# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended December 31, 2023**
**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from ___________ to ___________**

**Commission file number: 001-39213**

# OneWater Marine Inc.
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Delaware** | **83-4330138** |
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification No.) |
| **6275 Lanier Islands Parkway**<br>**Buford, Georgia** | **30518** |
| (Address of principal executive offices) | (Zip code) |

(Registrant's telephone number, including area code): **(678) 541-6300**

**Securities registered pursuant to Section 12(b) of the Exchange Act:**

| Title of Each Class | Trading Symbol(s) | Name of Each Exchange on Which Registered |
|---|---|---|
| Class A common stock, par value $0.01 per share | ONEW | The Nasdaq Global Market |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☒ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The registrant had 14,569,936 shares of Class A common stock, par value $0.01 per share, and 1,429,940 shares of Class B common stock, par value $0.01 per share, outstanding as of January 24, 2024.

**ONEWATER MARINE INC.**
**FORM 10-Q**
**FOR THE QUARTER ENDED DECEMBER 31, 2023**

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information in this Quarterly Report on Form 10-Q includes “forward-looking statements.” All statements, other than statements of historical fact included in this Quarterly Report on Form 10-Q, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this Quarterly Report on Form 10-Q, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the headings “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” included in our Annual Report on Form 10-K for the year ended September 30, 2023, filed with the U.S. Securities and Exchange Commission (the “SEC”) on December 14, 2023, and under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Quarterly Report on Form 10-Q. These forward-looking statements are based on management’s current belief, based on currently available information, as to the outcome and timing of future events.

Forward-looking statements may include statements about:

- general economic conditions, including changes in employment levels, rates of inflation, consumer demand, preferences and confidence levels, fuel prices, levels of discretionary income, consumer spending patterns and uncertainty regarding the timing, pace and extent of an economic recovery in the United States;
- economic conditions in certain geographic regions in which we primarily generate our revenue;
- credit markets and the availability and cost of borrowed funds;
- our business strategy, including acquisitions and Dealership same-store growth or dispositions;
- our ability to integrate acquisitions;
- competition;
- our ability to maintain our relationships with manufacturers, including meeting the requirements of our dealer agreements and receiving the benefits of certain manufacturer incentives;
- changes in industry seasonality and changes in demand for our products and our ability to maintain acceptable pricing for our products and services, including financing, insurance and extended service contracts;
- effects of an inflationary environment on the cost of the products we sell and personnel and other expenses that are incurred within our operations;
- our ability to finance working capital and capital expenditures;
- our operating cash flows, the availability of capital and our liquidity;
- our future revenue, Dealership same-store sales, income, financial condition, and operating performance;
- our ability to sustain and improve our utilization, revenue and margins;
- seasonality and inclement weather such as hurricanes, severe storms, fire and floods, generally and in certain geographic regions in which we primarily generate our revenue;
- any potential tax savings we may realize as a result of our organizational structure;
- our future operating results and profitability; and
- plans, objectives, expectations and intentions contained in this Form 10-Q that are not historical.

We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. Should one or more of the risks or uncertainties occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements. These risks include, but are not limited to:

- decline in demand for our products and services;
- any global public health concerns, including, for example, our ability to safely operate our locations, access to inventory, and customer demand;
- the seasonality and volatility of the boat industry;
- general domestic and international political and regulatory conditions, including changes in tax or fiscal policy and the effects of past or future restrictions on various commercial and economic activities in response to public health concerns;
- environmental conditions and real or perceived human health or safety risks;
- our acquisition strategies and our ability to integrate additional marine retailers;
- effects of industry wide supply chain challenges and our ability to manage our inventory;
- our ability to retain key personnel and the effects of labor shortages;
- the inability to comply with the financial and other covenants and metrics in our credit facilities;
- cash flow and access to capital;
- the timing of development expenditures; and
- the other risks described under “Risk Factors” and discussed elsewhere in our Annual Report on Form 10-K for the year ended September 30, 2023 and discussed elsewhere in this Quarterly Report on Form 10-Q.

All forward-looking statements, expressed or implied, included in this Quarterly Report on Form 10-Q are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Any forward-looking statement that we make in this Quarterly Report on Form 10-Q speaks only as of the date of such statement. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q.

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## PART I – FINANCIAL INFORMATION

### Item 1. Condensed Consolidated Financial Statements (Unaudited)

**ONEWATER MARINE INC.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(In thousands, except par value and share data)**
**(Unaudited)**

| | December 31, 2023 | September 30, 2023 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS: | | |
| Cash | $ 44,569 | $ 84,648 |
| Restricted cash | 9,584 | 8,662 |
| Accounts receivable, net | 47,885 | 113,175 |
| Inventories, net | 706,805 | 609,616 |
| Prepaid expenses and other current assets | 78,469 | 65,798 |
| Total current assets | 887,312 | 881,899 |
| Property and equipment, net | 83,221 | 81,532 |
| Operating lease right-of-use assets | 133,699 | 135,667 |
| Other long-term assets | 7,827 | 6,069 |
| Deferred tax assets, net | 33,239 | 35,066 |
| Intangible assets, net | 211,173 | 212,324 |
| Goodwill | 336,602 | 336,602 |
| Total assets | $ 1,693,073 | $ 1,689,159 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | $ 18,897 | $ 27,113 |
| Other payables and accrued expenses | 42,918 | 54,826 |
| Customer deposits | 50,977 | 51,649 |
| Notes payable – floor plan | 562,815 | 489,024 |
| Current portion of operating lease liabilities | 14,843 | 14,568 |
| Current portion of long-term debt, net | 6,125 | 29,324 |
| Current portion of tax receivable agreement liability | 2,447 | 2,447 |
| Total current liabilities | 699,022 | 668,951 |
| Other long-term liabilities | 13,967 | 13,693 |
| Tax receivable agreement liability | 40,688 | 40,688 |
| Long-term operating lease liabilities | 121,404 | 123,310 |
| Long-term debt, net | 433,682 | 428,439 |
| Total liabilities | 1,308,763 | 1,275,081 |
| **STOCKHOLDERS' EQUITY** | | |
| Preferred stock, $0.01 par value, 1,000,000 shares authorized, none issued and outstanding as of December 31, 2023 and September 30, 2023 | - | - |
| Class A common stock, $0.01 par value, 40,000,000 shares authorized, 14,544,324 and 14,420,129 shares issued and outstanding as of December 31, 2023 and September 30, 2023, respectively | 145 | 144 |
| Class B common stock, $0.01 par value, 10,000,000 shares authorized, 1,429,940 shares issued and outstanding as of December 31, 2023 and September 30, 2023 | 14 | 14 |
| Additional paid-in capital | 194,573 | 193,018 |
| Retained earnings | 158,262 | 165,432 |
| Accumulated other comprehensive income (loss) | (7) | 1 |
| Total stockholders' equity attributable to OneWater Marine Inc. | 352,987 | 358,609 |
| Equity attributable to non-controlling interests | 31,323 | 55,469 |
| Total stockholders' equity | 384,310 | 414,078 |
| Total liabilities and stockholders' equity | $ 1,693,073 | $ 1,689,159 |

**ONEWATER MARINE INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
**(In thousands except per share data)**
**(Unaudited)**

| | Three Months Ended December 31, 2023 | Three Months Ended December 31, 2022 |
|---|---|---|
| Revenues: | | |
| New boat | $ 241,084 | $ 232,405 |
| Pre-owned boat | 53,283 | 55,778 |
| Finance & insurance income | 7,360 | 8,934 |
| Service, parts & other | 62,286 | 69,542 |
| Total revenues | 364,013 | 366,659 |
| | | |
| Cost of sales (exclusive of depreciation and amortization shown separately below): | | |
| New boat | 196,403 | 175,258 |
| Pre-owned boat | 41,346 | 40,304 |
| Service, parts & other | 34,821 | 41,109 |
| Total cost of sales | 272,570 | 256,671 |
| | | |
| Selling, general and administrative expenses | 79,599 | 77,838 |
| Depreciation and amortization | 4,222 | 5,693 |
| Transaction costs | 579 | 1,330 |
| Change in fair value of contingent consideration | 572 | (1,409) |
| Income from operations | 6,471 | 26,536 |
| | | |
| Other expense (income): | | |
| Interest expense – floor plan | 7,812 | 4,779 |
| Interest expense – other | 9,152 | 7,584 |
| Other (income) expense, net | (247) | (639) |
| Total other expense, net | 16,717 | 11,724 |
| Net (loss) income before income tax (benefit) expense | (10,246) | 14,812 |
| Income tax (benefit) expense | (2,276) | 3,384 |
| Net (loss) income | (7,970) | 11,428 |
| Net (income) attributable to non-controlling interests | (119) | (1,365) |
| Net loss (income) attributable to non-controlling interests of One Water Marine Holdings, LLC | 919 | (1,163) |
| Net (loss) income attributable to OneWater Marine Inc. | $ (7,170) | $ 8,900 |
| | | |
| Net (loss) earnings per share of Class A common stock – basic | $ (0.49) | $ 0.62 |
| Net (loss) earnings per share of Class A common stock – diluted | $ (0.49) | $ 0.61 |
| | | |
| Basic weighted-average shares of Class A common stock outstanding | 14,540 | 14,297 |
| Diluted weighted-average shares of Class A common stock outstanding | 14,540 | 14,587 |

**ONEWATER MARINE INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
**(In thousands)**
**(Unaudited)**

| | For the Three Months Ended December 31, | |
|---|---|---|
| | 2023 | 2022 |
| Net (loss) income | $ (7,970) | $ 11,428 |
| Other comprehensive (loss) income: | | |
| Foreign currency translation adjustment | (9) | 11 |
| Comprehensive (loss) income | (7,979) | 11,439 |
| Net (income) attributable to non-controlling interests | (119) | (1,365) |
| Net loss (income) attributable to non-controlling interests of One Water Marine Holdings, LLC | 919 | (1,163) |
| Foreign currency translation adjustment attributable to non-controlling interest of One Water Marine Holdings, LLC | 1 | (1) |
| Comprehensive (loss) income attributable to OneWater Marine Inc. | $ (7,178) | $ 8,910 |

# ONEWATER MARINE INC.
## CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
## (In thousands)
## (Unaudited)

| | Class A Common Stock | | Class B Common Stock | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Retained Earnings | Non-controlling Interest | Accumulated Other Comprehensive Income (Loss) | Total Stockholders' Equity |
| **Balance at September 30, 2023** | 14,420 | $ 144 | 1,430 | $ 14 | $ 193,018 | $ 165,432 | $ 55,469 | $ 1 | $ 414,078 |
| Net loss | — | — | — | — | — | (7,170) | (800) | — | (7,970) |
| Distributions to members | — | — | — | — | — | — | (3,789) | — | (3,789) |
| Purchase of non-controlling interest | — | — | — | — | 716 | — | (19,556) | — | (18,840) |
| Shares issued upon vesting of equity-based awards, net of tax withholding | 124 | 1 | — | — | (1,553) | — | — | — | (1,552) |
| Equity-based compensation | — | — | — | — | 2,392 | — | — | — | 2,392 |
| Currency translation adjustment | — | — | — | — | — | — | (1) | (8) | (9) |
| **Balance at December 31, 2023** | 14,544 | $ 145 | 1,430 | $ 14 | $ 194,573 | $ 158,262 | $ 31,323 | $ (7) | $ 384,310 |

| | Class A Common Stock | | Class B Common Stock | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Retained Earnings | Non-controlling Interest | Accumulated Other Comprehensive Income (Loss) | Total Stockholders' Equity |
| **Balance at September 30, 2022** | 14,212 | $ 142 | 1,430 | $ 14 | $ 180,296 | $ 204,880 | $ 59,552 | $ (7) | $ 444,877 |
| Net income | — | — | — | — | — | 8,900 | 2,528 | — | 11,428 |
| Distributions to members | — | — | — | — | — | (10) | (309) | — | (319) |
| Shares issued upon vesting of equity-based awards, net of tax withholding | 86 | 1 | — | — | (755) | — | — | — | (754) |
| Equity-based compensation | — | — | — | — | 2,572 | — | — | — | 2,572 |
| Currency translation adjustment | — | — | — | — | — | — | 1 | 10 | 11 |
| **Balance at December 31, 2022** | 14,298 | $ 143 | 1,430 | $ 14 | $ 182,113 | $ 213,770 | $ 61,772 | $ 3 | $ 457,815 |

**ONEWATER MARINE INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(In thousands)**
**(Unaudited)**

| **For the Three Months Ended December 31** | **2023** | **2022** |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net (loss) income | $ (7,970) | $ 11,428 |
| Adjustments to reconcile net (loss) income to net cash used in operating activities: | | |
| Depreciation and amortization | 4,905 | 6,182 |
| Equity-based awards | 2,392 | 2,572 |
| Loss (gain) on asset disposals | (34) | 171 |
| Non-cash interest expense | 484 | 2,217 |
| Deferred income tax provision | 1,828 | 1,185 |
| Change in fair value of contingent consideration | 572 | (1,409) |
| Loss on equity investment | 112 | 260 |
| (Increase) decrease in assets: | | |
| Accounts receivable | 20,240 | (5,466) |
| Inventories | (97,223) | (147,832) |
| Prepaid expenses and other current assets | (12,388) | 13,648 |
| Other assets | (1,869) | (729) |
| Increase (decrease) in liabilities: | | |
| Accounts payable | (8,216) | (1,464) |
| Other payables and accrued expenses | (12,196) | (12,437) |
| Customer deposits | (671) | (6,376) |
| Net cash used in operating activities | (110,034) | (138,050) |
| | | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of property and equipment and construction in progress | (4,924) | (6,416) |
| Proceeds from disposal of property and equipment | 59 | 47 |
| Cash used for additions to intangible assets | (428) | - |
| Cash used in acquisitions, net of cash acquired | - | (28,611) |
| Proceeds from disposal of a business | 45,100 | - |
| Net cash provided by (used in) investing activities | 39,807 | (34,980) |
| | | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net borrowings from floor plan | 73,791 | 156,032 |
| Proceeds from long-term debt | 20,000 | 20,000 |
| Payments on long-term debt | (38,457) | (379) |
| Payments of debt issuance costs | (74) | - |
| Payments of contingent consideration | - | (4,300) |
| Payments of tax withholdings for equity-based awards | (1,552) | (754) |
| Distributions to members | (3,789) | (319) |
| Purchase of non-controlling interest | (18,840) | - |
| Net cash provided by financing activities | 31,079 | 170,280 |
| | | |
| Effects of exchange rate changes on cash and restricted cash | (9) | 11 |
| | | |
| Net change in cash | (39,157) | (2,739) |
| Cash and restricted cash at beginning of period | 93,310 | 60,947 |
| Cash and restricted cash at end of period | $ 54,153 | $ 58,208 |
| | | |
| Supplemental cash flow disclosures: | | |
| Cash paid for interest | $ 16,480 | $ 10,146 |
| Cash paid for income taxes | 455 | 2,897 |
| | | |
| Noncash items: | | |
| Acquisition purchase price funded by contingent consideration | - | 2,550 |
| Purchase of property and equipment funded by long-term debt | 82 | 792 |
| Right-of-use assets obtained in exchange for new operating lease liabilities | 1,931 | 6,314 |
| Acquisition purchase price funded by affiliate financing | - | 10,600 |
| Settlement of affiliate financing with proceeds from sale and leaseback | - | 10,600 |

**OneWater Marine Inc. and Subsidiaries**
**Notes to the Condensed Consolidated Financial Statements**
**(Unaudited)**

## 1. Description of Company and Basis of Presentation

### Description of the Business

OneWater Marine Inc. (“OneWater Inc”) was incorporated in Delaware on April 3, 2019 and was a wholly-owned subsidiary of One Water Marine Holdings, LLC (“OneWater LLC”). Pursuant to a reorganization on February 11, 2020 into a holding company structure for the purpose of facilitating an initial public offering (the “IPO”) and related transactions in order to carry on the business of OneWater LLC and its subsidiaries (together with OneWater Inc, the “Company”), OneWater Inc is the holding company and its sole material asset is the equity interest in OneWater LLC. OneWater LLC was organized as a limited liability company under the law of the State of Delaware in 2014 and is the parent company of One Water Assets & Operations (“OWAO”), and its wholly-owned subsidiaries.

The Company is one of the largest recreational marine retailers in the United States. The Company engages primarily in the retail sale, brokerage, and service of new and pre-owned boats, motors, trailers, the sale of marine parts and accessories, and offers slip and storage accommodations in certain locations. The Company also arranges related boat financing, insurance, and extended service contracts for customers with third-party lenders and insurance companies. As of December 31, 2023, the Company operates a total of 98 retail locations, 10 distribution centers/warehouses and multiple online marketplaces in 18 states, several of which are in the top twenty states for marine retail expenditures.

Operating results are generally subject to seasonal variations. Demand for products is generally highest during the third and fourth quarters of the fiscal year and, accordingly, revenues are generally expected to be higher during these periods. General economic conditions and consumer spending patterns can negatively impact the Company’s operating results. Unfavorable local, regional, national, or global economic developments, global public health concerns, including the COVID-19 pandemic, or uncertainties could reduce consumer spending and adversely affect the Company’s business. Consumer spending on discretionary goods may also decline as a result of lower consumer confidence levels, even if prevailing economic conditions are otherwise favorable. Economic conditions in areas in which the Company operates, particularly in the Southeast, can have a major impact on the Company’s overall results of operations. Local influences such as corporate downsizing, inclement weather such as hurricanes and other storms, environmental conditions, and other events could adversely affect the Company’s operations in certain markets and in certain periods. Any extended period of adverse economic conditions or low consumer confidence is likely to have a negative effect on the Company’s business.

Sales of new boats from the Company’s top ten brands represent approximately 48.9% and 42.9% of total sales for the three months ended December 31, 2023 and 2022, respectively, making them major suppliers of the Company. Of this amount, Malibu Boats, Inc., including its brands Malibu, Axis, Cobalt, Pursuit, Maverick, Hewes, Cobia and Pathfinder accounted for 13.6% and 13.0% of consolidated revenue for the three months ended December 31, 2023 and 2022, respectively. As is typical in the industry, the Company contracts with most manufacturers under renewable annual dealer agreements, each of which provides the right to sell various makes and models of boats within a given geographic region. Any change or termination of these agreements, or the agreements discussed above, for any reason, or changes in competitive, regulatory, or marketing practices, including rebate or incentive programs, could adversely affect results of operations. Pre-owned boats are usually trade-ins from retail customers who are purchasing a boat from the Company.

### Principles of Consolidation

As the sole managing member of OneWater LLC, OneWater Inc operates and controls all of the businesses and affairs of OneWater LLC. Through OneWater LLC and its wholly-owned subsidiaries, as well as majority-owned subsidiaries over which the Company exercises control, OneWater Inc conducts its business. As a result, OneWater Inc consolidates the financial results of OneWater LLC and its subsidiaries and reports non-controlling interests related to the portion of units of OneWater LLC (the “OneWater LLC Units”) not owned by OneWater Inc, which will reduce net income (loss) attributable to OneWater Inc’s Class A stockholders. As of December 31, 2023, OneWater Inc owned 91.0% of the economic interest of OneWater LLC.

Commencing December 31, 2021, the Company owned 80% of the economic interest of Quality Assets and Operations, LLC, over which the Company exercised control and the minority interest in this subsidiary was recorded accordingly. On October 31, 2023, the Company acquired the remaining 20% of the economic interest and, as a result, as of December 31, 2023 now owns 100% of the economic interest in Quality Assets and Operations, LLC. See Note 4 for additional information regarding the acquisition.

### Basis of Financial Statement Preparation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial statements, which do not include all the information and notes required by such accounting principles for annual financial statements. The unaudited condensed consolidated financial statements should be read in conjunction with OneWater Inc’s Annual Report on Form 10-K for the year ended September 30, 2023. All adjustments, consisting of only normal recurring adjustments considered by management to be necessary for fair presentation, have been reflected in these unaudited condensed consolidated financial statements.

All intercompany transactions have been eliminated in consolidation. The Company operates on a fiscal year basis with the first day of the fiscal year being October 1, and the last day of the fiscal year ending on September 30.

**2. Summary of Significant Accounting Policies**

**Cash**

At times the amount of cash on deposit may exceed the federally insured limit of the bank. Deposit accounts at each of the institutions are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2023 and September 30, 2023, the Company exceeded FDIC limits at various institutions. The Company has not experienced any losses in such accounts and believes there is little to no exposure to any significant credit risk.

**Restricted Cash**

Restricted cash relates to amounts collected for pre-owned sales, in certain states, which are held in escrow on behalf of the respective buyers and sellers for future purchases of boats. Total customer deposits are shown as a liability on the consolidated balance sheets. These liabilities may be more than the applicable restricted cash balances and fluctuate due to timing differences and because in certain states the deposits are not restricted from use.

**Inventories**

Inventories are stated at the lower of cost or net realizable value. The cost of the new and pre-owned boat inventory is determined using the specific identification method. In assessing lower of cost or net realizable value the Company considers the aging of the boats, historical sales of a brand and current market conditions. The cost of acquired, manufactured and assembled parts and accessories is determined using methods which vary by subsidiary and include both the average cost method and first-in, first-out (“FIFO”).

**Goodwill and Other Identifiable Intangible Assets**

Goodwill and indefinite-lived intangible assets are accounted for in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 350, ‘‘Intangibles - Goodwill and Other’’ (‘‘ASC 350’’), which provides that the excess of cost over the fair value of the net assets of businesses acquired, including other identifiable intangible assets, is recorded as goodwill. Goodwill is an asset representing operational synergies and future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. In accordance with ASC 350, Goodwill is tested for impairment at least annually, or more frequently when events or circumstances indicate that impairment might have occurred. ASC 350 also states for annual impairment tests that if an entity determines, based on an assessment of certain qualitative factors, that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then a quantitative goodwill impairment test is unnecessary. The Company performs its annual test in the fiscal fourth quarter.

Identifiable intangible assets primarily consist of trade names, developed technologies, including design libraries, and customer relationships related to the acquisitions the Company has completed. The Company has determined that trade names have an indefinite life, as there are no economic, contractual or other factors that limit their useful lives and they are expected to generate value as long as the trade name is utilized by the Company, and therefore, are not subject to amortization. Developed technologies and customer relationships are amortized over their estimated useful lives of ten years and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Financial statement risk exists to the extent identifiable intangibles become impaired due to the decrease in their fair value.

**Sales Tax**

The Company collects sales tax on all of the Company’s sales to nonexempt customers and remits the entire amount to the states that imposed the sales tax. The Company’s accounting policy is to exclude the tax collected and remitted to the states from revenues and cost of sales.

**Revenue Recognition**

Revenue is recognized from the sale of products and commissions earned on new and pre-owned boats (including used, brokerage, consignment and wholesale) when ownership is transferred to the customer, which is generally upon acceptance or delivery to the customer. At the time of acceptance or delivery, the customer is able to direct the use of, and obtain substantially all of the benefits at such time. We are the principal with respect to revenue from new, pre-owned and consignment sales and such revenue is recorded at the gross sales price. With respect to brokerage transactions, we are acting as an agent in the transaction, therefore the fee or commission is recorded on a net basis.

Revenue from parts and accessories sold directly to a customer (not on a repair order) is recognized when control of the item is transferred to the customer, which is typically upon shipment. Revenue from parts and service operations (boat maintenance and repairs) is recorded over time as services are performed. Satisfaction of this performance obligation creates an asset with no alternative use for which an enforceable right to payment for performance to date exists within our contractual agreements. Each boat maintenance and repair service is a single performance obligation that includes both the parts and labor associated with the service. Payment for boat maintenance and repairs is typically due upon the completion of the service, which is generally completed within a period of one year or less from contract inception. The Company recorded contract assets in prepaid expenses and other current assets of $3.3 million and $4.4 million as of December 31, 2023 and September 30, 2023.

Certain parts and service transactions require the Company to perform shipping and handling activities after the transfer of control to the customer (e.g., when control transfers prior to delivery). They are considered fulfillment activities and are included in selling, general and administrative expenses.

Revenue from storage and marina operations is recognized on a straight-line basis over the term of the contract as services are completed. Revenue from arranging financing, insurance and extended warranty contracts to customers through various third-party financial institutions and insurance companies is recognized when the related boats are sold. We do not directly finance our customers' boat, motor or trailer purchases. We are acting as an agent in the transaction, therefore the commissions are recorded on a net basis. Subject to our agreements and in the event of early cancellation, prepayment or default of such loans or insurance contracts by the customer, we may be assessed a chargeback for a portion of the commission paid by the third-party financial institutions and insurance companies. We reserve for these chargebacks based on our historical experience with repayments or defaults. Chargebacks were not material to the unaudited condensed consolidated financial statements for the three months ended December 31, 2023 and 2022.

Contract liabilities consist of deferred revenues from marina and storage operations and customer deposits and are classified in customer deposits in the Company's unaudited condensed consolidated balance sheets. Deposits received from customers are recorded as a liability until the related sales orders have been fulfilled by us and control of the vessel is transferred to the customer. The activity in customer deposits for the three months ended December 31, 2023 is as follows:

| ($ in thousands) | Three Months Ended December 31, 2023 |
|---|---|
| Beginning contract liability | $ 51,649 |
| Revenue recognized from contract liabilities included in the beginning balance | (31,378) |
| Increases due to cash received, net of amounts recognized in revenue during the period | 30,706 |
| Ending contract liability | $ 50,977 |

The following table sets forth percentages on the timing of revenue recognition for the three months ended December 31, 2023 and 2022.

| | Three Months Ended December 31, 2023 | Three Months Ended December 31, 2022 |
|---|---|---|
| Goods and services transferred at a point in time | 92.7 % | 92.8 % |
| Goods and services transferred over time | 7.3 % | 7.2 % |
| Total Revenue | 100.0 % | 100.0 % |

**Income Taxes**

OneWater Inc is a corporation and as a result, is subject to U.S. federal, state and local income taxes. We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events included in the consolidated financial statements. Under this method, we determine deferred tax assets and liabilities on the basis of the differences between the book value and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period in which the enactment date occurs. We recognize deferred tax assets to the extent we believe these assets are more-likely-than-not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent results of operations.

OneWater LLC is treated as a partnership for U.S. federal income tax purposes and therefore does not pay U.S. federal income tax on its taxable income. Instead, the OneWater LLC members are liable for U.S. federal income tax on their respective shares of the Company's taxable income reported on the members' U.S. federal income tax returns.

When there are situations with uncertainty as to the timing of the deduction, the amount of the deduction, or the validity of the deduction, the Company adjusts the financial statements to reflect only those tax positions that are more-likely-than-not to be sustained. Positions that meet this criterion are measured using the largest benefit that is more than 50% likely to be realized. Interest and penalties related to income taxes are included in the benefit (provision) for income taxes in the consolidated statements of operations.

**Vendor Consideration Received**

Consideration received from vendors is accounted for in accordance with FASB Accounting Standards Codification 330, ‘‘Inventory’’ (‘‘ASC 330’’). Pursuant to ASC 330, manufacturer incentives based upon cumulative volume of sales and purchases are recorded as a reduction of inventory cost and related cost of sales when the amounts are probable and reasonably estimable.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the periods presented. Actual results could differ materially from these estimates. Estimates and assumptions are reviewed periodically, and the effects of any revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Significant estimates made in the accompanying unaudited condensed consolidated financial statements include, but are not limited to, those relating to inventory mark downs, certain assumptions related to intangible and long-lived assets and valuation of contingent consideration.

**Segment Information**

We report our operations through two reportable segments: Dealerships and Distribution. The Dealership segment engages in the sale of new and pre-owned boats, arranges financing and insurance products, performs repairs and maintenance services, offers marine related parts and accessories and offers slip and storage accommodations in certain locations. The Distribution segment engages in the manufacturing, assembly and distribution primarily of marine related products to distributors, big box retailers and online retailers through a network of warehouse and distribution centers. Each reporting segment has discrete financial information and is regularly reviewed by the Company’s chief operating decision maker (“CODM”) to assess performance and allocate resources. The Company has identified its Chief Executive Officer as its CODM.

**3. New Accounting Pronouncements**

In October 2021, the FASB issued ASU 2021-08, “Business Combinations (Topic 805) – Accounting for Contract Assets and Contract Liabilities from Contracts with Customers”, which is intended to improve the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice and inconsistency related to the recognition of an acquired contract liability and payment terms and their effect on subsequent revenue recognized by the acquirer. The pronouncement is effective for a public company’s annual reporting periods beginning after December 15, 2022, and interim periods within those annual periods. The Company adopted the pronouncement in fiscal first quarter 2024. The adoption of the guidance did not have a material impact on the Company's financial statements.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures", which is intended to improve financial reporting by requiring disclosures of incremental segment information on an annual and interim basis. The pronouncement is effective for a public company's annual reporting periods beginning after December 15, 2023, and interim periods within annual reporting periods beginning after December 15, 2024. The Company is currently evaluating the impact that this standard will have on the consolidated financial statements. The Company plans to adopt the pronouncement in fiscal year 2025.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures", which is intended to improve the transparency, effectiveness and comparability of income tax disclosures by requiring greater disaggregation of information and additional disclosures. The pronouncement is effective for a public company's annual reporting periods beginning after December 15, 2024. The Company is currently evaluating the impact that this standard will have on the consolidated financial statements. The Company plans to adopt the pronouncement in fiscal year 2026.

Other than as noted above, there are no new accounting pronouncements that are expected to have a material effect on our consolidated financial statements.

**4. Acquisitions**

On October 31, 2023, the Company exercised its right to acquire the remaining 20% economic interest in Quality Assets and Operations, LLC for consideration totaling $18.8 million. Subsequent to the acquisition, the Company now owns 100% of the economic interest in Quality Assets and Operations, LLC.

## 5. Accounts Receivable

Accounts receivable primarily consists of trade accounts receivable, contracts in transit and manufacturer receivables. Trade receivables include amounts due from customers on the sale of boats, parts, service, and storage. Contracts in transit represent anticipated funding from the loan agreement customers execute at the dealership when they purchase their new or pre-owned boat. These finance contracts are typically funded within 30 days. Amounts due from manufacturers represent receivables for various manufacturer incentive programs and parts and service work performed pursuant to the manufacturers' warranties. Accounts receivable as of September 30, 2023 also consisted of a receivable resulting from the fiscal year 2023 disposition of Roscioli Yachting Center. The proceeds on disposal were received during the three months ended December 31, 2023.

The allowance for credit losses is estimated based on past collection experience, current conditions and reasonable and supportable forecasts. The activity for charges and subsequent recoveries is immaterial.

Accounts receivable consisted of the following:

| ($ in thousands) | December 31, 2023 | September 30, 2023 |
|---|---|---|
| Trade accounts receivable | $ 24,888 | $ 32,065 |
| Contracts in transit | 14,865 | 25,425 |
| Manufacturer receivable | 8,766 | 11,288 |
| Receivable for proceeds on the disposition of a business | — | 45,100 |
| Total accounts receivable | 48,519 | 113,878 |
| Less – allowance for credit losses | (634) | (703) |
| Total accounts receivable, net | $ 47,885 | $ 113,175 |

## 6. Inventories

Inventories consisted of the following at:

| ($ in thousands) | December 31, 2023 | September 30, 2023 |
|---|---|---|
| New vessels | $ 557,754 | $ 471,147 |
| Pre-owned vessels | 74,144 | 61,627 |
| Work in process, parts and accessories | 74,907 | 76,842 |
| Total inventories, net | $ 706,805 | $ 609,616 |

## 7. Goodwill and Intangible Assets

Our acquisitions have resulted in the recording of goodwill and other identifiable intangible assets. Goodwill is an asset representing operational synergies and future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Intangible assets consist of internally developed software, domain names and other identifiable intangible assets such as trade names, developed technologies, including design libraries, and customer relationships related to the acquisitions the Company has completed. The changes in goodwill and intangible assets are as follows:

| | Goodwill | Trade Names | Developed Technologies | Customer Relationships | Domain Names | Internally Developed Software | Total Intangible Assets, net |
|---|---|---|---|---|---|---|---|
| ($ in thousands) | Unamortized | Unamortized | Amortized | Amortized | Amortized | Amortized | |
| Net balance as of September 30, 2023 | 336,602 | 149,921 | 4,419 | 52,114 | 2,387 | 3,483 | 212,324 |
| Acquisitions during the three months ended December 31, 2023 | — | — | — | — | — | 428 | 428 |
| Accumulated amortization for the three months ended December 31, 2023 | — | — | (51) | (1,137) | (159) | (232) | (1,579) |
| Net balance as of December 31, 2023 | $ 336,602 | $ 149,921 | $ 4,368 | $ 50,977 | $ 2,228 | $ 3,679 | $ 211,173 |

Amortization expense was $1.6 million and $3.3 million for the three months ended December 31, 2023 and 2022, respectively, and is recorded in depreciation and amortization expense in the unaudited condensed consolidated statements of operations. For internally developed software acquisitions during the three months ended December 31, 2023, the weighted average useful life is 3.8 years.

The following table summarizes the expected amortization expense for fiscal years 2024 through 2028 and thereafter ($ in thousands):

| | | |
|---|---|---|
| 2024 (excluding the three months ended December 31, 2023) | $ | 6,207 |
| 2025 | | 8,276 |
| 2026 | | 8,276 |
| 2027 | | 8,033 |
| 2028 | | 6,638 |
| Thereafter | | 23,822 |
| | $ | 61,252 |

As of December 31, 2023 and September 30, 2023, the carrying value of goodwill totaled approximately $336.6 million, of which $295.3 million was related to our Dealerships reporting segment and $41.3 million was related to our Distribution reporting segment.

**8. Notes Payable — Floor Plan**

The Company maintains an ongoing wholesale marine products inventory financing program with a syndicate of banks. The program is administered by Wells Fargo Commercial Distribution Finance, LLC (“Wells Fargo”). On November 14, 2023, the Company and certain of its subsidiaries entered into the Eighth Amended and Restated Inventory Financing Agreement (as amended, the “Inventory Financing Facility”) with Wells Fargo and the other financial institutions party thereto to increase the maximum borrowing amount available under the Inventory Financing Facility to $650.0 million and extend the term. The Inventory Financing Facility expires on March 1, 2026. The outstanding balance of the facility was $562.8 million and $489.0 million, as of December 31, 2023 and September 30, 2023, respectively.

Interest on new boats and for rental units is calculated using the Adjusted 30-Day Average SOFR (as defined in the Inventory Financing Facility) (“SOFR”) plus an applicable margin of 2.75% to 5.00% depending on the age of the inventory. Interest on pre-owned boats is calculated at the new boat rate plus 0.25%. Wells Fargo will finance 100.0% of the vendor invoice price for new boats, engines, and trailers. As of December 31, 2023 the interest rate on the Inventory Financing Facility ranged from 8.21% to 10.46% for new inventory and 8.46% to 10.71% for pre-owned inventory. As of September 30, 2023 the interest rate on the Inventory Financing Facility ranged from 8.18% to 10.43% for new inventory and 8.43% to 10.68% for pre-owned inventory. Borrowing capacity available at December 31, 2023 and September 30, 2023 was $87.2 million and $61.0 million, respectively.

The Inventory Financing Facility has certain financial and non-financial covenants as specified in the agreement. The financial covenants include requirements to comply with a maximum funded debt to EBITDA ratio and a minimum fixed charge coverage ratio (as defined in the Inventory Financing Facility). In addition, certain non-financial covenants could restrict the Company’s ability to sell assets (excluding inventory in the normal course of business), engage in certain mergers and acquisitions, incur additional debt and pay cash dividends or distributions, among others. The Company was in compliance with all covenants at December 31, 2023.

The collateral for the Inventory Financing Facility consists primarily of our inventory that is financed through the Inventory Financing Facility and related assets, including accounts receivable, bank accounts and proceeds of the foregoing, and excludes the collateral that underlies the term note payable to Truist Bank.

**9. Long-term Debt and Line of Credit**

On August 9, 2022, the Company and certain of its subsidiaries entered into the Amended and Restated Credit Agreement (the “A&R Credit Facility”) with Truist Bank. The A&R Credit Facility provides for a $65.0 million revolving credit facility (the “A&R Revolving Facility”) that may be used for revolving credit loans (including up to $5.0 million in swingline loans and up to $5.0 million in letters of credit) and a $445.0 million term loan (the “A&R Term Loan”). Subject to certain conditions, the available amount under the revolving credit facility and term loans may be increased by $125.0 million in the aggregate. The A&R Credit Facility bears interest at a rate that is equal to Term SOFR plus an applicable margin ranging from 1.75% to 2.75% based on certain consolidated leverage ratio measures. The A&R Revolving Facility matures on August 9, 2027. The A&R Term Loan is repayable in installments beginning December 31, 2022, with the remainder due on August 9, 2027.

The A&R Credit Facility is collateralized by certain real and personal property (including certain capital stock) of the Company and its subsidiaries. The collateral does not include inventory and certain other assets of the Company’s subsidiaries financed under the Inventory Financing Facility. The A&R Credit Facility is subject to certain financial covenants related to the maintenance of a minimum fixed charge coverage ratio and a maximum consolidated leverage ratio. The A&R Credit Facility also contains non-financial covenants and restrictive provisions that, among other things, limit the ability of the Company to incur additional debt, transfer or dispose of all of its assets, make certain investments, loans or payments and engage in certain transactions with affiliates. The Company was in compliance with all covenants at December 31, 2023.

Long-term debt consisted of the following at:

| ($ in thousands) | December 31, 2023 | September 30, 2023 |
| --- | --- | --- |
| Term note payable to Truist Bank, secured and bearing interest at 7.66% at December 31, 2023 and 7.53% at September 30, 2023. The note requires quarterly principal payments commencing on December 31, 2022 and maturing with a full repayment on August 9, 2027 | $ 397,750 | $ 428,313 |
| Revolving note payable for an amount up to $65.0 million to Truist Bank, secured and bearing interest at 8.33% at December 31, 2023 and 7.50% at September 30, 2023. The note requires full repayment on August 9, 2027 | 44,500 | 30,000 |
| Notes payable to commercial vehicle lenders secured by the value of the vehicles bearing interest at rates ranging from 0.0% to 10.8% per annum. The notes require monthly installment payments of principal and interest ranging from $200 to $3,100 through September 2028 | 3,388 | 3,645 |
| Note payable to Norfolk Marine Company, unsecured and bearing interest at 4.0% per annum. The note requires quarterly interest payments, with a balloon payment of principal due on December 1, 2024 | 1,126 | 1,126 |
| Note payable to Tom George Yacht Group, unsecured and bearing interest at 5.5% per annum. The note requires quarterly interest payments, with a balloon payment of principal due on December 1, 2023 | — | 2,056 |
| Total debt outstanding | 446,764 | 465,140 |
| Less current portion (net of debt issuance costs) | (6,125) | (29,324) |
| Less unamortized portion of debt issuance costs | (6,957) | (7,377) |
| Long-term debt, net of current portion and unamortized debt issuance costs | $ 433,682 | $ 428,439 |

## 10. Stockholders' Equity

### Equity-Based Compensation

We maintain the OneWater Marine Inc. Omnibus Incentive Plan (the "LTIP") to incentivize individuals providing services to OneWater Inc and its subsidiaries and affiliates. The LTIP provides for the grant, from time to time, at the discretion of the board of directors of OneWater Marine Inc. (the "Board") or a committee thereof, of (1) stock options, (2) stock appreciation rights, (3) restricted stock, (4) restricted stock units, (5) stock awards, (6) dividend equivalents, (7) other stock-based awards, (8) cash awards, (9) substitute awards and (10) performance awards. The total number of shares reserved for issuance under the LTIP that may be issued pursuant to incentive stock options (which generally are stock options that meet the requirements of Section 422 of the Code) is 1,597,426. The LTIP is and will continue to be administered by the Board, except to the extent the Board elects a committee of directors to administer the LTIP. Class A common stock subject to an award that expires or is cancelled, forfeited, exchanged, settled in cash or otherwise terminated without delivery of shares (including forfeiture of restricted stock awards) and shares withheld to pay the exercise price of, or to satisfy the withholding obligations with respect to, an award will again be available for delivery pursuant to other awards under the LTIP.

During the three months ended December 31, 2023, the Board approved the grant of 141,924 performance-based restricted stock units, which represents 100% of the target award. Performance-based restricted stock units provide an opportunity for the recipient to receive a number of shares of our common stock based on our performance goals. A performance-based restricted stock unit equals one share of common stock of the Company. The performance-based restricted stock units vest in three equal annual installments commencing on October 1, 2024. As of December 31, 2023, the Company estimated achievement of the performance targets at 100%.

During the three months ended December 31, 2023, the Board approved the grant of 204,557 time-based restricted stock units. Of this amount, 34,160 restricted stock units fully vest on October 1, 2024 and the remaining 170,397 restricted stock units vest in three equal annual installments commencing on October 1, 2024.

Compensation cost for time-based restricted stock units is based on the closing price of our common stock on the date immediately preceding the grant and is recognized on a graded basis over the applicable vesting periods. Compensation cost for performance share units is based on the closing price of our common stock on the date immediately preceding the grant and the ultimate performance level achieved and is recognized on a graded basis over the applicable vesting period. The Company recognized $2.3 million of compensation expense for each of the three months ended December 31, 2023 and 2022, which includes $0.9 million and $1.1 million of compensation expense for the three months ended December 31, 2023 and 2022, respectively, for performance-based units.

The following table further summarizes activity related to restricted stock units for the three months ended December 31, 2023:

| | Restricted Stock Unit Awards | |
|---|---|---|
| | Number of Shares | Weighted Average Grant Date Fair Value |
| Unvested at September 30, 2023 | 524,785 | $ 28.86 |
| Awarded | 346,481 | 25.62 |
| Vested | (191,624) | 26.86 |
| Forfeited | — | — |
| Unvested at December 31, 2023 | 679,642 | $ 27.77 |

As of December 31, 2023, the total unrecognized compensation expense related to outstanding equity awards was $9.9 million, which the Company expects to recognize over a weighted-average period of 1.4 years.

We issue shares of our Class A common stock upon the vesting of performance-based restricted stock units and time-based restricted stock units. These shares are issued from our authorized and not outstanding common stock. In addition, in connection with the vesting of restricted stock units, we repurchase a portion of shares equal to the amount of employee income tax withholding.

**Net (Loss) Earnings Per Share**

Basic and diluted net (loss) earnings per share of Class A common stock is computed by dividing net (loss) income attributable to OneWater Inc by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted net (loss) earnings per share is computed by giving effect to all potentially dilutive shares.

The following table sets forth the calculation of net (loss) earnings per share for the three months ended December 31, 2023 and 2022 (in thousands, except per share data):

| **Net (loss) earnings per share:** | **Three Months Ended December 31, 2023** | **Three Months Ended December 31, 2022** |
|---|---|---|
| **Numerator:** | | |
| Net (loss) income attributable to OneWater Inc | $ (7,170) | $ 8,900 |
| **Denominator:** | | |
| Weighted-average number of unrestricted outstanding common shares used to calculate basic net (loss) income per share | 14,540 | 14,297 |
| Effect of dilutive securities: | | |
| Restricted stock units | - | 284 |
| Employee stock purchase plan | - | 6 |
| Diluted weighted-average shares of Class A common stock outstanding used to calculate diluted net (loss) earnings per share | 14,540 | 14,587 |
| **Net (loss) earnings per share of Class A common stock – basic** | $ (0.49) | $ 0.62 |
| **Net (loss) earnings per share of Class A common stock – diluted** | $ (0.49) | $ 0.61 |

On March 30, 2022, the Board approved a share repurchase program up to $50 million. No shares of Class A common stock were repurchased by the Company during the three months ended December 31, 2023. As of December 31, 2023 the Company has repurchased and retired 73,487 shares of Class A common stock under the repurchase program for a purchase price of approximately $1.9 million. As of December 31, 2023, approximately $48.1 million remained available for future purchase under the repurchase program. The repurchase program does not have a predetermined expiration date.

Shares of Class B common stock and unvested restricted stock units do not share in the income (losses) of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted net (loss) earnings per share of Class B common stock under the two-class method has not been presented.

The following number of weighted-average potentially dilutive shares were excluded from the calculation of diluted net (loss) earnings per share because the effect of including such potentially dilutive shares would have been antidilutive upon conversion (in thousands):

| | Three Months Ended December 31, 2023 | Three Months Ended December 31, 2022 |
|---|---|---|
| Class B common stock | 1,430 | 1,430 |
| Restricted Stock Units | 495 | 377 |
| Employee Stock Purchase Plan | 26 | - |
| | 1,951 | 1,807 |

**Employee Stock Purchase Plan**

At the Company's 2021 Annual Meeting of Stockholders (the "Annual Meeting"), held on February 23, 2021, the Company's stockholders approved the OneWater Marine Inc. 2021 Employee Stock Purchase Plan (the "ESPP"), which was approved and adopted by the Board as of January 13, 2021 (the "Adoption Date"), subject to stockholder approval at the Annual Meeting. The effective date of the ESPP is February 23, 2021, and, unless earlier terminated, the ESPP will expire on the twentieth anniversary of the Adoption Date. The ESPP will be administered by the Board or by one or more committees to which the Board delegates such administration.

The ESPP enables eligible employees to purchase shares of the Company's Class A common stock at a discount through participation in discrete offering periods. The ESPP is intended to qualify as an employee stock purchase plan under section 423 of the Internal Revenue Code of 1986, as amended. Up to a maximum of 512,959 shares of the Company's Class A common stock may be issued under the ESPP as of December 31, 2023, subject to certain adjustments as set forth in the ESPP. On the first day of each fiscal year during the term of the ESPP, beginning on October 1, and ending on (and including) September 30, the number of shares of Class A common stock that may be issued under the ESPP will increase by a number of shares equal to the least of (i) 1% of the outstanding shares on the Adoption Date, or (ii) such lesser number of shares (including zero) that the administrator determines for purposes of the annual increase for that fiscal year. The number of shares of Class A common stock that may be granted to any single participant in any single option period will be subject to certain limitations set forth in the plan.

The Company recorded equity-based compensation for the ESPP of $0.1 million and $0.2 million during the three months ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and September 30, 2023, the Company had current liabilities of $0.7 million and $0.4 million, respectively, for future purchases of shares under the ESPP. No purchases were made under the ESPP during the three months ended December 31, 2023 and 2022.

We used a Black-Scholes model to estimate the fair value of the options granted to purchase shares issued pursuant to the ESPP. Volatility is based on the historical volatility of our common stock. The risk-free rate for periods within the contractual term of the options is based on the U.S. Treasury yield curve in effect at the time of grant.

The following are the weighted-average assumptions used for the period ended December 31, 2023 and 2022:

| | 2023 | 2022 |
|---|---|---|
| Dividend yield | 0.0 % | 0.0 % |
| Risk-free interest rate | 5.5 % | 2.5 % |
| Volatility | 37.6 % | 57.4 % |
| Expected life | Six months | Six months |

**Distributions**

During the three months ended December 31, 2023 and 2022, the Company made distributions to OneWater Unit Holders for certain permitted tax payments.

**11. Fair Value Measurements**

In determining fair value, the Company uses various valuation approaches including market, income and/or cost approaches. FASB standard "Fair Value Measurements" (Topic 820) establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are those that reflect the Company's expectation of the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Assets utilizing Level 1 inputs include marketable securities that are actively traded.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Asset and liability measurements utilizing Level 3 inputs include those used in estimating fair value of non-financial assets and non-financial liabilities in purchase acquisitions, those used in assessing impairment of property and equipment and other intangibles, those used in the reporting unit valuation in the annual goodwill impairment evaluation and contingent consideration.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment required in determining fair value is greatest for assets and liabilities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed is determined based on the lowest level input that is significant to the fair value measurement. Fair value measurements can be volatile based on various factors that may or may not be within the Company's control.

The following tables summarize the Company's financial assets and liabilities measured at fair value in the accompanying unaudited condensed consolidated balance sheets as of December 31, 2023 and September 30, 2023

| | December 31, 2023 | | | |
|---|---|---|---|---|
| ($ in thousands) | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Investment in Equity Securities | $ 214 | $ - | $ - | $ 214 |
| Liabilities: | | | | |
| Contingent Consideration | - | - | 20,565 | 20,565 |

| | September 30, 2023 | | | |
|---|---|---|---|---|
| ($ in thousands) | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Investment in Equity Securities | $ 326 | $ - | $ - | $ 326 |
| Liabilities: | | | | |
| Contingent Consideration | - | - | 21,181 | 21,181 |

There were no transfers between the valuation hierarchy Levels 1, 2, and 3 for the three months ended December 31, 2023.

We measure all equity investments that do not result in consolidation and are not accounted for under the equity method at fair value with the change in fair value included in other expense (income), net, in the unaudited condensed consolidated statements of operations. The fair value of equity investments is measured using quoted prices in its active markets. The investment in equity securities balance is recorded in other long-term assets in the unaudited condensed consolidated balance sheets and consists entirely of our investment in Forza X1, Inc.

The portion of unrealized losses recognized related to equity securities still held as of December 31, 2023 and 2022 consists of the following:

| ($ in thousands) | Three Months Ended December 31, 2023 | Three Months Ended December 31, 2022 |
|---|---|---|
| Net loss recognized during the period on equity securities | $ 112 | $ 260 |
| Less net loss recognized during the period on equity securities sold during the period | - | - |
| Unrealized loss recognized during the reporting period on equity securities still held at the reporting date | $ 112 | $ 260 |

We estimate the fair value of contingent consideration using a probability-weighted discounted cash flow model based on forecasted future earnings or other agreed upon metrics including the production of acquisition leads. The acquisition contingent consideration liability has been accounted for based on inputs that are unobservable and significant to the overall fair value measurement (Level 3). The contingent consideration balance is recorded in other payables and accrued expenses and other long-term liabilities in the unaudited condensed consolidated balance sheets. Changes in fair value and net present value of contingent consideration are recorded in change in fair value of contingent consideration in the unaudited condensed consolidated statements of operations. The fair value of contingent consideration is reassessed on a quarterly basis.

The following table sets forth the changes in fair value of our contingent consideration for the three months ended December 31, 2023:

| ($ in thousands) | Three Months Ended December 31, 2023 |
|---|---|
| Balance as of September 30, 2023 | $ 21,181 |
| Additions from acquisitions | — |
| Settlement of contingent consideration | (1,188) |
| Change in fair value, including accretion | 572 |
| Balance as of December 31, 2023 | $ 20,565 |

We determine the carrying value of our cash and cash equivalents, accounts receivable, accounts payable, other payables and accrued expenses, floor plan notes payable, term note payable with Truist Bank, seller notes payable and company vehicle notes payable approximate their fair values because of the nature of their terms and current market rates of these instruments.

## 12. Income Taxes

The Company is a corporation and, as a result, is subject to U.S. federal, state and local income taxes. OneWater LLC is treated as a pass-through entity for U.S. federal tax purposes and in most state and local jurisdictions. As such, OneWater LLC's members, including the Company, are liable for federal and state income taxes on their respective shares of OneWater LLC's taxable income.

Our effective tax rates of 22.2% and 22.8% for the three months ending December 31, 2023 and 2022, respectively, differ from statutory rates primarily due to (loss) earnings allocated to non-controlling interests.

The Company has federal net operating loss carryforwards from underlying corporate entities of approximately $6 million resulting in a deferred tax asset of $1.6 million as of September 30, 2023. The U.S. federal net operating loss carryforwards have no expiration but can only be used to offset up to 80% of future taxable income annually. The Company projects to fully utilize the net operating losses during the current fiscal year.

The Company recognizes deferred tax assets to the extent it believes these assets are more-likely-than-not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing temporary differences, projected future taxable income, tax planning strategies and recent results of operations. Based on our cumulative earnings history and forecasted future sources of taxable income, we believe that we will fully realize our deferred tax assets in the future. The Company has not recorded a valuation allowance.

As of December 31, 2023 and September 30, 2023, the Company has not recognized any uncertain tax positions, penalties, or interest as management has concluded that no such positions exist. The Company is subject to examination in the US Federal and certain state tax jurisdictions for the tax years beginning with the year ended December 31, 2020. In November 2022, the Company received notification that the IRS intends to commence an audit of the federal income tax return of OneWater LLC's partnership for the tax year ended December 31, 2020. The audit is ongoing and the outcome and timing of settlements of asserted income tax liabilities, if any, are uncertain.

### Tax Receivable Agreement

In connection with the IPO, the Company entered into a tax receivable agreement (the "Tax Receivable Agreement") with certain of the owners of OneWater LLC. As of December 31, 2023 and September 30, 2023, our liability under the Tax Receivable Agreement was $43.1 million, representing 85% of the calculated net cash savings in U.S. federal, state and local income tax and franchise tax that OneWater Inc anticipates realizing in future years from the result of certain increases in tax basis and certain tax benefits attributable to imputed interest as a result of OneWater Inc's acquisition of OneWater LLC Units pursuant to an exercise of the Redemption Right or the Call Right (each as defined in the amended and restated limited liability company agreement of OneWater LLC (the "OneWater LLC Agreement")).

The projection of future taxable income involves significant judgment. Actual taxable income may differ from our estimates, which could significantly impact our ability to make payments under the Tax Receivable Agreement. We have determined it is more-likely-than-not that we will be able to utilize all of our deferred tax assets subject to the Tax Receivable Agreement; therefore, we have recorded a liability under the Tax Receivable Agreement related to the tax savings we may realize from certain increases in tax basis and certain tax benefits attributable to imputed interest as a result of OneWater Inc's acquisition of OneWater LLC Units pursuant to an exercise of the Redemption Right or Call Right (each as defined in the OneWater LLC Agreement). If we determine the utilization of these deferred tax assets is not more-likely-than-not in the future, our estimate of amounts to be paid under the Tax Receivable Agreement would be reduced. In this scenario, the reduction of the liability under the Tax Receivable Agreement would result in a benefit to our consolidated statements of operations.

**13. Contingencies and Commitments**

**Employment Agreements**

The Company is party to employment agreements with certain executives, which provide for compensation, other benefits and severance payments under certain circumstances. The Company also has consulting and noncompete agreements in place with previous owners of acquired companies.

**Claims and Litigation**

The Company is involved in various legal proceedings as either the defendant or plaintiff. Due to their nature, such legal proceedings involve inherent uncertainties including, but not limited to, court rulings, negotiations between the affected parties and other actions. Management assesses the probability of losses or gains for such contingencies and accrues a liability and/or discloses the relevant circumstances as appropriate. In the opinion of management, it is not reasonably probable that the pending litigation, disputes or claims against the Company, if decided adversely, will have a material adverse effect on its financial condition, results of operations or cash flows. Additionally, based on the Company's review of the various types of claims currently known, there is no indication of a material reasonably possible loss in excess of amounts accrued. The Company currently does not anticipate that any known claim will materially adversely affect our financial condition, liquidity, or results of operations. However, the outcome of any matter cannot be predicted with certainty, and an unfavorable resolution of one or more matters presently known or arising in the future could have a material adverse effect on the Company's financial condition, liquidity or results of operations.

**Risk Management**

The Company is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the Company carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past years.

**14. Leases**

The Company leases real estate and equipment under operating lease agreements. Leases with an initial term of 12 months or less are not recorded on the balance sheet. We recognize lease expense for these leases on a straight-line basis over the lease term. For leases with terms in excess of 12 months, we record a right-of-use ("ROU") asset and lease liability based on the present value of lease payments over the lease term. We do not have any significant leases that have not yet commenced that create significant rights and obligations for us. The Company has elected the practical expedient not to separate lease and non-lease components for all leases that qualify.

Our real estate and equipment leases often require payment of maintenance, real estate taxes and insurance. These costs are generally variable and based on actual costs incurred by the lessor. These amounts are not included in the consideration of the contract when determining the ROU asset and lease liability but are reflected as variable lease payments.

Most leases include one or more options to renew, with renewal terms that can extend the lease from one to ten or more years. The exercise of the lease renewal option is typically at our sole discretion. If it is reasonably certain that we will exercise the option to renew, the period covered by the options are included in the lease term and are recognized as part of our ROU assets and lease liabilities. Certain leases include the option to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term, which includes renewal options reasonably certain to be exercised.

Certain of our lease agreements include rental payments based on percentage of retail sales over contractual levels and others include rental payments adjusted periodically based on index rates. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**15. Related Party Transactions**

In accordance with agreements approved by the Board, we purchased inventory, in conjunction with our retail sale of the products, from certain entities affiliated with the Company. Total purchases incurred under these arrangements were $49.8 million and $21.3 million for the three months ended December 31, 2023 and 2022, respectively.

In accordance with agreements approved by the Board, certain entities affiliated with the Company receive fees for rent of commercial property. Total expenses incurred under these arrangements were $0.7 million and $0.5 million for the three months ended December 31, 2023 and 2022, respectively.

In accordance with agreements approved by the Board, the Company received fees from certain entities and individuals affiliated with the Company for goods and services. Total fees recorded under these arrangements were $1.1 million and $1.2 million for the three months ended December 31, 2023 and 2022, respectively.

In connection with transactions noted above, the Company owed $0.5 million and $4.7 million as recorded within accounts payable as of December 31, 2023 and September 30, 2023, respectively. Additionally, the Company had less than $0.1 million recorded within accounts receivable as of December 31, 2023. No amounts were recorded within accounts receivable as of September 30, 2023.

**16. Segment Information**

As of December 31, 2023, we had two reportable segments: (1) Dealerships and (2) Distribution. See Note 2 for more information about our segments.

Reportable segment financial information as of and for the three months ended December 31, 2023 and 2022 are as follows:

| | As of and for the Three Months Ended December 31, 2023 | | | |
|---|---|---|---|---|
| ($ in thousands) | Dealerships | Distribution | Eliminations | Total |
| Revenue | $ 331,607 | $ 32,466 | $ (60) | $ 364,013 |
| Income (loss) from operations | 6,943 | (465) | (7) | 6,471 |
| | | | | |
| Depreciation and amortization | 2,902 | 2,003 | — | 4,905 |
| Transaction costs | 440 | 139 | — | 579 |
| Change in fair value of contingent consideration | 572 | — | — | 572 |
| | | | | |
| Total assets | 1,445,553 | 247,553 | (33) | 1,693,073 |

| | As of and for the Three Months Ended December 31, 2022 | | | |
|---|---|---|---|---|
| ($ in thousands) | Dealerships | Distribution | Eliminations | Total |
| Revenue | $ 326,773 | $ 39,886 | $ — | $ 366,659 |
| Income (loss) from operations | 29,853 | (3,317) | — | 26,536 |
| | | | | |
| Depreciation and amortization | 2,375 | 3,807 | — | 6,182 |
| Transaction costs | 1,182 | 148 | — | 1,330 |
| Change in fair value of contingent consideration | (1,543) | 134 | — | (1,409) |
| | | | | |
| Total assets | 1,283,821 | 388,272 | — | 1,672,093 |

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*Unless the context requires otherwise, references in this report to the "Company," "we," "us," and "our" refer to OneWater Marine Inc. and its consolidated subsidiaries. The following discussion and analysis should be read in conjunction with the accompanying financial statements and related notes. The following discussion contains forward-looking statements that reflect our future plans, estimates, beliefs and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those factors discussed above in "Cautionary Statement Regarding Forward-Looking Statements" and described under the heading "Risk Factors" included in our Annual Report on Form 10-K for the year ended September 30, 2023, filed with the SEC on December 14, 2023, all of which are difficult to predict. In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur. We do not undertake any obligation to publicly update any forward-looking statements except as otherwise required by applicable law.*

### Overview

We believe that we are one of the largest and fastest-growing marine retailers in the United States with 98 dealerships, 10 distribution centers/warehouses and multiple online marketplaces as of December 31, 2023. Our dealer groups are located within highly attractive markets throughout the Southeast, Gulf Coast, Mid-Atlantic and Northeast, many of which are in the top twenty states for marine retail expenditures. We believe that we are a market leader by volume in sales of premium boats in many of the markets in which we operate. In addition to boat sales, we also generate sales from related products including finance & insurance and service, parts & other sales. The acquisitions of T-H Marine Supplies, LLC ("T-H Marine") and Ocean Bio-Chem significantly expanded our sales of marine parts and accessories. The combination of our significant scale, diverse inventory, access to premium boat brands, access to a broad array of parts and accessories, and meaningful brand equity enables us to provide a consistently professional experience as reflected in the number of our repeat customers and Dealership same-store sales growth.

We report our operations through two reportable segments: Dealerships and Distribution.

As of December 31, 2023, the Dealerships segment includes operations of 98 dealerships in 18 states including Florida, Texas, Alabama and Georgia, among others, and represents approximately 91% of revenues for the three months ended December 31, 2023. The Dealerships segment engages in the sale of new and pre-owned boats, arranges financing and insurance products, performs repairs and maintenance services, offers marine-related parts and accessories and offers slip and storage accommodations in certain locations. In fiscal year 2023, we sold over 10,000 new and pre-owned boats, many of which were sold to customers who had a trade-in or with whom we otherwise had established relationships. The combination of our significant scale, diverse inventory and revenue streams, access to premium boat brands and meaningful brand equity enables us to provide a consistently professional experience as reflected by the number of our repeat customers and Dealership same-store sales growth.

As of December 31, 2023, the Distribution segment includes the activity of three of our fully-owned businesses, PartsVu, Ocean Bio-Chem and T-H Marine and its subsidiaries, which together operate 10 distribution centers/warehouses in Alabama, Florida, Oklahoma, Indiana and Tennessee and represents approximately 9% of revenues for the three months ended December 31, 2023. The Distribution segment engages in the manufacturing, assembly and distribution of primarily marine-related products for sale to distributors, big box retailers, online retailers and direct to consumers. We offer a wide array of branded parts and accessories including jack plates, rigging parts, plumbing components, LED lighting, storage systems, and appearance, cleaning, and maintenance products for the marine and ancillary industries. All revenue for the Distribution segment is reported in service, parts & other in our consolidated statements of operations.

We were formed in 2014 as OneWater LLC through the combination of Singleton Marine and Legendary Marine, which created a marine retail platform that collectively owned and operated 19 dealerships. Since the combination in 2014, we have acquired a total of 80 additional dealerships, 12 distribution centers/warehouses and multiple online marketplaces through 33 acquisitions. Our current portfolio as of December 31, 2023 consists of multiple brands which are recognized on a local, regional or national basis. Because of this, we believe we are one of the largest and fastest-growing marine retailers in the United States based on number of dealerships and total boats sold. While we have opportunistically opened new dealerships in select markets, or launched additional parts and accessory products, we believe that it is generally more effective economically and operationally to acquire existing businesses with experienced staff and established reputations.

The boat dealership market is highly fragmented and is comprised of approximately 4,000 dealerships nationwide. Most competing boat retailers are operated by local business owners who own three or fewer stores; however, we do have other large competitors including MarineMax and Bass Pro Shops. We believe we are one of the largest and fastest growing marine retailers in the United States. Despite our size, we comprise less than 3% of total industry sales. Our scale and business model allow us to leverage our extensive inventory to provide consumers with the ability to find a boat that matches their preferences (e.g., make, model, color, configuration and other options) and to deliver the boat within days while providing a personalized sales experience. In addition to boat sales, we also generate sales from related products including finance & insurance and service, parts and other sales. The acquisitions of T-H Marine and Ocean Bio-Chem have significantly expanded our sales of marine parts & accessories. Our strategic growth in this area is also expected to materially expand our addressable market in the parts and accessories business. We are able to operate with a comparatively higher degree of profitability than other independent retailers because we allocate support resources across our broader base, focus on high margin service, parts and accessories, utilize floor plan financing and provide core back-office functions on a scale that many independent retailers are unable to match. We seek to be the leading marine retailer by total market share within each boating market and within the product segments in which we participate. To the extent that we are not, we will evaluate acquiring other local retailers in order to increase our sales, to add additional brands or to provide us with additional high-quality personnel.

**Impact of COVID-19**

The COVID-19 pandemic and its related effects positively impacted our sales as more customers desired to engage in outdoor recreational activities in a socially distanced manner. However, the COVID-19 pandemic also caused significant supply chain challenges as suppliers were faced with business closures and shipping delays. This led to an industry wide inventory shortage of boats, engines and certain marine parts. As of December 31, 2023, we have seen considerable improvements in the supply chain and believe we are returning to the more traditional seasonal cycles of our business. The ultimate impact of a resurgence of COVID-19 or another global pandemic and its related effects remains uncertain and depends on various factors including consumer demand, our ability to safely operate locations and the existence and extent of a prolonged economic downturn.

**Trends and Other Factors Impacting Our Performance**

***Acquisitions***

We are a highly acquisitive company. Since the combination of Singleton Marine and Legendary Marine in 2014, we have acquired 80 additional dealerships through 28 dealer group acquisitions. Our team remains focused on expanding our dealership growth in regions with strong boating cultures, enhancing the customer experience and generating value for our shareholders. In addition to dealership acquisitions, the Company has strategically acquired parts and accessories companies as part of our growth and diversification strategy. We have acquired 12 distribution centers and warehouses through the acquisition of 5 parts and accessories companies. We plan to continue to strategically evaluate and complete acquisitions moving forward.

We have an extensive acquisition track record within the retail marine industry and believe we have developed a reputation for treating sellers and their staff in an honest and fair manner. We typically retain the management team and name of the acquired group. We believe this practice preserves the acquired dealer's customer relationships and goodwill in the local marketplace. We believe our reputation and scale have positioned us as a buyer of choice for marine retailers who want to sell their businesses. Our strategy is to acquire dealerships at attractive EBITDA multiples and then grow same-store sales while benefiting from cost-reducing synergies. Historically, we have typically acquired dealerships for less than 4.0x EBITDA on a trailing twelve-month basis and believe that we will be able to continue to make attractive acquisitions within this range. With the expansion of our Distribution segment, we look to acquire parts and accessories manufacturing and distribution companies within a range of 5.0x – 10.0x EBITDA on a trailing twelve-month basis, depending on the size of the business.

***General Economic Conditions***

General economic conditions and consumer spending patterns can negatively impact our operating results. Unfavorable local, regional, national, or global economic developments or uncertainties, including the adverse economic effects of a global pandemic, supply chain constraints, or a prolonged economic downturn, could reduce consumer spending and adversely affect our business. Consumer spending on discretionary goods may also decline as a result of lower consumer confidence levels, higher interest rates or higher fuel costs, even if prevailing economic conditions are otherwise favorable. Economic conditions in areas in which we operate dealerships, particularly in the Southeast, can have a major impact on our overall results of operations. Local influences, such as corporate downsizing, inclement weather such as hurricanes and other storms, environmental conditions, and global public health concerns and events could adversely affect our operations in certain markets and in certain periods. Any extended period of adverse economic conditions or low consumer confidence is likely to have a negative effect on our business.

Our business was significantly impacted during the recessionary period that began in 2007. This period of weakness in consumer spending and depressed economic conditions had a substantial negative effect on our operating results. In response to these conditions we reduced our inventory purchases, closed certain dealerships and reduced headcount. Additionally, in an effort to counteract the downturn, we increased our focus on pre-owned sales, parts and repair services, and finance & insurance services. As a result, we surpassed our pre-recession sales levels in less than 24 months. While we believe the measures we took significantly reduced the impact of the downturn on the business, we cannot guarantee similar results in the event of a future downturn. Additionally, we cannot predict the timing or length of unfavorable economic or industry conditions, including a downturn as a result of pandemics, rising interest rates, inflation, or the extent to which they could adversely affect our operating results.

Although past economic conditions have adversely affected our operating results, we believe we are capable of responding in a manner that allows us to substantially outperform the industry and gain market share. We believe our ability to capture such market share enables us to align our retail strategies with the desires of customers. We expect our core strengths, including retail and acquisition strategies, will allow us to capitalize on growth opportunities as they occur, despite market conditions.

**Critical Accounting Estimates**

There have been no material changes in our critical accounting policies and estimates from the information provided in the Company's Annual Report for the fiscal year ended September 30, 2023.

**How We Evaluate Our Operations**

***Revenue***

We have a diversified revenue profile that is comprised of new boat sales, pre-owned boat sales, finance & insurance products, repair and maintenance services, and parts and accessories sales. During different phases of the economic cycle, consumer behavior may shift away from new boats; however, we are well-positioned to generate revenue from pre-owned boats, repair and maintenance services, and parts and accessories, which have all historically increased during periods of economic uncertainty. We generate pre-owned sales from boats traded-in for new and pre-owned boats, boats purchased from customers, brokerage transactions, consignment sales and wholesale sales. We continue to focus on all aspects of our business including non-boat sales of finance & insurance products, repair and maintenance services, and parts and accessories. Although non-boat sales contributed 19.1% and 21.4% to revenue in the three months ended December 31, 2023 and 2022, respectively, due to the higher gross margin on these product and service lines, non-boat sales contributed 38.1% and 34.0% to gross profit in the three months ended December 31, 2023 and 2022, respectively. We have also diversified our business across geographies, dealership types (e.g., fresh water and salt water), and product offerings (e.g., focus on parts and accessories businesses through PartsVu, T-H Marine and Ocean Bio-Chem) in order to reduce the effects of seasonality and cyclicality of our business. In addition to seasonality, revenue and operating results may be significantly affected by quarter-to-quarter changes in economic conditions, manufacturer incentive programs, adverse weather conditions and other developments outside of our control.

***Gross Profit***

We calculate gross profit as revenue less cost of sales. Cost of sales consists of actual amounts paid for products, costs of services (primarily labor), transportation costs from manufacturers to our dealerships and vendor consideration. Gross profit excludes the majority of our depreciation and amortization, which is presented separately in our consolidated statements of operations.

***Gross Profit Margin***

Our overall gross profit margin varies with our revenue mix. Sales of new and pre-owned boats, which have comparable margins, generally result in a lower gross profit margin than our non-boat sales. As a result, when revenue from non-boat sales increases as a percentage of total revenue, we expect our overall gross profit margin to increase.

***Selling, General and Administrative Expenses***

Selling, general and administrative expenses consist primarily of salaries and incentive-based compensation, advertising, rent, insurance, utilities, and other customary operating expenses. A portion of our cost structure is variable (such as sales commissions and incentive compensation), or controllable (such as advertising), which we believe allows us to adapt to changes in the retail environment over the long term. We typically evaluate our variable expenses, selling expenses and all other selling, general and administrative expenses in the aggregate as a percentage of total revenue.

***Dealership Same-Store Sales***

We assess the organic growth of our Dealership segment revenue on a same-store basis. We believe that our assessment on a same-store basis represents an important indicator of comparative financial results and provides relevant information to assess our performance. New and acquired dealerships become eligible for inclusion in the comparable dealership base at the end of the dealership's thirteenth month of operations under our ownership and revenues are only included for identical months in the same-store base periods. Dealerships relocated within an existing market remain in the comparable dealership base for all periods. Additionally, amounts related to closed dealerships are excluded from each comparative base period. Because Dealership same-store sales may be defined differently by other companies in our industry, our definition of this measure may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

***Adjusted EBITDA***

We define Adjusted EBITDA as net income (loss) before interest expense – other, income tax (benefit) expense, depreciation and amortization and other (income) expense, further adjusted to eliminate the effects of items such as the change in fair value of contingent consideration, loss on extinguishment of debt and transaction costs. See "—Comparison of Non-GAAP Financial Measure" for more information and a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP.

**Summary of Acquisitions and Dispositions**

***Acquisitions***

The comparability of our results of operations between the periods discussed below is naturally affected by the acquisitions and dispositions we have completed during such periods. We are also continuously evaluating and pursuing acquisitions on an ongoing basis, and such acquisitions, if completed, will continue to impact the comparability of our financial results. While we expect continued growth and strategic acquisitions in the future, our acquisitions may have materially different characteristics than our historical results, and such differences in economics may impact the comparability of our future results of operations to our historical results. Additionally, while we do not expect significant dispositions in the future, any such dispositions may impact the comparability of our future results of operations to our historical results.

***Fiscal 2024 Year-to-date Acquisitions***

- Effective October 31, 2023, we exercised our right to acquire the remaining 20% economic interest in Quality Assets and Operations, LLC. Subsequent to the acquisition, the Company now owns 100% of the economic interest in Quality Assets and Operations, LLC.

***Fiscal Year 2023 Acquisitions***

- Effective October 1, 2022, we acquired Taylor Marine Centers, a full service marine retailer with locations in Maryland and Delaware
- Effective December 1, 2022, we acquired Harbor View Marine, a full service marine retailer with locations in Florida and Alabama
- Effective September 1, 2023, we acquired Harbor Pointe Marina, a full service marine retailer with one location in Alabama

We refer to the fiscal year 2023 acquisitions described above collectively as the "2023 Acquisitions." The acquisition of Taylor Marine Centers is fully reflected in our unaudited Condensed Consolidated Statements of Operations for the three months ended December 31, 2022. The acquisition of Harbor View Marine is partially reflected in our unaudited Condensed Consolidated Statements of Operations for the three months ended December 31, 2022. The acquisition of Harbor Pointe Marina is not reflected in our unaudited Condensed Consolidated Statements of Operations for the three months ended December 31, 2022.

***Dispositions***

***Fiscal Year 2024 Year-to-date Dispositions***

- There were no dispositions during the three months ended December 31, 2023.

***Fiscal Year 2023 Dispositions***

- Effective September 30, 2023, we sold Roscioli Yachting Center, a full-service marine and yachting facility located in Florida, including the related real estate and in-water slips. A portion of the sold property was leased back by the Company.
- Effective September 30, 2023 we sold Lookout Marine, a full-service marine retailer based in Kentucky with two locations.

We refer to the fiscal year 2023 dispositions described above collectively as the "2023 Dispositions." The 2023 Dispositions are fully reflected in our consolidated financial statements for the three months ended December 31, 2022.

**Other Factors Affecting Comparability of Our Future Results of Operations to Our Historical Results of Operations**

Our historical financial results discussed below may not be comparable to our future financial results. As we further implement controls, processes and infrastructure applicable to companies with publicly traded equity securities, including the integration of acquired companies, it is likely that we will incur additional selling, general, and administrative expenses relative to historical periods. Our future results will depend on our ability to efficiently manage our combined operations and execute our business strategy.

**Results of Operations**

***Three Months Ended December 31, 2023, Compared to Three Months Ended December 31, 2022***

| | For the Three Months Ended December 31, 2023 | | For the Three Months Ended December 31, 2022 | | | |
|---|---|---|---|---|---|---|
| ($ in thousands) | Amount | % of Revenue | Amount | % of Revenue | $ Change | % Change |
| **Revenues:** | | | | | | |
| New boat | $ 241,084 | 66.2 % | $ 232,405 | 63.4 % | $ 8,679 | 3.7 % |
| Pre-owned boat | 53,283 | 14.6 % | 55,778 | 15.2 % | (2,495) | -4.5 % |
| Finance & insurance income | 7,360 | 2.0 % | 8,934 | 2.4 % | (1,574) | -17.6 % |
| Service, parts & other | 62,286 | 17.1 % | 69,542 | 19.0 % | (7,256) | -10.4 % |
| Total revenues | 364,013 | 100.0 % | 366,659 | 100.0 % | (2,646) | -0.7 % |
| | | | | | | |
| **Gross Profit** | | | | | | |
| New boat | 44,681 | 12.3 % | 57,147 | 15.6 % | (12,466) | -21.8 % |
| Pre-owned boat | 11,937 | 3.3 % | 15,474 | 4.2 % | (3,537) | -22.9 % |
| Finance & insurance | 7,360 | 2.0 % | 8,934 | 2.4 % | (1,574) | -17.6 % |
| Service, parts & other | 27,465 | 7.5 % | 28,433 | 7.8 % | (968) | -3.4 % |
| Total gross profit | 91,443 | 25.1 % | 109,988 | 30.0 % | (18,545) | -16.9 % |
| | | | | | | |
| Selling, general and administrative expenses | 79,599 | 21.9 % | 77,838 | 21.2 % | 1,761 | 2.3 % |
| Depreciation and amortization | 4,222 | 1.2 % | 5,693 | 1.6 % | (1,471) | -25.8 % |
| Transaction costs | 579 | 0.2 % | 1,330 | 0.4 % | (751) | -56.5 % |
| Change in fair value of contingent consideration | 572 | 0.2 % | (1,409) | -0.4 % | 1,981 | -140.6 % |
| | | | | | | |
| Income from operations | 6,471 | 1.8 % | 26,536 | 7.2 % | (20,065) | -75.6 % |
| | | | | | | |
| Interest expense – floor plan | 7,812 | 2.1 % | 4,779 | 1.3 % | 3,033 | 63.5 % |
| Interest expense – other | 9,152 | 2.5 % | 7,584 | 2.1 % | 1,568 | 20.7 % |
| Other (income) expense, net | (247) | -0.1 % | (639) | -0.2 % | 392 | -61.3 % |
| Net (loss) income before income tax (benefit) expense | (10,246) | -2.8 % | 14,812 | 4.0 % | (25,058) | -169.2 % |
| Income tax (benefit) expense | (2,276) | -0.6 % | 3,384 | 0.9 % | (5,660) | -167.3 % |
| Net (loss) income | (7,970) | -2.2 % | 11,428 | 3.1 % | (19,398) | -169.7 % |
| Net (income) attributable to non-controlling interests | (119) | | (1,365) | | | |
| Net loss (income) attributable to non-controlling interests of One Water Marine Holdings, LLC | 919 | | (1,163) | | | |
| Net (loss) income attributable to OneWater Marine Inc. | $ (7,170) | | $ 8,900 | | | |

***Revenue***

Overall, revenue decreased by $2.6 million, or 0.7%, to $364.0 million for the three months ended December 31, 2023 from $366.7 million for the three months ended December 31, 2022. Revenue decreased primarily due to the sale of Roscioli Yachting Center and Lookout Marine in September 2023. Additionally, the decrease was related to the continued normalization of seasonality following the COVID-19 pandemic, partially offset by acquisitions completed last year. Overall the revenue decline was attributable to a $7.3 million decrease in service, parts & other sales and a $2.5 million decrease in pre-owned boat sales, partially offset by a $8.7 million increase in new boat sales for the three months ended December 31, 2023 compared to the three months ended December 31, 2022.

*New Boat Sales*

New boat sales increased by $8.7 million, or 3.7%, to $241.1 million for the three months ended December 31, 2023 from $232.4 million for the three months ended December 31, 2022. The increase was primarily attributable to the increase in average sales price resulting from an increase in large boat sales.

*Pre-owned Boat Sales*

Pre-owned boat sales decreased by $2.5 million, or 4.5%, to $53.3 million for the three months ended December 31, 2023 from $55.8 million for the three months ended December 31, 2022. We sell a wide range of brands and sizes of pre-owned boats under different types of sales arrangements (e.g., trade-ins, brokerage, consigned and wholesale), which causes periodic and seasonal fluctuations in the average sales price. The decrease in pre-owned boat sales was primarily attributable to the decrease in brokerage and consignment sales, partially offset by the increase in pre-owned sales from trade-ins.

*Finance & Insurance Income*

We generate revenue from arranging finance & insurance products, including financing, insurance and extended warranty contracts, to customers through various third-party financial institutions and insurance companies. Finance & insurance income decreased by $1.6 million, or 17.6%, to $7.4 million for the three months ended December 31, 2023 from $8.9 million for the three months ended December 31, 2022. The decrease was primarily due to declining income earned on loans placed given the current high interest-rate environment. We remain very focused on improving sales of finance & insurance products throughout our dealer network and implementing best practices at acquired dealer groups and existing dealerships. Finance & insurance income is recorded net of related fees, including fees charged back due to any early cancellation of loan or insurance contracts by a customer. Since finance & insurance income is fee-based, we do not incur any related cost of sale.

*Service, Parts & Other Sales*

Service, parts & other sales decreased by $7.3 million, or 10.4%, to $62.3 million for the three months ended December 31, 2023 from $69.5 million for the three months ended December 31, 2022. The decrease in service, parts & other sales is primarily due to a reduction in parts and accessories sold to original equipment manufacturers as boat manufacturers return to pre-pandemic activity levels. Additionally, our 2023 Dispositions, specifically Roscioli Yachting Center, contributed significantly to the decline. Revenues for the Distribution segment are reported in service, parts & other sales and totaled $32.5 million and $39.9 million for the three months ended December 31, 2023 and 2022, respectively.

**Gross Profit**

Overall, gross profit decreased by $18.5 million, or 16.9%, to $91.4 million for the three months ended December 31, 2023 from $110.0 million for the three months ended December 31, 2022. This decrease was primarily due to industry normalization of margins following the COVID-19 pandemic. Overall gross margins decreased 490 basis points to 25.1% for the three months ended December 31, 2023 from 30.0% for the three months ended December 31, 2022 due to the factors noted below.

*New Boat Gross Profit*

New boat gross profit decreased by $12.5 million, or 21.8%, to $44.7 million for the three months ended December 31, 2023 from $57.1 million for the three months ended December 31, 2022. This decrease was primarily due to the decrease in new boat gross profit margin. New boat gross profit margin was 18.5% for the three months ended December 31, 2023 as compared to 24.6% in the three months ended December 31, 2022. The decrease in new boat gross profit and gross profit margin is due primarily to the seasonal mix shift to larger boats and yachts that traditionally carry lower gross margins and the continued normalization of new boat pricing we experienced in the third and fourth quarter of our Fiscal Year 2023.

*Pre-owned Boat Gross Profit*

Pre-owned boat gross profit decreased by $3.5 million, or 22.9%, to $11.9 million for the three months ended December 31, 2023 from $15.5 million for the three months ended December 31, 2022. The decrease in pre-owned boat gross profit was primarily driven by a decrease in brokerage and consignment sales, as well as the decrease in pre-owned boat gross profit margin as a result of continued normalization of pre-owned boat pricing following the COVID-19 pandemic. Pre-owned boat gross profit margin was 22.4% and 27.7% for the three months ended December 31, 2023 and 2022, respectively.

*Finance & Insurance Gross Profit*

Finance & insurance gross profit decreased by $1.6 million, or 17.6% to $7.4 million for the three months ended December 31, 2023 from $8.9 million for the three months ended December 31, 2022. Finance & insurance income is fee-based revenue for which we do not recognize incremental cost of sales.

*Service, Parts & Other Gross Profit*

Service, parts & other gross profit decreased by $1.0 million, or 3.4%, to $27.5 million for the three months ended December 31, 2023 from $28.4 million for the three months ended December 31, 2022. The decrease in gross profit was primarily the result of our 2023 Dispositions, specifically Roscioli Yachting Center, partially offset by the increase in service, parts & other gross profit margin. The increase in gross profit margin was due to a shift in mix towards service which has a higher margin percentage than parts. Service, parts & other gross profit margin was 44.1% and 40.9% for the three months ended December 31, 2023 and 2022, respectively.

***Selling, General & Administrative Expenses***

Selling, general & administrative expenses increased by $1.8 million, or 2.3%, to $79.6 million for the three months ended December 31, 2023 from $77.8 million for the three months ended December 31, 2022. This increase was primarily due to expenses incurred to support maintaining revenues, including increased boat show related expenses, partially offset by decreased personnel expenses including lower employee commissions. Selling, general & administrative expenses as a percentage of revenue increased to 21.9% from 21.2% for the three months ended December 31, 2023 and 2022, respectively.

***Depreciation and Amortization***

Depreciation and amortization expense decreased $1.5 million, or 25.8%, to $4.2 million for the three months ended December 31, 2023 compared to $5.7 million for the three months ended December 31, 2022. The decrease in depreciation and amortization expense for the three months ended December 31, 2023 compared to the three months ended December 31, 2022 was primarily attributable to a reduction in intangible assets due to the prior year impairment charge as well as a reduction in property and equipment following the 2023 Dispositions.

***Transaction Costs***

The decrease in transaction costs of $0.8 million, or 56.5%, to $0.6 million for the three months ended December 31, 2023 compared to $1.3 million for the three months ended December 31, 2022 was primarily attributable to a reduction in acquisition activity during the first quarter of the current year compared to the previous year.

***Change in Fair Value of Contingent Consideration***

During the three months ended December 31, 2023, we recognized a loss of $0.6 million related to updated forecasts and accretion of contingent consideration liabilities related to acquisitions completed in fiscal years 2021, 2022 and 2023.

***Income from Operations***

Income from operations decreased $20.1 million, or 75.6%, to $6.5 million for the three months ended December 31, 2023 compared to $26.5 million for the three months ended December 31, 2022. The decrease was primarily attributable to the $18.5 million decrease in gross profit for the three months ended December 31, 2023 as compared to the three months ended December 31, 2022, in addition to a $1.8 million increase in selling, general and administrative expenses during the same periods.

***Interest Expense – Floor Plan***

Interest expense – floor plan increased $3.0 million, or 63.5%, to $7.8 million for the three months ended December 31, 2023 compared to $4.8 million for the three months ended December 31, 2022. Floor plan related interest expense increased primarily due to an increase in the average inventory for the three months ended December 31, 2023 compared to the three months ended December 31, 2022, as well as an increase in interest rates.

***Interest Expense – Other***

Interest expense – other increased by $1.6 million, or 20.7%, to $9.2 million for the three months ended December 31, 2023 compared to $7.6 million for the three months ended December 31, 2022. The increase in interest expense – other was primarily related to higher interest rates.

***Other (Income) Expense, Net***

Other (income) expense, net decreased by $0.4 million, or 61.3%, to $0.2 million of income for the three months ended December 31, 2023 compared to $0.6 million of income for the three months ended December 31, 2022. The decrease was primarily related to the change in foreign currency gains recognized during the three months ended December 31, 2023 compared to the three months ended December 31, 2022, as a result of changing exchange rates.

### *Income Tax (Benefit) Expense*

Income tax (benefit) expense changed by $5.7 million, or 167.3%, to a $2.3 million income tax benefit for the three months ended December 31, 2023 compared to $3.4 million of income tax expense for the three months ended December 31, 2022. The change was primarily attributable to the 169.2% decrease in income before income tax expense for the three months ended December 31, 2023 as compared to December 31, 2022.

### *Net (loss) income*

Net (loss) income decreased by $19.4 million to a $8.0 million loss for the three months ended December 31, 2023 compared to $11.4 million income for the three months ended December 31, 2022. The decrease was primarily attributable to the $20.1 million decrease in income from operations, the $1.6 million increase in interest expense – other and the $3.0 million increase in interest expense – floor plan, partially offset by the $5.7 million change in income tax (benefit) expense for the three months ended December 31, 2023 compared to the three months ended December 31, 2022.

## Comparison of Non-GAAP Financial Measure

### *Adjusted EBITDA*

We view Adjusted EBITDA as an important indicator of performance. We define Adjusted EBITDA as net income (loss) before interest expense – other, income tax (benefit) expense, depreciation and amortization and other (income) expense, further adjusted to eliminate the effects of items such as the change in fair value of contingent consideration, gain (loss) on extinguishment of debt, loss on impairment, stock-based compensation and transaction costs.

Our Board, management team and lenders use Adjusted EBITDA to assess our financial performance because it allows them to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization) and other items (such as the change in the fair value of contingent consideration, gain (loss) on extinguishment of debt, income tax (benefit) expense, loss on impairment, stock-based compensation and transaction costs) that impact the comparability of financial results from period to period. We present Adjusted EBITDA because we believe it provides useful information regarding the factors and trends affecting our business in addition to measures calculated under GAAP. Adjusted EBITDA is not a financial measure presented in accordance with GAAP. We believe that the presentation of this non-GAAP financial measure will provide useful information to investors and analysts in assessing our financial performance and results of operations across reporting periods by excluding items we do not believe are indicative of our core operating performance. Net income (loss) is the GAAP measure most directly comparable to Adjusted EBITDA. Our non-GAAP financial measure should not be considered as an alternative to the most directly comparable GAAP financial measure. You are encouraged to evaluate each of these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in such presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of Adjusted EBITDA in the future, and any such modification may be material. Adjusted EBITDA has important limitations as an analytical tool and you should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted EBITDA may be defined differently by other companies in our industry, our definition of this non-GAAP financial measure may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

The following tables present a reconciliation of Adjusted EBITDA to our net (loss) income, which is the most directly comparable GAAP measure for the periods presented.

***Three Months Ended December 31, 2023, Compared to Three Months Ended December 31, 2022***

| ($ in thousands) | Three Months Ended December 31, 2023 | Three Months Ended December 31, 2022 |
|---|---|---|
| Net (loss) income | $ (7,970) | $ 11,428 |
| Interest expense – other | 9,152 | 7,584 |
| Income tax (benefit) expense | (2,276) | 3,384 |
| Depreciation and amortization | 4,906 | 6,182 |
| Stock-based compensation | 2,392 | 2,573 |
| Change in fair value of contingent consideration | 572 | (1,409) |
| Transaction costs | 579 | 1,330 |
| Other (income) expense, net | (247) | (639) |
| Adjusted EBITDA | $ 7,108 | $ 30,433 |

Adjusted EBITDA was $7.1 million for the three months ended December 31, 2023 compared to $30.4 million for the three months ended December 31, 2022. The decrease in Adjusted EBITDA resulted primarily from the decrease in gross profit and the increase in interest expense - floor plan for the three months ended December 31, 2023 compared to the three months ended December 31, 2022.

***Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. and Adjusted Diluted (Loss) Earnings Per Share***

We view Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. and Adjusted Diluted (Loss) Earnings Per Share as important indicators of performance. We define Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. as Net Income (Loss) Attributable to OneWater Marine Inc. before transaction costs, intangible amortization, change in fair value of contingent consideration, loss on impairment and other expense (income), all of which are then adjusted for an allocation to the non-controlling interest of OneWater Marine Holdings, LLC. Each of these adjustments are subsequently adjusted for income tax at an estimated effective tax rate. Management also reports Adjusted Diluted (Loss) Earnings Per Share which presents all of the adjustments to net income attributable to OneWater Marine Inc. noted above on a per share basis.

Our Board, management team and lenders use Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. and Adjusted Diluted (Loss) Earnings Per Share to assess our financial performance because it allows them to compare our operating performance on a consistent basis across periods by removing the effects of unusual or one time charges and other items (such as the change in fair value of contingent consideration, intangible amortization, loss on impairment and transaction costs) that impact the comparability of financial results from period to period. We present Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. and Adjusted Diluted (Loss) Earnings Per Share because we believe they provide useful information regarding the factors and trends affecting our business in addition to measures calculated under GAAP. Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. and Adjusted Diluted (Loss) Earnings Per Share are not financial measures presented in accordance with GAAP. We believe that the presentation of these non-GAAP financial measures will provide useful information to investors and analysts in assessing our financial performance and results of operations across reporting periods by excluding items we do not believe are indicative of our core operating performance. Net income (loss) attributable to OneWater Marine Inc. is the GAAP measure most directly comparable to Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. and Net (loss) earnings per share of Class A common stock - diluted is the GAAP measure most directly comparable to Adjusted Diluted (Loss) Earnings Per Share. Our non-GAAP financial measures should not be considered as an alternative to the most directly comparable GAAP financial measure. You are encouraged to evaluate each of these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. and Adjusted Diluted (Loss) Earnings Per Share, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in such presentation. Our presentation of Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. and Adjusted Diluted (Loss) Earnings Per Share should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. and Adjusted Diluted (Loss) Earnings Per Share in the future, and any such modification may be material. Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. and Adjusted Diluted (Loss) Earnings Per Share have important limitations as analytical tools and you should not consider Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. or Adjusted Diluted (Loss) Earnings Per Share in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. and Adjusted Diluted (Loss) Earnings Per Share may be defined differently by other companies in our industry, our definition of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

The following tables present a reconciliation of Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. to our net (loss) income attributable to OneWater Marine Inc. and Adjusted Diluted (Loss) Earnings Per Share to our net (loss) earnings per share of Class A common stock - diluted, which are the most directly comparable GAAP measures for the periods presented.

***Three Months Ended December 31, 2023, Compared to Three Months Ended December 31, 2022.***

| | Three Months Ended December 31, | | |
|---|---|---|---|
| **Description** | **2023** | **2022** | **Change** |
| | | **($ in thousands)** | |
| Net (loss) income attributable to OneWater Marine Inc. | $ (7,170) | $ 8,900 | $ (16,070) |
| Transaction costs | 579 | 1,330 | (751) |
| Intangible amortization | 1,579 | 3,292 | (1,713) |
| Change in fair value of contingent consideration | 572 | (1,409) | 1,981 |
| Other expense (income), net | (247) | (639) | 392 |
| Net (loss) income attributable to non-controlling interests of One Water Marine Holdings, LLC (1) | (223) | (234) | 11 |
| Adjustments to income tax (benefit) expense (2) | (520) | (538) | 18 |
| Adjusted net (loss) income attributable to OneWater Marine Inc. | (5,430) | 10,702 | (16,132) |
| | | | |
| Net (loss) earnings per share of Class A common stock - diluted | $ (0.49) | $ 0.61 | $ (1.10) |
| Transaction costs | 0.04 | 0.09 | (0.05) |
| Intangible amortization | 0.11 | 0.23 | (0.12) |
| Change in fair value of contingent consideration | 0.04 | (0.10) | 0.14 |
| Other expense (income), net | (0.02) | (0.04) | 0.02 |
| Net (loss) income attributable to non-controlling interests of One Water Marine Holdings, LLC (1) | (0.02) | (0.02) | — |
| Adjustments to income tax (benefit) expense (2) | (0.04) | (0.04) | — |
| Adjusted (loss) earnings per share of Class A common stock - diluted | $ (0.38) | $ 0.73 | $ (1.11) |

(1) Represents an allocation of the impact of reconciling items to our non-controlling interest.
(2) Represents an adjustment of all reconciling items at an estimated effective tax rate.

Adjusted Net Loss Attributable to OneWater Marine Inc. and Adjusted Diluted Loss Per Share were $5.4 million and $0.38, respectively, for the three months ended December 31, 2023 compared to Adjusted Net Income Attributable to OneWater Marine Inc. and Adjusted Diluted Earnings Per Share of $10.7 million and $0.73, respectively, for the three months ended December 31, 2022. The decrease in Adjusted Net (Loss) Income Attributable to OneWater Marine Inc. resulted from the decrease in gross profit, the increase in selling, general and administrative expenses and the increases in interest expense - floor plan and interest expense - other, all partially offset by the decrease in income tax expense for the three months ended December 31, 2023, each as compared to the three months ended December 31, 2022. The decrease in Adjusted Diluted (Loss) Earnings Per Share resulted from the decrease in Adjusted Net (Loss) Income Attributable to OneWater Marine Inc.

**Seasonality**

Our business, along with the entire boating industry, is highly seasonal, and such seasonality varies by geographic market. With the exception of Florida, we generally realize significantly lower sales and higher levels of inventories, and related floor plan borrowings, in the quarterly periods ending December 31 and March 31. Revenue generated from our dealerships in Florida serves to offset generally lower winter revenue in our other states and enables us to maintain a more consistent revenue stream. The onset of the public boat and recreation shows in January stimulates boat sales and typically allows us to reduce our inventory levels and related floor plan borrowings throughout the remainder of the fiscal year. The impact of seasonality on our results of operations could be materially impacted based on the location of our acquisitions. For example, our operations could be substantially more seasonal if we acquire dealer groups that operate in colder regions of the United States. Our business is also subject to weather patterns, which may adversely affect our results of operations. For example, prolonged winter conditions, reduced rainfall levels or excessive rain, may limit access to boating locations or render boating dangerous or inconvenient, thereby curtailing customer demand for our products and services. In addition, unseasonably cool weather and prolonged winter conditions may lead to a shorter selling season in certain locations. Hurricanes and other storms could result in disruptions of our operations or damage to our boat inventories and facilities, as has been the case when Florida and other markets were affected by hurricanes. We believe our geographic diversity is likely to reduce the overall impact to us of adverse weather conditions in any one market area. Additionally, due to a global pandemic, our seasonal trends may also change as a result of, among other things, location closures, disruptions to the supply chain and inventory availability, manufacturer delays, and cancellation of boat shows.

## Liquidity and Capital Resources

### *Overview*

OneWater Inc. is a holding company with no operations and is the sole managing member of OneWater LLC. OneWater Inc.'s principal asset consists of common units of OneWater LLC. Our earnings and cash flows and ability to meet our obligations under the A&R Credit Facility (as defined below), and any other debt obligations will depend on the cash flows resulting from the operations of our operating subsidiaries, and the payment of distributions by such subsidiaries. Our A&R Credit Facility and Inventory Financing Facility (described below) (together, the "Credit Facilities") contain certain restrictions on distributions or transfers from our operating subsidiaries to their members or unitholders, as applicable, as described in the summaries below under "—Debt Agreements—A&R Credit Facility" and "—Inventory Financing Facility." Accordingly, the operating results of our subsidiaries may not be sufficient for them to make distributions to us. As a result, our ability to make payments under the A&R Credit Facility and any other debt obligations or to declare dividends could be limited.

Our cash needs are primarily for growth through acquisitions and working capital to support our operations, including new and pre-owned boat and related parts inventories and off-season liquidity. We routinely monitor our cash flow to determine the amount of cash available to complete acquisitions. We monitor our inventories, inventory aging and current market trends to determine our current and future inventory and related floorplan financing needs. Based on current facts and circumstances, we believe we will have adequate cash flow from operations, borrowings under our Credit Facilities and proceeds from any future public or private issuances of debt or equity to fund our current operations, to make share repurchases and to fund essential capital expenditures and acquisitions for the next twelve months and beyond.

Cash needs for acquisitions have historically been financed with our Credit Facilities and cash generated from operations. Our ability to utilize the A&R Credit Facility to fund acquisitions depends upon Adjusted EBITDA and compliance with covenants of the A&R Credit Facility. Cash needs for inventory have historically been financed with our Inventory Financing Facility. Our ability to fund inventory purchases and operations depends on the collateral levels and our compliance with the covenants of the Inventory Financing Facility. As of December 31, 2023, we were in compliance with all covenants under the A&R Credit Facility and the Inventory Financing Facility.

We have no material off balance sheet arrangements, except for purchase commitments under supply agreements entered into in the normal course of business.

### *Cash Flows*

#### *Analysis of Cash Flow Changes Between the Three Months Ended December 31, 2023 and 2022*

The following table summarizes our cash flows for the periods indicated:

| | Three Months Ended December 31, | | |
|---|---|---|---|
| ($ in thousands) | 2023 | 2022 | Change |
| Net cash used in operating activities | $ (110,034) | $ (138,050) | $ 28,016 |
| Net cash provided by (used in) investing activities | 39,807 | (34,980) | 74,787 |
| Net cash provided by financing activities | 31,079 | 170,280 | (139,201) |
| Effect of exchange rate changes on cash and restricted cash | (9) | 11 | (20) |
| Net change in cash | $ (39,157) | $ (2,739) | $ (36,418) |

*Operating Activities*. Net cash used in operating activities was $110.0 million for the three months ended December 31, 2023 compared to net cash used in operating activities of $138.1 million for the three months ended December 31, 2022. The $28.0 million decrease in cash used in operating activities was primarily attributable to a $50.6 million decrease in the change in inventory and a $25.7 million decrease in the change in accounts receivable, offset by a $19.4 million decrease in net income, and a $26.0 million increase in the change in prepaid expenses and other current assets for the three months ended December 31, 2023 as compared to the three months ended December 31, 2022.

*Investing Activities*. Net cash provided by investing activities was $39.8 million for the three months ended December 31, 2023 compared to net cash used in investing activities of $35.0 million for the three months ended December 31, 2022. The $74.8 million increase in cash provided by investing activities was primarily attributable to a $45.1 million increase in proceeds from disposal of a business related to the disposal of Roscioli Yachting Center and a $28.6 million decrease in cash used in acquisitions for the three months ended December 31, 2023 as compared to the three months ended December 31, 2022.

*Financing Activities*. Net cash provided by financing activities was $31.1 million for the three months ended December 31, 2023 compared to net cash provided by financing activities of $170.3 million for the three months ended December 31, 2022. The $139.2 million decrease in financing cash flow was primarily attributable to a $82.2 million decrease in net borrowings on our Inventory Financing Facility, a $38.1 million increase in payments on long-term debt and a $18.8 million payment to purchase the non-controlling interest of

Quality Assets and Operations, LLC for the three months ended December 31, 2023 as compared to the three months ended December 31, 2022.

**Share Repurchase Program**

On March 30, 2022 the Board authorized a share repurchase program of up to $50 million of outstanding shares of Class A common stock. Repurchases under the share repurchase program may be made at any time or from time to time, without prior notice, in the open market or in privately negotiated transactions at prevailing market prices, or such other means as will comply with applicable state and federal securities laws and regulations, including the provisions of the Securities Exchange Act of 1934, including Rule 10b5-1 and, to the extent practicable or advisable, Rule 10b-18 thereunder, and consistent with the Company's contractual limitations and other requirements. The Company did not make share repurchases during the three months ended December 31, 2023. The Company has $48.1 million remaining under the share repurchase program.

**Debt Agreements**

***A&R Credit Facility***

On August 9, 2022 we entered into the Amended and Restated Credit Agreement (the "A&R Credit Facility"), with certain of our subsidiaries, Truist Bank and the other lenders party thereto. The A&R Credit Facility amends and restates and replaces in its entirety the Credit Facility. The A&R Credit Facility provides for, among other things, (i) a $65.0 million revolving credit facility (including up to $5.0 million in swingline loans and up to $5.0 million in letters of credit from time to time) and (ii) a $445.0 million term loan facility. Subject to certain conditions, the available amount under the Term Facility and the Revolving Facility may be increased by $125.0 million plus additional amounts subject to additional conditions (including satisfaction of a consolidated leverage ratio requirement) in the aggregate (with up to $50.0 million allocable to the Revolving Facility). The Revolving Facility matures on August 9, 2027. The Term Facility is repayable in installments beginning on December 31, 2022, with the remainder due on the earlier of (i) August 9, 2027 or (ii) the date on which the principal amount of all outstanding term loans have been declared or automatically have become due and payable pursuant to the terms of the A&R Credit Facility.

Borrowings under the A&R Credit Facility bear interest, at our option, at either (a) a base rate (the "Base Rate") equal to the highest of (i) the prime rate (as announced by Truist Bank from time to time), (ii) the Federal Funds Rate, as in effect from time to time, plus 0.50%, (iii) Term SOFR (as defined in the A&R Credit Facility) for a one-month Interest Period (calculated on a daily basis after taking into account a floor equal to 0.00%) plus 1.00%, and (iv) 1.00%, in each case, plus an applicable margin ranging from 0.75% to 1.75%, or (b) Term SOFR, plus an applicable margin ranging from 0.75% to 1.75%. Interest on swingline loans shall bear interest at the Base Rate plus an applicable margin ranging from 1.75% to 2.75%. All applicable interest margins are based on certain consolidated leverage ratio measures.

The A&R Credit Facility is subject to certain financial covenants including the maintenance of a minimum fixed charge coverage ratio and a maximum consolidated leverage ratio. The A&R Credit Facility also contains non-financial covenants and restrictive provisions that, among other things, limit the ability of the Loan Parties (as defined in the A&R Credit Facility) to incur additional debt, transfer or dispose of all of their respective assets, make certain investments, loans or restricted payments and engage in certain transactions with affiliates. The A&R Credit Facility also includes events of default, borrowing conditions, representations and warranties and provisions regarding indemnification and expense reimbursement. The Company was in compliance with all covenants as of December 31, 2023.

***Inventory Financing Facility***

On November 14, 2023, the Company entered into the Eighth Amended and Restated Inventory Financing Agreement (as amended, restated, supplemented or otherwise modified, the "Inventory Financing Facility") to, among other things, increase the maximum borrowing amount available to $650.0 million. Loans under the Inventory Financing Facility may be extended from time to time to enable the Company to purchase inventory from certain manufacturers. The Inventory Financing Facility expires on March 1, 2026.

Under the Inventory Financing Facility, interest on new boats and for rental units is calculated using the Adjusted 30-Day Average SOFR plus an applicable margin of 2.75% to 5.00% depending on the age of the inventory. Interest on pre-owned boats is calculated at the new boat rate plus 0.25%. Loans are extended from time to time to enable us to purchase inventory from certain manufacturers and to lease certain boats and related parts to customers. The applicable financial terms, curtailment schedule and maturity for each loan are set forth in separate program terms letters that are entered into from time to time. The collateral for the Inventory Financing Facility consists primarily of our inventory that was financed through the Inventory Financing Facility and related assets, including accounts receivable, bank accounts, and proceeds of the foregoing, and excludes the collateral that secures the A&R Credit Facility.

We are required to comply with certain financial and non-financial covenants under the Inventory Financing Facility, including certain provisions related to the Funded Debt to EBITDA Ratio, and the Fixed Charge Coverage Ratio (as defined in the Inventory Financing Facility). We are also subject to additional restrictive covenants, including restrictions on our ability to (i) use, sell, rent or otherwise dispose of any collateral securing the Inventory Financing Facility except for the sale of inventory in the ordinary course of business, (ii) incur certain liens, (iii) engage in any material transaction not in the ordinary course of business, (iv) change our business in any material manner or our organizational structure, other than as otherwise provided for in the Inventory Financing Facility, (v) engage in certain mergers or consolidations, (vi) acquire certain assets or ownership interests of any other person or entities, except for certain permitted acquisitions, (vii) guarantee or indemnify or otherwise become in any way liable with respect to certain obligations of any other person or entity, except as provided by the Inventory Financing Facility, (viii) redeem, retire, purchase or otherwise acquire, directly or indirectly, any of the equity of our acquired marine retailers (ix) make any change in any of our marine retailers' capital structure or in any of their business objectives or operations which might in any way adversely affect the ability of such marine retailer to repay its obligations under the Inventory Financing Facility, (x) incur, create, assume, guarantee or otherwise become or remain liable with respect to certain indebtedness, and (xi) make certain payments of subordinated debt. OneWater LLC and certain of its subsidiaries are restricted from, among other things, making cash dividends or distributions without the prior written consent of Wells Fargo. Under the Inventory Financing Facility, among other exceptions, OneWater LLC may make distributions to its members for certain permitted tax payments subject to certain financial ratios, may make scheduled payments on certain subordinated debt, may make distributions to the Company for repurchases of the Company's common stock subject to certain financial ratios, and is permitted to make pro rata distributions to the OneWater Unit Holders, including OneWater Inc., in an amount sufficient to allow OneWater Inc. to pay its taxes and to make payments under the Tax Receivable Agreement. OneWater LLC's subsidiaries are generally restricted from making loans or advances to OneWater LLC. Our Chief Executive Officer, Philip Austin Singleton, Jr., and our President and Chief Operating Officer, Anthony Aisquith, provide certain personal guarantees of the Inventory Financing Facility.

As of December 31, 2023 and September 30, 2023, our indebtedness associated with financing our inventory under the Inventory Financing Facility totaled $562.8 million and $489.0 million, respectively. Certain of our manufacturers enter into independent agreements with the lenders to the Inventory Financing Facility, which results in a lower effective interest rate charged to us for borrowings related to the products by such manufacturer. For the three months ended December 31, 2023 and the year ended September 30, 2023, the effective interest rate on the outstanding short-term borrowings under the Inventory Financing Facility was 6.1% and 5.7%, respectively. As of December 31, 2023 and September 30, 2023, our additional available borrowings under our Inventory Financing Facility were $87.2 million and $61.0 million, respectively, based upon the outstanding borrowings and the maximum facility amount. The aging of our inventory limits our borrowing capacity as defined curtailments reduce the allowable advance rate as our inventory ages. As of December 31, 2023, we were in compliance with all covenants under the Inventory Financing Facility.

***Notes Payable***

*Acquisition Notes Payable*. In connection with certain of our acquisitions of dealer groups, we have entered into notes payable agreements with the acquired entities to finance these acquisitions. As of December 31, 2023, our indebtedness associated with our 1 acquisition note payable totaled $1.1 million with an interest rate of 4.0% per annum and a maturity date of December 1, 2024.

*Commercial Vehicles Notes Payable*. Since 2015, we have entered into multiple notes payable with various commercial lenders in connection with our acquisition of certain vehicles utilized in our retail operations. Such notes bear interest ranging from 0.0% to 10.8% per annum, require monthly payments of approximately $124,000, and mature on dates between January 2024 to September 2028. As of December 31, 2023, we had $3.4 million outstanding under the commercial vehicles notes payable.

**Tax Receivable Agreement**

The Tax Receivable Agreement generally provides for the payment by OneWater Inc. to each TRA Holder of 85% of the net cash savings, if any, in U.S. federal, state and local income tax and franchise tax (computed using the estimated impact of state and local taxes) that OneWater Inc. actually realizes (or is deemed to realize in certain circumstances) in periods after the IPO as a result of certain tax basis increases and certain tax benefits attributable to imputed interest. OneWater Inc. will retain the benefit of the remaining net cash savings.

As of December 31, 2023 and September 30, 2023, our liability under the Tax Receivable Agreement was $43.1 million. To the extent OneWater LLC has available cash and subject to the terms of any current or future debt or other agreements, the OneWater LLC Agreement will require OneWater LLC to make pro rata cash distributions to TRA Holders, including OneWater Inc., in an amount sufficient to allow OneWater Inc. to pay its taxes and to make payments under the Tax Receivable Agreement. We generally expect OneWater LLC to fund such distributions out of available cash. However, except in cases where OneWater Inc. elects to terminate the Tax Receivable Agreement early, the Tax Receivable Agreement is terminated early due to certain mergers or other changes of control or OneWater Inc. has available cash but fails to make payments when due; generally OneWater Inc. may elect to defer payments due under the Tax Receivable Agreement if it does not have available cash to satisfy its payment obligations under the Tax Receivable Agreement or if its contractual obligations limit its ability to make these payments. Any such deferred payments under the Tax Receivable Agreement generally will accrue interest. In certain cases, payments under the Tax Receivable Agreement may be accelerated and/or significantly exceed the actual benefits, if any, OneWater Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreement. In the case of such an acceleration, where applicable, we generally expect the accelerated payments due under the Tax Receivable Agreement to be funded out of the proceeds of the change of control transaction giving rise to such acceleration. OneWater Inc. intends to account for any amounts payable under the Tax Receivable Agreement in accordance with ASC Topic 450, Contingencies.

**Recent Accounting Pronouncements**

See Note 3 of the Notes to the Condensed Consolidated Financial Statements.

### Item 3. Quantitative and Qualitative Disclosure about Market Risk

***Interest Rate Risk***

Our Inventory Financing Facility exposes us to risks caused by fluctuations in interest rates. The interest rate on our Inventory Financing Facility for major unit inventory is calculated using SOFR plus an applicable margin. Based on an outstanding balance of $562.8 million as of December 31, 2023, a change of 100 basis points in the underlying interest rate would cause a change in interest expense of approximately $5.6 million. We do not currently hedge our interest rate exposure. This hypothetical increase does not take into account a corresponding increase to the programs that we may receive from our manufacturers or management’s ability to curtail inventory and related floor plan balances, both of which would reduce the impact of the interest rate increase.

Our A&R Credit Facility exposes us to risks caused by fluctuations in interest rates. The interest rate on our A&R Credit Facility is calculated using Term SOFR (with a 0.00% floor) plus an applicable margin. Based on an outstanding balance of $397.8 million and Term SOFR as of December 31, 2023, a change of 100 basis points in the underlying interest rate would cause a change in interest expense of approximately $4.0 million. We do not currently hedge our interest rate exposure.

***Foreign Currency Risk***

We purchase certain of our new boat and parts inventories from foreign manufacturers and some of these transactions are denominated in a currency other than the U.S. dollar. Our business is subject to foreign exchange rate risk that may influence manufacturers’ ability to provide their products at competitive prices in the United States. From time to time we may enter into foreign currency forward contracts to hedge certain foreign currency exposures to lessen, but not completely eliminate, the effects of foreign currency fluctuations on our financial results. To the extent that we cannot recapture this volatility in prices charged to customers or if this volatility negatively impacts consumer demand for our products, this volatility could adversely affect our future operating results.

### Item 4. Controls and Procedures

***Disclosure Controls and Procedures***

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of such date. No system of controls, no matter how well designed and operated, can provide absolute assurance that the objectives of the system of controls are met, and no evaluation of controls can provide absolute assurance that the system of controls has operated effectively in all cases. Our disclosure controls and procedures are designed to provide reasonable assurance that the objectives of disclosure controls and procedures are met and to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

***Changes in Internal Control Over Financial Reporting***

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f)) during the three months ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

Due to the nature of our business, we are, from time to time, involved in other routine litigation or subject to disputes or claims related to our business activities, including workers’ compensation claims and employment related disputes. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. In the opinion of our management, none of the pending litigation, disputes or claims against us, if decided adversely, would have a material adverse effect on our financial condition, cash flows or results of operations.

### Item 1A. Risk Factors

In addition to the information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors and other cautionary statements described under the heading “Risk Factors” included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2023, filed with the SEC on December 14, 2023, which could materially affect our businesses, financial condition, or future results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, or future results. There have been no material changes in our risk factors from those described in our Annual Report on Form 10-K for the fiscal year ended September 30, 2023, filed with the SEC on December 14, 2023.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

### Issuer's Purchases of Equity Securities

On March 30, 2022, the Board authorized a share repurchase program of up to $50 million of outstanding shares of Class A common stock. Repurchases under the share repurchase program may be made at any time or from time to time, without prior notice, in the open market or in privately negotiated transactions at prevailing market prices, or such other means as will comply with applicable state and federal securities laws and regulations, including the provisions of the Securities Exchange Act of 1934, including, to the extent practicable or advisable, Rule 10b5-1 and Rule 10b-18 thereunder, and consistent with the Company's contractual limitations and other requirements. The Company made no repurchases in the three months ended December 31, 2023. The Company has $48.1 million remaining under the share repurchase program.

## Item 3. Defaults Upon Senior Securities

None.

## Item 4. Mine Safety Disclosures

Not Applicable.

## Item 5. Other Information

On September 29, 2023, the Company entered into Amendment No. 2 ("Amendment No. 2") to the A&R Credit Facility with certain of our subsidiaries, Truist Bank and the other lenders party thereto. Amendment No. 2 amends the A&R Credit Facility to permit the sale and leaseback transaction entered into as part of the previously announced sale of Roscioli Yachting Center. The foregoing description is qualified in its entirety by reference to the full text of Amendment No. 2, which is filed as Exhibit 10.1 to this Quarterly Report on Form 10-Q.

On January 29, 2024, the Company entered into Amendment No. 3 ("Amendment No. 3") to the A&R Credit Facility, with certain of our subsidiaries, Truist Bank and the other lenders party thereto. Amendment No. 3 amends the A&R Credit Facility to, among other things, maintain the maximum consolidated leverage ratio schedule of 3.25 to 1.00 through the fiscal quarter ending March 31, 2025, stepping down to 3.00 to 1.00 for the fiscal quarter ending June 30, 2025 through the fiscal quarter ending March 31, 2026 and stepping down to 2.75 to 1.00 for the fiscal quarter ending June 30, 2026 and each fiscal quarter ending thereafter. The foregoing description is qualified in its entirety by reference to the full text of Amendment No. 3, which is filed as Exhibit 10.2 to this Quarterly Report on Form 10-Q.

## *Item 6. Exhibits*

| Exhibit No. | Description |
|---|---|
| 3.1 | Third Amended and Restated Certificate of Incorporation of OneWater Marine Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, File No. 001-39213, filed with the Commission on February 27, 2023). |
| 3.2 | Third Amended and Restated Bylaws of OneWater Marine Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, File No. 001-39213, filed with the Commission on March 2, 2023). |
| *10.1 | Amendment No. 2 to the Amended and Restated Credit Agreement, dated as of September 29, 2023, by and among One Water Assets & Operations, LLC, One Water Marine Holdings, LLC, OneWater Marine Inc. and certain of its subsidiaries from time to time, the lenders from time to time party thereto, and Truist Bank as Administrative Agent. |
| *10.2 | Amendment No. 3 to the Amended and Restated Credit Agreement, dated as of January 29, 2024, by and among One Water Assets & Operations, LLC, One Water Marine Holdings, LLC, OneWater Marine Inc. and certain of its subsidiaries from time to time, the lenders from time to time party thereto, and Truist Bank as Administrative Agent. |
| *31.1 | Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a). |
| *31.2 | Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a). |
| **32.1 | Certification of the Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350. |
| **32.2 | Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350. |
| 101.INS(a) | Inline XBRL Instance Document. |
| 101.SCH(a) | Inline XBRL Schema Document. |
| 101.CAL(a) | Inline XBRL Calculation Linkbase Document. |
| 101.DEF(a) | Inline XBRL Definition Linkbase Document. |
| 101.LAB(a) | Inline XBRL Labels Linkbase Document. |
| 101.PRE(a) | Inline XBRL Presentation Linkbase Document. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

* Filed herewith.

** Furnished herewith.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**ONEWATER MARINE INC.**
(Registrant)

By: /s/ Philip Austin Singleton, Jr.
Philip Austin Singleton, Jr.
Chief Executive Officer

By: /s/ Jack Ezzell
Jack Ezzell
Chief Financial Officer

February 2, 2024

**Exhibit 10.1**

***Execution Version***

# AMENDMENT NO. 2 TO AMENDED AND RESTATED CREDIT AGREEMENT

AMENDMENT NO. 2 TO AMENDED AND RESTATED CREDIT AGREEMENT, dated as of September 29, 2023 (this "Amendment"), is entered into by and among ONE WATER ASSETS & OPERATIONS, LLC, a Delaware limited liability company (the "Borrower"), ONE WATER MARINE HOLDINGS, LLC, a Delaware limited liability company ("Holdings"), ONEWATER MARINE INC., a Delaware corporation (the "Parent"), each of the other Guarantors party hereto, each of the Lenders party hereto and TRUIST BANK, as Administrative Agent.

WHEREAS, reference is made to that certain Amended and Restated Credit Agreement, dated as of July 22, 2020 and amended and restated as of August 9, 2022 (as amended by that certain Amendment No. 1 to Amended and Restated Credit Agreement, dated as of February 10, 2023 and as further amended, restated, supplemented or otherwise modified from time to time to, but not including, the date hereof, the "Credit Agreement" and the Credit Agreement as amended by this Amendment, the "Amended Credit Agreement"), by and among the Borrower, Holdings, Parent, the other Guarantors from time to time party thereto, the Lenders and Issuing Banks from time to time party thereto and Truist Bank, as Administrative Agent, Collateral Agent, a Lender, an Issuing Bank and Swingline Lender; capitalized terms used in this Amendment but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement;

WHEREAS, the Borrower has informed the Administrative Agent that (a) South Florida Assets & Operations, LLC, a Florida limited liability company ("SFAO"), has agreed to sell its real properties located at 3225 State Road 84, Fort Lauderdale, Florida 33312 and 3201 W. State Road 84, Davie, Florida 33312 (collectively, the "Florida Properties"), together with certain personal property at such locations (collectively with the Florida Properties, the "Florida Assets"), to the Florida Buyer (as defined below), pursuant to that certain Asset Purchase Agreement to be dated on or about September 30, 2023 (the "Florida Purchase Agreement"; such sale, collectively, the "Florida Asset Sale") between SFAO, as seller, and Bradford Marine Holding Company, LLC, a Delaware limited liability company, as buyer, which buyer will simultaneously upon closing assign its rights under the Florida Purchase Agreement to FLYHLANDCO LLC, a Florida limited liability company, and FLYHOPCO LLC, a Florida limited liability company (collectively, the "Florida Buyer"), and (b) concurrently with the consummation of the Florida Asset Sale, the Florida Buyer shall enter into a lease with respect to a portion of the Florida Properties with SFAO pursuant to that certain Lease to be dated on or about September 30, 2023 (the "Florida Lease" and, together with the Florida Asset Sale, the "FL Sale and Leaseback Transaction");

WHEREAS, the Borrower has requested that the Administrative Agent and the Lenders party hereto (which shall constitute the Required Lenders) agree to certain amendments to the Credit Agreement to permit the FL Sale and Leaseback Transaction; and

WHEREAS, the Administrative Agent and the Lenders party hereto (which shall constitute the Required Lenders) are willing to agree to such amendments and releases, subject to and in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendments to Credit Agreement. The Borrower, the Lenders party hereto, the Administrative Agent and other parties party hereto agree that on the Second Amendment Effective Date (as defined below), the Credit Agreement is hereby amended as follows:

(a) Section 1.1 of the Credit Agreement shall be amended by inserting the following new definition immediately after the definition of "Floorplan Intercreditor Agreement":

""FL Sale and Leaseback Transaction " has the meaning set forth in the Second Amendment.

(b) Section 1.1 of the Credit Agreement shall be amended by inserting the following new definition immediately after the definition of "SEC":

""Second Amendment" shall mean that certain Amendment No. 2 to Amended and Restated Credit Agreement, dated as of September 29, 2023 by and among the Borrower, Holdings, the Parent, each of the other Guarantors party thereto, each of the Lenders party thereto and the Administrative Agent."

(c) Section 2.12(a)(ii) of the Credit Agreement shall be amended and restated in its entirety and replaced with the following new Section 2.12(a)(ii):

"(ii) proceeds from other Asset Sales permitted under Section 7.6 (other than clauses (l)(iii) and (m) thereof),"

(d) Section 7.6(l) shall be amended by (i) deleting the word "or" appearing therein and inserting "," in lieu thereof and (ii) inserting the following new clause (iii) immediately after the text "Asset Sale" appearing therein:

"or (iii) consummated pursuant to the FL Sale and Leaseback Transaction; provided that, upon receipt of the Net Cash Proceeds of the FL Sale and Leaseback Transaction, (x) not less than $25,000,000 of such Net Cash Proceeds shall be promptly (and in any event, within three (3) Business Days after receipt thereof) applied as a mandatory prepayment of the Obligations in accordance with Section 2.12(d) (without giving effect to the reinvestment rights set forth in the first proviso in Section 2.12(a)), and (y) any such Net Cash Proceeds in excess of $25,000,000 shall be invested to purchase certain Capital Stock of Quality Assets & Operations, LLC, a Delaware limited liability company, and to pay related transaction fees, costs, and expenses, or applied as a mandatory prepayment in accordance with Section 2.12(a) (giving effect to the provisos set forth therein); and"

SECTION 2. Representations and Warranties. To induce the Lenders and the Administrative Agent to enter into this Amendment, each Loan Party represents and warrants to the Lenders and the Administrative Agent as of the Second Amendment Effective Date as follows:

(a) Each Loan Party has the requisite power and authority to execute and deliver this Amendment and perform its obligations under the Amended Credit Agreement. The execution and delivery of this Amendment and performance by such Loan Party of its obligations under the Amended Credit Agreement have been duly authorized by all necessary corporate or other organizational action of such Loan Party. This Amendment has been duly executed and delivered by each Loan Party. Each of this Amendment and the Amended Credit Agreement is a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) Immediately before and after giving effect to this Amendment, all representations and warranties set forth in the Loan Documents are true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties were true and correct in all respects, on and as of such date of execution, in each case before and after giving effect thereto) except to the extent that such representations and warranties specifically refer to an earlier date, in which case were true and correct in all material respects as of such earlier date.

(c) Immediately before and after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

SECTION 3. Effectiveness. The effectiveness of this Amendment shall be subject to the satisfaction (or waiver by the Administrative Agent and the Lenders) of the following conditions (the date of such effectiveness, the "Second Amendment Effective Date"):

(a) The Administrative Agent (or its counsel) shall have received from each Loan Party named on the signature pages hereto, the Administrative Agent and the Lenders constituting the Required Lenders either (i) a counterpart of this Amendment signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include facsimile or other electronic transmission of a signed counterpart of this Amendment) that such party has signed a counterpart of this Amendment.

(b) The Administrative Agent shall have received all costs, fees and expenses (including, without limitation, legal fees and expenses) required to be paid pursuant to Section 11.3 of the Credit Agreement, in the case of costs and expenses, to the extent invoiced at least two (2) Business Days (or such shorter period as the Borrower may agree) prior to the Second Amendment Effective Date.

(c) The representations and warranties of the Loan Parties set forth in Section 2 above are true and correct.

SECTION 4. Effect on Credit Agreement; Reaffirmation.

(a) Except as expressly set forth herein, this Amendment (x) shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, the Borrower or any other Loan Party under the Credit Agreement or any other Loan Document and (y) shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Each Loan Party acknowledges that it expects to receive substantial direct and indirect benefits as a result of this Amendment and the transactions contemplated hereby and (i) reaffirms its obligations under the Amended Credit Agreement and each other Loan Document to which it is a party, in each case, as modified by this Amendment, (ii) reaffirms all Liens on the Collateral which have been granted by it in favor of the Administrative Agent for the benefit of the Secured Parties pursuant to the Loan Documents and (iii) acknowledges and agrees that the grants of security interests by and the guarantees of the Loan Parties contained in the Loan Documents are, and shall remain, in full force and effect immediately after giving effect to this Amendment.

(b) This Amendment shall constitute a "Loan Document" for all purposes of the Amended Credit Agreement and the other Loan Documents.

(c) Each Subsidiary of the Borrower party hereto (each, a "Subsidiary Guarantor") acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Subsidiary Guarantor is not required by the terms of the Credit Agreement or any other Loan Document to consent to this Amendment and (ii) nothing in the Amended Credit Agreement or any other Loan Document shall be deemed to require the consent of such Subsidiary Guarantor to any future amendment, consent or waiver of the terms of the Credit Agreement.

SECTION 5. Consent to Release. Pursuant to Section 9.12 of the Credit Agreement, the Lenders irrevocably authorize the Administrative Agent and/or the Collateral Agent to release any Lien on the Florida Assets granted to or held by the Administrative Agent and/or the Collateral Agent under any Loan Document in order to effectuate the FL Sale and Leaseback Transaction.

SECTION 6. Governing Law; Submission to Jurisdiction and Waivers; Waiver of Jury Trial.

(a) This Amendment and any claim, dispute, cause of action or proceeding (whether based in contract, tort or otherwise) based upon, arising out of, connected with, or relating to, this Amendment, and the rights and obligations of the parties hereto, shall be governed by and construed and interpreted in accordance with, the laws of the State of New York without regard to principles of conflicts of law.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York sitting in New York County, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Amendment, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Amendment shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Amendment against Holdings or the Borrower or their respective properties in the courts of any jurisdiction.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding described in paragraph (b) of this Section 6 and brought in any court referred to in paragraph (b) of this Section 6. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Amendment irrevocably consents to service of process in the manner provided for notices in Section 11.1 of the Credit Agreement. Nothing in this Amendment will affect the right of any party hereto to serve process in any other manner permitted by law.

(e) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 7. Counterparts; Integration; Effectiveness; Amendment. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment, the Credit Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or any Lenders constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Amendment shall become effective in accordance with the terms of Section 3 hereof and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or other electronic means shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment may not be amended nor may any provision hereof be waived except in accordance with Section 11.2 of the Credit Agreement. The words "execution," "execute," "signed," "signature," and words of like import in or related to this Amendment or any other document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

SECTION 8. Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9. Headings. Article and Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first written above.

| | |
|---|---|
| PARENT: | ONEWATER MARINE INC.,<br>as the Parent<br><br>By: /s/ Jack Ezzell<br>Name: Jack Ezzell<br>Title: Chief Financial Officer |
| HOLDINGS | ONE WATER ASSETS & OPERATIONS, LLC,<br>as Holdings<br><br>By: /s/ Jack Ezzell<br>Name: Jack Ezzell<br>Title: Chief Financial Officer |
| BORROWER: | ONE WATER ASSETS & OPERATIONS, LLC,<br>as the Borrower<br><br>By: /s/ Jack Ezzell<br>Name: Jack Ezzell<br>Title: Chief Financial Officer |

[OneWater –Amendment No. 2 Signature Page]

GUARANTORS:

SINGLETON ASSETS & OPERATIONS, LLC
LEGENDARY ASSETS & OPERATIONS, LLC
SOUTH FLORIDA ASSETS & OPERATIONS, LLC
MIDWEST ASSETS & OPERATIONS, LLC
SOUTH SHORE LAKE ERIE ASSETS & OPERATIONS, LLC
BOSUN'S ASSETS & OPERATIONS, LLC
YACHTING ASSETS & OPERATIONS, LLC
ALL OCEANS CLOSINGS, LLS
OCEAN BIO-CHEM HOLDINGS, INC.
OCEAN BIO-CHEM, LLC
STAR-BRITE DISTRIBUTING, INC.
STAR BRITE DISTRIBUTING (CANADA), INC.
STARBRITE STA-PUT, INC.
KINPAK, INC.
ODORSTAR TECHNOLOGY, LLC
STAR BRITE EUROPE, LLC

as Guarantors

By: /s/ Jack Ezzell
Name: Jack Ezzell
Title: Chief Financial Officer

T-H MARINE SUPPLIES, LLC

By: /s/ Jack Ezzell
Name: Jack Ezzell
Title: Manager

CMC MARINE, LLC
INNOVATIVE PLASTICS, LLC

By: T-H Marine Supplies, LLC, each of its Manager

By: /s/ Jack Ezzell
Name: Jack Ezzell
Title: Manager

CENTRAL ASSETS & OPERATIONS, LLC

By: One Water Assets & Operations, LLC, its Manager

By: /s/ Jack Ezzell
Name: Jack Ezzell
Title: Chief Financial Officer

NORFOLK MARINE COMPANY

By: /s/ Jack Ezzell
Name: Jack Ezzell
Title: Treasurer

TRUIST BANK,
as Administrative Agent and a Lender

By: /s/ Tesha Winslow
Name: Tesha Winslow
Title: Director

CADENCE BANK,
as a Lender

By: /s/ Brian Young
Name: Brian Young
Title: Executive Vice President

Centennial Bank,
as a Lender

By: /s/ Thomas B. Dix
Name: Thomas B. Dix
Title: Vice President, SPF

First Horizon Bank,
as a Lender

By: /s/ Joe Medori
Name: Joe Medori
Title: Executive Vice President

HANCOCK WHITNEY BANK,
as a Lender

By: /s/ Jennifer Pelham
Name: Jennifer Pelham
Title: Senior Vice President

KEYBANK NATIONAL ASSOCIATION
as a Lender

By: /s/ Jason A Nichols
Name: Jason A Nichols
Title: Senior Vice President

Pinnacle Bank, a Tennessee Bank,
as a Lender

By: /s/ Baimba Norman
Name: Baimba Norman
Title: SVP

Raymond James Bank,
as a Lender

By: /s/ Daniel A. Perez
Name: Daniel A. Perez
Title: Vice President

Stifel Bank & Trust,
as a Lender

By: /s/ Matt Diehl
Name: Matt Diehl
Title: Senior Vice President

SYNOVUS BANK,
as a Lender

By: /s/ Robert Haley
Name: Robert Haley
Title: Director

UNITED COMMUNITY BANK,
as a Lender

By: /s/ Jeff Wilson
Name: Jeff Wilson
Title: Senior Vice President

Wells Fargo Bank, N.A.
as a Lender

By: /s/ Corey Coward
Name: Corey Coward
Title: Senior Vice President

**Exhibit 10.2**

***Execution Version***

**AMENDMENT NO. 3 TO AMENDED AND RESTATED CREDIT AGREEMENT**

AMENDMENT NO. 3 TO AMENDED AND RESTATED CREDIT AGREEMENT, dated as of January 29, 2024 (this "Amendment"), is entered into by and among ONE WATER ASSETS & OPERATIONS, LLC, a Delaware limited liability company (the "Borrower"), ONE WATER MARINE HOLDINGS, LLC, a Delaware limited liability company ("Holdings"), ONEWATER MARINE INC., a Delaware corporation (the "Parent"), each of the other Guarantors party hereto, each of the Lenders party hereto and TRUIST BANK, as Administrative Agent.

WHEREAS, reference is made to that certain Amended and Restated Credit Agreement, dated as of July 22, 2020 and amended and restated as of August 9, 2022 (as amended by that certain Amendment No. 1 to Amended and Restated Credit Agreement, dated as of February 10, 2023 and Amendment No. 2 to Amended and Restated Credit Agreement, dated as of September 29, 2023, and as further amended, restated, supplemented or otherwise modified from time to time to, but not including, the date hereof, the "Credit Agreement" and the Credit Agreement as amended by this Amendment, the "Amended Credit Agreement"), by and among the Borrower, Holdings, Parent, the other Guarantors from time to time party thereto, the Lenders and Issuing Banks from time to time party thereto and Truist Bank, as Administrative Agent, Collateral Agent, a Lender, an Issuing Bank and Swingline Lender; capitalized terms used in this Amendment but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement;

WHEREAS, the Borrower has requested that the Administrative Agent and the Lenders party hereto (which shall constitute the Required Lenders) agree to certain amendments to the Credit Agreement; and

WHEREAS, the Administrative Agent and the Lenders party hereto (which shall constitute the Required Lenders) are willing to agree to such amendments, subject to and in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendments to Credit Agreement. The Borrower, the Lenders party hereto, the Administrative Agent and other parties party hereto agree that on the Third Amendment Effective Date (as defined below), the table in Section 6.2 of the Credit Agreement shall be deleted in its entirety and replaced with the following new table:

| Fiscal Quarter | Consolidated Leverage Ratio |
|---|---|
| Fiscal Quarter ending December 31, 2022, and each Fiscal Quarter ending prior to June 30, 2025 | 3.25:1.00 |
| Fiscal Quarter ending June 30, 2025, and each Fiscal Quarter ending prior to June 30, 2026 | 3.00:1.00 |
| Fiscal Quarter ending June 30, 2026, and each Fiscal Quarter ending thereafter | 2.75:1.00 |

SECTION 2. Representations and Warranties. To induce the Lenders and the Administrative Agent to enter into this Amendment, each Loan Party represents and warrants to the Lenders and the Administrative Agent as of the Third Amendment Effective Date as follows:

(a) Each Loan Party has the requisite power and authority to execute and deliver this Amendment and perform its obligations under the Amended Credit Agreement. The execution and delivery of this Amendment and performance by such Loan Party of its obligations under the Amended Credit Agreement have been duly authorized by all necessary corporate or other organizational action of such Loan Party. This Amendment has been duly executed and delivered by each Loan Party. Each of this Amendment and the Amended Credit Agreement is a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) Immediately before and after giving effect to this Amendment, all representations and warranties set forth in the Loan Documents are true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties were true and correct in all respects, on and as of such date of execution, in each case before and after giving effect thereto) except to the extent that such representations and warranties specifically refer to an earlier date, in which case were true and correct in all material respects as of such earlier date.

(c) Immediately before and after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

SECTION 3. Effectiveness. The effectiveness of this Amendment shall be subject to the satisfaction (or waiver by the Administrative Agent and the Lenders) of the following conditions (the date of such effectiveness, the "Third Amendment Effective Date"):

(a) The Administrative Agent (or its counsel) shall have received from each Loan Party named on the signature pages hereto, the Administrative Agent and the Lenders constituting the Required Lenders either (i) a counterpart of this Amendment signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include facsimile or other electronic transmission of a signed counterpart of this Amendment) that such party has signed a counterpart of this Amendment.

(b) The Administrative Agent shall have received, as to each Loan Party, a copy of resolutions of the Board of Directors (or other equivalent governing body, as applicable) of such Loan Party approving and authorizing the execution, delivery and performance of this Amendment.

(c) Each of Truist Securities, Inc. and the Administrative Agent shall have received all fees and other compensation payable to Truist Securities, Inc. and the Administrative Agent (for the benefit of each applicable Lender) pursuant to that certain Fee Letter, dated the date hereof (the "**Fee Letter**"), among Parent, Truist Securities, Inc. and the Administrative Agent, in accordance with the terms of such Fee Letter.

(d) The Administrative Agent shall have received all other costs, fees and expenses (including, without limitation, legal fees and expenses) required to be paid pursuant to Section 11.3 of the Credit Agreement, in the case of costs and expenses, to the extent invoiced at least two (2) Business Days (or such shorter period as the Borrower may agree) prior to the Third Amendment Effective Date.

(e) The representations and warranties of the Loan Parties set forth in Section 2 above are true and correct, and by its signature hereto, each Loan Party hereby certifies as to the truth and correctness of all such representations and warranties set forth in such Section.

SECTION 4. Effect on Credit Agreement; Reaffirmation.

(a) Except as expressly set forth herein, this Amendment (x) shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, the Borrower or any other Loan Party under the Credit Agreement or any other Loan Document and (y) shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Each Loan Party acknowledges that it expects to receive substantial direct and indirect benefits as a result of this Amendment and the transactions contemplated hereby and (i) reaffirms its obligations under the Amended Credit Agreement and each other Loan Document to which it is a party, in each case, as modified by this Amendment, (ii) reaffirms all Liens on the Collateral which have been granted by it in favor of the Administrative Agent for the benefit of the Secured Parties pursuant to the Loan Documents and (iii) acknowledges and agrees that the grants of security interests by and the guarantees of the Loan Parties contained in the Loan Documents are, and shall remain, in full force and effect immediately after giving effect to this Amendment.

(b) This Amendment shall constitute a "Loan Document" for all purposes of the Amended Credit Agreement and the other Loan Documents.

(c) Each Subsidiary of the Borrower party hereto (each, a "Subsidiary Guarantor") acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Subsidiary Guarantor is not required by the terms of the Credit Agreement or any other Loan Document to consent to this Amendment and (ii) nothing in the Amended Credit Agreement or any other Loan Document shall be deemed to require the consent of such Subsidiary Guarantor to any future amendment, consent or waiver of the terms of the Credit Agreement.

SECTION 5. Governing Law; Submission to Jurisdiction and Waivers; Waiver of Jury Trial.

(a) This Amendment and any claim, dispute, cause of action or proceeding (whether based in contract, tort or otherwise) based upon, arising out of, connected with, or relating to, this Amendment, and the rights and obligations of the parties hereto, shall be governed by and construed and interpreted in accordance with, the laws of the State of New York without regard to principles of conflicts of law.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York sitting in New York County, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Amendment, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Amendment shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Amendment against Holdings or the Borrower or their respective properties in the courts of any jurisdiction.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding described in paragraph (b) of this Section 5 and brought in any court referred to in paragraph (b) of this Section 5. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Amendment irrevocably consents to service of process in the manner provided for notices in Section 11.1 of the Credit Agreement. Nothing in this Amendment will affect the right of any party hereto to serve process in any other manner permitted by law.

(e) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 6. Counterparts; Integration; Effectiveness; Amendment. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment, the Credit Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or any Lenders constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Amendment shall become effective in accordance with the terms of Section 3 hereof and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or other electronic means shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment may not be amended nor may any provision hereof be waived except in accordance with Section 11.2 of the Credit Agreement. The words "execution," "execute," "signed," "signature," and words of like import in or related to this Amendment or any other document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

SECTION 7. Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 8. Headings. Article and Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first written above.

| | |
|---|---|
| PARENT: | ONEWATER MARINE INC.,<br>as the Parent<br><br>By: /s/ Jack P. Ezzell<br>Name: Jack P. Ezzell<br>Title: Chief Financial Officer |
| HOLDINGS | ONE WATER ASSETS & OPERATIONS, LLC,<br>as Holdings<br><br>By: /s/ Jack P. Ezzell<br>Name: Jack P. Ezzell<br>Title: Chief Financial Officer |
| BORROWER: | ONE WATER ASSETS & OPERATIONS, LLC,<br>as the Borrower<br><br>By: /s/ Jack P. Ezzell<br>Name: Jack P. Ezzell<br>Title: Chief Financial Officer |

[OneWater –Amendment No. 3 Signature Page]

GUARANTORS:

SINGLETON ASSETS & OPERATIONS, LLC
LEGENDARY ASSETS & OPERATIONS, LLC
SOUTH FLORIDA ASSETS & OPERATIONS, LLC
MIDWEST ASSETS & OPERATIONS, LLC
SOUTH SHORE LAKE ERIE ASSETS & OPERATIONS, LLC
BOSUN'S ASSETS & OPERATIONS, LLC
YACHTING ASSETS & OPERATIONS, LLC
ALL OCEANS CLOSINGS, LLS
OCEAN BIO-CHEM HOLDINGS, INC.
OCEAN BIO-CHEM, LLC
STAR-BRITE DISTRIBUTING, LLC
STAR BRITE DISTRIBUTING (CANADA), LLC
STARBRITE STA-PUT, LLC
KINPAK, LLC
ODORSTAR TECHNOLOGY, LLC
STAR BRITE EUROPE, LLC
OCEAN BIO-CHEM INTERMEDIATE HOLDINGS, INC.
QUALITY ASSETS & OPERATIONS, LLC

as Guarantors

By: /s/ Jack P. Ezzell
Name: Jack P. Ezzell
Title: Chief Financial Officer

T-H MARINE SUPPLIES, LLC

By: /s/ Jack P. Ezzell
Name: Jack P. Ezzell
Title: Manager

CMC MARINE, LLC
INNOVATIVE PLASTICS, LLC

By: T-H Marine Supplies, LLC, each of its Manager

By: /s/ Jack P. Ezzell
Name: Jack P. Ezzell
Title: Manager

CENTRAL ASSETS & OPERATIONS, LLC

By: One Water Assets & Operations, LLC, its Manager

By: /s/ Jack P. Ezzell
Name: Jack P. Ezzell
Title: Chief Financial Officer

NORFOLK MARINE COMPANY

By: /s/ Jack P. Ezzell
Name: Jack P. Ezzell
Title: Treasurer

TRUIST BANK,
as Administrative Agent and a Lender

By: /s/ Tesha Winslow
Name: Tesha Winslow
Title: Director

Hancock Whitney Bank,
as a Lender

By: /s/ Jennifer Pelham
Name: Jennifer Pelham
Title: Senior Vice President

FIRST HORIZON,
as a Lender

By: /s/ Donald W. Dobbins, Jr.
Name: Donald W. Dobbins, Jr.
Title: Senior Vice President

SYNOVUS BANK,
as a Lender

By: /s/ Blake Gober
Name: Blake Gober
Title: Director Middle Market

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Jason A Nichols
Name: Jason A Nichols
Title: Senior Vice President

Pinnacle Bank, a Tennessee Bank,
as a Lender

By: /s/ Chris Gruehn
Name: Chris Gruehn
Title: SVP

Retirement Systems of Alabama,
as a Lender

By: /s/ Marc Green
Name: Marc Green
Title: CIO

Judicial Retirement Fund of Alabama,
as a Lender

By: /s/ Marc Green
Name: Marc Green
Title: CIO

Employees' Retirement System of Alabama,
as a Lender

By: /s/ Marc Green
Name: Marc Green
Title: CIO

Teachers' Retirement System of Alabama,
as a Lender

By: /s/ Marc Green
Name: Marc Green
Title: CIO

Centennial Bank
as a Lender

By: /s/ Thomas B. Dix III
Name: Thomas B. Dix III
Title: Vice President

Raymond James Bank,
as a Lender

By: /s/ Daniel A. Perez
Name: Daniel A. Perez
Title: Senior Vice President

STIFEL BANK & TRUST
as a Lender

By: /s/ Matthew L. Diehl
Name: Matthew L. Diehl
Title: Senior Vice President

UNITED COMMUNITY BANK,
as a Lender

By: /s/ Jeff Wilson
Name: Jeff Wilson
Title: Senior Vice President

Wells Fargo Bank, National Association
as a Lender

By: /s/ Corey Coward
Name: Corey Coward
Title: Senior Vice President

**Exhibit 31.1**

**CERTIFICATION**
**PURSUANT TO EXCHANGE ACT RULE 13A-14(a) OR RULE 15D-14(a)**
**AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Philip Austin Singleton, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OneWater Marine Inc. (the “registrant”) for the quarter ended December 31, 2023;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: February 2, 2024

By: /s/ Philip Austin Singleton, Jr.
Philip Austin Singleton, Jr.
Chief Executive Officer
*(Principal Executive Officer)*

**Exhibit 31.2**

**CERTIFICATION**
**PURSUANT TO EXCHANGE ACT RULE 13A-14(a) OR RULE 15D-14(a)**
**AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jack Ezzell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OneWater Marine Inc. (the "registrant") for the quarter ended December 31, 2023;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 2, 2024

By: /s/ Jack Ezzell
Jack Ezzell
Chief Financial Officer
*(Principal Financial Officer)*

**Exhibit 32.1**

**CERTIFICATION**
**PURSUANT TO 18 U.S.C. § 1350,**
**AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of OneWater Marine Inc. (the "Company") for the quarter ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Philip Austin Singleton, Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

| | | |
|---|---|---|
| Dated: February 2, 2024 | By: | /s/ Philip Austin Singleton, Jr. |
| | | Philip Austin Singleton, Jr. |
| | | Chief Executive Officer |
| | | *(Principal Executive Officer)* |

**Exhibit 32.2**

**CERTIFICATION**
**PURSUANT TO 18 U.S.C. § 1350,**
**AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of OneWater Marine Inc. (the "Company") for the quarter ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jack Ezzell, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

| | | |
|---|---|---|
| Dated: February 2, 2024 | By: | /s/ Jack Ezzell |
| | | Jack Ezzell |
| | | Chief Financial Officer |
| | | *(Principal Financial Officer)* |