



Vista Outdoor Inc. (NYSE:VSTO)

BRINGING THE WORLD OUTSIDE

Q2 FY24 Earnings Presentation

November 2, 2023



No Offer or Solicitation



This communication is neither an offer to sell, nor a solicitation of an offer to buy any securities, the solicitation of any vote, consent or approval in any jurisdiction pursuant to or in connection with the proposed transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

Additional Information and Where to Find It

These materials may be deemed to be solicitation material in respect of the transaction among Vista Outdoor Inc., Revelyst, Inc., CSG Elevate II Inc., CSG Elevate III Inc. and CZECHOSLOVAK GROUP a.s. (the “Transaction”). In connection with the Transaction, Revelyst, a subsidiary of Vista Outdoor, intends to file with the United States Securities and Exchange Commission (“SEC”) a registration statement on Form S-4 in connection with the proposed issuance of shares of common stock of Revelyst to Vista Outdoor stockholders pursuant to the Transaction, which Form S-4 will include a proxy statement of Vista Outdoor that also constitutes a prospectus of Revelyst (the “proxy statement/prospectus”). INVESTORS AND STOCKHOLDERS ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING VISTA OUTDOOR’S PROXY STATEMENT/PROSPECTUS (IF AND WHEN AVAILABLE), BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION AND THE PARTIES TO THE TRANSACTION. Investors and stockholders will be able to obtain the proxy statement/prospectus and any other documents (once available) free of charge through the SEC’s website at www.sec.gov. Copies of the documents filed with the SEC by Vista Outdoor will be available free of charge on Vista Outdoor’s website at www.vistaoutdoor.com.

Participants in Solicitation

Vista Outdoor, Revelyst, CSG Elevate II Inc., CSG Elevate III Inc. and CZECHOSLOVAK GROUP a.s. and their respective directors, executive officers and certain other members of management and employees, under SEC rules, may be deemed to be “participants” in the solicitation of proxies from Vista Outdoor’s stockholders in respect of the Transaction. Information about Vista Outdoor’s directors and executive officers is set forth in Vista Outdoor’s proxy statement on Schedule 14A for its 2023 Annual Meeting of Stockholders, which was filed with the SEC on June 12, 2023 and subsequent statements of changes in beneficial ownership on file with the SEC. These documents are available free of charge through the SEC’s website at www.sec.gov. Additional information regarding the interests of potential participants in the solicitation of proxies in connection with the Transaction, which may, in some cases, be different than those of Vista Outdoor’s stockholders generally, will also be included in the proxy statement/prospectus relating to the Transaction, when it becomes available.

Forward Looking Statements



Certain statements in this presentation 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 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 the expectations described in such forward-looking statements, including the following: risks related to the Transaction, including (i) the failure to receive, on a timely basis or otherwise, the required approval of the Transaction by Vista Outdoor’s stockholders, (ii) the possibility that any or all of the various conditions to the consummation of the Transaction may not be satisfied or waived, including the failure to receive any required regulatory approvals from any applicable governmental entities (or any conditions, limitations or restrictions placed on such approvals), (iii) the possibility that competing offers or acquisition proposals may be made, (iv) the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement relating to the Transaction, including in circumstances which would require Vista Outdoor to pay a termination fee, (v) the effect of the announcement or pendency of the Transaction on Vista Outdoor’s ability to attract, motivate or retain key executives and employees, its ability to maintain relationships with its customers, vendors, service providers and others with whom it does business, or its operating results and business generally, (vi) risks related to the Transaction diverting management’s attention from Vista Outdoor’s ongoing business operations and (vii) that the Transaction may not achieve some or all of any anticipated benefits with respect to either business segment 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 Vista Outdoor’s operating costs; the supply, availability and costs of raw materials and components; increases in commodity, energy, and production costs; seasonality and weather conditions; Vista Outdoor’s ability to complete acquisitions, realize expected benefits from acquisitions and integrate acquired businesses; reductions in or unexpected changes in or Vista Outdoor’s 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 Vista Outdoor’s primary delivery and shipping services for Vista Outdoor’s products and components or a significant disruption at shipping ports; risks associated with diversification into new international and commercial markets, including regulatory compliance; Vista Outdoor’s ability to take advantage of growth opportunities in international and commercial markets; Vista Outdoor’s ability to obtain and maintain licenses to third-party technology; Vista Outdoor’s ability to attract and retain key personnel; disruptions caused by catastrophic events; risks associated with Vista Outdoor’s sales to significant retail customers, including unexpected cancellations, delays, and other changes to purchase orders; Vista Outdoor’s competitive environment; 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, 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; Vista Outdoor’s 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, in Part II, Item 1A, Risk Factors, of our Quarterly Report on Form 10-Q for the second quarter of fiscal year 2024, and in the filings we make with the SEC from time to time. We undertake no obligation to update any forward-looking statements, except as otherwise required by law.

Non-GAAP Financial Measures



Non-GAAP financial measures such as adjusted EBITDA, adjusted EBITDA margin, organic sales, adjusted operating income, adjusted operating income margin, adjusted EPS and adjusted free cash flow (among others) as included in this presentation are supplemental measures that are not calculated in accordance with Generally Accepted Accounting Principles (“GAAP”). These non-GAAP measures should be considered in addition to, and not as substitutes for, GAAP measures. Please see the appendix titled “Non-GAAP Reconciliations” for reconciliations of these non-GAAP measures to the most directly comparable GAAP measures.

Vista Outdoor has not reconciled adjusted 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 and non-GAAP EBITDA. Accordingly, a reconciliation to net income is not available without unreasonable effort. Reconciliations of adjusted EPS guidance to EPS guidance and adjusted free cash flow guidance to cash provided by operating activities guidance are available within the “Non-GAAP Reconciliations” section of this presentation.

Vista Outdoor Inc.

BRINGING THE WORLD OUTSIDE

Gary McArthur
Interim CEO



Transaction Key Takeaways



1

We believe meaningful stockholder value is created through the transaction to sell the Sporting Products segment, paving a path of long-term success for each business.

2

Sporting Products business will remain headquartered in Anoka, Minnesota, will be led by Jason Vanderbrink and his team and will stay true to its longstanding heritage of manufacturing and selling iconic American brands in America.

3

For each share of Vista Outdoor, a stockholder will receive one share of the Outdoor Products company, recently rebranded as Revelyst, and cash consideration of \$12.90 per share. The cash consideration is not a dividend and is instead a part of the merger consideration.

4

Cash remaining after the payment of taxes, transaction costs, and other customary closing related payments, pay down of all debt, the approximately \$750 million dollar payment to stockholders, and capitalizing Revelyst with up to \$250M is expected to be returned to Revelyst stockholders in the form of a share buyback or a one-time special dividend.

5

We expect to hold our stockholder vote during March or April of calendar year 2024. Following the stockholder vote, we expect that the timing of closing will depend primarily upon receipt of necessary regulatory approvals.

Sale of Sporting Products to Czechoslovak Group Creates Meaningful Stockholder Value



Vista Outdoor has entered into a definitive agreement to sell its Sporting Products business to Czechoslovak Group (“CSG”)

- Vista Outdoor's Board of Directors has determined that the sale of the Sporting Products business is the best strategic alternative for maximizing stockholder value

Upon completion, Sporting Products will become a wholly owned subsidiary of CSG, operating as a private company under experienced leadership

- “This is an important strategic step for our company in creating value through separating our Outdoor and Sporting Product segments”
– Gary McArthur, Interim CEO of Vista Outdoor
- Sporting Products will be led by Jason Vanderbrink as CEO, Al Kerfeld as CFO and Jeff Ehrich as General Counsel and Corporate Secretary

Transaction Summary	
Purchase Price ⁽¹⁾	\$1.91Bn
Valuation Multiple	~5x Sporting Products FY24 EBITDA including estimated standalone costs
Consideration	Consideration is all cash, supported by \$1.11Bn of fully committed debt financing with the remaining amount funded by CSG
Timing	Expect to close this transaction in calendar year 2024, subject to approval of our stockholders, receipt of necessary regulatory approvals and other customary closing conditions
Use of Proceeds	<ul style="list-style-type: none"> Pay off remaining debt Deliver approximately \$750M, which equates to \$12.90 per share, in cash to stockholders as part of transaction consideration. The cash consideration is not a dividend and is instead a part of the merger consideration Remaining cash of up to \$250M to stay on Revelyst’s balance sheet, with excess amounts expected to be utilized for a one-time special dividend or share repurchase
Structure	<ul style="list-style-type: none"> Vista Outdoor will separate its Outdoor Products business from its Sporting Products business, and CSG will merge one of its subsidiaries with Vista Outdoor (holding only the Sporting Products business), with current public stockholders of Vista Outdoor receiving shares of Revelyst and \$750 million in cash in aggregate This transaction will be treated as a taxable sale of a stockholder's Vista Outdoor shares for the Revelyst shares and cash consideration they receive in the merger. The cash consideration is not a dividend and is instead a part of the merger consideration. Vista Outdoor stockholders will generally recognize gain or loss in the transaction equal to the difference between their tax basis in their Vista Outdoor shares they exchange and the sum of the cash and the fair market value of the Revelyst shares they receive in the merger, determined as of the closing date. This allows stockholders to recover tax basis and recognize built-in gain and loss in their Vista Outdoor shares at the time of closing Relative to a divestiture of Sporting Products as an asset sale, this structure has corporate level tax of approximately \$50 million versus approximately \$380 million for a divestiture as an asset sale and allows for the tax-efficient return of cash to stockholders

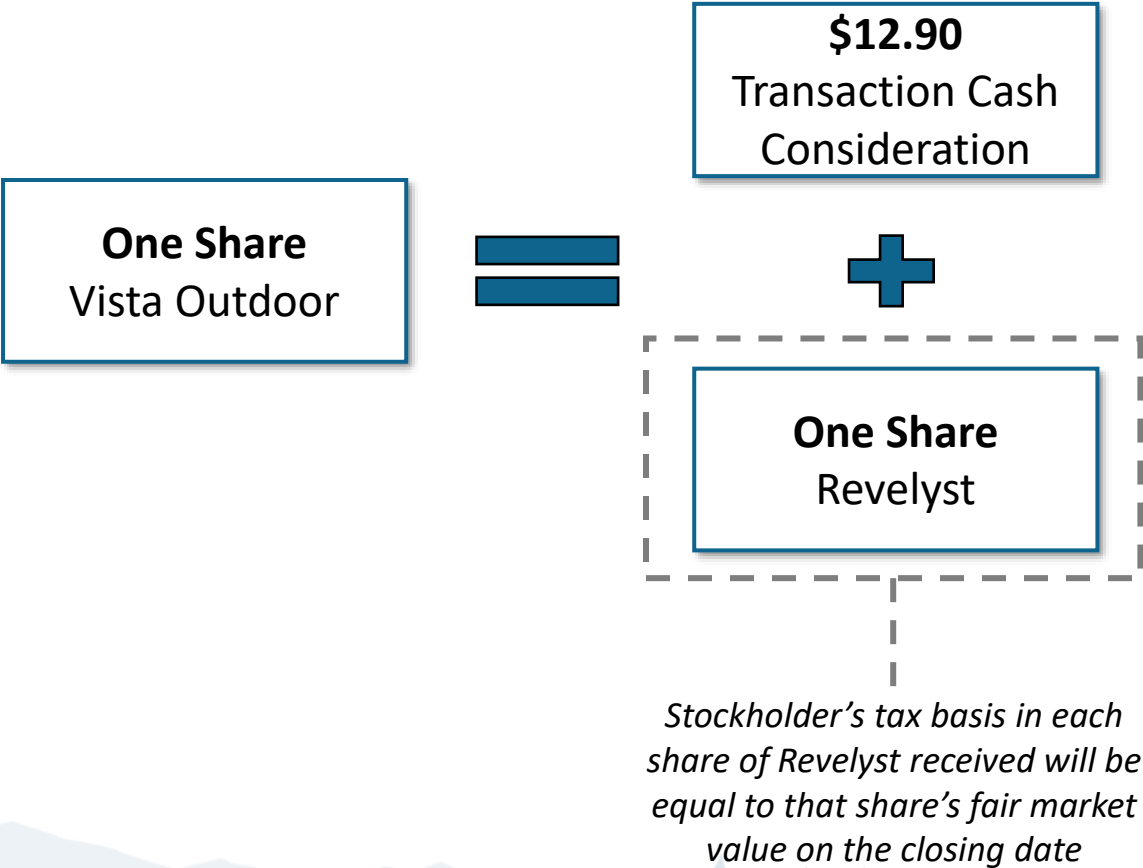


Note:
(1) Subject to adjustments for cash, debt, transaction expenses and net working capital

Illustrative Vista Outdoor Stockholder Impact at Closing



For Each Vista Outdoor Share Held at Closing⁽¹⁾,
A Stockholder Receives



Tax Implication

This transaction will be treated as a taxable sale of a stockholder's Vista Outdoor shares for the Revelyst shares and cash consideration they receive in the merger. The cash consideration is not a dividend and is instead a part of the merger consideration.

Vista Outdoor stockholders will generally recognize gain or loss in the transaction equal to the difference between their tax basis in their Vista Outdoor shares they exchange and the sum of the cash and the fair market value of the Revelyst shares they receive in the merger, determined as of the closing date.

This allows stockholders to recover tax basis and recognize built-in gain and loss in their Vista Outdoor shares at the time of closing.

Footnotes:

(1) Record date is the closing date of the transaction

Example Use of Proceeds (As of Fiscal Year End 2024)

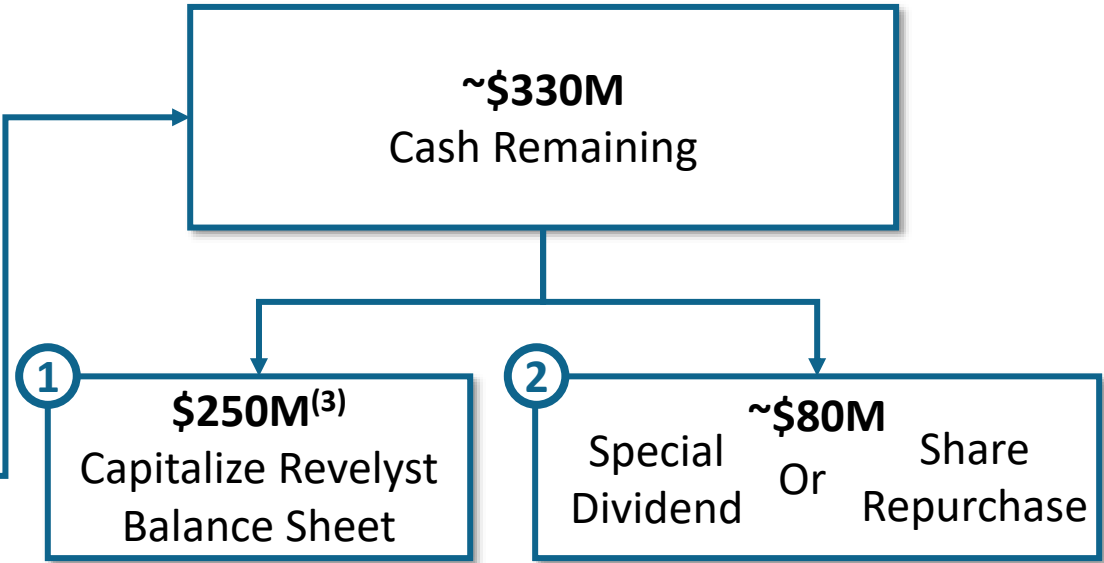


The below is an example use of proceeds for the cash remaining after the payment of taxes, transaction costs, and other customary closing related payments, the pay down of all debt and the approximately \$750 million dollar payment to stockholders

Illustrative Proceeds Waterfall⁽¹⁾

Use of Cash	Amount
Gross Transaction Proceeds	\$1,910M
Less: Estimated Taxes, Transaction Costs and Other Customary Closing Related Payments	~100M
Less: Estimated Remaining Net Debt ⁽²⁾	~730M
Less: Transaction Consideration to Stockholders	~750M
Cash Remaining	~\$330M

Intended Allocation of Cash



We expect the Cash Remaining will increase the later the transaction closing extends, as free cash flow further reduces net debt

Footnotes:

- (1) The example is based on an expected balance sheet as of March 31, 2024. The timing of closing will depend upon satisfaction of closing conditions, including timing of receipt of stockholder and necessary regulatory approvals.
- (2) Estimated net debt based on mid-point of adjusted free cash flow guidance for fiscal year 2024.
- (3) We expect to capitalize Revelyst with up to \$250M in cash at transaction closing.

Sporting Products Overview

BRINGING THE WORLD OUTSIDE

Jason Vanderbrink
Sporting Products CEO



Q2 FY24 Sporting Products Update



Sales decline primarily driven by lower shipments across nearly all categories as channel inventory has normalized, lower pricing, and the previously announced termination of the Lake City contract at the beginning of Q3 FY23

Revenue

\$350M

-19% YoY

Gross Profit

\$115M

-28% YoY

Adj. EBITDA⁽¹⁾

\$99M

-29% YoY



Remington

FEDERAL



ALLIANT POWDER
Technically Superior by Design

CCI

SPEER

(1) Non-GAAP financial measure. See slide 4 titled "Non-GAAP Financial Measures" and appendix titled "Non-GAAP Reconciliations"

Sporting Products Management Team



Jason Vanderbrink

CEO



Allan Kerfeld

CFO



Jeff Ehrich

General Counsel and Corporate Secretary



Mark Kowalski

Controller and Chief Accounting Officer

Sporting Products Well Positioned for Long-term Success



The sale to CSG positions us well to capitalize on participation trends and reach more customers globally while still manufacturing in America, and serving American Law Enforcement and Military

1 The Sale to CSG is a Great Outcome

A private, global strategic owner provides the opportunity to expand the reach of our iconic American brands, legacy of U.S. manufacturing, support for military and law enforcement customers, and investments in conservation and our hunting and shooting heritage

2 Participation Baseline is Higher and Remains Strong

NICS has processed >1M checks per month for 50 consecutive months as of September and we have seen continued participation from the 19 million new users who entered market in last several years.

Additionally, we have seen a return to seasonal buying patterns as well as a recent uptick across several categories due to the global unrest that we are monitoring

3 Domestic Contract Wins

Secured the 2nd largest contract in company history with the Department of Homeland Security for five years serving both the U.S. Customs and Border Protection (CBP) and the Immigration and Customs Enforcement (ICE) agencies. Additionally, won a large contract with the Miami-Dade Police Department supplying Speer 9mm Gold Dot and Federal .223 Tactical Bonded ammunition



Outdoor Products Overview

BRINGING THE WORLD OUTSIDE

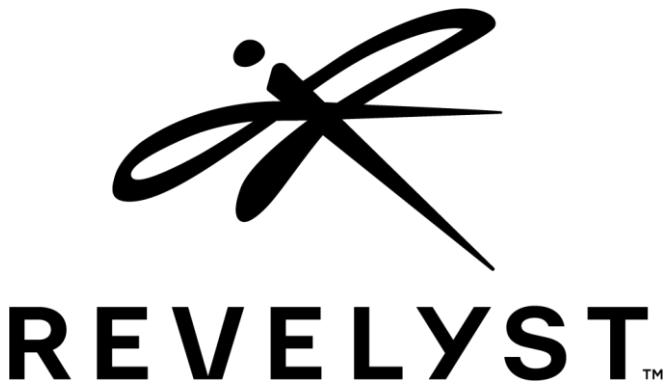
Eric Nyman
CEO, Revelyst



Revelyst's Powerful Brands Positioned for Long-Term Success



Collective of category-defining maker brands transcending the boundaries of precision, performance, and protection to inspire and equip the ambitious to achieve their greatest experiences in the places they love



Makers of Wildly Human Experiences

								
#2 Launch Monitors	#1 GPS & Rangefinders	#1 Bike / Hike Hydration Packs #1 Bike Bottles	#2 Stoves & Accessories	#1 Hunting & Shooting Accessories	#1 Fly Fishing Gear & Apparel	#1 Motocross Protection	#2 Snow Goggles #2 Snow Helmets	
							#1 Helmets	

Revelyst Leadership Team



Revelyst Leadership



Eric Nyman

CEO



Andrew Keegan

CFO



Jung Choi

General Counsel

Segment Leadership



Jon Watters

Co-President

Precision Sports and Technology



Scott Werbelow

Co-President

Precision Sports and Technology



Jeff McGuane

President

Adventure Sports



Jordan Judd

President

Outdoor Performance



Revelyst Broad Strategy Update



Kicking off a new program called GEAR Up, a nod to our future stock ticker GEAR, that is being actioned immediately and will simplify our business model, increase efficiency and profitability and reinvest in our highest potential brands to accelerate growth and transformation

GEAR Up Key Elements

Simplifying the Business Model

Simplified structure accelerates our vision of becoming an integrated house of iconic, high-performing outdoor brands that work together as one, cohesive unit to form a globally branded company leveraging shared learnings and centers of empowerment to drive execution on a global, omni channel growth strategy

Delivering Increased Efficiency and Profitability

Efficiency program in GEAR Up Framework will be actioned immediately to maximize efficiency and streamline our operations through consolidation of current real estate footprint, back-office technology stack, supply chain, and organizational structure

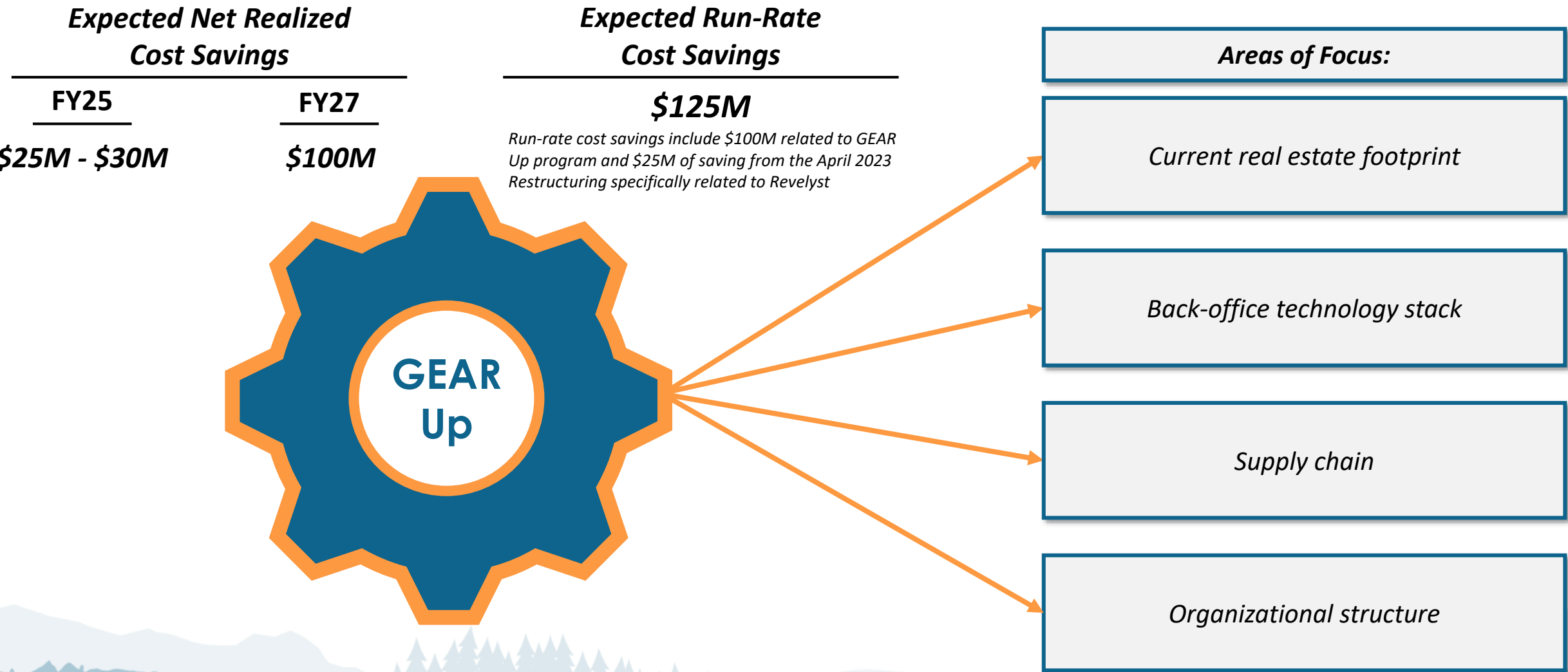
Reinvesting in our Highest Potential Brands

Substantial opportunity to reinvest into our highest potential brands to accelerate their growth and innovation pipelines

GEAR Up Efficiency and Cost Savings Initiative



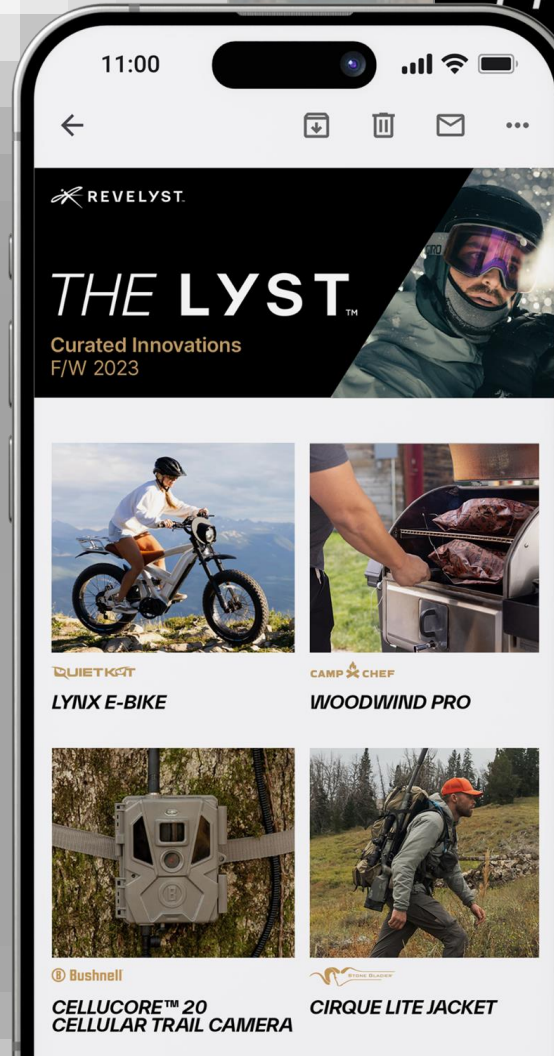
We are actioning the GEAR Up program immediately and have engaged a leading consulting firm to evaluate opportunities to streamline operations and maximize efficiency throughout our organization. We expect to unlock cost savings beginning in Q4 FY24.



UNITING OUR AUDIENCES

THE LYST

- Seasonal campaign to email subscribers
- Includes a cross-pollinated list of top purpose-built Revelyst products
- Call to action for users to submit their photos with Revelyst products for increased engagement and VIP discounts
- Opportunity to introduce Revelyst brand to large subscriber base



LYNX E-BIKE



CAMP CHEF
WOODWIND PRO



LYNX E-BIKE



CAMP CHEF
WOODWIND PRO



Bushnell
CELLUCORE™ 20
CELLULAR TRAIL CAMERA



CIRQUE LITE JACKET





Financial Overview

BRINGING THE WORLD OUTSIDE

Andrew Keegan
Interim CFO



Q2 FY24 Financial Results

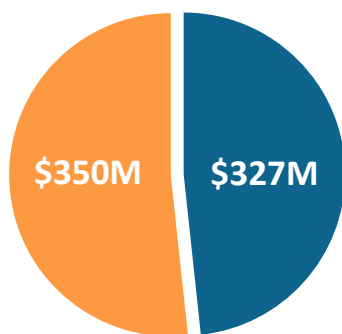


Sales

Sales declined 13% to \$677M
Organic sales⁽¹⁾ declined 17% to \$646M

Sporting Products: -19% to \$350M
Outdoor Products: -6% to \$327M
Organic⁽¹⁾: -15% to \$296M

Sales



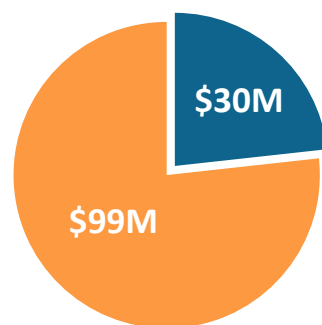
■ Outdoor ■ Sporting

Adj. EBITDA⁽¹⁾

Adj. EBITDA \$116M;
17% Margin
Adj. Organic EBITDA \$114M;
18% Margin

Sporting Products: 28% Margin
Outdoor Products: 9% Margin
Organic: 9% Margin

Segment Adj. EBITDA⁽¹⁾⁽²⁾



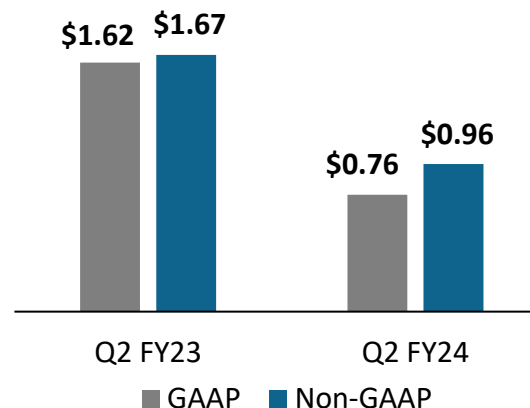
■ Outdoor ■ Sporting

Adj. EPS⁽¹⁾

Adj. EPS of \$0.96

Q2 FY24 profitability largely impacted by lower gross profit in both segments, partially offset by decreased selling costs in Sporting Products and decreased SG&A from organic businesses in Outdoor Products

Adj. EPS



Q2 FY23 Q2 FY24

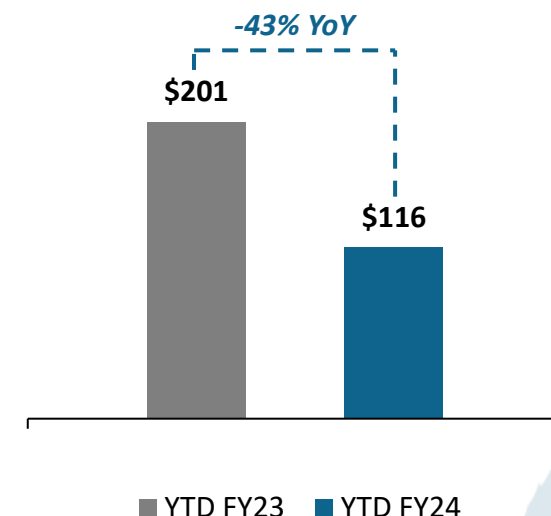
■ GAAP ■ Non-GAAP

YTD Adj. FCF⁽¹⁾

YTD Adj. FCF of \$116M

Adj. free cash flow down 43% over prior year period

YTD Adj. FCF



■ YTD FY23 ■ YTD FY24

(1) Non-GAAP financial measure, See slide 4 titled "Non-GAAP Financial Measures" and appendix titled "Non-GAAP Reconciliations"; (2) Excludes Corporate expenses

Q2 FY24 Financial Results



Sales decline driven by lower shipments across nearly all categories in the Sporting Products segment and lower volume as channel partners continue to be cautious with purchasing due to inventory levels and short-term consumer pressures in the Outdoor Products businesses

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

YTD Adjusted Free Cash Flow of \$116 million in Q2

(\$ in millions, except per share data)	Q2 FY23	Q2 FY24	YoY%	YTD FY23	YTD FY24	YoY%
Sales	\$782	\$677	(13%)	\$1,584	\$1,370	(14%)
Gross Profit	\$266	\$209	(21%)	\$559	\$436	(22%)
Operating Expense⁽¹⁾	\$128	\$118	(8%)	\$241	\$246	2%
<i>Op Expense % sales</i>	16%	17%	95 bps	15%	18%	271 bps
Operating Income⁽¹⁾	\$137	\$91	(34%)	\$318	\$189	(41%)
<i>Operating Margin %</i>	18%	13%	-411 bps	20%	14%	-630 bps
EBITDA⁽¹⁾	\$160	\$116	(28%)	\$361	\$240	(34%)
<i>EBITDA Margin %</i>	21%	17%	-370 bps	23%	18%	-526 bps
Other (Inc)/Exp	(\$1)	\$1	-	(\$1)	\$2	-
Interest Expense	\$13	\$17	27%	\$19	\$33	69%
Net Income⁽¹⁾	\$96	\$56	(42%)	\$229	\$119	(48%)
Tax Rate	23%	24%	73 bps	24%	23%	-31 bps
Earnings Per Share⁽¹⁾	\$1.67	\$0.96	(43%)	\$3.94	\$2.03	(48%)
Free Cash Flow⁽¹⁾	\$90	\$40	(55%)	\$201	\$116	(43%)

(1) Shown on an as adjusted basis, a non-GAAP financial measure. See slide 4 titled "Non-GAAP Financial Measures" and appendix titled "Non-GAAP Reconciliations"

Amounts included in the table may differ due to rounding

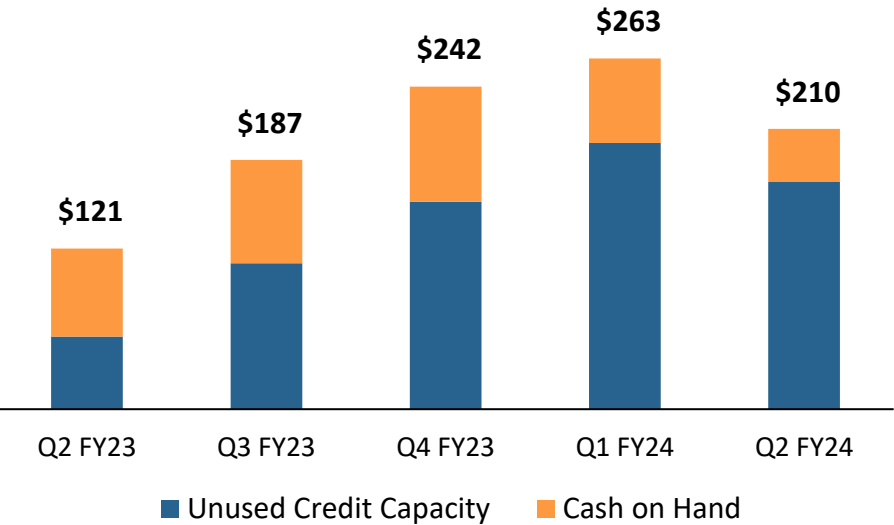
Strong Balance Sheet Positions Company for Long-Term Growth



Net Debt-to-Adjusted EBITDA of 1.8x is within the target range of 1-2x

Liquidity Profile

(\$M)

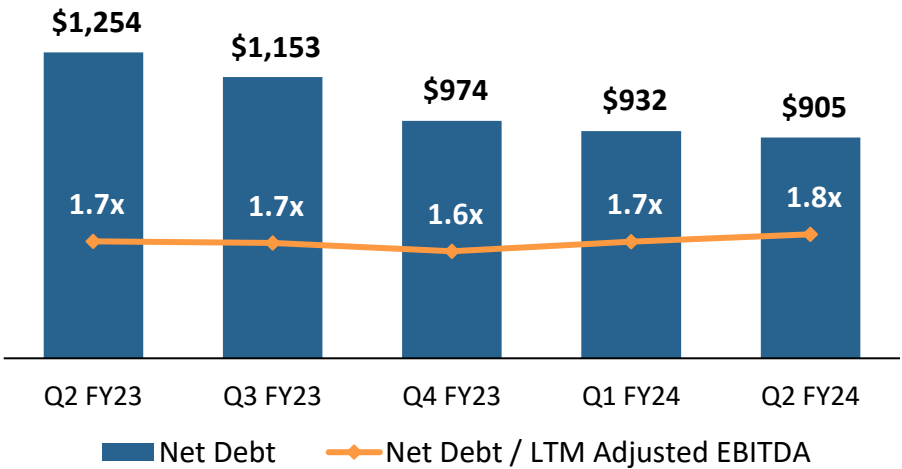


Total Debt Outstanding	\$ 945M
Less: Cash	\$ 40M
Net Debt ⁽¹⁾	\$ 905M
LTM Adj. EBITDA ⁽¹⁾	\$ 492M
Net Debt to Adj. EBITDA	1.8x

Total Debt Outstanding	\$945M
Senior Notes (March 2029)	\$500M
ABL Revolver (March 2026)	\$295M
Term Loan	\$150M

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

(\$M)



(1) Non-GAAP financial measure. See slide 4 titled "Non-GAAP Financial Measures" and appendix titled "Non-GAAP Reconciliations"

Q2 FY24 Segment Update

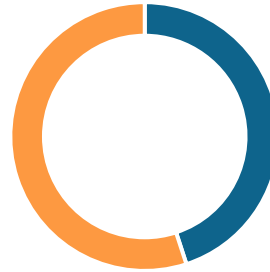


Sales



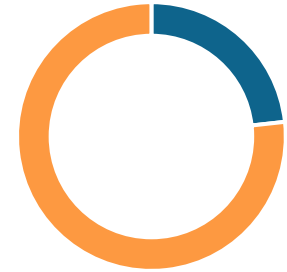
■ Outdoor Products ■ Sporting Products

Gross Profit



■ Outdoor Products ■ Sporting Products

Segment Adj. EBITDA⁽¹⁾⁽²⁾



■ Outdoor Products ■ Sporting Products

SPORTING PRODUCTS

\$350M

-19% YoY

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

\$115M

-28% YoY

- Lower volume and price

\$99M

Margin: 28%

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

OUTDOOR PRODUCTS

Total

\$327M

-6% YoY

Organic⁽¹⁾

\$296M

-15% YoY

- Lower volume as channel partners continue to be cautious with purchasing due to inventory levels
- Consumers are pressured by high interest rates and other short-term factors affecting their purchases of durable consumer goods

\$94M

-12% YoY

- Lower volume from organic businesses
- Partially offset by acquisitions

Total

\$30M

Margin: 9%

Organic

\$28M

Margin: 9%

- Decline caused by lower Gross Profit
- Partially offset by reduced SG&A from organic businesses

FY2024 Guidance



	<i>Sales</i>	<i>Adj. EBITDA Margin</i>	<i>Interest Expense</i>	<i>Adj. Free Cash Flow</i>	<i>Adj. EPS</i>
Vista Outdoor	\$2.725Bn – \$2.825Bn	15.50% – 16.25%	\$55M – \$65M	\$265M – \$315M	\$3.65 – \$4.05
Sporting Products	\$1.450Bn – \$1.500Bn	26.50% – 27.50%	Additional Key Guidance Assumptions <ul style="list-style-type: none"> Tax rate expected to be approximately 19.5% CapEx expected to be approximately 1.5% of sales 		
Outdoor Products	\$1.275Bn – \$1.325Bn	7.75% – 8.25%	<ul style="list-style-type: none"> Outlook anticipates that Sporting Products sales and profitability will continue to normalize Outdoor Products anticipates facing pressures in the second half of 2024 		

Q2 FY24 Outdoor Products Update



Sales decrease driven primarily by lower volume as channel partners continue to be cautious with purchasing due to inventory levels and as consumers are pressured by high interest rates and other short-term factors affecting their purchases of consumer durable goods

Revenue

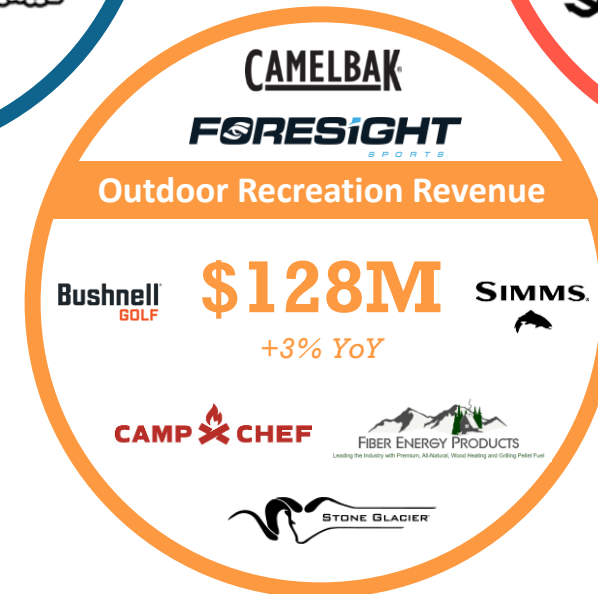
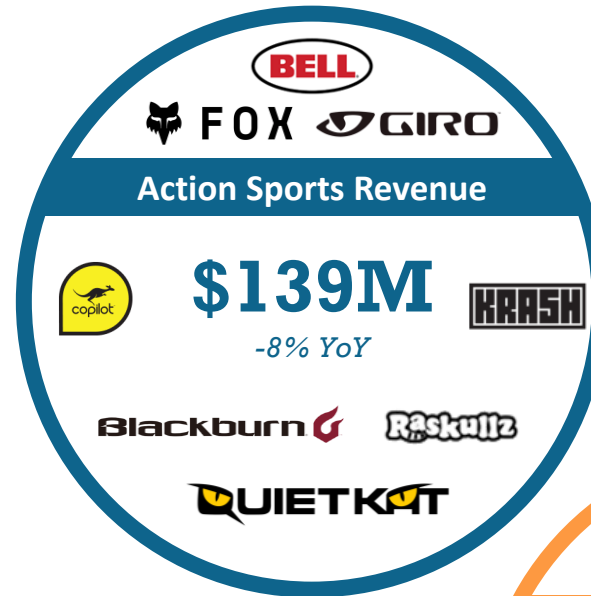
Total	Organic ⁽¹⁾
\$327M	\$296M
-6% YoY	-15% YoY

Gross Profit

\$94M
-12% YoY

Adj. EBITDA⁽¹⁾

Total	Organic
\$30M	\$28M
Margin: 9%	Margin: 9%



(1) Non-GAAP financial measure, See slide 4 titled "Non-GAAP Financial Measures" and appendix titled "Non-GAAP Reconciliations"; Numbers may not tie due to rounding. Outdoor Accessories includes approximately 19 brands.



APPENDIX:

Sporting Products Transaction Summary

Positions Sporting Products for Strategic Success



A Transformational Combination

1

Strategic Alignment

Combines Sporting Products' leading portfolio of U.S. ammunition brands with CSG's diverse, global defense portfolio

2

Unlocking Opportunities for Growth

As a private company, Sporting Products can focus on continued product innovation for a dedicated and growing consumer base

3

Maximized Focus

Sporting Products' strategy uniquely tailored to ammunition allowing for streamlined operational focus

CSG Will Enable Sporting Products To Achieve Its Full Potential



“We look forward to building on Sporting Products’ success in delivering innovative, quality products and are confident in the long-term value we can create together.”
– *Michal Strnad, CEO*



Headquartered in Prague, Czech Republic, Europe CSG is a leading industrial-technological holding company, operating within five strategic business segments, including defense, aerospace, ammunition, mobility and business

Manages a diverse portfolio of industrial and trade companies across the defense and civil sectors with over 10,000 employees worldwide

Experienced management team with successful track record of driving operational excellence across the portfolio



APPENDIX:

Non-GAAP Reconciliations

Non-GAAP Financial Measures



Beginning with the second quarter of fiscal year 2024, we modified our presentation of non-GAAP results and no longer exclude from adjusted results expenses related to retention payments in connection with our acquisitions. These specified expenses that were previously excluded from adjusted results under the line items of transition costs, post-acquisition compensation and planned separation are included in “operating expenses” in our as reported results. The Company is making these changes to its presentation of non-GAAP financial measures following comments from, and discussions with, staff members of the U.S. Securities and Exchange Commission (the “SEC”). Prior period results have been revised for comparability. Adjusted EPS includes the negative impact of this change of approximately \$0.04 per share for the periods ending September 24, 2023. Revised adjusted EPS includes the negative impact of this change of approximately \$0.04 for the period ending September 25, 2022. The revised presentation of the reconciliation to previously reported adjusted EPS, and the revised reconciliation to adjusted results for the three months ended September 25, 2022 is reported below.

Reconciliation of previously reported adjusted EPS	Three months ended September 25, 2022
(Unaudited, dollars and shares in millions except per share data)	
Transition costs previously specified	\$ 139
Planned separation costs previously specified	267
Post-acquisition compensation previously specified	2,130
Income tax impact	(322)
Decrease/(Increase) in as adjusted net income	<u>\$ 2,214</u>
Decrease/(Increase) in adjusted EPS	\$ 0.04
Adjusted EPS previously reported	<u>1.71</u>
Revised adjusted EPS	<u><u>1.67</u></u>

Current FY24 Full-Year Adjusted EPS Guidance Reconciliation



	Low	High
EPS guidance including transition costs, executive transition costs, planned separation costs, restructuring, and post-acquisition compensation	\$ 3.37	\$ 3.77
Transition costs	0.07	0.07
Executive transition costs	0.01	0.01
Planned separation costs	0.13	0.13
Restructuring	0.06	0.06
Post-acquisition compensation	0.01	0.01
Adjusted EPS guidance	\$ 3.65	\$ 4.05

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 operating income, adjusted other income, adjusted interest expense, adjusted tax rate, adjusted net income and adjusted diluted earnings per share (EPS). Vista Outdoor defines these measures as gross profit, operating expenses, operating income, other income, interest expense, tax rate, 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 gross profit, operating expenses, operating income, other income, interest expense, tax rate, net income, and EPS excluding these items, as such adjusted measures provide investors with an important perspective on the operating results of the Company. Vista Outdoor management uses such adjusted measures internally to assess business performance, and Vista Outdoor's definitions thereof may differ from those used by other companies.

Three months ended September 24, 2023

(in thousands except per share amounts)	Gross Profit	Operating Expenses	Operating income	Other Income / (Expense)	Interest Expense	Taxes	Net Income	EPS ⁽¹⁾
As reported	\$ 208,870	\$ 133,085	\$ 75,785	\$ (1,174)	\$ (16,643)	\$ (13,546)	\$ 44,422	\$ 0.76
Transition costs	—	(3,554)	3,554	—	—	(854)	2,700	
Executive transition costs	—	(433)	433	—	—	(218)	215	
Planned separation costs	—	(7,375)	7,375	—	—	(1,770)	5,605	
Restructuring	—	(3,936)	3,936	—	—	(945)	2,991	
Post-acquisition compensation	—	(160)	160	—	—	—	160	
As adjusted	<u>\$ 208,870</u>	<u>\$ 117,627</u>	<u>\$ 91,243</u>	<u>\$ (1,174)</u>	<u>\$ (16,643)</u>	<u>\$ (17,333)</u>	<u>\$ 56,093</u>	<u>\$ 0.96</u>

(1) As reported net earnings per share and adjusted net earnings per share are both calculated based on 58,299 diluted weighted average shares of common stock.

Three months ended September 25, 2022

(in thousands except per share amounts)	Gross Profit	Operating Expenses	Operating income	Other Income / (Expense)	Interest Expense	Taxes	Net Income	EPS ⁽¹⁾
As reported	\$ 262,874	\$ 131,707	\$ 131,167	\$ 741	\$ (13,934)	\$ (24,519)	\$ 93,455	\$ 1.62
Inventory step-up	3,036	—	3,036	—	—	(759)	2,277	
Transaction costs	—	(5,779)	5,779	—	—	(951)	4,828	
Contingent consideration	—	11,313	(11,313)	—	—	—	(11,313)	
Transition costs	—	(261)	261	—	—	(100)	196	
Post-acquisition compensation	—	(1,139)	1,139	—	—	(266)	873	
Debt issuance	—	—	—	—	785	(196)	589	
Planned separation costs	—	(7,420)	7,420	—	—	(1,855)	5,565	
As adjusted	<u>\$ 265,910</u>	<u>\$ 128,421</u>	<u>\$ 137,489</u>	<u>\$ 741</u>	<u>\$ (13,149)</u>	<u>\$ (28,611)</u>	<u>\$ 96,470</u>	<u>\$ 1.67</u>

(1) As reported net earnings per share and adjusted net earnings per share are both calculated based on 57,814 diluted weighted average shares of common stock.

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 operating income, adjusted other income, adjusted interest expense, adjusted tax rate, adjusted net income and adjusted diluted earnings per share (EPS). Vista Outdoor defines these measures as gross profit, operating expenses, operating income, other income, interest expense, tax rate, 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 gross profit, operating expenses, operating income, other income, interest expense, tax rate, net income, and EPS excluding these items, as such adjusted measures provide investors with an important perspective on the operating results of the Company. Vista Outdoor management uses such adjusted measures internally to assess business performance, and Vista Outdoor's definitions thereof may differ from those used by other companies.

Six months ended September 24, 2023

(in thousands except per share amounts)	Gross Profit	Operating Expenses	Operating income	Other Income / (Expense)	Interest Expense	Taxes	Net Income	EPS ⁽¹⁾
As reported	\$ 435,627	\$ 267,656	\$ 167,971	\$ (1,715)	\$ (32,861)	\$ (30,873)	\$ 102,522	\$ 1.75
Transaction costs	—	(5,511)	5,511	—	—	(1,323)	4,188	
Executive transition costs	—	(1,091)	1,091	—	—	(377)	714	
Planned separation costs	—	(9,742)	9,742	—	—	(2,338)	7,404	
Restructuring	—	(4,770)	4,770	—	—	(1,145)	3,625	
Post-acquisition compensation	—	(320)	320	—	—	—	320	
As adjusted	<u>\$ 435,627</u>	<u>\$ 246,222</u>	<u>\$ 189,405</u>	<u>\$ (1,715)</u>	<u>\$ (32,861)</u>	<u>\$ (36,056)</u>	<u>\$ 118,773</u>	<u>\$ 2.03</u>

(1) As reported net earnings per share and adjusted net earnings per share are both calculated based on 58,426 diluted weighted average shares of common stock.

Six months ended September 25, 2022

(in thousands except per share amounts)	Gross Profit	Operating Expenses	Operating income	Other Income / (Expense)	Interest Expense	Taxes	Net Income	EPS ⁽¹⁾
As reported	\$ 556,344	\$ 252,752	\$ 303,592	\$ 741	\$ (20,244)	\$ (64,619)	\$ 219,470	\$ 3.78
Inventory step-up	3,036	—	3,036	—	—	(759)	2,277	
Transaction costs	—	(7,865)	7,865	—	—	(1,466)	6,399	
Contingent consideration	—	11,425	(11,425)	—	—	28	(11,397)	
Transition costs	—	(363)	363	—	—	(90)	273	
Post-acquisition compensation	—	(3,343)	3,343	—	—	(705)	2,638	
Debt issuance	—	—	—	—	785	(196)	589	
Planned separation costs	—	(11,543)	11,543	—	—	(2,886)	8,657	
As adjusted	<u>\$ 559,380</u>	<u>\$ 241,063</u>	<u>\$ 318,317</u>	<u>\$ 741</u>	<u>\$ (19,459)</u>	<u>\$ (70,693)</u>	<u>\$ 228,906</u>	<u>\$ 3.94</u>

(1) As reported net earnings per share and adjusted net earnings per share are both calculated based on 58,098 diluted weighted average shares of common stock..

Free Cash Flow Reconciliation



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. Vista Outdoor's definition of free cash flow may differ from those used by other companies.

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 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. Beginning with the second quarter of fiscal year 2024, we modified our presentation of non-GAAP results and no longer exclude from adjusted free cash flow, cash payments related to retention payments in connection with our acquisitions. All periods presented have been adjusted for this modification.

(in thousands)	Three months ended		Six months ended		Projected year ending March 31, 2024
	September 24, 2023	September 25, 2022	September 24, 2023	September 25, 2022	
Cash provided by operating activities	\$ 33,839	\$ 79,116	\$ 107,540	\$ 193,402	\$284,255–335,755
Capital expenditures	(5,809)	(2,568)	(13,425)	(12,957)	~(40,875–42,375)
Free cash flow	\$ 28,030	76,548	\$ 94,115	\$ 180,445	\$243,380–293,380
Transaction costs	—	5,778	—	8,995	—
Transition costs	4,926	318	6,665	506	6,665
Planned separation costs	4,405	7,421	7,034	11,543	7,034
Post acquisition compensation	83	—	166	—	166
Restructuring	2,040	—	4,281	—	4,281
Executive transition	691	\$ —	3,474	—	3,474
Adjusted free cash flow	<u>\$ 40,175</u>	<u>\$ 90,065</u>	<u>\$ 115,735</u>	<u>\$ 201,489</u>	<u>\$265,000–315,000</u>

Organic Sales and Adjusted Organic EBITDA Reconciliation



Organic sales and adjusted organic EBITDA are non-GAAP measures, excluding the impacts of acquisitions from year-over-year comparisons. Sales and adjusted EBITDA are considered inorganic for the twelve months after acquisition. We calculate “adjusted organic EBITDA margin” as adjusted organic EBITDA divided by organic net sales. We believe these measures provide investors with a supplemental understanding of underlying sales trends by providing sales on a consistent basis. These measures are used in assessing achievement of management goals for at-risk compensation. Vista Outdoor’s definitions of organic sales, adjusted organic EBITDA and adjusted organic EBITDA margin may differ from those used by other companies.

Organic Sales Reconciliation (in thousands)	Three months ended	
	September 24, 2023	September 25, 2022
Sporting Products	\$349,500	\$432,489
Outdoor Products	327,308	349,189
Sales, net	\$676,808	\$781,678
Less Sporting Products acquisitions	-	-
Less Outdoor Products acquisitions	(31,263)	-
Sporting Products organic sales, net	\$349,500	\$432,489
Outdoor Products organic sales, net	296,045	349,189
Organic sales, net	\$645,545	\$781,678

Adj. Organic EBITDA Reconciliation (in thousands)	Three months ended	
	September 24, 2023	September 25, 2022
Sporting Products	\$98,806	\$139,950
Outdoor Products	30,328	45,273
Corporate	(13,012)	(24,750)
Adjusted EBITDA	\$116,122	\$160,473
Less Sporting Products acquisitions	-	-
Less Outdoor Products acquisitions	(2,439)	-
Adjusted Sporting Products organic EBITDA	\$98,806	\$139,950
Adjusted Outdoor Products organic EBITDA	27,889	45,273
Adjusted Corporate EBITDA	(13,012)	(24,750)
Adjusted organic EBITDA	\$113,683	\$160,473
Adjusted organic Sporting Products EBITDA Margin	28.3%	32.4%
Adjusted organic Outdoor Products EBITDA Margin	9.4%	13.0%
Adjusted organic EBITDA Margin	17.6%	20.5%

Segment Adjusted EBITDA and Segment Adjusted EBITDA Margin Reconciliation



Adjusted EBITDA is defined as net income before other income/(expense), interest, taxes, and depreciation and amortization, excluding the non-recurring and non-cash items referenced below. We calculate “Adjusted EBITDA margins” as Adjusted EBITDA divided by net sales. Vista Outdoor management believes adjusted EBITDA and adjusted EBITDA margin provide investors with an important perspective on the Company’s core profitability and help investors analyze underlying trends in the Company’s business and evaluate its performance on an absolute basis and relative to its peers. Adjusted EBITDA and adjusted EBITDA margin should be considered in addition to, and not as a substitute for, GAAP net income and GAAP net income margin. Vista Outdoor’s definitions may differ from those used by other companies.

(in thousands)	Three months ended June 25, 2023				Three months ended September 24, 2023				Twelve months ended September 24, 2023			
	Sporting Products	Outdoor Products	Corporate	Total	Sporting Products	Outdoor Products	Corporate	Total	Sporting Products	Outdoor Products	Corporate	Total
Segment and Corporate net income (1)	108,464	6,524	(56,888)	58,100	92,348	12,854	(60,780)	44,422	443,406	24,385	(594,457)	(126,666)
Other income, net	-	-	541	541	-	-	1,174	1,174	-	-	332	332
Interest expense, net	-	-	16,218	16,218	-	-	16,643	16,643	-	-	71,934	71,934
Income tax (provision) benefit	-	-	17,327	17,327	-	-	13,546	13,546	-	-	26,634	26,634
Depreciation and amortization	6,399	17,578	950	24,927	6,458	17,474	947	24,879	25,164	70,531	3,900	99,595
Transition costs	-	-	1,957	1,957	-	-	3,554	3,554	-	-	9,462	9,462
Executive transition costs	-	-	658	658	-	-	433	433	-	-	6,722	6,722
Post-acquisition compensation	-	-	160	160	-	-	160	160	-	-	(4,041)	(4,041)
Planned separation costs	-	-	2,933	2,933	-	-	7,375	7,375	-	-	25,003	25,003
Restructuring	-	-	834	834	-	-	3,936	3,936	-	-	17,881	17,881
Inventory step-up	-	-	-	-	-	-	-	-	-	-	6,492	6,492
Transaction costs	-	-	-	-	-	-	-	-	-	-	240	240
Intangibles impairment	-	-	-	-	-	-	-	-	-	-	374,355	374,355
Contingent consideration	-	-	-	-	-	-	-	-	-	-	(16,082)	(16,082)
Adjusted EBITDA	114,863	24,102	(15,310)	123,655	98,806	30,328	(13,012)	116,122	468,570	94,916	(71,625)	491,861
Adjusted EBITDA margin	30.5%	7.6%		17.8%	28.3%	9.3%		17.2%	30.4%	7.2%		17.2%

(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			
	Sporting Products	Outdoor Products	Corporate	Total	Sporting Products	Outdoor Products	Corporate	Total	Sporting Products	Outdoor Products	Corporate	Total	Sporting Products	Outdoor Products	Corporate	Total	Sporting Products	Outdoor Products	Corporate	Total
Segment and Corporate net income (1)	176,086	27,686	(77,757)	126,015	133,552	29,730	(69,827)	93,455	117,935	13,475	(66,263)	65,147	124,659	(8,468)	(410,526)	(294,335)	552,232	62,423	(624,373)	(9,718)
Other income, net	-	-	-	-	-	-	(741)	(741)	-	-	(639)	(639)	-	-	(744)	(744)	-	-	(2,124)	(2,124)
Interest expense, net	-	-	6,310	6,310	-	-	13,934	13,934	-	-	18,953	18,953	-	-	20,120	20,120	-	-	59,317	59,317
Income tax (provision) benefit	-	-	40,100	40,100	-	-	24,519	24,519	-	-	13,225	13,225	-	-	(17,464)	(17,464)	-	-	60,380	60,380
Depreciation and amortization	6,382	11,807	1,127	19,316	6,398	15,543	1,043	22,984	6,171	17,598	1,022	24,791	6,136	17,881	981	24,998	25,087	62,829	4,173	92,089
Inventory step-up	-	-	-	-	-	-	3,036	3,036	-	-	5,043	5,043	-	-	1,449	1,449	-	-	9,528	9,528
Transaction costs	-	-	2,087	2,087	-	-	5,779	5,779	-	-	180	180	-	-	60	60	-	-	8,106	8,106
Transition costs	-	-	102	102	-	-	261	261	-	-	633	633	-	-	3,318	3,318	-	-	4,314	4,314
Executive transition costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,631	5,631	-	-	5,631	5,631
Planned separation costs	-	-	4,122	4,122	-	-	7,420	7,420	-	-	10,247	10,247	-	-	4,448	4,448	-	-	26,237	26,237
Intangibles impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	374,355	374,355	-	-	374,355	374,355
Restructuring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,111	13,111	-	-	13,111	13,111
Post-acquisition compensation	-	-	2,205	2,205	-	-	1,139	1,139	-	-	1,404	1,404	-	-	(5,765)	(5,765)	-	-	(1,017)	(1,017)
Contingent consideration	-	-	(112)	(112)	-	-	(11,313)	(11,313)	-	-	(4,978)	(4,978)	-	-	(11,105)	(11,105)	-	-	(27,508)	(27,508)
Adjusted EBITDA	182,468	39,493	(21,816)	200,145	139,950	45,273	(24,750)	160,473	124,106	31,073	(21,173)	134,006	130,795	9,413	(22,131)	118,077	577,319	125,252	(89,870)	612,701
Adjusted EBITDA margin	35.7%	13.5%		24.9%	32.4%	13.0%		20.5%	30.9%	8.8%		17.8%	31.6%	2.9%		15.9%	32.8%	9.5%		19.9%

(1) We do not calculate GAAP net income at the segment level. Segment net income above is equal to segment operating income. 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 above.

Segment Adjusted EBITDA and Segment Adjusted EBITDA Margin Reconciliation



Adjusted EBITDA is defined as net income before other income/(expense), interest, taxes, and depreciation and amortization, excluding the non-recurring and non-cash items referenced below. We calculate “Adjusted EBITDA margins” as Adjusted EBITDA divided by net sales. Vista Outdoor management believes adjusted EBITDA and adjusted EBITDA margin provide investors with an important perspective on the Company’s core profitability and help investors analyze underlying trends in the Company’s business and evaluate its performance on an absolute basis and relative to its peers. Adjusted EBITDA and adjusted EBITDA margin should be considered in addition to, and not as a substitute for, GAAP net income and GAAP net income margin. Vista Outdoor’s definitions may differ from those used by other companies.

(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			
	Sporting Products	Outdoor Products	Corporate	Total	Sporting Products	Outdoor Products	Corporate	Total	Sporting Products	Outdoor Products	Corporate	Total	Sporting Products	Outdoor Products	Corporate	Total	Sporting Products	Outdoor Products	Corporate	Total
Segment and Corporate net income (1)	124,705	42,945	(64,924)	102,726	175,519	42,724	(78,703)	139,540	149,671	42,277	(73,811)	118,137	150,520	36,548	(74,244)	112,824	600,415	164,494	(291,682)	473,227
Other income, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense, net	-	-	5,678	5,678	-	-	5,929	5,929	-	-	6,695	6,695	-	-	6,962	6,962	-	-	25,264	25,264
Income tax (provision) benefit	-	-	35,253	35,253	-	-	45,270	45,270	-	-	34,115	34,115	-	-	33,094	33,094	-	-	147,732	147,732
Depreciation and amortization	6,506	8,768	971	16,245	6,368	9,128	943	16,439	6,304	11,537	1,486	19,327	6,424	12,594	1,312	20,330	25,602	42,027	4,712	72,341
Inventory step-up	-	-	384	384	-	-	-	-	-	-	1,247	1,247	-	-	744	744	-	-	2,375	2,375
Transaction costs	-	-	949	949	-	-	2,162	2,162	-	-	1,930	1,930	-	-	1,776	1,776	-	-	6,817	6,817
Transition costs	-	-	86	86	-	-	30	30	-	-	361	361	-	-	448	448	-	-	925	925
Post-acquisition compensation	-	-	-	-	-	-	-	-	-	-	664	664	-	-	1,469	1,469	-	-	2,133	2,133
Contingent consideration	-	-	-	-	-	-	-	-	-	-	956	956	-	-	-	-	-	-	956	956
Adjusted EBITDA	131,211	51,713	(21,603)	161,321	181,887	51,852	(24,369)	209,370	155,975	53,814	(26,357)	183,432	156,944	49,142	(28,439)	177,647	626,017	206,521	(100,768)	731,770
Adjusted EBITDA margin	36.0%	17.3%		24.3%	40.4%	15.8%		26.9%	33.9%	16.1%		23.1%	33.8%	14.3%		22.0%	36.0%	15.8%		24.0%

(1) (1) We do not calculate GAAP net income at the segment level. Segment net income above is equal to segment operating income. 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 above.

Net Debt and Net Debt Leverage Ratio Reconciliation



Net debt is defined as total debt less cash and cash equivalents. Net debt leverage ratio is defined as net debt as of the balance sheet date divided by adjusted EBITDA for the twelve months then ended. We believe that using net debt is useful to investors in determining our leverage ratio since we could choose to use cash and cash equivalents to retire debt. Vista Outdoor's definitions may differ from those used by other companies.

	As of September 24, 2023
Total Debt Outstanding	\$ 945,000
Less: Cash	(39,954)
Net Debt	<u>\$ 905,046</u>

	Twelve months ended September 24, 2023
Net Income	\$ (126,666)
Other expense, net	332
Interest expense, net	71,934
Income tax provision	26,634
Depreciation and amortization	99,595
Transition costs	9,462
Executive transition costs	6,722
Post-acquisition compensation	(4,041)
Planned separation costs	25,003
Restructuring	17,881
Inventory step-up	6,492
Transaction costs	240
Intangibles impairment	374,355
Contingent consideration	(16,082)
Adjusted EBITDA	<u>\$ 491,861</u>

Net debt leverage ratio	1.8
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