



MarineMax, Inc.

Report Date: 11/11/2021

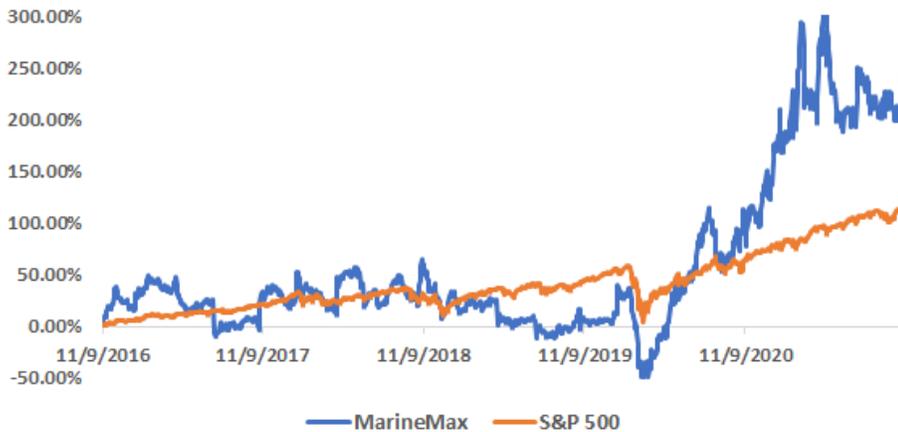
Analysts: Carlos T. G. Bueno, Hetali Bhuta, Samuel Micio, Tyler Kielma

NYSE: (HZO) | Current Price:\$56.36 | 2-Yr Target Price: \$78.82 | Implied Return: 42.38%

Company Profile

MarineMax, Inc. is the largest recreational boat and yacht dealer in the U.S. It was founded in 1998, in Clearwater, Florida. The company offers new and used boats designed for leisure, fishing, watersports, luxury, and vacations with a focus on premium brands. MarineMax also sells marine parts and accessories and additionally offers boat-related services such as yacht brokerage sales, maintenance, storage, charter services, and insurance and finance services.

Industry Overview



Recommendation

BUY

Key Information

Sector: Retail

Industry: Marine Products & Services

Sub-Industry: Recreational Boats & Yachts

Market Capitalization: \$1.21B

Beta: 1.70

P/E: 8.16x

ROE: 26.05%

Investment Thesis

Leader in market share in a highly fragmented industry

MarineMax is the largest company within the boat dealership and repair industry in the U.S. With 7.4% market share, the company has a competitive advantage over peers in regards to their cost structure and customer service.

Positive industry outlook

The boat dealership and repair industry is expected to grow at a CAGR of 2.3% from 2022 to 2026. As the economy rebounds from the effects of the pandemic, consumers are expected to increase their spending on outdoor recreational activities including boating which will support MarineMax's future performance

Solid history of strategic acquisitions to support future growth

MarineMax has a solid history of making successful acquisitions to help in their expansion. We believe the 2021 acquisitions of Intrepid Boats, Cruiser Yachts, and the Nisswa Marine will increase their customer base, product offerings, and strengthen its storage and services business which possess higher margins.

Attractive valuation and strong balance sheet

While MarineMax has performed well year to date, we believe its stock is undervalued when compared to the company's recent earnings and future outlook. The company has a strong balance sheet and trades at low valuation multiples such as P/E, EV/EBITDA, and EV/Revenue compared to peers, the broader market, and their own historical multiples.

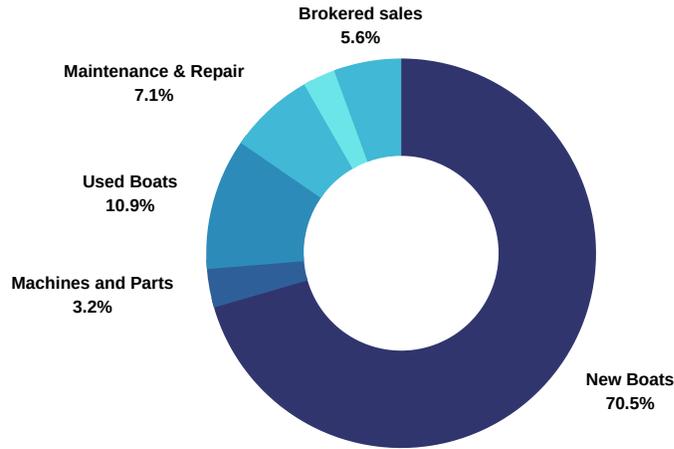
Corporate Overview

MarineMax has 100 locations in 21 states, the Bahamas, the Virgin Islands, and other countries. Currently, they maintain 79 retail locations and 23 owned locations in highly desirable geographies. Their real estate portfolio includes 31 owned or operated marinas, including restaurants, storage facilities, and service facilities. They have a high focus on premium brands, customer service, and building trust. They sell 25 premium brands including Benetti, Azimut Yachts, Tige boats, Nautique. MarineMax's primary business strategy is conducting new and used boat sales at retail locations, at offsite locations, and digitally; selling related marine products, including engines, trailers, parts, and accessories at their retail locations and at various offsite locations. Marine Max has a prudent corporate strategy. Based on the latest trends, it offers new brands that complement and do not negatively impact the business generated from their other prominent brands. They also discontinue offering product lines from time to time, primarily based upon customer preferences.



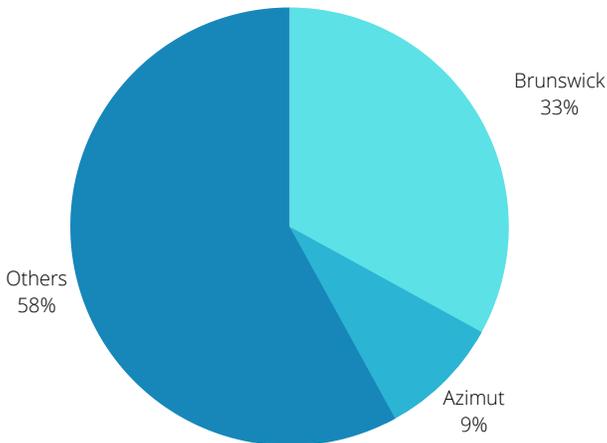
Their secondary strategy is to further expand business through both acquisitions in new territories and new store openings in existing territories. With their recent acquisitions of Fraser Yachts Group, Northrop & Johnson, and SkipperBud's, they have increased their superyacht brokerage and luxury yacht services, and marina/storage services. Their goal is that this broadening of their strategy will potentially increase their margins. In addition, they continue to broaden and strengthen digital initiatives. Their Boatyard digital platform allows marine businesses effective and customized digital solutions delivering great customer experiences by enabling customers to interact through a personalized experience tailored to their needs.

Revenue Breakdown



New Boats Sales

During fiscal 2021, new boat sales accounted for approximately 70.5% of revenue. Marine Max primarily sells recreational boats, including pleasure boats and fishing boats. The boats are mainly manufactured by Brunswick, a leading worldwide manufacturer of recreational boats and yachts, including Sea Ray pleasure boats, Boston Whaler fishing boats, and Harris aluminum boats. Sales of new Brunswick boats accounted for approximately 33% of revenue in fiscal 2020. Generally, Marine Max deals with other manufactures under an annually renewable, non-exclusive dealer agreement. But it has a multi-year exclusive agreement with its prime suppliers, Brunswick and Azimut-Benetti Group. Marine Max offers recreational boats in most market segments but has a particular focus on premium quality pleasure boats and yachts as reflected by their fiscal 2020 average new boat sales price of approximately \$215,000 compared to the industry's average of \$56,000.



Company Overview

Used Boats

During fiscal 2021, used boat sales accounted for 10.1% of total revenue and 45.1% of the used boats they sold were Brunswick models. The used boat sales depend on the ability to source a supply of high-quality used boats at attractive prices. Most of the used boat inventory comes through customer trade-ins. To further enhance used boat sales, Marine Max offers the Brunswick Product Protection warranty plan available for used Brunswick boats less than 9 years old. The Brunswick Product Protection plan applies to each qualifying used boat, which has passed a 48-point inspection and provides protection against failure of most mechanical parts for up to three years. This type of program enhances sales of used boats by motivating purchasers of used boats to complete their purchases through Marine Max dealerships.



Insurance coverage

In fiscal 2021, insurance accounted for 2.7% of total revenues. Marine Max offers services to finance new or used boat purchases and to purchase extended service contracts and arrange insurance coverage, including boat property, disability, undercoating, gel sealant, fabric protection, and casualty insurance coverage. Property and casualty insurance covers loss or damage to the boat. They do not act as insurance brokers but provide marketing services to insurance companies. One of their strategies is to generate increased marketing fees by offering more competitive insurance products. The customers' ability to obtain competitive financing quickly and easily at their dealerships complements Marine Max's ability to sell new and used boats. The "same-day" financing gives them an advantage over many small competitors who do not generate sufficient volume to attract the diversity of financing sources.

Brokered Sales

Brokered sales segment accounted for 5.6% of total sales in 2021. Marine Max offers boat or yacht brokerage sales at most of its retail locations. For a commission, they offer for sale brokered boats or yachts, listing them digitally on various sites. Often sales are co-brokered, with the commission split between the buying and selling brokers. In addition to generating revenue from brokerage commissions, brokerage sales also enable them to offer a broad array of used boats or yachts without increasing related inventory costs.





Marine Engines, Boating Parts and Accessories

The sale of marine engines, related marine equipment, and boating parts and accessories accounted for approximately 3.2% or \$45 million of fiscal 2021 revenue. Marine Max offers marine engines and equipment, predominantly manufactured by Mercury Marine, a division of Brunswick, and Yamaha. They sell marine engines and propellers primarily to retail customers as replacements for their existing engines or propellers. Mercury Marine and Yamaha are industry leaders and they specialize in state-of-the-art marine propulsion systems and accessories. Many of their dealerships have been recognized by Mercury Marine as “Premier Service Dealers.” Marine Max sells a broad variety of marine parts and accessories at retail locations, at various offsite locations, and through print catalogs. Marine Max utilizes its industry knowledge and experience to offer boating enthusiasts high-quality products and services.

Maintenance & Repair

Maintenance and repair services offer a high competitive advantage to dealers in the marine industry. The maintenance and repair segments formed 7.1% of total revenues in 2021. Marine Max provides maintenance and repair services at most of its retail locations, with extended service hours at certain locations. In addition, it also provides mobile maintenance and repair services at the location of the customer’s boat. . Marine Max has achieved the competitive advantage of repair services through its efficient maintenance controls and well-trained team.

Marine Max performs both warranty and non-warranty repair services, with the cost of warranty work reimbursed by the manufacturer in accordance with the manufacturer’s warranty reimbursement program. For warranty work, most manufacturers, including Brunswick, reimburse a percentage of the dealer’s posted service labor rates, with the percentage varying depending on the dealer’s customer satisfaction index rating and attendance at service training courses. Marine Max derives the majority of our warranty revenue from Brunswick products, as Brunswick products comprise the largest percentage of our products sold.





Acquisitions

MarineMax commenced operations as a result of the March 1, 1998 acquisition of 5 previously independent recreational boat dealers. Since that time, they have acquired 30 additional independent recreational boat dealers, 4 boat brokerage operations, and 2 full-service yacht repair operations.



Recent Acquisitions

Intrepid

Intrepid Powerboats is recognized as a world-class producer of customized boats, carefully reflecting the unique desires of each individual owner. Intrepid follows a direct-to-consumer distribution model and has received many awards and accolades for its innovations and high-quality craftsmanship that create industry-leading products in their categories. Intrepid produced revenue in excess of \$60 million during the last twelve months. Intrepid acquisition will increase the customer base and also provide synergies around technological development.

Nisswa Marine (Nisswa)

Founded in the 1930s, Nisswa Marine located in Minnesota is one of the oldest dealers in the country. Nisswa Marine offers premium brands, including Mastercraft, Supra, Moomba, Chris Craft, and Premier Pontoons. Providing storage for almost 1,000 boats annually, the business has built an exceptional reputation for its extensive service and storage operations. Nisswa generated revenue of over \$35 million in 2020. The Nisswa leadership team will continue to operate the business under Marine Max. The acquisition will further strengthen storage and service offerings.

Cruisers Yachts

Cruisers Yachts (Cruisers) is recognized as one of the world's premier manufacturers of premium yachts, producing models from 33' to 60' feet. Cruisers, due to demand, recently announced the expansion of their production capacity by purchasing a 216,000 square foot, purpose-built boat manufacturing plant in Pulaski, WI. Such expansion allows Cruisers to more than double its capacity over time. The Company successfully navigated through the 2020 pandemic, producing revenue of over \$75 million. MarineMax's acquisition of Cruisers Yachts ensures it will always have a premium, American-built yacht in its product portfolio. The acquisition will strengthen Marine Max's portfolio and provide additional growth capacity.

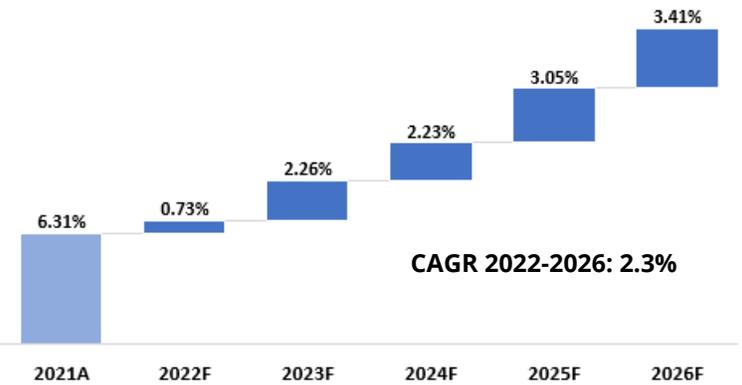


Investment Rationale

Positive industry outlook benefits MarineMax future growth

While the pandemic had many negative impacts on the world's population, it has also accelerated or created new trends in society including a foundational shift of consumers' renewed desire for the boating lifestyle. MarineMax revenues for fiscal 2021 increased 37% to a record \$2.06 billion mainly driven by strong new unit sales from existing customers upgrading their boats or new boating enthusiasts. Its higher-margin businesses such as the brokerage sales and maintenance and repair stations were also benefited and registered revenue growth of 194.4% and 51.6%, respectively.

U.S. Boat Dealership and Repair Industry Outlook



Although at a slower rate, the U.S boat dealership and repair industry is expected to grow at a CAGR of 2.3% for the next 5 years, down from 6.2% in the past 5 years. We expect MarineMax to capture more market share in future quarters due to its leading industry position and excellent customer service reviews while offerings all a boating enthusiast needs.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Industry Revenue Growth	4.03%	2.29%	5.46%	7.74%	3.59%	7.26%	3.32%	3.62%	10.40%	6.31%
HZO Revenue Growth	9.06%	11.45%	6.88%	20.28%	25.38%	11.70%	11.90%	5.10%	22.00%	36.70%
HZO/Industry	2.25	5.00	1.26	2.62	7.07	1.61	3.58	1.41	2.12	5.82

Over the last 10 years, MarineMax revenues have grown at an average of 3.27x the industry growth. In our revenue forecasts, we have incorporated a 2.28x the forecasted industry growth which represents a 30% decline from the historical average and gives a margin of safety for the cyclicity of MarineMax's business model.

Strong balance sheet and high profitability ratios.

As of fiscal 2021, MarineMax has liquidity exceeding \$327 million and includes \$221 million in cash and cash equivalents and its credit facility with Wells Fargo along with other institutions. With an estimated CAPEX of \$21 million for fiscal 2022, we expect MarineMax to safely meet its short-term obligations and operational activities for the next twelve months.

Leverage profile	
Current Ratio	2.06
Quick Ratio	1.07
Debt/EBITDA	0.81
CFO/Total Debt	1.81
Interest coverage	57.2

MarineMax profitability ratios including ROE of 26.05% and ROA of 15.38% are well above the industry's ROE and ROA of 13.7% and 4.1%, respectively.

Investment Rationale

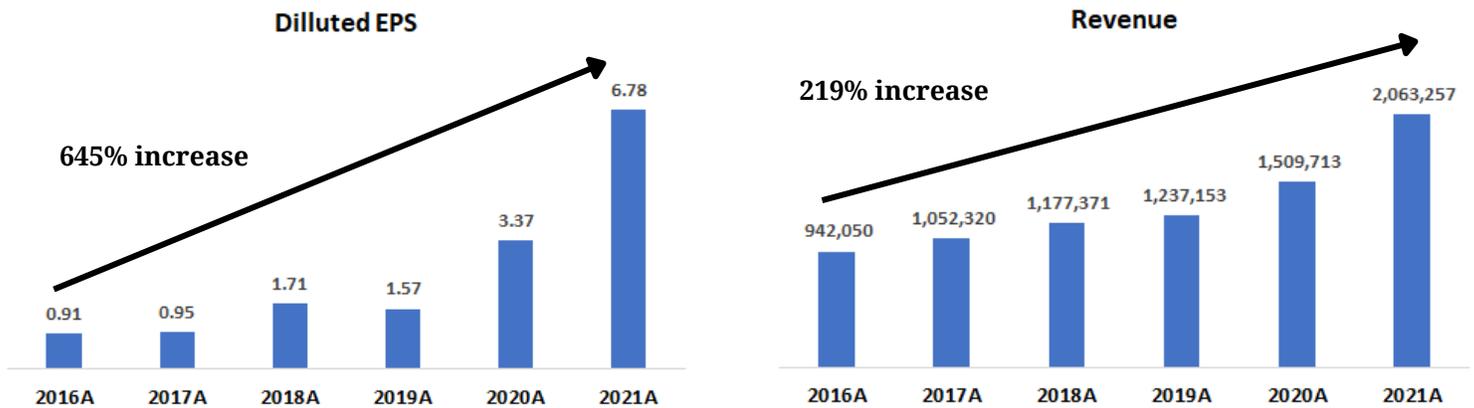
Exclusive agreements with premier brands

MarineMax faces intense competition within its industry and, in order to remain competitive, has 6 exclusive agreements to be the unique dealer of brands, including Brunswick and Azimut's that accounted for 41% of the company's 2020 sales, at their operating geographic locations. We believe MarineMax's leading position and well-established relationship with premium boat manufacturers support the company's strong financial performance.



Solid financial performance

Over the years MarineMax has successfully executed its business strategy of expanding into new markets organically and through acquisitions. Same-store sales for fiscal 2021 grew 13% indicating the company's strong market position and customer preference.



Company	(11/10/2021)					
	EV/Revenue	EV/EBITDA	P/E	P/S	Total Debt/EBITDA	Net Margin
MarineMax (Dealer)	0.57	5.57	8.18	0.61	0.81	7.51%
OneWater Marine (Dealer)	0.63	5.68	8.42	0.41	2.32	5.31%
Malibu Boats (Manufacturer)	1.71	9.33	14.73	1.75	0.75	11.58%
Brunswick Corporation (Manufacturer)	1.46	8.24	13.38	1.41	1.92	10.52%
Polaris (Manufacturer)	1.08	8.29	12.79	0.96	1.7	7.35%
Average	1.09	7.42	11.50	1.03	1.50	8.45%
Median	1.08	8.24	12.79	0.96	1.70	7.51%



Innovative Development

With the upsurge in e-commerce, MarineMax has developed an app to facilitate the online buying of boats, yachts, and charters. The MarineMax app also allows making payments, service scheduling, and monitoring. This initiative will support revenue growth as it provides greater flexibility to customers to make a purchase. The app also uses artificial intelligence to provide digital and marketing analytics.

Key Industry Drivers

According to IBISWorld's report, the consumer confidence index, per capita disposable income, time spent on leisure and sports, and the world price of crude oil are the key external drivers of MarineMax's industry.

Consumer Confidence Index (CCI)

Measures consumer sentiment of the economic situation and indicates the future level of consumption of goods and services. As of September 2021, the CCI is rebounding after 3 months of losses and remains at 99.66. Any indicator above 100 means consumer confidence is elevated.

Time Spent on Leisure and Sports

Measures people's availability for recreational activities. Expected to decrease until the end of 2021 and could affect Marine Max.

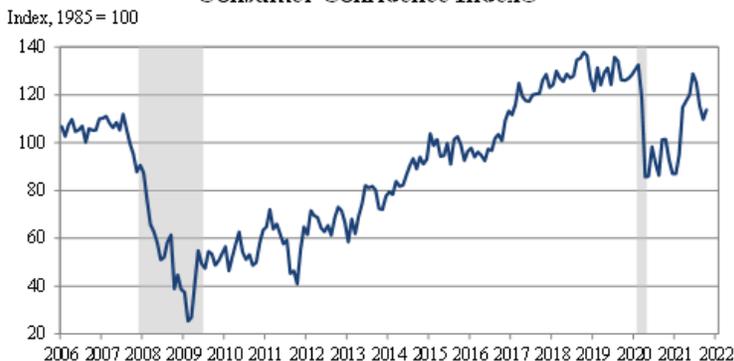
Per Capita Disposable Income

Over the last 20 years has grown at a CAGR of 1.7% and higher disposable income increases consumer spending in luxury goods such as boats.

World Price of Crude Oil

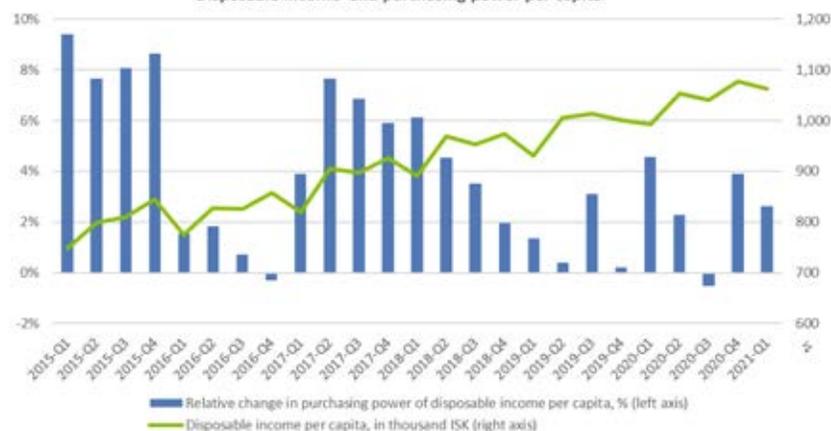
Price changes in oil can affect long-term sales of boats due to the expensive cost to fuel boats, especially larger boats such as yachts. Lower prices would be a catalyst for Marine Max.

Consumer Confidence Index®



* Shaded areas represent periods of recession.
Sources: The Conference Board, NBER.
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Disposable income- and purchasing power per capita



Supply-chain Issues

Across many industries, supply chain issues are currently a concern. Recreational boats are already an expensive item to purchase. If key components to the boats are unavailable or increase in price significantly, it would not be good for MarineMax or its competitors. This is a problem that affects a variety of industries and other boat retailers and manufacturers so it is not specific to just MarineMax.

Interest Rate-Increases

Interest rates are expected to be raised as soon as 2022. This poses a risk to MarineMax as well as their competitors. Since boats are expensive, consumers utilize financing options when purchasing them. With interest rates increasing, some consumers may be deterred from purchasing a boat due to the interest rates being increased. Interest rate changes affect many industries and companies. Further, this could affect MarineMax's profitability in case they take more leverage.

Economic Slowdown

Due to the cyclicity of MarineMax's business and the fact they offer luxury products with a large unit price, any economic slowdown could materially impact the company's future performance.

Large Upfront Cost

Recreation powerboat manufacturers typically have a large fixed cost base. A significant decrease in sales would decrease profit margins and reduce production rates. However, MarineMax has multiple other strong areas of the business, including storage and repair, that can sustain in the event of lower than expected boat sales.



Valuation

Discounted Cash Flow Analysis

We conducted a DCF analysis to determine the intrinsic value of MarineMax. We assumed a 3.2% cost of debt which was derived from the weighted average of its outstanding total debt, a 1.6% risk-free rate that incorporates future expectations for the yield on the 5-year Treasury notes, and no share buybacks or issues throughout the period. We arrived at a WACC of 13.9% utilizing the company's current capital structure of 14.9% debt and 85.1% equity.

Forecasted Cash Flows					
	09/30/22	09/30/23	09/30/24	09/30/25	09/30/26
Revenue	2,102,304	2,224,960	2,368,566	2,527,857	2,629,962
<i>Growth</i>		5.8%	6.5%	6.7%	4.0%
EBITDA	234,899	252,258	270,050	289,819	303,238
(-) taxes	52,101	55,230	59,379	63,951	67,015
(+/-) Working capital changes	(89,357)	(20,585)	(24,105)	(28,416)	(25,945)
(-) Capex	(21,023)	(22,250)	(23,686)	(25,279)	(26,300)
Unlevered FCF	\$ 72,417	\$ 154,193	\$ 162,881	\$ 172,173	\$ 183,978
<i>Unlevered FCF yield</i>	3.4%	6.9%	6.9%	6.8%	7.0%
Date of Analysis	10/11/2021				
Discount factor	1	2	3	4	5
PV of cash flows	\$63,560.92	\$118,785.10	\$110,132.30	\$102,178.41	\$95,831.77

Assumptions		
Cost of Equity Calculation		WACC Calculation
Risk free rate	1.60%	Cost of debt 3.2%
Risk premium	8.40%	Tax rate 24.7%
Beta	1.71	After tax cost of debt 2.4%
Cost of Equity	15.9%	Debt Weight 14.9%
		Equity Weight 85.1%
Enterprise Value Calculation		WACC
Share price 11/8/2021	55.36	
Shares outstanding (diluted)	22,859	
Total debt	182,554	
Cash & cash equivalents	222,192	
Enterprise Value	1,225,864	13.9%

Present Value of Forecasted Cash Flows	
Terminal Value Calculation	
Perpetuity growth rate	2.0%
WACC	13.9%
Terminal Cash Flow	183,978.48
Terminal Value	1,541,695.40
PV of terminal value	803,047.18
PV of 5yr UFCFs	490,488.50
Net debt	(610,625.50)
DCF Implied Equity Value	1,904,161.19
Shares outstanding (diluted)	22,859
Intrinsic Value Per Share	\$ 83.30
Implied Return	50.47%

EV/EBITDA

We conducted an EV/EBITDA analysis to calculate our target price for MarineMax. The model estimates the company's stock price for fiscal 2022 and 2023 under 3 scenarios: Optimistic, Base, Pessimistic. Currently, MarineMax trades at an EV/EBITDA multiple of 5.25x which is near its all-time lows and substantially lower than its 5-year average EV/EBITDA of 8.83x. Our Base model assumes multiples will expand slightly for the 2-year period. Our Optimistic model assumes a larger multiple expansion towards their average multiple and our Pessimistic model assumes multiple contractions.

EV/EBITDA	2021A	2022E			2023E		
	Actual	Pessimistic	Base	Optimistic	Pessimistic	Base	Optimistic
Adj. EBITDA	225,065	234,899	234,899	234,899	252,258	252,258	252,258
EV/EBITDA Multiple	5.25	4.80	6.00	6.50	4.50	6.75	7.75
EV	1,181,591	1,127,515	1,409,393	1,526,843	1,135,159	1,702,739	1,954,997
(-) Debt	(182,554)	(266,421)	(266,421)	(266,421)	(271,563)	(271,563)	(271,563)
(+) Cash	222,192	299,944	299,944	299,944	431,017	431,017	431,017
Market Cap	1,221,229	1,161,037	1,442,916	1,560,365	1,294,614	1,862,194	2,114,451
Diluted Shares out.	22,859	22,859	22,859	22,859	22,859	22,859	22,859
Share Price	\$ 53.42	\$ 50.79	\$ 63.12	\$ 68.26	\$ 56.63	\$ 81.46	\$ 92.50



Valuation

EV/Revenue

We completed an EV/Revenue model to support our target-price calculation under the fund's 2-year holding policy under the same scenarios as our EV/EBITDA model. Currently, MarineMax trades at an EV/Revenue multiple of 0.57x which is near its 5-year average multiple of 0.59x. Our base scenario assumes multiple remains flat for the 2-year period. Our Optimistic scenario assumes multiple expansions and our Pessimistic scenario assumes multiple contraction.

EV/Revenue	2021A	2022E			2023E		
	Actual	Downside	Base	Upside	Downside	Base	Upside
Revenue	2,063,257	2,102,304	2,102,304	2,102,304	2,224,960	2,224,960	2,224,960
EV/Revenue Multiple	0.57	0.53	0.57	0.62	0.49	0.57	0.68
EV	1,176,056	1,114,221	1,198,313	1,303,429	1,090,230	1,268,227	1,512,973
(-) Debt	182,554	266,421	266,421	266,421	264,594	264,594	264,594
(+) Cash	222,192	299,944	299,944	299,944	431,017	431,017	431,017
Market Cap	1,215,694	1,147,744	1,231,836	1,336,951	1,256,654	1,434,650	1,679,396
Diluted Shares out.	22,859	22,859	22,859	22,859	22,859	22,859	22,859
Share Price	\$ 53.18	\$ 50.21	\$ 53.89	\$ 58.49	\$ 54.97	\$ 62.76	\$ 73.47

Relative P/E to the market

We calculated MarineMax's historical relative P/E to the S&P 500 P/E to determine a possible undervaluation of the boat dealer compared to the broader market. Our table indicates that MarineMax currently trades near its lowest P/E multiple compared to the market P/E. By comparing its current relative P/E of 0.25 to the average from 2013-2021 and 2015-2021, MarineMax trades at a 65.7% and 50% discount, respectively.

Relative P/E to the Market	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A
	9/30/2013	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021
Marine Max P/E	19.37	36.63	7.36	23.02	17.42	12.43	9.86	7.62	7.17
S&P 500 P/E	17.82	18.61	21.18	24.34	23.53	22.35	22.4	34.24	28.3
Relative P/E	1.09	1.97	0.35	0.95	0.74	0.56	0.44	0.22	0.25

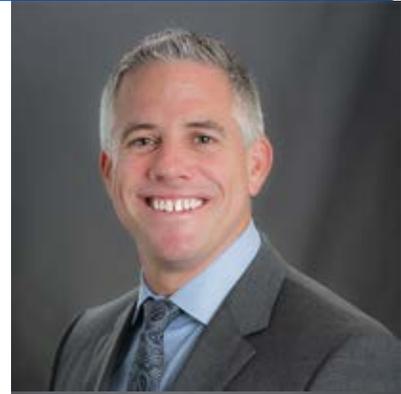
Average 2013-2021	0.73
Average 2015-2021	0.50

Undervaluation

Despite the great performance of MarineMax year-to-date, we believe the company currently trades at an attractive valuation given its stock price hasn't performed proportionally to their record results in fiscal 2021. Through their strategic acquisitions and positive industry and economic outlook, earnings expectations remain high for the boat dealer. This created a solid buy opportunity for the fund with an implied return of 42.38%.

Management Team

William Brett McGill, Chief Executive Officer and President, 26 years of Experience. McGill has worked at MarineMax since 1996, in 1998 he became Director of Information Services. He ascended the chain of command over the years and in 2015 was promoted to Executive Vice President of Operations. The following year he became Chief Operating Officer and President and has served in his current roles since 2018. Also note, his father William H. McGill Jr. is the Executive Chairman of the Board.



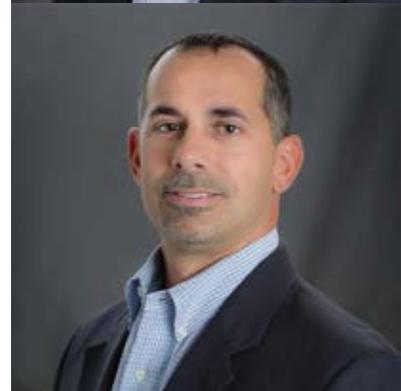
Michael H. McLamb, Chief Financial Officer, Executive Vice President, and Secretary, 24 years of Experience. McLamb has worked at MarineMax since 1998 where he started as Vice President, Treasurer, Chief Financial Officer, and Secretary. In 2002 his role changed to Executive Vice President and was no longer the Treasurer. And in 2003 also became the director of the company.



Charles A. Cashman, Chief Revenue Officer and Executive Vice President, 30 years of Experience. McGill has worked at MarineMax since 1992 where he started as a sales consultant. He served many positions of increasing responsibility and in 2015 served as Executive Vice President of Sales, Marketing and Manufacturer Relations until his promotion to his current role in 2016.



Anthony E. Cassella Jr., Chief Accounting Officer and Vice President, 24 years of Experience. McGill has worked at MarineMax since 1998 where he started as a Regional Controller. He became the Vice President of Accounting and Shared Services in 2011. And has served in his current role since 2014.





Appendix - Revenue Metrics & Income Statement

(\$ thousands, except per share amounts)											
Year	2016A	2017A	2018A	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
End of Fiscal Year	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025	9/30/2026
Total revenue	942,050	1,052,320	1,177,371	1,237,153	1,509,713	2,063,257	2,102,304	2,224,960	2,368,566	2,527,857	2,629,962
% Growth YoY		11.7%	11.9%	5.1%	22.0%	36.7%	1.9%	5.8%	6.5%	6.7%	4.0%
Revenue breakdown (%)											
New boat sales	68.5%	70.9%	71.2%	70.1%	70.2%	70.5%	70.57%	70.35%	70.05%	69.58%	69.55%
Used boat sales	17.5%	14.9%	14.8%	14.9%	15.1%	10.9%	10.91%	10.88%	10.83%	10.76%	10.75%
Maintenance, repair, storage, and charter services	6.0%	6.3%	6.2%	6.9%	6.4%	7.1%	7.18%	7.46%	7.78%	8.16%	8.32%
Finance and insurance products	2.5%	2.4%	2.4%	2.6%	2.7%	2.7%	2.72%	2.76%	2.81%	2.88%	2.88%
Parts and accessories	3.5%	3.6%	3.6%	3.6%	3.0%	3.2%	3.23%	3.36%	3.51%	3.68%	3.75%
Brokerage Sales	2.0%	1.9%	1.8%	1.9%	2.0%	5.6%	5.39%	5.49%	5.66%	5.94%	5.94%
Total Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.3%	100.6%	101.0%	101.2%
Boat sales											
New boat sales	645,304	746,095	838,288	867,244	1,059,819	1,454,596	1,483,688	1,565,291	1,659,208	1,758,761	1,829,111
% Growth YoY		15.6%	12.4%	3.5%	22.2%	37.2%	2.0%	5.5%	6.0%	6.0%	4.0%
Used boat sales	164,859	156,796	174,251	184,336	227,967	224,895	229,393	242,010	256,530	271,922	282,799
% Growth YoY		-4.9%	11.1%	5.8%	23.7%	-1.3%	2.0%	5.5%	6.0%	6.0%	4.0%
Total Segment Operating Revenue	810,163	902,891	1,012,539	1,051,580	1,287,785	1,679,491	1,713,081	1,807,300	1,915,739	2,030,683	2,111,910
Segment revenue % of total revenue	86.0%	85.8%	86.0%	85.0%	85.3%	81.4%	81.5%	81.2%	80.9%	80.3%	80.3%
% Growth YoY		11.4%	12.1%	3.9%	22.5%	30.4%	2.0%	5.5%	6.0%	6.0%	4.0%
Parts, repair services, and other											
Maintenance, repair, storage, and charter services	56,523	66,296	72,997	85,364	96,622	146,491	150,886	165,975	184,232	206,340	218,720
% Growth YoY		17.3%	10.1%	16.9%	13.2%	51.6%	3.0%	10.0%	11.0%	12.0%	6.0%
Parts and accessories	32,972	37,884	42,385	44,538	45,291	66,024	68,005	74,805	83,034	92,998	98,578
% Growth YoY		14.9%	11.9%	5.1%	1.7%	45.8%	3.0%	10.0%	11.0%	12.0%	6.0%
Total Segment Operating Revenue	89,495	104,180	115,382	129,901	141,913	212,515	218,891	240,780	267,266	299,338	317,298
Segment revenue % of total revenue	9.5%	9.9%	9.8%	10.5%	9.4%	10.3%	10.4%	10.8%	11.3%	11.8%	12.1%
% Growth YoY		16.4%	10.8%	12.6%	9.2%	49.8%	3.0%	10.0%	11.0%	12.0%	6.0%
Financial Services											
Finance and insurance products	23,551	25,256	28,257	32,166	40,762	55,708	57,101	61,383	66,601	72,928	75,845
% Growth YoY		7.2%	11.9%	13.8%	26.7%	36.7%	2.5%	7.5%	8.5%	9.5%	4.0%
Brokerage Sales	18,841	19,994	21,193	23,506	39,253	115,542	113,232	115,496	118,961	124,909	124,909
% Growth YoY		6.1%	6.0%	10.9%	67.0%	194.4%	-2.0%	2.0%	3.0%	5.0%	0.0%
Total Segment Operating Revenue	42,392	45,250	49,450	55,672	80,015	171,250	170,332	176,879	185,562	197,837	200,754
Segment revenue % of total revenue	4.5%	4.3%	4.2%	4.5%	5.3%	8.3%	8.1%	7.9%	7.8%	7.8%	7.6%
% Growth YoY		6.7%	9.3%	12.6%	43.7%	114.0%	-0.5%	3.8%	4.9%	6.6%	1.5%

(\$ thousands, except per share amounts)											
Year	2016A	2017A	2018A	2019A	2020A	2021A	2022F	2023F	2024F	2025F	2026F
End of Fiscal Year	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025	9/30/2026
Total Revenue	942,050	1,052,320	1,177,371	1,237,153	1,509,713	2,063,257	2,102,304	2,224,960	2,368,566	2,527,857	2,629,962
% Growth YoY		11.7%	11.9%	5.1%	22.0%	36.7%	1.9%	5.8%	6.5%	6.7%	4.0%
Cost of sales	716,022	787,005	879,138	914,321	1,111,000	1,403,824	1,428,988	1,510,931	1,606,940	1,713,404	1,780,898
% Growth YoY		9.9%	11.7%	4.0%	21.5%	26.4%	1.8%	5.7%	6.4%	6.6%	3.9%
Gross profit	226,028	265,315	298,233	322,832	398,713	659,433	673,317	714,029	761,626	814,454	849,065
Gross margin	24.0%	25.2%	25.3%	26.1%	26.4%	32.0%	32.0%	32.1%	32.2%	32.2%	32.3%
Operating expenses:											
Selling, general and administrative expenses	185,776	220,026	235,050	262,300	291,998	449,974	454,098	478,366	509,242	543,489	565,442
% of total revenue	19.7%	20.9%	20.0%	21.2%	19.3%	21.8%	21.6%	21.5%	21.5%	21.5%	21.5%
Operating income (EBIT)	40,252	45,289	63,183	60,532	106,715	209,459	219,219	235,663	252,384	270,965	283,623
Operating Margin	4.3%	4.3%	5.4%	4.9%	7.1%	10.2%	10.4%	10.6%	10.7%	10.7%	10.8%
Interest expense	5,462	7,481	9,903	11,579	9,275	3,665	8,215	11,989	11,907	11,973	12,220
% of total debt	3.2%	2.9%	4.6%	3.7%	4.8%	2.0%	4.5%	4.5%	4.5%	4.5%	4.5%
Earnings before Taxes (EBT)	34,790	37,808	53,280	48,953	97,440	205,794	211,004	223,674	240,477	258,992	271,402
Pre-tax margin	3.7%	3.6%	4.5%	4.0%	6.5%	10.0%	10.0%	10.1%	10.2%	10.2%	10.3%
Income tax provision	12,208	14,261	13,968	12,968	22,806	50,815	52,101	55,230	59,379	63,951	67,015
Tax rate	35.1%	37.7%	26.2%	26.5%	23.4%	24.7%	24.7%	24.7%	24.7%	24.7%	24.7%
Net income	22,582	23,547	39,312	35,985	74,634	154,979	158,903	168,444	181,098	195,041	204,387
Net margin	2.4%	2.2%	3.3%	2.9%	4.9%	7.5%	7.6%	7.6%	7.6%	7.7%	7.8%
Basic EPS	0.93	0.98	1.77	1.61	3.46	7.04	7.22	7.65	8.23	8.86	9.29
Diluted EPS	0.91	0.95	1.71	1.57	3.37	6.78	6.95	7.37	7.92	8.53	8.94
% Growth YoY		4.9%	78.9%	-7.9%	114.5%	101.0%	2.5%	6.0%	7.5%	7.7%	4.8%
Weighted-Average Number of Shares:											
Basic	24,203.9	23,966.6	22,269.4	22,294.1	21,547.7	22,012.1	22,012.1	22,012.1	22,012.1	22,012.1	22,012.1
Diluted	24,820.8	24,678.8	23,030.7	22,881.1	22,125.3	22,859.5	22,859.5	22,859.5	22,859.5	22,859.5	22,859.5
Operating income (EBIT)	40,252	45,289	63,183	60,532	106,715	209,459	219,219	235,663	252,384	270,965	283,623
D&A (+)	7,964	9,364	10,673	11,597	12,772	15,806	15,680	16,595	17,666	18,854	19,615
EBITDA	48,216	54,653	73,856	72,129	119,487	225,065	234,899	252,258	270,050	289,819	303,238



Appendix - Balance Sheet and Cash Flow Statement

Year End of Fiscal Year	2016A 9/30/2016	2017A 9/30/2017	2018A 9/30/2018	2019A 9/30/2019	2020A 9/30/2020	2021A 9/30/2021	2022F 9/30/2022	2023F 9/30/2023	2024F 9/30/2024	2025F 9/30/2025	2026F 9/30/2026
Current Assets:											
Cash and cash equivalents	38,585	41,952	48,822	38,511	155,493	222,192	299,944	431,017	569,590	720,888	886,751
Excess Cash	-	-	-	-	-	-	9,800	16,737	15,628	20,795	30,331
Accounts receivable, net	24,583	24,661	34,003	42,398	40,195	47,651	55,898	59,160	62,978	67,213	69,928
Inventories, net	321,978	401,301	377,074	477,468	298,002	230,984	285,798	314,777	349,335	389,410	424,023
Prepaid expenses and other current assets	5,965	5,842	5,392	10,206	9,637	16,692	14,426	15,197	16,178	17,266	17,963
Total current assets	391,111	473,756	465,291	568,583	503,327	517,519	665,865	836,888	1,013,708	1,215,572	1,428,996
Long-term Assets:											
Property and equipment, net	121,353	127,160	138,716	144,298	141,934	175,463	179,415	183,597	188,049	192,800	197,744
Operating lease right-of-use assets, net	-	-	-	-	37,991	104,901	115,627	88,998	71,057	63,196	52,599
Goodwill and other intangible assets, net	13,149	30,305	33,123	64,077	84,293	201,122	210,184	228,009	248,647	271,689	289,238
Other long-term assets	-	-	-	7,125	7,774	8,818	10,512	11,125	11,843	11,375	10,520
Deferred tax assets, net	21,075	8,769	3,408	-	-	-	-	-	-	-	-
Total assets	546,688	639,990	640,538	784,083	775,319	1,007,823	1,181,602	1,348,617	1,533,304	1,754,633	1,979,097
Current Liabilities:											
Accounts payable	9,597	26,432	23,134	33,674	37,343	25,739	36,436	38,561	41,050	43,811	45,581
Contract liabilities (customer deposits)	30,129	21,032	17,006	24,305	31,821	100,660	57,175	60,231	64,118	68,431	71,195
Accrued expenses	25,603	33,046	32,926	42,849	52,123	86,594	90,820	98,065	106,941	116,850	124,397
Current operating lease liabilities	-	-	-	-	6,854	10,570	15,373	14,116	11,960	9,966	-
Short-term borrowings	166,550	254,177	212,949	312,065	144,393	27,530	63,069	66,749	71,057	75,836	78,899
Total current liabilities	231,879	334,687	286,015	412,893	272,534	251,093	262,873	277,722	295,126	314,894	320,071
Long-term Liabilities:											
Noncurrent operating lease liabilities	-	-	-	-	33,473	96,956	133,275	119,159	107,199	97,233	97,233
Deferred tax liabilities, net	-	-	-	1,142	4,509	9,268	5,256	6,675	8,290	13,903	15,780
Long-term debt, net of current maturities	2,336	3,105	1,431	-	7,343	47,498	54,704	64,570	75,844	88,528	99,993
Other long-term liabilities	-	-	-	1,229	2,063	8,116	2,205	3,337	4,737	8,848	13,150
Total liabilities	234,215	337,792	287,446	415,264	319,922	412,981	458,312	471,464	491,196	523,405	546,227
Shareholder's Equity:											
Common stock	26	26	27	28	28	29	29	29	29	29	29
Additional paid-in capital	241,058	249,974	262,250	269,969	280,436	288,901	278,601	278,169	278,358	284,384	289,296
Accumulated other comprehensive (loss) income	-	-	-	(669)	829	648	269	269	269	269	269
Retained earnings	103,212	126,759	166,071	202,455	277,699	432,678	591,581	760,024	941,123	1,136,164	1,340,551
Treasury stock, at cost	(31,823)	(74,561)	(75,256)	(102,964)	(103,595)	(127,364)	(147,161)	(161,310)	(177,642)	(189,589)	(197,247)
Total shareholders' equity	312,473	302,198	353,092	368,819	455,397	594,892	723,290	877,153	1,042,108	1,231,228	1,432,869
Total liabilities and shareholders' equity	546,688	639,990	640,538	784,083	775,319	1,007,823	1,181,602	1,348,617	1,533,304	1,754,633	1,979,097

Year End of Fiscal Year	2016A 9/30/2016	2017A 9/30/2017	2018A 9/30/2018	2019A 9/30/2019	2020A 9/30/2020	2021A 9/30/2021	2022F 9/30/2022	2023F 9/30/2023	2024F 9/30/2024	2025F 9/30/2025	2026F 9/30/2026
CASH FLOWS FROM OPERATING ACTIVITIES:											
Net income	22,582	23,547	39,312	35,985	74,634	154,979	158,903	168,444	181,098	195,041	204,387
Adjustments to reconcile net income to net cash provided by (used in) operating activities:											
Depreciation and amortization	7,964	9,364	10,673	11,597	12,772	15,606	15,680	16,595	17,666	18,854	19,615
Deferred income tax provision	11,639	12,306	5,361	4,384	3,157	7,369	7,369	7,369	7,369	7,369	7,369
Loss on sale of property and equipment	51	306	330	956	366	-	-	-	-	-	-
Gain on insurance settlements	-	-	(1,082)	-	-	-	-	-	-	-	-
Proceeds from insurance settlements	-	-	2,342	475	703	738	775	814	855	897	942
Gain on contingent acquisition consideration	-	-	(1,440)	-	-	-	-	-	-	-	-
Stock-based compensation expense, net	4,241	6,237	6,237	6,524	7,497	8,247	9,071	9,979	10,976	12,074	13,281
Changes in working capital:											
Accounts receivable, net	(5,436)	266	(11,279)	(5,071)	2,584	(7,456)	(8,247)	(3,261)	(3,818)	(4,235)	(2,715)
Inventories, net	(32,417)	(57,107)	26,773	(84,330)	179,466	67,018	(54,814)	(28,980)	(34,558)	(40,075)	(34,613)
Prepaid expenses and other assets	(1,517)	(1,710)	(996)	(3,192)	101	(7,055)	2,266	(771)	(981)	(1,088)	(697)
Accounts payable	(4,278)	16,835	(9,325)	8,701	2,887	(11,604)	10,697	2,126	2,489	2,761	1,770
Contract liabilities (customer deposits)	16,625	(9,341)	(4,065)	6,804	7,411	68,839	(43,485)	3,056	3,888	4,312	2,764
Accrued expenses and other liabilities	3,409	4,042	1,573	4,731	13,097	34,471	4,226	7,246	8,876	9,909	7,547
Total changes in operating assets and liabilities	(23,614)	(47,015)	8,681	(72,357)	205,546	144,213	(89,357)	(20,585)	(24,105)	(28,416)	(25,945)
Net cash provided by (used in) operating activities	22,863	4,745	70,414	(12,426)	304,675	331,152	102,441	182,615	193,860	205,820	219,651
CASH FLOWS FROM INVESTING ACTIVITIES:											
Purchases of property and equipment (CAPEX)	(12,913)	(14,367)	(13,804)	(17,061)	(12,807)	(20,633)	(21,023)	(22,250)	(23,686)	(25,279)	(26,300)
Proceeds from insurance settlements	-	-	823	461	-	-	-	-	-	-	-
Cash used in acquisition of businesses, net of cash acquired	(17,062)	(18,725)	(10,524)	(40,713)	(19,766)	(75,000)	(30,298)	(32,504)	(34,801)	(38,847)	(38,536)
Proceeds from sale of property and equipment	228	994	190	979	2,464	413	1,392	1,473	1,568	1,673	1,741
Net cash used in investing activities	(29,747)	(32,098)	(23,315)	(56,334)	(30,109)	(95,220)	(49,930)	(53,281)	(56,919)	(62,452)	(63,095)
CASH FLOWS FROM FINANCING ACTIVITIES:											
Net borrowings on short-term borrowings	15,768	70,819	(43,383)	85,580	(167,672)	(116,863)	35,539	3,680	4,308	4,779	3,063
Proceeds from long-term debt	-	-	-	-	7,437	40,155	7,206	9,866	11,273	12,684	11,466
Payments for long-term debt	-	-	-	-	(41)	-	-	-	-	-	-
Net proceeds from issuance of common stock under incentive compensation	2,701	3,158	7,683	2,412	4,629	4,860	5,103	5,359	5,627	5,908	6,203
Contingent acquisition consideration payments	-	(150)	(3,324)	(129)	(148)	(750)	(750)	(750)	(750)	(750)	(750)
Payments on tax withholdings for equity awards	(80)	(369)	(510)	(1,525)	(1,703)	(1,873)	(2,061)	(2,267)	(2,493)	(2,743)	(3,017)
Purchase of treasury stock	(5,531)	(42,738)	(695)	(27,708)	(631)	(23,769)	(19,797)	(14,148)	(16,333)	(11,947)	(7,658)
Net cash provided (used in) provided by financing activities	12,858	30,720	(40,229)	58,630	(158,129)	(98,240)	25,240	1,740	1,632	7,931	9,307
Effect of exchange rate changes on cash	-	-	-	(181)	545	-	-	-	-	-	-
CASH AND CASH EQUIVALENTS, beginning of year	32,611	38,585	41,952	48,822	38,511	155,493	222,192	299,944	431,017	569,590	720,888
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	5,974	3,367	6,870	6,870	(10,311)	116,982	66,699	77,752	131,074	138,572	151,298
CASH AND CASH EQUIVALENTS, end of year	38,585	41,952	48,822	38,511	155,493	222,192	299,944	431,017	569,590	720,888	886,751

Appendix - Ratios

Year	2016 ⁴	2017 ⁴	2018 ⁴	2019 ⁴	2020 ⁴	2021 ⁴	2022 ¹	2023 ¹	2024 ¹	2025 ¹	2026 ¹
End of Fiscal Year	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025	9/30/2026
Share price at FYE	19.35	19.8	16.85	16.67	37.8	48.52	72.19	84.18	98.73	115.19	120.71
Market cap	468,346	474,539	375,239	371,643	614,502	1,068,029	1,589,025	1,852,884	2,173,181	2,535,535	2,657,034
Valuation											
Price / Sales	0.5	0.5	0.3	0.3	0.5	0.5	0.8	0.8	0.9	1.0	1.0
Price / Earnings	20.74	20.15	9.55	10.33	10.91	6.89	10.00	11.00	12.00	13.00	13.00
Price / Book	1.50	1.57	1.06	1.01	1.79	1.80	2.20	2.11	2.09	2.06	1.85
Price / FCF											
EV / EBIT	14.87	15.23	8.56	10.66	7.98	4.91	7.10	7.16	7.41	7.70	7.22
EV / EBITDA	12.42	12.62	7.32	8.95	7.12	4.57	6.62	6.69	6.92	7.20	6.75
EV / Sales	0.64	0.66	0.46	0.52	0.56	0.50	0.74	0.76	0.79	0.83	0.78
EV	598,647.37	689,868.90	540,797.02	645,196.88	851,071.74	1,018,390.55	1,555,502.52	1,686,460.30	1,869,650.36	2,086,209.79	2,046,408.98
Profitability											
Gross Margin	23.99%	25.21%	25.33%	26.09%	26.41%	31.96%	32.03%	32.09%	32.16%	32.22%	32.28%
Operating Margin	4.27%	4.30%	5.37%	4.89%	7.07%	10.15%	10.43%	10.59%	10.66%	10.72%	10.78%
Pretax Margin	3.69%	3.59%	4.53%	3.96%	6.45%	9.97%	10.04%	10.05%	10.15%	10.25%	10.32%
Net Margin	2.40%	2.24%	3.34%	2.91%	4.94%	7.51%	7.56%	7.57%	7.65%	7.72%	7.77%
FCF Margin	-0.1%	-2.0%	4.7%	-2.4%	19.2%	14.4%	3.4%	6.9%	6.9%	7.0%	7.0%
Return on Assets	3.81%	3.68%	5.52%	4.62%	8.37%	14.16%	12.56%	11.69%	11.02%	10.45%	20.65%
Return on Equity	7.23%	7.79%	11.13%	9.76%	16.39%	26.05%	21.97%	19.20%	17.38%	15.84%	14.28%
EBITDA Reconciliation											
EBIT	40,252	45,289	63,183	60,532	106,715	209,459	219,219	235,663	252,384	270,965	283,623
D&A	7,964	9,364	10,673	11,597	12,772	15,606	15,680	16,595	17,666	18,854	19,615
EBITDA	48,216	54,653	73,856	72,129	119,487	225,065	234,899	252,258	270,050	289,819	303,238
Non-recurring expenses (revenue)											
Adjusted EBITDA											
Operating Efficiency											
Receivables Turnover	38.32	42.67	34.63	29.18	37.56	43.30	37.61	37.61	37.61	37.61	37.61
Payables Turnover	74.61	29.77	38.00	27.15	29.75	54.54	39.22	39.18	39.15	39.11	39.07
Days Payable Outstanding	0.20	0.08	0.10	0.07	0.08	0.15	0.11	0.11	0.11	0.11	0.11
Assets Turnover	1.72	1.64	1.84	1.58	1.95	2.05	1.78	1.65	1.54	1.44	1.33
Inventory Turnover	2.22	1.95	2.33	1.91	3.73	6.08	5.00	4.80	4.60	4.40	4.20
Credit Profile											
Current Ratio	1.69	1.42	1.63	1.38	1.85	2.06	2.53	3.01	3.43	3.86	4.46
Quick Ratio	0.27	0.20	0.29	0.20	0.72	1.07	1.35	1.76	2.14	2.50	2.99
Cash Ratio	0.17	0.13	0.17	0.09	0.57	0.88	1.14	1.55	1.93	2.29	2.77
CF0 / Total Debt	0.14	0.02	0.33	-0.04	1.59	1.81	0.38	0.69	0.73	0.76	0.80
Debt / EBITDA	3.50	4.71	2.90	4.33	1.61	0.81	1.13	1.05	0.99	0.94	0.91
EBITDA / Interest Expense	8.83	7.31	7.46	6.23	12.88	61.41	28.59	21.04	22.68	24.21	24.81
Total Debt	168,886.00 ¹	257,282.00	214,380.00	312,065.00	192,063.00	182,554.00	266,420.94	264,594.10	266,059.57	271,562.53	276,125.35
Net Debt	130,301.00	215,390.00	165,558.00	273,554.00	36,570.00	-39,638.00	-33,522.63	-166,423.29	-303,530.32	-449,325.53	-610,625.50
D/E	540.48	851.37	607.15	846.12	421.75	306.87	368.35	301.65	255.31	220.56	192.71