



A M E R I C A N O U T D O O R
B R A N D S

Nasdaq: AOUT Investor Presentation

September 2024



Leveraging our culture of innovation.
Delivering solutions for the moments that matter.

Required Disclosures

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) technology implementation, (iv) non-recurring inventory reserve adjustment, (v) emerging growth status transition costs, (vi) income tax adjustments, (vii) interest (income)/expense, (viii) income tax expense, and (ix) 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.

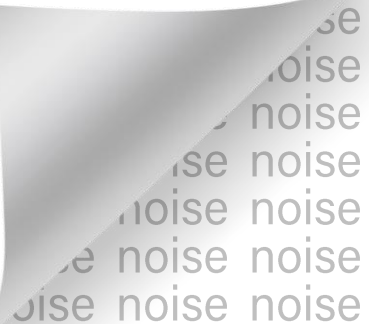
Certain statements contained in this presentation may be deemed to be forward-looking statements under federal securities laws, and we intend that such forward-looking statements be subject to the safe harbor created thereby. All statements other than statements of historical facts contained or incorporated 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, our belief that our strategy, current and future innovation, and the addition of new customers will lead to an increase in revenue; that we will achieve our anticipated future net sales and EBITDAS estimates, and those 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, 2024.

Consumers report being increasingly overwhelmed by **noise** and **choice.**

74%

of consumers surveyed recently by Accenture said they walked away from purchases simply because they felt overwhelmed.

**We've developed a way to
differentiate our brands and
stand out from the noise...**



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oise noise
oise noise
oise noise noise
oise noise noise

Innovation resonates with U.S. consumers... and promotes growth.

76%

are **willing to pay more** for products that align with their values, such as innovation and sustainability.⁽¹⁾

70%

have tried a new shopping behavior, including **experimenting with innovative products**, during the past two years.⁽²⁾

63%

prefer to purchase new products from brands known for their innovation and quality.⁽³⁾

1.8x

Manufacturers who grew innovation sales in 2022 were **1.8x more likely to grow overall sales** compared to those with stagnant or declining innovation sales.⁽³⁾

(1) Deloitte Global Consumer Tracker (2023)

(2) McKinsey & Company (2023)

(3) NielsenIQ (2022)

We Are an Innovation Company

AOB is an innovation company that operates within the outdoor enthusiast industry – we believe long-term growth is being driven by consumer participation and enthusiasts hungry for exciting new products.

What if we could change how
54 million people fish?



We Operate in Two Categories

Our ~20 brands serve consumer activities organized into two categories – **Outdoor Lifestyle** and **Shooting Sports**.

Outdoor Lifestyle

\$109M

TTM Net Sales

Land Management & Hunting



Rugged Outdoor (Cutlery)



Meat Processing & Outdoor Cooking



Fishing



Camping



Shooting Sports

\$90M

TTM Net Sales

Target Shooting



Cleaning & Maintenance



Reloading



Personal Protection



Safety & Storage



*Brand listing above excludes licensed brands from Smith & Wesson Brands, Inc. and Thompson/Center Arms.

Note: AOB does not sell firearms or ammunition.

We Target Resilient Consumer Activities

Approximately 175 million Americans participate in outdoor recreation. We thrive in categories where consumers are **passionate**, can participate for a **lifetime**, and activities are “**gear-rich**” in nature.



~92M
OUTDOOR COOKING
HOUSEHOLDS



~54M
ANGLERS



~86M
PROPERTY OWNERS



~15M
HUNTERS



~40M
TARGET SHOOTERS

These passionate consumers seek out gear that enhances their enjoyment.

Our superpower is uncovering their pain points.



OUCH.

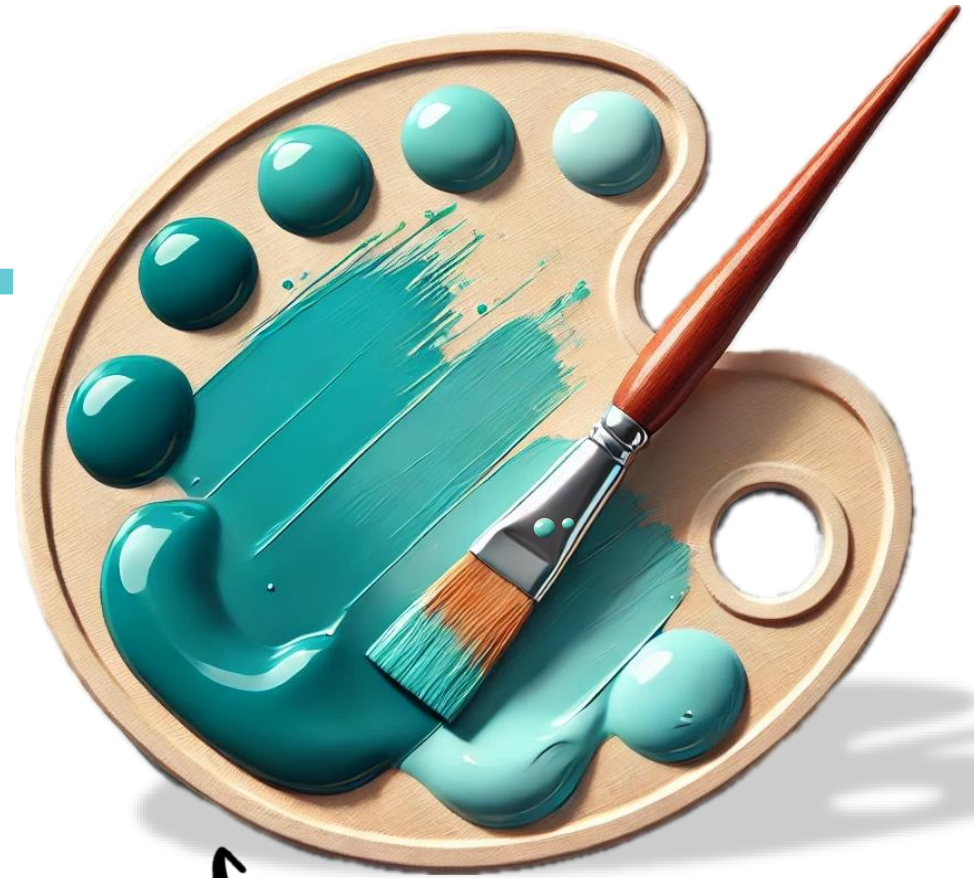
LEAD SLED®

FINALLY, SHOOTING RESTS THAT ELIMINATE THE KICK.



Caldwell Lead Sleds take the punishment out of sighting in your rifle. With the ability to add weight, the rest takes the brunt of the shot. In fact, the lead sled **reduces up to 95% of felt recoil**. The durable steel construction provides a rock-solid platform with precise alignment adjustments. **Eliminate recoil, flinch, and excuses with the Caldwell Lead Sled family.**

But solving consumer pain points isn't always obvious, so we've learned to mix things up.



Like a painter mixing colors, our most innovative ideas often come from blending technologies across our two categories: Shooting Sports & Outdoor Lifestyle.

Blending technologies from our two categories can **tip the scale** to deliver a truly disruptive product...



Our BUBBA Pro Series Smart Fish Scale is the first scale to gamify fishing for 54M anglers. It incorporates technology from our Shooting Sports and Outdoor Lifestyle categories:



Cloud Technology & App (Puck)



Scale Precision (Intellidropper)



Lithium-Ion Technology (Flashlights)



User Interface (Game Cameras)



Non-Slip Grip (Fillet Knives)

... that **resonates** with
the **consumer.**

Became the
Official Scale



Our #3 Bestselling
Product in 1Q25

★★★★★ **Game changer.**
"It was absolutely worth the 3-4
month wait for release."

★★★★★ **Fish to win.**
"Love it. Compete against my
husband. Good clean fun."

★★★★★ **What can you say it's a BUBBA.**
"What's there not to like? Everything I've bought
that says BUBBA on it, from knives to this scale, is
top notch excellent quality and fair price."

★★★★★ **Very easy to use and understand.**
"Great for tournaments and culling fish."

★★★★★ **Very nice.**
"I bought for my boyfriend's birthday.
He fishes a lot! He loves it!"



**We're not afraid to
try new things...**

**... like creating
new brands from
scratch.**

*We created this brand a
few years ago. It reached
\$14M in sales last year.*



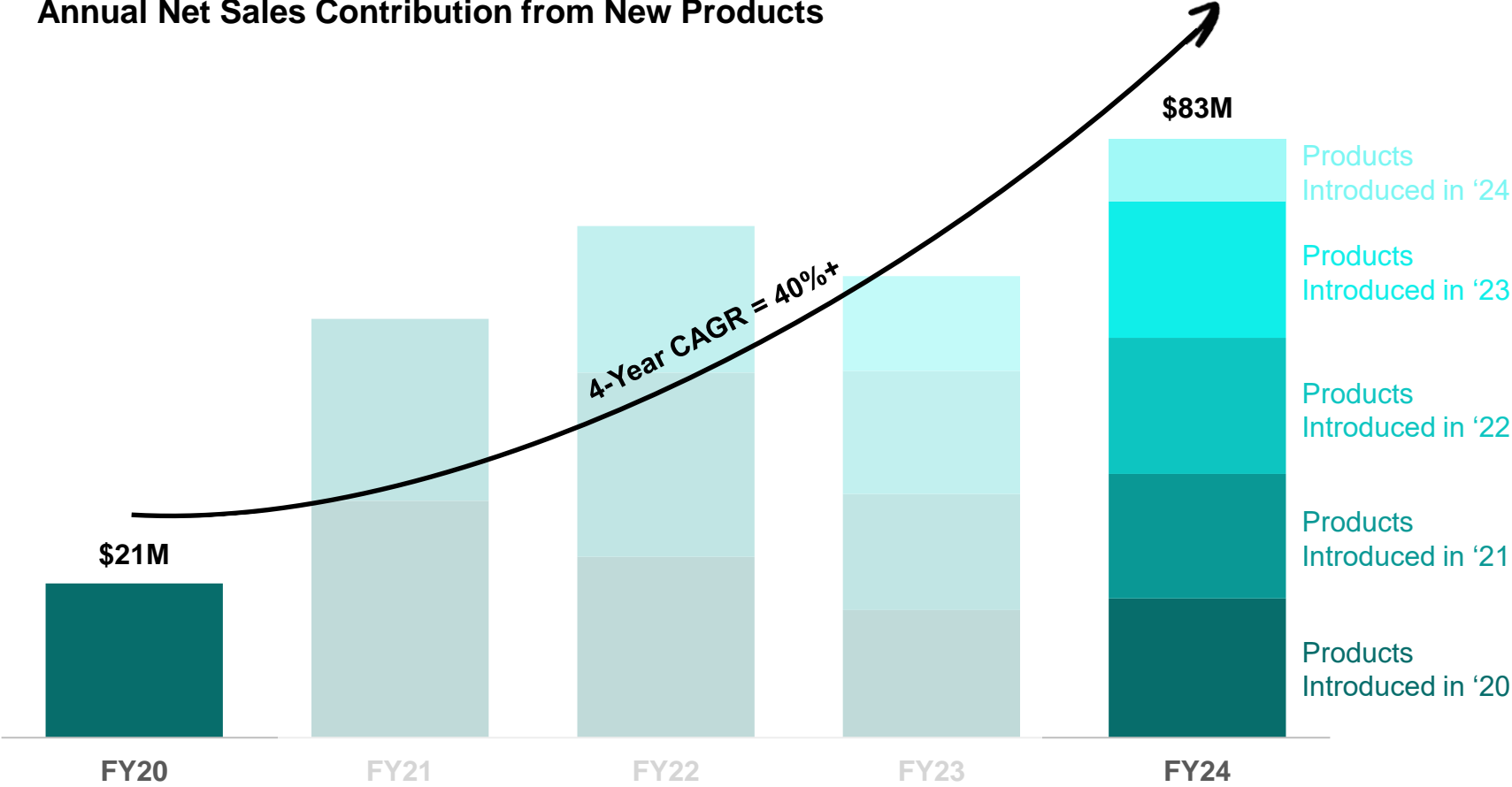
Consumers are responding to our innovation. It's starting to **stack up...**



Innovation Is Our Growth Engine

Our proven innovation platform has been stacking up, yielding \$60M+ of incremental organic revenue compared to four years ago, while protecting future revenue potential with 169 new patents.

Annual Net Sales Contribution from New Products





Our new product pipeline is **swelling**.

*Our innovation engine is predictive,
driven by our repeatable and
scalable process, yielding a pipeline
that extends well into the future.*

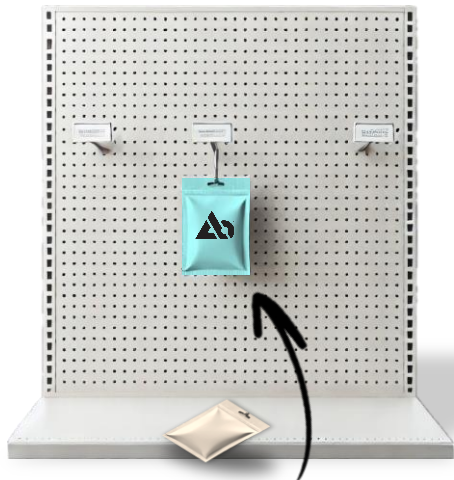
**We believe innovation is also the key
to unlocking growth potential with
retailers.**



*Our value proposition:
innovation is exciting – it
attracts consumers because
it offers them real value.*

Innovation deepens existing customer relationships while attracting new ones - it forms the basis for our **4-Pillar growth strategy**:

1. Gain Market Share



Displace competition by expanding our existing lines

2. Enter New Product Categories



e.g., leverage our experience in grills to enter new categories like smokers

3. Enter New Consumer Markets

Innovation enables us to bring in new consumers, like property owners



4. Expand Distribution



Innovation opens the door to untapped new customer channels

Because innovation is our core competency, we are asset-light, by design.



We Are Intentionally Asset-Light

As an innovation company, we maintain an asset-light operation with outsourced manufacturing and scalable infrastructure in place to support \$400 million in revenue.

~~Big infrastructure~~

~~Owned manufacturing~~

~~Complex supply chain~~

~~High capex needs~~

Small footprint (<300 employees, 1 DC)

Design all products ourselves, outsource everything else


Simple, but effective supply chain

Low capex needs (~2% of net sales)

We keep it simple and focus on innovation.



Even giants **started out small.**

A young child with brown hair, wearing a light blue t-shirt and dark grey pants, is crouching in a grassy field. The child is holding a small green seedling in their hands, and a black shovel is stuck in the ground next to it. The background is a blurred green field with a wooden fence in the distance.

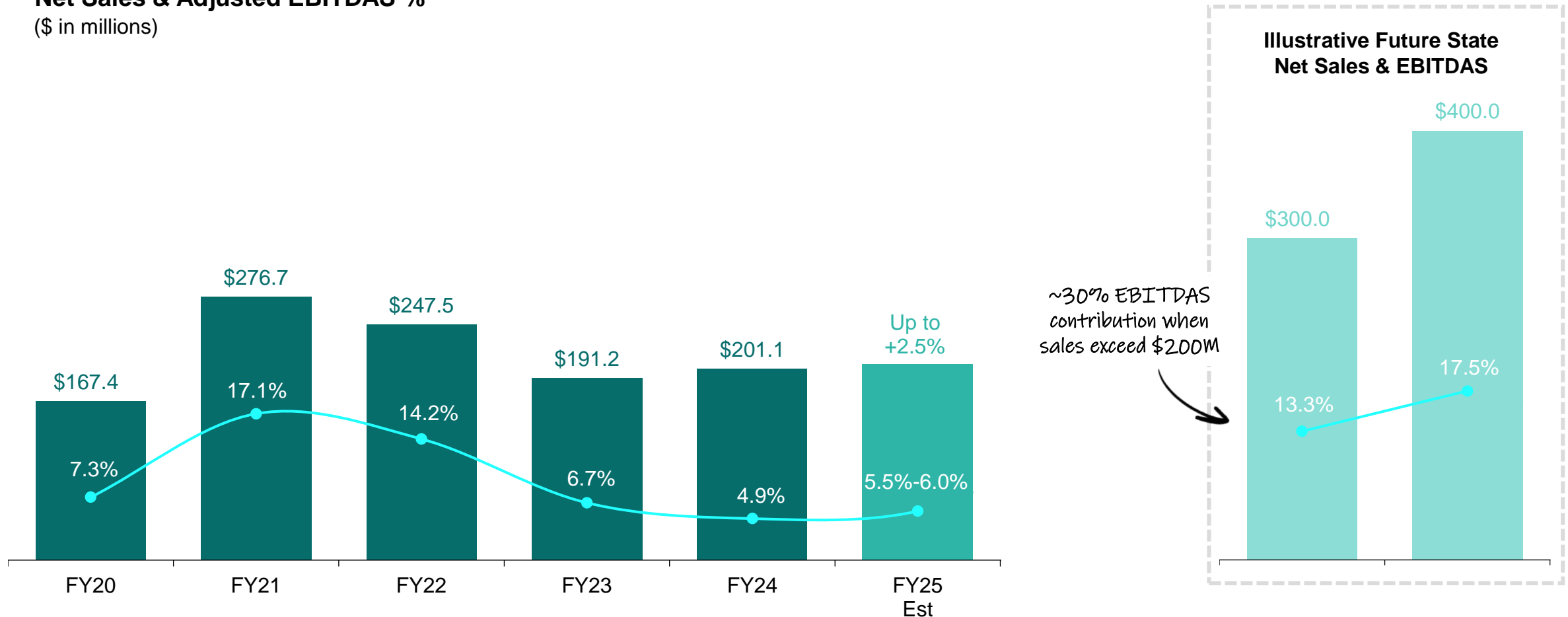
We're a small public company today, but we have a winning culture, strategy, and discipline to be significantly larger.

We've set our sights on \$400M in future net sales, ~2x larger than today. We believe this is achievable by continuing to execute on our extensive innovation pipeline, along with welcoming new customers.

Our Operating Model is **Highly Accretive**

We have a track record of delivering incremental margin on revenue growth above \$200M in net sales. We believe our brands are capable of \$400M in net sales – at that level, we expect EBITDAS to exceed \$70M.

Net Sales & Adjusted EBITDAS %
(\$ in millions)



We believe flexibility is important for both growth and stability.



Our balance sheet would agree...

Our Balance Sheet Provides Flexibility

We have resources to fuel our growth, with a debt-free balance sheet and access to capital for organic growth, opportunistic and disciplined M&A, and stock buybacks.

Cash on Hand



\$23.5M
(as of 7/31/24)

No Debt

\$0

Flexible Capital Allocation

1. Fuel organic growth
2. Smart acquisitions
3. Stock buybacks

Owning a stake in AOB is owning a stake in **innovation**.



Summary Investment Considerations

1. Large, resilient consumer end markets
2. Ability to blend technologies across two categories
3. Innovation vitality – it's stacking up
4. Swelling new product pipeline for future growth
5. Asset-light, by design
6. Leverageable operating model on pathway to \$400M
7. Strong, flexible balance sheet

1Q FY25 Highlights

**International
Net Sales**



+21%

**Growth
Products**

**Fishing, Hunting
Meat Processing
Target Shooting**



**Adjusted
EBITDAS**

+77%

**New
Products**

**23% of
Net Sales**



**Ending
Cash**



\$23.5M

**Gross
Margin**

**GAAP: 45.4%
Non-GAAP: 46.0%**

+60bps

Recent **Financial Performance**

1Q FY25

Net Sales

\$41.7M

-4.1%

Non-GAAP Gross Margin

46.0%

+60 bps

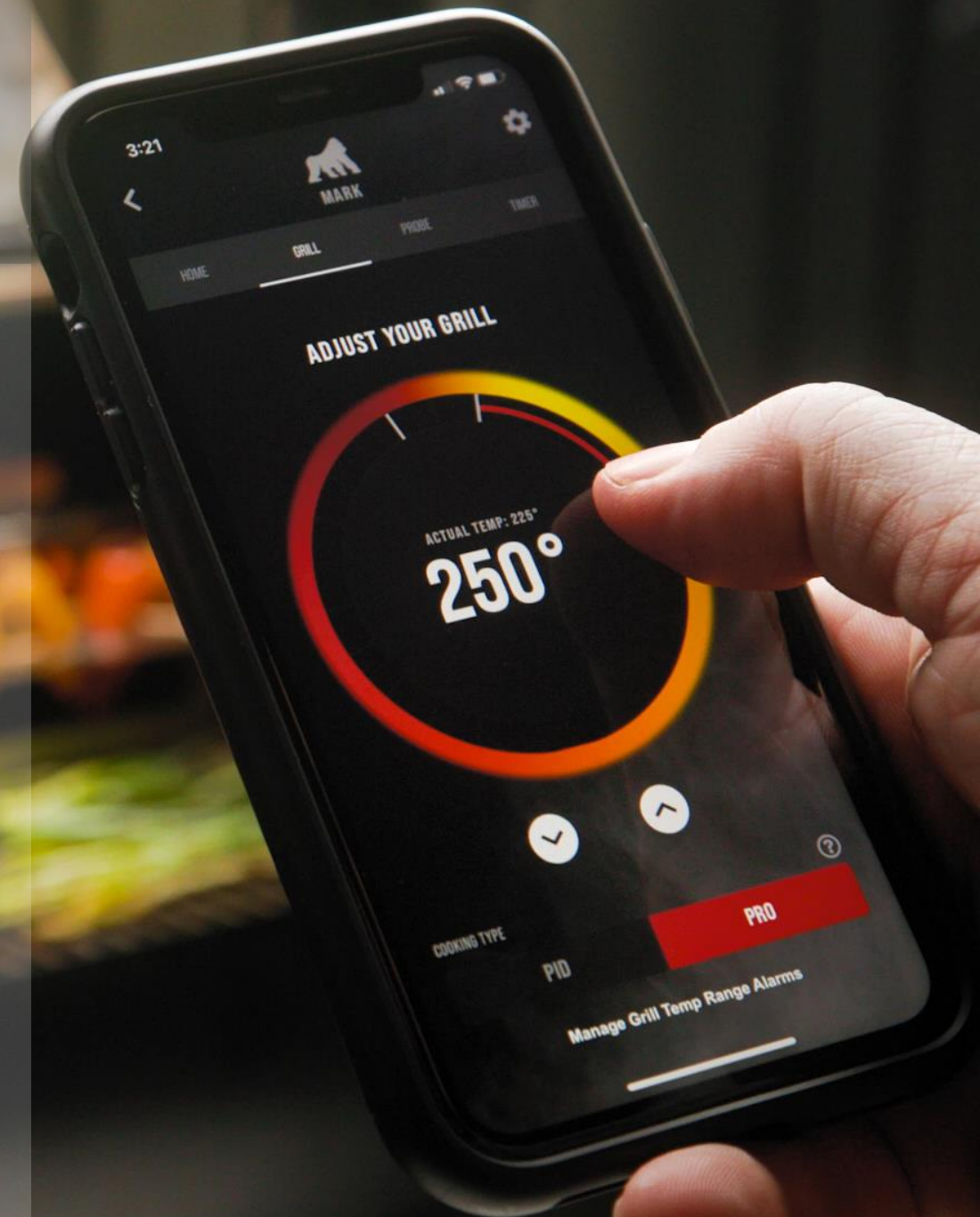
Adjusted EBITDAS

\$2.0M

+76.9%

Cash Balance

\$23.5M



FY25 Financial Outlook

We believe that Fiscal 2025 Net Sales could grow by as much as 2.5% compared to Fiscal 2024, with Adjusted EBITDAS margins of 5.5% - 6.0%.

Net Sales

+2.5%

Growth of up to

Adjusted EBITDAS Margin

5.5% - 6.0%

+60 to +110 bps

Appendix

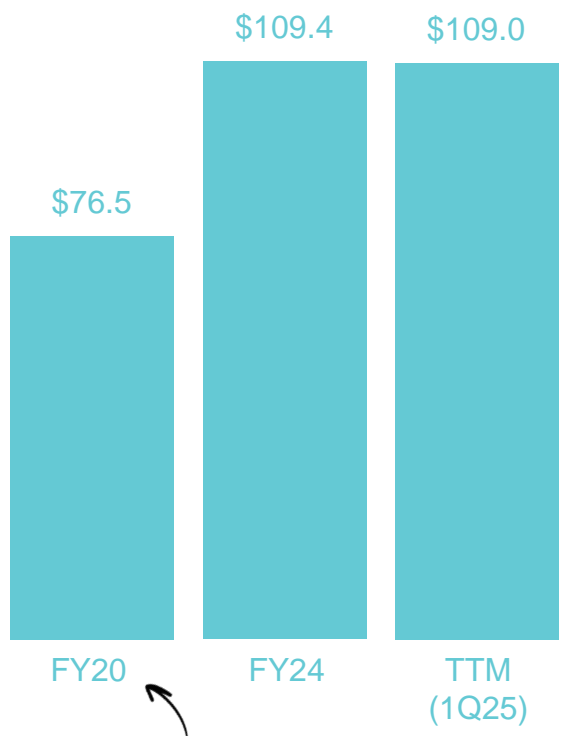


Net Sales Category Breakout

While the Shooting Sports category has been roughly flat since FY20, Outdoor Lifestyle category has grown over 42%, driven by fishing, hunting, meat processing, and outdoor cooking products.

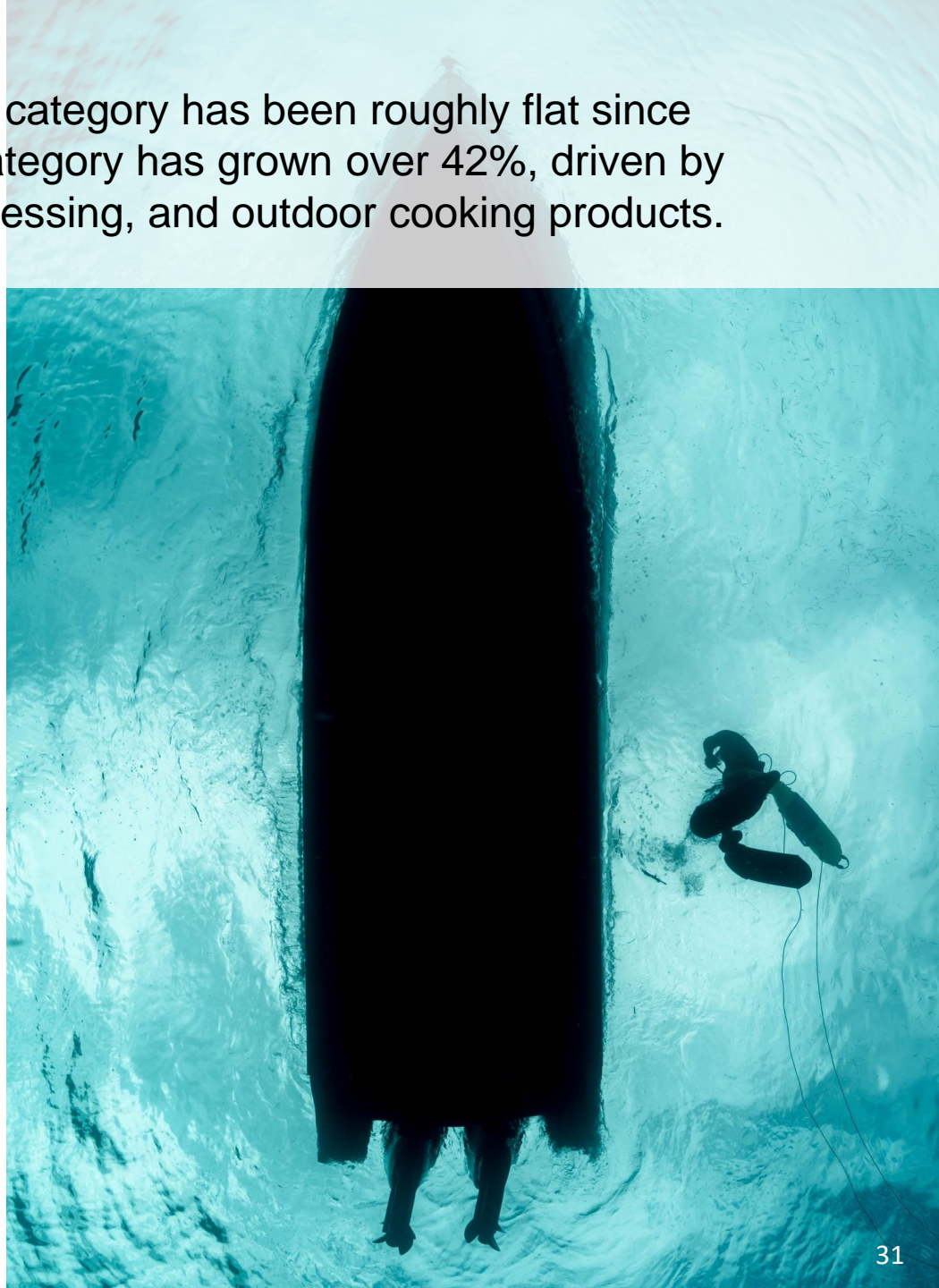
Outdoor Lifestyle

(\$ in millions)



Pre-pandemic

Shooting Sports



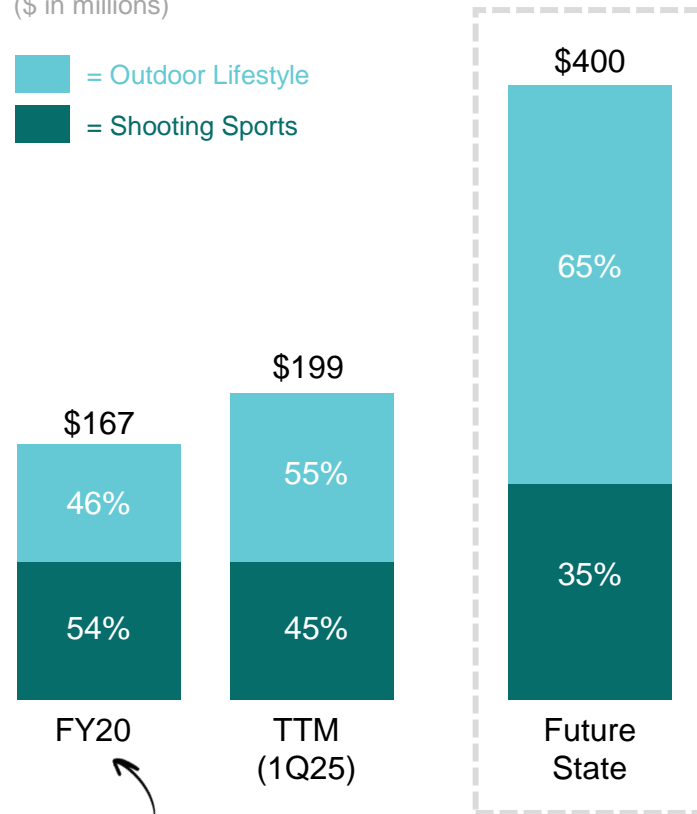
Go-to-Market Expansion

As we grow in the future, we expect our net sales to be comprised of 65% Outdoor Lifestyle, 10% international, and an even split between Traditional and e-Commerce.

By Product Category

(\$ in millions)

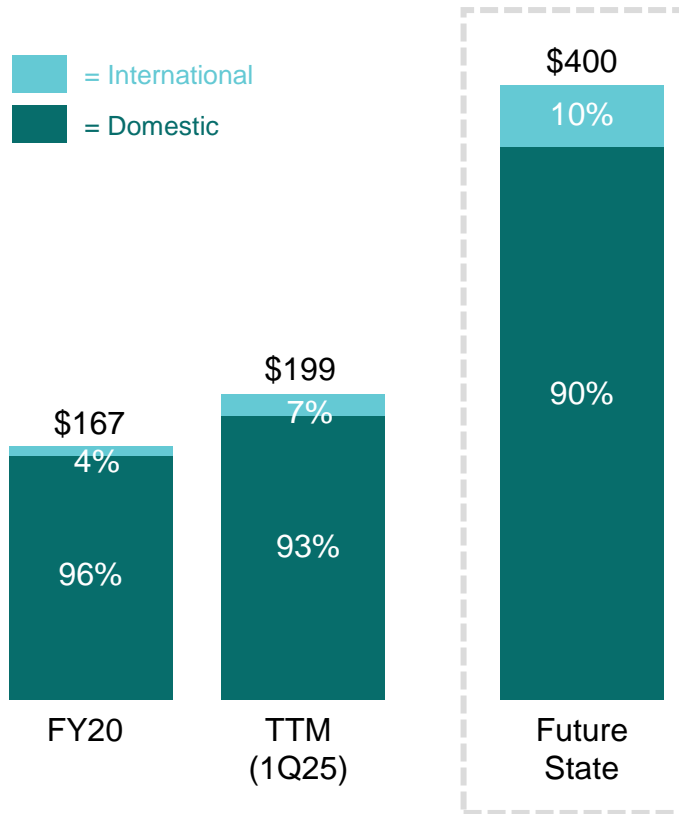
- Outdoor Lifestyle
- Shooting Sports



Pre-pandemic

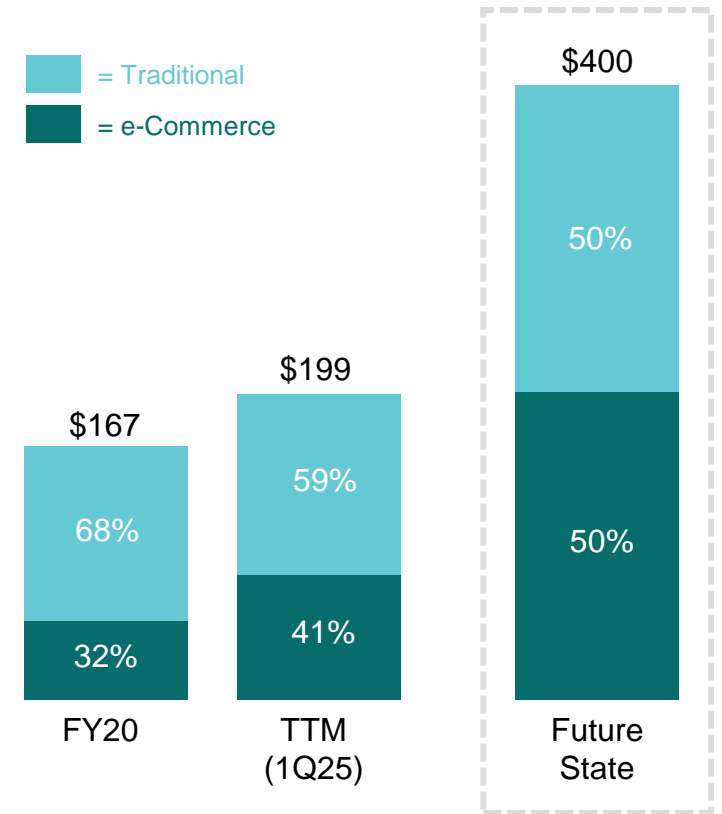
By Geography

- International
- Domestic



By Sales Channel

- Traditional
- e-Commerce



Diverse Customers & Channels

We have an ever-expanding distribution network, delivering our products wherever consumers may shop. In addition, each of our key brands has its own dedicated e-commerce website.

National Retailers



Home, Farm, Automotive



Distributors & Buying Groups



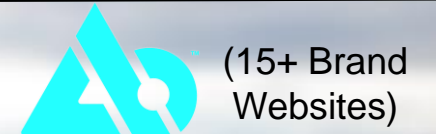
Online Retailers



OEMs



DTC Websites



Executive Team

James Tayon
Chief Product Officer

Brent Vulgamott
Chief Operating Officer

Brian Murphy
President & CEO, Director

Liz Sharp
VP, Investor Relations

Andy Fulmer
Chief Financial Officer



Income Statement

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

	For the Three Months Ended July 31,	
	2024	2023
	(Unaudited)	
Net sales	\$ 41,643	\$ 43,445
Cost of sales	22,717	23,726
Gross profit	18,926	19,719
Operating expenses:		
Research and development	1,674	1,599
Selling, marketing, and distribution	11,383	12,054
General and administrative	8,443	10,151
Total operating expenses	21,500	23,804
Operating loss	(2,574)	(4,085)
Other (expense)/income, net:		
Other income, net	83	39
Interest income/(expense), net	148	(12)
Total other (expense)/income, net	231	27
Loss from operations before income taxes	(2,343)	(4,058)
Income tax expense	22	55
Net loss	\$ (2,365)	\$ (4,113)
Net loss per share:		
Basic	\$ (0.18)	\$ (0.31)
Diluted	\$ (0.18)	\$ (0.31)

Balance Sheet

AMERICAN OUTDOOR BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	As of:	
	July 31, 2024 (Unaudited)	April 30, 2024
(In thousands, except par value and share data)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 23,463	\$ 29,698
Accounts receivable, net of allowance for credit losses of \$114 on July 31, 2024 and \$133 on April 30, 2024	26,346	25,728
Inventories	106,710	93,315
Prepaid expenses and other current assets	5,585	6,410
Income tax receivable	245	223
Total current assets	<u>162,349</u>	<u>155,374</u>
Property, plant, and equipment, net	10,992	11,038
Intangible assets, net	37,930	40,217
Right-of-use assets	33,165	33,564
Other assets	354	404
Total assets	<u>\$ 244,790</u>	<u>\$ 240,597</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 18,118	\$ 14,198
Accrued expenses	11,725	9,687
Accrued payroll and incentives	4,923	4,167
Lease liabilities, current	1,359	1,331
Total current liabilities	36,125	29,383
Lease liabilities, net of current portion	<u>32,951</u>	<u>33,289</u>
Total liabilities	<u>69,076</u>	<u>62,672</u>
Commitments and contingencies		
Equity:		
Preferred stock, \$0.001 par value, 20,000,000 shares authorized, no shares issued or outstanding on July 31, 2024 and April 30, 2024	—	—
Common stock, \$0.001 par value, 100,000,000 shares authorized, 14,820,494 shares issued and 12,875,062 shares outstanding on July 31, 2024 and 14,701,280 shares issued and 12,797,865 shares outstanding on April 30, 2024	15	15
Additional paid in capital	277,642	277,107
Retained deficit	(76,988)	(74,623)
Treasury stock, at cost (1,945,432 shares on July 31, 2024 and 1,903,415 shares on April 30, 2024)	<u>(24,955)</u>	<u>(24,574)</u>
Total equity	175,714	177,925
Total liabilities and equity	<u>\$ 244,790</u>	<u>\$ 240,597</u>

Statement of Cash Flows

AMERICAN OUTDOOR BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended July 31,	
	2024	2023
	(In thousands)	
Cash flows from operating activities:		
Net loss	\$ (2,365)	\$ (4,113)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3,309	3,969
Provision for credit losses on accounts receivable	(19)	6
Stock-based compensation expense	932	932
Changes in operating assets and liabilities:		
Accounts receivable	(599)	3,268
Inventories	(13,395)	(5,179)
Accounts payable	4,073	4,115
Accrued liabilities	2,794	2,122
Other	918	45
Net cash provided by operating activities	<u>(4,352)</u>	<u>5,165</u>
Cash flows from investing activities:		
Payments to acquire patents and software	(261)	(267)
Payments to acquire property and equipment	(844)	(569)
Net cash used in investing activities	<u>(1,105)</u>	<u>(836)</u>
Cash flows from financing activities:		
Payments on notes and loans payable	—	(5,000)
Payments to acquire treasury stock	(381)	(2,268)
Payment of employee withholding tax related to restricted stock units	(397)	(300)
Net cash used in financing activities	<u>(778)</u>	<u>(7,568)</u>
Net increase in cash and cash equivalents	(6,235)	(3,239)
Cash and cash equivalents, beginning of period	29,698	21,950
Cash and cash equivalents, end of period	<u>\$ 23,463</u>	<u>\$ 18,711</u>
Supplemental disclosure of cash flow information		
Cash paid for:		
Interest	\$ 42	\$ 117
Income taxes (net of refunds)	\$ 36	\$ 13

Non-GAAP Reconciliation

AMERICAN OUTDOOR BRANDS, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP FINANCIAL MEASURES TO NON-GAAP FINANCIAL MEASURES
(In thousands, except per share data)
(Unaudited)

	For the Three Months Ended July 31,	
	2024	2023
GAAP gross profit	\$ 18,926	\$ 19,719
Non-recurring inventory reserve adjustment	221	—
Non-GAAP gross profit	<u>\$ 19,147</u>	<u>\$ 19,719</u>
GAAP operating expenses	\$ 21,500	\$ 23,804
Amortization of acquired intangible assets	(2,119)	(2,960)
Stock compensation	(932)	(932)
Technology implementation	—	(293)
Emerging growth status transition costs	(42)	—
Non-GAAP operating expenses	<u>\$ 18,407</u>	<u>\$ 19,619</u>
GAAP operating loss	\$ (2,574)	\$ (4,085)
Amortization of acquired intangible assets	2,119	2,960
Stock compensation	932	932
Non-recurring inventory reserve adjustment	221	—
Technology implementation	—	293
Emerging growth status transition costs	42	—
Non-GAAP operating income	<u>\$ 740</u>	<u>\$ 100</u>
GAAP net loss	\$ (2,365)	\$ (4,113)
Amortization of acquired intangible assets	2,119	2,960
Stock compensation	932	932
Non-recurring inventory reserve adjustment	221	—
Technology implementation	—	293
Emerging growth status transition costs	42	—
Income tax adjustments	(201)	26
Non-GAAP net income	<u>\$ 748</u>	<u>\$ 98</u>
GAAP net loss per share - diluted	\$ (0.18)	\$ (0.31)
Amortization of acquired intangible assets	0.16	0.22
Stock compensation	0.07	0.07
Non-recurring inventory reserve adjustment	0.02	—
Technology implementation	—	0.02
Emerging growth status transition costs	—	—
Income tax adjustments	(0.02)	—
Non-GAAP net income per share - diluted (a)	<u>\$ 0.06</u>	<u>\$ 0.01</u>

(a) Non-GAAP net income per share does not foot due to rounding.

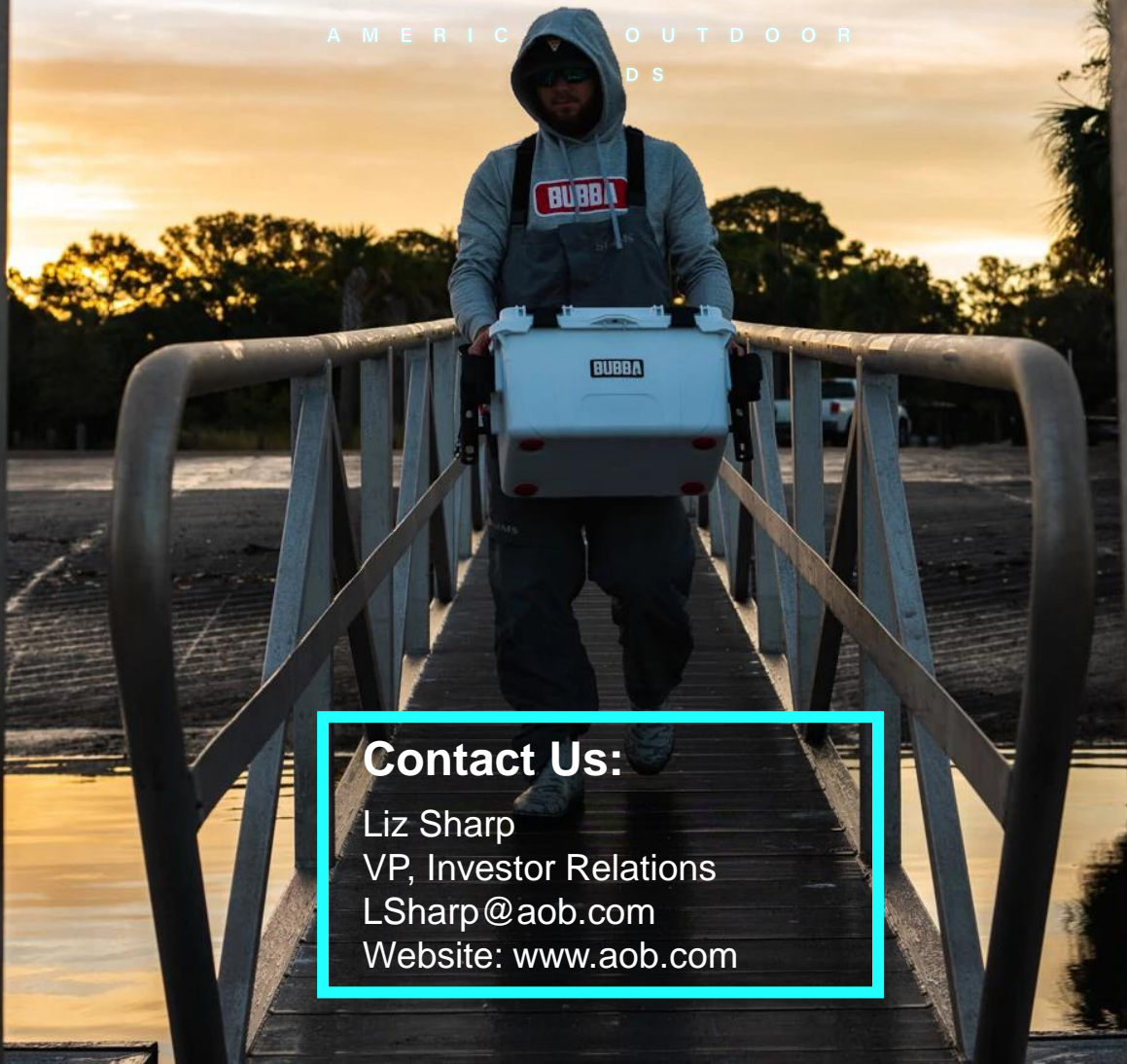
Adjusted EBITDAS Reconciliation

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

	For the Three Months Ended July 31,	
	2024	2023
GAAP net loss	\$ (2,365)	\$ (4,113)
Interest (income)/expense	(148)	12
Income tax expense	22	55
Depreciation and amortization	3,284	3,945
Stock compensation	932	932
Technology implementation	—	293
Non-recurring inventory reserve adjustment	221	—
Emerging growth status transition costs	42	—
Non-GAAP Adjusted EBITDAS	\$ 1,988	\$ 1,124



A M E R I C A N O U T D O O R
B R A N D S



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