



FY 2019

Third Quarter Earnings

Supplemental Information

February 7, 2019

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Forward-Looking Statements

Certain statements in this presentation and other oral and written statements made by Vista Outdoor from time to time are forward-looking statements, including those that discuss, among other things: 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: 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, firearms or 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 firearms and ammunition regulations; Vista Outdoor's ability to execute its long-term growth strategy, including our ability to complete and realize expected benefits from acquisitions and integrate acquired businesses; 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 Securities and Exchange Commission.

Balance Sheet Improvements

<i>(\$ millions)</i>	Q4 FY18	Q3 FY19
Cash & ST Investments	\$23	\$38
Total Receivables	422	340
Inventory	382	425
Assets Held For Sale	200	237
Other Current Assets	31	31
Goodwill	658	205
Intangibles	592	365
Net PPE	277	220
Other Non-Current Assets	29	17
Total Assets	\$2,615	\$1,877
Accounts Payable	\$115	\$137
Liabilities Held For Sale	42	41
Other Current Liabilities	188	186
Long-Term Debt	883	730
Other Liabilities	169	117
Equity	1,217	667
Total Liabilities & Equity	\$2,615	\$1,877

Consolidated Results – Q3 FY19

(\$ millions, except per share data)

	Q3 FY19	Q3 FY18
Sales	\$468	\$581
<i>Organic***</i>	\$468	\$536
Adj. Gross Profit*	\$97	\$126
Adj. Operating Expense*	\$80	\$103
Adj. Interest Expense*	\$13	\$12
Adj. Net Income (loss)*	\$5	\$8
Adj. Earnings per Share*	\$0.09	\$0.13
Free Cash Flow* YTD	\$51	\$208**

13% reduction in adjusted operating expenses on an organic basis, reflects a consistent, committed and disciplined level of execution within Vista Outdoor to winning in today's market

*Non-GAAP financial measure. See reconciliation table for details

**Reflects required adjustments due to the adoption of ASU 2016-09. The adoption of this update did not have a material impact on our consolidated financial statements.

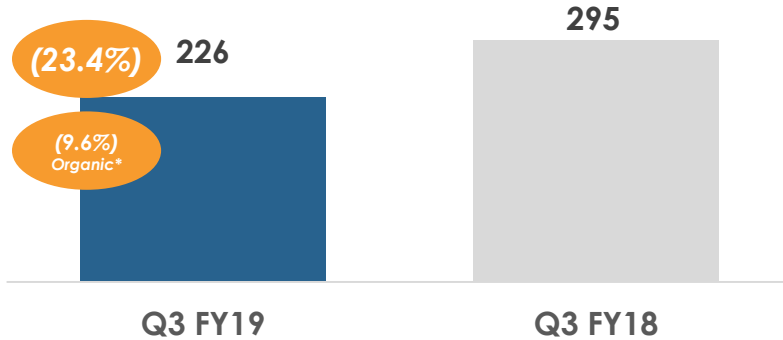
***Adjusted for the sale of Bolle, Serengeti and Cebe brands

Outdoor Products – Q3 FY19



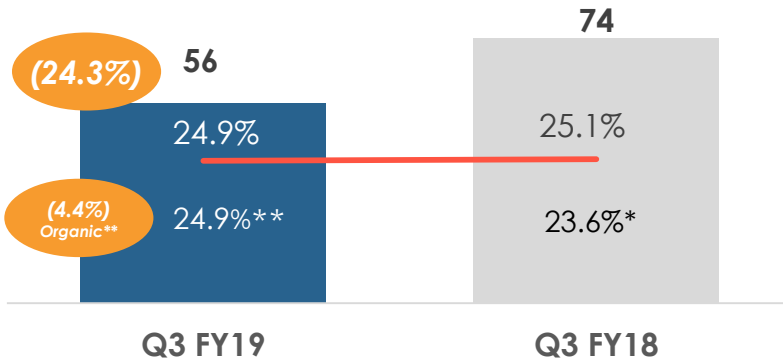
(\$ in millions)

Revenue



(\$ in millions)

Adj. Gross Profit*



Third Quarter Drivers

- Sales decrease due to:
 - Hunting/Shooting Accessories (10.5%) YOY: Lower volumes as a result of lower demand and market softness
 - Action Sports (7.1%) YOY: softness in mass retail channel
 - Outdoor Recreation (10.4%) YOY: Hydration lower demand in specialty channel, tariffs, offset by increases in Outdoor Cooking
- Gross Profit decrease due to:
 - Lower sales volume as noted above
- Organic Gross Profit rate increase due to:
 - Impact of cost savings initiatives

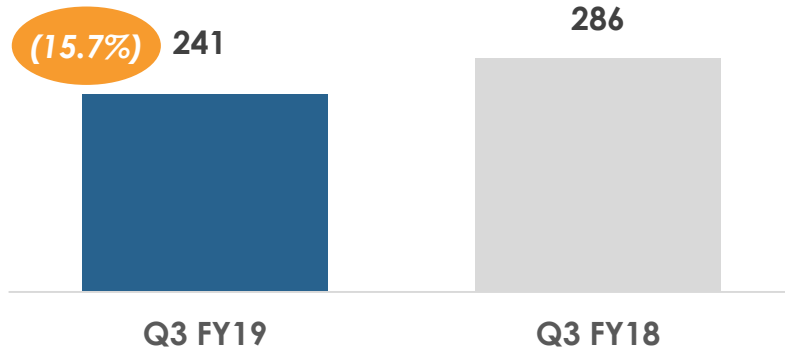
*Non-GAAP financial measure. See reconciliation table for details.

**Adjusted for sale of Bolle, Serengeti and Cebe brands

Shooting Sports – Q3 FY19

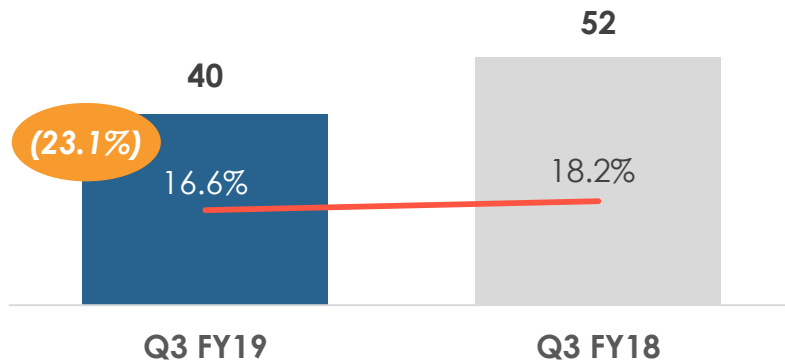
(\$ in millions)

Revenue



(\$ in millions)

Adj. Gross Profit*



Third Quarter Drivers

- Sales decrease due to:
 - Ammunition (17.3%) YOY: Continued softness in rimfire and 223/556 markets, offset by increases in pistol ammunition
 - Firearms (7.8%) YOY: Softer than anticipated holiday shopping season
- Gross profit percentage decrease due to:
 - Lower volumes as noted above, commodity pricing, increased rebate/promotional activity

* Non-GAAP financial measure. See reconciliation table for details.

FY2019 Outlook



	Current FY 2019 Guidance	Prior FY 2019 Guidance
Sales	\$2.000 – \$2.050 billion	\$2.100 – \$2.160 billion
Interest expense⁽¹⁾	~\$52 million	~\$55 million
Adj. Tax rate⁽²⁾	~20%	~30%
Adj. Earnings per share⁽²⁾	\$0.20 – \$0.35	\$0.20 – \$0.35
Capital expenditures	~\$45 million	~\$60 million
Free cash flow⁽²⁾	\$70 - \$100 million	\$70 - \$100 million

Notes:

- 1. Includes amortization of financing costs.
- 2. Non-GAAP financial measure. See reconciliation table for details.



Appendix:

Reconciliation to GAAP Measures

Non-GAAP Financial Measures



Gross Profit, Operating Profit, and Earnings Per Share

The adjusted gross profit, adjusted operating expenses, adjusted operating profit (adjusted EBIT), adjusted other income/(expense), adjusted interest, adjusted tax rate, adjusted net income, and adjusted earnings per share (adjusted EPS) presented below are non-GAAP financial measures. Vista Outdoor defines these measures as gross profit, operating profit (EBIT), tax rate, and EPS excluding, where applicable, the impact of costs incurred for contingent consideration, current and potential transactions, debt issuance costs, CEO/CFO transition, goodwill and intangibles impairment, impairment of held-for-sale assets, business transformation activities, reorganization, and tax reform. Vista Outdoor management is presenting these measures so a reader may compare gross profit, EBIT, tax rate, and EPS excluding these items, as the measures provide investors with an important perspective on the operating results of the company. Vista Outdoor management uses this measurement internally to assess business performance, and Vista Outdoor's definition may differ from those used by other companies.

Quarter ended December 30, 2018:									
	Gross Profit	Operating Expenses	Operating Profit	Other Income / (Expense)	Interest Expense	Income Tax	Income Tax Rate	Net Income	EPS
As reported	\$ 94,236	\$ 609,387	\$ (515,151)	\$ (1,871)	\$ (16,003)	\$ (18,383)	3.4%	\$ (514,642)	\$ (8.94)
Contingent consideration	—	(843)	843	—	—	202		641	0.01
Transaction costs	—	(1,786)	1,786	—	—	429		1,357	0.02
Debt issuance costs	—	—	—	—	3,061	735		2,326	0.04
Goodwill and intangibles impairment	—	(432,612)	432,612	—	—	12,183		420,429	7.30
Impairment of held-for-sale assets	—	(83,854)	83,854	—	—	—		83,854	1.46
Transformation	2,701	(9,827)	12,528	1,871	—	3,007		11,392	0.20
As adjusted	\$ 96,937	\$ 80,465	\$ 16,472	\$ —	\$ (12,942)	\$ (1,827)	(51.8)%	\$ 5,357	\$ 0.09
Quarter ended December 31, 2017:									
	Gross Profit	Operating Expenses	Operating Profit	Other Income / (Expense)	Interest Expense	Income Tax	Income Tax Rate	Net Income	EPS
As reported	\$ 126,105	\$ 107,099	\$ 19,006	\$ —	\$ (12,494)	\$ (47,231)	(725.3)%	\$ 53,743	\$ 0.94
Contingent consideration	—	(843)	843	—	—	285		558	0.01
Transaction costs	—	(597)	597	—	—	202		395	0.01
CEO/CFO transition costs	—	(763)	763	—	—	71		692	0.01
Tax reform	—	—	—	—	—	48,800		(48,800)	(0.85)
Reorganization	—	(1,651)	1,651	—	—	558		1,093	0.02
As adjusted	\$ 126,105	\$ 103,245	\$ 22,860	\$ —	\$ (12,494)	\$ 2,685	25.9%	\$ 7,681	\$ 0.13

Non-GAAP Financial Measures



Cost of Sales and Gross Profit by Segment

The adjusted cost of sales and adjusted gross profit presented by segment below are non-GAAP financial measures. Vista Outdoor defines these measures as cost of sales and gross profit excluding, where applicable, the impact of costs incurred for business transformation. Vista Outdoor management is presenting these measures so a reader may compare cost of sales and gross profit, as the measures provide investors with an important perspective on the operating results of the company. Vista Outdoor management uses this measurement internally to assess business performance, and Vista Outdoor's definition may differ from those used by other companies.

Outdoor Products		
Quarter ended December 30, 2018:		
(in thousands)		
	Cost of Sales	Gross Profit
As reported	\$ 172,299	\$ 54,143
Business transformation	(2,317)	2,317
As adjusted	<u>\$ 169,982</u>	<u>\$ 56,460</u>
Shooting Sports		
Quarter ended December 30, 2018:		
(in thousands)		
	Cost of Sales	Gross Profit
As reported	\$ 201,234	\$ 40,095
Business transformation	(384)	384
As adjusted	<u>\$ 200,850</u>	<u>\$ 40,479</u>

Non-GAAP Financial Measures



Free Cash Flow

Free cash flow is defined as cash provided by (used for) operating activities less capital expenditures, and excluding the following costs which have been adjusted for applicable tax amounts: contingent consideration, transaction costs paid to date, debt issuance costs, CEO/CFO transition costs paid to date, loss on Eyewear sale, business transformation costs paid to date, and reorganization costs paid to date. Vista Outdoor management believes free cash flow provides investors with an important perspective on the cash available for debt repayment, share repurchases and acquisitions after making the capital investments required to support ongoing business operations. Vista Outdoor management uses free cash flow internally to assess both business performance and overall liquidity.

(in thousands)	Nine months ended December 30, 2018	Nine months ended December 31, 2017	Projected year ending March 31, 2019
Cash provided by operating activities	\$ 60,948	\$ 246,089	\$93,798–\$123,798
Capital Expenditures	(30,911)	(43,561)	~(45,000)
Contingent consideration	3,371	3,371	3,371
Transaction costs	7,456	647	7,456
Debt issuance costs	(1,503)	—	(1,503)
CEO/CFO transition costs	—	(119)	—
Loss on Eyewear sale	1,379	—	1,379
Transformation costs	10,499	—	10,499
Reorganization costs	—	1,084	—
Free cash flow	\$ 51,239	\$ 207,511	\$70,000–\$100,000

Non-GAAP Financial Measures



Adjusted Earnings Per Share - Guidance Reconciliation Table

The projected adjusted earnings per share (EPS), excluding the impact of costs incurred to date for contingent consideration, current and possible transactions, debt issuance costs, goodwill and intangibles impairment, impairment of held-for-sale assets, loss on Eyewear sale, business transformation and reorganization activities, and tax reform, is a non-GAAP financial measure that Vista Outdoor defines as EPS excluding the impact of these items. Vista Outdoor management is presenting this measure so a reader may compare EPS, excluding these items, as this measure provides investors with an important perspective on the operating results of the company. Vista Outdoor management uses this measurement internally to assess business performance, and Vista Outdoor's definition may differ from those used by other companies.

Current FY19 Full-Year Adjusted EPS Guidance				
	Low		High	
EPS guidance including transaction costs, debt issuance costs, intangibles impairment, loss on Eyewear sale, business transformation costs, and tax reform	\$	(10.36)	\$	(10.21)
Contingent consideration		0.04		0.04
Transaction costs		0.13		0.13
Debt issuance costs		0.08		0.08
Goodwill and intangibles impairment		7.61		7.61
Loss on Eyewear sale		1.46		1.46
Transformation		0.39		0.39
Tax reform		(0.04)		(0.04)
Adjusted EPS guidance	\$	0.20	\$	0.35

Eyewear Divestiture Impact

The amounts below represent what is included in Vista Outdoor's corporate forecast for the Eyewear business. The impact reflects an assumed close at the end of August 2018. Forecasted amounts exclude transaction and transition costs.

(Amounts in thousands except per share data)	One month ended September 30, 2018	Three months ended December 31, 2018	Three months ended March 31, 2019	Eyewear Divestiture Impact
Net Sales	\$ (22,107)	\$ (42,938)	\$ (34,412)	\$ (99,456)
Earnings Per Share	\$ (0.05)	\$ (0.01)	\$ 0.01	\$ (0.05)