

# Ready for the Future!

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April 2023



# LEGAL SAFE HARBOR

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

Certain statements contained in this presentation may be deemed to be forward-looking statements under federal securities laws, and we intend that such forward-looking statements be subject to the safe harbor created thereby. All statements other than statements of historical facts contained or incorporated herein by reference in this presentation, including statements regarding our future operating results, future financial position, business strategy, objectives, goals, plans, prospects, markets, and plans and objectives for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "anticipates," "believes," "estimates," "expects," "intends," "suggests," "targets," "contemplates," "projects," "predicts," "may," "might," "plan," "would," "should," "could," "may," "can," "potential," "continue," "objective," or the negative of those terms, or similar expressions intended to identify forward-looking statements. However, not all forward-looking statements contain these identifying words. We caution that these statements are qualified by important risks, uncertainties, and other factors that could cause actual results to differ materially from those reflected by such forward-looking statements. Such factors include, among others, potential disruptions in our suppliers' ability to source the raw materials necessary for the production of our products, disruptions and delays in the manufacture of our products, and difficulties encountered by retailers and other components of the distribution channel for our products including delivery of product stemming from port congestion and related transportation challenges; lower levels of consumer spending in general and specific to our products or product categories; our ability to introduce new products that are successful in the marketplace; interruptions of our arrangements with third-party contract manufacturers and freight carriers that disrupt our ability to fill our customers' orders; increases in costs or decreases in availability of finished products, product components, and raw materials; our ability to maintain or strengthen our brand recognition and reputation; the ability to forecast demand for our products accurately; our ability to continue to expand our e-commerce business; our ability to compete in a highly competitive market; our dependence on large customers; our ability to attract and retain talent; an increase of emphasis on private label products by our customers; pricing pressures by our customers; our ability to collect our accounts receivable; the potential for product recalls, product liability, and other claims or lawsuits against us; our ability to protect our intellectual property; inventory levels, both internally and in the distribution channel, in excess of demand; our ability to identify acquisition candidates, to complete acquisitions of potential acquisition candidates, to integrate acquired businesses with our business, to achieve success with acquired companies, and to realize the benefits of acquisitions in a manner consistent with our expectations; the performance and security of our information systems; our ability to comply with any applicable foreign laws or regulations and the effect of increased protective tariffs; economic, social, political, legislative, and regulatory factors; the potential for increased regulation of firearms and firearms-related products; the effect of political pressures on firearm laws and regulations; the potential impact on our business and operations from the results of federal, state, and local elections and the policies that may be implemented as a result thereof; our ability to realize the anticipated benefits of being a separate, public company; future investments for capital expenditures, liquidity and anticipated cash needs and availability; the potential for impairment charges; estimated amortization expense of intangible assets for future periods; actions of social or economic activists that could, directly or indirectly, have an adverse effect on our business; disruptions caused by social unrest, including related protests or disturbances; our assessment of factors relating to the valuation of assets acquired and liabilities assumed in acquisitions, the timing for such evaluations, and the potential adjustment in such evaluations; and, other factors detailed from time to time in our reports filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended April 30, 2022.



# AMERICAN OUTDOOR BRANDS: SENIOR TEAM



**BRIAN MURPHY**

President & CEO

Joined: 2016

Previous Experience



**ANDY FULMER**

Chief Financial Officer

Joined: 2010

Previous Experience



**JAMES TAYON**

VP of Marketing & Product Development

Joined: 2012

Previous Experience



**BRENT VULGAMOTT**

VP of Sales, Operations, and Analytics

Joined: 2015

Previous Experience



**LIZ SHARP**

VP of Investor Relations

Joined: 2005

Previous Experience



**ARTURO DEL RIO**

VP of Human Resources, Chief People Officer

Joined: 2022

Previous Experience





# AMERICAN OUTDOOR BRANDS, INC. AT A GLANCE



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

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

All metrics as of January 31, 2023





# OUR BRANDS & PRODUCTS AT A GLANCE

21

Brands

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



2

Categories

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

**53%<sup>(2)</sup> Outdoor Lifestyle:** fishing, camping, land management, meat processing, outdoor cooking

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

D&U

Value Creation

Our innovative "Dock & Unlock"<sup>™</sup> formula fuels brand growth.

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

387

Patents

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

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

This moat helps protect our future revenue and profitability.

<sup>(1)</sup> In addition to our 17 owned brands, we also license the Smith & Wesson®, M&P®, Thompson/Center Arms™, and Performance Center® brands from Smith & Wesson.

<sup>(2)</sup> Percent of TTM Net Sales ended January 31, 2023.



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

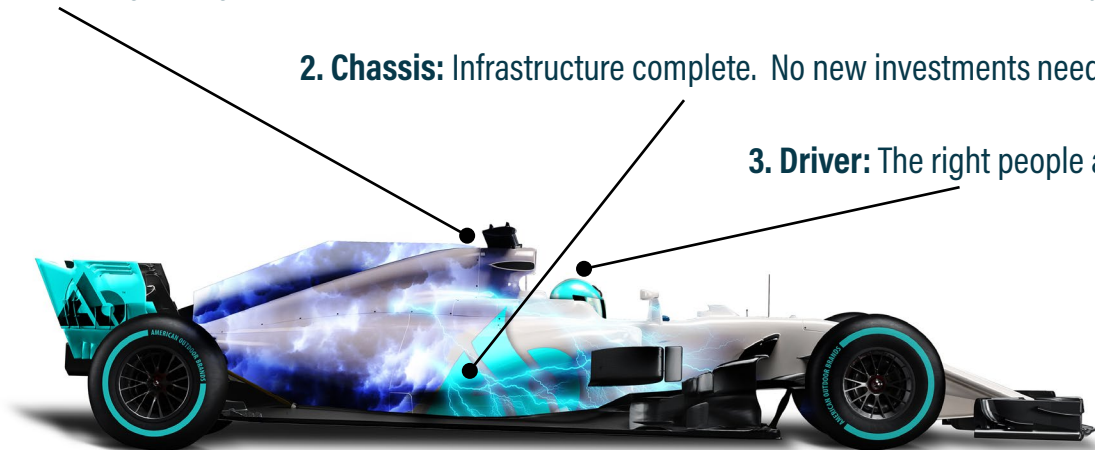


# INVESTMENT CONSIDERATIONS: READY FOR THE FUTURE.

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

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

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



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

Interested in taking a spin?





# FEW COMPANIES OFFER SUCH POTENTIAL & SIMPLICITY

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

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

## 2. Infrastructure in place. No new investments needed.

- Infrastructure investments complete, ready to scale.

## 3. The right people and culture to win.

## 4. Strong cash position, with cash flow upside.

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



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





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

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

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

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

**\$400M**  
In Net Sales

**\$70M+**  
EBITDAS

<sup>(1)</sup> Please refer to our SEC filings for additional risk factors.

# Product Development

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☒ Innovation engine, **built.**

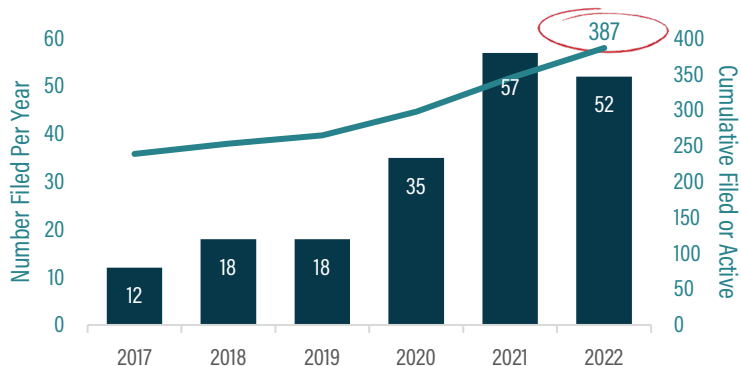


# PRODUCT DEVELOPMENT: INNOVATION ENGINE, BUILT

INNOVATION ENGINE, BUILT.

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

## Accelerating Patent Portfolio Supports Incoming Wave of Innovation and Growth



3D Print Lab



CNC Machine Lab



# BUBBA CASE STUDY: "DOCK & UNLOCK" DRIVES INNOVATION

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

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

## 2. How do we gain access to Freshwater?

- Electric Fillet Knife became available in 2019

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

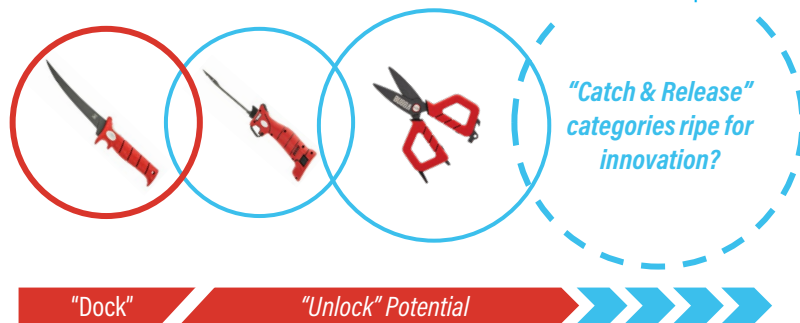
- Freshwater tools introduced in 2020

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



Saltwater Fishing:  
~10M Participants

Freshwater  
Fishing:  
~40M Participants







# BUBBA CASE STUDY: "DOCK & UNLOCK" DRIVES INNOVATION

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



## Fish Weight Scales:

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

*"What else could these be used for?"*

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

*"Can a fish scale contribute to sustainability?"*



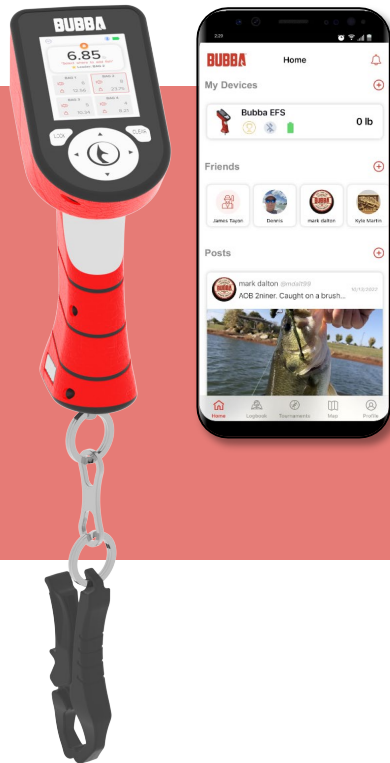
# BUBBA CASE STUDY: "DOCK & UNLOCK" DRIVES INNOVATION

## BUBBA™

### Tournament-Grade Pro Series Smart Fish Scale

#### Opportunity:

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



#### Result:

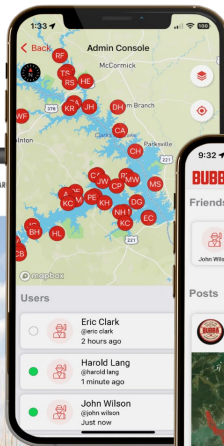
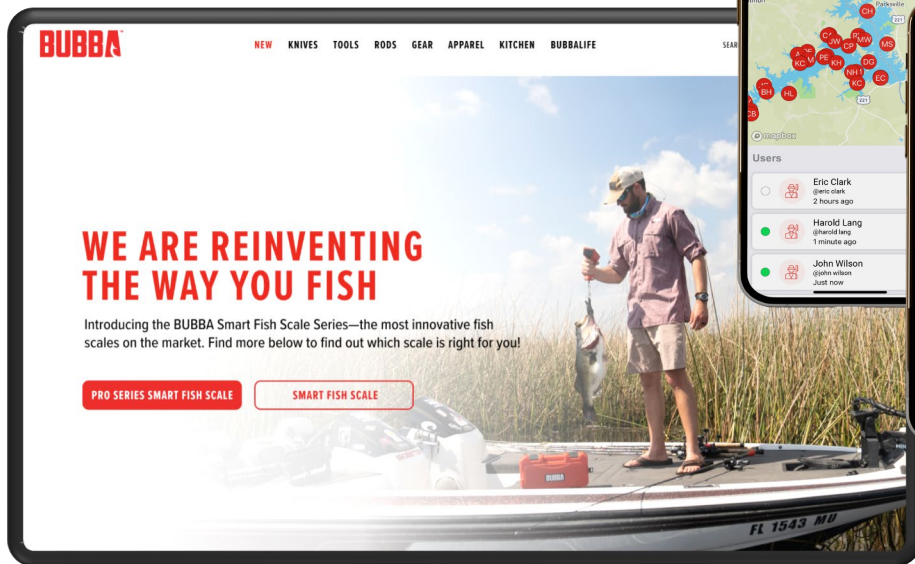
- ✓ Easy to hold
- ✓ High Quality
- ✓ Smart



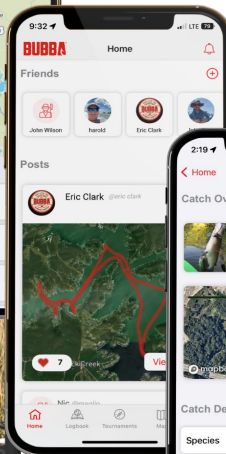
# BUBBA CASE STUDY: "DOCK & UNLOCK" DRIVES INNOVATION

INNOVATION ENGINE, BUILT.

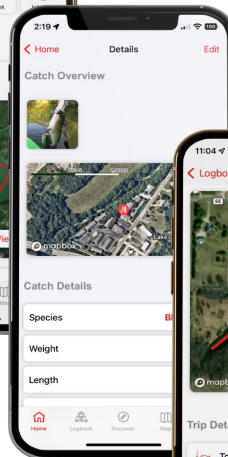
What does **"Smart"** look like...



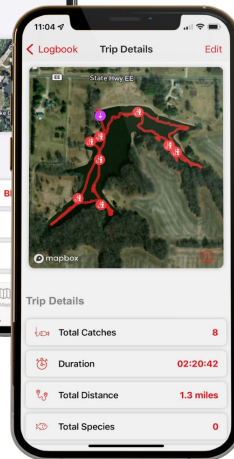
**Compete** in Tournaments with Other Anglers



**Connect** with Other Anglers and Share Catches and Trips



**Log** Your Catches with Detailed Information



**Document** and Save Your Entire Day of Fishing with Trips

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



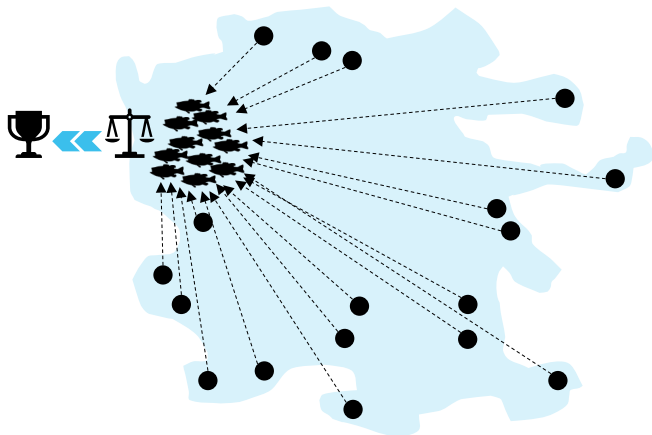
# BUBBA CASE STUDY: "DOCK & UNLOCK" DRIVES INNOVATION

INNOVATION ENGINE, **BUILT.**

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

## Tournament with Traditional Fish Weight Scales

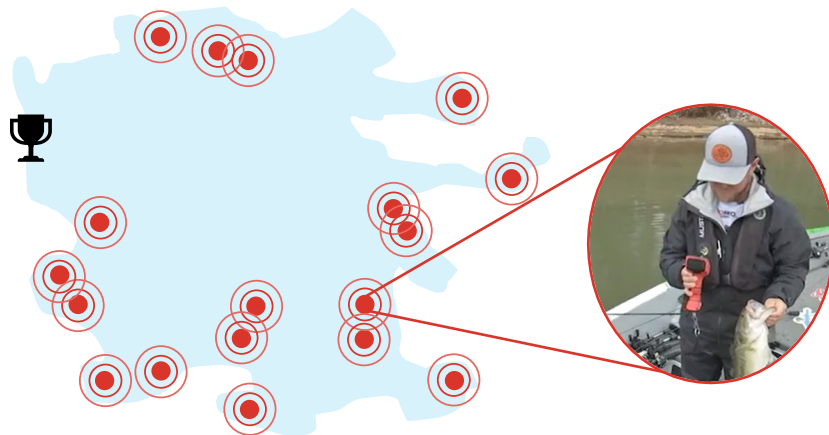
- Catch → Weigh → Live Well → Dock Weigh-in → Release
- Extended "out-of-the-water" time and transport can often lead to higher levels of fish mortality



vs.

## BUBBA™

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





# Marketing

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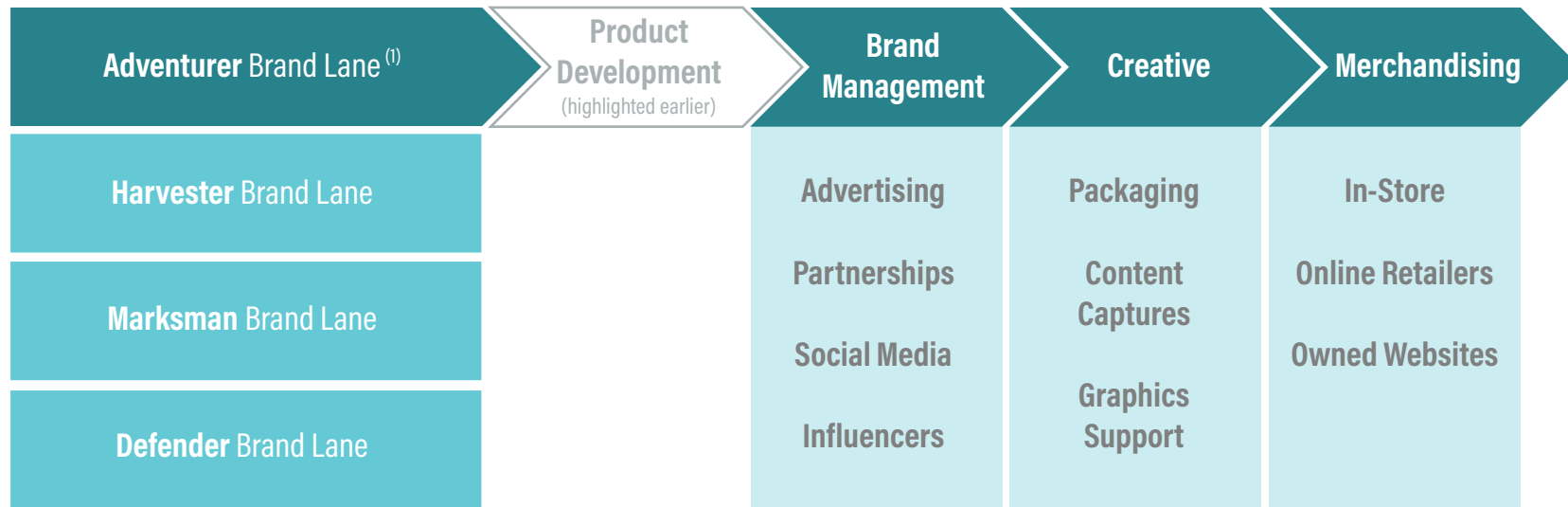
Leverageable Brand Lane teams **in place.**



# MARKETING: LEVERAGEABLE BRAND LANE TEAMS

**“Brand Lane” teams are in place, focused on key consumer activities:**

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



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



# BUBBA CASE STUDY: LEVERAGING THE BRAND LANES

BRAND LANE TEAMS, IN PLACE.

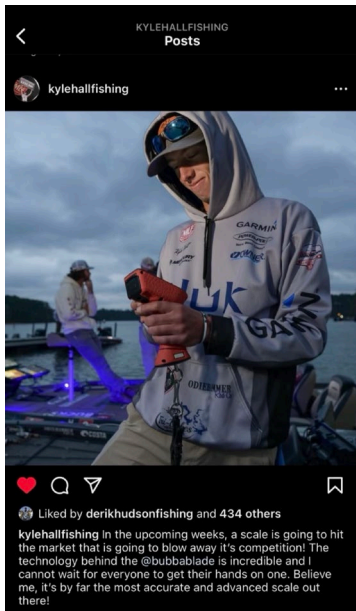
Adventurer  
Brand Lane Team

Brand  
Management

Creative

Merchandising

**BUBBA**™

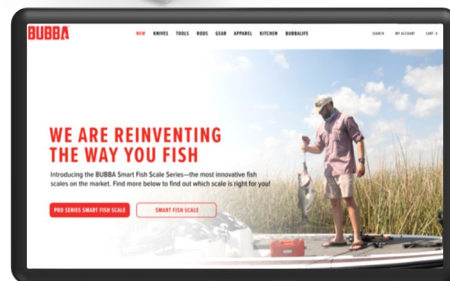
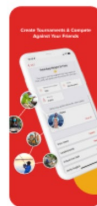
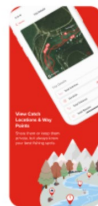
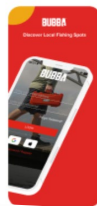


INTRODUCING THE ALL-NEW  
BUBBA MOBILE APP

Pair with the Pro Series Smart Fish Scale to improve your experience or use on its own to log fishing data like never before! Log your fishing stats, catch locations, fish species and weight, and store photos of your best catches!



SCAN HERE TO DOWNLOAD  
THE ALL-NEW BUBBA APP





# Go-To-Market

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





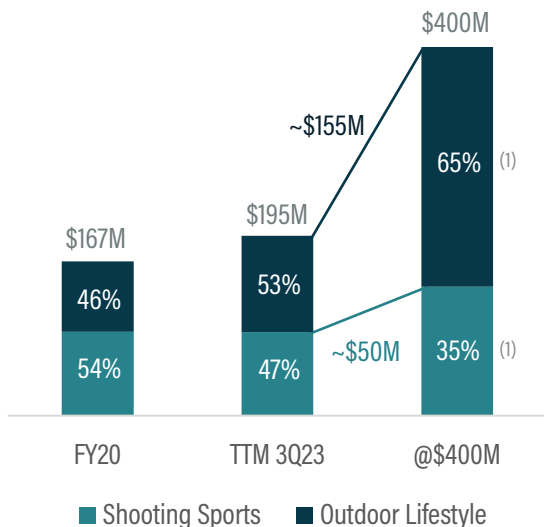
# GO-TO-MARKET: MULTIPLE EXPANSION OPPORTUNITIES

OPPORTUNITIES, RIFE FOR HARVESTING.

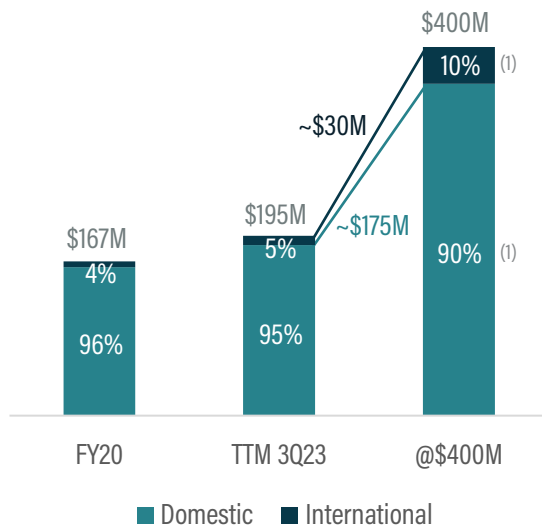
**We believe AOB is capable of \$400M in net sales, organically; we expect our business to shift as a result:**

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

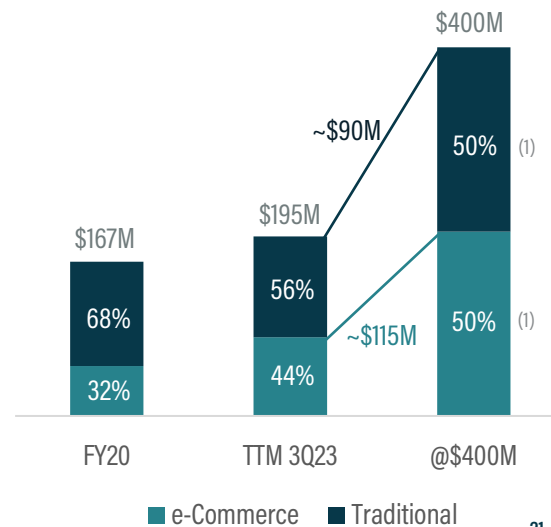
Net Sales by **Product Category**



Net Sales by **Geography**



Net Sales by **Channel**



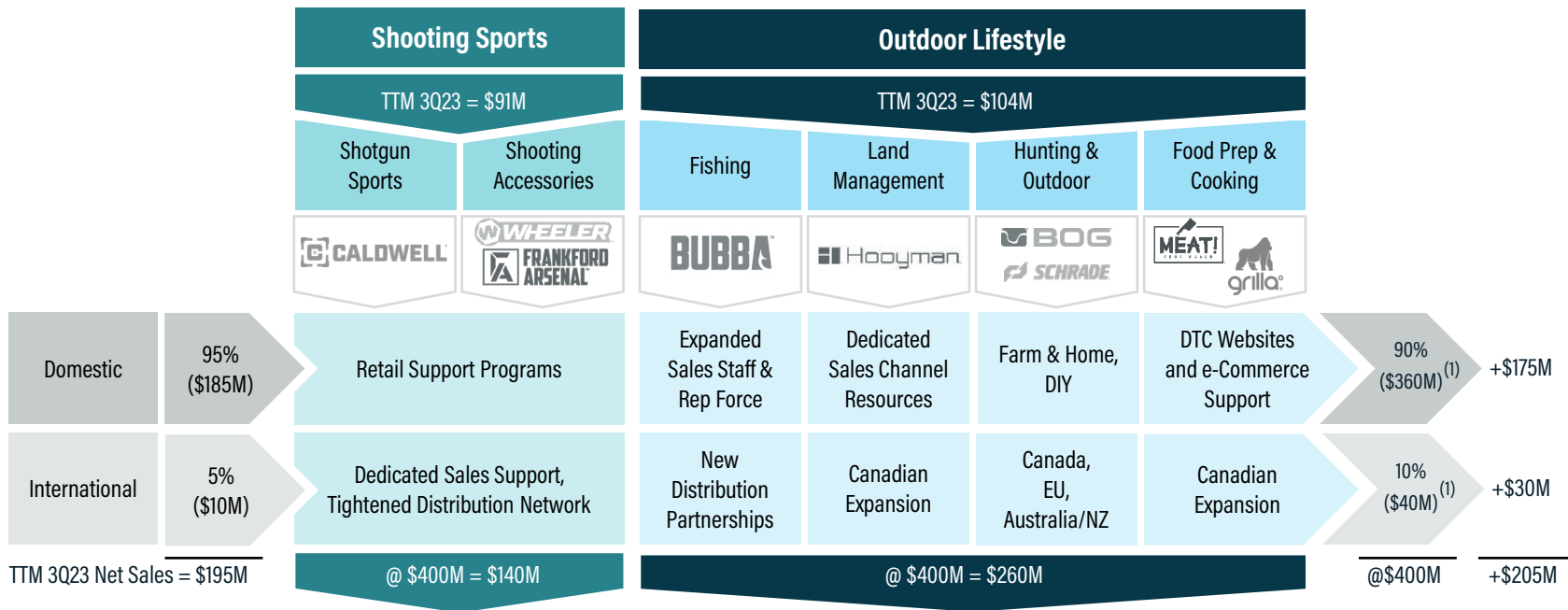
(1) Amounts are illustrative examples of breakouts based on current management expectations.



# GO-TO-MARKET: DOMESTIC & INTERNATIONAL EXPANSION

OPPORTUNITIES, RIFE FOR HARVESTING.

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



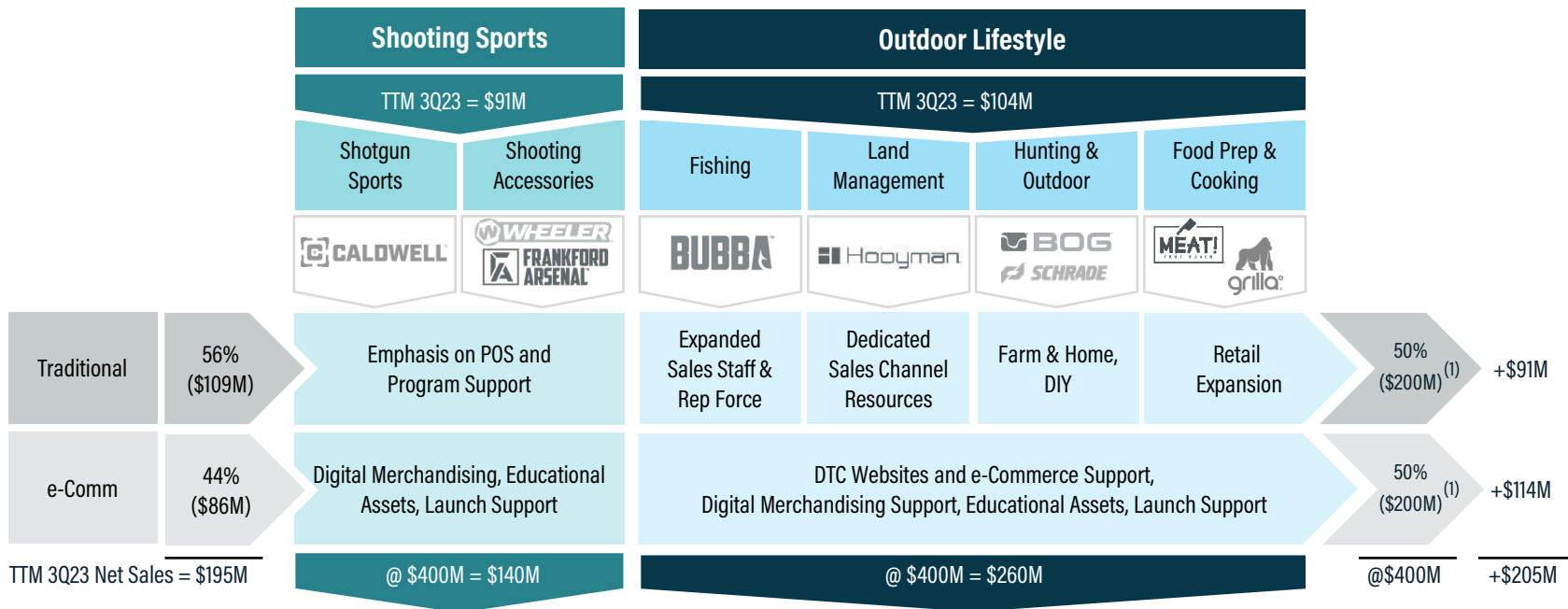
(1) Amounts are illustrative examples of breakouts based on current management expectations.



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

OPPORTUNITIES, RIPE FOR HARVESTING.

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



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



# BUBBA CASE STUDY: MAXIMIZING STRATEGIC ADOPTION

OPPORTUNITIES, RIPE FOR HARVESTING.

## BUBBA™

### Tournament-Grade Pro Series Smart Fish Scale

#### Traditional Channel

Sporting Goods

Dealers

OEM + Partnerships



Coming soon...

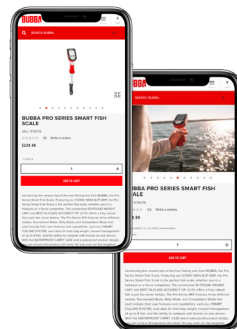
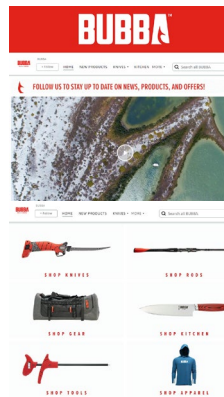
#### e-Commerce Channel

Online Retailers

DTC

BUBBA.com

App Monetization



**Pro Subscription:**  
\$4.99 / Month or  
\$49.99 / Year

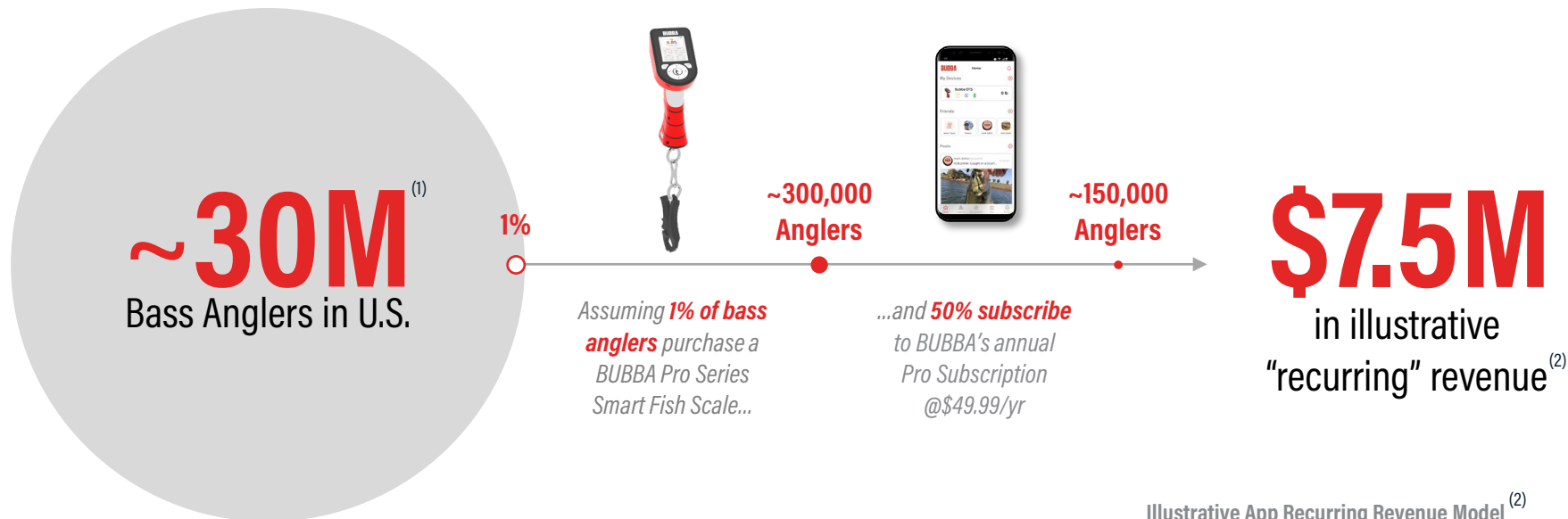
Strategic placement ensures pricing integrity and maximizes pull-through





# BUBBA CASE STUDY: ILLUSTRATIVE RECURRING REVENUE OPPORTUNITY

OPPORTUNITIES, RIFE FOR HARVESTING.



Illustrative App Recurring Revenue Model<sup>(2)</sup>

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

(\$ in millions)

(1) Source: iOutdoors

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

# Infrastructure

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Investments complete, **ready to scale.**



# INFRASTRUCTURE: COMPLETE & READY FOR EXPANSION

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

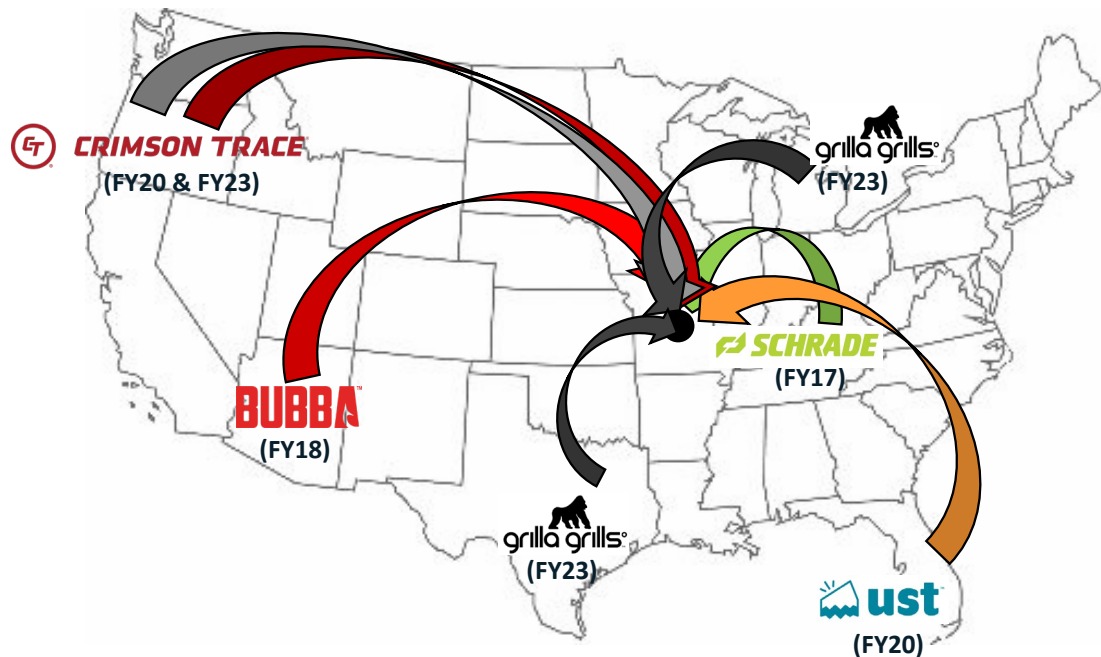


*AOB's former parent company currently occupies 250k SF, which will be assumed by AOB in January 2024, bringing total area to 632k SF.*



# INFRASTRUCTURE: CONSOLIDATIONS INTO NEW FACILITY, COMPLETE

INVESTMENTS COMPLETE, READY TO SCALE.





# People & Culture

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

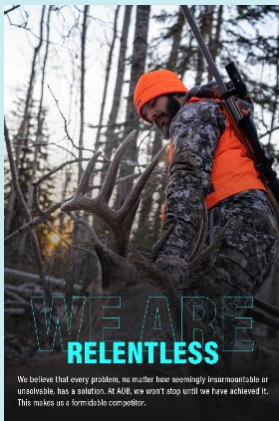




# OUR CULTURE: A COMPETITIVE ADVANTAGE

THE RIGHT PEOPLE & CULTURE TO WIN.

## Values Drive Our Culture



## How Others View AOB's Culture

**"Entrepreneurial"**

(Top 10 Customer)

**"Visionary"**

(Industry Investment Banker)

**"Innovation"**

(Top 10 Customer)

**"Entrepreneurial"**

(Large AOB Competitor)

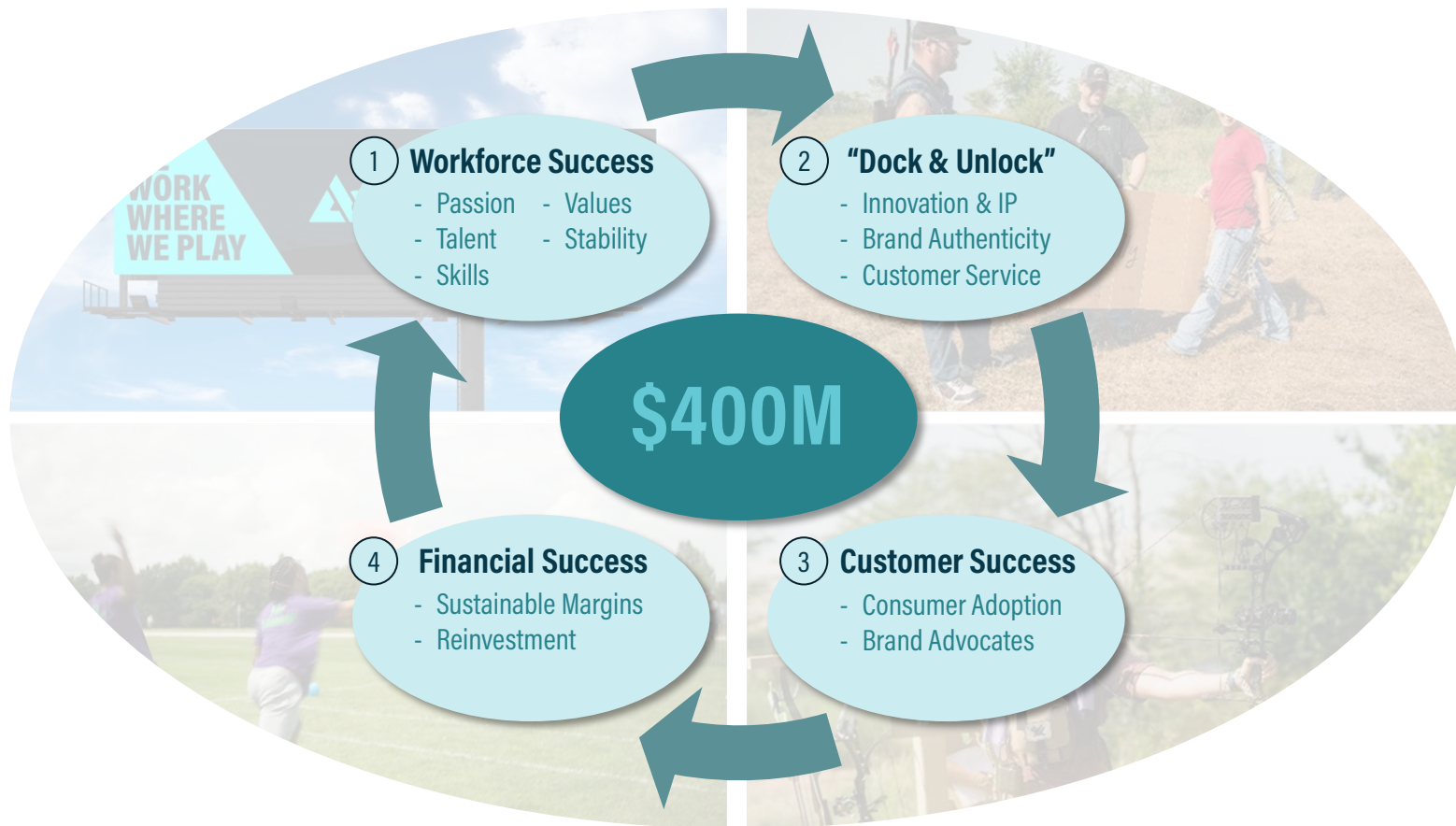
**"Dedicated"**

(Top 10 Customer)



# PEOPLE & CULTURE: ALIGNED WITH LONG-TERM GROWTH STRATEGY

THE RIGHT PEOPLE & CULTURE TO WIN.





# PEOPLE & CULTURE: LINKING TO “DOCK & UNLOCK” STRATEGY

THE RIGHT PEOPLE & CULTURE TO WIN.





# Financials

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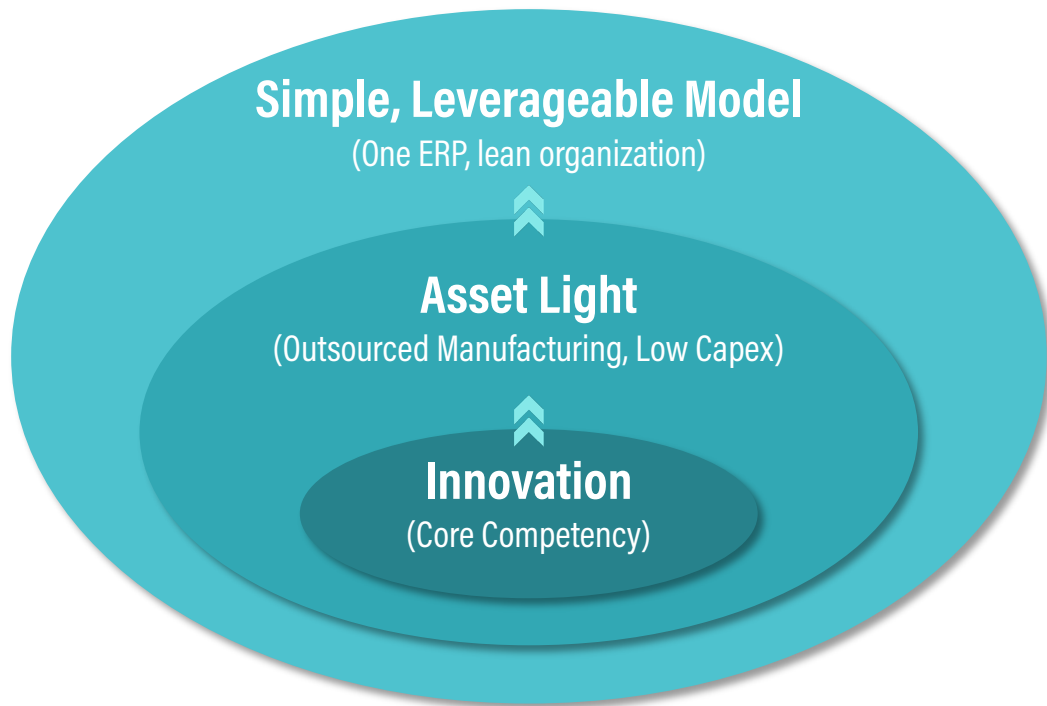


Strong balance sheet, leverageable growth model, with favorable **cash flow upside.**



# BUSINESS MODEL: CORE COMPETENCIES DRIVE SIMPLICITY

STRONG FINANCIAL MODEL, IN PLACE.







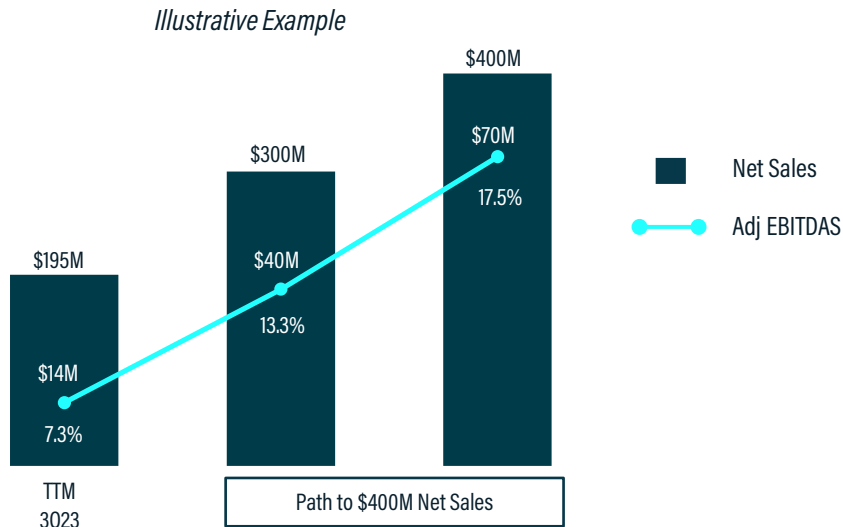
# FINANCIAL MODEL: INCREASED OPERATING LEVERAGE WITH GROWTH

## Our Significant Investments are Behind Us

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

## SIGNIFICANT EBITDAS CONTRIBUTION ON PATH TO \$400M

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

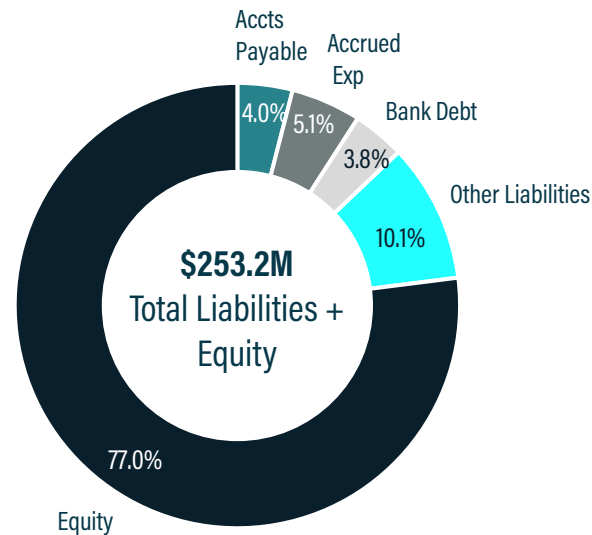
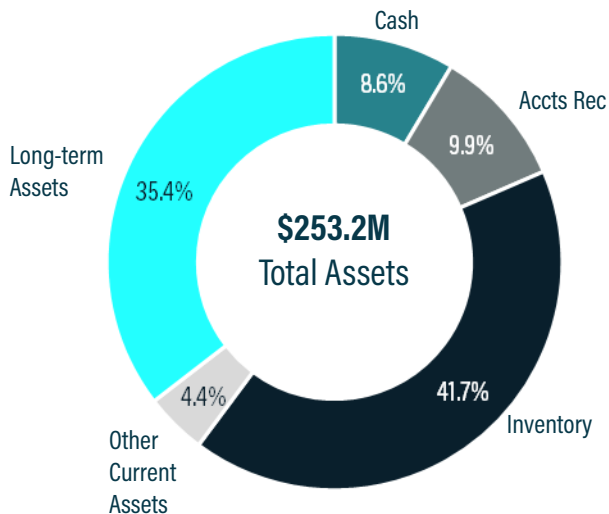




# BALANCE SHEET: STRONG, WITH CASH FLOW UPSIDE

STRONG FINANCIAL MODEL, IN PLACE.

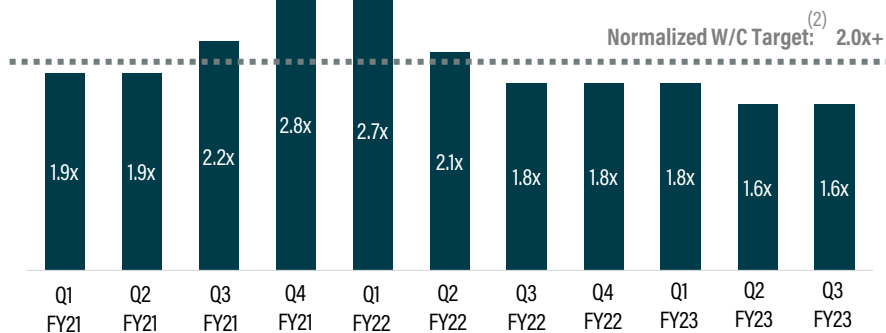
BALANCE SHEET AS OF JANUARY 31, 2023





# FINANCIAL METRICS: W/C UPSIDE & NEGATIVE NET DEBT

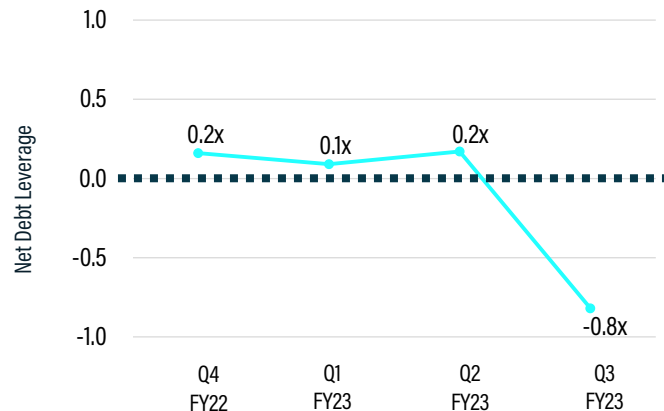
## WORKING CAPITAL TURNS<sup>(1)</sup>



(1) Working Capital Turns calculation:  $\text{TTM net sales} / (\text{Accts Receivable} + \text{Inventory} - \text{Accts Payable})$

(2) Represents historical working capital turns, excluding pandemic-related impacts

## NET DEBT LEVERAGE<sup>(3)</sup>



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



# CAPITAL ALLOCATION: DEMONSTRATED DEPLOYMENT

STRONG FINANCIAL MODEL, IN PLACE.

1

## ORGANIC GROWTH

Our highest priority is to invest in our business:

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



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

2

## M&A

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

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



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

3

## RETURN CAPITAL TO SHAREHOLDERS

We will continually assess opportunities to return capital to shareholders:

- Implementing opportunistic share buybacks as appropriate

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

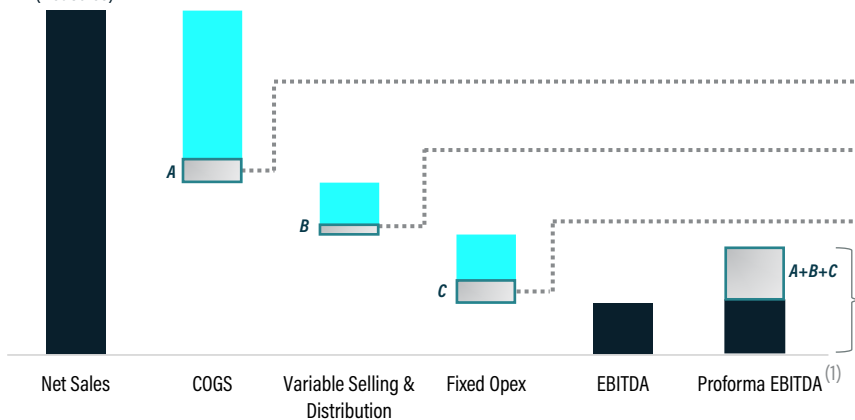


# M&A ILLUSTRATION: "DOCK & UNLOCK" DRIVES INCREMENTAL EBITDA

STRONG FINANCIAL MODEL, IN PLACE.

## ILLUSTRATIVE ACQUISITION TARGET: EBITDA Walk

Tuck-in Range:  
\$10M - \$50M  
(Net Sales)



Cost reductions through supply chain improvements, consolidating distribution into AOUT HQ, and leveraging brand lanes

## DEMONSTRATED RESULTS WITH "DOCK & UNLOCK"

**Net sales:** Expanded products and customers



**BUBBA**  
grilla<sup>®</sup>  
In Process

**Gross margin:** Improved margins with AOUT supply chain



In Process

**Variable costs:** Consolidated logistics into Columbia HQ



**Fixed Opex:** Leveraged Adventurer brand lane



**Target EBITDAS Contribution: 25%+**

<sup>(1)</sup> Does not include incremental net sales from expanded products and customers



# Conclusion

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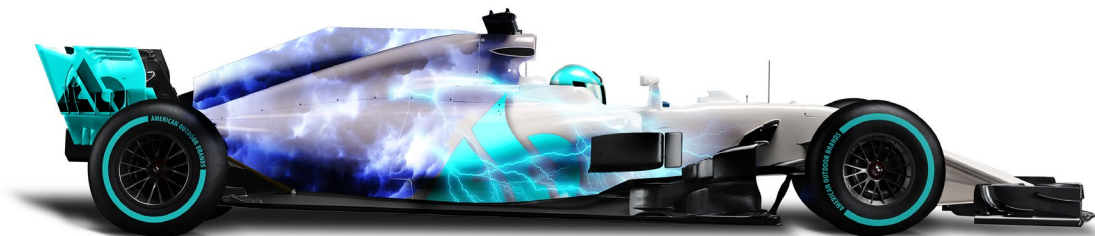
## WE'RE **READY FOR THE FUTURE...**

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



# THANK YOU.

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)





# Appendix

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# NON-GAAP FINANCIAL MEASURES

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





# Q3 FY23 NON-GAAP ADJUSTED EBITDAS RECONCILIATION

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

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

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



# Q3 FY23 GAAP INCOME STATEMENT

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

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



# Q3 FY23 NON-GAAP INCOME STATEMENT

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

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



# STRONG BALANCE SHEET SUPPORTS ORGANIC GROWTH & ACQUISITIONS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

## BALANCE SHEET AS OF JANUARY 31, 2023

### Assets (\$M)

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

### Liabilities & Equity (\$M)

Current Liabilities	\$24.1
Bank Debt	10.0
Other Liabilities	23.9
<b>Total Liabilities</b>	<b>\$58.0</b>

<b>Stockholders' Equity</b>	<b>\$195.2</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$253.2</b>

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

## IDEAL ACQUISITION CRITERIA

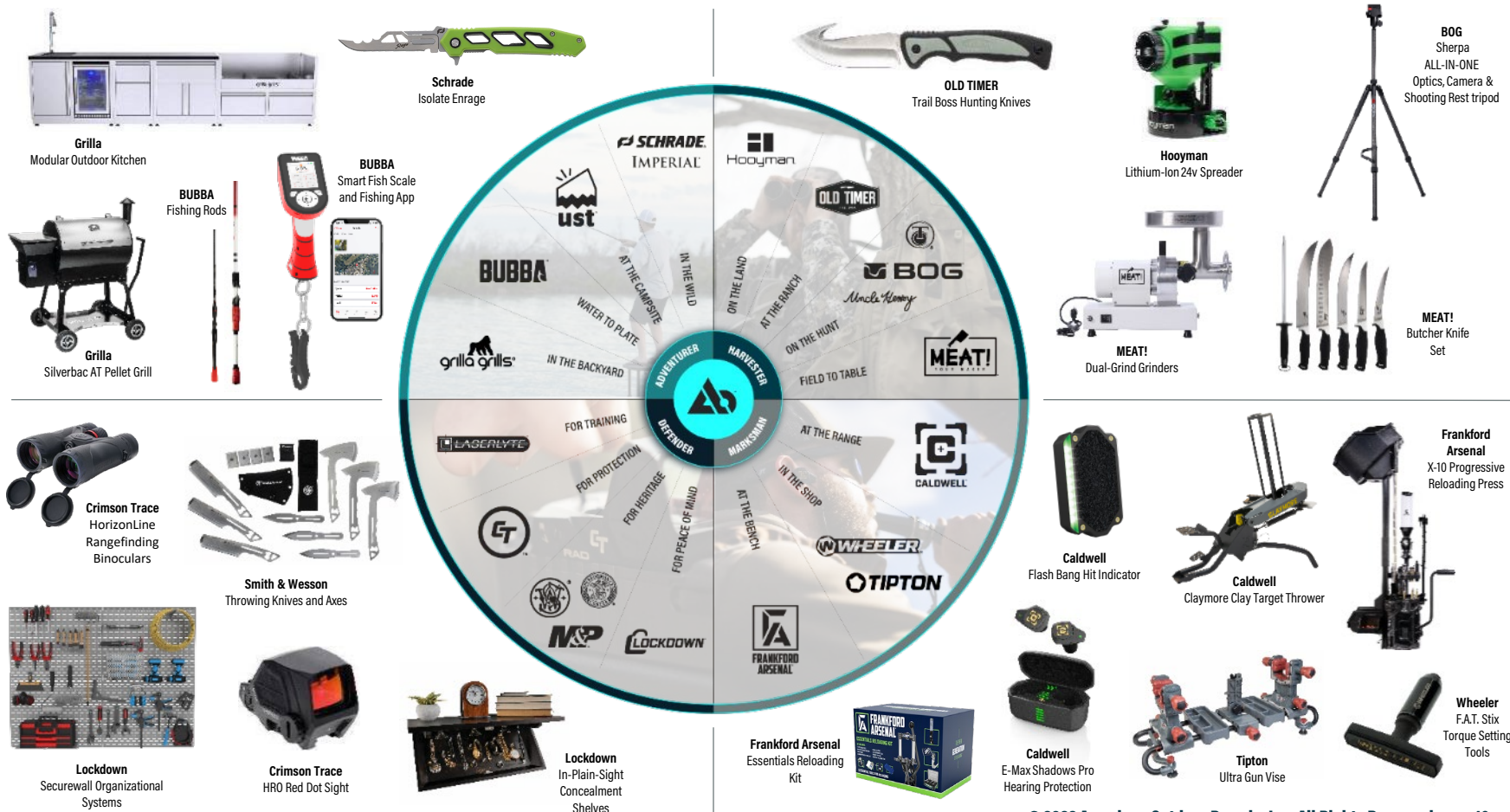
- ✓ "Dock & Unlock"<sup>TM</sup> Friendly via Brand Lane Structure
- ✓ "Niche to Known"<sup>TM</sup> Opportunity (Runway for Growth)
- ✓ Large, Addressable Markets
- ✓ Low Complexity
- ✓ Further Diversifies Supply Chain

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



# DIVERSE PORTFOLIO OF 21 EARLY-STAGE CONSUMER BRANDS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



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 &amp; 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
	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
Marksman	CALDWELL	○	●	Range Gear: Shooting rests, targets, hearing & eye protection
	FRANKFORD ARSENAL	○	●	Reloading equipment
	TIPTON	○	●	Gun vises, cleaning supplies
	WHEELER	○	●	Gunsmithing and other tools
Defender	CRIMSON TRACE	○	●	Scopes, lasers, red dot sights
	LASERLYTE	○	●	Laser training devices
	LOCKDOWN	○	●	Vault organization, logic-enabled vault doors and security monitoring, cable locks
	M&P by Smith & Wesson	●	●	Folding & fixed-blade knives, tools, protective gun cases
	Performance Center	○	●	Gun cases and cleaning kits
	Smith & Wesson	●	●	Folding & fixed-blade knives, tools, protective gun cases, parts kits

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