

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): December 01, 2022

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 December 2022 |
| 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: December 1, 2022

By: /s/ H. Andrew Fulmer
H. Andrew Fulmer
Executive Vice President, Chief Financial Officer, and Treasurer



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
December 2022



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.

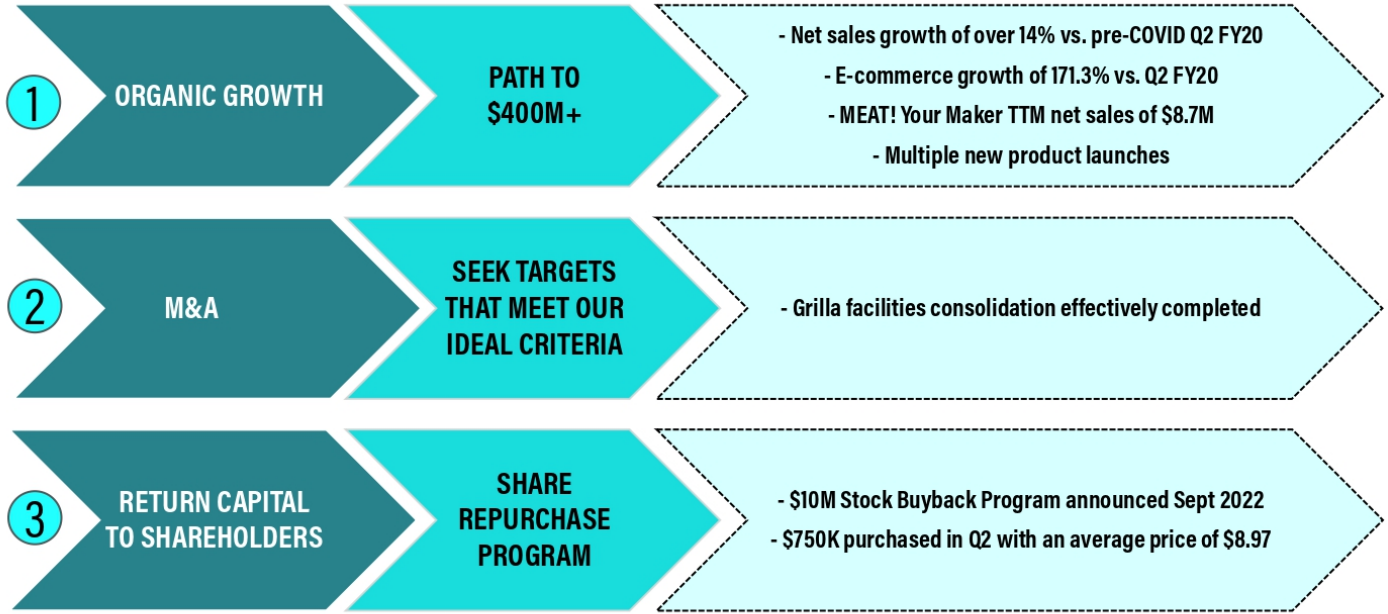


Q2 FY23 Highlights



DISCIPLINED EXECUTION OF LONG-TERM VALUE CREATION STRATEGY

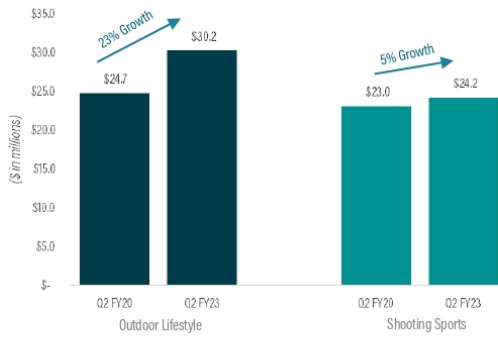
Q2 FY23 Achievements



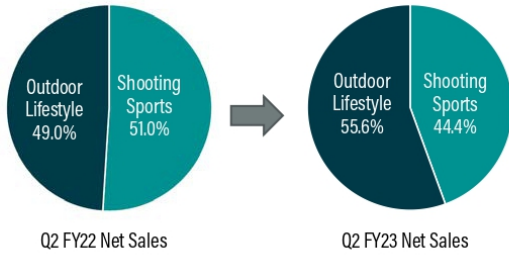


SUSTAINED LONG-TERM GROWTH

Demonstrated Net Sales Growth



Mix Shift Toward Outdoor Lifestyle



- **Outdoor Lifestyle Net Sales**
 - Q2 FY23 vs Q2 FY22: -12.8%
 - Q2 FY23 vs Q2 FY20 (pre-pandemic): +22.5%
- Expected to be a growing percentage of business over time
- Growth supported by:
 - Fishing (BUBBA)
 - Land management (Hooyman)
 - Meat processing (MEAT! Your Maker)
 - Outdoor cooking (Grilla)

- **Shooting Sports Net Sales**
 - Q2 FY23 vs Q2 FY22: -32.9%
 - Q2 FY23 vs Q2 FY20 (pre-pandemic): +5.0%
- Growth opportunity in shooting sports focused on expanding into large, stable categories including:
 - Shotgun sports (Caldwell)
 - Reloading (Frankford Arsenal)
 - Optics (Crimson Trace)
 - Hand Tools (Wheeler)
 - Security Solutions (Lockdown)



AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

NEW: CALDWELL CLAYMORE CLAY TARGET THROWER



CLAYMORE

- FOOT PEDAL-POWERED, NO BATTERY REQUIRED TO OPERATE
- 50 CLAY CAPACITY - MORE TIME SHOOTING, LESS TIME LOADING CLAYS
- COMPACT FOLDING DESIGN FOR EASY TRANSPORTATION & STORAGE
- SELECTABLE FLURRY MODE LAUNCHES CLAYS AS FAST AS YOU CAN STEP ON THE PEDAL

patents: aab.com/patents



ONLY 35lbs

LIGHTWEIGHT



PORTABLE



AWARD WINNING



WATCH IN ACTION



GRILLA: EXCLUSIVE "TURN-KEY" OUTDOOR COOKING ECOSYSTEM

All Major Outdoor Cooking Platforms Offered ...

- ✓ Wifi Pellet Grills
- ✓ Pellet Smokers
- ✓ Gas Grills
- ✓ Griddles / Flat Tops
- ✓ Kamado Grills



... Designed with an Ecosystem in Mind ...



"I have a [Silverbac] and Primate. I got the 3-piece kitchen but need to buy the corner and an additional 31-inch cabinet."

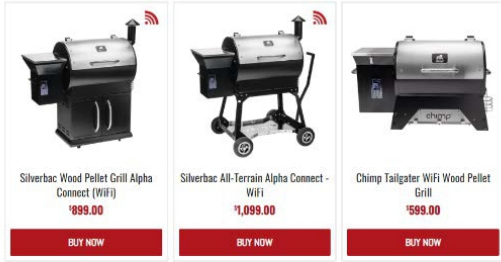
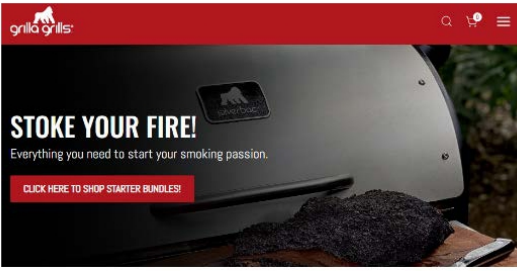
- Facebook Post from Grilla Customer (July 2022)



DTC-ONLY BRANDS DELIVERED NEARLY 10% OF Q2 NET SALES

... All Sold Direct-to-Consumer...

... While Leveraging Complementary AOB Brand Audiences

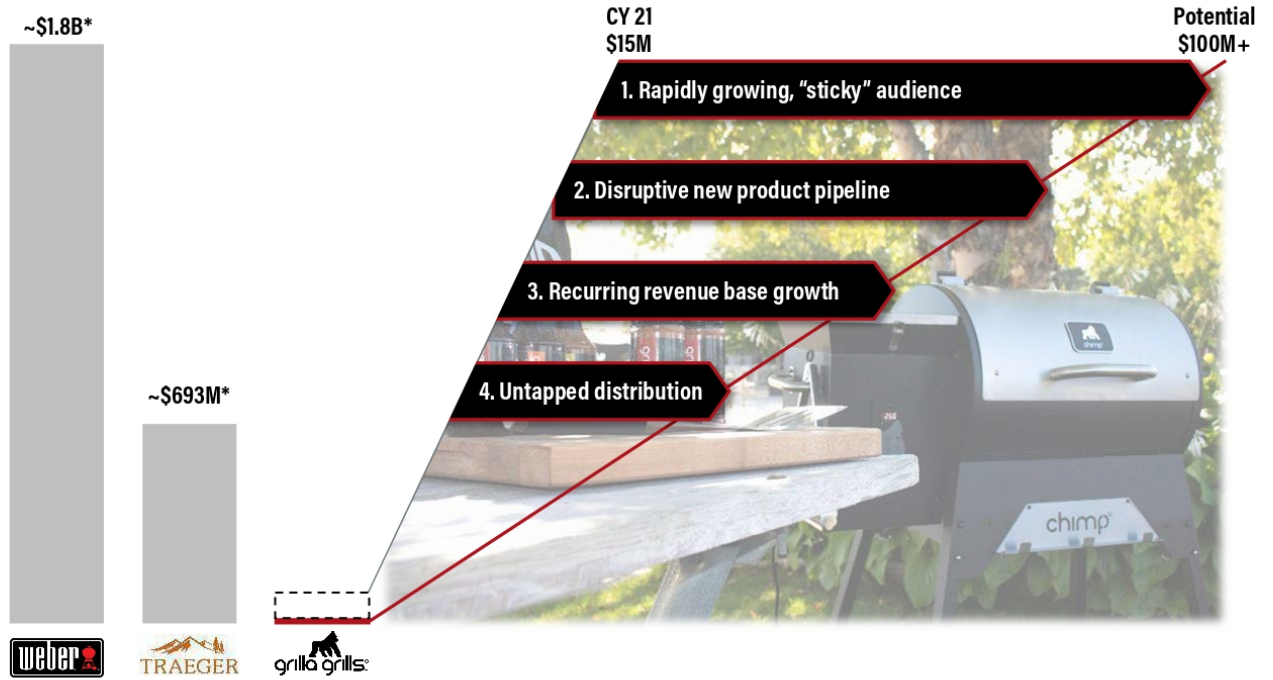


"I'm a big fan of meat your maker! High quality products like Grilla! Y'all need to jump on this deal."

- Facebook Post from Grilla Customer (May 2022)



GRILLA: OPPORTUNITY TO BECOME \$100M+ REVENUE BRAND



*Trailing twelve-month net sales based on public company filings.



“We leverage our culture of innovation to deliver solutions for consumers in the moments that matter”



AOUT'S VALUE DRIVERS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

- ✓ **Large, passion-driven industry**
- ✓ **Favorable macro trends** (fishing, hunting, personal protection, shooting sports, camping, hiking, and outdoor cooking)
- ✓ **Diverse portfolio of 21 early-stage consumer brands**
- ✓ Innovative **"Dock & Unlock"**™ formula fuels brand growth
- ✓ **Leverageable model** drives profitability
- ✓ **Strong balance sheet** supports organic growth & acquisitions





AMERICAN OUTDOOR BRANDS, INC. AT A GLANCE

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



| | | | |
|--------------------------------|--------------------------|-------------------------------------|--------------------|
| TTM Net Sales | \$214.1 million | Growth Target | \$400M+ |
| TTM Gross Profit Margin | 45.4% | Target Adj. EBITDAS Margin % | Mid- to High-teens |
| TTM Adjusted EBITDAS | \$21.6 million, or 10.1% | Headquarters | Columbia, Missouri |
| Net Debt | \$3.6 million | Fiscal Year End | April 30 |
| Net Debt / Adj. EBITDAS | ~0.2x | Employee Count | 296* |

*At October 31, 2022

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LARGE, PASSION-DRIVEN INDUSTRY

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



(a) Based on a 2017 report issued by the Outdoor Industry Association.



FAVORABLE OUTDOOR ACTIVITY MACRO TRENDS

OUTDOOR PARTICIPATION TRENDS



~9M

Number of first-time camper households in 2021 (KOA)



14M

New entrants per NSSF:
2020: 40% of 21M Adj NICS
2021: 30% of 18M Adj NICS



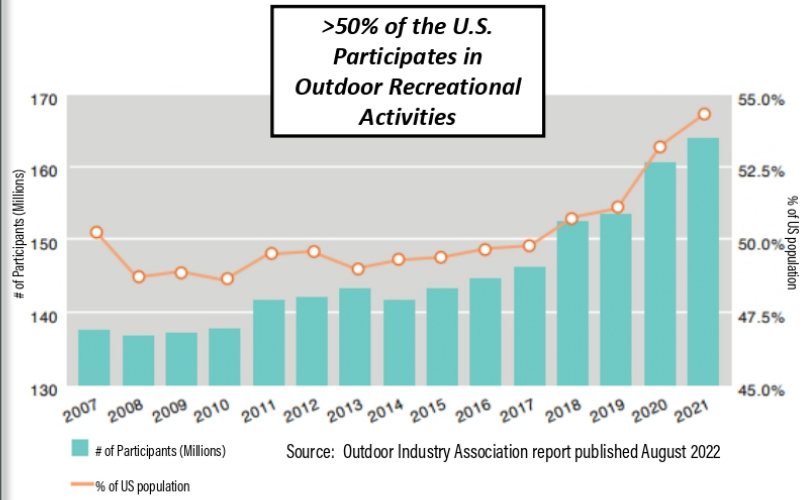
~3M

More fishing licenses sold nationwide in 2020 than 2019, a 14% increase, according to the Recreational Boating and Fishing Foundation



~1M

More hunters in 2020. The NSSF has indicated that hunting license sales have grown 7.5% vs. 2019. This could mean 1M new hunters entered the market in 2020





DIVERSE PORTFOLIO OF 21 EARLY-STAGE CONSUMER BRANDS

Schrade
Slyte USA Made Knife Line

OLD TIMER
Trail Boss Hunting Knives

Hooyman
Lithium-Ion 24v Spreader

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

Grilla
Modular Outdoor Kitchen

BUBBA
Smart Fish Scale and Fishing App

MEAT!
Dual-Grind Grinders

MEAT!
Butcher Knife Set

Grilla
Silverbac AT Pellet Grill

BUBBA
Fishing Rods

grilla grills
IN THE BACKYARD

WATER TO PLATE

ust
AT THE CAMPFIRE

IN THE WIND

ON THE LAND

ON THE HUNT

AT THE RANGE

FIELD TO TABLE

FOR TRAINING

FOR PROTECTION

FOR HOBBIES

FOR PEACE OF MIND

AT THE RANGE

AT THE SHOP

AT THE RANGE

AT THE RANGE

Frankford Arsenal
X-10 Progressive Reloading Press

Crimson Trace
LPV0 Scope Line

Smith & Wesson
Throwing Knives and Axes

Caldwell
Claymore Clay Target Thrower

Wheeler
FAT Six Torque Setting Tools

Lockdown
Securewall Organizational Systems

Crimson Trace
HRO Red Dot Sight

Lockdown
In-Plain-Sight Concealment Shelves

Caldwell
E-Max Shadow Pro Hearing Protection

Tipton
Ultra Gun Vise

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 | ● | ○ | Fillet 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 |
| | ust | ● | ○ | Tents, sleeping bags, mattress pads, camping tools and accessories |
| Harvester | BOG | ● | ○ | Hunting rests, ground blinds, chairs, game cameras |
| | Hoyman | ● | ○ | Land management: rakes, shovels, pruning tools, tree saws |
| | MEAT! | ● | ○ | Meat grinders, slicers, dehydrators |
| | OLD TIMER | ● | ○ | Folding, fixed-blade, & fillet knives |
| | THOMPSON/CENTER ACCESSORIES | ● | ○ | 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 Smith & Wesson | ○ | ● | Folding & fixed-blade knives, tools, protective gun cases |
| | Performance Center Smith & Wesson | ○ | ● | Gun cases and cleaning kits |
| | Smith & Wesson | ○ | ● | Folding & fixed-blade knives, tools, protective gun cases, parts kits |

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.

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STRONG PRESENCE IN TRADITIONAL AND E-COMM CHANNELS

National Retailers



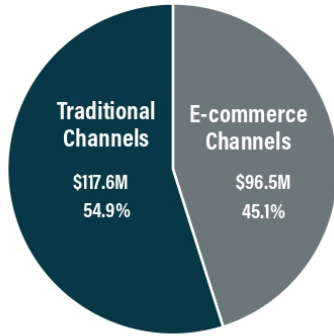
Home, Farm, Automotive



Distributors & Buying Groups



OEM



(Q2 FY23 TTM Net Sales = \$214.1 Million)

Online Retailers



DTC Websites



Note: Customers shown are for illustrative purposes

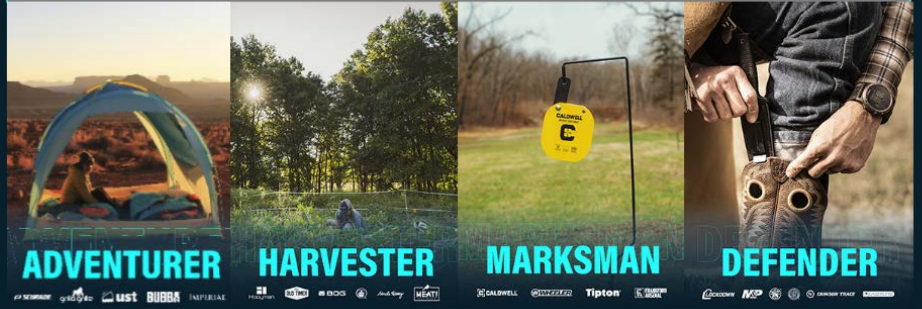


THE “DOCK AND UNLOCK”™ FORMULA

*Brand A x AOB Dock
(Strategy + Resources)
= Brand A +
∞ Unlocked Potential*



- ✓ Using our “Dock and Unlock”™ formula, we leverage our brand lanes to reframe our brands’ growth potential
- ✓ Thereby creating “Permission to Play” in new product categories and establishing entrance into wholly new, large addressable markets
- ✓ Resulting in a family of brands with significant runway for growth, **TAKING BRANDS “FROM NICHE TO KNOWN”™**





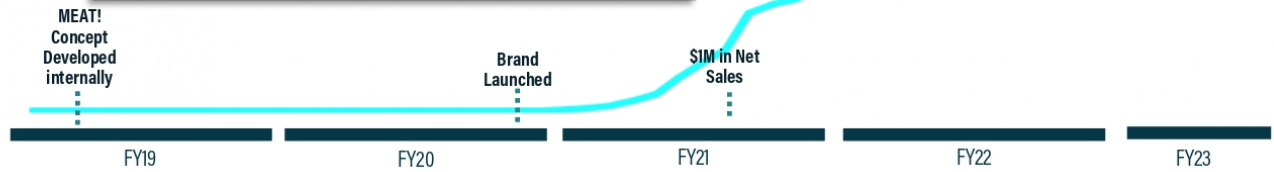
"DOCK & UNLOCK"™ CASE STUDY

Our Brand Lane structure and product development capabilities allow us to create wholly new brands that have the potential to deliver strong, incremental, organic growth.

124.2%
Net Sales Growth
TTM FY23 vs TTM FY22



TTM October
Net Sales
\$8.7M



Net Sales - 100% DTC



"DOCK & UNLOCK"[™] CASE STUDY

BUBBA[™]

After repositioning the brand from "Bubba Blade" to "BUBBA," we unlocked the brand's "Permission to Play" potential, accessing a wider audience, and expanding beyond the original saltwater fillet knife category into a multitude of diverse "water to plate" lifestyle products.

NEW Upcoming in FY23:
BUBBA Electric Fish Scale (EFS)



Scan to learn more

4.4x

FY22 net sales growth compared to first year of acquisition*



*TTM August 2018



BRAND "PERMISSION TO PLAY" DRIVES GROWTH POTENTIAL

| | 'Docked' Brand | Lifestyle Supported ("Moments that Matter") | Growth Opportunities | | | |
|------------|------------------------------------|---|----------------------|---------------------|----------------|----------------------|
| | | | New Distribution | Expand Market Share | New Categories | New Consumer Markets |
| Adventurer | SCHRADE | In the Wild | ✓ | ✓ | ✓ | |
| | IMPERIAL | In the Wild | ✓ | ✓ | | |
| | UST | At the Campsite | ✓ | ✓ | ✓ | |
| | BUBBA | Water to Plate | ✓ | ✓ | ✓ | ✓ |
| | grilla grills | In the Backyard | ✓ | ✓ | ✓ | ✓ |
| Harvester | Hooyman | On the Land | ✓ | ✓ | ✓ | ✓ |
| | OLD TIMER | At the Ranch | ✓ | ✓ | ✓ | |
| | BOG | On the Hunt | ✓ | ✓ | ✓ | |
| | THOMPSON CENTER ACCESSORIES | On the Hunt | ✓ | ✓ | | |
| | <i>Muncie Honey</i> | On the Hunt | ✓ | ✓ | | |
| | MEAT! | Field to Table | ✓ | ✓ | ✓ | ✓ |

| | 'Docked' Brand | Lifestyle Supported ("Moments that Matter") | Growth Opportunities | | | |
|----------|--|---|----------------------|---------------------|----------------|----------------------|
| | | | New Distribution | Expand Market Share | New Categories | New Consumer Markets |
| Marksman | CALDWELL | At the Range | ✓ | ✓ | ✓ | ✓ |
| | TIPTON | In the Shop | ✓ | ✓ | ✓ | |
| | WHEELER | In the Shop | ✓ | ✓ | ✓ | ✓ |
| | FRANKFORD ARSENAL | At the Bench | ✓ | ✓ | ✓ | |
| | LOCKDOWN | For Peace of Mind | ✓ | ✓ | ✓ | ✓ |
| Defender | Smith & Wesson | For Heritage | ✓ | ✓ | | |
| | MP Smith & Wesson | For Heritage | ✓ | ✓ | | |
| | Performance Center Smith & Wesson | For Heritage | ✓ | ✓ | | |
| | CRIMSON TRACE | For Protection | ✓ | ✓ | ✓ | |
| | LASERLYTE | For Training | ✓ | ✓ | ✓ | ✓ |
| | | | | | | |



LEVERAGEABLE MODEL DRIVES PROFITABILITY

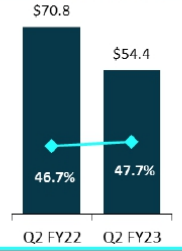
NET SALES & GROSS MARGIN



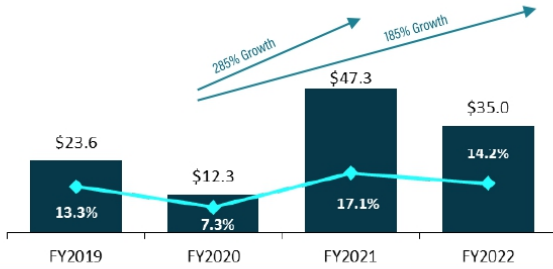
- ✓ Long-term growth driven by leveraging brand lane platforms
- ✓ "Dock & Unlock™" strategy allows for expansion into new product categories providing AOUT's young brands with significant runway for growth
- ✓ Long-term gross margins supported by new product launches, stabilized from tariff impacts

Q2 FY23: Net sales +14% vs. Q2 FY20 (pre-pandemic)

Q2 UPDATE



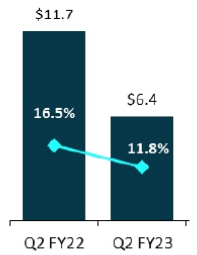
ADJ. EBITDAS & ADJ. EBITDAS MARGIN



- ✓ Leverage of fixed G&A costs, brand lanes and e-commerce investments expected to yield significant EBITDAS contribution as the business scales
- ✓ Long-term Adj. EBITDAS target margin - mid to high teens

Q2 FY23: Effectively consolidated Crimson Trace and Grilla Grills operations providing net cost savings of ~\$1.5M on an annualized basis

Q2 UPDATE



Note: US\$ in millions. Fiscal year ended April 30. Adjusted EBITDAS is defined as GAAP net income/(loss) before interest, taxes, depreciation, amortization, goodwill impairment, and stock compensation expense and excludes certain items we consider non-routine. See slide 27 for a reconciliation of Adjusted EBITDAS. Financials for FY2019 include activity for the period subsequent to the acquisition of LaserLyte. Financials for FY2022 include activity for the period subsequent to the acquisition of Grilla Grills.



LONG-TERM FINANCIAL TARGETS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

| | Long-Term | Long-Term Drivers |
|--------------------------|---------------------|--|
| Net Sales ⁽¹⁾ | Path to \$400M+ | <ul style="list-style-type: none">✓ Expand market share✓ New product categories✓ New consumer markets✓ New distribution |
| Adjusted EBITDAS | Mid to high teens % | <ul style="list-style-type: none">✓ High level of operating leverage from existing brand lane platform✓ Adjusted EBITDAS margins expected to increase with net sales growth |
| Capital Expenditures | N/A | <ul style="list-style-type: none">✓ Long-term will primarily be maintenance capex related to product tooling |

Note: Long-term financial targets per AOUT Management's estimates is based on information available to Management at the time presented and is subject to change in the future especially in light of the difficulty in assessing and predicting with precision any market dynamics and changes which are beyond Management's knowledge and control. Please see also reference to other factors that could change Management's estimates in the Legal Safe Harbor on Slide 2 of this presentation.



STRONG BALANCE SHEET SUPPORTS ORGANIC GROWTH & ACQUISITIONS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

BALANCE SHEET AS OF OCTOBER 31, 2022

Assets (\$M)

| | |
|----------------------|----------------|
| Cash | \$16.4 |
| Other Current Assets | 156.5 |
| Intangibles | 58.1 |
| PP&E | 10.2 |
| Other Assets | 25.3 |
| Total Assets | \$266.5 |

Liabilities & Equity (\$M)

| | |
|--------------------------|---------------|
| Current Liabilities | \$23.6 |
| Bank Debt* | 20.0 |
| Other Liabilities | 24.1 |
| Total Liabilities | \$67.7 |

| | |
|---------------------------------------|----------------|
| Stockholders' Equity | \$198.8 |
| Total Liabilities & Equity | \$266.5 |

- ✓ Significant liquidity (up to ~\$72M available capital)
- ✓ \$75M asset-based revolving credit facility, expandable by \$15M
- ✓ Virtually zero net debt leverage
- ✓ Strong annual free cash flow generation
- ✓ Dry powder available for strategic acquisitions

IDEAL ACQUISITION CRITERIA

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

* Additional \$10M paid down in November 2022 leaving balance of \$10M outstanding



Appendix Follows



EXPERIENCED LEADERSHIP



BRIAN D. MURPHY

President & Chief Executive Officer

- ✓ Lead execution of AOUT's "Dock & Unlock"™ strategy as part of expansion into new outdoor product categories and markets
- ✓ Experienced leader with ability to motivate teams, build and run business operations, and apply transactional and industry experience
- ✓ Significant M&A and financial experience with publicly traded companies



H. ANDREW FULMER, CPA

Chief Financial Officer

- ✓ Extensive financial experience with the company, and played key role in the development and execution of the company's long-term acquisition strategy
- ✓ Led the company's strategic planning process and developed procedures for acquisition-related financial modeling, due diligence, internal controls, and integration





NON-GAAP FINANCIAL MEASURES

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

In this presentation, certain non-GAAP financial measures, including “non-GAAP net income,” “non-GAAP income per share diluted,” 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 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.



Q2 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 October 31, | | For the Six Months Ended October 31, | |
|---|--|-----------|--------------------------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| GAAP net income/(loss) | \$ 370 | \$ 4,583 | \$ (5,325) | \$ 8,040 |
| Interest expense | 242 | 53 | 428 | 99 |
| Income tax (benefit)/expense | (161) | 1,284 | 28 | 2,133 |
| Depreciation and amortization | 4,110 | 4,207 | 8,272 | 8,386 |
| Stock compensation | 1,121 | 664 | 1,835 | 1,416 |
| Technology implementation | 273 | 887 | 1,042 | 1,159 |
| Acquisition costs | — | — | 47 | — |
| Facility consolidation costs | 292 | — | 292 | — |
| Stockholder cooperation agreement costs | 167 | — | 1,177 | — |
| Other | — | 18 | — | 18 |
| Non-GAAP Adjusted EBITDAS | \$ 6,414 | \$ 11,696 | \$ 7,796 | \$ 21,251 |
| <i>Adjusted EBITDAS Margin</i> | 11.8% | 16.5% | 7.9% | 16.2% |



Q2 - 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 October 31, | | For the Six Months Ended October 31, | |
|---|--|-----------|--------------------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net sales | \$ 54,436 | \$ 70,760 | \$ 98,112 | \$ 131,528 |
| Cost of sales | 28,474 | 37,723 | 53,111 | 69,508 |
| Gross profit | 25,962 | 33,037 | 45,001 | 62,020 |
| Operating expenses: | | | | |
| Research and development | 1,557 | 1,457 | 3,313 | 2,977 |
| Selling, marketing, and distribution | 13,924 | 15,664 | 25,704 | 28,864 |
| General and administrative | 10,615 | 10,615 | 21,679 | 20,654 |
| Total operating expenses | 26,096 | 27,736 | 50,696 | 52,495 |
| Operating (loss)/income | (134) | 5,301 | (5,695) | 9,525 |
| Other income, net: | | | | |
| Other income, net | 585 | 619 | 826 | 747 |
| Interest expense, net | (242) | (53) | (428) | (99) |
| Total other income, net | 343 | 566 | 398 | 648 |
| Income/(loss) from operations before income taxes | 209 | 5,867 | (5,297) | 10,173 |
| Income tax (benefit)/expense | (161) | 1,284 | 28 | 2,133 |
| Net income/(loss) | \$ 370 | \$ 4,583 | \$ (5,325) | \$ 8,040 |
| Net income/(loss) per share: | | | | |
| Basic | \$ 0.03 | \$ 0.32 | \$ (0.40) | \$ 0.57 |
| Diluted | \$ 0.03 | \$ 0.32 | \$ (0.40) | \$ 0.56 |
| Weighted average number of common shares outstanding: | | | | |
| Basic | 13,465 | 14,135 | 13,454 | 14,109 |
| Diluted | 13,589 | 14,348 | 13,454 | 14,369 |



Q2 NON-GAAP INCOME STATEMENT

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

| | For the Three Months Ended October 31, | | For the Six Months Ended October 31, | |
|---|--|-----------|--------------------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (Unaudited) | | | |
| Net sales | \$ 54,436 | \$ 70,760 | \$ 98,112 | \$ 131,528 |
| Cost of sales | 28,316 | 37,723 | 52,953 | 69,508 |
| Gross profit | 26,120 | 33,037 | 45,159 | 62,020 |
| Operating expenses: | | | | |
| Research and development | 1,557 | 1,457 | 3,313 | 2,977 |
| Selling, marketing, and distribution | 13,924 | 15,664 | 25,704 | 28,864 |
| General and administrative | 5,846 | 5,618 | 11,294 | 11,205 |
| Total operating expenses | 21,327 | 22,739 | 40,311 | 43,046 |
| Operating income | 4,793 | 10,298 | 4,848 | 18,974 |
| Other income, net: | | | | |
| Other income, net | 585 | 619 | 826 | 747 |
| Interest expense, net | (242) | (53) | (428) | (99) |
| Total other income, net | 343 | 566 | 398 | 648 |
| Income from operations before income taxes | 5,136 | 10,864 | 5,246 | 19,622 |
| Income tax expense | 1,181 | 2,533 | 1,207 | 4,495 |
| Net income | \$ 3,955 | \$ 8,331 | \$ 4,039 | \$ 15,127 |
| Net income per share: | | | | |
| Basic | \$ 0.29 | \$ 0.59 | \$ 0.30 | \$ 1.07 |
| Diluted | \$ 0.29 | \$ 0.58 | \$ 0.30 | \$ 1.05 |
| Weighted average number of common shares outstanding: | | | | |
| Basic | 13,465 | 14,135 | 13,454 | 14,109 |
| Diluted | 13,589 | 14,348 | 13,642 | 14,369 |



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