

Malibu Boats, Inc.
Third Quarter Fiscal 2021

Earnings Results
May 4, 2021

Malibu BOATS · COBALT BOATS · PURSUIT · XIS · MBG MAVERICK BOAT GROUP
MAVERICK / PATHFINDER / HEWES / COBIA

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 regarding our expectations for fiscal year 2021; our expectations for opportunities for growth and demand for our products, including beyond calendar year 2021; and our ability to continue to deliver value for our shareholders.

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 effects of the COVID-19 pandemic on us; general industry, economic and business conditions; our ability to grow our business through acquisitions and integrate such acquisitions to fully realize their expected benefits, including our recent acquisition of Maverick Boat Group; our reliance on our network of independent dealers and increasing competition for dealers; our large fixed cost base; intense competition within our industry; increased consumer preference for used boats or the supply of new boats by competitors in excess of demand; the successful introduction of new products; our ability to execute our manufacturing strategy successfully; 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 & DEFINITION OF NON-GAAP FINANCIAL MEASURE

This presentation includes the following financial measures defined as non-GAAP financial measures by the Securities and Exchange Commission: 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 U.S. generally accepted accounting principles (“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, acquisition and integration-related expenses, non-cash compensation expense, expenses related to interruption to our engine supply during the labor strike by United Auto Workers (“UAW”) against General Motors 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 structure, 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 presentation, 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 the numerator and denominator for our net income available to Class A Common Stock per share to Adjusted Fully Distributed Net Income per share of Class A Common Stock is provided under "Reconciliation of Non-GAAP Financial Measures".

THREE MONTHS ENDED FISCAL Q3 2021

- Delivered record results that exceeded expectations
- Net sales are up 49.8% year-over-year to $273.2 million
  - Driven by strong organic volume growth and the acquisition of Maverick Boat Group
- Net sales per unit increased 9.7%
  - Mix of newer, larger models
  - Larger % of custom ordered boats driving additional upgraded options and features
- Adjusted EBITDA margin up 90bps Y/Y to 20.9%

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.

Malibu Boats · Cobalt Boats · Pursuit · Axis · MBG Maverick Boat Group — Maverick / Pathfinder / Hewes / Cobia

KEY TAKEAWAYS



Positioned for long-term, sustainable success resulting in increased profitability

- Leveraged our premium product line-up and operational excellence to post record revenue, gross profit, and units shipped
- Capitalized on the heightened retail demand flocking toward custom newer, larger, and more expensive boats
- Marketing and lead generation programs at all brands offset the lack of boat shows
- Executed on our development targets by completing the final phase of Cobalt's expansion initiative and broke ground on Maverick's phase II production project
- Malibu's strategic planning and supply chain management continues to support our outperformance of the broader industry

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COBALT & MAVERICK FACILITY EXPANSION





- Completed the expansion of our cruiser plant and small boat plant, effectively increasing production capacity for Q4 of FY 2021 and beyond
- Completed the third and final phase of our plant improvement, which supports the expansion and modernization of our gelcoat and lamination departments
- The completion of this project drives our capability of building more products with even better quality, while further driving operational efficiencies

- Broke ground to begin the 110,000 square foot phase II addition at Maverick, supporting future growth and our ability to harness strong industry momentum
- Project is expected to take 12 months and positions Maverick to increase production by 30% or more
- This expansion project helps drive market share growth opportunities and seize additional untapped Saltwater Fishing demand

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OPERATIONAL EXCELLENCE & VERTICAL INTEGRATION



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 supports operational excellence
- Allows us to encounter and overcome operating issues out of our control quickly
- Implementing the same strategy at Cobalt, Pursuit, and ultimately Maverick
- Drives margin expansion over the long-term



VERTICAL INTEGRATION

- Vertical integration strategy is a competitive differentiator across all brands, driving overall growth and profitability
- Allows us to control a greater portion of our supply chain, quality and input costs
- Like Malibu and Axis in FY20, our flooring has debuted at Cobalt in FY21
- 2-3 additional vertical integration projects are always in the works
- More opportunities to generate new synergies across brands in FY 2021 and beyond

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MALIBU'S GROWTH STRATEGY

INNOVATION



PRODUCT & DISTRIBUTION WHITE SPACES



VERTICAL INTEGRATION



STRATEGIC ACQUISITIONS OF PREMIUM COMPANIES



Malibu Boats · Cobalt Boats · Pursuit · Axis · MBG Maverick Boat Group (Maverick / Pathfinder / Hewes / Cobia)

3RD QUARTER FISCAL 2021 COMPARABLE RESULTS

NET SALES



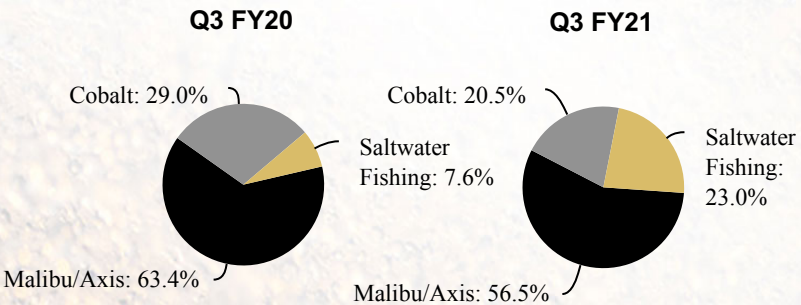
VOLUME



NET SALES PER UNIT



MIX COMPARISON



3RD QUARTER FISCAL 2021 COMPARABLE RESULTS

GROSS MARGIN



GROSS PROFIT



ADJ EBITDA MARGIN (1)



ADJ. EBITDA (1)



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

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FY21 FULL YEAR OUTLOOK

METRIC	TARGET
Consolidated Net Sales	Approaching 38% year over year
Adjusted EBITDA Margin	Approximately 20.5%

APPENDIX

RECONCILIATION OF NET INCOME TO NON-GAAP ADJUSTED EBITDA

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

	Three Months Ended March 31,	
	2021	2020
Net income	$ 35,135	$ 23,866
Provision for income taxes	10,941	6,987
Interest expense	796	940
Depreciation	4,130	2,938
Amortization	2,094	1,501
Professional fees [1]	948	124
Acquisition and integration related expenses [2]	1,530	—
Stock-based compensation expense [3]	1,449	816
UAW strike impact [4]	—	877
Adjustments to tax receivable agreement liability [5]	—	(1,650)
Adjusted EBITDA	$ 57,023	$ 36,399
Net Sales	$ 273,162	$ 182,310
Net Income Margin [6]	12.9 %	13.1 %
Adjusted EBITDA Margin [6]	20.9 %	20.0 %

RECONCILIATION OF NET INCOME TO NON-GAAP ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

(1) Represents legal and advisory fees related to our litigation with Skier's Choice, Inc.

(2) For the three months and nine months ended March 31, 2021, represents legal and advisory fees incurred in connection with our acquisition of Maverick Boat Group on December 31, 2020. Integration related expenses for the three and nine months ended March 31, 2021 include post-acquisition adjustments to cost of goods sold of $0.9 million for the fair value step up of inventory acquired from Maverick Boat Group, which was sold during the third quarter of fiscal 2021.

(3) Represents equity-based incentives awarded to key 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.

(4) For the three and nine months ended March 31, 2020, represents costs incurred in connection with interruption to our engine supply during the UAW strike against General Motors. We purchase engines from General Motors LLC that we then prepare for marine use for our Malibu and Axis boats. During the UAW strike, General Motors suspended delivery of engine blocks to us and we incurred costs by entering into purchase agreements with two suppliers for additional engines to supplement our inventory of engine blocks for Malibu and Axis boats.

(5) For the three and nine months ended March 31, 2020 we recognized other income from an adjustment in our tax receivable agreement liability as a result of a decrease in the estimated tax rate used in computing our future tax obligations and in turn, a decrease in the future tax benefit we expect to pay under our tax receivable agreement with pre-IPO owners.

(6) We calculate net income margin as net income divided by net sales and we define adjusted EBITDA margin as adjusted EBITDA divided by net sales.

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):

	Three Months Ended March 31,	
	2021	2020
Reconciliation of numerator for net income available to Class A Common Stock per share to Adjusted Fully Distributed Net Income per Share of Class A Common Stock:		
Net income attributable to Malibu Boats, Inc.	$ 33,796	$ 22,778
Provision for income taxes	10,941	6,987
Professional fees [1]	948	124
Acquisition and integration related expenses [2]	3,170	1,053
Fair market value adjustment for interest rate swap [3]	—	10
Stock-based compensation expense [4]	1,449	816
UAW strike impact [5]	—	877
Adjustments to tax receivable agreement liability [6]	—	(1,650)
Net income attributable to non-controlling interest [7]	1,339	1,088
Fully distributed net income before income taxes	51,643	32,083
Income tax expense on fully distributed income before income taxes [8]	12,187	7,539
Adjusted fully distributed net income	$ 39,456	$ 24,544

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):

	Three Months Ended March 31,	
	2021	2020
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:		
Weighted average shares outstanding of Class A Common Stock used for basic net income per share:	20,799,405	20,630,741
Adjustments to weighted average shares of Class A Common Stock:		
Weighted-average LLC units held by non-controlling unit holders [9]	643,292	805,822
Weighted-average unvested restricted stock awards issued to management [10]	231,165	181,015
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:	21,673,862	21,617,578

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):

	Three Months Ended March 31,	
	2021	2020
Net income available to Class A Common Stock per share	$ 1.62	$ 1.11
Impact of adjustments:		
Provision for income taxes	0.53	0.34
Professional fees [1]	0.04	—
Acquisition and integration related expenses [2]	0.15	0.05
Fair market value adjustment for interest rate swap [3]	—	—
Stock-based compensation expense [4]	0.07	0.04
UAW strike impact [5]	—	0.04
Adjustment to tax receivable agreement liability [6]	—	(0.08)
Net income attributable to non-controlling interest [7]	0.06	0.05
Fully distributed net income per share before income taxes	2.47	1.55
Impact of income tax expense on fully distributed income before income taxes [8]	(0.59)	(0.37)
Impact of increased share count [11]	(0.06)	(0.05)
Adjusted Fully Distributed Net Income per Share of Class A Common Stock	$ 1.82	$ 1.13

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

(1) Represents legal and advisory fees related to our litigation with Skier's Choice, Inc.

(2) For the three and nine months ended March 31, 2021, represents legal and advisory fees incurred in connection with the acquisition of Maverick Boat Group and amortization of intangibles acquired in connection with the acquisition of Maverick Boat Group, Pursuit and Cobalt. Integration related expenses for the three and nine months ended March 31, 2021 include post-acquisition adjustments to cost of goods sold of $0.9 million for the fair value step up of inventory acquired from Maverick Boat Group, which was sold during the second quarter of fiscal 2021. For the three and nine months ended March 31, 2020, represents amortization of intangibles acquired in connection with the acquisition of Pursuit and Cobalt.

(3) Represents the change in the fair value of our interest rate swap entered into on July 1, 2015. The swap matured on March 31, 2020.

(4) 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.

(5) For the three and nine months ended March 31, 2020, represents costs incurred in connection with interruption to our engine supply during the UAW strike against General Motors. We purchase engines from General Motors LLC that we then prepare for marine use for our Malibu and Axis boats. During the UAW strike, General Motors suspended delivery of engine blocks to us and we incurred costs by entering into purchase agreements with two suppliers for additional engines to supplement our inventory of engine blocks for Malibu and Axis boats.

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

(6) For the three and nine months ended March 31, 2020, we recognized other income from an adjustment in our tax receivable agreement liability as a result of a decrease in the estimated tax rate used in computing our future tax obligations and in turn, a decrease in the future tax benefit we expect to pay under our tax receivable agreement with pre-IPO owners.

(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.

(8) Reflects income tax expense at an estimated normalized annual effective income tax rate of 23.6% and 23.5% of income before income taxes for the three and nine month periods ended March 31, 2021 and 2020, respectively, assuming the conversion of all LLC Units into shares of Class A Common Stock. The estimated normalized annual effective income tax rate for fiscal year 2021 is based on the federal statutory rate plus a blended state rate adjusted for the research and development tax credit, the foreign derived intangible income deduction, and foreign income taxes attributable to our Australian subsidiary.

(9) 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.

(10) 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.

(11) 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.