

MALIBU BOATS INC.

Fourth Quarter 2015 Earnings Results

September 9, 2015

Safe Harbor Statement

Statements in this presentation that are not purely historical, including statements regarding Malibu Boats, Inc.'s ("Malibu Boats") intentions, hopes, beliefs, expectations, representations, projections, estimates, plans or predictions of the future are forward-looking statements within the meaning of 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," "should," "continue," and similar expressions, comparable terminology or the negative thereof.

The forward-looking statements involve risks and uncertainties including, but not limited to, the risk that Malibu Boats will not be able to grow its market share in the performance sport boat industry, successfully introduce new products, meet its full-year outlook targets and obtain its expected results from the acquisition of its Australian licensee. It is important to note that Malibu Boats' actual results could differ materially from those in any such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, general economic conditions, demand for Malibu Boats' products, changes in consumer preferences, competition within our industry, reliance on a network of independent dealers, Malibu Boats' ability to manage its manufacturing levels and large fixed cost base, the successful introduction of new products and other factors. Many of these risks and uncertainties are outside Malibu Boats' control, and there may be other risks and uncertainties which Malibu Boats does not currently anticipate because they relate to events and depend on circumstances that may or may not occur in the future. Malibu Boats' business could be affected by a number of other factors, including the risk factors listed from time to time in Malibu Boats' SEC reports including, but not limited to, the Annual Report on Form 10-K for the year ended June 30, 2015. Malibu Boats can give no assurance that its expectations will be achieved. Malibu Boats cautions investors not to place undue reliance on the forward-looking statements contained in this presentation. Malibu Boats disclaims any obligation, and does not undertake to update or revise any forward-looking statements in this presentation. 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.

Use and Definition of Non-GAAP Financial Measures

This presentation includes the following financial measures defined as non-GAAP financial measures by the SEC: Adjusted EBITDA and Adjusted Fully Distributed Net Income. These measures have limitations as analytical tools and should not be considered as an alternative to, or more meaningful than, net income as determined in accordance with GAAP or as an indicator of our liquidity. Our presentation of these non-GAAP financial measures should also not be construed as an inference that our results will be unaffected by unusual or non-recurring items. Our computations of these non-GAAP financial measures may not be comparable to other similarly titled measures of other companies.

We define Adjusted EBITDA as earnings (loss) before interest expense, income taxes, depreciation, amortization and non-cash, non-recurring and non-operating expenses, including management fees and expenses, certain professional fees and litigation related settlement expenses, acquisition and integration related expenses, non-cash compensation expense and offering related expenses. Management believes Adjusted EBITDA is useful because it allows management to evaluate our operating performance and compare the results of our operations from period to period and against our peers without regard to our financing methods, capital structure and non-recurring and non-operating expenses. We exclude the items listed above from net income in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures, the methods by which assets were acquired and other factors.

We define Adjusted Fully Distributed Net Income ("AFDNI") as net income attributable to Malibu (i) excluding income tax expense, (ii) excluding the effect of non-recurring and non-cash items, (iii) assuming the exchange of all Units ("LLC Units") of Malibu Boats Holdings, LLC (the "LLC") into shares of Class A common stock, which results in the elimination of noncontrolling interest in the LLC, and (iv) reflecting an adjustment for income tax expense on fully distributed net income before income taxes (assuming no income attributable to non-controlling interests) at our estimated effective income tax rate. Adjusted Fully Distributed Net Income is a non-GAAP financial measure because it represents net income (loss) attributable to Malibu Boats, Inc., before non-recurring or non-cash items and the effects of noncontrolling interests in the LLC. We use Adjusted Fully Distributed Net Income to facilitate a comparison of our operating performance on a consistent basis from period to period that, when viewed in combination with our results prepared in accordance with GAAP, provides a more complete understanding of factors and trends affecting our business than GAAP measures alone. We believe Adjusted Fully Distributed Net Income assists our board of directors, management and investors in comparing our net income (loss) on a consistent basis from period to period because it removes non-cash and non-recurring items, and eliminates the variability of noncontrolling interest as a result of member owner exchanges of LLC Units into shares of Class A Common Stock.

A reconciliation of our net income (loss) as determined in accordance with GAAP to Adjusted EBITDA, and of our net income (loss) attributable to Malibu Boats, Inc. to Adjusted Fully Distributed Net Income is provided in the appendix to these slides.

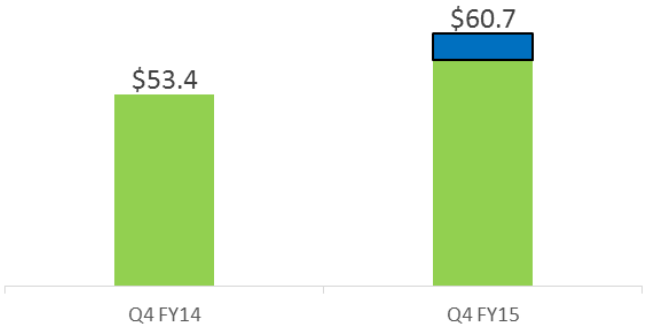


Jack Springer
Chief Executive Officer
MALIBU BOATS INC.

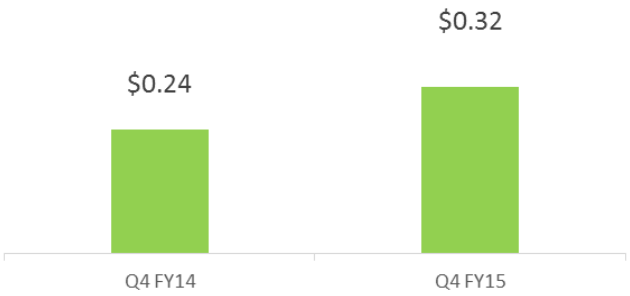
Quarter Commentary

- Record 4th quarter net sales, gross profit, Adjusted EBITDA, and AFDNI
  - Sales are up approximately 14% year-over-year
- Net sales per unit increased 0.5%
  - 4.3% increase in US
  - Offset by Australia impact
- Continued strong profit growth

Net Sales(1)



AFDNI(2)



(1) The blue section of the graph represents incremental results from our Australian Licensee acquired on October 23, 2014.

(2) See Appendix for a reconciliation of Net Income (Loss) to Adjusted Fully Distributed Net Income.

Market Commentary

- Retail Momentum
  - Q2 market share improvement
  - Domestic registration strength
- Dealer inventory levels are healthy
  - Estimated inventory up a couple weeks over prior year
  - Continued healthy and industry leading turns at dealer level
- Consistent market share leadership

Domestic Market Growth (1)

H1 CY2015 - ~10%

Market Share (1)

H1 CY2015 about flat

Believe new product pipeline positions us well for future gains

1. Source: Statistical Surveys, Inc. (“SSI”).

Key Takeaways

- Boating industry still in recovery and performance boat segment has started calendar 2015 at a slower pace than the past three years
- International challenges continue due to currency headwinds
- MY2016 Product – Malibu Focus
  - New Models including the all-new 25 LSV, 20 VTX and more to come…
  - New and updated features – Rider control with Surf Band for Surf Gate, premium interior, new windshields and backup camera
- Continuing to execute operationally
  - Smooth start to trailer vertical integration and margin potential
  - Operations to benefit from our recent investments in facilities

MALIBU BOATS – EARNINGS RELEASE



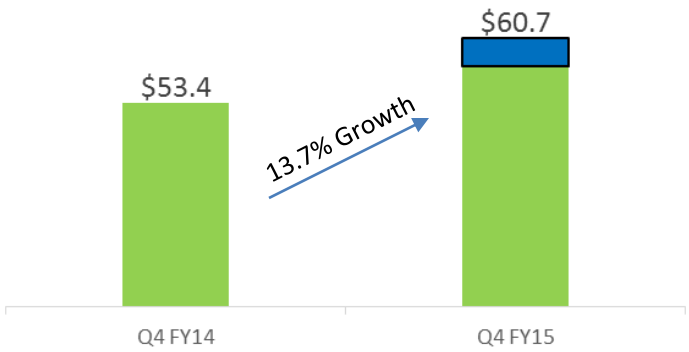
Wayne Wilson

Chief Financial Officer

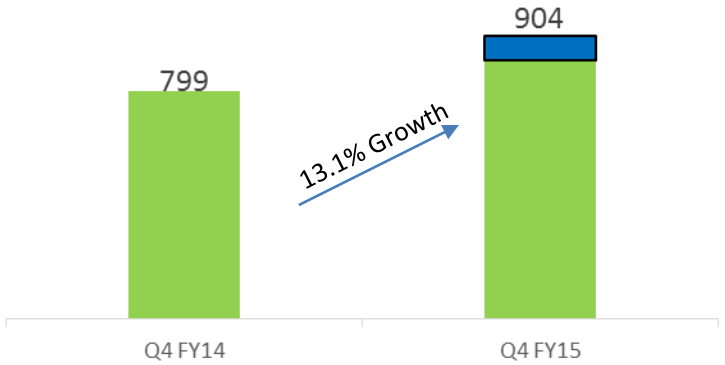
MALIBU BOATS INC.

4th Quarter Fiscal 2015 Comparable Results

Net Sales (1)



Volume (1)



Net Sales per Unit



Net Sale per Unit Components

- Year-over-year price increases
- Higher optional feature selection
- Mix shift to Axis
- Australia drag (4.3% ex. Australia)

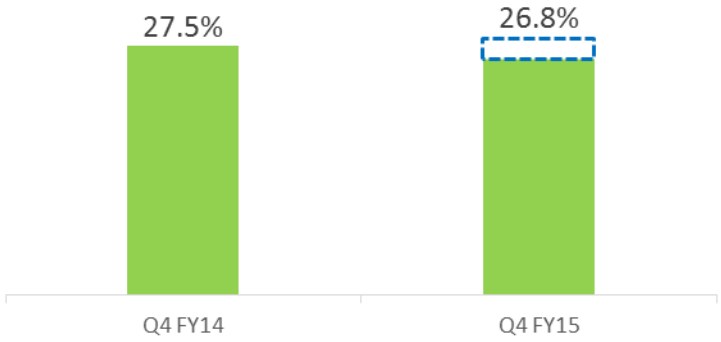
(1) The blue section of the graph represents incremental results from our Australian Licensee acquired on October 23, 2014.

CONTINUED GROWTH…

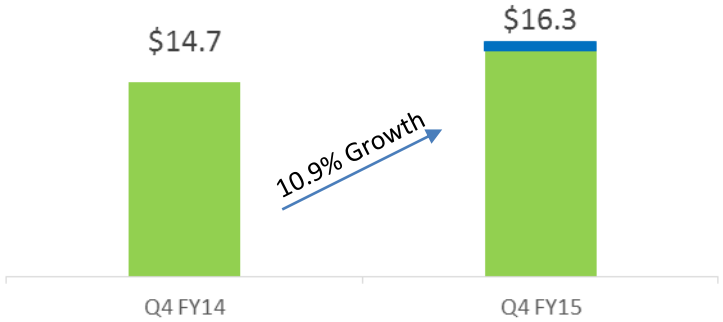
+ THE TRUTH IS ON THE WATER + THE TRUTH IS ON THE WATER + THE TRUTH IS ON THE WATER + THE TRUTH IS ON

4th Quarter Fiscal 2015 Comparable Results

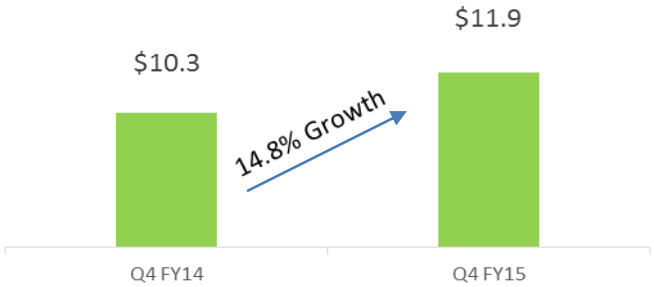
Gross Profit(1)



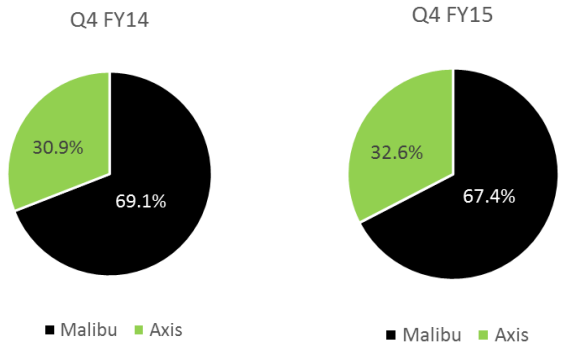
Gross Margin(2)



EBITDA(3)



Mix Comparison



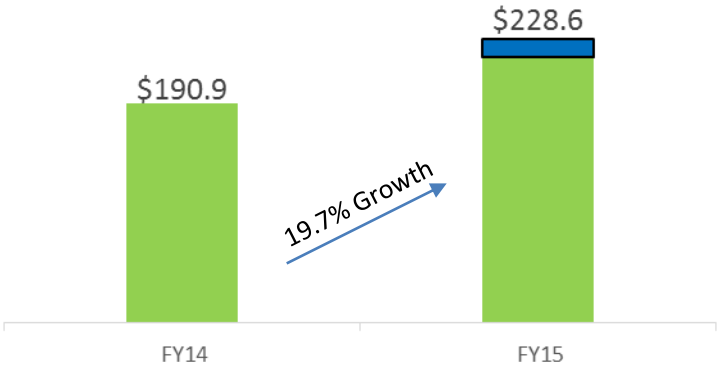
(1) The dotted section of the graph represents detrimental impact from our Australian Licensee acquired on October 23, 2014.
(2) The blue section of the graph represents incremental results from our Australian Licensee acquired on October 23, 2014.
(3) See Appendix for a reconciliation of Non-GAAP Adjusted EBITDA to Net Income (Loss).

…AND PERFORMANCE

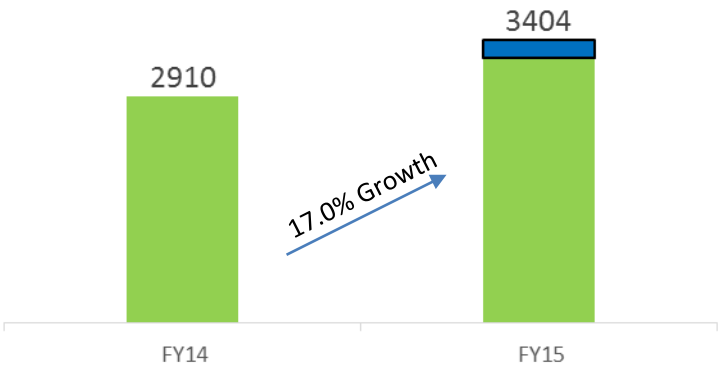
+ THE TRUTH IS ON THE WATER + THE TRUTH IS ON THE WATER + THE TRUTH IS ON THE WATER + THE TRUTH IS ON

Fiscal Year 2015 Comparable Results

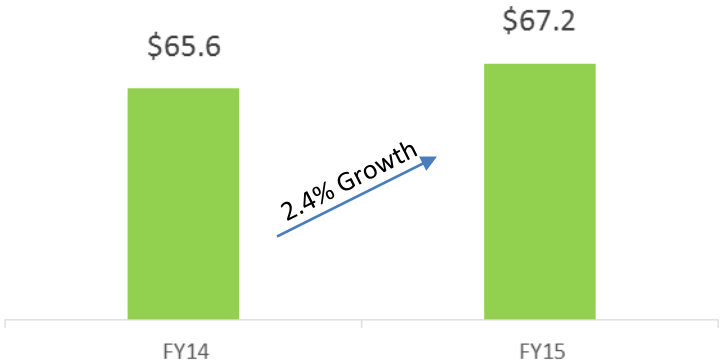
Net Sales (1)



Volume (1)



Net Sales per Unit



Net Sale per Unit Components

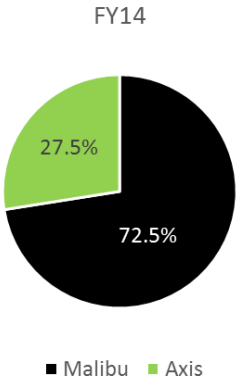
- Year-over-year price increases
- Higher take rates on optional features
- Mix shift to Axis
- Australia drag (US up 5.1%)

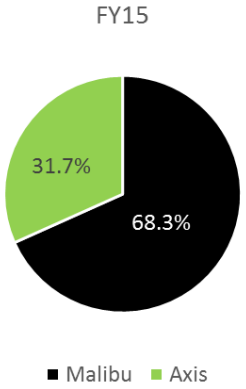
(1) The blue section of the graph represents incremental results from our Australian Licensee since acquisition on October 23, 2014.

CONTINUED GROWTH…

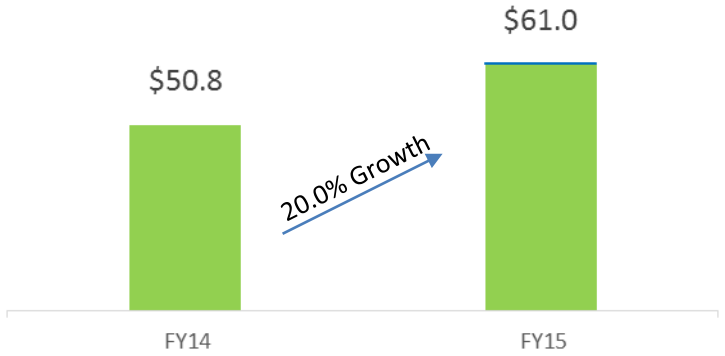
Fiscal Year 2015 Comparable Results

Mix Comparison

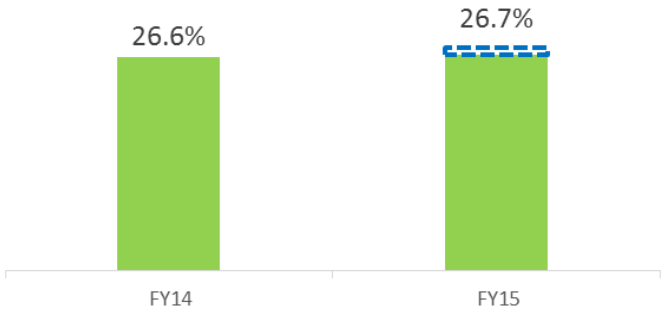




Adj. Gross Profit (1)(2)



Adjusted Gross Margin(1)(3)



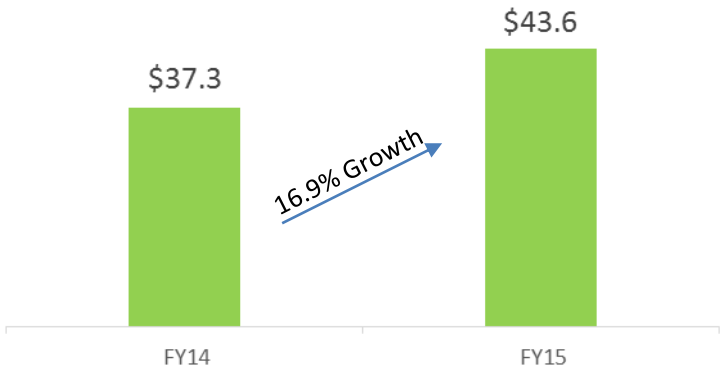
(1) FY 2015 Gross Profit adjusted for $600k in Australia acquisition related cost of goods sold.
(2) The blue section of the graph represents incremental results from our Australian Licensee since acquisition on October 23, 2014.
(3) The dotted section of the graph represents detrimental impact from our Australian Licensee since acquisition on October 23, 2014.

…AND PERFORMANCE

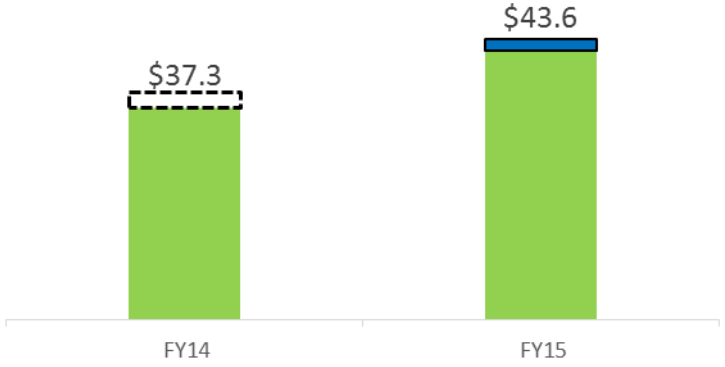
+ 60,000+ BOATS ON THE WATER—AND COUNTING + 60,000+ BOATS ON THE WATER—AND COUNTING + 60,000+ BOATS

Fiscal Year 2015 Comparable Results

Adjusted EBITDA (1)



Adj. EBITDA – Comparable Basis (1)(2)(3)



Adjusted EBITDA

- Strong growth driven by increased volume and Australia acquisition
- Some incremental public company expenses were incurred in FY15 that were not incurred in FY14

(1) See Appendix for a reconciliation of Non-GAAP Adjusted EBITDA to Net Income (Loss).
(2) The blue section of the graph represents incremental results from our Australian Licensee since acquisition on October 23, 2014.
(3) The dotted section represents public company expenses incurred in FY15 and not in FY14

Full Year Outlook

Metric	Target
Unit Volume	Mid to high single digit
Mix	Axis % flat Y/Y
Net Sales per Unit	Low single digits Down Y/Y in Q1
Gross Margin	Modest margin expansion
Legal Expenses	$1-1.5 million
Adjusted EBITDA Margin	Modest margin expansion Substantially more growth H2

APPENDIX



Reconciliation of Net Income (loss) to Non-GAAP Adjusted EBITDA and Adjusted EBITDA Margin (Unaudited):

The following table sets forth a reconciliation of net income (loss) as determined in accordance with GAAP to Adjusted EBITDA and Adjusted EBITDA Margin for the periods indicated (dollars in thousands):

	Three Months Ended June 30,		Fiscal Year Ended June 30,	
	2015	2014	2015	2014
Net income (loss)	$ 7,575	$ (10,600)	$ 23,183	$ (1,188)
Provision for income taxes	3,067	(2,296)	8,663	(2,220)
Interest expense	682	(18)	954	2,962
Depreciation	636	473	2,427	1,600
Amortization	551	1,294	2,463	5,177
Management fees and expenses [1]	—	—	—	4,584
Professional fees and Nautique litigation settlement [2]	(414)	715	2,654	2,219
PCMW litigation settlement [3]	—	20,000	—	20,000
Acquisition and integration related expenses [4]	11	—	1,676	—
Stock based compensation expense [5]	333	437	1,467	2,577
Offering related expenses [6]	(567)	339	161	1,561
Adjusted EBITDA	$ 11,874	$ 10,344	$ 43,648	$ 37,272
Adjusted EBITDA margin	19.6%	19.4%	19.1%	19.5%

Reconciliation of Net Income (loss) to Non-GAAP Adjusted EBITDA and Adjusted EBITDA Margin (Unaudited):

(1) Represents management fees and out-of-pocket expenses paid pursuant to our management agreement with Malibu Boats Investor, LLC, an affiliate, which was terminated upon the closing of the IPO. Upon termination of the agreement, we paid a one-time termination fee of $3.75 million.
(2) Represents legal and advisory fees related to our refinancing activities and legal expenses associated with our litigation with Pacific Coast Marine Windshields Ltd. and Nautique Boat Company, Inc. ("Nautique"), offset by the portion of the $2.3 million settlement received from Nautique for past infringement claims under the Nautique Settlement Agreement entered into on February 6, 2015.
(3) Represents a one-time charge related to the settlement of litigation with PCMW on September 15, 2014.
(4) Acquisition related expenses of $0.8 million for the fiscal year ended June 30, 2015, include legal and advisory fees incurred in connection with our acquisition of Malibu Boats Pty. Ltd. completed on October 23, 2014. Integration related expenses include postacquisition adjustments to cost of goods sold of $0.2 million for the fair value step up of inventory acquired which was expensed entirely during the second quarter of fiscal 2015 as well as $0.6 million for the fiscal year ended June 30, 2015, related to excess cost of goods sold recognized at Malibu Boats Pty. Ltd related to goods purchased from our U.S. operating segment prior to the acquisition date.
(5) Represents equity-based incentives awarded to certain of our employees under the Malibu Boats, Inc. Long-Term Incentive Plan and profit interests issued under the previously existing limited liability company agreement of the LLC. During the second quarter of fiscal 2014, the Company recorded a $1.8 million stock compensation charge as a result of the modification of certain profits interest awards
previously granted in 2012 under the first amended and restated limited liability company agreement of the LLC, as amended, in connection with our IPO.
(6) For the fiscal year ended June 30, 2015, offering related expenses include legal and advisory costs associated with our follow-on offering completed July 15, 2014, tender offer completed April 15, 2015 and shelf registration statement filed on May 8, 2015. Direct costs of reacquiring treasury shares upon closing of the tender offer were added to the cost of those shares. For the fiscal year ended June 30, 2014, it represents legal, accounting and other expenses directly related to our Recapitalization, IPO and follow-on equity offering completed on July 15, 2014.

Reconciliation of Non-GAAP Adjusted Fully Distributed Net Income (Unaudited):

The following table sets forth a reconciliation of net income (loss) attributable to Malibu Boats, Inc. stockholders to Adjusted Fully Distributed Net Income for the periods presented (dollars in thousands, except per share data):

	Three Months Ended June 30,		Fiscal Year Ended June 30,	
	2015	2014	2015	2014
Net income (loss) attributable to Malibu Boats, Inc.	$ 5,653	$ (4,306)	$ 14,661	$ (4,676)
Income Tax Provision (benefit)	3,067	(2,296)	8,663	2,220
Management fees and expenses [1]	—	—	—	4,584
Professional fees and Nautique litigation settlement [2]	(414)	715	2,654	2,219
PCMW litigation settlement [3]	—	20,000	—	20,000
Acquisition and integration related expenses [4]	11	—	1,676	—
Stock based compensation expense [5]	333	437	1,466	2,577
Offering related expenses [6]	(567)	339	161	1,561
Net income (loss) attributable to non-controlling interest [7]	1,922	(6,294)	8,523	3,488
Fully distributed net income before income taxes	10,005	8,595	37,804	27,533
Income tax expense on fully distributed income before income taxes [8]	3,552	3,094	13,420	9,912
Adjusted Fully Distributed net income	$ 6,453	$ 5,501	$ 24,384	$ 17,621
Adjusted Fully Distributed Net Income per share of Class A Common Stock [9]:				
Basic	$ 0.32	$ 0.24	$ 1.11	$ 0.78
Diluted	$ 0.32	$ 0.24	$ 1.11	$ 0.78
Weighted average shares of Class A Common Stock outstanding used in computing Adjusted Fully Distributed Net Income [10]:				
Basic	19,904,403	22,498,631	21,926,801	22,498,631
Diluted	19,904,403	22,498,631	21,926,801	22,498,631

Reconciliation of Non-GAAP Adjusted Fully Distributed Net Income (Unaudited):

(1) Represents management fees and out-of-pocket expenses paid pursuant to our management agreement with Malibu Boats Investor, LLC, an affiliate, which was terminated upon the closing of the IPO. Upon termination of the agreement, we paid a one-time termination fee of $3.75 million.
(2) Represents legal and advisory fees related to our refinancing activities and legal expenses associated with our litigation with PCMW, and Nautique, offset by the portion of the $2.3 million settlement received from Nautique for past infringement claims under the Nautique Settlement Agreement entered into on February 6, 2015.
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(5) Represents equity-based incentives awarded to certain of our employees under the Malibu Boats, Inc. Long-Term Incentive Plan and profit interests issued under the previously existing limited liability company agreement of the LLC. During the second quarter of fiscal 2014, the Company recorded a $1.8 million stock compensation charge as a result of the modification of certain profits interest awards previously granted in 2012 under the first amended and restated limited liability company agreement of the LLC, as amended, in connection with our IPO.
(6) For the fiscal year ended June 30, 2015, offering related expenses include legal and advisory costs associated with our follow-on offering completed July 15, 2014, tender offer completed April 15, 2015 and shelf registration statement filed on May 8, 2015. Direct costs of reacquiring treasury shares upon closing of the tender offer were added to the cost of those shares. For the fiscal year ended June 30, 2014, it represents legal, accounting and other expenses directly related to our Recapitalization, IPO and follow-on equity offering completed on July 15, 2014.
(7) Reflects the elimination of the non-controlling interest in the LLC as if all LLC members had fully exchanged their LLC Units for shares of Class A Common Stock. Earnings (loss) prior and up to our IPO on February 5, 2014 were entirely allocable to members of the LLC, as such we updated our historical presentation to attribute these earnings (loss) to the non-controlling interest LLC Unit holders.
(8) Reflects income tax expense at an estimated normalized annual effective income tax rate of 35.5% for fourth quarter and fiscal year ending June 30, 2015 and 36.0% of income (loss) before income taxes for the fourth quarter and fiscal year ending June 30, 2014, respectively, assuming the conversion of all LLC Units into shares of Class A Common Stock and the tax impact of excluding offering related expenses. The estimated normalized annual effective income tax rate is based on the federal statutory rate plus a blended state rate adjusted for deductions under Section 199 of the Internal Revenue Code of 1986, as amended, and foreign income taxes attributable to our Australian based subsidiary.
(9) Adjusted fully distributed net income divided by the shares of Class A Common Stock outstanding in (10) below.
(10)Represents the weighted average shares outstanding including (i) the outstanding shares of Class A Common Stock, (ii) the remaining LLC Units held by non-controlling interests assuming they were exchanged into Class A Common Stock on a one-for-one basis and (iii) the fully vested restricted stock units convertible into Class A Common Stock granted to directors for their services. As of June 30, 2015 we had 17,858,726 shares of Class A Common Stock outstanding, 1,419,094 remaining LLC Units not held by the Company outstanding and 69,996 fully vested restricted stock units outstanding. As of June 30, 2014, we had 11,064,201 shares of Class A Common Stock outstanding, 11,373,737 remaining LLC Units not held by the Company, and the 60,693 fully vested stock units outstanding.