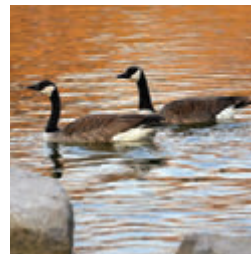
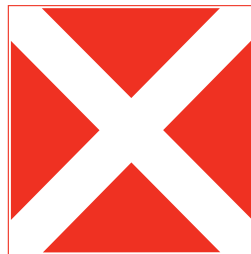
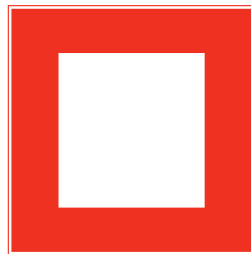
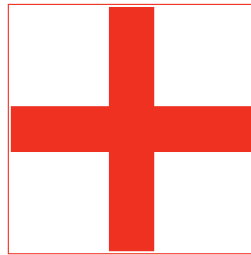


ANNUAL REPORT 2020

DISCOVERING EXPANDING HORIZONS

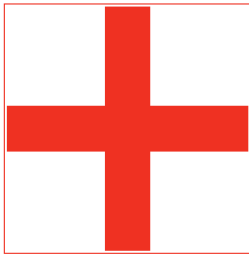


MARINE PRODUCTS
CORPORATION

MARINE PRODUCTS CORPORATION



(NYSE: MPX) designs, manufactures and distributes premium-branded Chaparral sterndrive and outboard pleasure boats, Robalo outboard sport fishing boats and Vortex jet boats through 206 domestic and 89 international independent dealers.

With premium brands, a solid capital structure and a strong independent dealer network, Marine Products Corporation has consistently generated strong financial performance and has created long-term stockholder value. Marine Products Corporation also seeks to utilize its financial strength to capitalize on opportunities that profitably increase its market share and broaden its product offerings within the pleasure boat market. For more information, visit our website at MarineProductsCorp.com.



Did You Know?

The symbols in the logo on the front cover and other parts of our Annual Report are international maritime signal flag depictions of our NYSE ticker symbol. Ships have used nautical flags to communicate with each other since the 1700's, so we are proud to continue this heritage as a symbol of our company's longevity and dedication to recreational boating. The international code words connected to the signal flags are:

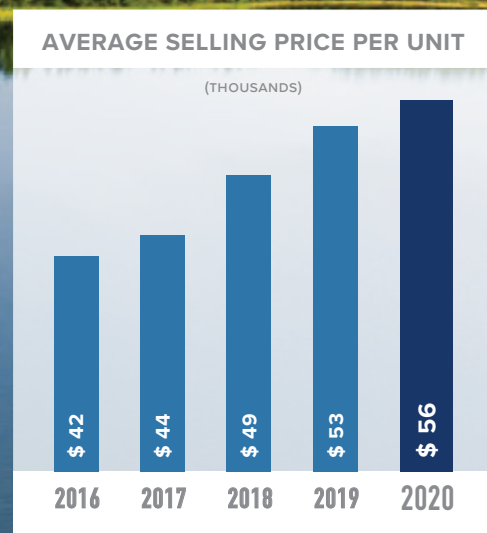
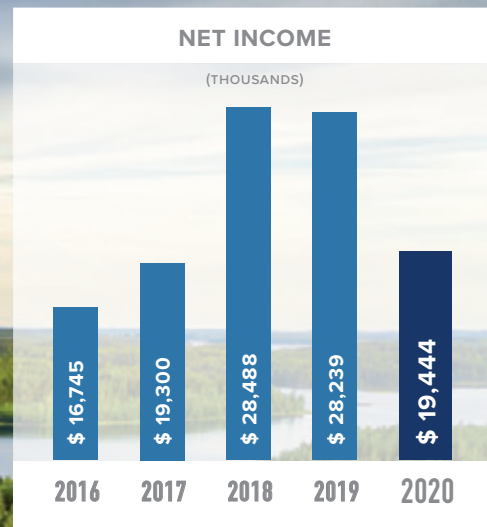
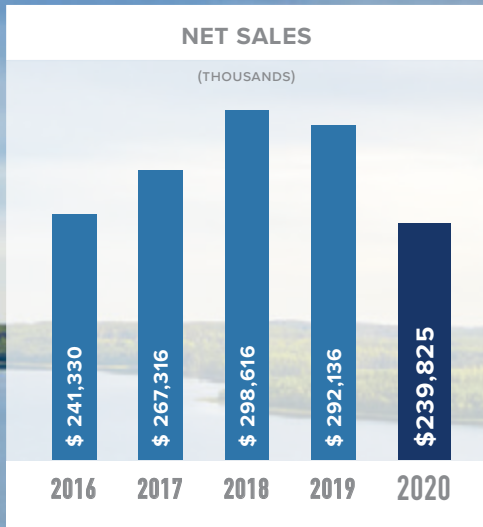
- M = Mike 
- P = Papa 
- X = X-ray 

Our customers continue to discover the enjoyment of outdoor recreational experiences with family and friends on their high-quality Robalo and Chaparral boats. Enjoy images of their experiences scattered throughout the Marine Products 2020 Annual Report!

01	2020 Financial Highlights
02	Letter to Stockholders
04	Discovering New Horizons
05	Expanded Products
06	2021 Product Overview
07	2020 FORM 10-K
Inside Back Cover.	Corporate Information



2020 FINANCIAL HIGHLIGHTS



(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	2016	2017	2018	2019	2020
NET SALES	\$ 241,330	\$ 267,316	\$ 298,616	\$ 292,136	\$ 239,825
GROSS PROFIT	\$ 50,467	\$ 59,020	\$ 66,323	\$ 65,394	\$ 53,605
OPERATING INCOME	\$ 23,052	\$ 29,759	\$ 35,387	\$ 34,135	\$ 24,361
NET INCOME	\$ 16,745	\$ 19,300	\$ 28,488	\$ 28,239	\$ 19,444
EARNINGS PER SHARE-DILUTED	\$ 0.44	\$ 0.55	\$ 0.83	\$ 0.83	\$ 0.57
GROSS PROFIT MARGIN	20.9%	22.1%	22.2%	22.4%	22.4%
OPERATING MARGIN	9.6%	11.1%	11.9%	11.7%	10.2%



R302 • CENTER CONSOLE



300 • OSX



R317 • DUAL CONSOLE



347 • SSX

LETTER TO STOCKHOLDERS

Marine Products Corporation experienced a remarkable year in 2020. We began with a normal winter boat show season and our preparation for a typical retail selling season. Our preparation was disrupted by the COVID-19 pandemic, which forced us to idle our production facility temporarily during the second quarter. At the same time, retail demand for pleasure boats soon began to surge, as consumers turned to recreational boating because it allows families and small groups to engage in an enjoyable socially distanced outdoor activity close to home. We resumed production late in the second quarter facing rapidly depleting inventories and the strongest demand we have experienced in decades. We finished 2020 and entered 2021 with a healthy dealer network and appealing products that hold leading market share.

The year 2020 marked Marine Products Corporation's eleventh consecutive year of strong profitability. Net sales for 2020 were \$239.8 million, a decrease of 17.9 percent compared with \$292.1 million in 2019. Net sales decreased principally due to a 23.5 percent decrease in unit sales volume. Unit sales decreased due to our production facility shutdown as well as low production at the beginning of the year as we managed relatively high dealer inventory levels. Additionally, unit sales decreased as we de-emphasized some smaller Chaparral sterndrive models. We also sold fewer of our small Robalo models and Vortex jet boats. These unit sales decreases were partially offset by increased sales of our Chaparral Surf Series and selected SSI, SSX and mid-sized Robalo models. Average selling prices improved by 6.7 percent due to a model mix that included increased sales of larger boats, such as the Chaparral 280 OSX and 267 SSX models.

A recounting of Marine Products Corporation's annual financial results does not provide insight into the extreme volatility that we experienced during the year. For the second quarter of 2020, net sales decreased by 54.0 percent compared to the second quarter of 2019, because we closed our manufacturing facility for almost

half of the quarter due to COVID-19. By contrast, net sales increased by 47.6 percent during the fourth quarter compared to the same period of the prior year, as we operated at seasonally higher production levels in order to fulfill pre-sold retail orders and began to rebuild dealer inventory levels depleted by high retail demand during the second half of the year.

Gross profit in 2020 was \$53.6 million, a decrease of 18.0 percent compared with \$65.4 million in 2019. Gross margin was 22.4 percent of net sales in both years. Gross profit decreased in 2020 due to lower net sales. Selling, general and administrative expenses decreased slightly to \$29.2 million in 2020, compared with \$31.3 million in 2019, due principally to expenses that vary with sales and profitability, such as incentive compensation and warranty expense. Operating income in 2020 was \$24.4 million, or 10.2 percent of net sales, compared with \$34.1 million, or 11.7 percent of net sales, in 2019.



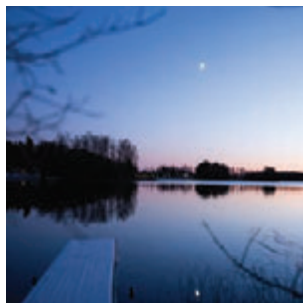
The year 2020 marked Marine Products Corporation's eleventh consecutive year of strong profitability.

Interest income was \$95 thousand in 2020, a 70.6 percent decrease compared with \$323 thousand in 2019. Interest income decreased due to a lower yield on our investments in money market funds, partially offset by an increase in our average cash balance.

Net income in 2020 was \$19.4 million, 31.1 percent lower than 2019 net income of \$28.2 million. In addition to the impact of lower income before income taxes, net income also decreased because our effective tax rate was 20.5 percent in 2020, compared with an effective tax rate of 18.0 percent in 2019. Our effective tax rate increased due to a non-deductible item related to stock compensation, but we project that our effective tax rate in 2021 will be approximately 19 percent. Diluted earnings per share were \$0.57 in 2020, compared to \$0.83 in 2019.

During 2020 Marine Products Corporation used \$1.4 million in cash to repurchase its common stock in the open market. We historically have viewed open market share repurchases as an important part of our capital allocation strategy, as well as an important tool to increase overall shareholder return. Our Board of Directors continued the Company's cash dividend, although the Board reduced the regular quarterly dividend from \$0.12 per share to \$0.08 per share during the second quarter because of the uncertainty relating to the COVID-19 pandemic. Including a year-end special dividend of \$0.04 per share, Marine Products Corporation issued cash dividends of \$0.40 per share in 2020, a decrease of \$0.18 per share compared to 2019. In consideration of our strong financial position and optimistic near-term outlook, our Board of Directors authorized a 25 percent increase in the regular quarterly dividend early in the first quarter of 2021.

Marine Products Corporation's net cash provided by operating activities was \$29.9 million in 2020, a decrease compared with \$33.9 million in 2019. Net cash provided by operating activities declined principally due to lower net income in 2020, partially offset by working capital declines related to lower sales and improved dealer inventory turns, which resulted in lower accounts



300 OSX



receivable. Capital expenditures of \$2.1 million were slightly lower than capital expenditures of \$2.3 million in 2019. In addition, we issued \$13.6 million in dividends, a decrease of \$6.2 million compared with \$19.8 million in 2019. As a result, we finished 2020 with \$31.6 million in cash, an \$11.8 million increase compared with \$19.8 million in cash at the end of 2019. We believe that this cash balance continues to provide liquidity to support our current operations, fund future growth opportunities and make value-added capital allocation decisions.

Our Company underwent profound changes within our leadership and Board of Directors during 2020. Most significantly, Chairman R. Randall Rollins passed away in the third quarter following a brief illness. Randall had served as our Chairman since Marine Products' formation and had been involved with Chaparral Boats since 1986. Randall's consistent focus on quality and long-term success motivated us over many years. Gary W. Rollins, who also served on the Board at the Company since its founding, succeeded Randall. In addition to this transition at the Chairman level, three of our other long-standing Directors retired during the year. Their successors on the Board of Directors come to the Company with significant financial and corporate governance experience, and we look forward to working with them in the coming years.

We are pleased to report continued strong market share within all of our product lines. During 2020, Robalo achieved the highest market share within its size range in the outboard fiberglass category. In combination with Chaparral's outboard products, Marine Products' outboard offerings reached a market share of 6.5 percent, a slight improvement compared to a market share of 6.2 percent in 2019. Chaparral's sterndrive market share also improved to 16.5 percent during 2020, and it continued to rank second in its size category.

In a typical first quarter, we attend winter boat shows with our dealers to present our new models and assess retail demand for the upcoming retail selling season. This year, however, most

of the 2021 winter boat shows were cancelled due to COVID-19 pandemic restrictions related to social distancing. To compensate for these cancellations, we are conducting virtual marketing efforts in cooperation with our dealers. We are pleased that consumers are increasingly comfortable evaluating important purchasing decisions virtually.

The unprecedented societal upheaval caused by the COVID-19 pandemic during the past year has challenged the entire globe to redefine how and where we work, live and spend time together. For some individuals, the new vision involved spending time away from urban areas and crowds, and engaging in safe outdoor activities. Recreational boating fits into this lifestyle for many consumers, and we are excited to meet this revived demand with dedicated employees and management, excellent products and a strong dealer network.

We are operating at the highest operational cadence possible that also will allow us to prioritize our employees' well-being. Along with other industries experiencing high demand, we are monitoring the potential for labor and supply chain constraints. Our low dealer inventories and high order backlogs encourage us to increase production, but we continue to evaluate this goal against our emphasis on product quality.

As we finish an extraordinary year and look toward an expanding horizon, we appreciate the hard work of our employees, the support of our dealers and suppliers, and the continued loyalty of our customers and stockholders.

Sincerely,

RICHARD A. HUBBELL
President and Chief Executive Officer

DISCOVERING NEW HORIZONS

One feature of our remarkable year was the number of American consumers who have discovered recreational boating for the first time. Through anecdotal evidence from our dealers and other sources, we believe that first-time boat ownership exceeds even those levels that our industry observed almost 20 years ago, following the September 11 terror attacks. Many of those catalysts mirror those we observe today. With the pandemic, people have been forced to stay at home and avoid air travel, large crowds and uncontrolled social settings. Some consumers have taken the additional step of leaving large urban areas for less crowded, safer destinations, constituting a human migration our society has not seen in several generations. Whether confined at home or in an isolated location away from home, families have been impacted by the cancellation of many recreational activities such as beach trips and summer camps.



The virtual customer experiences and online marketing tools we have developed during the past few years prepared us for this radical new environment.

Many consumers discovered recreational boating as one solution to this extraordinary, unexpected set of circumstances. By definition, recreational boating takes place outdoors during times of the year when summer camps and beach vacations also take place. It became a safe choice in 2020 because of the limited number of people on a boat in a controlled environment. Furthermore, a boat is a self-contained entertainment center with something for multiple generations of a large family group. Boating was the perfect option for 2020, and our industry encountered unprecedented consumer demand which extended beyond the traditional retail selling season and into 2021.

The same environment that created this demand presented new marketing challenges for us. As 2020 unfolded, our dealers did not

have sufficient inventory to show potential customers a full range of new model year products. As the year continued, we cancelled our annual dealer meeting and learned that most winter boat shows, which are a traditional mainstay of the marketing and sales cycle, also were cancelled. A recreational boat is a large purchase that relies on a customer's tangible experience with the look and feel of the product. This experience especially is important for a consumer who has never owned a boat.

The virtual customer experiences and online marketing tools we developed over the past few years prepared us for this radical new environment. We developed and promoted video product tours, which to date almost 20,000 potential customers have viewed. They can experience augmented reality boat simulations followed by secure online order tracking when they order a boat. We also maintain that our dealers remain important to all aspects of the sales and service process. Although we cancelled our annual in-person dealer meeting, we held a global virtual dealer conference with over 300 attendees. We also transitioned our dealer sales and service training to an online format and used this setting to improve the product knowledge of our dealers' sales and service employees.

Our unique website visits, social media engagements and resulting leads have increased by at least 50 percent compared to previous years. As a result, we know consumers are increasingly comfortable with a safe virtual setting that considers their recreational boating needs.

Our industry recognizes that one key to our future success lies in creating a positive experience for first-time boat buyers. We want them to enjoy the boat, learn to use it safely and be confident enough to seek new boating experiences. The industry is nurturing this positive experience with industry-wide training of dealers to familiarize first-time boat buyers with knowledge that will make boating an enduring part of their lifestyle. When life returns to normal, we believe that the expanded interest in recreational boating will remain with us.





R360 CENTER CONSOLE



EXPANDED PRODUCTS

For our 2021 model year, we have introduced the biggest Robalo ever—the R360. Robalo’s new flagship is available with twin or triple outboards, providing up to 1,200 horsepower. This is the first Robalo to offer triple outboards and the first Robalo with a stepped hull. The stepped bottom of the R360 is custom-designed by Michael Peters Yacht Design, a long-time leading designer of performance boats and hulls. By combining this design with a 23-degree deadrise, the R360 is able to accelerate quickly, stay on plane at lower speed, cut through offshore chop, and turn quickly. Combined, these design elements result in a dry, comfortable, and efficient ride.

The R360 delivers a number of standard features for offshore anglers, including twin fish boxes, two 30-gallon livewells, a convertible casting platform and 14 rod holders. For family cruising, the R360’s 11-foot beam provides lots of room for passengers, and the forward area features a U-shaped social area with chaise lounges

and a drop-in table. The cockpit has three-person bench seating behind three helm chairs, all of which are shaded by a standard fiberglass hardtop. When an angler is not busy in the cockpit, there is another drop-down seat in the transom to seat three additional people.

Whether the R360 is being used for cruising or fishing, side entry doors on both the port and starboard sides of the boat are useful for passenger boarding and landing big fish. The standard Helm Master joystick makes docking against the current or maneuvering for a fish a lot easier. Although it is a center console, the Robalo R360 is large enough to have a mini-cabin under the console with a sink, porcelain head, bench seat and berth.

The Robalo R360, which is suitable for any kind of offshore activity, is finding an expanded audience. As we begin another exciting year, our team is thrilled to introduce this world-class offshore sport fishing boat.



An expanded audience is discovering Robalo’s new flagship, suitable for any kind of offshore activity.



SSX 267 anchored in Lake Powell, UT

2021 PRODUCT OVERVIEW

SURF SERIES

Endless wave, endless fun. The SURF Series combines everything you love about the SSI and SSX lines with the excitement of the SURF series. Wakesurfing is more thrilling and easier to enjoy than ever, thanks to the Malibu Surf Gate™ that lets you instantly adjust your wake—no repositioning necessary! Powered by Volvo and Mercruiser forward-facing drives, the Surf features a Medallion touch-screen display that makes controlling your ride easy and straightforward. Fiberglass multipurpose bowriders, the Surf Series models are marketed to both experienced and value-conscious buyers. These boats are designed to enhance the wake of the boat to accommodate the popular sport of wake surfing. Additionally, the 26 and 30 SURF are standard with the award-winning Infinity Powerstep for easy onboarding and exiting to and from the water!



21 SURF 23 SURF 26 SURF 30 SURF

SSI SPORT BOATS

Chaparral's SSI sport boat and premium bowrider is produced for the quality and style-conscious recreational boater. The 19 to 23 foot SSI continues to set a high standard for engineering excellence, attractive styling, and quality materials and workmanship. Our fiberglass sterndrive and outboard-powered SSI's are high-value runabouts marketed to family groups. The SSI is designed to feature the handling of a runabout, with the style of a sport boat and open concept layout. Select models offer Ski & Fish options to meet specific needs. All lengths are marketed with National Advertised Prices.



19 SSI 19 SKI & FISH SSI
21 SSI 21 SKI & FISH SSI 23 SSI

SSX LUXURY SPORT BOATS

For the 2021 model year, Chaparral offers 23 to 34 foot Luxury Sport Boats. Various SSX Luxury Sport Boat models are offered with an enclosed head, integrated swim platform, transom sun lounge, and most have the option of a wet bar in the cockpit. The SSX series offers high-end performance with premium components from bow to stern. Additionally, multiple SSX boats are standard with the award-winning Infinity Powerstep for easy onboarding and exiting to and from the water!



237 SSX 267 SSX 267 SSX OB
287 SSX 307 SSX
317 SSX 347 SSX

VORTEX JET BOATS

Chaparral's award-winning design team built a line of jet boats equipped with fuel-saving Eco-Mode, Chaparral's Extended V-Plane™ hull, Rotax® power and innovation. National fixed retail pricing includes a trailer and targets younger, first-time boat owners and wakeboard enthusiasts. The NMMA Innovation Award Winning Aerial Surf Platform (ASP) is available as the next innovation in Surfing!



203 VR 203 VRX
223 VR 223 VRX
2430 VR 2430 VRX

OSX OUTBOARD LUXURY SPORT BOATS

Chaparral's OSX luxury sport line takes advantage of the growing popularity of outboard power in larger boats to create a boat that combines the generous seating of a large bowrider with the functional advantages of a center console. A seating area in the cockpit and a helm station that rotates to one side of the cockpit provides plenty of room for entertaining passengers. The enclosed cabin on the 300 OSX also provides many amenities found in larger traditional cruisers. The OSX is offered in a 28 and 30 foot length.



280 OSX 300 OSX

SUNCOAST OUTBOARD BOWRIDERS

Designed for big lakes, rivers and coastal waters, the sensational SunCoast marks the return of Chaparral to its outboard-powered roots with Real Deal pricing and in sizes ranging from 23 to 25 feet. With more seating capacity, storage space, luxury, quality and performance, SunCoast brings a whole new look to the outboard sport boat market.



230 250

ROBALO CAYMAN BAY BOATS

The Cayman Series ranges from 20 to 24 feet and brings Robalo quality, style and performance to a bay boat. Robalo engineers have successfully mixed a shallow water draft with a soft-riding Extended V-Plane™ hull design. Robalo's Cayman models offer rock-solid stability; high-quality upholstery; high-tech, space-efficient cockpit; a tower with upper station controls on the 246 Sky Deck; and a wide array of fishing features at Reel Deal pricing.



206 226 246 246SD

ROBALO DUAL CONSOLES

Multi-purpose outboard fishing boats like the Robalo Dual Console with Reel Deal pricing are enjoying increased popularity in today's market! Today's fishermen want a boat that does more than just fish, and the dual console does just that. Serious anglers will appreciate the secure rod storage, raw water wash down, self-bailing cockpit and standard livewell. Fish in the morning, tow the kids all afternoon and then cruise as the sun sets.



R207 R227 R247 R317

ROBALO CENTER CONSOLES

Robalo's Reel Deal pricing is available for 16 to 36 foot models. The Kevlar® reinforcement and a seaworthy hull design on the Robalo Center Console series provides the serious boater with peace of mind. Whether you're trolling with hooks in the water or motoring through the tough stuff in search of a trophy catch, a powerful engine and Robalo's Hydro Lift™ hull design can speed you to the hottest fishing spots.



R160 R180 R200 R222
R230 R242 R272 R302 R360

ROBALO EXPLORER – CENTER CONSOLES

The Explorer Series of Center Consoles embraces the classic design of a center console, equipped with luxury standard touches that let the entire family enjoy being on the water.



R202EX R222EX R242EX

CORPORATE INFORMATION

OFFICERS

RICHARD A. HUBBELL

President and Chief Executive Officer

BEN M. PALMER

Vice President, Chief Financial Officer and Corporate Secretary

DIRECTORS

GARY W. ROLLINS §

Non-Executive Chairman of the Board of Directors and Chairman and Chief Executive Officer, Rollins, Inc.

SUSAN R. BELL *

Retired Partner, Ernst & Young LLP

HARRY J. CYNKUS °

Vice Chairman, Trustee and Chair of the Resources and Finance Committee, Utica College Board of Trustees

PATRICK J. GUNNING * ◇

Chief Financial Officer, Robert W. Woodruff Arts Center, Inc.

RICHARD A. HUBBELL §

President and Chief Executive Officer, RPC, Inc.

JERRY W. NIX †

Lead Director; Retired Vice Chairman, Executive Vice President and Chief Financial Officer, Genuine Parts Company

PAMELA R. ROLLINS

Vice President, LOR Investment Company, LLC

TIMOTHY C. ROLLINS

Vice President, LOR, Inc.

§ Member of the Executive Committee

* Member of the Audit Committee

° Chairman of the Audit Committee

† Chairman of the Compensation Committee, Diversity Committee, and Nominating and Governance Committee

◇ Member of the Compensation Committee, Diversity Committee, and Nominating and Governance Committee

STOCKHOLDER INFORMATION

CORPORATE OFFICES

Marine Products Corporation
2801 Buford Highway NE, Suite 300
Atlanta, Georgia 30329
Telephone: (404) 321-7910



STOCK LISTING AND TICKER SYMBOL

New York Stock Exchange - NYSE: MPX

INVESTOR RELATIONS WEBSITE

MarineProductsCorp.com

TRANSFER AGENT AND REGISTRAR

For inquiries related to stock certificates, including changes of address, please contact:

AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC SHAREHOLDER SERVICES DEPARTMENT

6201 15th Avenue
Brooklyn, NY 11219
Telephone: (877) 864-5055
Help@ASTFinancial.com
ASTFinancial.com

ANNUAL MEETING

The Annual Meeting of Marine Products Corporation will be held at 12:00 p.m., April 27, 2021, at 2170 Piedmont Road, NE, Atlanta, GA 30324.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

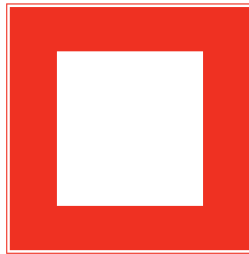
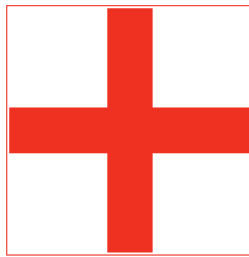
The Annual Report contains statements that constitute “forward-looking statements” under the Private Securities Litigation Reform Act of 1995, including all statements that look forward in time or express management’s beliefs, expectations or hopes. In particular, such statements include, without limitation: our belief that our effective tax rate during 2021 will be approximately 19.0%; our optimistic near term outlook; and our outlook toward an expanding horizon. The actual results of the Company could differ materially from those indicated by the forward-looking statements because of various risks and uncertainties, including, without limitation, those identified under the title “Risk Factors” in the Company’s Annual Report on Form 10-K included as part of this Annual Report. All of the foregoing risks and uncertainties are beyond the ability of the Company to control, and in many cases the Company cannot predict the risks and uncertainties that could cause its actual results to differ materially from those indicated in the forward-looking statements. The Company does not undertake to update these forward looking statements.

In Memoriam

R. RANDALL ROLLINS

November 5, 1931 – August 17, 2020

At the time of his passing, Mr. Rollins served as:
Chairman of the Board of Directors, Marine Products Corp.
Chairman of the Board of Directors, RPC, Inc.
Chairman of the Board of Directors, Rollins, Inc.



2801 Buford Highway NE, Suite 300 Atlanta, Georgia 30329 (404) 321-7910

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