

***MASTERCRAFT  
BOAT HOLDINGS INC.***

# FISCAL FOURTH QUARTER & 2020 RESULTS

SEPTEMBER 9, 2020

***MasterCraft***

  
**CREST**

  
**NauticStar**<sup>®</sup>  
**BOATS**

  
**AVIARA**

# DISCLAIMER

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 2019 and Quarterly Reports on Form 10-Q for 2020 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. None of the Company or 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.

# DIVERSIFIED PORTFOLIO OF LEADING BRANDS

SERVING THE FASTEST GROWING SEGMENTS

**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

**MASTERCRAFT  
BOAT HOLDINGS INC.**

**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

# COMPANY HIGHLIGHTS

01. Growing stable of leading, diversified brands synonymous with quality, innovation and performance
02. Leading market share positions in four of the fastest growing segments of the powerboating industry
03. Industry-leading product design and innovation
04. Consumer-centric strategy
05. Strong, complementary dealer networks
06. Highly experienced management team leading an engaged workforce
07. Strong financial position to support growth
08. Track-record of growth, with multiple highly-actionable, near-term organic opportunities

---

**HIGHLY-VISIBLE  
AVENUES FOR EARNINGS  
GROWTH AND SUSTAINABLE  
COMPETITIVE ADVANTAGES**

---



***MASTERCRAFT  
BOAT HOLDINGS INC.***

**FOURTH QUARTER & FISCAL  
2020 RESULTS**

# FOURTH QUARTER HIGHLIGHTS

- Ended year with stronger than anticipated retail demand across all brands
- Dealer inventories for our brands 40% - 50% lower vs. end of fiscal 2019
- Safely resumed all manufacturing operations
- Repaid \$25.0 million on revolver, ending year with strong liquidity
- Fourth quarter results heavily impacted by COVID-19 shutdowns:
  - Net sales decreased to \$51.1 million, down 58.4%
  - Gross profit decreased to \$7.4 million, down 76.5%
  - Adjusted EBITDA decreased to \$0.9 million, down 96.2%
  - Diluted Adjusted Net Loss per share of \$(0.10)

Note: See appendix for reconciliation of non-GAAP Adjusted EBITDA and Diluted Adjusted Net Loss per share.

# FISCAL 2020 FOURTH QUARTER RESULTS

METRIC	FY 2020 Q4	FY 2019 Q4
Units - MasterCraft	308	826
Units - NauticStar	145	440
Units - Crest	216	675
Consolidated Q over Q Growth %	(65.5%)	—
Net Sales - MasterCraft	\$35.3	\$79.8
Net Sales - NauticStar	\$7.2	\$19.7
Net Sales - Crest	\$8.6	\$23.3
Consolidated Q over Q Growth %	(58.4%)	—
Adjusted EBITDA	\$0.9	\$23.8
Q over Q Growth %	(96.2%)	—

Note: \$'s in millions.

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

# FISCAL 2020 HIGHLIGHTS

- Launched new luxury day boat brand, Aviara, including 3 models
- Net sales decreased to \$363.1 million, down 22.2%
- Gross profit decreased to \$75.4 million, down 33.4%
- Adjusted EBITDA decreased to \$44.3 million, down 44.2%
- Diluted Adjusted Net Income per share decreased to \$1.34

Note: See appendix for reconciliation of non-GAAP Adjusted EBITDA and Diluted Adjusted Net Loss per share.



# FISCAL 2020 RESULTS

METRIC	FY 2020	FY 2019
Units - MasterCraft	2,478	3,435
Units - NauticStar	1,191	1,831
Units - Crest	1,623	2,078
Consolidated Q over Q Growth %	(27.9%)	—
Net Sales - MasterCraft	\$246.4	\$311.8
Net Sales - NauticStar	\$54.9	\$78.0
Net Sales - Crest	\$61.7	\$76.6
Consolidated Q over Q Growth %	(22.2%)	—
Adjusted EBITDA	\$44.3	\$79.3
Q over Q Growth %	(44.2%)	—

Note: \$'s in millions.

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

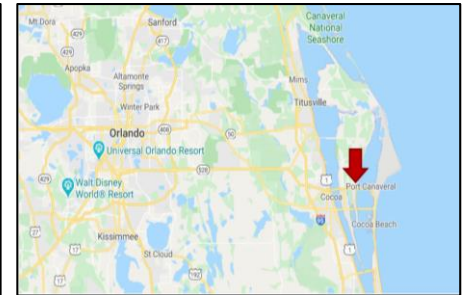
# FISCAL 2021 FIRST QUARTER & FULL YEAR GUIDANCE

- FY2021 guidance assumes all manufacturing facilities are able to operate throughout the fiscal year without any COVID-19 related shutdowns

METRIC	FY 2021 Q1	FY 2021
Net Sales Growth	Down low-to-mid teens percent range	Up mid-20 percent range
Adjusted EBITDA Margin	11 percent – 12 percent range	13 percent – 14 percent range
Adjusted EPS Growth	Down mid-to-high 30 percent range	Up low-to-mid 40 percent range

# MERRITT ISLAND, FL FACILITY PURCHASE

- Under contract on 140,000+ sq. ft. boat building facility for \$14.0 million
- Dedicated Aviara facility to support long-term growth of the brand
- Frees up capacity for additional MasterCraft production
- Access to experienced boat-building workforce
- Opportunity for additional vertical integration
- Production transitions in FY2021 Q3



**MASTERCRAFT**  
**BOAT HOLDINGS INC.**  
**APPENDIX**



# FOURTH QUARTER ADJUSTED EBITDA RECONCILIATION

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

METRIC	FY 2020 Q4	FY 2019 Q4
<b>Net loss</b>	<b>(\$2,836)</b>	<b>(\$10,062)</b>
Income tax benefit	(964)	(3,160)
Interest expense	1,378	1,684
Depreciation and amortization	2,842	2,337
<b>EBITDA</b>	<b>\$420</b>	<b>(\$9,201)</b>
Goodwill and other intangible asset impairment <sup>(1)</sup>	-	31,000
Aviara startup costs <sup>(2)</sup>	234	1,140
COVID-19 Shutdown costs <sup>(3)</sup>	(112)	-
Share-based compensation	361	519
Transaction expense <sup>(4)</sup>	-	333
<b>Adjusted EBITDA</b>	<b>\$903</b>	<b>\$23,791</b>
<b>Adjusted EBITDA margin</b>	<b>1.8%</b>	<b>19.4%</b>

Note: \$ in thousands.

1) Represents non-cash charges for impairments of NauticStar and Crest goodwill and trade names.

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

4) Represents fees, expenses and integration costs associated with our acquisitions of NauticStar and Crest.

# FOURTH QUARTER ADJUSTED NET INCOME (LOSS) RECONCILIATION

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

METRIC	FY 2020 Q4	FY 2019 Q4
<b>Net loss</b>	<b>(\$2,836)</b>	<b>(\$10,062)</b>
Income tax benefit	(964)	(3,160)
Goodwill and other intangible asset impairment <sup>(1)</sup>	-	31,000
Amortization of acquisition intangibles	962	962
Aviara startup costs <sup>(2)</sup>	234	1,140
COVID-19 Shutdown costs <sup>(3)</sup>	(112)	-
Share-based compensation	361	519
Transaction expense <sup>(4)</sup>	-	333
<b>Adjusted net income (loss) before income taxes</b>	<b>(\$2,355)</b>	<b>\$20,732</b>
Income tax expense (benefit) <sup>(5)</sup>	(542)	4,665
<b>Adjusted net income (loss)</b>	<b>(\$1,813)</b>	<b>\$16,067</b>
<b>Adjusted net income (loss) per share</b>		
Basic	(\$0.10)	\$0.86
Diluted	(\$0.10)	\$0.85
<b>Weighted average shares used for the computation of:</b>		
Basic adjusted net income (loss) per share	18,743,915	18,710,233
Diluted adjusted net income (loss) per share	18,743,915	18,851,352

Note: \$ in thousands, except per share amounts.

- Represents non-cash charges for impairments of NauticStar and Crest goodwill and trade names.
- Represents startup costs associated with Aviara - a completely new boat brand in a segment of the market neither MasterCraft, NauticStar nor Crest serves.
- Represents costs associated with the COVID-19 pandemic. Costs include lump sum severance payments and temporary continuation of healthcare benefits for laid off employees.
- Represents fees, expenses and integration costs associated with our acquisitions of NauticStar and Crest.
- Reflects income tax expense at a tax rate of 23.0% for fiscal 2020 and 22.5% for the prior-year period.

# FOURTH QUARTER ADJUSTED NET INCOME (LOSS) PER SHARE RECONCILIATION

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

METRIC	FY 2020 Q4	FY 2019 Q4
<b>Net loss</b>	<b>(\$0.15)</b>	<b>(\$0.54)</b>
Income tax benefit	(0.05)	(0.17)
Goodwill and other intangible asset impairment <sup>(1)</sup>	-	1.65
Amortization of acquisition intangibles	0.05	0.05
Aviara startup costs <sup>(2)</sup>	0.01	0.06
COVID-19 Shutdown costs <sup>(3)</sup>	(0.01)	-
Share-based compensation	0.02	0.03
Transaction expense <sup>(4)</sup>	-	0.02
<b>Adjusted net income (loss) before income taxes</b>	<b>(0.13)</b>	<b>1.10</b>
Adjusted income tax expense (benefit) per diluted share <sup>(5)</sup>	0.03	(0.25)
<b>Adjusted net income (loss) per diluted share</b>	<b>(\$0.10)</b>	<b>\$0.85</b>

1) Represents non-cash charges for impairments of NauticStar and Crest goodwill and trade names.

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

4) Represents fees, expenses and integration costs associated with our acquisitions of NauticStar and Crest.

5) Reflects income tax expense at a tax rate of 23.0% for fiscal 2020 and 22.5% for the prior-year period.

# FISCAL 2020 ADJUSTED EBITDA RECONCILIATION

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

METRIC	FY 2020	FY 2019
<b>Net income (loss)</b>	<b>(\$24,047)</b>	<b>\$21,354</b>
Income tax expense (benefit)	(7,565)	5,392
Interest expense	5,045	6,513
Depreciation and amortization	10,527	7,787
<b>EBITDA</b>	<b>(\$16,040)</b>	<b>\$41,046</b>
Goodwill and other intangible asset impairment <sup>(1)</sup>	56,437	31,000
Aviara startup costs <sup>(2)</sup>	1,446	2,840
COVID-19 Shutdown costs <sup>(3)</sup>	1,394	-
Share-based compensation	1,061	1,678
Transaction expense <sup>(4)</sup>	-	2,377
Inventory step-up adjustment - acquisition related <sup>(5)</sup>	-	382
<b>Adjusted EBITDA</b>	<b>\$44,298</b>	<b>\$79,323</b>
<b>Adjusted EBITDA margin</b>	<b>12.2%</b>	<b>17.0%</b>

Note: \$ in thousands.

- Represents non-cash charges for impairments of NauticStar and Crest goodwill and trade names.
- Represents startup costs associated with Aviara - a completely new boat brand in a segment of the market neither MasterCraft, NauticStar nor Crest serves.
- Represents costs associated with the COVID-19 pandemic. Costs include lump sum severance payments and temporary continuation of healthcare benefits for laid off employees.
- Represents fees, expenses and integration costs associated with our acquisitions of NauticStar and Crest.
- Represents post-acquisition adjustment to cost of goods sold for the fair value step-up of inventory acquired all of which was sold during the respective fiscal years.



# FISCAL 2020 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 2020	FY 2019
<b>Net income (loss)</b>	<b>(\$24,047)</b>	<b>\$21,354</b>
Income tax expense (benefit)	(7,565)	5,392
Goodwill and other intangible asset impairment <sup>(1)</sup>	56,437	31,000
Amortization of acquisition intangibles	3,842	3,385
Aviara startup costs <sup>(2)</sup>	1,446	2,840
COVID-19 Shutdown costs <sup>(3)</sup>	1,394	-
Share-based compensation	1,061	1,678
Transaction expense <sup>(4)</sup>	-	2,377
Inventory step-up adjustment - acquisition related <sup>(5)</sup>	-	382
<b>Adjusted net income before income taxes</b>	<b>\$32,568</b>	<b>\$68,408</b>
Income tax expense <sup>(6)</sup>	7,491	15,392
<b>Adjusted net income</b>	<b>\$25,077</b>	<b>\$53,016</b>
<b>Adjusted net income per share</b>		
Basic	\$1.34	\$2.84
Diluted	\$1.34	\$2.82
<b>Weighted average shares used for the computation of:</b>		
Basic adjusted net income per share	18,734,482	18,653,892
Diluted adjusted net income per share	18,734,482	18,768,207

Note: \$ in thousands., except per share amounts.

- 1) Represents non-cash charges for impairments of NauticStar and Crest goodwill and trade names.
- 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 costs associated with the COVID-19 pandemic. Costs include lump sum severance payments and temporary continuation of healthcare benefits for laid off employees.
- 4) Represents fees, expenses and integration costs associated with our acquisitions of NauticStar and Crest.
- 5) Represents post-acquisition adjustment to cost of goods sold for the fair value step-up of inventory acquired all of which was sold during the respective fiscal years.
- 6) Reflects income tax expense at a tax rate of 23.0% for fiscal 2020 and 22.5% for the prior-year period.

# FISCAL 2020 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:

METRIC	FY 2020	FY 2019
<b>Net income (loss)</b>	<b>(\$1.28)</b>	<b>\$1.14</b>
Income tax expense (benefit)	(0.40)	0.29
Goodwill and other intangible asset impairment <sup>(1)</sup>	3.01	1.65
Amortization of acquisition intangibles	0.20	0.18
Aviara startup costs <sup>(2)</sup>	0.08	0.15
COVID-19 Shutdown costs <sup>(3)</sup>	0.07	-
Share-based compensation	0.06	0.09
Transaction expense <sup>(4)</sup>	-	0.12
Inventory step-up adjustment - acquisition related <sup>(5)</sup>	-	0.02
<b>Adjusted net income before income taxes</b>	<b>1.74</b>	<b>3.64</b>
Adjusted income tax expense per diluted share <sup>(6)</sup>	(0.40)	(0.82)
<b>Adjusted net income per diluted share</b>	<b>\$1.34</b>	<b>\$2.82</b>

1) Represents non-cash charges for impairments of NauticStar and Crest goodwill and trade names.

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

4) Represents fees, expenses and integration costs associated with our acquisitions of NauticStar and Crest.

5) Represents post-acquisition adjustment to cost of goods sold for the fair value step-up of inventory acquired all of which was sold during the respective fiscal years.

6) Reflects income tax expense at a tax rate of 23.0% for fiscal 2020 and 22.5% for the prior-year period.

# CHANGE IN NON-GAAP FINANCIAL MEASURE

Prior to fiscal year 2020, the Company's calculation of a diluted per share amount of Adjusted Net Income (Loss) 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 (loss) per share, as presented on the Consolidated Statements of Operations, to include a dilutive effect for all outstanding RSAs, PSUs, and stock options. Beginning with the fiscal year 2020 presentation for all periods presented herein, the Company will no longer include this additional dilution impact in its calculation of Adjusted Net Income (Loss) per diluted share. The Company has instead utilized 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 (Loss) 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 in the year ended June 30, 2020 in the amount of Adjusted Net Income per diluted share from what would have been reported using the previous methodology. The change also resulted in an increase of \$0.01 in the year ended June 30, 2019 in the amount of Adjusted Net Income per diluted share from what was previously reported.

# *MASTERCRAFT BOAT HOLDINGS INC.*

---

*MasterCraft*

  
CREST

  
NauticStar®  
BOATS

  
AVIARA