



# Vista Outdoor Inc. (NYSE:VSTO)

BRINGING THE WORLD OUTSIDE

## FY23 Q2 Earnings Presentation

November 3, 2022



# Forward Looking Statements



Certain statements in this press release and other oral and written statements made by Vista Outdoor Inc. (“Vista Outdoor”, “we”, “us” or “our”) from time to time are forward-looking statements, including those that discuss, among other things: Vista Outdoor's intent to separate our Outdoor Products and Sporting Products segments and Vista Outdoor's preliminary strategic, operational and financial considerations related thereto; Vista Outdoor's plans, objectives, expectations, intentions, strategies, goals, outlook or other non-historical matters; projections with respect to future revenues, income, earnings per share or other financial measures for Vista Outdoor; and the assumptions that underlie these matters. The words ‘believe’, ‘expect’, ‘anticipate’, ‘intend’, ‘aim’, ‘should’ and similar expressions are intended to identify such forward-looking statements. To the extent that any such information is forward-looking, it is intended to fit within the safe harbor for forward-looking information provided by the Private Securities Litigation Reform Act of 1995. Numerous risks, uncertainties and other factors could cause Vista Outdoor's actual results to differ materially from expectations described in such forward-looking statements, including the following: risks related to the separation of our Outdoor Products and Sporting Products segments, including that the process of exploring the transaction and potentially completing the transaction could disrupt or adversely affect the consolidated or separate businesses, results of operations and financial condition, that the transaction may not achieve some or all of any anticipated benefits with respect to either business and that the transaction may not be completed in accordance with our expected plans or anticipated timelines, or at all; impacts from the COVID-19 pandemic on Vista Outdoor's operations, the operations of our customers and suppliers and general economic conditions; general economic and business conditions in the United States and Vista Outdoor's other markets outside the United States, including conditions affecting employment levels, consumer confidence and spending, conditions in the retail environment, and other economic conditions affecting demand for our products and the financial health of our customers; Vista Outdoor's ability to attract and retain key personnel and maintain and grow its relationships with customers, suppliers and other business partners, including Vista Outdoor's ability to obtain acceptable third party licenses; Vista Outdoor's ability to adapt its products to changes in technology, the marketplace and customer preferences, including our ability to respond to shifting preferences of the end consumer from brick and mortar retail to online retail; Vista Outdoor's ability to maintain and enhance brand recognition and reputation; others' use of social media to disseminate negative commentary about us and boycotts; reductions in or unexpected changes in or our inability to accurately forecast demand for ammunition, accessories or other outdoor sports and recreation products; risks associated with Vista Outdoor's sales to significant retail customers, including unexpected cancellations, delays and other changes to purchase orders; supplier capacity constraints, production disruptions or quality or price issues affecting Vista Outdoor's operating costs; Vista Outdoor's competitive environment; risks associated with diversification into new international and commercial markets including regulatory compliance; changes in the current tariff structures; the supply, availability and costs of raw materials and components; increases in commodity, energy and production costs; changes in laws, rules and regulations relating to Vista Outdoor's business, such as federal and state ammunition regulations; Vista Outdoor's ability to realize expected benefits from acquisitions and integrate acquired businesses; Vista Outdoor's ability to take advantage of growth opportunities in international and commercial markets; foreign currency exchange rates and fluctuations in those rates; the outcome of contingencies, including with respect to litigation and other proceedings relating to intellectual property, product liability, warranty liability, personal injury and environmental remediation; risks associated with cybersecurity and other industrial and physical security threats; capital market volatility and the availability of financing; changes to accounting standards or policies; and changes in tax rules or pronouncements. You are cautioned not to place undue reliance on any forward-looking statements we make. Vista Outdoor undertakes no obligation to update any forward-looking statements except as otherwise required by law. For further information on factors that could impact Vista Outdoor, and statements contained herein, please refer to Vista Outdoor's filings with the U.S. Securities and Exchange Commission.

# 41 Leading Outdoor Brands with 12 Power Brands

Acquired Well-Known Brands in the Last Two Years



Denotes +\$100M in Annual Sales  
(Power Brands)

## OUTDOOR PRODUCTS PORTFOLIO

### ACTION SPORTS



### OUTDOOR RECREATION



### OUTDOOR ACCESSORIES



## SPORTING PRODUCTS PORTFOLIO



★ Denotes Acquisition

# Portfolio of Brands in Leadership Positions

~\$3B+ leading global designer, manufacturer and marketer of sporting and outdoor lifestyle products



## Sporting Products

\$1.7B in Sales (FY22)

**#1** **#1**

Commercial Ammunition U.S. Law Enforcement Ammunition

**FEDERAL**

**Remington**



**CCI**

**SPEER**

## Outdoor Products

\$1.3B in Sales (FY22)

**#1**

GPS & Rangefinders

**#2**

Launch Monitors

**Bushnell**  
GOLF

**FORESIGHT**  
SPORTS

**#1**

Bike/Hike Hydration Packs

**#1**

Tritan & Bike Bottles

**CAMELBAK**

**#1**

Helmets Accessories

**#2**

Snow Goggles

**BELL**

**GIRO**

**#1**

Camp Stoves

**CAMP CHEF**

**#1**

Motosports Protection

**FOX**

**#1**

Fly Fishing Gear & Apparel

**SIMMS**

**#1**

Hunting & Shooting Accessories

**Bushnell**

**BLACKHAWK**

**PRIMO'S**  
HUNTING  
SPEAK THE LANGUAGE





# Q2 FY23 Earnings



**Christopher T. Metz**  
**CEO**



# Q2 FY23 Financial Results

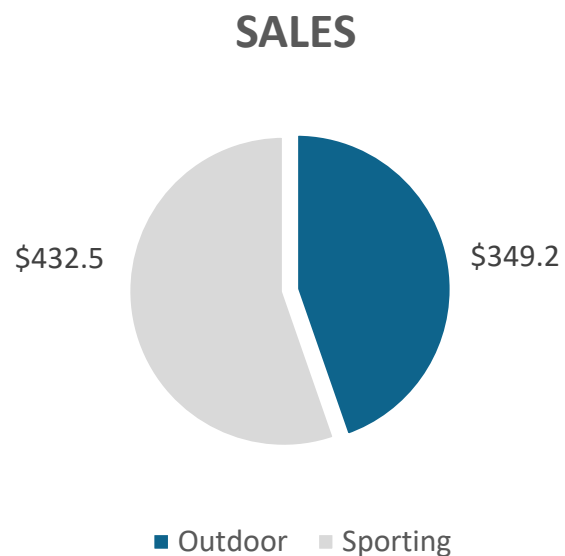


## SALES

**Sales Grew +0.4% Y/Y to \$782M**

*Sporting Products -4% to \$432M*

*Outdoor Products +6% to \$349M*

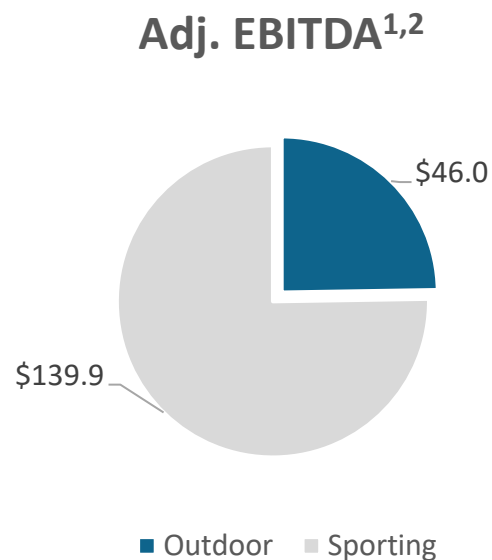


## Adj. EBITDA<sup>(1)</sup>

**Adj. EBITDA \$164M; 21% Margin**

*Sporting Products: 32.4% Margin*

*Outdoor Products: 13.2% Margin*

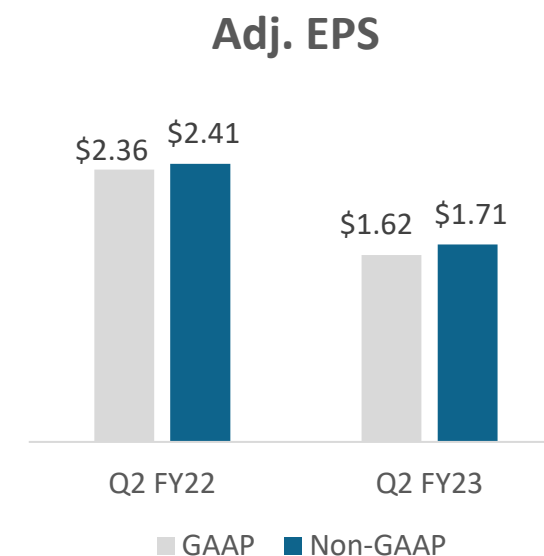


## ADJUSTED EPS<sup>(1)</sup>

**Adj. EPS of \$1.71**

*Q2 FY23 profitability largely impacted by inflation*

*Record EPS in Q2 FY22*



(1) Non-GAAP financial measure, see reconciliation table for details; (2) Excludes Corporate expenses



# Three Key Themes in Q2 FY23



1

**Strong underlying business fundamentals**

2

**Solid balance sheet and robust free cash flow**

3

**Actions we are taking to mitigate risks in a highly challenging global macroeconomic and geopolitical environment**



**MANAGE INVENTORY**

**CONTROL & REDUCE COSTS**

**OPTIMIZE PRODUCT OFFERINGS**





# Spin-off of Outdoor Products Segment on Track



*Benefits include enhanced strategic focus, tailored capital allocation priorities, strengthened ability to attract and retain top talent, compelling shareholder value and expanded strategic growth opportunities*

**SPORTING PRODUCTS**

**OUTDOOR PRODUCTS**

Trailing 12-Month Revenue	\$1.9 Billion	\$1.3 Billion
Trailing 12-Month Adj. EBITDA <sup>1</sup>	\$635 Million	\$188 Million
TTM Net Debt Leverage Ratio	~2x at spin 1-2x long-term	<1x at spin 1-2x long-term
Capital Allocation Strategy	Debt Repayment Dividend Payout	Invest in Organic Growth and M&A

(1) Excludes Corporate costs.



# Sporting Products Overview



**Jason Vanderbrink**

**President,  
Sporting Products**





# Q2 FY23 Sporting Products Update



*Sales decrease driven by lower levels of finished goods inventory entering the quarter, partially offset with favorable pricing; higher input costs pressuring margins*

## Revenue

**\$432M**

-4.0% YoY

## Gross Profit

**\$159M**

-21% YoY

## EBITDA<sup>1</sup>

**\$140M**

-23% YoY



**Remington**

**FEDERAL** 



**ALLIANT POWDER**  
Technically Superior by Design

**CCI**

**SPEER**

(1) Non-GAAP financial measure. See reconciliation table for details.



# Sporting Products Well Positioned for Long-term Success



*Profitability remains much stronger than prior to FY21 due to a broader and more profitable product mix*

## 1. M&A

- Acquisition of Remington and HEVI-Shot, leaders in rifle and shotshell hunting loads, broadened our product mix to more profitable ammunition categories; HEVI-Shot is also the leader in non-lead innovation and production

## 2. Rational Market Pricing

- Industry consolidation and the recent surge in demand has increased the total U.S. addressable market by 16 million new firearm owners, for a total of approximately 83 million firearm owners in the U.S., which is leading to significantly healthier manufacturers financially; much less likely to chase volume through unprofitable discounting as demand normalizes
- Sporting Products has secured multi-year supply agreements with OEM customers and law enforcement/government customers to ensure capacity utilization at healthy profitability levels

## 3. Operational Excellence

- Maintained a lean cost structure without adding overhead
- Continued execution to improve Remington profitability to legacy margins
- Modernized Federal plant; increased core technologies to drive productivity

## 4. Iconic Brands

- Brand power driven by innovation, reliability and performance



# Financial Overview



**Sudhanshu Priyadarshi**

**CFO**



# Q2 FY23 & Year-to-Date Financial Results



*Q2 sales growth driven by acquisitions; inflation and rising interest rates impacting consumer demand*

*Q2 Adjusted EBITDA margins of 21% despite higher input costs including freight*

*Strong Free Cash Flow of \$87 million in Q2; \$195 million year-to-date*

*(\$ in millions, except per share data)*

	Q2 FY23	Q2 FY22	YoY%	YTD FY23	YTD FY22	YoY%
<b>Sales</b>	<b>\$782</b>	\$778	0.4%	<b>\$1,584</b>	\$1,441	10%
<b>Adj. Gross Profit<sup>(1)</sup></b>	<b>\$266</b>	\$299	(11%)	<b>\$559</b>	\$541	3%
<b>Adj. Operating Expense<sup>(1)</sup></b>	<b>\$126</b>	\$105	20%	<b>\$236</b>	\$201	18%
<i>Op Expense % sales<sup>(1)</sup></i>	16%	13%	267 bps	15%	14%	97 bps
<b>Adj. EBIT<sup>(1)</sup></b>	<b>\$141</b>	\$194	(28%)	<b>\$324</b>	\$340	(5%)
<i>EBIT Margin %<sup>(1)</sup></i>	18%	25%	-695 bps	20%	24%	-313 bps
<b>Adj. EBITDA<sup>(1)</sup></b>	<b>\$164</b>	\$211	(22%)	<b>\$366</b>	\$373	(2%)
<i>'EBITDA Margin %<sup>(1)</sup></i>	21%	27%	-612 bps	23%	26%	-273 bps
<b>Adj. Interest Expense<sup>(1)</sup></b>	<b>\$13</b>	\$6	122%	<b>\$19</b>	\$12	68%
<b>Adj. Net Income<sup>(1)</sup></b>	<b>\$99</b>	\$142	(31%)	<b>\$233</b>	\$247	(6%)
<b>Adj. Tax Rate<sup>(1)</sup></b>	23%	24%	-169 bps	23%	25%	-136 bps
<b>Adj. Earnings Per Share<sup>(1)</sup></b>	<b>\$1.71</b>	\$2.41	(29%)	<b>\$4.02</b>	\$4.15	(3%)
<b>Free Cash Flow<sup>(1)</sup></b>	<b>\$87</b>	\$71	24%	<b>\$195</b>	\$106	84%

*Note: Year-to-date (YTD) is defined as fiscal Q1 and Q2 quarters.*

*(1) Shown as Adjusted, a non-GAAP financial measure. See reconciliation tables for details.*

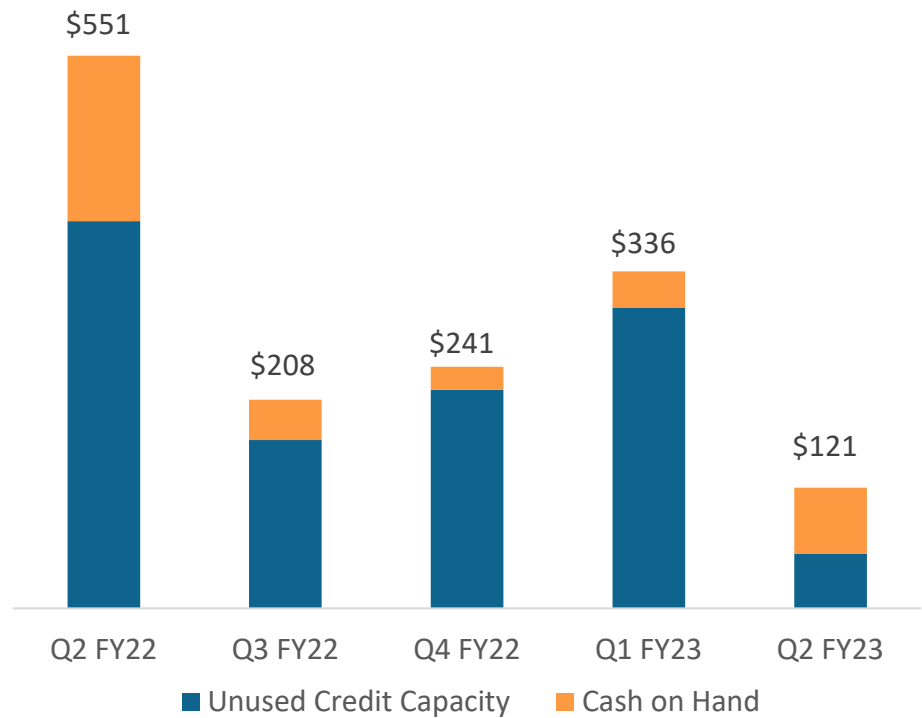


# Strong Balance Sheet Positions Company for Long-Term Growth

Net Debt-to-Adjusted EBITDA of 1.7x is well within the target range of 1-2x

## Liquidity Profile

\$ Millions

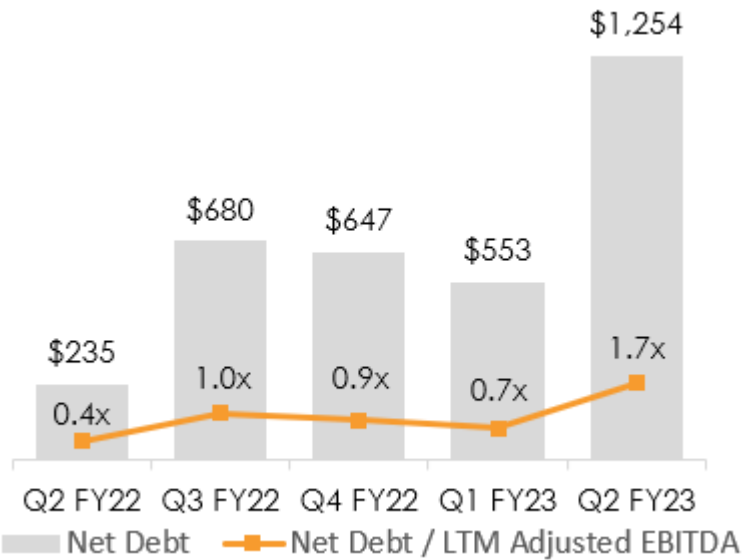


Total Debt Outstanding	\$1,320M
Less: Cash	\$ 66M
Net Debt	\$1,254M
LTM Adj. EBITDA <sup>(1)</sup>	\$ 733M
Net Debt to Adj. EBITDA	1.7x

<b>Total Debt Outstanding</b>	<b>\$1,320M</b>
Senior Notes (Mar 2029)	\$500M
ABL Revolver (March 2026)	\$470M
Term Loan	\$350M

## Net Debt and Net Debt / LTM Adjusted EBITDA<sup>(1)</sup>

\$ Millions



(1) Non-GAAP financial measure. See reconciliation table for details.

# Q2 FY23 Segment Update



Sales



Outdoor Products Sporting Products

Gross Profit



Outdoor Products Sporting Products

EBITDA<sup>1,2</sup>



Outdoor Products Sporting Products

## SPORTING PRODUCTS

**\$432M**

-4% YoY

- In-line with prior guidance
- Decline driven by low finished goods inventory exiting Q1

**\$159M**

-21% YoY

- Lower sales volume
- Higher input, commodity & freight costs

**\$140M**

-23% YoY

- Maintaining lean SG&A structure
- Comping record prior year quarter which included favorable hedges

## OUTDOOR PRODUCTS

**\$349M**

+6% YoY

- Growth driven by acquisitions
- Inflation and rising interest rates impacting consumer spending

**\$107M**

+11% YoY

- Accretive acquisitions
- Partially offset by higher input & freight costs

**\$46M**

-11% YoY

- Accretive acquisitions
- Higher SG&A due to acquisitions

# Revised FY23 Outlook



*Inflation and rising interest rates impacting consumer spending and higher retail inventory driving less visibility*

*Reflecting these uncertainties into our revised guidance while continuing to take action to mitigate risk*

## Revenue

**\$3.05B to \$3.15B**

## Adj. EBITDA Margin<sup>(1)</sup>

**19.75% to 20.25%**

## Adjusted EPS

**\$6.00 to \$6.50**

## Free Cash Flow

**\$310M to \$360M**

### Key assumptions:

- Tax rate expected to be approximately 23%
- Interest expense of \$55M - \$60M
- R&D expense growth of 35% - 40%
- CapEx expected to be 1-2% of sales

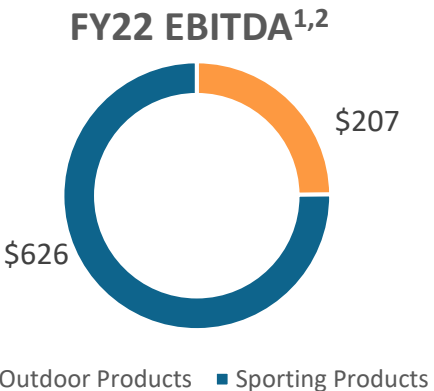
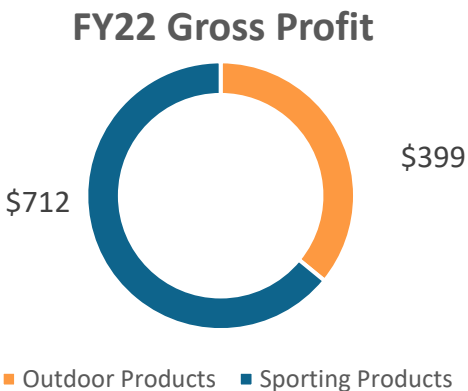
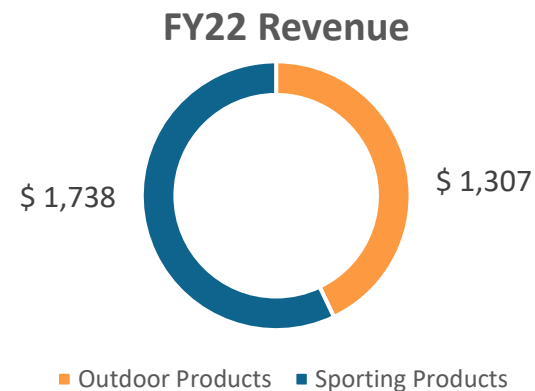
(1) Non-GAAP financial measure. See reconciliation table for details.



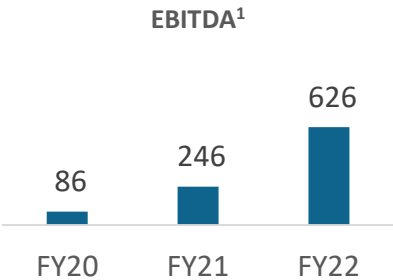
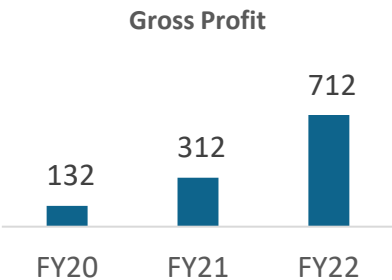
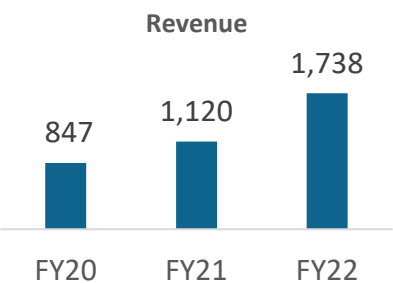


## **SUPPLEMENTAL: Segment Financial Highlights & Trends**

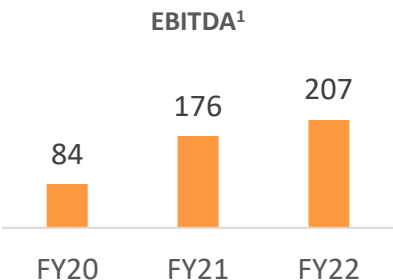
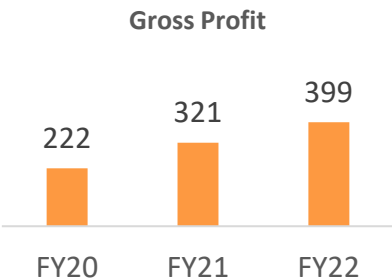
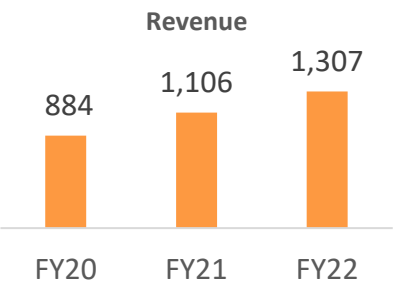
# Financial Trends by Segment: FY20-FY22



## SPORTING PRODUCTS<sup>3</sup> – Business Segment Trends



## OUTDOOR PRODUCTS – Business Segment Trends



(1) Non-GAAP financial measure, see reconciliation table for details; (2) Excludes negative EBITDA related to Corporate expenses, (3) excludes divestitures

# Q2 FY23 Outdoor Products Update



*Sales increase driven by acquisitions partially offset by a decline in organic sales as inflation and rising interest rates impact consumer spending*

## Revenue

**\$349M**

+6% YoY

## Gross Profit<sup>1</sup>

**\$107M**

+11% YoY

## EBITDA<sup>1</sup>

**\$46M**

-11% YoY



## Action Sports Revenue

**\$151M**

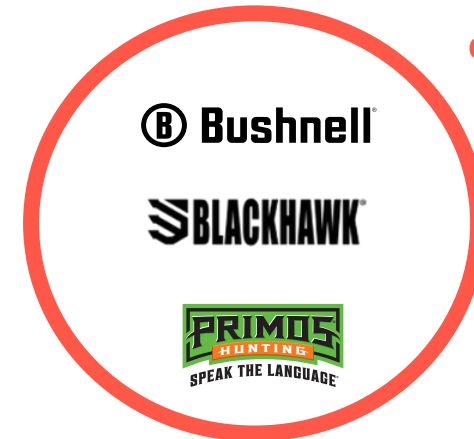
+44%



## Outdoor Recreation Revenue

**\$124M**

+16%



## Outdoor Accessories<sup>2</sup> Revenue

**\$74M**

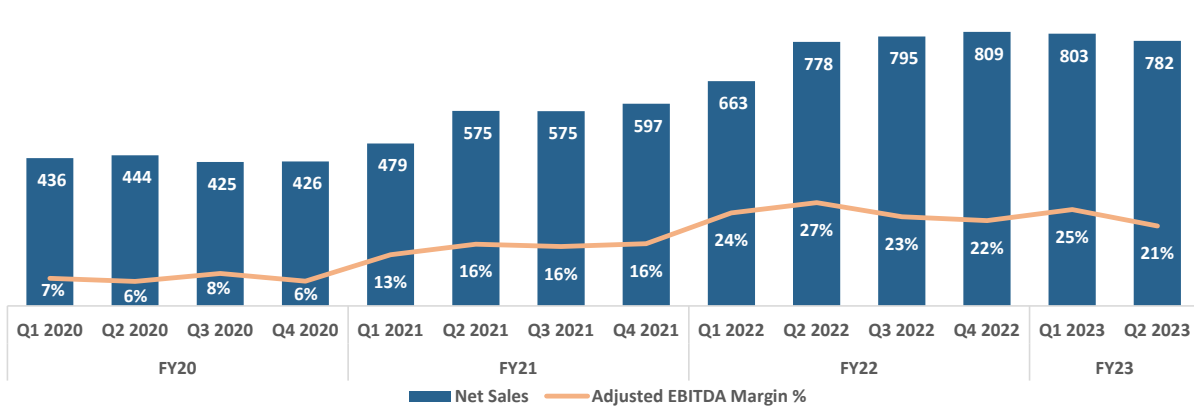
-36%

(1) Non-GAAP financial measure. See reconciliation table for details. (2) Power brand logos reflected here. Outdoor Accessories includes approximately 19 brands.

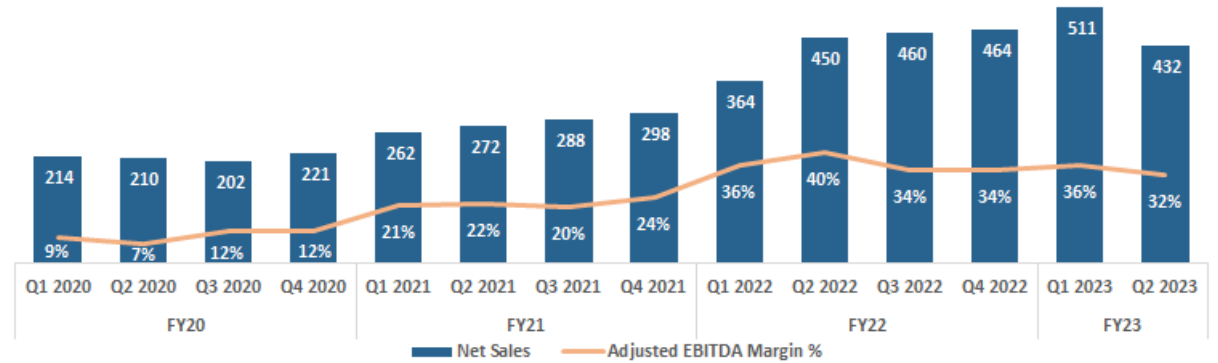
# Quarterly Financial Trends: FY20 - Q2 FY23



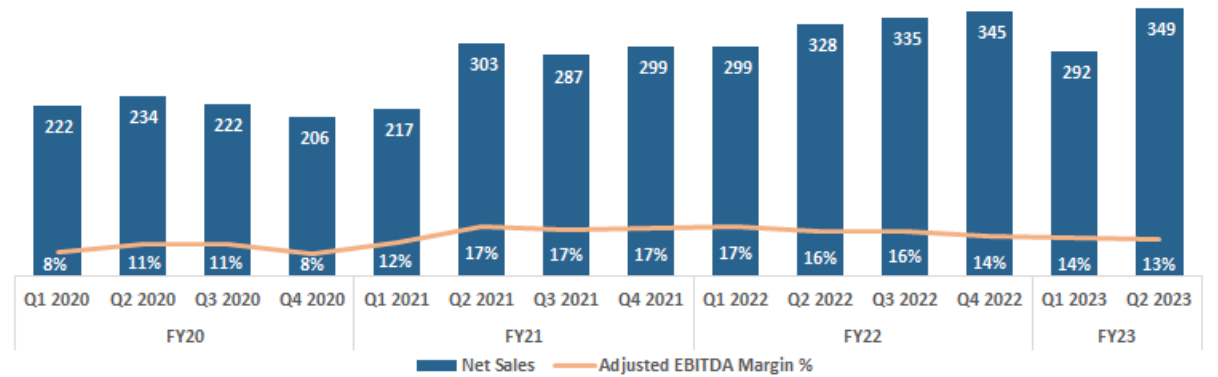
Total Vista Outdoor<sup>1,2</sup>



Sporting Products



Outdoor Products



(1) Excludes divested companies, (2) Total Vista Outdoor Adjusted EBITDA margin includes corporate costs

Note: EBITDA is a non-GAAP financial measure. See reconciliation table for details





# **APPENDIX:**

# **Non-GAAP Reconciliation**

# Non-GAAP Financial Measures



In addition to the results prepared in accordance with GAAP, we are providing the information below on a non-GAAP basis, including, adjusted gross profit, adjusted operating expenses, adjusted earnings before interest and tax (EBIT), adjusted interest expense, adjusted taxes, adjusted net income, and adjusted fully diluted earnings per share (EPS). Vista Outdoor defines these measures as, gross profit, operating expenses, EBIT, interest, taxes, net income, and EPS excluding, where applicable, the impact of costs incurred for inventory step-up, transaction and transition costs, planned separation costs, post-acquisition compensation, contingent consideration, and debt issuance costs. Vista Outdoor management is presenting these measures so a reader may compare gross profit, operating expenses, EBIT, interest, taxes, net income, and EPS excluding these items, as the measures provide investors with an important perspective on the operating results of the Company. Vista Outdoor management uses this measurement internally to assess business performance, and Vista Outdoor's definition may differ from those used by other companies.

<b>Three months ended September 25, 2022</b> <b>(in thousands)</b>							
	<b>Gross Profit</b>	<b>Operating Expenses</b>	<b>EBIT</b>	<b>Interest Expense</b>	<b>Taxes</b>	<b>Net Income</b>	<b>EPS</b>
As reported	\$ 262,874	\$ 131,707	\$ 131,908	\$ (13,934)	\$ (24,519)	\$ 93,455	\$ 1.62
Inventory step-up	3,036	—	3,036	—	(759)	2,277	0.04
Transaction costs	—	(5,779)	5,779	—	(951)	4,828	0.08
Transition costs	—	(400)	400	—	(100)	300	0.01
Planned separation costs	—	(7,687)	7,687	—	(1,922)	5,765	0.10
Post-acquisition compensation	—	(3,269)	3,269	—	(487)	2,782	0.05
Contingent consideration	—	11,313	(11,313)	—	—	(11,313)	(0.20)
Debt issuance	—	—	—	\$ 785	(196)	589	0.01
As adjusted	<u>\$ 265,910</u>	<u>\$ 125,885</u>	<u>\$ 140,766</u>	<u>\$ (13,149)</u>	<u>\$ (28,934)</u>	<u>\$ 98,683</u>	<u>\$ 1.71</u>
<b>Three months ended September 26, 2021</b> <b>(in thousands)</b>							
	<b>Gross Profit</b>	<b>Operating Expenses</b>	<b>EBIT</b>	<b>Interest Expense</b>	<b>Taxes</b>	<b>Net Income</b>	<b>EPS</b>
As reported	\$ 298,921	\$ 108,182	\$ 190,739	\$ (5,929)	\$ (45,270)	\$ 139,540	\$ 2.36
Transaction costs	—	(2,162)	2,162	—	(590)	1,572	0.03
Transition costs	—	(170)	170	—	(42)	128	—
Post-acquisition compensation	—	(1,245)	1,245	—	—	1,245	0.02
As adjusted	<u>\$ 298,921</u>	<u>\$ 104,605</u>	<u>\$ 194,316</u>	<u>\$ (5,929)</u>	<u>\$ (45,902)</u>	<u>\$ 142,485</u>	<u>\$ 2.41</u>

**\*NOTE:** Adjustments to "as reported" results are items that are excluded to arrive at the "as adjusted" results for the quarters ended September 25, 2022 and September 26, 2021. EPS amounts may not foot due to rounding.

# Non-GAAP Financial Measures



Free cash flow is defined as cash provided by operating activities less capital expenditures, and excluding the following costs which have been adjusted for applicable tax amounts: inventory step-up, transaction and transition costs paid to date, planned separation costs, post-acquisition compensation, contingent consideration, and debt issuance costs. Vista Outdoor management believes free cash flow provides investors with an important perspective on the cash available for debt repayment, share repurchases and acquisitions after making the capital investments required to support ongoing business operations. Vista Outdoor management uses free cash flow internally to assess both business performance and overall liquidity.

(in thousands)	Six months ended			
	Three months ended September 25, 2022	September 25, 2022	September 26, 2021	Projected year ending March 31, 2023
Cash provided by operating activities	\$ 85,825	\$ 193,402	\$ 105,180	\$325,724–\$408,224
Capital expenditures	(8,047)	(12,957)	(14,439)	~(30,500-63,000)
Inventory step-up expense	(759)	(759)	202	(759)
Transaction costs	4,828	7,529	2,460	7,529
Transition costs	144	192	13,000	192
Planned separation costs	5,765	8,990	—	8,990
Post acquisition compensation	(432)	(1,008)	(96)	(1,008)
Contingent consideration	—	28	—	28
Debt issuance	(196)	(196)	—	(196)
Free cash flow	<u>\$ 87,128</u>	<u>\$ 195,221</u>	<u>\$ 106,307</u>	<u>\$310,000–\$360,000</u>

# Non-GAAP Financial Measures



The projected adjusted earnings per share (EPS), excluding the impact of costs incurred to date for inventory step-up expense, transaction and transition costs, planned separation costs, post-acquisition compensation, contingent consideration, and debt issuance costs is a non-GAAP financial measure that Vista Outdoor defines as EPS excluding the impact of these items. Vista Outdoor management is presenting this measure so a reader may compare EPS, excluding these items, as this measure provides investors with an important perspective on the operating results of the company. Vista Outdoor management uses this measurement internally to assess business performance, and Vista Outdoor's definition may differ from those used by other companies.

Current FY23 Full-Year Adjusted EPS Guidance			
	Low		High
EPS guidance including transaction costs, contingent consideration, transition costs, and post-acquisition compensation	\$	5.76	\$ 6.26
Inventory step-up		0.04	0.04
Transaction costs		0.11	0.11
Transition costs		0.01	0.01
Planned separation costs		0.16	0.16
Post-acquisition compensation		0.11	0.11
Contingent consideration		(0.20)	(0.20)
Debt issuance		0.01	0.01
Adjusted EPS guidance	\$	6.00	\$ 6.50



# Non-GAAP Financial Measures



EBITDA margin is defined as EBITDA (earnings before interest, taxation, depreciation and amortization) divided by net sales. Vista Outdoor management believes EBITDA margin provides investors with an important perspective on the Company's core profitability and helps investors analyze underlying trends in the Company's business and evaluate its performance on an absolute basis and relative to its peers. EBITDA margin should be considered in addition to, and not as a substitute for, GAAP net profit margin. Vista Outdoor's definition may differ from that used by other companies. Adjusted EBITDA is defined as EBITDA excluding the non-recurring and non-cash items referenced above.

(in thousands)	Three months ended September 25, 2022			
	Sporting Products	Outdoor Products	Corporate	Total
Net Income	\$ 133,552	\$ 30,471	\$ (70,568)	\$ 93,455
Interest expense	—	—	13,934	13,934
Income tax provision	—	—	24,519	24,519
Depreciation and amortization	6,398	15,543	1,043	22,984
EBITDA	\$ 139,950	\$ 46,014	\$ (31,072)	\$ 154,892
Inventory step-up expense	—	—	3,036	3,036
Transaction and transition costs	—	—	6,179	6,179
Contingent consideration	—	—	(11,313)	(11,313)
Planned separation costs	—	—	7,687	7,687
Post-acquisition compensation	—	—	3,269	3,269
Adjusted EBITDA	\$ 139,950	\$ 46,014	\$ (22,214)	\$ 163,750

# Non-GAAP Financial Measures



Adjusted EBITDA reflects Vista Outdoor's adjusted earnings before interest and tax, per our quarterly disclosures, plus depreciation and amortization

	Fiscal year ended March 31, 2022			
(in thousands)	Sporting Products	Outdoor Products	Corporate	Total
Net Income	\$ 600,415	\$ 164,494	\$ (291,683)	\$ 473,226
Interest expense (income), net	—	—	25,264	25,264
Income tax provision (benefit)	—	—	147,732	147,732
Depreciation and amortization	25,602	42,027	4,711	72,340
EBITDA	\$ 626,017	\$ 206,521	\$ (113,976)	\$ 718,562
Transaction and transition costs (1)	—	—	8,206	8,206
Inventory step-up expense (2)	—	—	2,375	2,375
Contingent consideration (3)	—	—	956	956
Post acquisition compensation (4)	—	—	8,987	8,987
Adjusted EBITDA	\$ 626,017	\$ 206,521	\$ (93,452)	\$ 739,086

	Fiscal year ended March 31, 2021			
(in thousands)	Sporting Products	Outdoor Products	Corporate	Total
Net Income	\$ 222,713	\$ 137,942	\$ (94,643)	\$ 266,012
Interest expense (income), net	—	—	25,574	25,574
Income tax provision (benefit)	—	—	(6,628)	(6,628)
Depreciation and amortization	23,292	37,935	3,883	65,110
EBITDA	\$ 246,005	\$ 175,877	\$ (71,814)	\$ 350,068
Transaction and transition costs (1)	—	—	6,075	6,075
Inventory step-up expense (2)	—	—	690	690
Post acquisition compensation (4)	—	—	(18,467)	(18,467)
Debt refinancing and extinguishment (5)	—	—	6,471	6,471
Adjusted EBITDA	\$ 246,005	\$ 175,877	\$ (77,045)	\$ 344,837

	Fiscal year ended March 31, 2020			
(in thousands)	Sporting Products	Outdoor Products	Corporate	Total
Net Income	\$ 66,898	\$ 43,125	\$ (265,102)	\$ (155,079)
Interest expense	—	—	38,791	38,791
Income tax provision (benefit)	—	—	(15,948)	(15,948)
Depreciation and amortization	20,077	41,094	6,687	67,858
EBITDA	\$ 86,975	\$ 84,219	\$ (235,572)	\$ (64,378)
Transaction costs (1)	—	—	644	644
Executive transition (6)	—	—	1,370	1,370
Contingent consideration (7)	—	—	1,685	1,685
Loss on divestiture (Firearms)	—	—	433	433
Goodwill and intangibles impairment (8)	—	—	155,589	155,589
Impairment of held-for-sale assets (Firearms)	—	—	9,429	9,429
Restructuring and asset impairment costs (9)	—	—	9,210	9,210
Adjusted EBITDA	\$ 86,975	\$ 84,219	\$ (57,212)	\$ 113,982

Notes:

- (1) Transaction costs, including accounting, legal and advisor fees, and transition costs, in each case incurred in connection with possible and completed transactions.
- (2) Cost of goods sold related to the fair value step-up in inventory for acquisitions.
- (3) Non-cash change in the estimated fair value of contingent consideration payable.
- (4) Post-acquisition compensation expense related to acquisitions.
- (5) Costs incurred in connection with refinancing of debt.
- (6) Costs incurred for the appointment of a new Chief Financial Officer.
- (7) Compensation expense related to the Camp Chef acquisition earn-out.
- (8) Impairment of goodwill and identifiable intangible assets.
- (9) Restructuring and asset impairment costs related to impairment on rent receivable and operational alignment costs.

# Non-GAAP Financial Measures



(in thousands)	Three months ended Jun 26, 2022			Three months ended Sep 25, 2022		
	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total
Net Income	176,086	27,686	126,015	133,552	30,471	93,455
Interest expense	-	-	6,310	-	-	13,934
Income tax provision	-	-	40,100	-	-	24,519
Depreciation and amortization	6,382	11,807	19,316	6,398	15,543	22,984
EBITDA	182,468	39,493	191,741	139,950	46,014	154,892
Inventory step-up expense	-	-	-	-	-	3,036
Transaction and transition costs	-	-	2,358	-	-	6,179
Contingent consideration	-	-	(112)	-	-	(11,313)
Planned separation costs	-	-	4,300	-	-	7,687
Post-acquisition compensation	-	-	4,332	-	-	3,269
Adjusted EBITDA	182,468	39,493	202,619	139,950	46,014	163,750

(in thousands)	Three months ended Jun 27, 2021			Three months ended Sep 26, 2021			Three months ended Dec 26, 2021			Three months ended Mar 31, 2022			Fiscal year ended March 31, 2022		
	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total
Net Income	124,704	42,945	102,725	175,519	42,724	139,540	149,671	42,277	118,137	150,520	36,548	112,824	600,415	164,494	473,226
Interest expense (income), net	-	-	5,678	-	-	5,929	-	-	6,695	-	-	6,962	-	-	25,264
Income tax provision (benefit)	-	-	35,253	-	-	45,270	-	-	34,115	-	-	33,094	-	-	147,732
Depreciation and amortization	6,506	8,768	16,245	6,368	9,128	16,440	6,304	11,537	19,327	6,424	12,594	20,330	25,602	42,027	72,340
EBITDA	131,210	51,713	159,901	181,887	51,852	207,179	155,975	53,814	178,274	156,944	49,142	173,210	626,017	206,521	718,562
Transaction and transition costs (1)	-	-	1,048	-	-	2,332	-	-	2,443	-	-	2,384	-	-	8,206
Inventory step-up expense (2)	-	-	384	-	-	-	-	-	1,247	-	-	744	-	-	2,375
Contingent consideration (3)	-	-	-	-	-	-	-	-	956	-	-	-	-	-	956
Post acquisition compensation (4)	-	-	546	-	-	1,245	-	-	2,780	-	-	4,415	-	-	8,987
Adjusted EBITDA	131,210	51,713	161,879	181,887	51,852	210,756	155,975	53,814	185,700	156,944	49,142	180,753	626,017	206,521	739,086



# Non-GAAP Financial Measures



(in thousands)	Three months ended Jun 28, 2020			Three months ended Sep 27, 2020			Three months ended Dec 27, 2020			Three months ended Mar 31, 2021			Fiscal year ended March 31, 2021		
	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total
Net Income	50,315	15,755	40,475	53,817	42,907	79,647	52,661	38,333	78,879	65,920	40,948	67,013	222,713	137,942	266,012
Interest expense (income), net	-	-	6,418	-	-	5,715	-	-	5,619	-	-	7,822	-	-	25,574
Income tax provision (benefit)	-	-	1,149	-	-	(10,104)	-	-	2,950	-	-	(623)	-	-	(6,628)
Depreciation and amortization	5,528	10,008	16,482	5,242	9,488	15,684	6,028	9,326	16,303	6,494	9,112	16,640	23,292	37,935	65,110
EBITDA	55,843	25,763	64,524	59,059	52,395	90,942	58,689	47,659	103,751	72,414	50,060	90,852	246,005	175,877	350,068
Transaction and transition costs (1)	-	-	-	-	-	2,356	-	-	3,949	-	-	(229)	-	-	6,075
Inventory step-up expense (2)	-	-	-	-	-	-	-	-	400	-	-	290	-	-	690
Post acquisition compensation (4)	-	-	-	-	-	-	-	-	(18,467)	-	-	-	-	-	(18,467)
Debt refinancing and extinguishment (5)	-	-	-	-	-	-	-	-	-	-	-	6,471	-	-	6,471
Adjusted EBITDA	55,843	25,763	64,524	59,059	52,395	93,298	58,689	47,659	89,633	72,414	50,060	97,384	246,005	175,877	344,837

(in thousands)	Three months ended Jun 30, 2019			Three months ended Sep 29, 2019			Three months ended Dec 29, 2019			Three months ended Mar 31, 2020			Fiscal year ended March 31, 2020		
	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total
Net Income	15,028	7,626	(8,132)	10,602	15,547	(12,072)	18,896	14,964	14,650	20,972	5,199	(141,215)	66,898	43,125	(155,079)
Interest expense	-	-	11,124	-	-	12,314	-	-	8,373	-	-	6,980	-	-	38,791
Income tax provision (benefit)	-	-	737	-	-	891	-	-	(4,352)	-	-	(13,224)	-	-	(15,948)
Depreciation and amortization	5,065	10,400	17,237	5,019	10,170	18,845	4,942	10,262	16,953	5,054	10,262	16,609	20,077	41,094	67,858
EBITDA	20,093	18,026	20,966	15,621	25,717	19,978	23,838	25,226	35,624	26,026	15,461	(130,850)	86,975	84,219	(64,378)
Transaction costs (1)	-	-	401	-	-	82	-	-	-	-	-	161	-	-	644
Executive transition (6)	-	-	-	-	-	-	-	-	-	-	-	1,370	-	-	1,370
Contingent consideration (7)	-	-	843	-	-	843	-	-	-	-	-	-	-	-	1,685
Loss on divestiture (Firearms)	-	-	-	-	-	433	-	-	-	-	-	-	-	-	433
Goodwill and intangibles impairment (8)	-	-	-	-	-	-	-	-	-	-	-	155,589	-	-	155,589
Impairment of held-for-sale assets (Firearms)	-	-	9,429	-	-	-	-	-	-	-	-	-	-	-	9,429
Restructuring and asset impairment costs (9)	-	-	-	-	-	7,292	-	-	479	-	-	1,439	-	-	9,210
Adjusted EBITDA	20,093	18,026	31,639	15,621	25,717	28,628	23,838	25,226	36,103	26,026	15,461	27,709	86,975	84,219	113,982
Divested EBITDA			1,042			144									

# Non-GAAP Financial Measures



## Notes:

1. Transaction costs, including accounting, legal and advisor fees, and transition costs, in each case incurred in connection with possible and completed transactions.
2. Cost of goods sold related to the fair value step-up in inventory for acquisitions.
3. Non-cash change in the estimated fair value of contingent consideration payable.
4. Post-acquisition compensation expense related to acquisitions.
5. Costs incurred in connection with refinancing of our debt.
6. Costs incurred for the appointment of a new Chief Financial Officer.
7. Compensation expense related to the Camp Chef acquisition earn-out.
8. Impairment of goodwill and identifiable intangible assets.
9. Restructuring and asset impairment costs related to impairment on rent receivables and operational realignments costs.

