

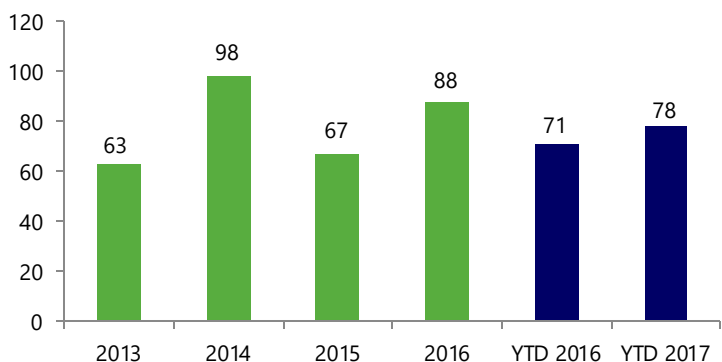


KEY M&A TAKEAWAYS

- Consumer products companies are in a frothy M&A market in 2017 with the Recreational Products Industry attracting premium multiples from private equity and strategic acquirers. With a healthy 78 announced or completed transactions, public company valuations at a medium of 11.4x EBITDA and deal multiples ranging from 8.0x to 12.0x, the industry is experiencing a strong seller's market.
- Two subsectors that are receiving heightened interest from prospective buyers are the Outdoor Game and Biking markets. Rising consumer spending, which increased 3.3% in the second quarter of 2017 to \$11.8 trillion according to the Bureau of Economic Analysis, and outdoor participation rates, which rose 0.3% in 2016 according to the Physical Activity Council, have helped to spur this trend. Notable deals in these subsectors include Expedition Capital, Centerfield Capital and Cardinal Equity's acquisition of Wild Sports, WiggleCRC's acquisition of Bike24, and KLH Capital's acquisition of Victory Tailgate.

TRANSACTION VOLUME

- Transaction volume through year-to-date (YTD) 2017 has remained healthy with 78 transactions being announced or completed.
- Camping World and PlayCore have been the most active acquirers to date in 2017 with three deals each, followed by BSN Sports (2 deals) and Callaway Golf (2).



YTD ended October 15

PUBLIC COMPANY VALUATION DATA

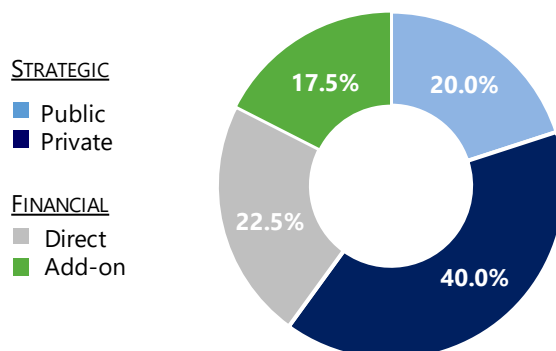
| Company (10/25/17) | Enterprise | LTM | EV / LTM | |
|-------------------------|------------|--------------|-------------|--------------|
| | Value | Margin | Revenue | EBITDA |
| Amer Sports Corporation | \$3,608.0 | 10.1% | 1.2x | 11.4x |
| Brunswick Corporation | \$5,154.9 | 13.0% | 1.1x | 8.5x |
| Callaway Golf Company | \$1,304.2 | 9.3% | 1.4x | 14.5x |
| Dorel Industries Inc. | \$1,299.1 | 5.7% | 0.5x | 8.8x |
| Escalade, Incorporated | \$216.0 | 11.8% | 1.3x | 10.9x |
| Johnson Outdoors Inc. | \$631.5 | 10.9% | 1.3x | 12.3x |
| Lafuma SA | \$191.6 | 6.7% | 1.0x | 14.9x |
| Mean | | 9.7% | 1.1x | 11.6x |
| Median | | 10.1% | 1.2x | 11.4x |

SELECT 2017 TRANSACTIONS

| Date | Target | Acquirer | Target Description | EV | EV / LTM | |
|-------|-------------------|---------------------|--|---------|----------|--------|
| | | | | | R | EBITDA |
| 10/31 | Wild Sports | 3 PEG Buyers | Provides tailgating and outdoor games. | - | - | - |
| 10/23 | Bike24 | Wiggle CRC | Sells bicycles, frames and related products. | - | - | - |
| 10/10 | Nielsen-Kellerman | Clearview Capital | Designs waterproof sports instruments. | - | - | - |
| 10/01 | Victory Tailgate | KLH Capital | Offers customized backyard games. | - | - | - |
| 08/03 | Travis Mathew | Callaway Golf | Manufactures golf apparel and accessories. | \$125.5 | - | - |
| 07/12 | Fish Tales | Battenfeld | Provides sportsman knives and tools. | \$12.0 | - | - |
| 06/29 | West Marine | Monomy Capital | Retails boating supplies, gear and apparel. | \$290.7 | 0.4x | 7.7x |
| 06/05 | Crosman | Compass Diversified | Designs airguns for hunting and recreation. | \$151.5 | 1.3x | 7.6x |
| 05/10 | Taylor Made Golf | KPS Capital | Manufactures golf products. | \$425.0 | 0.5x | - |

BUYER BREAKDOWN

- Financial buyers have accounted for an increasing share of acquisitions in 2017 (40.0%) compared to 2016 (29.3%). This is largely due to increasing amounts of dry powder in the market and, as a result, a need to deploy that capital in investments.



All chart sources: CapIQ and Capstone Partners LLC Research