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PRESENTATION

Kelly L. Reisdorf - *Vista Outdoor Inc. - Chief Communications & IR Officer*

Good morning, everyone. I'm Kelly Reisdorf, Chief Investor Relations and Communications Officer at Vista Outdoor. And it's my pleasure to welcome you to Vista Outdoor's Virtual Investor Day 2021. We appreciate you taking the time to join us this morning.

Today, we will convey our strategy for forging value creation and why we are so excited about our future and our vision to create products that unite one another around a shared love and responsibility for the outdoors. We also will update you on our accomplishments since our last Investor Day, which was September of 2019.

And before we begin, we'll go through the safe harbor. We will be making several forward-looking statements today, including references to future developments that we anticipate, will or may occur in the future. These statements are subject to the risks and uncertainties outlined in Vista Outdoor's SEC filings, which can be found on our website. These remarks do constitute forward-looking statements for the purposes of the safe harbor provision. And please note that the company undertakes no obligation to update such statements publicly to reflect subsequent events or circumstances, and actual results may differ materially from those anticipated.

In addition, there are non-GAAP financial measures. And there is a reconciliation of GAAP to non-GAAP measures in the appendix of our presentation today.

There are 5 key messages that we would like you to take away from our time together this morning: 1, that we have a strong management team, focused on execution excellence; 2, that we serve a growing and fragmented market, with opportunities for consolidation; 3, that we have a portfolio of leading consumer powerhouse brands; 4, that we are generating strong free cash flow to fuel our growth; and 5, that we have a great financial optionality for continued value creation.

We have a strong, experienced and enthusiastic management team, and you will be hearing from many other leaders today. I would also like to welcome Shelly Hubbard, who has recently joined our IR team and comes to us from NIKE. We're excited to have Shelly on board.

Now let me first introduce our speakers today and provide some details on our agenda.

In a moment, we will kick off the day with our Chief Executive Officer, Chris Metz, who will review our accomplishments to date and outline our plan for long-term sustainable growth. Next, we will introduce the team from our Outdoor Products segment, beginning with Brandon Sparrow, President of Camp Chef. Brandon will discuss our broad offerings in the fast-growing outdoor cooking category. You will then hear from Greg Williamson, President of CamelBak. And he will provide more detail about our investments in innovation and strategic partnerships. After Greg, you will hear from Ric Kern, President of Bell + Giro, who will discuss our strategy for growth in the booming cycling industry. We will then take a

10-minute break. And following the break, Vishak Sankaran, President of Golf and Hunt, Shoot, will talk about some exciting product launches in the golf market, and then move to our Shooting Sports segment with a discussion of consumer trends and our success in the direct-to-consumer space within Hunt, Shoot. Next, Jason Vanderbrink President of Ammunition, will provide more detail on our market-leading positions, our strategies for connecting with a changing end user demographic and the success of our 2 recent ammunition acquisitions. And then last but not least, our Chief Financial Officer, Sudhanshu Priyadarshi, will update you on our successful multiyear transformation plan and provide a 3-year outlook. Following Sudhanshu, we will then open up the line and take your questions. We anticipate our prepared remarks this morning to be roughly 90 minutes.

So having said that, I'd like to now introduce our CEO, Chris Metz.

Christopher T. Metz - *Vista Outdoor Inc. - CEO & Director*

Thank you, Kelly, and good morning, everyone.

We are coming off a record performing year at Vista Outdoor, and we're excited to be here today to share our strategic roadmap for how we will take our business, our brands and our people into the future.

First, however, let me share a little bit about my background. After earning my MBA, I had the good fortune of joining one of the true academy consumer products companies, Black & Decker. I spent 13 years at Black & Decker, rising through the system from a system product manager to President, a position that I held for the last 6 years I was there. During my time at Black & Decker, I learned from some of the best leaders and it was part of a team that built a global, multibillion-dollar brand from scratch, the DeWalt line of power tools and accessories. I've traveled all over the world for the past 30 years and lived overseas, running the European business for Black & Decker based out of our German headquarters.

This early experience developed my mindset for how to build long-term value through innovative products and powerhouse brand marketing. But also, I learned the importance of developing a winning culture that allows you to attract talent and let that talent flourish. I grew up in a merit-based culture with no glass ceilings, where if you put points on the board, you're giving more responsibilities. As one of the youngest corporate officers and presidents ever at Black & Decker, I learned the importance of achieving commitments and doing what you say you'll do.

I then spend 10 years in private equity learning that every question of business can be answered with a number, developed an understanding for how to drive value through a hypersensitive return on investment mindset and how best to transform many different types of companies in honing best-in-class processes and operating structures. I believe these paths have forged a balanced mindset that made Vista Outdoor the perfect opportunity for me to use both my experiences and skill set to the fullest.

My overarching goal when I walked in the door 3.5 years ago was to transform Vista Outdoor, from a collection of great but underperforming brands into a leader in the outdoor space. Most leading companies that I've ever been associated with distinguish themselves with a well-understood purpose, supported by clear vision and a commitment across the organization to what's most important.

We wake up at Vista Outdoor every day united in our purpose of bringing the world outside. We empower our people to develop better products and timeless brands, so that we can empower consumers to have the confidence to be at their best outdoors. And we are committed to what we and our people believe leads to long-term lasting health of our company.

At Vista Outdoor, we believe that we do well. When we do well, the impact should be felt across our organization and through all of our constituents. As we win, we believe this gives us even more ability to thoughtfully invest for sustainable success. In fact, we just recently established the Vista Outdoor Foundation. Our foundation is led by employees within Vista Outdoor, and is a vehicle we will use going forward to give to initiatives that we think are important, but also tied to our corporate purpose.

And we know well that what gets measured gets done. So like everything that really matters in our business, we've created KPIs. And we track and report out on progress at our monthly operating reviews.

One of the clinchers for my desire to be a part of Vista Outdoor is the sheer number of coveted industry-leading brands we own. Our stable of 35 brands gives us the size and scale to be one of, if not the single largest suppliers to all of our important retailers in the spaces we participate. I can't emphasize enough the importance of this, as it creates a true co-destiny relationship with our retail partners. We can't win without each other. And we work hard every day to deliver for our customers, so that when they look to grow, they look to us first.

If you're looking for just a 1-page summary on who we are and what we expect to deliver and how we are going to do it, well, here it is. This is a good page and a good summary of our strategic roadmap for the future. The rest of today's discussion, we will be expanding upon each of these items.

As a leadership team, we have developed 5 strategic pillars. Winning cultures attract winning people, and winning people attract more winners themselves. We know it's a war for talent, and we have brought in a lot of talent since I walked in the door, many of whom have worked for me previously. We've ignited the innovation pipeline and the marketing machine at Vista Outdoor. This is a strategic mind shift change that we are cultivating because I know that this is what it takes to create true organic growth. We view this as one of the most critical elements for our future success.

So starting 3 years ago, we started investing in 2 centers of excellence: e-commerce and supply chain. These take time, and are 2 important contributions though to our growth and our margin expansion. You should expect us to expand upon our centers of excellence concept as we go forward. In fact, we've recently added licensing as a third center of excellence, bringing in a licensing leader who has helped build another leading licensing company in his past. With the brands we have, there is no reason that licensing shouldn't develop into its own business unit, much like our other business units in terms of size and profitability.

Acquisitions will be an important element of value creation for us as well. I'm confident that we can prove to be smart, disciplined acquirers, and the early returns on Remington and HEVI-Shot support this.

With a lightly leveraged balance sheet, we're excited about the flexibility that we have for capital allocation. And we are currently demonstrating the ability to deliver on these financial returns, and will continue.

We have been fortunate in the last 12 months as the outdoor industry has prospered from folks wanting to get outdoors and recreate. However, we realize that a question on most people's minds or in many people's minds is, can we sustain it? Now we believe that there have been some structural changes that support the increased participation and the lasting effect of what we are currently seeing. Now I'm not saying we're going to continue to grow at the same type of growth we've seen in the past 12 months. But I am saying we believe this new level of sales is sustainable, and there are no indications that it won't continue to grow from here at historic rates. The reasons we believe that there has been structural change, and in particular, for Vista, is first, the sheer number of new participants that we welcomed into the industry -- in many of our industries is unprecedented. And these new consumers are younger and more diverse than we've ever seen, broadening our sense -- broadening our user base significantly. Secondly is the fact that many of our products are add-ons to primary purchases. And all of these primary purchases typically lead to after-sale continual purchases. Third, most of our products are very affordable and easily purchased online. In essence, we aren't selling RVs and boats. And fourth, getting outdoors is a lifestyle change. The challenge in our industry hasn't typically been repeat usage, but rather getting people to try for the first time.

This past year, as I mentioned, was a record year for our company on many fronts. We benefited from tailwinds that our industry felt. But we also reaped the benefits of a multiyear strategic transformation, in which we reduced debt by over \$1 billion through the sale of nonstrategic assets, while we dramatically improved our inventory positions, and the conversion of receivables and payables into cash. We also reduced expenses by over \$150 million, recruited an entire new leadership team, reconstituted our brands and our business units and implemented new metrics, a new metrics-driven performance culture and operating model. All of this heavy lifting resulted in EBITDA and EPS at the highest level in company history, surpassing levels when our stock was trading at over \$50 a share. But most importantly, we have developed the foundation to allow us to continue to grow profitably.

Now the last time we held an Investor Day was about 1.5 years ago. And at that time, we shared with you the same 5 strategic pillars that have become our roadmap. Now my 30 years plus of experience, success comes from relentless pursuit of a well-thought-out plan and maniacal execution

against that plan. The magic to any plan is sticking to what you know it takes to win, to not get distracted, to stay focused but remain open and agile to new ideas that can evolve and improve your plan. And this is what we have done, and this is what we will continue to do.

The first and arguably most important pillar is building the right team and the right culture. I'm proud of what we're building, and I believe the progress we are making bears this out. Almost 30% of our workforce is women and almost 20% is comprised of people of color. The brands we own are diverse, yet share the common desire to get people outside to recreate. We embrace diversity of people, thoughts and experience as something that strengthens us and enables our success.

Now when I walked in 3.5 years ago, we weren't winning. And to me, the reasons why we're clear. We didn't have a culture that enabled our people to win. We embarked upon a centralized structure that took the decision-making out of the hands of the brands and the business units. We yanked the founder's mentality out of the brands and created a slow and bureaucratic culture. As a result, we had talent that departed, and those that were left felt the sting. We restructured so that would never happen again. Our brands and our people feel empowered, and that they are in control of their destiny once again. We let them do what they do best and support them with a much leaner but more impactful corporate team, a corporate structure that allows us to leverage our size and scale and do what smaller brands could not otherwise do on their own. This truly creates a better together culture that our people fully understand. And understanding your role and how it leads to overall corporate success is both empowering and satisfying. I'm excited that our employees see and feel the changes we have made. In fact, Forbes recognized Vista Outdoor as one of America's best midsize employers in 2021, as voted anonymously by our employees.

Our second strategic pillar is organic growth. With the leading brands we have, you don't get to an industry-leading position overnight or by accident. And we certainly didn't forget what to do. But we did have to reset expectations, reset goals, KPIs and measurements to drive the success we are seeing now.

And to us, we drive organic growth in 3 primary ways. The first way is through innovation. New products is the lifeblood of our organization, and we are seeing the fruits of a new multiyear effort. This past year, we introduced an incredible onslaught of new products that each of our business unit leaders will certainly highlight for you. Now if you speak to any of our key customers, they will tell you that the innovation is back at Vista Outdoor across each of our brands.

The second way in which we drive organic growth is marketing. In consumer products, you have to be bold in telling your story. You have to get the cycles in the market sharing your message. And our creative team has been maniacal about getting the word out there. We will continue to measure our returns on marketing spend to ensure our message is being heard.

The third way in which we drive organic growth is through e-commerce, meeting our consumers where they want to find us and where they want to shop with us. And this could be with our e-tail customers or our own sites. Regardless, we want to create a frictionless experience for our consumers. In fact, e-commerce is such an important strategic initiative for us, we've created a center of excellence to help our brands accelerate their efforts.

When I walked in the door, we introduced what we call centers of excellence. These centers are areas that our brands may not have the expertise themselves or areas that require large investment dollars or even areas that are moving so quickly that it's hard for every business to keep pace. And e-commerce is one such area. We've created an environment where our e-commerce center of excellence will help pick the technology, the partners, the platforms, and the analytics to help measure and monitor investments and then results. And our brands will determine how, when and where they communicate with their consumers. They will pick the ambassador or ambassadors, the affiliates they want to partner with, because they know always the consumer best.

This dual approach has enabled us to be nimble, efficient and grow our e-commerce business over 50% each year at accretive margins. We've gone from less than 10% online sales in 3 years to about 20% today. And we've gone from less than \$10 million of direct-to-consumer sales to over \$100 million today.

We've seen strong increases in all key metrics this past fiscal year, and we believe this will help us create more synergies when we acquire new brands. Over the past few years, we have laid the plumbing for our e-commerce business and built out the ecosystem. We're adding to our ecosystem

every month to ensure the best brand experience possible. And our next phase is leveraging consumer insights and trends into loyalty programs and promoting cross-branding, both of which will create greater stickiness to each of our brands. We feel confident the investments we have made give us clear line of sight to expanding our e-commerce business by at least \$200 million over the next 3 years.

Now the other center of excellence we established 3 years ago is supply chain. We've added expertise to help our brands in a variety of areas. Areas like procurement, tariffs, hedging, SKU rationalization and freight optimization have enabled us to drive better productivity and expand our margins. We also use the center of excellence to help us find what we call spike capacity, external resources where subject matter expertise may be needed, and we don't want to add fixed overhead. This typically results in a stronger ROI for our company.

Our fourth strategic pillar is acquisitions. I'm excited to be at this juncture where we get to start playing a little offense. However, I can assure you that we're going to be very thoughtful. As I stated at the beginning, I've spent 10 years in private equity, so I know better than many leaders what it takes to be successful and why some acquisitions just don't deliver as promised.

The first step to successful acquisitions is to properly identify which businesses we think we can add value to and which businesses we can leverage our strengths, and importantly, selecting companies whose people and culture are a good fit with ours. We've developed a terrific funnel of opportunities that we are working on now.

The second step to good acquisitions is execution. We have developed a rigorous rhythm of execution within our business units, and we will apply this same approach to executing and integrating any acquisition.

And the third step to successful acquisitions is to assess trends and properly value the company to ensure we don't overpay. We'll stay disciplined on price and we'll leverage our centers of excellence and existing brands to leverage synergies.

We understand that most deals fail because, either: 1, you make a strategic blunder and betting on the wrong type of business; 2, you execute or integrate poorly; or 3, you overpay. And understanding this is paramount in avoiding the pitfalls.

Now we realize it's very early days, but we're excited about the first 2 acquisitions we have made in Remington and HEVI-Shot. Both of these leverage the size and scale of our industry-leading ammunition business. The last 2 acquisitions we have just closed on in the past 30 days is Venor and QuietKat. Both of which are new, but near adjacent categories for us and extend our reach into fast-growing and diverse new markets. Venor is a small but exciting and growing women's apparel business. The Venor brand gives us the opportunity to extend our reach with women and apparel with low risk, given the purchase price is largely tied to an earnout with the founder who will remain with the company. QuietKat, which closed just this past week, is a leading rugged e-bike company in the outdoor space. It is led by 2 extremely creative and passionate founders who will continue to lead the company. I view this as similar to our highly successful Camp Chef brand we purchased a few years ago. E-bikes is arguably the fastest-growing space within all of outdoor products and will continue to grow for many years to come. QuietKat is still small, but are the share leaders in their space and growing exponentially, with unbelievable upside that can benefit from Vista's strengths. QuietKat has built its #1 share position with a terrific product lineup that is supported by super creative marketing and customer service. It is also a terrific cultural fit for our company. Both of these acquisitions, we believe, are going to be winners for us.

Now although we are leaders in our space, with more #1 and #2 brands than anyone else, we have ample opportunity to grow our roughly 20% share position within our served markets today. And this growth can come organically or can come through acquisitions such as Remington. How equally exciting is the opportunity in front of us to look at the markets within the outdoor product space that play to our strengths, but we aren't currently participating in today. These markets represent well in excess of \$100 billion. And a great example of acquiring into this space is with our just announced acquisition of QuietKat, a terrific platform to grow in the exploding e-bike space.

So in summary, I couldn't be happy with the progress we've made to this point. We've fortified our brands, our people and our culture. We have the good fortune of competing in markets that are collectively large, attractive and growing. We have and will continue to generate free cash flow. And we continue to see further upside in our margins with our product innovation and our increased online penetration. Lastly, we have a management team with a proven track record for driving value.

I'd like to now turn it over to our business unit leaders, who will share with you our roadmap for driving growth and value in each of our brands. And then Sudhanshu will share with you a little bit more color on our financial trajectory.

Brandon?

Brandon Sparrow - Vista Outdoor Inc. - President of Camp Chef

Good morning. I'm Brandon Sparrow, President of Camp Chef.

I'm here to come and report to you. I clearly remember 1.5 years ago, speaking to all of you about how excited I was about the future of Camp Chef and how it was more exciting then than ever before.

I'm happy to report that in 2020, Camp Chef delivered its largest growth year ever. Camp Chef has executed well to be a true digital-first business. These efforts and focus have paid off in spades this year. When the world went into a social distance environment, we were there for our consumers. We were ready to fulfill consumers' demand faster than our competitors. We have a much stronger brand, consumer base and set of operations than we did pre-COVID-19.

I'm so proud of my team and what they continue to accomplish. We are excited for our future plans.

From back country to back patio, no one has the breadth of products in outdoor cooking that Camp Chef delivers. We are the leader in premium camping stoves, while gaining market share in the backyard. 37% of those who purchase our Woodwind pellet grills in 2020 were not aware of our brand just 1 year ago. 75% of those first-time consumers subsequently bought numerous accessories to make those grills even more capable. History shows us they will be back many more times as they see how Camp Chef offerings can raise their game to the next level.

Pre-COVID, there was already a growing trend with consumers trying camping and investing in their overall cooking game as well. During the pandemic, people flocked to the outdoors. Many could no longer eat at their favorite restaurants, and therefore, stepped up their cooking game at home. All of this activity led many to the Camp Chef brand and our great line of products. It has changed their lives. And now they're telling their friends and family all about it. Post pandemic, things look even better for Camp Chef. Our loyal customers, which we call the Camp Chef family, has grown considerably. Campgrounds are being booked up quicker than ever before, and as more people go camping, there will be a direct lift in demand for all our camping products.

While many went camping in 2020, they were not able to gather together in big groups due to the COVID virus. There is pent-up demand for all of us to get together with those that we love and care about. We all want to share a great meal in the outdoors. No product in the market is better at cooking for a crowd than Camp Chef.

While Camp Chef was ahead of its competition being digital first, we still have great opportunities in sharing the story of coming together. Our areas of focus in 2021 will be new markets such as overlanding and tailgating. We will also be launching multiple products in the pellet grill and fire pit lines.

During this time, e-commerce partnerships became more important than ever before. Our consumers shifted to even more online purchasing. We are now doubling down on our capacity so we can continue to meet demand for all our online consumers. We expect great growth in these sales channels going forward.

Speaking of websites, Camp Chef will be rolling out a new website on the Salesforce Commerce platform later this year. It will be far more experience and customer-centric and will help take Camp Chef to the next level. Camp Chef has always built great products and been a grassroots word-of-mouth type of brand. People would go camping over the weekend, see our great products in action, and the phones would blow up on Mondays with consumers wanting to buy our products. While staying true to our roots, we will always build great products. People love to talk about them all the time. Now it's just so much easier to share with all your friends and family via the many social platforms. Suddenly instead of just the campsite next door seeing that great food you just cooked up, if everyone you know can see that you use Camp Chef to make some killer fajitas on that flat

top, we take that content at Camp Chef and share it with a much broader audience via our many digital marketing campaigns. From camp cooks to soccer moms and even some of the world's greatest chefs, new customers are discovering how Camp Chef's improving people's lives. The sharing of that content is going further and louder than ever before. It's all about elevating our consumer and making them the hero of their event. Whether that be at the hunt, camp high in the Rockies or that be in the backyard with your friends and neighbors, nothing is more motivating to me than seeing people coming together, sharing not only great food, but good times and building those great memories over a meal.

We have always been known for our product innovation, and that has not changed. We will be launching new products in all 4 of our categories. We are anticipating great demand for the upcoming game-changing product we will launch later this year.

We had so much demand, it was tough to keep up in 2020. That demand has not tapered off, and we are investing in all the right areas. We want to ensure our customers are having the best possible experience. Camp Chef is expanding our current campus as well as adding an Eastern DC to support the amazing growth expected in these coming years.

I want to close in saying thank you to all those in the Camp Chef family, both employees and consumers that make this brand so fun to be a part of. I also want to say, I'm once again more excited about being part of Camp Chef than ever before. Onward and upward.

Thank you for your time today. Next, we will be hearing from CamelBak.

Greg J. Williamson - Vista Outdoor Inc. - President of CamelBak

Thanks, Brandon.

Hello. I'm Greg Williamson, President of CamelBak, the global leader in hydration products for consumers who aim to live an active and healthy outdoor lifestyle. I'm excited to share with you today the continued progress we are making to strengthen and expand our business while building a strong foundation for future growth.

As you know, CamelBak is an iconic heritage brand in the outdoor product space. Over 30 years ago, we created a hydration pack category. And our continued focus on innovation has led us to a share leadership position in many of our served markets. It's an exciting time at CamelBak as we continue to focus on driving innovation and growing the business through a combination of channel, product and brand initiatives.

Our mission at CamelBak is clear. We are the leader in providing hydration and carry solutions that empower an active outdoor lifestyle. As we look at our business, we feel we are positioned extremely well for continued growth. We have earned leadership positions across our performance portfolio by continuously delivering a lineup of versatile and highly functional products, designed to serve a variety of outdoor activities. As Chris highlighted earlier, many of these activities are experiencing a boom in participation, which will further fuel our growth.

Over 10 years ago, CamelBak was the first to bring BPA-free water bottles to the mass market. And we continue to hold strong leadership positions in those categories today. In recent years, the trend towards stainless steel bottles and drinkware has given us an opportunity to extend into these large and growing categories. We continue to gain share in the stainless steel bottle category. And last spring, we entered the drinkware space with the successful launch of our Horizon Drinkware line.

As we strategically think about our drivers for growth, our approach is to enhance and extend our business across our channel, product and brand platforms.

Regarding channel, we are working closely with our core retail partners to ensure we have the most optimal product listings and brand presentation throughout our distribution network. As we do this, we are also extending into new channels, like tech fitness and custom print, to take full advantage of emerging consumer trends. We are applying the same enhance and extend philosophy to our product portfolio. We are focused on driving innovation through deep consumer insights, while continuing to increase the sustainability of our products. We are executing this approach across our core product portfolio to further solidify our leadership position and into new categories like drinkware as we expand our product offering.

Last, we know one of our most powerful assets is the CamelBak brand itself. This equity has been built over 30 years of delivering great products and a great user experience. Extending the brand into a new generation of consumers through engaging content, investments in digital marketing and the widening of our brand partnerships represents a tremendous opportunity for our business.

As you can see from this slide, we have made significant progress as we execute on our plans for growth. Over the last several quarters, we have successfully renewed our relationship with REI, bolstered our in-line listings at many key retail partners and have partnered with Peloton on an exciting product supply agreement.

I will speak shortly in more detail about our continued investments in new products. But you might recall that when I presented back in 2019, I laid out a plan to deliver on an NPVI goal of 65% by the end of 2021. NPVI, or New Product Vitality Index, is a measure of current year sales generated by products introduced over the last 3 years. With the success of our new products launch over the last 2 seasons, I'm pleased to report that we have achieved this goal a year ahead of schedule.

As I referenced earlier, extending our brand reach through investing in digital channels is a critical component to our strategy. Investments in our capability, technology and our content are paying off, as we have tripled the engagement rates on our social channels and doubled our D2C sales over the last 24 months.

In addition to focusing on our commercial strategies, we have also strengthened our foundation to enable future growth. Operationally, we are improving inventory efficiency by effectively managing the product life cycle and by driving SKU rationalization.

As we are operating in a dynamic market, establishing an agile and efficient supply chain is critical to our success. With that in mind, in the last 12 months, we have consolidated part of our distribution center with Bell + Giro, leveraging existing infrastructure and capabilities. Additionally, we have recently relocated our primary plastic bottle manufacturing from Asia to the Dominican Republic, reducing lead times and mitigating supply chain risk.

Lastly, and most importantly, we have significantly upgraded our talent and capability across our organization. Over the last 2.5 years, we have brought in new senior leaders across every function that have a combination of industry experience and deep functional expertise. These leaders are building highly capable teams that are delivering great progress across our strategies.

I want to take a moment now to dive deeper into new products and innovation, as great products are the lifeblood of the CamelBak business.

Over the last 18 months, we have made significant progress in enhancing both our core bottle and pack portfolios. Some highlights include a completely new lineup of stainless steel bottles featuring full powder coat finishes, fresh new colors and improved packaging. On the performance side, we launched a comprehensive series of hydration vests that created a new platform in hands-free performance hydration. Notably, we also entered the drinkware category. And we created a new category with the introduction of MultiBev, our 2-in-1 stainless steel bottle and travel mug. As I highlighted earlier, these great new products helped us achieve our New Product Vitality Index of over 65%.

As we look at this year and beyond, our new pipeline -- our new product pipeline is full. This spring, we launched a complete refresh of our BPA-free plastic bottle line, featuring Tritan Renew plastic, which is composed of over 50% recycled materials. We also launched a completely new line of bike packs, which has been tremendously well received by our customers and assigned perfectly with the resurgence of the bike market. Later this summer, we will be launching a line of everyday carry packs, specifically designed for the bike commuter, a market that continues to grow exponentially with the advent of e-bikes and improved biking infrastructure. And then this fall, we are introducing a completely new line of bottles and reservoirs featuring integrated filtration through our strategic partnership with LifeStraw, a leader in the water filtration space. These products, along with many others slated to launch over the next several quarters, gives us an innovation pipeline that will further solidify our position as a leading brand in the outdoor industry.

It's important to note, as we are bringing this robust pipeline of new products to market, we're doing so with a clearly defined sustainability program. Our commitment is that by 2025, all our new products will be designed and produced in a way that reduces our overall climate impact.

Our sustainability program, which we have branded REPURPOSE, defines 5 different sustainable technology badges that allows us to rate, track and communicate our progress to becoming a more sustainable brand. Through the implementation of this program, we have already converted over 1/3 of our pack portfolio to recycled materials. And we have many exciting projects to further progress our sustainability efforts.

I highlighted earlier that as a brand, we need to meet our consumers where they want to research, shop and ultimately purchase our product. Increasingly, this involves digital platforms. With the support of our digital center of excellence, in the last 6 months, we have redesigned our website, migrated the site to Salesforce Commerce Cloud, and greatly enhanced our digital marketing efforts through our partnership with Rakuten, a leader in managing performance and marketing in the digital space. These investments are delivering revenue growth by driving qualified traffic to a variety of e-commerce platforms, not only our own website, but to the sites of our e-tail and retail partners alike.

An additional part of our growth strategy is to expand our channel and brand reach through strategic partnerships. Our agreement with Peloton is a great example of this strategy, as this collaboration gives us access to the emerging tech fitness market and halos the brand by partnering with the undisputed leader in this new space. We will continue to partner with established and emerging brands and organizations that have relevance in our categories and with our target consumer.

Lastly, one of our biggest opportunities is to tell the CamelBak story through engaging digital content and effective messaging. With that in mind, we recently launched our new Thirst For More tagline and brand campaign, which positions the brand beyond our heritage and core hydration packs. Thirst For More provides a great platform to connect our diverse products and the active outdoor lifestyle that our brand empowers. The campaign launched earlier this month and is being deployed over a variety of digital and traditional media channels.

I'll leave you with a brief video that gives you a glimpse into the creative that will support Thirst For More.

(presentation)

Greg J. Williamson - Vista Outdoor Inc. - President of CamelBak

Thanks again your time today. I'll now hand it over to Ric Kern to talk to you about the Bell + Giro business.

Ric Kern - Vista Outdoor Inc. - President of Bell + Giro

Good morning, everyone. I'm Ric Kern, President of Bell + Giro. And I'm excited to be here today to talk to you guys about our family of brands and where we're headed in the future.

Three key takeaways from the meeting today. First, we're the market leaders and we continued to take share in this booming cycling market this past year. Second, we are known for great innovation, whether it's innovation as far as protection or design or technology. And I'll give you a couple of examples of that here in a minute. And finally, our strategy for profitable growth is all around digital growth, our international expansion and our growth in our powersports business.

So just a quick reminder who we are. We're a family of 5 brands: KRASH! and Raskullz, really geared to the kids in the youth market, Bell, where we play in bike helmets all the way from mass channels to high-end specialty. We have an accessory line in Bell and, of course, our powersports line. Blackburn, which is a niche specialty accessory line, which we're going to pivot on this year, and I'll talk about that as well. And then Giro, which is our pure high-end specialty brand, both in bike and snow.

So the reason this is important, the fact that we play in all these channels and all these different price points is really because we can catch you at the beginner, whether you're a child or an adult, take you through the ride to an enthusiast, all the way to an advanced performer. Bell is the #1 share in total and Giro is the #1 share in the specialty channel. So this, as we look at what's going in the bike business, sets us up well.

So let me talk about that real quick. When you look back at this past year, wow, 65% growth in the biking industry, led by e-bikes, up 145%, and mountain bikes, up 75%. E-bikes are really just changing the dynamics of the cycling industry. But we also saw a lot of new kids on bikes, and our category was up about 37%.

So why are we optimistic about the future? Well, first, both Europe and the United States are investing billions in cycling infrastructure to create safer places for people to ride. Second, we know a lot of people are not returning to the gym and are using cycling as an alternative to their workouts. Third, we know that bikes are becoming a replacement for mass transit. Who wants to get on a crowded subway bus or train to go to work when you can ride to work? And e-bikes, that explosion of e-bikes is really what's going to make the difference as it will make it much easier for people to commute. And then finally, our snow business. Although it was soft this year, we see this business turning around as resorts are going to be fully open next year, and we're poised to take a lot of share.

So we have 6 pillars for profitable growth that I want to talk about today.

One is continuing to build that brand loyalty. So as I mentioned, we're the market share leader or second in almost every category we play in, and we don't want to lose that. Innovation will fuel our growth. We're also building stronger relationships with our retail partners, and I'm going to give the example of that in a minute. International and e-commerce are going to fuel a lot of the growth that we have. And then finally, it's all about optimizing our supply chain and distribution network.

So let me talk about innovation first. So when we get up every morning at Bell + Giro, the first thing we think about is protecting those that are riding our helmets. Safety is #1. So most people are familiar with the MIPS technology of rotational management. It's in almost everyone's helmet. But we took it the whole new level this year, introducing our Spherical, which is powered by MIPS, but it just takes that rotational management system to a whole new level of protection. We launched it with our Giro Aether helmet to rave reviews. And in fact, in one of the German publications, Tour 9, they rated it the #1 helmet in all of Europe. So we're going to expand that Spherical technology to more Giro products, to Bell bike, and I'm going to give an example in a minute of one, and to our powersports division. And in fact, we just launched the Moto-10 Spherical helmet, which is the #1 motocross helmet. We launched it in a limited edition in April with 1,000 helmets, and we sold out all 1,000 helmets in less than 3 days. So we're excited about what this helmet is going to do for the powersports business.

The second area to talk about is really our innovation in design. So whether it's Raskullz, a KRASH! and creating the Mohawk, creating helmets that kids want to wear on their heads, not just half to wear, or Bell, I mentioned the Moto-10 Spherical. We're also launching the XR1 Spherical bike helmet that you see on here at the bottom, the camo helmet, which really combines the aerodynamics of a high-end road helmet with the full protection of a mountain bike helmet. So we're excited what this is going to do for us. And then Giro is at the precipice of design. Everyone looks for Giro for great design, whether it's in cycling helmets, footwear, snow helmets or goggles, they're truly leaders in design innovation.

We also look at what's going on in the market and the trends. And so as I mentioned, e-bikes is just -- it's changing the game, up 145%, and Europe is growing even faster. So Giro is launching this year 2 new urban e-bike helmets, the Escape, which is a fully let helmet USB rechargeable, and the Evoke, which has a drop-down shield for better protection. Also, the fastest-growing segment in cycling footwear are actually flat pedal shoes. You think about it, if you're on an e-bike, mountain bike, which is going a lot faster than a normal bike, and you need to get off because you're losing control, a lot of easier you get off with the flat pedal shoe than it is a clip in. And then if you're out riding in the city and you want to go to your favorite bar or coffee shop for a break, no one wants to walk in with clippity, clipped-in shoes. And so these new flat pedal shoes really make you blend in with the audience and so you don't stand out so much.

The other area where Giro continue to grow and expand is in our snow business. So as I mentioned, next year, a lot of growth coming back to the resorts. So our core committed enthusiasts, we have several new goggles and helmets that we'll launch over the next 2 years. But we're also getting into alpine skiing, downhill skiing. We had a new helmet coming out later this year, as well as back country. It's one of the fastest-growing segments, although small, but it's really taking off right now. And we have a new helmet that we're launching towards those individuals as well.

And then we have our eye out in 2022 on the Beijing Olympics, more to come there.

So we shift gears and talk about relationships. As I mentioned, Blackburn has been the specialty niche brand that we've had for years. And with millions of new riders entering the market, we wanted to make this more accessible to those riders. And so we partner with the world's largest retailer in bikes, Walmart, to launch 76 exclusive SKUs this past March, and we're really excited about this program. That was just phase 1. We'll be launching new SKUs at the end of this year as well. But we're excited to offer Blackburn through Walmart to so many new riders.

Speaking of the masses, I'm also proud to say that we have the largest portfolio of licensed business of anyone, any of our competitors. And I think what's exciting is most of these licensors come to us, to Bell to partner with because they know we make the best helmets, the highest quality, the greatest designs. And I'm pleased to announce we have 2 new partners this year, Minecraft and LoL. So we're excited to welcome them into the family and see what they can do for the business as well.

So I want to talk a little bit about marketing. How do we reach these users, these new riders coming into the marketplace. Well, first, I'm excited to announce Flashpoint MVMNT from Giro. So these are 4 athletes that we are sponsoring. It's a first-ever Giro-sponsored program, and they're really about reaching people who've never been on a bike in most cases, through social media, through events. But it's really about breaking down the barriers to cycling, whether it is gender or race.

And speaking of gender, I'm proud to announce we're going to continue investing in growing our Bell Joy Ride program. So Joy Ride, if you're not familiar with it, is really all about getting more and more women on mountain bikes, this fast-growing sport. And so we have ambassadors throughout North America that are focused on this as they have monthly these training seminars where they bring women to the mountain. And they have all different levels of riding, from a beginner all the way up to a hardcore woman who's bombing down the hill, and everything in between. So more to come there, but we're excited to continue with this program.

So I want to shift gears and talk about powersports. So as I mentioned earlier on, it's the biggest opportunity we have for growth. We do really well in the dirt. We have 35% market share, 45% in the U.S. We do well in culture, about 15% global share. But the largest opportunity is road, and we only have about 2% share globally, but it's a \$750 million market. So we're excited that we're going to be launching some new street helmets later this year. The Lithium, the white helmet you see there on your right, is 1 of our higher-end street helmets we'll be launching. And it really has all the bells and whistles that the European consumer is looking for. And then we're playing off of our custom 500 platform to launch the TX 501, the 2 helmets you see here, with a drop-down shield, which again is exactly what the Europeans need. So we're excited about this, and this is the tip of the iceberg of new street helmets we'll be launching over the next 3 years. And then finally, e-commerce. As I said, 1 of our main pillars of growth, we've been working closely with the center of excellence. And I would say we're disproportionately invested in this business because we're investing in our future here. So we're spending more on content, marketing, advertising, improving our D2C experience and making sure we are partnering with our Internet partners, our e-commerce partners and our brick-and-mortar. So my last slide is just to talk about, none of this works if we don't have the product. And let's be honest, this has not been a wave in the bike industry, it has been a tsunami. So we're working hard to deliver the products to our consumers. A couple of highlights. We're going to drive flawless execution [in rand toll]. We are opening up a new West Coast 3PL later in the year, which will really make it easy for many of our West Coast consumers to get the products much quicker. And then from the supply side, really working more and more closely with our suppliers as well as looking at other suppliers globally and bringing more back into [rand toll] from a manufacturing standpoint.

But the reason I believe that we're going to have continued growth and take share is really because of the great team I have the privilege to work with every single day at Bell Giro and our family of brands. So I'm excited about this company and about where we're headed.

So thank you very much, and now we'll be taking a 10-minute break.

(Break)

Vishak Sankaran - Vista Outdoor Inc. - President Hunt, Shoot & Tactical Accessories

Hello. I'm Vishak Sankaran, President for Hunt, Shoot and Golf. And I'm sure you felt the energy in that video, because our golf business is firing on all cylinders and well positioned for the future.

Our strategy is simple and it's delivering great results. We relentlessly focus on the golfing enthusiasts, tirelessly lead technology advancements to enhance their playing experience and (technical difficulty) [difference in] their game.

We just closed on a terrific year, one of the very best in our history, in which we outperformed the market, taking 5 points of share, while also expanding our margins.

As Chris mentioned, golf is an \$8 billion plus vertical with enthusiasts who are willing to commit time, effort and money towards their passion. It is a resilient and profitable market that has seen significant growth, with rounds played up over 14% last year. We are the market leaders in the EMD or electronic measuring devices category, that include laser rangefinders and GPS products. The EMD category grew more than 24% last year, as increasingly golfers recognize that these devices are critical to improving their game and maximizing their golfing experience.

Over the past 20-plus years, through technology leadership and innovation, Bushnell Golf has established itself as a premier laser range finder in the industry, with over 98% of the Tour's professionals using our products. That is just 3 players on Tour who do not use our lasers. The influence and advocacy of these professionals and their positive impact on consumer preferences has propelled us to a leadership role in the EMD category, but more importantly, built awareness, trust and loyalty across the entire golfing community. In fact, we are widely considered one of the premier brands in golf.

This past year, we defended and extended our leadership with the launch of our V5 lasers. The V5 and the V5 Shift rapidly became the top-selling lasers in the market, and each individually garnered greater share than our next closest competitor's total share.

Even more exciting was the introduction of the Wingman Speaker. Not only did the Wingman quickly become the #1 GPS product in the U.S., but it also created an entirely new audio category in golf, further expanding our served market.

From an infrastructure perspective, we have brought on new technology and vendor partners capable of working in a seamless and integrated fashion to accelerate our pace of innovation while also improving our overall margins.

Finally, we continue to strengthen our commercial capabilities. Our partnership with the E-Commerce Center of Excellence allowed us to grow our e-commerce channel by over 24% last year.

Internationally, we have expanded our distribution partners, positioning us well for incrementality in the immediate and long term.

The foundations we laid last year have positioned us well for continued growth. The launch of a new line of GPS watches and handhelds will continue to expand our share, especially in the international markets. It is important to note that unlike North America, where lasers are the preference, the rest of the world is predominantly a GPS market and one in which we have historically been underrepresented. These new GPS products, with multilingual capabilities and features especially designed for the international golfer, will drive significant upside.

Another area of opportunity is the golf category, which is still nascent, with low penetration in North America, offering continued upside for the Wingman and the extensions that we already have planned in our product road.

Finally, we are redesigning and launching our mobile application to enrich the experience of using our great products. The device and the app together will provide golfers meaningful course information, scorekeeping capabilities, in-play insights and other features enabling community sharing that will further enhance and enrich their playing experiences.

As we look beyond this year, there are technologies emerging that are driving significant evolution within the professional golf community. These include the emergence of sensors and technologies to capture data around hitting dynamics, club data, ball trajectories, impact and flight.

Equally important, data analytics software and predictive modeling are allowing us to extract meaningful insights from these data sets to improve playing performance. Emerging technologies around mobility also make it feasible to make these insights available on course during play.

We see these technologies rapidly reaching a level of maturity that allows for creating value, not just for professionals, but also everyday golfers. We believe our brand, with the broad trust we enjoy across the entire golfing community, positions us well to bring these technologies to the market in a meaningful way.

To accomplish this goal, we recently entered into a partnership to create and launch a line of performance-enablement products and services within the next 9 to 12 months.

In closing, our strategy for the golf business is working. When you add together our digital maturation in e-commerce and mobility, our ability to bring meaningful product innovation to the market and our focus on the international expansion, we are well positioned to see continued growth while maintaining healthy margins. Thank you for your time, and I'll be up back shortly up here to cover our Hunt/Shoot business.

(presentation)

Vishak Sankaran - *Vista Outdoor Inc. - President Hunt, Shoot & Tactical Accessories*

Now let's switch gears to our Shooting Sports segment. That video, I'm sure, gave you a sense of the passion we have for our Hunt/Shoot business, which had a record year, delivering growth with share gains at healthy margins.

The key to our winning strategy is our large diversified portfolio of brands and products that provide meaningful scale necessary to deliver leadership economics when leveraged across a shared go-to-market and supply infrastructure. Add to that the thoughtful segmentation of our brands to focus on key enthusiasts and our investments in e-commerce to capitalize on changing consumer buying behavior, and we are well positioned to outperform the market.

We play in a \$3.5 billion plus hunt/shoot and general observation market that is still highly fragmented and rich with opportunity for gaining share to drive growth. Our stable of powerhouse brands enjoy broad awareness, a loyal consumer following and rich industry heritage. That, together with the deep-rooted relationships we enjoy across our multiple channels of distribution are key enablers of our success.

The changing dynamics in our markets are creating sustainable favorable trends. Renewed interest in outdoor recreation and the field-to-table movement is driving growth in hunting participation, with license sales growing over 8% last season. Likewise, the heightened focus on personal protection has led to a surge in gun ownership with over 8 million first-time owners. It is important to note that every gun purchase is accompanied by between \$50 to \$250 in accessory purchases within the first year.

Equally exciting is the continued reopening of the international markets and the recovery we are seeing in law enforcement, military and government channels. Budgets are reverting back to standard gear [and so COVID] related purchases.

FY '21 was a great year for us. We strengthened our brands, driving over 2.4 billion earned media impressions, and are building an engaged social following with over 2 million consumers.

Our innovation engine is firing on all cylinders and delivered a 27% vitality index. We are particularly excited about the success in our Optics business. The strong consumer preferences of our new Optics products led to increased retail assortments and share gains across multiple segments within the category, most rewarding of which was regaining the leadership position in laser range finders.

Within the Vista Outdoor family, our partnership with the Ammo sales team on the law enforcement and Mil Gov channels delivered immediate success with contract wins at the 75th Rangers, Delta Force and multiple SWAT teams across the country.

Finally, our partnership with E-commerce Center of Excellence and talent investments within our business on content creation, performance marketing and attribution modeling drove more than 50% year-on-year growth in our e-commerce channel.

Equally exciting is the growth we saw in traffic to our branded websites, with over 8 million unique visitors.

As we enter a new year, it is one of immense significance. 25 years ago, Bushnell introduced laser range finding technology to the hunting industry and transformed this world. The laser range finder eliminated the need to guess distances, making hunting a more enjoyable and rewarding experience for our consumers.

To celebrate this watershed moment, we launched the anniversary of [accuracy campaign] last month in partnership with our brand ambassadors. It is off to a great start with tremendous consumer engagement.

As passionate enthusiasts, we are constantly seeking to innovate and have developed a robust discipline process to drive our new product vitality of over 30% across the portfolio.

Our investments in R&D capabilities, especially in electronics and mobility, allow us to leverage emerging technologies to create meaningful products and solutions for our consumers. These innovations will continue to fuel share gains within our penetrated markets.

A perfect example is the Fusion X ranging binocular with ActivSync technology that automatically adjusts display from black to red as users go from sunny to dark conditions, which are especially common in prime hunting periods of early morning and late afternoon.

Likewise, thoughtful integration of mobile technologies, improved user interfaces and image recognition will meaningfully change the functionality of our trail cameras.

Outside our penetrated market, there is over \$1 billion of underserved categories and adjacencies that we are aggressively pursuing and expect to enter within the next months.

Another key area of growth for us are the new participants who have entered the industry. We are focused on creating a supportive ecosystem for these new entrants to enhance their hunt and shoot experiences. Our Need to Clean, Own the Range and Your Right to Protect campaigns are focused on ensuring easy access to information, education and training materials on gun use, care, storage and safety. We believe these efforts will promote a safe, responsible experience while also enabling us to build awareness and loyalty for our brands with these new participants.

We are equally focused on supporting these new entrants at our channels of distribution. Our range program in partnership with top shooting ranges in our country will support their education, training and shooting practice initiatives for these new gun owners, while also introducing them to our products as they first enter the market.

Equally important is e-commerce, which is not just an opportunity with our pure-play e-tailers, but also our brick-and-mortar partners as they actively focus on fortifying their online businesses. Our digital maturation allows us to act as e-commerce category captain for our retail partners to support their online growth, while also engaging with our consumers directly at the point of purchase and discovery.

Finally, I want to cover our commitment to sustainability. We are focused on reducing plastic content in our packaging. For example, over the past few years in our Optics category, we have reduced the number of products sold in plastic clamshells by over 74%. Similarly, we are reducing our paper consumption as we transition from print to digital and online manuals, which allowed us just in last year to eliminate 13 million pieces of paper.

In closing, our Hunt/Shoot business is well positioned for the future. Our investments in R&D and operations have positioned us to bring meaningful innovation to the market at an accelerated pace. That, coupled with our powerhouse brands and digital maturation in e-commerce will continue to drive growth while also delivering leadership economics.

Thank you for your time. And now let's hear from our President for the Ammunition business, Jason Vanderbrink.

(presentation)

Jason R. Vanderbrink - Vista Outdoor Inc. - President of Ammunition

Hello. I'm Jason Vanderbrink, the President of CCI, Federal, Hevi Shot, Speer and Remington Ammunition, and I'm excited to talk about our growth and the future of the ammunition market today. The key takeaways I want to highlight today: We are the leader in the ammunition market. The acquisitions of both Remington and Hevi Shot, our strategy for growth and profitability and how we will win with very strong fundamentals.

We are #1 in commercial ammunition and #1 in the United States law enforcement market due to the great family of brands that we have. Federal is the clear leader in premium ammunition. CCI is the world's leader in rimfire ammunition. Speer is the #1 choice for law enforcement. Remington is #1 in big game hunting and large rifle. And Hevi-Shot is the clear leader in the nontoxic shot shell arena.

As mentioned on the previous earning calls, our back order position is in the billions and continues to grow.

I want to address the market trends that are affecting our industry. One of them is the influence of COVID-19 pandemic driving different buying behaviors. The increased interest in the outdoors, combined with the social unrest that we saw in mid-2020, completely shifted the ammunition market. Part of this shift was unmatched. New diversity in firearm buyers, most notably the 8 million new buyers in 2020. In previous [nick] spikes, it was existing firearms owners just buying more firearms. These 8 million new buyers, many of whom are women and people of color, bring true new demand to this market.

Part of the shortage you are hearing about is driven by the shift in the market I spoke about earlier. What is the first thing someone does when buying their first firearm? They buy ammunition. So imagine if all 8 million people, new shooters, each purchased 2 boxes of 50 rounds each, that is 800 million rounds of new ammunition.

Another way to picture this, if all 800 million rounds were 9-millimeter, our most popular round, it would fill an astounding 572 semi trucks. Now as a man who sells ammunition for a living, that makes me take great pause.

Additionally, I challenge you to visit a gun clubber range that isn't really busy, with a long list of people either wanting to become members or just waiting to shoot. It is absolutely clear that consumption is indeed happening much more than the previous surge.

In addition to the new shooters, U.S. Fish and Wildlife is reporting hunting license sales grew 8% in 2020 versus a decline of 3% in 2019. That is a game changer. As the industry has continued to see year-over-year declining participation, so to see an increase shows the impact of field-to-plate movement, organic meat and more time in the original socially distanced activity of hunting the outdoors.

We also need to realize that hunting ammunition is our most profitable segment of our business. The last surge was limited to 9 millimeter, 22 long rifle and 556 223. This surge is very different due to the reasons I just covered. I cannot go a day without getting calls about ammunition shortages for literally every caliber and every activity. Stores keep calling about hunting ammunition for a season that doesn't start until later this fall.

Now we're excited to talk about the 2 most recent acquisitions we did in fiscal year '21. I'll start first with Remington. During the bankruptcy auction, we were very interested in acquiring Remington. Remington is the best brand name recognition in the industry. This deal made sense for Vista in a lot of areas. Most importantly, Remington added capacity to Vista without increasing the overall market capacity.

Now I know right now everyone needs and wants more capacity. But we have seen the pitfalls in the past of adding capacity with surges, and then close down certain lines of production.

Additionally, Remington is complementary to us in several areas. Look at Core-Lokt, for example, the clear market leader in big game deer hunting ammunition.

We can learn a lot from this brand on how to better market our products.

On the other side, the CCI-Federal R&D pipeline is extremely strong. During the downturn in the market, we doubled down on our R&D spend.

With several changes in ownership and the bankruptcies, Remington R&D had suffered for many years. You can expect many, many more new products from Remington in the next few years.

My last point covers both Remington and Hevi-Shot. We now have 4 factories to find the lowest cost routing for every product in our portfolio, and learn best practices from each factory. This brings a strong competitive advantage in making us the best in low-cost manufacturing.

With Hevi-Shot we acquired, it's an iconic brand and the leader in premium non-toxic shotshell. Every waterfowl hunter knows the name and the legendary performance Hevi-Shot brings. What we are most excited about is their metallurgic technology that will drive innovation across the entire portfolio of brands, not just shotshell. Additionally, from Speed-Shok, Sportsman Steel, Black Cloud to Hevi-Shot to Remington HyperSonic Steel, we have you covered on every price point for the water fowl hunter.

Our strategy for growth is adapting to meet the needs of the ever changing market. Number one is financial accountability. During the market downturn, we focused on rightsizing our business, our headcount and expenses. With the market expanding, we are not losing track of those learnings, and we continue to focus on expense discipline and how we maximize overhead absorption every day of the year.

At a time with billions in back order, most companies are not looking to generate new business. Right now, we feel it's the absolute right time to generate new business and build long-term relationships. There are initiatives to grow our business at the direct-to-consumer level: gun clubs, gun ranges, game farms, and our continued support of youth shooting sports and many, many more. We want to lock that business in place so if the market softens, we have those relationships that already exist.

The culture of continuous improvement is what will set us apart from our competitors. This focus on driving cost out of the business is an annual process that never stops. We understand our vendors may need to increase prices due to commodity markets changing, but we challenge our team every year to reduce our costs by 1% to 3% in every aspect of production. Our goal is to be the low-cost manufacturer of ammunition in every product category we make ammunition in.

With product innovation, we all strongly believe in Steve Jobs' model: start with the end user and work backwards. During the market downturn, we didn't slow down R&D, we doubled down. New products are the lifeblood of our company, and you will see in a later slide the progress we have made.

In fact, this year we are about to introduce the 2 biggest new product innovations in our 99-year history. There will be more to come on this in the coming quarters.

Partnership opportunities opened up with the divestiture of our firearms business. We can now partner with every company to grow our revenue base and develop new products in every area. There are more partnerships to come, I just can't mention them at this time.

Part of our digital innovation strategy is a growing our community and engaging for the long term. Today, I'm extremely excited to announce we are going to launch a subscription ammunition delivery service for users who want a consistent monthly delivery and are willing to make a longer-term commitment to Vista. We expect this program to launch in the summer of 2021. This will be an industry first and an absolute game changer.

Additionally, last week we just launched our first consumer loyalty program that will incentivize customers to purchase from Vista Outdoor's family of ammunition brands. This is an industry first, and we expect the connection we gain from the end user to influence all parts of our business.

Reaching beyond our core is a major key to our success. We are creating targeted advertising campaigns, targeting women, people of color that are in the 23- to 54-year-old demographic based on the new firearm ownership data that I spoke about earlier.

Our partners and protection program is also based on personal protection being a main driver of the new firearm ownership.

Additionally, one cannot look past the increase in hunting. Our partnership with Hunt to Eat films is a training series from the field all the way to table to engage these new users.

We also are now advertising in new spaces. We are now putting ads in places you may never expect to see ammunition. The plan is to meet our consumers wherever they are, websites like kitchen.com or thelist.com as an example.

During this last year, our direct-to-consumer team built a platform from the ground up, had a very aggressive revenue goal, exceeded it and delivered an experience that allows the end users to better connect with CCI, Federal and Speer. Part of this experience is now that the end users can shop CCI, Federal and Speer products in one endless aisle.

As I spoke of earlier, new products are the lifeblood of our company. Over the last year, we have released many new products and several game-changing new products, partnering with the MeatEater, the hottest product in the category of non-lead products; Terminal Ascent, the best bullet for hunting, period; 462, the buckshot that splits in half to double lethality; and FireStick, a revolution to muzzle loading.

In 2021 and 2022, you will see substantially more innovation and bigger product releases from us.

Our focus on operations and supply chain is part of how we win with strong fundamentals. First, we are bringing the lean process from CCI and Federal to Remington. We now have 4 plants to find the low-cost routing and determine where and when to deploy the newest technology.

Our KPIs are very simple: throughput efficiency, overhead absorption, quality and cost reductions. These drive growth, competitiveness and financial performance.

Everyone wants to ask, what are our plans for capital deployment? And should we expect another factory in the future plan? Right now, we are spending capital in 2 areas. We're going to open bottlenecks to expand production while reducing costs. Keep in mind, any time we spend capital to reduce costs, it also expands production.

CCI, Federal, Remington and Speer will continue to support military and local and national law enforcement. We want to highlight a couple of contracts that show our commitment to that. Customs and Border Protection, \$112 million over 5 years. A multitude of federal agencies will buy from this contract. Winning back Boston Police Department. Boston PD is a leader on the East Coast, and smaller departments look at this selection to help guide their own contracts.

Ammunition is a dynamic market. We have all seen the boom and bust cycles before. The difference now from before is we had declining participation rates in both hunting and shooting; now the rates are growing. The base of shooters continues to expand further with women and people of color. The desire for personal protection is at an all-time high. And with the impact of COVID-19, people want to rely on themselves for food, and have more time to hunt.

We have learned from the last downturn, and we are substantially a better company today from A to Z. Now I'll turn it over to our CFO, Sudhanshu Priyadarshi.

Sudhanshu Shekhar Priyadarshi - Vista Outdoor Inc. - Senior VP & CFO

Thank you, everyone, for joining us today. I'm Sudhanshu Priyadarshi, Chief Financial Officer at Vista Outdoor, and I'm pleased to provide our financial update and long-term outlook for the company.

You have heard from many of our great leaders today. Our CEO, Chris Metz, outlined our value creation framework and growth opportunities. Our GMs provided further insights into our leading brands. They shared how product innovation is driving market share and how we are gaining efficiencies by leveraging our centers of excellence across the portfolio.

This leads us to the strong financial foundation we have secured through sound discipline and execution. We are well positioned with financial flexibility over the next 3 years to further invest in growth opportunities and drive shareholder value.

I will talk more about this, but first, let's start with our key takeaways. We have leading brands and a well-positioned strategy. The tailwinds in outdoor participation rates will drive sustainable and profitable growth. Our strong balance sheet, free cash flow generation and disciplined capital allocation strategy will allow us to favor opportunities with the highest rate of return to shareholders. Let's take a look at how our prior multiyear strategic transformation plan led us to this enviable position today.

Over the last 4 years, we have made significant progress, which has positioned us well to capitalize on investment opportunities going forward. For example, both GAAP and adjusted EPS hit records high, driven by record growth in revenue and EBITDA margins. This allowed us to reduce our leverage ratio from 4.3x in fiscal '20 down to 0.7x in fiscal year 2021.

Over the last 4 years, we have been able to deleverage our balance sheet during an unprecedented downturn in ammunition sales.

In March, we refinanced our senior notes and credit facility with more favorable terms and have no debt maturing for the next 5 years. With the credit facility currently undrawn, this leaves us with ample dry powder to invest in attractive capital deployment initiatives in addition to investing our free cash.

These accomplishments allowed us to drive long-term shareholder value through strong fundamental strategic discipline. Our value creation framework, our roadmap to 2025 is supported by our 5 pillars, including talent and culture, organic growth, our centers of excellence, acquisitions and capital allocation. These strategic pillars are foundational to how we operate, grow and make investment decisions over the long term.

As Chris shared, Forbes named Vista Outdoor, America's Best Midsize Employer in 2021. I have been with many major companies who have received recognition. I can personally attest to the culture, momentum and excitement at Vista Outdoor. It is a great honor, and one we do not take lightly.

As we think about what separates Vista Outdoor from others, the differentiation is that our leading brands drive leadership economics with a focus on the core consumer and best-in-class capabilities. Today, we are well positioned to further leverage these competitive advantages and drive long-term value for shareholders. Given the confidence in our portfolio today, we are pleased to provide a 3-year outlook, with sales increasing on average 10% or more annually, which includes organic and inorganic growth. EBITDA margins in the 15% to 20% range are expanding from 15.5% from what we just reported for fiscal 2021. Free cash flow of \$600 million or more over the next 3 years.

E-commerce sales as a percentage of total sales to be approximately 25% to 30% and capital expenditure to be roughly 1% to 2% of sales, with a leverage ratio between 1x to 2x. Our overall capital allocation strategy is focused on investing in opportunities with the highest rate of return. Over the last 3 years, we were heavily focused on paying down debt; and now with a leverage ratio below 1, we have great financial flexibility to further invest in our brands. We continue to introduce new products, which our consumers have come to expect from our leading brands. We are also investing in advanced e-commerce capabilities to serve our consumers wherever they shop. We are focused on acquisitive growth. For example, we are evaluating opportunities that we can further grow sales and profitability by leveraging the shared resources of our platform.

We are applying a disciplined approach to M&A and will not overpay. Going forward, our acquisition efforts will be 100% focused on categories outside of ammunition. With the remaining capital, we will make share repurchases, primarily to manage dilution from stock-based compensation; however, we will continue to evaluate all opportunities to deliver long-term value for our shareholders. In early May, we announced a new \$100 million share repurchase program. In fact, we have already started utilizing it to take advantage of what we view is an undervalued stock. Our acquisition strategy is focused on 2 types of deals: scale and scope. Scale deals are those that fits well with our existing brands. We look for meaningful synergies to manage costs across the portfolio. We want the ability to drive leadership economics and leverage our centers of excellence.

For scope deals, we are focused on large and growing addressable markets. We look for brands that are differentiated and resonate with our consumer and those in which Vista can add significant value to the targets overall business. These acquisitions must be structured to create a win-win for both parties and drive long-term shareholder value. As we look across our portfolio of brands and business segments: innovation and

our center of excellence platform will play a large role in driving organic growth. From Golf to Camp Chef, to Bell + Giro to CamelBak and within Hunt Shoot and Ammunition, we have several opportunities to drive that growth. This is accomplished through new product development, distribution, partnership, international and market expansion.

We also have great opportunities to better connect with our customers and grow brand loyalty. Most importantly, we want to be in the path of our consumer wherever they shop. This is driving a multichannel strategy. As we know, today's consumers often shop across physical locations as well as digital. We have taken several initiatives to optimize inventory within our retail channels to get the right product to the right consumer. Within e-commerce, we are continuing to enhance our brand websites using our unified platform. We utilize various channels to enhance our marketing outreach, lower our shipping cost and improve the customer experience and marketing pull-through rates.

In summary, our strategy is creating long-term shareholder value by leveraging our unique ecosystem to drive a strong free cash flow and reinvest in our highest return opportunities. This strategy is supported by growth in innovation and e-commerce as measured by product vitality indexes and e-commerce as a percentage of sales. Gross margin expansion by higher-margin innovation and managing product and channel mix. Delivering productivity and operating leverage, working capital management by driving solid cash conversion. Managing CapEx as a percentage of sales and through accretive acquisitions.

Before we jump into Q&A, I would like to close with this. Vista's portfolio of leading brands generates more value by leveraging our better together platform. We had a strong consumer trends in outdoor activities with a larger and more diverse addressable market. Our commercial ammunition trends are sustainable as the industry has changed, allowing us to drive long-term free cash flow generation. We have a strong balance sheet and a management team with proven experience.

With that, let's now open it up to your questions.

QUESTIONS AND ANSWERS

Kelly L. Reisdorf - *Vista Outdoor Inc. - Chief Communications & IR Officer*

Hi, everyone. Good morning, and thank you for submitting all of your questions through the platform. We have received dozens and dozens, and it's much more than we can accomplish with our time this morning. So as I've been going through, I'm trying to lump them together into light topics so that we make sure to cover as much as we possibly can this morning.

So first, Chris, we're going to start out with -- there's been many questions regarding Venor and QuietKat. And the -- our audience is looking for any color that you can provide on the size from a revenue and EBITDA standpoint of these businesses? Our audience is also interested in our thoughts around synergies with these businesses as well as capacity to meet demand. And any color that you can provide on distribution channels?

Christopher T. Metz - *Vista Outdoor Inc. - CEO & Director*

Thank you, Kelly, and thank you for the question. We couldn't be more excited to close on the latest 2 acquisitions, which gives us 4 acquisitions closed in the last 6 months. Now both Venor and QuietKat are on the smaller size in terms of overall revenue and EBITDA generation, but both growing very, very quickly. And I would draw a parallel from QuietKat to Camp Chef in terms of size and potential for our businesses as we go forward. It's an exploding category, and they're the number one share leader in this off-landing space. So the demand trends in both these businesses are robust, and it really plays into our synergies. So we can go in and help them from a capacity standpoint, given the relationships we have across the world and the tentacles we have into different material and sourcing locations.

And the same goes with distribution. We can introduce both these brands to some of the largest customers, not just here in the U.S., but across the world. So 2 very, very exciting categories for us and really extend, if you go back to my chart from markets we serve today into markets that are more nearly adjacent but then play off the synergies of our businesses. So you think of Bell + Giro and being able to build out Helmets &

Accessories and what have you. And you think of the channels of distribution that can help our Venor business get female-inspired apparel into channels that they haven't been into to date. So very, very exciting for us.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

Our next question is regarding Camp Chef. And the question is what trends are you seeing with consumers this year as compared to last summer as people gravitated outdoors during the pandemic? Do you expect sales to normalize at a lower rate than the growth that you've seen in this business over the last year?

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

So another good question, given the strength of our -- and the growth of our Camp Chef -- our Camp Chef business. And normally, Brandon would answer that question, but Brandon had to run out for a very important customer meeting, and we don't stop any of our leaders from driving revenue growth. So we let Brandon off the hook here. So I'll take that question. And the structural changes that I talked about across all of our business units is certainly exist in Camp Chef. And we've got numerous market research, third-party syndicated research that supports that the folks that have gotten outside to cook in the outdoors or in their backyard, is going to continue to persist, and the demand will be there.

Now is it going to grow at the high double-digit growth rate that Camp Chef has seen this past year? Listen, we're not here to say, it's going to continue to grow at that level, but we think with the new entrants into the marketplace, it will continue to be a robust business for us, much like it was pre-COVID. COVID has just accelerated it, and we think that demand should continue into the foreseeable future.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

Great. The next question is regarding our licensing center of excellence. The question from Ryan Sundby of William Blair submitted is, the new licensing center of excellence sounds interesting. What brands do you think have the most potential? And how do you balance the decision of licensing the brand versus building internally?

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

Excellent. So that licensing -- and I'll take that question again because it really touches across all of our brands and business units, business units that we feel like have licensing opportunities. And specifically, I would encourage you to think of our biggest brands first. In our biggest brands, we always want to innovate and be a prime developer manufacturer of those brands ourselves, where we play in those categories today. So we wouldn't look to license something that is either in our wheelhouse or in areas that are really play to our strengths in our core competencies. But think of Remington. So we were bidding on Remington 6, 7 months ago, we were competing against people that were prepared to write a very big check just for the IP related to the Remington brand because they felt like this brand ought to play in a number of categories.

So you've seen recently, we've announced licensing arrangements in outdoor coolers. We think there's apparel. We think there's all sorts of accessories in the firearm-related industry. So Remington's just one example of one of our bigger brands that has enormous potential to extend into categories that we certainly have those channels of distribution. We know the brand plays, but we don't have the strength internally to get into some of these new categories we've never been into before. So we're looking at all of our brands from Camp Chef to CamelBak to Bell + Giro to Federal Premium to all of our Bushnell Hunt Shoot accessory brands. And we're really taking the largest opportunities and ones that have the largest growth going forward first.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

Great. The next question is e-commerce related. And the question is from Brett Andress of KeyBanc. And he's looking to understand how we can frame up the percentage of the increase over the next 3 years and how we view the breakdown of direct-to-consumer versus total e-comm versus retailer e-comm? And so even what portion of that 25% to 30% goal do we think could be direct-to-consumer?

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

So why don't I take that one again, Kelly. And Brett, we appreciate the question. And again, because it touches all of our businesses and it's center of excellence for us. So we've given a bit more color today even in my presentation on where we're at with e-commerce and specifically where we're at with our D2C. So we said, e-commerce in total is about 20% of our business and growing dramatically. We mentioned D2C, for the first time, has grown the last 3 years from under \$10 million to about \$100 million today. So if you take that kind of 10x growth over the last 3 years, I mean, clearly, that growth is going to slow down a bit. But when we look at 25% to 30%, we see D2C continuing to grow exponentially. But as our retailers continue to embrace all of our products and connect with the things that we're doing online to market and bring business into their e-commerce ecosystem, I think you're going to see both of them continue to grow at a pretty rapid pace as we go forward.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

Great. The next question is in regards to Shooting Sports demographics. The question submitted by Matt Koranda at ROTH Capital is, what are you seeing in the demographic data on Shooting Sports participation year-to-date in calendar 2021? And how does this compare to the trend of 2020 in terms of participation?

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

So why don't we let Jason and Vishak both touch on this a little bit in both their businesses. So Jason, why don't you talk a little bit about the demographics that you're seeing and then Vishak can add on to that, I think.

Jason R. Vanderbrink - Vista Outdoor Inc. - President of Ammunition

So as we touched on in the Ammunition presentation, the demographic has certainly shifted in a much more favorable way for long-term sustainability of the Ammunition business. Last year, we had 8 million new gun owners, 40% of those were women and people of color. And then also in 2021, so far, we're at 2 million new gun owners in about the same representation. So it's a much-needed demographic that our industry was needed for long term viability. And as far as consumption, it's -- like I said in the presentation, you go to a gun club or a gun range right now, there's long lines if you can get in. So it is certainly being consumed right now, whether -- the previous surge, we didn't see these consumption rates. So we love the long-term viability of what we see in the market, especially with these new entrants.

Vishak Sankaran - Vista Outdoor Inc. - President Hunt, Shoot & Tactical Accessories

Yes. And just to add to what Jason said, right, the same trends that Jason talked about on the personal protection side is something we are seeing on the hunting side. Where license sales are up, up 8%. And really, the whole Field to Table movement, coupled with the desire to be outdoors has really helped bring many new participants into the sport. And so we think -- we see that as a very healthy trend for us. When you look at our accessory categories that are focused both on hunting as well as shooting sports, and then you couple with it the Ammunition surge that's there and the impact that it has on our reloading business where we are a market leader, and we feel very good about the sustainability of these trends and the forward looking momentum that we have with the participation.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

Great. Okay. The next several questions are all related to the ammo subscription program. So we'll kind of start from the top here. Can you help give us some color on our ability to satisfy ammo subscription demand? And will you be prioritizing those customers?

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

Well, we have Jason. Do you want to answer that?

Jason R. Vanderbrink - Vista Outdoor Inc. - President of Ammunition

Yes. So this morning, we announced that later on this year, we'll have an ammunition subscription. It's probably the most exciting news to come out of our business unit in many, many years. And how we're going to satisfy that demand is, we have some organic capacity expansion going on. So we're going to take some of that organic capacity expansion and offer it to customers who want to give us a longer term commitment. So every month, our customers will get ammunition delivered to their house at the caliber that we offer. And the good news is, it doesn't take away from our regular customers, you're still going to get more Ammo in fiscal year '22 than you did in '21.

We're just going to take a portion of the new ammunition coming on organically. And part of Chris' challenge to our team, to our company, is to meet the consumer wherever the consumer is at. And we certainly get a lot of inquiries on, can I get a sustainable amount of ammunition per month that I can count on. So it's an industry first. It's going to be revolutionary, and we're also going to service our customers, our long-term customers, more ammunition in '22 than we are in '21 as well.

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

And Jason, let me just add on a couple of points, and I'll brag on Jason a bit and the -- our ammunition business. One of our hallmarks over the past number of years is really driving innovation. And so Jason and the ammunition business have not just been riding the tailwinds that we've seen over the past 12 months, but before that, they were innovating with new calibers and new cartridges that the industry hadn't seen. They introduced D2C, ammunition's first -- industry-first offering product directly to the consumer.

And so then what we challenged Jason and team on was, "Hey, listen, how do we take this surge we're seeing and create more stickiness." So how do we get consumers more loyal to our product line and subscription is a perfect example, right? So those of us who buy through a certain type of retail or what have you, like to continue to get serviced in a similar, more consistent manner and certainly, subscription business plays to that. It enables us to get closer to our consumer, learn more about the consumers' wants, needs and lifestyle habits and really connect with them on their terms.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

Great. The next is an international-related question. International was briefly mentioned throughout. For CamelBak in particular, what trends are you seeing in this market for this business? And where does this fit into your overall plans for growth?

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

Greg, do you want to handle that one?

Greg J. Williamson - *Vista Outdoor Inc. - President of CamelBak*

For sure. As you may know, CamelBak has actually been a global brand for well over 2 decades. We have a nice, solid footprint internationally, both in key markets in Europe, Latin America and throughout Asia Pacific. And the trends we're seeing in the market, those international markets now are very similar to what we're seeing here domestically. We're seeing great adoption of our new products, which is good to see. Our distributor partners there continue to get increased retail penetration throughout key accounts internationally. And then the user trends from our consumers internationally are very similar here. Our participation rates in the key markets that we serve continue to increase, and we continue to gain traction with that consumer. So we're very bullish on our international growth.

Christopher T. Metz - *Vista Outdoor Inc. - CEO & Director*

And I would add on to what Greg is saying that we've got a number of businesses that have a strong presence outside the U.S., and it's not something that we talk a lot about, which is our international business. But our international business has always been kind of in that low teens, 12%, 13% to 15% of our business. And so we do over \$300 million in revenue a year in international alone. And despite the challenges we saw in Europe and some other parts of the world that were shut down for longer periods of time with COVID, we still grew at low double-digit rate internationally. So as you start to look at growth opportunities for our company, it's one of those areas that we're going to take some of our bigger brands, and we're going to figure out how we increase our penetration because we're frankly underpenetrated in some of these markets where we've been there for decades.

Kelly L. Reisdorf - *Vista Outdoor Inc. - Chief Communications & IR Officer*

Great. The next question is a gross margin related question. Can you please discuss the impact of raw material prices and China tariffs on your gross margins?

Christopher T. Metz - *Vista Outdoor Inc. - CEO & Director*

Well, I'll take that question because it relates to a lot of our businesses. And you've seen it probably most pronounced in our ammunition business, where we've seen input materials at really record highs, copper being front and center. But we're seeing inflation as most consumer products companies are across the board. I can't think of a business unit that is not facing some type of challenge in inflation. And it's really across the entire value chain. It's from input materials to source finished goods to freight container carriers to even the last mile. And this is where I think the strongest brands in the industry prevail. We have the size, the scale and the relationships and muscle, frankly, to work our way through tough periods of time like this. So it's a bit of the strong get stronger, and we've seen that over the past year. And we anticipate that as we go forward, we're not going to get everything we want, but we certainly are going to get the lion's share.

Kelly L. Reisdorf - *Vista Outdoor Inc. - Chief Communications & IR Officer*

Great. The next question is related to QuietKat again. So in Ric's presentation, there was multiple references to the explosion in the e-bike category. How does QuietKat play into the Bell + Giro business?

Christopher T. Metz - *Vista Outdoor Inc. - CEO & Director*

Ric, do you want to handle that one?

Ric Kern - *Vista Outdoor Inc. - President of Bell + Giro*

Yes. So thanks, Chris. So first of all, I just want to say that on behalf of Bell + Giro and Blackburn, we're really excited to have QuietKat as part of the Vista portfolio of brands, and we look forward to working with them. When I talked about the e-bike explosion up 145%, and it's benefiting every

business, including road and urban, which was really soft. But the real explosive growth is in the mountain bike category, off-road and gravel, which is exactly where QuietKat plays. And so you look at Bell and Giro from a helmet perspective, and we are the #1, #2 share generally in mountain bike helmets.

And so to be able to work with them on our current line of helmets as well as some of the new helmets in that space we'll be launching in the next 2 years, we think it's very exciting. Whether it's from a design or graphic standpoint or co-marketing, there's a lot of opportunity there. The other area that we think will be unique to these 2 businesses coming together is our Blackburn accessories line. I mean, Blackburn is positioned itself as that bike camping accessory business. And when you think of that and what QuietKat is doing, it's a perfect marriage. And so looking forward to working with them on a lot of different initiatives, both on helmets and accessories moving forward.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

Great. This next question is regarding the ammo and reloading supply shortage. As a competitor in the clay target field, I've traveled extensively shooting tournaments around the country. Shotgun shells have been in short supply or not available. What is being done to get ammunition product to the market? And when can we expect reloading components will also be available?

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

Very good question. And as you know, we go-to-market with our ammunition business that Jason leads, and we've got our RCBS reloading business that Vishak leads, both of them working very closely together to figure out how we can get more of the markets. So Jason, why don't you address the ammunition question, and Vishak, you can tag on from reloading.

Jason R. Vanderbrink - Vista Outdoor Inc. - President of Ammunition

Sure. Yes. On the -- good question. On the -- particularly, what we're seeing on the shotgun shell market is very similar to what we're seeing across the board really. I mean, shotgun shells is in demand as much as I've ever seen it in demand in the 27 years of in the ammunition business. So one of the things that we were faced with when Remington was going bankrupt, they were a major shotshell producer, and it took a while to get that shotshell line up. So the consumers, in the fall, when we acquired the company to now get the supply chain ramped up, getting the workers trained, you're seeing more Remington shotgun shells in the market than they have in the last 6 months. On the federal side of the business, shotshell market is very robust. As a matter of fact, we're going to introduce a very new product this year at the Grand American in Sparta, Illinois in the shotshell arena.

But the shotshell market is -- with the Remington slowdown, that takes a while for that supply chain to work its way out. But I'm happy to say every month right now, Federal and Remington are shipping more shotgun shells than they have in the previous month, while also supporting the youth shooting sports, which we do every year, and we have done for over 50 years to ensure the SCTP, the trap, all of the kids that are shooting high school sports right now, shooting shotgun shells, we certainly have also tried to take care of those folks as well. So the schools can play the sports of shooting trap. So bear with us, the shotgun shell is this very same path that we're seeing on 9-millimeter 22 long rifle, but it certainly is getting better.

Vishak Sankaran - Vista Outdoor Inc. - President Hunt, Shoot & Tactical Accessories

And just to add a few comments to what Jason said. In addition to what Jason is doing on the ammunition side to make sure, he's making sure there's greater availability of shotgun shells. On the reloading side, we have seen a significant surge in our business. Obviously, in the absence of ammo, people are seeking to make their own ammunition through reloading. And our sales and our presses as well as all our dies and accessories are significantly grown. And we have been very thoughtful in the investments we are making to make sure there's additional capacity that we are bringing online in a thoughtful way to add to that availability of product. So we continue to support the consumers and the shotgun shell, the

shotgun side, as much from the reloading components perspective as much as possible to make up for the gap that's there in the ammunition market at this point.

Kelly L. Reisdorf - *Vista Outdoor Inc. - Chief Communications & IR Officer*

Great. The next question is regarding organic versus acquisition growth and our long-term targets. How does the 10% annual growth goal breakdown between organic growth and acquisition growth? And what is your expectation for sales for Remington over the next 3 years?

Christopher T. Metz - *Vista Outdoor Inc. - CEO & Director*

So what we've tried to do is frame up where we think our business can grow in total. So that 10% goal is to grow 10% compounded annually per year. Now in fairness with the Remington acquisition, we feel like this year could be a year where we exceed that 10%, even though we haven't guided on it for annual sales and earnings. We're off to a robust start here in the first quarter, and we don't see demand abating. So as we look at our overall business, we think that 10% over -- per year over the next 3 years is achievable.

Now when we start to break this thing down, our number one priority is organic growth. And we see so many opportunities to continue to fuel all of our new product innovation, and you saw some of it this year with some of the great new products that our GMs talked to you about. All of our e-commerce, digital marketing, becoming a marketing powerhouse again in the industry is critically important to us. So we feel like we can continue to grow at a healthy clip in -- organically. And then as we add companies on, it creates kind of an overcharge for our business. So in total, we feel like we should be able to hit that 10% or better each year.

Kelly L. Reisdorf - *Vista Outdoor Inc. - Chief Communications & IR Officer*

Great. The next question is also related to our long-term targets. And could you give us some color on what you feel are the underlying market assumptions assumed in that 10% sales growth and 15% to 20% EBITDA margins?

Christopher T. Metz - *Vista Outdoor Inc. - CEO & Director*

Sudhanshu, do you want to take that one?

Sudhanshu Shekhar Priyadarshi - *Vista Outdoor Inc. - Senior VP & CFO*

Yes. So we have -- thanks, Chris. We have different businesses. And if different markets are going differently, we have a lot of #1 and #2 brands. So we will go at market or better than market in those categories. And so if you think about it, organic will be mid-single-digit or more and rest will be filled by inorganic growth. Regarding the margin, we had a great, great year last year. We did more than 15% EBITDA margin. And we believe as we grow more, better innovation, higher-margin innovation, more e-commerce, more DTC, and we will get the operating leverage as our businesses will grow. So that will drive the EBITDA margin, and that's where we are comfortable, say, we will be in 15% to 20% EBITDA margin for the next 3 years.

Christopher T. Metz - *Vista Outdoor Inc. - CEO & Director*

And I would add on to that a little bit, too. We're not assuming that in the targets that we've given that last year, that enormous growth rate is repeatable. You think about the back half of last year, our fiscal year, we grew our Outdoor Products business 30%, 40%. We're not here saying we're going to grow that business 30%, 40%. We are saying, though, that, that new level is certainly sustainable to grow at historic rates, and that plays into the mid single-digit growth rate organically.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

Great. The next question is around margin sustainability. An extremely favorable promotional environment was presumably a benefit to FY '21 margins. What gives you the confidence to say that margins could only go higher after fiscal '21?

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

So as we look at margins, there's a number of things that we did pre-COVID to position our company to continue to extend our margin profile. And clearly, the demand over the past 12 months has only heightened that gross margin expansion. But the fundamentals we put in place was you grow margins in Consumer Products businesses, first and foremost, with new products. Every time you come up with a new Pro V1 -- Pro V5 or you come up with a Sphere MIPS type of rotational helmet, whether it be Moto or what have you, or you come up with a new Wingman or any new caliber or Horizon drink line, those come with higher margins, not just for ourselves but for our customers as well.

And we do -- we go-to-market in a very disciplined manner with map pricing to ensure that everybody along the value stream makes money. So we that's first and foremost. Secondly, as we continue to penetrate more in e-commerce, it just gives us a better margin profile as we start to sell through the e-commerce channels of distribution. And even before those two, we made a very fundamental shift in our overhead and our G&A and running our operations as lean as we could. So those are the things that we worked on pre-COVID. Now with ammunition being the largest part of our business. I mean, clearly, buying a Remington, we've created what we feel like is an even more disciplined industry now as we go forward. We've got, I think, like competitors in the sense that they watch growth, they watch their margin profiles. And we feel like we've got a disciplined industry.

Now obviously, we can only control the brands that we're selling here. But we feel like we're in a position in our biggest business unit to continue to sustain that type of lift. And then you'll see continual innovation from us, whether it be a subscription program, whether it be increased D2C, whether it be a loyalty or affinity program, you're going to continue to see us develop new avenues to ensure that our margins not only stay where they're at today, but grow as we go forward.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

Great. And on that same topic, on the EBITDA margins, does the 15% to 20% EBITDA margin goal, does that assume a higher profile in Outdoor Products than what we've traditionally obtained? And are they structurally higher as we look forward?

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

Well, as we think about Outdoor Products, we certainly see opportunities grow at a faster clip as we start moving into the medium and longer horizons. We've just closed on 2 acquisitions in Venor and QuietKat. And our whole focus from an M&A perspective right now is focused squarely on Outdoor Products. And Outdoor Products typically come with a higher-margin profile. So I think the answer is, yes, that's what you should see from us. And we've spent a lot of time. We didn't just wait until we reduced all of our debt to start developing that muscle for M&A.

We've been looking at a lot of stuff and generating that internal dialogue so that when we got to the starting blocks, we were ready, and we knew how our team thought. We knew what they thought about valuation. We knew how they thought about execution, integration and everything else. So Remington being the first one. So we've got a pretty robust pipeline of M&A acquisition targets that we're looking at that I think will continue to fuel that Outdoor Products business. So we're pretty excited about it.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

The next question is Hunt Shoot related. What more can you tell us about the roughly \$1 billion of underserved Hunt Shoot categories? What are these? And why or why not has Vista not entered them in the past?

Christopher T. Metz - *Vista Outdoor Inc. - CEO & Director*

Vishak?

Vishak Sankaran - *Vista Outdoor Inc. - President Hunt, Shoot & Tactical Accessories*

Yes. So thanks, Chris. So when you -- we stay very close to our consumers in the Hunt Shoot space to both keep a close watch on what their preferences are for products and how these markets are evolving and growing. And one of the areas, for example, that I have seen significant growth in recent years is in red dots. We've always been a player in tubular red dots. But when we look at reflex red dots, with the growth in the handgun market, they have seen a significant surge and rapid increase in their market. And so we actually launched last year, we focused our innovation on those categories, and we launched last year a line of RXS red dots that have tremendous acceptance in the marketplace. On the consumer side, the RXS-100 did very, very well.

And equally, on the law enforcement side, our RXS-250, which is absolutely the best-in-class from a durability perspective and performance perspective in that price range has got tremendous acceptance and starting to get placement in a number of law enforcement forces. And then when you go further beyond that, you see categories such as [Hearing], you see Tac Nylon. You even see new categories that we're trying to create with the outdoorsmen speaker, that we think are opportunities for us to put our energies and innovation pipeline on and really deliver significant growth.

Kelly L. Reisdorf - *Vista Outdoor Inc. - Chief Communications & IR Officer*

Great. The next question is, has Vista executed on the share repurchase that was recently just put in place?

Christopher T. Metz - *Vista Outdoor Inc. - CEO & Director*

Sudhanshu, do you want to take that one?

Sudhanshu Shekhar Priyadarshi - *Vista Outdoor Inc. - Senior VP & CFO*

Yes, we have. We think that our stock is highly undervalued, and we're taking advantage of it. We already bought more than 1 million shares in last -- since we got the authorization in early May.

Kelly L. Reisdorf - *Vista Outdoor Inc. - Chief Communications & IR Officer*

Okay. The next question is regarding the ammunition backlog. The ammunition backlog that we mentioned in the billions. Does that mean multiple billions?

Christopher T. Metz - *Vista Outdoor Inc. - CEO & Director*

Yes.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

Okay. The next question is regarding the ammo subscription program again. What detail can you provide on the direct-to-consumer penetration within ammunition? And on the subscription service, specifically, how do you envision monthly order values? Any typical commitment that a consumer might make? And any color on typical calibers and products that they might be interested in?

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

Yes -- Jason, you can handle that. But again, it's pretty early on in the subscription program to be given a lot of detail on it.

Jason R. Vanderbrink - Vista Outdoor Inc. - President of Ammunition

Yes. We'll -- in the next coming months, we'll certainly outlay the program. As far as calibers, think of the most popular calibers we sell today. And again, the customer has got to sign up for a long term commitment, and then we will ensure a set amount of ammunition delivered to their residents every month.

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

And I'll just add on to that. So when we talk about subscription, too, I mean, one thing we didn't really talk about is the custom business, which is something that Jason and team thought of gosh, over, Jason, a year ago or so, and here, it's a business that you can literally call and order any caliber you want that we don't currently stock. Any bullet, any cartridge, any powder, any propel, anything you want in that, and we'll build it for you, and that's sort of developed into more than \$1 million business today.

Jason R. Vanderbrink - Vista Outdoor Inc. - President of Ammunition

And if I could add on, as far as I think the subscription is certainly very, very exciting. We launched a loyalty program last week. And in 1 week, we're at over 20,000 loyalty subscribers. So the more they purchase from Vista brands in the ammunition, you can use those points to get some merchandise. So the loyalty program is off to an absolutely fantastic start as well.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

Great. The next question is regarding capital allocation. What color can you give us on how you are evaluating the best uses of cash? Is this ROIC or driven by another metric?

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

Sudhanshu, you want to start with that and I'll add on?

Sudhanshu Shekhar Priyadarshi - Vista Outdoor Inc. - Senior VP & CFO

So capital deployment is a key priority for us. As you know, before, we were only paying down debt and slightly investing in acquisition. But now with the strong balance sheet, our leverage is 0.7, and we have not used any ABL. So we have a lot of firepower and we'll always look to invest our free cash flow where we think we can deliver the most value for our shareholders. We believe our number one is investing in organic business. We have a best payback there, and that will also drive higher-margin organic growth. Chris talked about a large fragmented market of M&A, and we have a lot of room to play there, and you saw the acquisitions like QuietKat, Remington, Hevi-Shot, those are highly accretive. And third, as I said, we believe we are highly undervalued, and we will continue to do, say, repurchase to -- and return money to the shareholders.

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

And what I would add to that, too, is we may not always be able to acquire in the fashion, we've acquired the first 4 businesses. But an important part of driving value for our shareholders is whenever we can develop relationships in the industry to give us a proprietary look at a business, we're going to do that. Where we can have quiet conversations, gain confidence of a potential seller and really strategizing, get creative on developing a win-win, so that the seller, the buyer and our shareholders win. And 3 of the first 4 acquisitions we closed on were proprietary deals, where we developed those types of relationships, and we're able to close without an auction process, bidding the price up.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

Great. It looks like we're going to have time for about 2 final questions. This next one is regarding sustainability of ammunition. Historically, ammunition has been a cyclical business. But given the strength of today and the backlog and the billions, do you believe that there has been a structural shift towards more sustainable revenue?

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

Jason, do you want to address that?

Jason R. Vanderbrink - Vista Outdoor Inc. - President of Ammunition

Sure. Thanks, Chris. As we covered in the presentation earlier this morning, we have seen a dynamic shift in the market with the 10 million new shooters. We touched on the organic meat, the food to table, the license sales from U.S. Fish and Wildlife, up 8%, over a decline of 3% prior year. All of this stuff as far as consumption is happening, hoarding is much less, inventories are nonexistent. It is a much, much different surge than we had saw previously. And all of the fundamentals are in place for a very sustainable run in the ammunition market. It is totally different than what we had seen in the previous surge. It is a much healthier much diverse. And I think the COVID pandemic, people getting outside, it's here to stay.

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

Yes. And I would add on to that, Jason. We -- as we've alluded to in previous public remarks, we have a database of our consumers that buy our product that we talk to every month, and a lot of it is made up of very heavy shooters. And what we've seen to Jason's point is the ammunition that's been bought over the past year or so is really dispersed across the widest demographic we've seen to date. And it's not being bought up by orders of ammunition per se, they can't find it on the shelves. It just doesn't exist today. And we've never seen the depth and the breadth of different calibers being purchased as we have today. So we've talked about it before. This movement in ammunition is really a 3-legged stool and not just sitting on that 1 leg that is fear of Second Amendment rights being pulled. I mean there's a lot of other factors that have gone into the increase in demand that we've seen, and it's exciting to see because we're helping people get outdoors and recreate in ways they hadn't done before.

Kelly L. Reisdorf - Vista Outdoor Inc. - Chief Communications & IR Officer

Great. And our last question is also capital allocation related. Would the company consider increasing share repurchase beyond offsetting dilution, if M&A activity was limited?

Christopher T. Metz - Vista Outdoor Inc. - CEO & Director

Sudhanshu, you want to take that one?

Sudhanshu Shekhar Priyadarshi - *Vista Outdoor Inc. - Senior VP & CFO*

Yes, we will. Our short-term focus is to manage dilution. And we believe that organic growth and M&A will drive better value. But if we don't find, we will find a way to return money to shareholders.

Christopher T. Metz - *Vista Outdoor Inc. - CEO & Director*

Yes. I mean, we have no plans to sit on any more cash than we have to. So to the extent that -- we feel like we can -- we see enough opportunities in front of us with organic growth and with acquisitions and with share repurchase opportunistically to be able to manage dilution. We think that's going to eat the \$200 million of free cash flow plus that we're going to drive each year. But to the extent that they don't come to fruition as planned, we certainly will figure out other ways to allocate our capital back.

Kelly L. Reisdorf - *Vista Outdoor Inc. - Chief Communications & IR Officer*

Great. So that concludes our Q&A session for today. Those are great questions. And unfortunately, we're not able to get to every single one. And in closing, I'd like to hand it over to Chris Metz with some closing comments.

Christopher T. Metz - *Vista Outdoor Inc. - CEO & Director*

Thank you, Kelly, and thank you, everybody, for attending this morning session. We went a little bit over because we had a lot of questions. And we're here for you to the extent that something wasn't answered and you wanted to dig in a little bit further after we get off the call. So in summary, what I'd like to close with is, if I were -- or we were in your shoes, contemplating a continued investment in Vista or a new investor in Vista, one of the compelling storylines for why you should be an investor in our company. First and foremost is, we've developed -- or we're participating in a level of demand that is unprecedented. And there are many factors to support the fact that it's a structural shift, and we're certainly going to see the demand continue for the foreseeable future. We're seeing it in Q1. We don't see any indications that it should slow down. In fact, if anything, it's really being able to supply and keep up with the demand across each of our business units.

Secondly, you got a whole new Vista team. And I think you've seen that over the past year or so, but a lot of hard work, heavy lifting went into, put us at the precipice of being able to grow. We were demonstrating that even pre-COVID in the last couple of quarters, and you see that today. Thirdly, free cash flow. I mean, here's a business that is historically in our tenure turned a lot of cash through working capital improvements, through margin management, through SG&A controls, has converted cash at an historic rate. We've signaled that we think we can generate over \$600 million of free cash flow over the next 3 years, and we're going to do that. And we've got a lot of ideas and ways in which we can deploy that.

And then fourthly, despite the run-up in our stock price over the past 18 months, we remain one of the best values in Corporate America today. We continue to trade at a steep discount versus our peer group. And we -- and that's evidence as to why we bought some of the shares that we've repurchased here over the last 30 days. But we think with the path that we've got going forward, we can continue to find ways to generate shareholder value.

So thank you for your time, and we look forward to talking with you again at the conclusion of our first quarter.

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