

***MASTERCRAFT  
BOAT HOLDINGS INC.***

# **FISCAL FOURTH QUARTER & 2021 RESULTS**

September 2, 2021



# FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events and include, without limitation, projections, forecasts and estimates about possible or assumed future results of the Company's business, financial condition, liquidity, results of operations, plans and objectives. In some cases, you can identify forward-looking statements because they contain words such as "may," "might," "will," "would," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "likely," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions.

These forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by the Company and its management, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, those factors identified in the Company's Annual Report on Form 10-K for 2020 and Quarterly Reports on Form 10-Q for 2021 in the sections titled "Risk factors," "Cautionary note regarding forward-looking statements" and "Management's discussion and analysis of financial condition and results of operations." New risks and uncertainties arise over time, and it is not possible for us to predict all such factors or how they may affect us.

Nothing in this presentation should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Company undertakes no duty to update these forward-looking statements. Certain of the economic and market information contained herein has been obtained from published sources and/or prepared by other parties. Neither the Company nor any of its directors, stockholders, officers, affiliates, employees, agents or advisers, nor any other person, assumes any responsibility for the accuracy, reliability or completeness of any information in this presentation, and we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in expectation or events, conditions or circumstances on which such statements are based.

This presentation includes certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Net Income Per Share. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation for a reconciliation of Net Income (Loss), the most directly comparable financial measure prepared in accordance with U.S. GAAP, to Adjusted EBITDA, Adjusted Net Income, and Adjusted Net Income Per Share.

This presentation is confidential and may not be reproduced or otherwise distributed or disseminated, in whole or part, without the prior written consent of the Company, which consent may be withheld in its sole and absolute discretion.

Any investment in the Company will be subject to certain risks related to the nature of the Company's business and the structure and operations of the Company. Any investment in the Company should be made only with an appreciation of the applicable risks, which are described in the Company's filings with the SEC.

We do not provide forward-looking guidance for certain financial measures on a U.S. GAAP basis because we are unable to predict certain items contained in the U.S. GAAP measures without unreasonable efforts. These items may include acquisition-related costs, litigation charges or settlements, impairment charges, and certain other unusual adjustments.

# CALL PARTICIPANTS



**Fred Brightbill**  
CEO and Chairman of the Board



**Tim M. Oxley**  
Chief Financial Officer



**George Steinbarger**  
Chief Revenue Officer

# DIVERSIFIED PORTFOLIO OF LEADING BRANDS

SERVING THE FASTEST GROWING SEGMENTS OF THE POWERBOAT INDUSTRY

**MasterCraft**

01.  
**SKI/WAKE  
BOATS**

---

Iconic brand recognized as the premier brand in the ski/wake segment, focused on high performance, relentless innovation and the highest quality

**NauticStar**<sup>®</sup>  
BOATS

02.  
**FIBERGLASS  
OUTBOARD  
BOATS**

---

Fresh, innovative brand focused on delivering great performance, great design and great quality at an affordable price to professional and sport fisherman, recreational and pleasure boating enthusiasts

**CREST**

03.  
**PONTOON  
BOATS**

---

Growing pontoon brand delivering consumers a broad product offering of high-quality, stylish and comfortable boats at an incredible value

**AVIARA**

04.  
**LUXURY DAY  
BOATS**

---

De novo brand that creates an elevated open water experience by fusing progressive European style and effortless comfort with American engineering

A speedboat is shown from a low angle, moving across a body of water. The boat's hull is dark and has a wood-grain pattern. The name 'Mastercraft' is visible on the side. The background shows a sunset over a lake with mountains in the distance. The sky is a mix of orange, yellow, and blue.

# FISCAL FOURTH QUARTER & 2021 RESULTS

# FISCAL 2021 EARNINGS HIGHLIGHTS



## Record Fiscal 2021 Financial Results

- Most profitable year in the Company's history
- Record net sales of \$525.8 million, up 45%
- Record Diluted Adjusted Net Income per share of \$3.31, up 147%
- Record Adjusted EBITDA of \$92.8 million, up 109%



## Executed Aggressive Production Ramp Up

- More than doubled monthly shipment rate during the year
- Expertly managed supply chain to minimize disruption
- Relocated Aviara to dedicated facility
- June 2021 market share data suggests our ramp up outperformed many competitors



## Robust Retail Demand & Historically Low Pipeline

- Continuing surge of consumer demand
- Dealer inventories at historically-low levels
- Dealers likely short of optimal levels by nearly 2,500 units
- Optimal levels not expected until well into calendar 2023
- Unprecedented wholesale visibility



## Guiding to Record-Setting Fiscal 2022

- Net sales growth up in the high teens range
- Adjusted EBITDA Margin flat year-over-year
- Adjusted Earnings Per Share up in the high-teens range
- Capital expenditures of between \$25 million and \$30 million, driven primarily by growth-oriented projects



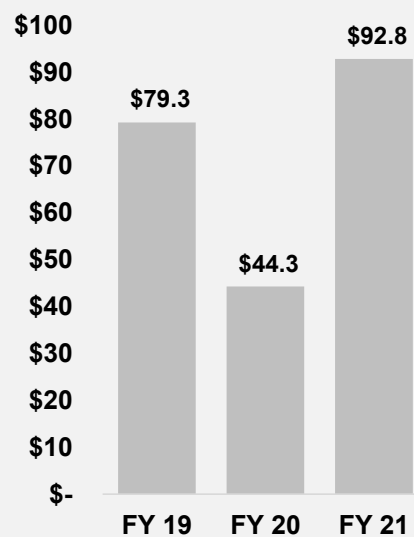
Delivered a record year driven by continuing surge of consumer demand and strength of production ramp up. Wholesale visibility provides opportunity for record-setting fiscal 2022.

# RECORD FULL-YEAR RESULTS

## NET SALES (\$'s in millions)



## ADJUSTED EBITDA (\$'s in millions)



## ADJUSTED NET INCOME PER SHARE



Achieved record Net Sales, Adjusted EBITDA, and Adjusted Net Income Per Share in fiscal 2021, eclipsing the previous records posted in fiscal 2019.

# PROGRESS AGAINST STRATEGIC PRIORITIES



## CONSUMER EXPERIENCE

- Intensified focus on innovation
- Accelerated new product plans at all brands
- Unveiled aggressive 2022 model year changes for MasterCraft brand
- Introduced two new Crest and two new NauticStar models
- Expanded quality systems
- All eligible MCBH brands received 2020 Customer Satisfaction Index (CSI) Awards



## DIGITAL MARKETING

- Launched digital boat show platform
- Generated record lead generation at record-low cost per lead
- Launching all-new websites for NauticStar and Crest in 2022



## OPERATIONAL EXCELLENCE

- More than doubled monthly shipment rate during the year
- Expertly managed supply chain
- Expanded gross margin 390 bps
- Delivered record gross margins for MasterCraft and Crest brands
- Achieved lowest SG&A % since becoming a public company
- Relocated Aviara to dedicated facility



## PEOPLE

- Met skilled labor needs in tight labor markets
- Grew workforce by nearly 600 hourly and over 50 salaried
- Nearly doubled product development and engineering headcount

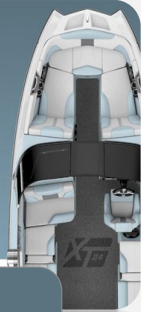


# THREE NEW MASTERCRAFT MODELS FOR 2022

OPT INTO AWESOME

# XT24

MODEL OVERVIEW



**Bold looks, Big waves,  
and Customization**



OPT OUT OF ORDINARY

# XT23

MODEL OVERVIEW



**Premium Performance  
and Endless Options**



SURF SUPREMACY

# XSTAR S

MODEL OVERVIEW

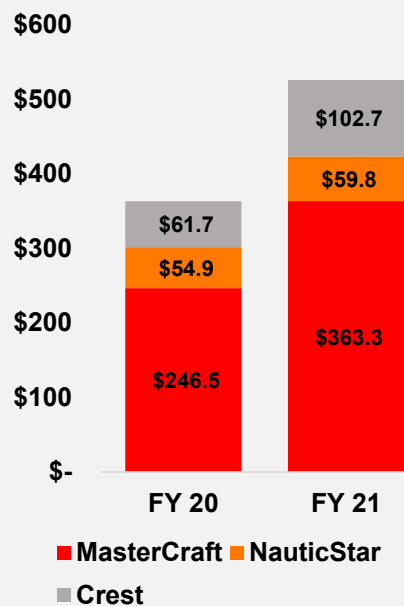


**Unprecedented  
Performance and Comfort**



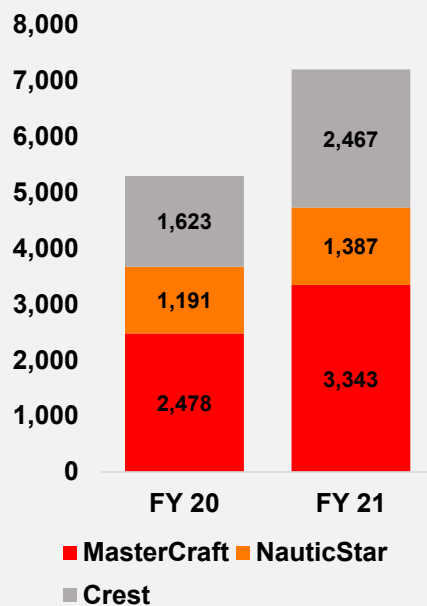
# FISCAL 2021 RESULTS

## NET SALES (\$'s in millions)



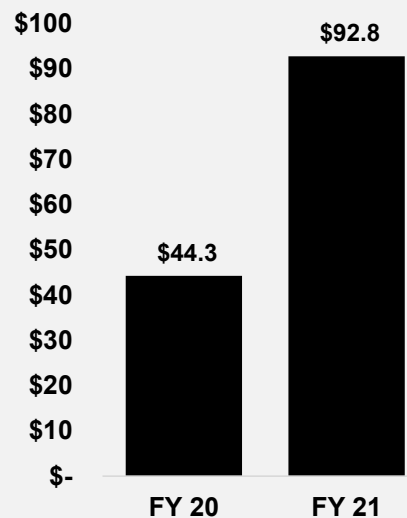
- Increased to a record \$525.8 million, up 45%

## UNIT VOLUME



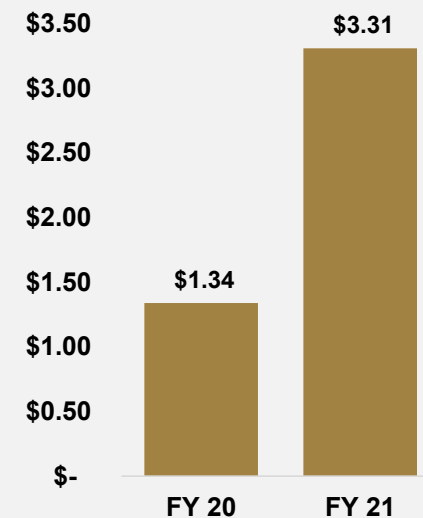
- Increased to 7,197 units, up 36%

## ADJUSTED EBITDA (\$'s in millions)



- Increased to a record \$92.8 million, up 109%

## ADJUSTED NET INCOME PER SHARE

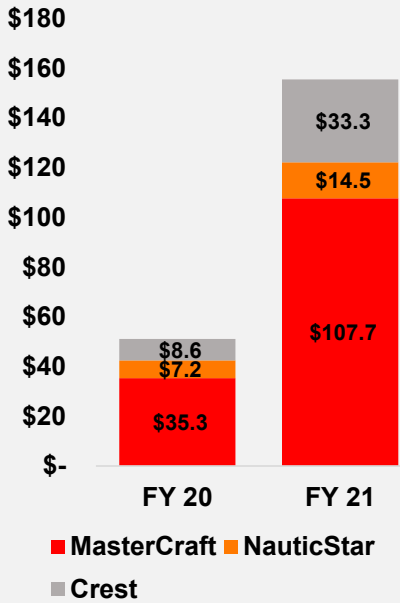


- Increased to a record \$3.31 per share, up 147%

# FOURTH QUARTER 2021 RESULTS

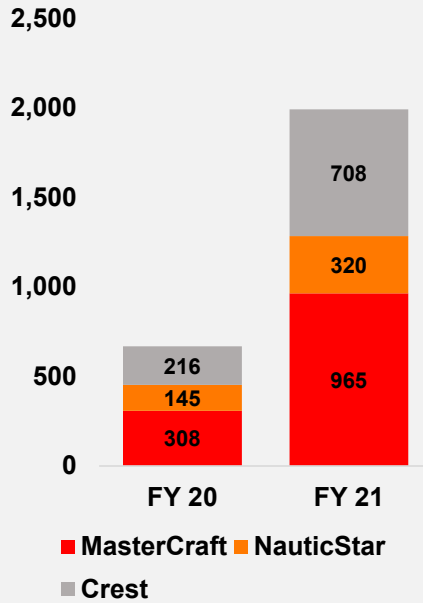
## NET SALES

(\$'s in millions)



- Increased to a record \$155.5 million, up 204%

## UNIT VOLUME



- Increased to a fourth-quarter record of 1,993 units, up 198%

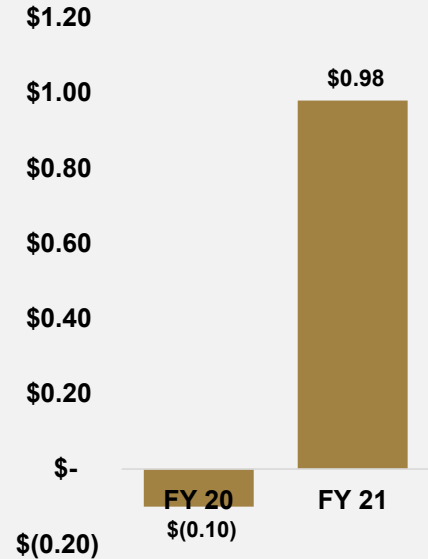
## ADJUSTED EBITDA

(\$'s in millions)



- Increased to \$27.0 million

## ADJUSTED NET INCOME PER SHARE



- Increased to \$0.98 per share

## FISCAL YEAR 2022 GUIDANCE

- Wholesale visibility provides opportunity for record-setting fiscal year 2022.
- Importantly, we face significant, ongoing risks from supply chain disruptions and the impact of COVID. We remain laser-focused on mitigating these headwinds.

<b>METRIC</b>	<b>FY 2022 Q1</b>	<b>FY 2022</b>
<b>Net Sales Growth</b>	Up in the mid-30 percent range	Up in the high-teens percent range
<b>Adjusted EBITDA Margin</b>	Low-14 percent range	Flat year-over-year
<b>Adjusted EPS Growth</b>	Up in the low-20 percent range	Up in the high-teens percent range
<b>Capital Expenditures</b>	N/A	\$25M to \$30M range

A high-speed boat is shown from a low angle, moving from left to right under a large concrete bridge. The boat is dark-colored and has a person at the helm. The water is splashing around the boat. In the background, a city skyline with several high-rise buildings is visible under a clear blue sky. The word "APPENDIX" is centered in large white letters.

# APPENDIX

# FOURTH QUARTER ADJUSTED EBITDA RECONCILIATION

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

METRIC	FY 2021 Q4	% of sales	FY 2020 Q4	% of sales
<b>Net income (loss)</b>	<b>\$16,534</b>	<b>10.6%</b>	<b>(\$2,836)</b>	<b>-5.5%</b>
Income tax expense (benefit)	5,026		(964)	
Interest expense	748		1,378	
Depreciation and amortization	3,082		2,842	
<b>EBITDA</b>	<b>\$25,390</b>	<b>16.3%</b>	<b>\$420</b>	<b>0.8%</b>
Share-based compensation	800		361	
Debt refinancing charges <sup>(1)</sup>	769		-	
Aviara startup costs <sup>(2)</sup>	-		234	
COVID-19 shut-down costs <sup>(3)</sup>	-		(112)	
<b>Adjusted EBITDA</b>	<b>\$26,959</b>	<b>17.3%</b>	<b>\$903</b>	<b>1.8%</b>

Note: \$ in thousands.

- Represents loss recognized upon refinancing the Company's debt. The loss is comprised of unamortized debt issuance costs related to the previously existing credit facility and third-party legal costs associated with the refinancing.
- Represents startup costs associated with Aviara - a completely new boat brand in a segment of the market neither MasterCraft, NauticStar nor Crest serves.
- Represents lump sum severance payments and costs related to temporary continuation of healthcare benefits for certain laid off employees, in connection with the COVID-19 pandemic.

# FISCAL 2021 ADJUSTED EBITDA RECONCILIATION

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

METRIC	FY 2021	% of sales	FY 2020	% of sales
<b>Net income (loss)</b>	<b>\$56,170</b>	<b>10.7%</b>	<b>(\$24,047)</b>	<b>-6.6%</b>
Income tax expense (benefit)	15,658		(7,565)	
Interest expense	3,392		5,045	
Depreciation and amortization	11,630		10,527	
<b>EBITDA</b>	<b>\$86,850</b>	<b>16.5%</b>	<b>(\$16,040)</b>	<b>-4.4%</b>
Share-based compensation	2,984		1,061	
Aviara transition costs <sup>(1)</sup>	2,150		-	
Debt refinancing charges <sup>(2)</sup>	769		-	
Goodwill and other intangible asset impairment <sup>(3)</sup>	-		56,437	
Aviara startup costs <sup>(4)</sup>	-		1,446	
COVID-19 Shutdown costs <sup>(5)</sup>	-		1,394	
<b>Adjusted EBITDA</b>	<b>\$92,753</b>	<b>17.6%</b>	<b>\$44,298</b>	<b>12.2%</b>

Note: \$ in thousands.

- Represents costs to transition production of the Aviara brand from Vonore, Tennessee to Merritt Island, Florida. Costs include duplicative overhead costs and costs not indicative of ongoing operations (such as training and facility preparation).
- Represents loss recognized upon refinancing the Company's debt. The loss is comprised of unamortized debt issuance costs related to the previously existing credit facility and third-party legal costs associated with the refinancing.
- Represents non-cash charges recorded in the NauticStar and Crest segments for impairment of goodwill and trade name intangible assets.
- Represents startup costs associated with Aviara - a completely new boat brand in a segment of the market neither MasterCraft, NauticStar nor Crest serves.
- Represents lump sum severance payments and costs related to temporary continuation of healthcare benefits for certain laid off employees, in connection with the COVID-19 pandemic.

# FOURTH QUARTER ADJUSTED NET INCOME RECONCILIATION

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

METRIC	FY 2021 Q4	FY 2020 Q4
<b>Net income (loss)</b>	<b>\$16,534</b>	<b>(\$2,836)</b>
Income tax expense (benefit)	5,026	(\$964)
Amortization of acquisition intangibles	961	\$962
Share-based compensation	800	\$361
Debt refinancing charges <sup>(1)</sup>	769	\$0
Aviara startup costs <sup>(2)</sup>	-	\$234
COVID-19 shut-down costs <sup>(3)</sup>	-	(\$112)
<b>Adjusted net income (loss) before income taxes</b>	<b>\$24,090</b>	<b>(\$2,355)</b>
Income tax expense (benefit) <sup>(4)</sup>	5,541	(\$542)
<b>Adjusted net income (loss)</b>	<b>\$18,549</b>	<b>(\$1,813)</b>
<b>Adjusted net income (loss) per share</b>		
Basic	\$0.99	(\$0.10)
Diluted	\$0.98	(\$0.10)
<b>Weighted average shares used for the computation of:</b>		
Basic adjusted net income (loss) per share <sup>(5)</sup>	18,822,231	18,743,915
Diluted adjusted net income (loss) per share <sup>(5)</sup>	19,021,220	18,743,915

Note: \$ in thousands.

- Represents loss recognized upon refinancing the Company's debt. The loss is comprised of unamortized debt issuance costs related to the previously existing credit facility and third-party legal costs associated with the refinancing.
- Represents startup costs associated with Aviara - a completely new boat brand in a segment of the market neither MasterCraft, NauticStar nor Crest serves.
- Represents lump sum severance payments and costs related to temporary continuation of healthcare benefits for certain laid off employees, in connection with the COVID-19 pandemic.
- Reflects income tax expense at a tax rate of 23.0% for each period presented.
- Represents the Weighted Average Shares Used for the Computation of Basic and Diluted earnings (loss) per share as presented on the Consolidated Statements of Operations to calculate Adjusted Net Income per diluted share for all periods presented herein.



# FISCAL 2021 ADJUSTED NET INCOME RECONCILIATION

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

<b>METRIC</b>	<b>FY 2021</b>	<b>FY 2020</b>
<b>Net income (loss)</b>	<b>\$56,170</b>	<b>(\$24,047)</b>
Income tax expense (benefit)	15,658	(7,565)
Share-based compensation	2,984	1,061
Amortization of acquisition intangibles	3,842	3,842
Aviara transition costs <sup>(1)</sup>	2,150	-
Debt refinancing charges <sup>(2)</sup>	769	-
Goodwill and other intangible asset impairment <sup>(3)</sup>	-	56,437
Aviara start-up costs <sup>(4)</sup>	-	1,446
COVID-19 Shutdown costs <sup>(5)</sup>	-	1,394
<b>Adjusted net income before income taxes</b>	<b>\$81,573</b>	<b>\$32,568</b>
Income tax expense <sup>(6)</sup>	18,762	7,491
<b>Adjusted net income</b>	<b>\$62,811</b>	<b>\$25,077</b>
<b>Adjusted net income per share</b>		
Basic	\$3.34	\$1.34
Diluted	\$3.31	\$1.34
<b>Weighted average shares used for the computation of:</b>		
Basic adjusted net income per share <sup>(7)</sup>	18,805,464	18,734,482
Diluted adjusted net income per share <sup>(7)</sup>	18,951,521	18,734,482

Note: \$ in thousands.

- 1) Represents costs to transition production of the Aviara brand from Vonore, Tennessee to Merritt Island, Florida. Costs include duplicative overhead costs and costs not indicative of ongoing operations (such as training and facility preparation).
- 2) Represents loss recognized upon refinancing the Company's debt. The loss is comprised of unamortized debt issuance costs related to the previously existing credit facility and third-party legal costs associated with the refinancing.
- 3) Represents non-cash charges recorded in the NauticStar and Crest segments for impairment of goodwill and trade name intangible assets.
- 4) Represents startup costs associated with Aviara - a completely new boat brand in a segment of the market neither MasterCraft, NauticStar nor Crest serves.
- 5) Represents lump sum severance payments and costs related to temporary continuation of healthcare benefits for certain laid off employees, in connection with the COVID-19 pandemic.
- 6) Reflects income tax expense at a tax rate of 23.0% for each period presented.
- 7) Represents the Weighted Average Shares Used for the Computation of Basic and Diluted earnings (loss) per share as presented on the Consolidated Statements of Operations to calculate Adjusted Net Income per diluted share for all periods presented herein.

# FOURTH QUARTER ADJUSTED NET INCOME PER SHARE RECONCILIATION

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

<b>METRIC</b>	<b>FY 2021 Q4</b>	<b>FY 2020 Q4</b>
<b>Net income (loss) per diluted share</b>	<b>\$0.87</b>	<b>(\$0.15)</b>
Income tax expense (benefit)	0.27	(0.05)
Amortization of acquisition intangibles	0.05	0.05
Share-based compensation	0.04	0.02
Debt refinancing charges <sup>(1)</sup>	0.04	-
Aviara startup costs <sup>(2)</sup>	-	0.01
COVID-19 shut-down costs <sup>(3)</sup>	-	(0.01)
<b>Adjusted net income (loss) per diluted share before income taxes</b>	<b>1.27</b>	<b>(0.13)</b>
Adjusted income tax expense per diluted share <sup>(4)</sup>	(0.29)	0.03
<b>Adjusted net income per diluted share</b>	<b>\$0.98</b>	<b>(\$0.10)</b>

- 1) Represents loss recognized upon refinancing the Company's debt. The loss is comprised of unamortized debt issuance costs related to the previously existing credit facility and third-party legal costs associated with the refinancing.
- 2) Represents startup costs associated with Aviara - a completely new boat brand in a segment of the market neither MasterCraft, NauticStar nor Crest serves.
- 3) Represents lump sum severance payments and costs related to temporary continuation of healthcare benefits for certain laid off employees, in connection with the COVID-19 pandemic.
- 4) Reflects income tax expense at a tax rate of 23.0% for each period presented.

# FISCAL 2021 ADJUSTED NET INCOME PER SHARE RECONCILIATION

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

<b>METRIC</b>	<b>FY 2021</b>	<b>FY 2020</b>
<b>Net income (loss)</b>	<b>\$2.96</b>	<b>(\$1.28)</b>
Income tax expense (benefit)	0.83	(0.40)
Share-based compensation	0.20	0.20
Amortization of acquisition intangibles	0.16	0.06
Aviara transition costs <sup>(1)</sup>	0.11	-
Debt refinancing charges <sup>(2)</sup>	0.04	-
Goodwill and other intangible asset impairment <sup>(3)</sup>	-	3.01
Aviara start-up costs <sup>(4)</sup>	-	0.08
COVID-19 Shutdown costs <sup>(5)</sup>	-	0.07
<b>Adjusted net income before income taxes</b>	<b>4.30</b>	<b>1.74</b>
Adjusted income tax expense per diluted share <sup>(6)</sup>	(0.99)	(0.40)
<b>Adjusted net income per diluted share</b>	<b>\$3.31</b>	<b>\$1.34</b>

- 1) Represents costs to transition production of the Aviara brand from Vonore, Tennessee to Merritt Island, Florida.
- 2) Represents loss recognized upon refinancing the Company's debt. The loss is comprised of unamortized debt issuance costs related to the previously existing credit facility and third-party legal costs associated with the refinancing.
- 3) Represents noncash charges recorded in the NauticStar and Crest segments for goodwill and trade name.
- 4) Represents startup costs associated with Aviara - a completely new boat brand in a segment of the market neither MasterCraft, NauticStar nor Crest serves.
- 5) Represents costs associated with the COVID-19 pandemic. Costs include lump sum severance payments and temporary continuation of healthcare benefits for laid off employees.
- 6) Reflects income tax expense at a tax rate of 23.0% for each period presented.

# CHANGE IN NON-GAAP FINANCIAL MEASURE

Prior to fiscal year-end 2020, the Company's calculation of a diluted per share amount of Adjusted Net Income included an adjustment to fully dilute this non-GAAP measure for all outstanding share-based compensation grants. This additional dilution was incorporated by adjusting the GAAP measure, Weighted Average Shares Used for the Computation of Basic earnings per share, as presented on the Consolidated Statements of Operations, to include a dilutive effect for all outstanding restricted stock awards, performance stock units, and stock options. Beginning with the fiscal year-end 2020 presentation and for all subsequent periods, the Company no longer includes this additional dilution impact in its calculation of Adjusted Net Income per diluted share. The Company has instead utilized 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 Company believes that, because its outstanding share-based compensation grants no longer result in a material amount of dilution of its earnings as was the case nearer to the date of our IPO, the adjustment methodology previously used no longer provides meaningful information to management or other users of its financial statements. This change resulted in an increase of \$0.02 for the year ended June 30, 2020 in the amount of Adjusted Net Income per diluted share from what was previously reported.



# *MASTERCRAFT BOAT HOLDINGS INC.*

*MasterCraft*

  
CREST

  
NauticStar®  
BOATS

  
AVIARA