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Outdoor & Recreation Market Monitor

Summer 2023



EXPERIENCE

Proven Track Record of Successful Transactions

- Deep expertise and strong relationships with relevant market participants
- Battle-tested process that drives maximum valuation and enhanced terms
- Exclusive focus on private, middle market companies
- A life-cycle approach to client service

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OR OUTDOOR RESEARCH

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Industry Overview

The market size of the sporting goods retail industry measured by revenue is \$67.8 billion in 2023; the industry has grown 6.7% per year on average in the U.S. between 2018 and 2023.

82% of Americans indicated that they participated in outdoor activities in 2022. This was an increase from 60% in 2020 and 79% in 2021. This trend has continued into 2023 with 97% of Americans planning to enjoy outdoor activities this year.

However, higher interest rates, declining consumer sentiment and an expected pullback in consumer discretionary spending caused a slowdown across all consumer product sectors in 2022, which continues in 2023. Additionally, higher costs of raw materials and continued disruptions in the supply chain continue to create purchasing and inventory management challenges for many companies.

Transaction volume in the Outdoor & Recreation sector decreased in the first five months of 2023 when compared to the same period in 2022. The total completed M&A deals dropped from 17 to 11 and Private Placement deals fell from 13 to 11.

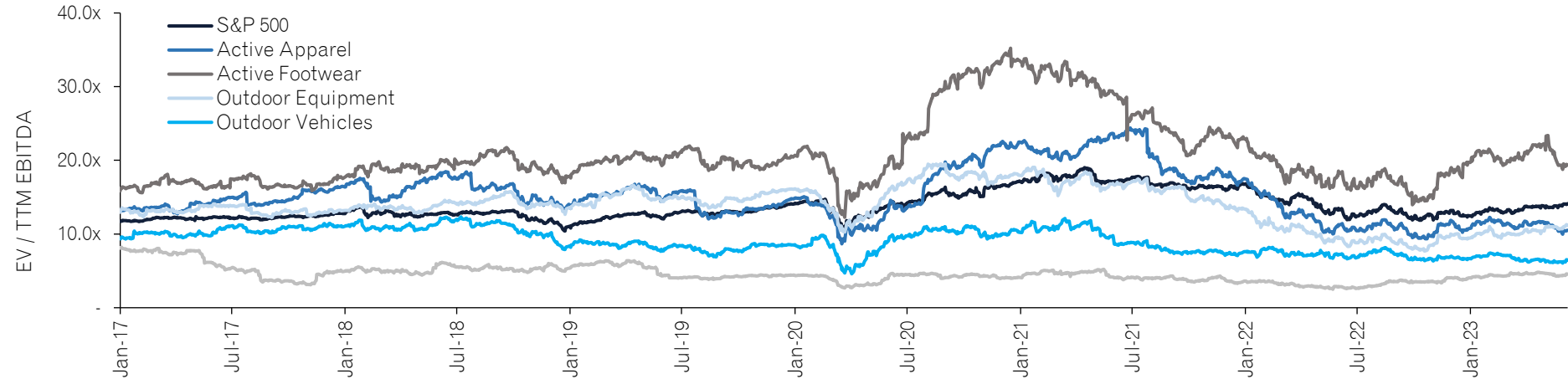
Elevated inflation and interest rates, coupled with economic uncertainty have caused a pull-back in M&A activity as buyers are more cautious and debt has become more challenging to secure.

In the wake of this slowdown, we expect a strong rebound in activity driven by resumption of corporate growth initiatives and excess cash on balance sheets.



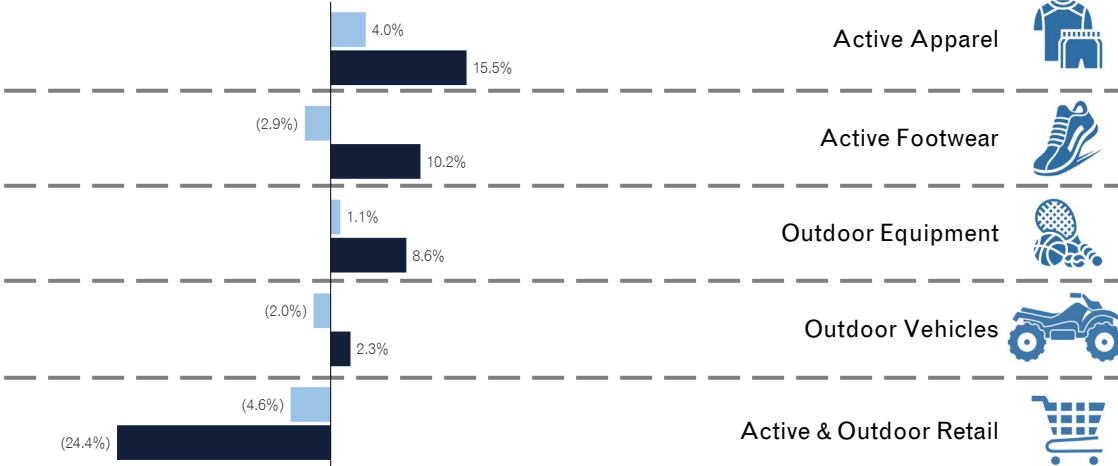
Outdoor Recreation Public Market Overview

EV / EBITDA



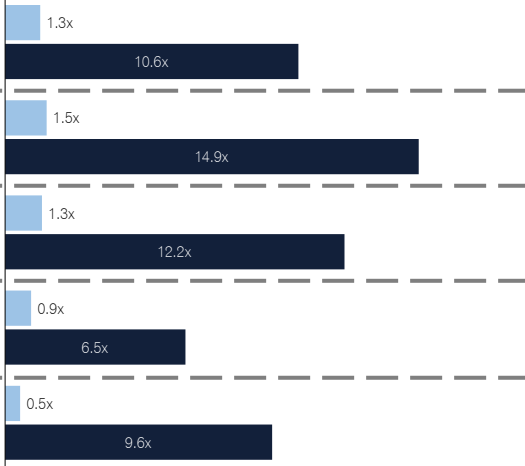
Median Expected Growth (next 12 months)

Revenue Growth EBITDA Growth



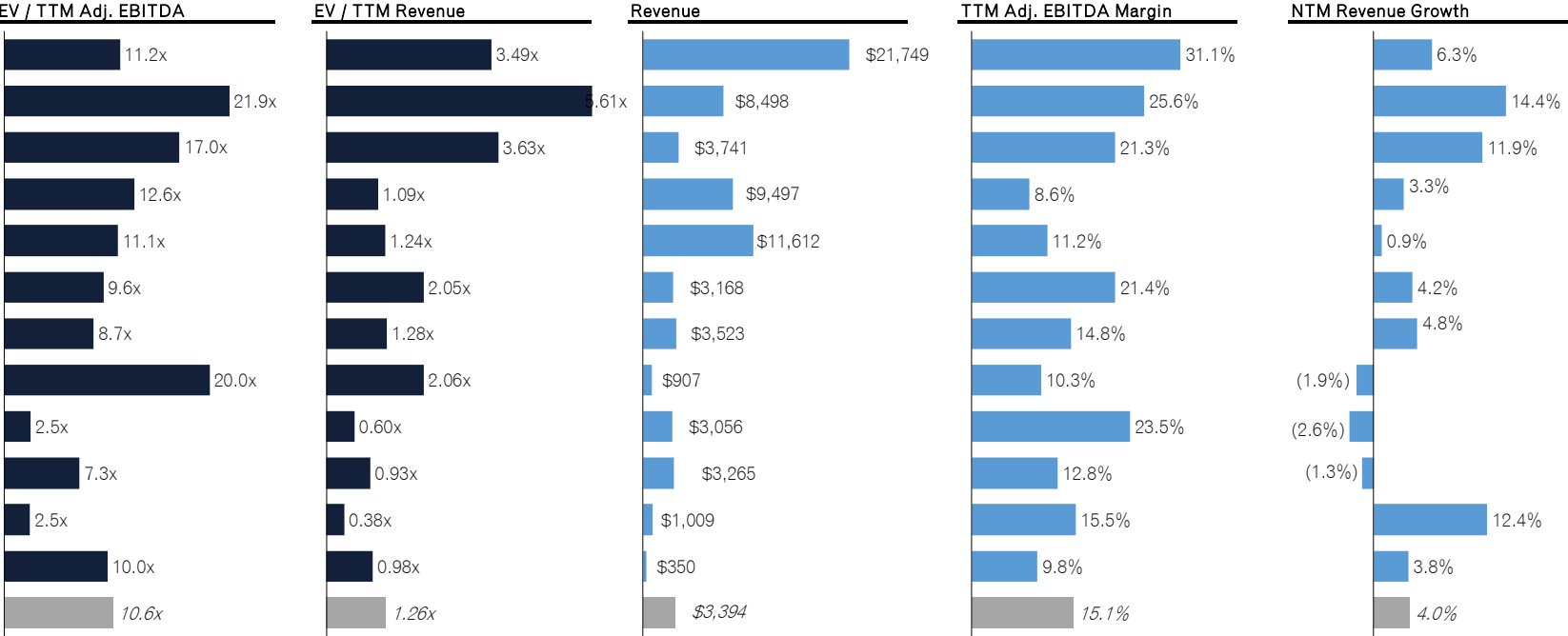
Median Enterprise Value Multiples (trailing 12 months)

EV / Revenue EV / EBITDA

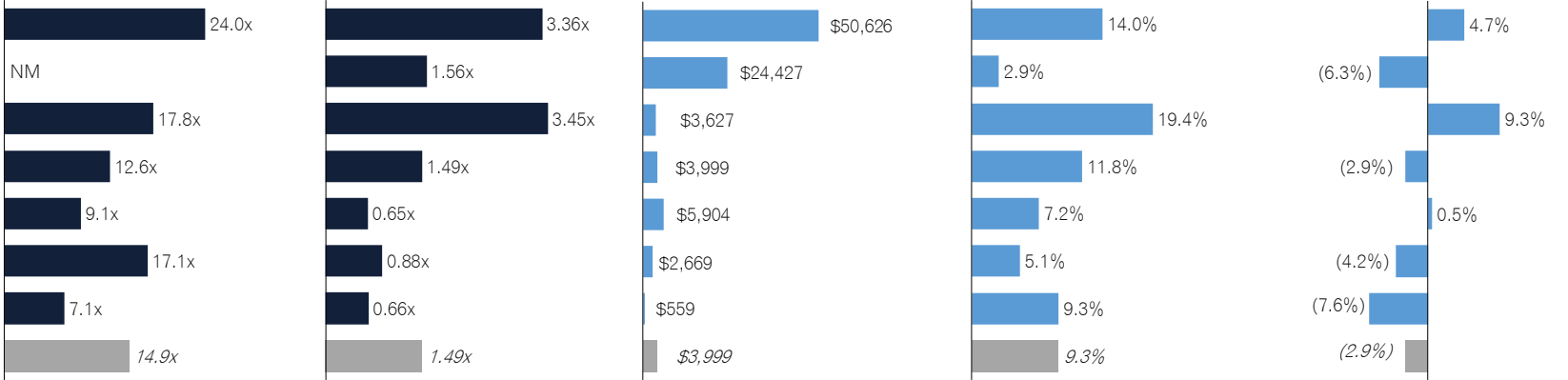


Industry Data by Segment

APPAREL

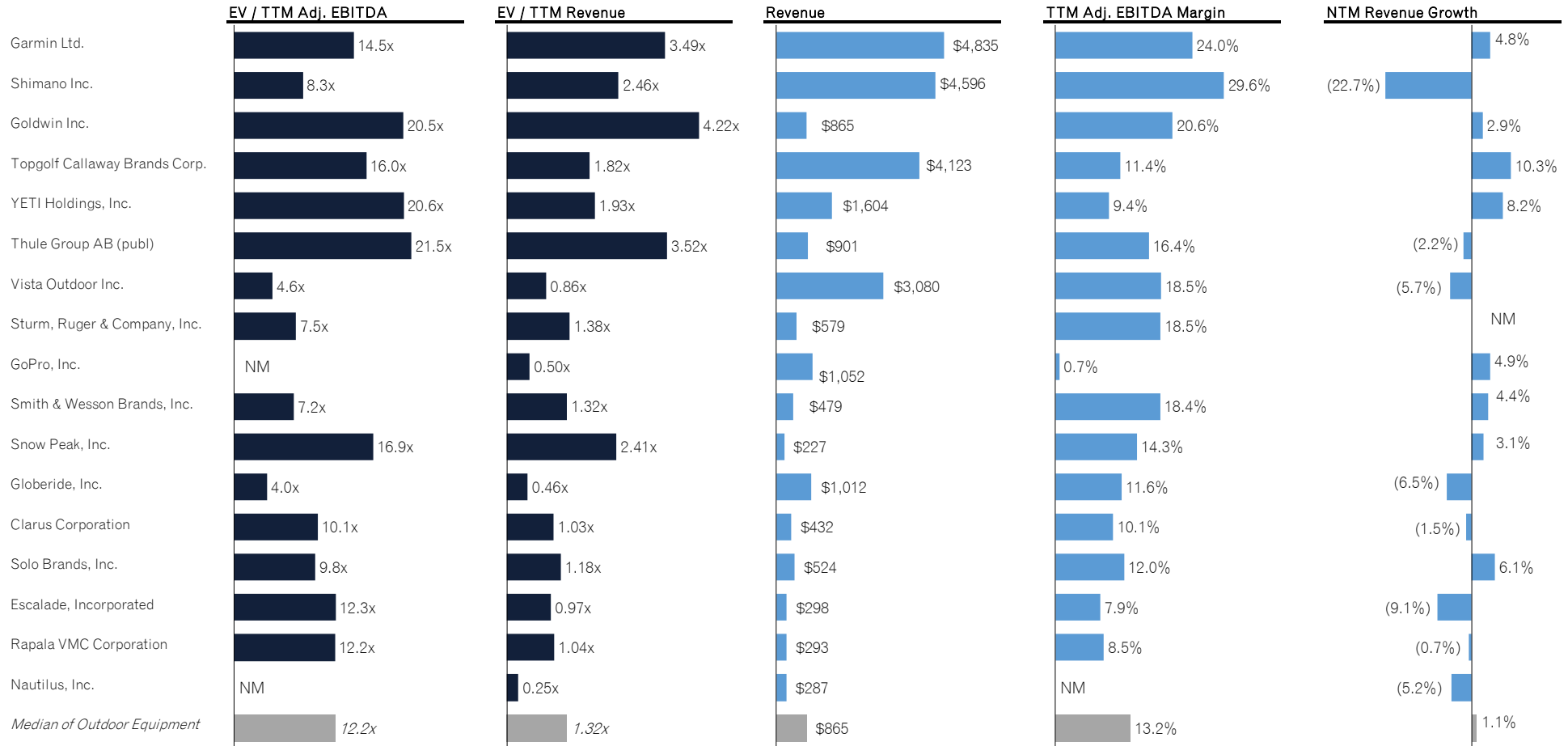


FOOTWEAR



Industry Data by Segment

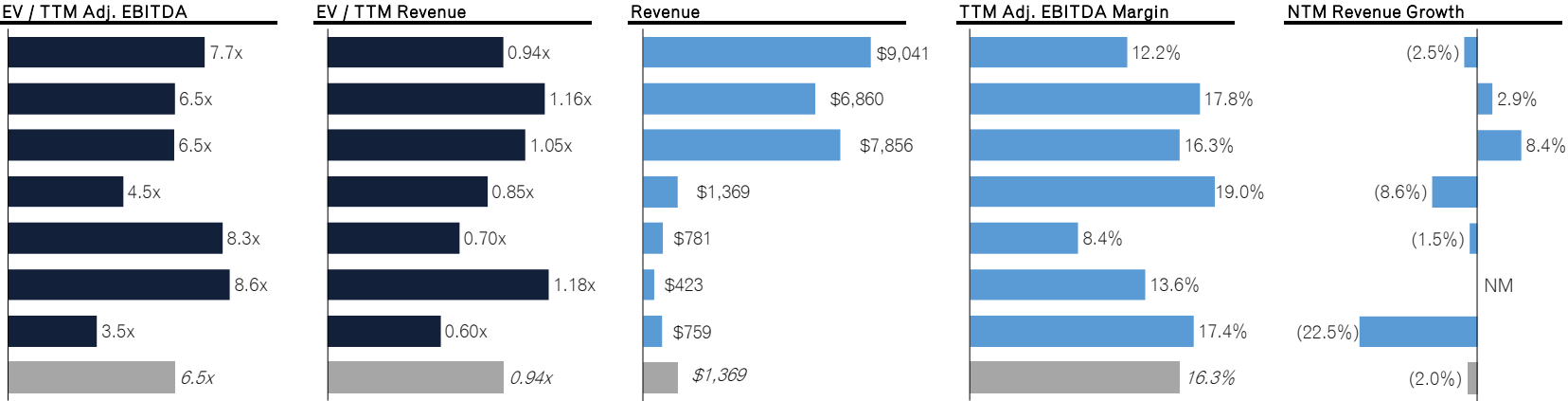
OUTDOOR EQUIPMENT



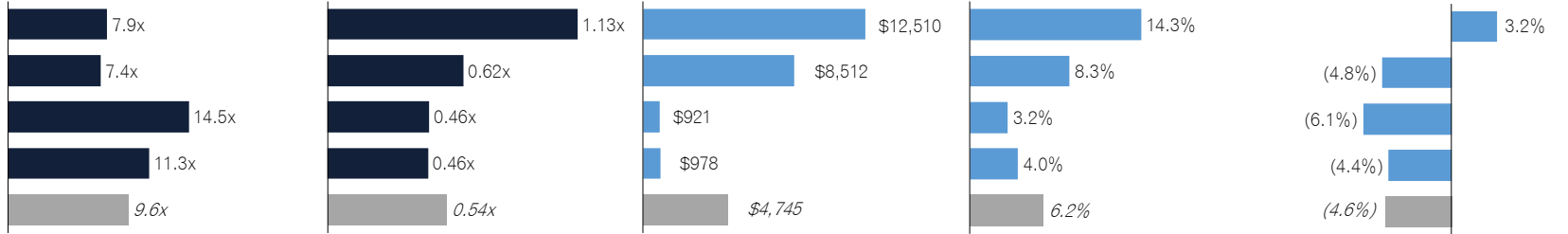
MARKET DATA

Industry Data by Segment

VEHICLES



RETAIL



Public Company Valuations

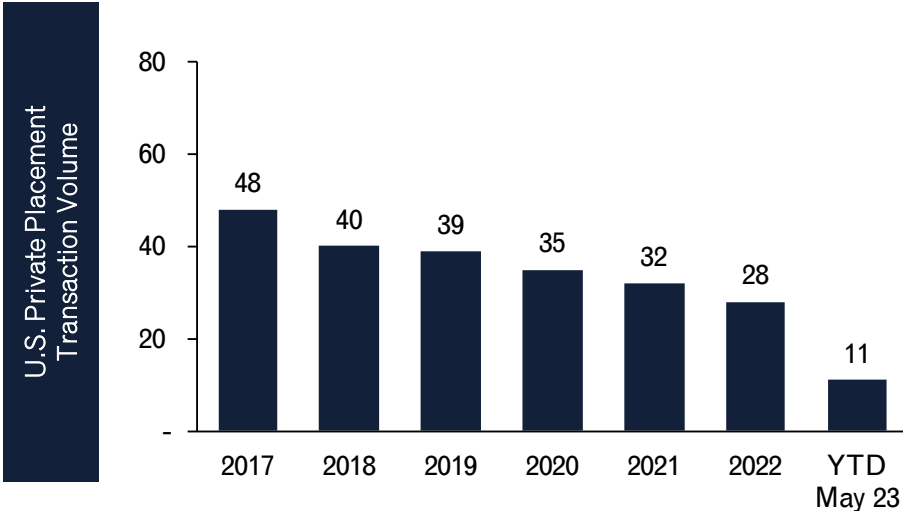
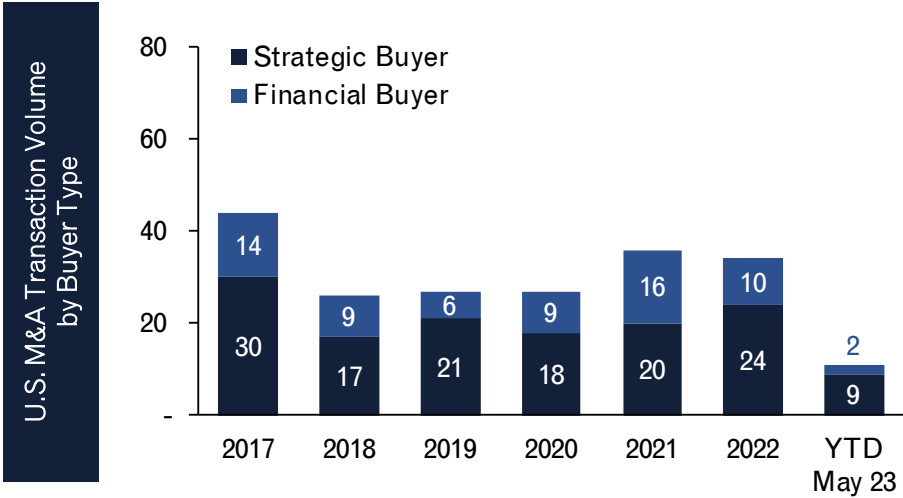
\$ in millions, except per share data				TTM Data			NTM Est. Growth	EV Multiple		
Category	Company Name	6/25/23 Share Price	Market Cap	Enterprise Value	Sales	Gross Profit	Gross Margin	Sales	TTM Sales	TTM EBITDA
Active Apparel	Kering SA	\$546.52	\$66,796	\$75,854	\$21,749	\$16,242	74.7%	6.3%	3.49x	11.2x
	Lululemon Athletica Inc.	374.25	47,554	47,703	8,498	4,773	56.2%	14.4%	5.61x	21.9x
	Li Ning Company Limited	5.49	14,422	13,573	3,741	1,810	48.4%	11.9%	3.63x	17.0x
	PUMA SE	56.48	8,458	10,333	9,497	4,365	46.0%	3.3%	1.09x	12.6x
	V.F. Corporation	18.23	7,086	14,422	11,612	6,101	52.5%	0.9%	1.24x	11.1x
	Gildan Activewear Inc.	30.27	5,368	6,507	3,168	904	28.5%	4.2%	2.05x	9.6x
	Columbia Sportswear Company	74.33	4,611	4,524	3,523	1,732	49.2%	4.8%	1.28x	8.7x
	Descente Ltd.	28.03	2,117	1,868	907	520	57.4%	(1.9%)	2.06x	20.0x
	Youngone Corporation	44.54	1,954	1,821	3,056	1,017	33.3%	(2.6%)	0.60x	2.5x
	FILA Holdings Corporation	29.34	1,763	3,044	3,265	1,562	47.9%	(1.3%)	0.93x	7.3x
	361 Degrees International Limited	0.47	977	386	1,009	409	40.5%	12.4%	0.38x	2.5x
	CALIDA Holding AG	38.75	327	344	350	249	71.1%	3.8%	0.98x	10.0x
	Median Average	\$4,990	\$13,453	\$5,515	\$3,394	\$1,647	48.8%	4.0%	1.26x	10.6x
				\$15,032	\$5,865	\$3,307	50.5%	4.7%	1.95x	11.2x
Active Footwear	NIKE, Inc.	\$109.52	\$168,331	\$170,095	\$50,626	\$22,200	43.9%	4.7%	3.36x	24.0x
	adidas AG	192.49	31,024	38,206	24,427	11,309	46.3%	(6.3%)	1.56x	NM
	Deckers Outdoor Corporation	506.12	13,240	12,505	3,627	1,825	50.3%	9.3%	3.45x	17.8x
	ASICS Corporation	29.33	5,371	5,974	3,999	1,990	49.8%	(2.9%)	1.49x	12.6x
	Under Armour, Inc.	7.14	3,046	3,855	5,904	2,649	44.9%	0.5%	0.65x	9.1x
	Wolverine World Wide, Inc.	13.43	1,067	2,339	2,669	1,045	39.2%	(4.2%)	0.88x	17.1x
	Rocky Brands, Inc.	20.03	147	370	559	207	37.1%	(7.6%)	0.66x	7.1x
		Median Average	\$5,371	\$31,747	\$5,974	\$3,999	\$1,990	44.9%	(2.9%)	1.49x
				\$33,335	\$13,116	\$5,890	44.5%	(0.9%)	1.72x	14.6x
Outdoor Equipment	Garmin Ltd.	\$101.56	\$19,427	\$16,856	\$4,835	\$2,797	57.9%	4.8%	3.49x	14.5x
	Shimano Inc.	156.96	14,190	11,298	4,596	1,933	42.1%	(22.7%)	2.46x	8.3x
	Goldwin Inc.	86.01	3,874	3,655	865	452	52.2%	2.9%	4.22x	20.5x
	Topgolf Callaway Brands Corp.	19.20	3,564	7,507	4,123	1,363	33.1%	10.3%	1.82x	16.0x
	YETI Holdings, Inc.	35.90	3,111	3,099	1,604	770	48.0%	8.2%	1.93x	20.6x
	Thule Group AB (publ)	27.42	2,894	3,174	901	344	38.2%	(2.2%)	3.52x	21.5x
	Vista Outdoor Inc.	27.03	1,567	2,652	3,080	1,039	33.7%	(5.7%)	0.86x	4.6x
	Sturm, Ruger & Company, Inc.	52.38	928	801	579	160	27.7%	NA	1.38x	7.5x
	GoPro, Inc.	4.12	641	528	1,052	377	35.8%	4.9%	0.50x	NM
	Smith & Wesson Brands, Inc.	13.51	623	634	479	169	35.2%	4.4%	1.32x	7.2x
	Snow Peak, Inc.	13.26	501	547	227	126	55.3%	3.1%	2.41x	16.9x
	Globeride, Inc.	15.57	358	464	1,012	369	36.4%	(6.5%)	0.46x	4.0x
	Clarus Corporation	8.03	299	444	432	155	36.0%	(1.5%)	1.03x	10.1x
	Solo Brands, Inc.	5.10	296	620	524	324	61.8%	6.1%	1.18x	9.8x
	Escalade, Incorporated	13.80	190	288	298	65	21.6%	(9.1%)	0.97x	12.3x
	Rapala VMC Corporation	4.41	171	304	293	159	54.3%	(0.7%)	1.04x	12.2x
	Nautilus, Inc.	1.15	41	73	287	52	18.1%	(5.2%)	0.25x	NA
		Median Average	\$641	\$3,098	\$634	\$865	\$344	36.4%	1.1%	1.32x
				\$3,114	\$1,482	\$627	40.4%	(0.6%)	1.70x	12.4x

MARKET DATA

Public Company Valuations

\$ in millions, except per share data				TTM Data			NTM Est. Growth	EV Multiple		
		6/25/23 Share Price	Market Cap	Enterprise Value	Sales	Gross Profit	Gross Margin	Sales	TTM Sales	TTM EBITDA
Category	Company Name									
Outdoor Vehicles	Polaris Inc.	\$115.36	\$6,565	\$8,458	\$9,041	\$2,130	23.6%	(2.5%)	0.94x	7.7x
	BRP Inc.	78.38	6,118	8,277	7,856	1,968	25.0%	8.4%	1.05x	6.5x
	Brunswick Corporation	80.74	5,709	7,937	6,860	2,009	29.3%	2.9%	1.16x	6.5x
	Malibu Boats, Inc.	56.25	1,160	1,165	1,369	338	24.7%	(8.6%)	0.85x	4.5x
	Johnson Outdoors Inc.	59.07	600	548	781	280	35.9%	(1.5%)	0.70x	8.3x
	Marine Products Corporation	16.30	561	499	423	104	24.7%	NA	1.18x	8.6x
	MasterCraft Boat Holdings, Inc.	28.78	504	457	759	178	23.5%	(22.5%)	0.60x	3.5x
	Median Average	\$1,160 \$3,031	\$1,165 \$3,906	\$1,369 \$3,870	\$338 \$1,001	24.7% 26.7%	(2.0%) (4.0%)	0.94x 0.93x	6.5x 6.5x	
Active & Outdoor Retail	DICK'S Sporting Goods, Inc.	\$134.57	\$11,604	\$14,167	\$12,510	\$4,328	34.6%	3.2%	1.13x	7.9x
	Foot Locker, Inc.	25.93	2,435	5,238	8,512	2,643	31.1%	(4.8%)	0.62x	7.4x
	Zumiez Inc.	16.87	334	425	921	302	32.8%	(6.1%)	0.46x	14.5x
	Big 5 Sporting Goods Corporation	8.49	185	445	978	330	33.8%	(4.4%)	0.46x	11.3x
	Median Average	\$1,385 \$3,640	\$2,842 \$5,069	\$4,745 \$5,730	\$1,487 \$1,901	33.3% 33.1%	(4.6%) (3.0%)	0.54x 0.67x	9.6x 10.3x	
Overall Outdoor Recreation		Median Average	\$2,117 \$10,045	\$3,044 \$10,942	\$2,669 \$5,051	\$904 \$2,259	38.2% 40.9%	0.5% 0.1%	1.13x 1.56x	9.9x 11.2x

Industry Transaction Volume



Notable Transaction















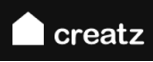




Authentic Brands Group (Authentic), a global brand development, marketing and entertainment platform, announced that it has entered into a period of exclusivity and made a binding offer to purchase Boardriders, a global action sports and lifestyle company, from funds managed by Oaktree Capital Management. Through this acquisition, Authentic strategically expands its portfolio of world-renowned superbrands with the addition of Quiksilver, Billabong, Roxy, DC Shoes, RVCA, Element, VonZipper and Honolua.

"We are proud of our deep connection to the global board sports community, but also to have industry leading brands and world class teams," said Arne Arens, CEO of Boardriders. "Under Authentic's umbrella, Boardriders will be ideally positioned to increase the reach of our iconic brands to millions of consumers, capture market share in our key categories and develop untouched areas, including the premium athleisure, training and lifestyle proposition."

"We are thrilled to have completed the next phase of the Boardriders acquisition process," Authentic founder, Chair, and CEO Jamie Salter said in a statement. "The Boardriders brands are at the forefront of a growing consumer demand for authentic brand experiences, and we look forward to working with the management team to further unlock each brand's rich heritage and reinforce their positions as leading consumer brands worldwide."

The transaction is expected to close in Q3 2023 pending the completion of certain standard closing conditions and approvals.

Select M&A Transactions

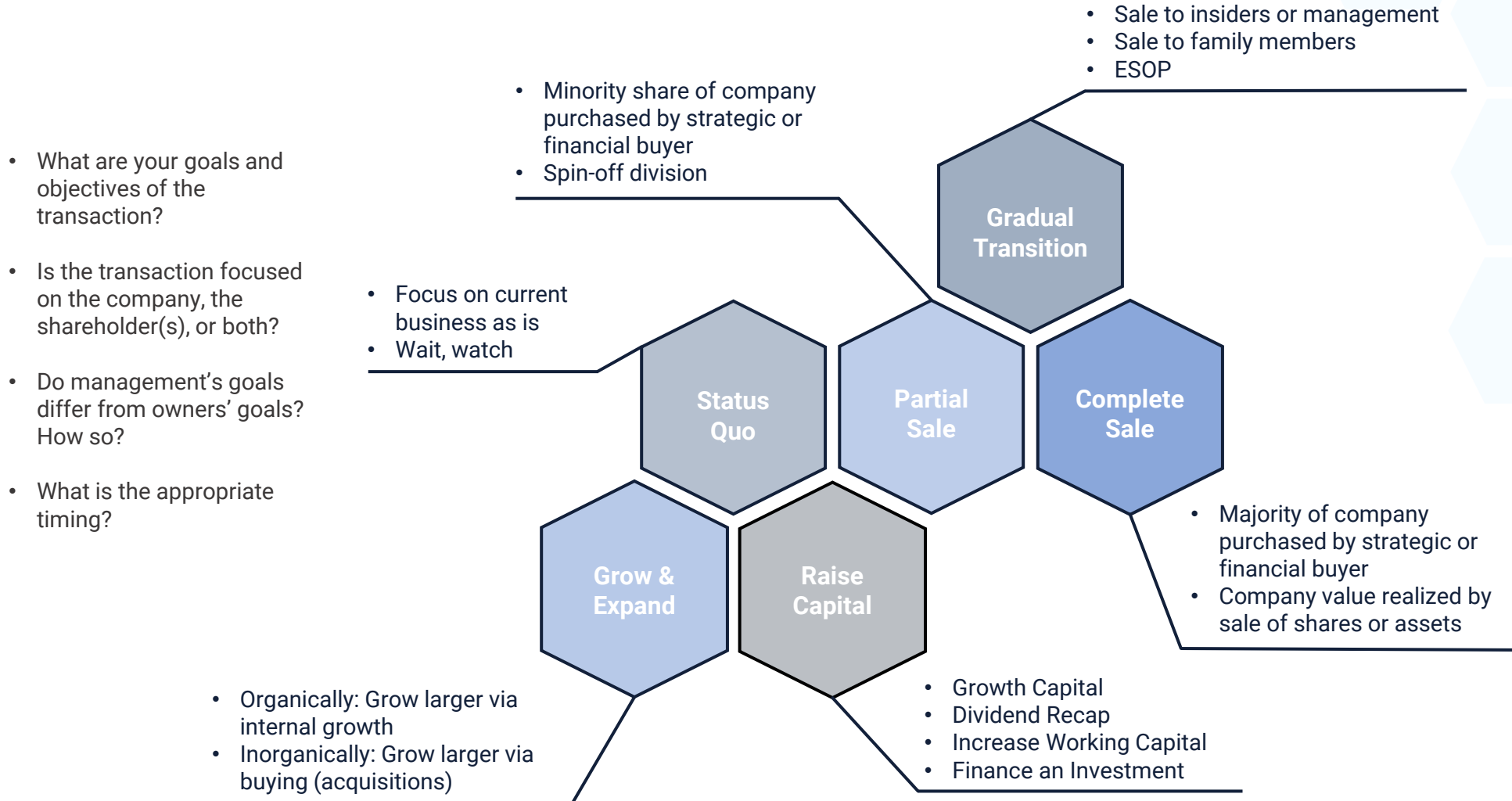
Announced	 BOARDRIDERS	acquired By	 ABG AUTHENTIC BRANDS GROUP	Through this acquisition, Authentic strategically expands its portfolio of world-renowned superbrands with the addition of Quiksilver, Billabong, Roxy, DC Shoes, RVCA, Element, VonZipper and Honolua.
Announced	 BRIO SOUL	acquired By	 DRYWORLD DREAM. DEFY. DELIVER.	This transaction will provide immediate expansion into Central and South America with an initial focus on placing DRYWORLD products throughout Brio's existing retail distribution.
May '23	 WOLF TACTICAL	acquired By	 society BRANDS	This transaction will allow for deeper penetration in the consumer products category via immediate integration with Society Brands' existing and ever-growing e-commerce platforms.
May '23	 LUCK STRIKE	acquired By	Private Buyer (Toby Keith)	This transaction will enable the storied American fishing lure company to reach greater audiences while continuing to manufacture quality and affordable products.
May '23	 CUR REX	acquired By	 FOUNDATION WELLNESS	The transaction expands Foundation Wellness's product offerings in the personal wellness space, further adding to its existing offering of personalized orthotic and insert brands.
May '23	 PURE SCIENCE GOLF	acquired By	 ALTR GOLF	This transaction will strengthen Altr Golf's product offering by incorporating new technological capabilities and access to new golf equipment and materials which should lead to a strengthened position in the golf industry.
April '23	 OUTDOOR TECH.	acquired By	 Dialectic	The transaction allows for Dialectic to expand their product portfolio and capture a larger market share in the outdoor industry by leveraging the expertise and technology of Outdoor Tech.
April '23	 EVNROLL PUTTERS	acquired By	 creatz	The transaction will help Creatz to expand their portfolio of products and tap into Evnroll's innovative putter technology, which they hope strengthens their position in the golf products industry.
April '23	 Baum	acquired By	 marucci	This transaction allow Baum to expand its product offerings and market presence by leveraging their reputation and expertise in the manufacturing of high-quality wood baseball bats.
Mar '23	 FLAGHOUSE	acquired By	 School Specialty	School Specialty's acquisition of Flaghouse will expand the brands product portfolio and market presence in the educational and recreational equipment sector.

Select Private Placement Transactions

\$ in millions

Close Date	Target	Investor	Short Description
Announced	TUT Fitness Group Inc.	Private Investor	Manufactures and sells fitness products
Announced	Water Brands LLC	Private Investor	Manufactures marine and outdoor accessories
Announced	PANGEA Movement USA LLC	Private Investor	Manufactures outdoor apparel and accessories
Announced	Mountain Origins Design LLC	Private Investor	Manufactures and sells mountain apparel for men, women and children
Announced	Vision Marine Technologies Inc.	Private Investor	Manufactures electric outboard powertrain systems and electric boats
Announced	PAKMULE, LLC	Private Investor	Manufactures outdoor adventure gear
Announced	XO Armor Technologies, LLC	Private Investor	Manufactures performance protective gear for athletes
Announced	Kicks Industries, Inc.	Private Investor	Manufactures and sells golf traction kits
Announced	Fendo Golf, LLC	Private Investor	Designs and manufactures golf apparel and accessories
Announced	KD Knit Corp.	Private Investor	Manufactures knitwear for yoga, barre, ballet, dance and working out
Announced	RADMOR, INC.	Private Investor	Designs and manufactures golf apparel and accessories
Announced	HOLO Footwear, Inc.	Private Investor	Designs and manufactures performance footwear
May-23	Under Armour, Inc.	BDT Capital Partners	Develops, markets, and distributes performance apparel, footwear, and accessories
May-23	Innovative Designs, Inc.	Private Investor	Designs and manufactures cold weather apparel for recreational and industrial use
May-23	Monarc, Inc.	Private Investor	Manufactures robotic training devices for football players
May-23	Recess Pickleball, Inc.	Private Investor	Manufactures and sells pickleball paddles and accessories
Apr-23	Revolin Sports LLC	Private Investor	Manufactures and sells pickleball equipment
Apr-23	Tonal Systems, Inc.	L Catterton Partners	Manufactures and sells fitness equipment
Mar-23	Topo Designs LLC	Gart Capital Partners	Designs and manufactures outdoor apparel and accessories
Feb-23	PACT Outdoors, Inc.	Private Investor	Manufactures and sells outdoor bathroom kits
Dec-22	CLMBR, INC.	Private Investor	Designs an indoor climbing workout machine

Our Clients



Services & Industries

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- Equity and Debt Capital Placement
- Strategic Alternatives Assessment
- Exclusive Sales and Divestitures
- Strategic Planning
- Management Buy-outs
- Recapitalizations



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Complete availability and accountability to the client



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