

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended: December 29, 2024
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number 001-37502



MASTERCRAFT BOAT HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
*(State or Other Jurisdiction
of Incorporation or Organization)*

06-1571747
*(I.R.S. Employer
Identification No.)*

100 Cherokee Cove Drive, Vonore, TN 37885
(Address of Principal Executive Office) (Zip Code)

(423) 884-2221
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	MCFT	NASDAQ

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

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

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of February 1, 2025, there were 16,752,512 shares of the Registrant’s common stock, par value \$0.01 per share, issued and outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain “forward-looking statements” within the meaning of the federal securities laws. These forward-looking statements can generally be identified by the use of statements that include words such as “could,” “may,” “might,” “will,” “expect,” “likely,” “believe,” “continue,” “anticipate,” “estimate,” “intend,” “plan,” “project” and other similar words or phrases. Forward-looking statements involve estimates and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are based on assumptions that we have made considering our industry experience and our perceptions of historical trends, current conditions, expected future developments and other important factors we believe are appropriate under the circumstances. As you read and consider this Quarterly Report on Form 10-Q, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties (many of which are beyond our control) and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many important factors could affect our actual operating and financial performance and cause our performance to differ materially from the performance anticipated in the forward-looking statements, including but not limited to the following: changes in interest rates, general economic conditions, changes in trade priorities, policies and regulations (particularly as a result of the 2024 U.S. election), including the potential for increases or changes in duties, current and potentially new tariffs or quotas, demand for our products, persistent inflationary pressures, changes in consumer preferences, competition within our industry, our ability to maintain a reliable network of dealers, our ability to cooperate with our strategic partners, elevated inventories resulting in increased costs for dealers, our ability to manage our manufacturing levels and our fixed cost base, the successful introduction of our new products, the success of our strategic divestments, geopolitical conflicts, financial institution disruptions and the other important factors described under the caption “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024, filed with the Securities and Exchange Commission (“SEC”) on August 30, 2024 (our “2024 Annual Report”). Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove incorrect, our actual operating and financial performance may vary in material respects from the performance projected in these forward-looking statements.

Further, any forward-looking statement speaks only as of the date on which it is made, and except as required by law, we undertake no obligation to update any forward-looking statement contained in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. New important factors that could cause our business not to develop as we expect may emerge from time to time, and it is not possible for us to predict all of them.

MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Six Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
(Dollar amounts in thousands, except per share data)				
NET SALES	\$ 63,368	\$ 89,750	\$ 128,727	\$ 184,055
COST OF SALES	52,476	68,812	106,037	140,642
GROSS PROFIT	10,892	20,938	22,690	43,413
OPERATING EXPENSES:				
Selling and marketing	2,824	2,500	5,698	5,584
General and administrative	7,432	7,225	14,902	15,601
Amortization of other intangible assets	450	450	900	912
Total operating expenses	10,706	10,175	21,500	22,097
OPERATING INCOME	186	10,763	1,190	21,316
OTHER INCOME (EXPENSE):				
Interest expense	(182)	(854)	(1,169)	(1,732)
Interest income	697	1,415	1,889	2,766
INCOME BEFORE INCOME TAX EXPENSE	701	11,324	1,910	22,350
INCOME TAX EXPENSE	275	2,644	468	5,139
INCOME FROM CONTINUING OPERATIONS	426	8,680	1,442	17,211
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX (Note 3)	2,322	(2,794)	(3,839)	(5,130)
NET INCOME (LOSS)	\$ 2,748	\$ 5,886	\$ (2,397)	\$ 12,081
INCOME (LOSS) PER SHARE:				
Basic				
Continuing operations	\$ 0.03	\$ 0.51	\$ 0.09	\$ 1.01
Discontinued operations	0.14	(0.16)	(0.24)	(0.30)
Net income (loss)	\$ 0.17	\$ 0.35	\$ (0.15)	\$ 0.71
Diluted				
Continuing operations	\$ 0.03	\$ 0.51	\$ 0.09	\$ 1.00
Discontinued operations	0.14	(0.17)	(0.24)	(0.30)
Net income (loss)	\$ 0.17	\$ 0.34	\$ (0.15)	\$ 0.70
WEIGHTED AVERAGE SHARES USED FOR COMPUTATION OF:				
Basic earnings per share	16,454,776	17,010,116	16,499,858	17,083,204
Diluted earnings per share	16,543,502	17,091,633	16,499,858	17,158,124

Notes to Unaudited Condensed Consolidated Financial Statements form an integral part of the condensed consolidated financial statements.

MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollar amounts in thousands, except per share data)	December 29, 2024	June 30, 2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 34,314	\$ 7,394
Short-term investments (Note 4)	28,548	78,846
Accounts receivable, net of allowance of \$150 and \$101, respectively	5,290	11,455
Income tax receivable	2,035	499
Inventories, net (Note 5)	36,988	36,972
Prepaid expenses and other current assets	4,554	8,686
Current assets associated with discontinued operations (Note 3)	—	11,222
Total current assets	111,729	155,074
Property, plant and equipment, net (Note 6)	52,841	52,314
Goodwill (Note 7)	28,493	28,493
Other intangible assets, net (Note 7)	32,750	33,650
Deferred income taxes	17,265	18,584
Other long-term assets	7,037	8,189
Non-current assets associated with discontinued operations (Note 3)	—	21,680
Total assets	<u>\$ 250,115</u>	<u>\$ 317,984</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	8,443	10,431
Accrued expenses and other current liabilities (Note 8)	52,176	55,068
Current portion of long-term debt, net of unamortized debt issuance costs (Note 9)	—	4,374
Current liabilities associated with discontinued operations (Note 3)	—	8,063
Total current liabilities	60,619	77,936
Long-term debt, net of unamortized debt issuance costs (Note 9)	—	44,887
Unrecognized tax positions	8,625	8,549
Other long-term liabilities	2,365	2,551
Long-term liabilities associated with discontinued operations (Note 3)	—	182
Total liabilities	71,609	134,105
COMMITMENTS AND CONTINGENCIES		
EQUITY:		
Common stock, \$.01 par value per share — authorized, 100,000,000 shares; issued and outstanding, 16,773,544 shares at December 29, 2024 and 16,759,109 shares at June 30, 2024	167	167
Additional paid-in capital	56,916	59,892
Retained earnings	121,223	123,620
MasterCraft Boat Holdings, Inc. equity	178,306	183,679
Noncontrolling interest	200	200
Total equity	178,506	183,879
Total liabilities and equity	<u>\$ 250,115</u>	<u>\$ 317,984</u>

Notes to Unaudited Condensed Consolidated Financial Statements form an integral part of the condensed consolidated financial statements.

MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(Dollar amounts in thousands)	Common Stock		Addition al Paid- in Capital	Retained Earnings	MasterCra ft Boat Holdings, Inc. Equity	Noncontr olling Interest	Total
	Shares	Amount					
							183,87
Balance at June 30, 2024	16,759,109	\$ 167	\$ 59,892	\$ 123,620	\$ 183,679	\$ 200	\$ 9
Share-based compensation activity	240,912	3	421	—	424	—	424
Repurchase and retirement of common stock	(183,629)	(2)	(3,509)	—	(3,511)	—	(3,511)
Net loss	—	—	—	(5,145)	(5,145)	—	(5,145)
							175,64
Balance at September 29, 2024	16,816,392	168	56,804	118,475	175,447	200	7
Share-based compensation activity	(3,255)	(1)	868	—	867	—	867
Repurchase and retirement of common stock	(39,593)	—	(756)	—	(756)	—	(756)
Net income	—	—	—	2,748	2,748	—	2,748
							178,50
Balance at December 29, 2024	<u>16,773,544</u>	<u>\$ 167</u>	<u>\$ 56,916</u>	<u>\$ 121,223</u>	<u>\$ 178,306</u>	<u>\$ 200</u>	<u>\$ 6</u>

	Common Stock		Addition al Paid- in Capital	Retained Earnings	MasterCra ft Boat Holdings, Inc. Equity	Noncontr olling Interest	Total
	Shares	Amount					
							192,08
Balance at June 30, 2023	17,312,850	\$ 173	\$ 75,976	\$ 115,820	\$ 191,969	\$ 120	\$ 9
Share-based compensation activity	185,055	—	(683)	—	(683)	—	(683)
Repurchase and retirement of common stock	(241,764)	(2)	(5,783)	—	(5,785)	—	(5,785)
Capital contribution from noncontrolling interest	—	—	—	—	—	80	80
Net income	—	—	—	6,195	6,195	—	6,195
							191,89
Balance at October 1, 2023	17,256,141	171	69,510	122,015	191,696	200	6
Share-based compensation activity	(8,117)	1	8	—	9	—	9
Repurchase and retirement of common stock	(214,219)	(2)	(4,458)	—	(4,460)	—	(4,460)
Net income	—	—	—	5,886	5,886	—	5,886
							193,33
Balance at December 31, 2023	<u>17,033,805</u>	<u>\$ 170</u>	<u>\$ 65,060</u>	<u>\$ 127,901</u>	<u>\$ 193,131</u>	<u>\$ 200</u>	<u>\$ 1</u>

Notes to Unaudited Condensed Consolidated Financial Statements form an integral part of the condensed consolidated financial statements.

MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended	
	December 29, 2024	December 31, 2023
(Dollar amounts in thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (2,397)	\$ 12,081
Loss from discontinued operations, net of tax	3,839	5,130
Income from continuing operations	1,442	17,211
Adjustments to reconcile income from continuing operations to net cash used in operating activities:		
Depreciation and amortization	4,456	4,207
Share-based compensation	1,274	973
Unrecognized tax benefits	76	586
Deferred income taxes	1,319	(341)
Changes in certain operating assets and liabilities	4,331	276
Other, net	539	(562)
Net cash provided by operating activities of continuing operations	13,437	22,350
Net cash used in operating activities of discontinued operations	(4,597)	(3,657)
Net cash provided by operating activities	8,840	18,693
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(4,594)	(4,794)
Purchases of investments	—	(67,237)
Proceeds from investments	50,885	87,195
Other, net	—	5
Net cash provided by investing activities of continuing operations	46,291	15,169
Net cash provided by (used in) investing activities of discontinued operations	25,992	(3,324)
Net cash provided by investing activities	72,283	11,845
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt	(49,500)	(2,250)
Borrowings on revolving credit facility	49,500	—
Principal payments on revolving credit facility	(49,500)	—
Repurchase and retirement of common stock	(4,478)	(10,173)
Other, net	(225)	(1,686)
Net cash used in financing activities of continuing operations	(54,203)	(14,109)
Net cash provided by (used in) financing activities of discontinued operations	—	—
Net cash used in financing activities	(54,203)	(14,109)
NET CHANGE IN CASH AND CASH EQUIVALENTS	26,920	16,429
CASH AND CASH EQUIVALENTS — BEGINNING OF PERIOD	7,394	19,817
CASH AND CASH EQUIVALENTS — END OF PERIOD	\$ 34,314	\$ 36,246
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash payments for interest, net of amounts capitalized	\$ 843	\$ 1,580
Cash payments for income taxes	205	8,116
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Activity related to sales-type lease	—	3,898
Capital expenditures in accounts payable and accrued expenses	122	449

Notes to Unaudited Condensed Consolidated Financial Statements form an integral part of the condensed consolidated financial statements.

MASTERCRAFT BOAT HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise noted, dollars in thousands, except per share data)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The Company's fiscal year begins July 1 and ends June 30, with the interim quarterly reporting periods consisting of 13 weeks. Therefore, the fiscal quarter end will not always coincide with the date of the end of a calendar month.

The accompanying unaudited condensed consolidated financial statements include the accounts of MasterCraft Boat Holdings, Inc. ("Holdings") and its wholly owned subsidiaries. Holdings and its subsidiaries collectively are referred to herein as the "Company." The unaudited condensed consolidated financial statements have been prepared on the same basis as the Company's audited consolidated financial statements for the year ended June 30, 2024, and, in the opinion of management, reflect all adjustments considered necessary to present fairly the Company's financial position as of December 29, 2024, its results of operations for the three and six months ended December 29, 2024 and December 31, 2023, its cash flows for the six months ended December 29, 2024 and December 31, 2023, and its statements of equity for the three and six months ended December 29, 2024 and December 31, 2023. All adjustments are of a normal, recurring nature. Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the applicable rules and regulations of the SEC for financial information have been condensed or omitted pursuant to such rules and regulations. The June 30, 2024 condensed consolidated balance sheet data was derived from the audited financial statements but does not include all disclosures required by U.S. GAAP for complete financial statements. However, management believes that the disclosures in these condensed consolidated financial statements are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto included in our 2024 Annual Report on Form 10-K.

Due to the seasonality of the Company's business, the interim results are not necessarily indicative of the results that may be expected for the remainder of the fiscal year.

There were no significant changes in, or changes to, the application of the Company's significant or critical accounting policies or estimation procedures for the three and six months ended December 29, 2024, as compared with those described in the Company's audited consolidated financial statements for the fiscal year ended June 30, 2024.

Discontinued Operations — On October 18, 2024, the Company completed the sale of its Aviara brand of luxury dayboats and certain related assets to a subsidiary of MarineMax, Inc. (the "Aviara Transaction"). The Company's sale of the business represents an exit from the luxury dayboat category, a strategic shift that has a significant effect on the Company's operations and financial results, and as such, qualifies for reporting as discontinued operations. Further, on December 23, 2024, the Company completed the sale of its Aviara manufacturing facility located in Merritt Island, Florida, to RMI Holdings, Inc. (the "Aviara Facility Sale"). The former Aviara and NauticStar businesses results for the periods presented are reflected in our condensed consolidated statements of operations and condensed consolidated statement of cash flows as discontinued operations. Additionally, the related assets and liabilities associated with discontinued operations are classified as discontinued operations in our condensed consolidated balance sheets for the prior-period presented (see Note 3).

Unless otherwise indicated, the financial disclosures and related information provided herein relate to our continuing operations, which exclude our former Aviara segment, and we have recast prior period amounts to reflect discontinued operations.

Reclassifications — Certain historical amounts have been reclassified in these condensed consolidated financial statements and the accompanying notes herewith to conform to the current presentation.

New Accounting Pronouncements Issued But Not Yet Adopted

Segment Reporting — Accounting Standard Update ("ASU") No. 2023-07, Improvements to Reportable Segment Disclosures, requires incremental disclosures about an entity's reportable segments but does not change the definition of a segment or the guidance for determining reportable segments. The new guidance requires disclosure of significant segment expenses that are (1) regularly provided to (or easily computed from information regularly provided to) the chief operating decision maker ("CODM") and (2) included in the

reported measure of segment profit or loss. The new standard also allows companies to disclose multiple measures of segment profit or loss if those measures are used to assess performance and allocate resources. This update is effective for fiscal years beginning after December 31, 2023, or fiscal 2025 for the Company, and is effective for interim periods within fiscal years beginning after December 15, 2024, or fiscal 2026 for the Company, and should be adopted retrospectively unless impracticable. The Company is currently evaluating the impact, if any, that the adoption of this standard will have on financial disclosures.

Income Taxes — ASU No. 2023-09, Improvements to Income Tax Disclosures, requires entities to disclose in their rate reconciliation table additional categories of information about federal, state and foreign income taxes and provide more details about the reconciling items in some categories if items meet a quantitative threshold. Entities would have to provide qualitative disclosures about the new categories. The guidance will require all entities to disclose income taxes paid, net of refunds, disaggregated by federal (national), state and foreign taxes for annual periods and to disaggregate the information by jurisdiction based on a quantitative threshold. The guidance makes several other changes to the disclosure requirements. Entities are required to apply the guidance prospectively, with the option to apply it retrospectively. The guidance is effective for annual periods beginning after December 15, 2024, or fiscal 2026 for the Company. The Company is currently evaluating the impact, if any, that the adoption of this standard will have on financial disclosures.

Income Statement — ASU No. 2024-03, Reporting Comprehensive Income — Expense Disaggregation Disclosures, requires entities to provide disaggregated disclosures of certain categories of expenses on an annual and interim basis, including purchases of inventory, employee compensation, depreciation, and intangibles asset amortization for each income statement line item that contains those expenses. The guidance is effective for annual periods beginning after December 15, 2026, or fiscal 2028 for the Company, and is effective for interim periods within fiscal years beginning after December 15, 2027, or fiscal 2029 for the Company. The Company is currently evaluating the impact, if any, that the adoption of this standard will have on financial disclosures.

2. REVENUE RECOGNITION

The following tables present the Company's revenue by major product category for each reportable segment:

Three Months Ended December 29, 2024			
	MasterCraft	Pontoon	Total
Major Product Categories:			
Boats and trailers	\$ 52,537	\$ 7,791	\$ 60,328
Parts	2,007	332	2,339
Other revenue	553	148	701
Total	<u>\$ 55,097</u>	<u>\$ 8,271</u>	<u>\$ 63,368</u>

Six Months Ended December 29, 2024			
	MasterCraft	Pontoon	Total
Major Product Categories:			
Boats and trailers	\$ 102,760	\$ 16,983	\$ 119,743
Parts	6,030	839	6,869
Other revenue	1,840	275	2,115
Total	<u>\$ 110,630</u>	<u>\$ 18,097</u>	<u>\$ 128,727</u>

Three Months Ended December 31, 2023			
	MasterCraft	Pontoon	Total
Major Product Categories:			
Boats and trailers	\$ 70,374	\$ 16,698	\$ 87,072
Parts	1,939	224	2,163
Other revenue	386	129	515
Total	<u>\$ 72,699</u>	<u>\$ 17,051</u>	<u>\$ 89,750</u>

	Six Months Ended December 31, 2023		
	MasterCraft	Pontoon	Total
Major Product Categories:			
Boats and trailers	\$ 140,198	\$ 34,816	\$ 175,014
Parts	7,130	477	7,607
Other revenue	1,207	227	1,434
Total	<u>\$ 148,535</u>	<u>\$ 35,520</u>	<u>\$ 184,055</u>

Contract Liabilities

As of June 30, 2024, the Company had \$4.1 million of contract liabilities associated with customer deposits and telematic services. During the six months ended December 29, 2024, \$1.4 million was recognized as revenue. As of December 29, 2024, total contract liabilities associated with customer deposits and telematic services of \$5.1 million were reported in Accrued expenses and other current liabilities and Other long-term liabilities on the condensed consolidated balance sheet, and \$2.5 million is expected to be recognized as revenue during the remainder of the year ending June 30, 2025.

3. DISCONTINUED OPERATIONS

On October 18, 2024, the Company completed the Aviara Transaction. As part of the Aviara Transaction, MarineMax, Inc. ("MarineMax") paid for select branding and operational assets, including Aviara's website, tooling, and inventory. MarineMax also assumed Aviara's customer care, warranty liability and administration. The amounts paid to the Company by MarineMax for ownership of the Aviara brand were offset by MarineMax's assumption of warranty liability and administration accruals. Further, on December 23, 2024, the Company completed the Aviara Facility Sale for proceeds, net of closing costs, of \$26.1 million. The transactions resulted in a \$6.2 million gain on discontinued operations related to the Aviara Facility Sale, partially offset by a \$4.3 million loss related to the Aviara Transaction.

As discussed in Note 1, the Company has reported results of operations for the Aviara segment as discontinued operations in the condensed consolidated statement of operations and the related assets and liabilities are classified as discontinued operations in our prior-period condensed consolidated balance sheets.

In fiscal 2023, we sold our NauticStar business. Pursuant to the terms of the purchase agreement, substantially all of the assets were sold and the purchaser assumed substantially all of the liabilities of NauticStar. The value of the assets and liabilities that were retained at the time of sale, which were primarily related to certain claims, is subject to change. Certain of these claims, which were reported in Accrued expenses and other current liabilities, have been settled or are expected to settle for higher amounts than previously estimated, with the related activity being recorded as discontinued operations.

The following table summarizes the operating results of discontinued operations for the following periods:

	Three Months Ended		Six Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
NET SALES	\$ (106)	\$ 9,731	\$ 7,200	\$ 19,680
COST OF SALES	1,133	11,862	11,286	22,750
GROSS LOSS	(1,239)	(2,131)	(4,086)	(3,070)
OPERATING EXPENSES:				
Selling, general and administrative	916	1,622	2,403	4,030
Total operating expenses	916	1,622	2,403	4,030
OPERATING LOSS	(2,155)	(3,753)	(6,489)	(7,100)
Gain on sale of discontinued operations	5,363	—	1,876	157
INCOME (LOSS) BEFORE INCOME TAX BENEFIT (EXPENSE)	3,208	(3,753)	(4,613)	(6,943)
INCOME TAX BENEFIT (EXPENSE)	(886)	959	774	1,813
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX	<u>\$ 2,322</u>	<u>\$ (2,794)</u>	<u>\$ (3,839)</u>	<u>\$ (5,130)</u>

The following table summarizes the assets and liabilities associated with discontinued operations:

	June 30, 2024
CURRENT ASSETS:	
Accounts receivable, net of allowance	\$ 3,927
Inventories, net	7,295
Total current assets classified as discontinued operations	<u>\$ 11,222</u>
NON-CURRENT ASSETS:	
Property, plant and equipment, net	\$ 21,499
Other long-term assets	181
Total non-current assets classified as discontinued operations	<u>\$ 21,680</u>
CURRENT LIABILITIES:	
Accounts payable	\$ 1,747
Accrued expenses and other current liabilities	6,316
Total current liabilities classified as discontinued operations	<u>\$ 8,063</u>
LONG-TERM LIABILITIES:	
Long-term leases	\$ 182
Total long-term liabilities classified as discontinued operations	<u>\$ 182</u>

4. SHORT-TERM INVESTMENTS

During the second quarter of fiscal 2025, the Company sold certain investment securities prior to maturity to repay outstanding amounts under the revolving credit facility (see Note 9) and, as a result, reclassified its held-to-maturity securities to available-for-sale securities. The Company determined the amortized cost of available-for-sale securities as of December 29, 2024 approximate their fair value because of the short-term nature of the investments.

The amortized cost, unrealized gains and losses, and fair value of available-for-sale securities at December 29, 2024 and June 30, 2024 are summarized in the following tables.

	December 29, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities:				
Fixed income securities:				
Corporate bonds	\$ 28,548	\$ 29	\$ —	\$ 28,577
Total available-for-sale securities	<u>\$ 28,548</u>	<u>\$ 29</u>	<u>\$ —</u>	<u>\$ 28,577</u>
	June 30, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Held-to-maturity securities:				
Fixed income securities:				
Corporate bonds	\$ 78,846	\$ 2	\$ (82)	\$ 78,766
Total held-to-maturity securities	<u>\$ 78,846</u>	<u>\$ 2</u>	<u>\$ (82)</u>	<u>\$ 78,766</u>

5. INVENTORIES

Inventories consisted of the following:

	December 29, 2024	June 30, 2024
Raw materials and supplies	\$ 23,302	\$ 26,326
Work in process	5,062	4,039
Finished goods	11,617	8,707
Obsolescence reserve	(2,993)	(2,100)
Total inventories	<u>\$ 36,988</u>	<u>\$ 36,972</u>

6. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment, net consisted of the following:

	December 29, 2024	June 30, 2024
Land and improvements	\$ 4,985	\$ 4,985
Buildings and improvements	34,094	34,040
Machinery and equipment	36,314	31,157
Furniture and fixtures	6,027	5,498
Construction in progress	10,348	10,295
Total property, plant, and equipment	91,768	85,975
Less accumulated depreciation	(38,927)	(33,661)
Property, plant, and equipment — net	<u>52,841</u>	<u>\$ 52,314</u>

7. GOODWILL AND OTHER INTANGIBLE ASSETS

The following table presents the carrying amounts of goodwill as of December 29, 2024 and June 30, 2024 for each of the Company's reportable segments.

	Gross Amount	Accumulated Impairment Losses	Total
MasterCraft	\$ 28,493	\$ —	\$ 28,493
Pontoon	36,238	(36,238)	—
Total	<u>\$ 64,731</u>	<u>\$ (36,238)</u>	<u>\$ 28,493</u>

The following table presents the carrying amounts of Other intangible assets, net:

	December 29, 2024			June 30, 2024		
	Gross Amount	Accumulated Amortization / Impairment	Other intangible assets, net	Gross Amount	Accumulated Amortization / Impairment	Other intangible assets, net
Amortized intangible assets						
Dealer networks	\$ 19,500	\$ (12,750)	\$ 6,750	\$ 19,500	\$ (11,850)	\$ 7,650
Software	245	(245)	—	245	(245)	—
	<u>19,745</u>	<u>(12,995)</u>	<u>6,750</u>	<u>19,745</u>	<u>(12,095)</u>	<u>7,650</u>
Unamortized intangible assets						
Trade names	33,000	(7,000)	26,000	33,000	(7,000)	26,000
Total other intangible assets	<u>\$ 52,745</u>	<u>\$ (19,995)</u>	<u>\$ 32,750</u>	<u>\$ 52,745</u>	<u>\$ (19,095)</u>	<u>\$ 33,650</u>

Amortization expense related to Other intangible assets, net for each of the three months ended December 29, 2024 and December 31, 2023, was \$0.5 million, and for each of the six months ended December 29, 2024 and December 31, 2023, was \$0.9 million. Estimated amortization expense for the fiscal year ending June 30, 2025 is \$1.8 million.

8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following:

	December 29, 2024	June 30, 2024
Warranty	\$ 25,152	\$ 25,486
Dealer incentives	14,126	16,059
Compensation and related accruals	2,985	4,673
Contract liabilities	2,978	2,034
Inventory repurchase contingent obligation	1,496	1,657
Self-insurance	1,298	1,216
Liabilities retained associated with discontinued operations	713	309
Other	3,428	3,634
Total accrued expenses and other current liabilities	<u>\$ 52,176</u>	<u>\$ 55,068</u>

Accrued warranty liability activity was as follows for the six months ended:

	December 29, 2024	December 31, 2023
Balance at the beginning of the period	\$ 25,486	\$ 28,689
Provisions	2,970	3,684
Payments made	(4,681)	(7,203)
Changes for pre-existing warranties	1,377	2,714
Balance at the end of the period	<u>\$ 25,152</u>	<u>\$ 27,884</u>

9. LONG-TERM DEBT

Long-term debt is as follows:

	June 30, 2024
Term loan	\$ 49,500
Debt issuance costs on term loan	(239)
Total debt	<u>49,261</u>
Less current portion of long-term debt	4,500
Less current portion of debt issuance costs on term loan	(126)
Long-term debt, net of current portion	<u>\$ 44,887</u>

There were no amounts of long-term debt outstanding as of December 29, 2024.

In fiscal 2021, the Company entered into a credit agreement with a syndicate of certain financial institutions (the “Credit Agreement”) that provided the Company with a \$160.0 million senior secured credit facility, consisting of a \$60.0 million term loan (the “Term Loan”) and a \$100.0 million revolving credit facility (the “Revolving Credit Facility”). The Credit Agreement is secured by a first priority security interest in substantially all of the Company's assets. Following the Fourth Amendment to the Credit Agreement (“Fourth Amendment”), as described below, all amounts under the Term Loan were repaid and the amended and restated Credit Agreement only provides the Company with the Revolving Credit Facility.

On September 27, 2024, the Company entered into the Fourth Amendment to obtain the necessary consents and waivers to the covenant restrictions related to the Aviara Transaction and the Aviara Facility Sale, as discussed in Note 3. In addition, the Fourth Amendment provides a waiver to the fixed charge ratio for certain periods. As a result of the fixed charge ratio waiver, the applicable margin on interest and the commitment fee for any unused portion of the Revolving Credit Facility for these periods is fixed at the maximum allowable rate (“Fourth Amendment Interest Terms”). Further, the Company may make restricted payments, including share repurchases under the Company's share repurchase program, in an aggregate amount not to exceed \$5.0 million through March 31, 2025 (see Note 12).

The Credit Agreement, as amended, bears interest, at the Company's option, at either the prime rate plus an applicable margin ranging from 0.25% to 1.00% or at an adjusted term benchmark rate plus an applicable margin ranging from 1.25% to 2.00%, in each case based on the Company's net leverage ratio, subject to the Fourth Amendment Interest Terms. The Company is also required to pay a commitment fee for any unused portion of the Revolving Credit Facility ranging from 0.15% to 0.30% based on the Company's net leverage ratio, subject to the Fourth Amendment Interest Terms. Effective prior to the Company's entry into the Fourth Amendment, during substantially all of the three months ended September 29, 2024, the applicable margin for loans accruing at the prime rate was 0.25% and the applicable margin for loans accruing interest at the benchmark rate was 1.25%. Following the Company's entry into the Fourth Amendment and during the three months ended December 29, 2024, in compliance with the Fourth Amendment Interest Terms, the applicable margin for loans accruing interest at the prime rate was 1.00% and the applicable margin for loans accruing interest at the benchmark rate was 2.00%. During October 2024, prior to all drawn amounts being repaid as noted below, the Company's all-in interest rate on amounts drawn on the Revolving Credit Facility was 6.96%.

The Credit Agreement will mature and all remaining amounts outstanding thereunder will be due and payable on June 28, 2026. As of December 29, 2024, the Company was in compliance with its financial covenants under the Credit Agreement.

Revolving Credit Facility

In conjunction with the Fourth Amendment, the Company drew \$49.5 million on its Revolving Credit Facility. Drawn amounts were used to repay outstanding borrowings under the Term Loan. As of December 29, 2024, all amounts were repaid, and the Company had remaining availability of \$100.0 million on the Revolving Credit Facility.

10. INCOME TAXES

The Company's consolidated interim effective tax rate is based on a current estimate of the annual effective income tax rate adjusted to reflect the impact of discrete items. The differences between the Company's effective tax rate and the statutory federal tax rate of 21.0% for the first half of fiscal 2025 primarily relate to changes in uncertain tax positions and inclusion of the state tax rate in the overall effective rate, partially offset by benefits of federal and state credits. During the three months ended December 29, 2024 and December 31, 2023, the Company's effective tax rate was 39.2% and 23.3%, respectively, and for the six months ended December 29, 2024 and December 31, 2023, the Company's effective tax rate was 24.5% and 23.0%, respectively. The Company's effective tax rates for the three and six months ended December 29, 2024 are higher compared to the effective tax rate for the same prior year periods, primarily due to changes in uncertain tax positions, partially offset by an increased benefit of federal and state credits.

11. SHARE-BASED COMPENSATION

The following table presents the components of share-based compensation expense by award type.

	Three Months Ended		Six Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Restricted stock awards	\$ 844	\$ 598	\$ 1,274	\$ 990
Performance stock units	—	(535)	—	(17)
Share-based compensation expense	<u>\$ 844</u>	<u>\$ 63</u>	<u>\$ 1,274</u>	<u>\$ 973</u>

Restricted Stock Awards

During the six months ended December 29, 2024, the Company granted 248,642 restricted stock awards (“RSAs”) to the Company’s non-executive directors, officers and certain other key employees. Generally, the shares of restricted stock granted during the six months ended December 29, 2024, vest pro-rata over two or three years for officers and certain other key employees and over one year for non-executive directors. The Company determined the fair value of the shares awarded by using the close price of our common stock as of the date of grant. The weighted average grant date fair value of RSAs granted in the six months ended December 29, 2024, was \$17.57 per share.

The following table summarizes the status of nonvested RSAs as of December 29, 2024, and changes during the six months then ended.

	Nonvested Restricted Shares	Average Grant-Date Fair Value (per share)
Nonvested at June 30, 2024	104,372	\$ 21.76
Granted	248,642	17.57
Vested	(489)	20.49
Forfeited	(12,995)	19.51
Nonvested at December 29, 2024	339,530	18.78

As of December 29, 2024, there was \$4.9 million of total unrecognized compensation expense related to nonvested RSAs. The Company expects this expense to be recognized over a weighted average period of 1.8 years.

Performance Stock Units

Performance stock units (“PSUs”) are a form of long-term incentive compensation awarded to executive officers and certain other key employees designed to directly align the interests of employees to the interests of the Company’s shareholders, and to create long-term shareholder value. The awards will be earned based on the Company’s achievement of certain performance criteria over a three-year performance period. The performance period for the awards commences on July 1 of the fiscal year in which they were granted and continue for a three-year period, ending on June 30 of the applicable year. The probability of achieving the performance criteria is assessed quarterly. Following the determination of the Company’s achievement with respect to the performance criteria, the number of shares awarded is subject to further adjustment based on the application of a total shareholder return (“TSR”) modifier. The grant date fair value is determined based on both the probability assessment of the Company achieving the performance criteria and an estimate of the expected TSR modifier. The TSR modifier estimate is determined using a Monte Carlo Simulation model, which considers the likelihood of numerous possible outcomes of long-term market performance. Compensation expense related to existing nonvested PSUs is recognized ratably over the performance period.

PSUs awarded in fiscal 2025 have performance criteria set annually over the three-year performance period. This performance criteria is cumulative and is based upon the respective year’s performance compared to budget, which has not yet been established for future performance periods. Therefore, the compensation expense for these awards will not begin until all the key terms and conditions of these awards are known, which will be year three of the performance period.

The following table summarizes the status of nonvested PSUs as of December 29, 2024, and changes during the six months then ended.

	Nonvested Performance Stock Units	Average Grant-Date Fair Value (per share)
Nonvested at June 30, 2024	139,910	\$ 23.62
Forfeited	(10,467)	23.27
Nonvested at December 29, 2024	129,443	23.64

As of December 29, 2024, there was no unrecognized compensation expense related to nonvested PSUs.

Incentive Award Plan

On October 22, 2024, at the Company's annual meeting of shareholders, the Company's shareholders approved the Second Amended and Restated MasterCraft 2015 Incentive Award Plan (the "Restated Incentive Plan"), as described in the Company's Definitive Proxy Statement, filed with the SEC on September 23, 2024, to replace the Amended and Restated MCBC Holdings, Inc. 2015 Incentive Award Plan effective as of the date of shareholder approval. The Restated Incentive Plan authorizes an aggregate issuance of up to 1,198,175 shares of common stock, subject to adjustment, in the form of performance awards, restricted shares, restricted stock units, stock options, stock appreciation rights, and other share-based awards. The Company's employees, consultants, and non-employee directors, and employees, consultants, and non-employee directors of our affiliates are eligible to receive awards under the Restated Incentive Plan.

12. EARNINGS PER SHARE AND COMMON STOCK

The following table sets forth the computation of the Company's net income (loss) per share:

	Three Months Ended		Six Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Income from continuing operations	\$ 426	\$ 8,680	\$ 1,442	\$ 17,211
Income (loss) from discontinued operations, net of tax	2,322	(2,794)	(3,839)	(5,130)
Net income (loss)	<u>\$ 2,748</u>	<u>\$ 5,886</u>	<u>\$ (2,397)</u>	<u>\$ 12,081</u>
Weighted average shares — basic	16,454,776	17,010,116	16,499,858	17,083,204
Dilutive effect of assumed restricted share awards/units	88,726	81,517	—	74,920
Weighted average outstanding shares — diluted	16,543,502	17,091,633	16,499,858	17,158,124
Basic income (loss) per share				
Continuing operations	\$ 0.03	\$ 0.51	\$ 0.09	\$ 1.01
Discontinued operations	0.14	(0.16)	(0.24)	(0.30)
Net income (loss)	<u>\$ 0.17</u>	<u>\$ 0.35</u>	<u>\$ (0.15)</u>	<u>\$ 0.71</u>
Diluted income (loss) per share				
Continuing operations	\$ 0.03	\$ 0.51	\$ 0.09	\$ 1.00
Discontinued operations	0.14	(0.17)	(0.24)	(0.30)
Net income (loss)	<u>\$ 0.17</u>	<u>\$ 0.34</u>	<u>\$ (0.15)</u>	<u>\$ 0.70</u>

For the three and six months ended December 31, 2023, an immaterial number of shares were excluded from the computation of diluted earnings per share as the effect would have been anti-dilutive.

Share Repurchase Program

On July 24, 2023, the Board of the Company authorized a share repurchase program under which the Company may repurchase up to \$50.0 million of its outstanding shares of common stock. The authorization became effective upon the completion of the Company's previously existing \$50.0 million stock repurchase authorization on August 9, 2023.

During the three months ended December 29, 2024 and December 31, 2023, the Company repurchased 39,593 shares and 214,219 shares of common stock for \$0.7 million and \$4.4 million, respectively, in cash, excluding related fees and expenses. During the six months ended December 29, 2024 and December 31, 2023, the Company repurchased 223,222 shares and 455,983 shares of common stock for \$4.2 million and \$10.2 million, respectively, in cash, excluding related fees and expenses. As of December 29, 2024, \$31.2 million remained available under the program.

13. SEGMENT INFORMATION

Reportable Segments

During the fourth quarter of fiscal 2024, the Company changed the name of its “Crest” operating segment to “Pontoon.” The segment change had no impact on the composition of the Company's segments or on previously reported financial position, results of operations, cash flows, or segment operating results.

Operating segments are identified as components of an enterprise about which discrete financial information is available for evaluation by the CODM in making decisions on how to allocate resources and assess performance. For the three and six months ended December 29, 2024, the Company's CODM regularly assessed the operating performance of the Company's boat brands under two operating and reportable segments:

- The MasterCraft segment, consisting of our MasterCraft brand, produces boats at its Vonore, Tennessee facility. These are premium recreational performance sport boats primarily used for water skiing, wakeboarding, wake surfing, and general recreational boating.
- The Pontoon segment, consisting of our Crest and Balise brands, produces pontoon boats at its Owosso, Michigan facility. Pontoon boats are primarily used for general recreational boating.

Each segment distributes its products through its own independent dealer network. Each segment also has its own management structure which is responsible for the operations of the segment and is directly accountable to the CODM for the operating performance of the segment, which is regularly assessed by the CODM who allocates resources based on that performance.

The Company files a consolidated income tax return and does not allocate income taxes and other corporate-level expenses, including interest, to operating segments. All material corporate costs are included in the MasterCraft segment.

Selected financial information for the Company's reportable segments was as follows:

	For the Three Months Ended December 29, 2024		
	MasterCraft	Pontoon	Consolidated
Net sales	\$ 55,097	\$ 8,271	\$ 63,368
Operating income (loss)	3,379	(3,193)	186
Depreciation and amortization	1,453	929	2,382
Purchases of property, plant and equipment	2,228	162	2,390
	For the Six Months Ended December 29, 2024		
	MasterCraft	Pontoon	Consolidated
Net sales	\$ 110,630	\$ 18,097	\$ 128,727
Operating income (loss)	7,072	(5,882)	1,190
Depreciation and amortization	2,642	1,814	4,456
Purchases of property, plant and equipment	3,680	914	4,594
	For the Three Months Ended December 31, 2023		
	MasterCraft	Pontoon	Consolidated
Net sales	\$ 72,699	\$ 17,051	\$ 89,750
Operating income	10,294	469	10,763
Depreciation and amortization	1,282	816	2,098
Purchases of property, plant and equipment	1,407	314	1,721

	For the Six Months Ended December 31, 2023		
	MasterCraft	Pontoon	Consolidated
Net sales	\$ 148,535	\$ 35,520	\$ 184,055
Operating income	20,584	732	21,316
Depreciation and amortization	2,583	1,624	4,207
Purchases of property, plant and equipment	3,616	1,178	4,794

The following table presents total assets for the Company's reportable segments.

	December 29, 2024	June 30, 2024
Assets:		
MasterCraft	\$ 199,794	\$ 233,088
Pontoon	50,321	51,994
Assets associated with discontinued operations	—	32,902
Total assets	<u>\$ 250,115</u>	<u>\$ 317,984</u>

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

The following discussion and analysis should be read together with the unaudited condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q. In addition, the statements in this discussion and analysis regarding our expectations concerning the performance of our business, anticipated financial results, liquidity and the other non-historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in “Cautionary Note Regarding Forward-Looking Statements” above and in “Risk Factors” set forth in our 2024 Annual Report. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Certain statements in the following discussions are based on non-GAAP financial measures. A “non-GAAP financial measure” is a numerical measure of a registrant’s historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with U.S. GAAP in the statements of operations, balance sheets or statements of cash flows of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. Non-GAAP financial measures do not include operating and statistical measures. The Company includes non-GAAP financial measures in Management’s Discussion and Analysis, as the Company’s management believes that these measures and the information they provide are useful to users of the financial statements, including investors, because they permit users of the financial statements to view the Company’s performance using the same tools that management utilizes and to better evaluate the Company’s ongoing business performance. In order to better align the Company’s reported results with the internal metrics used by the Company’s management to evaluate business performance as well as to provide better comparisons to prior periods and peer data, non-GAAP measures exclude the impact of purchase accounting amortization related to business acquisitions.

Discontinued Operations

On October 18, 2024, the Company completed the Aviara Transaction. Further, on December 23, 2024, the Company completed the Aviara Facility Sale. The Company’s results for all periods presented, as discussed in Management’s Discussion and Analysis, are presented on a continuing operations basis. Results related to our Aviara and NauticStar reporting units are reported as discontinued operations for all periods presented. See Notes 1 and 3 in Notes to the unaudited condensed consolidated financial statements for more information on discontinued operations.

Overview

As a result of economic and industry headwinds at the end of our key selling season, we adjusted our production levels at the outset of fiscal 2025 to allow for improvements in overall dealer inventory levels. These lower production levels resulted in decreased net sales and reduced gross margins compared to our fiscal 2024 results due to lower fixed cost absorption. As we navigate these headwinds facing our business, we remain committed to aligning our production levels with market demand while also maintaining operational flexibility.

Results of Continuing Operations

Consolidated Results

The table below presents our consolidated results of operations for the three and six months ended:

	Three Months Ended		2025 vs. 2024		Six Months Ended		2025 vs. 2024	
	December 29, 2024	December 31, 2023	Change	% Change	December 29, 2024	December 31, 2023	Change	% Change
(Dollar amounts in thousands)								
Consolidated statements of operations:								
NET SALES	\$ 63,368	\$ 89,750	(26,382)	(29.4 %)	\$ 128,727	\$ 184,055	(\$ 55,328)	(30.1 %)
COST OF SALES	52,476	68,812	(16,336)	(23.7 %)	106,037	140,642	(34,605)	(24.6 %)
GROSS PROFIT	10,892	20,938	(10,046)	(48.0 %)	22,690	43,413	(20,723)	(47.7 %)
OPERATING EXPENSES:								
Selling and marketing	2,824	2,500	324	13.0 %	5,698	5,584	114	2.0 %
General and administrative	7,432	7,225	207	2.9 %	14,902	15,601	(699)	(4.5 %)
Amortization of other intangible assets	450	450	—	0.0 %	900	912	(12)	(1.3 %)
Total operating expenses	10,706	10,175	531	5.2 %	21,500	22,097	(597)	(2.7 %)
OPERATING INCOME	186	10,763	(10,577)	(98.3 %)	1,190	21,316	(20,126)	(94.4 %)
OTHER INCOME (EXPENSE):								
Interest expense	(182)	(854)	672	(78.7 %)	(1,169)	(1,732)	563	(32.5 %)
Interest income	697	1,415	(718)	(50.7 %)	1,889	2,766	(877)	(31.7 %)
INCOME BEFORE INCOME TAX EXPENSE	701	11,324	(10,623)	(93.8 %)	1,910	22,350	(20,440)	(91.5 %)
INCOME TAX EXPENSE	275	2,644	(2,369)	(89.6 %)	468	5,139	(4,671)	(90.9 %)
INCOME FROM CONTINUING OPERATIONS	\$ 426	\$ 8,680	\$ (8,254)	(95.1 %)	\$ 1,442	\$ 17,211	\$ (15,769)	(91.6 %)
Additional financial and other data:								
Unit sales volume:								
MasterCraft	400	491	(91)	(18.5 %)	774	985	(211)	(21.4 %)
Pontoon	153	365	(212)	(58.1 %)	330	727	(397)	(54.6 %)
Consolidated unit sales volume	553	856	(303)	(35.4 %)	1,104	1,712	(608)	(35.5 %)
Net sales:								
MasterCraft	\$ 55,097	\$ 72,699	(17,602)	(24.2 %)	\$ 110,630	\$ 148,535	(\$ 37,905)	(25.5 %)
Pontoon	8,271	17,051	(8,780)	(51.5 %)	18,097	35,520	(17,423)	(49.1 %)
Consolidated net sales	\$ 63,368	\$ 89,750	(26,382)	(29.4 %)	\$ 128,727	\$ 184,055	(\$ 55,328)	(30.1 %)
Net sales per unit:								
MasterCraft	\$ 138	\$ 148	(\$ 10)	(6.8 %)	\$ 143	\$ 151	(\$ 8)	(5.3 %)
Pontoon	54	47	7	14.9 %	55	49	6	12.2 %
Consolidated net sales per unit	115	105	10	9.5 %	117	108	9	8.3 %
Gross margin	17.2 %	23.3 %	(610) bps		17.6 %	23.6 %	(600) bps	

Net sales decreased \$26.4 million and \$55.3 million during the second quarter and first half of fiscal 2025, respectively, when compared with the same prior-year period. The decrease in net sales was primarily driven by planned lower unit volumes and unfavorable model mix.

Gross margin percentage declined 610 and 600 basis points during the second quarter and first half of fiscal 2025, respectively, when compared with the same prior-year period. Lower margins were the result of unfavorable model mix and lower cost absorption due to decreased production volume.

Segment Results

MasterCraft Segment

The following table sets forth MasterCraft segment results for the three and six months ended:

(Dollar amounts in thousands)	Three Months Ended		2025 vs. 2024		Six Months Ended		2025 vs. 2024	
	December 29, 2024	December 31, 2023	Change	% Change	December 29, 2024	December 31, 2023	Change	% Change
Net sales	\$ 55,097	\$ 72,699	\$ (17,602)	(24.2 %)	\$ 110,630	\$ 148,535	\$ (37,905)	(25.5 %)
Operating income	3,379	10,294	(6,915)	(67.2 %)	7,072	20,584	(13,512)	(65.6 %)
Purchases of property, plant and equipment	2,228	1,407	821	58.4 %	3,680	3,616	64	1.8 %
Unit sales volume	400	491	(91)	(18.5 %)	774	985	(211)	(21.4 %)
Net sales per unit	\$ 138	\$ 148	\$ (10)	(6.8 %)	\$ 143	\$ 151	\$ (8)	(5.3 %)

Net sales decreased \$17.6 million and \$37.9 million during the second quarter and first half of fiscal 2025, respectively, when compared with the same prior-year period. The decrease was driven by lower unit volume and unfavorable model mix.

Operating income decreased \$6.9 million and \$13.5 million during second quarter and first half of fiscal 2025, respectively, when compared with the same prior-year period. The change was primarily the result of decreased net sales, as discussed above.

Pontoon Segment

The following table sets forth Pontoon segment results for the three and six months ended:

(Dollar amounts in thousands)	Three Months Ended		2025 vs. 2024		Six Months Ended		2025 vs. 2024	
	December 29, 2024	December 31, 2023	Change	% Change	December 29, 2024	December 31, 2023	Change	% Change
Net sales	\$ 8,271	\$ 17,051	\$ (8,780)	(51.5 %)	\$ 18,097	\$ 35,520	\$ (17,423)	(49.1 %)
Operating income (loss)	(3,193)	469	(3,662)	(780.8 %)	(5,882)	732	(6,614)	(903.6 %)
Purchases of property, plant and equipment	162	314	(152)	(48.4 %)	914	1,178	(264)	(22.4 %)
Unit sales volume	153	365	(212)	(58.1 %)	330	727	(397)	(54.6 %)
Net sales per unit	\$ 54	\$ 47	\$ 7	14.9 %	\$ 55	\$ 49	\$ 6	12.2 %

Net sales decreased \$8.8 million and \$17.4 million during the second quarter and first half of fiscal 2025, respectively, when compared to the same prior-year period, mainly due to lower unit volumes and increased dealer incentives.

Operating loss for the second quarter and first half of fiscal 2025 was \$3.2 million and \$5.9 million, respectively, compared to operating income of \$0.5 million and \$0.7 million in the same prior year periods, respectively. The change was primarily the result of decreased net sales, as discussed above.

Non-GAAP Measures

EBITDA, Adjusted EBITDA, EBITDA margin, and Adjusted EBITDA margin

We define EBITDA as income from continuing operations, before interest, income taxes, depreciation and amortization. We define Adjusted EBITDA as EBITDA further adjusted to eliminate certain non-cash charges or other items that we do not consider to be indicative of our core and/or ongoing operations. For the periods presented herein, the adjustments are for share-based compensation, and CEO transition and organizational realignment costs. We define EBITDA margin and Adjusted EBITDA margin as EBITDA and Adjusted EBITDA, respectively, each expressed as a percentage of Net sales.

Adjusted Net Income and Adjusted Net Income per share

We define Adjusted Net Income and Adjusted Net Income per share as income from continuing operations, adjusted to eliminate certain non-cash charges or other items that we do not consider to be indicative of our core and/or ongoing operations and reflecting income tax expense on adjusted net income before income taxes at our estimated annual effective tax rate. For the periods presented herein, these adjustments include other intangible asset amortization, share-based compensation, and CEO transition and organizational realignment costs.

EBITDA, Adjusted EBITDA, EBITDA margin, Adjusted EBITDA margin, Adjusted Net Income, and Adjusted Net Income per share, which we refer to collectively as the Non-GAAP Measures, are not measures of net income or operating income as determined under accounting principles generally accepted in the United States, or U.S. GAAP. The Non-GAAP Measures are not measures of performance in accordance with U.S. GAAP and should not be considered as an alternative to net income, net income per share, or operating cash flows determined in accordance with U.S. GAAP. Additionally, Adjusted EBITDA is not intended to be a measure of cash flow. We believe that the inclusion of the Non-GAAP Measures is appropriate to provide additional information to investors because securities analysts and investors use the Non-GAAP Measures to assess our operating performance across periods on a consistent basis and to evaluate the relative risk of an investment in our securities. We use Adjusted Net Income and Adjusted Net Income per share to facilitate a comparison of our operating performance on a consistent basis from period to period that, when viewed in combination with our results prepared in accordance with U.S. GAAP, provides a more complete understanding of factors and trends affecting our business than does U.S. GAAP measures alone. We believe Adjusted Net Income and Adjusted Net Income per share assists our Board, management, investors, and other users of the financial statements in comparing our net income on a consistent basis from period to period because it removes certain non-cash items and other items that we do not consider to be indicative of our core and/or ongoing operations and reflecting income tax expense on adjusted net income before income taxes at our estimated annual effective tax rate. The Non-GAAP Measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and the Non-GAAP measures do not reflect any cash requirements for such replacements;
- The Non-GAAP measures do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- The Non-GAAP measures do not reflect changes in, or cash requirements for, our working capital needs;
- Certain Non-GAAP measures do not reflect our tax expense or any cash requirements to pay income taxes;
- Certain Non-GAAP measures do not reflect interest expense, or the cash requirements necessary to service interest payments on our indebtedness; and
- The Non-GAAP measures do not reflect the impact of earnings or charges resulting from matters we do not consider to be indicative of our core and/or ongoing operations, but may nonetheless have a material impact on our results of operations.

In addition, because not all companies use identical calculations, our presentation of the Non-GAAP Measures may not be comparable to similarly titled measures of other companies, including companies in our industry.

The following table presents a reconciliation of income from continuing operations as determined in accordance with U.S. GAAP to EBITDA, and Adjusted EBITDA, and income from continuing operations margin (expressed as a percentage of net sales) to EBITDA margin and Adjusted EBITDA margin (each expressed as a percentage of net sales) for the periods indicated:

	Three Months Ended				Six Months Ended			
	December 29, 2024	% of Net sales	December 31, 2023	% of Net sales	December 29, 2024	% of Net sales	December 31, 2023	% of Net sales
(Dollar amounts in thousands)								
Income from continuing operations	\$ 426	0.7%	\$ 8,680	9.7%	\$ 1,442	1.1%	\$ 17,211	9.4%
Income tax expense	275		2,644		468		5,139	
Interest expense	182		854		1,169		1,732	
Interest income	(697)		(1,415)		(1,889)		(2,766)	
Depreciation and amortization	2,382		2,098		4,456		4,207	
EBITDA	2,568	4.1%	12,861	14.3%	5,646	4.4%	25,523	13.9%
Share-based compensation	844		63		1,274		973	
CEO transition and organizational realignment costs ^(a)	114		—		448		436	
Adjusted EBITDA	<u>\$ 3,526</u>	5.6%	<u>\$ 12,924</u>	14.4%	<u>\$ 7,368</u>	5.7%	<u>\$ 26,932</u>	14.6%

The following table presents a reconciliation of income from continuing operations as determined in accordance with U.S. GAAP to Adjusted Net Income for the periods indicated:

	Three Months Ended		Six Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
(Dollar amounts in thousands, except per share data)				
Income from continuing operations	\$ 426	\$ 8,680	\$ 1,442	\$ 17,211
Income tax expense	275	2,644	468	5,139
Amortization of acquisition intangibles	450	450	900	912
Share-based compensation	844	63	1,274	973
CEO transition and organizational realignment costs ^(a)	114	—	448	436
Adjusted Net Income before income taxes	2,109	11,837	4,532	24,671
Adjusted income tax expense ^(b)	422	2,368	906	4,934
Adjusted Net Income	<u>\$ 1,687</u>	<u>\$ 9,469</u>	<u>\$ 3,626</u>	<u>\$ 19,737</u>
Adjusted Net Income per share:				
Basic	\$ 0.10	\$ 0.56	\$ 0.22	\$ 1.16
Diluted	\$ 0.10	\$ 0.55	\$ 0.22	\$ 1.15
Weighted average shares used for the computation of ^(c) :				
Basic Adjusted Net Income per share	16,454,776	17,010,116	16,499,858	17,083,204
Diluted Adjusted Net Income per share	16,543,502	17,091,633	16,499,858	17,158,124

The following table presents the reconciliation of income from continuing operations per diluted share to Adjusted Net Income per diluted share for the periods indicated:

	Three Months Ended		Six Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Income from continuing operations per diluted share	\$ 0.03	\$ 0.51	\$ 0.09	\$ 1.00
Impact of adjustments:				
Income tax expense	0.02	0.16	0.03	0.30
Amortization of acquisition intangibles	0.03	0.03	0.06	0.05
Share-based compensation	0.05	—	0.08	0.06
CEO transition and organizational realignment costs ^(a)	—	—	0.03	0.03
Adjusted Net Income per diluted share before income taxes	0.13	0.70	0.29	1.44
Impact of adjusted income tax expense on net income per diluted share before income taxes ^(b)	(0.03)	(0.15)	(0.07)	(0.29)
Adjusted Net Income per diluted share	<u>0.10</u>	<u>\$ 0.55</u>	<u>\$ 0.22</u>	<u>\$ 1.15</u>

(a) Represents amounts paid for legal fees and recruiting costs associated with the CEO transition, as well as non-recurring severance costs incurred as part of the Company's strategic organizational realignment undertaken in connection with the transition.

(b) For fiscal 2025 and 2024, income tax expense reflects an income tax rate of 20.0% for each period presented.

(c) Represents the Weighted Average Shares used for the computation of Basic and Diluted earnings per share as presented on the Consolidated Statements of Operations to calculate Adjusted Net Income per basic and diluted share for all periods presented herein.

Liquidity and Capital Resources

Our primary liquidity and capital resource needs are to finance working capital, fund capital expenditures, service our debt, fund potential acquisitions, and fund our share repurchase program. Our principal sources of liquidity are our cash balance, available-for-sale securities, cash generated from operating activities, our revolving credit agreement and the refinancing and/or new issuance of long-term debt. We believe our cash balance, available-for-sale securities, cash from operations, and our ability to borrow will be sufficient to provide for our liquidity and capital resource needs.

Cash and cash equivalents totaled \$34.3 million as of December 29, 2024, an increase of \$26.9 million from \$7.4 million as of June 30, 2024. The increase includes \$26.1 million in net proceeds from the Aviara Facility Sale. Refer to Note 3 — Discontinued Operations in the Notes to the unaudited condensed consolidated financial statements for further details. Available-for-sale securities totaled \$28.5 million as of December 29, 2024, a decrease of \$50.3 million from \$78.8 million as of June 30, 2024. Proceeds from Available-for-sale securities were used to repay outstanding amounts under the Revolving Credit Facility. Refer to Note 4 — Short-term investments in the Notes to the unaudited condensed consolidated financial statements for further details. Total debt as of June 30, 2024, was \$49.3 million, with no amounts outstanding as of December 29, 2024.

As of December 29, 2024, we had no amounts outstanding under the Revolving Credit Facility, leaving \$100.0 million of available borrowing capacity. Refer to Note 9 — Long-Term Debt in the Notes to unaudited condensed consolidated financial statements for further details.

On July 24, 2023, the Board of the Company authorized a share repurchase program under which the Company may repurchase up to \$50 million of its outstanding shares of common stock. The authorization became effective upon the completion of the Company's previously existing \$50 million stock repurchase authorization.

During the six months ended December 29, 2024, the Company repurchased 223,222 shares of common stock for \$4.2 million in cash, excluding related fees and expenses under both plans.

The following table and discussion below relate to our cash flows from continuing operations from operating, investing, and financing activities:

(Dollar amounts in thousands)	Six Months Ended	
	December 29, 2024	December 31, 2023
Total cash provided by (used in):		
Operating activities	\$ 13,437	\$ 22,350
Investing activities	46,291	15,169
Financing activities	(54,203)	(14,109)
Net change in cash and cash equivalents from continuing operations	\$ 5,525	\$ 23,410

Six Months Ended December 29, 2024 Cash Flows from Continuing Operations

Net cash provided by operating activities for the six months ended December 29, 2024 was \$13.4 million, primarily due to net income and favorable changes to working capital. Working capital is defined as accounts receivable, income tax receivable, inventories, and prepaid expenses and other current assets net of accounts payable, income tax payable, and accrued expenses and other current liabilities as presented in the condensed consolidated balance sheets. Favorable changes in working capital primarily consisted of decreases in accounts receivable and prepaid expenses and other current assets. Partially offsetting favorable changes in working capital were decreases in accrued expenses and other current liabilities and in accounts payables. Accounts receivable decreased due to timing of sales at the end of the period compared to the end of the prior-year period. Prepaid and other current assets decreased due to amortization of insurance premiums. Accrued expenses and other current liabilities decreased due to payment of dealer incentives and variable compensation. Accounts payables decreased due to timing associated with the holiday season.

Net cash provided by investing activities was \$46.3 million, which included \$50.9 million of proceeds in available-for-sale securities, partially offset by \$4.6 million in capital expenditures. Our capital spending was primarily focused on tooling, information technology, and machinery and equipment.

Net cash used in financing activities was \$54.2 million, which included share repurchases totaling \$4.2 million and \$49.5 million used to repay outstanding borrowings of the Term Loan. Drawn amounts on the Revolving Credit Facility were fully repaid as of December 29, 2024.

Six Months Ended December 31, 2023 Cash Flows from Continuing Operations

Net cash provided by operating activities for the six months ended December 31, 2023 was \$22.4 million, primarily due to net income. Working capital had a net nominal effect on cash provided by operating activities. Favorable working capital changes consisted of decreases in inventories and accounts receivables, partially offset by increases in accounts payable, accrued expenses and other current liabilities, and income tax payable. Inventories decreased as we continue to rebalance inventory levels to align with lower production levels, partially offset by increased materials costs from inflation. Accounts receivables decreased primarily as a result of timing of collections and lower sales at the end of the period compared to the end of the prior-year period. Accounts payable decreased as a result of decreased production levels as well as timing associated with the holiday season. Accrued expenses and other current liabilities decreased due to payment of dealer incentives and lower compensation related accruals, partially offset by an increase in contract liabilities. Income tax payable decreased due to the timing of payments.

Net cash provided by investing activities was \$15.2 million, due to net changes in available-for-sale securities of \$20.0 million, partially offset by \$4.8 million of capital expenditures. Our capital spending was mainly focused on facility enhancements, information technology, and tooling.

Net cash used in financing activities was \$14.1 million, which included net payments of \$2.3 million on long-term debt and \$10.2 million of share repurchases.

Off Balance Sheet Arrangements

The Company did not have any off balance sheet financing arrangements as of December 29, 2024.

Critical Accounting Estimates

As of December 29, 2024, there were no significant changes in or changes to the application of our critical accounting policies or estimation procedures from those presented in our 2024 Annual Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Refer to our 2024 Annual Report for discussion of the Company's market risk. There have been no material changes in market risk from those disclosed therein.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) (of the Exchange Act) that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures. Based upon this evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of December 29, 2024.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended December 29, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

During the six months ended December 29, 2024, there have been no material changes to the risk factors disclosed in “Part I, Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024.

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

Share Repurchase Program

On July 24, 2023, the Board of the Company authorized a share repurchase program under which the Company may repurchase up to \$50.0 million of its outstanding shares of common stock. The authorization became effective upon the completion of the Company's previously existing \$50.0 million stock repurchase authorization.

During the first six months of fiscal 2025, we repurchased approximately \$4.2 million of our common stock, including approximately \$0.7 million during the three months ended December 29, 2024, excluding related fees and expenses. As of December 29, 2024, the remaining authorization under the new program was approximately \$31.2 million.

During the three months ended December 29, 2024, the Company repurchased the following shares of common stock:

Period	Total Number of Shares Purchased	Average Price Paid Per Share ^{(a)(b)}	Total Number of Shares Purchased as part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plan (dollars in thousands)
September 30, 2024 - October 27, 2024	12,128	\$ 16.86	12,128	\$ 31,699
October 28, 2024 - November 24, 2024	11,579	18.96	11,579	31,479
November 25, 2024 - December 29, 2024	15,886	20.43	15,886	31,155
Total	39,593		39,593	

(a) Represents weighted average price paid per share excluding commissions paid.

(b) Average price per share excludes any excise tax imposed on certain stock repurchases as part of the Inflation Reduction Act of 2022.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

None.

ITEM 5. OTHER INFORMATION.

During the three months ended December 29, 2024, none of our directors or “officers” (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified or terminated “Rule 10b5-1 trading arrangements” or “non-Rule 10b5-1 trading arrangements” (each as defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

Exhibit No.	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of MCBC Holdings, Inc.	10-K	001-37502	3.1	9/18/15	
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of MasterCraft Boat Holdings, Inc.	10-Q	001-37502	3.2	11/9/18	
3.3	Certificate of Amendment to Amended and Restated Certificate of Incorporation of MasterCraft Boat Holdings, Inc.	8-K	001-37502	3.1	10/25/19	
3.4	Fourth Amended and Restated By-laws of MasterCraft Boat Holdings, Inc.	8-K	001-37502	3.2	10/25/19	
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer					*
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer					*
32.1	Section 1350 Certification of Chief Executive Officer					**
32.2	Section 1350 Certification of Chief Financial Officer					**
101.INS	Inline XBRL Instance Document					*
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbases Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					*

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MASTERCRAFT BOAT HOLDINGS, INC.

(Registrant)

Date: February 6, 2025

By: /s/ BRADLEY M. NELSON

Bradley M. Nelson

Chief Executive Officer (Principal Executive Officer) and Director

Date: February 6, 2025

By: /s/ TIMOTHY M. OXLEY

Timothy M. Oxley

Chief Financial Officer (Principal Financial and Accounting Officer),
Treasurer and Secretary

CERTIFICATIONS

I, Bradley M. Nelson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended December 29, 2024 of MasterCraft Boat Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2025

/s/ BRADLEY M. NELSON

Bradley M. Nelson
Chief Executive Officer and Director
(Principal Executive Officer)

CERTIFICATIONS

I, Timothy M. Oxley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the fiscal quarter ended December 29, 2024 of MasterCraft Boat Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2025

/s/ TIMOTHY M. OXLEY

Timothy M. Oxley
Chief Financial Officer, Treasurer and Secretary
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bradley M. Nelson, Chief Executive Officer of MasterCraft Boat Holdings, Inc. (the “Company”), hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended December 29, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 6, 2025

/s/ BRADLEY M. NELSON

Bradley M. Nelson

Chief Executive Officer and Director
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Timothy M. Oxley, Chief Financial Officer of MasterCraft Boat Holdings, Inc. (the “Company”), hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended December 29, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 6, 2025

/s/ TIMOTHY M. OXLEY

Timothy M. Oxley
Chief Financial Officer, Treasurer and Secretary
(Principal Financial and Accounting Officer)