

Vista Outdoor Inc.
(NYSE: VSTO)

BRINGING THE WORLD OUTSIDE

Q1 FY24 Earnings Presentation

July 27, 2023

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Forward Looking Statements

Some of the statements made and information contained in these materials, excluding historical information, are "forward-looking statements," including those that discuss, among other things: our 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 our actual results to differ materially from the 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 the 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; supplier capacity constraints, production or shipping disruptions or quality or price issues affecting our operating costs; the supply, availability and costs of raw materials and components; increases in commodity, energy, and production costs; seasonality and weather conditions; our ability to complete acquisitions, realize expected benefits from acquisitions and integrate acquired businesses; reductions in or unexpected changes in or our inability to accurately forecast demand for ammunition, accessories, or other outdoor sports and recreation products; disruption in the service or significant increase in the cost of our primary delivery and shipping services for our products and components or a significant disruption at shipping ports; risks associated with diversification into new international and commercial markets, including regulatory compliance; our ability to take advantage of growth opportunities in international and commercial markets; our ability to obtain and maintain licenses to third-party technology; our ability to attract and retain key personnel; disruptions caused by catastrophic events; risks associated with our sales to significant retail customers, including unexpected cancellations, delays, and other changes to purchase orders; our competitive environment; our ability to adapt our 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; our ability to maintain and enhance brand recognition and reputation; others' use of social media to disseminate negative commentary about us, our products, and boycotts; 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; our ability to comply with extensive federal, state and international laws, rules and regulations; changes in laws, rules and regulations relating to our business, such as federal and state ammunition regulations; risks associated with cybersecurity and other industrial and physical security threats; interest rate risk; changes in the current tariff structures; changes in tax rules or pronouncements; capital market volatility and the availability of financing; foreign currency exchange rates and fluctuations in those rates; general economic and business conditions in the United States and our markets outside the United States, including as a result of the war in Ukraine and the imposition of sanctions on Russia, the COVID-19 pandemic, 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. You are cautioned not to place undue reliance on any forward-looking statements we make. A more detailed description of risk factors that may affect our operating results can be found in Part 1, Item 1A, Risk Factors, of our Annual Report on Form 10-K for fiscal year 2023 and in the filings we make with Securities and Exchange Commission (the "SEC") from time to time. We undertake no obligation to update any forward-looking statements, except as otherwise required by law.

Vista Outdoor Inc.

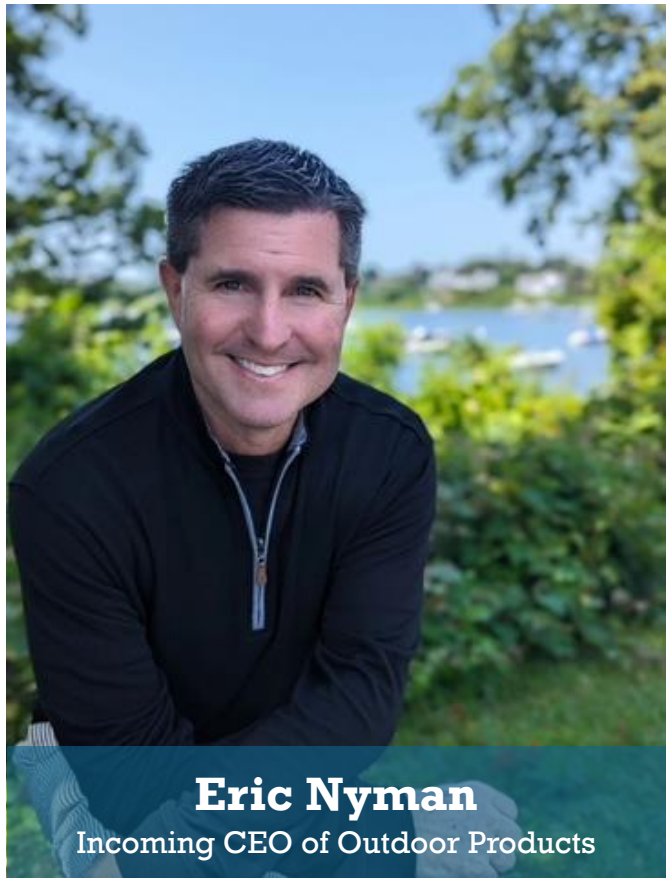
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Gary McArthur
Interim CEO



Eric Nyman Named Outdoor Products CEO

Nyman will join the company in mid-August



Dynamic, visionary leader who is well versed in operating a multi brand consumer products company

Most recently served as Chief Operating Officer and President of Hasbro, a leading multi-brand toy and game company

30+ years of experience in the consumer products industry including time at Lego, Timberland and Hasbro

Core Themes

1. We delivered results as expected and previously communicated, despite market challenges

2. Our restructuring and profit improvement initiatives for Outdoor Products are taking hold and having a meaningful impact

3. Our Sporting Products business is performing as expected in a normalizing market by focusing on what we can control and remaining disciplined in our strategy

Q1 FY24 Financial Results

Sales

Sales declined 14% to $693M
Organic sales declined 24% to $611M
Sporting Products: -26% to $377M
Outdoor Products: +8% to $317M
Organic[(1)]: -20% to $235M

Adj. EBITDA[(1)]

Adj. EBITDA $126M; 18% Margin
Adj. Organic EBITDA $116M; 19% Margin
Sporting Products: 31% Margin
Outdoor Products: 8% Margin
Organic: 6% Margin

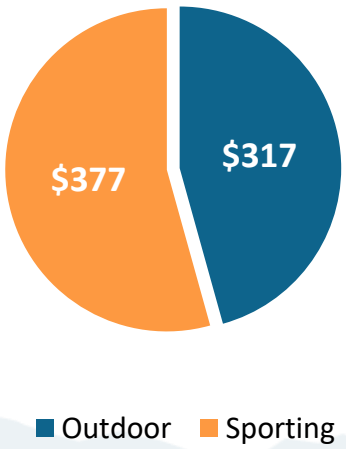
Adj. EPS[(1)]

Adj. EPS of $1.12
Q1 FY24 profitability largely impacted by lower volume and price in Sporting Products and increased SG&A from acquired businesses, partially offset by lower corporate G&A expense

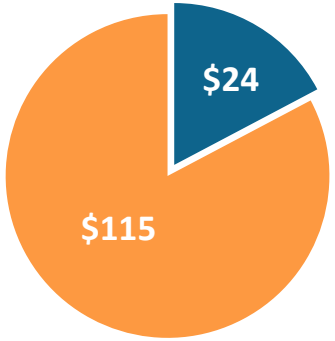
Adj. FCF[(1)]

Adj. FCF of $75M
Free cash flow down 32% over prior year period

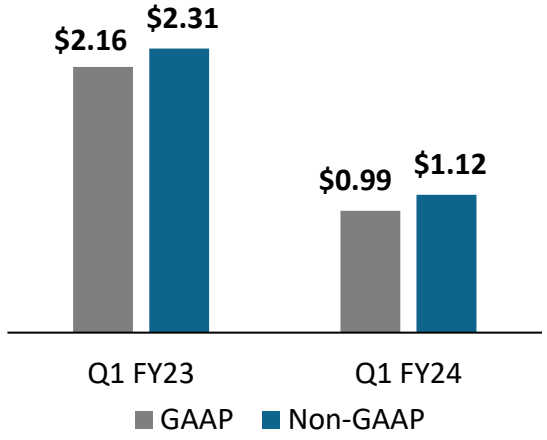
Sales[(2)]



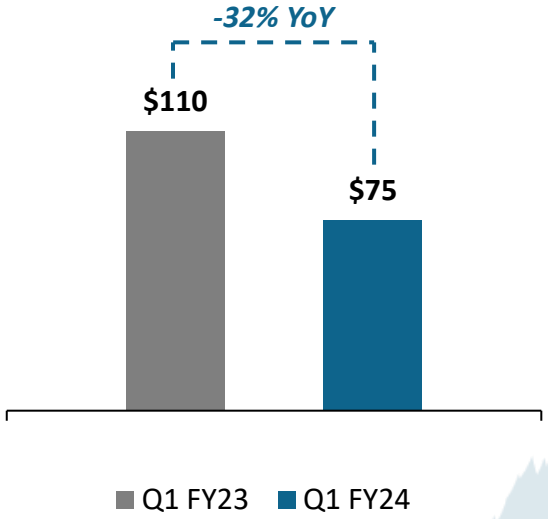
Adj. EBITDA[(1)(3)]



Adj. EPS



Q4 Adj. FCF



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(1) Non-GAAP financial measure, see reconciliation table for details; (2) Does not equal the above total sales amount due to rounding (3) Excludes Corporate expenses

Strong Brands Positioned for Long-Term Success

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

Sporting Products

#1 Commercial Ammunition

#1 U.S. Law Enforcement Ammunition

FEDERAL

Remington

HEVI-SHOT CCI

SPEER

Outdoor Recreation

#1 GPS & Rangefinders

Bushnell GOLF

#1 Bike/Hike Hydration Packs

CAMELBAK

#1 Fly Fishing Gear & Apparel

SIMMS

#2 Launch Monitors

FORESIGHT SPORTS

#1 Bike Bottles

CAMELBAK

#2 Stoves & Accessories

CAMP CHEF

Action Sports

#1 Helmets

BELL

FOX

GIRO

#1 Motocross Protection

FOX

#2 Snow Goggles

GIRO

#2 Snow Helmets

GIRO

Outdoor Accessories

#1 Hunting & Shooting Accessories

Bushnell

BLACKHAWK

PRIMOS HUNTING SPEAK THE LANGUAGE

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Spin-off Expected to be Completed in Late October to Early November

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
TTM Revenue	$1.6 Billion	$1.3 Billion
TTM Adj. EBITDA[(1)]	$510 Million	$110 Million
TTM Net Debt Leverage Ratio	Approximately 2x at spin 1-2x long-term	<1x at spin 1-2x long-term
Capital Allocation Strategy	Debt Repayment Expected Dividend Payout of ~20-30% of free cash flow	Invest in Organic Growth, M&A, and Opportunistic Share Repurchases

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

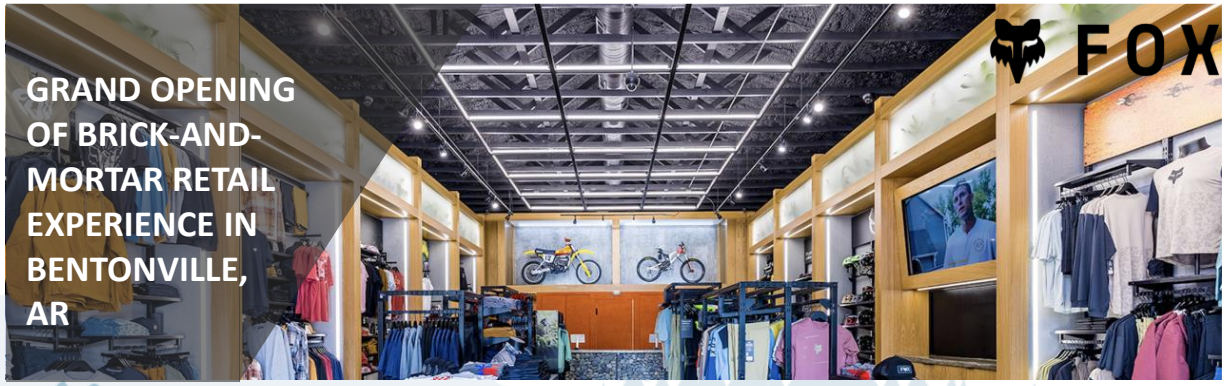
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Q1 FY24 Brand Highlights

Successful quarter across strategic initiatives and new product launches for many brands











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Sporting Products Overview

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Jason Vanderbrink
Sporting Products CEO



Q1 FY24 Sporting Products Update

Strong start to FY24 despite macroeconomic pressures and market normalization. Sales and EBITDA in-line with our previously communicated expectations

Revenue

$377M

-26% YoY

Gross Profit

$132M

-34% YoY

Adj. EBITDA (1)

$115M

-37% YoY



Remington

FEDERAL

ESTATE CARTRIDGE

HEVI-SHOT

ALLIANT POWDER

Technically Superior by Design

CCI

SPEER

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

Sporting Products Well Positioned for Long-term Success

Focusing on what we can control as significant increase in baseline participation points to long-term industry health, despite normalizing from pandemic highs

1 Optimistic about Hunting and Shooting Industry

18 million new users entered market in last several years and the competitive shooting market continues to grow. NICS has processed >1M checks per month for 47 consecutive months as of June while hunting participation remains strong with more than 15 million licensed deer hunters in U.S.

2 New Products Driving Demand

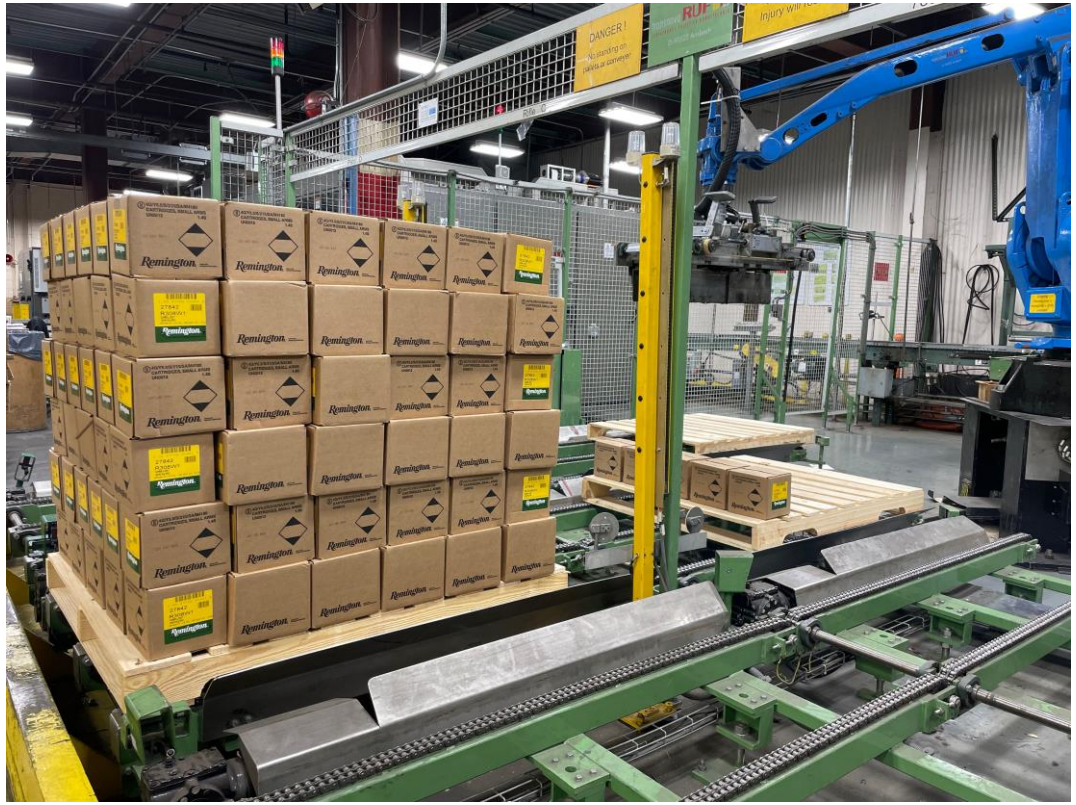
Expanded caliber offerings with Federal's Terminal Ascent and added offerings to iconic Remington Core-Lokt lineup for hunters looking for a modern design and non-lead options

3 Large Domestic Manufacturing Wins

Historically large domestic manufacturers gain share in normalizing market as customers consolidate to trusted vendors and imports lose ground

4 Efficiency Gains through Collaboration

Instituting best practices across factories through collaboration on key learnings and process improvements to drive efficiency



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Outdoor Accessories and Golf Overview

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Vishak Sankaran
President, Outdoor Accessories and Golf



Outdoor Accessories and Golf Update

Across both Outdoor Accessories and Golf, we share values underpinning our strategy to drive industry-leading growth, innovation and consumer experience while establishing and maintaining market share

Strategic Values

1. **Create Powerhouse Brands**

   Establishing brands that generate over $100M in annual revenue with strong loyalty and advocacy

2. **Own the Consumer Journey**

   Creating an end-to-end system to inform and enhance the consumer experience pre- and post-purchase

3. **Be a Nimble Platform**

   Running a platform with the competency to innovate efficiently and deliver leadership economics while leveraging shared go-to-market and supply chain resources

4. **Be a Best-in-Class Organization**

   Utilizing our best-in-class talent, ability to invest heavily in growth an innovation, and shared resources under the Vista Outdoor engine





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Outdoor Accessories and Golf Growth Strategy

We are confident about the promising future of our Outdoor Accessories and Golf businesses due to the strong foundation laid and positive market trends

Outdoor Accessories Strategy

1. **Driving Innovation and Core Category Growth**

   Continuing to deploy our best-in-class talent, tools, and platform to drive innovation and new product launches

2. **Expanding into Adjacencies**

   Taking advantage of strategic adjacency expansion opportunities to diversify our business, allow for further growth, and enhance our capabilities

3. **Capturing Growth in Tactical/Military**

   We are well positioned to capture growth at our Eagle tactical and military business due to the current geopolitical climate

Golf Strategy

1. **Expanding Leadership Positions**

   Continuing to grow our established leadership positions in both the Distance Measurement Devices and Audio categories through innovation

2. **Capturing Share in Launch Monitor Market**

   Driving adoption of Foresight's market leading launch monitors and technology ecosystem among professional and youth golfers, coaches and OEMs through continued technology advancements and strategic marketing

3. **Building an Ecosystem and Leveraging Partnership**

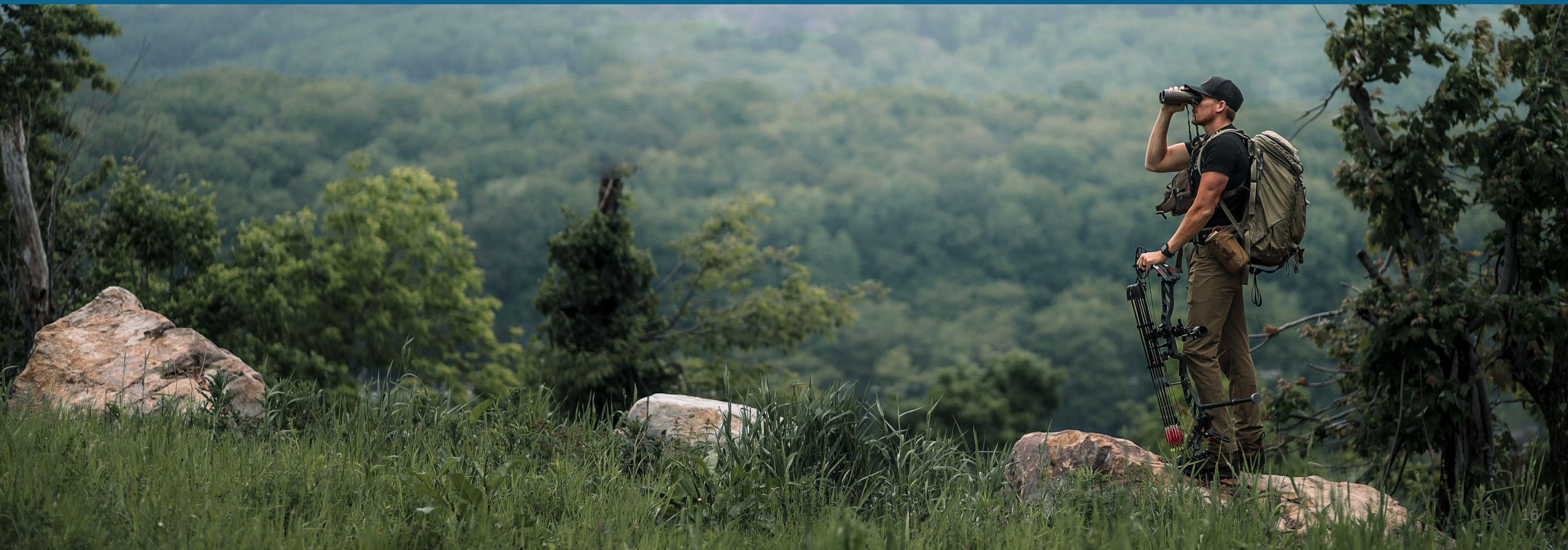
   Continuing to build out cross-platform technology and expand our offerings through strategic partnerships to offer an unrivaled ecosystem to the over half a million actively engaged users across our Bushnell app and Foresight platform

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Financial Overview

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Andrew Keegan
Interim CFO



Q1 FY24 Financial Results

Sales decline driven by lower shipments across nearly all categories in Sporting Products and declines in the organic Outdoor Products businesses

Adjusted EBITDA margins decreased due to lower gross profit, partially offset by decreased selling costs, in both Sporting Products and the organic Outdoor Products businesses

Strong Adjusted Free Cash Flow of $75 million in Q1

($ in millions, except per share data)	Q1 FY23	Q1 FY24	YoY%
Sales	$803	$693	(14%)
Gross Profit	$293	$227	(23%)
Operating Expense	$110	$125	14%
Op Expense % sales	*14%*	*18%*	*437 bps*
Operating Income	$183	$101	(45%)
Operating Margin %	*23%*	*15%*	*-823 bps*
EBITDA	$203	$126	(38%)
EBITDA Margin %	*25%*	*18%*	*-704 bps*
Other (Inc)/Exp	$0	$1	-
Interest Expense	$6	$16	157%
Net Income	$135	$65	(51%)
Tax Rate	24%	23%	-127 bps
Earnings Per Share	$2.31	$1.12	(52%)
Free Cash Flow	$110	$75	(32%)

All results, except for Sales and Gross Profit, are shown on an as adjusted basis, a non-GAAP financial measure. See reconciliation tables for details. In addition, amounts included in the table may differ due to rounding

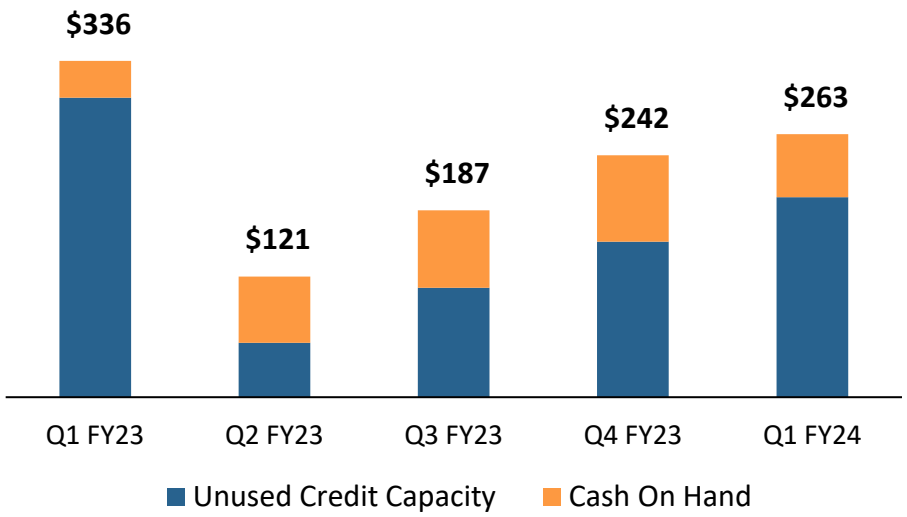
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Strong Balance Sheet Positions Company for Long-Term Growth

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

Liquidity Profile

($M)

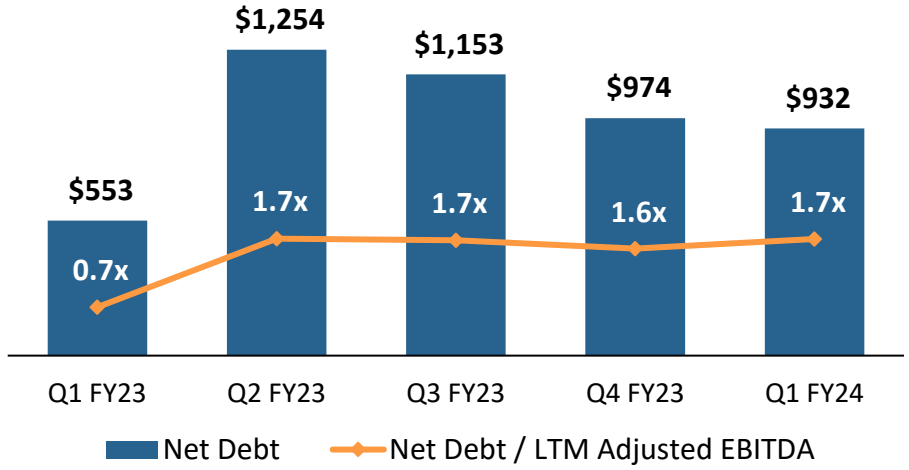


Total Debt Outstanding	$ 995M
Less: Cash	$ 63M
Net Debt	$ 932M
LTM Adj. EBITDA (1)	$ 545M
Net Debt to Adj. EBITDA	1.7x

Total Debt Outstanding	$995M
Senior Notes (Mar 2029)	$500M
ABL Revolver (March 2026)	$290M
Term Loan	$205M

Net Debt and Net Debt / LTM Adjusted EBITDA(1)

($M)



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

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Q1 FY24 Segment Update

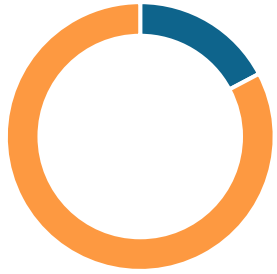
Sales



Gross Profit



Adj. EBITDA[1][2]



SPORTING PRODUCTS

$377M
-26% YoY

- Lower shipments across nearly all categories as channel inventory has normalized
- Previously announced termination of Lake City contract

$132M
-34% YoY

- Lower volume and price

$115M
Margin: 31%

- Decline caused by lower Gross Profit
- Partially offset by decreased selling costs

OUTDOOR PRODUCTS

Total **$317M** *+8% YoY* | Organic[1] **$235M** *-20% YoY*

- Decrease in organic sales volume due to high levels of channel inventory
- Organic sales are declining less YoY sequentially

$95M
+3% YoY

- Increase driven by acquisitions
- Partially offset by decreased volume from organic businesses

Total **$24M** *Margin: 8%* | Organic **$14M** *Margin: 6%*

- Decline caused by lower Gross Profit across all businesses

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

Reaffirming FY24 Outlook

Reiterating FY24 outlook and anticipate that Sporting Products sales and profitability will continue to normalize, while Outdoor Products experience pressures in the Q2 FY24 with an expected return to organic growth in the second half

	Revenue	Adj. EBITDA Margin(1)	Adj. Earnings Per Share	Adj. Free Cash Flow
VISTA OUTDOOR	$2.85B to $2.95B	17.75% to 18.75%	$4.50 to $5.00	$290M to $340M
SPORTING PRODUCTS	$1.475B to $1.525B	26.75% to 27.75%		
OUTDOOR PRODUCTS	$1.375B to $1.425B	12.00% to 13.00%		

Key Assumptions

- Tax rate expected to be approximately 23.5%
- Interest expense of $65M - $75M
- CapEx expected to be approximately 1.5% of sales

(1) Vista Outdoor has not reconciled EBITDA margin guidance to GAAP net income margin guidance because Vista Outdoor does not provide guidance for net income, which is a reconciling item between GAAP net income margin and non-GAAP EBITDA margin. Accordingly, a reconciliation to net income is not available without unreasonable effort.

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SUPPLEMENTAL:
Segment Financial Highlights & Trends

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Q1 FY24 Outdoor Products Update

Sales increase driven by acquisitions partially offset by decreased volume in the organic businesses

Revenue

Total	Organic[1]
$317M	**$235M**
+8% YoY	*-20% YoY*

Gross Profit

$95M

+3% YoY

Adj. EBITDA[1]

Total	Organic
$24M	**$14M**
Margin: 8%	*Margin: 6%*

Action Sports Revenue

$116M

+29%

BELL, FOX, GIRO, Copilot, KRASH, Blackburn, Raskullz, QUIETKAT

Outdoor Accessories Revenue

$53M

-22%

Bushnell, BLACKHAWK, PRIMOS HUNTING – SPEAK THE LANGUAGE

Outdoor Recreation Revenue

$147M

+10%

CAMELBAK, FORESIGHT SPORTS, Bushnell GOLF, SIMMS, CAMP CHEF, FIBER ENERGY PRODUCTS, STONE GLACIER

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

Numbers may not tie due to rounding. Outdoor Accessories includes approximately 19 brands.

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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 operating expenses, adjusted operating income, adjusted taxes, adjusted net income and adjusted diluted earnings per share (EPS). Vista Outdoor defines these measures as, operating expenses, operating income, taxes, net income, and EPS, excluding, where applicable, the impact of costs incurred for transition costs, executive transition costs, planned separation costs, restructuring, contingent consideration and post-acquisition compensation. Vista Outdoor management is presenting these measures so a reader may compare operating expenses, income from operations, 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.

Three months ended June 25, 2023

(in thousands except per share amounts)	Gross Profit	Operating Expenses	Operating income	Other Income / (Expense)	Interest Expense	Tax Rate	Net Income	EPS [1]
As reported	$ 226,757	$ 134,571	$ 92,186	$ (541)	$ (16,218)	23.0 %	$ 58,100	$ 0.99
Transition costs	—	(3,002)	3,002	—	—		2,282	
Executive transition costs	—	(658)	658	—	—		500	
Planned separation costs	—	(3,224)	3,224	—	—		2,450	
Restructuring	—	(834)	834	—	—		634	
Post-acquisition compensation	—	(1,405)	1,405	—	—		1,405	
As adjusted	$ 226,757	$ 125,448	$ 101,309	$ (541)	$ (16,218)	22.7 %	$ 65,371	$ 1.12

(1) As reported net income per share and adjusted net income per share are both calculated based on 58,541 diluted weighted average shares of common stock.

Three months ended June 26, 2022

(in thousands except per share amounts)	Gross Profit	Operating Expenses	Operating income	Other Income / (Expense)	Interest Expense	Tax Rate	Net Income	EPS [1]
As reported	$ 293,470	$ 121,045	$ 172,425	$ —	$ (6,310)	(14.5)%	$ 126,015	$ 2.16
Transaction costs	—	(2,086)	2,086	—	—		1,571	
Contingent consideration	—	112	(112)	—	—		(84)	
Transition costs	—	(272)	272	—	—		204	
Post-acquisition compensation	—	(4,332)	4,332	—	—		3,672	
Planned separation costs	—	(4,300)	4,300	—	—		3,225	
As adjusted	$ 293,470	$ 110,167	$ 183,303	$ —	$ (6,310)	24.0 %	$ 134,603	$ 2.31

(1) As reported net income per share and adjusted net income per share are both calculated based on 58,381 diluted weighted average shares of common stock..

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Non-GAAP Financial Measures

Free Cash Flow

Free cash flow is defined as cash provided by operating activities less capital expenditures. Vista Outdoor management believes that free cash flow provides investors with an important indication of the cash generated by our business 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 to assess overall liquidity.

Adjusted free cash flow is defined as free cash flow eliminating the cash impact of the following items that are adjusted in our presentation of reported income to adjusted net income: transaction costs, transition costs, planned separation costs, post-acquisition compensation, restructuring and executive transition costs. Vista Outdoor management believes that adjusted free cash flow enhances investors' understanding of the liquidity of our ongoing operations. Adjusted free cash flow is also used by Vista Outdoor to assess employees' performance and determine their annual incentive payments. Vista Outdoor's definition of adjusted free cash flow may differ from those used by other companies. During the fourth quarter of fiscal year 2023, we modified our definition of adjusted free cash flow to no longer adjust for applicable tax amounts. All periods presented have been adjusted for this modification.

Adjusted Free Cash Flow

	Three months ended		
(in thousands)	**June 25, 2023**	**June 26, 2022**	**Projected year ending March 31, 2024**
Cash provided by operating activities	$ 73,701	$ 107,577	$323,351–374,851
Capital expenditures	(7,616)	(4,910)	~(42,750-44,250)
Free cash flow	$ 66,085	$ 102,667	$280,601-330,601
Transaction costs	—	3,217	—
Transition costs	1,663	116	1,663
Planned separation costs	2,629	4,300	2,629
Post acquisition compensation	83	83	83
Restructuring	2,241	—	2,241
Executive transition	2,783	—	2,783
Adjusted free cash flow	$ 75,484	$ 110,383	$290,000–340,000

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Non-GAAP Financial Measures

Adjusted EPS guidance, excluding the impact of costs incurred to date for transition costs, executive transition costs, planned separation costs, restructuring, and post-acquisition compensation, 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 FY24 Full-Year Adjusted EPS Guidance

	Low	High
EPS guidance including transition costs, executive transition costs, planned separation costs, restructuring, and post-acquisition compensation	$ 4.38	$ 4.88
Transition costs	0.04	0.04
Executive transition costs	0.01	0.01
Planned separation costs	0.04	0.04
Restructuring	0.01	0.01
Post-acquisition compensation	0.02	0.02
Adjusted EPS guidance	$ 4.50	$ 5.00

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Non-GAAP Financial Measures

Adjusted EBITDA is defined as Net Income before other income, interest, taxes, and depreciation and amortization, excluding the non-recurring and non-cash items referenced above. We calculated "Adjusted EBITDA margins" as Adjusted EBITDA divided by net sales. Vista Outdoor management believes adjusted 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. Adjusted EBITDA margin should be considered in addition to, and not as a substitute for, GAAP net income margin. Vista Outdoor's definition may differ from that used by other companies.

	Three months ended June 25, 2023			Twelve months ended June 25, 2023		
(in thousands)	Sporting Products	Outdoor Products	Total	Sporting Products	Outdoor Products	Total
Segment operating income (1)	$108,464	$6,524	$114,988	$484,610	$41,260	$525,870
Depreciation and amortization	6,399	17,578	23,977	25,104	68,600	93,704
Adjusted segment EBITDA	$114,863	$24,102	$138,965	$509,714	$109,860	$619,574
Adjusted segment EBITDA margin	30.5%	7.6%		31.4%	8.2%	

	Three months ended June 26, 2022			Three months ended September 25, 2022			Three months ended December 25, 2022			Three months ended March 31, 2023			Fiscal year ended March 31, 2023		
(in thousands)	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
Segment operating income (1)	$176,086	$27,686	$203,772	$133,552	$29,729	$163,281	$117,935	$13,475	$131,410	$124,659	($8,468)	$116,191	$552,232	$62,422	$614,654
Depreciation and amortization	6,382	11,807	18,189	6,398	15,543	21,941	6,171	17,598	23,769	6,136	17,881	24,017	25,087	62,829	87,916
Adjusted segment EBITDA	$182,468	$39,493	$221,961	$139,950	$45,272	$185,222	$124,106	$31,073	$155,179	$130,795	$9,413	$140,208	$577,319	$125,251	$702,570
Adjusted segment EBITDA margin	35.7%	13.5%		32.4%	13.0%		30.9%	8.8%		31.6%	2.9%		32.8%	9.5%	

	Three months ended June 27, 2021			Three months ended September 26, 2021			Three months ended December 26, 2021			Three months ended March 31, 2022			Fiscal year ended March 31, 2022		
(in thousands)	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
Segment operating income (1)	$124,705	$42,945	$167,650	$175,519	$42,724	$218,243	$149,671	$42,277	$191,948	$150,520	$36,548	$187,068	$600,415	$164,494	$764,909
Depreciation and amortization	6,506	8,768	15,274	6,368	9,128	15,496	6,304	11,537	17,841	6,424	12,594	19,018	25,602	42,027	67,629
Adjusted segment EBITDA	$131,211	$51,713	$182,924	$181,887	$51,852	$233,739	$155,975	$53,814	$209,789	$156,944	$49,142	$206,086	$626,017	$206,521	$832,538
Adjusted segment EBITDA margin	36.0%	17.3%		40.4%	15.8%		33.9%	16.1%		33.8%	14.3%		36.0%	15.8%	

	Fiscal year ended March 31, 2021		
(in thousands)	Sporting Products	Outdoor Products	Total
Segment operating income (1)	$222,713	$137,943	$360,656
Depreciation and amortization	23,292	37,934	61,226
Adjusted segment EBITDA	$246,005	$175,877	$421,882
Adjusted segment EBITDA margin	22.0%	15.9%	

(1) We do not calculate GAAP net income at the segment level, but have provided segment operating income and operating income margin as a relevant measurement of profitability. Segment operating income does not include interest expense and taxes as well as other non-cash and non-recurring items. Segment operating income is reconciled to our consolidated net income in the segment income to consolidated net income reconciliation table included in this release.

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Non-GAAP Financial Measures

Organic sales & adjusted organic EBITDA Reconciliation:

Organic sales and adjusted organic EBITDA is a non-GAAP measure of sales growth excluding the impacts of acquisitions from year-over-year comparisons. Sales and EBITDA are considered inorganic for the twelve months after acquisition. We believe this measure provides investors with a supplemental understanding of underlying sales trends by providing sales growth on a consistent basis. This measure is used in assessing achievement of management goals for at-risk compensation

Organic Sales Reconciliation

	Three months ended	
(in thousands)	June 25, 2023	June 26, 2022
Sporting Products	$376,593	$510,626
Outdoor Products	316,740	291,986
Sales, net	$693,333	$802,612
Less Sporting Products acquisitions	—	—
Less Outdoor Products acquisitions	(82,168)	—
Sporting Products organic sales, net	$376,593	$510,626
Outdoor Products organic sales, net	234,572	291,986
Organic sales, net	$611,165	$802,612

Organic EBITDA Reconciliation	Three months ended	
(in thousands)	June 25, 2023	June 26, 2022
Sporting Products	$114,863	$182,468
Outdoor Products	24,102	39,493
Corporate	(12,729)	(19,342)
Adjusted EBITDA	$126,236	$202,619
Less Sporting Products acquisitions	-	-
Less Outdoor Products acquisitions	(10,014)	-
Adjusted Sporting Products organic EBITDA	$114,863	$182,468
Adjusted Outdoor Products organic EBITDA	14,088	39,493
Adjusted Corporate EBITDA	(12,729)	(19,342)
Adjusted organic EBITDA	$116,222	$202,619
Adjusted organic Sporting Products EBITDA Margin	30.5%	35.7%
Adjusted organic Outdoor Products EBITDA Margin	6.0%	13.5%
Adjusted organic EBITDA Margin	19.0%	25.2%

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Non-GAAP Financial Measures

Adjusted EBITDA is defined as Net Income before other income, interest, taxes, and depreciation and amortization, excluding the non-recurring and non-cash items referenced above. We calculated "Adjusted EBITDA margins" as Adjusted EBITDA divided by net sales. Vista Outdoor management believes adjusted 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. Adjusted EBITDA margin should be considered in addition to, and not as a substitute for, GAAP net income margin. Vista Outdoor's definition may differ from that used by other companies.

(in thousands)	Three months ended June 25, 2023	Twelve months ended June 25, 2023
Net Income	$58,100	($77,632)
Other income, net	541	(1,583)
Interest expense, net	16,218	69,225
Income tax (provision) benefit	17,327	37,607
Depreciation and amortization	24,927	97,700
Inventory step-up		9,528
Transaction costs		6,019
Transition costs	3,002	7,786
Executive transition costs	658	6,289
Planned separation costs	3,224	25,606
Intangibles impairment		374,355
Restructuring	834	13,945
Post-acquisition compensation	1,405	3,936
Contingent consideration		(27,395)
Adjusted EBITDA	$126,236	$545,386
Adjusted EBITDA margin	18.2%	18.4%

(in thousands)	Three months ended June 26, 2022	Three months ended September 25, 2022	Three months ended December 25, 2022	Three months ended March 31, 2023	Fiscal year ended March 31, 2023
Net Income	$126,015	$93,456	$65,147	($294,335)	($9,717)
Other income, net	-	(741)	(639)	(744)	(2,124)
Interest expense, net	6,310	13,934	18,953	20,120	59,317
Income tax (provision) benefit	40,100	24,519	13,225	(17,464)	60,380
Depreciation and amortization	19,316	22,984	24,791	24,998	92,089
Inventory step-up	-	3,036	5,043	1,449	9,528
Transaction costs	2,086	5,779	180	60	8,105
Transition costs	272	400	831	3,553	5,056
Executive transition costs	-	-	-	5,631	5,631
Planned separation costs	4,300	7,687	10,247	4,448	26,682
Intangibles impairment	-	-	-	374,355	374,355
Restructuring	-	-	-	13,111	13,111
Post-acquisition compensation	4,332	3,269	3,530	(4,268)	6,863
Contingent consideration	(112)	(11,313)	(4,977)	(11,105)	(27,507)
Adjusted EBITDA	$202,619	$163,010	$136,331	$119,809	$621,769
Adjusted EBITDA margin	25.2%	20.9%	18.1%	16.2%	20.2%

(in thousands)	Three months ended June 27, 2021	Three months ended September 26, 2021	Three months ended December 26, 2021	Three months ended March 31, 2022	Fiscal year ended March 31, 2022
Net Income	$102,725	$139,540	$118,137	$112,824	$473,226
Other income, net	-	-	-	-	-
Interest expense, net	5,679	5,928	6,695	6,962	25,264
Income tax (provision) benefit	35,253	45,270	34,115	33,094	147,732
Depreciation and amortization	16,244	16,439	19,327	20,330	72,340
Inventory step-up	384	-	1,247	744	2,375
Transaction costs	948	2,162	1,930	1,776	6,816
Transition costs	99	170	513	608	1,390
Post-acquisition compensation	547	1,245	2,780	4,415	8,987
Contingent consideration	-	-	956	-	956
Adjusted EBITDA	$161,879	$210,754	$185,700	$180,753	$739,086
Adjusted EBITDA margin	24.4%	27.1%	23.4%	22.4%	24.3%

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Non-GAAP Financial Measures

Adjusted EBITDA is defined as Net Income before other income, interest, taxes, and depreciation and amortization, excluding the non-recurring and non-cash items referenced above. We calculated "Adjusted EBITDA margins" as Adjusted EBITDA divided by net sales. Vista Outdoor management believes adjusted 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. Adjusted EBITDA margin should be considered in addition to, and not as a substitute for, GAAP net income margin. Vista Outdoor's definition may differ from that used by other companies.

(in thousands)	Three months ended June 25, 2023
Segment operating income	$114,988
Corporate costs and expenses (1)	(22,802)
Operating Income	$92,186
Other income, net	(541)
Interest expense, net	(16,218)
Income tax	(17,327)
Net Income	$58,100

(in thousands)	Three months ended June 26, 2022	Three months ended September 25, 2022	Three months ended December 25, 2022	Three months ended March 31, 2023	Fiscal year ended March 31, 2023
Segment operating income	$203,772	$163,281	$131,410	$116,191	$614,654
Corporate costs and expenses (1)	(31,347)	(32,113)	(34,724)	(408,614)	(506,798)
Operating Income	$172,425	$131,168	$96,686	($292,423)	$107,856
Other income, net	-	741	639	744	2,124
Interest expense, net	(6,310)	(13,934)	(18,953)	(20,120)	(59,317)
Income tax	(40,100)	(24,519)	(13,225)	17,464	(60,380)
Net Income	$126,015	$93,456	$65,147	($294,335)	($9,717)

(in thousands)	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021
Segment operating income	$764,909	$360,656
Corporate costs and expenses (1)	(118,687)	(87,694)
Operating Income	$646,222	$272,962
Other income, net	-	11,996
Interest expense, net	(25,264)	(25,574)
Income tax	(147,732)	6,628
Net Income	$473,226	$266,012

(1) Includes corporate overhead and certain non-recurring items as described in the schedules to these slides.

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