



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

September 2022



LEGAL SAFE HARBOR

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

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

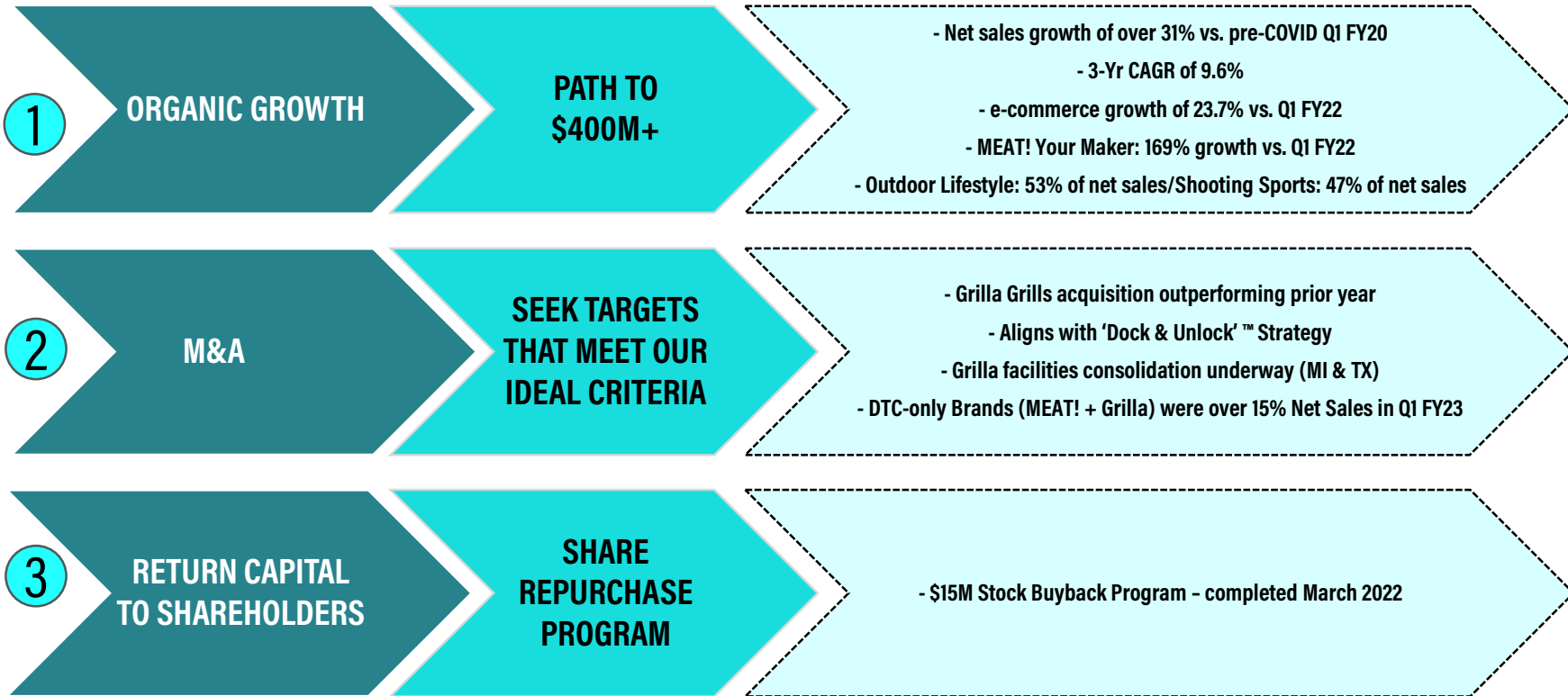


Q1 FY23 Highlights



DISCIPLINED EXECUTION OF LONG-TERM VALUE CREATION STRATEGY

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

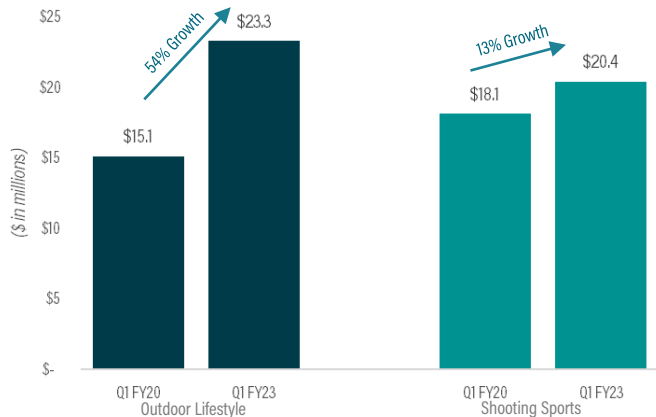




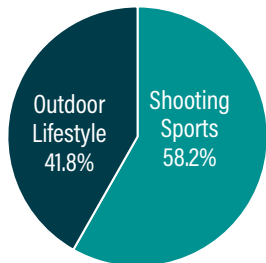
SUSTAINED GROWTH COMPARED TO PRE-PANDEMIC LEVELS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

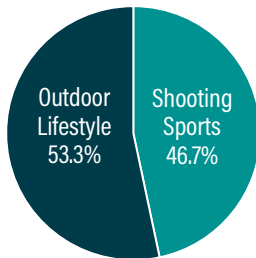
Demonstrated Net Sales Growth



Mix Shift Toward Outdoor Lifestyle



Q1 FY22 Net Sales



Q1 FY23 Net Sales

- **Outdoor Lifestyle Net Sales**
 - Q1 FY23 vs Q1 FY22: -8.3%
 - Q1 FY23 vs Q1 FY20 (pre-pandemic): +54.2%
- Expected to represent a majority of sales in near-term and be major growth driver of business going forward
- Growth supported by:
 - Fishing (BUBBA)
 - Land management (Hooyman)
 - Meat processing (MEAT! Your Maker)
 - Outdoor cooking (Grilla)

- **Shooting Sports Net Sales**
 - Q1 FY23 vs Q1 FY22: -42.4%
 - Q1 FY23 vs Q1 FY20 (pre-pandemic): +12.6%
- Growth opportunity in shooting sports focused on expanding into large, stable categories including:
 - Shotgun sports (Caldwell)
 - Reloading (Frankford Arsenal)
 - Optics (Crimson Trace)
 - Hand Tools (Wheeler)
 - Security Solutions (Lockdown)



GRILLA: EXCLUSIVE “TURN-KEY” OUTDOOR COOKING ECOSYSTEM

All Major Outdoor Cooking Platforms Offered ...

- ✓ Wifi Pellet Grills
- ✓ Pellet Smokers
- ✓ Gas Grills
- ✓ Griddles / Flat Tops
- ✓ Kamado Grills



... Designed with an Ecosystem in Mind ...



“I have a [Silverback] and Primate. I got the 3-piece kitchen but need to buy the corner and an additional 31-inch cabinet.”

- Facebook Post from Grilla Customer (July 2022)



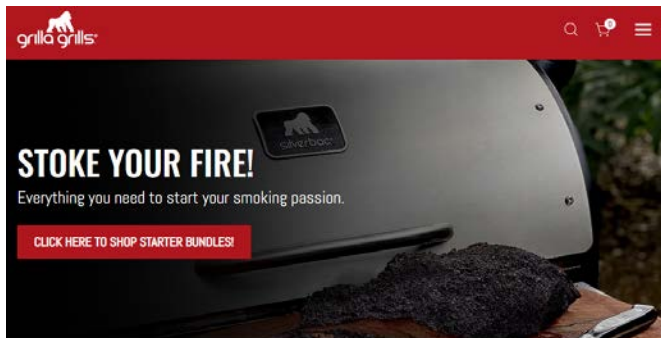
AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



DTC-ONLY BRANDS DELIVERED OVER 15% OF Q1 NET SALES

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

... All Sold Direct-to-Consumer...



Silverbac Wood Pellet Grill Alpha Connect (WiFi) \$899.00	Silverbac All-Terrain Alpha Connect - WiFi \$1,099.00	Chimp Tailgater WiFi Wood Pellet Grill \$599.00
BUY NOW	BUY NOW	BUY NOW

... While Leveraging Complementary AOB Brand Audiences



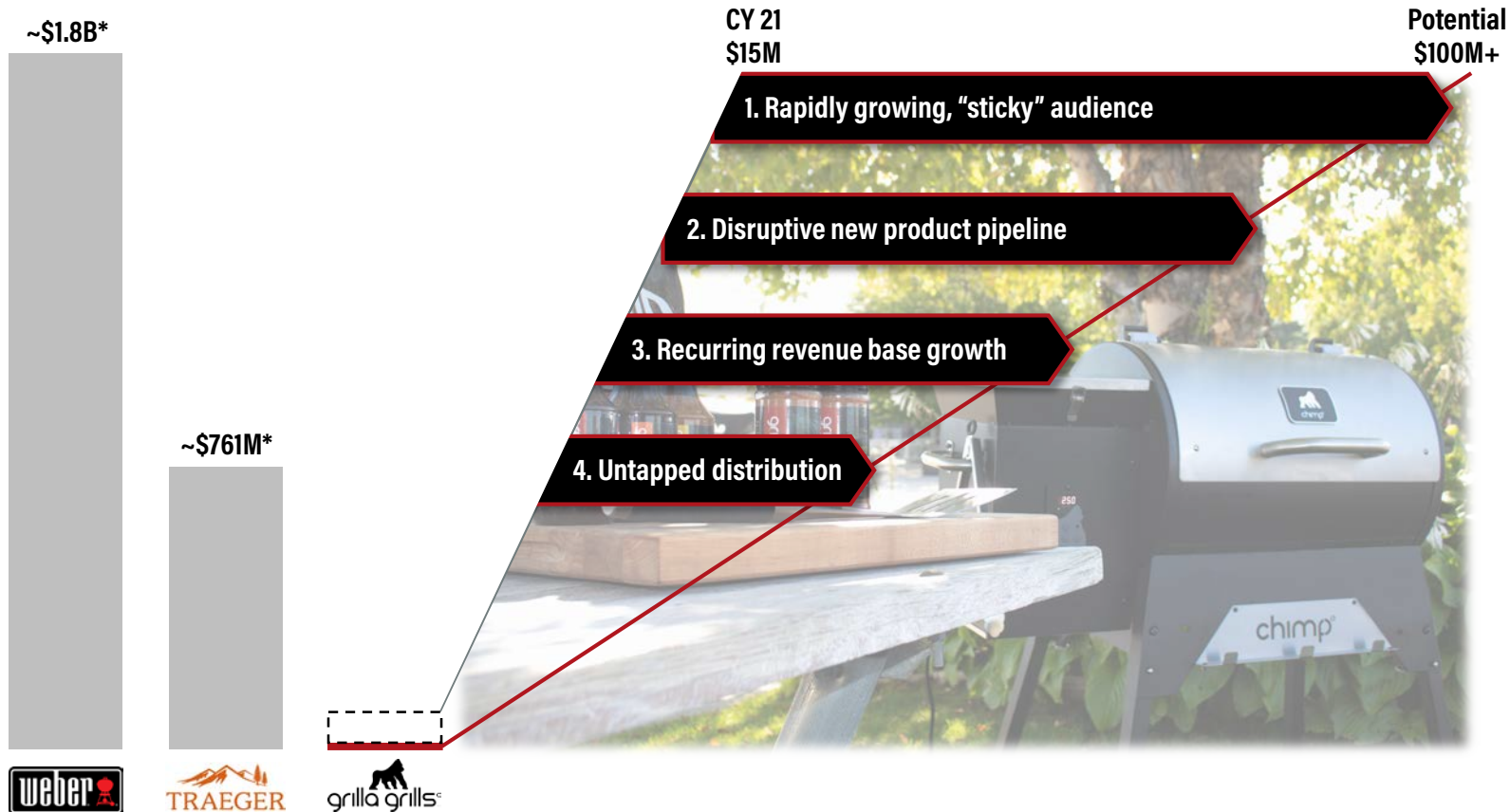
"I'm a big fan of meat your maker! High quality products like Grilla! Y'all need to jump on this deal."

- Facebook Post from Grilla Customer (May 2022)



GRILLA: OPPORTUNITY TO BECOME \$100M+ REVENUE BRAND

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



* Trailing twelve-month net sales based on public company filings.



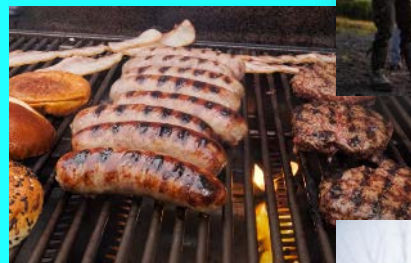
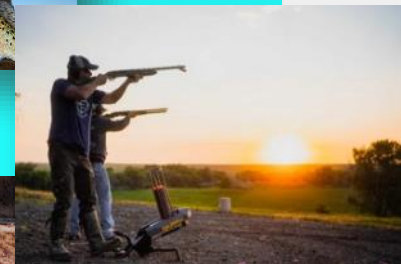
“Building authentic, lifestyle brands that help consumers make the most out of the moments that matter.”



AMERICAN OUTDOOR BRANDS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

- ✓ **Large, passion-driven industry**
- ✓ **Favorable macro trends** (fishing, hunting, personal protection, shooting sports, camping, hiking, and outdoor cooking)
- ✓ **Diverse portfolio of 21 early-stage consumer brands**
- ✓ Innovative **"Dock & Unlock"™** formula fuels brand growth
- ✓ **Leverageable model** drives profitability
- ✓ **Strong balance sheet** supports organic growth & acquisitions





AMERICAN OUTDOOR BRANDS, INC. AT A GLANCE

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



- HQ & Distribution: Columbia, MO
- Additional Offices: MA (Admin), OR (Mfg), China (WFOE)
- Spinoff: August 2020
- NASDAQ Global Select: AOUT

TTM Net Sales	\$230.4 million	Growth Target	\$400M+
TTM Gross Profit Margin	45.3%	Target Adj. EBITDAS Margin %	Mid- to High-teens
TTM Adjusted EBITDAS	\$26.9 million, or 11.7%	Headquarters	Columbia, Missouri
Net Debt	\$2.5 million	Fiscal Year End	April 30
Net Debt / Adj. EBITDAS	~0.1x	Employee Count	315*

*At April 30, 2022



LARGE, PASSION-DRIVEN INDUSTRY

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



(a) Based on a 2017 report issued by the Outdoor Industry Association.



FAVORABLE OUTDOOR ACTIVITY MACRO TRENDS

OUTDOOR PARTICIPATION TRENDS



~9M

Number of first-time camper households in 2021 (KOA)



14M

New entrants per NSSF:
2020: 40% of 21M Adj NICS
2021: 30% of 18M Adj NICS



~3M

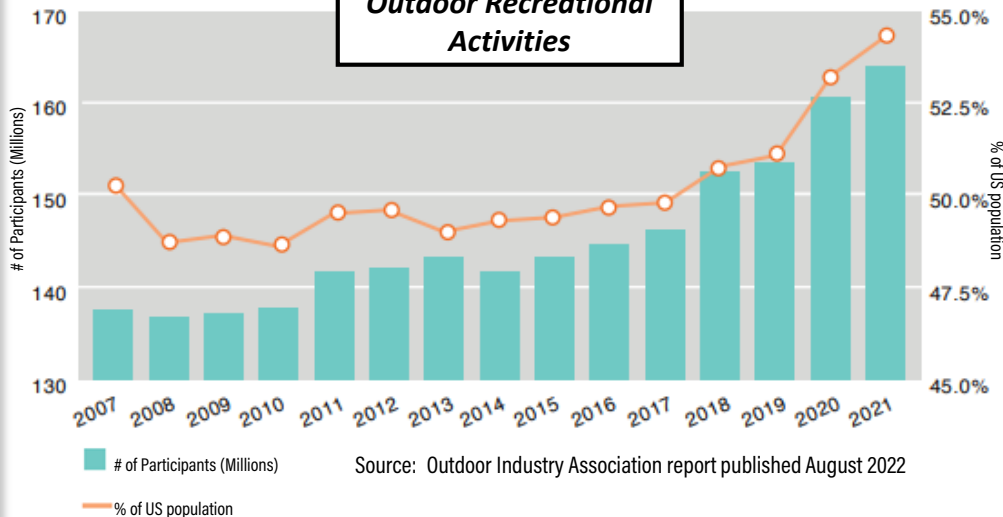
More fishing licenses sold nationwide in 2020 than 2019, a 14% increase, according to the Recreational Boating and Fishing Foundation



~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

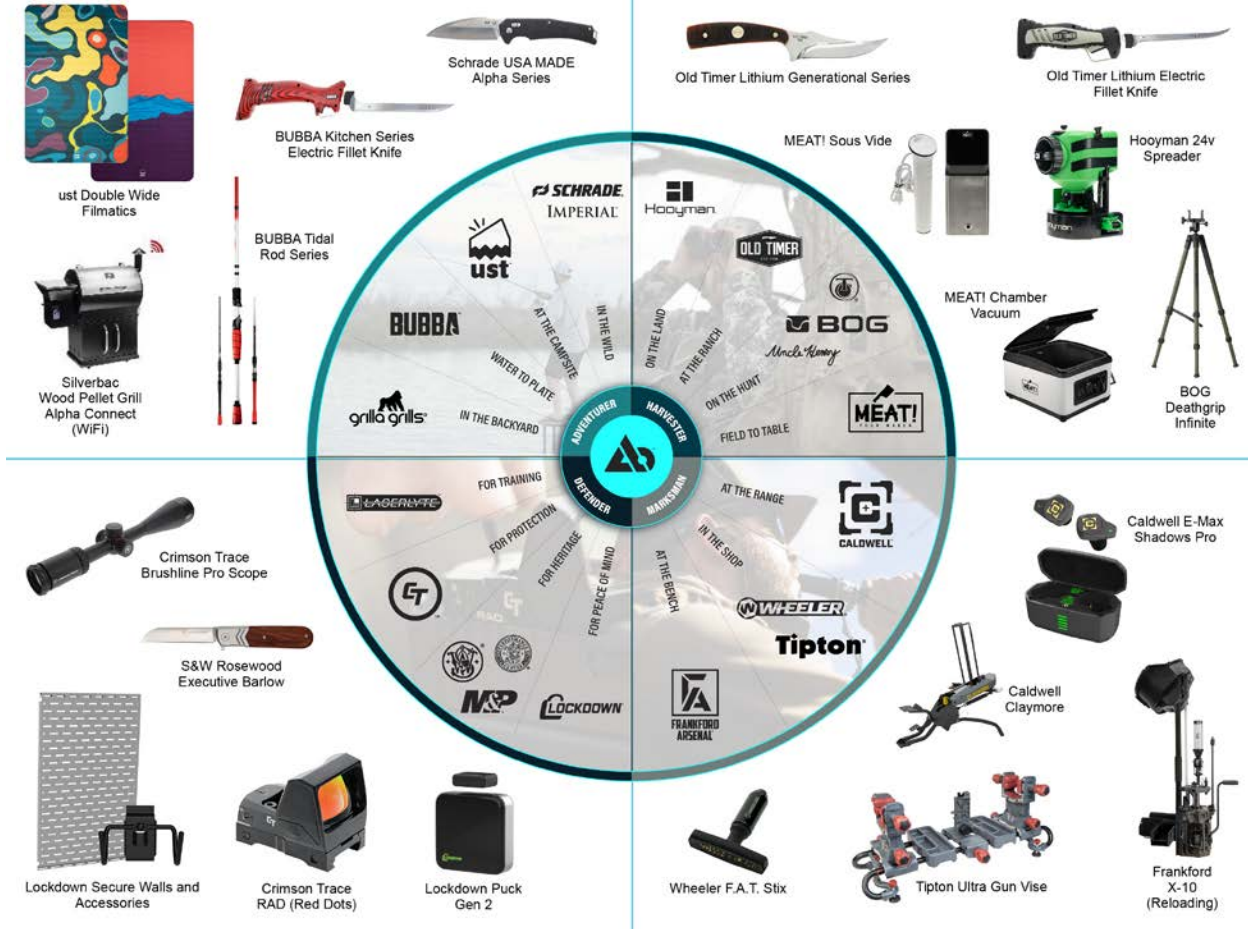
>50% of the U.S. Participates in Outdoor Recreational Activities





DIVERSE PORTFOLIO OF 21 EARLY-STAGE CONSUMER BRANDS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



Note: American Outdoor Brands, Inc. licenses the brands Smith & Wesson® Accessories; M&P® Accessories; Thompson/Center Arms™ Accessories; and Performance Center® Accessories, all of which are owned by Smith & Wesson Brands, Inc. and are exclusively licensed to American Outdoor Brands, Inc.



TWO CATEGORIES: OUTDOOR LIFESTYLE & SHOOTING SPORTS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

		Outdoor Lifestyle	Shooting Sports	Illustrative Products
Adventurer	BUBBA	●	○	Fillet knives, fishing rods, fishing tools, kitchen cutlery, apparel
	grilla grills	●	○	Grills, smokers, outdoor kitchens, pellets, & accessories
	IMPERIAL	●	○	Folding, fixed-blade knives
	SCHRADE	●	○	Folding & fixed-blade knives, multi-tools, adventure equipment
	ust	●	○	Tents, sleeping bags, mattress pads, camping tools and accessories
Harvester	BOG	●	○	Hunting rests, ground blinds, chairs, game cameras
	Hooyman	●	○	Land management: rakes, shovels, pruning tools, tree saws
	MEAT!	●	○	Meat grinders, slicers, dehydrators
	OLD TIMER	●	○	Folding, fixed-blade, & fillet knives
	THOMPSON CENTER ACCESSORIES	●	○	Hunting bags & protective cases, binoculars, hunting accessories
	Uncle Henry	●	○	Folding, fixed-blade, & hunting knives
Marksman	CALDWELL	○	●	Range Gear: Shooting rests, targets, hearing & eye protection
	FRANKFORD ARSENAL	○	●	Reloading equipment
	TIPTON	○	●	Gun vises, cleaning supplies
	WHEELER	○	●	Gunsmithing and other tools
Defender	CRIMSON TRACE	○	●	Scopes, lasers, red dot sights
	LASERLYTE	○	●	Laser training devices
	LOCKDOWN	○	●	Vault organization, logic-enabled vault doors and security monitoring, cable locks
	M&P Smith & Wesson	●	○	Folding & fixed-blade knives, tools, protective gun cases
	Performance Center	○	●	Gun cases and cleaning kits
	Smith & Wesson	●	○	Folding & fixed-blade knives, tools, protective gun cases, parts kits

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.

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STRONG PRESENCE IN TRADITIONAL AND E-COMM CHANNELS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

National Retailers



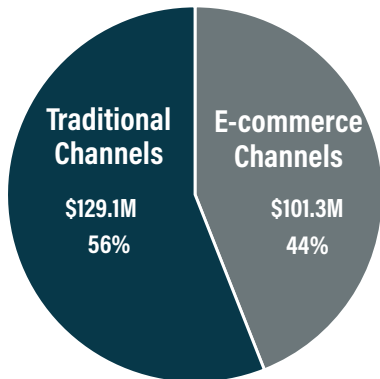
Home, Farm, Automotive



Distributors & Buying Groups



OEM



(Q1 FY23 TTM Net Sales = \$230.4 Million)

Online Retailers



DTC Websites



Note: Customers shown are for illustrative purposes



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"™**





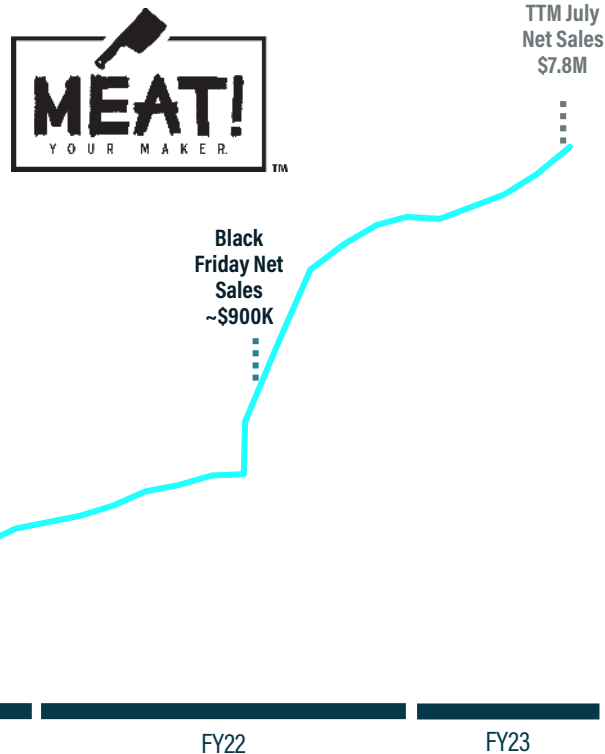
"DOCK & UNLOCK"TM CASE STUDY

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

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.



164.1%
Net Sales Growth
TTM FY23 vs TTM FY22



Net Sales - 100% DTC



"DOCK & UNLOCK"™ CASE STUDY

BUBBA™

After repositioning the brand from "Bubba Blade" to "BUBBA," we unlocked the brand's "Permission to Play" potential, accessing a wider audience, and expanding beyond the original saltwater fillet knife category into a multitude of diverse "water to plate" lifestyle products.

NEW Upcoming in FY23:
BUBBA Electric Fish Scale (EFS)



Scan to learn more



4.4x

FY22 net sales growth compared to first year of acquisition*



AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



BRAND "PERMISSION TO PLAY" DRIVES GROWTH POTENTIAL

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

Growth Opportunities

	'Docked' Brand	Lifestyle Supported ("Moments that Matter")	New Distribution	Expand Market Share	New Categories	New Consumer Markets
Adventurer		In the Wild	✓	✓	✓	
	IMPERIAL	In the Wild	✓	✓		
		At the Campsite	✓	✓	✓	
	BUBBA	Water to Plate	✓	✓	✓	✓
		In the Backyard	✓	✓	✓	✓
Harvester		On the Land	✓	✓	✓	✓
		At the Ranch	✓	✓	✓	
		On the Hunt	✓	✓	✓	
		On the Hunt	✓	✓		
		On the Hunt	✓	✓		
		Field to Table	✓	✓	✓	✓

Growth Opportunities

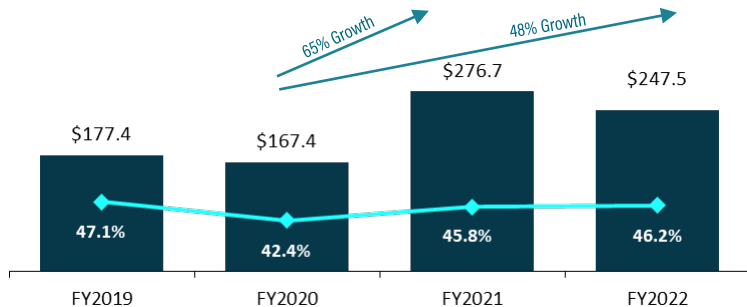
	'Docked' Brand	Lifestyle Supported ("Moments that Matter")	New Distribution	Expand Market Share	New Categories	New Consumer Markets
Marksman		At the Range	✓	✓	✓	✓
		In the Shop	✓	✓	✓	
		In the Shop	✓	✓	✓	✓
		At the Bench	✓	✓	✓	
		For Peace of Mind	✓	✓	✓	✓
Defender		For Heritage	✓	✓		
		For Heritage	✓	✓		
		For Heritage	✓	✓		
		For Protection	✓	✓	✓	
		For Training	✓	✓	✓	✓



LEVERAGEABLE MODEL DRIVES PROFITABILITY

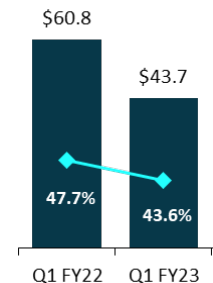
AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

NET SALES & GROSS MARGIN

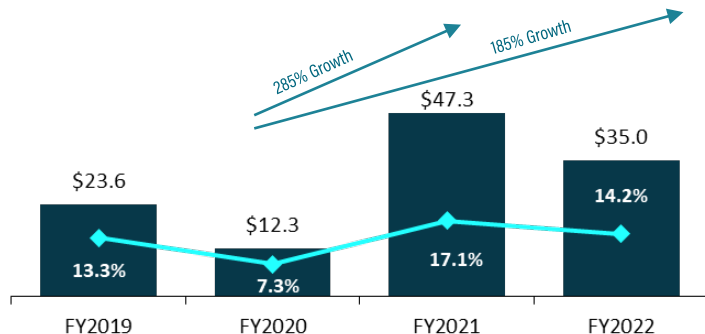


- ✓ Q1 FY23 net sales +32% vs. Q1 FY20 (pre-pandemic)
- ✓ Significant sales growth within e-commerce channel – long-term growth expected to continue through leveraging brand lane platforms
- ✓ "Dock & Unlock"™ strategy allows for expansion into new product categories providing AOUT's young brands with significant runway for growth
- ✓ Long-term gross margins supported by new product launches, stabilized from tariff impacts – Q1 FY23 gross margin impacted by volume and freight costs

Q1 UPDATE

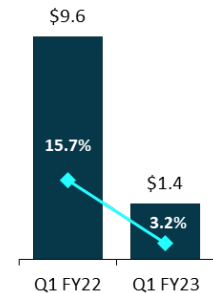


ADJ. EBIDTAS & ADJ. EBIDTAS MARGIN



- ✓ Leverage of fixed G&A costs, brand lanes and e-commerce investments expected to yield significant EBITDA contribution as the business scales
- ✓ Long-term Adj. EBITDA target margin – mid to high teens

Q1 UPDATE



Note: US\$ in millions. Fiscal year ended April 30. Adjusted EBITDA is defined as GAAP net income/(loss) before interest, taxes, depreciation, amortization, goodwill impairment, and stock compensation expense and excludes certain items we consider non-routine. See slide 26 for a reconciliation of Adjusted EBITDA. Financials for FY2019 include activity for the period subsequent to the acquisition of LaserLyte. Financials for FY2022 include activity for the period subsequent to the acquisition of Grilla Grills.



LONG-TERM FINANCIAL TARGETS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

	Long-Term	Long-Term Drivers
Net Sales ⁽¹⁾	Path to \$400M+	<ul style="list-style-type: none">✓ Expand market share✓ New product categories✓ New consumer markets✓ New distribution
Adjusted EBITDAS	Mid to high teens %	<ul style="list-style-type: none">✓ High level of operating leverage from existing brand lane platform✓ Adjusted EBITDAS margins expected to increase with net sales growth
Capital Expenditures	N/A	<ul style="list-style-type: none">✓ Long-term will primarily be maintenance capex related to product tooling

Note: Long-term financial targets 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

BALANCE SHEET AS OF JULY 31, 2022

Assets (\$M)

Cash	\$17.5
Other Current Assets	156.4
Intangibles	60.7
PP&E	10.4
Other Assets	25.8
Total Assets	<u>\$270.7</u>

Liabilities & Equity (\$M)

Current Liabilities	\$28.6
Bank Debt	19.6
Other Liabilities	24.8
Total Liabilities	<u>\$72.9</u>
Stockholders' Equity	<u>\$197.8</u>
Total Liabilities & Equity	<u>\$270.7</u>

- ✓ Significant liquidity (up to ~\$72M available capital)
- ✓ \$75M asset-based revolving credit facility, expandable by \$15M
- ✓ Virtually zero net debt
- ✓ Strong annual free cash flow generation
- ✓ Dry powder available for strategic acquisitions

IDEAL ACQUISITION CRITERIA

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



Appendix Follows



EXPERIENCED LEADERSHIP

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)



BRIAN D. MURPHY

President & Chief Executive Officer

- ✓ Lead execution of AOUT's "Dock & Unlock"TM 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



McMASTER-CARR



H. ANDREW FULMER, CPA

Chief Financial Officer

- ✓ 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





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) technology implementation, (iv) acquisition costs, (v) stockholder cooperation agreement costs, (vi) income tax adjustments, (vii) interest expense, (viii) income tax expense, and (x) depreciation and amortization; and (2) the non-GAAP measures that exclude such information. The Company presents these non-GAAP measures because it considers them an important supplemental measure of its performance and believes the disclosure of such measures provides useful information to investors regarding the Company’s financial condition and results of operations. The Company’s definition of these adjusted financial measures may differ from similarly named measures used by others. The Company believes these measures facilitate operating performance comparisons from period to period by eliminating potential differences caused by the existence and timing of certain expense items that would not otherwise be apparent on a GAAP basis. These non-GAAP measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for the Company’s GAAP measures. The principal limitations of these measures are that they do not reflect the Company’s actual expenses and may thus have the effect of inflating its financial measures on a GAAP basis.



Q1 NON-GAAP ADJUSTED EBITDAS RECONCILIATION

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

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

	For the Three Months Ended July 31,	
	2022	2021
GAAP net (loss)/income	\$ (5,695)	\$ 3,457
Interest expense	186	46
Income tax expense	189	849
Depreciation and amortization	4,162	4,179
Stock compensation	714	752
Technology implementation	769	272
Acquisition costs	47	—
Shareholder cooperation agreement costs	1,010	—
Non-GAAP Adjusted EBITDAS	\$ 1,382	\$ 9,555
<i>Adjusted EBITDAS Margin</i>	3.2%	15.7%



Q1 GAAP INCOME STATEMENT

AMERICAN OUTDOOR BRANDS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	For the Three Months Ended July 31,	
	2022	2021
	(Unaudited)	
Net sales	\$ 43,676	\$ 60,768
Cost of sales	24,637	31,785
Gross profit	19,039	28,983
Operating expenses:		
Research and development	1,756	1,521
Selling, marketing, and distribution	11,780	13,200
General and administrative	11,064	10,039
Total operating expenses	24,600	24,760
Operating (loss)/income	(5,561)	4,223
Other income/(expense), net:		
Other income, net	241	129
Interest expense, net	(186)	(46)
Total other income, net	55	83
(Loss)/income from operations before income taxes	(5,506)	4,306
Income tax expense	189	849
Net (loss)/income	\$ (5,695)	\$ 3,457
Net (loss)/income per share:		
Basic	\$ (0.42)	\$ 0.25
Diluted	\$ (0.42)	\$ 0.24
Weighted average number of common shares outstanding:		
Basic	13,443	14,083
Diluted	13,443	14,301



Q1 NON-GAAP INCOME STATEMENT

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

	For the Three Months Ended July 31,	
	2022	2021
	(Unaudited)	
Net sales	\$ 43,676	\$ 60,768
Cost of sales	24,637	31,785
Gross profit	19,039	28,983
Operating expenses:		
Research and development	1,756	1,521
Selling, marketing, and distribution	11,780	13,200
General and administrative	5,449	5,587
Total operating expenses	18,985	20,308
Operating (loss)/income	54	8,675
Other income/(expense), net:		
Other income, net	241	129
Interest expense, net	(186)	(46)
Total other income, net	55	83
(Loss)/income from operations before income taxes	109	8,758
Income tax expense	25	1,962
Net (loss)/income	\$ 84	\$ 6,796
Net (loss)/income per share:		
Basic	\$ 0.01	\$ 0.48
Diluted	\$ 0.01	\$ 0.48
Weighted average number of common shares outstanding:		
Basic	13,443	14,083
Diluted	13,596	14,301



A M E R I C A N O U T D O O R
B R A N D S

