

CONSUMERS CONTINUE TO SUPPORT SECTOR DESPITE RECESSIONARY CHALLENGES

OUTDOOR RECREATION & ENTHUSIASTS SECTOR UPDATE | JUNE 2023



**CAPSTONE
PARTNERS**

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CONTACT OUR OUTDOOR RECREATION & ENTHUSIASTS SECTOR BANKERS



Kenneth Wasik
Managing Director
Head of Consumer Investment Banking
917-434-6124
kwasik@capstonepartners.com



Peter Bailey
Director
310-740-3286
pbailey@capstonepartners.com

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Outdoor Recreation & Enthusiasts

Consumers Continue to Support Sector Despite Recessionary Challenges

KEY SECTOR TAKEAWAYS

Capstone Partners' [Consumer Investment Banking Group](#) is pleased to share its Outdoor Recreation & Enthusiasts report. Economic headwinds have challenged dealmaking in the Outdoor Recreation & Enthusiasts sector as sellers and buyers have approached transaction markets with increased caution. However, quality companies have continued to attract buyer and investor interest in the current market. Several key report takeaways are included below.

1. Consumer spending in the sector has remained robust despite stubborn levels of inflation and persistent recessionary headwinds.
2. Outdoor participation rates have remained healthy, with the number of participants growing to a record number in 2022.
3. Effective inventory management has been a key focus for sector participants as supply chain normalization has provided more visibility into ordering forecasts.
4. Merger and acquisition (M&A) activity has slowed in the sector through year-to-date (YTD) 2023, a trend that has also been seen across the broader middle market.
5. Strategic buyers accounted for over 85% of acquisitions in the sector in YTD 2023, while private equity groups have shown more caution and have not been as active.
6. The Sporting Goods segment recorded the highest YTD 2023 M&A deal volume as consumers have continued to spend on fitness, wellness, and leisure.
7. Privately-owned brands have increasingly eyed acquisition opportunities to complement product offerings and expand operations in advance of a potential exit in the future.

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To learn more about Capstone's wide range of advisory services and Outdoor Recreation & Enthusiasts sector knowledge, please [contact us](#).



EFFECTIVE INVENTORY MANAGEMENT REMAINS CRITICAL

The initial pandemic-induced surge in sector demand brought rapid sales growth to many sector participants, challenged only by the bottlenecks in global supply chains. Through early 2023, outdoor recreation products providers have continued to attract consumer spending but find themselves with an abundance of product after spending nearly two years racing to fill shelf space. Inventory management has again emerged as a key determinant for healthy operating performance as sector players have simultaneously combated pricing pressures that have cut into gross margins. In April, retail inventories grew 7.7% year-over-year (YOY), outpacing retail sales growth of 1.6% YOY, according to the U.S. Census Bureau.¹ This dynamic has been amplified in the Outdoor Recreation & Enthusiasts sector, with many brands and retailers holding more product and taking longer to convert sales. Notably, days of inventory on hand for Thule (OM:THULE), American Outdoor Brands (Nasdaq:AOUT) and Topgolf Callaway Brands (NYSE:MODG) increased 60.7%, 57.8%, and 44.7% YOY, respectively, according to their most recent earnings releases.^{2,3,4} However, supply chains have gradually eased and sector participants have forecasted a more normalized inventory environment in the coming quarters.

The resilience of the U.S. consumer has continued to thwart one of the more anticipated recessions in recent memory. Despite consumer confidence waning in April (The Conference Board)⁵, spending in the Outdoor Recreation & Enthusiasts sector has remained robust. Through April, personal consumption expenditures for sporting equipment, supplies, guns & ammunition increased 1.7% YOY, according to the U.S. Bureau of Economic Analysis.⁶ In addition, community-based activities that were voided during COVID-19 have continued to attract consumer purchases, with expenditures on membership clubs, sports centers, parks, theaters & museums rising 16.9% YOY. Despite inflationary headwinds, outdoor participation increased 2.3% YOY in 2022 to a record 168 million participants, according to Outdoor Industry Association.⁷ Categories including Camping, Skiing, and Climbing experienced healthy participation growth, rising 12.0%, 8.5%, and 5.6%, respectively.

Select outdoor products players have garnered healthy revenues despite inflationary headwinds and cost pressures. Notably, Topgolf Callaway



Ken Wasik
Managing Director,
Head of Consumer Investment Banking

"This is a very interesting time in the Outdoor Recreation space. Despite skeptics, the consumer continues to participate in outdoor activities at high levels, originally fueled by COVID-19 and changing lifestyles. More recently, inflation has taken a bite, but not enough to change consumer behavior. We believe this reinforces our thesis that Outdoor Recreation is a recession resistant sector, with strong brand loyalty and certain price inelasticity. Declines in M&A volumes are more driven by financial buyers' reluctance to enter the space during uncertain economic times, than any problems with the sector's fundamentals. The fact that strategic buyers remain active is a good sign of the near future of M&A in the space."

Brands grew net revenues by 12.2% YOY in Q1, according to its earnings release. Even large discretionary items have experienced strong consumer demand. In its fiscal Q3 2023, Malibu Boats (Nasdaq:MBUU) experienced a 9.0% YOY net sales increase and a gross profit expansion of 1.5%, according to its earnings release.⁸ Leading retailers have also recorded healthy sales growth, despite persistent inventory challenges. Notably, DICK'S Sporting Goods (NYSE:DKS) achieved 5.3% YOY total sales growth, noting that both the number of transactions and average ticket price increased 2.7% and 0.7% YOY, respectively, according to its earnings release.⁹ The sector has yet to experience a widespread trade-down effect as consumers have continued to prioritize spending on outdoor products and equipment.

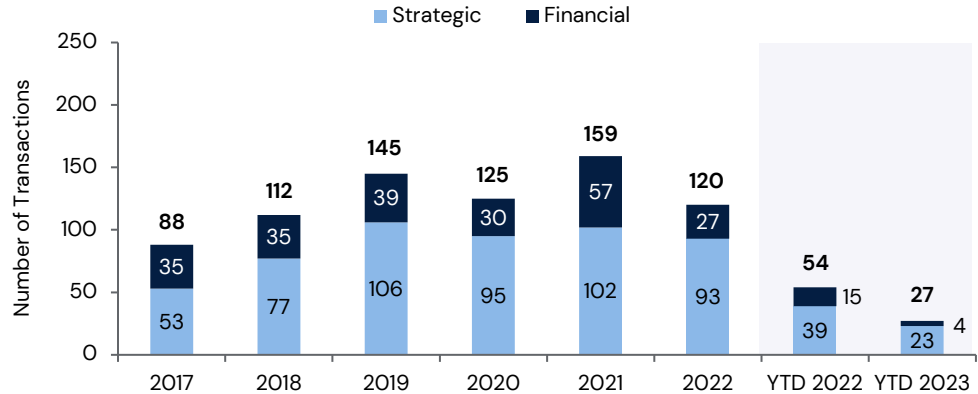
Despite equity market volatility, many players in the Outdoor Recreation & Enthusiasts sector have upheld steady trading multiples. Notably, the average EBITDA multiple in Capstone's Camping & Hiking index improved to 12.7x EV/EBITDA from 11.8x EV/EBITDA in the prior year. Healthy trading multiples among public companies often bodes well for valuations among privately-owned businesses pursuing a liquidity event. While M&A activity has remained challenged through YTD 2023, sector players with efficient inventory management, strong gross margins, and revenue visibility have continued to attract buyer and investor appetite.



M&A DATA AND BUYER BREAKDOWN

M&A Volume Moderates Through Year-to-Date 2023

M&A volume in the Outdoor Recreation & Enthusiasts sector has declined through YTD 2023, negatively impacted by stubborn levels of inflation and declining consumer confidence. Gross margin strength has been a key focus among buyers when assessing targets.

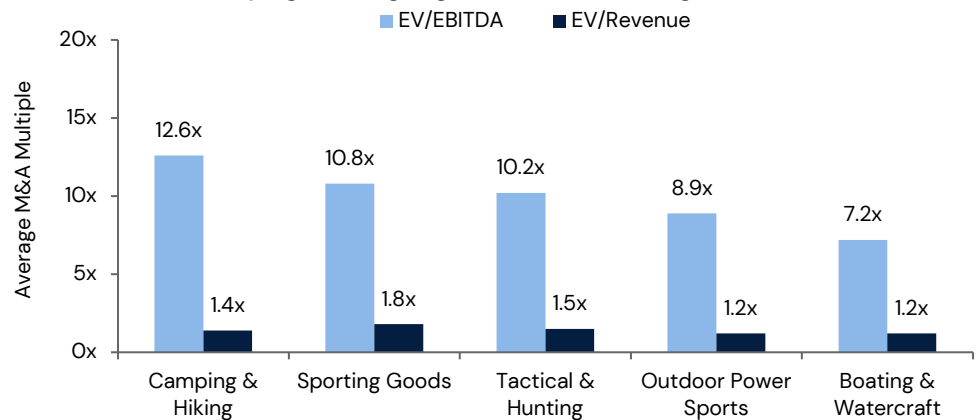


Year-to-date (YTD) ended May 17

Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Camping & Hiking Segment Commands Highest Valuations

Premium multiples have continued to be awarded to high-quality, privately-owned sector players. Camping & Hiking targets have led M&A pricing, with an average multiple of 12.6x EV/EBITDA from 2017-YTD 2023. The Sporting Goods segment has followed with an average multiple of 10.8x EV/EBITDA.

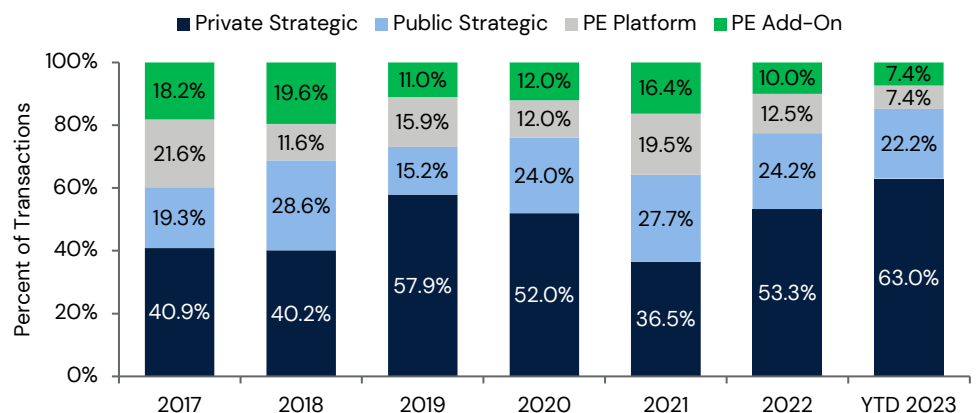


Year-to-date (YTD) ended May 17

Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Strategics Continue to Dominate Transaction Activity

Strategic buyers have continued to comprise a majority of transaction activity, accounting for 85.2% of YTD deals. Private strategic buyers have driven the market (63.0% of deals), while financial buyers have exhibited increased selectivity in the current economic environment.



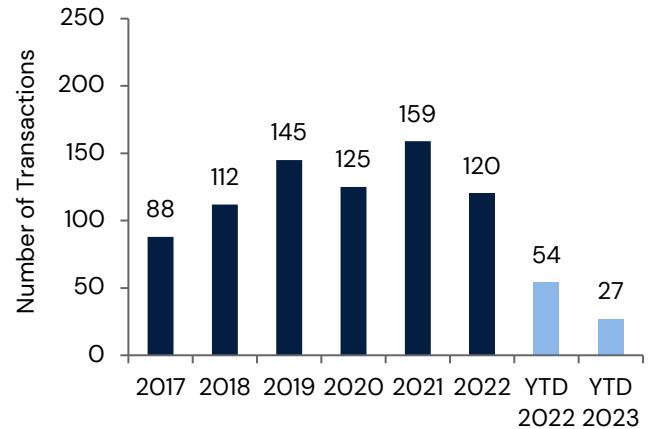
Year-to-date (YTD) ended May 17

Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

M&A VOLUME MODERATES, STRATEGICS REMAIN ACTIVE ACQUIRERS

M&A volume has slowed in the Outdoor Recreation & Enthusiasts sector falling to 27 deals through YTD 2023, compared to 54 transactions in the prior year period. Eroding consumer purchasing power has negatively impacted transaction volume as many sector players have struggled to maintain similar levels of sales growth experienced during the pandemic. A tightened lending environment, exacerbated by turmoil among regional banks, has also added challenges to the M&A market for privately-owned companies. However, high-quality sector participants with a strong gross margin profile, customer loyalty, and recurring revenue have continued to attract healthy buyer appetite. Anecdotally, dealmakers have noted that privately-owned companies have been more externally focused in recent months, seeking acquisitions as a means to augment organic growth. Sector players are expected to continue to pursue targets that add complementary products—creating valuable opportunities for business owners pursuing a sale.

Transaction Volume Falls Compared to Prior Year



Year-to-date (YTD) ended May 17

Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Strategic buyers have upheld transaction activity, accounting for 85.2% of YTD deals. Consolidation among sector players has persisted despite recessionary headwinds as buyers have actively sought targets in high-growth segments. Notably, the Sporting Goods segment has comprised 16 out of 27 YTD transactions. Within this segment, golf equipment and accessories providers have garnered strong buyer interest, evidenced by Creatz's, parent company of Uneekor, acquisition of Evnroll Putters, a manufacturer of golf putters and accessories (April). Terms of the transaction were not disclosed.

Financial buyers have demonstrated heightened selectivity and discipline in their acquisition pursuits through YTD 2023, accounting for a mere 14.8% of total transactions. However, select private equity firms have actively deployed capital towards middle market sector participants. Notably, KV Capital's newly formed Fund II acquired Mountain Sports Distribution, a leading full-service distributor in the Powersports segment (March, undisclosed). The transaction marks the first acquisition from KV's Fund II, which has been established to deploy capital to lower-middle market players, according to a press release.¹⁰ Sponsors are expected to remain cautious in their acquisition pursuits, especially as transaction financing costs remain elevated. Further disinflation and clarity over the Federal Reserve's terminal interest rate may draw private equity firms back to the market.



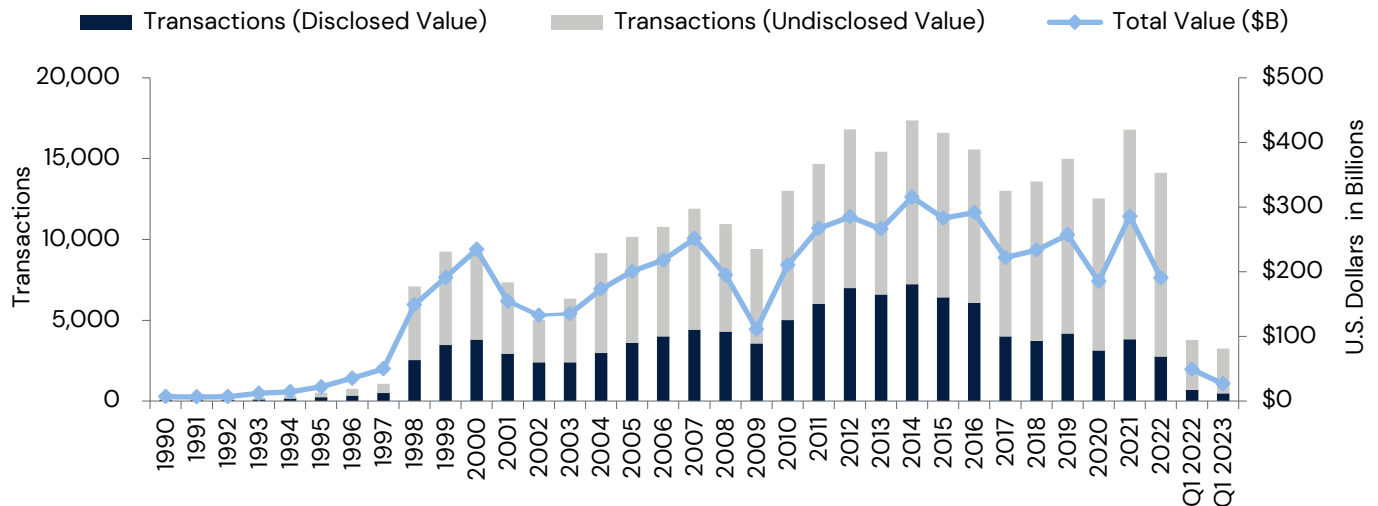
Peter Bailey, Director

"Private company business owners and strategic acquirers returned in record attendance at the 2023 Shooting, Hunting and Outdoor Trade (SHOT) Show. After a tactical pause prioritizing internal business operations, both are increasingly targeting M&A as an important part of their corporate strategy and growth plans and expect a tightening spread in the zone between buyer and seller valuation expectations in the sector."

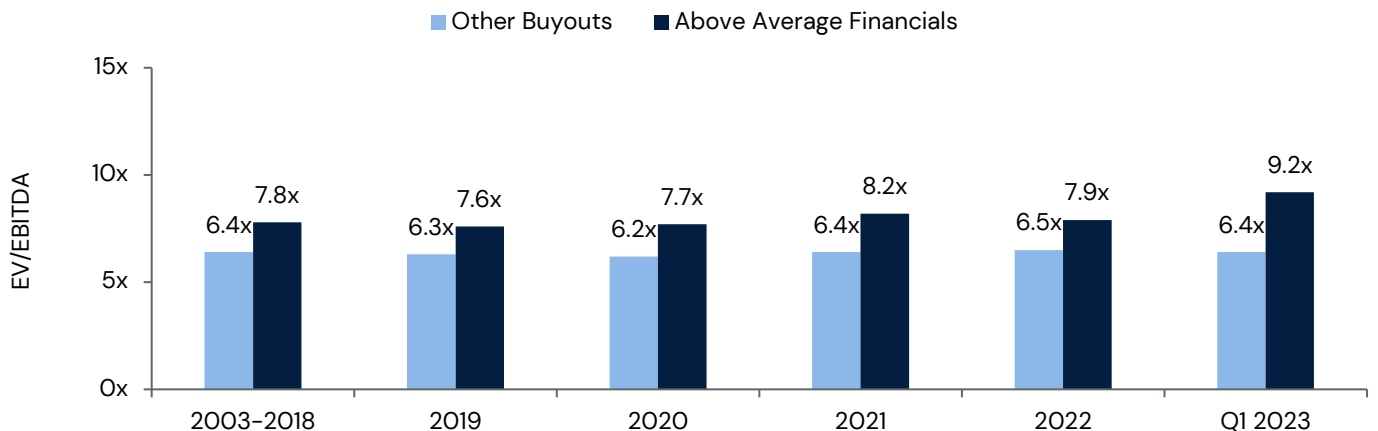
MIDDLE MARKET M&A SIGNALS

1. The declines in M&A volume through Q1 have not been unique to the Outdoor Recreation & Enthusiasts sector as total middle market dealmaking fell 14.3% YOY. A combination of elevated interest rates and caution in inorganic growth pursuits have contributed to the moderating transaction environment.
2. Private equity firms have been increasingly selective in the current environment, keenly aware of the challenges facing the consumer and the impact on the cash flows of brands and manufacturers in the sector. Dry powder has remained abundant, with capital available to deploy upon a market rebound.
3. While sponsors have exhibited greater discipline through YTD, they have rewarded target companies with a strong financial profile. Targets with above average financials achieved a 44% premium in valuations compared to other buyouts in Q1.

Middle Market M&A Volume Moderates Through Q1 2023



Private Equity Rewards Targets with Strong Financials



Note: GF Data® defines better financial performers as businesses with TTM EBITDA margins and revenue growth rates both above 10%, or one above 12% and the other metric at least 8%.
Source: Capital IQ, GF Data®, and Capstone Partners



NOTABLE TRANSACTIONS

UNEEKOR



Creatz, parent company to South Korean golf technology provider Uneekor, has acquired a 70% share and controlling interest in Evnroll (April). Terms of the transaction were not disclosed. Evnroll manufactures golf putters designed with its patented 'SweetFace Technology.' Uneekor specializes in developing golf simulation equipment and innovative technologies that focus on analysis and enhancement. It leverages a sophisticated algorithm to deliver ball and clubhead analytics. The addition of Evnroll provides Uneekor with a leading putter brand and will allow for further advancements in the Portable Putting Analysis market.

marucci



Compass Diversified (NYSE:CODI)-backed Marucci Sports has acquired Baum Bat, a leading designer of composite wood bats for an undisclosed sum (April). Baum's branded products are the first wood composite baseball bats approved for wood bat play from high school to the lower levels of professional baseball. Founded in 2009, Marucci is a premier designer and manufacturer of baseball and fastpitch equipment and apparel. The acquisition of Baum Bat is expected to expand Marucci's product line and enhance its leadership position in diamond sports and the Wood Bat space by improving its technological capabilities.



Edmonton-based KV Capital has agreed to acquire Mountain Sports Distribution, a leading full-service distributor in the Powersports segment (March). Terms of the transaction were not disclosed. The acquisition is the first from KV Capital's newly formed Fund II, which has been established to target lower-middle market companies in diverse industries with strong growth prospects. Mountain Sports Distribution has more than 560 dealers in Canada and the U.S., exclusively distributing globally-recognized brands including 509, TOBE Outerwear, FLY Racing, Sidi, and Marmot. KV Capital is expected to drive further growth for Mountain Sports Distribution and expand its brands and dealer partners.



DICK'S Sporting Goods has acquired leading outdoor retailer Moosejaw from Walmart (NYSE:WMT) for an undisclosed sum (February). Moosejaw operates a robust e-commerce platform with a loyal customer base, and strong vendor relationships. Its product offerings include jackets, clothing, footwear, hiking and camping gear, bikes, and water sports. It also retails through its brick-and-mortar locations in Arkansas, Colorado, Illinois, Kansas, Michigan, and Missouri. The addition of Moosejaw will expand DICK'S outdoor portfolio and its position within the Outdoor Recreation space, which is currently led by its specialty retailer, Public Lands.





SELECT TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Buyer Breakdown
04/27/23	Outdoor Technology	Dialectic	Offers rugged consumer electronics and helmet audio products.	Private Strategic
04/17/23	Evnroll Putters	Creatz	Manufactures golf putters and golf accessories.	Private Strategic
04/11/23	Delsyk Design	ROTO Slovenia	Provides kayaks and canoes.	Private Strategic
04/04/23	Baum	Marucci Sports	Designs and manufactures wood composite baseball bats approved for various professional leagues.	Financial Add-On
03/28/23	Mountain Sports Distribution	KV Capital	Distributes powersports parts and accessories.	PE Platform
03/16/23	TuffStuff Fitness	Brooks Industrial Marketplace	Designs, develops, and manufactures fitness equipment.	Private Strategic
03/14/23	Pan Pacific RV Centers	Camping World (NYSE:CWH)	Retails new and used recreational vehicles.	Public Strategic
03/13/23	EastPoint Sports	Buffalo Holding	Supplies indoor and outdoor recreational sporting goods.	Private Strategic
03/08/23	Dynamic Discs	House of Discs	Offers golf discs, apparel, and gear.	Private Strategic
02/22/23	Moosejaw	DICK'S (NYSE:DKS)	Provides retailing of outdoor apparel and related products for men, women, and kids.	Public Strategic
02/16/23	Precision Shooting	Heritage Outdoor Group	Manufactures archery equipment including bows, crossbows, and accessories.	Private Strategic
01/19/23	B4 Adventure	True Play	Manufactures outdoor toys and backyard games.	Private Strategic
01/11/23	GT Golf	Kinzie Capital Partners	Supplies and wholesales golf grips and club assembly items.	PE Platform
01/01/23	Powerbull Bat	Big Fly Factory	Manufactures baseball bats.	Private Strategic
12/08/22	The Putting Arc	Golf Training Aids	Provides golf putting training equipment.	Private Strategic
11/24/22*	Fiocchi Munizioni	CSG	Produces small-caliber ammunitions and provides hunting and shooting products.	Private Strategic
10/21/22	Penalty Box Hockey	Pure Hockey	Offers hockey equipment and sportswear.	Private Strategic
10/20/22	Bob Ward & Sons	Al's Sporting Goods	Retails sporting goods, apparel, and outdoor gear.	Private Strategic
10/17/22	Fins and Feathers	Yellow Dog Flyfishing	Provides flies and small fishing items.	Private Strategic
10/06/22	Dirty Jigs Tackle	Nichols Lures	Offers fishing products including fishing jigs.	Private Strategic
10/04/22	Whisker Seeker	PRADCO Outdoor Brands	Manufactures and sells fishing rods.	Private Strategic
09/19/22	HLC	MiddleGround Management	Distributes bicycle parts and accessories.	PE Platform

* = International transaction

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners



PUBLIC COMPANY DATA

BOATING & WATERCRAFT

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	06/02/23	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Bénéteau S.A.	\$17.31	92.7%	\$1,390.2	\$1,450.2	\$1,611.7	\$228.7	14.2%	0.9x	6.3x
Brunswick Corporation	\$80.58	86.5%	\$5,698.1	\$7,926.1	\$6,860.1	\$1,288.2	18.8%	1.2x	6.2x
Malibu Boats, Inc.	\$54.30	76.6%	\$1,119.9	\$1,125.0	\$1,369.3	\$264.3	19.3%	0.8x	4.3x
Marine Products Corporation	\$15.67	98.9%	\$539.6	\$477.0	\$423.3	\$57.8	13.7%	1.1x	8.3x
MasterCraft Boat Holdings, Inc.	\$27.65	78.4%	\$483.7	\$436.8	\$758.9	\$131.9	17.4%	0.6x	3.3x
							Mean	16.7%	0.9x 5.7x
							Median	17.4%	0.9x 6.2x
							Harmonic Mean	16.3%	0.9x 5.1x

EV = enterprise value; LTM = last twelve months
\$ in millions, except per share data
NM = Not Meaningful

CAMPING & HIKING

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	06/02/23	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Camping World Holdings, Inc.	\$26.95	79.3%	\$1,198.4	\$4,755.6	\$6,791.5	\$698.5	10.3%	0.7x	6.8x
Clarus Corporation	\$8.27	28.2%	\$307.6	\$453.1	\$432.2	\$43.8	10.1%	1.0x	10.3x
Dorel Industries Inc.	\$3.41	63.6%	\$109.2	\$487.1	\$1,475.4	NM	NA	0.3x	NM
Johnson Outdoors Inc.	\$58.86	80.2%	\$598.2	\$546.1	\$780.7	\$65.7	8.4%	0.7x	8.3x
Thule Group AB (publ)	\$25.94	86.1%	\$2,712.2	\$2,989.1	\$901.0	\$154.9	17.2%	3.3x	19.3x
YETI Holdings, Inc.	\$36.96	67.0%	\$3,202.6	\$3,190.4	\$1,604.4	\$168.0	10.5%	2.0x	19.0x
							Mean	11.3%	1.3x 12.7x
							Median	10.3%	0.9x 10.3x
							Harmonic Mean	10.7%	0.8x 10.7x

SPORTING GOODS

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	06/02/23	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Academy Sports and Outdoors	\$51.37	74.4%	\$3,953.2	\$5,384.7	\$6,395.1	\$1,162.7	18.2%	0.8x	4.6x
Acushnet Holdings Corp.	\$47.39	87.6%	\$3,192.3	\$4,099.0	\$2,350.5	\$348.5	14.8%	1.7x	11.8x
Big 5 Sporting Goods Corporation	\$7.64	49.0%	\$166.6	\$426.9	\$978.5	\$142.3	14.5%	0.4x	3.0x
Topgolf Callaway Brands Corp.	\$18.35	70.7%	\$3,387.5	\$7,331.2	\$4,122.9	\$658.5	16.0%	1.8x	11.1x
DICK'S Sporting Goods, Inc.	\$128.41	84.1%	\$11,073.0	\$13,635.9	\$12,510.2	\$2,508.2	20.0%	1.1x	5.4x
Escalade, Incorporated	\$12.15	76.8%	\$166.8	\$265.4	\$298.3	\$28.1	9.4%	0.9x	9.4x
Fraser's Group plc	\$8.63	69.3%	\$3,908.0	\$5,392.4	\$5,773.2	\$826.3	14.3%	0.9x	6.5x
Hibbett, Inc.	\$36.61	48.6%	\$466.6	\$847.1	\$1,739.8	\$303.1	17.4%	0.5x	2.8x
							Mean	15.6%	1.0x 6.8x
							Median	15.4%	0.9x 6.0x
							Harmonic Mean	14.9%	0.8x 5.2x

Capital IQ as of June 2, 2023



PUBLIC COMPANY DATA (CONTINUED)

OUTDOOR POWER SPORTS & EQUIPMENT

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	06/02/23	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Alamo Group Inc.	\$178.57	95.8%	\$2,143.0	\$2,422.7	\$1,563.4	\$223.1	14.3%	1.5x	10.9x
Bombardier Inc.	\$42.04	75.9%	\$4,006.4	\$9,271.0	\$7,120.0	\$685.0	9.6%	1.3x	13.5x
Bosch Limited	\$228.71	95.1%	\$6,745.4	\$6,419.0	\$1,818.0	\$220.2	12.1%	3.5x	29.2x
Brunswick Corporation	\$80.58	86.5%	\$5,698.1	\$7,926.1	\$6,860.1	\$1,288.2	18.8%	1.2x	6.2x
Deere & Company	\$371.07	82.8%	\$109,956.3	\$164,560.3	\$59,662.0	\$13,670.0	22.9%	2.8x	12.0x
Honda Motor Co., Ltd.	\$29.97	99.8%	\$49,603.8	\$79,714.2	\$127,188.9	\$12,626.4	9.9%	0.6x	6.3x
Husqvarna AB (publ)	\$7.91	88.1%	\$4,516.6	\$6,069.9	\$5,361.3	\$705.2	13.2%	1.1x	8.6x
Kubota Corporation	\$14.56	78.9%	\$17,266.7	\$29,774.4	\$21,567.9	\$2,576.8	11.9%	1.4x	11.6x
Lowe's Companies, Inc.	\$209.81	94.0%	\$124,207.5	\$161,362.5	\$95,747.0	\$15,236.0	15.9%	1.7x	10.6x
Polaris Inc.	\$115.88	93.5%	\$6,594.3	\$8,487.9	\$9,041.0	\$1,145.1	12.7%	0.9x	7.4x
Stanley Black & Decker, Inc.	\$80.73	66.9%	\$12,363.2	\$20,358.1	\$16,431.2	\$1,317.6	8.0%	1.2x	15.5x
Techtronic Industries Company Limited	\$9.44	66.9%	\$17,312.5	\$19,484.8	\$13,253.9	\$1,576.2	11.9%	1.5x	12.4x
Textron Inc.	\$64.05	84.2%	\$12,917.6	\$15,131.6	\$12,892.0	\$1,559.0	12.1%	1.2x	9.7x
The Toro Company	\$102.04	86.7%	\$10,641.2	\$11,634.8	\$4,730.9	\$774.5	16.4%	2.5x	15.0x
Tractor Supply Company	\$211.19	84.1%	\$23,139.7	\$27,653.4	\$14,479.8	\$2,331.8	16.1%	1.9x	11.9x
Mean							13.7%	1.6x	12.0x
Median							12.7%	1.4x	11.6x
Harmonic Mean							12.8%	1.4x	10.4x

TACTICAL & HUNTING

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	06/02/23	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
American Outdoor Brands, Inc.	\$7.53	64.1%	\$99.7	\$113.0	\$194.9	\$8.0	4.1%	0.6x	14.1x
AMMO, Inc.	\$1.90	31.4%	\$223.9	\$211.7	\$205.7	\$21.5	10.5%	1.0x	9.8x
Axon Enterprise, Inc.	\$193.25	84.0%	\$14,278.3	\$13,902.3	\$1,276.6	\$132.3	10.4%	NM	NM
Cadre Holdings, Inc.	\$22.14	70.3%	\$832.2	\$934.6	\$465.2	\$73.4	15.8%	2.0x	12.7x
Colt CZ Group SE	\$27.00	97.4%	\$930.6	\$1,097.7	\$653.7	\$137.4	21.0%	1.7x	8.0x
Smith & Wesson Brands, Inc.	\$12.11	72.4%	\$555.8	\$576.7	\$515.8	\$112.0	21.7%	1.1x	5.1x
Sturm, Ruger & Company, Inc.	\$52.85	76.3%	\$935.9	\$809.3	\$578.7	\$106.9	18.5%	1.4x	7.6x
Vista Outdoor Inc.	\$27.25	72.4%	\$1,557.5	\$2,642.4	\$3,079.8	\$601.9	19.5%	0.9x	4.4x
Mean							15.2%	1.2x	8.8x
Median							17.1%	1.1x	8.0x
Harmonic Mean							11.5%	1.1x	7.5x



OUTDOOR RECREATION & ENTHUSIASTS REPORT CONTRIBUTORS

**Kenneth Wasik**

Managing Director, Head of Consumer Investment Banking
kwasik@capstonepartners.com | 917-434-6124

Ken joined Capstone to lead the Consumer Investment Banking practice. He brings nearly 25 years of investment banking experience including domestic and international mergers & acquisitions, initial and secondary offerings of public companies, debt raises and private placements for his clients. He has helped raise over \$10 billion in capital for clients during his career. Ken regularly presents at consumer industry conferences and has testified twice as an expert witness on consumer brands. He joins Capstone Partners from Stephens Investment Bank, where he started and led the Consumer Products Group. Ken is a Series 79 Registered Investment Banking Representative and holds an MBA in Finance from Columbia University and a BS in Accounting from St. Joseph's University.

**Peter Bailey**

Director
pbailey@capstonepartners.com | 310-740-3286

Pete has 17 years of experience executing M&A and capital markets transactions in a variety of industries including consumer. His investment banking coverage includes the Tactical, Outdoor & Sports sectors. Prior to joining Capstone Partners, Pete worked as an investment banker at Stephens Inc., Wells Fargo & Company, and Citigroup, Inc. He also served over five years as a U.S. Army intelligence officer, which included two tours to Bosnia-Herzegovina in support of peacekeeping and counter-terrorism operations, and deployment to Kuwait and Iraq in support of Operation Iraqi Freedom. He holds a BS in General Management from the U.S. Military Academy and an MBA from Harvard Business School.

**Connor McLeod**

Vice President of Market Intelligence
cmcLeod@capstonepartners.com | 617-619-3319

Connor currently serves as Vice President of Market Intelligence at Capstone Partners. Connor provides M&A insights, capital markets analysis, and macroeconomic updates for C-suite middle market executives. He specializes in the coverage of the Consumer industry. Prior to joining the Market Intelligence Team at Capstone, Connor was a specialist with the Investor Services team at BlackRock. Connor holds a BA in Economics from Bates College. He is a Series 7 Registered Securities Representative and has passed levels I and II of the CFA program.



FIRM TRACK RECORD

Capstone has represented numerous companies in the Consumer & Retail industry and has an extensive [track record](#), with the Outdoor Recreation & Enthusiasts sector serving as a key area of focus. A sampling of Capstone's closed and ongoing transactions is included below.

<p>CONFIDENTIAL</p> <p>CORPORATE SALE</p> <p>FIREARMS MEMBERSHIP ORGANIZATION</p>	<p>CONFIDENTIAL</p> <p>CORPORATE SALE</p> <p>DTC BRANDED MACHINERY & TOOLS</p>	<p>KASH CA INC.</p> <p>LAX FIRING RANGE</p> <p>XTREME BULLETS</p> <p>HAS BEEN ACQUIRED BY</p> <p>fi FERNANDEZ HOLDINGS, INC.</p>	<p>MAHAFFEY</p> <p>HAS BEEN ACQUIRED BY</p> <p>SUNBELT RENTALS® A U.S. SUBSIDIARY OF Ashtead group</p>
<p>WISE OWL OUTFITTERS</p> <p>HAS BEEN ACQUIRED BY</p> <p>THRASIO</p>	<p>bobble®</p> <p>HAS BEEN ACQUIRED BY</p> <p>O2COOL® cool by design™</p>	<p>HALO® the safer way to sleep®</p> <p>HAS MERGED WITH</p> <p>aden + anais® a portfolio company of SPC SHERIDAN PURCH CAPITAL</p>	<p>MASTER® CUTLERY</p> <p>HAS BEEN ACQUIRED BY</p> <p>CHAMPLAIN</p>
<p>CRYSTAL™ BODY DEODORANT</p> <p>HAS BEEN ACQUIRED BY</p> <p>JUGGERNAUT CAPITAL PARTNERS</p>	<p>Karma LOOP</p> <p>HAS BEEN ACQUIRED BY</p> <p>COMVEST PARTNERS capx PARTNERS</p>	<p>BELSON® OUTDOORS</p> <p>HAS BEEN ACQUIRED BY</p> <p>PLAYCORE Building communities through play a portfolio company of Sentinel CAPITAL PARTNERS</p>	<p>LAbite</p> <p>HAS BEEN ACQUIRED BY</p> <p>grubHub® happy eating</p>



ENDNOTES

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