

**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): March 10, 2020

American Outdoor Brands 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))

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 \$.001 per Share	AOBC	Nasdaq Global Market Select

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 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.

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 presentations filed as Exhibit 99.1 to the Current Report on Form 8-K dated November 14, 2019, which was filed with the Securities and Exchange Commission on November 14, 2019, and to the Current Report on Form 8-K dated January 17, 2017, which was filed with the Securities and Exchange Commission on January 17, 2017.

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.*

<u>Exhibit Number</u>	<u>Exhibits</u>
99.1	Investor Presentation, dated March 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.

AMERICAN OUTDOOR BRANDS CORPORATION

Date: March 10, 2020

By: /s/ Jeffrey D. Buchanan

Jeffrey D. Buchanan

Executive Vice President, Chief Financial Officer,
Chief Administrative Officer, and Treasurer



INVESTOR PRESENTATION
MARCH 2020

LEGAL SAFE HARBOR

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, anticipated revenue, GAAP earnings per share, non-GAAP earnings per share, tax rate, and share count for future periods; anticipated revenue for the Firearms segment and the Outdoor Products & Accessories segment for future periods; the methodology, tax-free nature, effects, and timing of the proposed spin-off of the outdoor products & accessories business; our belief that the spin-off will allow both companies and their dedicated management teams to focus on their respective business models and growth opportunities, while providing access to capital, financial resources, and investors that are better aligned with its unique business; our belief that the separation enhances prospects for long-term value creation; our belief that each company will benefit from a distinct strategic and management focus on its specific operational and growth priorities, with Smith & Wesson Brands, Inc. focusing on organic growth by developing new products that meet the needs and wants of consumer customers, and with American Outdoor Brands, Inc. focusing on market opportunities in rugged outdoor products, both organically through robust innovation and inorganically by acquiring new brands; our expectation that each company will offer a unique and compelling investment opportunity, allowing it to attract investors more closely aligned with its business type and its operational and financial model, with Smith & Wesson Brands, Inc. focusing on firearms, strong cash generation, and returning capital to stockholders via dividends, and with American Outdoor Brands, Inc. focusing on OP&A and delivering high growth via re-investment in the business and M&A; our expectation that each company will operate with its own capital allocation priorities and access to financial resources, such as markets, credit, and insurance, that are better aligned with its business type and its long-term strategy; and our belief that each company will benefit from the investment community's ability to value the businesses independently and drive incremental stockholder value through an improved stock price; estimated revenue, adjusted EBITDAs, and market size for each of the separate companies for the first 12 months as independent companies; our expectation that American Outdoor Brands, Inc. will exclusively license certain brands from Smith & Wesson Brands, Inc. after the spin-off; the anticipated financial profile of American Outdoor Brands, Inc., which is expected to yield growth and profitability that will facilitate



the prioritization of investments and capital allocation focused on both organic and inorganic growth; the outdoor products & accessories strategic priorities for growth, including introducing new and differentiated products, expanding our addressable market, cultivating direct-to-consumer relationships, expanding and enhancing our supply chain, and pursuing acquisitions that complement our current business; expected new products and patents for outdoor products & accessories in 2020; the anticipated financial profile of Smith & Wesson Brands, Inc., which is expected to yield strong cash flows, a granular focus on organic growth, and profitability with a plan to eventually return capital to stockholders in the form of dividends; the firearms strategic priorities for growth, including growing organically, leveraging our iconic brands, focusing on new product introductions, simplifying our business, and returning value to stockholders; and expected next steps for the spin-off. 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, economic, social, political, legislative, and regulatory factors; the potential for increased regulation of firearms and firearm-related products; actions of social activists that could have an adverse effect on our business; the impact of lawsuits; the demand for our products; the state of the U.S. economy in general and the firearm industry in particular; general economic conditions and consumer spending patterns; impacts from the Coronavirus; our competitive environment; the supply, availability, and costs of raw materials and components; the impact of protectionist tariffs and trade wars; speculation surrounding fears of terrorism and crime; our anticipated growth and growth opportunities; our ability to increase demand for our products in various markets, including consumer, law enforcement, and military channels, domestically and internationally; our penetration rates in new and existing markets; our strategies; the completion of our proposed spin-off and the operations and performance of the two separate companies thereafter; our ability to maintain and enhance brand recognition and reputation; risks associated with the establishment of our new 630,000 square foot Logistics & Customer Services facility in Missouri; our ability to introduce new products; the success of new products; our ability to expand our markets; our ability to integrate acquired businesses in a successful manner; the general growth of our outdoor products and accessories business; the potential for cancellation of orders from our backlog; and other risks detailed from time to time in our reports filed with the SEC, including our Annual Report on Form 10-K for the fiscal year ended April 30, 2019.

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PRESENTERS



BRIAN D. MURPHY

CO-PRESIDENT & CO-CHIEF EXECUTIVE OFFICER



MARK P. SMITH

CO-PRESIDENT & CO-CHIEF EXECUTIVE OFFICER



JEFFREY D. BUCHANAN

EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER, CHIEF ADMINISTRATIVE OFFICER & TREASURER

TODAY'S AMERICAN OUTDOOR BRANDS CORPORATION

- American Outdoor Brands Corporation (NASDAQ Global Select: AOBC) is a provider of quality products for shooting, hunting, and rugged outdoor enthusiasts in the global consumer and professional markets
- AOBC reports two segments:
 - Firearms (handguns, long guns, and suppressor products, as well as forging, machining, and precision plastic injection molding services)
 - Outdoor Products & Accessories (accessories for shooting, hunting, cutlery, and outdoors)
- Serves customers through manufacturing facilities in Springfield, MA, Houlton, ME, Deep River, CT, and Portland, OR, as well as a distribution facility located in Columbia, MO
- Revenue and adjusted EBITDAs for the last twelve months were ~\$620M and ~\$93M, respectively



YEARLY HIGHLIGHTS

	FY19A
Sales	\$638.3M
Gross Profit	35.4%
Net Income	\$18.4M
Adj. EBITDAS	\$111.3M
Adj. EBITDAS Margin	17.4%
GAAP Income Per Share	\$0.33
Non-GAAP Income Per Share	\$0.83

American Outdoor Brands Corporation (NASDAQ Global Select: AOBC) is a provider of quality products for shooting, hunting, and rugged outdoor enthusiasts in the global consumer and professional markets. The company reports two segments: Outdoor Products & Accessories (shooting, hunting, cutlery, and outdoor accessories) and Firearms (handguns, long guns, and suppressor products). The company also provides forging, machining, and precision plastic injection molding services.

QUARTERLY HIGHLIGHTS – FY20Q3

FY20 Q3 (1/31/20) Segment Sales



- Revenue \$166.7M (+2.9% Y/Y)
- One-fourth of revenue came from OP&A segment
- Gross margin 33.1% (vs. 33.4% Q3FY19)
- Firearms segment sales increased 3.1% Y/Y
- OP&A segment sales increased 3.2% Y/Y
- Strong balance sheet maintained

Financial Review

FINANCIAL GUIDANCE

(Fiscal Year Ending April 30)

Fiscal Fourth Quarter	Estimate
Revenue	\$205M to \$215M
GAAP Earnings Per Share	\$0.17 to \$0.21
Non-GAAP Earnings Per Share*	\$0.33 to \$0.37

Fiscal Year 2020	Estimate
Revenue	\$650M to \$660M
GAAP Earnings Per Share	\$0.25 to \$0.29
Non-GAAP Earnings Per Share*	\$0.58 to \$0.62

Tax Rate	30%
Share Count	55.0M

The company is also providing full year revenue guidance for each of its business segments. Accordingly, the company expects full year revenue for its Firearms segment to be between \$502.0 million and \$507.0 million and full year revenue for its Outdoor Products & Accessories segment to be between \$170.0 million and \$175.0 million. The full year revenue estimate for the Firearms segment includes additional revenue of \$34.0 million to \$36.0 million as a result of the change in timing of the federal excise tax and further discussed in the company's Form 10-Q. Intercompany eliminations are expected to be approximately \$22.0 million. This guidance takes into account several factors, including expected impacts from the Coronavirus, all of which are outlined in the company's Form 10-Q.

Note:

Guidance for revenue, GAAP earnings per share, non-GAAP earnings per share, tax rate, and share count reflects information as of March 5, 2020. 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.



SPIN-OFF OF OUTDOOR PRODUCTS & ACCESSORIES

- AOBC has announced a plan to pursue the spin-off of its Outdoor Products & Accessories business via a tax-free distribution to AOBC stockholders
- Transaction is expected to result in two separate public companies:
 - Smith & Wesson Brands, Inc. (Firearms)
 - American Outdoor Brands, Inc. (Outdoor Products & Accessories)
- The company's bank syndicate supports the proposed transaction
- Transaction is expected to be completed in the second half of calendar 2020
- Spin-off will allow both companies and their dedicated management teams to focus on their respective business models and growth opportunities, while providing access to capital, financial resources, and investors that are better aligned with its unique business



SEPARATION ENHANCES PROSPECTS FOR LONG-TERM VALUE CREATION

Distinct Focus

- Each company will benefit from a distinct strategic and management focus on its specific operational and growth priorities
 - Smith & Wesson Brands, Inc. – focus on organic growth by developing new products that meet the needs and wants of consumer customers
 - American Outdoor Brands, Inc. – focus on market opportunities in rugged outdoor products, both organically through robust innovation, and inorganically by acquiring new brands

Differentiated Investment Theses

- Each company will offer a unique and compelling investment opportunity, allowing it to attract investors more closely aligned with its business type and its operational and financial model
 - Smith & Wesson Brands, Inc. – focus on firearms, strong cash generation, returning capital to stockholders via dividends
 - American Outdoor Brands, Inc. – focus on OP&A, delivering high growth via re-investment in the business and M&A

Optimized Balance Sheet and Capital Allocation Priorities

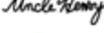
- Each company will operate with its own capital allocation priorities and access to financial resources, such as markets, credit, and insurance, that are better aligned with its business type and its long term strategy

Incremental Stockholder Value

- Each company will benefit from the investment community's ability to value the businesses independently and drive incremental stockholder value through an improved stock price



TWO COMPANIES WITH ENHANCED PROSPECTS FOR VALUE CREATION

<p>Estimated Revenue^(a)</p>	 Smith & Wesson \$500M – \$550M	 AMERICAN OUTDOOR BRANDS \$200M - \$210M
<p>Pro Forma Adjusted EBITDA^(a)</p>	\$90M - \$105M	\$25M - \$30M
<p>Industry-Leading Brands^(b)</p>	     	                  
<p>Estimated Market Size^(c)</p>	Handguns & Long Guns: ~\$4.2B	Rugged Outdoor Recreation: ~\$30-35B



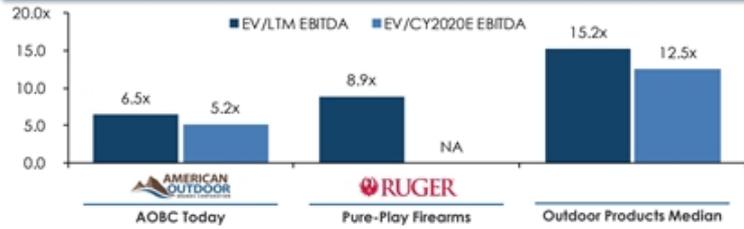
^(a) Estimated revenue and pro forma adjusted EBITDA for the first 12 months as an independent company.
^(b) American Outdoor Brands, Inc. will license the brands Smith & Wesson, Accessories, M&P Accessories, Thompson/Center Arms™ Accessories, and Performance Center® Accessories, all of which will be owned by Smith & Wesson Brands, Inc. and will be exclusively licensed to American Outdoor Brands, Inc., after the spinoff.
^(c) Estimated market size per Management estimate.

COMPARABLE COMPANY ANALYSIS

Commentary

- AOBC currently trades at a meaningful discount to comparable firearms and outdoor products peer groups
- Only publicly traded pure-play firearms comparable is Ruger, which currently trades at ~9x EV/LTM EBITDA
- Comparable outdoor products peer group trades at a median EV/LTM EBITDA of 15.2x and EV/CY2020E EBITDA of 12.5x

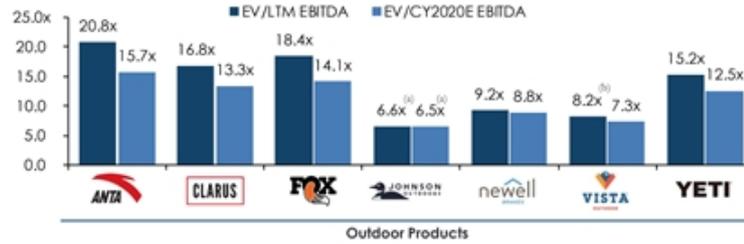
Firearms & Outdoor Products — Enterprise Value / EBITDA Multiples



Commentary

- Clarus, a provider of outdoor equipment, bullets and ammunition, currently trades at ~13-17x EV/EBITDA
- Vista Outdoor, a provider of outdoor products and ammunition, currently trades at ~8x EV/EBITDA
- YETI, a provider of a variety of branded outdoor products, coolers, and drinkware, currently trades at ~13-15x EV/EBITDA

Outdoor Products — Enterprise Value / EBITDA Multiples



Source: Public company filings and Capital IQ as of March 6, 2020.

^(a) Enterprise value includes ~\$150 million of cash and ~\$40 million of lease obligations. Equity Value to EBITDA multiples are 7.8x and 7.7x for LTM and CY2020E, respectively.

^(b) Values are pro-forma for the sale of Savage Arms in July 2019.

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OUTDOOR PRODUCTS & ACCESSORIES

Outdoor Products & Accessories
EXPERIENCED LEADERSHIP



BRIAN D. MURPHY
**PRESIDENT &
CHIEF EXECUTIVE OFFICER**

- Joined the Company in 2016 as President of the Outdoor Recreation Division, the activities of which have been collapsed into Outdoor Product & Accessories
- Currently serves as Co-President and Co-Chief Executive Officer and previously served as President of the Outdoor Products & Accessories Division
- Previously a Vice President, Corporate Development of Vista Outdoor, a publicly traded outdoor products company, and Director of Mergers & Acquisitions and Director of Financial Planning & Analysis for Alliant Techsystems (ATK), formerly a publicly traded aerospace, defense, and retail sporting company
- Key role in executing AOBC's diversification strategy to expand presence in the rugged outdoor recreation markets, in areas such as camping, hiking, and fishing
- Experienced leader with ability to create and lead teams, build and run business operations, and apply transactional and industry experience



H. ANDREW FULMER, CPA
CHIEF FINANCIAL OFFICER

- Joined the Company in 2010 with his most recent role being Vice President, Financial Planning & Analysis
- His extensive financial experience with the company is coupled with his key role in developing and executing the company's long-term acquisition strategy, particularly for the outdoor products and accessories business
- In addition to leading the company's strategic planning process, he developed the company's procedures for acquisition-related financial modeling, due diligence, internal controls, and integration



A Diverse Outdoor Products & Accessories Company: American Outdoor Brands, Inc.

- American Outdoor Brands, Inc. will be a growth-oriented provider of outdoor products and accessories, including hunting, fishing, camping, shooting, and personal security and defense products, for rugged outdoor enthusiasts
- Our 21 brands are organized into four “Brand Lanes”: Marksman, Harvester, Defender, and Adventurer. These brand lanes are constructed around defined consumer archetypes, and comprised of agile marketing, creative, and product teams that enable us to achieve a full spectrum of targeted growth initiatives by brand.
- HQ: Boone County, MO
- Financial profile is expected to yield growth and profitability that will facilitate the prioritization of investments and capital allocation focused on both organic and inorganic growth
- Expected to generate revenue between \$200M and \$210M and adjusted EBITDAs between \$25M and \$30M in its first 12 months as an independent company
- Rugged Outdoor Recreation Market Size: ~\$30-35B^(b)

Industry-leading Brands Organized into Four Brand Lanes^(a)



^(a) American Outdoor Brands, Inc. will license the brands Smith & Wesson® Accessories, M&P® Accessories, Thompson's 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.
^(b) Estimated market size per Management estimates.

Competitive Strengths

- Portfolio of Leading Outdoor Brands
- Four Brand Lanes with Significant Runway for Growth
- Repeatable Process for Rejuvenating Mature Product Categories
- Leverageable Platform for Acquisitions (via Brand Lanes)
- Experienced, Entrepreneurial Management Team

STRATEGIC PRIORITIES FOR GROWTH



We plan to continue leveraging our agile brand and product development teams to satisfy consumer needs in existing product categories. We will continue to focus on disruptive technology, successful product launches, and create competitive moats through intellectual property, where possible.

We plan to leverage our brands' "permission to play" to enter new product categories that appeal to a wider audience, which could naturally pull some of our brands beyond the "rogged outdoor" market, such as DIY Security (via Lockdown brand), thereby increasing the size of our addressable opportunity.

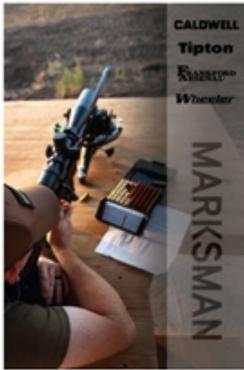
We have made significant investments in both our creative teams and a new eCommerce platform, positioning us to create and distribute high volumes of engaging content directly to consumers. This engagement, in turn, is expected to help drive pull-through at retail and enable consumers to purchase directly from our platform if they choose to.

We will continue to expand and enhance our supply chain by identifying, qualifying, attracting, and maintaining qualified contract manufacturers. Qualifying additional suppliers will reduce our dependence on any one or small group of suppliers and help protect us against operational, performance, or capacity issues.

Where our existing brands do not have "permission to play," we will seek tuck-in acquisitions into our brand lane structure that augment organic growth where we have: 1) product expertise; 2) familiarity with the consumer; and where 3) the brand is complementary to our existing portfolio and sales channels.

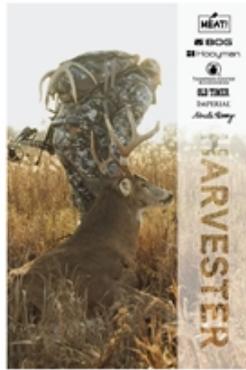


BRAND LANES: TARGETED CONSUMER SEGMENTS



Who is the Marksman?

Marksman are shooters, from the beginner to the skilled competitor. Whether at the workbench, in the workshop, in the field or on the range; and no matter the choice of handgun, rifle, shotgun or archery: a Marksman's success is measured in hours of trigger time, the smell of burnt powder, and bullseyes.



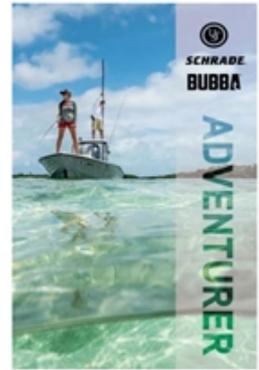
Who is the Harvester?

To the Harvester, it's not a job. It's not about mounting a trophy. It's a passion that lives within to create, to grow, to conserve and to ensure that the hunger to hunt and experience the most inaccessible terrain is passed down for future generations. Being a Harvester is not about taking, it's about giving back.



Who is the Defender?

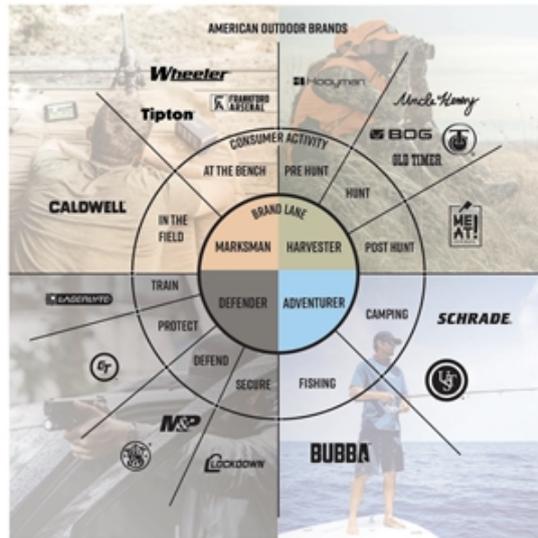
For the Defender, security is above all else. It starts with the peace of mind that comes with confidently knowing your belongings are safe, and becomes complete with determination to train and prepare yourself for life's biggest adversaries. The Defender protects – it makes up the fabric of their DNA.



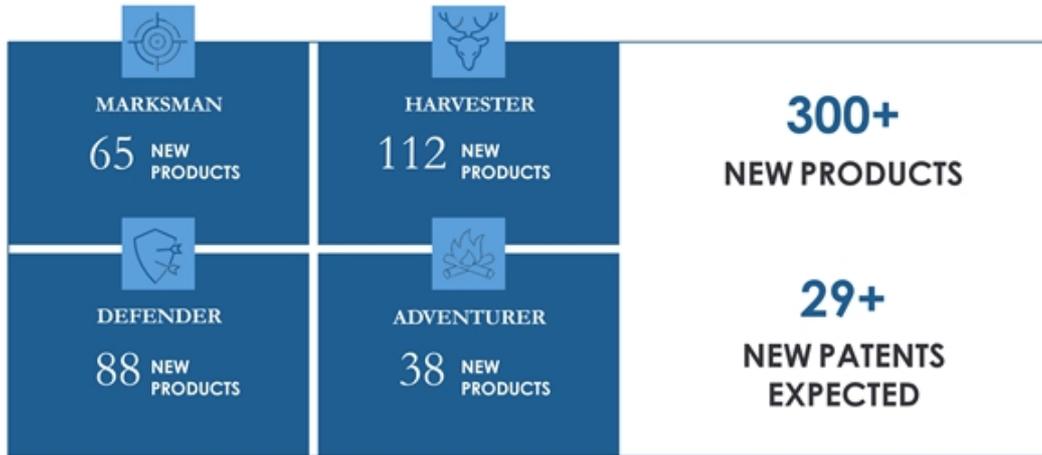
Who is the Adventurer?

The Adventurer is at home when they are away. Whether it is conquering a mountain, navigating the open ocean, trekking through a valley or taking on any other outdoor escapade, the Adventurer's thrill is their comfort zone. It is more than a connection with the outdoors, it is about being a part of it.

Outdoor Products & Accessories
**CREATING LOYAL CONSUMER RELATIONSHIPS BY
 CONNECTING THE CONSUMER TO A BRAND'S CORE CHARACTERISTICS**



Outdoor Products & Accessories
NEW PRODUCTS FOR 2020



FEATURED NEW PRODUCTS FOR 2020



CALDWELL
E-Max Shadows
Electronic Ear Buds



CALDWELL
E-Max Pro
Electronic Ear Muffs



CALDWELL
AR500 Target
Lineup



**FRANKFORD
ARSENAL**
Pile Driver
Bullet Puller



CRIMSON TRACE
CSA-1309
Rifle Scope



CRIMSON TRACE
LS870 Shotgun
Laser Saddle



LOCKDOWN
Puck
Monitoring/Security System

FEATURED NEW PRODUCTS FOR 2020



Hooyman
No Slip H-Grip
Land Management Tools



BOG
DeathGrip UltraLite



BOG
Grave Digger
Hunting Blind



BOG
Blood Moon 22MP
Premium Game Camera



BUBBA
Multi-Flex
Interchangeable Knife System



Performance Center
Smith & Wesson
Homeland
Made-In-USA Knife



STRATEGIC CONCEPTION

1. Understand Journey of the Harvester

Pre-Hunt Hunt Post-Hunt

<p>Hooyman</p> <p>Land management and preparation (e.g., food plots, feed stations, clear shooting lanes)</p>	<p>OLD TIMER <i>Made Heavy</i></p> <p>BOG</p> <p>Products used for the hunt, itself (e.g., shooting rests, trail cameras, binoculars, hunting knives)</p>	<p>Acquire or Create?</p> <p>(no desirable acquisition target)</p> <p>Post-hunt meat preparation, processing, preservation, and consumption</p>
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2. Assess Organic Capabilities



3. Create

(leverage brand line structure to create new brand)



MEAT! Website



MEAT! Instagram



MEAT! Launch Party



NOW TRENDING



We are the makers of MEAT processing equipment. Yes, we love meat so much we named our brand after it. And we're here to help you up your wild game ... game. With grinders, stuffers, slicers and sealers that are built to exceed your stubbornly high standards. We keep the middleman out of your meat, only selling direct, so you can experience some of the finest machinery available, for less than you'd expect.

U.S. CONSUMER MEAT PROCESSING EQUIPMENT PROJECTED GROWTH 2016



\$ 10+ Billion 5.9% Annual Growth

*Grand View Research 2017 Report

TOP MEAT! PRODUCTS



1.5LB Jerky Gun Kit



500 Watt Grinder (#12)



15LB Vertical Stuffer

PURSUE COMPLEMENTARY ACQUISITIONS

Pursue appropriate acquisitions for Outdoor Products & Accessories, 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.

ACQUISITION PREFERENCES

- **Complementary Brands** — Enables us to address new areas of the market and focus our resources efficiently
- **Overlapping Core Consumers** — Ability to leverage existing marketing efforts
- **Product Familiarity** — Enables “point of view” on how to create value and accelerates product development impact
- **Runway for Growth** — Ensures upside potential

SIGNIFICANT MARKET OPPORTUNITY



(a) Estimated market size per Management estimates.



FIREARMS

Firearms
EXPERIENCED LEADERSHIP



MARK P. SMITH
**PRESIDENT &
CHIEF EXECUTIVE OFFICER**

- Joined the Company in 2010 as Vice President of Supply Chain
- Currently serves as Co-President and Co-Chief Executive Officer and previously served as President of the Manufacturing Services division and supports all the company's businesses
- During his tenure, the company achieved significant growth while optimizing its manufacturing footprint and achieving record level gross margins
- In addition to his ten years of operations and leadership experience in the firearms industry, he has over 20 years of operations and supply chain management experience in leadership roles across multiple industries, from Fortune 500 to diversified international corporations



**DEANA L. MCPHERSON,
CPA, CGMA**
CHIEF FINANCIAL OFFICER

- Joined the Company in 2007 as Corporate Controller, was later promoted to Vice President of Finance and Corporate Controller, and became Chief Accounting Officer in 2017
- Her extensive finance and treasury experience with the company includes responsibility for financial reporting and oversight of the company's audit, tax, and banking matters
- She has played a key role in the company's longstanding relationship with its lenders, and her work has been instrumental in managing the company's syndicated bank credit facility

AN ICONIC FIREARMS COMPANY: SMITH & WESSON BRANDS, INC.

- Smith & Wesson Brands, Inc. is an iconic firearm business with a 167-year history of delivering market leading, personal protection and sport-related firearms for consumers and professionals
- Industry-leading handgun, long gun, and suppressor products are marketed under the brands Smith & Wesson®, M&P®, Performance Center, Thompson/Center Arms™, and Gemtech® brands
- HQ: Springfield, MA
- Financial profile is expected to yield strong cash flows, a granular focus on organic growth, and profitability with a plan to eventually return capital to stockholders in the form of dividends
- Expected to generate revenue between \$500M and \$550M and adjusted EBITDAS between \$90M and \$105M in its first 12 months as an independent company
- Handguns & Long Guns Market Size: ~\$4.2B⁽⁴⁾

Handguns*Suppressors**Investment Considerations*

- Iconic brand portfolio with loyal consumer base
- Market leader in \$4.2 billion addressable market (handgun & long gun)
- Strategic focus on driving stable organic growth while expanding margins through business simplification
- Capital allocation strategy of returning shareholder value
- Highly experienced management team of industry veterans

Long Guns*Manufacturing Services*

STRATEGIC PRIORITIES FOR GROWTH



BRAND STRATEGY: EXPAND BRANDS WITH PRODUCTS THAT MEET NEEDS / WANTS OF EACH TARGET CONSUMER



Iconic revolvers, pistols, shooting gear, accessories: The Smith & Wesson brand product portfolio includes everything that made Smith & Wesson a household name. World class quality classic revolvers and metal frame pistols meet the needs of our discerning consumers for everything from competition target shooting to personal protection and professional use by law enforcement.



S&W 629 Classic



Pistols, rifles, revolvers, shooting gear, accessories designed for personal protection, concealed carry, and professional use: The M&P brand is focused on reaching those consumers who are seeking modern tactical pistols and rifles with highest performance and reliability standards available in the marketplace. These products are primarily used for sport & competition shooting and self defense.



M&P M2.0



Bolt-action rifles, semi-automatic rifles, muzzleloaders, interchangeable platforms, hunting accessories: Thompson/Center enthusiasts are looking for the latest in today's hunting and shooting technology staked in craftsmanship and tradition. Thompson/Center firearms are modern tools for the classically-trained hunter and shooter.



T/C Compass II



Feature-rich, high-performance revolvers, pistols, rifles: The Performance Center is an aspirational brand that attracts sophisticated shooters who prefer uniquely designed firearms with special customized upgrades and features.

Performance Center
T/CR22 Carbon Fiber

Suppressors: Gemtech suppressors are high-value suppressors that strike the balance between size, weight, and sound reduction. Gemtech suppressors are used around the globe by firearm enthusiasts, law enforcement, and military agencies.



Gemtech Lunar 9



Firearms
NEW PRODUCTS FOR 2020

	Brand	Product	SKUs	Primary Consumer Segments
Handguns		M&P®9 SHIELD™ EZ 	4	• All Handguns segments
		Performance Center® M&P® M2.0™ Full Size 	12	• Hard Core, Young Gun, Target Masters
Long Guns		Performance Center® T/CR22® Carbon Fiber 	4	• Young Novices, Shooters, Field & Stream, Avid Owners
		T/C® Compass® II, T/C® Compass® Utility 	32	• Young Novices, Shooters, Field & Stream
		T/C® Venture™ II 	9	• Young Novices, Shooters, Field & Stream, Avid Owners
Supp.		Gemtech® Lunar® 9 	1	• Hard Core, Young Gun

PRODUCT HIGHLIGHT: M&P9 SHIELD EZ

AWARD WINNING M&P SHIELD EZ Pistol Series now in popular, powerful 9MM caliber

Built for personal protection and every day carry, the M&P9 Shield EZ further expands the M&P Shield EZ pistol platform, which was released in 2018 and features an easy-to-rack slide, easy-to-load magazine, and easy-to-clean design.

With over three million M&P Shield pistols adopted by consumers, we believe the 'M&P Shield' name has become synonymous with personal protection. This much anticipated release is the next evolution of the personal protection pistol.





American Outdoor Brands Corporation

NEXT STEPS TOWARD SPIN-OFF

NEXT STEPS

1H CALENDAR 2020

- Finalize American Outdoor Brands, Inc. management and Board of Directors composition
- Finalize American Outdoor Brands, Inc. capital structure
- File initial Form 10
- Smith & Wesson Brands, Inc. and American Outdoor Brands, Inc. investor roadshows

2H CALENDAR 2020

- Finalize Form 10
- Financing execution
- Establish effective spin-off date
- Smith & Wesson Brands, Inc. and American Outdoor Brands, Inc. investor days



APPENDIX SLIDES



RECONCILIATION OF U.S. GAAP TO NON-GAAP FINANCIAL MEASURES

In this investor presentation, certain non-GAAP financial measures, including “non-GAAP net income,” and “Adjusted EBITDA” are presented. From time-to-time, the company considers and uses these 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) transition costs, (iii) fair value inventory step-up expense, (iv) recall related expenses, (v) change in contingent consideration; (vi) goodwill impairment, (vii) CEO separation, (viii) acquisition-related costs, (ix) the tax effect of non-GAAP adjustments, (x) net cash (used in)/provided by operating activities, (xi) net cash used in investing activities, (xii) interest expense, (xiii) income tax expense, (xiv) depreciation and amortization, and (xv)

stock-based compensation expenses; 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. 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.



American Outdoor Brands Corporation
CONDENSED CONSOLIDATED STATEMENTS OF INCOME/(LOSS)
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	January 31, 2020	January 31, 2019	January 31, 2020	January 31, 2019
	(Unaudited)			
	(In thousands, except per share data)			
Net sales	\$ 166,695	\$ 162,008	\$ 444,753	\$ 462,544
Cost of sales	111,492	107,949	291,390	299,677
Gross profit	55,203	54,059	153,363	162,867
Operating expenses:				
Research and development	3,192	3,297	9,410	9,358
Selling, marketing, and distribution	19,294	15,373	55,419	42,279
General and administrative	21,810	27,026	71,601	78,065
Goodwill impairment	—	10,396	—	10,396
Total operating expenses	44,296	56,092	136,430	140,098
Operating income	10,907	(2,033)	16,933	22,769
Other (expense)/income, net:				
Other income, net	(18)	47	73	38
Interest expense, net	(2,885)	(2,548)	(8,551)	(6,822)
Total other (expense), net	(2,903)	(2,501)	(8,478)	(6,784)
Income from operations before income taxes	8,004	(4,534)	8,455	15,985
Income tax expense	2,273	1,191	3,539	7,399
Net income/(loss)	\$ 5,731	\$ (5,725)	\$ 4,916	\$ 8,586
Net income/(loss) per share:				
Basic	\$ 0.10	\$ (0.10)	\$ 0.09	\$ 0.16
Diluted	\$ 0.10	\$ (0.10)	\$ 0.09	\$ 0.16
Weighted average number of common shares outstanding:				
Basic	55,064	54,544	54,919	54,444
Diluted	55,744	54,544	55,641	55,132



American Outdoor Brands Corporation
GAAP TO NON-GAAP RECONCILIATION
(Unaudited) (U.S. \$ thousands, except per share data)

	For the Three Months Ended				For the Nine Months Ended			
	January 31, 2020		January 31, 2019		January 31, 2020		January 31, 2019	
	\$	% of Sales	\$	% of Sales	\$	% of Sales	\$	% of Sales
GAAP gross profit	\$ 55,203	33.1%	\$ 54,059	33.4%	\$ 153,363	34.5%	\$ 162,867	35.2%
Diode recall	(180)	-0.1%	—	—	(769)	-0.2%	—	—
Fair value inventory step-up	—	—	92	0.1%	—	—	362	0.1%
Transition costs	—	—	—	—	872	0.2%	—	—
Non-GAAP gross profit	\$ 55,023	33.0%	\$ 54,151	33.4%	\$ 153,466	34.5%	\$ 163,229	35.3%
GAAP operating expenses	\$ 44,296	26.6%	\$ 56,092	34.6%	\$ 136,430	30.7%	\$ 140,098	30.3%
Amortization of acquired intangible assets	(4,697)	-2.8%	(5,445)	-3.4%	(14,242)	-3.2%	(16,335)	-3.5%
Goodwill impairment	—	—	(10,396)	-6.4%	—	—	(10,396)	-2.2%
Transition costs	(990)	-0.6%	(393)	-0.2%	(1,889)	-0.4%	(751)	-0.2%
CEO separation	3,844	2.3%	—	—	3,844	0.9%	—	—
Acquisition-related costs	—	—	(6)	0.0%	—	—	(6)	0.0%
Non-GAAP operating expenses	\$ 42,451	25.5%	\$ 50,876	31.6%	\$ 124,343	27.9%	\$ 112,610	24.3%
GAAP operating income	\$ 10,907	6.5%	\$ (2,033)	-1.3%	\$ 16,933	3.8%	\$ 22,769	4.9%
Fair value inventory step-up	—	—	92	0.1%	—	—	362	0.1%
Diode recall	(180)	-0.1%	—	—	(769)	-0.2%	—	—
Amortization of acquired intangible assets	4,697	2.8%	5,445	3.4%	14,242	3.2%	16,335	3.5%
Goodwill impairment	—	—	10,396	6.4%	—	—	10,396	2.2%
Transition costs	990	0.6%	369	0.2%	2,761	0.6%	751	0.2%
CEO separation	(3,844)	-2.3%	—	—	(3,844)	-0.9%	—	—
Acquisition-related costs	—	—	6	0.0%	—	—	6	0.0%
Non-GAAP operating income	\$ 12,570	7.5%	\$ 14,275	8.8%	\$ 29,323	6.6%	\$ 50,619	10.9%
GAAP net income/(loss)	\$ 5,731	3.4%	\$ (5,725)	-3.5%	\$ 4,916	1.1%	\$ 8,586	1.9%
Fair value inventory step-up	—	—	92	0.1%	—	—	362	0.1%
Amortization of acquired intangible assets	4,697	2.8%	5,445	3.4%	14,242	3.2%	16,335	3.5%
Goodwill impairment	(180)	-0.1%	—	—	(769)	-0.2%	—	—
Diode recall	—	—	—	—	—	—	—	—
Transition costs	990	0.6%	369	0.2%	2,761	0.6%	751	0.2%
CEO separation	(3,844)	-2.3%	—	—	(3,844)	-0.9%	—	—
Acquisition-related costs	—	—	6	0.0%	—	—	6	0.0%
Change in contingent consideration	—	—	(60)	0.0%	(100)	0.0%	(60)	0.0%
Tax effect of non-GAAP adjustments	(183)	-0.1%	(1,582)	-1.0%	(1,218)	-0.3%	(6,091)	-1.0%
Non-GAAP net income	\$ 6,945	4.2%	\$ 8,943	5.5%	\$ 13,888	3.1%	\$ 31,680	6.8%
GAAP net income/(loss) per share - diluted	\$ 0.30		\$ (0.30)		\$ 0.09		\$ 0.16	
Fair value inventory step-up	—		—		—		0.03	
Amortization of acquired intangible assets	0.08		0.30		0.26		0.30	
Goodwill impairment	—		0.19		—		0.19	
Diode recall	—		—		(0.01)		—	
Transition costs	0.02		0.01		0.05		0.01	
CEO separation	(0.07)		—		(0.07)		—	
Tax effect of non-GAAP adjustments	(0.01)		(0.03)		(0.06)		(0.09)	
Non-GAAP net income per share - diluted	\$ 0.33		\$ 0.38		\$ 0.33		\$ 0.57	





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