Section 1: 10-Q (10-Q)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended July 2, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-36597

Vista Outdoor Inc.

(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**47-1016855** (I.R.S. Employer Identification No.)
262 N University Drive **Farmington, UT** (Address of principal executive offices)	**84025** (Zip Code)

Registrant's telephone number, including area code: **(801) 447-3000**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒	Accelerated Filer ☐	Non-Accelerated Filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐	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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 7, 2017, there were 57,047,196 shares of the registrant's voting common stock outstanding.

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PART I— FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VISTA OUTDOOR INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

(Amounts in thousands except per share data)	Quarter ended July 2, 2017	Quarter ended July 3, 2016
Sales, net	$ 568,749	$ 630,269
Cost of sales	422,191	458,892
Gross profit	146,558	171,377
Operating expenses:		
Research and development	7,791	7,831
Selling, general, and administrative	99,426	104,444
Income before interest and income taxes	39,341	59,102
Interest expense, net	(12,393)	(11,963)
Income before income taxes	26,948	47,139
Income tax provision	10,296	18,015
Net income	$ 16,652	$ 29,124
Earnings per common share:		
Basic	$ 0.29	$ 0.48
Diluted	$ 0.29	$ 0.48
Weighted-average number of common shares outstanding:		
Basic	56,916	60,384
Diluted	56,957	60,715
Net income (from above)	$ 16,652	$ 29,124
Other comprehensive income (loss), net of tax:		
Pension and other postretirement benefit liabilities:		
Reclassification of prior service credits for pension and postretirement benefit plans recorded to net income, net of tax benefit of $163 and $162, respectively.	(274)	(274)
Reclassification of net actuarial loss for pension and postretirement benefit plans recorded to net income, net of tax expense of $(666) and $(734), respectively.	1,122	1,236
Valuation adjustment for pension and postretirement benefit plans, net of tax benefit of $2,154 and $0, respectively	(3,628)	—
Change in derivatives, net of tax expense of $(14) and $0, respectively.	23	—
Change in cumulative translation adjustment, net of tax benefit of $0 and $0, respectively.	8,571	(4,799)
Total other comprehensive income (loss)	5,814	(3,837)
Comprehensive income	$ 22,466	$ 25,287

See Notes to the Condensed Consolidated Financial Statements.

VISTA OUTDOOR INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

(Amounts in thousands except share data)	July 2, 2017	March 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 53,550	$ 45,075
Net receivables	454,789	450,715
Net inventories	542,880	562,795
Income tax receivable	17,944	25,658
Other current assets	26,639	25,604
Total current assets	1,095,802	1,109,847
Net property, plant, and equipment	272,773	272,346
Goodwill	861,114	857,631
Net intangible assets	700,839	708,530
Deferred charges and other non-current assets	30,779	28,393
Total assets	$ 2,961,307	$ 2,976,747
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 32,000	$ 32,000
Accounts payable	102,098	127,718
Accrued compensation	31,773	33,663
Federal excise tax	26,092	30,082
Other accrued liabilities	130,022	122,926
Total current liabilities	321,985	346,389
Long-term debt	1,075,175	1,089,252
Deferred income tax liabilities	159,444	160,765
Accrued pension and postemployment benefits	62,710	64,230
Other long-term liabilities	71,360	71,046
Total liabilities	1,690,674	1,731,682
Commitments and contingencies (Notes 10 and 13)		
Common stock—$.01 par value:		
Authorized—500,000,000 shares		
Issued and outstanding — 57,030,534 shares at July 2, 2017 and 57,014,319 shares at March 31, 2017	570	571
Additional paid-in capital	1,755,119	1,752,903
Accumulated deficit	(91,381)	(108,033)
Accumulated other comprehensive loss	(107,178)	(112,992)
Common stock in treasury, at cost — 6,933,905 shares held at July 2, 2017 and 6,950,120 shares held at March 31, 2017	(286,497)	(287,384)
Total stockholders' equity	1,270,633	1,245,065
Total liabilities and stockholders' equity	$ 2,961,307	$ 2,976,747

See Notes to the Condensed Consolidated Financial Statements.

VISTA OUTDOOR INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three months ended	
(Amounts in thousands)	**July 2, 2017**	**July 3, 2016**
Operating Activities:		
Net income	$ 16,652	$ 29,124
Adjustments to net income to arrive at cash provided by (used for) operating activities:		
Depreciation	13,552	13,676
Amortization of intangible assets	9,110	10,106
Amortization of deferred financing costs	728	2,172
Deferred income taxes	2	52
Loss on disposal of property, plant, and equipment	77	41
Stock-based compensation	3,357	3,310
Changes in assets and liabilities, net of acquisition of businesses:		
Net receivables	(2,323)	(12,908)
Net inventories	17,550	(57,697)
Accounts payable	(20,953)	(33,196)
Accrued compensation	(2,559)	(19,322)
Accrued income taxes	8,423	14,396
Federal excise tax	(4,036)	737
Pension and other postretirement benefits	(4,841)	579
Other assets and liabilities	4,170	26,772
Cash provided by (used for) operating activities	38,909	(22,158)
Investing Activities:		
Capital expenditures	(16,430)	(21,006)
Acquisition of businesses, net of cash acquired	—	(405,943)
Proceeds from the disposition of property, plant, and equipment	13	34
Cash used for investing activities	(16,417)	(426,915)
Financing Activities:		
Borrowings on line of credit	145,000	115,000
Payments made on line of credit	(150,000)	(25,000)
Proceeds from issuance of long-term debt	—	307,500
Payments made on long-term debt	(8,000)	(8,000)
Payments made for debt issuance costs	(1,805)	(3,660)
Purchase of treasury shares	—	(22,058)
Proceeds from employee stock compensation plans	298	—
Cash provided by (used for) financing activities	(14,507)	363,782
Effect of foreign exchange rate fluctuations on cash	490	(401)
(Decrease) increase in cash and cash equivalents	8,475	(85,692)
Cash and cash equivalents at beginning of period	45,075	151,692
Cash and cash equivalents at end of period	$ 53,550	$ 66,000
Supplemental Cash Flow Disclosures:		
Non-cash investing activity:		
Capital expenditures included in accounts payable	$ 5,598	$ 2,065
Non-cash financing activity:		
Treasury shares purchased included in other accrued liabilities	$ —	$ 998

See Notes to the Condensed Consolidated Financial Statements.

VISTA OUTDOOR INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)

	Common Stock $.01 Par Value						
(Amounts in thousands except share data)	Shares	Amount	Additional Paid-In Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Equity
Balance, March 31, 2016	**60,825,914**	**$ 608**	**$1,743,371**	**$ 166,421**	**$ (110,214)**	**$ (140,019)**	**$ 1,660,167**
Comprehensive income (loss)	—	—	—	29,124	(3,837)	—	25,287
Restricted stock grants net of forfeitures	(11,344)	—	(141)	—	—	37	(104)
Share-based compensation	—	—	3,310	—	—	—	3,310
Restricted stock vested and shares withheld	912	—	(71)	—	—	(548)	(619)
Treasury stock purchased	(461,525)	—	—	—	—	(22,277)	(22,277)
Other	5,277	(5)	—	—	—	—	(5)
Balance, July 3, 2016	**60,359,234**	**$ 603**	**$1,746,469**	**$ 195,545**	**$ (114,051)**	**$ (162,807)**	**$ 1,665,759**
Balance, March 31, 2017	**57,014,319**	**$ 571**	**$1,752,903**	**$ (108,033)**	**$ (112,992)**	**$ (287,384)**	**$ 1,245,065**
Comprehensive income	—	—	—	16,652	5,814	—	22,466
Exercise of stock options	18,476	—	(465)	—	—	763	298
Restricted stock grants net of forfeitures	(16,286)	—	(89)	—	—	(357)	(446)
Share-based compensation	—	—	3,357	—	—	—	3,357
Restricted stock vested and shares withheld	6,827	—	(423)	—	—	177	(246)
Employee stock purchase plan	6,510	—	(130)	—	—	269	139
Other	688	(1)	(34)	—	—	35	—
Balance, July 2, 2017	**57,030,534**	**$ 570**	**$1,755,119**	**$ (91,381)**	**$ (107,178)**	**$ (286,497)**	**$ 1,270,633**

See Notes to the Condensed Consolidated Financial Statements.

VISTA OUTDOOR INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
Quarter ended July 2, 2017
(Amounts in thousands except share and per share data unless otherwise indicated)

1. Basis of Presentation and Responsibility for Interim Financial Statements

Nature of Operations. Vista Outdoor Inc. (together with our subsidiaries, "we", "our", and "us") is a leading global designer, manufacturer, and marketer of consumer products in the growing outdoor sports and recreation markets. We operate in two segments, Outdoor Products and Shooting Sports. Vista Outdoor is headquartered in Farmington, Utah and has manufacturing operations and facilities in 13 U.S. States, Canada, Mexico, and Puerto Rico along with international customer service, sales, and sourcing operations in Asia, Australia, Canada, and Europe. Vista Outdoor was incorporated in Delaware in 2014.

This Quarterly Report on Form 10-Q should be read in conjunction with our consolidated and combined financial statements and notes included in our annual report on Form 10-K for the fiscal year ended March 31, 2017.

Basis of Presentation. Our unaudited condensed consolidated financial statements have been prepared in accordance with the requirements of the Securities and Exchange Commission ("SEC") for interim reporting. As permitted under those rules, certain disclosures and other financial information that normally are required by accounting principles generally accepted in the United States can be condensed or omitted. Our accounting policies are described in the notes to the consolidated and combined financial statements in our Annual Report on Form 10-K for the fiscal year ended March 31, 2017 (“fiscal 2017”). Management is responsible for the condensed consolidated financial statements included in this document, which are unaudited but, in the opinion of management, include all adjustments necessary for a fair presentation of our financial position as of July 2, 2017 and March 31, 2017, our results of operations and cash flows for the quarters ended July 2, 2017 and July 3, 2016.

New Accounting Pronouncements. On May 28, 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09 *Revenue from Contracts with Customers* (Topic 606), which supersedes existing revenue recognition requirements. The new guidance will be effective for the company in the first quarter of our fiscal 2019 (beginning April 1, 2018). We continue to assess the impact of the standard on our financial statements. We currently believe that the majority of our businesses and revenue streams will not be impacted; although there could be minor changes to the timing of recognition of revenues related to warranty and certain discount programs. We tentatively plan to adopt this standard using the modified retrospective transition method. Under this method, we will recognize the cumulative effect of the changes in retained earnings at the date of adoption, but will not restate prior periods.

On February 25, 2016, the FASB issued ASU 2016-02, *Leases*. The new guidance was issued to increase transparency and comparability among companies by reporting most leases on the balance sheet and by expanding disclosure requirements. Based on the current effective dates, the new guidance would apply in the first quarter of our fiscal 2020. We are in the process of evaluating the effect of adoption on our financial statements.

Other than those noted above and in our fiscal 2017 financial statements, there are no other new accounting pronouncements that are expected to have a significant impact on our condensed consolidated financial statements.

2. Fair Value of Financial Instruments

The current authoritative guidance on fair value prescribes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value, and requires disclosures about the use of fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The valuation techniques required by the current authoritative literature are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect internal market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1—Quoted prices for identical instruments in active markets.

Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3—Significant inputs to the valuation model are unobservable.

The following section describes the valuation methodologies we used to measure our financial instruments at fair value.

Long-term debt—The fair value of the variable-rate long-term debt is calculated based on current market rates for debt of the same risk and maturities. The fair value of the fixed-rate long-term debt is based on market quotes for the outstanding notes. We consider these to be Level 2 instruments.

Interest rate swaps—We periodically enter into floating-to-fixed interest rate swap agreements in order to hedge our forecasted interest payments on our outstanding variable-rate debt. The fair value of those swaps is determined using a pricing model based on observable inputs for similar instruments and other market assumptions. We consider these to be Level 2 instruments. See Note 10 for further details.

Contingent Consideration—The acquisition-related contingent consideration liability represents the estimated fair value of additional future earn-outs payable for acquisitions of businesses that included earn-out clauses. The valuation of the contingent consideration will be evaluated on an ongoing basis and is based on management estimates and entity-specific assumptions which are considered Level 3 inputs. As of July 2, 2017, there was no value for the contingent consideration related to the Jimmy Styks acquisition. See Note 4 for further details.

The following table presents our financial assets and liabilities that are not measured at fair value on a recurring basis. The carrying values and estimated fair values were as follows:

	July 2, 2017		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Fixed-rate debt	$ 350,000	$ 360,252	$ 350,000	$ 341,250
Variable-rate debt	770,000	770,000	783,000	783,000

3. Earnings Per Share

The computation of earnings per share ("EPS") includes Basic EPS computed based upon the weighted average number of common shares outstanding for each period. Diluted EPS is computed based on the weighted average number of common shares and common equivalent shares. Common equivalent shares represent the effect of stock-based awards during each period presented, which, if exercised or earned, would have a dilutive effect on EPS.

In computing EPS for the quarters ended July 2, 2017 and July 3, 2016, earnings, as reported for each respective period, is divided by:

	Quarter ended	
(in thousands)	July 2, 2017	July 3, 2016
Basic EPS shares outstanding	56,916	60,384
Dilutive effect of stock-based awards	41	331
Diluted EPS shares outstanding	56,957	60,715
Shares excluded from the calculation of diluted EPS because the option exercise/threshold price was greater than the average market price of the common shares	358	71

Share Repurchases

In fiscal 2015, our Board of Directors authorized a share repurchase program of up to $200,000 worth of shares of our common stock, which was completed during fiscal 2017. Our Board of Directors then authorized a new share repurchase program of up to $100,000 worth of our common stock, executable through March 31, 2018, which was completed during fiscal 2017. The purchase authorization allowed for the shares to be purchased from time to time in open market, block purchase, or negotiated transactions, subject to compliance with applicable laws and regulations. The repurchase authorization also allowed us to make repurchases under Rule 10b5-1 of the Securities Exchange Act of 1934. We had no repurchases of shares during the quarter ended July 2, 2017. During the quarter ended July 3, 2016, we repurchased 461,525 shares for $22,277.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (Continued)

(Amounts in thousands except share and per share data unless otherwise indicated)

4. Acquisitions

In accordance with the accounting standards for business combinations, the results of acquired businesses are included in our consolidated condensed financial statements from the date of acquisition. The purchase price for each acquisition is allocated to the acquired assets and liabilities based on fair value. The excess purchase price over estimated fair value of the net assets acquired is recorded as goodwill.

Acquisition of Camp Chef

On September 1, 2016, we completed the acquisition of privately owned Logan Outdoor Products, LLC and Peak Trades, LLC ("Camp Chef"), a leading provider of outdoor cooking solutions. Under the terms of the transaction, we paid $60,000 subject to customary working capital adjustments, utilizing cash on hand and borrowings under our existing credit facility. An additional $4,000 has been deferred and will be paid in equal installments on the first, second and third anniversary of the closing date, and $10,000 will be payable if incremental profitability growth milestones are met and key members of Camp Chef management continue their employment with us. The $10,000 will be expensed over the three-year measurement period and paid at each milestone date. The preliminary purchase price allocation is subject to further refinement and may require significant adjustments to arrive at the final purchase price allocation. A majority of the goodwill generated in this acquisition will be deductible for tax purposes. Camp Chef is an immaterial acquisition to our company.

Acquisition of Action Sports

On April 1, 2016, we completed the acquisition of BRG Sports Inc.’s Action Sports division, operated by Bell Sports Corp. ("Action Sports"). The acquisition includes brands Bell, Giro, Blackburn, CoPilot, Krash, and Raskullz. Under the terms of the transaction, we paid $400,000, subject to customary working capital adjustments, utilizing cash on hand and borrowings under our existing credit facilities, and additional contingent consideration payable if incremental profitability growth milestones within the Bell Powersports product line are achieved. We determined a value of the future contingent consideration as of the acquisition date of $4,272, using a risk-neutral Monte Carlo simulation in an option pricing framework; the total amount paid may differ from this value. The option pricing model requires us to make assumptions including the risk-free rate, expected volatility, profitability growth, and expected life. The risk-free rate is based on U.S. Treasury zero-coupon issues with a remaining term that approximates the expected life assumed at the date of grant. The expected option life is based on the contractual term of the agreement. Expected volatility is based on the average volatility of similar public companies' stock over the past two years. The profitability growth is based on simulated estimates of future performance of the business using a geometric Brownian risk-neutral framework. As of July 2, 2017, the value of the future contingent consideration was $4,886. The increase from the original estimate was primarily a result of improved profitability forecasts over the remainder of the earnout period.

Action Sports remains headquartered in Scotts Valley, California and operates facilities primarily in the U.S., Canada, and Asia. The acquisition of Action Sports includes more than 600 employees worldwide. The purchase price allocation was finalized in the fourth quarter of fiscal 2017. A portion of the goodwill generated in this acquisition will be deductible for tax purposes.

(Amounts in thousands except share and per share data unless otherwise indicated)

Allocation of Consideration Transferred to Net Assets Acquired for Action Sports:

The following amounts represent the final determination of the fair value of identifiable assets acquired and liabilities for our acquisition of Action Sports. The purchase price allocation was completed during the quarter ended March 31, 2017.

Action Sports Final Purchase Price Allocation:

		April 1, 2016
Purchase price net of cash acquired:		
Cash paid		$ 400,000
Estimated earnout value		4,272
Cash received for working capital		(1,289)
Total purchase price		402,983
Fair value of assets acquired:		
Receivables	$ 78,090	
Inventories	56,527	
Tradename, customer relationship, and technology intangibles	155,100	
Property, plant, and equipment	34,114	
Other assets	6,425	
Total assets	330,256	
Fair value of liabilities assumed:		
Accounts payable	30,240	
Deferred tax liabilities	43,991	
Other liabilities	33,168	
Total liabilities	107,399	
Net assets acquired		222,857
Goodwill		$ 180,126

5. Net Receivables

Net receivables are summarized as follows:

	July 2, 2017	March 31, 2017
Trade receivables	$ 477,080	$ 472,233
Other receivables	2,106	3,136
Less: allowance for doubtful accounts and discounts	(24,397)	(24,654)
Net receivables	$ 454,789	$ 450,715

As of July 2, 2017 and March 31, 2017, Walmart represented 17% and 13%, respectively, of the total trade receivables balance. No other customer represented more than 10% of total trade receivables balance as of July 2, 2017 and March 31, 2017.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

(Amounts in thousands except share and per share data unless otherwise indicated)

6. Net Inventories

Net inventories consist of the following:

	July 2, 2017	March 31, 2017
Raw materials	$ 103,862	$ 101,635
Work in process	47,212	51,004
Finished goods	391,806	410,156
Net inventories	$ 542,880	$ 562,795

We consider inventories to be long term if they are not expected to be sold within one year. Long-term inventories are presented on the balance sheet within deferred charges and other non-current assets and totaled $27,949 and $23,504 as of July 2, 2017 and March 31, 2017, respectively. The long-term inventories are recorded net of inventory reserves of $17,844 and $18,759 as of July 2, 2017 and March 31, 2017, respectively.

7. Accumulated Other Comprehensive Loss

The components of AOCL, net of income taxes, are as follows:

	July 2, 2017	March 31, 2017
Pension and other postretirement benefits	$ (59,709)	$ (56,929)
Derivatives	23	—
Cumulative translation adjustment	(47,492)	(56,063)
Total AOCL	$ (107,178)	$ (112,992)

The following tables summarize the changes in the balance of AOCL, net of income tax:

	Quarter ended July 2, 2017			
	Derivatives	Pension and other postretirement benefits	Cumulative translation adjustment	Total
Beginning balance in AOCL	$ —	$ (56,929)	$ (56,063)	$ (112,992)
Net actuarial losses reclassified from AOCL (1)	—	1,122	—	1,122
Prior service costs reclassified from AOCL (1)		(274)	—	(274)
Valuation adjustment for pension and postretirement benefit plans(2)	—	(3,628)	—	(3,628)
Net increase in fair value of derivatives	23	—	—	23
Net change in cumulative translation adjustment	—	—	8,571	8,571
Ending balance in AOCL	$ 23	$ (59,709)	$ (47,492)	$ (107,178)

(1) Amounts related to our pension and other postretirement benefits that were reclassified from AOCL were recorded as a component of net periodic benefit cost for each period presented.

(2) See Note 11 for a description of the pension curtailment gain recognized in the quarter ended July 2, 2017.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

(Amounts in thousands except share and per share data unless otherwise indicated)

	Quarter ended July 3, 2016		
	Pension and other postretirement benefits	Cumulative translation adjustment	Total
Beginning balance in AOCL	$ (63,667)	$ (46,547)	$ (110,214)
Net actuarial losses reclassified from AOCL [(1)]	1,236	—	1,236
Prior service costs reclassified from AOCL [(1)]	(274)	—	(274)
Net change in cumulative translation adjustment	—	(4,799)	(4,799)
Ending balance in AOCL	$ (62,705)	$ (51,346)	$ (114,051)

(1) Amounts related to our pension and other postretirement benefits that were reclassified from AOCL were recorded as a component of net periodic benefit cost for each period presented.

8. Goodwill and Net Intangible Assets

The changes in the carrying amount of goodwill by segment were as follows:

	Outdoor Products	Shooting Sports	Total
Balance, March 31, 2017	$ 652,896	$ 204,735	$ 857,631
Effect of foreign currency exchange rates	3,331	152	3,483
Balance, July 2, 2017	$ 656,227	$ 204,887	$ 861,114

The goodwill recorded within the Outdoor Products segment is presented net of $401,706 of accumulated impairment losses of which $47,791 was recorded prior to fiscal 2015 and $353,915 was recorded in fiscal 2017. The goodwill recorded within the Shooting Sports segment is presented net of $41,020 of accumulated impairment losses, which were recorded in fiscal 2015.

Net intangibles consisted of the following:

	July 2, 2017			March 31, 2017		
	Gross carrying amount	Accumulated amortization	Total	Gross carrying amount	Accumulated amortization	Total
Trade names	$ 106,159	$ (18,986)	$ 87,173	$ 106,159	$ (17,048)	$ 89,111
Patented technology	19,066	(7,978)	11,088	19,066	(7,703)	11,363
Customer relationships and other	372,966	(85,355)	287,611	371,099	(78,010)	293,089
Total	498,191	(112,319)	385,872	496,324	(102,761)	393,563
Non-amortizing trade names	314,967	—	314,967	314,967	—	314,967
Net intangibles	$ 813,158	$ (112,319)	$ 700,839	$ 811,291	$ (102,761)	$ 708,530

The assets in the table above are being amortized using a straight-line method over a weighted average remaining period of approximately 12.6 years. The amount of amortizing tradename and technology intangible assets for the Outdoor Products segment is presented net of a $61,054 impairment charge recorded in fiscal 2017. The amount of non-amortizing tradename intangible assets in the Outdoor Products and Shooting Sports segments are presented net of impairment losses of $34,230 recorded in fiscal 2017 and $11,200 recorded in fiscal 2015, respectively. Amortization expense for the quarters ended July 2, 2017 and July 3, 2016 was $9,110 and $10,106, respectively.

(Amounts in thousands except share and per share data unless otherwise indicated)

We expect amortization expense related to these assets to be as follows:

Remainder of fiscal 2018	$ 27,666
Fiscal 2019	34,144
Fiscal 2020	33,317
Fiscal 2021	33,301
Fiscal 2022	33,293
Thereafter	224,151
Total	$ 385,872

9. Other Current and Non-current Liabilities

Other current and non-current liabilities consisted of the following:

	July 2, 2017	March 31, 2017
Other current liabilities:		
Accrual for in-transit inventory	$ 25,427	$ 17,505
Rebate	22,433	19,325
Other	82,162	86,096
Total other current liabilities	$ 130,022	$ 122,926
Other non-current liabilities:		
Non-current portion of accrued income tax liability	$ 33,469	$ 32,842
Other	37,891	38,204
Total other non-current liabilities	$ 71,360	$ 71,046

We provide consumer warranties against manufacturing defects on certain products within the Outdoor Products and Shooting Sports segments with warranty periods ranging typically from one year to a lifetime. The estimated costs of such product warranties are recorded at the time the sale is recorded based upon actual past experience, our current production environment as well as specific and identifiable warranties as applicable. The warranty liability recorded at each balance sheet date reflects the estimated liability for warranty coverage for products delivered based on historical information and current trends. The following is a reconciliation of the changes in our product warranty liability during the period presented:

Balance, March 31, 2017	$ 10,014
Payments made	(915)
Warranties issued	1,274
Changes related to preexisting warranties	89
Balance, July 2, 2017	$ 10,462

(Amounts in thousands except share and per share data unless otherwise indicated)

10. Long-term Debt

Long-term debt, including the current portion, consisted of the following:

	July 2, 2017	March 31, 2017
Credit Agreement:		
Term Loan	$ 600,000	$ 608,000
Revolving Credit Facility	170,000	175,000
Total principal amount of Credit Agreement	770,000	783,000
5.875% Senior Notes	350,000	350,000
Principal amount of long-term debt	1,120,000	1,133,000
Less: unamortized deferred financing costs	(12,825)	(11,748)
Carrying amount of long-term debt	1,107,175	1,121,252
Less: current portion	(32,000)	(32,000)
Carrying amount of long-term debt, excluding current portion	$ 1,075,175	$ 1,089,252

Credit Agreement

On April 1, 2016, we entered into an Amended and Restated Credit Agreement (the “Credit Agreement”), which replaced our 2014 Credit Agreement. The Credit Agreement is comprised of a Term A Loan of $640,000 and a $400,000 Revolving Credit Facility, both of which mature on April 1, 2021. The Term A Loan is subject to quarterly principal payments of $8,000, with the remaining balance due on April 1, 2021. Substantially all domestic tangible and intangible assets of Vista Outdoor and our subsidiaries, as well as the tangible and intangible assets of Advanced Arrow S. de R.L. de C.V. and Hydrosport, S. de R.L. de C.V., are pledged as collateral under the Credit Agreement. Borrowings under the Credit Agreement bear interest at a rate equal to either the sum of a base rate plus a specified margin or the sum of a Eurodollar rate plus a specified margin. Each margin is based on our consolidated leverage ratio, as defined in the Credit Agreement, and based on the ratio in effect as of July 2, 2017, the base rate margin was 1.00% and the Eurodollar margin was 2.00%. The weighted average interest rate for our borrowings under the Credit Agreement as of July 2, 2017 was 3.22%, excluding the impact of the interest rate swaps that are discussed below. We pay a commitment fee on the unused portion of the Revolving Credit Facility based on our consolidated leverage ratio, and based on the current ratio, this fee is 0.35%. As of July 2, 2017, we had $170,000 in borrowings against our $400,000 Revolving Credit Facility and had outstanding letters of credit of $25,854, which reduced amounts available on the Revolving Credit Facility to $204,146. Debt issuance costs of approximately $14,000 are being amortized over the term of the Credit Agreement.

In December 2014, we entered into a credit agreement (the "2014 Credit Agreement"), which was comprised of a Term A Loan of $350,000 and a Revolving Credit Facility of $400,000, both of which were to mature on February 9, 2020. During the quarter ended July 3, 2016, we refinanced this agreement as noted above. In connection with this transaction, we wrote off $1,521 of unamortized deferred debt issuance costs.

During the quarter ended July 2, 2017, we entered into an amendment to the Credit Agreement (the "Amendment") to amend, among other things, certain financial covenants. The Amendment provides that the Consolidated Leverage Ratio (as defined in the Credit Agreement) must not exceed the following levels on the last day of any fiscal quarter for the following periods: (i) from July 2, 2017 through December 30, 2018, 4.75 to 1.00; (ii) from March 31, 2019 through December 29, 2019, 4.25 to 1.00; and (iii) from March 31, 2020 and thereafter, 4.00 to 1.00. The Amendment also provides that the Consolidated Senior Secured Leverage Ratio (as defined in the Credit Agreement) must not exceed the following levels on the last day of any fiscal quarter for the following periods: (i) from July 2, 2017 through December 30, 2018, 3.50 to 1.00; and (ii) from March 31, 2019 and thereafter, 3.00 to 1.00. In addition, the limitation on Restricted Payments (as defined in the Credit Agreement) was amended so that it is equal to $150,000 plus proceeds of any equity issuances plus 50% of net income since April 1, 2017. The rate at which borrowings under the Revolving Credit Facility and Term A Loan bear interest was also amended so that borrowings bear interest at a rate equal to either the sum of a base rate plus a margin ranging from 0.50% to 1.50%, or the sum of a Eurodollar rate plus a margin ranging from 1.50% to 2.50%, with both margins varying depending on our Consolidated Leverage Ratio. We are also required to continue to pay a commitment fee for unused commitments under the Revolving Credit Facility, if any, at a rate ranging from 0.25% to 0.45% per annum depending on our Consolidated Leverage Ratio. Debt issuance costs related to the Amendment of approximately $1,800 are being amortized over the remaining term of the Credit Agreement.

(Amounts in thousands except share and per share data unless otherwise indicated)

5.875% Notes

On August 11, 2015, we issued $350,000 aggregate principal amount of 5.875% Senior Notes (the "5.875% Notes") that mature on October 1, 2023. These notes are unsecured and senior obligations. Interest on these notes is payable semi-annually in arrears on April 1 and October 1 of each year, starting on April 1, 2016. We have the right to redeem some or all of these notes from time to time on or after October 1, 2018, at specified redemption prices. Prior to October 1, 2018, we may redeem some or all of these notes at a price equal to 100% of their principal amount plus accrued and unpaid interest to the date of redemption and a specified make-whole premium. In addition, prior to October 1, 2018, we may redeem up to 35% of the aggregate principal amount of these notes with the net cash proceeds of certain equity offerings, at a price equal to 105.875% of their principal amount plus accrued and unpaid interest to the date of redemption. Debt issuance costs of approximately $4,300 are being amortized to interest expense over 8 years, the term of the notes.

Rank and Guarantees

The Credit Agreement obligations are guaranteed on a secured basis, jointly and severally and fully and unconditionally by substantially all of our domestic subsidiaries and by Advanced Arrow S. de R.L. de C.V. and Hydrosport, S. de R.L. de C.V.. Vista Outdoor (the parent company issuer) has no independent assets or operations. We own 100% of all of these guarantor subsidiaries. The 5.875% Notes are senior unsecured obligations and will rank equally in right of payment with any future senior unsecured indebtedness and senior in right of payment to any future subordinated indebtedness. The 5.875% Notes are fully and unconditionally guaranteed, jointly and severally, by our existing and future domestic subsidiaries that guarantee indebtedness under our Credit Agreement or that guarantee certain of our other indebtedness, or indebtedness of any subsidiary guarantor, in an aggregate principal amount in excess of $50,000. These guarantees are senior unsecured obligations of the applicable subsidiary guarantors. The guarantee by any subsidiary guarantor of our obligations in respect of the 5.875% Notes will be released in any of the following circumstances:

- if, as a result of the sale of its capital stock, such subsidiary guarantor ceases to be a restricted subsidiary;
- if such subsidiary guarantor is designated as an “Unrestricted Subsidiary;”
- upon defeasance or satisfaction and discharge of the 5.875% Notes; or
- if such subsidiary guarantor has been released from its guarantees of indebtedness under the Credit Agreement and all capital markets debt securities.

Interest Rate Swaps

During the quarter ended July 2, 2017, we entered into floating-to-fixed interest rate swap agreements in order to hedge our forecasted interest payments on our outstanding variable-rate debt. At July 2, 2017, we had the following cash flow hedge interest rate swaps in place:

	Notional	Fair Value	Pay Fixed	Receive Floating	Maturity Date
Non-amortizing swap	$ 100,000	$ 2	1.519%	1.226%	June 2019
Non-amortizing swap	100,000	35	1.629%	1.226%	June 2020

The amount to be paid or received under these swaps is recorded as an adjustment to interest expense.

Cash Paid for Interest on Debt

Cash paid for interest on debt, including commitment fees, for the quarters ended July 2, 2017 and July 3, 2016 totaled $16,197 and $17,236, respectively.

11. Employee Benefit Plans

The expense for employee benefit plans for the quarters ended July 2, 2017 and July 3, 2016 was $1,431 and $1,690, respectively. In addition to the employee benefit expense for the quarter ended July 2, 2017, we recognized a one-time gain of $5,783 associated with the pension curtailment, as discussed below. In aggregate, we recorded a net gain of $4,352 and an expense of $1,690 for the employee benefit plans during the quarters ended July 2, 2017 and July 3, 2016, respectively.

Employer Contributions. During the quarter ended July 2, 2017, we made the legally required contribution of $1,600 directly to the pension trust, and no contributions to our other postretirement benefit plans. We made no distributions directly to retirees under the non-qualified supplemental executive retirement plan. During the quarter ended July 3, 2016, we contributed $1,100 directly to the pension trust, made no contributions to our other postretirement benefit plans, and made distributions of $12 to retirees under the non-qualified supplemental executive retirement plan. We expect to make $7,200 in additional contributions directly to the pension trust, and we expect to contribute approximately $159 to our other postretirement benefit plans, and distribute approximately $11,125 directly to retirees under our non-qualified supplemental executive retirement plans, during the remainder of fiscal 2018.

Pension Curtailment. In June 2017, we announced changes to our qualified and non-qualified defined benefit pension plans. The benefits under the affected plans are determined by a cash balance formula that provides participating employees with an annual “pay credit” as a percentage of their eligible pay based on their age and eligible service. The curtailment is effective July 31, 2017, with employees receiving a pro-rated pay credit for 2017 and no future pay credits beginning in 2018. However, a participating employee’s benefit will continue to grow based on annual interest credits applied to the employee’s cash balance account until commencement of the employee’s benefit. As a result of the changes, we recognized a one-time gain of $5,783 during the quarter ended July 2, 2017.

12. Income Taxes

Our provision for income taxes includes federal, foreign, and state income taxes. Income tax provisions for interim periods are based on estimated effective annual income tax rates.

The income tax provisions for the quarters ended July 2, 2017 and July 3, 2016 represent effective tax rates of 38.2% and 38.2%, respectively. There was no change in the rate from the prior year quarter because of nondeductible acquisition costs in the prior year being offset by lower deductions in the current year related to stock based compensation.

We entered into a Tax Matters Agreement with Orbital ATK that governs the respective rights, responsibilities and obligations of Vista Outdoor and Orbital ATK after the distribution of all of the shares of our common stock on a pro rata basis to the holders of Alliant Techsystems Inc. common stock (the “Spin-Off”) with respect to tax liabilities and benefits, tax attributes, tax contests and other tax sharing regarding U.S. federal, state, local and foreign income taxes, other tax matters and related tax returns. We have joint and several liability with Orbital ATK to the IRS for the consolidated U.S. federal income taxes of the Orbital ATK consolidated group relating to the taxable periods in which we were part of that group. However, the Tax Matters Agreement specifies the portion, if any, of this tax liability for which we bear responsibility, and Orbital ATK agrees to indemnify us against any amounts for which we are not responsible. The Tax Matters Agreement also provides special rules for allocating tax liabilities in the event that the Spin-Off is determined not to be tax-free. Though valid as between the parties, the Tax Matters Agreement is not binding on the IRS.

Prior to the Spin-Off, Orbital ATK or one of its subsidiaries filed income tax returns in the U.S. federal and various U.S. state jurisdictions which included Vista Outdoor. In addition, certain of our subsidiaries filed income tax returns in foreign jurisdictions. After the Spin-Off we are filing income tax returns in the U.S. federal, foreign and various U.S. state jurisdictions. With a few exceptions, Orbital ATK and its subsidiaries and Vista are no longer subject to U.S. federal, state and local, or foreign income tax examinations by tax authorities prior to 2010. The IRS has completed the audits of Orbital ATK through fiscal 2014 and is currently auditing Orbital ATK's tax return for fiscal 2015. The IRS is also currently auditing our tax return for the period that begins after the Spin-Off (February 9, 2015) and ends on March 31, 2015. We believe appropriate provisions for all outstanding issues relating to our portion of these returns have been made for all remaining open years in all jurisdictions.

Although the timing and outcome of audit settlements are uncertain, it is reasonably possible that a $2,681 reduction of the uncertain tax benefits will occur in the next 12 months. The settlement of these unrecognized tax benefits could result in earnings from $0 to $1,776.

13. Contingencies

Litigation. From time to time, we are subject to various legal proceedings, including lawsuits, which arise out of, and are incidental to, the conduct of our business. We do not consider any of such proceedings that are currently pending, individually or in the aggregate to be material to our business or likely to result in a material adverse effect on our operating results, financial condition, or cash flows.

Environmental Liabilities. Our operations and ownership or use of real property are subject to a number of federal, state, and local environmental laws and regulations, as well as applicable foreign laws and regulations, including those governing the discharge of hazardous materials, remediation of contaminated sites, and restoration of damage to the environment. We are obligated to conduct investigation and/or remediation activities at certain sites that we own or operate or formerly owned or operated.

We have been identified as a potentially responsible party ("PRP"), along with other parties, in regulatory agency actions associated with hazardous waste sites. As a PRP, we may be required to pay a share of the costs of the investigation and clean-up of these sites. While uncertainties exist with respect to the amounts and timing of the ultimate environmental liabilities, based on currently available information, we have concluded that these matters, individually or in the aggregate, will not have a material adverse effect on our operating results, financial condition, or cash flows. We have recorded a liability for environmental remediation of $747 and $750 as of July 2, 2017 and March 31, 2017, respectively.

We could incur substantial additional costs, including cleanup costs, resource restoration, fines, and penalties or third-party property damage or personal injury claims, as a result of violations or liabilities under environmental laws or non-compliance with environmental permits. While environmental laws and regulations have not had a material adverse effect on our operating results, financial condition, or cash flows in the past, and we have environmental management programs in place to mitigate these risks, it is difficult to predict whether they will have a material impact in the future.

14. Condensed Consolidating Financial Statements

The 5.875% Notes are guaranteed on an unsecured basis, jointly and severally and fully and unconditionally by substantially all of our domestic subsidiaries and by Advanced Arrow S. de R.L. de C.V. and Hydrosport, S. de R.L. de C.V.

The parent company has no independent assets or operations. All of these guarantor subsidiaries are 100% owned by Vista Outdoor. These guarantees are senior or senior subordinated obligations, as applicable, of the applicable subsidiary guarantors. In conjunction with the registration of the 5.875% Notes the consolidating financial information of the guarantor and non-guarantor subsidiaries is presented on the following pages.

The guarantee by any subsidiary guarantor of our obligations in respect of the 5.875% Notes will be released in any of the following circumstances:

- if, as a result of the sale of its capital stock, such subsidiary guarantor ceases to be a restricted subsidiary;
- if such subsidiary guarantor is designated as an "Unrestricted Subsidiary;"
- upon defeasance or satisfaction and discharge of the 5.875% Notes; or
- if such subsidiary guarantor has been released from its guarantees of indebtedness under the Credit Agreement and all capital markets debt securities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

(Amounts in thousands except share and per share data unless otherwise indicated)

VISTA OUTDOOR INC.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

	Quarter ended July 2, 2017				
(Amounts in thousands)	Parent Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Sales, net	$ —	$ 539,559	$ 50,697	$ (21,507)	$ 568,749
Cost of sales	—	410,957	33,229	(21,995)	422,191
Gross profit	—	128,602	17,468	488	146,558
Operating expenses:					
Research and development	—	7,791	—	—	7,791
Selling, general, and administrative	—	87,296	12,130	—	99,426
Income before interest and income taxes	—	33,515	5,338	488	39,341
Equity in income of subsidiaries	24,399	3,965	—	(28,364)	—
Interest expense, net	(12,393)	—	—	—	(12,393)
Income before income taxes	12,006	37,480	5,338	(27,876)	26,948
Income tax provision (benefit)	(4,646)	13,081	1,706	155	10,296
Net income	$ 16,652	$ 24,399	$ 3,632	$ (28,031)	$ 16,652
Other comprehensive income, net of tax:					
Net income (from above)	$ 16,652	$ 24,399	$ 3,632	$ (28,031)	$ 16,652
Total other comprehensive income	5,814	5,814	8,571	(14,385)	5,814
Comprehensive income	$ 22,466	$ 30,213	$ 12,203	$ (42,416)	$ 22,466

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

(Amounts in thousands except share and per share data unless otherwise indicated)

VISTA OUTDOOR INC.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(unaudited)

	Quarter ended July 3, 2016				
(Amounts in thousands)	Parent Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Sales, net	$ —	$ 599,314	$ 54,594	$ (23,639)	$ 630,269
Cost of sales	—	445,549	36,742	(23,399)	458,892
Gross profit	—	153,765	17,852	(240)	171,377
Operating expenses:					
Research and development	—	7,831	—	—	7,831
Selling, general, and administrative	—	90,616	13,828	—	104,444
Income before interest and income taxes	—	55,318	4,024	(240)	59,102
Equity in income of subsidiaries	36,601	2,459	—	(39,060)	—
Interest expense, net	(11,963)	—	—	—	(11,963)
Income before income taxes	24,638	57,777	4,024	(39,300)	47,139
Income tax provision (benefit)	(4,486)	21,176	1,408	(83)	18,015
Net income	$ 29,124	$ 36,601	$ 2,616	$ (39,217)	$ 29,124
Other comprehensive income (loss), net of tax:					
Net income (from above)	$ 29,124	$ 36,601	$ 2,616	$ (39,217)	$ 29,124
Total other comprehensive (loss)	(3,837)	(3,837)	(4,799)	8,636	(3,837)
Comprehensive income (loss)	$ 25,287	$ 32,764	$ (2,183)	$ (30,581)	$ 25,287

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

(Amounts in thousands except share and per share data unless otherwise indicated)

VISTA OUTDOOR INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(unaudited)

	July 2, 2017				
(Amounts in thousands)	Parent Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	$ —	$ 30,596	$ 22,954	$ —	$ 53,550
Net receivables	—	412,794	41,995	—	454,789
Due from affiliates, current	—	1,027	—	(1,027)	—
Net inventories	—	491,742	55,660	(4,522)	542,880
Income tax receivable	—	12,991	1,640	3,313	17,944
Other current assets	—	24,038	2,601	—	26,639
Total current assets	—	973,188	124,850	(2,236)	1,095,802
Net property, plant, and equipment	—	263,280	9,493	—	272,773
Investment in subsidiaries	2,571,297	204,266	—	(2,775,563)	—
Goodwill	—	749,898	111,216	—	861,114
Net intangible assets	—	668,165	32,674	—	700,839
Long-term due from affiliates	—	235,466	—	(235,466)	—
Deferred charges and other non-current assets	—	24,869	5,910	—	30,779
Total assets	$ 2,571,297	$ 3,119,132	$ 284,143	$ (3,013,265)	$ 2,961,307
LIABILITIES AND EQUITY					
Current liabilities:					
Current portion of long-term debt	$ 32,000	$ —	$ —	$ —	$ 32,000
Accounts payable	—	95,138	6,960	—	102,098
Due to affiliates, current	—	—	1,027	(1,027)	—
Accrued compensation	—	28,817	2,956	—	31,773
Federal excise tax	—	24,318	1,774	—	26,092
Other accrued liabilities	—	115,921	14,101	—	130,022
Total current liabilities	32,000	264,194	26,818	(1,027)	321,985
Long-term debt	1,075,175	—	—	—	1,075,175
Deferred income tax liabilities	—	150,452	7,336	1,656	159,444
Accrued pension and postemployment benefits	—	62,710	—	—	62,710
Long-term due to affiliates	193,489	—	41,977	(235,466)	—
Other long-term liabilities	—	69,688	1,672	—	71,360
Total liabilities	1,300,664	547,044	77,803	(234,837)	1,690,674
Equity					
Total stockholders' equity	1,270,633	2,572,088	206,340	(2,778,428)	1,270,633
Total liabilities and stockholders' equity	$ 2,571,297	$ 3,119,132	$ 284,143	$ (3,013,265)	$ 2,961,307

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

(Amounts in thousands except share and per share data unless otherwise indicated)

VISTA OUTDOOR INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(unaudited)

	March 31, 2017				
(Amounts in thousands)	Parent Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	$ —	$ 23,027	$ 22,048	$ —	$ 45,075
Net receivables	—	409,177	41,538	—	450,715
Due from affiliates, current	—	1,787	—	(1,787)	—
Net inventories	—	510,754	57,050	(5,009)	562,795
Income tax receivable	—	22,394	1,303	1,961	25,658
Other current assets	—	23,177	2,427	—	25,604
Total current assets	—	990,316	124,366	(4,835)	1,109,847
Net property, plant, and equipment	—	262,711	9,635	—	272,346
Investment in subsidiaries	2,552,948	196,547	—	(2,749,495)	—
Goodwill	—	749,898	107,733	—	857,631
Net intangible assets	—	676,576	31,954	—	708,530
Long-term due from affiliates	—	230,669	—	(230,669)	—
Deferred charges and other non-current assets	—	23,482	4,911	—	28,393
Total assets	$ 2,552,948	$ 3,130,199	$ 278,599	$ (2,984,999)	$ 2,976,747
LIABILITIES AND EQUITY					
Current liabilities:					
Current portion of long-term debt	$ 32,000	$ —	$ —	$ —	$ 32,000
Accounts payable	—	117,650	10,068	—	127,718
Due to affiliates, current	—	—	1,787	(1,787)	—
Accrued compensation	—	30,173	3,490	—	33,663
Federal excise tax	—	29,042	1,040	—	30,082
Other accrued liabilities	—	110,321	12,605	—	122,926
Total current liabilities	32,000	287,186	28,990	(1,787)	346,389
Long-term debt	1,089,252	—	—	—	1,089,252
Deferred income tax liabilities	—	153,636	6,979	150	160,765
Accrued pension and postemployment benefits	—	64,230	—	—	64,230
Long-term due to affiliates	186,631	—	44,038	(230,669)	—
Other long-term liabilities	—	69,384	1,662	—	71,046
Total liabilities	1,307,883	574,436	81,669	(232,306)	1,731,682
Equity					
Total stockholders' equity	1,245,065	2,555,763	196,930	(2,752,693)	1,245,065
Total liabilities and stockholders' equity	$ 2,552,948	$ 3,130,199	$ 278,599	$ (2,984,999)	$ 2,976,747

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

(Amounts in thousands except share and per share data unless otherwise indicated)

VISTA OUTDOOR INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

	Quarter ended July 2, 2017				
(Amounts in thousands)	**Parent Issuer**	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated**
Operating Activities:					
Cash provided by (used for) operating activities	$ (7,018)	$ 40,269	$ 5,658	$ —	$ 38,909
Investing Activities:					
Capital expenditures	—	(16,248)	(182)	—	(16,430)
Due from affiliates	—	(16,452)	—	16,452	—
Acquisition of businesses, net of cash acquired	—	—	—	—	—
Proceeds from the disposition of property, plant, and equipment	—	—	13	—	13
Cash provided by (used for) investing activities	—	(32,700)	(169)	16,452	(16,417)
Financing Activities:					
Due to affiliates	21,525	—	(5,073)	(16,452)	—
Borrowings on line of credit	145,000	—	—	—	145,000
Payments made on line of credit	(150,000)	—	—	—	(150,000)
Payments made on long-term debt	(8,000)	—	—	—	(8,000)
Payments made for debt issuance costs	(1,805)	—	—	—	(1,805)
Proceeds from employee stock compensation plans	298	—	—	—	298
Cash provided by (used for) financing activities	7,018	—	(5,073)	(16,452)	(14,507)
Effect of foreign exchange rate fluctuations on cash	—	—	490	—	490
Increase in cash and cash equivalents	—	7,569	906	—	8,475
Cash and cash equivalents at beginning of period	—	23,027	22,048	—	45,075
Cash and cash equivalents at end of period	$ —	$ 30,596	$ 22,954	$ —	$ 53,550

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

(Amounts in thousands except share and per share data unless otherwise indicated)

VISTA OUTDOOR INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

	Quarter ended July 3, 2016				
(Amounts in thousands)	Parent Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
Operating Activities:					
Cash provided by (used for) operating activities	$ (5,830)	$ (17,028)	$ 700	$ —	$ (22,158)
Investing Activities:					
Capital expenditures	—	(20,179)	(827)	—	(21,006)
Due from affiliates	—	(51,322)	—	51,322	—
Acquisition of businesses, net of cash acquired	(409,558)	3,228	387	—	(405,943)
Proceeds from the disposition of property, plant, and equipment	—	22	12	—	34
Cash used for investing activities	(409,558)	(68,251)	(428)	51,322	(426,915)
Financing Activities:					
Due to affiliates	51,606	—	(284)	(51,322)	—
Borrowings on line of credit	115,000	—	—	—	115,000
Payments made on line of credit	(25,000)	—	—	—	(25,000)
Proceeds from issuance of long-term debt	307,500	—	—	—	307,500
Payments made on long-term debt	(8,000)	—	—	—	(8,000)
Payments made for debt issuance costs	(3,660)	—	—	—	(3,660)
Purchase of treasury shares	(22,058)	—	—	—	(22,058)
Cash provided by (used for) financing activities	415,388	—	(284)	(51,322)	363,782
Effect of foreign exchange rate fluctuations on cash	—	—	(401)	—	(401)
(Decrease) increase in cash and cash equivalents	—	(85,279)	(413)	—	(85,692)
Cash and cash equivalents at beginning of period	—	133,503	18,189	—	151,692
Cash and cash equivalents at end of period	$ —	$ 48,224	$ 17,776	$ —	$ 66,000

(Amounts in thousands except share and per share data unless otherwise indicated)

15. Operating Segment Information

We operate our business structure within two operating segments, which are defined based on the reporting and review process used by the chief operating decision maker, our Chief Executive Officer. Management reviews the operating segments based on net sales and gross profit. Certain significant selling and general and administrative expenses are not allocated to the segments. In addition, certain significant asset balances are not readily identifiable with individual segments and therefore cannot be allocated. It is impractical to report revenues from external customers by product category due to certain significant sales deductions including volume rebates and discounts that are not attributed to product categories. Each segment is described below:

- Outdoor Products, which generated 51% of our external sales in the quarter ended July 2, 2017. The Outdoor Products product lines are action sports, archery/hunting accessories, camping, global eyewear and sport protection products, golf, hydration products, optics, shooting accessories, tactical products and water sports. Action sports includes helmets, goggles, and accessories for cycling, snow sports, action sports and powersports. Archery/hunting accessories include high-performance hunting arrows, game calls, hunting blinds, game cameras and waterfowl decoys. Camping products include our outdoor cooking solutions. Eyewear and sport protection products include safety and protective eyewear, as well as fashion and sports eyewear. Golf products include laser rangefinders. Hydration products include hydration packs and water bottles. Optics products include binoculars, riflescopes and telescopes. Shooting accessories products include reloading equipment, clay targets, and premium gun care products. Tactical products include holsters, duty gear, bags and packs. Water sports products include stand up paddle boards.

- Shooting Sports, which generated 49% of our external sales in the quarter ended July 2, 2017. Shooting Sports product lines include centerfire ammunition, rimfire ammunition, shotshell ammunition, reloading components, and firearms.

Walmart contributed 15% and 14% of our sales in the quarters ended July 2, 2017 and July 3, 2016, respectively. No other single customer contributed 10% or more of our sales in the quarters ended July 2, 2017 and July 3, 2016.

The following summarizes our results by segment:

	Quarter ended	
	July 2, 2017	July 3, 2016
Sales to external customers:		
Outdoor Products	$ 289,983	$ 287,465
Shooting Sports	278,766	342,804
Total sales to external customers	$ 568,749	$ 630,269
Gross Profit		
Outdoor Products	$ 76,510	$ 80,897
Shooting Sports	70,318	90,834
Corporate	(270)	(354)
Total gross profit	$ 146,558	$ 171,377

The sales above exclude intercompany sales between Outdoor Products and Shooting Sports of $861 and $1,117 for the quarters ended July 2, 2017 and July 3, 2016, respectively.

16. Subsequent Events

With the retirement of Chairman and CEO, Mark DeYoung, from the Company and the Board of Directors, the Board of Directors elected Michael Callahan, Vista Outdoor's then Lead Independent Director, to serve as interim Chairman and Chief Executive Officer effective July 11, 2017. On August 1, 2017, the independent members of the Board appointed Ambassador April H. Foley as lead independent director.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollar amounts in thousands unless otherwise indicated)

Forward-Looking Information is Subject to Risk and Uncertainty

Some of the statements made and information contained in this report, excluding historical information, are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements give our current expectations or forecasts of future events. Words such as "may," "expect," "intend," "estimate," "anticipate," "believe," "project," or "continue," and similar expressions are used to identify forward-looking statements. From time to time, we also may provide oral or written forward-looking statements in other materials released to the public. Any or all forward-looking statements in this report and in any public statements we make could be materially different. They can be affected by assumptions used or by known or unknown risks or uncertainties. Consequently, no forward-looking statements can be guaranteed. Actual results may vary materially. You are cautioned not to place undue reliance on any forward-looking statements. You should also understand that it is not possible to predict or identify all such factors and should not consider the following list to be a complete statement of all potential risks and uncertainties. Any change in the following factors may impact the achievement of results:

- general economic and business conditions in the United States and our other markets, including employment levels, consumer confidence and spending, the conditions in the retail environment, and other economic conditions affecting demand for our products and the financial health of our customers;
- our ability to attract and retain key personnel and maintain and grow our relationships with customers, suppliers and other business partners;
- our ability to adapt our 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;
- our ability to maintain and enhance brand recognition and reputation;
- reductions, unexpected changes in or our inability to accurately forecast demand for ammunition, firearms or other outdoor sports and recreation products;
- risks associated with our sales to significant customers, including unexpected cancellations, delays and other changes to purchase orders;
- supplier capacity constraints, production disruptions or quality or price issues affecting our operating costs;
- our 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 our business, such as federal and state firearms and ammunition regulations;
- our ability to execute our long-term growth strategy, including our ability to complete and realize expected benefits from acquisitions and integrate acquired businesses;
- our 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.

This list of factors is not exhaustive, and new factors may emerge or changes to the foregoing factors may occur that would impact our business. We undertake no obligation to update any forward-looking statements. A more detailed description of risk factors can be found in Part 1, Item 1A, Risk Factors, of our Annual Report on Form 10-K for the fiscal year ended March 31, 2017. Additional information regarding these factors may be contained in our subsequent filings with the Securities and Exchange Commission, including Forms 10-Q and 8-K. All such risk factors are difficult to predict, contain material uncertainties that may affect actual results, and may be beyond our control.

Executive Summary

We serve the outdoor sports and recreation markets through a diverse portfolio of over 50 well-recognized brands that provide consumers with a wide range of performance-driven, high-quality and innovative products, including sporting ammunition and firearms, outdoor accessories, outdoor cooking solutions, outdoor sports optics, golf rangefinders, performance eyewear, protection for certain action sports, hydration products, and stand up paddle boards. We serve a broad range of end consumers, including outdoor enthusiasts, hunters and recreational shooters, athletes, as well as law enforcement and military professionals. Our products are sold through a wide variety of mass, specialty and independent retailers and distributors, such as AcuSport, Amazon, Bass Pro Shops, Big Rock Sports, Cabela's, Dick's Sporting Goods, Grofa, Recreational Equipment, Inc., Sports South, Sportsman's Warehouse, Target, United Sporting Company, and Walmart. We also sell certain of our products directly to consumers through the relevant brand's website. We have a scalable, integrated portfolio of brands that allows us to leverage our deep customer knowledge, product development and innovation, supply chain and distribution, and sales and marketing functions across product categories to better serve our retail partners and end users.

As of July 2, 2017, we operated in two business segments. These operating segments are defined based on the reporting and review process used by the chief operating decision maker, Vista Outdoor's Chief Executive Officer. As of July 2, 2017, Vista Outdoor's two operating segments were:

- Outdoor Products, which generated 51% of our external sales in the quarter ended July 2, 2017. The Outdoor Products product lines are action sports, archery/hunting accessories, camping, global eyewear and sport protection products, golf, hydration products, optics, shooting accessories, tactical products and water sports. Action sports includes helmets, goggles, and accessories for cycling, snow sports, action sports and powersports. Archery/hunting accessories include high-performance hunting arrows, game calls, hunting blinds, game cameras and waterfowl decoys. Camping products include our outdoor cooking solutions. Eyewear and sport protection products include safety and protective eyewear, as well as fashion and sports eyewear. Golf products include laser rangefinders. Hydration products include hydration packs and water bottles. Optics products include binoculars, riflescopes and telescopes. Shooting accessories products include reloading equipment, clay targets, and premium gun care products. Tactical products include holsters, duty gear, bags and packs. Water sports products include stand up paddle boards.

- Shooting Sports, which generated 49% of our external sales in the quarter ended July 2, 2017. Shooting Sports product lines include centerfire ammunition, rimfire ammunition, shotshell ammunition, reloading components, and firearms.

Financial Highlights and Notable Events

Certain notable events or activities affecting our fiscal 2018 financial results included the following:

Financial highlights for the quarter ended July 2, 2017

- In June 2017, we announced changes to our qualified and non-qualified defined benefit pension plans. As a result of the changes, we recognized a one-time gain of $5,783 during the quarter ended July 2, 2017. See Note 11 *Employee Benefit Plans* for additional information.

- Quarterly sales were $568,749 and $630,269 for the quarters ended July 2, 2017 and July 3, 2016, respectively. The decrease in sales was driven principally by a decrease of $64,038 in the Shooting Sports segment for the reasons described below. A challenging retail market drove a decrease in organic sales in the Outdoor Products segment that was offset by an increase of $21,112 due to the acquisition of Camp Chef.

- Gross profit was $146,558 and $171,377 for the quarters ended July 2, 2017 and July 3, 2016, respectively. Gross profit decreased in the current quarter for both segments as a result of lower sales volume, additional sales incentives and unfavorable mix.

- The current quarter's tax rate of 38.2% was consistent with the tax rate of 38.2% in the quarter ended July 3, 2016. There was no change in the rate from the prior year quarter because of nondeductible acquisition costs in the prior year being offset by lower deductions in the current year related to stock based compensation.

Other notable events in fiscal 2018

- On May 9, 2017, we entered into an agreement to amend the Credit Agreement (the "Amendment"), which increased our maximum consolidated leverage ratio (as defined in the Credit Agreement) to 4.75 to 1.00, which will step down to 4.25 to 1.00 as of March 31, 2019, and to 4.00 to 1.00 as of March 31, 2020, as well as added a maximum senior consolidated leverage ratio (as defined in the Credit Agreement) of 3.50 to 1.00, which will step down to 3.00 as of March 31, 2019. The Credit Agreement provides that borrowings shall bear interest at a rate equal to either the sum of a base rate plus a margin ranging from 0.50% to 1.50%, or the sum of a Eurodollar rate plus a margin ranging from 1.50% to 2.50%, with either margin varying depending on our consolidated leverage ratio. Debt issuance costs related to the Amendment of approximately $1,800 will be amortized over the remaining term of the Credit Agreement.

- In May 2017, we signed a long-term agreement with Orbital ATK for the supply of ammunition products produced at the Lake City Army Ammunition Plant through September 2020.

Outlook

Outdoor Recreation Industry

The outdoor recreation industry represents a large and growing focus area of our business. During the past and current fiscal year, we have seen a challenging retail environment as evidenced by recent bankruptcies and consolidation of certain of our customers. This challenging retail environment has been driven by a shift in consumer preferences to online platforms, as well as other market pressures that resulted in a deeper discounting of our products. These market pressures became particularly pronounced during the latter half of the third fiscal quarter of fiscal 2017. Based on the current economic conditions and the sluggish retail environment in our market, we expect these conditions to continue throughout fiscal 2018. Given these market conditions, we are taking appropriate actions to lower our inventory levels by reducing certain purchases of sourced products and output of manufactured products across both operating segments. We believe the fragmented nature of the outdoor recreation industry, combined with retail and consumer overlap with our existing businesses, present attractive growth opportunities. We hold a strong competitive position in the market-place, and we intend to further differentiate our brands through focused R&D and marketing investments including increased use of social media and revamping our brand websites as we strive to become our customers’ brand of choice in their respective outdoor recreation activities. Growing market share will continue to be a focus as we execute our strategy of market segmentation by brand and channel and we anticipate introducing new products to accomplish this. We are continuing to expand our e-commerce presence to capitalize on the ongoing shift by consumers to online shopping and are leveraging the experience from our recent acquisitions to drive growth across business-to-business, dot com, dropship, and direct-to-consumer channels.

Shooting Sports Industry

Shooting sports related products currently represent just under half of our sales. We design, develop, manufacture, and source ammunition, long guns and related equipment products. Among these categories, we derive the largest portion of our sales from ammunition, which is a consumable, repeat purchase product. During late fiscal 2015 and 2016, firearms and ammunition sales experienced an increase as more individuals entered the market and certain public and political events provided focus on the industry. During the later months of fiscal 2017 and continuing into fiscal 2018, we believe the market has softened due to developments in the political environment. The Shooting Sports industry historically has been a cyclical business with previous market declines lasting 12-24 months. Given these market conditions, we are taking actions to lower our inventory levels by reducing certain purchases of sourced products and output of manufactured product across both operating segments. We believe we are well-positioned to succeed in a difficult shooting sports market, given our scale and global operating platform, which we believe is difficult to replicate in the highly regulated and capital intensive ammunition manufacturing sector.

Critical Accounting Policies

Our critical accounting policies are described in Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, of our Annual Report on Form 10-K for the fiscal year ended March 31, 2017. We believe our critical accounting policies are those related to:

- revenue recognition,
- allowance for doubtful accounts,

- inventories,
- income taxes,
- acquisitions, and
- accounting for goodwill and indefinite lived intangibles.

The accounting policies used in preparing our interim fiscal 2018 consolidated financial statements are the same as those described in our Annual Report on Form 10-K.

Results of Operations

The following information should be read in conjunction with our condensed consolidated financial statements. The key performance indicators that our management uses in managing the business are sales, gross profit, and cash flows.

Segment total net sales, cost of sales, and gross profit exclude intersegment sales and profit.

Acquisitions

We had no acquisitions during the quarter ended July 2, 2017 and the following acquisitions during fiscal 2017:

- *Camp Chef*—On September 1, 2016, we completed the acquisition of privately owned Logan Outdoor Products, LLC and Peak Trades, LLC ("Camp Chef"), a leading provider of outdoor cooking solutions. Under the terms of the transaction, we paid $60,000, subject to customary working capital adjustments, utilizing cash on hand and borrowings under our existing credit facility. An additional $4,000 has been deferred and will be paid in equal installments on the first, second and third anniversary of the closing date and $10,000 will be payable if incremental profitability growth milestones are met and key members of Camp Chef management continue their employment with us. The $10,000 will be expensed over the measurement period and paid at each milestone date.

- *Action Sports*—On April 1, 2016, we completed the acquisition of BRG Sports Inc.'s Action Sports division, operated by Bell Sports Corp. ("Action Sports"). The acquisition includes brands Bell, Giro, Blackburn, CoPilot, Krash, and Raskullz. Under the terms of the transaction, we paid $400,000, subject to customary working capital adjustments, utilizing cash on hand and borrowings under our existing credit facilities, and additional contingent consideration payable if incremental profitability growth milestones within the Bell Powersports product line are achieved. We determined a value of the future contingent consideration as of the acquisition date of $4,272 utilizing the Black Scholes option pricing model; the total amount paid may differ from this value. Action Sports remains headquartered in Scotts Valley, California and operates facilities in the U.S., Canada, Europe and Asia. The acquisition of Action Sports added more than 600 employees worldwide.

Sales

Walmart contributed 15% and 14% of our sales in the quarters ended July 2, 2017 and July 3, 2016, respectively. No other single customer contributed 10% or more of our sales in the quarters ended July 2, 2017 and July 3, 2016.

The following is a summary of each operating segment's sales:

	Quarter ended			
	July 2, 2017	July 3, 2016	$ Change	% Change
Outdoor Products	$ 289,983	$ 287,465	$ 2,518	0.9 %
Shooting Sports	278,766	342,804	(64,038)	(18.7)%
Total external sales	$ 568,749	$ 630,269	$ (61,520)	(9.8)%

The total change in net sales was driven by the changes within the operating segments as described below.

Outdoor Products. The increase in sales was driven by sales of $21,112 from the acquisition of Camp Chef partially offset by lower organic sales across most product lines as a result of a challenging retail environment.

Shooting Sports. The decrease in sales was driven by lower demand in the market for firearms and ammunition across all product lines.

Cost of Sales and Gross Profit

The following is a summary of each operating segment's cost of sales and gross profit:

	Quarter ended			
Cost of sales	**July 2, 2017**	**July 3, 2016**	**$ Change**	**% Change**
Outdoor Products	$ 213,473	$ 206,568	$ 6,905	3.3 %
Shooting Sports	208,448	251,970	(43,522)	(17.3)%
Corporate	270	354	(84)	(23.7)%
Total cost of sales	$ 422,191	$ 458,892	$ (36,701)	(8.0)%

	Quarter ended			
Gross profit	**July 2, 2017**	**July 3, 2016**	**$ Change**	**% Change**
Outdoor Products	$ 76,510	$ 80,897	$ (4,387)	(5.4)%
Shooting Sports	70,318	90,834	(20,516)	(22.6)%
Corporate	(270)	(354)	84	(23.7)%
Total gross profit	$ 146,558	$ 171,377	$ (24,819)	(14.5)%

The overall fluctuation in cost of sales and gross profit was driven by the changes within the operating segments as described below.

Outdoor Products. The decrease in gross profit was driven by lower sales and increased promotional activity across various product lines, partially offset by the profit impact of $6,519 due to the acquisition of Camp Chef.

Shooting Sports. The decrease in gross profit was primarily caused by the lower sales volume described above, additional sales incentive programs, and unfavorable changes in product mix in the current year.

Corporate. The change in corporate gross profit was not material.

Operating Expenses

	Quarter ended				
	July 2, 2017	**As a % of Sales**	**July 3, 2016**	**As a % of Sales**	**$ Change**
Research and development	$ 7,791	1.4%	$ 7,831	1.2%	$ (40)
Selling, general, and administrative	99,426	17.5%	104,444	16.6%	(5,018)
Total operating expenses	$ 107,217	18.9%	$ 112,275	17.8%	$ (5,058)

Operating expenses decreased $5,058 from the prior-year period primarily due to lower selling, general, and administrative expenses driven by the favorable impact of the pension curtailment in the quarter ended July 2, 2017 as described further in Note 11 *Employee Benefit Plans*.

Net Interest Expense

	Quarter ended			
	July 2, 2017	**July 3, 2016**	**$ Change**	**% Change**
Interest Expense	$ 12,393	$ 11,963	$ 430	3.6%

The increase was due to our debt balances being higher than the prior year period as well as a higher average interest rate on debt, partially offset by the absence of the write-off of deferred financing fees.

Income Tax Provision

	Quarter ended				
	July 2, 2017	Effective Rate	July 3, 2016	Effective Rate	$ Change
Income taxes	$ 10,296	38.2%	$ 18,015	38.2%	$ (7,719)

Our provision for income taxes includes U.S. federal, foreign, and state income taxes. Income tax provisions for interim periods are based on estimated effective annual income tax rates.

The income tax provisions for each of the quarters ended July 2, 2017 and July 3, 2016 represent an effective tax rate of 38.2%. There was no change in the rate from the prior year quarter because of nondeductible acquisition costs in the prior year being offset by lower deductions in the current year related to stock based compensation.

Liquidity and Capital Resources

We manage our business to maximize operating cash flows as the primary source of liquidity. In addition to cash on hand and cash generated by operations, sources of liquidity include a committed credit facility and access to the public debt and equity markets. We use our cash to fund investments in our existing core businesses and for debt repayment, share repurchases, and acquisitions or other activities.

Cash Flow Summary

Our cash flows from operating, investing and financing activities, as reflected in the unaudited condensed consolidated statements of cash flows for the quarters ended July 2, 2017 and July 3, 2016 are summarized as follows:

	July 2, 2017	July 3, 2016
Cash provided by (used for) operating activities	$ 38,909	$ (22,158)
Cash used for investing activities	(16,417)	(426,915)
Cash provided by (used for) financing activities	(14,507)	363,782
Effect of foreign exchange rate fluctuations on cash	490	(401)
Net cash flows	$ 8,475	$ (85,692)

Operating Activities

Cash provided by operating activities was $38,909 in the quarter ended July 2, 2017 compared to a use of cash of $22,158 in the prior year period, a change of $61,067. The change from the prior year period was primarily a result of favorable changes in working capital balances. The change in working capital was driven primarily by reduced inventories.

Investing Activities

Cash used for investing activities was $16,417 compared to $426,915 in the prior year period, a change of $410,498. The change is driven by the acquisition of Action Sports in the prior period.

Financing Activities

Cash used for financing activities was $14,507 in the current period, compared to cash provided by financing activities of $363,782 in the prior year period, a change of $378,289. This change was primarily driven by cash from the issuance of long-term debt of $307,500 in the prior period and additional net borrowings on the revolving credit facility in the prior period.

Liquidity

In addition to our normal operating cash requirements, our principal future cash requirements will be to fund capital expenditures, debt repayments, employee benefit obligations, any share repurchases, and any strategic acquisitions. Our short-term cash requirements for operations are expected to consist mainly of capital expenditures to maintain production facilities and working capital requirements. Our debt service requirements over the next two years consist of principal and interest payments due under the Credit Agreement, as well as interest payments on the 5.875% Notes, as discussed further below.

Based on our current financial condition, management believes that our cash position, combined with anticipated generation of cash flows and the availability of funding, if needed, through our Credit Agreement, access to debt and equity markets, as well as potential future sources of funding including additional bank financing, will be adequate to fund future growth as well as to service our currently anticipated long-term debt and pension obligations and make capital expenditures over the next 12 months.

We do not expect that our access to liquidity sources will be materially impacted in the near future. There can be no assurance, however, that the cost or availability of future borrowings, if any, will not be materially impacted by capital market conditions.

Long-Term Debt and Credit Agreement

As of July 2, 2017, our indebtedness consisted of the following:

		July 2, 2017
Credit Agreement:		
Term Loan	$	600,000
Revolving Credit Facility		170,000
Total principal amount of Credit Agreement		770,000
5.875% Senior Notes		350,000
Principal amount of long-term debt		1,120,000
Less: Unamortized deferred financing costs		(12,825)
Carrying amount of long-term debt		1,107,175
Less: current portion		(32,000)
Carrying amount of long-term debt, excluding current portion	$	1,075,175

Our total debt (current portion of debt and long-term debt) as a percentage of total capitalization (total debt and stockholders' equity) was 46.8% as of July 2, 2017.

See Note 10, “Long-term Debt,” to the condensed consolidated financial statements in Part I, Item 1 of this report for a detailed discussion of the 5.875% Notes and the Credit Agreement.

Covenants

Credit Agreement

Our Credit Agreement imposes restrictions on us, including limitations on our ability to incur additional debt, enter into capital leases, grant liens, pay dividends and make certain other payments, sell assets, make loans and investments, or merge or consolidate with or into another entity. In addition, the Credit Agreement limits our ability to enter into sale-and-leaseback transactions. The Credit Agreement allows us to make unlimited "restricted payments" (as defined in the Credit Agreement), which, among other items, allows payments for future share repurchases and dividends, as long as we maintain a certain amount of liquidity and maintain certain debt limits. When those requirements are not met, the limit under the Credit Agreement is equal to $150,000 plus proceeds of any equity issuances plus 50% of net income since April 1, 2017.

The Credit Agreement contains covenants that require us to maintain a minimum consolidated interest coverage ratio, as well as a consolidated leverage ratio and a consolidated senior leverage ratio (all of which are defined in the Credit Agreement) below certain thresholds. Our financial covenant ratios as of July 2, 2017 were as follows:

	Interest Coverage Ratio*	Total Leverage Ratio†	Senior Leverage Ratio†
Requirement	3.00	4.75	3.50
Actual	7.45	3.58	2.46

* Not to be below the required financial ratio

† Not to exceed the required financial ratio

The Total Leverage Ratio is the sum of our total debt plus financial letters of credit and surety bonds, net of up to $75,000 of cash, divided by Covenant EBITDA (which includes adjustments for items such as non-recurring or extraordinary items, non-cash charges related to stock-based compensation, and intangible asset impairment charges, as well as inclusion of

EBITDA of acquired companies on a pro forma basis) for the past four fiscal quarters. The Senior Leverage Ratio is the sum of our senior debt plus financial letters of credit and surety bonds, in each case secured by liens on any of our or our subsidiaries' property or assets, net of up to $75,000 of cash, divided by Covenant EBITDA for the past four fiscal quarters. The Interest Coverage Ratio is Covenant EBITDA divided by pro forma interest expense (excluding amortization or write-off of deferred financing costs).

5.875% Notes

The indenture governing the 5.875% Notes contains covenants that, among other things, limit our ability to incur or permit to exist certain liens, sell, transfer or otherwise dispose of assets, consolidate, amalgamate, merge or sell all or substantially all of our assets, enter into transactions with affiliates, enter into agreements restricting our subsidiaries' ability to pay dividends, incur additional indebtedness, pay dividends or make other distributions or repurchase or redeem our capital stock, prepay, redeem or repurchase certain debt and make loans and investments.

The Credit Agreement and the indenture governing the 5.875% Notes contain cross-default provisions so that non-compliance with the covenants within one debt agreement could cause a default under other debt agreements as well. As of July 2, 2017, we were in compliance with the covenants and expect to be in compliance for the foreseeable future. However, our business, financial position and results of operations are subject to various risks and uncertainties, including some that may be beyond our control, and we cannot provide any assurance that we will be able to comply with all such financial covenants in the future. For example, during periods in which we experience declines in net income, we may not be able to comply with such financial covenants. Any failure to comply with the restrictions in the Credit Agreement may prevent us from drawing under the Revolving Credit Facility and may result in an event of default under the Credit Agreement, which default may allow the creditors to accelerate the related indebtedness and proceed against the collateral that secures the indebtedness. We may not have sufficient liquidity to repay the indebtedness in such circumstances.

Share Repurchases

In fiscal 2015, our Board of Directors authorized a share repurchase program of up to $200,000 worth of shares of our common stock, which was completed during fiscal 2017. Our Board of Directors then authorized a new share repurchase program of up to $100,000 worth of shares of our common stock, executable through March 31, 2018, which was completed during fiscal 2017.

We made no share repurchases during the quarter ended July 2, 2017. During the quarter ended July 3, 2016, we repurchased 461,525 shares for $22,277.

Any additional repurchases would be subject to approval of a new share repurchase program, market conditions, and our compliance with our debt covenants, as described above.

Other Contractual Obligations and Commitments

Other than the additional debt noted previously, there have been no material changes with respect to the contractual obligations and commitments or off-balance sheet arrangements described in our Annual Report on Form 10-K for fiscal 2017.

Contingencies

Litigation. From time to time, we are subject to various legal proceedings, including lawsuits, which arise out of, and are incidental to, the conduct of our business. We do not consider any of such proceedings that are currently pending, individually or in the aggregate, to be material to our business or likely to result in a material adverse effect on our operating results, financial condition, or cash flows.

Environmental Liabilities. Our operations and ownership or use of real property are subject to a number of federal, state, and local environmental laws and regulations, as well as applicable foreign laws and regulations, including those governing the discharge of hazardous materials, remediation of contaminated sites, and restoration of damage to the environment. We are obligated to conduct investigation and/or remediation activities at certain sites that we own or operate or formerly owned or operated.

We also have been identified as a PRP, along with other parties, in regulatory agency actions associated with hazardous waste sites. As a PRP, we may be required to pay a share of the costs of the investigation and clean-up of these sites. While uncertainties exist with respect to the amounts and timing of the ultimate environmental liabilities, based on currently available information, we have concluded that these matters, individually or in the aggregate, will not have a material adverse effect on our operating results, financial condition, or cash flows.

We could incur substantial additional costs, including cleanup costs, resource restoration, fines, and penalties or third-party property damage or personal injury claims, as a result of violations or liabilities under environmental laws or non-compliance with environmental permits. While environmental laws and regulations have not had a material adverse effect on our operating results, financial condition, or cash flows in the past, and we have environmental management programs in place to mitigate these risks, it is difficult to predict whether they will have a material impact in the future.

New Accounting Pronouncements

See Note 1, "Basis of Presentation and Responsibility for Interim Financial Statements," to the unaudited condensed consolidated financial statements in Item 1 of Part I of this report.

Dependence on Key Customers; Concentration of Credit

The loss of any key customer and our inability to replace revenues provided by a key customer may have a material adverse effect on our business and financial condition. Walmart contributed 15% and 14% of our sales in the quarters ended July 2, 2017 and July 3, 2016, respectively. No other single customer contributed 10% or more of our sales in the quarters ended July 2, 2017 and July 3, 2016.

If a key customer fails to meet payment obligations, our operating results and financial condition could be adversely affected.

Inflation and Commodity Price Risk

In management's opinion, inflation has not had a significant impact upon the results of our operations. However, we have been impacted by changes in the prices of raw materials used in production as well as changes in oil and energy costs. In particular, the prices of commodity metals, such as copper, zinc, and lead continue to be volatile. These prices generally impact our Shooting Sports Segment.

We have a strategic sourcing and price strategy to mitigate risk from commodity price fluctuation. We will continue to evaluate the need for future price changes in light of these trends, our competitive landscape, and our financial results. If our sourcing and pricing strategy is unable to offset impacts of the commodity price fluctuations, our future results from operations and cash flows would be materially impacted.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates. To mitigate the risks from interest rate exposure, we may enter into hedging transactions, mainly interest rate swaps, through derivative financial instruments that have been authorized pursuant to corporate policies. We may use derivatives to hedge certain interest rate, foreign currency exchange rate, and commodity price risks, but do not use derivative financial instruments for trading or other speculative purposes. Additional information regarding the financial instruments is contained in Note 2 to the unaudited condensed consolidated financial statements. Our objective in managing exposure to changes in interest rates is to limit the impact of such changes on earnings and cash flow.

We measure market risk related to holdings of financial instruments based on changes in interest rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential loss in fair values, cash flows, and earnings based on a hypothetical change (increase and decrease) in interest rates. We used current market rates on the debt portfolio to perform the sensitivity analysis. Certain items such as lease contracts, insurance contracts, and obligations for pension and other postretirement benefits were not included in the analysis.

We conduct business through our subsidiaries in many different countries, and fluctuations in currency exchange rates could have a significant impact on the reported results of operations, which are presented in U.S. dollars. Cross-border transactions, both with external parties and intercompany relationships, result in increased exposure to foreign exchange effects. Accordingly, significant changes in currency exchange rates, particularly the Euro, the British Pound, the Chinese Renminbi (Yuan), the Canadian dollar, and the Australian dollar, could cause fluctuations in the reported results of our businesses' operations that could negatively affect our results of operations. To mitigate the risks from foreign currency exposure, we may enter into hedging transactions, mainly foreign currency forward contracts, through derivative financial instruments that have been authorized pursuant to corporate policies.

In addition, sales and expenses of our non-U.S. businesses are also translated into U.S. dollars for reporting purposes and the strengthening or weakening of the U.S. dollar could result in unfavorable translation effects.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of July 2, 2017, our Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) and have concluded that our disclosure controls and procedures are effective to ensure that information we are required to disclose in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports we file or submit is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the quarter ended July 2, 2017, there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are subject to various legal proceedings, including lawsuits, which arise out of, and are incidental to, the conduct of our business. Notwithstanding that the unfavorable resolution of any matter may have a material effect on our net earnings in any particular quarter, we do not consider any of such proceedings that are currently pending, individually or in the aggregate, to be material to our business or likely to result in a material adverse effect on our future operating results, financial condition, or cash flows.

We also have been identified as a PRP, along with other parties, in regulatory agency actions associated with hazardous waste sites. As a PRP, we may be required to pay a share of the costs of the investigation and clean-up of these sites. While uncertainties exist with respect to the amounts and timing of the ultimate environmental liabilities, based on currently available information, we do not currently expect that these matters, individually or in the aggregate, will have a material adverse effect on our operating results, financial condition, or cash flows.

The description of certain environmental laws and regulations contained in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the heading "Contingencies" is incorporated herein by reference.

ITEM 1A. RISK FACTORS

While we attempt to identify, manage and mitigate risks and uncertainties associated with our business to the extent practical under the circumstances, some level of risk and uncertainty will always be present. Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended March 31, 2017 describes the known material risks and uncertainties associated with our business. These risks and uncertainties have the potential to materially affect our business, financial condition, results of operations, cash flows, projected results, and future prospects.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit (and document from which incorporated by reference, if applicable)
2.1*	Transaction Agreement, dated as of April 28, 2014, among Alliant Techsystems Inc., Vista SpinCo Inc., Vista Merger Sub Inc. and Orbital Sciences Corporation (Exhibit 2.1 to Vista Outdoor Inc.'s Registration Statement on Form 10, filed with the Securities and Exchange Commission on August 13, 2014).
2.2*+	Transition Services Agreement, dated as of February 9, 2015, among Alliant Techsystems Inc. and Vista Outdoor Inc. (Exhibit 2.2 to Vista Outdoor Inc.'s Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 10, 2014).
2.3*+	Ammunition Products Supply Agreement, dated as of February 9, 2015, among Alliant Techsystems Operations LLC and Federal Cartridge Company (Exhibit 2.3 to Vista Outdoor Inc.'s Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 10, 2014).
2.4*+	Powder Products Supply Agreement, dated as of February 9, 2015, among Alliant Techsystems Operations LLC and Federal Cartridge Company (Exhibit 2.4 to Vista Outdoor Inc.'s Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 10, 2014).
2.5*+	Tax Matters Agreement, dated as of February 9, 2015, among Alliant Techsystems Inc. and Vista Outdoor Inc. (Exhibit 2.5 to Vista Outdoor Inc.'s Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 10, 2014).
3.1*	Amended and Restated Certificate of Incorporation of Vista Outdoor Inc. (Exhibit 3.1 to Vista Outdoor Inc.'s Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 10, 2014).
3.2*	Amended and Restated Bylaws of Vista Outdoor Inc. (Exhibit 3.2 to Vista Outdoor Inc.'s Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 10, 2014).
4.1*	Specimen Common Stock Certificate of Vista Outdoor Inc. (Exhibit 4.1 to Vista Outdoor Inc.'s Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 10, 2014).
4.2*	Indenture, dated as of August 11, 2015, among Vista Outdoor Inc., the subsidiaries of Vista Outdoor Inc. party thereto and U.S. Bank National Association, as trustee (Exhibit 4.1 to Vista Outdoor Inc.'s Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 11, 2015).
4.3*	Supplemental Indenture, dated as of August 11, 2015, among Vista Outdoor Inc., the subsidiaries of Vista Outdoor Inc. party thereto and U.S. Bank National Association, as trustee (Exhibit 4.2 to Vista Outdoor Inc.'s Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 11, 2015).
4.4*	Form of 5.875% Senior Note due 2023 (Exhibit 4.3 to Vista Outdoor Inc.'s Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 11, 2015).
4.5*	Second Supplemental Indenture, dated as of August 9, 2016, among Vista Outdoor Inc., the subsidiaries of Vista Outdoor Inc. party thereto and U.S. Bank National Association, as trustee (Exhibit 4.3 to Vista Outdoor Inc.'s Registration Statement on Form S-4, filed with the Securities and Exchange Commission on August 11, 2016).
4.6*	Third Supplemental Indenture, dated as of December 2, 2016, among Vista Outdoor Inc., the subsidiaries of Vista Outdoor Inc. party thereto and U.S. Bank National Association, as trustee (Exhibit 4.6 to Vista Outdoor Inc.'s Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on February 9, 2017).
10.1*	Vista Outdoor Inc. Amended and Restated Credit Agreement, dated as of May 9, 2017 among Vista Outdoor Inc., Bank of America, N.A. and the Lenders party thereto (Exhibit 10.1 to Vista Outdoor Inc.'s Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 11, 2017).
10.2†	Addendum 6 to Ammunition Products Supply Agreement, dated as of May 5, 2017, among Federal Cartridge Company and Alliant Techsystems Operations LLC.
10.3†	Addendum 7 to Ammunition Products Supply Agreement, dated as of May 18, 2017, among Federal Cartridge Company and Alliant Techsystems Operations LLC.
10.4†	Ammunition Supply Agreement, dated as of May 5, 2017, among Federal Cartridge Company and Alliant Techsystems Operations LLC.
10.5*	Waiver and General Release Agreement, dated as of July 10, 2017 between Vista Outdoor Inc. and Mark W. DeYoung (Exhibit 10.1 to Vista Outdoor Inc.'s Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 10, 2017).
31.1	Certification of Chief Executive Officer.
31.2	Certification of Chief Financial Officer.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.

101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

* Incorporated by reference.

+ Schedules to exhibits have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. Vista Outdoor agrees to furnish supplementally a copy of any omitted schedules to the SEC upon its request; provided, however, that we may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any document so furnished.

† Pursuant to a request for confidential treatment, confidential portions of this Exhibit have been redacted and have been filed separately with the Securities and Exchange Commission.

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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 thereunto duly authorized.

	VISTA OUTDOOR INC.	
Date: August 10, 2017	By:	/s/ Stephen M. Nolan
	Name:	Stephen M. Nolan
	Title:	*Senior Vice President and Chief Financial Officer*
		(On behalf of the Registrant and as principal financial officer)

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Section 2: EX-10.2 (EXHIBIT 10.2)

Pursuant to 17 CFR 20.24b-2, confidential information has been omitted in places marked “***” and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request with the Commission.

Exhibit 10.2

Addendum 6 to Ammunition Products Supply Agreement

This Addendum 6 is made pursuant to and amends the Ammunition Products Supply Agreement dated February 9, 2015, as subsequently amended, (“APSA”) between Federal Cartridge Company (“Federal”) and Alliant Techsystems Operations LLC (“Orbital ATK”) (collectively, the “Parties”). For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree to amend the APSA as follows:

1. Term. This Addendum 6 shall take effect as of April 1, 2017 (“Effective Date”), and terminate, along with the APSA, on February 9, 2018 (“Addendum 6 Term”). Any pricing adjustments resulting from the execution of this Agreement shall be applied retroactively to the Effective Date.

2. APSA Amendment. The following provisions of the APSA are deleted in their entirety and have no effect:

- The first sentence of Paragraph 5(a) (pricing of Ammunition Products);
- Paragraph 11 (BDSC);
- The second sentence of Paragraph 16(a) (auto renewal);
- The AFY column in Exhibit D (VFY18 Pricing); and
- Exhibit F (“fee split”).

3. Price. Notwithstanding anything to the contrary in the ASPA, any Addendum, or the VFY18 Binding Order, the Price for Ammunition Products and Components delivered during the Addendum 6 Term shall be the firm, fixed prices set forth in the attached Exhibit D-2, provided that $*** shall be added to the Price for any Ammunition Product ordered for delivery during the Addendum 6 Term *** rounds. Except as set forth in Paragraph 4 below, no further adjustments shall be made to the Price, including without limitation a Materials Price Adjustment or a “fee split.” Federal shall pay the CUP Recoupment on or before October 1, 2017, provided that the CUP Recoupment shall be reduced or refunded on a pro rata basis for every round ordered but not delivered below ***.

4. Additional Orders. The Materials Price Adjustment set forth in Exhibits E-1 and E-2, revised as set forth below,

shall apply to the Price for any Additional Orders placed by Federal for delivery during the Addendum 6 Term. The following revisions to the Materials Price Adjustment shall apply to any Additional Orders:

- No adjustment shall be made for the price of steel.
- The base copper price shall be $*** per pound.
- The base zinc price shall be $*** per pound.
- The base lead price shall be $*** per pound.

- The market price shall be measured using the following per pound market price as of close of business on the business day immediately preceding the date the Additional Order is placed:
  - Copper – Copper High Grade (Globex) (COMEX) Prior Day Set
  - Zinc – LME Zinc Cash Official Price Buyer
  - Lead – LME Lead Cash Official Buyer

5. VFY18 Binding Order. Notwithstanding anything in the APSA to the contrary other than Paragraph 2(b), specifically including without limitation Paragraph 7(d), Federal may revise the entire delivery schedule in the VFY18 Binding Order (including without limitation delivery quantities for May through July) so long as Federal does not decrease its total quantity ordered during VFY18 below *** rounds. The revised delivery schedule is attached as Exhibit G.

6. Limited Exclusivity Relief—Orbital ATK. Notwithstanding anything in the APSA to the contrary, on a noninterference basis with Federal’s orders, Orbital ATK may sell up to *** equivalent units of ammunition components (case, bullets, primers) (“Components”) (*i.e.*, in addition to Federal’s Component orders) during the Addendum 6 Term. For the avoidance of doubt, better terms shall be inclusive of all other terms directly and indirectly affecting price (*e.g.*, shipping terms, rebates, discounts, credit terms). Notwithstanding the foregoing, Orbital ATK shall not sell Components bearing the “LC” headstamp to anyone other than the DoD or Federal.

7. Limited Exclusivity Relief—Federal. The limitations on Federal’s sourcing of Different Caliber Products and on Federal’s internal manufacturing production, as contained in Paragraphs 4 and 10(a) of the APSA, are eliminated. For the avoidance of doubt, the limitations on Federal’s sourcing of Ammunition Products and Special Products remain unchanged.

8. Other Agreements. This Addendum 6 is contingent upon, and not effective unless and until, both Parties agree upon and execute an ammunition supply agreement covering the periods February 10, 2018 through September 30, 2020 (“Follow-on Agreement”). If the Follow-On Agreement is not agreed upon and executed by both Parties, this Addendum 6 shall have no effect. Unless specifically changed by this Addendum 6, all other terms and conditions of the APSA (including without limitation any open Binding Orders and contract orders) remain unchanged. This Addendum 6, the APSA, the VFY18 Binding Order as amended, the Follow-on Agreement, and any nondisclosure agreements executed in connection herewith constitute the entire understanding and agreement between the Parties with respect to the subject matter hereof, and supersede all prior or contemporaneous discussions, agreements and understandings, both written and oral, among the Parties with respect thereto.

9. Release. For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, both Parties hereby release, acquit and forever discharge and hold harmless the other, including the indemnified Party’s past and present parents, affiliates and subsidiaries (and

the officers, directors and employees of each), from and against all existing claims (other than for product warranty and defects, federal excise tax liabilities, and requirements pursuant to separate international contracts), known and unknown, as of the Effective Date arising out of the sale by Orbital ATK of products supplied from the Lake City Army Ammunition Plant, *** (“Release”).

10. Any amendment or modification of this Addendum 6 shall be void unless set forth in a writing signed by each of the Parties.

Federal Cartridge Company	Alliant Techsystems Operations LLC
/s/ Stephen M. Nolan	/s/ Dean L. Grayson
By: Stephen M. Nolan	By: Dean L. Grayson
Title: Chief Financial Officer	Title: General Counsel, Defense Systems Group
Date: May 5, 2017	Date: May 5, 2017

Pursuant to 17 CFR 20.24b-2, confidential information has been omitted in places marked "***" and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request with the Commission.

Exhibit D-2

Ammunition Product Price

Product Type	
***	***
$***	$***

Pack Price

Available Packing Configurations	
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***

Component Price

Pursuant to 17 CFR 20.24b-2, confidential information has been omitted in places marked “***” and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request with the Commission.

BFYO18 VISTA COMPONENT PRICE LIST	
5.56 Product Components	
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***

7.62mm Product Components	
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***

Cal50 Product Components	
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***
***	$***

Pursuant to 17 CFR 20.24b-2, confidential information has been omitted in places marked “***” and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request with the Commission.

Exhibit G

[Revised VFY18 Binding Order]

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Section 3: EX-10.3 (EXHIBIT 10.3)

Pursuant to 17 CFR 20.24b-2, confidential information has been omitted in places marked “***” and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request with the Commission.

Exhibit 10.3

Addendum 7 to Ammunition Products Supply Agreement

This Addendum 7 is made pursuant to and amends the Ammunition Products Supply Agreement dated February 9, 2015, as subsequently amended, (“APSA”) between Federal Cartridge Company (“Federal”) and Alliant Techsystems Operations LLC (“Orbital ATK”) (collectively, the “Parties”).

The parties agree that the Agreement shall be modified as described herein. All terms and conditions of the Agreement not specifically addressed in this Addendum remain in full force and effect.

For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree to amend the APSA as follows:

Exhibit G. The Exhibit G originally referenced in Addendum 6 to the APSA is attached hereto.

Federal Cartridge Company	Alliant Techsystems Operations LLC
/s/ Jeffrey A. Ehrich	/s/ Dean L. Grayson
By: Jeffrey A. Ehrich Title: Associate General Counsel	By: Dean L. Grayson Title: General Counsel, Defense Systems Group
Date: May 18, 2017	Date: May 18, 2017

EXHIBIT G - Revised

***

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Section 4: EX-10.4 (EXHIBIT 10.4)

Exhibit 10.4

AMMUNITION SUPPLY AGREEMENT

This Ammunition Supply Agreement (“Agreement”) effective as of February 10, 2018 (“Effective Date”) is between Federal Cartridge Company (“Federal”) and Alliant Techsystems Operations LLC (“Orbital ATK”) (each, a “Party” and together, the “Parties”).

WHEREAS, the Parties are parties to that certain Ammunition Products Supply Agreement dated February 9, 2015 (“APSA”);

WHEREAS, the Parties wish to amend the APSA as set forth in a separate addendum (“Addendum 6”), and contemporaneously extend the duration of their supply relationship as set forth in more detail below;

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. Definitions.

(a) “Products” means the following completed cartridges of small-caliber ammunition manufactured to the Specifications: *** 5.56x45mm caliber, *** .223 caliber, and *** 5.56x45mm caliber.

(b) “DoD” means the U.S. Army, its contractors in support of a DPAS rated DoD contract, and any other U.S. Federal Governmental agency that may in the future replace the U.S. Army as the procurer of Products for and on behalf of the U.S. Department of Defense.

(c) “Lake City Government Contract” means, collectively, the contracts between Alliant Techsystems Operations LLC and Rock Island Contracting Center, dated September 28, 2012 and dated November 27, 2013, as the same may be amended from time to time.

(d) “Intellectual Property,” means (i) discoveries, improvements, inventions (whether or not capable of being patented); (ii) patents, patent applications, patent disclosures, and any other patentable subject matter; (iii) copyrights, applications to register copyrights, works of authorship and any other copyrightable works; (iv) computer software (including source code, executable code, databases, data and related documentation); (v) trade secrets, Proprietary Information and know-how; and (vi) all improvements or modifications to any of the foregoing.

(e) “Non-Standard Packing Options” means any packing configuration or requirements not specifically included in the definition of Standard Packing Options, which Orbital ATK may offer from time to time at the price and availability determined by Orbital ATK.

(f) “Rounds” means individual complete ammunition cartridges.

(g) “Period 1” means February 10, 2018 to December 31, 2018.

(h) “Period 2” means January 1, 2019 to December 31, 2019.

(i) "Period 3" means January 1, 2020 to September 30, 2020.

(j) "Quarter" means the sequential three-month period beginning January, April, July, or October.

(k) "Specifications" means using new (i.e., not recycled from a previously assembled cartridge) materials to manufacture the Products to the applicable Mil-Spec safety and dimensional requirements and such other specifications as may be agreed between the Parties in writing.

(l) "Standard Packing Options" means the Pack Configurations listed in Exhibit A using graphics, artwork and labeling as specified by Federal and agreed to by Orbital ATK.

2. General Obligations.

(a) Federal Obligations. During the Term, Federal shall: (i) achieve the Minimum Order Commitment specified in Exhibit A; (ii) pay the Commercial Fee as specified in Exhibit A to Orbital ATK on or before October 1 of Period 1 and 2 and July 1 of Period 3; and (iii) not purchase Products from anyone other than Orbital ATK unless Federal orders the full Capacity for that Period.

(b) Orbital ATK Obligations. Orbital ATK shall: (i) accept Federal's Binding Order, plus any Additional Orders of Products; (ii) manufacture, pack, and deliver Products in accordance with the accepted Binding Order and Additional Orders; (iii) give Federal's orders priority, up to ***, over all customers other than the DoD; (iv) comply with the Guarantee specified in Exhibit A; and (v) give Federal's Binding Order priority over all customers other than the DoD in the event the DoD orders *** Rounds of Product for delivery in any one Period. Notwithstanding the foregoing, Orbital ATK shall have no obligation to accept orders or fulfill deliveries to the extent they: (x) interfere with a Product delivery commitment to the DoD; or (y) are impacted or delayed by a Force Majeure Event (collectively, "Limitations").

3. Ordering.

(a) Annual Capacity Allocation. No later than October 1 before the start of each Period, Orbital ATK shall deliver to Federal a good-faith forecast of the total quantity of Product manufacturing capacity Orbital ATK will allocate to Federal each month during the upcoming Period ("Capacity"). The Capacity shall be a minimum of *** Rounds per month and *** total Rounds per Period for Periods 1 and 2, and *** Rounds per month and *** total Rounds for Period 3, except as may be adjusted at any time by Limitations. For the avoidance of doubt, the Capacity shall not be limited or broken out by Product Type.

(b) Annual Binding Order. No later than November 15 before each Period, Federal shall deliver to Orbital ATK a binding order for the upcoming Period specifying (within the Capacity and subject to the Limitations):
- (i) The binding total quantity commitment during the Period;
- (ii) The binding total quantity commitment by month for the upcoming two Quarters of the Period;
- (iii) The binding (subject to the Scheduling) quantity commitment by Product Type for the upcoming two Quarters of the Period; and
- (iv) A nonbinding, proposed monthly delivery schedule by Pack Type for the upcoming two Quarters of the Period (*i.e.*, SKU-level detail).

(“Binding Order”). Subject to the Scheduling provisions (below) and the Limitations, within ten business days of receipt, Orbital ATK shall accept the Binding Order, provided that it complies with applicable provisions of this Agreement. To the extent the Binding Order specifies a total quantity commitment during the Period of less than the Capacity, Orbital ATK shall hold in reserve the difference between the Binding Order total quantity and the Capacity (“Reserve Amount”) until March 30 of the upcoming Period. Federal may place an order for the Reserve Amount, or any portion thereof, at any time on or before March 30 of each Period. To the extent that Federal fails to order the Reserve Amount on or before March 30, Orbital ATK may sell the Reserve Amount, subject to the Guarantee, to any other customer (including the Secondary Tier I Customer). Beginning March 30, 2018, and on or before the last business day of each Quarter thereafter, Federal shall update its Binding Order and Additional Orders with the information in this paragraph for the upcoming two Quarters or the end of the then-current Period, whichever is sooner.

(c) ***

(d) ***

(e) Monthly Scheduling. Beginning January 16, 2018, and on the third Tuesday of each month thereafter, Federal and Orbital ATK shall meet in good faith and mutually agree on a delivery schedule by Pack Type for the upcoming month, taking into consideration Orbital ATK’s capacity thresholds and packing capacity, and Federal’s customer orders and market projections, as well as all other relevant factors (“Scheduling”). Before or during the Scheduling, Federal may also adjust the Product Type mix 20% within any Product Type so long as (i) the total quantity commitment for that month does not decrease; (ii) the adjustments are within the Capacity; and (iii) Orbital ATK has the materials to accommodate the adjustment. Upon finalization of the Scheduling, it shall be binding on both Parties except by mutual agreement.

(f) Unless expressly stated, the above restrictions and those in the Guarantee on sales and pricing to the Secondary Tier I Customer shall not apply to sales and pricing to Tier 2 and other customers.

4. Price.

(a) Price. The base price for Products sold during the Term shall be the firm, fixed prices set forth in Exhibit A (“Base Product Price”), adjusted (if at all) once each Period according to the Metals Adjustment set forth in Exhibit B (“Product Price”). The price for packing of Product sold during the Term shall be as set forth in Exhibit A (“Pack Price”). Prices exclude all: (i) federal, state local and value-added taxes, firearms excise taxes, sales and use taxes or other indirect taxes that may be imposed by law, (ii) freight, insurance, and other shipping costs, and (iii) import and export licenses, fees, permits, custom charges and duties, all of which shall be invoiced by Orbital ATK and paid separately by Federal unless Federal provides Orbital ATK with documentation supporting an exemption.

(b) Adjustment Methodology.

(i) Metals. The Metals Adjustment shall be calculated and applied separately for all Products ordered for delivery during each Period using the business day immediately preceding the date Federal releases the Binding Order as the measuring date (“Measuring Date”). The Product Price will apply to all Binding Orders and Additional Orders for Products ordered for delivery during the entire applicable Period.

(ii) ***

(c) Acknowledgment. Subject to the Audit Right for the ASP, the Parties acknowledge and agree that the pricing herein (including without limitation the Product Price, Pack Price, Base Price, Commercial Fee, Metals Adjustment, and ***, and the formulas and inputs supporting each) were the result of arms-length negotiations, and that neither Party has relied upon the other for representations made supporting or relating thereto, including without limitation costs, profits or fees, revenue, sales price or overhead, and each Party assumes the risk of any past or current pricing errors (other than scrivener's errors or typos) or mistakes related thereto. For the avoidance of doubt, unless specified in this Agreement, no other adjustments to the Product Price, Pack Price, or Commercial Fee shall be made unless through the Dispute Resolution process due to scrivener's errors or future errors or mistakes.

5. Delivery; Acceptance.

(a) Delivery shall be FOB Origin, with risk of loss and title transferring at delivery to Orbital ATK's dock ("Delivery").

(b) Federal shall have the right, but not the obligation, to inspect Products that have been Delivered to it for conformance with the applicable Specifications, and it shall report in writing any claims of non-conformance within thirty (30) calendar days after Delivery, after which time the Products shall be deemed irrevocably accepted ("Acceptance"). After Acceptance, any claims by Federal that a Product fails to conform to the applicable Specification or has a defect shall be governed by the Warranty and/or Indemnification sections, as applicable. No inspection, Acceptance, testing or payment by Federal for Products shall relieve Orbital ATK from responsibility for failing to satisfy its obligations (including the limited warranty) under this Agreement.

6. Failure to Supply.

(a) Notifications; Delays. If Orbital ATK becomes aware that for any reason there is a reasonable likelihood that it will not be able to fulfill an Order, Orbital ATK shall promptly, and in any event within 10 business days, notify Federal of such fact and the Parties shall cooperate in good faith to resolve and mitigate the issue. If Orbital ATK fails to timely deliver all or any portion of a Binding Order or Additional Order ("Unfilled Quantity") as a result of the Limitations ("Excusable Delay"), Orbital ATK shall have no liability to Federal for the Unfilled Quantity. Unfilled Quantities for any reason other than an Excusable Delay shall be considered an Inexcusable Delay. For all Unfilled Quantities (whether due to Excusable Delay or Inexcusable Delay), for which Orbital ATK fails to remedy within 60 calendar days Federal may, subject to the Limitations and without prejudice to any remedies it has under the law, elect to shift the Unfilled Quantity to Orbital ATK's future unfilled Additional Rounds or remove such Unfilled Quantities from its order(s) without reducing Federal's progress toward the Minimum Order Commitment.

(b) Force Majeure. Neither party will be liable for any delay or failure in performance to the extent the delay, or failure, is caused by events beyond the party's reasonable control, without the fault or negligence of the party affected, and which by the exercise of reasonable diligence the party affected was unable to prevent ("Force Majeure Event"), including without limitation, fire, storm, flood, other natural catastrophes, explosion, accidents, acts of public enemy, sabotage, strikes, labor disputes, labor shortages, work stoppages, transportation embargoes or delays, failure or shortage of materials or machinery used by Orbital ATK in the manufacture of the goods supplied hereunder, acts of God, failure of suppliers or subcontractors to satisfactorily meet scheduled deliveries, and acts or regulations or priorities of the Federal, State or local government or branches or agents thereof. A Force Majeure Event shall also include any action by the Government which results in the modification or closure of the Lake City Army Ammunition Plant or modification or termination of the Lake City Government Contract, and Orbital ATK reasonably determines that such modification, closure or termination will cause Orbital ATK to be unable to fulfill any or all of Federal orders for Products. A Force Majeure Event shall also mean a material change in Federal law outlawing or substantially limiting the possession or ownership of Products or firearms compatible with the Products, which change causes a material decline in the commercial market for Products. For the avoidance of doubt, a drop in market demand or price that is not a direct result of the aforementioned change in Federal law, shall not constitute a Force Majeure Event. The party experiencing the Force Majeure Event shall promptly notify the other party in writing providing reasonable detail of the Force Majeure Event and anticipated impact upon the Party's ability to perform its obligations under this agreement, use its best efforts to resume satisfactory performance as quickly as possible, and shall suspend performance only for such period of time as is necessary. In the event a Force Majeure Event continues for more than seven business days after the initial delaying event, the Parties shall meet to discuss any appropriate extension in the delivery schedule. If the Parties are unable to reach agreement on the impact of the Force Majeure Event upon the Agreement, the matter shall be determined in accordance with the "Dispute Resolution" clause of the Agreement.

7. Invoicing; Payment.

(a) Invoices. Orbital ATK shall provide an invoice to Federal at the time of each product delivery (including, for the avoidance of doubt, at the time of any "staged" delivery) ("Invoice"). All Invoices shall be payable by Federal promptly, and in any event, *** after receipt of such Invoice (the date on which a payment is due, the "Invoice Due Date"), subject to Federal's right to dispute an Invoice pursuant to paragraph (c) below.

(b) Late Payments. Any amounts due under an Invoice that have not been paid on or before the Invoice Due Date (and are not being disputed in good faith pursuant to paragraph (c) below) shall bear simple interest at a rate of 1.0% per month (i.e., 12.0% per year) until the date payment is received in full by Orbital ATK.

(c) Review of Invoices. Federal shall have 15 calendar days from the date of receipt to review an Invoice (the "Review Period"). Federal may, on or prior to the last day of the Review Period, provide Orbital ATK with a written notice of dispute (a "Dispute Notice"), which shall specify in reasonable detail those items or amounts in the Invoice as to which Federal disagrees in good faith (the "Disputed Items") and the basis for such disagreement. Unless Federal delivers a Dispute Notice to Orbital ATK prior to the expiration of the Review Period, subject to the second sentence of Paragraph 4(c) Federal shall be deemed to have accepted and agreed to the items and amounts set forth in the applicable Invoice, and such amounts shall become conclusive and binding on the Parties. If Federal delivers a Dispute Notice to Orbital ATK on or prior to the last day of the Review Period, the Parties shall refer the matter to their respective Principal Representatives in accordance with the procedures set forth in Section 14 of this Agreement.

8. Warranty.

(a) Orbital ATK warrants that, for a period of 12 months after Acceptance, the Products delivered under this Agreement shall conform to applicable Specifications, and be free from defects in material and workmanship ("Limited Warranty").

(b) In the event of a breach of the Limited Warranty, Orbital ATK shall, at its expense and option, repair or replace the Product to achieve conformance and return the Product to Federal. In the event that a Federal customer cancels an order as a direct result of a breach of this Limited Warranty, or if Orbital ATK reasonably deems the above remedies to be commercially impracticable, Orbital ATK shall refund to Federal the applicable Price and shipping and handling costs upon return of the non-conforming Product.

(c) As a condition of this Warranty, Federal shall notify Orbital ATK in writing of any claimed nonconformance promptly but not greater than 60 calendar days upon Federal's discovery or 30 days after the warranty period, whichever is shorter, and, at Orbital ATK's election, shall provide Orbital ATK a reasonable opportunity to inspect the claimed nonconformance and/or return the item(s) to Orbital ATK for inspection.

(d) If the Parties disagree as to whether a rejected Product has a defect or conforms to the applicable Specifications or as to whether Federal timely delivered its warranty claim, the Parties shall refer the matter to their respective Principal Representatives in accordance with the procedures set forth in Section 14 of this Agreement. If the Principal Representatives or a competent court, as applicable, determines that a rejected Product has no defects and conforms to the applicable Specifications, or that Federal has failed to timely deliver the applicable warranty claim, then Federal shall reimburse Orbital ATK all costs of handling, transportation and repairs/modifications to such rejected Product based on Orbital ATK's regular repair charges.

(e) Disclaimer of All Other Warranties. Orbital ATK's warranty in paragraph (a) above is in lieu of all other warranties, and Orbital ATK expressly disclaims all other warranties, express or implied, statutory or otherwise, including without limitation, the implied warranties of merchantability and fitness for a particular purpose. Orbital ATK's warranty does not extend to (i) Products damaged in any way after delivery to Orbital ATK's dock, including by improper handling, use or storage or as a result of a Force Majeure Event or (ii) components provided by Federal or Products damaged as a result of any defects in such components. Any repair or attempt to repair Products, or modification of Products, by anyone other than Orbital ATK (or a person acting for or on behalf of Orbital ATK) shall void the warranty provided under this Agreement.

9. Term; Termination.

This Agreement shall terminate and all rights and duties hereunder, except those in Paragraphs 8 and 11-16, shall cease upon the first to occur of the following:

(a) The date September 30, 2020 (the "Term");

(b) Upon written notice by either Party, if the other Party materially breaches this Agreement; provided, that the Party receiving the notice of termination shall have 60 calendar days from the date of receipt thereof to cure the material breach or failure and, in the event such breach or failure is cured, the notice shall be of no effect;

(c) Upon 10 calendar days written notice by Orbital ATK, if Federal has failed to pay an amount due under an Invoice that is not being disputed by Federal in good faith, and such failure continues for a period of 20 calendar days following the Invoice due date;

(d) Mutual consent of the Parties in writing; or

(e) The insolvency, bankruptcy or reorganization under bankruptcy laws or assignment for the benefit of the creditors of either Party.

10. Intellectual Property.

(a) Limited License. Each Party hereby grants to the other Party a limited, non-transferable (with the right to sublicense), non-exclusive, royalty-free license to use the Intellectual Property owned by it to the extent necessary for the other Party to perform their obligations hereunder. All right, title and interest in and to the Intellectual Property owned by a Party and not expressly granted herein are reserved by such Party.

(b) Ownership. Subject to the rights of the U.S. Government, as between the Parties, each Party shall retain ownership of all right, title and interest in and to the Intellectual Property owned, controlled, acquired, conceived or reduced to practice prior to the date of this Agreement, including but not limited to, inventions described and claimed in applications for U.S. Letters Patent filed prior to the date of this Agreement.

(c) Design Responsibility and Labeling. Orbital ATK shall retain design responsibility for all Products. Federal shall provide information associated with the appearance and text of any labeling and packaging used in connection with Products it has ordered, including any finished product containing the Product.

11. Indemnification.

Federal shall defend, indemnify and hold harmless Orbital ATK (including its parents, subsidiaries and affiliates and the officers, directors and employees of each) against all claims, demands, judgments, damages, costs and other losses (including without limitation reasonable attorneys' fees) to the extent arising out of or relating to actual or alleged: (i) third party claims alleging Intellectual Property owned by Federal and authorized by Federal for Orbital ATK's use infringes on a third party's Intellectual property; and (ii) third party claims related to the negligence of Federal or its employees or agents in the performance of this Agreement, all except to the extent caused by the negligent or otherwise wrongful act or omission of Orbital ATK.

Orbital ATK shall defend, indemnify and hold harmless Federal (including its parents, subsidiaries and affiliates and the officers, directors and employees of each) against all claims, demands, judgments, damages, costs and other losses (including without limitation reasonable attorneys' fees) to the extent arising out of or relating to actual or alleged: (i) third party claims alleging Intellectual property owned by Orbital ATK and authorized by Orbital ATK for Federal's use infringes on a third party's Intellectual property; (ii) third party claims related to the negligence of Orbital ATK or its employees or agents in the performance of this Agreement; and (iii) a third party claim or product recall arising out of a defect in a Product or Pack Configuration, all except to the extent caused by the negligent or otherwise wrongful act or omission of Federal.

The defense, indemnification and hold harmless obligations herein ("Obligations") are expressly conditioned on the following: (a) that the Indemnifying Party shall be notified in writing promptly of the circumstances giving rise to the Obligations, provided that any delay in notification shall not affect the Obligations unless the delay prejudices the indemnifying party, (b) that the indemnifying party shall have sole control of the defense of any action or claim and of all negotiations for its settlement or compromise to the extent permitted by law; and (c) that the indemnified party shall cooperate with the indemnifying party in a reasonable way to facilitate the settlement or defense of the claim.

12. Limitation of Liability.

UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, COLLATERAL, SPECIAL, PUNITIVE, TREBLE, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR GOODWILL), REGARDLESS IF SUCH CLAIM IS BASED ON CONTRACT, NEGLIGENCE, TORT, WARRANTY OR ANY OTHER BASIS UNDER, AS A RESULT OF, OR ASSOCIATED WITH THIS AGREEMENT OR EITHER PARTY'S PERFORMANCE UNDER THIS AGREEMENT. EACH PARTY'S RESPECTIVE TOTAL LIABILITY FOR ANY CLAIMS ALLEGED IN ANY PERIOD (IN AGGREGATE) ARISING UNDER OR RELATED TO THIS AGREEMENT IS LIMITED TO AND SHALL NOT EXCEED THE TOTAL AMOUNT ACTUALLY PAID OR PAYABLE (A) AS SET FORTH IN A BINDING ORDER FOR THAT PERIOD BY FEDERAL FOR THE PRODUCTS PURCHASED OR ORDERED PURSUANT TO THIS AGREEMENT, OR (B) OR SHOULD BE PAYABLE HAD A MINIMUM ORDER COMMITMENT BEEN SATISFIED, WHICHEVER IS GREATER. THE FOREGOING DISCLAIMERS OF LIABILITY AND LIMITATIONS ON LIABILITY WILL NOT APPLY TO ANY INDEMNIFICATION OBLIGATIONS IN THIS AGREEMENT OR DAMAGES ASSOCIATED WITH A BREACH OF INTELLECTUAL PROPERTY RIGHTS.

13. Proprietary Information.

Confidential or proprietary information shall be governed by, and subject to, the Non-Disclosure Agreement between the Parties dated February 09, 2015 ("NDA") which is attached as Exhibit D and hereby incorporated by reference. The Parties agree to comply with the terms of that NDA, and that the term (period of information exchange) of the NDA is hereby extended to be co-terminus with the Term of this Agreement if the term of the NDA is shorter than the Term of this Agreement. The Parties obligations to protect proprietary information as applied to proprietary information exchanged pursuant to this Agreement shall extend through two years following the termination or expiration of this Agreement.

14. Disputes.

(a) Each Party shall designate a senior executive with authority to resolve disputes related to this Agreement (a "Principal Representative"), and the name of such Principal Representative shall be provided in writing to the other Party promptly following the date hereof. Either Party may, effective upon written notice to the other Party, change its Principal Representative at any time. In the event of a dispute related to this Agreement, the Principal Representatives shall meet and seek in good faith to resolve such dispute. If the Principal Representatives are able to resolve the dispute in writing, their resolution shall be conclusive and binding upon the Parties. If the Principal Representatives are unable in good faith to resolve a dispute within 30 calendar days after receipt of written notice or a longer period agreed by the Parties, either Party may pursue a claim in connection with the matter in dispute in any federal or state court having proper jurisdiction. All costs and expenses incurred by the Parties in connection with resolving any dispute related to this Agreement shall be borne by the Party incurring such cost or expense. In the event of a dispute, both Parties must continue to comply with the terms of this Agreement to the extent not disputed while the dispute is being resolved.

(b) Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, and therefore it hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this agreement or the transactions contemplated hereby or thereby. Each party certifies and acknowledges that (a) no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, (b) it understands and has considered the implications of such waiver, (c) it makes such waiver voluntarily and (d) it has been induced to enter into this agreement by, among other things, the mutual waiver and certifications in this paragraph.

(c) This Agreement, and any dispute arising out of or relating to this Agreement, shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed entirely within that State, regardless of the laws that might otherwise govern under any applicable conflict of laws principles.

(d) Disputes shall not be a basis for withholding payment of any undisputed monies due under this Contract or offsetting other undisputed amounts due whether or not the disputed item is on the same order or invoice, nor shall any undisputed amount be retained in anticipation of a dispute for which notice has not been received.

15. Notices.

All notices, demands, or other communications required or permitted hereunder shall be given in writing by actual delivery or, by mail, postage prepaid, or by electronic communication to a verified email address. Notice shall be deemed given upon actual delivery, or, if sent by mail and properly addressed, three (3) business days after being mailed. Notices shall be delivered or mailed to the other Party at the addresses set forth below or at such other place as the Party shall designate in writing:

If to Federal:

Federal Cartridge Company
Attn: President
900 Ehlen Drive
Anoka, MN 55303

-AND-

Vista Outdoor Inc.
Attn: General Counsel
262 North University Drive
Farmington, UT 84025

If to Orbital ATK:

Alliant Techsystems Operations, LLC
Attn: Vice President & General Manager
HWY 7 & 78
Lake City Army Ammunition Plant
Independence, MO 64056-1000

-AND-

Orbital ATK, Inc.
Attn: General Counsel,
Defense Systems Group
1501 S Clinton St
Canton Crossing Tower
Baltimore, MD 21224

16. Export Control.

(a) Federal is hereby placed on notice that the technical data or hardware furnished under the Agreement may relate to articles controlled by the U.S. Government for export and may, therefore, be subject to export licensing requirements and limitations on disclosure or shipment to foreign nationals under U.S. Law, including but not limited to, the International Traffic in Arms Regulation, 22 CFR § 120 et seq., the Export

Administration Act, 28 USC § 2278 et seq., and DoD Directive 5230.25, "Withholding of Unclassified Technical Data from Public Disclosure," 32 CFR § 250, including the requirement for obtaining an export license, if applicable.

(b) A Party receiving technical data under this Agreement agrees not to transfer technical data received or exchanged under this Agreement to any foreign person, or take any other action that is covered by U.S. export control laws and regulations, without specific written authorization from the disclosing party and pursuant to an appropriate U.S. Government agency license or exemption. The party receiving the technical data will indemnify the disclosing party and hold it harmless from any liability resulting from the receiving party's violation of this provision or applicable export laws or regulations.

17. Assignments.

Neither Party may assign or otherwise transfer this Agreement to any other person, whether by operation of law or otherwise, without the other Party's prior written approval. Any attempted assignment or delegation without such consent shall be void. Notwithstanding the above, either Party may, upon written notice to other, assign this Agreement to any entity with which the assigning Party may merge or consolidate or to which that Party may convey substantially all of its assets.

18. Miscellaneous.

This Agreement is contingent upon, and not effective until, both Parties agree upon and execute Addendum 6 to the APSA covering the period April 1, 2017 through February 9, 2018 ("Addendum 6"). This Agreement, and any nondisclosure agreements executed in connection herewith, constitute the entire understanding and agreement between the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous discussions, agreements and understandings, both written and oral, among the Parties with respect thereto, specifically including without limitation any memoranda of understanding,, "MOU," "agreements in principle" and like documents. The terms and conditions included herein shall take precedent over any other provisions set forth elsewhere in an order or other document exchanged between the parties. Headings of paragraphs are for organizational purposes only and do not limit the meaning of the paragraphs. If any provision of the Agreement is determined to be unenforceable or invalid by court decision, the Agreement will not be rendered unenforceable or invalid as a whole, and the provision will be changed and interpreted so as to best accomplish the objectives of the original provision within the limits of applicable law. The failure of either party to assert any of its rights under the Agreement, including, but not limited to, the right to terminate the Agreement in the event of breach or default by the other party, will not be deemed to constitute a waiver by that party of its right to enforce each and every provision of the Agreement in accordance with their terms. All notices under the Agreement must be in writing. Unless provided otherwise within the Agreement, any modifications or amendments to the Agreement shall not be valid or binding with respect to any party unless signed by both parties**.** The parties have caused the Agreement to be executed by their duly authorized representatives with the intent to be legally bound, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged.

Federal Cartridge Company	Alliant Techsystems Operations LLC
/s/ Stephen M. Nolan	/s/ Dean L. Grayson
By: Stephen M. Nolan	By: Dean L. Grayson
Chief Financial Officer	General Counsel, Defense Systems Group
Date: May 5, 2017	Date: May 5, 2017

Pursuant to 17 CFR 20.24b-2, confidential information has been omitted in places marked "***" and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request with the Commission.

Exhibit A

Base Product Price

The Base Product Price for Products shall be the following per-Round prices, provided that $*** shall be added to the Base Product Price for any Product ordered for delivery during a single Period in excess of *** Rounds:

Period	Product Type	
	***	***
Period 1	$***	$***
Period 2	$***	$***
Period 3	$***	$***

Pack Price

In addition to the Base Product price, the per-Round Pack Price shall be:

Pack Configuration	Period		
	1	2	3
***	$***	$***	$***
***	$***	$***	$***
***	$***	$***	$***
***	$***	$***	$***
***	$***	$***	$***

Guarantee

***

Commercial Fee

The "Commercial Fee" shall be *** per period for Periods 1 and 2, and *** for Period 3, provided that at the completion of the Term Orbital ATK shall reimburse Federal $*** for every Round ordered but which Orbital ATK failed to deliver during the Term below *** Rounds due to Unfilled Quantities.

Warehousing Charge

Federal shall pay to Orbital ATK a warehousing charge equal to ***% of the price of the stored Products every *** or segment thereof, commencing with the *** of storage by Orbital ATK.

Minimum Order Commitment

The Minimum Order Commitment shall mean orders totaling a minimum of *** Rounds ordered for delivery during the Term ("Aggregate Commitment"), provided that, unless the Aggregate Commitment is first reached, Federal shall place orders at minimum quantities of *** Rounds in Period 1, *** Rounds in Period 2, and *** Rounds in Period 3.

Exhibit B

Metals Adjustment

Adjustment Principles

The Metals Adjustment shall be calculated as follows:

(a) Each Product shall be subject to a per-unit price adjustment (a "Metals Adjustment") for lead, copper and zinc.

(b) Computation of the Metals Adjustment for each metal shall be in accordance with the Metals Adjustment Calculation Table set forth below. In the event that any of COMEX, LME or the Chicago Market is substantially altered or discontinued, the Parties shall mutually agree upon an appropriate substitute index.

(c) For the avoidance of doubt, there shall be no Metals Adjustment for: (A) support services; (B) changes in unit price based on material other than copper, zinc and lead; (C) associated indirect costs (e.g., burden, overhead, and general and administrative costs) or profit; or (D) other cost or profit fluctuations.

(d) The Metals Adjustment shall be calculated in conformance with the method used in VFY17.

Metals Adjustment Calculations

The difference (+) or (-) between the COMEX/LME/Chicago Market price in Column (5) and the Base Product Price in Column (4) will be entered in Column (6).

The difference, whether (+) or (-), in Column (6) shall be divided by the applicable Base Product Price in Column (4). The resulting rate of change shall be entered in Column (7).

The metal content factor in Column (3) shall be multiplied by the metal price difference (+) or (-) in Column (6), with the resulting amount entered in Column (8).

The adjustment amount in Column (8) shall be the basis for adjusting the unit price in column (2).

The unit price adjustment shall be computed for each Product Type.

Materials Price Adjustment Calculation Table

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Period	Per Round Base Product Price	Metal Content Factor	Base Metal Price	Metal Price	Price diff (5) – (4)	Rate of change (%) (6) / (4)	Metals Adjustment ($/unit) (6) * (3)

(a) Column (1) is the Period in respect of which the Metals Adjustment is being calculated.

(b) Column (2) is the per-Round Base Product Price applicable to the Product.

(c) Column (3) is the Metal Content Factor for the specific Product, as set forth below.

(d) Column (4) is the applicable Base Metal Price as set forth below.

(e) Column (5) is the following per pound market price as of close of business on the Measuring Date:

- Copper – Copper High Grade (Globex) (COMEX) Prior Day Set
- Zinc – LME Zinc Cash Official Price Buyer
- Lead – LME Lead Cash Official Buyer

(f) The remaining columns are for calculation of the per-unit Metals Adjustment for a given Product.

Metal Content Factor (pounds/Round)

Product Type	**Copper**	**Zinc**	**Lead**
*** Ctg	***	***	***
*** Ctg	***	***	***
*** Ctg	***	***	***

Base Metal Price

- The Base Metal Price for copper is $*** per pound.
- The Base Metal Price for zinc is $*** per pound.
- The Base Metal Price for lead is $*** per pound.

Illustrative Example

***

Pursuant to 17 CFR 20.24b-2, confidential information has been omitted in places marked “***” and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request with the Commission.

Exhibit C

***

Pursuant to 17 CFR 20.24b-2, confidential information has been omitted in places marked "***" and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Request with the Commission.

Exhibit D

[NDA]

MUTUAL NONDISCLOSURE AGREEMENT

This Nondisclosure Agreement ("Agreement") is made and entered into by and between Federal Cartridge Company and its affiliates, having a place of business at 900 Ehlen Drive, Anoka, MN 55303 ("Federal"), and Alliant Techsystems Operations LLC, having a place of business at LAACP, Highway 7 & 78, Independence, MO 64056 ("Company") (collectively, the "Parties") and is effective as of February 9, 2015 ("Effective Date"). The Parties for their mutual benefit are desirous of exchanging and disclosing certain information and ideas relative to the sale of products between the parties as specified in the Ammunition Products Supply Agreement dated February 9, 2015 ("Program"), and thus agree that any information disclosed by one party ("Disclosing Party") and received by the other ("Receiving Party") shall be governed by the following:

1. Proprietary Information. "Proprietary Information" shall mean information applicable to the Program which the Disclosing Party discloses to the Receiving Party: (1) in writing, provided the writing is stamped, labeled or clearly designated as "Confidential" or "Proprietary"; or (2) orally, provided the oral information is reduced to writing within thirty (30) days and designated in writing as "Proprietary" or "Confidential." However, without further designating such information in writing, the existence and nature of the Program, this Agreement and the Parties' relationship in connection with the Program shall be considered Proprietary Information.

2. Exclusions. Notwithstanding the foregoing, Proprietary Information shall not include information which: (a) Was not specifically designated in writing as Proprietary or Confidential if required above; (b) Was in the Receiving Party's possession or was known to the Party receiving it prior to its receipt from the Disclosing Party (c) Was independently developed by the Receiving Party without using the Disclosing Party's Proprietary Information, as supported by documentary evidence; (d) Is or becomes public knowledge without the fault of the Receiving Party; (e) Is or becomes available to the Receiving Party from a lawful source other than the Disclosing Party; (f) Is approved in writing for release on a non-confidential basis by the Disclosing Party; or (g) Is or becomes available on an unrestricted basis to a third party by authorization of the Disclosing Party.

3. Treatment of Proprietary Information. For a period of five (5) years from the date the Proprietary Information is received, the Receiving Party shall: (a) handle and protect from disclosure Proprietary Information using the same degree of care it uses to handle its own proprietary information, but no less than reasonable care; (b) not duplicate or use Proprietary Information for any purpose other than internal purposes related to the Program; (c) not disclose Proprietary Information to anyone except internal employees having a "need to know" relating to the Program and who are bound by confidentiality obligations at least as stringent as those set forth herein; and (d) not make any commercial use of the Proprietary Information. If requested by the Disclosing Party, the Receiving Party shall return, permanently delete, and/or destroy, as instructed by the Disclosing Party, all Proprietary Information and copies thereof, and if requested by the Disclosing Party, provide Disclosing Party a written certificate of destruction. The Receiving Party will immediately notify the Disclosing Party upon discovery of any disclosure, use or treatment of Proprietary Information inconsistent with the provisions of this Paragraph.

4. Limitations on Treatment. Notwithstanding the foregoing, Proprietary Information may be disclosed if and only as required by court order, provided that the Receiving Party: (a) promptly notifies the Disclosing Party of any request for, or the existence of, such order; (b) provides the Disclosing Party with the opportunity to oppose such disclosure (at Disclosing Party's expense); and (c) reasonably cooperates with the Disclosing Party in opposing such disclosure.

5. Term. This Agreement shall expire five (5) year from the Effective Date unless extended or modified in writing signed by the Parties. Either Party may terminate this Agreement, with or without cause, at any time with written notice to the other Party. For the avoidance of doubt, the expiration or termination of this Agreement shall not affect the use, handling or disclosure of Proprietary Information received before such termination or expiration.

6. Relationship of the Parties. Nothing in this Agreement shall grant to either Party the right to make commitments of any kind for or on behalf of the other Party. This Agreement shall not constitute a joint venture or partnership as between the Parties. Each Party shall perform its respective obligations hereunder without charge to the other.

7. Mutual Acknowledgements. This Agreement constitutes the entire agreement, and supersedes all prior written or verbal agreements, with respect to the subject matter herein, and may not be amended, modified or waived except by mutual written consent signed by both Parties. All Proprietary Information will remain the exclusive property of the Disclosing Party, and no rights or obligations other than those expressly recited herein are to be implied from this Agreement including, without limitation, licenses or rights under any patent, trademark, copyright, trade secret or know-how that is now or that may be held or which is or may be licensable by either Party. Further, nothing in this agreement shall be understood as requiring the Parties to enter into any subsequent agreements or to require either Party to purchase or supply information, goods, materials, products or services. The Party disclosing Proprietary Information hereunder makes no representation, express or implied, as to adequacy, sufficiency or freedom from fault of the same, and incurs no responsibility or obligation by reason thereof. Neither Party shall be liable to the other for any cost, expense, or risk of liability arising out of efforts of the other Party in connection with performance of this Agreement.

8. Disputes. This Agreement and any dispute arising out of or relating to this Agreement or the relationship between the Parties ("Dispute") shall be: (a) governed by and construed in accordance with the laws of the State of Minnesota, without regard to conflicts of laws rules; (b) brought only in a court of competent jurisdiction in Minnesota; and (c) resolved only by a judge, both Parties having voluntarily waived any right to a trial by jury. Both Parties consent to the jurisdiction and venue of Minnesota courts for purposes of any Dispute, and waive any right to challenge this venue as being improper

or inconvenient. The prevailing Party in any Dispute shall be entitled to recover its attorneys’ fees and costs incurred in connection with the Dispute. Each Party acknowledges that the use, reproduction or disclosure of Proprietary Information of the Disclosing Party by the Receiving Party in a manner inconsistent with this Agreement will cause the Disclosing Party irreparable damage and the Disclosing Party shall be entitled to equitable and injunctive relief to prevent the unauthorized use, reproduction or disclosure of the Proprietary Information, and to such actual damages as may be occasioned by violation of this Agreement.

9. Assignment. Neither this Agreement, nor any interest herein, may be assigned, in whole or in part, by either Party without the prior written consent of the other Party hereto, except that without securing prior consent either Party shall have the right to assign this Agreement to any successor which results from a merger, reorganization, consolidation, spin-off or acquisition, provided that such successor (a) acquires substantially all of the entire business and assets of that party relating to the subject matter of this Agreement, (b) shall have expressly assumed all of the obligations and liability of such party under this Agreement, and (c) is not a competitor to the other Party on the Program.

10. Export Control. Technical data as defined in the International Traffic in Arms Regulation (22 CFR Parts 120 - 130 et. seq.) or technology as defined in the Export Administration Regulations (15 CFR Parts 730- 774 et. seq.) of the United States may be provided to the Receiving Party under this Agreement. Such technical data or technology may not be exported (including by disclosing to a foreign person), sold, diverted, transferred, transshipped on a non-continuous voyage or otherwise be disposed of in any other country, either in its original form or after being incorporated into other end items, without the prior written approval of the Disclosing Party and the U.S. Department of State or the U.S. Department of Commerce as applicable. Each Party agrees to indemnify the other for all claims, demands, damages, costs, fines, penalties and other expenses arising from that Party’s failure to comply with this clause and applicable statutes and regulations.

11. U.S. Government Disclosure. The Receiving Party may incorporate Proprietary Information in proposals or contract documentation to or with the United States Government provided that the Proprietary Information is submitted and marked in accordance with the provisions of Federal Acquisition Regulation (FAR) 52.215- 1 or DFAR 252.227-7013.

12. Supply Agreement. Pursuant to Section 21(f) of the Ammunition Products Supply Agreement dated February 9, 2015, the Parties specifically agree that the confidentiality obligations set forth in this Mutual Nondisclosure Agreement shall amend and replace the confidentiality provisions set forth in Section 21(c).

The Parties have caused this Agreement to be executed and effective on the Effective Date specified above.

Federal Cartridge Company	**Alliant Techsystems Operations LLC**
By: /s/ Susan M. Humiston	By: /s/ Kent Holiday
Susan M. Humiston [PRINTED NAME]	Kent Holiday [PRINTED NAME]
Title: VP & Asst. General Counsel	Title: Vice President and General Manager
Date: 4/21/2015	Date: April 20, 2015

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Section 5: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Callahan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vista Outdoor Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	August 10, 2017	By:	/s/ Michael Callahan
		Name:	Michael Callahan
		Title:	*Interim Chairman and Chief Executive Officer*

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Section 6: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen M. Nolan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vista Outdoor Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered

by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	August 10, 2017	By:	/s/ Stephen M. Nolan
		Name:	Stephen M. Nolan
		Title:	*Senior Vice President and Chief Financial Officer*

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Section 7: EX-32 (EXHIBIT 32)

Exhibit 32

Certification by Chief Executive Officer and Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

We, Michael Callahan, Interim Chief Executive Officer, and Stephen M. Nolan, Chief Financial Officer, of Vista Outdoor Inc. (the "Company"), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to our knowledge:

(1) the Quarterly Report on Form 10-Q for the period ended July 2, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Dated: August 10, 2017

By:	/s/ Michael Callahan
Name:	Michael Callahan
Title:	*Interim Chairman and Chief Executive Officer*

By:	/s/ Stephen M. Nolan
Name:	Stephen M. Nolan
Title:	*Senior Vice President and Chief Financial Officer*

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