



# Automotive and Powersports Update



PJ

SOLOMON

October 2020

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AN AFFILIATE OF  
 **NATIXIS**  
BEYOND BANKING



# **PJ SOLOMON Automotive and Powersports Sector Coverage**

# PJ SOLOMON Overview

**PJ SOLOMON is an independently operated investment bank with proprietary access to global financing capabilities and international coverage through our parent company, Natixis**

- Founded in 1989, we are a leading financial advisory firm with a legacy as one of the first independent investment banks
- We offer unmatched industry knowledge in the sectors we cover, providing comprehensive strategic solutions tailored to generate long-term shareholder value
- We offer the “best of both worlds”: the experience of a boutique culture with the international reach and capabilities of a global institution

Offices in  
**New York +  
Houston**

**135**  
Employees

**100**  
Investment  
Bankers

**25**  
Managing  
Directors

**8**  
Senior  
Advisors

# PJ SOLOMON Automotive and Powersports Sector Coverage

Globally recognized strategic advisor to leading automotive, powersports and outdoor recreation companies

## Overview and Areas of Focus

### Retail

- Specialty Retail
- E-Commerce
- Distribution
- Dealerships and Marinas

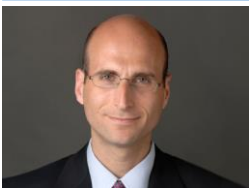
### Parts and Accessories

- Tires, Wheels and Suspension
- Aftermarket Parts and Supplies
- Chemicals and Lubricants
- Tools and Equipment
- Apparel, Safety Gear and Accessories

### Service and Repair

- General Repair
- Oil Change and Lubrication
- Collision and Glass Repair
- Car Wash and Detailing
- Tire Change

## Automotive and Powersports Team



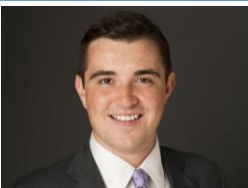
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# Relevant Automotive and Powersports Advisory Experience

Our team of enthusiasts and experts have significant experience positioning growth stories focused on automotive, powersports and outdoor brands and a proven track record of working with corporate clients to effect strategic transactions

- PJ SOLOMON is a globally recognized strategic advisor with deep automotive and powersports industry experience
- Breadth and depth of experience encompasses the automotive, motorcycle, powersports, marine and outdoor recreation industries, from retail and e-commerce to parts and accessories to service and repair
- Provide M&A, restructuring and financing advisory services to clients ranging from multi-national, large-capitalization corporations to smaller, high-growth, privately-held companies

			
			
			
<p>Served as financial advisor to FortNine, a leading Canadian powersports online retailer, on its investment from Novacap</p>	<p>Served as financial advisor for 20+ years to Monro, a leading automotive repair and service provider, on various buy-side and strategic assignments</p>	<p>Served as financial advisor to RevZilla, a leading motorcycle online retailer, on its sale to Prospect Hill Growth Partners, owner of Cycle Gear</p>	<p>Served as JLA and Bookrunner to Truck Hero, a leading truck accessories manufacturer and retailer, on its \$675M First Lien Term Loan and \$250M Second Lien Term Loan through our affiliate Natixis</p>



# LEADING ONLINE POWERSPORTS RETAILER PARTNERS WITH PROMINENT CANADIAN PRIVATE EQUITY FIRM

On August 6, 2020, FortNine announced it had sold an interest to Novacap

*PJ SOLOMON acted as exclusive financial advisor to FortNine*

**FORTNINE™**

FortNine is Canada's leader in e-commerce sales to on- and off-road motorcycle, snowmobile and ATV riders

Offers premium apparel, accessories, parts and media content to over 2 million Canadian powersport enthusiasts

**NOVACAP** 

Novacap is one of Canada's largest buyout and growth equity firms with over \$3.6 billion of assets under management

Novacap's partnership brings operational expertise to drive FortNine to its next stage of growth

## Transaction Details

- **PJ SOLOMON acted as exclusive financial advisor to FortNine**
- PJ SOLOMON conducted a thorough process, targeting parties that could fit the client's specific transaction objectives
- As part of the process, PJ SOLOMON was tasked with navigating the uncertainty of COVID-19 and maintaining buyer interest during a period where nearly all M&A activity paused
- In finalizing terms, PJ SOLOMON successfully demonstrated the company was better positioned in post-COVID world, resulting in a more attractive outcome for the founders

## Results

- On August 6, 2020, FortNine announced that it had sold an interest to Novacap, one of the largest private equity firms in Canada
- Novacap's partnership brings operational expertise to drive FortNine to its next stage of growth

# Automotive and Powersports Market Update

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# Automotive and Powersports Market Update

Despite the ongoing COVID-19 pandemic, the industry's key growth drivers remain fundamentally strong

- **Like for many sectors, the first half of 2020 started off with challenges for the automotive aftermarket**
  - Total light vehicle aftermarket sales expected to decline ~9% in 2020 to ~\$281 billion (but projected to rebound to ~\$314 billion in 2021)
  - The seasonally adjusted annual rate (SAAR) of light vehicle sales “bottomed out” at 8.7 million in April, but has since recovered to 15.2 million in August
  - Average daily vehicle miles traveled (VMT) in the U.S. is still estimated to be ~1 billion less in 2020 versus 2019 (~11% decline with Q2 down 26%); daily VMT is expected to increase to ~9 billion in 2021, reflecting the resiliency of vehicle travel
  - Gas prices are at historic lows, reaching levels not seen in over a decade
  - Increased DIY sales during COVID-19, as many consumers opted to purchase parts and accessories and work on their vehicles in a socially distanced fashion (e.g., in their driveways, home garages, or on the street)
    - Most automotive aftermarket businesses deemed “essential” and were able to remain open throughout the pandemic
- **The COVID-19 pandemic altered consumer buying patterns in favor of outdoor activities such as powersports, RVs and marine**
  - While the RV sector initially encountered sharp declines, recent research has shown a strong rebound from April lows
    - The RV Industry Association's latest forecast projects total shipments to grow 4.5% and 19.5% in 2020 and 2021, respectively
  - Sales of new boats continued to grow throughout the summer with traditional boats (including ski/wake) up 32% in August
  - Large increase in both first-time and repeat customers drove demand across RVing and marine, as consumers spend more on experiences with family and friends that allow them to stay active while socially distancing
  - Off-highway / off-road vehicles (including ATVs, UTVs and motorcycles) exhibited equally strong growth trends, offering wide appeal to outdoor-oriented consumers seeking a combination of fun and utility
  - Powersports manufacturers are ramping up next year's production due to clear visibility into positive trends continuing into 2021, with the potential for increased consumer appetite for the category to prove permanent
  - Analysts estimate that reduced spending on travel, restaurants and other in-person entertainment has freed-up \$500 billion of discretionary dollars that could go to outdoor recreation and other socially-distant activities. This wholesale reallocation of spending is likely to persist through at least 2H'21, when it is anticipated that a COVID-19 vaccine will become widely available

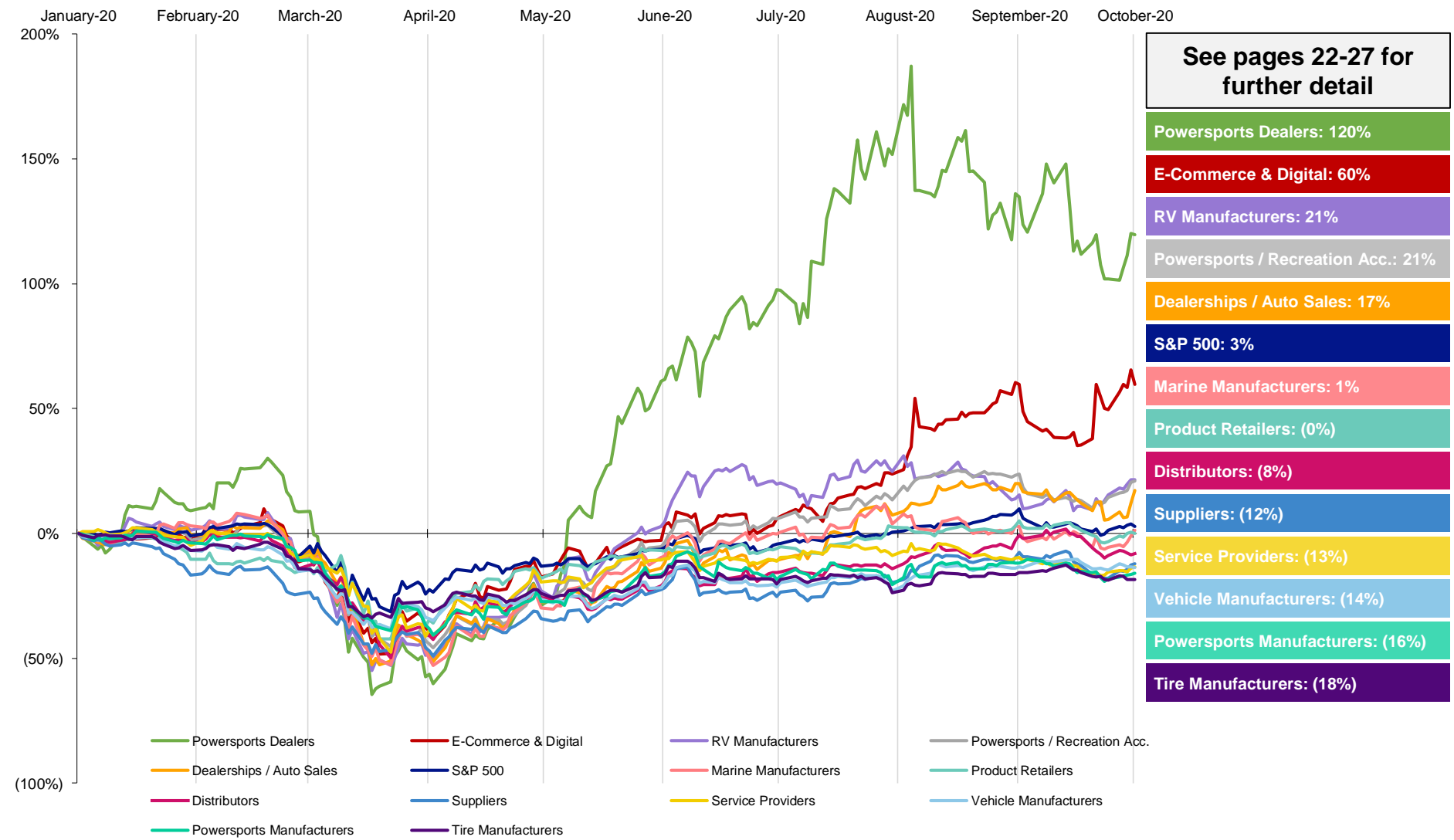


# Automotive and Powersports Market Update (Cont.)

Despite the ongoing COVID-19 pandemic, the industry's key growth drivers remain fundamentally strong

- **Notwithstanding the impact of COVID-19 on the automotive sector, there are a number of factors that provide confidence in the industry's future**
  - Total vehicles miles traveled will continue to rebound as air travel and public transportation use remains low
    - Global air traffic now projected to be down 60-70% in 2020; gradual recovery to pre-COVID levels expected by 2024, according to S&P
    - Ride-hailing services witnessed ~70% declines in Q2, but are expected to recover at a much faster pace
  - Average age of vehicles (now 11.9 years) expected to increase as consumers tend to own vehicles longer during periods of economic uncertainty
    - COVID-19 expected to result in a one-time increase in average age of 4-6 months, according to analysis by HIS Markit
  - A suburban migration over the next several years could provide a tailwind as miles driven and car parc increases
    - Would reverse recent decline in ownership trends pre-pandemic
  - E-commerce penetration continues to grow during the pandemic, offering additional evidence of an accelerated shift to digital and the industry's ability to adapt to consumer demands
  - Increasingly prevalent new technologies including EVs, advanced crash avoidance and self driving capabilities will increase repair complexity and may present challenges for independent repair shops
    - Non-ICE powertrains (hybrid, plug-in hybrid, EV) approaching 5% of new vehicle sales; however, given size of car parc (280M+) will take decades to materially change composition
    - California recently announced it will phase out sales of gasoline-powered cars by 2035, making it the first U.S. state to announce this effort, following 15 countries that have made similar commitments

# Outdoor-Friendly and Digital Companies Outperforming Broader Market Year to Date



Note: Represents change in total sector market capitalizations. Refer to pages 22-27 for constituents in each category. Vehicle Manufacturers excludes Tesla.  
Source: Capital IQ as of October 2, 2020.

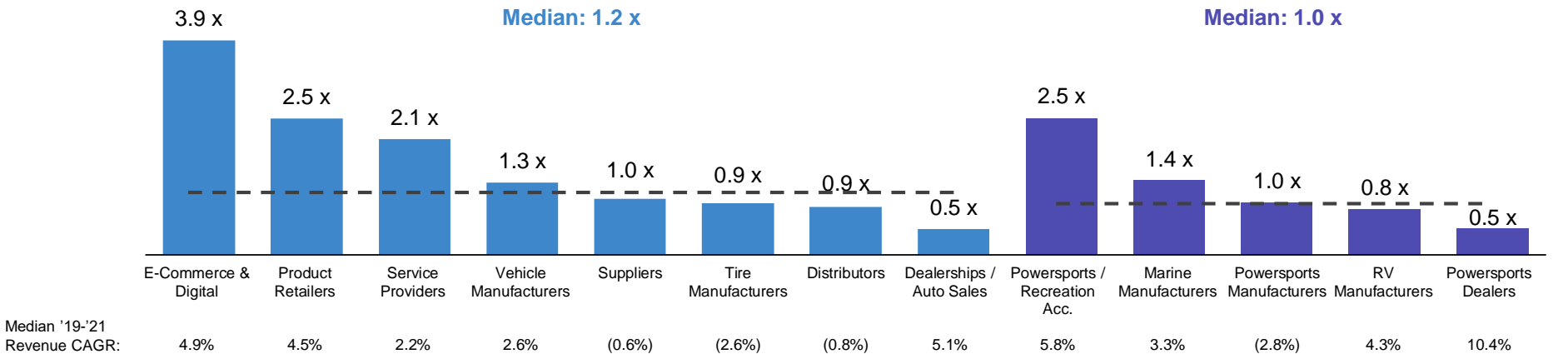
# Automotive and Powersports Sector Valuation Summary

Automotive

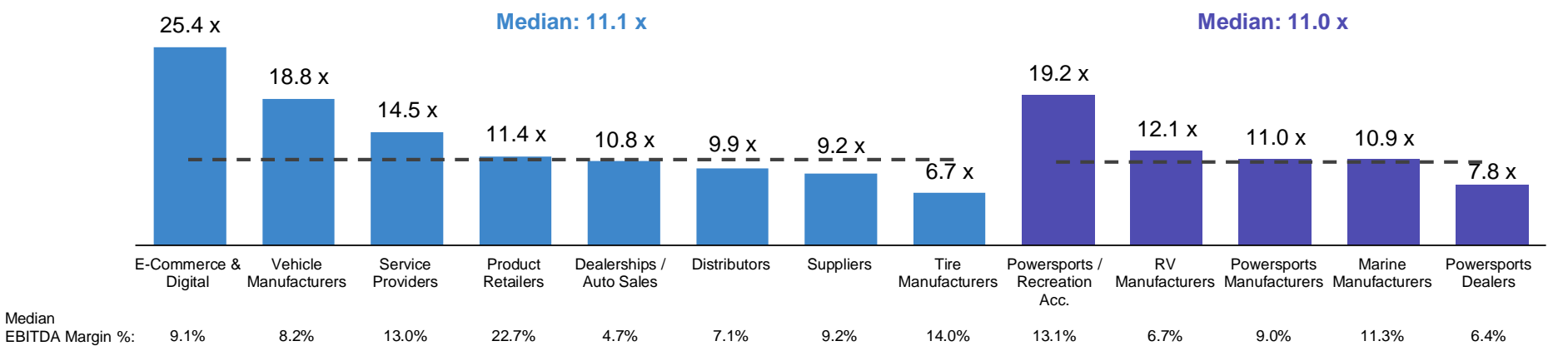
Powersports

See pages 22-27 for further detail

## Median Enterprise Value / 2020E Revenue



## Median Enterprise Value / 2020E EBITDA



Note: Refer to pages 22-27 for constituents in each category.  
Source: Public filings and Capital IQ as of October 2, 2020. Forward estimates represent median aggregate consensus estimates from Capital IQ or Thomson Eikon.



# Automotive Market Update

# Key Trends in the U.S. Automotive Aftermarket

## Light Vehicles in Operation



- Total vehicle population continues to grow, with more than 280 million vehicles currently on the road
- Proliferation of new technologies (e.g., hybrid, electric, etc.) takes significant time, given new vehicle sales (irrespective of technology features or powertrain type) represent just ~5% of the total car parc

## Vehicle Miles Driven



- 2019 total annual miles driven increased ~0.9% YoY
- Though miles driven has been pressured due to the COVID-19 pandemic, car travel is expected to rebound given perceived safety benefits (relative to air travel and public/shared transportation) and suburbanization trends
- Global air travel traffic expected to be down 60-70% in 2020 and not fully recover to pre-COVID levels until 2024

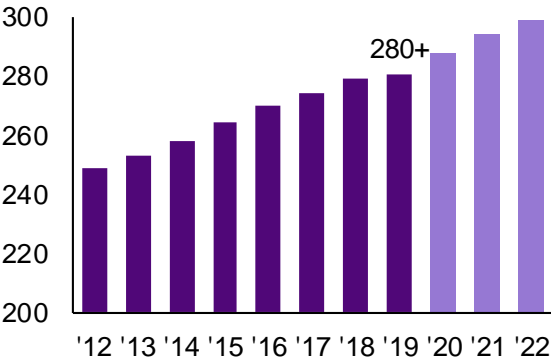
## Average Age of Light Vehicles



- Post-recession demand for new vehicles has led to a large “sweet spot” of vehicles aged 6-11 years today
- Volumes of vehicles in the new to five-year old category will grow 2% from 2018-2023, while vehicles in the 6-11 year old range, which are typically beyond standard auto warranties, will grow 27%

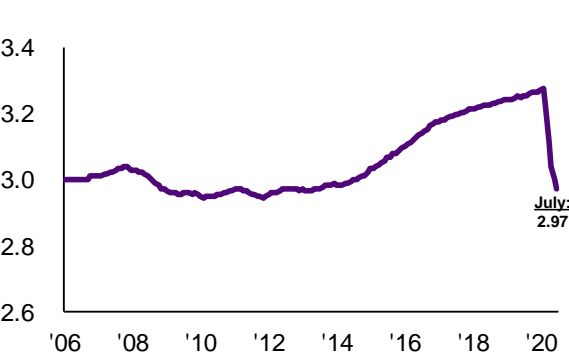
### Light Vehicles in Operation

(Amounts in Millions)



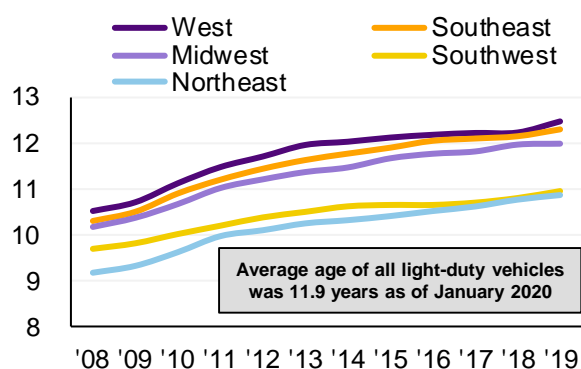
### Vehicle Miles Driven

(Amounts in Trillions)



### Average Age by U.S. Region

(Years)



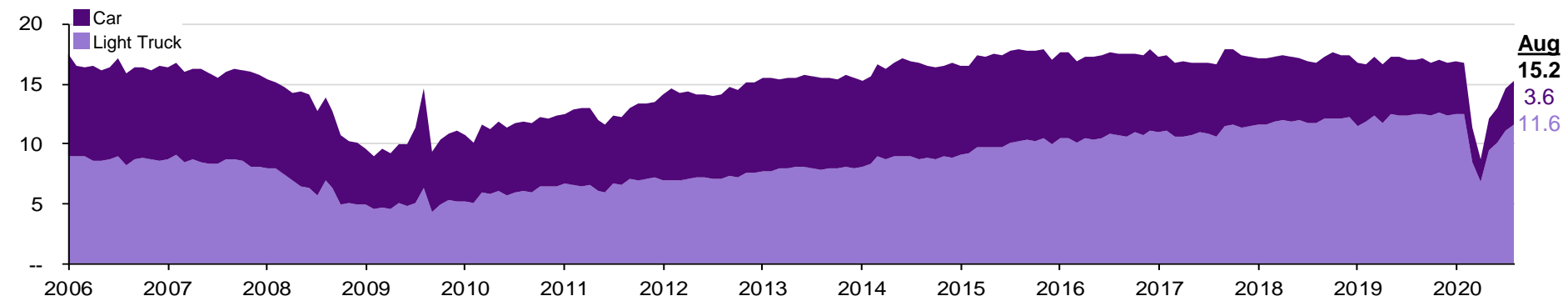
Note: '20 – '22 are estimated figures.  
Source: U.S. Federal Highway Administration, IHS Markit, S&P and other publicly available information.

# New Vehicle Sales

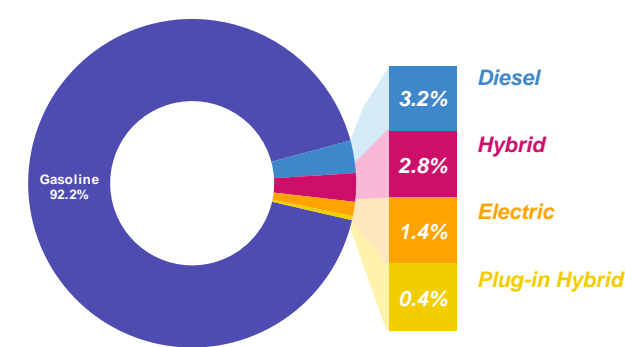
## New Light Weight Vehicle Sales (Seasonally Adjusted Annual Rate)

- While the Great Recession created headwinds within the car parc, vehicle sales responded with several years of increasing demand
- Growth in light trucks, strong relative to cars, driven by popularity of crossover vehicles and continued strength in pickup category
- Traditional gasoline powertrains still represent 92% of new vehicle sales; electric, hybrid and plug-in hybrid nearing 5% of cohort

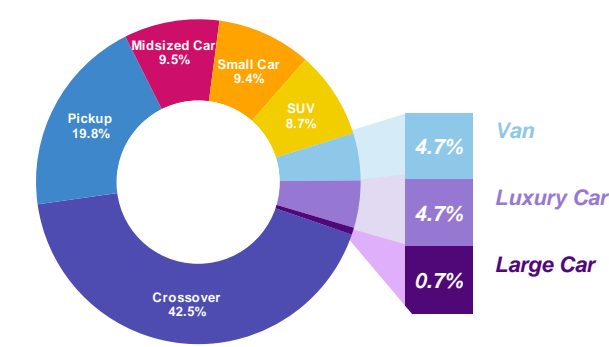
(Amounts in Millions)



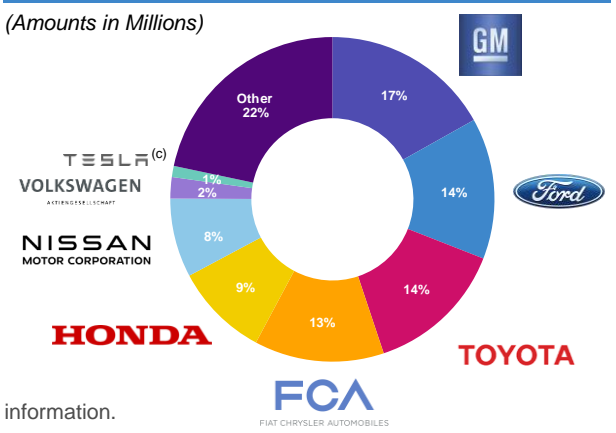
## Market Share by Drive Powertrain



## Market Share by Segment



## Market Share by Manufacturer

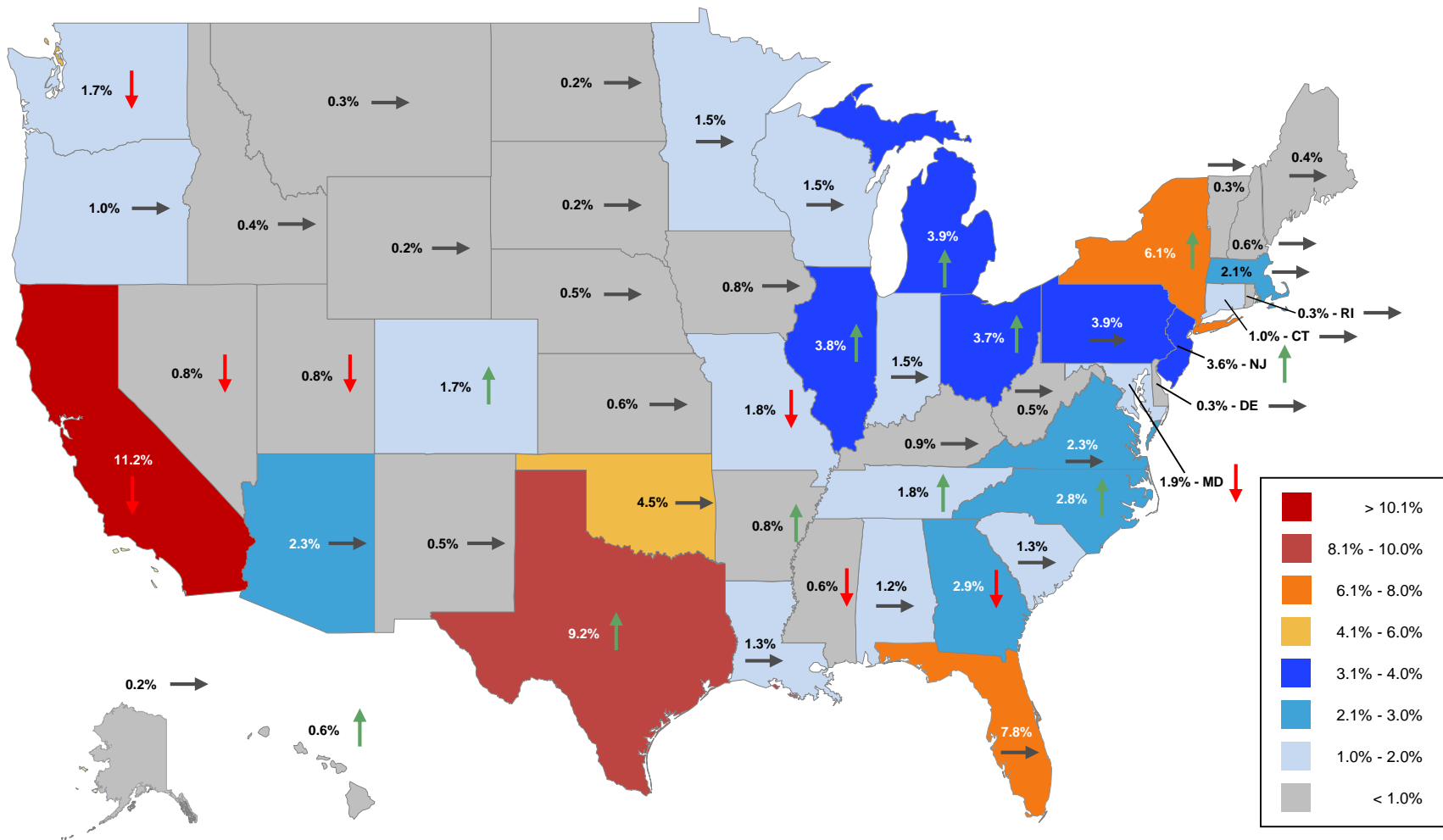


Note: Reflects 2019 data unless noted otherwise.  
Source: U.S. Bureau of Economic Analysis, National Automobile Dealers Association, Wards Intelligence and other publicly available information.  
a) Reflects seasonally adjusted annual rate observed during the month of August.  
b) Reflects seasonally adjusted annual rate observed during the period of time between January and August.  
c) Reflects estimated U.S. portion of 367,656 vehicles produced in 2019 based on revenue generated in the United States as a percentage of total revenue.



# New Vehicle Registrations by State (2019)

In percent of total registrations



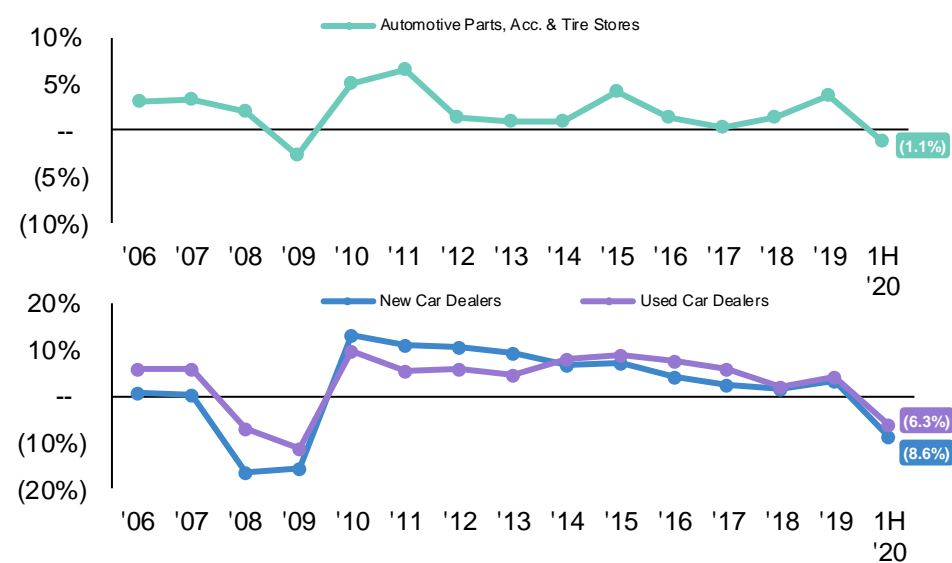
# Retail and Online Sales Trends

## Retail Sales



- Due to a low supply of new cars and reduced incomes, demand for used cars has risen during the COVID-19 pandemic
- Although retail sales at used car dealerships is down YTD versus last year, auto dealers sold 2.1M used vehicles from May to June (9% more than the same period last year), according to J.D. Power
- Consumers opting to purchase parts and accessories online or in-stores and work on vehicles in socially distanced, DIY fashion

**Retail Sales – YoY % Change**

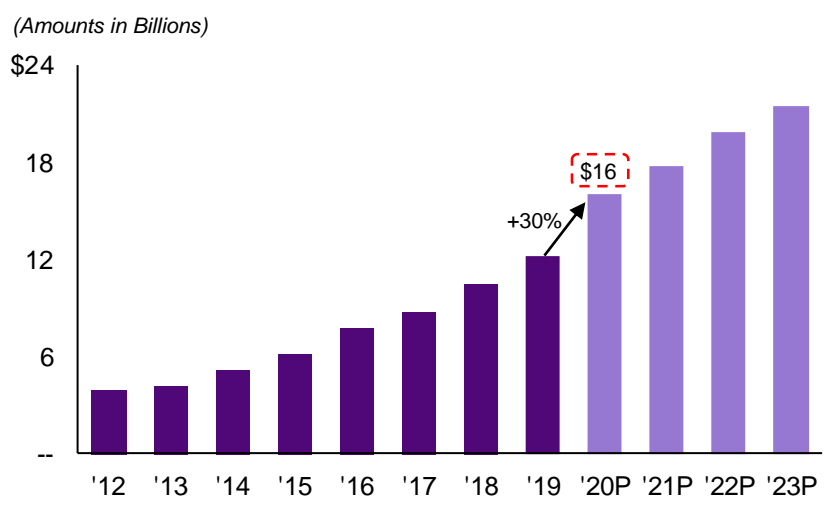


## Online Sales



- ~30% increase in online sales in 2020, reflecting an estimated \$2B of additional revenue as a result of changes in purchasing behavior due to COVID-19
- Excludes significant third-party auto marketplace sales (estimated ~\$17B in total), including Amazon (~\$6B) and eBay motors (~\$6-7B)
- Canadian e-commerce sales estimated at \$3.7B

**Online Sales of New Auto Parts & Accessories**



Source: U.S. Census Bureau, Hedges & Company, J.D. Power and other publicly available information.

# Powersports Market Update



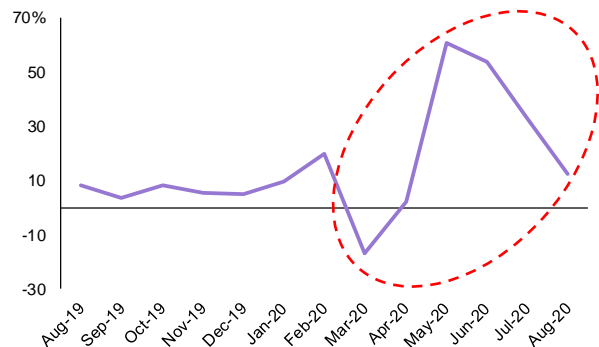
# Post-COVID Performance Has Been Exceptional Across the Powersports and Recreational Outdoor Market

## Powersports Dealerships



- Powersports dealers continued to demonstrate strong growth in major units in August (+12.5%) following unprecedented growth in May (+60.7%), June (+53.6%) and July (+32.6%)
- The strongest growth in major units was among dealers in the Northeast (+17.5%) and Midwest (+15.5%), though growth was positive in all regions in August

**Powersport Dealerships**  
**Major Units Sales – YoY % Change (a)**

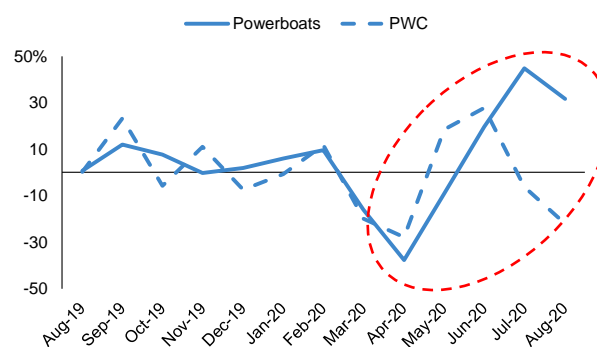


## Powerboats and Personal Watercraft (PWC)



- Most recent August data (Powerboats +31.8%; PWC negatively affected by stock-outs) further confirms the broad retail strength reported by industry OEMs and dealers
  - OneWater Marine SSS +44%
  - MarineMax SSS +37%
- First time buyers expected to drive step-function increase in demand over the next several years

**Powerboats and PWC**  
**New Boat Retail Unit Sales – YoY % Change (b)**

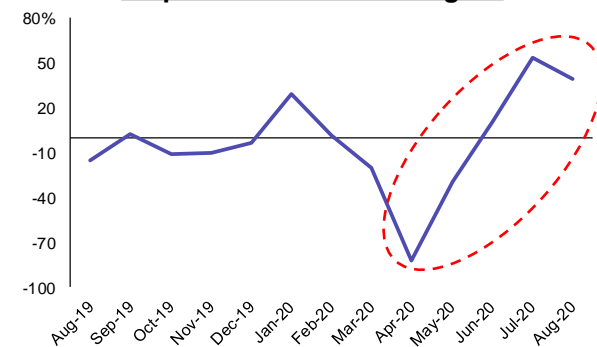


## Recreational Vehicles (RV)



- One of the most popular ways to travel for summer 2020, accommodating families and professionals who can learn and work from the road
  - Lazydays: +62% revenue
  - Camping World: +9% revenue
- July represented the highest shipment figures among surveyed manufacturers in four decades, reflecting broad appeal of RVs to a wide range of consumers

**Total RV**  
**Shipments – YoY % Change (c)**



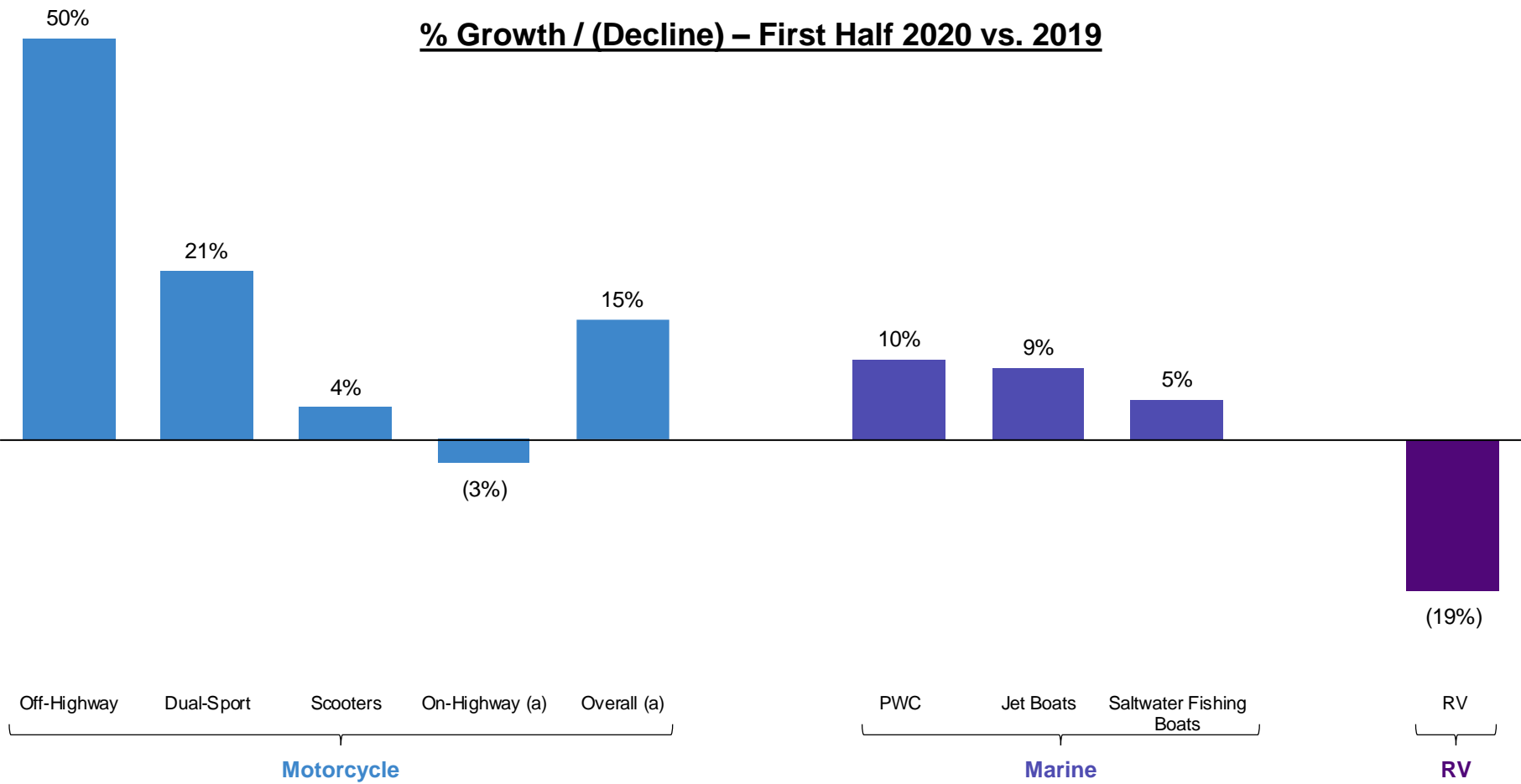
Source: CDK Global Lightspeed; Statistical Surveys, Inc. and Wall Street Research; RVIA.

(a) Dealerships data is for Major Unit sales from over 1400+ dealerships in the Lightspeed DMS network.

(b) Powerboats data represents Traditional Segment plus Ski/Wake sales. Powerboats and PWC data includes states typically accounting for 55-65% of total market share.

(c) Recreational Vehicles data is representative of Total RV Shipments, which includes all Towable RVs and all Motorhomes.

# Motorcycle and Marine Sales Soar During COVID-19; Recent Data Suggests Strong Recovery in RV Following 1H 2020 Decline

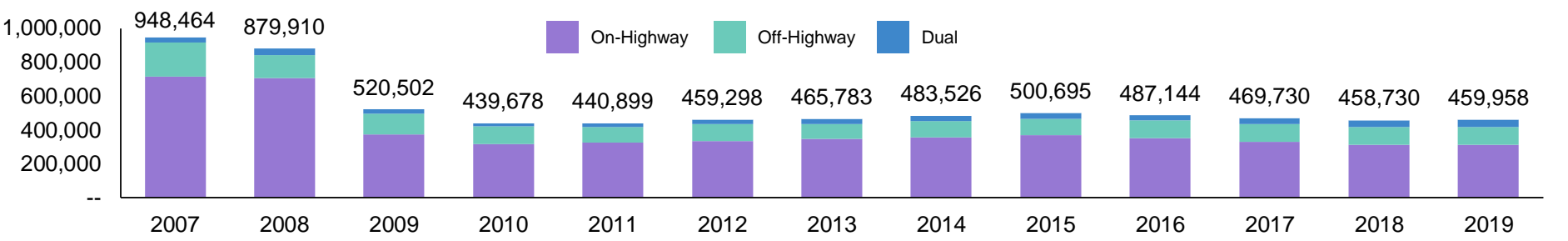


**Excluding Harley-Davidson (given their current challenges), overall motorcycle growth was strong in the first half of 2020, with off-highway and dual-sport motorcycle sales soaring 50% and 21%, respectively. Marine products also saw impressive year-over-year growth. Recreational Vehicles also witnessed a significant sales pickup, albeit 6-8 weeks behind that in Motorcycle and Marine, with comparable shipments of +11%, +54% and +17% in June, July and August, respectively.**

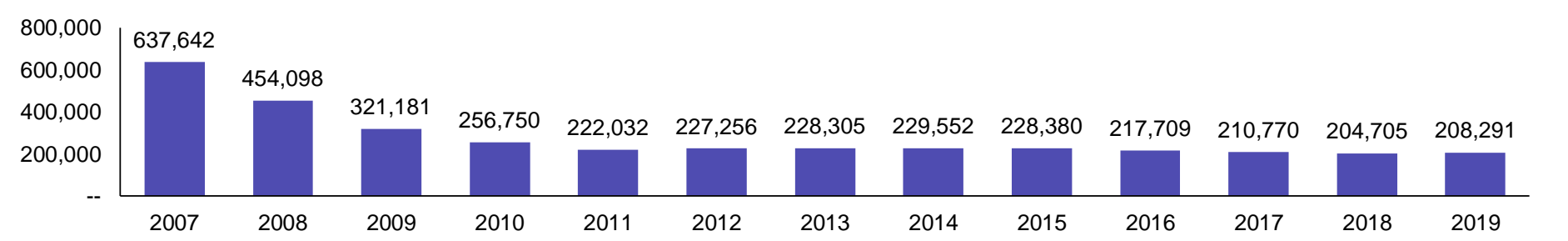
Note: Motorcycle / Marine and RV percentages reflect retail sales growth and wholesale shipments, respectively.  
Source: Motorcycle Industry Council Retail Sales Reporting System, National Marine Manufacturers Association and RV Industry Association.  
(a) Excludes Harley-Davidson. Harley-Davidson retail unit sales declined 22% for the first six months ended June 30, 2020. Including the impact of Harley-Davidson, On-Road and Overall Motorcycles sales declined 10% and increased 6%, respectively, for the first half of 2020.

# While Motorcycle and ATV Unit Sales Remained Flattish Post Great Recession, PWC Sales Have Steadily Risen

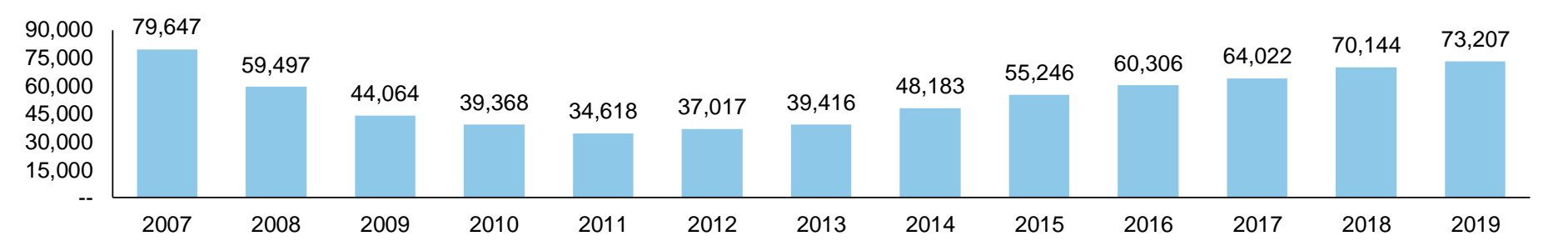
## Annual New Unit Sales: Motorcycles



## Annual New Unit Sales: ATVs



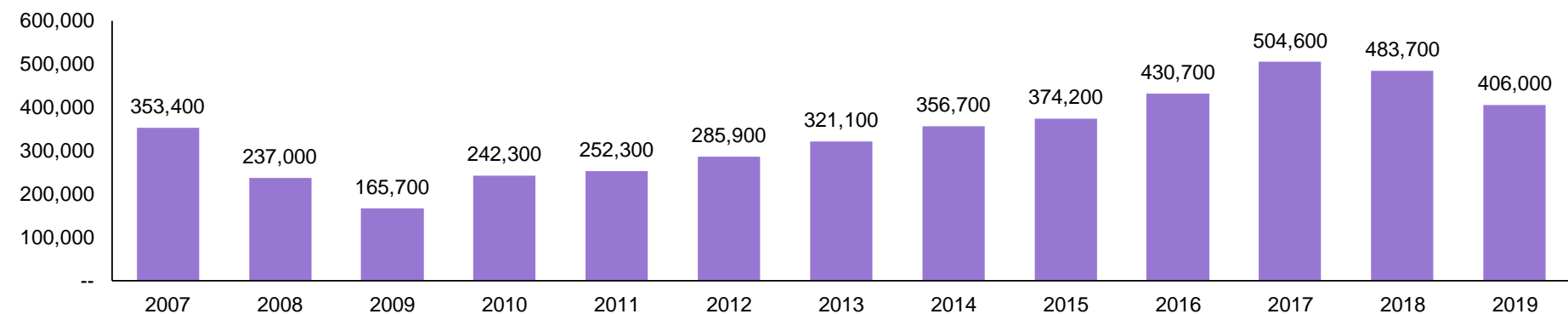
## Annual New Unit Sales: PWCs



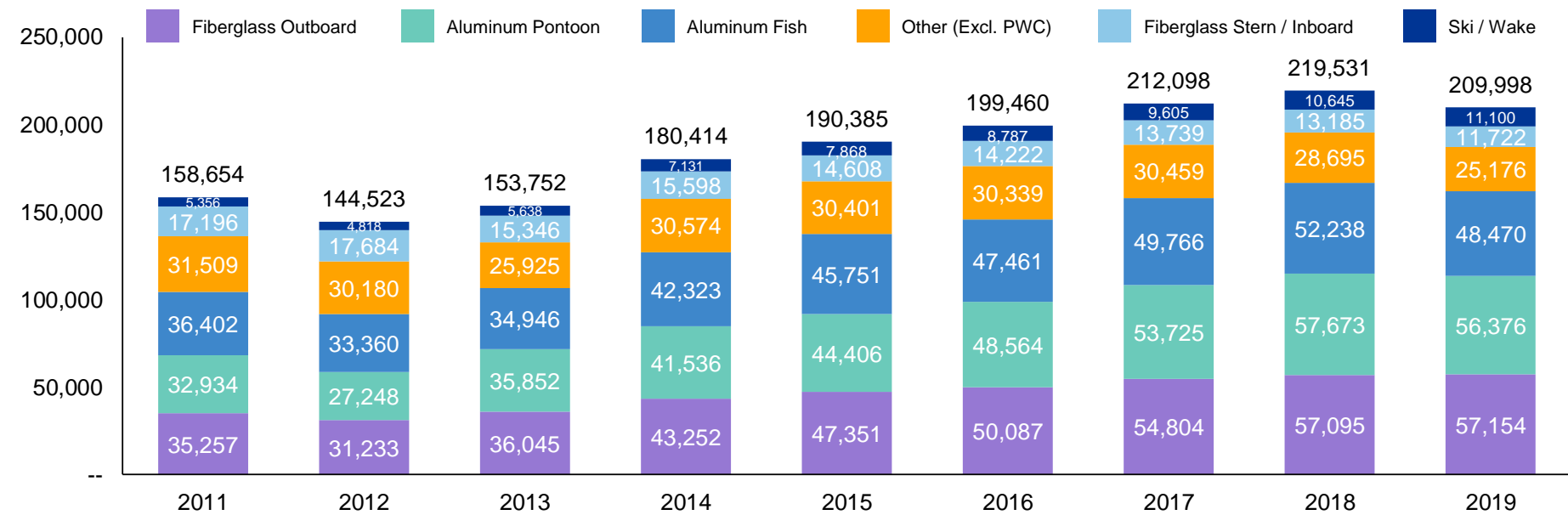


# Notwithstanding a Slowdown in 2018-19, RV and Powerboat Sales Have Generally Grown Steadily Since the Great Recession

## Annual Unit Shipments: RVs



## Annual Registrations: Powerboats



Source: RVIA, Statistical Surveys, Inc.

# Automotive and Powersports Trading Update

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# Automotive – Trading Analysis

(Amounts in USD Millions)	Stock Price	% of 52 Week	YTD % Change	Equity Value	Enterprise Value <sup>(a)</sup>	LTM Revenue	EV / Revenue			EV / EBITDA <sup>(b)</sup>			P / E		LTG Rate	P/E/G 2021E	Dividend Yield <sup>(c)</sup>		
Company Name	10/2/20	High					LTM	2020E	2021E	LTM	2020E	2021E	2020E	2021E					
Valvoline	\$19.56	83.0	%	(8.6)	%	\$3,619	\$4,884	\$2,330	2.1 x	2.1 x	1.9 x	11.1 x	10.1 x	8.9 x	14.7 x	12.0 x	5.0 %	2.4 x	2.3 %
Boyd Group	157.12	91.7		3.3		3,374	3,907	1,663	2.3	2.4	1.9	27.7	18.6	13.4	NM	35.9	15.0	2.4	0.3
Monro	42.33	52.0		(45.9)		1,409	1,972	1,187	1.7	1.7	1.6	12.8	14.5	9.5	NM	21.0	15.0	1.4	2.1
Service Providers	Mean	75.6	%	(17.1)	%				2.0 x	2.1 x	1.8 x	17.2 x	14.4 x	10.6 x	14.7 x	23.0 x	11.7 %	2.1 x	1.6 %
	Median	83.0		(8.6)					2.1	2.1	1.9	12.8	14.5	9.5	14.7	21.0	15.0	2.4	2.1
O'Reilly Automotive	\$458.24	94.9	%	4.6	%	\$33,939	\$37,161	\$10,718	3.5 x	3.3 x	3.2 x	15.3 x	14.3 x	14.5 x	21.0 x	21.0 x	15.4 %	1.4 x	-- %
AutoZone	1,176.99	94.1		(1.2)		27,513	31,276	12,632	2.5	2.5	2.4	10.9	11.4	11.0	17.4	15.4	7.8	2.0	--
Advance Auto Parts	155.50	91.6		(2.9)		10,680	10,778	9,624	1.1	1.1	1.1	11.3	10.1	9.6	18.6	17.0	10.2	1.7	0.6
Product Retailers	Mean	93.6	%	0.1	%				2.4 x	2.3 x	2.2 x	12.5 x	11.9 x	11.7 x	19.0 x	17.8 x	11.1 %	1.7 x	0.6 %
	Median	94.1		(1.2)					2.5	2.5	2.4	11.3	11.4	11.0	18.6	17.0	10.2	1.7	0.6
Genuine Parts Company	\$95.85	89.0	%	(9.8)	%	\$13,828	\$16,083	\$18,591	0.9 x	0.9 x	0.9 x	12.3 x	12.3 x	11.5 x	19.5 x	17.8 x	2.9 %	6.1 x	3.3 %
LKQ Corporation	28.51	78.5		(20.1)		8,675	11,531	11,785	1.0	1.0	0.9	9.4	9.6	8.6	13.6	11.3	NA	NM	--
Inter Cars	58.61	81.4		8.8		830	1,173	2,259	0.5	0.5	0.5	10.6	11.1	9.7	17.4	9.8	NA	NM	--
Mekonomen	10.26	94.3		(1.7)		578	1,134	1,322	0.9	0.9	0.8	11.8	7.0	6.2	15.8	10.2	4.2	2.5	--
Uni-Select	4.66	46.6		(45.7)		198	736	1,574	0.5	0.5	0.5	11.6	9.9	6.6	NM	12.6	NA	NM	--
Distributors	Mean	78.0	%	(13.7)	%				0.7 x	0.8 x	0.7 x	11.1 x	10.0 x	8.5 x	16.6 x	12.3 x	3.5 %	4.3 x	3.3 %
	Median	81.4		(9.8)					0.9	0.9	0.8	11.6	9.9	8.6	16.6	11.3	3.5	4.3	3.3
BorgWarner	\$39.20	84.6	%	(9.6)	%	\$8,124	\$9,332	\$8,756	1.1 x	1.1 x	0.9 x	7.1 x	7.9 x	6.0 x	18.7 x	11.0 x	5.8 %	1.9 x	1.7 %
NGK Spark Plug Co.	17.40	79.7		(13.9)		3,539	4,223	3,733	1.1	1.1	1.0	6.7	6.9	5.8	15.3	11.4	19.7	0.6	2.7
Dorman Products	94.21	100.0		24.4		3,036	2,775	984	2.8	2.7	2.5	19.1	19.2	16.8	34.3	28.6	NA	NM	--
Visteon Corporation	70.56	73.6		(18.5)		1,963	2,088	2,489	0.8	0.9	0.7	14.7	13.5	7.7	NM	18.3	25.4	0.7	--
Meritor	22.62	84.9		(13.6)		1,635	2,614	3,314	0.8	1.0	0.8	8.9	15.3	7.4	NM	10.3	NA	NM	--
Standard Motor Products	46.77	84.5		(12.1)		1,045	1,114	1,051	1.1	1.0	1.0	11.1	10.0	8.4	18.9	13.6	NA	NM	--
Tenneco	7.55	48.5		(42.4)		614	6,457	14,935	0.4	0.5	0.4	8.0	8.4	5.2	NM	3.6	(0.3)	NM	--
Motorcar Parts of America	15.59	68.3		(29.2)		297	410	522	0.8	0.8	0.7	13.7	6.1	4.7	11.7	7.6	25.0	0.3	--
Suppliers	Mean	78.0	%	(14.4)	%				1.1 x	1.1 x	1.0 x	11.2 x	10.9 x	7.7 x	19.8 x	13.1 x	15.1 %	0.9 x	2.2 %
	Median	82.1		(13.8)					0.9	1.0	0.8	10.0	9.2	6.7	18.7	11.2	19.7	0.7	2.2

Source: Public filings and Capital IQ as of October 2, 2020. Forward estimates represent median aggregate consensus estimates from Capital IQ or Thomson Eikon.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Enterprise Value represents equity value plus book value of total debt (excluding leases and floor plan financing, where applicable), preferred stock and minority interests less cash.

(b) EBITDA burdened for estimated interest expense associated with floor plan financing, where applicable.

(c) Dividend yield represents annualized dividend per share divided by current share price.



# Automotive – Operating Analysis

(Amounts in USD Millions)												
Company Name	LTM EBITDA <sup>(a)</sup>	Growth Rates				Operating Efficiency			Credit Statistics			
		Revenue CAGR		EBITDA CAGR		Gross Margin	EBITDA Margin	EBITDA - Capex / Sales <sup>(b)</sup>	Total Debt <sup>(c)</sup>	Credit Rating <sup>(d)</sup>	Total Debt / EBITDA	EBITDA - Capex / Int. <sup>(e)</sup>
		'17-'19	'19-'21	'17-'19	'19-'21							
Valvoline	\$441	6.8 %	2.2 %	(12.0) %	13.4 %	35.5 %	18.9 %	13.4 %	\$2,016	BB	4.6 x	4.3 x
Boyd Group	141	20.6	9.9	26.0	34.6	45.4	8.5	6.7	918	--	6.5	3.4
Monro	155	7.2	0.1	6.3	3.8	36.7	13.0	8.2	710	--	4.6	3.4
<b>Service Providers</b>	<b>Mean</b>	<b>11.5 %</b>	<b>4.0 %</b>	<b>6.7 %</b>	<b>17.3 %</b>	<b>39.2 x</b>	<b>13.5 x</b>	<b>9.4 x</b>			<b>5.2 x</b>	<b>3.7 %</b>
	<b>Median</b>	<b>7.2</b>	<b>2.2</b>	<b>6.3</b>	<b>13.4</b>	<b>36.7</b>	<b>13.0</b>	<b>8.2</b>			<b>4.6</b>	<b>3.4</b>
O'Reilly Automotive	\$2,430	6.3 %	6.5 %	5.8 %	8.1 %	53.0 %	22.7 %	17.3 %	\$4,127	BBB	1.7 x	12.2 x
AutoZone	2,864	4.5	4.5	3.8	4.6	53.6	22.7	18.7	5,513	BBB	1.9	11.8
Advance Auto Parts	951	1.8	1.9	9.3	6.1	43.7	9.9	6.8	1,240	BBB-	1.3	15.5
<b>Product Retailers</b>	<b>Mean</b>	<b>4.2 %</b>	<b>4.3 %</b>	<b>6.3 %</b>	<b>6.2 %</b>	<b>50.1 x</b>	<b>18.4 x</b>	<b>14.3 x</b>			<b>1.6 x</b>	<b>13.2 %</b>
	<b>Median</b>	<b>4.5</b>	<b>4.5</b>	<b>5.8</b>	<b>6.1</b>	<b>53.0</b>	<b>22.7</b>	<b>17.3</b>			<b>1.7</b>	<b>12.2</b>
Genuine Parts Company	\$1,312	9.0 %	(5.3) %	8.3 %	0.0 %	32.9 %	7.1 %	5.6 %	\$3,217	--	2.5 x	11.0 x
LKQ Corporation	1,225	13.3	(0.8)	8.7	1.6	39.3	10.4	8.3	3,278	BB	2.7	8.6
Inter Cars	110	12.9	3.9	7.7	5.8	29.8	4.9	3.6	420	--	3.8	5.5
Mekonomen	96	42.3	1.2	20.6	28.2	45.5	7.3	6.5	589	--	6.1	5.5
Uni-Select	63	9.6	(3.5)	(8.3)	8.1	30.4	4.0	3.0	566	--	8.9	1.4
<b>Distributors</b>	<b>Mean</b>	<b>17.4 %</b>	<b>(0.9) %</b>	<b>7.4 %</b>	<b>8.7 %</b>	<b>35.6 x</b>	<b>6.7 x</b>	<b>5.4 x</b>			<b>4.8 x</b>	<b>6.4 %</b>
	<b>Median</b>	<b>12.9</b>	<b>(0.8)</b>	<b>8.3</b>	<b>5.8</b>	<b>32.9</b>	<b>7.1</b>	<b>5.6</b>			<b>3.8</b>	<b>5.5</b>
BorgWarner	\$1,314	1.9 %	(0.5) %	0.5 %	(2.8) %	19.3 %	15.0 %	10.3 %	\$3,059	BBB	2.3 x	15.9 x
NGK Spark Plug Co.	633	3.4	(0.7)	(6.1)	1.2	29.5	17.0	5.9	1,771	--	2.8	19.2
Dorman Products	145	4.8	5.8	(10.7)	2.1	34.0	14.7	12.8	99	--	0.7	NM
Visteon Corporation	142	(3.2)	2.2	(25.3)	16.5	9.9	5.7	0.2	770	BB-	5.4	0.4
Meritor	295	9.4	(10.4)	9.7	(9.6)	12.5	8.9	6.3	1,227	BB	4.2	3.2
Standard Motor Products	101	1.0	(0.6)	(1.7)	4.0	28.5	9.6	7.9	91	--	0.9	20.2
Tenneco	805	37.2	(3.3)	32.9	(1.4)	13.0	5.4	1.5	6,851	B	8.5	0.8
Motorcar Parts of America	30	10.4	7.6	(10.5)	31.5	22.2	5.7	3.2	142	--	4.7	0.7
<b>Suppliers</b>	<b>Mean</b>	<b>8.1 %</b>	<b>0.0 %</b>	<b>(1.4) %</b>	<b>5.2 %</b>	<b>21.1 x</b>	<b>10.3 x</b>	<b>6.0 x</b>			<b>3.7 x</b>	<b>8.6 %</b>
	<b>Median</b>	<b>4.1</b>	<b>(0.6)</b>	<b>(3.9)</b>	<b>1.7</b>	<b>20.8</b>	<b>9.2</b>	<b>6.1</b>			<b>3.5</b>	<b>3.2</b>

Source: Public filings and Capital IQ as of October 2, 2020. Forward estimates represent median aggregate consensus estimates from Capital IQ or Thomson Eikon.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) EBITDA burdened for estimated interest expense associated with floor plan financing, where applicable.

(b) Excludes business acquisitions, where applicable and available.

(c) Total debt excludes operating lease liabilities and floor plan financing, where applicable.

(d) S&P Credit Rating.

(e) Excludes interest expense associated with floor plan financing, where applicable.

# Automotive – Trading Analysis (Cont'd)

(Amounts in USD Millions)	Stock Price	% of 52 Week	YTD %	Equity Value	Enterprise Value <sup>(a)</sup>	LTM Revenue	EV / Revenue			EV / EBITDA <sup>(b)</sup>			P / E		LTG Rate	P/E/G 2021E	Dividend Yield <sup>(c)</sup>
Company Name	10/2/20	High	Change				LTM	2020E	2021E	LTM	2020E	2021E	2020E	2021E			
CarMax	\$95.55	87.8 %	9.0 %	\$15,686	\$30,241	\$19,478	1.6 x	x	1.7 x	1.4 x	24.9 x	27.3 x	20.1 x	27.3 x	17.5 x	11.1 %	1.6 x -- %
Lithia Motors	271.51	99.3	84.7	7,066	9,821	12,164	0.8	0.8	0.6	16.6	14.1	12.0	16.6	15.0	28.0	0.5	0.5
AutoNation	57.44	98.2	18.1	5,010	9,366	20,210	0.5	0.5	0.4	9.9	9.1	8.3	10.3	9.3	8.1	1.2	--
Penske Automotive Group	49.67	92.5	(1.1)	3,990	9,228	20,519	0.4	0.5	0.4	15.1	12.9	10.7	11.8	8.6	3.9	2.2	--
Asbury Automotive Group	103.73	84.6	(7.2)	2,001	3,225	6,788	0.5	0.5	0.4	9.1	8.8	7.6	10.4	8.2	16.8	0.5	--
Sonic Automotive	43.45	95.5	40.2	1,852	3,660	9,871	0.4	0.4	0.3	9.9	10.8	9.0	12.8	10.2	(0.1)	NM	0.9
Group 1 Automotive	97.33	89.1	(2.7)	1,711	4,161	11,052	0.4	0.4	0.4	9.0	8.6	8.7	6.1	6.9	5.4	1.3	--
Dealerships / Auto Sales	Mean	92.4 %	20.1 %				0.6 x	0.7 x	0.6 x	13.5 x	13.1 x	10.9 x	13.6 x	10.8 x	10.5 %	1.2 x	0.7 %
	Median	92.5	9.0				0.5	0.5	0.4	9.9	10.8	9.0	11.8	9.3	8.1	1.2	0.7
Tesla	\$415.09	83.3 %	396.1 %	\$386,784	\$393,879	\$25,708	15.3 x	13.0 x	9.3 x	NM x	NM x	49.9 x	NM x	NM x	67.3 %	NM x	-- %
Toyota Motor Corp.	65.26	86.9	(10.7)	182,451	334,382	254,588	1.3	5.0	1.2	10.7	33.2	12.6	NM	9.7	NA	NM	3.2
Volkswagen AG	155.57	71.2	(25.1)	81,985	281,849	263,484	1.1	1.1	1.0	15.3	10.8	7.5	16.7	6.4	2.3	2.8	3.7
Daimler AG	55.10	86.7	(5.3)	58,945	217,573	185,980	1.2	1.2	1.1	26.1	18.8	11.5	32.9	10.1	26.5	0.4	1.9
Bayerische Motoren Werke AG	73.49	82.2	(14.7)	47,433	163,450	116,981	1.4	1.5	1.4	15.0	14.0	11.3	14.3	9.0	(3.6)	NM	4.0
General Motors Company	30.46	78.7	(16.8)	43,591	143,971	115,786	1.2	1.2	1.1	17.3	9.9	7.0	11.5	6.5	9.5	0.7	--
PACCAR	84.99	94.0	7.4	29,419	35,699	20,708	1.7	2.2	1.9	14.4	25.1	16.3	25.5	17.1	6.4	2.7	4.2
Ford Motor Company	6.89	72.2	(25.9)	27,411	163,416	130,396	1.3	1.4	1.1	26.7	36.6	13.9	NM	8.9	5.8	1.5	--
Oshkosh Corporation	74.44	78.0	(21.4)	5,070	5,561	7,268	0.8	0.8	0.8	8.3	11.9	8.7	19.8	12.4	4.0	3.1	1.6
Navistar International Corp.	44.00	100.0	52.0	4,378	8,331	8,218	1.0	1.1	0.9	20.4	23.8	12.8	NM	22.7	5.0	4.5	--
Vehicle Manufacturers	Mean	83.3 %	33.6 %				2.6 x	2.9 x	2.0 x	17.1 x	20.4 x	15.2 x	20.1 x	11.4 x	13.7 %	2.2 x	3.1 %
	Median	82.7	(12.7)				1.2	1.3	1.1	15.3	18.8	12.1	18.2	9.7	5.8	2.7	3.4
Bridgestone	\$31.40	71.4 %	(18.5) %	\$22,110	\$26,777	\$29,701	0.9 x	0.9 x	0.8 x	6.4 x	6.6 x	5.1 x	20.2 x	10.8 x	30.2 %	0.4 x	3.0 %
Michelin	107.51	78.0	(16.4)	19,182	24,504	25,588	1.0	1.0	0.9	6.1	6.5	4.9	26.6	10.5	(1.4)	NM	2.2
Pirelli	4.16	60.7	(31.3)	4,164	9,799	5,585	1.8	2.0	1.8	11.7	9.3	7.3	17.7	10.4	(7.3)	NM	--
Hankook Tire	27.10	86.7	(6.1)	3,328	4,103	5,421	0.8	0.8	0.7	4.4	4.4	3.9	12.1	8.3	8.3	1.0	1.7
Toyo Tire	16.71	97.4	12.1	2,573	3,468	3,309	1.0	1.1	1.0	6.8	6.7	5.4	14.6	10.2	19.4	0.5	2.5
Yokohama Rubber	13.99	59.1	(30.7)	2,246	4,367	5,554	0.8	0.8	0.8	6.2	7.2	5.8	13.9	8.2	21.0	0.4	4.3
Goodyear Tire & Rubber Company	8.36	48.9	(46.3)	1,947	8,102	12,715	0.6	0.7	0.6	13.2	18.2	4.9	NM	13.7	3.0	4.6	--
Cooper Tire & Rubber Company	33.78	92.4	17.5	1,699	1,768	2,482	0.7	0.7	0.7	6.1	6.3	4.3	26.8	11.8	NA	NM	1.2
Kumho Tire	3.16	84.9	(12.4)	908	2,453	1,857	1.3	1.2	1.1	11.0	11.1	9.9	NM	NM	NA	NM	--
Tire Manufacturers	Mean	75.5 %	(14.7) %				1.0 x	1.0 x	0.9 x	8.0 x	8.5 x	5.7 x	18.8 x	10.5 x	10.5 %	1.4 x	2.5 %
	Median	78.0	(16.4)				0.9	0.9	0.8	6.4	6.7	5.1	17.7	10.5	8.3	0.5	2.4
Copart	\$107.34	100.0 %	18.0 %	\$25,329	\$25,249	\$2,206	11.4 x	11.5 x	9.8 x	27.8 x	28.6 x	23.2 x	43.5 x	34.7 x	15.0 %	2.3 x	-- %
Carvana <sup>(1)</sup>	222.70	93.5	141.9	39,149	40,382	4,415	9.1	7.5	5.1	NM	NM	NM	NM	NM	NA	NM	--
IAA	52.38	97.7	11.3	7,022	8,111	1,377	5.9	6.0	5.4	21.6	22.1	18.1	39.4	29.9	10.0	3.0	--
KAR Auction Services	15.41	58.1	(29.3)	1,991	4,201	2,438	1.7	1.8	1.5	10.4	10.3	8.2	23.0	12.5	8.1	1.5	--
CarParts.com	10.46	68.6	375.5	495	479	339	1.4	1.3	1.1	NM	36.5	24.6	NM	NM	NA	NM	--
RumbleON	34.13	51.1	106.7	76	144	576	0.3	0.3	0.3	NM	NM	NM	NM	NM	NA	NM	--
E-Commerce & Digital	Mean	78.2 %	104.0 %				5.0 x	4.7 x	3.9 x	19.9 x	24.4 x	18.5 x	35.3 x	25.7 x	11.0 %	2.3 x	-- %
	Median	81.1	62.4				3.8	3.9	3.3	21.6	25.4	20.7	39.4	29.9	10.0	2.3	--

Source: Public filings and Capital IQ as of October 2, 2020. Forward estimates represent median aggregate consensus estimates from Capital IQ or Thomson Eikon.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Enterprise Value represents equity value plus book value of total debt (excluding leases and floor plan financing, where applicable), preferred stock and minority interests less cash.

(b) EBITDA burdened for estimated interest expense associated with floor plan financing, where applicable.

(c) Dividend yield represents annualized dividend per share divided by current share price.

(1) Assumes conversion of any shares held by LLC unitholders / pre-IPO investors due to "up-C" corporate structure.

# Automotive – Operating Analysis (Cont'd)

(Amounts in USD Millions)												
Company Name	LTM EBITDA <sup>(a)</sup>	Growth Rates				Operating Efficiency			Credit Statistics			
		Revenue CAGR		EBITDA CAGR		Gross Margin	EBITDA Margin	EBITDA - Capex / Sales <sup>(b)</sup>	Total Debt <sup>(c)</sup>	Credit Rating <sup>(d)</sup>	Total Debt / EBITDA	EBITDA - Capex / Int. <sup>(e)</sup>
		'17-'19	'19-'21	'17-'19	'19-'21							
CarMax	\$1,215	7.3 %	5.1 %	2.8 %	3.0 %	14.5 %	6.2 %	4.9 %	\$15,266	--	12.6 x	10.6 x
Lithia Motors	591	11.9	12.9	11.0	18.5	15.9	4.9	3.7	2,875	BB+	4.9	3.7
AutoNation	947	(0.6)	2.9	1.6	8.4	16.8	4.7	3.6	4,613	BBB-	4.9	3.6
Penske Automotive Group	613	4.1	(0.9)	3.9	6.5	14.9	3.0	2.1	5,379	BB	8.8	2.2
Asbury Automotive Group	356	5.6	11.7	6.1	7.2	16.3	5.2	4.4	1,837	BB+	5.2	3.5
Sonic Automotive	370	2.5	6.7	17.4	(2.3)	14.6	3.7	2.8	2,008	BB-	5.4	3.2
Group 1 Automotive	463	3.9	0.6	4.7	0.1	15.4	4.2	3.4	2,522	BB+	5.5	3.0
Dealerships / Auto Sales	Mean	5.0 %	5.6 %	6.8 %	5.9 %	15.5 x	4.6 x	3.5 x			6.7 x	4.3 %
	Median	4.1	5.1	4.7	6.5	15.4	4.7	3.6			5.4	3.5
Tesla	\$3,445	44.6 %	31.4 %	2,238.3 %	90.0 %	19.8 %	13.4 %	6.0 %	\$14,228	B+	4.1 x	2.1 x
Toyota Motor Corp.	31,359	2.0	2.1	4.1	(19.0)	16.8	12.3	(0.1)	227,389	A+	7.3	NM
Volkswagen AG	18,444	4.2	6.2	8.9	3.0	15.5	7.0	1.1	255,270	BBB+	13.8	1.3
Daimler AG	8,322	1.6	7.2	(31.9)	43.4	14.1	4.5	0.0	185,729	BBB+	22.3	0.1
Bayerische Motoren Werke AG	10,895	2.7	17.1	(2.7)	(1.4)	13.0	9.3	2.7	138,614	A	12.7	6.0
General Motors Company	8,302	(4.1)	3.0	(7.6)	27.2	8.3	7.2	(10.7)	127,173	BBB	15.3	NM
PACCAR	2,478	15.2	(10.6)	3.8	(21.0)	13.5	12.0	3.2	10,447	A+	4.2	23.9
Ford Motor Company	6,116	(0.7)	(0.4)	(14.3)	2.6	4.7	4.7	(0.7)	175,230	BB+	28.7	NM
Oshkosh Corporation	673	7.2	(7.1)	13.7	(13.6)	17.1	9.3	6.9	823	BBB	1.2	8.2
Navistar International Corp.	408	9.9	(7.5)	10.3	(3.1)	15.3	5.0	1.9	5,559	B	13.6	0.8
Vehicle Manufacturers	Mean	8.2 %	4.2 %	222.3 %	10.8 %	13.8 x	8.5 x	1.0 x			12.3 x	6.1 %
	Median	3.4	2.6	4.0	0.6	14.7	8.2	1.5			13.2	2.1
Bridgestone	\$4,159	(1.6) %	(2.6) %	(5.6) %	0.1 %	36.3 %	14.0 %	6.2 %	\$10,280	A	2.5 x	10.8 x
Michelin	4,033	4.8	(3.4)	6.3	(2.7)	26.9	15.8	8.1	10,388	A-	2.6	6.5
Pirelli	838	(0.3)	(6.4)	3.9	(2.3)	67.4	15.0	9.1	7,260	--	8.7	3.6
Hankook Tire	939	0.5	(1.2)	(6.6)	1.7	26.5	17.3	12.7	2,037	BBB	2.2	15.2
Toyo Tire	511	(3.5)	0.0	(5.2)	3.5	34.5	15.4	5.4	1,147	--	2.2	8.8
Yokohama Rubber	702	0.3	(3.8)	1.6	(8.5)	31.8	12.6	5.6	2,475	--	3.5	7.3
Goodyear Tire & Rubber Company	614	(2.1)	(4.0)	(16.6)	5.2	17.1	4.8	(0.9)	6,981	B+	11.4	NM
Cooper Tire & Rubber Company	290	(1.8)	(2.2)	(13.6)	11.0	16.4	11.7	4.9	591	BB-	2.0	4.5
Kumho Tire	222	(9.2)	5.3	119.2	(3.5)	21.7	12.0	8.1	1,673	--	7.5	1.9
Tire Manufacturers	Mean	(1.4) %	(2.0) %	9.3 %	0.5 %	31.0 x	13.2 x	6.6 x			4.7 x	7.3 %
	Median	(1.6)	(2.6)	(5.2)	0.1	26.9	14.0	6.2			2.6	6.9
Copart	\$907	16.8 %	7.8 %	17.0 %	10.1 %	45.7 %	41.1 %	14.3 %	\$398	--	0.4 x	15.6 x
Carvana	(335)	114.2	42.4	NM	NM	13.0	(7.6)	(14.7)	1,049	CCC+	NM	NM
IAA	376	8.6	2.0	12.0	4.3	37.7	27.3	23.5	1,276	BB-	3.4	5.1
KAR Auction Services	406	11.5	(0.6)	0.5	1.1	41.1	16.6	11.3	2,650	B	6.5	1.9
CarParts.com	5	(3.8)	23.4	NM	NM	33.3	1.5	(0.4)	9	--	1.8	NM
RumbleON	(44)	982.7	(17.9)	NM	NM	4.9	(7.6)	(7.7)	71	--	NM	NM
E-Commerce & Digital	Mean	188.3 %	9.5 %	9.8 %	5.1 %	29.3 x	11.9 x	4.4 x			3.1 x	7.5 %
	Median	14.1	4.9	12.0	4.3	35.5	9.1	5.4			2.6	5.1

Source: Public filings and Capital IQ as of October 2, 2020. Forward estimates represent median aggregate consensus estimates from Capital IQ or Thomson Eikon.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) EBITDA burdened for estimated interest expense associated with floor plan financing, where applicable.

(b) Excludes business acquisitions, where applicable and available.

(c) Total debt excludes operating lease liabilities and floor plan financing, where applicable.

(d) S&P Credit Rating.

(e) Excludes interest expense associated with floor plan financing, where applicable.

Private and  
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# Powersports – Trading Analysis

(Amounts in USD Millions)		Stock Price	% of 52 Week	YTD % Change	Equity Value	Enterprise Value <sup>(a)</sup>	LTM Revenue	EV / Revenue			EV / EBITDA <sup>(b)</sup>			P / E		LTG Rate	P/E/G 2021E	Dividend Yield <sup>(c)</sup>												
Company Name	10/2/20	High						LTM	2020E	2021E	LTM	2020E	2021E	2020E	2021E		2021E													
Camping World Holdings <sup>(1)</sup>	\$31.20	73.8	%	111.7	%	\$2,791	\$3,686	\$4,987	0.7	x	0.7	x	0.7	x	12.8	x	7.8	x	7.3	x	10.1	x	9.8	x	NA	%	NM	x	2.2	%
MarineMax	26.06	77.7		56.1		564	477	1,419	0.3		0.4		0.3		5.2		7.3		5.8		18.2		12.3		NA		NM		--	
OneWater Marine <sup>(1) (2)</sup>	21.00	68.6		38.7		314	443	961	0.5		0.5		0.4		6.2		9.1		5.7		10.8		6.1		NA		NM		--	
Lazydays Holdings	12.46	80.1		203.9		118	226	708	0.3		0.3		0.3		8.3		4.8		5.2		8.8		11.6		25.0		0.5		--	
Apollo Tourism & Leisure	0.19	47.3		(44.7)		35	214	262	0.8		1.0		1.0		8.8		9.4		9.0		NM		NM		(30.2)		NM		--	
Powersports Dealers	Mean	69.5	%	73.1	%				0.5	x	0.6	x	0.6	x	8.3	x	7.7	x	6.6	x	12.0	x	10.0	x	(2.6)	%	0.5	x	2.2	%
	Median	73.8		56.1					0.5		0.5		0.4		8.3		7.8		5.8		10.4		10.7		(2.6)		0.5		2.2	
Honda Motor Co.	\$23.65	77.3	%	(19.4)	%	\$40,842	\$92,107	\$123,659	0.7	x	0.8	x	0.7	x	10.3	x	12.5	x	10.3	x	24.3	x	7.4	x	18.2	%	0.4	x	1.8	%
Suzuki Motor	42.36	83.7		(2.1)		20,559	22,400	28,467	0.8		0.8		0.7		7.7		9.7		7.0		NM		22.6		9.6		2.4		1.7	
Polaris	98.83	91.8		(2.8)		6,062	7,467	6,512	1.1		1.1		1.1		12.3		9.4		8.6		15.1		14.0		15.0		0.9		2.5	
Yamaha Motor Co.	14.61	65.7		(30.0)		5,106	8,522	14,151	0.6		0.7		0.6		7.9		12.7		6.7		NM		9.6		3.6		2.7		1.0	
BRP	54.20	96.1		21.7		4,758	6,043	4,310	1.4		1.4		1.3		11.4		9.7		8.5		18.3		15.7		12.3		1.3		--	
Harley-Davidson	25.81	63.8		(30.6)		3,903	13,688	4,508	3.0		4.0		3.3		35.3		40.2		19.0		46.1		10.3		8.0		1.3		0.3	
Kawasaki Heavy Industries	12.97	51.6		(43.1)		2,167	6,468	15,068	0.4		0.4		0.5		6.7		12.4		8.4		NM		30.9		NA		NM		--	
Pierer Mobility AG	60.11	96.2		4.9		1,341	2,226	1,609	1.4		1.3		1.1		9.5		9.4		7.0		NM		24.8		NA		NM		--	
Powersports Manufacturers	Mean	78.3	%	(12.7)	%				1.2	x	1.3	x	1.1	x	12.6	x	14.5	x	9.5	x	25.9	x	16.9	x	11.1	%	1.5	x	1.4	%
	Median	80.5		(11.1)					1.0		1.0		0.9		9.9		11.0		8.5		21.3		14.8		10.9		1.3		1.7	
Dometic Group	\$12.51	97.8	%	18.2	%	\$3,700	\$4,677	\$1,800	2.6	x	2.5	x	2.2	x	18.4	x	16.5	x	12.1	x	31.3	x	17.3	x	8.4	%	2.1	x	2.0	%
Thule Group	33.25	98.5		37.2		3,476	3,669	749	4.9		4.7		4.4		28.7		23.9		20.9		34.6		29.4		9.1		3.2		--	
Fox Factory	78.28	70.3		12.5		3,244	3,457	765	4.5		4.1		3.5		29.6		21.9		17.7		30.1		24.5		13.7		1.8		--	
LCI Industries	112.64	86.1		5.1		2,833	3,473	2,336	1.5		1.3		1.2		14.3		11.2		9.4		19.5		15.1		15.0		1.0		2.7	
ARB Corporation	20.50	100.0		52.6		1,636	1,639	334	4.9		4.8		4.4		24.8		23.3		20.3		39.4		33.2		10.0		3.3		1.4	
Patrick Industries	63.48	91.2		21.1		1,489	2,065	2,129	1.0		0.9		0.8		10.8		9.3		8.0		20.3		12.7		13.7		0.9		1.6	
Johnson Outdoors	86.18	90.2		12.4		862	681	534	1.3		1.2		1.2		10.6		NM		NM		17.1		15.9		11.0		1.4		1.0	
Horizon Global Corp.	5.88	91.9		68.5		152	363	604	0.6		NM		NM		NM		NM		NM		NM		NM		NA		NM		--	
Powersports/Recreation Acc.	Mean	90.8	%	28.5	%				2.7	x	2.8	x	2.5	x	19.6	x	17.7	x	14.7	x	27.5	x	21.2	x	11.6	%	2.0	x	1.7	%
	Median	91.5		19.6					2.0		2.5		2.2		18.4		19.2		14.9		30.1		17.3		11.0		1.8		1.6	
Brunswick	\$62.13	85.9	%	3.6	%	\$4,918	\$5,662	\$3,848	1.5	x	1.4	x	1.3	x	9.9	x	9.2	x	7.9	x	14.6	x	11.8	x	NA	%	NM	%	1.5	%
Malibu Boats <sup>(1)</sup>	53.62	86.7		30.9		1,144	1,200	653	1.8		1.8		1.5		11.2		11.4		7.9		18.1		11.7		NA		NM		--	
Sanlorenzo	19.47	94.4		3.4		672	696	583	1.2		1.1		1.1		10.8		9.0		8.2		18.6		16.7		28.1		0.6		--	
Bénéteau	7.85	59.8		(38.5)		641	1,072	1,603	0.7		0.9		0.9		6.0		10.5		11.6		NM		NM		NA		NM		3.5	
Marine Products Corporation	17.23	81.3		19.7		585	563	220	2.6		2.4		2.0		24.5		23.2		16.2		33.1		23.0		NA		NM		2.4	
MasterCraft Boat Holdings	18.90	82.1		20.0		359	451	363	1.2		1.3		0.9		10.8		11.9		6.5		18.8		8.4		NA		NM		--	
Marine Manufacturers	Mean	81.7	%	6.5	%				1.5	x	1.5	x	1.3	x	12.2	x	12.5	x	9.7	x	20.7	x	14.3	x	28.1	%	0.6	x	2.5	%
	Median	84.0		11.6					1.4		1.4		1.2		10.8		10.9		8.1		18.6		11.8		28.1		0.6		2.4	
Thor Industries	\$99.92	82.8	%	34.5	%	\$5,515	\$6,675	\$8,168	0.8	x	0.8	x	0.7	x	11.4	x	11.5	x	8.6	x	25.3	x	14.4	x	16.7	%	0.9	x	1.6	%
Trigano	144.96	93.3		30.7		2,795	2,888	2,775	1.0		1.1		1.0		10.5		11.8		9.2		17.9		13.6		17.0		0.8		1.6	
Winnebago Industries	53.95	76.1		1.8		1,818	2,137	2,148	1.0		0.9		0.7		14.9		13.5		8.4		27.1		12.4		15.0		0.8		0.9	
REV Group	8.03	56.0		(34.3)		510	883	2,314	0.4		0.4		0.4		22.1		12.4		8.9		NM		14.7		6.0		2.5		--	
KABE Group	18.90	97.4		17.4		170	162	233	0.7		NM		NM		13.0		NM		NM		NM		NM		NA		NM		--	
RV Manufacturers	Mean	81.1	%	10.0	%				0.8	x	0.8	x	0.7	x	14.4	x	12.3	x	8.8	x	23.4	x	13.8	x	13.7	%	1.2	x	1.4	%
	Median	82.8		17.4					0.8		0.8		0.7		13.0		12.1		8.8		25.3		14.0		15.8		0.8		1.6	%

Source: Public filings and Capital IQ as of October 2, 2020. Forward estimates represent median aggregate consensus estimates from Capital IQ or Thomson Eikon.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Enterprise Value represents equity value plus book value of total debt (excluding leases and floor plan financing, where applicable), preferred stock and minority interests less cash.

(b) EBITDA burdened for estimated interest expense associated with floor plan financing, where applicable.

(c) Dividend yield represents annualized dividend per share divided by current share price.

(1) Assumes conversion of any shares held by LLC unitholders / pre-IPO investors due to "up-C" corporate structure.

(2) YTD % change reflects percentage change from February 7, 2020, which is the day the company began trading publicly.

# Powersports – Operating Analysis

(Amounts in USD Millions)												
Company Name	LTM EBITDA <sup>(a)</sup>	Growth Rates				Operating Efficiency			Credit Statistics			
		Revenue CAGR		EBITDA CAGR		Gross Margin	EBITDA Margin	EBITDA - Capex / Sales <sup>(b)</sup>	Total Debt <sup>(c)</sup>	Credit Rating <sup>(d)</sup>	Total Debt / EBITDA	EBITDA - Capex / Int. <sup>(e)</sup>
		'17-'19	'19-'21	'17-'19	'19-'21							
Camping World Holdings	\$288	6.6 %	10.4 %	(26.8) %	61.4 %	28.4 %	5.8 %	4.9 %	\$1,202	--	4.2 x	3.9 x
MarineMax	91	10.6	4.4	25.2	(0.3)	26.1	6.4	5.6	--	--	NM	NM
OneWater Marine	71	42.0	13.2	80.7	16.3	22.7	7.4	6.9	117	--	1.6	6.9
Lazydays Holdings	27	1.9	17.4	(5.5)	34.7	20.5	3.8	1.9	106	--	3.9	2.3
Apollo Tourism & Leisure	24	19.2	(12.2)	(14.1)	(14.6)	34.6	9.3	3.3	197	--	8.1	1.7
<b>Powersports Dealers</b>	<b>Mean</b>	<b>16.0 %</b>	<b>6.6 %</b>	<b>11.9 %</b>	<b>19.5 %</b>	<b>26.4 x</b>	<b>6.5 x</b>	<b>4.5 x</b>			<b>4.4 x</b>	<b>3.7 %</b>
	<b>Median</b>	<b>10.6</b>	<b>10.4</b>	<b>(5.5)</b>	<b>16.3</b>	<b>26.1</b>	<b>6.4</b>	<b>4.9</b>			<b>4.0</b>	<b>3.1</b>
Honda Motor Co.	\$8,965	6.7 %	(2.2) %	(2.9) %	(13.5) %	19.9 %	7.3 %	4.5 %	\$72,381	A-	8.1 x	25.7 x
Suzuki Motor	2,927	0.2	(6.2)	(12.4)	(8.2)	28.4	10.3	3.2	7,781	--	2.7	17.6
Polaris	606	11.8	2.1	14.2	9.7	24.2	9.3	6.2	1,950	--	3.2	5.7
Yamaha Motor Co.	1,081	(0.2)	(3.4)	(8.1)	(10.1)	--	7.6	3.8	6,849	--	6.3	16.2
BRP	531	16.6	2.3	20.7	11.5	22.9	12.3	7.9	2,111	--	4.0	5.1
Harley-Davidson	388	(3.5)	(4.2)	(13.4)	(7.2)	25.2	8.6	4.9	10,231	BBB	26.4	7.2
Kawasaki Heavy Industries	967	2.1	(4.8)	(0.8)	(17.5)	15.3	6.4	1.9	5,781	--	6.0	8.1
Pierer Mobility AG	234	6.0	6.1	5.8	7.7	27.5	14.5	3.7	742	--	3.2	3.0
<b>Powersports Manufacturers</b>	<b>Mean</b>	<b>5.0 %</b>	<b>(1.3) %</b>	<b>0.4 %</b>	<b>(3.4) %</b>	<b>20.4 x</b>	<b>9.5 x</b>	<b>4.5 x</b>			<b>7.5 x</b>	<b>11.1 %</b>
	<b>Median</b>	<b>4.0</b>	<b>(2.8)</b>	<b>(1.8)</b>	<b>(7.7)</b>	<b>23.5</b>	<b>9.0</b>	<b>4.1</b>			<b>5.0</b>	<b>7.6</b>
Dometic Group	\$254	14.8 %	1.5 %	16.6 %	7.3 %	31.6 %	14.1 %	12.6 %	\$1,672	BB-	6.6 x	4.2 x
Thule Group	128	9.5	2.8	6.0	10.8	39.7	17.1	14.6	368	--	2.9	17.7
Fox Factory	117	25.7	15.0	27.5	23.2	32.2	15.3	6.1	406	--	3.5	7.7
LCI Industries	243	5.1	12.4	0.3	16.1	23.6	10.4	8.8	702	--	2.9	15.7
ARB Corporation	66	7.1	7.0	2.9	14.3	52.5	19.8	16.0	32	--	0.5	43.3
Patrick Industries	192	19.5	5.8	17.6	9.5	18.2	9.0	8.0	687	BB-	3.6	4.2
Johnson Outdoors	64	6.8	0.5	9.8	NA	44.6	12.1	9.1	0	--	0.0	NM
Horizon Global Corp.	(38)	(12.1)	NA	NM	NA	13.4	(6.3)	(7.9)	250	--	NM	NM
<b>Powersports/Recreation Acc.</b>	<b>Mean</b>	<b>9.6 %</b>	<b>6.4 %</b>	<b>11.5 %</b>	<b>13.5 %</b>	<b>32.0 x</b>	<b>11.4 x</b>	<b>8.4 x</b>			<b>2.8 x</b>	<b>15.5 %</b>
	<b>Median</b>	<b>8.3</b>	<b>5.8</b>	<b>9.8</b>	<b>12.5</b>	<b>31.9</b>	<b>13.1</b>	<b>8.9</b>			<b>2.9</b>	<b>11.7</b>
Brunswick	\$572	3.9 %	3.7 %	16.2 %	6.1 %	27.3 %	14.9 %	10.0 %	1,286	BBB-	2.2 x	5.4 x
Malibu Boats	107	42.0	4.5	38.4	8.3	23.2	16.4	10.1	\$83	--	0.8	17.0
Sanlorenzo	64	NA	4.2	NA	13.0	21.6	11.0	5.3	123	--	1.9	7.3
Bénéteau	178	4.9	(15.7)	2.9	(28.3)	53.4	11.1	5.9	519	--	2.9	21.6
Marine Products Corporation	23	4.5	(1.6)	7.6	(2.1)	21.0	10.4	9.7	--	--	NM	NM
MasterCraft Boat Holdings	42	33.0	2.9	24.7	(1.4)	21.1	11.5	7.6	109	--	2.6	5.5
<b>Marine Manufacturers</b>	<b>Mean</b>	<b>17.7 %</b>	<b>(0.3) %</b>	<b>18.0 %</b>	<b>(0.7) %</b>	<b>28.0 x</b>	<b>12.6 x</b>	<b>8.1 x</b>			<b>2.1 x</b>	<b>11.3 %</b>
	<b>Median</b>	<b>4.9</b>	<b>3.3</b>	<b>16.2</b>	<b>2.3</b>	<b>22.4</b>	<b>11.3</b>	<b>8.6</b>			<b>2.2</b>	<b>7.3</b>
Thor Industries	\$583	4.9 %	5.1 %	(7.4) %	9.2 %	13.7 %	7.1 %	5.8 %	\$1,672	BB-	2.9 x	4.4 x
Trigano	274	11.6	3.5	10.7	6.8	31.2	9.9	8.1	253	--	0.9	NM
Winnebago Industries	143	9.0	20.0	7.4	17.7	13.0	6.7	4.9	471	B+	3.3	3.8
REV Group	40	1.6	0.2	(27.1)	12.5	9.9	1.7	0.9	390	--	9.8	0.7
KABE Group	12	1.1	NA	(6.8)	NA	12.1	5.3	4.8	6	--	0.5	33.0
<b>RV Manufacturers</b>	<b>Mean</b>	<b>5.7 %</b>	<b>7.2 %</b>	<b>(4.6) %</b>	<b>11.6 %</b>	<b>16.0 x</b>	<b>6.2 x</b>	<b>4.9 x</b>			<b>3.5 x</b>	<b>10.5 %</b>
	<b>Median</b>	<b>4.9</b>	<b>4.3</b>	<b>(6.8)</b>	<b>10.9</b>	<b>13.0</b>	<b>6.7</b>	<b>4.9</b>			<b>2.9</b>	<b>4.1</b>

Source: Public filings and Capital IQ as of October 2, 2020. Forward estimates represent median aggregate consensus estimates from Capital IQ or Thomson Eikon.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) EBITDA burdened for estimated interest expense associated with floor plan financing, where applicable.

(b) Excludes business acquisitions, where applicable and available.

(c) Total debt excludes operating lease liabilities and floor plan financing, where applicable.

(d) S&P Credit Rating.

(e) Excludes interest expense associated with floor plan financing, where applicable.

# Macroeconomic Update

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# Coordinated Monetary And Fiscal Stimulus

The Federal Reserve and U.S. Government have enacted expansive Monetary and Fiscal stimulus measures to counteract the disruption caused by COVID-19

## Monetary Policy



- Near-Zero Interest Rates
- “Open Ended” Quantitative Easing Program
- Temporary Easing of Supplementary Leverage Ratio to Expand Credit to Households and Businesses
- Depository Banks’ Use of Discount Window
- Establishment of Facilities in Support of:
  - Investment Grade Corporate Bond Market (For Bonds Rated BBB-/Baa3 or Above as of March 22); program extended to directly purchase individual bonds
  - Commercial Paper Market
  - Money Market Funds
  - States and Municipalities; recently expanded to smaller municipalities
- Main Street Lending Program
  - 5-Year, Deferred Payment Loans to Businesses with up to 15,000 Employees or Revenues Less than \$5.0BN
  - Considering extension of funding to nonprofits

## Fiscal Policy

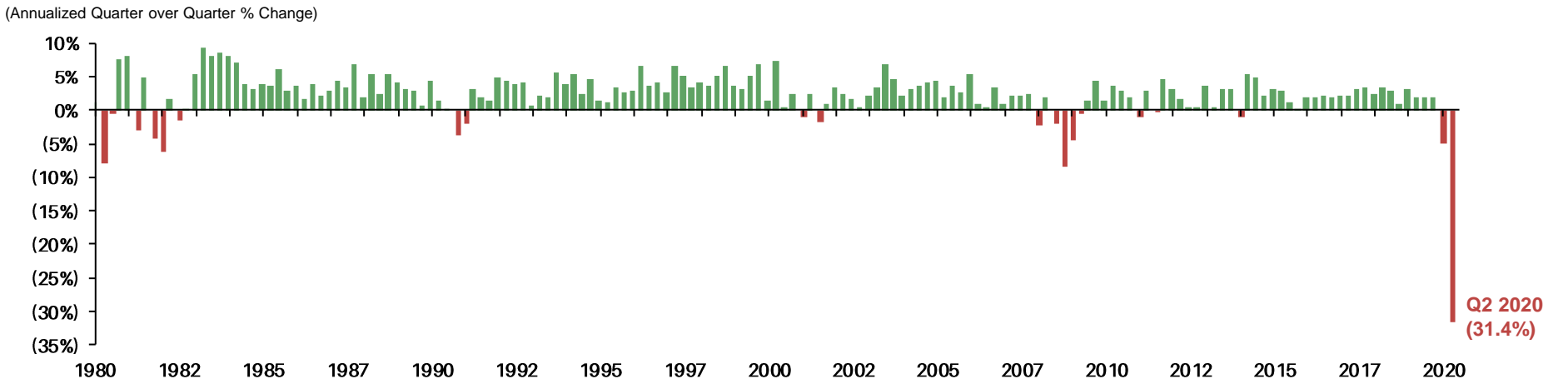


- **Phase I: \$8.3BN**
  - Vaccine Research
  - Money to State and Local Governments
- **Phase II: \$100-125BN**
  - Sick Leave and Unemployment Insurance
  - Additional Funding for Medicaid
- **Phase III “CARES Act”: \$2.2TN**
  - Unemployment Insurance
  - Direct Checks
  - Small Business Loans
  - Tax Benefits and Bail Outs for Distressed Industries
- **Phase III Supplement: \$484BN**
  - Replenish PPP and EIDL, Funding for Hospitals and Testing
- **“State of Emergency” Funding: \$50BN**
- **Phase IV “Lost Wages Assistance” Plan: \$44BN**
  - \$300 Additional Weekly Unemployment Benefits Extended to 6 Weeks, Extra Jobless Benefits
- **Delay of Tariff Payments For Distressed Companies**



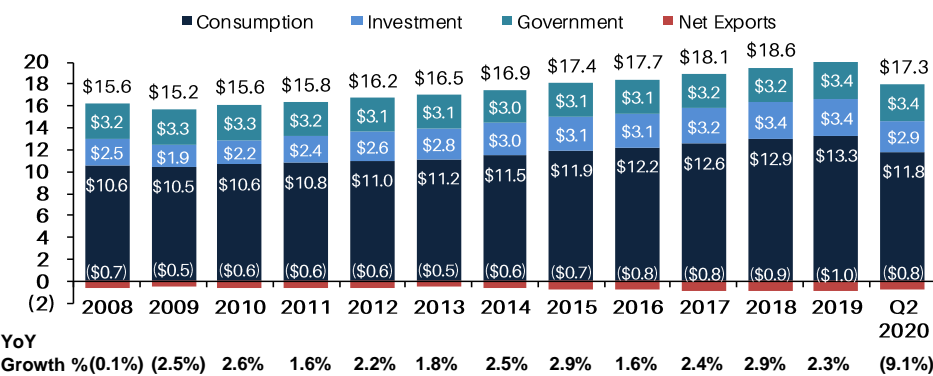
# U.S. Real GDP In Q2 2020 Had Record Contraction, But Is Expected To Rebound In 2H 2020

## U.S. Real GDP Growth (Constant 2009 Dollars)



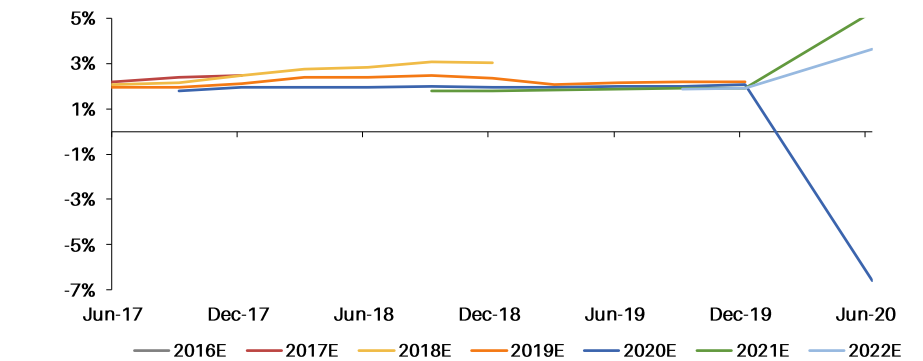
Source: Bureau of Economic Analysis as of September 2020.

## U.S. Real GDP (Constant 2009 Dollars)



Source: Bureau of Economic Analysis as of September 2020.

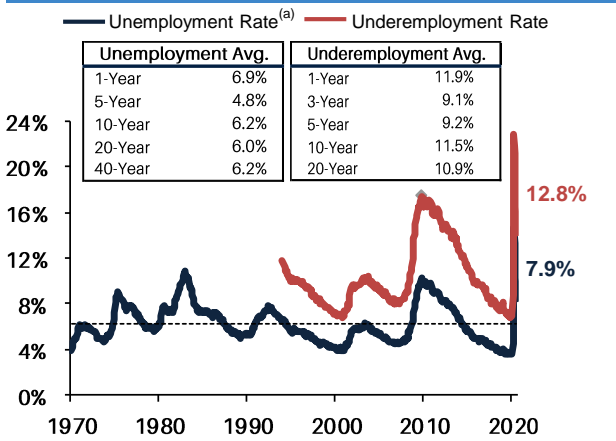
## FOMC GDP Growth Projections Over Time



Source: FOMC as of September 2020 (June represents latest available data).

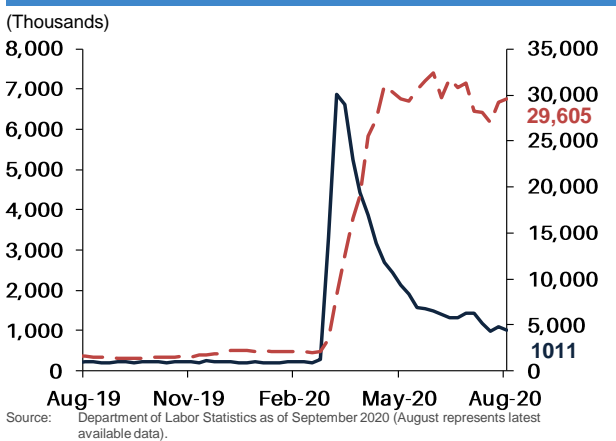
# After Over 50 Million Initial Claims Since March, Continuing Claims Across All Programs Remain Extremely Elevated; The Unemployment Rate Has Decreased To 7.9%

U.S. Unemployment Rate (Sept. Month-End) (a)(b)



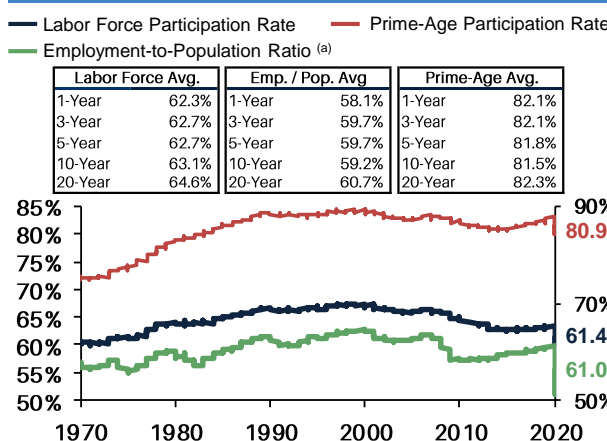
Source: BLS as of September 2020 (September represents latest available data).  
(a) Unemployment represents U-3 rate. Underemployment represents U-6 rate and is defined as total unemployed, plus all marginally attached workers plus total employed part time for economic reasons, as a percent of all civilian labor force plus all marginally attached workers.  
(b) There was a large number of workers who were classified as employed but absent from work; BLS and the Census Bureau are investigating this misclassification error.

Initial and Continuing Jobless Claims (Aug. Month-End) (a)



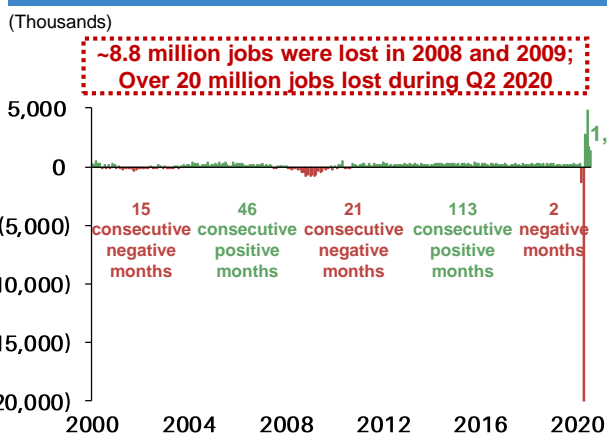
Source: Department of Labor Statistics as of September 2020 (August represents latest available data).  
(a) Continuing claims represents those in the Pandemic Emergency Unemployment Compensation program (PEUC), Pandemic Unemployment Assistance (PUA), Regular State programs and all other programs.

Labor Force Participation & Employment Rates (Sept. Month-End)



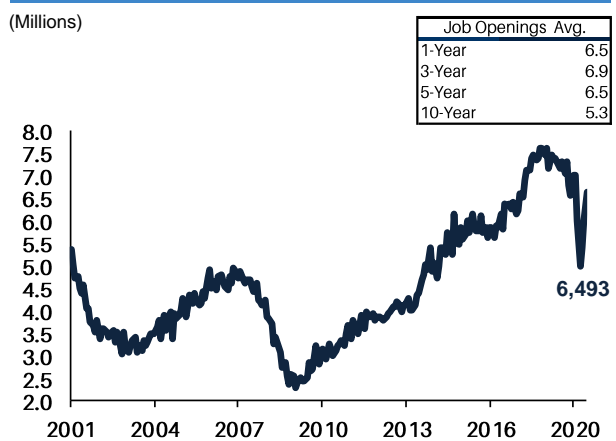
Source: BLS as of September 2020 (September represents latest available data).  
(a) Defined as the civilian labor force as a percentage of the total civilian population; the civilian labor force is defined as those either unemployed or employed and excludes those who want a job and have looked for work in the past 12 months, but who are not currently looking.

Change in Nonfarm Payrolls (Aug. Month-End)



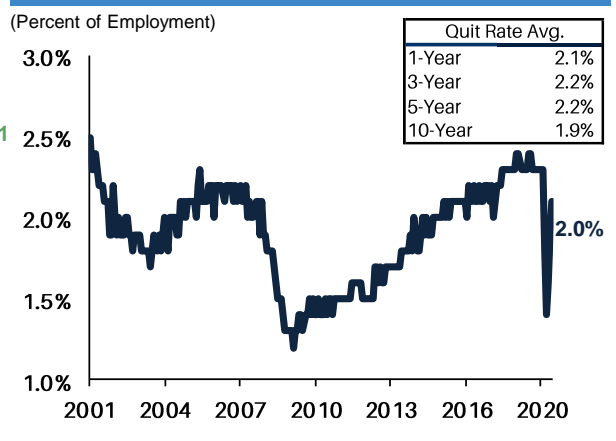
Source: BLS as of September 2020 (August represents latest available data).

Job Openings (Aug. Month-End)



Source: BLS as of September 2020 (August represents latest available data).

Quit Rate (Aug. Month-End)

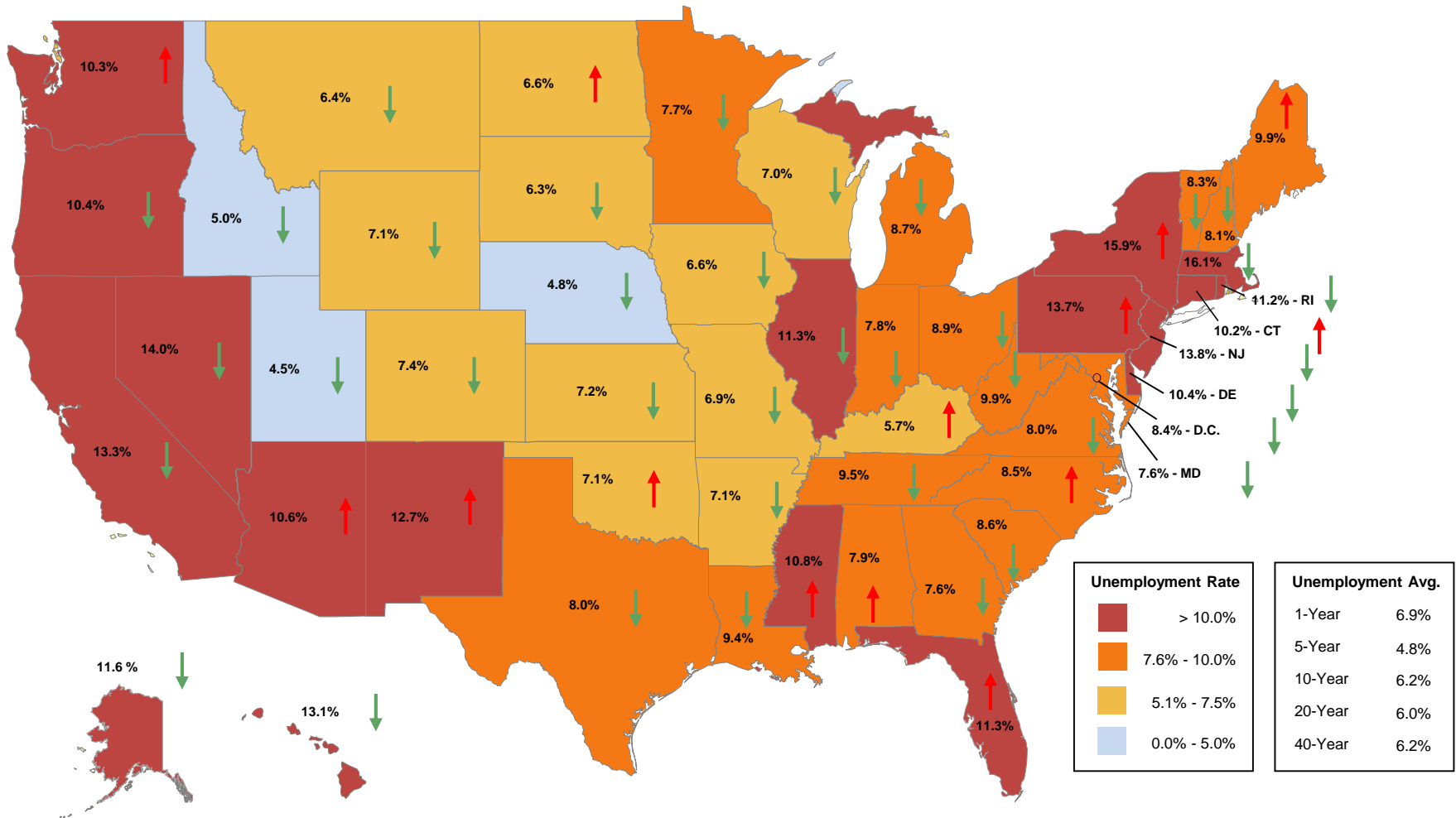


Source: BLS as of September 2020 (August represents latest available data).

# COVID-19 Shutdown Resulted In A Drastic Increase In Unemployment Across The U.S.

September unemployment and underemployment stand at 7.9% and 12.8%, respectively

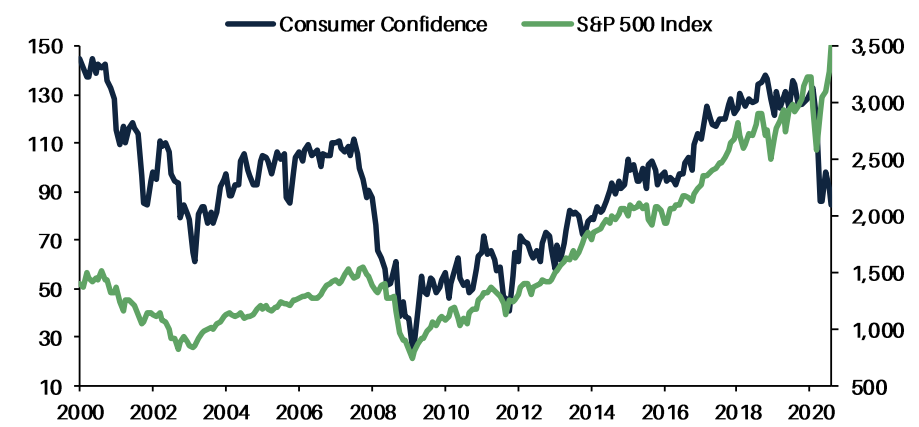
Current U.S. Unemployment Rate: 7.9% (a)



Source: BLS as of September 2020.  
Note: Data in map reflects August unemployment rates.  
a) Includes unemployed workers who are actively looking for work, involuntarily part-time workers and marginally attached workers (those who desire and are available for a job but are not actively looking).

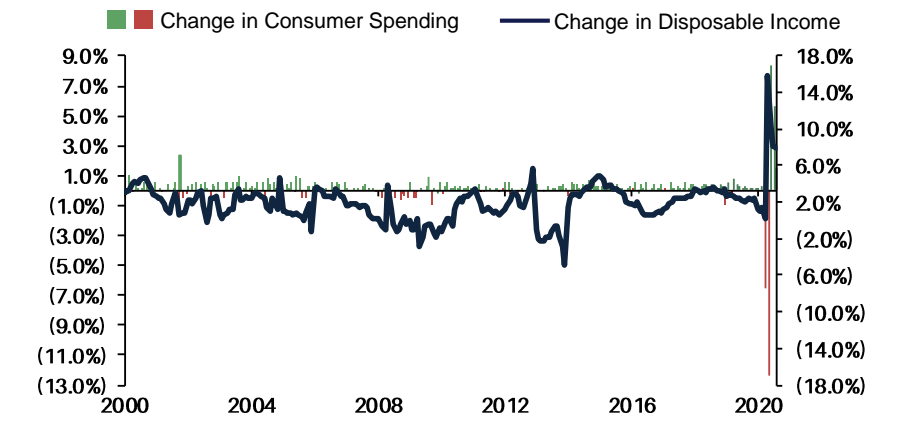
# After A Temporary Rebound, Consumer Confidence And Spending Declined Slightly As Disposable Income Remains Pressured And The Savings Rate Continues To Be Elevated

## Consumer Confidence and S&P 500



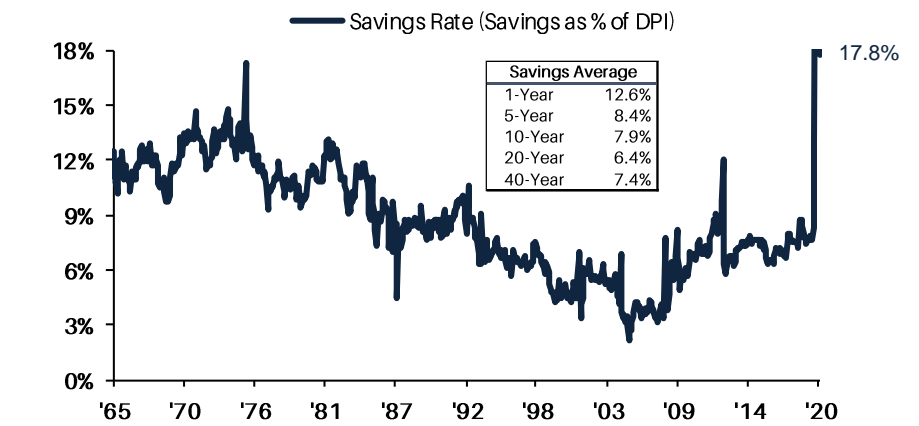
Source: Conference Board Consumer Confidence Index as of September 2020 (August represents the latest available data).

## U.S. Real Consumer Spending and Disposable Income



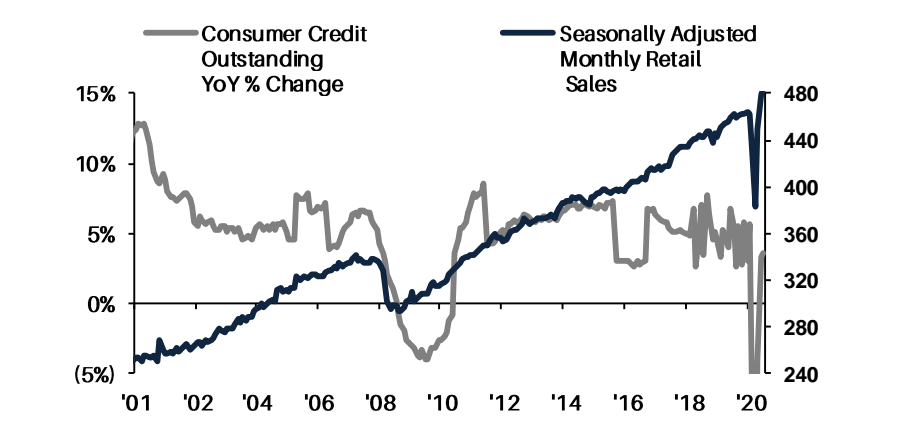
Source: BEA as of September 2020 (July represents latest available data).

## Savings Rate



Source: Federal Reserve Bank of St. Louis as of September 2020 (August represents the latest available data). DPI is Disposable Personal Income.

## Consumer Credit and Retail Sales

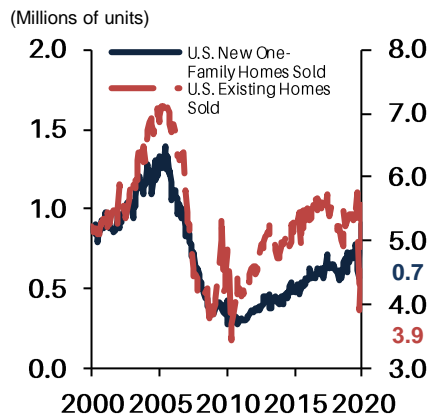


Source: Federal Reserve Board (Consumer Credit) and Census (Retail Sales) as of September 2020 (July represents the latest available data for Retail Sales and June for Consumer Credit).



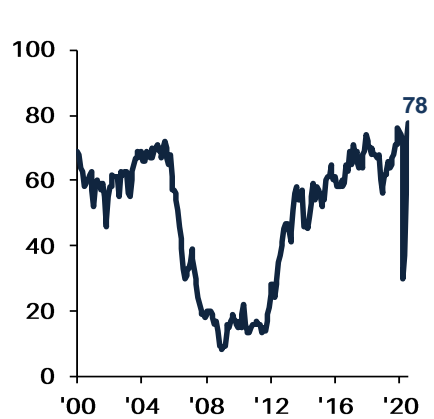
# Homebuilder Confidence, Mortgage Applications And Housing Starts Have Rebounded Significantly Since April, As Mortgage Rates Remain Historically Low

## Home Sales



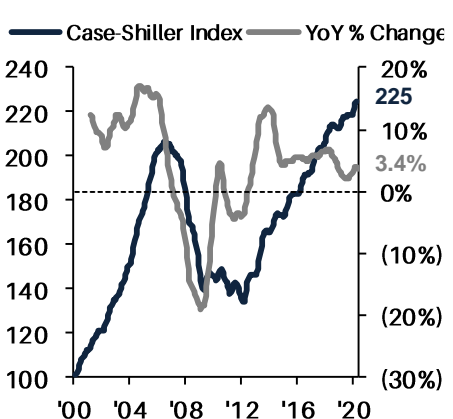
Source: U.S. Department of Commerce; Bureau of The Census Construction Reports as of September 2020 (latest update July 2020).

## Homebuilder Confidence



Source: National Association of Home Builders as of September 2020.

## Home Prices



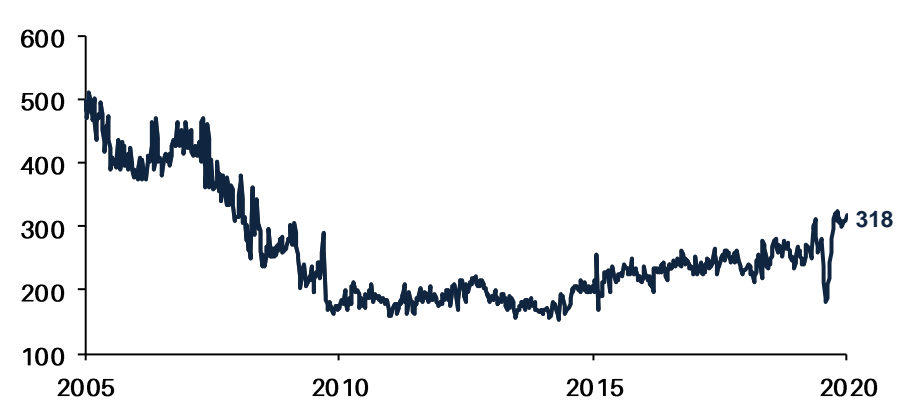
Source: S&P / Case-Shiller Composite-20 Home Price Index as of September 2020 (latest update as of July 2020).

## 30-Yr Fixed Rate



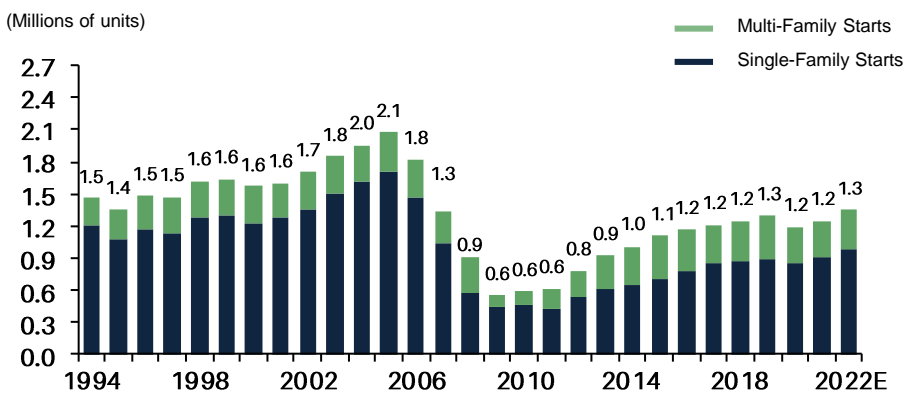
Source: Freddie Mac as of September 2020 (August represents latest available data).

## Mortgage Applications



Source: Mortgage Bankers Association as of September 2020.

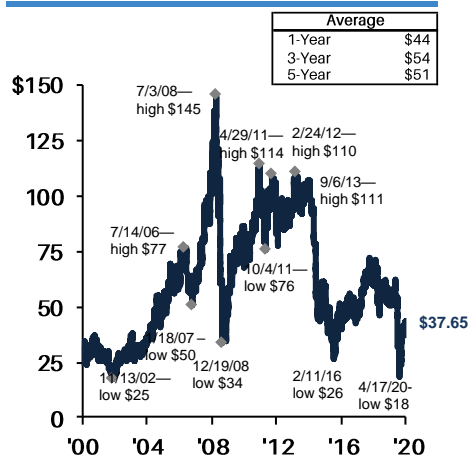
## Housing Starts



Source: National Association of Home Builders (Housing Starts) as of September 2020.

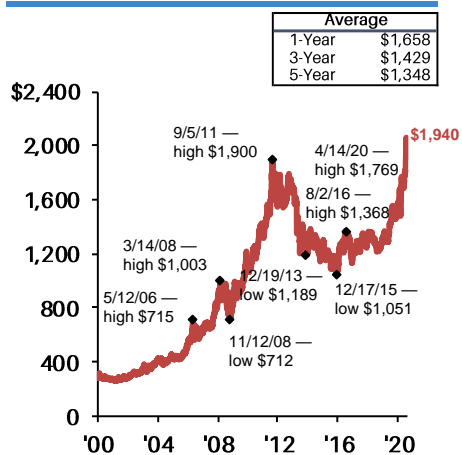
# Oil Prices Have Begun To Rebound After Being Pushed To Historic Lows; Gold Remains Elevated As Investors Flock To Safe Havens

**NYMEX Crude Oil Price (\$/Barrel)**



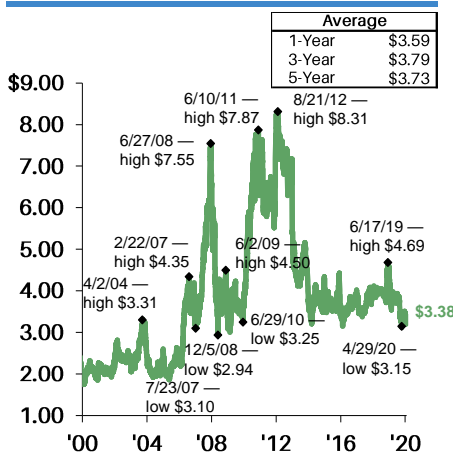
Source: NYMEX as of September 11, 2020.

**Gold (\$/Troy Oz.)**



Source: Capital IQ as of September 11, 2020.

**Corn (\$/Bushel)**



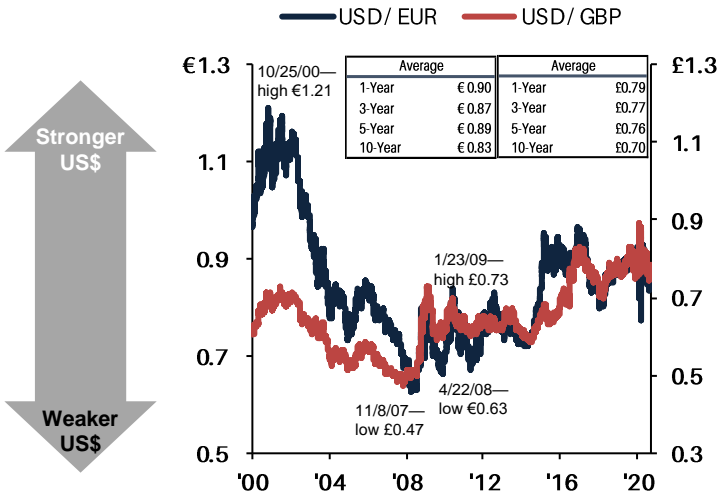
Source: Capital IQ as of September 11, 2020.

**Cotton (\$/Bushel)**



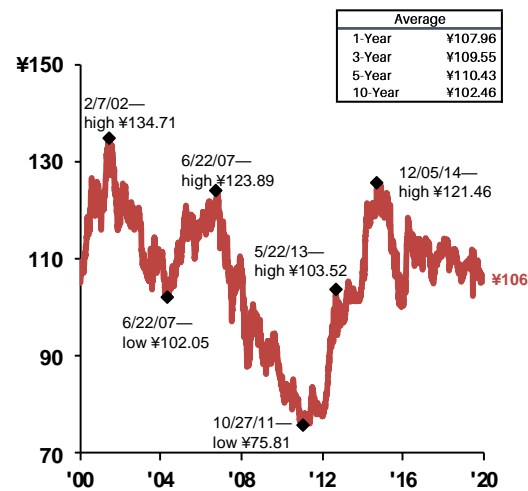
Source: Capital IQ as of September 11, 2020.

**USD / EUR & USD / GBP**



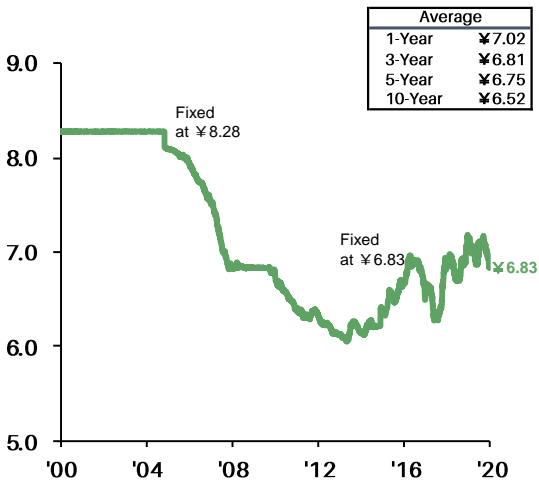
Source: Capital IQ as of September 11, 2020.

**USD / JPY**



Source: Capital IQ as of September 11, 2020.

**USD / CNY**



Source: Capital IQ as of September 11, 2020.



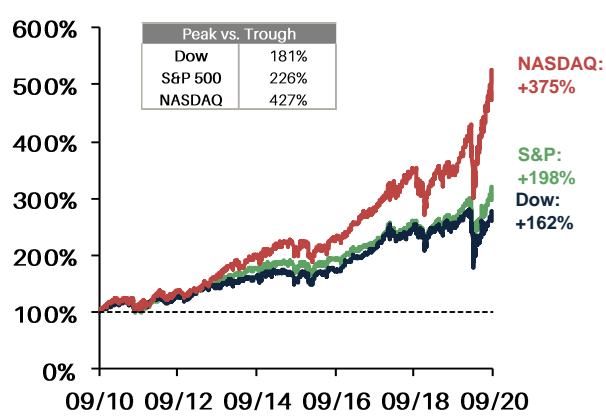
# Financial and M&A Markets Update

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# Markets Continue To Rally As Volatility Declines And States Begin To Reopen, Notwithstanding Challenges

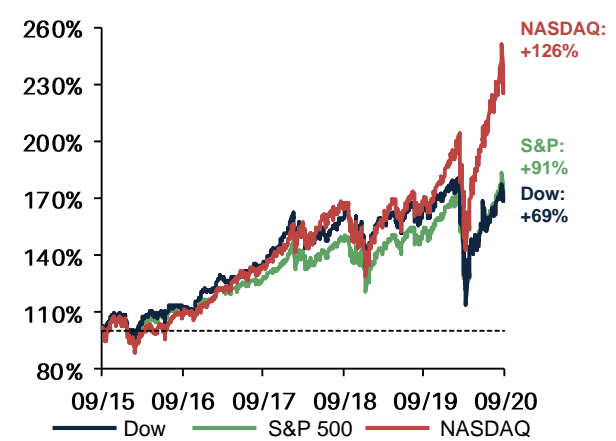
## Equity Market Performance

### 10 Year



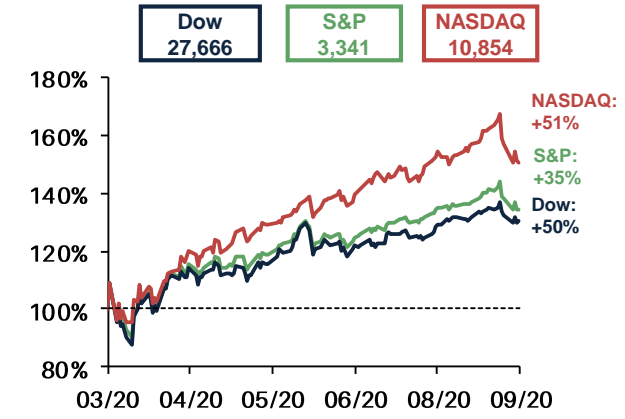
Source: Capital IQ as of September 2020.

### 5 Year



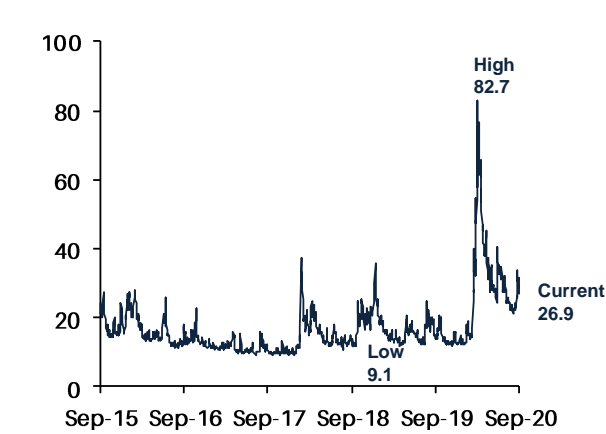
Source: Capital IQ as of September 2020.

### 6 Months



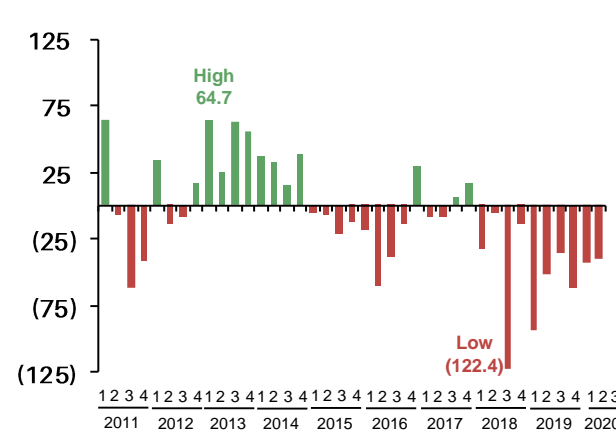
Source: Capital IQ as of September 2020.

## VIX S&P Volatility Index



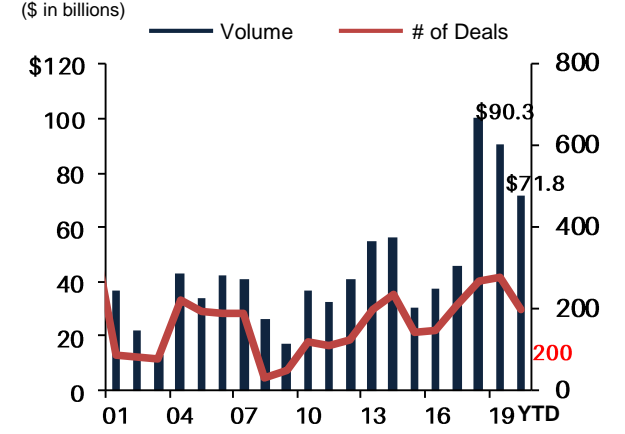
Source: Capital IQ as of September 2020.  
Represents CBOE Volatility S&P 500 Index.

## Equity Mutual Fund Flows



Source: Lipper US Fund Flows as of September 2020.

## IPO Volume and # of Deals

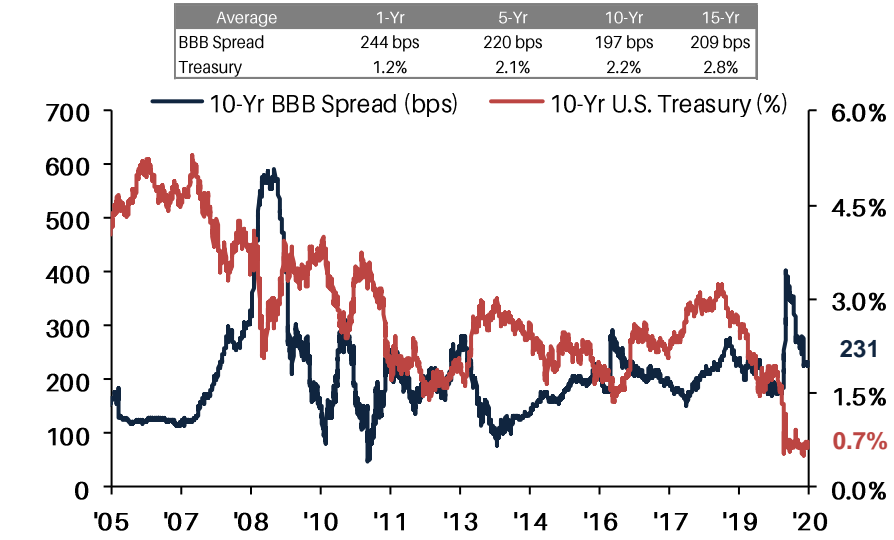


Source: Capital IQ as of September 2020.

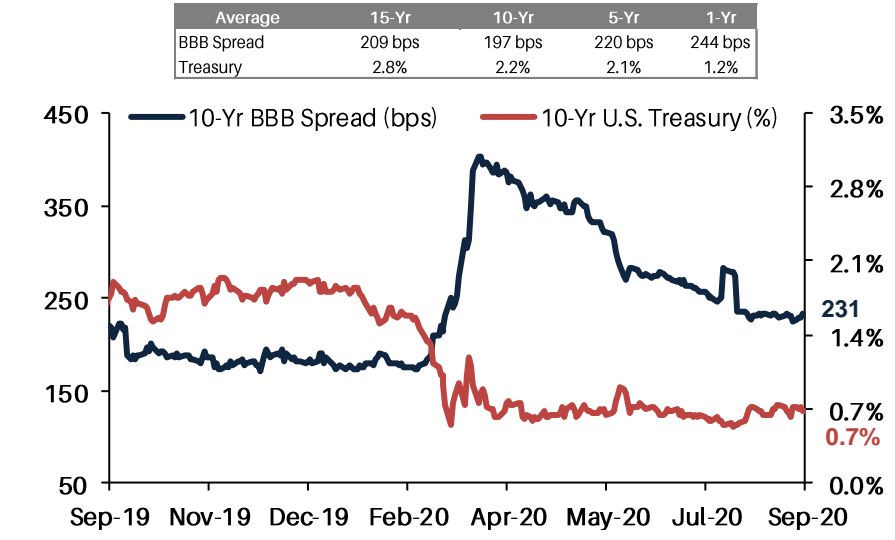


# 10-Year Treasury Yield, BBB Spreads And All-In Yields Have Decreased Since March And Remain Quite Low

## 10-Year BBB Spread Over Treasuries (15 Years)



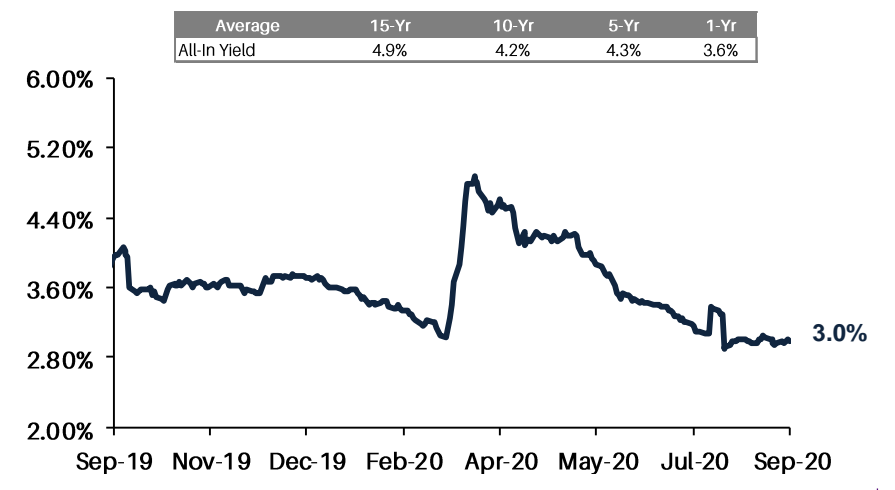
## 10-Year BBB Spread Over Treasuries (LTM)



## 10-Year BBB All-In Yield (15 Years)



## 10-Year BBB All-In Yield (LTM)

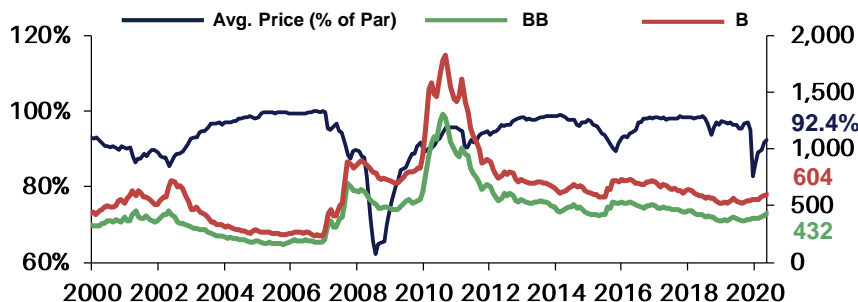


Source: Capital IQ as of September 2020.

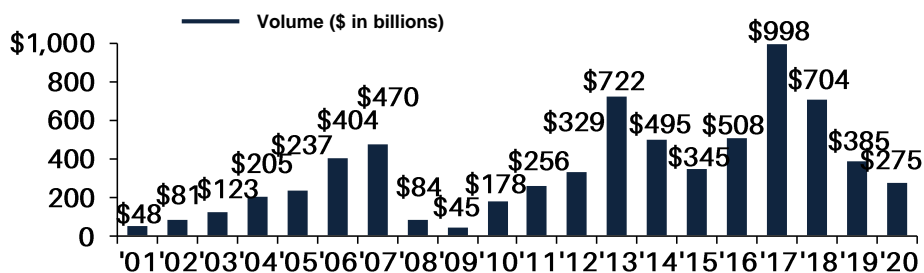
# Leveraged Loan Prices Have Rebounded Since Mid-April; High Yield Inflows And Issuance Have Remained Resilient Given Fed Support, Notwithstanding Default Increases

## Leveraged Loan Update

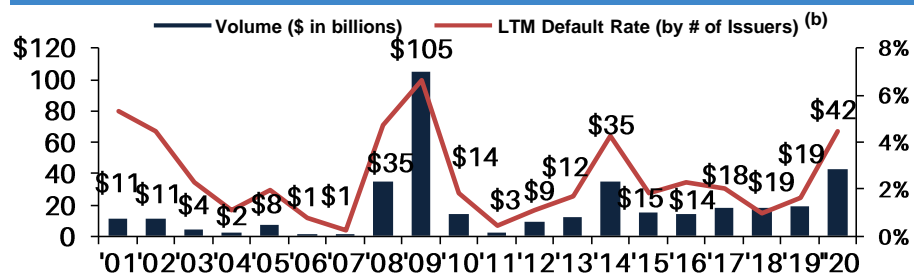
Leveraged Loan Average Price and BB and B Spreads (a)



Institutional Leveraged Loan New-Issue Activity (Inflation Adjusted)



Leveraged Loan Defaults (Inflation Adjusted)

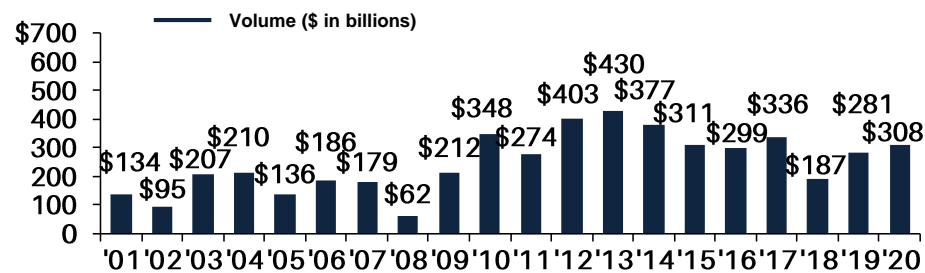


## High-Yield Bond Update

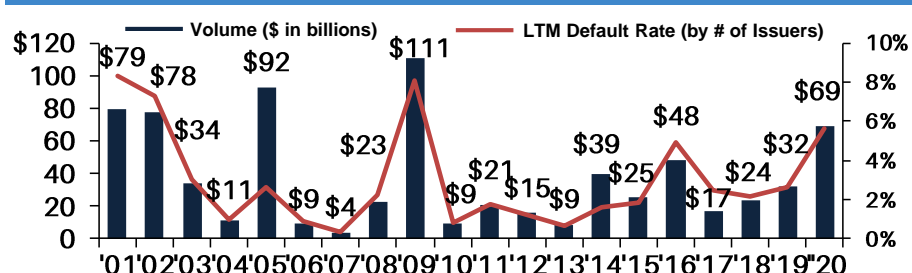
Average High-Yield Bond Yields



High-Yield Bond New-Issue Activity (Inflation Adjusted)



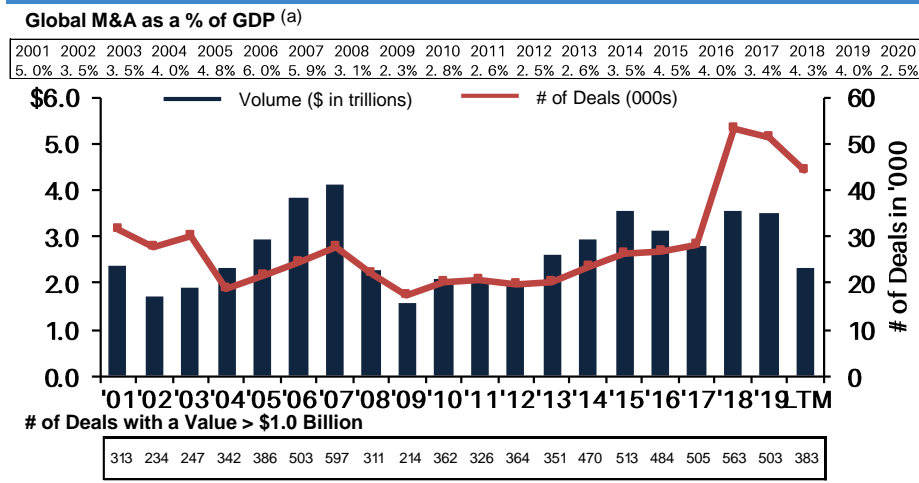
High-Yield Bond Defaults (Inflation Adjusted)



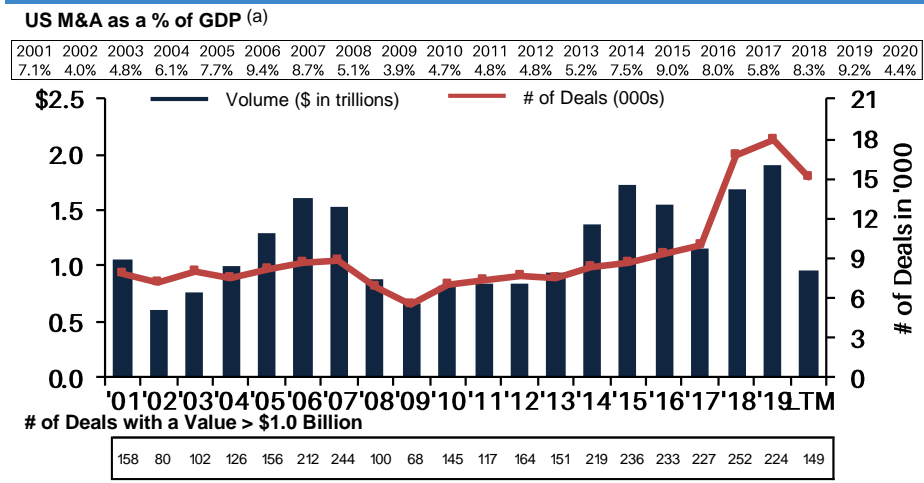
Source: Wall Street research and market indices as of September 2020.  
Note: Inflation adjusted volume numbers are adjusted to the CPI-U Index.  
a) BB and B data represent spreads to worst over comparable treasuries.  
b) Represents par-weighted default rates.

# Despite Challenging Economic Environment, M&A Activity Has Continued

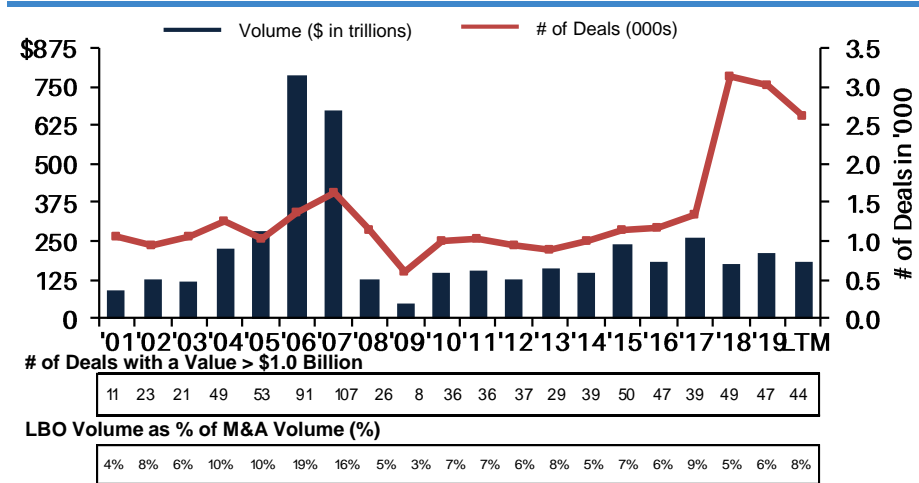
Global Announced M&A Volume (Inflation Adjusted)



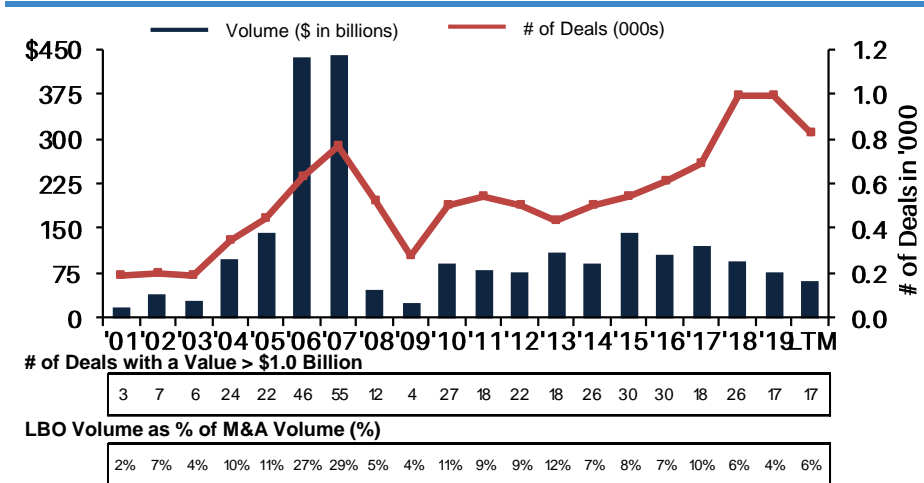
U.S. Announced M&A Volume (Inflation Adjusted)



Global Announced LBO Volume (Inflation Adjusted)



U.S. Announced LBO Volume (Inflation Adjusted)



Source: Capital IQ as of September 2020.  
Note: Inflation adjusted volume numbers are adjusted to the CPI-U Index.  
a) Global and U.S. GDP figures at current prices per the International Monetary Fund.

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