Malibu Boats, Inc.
Form 424B4
July 10, 2014
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Filed Pursuant to Rule 424(b)(4)
Registration No. 333-197095 and 333-197332

PROSPECTUS

4,800,000 Shares

MALIBU BOATS, INC.

Class A Common Stock

This is a public offering of 4,800,000 shares of Class A Common Stock of Malibu Boats, Inc. Malibu Boats, Inc. is a holding company that holds an interest in, and is the sole managing member of, Malibu Boats Holdings, LLC.

We are selling 3,833,641 shares of our Class A Common Stock and the selling stockholders identified in this prospectus are offering 966,359 shares of our Class A Common Stock. We intend to use all of the net proceeds from this offering to purchase equity interests in Malibu Boats Holdings, LLC from certain members of the LLC. We will not receive any of the proceeds from the sale of the shares being sold by the selling stockholders. Our Class A Common Stock is listed on the Nasdaq Global Select Market under the symbol MBUU. The last reported sale price of our Class A Common Stock on July 9, 2014 was $19.22 per share.

Immediately following this offering, the holders of our Class A Common Stock will collectively own 100% of the economic interest in Malibu Boats, Inc., which will own approximately 66.4% of the economic interest in Malibu Boats Holdings, LLC. Immediately following this offering, the holders of our Class A Common Stock will collectively have approximately 66.4% of the voting power of Malibu Boats, Inc., and holders of our Class B Common Stock will collectively have approximately 33.6% of the voting power of Malibu Boats, Inc.

We are an emerging growth company as defined in the Jumpstart Our Business Startups Act and, as such, have elected to comply with certain reduced public company reporting requirements.

Investing in our Class A Common Stock involves a high degree of risk. See Risk Factors beginning on page 22.

	Per Share	Total

Public offering price	$ 18.50	$ 88,800,000
Underwriting discounts and commissions (1)	$ 0.925	$ 4,440,000
Proceeds to us, before expenses	$ 17.575	$ 67,376,241
Proceeds to selling stockholders, before expenses	$ 17.575	$ 16,983,759

(1) See Underwriting for a description of the compensation payable to the underwriters.

We and the selling stockholders have granted the underwriters an option for a period of 30 days to purchase up to 538,252 additional shares of Class A Common Stock from us and 181,748 additional shares of Class A Common Stock from the selling stockholders to cover over-allotments.

Neither the Securities and Exchange Commission, or the SEC, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of Class A Common Stock to purchasers on or about July 15, 2014.

RAYMOND JAMES **WELLS FARGO SECURITIES**

SUNTRUST ROBINSON HUMPHREY **BMO CAPITAL MARKETS**

The date of this prospectus is July 9, 2014.

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You should rely only on the information contained in this prospectus and any free writing prospectus prepared by us or on our behalf in connection with this offering. We have not, the selling stockholders have not and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, the selling stockholders are not and the underwriters are not, making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

No action is being taken in any jurisdiction outside the United States to permit a public offering of the Class A Common Stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to that jurisdiction.

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Unless otherwise expressly indicated or the context otherwise requires:

- we use the terms Malibu Boats, the Company, we, us, our or similar references to refer (1) prior to the consummation of the initial public offering, or IPO, to Malibu Boats Holdings, LLC, or the LLC, and its consolidated subsidiaries and (2) after the initial public offering, to Malibu Boats, Inc. and its consolidated subsidiaries;

- we refer to the owners of membership interests in the LLC immediately prior to the consummation of the initial public offering, collectively, as our pre-IPO owners ;

- we refer to owners of membership interests in the LLC, collectively, as our LLC members ;

- we refer to The Canyon Value Realization Master Fund, L.P. and BC-MB GP as the selling stockholders ;

- references to fiscal year refer to the fiscal year of Malibu Boats, which ends on June 30. Fiscal years 2012 and 2013 for the LLC ended on June 30, 2012 and 2013, respectively. Fiscal year 2014 will end on June 30, 2014;

- we use the term performance sport boat category to refer to our industry category, primarily consisting of fiberglass boats equipped with inboard propulsion and ranging from 19 feet to 26 feet in length, which we believe most closely corresponds to (1) the inboard ski/wakeboard category, as defined and tracked by the National Marine Manufacturers Association, or NMMA, and (2) the inboard skiboat category, as defined and tracked by Statistical Surveys, Inc., or SSI; and

- references to certain market and industry data presented in this prospectus are determined as follows: (1) U.S. boat sales and unit volume for the overall powerboat industry and any powerboat category during any calendar year are based on retail boat market data from the NMMA; (2) U.S. market share and unit volume for the overall powerboat industry and any powerboat category during any fiscal year ended June 30 or any calendar year ended December 31 are based on comparable same-state retail boat registration data from SSI, as reported by the 50 states for which data was available as of the date of this prospectus; and (3) market share among U.S. manufacturers of exports to international markets of boats in any powerboat category for any period is based on data from the Port Import Export Reporting Service, available through March 31, 2014, and excludes such data for Australia and New Zealand.

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PROSPECTUS SUMMARY

This summary highlights the information contained elsewhere in this prospectus, and is qualified in its entirety by reference to the more detailed information and financial statements appearing elsewhere in this prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. We include a glossary of some of the terms used in this prospectus as Appendix A. Before investing in our Class A Common Stock, par value $0.01 per share, or Class A Common Stock, you should read this entire prospectus, including the information set forth under the heading Risk Factors and the financial statements and the notes thereto. On February 5, 2014, we completed our Recapitalization and IPO. See History and Formation Transactions.

Our Company

We are a leading designer, manufacturer and marketer of performance sport boats, having the #1 market share position in the United States since 2010. Our boats are used for water sports, including water skiing, wakeboarding and wake surfing, as well as general recreational boating. Since inception in 1982, we believe we have been a consistent innovator in the powerboat industry, designing products that appeal to an expanding range of recreational boaters and water sports enthusiasts whose passion for boating and water sports is a key aspect of their lifestyle. We continue to focus on innovation and invest in product development to expand the market for our products by introducing consumers to new and exciting recreational activities. We believe that our boats are increasingly versatile, allowing consumers to use them for a wide range of activities that enhance the experience of a day on the water with family and friends. While there is no guarantee that we will achieve market share growth in the future, we believe that the performance, quality, value and multi-purpose features of our boats position us to achieve our goal of increasing our market share in the expanding recreational boating market.

We earn revenue and generate profits from the sale of our high performance boats under two brands Malibu and Axis. Our flagship Malibu brand boats offer our latest innovations in performance, comfort and convenience, and are designed for consumers seeking a premium boating experience. Retail prices of our Malibu boats typically range from $55,000 to $120,000. Our Axis brand of boats is designed to appeal to consumers who desire a more affordable product but still demand high performance, functional simplicity and the option to upgrade key features. Retail prices of our Axis boats typically range from $40,000 to $85,000.

All of our boats are built and tested at our corporate headquarters near Knoxville, Tennessee. Our boats are constructed of fiberglass, equipped with inboard propulsion systems and available in a range of sizes and hull designs. We employ experienced product development and engineering teams that enable us to offer a range of models across each of our brands while consistently introducing innovative features in our product offerings. Our engineering team closely collaborates with our manufacturing personnel in order to improve product quality and process efficiencies. The results of this collaboration are reflected in our receipt of numerous industry awards, including the Watersports Industry Association s Innovation of the Year in 2010 and 2013.

We offer our boats for sale through an extensive network of independent dealers in North America and throughout the world. As of March 31, 2014, our distribution channel consisted of 118 independent dealers in North America operating in 142 locations and 52 independent dealer locations across 36 countries outside of North America. Our boats are the exclusive performance sport boats offered by the majority of our dealers. Additionally, we offer our boats through an

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exclusive licensee in Australia that is one of the largest performance sport boat manufacturers in that country. Our dealer base is an important part of our consumers experience, our marketing efforts and our brands. We devote significant time and resources to find, develop and improve the performance of our dealers and believe our dealer network gives us a distinct competitive advantage.

We have experienced significant growth in net sales and profitability over the last several years. For our fiscal year ended June 30, 2013, net sales, adjusted EBITDA and net income (loss) were $167.0 million, $31.8 million and $18.0 million, respectively, compared to $140.9 million, $19.9 million and $11.1 million, respectively, for fiscal year 2012 and $100.0 million, $7.9 million and approximately $(543,000), respectively, for fiscal year 2011. For the nine months ended March 31, 2014, our net sales and adjusted EBITDA were $137.5 million and $26.9 million, an increase of 16.5% and 26.9%, respectively, compared to the nine months ended March 31, 2013 and net income for the nine months ended March 31, 2014 was $9.4 million, a decrease of 2.0% compared to the nine months ended March 31, 2013. The decrease in net income for the nine months ended March 31, 2014 compared to the nine months ended March 31, 2013 was largely attributable to one time charges in connection with our IPO. For the definition of adjusted EBITDA and a reconciliation to net income, see GAAP Reconciliation of Non-GAAP Financial Measures.

Our Strengths

#1 Market Share Position in Performance Sport Boat Category. We held the number one market share position, based on unit volume, in the United States among manufacturers of performance sport boats for 2010, 2011, 2012 and 2013. We have grown our U.S. market share from 23.1% in 2008, the year prior to the arrival of our current Chief Executive Officer and Chief Financial Officer, to 32.8% in 2013. The following table reflects our U.S. market share in the performance sport boat category compared to the market share of our competitors for the periods shown:

	U.S. Market Share in Performance Sport Boat Category					
Manufacturer/Brand(s)	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Malibu Boats/Malibu and Axis	23.1%	23.4%	24.2%	28.7%	30.6%	32.8%
MasterCraft Boat Company, LLC/MasterCraft	23.8	24.7	23.4	24.3	21.9	20.0
Correct Craft, Inc./Nautique	15.2	13.9	16.0	14.8	14.7	15.8
Skier s Choice, Inc./Supra and Moomba	16.6	15.6	16.5	15.5	14.6	12.6
All others	21.3	22.4	19.9	16.7	18.2	18.8
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

In addition, our 33% market share of performance sport boat exports to international markets for the 12 months ended March 31, 2014 was the second highest among U.S. manufacturers.

Performance Sport Boat Category Taking Share. As the recovery in the general economy and overall powerboat industry has continued, the performance sport boat category in which we participate has experienced one of the highest growth rates. New unit sales of performance sport boats in the United States increased by 13% from 2011 to 2012, while new unit sales of all other powerboats in the United States increased 10% over the same period. This trend continued in 2013, as new unit sales of performance sport boats and all other powerboats in the United States

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increased by 11% and 2%, respectively, during the year ended December 31, 2013. We believe this is largely attributable to increased innovation in the features, designs and layouts of performance sport boats, which has improved the performance, functionality and versatility of these boats versus other recreational powerboats, particularly the larger category of sterndrive boats. We believe that we have been at the forefront of product innovation and will continue to appeal to a broader consumer base that values our boats not only for water sports, but also for general recreational boating and leisure activities. We believe that our market-leading position within our expanding category will create continued growth opportunities for us.

Poised to Take Advantage of the Performance Sport Boat Market Recovery. With our leading and growing market share in our category, we believe that we are well-positioned to take advantage of the ongoing recovery in the powerboat market. While the performance sport boat category grew 11% in 2013, new unit sales remained significantly below historical peaks. As illustrated in the chart below, the 6,100 new units sold in 2013, which is the most recent year for which information is available, were 48% below the average annual new unit sales volume of 11,714 observed between 2001 and 2007 and 53% below the 13,100 new units sold in 2006. While there is no guarantee that the market will continue to grow or return to historical sales levels, we believe we are in the early stages of a recovery that presents significant opportunity for growth.

Even if the performance sport boat market does not reach previous peak levels, we believe that our #1 market share position in a category that is growing faster than the overall powerboat industry, our investments in the Company during and subsequent to the economic downturn, and our innovative product offering should drive superior performance.

Industry-leading Product Design and Innovation. We believe that our innovation in the design of new boat models and new features has been a key to our success, helping us increase our market share within our category and generally broaden the appeal of our products among recreational boaters. As a result of the features we have introduced, we believe that our boats are used for an increasingly wide range of activities and are increasingly easier to use, while maintaining the high

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performance characteristics that consumers expect. Additionally, by introducing new boat models in a range of price points, sizes, bow and hull designs, and optional performance features, we have enhanced consumers ability to select a boat suited to their individual preferences. Our commitment to, and consistency in, developing new boat models and introducing new features are reflected in several notable achievements, including:

- release of our patented Surf Gate technology in 2012, which allows users to surf on either side of the boat s wake, generates a better quality surf wave and was the Watersports Industry Association s Innovation of the Year in 2013;

- launch of the Axis brand of boats in 2009, designed from the ground up to be an entry-level product, which has already captured a 6.4% share of the U.S. market in our category as of December 31, 2013;

- introduction of the patented Power Wedge in 2006, which gives boaters the ability to customize the size and shape of the boat s wake with the push of a button; and

- a strong new product lineup for model year 2015 that includes the redesign of the Malibu Wakesetter VLX and the Axis A22. In addition, on our model year 2015 Malibu products, we will offer an enhanced touchscreen dash, an improved Power Wedge and an optional, all machined aluminum G4 tower.

Strong Dealer Network. We have worked diligently with our dealers to develop the strongest distribution network in the performance sport boat category. We believe that our distribution network of 142 North American dealer locations and 52 international dealer locations allows us to distribute our products more broadly and effectively than our competitors. For fiscal year 2013, our dealers held the #1 market share position for the performance sport boat category in 75 of 133 U.S. markets. We have nominal dealer concentration, with our largest dealer responsible for less than 6.0% of our unit volume for fiscal year 2013 and the nine months ended March 31, 2014 and our top ten dealers representing 36.1% and 32.6% of our unit volume for fiscal year 2013 and the nine months ended March 31, 2014, respectively. We continually review our geographic coverage to identify opportunities for expansion and improvement, and have added 35 new North American dealer locations in the past five years to address previously underserved markets. In addition, we have strengthened our dealer network by replacing 37 dealer locations in the past five years, 19 of which were converted from selling one of our competitor s products.

Highly Recognized Brands. We believe our Malibu and Axis brands are widely recognized in the powerboat industry, which helps us reach a growing number of target consumers. For over 30 years, our Malibu brand has generated a loyal following of recreational boaters and water sports enthusiasts who value the brand s premium performance and features. Our Axis brand has grown rapidly as consumers have been drawn to its more affordable price point and available optional features. We believe that the appeal of our high performance and innovative products with athletes and enthusiasts contributes to our brand awareness with dealers and with consumers. We are able to build on this brand recognition and support through a series of marketing initiatives coordinated with our dealers or executed directly by us. Many of our marketing efforts are conducted on a grass-roots level domestically and internationally. Key grass-roots initiatives include: production and distribution of water sports videos; online and social marketing; on-the-water events; athlete, tournament and water sport facility sponsorships; and participation and product placement at important industry events. Additionally, our boats, their innovative features, our sponsored athletes and our dealers all frequently win industry awards, which we believe further boosts our brand recognition and reputation for excellence. We believe our marketing

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strategies and accomplishments enhance our profile in the industry, strengthen our credibility with consumers and dealers and increase the appeal of our brands.

Compelling Margins and Cash Flow. Our adjusted EBITDA margin was 19.0% and 19.6% for fiscal year 2013 and the nine months ended March 31, 2014, respectively. For the definition of adjusted EBITDA margin and a reconciliation to net income, see GAAP Reconciliation of Non-GAAP Financial Measures. In recent years, we have implemented a number of initiatives to reduce our cost base and improve the efficiency of our manufacturing process. Re-engineering the manufacturing process in our Tennessee facility has reduced labor hours per boat produced, and close collaboration between our product development and manufacturing teams has improved production throughput and product quality. Further, vertical integration of tower and tower accessory production has allowed us to increase incremental margin per boat sold. As a result of these and other initiatives, adjusted EBITDA for fiscal year 2013 grew 59.9% on net sales growth of 18.5% as compared to fiscal year 2012 and for the nine months ended March 31, 2014 grew 26.9% on net sales growth of 16.5% as compared to nine months ended March 31, 2013. Our low capital expenditure requirements and a highly efficient working capital cycle allowed us to generate significant excess cash flow in fiscal years 2012 and 2013 and the nine months ended March 31, 2014. We believe our strong cash flow increases our financial stability and provides us with more flexibility to invest in growth initiatives.

Highly Experienced Management Team. Our experienced management team has demonstrated its ability to identify, create and integrate new product innovations, improve financial performance, optimize operations, enhance our distribution model and recruit top industry talent. Our Chief Executive Officer, Jack Springer, joined Malibu Boats in 2009 and has assembled an executive team with strong, complementary talents and experience. This team has led a workforce that we believe has produced superior results, including market share gains, sales growth and profitability improvement in each year since 2009.

Our Strategy

We intend to capitalize on the ongoing recovery in the powerboat market through the following strategies:

Continue to Develop New and Innovative Products in Our Core Markets. We intend to continue developing and introducing new and innovative products both new boat models to better address a broader range of consumers and new features to deliver better performance, functionality, convenience, comfort and safety to our consumers. We believe that new products and features are important to the growth of our market share, the continued expansion of our category and our ability to maintain attractive margins.

Our product development strategy consists of a two-pronged approach. First, we seek to introduce new boat models to target unaddressed or underserved segments of the performance sport boat category, while also updating and refreshing our existing boat models regularly. For example, we introduced Axis-branded boats starting in 2009 to address the entry-level segment of our category, and we launched the Malibu Wakesetter MXZ product line in 2012 to enter the premium picklefork bow design segment of our market. Second, we seek to develop and integrate innovative new features into our boats, such as Surf Gate, Malibu Touch Command and Power Wedge. For the 2014 model year, which began on July 1, 2013, we redesigned the Wakesetter 23LSV model and expanded our product offerings, including the introduction of two new models under the Axis brand, doubling the number of models offered under the Axis brand. In addition, Surf Gate was added as an available feature on our Axis boats. We intend to continue

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releasing new products and features multiple times during the year, which we believe enhances our reputation as a leading-edge boat manufacturer and provides us with a competitive advantage.

Capture Additional Share from Adjacent Boating Categories. Our culture of innovation has enabled us to expand the market for our products by attracting consumers from other categories, most notably from the sterndrive category. As illustrated by the chart below, the new unit sales volume of performance sport boats steadily increased from 2001 through 2013 as a percentage of the total new unit sales volume of performance sports boats and sterndrive boats. While there is no guarantee that this trend will continue in the future, we believe our market-leading position and broad offering of boat models and features will continue to attract consumers to our performance sport boats.

U.S. Performance Sport Boats Percentage of Total New Unit Sales Volume for Performance Sport Boats and Sterndrive Boats

We intend to continue to enhance the performance, comfort and versatility of our products in order to further target crossover consumers seeking high-performance powerboats for general recreational activity. For example, we believe that one of our newest boat models, the Wakesetter 24 MXZ, appeals to a broader range of recreational boaters by offering the performance benefits of our products, including superior drivability and water sports versatility, while also providing greater seating capacity, a roomy, plush interior and extensive storage space to allow an increased number of family and friends to spend time together on the water.

Further Strengthen Our Dealer Network. Our goal is to achieve and maintain leading market share in each of the markets in which we operate. We continually assess our distribution network and take the actions necessary to achieve our goal. We intend to strengthen our current footprint by selectively recruiting market-leading dealers who currently sell our competitors products. In addition, we plan to continue expanding our dealer network in certain geographic areas to increase consumer access and service in markets where it makes strategic sense. In the past five years, we have added 35 new dealer locations in the United States and Canada to provide incremental geographic coverage. We believe our targeted initiatives to enhance and grow our dealer network will increase unit sales in the future.

Accelerate International Expansion. Based on our U.S. leadership position, brand recognition, diverse, innovative product offering and distribution strengths, we believe that we are well-positioned to increase our international sales. Our 33% market share of performance sport boat

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exports to international markets for the 12 months ended March 31, 2014 was the second highest among U.S. manufacturers. Our unit sales outside of North America, however, represented less than 5.0% of our total sales volume in fiscal year 2013. We believe we will increase our international sales both by promoting our products in developed markets where we have a well-established dealer base, such as Western Europe, and by penetrating new and emerging markets where we expect rising consumer incomes to increase demand for recreational products, such as Asia and South America, although there is no guarantee that our efforts will be successful or that international sales will increase.

Our Market Opportunity

During 2013, retail sales of new powerboats in the United States totaled $6.5 billion. Of the powerboat categories defined and tracked by the NMMA, our core market corresponds most directly to the inboard ski/wakeboard category, which we refer to as the performance sport boat category. We believe our addressable market also includes similar and adjacent powerboat categories identified by the NMMA, including sterndrive boats, outboard boats and jet boats. For 2013, retail sales of new performance sport boats, sterndrive boats, outboard boats and jet boats in the United States were $470 million, $895 million, $3.0 billion and $113 million, respectively. As a result, we believe the total addressable market for our products in the United States alone is over $4 billion.

We believe we are well-positioned to benefit from several trends underway in our addressable market, including:

- improving macroeconomic environment driving increased consumer demand for boats;
- improved dealer inventory positions; and
- increasing ages of used boats driving new boat sales.

For more information, see Business Our Market Opportunity.

Recent Developments

On February 5, 2014, we completed our initial public offering of 8,214,285 shares of Class A Common Stock at a price to the public of $14.00 per share, raising net proceeds of $99.5 million after underwriting discounts and commissions but before expenses. Of the shares of Class A Common Stock sold to the public, 7,642,996 shares were issued and sold by us and 571,289 shares were sold by selling stockholders. This included 899,252 shares issued and sold by us and 172,175 shares sold by selling stockholders pursuant to the over-allotment option granted to the underwriters, which was exercised prior to the completion of the IPO.

We used $69.8 million of the net proceeds from the IPO to purchase newly issued units of Malibu Boats Holdings, LLC, or LLC Units, from Malibu Boats Holdings, LLC, or the LLC, and caused the LLC to use these proceeds (i) to pay down all of the amounts owed under the LLC s credit facilities and term loans in an amount equal to $63.4 million, (ii) to pay Malibu Boats Investor, LLC, an affiliate of the LLC, a fee of $3.8 million upon the consummation of the IPO in connection with the termination of the LLC s management agreement, and (iii) for general corporate purposes with the remaining approximately $2.7 million. We used all of the remaining net proceeds from the initial public offering, or $29.8 million, to purchase LLC Units from the pre-

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IPO owners of the LLC at a purchase price equal to the initial public offering price per share of Class A Common Stock in the IPO, after deducting underwriting discounts and commissions.

On June 2, 2014, we entered into a letter of intent to acquire all of the equity interests of our licensee in Australia. The Australian license business is operated by Malibu Boats Pty Ltd. and includes distribution rights in the Australia and New Zealand markets as well as a manufacturing facility in Albury, Australia. For the twelve months ended June 30, 2014, Malibu Boats Pty Ltd. sold approximately 300 units. The proposed acquisition is expected to close in the first half of fiscal year 2015 subject to negotiation and execution of definitive documentation. The letter of intent is not binding on either party and the proposed acquisition is subject to completion of our due diligence review and the successful negotiation and execution of definitive agreements for the proposed acquisition. There is no assurance we will be able to enter into definitive agreements or consummate the transactions on the terms described herein, if at all.

We believe that unit volume will be approximately 799 units for the three months ended June 30, 2014, net sales will be between approximately $52.5 million and $53.0 million for the three months ended June 30, 2014 and gross profit will be between approximately $14.0 million and $14.5 million for the three months ended June 30, 2014.

The estimates above are preliminary and may change. We have provided a range for certain preliminary results described above primarily because our financial closing procedures for the quarter ended June 30, 2014 are not yet complete. There can be no assurance that our final results for this period will not differ from these estimates, including as a result of year-end closing and audit procedures or review adjustments and any such changes could be material. In addition, these preliminary results of operations for the quarter ended June 30, 2014, are not necessarily indicative of the results to be achieved for any future period. McGladrey LLP has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial data. Accordingly, McGladrey LLP does not express an opinion or any other form of assurance with respect thereto.

As a result of the foregoing considerations, investors are cautioned not to place undue reliance on this preliminary financial information. There are material limitations with making estimates of our results prior to the completion of our and our auditors normal audit procedures for such periods. See Special Note Regarding Forward-looking Statements, Management s Discussion and Analysis of Financial Condition and Results of Operations, Summary Historical Consolidated Financial Data, Selected Consolidated Financial Data and our consolidated financial statements and the related notes thereto included elsewhere in this prospectus.

Our Structure

Malibu Boats, Inc. is a Delaware corporation and is a holding company that owns only an interest in the LLC. Malibu Boats, Inc. is the sole managing member of the LLC, operates and controls all of the LLC s business and affairs and consolidates the financial results of the LLC and its subsidiaries. The LLC has a single class of LLC Units and the limited liability company agreement of the LLC provides that the conduct, control and management of the LLC is vested exclusively in Malibu Boats, Inc., as sole managing member. The other members of the LLC do not have the right to remove the sole managing member for any reason.

In connection with our IPO, we and the pre-IPO owners of the LLC entered into an exchange agreement under which (subject to the terms of the exchange agreement) each pre-IPO owner of the LLC (and certain permitted transferees thereof) generally has a right to exchange its LLC Units for

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shares of our Class A Common Stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications or, at our option, except in the event of a change in control, for a cash payment equal to the market value of the Class A Common Stock. For more information, see Certain Relationships and Related Party Transactions Exchange Agreement.

Holders of our Class A Common Stock and our Class B Common Stock have voting power over Malibu Boats, Inc., the sole managing member of the LLC, at a level that is consistent with their overall equity ownership of our business. One share of Class B Common Stock is issued to each holder of LLC Units for nominal consideration. Each share of Class B Common Stock provides its owner with no economic rights but entitles the holder to one vote on matters presented to stockholders of Malibu Boats, Inc. for each LLC Unit held by such holder, as described in Description of Capital Stock Common Stock Voting Rights. Holders of our Class A Common Stock and Class B Common Stock vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law.

As of June 30, 2014, after giving effect to this offering:

- 14,897,842 shares of Class A Common Stock will be outstanding, representing 66.4% of the combined voting interest in us (or 15,436,094 shares, representing 68.8% of the combined voting interest in us, if the underwriters exercise in full their option to purchase additional shares of Class A Common Stock from us and the selling stockholders);

- 43 shares of Class B Common Stock will be outstanding, representing 33.6% of the combined voting interest in us (or 31.2% of the combined voting interest in us, if the underwriters exercise in full their option to purchase additional shares of Class A Common Stock from us and the selling stockholders);

- 14,897,842 LLC Units will be held by Malibu Boats, Inc., representing 66.4% of the economic interest in the LLC (or 15,436,094 LLC Units, representing 68.8% of the economic interest in the LLC, if the underwriters exercise in full their option to purchase additional shares of Class A Common Stock from us and the selling stockholders); and

- 7,540,096 LLC Units will be held by members of the LLC other than Malibu Boats, Inc., representing 33.6% of the economic interest in the LLC (or 7,001,844 LLC Units, representing 31.2% of the economic interest in the LLC, if the underwriters exercise in full their option to purchase additional shares of Class A Common Stock from us and the selling stockholders).

In connection with our IPO, we entered into a voting agreement with certain affiliates. Under the voting agreement, Black Canyon Management LLC is entitled to nominate to our board of directors a number of designees equal to (1) 20% of the total number of directors comprising our board of directors at such time as long as Black Canyon Management LLC and its affiliates and Jack D. Springer, Wayne R. Wilson and Ritchie L. Anderson, our Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, respectively, together beneficially own 15% or more of the voting power of the shares of Class A Common Stock and Class B Common Stock entitled to vote generally in the election of directors, voting together as a single class, and (2) 10% of the total number of directors comprising the board of directors at such time as long as Black Canyon Management LLC and its affiliates and Messrs. Springer, Wilson and Anderson together beneficially own more than 5% but less than 15% of the voting power of the shares of Class A Common Stock and Class B Common Stock entitled to vote generally in the election of directors, voting together as a single class. For purposes of calculating the number of directors that Black Canyon Management LLC is entitled to nominate pursuant to this formula, any fractional amounts

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will be rounded up to the nearest whole number and the calculation will be made on a pro forma basis, taking into account any increase in the size of the board of directors (e.g., one and one-third ($1\,^{1}/_{3}$) directors equates to two directors). In addition, Black Canyon Management LLC has the right to remove and replace its director-designees at any time and for any reason and to nominate any individual(s) to fill any such vacancies. Messrs. Springer, Wilson and Anderson are required to vote any of their LLC Units in favor of the director or directors nominated by Black Canyon Management LLC. After this offering, Black Canyon Management LLC and its affiliates and Messrs. Springer, Wilson and Anderson together will beneficially own 23.9% of the voting power of the shares of Class A Common Stock and Class B Common Stock.

The limited liability company agreement of the LLC provides that it may be amended, supplemented, waived or modified by the written consent of Malibu Boats, Inc., as managing member of the LLC, in its sole discretion without the approval of any other holder of LLC Units, except that no amendment may materially and adversely affect the rights of a holder of LLC Units, other than on a pro rata basis with other holders of LLC Units, without the consent of such holder (unless more than one holder is so affected, then the consent for a majority of such affected holders is required). In addition, pursuant to the limited liability company agreement of the LLC, Malibu Boats, Inc. has the right to require all members to exchange their LLC Units for Class A Common Stock in accordance with the terms of the exchange agreement, subject to the consent of Black Canyon Management LLC and the holders of a majority of outstanding LLC Units other than those held by Malibu Boats, Inc.

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The diagram below depicts our current organizational structure. The percentages give effect to this offering and the purchase by us of LLC Units and assume all the shares offered hereby are sold, excluding the over-allotment:

In connection with our initial public offering, Malibu Boats, Inc. entered into a tax receivable agreement with the pre-IPO owners of the LLC that provides for the payment from time to time by Malibu Boats, Inc. to the pre-IPO owners (or their permitted assignees) of 85% of the amount of the benefits, if any, that Malibu Boats, Inc. is deemed to realize as a result of (1) increases in tax basis resulting from the purchases or exchanges of LLC Units and (2) certain other tax benefits related to our entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement. The actual increase in tax basis, as well as the amount and timing of any payments under the tax receivable agreement, will vary depending upon a number of factors, including the timing of the purchases or exchanges, the price of shares of our Class A Common Stock at the time of the purchase or exchange, the extent to which such purchases or exchanges are taxable, and the amount and timing of our income. For more information, see Certain Relationships and Related Party Transactions Tax Receivable Agreement.

Emerging Growth Company Status

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act, or the JOBS Act. We have taken, and for as long as we are an emerging growth company, we

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may continue to take, advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding stockholder advisory say-on-pay votes on executive compensation and stockholder advisory votes on golden parachute compensation.

Under the JOBS Act, we will remain an emerging growth company until the earliest of:

- the last day of the fiscal year during which we have total annual gross revenue of $1 billion or more;
- the last day of the fiscal year following the fifth anniversary of the closing of the IPO;
- the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt; and
- the date on which we are deemed to be a large accelerated filer under the Exchange Act (we will qualify as a large accelerated filer as of the first day of the first fiscal year after we have (1) more than $700 million in outstanding common equity held by our non-affiliates and (2) been public for at least 12 months; the value of our outstanding common equity will be measured each year on the last day of our second fiscal quarter).

The JOBS Act also provides that an emerging growth company can utilize the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, for complying with new or revised accounting standards. Pursuant to Section 107 of the JOBS Act, we opted out of such extended transition period and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for companies that are not emerging growth companies. Under the JOBS Act, our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Summary of Risk Factors

Our business is subject to risks, as discussed more fully in the section entitled Risk Factors beginning on page 22. You should carefully consider all of the risks discussed in the Risk Factors section before investing in our Class A Common Stock. In particular, the following factors may have an adverse effect on our business, which could cause a decrease in the price of our Class A Common Stock and result in a loss of all or a portion of your investment:

- general economic conditions, particularly in the United States, affect our industry, demand for our products, and our business and results of operations;
- our annual and quarterly financial results are subject to significant fluctuations depending on various factors, many of which are beyond our control;
- we depend on our network of independent dealers, face increasing competition for dealers and have little control over their activities;
- our success depends, in part, upon the financial health of our dealers and their continued access to financing;

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- we may be required to repurchase inventory of certain dealers;
- if we fail to manage our manufacturing levels while still addressing the seasonal retail pattern for our products, our business and margins may suffer;
- we have a large fixed cost base that will affect our profitability if our sales decrease;
- our industry is characterized by intense competition, which affects our sales and profits;
- our sales may be adversely impacted by increased consumer preference for used boats or the supply of new boats by competitors in excess of demand; and
- our sales and profitability depend, in part, on the successful introduction of new products.

Corporate and Other Information

Malibu Boats, Inc. was formed as a Delaware corporation on November 1, 2013. Our principal executive offices are located at 5075 Kimberly Way, Loudon, Tennessee 37774. Our telephone number is (865) 458-5478. Our website address is www.malibuboats.com. The reference to our website is an inactive textual reference only, and the information that can be accessed through our website is not part of this prospectus, and investors should not rely on any such information in deciding whether to purchase our Class A Common Stock.

This prospectus includes our trademarks, such as Surf Gate and Wakesetter, which are protected under applicable intellectual property laws and are the property of Malibu Boats. This prospectus also contains trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

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THE OFFERING

Class A Common Stock offered by us	3,833,641 shares.
Class A Common Stock offered by selling stockholders	966,359 shares.
Overallotment option offered by us and selling stockholders	720,000 shares (538,252 additional shares of Class A Common Stock from us and 181,748 additional shares of Class A Common Stock from the selling stockholders).
Class A Common Stock to be outstanding after the offering	14,897,842 shares (or 22,437,938 shares if all outstanding LLC Units held by our LLC members were exchanged for newly-issued shares of Class A Common Stock on a one-for-one basis).
Class B Common Stock outstanding after the offering	43 shares, or one share for every holder of LLC Units.
Use of proceeds	We estimate that the net proceeds to us from this offering, after deducting underwriting discounts and commissions, will be approximately $67.4 million (or $76.8 million if the underwriters exercise in full their option to purchase additional shares of Class A Common Stock). We estimate that the total expenses of the offering payable by us, excluding the underwriting discount, will be approximately $0.7 million.
	Malibu Boats, Inc. intends to use all of the net proceeds from this offering to purchase LLC Units from the LLC members at a purchase price per unit equal to the public offering price per share of Class A Common Stock in this offering, after deducting underwriting discounts and commissions.
	We will not receive any of the proceeds from the sale of shares of Class A Common Stock offered by the selling stockholders.
Voting rights	Holders of our Class A Common Stock and our Class B Common Stock have voting power over Malibu Boats, Inc., the sole managing member of the LLC, at a level that is consistent with their overall equity ownership of our business. Each share of our Class A Common Stock entitles its holder to one vote on all matters to be voted on by stockholders generally.
	Each LLC member holds one share of Class B Common Stock. The shares of Class B Common Stock have no

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	economic rights but entitle the holder to a number of votes on matters presented to stockholders of Malibu Boats, Inc. that is equal to the aggregate number of LLC Units held by such holder. See Description of Capital Stock Common Stock Voting Rights.
	Holders of our Class A Common Stock and Class B Common Stock vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law.
	We have entered into a voting agreement with certain affiliates. Under the voting agreement, Black Canyon Management LLC is entitled to nominate to our board of directors up to 20% of the total number of directors comprising our board of directors. See Certain Relationships and Related Party Transactions Voting Agreement.
Exchange rights of holders of LLC Units	Prior to the closing of our initial public offering, we entered into an exchange agreement with the pre-IPO owners of the LLC so that they generally have a right (subject to the terms of the exchange agreement) to exchange their LLC Units for shares of our Class A Common Stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications, or, at our option, except in the event of a change in control, for a cash payment equal to the market value of the Class A Common Stock.
Risk factors	Investing in our Class A Common Stock involves a high degree of risk. Before buying any shares, you should read the discussion of material risks of investing in our Class A Common Stock in Risk Factors beginning on page 22.
Nasdaq symbol	MBUU

In this prospectus, unless otherwise indicated, the number of shares of Class A Common Stock outstanding and the other information based thereon does not reflect:

- 538,252 shares of Class A Common Stock issuable upon exercise of the underwriters option to purchase additional shares of Class A Common Stock from us;

- 11,373,737 shares of Class A Common Stock issuable upon exchange of 11,373,737 LLC Units as of June 30, 2014; and

- 1,700,000 shares of Class A Common Stock available for future grant or subject to outstanding awards under our Long-Term Incentive Plan, or the Incentive Plan.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The summary historical consolidated financial data and other data of the LLC and Malibu Boats, Inc., as the case may be, below should be read together with History and Formation Transactions Organizational Structure, Selected Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes, all included elsewhere in this prospectus.

We have derived the consolidated statement of income data for the fiscal years ended June 30, 2011, 2012 and 2013 and our consolidated balance sheet data as of June 30, 2011, 2012 and 2013 from our audited consolidated financial statements and related notes included elsewhere in this prospectus for the LLC. We have derived the condensed consolidated statement of income data for the nine months ended March 31, 2013 for the LLC and March 31, 2014 for us and our condensed consolidated balance sheet data as of March 31, 2014 from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. Data from the consolidated statement of income and balance sheet for the fiscal years ended June 30, 2011, 2012, and 2013 and as of and for the nine months ended March 31, 2013 reflects information as presented by the LLC for the period prior to the Recapitalization and IPO on February 5, 2014, while data as of and for the nine months ended March 31, 2014, reflects information as presented by us for the period after the Recapitalization and IPO on February 5, 2014. Certain of the measures set forth below are not measures recognized under generally accepted accounting principles in the United States, or GAAP. For a discussion of management s reasons for presenting such data and a reconciliation to comparable financial measures calculated in accordance with GAAP, see GAAP Reconciliation of Non-GAAP Financial Measures. Our historical results are not necessarily indicative of the results that may be expected in the future.

	Fiscal Year Ended June 30,			Nine Months Ended March 31,	
	2011	2012	2013	2013	2014
	(Dollars in thousands)				
Consolidated statement of income data (1):					
Net sales	$ 99,984	$ 140,892	$ 167,012	$ 118,039	$ 137,535
Cost of sales	83,730	110,849	123,412	88,376	101,417
Gross profit	16,254	30,043	43,600	29,663	36,118
Operating expenses:					
Selling and marketing	3,621	4,071	4,937	3,794	4,454
General and administrative	6,194	8,307	14,177	11,302	15,322
Amortization	5,178	5,178	5,178	3,883	3,883
Operating income	1,261	12,487	19,308	10,684	12,459
Other expense, net	(1,804)	(1,381)	(1,324)	(1,077)	(2,971)
Net (loss) income before provision for income taxes	(543)	11,106	17,984	9,607	9,488
Provision for income taxes					76
Net (loss) income	(543)	11,106	17,984	9,607	9,412
Net (loss) income attributable to non-controlling interest	(543)	11,106	17,984	9,607	9,782
Net loss attributable to Malibu Boats, Inc.	$	$	$	$	$ (370)

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	Fiscal Year Ended June 30, 2011	Fiscal Year Ended June 30, 2012	Fiscal Year Ended June 30, 2013	Nine Months Ended March 31, 2013	Nine Months Ended March 31, 2014
			(Dollars in thousands)		
Weighted average shares outstanding used in computing net loss per share:					
Basic					11,054,830
Diluted					22,028,476
Net loss available to Class A Common Stock per share (2):					
Basic					$ (0.03)
Diluted					$ (0.04)
Consolidated balance sheet data:					
Total assets	$ 60,033	$ 64,725	$ 65,927	$ 64,267	$ 80,625
Total liabilities	45,566	39,280	45,913	50,244	40,487
Total members /stockholders equity	14,467	25,445	20,014	14,023	40,138
Additional financial and other data:					
Unit volume	1,860	2,482	2,672	1,917	2,111
Gross margin	16.3%	21.3%	26.1%	25.1%	26.3%
Adjusted EBITDA (3)	$ 7,918	$ 19,863	$ 31,758	$ 21,220	$ 26,928
Adjusted EBITDA margin (3)	7.9%	14.1%	19.0%	18.0%	19.6%
Adjusted Fully Distributed Net (Loss) Income per share of Class A Common Stock (4):					
Basic	$ 0.00	$ 0.34	$ 0.67	$ 0.42	$ 0.53
Diluted	0.00	0.34	0.67	0.42	0.53

(1) For the period after the IPO on February 5, 2014, the non-controlling interest represents the portion of earnings or loss attributable to the economic interest held by the non-controlling LLC Unit holders, which was 50.7% as of March 31, 2014. Since all of the earnings prior to and up to February 5, 2014 were entirely allocable to the LLC unit holders, we updated our historical presentation to attribute these earnings to the non-controlling interest accordingly.

(2) As noted above, all earnings prior and up to February 5, 2014, the date of completion of the IPO, were entirely allocable to the non-controlling interest. As a result, earnings per share information attributable to these historical periods is not comparable to earnings per share information attributable to the Company after the IPO and, as such, has been omitted.

(3) Adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures. For definitions of adjusted EBITDA and adjusted EBITDA margin and a reconciliation of each to net income, see GAAP Reconciliation of Non-GAAP Financial Measures.

(4) Adjusted Fully Distributed Net (Loss) Income per share of Class A Common Stock is a non-GAAP financial measure. For the definition of Adjusted Fully Distributed Net (Loss) Income per share of Class A Common Stock and a reconciliation to net income, see GAAP Reconciliation of Non-GAAP Financial Measures.

GAAP Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA

Adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures that are used by management as well as by investors, commercial bankers, industry analysts and other users of our financial statements.

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We define adjusted EBITDA as earnings before interest expense, income taxes, depreciation, amortization and non-cash, non-recurring and non-operating expenses, including severance and relocation, management fees and expenses, certain professional fees and non-cash compensation expense. We define adjusted EBITDA margin as adjusted EBITDA divided by net sales. Adjusted EBITDA and adjusted EBITDA margin are not measures of net (loss) income as determined by GAAP. Management believes adjusted EBITDA and adjusted EBITDA margin are useful because they allow management to evaluate our operating performance and compare the results of our operations from period to period and against our peers without regard to our financing methods, capital structure and non-recurring and non-operating expenses. We exclude the items listed above from net (loss) income in arriving at adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures, the methods by which assets were acquired and other factors. Adjusted EBITDA has limitations as an analytical tool and should not be considered as an alternative to, or more meaningful than, net (loss) income as determined in accordance with GAAP or as an indicator of our liquidity. Certain items excluded from adjusted EBITDA are significant components in understanding and assessing a company s financial performance, such as a company s cost of capital and tax structure, as well as the historical costs of depreciable assets. Our presentation of adjusted EBITDA and adjusted EBITDA margin should not be construed as an inference that our results will be unaffected by unusual or non-recurring items. Our computations of adjusted EBITDA and adjusted EBITDA margin may not be comparable to other similarly titled measures of other companies.

The following table sets forth a reconciliation of net (loss) income as determined in accordance with GAAP to adjusted EBITDA and adjusted EBITDA margin for the periods indicated:

	Fiscal Year Ended June 30,			Nine Months Ended March 31,	
	2011	2012	2013	2013	2014
	(Dollars in thousands)				
Consolidated statement of income data:					
Net (loss) income	$ (543)	$ 11,106	$ 17,984	$ 9,607	$ 9,412
Provision for income taxes					76
Interest expense	1,815	1,433	1,334	1,085	2,980
Depreciation and amortization	6,000	6,072	6,268	4,720	5,010
Severance and relocation (1)	112	181	192	192	
Management fees and expenses (2)	27	87	2,896	2,860	4,584
Professional fees (3)	389	852	2,957	2,661	1,503
Stock based compensation expense (4)	118	132	127	95	2,141
Strategic and financial restructuring expenses (5)					1,222
Adjusted EBITDA	$ 7,918	$ 19,863	$ 31,758	$ 21,220	$ 26,928
Adjusted EBITDA margin	7.9%	14.1%	19.0%	18.0%	19.6%

(1) Represents one-time employment related expenses, including a severance payment to a former executive, and costs to relocate certain departments from California to our Tennessee facility.

(2) Represents management fees and out-of-pocket expenses paid pursuant to our management agreement with Malibu Boats Investor, LLC, an affiliate, which was terminated upon the closing of the IPO. Upon termination of the agreement, we paid a one time termination fee of $3.8 million. For more information about the management fees, see Certain Relationships and Related Party Transactions Management Agreement.

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(3) Represents legal and advisory fees related to our refinancing activities and legal expenses related to our litigation with Pacific Coast Marine Windshields Ltd. and Nautique Boat Company, Inc. For more information about this litigation, see Business Legal Proceedings.

(4) Represents equity-based incentives awarded to certain of our employees including a $1.8 million stock compensation charge as a result of the modification of certain profits interest awards previously granted in 2012 under the first amended and restated limited liability company agreement of the LLC, as amended, in connection with our IPO.

(5) Represents legal, accounting and other expenses directly related to the Recapitalization and IPO.

Adjusted Fully Distributed Net Income

We define Adjusted Fully Distributed Net Income as net (loss) income attributable to Malibu Boats, Inc. (i) excluding income tax expense, (ii) excluding the effect of non-recurring and non-cash items, (iii) assuming the exchange of all LLC Units into shares of Class A Common Stock, which results in the elimination of non-controlling interest in the LLC, and (iv) reflecting an adjustment for income tax expense on fully distributed net income before income taxes at our estimated effective income tax rate. Adjusted Fully Distributed Net Income is a non-GAAP financial measure because it represents net income attributable to Malibu Boats, Inc. before non-recurring or non-cash items and the effects of non-controlling interests in the LLC.

We use Adjusted Fully Distributed Net Income 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 GAAP, provides a more complete understanding of factors and trends affecting our business than GAAP measures alone.

We believe Adjusted Fully Distributed Net Income assists our board of directors, management and investors in comparing our net income on a consistent basis from period to period because it removes non-cash (stock-based compensation) and non-recurring items (strategic and financial restructuring expenses), and eliminates the variability of non-controlling interest as a result of member owner exchanges of LLC Units into shares of Class A Common Stock.

In addition, because Adjusted Fully Distributed Net Income are susceptible to varying calculations, the Adjusted Fully Distributed Net Income measures, as presented in this prospectus, may differ from and may, therefore, not be comparable to similarly titled measures used by other companies.

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The following table sets forth a reconciliation of net loss attributable to stockholders of Malibu Boats, Inc. to Adjusted Fully Distributed Net Income for the periods indicated:

	Fiscal Year Ended June 30,			Nine Months Ended March 31,	
	2011	2012	2013	2013	2014
	(Dollars in thousands, except share data)				
Net loss income attributable to members and stockholders	$	$	$	$	$ (370)
Provision for income taxes					76
Stock based compensation expense	118	132	127	95	2,141