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

Date of Report (Date of earliest event reported): July 20, 2020

Smith & Wesson Brands, Inc.
(Exact Name of Registrant as Specified in Charter)

Nevada	001-31552	87-0543688
(State or other jurisdiction of incorporation)	(Commission File Number)	(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value $0.001 per Share	**SWBI**	**Nasdaq Global Select Market**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 §CRF 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01. Regulation FD Disclosure.

In advance of the previously announced spin-off of our wholly owned subsidiary, American Outdoor Brands, Inc., or AOUT, from our company, which is expected to occur on August 24, 2020, 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, filed as Exhibit 99.1 to this Current Report on Form 8-K, for use in AOUT's investor discussions and presentations. 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 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.aob.com*, although we reserve the right to discontinue that availability at any time.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit Number	Exhibits
99.1	American Outdoor Brands, Inc. Investor Presentation, dated July 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 BRANDS, INC.

Date: July 20, 2020

By: */s/ Robert J. Cicero*

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


Exhibit 99.1
AMERICAN OUTDOOR
BRANDS
NASDAQ: AOUT
INVESTOR PRESENTATION
JULY 2020

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. Such forward-looking statements include, among others, the anticipated timing for the spin-off; our strategy for maximizing growth; our belief that we have a strong balance sheet to support organic and inorganic growth objectives; our estimate of the size of the rugged outdoor recreational market; our belief that our family of brands has significant runway for growth; our belief that we have a repeatable process for innovating and rejuvenating mature product categories; our belief that we have a leverageable platform for acquisitions; our expectations for new products and new patents in 2020; our belief that we have a robust, multi-year pipeline of new products; our strategy to pursue appropriate acquisitions with a focus on the large and growing markets in which our core consumers participate; our strategic priorities for growth; our expectation for continued sales growth through leveraging brand lane platforms; our expectations of improved product mix going forward; our belief that leverage of fixed general and administrative costs, brand lanes, and e-commerce investments will yield significant EBITDAS contribution as the business grows; our expectation that EBITDAS margin will improve meaningfully; and our financial outlook for fiscal 2021 and long-term drivers. We caution that these statements are qualified by important risks, uncertainties, and other factors that could cause actual results to differ materially from those reflected by such forward-looking statements. Such factors include, among others, the effects of the coronavirus, or COVID-19, pandemic, including potential disruptions in our 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; lower levels of consumer spending; our ability to introduce new products that are successful in the marketplace; interruptions of our arrangements with third-party contract manufacturers that disrupt our ability to fill our customers' orders; increases in costs or decreases in availability of finished products, product components, and raw materials; the failure to maintain or strengthen our brand recognition and reputation; the ability to forecast demand for our products accurately; our inability to expand our e-commerce business; our inability to compete in a highly competitive market; our dependence on large customers; an increase in private label products by our customers; pricing pressures by our customers; our ability to collect our accounts receivable; the risk of earthquakes, fire, power outages, power losses, and telecommunication failures; our abilities to identify acquisition candidates, complete acquisitions of potential acquisition candidates, and integrate their businesses with our business, and the success of acquired companies; our ability to protect our intellectual property; the risk of complying with any applicable foreign laws or regulations and the effect of increased protective tariffs; the performance and security of our information systems; the potential for product recalls, product liability, and other claims against us; our dependence on key personnel; economic, social, political, legislative, and regulatory factors; the potential for increased regulation of firearms and firearms-related products; the state of the U.S. economy; risks associated with of our new principal facility, including the expected benefits; and other risks detailed from time to time in our reports filed with the SEC, including our Registration Statement on the Form 10 (and all amendments thereto).

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

AMERICAN OUTDOOR BRANDS SPIN-OFF OVERVIEW

Transaction Overview

- On November 13, 2019, Smith & Wesson Brands, Inc. ("SWBI") (then called American Outdoor Brands Corporation), announced its plan to spin-off its outdoor products & accessories business to form an independent, publicly traded company: **American Outdoor Brands, Inc. ("AOUT" or "Spin-Co")**
- Each SWBI stockholder of record will receive **one share of AOUT** common stock for every **four shares of SWBI** common stock held by such stockholder as of the close of business on the Record Date
- **Record Date** — August 2020
- **Distribution Date** — Late August 2020
- Upon the completion of the separation, the Spin-Co will trade under the ticker symbol **"AOUT" on Nasdaq**

Compelling Strategic Rationale

- **Distinct Focus** — market opportunities in rugged outdoor products & accessories, both organically through robust innovation, and inorganically by acquiring new brands
- **Differentiated Investment Thesis** — outdoor products & accessories company focused on the rugged outdoor enthusiast, delivering high growth via re-investment in the business and M&A
- **Optimized Balance Sheet and Capital Allocation Priorities** — prioritization of investments and capital structure tailored to AOUT's business model to execute on specific growth strategy
- **Incremental Stockholder Value** — benefit from the investment community's ability to value a pure-play outdoor products & accessories company independently will drive incremental stockholder value

EXPERIENCED LEADERSHIP

BRIAN D. MURPHY
President & Chief Executive Officer

Joined in **2016**

14+ years experience

- ✓ Lead execution of AOUT's "Dock & Unlock"™ strategy as part of expansion into new outdoor product categories and markets
- ✓ Experienced leader with ability to motivate teams, build and run business operations, and apply transactional and industry experience
- ✓ Significant M&A and financial experience with publicly traded companies

H. ANDREW FULMER, CPA
Chief Financial Officer

Joined in **2010**

24+ years experience

- ✓ Extensive financial experience with the company, and played key role in the development and execution of the company's long-term acquisition strategy
- ✓ Led the company's strategic planning process and developed procedures for acquisition-related financial modeling, due diligence, internal controls, and integration

A DIVERSE OUTDOOR PRODUCTS & ACCESSORIES COMPANY

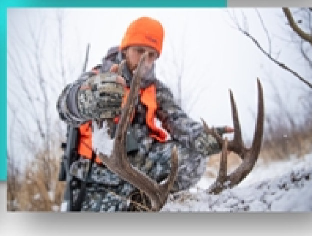
AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

American Outdoor Brands, Inc. ("AOUT"): A **growth-oriented provider of outdoor products & accessories**, including hunting, fishing, camping, shooting, and personal security and defense products, for rugged outdoor enthusiasts:

- ✓ We participate in a **very large, passion-driven industry** ($30-35 billion) benefitting from **favorable macro trends**
- ✓ **Portfolio of 20 diverse consumer brands**, with many in **early stages of growth**
- ✓ Every brand "Docked" into one of four **"Brand Lanes"** – each lane designed to nurture and tease out each brands' potential (referred to as our **"Dock & Unlock"** strategy for maximizing growth)
- ✓ Recent investments in infrastructure create a **"turn key" platform from which to grow** (new distribution center, new e-commerce platform, brand lane resources)
- ✓ **Strong balance sheet** to support organic and inorganic growth objectives

~$30-35B

Rugged Outdoor Recreational Market[a]



(a) Estimated market size per AOUT management's estimates.

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

COMPANY HISTORY AND KEY MILESTONES

Key Business Milestone

Strategic Acquisition

Dec 2014

Acquired **Battenfeld Technologies**

The acquisition by SWBI provided a broad, established platform for organic and inorganic growth of newly established accessories division

Jan 2015

Acquired **Hooyman**

Feb 2016

Acquired **PowerTech**

Aug 2016

Acquired **Taylor Brands**

Tuck-in acquisition that expanded outdoor product offering in knives and specialty tools

Aug 2016

Acquired **Crimson Trace**

Acquisition served as an ideal platform for new Electro-Optics Division

Nov 2016

Acquired **Ultimate Survival Technologies**

Further diversified revenue base and expanded outdoor product offering

Dec 2016

SWBI formed the Outdoor Products & Accessories division and named **Brian Murphy as President** in 2017

To reflect a broad and growing array of brands and businesses in the shooting, hunting and rugged outdoor enthusiast markets

Aug 2017

Acquired **BUBBA Blade**

Gained access to the large fishing accessories market

Feb 2018

Brand Lanes formed

All Existing Outdoor Products & Accessories brands were "docked" into newly formed lanes: Marksman, Defender, Harvester, and Adventurer

Jan 2019

Electro-Optics division acquired **LaserLyte**

Expanded product portfolio with laser training devices

Apr 2019

Electro-Optics division integrated into Outdoor Products & Accessories division

Crimson Trace and LaserLyte brands moved into Outdoor Products & Accessories' Defender brand lane

Nov 2019

Announced Spin-Off by SWBI of Outdoor Products & Accessories division

Will create two independent public companies: SWBI and AOUT

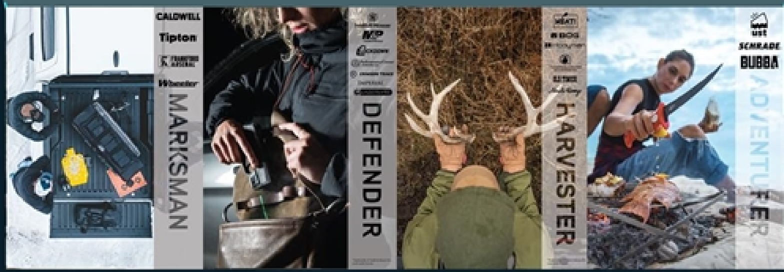
AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

THE POWER IS IN THE PLATFORM

THE "DOCK AND UNLOCK"™ FORMULA

Brand A x AOB Dock (Strategy + Resources) = Brand A + ∞ Unlocked Potential

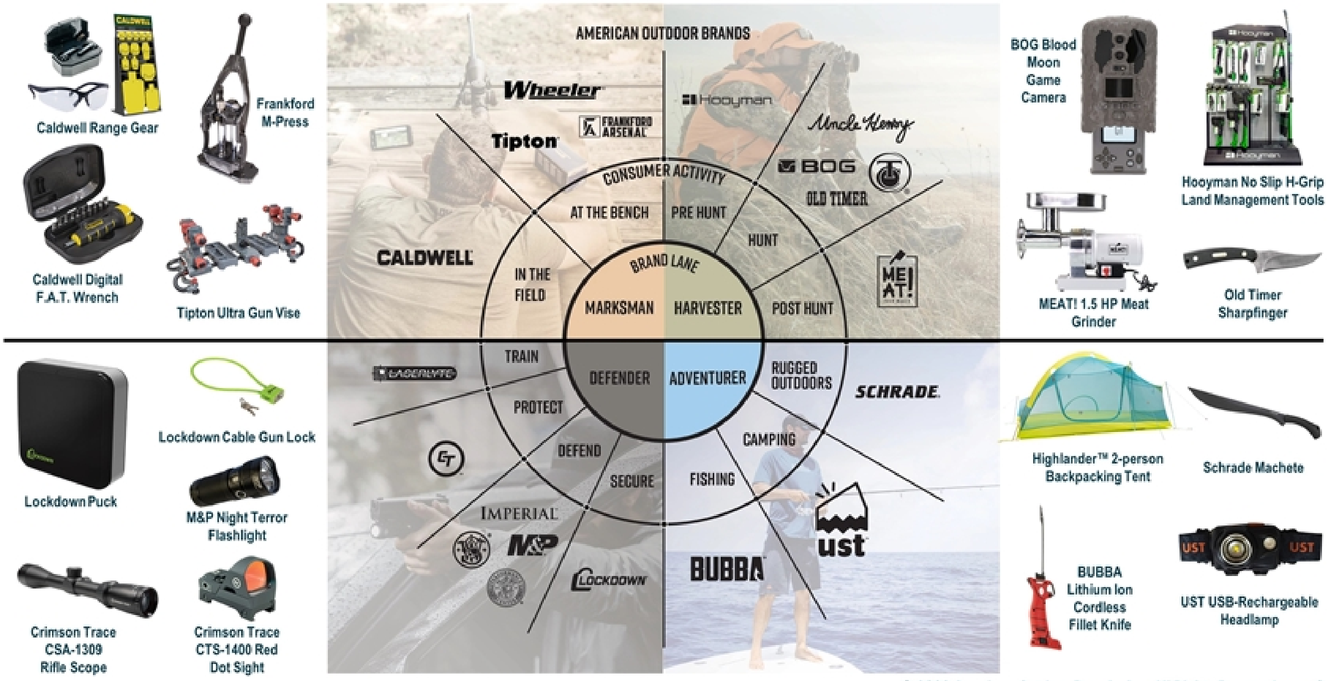
- ✓ Using our *"Dock and Unlock"™* formula, we leverage our brand lanes to reframe our brands' growth potential
- ✓ Thereby creating *"Permission to Play"* in new product categories and establishing entrance into wholly new, large addressable markets
- ✓ Resulting in a family of brands with significant runway for growth, TAKING BRANDS "FROM NICHE TO KNOWN"™



Note: American Outdoor Brands, Inc. will license the brands Smith & Wesson® Accessories; M&P® Accessories; Thompson/Center Arms™ Accessories; and Performance Center® Accessories, all of which will be owned by Smith & Wesson Brands, Inc. and will be exclusively licensed to American Outdoor Brands, Inc., after the spin-off.

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

PRODUCTS THAT APPEAL TO CORE CONSUMER ACTIVITIES



AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

LEADING MARKETING CAPABILITIES

On-Site Capabilities:

- ✓ Photography & recording studio
- ✓ Advanced assortment of equipment from 3D image capture to cinema quality cameras
- ✓ Workshop for fabrication of prototypes (merchandising displays, packaging, etc.)

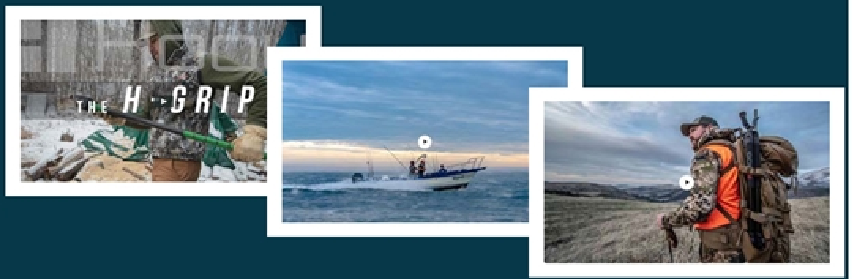
Each brand lane has dedicated:

- ✓ *Brand Management*
- ✓ *Creative Development*
- ✓ *Content Deployment*
- ✓ *Customer Support*

SELECTED BRANDING UPDATES

Legacy	New
BOG-POD	BOG
	BUBBA
Frankford Arsenal	FRANKFORD ARSENAL
LOCKDOWN	LOCKDOWN
Caldwell	CALDWELL

100% In-House Content Production:



PRODUCT DEVELOPMENT ENGINE

STRATEGIC INVESTMENTS IN PRODUCT DEVELOPMENT

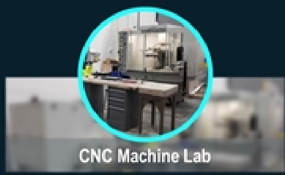
- ✓ **4** state-of-the-art product development labs
- ✓ **In-house** same-day rapid prototyping capabilities
- ✓ **35+** product development employees

Results

- ✓ **300+** new products created in FY 2020
- ✓ **30** new utility patents in 2020 alone


3D Print Lab


Reloading & Gunsmithing Lab


CNC Machine Lab

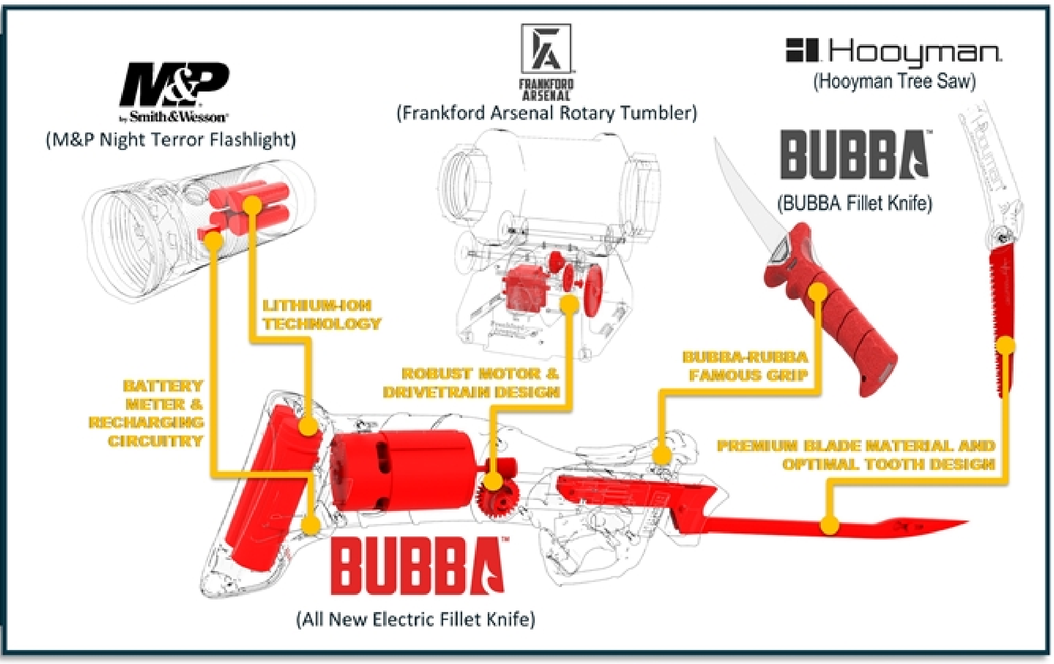
NEW PRODUCTS FOR 2020

MARKSMAN 65 NEW PRODUCTS	HARVESTER 112 NEW PRODUCTS
DEFENDER 88 NEW PRODUCTS	ADVENTURER 38 NEW PRODUCTS

TECHNOLOGY THAT SPREADS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

- ✓ Unique "T-Shaped" team structure provides wide product design expertise
- ✓ Depth of knowledge and developed IP is transferred to new products
- ✓ The result is a robust, multi-year pipeline of new products that reflects each brand's "Permission to Play"



"DOCK & UNLOCK"™ CASE STUDY

BUBBA™

From water to plate, BUBBA provides anglers with kick-ass tools to enjoy the ultimate lifestyle of adventure

BUBBA BLADE ❯❯ BUBBA

From **Niche To Known™**

- ✓ Expanded potential by dropping "Blade" from the name and positioned it to capture the **"water to plate" lifestyle**
- ✓ Entered new product categories in which it now has **"Permission to Play"**, reaching a wider audience beyond just salt water fishing

>100% sales growth in FY20

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

"DOCK & UNLOCK"™ CASE STUDY

BOG

For the Obsessed Hunter, BOG is the only brand that delivers unmatched performance and versatility on the hunt because our products are engineered for the **UNKNOWN**

BOG-POD ❯❯ BOG

From **Niche To Known**™

- ✓ Expanded potential by dropping "Pod" from the name and positioned it as a versatile hunting brand
- ✓ Entered new product categories where it now has **"Permission to Play"**, reaching a wider audience beyond just shooting sticks

>200% sales growth in FY20

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

E-COMMERCE PLATFORM

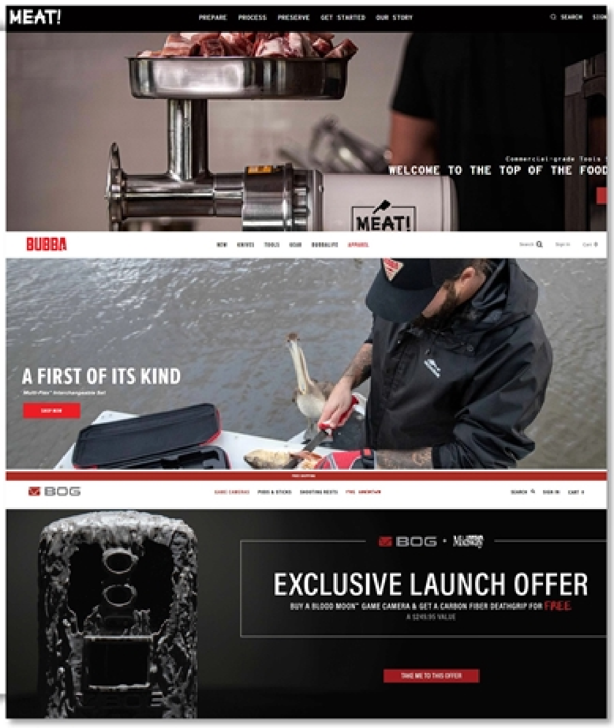
AOUT's e-commerce platform is driving growth via digital advertising and consumer awareness

- ✓ We have made **significant investments** in our **e-commerce platform and online ecosystem** to reflect how consumers shop
- ✓ **During COVID-19, consumers** responded to retail store closures by **seeking out AOUT's popular brands and products online**
- ✓ **Shift in consumer preference to online retailers** and increases in our own direct-to-consumer business

E-COMMERCE SALES

(US$ in millions)

21%
Revenue CAGR from FY18-FY20



Note: AOUT's e-commerce channels include net sales from customers that do not operate a physical brick and mortar store, but generate the majority of their revenue from consumer purchases from their retail websites.

E-COMMERCE CASE STUDY

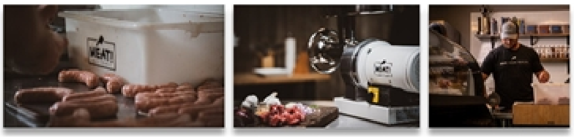
MEAT! YOUR MAKER™

Opportunity:

- ✓ Increasing popularity of DIY meat processing with consumers
- ✓ Large, growing market with reach well beyond hunters
- ✓ No obvious, attractive acquisition targets in the market
- ✓ Harvester brand lane resources in place with existing consumer and product expertise
- ✓ e-commerce platform capable of full DTC solution

Result:

- ✓ Launched **MEAT!** brand via **MeatYourMaker.com** (DTC only)
- ✓ Clever, on-trend meat processing tools, comprising 28 SKUs



1 UNDERSTAND Journey of the Harvester

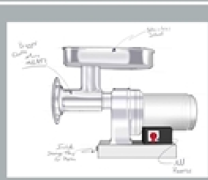
Pre-Hunt	Hunt	Post-Hunt
Hooyman	OLD TIMER, Uncle Henry, BOG, Thompson/Center	Acquire or Create?

2 ASSESS Organic Capabilities

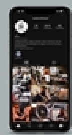
- Product Development Capability
- Consumer Familiarity
- Rugged Outdoor Product Category

3 CREATE

MEAT! YOUR MAKER



18 months from concept to full commercialization and website launch

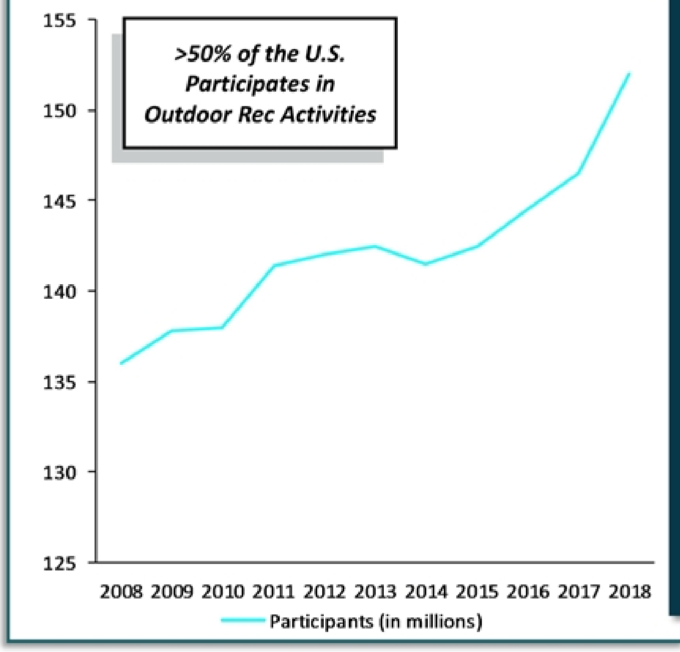


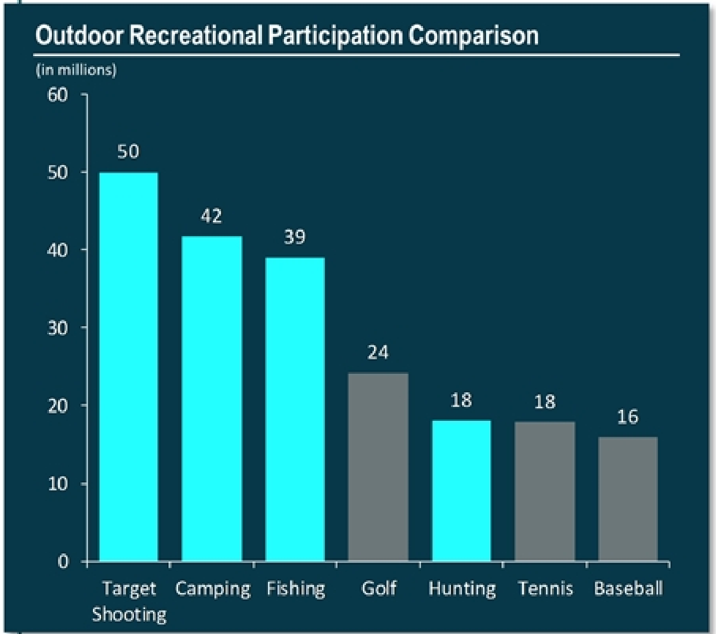
MEAT! Instagram

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

STRONG INDUSTRY FUNDAMENTALS

OUTDOOR PARTICIPATION TRENDING





Source: 2019 Outdoor Participation Report, National Shooting Sports Foundation, National Golf Foundation, Tennis Industry Association.

STRATEGIC PRIORITIES FOR GROWTH

1 INTRODUCE New, Differentiated Products

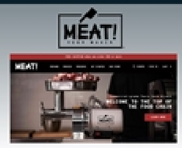
- ✓ **Leveraging** agile brand and product development teams
- ✓ **Focus** on **disruptive technology** and successful product launches
- ✓ Create competitive moats through **intellectual property**

2 EXPAND Addressable Market

- ✓ Leverage our brands' **"Permission to Play"**
- ✓ Enter **new product** categories that appeal to a **wider audience**
- ✓ Naturally pull some brands **beyond the "rugged outdoor" market**

3 CULTIVATE Direct-to-Consumer Relationships

- ✓ Invest in **creative teams** & **e-commerce** platform:
  - – *Create and distribute high content volumes*
- ✓ Help **drive pull-through** at retail
- ✓ Enable consumers to **purchase directly from our platform**



4 EXPAND & ENHANCE Supply Chain

- ✓ Identifying, qualifying, attracting, and maintaining **qualified contract manufacturers**
- ✓ Qualifying additional suppliers will **reduce dependence** on one or a small group of suppliers
- ✓ **Protect against** operational, performance, or capacity issues

United States
Taiwan Japan
China South Korea
Philippines
Thailand India
Mexico

5 PURSUE Complementary Acquisitions

- ✓ Seek **tuck-in acquisitions** into brand lane structure that **augment organic growth** where we have:
  - – *Product expertise*
  - – *Familiarity with the consumer*
  - – *Complementary to existing portfolio and sales channels*

BUBBA

PURSUE COMPLEMENTARY ACQUISITIONS

Pursue appropriate acquisitions for AOUT, with a **focus on the large and growing markets in which our core consumers participate**. This disciplined approach to acquisitions has led to our complementary brand portfolio

IDEAL ACQUISITION CRITERIA

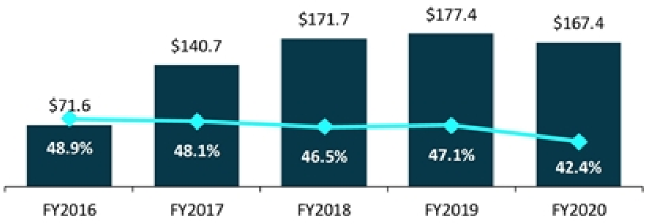
- ✓ "Dock & Unlock"™ Friendly via Brand Lane Structure
- ✓ "From Niche to Known"™ Opportunity (Runway for Growth)
- ✓ Large, Addressable Markets
- ✓ Low Complexity
- ✓ Further Diversifies AOUT's Supply Chain

(a) Based on a 2017 report issued by the Outdoor Industry Association.
(b) Estimated market size per AOUT management's estimates.

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

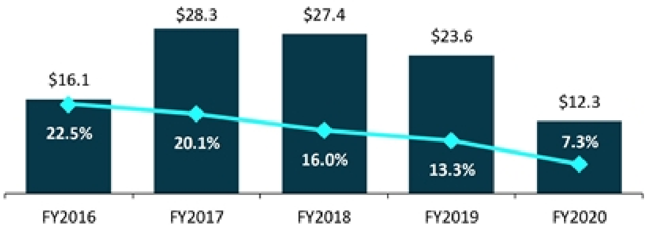
SUMMARY FINANCIAL OVERVIEW

REVENUE & GROSS MARGIN



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

ADJ. EBITDAS & ADJ. EBITDAS MARGIN



- ✓ Harvested cost savings from plant consolidations to reinvest in AOUT's brand lane platforms for future growth while steadying impacts from tariffs and manufacturing variances
- ✓ Leverage of fixed G&A costs, brand lanes and e-commerce investments will yield significant EBITDAS contribution as the business grows
- ✓ Expect EBITDAS margin to improve meaningfully

Note: US$ in millions. Fiscal year ended April 30. Adjusted EBITDAS is defined as GAAP net income/(loss) before interest, taxes, depreciation, amortization, and stock compensation expense and excludes certain items we consider non-routine. See slide 28 for a reconciliation of Adjusted EBITDAS. Financials for FY2019 include activity for the period subsequent to the acquisition of LaserLyte. Financials for FY2018 include activity for the period subsequent to the acquisition of Fish Tales, LLC (BUBBA). Financials for FY2017 include activity for the period subsequent to the acquisitions of Taylor Brands, LLC, Crimson Trace, and UST.

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

CONSERVATIVE CAPITAL STRUCTURE TO SUPPORT ORGANIC AND INORGANIC GROWTH

PRO FORMA BALANCE SHEET AS OF APRIL 30, 2020

Assets ($M)	
Cash	$25.2
Other Current Assets	102.0
Intangibles / Goodwill	133.5
PP&E	12.9
Other Assets	27.9
Total Assets	**$301.5**
Liabilities & Equity ($M)	
Current Liabilities (Excl. Debt)	$23.3
Bank Debt	-
Other Liabilities	26.0
Total Liabilities	**$49.2**
Stockholders' Equity	**$252.3**
Total Liabilities & Equity	**$301.5**

- ✓ Strong balance sheet with significant amount of liquidity
  - Low-cost L+200, $50M asset-based revolving credit facility with additional $15M accordion feature[(a)]
  - ~$25M of cash
- ✓ Growth and profitability will facilitate the prioritization of investments and capital allocation focused on both organic and inorganic growth
- ✓ Focus on working capital optimization by converting targeted sections of slower moving inventory into cash
- ✓ Strong free cash flow conversion with low level of maintenance capex

Note: US$ in millions.
(a) Asset-based revolving credit facility will become effective upon the completion of the separation of AOUT from SWBI.

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

FINANCIAL OUTLOOK AND DRIVERS

	FY2021	Long-Term Drivers
Revenue	\$180M – \$190M	✓ Introduce new differentiated products ✓ Expand addressable markets ✓ Augment organic growth with complementary acquisitions
Adjusted EBITDAS	\$15M – \$17M	✓ High level of operating leverage from existing brand lane platforms ✓ Adjusted EBITDAS margins expected to increase with revenue growth
Capital Expenditures	\$2M – \$4M	✓ FY21 includes non-recurring expenditures related to incremental trade show costs ✓ Going forward will primarily be maintenance capex related to product tooling

Note: FY2021 financial guidance per AOUT Management's estimates is based on information available to Management at the time presented and is subject to change in the future especially in light of the difficulty in assessing and predicting with precision any further effects of COVID-19 on the industry and the company 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.

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

SUMMARY INVESTMENT HIGHLIGHTS

AMERICAN OUTDOOR BRANDS

- Portfolio of Leading Brands and Products Focused on the Rugged Outdoor Market
- Four Brand Lanes with Significant Runway for Growth
- Repeatable Process for Innovating and Rejuvenating Mature Product Categories
- Leverageable Platform for Acquisitions with Demonstrated Acquisition Execution
- Experienced, Entrepreneurial Management Team


AMERICAN OUTDOOR
BRANDS
™
Q&A

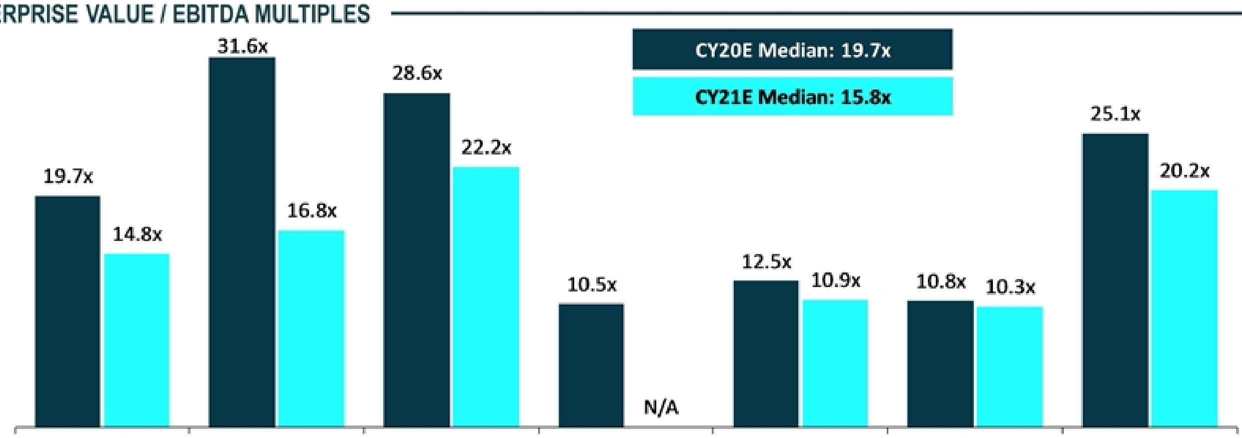
AMERICAN™
OUTDOOR BRANDS

APPENDIX

COMPARABLE COMPANY ANALYSIS — OUTDOOR PRODUCTS

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

ENTERPRISE VALUE / EBITDA MULTIPLES



CY2020E	ANTA	CLARUS	FOX	JOHNSON OUTDOORS (a)	newell BRANDS	VISTA OUTDOOR (b)	YETI
YoY Rev. Growth %	11.7%	(17.3%)	2.5%	(8.9%)	(10.0%)	3.2%	(0.5%)
EBITDA Margin %	25.3%	6.2%	17.1%	14.6%	12.1%	7.2%	18.1%

Source: Public company filings and Capital IQ as of July 15, 2020.
(a) JOUT enterprise value includes ~$131 million of cash and ~$39 million of debt. Equity Value to EBITDA multiple is 11.7x for CY2020E.
(b) VSTO values are pro forma for the sale of Savage Arms in July 2019.

NON-GAAP FINANCIAL MEASURES

We use GAAP net income as our primary financial measure. We use Adjusted EBITDAS, which is a non-GAAP financial metric, as a supplemental measure of our performance in order to provide investors with an improved understanding of underlying performance trends, and it should be considered in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Adjusted EBITDAS is defined as GAAP net income/(loss) before interest, taxes, depreciation, amortization, and stock compensation expense. Our Adjusted EBITDAS calculation also excludes certain items we consider non-routine. We believe that Adjusted EBITDAS is useful to understanding our operating results and the ongoing performance of our underlying business, as Adjusted EBITDAS provides information on our ability to meet our capital expenditure and working capital requirements, and is also an indicator of profitability. We believe this reporting provides additional transparency and comparability to our operating results. We believe that the presentation of Adjusted EBITDAS is useful to investors because it is frequently used by analysts, investors, and other interested parties to evaluate companies in our industry. We use Adjusted EBITDAS to supplement GAAP measures of performance to evaluate the effectiveness of our business strategies, to make budgeting decisions, and to neutralize our capitalization structure to compare our performance against that of other peer companies using similar measures, especially companies that are private. We also use Adjusted EBITDAS to supplement GAAP measures of performance to evaluate our performance in connection with compensation decisions. We believe it is useful to investors and analysts to evaluate this non-GAAP measure on the same basis as we use to evaluate our operating results.

Adjusted EBITDAS is a non-GAAP measure and may not be comparable to similar measures reported by other companies. In addition, non-GAAP measures have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. We address the limitations of non-GAAP measures through the use of various GAAP measures. In the future, we may incur expenses or charges such as those added back to calculate Adjusted EBITDAS. Our presentation of Adjusted EBITDAS should not be construed as an inference that our future results will be unaffected by these items.

SELECTED HISTORICAL COMBINED FINANCIAL DATA

	For the Fiscal Years Ended April 30,				
	2020	2019	2018	2017	2016
			(US$ in Thousands)		
Net sales	$167,379	$177,363	$171,681	$140,721	$71,587
Cost of sales	96,363	93,889	91,775	73,021	36,606
Gross profit	71,016	83,474	79,906	67,700	34,981
Operating expenses[(a)]	183,812	97,539	82,919	70,566	31,293
Operating income/(loss)	(112,796)	(14,065)	(3,013)	(2,866)	3,688
Total other income/(expense), net	4,942	5,278	4,020	1,088	461
Income/(loss) from operations before income taxes	(107,854)	(8,787)	1,007	(1,778)	4,149
Income tax expense/(benefit)[(b)]	(11,653)	734	(7,158)	(833)	1,452
Net Income/(loss)[(c)]	$(96,201)	$(9,521)	$8,165	$(945)	$2,697
Depreciation and amortization	$23,639	$24,990	$24,041	$21,115	$10,546
Adjusted EBITDAS[(d)]	$12,300	$23,615	$27,385	$28,267	$16,096
Capital expenditures	$1,480	$1,889	$1,516	$3,968	$1,302
Year-end financial position:					
Working capital	$80,876	$70,929	$49,606	$53,204	$12,188
Total assets	$248,415	$354,773	$365,272	$380,769	$148,271

(a) Operating expenses for FY2020 include a $98.9 million impairment of goodwill, and operating expenses for FY2019 include a $10.4 million impairment of goodwill.

(b) Income tax benefit in FY2018 was favorably impacted by $7.6 million as a result of the Tax Cuts and Jobs Act, or Tax Reform.

(c) Net income/(loss) for FY2019 includes activity for the period subsequent to the acquisition of LaserLyte. Net income/(loss) for FY2018 includes activity for the period subsequent to the acquisition of Fish Tales, LLC (BUBBA). Net income/(loss) for FY2017 includes activity for the period subsequent to the acquisitions of Taylor Brands, LLC, Crimson Trace, and UST.

(d) See slide 28 for a reconciliation of Adjusted EBITDAS.

AMERICAN OUTDOOR BRANDS (NASDAQ: AOUT)

NON-GAAP ADJUSTED EBITDAS RECONCILIATION

	For the Fiscal Years Ended April 30,				
	2020	2019	2018	2017	2016
			(US$ in Thousands)		
GAAP net income/(loss)	$(96,201)	$(9,521)	$8,165	$(945)	$2,697
Income tax expense/(benefit)	(11,653)	734	(7,158)	(833)	1,452
Depreciation and amortization	23,639	24,333	24,041	21,115	10,546
Related party interest income	(4,963)	(5,225)	(2,309)	(1,088)	(458)
Stock compensation	850	2,274	1,772	2,266	1,671
Goodwill impairment	98,929	10,396	—	—	—
Inventory step-up expense	—	—	—	3,551	—
Product recall	(180)	(589)	1,666	—	—
Transition costs[(a)]	1,580	1,185	439	381	161
COVID-19 costs	299	—	—	—	—
Acquisition costs	—	28	769	3,820	27
Non-GAAP Adjusted EBITDAS	$12,300	$23,615	$27,385	$28,267	$16,096

(a) Includes non-recurring costs related to restructuring activities, including severance, retention, lease impairments, and additional costs.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