



## American Outdoor Brands, Inc. Reports Second Quarter Fiscal 2021 Financial Results

December 15, 2020

- Net Sales \$79.1 Million (+65.7%)
- E-commerce Channel Sales +213.4% -- Traditional Channel Sales +34.3%
- Gross Margin 46.9% (+690 Basis Points)
- GAAP EPS \$0.52 / Non-GAAP EPS \$0.77
- Company Increases FY2021 Guidance

COLUMBIA, Mo., Dec. 15, 2020 /PRNewswire/ -- American Outdoor Brands, Inc. (NASDAQ Global Select: AOUT), an industry leading provider of products and accessories for rugged outdoor enthusiasts, today announced financial results for the second quarter fiscal 2021, ended October 31, 2020.



### Second Quarter Fiscal 2021 Financial Highlights

- Quarterly net sales were \$79.1 million, an increase of \$31.4 million, or 65.7%, over net sales of \$47.7 million for the comparable quarter last year, driven primarily by increases in both e-commerce and traditional sales channels.
- Quarterly gross margin was 46.9%, an increase of 690 basis points, over gross margin of 40.0% for the comparable quarter last year.
- Quarterly net income was \$7.3 million, or \$0.52 per diluted share, compared with a net loss of \$393,000, or (\$0.03) per diluted share, for the comparable quarter last year.
- Quarterly non-GAAP net income was \$11.0 million, or \$0.77 per diluted share, compared with a non-GAAP net income of \$2.8 million, or \$0.20 per diluted share, for the comparable quarter last year. GAAP to non-GAAP adjustments for net income exclude costs related to acquired intangible amortization, stock compensation, transition costs, COVID-19 expenses, and other costs.
- Quarterly Adjusted EBITDAS was \$15.8 million, or 19.9% of net sales, compared with \$5.6 million, or 11.7% of net sales, for the comparable quarter last year.

Brian Murphy, President and CEO, said, "We believe our second quarter financial performance demonstrates the diversity and innovation of our brand portfolio as it continues to capture the attention of consumers. As a result, we delivered net sales growth of over 65%, and gross margins expanded by 690 basis points to nearly 47% in the quarter. We believe we're witnessing a new foundational level of consumer participation in outdoor activities, an interest towards personal protection, and an interest in adjacent home-based hobbies that surround outdoor adventure, creating meaningful, long-term growth potential for our business well beyond 2020. Continued entry into new, larger addressable markets through our 'Dock & Unlock<sup>TM</sup>' strategy has begun to bear fruit as our brands progress along their transition from 'Niche to Known<sup>TM</sup>.'"

Murphy added, "I want to especially thank our employees, who helped us deliver what we consider to be outstanding results this quarter while positioning us for a tremendous first year as a public company. Their efforts, combined with our award-winning products, made it possible for customers to continue exploring their connection with the outdoors during these challenging times."

## Outlook

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### **Conference Call and Webcast**

### Reconciliation of U.S. GAAP to Non-GAAP Financial Measures

## About American Outdoor Brands, Inc.

American Outdoor Brands, Inc. (NASDAQ Global Select: AOUT) is an industry leading provider of outdoor products and accessories, including hunting, fishing, camping, shooting, and personal security and defense products, for rugged outdoor enthusiasts. The company produces innovative, top quality products under the brands Caldwell®, Crimson Trace®, Wheeler®, Tipton®, Frankford Arsenal®, Lockdown®, BOG®, Hooyman®, Smith & Wesson® Accessories; M&P® Accessories; Thompson/Center Arms™ Accessories; Performance Center® Accessories; Schrade®; Old Timer®; Uncle Henry®; Imperial®; BUBBA®; UST®; LaserLyte®, and MEAT!. For more information about all the brands and products from American Outdoor Brands, Inc., visit [www.aob.com](http://www.aob.com).

## **Safe Harbor Statement**

Certain statements contained in this press release may be deemed to be forward-looking statements under federal securities laws, and we intend that such forward-looking statements be subject to the safe-harbor created thereby. All statements other than statements of historical facts contained or incorporated herein by reference in this press release, including statements regarding our future operating results, future financial position, business strategy, objectives, goals, plans, prospects, markets, and plans and objectives for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "anticipates," "believes," "estimates," "expects," "intends," "targets," "contemplates," "projects," "predicts," "may," "might," "plan," "would," "should," "could," "may," "can," "potential," "continue," "objective," or the negative of those terms, or similar expressions intended to identify forward-looking statements. However, not all forward-looking statements contain these identifying words. Specific forward-looking statements in this press release include our belief that our second quarter financial performance demonstrates the diversity and innovation of our brand portfolio as it continues to capture the attention of consumers; our belief that we are witnessing a new foundational level of consumer participation in outdoor activities, interest towards personal protection, as well as adjacent home-based hobbies that surround outdoor adventure, creating meaningful, long-term growth potential for our business well beyond 2020; our vision that our 'Dock & Unlock' strategy has begun to bear fruit as our brands progress along their transition from 'Niche to Known'; our belief that our employees helped us deliver what we consider to be outstanding results this quarter while positioning us for a tremendous first year as a public company; and our belief that our Adjusted EBITDAS margin of nearly 20% in the quarter demonstrates that we have designed and built a highly leverageable platform, made possible by earlier investments in our e-commerce and logistics capabilities. We caution that these statements are qualified by important risks, uncertainties, and other factors that could cause actual results to differ materially from those reflected by such forward-looking statements. Such factors include, among others, the effects of the COVID-19, pandemic, including potential disruptions in our ability to source the materials necessary for the production of our products, disruptions and delays in the manufacture of our products, and difficulties encountered by retailers and other components of the distribution channel for our products; economic, social, political, legislative, and regulatory factors; recently issued accounting standards on our consolidated financial statements; failure to realize the anticipated benefits from being a public company separate from Smith & Wesson, Inc.; our assessment of factors relating to the valuation of assets acquired and liabilities assumed in acquisitions, the timing for such evaluations, and the potential adjustment in such evaluations; assessments that we make about determining segments and reporting units; estimated amortization expense of intangible assets for future periods; the potential for impairment charges; lawsuits and their effect on us; inventory levels, both internally and in the distribution channel, in excess of demand; natural disasters, pandemics, seasonality, news events, political events, and consumer tastes; the impact of the Tax Cuts and Jobs Act, or Tax Reform, on our operating results, including our belief that Tax Reform will be a benefit to us and reduce our effective tax rate; the integration of our acquisitions, including the quality and strength of their products and their effect on our overall financial performance; the effect of political pressures on firearm laws and regulations; future investments for capital expenditures; future products and product development; the features, quality, and performance of our products; the success of our strategies and marketing programs; our market share and factors that affect our market share; liquidity and anticipated cash needs and availability; actions of social activists that could have an adverse effect on our business; the supply, availability, and costs of materials and components and related tariffs; our ability to maintain and enhance brand recognition and reputation; risks associated with the distribution of our products and overall availability of labor; and, other factors detailed from time to time in our reports filed with the Securities and Exchange Commission, or the SEC, including our Information Statement on Form 10 for the fiscal year ended April 30, 2020, filed with the SEC on July 1, 2020, as amended by Amendment No. 1 filed on July 13, 2020.

Forward-looking statements included in this press release speak only as of the date of this press release. The company does not undertake any obligation to update its forward-looking statements to reflect events or circumstances after the date of this press release except as may be required by the federal securities laws.

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