



# Vista Outdoor Inc. (NYSE:VSTO)

BRINGING THE WORLD OUTSIDE

## Q2 FY25 Earnings

November 7, 2024

**Note:** References to The Kinetic Group and Revelyst refer to the former Sporting Products and Outdoor Products segments of Vista Outdoor, respectively. Additionally, in the results that follow when referring to "Revelyst", it comprises three new operating and reportable segments: Revelyst Adventure Sports, Revelyst Precision Sports Technology and Revelyst Outdoor Performance. Please see Vista Outdoor's Annual Report on Form 10-K for the year ended March 31, 2024, for additional information

# No Offer or Solicitation



This communication is neither an offer to sell, nor a solicitation of an offer to buy any securities, the solicitation of any vote, consent or approval in any jurisdiction pursuant to or in connection with the CSG Transaction or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

## Additional Information and Where to Find It

These materials may be deemed to be solicitation material in respect of the CSG Transaction. In connection with the CSG Transaction, Revelyst, a subsidiary of Vista Outdoor, filed with the Securities and Exchange Commission (the “SEC”) on January 16, 2024 a registration statement on Form S-4 (which was declared effective by the SEC on March 22, 2024 and was subsequently amended by the post-effective amendment filed by Revelyst on October 16, 2024 and declared effective by the SEC on October 18, 2024) in connection with the proposed issuance of shares of common stock of Revelyst to Vista Outdoor stockholders pursuant to the CSG Transaction, which Form S-4 includes a proxy statement of Vista Outdoor that also constitutes a prospectus of Revelyst (the “proxy statement/prospectus”). INVESTORS AND STOCKHOLDERS ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT/PROSPECTUS AND ANY AMENDMENTS AND SUPPLEMENTS THERETO, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE CSG TRANSACTION, THE SVP TRANSACTION AND THE PARTIES TO EACH TRANSACTION. We have mailed the definitive proxy statement/prospectus to each of our stockholders entitled to vote at the meeting relating to the approval of the CSG Transaction. Investors and stockholders may obtain the proxy statement/prospectus and any other documents free of charge through the SEC’s website at [www.sec.gov](http://www.sec.gov). Copies of the documents filed with the SEC by Vista Outdoor are available free of charge on our website at [www.vistaoutdoor.com](http://www.vistaoutdoor.com).

## Participants in Solicitation

Vista Outdoor, Revelyst, CSG Elevate II Inc., CSG Elevate III Inc. and CZECHOSLOVAK GROUP a.s. and their respective directors, executive officers and certain other members of management and employees, under SEC rules, may be deemed to be “participants” in the solicitation of proxies from our stockholders in respect of the CSG Transaction. Information about our directors and executive officers is set forth in our proxy statement on Schedule 14A for our 2024 Annual Meeting of Stockholders, which was filed with the SEC on July 24, 2024, and subsequent statements of changes in beneficial ownership on file with the SEC. These documents are available free of charge through the SEC’s website at [www.sec.gov](http://www.sec.gov). Additional information regarding the interests of potential participants in the solicitation of proxies in connection with the CSG Transaction, which may, in some cases, be different than those of our stockholders generally, is also included in the proxy statement/prospectus relating to the CSG Transaction.

# Forward Looking Statements



Some of the statements made and information contained in these materials, excluding historical information, are “forward-looking statements,” including those that discuss, among other things: Vista Outdoor Inc.’s (“Vista Outdoor”, “we”, “us” or “our”) plans, objectives, expectations, intentions, strategies, goals, outlook or other non-historical matters; projections with respect to future revenues, income, earnings per share or other financial measures for Vista Outdoor; and the assumptions that underlie these matters. The words “believe,” “expect,” “anticipate,” “intend,” “aim,” “should” and similar expressions are intended to identify such forward-looking statements. To the extent that any such information is forward-looking, it is intended to fit within the safe harbor for forward-looking information provided by the Private Securities Litigation Reform Act of 1995.

Numerous risks, uncertainties and other factors could cause our actual results to differ materially from the expectations described in such forward-looking statements, including the following: risks related to the previously announced transaction among Vista Outdoor, Revelyst, Inc., CSG Elevate II Inc., CSG Elevate III Inc. and CZECHOSLOVAK GROUP a.s. (the “CSG Transaction”) and risks related to the previously announced transaction among Vista Outdoor, Revelyst, Olibre LLC and Cabin Ridge, Inc. (the “SVP Transaction”) including (i) the failure to receive, on a timely basis or otherwise, the required approval of the CSG Transaction by our stockholders, (ii) the possibility that any or all of the various conditions to the consummation of the CSG Transaction or the SVP Transaction may not be satisfied or waived, including the failure to receive any required regulatory approvals from any applicable governmental entities (or any conditions, limitations or restrictions placed on such approvals), (iii) the possibility that competing offers or acquisition proposals may be made, (iv) the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement relating to the CSG Transaction or the SVP Transaction, including in circumstances which would require Vista Outdoor or Revelyst, as applicable, to pay a termination fee, (v) the effect of the announcement or pendency of the CSG Transaction or the SVP Transaction on our ability to attract, motivate or retain key executives and employees, our ability to maintain relationships with our customers, vendors, service providers and others with whom we do business, or our operating results and business generally, (vi) risks related to the CSG Transaction or the SVP Transaction diverting management’s attention from our ongoing business operations, (vii) that the CSG Transaction or the SVP Transaction may not achieve some or all of any anticipated benefits with respect to either business segment and that the CSG Transaction or the SVP Transaction may not be completed in accordance with our expected plans or anticipated timelines, or at all, and (viii) that the consideration paid to Revelyst stockholders in connection with the SVP Transaction cannot be determined until the consummation of the SVP Transaction as it is subject to certain adjustments related to the net cash of Revelyst as of the closing of the SVP Transaction and the management team’s current estimate of the consideration may be higher or lower than the actual consideration paid to Revelyst stockholders in connection with the SVP Transaction due to the actual cash flows prior to the closing of the SVP Transaction or other factors; impacts from the COVID-19 pandemic on our operations, the operations of our customers and suppliers and general economic conditions; supplier capacity constraints, production or shipping disruptions or quality or price issues affecting our operating costs; the supply, availability and costs of raw materials and components; increases in commodity, energy, and production costs; seasonality and weather conditions; our ability to complete acquisitions, realize expected benefits from acquisitions and integrate acquired businesses; reductions in or unexpected changes in or our inability to accurately forecast demand for ammunition, accessories, or other outdoor sports and recreation products; disruption in the service or significant increase in the cost of our primary delivery and shipping services for our products and components or a significant disruption at shipping ports; risks associated with diversification into new international and commercial markets, including regulatory compliance; our ability to take advantage of growth opportunities in international and commercial markets; our ability to obtain and maintain licenses to third-party technology; our ability to attract and retain key personnel; disruptions caused by catastrophic events; risks associated with our sales to significant retail customers, including unexpected cancellations, delays, and other changes to purchase orders; our competitive environment; our ability to adapt our products to changes in technology, the marketplace and customer preferences, including our ability to respond to shifting preferences of the end consumer from brick and mortar retail to online retail; our ability to maintain and enhance brand recognition and reputation; our association with the firearms industry; others’ use of social media to disseminate negative commentary about us, our products, and boycotts; the outcome of contingencies, including with respect to litigation and other proceedings relating to intellectual property, product liability, warranty liability, personal injury, and environmental remediation; our ability to comply with extensive federal, state and international laws, rules and regulations; changes in laws, rules and regulations relating to our business, such as federal and state ammunition regulations; risks associated with cybersecurity and other industrial and physical security threats; interest rate risk; changes in the current tariff structures; changes in tax rules or pronouncements; capital market volatility and the availability of financing; our debt covenants may limit our ability to complete acquisitions, incur debt, make investments, sell assets, merge or complete other significant transactions; foreign currency exchange rates and fluctuations in those rates; general economic and business conditions in the United States and our markets outside the United States, including as a result of the war in Ukraine and the imposition of sanctions on Russia, the conflict in the Gaza strip, the COVID-19 pandemic or another pandemic, conditions affecting employment levels, consumer confidence and spending, conditions in the retail environment, and other economic conditions affecting demand for our products and the financial health of our customers.

You are cautioned not to place undue reliance on any forward-looking statements we make, which are based only on information currently available to us and speak only as of the date hereof. A more detailed description of risk factors that may affect our operating results can be found in Part 1, Item 1A, Risk Factors, of our Annual Report on Form 10-K for fiscal year 2024, and in the filings we make with the SEC from time to time. We undertake no obligation to update any forward-looking statements, except as otherwise required by law.

# Non-GAAP Financial Measures



Non-GAAP financial measures such as adjusted EBITDA, adjusted EBITDA margin, adjusted operating expenses, adjusted operating income, adjusted operating income margin, adjusted taxes, adjusted tax rate, adjusted net income, adjusted EPS, adjusted free cash flow, net debt and net debt leverage ratio as included in this press release are supplemental measures that are not calculated in accordance with Generally Accepted Accounting Principles (“GAAP”). These non-GAAP measures should be considered in addition to, and not as substitutes for, GAAP measures. Please see the tables below for reconciliations of these non-GAAP measures to the most directly comparable GAAP measures.

# Q2 Fiscal Year 2025 Financial Results



## Sales

**Sales declined 2% to \$666M**

*The Kinetic Group: +1% to \$351M*

*Revelyst: -4% to \$315M*

## Adj. EBITDA<sup>(1)</sup>

**Adj. EBITDA of \$111M;**

**17% Margin<sup>(1)</sup>**

*The Kinetic Group: 27% Margin<sup>(2)</sup>*

*Revelyst: 12% Margin<sup>(2)</sup>*

## Adj. EPS<sup>(1)</sup>

**Adj. EPS of \$1.03**

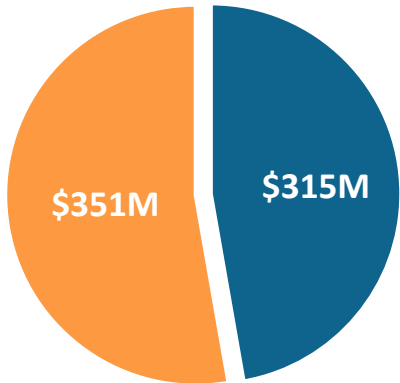
*Adjusted EPS up 7% compared to prior year period*

## YTD Adj. FCF<sup>(1)</sup>

**YTD Adj. FCF of \$111M**

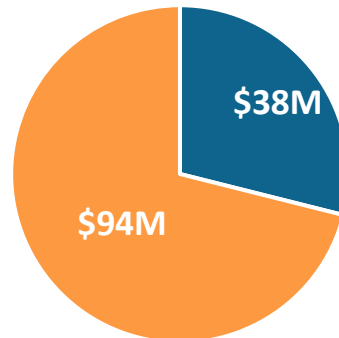
*YTD Adjusted free cash flow down 4% compared to prior year period*

### Sales



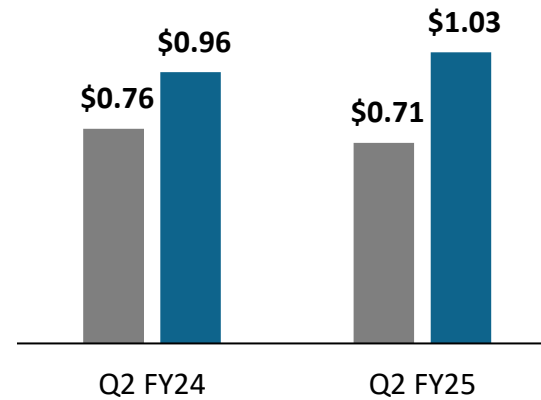
■ Revelyst ■ The Kinetic Group

### Segment Adj. EBITDA<sup>(1)(2)</sup>



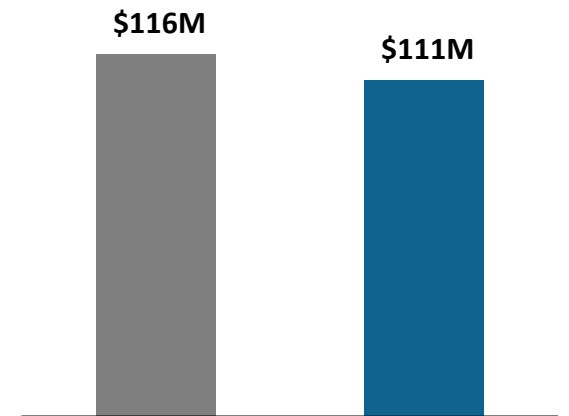
■ Revelyst ■ The Kinetic Group

### Adj. EPS



■ GAAP ■ Non-GAAP

### YTD Adj. FCF



■ Q2 FY24 ■ Q2 FY25

(1) Non-GAAP financial measure, see slide 4 titled "Non-GAAP Financial Measures" and appendix titled "Financial and Non-GAAP Reconciliations"; (2) Excludes Corporate expenses

# Q2 Fiscal Year 2025 Financial Results



Q2 sales decline driven by lower volume at Revelyst Adventure Sports and divestitures within Revelyst Outdoor Performance, partially offset by increased price at The Kinetic Group and higher volume primarily driven by new product introductions at Revelyst Precision Sports Technology

Q2 Adjusted EBITDA decreased due to lower gross profit at The Kinetic Group, partially offset by decreased selling, general and administrative costs at Revelyst related to GEAR Up initiatives

<i>(\$ in millions, except per share data)</i>	<b>Q2 FY24</b>	<b>Q2 FY25</b>	<b>YoY%</b>
<b>Sales</b>	\$677	\$666	(2%)
<b>Gross Profit <sup>(1)</sup></b>	\$209	\$211	1%
<b>Operating Expense <sup>(1)</sup></b>	\$118	\$123	5%
<i>Op Expense % sales</i>	17%	19%	116 bps
<b>Operating Income <sup>(1)</sup></b>	\$91	\$88	(4%)
<i>Operating Margin %</i>	13%	13%	-27 bps
<b>EBITDA <sup>(1)</sup></b>	\$116	\$111	(4%)
<i>EBITDA Margin %</i>	17%	17%	-48 bps
<b>Other (Inc)/Exp</b>	\$1	(\$0)	-
<b>Interest Expense</b>	\$17	\$8	(51%)
<b>Net Income <sup>(1)</sup></b>	\$56	\$60	8%
<b>Tax Rate <sup>(1)</sup></b>	24%	24%	88 bps
<b>Earnings Per Share <sup>(1)</sup></b>	\$0.96	\$1.03	7%
<b>Free Cash Flow <sup>(1)</sup></b>	\$40	\$42	5%

(1) Amounts are presented on an as adjusted basis, a non-GAAP financial measure. See slide 4 titled "Non-GAAP Financial Measures" and appendix titled "Financial and Non-GAAP Reconciliations." Amounts included in the table may differ due to rounding.

# Strong Balance Sheet Positions Company for Long-Term Growth



Balance sheet remained strong in quarter through continued financial discipline focused on inventory and debt paydown

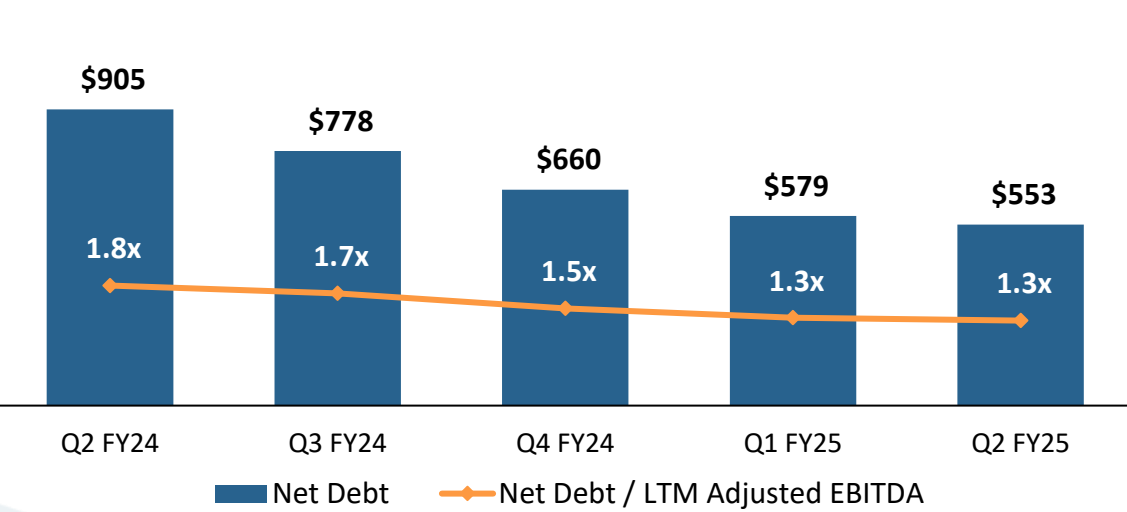
Net Debt Leverage Ratio<sup>(1)</sup> was 1.3x at quarter end

Liquidity Profile  
[\$M]

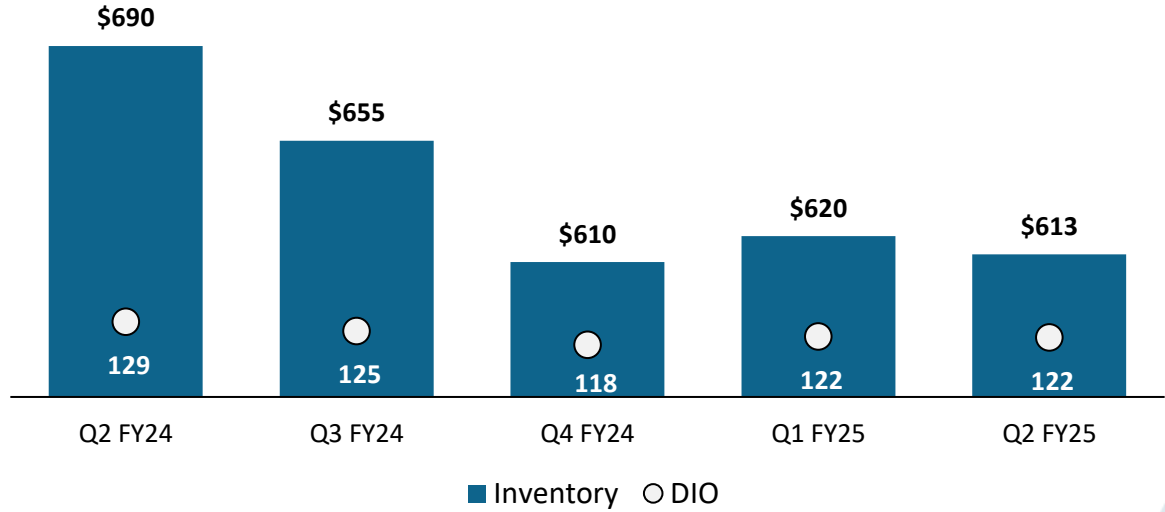
	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
Unused Credit Capacity	\$170	\$209	\$237	\$271	\$336
Cash on Hand	\$40	\$57	\$60	\$56	\$37
<b>Liquidity</b>	<b>\$210</b>	<b>\$266</b>	<b>\$297</b>	<b>\$327</b>	<b>\$373</b>

We continue to prioritize a strong balance sheet and a healthy inventory position that saw marked year-over-year improvement

Net Debt and Net Debt Leverage Ratio<sup>(1)</sup>  
(\$M)



Inventory and DIO<sup>(2)</sup>  
(\$M)



(1) Non-GAAP financial measure. See slide 4 titled "Non-GAAP Financial Measures" and appendix titled "Financial and Non-GAAP Reconciliations."  
 (2) Days Inventory Outstanding can be determined by dividing the TTM COGS by the quarter-end inventory, and then multiplying the result by 365 days

# Q2 Fiscal Year 2025 Business Update



## Sales



■ Revelyst ■ The Kinetic Group

## Gross Profit



■ Revelyst ■ The Kinetic Group

## Segment Adj. EBITDA<sup>(1)(2)</sup>



■ Revelyst ■ The Kinetic Group

### REVELYST

**\$315M**

-4% YoY

- Lower volume at Revelyst Adventure Sports and divestitures within Revelyst Outdoor Performance
- Partially offset by increased volume within Revelyst Precision Sports Technology

**\$98M**

+5% YoY

- Improved inventory health and increased price at Revelyst Adventure Sports and improved inventory health and divestitures at Revelyst Outdoor Performance
- Partially offset by lower volume at Revelyst Adventure Sports, manufacturing efficiency headwinds at Revelyst Outdoor Performance and increased discounting at Revelyst Precision Sports Technology

**\$38M**

Margin: 12%

- Higher gross profit and lower selling, general and administrative costs related to GEAR Up initiatives across Revelyst Adventure Sports and Revelyst Outdoor Performance
- Partially offset by decreased gross profit and increased selling, general and administrative costs at Revelyst Precision Sports Technology

### THE KINETIC GROUP

**\$351M**

+1% YoY

- Increased price

**\$113M**

-2% YoY

- Increased input costs for copper and powder
- Partially offset by increased price

**\$94M**

Margin: 27%

- Decreased gross profit and increased incentive compensation





# **APPENDIX:**

# **Financial and Non-GAAP**

# **Reconciliations**

# Non-GAAP Financial Measures



In addition to the results prepared in accordance with GAAP, we are providing the information below on a non-GAAP basis, including, adjusted operating expenses, adjusted operating income, adjusted operating income margin, adjusted taxes, adjusted tax rate, adjusted net income, and adjusted diluted earnings (loss) per share (EPS). Vista Outdoor defines these measures as operating expenses, operating income (loss), operating income margin, taxes, tax rate, net income, and EPS excluding, where applicable, the impact of costs incurred for post-acquisition compensation, transaction and transition costs, executive transition costs, planned separation costs, loss on divestiture, restructuring and GEAR Up restructuring. Vista Outdoor management is presenting these measures so a reader may compare gross profit, operating expenses, operating income, operating income margin, other expense, net, interest expense, taxes, tax rate, net income, and EPS excluding these items, as the measures provide investors with an important perspective on the operating results of the Company. Vista Outdoor management uses these measurements internally to assess business performance, and Vista Outdoor's definitions may differ from those used by other companies.

## Three months ended September 30, 2024

(in thousands except per share amounts and percentages)

	Gross profit	Operating expenses	Operating income	Operating income margin	Other expense, net	Interest	Taxes	Tax rate	Net income	EPS <sup>(1)</sup>
As reported	\$ 211,429	\$ 145,704	\$ 65,725	9.9 %	\$ 255	\$ (8,237)	\$ (15,945)	27.6 %	\$ 41,798	\$ 0.71
Post acquisition compensation	—	(68)	68		—	—	—		68	
Transaction costs	—	132	(132)		—	—	32		(100)	
Loss on divestiture	—	(872)	872		—	—	1,473		2,345	
Gear Up restructuring	—	(7,093)	7,093		—	—	(1,702)		5,391	
Planned separation costs	—	(14,358)	14,358		—	—	(3,446)		10,912	
As adjusted	<u>\$ 211,429</u>	<u>\$ 123,445</u>	<u>\$ 87,984</u>	13.2 %	<u>\$ 255</u>	<u>\$ (8,237)</u>	<u>\$ (19,588)</u>	24.5 %	<u>\$ 60,414</u>	<u>\$ 1.03</u>

<sup>(1)</sup> As reported net earnings per share and adjusted net earnings per share are both calculated based on 58,641 diluted weighted average shares of common stock.

## Three months ended September 24, 2023

(in thousands except per share amounts and percentages)

	Gross profit	Operating expenses	Operating income	Operating income margin	Other expense, net	Interest	Taxes	Tax rate	Net income	EPS <sup>(1)</sup>
As reported	\$ 208,870	\$ 133,085	\$ 75,785	11.2 %	\$ (1,174)	\$ (16,643)	\$ (13,546)	23.4 %	\$ 44,422	\$ 0.76
Post acquisition compensation	—	(160)	160		—	—	—		160	
Executive transition costs	—	(433)	433		—	—	(218)		215	
Restructuring	—	(3,936)	3,936		—	—	(945)		2,991	
Transition costs	—	(3,554)	3,554		—	—	(854)		2,700	
Planned separation costs	—	(7,375)	7,375		—	—	(1,770)		5,605	
As adjusted	<u>\$ 208,870</u>	<u>\$ 117,627</u>	<u>\$ 91,243</u>	13.5 %	<u>\$ (1,174)</u>	<u>\$ (16,643)</u>	<u>\$ (17,333)</u>	23.6 %	<u>\$ 56,093</u>	<u>\$ 0.96</u>

<sup>(1)</sup> As reported net earnings per share and adjusted net earnings per share are both calculated based on 58,541 diluted weighted average shares of common stock.

# Free Cash Flow Reconciliation



Free cash flow is defined as cash provided by operating activities less capital expenditures. Vista Outdoor management believes that free cash flow provides investors with an important indication of the cash generated by our business for debt repayment and acquisitions after making the capital investments required to support ongoing business operations. Vista Outdoor management uses free cash flow to assess overall liquidity. Vista Outdoor's definition of free cash flow may differ from those used by other companies.

Adjusted free cash flow is defined as free cash flow eliminating the cash impact of the following items that are adjusted in our presentation of adjusted net income: post-acquisition compensation, transaction costs, executive transition costs, restructuring, GEAR Up restructuring, transition costs and planned separation costs. Vista Outdoor management believes that adjusted free cash flow enhances investors' understanding of the liquidity of our ongoing operations. Adjusted free cash flow is also used by Vista Outdoor to assess employees' performance and determine their annual incentive payments. Vista Outdoor's definition of adjusted free cash flow may differ from those used by other companies.

(in thousands)	Three months ended	Six months ended	
	September 30, 2024	September 30, 2024	September 24, 2023
Cash provided by operating activities (as reported)	\$ 26,778	\$ 80,543	\$ 107,540
Capital expenditures	(7,739)	(10,023)	(13,425)
Free cash flow	19,039	70,520	94,115
Post acquisition compensation	84	167	166
Transaction costs	587	615	—
Executive transition costs	—	—	3,474
Restructuring	—	—	4,281
Gear Up restructuring	6,821	14,512	—
Transition costs	64	230	6,665
Planned separation costs	15,012	25,372	7,034
Adjusted free cash flow	\$ 41,607	\$ 111,416	\$ 115,735

# Segment Adjusted EBITDA and Segment Adjusted EBITDA Margin Reconciliation



Adjusted EBITDA is defined as net income before other expense, net, interest, taxes, depreciation and amortization, and amortization of cloud computing software, excluding the non-recurring and non-cash items referenced above. We calculate "Adjusted EBITDA margins" as Adjusted EBITDA divided by net sales. Vista Outdoor management believes adjusted EBITDA and adjusted EBITDA margin provide investors with an important perspective on the Company's core profitability and help investors analyze underlying trends in the Company's business and evaluate its performance on an absolute basis and relative to its peers. Adjusted EBITDA and adjusted EBITDA margin should be considered in addition to, and not as a substitute for, GAAP net income and GAAP net income margin. Vista Outdoor's definitions may differ from those used by other companies.

## Three months ended September 30, 2024

(in thousands except percentages)	The Kinetic Group	Revelyst	Total
Segment operating income <sup>(1)</sup>	\$ 87,093	\$ 21,485	\$ 108,578
Depreciation and amortization	6,627	16,120	22,747
Amortization of cloud computing software costs <sup>(2)</sup>	36	535	571
Adjusted segment EBITDA	\$ 93,756	\$ 38,140	\$ 131,896
Adjusted segment EBITDA margin	26.7 %	12.1 %	

## Three months ended September 24, 2023

(in thousands except percentages)	The Kinetic Group	Revelyst	Total
Segment operating income <sup>(1)</sup>	\$ 92,348	\$ 12,854	\$ 105,202
Depreciation and amortization	6,458	17,473	23,931
Amortization of cloud computing software costs <sup>(2)</sup>	36	457	493
Adjusted segment EBITDA	\$ 98,842	\$ 30,784	\$ 129,626
Adjusted segment EBITDA margin	28.3 %	9.4 %	

<sup>(1)</sup> We do not calculate GAAP net income at the segment level, but have provided segment operating income as a relevant measurement of profitability. Segment operating income does not include interest expense and taxes as well as other non-cash and non-recurring items. Segment operating income is reconciled to our consolidated net income in the segment income to consolidated net income reconciliation table included in this press release.

<sup>(2)</sup> Amortization of cloud computing software costs consist of expense recognized in selling, general and administrative expense for capitalized implementation costs of IT. This expense is not included in depreciation and amortization above.

# Consolidated Adjusted EBITDA



Adjusted EBITDA is defined as net income before other expense, net, interest, taxes, depreciation and amortization, and amortization of cloud computing software, excluding the non-recurring and non-cash items referenced above. We calculate “Adjusted EBITDA margins” as Adjusted EBITDA divided by net sales. Vista Outdoor management believes adjusted EBITDA and adjusted EBITDA margin provide investors with an important perspective on the Company’s core profitability and help investors analyze underlying trends in the Company’s business and evaluate its performance on an absolute basis and relative to its peers. Adjusted EBITDA and adjusted EBITDA margin should be considered in addition to, and not as a substitute for, GAAP net income and GAAP net income margin. Vista Outdoor’s definitions may differ from those used by other companies.

(in thousands except percentages)	Three months ended	
	September 30, 2024	September 24, 2023
Net income	\$ 41,798	\$ 44,422
Other expense, net	(255)	1,174
Interest expense, net	8,237	16,643
Income tax provision	15,945	13,546
Depreciation and amortization	22,849	24,879
Amortization of cloud computing software costs	544	324
Post acquisition compensation	68	160
Transaction costs	(132)	—
Gain on divestiture	872	—
Gear Up restructuring	7,093	—
Transition costs	—	3,554
Planned separation costs	14,358	7,375
Executive transition costs	—	433
Restructuring	—	3,936
Adjusted EBITDA	\$ 111,377	\$ 116,446
Adjusted EBITDA margin	16.7 %	17.2 %

# Segment Income to Consolidated Net Income Reconciliation



(in thousands)	Three months ended	
	September 30, 2024	September 24, 2023
Segment income	\$ 108,578	\$ 105,202
Corporate costs and expenses <sup>(1)</sup>	(42,853)	(29,417)
Operating income	<u>\$ 65,725</u>	<u>\$ 75,785</u>
Other expense, net	255	(1,174)
Interest expense, net	(8,237)	(16,643)
Income tax provision	(15,945)	(13,546)
Net Income	<u>\$ 41,798</u>	<u>\$ 44,422</u>

<sup>(1)</sup> Includes corporate overhead and certain non-recurring items as described in the schedules to this release

# Net Debt and Net Debt Leverage Ratio Reconciliation



Net debt is defined as total debt less cash and cash equivalents. Net debt leverage ratio is defined as net debt as of the balance sheet date divided by adjusted EBITDA for the twelve months then ended. We believe that using net debt is useful to investors in determining our leverage ratio since we could choose to use cash and cash equivalents to retire debt. Vista Outdoor's definitions may differ from those used by other companies.

(in thousands)	As of September 30, 2024	As of March 31, 2024
Total Debt Outstanding	\$ 590,000	\$ 720,000
Less: Cash	(36,925)	(60,271)
Net Debt	\$ 553,075	\$ 659,729

(in thousands except ratio)	Twelve months ended September 30, 2024	Twelve months ended March 31, 2024
Net loss	\$ (9,109)	\$ (5,505)
Other expense, net	95	1,988
Interest expense, net	47,746	62,949
Income tax benefit	(9,497)	(8,979)
Depreciation and amortization	96,026	99,291
Amortization of cloud computing software costs	2,803	2,363
Post acquisition compensation	296	1,328
Transaction costs	802	755
Gain on divestitures	(18,787)	—
Contingent consideration	5,888	5,888
Executive transition costs	250	1,342
Impairment	226,406	220,070
Restructuring	1,636	5,604
Gear Up restructuring	19,761	8,279
Transition costs	1,655	7,310
Planned separation costs	59,016	42,179
Adjusted EBITDA	\$ 424,987	\$ 444,862
Net debt leverage ratio	1.3	1.5