

Investor Presentation

Raymond James 35th Annual Institutional Investors Conference

March 4 2014

FORWARD-LOOKING STATEMENTS

This presentation includes forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Forward-looking statements can be identified by such words and phrases as “believes,” “anticipates,” “expects,” “intends,” “estimates,” “may,” “will,” “should,” “continue” and similar expressions, comparable terminology or the negative thereof, and includes statements in this presentation concerning our ability to grow our market share in the performance sport boat industry, our ability to successfully introduce new products, and our five-year performance targets.

Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including, but not limited to: general economic conditions, demand for our products, changes in consumer preferences, competition within our industry, our reliance on our network of independent dealers, our ability to manage our manufacturing levels and our large fixed cost base, the successful introduction of our new products, and other factors affecting us detailed from time to time in our filings with the Securities and Exchange Commission. Many of these risks and uncertainties are outside our control, and there may be other risks and uncertainties which we do not currently anticipate because they relate to events and depend on circumstances that may or may not occur in the future. Although we believe that the expectations reflected in any forward-looking statements are based on reasonable assumptions at the time made, we can give no assurance that our expectations will be achieved. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation (and we expressly disclaim any obligation) to update or supplement any forward-looking statements that may become untrue because of subsequent events, whether because of new information, future events, changes in assumptions or otherwise. Comparison of results for current and prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

COMPANY OVERVIEW

Amber Wing

MALIBU PRO TEAM

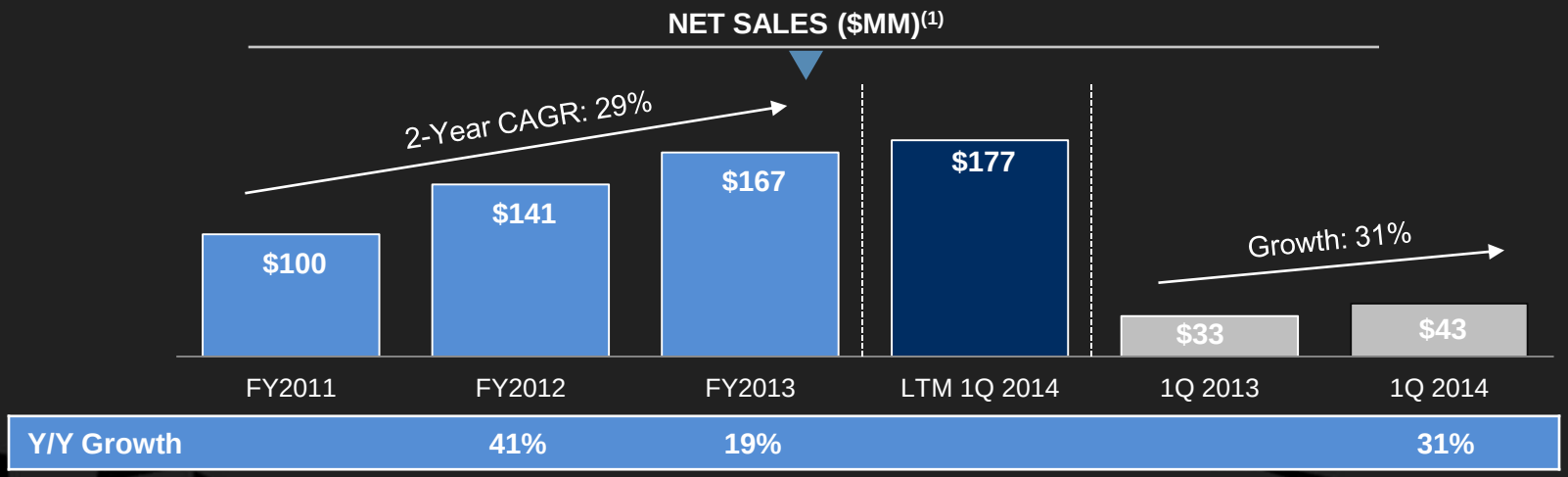
Best Women's Rider - 2013

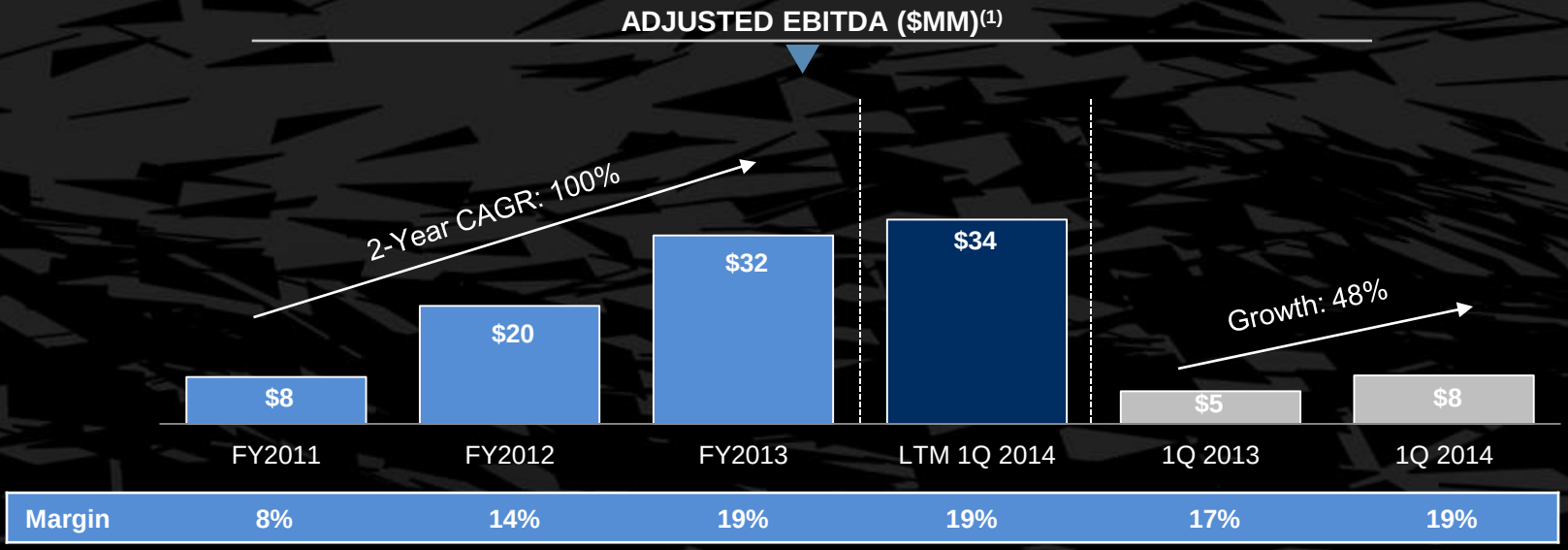


INVESTMENT HIGHLIGHTS

- #1 Market Share in Performance Sport Boats
- Poised to Take Advantage of the Boating Market Recovery
- Performance Sport Boats Taking Share
- Industry-Leading Product Development and Innovation
- Strong Dealer Network
- Two Highly Recognized Brands
- Compelling Margins and Cash Flow
- Multiple Growth Opportunities
- Highly Experienced Management Team with Proven Track Record

GROWTH COMPANY WITH PROVEN TRACK RECORD





1. FYE June 30; 1Q ended September 30. See Appendix for a reconciliation of Adjusted EBITDA to net income (loss) for such periods

OVER 30 YEARS OF PERFORMANCE AND INNOVATION

1982 — Robert Alkema launches the Company in Merced, CA with the Malibu brand name



1988 — Opening of second plant in Tennessee to accommodate increased demand



1992 — Introduction of Wakesetter model with Manual Wedge feature

1998 — Introduction of on-board computer system and Fiberglass Engine Chassis System

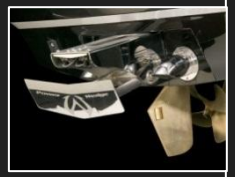


1999 — Introduction of first wakeboard-specific boats



Inaugural sponsorship of The Malibu Open water ski championships which became a premier competition for three-event skiing

2001 — Introduction of Power Wedge, giving boaters ability to customize size and shape of boats wake



2003 — New executive management team including CEO and CFO

2006 — Acquired by Black Canyon Capital, LLC

2009 — Launch Axis brand of boats to attract entry-level consumers

AXIS WAKE RESEARCH

2010 — Launch largest boat to date, the Malibu Wakesetter 24 MXZ



2012 — Introduce Surf Gate technology that provides greater convenience and wake shaping



2013

TALENTED AND EXPERIENCED MANAGEMENT

	**Jack Springer** *CEO and Director*	• Joined Malibu in 2009 and has eight years marine industry experience • Prior experience as C-level executive with several companies • Formerly a partner with Qorval, LLC and served as integration officer for Nautic Global Group, responsible for integrating two manufacturers
	**Ritchie Anderson** *Chief Operating Officer*	• Joined Malibu in 2011 • Thirty years of marine industry experience • Previously VP of Operations at MasterCraft
	**Wayne Wilson** *Chief Financial Officer*	• Joined Malibu in 2009 and has seven years of marine industry experience as an executive, investor and board member • Previous experience at Black Canyon Capital LLC and Credit Suisse First Boston
	**Dan Gasper** *VP of Product Design*	• Joined Malibu in 1988 • Experience in manufacturing, quality, and engineering and design • Has led design efforts for over a decade
	**Deborah Kent** *VP of Human Resources*	• Joined Malibu in 2011 as Director of Human Resources

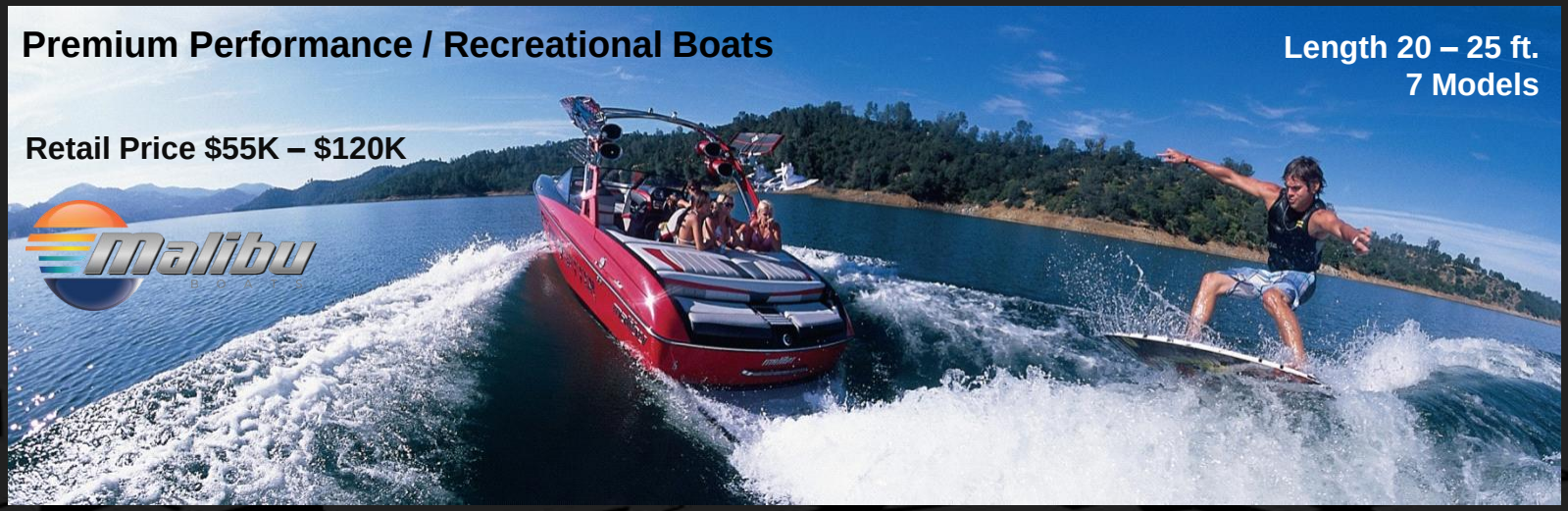
Strong Support Team

- **Deep and established bench strength, with talent recruitment and top-grading capabilities throughout the organization**
- **Developed an aggressive engineering department who are active wake sport and boating enthusiasts**

Board of Directors

- **The Board is composed of nine directors, including five independent directors**
- **Directors bring seasoned, diverse company and board experience from a range of blue-chip companies**

BROAD, DIFFERENTIATED PRODUCT OFFERING







Malibu BOATS

MALIBU LIFE

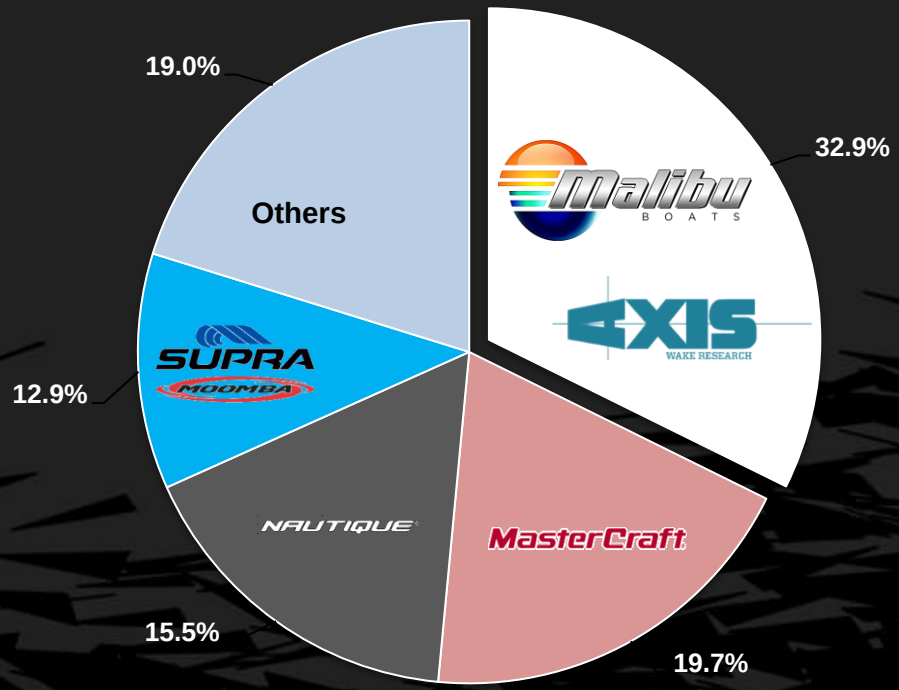


INVESTMENT HIGHLIGHTS



LEAVING COMPETITORS IN OUR WAKE

#1 U.S. PERFORMANCE SPORT BOAT MARKET SHARE[1]

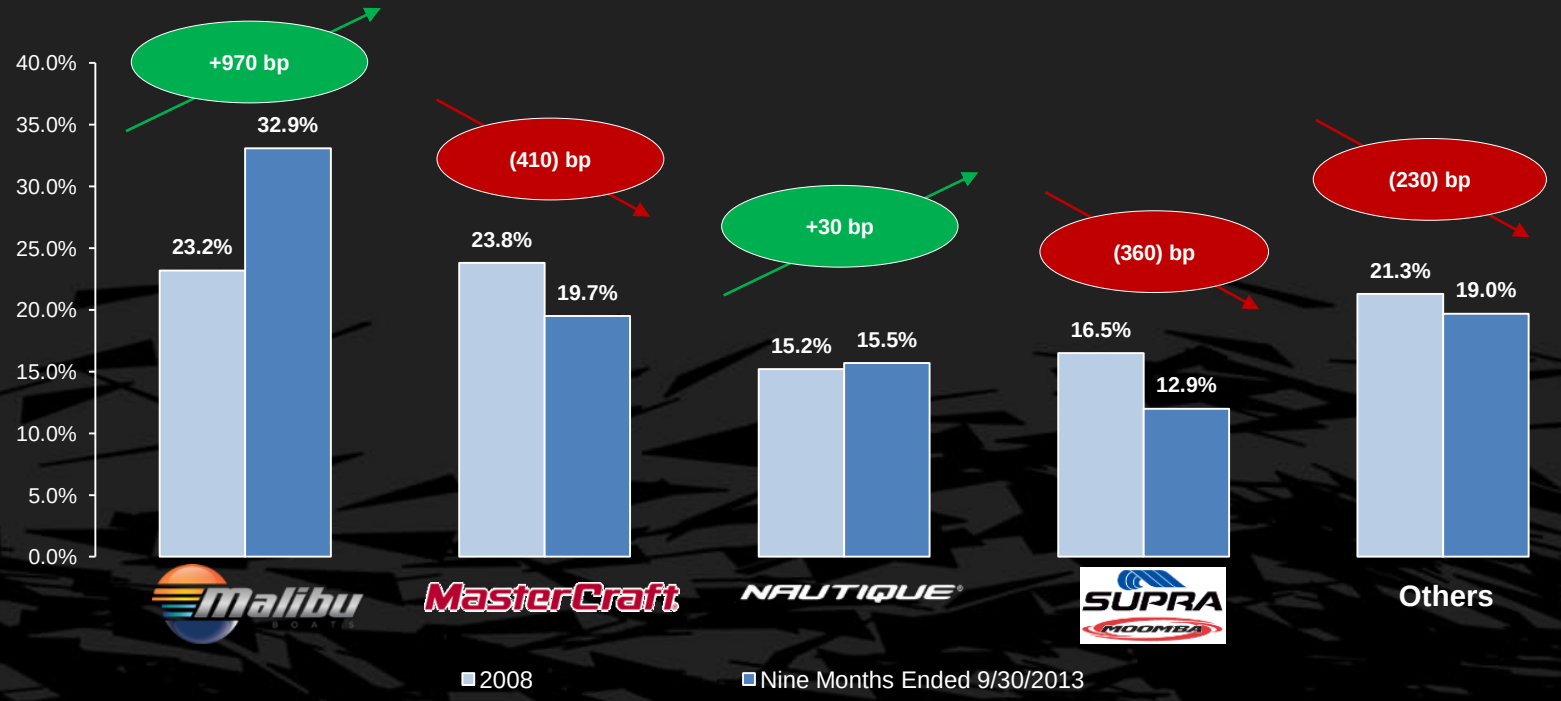


- **Leading U.S. performance sport boat market share from 2010 – YTD 2013[1]**
- **Positions us to capture new boat buyers as the economy strengthens**

Source: Statistical Surveys, Inc.
1. For the nine months ended September 30, 2013.

LEAVING COMPETITORS IN OUR WAKE (CONT.)

CAPTURING SIGNIFICANT SHARE FROM COMPETITORS

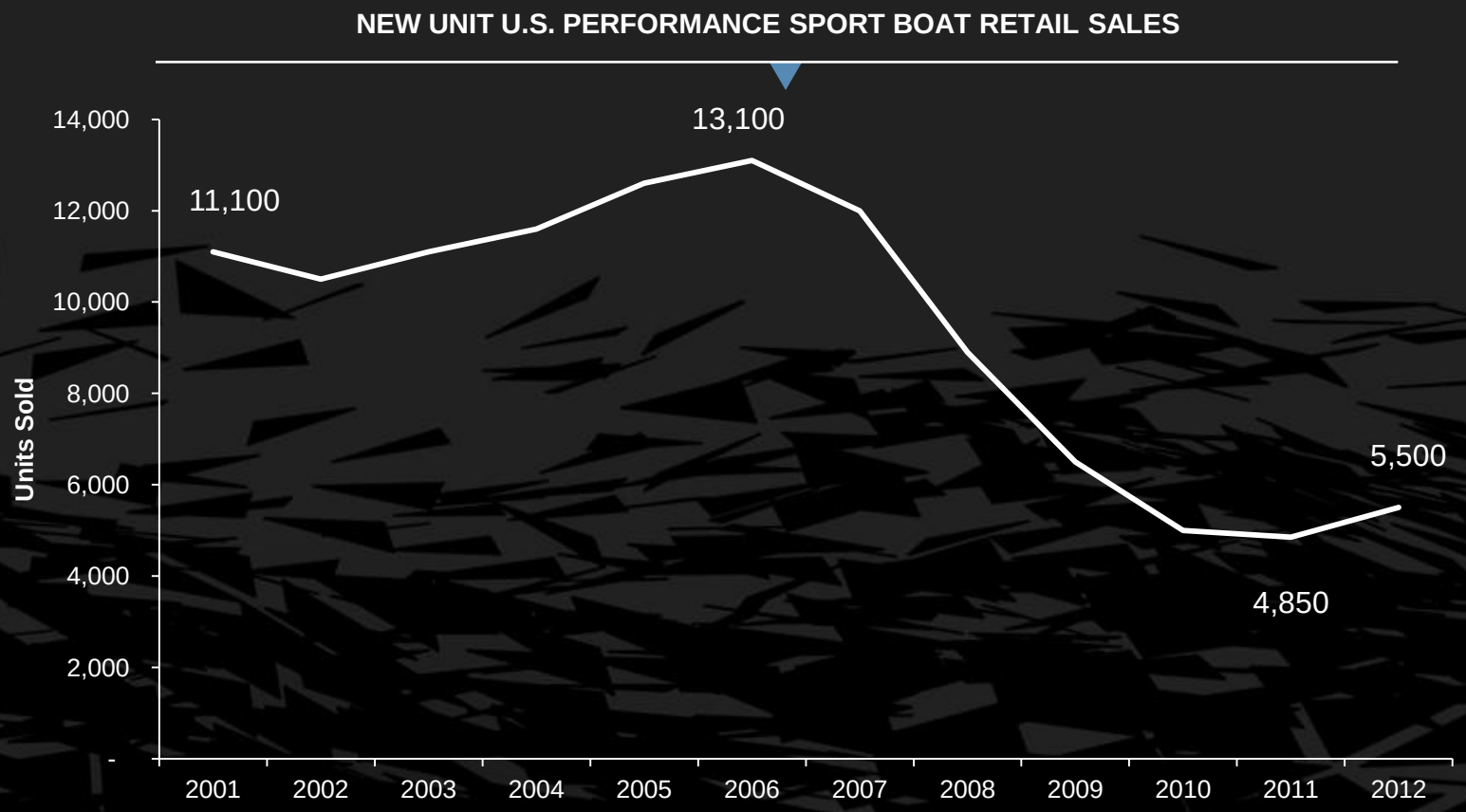


- **Capturing market share from our closest competitors through our innovative and diverse product offering**
- **Key performance sport boat manufacturers have remained relatively stable – making market share gains even more impressive**

Sources: National Marine Manufacturers Association and Statistical Surveys, Inc.

IN THE EARLY STAGES OF THE MARKET RECOVERY

- **U.S. performance sport boat sales grew 13% in 2012 but remained 53% below average annual new unit sales volume between 2001 and 2007 and 58% below the new units sold at the market peak in 2006**



Source: National Marine Manufacturers Association

LARGE, ADDRESSABLE MARKET OPPORTUNITY

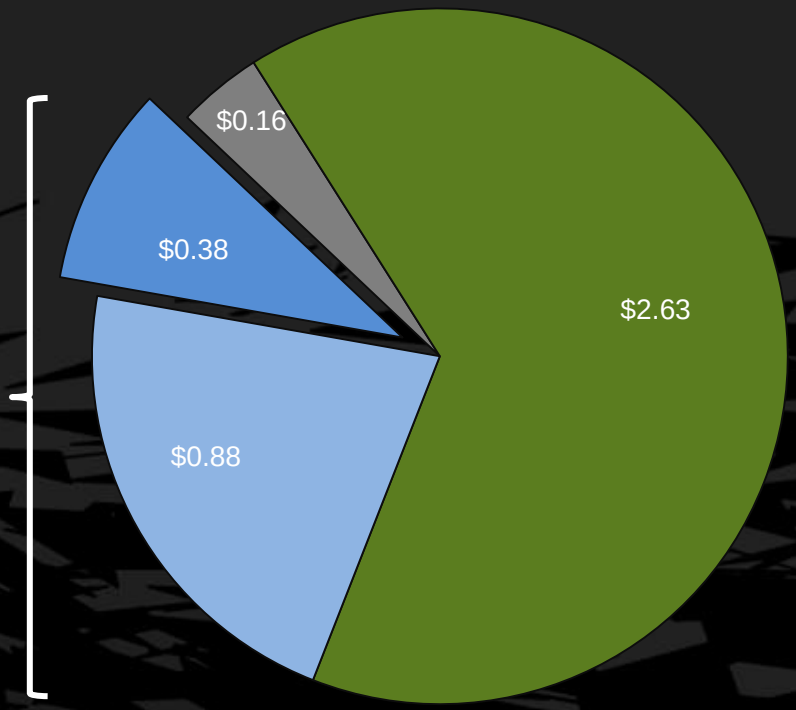
- **+$4 billion addressable U.S. market**
- **Core addressable market includes larger, adjacent powerboat categories (e.g. sterndrive)**

+$4 BILLION U.S. MARKET OPPORTUNITY[1] ($B)



$1.26B
Core Addressable U.S. Market







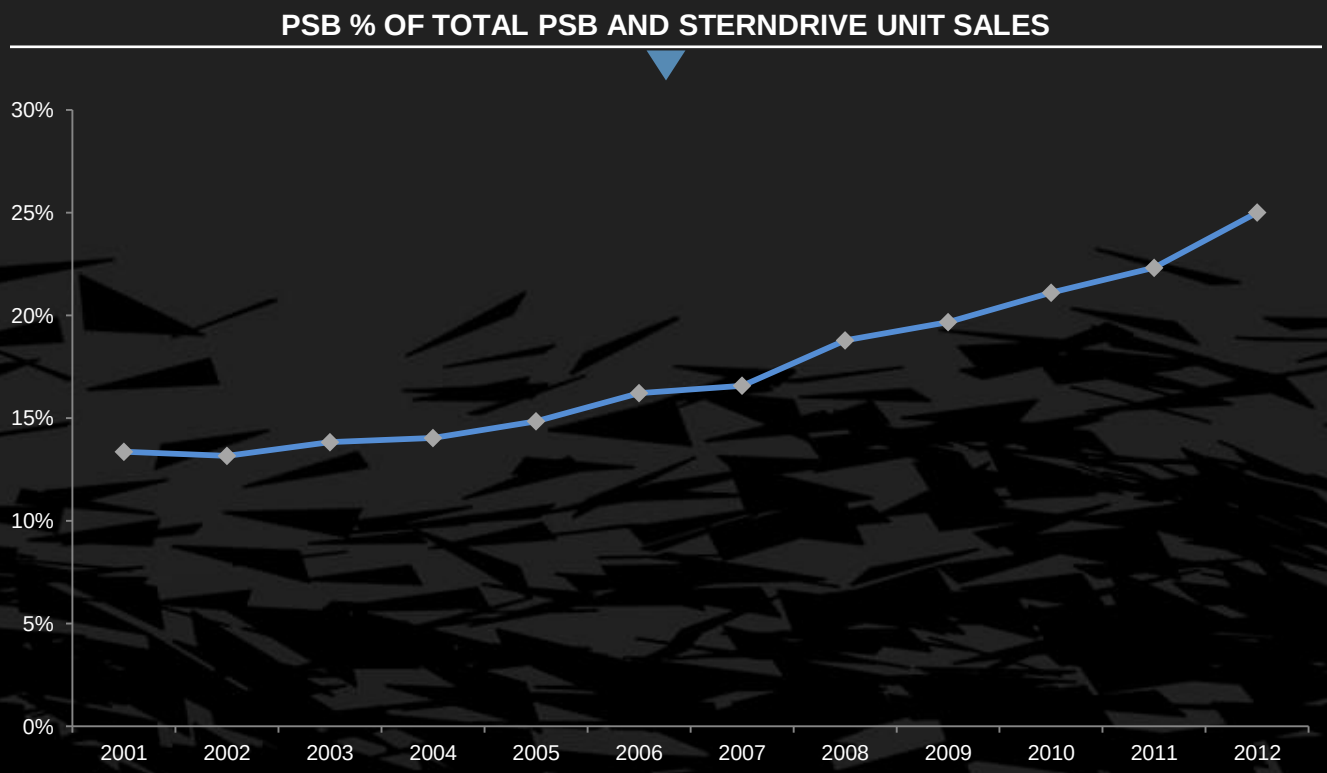




Source: National Marine Manufacturers Association
1. Based on 2012 U.S. retail sales.

PERFORMANCE SPORT BOATS TAKING SHARE

- **Performance sport boats are capturing meaningful market share within powerboat segment and the sterndrive category in particular**



Source: National Marine Manufacturers Association

VERSATILITY, INNOVATION DRIVING SHARE GAINS

Performance Sport Boats Have All of the Features and Functionality of Sterndrive Boats and More

OUTPERFORMANCE DRIVEN BY:

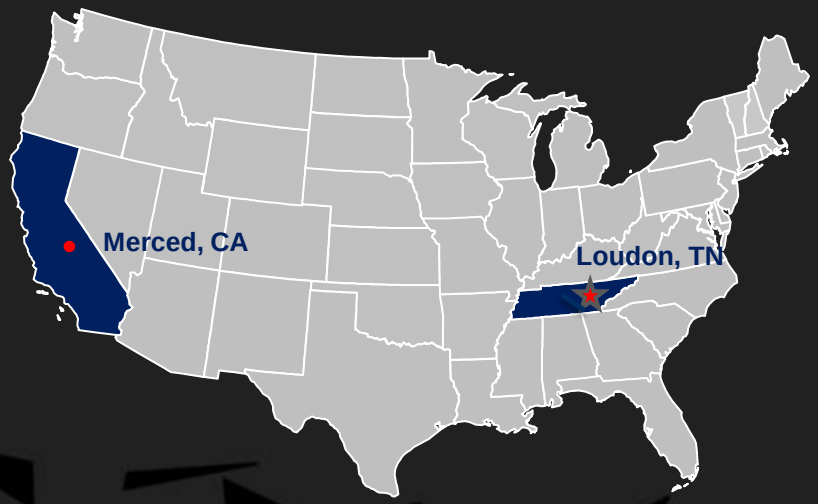
- New engineering and designs (V-drive propulsion, longer lengths and wider beams) which allow for a wide array of family and other water sport activities
- Attractive boat layout
- Superior handling, performance and safety
- Increasing popularity of wake surfing across all age categories
- Appeal to a broader consumer base that values boats for both water sports and general recreational boating

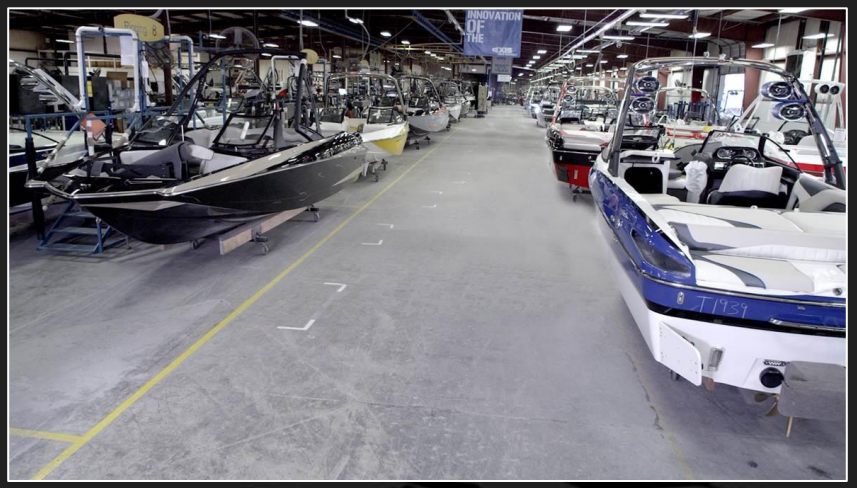
Malibu 24MXZ

WAKE SETTER



INTEGRATED DESIGN, ENGINEERING & MANUFACTURING…





Focus on Manufacturing Efficiency

- Primary manufacturing facility in Loudon, TN
- Dedicated research and development team and boat tower manufacturing – Merced, CA
- The only vertically integrated tower manufacturer in the industry – distinct margin advantage
- Continuous flow manufacturing process encompassing fabrication, assembly, quality management and testing
- Tight collaboration between engineering team and manufacturing personnel to improve product quality and process efficiencies
- Increased labor efficiency, reduced cost of materials, minimized re-work, and lowered warranty claims through on-going process improvements

INDUSTRY LEADER IN INNOVATION

Wake Enhancement
(Surf Gate, Wedge, Plug n Play Ballast)





Electronic Controls
(Touch Command, MaliView Presets)





Design
(G3 Tower, Hull, Interior)



STRATEGIES

- **New model introductions complemented by innovative new features and options**
- **Proprietary and first-to-market opportunities**
- **"Game changing," segment-defining features as well as more targeted enhancements**
- **Focus on delivering better performance, experience, functionality, convenience and safety**

BENEFITS

- ✓ **Creates brand differentiation within segment**
- ✓ **Grows barrier to entry from other segments**
- ✓ **Leads to market share growth**
- ✓ **Drives increased value (ASP, margin) per sale**
- ✓ **Helps optimize base boat vs. option pricing strategy**
- ✓ **Encourages new boat sales vs. used boats**

Dedicated R&D Department

12 Patents

14 Patent Applications Pending

26 Registered Trademarks

INDUSTRY GAME CHANGER – SURF GATE



SURF GATE®



Wake Surfing Opportunity

- Increasing popularity across age and experience spectrum due to low body impact and ease of learning
- Traditional boat preparation for surfing is time-consuming, inconsistent and cumbersome

Surf Gate Solution

- We were the first to market with a dedicated surf technology
- Proprietary, patented Surf Gate technology released in model year 2013 for Malibu boats
- Precisely engineered, electronically controlled, articulating panels produce a high-quality surf wake quickly and easily without leaning the boat
- Watersports Industry Association's *Innovation of the Year* in 2013
- Offered on both Malibu and Axis brand boats in model year 2014
- Multi-year product evolution plan to bolster the functionality and customization of the technology

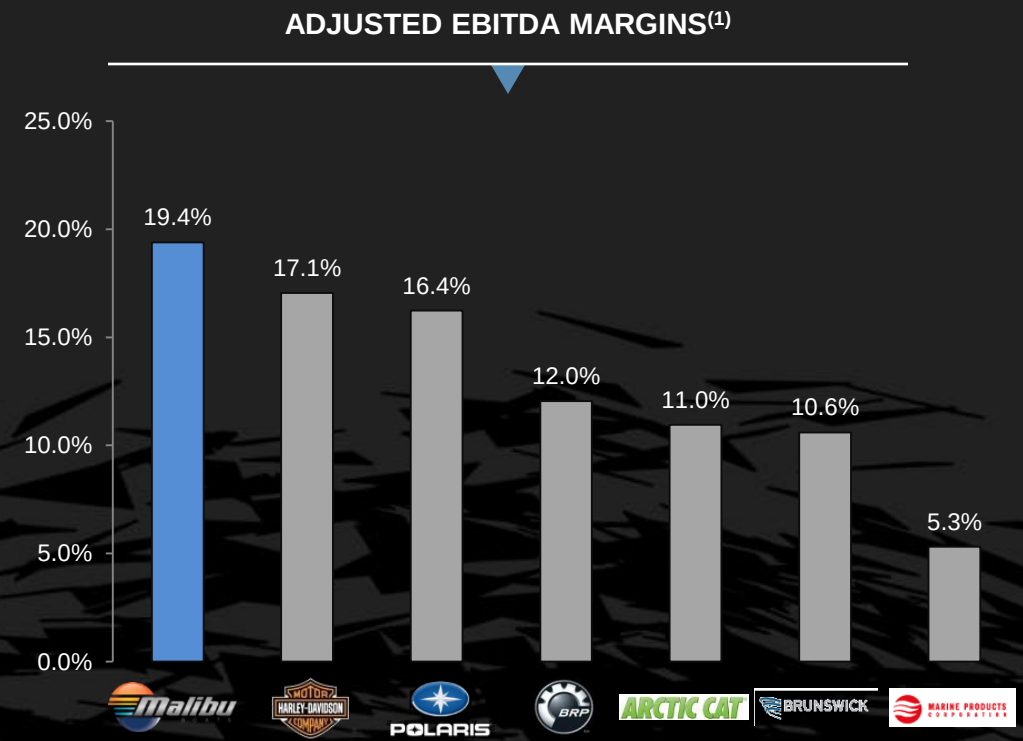
Malibu BOATS

COMPELLING MARGINS AND CASH FLOW

- **Industry leading Adjusted EBITDA margins relative to our boating and recreational product peers**

- **Rationalized cost base during the economic downturn**
  - **Consolidated manufacturing**
  - **Improved efficiency of the manufacturing process which reduced labor hours per boat**
  - **Collaboration between product development and manufacturing teams improved product throughput and quality**

- **Vertical integration of tower production increased incremental margin per boat**



1. Trailing twelve month Adjusted EBITDA margins per company filings as of the quarter ended September 30, 2013 (except for Bombardier Recreational Products, Inc. which is based on the quarter ended October 31, 2013). Financial services excluded from Harley Davidson, Inc. and Polaris Industries, Inc. results. See Appendix for a reconciliation of Adjusted EBBITDA margins to net (loss) income for such periods. We may calculate Adjusted EBTDA differently than other companies and , therefore, our Adjusted EBITDA may not be comparable to the Adjusted EBITDA or similarly titled measures of other companies.

GLOBAL, HIGH QUALITY DISTRIBUTION NETWORK

#1 market position in nearly 60% of our U.S. markets in FY13

139 dealer locations in the U.S. and Canada

49 international dealer locations in Europe, Asia, South America and Africa in addition to licensing arrangement with an Australian manufacturer

40% market share of performance sport boat exports to international market(1)

33 new North American dealer locations added in the last five years resulting in…

475 additional unit sales over the last five fiscal years

36% top ten dealers as a % of unit volumes in FY13 – no dealer concentration

18 dealer locations converted from selling competitors' products in the last five years

Sources: Statistical Surveys, Inc. and Port Import Export Reporting Service.
1. As of the twelve months ended September 30, 2013.

CONVERTING THE BEST DEALERS – TEXAS SKI RANCH

- Limited historical presence (12% market share) in South Texas region (excluding Austin, TX)
- Texas Ski Ranch ("TSR"), near San Antonio, is the pre-eminent cable park in the nation, drawing ~400,000 people per year
  - TSR has ~41% market share in the South Texas market
- Significant market opportunity





TEXAS Malibu
AUSTIN TEXAS SKI RANCH

- For 11 years, TSR had an exclusive partnership with a MasterCraft dealer, selling approximately 70 units annually
- Beginning FY14, Malibu displaced MasterCraft at the TSR dealer, which is now selling Malibu boats exclusively
- The South Texas dealer has been renamed Texas Malibu

Malibu Provides an Excellent Manufacturing Partnership for Dealers

Source: SSI.

Malibu BOATS

GROWTH STRATEGIES



MULTIPLE GROWTH OPPORTUNITIES

Strong Industry Fundamentals

- Industry sales at 58% of peak volume[1]
- Performance Sport Boats taking share
- Well-positioned to capitalize

New & Innovative Products

- New boat models
- New features
- Drive consumer interest and margin growth

SURF GATE®

Capture Additional Share

- Take share from other boating segments (e.g. sterndrive)
- Take share from other performance sport boat manufacturers
- Driven by innovation, features, design and performance



Optimize Dealer Network

- Identify locations for expansion
- Convert dealers from competitors' products
- Penetrate underserved markets



International Expansion

- Leverage brand recognition
- Promote products in developed markets
- Penetrate new and emerging markets
- Conversion of master distributors to Malibu-direct

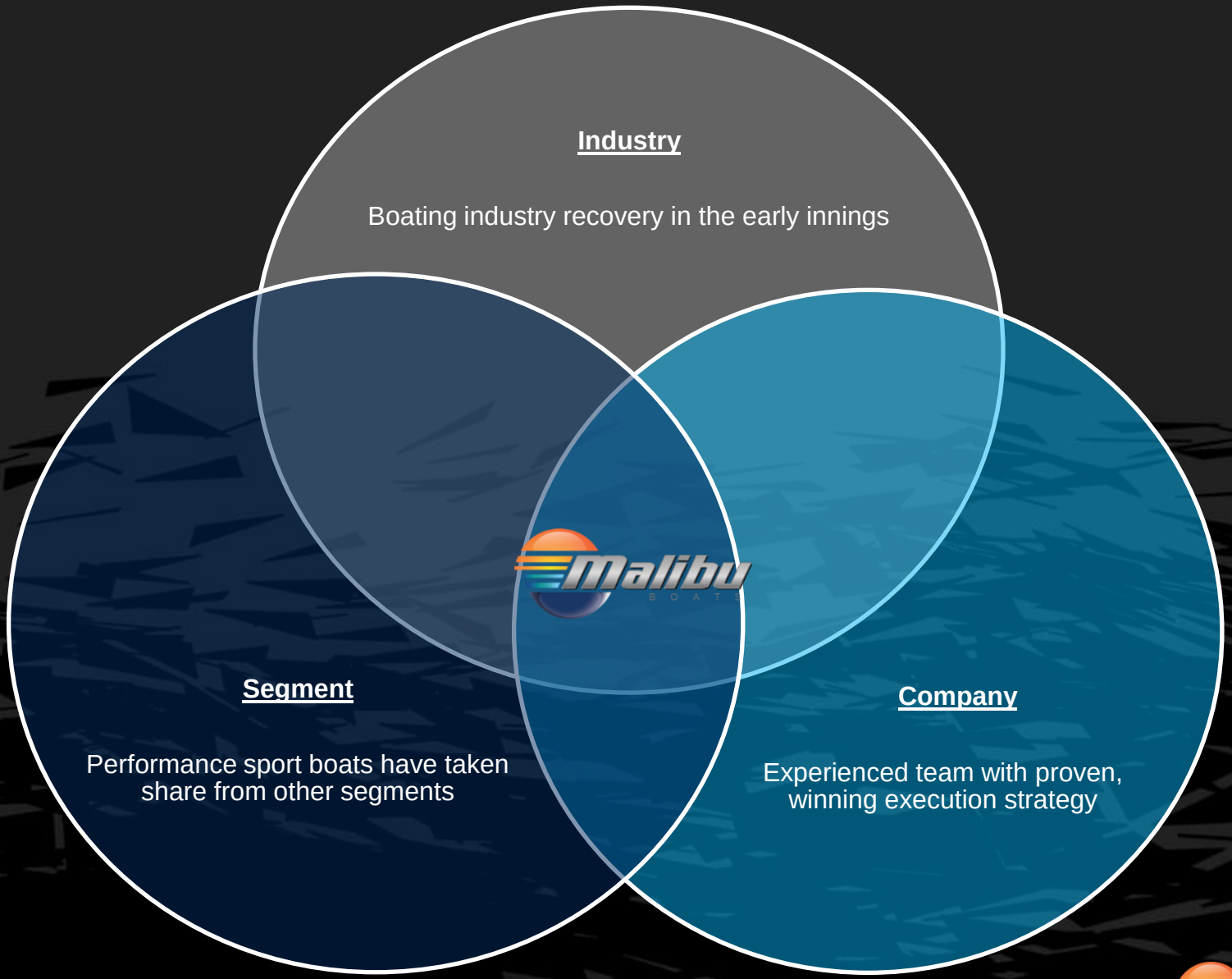


Source: National Marine Manufacturers Association

1. Based on 2012 U.S. retail sales.

Malibu BOATS

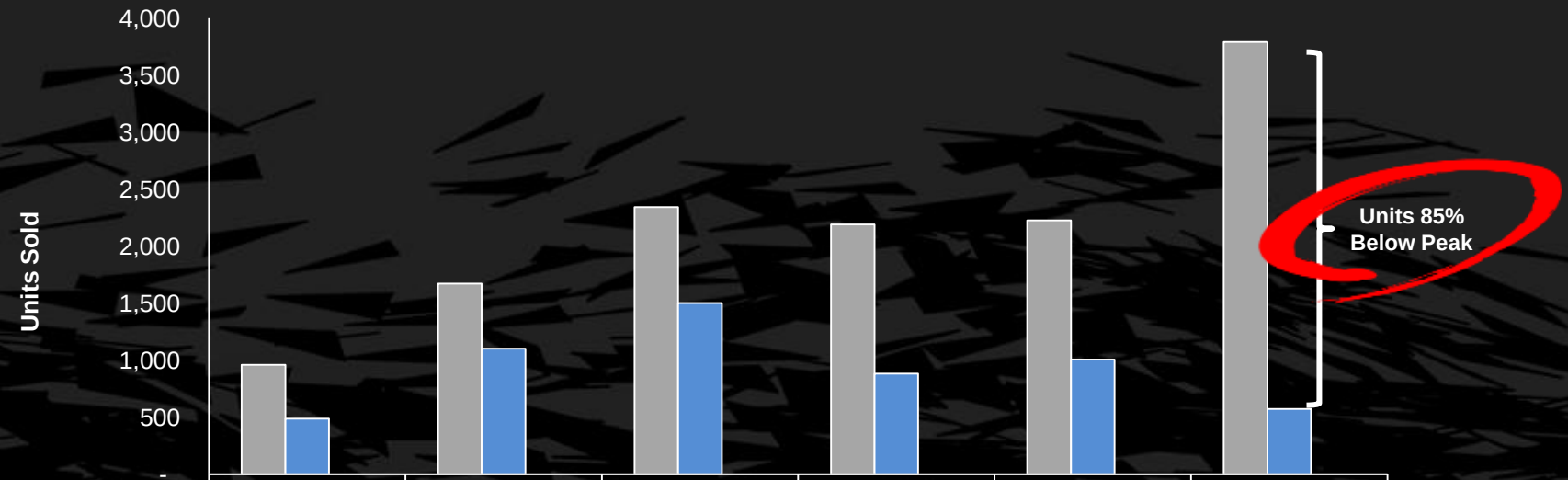
MALIBU IS WELL-POSITIONED AMIDST FAVORABLE TRENDS



RUNWAY FOR BOATING RECOVERY IN ALL U.S. MARKETS

- **Market position should allow us to capitalize on a boating recovery in all U.S. regions**
- **The Southwest U.S., the largest U.S. market in FY06, experienced the largest declines during the recession and is in the very early innings of the recovery**

PERFORMANCE SPORT BOAT MARKET SIZE AND MARKET SHARE BY REGION



	East	Gulf Coast	Midwest	Northwest	Southeast	Southwest
FY06	962	1,674	2,344	2,191	2,228	3,791
FY13	489	1,104	1,502	884	1,007	574
FY13 Market Share	35%	30%	32%	29%	30%	39%

Source: Statistical Surveys, Inc.

TWO-PRONGED PRODUCT DEVELOPMENT STRATEGY

The Release of New Products and Features Multiple Times Throughout the Year is a Key Competitive Advantage

Introduce New Boat Models



Goal
Target unaddressed or underserved segments of the performance sport boat category

Develop & Integrate New Features

SURF GATE®



Goal
Drive demand and enhance Malibu's reputation as a leading-edge boat manufacturer

EXPANDING REACH INTO ENTRY MARKET– AXIS

- **Launched in FY 2009 as a de novo brand**
  - **Entry-level, lower price point product appealing to younger demographic**
- **Recent developments driving growth**
  - **3rd model – A24 – released August 2013**
  - **Surf Gate available for option on all Axis models as of August 2013**
  - **T22 released December 2013 – first traditional bow Axis product**
- **#6 brand in the segment (6.0% overall market share[1])**
- **Revenue contribution in excess of 14% in FY13**
- **WSIA *Innovation of the Year* Award and *Australian Boat of the Year* Award**
- **Significant opportunity for product line expansion**



AXIS WAKE RESEARCH



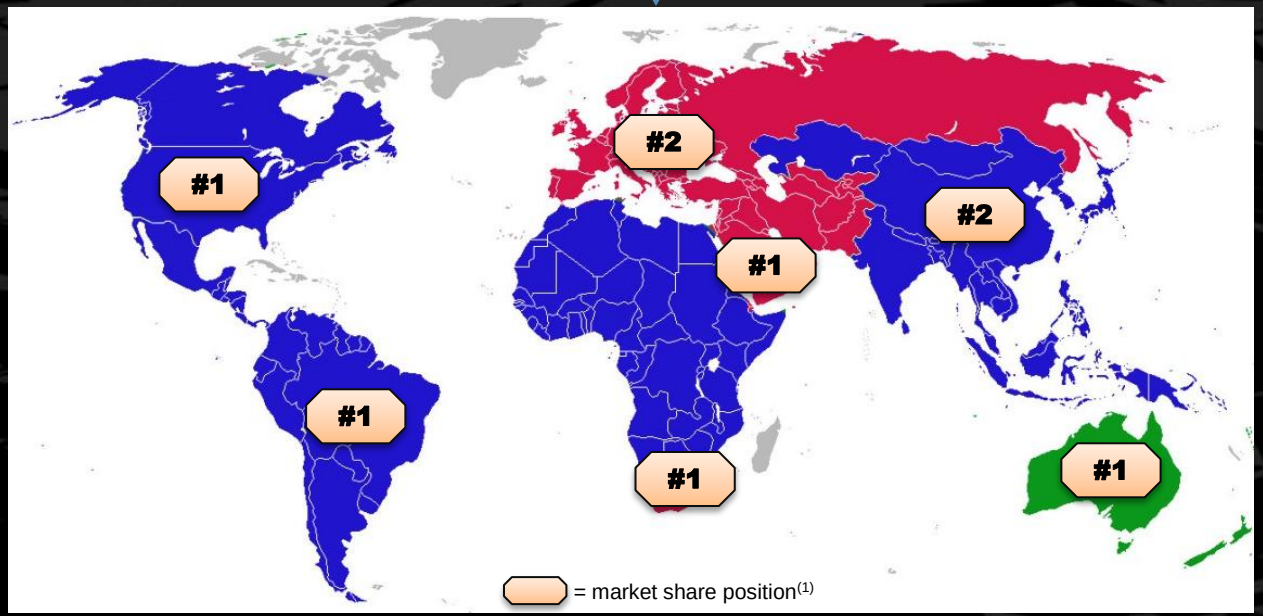
1. Source: Statistical Surveys, Inc.; for the nine months ended September 30, 2013.

Malibu BOATS

ACCELERATE INTERNATIONAL EXPANSION

- **Currently the #1 or #2 U.S. brand exported to most major markets**
- **Historically, lower strategic priority – less than 5% of 2013 unit sales from outside North America**
- **Recently expanded direct coverage of important markets**
- **Significant global opportunity**
  - **Developed markets –> increase sales and marketing efforts with well-established dealers**
  - **New markets –> penetrated new territories and capitalize on economic growth of key emerging markets, such as South America**

INTERNATIONAL DEALER COVERAGE



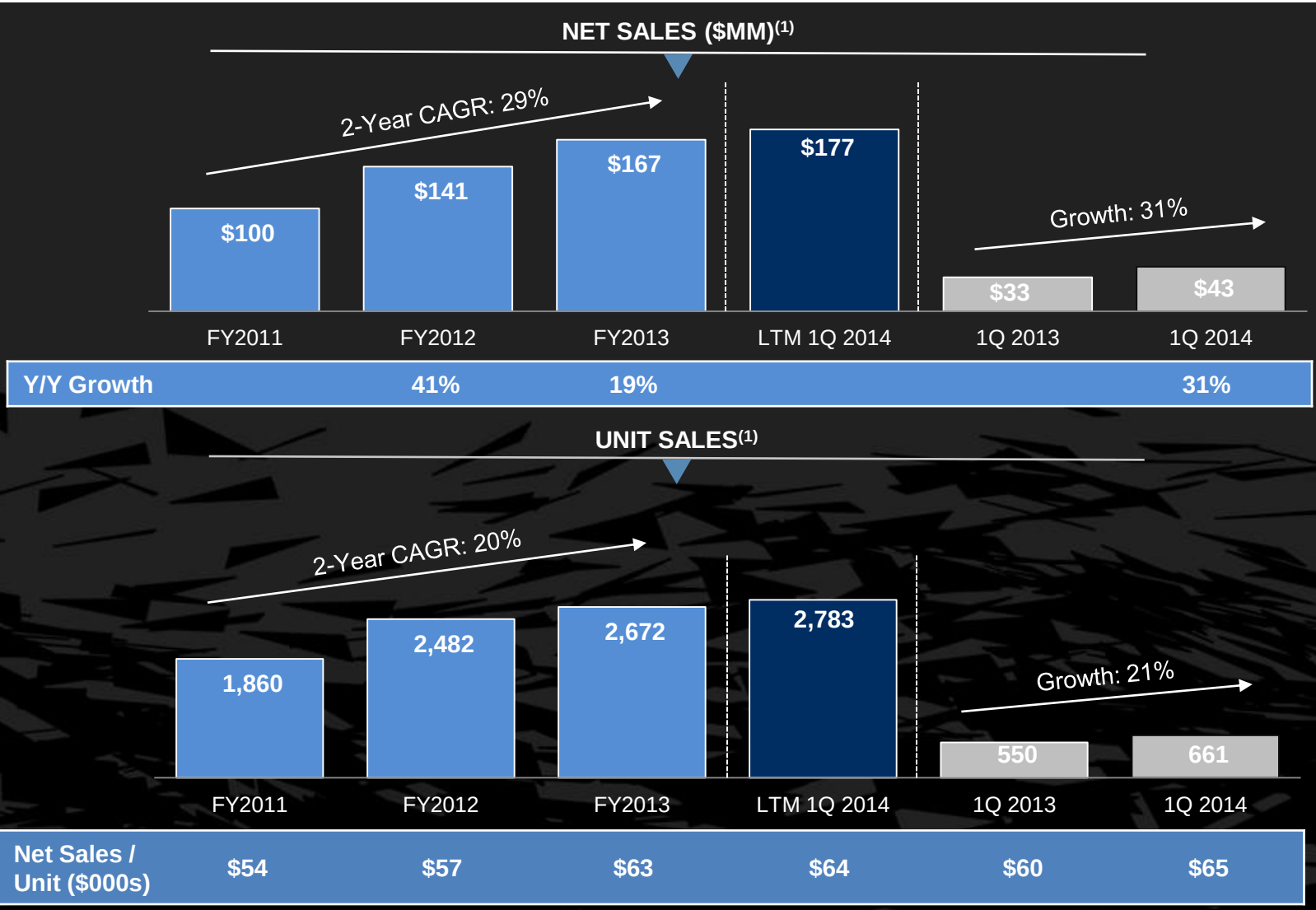
Source: Port Import Export Reporting Service.

1. Market share position based on U.S. exports for the nine months ended September 30, 2013.

FINANCIAL OVERVIEW



PROVEN PERFORMANCE



1. FYE June 30; 1Q ended September 30.

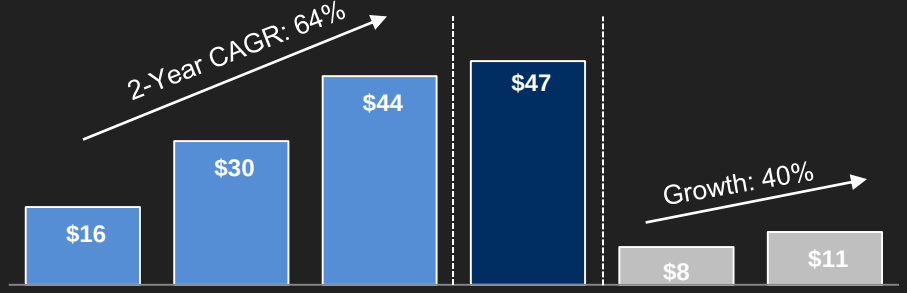
PROVEN PERFORMANCE (CONT.)

- **Gross margin has improved significantly as a result of:**
  - New disciplined operational management
  - Operational restructuring and vertical integration of manufacturing
  - Improved labor efficiency
  - Higher margin features and options
  - Operating leverage

- **FY13 Adjusted EBITDA margins are in excess of gross margin levels achieved in FY11**

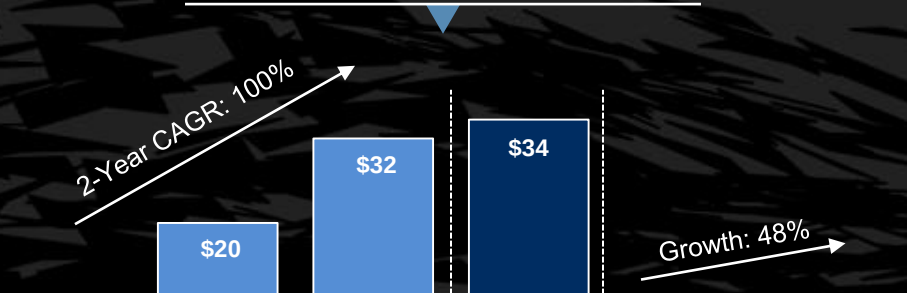
- **Significant investments in personnel and infrastructure position us for continued growth**

GROSS PROFIT ($MM)[1]



	FY2011	FY2012	FY2013	LTM 1Q 2014	1Q 2013	1Q 2014
Margin	16%	21%	26%	26%	24%	26%

ADJUSTED EBITDA ($MM)[1]



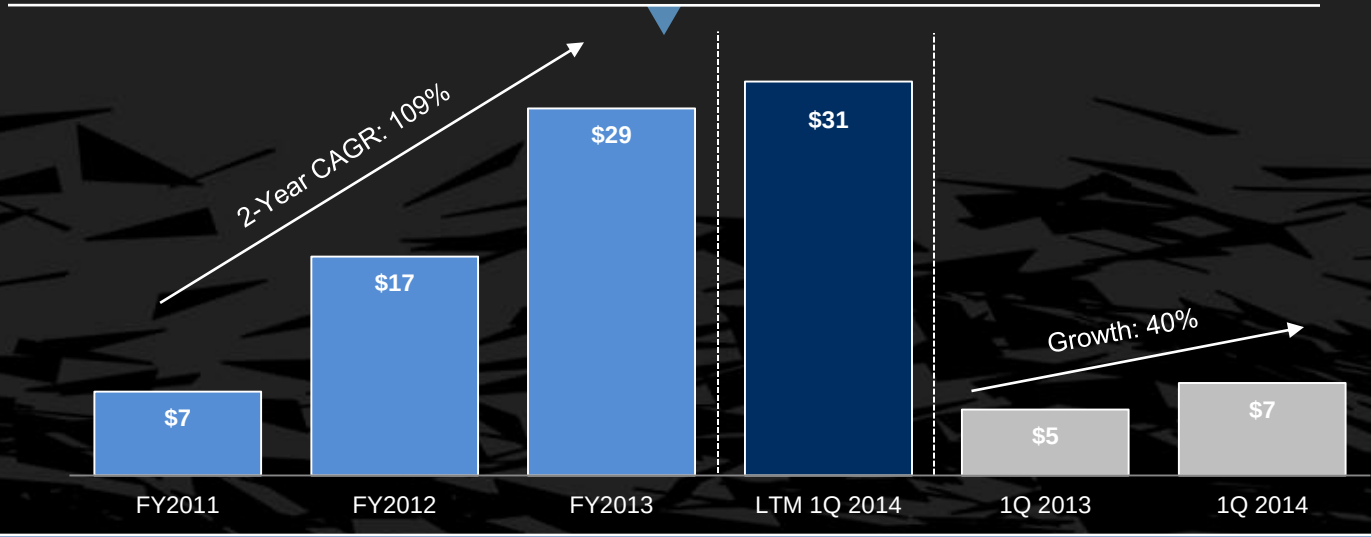
	FY2011	FY2012	FY2013	LTM 1Q 2014	1Q 2013	1Q 2014
Margin	8%	14%	19%	19%	17%	19%

1. FYE June 30; 1Q ended September 30. See Appendix for a reconciliation of Adjusted EBITDA to net income (loss) for such periods

STRONG CASH FLOW GENERATION

- **Strong free cash flow generation is a result of healthy operating margins and low capital requirements (CapEx <2% of sales)**
- **Highly efficient working capital cycle**

FREE CASH FLOW ($MM)[1][2]

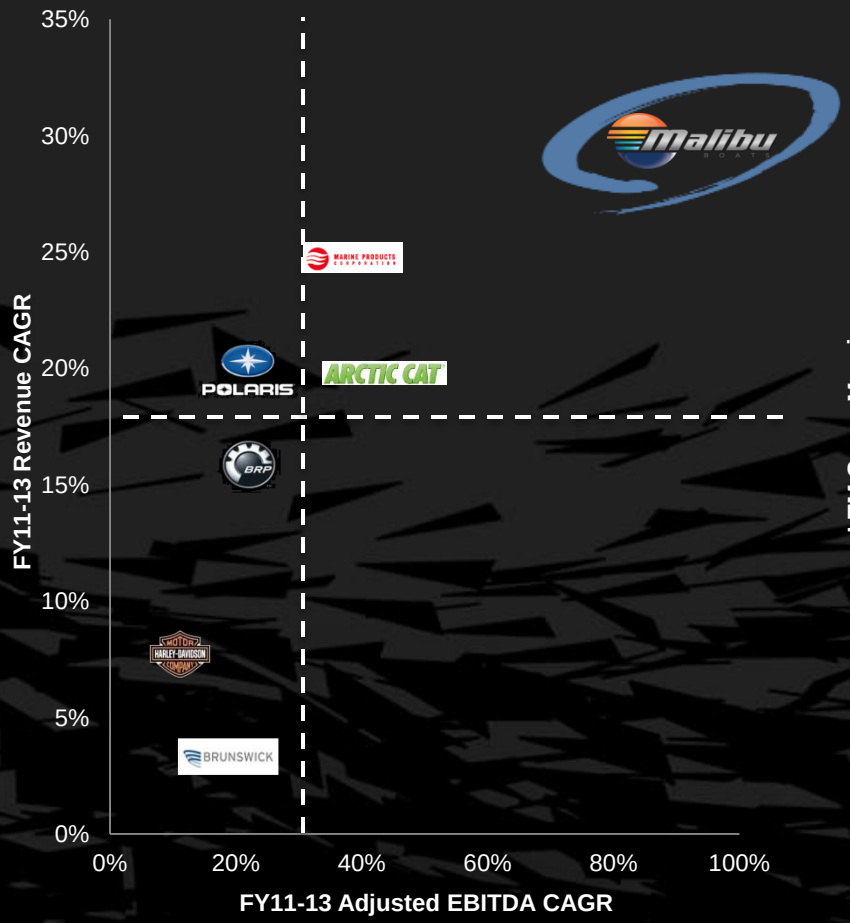


	FY2011	FY2012	FY2013	LTM 1Q 2014	1Q 2013	1Q 2014
FCF % of Adjusted EBITDA	84%	87%	91%	90%	94%	89%

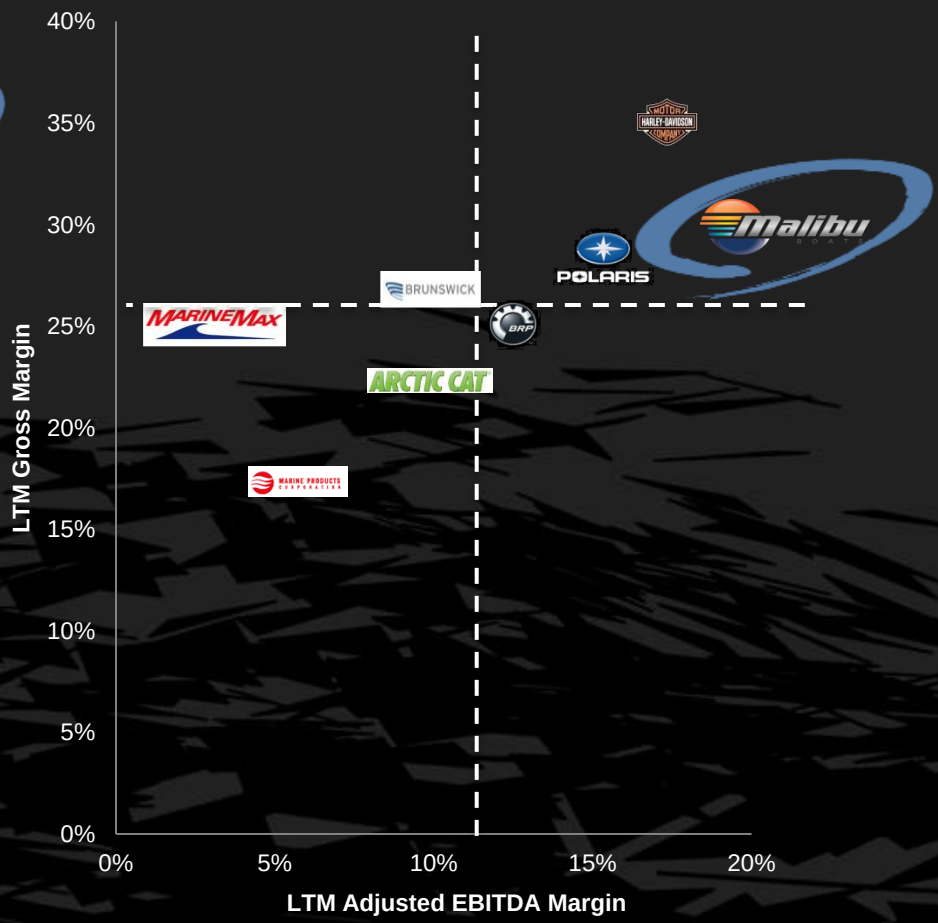
1. Free Cash Flow = Adjusted EBITDA less Capital Expenditures. See Appendix for a reconciliation of Free Cash Flow to net (loss) income for such periods
2. FYE June 30; 1Q ended September 30.

A WINNING COMBINATION OF GROWTH AND PROFITABILITY

MALIBU COMBINES *LEADING* GROWTH



…WITH *TOP-TIER* PROFITABILITY



Note: CAGRs based on trailing twelve month financials from June 30, 2011 to June 30 2013 to reflect Malibu's fiscal year end (except for Bombardier Recreational Products, whose financials reflect fiscal years from January 31, 2011 to January 31, 2013); dotted lines represent median figures for the comp group; Harley Davidson Financial Services division excluded from Harley Davidson, Inc. financials; MarineMax EBITDA CAGR not meaningful. See Appendix for a reconciliation of Adjusted EBBITDA margins to net (loss) income for such periods. We may calculate Adjusted EBTDA differently than other companies and , therefore, our Adjusted EBITDA may not be comparable to the Adjusted EBITDA or similarly titled measures of other companies.

FIVE-YEAR PERFORMANCE TARGETS

METRIC	TARGET
Revenue Growth	10% +
Adjusted EBITDA Margin	20% +
Long-Term EPS Growth	15% +

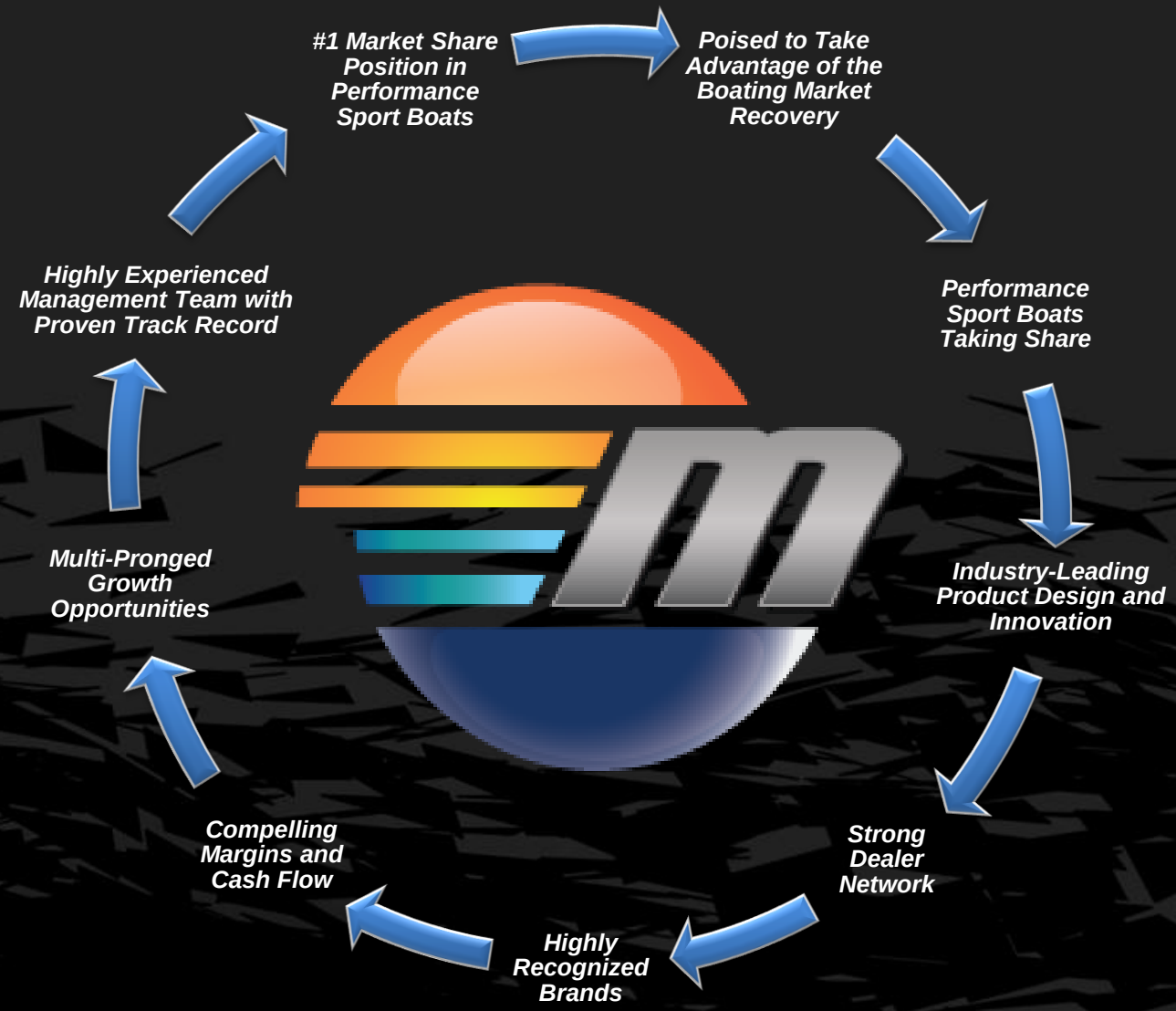
FORTRESS BALANCE SHEET

- **Debt free balance sheet and strong free cash flow creates tremendous stability and flexibility**

($ in millions)	As of September 30, 2013	
	Actual	**Pro Forma**
Cash & Equivalents	**$4.7**	**$6.5**
Revolving Credit Facility	-	-
Term Loan	64.2	-
Total Debt	**$64.2**	**-**
Total Equity	(32.5)	36.1
Total Capitalization	**$31.7**	**$36.1**
Total Debt to LTM Adjusted EBITDA(1)	**1.9x**	**0.0x**

1. LTM Adjusted EBITDA of $34.4mm. See Appendix for a reconciliation of Adjusted EBITDA to net (loss) income for the twelve months ended September 30, 2013.

KEY TAKEAWAYS



APPENDIX



ADJUSTED EBITDA AND FREE CASH FLOW RECONCILIATION

	Year Ended June 30,			Quarter Ended September 30,		Twelve Months Ending September 30, 2013
($ in millions)	2011	2012	2013	2012	2013	
Net Income	**$(0.5)**	**$11.1**	**$18.0**	**$0.6**	**$5.2**	**$22.5**
Interest Expense	1.8	1.4	1.3	0.4	1.2	2.1
Depreciation & Amortization	6.0	6.1	6.3	1.6	1.6	6.2
Severance & Relocation	0.1	0.2	0.2	0.2	0.0	0.0
Management Fees & Expenses	0.0	0.1	2.9	2.1	0.0	0.8
Professional Fees	0.4	0.9	3.0	0.6	0.2	2.6
Non-cash Compensation Expense	0.1	0.1	0.1	0.0	0.0	0.1
Adjusted EBITDA ***% Margin***	**$7.9** ***7.9%***	**$19.9** ***14.1%***	**$31.8** ***19.0%***	**$5.5** ***16.6%***	**$8.2** ***18.8%***	**$34.4** ***19.4%***
Capital Expenditures	(1.4)	(2.7)	(2.9)	(0.3)	(0.9)	(3.4)
Free Cash Flow	**$6.5**	**$17.3**	**$28.9**	**$5.2**	**$7.3**	**$31.0**