



Malibu Boats, Inc. Third Quarter Fiscal 2025

Earnings Results
May 08, 2025



USE & DEFINITION OF NON-GAAP FINANCIAL MEASURE

This presentation includes the following financial measures defined as non-GAAP financial measures by the Securities and Exchange Commission: Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Fully Distributed Net Income and Adjusted Fully Distributed Net Income per Share. These measures have limitations as analytical tools and should not be considered as an alternative to, or more meaningful than, net income (loss) as determined in accordance with U.S. generally accepted accounting principles ("GAAP") or as an indicator of our liquidity. Our presentation of these non-GAAP financial measures should also not be construed as an inference that our results will be unaffected by unusual or non-recurring items. Our computations of these non-GAAP financial measures may not be comparable to other similarly titled measures of other companies.

We define Adjusted EBITDA as net income (loss) before interest expense, income taxes, depreciation, amortization, goodwill and other intangible asset impairment expense and non-cash, non-recurring or non-operating expenses, including certain professional fees, litigation settlements and non-cash compensation expense. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by net sales. Adjusted EBITDA and Adjusted EBITDA Margin are not measures of net income (loss) as determined by GAAP. Management believes Adjusted EBITDA and Adjusted EBITDA Margin allow investors to evaluate our operating performance and compare our results of operations from period to period on a consistent basis by excluding items that management does not believe are indicative of our core operating performance. Management uses Adjusted EBITDA to assist in highlighting trends in our operating results without regard to our financing methods, capital structure, and non-recurring or non-operating expenses. We exclude the items listed above from net income (loss) in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures, the methods by which assets were acquired and other factors. Adjusted EBITDA has limitations as an analytical tool and should not be considered as an alternative to, or more meaningful than, net income (loss) as determined in accordance with GAAP or as an indicator of our liquidity.

Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historical costs of depreciable assets.

We define Adjusted Fully Distributed Net Income as net income (loss) attributable to Malibu Boats, Inc. (i) excluding income tax expense (benefit), (ii) excluding the effect of non-recurring or non-cash items, (iii) assuming the exchange of all LLC units into shares of Class A Common Stock, which results in the elimination of non-controlling interest in Malibu Boats Holdings, LLC (the "LLC"), and (iv) reflecting an adjustment for income tax expense (benefit) on fully distributed net income before income taxes at our estimated effective income tax rate. Adjusted Fully Distributed Net Income is a non-GAAP financial measure because it represents net income (loss) attributable to Malibu Boats, Inc., before non-recurring or non-cash items and the effects of non-controlling interests in the LLC. We use Adjusted Fully Distributed Net Income to facilitate a comparison of our operating performance on a consistent basis from period to period that, when viewed in combination with our results prepared in accordance with GAAP, provides a more complete understanding of factors and trends affecting our business than GAAP measures alone. We believe Adjusted Fully Distributed Net Income assists our board of directors, management and investors in comparing our net income (loss) on a consistent basis from period to period because it removes non-cash or non-recurring items, and eliminates the variability of non-controlling interest as a result of member owner exchanges of LLC units into shares of Class A Common Stock. In addition, because Adjusted Fully Distributed Net Income (Loss) is susceptible to varying calculations, the Adjusted Fully Distributed Net Income measures, as presented in this release, may differ from and may, therefore, not be comparable to similarly titled measures used by other companies.

A reconciliation of our net income (loss) as determined in accordance with GAAP to Adjusted EBITDA and the numerator and denominator for our net income (loss) available to Class A Common Stock per share to Adjusted Fully Distributed Net Income per share of Class A Common Stock is provided under "Reconciliation of Non-GAAP Financial Measures.".

FORWARD LOOKING STATEMENTS

This presentation includes forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Forward-looking statements can be identified by such words and phrases as "believes," "anticipates," "expects," "intends," "estimates," "may," "will," "should," "continue" and similar expressions, comparable terminology or the negative thereof, and includes statements in this press release regarding our guidance for fiscal year 2025 net sales and Adjusted EBITDA margin and our expectation of the impact on tariffs on our cost structure for the remainder of fiscal year 2025.

Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including, but not limited to: our large fixed cost base; our ability to execute our manufacturing strategy; our ability to accurately forecast demand for our products; increases in the cost of, or unavailability of, raw materials, component parts and transportation costs; disruptions in our suppliers' operations; our reliance on third-party suppliers for raw materials and components; our reliance on certain suppliers for our engines and outboard motors; climate events in areas where we operate; our ability to meet our manufacturing workforce needs; our dependence on key management employees; our ability to grow our business through acquisitions and integrate such acquisitions to fully realize their expected benefits; our growth strategy which may require us to secure significant additional capital; our ability to enhance existing products and develop and market new or enhanced products; our ability to protect our intellectual property; compromises or disruptions to our network and information systems; risks inherent in operating in foreign jurisdictions, including tariffs; general economic conditions; the continued strength and positive perception of our brands; increased consumer preference for used boats, alternative fuel-powered boats or the supply of new boats by competitors in excess of demand; the seasonality of our business; competition within our industry and with other activities for consumers' scarce leisure time; changes in currency exchange rates; inflation and heightened interest rates; our reliance on our network of independent dealers and increasing competition for dealers; the financial health of our dealers and their continued access to financing; our obligation to repurchase inventory of certain dealers; our exposure to risks associated with litigation, investigation and regulatory proceedings; an impairment in the carrying value of goodwill, trade names and other long-lived assets; any failure to comply with laws and regulations including environmental, workplace safety and other regulatory requirements; covenants in our credit agreement governing our revolving credit facility which may limit our operating flexibility; our obligation to make certain payments under a tax receivable agreement; any failure to maintain effective internal control over financial reporting or disclosure controls or procedures; and other factors affecting us detailed from time to time in our filings with the Securities and Exchange Commission. Many of these risks and uncertainties are outside our control, and there may be other risks and uncertainties which we do not currently anticipate because they relate to events and depend on circumstances that may or may not occur in the future. Although we believe that the expectations reflected in any forward-looking statements are based on reasonable assumptions at the time made, we can give no assurance that our expectations will be achieved. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation (and we expressly disclaim any obligation) to update or supplement any forward-looking statements that may become untrue because of subsequent events, whether because of new information, future events, changes in assumptions or otherwise. Comparison of results for current and prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

KEY TAKEAWAYS

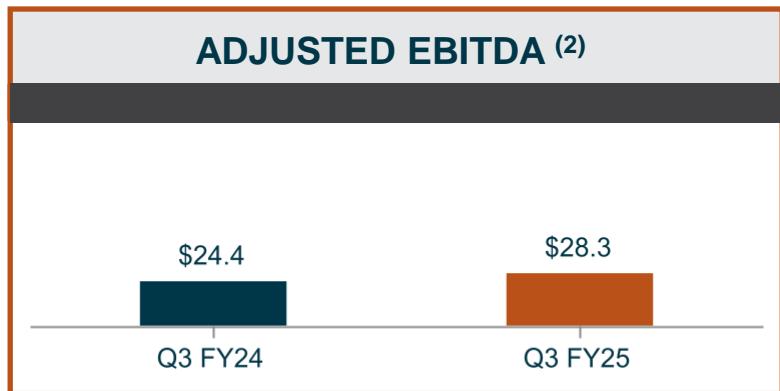
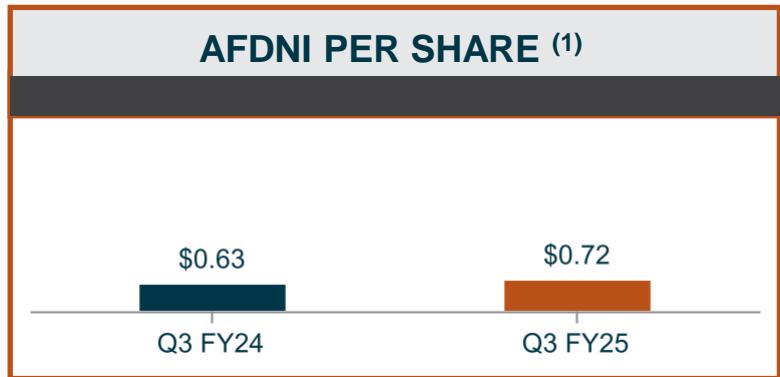


Positioned for long-term, sustainable success resulting in increased profitability

- Solid execution amid macro headwinds with focus on maintaining healthy inventory levels aligned with retail demand
- Encouraging customer response to new product launches, despite a mixed boat show environment
- Generated robust operating cash flow of \$15 million, repurchased \$10 million of shares, reinforcing commitment to disciplined capital allocation
- Revised full-year guidance to align with current market conditions, reinforcing our disciplined emphasis on dealer health
- Limited tariff related cost impact in FY25, and active mitigation strategies to balance cost structure and enhance supply chain agility

THREE MONTHS ENDED FISCAL Q3 2025

- Solid execution and return to growth in a challenging environment
- Q3 net sales of \$228.7 million, up 12.4% year-over-year
 - Driven by increased unit volumes in Malibu segment
- Gross margin of 20.0%, up 20bps year-over-year
 - Increase driven by fixed cost leveraging and operational performance
- Adjusted EBITDA margin of 12.4%



1. See Appendix for a reconciliation of Net Income (Loss) to Adjusted Fully Distributed Net Income (Loss).

2. See Appendix for a reconciliation of Non-GAAP Adjusted EBITDA to Net Income (Loss).

OPERATIONAL EXCELLENCE & VERTICAL INTEGRATION



OPERATIONAL EXCELLENCE

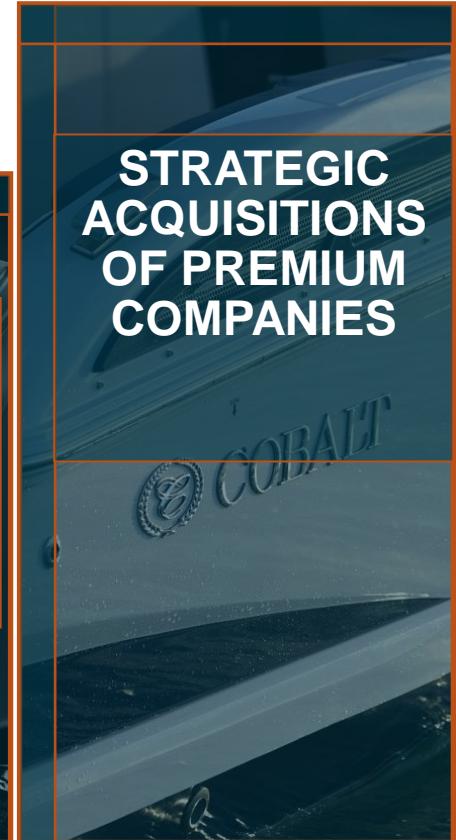
- Culture centered on superior employees building the highest quality products in the most efficient manner
- Provides an unmatched value to our dealers and customers
- Vertical integration supports operational excellence
- Allows us to encounter and overcome operating issues out of our control quickly
- Implementing the same strategy at Cobalt, Pursuit, and ultimately Maverick Boat Group
- Drives margin expansion over the long-term



VERTICAL INTEGRATION

- Vertical integration strategy is a competitive differentiator across all brands, driving overall growth and profitability
- Allows us to control a greater portion of our supply chain, quality and input costs
- Enhancing our in-house tooling capabilities and integrating our Monsoon engines across our brands
- Additional vertical integration projects are always in the works
- More opportunities to generate new synergies across brands in FY 2025 and beyond

MALIBU'S GROWTH STRATEGY



THIRD QUARTER FISCAL 2025 COMPARABLE RESULTS

NET SALES



VOLUME



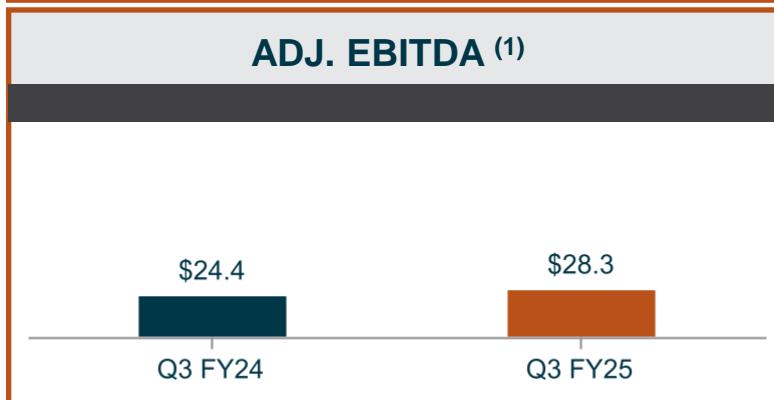
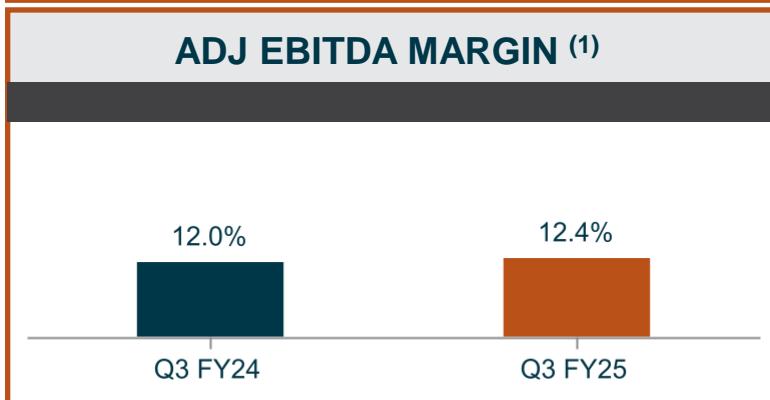
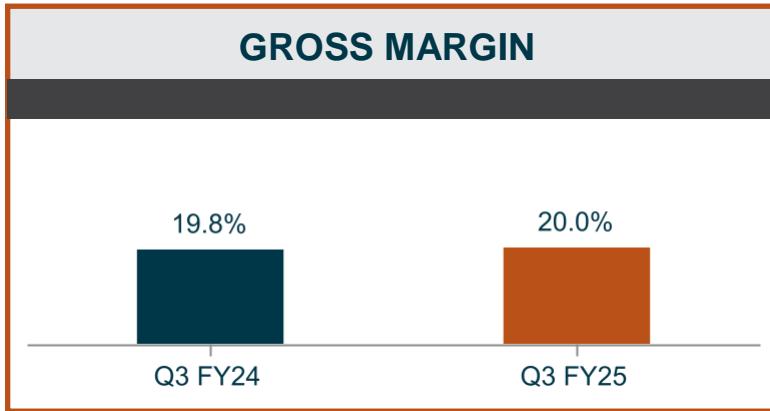
NET SALES PER UNIT



MIX COMPARISON



THIRD QUARTER FISCAL 2025 COMPARABLE RESULTS



1. See Appendix for a reconciliation of Non-GAAP Adjusted EBITDA to Net Income (Loss).

FY25 FULL YEAR OUTLOOK

METRIC

Consolidated Net Sales

Adjusted EBITDA Margin

TARGET

Down 3% to 5%

Between 9% to 10%

MALIBU
BOATS, INC.™

APPENDIX



RECONCILIATION OF NET INCOME (LOSS) TO NON-GAAP ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

The following table sets forth a reconciliation of net (loss) income as determined in accordance with GAAP to Adjusted EBITDA and presentation of net (loss) income margin and Adjusted EBITDA Margin for the periods indicated (dollars in thousands):

	Three Months Ended March 31,	
	2025	2024
Net income (loss)	\$ 13,173	\$ (67,759)
Provision for income taxes	3,676	(7,425)
Interest expense	525	296
Depreciation	8,201	6,544
Amortization	1,676	1,686
Goodwill and other intangible asset impairment ¹	—	88,389
Professional fees ²	808	839
Litigation settlement ³	—	—
Stock-based compensation expense ⁴	264	1,839
Adjusted EBITDA	<hr/> \$ 28,323	<hr/> \$ 24,409
Net Sales	<hr/> \$ 228,662	<hr/> \$ 203,419
Net Income (Loss) Margin ⁵	<hr/> 5.8 %	<hr/> (33.3)%
Adjusted EBITDA Margin ⁵	<hr/> 12.4 %	<hr/> 12.0 %

RECONCILIATION OF NET INCOME (LOSS) TO NON-GAAP ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

- (1) For the three months ended March 31, 2024, represents impairment of goodwill and trade names related to our Maverick Boat Group reporting unit in the amounts of \$49.2 million and \$39.2 million, respectively.
- (2) For the three months ended March 31, 2025, represents legal and advisory fees related to ongoing litigation with our insurance carriers related to the Batchelder matters and ongoing litigation with Tommy's Boats and Matthew Borisch for fiscal year 2025. For the three months ended March 31, 2024, represents legal and advisory fees related to ongoing litigation with our insurance carriers related to Batchelder matters for fiscal year 2024 and legal and advisory fees related to product liability cases that were settled for \$100.0 million in June 2023.
- (3) Represents the amount we have agreed to pay pursuant to a settlement agreement with the Chapter 11 trustee (the "Trustee") for Tommy's Fort Worth LLC and its affiliate debtors. The Settlement Agreement was approved by United States Bankruptcy Court of the Northern District of Texas Fort Worth Division (the "Bankruptcy Court") on November 19, 2024, but has not gone effective because the Bankruptcy Court has not yet decided whether Mr. Borisch's claims are property of the Tommy's Boats bankruptcy estates. The Trustee's request for that finding and an injunction against Mr. Borisch is still pending before the Bankruptcy Court.
- (4) Represents equity-based incentives awarded to employees under our long-term incentive plans and profit interests issued under the previously existing limited liability company agreement of the LLC.
- (5) We calculate net income (loss) margin as net income (loss) divided by net sales, and we define Adjusted EBITDA margin as Adjusted EBITDA divided by net sales.

RECONCILIATION OF NET INCOME (LOSS) ATTRIBUTABLE TO CLASS A COMMON STOCK TO ADJUSTED FULLY DISTRIBUTED NET INCOME (LOSS) OF CLASS A COMMON STOCK (UNAUDITED):

The following table sets forth a reconciliation of net income (loss) attributable to Malibu Boats, Inc. to Adjusted Fully Distributed Net Income (Loss) for the periods presented (dollars in thousands, except per share data):

	Three Months Ended March 31,	
	2025	2024
Reconciliation of numerator for net income available to Class A Common Stock per share to Adjusted Fully Distributed Net (Loss) Income per Share of Class A Common Stock:		
Income per Share of Class A Common Stock:		
Net income (loss) attributable to Malibu Boats, Inc.	\$ 12,890	\$ (66,831)
Provision for income taxes	3,676	(7,425)
Goodwill and other intangible asset impairment ¹	—	88,389
Professional fees ²	808	839
Acquisition related expenses ³	1,641	1,659
Stock-based compensation expense ⁴	264	1,839
Litigation Settlement ⁵	—	—
Net income (loss) attributable to non-controlling interest ⁶	283	(928)
Fully distributed net income (loss) before income taxes	19,562	17,542
Income tax expense on fully distributed income before income taxes ⁷	4,793	4,298
Adjusted fully distributed net income (loss)	\$ 14,769	\$ 13,244

RECONCILIATION OF NET INCOME (LOSS) ATTRIBUTABLE TO CLASS A COMMON STOCK TO ADJUSTED FULLY DISTRIBUTED NET INCOME (LOSS) OF CLASS A COMMON STOCK (UNAUDITED):

The following table sets forth a reconciliation of net income (loss) attributable to Malibu Boats, Inc. to Adjusted Fully Distributed Net Income (Loss) for the periods presented (dollars in thousands, except per share data):

	Three Months Ended March 31,	
	2025	2024
Reconciliation of denominator for net income available to Class A Common Stock per share to Adjusted Fully Distributed Net Income (Loss) per Share of Class A Common Stock:		
Weighted average shares outstanding of Class A Common Stock used for basic net income (loss) per share:	19,557,572	20,399,018
Adjustments to weighted average shares of Class A Common Stock:		
Weighted-average LLC units held by non-controlling unit holders ⁸	321,419	347,529
Weighted-average unvested restricted stock awards issued to management ⁹	241,931	287,221
Adjusted weighted average shares of Class A Common Stock outstanding used in computing Adjusted Fully Distributed Net Income (Loss) per Share of Class A Common Stock:	<u>20,120,922</u>	<u>21,033,768</u>

RECONCILIATION OF NET INCOME (LOSS) ATTRIBUTABLE TO CLASS A COMMON STOCK TO ADJUSTED FULLY DISTRIBUTED NET INCOME (LOSS) OF CLASS A COMMON STOCK (UNAUDITED):

The following table sets forth a reconciliation of net income (loss) attributable to Malibu Boats, Inc. to Adjusted Fully Distributed Net Income (Loss) for the periods presented (dollars in thousands, except per share data):

	Three Months Ended March 31,	
	2025	2024
Net income (loss) available to Class A Common Stock per share	\$ 0.66	\$ (3.28)
Impact of adjustments:		
Provision for income taxes	0.19	(0.36)
Goodwill and other intangible asset impairment ¹	—	4.32
Professional fees ²	0.04	0.04
Acquisition related expenses ³	0.08	0.09
Stock-based compensation expense ⁴	0.01	0.09
Litigation settlement ⁵	—	—
Net income (loss) attributable to non-controlling interest ⁶	0.01	(0.04)
Fully distributed net income (loss) per share before income taxes	0.99	0.86
Impact of income tax expense on fully distributed income before income taxes ⁷	(0.25)	(0.21)
Impact of increased share count ¹⁰	(0.02)	(0.02)
Adjusted Fully Distributed Net Income (Loss) per Share of Class A Common Stock	\$ 0.72	\$ 0.63

RECONCILIATION OF NET INCOME (LOSS) ATTRIBUTABLE TO CLASS A COMMON STOCK TO ADJUSTED FULLY DISTRIBUTED NET INCOME (LOSS) OF CLASS A COMMON STOCK (UNAUDITED):

- (1) For the three months ended March 31, 2024, represents impairment of goodwill and trade names related to our Maverick Boat Group reporting unit in the amounts of \$49.2 million and \$39.2 million, respectively.
- (2) For the three months ended March 31, 2025, represents legal and advisory fees related to ongoing litigation with our insurance carriers related to the Batchelder matters and ongoing litigation with Tommy's Boats and Matthew Borisch for fiscal year 2025. For the three months ended March 31, 2024, represents legal and advisory fees related to ongoing litigation with our insurance carriers related to Batchelder matters for fiscal year 2024 and legal and advisory fees related to product liability cases that were settled for \$100.0 million in June 2023.
- (3) For the three months ended March 31, 2025 and 2024, represents amortization of intangibles acquired in connection with the acquisitions of Maverick Boat Group, Pursuit and Cobalt.
- (4) Represents equity-based incentives awarded to employees under our long-term incentive plans and profit interests issued under the previously existing limited liability company agreement of the LLC.
- (5) Represents the amount we have agreed to pay pursuant to a settlement agreement with the Chapter 11 trustee (the "Trustee") for Tommy's Fort Worth LLC and its affiliate debtors. The Settlement Agreement was approved by United States Bankruptcy Court of the Northern District of Texas Fort Worth Division (the "Bankruptcy Court") on November 19, 2024, but has not gone effective because the Bankruptcy Court has not yet decided whether Mr. Borisch's claims are property of the Tommy's Boats bankruptcy estates. The Trustee's request for that finding and an injunction against Mr. Borisch is still pending before the Bankruptcy Court.
- (6) Reflects the elimination of the non-controlling interest in the LLC as if all LLC members had fully exchanged their LLC Units for shares of Class A Common Stock.

RECONCILIATION OF NET INCOME (LOSS) ATTRIBUTABLE TO CLASS A COMMON STOCK TO ADJUSTED FULLY DISTRIBUTED NET INCOME (LOSS) OF CLASS A COMMON STOCK (UNAUDITED):

- (7) Reflects income tax expense at an estimated normalized annual effective income tax rate of 24.5% and 24.5% of income before income taxes for the three months ended March 31, 2025 and 2024, respectively, assuming the conversion of all LLC Units into shares of Class A Common Stock. The estimated normalized annual effective income tax rate for fiscal year 2025 is based on the federal statutory rate plus a blended state rate adjusted for the research and development tax credit, the foreign derived intangible income deduction, and foreign income taxes attributable to our Australian subsidiary.
- (8) Represents the weighted-average shares outstanding of LLC Units held by non-controlling interests assuming they were exchanged into Class A Common Stock on a one-for-one basis.
- (9) Represents the weighted-average unvested restricted stock awards included in outstanding shares during the applicable period that were convertible into Class A Common Stock and granted to members of management.
- (10) Reflects impact of increased share counts assuming the exchange of all weighted-average shares outstanding of LLC Units into shares of Class A Common Stock and the conversion of all weighted-average unvested restricted stock awards included in outstanding shares granted to members of management.