



# Vista Outdoor Enters Into Definitive Agreement to Acquire Fox Racing™

July 6, 2022



# Safe Harbor Statement



Certain statements in this presentation and other oral and written statements made by Vista Outdoor Inc. (“Vista Outdoor”, “we”, “us” or “our”) from time to time are forward-looking statements, including those that discuss, among other things: Vista Outdoor's intent to separate our Outdoor Products and Sporting Products segments and Vista Outdoor's preliminary strategic, operational and financial considerations related thereto; Vista Outdoor’s plans, objectives, expectations, intentions, strategies, goals, outlook or other non-historical matters; projections with respect to future revenues, income, earnings per share or other financial measures for Vista Outdoor; and the assumptions that underlie these matters. The words ‘believe’, ‘expect’, ‘anticipate’, ‘intend’, ‘aim’, ‘should’ and similar expressions are intended to identify such forward-looking statements. To the extent that any such information is forward-looking, it is intended to fit within the safe harbor for forward-looking information provided by the Private Securities Litigation Reform Act of 1995. Numerous risks, uncertainties and other factors could cause Vista Outdoor’s actual results to differ materially from expectations described in such forward-looking statements, including the following: risks related to the separation of our Outdoor Products and Sporting Products segments, including that the process of exploring the transaction and potentially completing the transaction could disrupt or adversely affect the consolidated or separate businesses, results of operations and financial condition, that the transaction may not achieve some or all of any anticipated benefits with respect to either business and that the transaction may not be completed in accordance with our expected plans or anticipated timelines, or at all; impacts from the COVID-19 pandemic on Vista Outdoor’s operations, the operations of our customers and suppliers and general economic conditions; general economic and business conditions in the United States and Vista Outdoor’s other markets outside the United States, including conditions affecting employment levels, consumer confidence and spending, conditions in the retail environment, and other economic conditions affecting demand for our products and the financial health of our customers; Vista Outdoor’s ability to attract and retain key personnel and maintain and grow its relationships with customers, suppliers and other business partners, including Vista Outdoor’s ability to obtain acceptable third party licenses; Vista Outdoor’s ability to adapt its products to changes in technology, the marketplace and customer preferences, including our ability to respond to shifting preferences of the end consumer from brick and mortar retail to online retail; Vista Outdoor’s ability to maintain and enhance brand recognition and reputation; others' use of social media to disseminate negative commentary about us and boycotts; reductions in or unexpected changes in or our inability to accurately forecast demand for ammunition, accessories or other outdoor sports and recreation products; risks associated with Vista Outdoor’s sales to significant retail customers, including unexpected cancellations, delays and other changes to purchase orders; supplier capacity constraints, production disruptions or quality or price issues affecting Vista Outdoor’s operating costs; Vista Outdoor’s competitive environment; risks associated with diversification into new international and commercial markets including regulatory compliance; changes in the current tariff structures; the supply, availability and costs of raw materials and components; increases in commodity, energy and production costs; changes in laws, rules and regulations relating to Vista Outdoor’s business, such as federal and state ammunition regulations; Vista Outdoor’s ability to realize expected benefits from acquisitions and integrate acquired businesses; Vista Outdoor's ability to execute our strategic transformation plan, including our ability to realize expected benefits from the successful divestiture of non-core brands and profitability improvement initiatives; Vista Outdoor’s ability to take advantage of growth opportunities in international and commercial markets; foreign currency exchange rates and fluctuations in those rates; the outcome of contingencies, including with respect to litigation and other proceedings relating to intellectual property, product liability, warranty liability, personal injury and environmental remediation; risks associated with cybersecurity and other industrial and physical security threats; capital market volatility and the availability of financing; changes to accounting standards or policies; and changes in tax rules or pronouncements. You are cautioned not to place undue reliance on any forward-looking statements we make. Vista Outdoor undertakes no obligation to update any forward-looking statements except as otherwise required by law. For further information on factors that could impact Vista Outdoor, and statements contained herein, please refer to Vista Outdoor’s filings with the U.S. Securities and Exchange Commission.

# Non-GAAP Financial Measures



Financial measures for Fox Racing such as expected calendar year 2022 Adjusted EBITDA and Adjusted EBITDA Margin as included in this presentation are supplemental measures that are not calculated in accordance with Generally Accepted Accounting Principles (“GAAP”).

Fox Racing’s calendar year 2022 expected Adjusted EBITDA has been defined as earnings before interest, taxation, depreciation and amortization, adjusted to remove the impact of closed retail locations, management fees, unrealized/non-operational FX, non-cash/non-recurring compensation, non-recurring bonuses, recruiting & severance costs, non-recurring legal expenses, director fees and other non-recurring expenses. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by net sales.

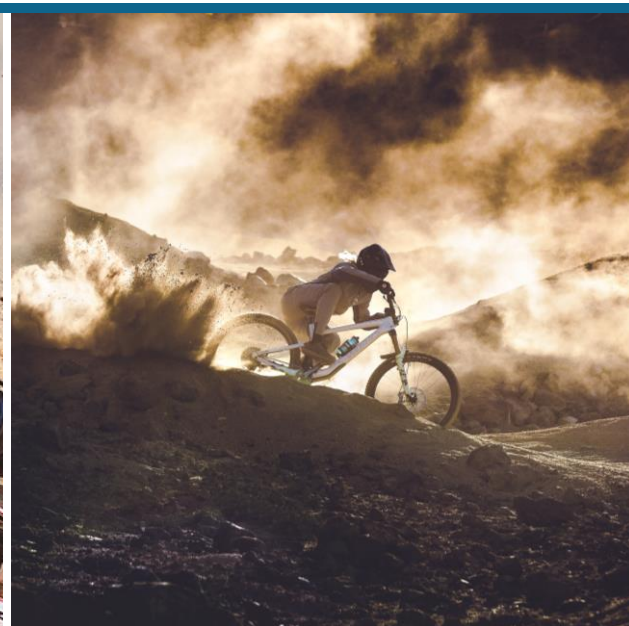
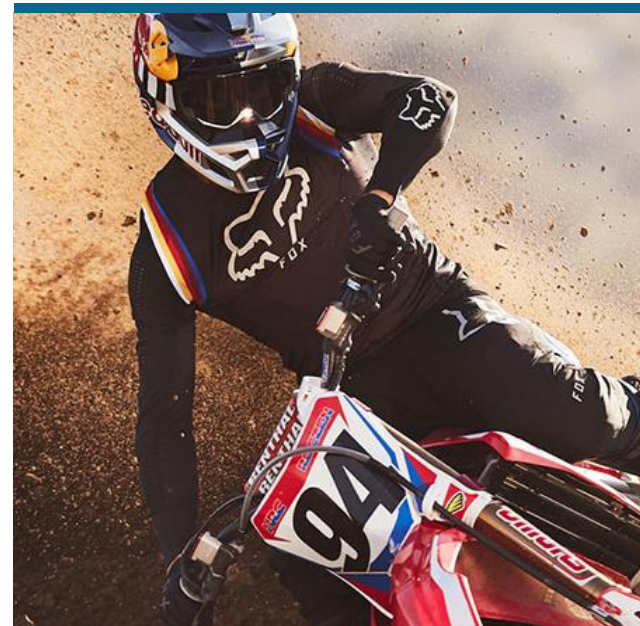
We believe that the presentation of Fox Racing’s Adjusted EBITDA and Adjusted EBITDA Margin helps investors analyze underlying trends in the Fox Racing business, evaluate the performance of that business both on an absolute basis and relative to our peers and the broader market, provides useful information to both management and investors by excluding certain items that may not be indicative of the core operating results and operational strength of Fox Racing’s business. These non-GAAP financial measures have limitations as analytical and comparative tools, and you should consider Adjusted EBITDA and Adjusted EBITDA Margin in addition to, and not as substitutes for, net income or any other measure of financial performance reported in accordance with GAAP.

Vista Outdoor has not reconciled Fox Racing’s expected calendar year 2022 Adjusted EBITDA to GAAP net income because Vista Outdoor does not provide guidance for Fox Racing’s net income. Accordingly, a reconciliation to Fox Racing’s expected calendar year 2022 net income is not available without unreasonable effort.



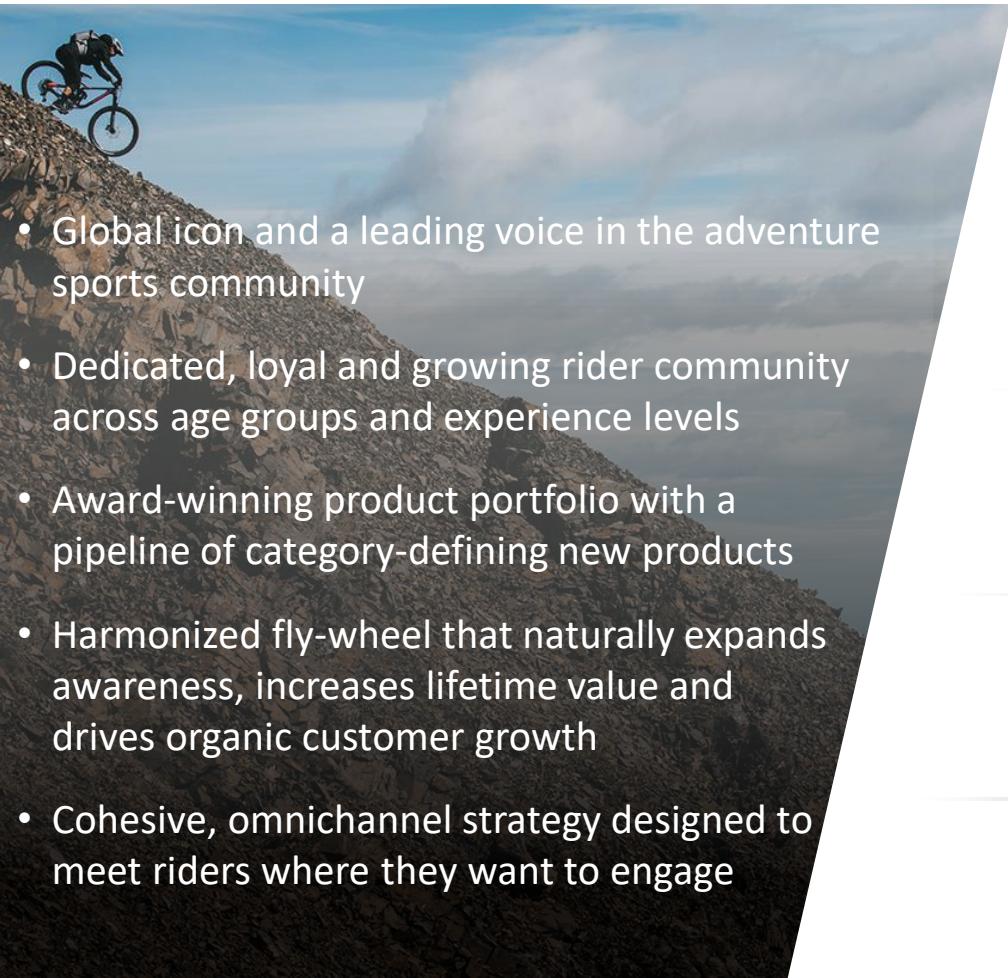


# FOX Transaction Overview





# Fox Racing Becomes 40th Brand in Vista Outdoor's Iconic Brand Portfolio



- Global icon and a leading voice in the adventure sports community
- Dedicated, loyal and growing rider community across age groups and experience levels
- Award-winning product portfolio with a pipeline of category-defining new products
- Harmonized fly-wheel that naturally expands awareness, increases lifetime value and drives organic customer growth
- Cohesive, omnichannel strategy designed to meet riders where they want to engage

Notes: Moto = Motocross; MTB = Mountain Bike

**50**

Year History

**65+**

Countries Served

**\$350MM**

CY 2022E Net Sales

**\$55MM**

CY 2022E Adj EBITDA

**16%**

CY 2022E Adj EBITDA Margin



**MOTO | 44%**



**MTB | 38%**



**LIFESTYLE | 18%**

**CATEGORY | % of CY 21 Net Sales**

# Transaction Overview



Purchase Price	\$540MM, with potential for additional \$50MM earnout based on Fox Racing’s financial performance
Financing	Expect to finance the acquisition through a combination of a \$600MM asset-based revolving credit facility, which will replace Vista Outdoor’s existing asset-based revolving credit facility, and a \$350MM secured term loan facility
Leverage	Pro forma net leverage at close expected to be under 1.5x
Accretion	Immediately accretive to earnings, excluding transaction and transition costs
Closing	Expected in fiscal 2Q FY2023, subject to receipt of regulatory approvals and satisfaction of other customary closing conditions





# Vista Outdoor's Acquisition of Fox Racing Offers a Compelling Path to Significant Value Creation



1

## Strong Secular Market Tailwinds

- ✓ Large increase in MOTO participation during COVID provides stable base of growth in core MOTO categories
- ✓ Massive tailwinds in the large MTB market, driven by backlogs, investments in trails/access, and new categories such as E-MTB and Gravel

2

## Strongest Brand in MOTO, and Incredible Momentum in MTB

- ✓ The strongest brand in MOTO – highest customer advocacy / NPS and intent to buy
- ✓ Emerging MTB brand with momentum with both retail and consumers

3

## Significant Cost and Revenue Synergies

- ✓ Direct line of sight to material cost and revenue synergies through improved sourcing and expanded sales channel access
- ✓ Significant upside in continuing to build the best and most robust product portfolio of Action Sports and Protection products on the market

4

## Best-in-Class Management Team

- ✓ High-quality and complementary management team with a strong Founder's Mentality ethos
- ✓ Strong strategy, product roadmap, and disciplined processes to capture the opportunities ahead

# Acquisition Builds on Successful M&A Track Record



Segment Strengths	<ul style="list-style-type: none"><li>Expands Vista Outdoor's presence and aligns with Vista Outdoor's current strategy of acquiring brands that have devoted consumer followings and strong product innovation capabilities</li></ul>
Complementary Brand	<ul style="list-style-type: none"><li>Offering provides retail channels with deeper lineup of renowned brands and broader catalog of products that excite and empower consumers</li></ul>
Operational Benefits	<ul style="list-style-type: none"><li>Vista Outdoor's brands together with Fox to benefit from leveraging core competencies and enhanced supply chain resiliency</li><li>Fox to benefit from Vista Outdoor's Centers of Excellence, buying power, established channels, large customer base and access to capital</li></ul>
Cultural Alignment	<ul style="list-style-type: none"><li>Aligns with Vista Outdoor's values relating to workplace diversity and expanded access to outdoor sports</li></ul>
Scale	<ul style="list-style-type: none"><li>Provides additional scale to Vista Outdoor Products business ahead of the previously announced separation</li></ul>



## Vista Outdoor's Action Sports and Sports Protection Portfolio



Blackburn



GIRO



Raskullz



FOX

*Vista Outdoor has demonstrated the ability to create significant shareholder value through a strong track record of accretive M&A*



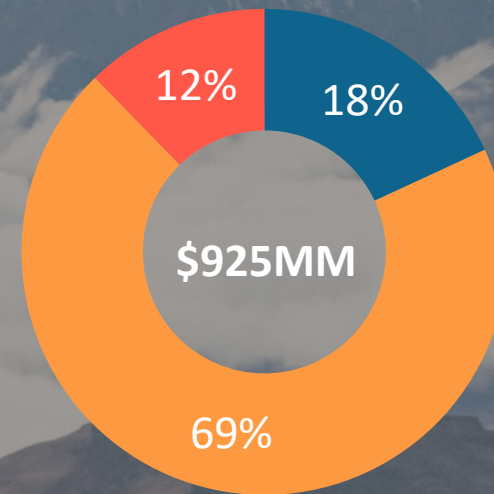
# Deploying a Balanced Capital Allocation Strategy



*Over the past three years, the Company has meaningfully grown through strategic acquisitions all while maintaining a low leverage ratio*

*Leverage ratio to be below 1.5x upon close of the transaction*

**Over \$900 Million Invested Over The Last Three Years**



Capital Allocation,  
FY20-FY22

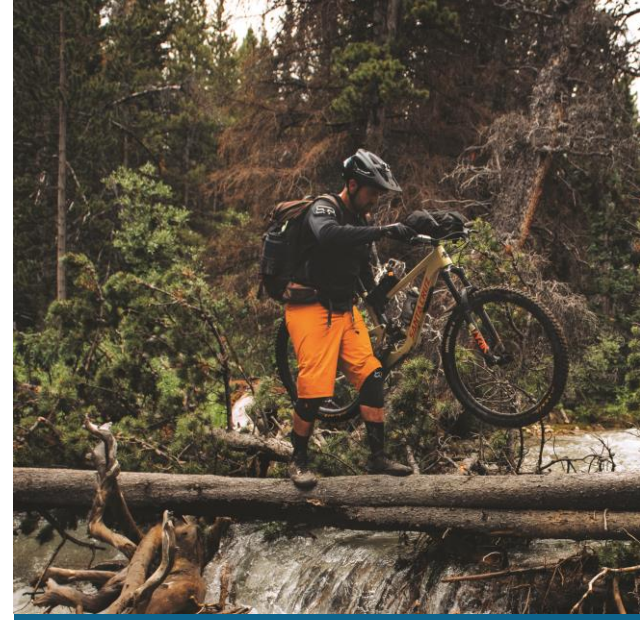
- CapEx and R&D
- M&A
- Share Repurchases

Balanced capital  
allocation  
strategy

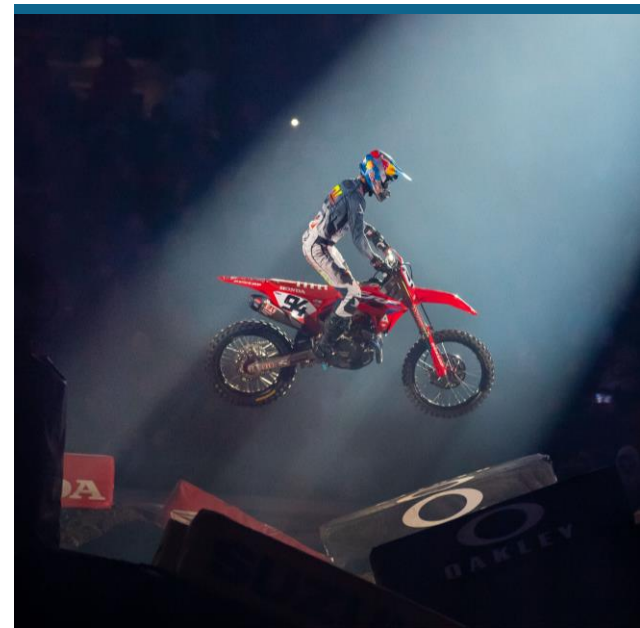
Strong financial  
discipline

Successful strategic  
transformation has enabled  
investing in growth and  
returning capital to  
shareholders





# FOX Business Overview





# Fox Racing's Authentic Brand Provides an Opportunity to Connect with Customers Across Multiple Use Occasions



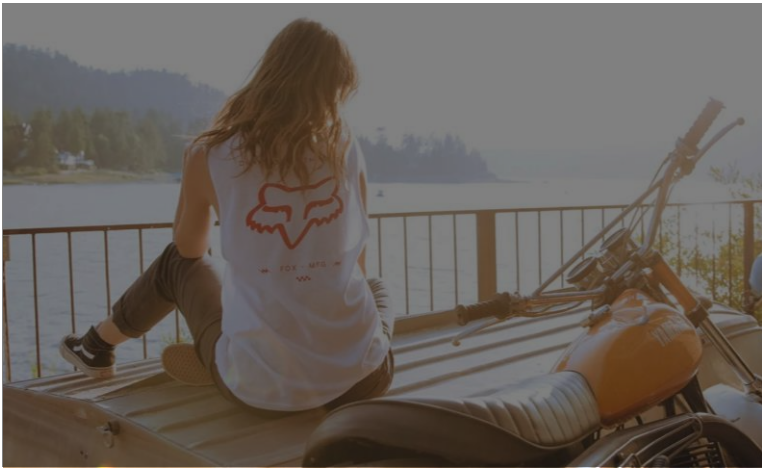
MOUNTAIN BIKE



MOTOCROSS



LIFESTYLE



Helmets



Shorts



Helmets



Pants



Jerseys



Guards



Gloves



Guards



Casualwear



Utility



Performance



# Fox Racing's Addressable Market is Large, Growing and Fueled by Positive Macro Trends



## U.S. Addressable Market and Industry Tailwinds

**\$3.4Bn**

**MOUNTAIN BIKE AND MOTOCROSS  
GEAR AND APPAREL**

**\$130Bn**

**LIFESTYLE GEAR AND APPAREL**

## Macro Trends Expanding the Market

### OUTDOORS

U.S. Outdoor recreation market is \$887Bn and growing rapidly, with participation rate rising to 53%

### FITNESS

Health awareness is expected to increase participation and investment in the \$1.5Tn wellness market

### ECOMMERCE

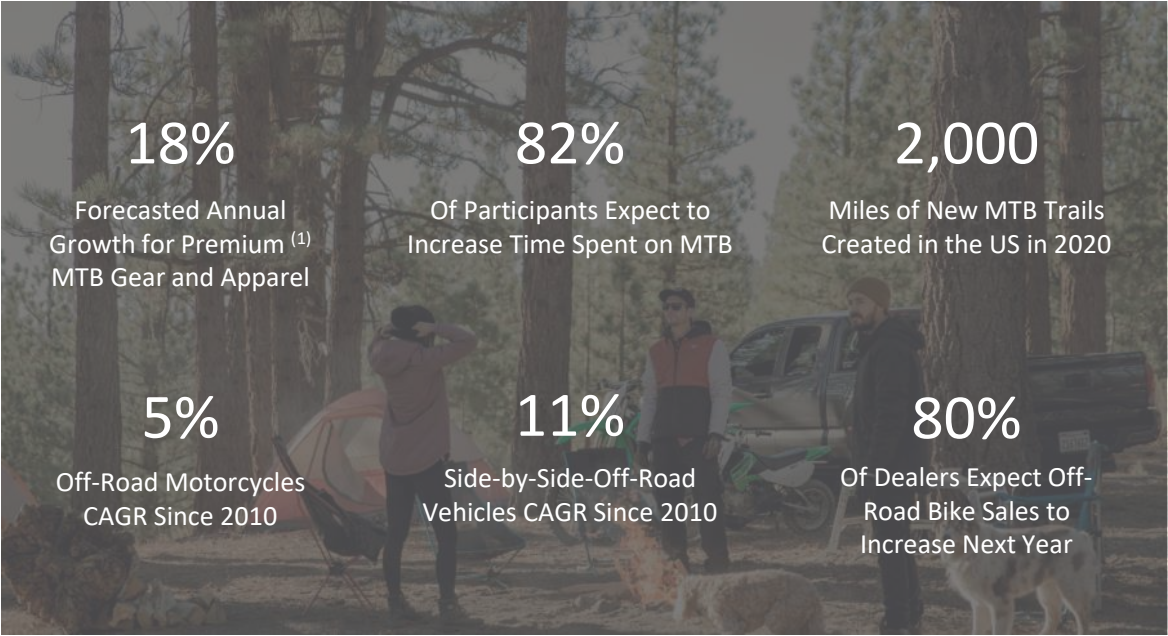
Online shopping, as a % of total sales, is still small and presents a meaningful opportunity for retailers

### COMMUNITY

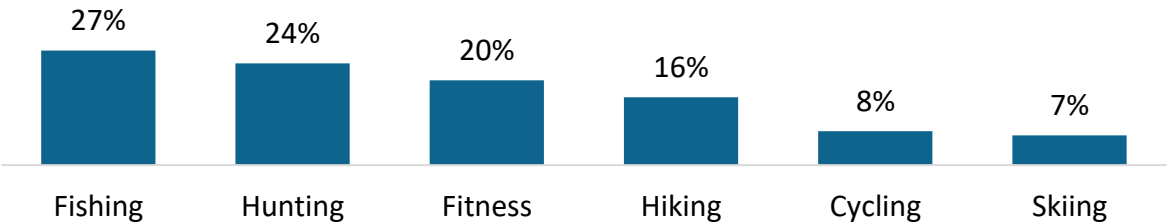
Innovation is digitizing outdoor activities and allowing consumers to stay connected and motivated

### LIFESTYLE

Pursuit of the thrill and diversity of interests will continue to expand Fox's addressable market



## Percentage of Fox Customers Participating Across Activities



Source: Third-party market study

Note:

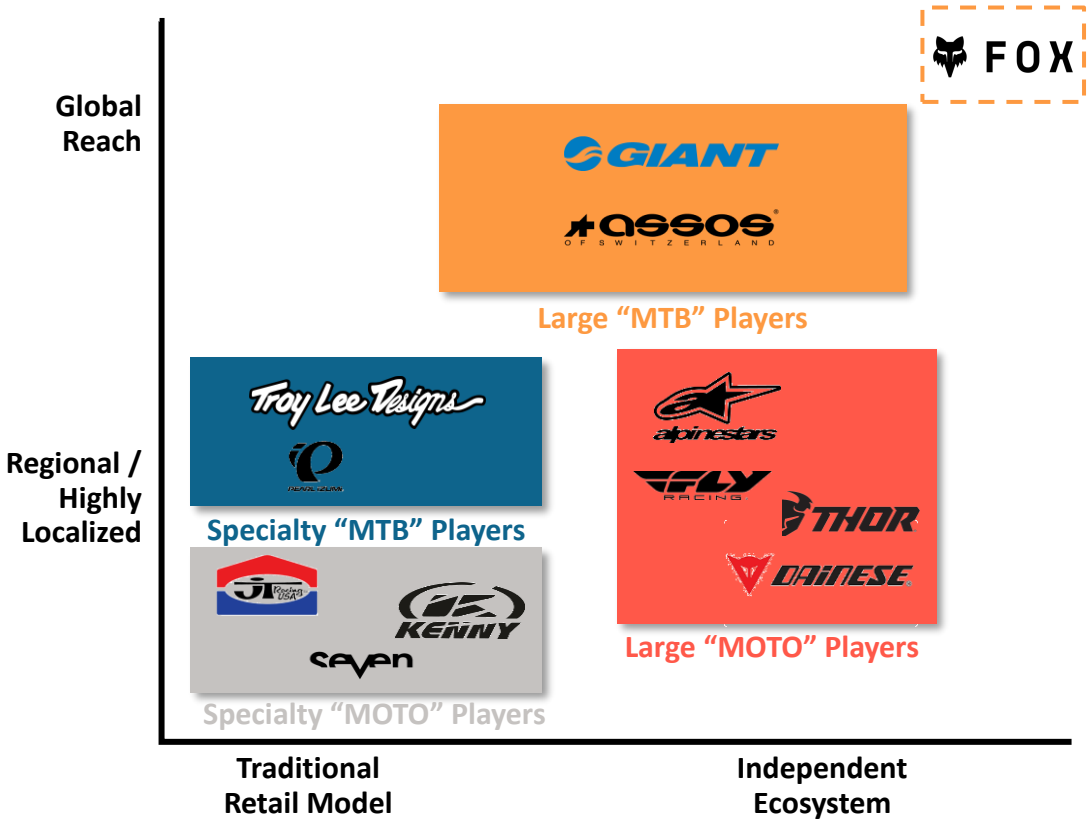
1. Denotes MTB helmets over \$160, MTB jerseys over \$150 and MTB shorts over \$150



# Fox Racing is Well-Positioned and Leads on Key Consumer Brand Metrics

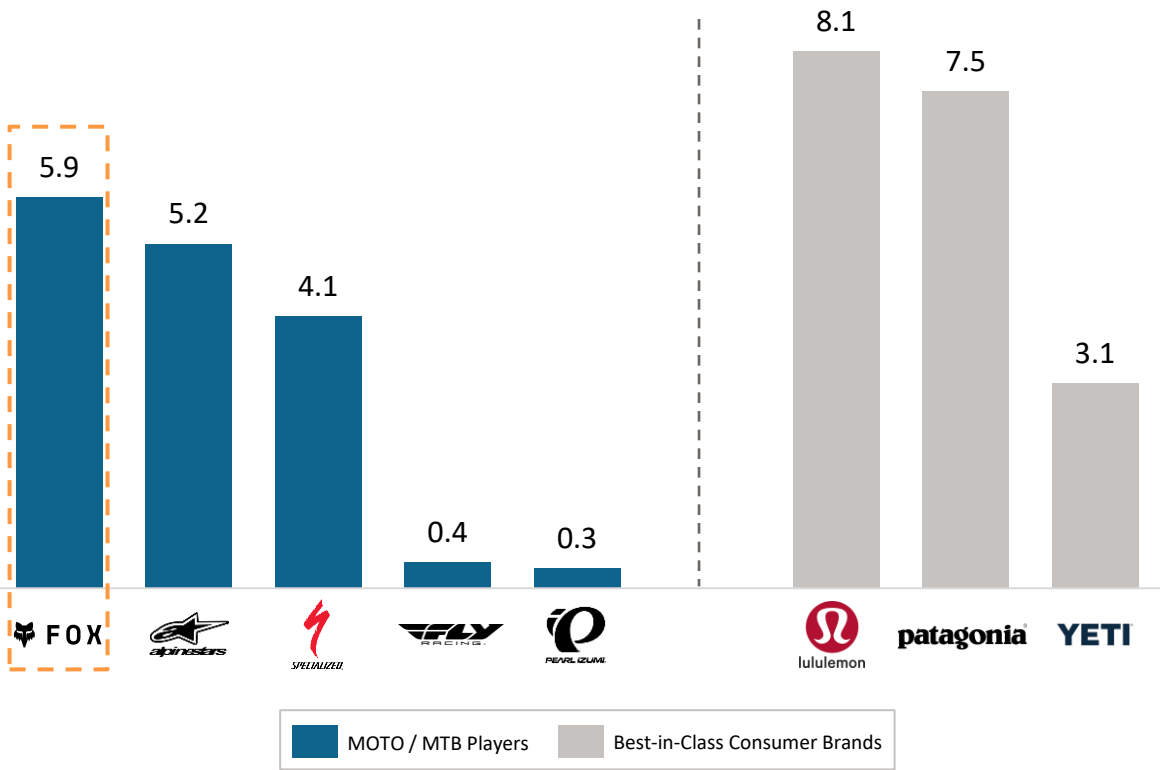


Leader in Innovation with Global Reach...



...With Leading Social Following Among MOTO / MTB Players, In Line with Best-in-Class Consumer Brands

Followers in Millions



Source: Facebook; Twitter; Instagram; YouTube  
 Notes: MOTO = Motocross; MTB = Mountain Bike



# Under Vista Outdoor, There is a Clear Line of Sight to Accelerated Growth



## Optimize Core Product Offering

Continue to capture share through elevated product and technical leadership across fit, form and function



## Expand Wholesale Presence

Strategically expand and enhance wholesale presence with Vista Outdoor's large base of retail partners



## Direct-to-Consumer Leadership

Accelerate customer acquisition through owned retail and DTC



## Penetrate Performance Lifestyle Market

Leverage brand permission to penetrate performance lifestyle market



## Accelerate International Development

Capitalize on global opportunities leveraging Vista Outdoor's international distribution network



## Pursue Actionable Adjacent Opportunities

Leverage technical expertise to accelerate growth in side-by-side, ATV and other adventure sports