

Malibu Boats, Inc.
First Quarter Fiscal 2022

Earnings Results
November 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 2022; 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 and non-cash compensation expense. 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".

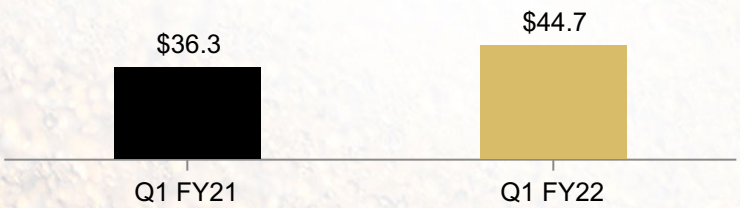
THREE MONTHS ENDED FISCAL Q1 2022

- Delivered record results that exceeded expectations
- Net sales are up 40.1% year-over-year to $253.5 million
  - Driven by favorable model mix, year-over-year price increases and the acquisition of Maverick Boat Group
- Net sales per unit increased 13.1%
  - Mix of newer, larger models
  - Larger % of custom ordered boats driving additional upgraded options and features
  - Is not inclusive of announced price increases
- Adjusted EBITDA margin 17.6%

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 revenues during the first quarter, despite inflationary concerns and ongoing supply chain constraints
- Our 25 LSV and T250 models, coupled with strong sales from our M-Series is also driving enhanced margins, while our new Cobalt R-Series remains highly sought after by customers
- Continued to capitalize on the heightened retail demand flocking toward larger, more feature-rich boats, even as we enter the off season
- Executed on our growth initiatives by advancing plant expansion of Maverick's phase II production project, further integrating the brand into the Malibu family
- Malibu's strategic planning and supply chain management continues to support our outperformance of the broader industry

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MAVERICK FACILITY EXPANSION



- Work continues to advance the 110,000 square foot phase II addition at Maverick, supporting future growth and our ability to harness strong industry momentum
- Approximately halfway complete on a project expected to take 12 months and positions Maverick to increase revenue volume by nearly double
- We expect to start building boats in the new facility during the second half of FY22
- This expansion project helps drive market share growth opportunities and seize additional untapped Saltwater Fishing demand
- When supply chain issues subside, allows us to expand distribution

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 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 2022 and beyond

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MALIBU'S GROWTH STRATEGY

INNOVATION



PRODUCT & DISTRIBUTION WHITE SPACES



VERTICAL INTEGRATION



STRATEGIC ACQUISITIONS OF PREMIUM COMPANIES



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1ST QUARTER FISCAL 2022 COMPARABLE RESULTS

NET SALES



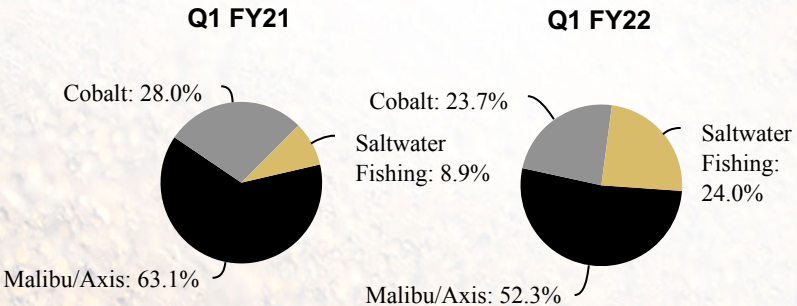
VOLUME



NET SALES PER UNIT



MIX COMPARISON



1ST QUARTER FISCAL 2022 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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FY22 FULL YEAR OUTLOOK

METRIC	TARGET
Consolidated Net Sales	Low to mid 20% range
Adjusted EBITDA Margin	Approximately 19.5%

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 September 30,	
	2021	2020
Net income	$ 27,933	$ 22,038
Provision for income taxes	8,084	6,367
Interest expense	684	556
Depreciation	4,918	3,486
Amortization	1,856	1,524
Professional fees [1]	—	1,565
Stock-based compensation expense [2]	1,258	811
Adjusted EBITDA	$ 44,733	$ 36,347
Net Sales	$ 253,497	$ 180,984
Net Income Margin [3]	11.0 %	12.2 %
Adjusted EBITDA Margin [3]	17.6 %	20.1 %

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

(1) For the three months ended September 30, 2020, represents legal and advisory fees related to our litigation with Skier's Choice, Inc.

(2) 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.

(3) 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 September 30,	
	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.	$ 26,944	$ 21,093
Provision for income taxes	8,084	6,367
Professional fees [1]	—	1,565
Acquisition and integration related expenses [2]	1,677	1,073
Stock-based compensation expense [3]	1,258	811
Net income attributable to non-controlling interest [4]	989	945
Fully distributed net income before income taxes	38,952	31,854
Income tax expense on fully distributed income before income taxes [5]	9,271	7,518
Adjusted fully distributed net income	$ 29,681	$ 24,336

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 September 30,	
	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:	20,849,981	20,651,929
Adjustments to weighted average shares of Class A Common Stock:		
Weighted-average LLC units held by non-controlling unit holders [6]	600,919	714,261
Weighted-average unvested restricted stock awards issued to management [7]	224,165	179,048
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:	21,675,065	21,545,238

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 September 30,	
	2021	2020
Net income available to Class A Common Stock per share	$ 1.29	$ 1.02
Impact of adjustments:		
Provision for income taxes	0.39	0.31
Professional fees [1]	—	0.08
Acquisition and integration related expenses [2]	0.08	0.05
Stock-based compensation expense [3]	0.06	0.04
Net income attributable to non-controlling interest [4]	0.05	0.05
Fully distributed net income per share before income taxes	1.87	1.55
Impact of income tax expense on fully distributed income before income taxes [5]	(0.44)	(0.36)
Impact of increased share count [8]	(0.06)	(0.06)
Adjusted Fully Distributed Net Income per Share of Class A Common Stock	$ 1.37	$ 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) For the three months ended September 30, 2020, represents legal and advisory fees related to our litigation with Skier's Choice, Inc.

(2) For the three months ended September 30, 2021, represents amortization of intangibles acquired in connection with the acquisitions of Maverick Boat Group, Pursuit and Cobalt. For the three months ended September 30, 2020, represents amortization of intangibles acquired in connection with the acquisitions of Pursuit and Cobalt.

(3) 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.

(4) 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.

(5) Reflects income tax expense at an estimated normalized annual effective income tax rate of 23.8% and 23.6% of income before income taxes for the three month periods ended September 30, 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 2022 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.

(6) 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.

(7) 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.

(8) 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.