



FY 2016 Fourth Quarter & Full-Year Earnings Supplemental Information

May 12, 2016

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 U.S. and Vista Outdoor's other markets, including conditions affecting employment levels, consumer confidence and spending; 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; Vista Outdoor's ability to maintain and enhance brand recognition and reputation; reductions, 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 compliance and diversification into international and commercial markets; 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.

Vista Outdoor undertakes no obligation to update any forward-looking statements. 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, including the company's annual report on Form 10-K and any subsequent quarterly reports on Form 10-Q and current reports on Form 8-K filed with the U.S. Securities and Exchange Commission.

Fourth Quarter & Full-Year Highlights



- ❑ Fourth Quarter
 - Sales of \$612 million
 - Adjusted Fully-diluted* earnings per share of \$0.63

- ❑ Full-Year
 - Sales of \$2.27 billion
 - Adjusted Fully-diluted earnings per share of \$2.50
 - Delivered FCF* of \$163 million

- ❑ Share Repurchases
 - Q4 FY16 ~572k shares for \$27 million
 - Full-year FY16 ~3.2m shares for \$142 million
 - Q1 FY17 QTD ~200k for \$10 million
 - Inception-to-date repurchased approximately 3.5m shares for \$159 million through May 11, 2016

- ❑ FY17 Guidance
 - Sales of \$2.720 - \$2.780 billion
 - Interest expense of ~\$45 million
 - Tax Rate ~37%
 - Fully-diluted earnings per share of \$2.65 - \$2.85
 - Capital expenditures of ~\$90 million
 - Free Cash Flow* of \$130 - \$160 million

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

Shooting Sports



	Fourth Quarter				
(\$ millions)	Q4 FY16	Q4 FY15	Q3 FY16	YoY Change	QoQ Change
Sales	\$382	\$314	\$356	21.8%	7.2%
Gross Profit	\$95	\$77	\$104	23.1%	(8.7%)

	Full-Year		
	FY16	FY15	YoY Change
Sales	\$1,409	\$1,353	4.1%
Gross Profit	\$377	\$331	13.8%

Fourth Quarter Highlights

- Sales increase driven by:
 - Increased market demand
 - Delivered ammunition and firearms year-over-year growth; sequential growth due to ammunition
- Gross profit increase:
 - Increased volume driven by market demand
 - Raw material and product mix favorability
 - Sequential decline primarily due timing of calendar based customer incentive programs

Full-Year Highlights

- Sales increase driven by:
 - Firearms and rimfire ammunition
 - Partially offset by decreased shotshell ammunition
- Gross profit increase:
 - Increased volume as noted above
 - Product mix and favorable raw material procurement



Outdoor Products



(\$ millions)	Fourth Quarter					Full-Year		
	Q4 FY16	Q4 FY15	Q3 FY16	YoY Change	QoQ Change	FY16	FY15	YoY Change
Sales	\$230	\$172	\$236	34.1%	(2.5)%	\$862	\$730	18.0%
Gross Profit	\$69	\$47	\$64	46.3%	8.4%	\$243	\$200	21.4%

Fourth Quarter Highlights

- Sales increase driven by:
 - Impact of acquisitions
 - Organic sales up 2% versus prior-year due to growth in shooting accessories partially offset by lower tactical products
 - Organic sequential decline due to typical seasonality of the portfolio
- Gross profit increase:
 - Impact of acquisitions
 - Organic profit flat year over year and sequentially

Full-Year Highlights

- Sales increase driven by:
 - Impact of acquisitions
 - Organic sales up 1% versus prior year due to growth in shooting accessories, golf, and optics partially offset by tactical products and unfavorable foreign exchange
- Gross profit increase:
 - Impact of acquisitions
 - Organic decline of 3% due to unfavorable foreign exchange and product mix



Jimmy Styks



CAMELBAK



Bushnell

bolle





- ❑ Fourth Quarter versus prior-year quarter
 - Adjusted operating expenses were \$93 million compared to \$72 million, increase due to additional operating expenses incurred by acquired businesses, stock-based compensation, and additional selling and marketing investments
 - Adjusted tax rate was 38.2 percent, compared to 35.4 percent due to adjustments to deferred taxes and payables, partially offset by a favorable accounting method change for the treatment of stock-based compensation
 - Interest expense was approximately \$7 million compared to \$5 million, increase primarily due to increased debt levels and increased average borrowing cost

- ❑ Full-Year versus prior year
 - Adjusted operating expenses were \$343 million compared to \$267 million, increase due to operating expenses incurred by acquired businesses, standalone company costs, stock-based compensation; and additional selling and marketing investments
 - Adjusted tax rate was 37.9 percent, compared to 35.4 percent due to deferred taxes and payables, and true-up of prior-year taxes, partially offset by a favorable accounting method change for the treatment of stock-based compensation
 - Interest expense was approximately \$24 million for the year. For the prior year, this was primarily an allocation from ATK to Vista Outdoor

FY 2017 Outlook



	FY 2017 Guidance
Sales	\$2.720 – \$2.780 billion
Interest expense*	~\$45 million
Tax Rate	~37%
Earnings per Share**	\$2.65 – \$2.85
Capital Expenditures	~\$90 million
Free Cash Flow***	\$130 - \$160 million

* Includes amortization of financing costs

** Excludes impact of transition/transaction expense

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



Appendix

- Reconciliation to GAAP Measures

Non-GAAP Financial Measures



Operating Profit and Earnings Per Share

The adjusted operating profit (adjusted EBIT), adjusted tax rate, and adjusted earnings per share (adjusted EPS) presented above are non-GAAP financial measures that Vista Outdoor defines as operating profit (EBIT), tax rate and EPS excluding, where applicable, the impact of costs incurred in the period for current and possible transactions, facility rationalization costs, acquisition inventory step-up, the impact of goodwill and trade name impairments, transition costs for the Bushnell acquisition, and transaction costs for the spin-off of Vista Outdoor from ATK. Vista Outdoor management is presenting these measures so a reader may compare 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 these measurements internally to assess business performance, and Vista Outdoor's definition may differ from those used by other companies.

<i>Total Vista Outdoor for the Quarter Ended</i>							
March 31, 2016:							
	<u>Operating Profit</u>	<u>Margin</u>	<u>Profit Before Tax</u>	<u>Taxes</u>	<u>Tax Rate</u>	<u>Net Income</u>	<u>EPS</u>
As reported	\$ 67,801	11.1%	\$ 60,358	\$ 23,046	38.2%	\$ 37,312	\$ 0.61
Transaction costs	1,331		1,331	506		825	0.01
Facility rationalization	1,073		1,073	408		665	0.01
As adjusted	<u>\$ 70,205</u>	11.5%	<u>\$ 62,762</u>	<u>\$ 23,960</u>	38.2%	<u>\$ 38,802</u>	<u>\$ 0.63</u>
March 31, 2015:							
	<u>Operating Profit</u>	<u>Margin</u>	<u>Profit Before Tax</u>	<u>Taxes</u>	<u>Tax Rate</u>	<u>Net Income</u>	<u>EPS</u>
As reported	\$ 38,733	8.0%	\$ 33,906	\$ 17,999	53.1%	\$ 15,907	\$ 0.25
Transaction costs	9,598		9,598	(2,672)		12,270	0.19
Transition costs	2,735		2,735	1,026		1,709	0.03
As adjusted	<u>\$ 51,066</u>	10.5%	<u>\$ 46,239</u>	<u>\$ 16,353</u>	35.4%	<u>\$ 29,886</u>	<u>\$ 0.47</u>

See press release for additional descriptions of adjustments shown above.

Non-GAAP Financial Measures



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<i>Total Vista Outdoor for the Year Ended</i>							
March 31, 2016:							
	Operating Profit	Margin	Profit Before Tax	Taxes	Tax Rate	Net Income	EPS
As reported	\$ 262,758	11.6%	\$ 238,407	\$ 91,370	38.3%	\$ 147,037	\$ 2.35
Transaction costs	9,009		9,009	2,384		6,625	0.11
Facility rationalization	3,258		3,258	1,238		2,020	0.03
Inventory step-up	1,043		1,043	396		647	0.01
As adjusted	<u>\$ 276,068</u>	12.2%	<u>\$ 251,717</u>	<u>\$ 95,388</u>	37.9%	<u>\$ 156,329</u>	<u>\$ 2.50</u>
March 31, 2015:							
	Operating Profit	Margin	Profit Before Tax	Taxes	Tax Rate	Net Income	EPS
As reported	\$ 184,154	8.8%	\$ 154,046	\$ 74,518	48.4%	\$ 79,528	\$ 1.25
Goodwill/trade name impairment	52,220		52,220	4,172		48,048	0.75
Transaction costs	19,641		19,641	1,094		18,547	0.29
Transition costs	5,988		5,988	2,246		3,742	0.06
As adjusted	<u>\$ 262,003</u>	12.6%	<u>\$ 231,895</u>	<u>\$ 82,030</u>	35.4%	<u>\$ 149,865</u>	<u>\$ 2.35</u>

See press release for additional descriptions of adjustments shown above.

Non-GAAP Financial Measures



Free Cash Flow

Free cash flow is defined as cash provided by operating activities less capital expenditures, allocated interest expense, and excluding transaction costs incurred 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.

	Year ended March 31, 2016	Year ended March 31, 2015	Projected Year Ending March 31, 2017
Cash provided by operating activities	\$ 198,002	\$ 154,338	\$220,000–\$250,000
Capital expenditures	(41,526)	(43,189)	~(90,000)
Interest expense	—	30,108	—
Transaction costs incurred to date, net of tax	6,485	18,547	—
Free cash flow	<u>\$ 162,961</u>	<u>\$ 159,804</u>	<u>\$130,000–\$160,000</u>