

GROWING PARTICIPATION RATES SUPPORT OUTDOOR RECREATION SECTOR SALES AND M&A

OUTDOOR RECREATION & ENTHUSIASTS SECTOR UPDATE | OCTOBER 2024



**CAPSTONE
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Outdoor Recreation & Enthusiasts

Growing Participation Rates Support Outdoor Recreation Sector Sales and M&A

KEY SECTOR TAKEAWAYS

Capstone Partners' Consumer Investment Banking Group is pleased to share its Outdoor Recreation & Enthusiasts report. Although consumers have remained under pressure managing elevated interest rates and persistent inflation, discretionary spending in the Outdoor Recreation & Enthusiasts sector has risen alongside outdoor participation rates. To-date, Outdoor Recreation companies have prioritized core brands, divested underperforming assets, and selectively pursued acquisition targets with strong organic traffic and dynamic, innovative offerings, in an effort to optimize their portfolio operations. This strategy has buoyed an active merger and acquisition (M&A) market further poised to accelerate through year-end and into 2025.

1. M&A activity in the Outdoor Recreation & Enthusiasts sector has grown 25.6% year-over-year (YOY), driven by robust dealmaking in the Sporting Goods segment.
2. Private strategics have comprised the lion's share of sector M&A transactions to-date, while public strategic deal volume has dipped considerably as shareholders encourage companies to reposition their own brands rather than pursue acquisitions.
3. Private equity activity has seen a three-fold increase YOY, as an abundance of potential sector targets and limited competition in the buyer universe has propelled fund managers to deploy ample dry powder reserves.
4. Sector participants have continued to grapple with excess inventory related to COVID-era supply-demand imbalances, forcing many public players to undergo cost reduction efforts and explore divestitures.
5. As inventories stabilize and sector-wide margin pressures subside as anticipated, buyer competition for accretive assets is expected to accelerate and lift transaction multiples in the M&A market.
6. Consumers value recreational experiences, remain loyal to the sector and their brand affinity, demographics have expanded, and participation rates remain high post-COVID, which position the sector well for long-term growth and M&A activity.

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

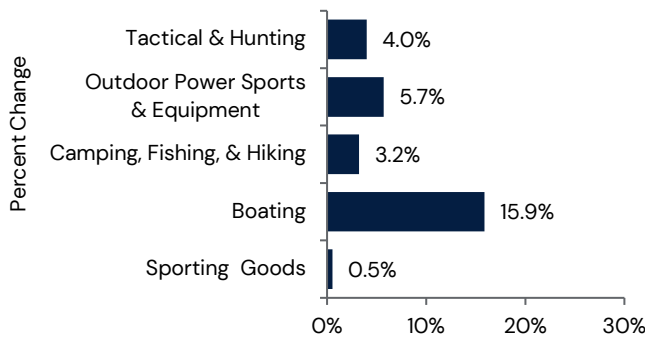
STEADY OUTDOOR RECREATION DEMAND STAVES OFF HEADWINDS

Consumers have remained under pressure as high interest rates and persistent inflation continue to weigh on discretionary spending. However, recent shifts in consumer preferences towards experiences and health and wellness activities have helped keep the Outdoor Recreation & Enthusiasts sector afloat. Notably, spending on membership clubs, sports centers, parks, theaters, and museums grew 8.6% YOY in Q2 2024, while purchases on sporting equipment, supplies, guns, and ammunition rose by 3.3%, according to the Bureau of Economic Analysis.¹ Additionally, record-high U.S. outdoor participation rates in 2023 (up 4.1% YOY to 57.3% of the total U.S. population), has buoyed sector spending through year-to-date (YTD), according to the Outdoor Industry Association.² Although sector spending has grown steadily to-date, overstocked inventory challenges—which emerged in the COVID-era as demand surged and business owners rushed to fill shelves—have persisted as sector participants struggle to convert abundant product stock into sales. Capstone’s public company segment indices have experienced days of inventory on hand grow on average in the latest available financial reporting, led by the Boating segment. Inventory challenges have caused acquirers to look closely at companies that can quickly adapt to changing environments. These companies often possess dynamic consumer engagement systems, enabling management to keep an accurate pulse on consumer sentiment and gauge purchasing activity trends. Robust consumer engagement touchpoints can help acquirers better forecast sell-ins and sell-outs to soften inventory turnover issues.

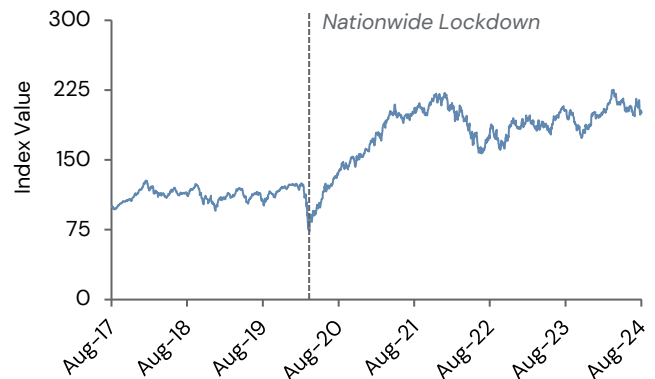
Financial performance across the sector is expected to improve as companies work through excess inventories, limit promotion activity, and mitigate margin pressures. American Outdoor Brands (Nasdaq:AOUT), a leading outdoor products and accessories conglomerate specializing in the Tactical & Hunting segment, saw net sales grow 5.2% in its fiscal year (FY) 2024 and cited its ability to clear slower moving inventory as a catalyst for the performance, according to its FY Q4 2024 earnings call.³ “Our net sales increase was driven by a combination of strong sales in our Target Shooting and Reloading brands...along with our ability to clear out some slower moving inventory in the Personal Protection category during the year,” Brian Murphy, CEO of American Outdoor Brands, said in the call.

Of note, revenue and profitability metrics have faltered following recent peaks, but the sector has performed consistently well compared to the pre-pandemic environment, evidenced by appreciation in Capstone’s Outdoor Recreation & Enthusiasts Index since 2017. The sector’s share prices, weighted by market capitalization, have grown 101% through the seven-year period ending August 12, underpinned by healthy revenue and fundamental demand drivers. Despite recent margin pressures, public players have continued to deliver value to shareholders and trade on strong valuations. These figures indicate a pull-forward effect from the pandemic and Capstone expects the sector to enter a period of stabilization, sustainable growth, and robust M&A.

Days of Inventory on Hand Grow Materially Year-Over-Year



Sector Share Prices Hold Strong and Above Pre-Pandemic Period

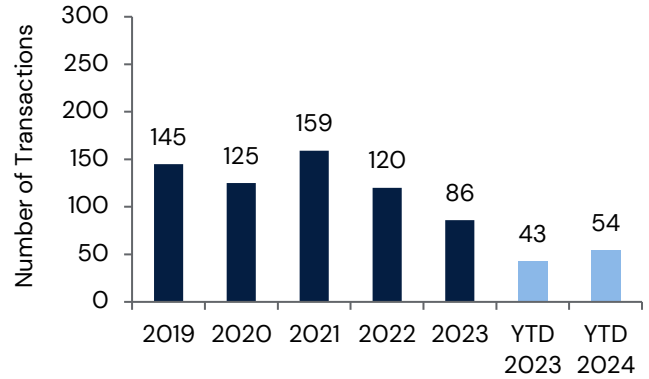


Capstone’s Outdoor Recreation & Enthusiasts Index includes: 669, 6326, 7267, 500530, ALG, AOUT, ASO, AXON, BBD.B, BC, BEN, BGFV, BII.B, CDRE, CLAR, CWH, CZG, DE, DKS, ESCA, FRAS, GOLF, HUSQ B, JOUT, LOW, MBUU, MCFT, MODG, MPX, PII, POWW, RGR, SWBI, SWK, TCT, THULE, TSCO, TTC, VSTO, YETI
 Source: Capital IQ, FactSet, and Capstone Partners as of August 12, 2024

STRATEGICS LEAD SECTOR M&A, SPONSORS INCREASE PRESENCE

M&A activity in the Outdoor Recreation & Enthusiasts sector has grown 25.6% YOY, reversing a two-year streak of contraction. There have been 54 sector transactions announced or closed YTD, compared to 43 in the prior year period. The Sporting Goods segment has seen considerable buyer attention with both strategics and financial sponsors drawn to high gross margin businesses with robust brand equity and large and expanding addressable markets. Notably, Seawall Capital-backed Sports Endeavors, owner and operator of soccer equipment and accessories retailers Soccer.com and WorldSoccerShop.com, acquired Ewing Sports Center, a New Jersey-based customized apparel-package supplier for soccer clubs, teams, and institutions for an undisclosed sum (May). The transaction highlights sponsors' appetite for horizontal acquisitions in a segment with a growing addressable market in the U.S. Similarly, Technique Golf, a leading golf grip and accessories company, acquired swing and putter grip maker, Lamkin, for an undisclosed sum (May). Lamkin and Ewing Sports Center captured buyer attention via product offerings in the high-margin Premium Accessories category. Furthermore, with the number of golf rounds played up 2% YOY, both deals represent buyer willingness to pursue targets operating in high-growth segments, according to the National Golf Foundation.⁴

Outdoor Recreation M&A Volume Rises, Set to Outpace 2023



Year-to-date (YTD) ended July 26
 Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

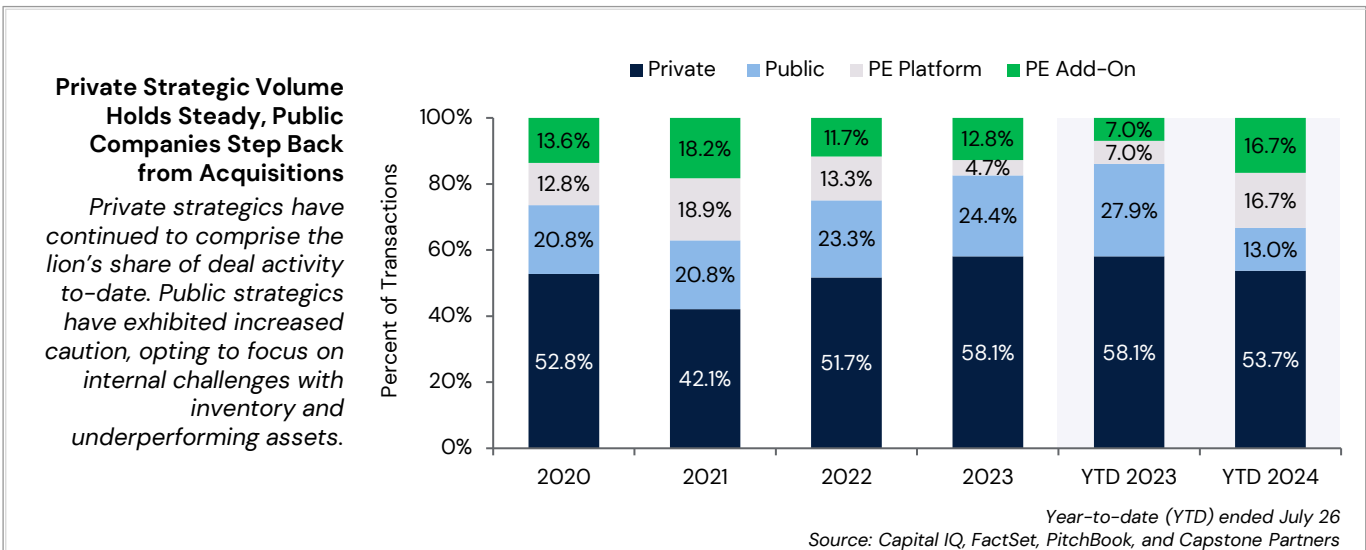
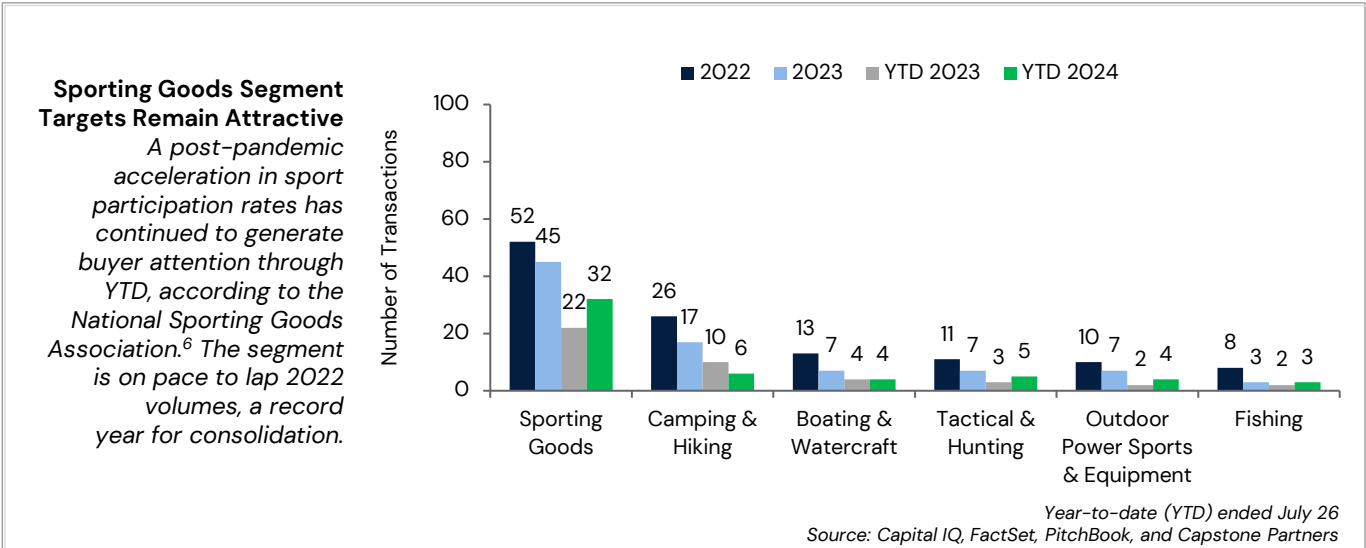
Strategic buyers have continued to drive Outdoor Recreation & Enthusiasts M&A, comprising 66.7% of transactions YTD. Private companies have buoyed deal volume, with 29 transactions announced or closed to-date compared to 25 in the prior year period. In contrast, public strategics have pulled away from M&A (down 41.7% YOY) as they instead look internally, deleveraging balance sheets, re-evaluating brand portfolios, and cleaning out non-core business units via divestitures. Of note, Escalade (Nasdaq:ESCA), a global sporting goods company, has prioritized internal investment and debt repayments while divesting its Rosarito facility (August, undisclosed). However, the company's long-term goals involve building a pipeline of tuck-in opportunities to expand capabilities and geographic footprint, according to its Q2 2024 investor presentation.⁵ Outdoor recreation and shooting sports products company Vista Outdoor (NYSE:VSTO) has also divested two brands, Fiber Energy Products (July, undisclosed) and RCBS (May, undisclosed), in an effort to optimize its portfolio. While divestitures from public players have supported sector dealmaking YTD, as high inventories and margin pressures subside, public strategics are expected to resume M&A pursuits to drive growth. "I would say, last 30 days, 45 days, we've seen a nice pickup in deal flow...and we're hopeful that in terms of our cash position and where we stand, our liquidity, I think we're a buyer of choice," said Brian Murphy, CEO of American Outdoor Brands, in its FY Q4 2024 earnings call.

Private equity buyers have announced or closed 18 transactions to-date, a three-fold increase compared to the prior year period, with platform and add-on deals each contributing nine transactions to the total volume. After a lull in sponsor activity in 2023, family offices and large-scale private equity shops have re-entered the market as they aim to capitalize on a heavy inventory of targets and limited competition in the buyer universe, catalyzing the formation of new platforms. Simultaneously, a strong underlying growth outlook has supported fund manager investment theses, spurring capital deployment via tuck-ins of quality businesses into existing portfolio companies as sponsors postpone exit activity amid a challenging valuation environment.

Near-term visibility into a broader market recovery has remained foggy, driving down valuations in the space. Average transaction multiples in the sector have deteriorated, falling to 8.0x EV/EBITDA (2022-YTD) from 11.6x EV/EBITDA (2019-2021). As public strategics re-align their brand portfolios and inventories return to normal levels, burgeoning cash flows across the sector are expected to help drive multiples toward the historical average (10.8x EV/EBITDA over the 2020 to YTD period).



HEALTHY MIX OF FINANCIAL AND STRATEGIC BUYERS SUPPORT M&A



BIDS RISE FOR VISTA OUTDOOR'S SALE, PROVIDES OPTIMISM FOR M&A

Vista Outdoor has continued to deliberate on the sale of its Ammunition business—The Kinetic Group—and its Outdoor Products business—Revelyst—to Czechoslovak Group (CSG). CSG's latest bid for The Kinetic Group has amounted to an enterprise value of \$2.2 billion, equivalent to ~5.3x EV/EBITDA (July). Shareholders have also evaluated selling Vista Outdoor outright for \$3.2 billion (July, ~7.2 EV/EBITDA) to MNC Capital, who has increased its offer three times since its initial bid in March. Notably, Vista's Board of Directors has expressed its support of the proposed sale to CSG, believing the offer delivers clear and compelling value. Fielding acquisition bids from CSG since October 2023, shareholder contention around selling The Kinetic Group has largely focused on Revelyst's ability to operate as a stand-alone publicly held company. The Kinetic Group comprised 57.5% of the company's FY Q1 2025 revenue, while Revelyst posted \$274 million (42.5%), according to its earnings presentation.⁷ On July 30th, Vista stockholders opted to continue a more extensive review of strategic alternatives for its businesses and postpone a shareholder vote until September, marking the fourth time a vote on acquisition bids has been delayed.

The ongoing competitiveness in the purchase of Vista's assets bodes well for sector M&A activity. A closed transaction with either bidder is expected to provide sector buyers assurance in pursuing large-scale transactions in the current market.

Alongside major sell-side discussions, Vista has continued to re-align its portfolio of brands, making an acquisition in the Sports Technology category and closing two divestitures of Ammunition brands. This strategy has permeated throughout the market, with sector participants incrementally offloading singular brands to garner higher valuations.

The rise of sector divestures has been forecasted to be a precursor for robust M&A activity. Portfolio re-alignment and cash proceeds from brand sales have helped firms reignite stagnant growth and rid their balance sheets of slow-moving inventory. Vista is expected to deploy its cash proceeds back into the company to pursue tuck-in acquisitions in the middle market. As strategics overcome near-term hurdles, the public buyer universe is projected to expand and drive M&A activity in 2025.

Vista's Recent Acquisitions and Divestitures



Lignetics, the largest American wood pellet manufacturing company, acquired wood pellet producer Fiber Energy from Revelyst, Vista Outdoor's Outdoor Products business (July, undisclosed). "Lignetics' ownership of Fiber Energy will provide the resources and scale that will enable Fiber Energy to reach its full potential, while the sale generates cash for Revelyst that can be reinvested in our Power brands and product innovation in support of our GEAR Up growth initiative," said Jordan Judd, President of Revelyst, in a press release.⁸



Hodgdon Powder, a supplier of smokeless and black powder substitute propellants, acquired ammunition reloading equipment manufacturer, RCBS, from Revelyst (May, undisclosed). "Revelyst will use proceeds from the sale to enhance operational efficiencies of the company's Power brands, evaluate bolt-on acquisitions, and invest in maker-fueled innovation and organic growth," said Andy Keegan, CFO of Revelyst, in a press release.⁹



Revelyst acquired PinSeeker, a leading off-course golf simulator and application that hosts real-time, virtual golf tournaments, for an undisclosed sum (March). PinSeeker will be integrated with Foresight Sports, a producer of golf launch monitors and simulators, in Revelyst's Precision Sports Technology platform. "The addition of PinSeeker means our digital ecosystem is poised to reach another level. By marrying PinSeeker's software with Foresight Sports' hardware and FSX Play ecosystem, we will revolutionize off-course golf," said Scott Werbelo, Co-President and General Manager of Revelyst's Sports Technology platform, in a press release.¹⁰

NOTABLE OUTDOOR RECREATION & ENTHUSIASTS TRANSACTIONS

KKR

Varsity Brands

Global investment firm KKR (NYSE:KKR) acquired youth team sports outfitter, Varsity Brands, from Bain Capital for an enterprise value of \$4.8 billion, equivalent to 4.2x EV/Sales (August). The transaction marks a successful exit for Bain Capital, who acquired Varsity Brands in August 2018 for \$2.8 billion. Varsity Brands services more than 150,000 customers and holds partnerships with global athletic brands such as Nike (NYSE:NKE) and Adidas (XTRA:ADS). KKR is expected to support Varsity Brands in executing market and category expansion, as well as in creating an employee stock ownership plan ([ESOP](#)).



Peter Bailey
Senior Director

“Private equity investors in the Outdoor Recreation & Enthusiasts sector over the last year have shown caution and restraint on how consumers are holding up in the economic environment and were often more focused on add-on acquisitions. However, recent private equity investments by KKR, Platinum Equity, and BC Partners in large marquee platform brands may be a prelude to more M&A activity in the Outdoor Recreation & Enthusiasts sector in the middle market.”

Platinum Equity

GSM
OUTDOORS

Platinum Equity has agreed to acquire leading outdoor and consumer sporting goods company, Good Sportsman Marketing (GSM), from Gridiron Capital for an undisclosed sum (July). Gridiron established the platform in 2020 and closed 18 add-on acquisitions over the three and a half-year holding period before exiting via the sale to Platinum. GSM boasts a portfolio of more than 50 rugged outdoor brands, according to a press release.¹¹ The deal follows two platform investments in the space for Platinum, acquiring Badger Sportswear and Augusta Sportswear for undisclosed sums in January.

Daisy

Crosman

BRS Outdoor Sports-backed air gun and accessory maker Daisy Manufacturing acquired Crosman, the Air Gun division of Compass Diversified’s (NYSE:CODI) subsidiary, Velocity Outdoor, for an enterprise value of \$63 million, equivalent to 4.9x EV/Revenue (April). Compass originally acquired Crosman from Wellspring Capital for an enterprise value of \$152 million (June 2017). Crosman provides air rifles, pistols, and accessories for both Recreational and Professional end markets. Compass is expected to use the proceeds from the divestiture to pay down debt and will continue to re-align its portfolio with its long-term goals.

Storyteller
OVERLAND

TAXA
OUTDOORS

Storyteller Overland, a lifestyle brand and maker of mode camper vans and adventure trucks, acquired adventure camper and travel trailer producer, TAXA Outdoors, for an undisclosed sum (April). Storyteller cited robust cultural and production synergies and creating a value-added ecosystem of solutions as key to the transaction rationale. The deal follows an undisclosed growth investment in Storyteller, led by L Catterton and Rx3 Growth Partners, aimed at expanding its manufacturing capabilities and dealer network (March).

BC PARTNERS

Riddell

Riddell Sports Group, a football apparel and protective equipment manufacturer, has received a \$400 million growth investment from BC Partners Credit to accelerate innovation and fund future investments (April). The capital raise follows Riddell’s acquisition of longtime partner, Simbex, a developer of integrated smart helmet technologies, for an enterprise value of \$3.6 million (April). Notably, Riddell boasts significant market leadership, supplying helmets worn by more than 77% of NFL players, according to a press release.¹²



SELECT OUTDOOR RECREATION & ENTHUSIASTS M&A TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Buyer Breakdown
07/23/24	Good Sportsman Marketing	Platinum Equity	Manufactures outdoor sports products for hunting, sport shooting, and rugged outdoor.	Private Equity Platform
07/15/24	Goal Five	Woodside Ventures	Operates an online women's sports apparel platform, focusing on soccer gear.	Private Equity Platform
07/11/24	Birdle Buddy	Hi-Liner Fishing Gear and Tackle	Provides live bait rigging systems.	Private Strategic
07/10/24	Fiber Energy Products	Lignetics	Manufactures premium wood heating pellets, barbecue grilling pellets and wood chunks and chips.	Private Equity Add-On
07/03/24	Classic Turf	Tarkett (ENXTPA:TKTT)	Produces sports surfaces, such as tennis and basketball courts, and athletic fields.	Private Strategic
06/24/24	Ace Runners Disc Golf	Innova Disc Golf	Retails disc golf products.	Private Strategic
06/20/24	MGO Global	Heidmar	Operates a Lifestyle brand portfolio.	Private Strategic
06/18/24	Drago Knives	Consumer Automotive Finance (OTCPK:CAFI)	Designs and produces throwing knives for hunting, combat, and sport.	Public Strategic
06/13/24	Pacific Saddlery	ECGI Holdings (OTCPK:ECGI)	Manufactures and retails luxury equestrian tack, apparel, and accessories.	Public Strategic
06/06/24	Pumps Plus	Turf Care Products Canada	Sells golf pump stations.	Private Strategic
06/04/24	Swing by Swing Golf	Golf Genius Software	Operates a golf Global Positioning System (GPS) and score card application.	Private Equity Add-On
06/03/24	Outdoor Voices	Consortium Brand Partners	Manufactures athletic apparel.	Private Equity Platform
05/24/24	Sole Technology	Nidecker Group	Produces and retails action sports footwear, apparel, and accessories.	Private Strategic
05/22/24	PB Sport	BOOMA	Offers pickleball paddles, nets, balls, clothing, jewelry, gifts, and accessories.	Private Strategic
05/20/24	Ewing Sports	Sports Endeavors	Retails soccer apparel.	Private Equity Add-On
05/07/24	Lamkin	Technique Golf	Sells swing grips and putter grips for golf.	Private Strategic
05/06/24	Boardriders	C.C.V. Beaumanoir	Manufactures action sports apparel, footwear, and accessories for skate, surf, and snowboarding.	Private Strategic
05/02/24	RCBS Reloading	Hodgdon Powder	Produces reloading equipment for guns.	Private Strategic
04/30/24	Crosman	Daisy Manufacturing	Manufactures airguns and accessories for hunting, recreation, and competitive shooting.	Private Strategic
04/30/24	ENVE Composites	PV3 Investments	Produces rims, wheelsets, brakes, and other components for the Bicycle industry.	Private Equity Platform
04/19/24	Dollamur	River Associates Investments	Manufactures sport surfaces and accessories for wrestling, mixed martial arts, and other sports.	Private Equity Platform
04/10/24	The Universal Lacrosse	Lax.com	Operates a lacrosse equipment store.	Private Strategic
04/02/24	Simbex	Riddell Sports Group	Designs and manufactures consumer health wearables and technology, including football helmets.	Private Strategic

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



PUBLIC COMPANY DATA

BOATING

Company	Price 08/06/24	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV / LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
Beneteau S.A.	\$9.33	58.4%	\$754.8	\$923.4	\$1,619.4	\$287.0	17.7%	0.6x	3.2x
Brunswick Corporation	\$75.54	75.8%	\$5,002.5	\$7,388.4	\$5,764.4	\$972.5	16.9%	1.3x	7.6x
Malibu Boats, Inc.	\$35.04	59.7%	\$716.2	\$697.6	\$1,042.6	\$176.2	16.9%	0.7x	4.0x
Marine Products Corporation.	\$9.75	54.7%	\$338.5	\$283.4	\$287.5	\$32.4	11.3%	1.0x	8.7x
MasterCraft Boat Holdings, Inc.	\$19.62	68.5%	\$333.2	\$278.0	\$466.0	\$61.5	13.2%	0.6x	4.5x
Mean							15.2%	0.8x	5.6x
Median							16.9%	0.7x	4.5x
Harmonic Mean							14.7%	0.7x	4.9x

EV = enterprise value; LTM = last twelve months
\$ in millions, except per share data

CAMPING, FISHING, & HIKING

Company	Price 08/06/24	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV / LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
Camping World Holdings, Inc.	\$20.02	68.5%	\$903.5	\$4,800.1	\$6,009.5	\$417.3	6.9%	0.8x	11.5x
Clarus Corporation	\$4.67	49.8%	\$179.2	\$147.6	\$283.6	NM	NA	0.5x	NM
Dorel Industries Inc.	\$5.05	91.0%	\$164.6	\$529.9	\$1,406.6	NM	NA	0.4x	NM
Johnson Outdoors Inc.	\$36.13	60.6%	\$368.3	\$219.9	\$583.3	NM	NA	0.4x	NM
Thule Group AB	\$26.37	81.7%	\$2,788.5	\$2,957.3	\$886.5	\$171.6	19.4%	3.3x	17.2x
YETI Holdings, Inc.	\$38.06	70.3%	\$3,244.2	\$3,245.1	\$1,697.3	\$303.4	17.9%	1.9x	10.7x
Mean							14.7%	1.2x	13.1x
Median							17.9%	0.7x	11.5x
Harmonic Mean							11.9%	0.6x	12.6x

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

SPORTING GOODS

Company	Price 08/06/24	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV / LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
Academy Sports and Outdoors	\$48.71	64.3%	\$3,513.2	\$4,842.4	\$6,139.9	\$996.0	16.2%	0.8x	4.9x
Acushnet Holdings Corp.	\$67.08	89.7%	\$4,146.5	\$4,863.4	\$2,397.8	\$339.4	14.2%	2.0x	14.3x
Big 5 Sporting Goods Corporation	\$1.65	18.4%	\$36.3	\$318.3	\$829.5	\$86.7	10.5%	0.4x	3.7x
Topgolf Callaway Brands Corp.	\$14.00	74.5%	\$2,570.0	\$6,739.3	\$4,261.6	\$674.8	15.8%	1.6x	10.0x
DICK'S Sporting Goods, Inc.	\$196.91	84.0%	\$16,046.2	\$18,703.3	\$13,160.6	\$2,507.8	19.1%	1.4x	7.5x
Escalade, Incorporated	\$13.00	59.1%	\$180.4	\$231.7	\$258.7	\$28.1	10.8%	0.9x	8.3x
Fraser's Group Plc	\$10.69	88.6%	\$4,626.3	\$6,051.3	\$6,897.6	\$1,002.3	14.5%	0.9x	6.0x
Mean							14.4%	1.1x	7.8x
Median							14.5%	0.9x	7.5x
Harmonic Mean							13.9%	0.9x	6.5x

EV = enterprise value; LTM = last twelve months
\$ in millions, except per share data

Source: Capital IQ and Capstone Partners as of August 6, 2024



PUBLIC COMPANY DATA (CONTINUED)

OUTDOOR POWER SPORTS & EQUIPMENT

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	08/06/24	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Alamo Group Inc.	\$171.58	74.1%	\$2,069.3	\$2,262.3	\$1,679.1	\$244.3	14.6%	1.3x	9.3x
Bombardier Inc.	\$60.90	84.0%	\$6,022.0	\$11,288.0	\$8,402.0	\$1,028.0	12.2%	1.3x	11.0x
Bosch Limited	\$389.59	89.4%	\$11,490.5	\$11,091.8	\$2,001.4	\$257.8	12.9%	NM	NM
Brunswick Corporation	\$74.78	75.0%	\$4,952.2	\$7,338.1	\$5,764.4	\$972.5	16.9%	1.3x	7.5x
Deere & Company	\$346.06	78.4%	\$95,363.9	\$158,237.9	\$58,604.0	\$15,744.5	26.9%	2.7x	10.1x
Honda Motor Co., Ltd.	\$9.93	73.3%	\$47,765.6	\$86,631.1	\$135,062.0	\$19,090.1	14.1%	0.6x	4.5x
Husqvarna AB	\$6.45	67.8%	\$3,691.4	\$4,986.9	\$4,648.4	\$616.9	13.3%	1.1x	8.1x
Kubota Corporation	\$12.68	71.5%	\$14,900.6	\$29,255.8	\$19,929.1	\$2,673.0	13.4%	1.5x	10.9x
Lowe's Companies, Inc.	\$240.65	91.7%	\$137,130.9	\$174,201.9	\$85,394.0	\$13,608.3	15.9%	2.0x	12.8x
Polaris Inc.	\$79.42	62.3%	\$4,427.5	\$6,386.3	\$8,326.1	\$822.3	9.9%	0.8x	7.8x
Stanley Black & Decker, Inc.	\$96.26	89.0%	\$14,820.1	\$21,603.8	\$15,584.3	\$1,527.1	9.8%	1.4x	14.1x
Techtronic Industries Company	\$11.74	78.9%	\$21,522.6	\$22,769.3	\$14,163.9	\$1,708.4	12.1%	1.6x	13.3x
Textron Inc.	\$84.57	86.9%	\$15,845.3	\$18,463.3	\$13,897.0	\$1,759.0	12.7%	1.3x	10.5x
The Toro Company	\$90.21	86.5%	\$9,370.5	\$10,321.3	\$4,415.9	\$690.4	15.6%	2.3x	14.9x
Tractor Supply Company	\$260.02	89.5%	\$28,032.9	\$32,764.6	\$14,713.3	\$2,492.5	16.9%	2.2x	13.1x
Mean							14.5%	1.5x	10.6x
Median							13.4%	1.4x	10.7x
Harmonic Mean							13.7%	1.3x	9.6x

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

TACTICAL & HUNTING

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	08/06/24	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
American Outdoor Brands, Inc.	\$8.85	85.5%	\$114.1	\$119.0	\$201.1	\$7.2	3.6%	0.6x	16.5x
AMMO, Inc.	\$1.58	50.2%	\$188.3	\$145.8	\$138.9	\$11.4	8.2%	1.0x	12.8x
Axon Enterprise, Inc.	\$295.00	89.4%	\$22,262.8	\$21,919.1	\$1,681.1	\$204.6	12.2%	NM	NM
Cadre Holdings, Inc.	\$32.58	81.8%	\$1,322.9	\$1,457.9	\$508.6	\$86.9	17.1%	2.9x	16.8x
Colt CZ Group SE	\$28.45	95.6%	\$1,432.8	\$1,779.5	\$671.5	\$106.5	15.9%	2.6x	16.7x
Smith & Wesson Brands, Inc.	\$14.68	81.3%	\$668.8	\$686.3	\$535.8	\$85.9	16.0%	1.3x	8.0x
Sturm, Ruger & Company, Inc.	\$40.47	72.3%	\$682.1	\$579.0	\$519.1	\$54.1	10.4%	1.1x	10.7x
Vista Outdoor Inc.	\$38.40	93.4%	\$2,241.2	\$2,918.5	\$2,696.9	\$357.2	13.2%	1.1x	8.2x
Mean							12.1%	1.5x	12.8x
Median							12.7%	1.1x	12.8x
Harmonic Mean							9.5%	1.2x	11.7x

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

Source: Capital IQ and Capstone Partners as of August 6, 2024

OUTDOOR RECREATION & ENTHUSIASTS REPORT CONTRIBUTORS



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Ken serves as Capstone’s Co-Head of Investment Banking and leads the Consumer Investment Banking Group. 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 more than \$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.



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Pete is a Senior Director in Capstone’s Consumer Investment Banking Group. He has more than 18 years of experience executing M&A and capital markets transactions. His Consumer Enthusiast investment banking coverage includes the Tactical & Outdoor Products and Sports Technology sectors. Prior to joining Capstone Partners, Pete worked as an investment banker at Stephens Inc., Wells Fargo & Company, and Citigroup, Inc. He also served more than 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. Pete holds a BS in General Management from the U.S. Military Academy and an MBA from Harvard Business School.



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Andrew serves as a Market Intelligence Associate at Capstone Partners covering the Consumer industry. Prior to joining the Market Intelligence Team at Capstone, Andrew was a Senior Research Associate at Corporate Insight, where he provided digital banking competitive intelligence, user experience research, and consulting services to leading financial institutions. Andrew graduated with a Bachelor of Arts degree in Economics from Union College.



FIRM TRACK RECORD

Capstone's [Consumer Investment Banking Group](#) 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 transactions is included below.

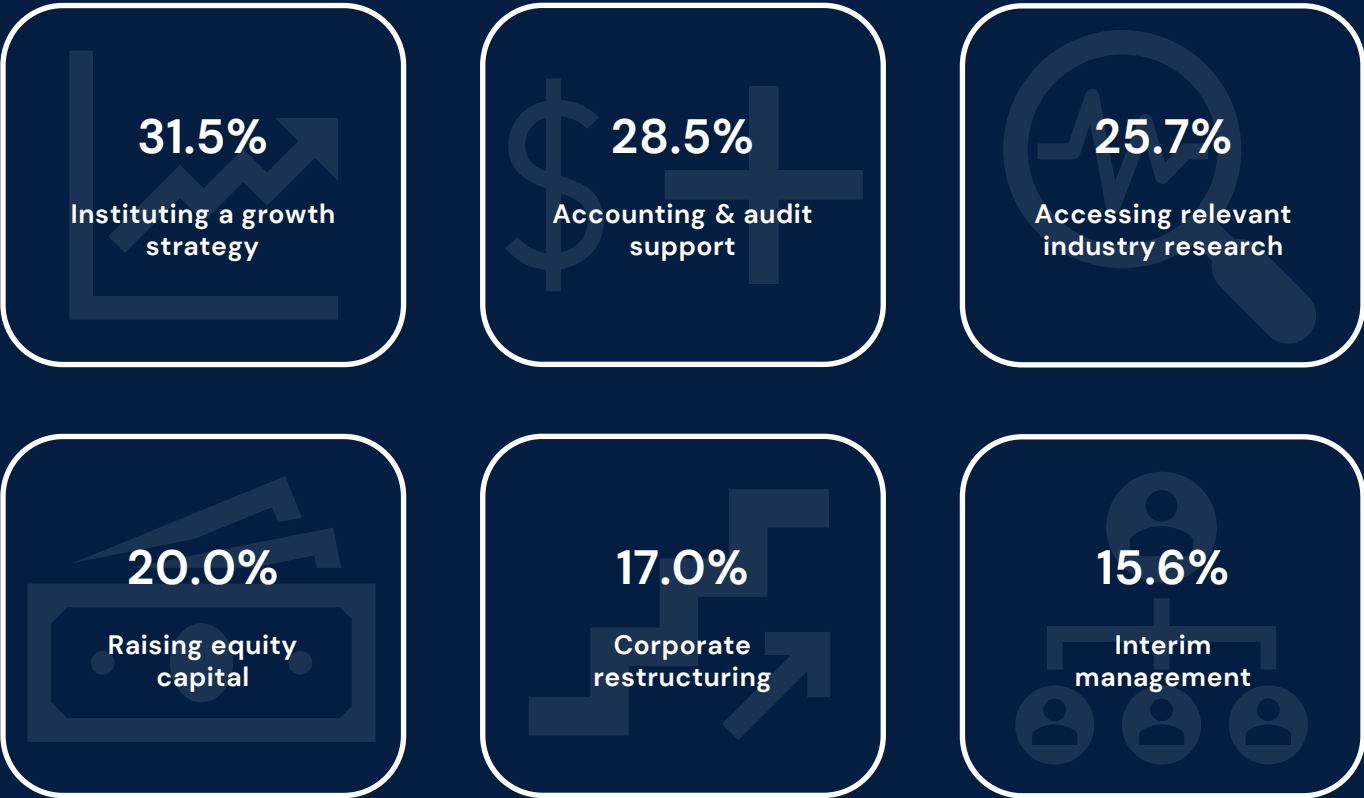
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CAPSTONE’S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The current stage and initiatives of a business often dictates which financial services are in demand. As the majority of CEOs polled in Capstone’s 2023 Middle Market Business Owners Survey indicated growth strategies are a priority for 2024, the lion’s share (31.5%) of owners anticipate a need for growth strategy support services. Similarly, 28.5% of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, more than one-fourth of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company’s lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed a specialty consulting practice to provide financial advisory services to companies experiencing distress or performance challenges. All of these capabilities are supported by 16 industry groups, an active sponsor coverage group, and a dedicated market intelligence team.

Top Financial Services Required by Business Owners in 2024



Question: Have you ever had, or do you anticipate having, a need for any of the following services?
 Source: Capstone Partners’ Middle Market Business Owner Survey, Total Sample Size (N): 435



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Disclosure

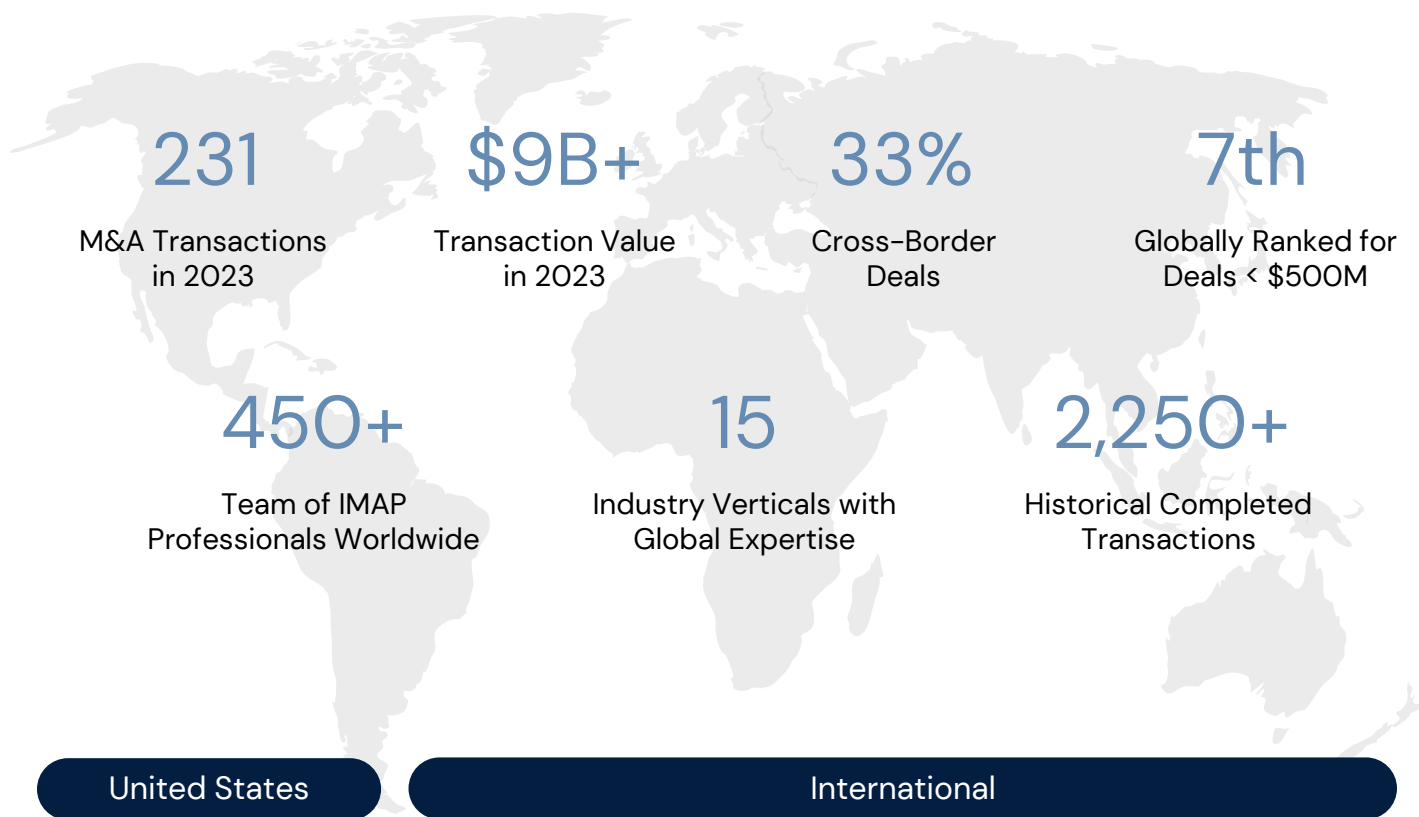
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CAPSTONE PARTNERS

Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 41 countries.



~200 professionals
8 offices

Boston · Denver · Chicago · Dallas
Detroit · Irvine · New York · Tampa

450+ professionals
60+ offices in 41 countries

Asia: China · India · Japan · Thailand
Africa: Congo · Egypt · Ghana · Mauritius · Morocco · Senegal · South Africa
Americas: Toronto · Vancouver · Argentina · Brazil · Chile · Colombia · Mexico · Paraguay · Peru
Europe: Belgium · Bosnia & Herzegovina · Croatia · Czech Republic · Finland · France · Germany
Hungary · Ireland · Italy · Netherlands · Poland · Portugal · Romania · Serbia · Slovakia · Slovenia
Spain · Sweden · United Kingdom