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Advisory

Outdoor & Recreation Market Monitor

Fall 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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travis Mathew

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Physician Network
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HEALTH WORKS
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Industry Overview

The outdoor recreation participant base grew in 2022 to a record 168.1 million participants or 55% of the U.S. population ages 6 and older. The outdoor recreation participant base has grown each of the last eight years, adding 14.5 million participants since January 2020.

Diversity is growing in the outdoor recreation participant base, especially among new and young participants. This trend supports growth for a wide variety of business in the Outdoor & Recreation space as individuals look to pursue new and existing activities, sports and experiences across all proficiency and frequency levels.

Transaction volume in the Outdoor & Recreation sector has picked up after a slow first half of 2023 and when compared to the same period in 2022. The total completed M&A deals remained steady at 32 and Private Placement transactions increased from 22 to 46.

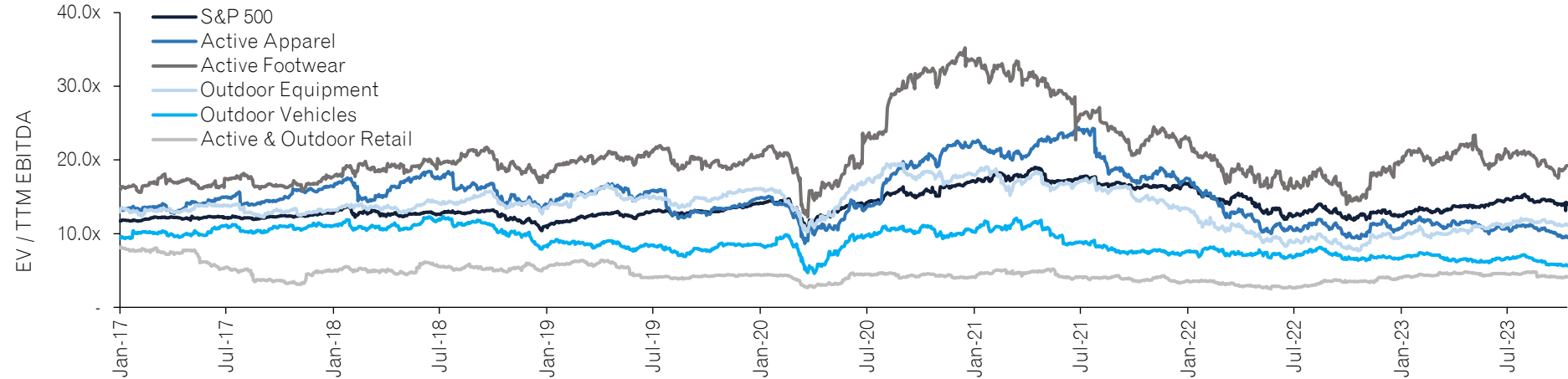
Continued elevated inflation and interest rates, coupled with economic and geopolitical uncertainties may cause a slight pull-back in M&A activity as buyers are more cautious and debt has become more challenging to secure. However, able investors are willing to make minority investments into the space which highlights the newfound resilience of the Outdoor & Recreation sector.

While discretionary spending varies across categories, there are signs of strength among the casual outdoor consumer, who comprise a growing portion of the Outdoor & Recreation segment.

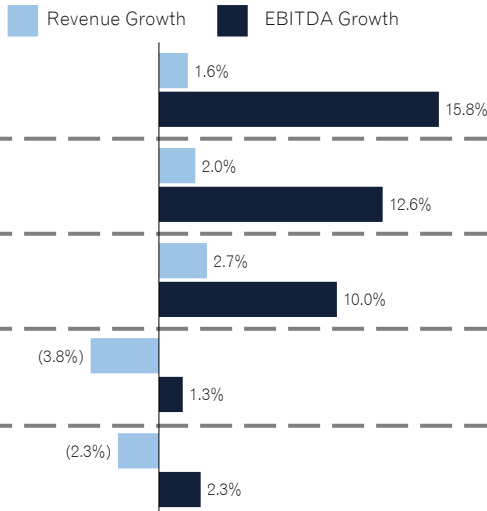


Outdoor Recreation Public Market Overview

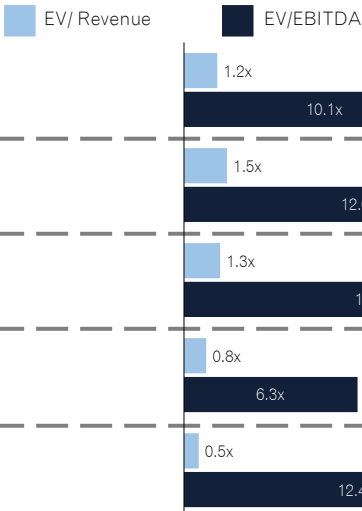
EV / EBITDA



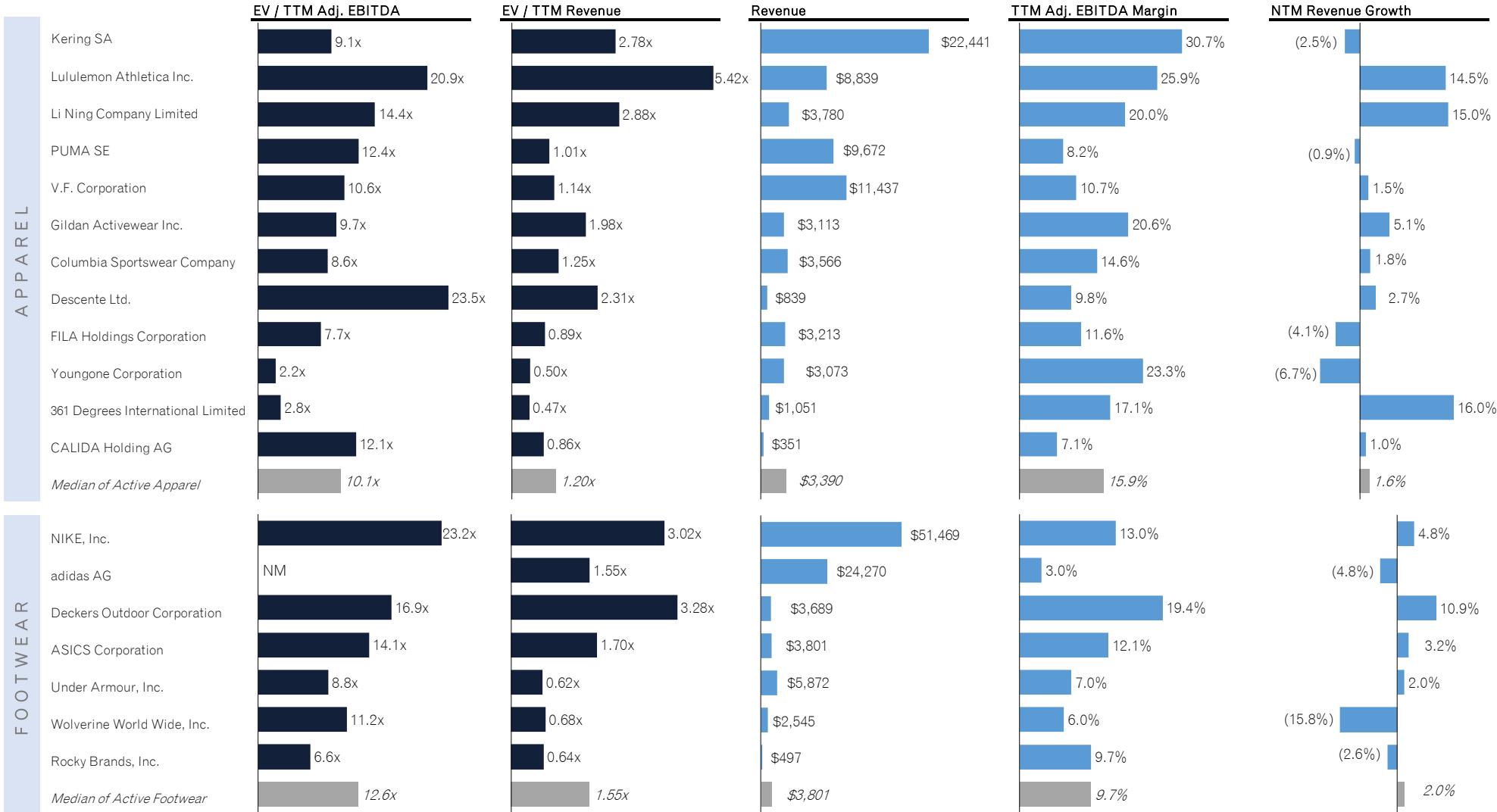
Median Expected Growth (next 12 months)



Median Enterprise Value Multiples (trailing 12 months)

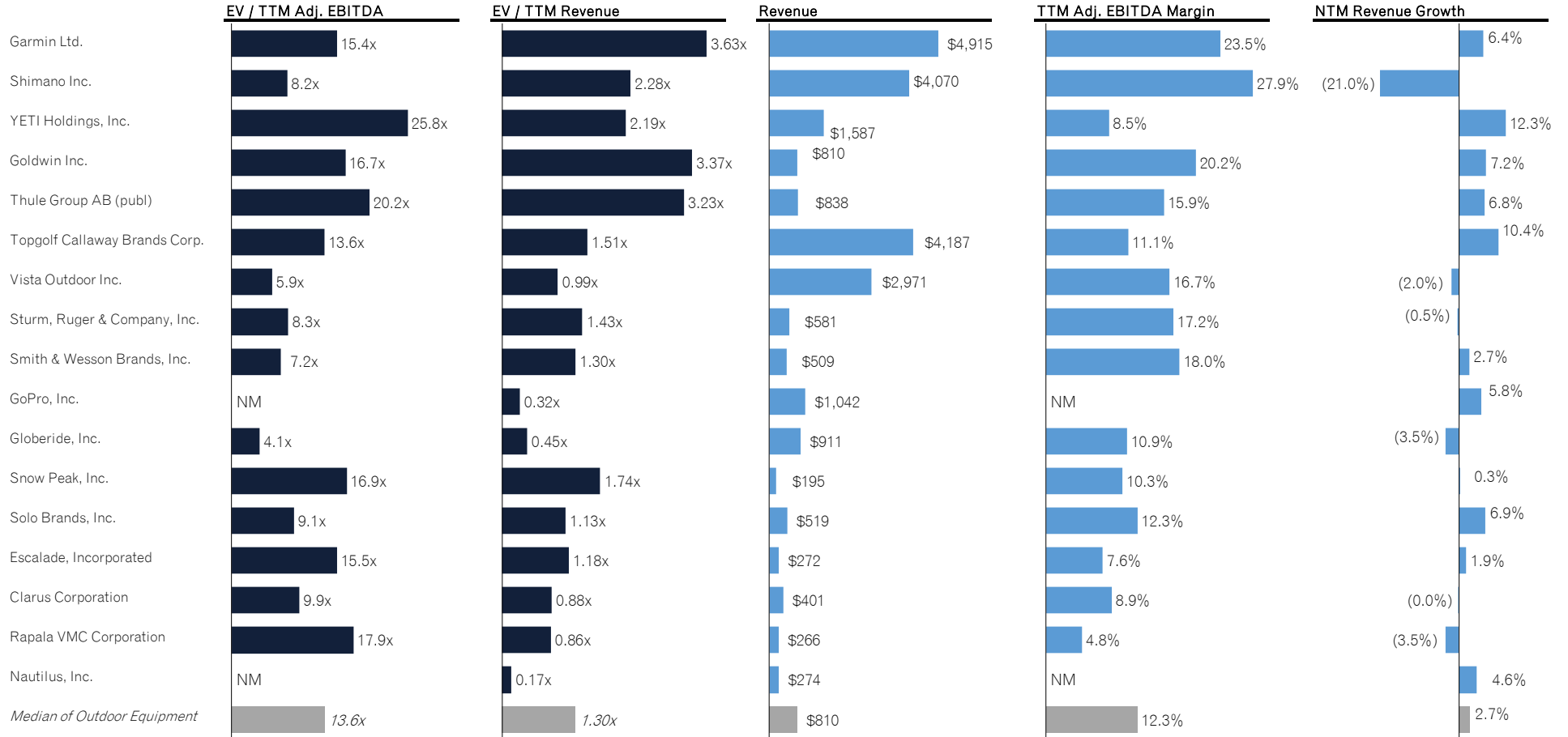


Industry Data by Segment



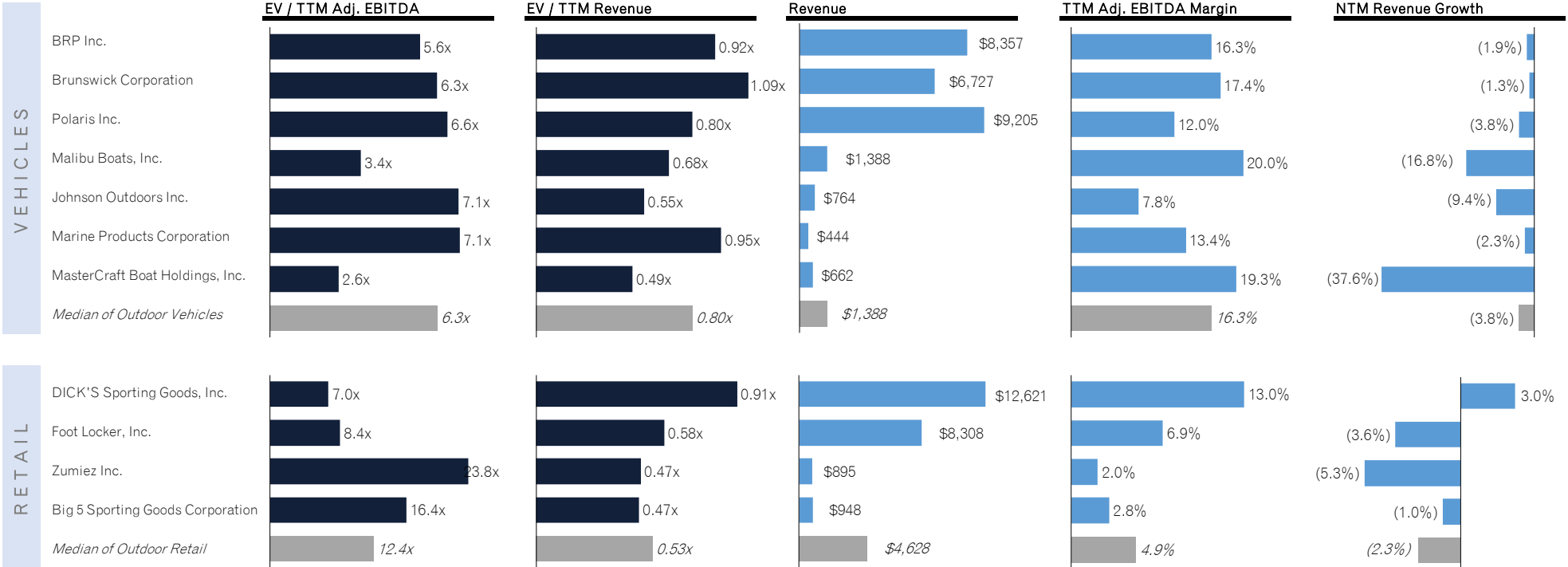
Industry Data by Segment

OUTDOOR EQUIPMENT



MARKET DATA

Industry Data by Segment



MARKET DATA

Public Company Valuations

\$ in millions, except per share data					TTM Data			NTM Est. Growth	EV Multiple	
Category	Company Name	10/13/23 Share Price	Market Cap	Enterprise Value	Sales	Gross Profit	Gross Margin	Sales	TTM Sales	TTM EBITDA
Active Apparel	Kering SA	\$427.09	\$52,231	\$62,420	\$22,441	\$16,976	75.6%	(2.5%)	2.78x	9.1x
	Lululemon Athletica Inc.	377.69	47,793	47,879	8,839	5,016	56.7%	14.5%	5.42x	20.9x
	Li Ning Company Limited	4.47	11,761	10,882	3,780	1,809	47.9%	15.0%	2.88x	14.4x
	PUMA SE	53.54	8,019	9,813	9,672	4,407	45.6%	(0.9%)	1.01x	12.4x
	V.F. Corporation	15.45	6,008	13,067	11,437	5,984	52.3%	1.5%	1.14x	10.6x
	Gildan Activewear Inc.	29.25	5,092	6,180	3,113	856	27.5%	5.1%	1.98x	9.7x
	Columbia Sportswear Company	71.77	4,402	4,467	3,566	1,762	49.4%	1.8%	1.25x	8.6x
	Descente Ltd.	28.33	2,139	1,935	839	485	57.8%	2.7%	2.31x	23.5x
	FILA Holdings Corporation	27.66	1,662	2,875	3,213	1,527	47.5%	(4.1%)	0.89x	7.7x
	Youngone Corporation	36.05	1,581	1,541	3,073	1,016	33.1%	(6.7%)	0.50x	2.2x
	361 Degrees International Limited	0.53	1,089	497	1,051	428	40.7%	16.0%	0.47x	2.8x
	CALIDA Holding AG	29.98	253	302	351	246	70.2%	1.0%	0.86x	12.1x
	Median Average	\$4,747 \$11,836	\$5,323 \$13,488	\$3,390 \$5,948	\$1,644 \$3,376	48.6% 50.4%	1.6% 3.6%	1.20x 1.79x	10.1x 11.2x	
Active Footwear	NIKE, Inc.	\$99.91	\$152,054	\$155,441	\$51,469	\$22,397	43.5%	4.8%	3.02x	23.2x
	adidas AG	175.94	31,413	37,610	24,270	11,260	46.4%	(4.8%)	1.55x	NM
	Deckers Outdoor Corporation	492.43	12,869	12,083	3,689	1,877	50.9%	10.9%	3.28x	16.9x
	ASICS Corporation	32.89	6,027	6,443	3,801	1,917	50.4%	3.2%	1.70x	14.1x
	Under Armour, Inc.	6.61	2,855	3,643	5,872	2,627	44.7%	2.0%	0.62x	8.8x
	Wolverine World Wide, Inc.	7.24	576	1,719	2,545	966	38.0%	(15.8%)	0.68x	11.2x
	Rocky Brands, Inc.	12.52	92	318	497	191	38.5%	(2.6%)	0.64x	6.6x
	Median Average	\$6,027 \$29,412	\$6,443 \$31,037	\$3,801 \$13,163	\$1,917 \$5,891	44.7% 44.6%	2.0% (0.3%)	1.55x 1.64x	12.6x 13.5x	
Outdoor Equipment	Garmin Ltd.	\$106.99	\$20,483	\$17,846	\$4,915	\$2,828	57.5%	6.4%	3.63x	15.4x
	Shimano Inc.	138.93	12,548	9,279	4,070	1,668	41.0%	(21.0%)	2.28x	8.2x
	YETI Holdings, Inc.	40.89	3,547	3,480	1,587	766	48.3%	12.3%	2.19x	25.8x
	Goldwin Inc.	64.64	2,914	2,733	810	419	51.8%	7.2%	3.37x	16.7x
	Thule Group AB (publ)	23.30	2,464	2,704	838	323	38.5%	6.8%	3.23x	20.2x
	Topgolf Callaway Brands Corp.	12.65	2,346	6,334	4,187	1,375	32.8%	10.4%	1.51x	13.6x
	Vista Outdoor Inc.	32.80	1,903	2,946	2,971	972	32.7%	(2.0%)	0.99x	5.9x
	Sturm, Ruger & Company, Inc.	54.32	963	828	581	155	26.6%	(0.5%)	1.43x	8.3x
	Smith & Wesson Brands, Inc.	14.16	653	663	509	167	32.9%	2.7%	1.30x	7.2x
	GoPro, Inc.	2.75	420	329	1,042	357	34.2%	5.8%	0.32x	NA
	Globeride, Inc.	12.84	295	408	911	333	36.6%	(3.5%)	0.45x	4.1x
	Snow Peak, Inc.	7.62	289	340	195	106	54.6%	0.3%	1.74x	16.9x
	Solo Brands, Inc.	4.23	244	584	519	320	61.7%	6.9%	1.13x	9.1x
	Escalade, Incorporated	16.65	229	321	272	57	21.2%	1.9%	1.18x	15.5x
	Clarus Corporation	5.86	220	353	401	143	35.5%	(0.0%)	0.88x	9.9x
	Rapala VMC Corporation	2.89	112	230	266	147	55.1%	(3.5%)	0.86x	17.9x
	Nautilus, Inc.	0.74	27	45	274	54	19.6%	4.6%	0.17x	NA
	Median Average	\$653 \$2,921	\$663 \$2,907	\$810 \$1,432	\$323 \$599	36.6% 40.0%	2.7% 2.1%	1.30x 1.57x	13.6x 13.0x	

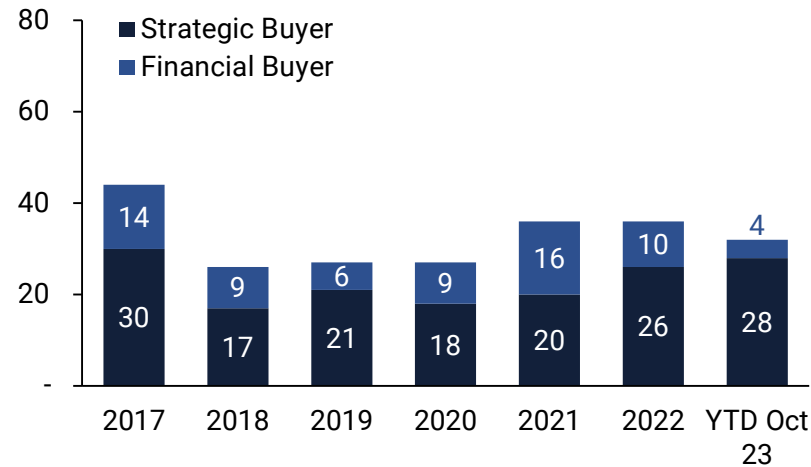
MARKET DATA

Public Company Valuations

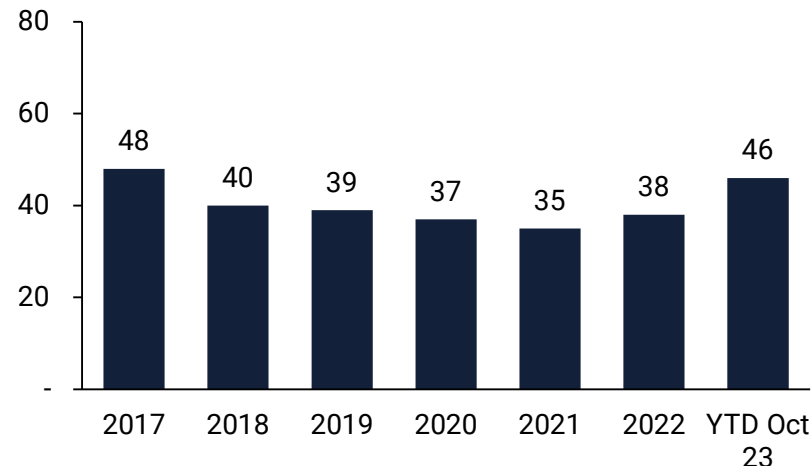
\$ in millions, except per share data				10/13/23	TTM Data			NTM Est. Growth	EV Multiple	
Category	Company Name	Share Price	Market Cap	Enterprise Value	Sales	Gross Profit	Gross Margin	Sales	TTM Sales	TTM EBITDA
Outdoor Vehicles	BRP Inc.	\$75.65	\$5,768	\$7,647	\$8,357	\$2,101	25.1%	(1.9%)	0.92x	5.6x
	Polaris Inc.	97.13	5,506	7,344	9,205	2,171	23.6%	(3.8%)	0.80x	6.6x
	Brunswick Corporation	73.93	5,163	7,300	6,727	1,945	28.9%	(1.3%)	1.09x	6.3x
	Malibu Boats, Inc.	48.91	1,005	944	1,388	351	25.3%	(16.8%)	0.68x	3.4x
	Johnson Outdoors Inc.	52.17	530	422	764	284	37.2%	(9.4%)	0.55x	7.1x
	Marine Products Corporation	14.10	486	420	444	110	24.8%	(2.3%)	0.95x	7.1x
	MasterCraft Boat Holdings, Inc.	22.31	384	326	662	170	25.6%	(37.6%)	0.49x	2.6x
	Median Average	\$1,005	\$2,692	\$944	\$3,486	\$1,388	\$351	25.3%	(3.8%)	0.80x
							27.2%	(10.4%)	0.78x	5.5x
Active & Outdoor Retail	DICK'S Sporting Goods, Inc.	\$107.32	\$9,125	\$11,481	\$12,621	\$4,317	34.2%	3.0%	0.91x	7.0x
	Foot Locker, Inc.	20.86	1,964	4,818	8,308	2,493	30.0%	(3.6%)	0.58x	8.4x
	Zumiez Inc.	15.81	313	424	895	289	32.3%	(5.3%)	0.47x	23.8x
	Big 5 Sporting Goods Corporation	7.30	160	442	948	313	33.1%	(1.0%)	0.47x	16.4x
	Median Average	\$1,139	\$2,890	\$2,630	\$4,291	\$4,628	\$1,403	32.7%	(2.3%)	0.53x
							32.4%	(1.7%)	0.61x	13.9x
Overall Outdoor Recreation		Median Average	\$1,964	\$2,733	\$2,545	\$856	38.5%	0.3%	1.01x	9.4x
			\$9,106	\$10,002	\$5,068	\$2,266	40.8%	(0.1%)	1.44x	11.4x

Industry Transaction Volume


U.S. M&A Transaction Volume
by Buyer Type



U.S. Private Placement
Transaction Volume





Notable Transaction

ICYBREEZE *has been acquired by*  solo brands

On July 1, 2023, Solo Brands announced the acquisition of IcyBreeze Cooling, a provider of portable and personal air conditioning and heat relief solutions for \$30M cash.

Created by a father and son in Bixby, Oklahoma in 2013, IcyBreeze provided individuals with necessary cooling during the hot summer months. With rising global temperatures came increased sales and significant penetration into industries across the globe. The company now operates out of Sweetwater, Texas and its products are used by many of the world's largest organizations.

This transaction expands Solo Brands' reach into the outdoor enthusiast space by pairing a premier cooling solution alongside the Solo Stove and other related consumer products.






 Rex Specs *has been acquired by*  WEAVER LEATHER

On June 29, 2023, Blue Point Capital – backed Weaver Leather, a marketer and distributor of leather products and accessories to the equine, pet and leather crafting markets, announced the acquisition of Rex Specs.

Rex Specs is a premium brand of outdoor products for active and working canines. Founded in Jackson, Wyo. in 2015, Rex Specs is committed to developing innovative, premium products that bridge the gap between the working animal industry and the growing active pet market worldwide.

“Rex Specs has established itself as a category leader in the outdoor canine products niche, earning the company a loyal customer base that we are eager and well-equipped to serve and help grow,” said Weaver CEO Jason Weaver. “We are proud to welcome them to the Weaver family of companies.”

Select M&A Transactions

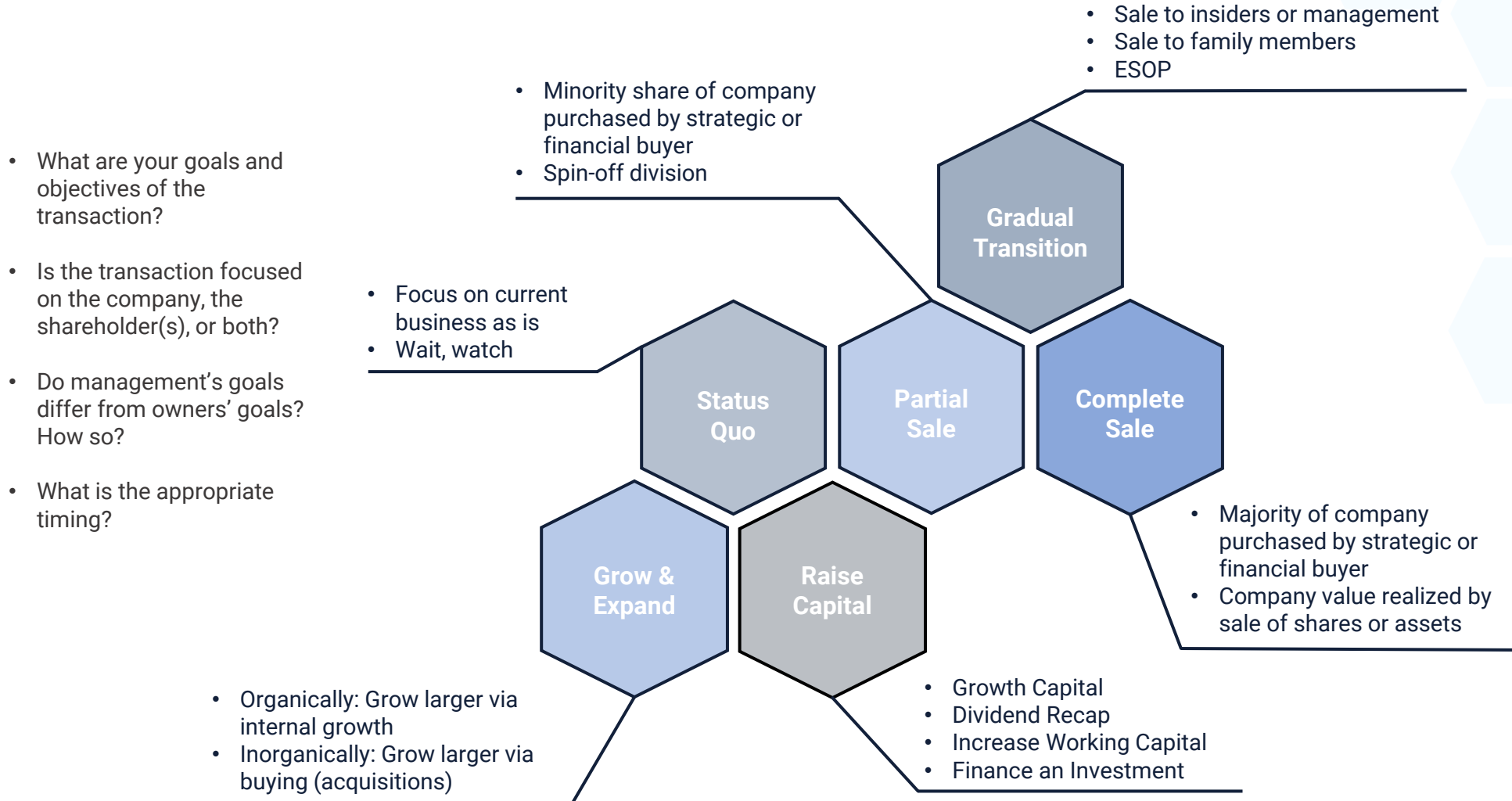
Announced	 	acquired By		This acquisition will position the company as the industry's largest supplier of fishing rod components, supplies and equipment thus allowing Foundation Outdoor to better serve customers.
Announced		acquired By	Private Buyer	Arcus Hunting, LLC is an acquisition and organic growth platform seeking to build a strong portfolio of leading brands in the bowhunting and archery consumables and accessories category.
Oct '23		acquired By		This transaction strengthens Olin's Winchester Ammunition business by expanding the product offering to include trap, skeet, sporting clays and other shotgun sports.
Oct '23		acquired By	Private Buyer (John Harrison)	Avid cyclist and investor, John Harrison, acquired Parlee Cycles out of Chapter 11 and will continue the company's mission of serving cyclists across the globe with performance-oriented products.
Sep '23		acquired By		Troxell Marine's acquisition of Lookout Marine and Kentucky Marine will further expand the boat dealer and servicer's geographic footprint allowing for more customers to be served.
Sep '23		acquired By		Roebing Capital Partners acquired Longstreth Sporting Goods with the goal of bolstering the growth and success of Longstreth's category leading women's field hockey equipment.
Aug '23		acquired By		Conair's acquisition of The Fulham Group will provide operating synergies and product line expansion for the Cuisinart brand, as the Fulham Group has been a long-time manufacturer of Cuisinart licensed products.
Jul '23		acquired By		Galaxy Outdoor products compliments HPC Fire's offering of high-quality fire features while providing new sales opportunities and an expanded West Coast presence.
Jul '23		acquired By		Solo Brand's acquisition of IcyBreeze will help the IcyBreeze brand grow domestically and across international markets alongside Solo Brand's existing portfolio of companies.
Jun '23		acquired By		Weaver Leather's, a Blue Point Capital Partners company, acquisition of Yaz and Tuck fka. Rex Specs provides product growth in the canine space and is ready to benefit from existing ecommerce and distribution capabilities.

Select Private Placement Transactions

\$ in millions

Close Date	Target	Investor	Short Description
Announced	US Lighting Group, Inc.	Alumni Capital LP	Designs and manufactures small boats and recreational vehicles
Announced	Jetson Surf Technology, Inc.	Private Investor	Designs and manufactures electric surfboards
Announced	Hacking Labs, Inc.	Private Investor	Manufactures drivetrains for bicycles
Announced	Vision Marine Technologies Inc.	Private Investor	Designs and develops small electric boats and electric outboard motors
Announced	Ghost Boards, Inc.	Private Investor	Designs and manufactures skateboards
Announced	Zin Boats, Inc.	Private Investor	Designs and builds electric boats
Announced	3 Rivers Outdoor Co.	Private Investor	Retailer of new and used outdoor clothing, gear and accessories
Announced	Tao Holding LLC	Zhejiang Taotao Vehicles	Designs and manufactures electric bicycles and accessories
Oct-23	SWMBRD Sports Inc.	Private Investor	Designs and manufactures an aquatic sports and recreation product
Oct-23	Kuldisak, LLC	Aurum Partners	Designs and produces golf putters, headcovers and other accessories
Sep-23	B4 Adventure	i-nest capital Co.; D3 LLC.	Manufactures outdoor toys and backyard games
Sep-23	Arc Boat Company	Menlo Ventures Management	Designs and manufactures electric recreational performance watercraft
Sep-23	HOLO Footwear, Inc.	Private Investor	Designs and markets sustainable footwear for the outdoors
Aug-23	Longstreth Sporting Goods, LLC	Eagle Private Capital, LLC	Designer and retailer of field hockey apparel and equipment for females
Aug-23	Global Uprising, PBC	Private Investor	Designs and sells outdoor apparel and accessories
Aug-23	Driven Technologies, Inc.	Private Investor	Designs and manufactures drivetrain components for bicycles
Aug-23	Arcimoto, Inc.	Private Investor	Designs and manufactures three-wheeled electric vehicles
Aug-23	OnCore Golf Technologies Inc.	Private Investor	Designs and manufactures golf balls
Aug-23	Pure Athletics dba. TRUE linkswear	Private Investor	Designs and sells golf footwear and other apparel accessories
Jul-23	Boho Camper Vans LLC	Private Investor	Designs and manufactures camper vans and modular systems
Jul-23	TUT Fitness Group Inc.	Private Investor	Manufactures and sells fitness products

Our Clients



Services & Industries

With more than 300 completed transactions, HCA's investment bankers maintain relationships with key decision-makers among strategic buyers and investors and comprehensive coverage of relevant private equity groups and family offices

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



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120+ years of combined experience in Middle-Market Mergers & Acquisitions and Corporate Finance

A team of experts well-versed in complex transactions to help guide you through the process

Assistance for owners with both preparing financially and emotionally to bring in a new business partner

Proactive about planning to meet your specific business transaction goals and optimize the outcome

Complete availability and accountability to the client



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