



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.

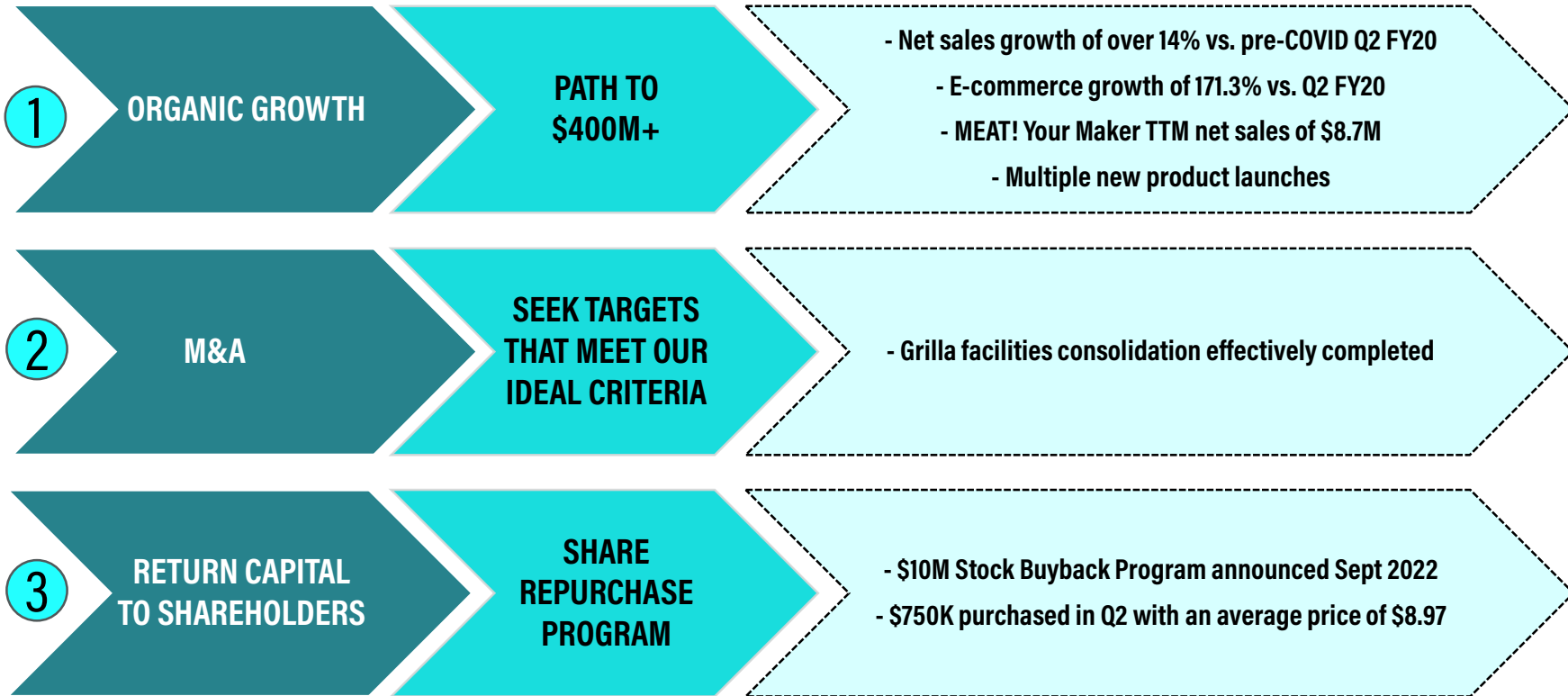


# Q2 FY23 Highlights



# DISCIPLINED EXECUTION OF LONG-TERM VALUE CREATION STRATEGY

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

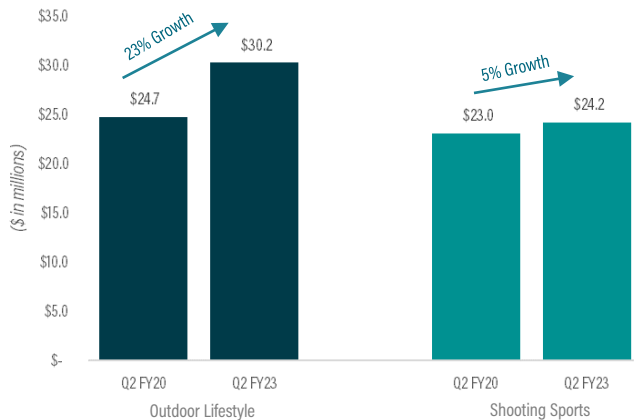




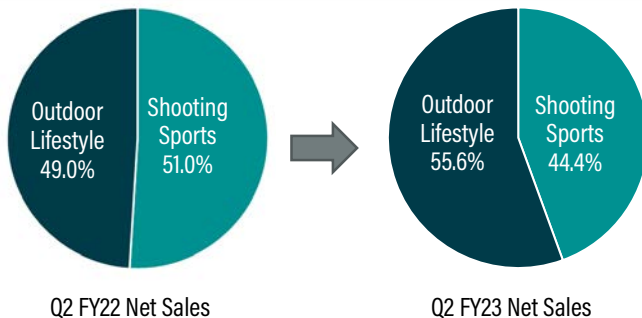
# SUSTAINED LONG-TERM GROWTH

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

## 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)



# NEW: CALDWELL CLAYMORE CLAY TARGET THROWER

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



- 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: aob.com/patents



LIGHTWEIGHT



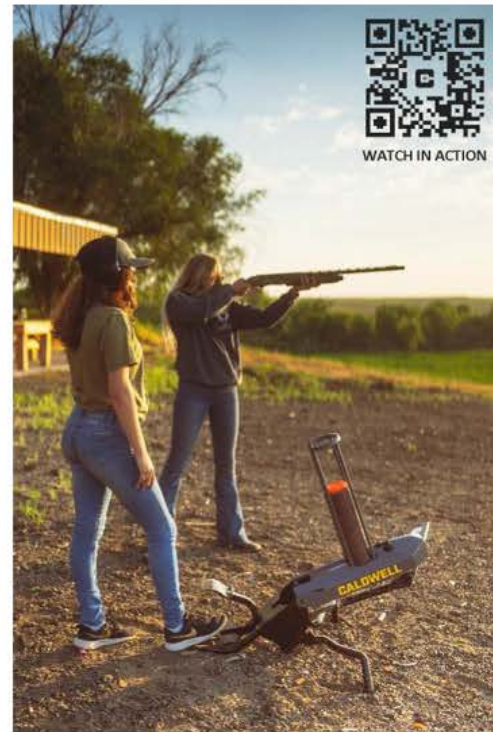
PORTABLE



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)*



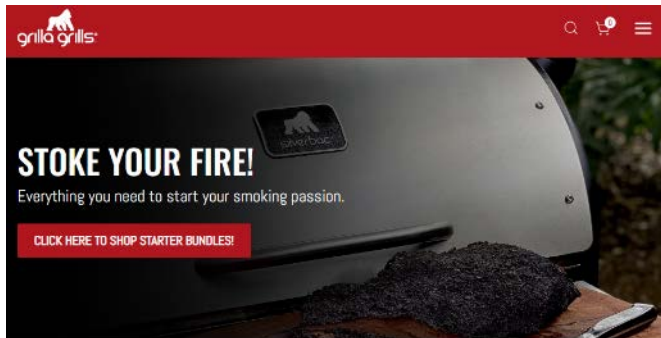
AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



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

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

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



Silverbac Wood Pellet Grill Alpha Connect (WiFi) <b>\$899.00</b>	Silverbac All-Terrain Alpha Connect - WiFi <b>\$1,099.00</b>	Chimp Tailgater WiFi Wood Pellet Grill <b>\$599.00</b>
<b>BUY NOW</b>	<b>BUY NOW</b>	<b>BUY NOW</b>

... 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."*

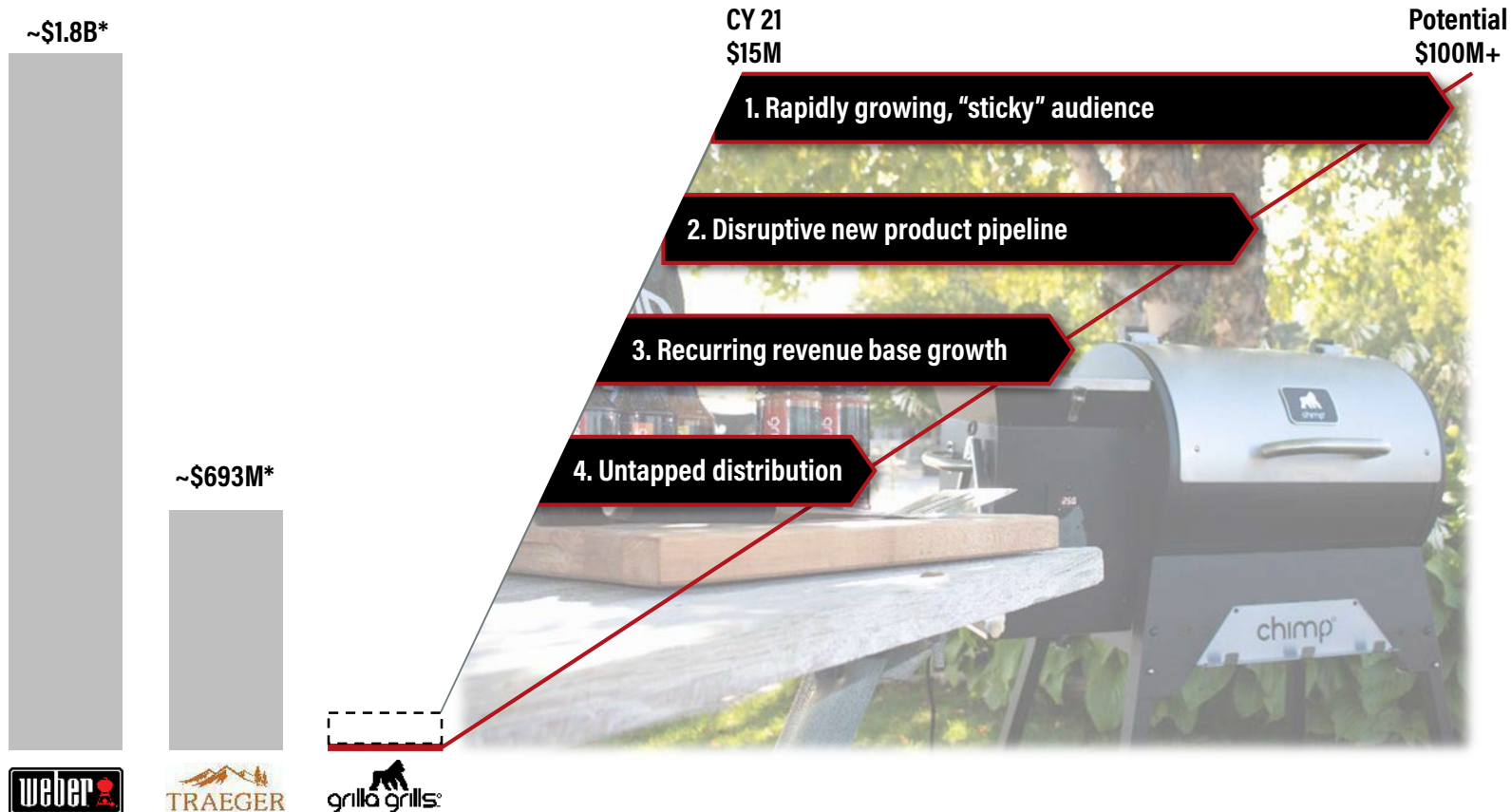
- Facebook Post from Grilla Customer (May 2022)





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

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



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

A scenic mountain landscape with snow-capped peaks and a valley, overlaid with a complex cyan wireframe structure that resembles a network or data visualization. The sky is filled with dramatic, dark clouds.

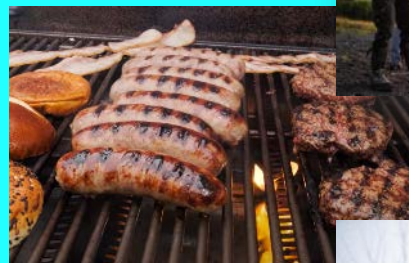
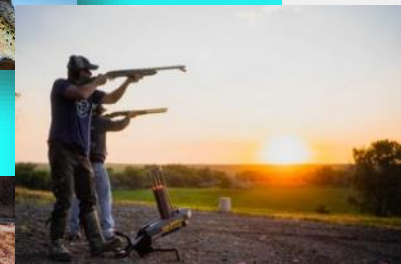
***“We leverage our culture of innovation to deliver solutions for consumers in the moments that matter”***



# 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)



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

\*At October 31, 2022



# 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**

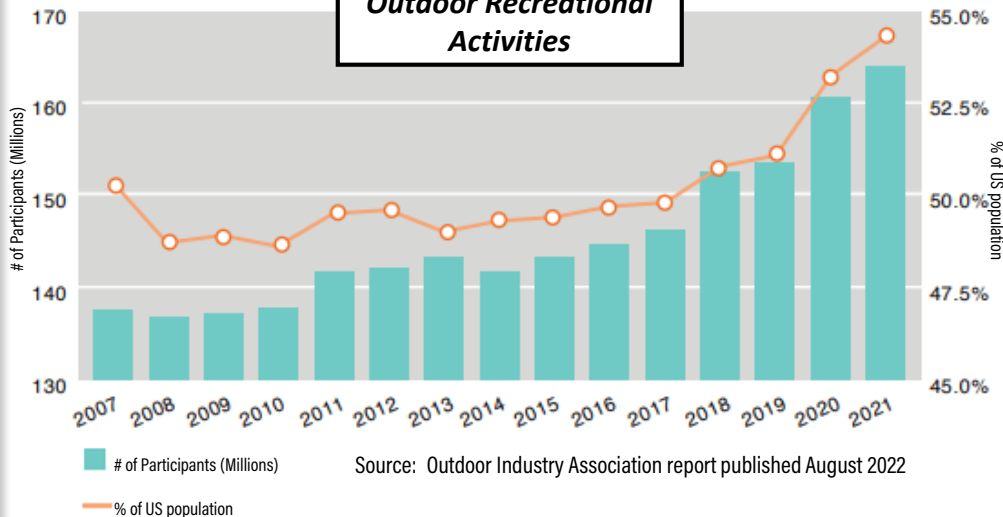
More fishing licenses sold nationwide in 2020 than 2019, a 14% increase, according to the Recreational Boating and Fishing Foundation



**~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

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





# DIVERSE PORTFOLIO OF 21 EARLY-STAGE CONSUMER BRANDS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



**Grilla**  
Modular Outdoor Kitchen



**Schrade**  
Slyte USA Made Knife Line



**OLD TIMER**  
Trail Boss Hunting Knives



**Hooyman**  
Lithium-Ion Z4v Spreader



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



**MEAT!**  
Dual-Grind Grinders



**MEAT!**  
Butcher Knife  
Set



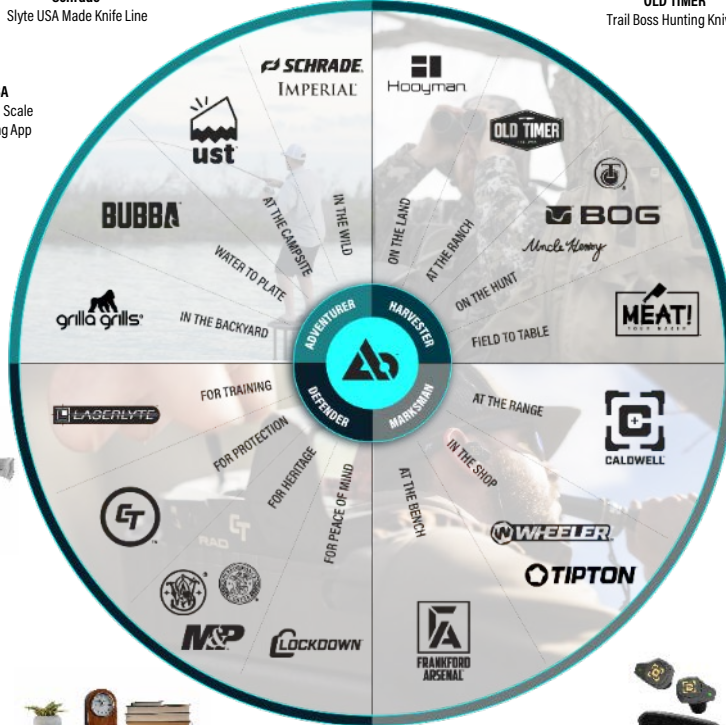
**Grilla**  
Silverbac AT Pellet Grill



**BUBBA**  
Fishing Rods



**BUBBA**  
Smart Fish Scale  
and Fishing App



**Crimson Trace**  
LPVO Scope Line



**Smith & Wesson**  
Throwing Knives and Axes



**Lockdown**  
Securewall Organizational  
Systems



**Crimson Trace**  
HRO Red Dot Sight



**Lockdown**  
In-Plain-Sight  
Concealment  
Shelves

**Caldwell**  
E-Max Shadow  
Pro  
Hearing  
Protection



**Caldwell**  
Claymore Clay Target Thrower



**Frankford  
Arsenal**  
X-10 Progressive  
Reloading Press



**Tipton**  
Ultra Gun Vise



**Wheeler**  
F.A.T. Stix  
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

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

		Outdoor Lifestyle	Shooting Sports	Illustrative Products
Adventurer	<b>BUBBA</b>	●	○	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
	Hooyman	●	○	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
	CALDWELL	○	●	Range Gear: Shooting rests, targets, hearing & eye protection
Marksman	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	○	●	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

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

## National Retailers



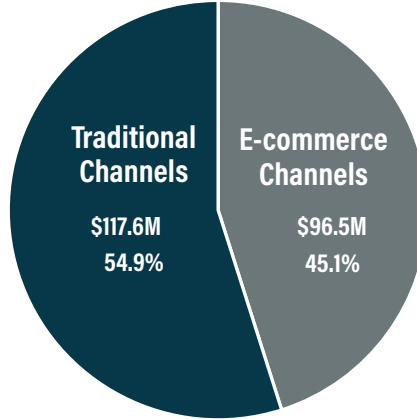
## Home, Farm, Automotive



## Distributors & Buying Groups



## OEM



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

## Online Retailers



## DTC Websites



Note: Customers shown are for illustrative purposes

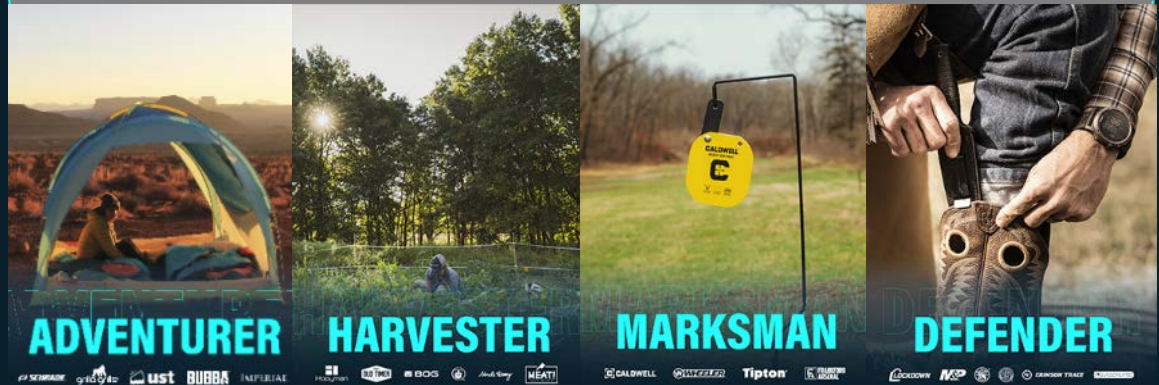


# THE "DOCK AND UNLOCK"™ FORMULA

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"<sup>TM</sup> 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

MEAT!  
Concept  
Developed  
internally

Brand  
Launched

\$1M in Net  
Sales

FY19

FY20

FY21

FY22

FY23

Net Sales - 100% DTC

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



# "DOCK & UNLOCK"<sup>™</sup> CASE STUDY

# BUBBA<sup>™</sup>

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.

**4.4x**  
FY22 net sales growth compared to first year of acquisition\*

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



Scan to learn more





# BRAND "PERMISSION TO PLAY" DRIVES GROWTH POTENTIAL

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

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

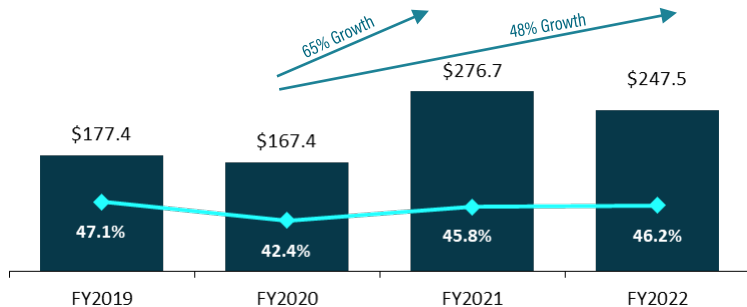
		Growth Opportunities				
	'Docked' Brand	Lifestyle Supported ("Moments that Matter")	New Distribution	Expand Market Share	New Categories	New Consumer Markets
Marksman		At the Range	✓	✓	✓	✓
		In the Shop	✓	✓	✓	
		In the Shop	✓	✓	✓	✓
		At the Bench	✓	✓	✓	
		For Peace of Mind	✓	✓	✓	✓
	Defender		For Heritage	✓	✓	
		For Heritage	✓	✓		
		For Heritage	✓	✓		
		For Protection	✓	✓	✓	
		For Training	✓	✓	✓	✓



# LEVERAGEABLE MODEL DRIVES PROFITABILITY

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

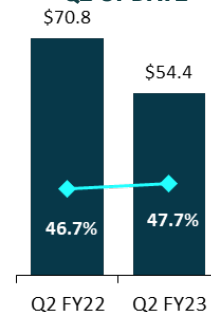
## NET SALES & GROSS MARGIN



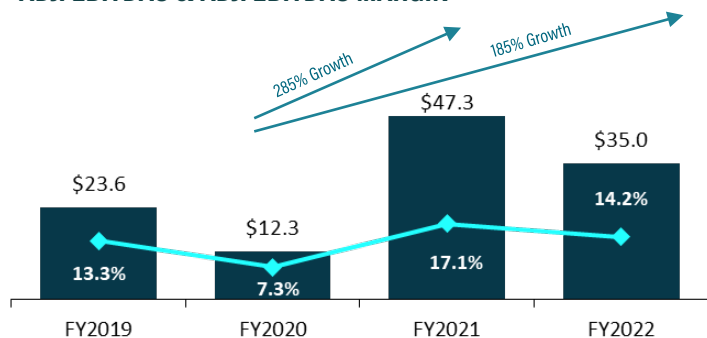
- ✓ Long-term growth driven by leveraging brand lane platforms
- ✓ "Dock & Unlock"™ strategy allows for expansion into new product categories providing AOUT's young brands with significant runway for growth
- ✓ Long-term gross margins supported by new product launches, stabilized from tariff impacts

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

## Q2 UPDATE



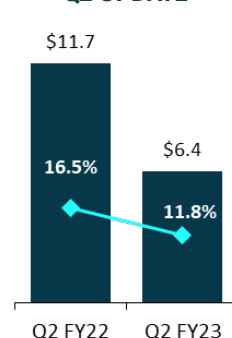
## ADJ. EBIDTAS & ADJ. EBIDTAS MARGIN



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

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
<b>Total Assets</b>	<b><u>\$266.5</u></b>

### Liabilities & Equity (\$M)

Current Liabilities	\$23.6
Bank Debt*	20.0
Other Liabilities	24.1
<b>Total Liabilities</b>	<b><u>\$67.7</u></b>
<b>Stockholders' Equity</b>	<b><u>\$198.8</u></b>
<b>Total Liabilities &amp; Equity</b>	<b><u>\$266.5</u></b>

- ✓ 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"<sup>™</sup> Friendly via Brand Lane Structure
- ✓ "Niche to Known"<sup>™</sup> 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

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



**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



**McMASTER-CARR**



**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

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	<u>\$ 6,414</u>	<u>\$ 11,696</u>	<u>\$ 7,796</u>	<u>\$ 21,251</u>
<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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