



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 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.

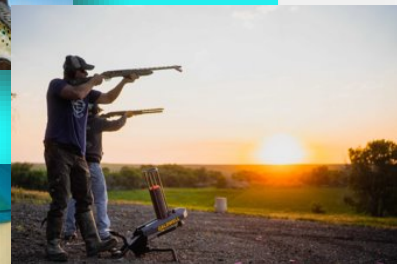
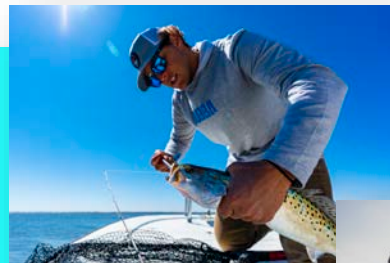


# AMERICAN OUTDOOR BRANDS

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)<sup>(a)</sup>
- ✓ **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  
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(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

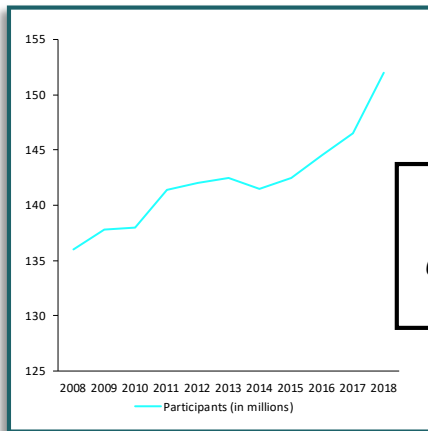
New firearms owners entered the market in 2020 – According to the NSSF, an estimated 40% of the approx. 21 million adjusted NICS through the end of 2020

~3M

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

~1M

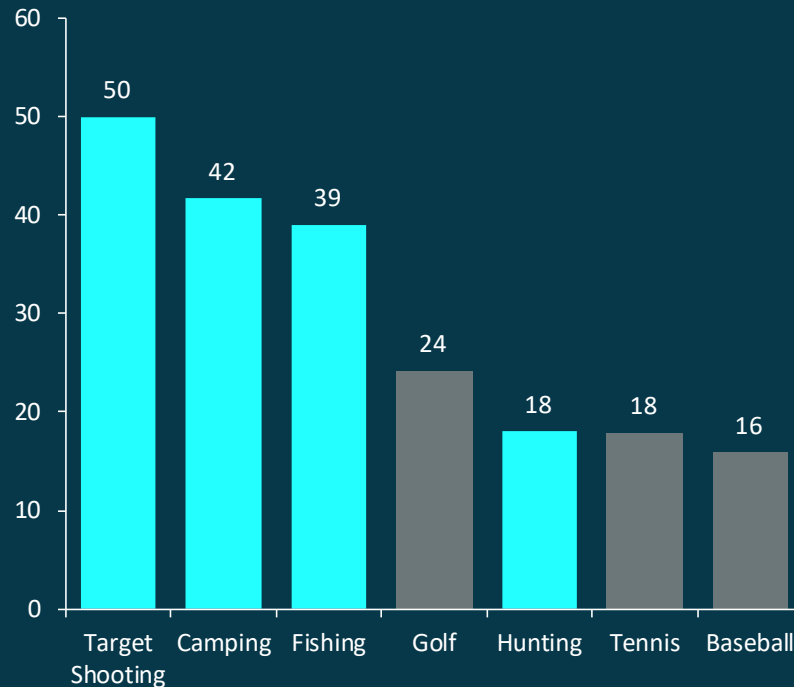
More hunters in 2020. The NSSF has indicated that hunting license sales have grown 7.5% vs. 2019. This could mean 1M new hunters entered the market in 2020



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

## Illustrative Outdoor Recreational Participation Comparison

(in millions)





# DIVERSE PORTFOLIO OF 20 EARLY-STAGE CONSUMER BRANDS

AMERICAN OUTDOOR BRANDS  
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Caldwell Range Gear



Frankford  
M-Press  
(Reloading)



Wheeler Digital  
F.A.T. Wrench



Tipton Ultra Gun Vise



Lockdown Puck



M&P Night Terror  
Flashlight



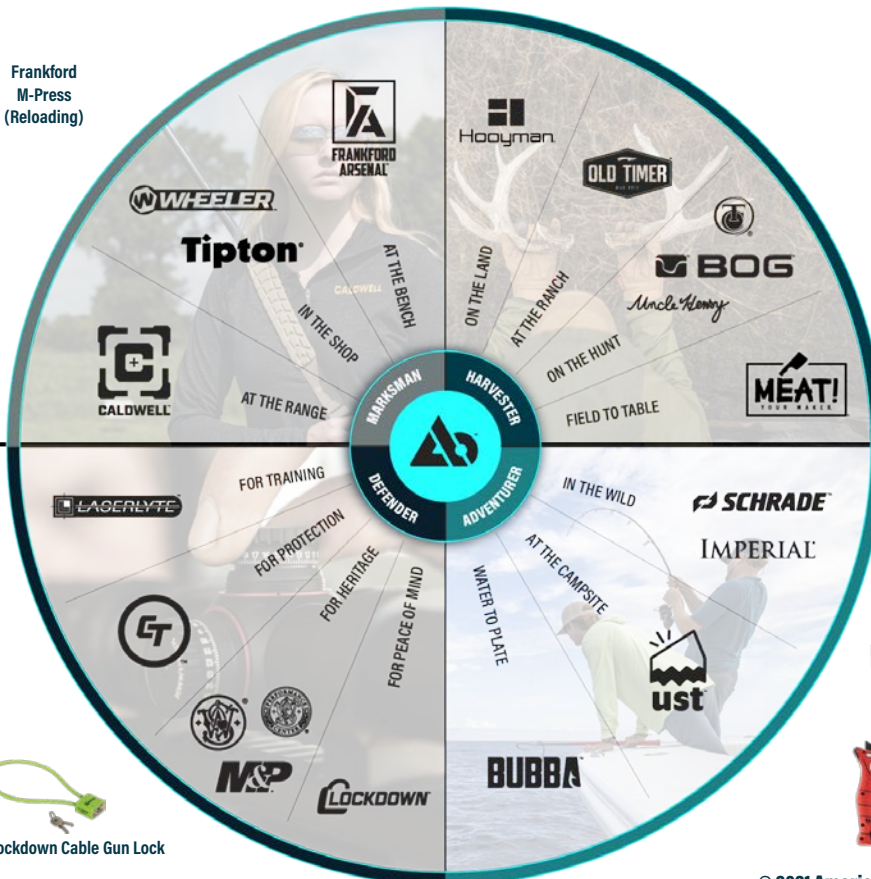
Crimson Trace CSA-  
1309  
Rifle Scope



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 Sleeping T



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

8

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.

AMERICAN OUTDOOR BRANDS  
(NASDAQ: AOUT)



TTM Nov Net Sales captured\*  
\$6.1M

TTM Apr Net Sales  
\$2.5M

TTM Oct Net Sales  
\$927K

Multi-million in Net Sales  
\$1M in Net Sales

Black Friday Net Sales  
\$900K

MEAT! Concept Developed

Brand Launch

FY19

FY20

FY21

FY22

Net Sales

\* Net Sales captured through November 2021 include orders from Black Friday through Cyber Monday

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# "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





# Q2FY22 ACHIEVEMENTS SUPPORT LONG TERM GROWTH

## Pillars for Growth

## New Products

### 1 Expand Market Share

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



Crimson Trace introduced the CT RAD™ series -- a comprehensive family of 10 new rapid aiming sights, in both red and green illuminated options, as well as micro, compact, and full-size platforms.



### 2 New Product Categories

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



BOG, our very popular line of hunting gear 'Engineered for the Unknown', resides in our Harvester brand lane. BOG products often incorporate our proprietary technology, and in September, BOG expanded its tripod family to include two new camo design options. BOG also announced an expansion of its family of ground blinds to include a hay bale blind designed for open field hunting, and a larger, hub blind designed for rifle, crossbow, or compound bow hunters, and spacious enough to accommodate multiple hunters at the same time.



### 3 New Consumer Markets

*Enter entirely new markets that increase our total addressable opportunity*



Lockdown, which offers connected solutions designed to protect high consequence valuables, rolled out the new Lockdown Logic app, developed internally by our in-house Product Development team which includes on-site app developers. The new app enhances the consumer experience, unlocks new functionality and features within the Lockdown Puck and Plug, and lays the foundation for future product launches in the Lockdown brand family.



### 4 New Distribution

*Onboard new customers that reflect our brands' expanded 'permission to play'*



BUBBA, our fishing lifestyle brand known for its high-quality angling equipment and apparel and situated in the Adventurer brand lane, entered an entirely new product category by launching its newest product line, the Kitchen Series, a collection of high-end chef knives designed to complement the Water to Plate™ lifestyle.





# BRAND "PERMISSION TO PLAY" DRIVES GROWTH POTENTIAL

AMERICAN OUTDOOR BRANDS  
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	'Docked' Brand	Lifestyle Supported ("Moments that Matter")	Growth Opportunities			
			New Distribution	Expand Market Share	New Categories	New Consumer Markets
Marksman	CALDWELL	At the Range	✓	✓	✓	✓
	Tipton	In the Shop	✓	✓	✓	
	WHEELER	In the Shop	✓	✓	✓	✓
	FRANKFORD ARSENAL	At the Bench	✓	✓	✓	
Defender	LOCKDOWN	For Peace of Mind	✓	✓	✓	✓
	Smith & Wesson	For Heritage	✓	✓		
	M&P <small>by Smith &amp; Wesson</small>	For Heritage	✓	✓		
	Performance Center <small>by Smith &amp; Wesson</small>	For Heritage	✓	✓		
	CRIMSON TRACE	For Protection	✓	✓	✓	
	LASERLYTE	For Training	✓	✓	✓	✓

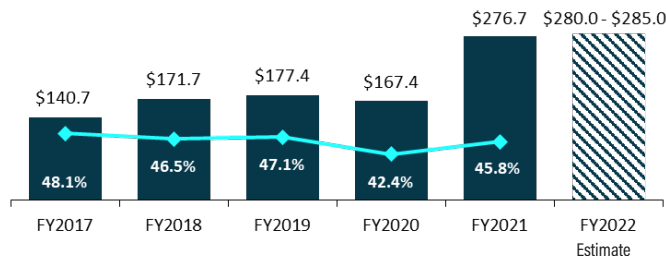
	'Docked' Brand	Lifestyle Supported ("Moments that Matter")	Growth Opportunities			
			New Distribution	Expand Market Share	New Categories	New Consumer Markets
Harvester	Hooyman	On the Land	✓	✓	✓	✓
	OLD TIMER	At the Ranch	✓	✓	✓	
	BOG	On the Hunt	✓	✓	✓	
	THOMPSON/CENTER	On the Hunt	✓	✓		
	Uncle Henry	On the Hunt	✓	✓		
	MEAT!	Field to Table	✓	✓	✓	✓
Adventurer	SCHRADE	In the Wild	✓	✓	✓	
	IMPERIAL	In the Wild	✓	✓		
	ust	At the Campsite	✓	✓	✓	
	BUBBA	Water to Plate	✓	✓	✓	✓



# LEVERAGEABLE MODEL DRIVES PROFITABILITY

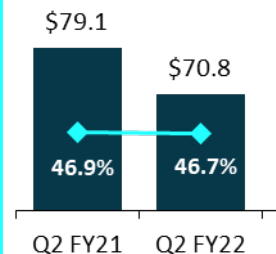
AMERICAN OUTDOOR BRANDS  
(NASDAQ: AOUT)

## NET SALES & GROSS MARGIN

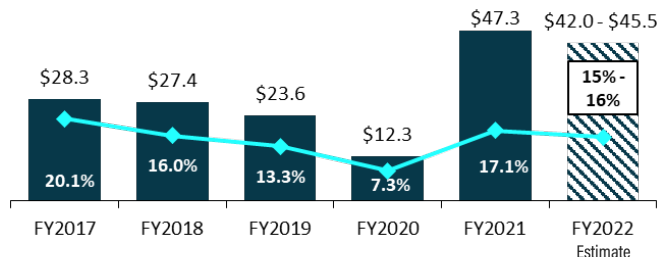


- ✓ Historical net sales driven by both organic and inorganic growth (5 primary acquisitions completed since FY2016)
- ✓ Significant sales growth within e-commerce channel – growth expected to continue through leveraging brand lane platforms
- ✓ "Dock & Unlock™" strategy allows for expansion into new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

## Q2 UPDATE

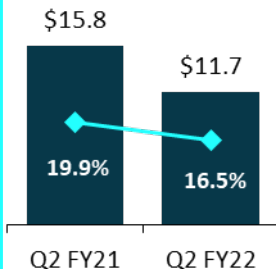


## ADJ. EBITDAS & ADJ. EBITDAS MARGIN



- ✓ 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

## 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, and stock compensation expense and excludes certain items we consider non-routine. See slide 21 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 <sup>(1)</sup>	\$280M – \$285M	8%-10% CAGR	<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	\$42.0M – \$45.5M	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	\$7.5M – \$8.5M <sup>(2)</sup>	N/A	<ul style="list-style-type: none"><li>✓ Long-term will primarily be maintenance capex related to product tooling</li></ul>

(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 OCTOBER 31, 2021

### Assets (\$M)

Cash	\$32.6
Other Current Assets	165.9
Intangibles / Goodwill	111.3
PP&E	12.4
Other Assets	32.2
<b>Total Assets</b>	<b>\$354.4</b>

### Liabilities & Equity (\$M)

Current Liabilities	\$41.2
Bank Debt	-
Other Liabilities	24.0
<b>Total Liabilities</b>	<b>\$65.2</b>

<b>Stockholders' Equity</b>	<b>\$289.3</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$354.4</b>

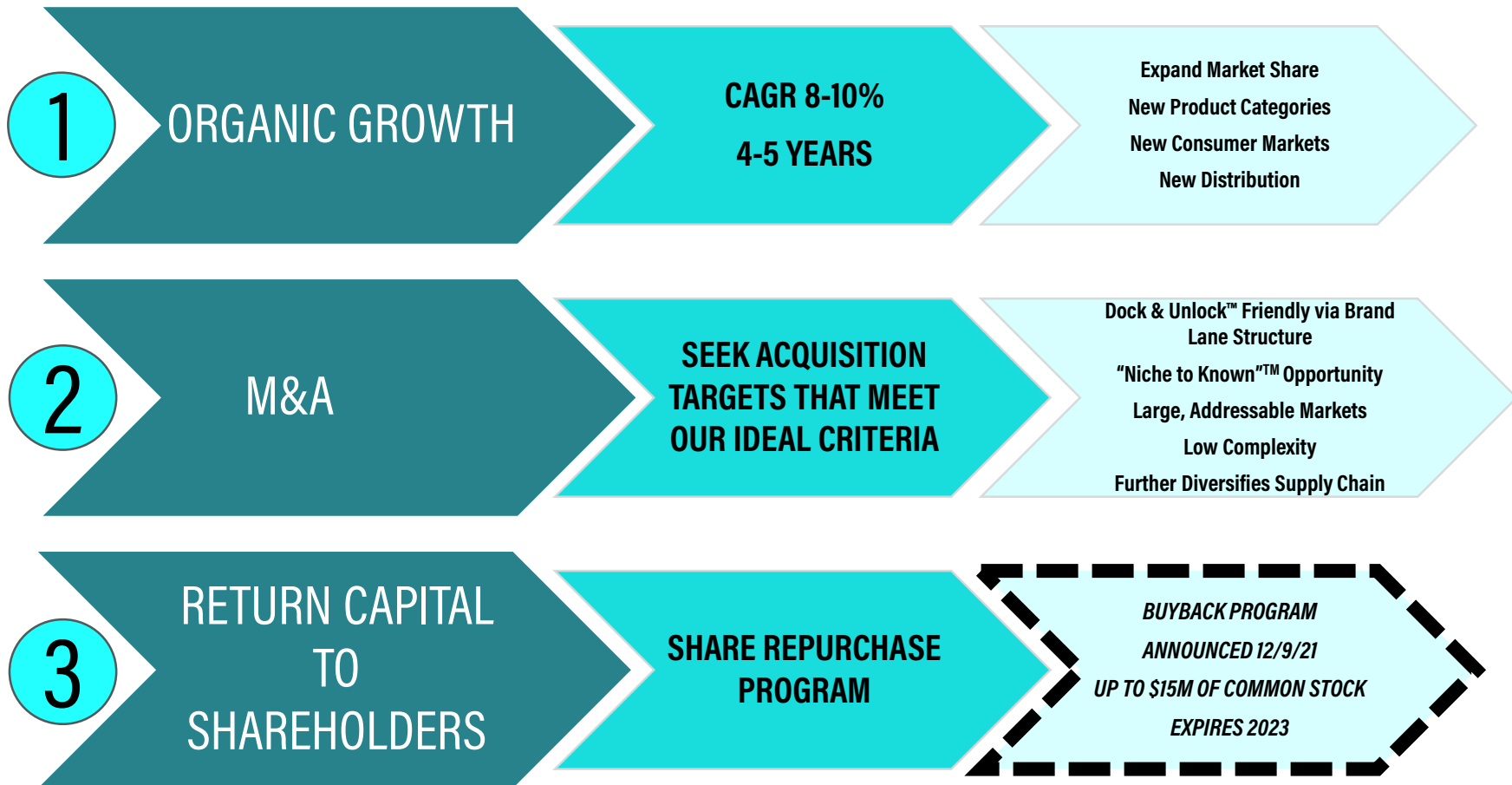
- ✓ Significant liquidity (~\$100M available capital)
  - Low-cost L+200, \$50M asset-based revolving credit facility with \$15M accordion
  - \$32.6M of cash
- ✓ Strong annual free cash flow generation
- ✓ Dry powder for strategic acquisitions

## 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



# CAPITAL ALLOCATION STRATEGY





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**Appendix Follows**





# EXPERIENCED LEADERSHIP

AMERICAN OUTDOOR BRANDS  
(NASDAQ: AOUT)



**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

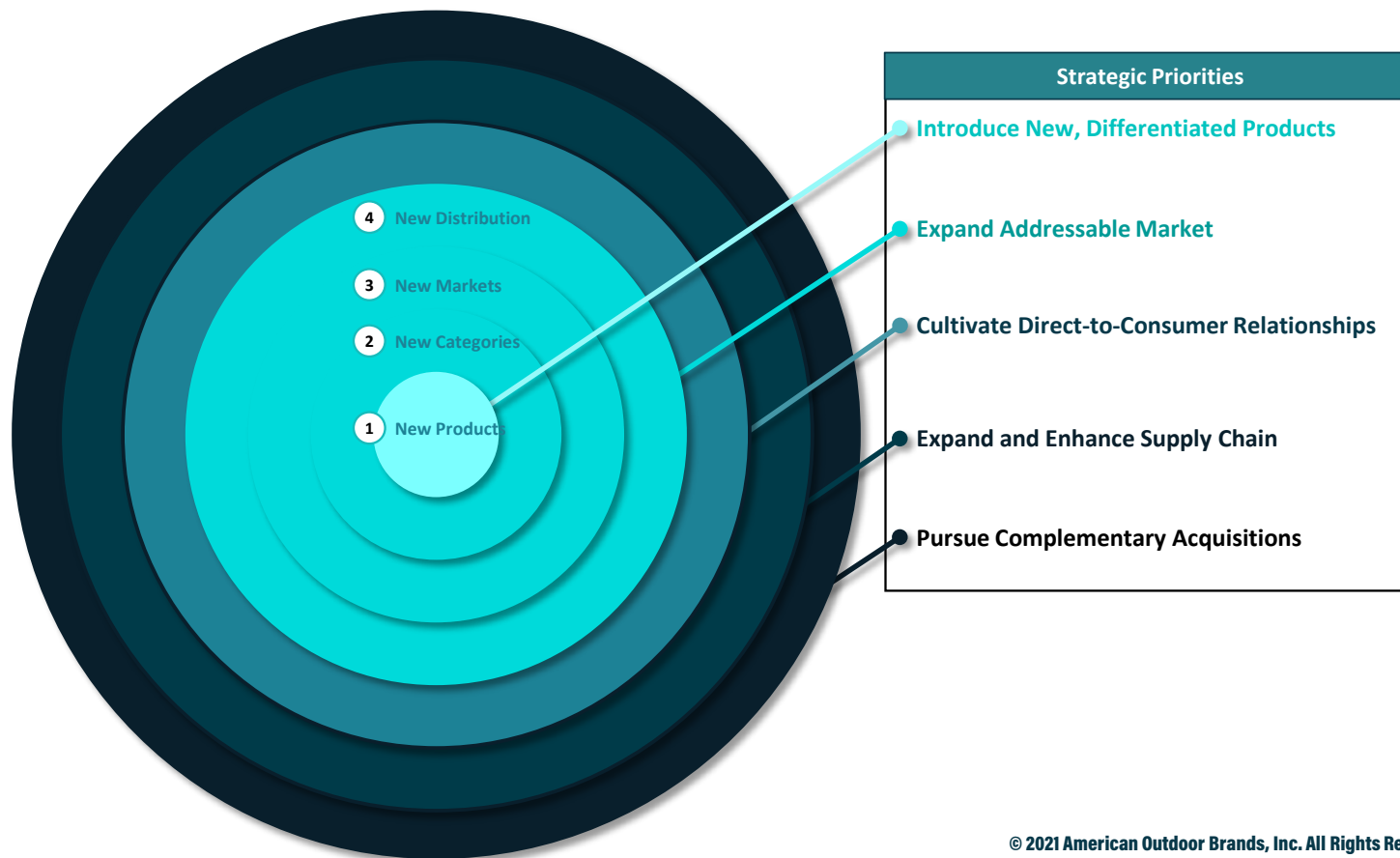
**25+** years experience

- ✓ 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

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 expenses, (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.



# Q2 NON-GAAP ADJUSTED EBITDAS RECONCILIATION

AMERICAN OUTDOOR BRANDS  
(NASDAQ: AOUT)

## RECONCILIATION OF GAAP NET INCOME TO NON-GAAP ADJUSTED EBITDAS (In thousands) (Unaudited)

	For the Three Months Ended October 31,		For the Six Months Ended October 31,	
	2021	2020	2021	2020
GAAP net income	\$ 4,583	\$ 7,339	\$ 8,040	\$ 9,128
Interest expense	53	—	99	—
Income tax expense	1,284	2,408	2,133	3,503
Depreciation and amortization	4,207	5,068	8,386	10,459
Related party interest income	—	(88)	—	(424)
Stock compensation	664	899	1,416	1,196
Transition costs	—	13	—	264
Technology implementation	887	—	1,159	—
COVID-19 costs	—	—	—	223
Other	18	125	18	125
Non-GAAP Adjusted EBITDAS	<u>\$ 11,696</u>	<u>\$ 15,764</u>	<u>\$ 21,251</u>	<u>\$ 24,474</u>





# Q2 – GAAP INCOME STATEMENT

AMERICAN OUTDOOR BRANDS  
(NASDAQ: AOUT)

	For the Three Months Ended October 31,		For the Six Months Ended October 31,	
	2021	2020	2021	2020
	(US\$ in thousands, except per share data)			
	(Unaudited)			
Net sales	\$ 70,760	\$ 79,098	\$ 131,528	\$ 129,565
Cost of sales	37,723	42,025	69,508	68,762
Gross profit	33,037	37,073	62,020	60,803
% of net sales	46.7%	46.9%	47.2%	46.9%
Total operating expenses	27,736	27,509	52,495	48,775
% of net sales	39.2%	34.8%	39.9%	37.6%
Operating income	5,301	9,564	9,525	12,028
% of net sales	7.5%	12.1%	7.2%	9.3%
Total other income	566	183	648	603
Income tax expense	1,284	2,408	2,133	3,503
Net income	\$ 4,583	\$ 7,339	\$ 8,040	\$ 9,128
Net income per share - Diluted	\$0.32	\$0.52	\$0.56	\$0.65
Weighted average shares outstanding - Diluted	14,348	14,155	14,369	14,125
Non-GAAP Adjusted EBITDAS	\$11,696	\$15,764	\$21,251	\$24,474
% of net sales	16.5%	19.9%	16.2%	18.9%



## Q2 – NON-GAAP INCOME STATEMENT

AMERICAN OUTDOOR BRANDS  
(NASDAQ: AOUT)

	For the Three Months Ended October 31,		For the Six Months Ended October 31,	
	2021	2020	2021	2020
	(US\$ in thousands, except per share data)			
	(Unaudited)			
Net sales	\$ 70,760	\$ 79,098	\$ 131,528	\$ 129,565
Cost of sales	37,723	42,025	69,508	68,635
Gross profit	33,037	37,073	62,020	60,930
<i>% of net sales</i>	46.7%	46.9%	47.2%	47.0%
Total operating expenses	22,739	22,461	43,046	39,071
<i>% of net sales</i>	32.1%	28.4%	32.7%	30.2%
Operating income	10,298	14,612	18,974	21,859
<i>% of net sales</i>	14.6%	18.5%	14.4%	16.9%
Total other income	566	95	648	179
Income tax expense	2,533	3,746	4,495	6,043
Net income	\$ 8,331	\$ 10,961	\$ 15,127	\$ 15,995
Net income per share - Diluted	\$0.58	\$0.77	\$1.05	\$1.13
Weighted average shares outstanding - Diluted	14,348	14,155	14,369	14,125
Non-GAAP Adjusted EBITDAS	\$11,696	\$15,764	\$21,251	\$24,474
<i>% of net sales</i>	16.5%	19.9%	16.2%	18.9%



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