



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 2021



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 press release, including statements regarding our future operating results, future financial position, business strategy, objectives, goals, plans, prospects, markets, and plans and objectives for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “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, the effects of the COVID-19 pandemic and related aftermath, including 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 U.S. Presidential, Congressional, 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 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, 2021.



AMERICAN OUTDOOR BRANDS

AMERICAN OUTDOOR BRANDS
(NASDAQ: AOUT)

Building **authentic, lifestyle brands** that help consumers ***make the most out of the moments that matter:***

- ✓ **Large, passion-driven industry** (\$30-35 billion)^(a)
- ✓ **Favorable macro trends** (fishing, hunting, personal protection, shooting sports, camping, and hiking)
- ✓ **Diverse portfolio of 20 early-stage consumer brands**
- ✓ Innovative **“Dock & Unlock”™ formula** fuels brand growth
- ✓ **Leverageable model** drives profitability
- ✓ **Strong balance sheet** supports organic growth & acquisitions



(a) Estimated market size per AOUT management's estimates.



LARGE, PASSION-DRIVEN INDUSTRY

AMERICAN OUTDOOR BRANDS
(NASDAQ: AOUT)



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

(b) Estimated market size per AOUT management's estimates.



FAVORABLE MACRO TRENDS

OUTDOOR PARTICIPATION TRENDING

46%

Percentage of all campers who either started camping for the first time in 2020 or restarted after having not camped in recent years (KOA)

8M

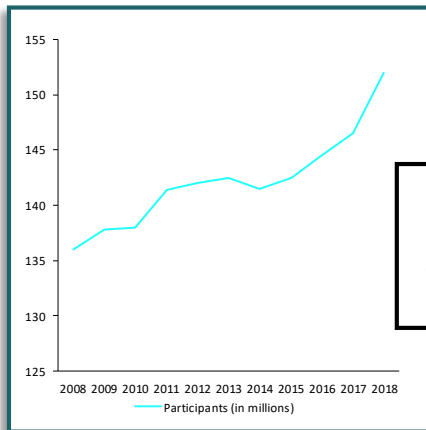
New firearms owners entered the market in 2020 – According to the NSSF, an estimated 40% of the approx. 19 million adjusted NICS YTD through November

~3M

More fishing licenses sold nationwide this year than last, a 14% increase, according to the Recreational Boating and Fishing Foundation

~1M

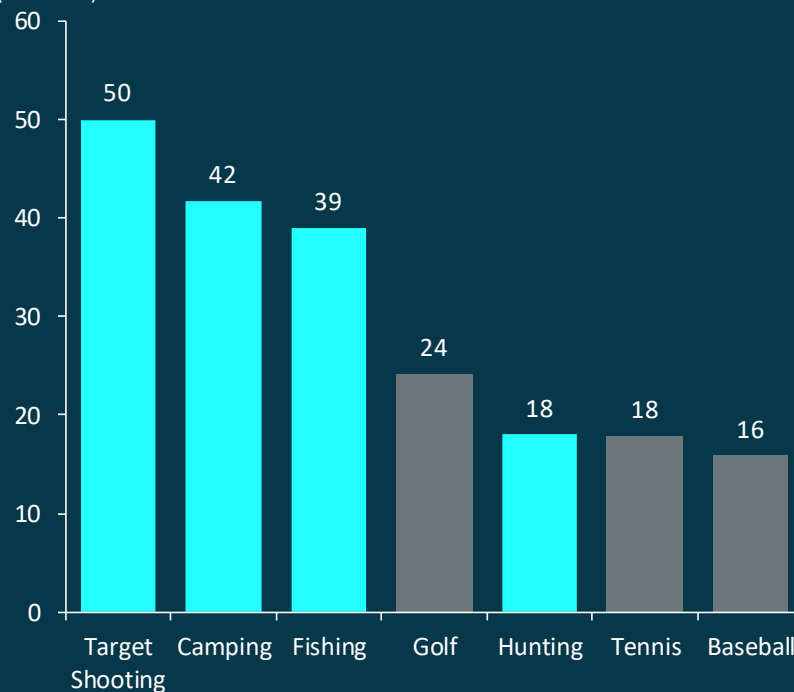
More hunters in 2020. The NSSF has indicated that hunting license sales have grown 7.5% vs. 2019. This could mean 1M new hunters entered the market this year



**>50% of the U.S.
Participates in
Outdoor Recreational
Activities**

Illustrative Outdoor Recreational Participation Comparison

(in millions)





DIVERSE PORTFOLIO OF 20 EARLY-STAGE CONSUMER BRANDS

AMERICAN OUTDOOR BRANDS
(NASDAQ: AOUT)



Caldwell Range Gear



Frankford
M-Press
(Reloading)



Wheeler Digital
F.A.T. Wrench



Tipton Ultra Gun Vise



Lockdown Puck



M&P Night
Terror Flashlight



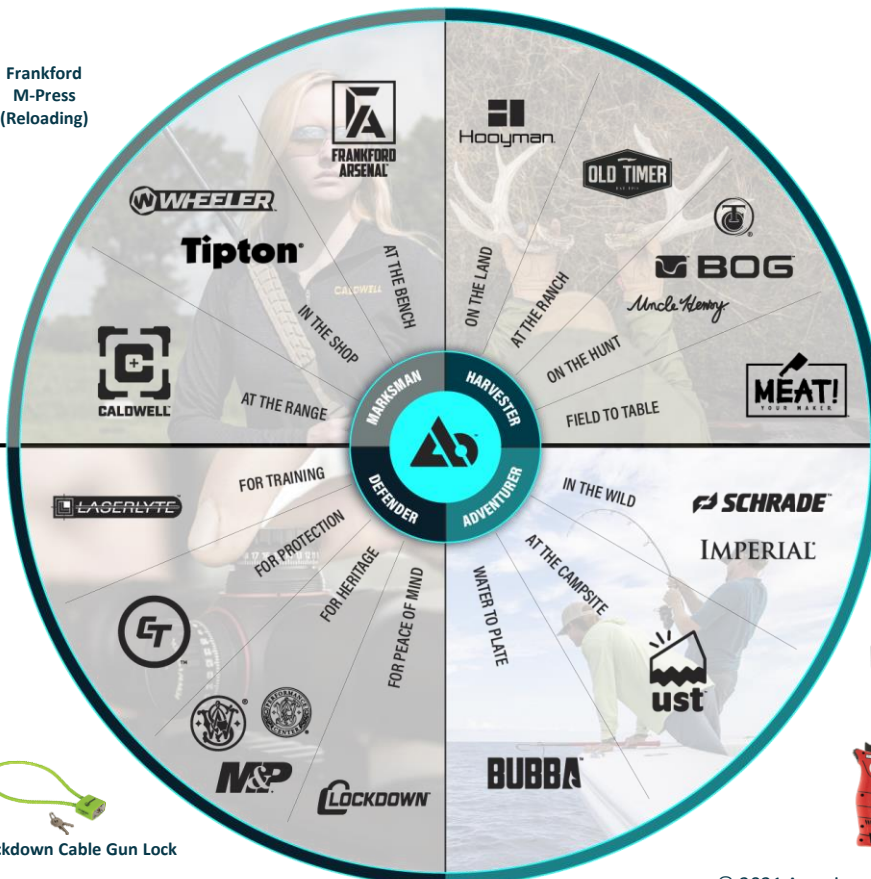
Crimson Trace
CSA-1309
Rifle Scope



Crimson Trace
CTS-1400 Red
Dot Sight



Lockdown Cable Gun Lock



BOG Blood
Moon
Game
Camera



Hooyman No Slip H-Grip
Land Management Tools



MEAT! 1.5 HP Meat
Grinder



Old Timer
Sharpfinger



ust Monarch Sleepi
Bag



Schrade Axe



BUBBA
Lithium Ion
Cordless
Fillet Knife



ust House Party™ 6-person
Tent

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..



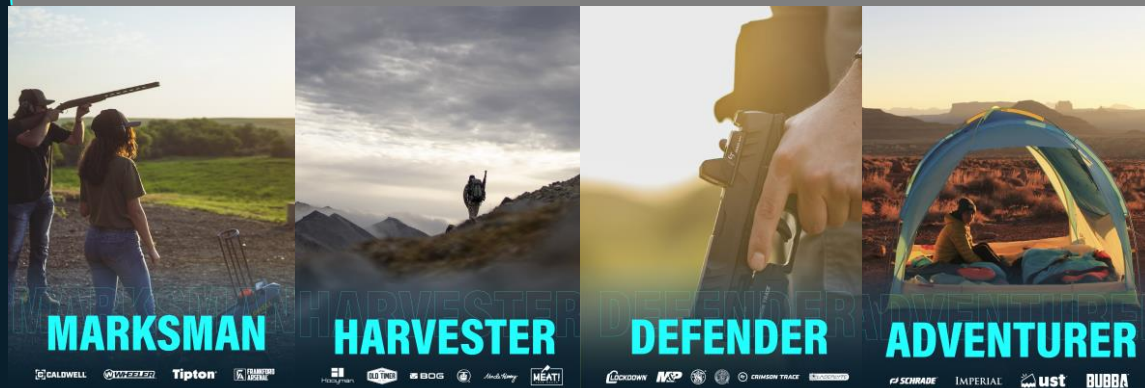
AMERICAN OUTDOOR BRANDS
(NASDAQ: AOUT)

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

BUBBA™

From water to plate, BUBBA provides anglers with kick-ass tools to enjoy the ultimate lifestyle of adventure



BUBBA™

From Niche To Known™

- ✓ Expanded potential by dropping "Blade" from the name and positioned it to capture the "water to plate" lifestyle
- ✓ Entered new product categories in which it now has "Permission to Play", reaching a wider audience beyond just salt water fishing

73.1% sales
growth in FY21





“DOCK & UNLOCK”™ FORMULA FUELS BRAND GROWTH

AMERICAN OUTDOOR BRANDS
(NASDAQ: AOUT)

Organic Growth Opportunities

Brand Lanes Create Value via Our “Dock & Unlock” Formula...

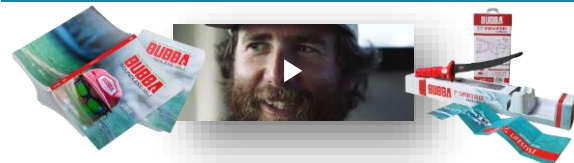
...And Take Brands from “Niche to Known”

- Expand Market Share**
Leverage expertise and IP to take market share in existing product categories

BUBBA



Further expansion into tools (nets, gaffs, knives, shears)



- New Product Categories**
Enter new large product categories where our brands have ‘permission to play’

ust



Expansion into larger categories within camping (tents, sleeping bags, and mattress pads)



- New Consumer Markets**
Enter entirely new markets that increase our total addressable opportunity

MEAT!
YOUR MAKER™



Expansion into large meat processing market (~\$10B)

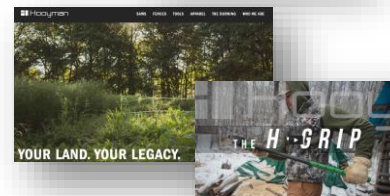


- New Distribution**
Onboard new customers that reflect our brands’ expanded ‘permission to play’

Hooyman.













Expansion into new customers, including home and hardware








BRAND "PERMISSION TO PLAY" DRIVES GROWTH POTENTIAL

AMERICAN OUTDOOR BRANDS
(NASDAQ: AOUT)

			Growth Opportunities			
		Lifestyle Supported ("Moments that Matter")	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	✓	✓	✓	
Defender	 LOCKDOWN	For Peace of Mind	✓	✓	✓	✓
	 Smith & Wesson	For Heritage	✓	✓		
	 M&P <small>by Smith & Wesson</small>	For Heritage	✓	✓		
	 Performance Center <small>by Smith & Wesson</small>	For Heritage	✓	✓		
	 CRIMSON TRACE	For Protection	✓	✓	✓	
	 LASERLYTE	For Training	✓	✓	✓	✓

			Growth Opportunities			
		Lifestyle Supported ("Moments that Matter")	New Distribution	Expand Market Share	New Categories	New Consumer Markets
Harvester	 Hooyman	On the Land	✓	✓	✓	✓
		At the Ranch	✓	✓	✓	
		On the Hunt	✓	✓	✓	
	 THOMPSON/CENTER	On the Hunt	✓	✓		
		On the Hunt	✓	✓		
		Field to Table	✓	✓	✓	✓
Adventurer	 SCHRADE	In the Wild	✓	✓	✓	
	IMPERIAL	In the Wild	✓	✓		
		At the Campsite	✓	✓	✓	
	BUBBA	Water to Plate	✓	✓	✓	✓



Q1FY22 ACHIEVEMENTS SUPPORT LONG TERM GROWTH

Pillars for Growth

New Products & Awards

1 Expand Market Share

Leverage expertise and IP to take market share in existing product categories

BUBBA

At ICAST, the fishing industry's premier tradeshow, we won Best of Category award for "Best Cutlery, Hand Pliers and Tools" for our new BUBBA® Pro Series Cordless Electric Fillet Knife, designed to meet the demands of the hardcore angler, by delivering industry leading power and performance technology for unparalleled cutting efficiency.



2 New Product Categories

Enter new large product categories where our brands have 'permission to play'

BUBBA

We also unveiled a wide variety of new products from BUBBA®, our lifestyle brand known for its high-quality fishing equipment designed for 'Water to Plate™' anglers, including: kitchen cutlery, an expanded apparel line, and premium storage packs and bags.



OLD TIMER
EST. 1958

Old Timer® is a historic, everyday carry brand known for premium quality knives. In time for Father's Day, we launched the brand's first ever, electric fillet knife, available in Lithium Ion and 110-volt versions, expanding the Old Timer® brand and delivering elements of our award-winning BUBBA® fillet knives to fresh water fishermen and women, under a brand they've trusted for generations.



3 New Consumer Markets

Enter entirely new markets that increase our total addressable opportunity

BUBBA

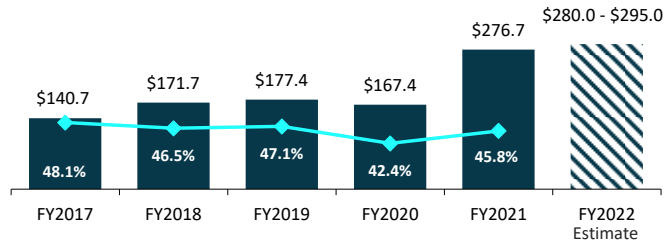
We announced BUBBA®'s entry into the \$700 million retail market for saltwater fishing rods, reels, and components, and unveiled our first rods featuring the iconic BUBBA® red grip, with rod blanks designed entirely in-house, which we anticipate will be available to consumers in February, 2022.





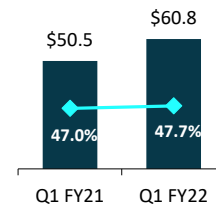
LEVERAGEABLE MODEL DRIVES PROFITABILITY

NET SALES & GROSS MARGIN

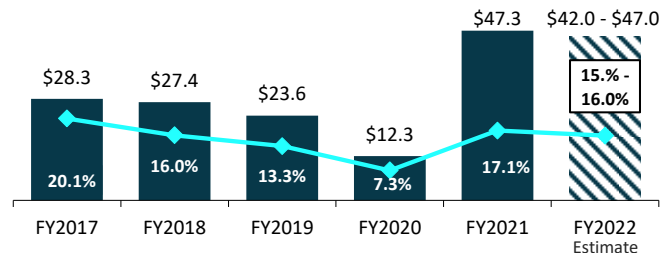


- ✓ Historical net sales driven by both organic and inorganic growth (5 primary acquisitions completed since FY2016)
- ✓ Significant sales growth within e-commerce channel – growth expected to continue through leveraging brand lane platforms
- ✓ "Dock & Unlock"™ strategy allows for expansion into new product categories providing AOUT's young brands with significant runway for growth
- ✓ Gross margins stabilized from impacts of tariffs and unfavorable manufacturing variances

Q1 UPDATE

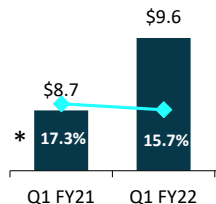


ADJ. EBITDAS & ADJ. EBITDAS MARGIN



- ✓ Harvested cost savings from plant consolidations to reinvest in AOUT's brand lane platforms for future growth while steadying impacts from tariffs and manufacturing variances
- ✓ Leverage of fixed G&A costs, brand lanes and e-commerce investments expected to yield significant EBITDAS contribution as the business scales

Q1 UPDATE



*Q1FY21: Adj EBITDAS margin would have been 15.8% with our headquarter facility accounting under an operating lease.

Note: US\$ in millions. Fiscal year ended April 30. Adjusted EBITDAS is defined as GAAP net income/(loss) before interest, taxes, depreciation, amortization, and stock compensation expense and excludes certain items we consider non-routine. See slide 19 for a reconciliation of Adjusted EBITDAS. Financials for FY2019 include activity for the period subsequent to the acquisition of LaserLyte. Financials for FY2018 include activity for the period subsequent to the acquisition of Fish Tales, LLC (BUBBA). Financials for FY2017 include activity for the period subsequent to the acquisitions of Taylor Brands, LLC, Crimson Trace, and UST. FY2022 financial guidance 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.



FINANCIAL OUTLOOK AND DRIVERS

AMERICAN OUTDOOR BRANDS
(NASDAQ: AOUT)

	FY22	Long-Term (4-5 Years)	Long-Term Drivers
Net Sales ⁽¹⁾	\$280M – \$295M	8%-10% CAGR	<ul style="list-style-type: none">✓ Expand market share✓ New product categories✓ New consumer markets✓ New distribution
Adjusted EBITDAS	\$42M – \$47M	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	\$7.5M – \$8.5M ⁽²⁾	N/A	<ul style="list-style-type: none">✓ Long-term will primarily be maintenance capex related to product tooling

(1) Excludes any acquisitions

(2) FY22 includes \$3.5M of IT infrastructure and ERP implementation

Note: FY2022 financial guidance 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 JULY 31, 2021

Assets (\$M)

Cash	\$56.3
Other Current Assets	134.6
Intangibles / Goodwill	114.6
PP&E	11.0
Other Assets	32.1
Total Assets	\$348.7

Liabilities & Equity (\$M)

Current Liabilities	\$40.4
Bank Debt	-
Other Liabilities	24.4
Total Liabilities	\$64.9

Stockholders' Equity	\$283.8
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Total Liabilities & Equity	\$348.7
---------------------------------------	----------------

- ✓ Significant liquidity (~\$120M available capital)
 - Low-cost L+200, \$50M asset-based revolving credit facility with \$15M accordion
 - \$56.3M of cash
- ✓ Strong free cash flow conversion
- ✓ Dry powder 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



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Appendix Follows



EXPERIENCED LEADERSHIP



BRIAN D. MURPHY

President & Chief Executive Officer

15+ years experience

- ✓ 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

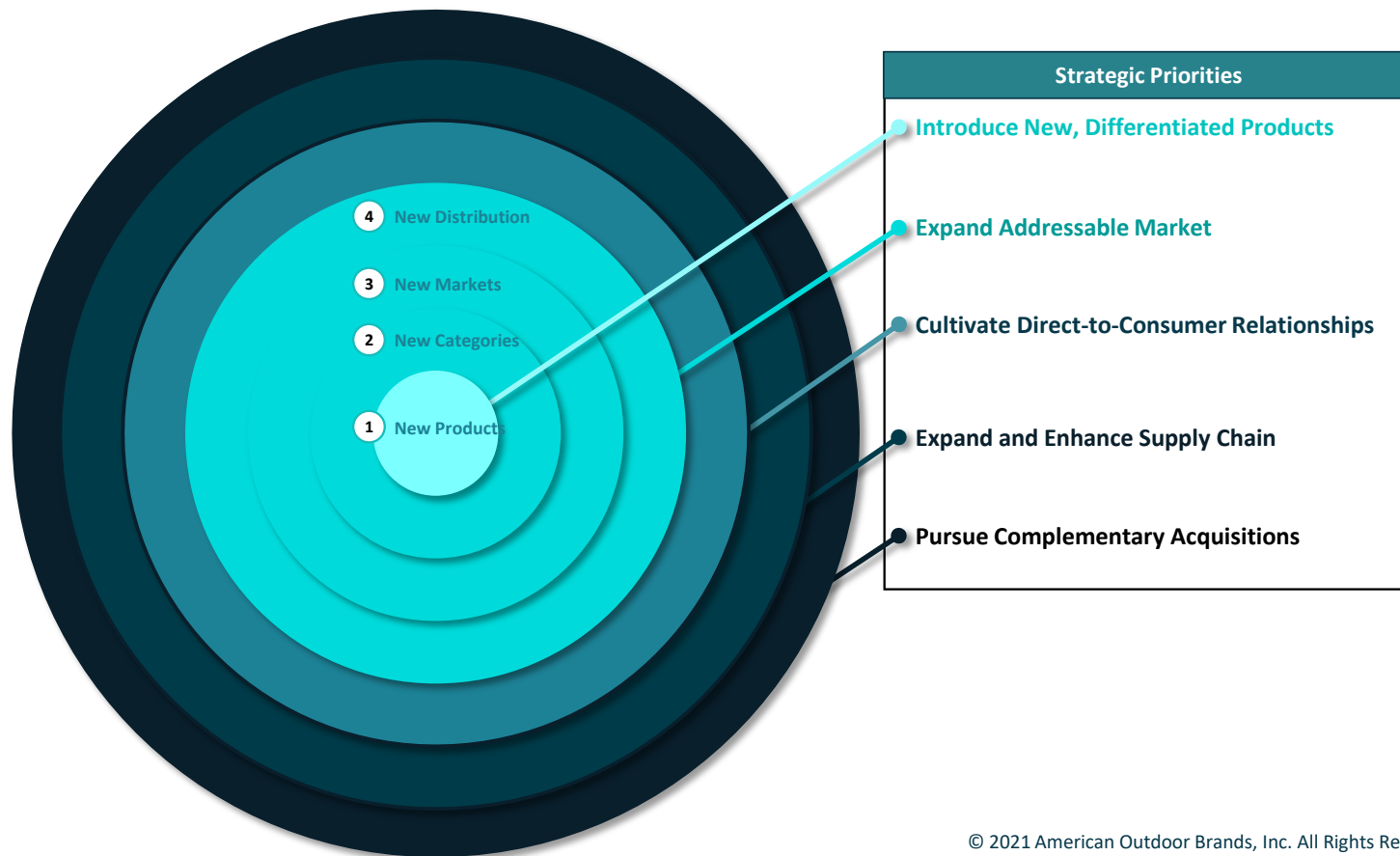
25+ years experience

- ✓ 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



STRATEGIC PRIORITIES ALIGNED FOR FUTURE GROWTH

AMERICAN OUTDOOR BRANDS
(NASDAQ: AOUT)





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,” “Adjusted EBITDAS,” and “free cash flow” are presented. A reconciliation of these and other non-GAAP financial measures are contained at the end of this press release. A reconciliation of projected non-GAAP income per share diluted and free cash flow are contained under the “Outlook” section 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) transition costs, (iv) COVID-19 costs, (v) technology implementation, (vi) the tax effect of non-GAAP adjustments, (vii) interest expense, (viii) income tax expense, (ix) depreciation and amortization, and (x) related party interest income; 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.



Q1 NON-GAAP ADJUSTED EBITDAS RECONCILIATION

AMERICAN OUTDOOR BRANDS, INC. AND SUBSIDIARIES

RECONCILIATION OF GAAP NET INCOME TO NON-GAAP ADJUSTED EBITDAS

(In thousands)

(Unaudited)

	For the Three Months Ended July 31,	
	2021	2020
GAAP net income	\$ 3,457	\$ 1,789
Interest expense	46	—
Income tax expense	849	1,095
Depreciation and amortization	4,179	5,388
Related party interest income	—	(336)
Stock compensation	752	298
Transition costs	—	251
Technology implementation	272	—
COVID-19 costs	—	223
Non-GAAP Adjusted EBITDAS	<u>\$ 9,555</u>	<u>\$ 8,708</u>



Q1 – GAAP INCOME STATEMENT

AMERICAN OUTDOOR BRANDS
(NASDAQ: AOUT)

	For the Three Months Ended July 31,	
	2021	2020
	(US\$ in thousands, except per share data)	
	(Unaudited)	
Net sales	\$ 60,768	\$ 50,468
Cost of sales	31,785	26,737
Gross profit	28,983	23,731
<i>% of net sales</i>	47.7%	47.0%
Total operating expenses	24,760	21,267
<i>% of net sales</i>	40.7%	42.1%
Operating income	4,223	2,464
<i>% of net sales</i>	6.9%	4.9%
Total other income	83	420
Income tax expense	849	1,095
Net income	\$ 3,457	\$ 1,789
Net income per share - Diluted	\$0.24	\$0.13
Weighted average shares outstanding - Diluted	14,301	13,975
Non-GAAP Adjusted EBITDAS	\$9,555	\$8,708
% of net sales	15.7%	17.3%



Q1 – NON-GAAP INCOME STATEMENT

AMERICAN OUTDOOR BRANDS
(NASDAQ: AOUT)

	For the Three Months Ended July 31,	
	2021	2020
	(US\$ in thousands, except per share data) (Unaudited)	
Net sales	\$ 60,768	\$ 50,468
Cost of sales	31,785	26,610
Gross profit	28,983	23,858
<i>% of net sales</i>	47.7%	47.3%
Total operating expenses	20,308	16,610
<i>% of net sales</i>	33.4%	32.9%
Operating income	8,675	7,248
<i>% of net sales</i>	14.3%	14.4%
Total other income	83	84
Income tax expense	1,962	2,296
Net income	\$ 6,796	\$ 5,036
Net income per share - Diluted	\$0.48	\$0.36
Weighted average shares outstanding - Diluted	14,301	13,975
Non-GAAP Adjusted EBITDAS	\$9,555	\$8,708
% of net sales	15.7%	17.3%



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