

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 18, 2023

American Outdoor Brands, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-39366
(Commission File Number)

84-4630928
(IRS Employer
Identification No.)

1800 North Route Z, Suite A
Columbia, Missouri
(Address of Principal Executive Offices)

65202
(Zip Code)

Registrant's Telephone Number, Including Area Code: (800) 338-9585

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value \$0.001 per Share	AOUT	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

We are furnishing this Current Report on Form 8-K in connection with the disclosure of information, in the form of the textual information from a PowerPoint presentation to be given at meetings with investors and analysts. This information may be amended or updated at any time and from time to time through another Form 8-K, a later company filing, or other means.

The information in this Current Report on Form 8-K (including the exhibit) is furnished pursuant to Item 7.01 and shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. This Current Report on Form 8-K will not be deemed an admission as to the materiality of any information in the Report that is required to be disclosed solely by Regulation FD.

We do not have, and expressly disclaim, any obligation to release publicly any updates or any changes in our expectations or any change in events, conditions, or circumstances on which any forward-looking statement is based.

The text included with this Report on Form 8-K is available on our website located at www.aob.com, although we reserve the right to discontinue that availability at any time.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit Number</u>	<u>Description</u>
99.1	Investor Presentation, dated April 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERICAN OUTDOOR BRANDS, INC.

Date: April 18, 2023

By: /s/ H. Andrew Fulmer

H. Andrew Fulmer

Executive Vice President, Chief Financial Officer, and Treasurer



Ready for the Future!

April 2023



LEGAL SAFE HARBOR

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

Certain statements contained in this presentation 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 presentation, 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," "suggests," "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. 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, potential disruptions in our suppliers' ability to source the raw 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 including delivery of product stemming from port congestion and related transportation challenges; lower levels of consumer spending in general and specific to our products or product categories; our ability to introduce new products that are successful in the marketplace; interruptions of our arrangements with third-party contract manufacturers and freight carriers that disrupt our ability to fill our customers' orders; increases in costs or decreases in availability of finished products, product components, and raw materials; our ability to maintain or strengthen our brand recognition and reputation; the ability to forecast demand for our products accurately; our ability to continue to expand our e-commerce business; our ability to compete in a highly competitive market; our dependence on large customers; our ability to attract and retain talent; an increase of emphasis on private label products by our customers; pricing pressures by our customers; our ability to collect our accounts receivable; the potential for product recalls, product liability, and other claims or lawsuits against us; our ability to protect our intellectual property; inventory levels, both internally and in the distribution channel, in excess of demand; our ability to identify acquisition candidates, to complete acquisitions of potential acquisition candidates, to integrate acquired businesses with our business, to achieve success with acquired companies, and to realize the benefits of acquisitions in a manner consistent with our expectations; the performance and security of our information systems; our ability to comply with any applicable foreign laws or regulations and the effect of increased protective tariffs; economic, social, political, legislative, and regulatory factors; the potential for increased regulation of firearms and firearms-related products; the effect of political pressures on firearm laws and regulations; the potential impact on our business and operations from the results of federal, state, and local elections and the policies that may be implemented as a result thereof; our ability to realize the anticipated benefits of being a separate, public company; future investments for capital expenditures, liquidity and anticipated cash needs and availability; the potential for impairment charges; estimated amortization expense of intangible assets for future periods; actions of social or economic activists that could, directly or indirectly, have an adverse effect on our business; disruptions caused by social unrest, including related protests or disturbances; 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; and, other factors detailed from time to time in our reports filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended April 30, 2022.



AMERICAN OUTDOOR BRANDS: SENIOR TEAM

INTRODUCTIONS



BRIAN MURPHY
President & CEO
Joined: 2016

Previous Experience



ANDY FULMER
Chief Financial Officer
Joined: 2010

Previous Experience



JAMES TAYON
VP of Marketing & Product Development
Joined: 2012

Previous Experience



BRENT VULGAMOTT
VP of Sales, Operations, and Analytics
Joined: 2015

Previous Experience



LIZ SHARP
VP of Investor Relations
Joined: 2005

Previous Experience



ARTURO DEL RIO
VP of Human Resources, Chief People Officer
Joined: 2022

Previous Experience





AMERICAN OUTDOOR BRANDS, INC. AT A GLANCE



- HQ & Distribution: Columbia, MO
- Additional Offices: MA (Admin), Asia (WFOE)
- Spinoff from Former Parent Company: August 2020
- NASDAQ Global Select: AOUT

TTM Net Sales	\$194.9 million	Net Sales Target	\$400M
TTM Gross Profit Margin	45.7%	Target Adj. EBITDAS Margin %	Mid- to High-teens
TTM Adjusted EBITDAS	\$14.2 million, or 7.3%	Headquarters	Columbia, Missouri
Net Debt	(\$11.7) million \$10M debt, less \$21.7M cash	Fiscal Year End	April 30
Net Debt / Adj. EBITDAS	~(0.8x)	Employee Count	289

All metrics as of January 31, 2023

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OUR BRANDS & PRODUCTS AT A GLANCE

21

Brands

We create innovative products, underneath 21 diverse brand names,⁽¹⁾ for consumers who are passionate about the outdoors and shooting sports.



2

Categories

Our brands operate across two (2) major product categories:

53%⁽²⁾ Outdoor Lifestyle: fishing, camping, land management, meat processing, outdoor cooking

47%⁽²⁾ Shooting Sports: shotgun sports, reloading, optics, hand tools, security solutions *(we do not manufacture or sell firearms)*

D&U

Value Creation

Our innovative "Dock & Unlock"[™] formula fuels brand growth.

We have a proven track record of creating new brands, growing existing brands, and efficiently integrating acquired brands to expand our reach into new markets.

387

Patents

We have a tremendous pipeline of disruptive new products, backed by an accelerating portfolio of patents.

In the past two years, alone, our IP portfolio has swelled by ~30% to 387 patents – filed or active – with more on the way.

This moat helps protect our future revenue and profitability.

⁽¹⁾ In addition to our 17 owned brands, we also license the Smith & Wesson®, M&P®, Thompson/Center Arms™, and Performance Center® brands from Smith & Wesson.
⁽²⁾ Percent of TTM Net Sales ended January 31, 2023.



“Building authentic, lifestyle brands that help consumers make the most out of the moments that matter.”

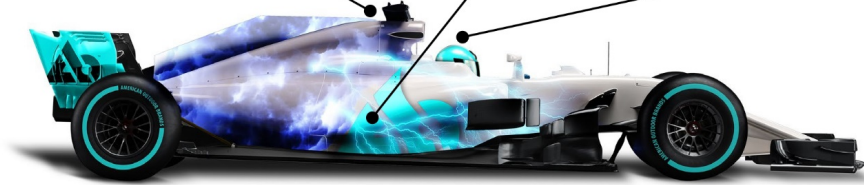


INVESTMENT CONSIDERATIONS: READY FOR THE FUTURE.

1. Engine: Capable of growing net sales ~2x to \$400M and EBITDAS 5x to \$70M+ over the next 4-5 years.

2. Chassis: Infrastructure complete. No new investments needed.

3. Driver: The right people and culture to win.



(...fueled by a strong cash position, with cash flow upside)

Interested in taking a spin?





FEW COMPANIES OFFER SUCH POTENTIAL & SIMPLICITY

1. Business capable of growing net sales ~2x to \$400M and 5x EBITDAS of \$70M+ over the next 4-5 years.

- Innovation engine, built.
- Leverageable Brand Lane teams in place.
- Customer & channel opportunities ripe for harvesting.

2. Infrastructure in place. No new investments needed.

- Infrastructure investments complete, ready to scale.

3. The right people and culture to win.

4. Strong cash position, with cash flow upside.

- Simple, leverageable model that is highly profitable with growth.



Note: While we have many brands that demonstrate how "Dock & Unlock" delivers growth, today's presentation will largely draw upon BUBBA as an example, specifically, our upcoming launch of the Pro Series Smart Fish Scale.



PATH TO \$400M IN NET SALES: THE ROAD AHEAD

We believe AOB is capable of generating \$400M in net sales over the next 4-5 years

- This potential is based upon elements within our control: our innovation pipeline, identified expansion opportunities, and infrastructure in-place.

While we're optimistic our business is capable of achieving this growth target, we are mindful there are several elements outside of our control that could impact timing, such as: consumer demand and spending patterns; health of retailers; geopolitical changes; and changes in legislation.⁽¹⁾

\$400M
In Net Sales

\$70M+
EBITDAS

(1) Please refer to our SEC filings for additional risk factors.

Product Development

Innovation engine, **built.**

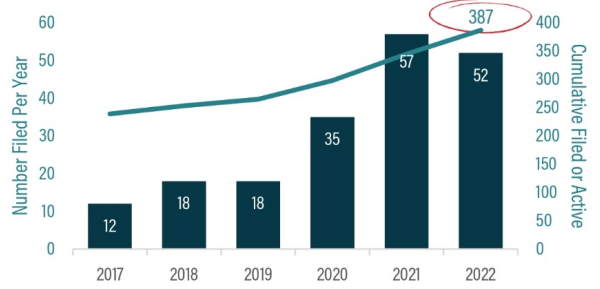


PRODUCT DEVELOPMENT: INNOVATION ENGINE, BUILT

INNOVATION ENGINE, BUILT.

- Pipeline built to deliver ~\$200M in incremental sales**
 - Provides 3-5 years of new product upside
 - Focused on large, sleepy markets, ripe for disruption
- Talent in place, capable of executing product pipeline**
 - 40+ product designers, engineers, and software developers
 - Capable of developing 200+ new products, annually
- Investments in equipment that accelerate time to market**
 - 5 state-of-the-art product development labs
 - Vertically integrated with new 3D printers, CNC machines, test lab
- Best-in-class Quality team**
 - Continues legacy of delivering trustworthy product
 - Protects higher ASP strategy, supported by intellectual property

Accelerating Patent Portfolio Supports Incoming Wave of Innovation and Growth



3D Print Lab



CNC Machine Lab



BUBBA CASE STUDY: "DOCK & UNLOCK" DRIVES INNOVATION

INNOVATION ENGINE, BUILT.

1. Large, attractive market, where AOB has "permission to play?"

- Fishing is a huge market (~50M U.S. participants)
- Freshwater is the largest segment with ~40M anglers, approximately 40% more participants than Golf

2. How do we gain access to Freshwater?

- Electric Fillet Knife became available in 2019

3. A meaningful share of Freshwater fishing is "Catch & Release" instead of "Catch & Eat"...

- Freshwater tools introduced in 2020

4. Where can we leverage our innovation engine to disrupt large, high visibility "Catch & Release" categories ignored by others?



Saltwater Fishing:
~10M Participants

Freshwater Fishing:
~40M Participants



Source: American Sportfishing Association; National Golf Foundation, and management estimates.

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BUBBA CASE STUDY: "DOCK & UNLOCK" DRIVES INNOVATION

~30M anglers in the U.S. target bass species for sport, and commonly use fish weight scales to measure success...



Fish Weight Scales:

1. Not easy to hold
2. Not high quality
3. Not smart (little to no data capture, retention or analysis)

"What else could these be used for?"

"How do we get one on every fishing boat?"

"Can a fish scale contribute to sustainability?"

Source: iOutdoors.



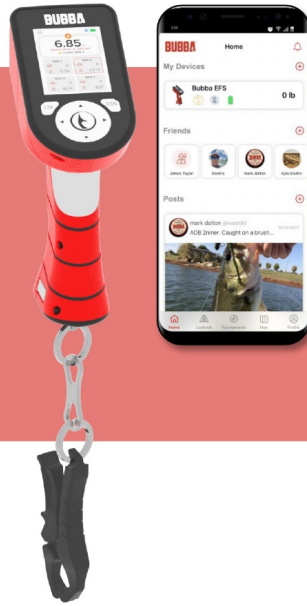
BUBBA CASE STUDY: "DOCK & UNLOCK" DRIVES INNOVATION



Tournament-Grade Pro Series Smart Fish Scale

Opportunity:

- Large, underserved market
- Category lacks innovation
- AOB has "Permission to Play"
- Team in place to execute:
 - Mechanical engineering
 - Industrial design
 - Electrical engineering
 - Software engineering
 - App development



Result:

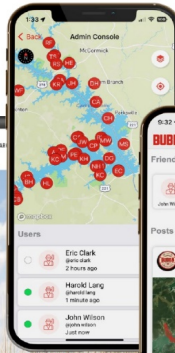
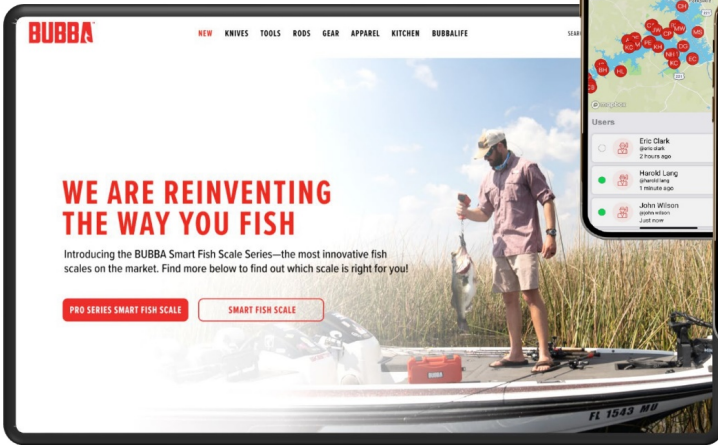
- Easy to hold
- High Quality
- Smart



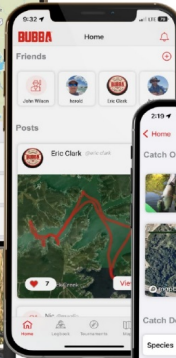
BUBBA CASE STUDY: "DOCK & UNLOCK" DRIVES INNOVATION

INNOVATION ENGINE, BUILT.

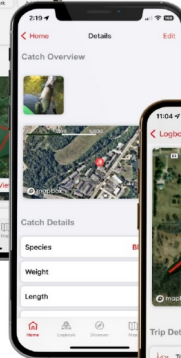
What does "Smart" look like...



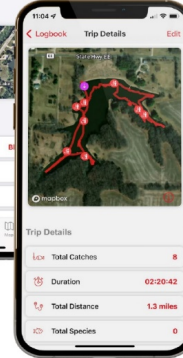
Compete in Tournaments with Other Anglers



Connect with Other Anglers and Share Catches and Trips



Log Your Catches with Detailed Information



Document and Save Your Entire Day of Fishing with Trips

The BUBBA Pro Series Smart Fish Scale is the First of its Kind to "Gamify" Fishing to Create Better Anglers



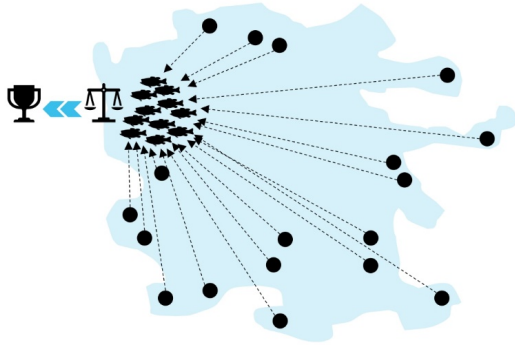
BUBBA CASE STUDY: "DOCK & UNLOCK" DRIVES INNOVATION

INNOVATION ENGINE, BUILT.

With BUBBA, "Smart" also means "Sustainable"...

Tournament with Traditional Fish Weight Scales

- Catch → Weigh → Live Well → Dock Weigh-in → Release
- Extended "out-of-the-water" time and transport can often lead to higher levels of fish mortality



vs.

BUBBA™

- Catch → Weigh → Live Well → Dock → Release
- Reduces "out-of-the-water" time, supporting conservation and promoting sustainability



Marketing

Leverageable Brand Lane teams **in place.**

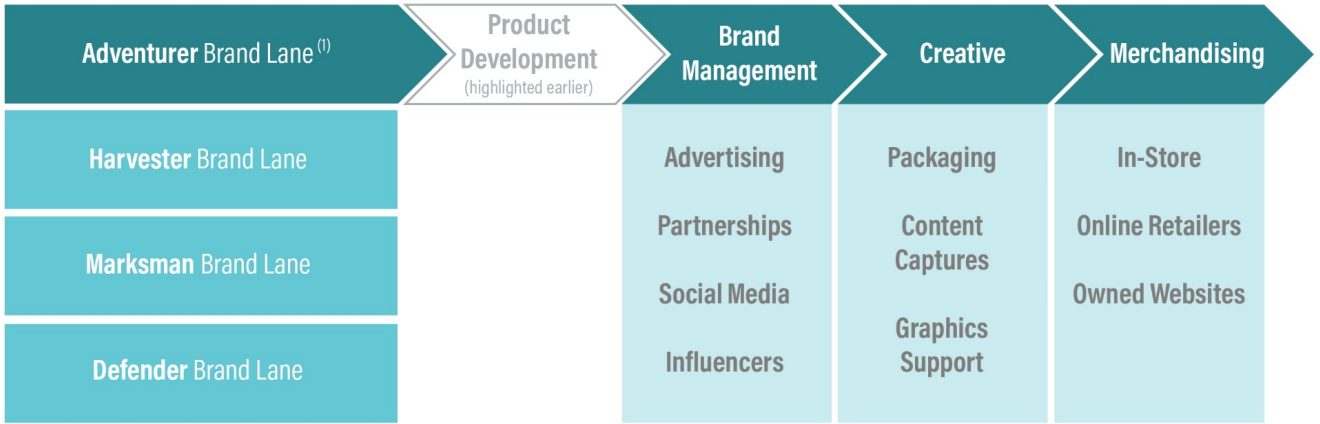


MARKETING: LEVERAGEABLE BRAND LANE TEAMS

BRAND LANE TEAMS, IN PLACE.

"Brand Lane" teams are in place, focused on key consumer activities:

- Drives brand authenticity
- Connects products + consumers' lifestyles
- Breeds consistent messaging & speed-to-market

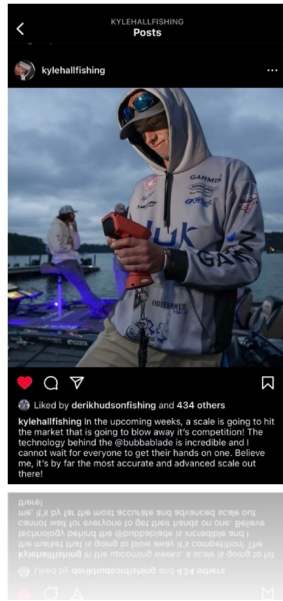


(1) Adventurer brand lane highlighted as an example. All four brand lanes have product development, brand management, creative, and merchandising teams.



BUBBA CASE STUDY: LEVERAGING THE BRAND LANES

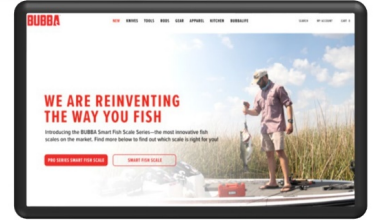
BRAND LANE TEAMS, IN PLACE.



INTRODUCING THE ALL-NEW BUBBA MOBILE APP

Get with the Pro Series Smart Fish Scale to improve your experience on water by having scaling information like your handling logs, catch statistics, fish weights and weight, and more photos of your best catches!

SCAN HERE TO DOWNLOAD THE ALL-NEW BUBBA APP



Go-To-Market

Customer & channel opportunities **ripe for harvesting.**

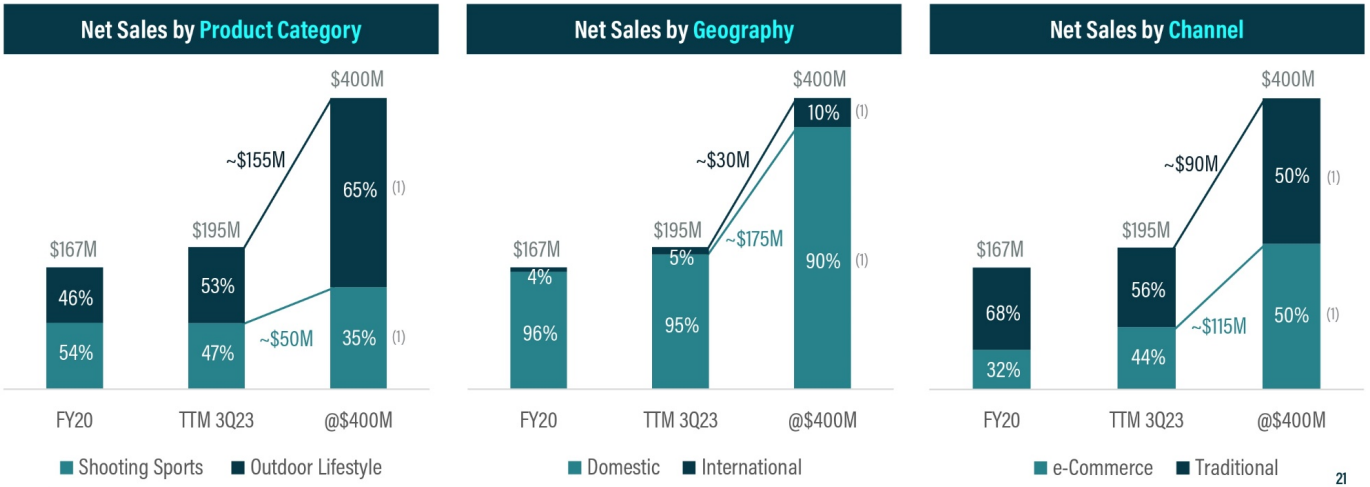


GO-TO-MARKET: MULTIPLE EXPANSION OPPORTUNITIES

OPPORTUNITIES, RIPE FOR HARVESTING.

We believe AOB is capable of \$400M in net sales, organically; we expect our business to shift as a result:

- Outdoor Lifestyle transitions towards ~65% of net sales (from 53% today)
- Doubling of international sales to 10% of net sales (from 5% today)
- Even split between Traditional and e-Commerce as we expand into new customer channels

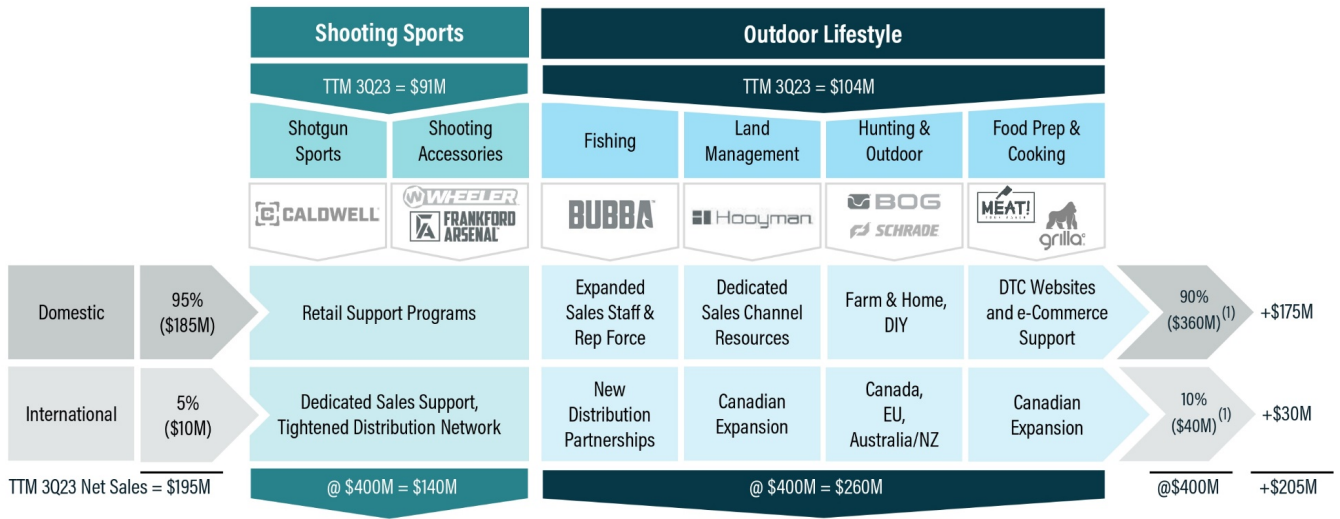




GO-TO-MARKET: DOMESTIC & INTERNATIONAL EXPANSION

OPPORTUNITIES, RIPE FOR HARVESTING.

We believe future Outdoor Lifestyle growth will be supported by investments made at home and abroad....



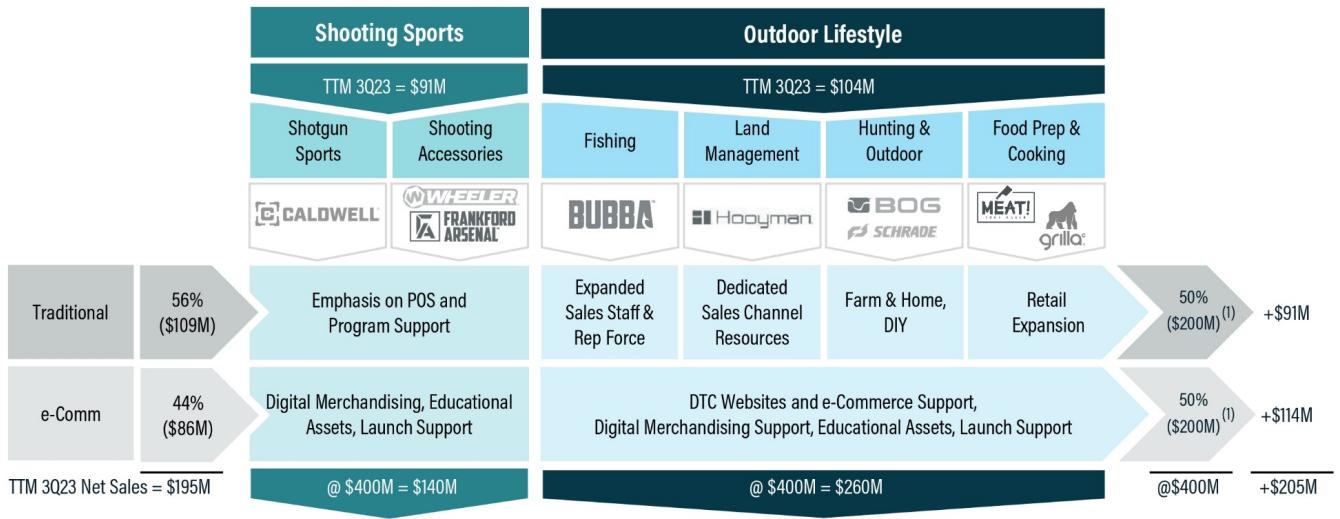
(1) Amounts are illustrative examples of breakouts based on current management expectations.



GO-TO-MARKET: TRADITIONAL & E-COMMERCE EXPANSION

OPPORTUNITIES, RIPE FOR HARVESTING.

We believe AOB's future growth will be propelled by a strategic combination of Retail and e-Comm....



⁽¹⁾ Amounts are illustrative examples of breakouts based on current management expectations.



BUBBA CASE STUDY: MAXIMIZING STRATEGIC ADOPTION

OPPORTUNITIES, RIPE FOR HARVESTING.



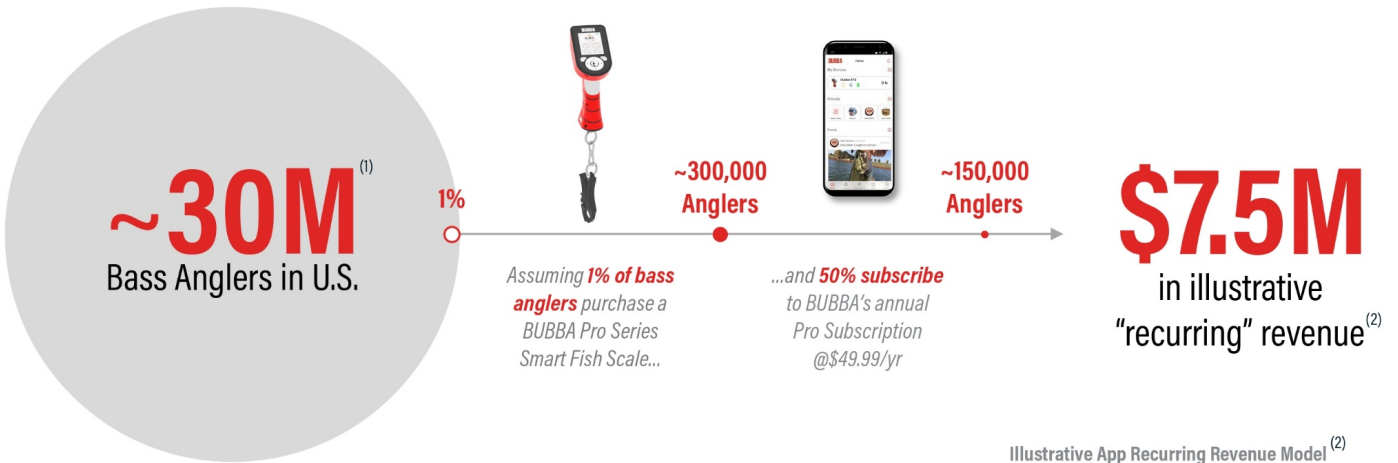
Tournament-Grade Pro Series Smart Fish Scale





BUBBA CASE STUDY: ILLUSTRATIVE RECURRING REVENUE OPPORTUNITY

OPPORTUNITIES, RIPE FOR HARVESTING.



Illustrative App Recurring Revenue Model⁽²⁾

		% of Bass Anglers (30M)			
		1%	2%	3%	4%
% Subscribed to BUBBA's Pro Subscription	25%	\$3.8	\$7.5	\$11.3	\$15.0
	50%	\$7.5	\$15.0	\$22.5	\$30.0
	75%	\$11.3	\$22.5	\$33.8	\$45.0

(\$ in millions)

(1) Source: iOutdoors

(2) Illustrative example to demonstrate potential scalability of paid app. Figures are gross of any related fees. Pro Subscription to be introduced in CY2023.

Infrastructure

Investments complete, **ready to scale.**



INFRASTRUCTURE: COMPLETE & READY FOR EXPANSION

- ✓ **New HQ and Distribution Center (2019)** 
 - 632k SF provides capacity for organic growth and acquisitions
- ✓ **New Consumer-Focused Brand Lanes (2020)**
 - Finished build-out of leverageable Brand Lane teams
- ✓ **New Public Company Infrastructure (2020)**
 - Spin created new Finance, IT, Legal, HR, Operations, and IR functions
- ✓ **New DTC Platform (2021)**
 - Completed 17 dedicated brand websites on Salesforce platform
- ✓ **New ERP System (2023)**
 - Completed transition to Microsoft D365 in February 2023
- ✓ **New Analytics Platform (2023)**
 - Microsoft Power BI platform launched, Analytics team in place

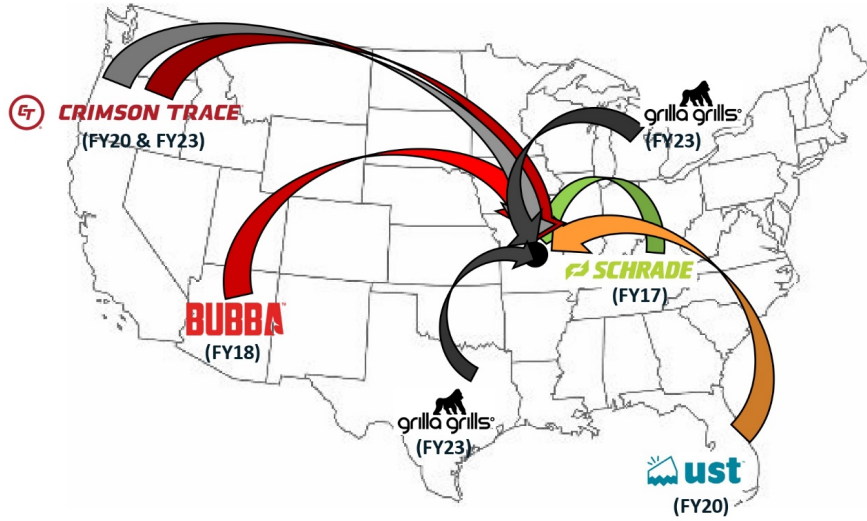


AOB's former parent company currently occupies 250k SF, which will be assumed by AOB in January 2024, bringing total area to 632k SF.



INVESTMENTS COMPLETE, READY TO SCALE.

INFRASTRUCTURE: CONSOLIDATIONS INTO NEW FACILITY, COMPLETE



People & Culture

The right people & culture **to win.**



OUR CULTURE: A COMPETITIVE ADVANTAGE

THE RIGHT PEOPLE & CULTURE TO WIN.

Values Drive Our Culture

WE ARE VISIONARIES

Our strategy is something we live every day at AOB. We spend time thinking about tomorrow and what it might bring, so that the steps we take today will lead us to our destination.

WE ARE FEARLESS

We all face challenges. It is how we respond that makes us each unique. At AOB, we believe that challenges provide the fuel that moves us forward, drives us to explore the unknown, and compels us to test our limits.

WE ARE RELENTLESS

We believe that every problem, no matter how seemingly insurmountable or unachievable, has a solution. At AOB, we won't stop until we have achieved it. This makes us a formidable competitor.

WE ARE INQUISITIVE

We encourage those around us to ask difficult questions and challenge the way we think about things. The level of communication and transparency allows us to explore the unknown, and make new discoveries.

WE ARE AMBITIOUS

The altitude is high with open spaces, making it so hard to see something that has yet to be achieved. At AOB, our drive to go as high as possible, faster, and faster than others, the look to be disruptive creates and innovation.

WE ARE COLLABORATIVE

Our focus is our greatest strength, we collaborate. It is our highest priority on all fronts, our focus is our partners, our employees, customers, contractors, and anyone who loves our brands.

How Others View AOB's Culture

"Entrepreneurial"
(Top 10 Customer)

"Visionary"
(Industry Investment Banker)

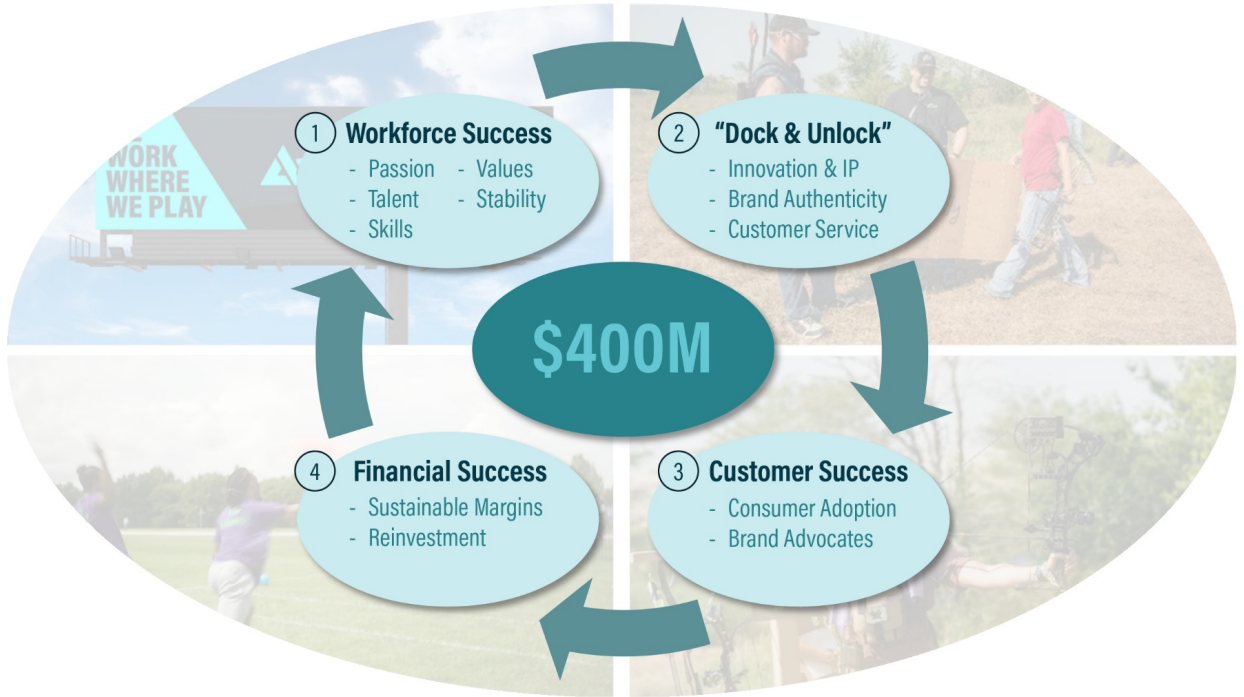
"Innovation"
(Top 10 Customer)

"Entrepreneurial"
(Large AOB Competitor)

"Dedicated"
(Top 10 Customer)



PEOPLE & CULTURE: ALIGNED WITH LONG-TERM GROWTH STRATEGY





PEOPLE & CULTURE: LINKING TO "DOCK & UNLOCK" STRATEGY



Culture and Values:
 We foster a world class culture of visionaries, fearless, relentless, inquisitive, ambitious, and collaborative players

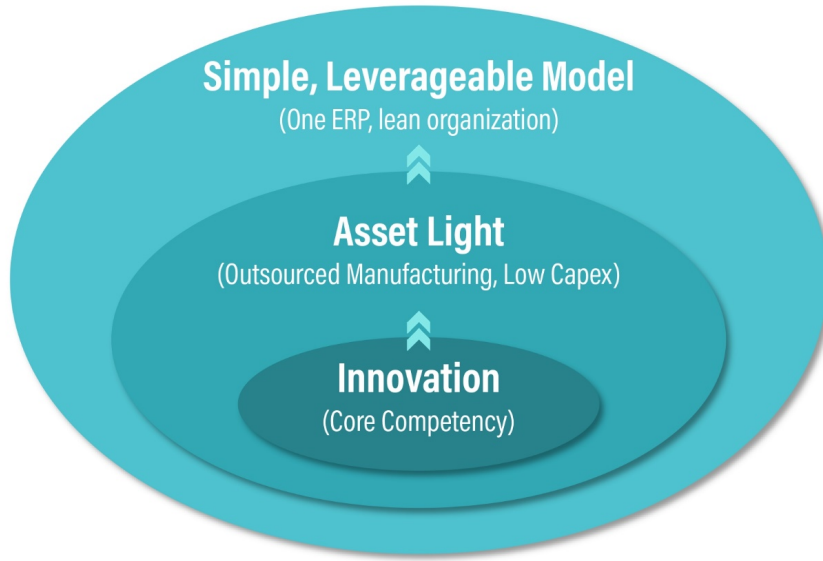
Financials

- Strong balance sheet, leverageable growth model, with favorable **cash flow upside.**
-



BUSINESS MODEL: CORE COMPETENCIES DRIVE SIMPLICITY

STRONG FINANCIAL MODEL, IN PLACE.





FINANCIAL MODEL: INCREASED OPERATING LEVERAGE WITH GROWTH

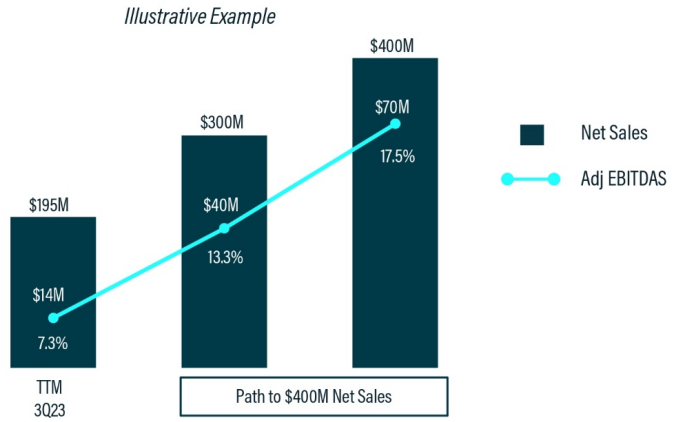
STRONG FINANCIAL MODEL, IN PLACE.

Our Significant Investments are Behind Us

- New HQ and Distribution Center
- New Consumer-Focused Brand Lanes
- New Public Company Infrastructure
- New DTC Platform
- New ERP System
- New Analytics Platform

SIGNIFICANT EBITDAS CONTRIBUTION ON PATH TO \$400M

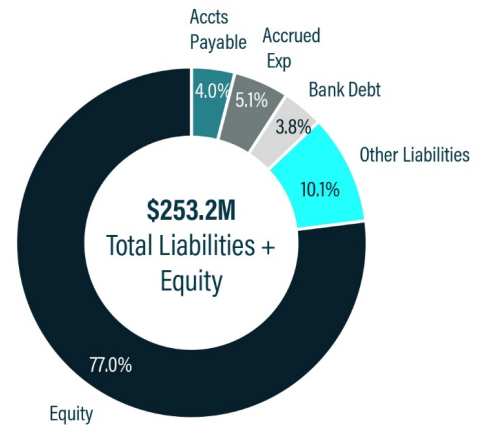
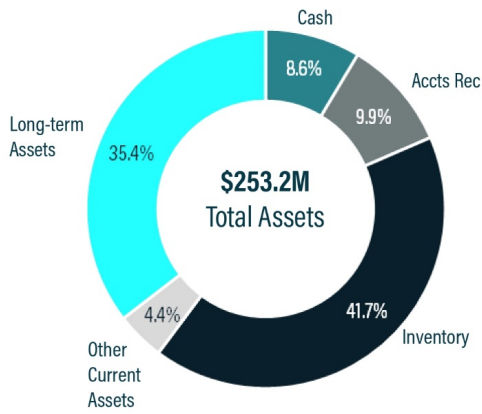
We expect EBITDAS contribution of **25% - 35%** on incremental net sales as we grow organically on the path to \$400M in net sales, yielding total EBITDAS margins in the mid-to-high teens.





BALANCE SHEET: STRONG, WITH CASH FLOW UPSIDE

BALANCE SHEET AS OF JANUARY 31, 2023

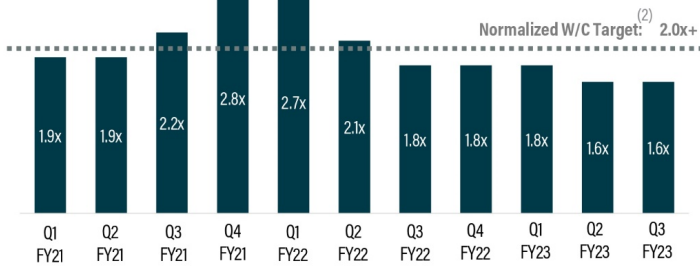




FINANCIAL METRICS: W/C UPSIDE & NEGATIVE NET DEBT

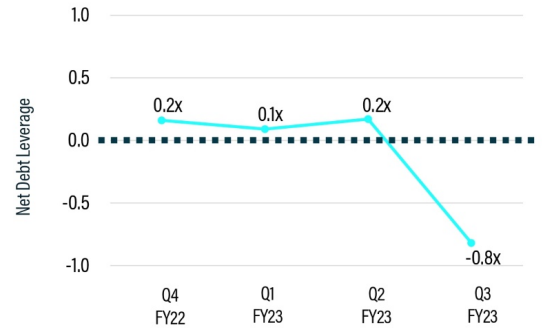
STRONG FINANCIAL MODEL, IN PLACE.

WORKING CAPITAL TURNS⁽¹⁾



(1) Working Capital Turns calculation: $TTM \text{ net sales} / (\text{Accts Receivable} + \text{Inventory} - \text{Accts Payable})$
 (2) Represents historical working capital turns, excluding pandemic-related impacts

NET DEBT LEVERAGE⁽³⁾



(3) Net Debt Leverage calculation: $(\text{Bank debt outstanding} - \text{cash on hand}) / TTM \text{ Adjusted EBITDAS}$




CAPITAL ALLOCATION: DEMONSTRATED DEPLOYMENT

STRONG FINANCIAL MODEL, IN PLACE.

1 ORGANIC GROWTH

Our highest priority is to invest in our business:

- Drives organic net sales to \$400M
- Delivers sustainable profitability
- Yields strong returns and free cash flow




TTM 3Q23 net sales growth of **4.2x** first year of creation

2 M&A

At the same time, we will seek out M&A opportunities to supplement organic growth:

- Applying strict criteria
- Finding brands to "Dock & Unlock"
- Maximizing ROIC



- Consolidation contributed towards \$1.5M savings
- New products/categories set for launch in 2023

3 RETURN CAPITAL TO SHAREHOLDERS

We will continually assess opportunities to return capital to shareholders:

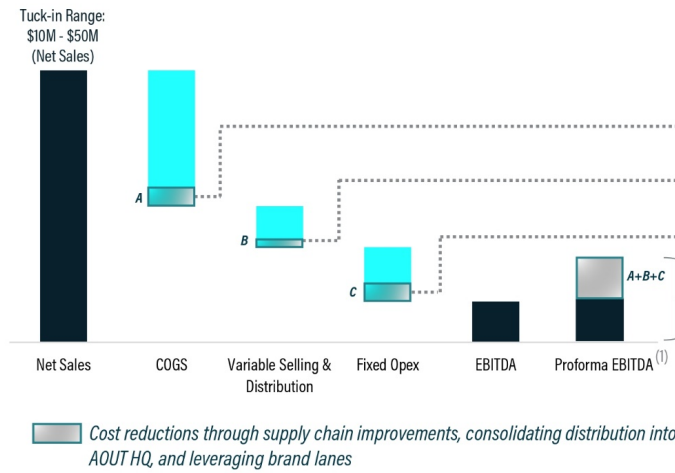
- Implementing opportunistic share buybacks as appropriate

Repurchased 2% O/S shares at avg. price of \$9.29 (FYTD thru Jan '23)



M&A ILLUSTRATION: "DOCK & UNLOCK" DRIVES INCREMENTAL EBITDA

ILLUSTRATIVE ACQUISITION TARGET: EBITDA Walk



DEMONSTRATED RESULTS WITH "DOCK & UNLOCK"

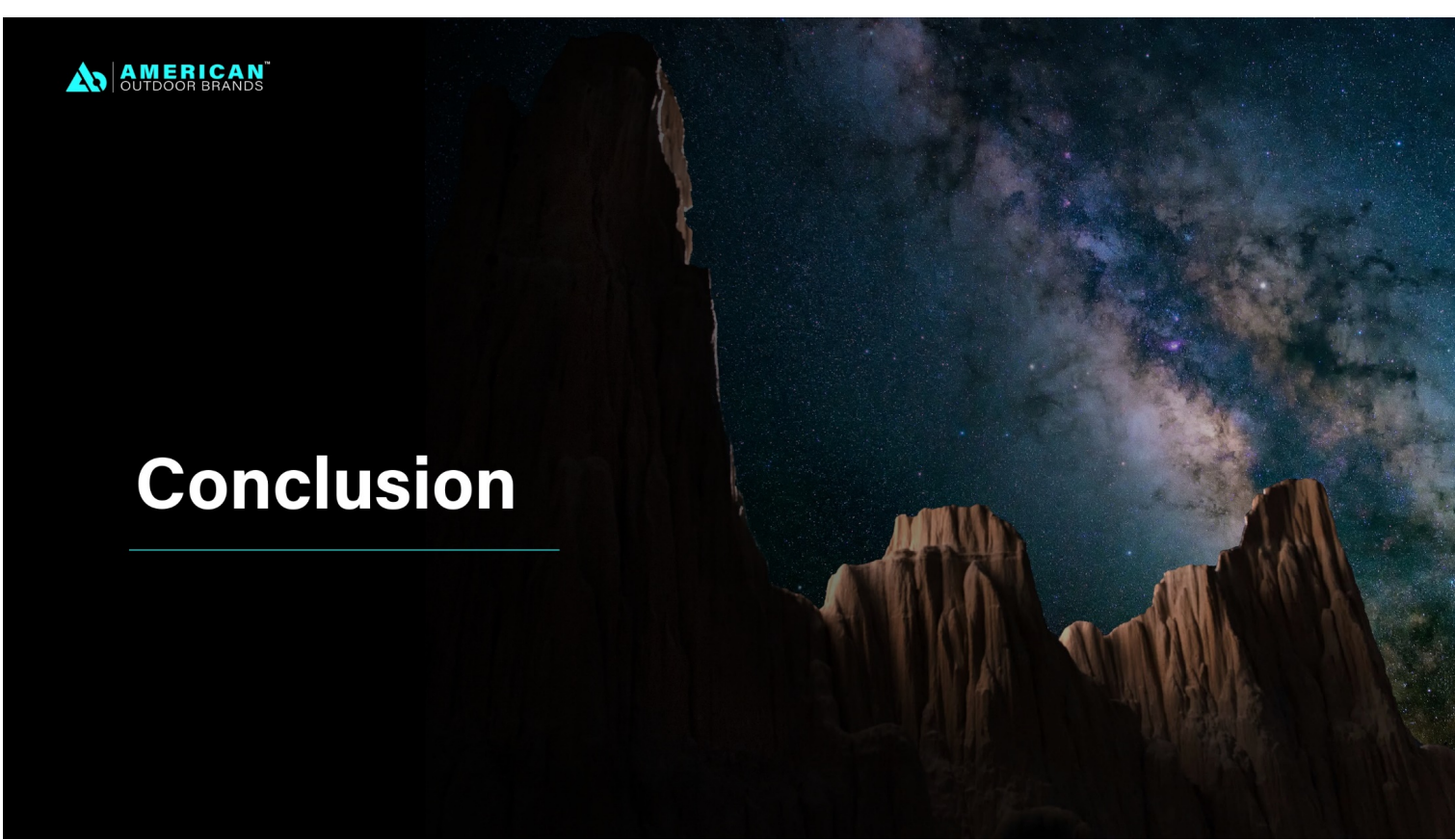
BUBBA

- Net sales: Expanded products and customers *In Process*
- Gross margin: Improved margins with AOUT supply chain *In Process*
- Variable costs: Consolidated logistics into Columbia HQ
- Fixed Opex: Leveraged Adventurer brand lane

- Net sales: Expanded products and customers
- Gross margin: Improved margins with AOUT supply chain
- Variable costs: Consolidated logistics into Columbia HQ
- Fixed Opex: Leveraged Adventurer brand lane
- Target EBITDAS Contribution: 25%+

⁽¹⁾ Does not include incremental net sales from expanded products and customers

Conclusion





WE'RE READY FOR THE FUTURE...

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

- ✓ Innovation engine, **built**.
- ✓ Leverageable Brand Lane teams **in place**.
- ✓ Customer & channel opportunities **ripe for harvesting**.
- ✓ Infrastructure investments complete, **ready to scale**.
- ✓ The right people and culture **to win**.
- ✓ Strong balance sheet, leverageable growth model, favorable **cash flow upside**.



THANK YOU.

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



Appendix





NON-GAAP FINANCIAL MEASURES

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

In this presentation, certain non-GAAP financial measures, including “non-GAAP net income and “Adjusted EBITDAS” are presented. A reconciliation of these and other non-GAAP financial measures are contained at the end of this press release. From time-to-time, the Company considers and uses these non-GAAP financial measures as supplemental measures of operating performance in order to provide the reader with an improved understanding of underlying performance trends. The Company believes it is useful for itself and the reader to review, as applicable, both (1) GAAP measures that include (i) amortization of acquired intangible assets, (ii) stock compensation, (iii) facility consolidation costs, (iv) technology implementation, (v) acquisition costs, (vi) stockholder cooperation agreement costs, (vii) income tax adjustments, (viii) interest expense, (ix) income tax benefit/expense, and (x) depreciation and amortization; and (2) the non-GAAP measures that exclude such information. The Company presents these non-GAAP measures because it considers them an important supplemental measure of its performance and believes the disclosure of such measures provides useful information to investors regarding the Company’s financial condition and results of operations. The Company’s definition of these adjusted financial measures may differ from similarly named measures used by others. The Company believes these measures facilitate operating performance comparisons from period to period by eliminating potential differences caused by the existence and timing of certain expense items that would not otherwise be apparent on a GAAP basis. These non-GAAP measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for the Company’s GAAP measures. The principal limitations of these measures are that they do not reflect the Company’s actual expenses and may thus have the effect of inflating its financial measures on a GAAP basis.



Q3 FY23 NON-GAAP ADJUSTED EBITDAS RECONCILIATION

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

AMERICAN OUTDOOR BRANDS, INC. AND SUBSIDIARIES
 RECONCILIATION OF GAAP NET INCOME/(LOSS) TO NON-GAAP ADJUSTED EBITDAS
 (In thousands)
 (Unaudited)

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2023	2022	2023	2022
GAAP net (loss)/income	\$ (2,863)	\$ 3,766	\$ (8,188)	\$ 11,806
Interest expense	213	68	641	167
Income tax (benefit)/expense	(125)	1,149	(98)	3,282
Depreciation and amortization	3,894	4,164	12,115	12,550
Stock compensation	1,065	920	2,900	2,336
Technology implementation	543	460	1,585	1,619
Acquisition costs	—	—	47	—
Facility consolidation costs	548	—	840	—
Stockholder cooperation agreement costs	—	—	1,177	—
Other	—	22	—	40
Non-GAAP Adjusted EBITDAS	<u>\$ 3,275</u>	<u>\$ 10,549</u>	<u>\$ 11,019</u>	<u>\$ 31,800</u>
<i>Adjusted EBITDAS Margin</i>	6.4%	15.0%	7.4%	15.8%



Q3 FY23 GAAP INCOME STATEMENT

AMERICAN OUTDOOR BRANDS, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (In thousands, except per share data)
 (Unaudited)

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2023	2022	2023	2022
Net sales	\$ 50,894	\$ 70,105	\$ 149,006	\$ 201,633
Cost of sales	26,905	38,010	80,015	107,518
Gross profit	23,989	32,095	68,991	94,115
Operating expenses:				
Research and development	1,575	1,377	4,887	4,354
Selling, marketing, and distribution	14,522	15,627	40,226	44,490
General and administrative	10,893	10,366	32,575	31,020
Total operating expenses	26,990	27,370	77,688	79,864
Operating (loss)/income	(3,001)	4,725	(8,697)	14,251
Other income, net:				
Other income, net	226	258	1,052	1,004
Interest expense, net	(213)	(68)	(641)	(167)
Total other income, net	13	190	411	837
(Loss)/Income from operations before income taxes	(2,988)	4,915	(8,286)	15,088
Income tax (benefit)/expense	(125)	1,149	(98)	3,282
Net (loss)/income	\$ (2,863)	\$ 3,766	\$ (8,188)	\$ 11,806
Net (loss)/income per share:				
Basic	\$ (0.21)	\$ 0.27	\$ (0.61)	\$ 0.84
Diluted	\$ (0.21)	\$ 0.27	\$ (0.61)	\$ 0.82



Q3 FY23 NON-GAAP INCOME STATEMENT

AMERICAN OUTDOOR BRANDS, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF OPERATIONS Non-GAAP
 (In thousands, except per share data)
 (Unaudited)

	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
	2023	2022	2023	2022
Net sales	\$ 50,894	\$ 70,105	\$ 149,006	\$ 201,633
Cost of sales	26,707	38,010	79,659	107,518
Gross profit	24,187	32,095	69,347	94,115
Operating expenses:				
Research and development	1,575	1,377	4,887	4,354
Selling, marketing, and distribution	14,522	15,627	40,226	44,490
General and administrative	5,861	5,536	17,158	16,741
Total operating expenses	21,958	22,540	62,271	65,585
Operating income	2,229	9,555	7,076	28,530
Other income, net:				
Other income, net	226	258	1,052	1,004
Interest expense, net	(213)	(68)	(641)	(167)
Total other income, net	13	190	411	837
Income from operations before income taxes	2,242	9,745	7,487	29,367
Income tax expense	516	2,357	1,721	6,852
Net income	\$ 1,726	\$ 7,388	\$ 5,766	\$ 22,515
Net income per share:				
Basic	\$ 0.13	\$ 0.53	\$ 0.43	\$ 1.60
Diluted	\$ 0.13	\$ 0.52	\$ 0.42	\$ 1.57



STRONG BALANCE SHEET SUPPORTS ORGANIC GROWTH & ACQUISITIONS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

BALANCE SHEET AS OF JANUARY 31, 2023

Assets (\$M)

Cash	\$21.7
Other Current Assets	141.7
Intangibles	55.0
PP&E	9.8
Other Assets	25.0
Total Assets	\$253.2

Liabilities & Equity (\$M)

Current Liabilities	\$24.1
Bank Debt	10.0
Other Liabilities	23.9
Total Liabilities	\$58.0

Stockholders' Equity	\$195.2
Total Liabilities & Equity	\$253.2

- ✓ Q3 : operating cash flow ~\$18M, free cash flow⁽¹⁾~\$17M
- ✓ Significant liquidity (up to ~\$87M available capital)
- ✓ \$75M asset-based revolving credit facility, expandable by \$15M
- ✓ Negative net debt leverage ratio
- ✓ Dry powder available for strategic acquisitions

IDEAL ACQUISITION CRITERIA

- ✓ "Dock & Unlock"[™] Friendly via Brand Lane Structure
- ✓ "Niche to Known"[™] Opportunity (Runway for Growth)
- ✓ Large, Addressable Markets
- ✓ Low Complexity
- ✓ Further Diversifies Supply Chain

(1) Free cash flow defined as cash flow from operations less capital expenditures



DIVERSE PORTFOLIO OF 21 EARLY-STAGE CONSUMER BRANDS

Schrade
Isolate Enrage

Grilla
Modular Outdoor Kitchen

BUBBA
Smart Fish Scale and Fishing App

BUBBA
Fishing Rods

Grilla
Silverbac AT Pellet Grill

OLD TIMER
Trail Boss Hunting Knives

Hooyman
Lithium-Ion 24v Spreader

MEAT!
Dual-Grind Grinders

MEAT!
Butcher Knife Set

BOG
Sherpa ALL-IN-ONE Optics, Camera & Shooting Rest tripod

grilla grills
IN THE BACKYARD

ust
AT THE CAMPSITE

SCHRADE
IMPERIAL

HOUYMAN

OLD TIMER

BOG
Uncle Henry

MEAT!

ADVENTURER
IN THE WOODS

HARVESTER
ON THE HUNT

DEFENDER
FOR TRAINING

MARKSMAN
AT THE RANGE

LAGERMYTE

GT

M&P

LOCKDOWN

FRANKFORD ARSENAL

TIPTON

WHEELER

CALDWELL

CRIMSON TRACE
HorizonLine Rangefinding Binoculars

Smith & Wesson
Throwing Knives and Axes

CRIMSON TRACE
HRO Red Dot Sight

LOCKDOWN
Securewall Organizational Systems

LOCKDOWN
In-Plain-Sight Concealment Shelves

FRANKFORD ARSENAL
Essentials Reloading Kit

CALDWELL
Flash Bang Hit Indicator

CALDWELL
E-Max Shadows Pro Hearing Protection

CALDWELL
Claymore Clay Target Thrower

TIPTON
Ultra Gun Vise

FRANKFORD ARSENAL
X-10 Progressive Reloading Press

WHEELER
F.A.T. Six Torque Setting Tools

Note: American Outdoor Brands, Inc. licenses the brands Smith & Wesson® Accessories; M&P® Accessories; Thompson/Center Arms™ Accessories; and Performance Center® Accessories, all of which are owned by Smith & Wesson Brands, Inc. and are exclusively licensed to American Outdoor Brands, Inc.



TWO CATEGORIES: OUTDOOR LIFESTYLE & SHOOTING SPORTS

		Outdoor Lifestyle	Shooting Sports	Illustrative Products
Adventurer	BUBBA	●	○	Filet knives, fishing rods, fishing tools, kitchen cutlery, apparel
	grilla grills	●	○	Grills, smokers, outdoor kitchens, pellets, & accessories
	IMPERIAL	●	○	Folding, fixed-blade knives
	SCHRADE	●	○	Folding & fixed-blade knives, multi-tools, adventure equipment
	WIND UST	●	○	Tents, sleeping bags, mattress pads, camping tools and accessories
Harvester	BOG	●	○	Hunting rests, ground blinds, chairs, game cameras
	Hooyman	●	○	Land management: rakes, shovels, pruning tools, tree saws
	MEAT!	●	○	Meat grinders, slicers, dehydrators
	OLD TIMER	●	○	Folding, fixed-blade, & filet knives
	THOMPSON/CENTER PERFORMANCE	●	○	Hunting bags & protective cases, binoculars, hunting accessories
	Uncle Henry	●	○	Folding, fixed-blade, & hunting knives
Marksman	CALDWELL	○	●	Range Gear: Shooting rests, targets, hearing & eye protection
	FRANKFORD ARSENAL	○	●	Reloading equipment
	TIPTON	○	●	Gun vises, cleaning supplies
	WHEELER	○	●	Gunsmithing and other tools
Defender	CRIMSON TRACE	○	●	Scopes, lasers, red dot sights
	LASERLYTE	○	●	Laser training devices
	LOCKDOWN	○	●	Vault organization, logic-enabled vault doors and security monitoring, cable locks
	M&P by Smith & Wesson	○	●	Folding & fixed-blade knives, tools, protective gun cases
	Performance Center by Smith & Wesson	○	●	Gun cases and cleaning kits
	Smith & Wesson	○	●	Folding & fixed-blade knives, tools, protective gun cases, parts kits

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