

INVESTOR DAY

September 2018

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 the statement in this presentation regarding the expected timing for the closing of our acquisition of the Pursuit division (“Pursuit”) from S2 Yachts, Inc.; the anticipated benefit to our business from the addition of Pursuit; our anticipated strategy after closing the acquisition; the expected strategies to mitigate the impact of the global trade environment; and the expected strength of the economy and our continuing performance.

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: the satisfaction of the closing conditions to the acquisition of Pursuit and conditions for borrowing under our revolving credit facility; our ability to grow our business through acquisitions or strategic alliances and new partnerships; general industry, economic and business 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; the success of our engines integration strategy; 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.

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, Adjusted EBITDA Margin, Adjusted Fully Distributed Net Income and Adjusted Fully Distributed Net Income per Share. 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 net income before interest expense, income taxes, depreciation, amortization and non-cash, non-recurring or non-operating expenses, including certain professional fees, litigation related expenses, acquisition and integration related expenses, non-cash compensation expense, expenses related to our engine development initiative and adjustments to our tax receivable agreement liability. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by net sales. Adjusted EBITDA and Adjusted EBITDA Margin are not measures of net income as determined by GAAP. Management believes Adjusted EBITDA and Adjusted EBITDA Margin allow investors to evaluate our operating performance and compare our results of operations from period to period on a consistent basis by excluding items that management does not believe are indicative of core operating performance. Management uses Adjusted EBITDA to assist in highlighting trends in our operating results without regard to our financing methods, capital structures, and non-recurring or 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.

Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historical costs of depreciable assets.

We define Adjusted Fully Distributed Net Income as net income attributable to Malibu Boats, Inc. (i) excluding income tax expense, (ii) excluding the effect of non-recurring or non-cash items, (iii) assuming the exchange of all LLC units into shares of Class A Common Stock, which results in the elimination of non-controlling interest in Malibu Boats Holdings, LLC (the "LLC"), and (iv) reflecting an adjustment for income tax expense on fully distributed net income before income taxes at our estimated effective income tax rate. Adjusted Fully Distributed Net Income is a non-GAAP financial measure because it represents net income attributable to Malibu Boats, Inc., before non-recurring or non-cash items and the effects of non-controlling 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 on a consistent basis from period to period because it removes non-cash or non-recurring items, and eliminates the variability of non-controlling interest as a result of member owner exchanges of LLC units into shares of Class A Common Stock. In addition, because Adjusted Fully Distributed Net Income is susceptible to varying calculations, the Adjusted Fully Distributed Net Income measures, as presented in this release, may differ from and may, therefore, not be comparable to similarly titled measures used by other companies.

A reconciliation of our net income as determined in accordance with GAAP to Adjusted EBITDA and Adjusted EBITDA Margin, and of our net income attributable to Malibu Boats, Inc. to Adjusted Fully Distributed Net Income is provided under "Reconciliation of Non-GAAP Financial Measures".

AGENDA

STRATEGIC OVERVIEW Jack Springer *Chief Executive Officer*	**9:00 AM**
MANUFACTURING/OPERATIONS Ritchie Anderson *Chief Operating Officer* Donna Tallent *Director EHS, PE, Trailer and Engine*	**9:15 AM**
ENGINEERING AND INNOVATION Cory Dugger *Vice President Engineering* Rachael Green *Product Engineering Manager*	**9:45 AM**
BREAK	**10:00 AM**
COBALT OVERVIEW Paxon St. Clair *President, Cobalt*	**10:15 AM**
PURSUIT OVERVIEW Jack Springer *Chief Executive Officer*	**10:30 AM**
SALES AND MARKETING Eric Bondy *Vice President Sales and Marketing*	**10:45 AM**
FINANCIAL OVERVIEW Wayne Wilson *Chief Financial Officer*	**11:00 AM**
CLOSING REMARKS Jack Springer *Chief Executive Officer*	**11:15 AM**
Q&A	**11:30 AM**
LUNCH, FACILITY TOURS, INVESTOR/ANALYST SURF CONTEST	**12:00 PM**



STRATEGIC OVERVIEW



VIDEO

INTRODUCTIONS



Jack Springer
CEO



Wayne Wilson
CFO



Ritchie Anderson
COO



Paxson St. Clair
President, Cobalt



Cory Duggar
VP Engineering



Donna Tallent
Director, EHS, PE, Trailer and Engine



Eric Bondy
VP Sales & Marketing



Rachael Green
Engineering Manager



MALIBU AT A GLANCE

1982
YEAR MALIBU WAS FOUNDED

2014
INITIAL PUBLIC OFFERING

>1,200
EMPLOYEES WORLDWIDE

3
ICONIC BRANDS: MALIBU, COBALT & AXIS

3 ACQUISITIONS
3 START UPS

4
MANUFACTURING LOCATIONS

30+
MODELS OF WORLD-CLASS BOATS

300+
DEALER LOCATIONS WORLDWIDE

40+
COUNTRIES MALIBU PRODUCTS SOLD

INVESTMENT HIGHLIGHTS

- Leader in the growing marine industry
- Strong track record of financial performance and market share gains
- Positioned to capitalize on continuing U.S. growth and prepared for growth in international markets post-tariff
- Culture of innovation leveraged across market-leading brands provides competitive advantage; transforming Cobalt into that same mindset
- Vertical integration and acquisition strategies provide opportunities to accelerate earnings growth
- Expanding product line with multiple avenues for growth

24%
NET REVENUE CAGR FY2013-2018(1)

24%
ADJUSTED EBITDA CAGR FY2013-2018(1)(2)

#1
OVERALL MARKET SHARE IN PERFORMANCE SPORTS BOATS(3)

#1
MARKET SHARE IN 20' – 40' STERNDRIVE SEGMENT(3)

GROWTH COMPANY WITH CONSISTENT, STRONG PERFORMANCE

1. Fiscal Year 2018 includes acquisition of Cobalt which was closed in July of 2017.
2. Adjusted EBITDA and EBITDA Margin are non-GAAP measures. See "Use and Definition of Non-GAAP Financial Measures" and Appendix for a reconciliation of Adjusted EBITDA and EBITDA Margin to net income.
3. Source: SSI

DIVERSE PRODUCT OFFERING



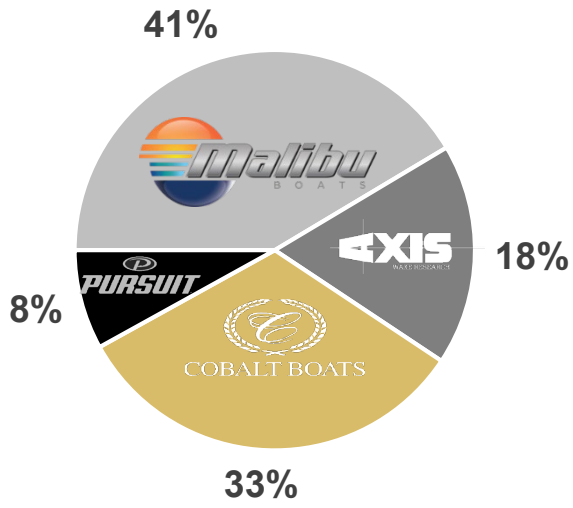






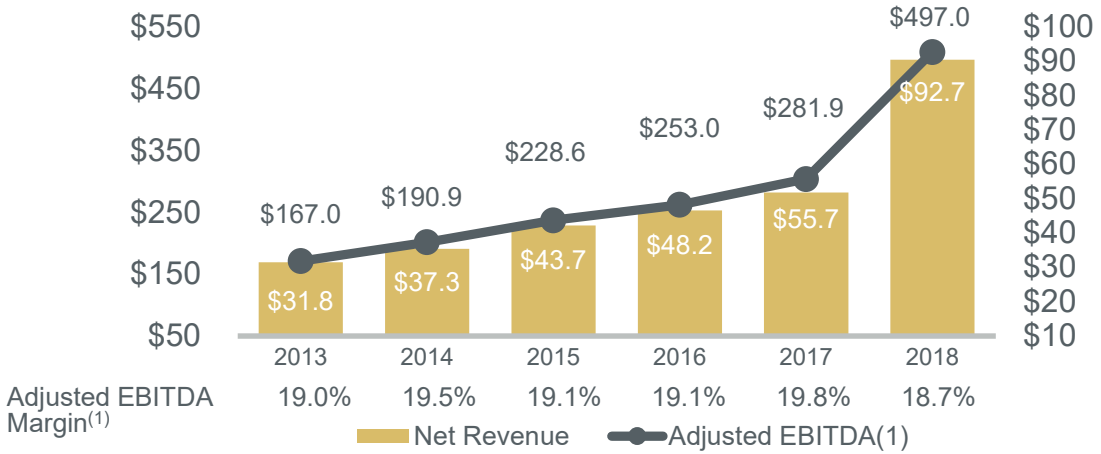


Pro Forma FY 2018 Volume Mix by Brand

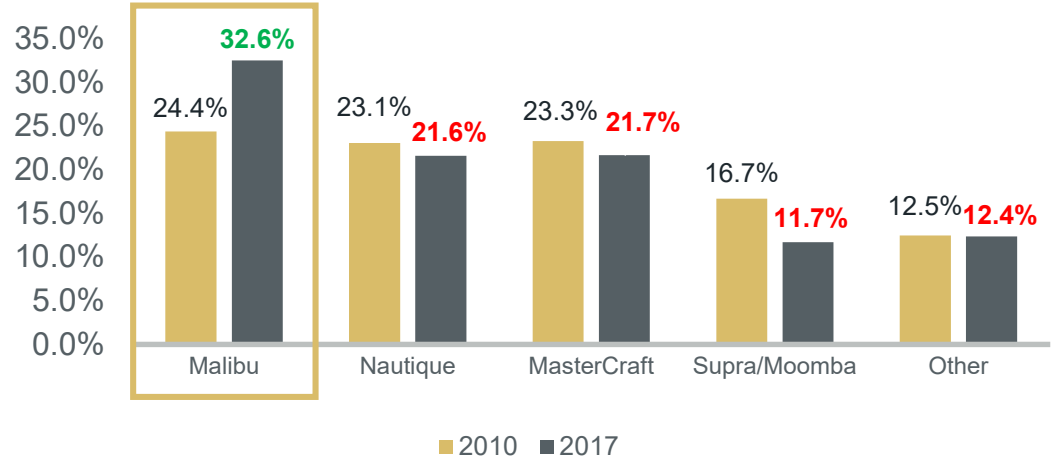


CONSISTENT PERFORMANCE AND GROWTH

Net Revenue and Adjusted EBITDA(1) FYE June 30th



2010-2017 Performance Sports Boat Market Share



- Consistently delivered record Net Revenue and Adjusted EBITDA(1) annually and quarterly on a year-over-year basis since its IPO in 2014

- Leading market share in total, premium and entry level performance sports boat categories
- Grown market share while top three competitors have decreased share by 150 bps or more
- Axis, entry level segment, has grown share by 500 bps since 2013

1. Adjusted EBITDA and EBITDA Margin are non-GAAP measures. See “Use and Definition of Non-GAAP Financial Measures” and Appendix for a reconciliation of Adjusted EBITDA and EBITDA Margin to net income.
2. Nautique represents all CorrectCraft brands including Ski Supreme and Centurion, source: SSI

STRATEGICALLY POSITIONED TO CAPITALIZE ON GROWTH

#1
MARKET SHARE
IN GROWING SEGMENTS

WAKE SURFING
PHENOMENA

ENTRY INTO FAST GROWING, HIGH VOLUME OUTBOARD MARKET WITH COBALT AND PURSUIT

LONG TERM
RELATIONSHIPS WITH BEST DEALERS

LEADING
WITH INNOVATION AND PRODUCTS

DISCIPLINED
STRATEGIC ACQUISITIONS

SIGNIFICANT RUNWAY FOR CONTINUED GROWTH

INCREASING
GDP

GROWING
MARINE MARKET

INCREASING
CONSUMER CONFIDENCE

STRONGEST
HOUSEHOLD INCOME EXPANSION IN 20 YEARS

AGGRESSIVE
INVESTMENT

OPERATIONAL
EXCELLENCE

INNOVATION

STRONG ENVIRONMENT THAT WE DON'T CONTROL… AND A …STRONGER STRATEGY THAT WE DO CONTROL

1. Source: 2001 – 2017 NMMA; CY 2018 is a company estimate

SIGNIFICANT RUNWAY FOR CONTINUED GROWTH

Malibu / Axis	Cobalt	Pursuit
Market Growth	Operational Improvements	Remove Operational Constraints
Vertical Integration	Vertical Integration	New Product
Optimization	Surf Segment & Outboard Product	Distribution Expansion

STRONG ANNUAL GROWTH IN ADDRESSABLE MARKETS

MALIBU / AXIS ~7%
COBALT ~ 5%
PURSUIT >10%

WITH AN INCREASING FOCUS ON $3.7 BILLION FIBERGLASS OUTBOARD MARKET(1)

1. Source: NMMA 2017

A PORTFOLIO OF MARKET LEADING BRANDS

	Malibu / EXIS	COBALT BOATS	PURSUIT
Boat Segments Served	Performance sport boats	Sterndrive and outboard	Saltwater outboard fishing boats
Market Position (2017)	Performance sport boats: #1	Sterndrive (20’ – 40’): #1	Dual console: #4 Center console (24’ – 43’): #15 Offshore: #2
Overall Market Growth (2017 vs. 2016)	Performance sport boats: +7%	Sterndrive (24’ – 29’): +5%	Dual console: (+7%) Center console (24’ – 43’): (+20%) Offshore: (-2%)
Product Portfolio (# of unique boat models)	15	16	15
Boat Size Range	20’ – 25’	20’ – 40’	23’ – 43’
Annual Boat Unit Volume	4,000+	2,000+	500+
Average Sales Price	>$75K	~$80K	~$225K
Dealer Network	185+	130+	40+

1. Source: SSI Calendar Year 2017

GROWTH STRATEGY



KEY TAKEAWAYS FROM TODAY

DYNAMIC OPERATIONAL EXCELLENCE

WORLD CLASS PRODUCT DEVELOPMENT

SOUND, STRATEGIC ACQUISITIONS OF PREMIUM BRANDS

MARKET LEADER AND GROWING IN MULTIPLE SEGMENTS

UNMATCHED INVESTMENT OPPORTUNITY



OPERATIONS REVIEW

CREATING THE ULTIMATE ON THE WATER EXPERIENCE



CONTINUOUS IMPROVEMENT INITIATIVES





OPERATIONAL EXCELLENCE

- Culture centered on superior employees building the highest quality products in the most efficient manner
- Provides an unmatched value to our dealers and customers
- Vertical integration
- Implementing the same strategy at Cobalt and ultimately Pursuit
- Drives margin expansion over the long-term

SAFETY

MALIBU

2,154,000
hours w/o lost time incident

Incident Rate
1.35

#1 Priority
SAFETY

COBALT

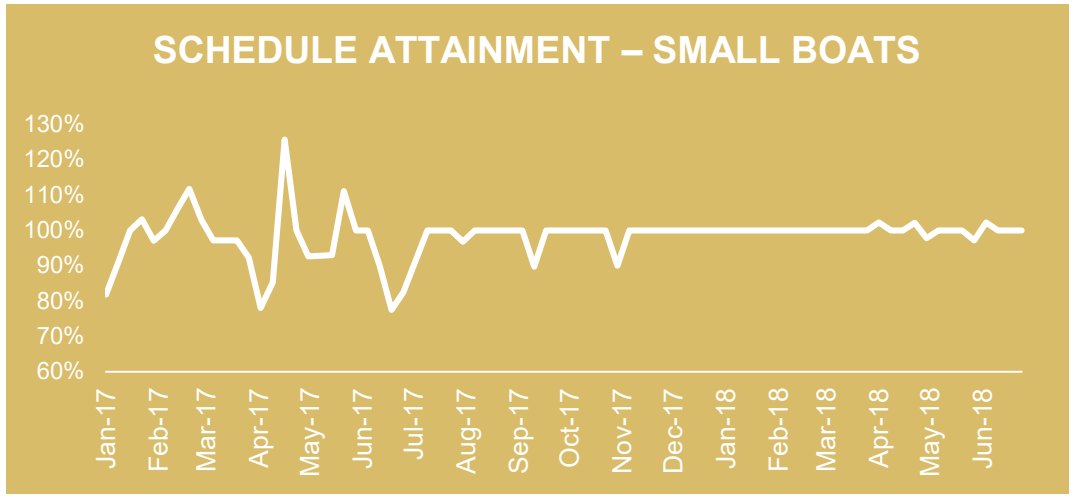
EXPERIENCED EHS MANAGER

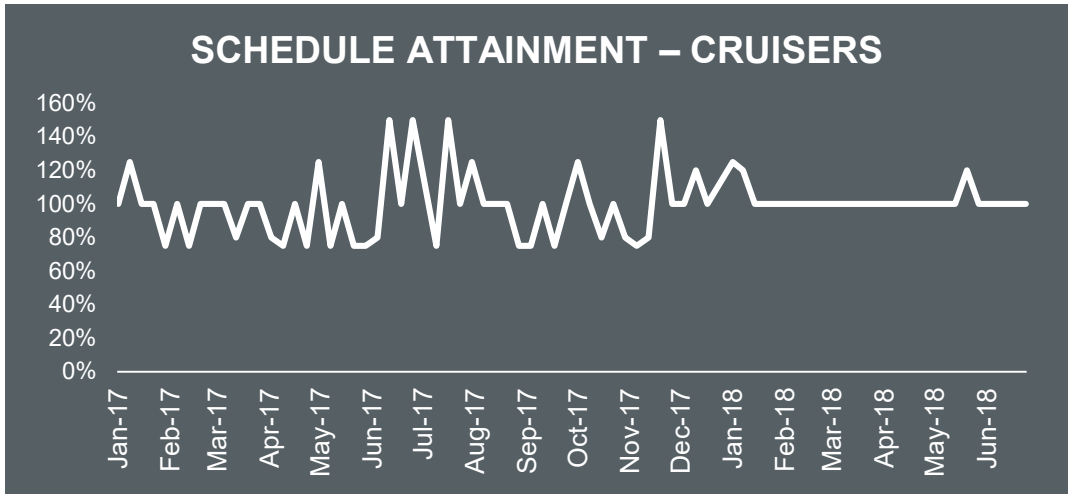
INTEGRATE SAFETY MANAGEMENT SYSTEM

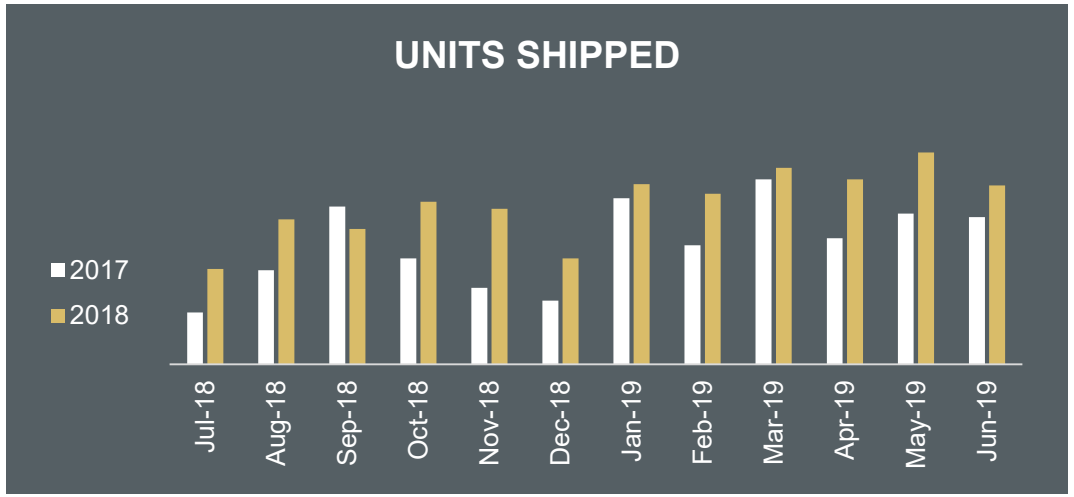
56%
REDUCTION IN INCIDENT RATE

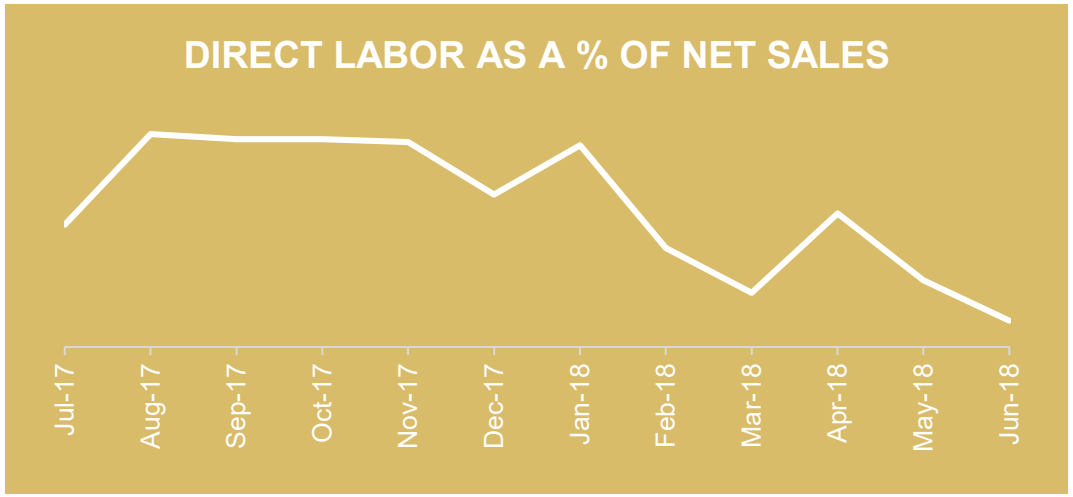
1. Industry Incident rate average is 5.0

COBALT OPERATIONAL IMPROVEMENT IN JUST 12 MONTHS



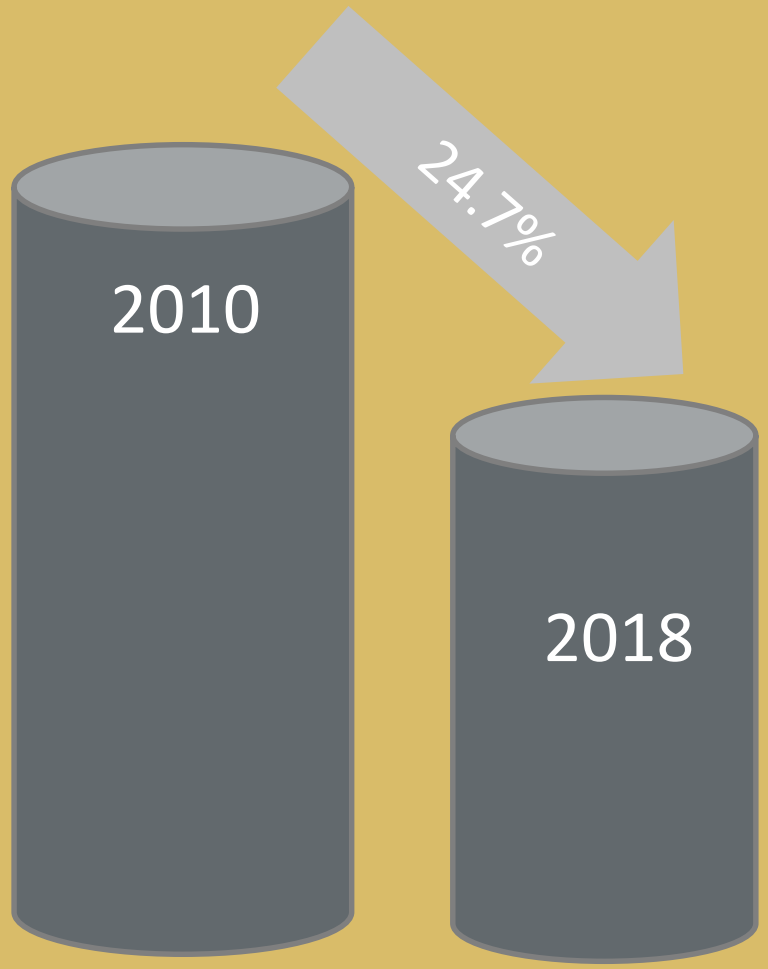






PRODUCTIVITY

MALIBU HOURS PER UNIT

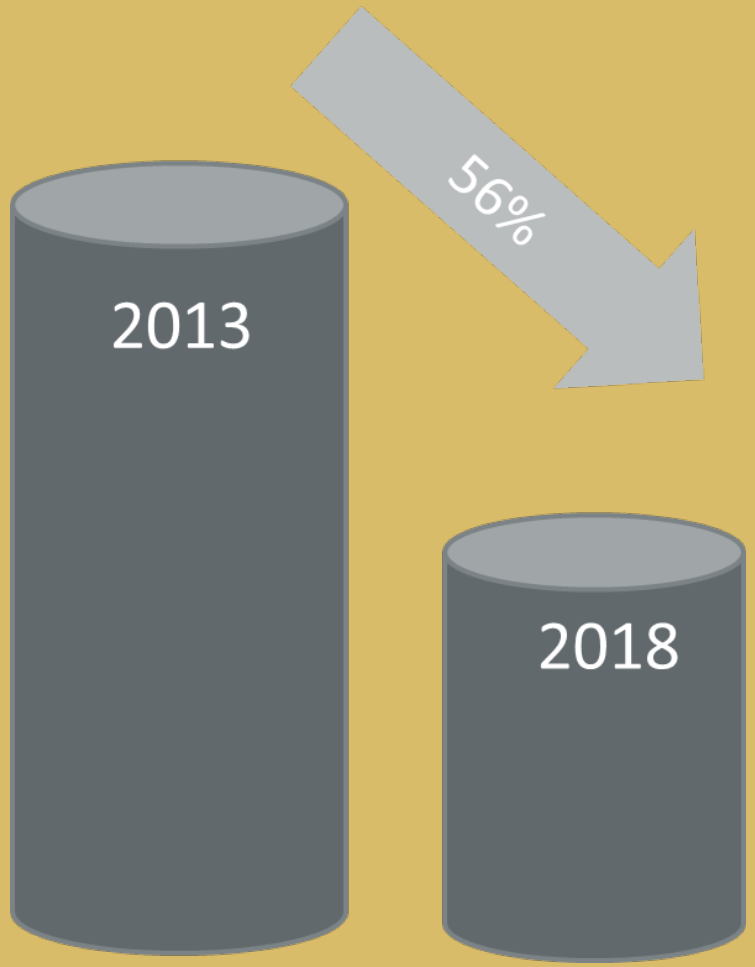


EFFICIENCY FOCUS

- Design for Manufacturing
- Lean Process
- One Piece Flow
- Material Delivery
- Standard Work
- Automation

QUALITY

MALIBU DEFECTS PER UNIT (DPU)



SUPPLIER QUALITY FOCUS

- Production Part Approval Process (PPAP)
  - 5 Levels
- Supplier Corrective Action (CAR)
  - Education on Internal Quality System(QT9) for entry
- Site Surveys & Self Assessments

INTERNAL QUALITY FOCUS

- Production Meeting DPU Stats
- DPU Mid-Day Review
- Vital to Quality Checks
- Process Audits
- Corrective Action Process

MALIBU CAPACITY UTILIZATION

2009

- Transform from batch build to one piece flow in assembly and rigging

2011-2012

- Develop 5 year plan
- Permit Modification
- Upgrade ventilation system
- Add six gel coat booths
- One piece flow in lamination

2014

- Built shipping facility and mold storage
- Add gel coat booth
- Small parts w/ closed mold expansion
- Upholstery mezzanine

2015

- Trailer Manufacturing vertically integrated

2016

- Relocation and additions:
  - Warehouse
  - Final finish
  - Assembly
  - Mezzanine

2017

- CNC fiberglass cutter
- New stringer build area
- Grinding booth expansion
- Added pulling station

VERTICAL INTEGRATION

2009 – 2010
Towers and board racks

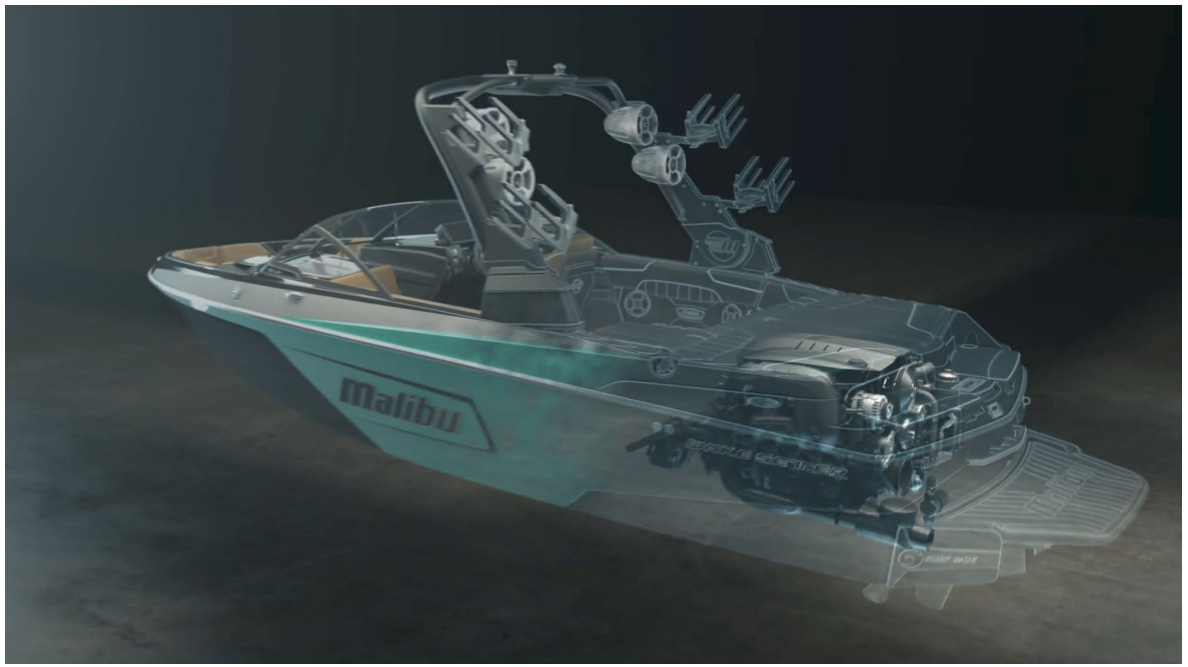
2011 – 2014
Aluminum billet / stainless components

2015
Trailers

2018
Engines



ENGINE INITIATIVE



Strategic Rationale

- Largest dollar procured part
- Direct control around product path – design, innovation, calibration, integration and collaboration with the decades long industry leader, General Motors (GM)
- Better value
- Driver of additional Malibu profitability

Path to Delivery

- Three year project plan to launch engine marinization began in 2016
- About three year pay back on the initial investment, contributing over 100 bps of margin once fully ramped(1)
- Project is on budget and on schedule to begin initial production in MY19

Execution Certainty

- Universally accepted GM blocks
- GM dedicated marine unit
- Industry standard components
- Experienced internal and external resources
- Extensive testing
- Staged rollout
- Safety stock

1. Excludes impact of Pursuit acquisition scheduled to close in Q2 FY19

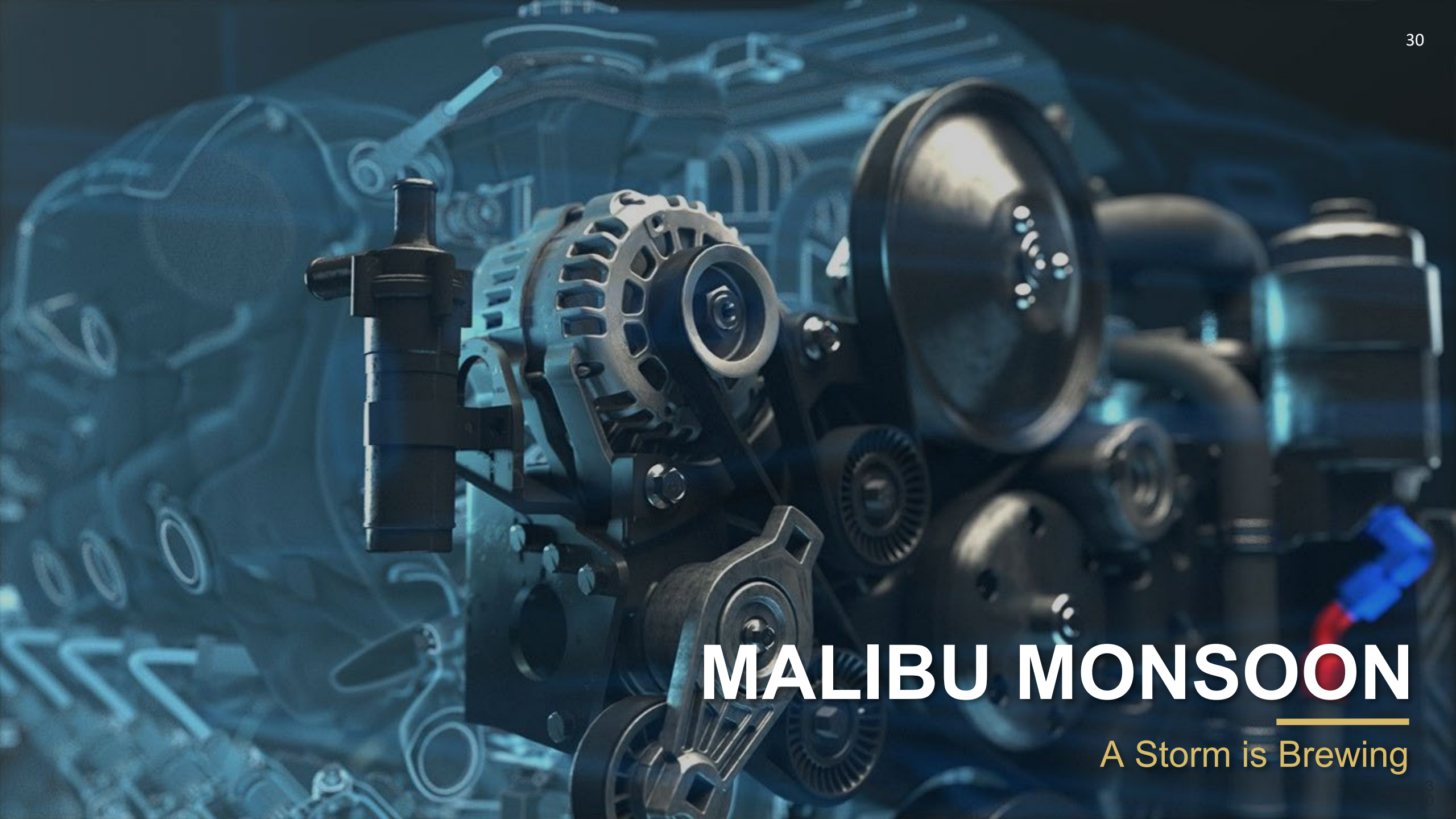
VERTICAL INTEGRATION: TRAILER MANUFACTURING

December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015
Start issuing P.O.s for equipment	Acquire key talent / begin sourcing process for long lead items	Begin design work for fixtures	Begin ordering shorter lead time items	Prototype production beings	Complete staffing	Begin production for MY2016 trailers

"I have been in this business for a long time and Malibu makes the besting fitting trailers in the industry" – Minnesota Inboard

"You are killing it with trailers; best towing and loading trailers we have ever used" – Waterski America

"We love Malibu trailers; they look great and perform even better" – Taylor's



MALIBU MONSOON

A Storm is Brewing



VIDEO

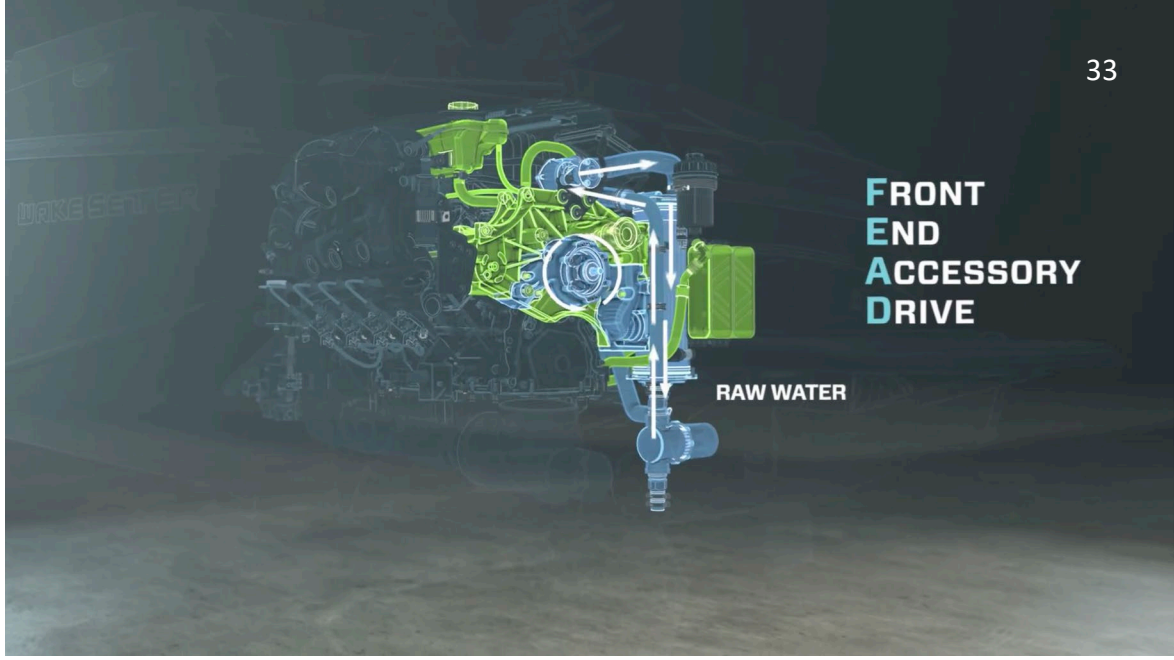


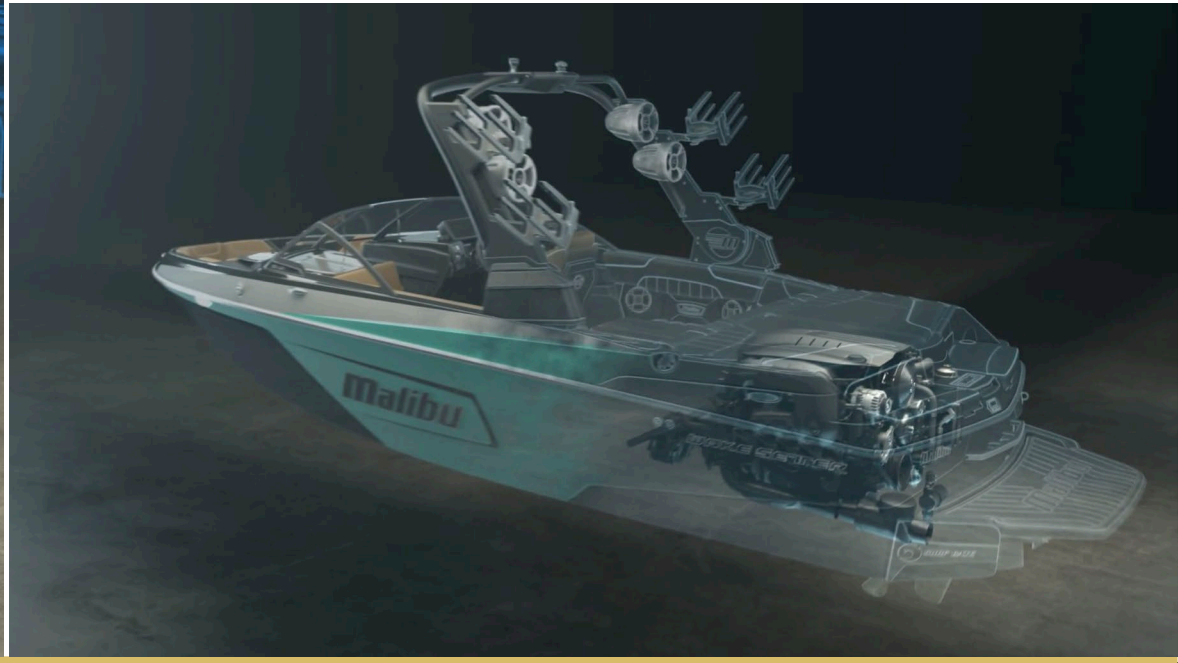
DESIGN, DEVELOPMENT & TESTING

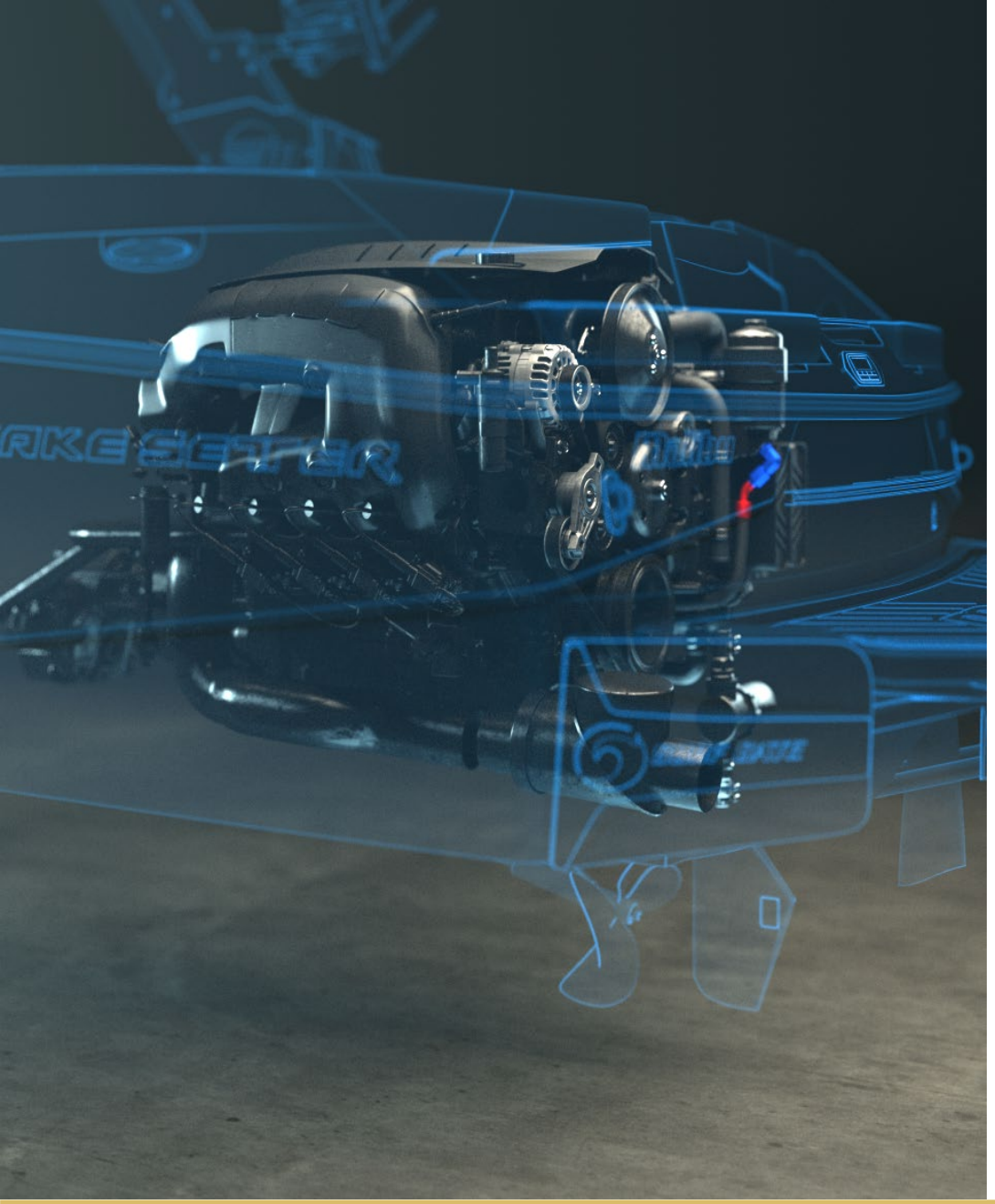
Partners

- GM Motors
- McLaren Engineering
- Davinci Design
- Roush Performance




FRONT
END
ACCESSORY
DRIVE
RAW WATER


Malibu



ENGINE PROJECT UPDATE

- Testing continues on engines
  - 4000+ hours of testing
  - M6Di engines have been sent to selected dealers
  - No known issues
- EPA & CARB certifications completed 7/6/2018
- Facility work is complete
- Ramp up production in progress
  - M6Di Soft Launch begins in September 2018 with the 25 LSV
  - M6Di to release with 24 MXZ and M235 in October 2018



PRODUCT ENGINEERING

CULTURE OF INNOVATION

2009

Launch Axis brand of boats to attract entry-level consumers



Malibu MXZ series of premium picklefork boats introduced



Command Center is released featuring two touchscreens that puts control of everything at the driver's fingertips



Malibu introduces the re-engineered, performance enhancing Integrated Surf Platform (ISP) featuring Power Wedge II

2012



Malibu vertically integrates towers and board racks

Introduce Surf Gate technology that revolutionizes the control of waves and wakes



2014



Malibu releases the Surf Band which allows riders to control the wave from their wrist

2015

Malibu introduces backup camera





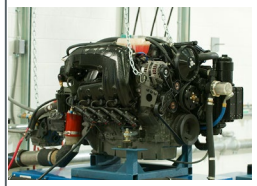
Malibu introduces Command Wheel with steering wheel controls

2016

Malibu introduces the ultra-premium M235



Announced engine marinization initiative, which should be operational in FY19



2018

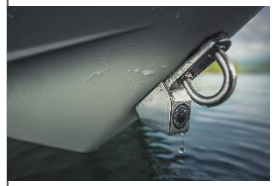


Malibu introduces waterproof wireless charging

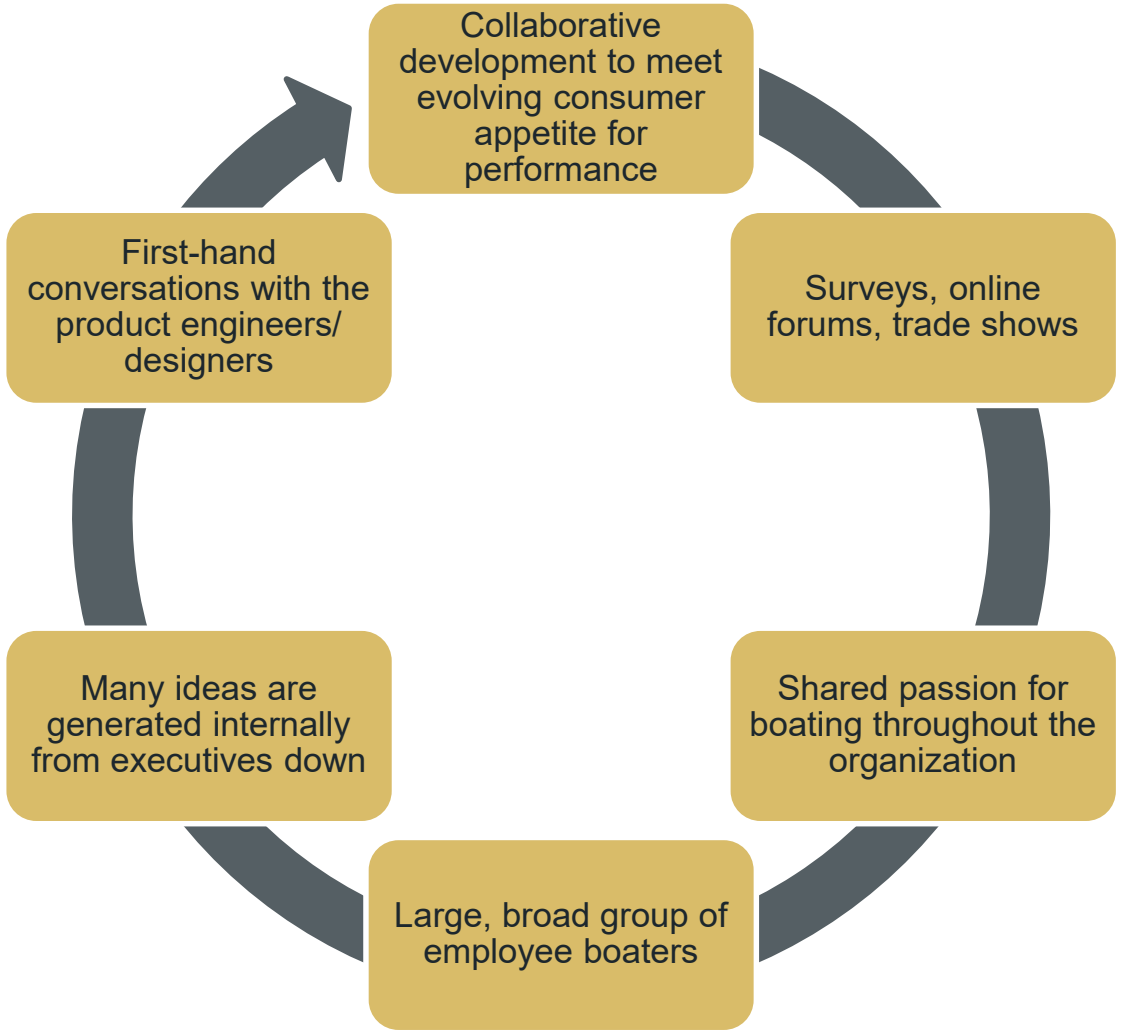


Malibu introduces the fully-powered Gx tower

Malibu introduces docking camera



CUSTOMER-CENTRIC DEVELOPMENT APPROACH





PRODUCT DESIGN CRITERIA

- Safety
- Customer experience
- Performance
- Quality
- Service
- Design for Manufacturing



INVESTMENT IN ENGINEERING

- In 2009, Malibu had 1 degreed engineer; now has more than 25
- 3D printers
- Computer-Aided Design (CAD) Software
- Engineering test boats
- More test equipment
- Investing in our engineers (training, trade shows, more customer-facing events)
- Taking the same approach to enhance Cobalt



NIMBLE, QUICK TO REACT TO CHANGING PREFERENCES

- Increasing in-house design and engineering
- Utilizing CAD-modeling and 3D printers
- Identifying common parts
- Foresight to identify industry trends (e.g. trade shows and dealer meetings)
- Engineering lives with manufacturing during product integration

PRODUCT LAUNCH CADENCE

- 36-month strategic product roadmap
  - 1st 18 months locked
  - 2nd 18 months flexible to change based on inputs
- 12-18 Months concept to production
- 4 new Malibu/Axis models a year
- 30-40 new features/year
- Phase gate process
- Product Specification – data driven, market research focused on customer value
- Cross-departmental strategic planning and integration





MALIBU AND COBALT ENGINEERING PARTNERSHIP

- IP and technology sharing
- Phase Gate product development and acceleration of new product to market
- Shared vertical integration opportunities with more coming for both companies
- Integration of engineering tools and training
- Extension of Malibu engineering footprint to Cobalt


Malibu
BOATS INC
COBALT BOATS

COBALT BOATS - OVERVIEW

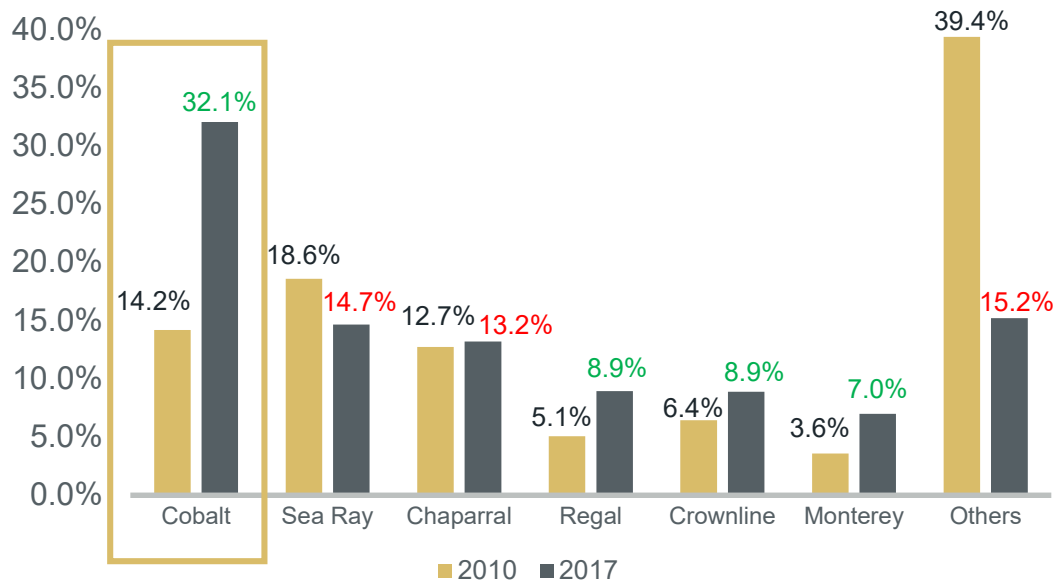


- One of the most recognized marine brands in the world
- #1 market share leader in stern drive boats from 20’-40’; 1/3 of the market in 24’-29’(1)
- Dealers have #1 or #2 market share position in 65% of U.S. markets
- R models are the strongest, best selling models in the market by a wide margin
- Cobalt owns approximately 40% of the stern surf segment

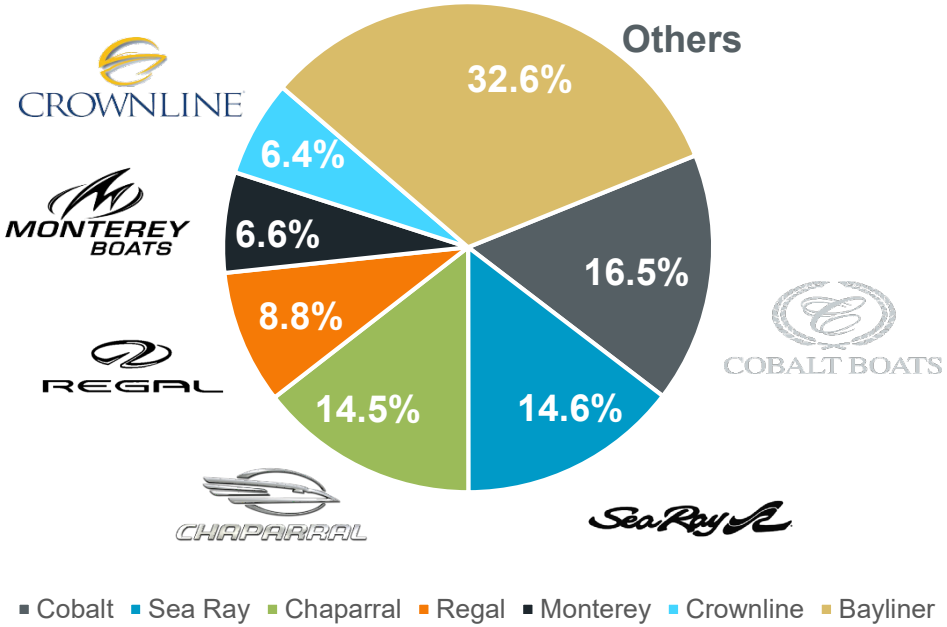
1. Source: SSI

MARKET OPPORTUNITY

2010 - 2017 24’ – 29’ Sterndrive Market Share



2017 20’ – 40’ U.S. Sterndrive Market Share



- Cobalt holds the leading U.S. market share in the core 24’ – 29’ and 20’ – 40’ sterndrive segments
- Cobalt continues to outpace the market and take share from competitors

1. Source: SSI

COBALT PRODUCT OVERVIEW



GATEWAY SERIES

- "Entry Level" model line for 1st time buyer / younger buyer
- 4 models
- 20' to 24'
- MSRP $53K to $70K



R SERIES

- The R Series targets Cobalt's core customer
- 5 models
- 23' to 35'
- MSRP $89K to $287K



A SERIES

- The A Series is a brand/image building product line focused on the premium boat buyer
- 3 models
- 28' to 40'
- MSRP $200K to $750K



OUTBOARD SERIES

- The Outboard Series is Cobalt's first entry into the growing outboard
- Designed for the customer who wants coastal versatility but premium features
- 3 models
- 23' to 30'
- MSRP $95K to $225K



SURF SERIES

- Cobalt's line of surf ready boats
- Primarily for the family customer who wants to be able to surf but ride in comfort and convenience
- 4 models
- 20' to 27'
- MSRP $62K to $157K

GROWTH OPPORTUNITIES

- Dealer Improvement
- Outboard Product
- 30 - 40 ft Day Cruiser Segment
- Surf Product
- International Distribution
- Operational Excellence



INTEGRATION PROGRESS

Progress After the 1st Year:

- Malibu's operational prowess has helped Cobalt increase throughput by 40%
- Building more boats with reduced head count and overtime reduced from 12% to under 4%
- Malibu's material sourcing has helped improve product quality and reduce cost

New Product Development

- Cobalt's development process was outdated and new models were behind
- Malibu has greatly enhanced our product development processes
- New engineering leadership has quickly improved the product
- We have a product development plan in place to develop 4 new models every year

Sales and Dealer Development Process

- Adding news dealers had been slowed due to the lack of availability
- The Malibu process has helped identify growth opportunities
- Dealers are now being held accountable to produce leading market share
- Added new international sales management and a renewed focus



ACQUISITION OF PURSUIT BOATS

COMPELLING INVESTMENT THESIS

- Accretive transaction that supports profitability and margin expansion
- Distribution growth opportunity for Pursuit and distribution synergies with Cobalt exist
- Ability to leverage manufacturing, design expertise and distribution to accelerate outboard growth
- Broadens Malibu's breadth of boat offerings, diversifies end markets and boosts growth profile
- Saltwater outboard market is one of the largest and fastest growing segments in the marine industry
- Strategic transaction expands Malibu's premium brand offering into the saltwater outboard market

TRANSACTION ANNOUNCEMENT SUMMARY

- Acquisition of meaningful scale and opportunity
- Premium brand in a large and fast-growing market segment
- Consistent with our stated strategic acquisition approach
- Further enhances and diversifies Malibu's product offerings
- Similar business model allows us to use our well developed playbook
- Anticipate immediate accretion to FY2019 EPS

PURSUIT BOATS AT A GLANCE

- A leader in the saltwater outboard fishing boat market
- Proven product design expertise
- Strong reputation for innovation and quality
- High growth market with momentum
- Numerous opportunities for growth and profitability enhancement
- Maintains a loyal customer base



PURSUIT EVOLUTION

Key Statistics ($MM)

$124
TTM June 2018 Net Sales

15
# of Boat Models

~40
# of Dealers

~12+ yrs.
Length of Dealer Relationships

1
Dedicated Facility

~230k
Facility Size (Sq. ft.)

Company Overview

- **1974:** S2 Yachts, Inc. (“S2”), parent company, is founded
- Privately-owned manufacturer of luxury powerboats, including inboard power yachts, cruising and sport fishing boats
- **1977:** Introduced the Pursuit series of fishing boats
- **1983**: Built Ft. Pierce facility (75K sq. ft.)
- **2000, 2005 & 2018:** Expanded Ft. Pierce facility
- Customers value Pursuit’s strong brand, high quality, broad availability, on-time delivery, customer service and competitive prices
- Pursuit exclusively uses Yamaha outboard engines and is one of the largest purchasers of large Yamaha 3 and 5 liter engines



PRODUCT OFFERING



CENTER CONSOLE

- Central helm and open hull provide 360-degree access to the water
- Ideal for fishing as anglers can walk from bow to stern without navigating around the console
- Sport models offer heightened comfort with luxury amenities and additional seating choices and social areas
- **Lengths:** 24’ – 43’
- **# of models:** 7



OFFSHORE

- Combines seaworthiness and fishability with the luxury of cruisers
- Designed for the conditions of the open sea and rigged with equipment for extended offshore fishing trips
- Complete cabin amenities, including sleeping areas
- **Lengths:** 25’ – 38’
- **# of models: 3**



DUAL CONSOLE

- Superior seating on both sides of the boat provide comfortable lounge areas for many people
- Versatile design ideal for casual cruising and entertainment, but also make exceptional fishing boats
- **Lengths:** 23’ – 35’
- **# of models: 5**

OPPORTUNITY FOR GROWTH AND IMPROVEMENT

Fast-Growing Saltwater Outboard Market	• Malibu will eliminate capacity constraints through a combination of footprint expansion and operational efficiencies
Robust Product Portfolio	• Product development opportunities in whitespace and adjacent markets
Leveraging Pursuit Engineering	• Leverage Pursuit experience to accelerate Cobalt outboard growth • Combine purchasing power with Cobalt for outboard engines
Operational Excellence	• Use Malibu's strong operational playbook to enhance margin through process efficiency and vertical integration
Distribution	• Multi-brand distribution opportunities with Cobalt • Expansion into additional saltwater markets and freshwater lakes

FINANCIAL DETAILS

~6.5x
PURCHASE PRICE MULTIPLE

~5.8x
PURCHASE PRICE MULTIPLE
NET OF TAX BENEFIT

Q2 FY19
EXPECTED
CLOSE

~550
ANNUAL
UNIT
VOLUME

~$225K
NET SALES
PER UNIT

LOW 20s
GROSS MARGIN %

>.$35
PER SHARE
ANNUAL ACCRETION(1)

1. Excluding Amortization and Purchase Accounting Adjustments.



SALES AND MARKETING

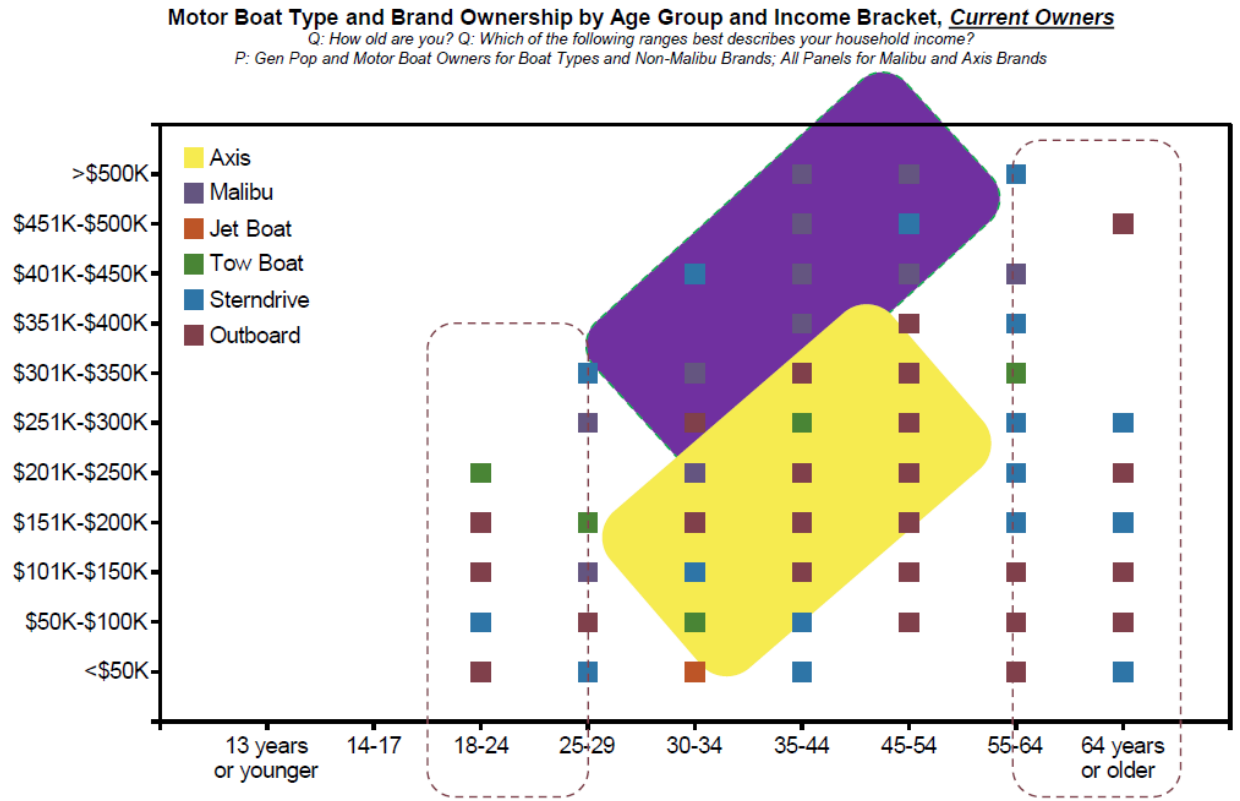


VIDEO



CUSTOMER PROFILE

The Malibu customer is aged 30-55 with high income, the Axis customer fills the gap being slightly younger and while still a high income lesser than Malibu



CUSTOMER CHARACTERISTICS

MALIBU CUSTOMER PROFILE

FAMILY PURCHASE	89% MALIBU OWNERS HAVE KIDS/GRANDKIDS
EXPERIENCED BOAT OWNERS	>50% HAVE OWNED 4 OR MORE BOATS
REPEAT CUSTOMERS	56% PREVIOUSLY OWNED A MALIBU
NON-MALIBU OWNERS	44% NEW TO MALIBU

AXIS CUSTOMER PROFILE

FAMILY PURCHASE	86% AXIS OWNERS HAVE KIDS/GRANDKIDS
NOT AS SEASONED BOAT OWNERS	30% HAVE OWNED 4 OR MORE BOATS
REPEAT CUSTOMERS	59% PREVIOUSLY OWNED AN AXIS
NON-AXIS OWNERS	41% NEW TO AXIS

NET PROMOTER SCORE

- Google: 11



- Chevrolet: -1



- Facebook: -21



- Delta: 21



- Microsoft: 45



- BMW: 40



- Mercedes Benz: 39





- Malibu Boats



- Apple iPhone: 70



Apple Corp 68



- Southwest: 62





- Porsche: 87



- Audi: 80



- Costco: 76



- 4XIS





DEALER OVERVIEW

Strongest distribution channel in tow boat space

#1 MARKET SHARE IN THE WORLD WITH NEARLY 4 OUT OF EVERY 10 BOATS SOLD

135
NORTH AMERICAN DEALERS

42%
10+ YEARS WITH MALIBU = SEASONED CHANNEL PARTNERS

92%
EXCLUSIVE MALIBU/AXIS TOW BOAT REPRESENTATION

80%
CARRY TANGENTIAL LINE (PONTOON, RUNABOUT)

DISTRIBUTION IN

34 COUNTRIES OUTSIDE THE US

80 INDIVIDUAL POINTS

MARKET SHARE

VERY STRONG	TIED FOR	EXPANDED TO
#1	#1	#1
IN AUSTRALIA (<63%)	IN EUROPE (32%)	IN ASIA (48.5%)



SALES GROWTH STRATEGY

- Leverage best in class products to drive share growth
  - Malibu/Axis will continue to be the leader in new products and technology
- Continue Domestic Dominance
  - Maximize dealer productivity, focus energies on markets that have the best possible return, challenge for #1 in every market
  - Grow dealer exclusivity
- Targeted marketing to attract first-time buyers and owners from other categories into the tow boat segment
  - Leverage Axis brand to attract younger buyers
- Targeted international marketing efforts
  - Country specific, language appropriate websites
  - Significant increase in grass roots marketing events

MODEL YEAR 2019 PRODUCTS TO DRIVE SHARE GROWTH



2019 Malibu 25 LSV



2019 Malibu 22 LSV



2019 Axis A22



2019 Axis T23


VIDEO

MODEL YEAR 2019 PRODUCTS TO DRIVE SHARE GROWTH



2019 Malibu 25 LSV



2019 Malibu 22 LSV



2019 Axis A22



2019 Axis T23



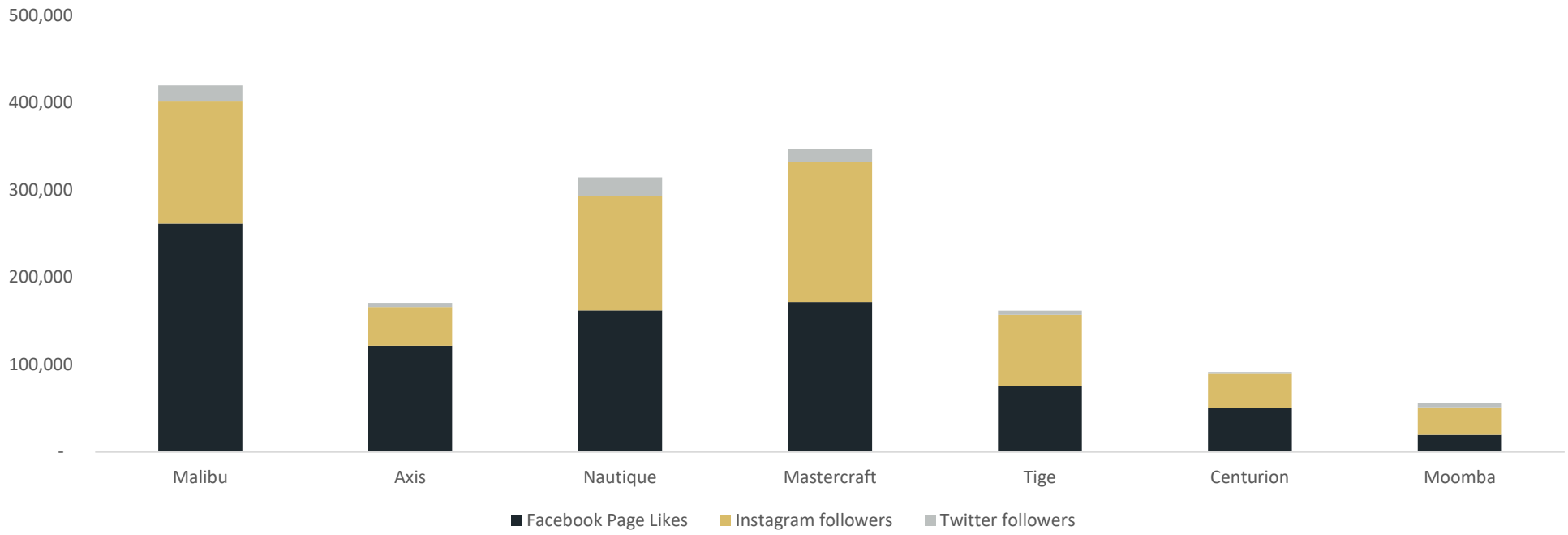
VIDEO



MARKETING INITIATIVES

- Strong National Presence
  - Best in class website/Boat Configurator
  - Organic Digital Audience
    - 2.7M Social interactions
- Key Market Strategy
  - Geo Fenced, targeted ramp up to drive frequency and reach
- Local Presence
  - Grass roots marketing at the local level with dealers
  - Strong COOP advertising program
  - Malibu driven event marketing (Just ride tour)

SOCIAL MEDIA LANDSCAPE



- Largest combined social audience
- Leading the industry in social interactions

AWARD-WINNING 3-D BUILD A BOAT WEBSITE



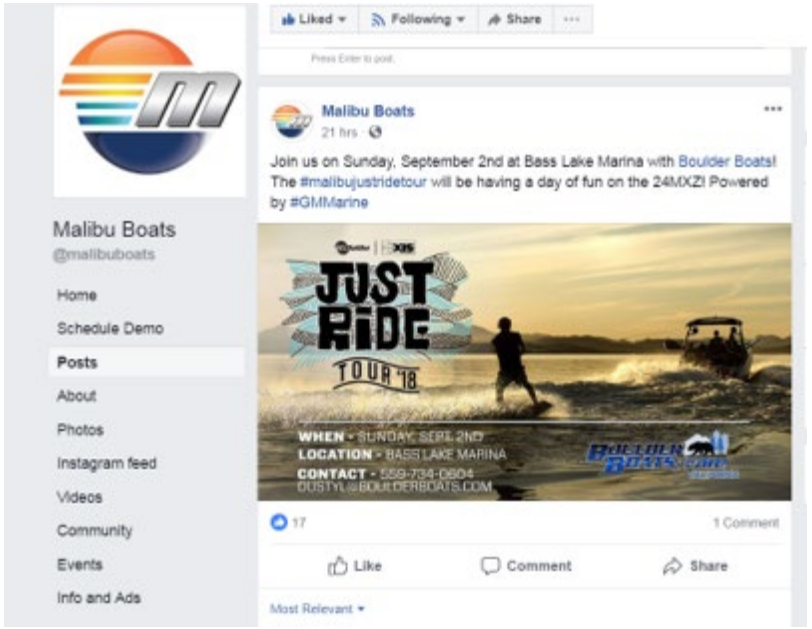
- Utilizes state of the art Web GL technology
- Allows for complete configuration as well as manipulation of the image for viewing
- Change exterior and interior colors, add accessories, change time of day, and save/send to dealer
- Malibu/Axis Build a Boat Session increase 8X since launch in July of 17 with nearly 125K complete boats built
- Award-winning design

CSS DESIGN AWARDS

AWWWARDS®

MALIBU JUST RIDE TOUR





Multi-stop, grass roots dealer marketing events

Promoted regionally and locally using traditional and social channels

Malibu personnel, athletes and dealer participation in on water events

Dealers leverage VIP customers at events

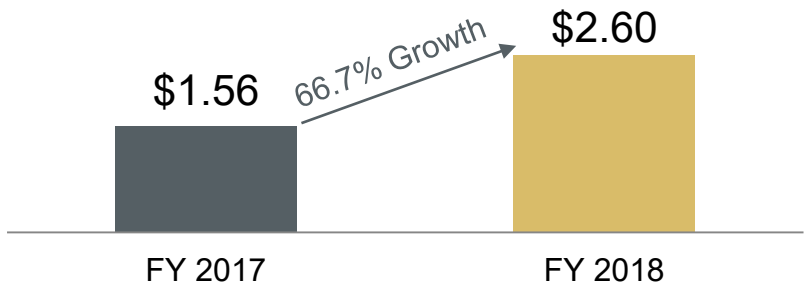


FINANCIAL PERFORMANCE

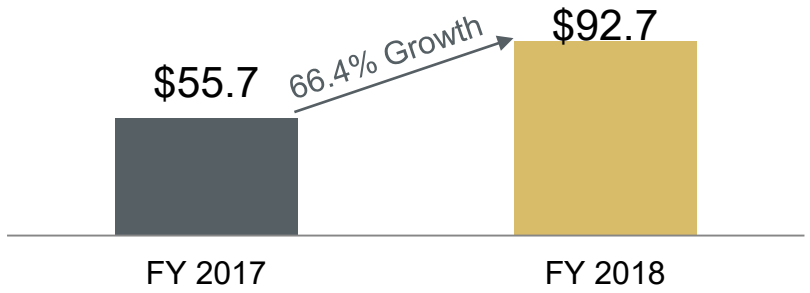
RECAP OF FISCAL 2018

- Record FY18 net sales, gross profit, Adjusted EBITDA, and AFDNI per share
- Net sales are up 76.3% year-over-year
- Net sales per unit increased 6.9%
  - Driven by Y/Y price increases
  - New and larger model mix
  - Optional features
- Gross profit increased 60.4% and gross margin was 24.2%

AFDNI per Share(1)



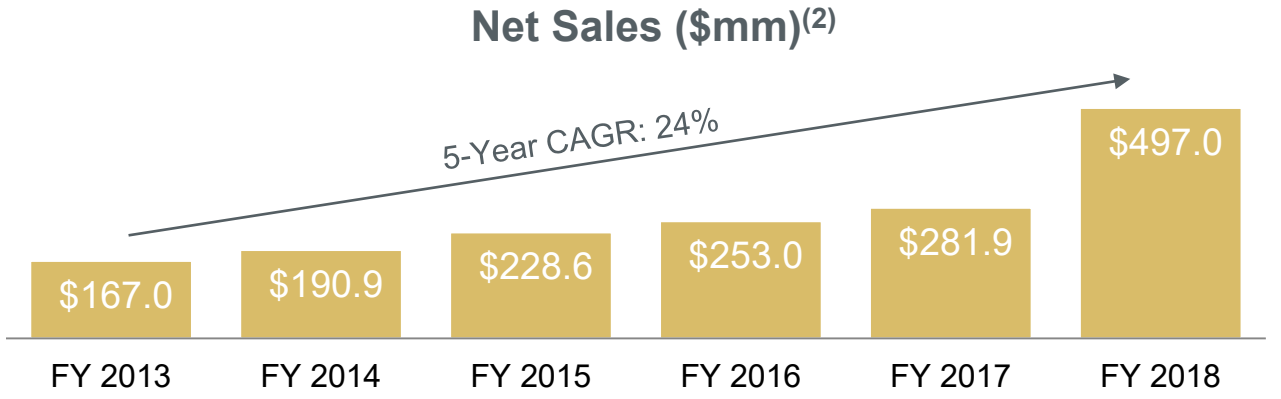
Adjusted EBITDA(2)

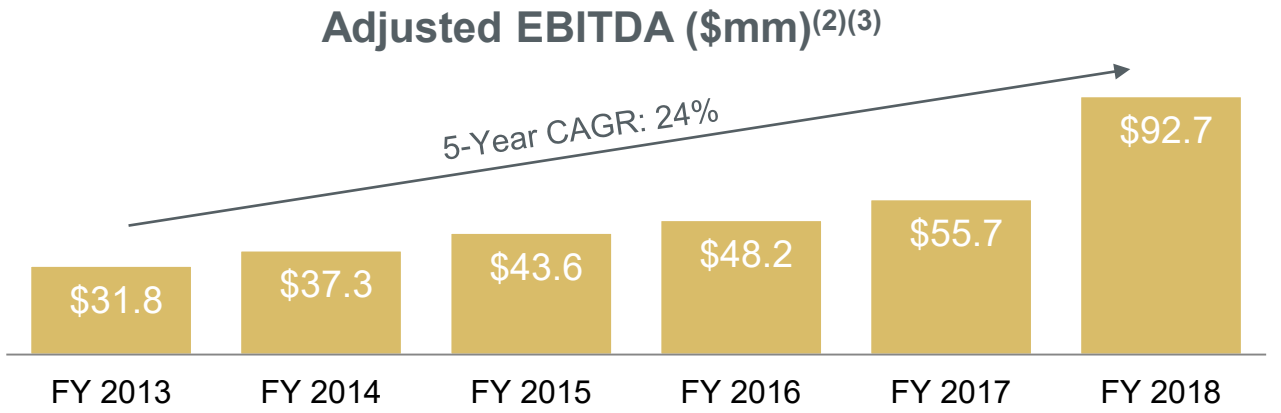


1. See Appendix for a reconciliation of Net Income to Adjusted Fully Distributed Net Income.
2. See Appendix for a reconciliation of Non-GAAP Adjusted EBITDA to Net Income.

GROWTH COMPANY WITH A PROVEN TRACK RECORD

Malibu: Consistent and continued performance since IPO(1)



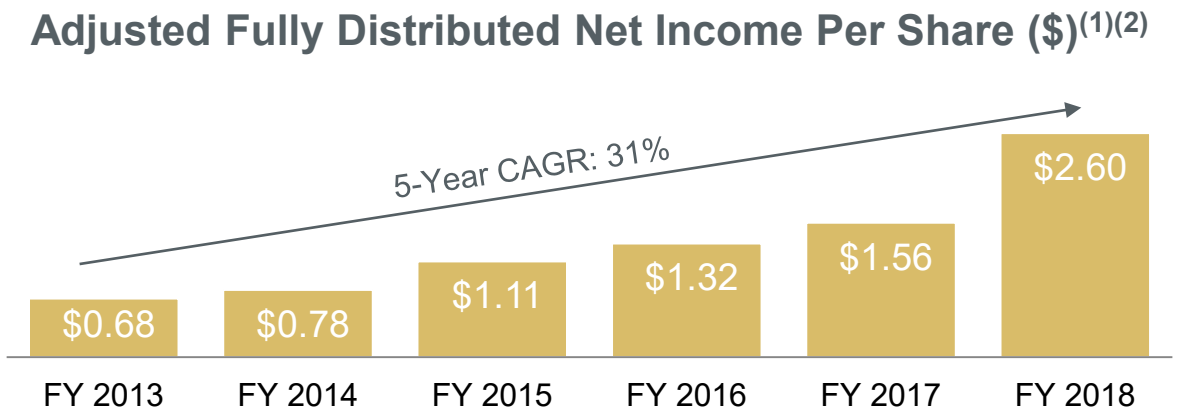


1. Our IPO was completed on February 5, 2014.
2. FYE June 30.
3. Adjusted EBITDA is a non-GAAP measure. See “Use and Definition of Non-GAAP Financial Measures” and Appendix for a reconciliation of Adjusted EBITDA to net income.

GROWTH COMPANY WITH A PROVEN TRACK RECORD

Strong growth in AFDNI EPS(2)

- Malibu has grown AFDNI per share substantially over the past four years
  - 66.7% growth in FY2018
  - 18.2% growth in FY2017
  - 18.9% growth in FY2016

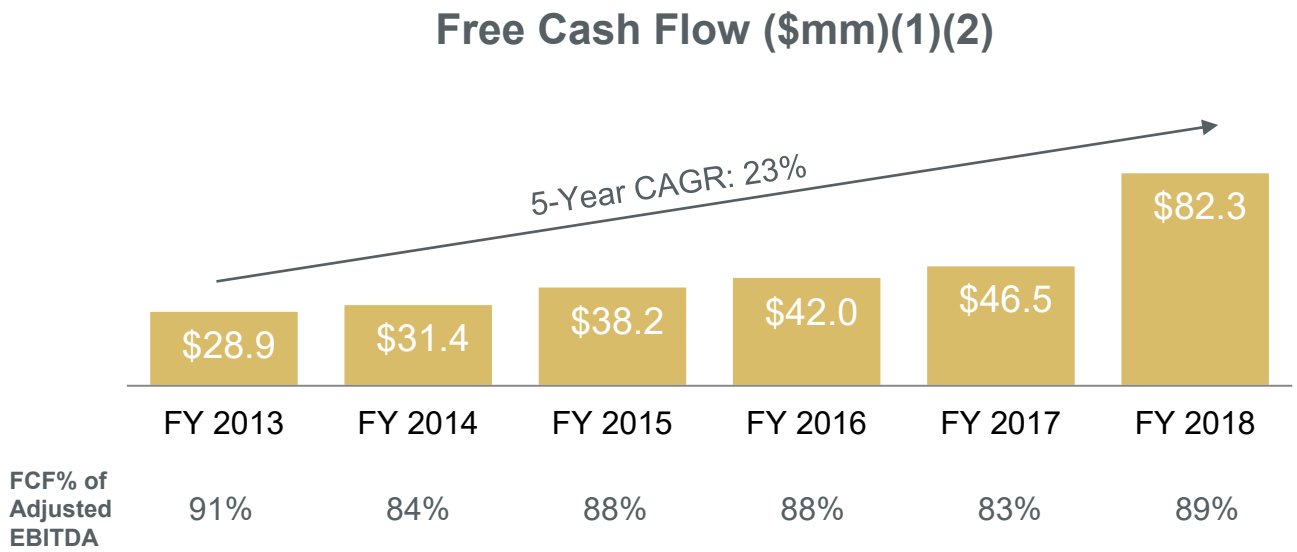


1. FYE June 30.
2. AFDNI is a non-GAAP measure. See “Use and Definition of Non-GAAP Financial Measures” and Appendix for a reconciliation of adjusted fully distributed net income per share to net income.

GROWTH COMPANY WITH A PROVEN TRACK RECORD

Robust free cash flow generation(2)

- Free cash flow generation is a result of healthy operating margins and low capital requirements (recurring CapEx ~2% of sales)
- Highly efficient working capital cycle



1. FYE June 30.
2. Free Cash Flow is a non-GAAP measure. See “Use and Definition of Non-GAAP Financial Measures” and Appendix for a reconciliation of free cash flow to net income.



MARGIN EXPANSION GOALS

- Our stated and achieved goal at the IPO was to reach Adjusted EBITDA margins >20%
- The acquisition of Cobalt in July 2017 reset our margin baseline
  - Our FY18 Adjusted EBITDA margin was 18.7%
- When the acquisition of Pursuit is incorporated we will reset our margins again but there is a path forward
  - Engine Vertical Integrations
  - Applying the same blueprint we used for Malibu at Cobalt and ultimately Pursuit
    - Vertical integration
    - Other operational excellence strategies

1. Adjusted EBITDA Margin is a non-GAAP measure. See “Use and Definition of Non-GAAP Financial Measures” and Appendix for a reconciliation of Adjusted EBITDA Margin to net income.
2. Our IPO was completed on February 5th, 2014.

CAPITAL ALLOCATION PRIORITIES

1. ORGANIC INVESTMENT / STRATEGIC ACQUISITIONS

- TECHNOLOGY / INNOVATION / BRAND EXPANSION
- VERTICAL INTEGRATION
- PROCESS ENGINEERING / OPERATIONAL ENHANCEMENTS

2. DEBT PAYDOWN

3. RETURN OF CAPITAL TO SHAREHOLDERS

FY19 FULL YEAR OUTLOOK

METRIC	TARGET[1]
Unit Volume	Increase in mid-single digits
Net Sales	Approaching high-single digit growth
Gross Margin %	Modest increase
Acquisition, Integration and Engine Expense	~$6 million
Adjusted EBITDA Margin	Modest increase
Capital Expenditures	About $15 million

1. Fiscal Year 2019 Outlook does not include any contribution from the Pursuit Boats acquisition that we expect to close in the fiscal 2019 second quarter
2. Outlook as of 09/06/2018

LONG-TERM FINANCIAL TARGETS

METRIC	TARGET
Annual Net Sales Growth	~10%
Adjusted EBITDA Margin %	>20%
Long-term EPS Annual Growth	>15%



CLOSING COMMENTS

KEY TAKEAWAYS FROM TODAY

DYNAMIC OPERATIONAL EXCELLENCE

WORLD CLASS PRODUCT DEVELOPMENT

SOUND, STRATEGIC ACQUISITIONS OF PREMIUM BRANDS

MARKET LEADER AND GROWING IN MULTIPLE SEGMENTS

UNMATCHED INVESTMENT OPPORTUNITY



Q&A



APPENDIX

RECONCILIATION OF NET INCOME (LOSS) TO NON-GAAP ADJUSTED EBITDA, ADJUSTED EBITDA MARGIN AND FREE CASH FLOW

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

	Fiscal Year Ended June 30,						
($ in 1000s)	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Net (Loss) Income	$ 11,106	$ 17,984	$ (1,188)	$ 23,183	$ 20,295	$ 31,075	$ 30,969
(Benefit) Provision for Income Taxes[1]	-	-	(2,220)	8,663	11,801	17,593	58,418
Acquisition and Integration Related Expenses[2]	-	-	-	1,676	401	3,056	2,859
Interest Expense	1,433	1,334	2,962	954	3,884	1,559	5,385
Depreciation & Amortization	6,072	6,268	6,777	4,890	5,524	6,748	12,854
Severance & Relocation[3]	181	192	-	-	-	-	-
Management Fees & Expenses[4]	87	2,896	4,584	-	-	-	-
Professional Fees & Nautique Litigation[5]	852	2,957	2,219	2,654	1,111	1,038	26
PCMW Litigation Settlement[6]	-	-	20,000	-	-	-	-
Marine Power Litigation Judgement[7]	-	-	-	-	3,268	(1,093)	-
Non-cash Compensation Expenses[8]	132	127	2,577	1,467	1,947	1,396	1,973
Offering Related Expenses[9]	-	-	1,561	161	-	-	-
Engine Development[10]	-	-	-	-	-	2,489	4,871
Adjustments to Tax Receivable Agreement[11]	-	-	-	-	-	(8,140)	(24,637)
Adjusted EBITDA	$ 19,863	$ 31,758	$ 37,272	$ 43,648	$ 48,231	$ 55,721	$ 92,718
% Margin	14.1%	19.0%	19.5%	19.1%	19.1%	19.8%	18.7%
Capital Expenditures	(2,651)	(2,878)	(5,915)	(5,366)	(6,176)	(9,262)	(10,449)
Free Cash Flow	$ 17,212	$ 28,880	$ 31,357	$ 38,282	$ 42,055	$ 46,459	$ 82,269

RECONCILIATION OF NET INCOME (LOSS) TO NON-GAAP ADJUSTED EBITDA, ADJUSTED EBITDA MARGIN AND FREE CASH FLOW

1. Provision for income taxes for fiscal year 2018 reflects the impact of the Tax Act adopted in December 2017, which among other items, lowered the U.S. corporate income tax rate from 35% to 21%, effective January 1, 2018. For fiscal year 2018, we recorded a non-cash adjustment to income tax expense of $44.5 million for the remeasurement of deferred taxes on the enactment date and the deferred tax impact related to the reduction in the tax receivables agreement liability.
2. Represents legal, professional, and advisory fees incurred in connection with our acquisition of Cobalt, which was completed on July 6, 2017, and our agreement to acquire Pursuit, which agreement we signed on August 21, 2018. Integration related expenses for fiscal year 2018 include post-acquisition adjustments to cost of goods sold of $1.5 million for the fair value step up of inventory acquired, most of which was sold during the first quarter of fiscal year 2018.
3. Represents one-time employment related expenses, including a severance payment to a former executive, and costs to relocate certain departments from California to our Tennessee facility.
4. 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.
5. Represents legal and advisory fees related to our refinancing activities and legal expenses associated with our litigation with Pacific Coast Marine Windshields Ltd. (“PCMW”), Nautique Boat Company (“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 and legal and advisory fees related to our litigation with Mastercraft offset by the settlement received from them in connection with the Mastercraft Settlement and License Agreement entered into on May 2, 2017.
6. Represents a one-time charge related to the settlement of litigation with PCMW on September 15, 2014.
7. Represents a charge recorded in fiscal 2016 related to a judgment rendered against us in connection with a lawsuit by Marine Power, a former engine supplier, on August 18, 2016 and the reduction of that charge to $2.2 million, the amount ultimately settled and paid in the fourth quarter of fiscal 2017.
8. 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 year 2014, we 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.
9. Includes legal, professional and advisory costs incurred in connection with our equity offerings, equity tender offer and IPO completed in fiscal years 2015 and 2014, respectively. There were no such offering costs for fiscal year 2016 or 2017.
10. Represents costs incurred in connection with our vertical integration of engines including product development costs and supplier transition performance incentives.
11. In FY2017, represents a decrease in the estimated tax receivable agreement liability stemming from tax legislation enacted during the fourth quarter of fiscal 2017 which reduced the tax rate applied in computing the future benefit expected to be realized by us on increased tax basis from previous sales and exchanges of LLC Units by the pre-IPO owners. For fiscal year 2018, we recognized other income as a result of a decrease in our estimated tax receivable agreement liability. The reduction in our tax receivable agreement liability resulted from the adoption of the Tax Act, which decreased the estimated tax rate used in computing our future tax obligations and, in turn, decreased the future tax benefit we expect to realize related to increased tax basis from previous sales and exchanges of LLC Units by our pre-IPO owners.

RECONCILIATION OF NET INCOME ATTRIBUTABLE TO CLASS A COMMON STOCK TO ADJUSTED FULLY DISTRIBUTED NET INCOME OF CLASS A COMMON STOCK (UNAUDITED):

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

($ in 1000s)	Fiscal Year Ended June 30,						
	2012	2013	2014	2015	2016	2017	2018
Net income attributable to Malibu Boats, Inc.	$ -	$ -	$ (4,676)	$ 14,661	$ 18,042	$ 28,358	$ 27,613
Income tax provision[1]	-	-	(2,220)	8,663	11,801	17,593	58,418
Management fees and expenses [2]	87	2,896	4,584	-	-	-	-
Professional fees [3]	852	2,957	2,219	2,654	1,111	1,038	26
PCMW litigation settlement [4]	-	-	20,000	-	-	-	-
Marine Power litigation judgment [5]	-	-	-	-	3,268	(1,093)	-
Acquisition and integration related expenses [6]	-	-	-	1,676	401	3,056	5,719
Fair market value adjustment for interest rate swap [7]	-	-	-	-	863	(912)	(369)
Stock based compensation expense [8]	132	127	2,577	1,467	1,947	1,396	1,973
Offering related expenses [9]	-	-	1,561	161	-	-	-
Engine development [10]	-	-	-	-	-	2,489	4,871
Adjustment to tax receivable agreement [11]	-	-	-	-	-	(8,140)	(24,637)
Net income attributable to non-controlling interest [12]	11,106	17,984	3,488	8,522	2,253	2,717	3,356
Fully distributed net income before income taxes	12,177	23,964	27,533	37,804	39,686	46,502	76,970
Income tax expense on fully distributed income before income taxes [13]	4,384	8,627	9,912	13,420	14,089	16,508	20,908
Adjusted Fully Distributed net income	$ 7,793	$ 15,337	$ 17,621	$ 24,384	$ 25,597	$ 29,994	$ 56,062

RECONCILIATION OF NET INCOME ATTRIBUTABLE TO CLASS A COMMON STOCK TO ADJUSTED FULLY DISTRIBUTED NET INCOME OF CLASS A COMMON STOCK (UNAUDITED):

1. Provision for income taxes for fiscal year 2018 reflects the impact of the Tax Act adopted in December 2017, which among other items, lowered the U.S. corporate income tax rate from 35% to 21%, effective January 1, 2018. For fiscal year 2018, we recorded a non-cash adjustment to income tax expense of $44.5 million for the remeasurement of deferred taxes on the enactment date and the deferred tax impact related to the reduction in the tax receivables agreement liability. Refer to Note 10 of our consolidated financial statements included elsewhere in this Annual Report.
2. 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.
3. Represents legal and advisory fees related to our refinancing activities and legal expenses associated with our litigation with Pacific Coast Marine Windshields Ltd. (“PCMW”), Nautique Boat Company (“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 and legal and advisory fees related to our litigation with Mastercraft offset by the settlement received from them in connection with the Mastercraft Settlement and License Agreement entered into on May 2, 2017.
4. Represents a one-time charge related to the settlement of litigation with PCMW on September 15, 2014.
5. Represents a charge recorded in fiscal 2016 related to a judgment rendered against us in connection with a lawsuit by Marine Power, a former engine supplier, on August 18, 2016 and the reduction of that charge to $2.2 million, the amount ultimately settled and paid in the fourth quarter of fiscal 2017.
6. Represents legal and advisory fees as well as integration related costs incurred in connection with acquisition activities, including our acquisition of Malibu Boats Pty. Ltd. completed on October 23, 2014. Represents legal, professional, and advisory fees incurred in connection with our acquisition of Cobalt, which was completed on July 6, 2017, and our agreement to acquire Pursuit, which agreement we signed on August 21, 2018. Integration related expenses for fiscal year 2018 include post-acquisition adjustments to cost of goods sold of $1.5 million for the fair value step up of inventory acquired, most of which was sold during the first quarter of fiscal year 2018 and $3.0 million of amortization on intangibles acquired.
7. Represents the change in the fair value of our interest rate swap entered into on July 1, 2015.
8. 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 year 2014, we 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.
9. Includes legal, professional and advisory costs incurred in connection with our equity offerings, equity tender offer and IPO completed in fiscal years 2015 and 2014, respectively. There were no such offering costs for fiscal year 2016 or 2017.
10. Represents costs incurred in connection with our vertical integration of engines including product development costs and supplier transition performance incentives.
11. In FY2017, represents a decrease in the estimated tax receivable agreement liability stemming from tax legislation enacted during the fourth quarter of fiscal 2017 which reduced the tax rate applied in computing the future benefit expected to be realized by us on increased tax basis from previous sales and exchanges of LLC Units by the pre-IPO owners. For fiscal year 2018, we recognized other income as a result of a decrease in our estimated tax receivable agreement liability. The reduction in our tax receivable agreement liability resulted from the adoption of the Tax Act, which decreased the estimated tax rate used in computing our future tax obligations and, in turn, decreased the future tax benefit we expect to realize related to increased tax basis from previous sales and exchanges of LLC Units by our pre-IPO owners.
12. 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.
13. Reflects income tax expense at an estimated normalized annual effective income tax rate of 28.0% of income before taxes for fiscal year 2018 and an income tax rate of 35.5% of income before income taxes for the fiscal years ended June 30, 2017, 2016, 2015 and 2014, assuming the conversion of all LLC Units into shares of Class A Common Stock. 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, state taxes attributable to the LLC, and foreign income taxes attributable to our Australian based subsidiary.

RECONCILIATION OF DENOMINATOR FOR NET INCOME ATTRIBUTABLE TO CLASS A COMMON STOCK PER SHARE TO ADJUSTED FULLY DISTRIBUTED NET INCOME PER SHARE OF CLASS A COMMON STOCK (UNAUDITED):

The following table sets forth a reconciliation of denominator for net income attributable to Class A Common Stock per share to Adjusted Fully Distributed Net Income per share of Class A Common Stock for the periods presented:

Reconciliation of denominator for net income available to Class A Common Stock per share to Adjusted Fully Distributed Net Income per Share of Class A Common Stock:	Fiscal Year Ended June 30,						
	2012	2013	2014	2015	2016	2017	2018
Weighted average sgares outstanding of Class A Common Stock used for basic net income per share	11,055,310	11,055,310	11,055,310	15,732,531	17,934,580	17,844,774	20,189,879
Adjustments to weighted average shares of Class A Common Stock:							
Weighted-average LLC units held by non-controlling unit holders[1]	11,373,737	11,373,737	11,373,737	6,194,270	1,407,311	1,338,907	1,138,917
Weighted-average unvested restricted stock awards issued to management[2]	–	–	–	–	48,466	112,859	132,673
Total restricted stock units granted to directors[3]	69,584	69,584	69,584	–	–	–	–
Adjusted weighted average shares of Class A Common Stock outstanding used in computing Adjusted Fully Distributed Net Income per Share of Class A Common Stock:	22,498,631	22,498,631	22,498,631	21,926,801	19,390,357	19,296,540	21,461,469

RECONCILIATION OF DENOMINATOR FOR NET INCOME ATTRIBUTABLE TO CLASS A COMMON STOCK PER SHARE TO ADJUSTED FULLY DISTRIBUTED NET INCOME PER SHARE OF CLASS A COMMON STOCK (UNAUDITED):

1. Represents the weighted average shares outstanding of LLC Units held by non-controlling interests assuming they were exchanged into Class A Common Stock on a one-for-one basis.
2. Represents the weighted average unvested restricted stock awards included in outstanding shares during the applicable period that were convertible into Class A Common Stock and granted to members of management.
3. Reflects impact of increased share counts assuming the exchange of all weighted average shares outstanding of LLC Units into shares of Class A Common Stock and the conversion of all weighted average unvested restricted stock awards included in outstanding shares granted to members of management.

RECONCILIATION OF NET INCOME ATTRIBUTABLE TO CLASS A COMMON STOCK PER SHARE TO ADJUSTED FULLY DISTRIBUTED NET INCOME PER SHARE OF CLASS A COMMON STOCK (UNAUDITED):

The following table sets forth a reconciliation of net income attributable per share to Malibu Boats, Inc. to Adjusted Fully Distributed Net Income per share for the periods presented:

Reconciliation of net income available to Class A Common Stock per share of AFDNI per Share of Class A Common Stock	Fiscal Year Ended June 30,						
	2012	2013	2014	2015	2016	2017	2018
Net income attributable to Malibu Boats, Inc.	$ -	$ -	$ (0.42)	$ 0.93	$ 1.01	$ 1.59	$ 1.37
Income tax provision [1]	-	-	(0.20)	0.55	0.66	0.99	2.89
Management fees and expenses [2]	0.01	0.26	0.41	-	-	-	-
Professional fees [3]	0.08	0.27	0.20	0.17	0.06	0.06	-
PCMW litigation settlement [4]	-	-	1.81	-	-	-	-
Marine Power litigation judgment [5]	-	-	-	-	0.18	(0.06)	-
Acquisition and integration related expenses [6]	-	-	-	0.11	0.02	0.17	0.28
Fair market value adjustment for interest rate swap [7]	-	-	-	-	0.05	(0.05)	(0.02)
Stock based compensation expense [8]	0.01	0.01	0.23	0.09	0.11	0.08	0.10
Offering related expenses [9]	-	-	0.14	0.01	-	-	-
Engine development [10]	-	-	-	-	-	0.14	0.24
Adjustment to tax receivable agreement [11]	-	-	-	-	-	(0.46)	(1.22)
Net income attributable to non-controlling interest [12]	1.00	1.63	0.32	0.54	0.13	0.15	0.17
Fully distributed net income before income taxes	1.10	2.17	2.49	2.40	2.21	2.61	3.81
Income tax expense on fully distributed income before income taxes [13]	(0.40)	(0.78)	(0.90)	(0.85)	(0.79)	(0.92)	(1.04)
Impact of increased share count [14]	(0.35)	(0.71)	(0.81)	(0.44)	(0.11)	(0.13)	(0.17)
Adjusted Fully Distributed net income	$ 0.35	$ 0.68	$ 0.78	$ 1.11	$ 1.32	$ 1.56	$ 2.60

RECONCILIATION OF NET INCOME ATTRIBUTABLE TO CLASS A COMMON STOCK PER SHARE TO ADJUSTED FULLY DISTRIBUTED NET INCOME PER SHARE OF CLASS A COMMON STOCK (UNAUDITED):

1. Provision for income taxes for fiscal year 2018 reflects the impact of the Tax Act adopted in December 2017, which among other items, lowered the U.S. corporate income tax rate from 35% to 21%, effective January 1, 2018. For fiscal year 2018, we recorded a non-cash adjustment to income tax expense of $44.5 million for the remeasurement of deferred taxes on the enactment date and the deferred tax impact related to the reduction in the tax receivables agreement liability. Refer to Note 10 of our consolidated financial statements included elsewhere in this Annual Report.
2. 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.
3. Represents legal and advisory fees related to our refinancing activities and legal expenses associated with our litigation with Pacific Coast Marine Windshields Ltd. (“PCMW”), Nautique Boat Company (“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 and legal and advisory fees related to our litigation with Mastercraft offset by the settlement received from them in connection with the Mastercraft Settlement and License Agreement entered into on May 2, 2017.
4. Represents a one-time charge related to the settlement of litigation with PCMW on September 15, 2014.
5. Represents a charge recorded in fiscal 2016 related to a judgment rendered against us in connection with a lawsuit by Marine Power, a former engine supplier, on August 18, 2016 and the reduction of that charge to $2.2 million, the amount ultimately settled and paid in the fourth quarter of fiscal 2017.
6. Represents legal and advisory fees as well as integration related costs incurred in connection with acquisition activities, including our acquisition of Malibu Boats Pty. Ltd. completed on October 23, 2014. Represents legal, professional, and advisory fees incurred in connection with our acquisition of Cobalt, which was completed on July 6, 2017, and our agreement to acquire Pursuit, which agreement we signed on August 21, 2018. Integration related expenses for fiscal year 2018 include post-acquisition adjustments to cost of goods sold of $1.5 million for the fair value step up of inventory acquired, most of which was sold during the first quarter of fiscal year 2018 and $3.0 million of amortization on intangibles acquired.
7. Represents the change in the fair value of our interest rate swap entered into on July 1, 2015.
8. 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 year 2014, we 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.
9. Includes legal, professional and advisory costs incurred in connection with our equity offerings, equity tender offer and IPO completed in fiscal years 2015 and 2014, respectively. There were no such offering costs for fiscal year 2016 or 2017 or the six months end December 31, 2017.
10. Represents costs incurred in connection with our vertical integration of engines including product development costs and supplier transition performance incentives.
11. In FY2017, represents a decrease in the estimated tax receivable agreement liability stemming from tax legislation enacted during the fourth quarter of fiscal 2017 which reduced the tax rate applied in computing the future benefit expected to be realized by us on increased tax basis from previous sales and exchanges of LLC Units by the pre-IPO owners. For fiscal year 2018, we recognized other income as a result of a decrease in our estimated tax receivable agreement liability. The reduction in our tax receivable agreement liability resulted from the adoption of the Tax Act, which decreased the estimated tax rate used in computing our future tax obligations and, in turn, decreased the future tax benefit we expect to realize related to increased tax basis from previous sales and exchanges of LLC Units by our pre-IPO owners.
12. 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.
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14. Reflects impact of increased share counts assuming the exchange of all weighted average shares outstanding of LLC Units into shares of Class A Common Stock and the conversion of all weighted average unvested restricted stock awards included in outstanding shares granted to members of management.