's boat brands under three operating and reportable segments:

- The MasterCraft segment produces boats at its Vonore, Tennessee facility. These are premium recreational performance sport boats primarily used for water skiing, wakeboarding, wake surfing, and general recreational boating.
- The Crest segment produces pontoon boats at its Owosso, Michigan facility. Crest's boats are primarily used for general recreational boating.
- The Aviara segment produces luxury day boats at its Merritt Island, Florida facility. Aviara boats are primarily used for general recreational boating.

Each segment distributes its products through its own independent dealer network. Each segment also has its own management structure which is responsible for the operations of the segment and is directly accountable to the CODM for the operating performance of the segment, which is regularly assessed by the CODM who allocates resources based on that performance.

The Company files a consolidated income tax return and does not allocate income taxes and other corporate-level expenses, including interest, to operating segments. All material corporate costs are included in the MasterCraft segment.

Selected financial information for the Company's reportable segments was as follows:

	For the Three Months Ended April 2, 2023			
	MasterCraft	Crest	Aviara	Consolidated
Net sales	$ 117,630	$ 36,369	$ 12,777	$ 166,776
Operating income (loss)	25,298	4,962	(1,234)	29,026
Depreciation and amortization	1,386	701	535	2,622
Purchases of property, plant and equipment	3,151	2,089	1,716	6,956

	For the Nine Months Ended April 2, 2023			
	MasterCraft	Crest	Aviara	Consolidated
Net sales	$ 339,315	$ 116,595	$ 39,570	$ 495,480
Operating income (loss)	72,269	17,576	(2,136)	87,709
Depreciation and amortization	4,132	2,104	1,597	7,833
Purchases of property, plant and equipment	8,434	6,292	4,145	18,871

	For the Three Months Ended April 3, 2022			
	MasterCraft	Crest	Aviara	Consolidated
Net sales	$ 119,956	$ 38,959	$ 10,428	$ 169,343
Operating income (loss)	28,051	5,568	(2,015)	31,604
Depreciation and amortization	1,248	657	602	2,507
Purchases of property, plant and equipment	1,434	1,146	496	3,076

	For the Nine Months Ended April 3, 2022			
	MasterCraft	Crest	Aviara	Consolidated
Net sales	$ 318,744	$ 101,457	$ 24,192	$ 444,393
Operating income (loss)	65,533	14,004	(7,934)	71,603
Depreciation and amortization	3,762	1,998	1,569	7,329
Goodwill impairment	—	—	1,100	1,100
Purchases of property, plant and equipment	4,966	2,190	865	8,021

The following table presents total assets for the Company's reportable segments.

	April 2, 2023	June 30, 2022
Assets:		
MasterCraft	$ 248,457	$ 178,386
Crest	52,075	53,956
Aviara	37,742	35,115
Discontinued operations	—	29,595
Total assets	$ 338,274	$ 297,052

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis should be read together with the unaudited condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q. In addition, the statements in this discussion and analysis regarding our expectations concerning the performance of our business, anticipated financial results, liquidity and the other non-historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in "Cautionary Note Regarding Forward-Looking Statements" above and in "Risk Factors" set forth in our 2022 Annual Report and our Fiscal Second Quarter Quarterly Report. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Certain statements in the following discussions are based on non-GAAP financial measures. A "non-GAAP financial measure" is a numerical measure of a registrant's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with U.S. GAAP in the statements of operations, balance sheets or statements of cash flows of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. Non-GAAP financial measures do not include operating and statistical measures. The Company includes non-GAAP financial measures in Management's Discussion and Analysis, as the Company's management believes that these measures and the information they provide are useful to users of the financial statements, including investors, because they permit users of the financial statements to view the Company's performance using the same tools that management utilizes and to better evaluate the Company's ongoing business performance. In order to better align the Company's reported results with the internal metrics used by the Company's management to evaluate business performance as well as to provide better comparisons to prior periods and peer data, non-GAAP measures exclude the impact of purchase accounting amortization related to business acquisitions.

Overview

We are a leading innovator, designer, manufacturer and marketer of recreational powerboats sold through our three brands, MasterCraft, Crest, and Aviara. Through our three brands, we have leading market share positions in two of the fastest growing segments of the powerboat industry, performance sports boats and pontoon boats, while entering the large growing luxury day boat segment. As a leader in recreational marine, we strive to deliver the best on-water experience through innovative, high-quality products with a relentless focus on the consumer.

Discontinued Operations

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 being reported as discontinued operations for all periods presented. The Company's results for all periods presented, as discussed in Management's Discussion and Analysis, are presented on a continuing operations basis with prior year amounts recast to provide visibility and comparability. See Note 3 in Notes to Unaudited Condensed Consolidated Financial Statements for more information on Discontinued Operations.

Outlook

During the COVID-19 pandemic, the marine industry benefited from changes in consumer preferences, which accelerated retail sales of our products during fiscal 2021 and fiscal 2022. Strong retail demand created historically low dealer inventory levels which, in turn, increased wholesale demand for our products. Despite lower retail demand from normalized seasonality, fiscal 2023 has continued to have strong wholesale performance while dealers replenish inventory levels. As retail trends evolve in the future, we expect wholesale demand to be more closely aligned with retail demand.

With respect to retail demand, we are actively monitoring the impact of retail trends on our business, which may be impacted by macroeconomic conditions outside our control such as inflation, rising interest rates, financial institution disruptions, geopolitical conflicts and the corresponding economic uncertainty. The full extent of the impact on our business, operations, and financial results cannot be predicted. See Item 1A. "Risk Factors" set forth in our 2022 Annual Report and our Fiscal Second Quarter Quarterly Report.

Results of Continuing Operations

Consolidated Results

The table below presents our consolidated results of operations for the three and nine months ended:

	Three Months Ended April 2, 2023	Three Months Ended April 3, 2022	2023 vs. 2022 Change	2023 vs. 2022 % Change	Nine Months Ended April 2, 2023	Nine Months Ended April 3, 2022	2023 vs. 2022 Change	2023 vs. 2022 % Change
Consolidated statements of operations:								
NET SALES	$ 166,776	$ 169,343	$ (2,567)	(1.5%)	$ 495,480	$ 444,393	$ 51,087	11.5%
COST OF SALES	124,178	125,269	(1,091)	(0.9%)	368,682	333,376	35,306	10.6%
GROSS PROFIT	42,598	44,074	(1,476)	(3.3%)	126,798	111,017	15,781	14.2%
OPERATING EXPENSES:								
Selling and marketing	3,927	3,017	910	30.2%	10,748	9,966	782	7.8%
General and administrative	9,156	8,964	192	2.1%	26,874	26,881	(7)	(0.0%)
Amortization of other intangible assets	489	489	—	0.0%	1,467	1,467	—	0.0%
Goodwill impairment	—	—	—	—	—	1,100	(1,100)	—
Total operating expenses	13,572	12,470	1,102	8.8%	39,089	39,414	(325)	(0.8%)
OPERATING INCOME	29,026	31,604	(2,578)	(8.2%)	87,709	71,603	16,106	22.5%
OTHER INCOME (EXPENSE):								
Interest expense	(695)	(341)	(354)	103.8%	(1,923)	(1,080)	(843)	78.1%
Interest income	1,195	—	1,195	—	1,967	—	1,967	—
INCOME BEFORE INCOME TAX EXPENSE	29,526	31,263	(1,737)	(5.6%)	87,753	70,523	17,230	24.4%
INCOME TAX EXPENSE	6,744	6,957	(213)	(3.1%)	20,353	16,126	4,227	26.2%
NET INCOME FROM CONTINUING OPERATIONS	$ 22,782	$ 24,306	$ (1,524)	(6.3%)	$ 67,400	$ 54,397	$ 13,003	23.9%
Additional financial and other data:								
Unit sales volume:								
MasterCraft	900	900	—	—	2,457	2,569	(112)	(4.4%)
Crest	722	855	(133)	(15.6%)	2,344	2,261	83	3.7%
Aviara	34	29	5	17.2%	100	71	29	40.8%
Consolidated unit sales volume	1,656	1,784	(128)	(7.2%)	4,901	4,901	—	0.0%
Net sales:								
MasterCraft	$ 117,630	$ 119,956	$ (2,326)	(1.9%)	$ 339,315	$ 318,744	$ 20,571	6.5%
Crest	36,369	38,959	(2,590)	(6.6%)	116,595	101,457	15,138	14.9%
Aviara	12,777	10,428	2,349	22.5%	39,570	24,192	15,378	63.6%
Consolidated net sales	$ 166,776	$ 169,343	$ (2,567)	(1.5%)	$ 495,480	$ 444,393	$ 51,087	11.5%
Net sales per unit:								
MasterCraft	$ 131	$ 133	$ (2)	(1.5%)	$ 138	$ 124	$ 14	11.3%
Crest	50	46	4	8.7%	50	45	5	11.1%
Aviara	376	360	16	4.4%	396	341	55	16.1%
Consolidated net sales per unit	101	95	6	6.3%	101	91	10	11.0%
Gross margin	25.5%	26.0%	(50) bps		25.6%	25.0%	60 bps	

Net sales decreased 1.5 percent during the third quarter of fiscal 2023 when compared with the same prior-year period. The decrease was the result of changes in model mix, decreased sales volumes, increased dealer incentives, and decreased options sales, partially offset by higher prices. Dealer incentives include higher floor plan financing costs and other incentives as a result of increased dealer inventories and interest rates.

Net sales increased 11.5 percent during the first nine months of fiscal 2023 when compared with the same prior-year period. Net sales benefited from higher prices and increased options sales, partially offset by changes in model mix and increased dealer incentives.

Gross margin decreased 50 basis points during the third quarter of fiscal 2023, when compared with the same prior-year period, due to higher costs from inflationary pressures, changes in mix, higher dealer incentives, and increased warranty costs, partially offset by higher prices and improved production efficiencies.

Gross margin increased 60 basis points during the first nine months of fiscal 2023, when compared with the same prior-year period, due to higher prices and improved production efficiencies, partially offset by higher costs from inflationary pressures, changes in mix, increased dealer incentives and increased warranty costs.

Operating expenses increased $1.1 million during the third quarter of fiscal 2023, when compared to the same prior-year period, primarily related to increased boat show related costs and investments in digital marketing.

Operating expenses decreased $0.3 million during the first nine months of fiscal 2023, when compared to the same prior-year period, primarily due to an impairment charge of $1.1 million related to the allocated goodwill associated with the Aviara segment recorded in the first quarter of fiscal 2022, as discussed in Note 7 to the Unaudited Condensed Consolidated Financial Statements, partially offset by an increase in boat show related costs and investments in digital marketing.

Interest expense increased $0.4 million and $0.8 million during the third quarter and first nine months of fiscal 2023, respectively, when compared to the same prior-year periods due to higher effective interest rates.

Interest income of $1.2 million and $2.0 million during the third quarter and first nine months of fiscal 2023, respectively, is derived primarily from investments in a portfolio of fixed income securities as part of the Company's cash management strategy.

Segment Results

MasterCraft Segment

The following table sets forth MasterCraft segment results for the three and nine months ended:

	Three Months Ended		2023 vs. 2022		Nine Months Ended		2023 vs. 2022	
	April 2, 2023	April 3, 2022	Change	% Change	April 2, 2023	April 3, 2022	Change	% Change
Net sales	$ 117,630	$ 119,956	$ (2,326)	(1.9%)	$ 339,315	$ 318,744	$ 20,571	6.5%
Operating income	25,298	28,051	(2,753)	(9.8%)	72,269	65,533	6,736	10.3%
Purchases of property, plant and equipment	3,151	1,434	1,717	119.7%	8,434	4,966	3,468	69.8%
Unit sales volume	900	900	-	0.0%	2,457	2,569	(112)	(4.4%)
Net sales per unit	$ 131	$ 133	$ (2)	(1.5%)	$ 138	$ 124	$ 14	11.3%

Net sales decreased 1.9 percent during the third quarter of fiscal 2023, when compared with the same prior-year period, due to changes in model mix, decreased options sales, and increased dealer incentives, partially offset by higher prices.

Net sales increased 6.5 percent during the first nine months of fiscal 2023, when compared with the same prior-year period, due to higher prices and increased options sales, partially offset by decreased sales volume and changes in model mix.

Operating income decreased $2.8 million during the third quarter of fiscal 2023 when compared to the same prior-year period. The decrease was driven by changes in model mix, higher material and overhead costs from inflationary pressures, higher dealer incentives, decreased option sales, and increased warranty costs, partially offset by higher prices.

Operating income increased $6.7 million during the first nine months of fiscal 2023, when compared with the same prior-year period, due to higher prices, partially offset by higher material and overhead costs from inflationary pressures, changes in model mix, higher dealer incentives, and increased warranty costs.

Purchases of property, plant, and equipment increased 119.7 percent and 69.8 percent during the third quarter and first nine months of fiscal 2023, respectively, when compared to the same prior-year periods, due to capital spending focused on maintenance capital, which includes tooling, capacity expansion, and information technology.

Crest Segment

The following table sets forth Crest segment results for the three and nine months ended:

	Three Months Ended		2023 vs. 2022		Nine Months Ended		2023 vs. 2022	
	April 2, 2023	**April 3, 2022**	**Change**	**% Change**	**April 2, 2023**	**April 3, 2022**	**Change**	**% Change**
Net sales	$ 36,369	$ 38,959	$ (2,590)	(6.6%)	$ 116,595	$ 101,457	$ 15,138	14.9%
Operating income	4,962	5,568	(606)	(10.9%)	17,576	14,004	3,572	25.5%
Purchases of property, plant and equipment	2,089	1,146	943	82.3%	6,292	2,190	4,102	187.3%
Unit sales volume	722	855	(133)	(15.6%)	2,344	2,261	83	3.7%
Net sales per unit	$ 50	$ 46	$ 4	8.7%	$ 50	$ 45	$ 5	11.1%

Net sales decreased 6.6 percent during the third quarter of fiscal 2023 when compared to the same prior-year period, as a result of decreased unit volume and increased dealer incentives, partially offset by higher prices and favorable model mix.

Net sales increased 14.9 percent during the first nine months of fiscal 2023 when compared to the same prior-year period, as a result of higher prices and higher option sales, partially offset by increased dealer incentives.

Operating income decreased 10.9 percent during the third quarter of fiscal 2023 when compared to the same prior-year period. The decrease was driven by decreased unit volume, higher material costs from inflationary prices, increased dealer incentives, and increased warranty costs, partially offset by higher prices.

Operating income increased 25.5 percent for the first nine months of fiscal 2023 when compared to the same prior-year period. The increase is primarily the result of higher prices, partially offset by higher material costs from inflationary pressures, increased dealer incentives, and increased warranty costs.

Purchases of property, plant, and equipment increased 82.3 percent and 187.3 percent during the third quarter and first nine months of fiscal 2023, respectively, when compared to the same prior-year periods due to capital spending focused on capacity expansion.

Aviara Segment

The following table sets forth Aviara segment results for the three and nine months ended:

	Three Months Ended		2023 vs. 2022		Nine Months Ended		2023 vs. 2022	
	April 2, 2023	**April 3, 2022**	**Change**	**% Change**	**April 2, 2023**	**April 3, 2022**	**Change**	**% Change**
Net sales	$ 12,777	$ 10,428	$ 2,349	22.5%	$ 39,570	$ 24,192	$ 15,378	63.6%
Operating loss	(1,234)	(2,015)	781	38.8%	(2,136)	(7,934)	5,798	73.1%
Goodwill impairment	—	—	—	—	—	1,100	(1,100)	—
Purchases of property, plant and equipment	1,716	496	1,220	246.0%	4,145	865	3,280	379.2%
Unit sales volume	34	29	5	17.2%	100	71	29	40.8%
Net sales per unit	$ 376	$ 360	$ 16	4.4%	$ 396	$ 341	$ 55	16.1%

Net sales increased $2.3 million and $15.4 million during the third quarter and first nine months of fiscal 2023, respectively, when compared to the same prior-year periods, due to increased sales volume and higher prices.

Operating loss decreased 38.8 percent and 73.1 percent for the third quarter and first nine months of fiscal 2023, respectively, when compared to the same prior-year periods. The change was primarily a result of higher prices, improved production efficiencies, and increased sales volume, partially offset by higher material costs from inflationary pressures. Additionally, a goodwill impairment charge was recorded during the first quarter of fiscal 2022.

Purchases of property, plant, and equipment increased 246.0 percent and 379.2 percent during the third quarter and first nine months of fiscal 2023, respectively, when compared to the same prior-year periods due to capital spending focused on capacity expansion.

Non-GAAP Measures

EBITDA, Adjusted EBITDA, EBITDA Margin, and Adjusted EBITDA Margin

We define EBITDA as net income from continuing operations, before interest, income taxes, depreciation and amortization. We define Adjusted EBITDA as EBITDA further adjusted to eliminate certain non-cash charges or other items that we do not consider to be indicative of our core and/or ongoing operations. For the periods presented herein, these adjustments include share-based compensation, business development consulting costs, and goodwill impairment. We define EBITDA margin and Adjusted EBITDA margin as EBIDTA and Adjusted EBITDA, respectively, each expressed as a percentage of Net sales.

Adjusted Net Income and Adjusted Net Income Per Share

We define Adjusted Net Income and Adjusted Net Income per share as net income from continuing operations, adjusted to eliminate certain non-cash charges or other items that we do not consider to be indicative of our core and/or ongoing operations and reflecting income tax expense on adjusted net income before income taxes at our estimated annual effective tax rate. For the periods presented herein, these adjustments include other intangible asset amortization, share-based compensation, business development consulting costs, and goodwill impairment.

EBITDA, Adjusted EBITDA, EBITDA margin, Adjusted EBITDA margin, Adjusted Net Income, and Adjusted Net Income per share, which we refer to collectively as the Non-GAAP Measures, are not measures of net income or operating income as determined under accounting principles generally accepted in the United States, or U.S. GAAP. The Non-GAAP Measures are not measures of performance in accordance with U.S. GAAP and should not be considered as an alternative to net income, net income per share, or operating cash flows determined in accordance with U.S. GAAP. Additionally, Adjusted EBITDA is not intended to be a measure of cash flow. We believe that the inclusion of the Non-GAAP Measures is appropriate to provide additional information to investors because securities analysts and investors use the Non-GAAP Measures to assess our operating performance across periods on a consistent basis and to evaluate the relative risk of an investment in our securities. We use Adjusted Net Income and Adjusted Net Income per share to facilitate a comparison of our operating performance on a consistent basis from period to period that, when viewed in combination with our results prepared in accordance with U.S. GAAP, provides a more complete understanding of factors and trends affecting our business than does U.S. GAAP measures alone. We believe Adjusted Net Income and Adjusted Net Income per share assists our board of directors, management, investors, and other users of the financial statements in comparing our net income on a consistent basis from period to period because it removes certain non-cash items and other items that we do not consider to be indicative of our core and/or ongoing operations and reflecting income tax expense on adjusted net income before income taxes at our estimated annual effective tax rate. The Non-GAAP Measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and the Non-GAAP measures do not reflect any cash requirements for such replacements;
- The Non-GAAP measures do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- The Non-GAAP measures do not reflect changes in, or cash requirements for, our working capital needs;
- The Non-GAAP measures do not reflect our tax expense or any cash requirements to pay income taxes;
- The Non-GAAP measures do not reflect interest expense, or the cash requirements necessary to service interest payments on our indebtedness; and
- The Non-GAAP measures do not reflect the impact of earnings or charges resulting from matters we do not consider to be indicative of our core and/or ongoing operations, but may nonetheless have a material impact on our results of operations.

In addition, because not all companies use identical calculations, our presentation of the Non-GAAP Measures may not be comparable to similarly titled measures of other companies, including companies in our industry.

Beginning in the first quarter of fiscal 2023, due to the effects of discontinued operations, as discussed above, the Company's non-GAAP financial measures are presented on a continuing operations basis, for all periods presented.

The following table presents a reconciliation of net income from continuing operations as determined in accordance with U.S. GAAP to EBITDA, and Adjusted EBITDA, and net income from continuing operations margin to EBITDA margin and Adjusted EBITDA Margin (each expressed as a percentage of net sales) for the periods indicated:

	Three Months Ended				Nine Months Ended			
	April 2, 2023	% of Net sales	April 3, 2022	% of Net sales	April 2, 2023	% of Net sales	April 3, 2022	% of Net sales
Net income from continuing operations	$ 22,782	13.7%	$ 24,306	14.4%	$ 67,400	13.6%	$ 54,397	12.2%
Income tax expense	6,744		6,957		20,353		16,126	
Interest expense	695		341		1,923		1,080	
Interest income	(1,195)		—		(1,967)		—	
Depreciation and amortization	2,622		2,507		7,833		7,329	
EBITDA	31,648	19.0%	34,111	20.1%	95,542	19.3%	78,932	17.8%
Share-based compensation	1,026		894		2,892		2,927	
Business development consulting costs[(a)]	312		—		312		—	
Goodwill impairment[(b)]	—		—		—		1,100	
Adjusted EBITDA	$ 32,986	19.8%	$ 35,005	20.7%	$ 98,746	19.9%	$ 82,959	18.7%

(a) Represents non-recurring third-party costs associated with business development activities, primarily relating to consulting costs for evaluation and execution of internal growth and other strategic initiatives.

(b) Represents a non-cash charge recorded in the Aviara segment for impairment of goodwill.

The following table presents a reconciliation of net income from continuing operations as determined in accordance with U.S. GAAP to Adjusted Net Income for the periods indicated:

	Three Months Ended		Nine Months Ended	
	April 2, 2023	April 3, 2022	April 2, 2023	April 3, 2022
	(Dollars in thousands, except per share data)			
Net income from continuing operations	$ 22,782	$ 24,306	$ 67,400	$ 54,397
Income tax expense	6,744	6,957	20,353	16,126
Amortization of acquisition intangibles	462	462	1,386	1,386
Share-based compensation	1,026	894	2,892	2,927
Business development consulting costs[(a)]	312	—	312	—
Goodwill impairment[(b)]	—	—	—	1,100
Adjusted Net Income before income taxes	31,326	32,619	92,343	75,936
Adjusted income tax expense[(c)]	7,205	7,502	21,239	17,465
Adjusted Net Income	$ 24,121	$ 25,117	$ 71,104	$ 58,471
Adjusted Operating Net Income per share:				
Basic	$ 1.37	$ 1.37	$ 4.01	$ 3.14
Diluted	$ 1.36	$ 1.36	$ 3.98	$ 3.11
Weighted average shares used for the computation of[(d)]:				
Basic Adjusted Net Income per share	17,559,920	18,295,949	17,725,208	18,622,878
Diluted Adjusted Net Income per share	17,748,910	18,487,346	17,851,655	18,796,867

(a) Represents non-recurring third-party costs associated with business development activities, primarily relating to consulting costs for evaluation and execution of internal growth and other strategic initiatives.

(b) Represents a non-cash charge recorded in the Aviara segment for impairment of goodwill.

(c) Reflects income tax expense at an income tax rate of 23.0% for each period presented.

(d) Represents the Weighted Average Shares used for the computation of Basic and Diluted earnings per share as presented on the Consolidated Statements of Operations to calculate Adjusted Net Income per diluted share for all periods presented herein.

The following table presents the reconciliation of net income from continuing operations per diluted share to Adjusted Net Income per diluted share for the periods presented:

	Three Months Ended		Nine Months Ended	
	April 2, 2023	April 3, 2022	April 2, 2023	April 3, 2022
Net income from continuing operations per diluted share	$ 1.28	$ 1.31	$ 3.78	$ 2.89
Impact of adjustments:				
Income tax expense	0.38	0.38	1.14	0.87
Amortization of acquisition intangibles	0.03	0.02	0.08	0.07
Share-based compensation	0.06	0.05	0.16	0.16
Business development consulting costs(a)	0.02	—	0.02	—
Goodwill impairment(b)	—	—	—	0.06
Adjusted Net Income per diluted share before income taxes	1.77	1.76	5.18	4.05
Impact of adjusted income tax expense on net income per diluted share before income taxes(c)	(0.41)	(0.40)	(1.20)	(0.94)
Adjusted Net Income per diluted share	$ 1.36	$ 1.36	$ 3.98	$ 3.11

(a) Represents non-recurring third-party costs associated with business development activities, primarily relating to consulting costs for evaluation and execution of internal growth and other strategic initiatives.

(b) Represents a non-cash charge recorded in the Aviara segment for impairment of goodwill.

(c) Reflects income tax expense at an income tax rate of 23.0% for each period presented.

Liquidity and Capital Resources

Our primary liquidity and capital resource needs are to finance working capital, fund capital expenditures, service our debt, fund our stock repurchase program, and fund potential business acquisitions. Our principal sources of liquidity are our cash balance, investments due to their short-term nature, cash generated from operating activities, our revolving credit agreement and the refinancing and/or new issuance of long-term debt. We believe our cash balance, investments, cash from operations, and our ability to borrow will be sufficient to provide for our liquidity and capital resource needs.

Cash and cash equivalents totaled $27.5 million as of April 2, 2023, a decrease of $6.7 million from $34.2 million as of June 30, 2022. Held-to-maturity securities totaled $73.9 million as of April 2, 2023. As of June 30, 2022, there were no outstanding held-to-maturity securities. Total debt as of April 2, 2023 and June 30, 2022, was $54.4 million and $56.5 million, respectively.

As of April 2, 2023, we had no amounts outstanding under the Revolving Credit Facility, leaving $100.0 million of available borrowing capacity. Refer to Note 9 — Long Term Debt in the Notes to Unaudited Condensed Consolidated Financial Statements for further details.

On June 24, 2021, the board of directors of the Company authorized a stock repurchase program that allows for the repurchase of up to $50.0 million of our common stock during the three-year period ending June 24, 2024. During the nine months ended April 2, 2023, the Company repurchased 625,794 shares of common stock for $16.0 million in cash, including related fees and expenses.

The following table and discussion below relate to our cash flows from continuing operations for operating, investing, and financing activities:

	Nine Months Ended	
	April 2, 2023	April 3, 2022
	(Dollars in thousands)	
Total cash provided by (used in):		
Operating activities	$ 107,365	$ 51,863
Investing activities	(92,380)	(8,021)
Financing activities	(18,831)	(49,949)
Net change in cash from continuing operations	$ (3,846)	$ (6,107)

Nine Months Ended April 2, 2023 Cash Flows from Continuing Operations

Net cash provided by operating activities for the nine months ended April 2, 2023 was $107.4 million, primarily due to net income and cash provided by favorable changes in working capital. Working capital is defined as accounts receivable, income tax receivable, inventories, and prepaid expenses and other current assets net of accounts payable, income tax payable, and accrued expenses and other current liabilities as presented in the condensed consolidated balance sheets, excluding the impact of acquisitions and non-cash adjustments. Favorable changes in working capital primarily consisted of an increase in accrued expenses and other current liabilities and accounts payable, and a decrease in accounts receivable and inventories. Partially offsetting favorable changes in working capital was an increase in prepaid expenses and other current assets. Accrued expenses and other current liabilities primarily increased due to increased warranty, floor plan interest, and retail rebate costs. Accounts payable increased mainly due to increased payables related to capital spending. Accounts receivable decreased primarily as a result of lower sales at the end of the period compared to the end of the prior-year period. Inventories decreased as we maintain rebalanced inventory levels after the prior summer selling season, partially offset by increased materials costs from inflation. Prepaid expenses and other current assets increased due to payment of annual general insurance premiums which have increased since the prior-year period.

Net cash used in investing activities was $92.4 million, due to net investments in held-to-maturity securities of $73.5 million and $18.9 million of capital expenditures. Our capital spending was focused on maintenance capital, which includes tooling, expanding our capacity, and information technology.

Net cash used in financing activities was $18.8 million, which included net payments of $2.3 million on long-term debt and $16.0 million of stock repurchases.

Nine Months Ended April 3, 2022 Cash Flows from Continuing Operations

Net cash provided by operating activities for the nine months ended April 3, 2022 totaled $51.9 million mainly due to net income, partially offset by working capital usage. Working capital usage primarily consisted of an increase in inventory, accounts receivable and prepaid expenses and other current assets. Partially offsetting the working capital usage was an increase in accrued expenses and other current liabilities and accounts payable. Inventory increased $19.7 million for the first nine months of fiscal 2022 due to an increase in raw materials to support higher production volumes and to increase safety stock to manage supply chain risk. Work in process increased due to supply chain disruptions. Accounts receivable increased due to increased sales at the end of the period compared to the end of the prior-year period. Prepaid expenses and other current assets increased due to higher general insurance premiums. Accrued expenses and other current liabilities increased due to an increase in warranty costs and dealer incentives. Accounts payable increased as a result of increased production levels.

Net cash used in investing activities was $8.0 million, which consisted of capital expenditures. Our capital spending was focused on expanding our capacity and maintenance capital.

Net cash used in financing activities was $49.9 million, which included net payments of $28.3 million on long-term debt and $21.5 million of stock repurchases.

Off Balance Sheet Arrangements

The Company did not have any off balance sheet financing arrangements as of April 2, 2023.

Critical Accounting Policies

As of April 2, 2023, there were no significant changes in or changes to the application of our critical accounting policies or estimation procedures from those presented in our Annual Report on Form 10-K for the fiscal year ended June 30, 2022, which was filed with the SEC on September 9, 2022.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We maintain an investment portfolio comprised of fixed income securities, all designated as held-to-maturity securities. Fixed income securities do carry some degree of interest rate and credit risk. However, due to the securities' investment grade ratings, short-term nature, and our intention to hold the securities to maturity, we do not expect to recognize impairment losses on declines in fair value below our cost basis. See Note 4 in Notes to Unaudited Condensed Consolidated Financial Statements for more information on investments.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) (of the Exchange Act) that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures. Based upon this evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of April 2, 2023.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended April 2, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

During the three months ended April 2, 2023, there were no material changes to the risk factors disclosed in "Part I, Item 1A. Risk Factors" in our Annual Report and our Fiscal Second Quarter Quarterly Report.

ITEM 2. UNREGISTERED SALES OF SECURITIES AND USE OF PROCEEDS.

Stock Repurchase Program

On June 24, 2021, the board of directors of the Company authorized a stock repurchase program that allows for the repurchase of up to $50.0 million of our common stock during the three-year period ending June 24, 2024. During the first nine months of fiscal 2023, we repurchased approximately $16.0 million of our common stock, including approximately $7.0 million during the three months ended April 2, 2023. As of April 2, 2023, the remaining authorization under the program was approximately $8.6 million.

During the three months ended April 2, 2023, the Company repurchased the following shares of common stock:

Period	Total Number of Shares Purchased	Average Price Paid Per Share[a]	Total Number of Shares Purchased as part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plan (dollars in thousands)
January 2, 2023 - January 29, 2023	—	$ —	—	$ 15,574
January 30, 2023 - February 26, 2023	59,865	33.66	59,865	13,558
February 27, 2023 - April 2, 2023	150,285	33.14	150,285	8,574
Total	210,150	$ 33.29	210,150	8,574

(a) Represents weighted average price paid per share excluding commissions paid.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

None.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

Exhibit No.	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of MCBC Holdings, Inc.	10-K	001-37502	3.1	9/18/15	
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of MasterCraft Boat Holdings, Inc.	10-Q	001-37502	3.2	11/9/18	
3.3	Certificate of Amendment to Amended and Restated Certificate of Incorporation of MasterCraft Boat Holdings, Inc.	8-K	001-37502	3.1	10/25/19	
3.4	Fourth Amended and Restated By-laws of MasterCraft Boat Holdings, Inc.	8-K	001-37502	3.2	10/25/19	
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer					*
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer					*
32.1	Section 1350 Certification of Chief Executive Officer					**
32.2	Section 1350 Certification of Chief Financial Officer					**
101.INS	Inline XBRL Instance Document					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					*

* Filed herewith.

** Furnished herewith.

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 thereunto duly authorized.

MASTERCRAFT BOAT HOLDINGS, INC.

(Registrant)

Date:	May 10, 2023	By:	/s/ FREDERICK A. BRIGHTBILL
			Frederick A. Brightbill
			Chief Executive Officer (Principal Executive Officer) and Chairman of the Board
Date:	May 10, 2023	By:	/s/ TIMOTHY M. OXLEY
			Timothy M. Oxley
			Chief Financial Officer (Principal Financial and Accounting Officer),
			Treasurer and Secretary

Exhibit 31.1

CERTIFICATIONS

I, Frederick A. Brightbill, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2023 of MasterCraft Boat Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2023

/s/ FREDERICK A. BRIGHTBILL
Frederick A. Brightbill
Chief Executive Officer
(Principal Executive Officer) and Chairman of the Board

Exhibit 31.2

CERTIFICATIONS

I, Timothy M. Oxley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2023 of MasterCraft Boat Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2023

/s/ TIMOTHY M. OXLEY

Timothy M. Oxley
Chief Financial Officer, Treasurer and Secretary
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Frederick A. Brightbill, Chief Executive Officer of MasterCraft Boat Holdings, Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended April 2, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 10, 2023

/s/ FREDERICK A. BRIGHTBILL
Frederick A. Brightbill
Chief Executive Officer
(Principal Executive Officer) and Chairman of the Board

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Timothy M. Oxley, Chief Financial Officer of MasterCraft Boat Holdings, Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended April 2, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 10, 2023

/s/ TIMOTHY M. OXLEY

Timothy M. Oxley
Chief Financial Officer, Treasurer and Secretary
(Principal Financial and Accounting Officer)