



**MARINE PRODUCTS  
CORPORATION**



**MPX**  
LISTED  
NYSE

CORPORATE  
OVERVIEW  
APRIL 2024

**MARINE PRODUCTS CORPORATION**

# FORWARD LOOKING STATEMENTS NON-GAAP DISCLOSURE



Certain statements and information included in this press release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include statements that look forward in time or express management's beliefs, expectations or hopes. In particular, such statements include, without limitation: our belief that our industry continues to navigate an uncertain demand environment and high inventory levels in the retail channel across many boat categories; our efforts to support our dealers by implementing retail incentive programs and modifying boat production schedules to help manage channel inventory, and adjust our cost structure; statements regarding excitement around our new products, our plans to continue to take both operational and strategic steps to position the Company for long-term growth and positive shareholder returns; our belief that we have ample liquidity to continue pursuing both organic growth investments and potential strategic acquisitions; and our belief that our sales (as well as those of the broader marine industry) continue to normalize following the period of high post-pandemic demand, and that while boat production and sales have been stabilizing, year-over-year comparisons will likely remain soft in the near term.

Additional discussion of factors that could cause the actual results to differ materially from management's projections, forecasts, estimates and expectations is contained in Marine Products' Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission (the "SEC") for the year ended December 31, 2023.

Marine Products Corporation has used the non-GAAP financial measures of EBITDA, EBITDA margin, and free cash flow in today's earnings release. These measures should not be considered in isolation or as a substitute for performance or liquidity measures prepared in accordance with GAAP. Management believes that presenting these non-GAAP measures enables investors to compare our operating performance consistently over various time periods, and in the case of EBITDA, without regard to changes in our

2

capital structure. Management believes that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use in evaluating Marine Products' financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. Additionally, Marine Products' definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, management believes it is important to view free cash flow as a measure that provides supplemental information to our Condensed Consolidated Statements of Cash Flows.

A non-GAAP financial measure is a numerical measure of financial performance, financial position, or cash flows that either 1) 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 GAAP in the statement of operations, balance sheet or statement of cash flows, or 2) 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.

Set forth in the appendix of this presentation are reconciliations of these non-GAAP measures with their most directly comparable GAAP measures. These reconciliations also appear on Marine Products Corporation's investor website, which can be found on the Internet at [www.marineproductscorp.com](http://www.marineproductscorp.com)

# CORPORATE PROFILE



**MARINE PRODUCTS  
CORPORATION**

- NYSE: MPX
- Headquartered in Atlanta
- Manufacturing Facility in Nashville, GA
- $\approx$  700 employees
- Market Capitalization:  $\approx$  \$375 million
- Annualized regular cash dividend: \$0.56/share
- No debt, clean balance sheet



*Marine Products Corporation  
has been building high-quality  
fiberglass powerboats for  
more than 60 years.*



# MPX AT-A-GLANCE

MPX is a leading manufacturer of recreational powerboats, with leading market shares across key brands, poised to continue to grow and expand its franchise

- ✓ One of the largest manufacturers of fiberglass powerboats in the U.S., with leading market positions across its Chaparral and Robalo brands
- ✓ Brands are oriented toward recreational and coastal fishing categories
- ✓ Highly regarded for innovation with products known for performance, features, function and value
- ✓ Conservative financial management and disciplined capital stewardship



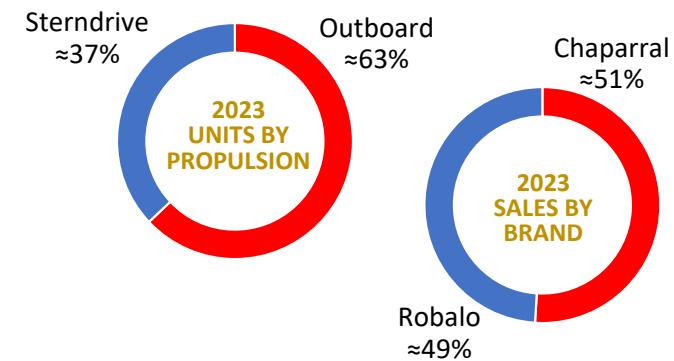
## KEY STATS

**40** **≈300**

*Boat Models* *Global Dealer Network*

**≈24%** **≈13%**

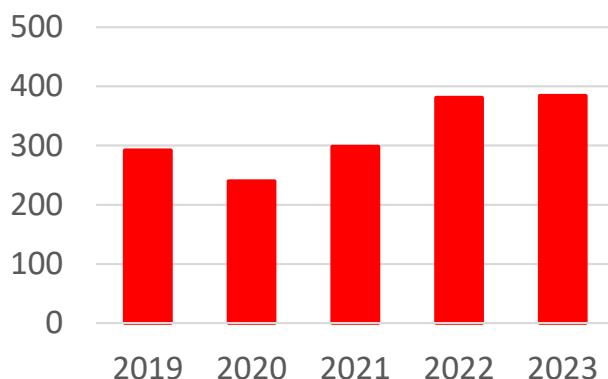
*2023 Gross Margin* *2023 EBITDA Margin*



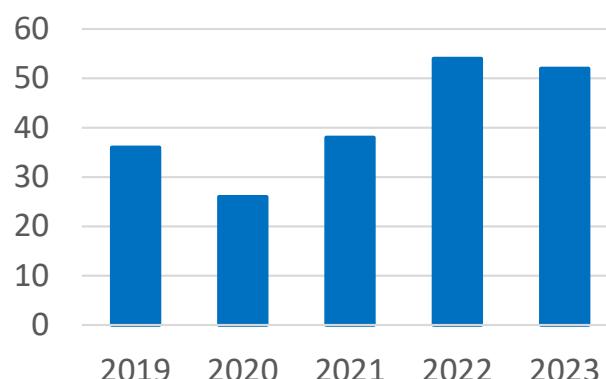
## FINANCIAL SNAPSHOT

(\$ IN MILLIONS)

### SALES



### EBITDA



# INVESTMENT HIGHLIGHTS

1

## Powerful Brand Heritage and Market Leadership

- ≈ 60-year heritage fostering brand awareness for manufacturing high-quality powerboats
- In their size range and competitive market, Chaparral holds the #1 market position and Robalo holds the #3 market position for outboard boats

2

## Recognized Industry Innovator

- Strong competence to leverage existing designs and innovate across the platform



23 \* SSI



246 \* CAYMAN BAY BOAT

3

## Broad Dealer Network

- Nearly 300 dealers globally, including many of the largest and most reputable dealers in top boating regions
- Developed long-term partnerships over decades of providing sales and service, inventory management, financial and operational support



28 \* SURF



R302 \* CENTER CONSOLE

4

## Efficient Operations

- Vertical integration (e.g., upholstery, cabinetry, canvas in-house) enables highly controllable cost structure with the ability to enhance quality
- Constant adjustment of model mix and production scheduling to maximize throughput and optimize profitability



300 \* OSX



R317 \* DUAL CONSOLE

5

## Attractive Financial Profile

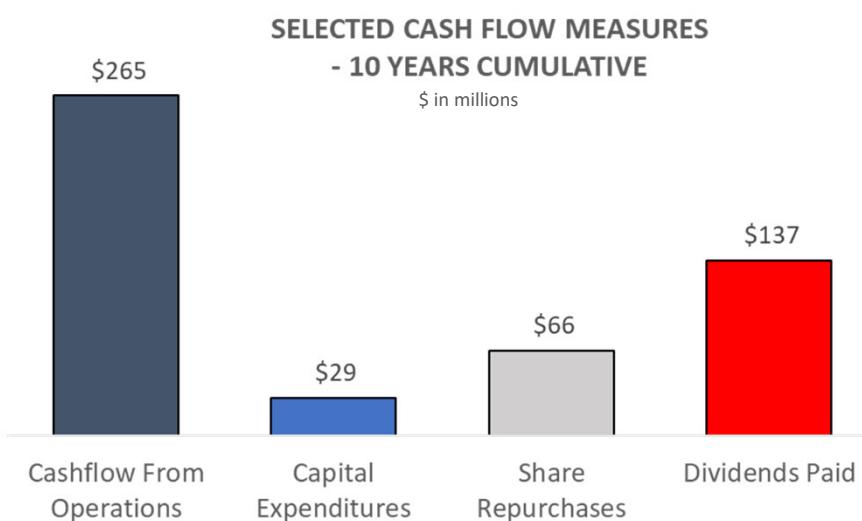
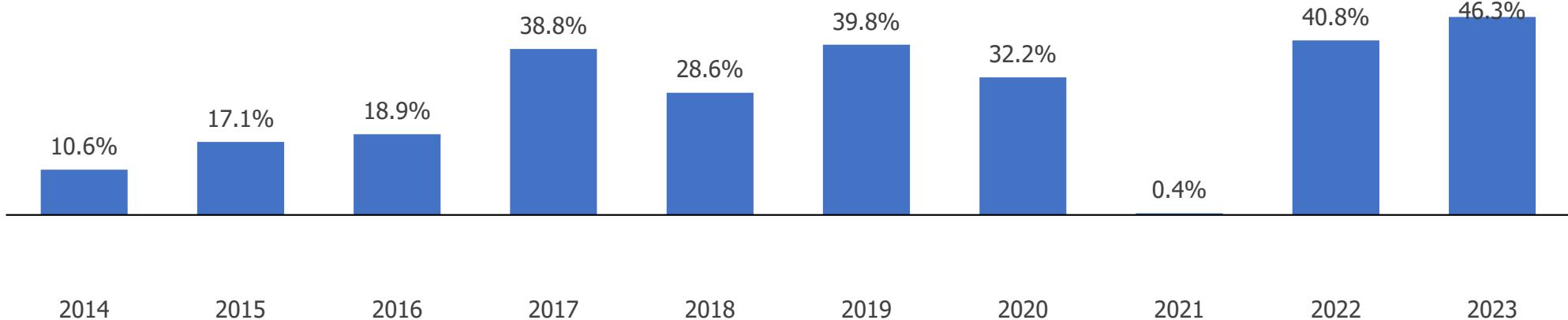
- Demonstrated ability to generate double digit return on invested capital over the long term
- Fortress balance sheet with no leverage mitigates impact of financial downturns, ample liquidity for growth investments



347 \* SSX

# CAPITAL STEWARDSHIP TAILORED TOWARD SHAREHOLDERS

## RETURN ON INVESTED CAPITAL<sup>(1)</sup>



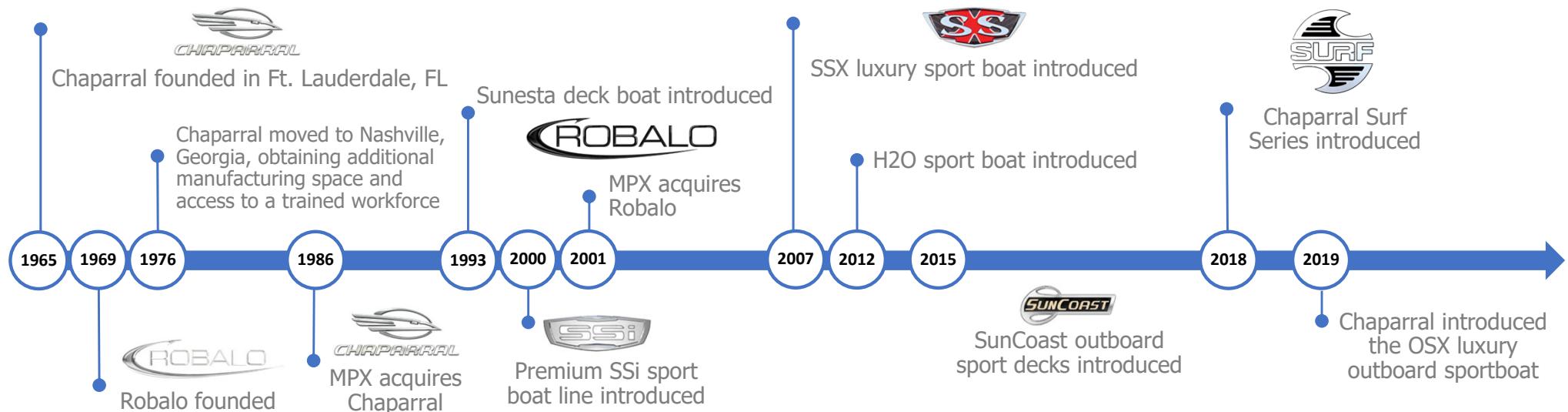
## INVESTOR-ORIENTED CAPITAL PHILOSOPHY

- ✓ 10-year average return on invested capital ≈27%
- ✓ Strong ROIC has led to significant cash flow generation
- ✓ Proven track record of long-term shareholder returns
- ✓ Since 2014, MPX has returned approximately \$200+ million to shareholders
- ✓ Paid dividends in all but two years of history as public company

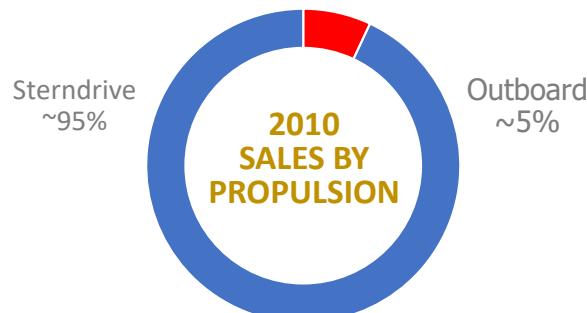
(1) Defined as net cash provided by operations / average total invested capital.

# MPX's EVOLUTION

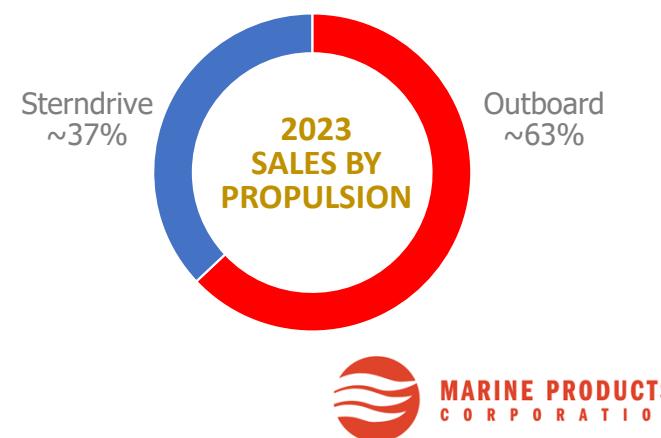
**MPX has evolved by utilizing its design and manufacturing expertise and dealer network to capture attractive market opportunities**



## DEMONSTRATED ABILITY TO EVOLVE WITH CONSUMER PREFERENCES



***MPX has evolved with the market into faster growing, premium outboard categories***



# MPX's DEALER FOOTPRINT

Significant  
Presence



No  
Presence



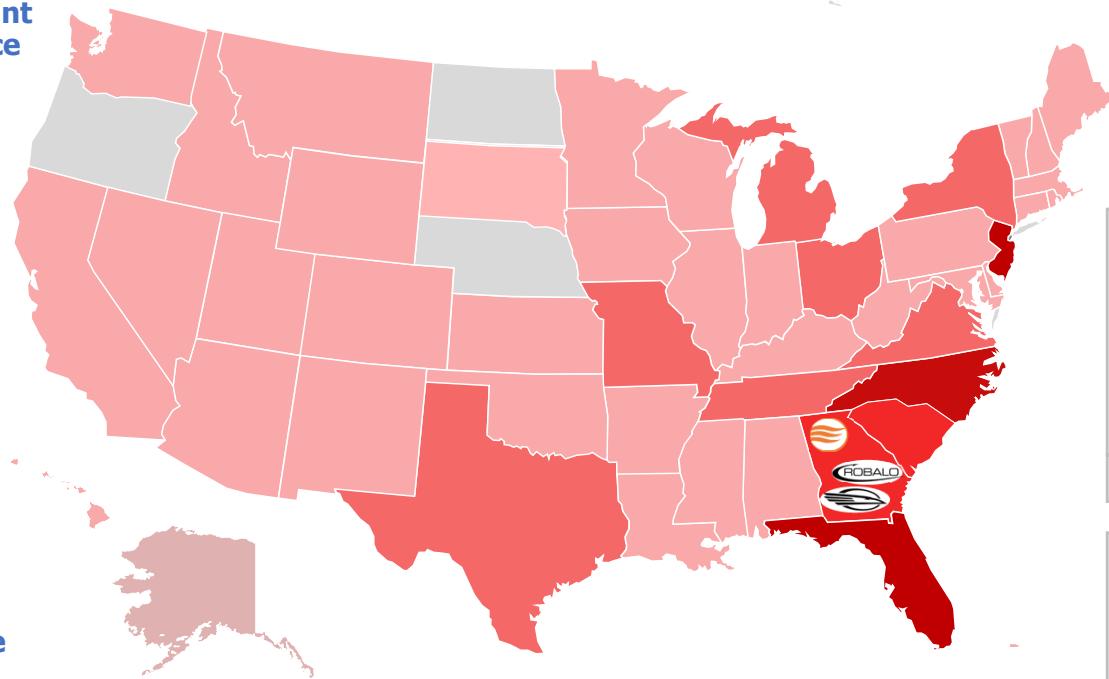
(Marine Products)  
Atlanta, GA



(Chaparral)  
Nashville, GA



(Robalo)  
Nashville, GA



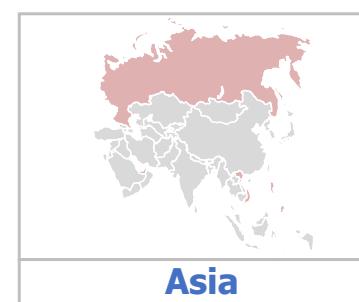
Canada



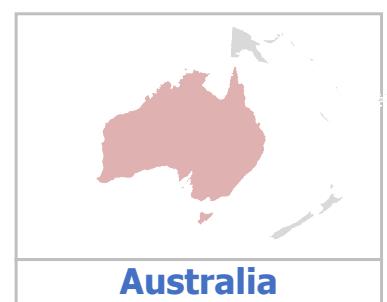
Europe



Africa



Asia



Australia

## HIGHLIGHTS

- Premier dealer network with 203 domestic and 88 international, independent dealers
- Expanded Dealer network from  $\approx 200$  in 2010 to  $\approx 300$  today.
- MPX's largest dealers are exclusive, allowing them to focus on selling MPX's products

**10+ Years**

Average Dealer Relationship

# INNOVATIVE TECHNOLOGY LEADER

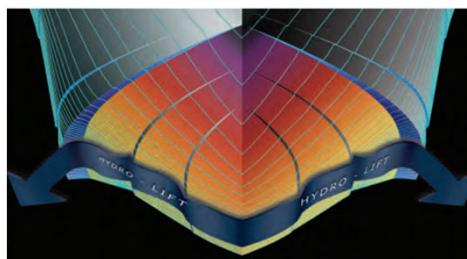
*MPX has a track record of being a leading innovator in the recreational boating industry.*

## EXTENDED V-PLANE HULL



- Running surface spans the length of the entire boat in contrast to standard sterndrive boats
- Allows for more deck space, better planing performance and a more comfortable ride
- Creates superior stability under low speeds
- Utilized on the Company's Chaparral and Robalo boating lines

## HYDRO LIFT HULL



- Variable dead rise hull design allows for a smooth ride in rough water conditions
- Increases the maximum speed obtainable by a given horsepower and weight of a boat
- Enhances fuel efficiency
- Smooth design supplements cornering agility

## INFINITY POWER STEP



- Located on the boat's stern, Power Step lowers into the water at the touch of a button
- Utilized by passengers to easily board or exit the boat
- Ideal for all age groups and pets
- Creates one of the most accessible boats in the industry

## INNOVATIVE SEATING



- Chaparral's Vista View lounge that can change position from sitting upright to full-length lounging at the touch of a button
- Chaparral's Oasis Lounge features an adjustable back rest and the ability to face forward or the rear
- Ability to fold flat to create a sun pad

## COMMITMENT TO INNOVATION AND SERVICE



**J.D. POWER**

**70+ Awards** *for Product Excellence and Customer Service*



National Marine Manufacturers Association®



# HIGHLY REGARDED & LONG-TENURED BRANDS

MPX's brands are recognized as some of the best on the water!



"The Chaparral 310 OSX will meet many of your family's boating needs with a length overall of approximately 31 feet, and the deep bow offers one of the biggest and most elegant rides that Chaparral has to offer. The Chaparral 310 OSX represents a blend of luxury, innovation, and performance, designed to meet the high standards and expectations of day boaters looking for an exceptional maritime experience." - *Product Tour (February 2024)*



"The Robalo R230 is designed to satisfy all of your fishing and performance needs. Outfitted with our Hydro Lift™ multi-angle hull design, horizontal tubed rod storage, SeaStar tilt hydraulic steering, and a 25-gallon live well. The R230 is perfect for those with the desire for endless possibilities." - *Capt. Trip Smith BoatTEST.com (November 2023)*



## CUSTOMER ENGAGEMENT ACROSS SOCIAL MEDIA PLATFORMS



285K+ Followers



44K+ Followers



MARINE PRODUCTS  
CORPORATION

# BROAD LINE-UP OF FIBERGLASS BOATS

2024 MODEL YEAR



STERNDRIVE AND OUTBOARD PLEASURE BOATS



**21**  
Models

**19–34 ft.**  
Length Range

**\$48k–\$564k**  
Price Range



SSI



Surf



OSX



Cayman EXPLORER

OUTBOARD SPORT FISHING BOATS

**19**  
Models

**18–36 ft.**  
Length Range



**\$46k–\$654k**  
Price Range



Dual Console



Center Console



Bay Boat



# FACILITIES OVERVIEW

## MPX operates out of five state-of-the-art manufacturing facilities

### KEY METRICS

≈1.2M

*Total Square Feet*

≈700

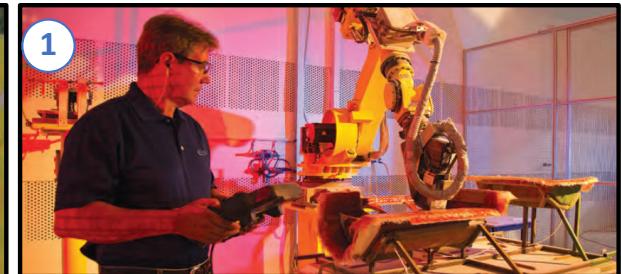
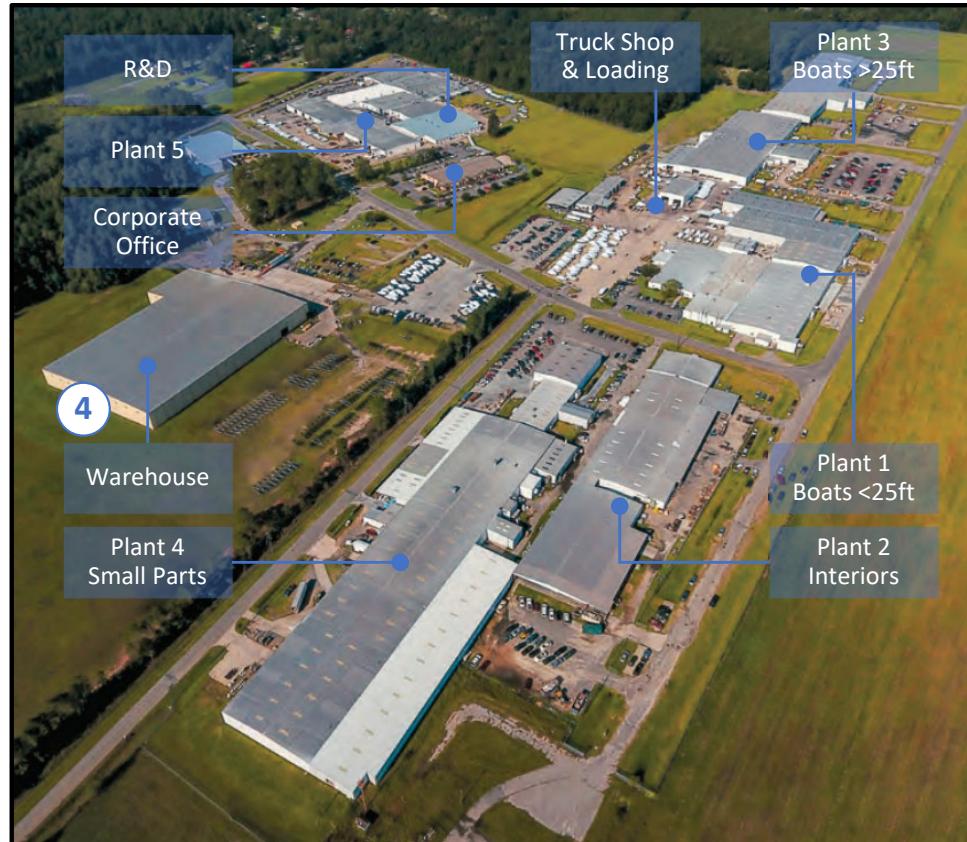
*Total Employees*

### KEY FUNCTIONS

- 1 Engineering / R&D
- 2 Manufacturing
- 3 Assembly and Final Testing
- 4 Warehouse

- MPX's facilities include 5 manufacturing plants in Nashville, Georgia
- Facilities are utilized to design new models, fabricate hulls, decks and small fiberglass parts, manufacture interiors and assemble and test end products before shipping to dealers

### FACILITY SNAPSHOTS



# 1ST QUARTER 2024 FINANCIAL SUMMARY

## First Quarter 2024 Highlights

- Net sales decreased 42% year-over-year to \$69.3 million
- Net income was \$4.6 million, down 60% year-over-year, and diluted earnings per share (EPS) was \$0.13; net income margin decreased 310 basis points to 6.6%
- EBITDA was \$5.9 million, down 61% year-over-year; EBITDA margin decreased 410 basis points to 8.5%
- Results reflected softer consumer demand and dealer ordering patterns due to higher interest rates and elevated channel inventory industry-wide, with difficult year-over-year comparisons to strong results in early 2023; the Company has taken steps to adjust production and costs
- The Board of Directors approved a regular quarterly dividend of \$0.14 per share, as well as a special dividend of \$0.70 per share, both payable during 2Q:24, returning an aggregate of approximately \$29 million of cash to shareholders

## Management Commentary

"First quarter results are indicative of a normalization of the elevated post-pandemic demand we were experiencing during the first quarter of last year, with year-over-year financial comparisons remaining unfavorable," stated Ben M. Palmer, Marine Products' President and Chief Executive Officer. "Our industry continues to navigate an uncertain demand environment and high inventory levels in the retail channel across many boat categories. In addition, higher interest rates versus last year have increased financing costs for consumers and increased floorplan carrying costs for dealers, curbing our order flow and retail sell-through. We have worked diligently to support our dealers by implementing retail incentive programs and modifying boat production schedules to help manage channel inventory, and we have adjusted our cost structure."

"We were encouraged by the Spring boat shows and the excitement around our new products. Our larger, higher-priced boats sold relatively well, but challenges remain for consumers who rely on financing for their boat purchases. We are just now entering the Spring selling season and are optimistic about new boat sales."

"In this current soft environment, we continue to take both operational and strategic steps to position the Company for long-term growth and positive shareholder returns. We are pleased to announce that our board has approved a special dividend payable during the second quarter, returning approximately \$24 million to investors, in addition to the approximately \$5 million through our regular quarterly dividend. With no debt, strong cash generation, and more than \$80 million in cash at the end of the first quarter, we can provide this attractive tangible return of capital while still leaving Marine Products with ample liquidity to pursue both organic growth investments and strategic acquisitions," concluded Palmer.

# 1<sup>ST</sup> QUARTER 2024 FINANCIAL SUMMARY (cont.)

## MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF OPERATIONS *(In thousands except per share data)*

March 31,	Three Months Ended	
	2024 (Unaudited)	2023 (Unaudited)
<b>Net sales</b>	<b>\$ 69,340</b>	<b>\$ 118,914</b>
Cost of goods sold	55,356	89,892
Gross profit	13,984	29,022
Selling, general and administrative expenses	8,742	14,533
Operating income	5,242	14,489
Interest income, net	851	483
Income before income taxes	6,093	14,972
Income tax provision	1,496	3,423
<b>Net income</b>	<b>\$ 4,597</b>	<b>\$ 11,549</b>
<b>EARNINGS PER SHARE</b>		
Basic	\$ 0.13	\$ 0.34
Diluted	\$ 0.13	\$ 0.34
<b>AVERAGE SHARES OUTSTANDING</b>		
Basic	34,632	34,379
Diluted	34,632	34,379

# APPENDIX – NON-GAAP RECONCILIATION

Marine Products Corporation has used the non-GAAP financial measures of EBITDA, EBITDA margin, and free cash flow in this presentation. These measures should not be considered in isolation or as a substitute for performance or liquidity measures prepared in accordance with GAAP. Management believes that presenting these non-GAAP measures enables investors to compare our operating performance consistently over various time periods, and in the case of EBITDA, without regard to changes in our capital structure. Management believes that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use in evaluating Marine Products' financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. Additionally, Marine Products' definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, management believes it is important to view free cash flow as a measure that provides supplemental information to our Condensed Consolidated Statements of Cash Flows.

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Set forth below are reconciliations of these non-GAAP measures with their most directly comparable GAAP measures. These reconciliations also appear on Marine Products Corporation's investor website, which can be found on the Internet at [marineproductscorp.com](http://marineproductscorp.com).

	<b>Three Months Ended</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>(Unaudited)</b>		
<i>(In thousands)</i>		
<b>Reconciliation of Net Income to EBITDA</b>		
Net income	\$ 4,597	\$ 11,549
Adjustments:		
Add: Income tax provision	1,496	3,423
Add: Depreciation and amortization	682	523
Less: Interest income, net	851	483
EBITDA	\$ 5,924	\$ 15,012
Net income margin	6.6%	9.7%
EBITDA margin	8.5%	12.6%
<b>(Unaudited)</b>		
<i>(In thousands)</i>		
<b>Reconciliation of Operating Cash Flow to Free Cash Flow</b>		
Net cash provided by operating activities	\$ 15,915	\$ 26,946
Capital expenditures	(883)	(1,789)
Free cash flow	\$ 15,032	\$ 25,157



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**CHAPARRAL**