



NASDAQ: MBUU

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Malibu: Making Waves in Boating

Malibu Boats is a leading innovator creating outstanding boats for Watersports, generating significant revenue through strong dealer networks and top of the line, award-winning products

Company Background

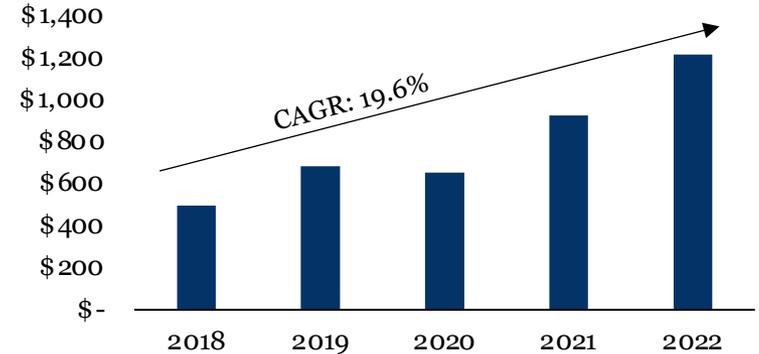
- Founded in California in 1982 by 6 friends driven by a desire of **better boats for waterskiing**
- Emphasis on creating boats that are the **most versatile** while also delivering **top performance** and innovation
- Malibu builds one out of every two towboats worldwide

Boating Industry Magazine's "**Top Product**" award for Pursuit S 358 Sport in 2022

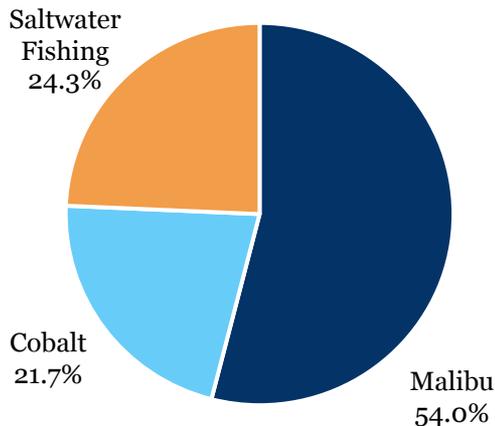


#1 market share in performance sport boats and the 24'-29' segment of the sterndrive boat category

Revenue Growth (\$mm)



Revenue Breakdown



Boat Breakdown

Malibu: high performance water skiing experience retailing between \$70,000-\$225,000, Malibu and Axis brands

Cobalt: premium luxury sterndrive and outboard boat manufacturer retailing between \$65,000-\$525,000, Cobalt brand

Saltwater Fishing: 5 distinct boat styles that offer saltwater experiences ranging from \$45,000-\$1,300,000, Pursuit, Cobia, Pathfinder, Maverick and Hewes brands

Revenue Generation



A Boat for Everyone

Malibu Boats has a diversified portfolio of boat brands, allowing it to reach into multiple segments of boating customers and utilize vertical integration to boost margin expansion



Overview of Investment Thesis

Thesis:

Demand for water activities has increased following COVID-19. Malibu Boats is better positioned than competitors within the market because of their leading brand reputation, strong dealership network and robust growth plan

Rationale:

1 Increase in TAM

Malibu can fully capitalize on its strong brand, innovative technology, and dealer relation strategy to capture the growth in the total addressable market of boating and watersports

2 Ability to Mitigate Cyclical Concerns

Malibu's dealer network and "Floor Plan" agreements encourage dealerships to purchase boats throughout the year, stabilizing their cash flows within the cyclical boat market

3 Proven Inorganic and Organic Growth Strategies

Malibu's vertical integration and strategic brand acquisitions combined with their organic technology development will allow MBUU to grow and experience share appreciation

Price Target:

\$80.49

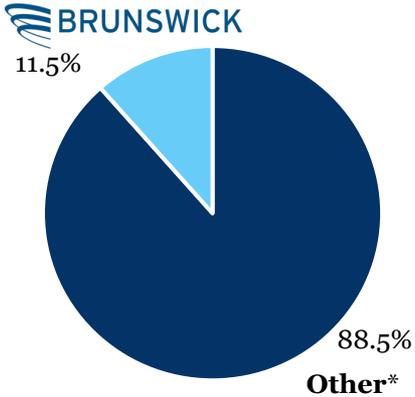
42.1% upside to current **\$56.66**

1 Increase in TAM

Choppy Waters of the Boating Industry

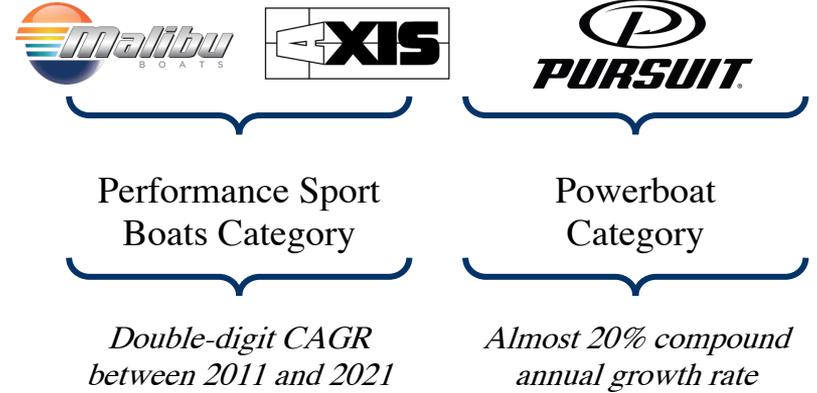
The boating industry is highly fragmented in terms of competition, and Malibu Boats can capture more market share due to customization abilities and strong brand awareness in the watersport specific category

Market Share and Competitive Landscape

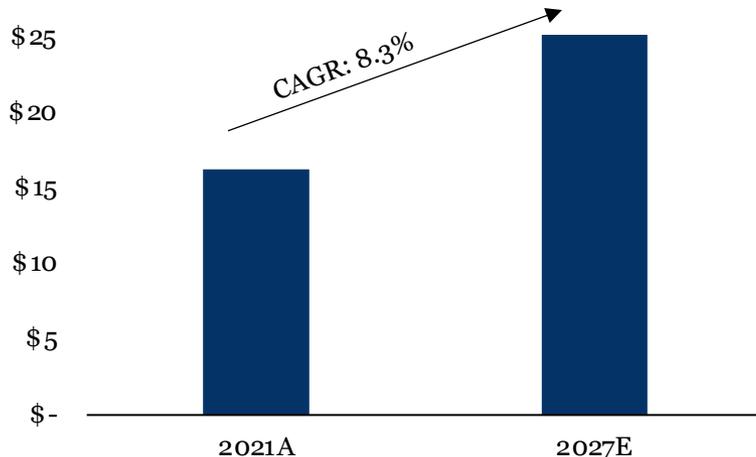


- Highly fragmented industry with moderate barriers to entry
- Customization is where brands can differentiate themselves and capture more market share

Watersport Specific Growth



Recreational Boat Market Outlook (\$bn)



Current Trends

- Demand for custom boats has seen higher rapid growth, allowing for boat builders offering a custom product to attract more customers
- Advancements in marine technology rapidly increasing as consumers look for boats that are easier to use and have more convenient features
- Increases in travel and tourism lead to increases in the U.S. Recreational Boat Market as people looking to enjoy boating as part of their vacations

Sources: IBIS World, Company Materials, Seeking Alpha, Arizton

*Other refers to smaller Boat Manufacturing companies, which included Malibu Boats and Mastercraft

Malibu's Unique Benefit

Malibu Boats stands out with their ability to offer customization and bring new innovations to the boating market, driving higher average selling prices

Industry-Leading Innovations

1

Surf Gate

Revolutionized watersports by generating an endless, controllable surf compared to previously needing to wait for ballast tanks to empty to change the wake

2

Power Wedge

Allows boaters to customize length and height of wave to meet different demands of various water sports

3

Surf Band

Bracelets surfers wear to change speed, wedge, and direction of the wake and adjust the music volume

4

Splash and Stow

Cobalt Boats have the option for an inflatable platform to expand with the push of a button

Brand Strength & Customization

Lead Positioning

- #1 market share in performance sport boat category through Malibu and Axis brands
- #1 market share in the 24'-29' segment of the sterndrive category through the Cobalt brand
- Watersport focus and focus on innovating that

Frequent Releases

- Frequency of new releases of boat models adds to brand reputation
- Malibu Boats has released 10 new products in the last 21 months

Customization Offerings

- bab.malibuboats.com allows customers to select every feature and completely customize boat
- Vertical integration of manufacturing parts in house allows for greater customization options



② Ability to Mitigate Cyclicalality

Free Flooring Decreases Cyclicity

Malibu Boat's lessened cyclicity comes from their Floor Plan Model and other incentives with dealers which allow boat sales to be consistent throughout the year and be beneficial to both Malibu and the dealerships they partner with

Falling consumer demand in the offseason of boating – July through April – is met with drop in dealer demand for purchasing new boats, feeding into the **cyclical nature of boat manufacturer's earnings**

Floor Plan Financing allows for dealers to **use third-party financing providers for purchase of boats**

Dealers can establish lines of credit with third-party lenders, and the lender pays the invoice price of the boat

Malibu uses **Free Flooring**, a type of floor plan financing, to **increase offseason sales**

Enables dealers to take the delivery of current model year boats in the offseason–Malibu pays the interest to floor the boat until the retail sale of boat or a set date at end of year

Malibu has implemented **incentives for dealers** to continue with Free Flooring

If Malibu's partner dealers meet their commitment volumes, the dealers receive a rebate, which encourages the dealers to continue to purchase boats throughout the offseason

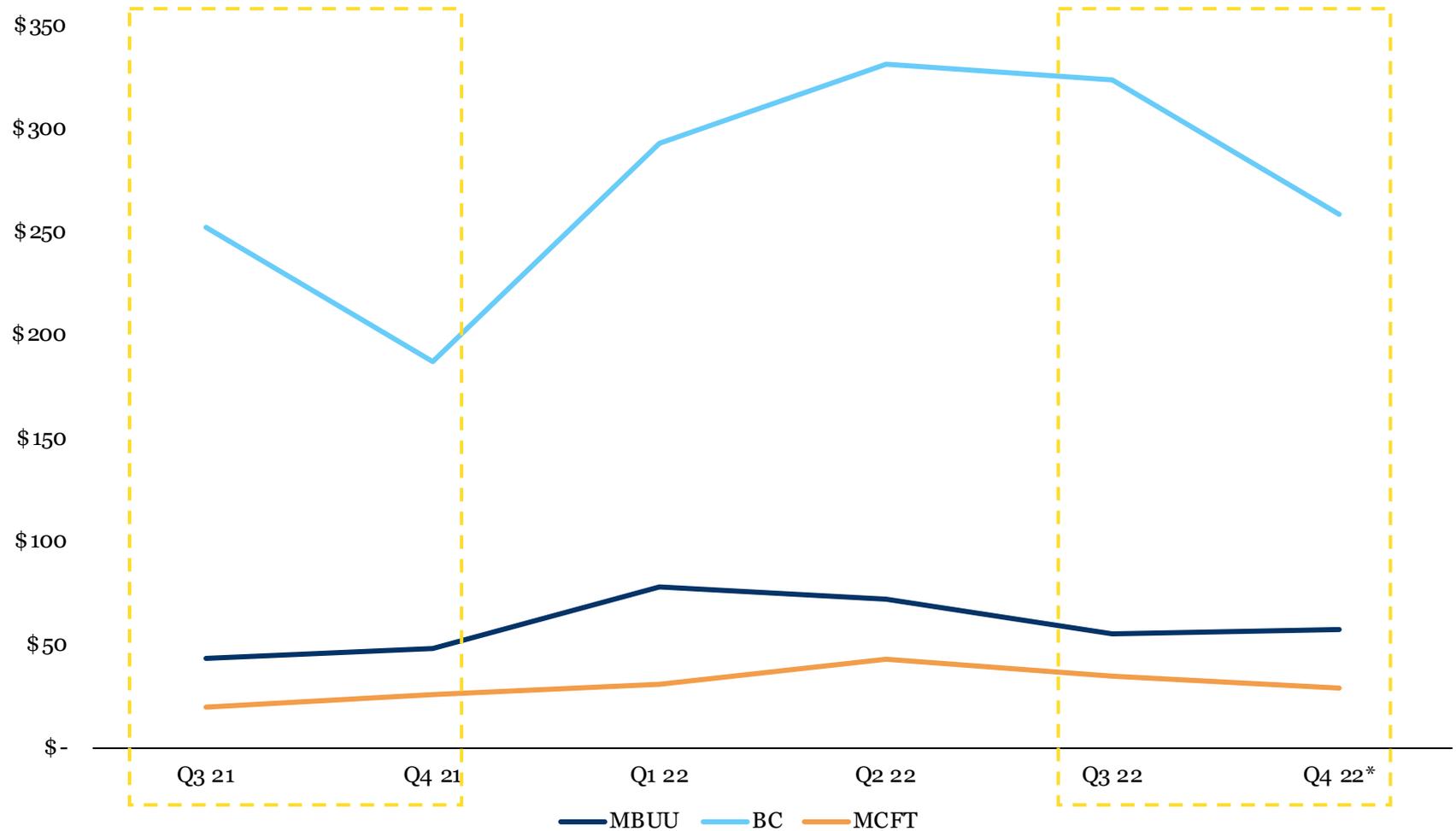
75% of North American shipments in 2022 were made with Floor Plan Financing programs

Free Flooring as additional layer of Floor Plan Financing is mutually beneficial for Malibu Boats and their dealers to encourage year-round sales

Cyclicality of Boat Market v. Malibu

MBUU mitigates cyclicality common in the boat market, as seen by the fact that it realizes EBITDA growth between Q3 and Q4, which is due to Malibu's Free Flooring

Quarterly EBITDA (\$mm) of MBUU v. Competitors



Sources: CapitalIQ

*EBITDA numbers have been calendarized to correspond with a fiscal year ending on December 31

③ Proven Growth Strategies

Vertical Integration

As Malibu Boats aims to gain more market share and expand customer reach, its vertical integration strategy has given them a competitive advantage by allowing them to avoid certain supply chain shortages and cut cost significantly

In-House Manufactured Products



Towers

- Malibu G5 Tower
- Malibu GX Tower



Engines

- Malibu Monsoon M5Di
- Malibu Monsoon M6Di
- Malibu Monsoon LT4



Trailers

- Designed to fit each of MBUU's boat offerings



Flooring

- Different materials and colors available based on customer preference



Harnesses

- Electronic harnesses for different electrical parts of the boats

Overview

- MBUU focuses on vertical integration to gain better control of the supply chain, improve quality of products and reduce costs
- MBUU began vertical integration efforts in **2009**, when they became the first and only boat manufacturer to produce their own towers
- Season of use is incredible short, emphasizing the importance of in-house manufacturing
- COVID-19 headwinds still negatively affecting supply chain

Vertical Integration Strategy

> 25%

of production includes vertically integrated elements

**Company
Innovations**

**Strategic
Acquisitions**

Industry-First Innovations

Malibu Boats is continually innovating and developing new industry-first products, while improving their current offerings

Power Wedge



- Similar to a hydrofoil
- Simulates adding or subtracting weight from ballast with a click of a button
- Attaches to transom of boat
- Allows operator to transform size and shape of wake
- Has multiple usable positions, unlike a traditional hydrofoil
- Introduced in 2006

Surf Gate



- Create surf wave behind boat
- Elongates hull on one side of boat to create wave on opposite side
- Offsets convergence of water behind boat
- Can function in perfectly flat water
- Customizations available
- Highly sought after intellectual property
- Introduced in 2012

Towers



- Began manufacturing own towers in 2009
- Raises or lowers in just 9 seconds
- Fully powered (no longer manually operated)
- Manufactured in-house
- Operate in half the industry average time
- Customizations available
- Introduced GX Tower in 2018

Strategic Acquisitions

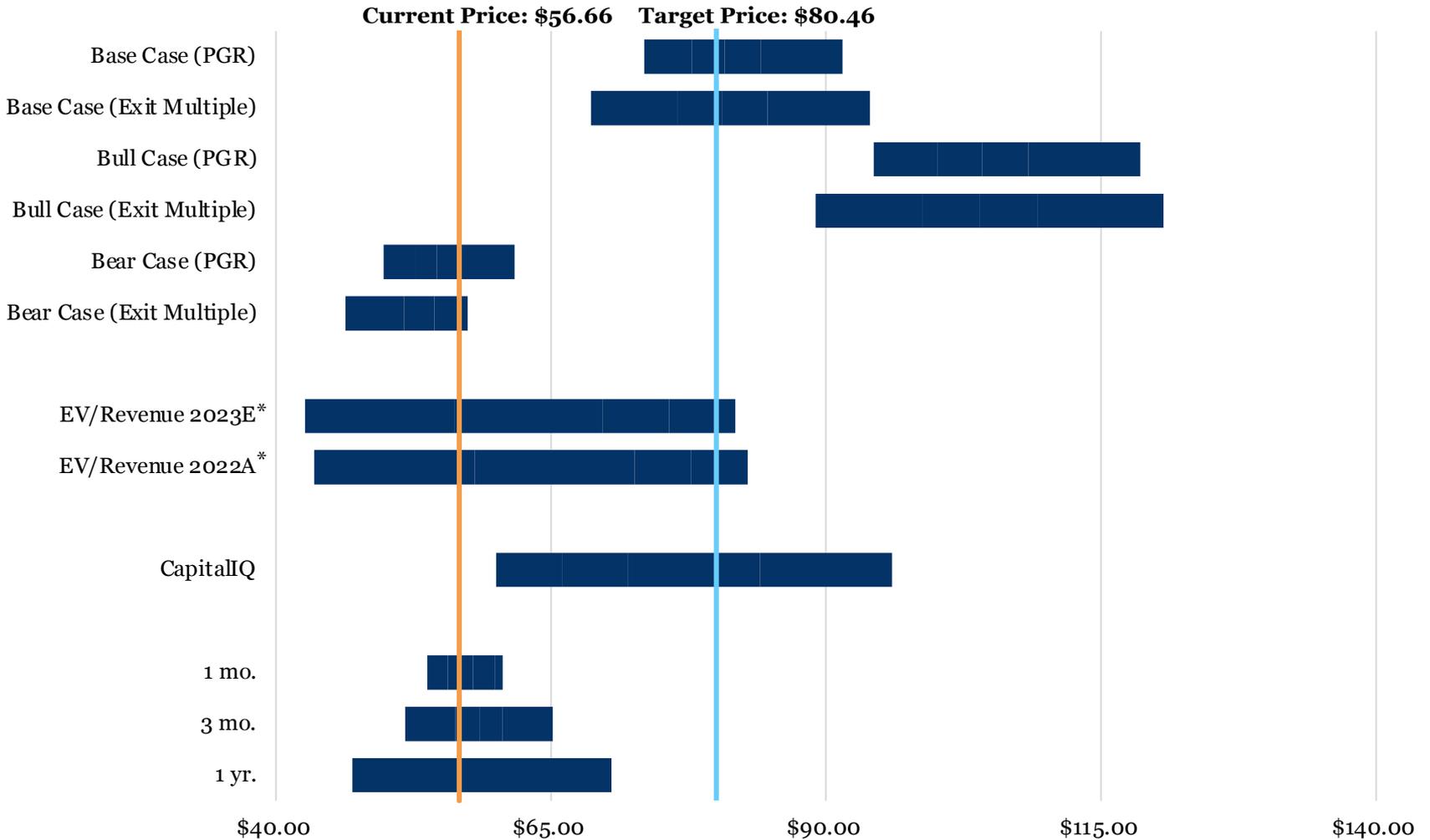
Malibu Boats is searching for acquisition targets that complement their current business and further integrate the company

Year	Target	Improve Vertical Integration?	Expand Product Offering?	Expand Customer Reach?
2017	 COBALT BOATS	✓	✓	✓
2018	 PURSUIT	✓	✓	✓
2021	 MBC MAVERICK BOAT GROUP	✓	✓	✓
2022	 Amtech, LLC.	✓		

Valuation

Malibu's Valuation

Malibu Boats is currently undervalued and Malibu will experience share appreciation because MBUU will have to continue their vertical integration strategy, strong organic growth and continue to provide best in class boats



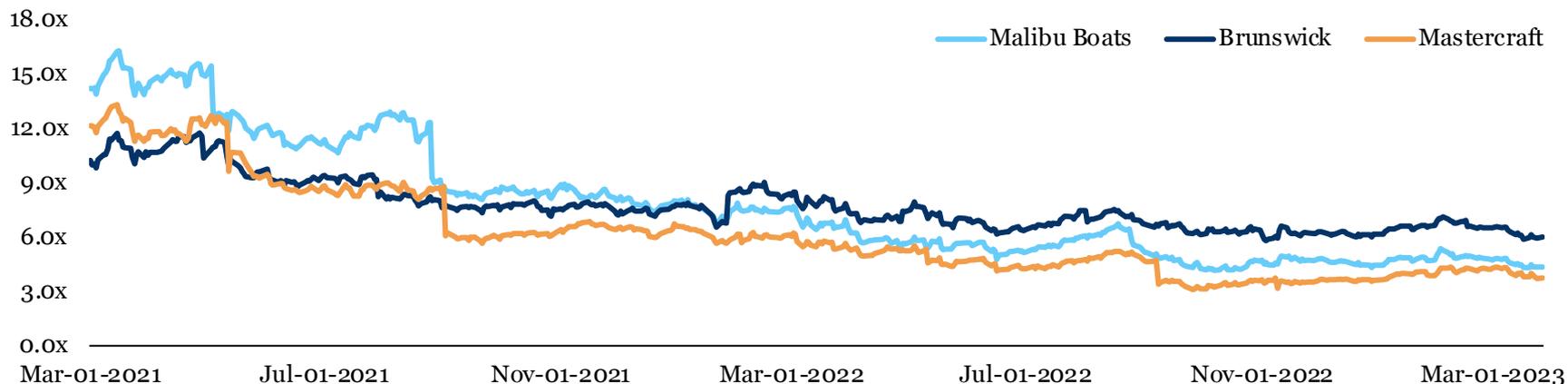
Sources: CapitalIQ, Company Materials

*EV/Revenue multiples were calculated using only Mastercraft and Brunswick

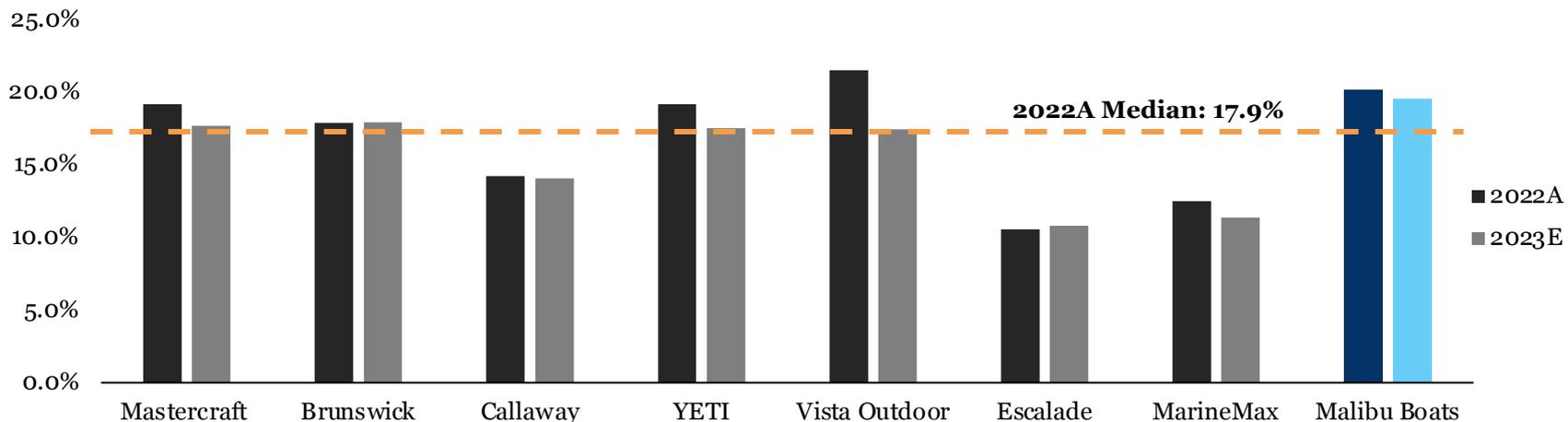
A Disconnect in the Market

MBUU is trading at 4.4x EBITDA, a discount from the median of their competitors of 6x in 2022; however, Malibu's EBITDA margins are above the median for their comps., showing a disconnect between Malibu's share price and operating metrics

EV/EBITDA Multiple Comparison



EBITDA Margin Comparison



Malibu's Leading Growth

\$ in millions

	For Fiscal Year Ending June 30th						CAGR
	2023E	2024E	2025E	2026E	2027E	2028E	
Revenue	\$1,297.8	\$1,378.9	\$1,459.7	\$1,537.9	\$1,609.3	\$1,663.9	4.2%
% Growth	6.8%	6.3%	5.9%	5.4%	4.6%	3.4%	
(-) Operating Expenses	(1,090.6)	(1,158.8)	(1,225.5)	(1,291.1)	(1,346.3)	(1,392.0)	
(+) Depreciation & Amortization	27.3	29.0	30.7	35.7	35.4	36.6	
EBITDA	234.5	249.1	264.8	282.4	298.4	308.6	4.7%
% Margin	18.1%	18.1%	18.1%	18.4%	18.5%	18.5%	
(-) Depreciation & Amortization	(27.3)	(29.0)	(30.7)	(35.7)	(35.4)	(36.6)	
EBIT	207.2	220.2	234.2	246.7	263.0	271.9	4.6%
% Margin	16.0%	16.0%	16.0%	16.0%	16.3%	16.3%	
(-) Taxes	(49.5)	(52.6)	(56.0)	(59.0)	(62.9)	(65.0)	
NOPAT	157.7	167.5	178.2	187.8	200.2	207.0	4.6%
(+) Depreciation & Amortization	27.3	29.0	30.7	35.7	35.4	36.6	
(-) Capital Expenditures	(64.9)	(72.4)	(73.0)	(89.2)	(94.9)	(99.8)	
(-) Change in Net Working Capital	(8.8)	(8.0)	(16.7)	(23.4)	(3.2)	(18.0)	
UFCF	111.2	116.1	119.2	110.8	137.4	125.7	2.1%
(-) Stub-Year	(84.0)						
FCF For Discounting	27.2	116.1	119.2	110.8	137.4	125.7	
Discount Period	0.12	0.62	1.62	2.62	3.62	4.62	
Discount Factor	0.99	0.95	0.87	0.80	0.73	0.67	
PV of UFCF	26.9	110.0	103.6	88.3	100.4	84.3	

Commentary

1

Revenue growth is driven by continued success of vertical integration and Malibu's ability to provide industry leading technology, increasing their market share

2

EBITDA margin expansion is driven by lower COGS as a percentage of revenue in later years due to vertical integration reducing input costs

3

Discounted cash flows at a WACC of 9% based on Malibu's capital structure

Opportunity of Malibu Boats

Exit Multiple Method:

Terminal Value:	
2028 EBITDA	\$308.6
Exit Multiple	6.0x
Terminal Value	\$1,862.5
Period	4.6
PV of Terminal Value	\$1,248.6
Implied PGR	0.9%

Gordon Growth Method:

Terminal Value:	
2028 FCF	125.7
PGR	2.0%
Terminal Value	1,822.6
Period	4.6
PV of Terminal Value	\$1,221.8
Implied Exit Multiple	5.9x

Blended Share Price:

Exit Multiple Method:	\$81.12
% Weight	50%
Gordon Growth Method:	\$79.87
% Weight	50%
Blended Share Price	\$80.49
<i>Implied Upside</i>	42.1%

PV of Period Cash Flows	\$513.6
PV of Terminal Value	\$1,248.6
Total	\$1,762.2
Period Cash Flows	29.1%
Terminal Value	71%
Total	100.0%

PV of Period Cash Flows	\$513.6
PV of Terminal Value	\$1,221.8
Total	\$1,735.4
Period Cash Flows	29.6%
Terminal Value	70.4%
Total	100%

Commentary

1

Exit multiple was determined from the 2022A median of comparable companies

2

Decided on a PGR of 2.0% as we believe that, in the steady state, the target inflation is a good proxy for growth

3

Took a 50/50 blend of the two output stock prices and came to an implied share price of \$80.49, which is a 42.1% upside from the current share price of \$56.66

Implied Share Price:	
Enterprise Value	\$1,762.2
(-) Total Debt	(118.0)
(+) Cash	83.7
Equity Value	\$1,727.9
Shares Outstanding	21.3
Share Price	\$81.12
Upside/Downside	43.2%

Implied Share Price:	
Enterprise Value	\$1,735.4
(-) Total Debt	(118.0)
(+) Cash	83.7
Equity Value	\$1,701.1
Shares Outstanding	21.3
Share Price	\$79.87
Upside/Downside	41.0%

The Best in Boating

What You Need to Believe

Larger TAM

Watersports will continue to be popular and grow in popularity in the coming years. Despite recessionary headwinds, demand for boats will remain steady and Malibu will be able to capture this increase

Steady Cash Flows

Despite operating in a fairly cyclical industry, Malibu will continue to realize steady cash flows through the year and maintain their strong dealership network

Growth Plan

Malibu can continue their vertical integration plan, allowing them to reduce input costs. Malibu will also continue to provide industry leading technology in their boats

Under-valued

Malibu is currently undervalued and will experience share appreciation, as there is a disconnect in the market between Malibu's operating statistics and trading metrics

Price Target:

\$80.49

42.1% upside to current **\$56.66**

Appendix

Resiliency in a Recession

Malibu Boats will remain strong in a recession due to their customer resiliency and loyalty, diverse array of products that appeal to many customer types, continued sales to dealerships and strong order backlog

Although Malibu Boats is a producer of luxury goods, Malibu sells primarily to dealerships rather than consumers themselves, so Malibu Boats will be able to maintain their strong financial position and look to grow the company, regardless of economic conditions

Initially, the market expected consumer spending on luxury goods would decrease dramatically

However, with recessionary headwinds present for the last 8 months, the market has not seen as large a slow down on luxury good spending as anticipated

Customers of Malibu Boats have shown that they are **willing to purchase a boat** regardless of the economic conditions

Malibu also has a **diverse array of boats** that range from affordable to luxury boats, which helps them appeal to many customer types

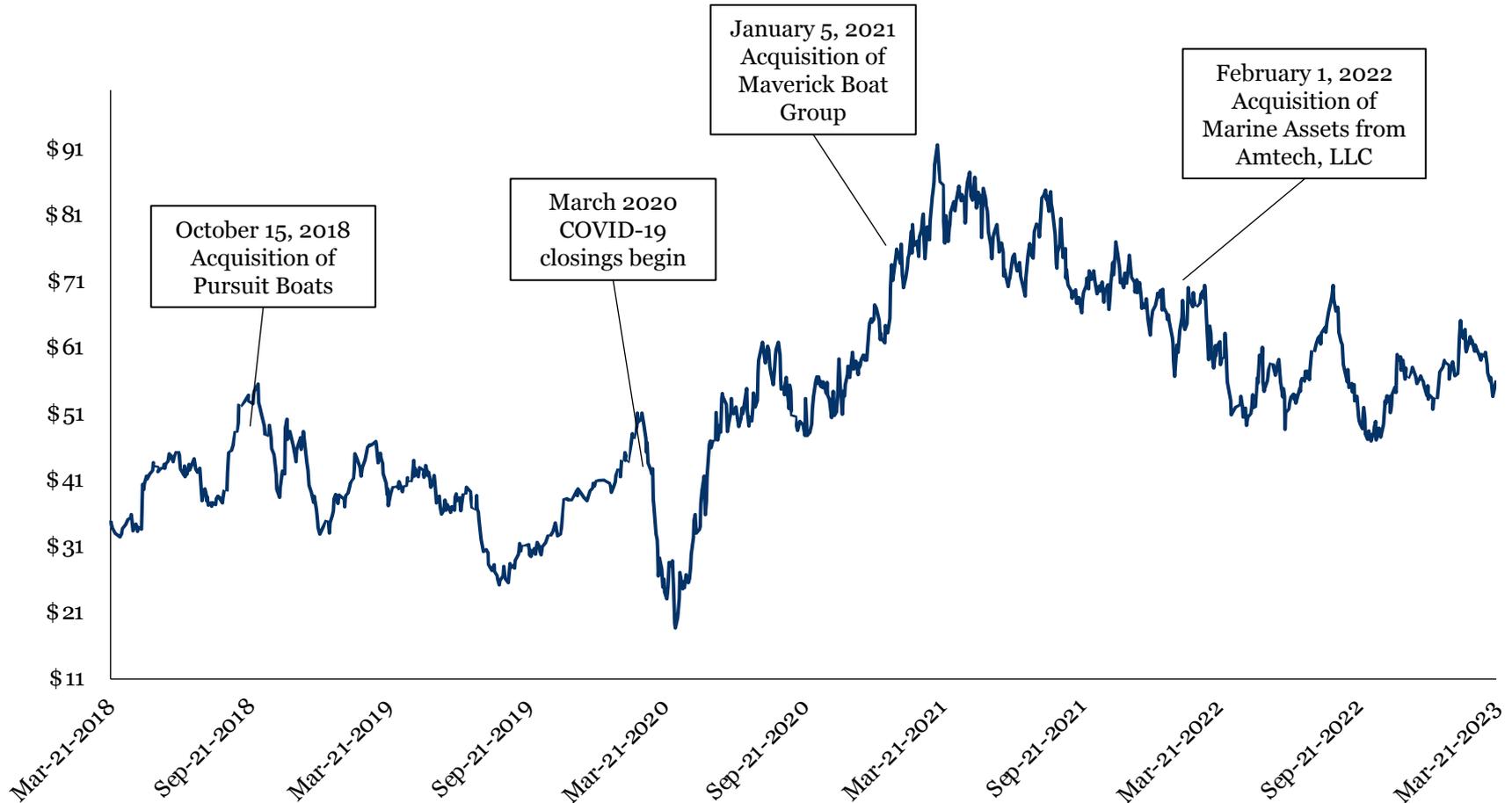
Malibu Boats **focuses on sales to dealerships**, so they are relatively protected from consumer decisions on purchases of boats

Currently, Malibu Boats is **producing boats to meet demand** and fulfil their existing backlog of orders

Due to these factors, Malibu Boats was able to grow EBITDA in their Q2 2023 (October to December), despite high interest rates and recessionary headwinds

Annotated Stock Chart

Malibu Boats stock price has increased over the past 5 years, but there is room for more growth in price



Management Team

Malibu Boats has a strong and experienced management team guiding strategy of the company through acquisitions and finances



Jack Springer
*Chief Executive Officer and
Director*

Began as CEO in February 2010 and is on the Board of Directors

Was Chief Integration Officer at Nautical Global Group from 2004-2007 where he led the integration of two boat manufacturers



Wayne Wilson
Chief Financial Officer

Began as CFO in November 2009

Formerly a VP at Black Canyon Capital LLC where he executed many acquisitions and deals



Ritchie Anderson
Chief Operating Officer

Began as COO in September 2013

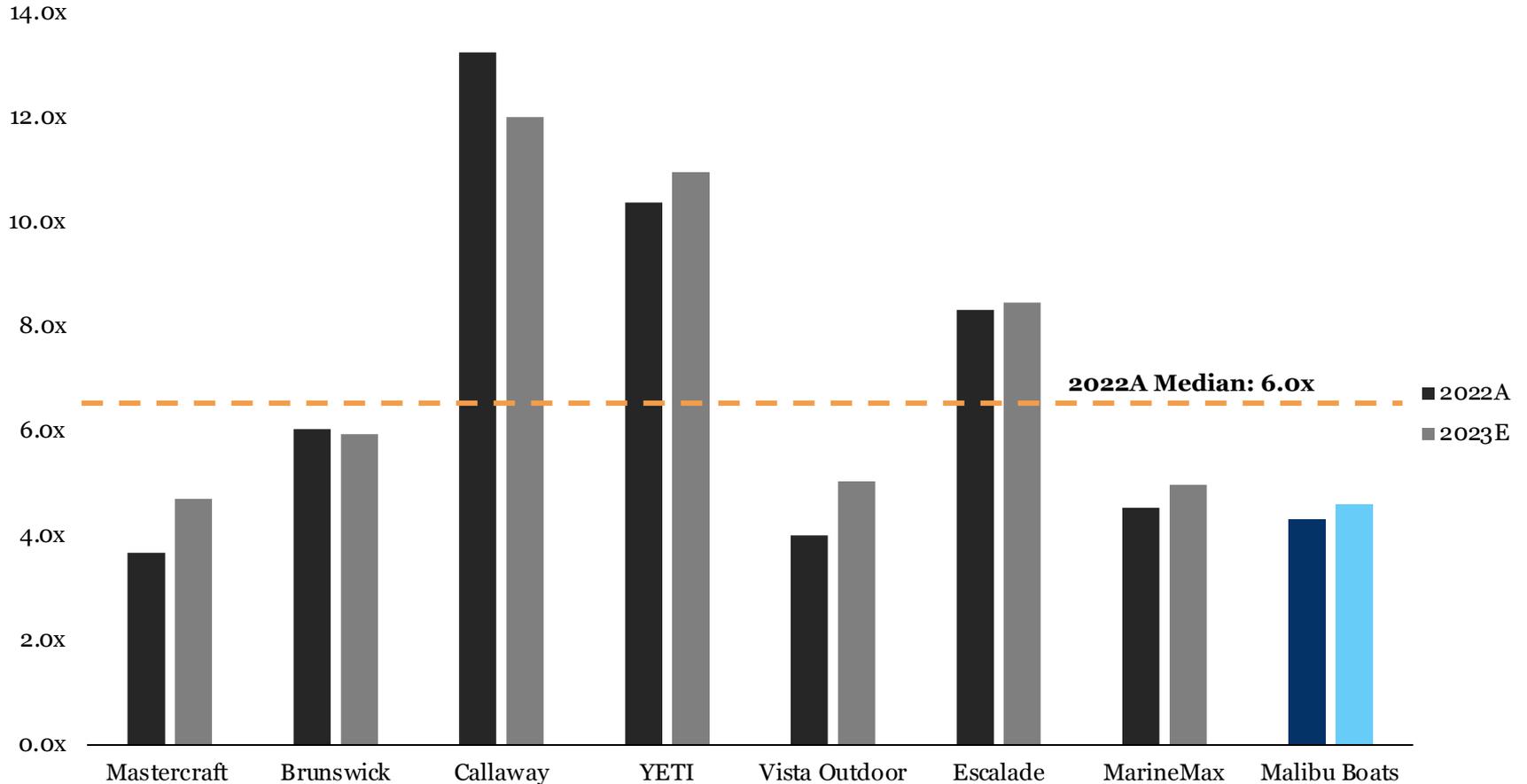
Has more than 30 years of experience in the boat manufacturing industry

Was a VP of operations at MasterCraft Boat Company and was involved in production management there for 28 years

A Disconnect in the Market

MBUU is trading at a significant discount to their comparable companies, emphasizing how the company is undervalued and is positioned to experience share and multiple appreciation going forward

EV/EBITDA Multiple Comparison



MBUU WACC

Weighted Average Cost of Capital:

Risk Free Rate	3.5%
Bloomberg Adjusted Beta	0.95
Market Risk Premium	6.2%
Cost of Equity	9.4%
Risk Free Rate	3.9%
Spread	3.1%
Tax Rate	23.9%
Cost of Debt	5.3%
Total Equity	\$1,206.9
Total Debt	\$118.0
Equity / Total Capitalization	91.1%
Debt / Total Capitalization	8.9%
WACC	9.0%

MBUU Income Statement

\$ in millions

	Historical Years			Forecasted Years					
	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E
Income Statement:									
Total Revenue	\$653.2	\$926.5	\$1,214.9	\$1,297.8	\$1,378.9	\$1,459.7	\$1,537.9	\$1,609.3	\$1,663.9
% Growth	(4.0%)	41.8%	31.1%	6.8%	6.3%	5.9%	5.4%	4.6%	3.4%
(-) Cost of Goods Sold	(501.3)	(689.1)	(904.8)	(986.3)	(1,045.2)	(1,102.1)	(1,158.8)	(1,207.0)	(1,248.0)
Gross Profit	\$151.9	\$237.4	\$310.1	\$311.5	\$333.7	\$357.6	\$379.9	\$402.3	\$416.0
% Margin	23.3%	25.6%	25.5%	24.0%	24.2%	24.5%	24.7%	25.0%	25.0%
(-) Selling, General, and Administrative	(54.8)	(71.8)	(89.3)	(101.2)	(110.3)	(121.2)	(130.7)	(136.8)	(141.4)
(-) Amortization of Goodwill and Intangibles	(6.1)	(7.3)	(7.8)	(3.0)	(3.2)	(2.3)	(2.4)	(2.5)	(2.6)
EBIT	\$89.0	\$159.1	\$213.8	\$207.2	\$220.2	\$234.2	\$246.7	\$263.0	\$271.9
% Margin	13.6%	17.2%	17.6%	16.0%	16.0%	16.0%	16.0%	16.3%	16.3%
(-) Interest Expense, Net	(2.9)	(2.6)	(2.9)	(3.0)	(2.0)	(2.7)	(2.6)	(2.4)	(2.4)
(-) Other Non-operating Expenses	2.3	1.8	(1.8)	0.0	0.0	0.0	0.0	0.0	0.0
(-) Other Unusual Expenses	(3.6)	(9.3)	-	-	-	-	-	-	-
Pre-Tax Income	\$83.8	\$148.3	\$209.9	\$204.3	\$217.2	\$231.5	\$244.2	\$260.7	\$269.6
% Margin	12.8%	16.0%	17.3%	15.7%	15.8%	15.9%	15.9%	16.2%	16.2%
(-) Taxes	(19.1)	(34.8)	(46.5)	(48.8)	(51.9)	(55.3)	(58.4)	(62.3)	(64.4)
% Effective Tax Rate	22.8%	22.9%	22.2%	23.9%	(23.9%)	(23.9%)	(23.9%)	(23.9%)	(23.9%)
Net Income (GAAP)	\$64.7	\$114.3	\$163.4	\$155.4	\$165.3	\$176.2	\$185.9	\$198.4	\$205.2
(-) Minority Interest in Earnings	(3.1)	(4.4)	(5.8)	(6.5)	(6.9)	(7.3)	(7.7)	(8.0)	(8.3)
Net Income to Company	\$61.6	\$109.9	\$157.6	\$148.9	\$158.4	\$168.9	\$178.2	\$190.3	\$196.8
BSO	20.7	20.8	20.7	20.7	20.7	20.7	20.7	20.7	20.7
Basic Earnings Per Share (GAAP)	\$2.98	\$5.38	\$7.60	\$7.18	\$7.64	\$8.14	\$8.59	\$9.17	\$9.49
FDSO	20.9	21.8	20.9	20.9	20.9	20.9	20.9	20.9	20.9
Diluted Earnings Per Share (GAAP)	\$2.95	\$5.23	\$7.55	\$7.14	\$7.59	\$8.09	\$8.54	\$9.12	\$9.43

MBUU Calculations

\$ in millions

	Historical Years			Forecasted Years					
	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E
Revenue:									
Malibu	354.8	483.5	607.5	647.0	685.8	724.9	761.1	795.4	819.3
% of Total Revenue	54.3%	52.2%	50.0%	49.9%	49.7%	49.7%	49.5%	49.4%	49.2%
Saltwater Fishing	123.6	242.9	341.9	366.9	390.7	415.7	441.7	463.8	482.3
% of Total Revenue	18.9%	26.2%	28.1%	28.3%	28.3%	28.5%	28.7%	28.8%	29.0%
Cobalt	174.8	200.1	265.4	284.0	302.4	319.1	335.0	350.1	362.4
% of Total Revenue	26.8%	21.6%	21.8%	21.9%	21.9%	21.9%	21.8%	21.8%	21.8%
Total Revenue	\$653.2	\$926.5	\$1,214.8	\$1,297.8	\$1,378.9	\$1,459.7	\$1,537.9	\$1,609.3	\$1,663.9
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% Margin	23.3%	25.6%	25.5%	24.0%	24.2%	24.5%	24.7%	25.0%	25.0%
Expenses:									
Operating Expenses:									
Cost of Good Sold	501.3	689.1	904.8	986.3	1,045.2	1,102.1	1,158.0	1,207.0	1,248.0
Selling, General, and Administrative	66.8	71.0	89.3	101.2	110.3	121.2	130.7	136.8	141.4
Other Operating Expenses	2.3	1.0	(1.0)	3.0	3.2	2.3	2.4	2.5	2.6
Total Operating Expenses	\$560.4	\$761.1	\$993.1	\$1,090.6	\$1,158.8	\$1,225.5	\$1,291.1	\$1,346.3	\$1,392.0
Non-Operating Expenses:									
Interest Expense, Net	3.9	2.5	2.9	3.0	3.0	2.7	2.5	2.4	2.4
Total Non-Operating Expenses	\$3.9	\$2.5	\$2.9	\$3.0	\$3.0	\$2.7	\$2.5	\$2.4	\$2.4
Minority Interest in Earnings:									
Minority Interest in Earnings	3.1	4.4	5.8	6.5	6.9	7.3	7.7	8.0	8.3
Total Minority Interest	\$3.1	\$4.4	\$5.8	\$6.5	\$6.9	\$7.3	\$7.7	\$8.0	\$8.3
Income Taxes:									
Income Tax Expense	19.1	34.0	46.5	48.8	51.9	55.3	58.4	62.3	64.4
Total Income Tax Expense	\$19.1	\$34.0	\$46.5	\$48.8	\$51.9	\$55.3	\$58.4	\$62.3	\$64.4

Sources: Company Materials, CapitalIQ

MBUU PP&E Build

\$ in millions

	Historical Years			Forecasted Years					
	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E
Property, Plant, and Equipment:									
Beginning PP&E	\$65.8	\$108.6	\$145.5	\$181.4	\$228.1	\$279.8	\$330.9	\$393.7	\$462.9
(+) Capital Expenditures	78.7	81.6	97.2	64.9	72.4	73.0	89.2	94.9	99.8
(-) Proceeds from Sale of PP&E	-	-	-	-	-	-	-	-	-
(-) Depreciation	(12.2)	(15.6)	(19.4)	(18.2)	(20.7)	(21.9)	(26.4)	(25.7)	(26.6)
(-) Other Changes in PP&E	(23.7)	(29.1)	(41.9)	0.0	0.0	0.0	0.0	0.0	0.0
Ending PP&E	\$108.6	\$145.5	\$181.4	\$228.1	\$279.8	\$330.9	\$393.7	\$462.9	\$536.1

MBUU Net Working Capital Build

\$ in millions

	Historical Years			Forecasted Years					
	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E
Working Capital:									
Total Receivables	13.8	49.8	51.6	64.9	73.1	80.3	84.6	90.1	93.2
Inventory	72.9	116.7	157.0	181.7	183.4	197.1	212.2	222.1	229.6
Prepaid Expenses	4.0	4.8	6.2	6.5	6.9	7.3	7.7	8.0	8.3
Other Current Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Cash Current Assets	\$90.7	\$171.3	\$214.8	\$253.1	\$263.4	\$284.6	\$304.5	\$320.2	\$331.1
Accounts Payable	15.8	46.0	44.4	54.2	52.3	52.9	52.1	54.3	56.2
Income Taxes Payable	0.2	3.2	1.7	2.6	2.8	2.9	3.1	3.2	3.3
Accrued Expenses	19.9	36.7	42.1	45.4	48.3	48.2	46.1	48.3	49.9
Operating Leases Liability and Other Current Liabilities	34.1	44.3	49.5	64.9	66.2	70.1	69.2	77.2	66.6
Non-Debt Current Liabilities	\$70.0	\$130.2	\$137.7	\$167.2	\$169.5	\$174.1	\$170.5	\$183.1	\$176.0
Net Working Capital	20.7	41.1	77.1	85.9	93.9	110.6	134.0	137.2	155.2
Change in Net Working Capital		\$20.4	\$36.0	\$8.8	\$8.0	\$16.7	\$23.4	\$3.2	\$18.0

MBUU Comps Output

\$ in Millions, Unless Otherwise Noted

Malibu Boats Comparable Companies Analysis Date of Analysis: 3/25/2023

Company	Ticker	Enterprise		EV/Revenue			EV/EBITDA			EBITDA Margin	
		Value	Equity Value	2021A	2022A	2023E	2021A	2022A	2023E	LTM	NTM
MasterCraft Boat Holdings, Inc.	MCFT	\$511	\$545	0.9x	0.7x	0.8x	5.3x	3.7x	4.7x	11.6%	19.2%
Brunswick Corporation	BC	\$7,451	\$5,416	1.3x	1.1x	1.1x	7.2x	6.0x	5.9x	17.7%	17.5%
Topgolf Callaway Brands Corp.	MOOG	\$7,505	\$3,878	2.4x	1.9x	1.7x	17.5x	13.2x	12.0x	11.7%	14.2%
YETI Holdings, Inc.	YETI	\$3,258	\$3,329	2.3x	2.0x	1.9x	10.0x	10.4x	10.9x	10.4%	19.2%
Vista Outdoor Inc.	VSTO	\$2,712	\$1,460	1.0x	0.9x	0.9x	4.2x	4.0x	5.0x	21.6%	21.5%
Escalade, Incorporated	ESCA	\$274	\$174	0.9x	0.9x	0.9x	8.0x	8.3x	8.5x	10.3%	10.5%
MarinaMax, Inc.	HZO	\$1,331	\$585	0.6x	0.6x	0.6x	5.8x	4.5x	5.0x	12.2%	12.5%

Malibu Boats, Inc.	MBUU	\$1,143	\$1,100	1.1 x	0.9 x	0.9 x	5.6 x	4.3 x	4.6 x	19.5%	20.2%
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Low	\$214.4	\$173.8	0.6x	0.6x	0.6x	4.2x	3.7x	4.7x	10.3%	10.5%
Mean	\$3,291.7	\$2,198.2	1.3x	1.1x	1.1x	8.3x	7.2x	7.4x	14.5%	16.4%
Median	\$2,712.2	\$1,459.8	1.0x	0.9x	0.9x	7.2x	6.0x	5.9x	12.2%	17.9%
High	\$7,505.0	\$5,416.1	2.4x	2.0x	1.9x	17.5x	13.2x	12.0x	21.6%	21.5%

Company	Ticker	Revenue			Revenue Growth		EBITDA			EBITDA Margin	
		2021A	2022A	2023E	21-22	22-23	2021A	2022A	2023E	2022A	2023E
MasterCraft Boat Holdings, Inc.	MCFT	\$601	\$725	\$614	20.5%	-15.3%	\$96	\$139	\$109	19.2%	17.7%
Brunswick Corporation	BC	\$5,794	\$6,889	\$6,981	18.9%	1.3%	\$1,033	\$1,234	\$1,254	17.9%	18.0%
Topgolf Callaway Brands Corp.	MOOG	\$3,126	\$3,986	\$4,449	27.5%	11.7%	\$429	\$667	\$626	14.2%	14.1%
YETI Holdings, Inc.	YETI	\$1,409	\$1,638	\$1,696	16.3%	3.5%	\$325	\$314	\$298	19.2%	17.6%
Vista Outdoor Inc.	VSTO	\$2,785	\$3,147	\$3,086	13.0%	-1.9%	\$642	\$677	\$538	21.5%	17.4%
Escalade, Incorporated	ESCA	\$301	\$313	\$300	4.0%	-4.0%	\$34	\$33	\$32	10.5%	10.8%
MarinaMax, Inc.	HZO	\$2,096	\$2,345	\$2,350	11.9%	0.2%	\$229	\$293	\$267	12.5%	11.4%

Malibu Boats, Inc.	MBUU	\$1,064	\$1,314	\$1,266	23.5%	-3.6%	\$203	\$265	\$248	20.2%	19.6%
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Low	\$301	\$313	\$300	4.0%	-15.3%	\$34	\$33	\$32	10.5%	10.8%
Mean	\$2,301	\$2,720	\$2,782	16.0%	-0.6%	\$398	\$465	\$446	16.4%	15.3%
Median	\$2,096	\$2,345	\$2,350	16.3%	0.2%	\$325	\$314	\$298	17.9%	17.4%
High	\$5,794	\$6,889	\$6,981	27.5%	11.7%	\$1,033	\$1,234	\$1,254	21.5%	18.0%

Base Case Sensitivity Tables

Exit Multiple Method:

		Discount Rate						
		8.3%	8.5%	8.8%	9.0%	9.3%	9.5%	9.8%
Exit Multiple	4.5x	\$78.91	\$76.91	\$75.04	\$73.29	\$71.64	\$70.08	\$68.61
	5.0x	\$81.42	\$79.40	\$77.50	\$75.72	\$74.04	\$72.46	\$70.96
	5.5x	\$83.93	\$81.88	\$79.96	\$78.15	\$76.45	\$74.84	\$73.32
	6.0x	\$86.44	\$84.37	\$82.42	\$80.58	\$78.85	\$77.22	\$75.67
	6.5x	\$88.96	\$86.85	\$84.87	\$83.01	\$81.26	\$79.60	\$78.03
	7.0x	\$91.47	\$89.33	\$87.33	\$85.45	\$83.67	\$81.98	\$80.38
	7.5x	\$93.98	\$91.82	\$89.79	\$87.88	\$86.07	\$84.36	\$82.74

Gordon Growth Method:

		Discount Rate						
		8.3%	8.5%	8.8%	9.0%	9.3%	9.5%	9.8%
Exit Multiple	1.3%	\$82.83	\$81.05	\$79.37	\$77.77	\$76.26	\$74.82	\$73.44
	1.5%	\$84.00	\$82.13	\$80.37	\$78.70	\$77.12	\$75.62	\$74.20
	1.8%	\$85.26	\$83.29	\$81.44	\$79.69	\$78.04	\$76.48	\$74.99
	2.0%	\$86.63	\$84.55	\$82.59	\$80.76	\$79.03	\$77.39	\$75.84
	2.3%	\$88.10	\$85.90	\$83.83	\$81.90	\$80.08	\$78.37	\$76.75
	2.5%	\$89.71	\$87.36	\$85.18	\$83.13	\$81.22	\$79.42	\$77.72
	2.8%	\$91.46	\$88.95	\$86.63	\$84.46	\$82.44	\$80.54	\$78.76

Bull Case Sensitivity Tables

Exit Multiple Method:

		Discount Rate						
		8.3%	8.5%	8.8%	9.0%	9.3%	9.5%	9.8%
Exit Multiple	4.5x	\$102.85	\$100.17	\$97.66	\$95.31	\$93.10	\$91.02	\$89.05
	5.0x	\$105.82	\$103.10	\$100.56	\$98.18	\$95.94	\$93.83	\$91.84
	5.5x	\$108.78	\$106.03	\$103.47	\$101.05	\$98.78	\$96.64	\$94.62
	6.0x	\$111.75	\$108.97	\$106.37	\$103.93	\$101.63	\$99.46	\$97.40
	6.5x	\$114.71	\$111.90	\$109.27	\$106.80	\$104.47	\$102.27	\$100.18
	7.0x	\$117.68	\$114.84	\$112.17	\$109.67	\$107.31	\$105.08	\$102.97
	7.5x	\$120.64	\$117.77	\$115.08	\$112.54	\$110.15	\$107.89	\$105.75

Gordon Growth Method:

		Discount Rate						
		8.3%	8.5%	8.8%	9.0%	9.3%	9.5%	9.8%
Exit Multiple	1.3%	\$106.77	\$104.40	\$102.17	\$100.05	\$98.04	\$96.14	\$94.32
	1.5%	\$108.37	\$105.88	\$103.54	\$101.32	\$99.23	\$97.24	\$95.35
	1.8%	\$110.10	\$107.47	\$105.00	\$102.68	\$100.49	\$98.41	\$96.44
	2.0%	\$111.96	\$109.18	\$106.58	\$104.13	\$101.83	\$99.66	\$97.60
	2.3%	\$113.98	\$111.03	\$108.28	\$105.70	\$103.28	\$101.00	\$98.84
	2.5%	\$116.18	\$113.03	\$110.11	\$107.38	\$104.83	\$102.43	\$100.17
	2.8%	\$118.57	\$115.21	\$112.10	\$109.20	\$106.50	\$103.96	\$101.59

Bear Case Sensitivity Tables

Exit Multiple Method:

		Discount Rate						
		8.3%	8.5%	8.8%	9.0%	9.3%	9.5%	9.8%
Exit Multiple	4.5x	\$53.13	\$51.80	\$50.56	\$49.40	\$48.31	\$47.27	\$46.29
	5.0x	\$54.87	\$53.53	\$52.27	\$51.09	\$49.98	\$48.93	\$47.93
	5.5x	\$56.62	\$55.26	\$53.98	\$52.78	\$51.65	\$50.58	\$49.57
	6.0x	\$58.36	\$56.98	\$55.69	\$54.47	\$53.32	\$52.23	\$51.20
	6.5x	\$60.11	\$58.71	\$57.39	\$56.16	\$54.99	\$53.89	\$52.84
	7.0x	\$61.85	\$60.43	\$59.10	\$57.85	\$56.66	\$55.54	\$54.48
	7.5x	\$63.59	\$62.16	\$60.81	\$59.54	\$58.34	\$57.20	\$56.11

Gordon Growth Method:

		Discount Rate						
		8.3%	8.5%	8.8%	9.0%	9.3%	9.5%	9.8%
Exit Multiple	1.3%	\$56.00	\$54.81	\$53.69	\$52.63	\$51.62	\$50.66	\$49.75
	1.5%	\$56.77	\$55.52	\$54.35	\$53.24	\$52.19	\$51.19	\$50.24
	1.8%	\$57.59	\$56.29	\$55.05	\$53.89	\$52.80	\$51.75	\$50.77
	2.0%	\$58.49	\$57.11	\$55.81	\$54.59	\$53.44	\$52.35	\$51.32
	2.3%	\$59.46	\$57.99	\$56.63	\$55.34	\$54.13	\$53.00	\$51.92
	2.5%	\$60.51	\$58.96	\$57.51	\$56.15	\$54.88	\$53.68	\$52.55
	2.8%	\$61.66	\$60.00	\$58.46	\$57.02	\$55.68	\$54.42	\$53.23