
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

September 10, 2015
Date of Report (Date of earliest event reported)

Smith & Wesson Holding Corporation
(Exact Name of Registrant as Specified in Charter)

Nevada
(State or Other Jurisdiction
of Incorporation)

001-31552
(Commission
File Number)

87-0543688
(IRS Employer
Identification No.)

2100 Roosevelt Avenue
Springfield, Massachusetts
01104
(Address of Principal Executive Offices) (Zip Code)

(800) 331-0852
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 7.01 Regulation FD Disclosure.

We are furnishing this Current Report on Form 8-K in connection with the disclosure of information, in the form of the textual information from a PowerPoint presentation to be given at meetings with institutional investors or analysts. This information may be amended or updated at any time and from time to time through another Form 8-K, a later company filing, or other means. The PowerPoint presentation attached as Exhibit 99.1 to this Current Report on Form 8-K updates and replaces in its entirety all prior PowerPoint presentations filed by us, including the PowerPoint presentation filed as Exhibit 99.1 to the Current Report on Form 8-K dated September 3, 2014, which was filed with the Securities and Exchange Commission on September 3, 2014.

The information in this Current Report on Form 8-K (including the exhibit) is furnished pursuant to Item 7.01 and shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. This Current Report on Form 8-K will not be deemed an admission as to the materiality of any information in the Report that is required to be disclosed solely by Regulation FD.

We do not have, and expressly disclaim, any obligation to release publicly any updates or any changes in our expectations or any change in events, conditions, or circumstances on which any forward-looking statement is based.

The text included with this Report on Form 8-K is available on our website located at www.smith-wesson.com, although we reserve the right to discontinue that availability at any time.

Item 9.01. Financial Statements and Exhibits.

- (a) *Financial Statements of Business Acquired.*

Not applicable.

- (b) *Pro Forma Financial Information.*

Not applicable.

- (c) *Shell Company Transactions.*

Not applicable.

- (d) *Exhibits.*

<u>Exhibit Number</u>	<u>Exhibits</u>
99.1	Smith & Wesson Investor Presentation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SMITH & WESSON HOLDING CORPORATION

Date: September 10, 2015

By: */s/ Robert J. Cicero*

Robert J. Cicero
Vice President, General Counsel,
Chief Compliance Officer, and Secretary

99.1 Smith & Wesson Investor Presentation



Smith & Wesson®



LOCKDOWN
SMITH & WESSON

Hoyman

BOG-POD

Non-Typical

Franklin

Tipton

GOLDEN ROD

Wheeler

Caldwell

WWW.SMITH-WESSON.COM

SAFE HARBOR

Certain statements contained in this presentation may be deemed to be forward-looking statements under federal securities laws, and the Company intends that such forward-looking statements be subject to the safe-harbor created thereby. Such forward-looking statements include but are not limited to statements regarding the Company's vision and mission; the Company's strategic corporate objectives; the Company's strategic roadmap; the demand for the Company's products and services; inventory growth and channel conditions in the Company's industry; the Company's new products and strategic product development; strategic and financial benefits of vertical integration; strategic and financial benefits of the accessories acquisition; the Company's markets and opportunities for growth as well as market drivers; the Company's focus and strategies; and anticipated revenue, GAAP and non-GAAP earnings per share, tax rate, share count and capital expenditures for the Company in future periods. The Company cautions that these statements are qualified by important factors that could cause actual results to differ materially from those reflected by such forward-looking statements. Such factors include the demand for the Company's products, the Company's growth opportunities, the ability of the Company to obtain operational enhancements, the success of new products, the potential for increased regulation of firearms and firearm-related products, and other risks detailed from time to time in the Company's reports filed with the SEC.

OUR VISION IS TO BE THE LEADING FIREARMS MANUFACTURER

“Our mission is to continue to enhance our position as one of the world’s leading firearms manufacturers by designing, producing, and marketing high-quality, innovative firearms and related products that meet the needs and desires of consumers and professionals.”



**PROUDLY
MADE
IN THE USA**



M&P[®]9 Ported From
Performance Center[®]



S&W[®] Performance Center[®]
460XVR[™] Bone Collector[®]



T/C[®] Encore[®] Complete Stainless Steel Rifle



M&P[®]22 Compact Pistol



A U.S. MARKET LEADER IN FIREARMS SINCE 1852



- ✓ Massachusetts (HQ), Connecticut, Maine, Missouri
- ✓ Approximately 1,700 U.S. Employees
- ✓ Growing Market Share Within an Expanding Base of Consumers
- ✓ Consumer & Professional Sales Channel
 - *Consumer Sales = 88% of Q1FY16 Revenue*
- ✓ Two Divisions: Firearms & Accessories
- ✓ Healthy Balance Sheet
- ✓ Seasoned Management Team

FIREARMS DIVISION

91% of Q1 FY16 Total Revenue

- Sport/Competition
- Personal Protection
- Hunting
- Concealed Carry

ACCESSORIES DIVISION

9% of Q1 FY16 Total Revenue

- Field & Range Gear
- Safety & Storage
- Cleaning / Reloading
- Gunsmithing / Tools



STRATEGIC CORPORATE OBJECTIVES

- ✓ Protect and grow our core firearm business
- ✓ Focus on profitable growth in firearms and related products in the outdoor space
- ✓ Streamline and standardize our business operations
- ✓ Emphasize customer satisfaction and loyalty
- ✓ Pursue strategic relationships & acquisitions that are synergistic with our current business

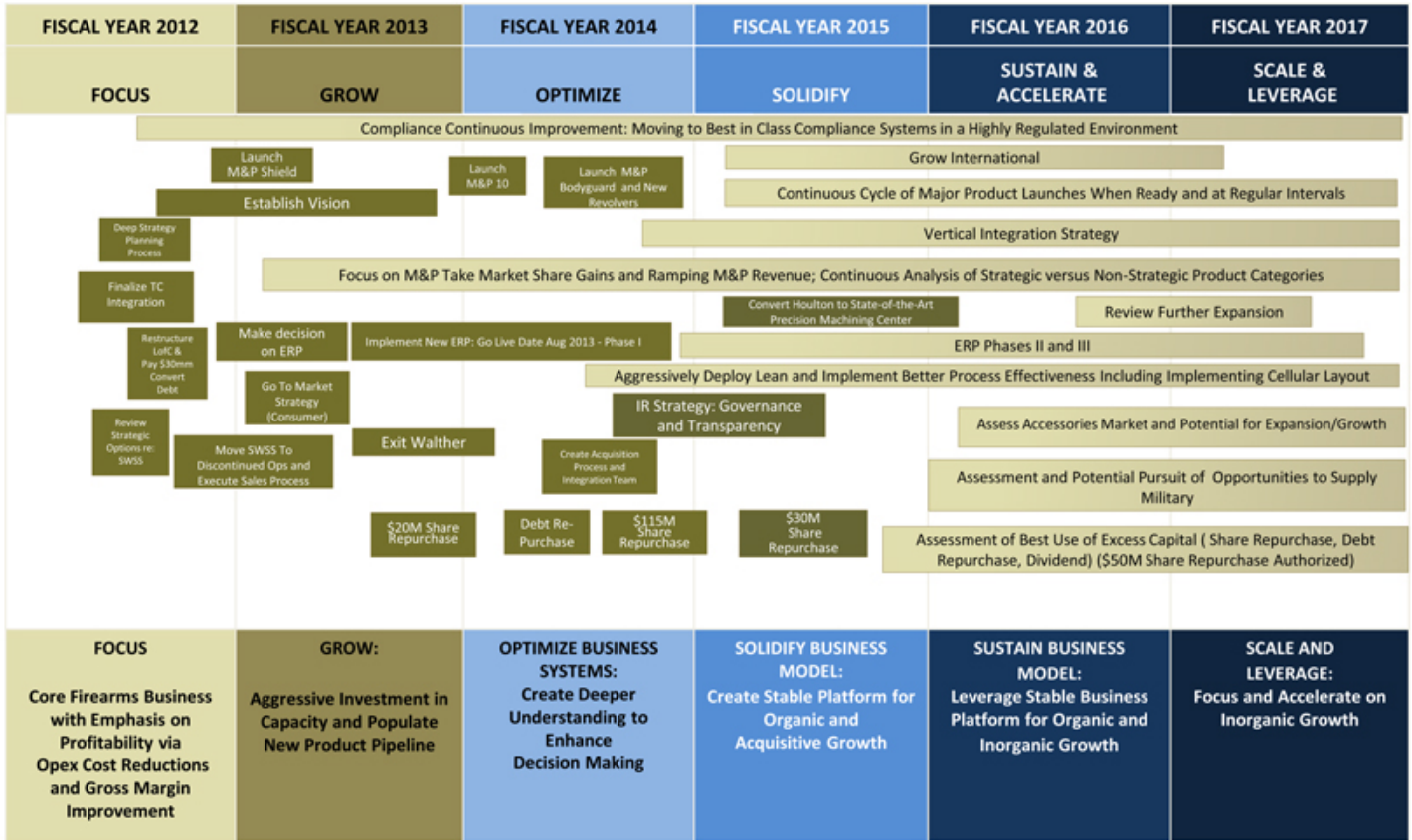
Q1 FY16 HIGHLIGHTS

Period Ending July 31, 2015

- ✓ **Sales of \$147.8M: +12.1% Y/Y, results that were above company's guidance**
 - Firearms Sales: \$134.4M +1.9% Y/Y
 - Accessories Sales: \$13.3M +29.9% Y/Y (year-ago period was pre-BTI acquisition)
- ✓ **Gross margin 39.8% vs. 37.2% Y/Y**
 - Firearms gross margins: 38.7%
 - Accessories gross margins: 51.1%
- ✓ **GAAP EPS of \$0.26 per diluted share vs. \$0.26 per diluted share Y/Y**
 - EPS included an expense of \$0.08 relating to redemption of the company's 5.875% Senior Notes, an expense of \$0.04 for acquisition amortization related to the purchase of BTI, an expense reduction of \$0.03 related to an insurance settlement, and a tax benefit for the foregoing items of \$0.03
- ✓ **Non-GAAP EPS (no acquisition-related amortization)***
 - \$0.32 per diluted share vs. \$0.27 per diluted share Y/Y
- ✓ **Non-GAAP Adjusted EBITDAS* \$38.8M or 26.3% of net sales**
- ✓ **Cash flow from operations of \$16.6M, despite seasonal inventory build**
- ✓ **Ended quarter with cash of \$55.4M**
- ✓ **NICS +10.1% Y/Y vs. SWHC units sales into the consumer channel +11.7%**
 - Consumer buying trends followed normal seasonal pattern

* See Appendices for GAAP to non-GAAP reconciliations.

STRATEGIC ROADMAP



Note: Strategic roadmap is assessed regularly and timing is subject to change.

OPERATING DIVISIONS

FIREARMS



The firearms division consists of products and services manufactured and sold from our Massachusetts, Maine, and Connecticut facilities, which includes revolvers, pistols, rifles, handcuffs, and related products sold through a distribution chain and directly, to consumers and international, state, and federal governments.

Q1 FISCAL 2016

- \$134.4 million in sales, + 1.9% Y/Y
- 91.0% of total sales
- 38.7% gross margin
- 21.5% operating margin

ACCESSORIES



The accessories division was established in December 2014 with the acquisition of Battenfeld Technologies (BTI) and consists of hunting and shooting accessories developed and marketed at our Missouri facility.

Q1 FISCAL 2016

- \$13.3 million in sales, + 29.9% Y/Y
- 9.0% of total sales
- 51.1% gross margin
- 21.9% operating margin*

* Excludes the impact of amortization of intangible assets related to the BTI acquisition.



FIREARMS DIVISION

LEADING FIREARM BRAND PORTFOLIO



Smith & Wesson®

▪ For sport, recreation, protection, and professional use, you can feel confident standing behind 162 years of reliability and accuracy. Smith & Wesson® knows firearms and the world knows Smith & Wesson. Only the best will do.



▪ Designed to be the most accurate, reliable, and ergonomically superior, M&P® firearms are built to meet your demanding standards. Durable and comfortable, they are capable of handling as many rounds as you are.



THOMPSON/CENTER
America's Master Gunmaker®

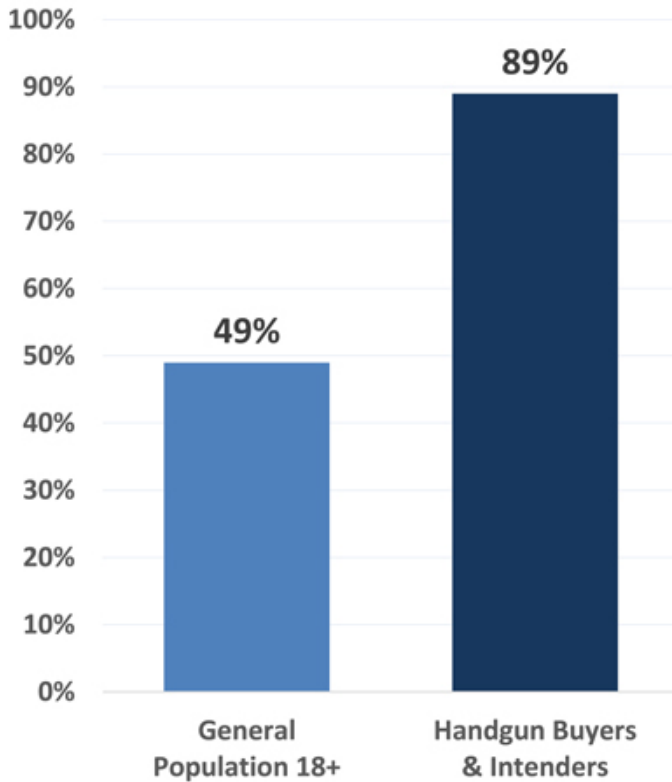
▪ For hunting and shooting enthusiasts passionate about firearms. Since 1967, Thompson/Center Arms™ has been synonymous with firearms that stand up in the toughest situations and perform when it counts.



Performance Center® models offer sophisticated shooters limited run, uniquely designed, special-featured firearms under the Smith & Wesson® and M&P® brands.

THE #1 FIREARM BRAND IN AMERICA

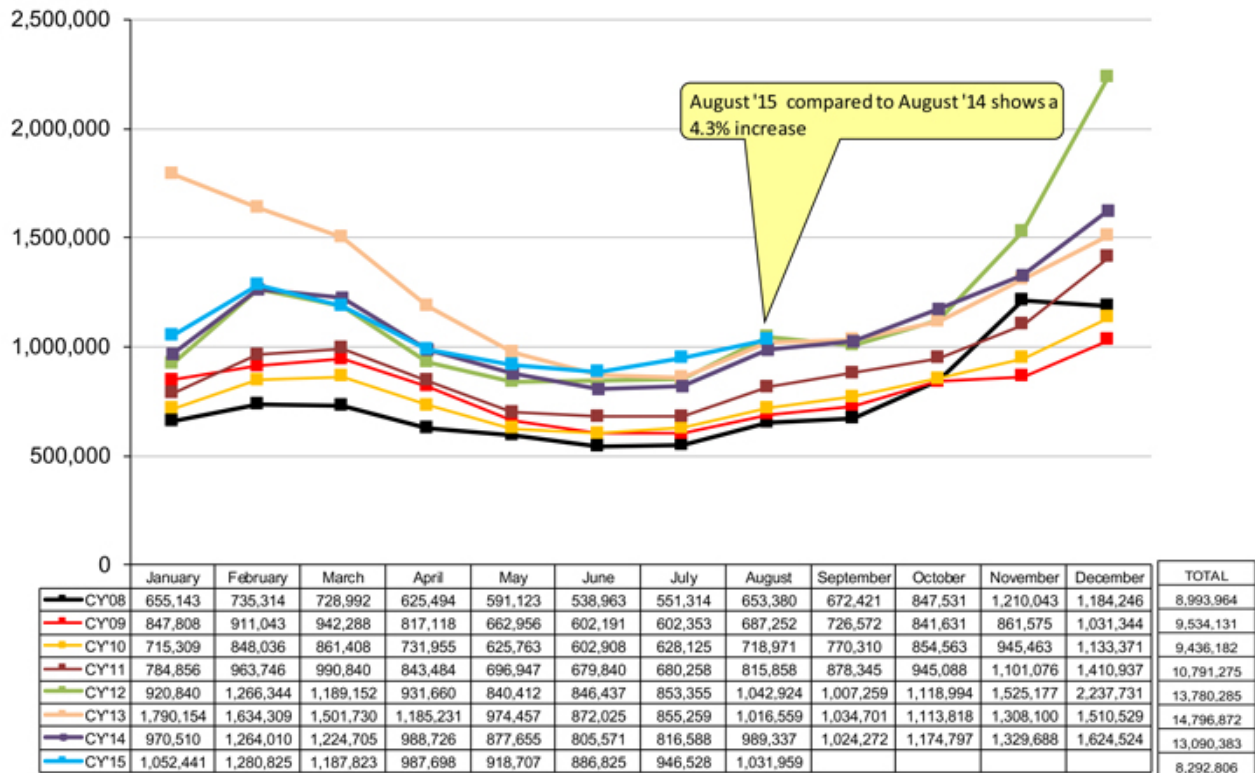
Smith & Wesson



- Leads all firearm manufacturers in total aided brand awareness
- Leads in critical attribute ratings: Reliability, durability, and accuracy
- Most owned and considered revolver brand in the market: 1 of every 2 revolvers owned is a Smith & Wesson
- Endorser brand to M&P

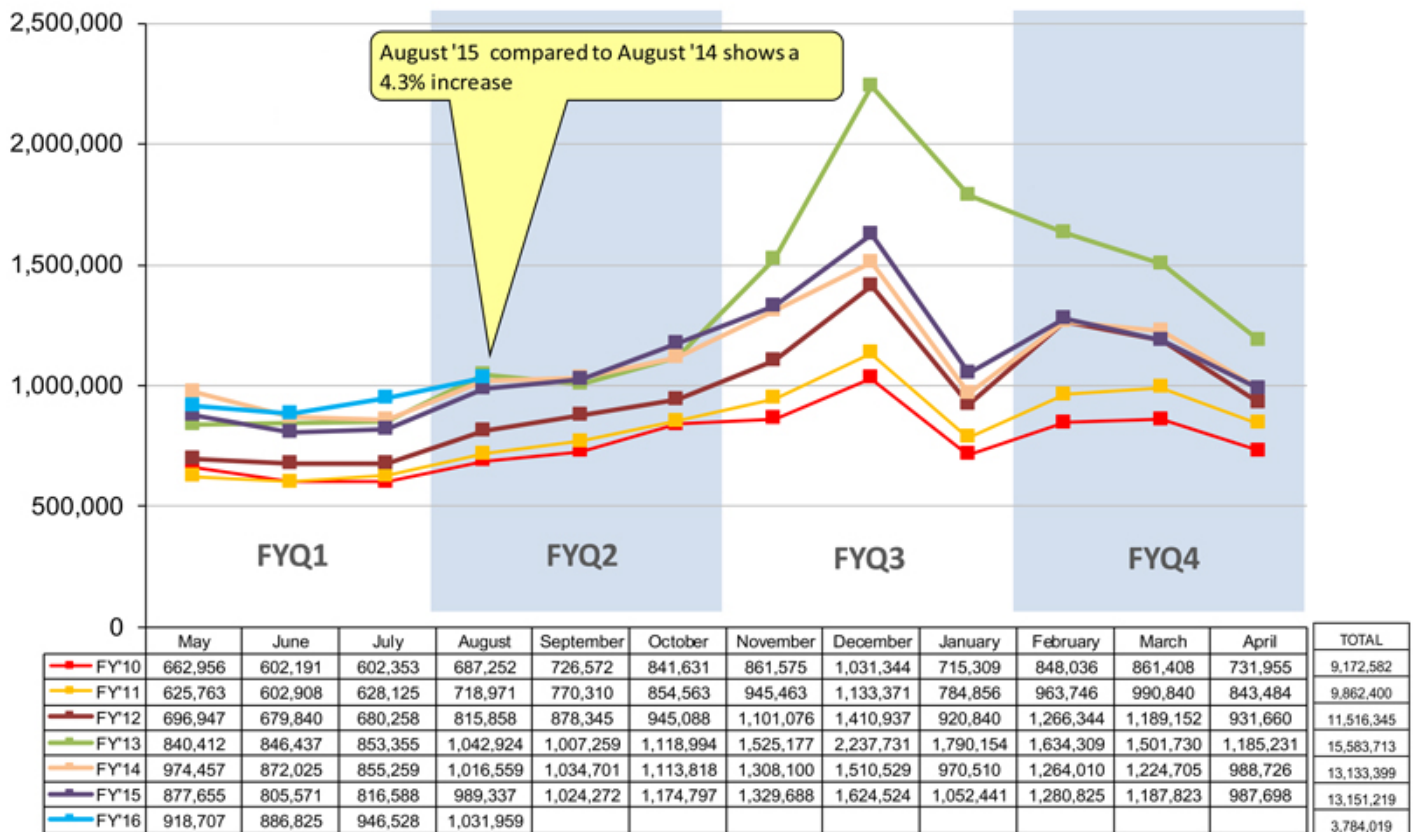
Source: Smith & Wesson Handgun A&U Research - December 2011 & Tracking Survey June 2015
Smith & Wesson Awareness Tracking – Gen Pop – July 2015

ADJUSTED NICS CY AUGUST 2015 – Y/Y HANDGUNS +11.8% LONG GUNS (-1.7%)



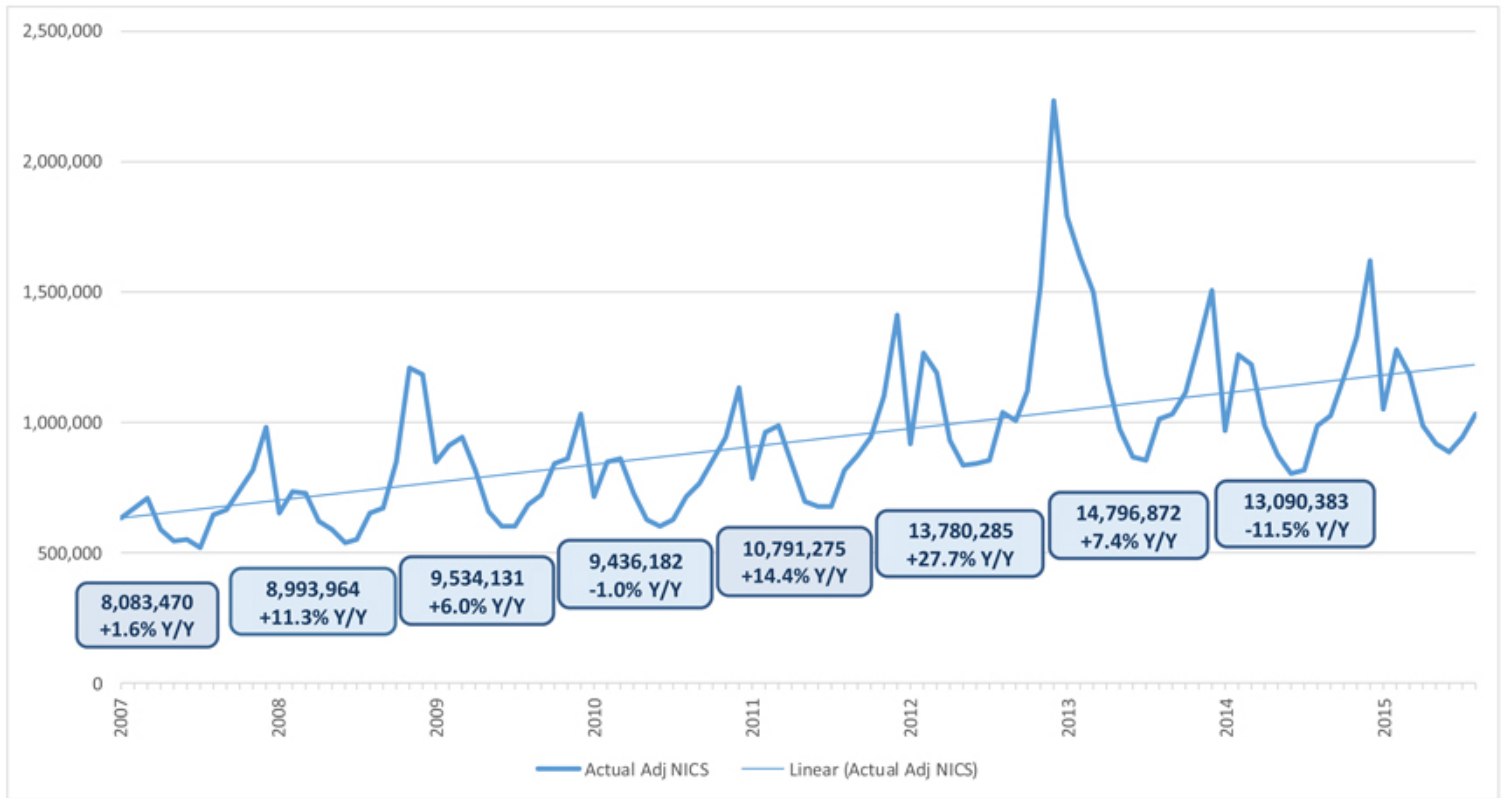
Source: NSSF The NSSF adjusts FBI NICS data to eliminate background checks associated with permit applications and checks on active CCW permit databases. NSSF adjusted NICS data provides a more accurate picture of market conditions.

ADJUSTED NICS FY AUGUST 2015



Source: NSSF The NSSF adjusts FBI NICS data to eliminate background checks associated with permit applications and checks on active CCW permit databases. NSSF adjusted NICS data provides a more accurate picture of market conditions.

ADJUSTED NICS UP AVG. 7.0% ANNUALLY OVER 8 YEARS*



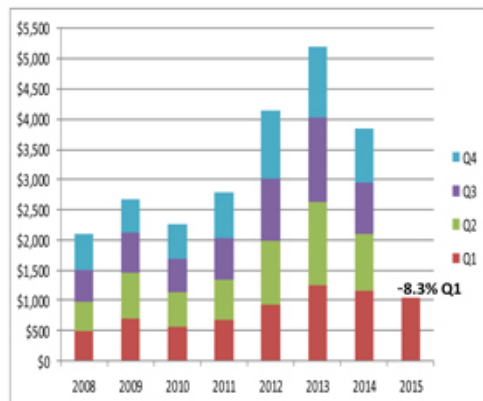
*CY07 – CY15

Source: National Shooting Sports Foundation (NSSF)

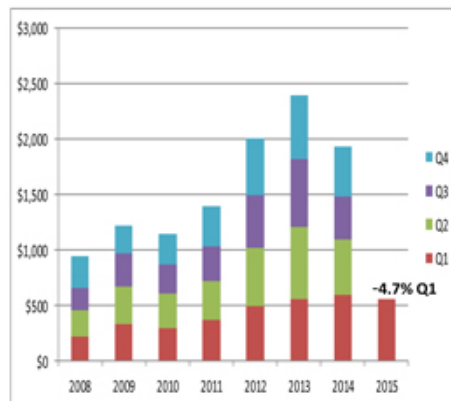
INDUSTRY SHIPMENTS HANDGUNS AND LONG GUNS

Total Handguns & Long Guns

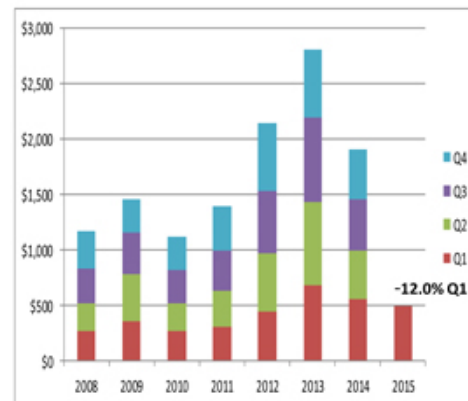
(in Millions)



Total Handguns



Total Long Guns*



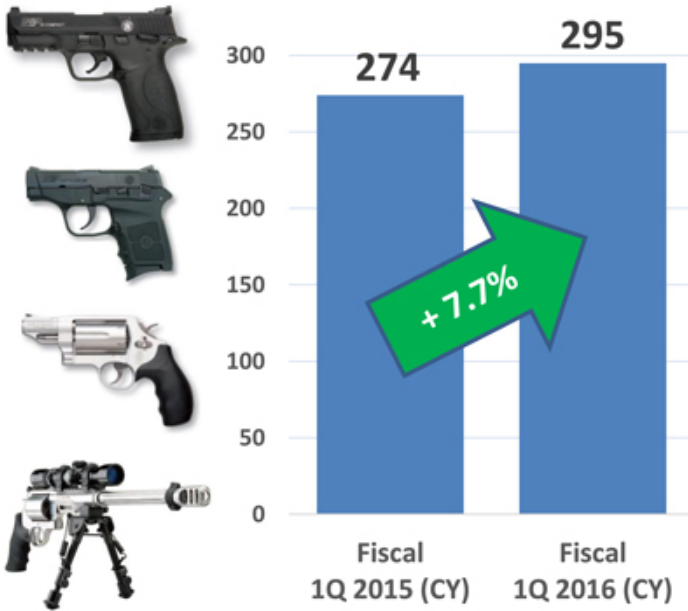
Source: Federal Excise Tax collections on manufacturing sales value as translated to sales by National Shooting Sports Foundation.

*Long guns include all rifles, shotguns, and muzzle loaders.

FIREARM UNIT GROWTH INTO CONSUMER CHANNEL

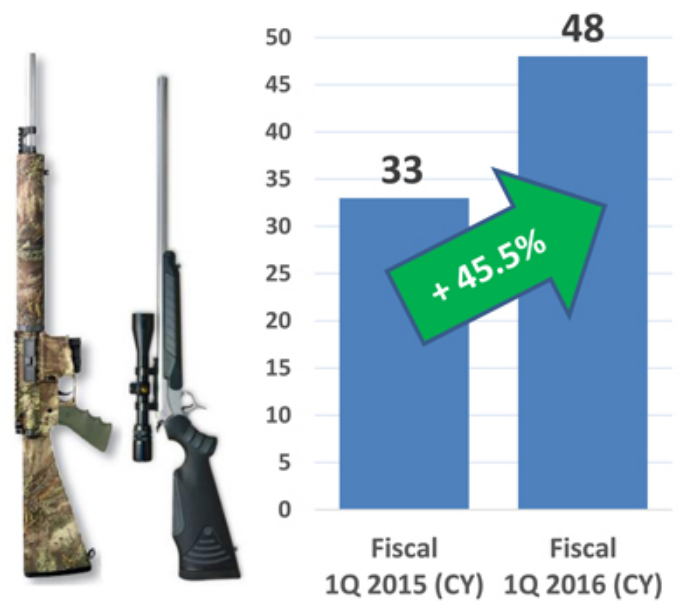
HAND GUN UNIT GROWTH

(Thousands)



LONG GUN UNIT GROWTH

(Thousands)



KEY MARKET DRIVERS



The Top Reasons For Gun Ownership¹

1. Personal Safety/ Protection - 60%
2. Hunting - 36%
3. Recreation/ Sport - 13%
4. Target Shooting - 8%

Who is Buying?

- New Shooters: Of those who have been sport shooting in 2012, 20% were new to shooting within the past 5 years². Of those, 11% just began shooting in 2012 and nearly 25% bought at least one more firearm within a year after their first purchase³
 - Young Adults – Ages 18-34 make up 2/3 of new shooters²
 - Sport Shooting More Often - 60% shoot once or more a month³
 - Urban/Suburban - 47% are urban / suburban²
 - Women - 37% of new shooters vs 22% of established shooters²
- Repeat Customers: 90% of 10,511 respondents who own a handgun own multiple firearms⁴. The average number of handguns owned by those respondents is 8.1³

(1) Source: Gallup Poll Social Series: Crime – October 2013

(2) Source: NSSF - An Analysis Of Sport Shooting Participation Trends In The United States 2008 – 2012

(3) Source: NSSF - First-Time Gun Buyers 2012

(4) Source: NSSF - Handguns - 2011 Consumer Study On Ownership And Usage

MARKET RESEARCH DRIVES STRATEGIC PRODUCT DEVELOPMENT

NEW USERS

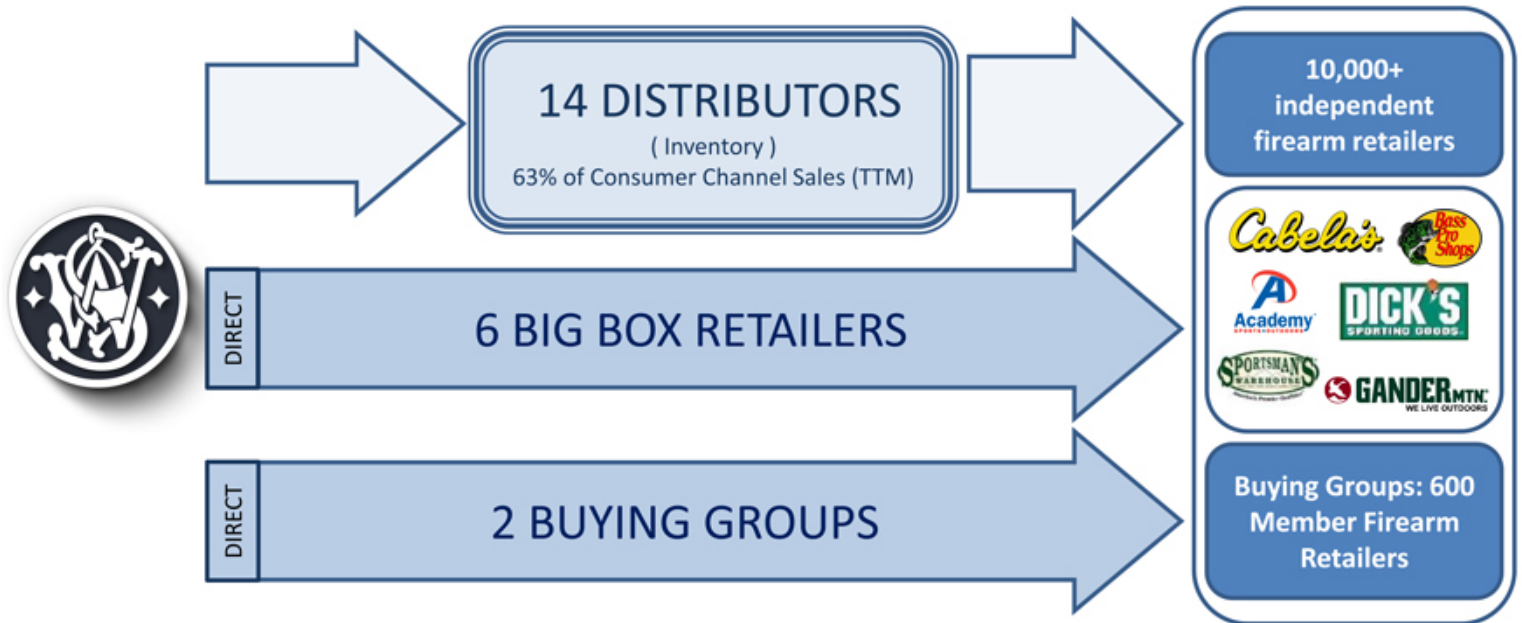
DEFINED CONSUMER PROFILES

EXPERIENCED



- Concepts market-tested with firearm owners & purchase intenders
- Results benchmarked against database of prior concepts/sales
- Leading concepts financially modeled as key component of business case
- Further consumer studies run to finalize most desired designs/features
- The next generation M&P pistol is just one key product in this pipeline

THREE WAYS TO U.S. SPORTING GOODS MARKET



Diverse path to market = Enhanced insight into retail environment

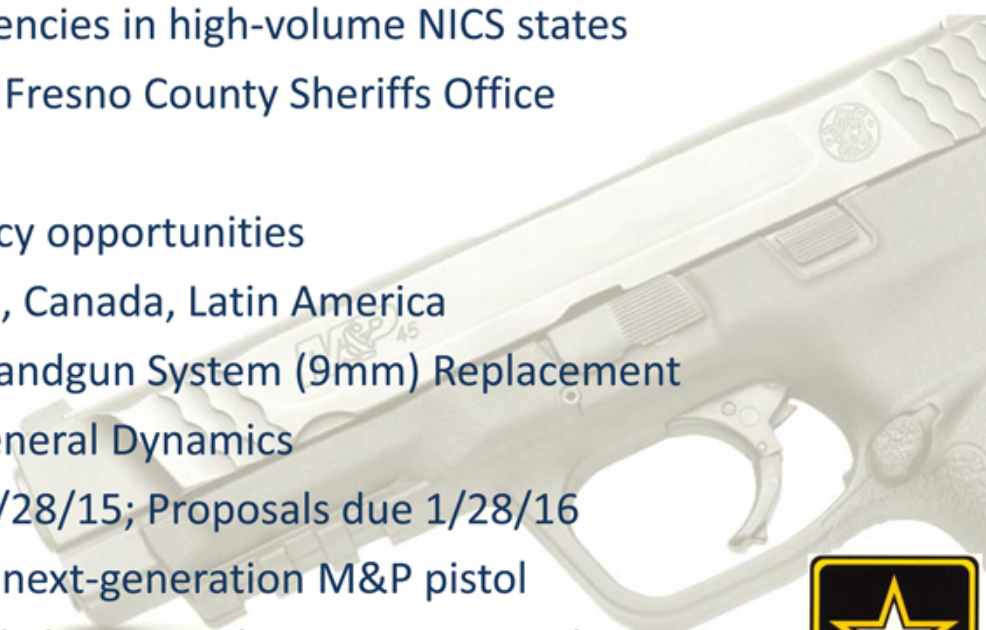
Note: Additional non big-box, direct retail relationships not included

PROFESSIONAL MARKET

Demands Highest Standards for Performance



- Law Enforcement / Federal Government
 - Focus: Top-tier agencies in high-volume NICS states
 - LA County Sheriff, Fresno County Sheriffs Office
- International
 - Focus: Large agency opportunities
 - Belgium, Australia, Canada, Latin America
- U.S. Army Modular Handgun System (9mm) Replacement
 - Partnered with General Dynamics
 - Final RFP issued 8/28/15; Proposals due 1/28/16
 - SWHC will submit next-generation M&P pistol
 - Our new pistol will also serve the consumer market



MODEL M&P11

SMART INVESTMENTS IN FLEXIBLE PRODUCTION

- Strategic investment in basic capacity and in tooling for production flexibility
- Selective outsourcing of parts production to better meet market demand and optimize internal capacity
- Conversion of Houlton, ME operation into a dedicated precision machining center
- Fiscal Year 2016 CapEx Estimate: Up to \$50.0M



Springfield, MA
Corporate HQ
Primary Manufacturing



Houlton, ME
High Volume CNC



Deep River, CT
Plastic Injection Molding

Map source: Ecozones

VERTICAL INTEGRATION

Deep River Plastics

MAY 2014: Asset purchase of key polymer supplier for \$24M in cash delivers in-house custom plastic injection molding, rapid prototyping, and tooling.

- 150,000 leased square feet
- 45 injection molding machines
- Full tool-building capabilities



Strategic Benefits:

- Integrates a key manufacturing process
- Increases flexibility
- Lowers production costs
- Sophisticated global infrastructure
- Enhances new product development

Financial Highlights:

- Accretive to firearms business
- Positive impact on gross margin
- Planned payback: 4-5 years



ACCESSORIES DIVISION



DECEMBER 2014: Purchase of industry-leading provider of hunting and shooting accessories provides a broad, established platform for organic and inorganic growth of newly created accessories division

- 144,500 square foot facility

Strategic Benefits:

- Strong brand portfolio
- Robust product innovation process
- Multiple accessory product categories
- Supplier to leading retailers
- Category leading market share

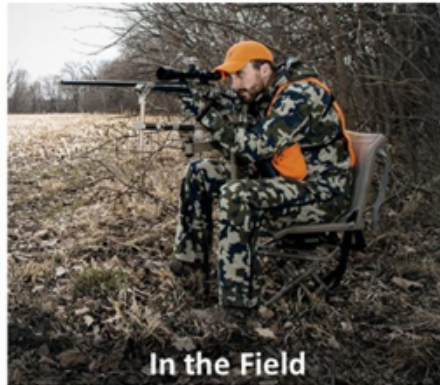
Financial Highlights:

- \$130.5M all cash deal
- 18%+ sales CAGR 2006-2014
- 50%+ Q1FY16 gross margins
- Accretive to gross margins & cash in current fiscal year 2016

ACCESSORIES FOR HUNTING, SHOOTING & OUTDOOR



At the Range

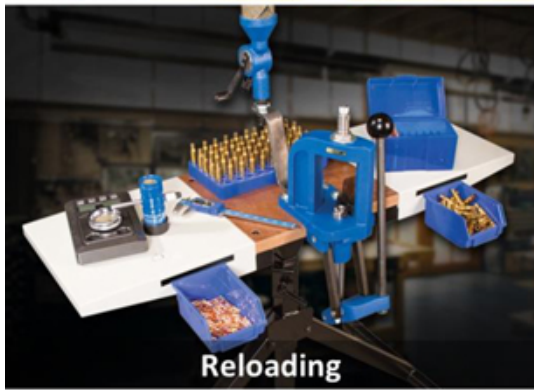


In the Field



Cleaning

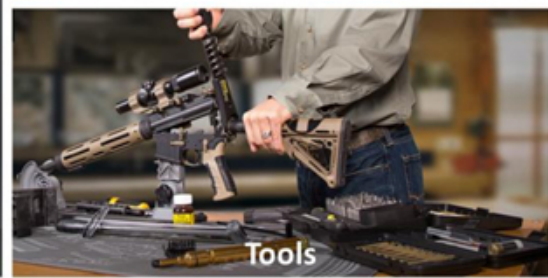
Gunsmithing



Reloading



Vault Accessories



Tools

DIFFERENTIATED PLATFORM COMPETITIVE ADVANTAGE



Strong Brand Portfolio



Market Leading Product Innovation

- Sophisticated product development process yields cutting edge products



Broad Product Assortment

- 800+ SKUs
- Nine highly recognized brands across a variety of product categories



Sophisticated Global Infrastructure

- ~50 global supply partners
- Focus: Design, source, market & distribute



Preferred Supplier to Category Leading Retailers



Category Leading Market Share

- Top 3 market-share in over ten key product categories

EXPANDING THE ADDRESSABLE MARKET

BTI accessories expand the market for the family of Smith & Wesson products to ALL firearm purchasers. Creates new outdoor enthusiast customer opportunities.



- Approximately 15 million people applied to purchase a gun in 2013
 - Cumulative amount for 2000 – 2013 is 127 million
- Retailers estimate that ~25% of gun purchases are made by first-time owners
- Consumers spend almost as much on gun accessories as part of a first gun purchase as they do on the firearm itself
 - In 2012, males spent an average of \$545 on gun accessories vs. \$554 on the gun
 - In 2012, females spent an average of \$457 on gun accessories vs. \$469 on the gun
- The BTI portfolio represents comprehensive coverage of most major firearm accessory categories and is enhanced by a robust new product development focus

Note: Regarding first time purchases: guns include handguns, rifles and shotguns; accessories include eye protection, hunting apparel, holsters, shooting apparel, rifle/shotgun slings and choke tubes.
Source: NSSF 2013-2014 Industry Reference Guide, 2012 Industry Reference Guide, and 2013 Firearm Retailer Survey.

STRONG CHANNELS TO MARKET

Established Relationships with Broad Distribution Across Leading Channels



Multi-Channel Retailers	Internet Only Retailers	Dealers	Distributors	International
     	  	   	  	  



FINANCIAL REVIEW

REVENUE - ANNUAL

U.S.\$ Millions – Continuing Operations

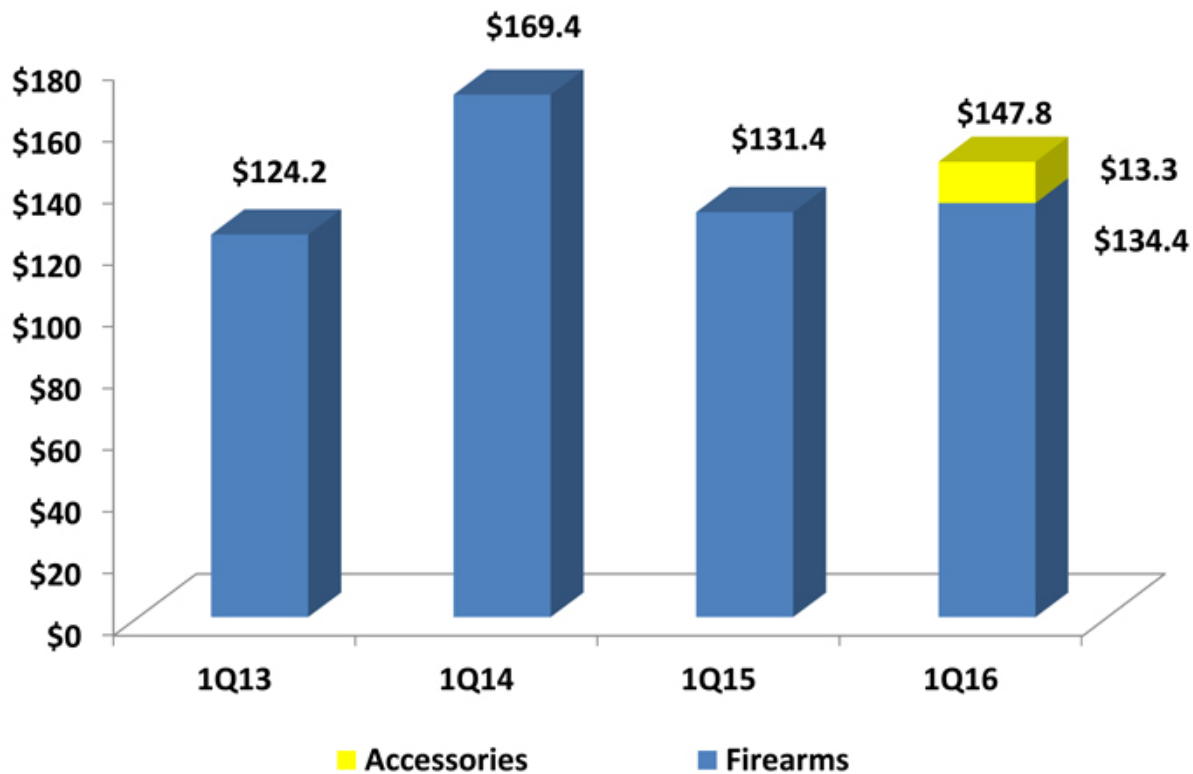


Note: Excludes Walther sales – an agreement which ended in Fiscal 2013

REVENUE - QUARTERLY



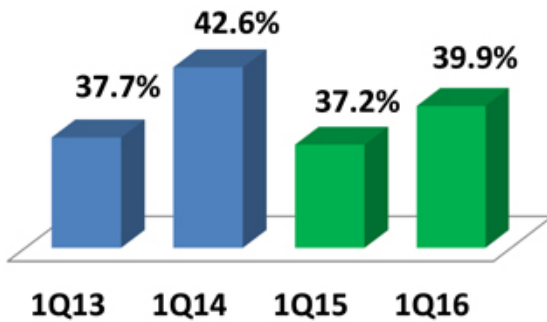
U.S.\$ Millions – Continuing Operations



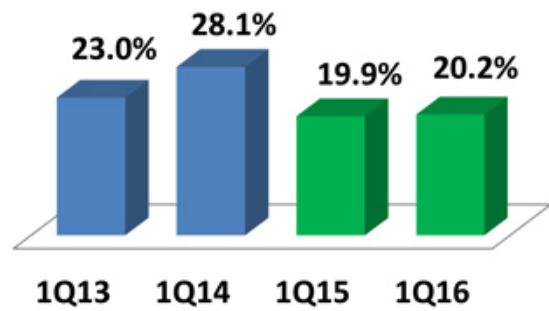
Note: Excludes Walther sales – an agreement which ended in Fiscal 2013

MARGINS - QUARTERLY

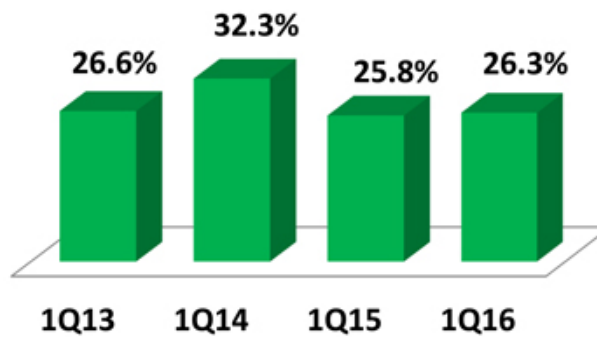
GROSS MARGIN



OPERATING PROFIT MARGIN



ADJUSTED EBITDAS MARGIN



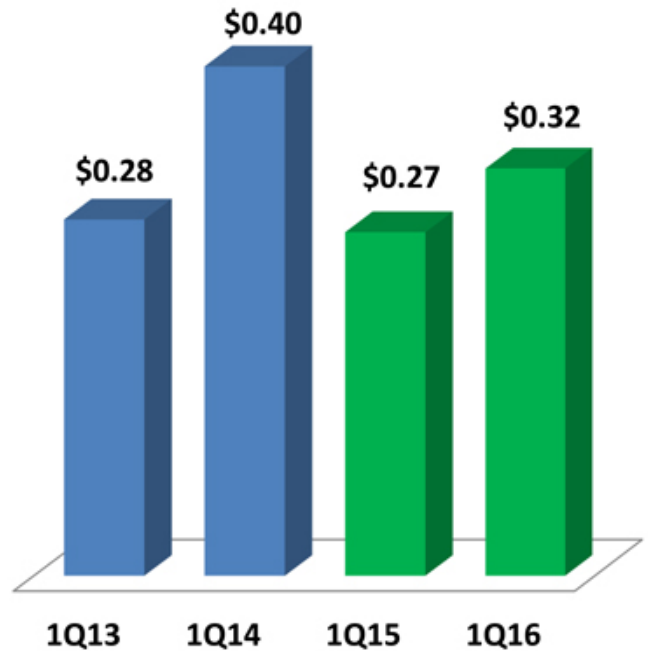
 = Represents non-GAAP: See Appendices for GAAP to non-GAAP reconciliations.

PROFITABILITY - QUARTERLY

NET INCOME (U.S.\$ Millions)



EARNINGS PER DILUTED SHARE



 = Represents non-GAAP: See Appendices for GAAP to non-GAAP reconciliations.

BALANCE SHEET & CASH FLOW

CONDENSED BALANCE SHEET

For the period ending:	(U.S.\$ Thousands)	
	July 31, 2015	April 30, 2015
Cash	\$ 55,417	\$ 42,222
AR	51,535	55,280
Inventory	90,086	76,895
Other current assets	26,188	22,679
Total current assets	223,226	197,076
Long-term assets	290,869	293,849
Total assets	\$ 514,095	\$ 490,925
Current liabilities	\$ 89,079	\$ 81,011
Other non-current	44,271	44,611
Notes payable	170,747	170,933
Total liabilities	304,097	296,555
Total equity	209,998	194,370
Total liabilities & equity	\$ 514,095	\$ 490,925

CONDENSED CASH FLOWS

For the three months ended:	(U.S.\$ Thousands)	
	July 31, 2015	July 31, 2014
Net cash provided by operating activities	\$ 16,625	\$ 10,780
Net cash used in investing activities	(7,150)	(38,696)
Net cash used in financing activities	3,720	42,514
Net increase/(decrease) in cash	\$ 13,195	\$ 14,598

KEY FINANCE ACTIVITIES

Optimizing capital efficiency, lowering the average weighted cost of capital and strengthening the balance sheet to support future growth initiatives

JULY 2014

- Issued \$75M of 5.000% Senior Notes due 2018
- Expanded credit facility to from \$75M to \$125M

DECEMBER 2014

- Borrowed \$100M toward the acquisition of BTI (*the company's new accessories division*)
- Repaid entire \$100M prior to April 2015 utilizing cash flows from operations

APRIL/JUNE 2015

- Expanded credit facility from \$125M to \$175M
- Added \$105M Term Loan A due 2020 (Interest rate 3.31%)
- Repurchased \$100M of 5.875% Senior Notes due 2017 with 2.9375% call premium



SHARE REPURCHASE PROGRAM HIGHLIGHTS

- \$165M in cumulative share repurchases since 2012 (14.4M shares)
 - Represents 21.7% reduction in public float
- New \$50M repurchase authorized by the Board of Directors in June 2015

FINANCIAL GUIDANCE

(Fiscal Year Ending April 30)

FISCAL SECOND QUARTER 2016	Estimate
Revenue	\$135M to \$140M
GAAP Earnings Per Share	\$0.16 to \$0.18
Non-GAAP Earnings Per Share*	\$0.19 to \$0.21
FISCAL YEAR 2016	Estimate
Revenue	\$610M to \$620M
GAAP Earnings Per Share	\$0.99 to \$1.04
Non-GAAP Earnings Per Share*	\$1.14 to \$1.19
Tax Rate	37%
Share Count	55.8M

*Note: Guidance for revenue, GAAP earnings per share, non-GAAP earnings per share, tax rate and share count reflects information as of August 27, 2015. The Company is not updating any of this guidance to the present date nor does its inclusion constitute a reiteration or modification of this information. *See Appendices for GAAP to non-GAAP reconciliations.*

INVESTMENT SUMMARY



- ✓ **Leading position in the U.S. firearm market**
- ✓ **Iconic brand with customer driven product portfolio**
- ✓ **Focus strategically on new product opportunities**
- ✓ **New high growth, high margin, accessories division**
- ✓ **Strong financial performance: Profitable Growth**
 - **Long-term target of quarterly gross margins in the range of 37% - 41%**
 - **Margins vary among quarters due to absorption impacts of seasonality, factory shutdowns, and holidays**
 - **Long-term Adjusted EBITDAS margin target above 20%**
- ✓ **Focus on operating efficiencies & targeted vertical integration**
- ✓ **Focus on high growth opportunities in the outdoor space**
- ✓ **Strong balance sheet and cash flows from operations**



Smith & Wesson®

For sport, recreation, protection and professional use, you can feel confident standing behind 163 years of reliability and accuracy. Smith & Wesson® knows firearms and the world knows Smith & Wesson. Only the best will do.

NASD: SWHC

www.smith-wesson.com

Liz Sharp, VP Investor Relations

(413) 747-6284



APPENDICES

EXPERIENCED LEADERSHIP

JAMES DEBNEY
PRESIDENT &
CHIEF EXECUTIVE
OFFICER



20+ years:
multinational
consumer and
business-to-business
environments,
including President of
Presto Products Co., a
\$500 million business
unit of Alcoa
Consumer Products

JEFFREY D. BUCHANAN
EXECUTIVE VICE PRESIDENT
& CHIEF FINANCIAL
OFFICER



25+ years: public and
private company
experience in
financial
management and
law; CFO for publicly
traded, global
manufacturing
company; law firm
partner; public
company board
member

MARKET PARTICIPANTS

Listed Alphabetically

SEMI AUTOMATIC PISTOLS	RIMFIRE SEMI AUTOMATIC PISTOLS	REVOLVERS	CENTERFIRE MSR	RIMFIRE MSR	BOLT ACTION	BLACK POWDER RIFLES
Smith & Wesson	Smith & Wesson	Smith & Wesson	Smith & Wesson	Smith & Wesson	Smith & Wesson	Smith & Wesson
Beretta	Ruger	Ruger	Colt	Colt	Browning	CVA
Glock	Sig Sauer	Taurus	DPMS/Bushmaster	Mossberg	Marlin	Traditions
H&K	Walther		Rock River	Ruger	Remington	
Kimber			Sig Sauer	Sig Sauer	Ruger	
Ruger					Savage Arms	
Sig Sauer					Weatherby	
Springfield					Winchester	

INDUSTRY INDICATORS

■ NICS

WWW.FBI.GOV

- NICS background checks are conducted at the point of sale, tracked by the FBI, and reported monthly. NSSF adjusts the total to eliminate permit-related checks and other “noise”

■ ADJUSTED NICS

WWW.NSSF.ORG

- Adjusted NICS serves as a proxy for consumer sales since Smith & Wesson sells only to federally licensed firearm dealers who must, by law, conduct a background check for every firearm they sell
- Applies to retail stores, gun shows, anywhere an FFL sells a firearm

■ FET Data

WWW.TTB.GOV

- Firearms and Ammunition Excise Tax Collections
 - Alcohol and Tobacco Tax and Trade Bureau
- NSSF translates into manufacturer’s sales
- Lagging data

GAAP to NON-GAAP RECONCILIATION

In this investor presentation, certain non-GAAP financial measures, including “non-GAAP earnings per share” and “Adjusted EBITDAS” as well as gross margin, operating expenses, operating income, and earnings per share from continuing operations excluding certain costs, expenses, and tax effects are or may be presented. From time-to-time, we consider and use these supplemental measures of operating performance in order to provide the reader with an improved understanding of underlying performance trends. We believe it is useful for us and the reader to review, as applicable, both (1) GAAP measures that include (i) amortization of acquired intangible assets, (ii) TCA accessories transition costs, (iii) discontinued operations, (iv) insurance recovery costs, (v) acquisition-related costs, (vi) bond premium, (vii) debt extinguishment costs, (viii) the tax effect of non-GAAP adjustments, (ix) interest expense, (x) income taxes, (xi) depreciation and amortization, (xii) stock-based compensation expense, (xiii) DOJ and SEC costs, (xiv) payments for acquisitions, and (xv) receipts from note receivables; and (2) the non-GAAP measures that exclude such information. We present these non-GAAP measures because we consider them an important supplemental measure of our performance. Our definition of these adjusted financial measures may differ from similarly named measures used by others. We believe 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 our GAAP measures. The principal limitations of these measures are that they do not reflect our actual expenses and may thus have the effect of inflating our financial measures on a GAAP basis.

GAAP to NON-GAAP RECONCILIATION

SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES
 RECONCILIATION OF GAAP FINANCIAL MEASURES TO NON-GAAP FINANCIAL MEASURES
 (Dollars in thousands, except per share data)
 (Unaudited)

	For the Three Months Ended			
	July 31, 2015		July 31, 2014	
	\$	% of Sales	\$	% of Sales
GAAP gross profit	\$ 58,870	39.8%	\$ 49,118	37.2%
Discontinued operations	52	0.1%	—	—
Non-GAAP gross profit	\$ 58,922	39.9%	\$ 49,118	37.2%
GAAP operating expenses	\$ 29,053	19.7%	\$ 23,443	17.8%
Amortization of acquired intangible assets	(2,073)	-1.4%	—	—
TCA accessories transition costs	(82)	-0.1%	—	—
Discontinued operations	(20)	0.0%	(95)	-0.1%
Insurance recovery costs	1,772	1.2%	—	—
Acquisition-related costs	—	—	(435)	-0.3%
Non-GAAP operating expenses	\$ 28,650	19.4%	\$ 22,913	17.4%
GAAP operating income	\$ 29,817	20.2%	\$ 25,675	19.5%
Amortization of acquired intangible assets	2,073	1.4%	—	—
TCA accessories transition costs	82	0.1%	—	—
Discontinued operations	72	0.0%	95	0.1%
Insurance recovery costs	(1,772)	-1.3%	—	—
Acquisition-related costs	—	—	435	0.3%
Non-GAAP operating income	\$ 30,272	20.5%	\$ 26,205	19.9%
GAAP net income	\$ 14,412	9.8%	\$ 14,556	11.0%
Bond premium paid	2,938	2.0%	—	—
Amortization of acquired intangible assets	2,073	1.4%	—	—
Debt extinguishment costs	1,723	1.2%	—	—
TCA accessories transition costs	82	0.1%	—	—
Discontinued operations	72	0.0%	95	0.1%
Insurance recovery costs	(1,772)	-1.2%	—	—
Acquisition-related costs	—	—	435	0.3%
Tax effect of non-GAAP adjustments	(1,857)	-1.3%	(195)	-0.1%
Non-GAAP net income	\$ 17,671	12.0%	\$ 14,891	11.3%
GAAP net income per share - diluted	\$ 0.26		\$ 0.26	
Bond premium paid	0.05		—	
Amortization of acquired intangible assets	0.04		—	
Debt extinguishment costs	0.03		—	
TCA accessories transition costs	0.00		—	
Discontinued operations	0.00		0.00	
Insurance recovery costs	(0.03)		—	
Acquisition-related costs	—		0.01	
Tax effect of non-GAAP adjustments	(0.03)		(0.00)	
Non-GAAP net income per share - diluted	\$ 0.32		\$ 0.27	

GAAP to NON-GAAP RECONCILIATION

SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES
RECONCILIATION OF GAAP NET INCOME TO NON-GAAP ADJUSTED EBITDAS
(In thousands)
(Unaudited)

	For the Three Months Ended	
	July 31, 2015	July 31, 2014
GAAP net income	\$ 14,412	\$ 14,556
Interest expense	7,251	1,984
Income tax expense	8,199	9,153
Depreciation and amortization	8,999	5,839
Stock-based compensation expense	1,545	1,579
TCA accessories transition costs	82	—
Discontinued operations	72	95
Acquisition-related costs	—	435
DOJ/SEC costs, including insurance recovery costs	(1,770)	433
Non-GAAP adjusted EBITDAS	\$ 38,790	\$ 34,074

FREE CASH FLOW

SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NET OPERATING CASH FLOW TO FREE CASH FLOW
(In thousands)
(Unaudited)

	For the Three Months Ended	
	July 31, 2015	July 31, 2014
Net cash provided by operating activities	\$ 16,625	\$ 10,780
Net cash used in investing activities	(7,150)	(38,696)
Payments for the net assets of Tri-Town Precision Plastics, Inc.	—	24,095
Receipts from note receivable	(21)	(21)
Free cash flow	<u>\$ 9,454</u>	<u>\$ (3,842)</u>

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