

 NEWATER

## Investor Presentation

March 2022





# DISCLAIMER



## Cautionary Statement Concerning Forward-Looking Statements

Information in this presentation of OneWater Marine Inc. ("OneWater," "ONEW," the "Company," "we," or "us"), and any oral statements made in connection therewith, may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including regarding our strategy, future operations, financial position, prospects, plans and objectives of management, growth rate and its expectations regarding future revenue, operating income or loss or earnings or loss per share. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "will be," "will likely result," "should," "expects," "plans," "anticipates," "could," "would," "foresees," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," "outlook" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. These forward-looking statements are not guarantees of future performance, but are based on management's current expectations, assumptions and beliefs concerning future developments and their potential effect on us, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Our expectations expressed or implied in these forward-looking statements may not turn out to be correct.

Important factors, some of which are beyond our control, that could cause actual results to differ materially from our historical results or those expressed or implied by these forward-looking statements include the following: decline in demand for our products and services, the seasonality and volatility of the boat industry, our acquisition strategies, 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 other risks. More information on these risks and other potential factors that could affect our financial results is included in our filings with the Securities and Exchange Commission, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of our annual on Form 10-K filed on December 17, 2021. Any forward-looking statement speaks only as of the date as of which such statement is made, and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

## Non-GAAP Financial Measures

This presentation includes financial measures that are not presented in accordance with generally accepted accounting principles ("GAAP"), including Adjusted EBITDA. While management believes Adjusted EBITDA may be useful in performing meaningful comparisons of past and present operating results, to understand the performance of its ongoing operations and how management views the business, it is not a measure of our financial performance under GAAP and should not be considered in isolation or as an alternative to any measure of such performance derived in accordance with GAAP. Adjusted EBITDA is calculated as net income (loss) before interest expense – other, income tax expense, depreciation and amortization and other (income) expense, further adjusted to eliminate the effects of items such as the change in the fair value of warrants, change in fair value of contingent consideration, (loss) gain on extinguishment of debt and transaction costs.

Amounts excluded from these non-GAAP measures in future periods could be significant and our current presentation of these non-GAAP measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. These non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Because our non-GAAP financial measures may be defined differently by other companies, our definition of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing its utility. We have not reconciled non-GAAP forward-looking measures to their corresponding GAAP measures because certain items that impact these measures are unavailable or cannot be reasonably predicted without unreasonable efforts. See the Appendix for a reconciliation to directly comparable GAAP financial measures.

## Industry and Market Data

This presentation includes market data and other statistical information from third-party sources, including independent industry publications or other published independent sources. Although we believe these third-party sources are reliable as of their respective dates, we have not independently verified the accuracy or completeness of this information. Some of the data is also based on our good faith estimates, which are derived from our review of internal sources as well as the third-party sources described above.

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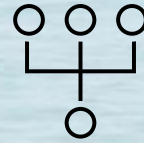
## Other

Certain monetary amounts, percentages and other figures included in this presentation have been subject to rounding adjustments. Percentage amounts included in this presentation have not in all cases been calculated on the basis of such rounded figures, but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this roadshow may vary from those obtained by performing the same calculations using the figures in our consolidated financial statements included elsewhere. Certain other amounts that appear in this presentation may not sum due to rounding.

# ONEWATER AT A GLANCE



One of the fastest growing marine retailers of scale



Multi-pronged growth strategy; bolstered by proven M&A strategy



Expanding margin profile through diversification strategy

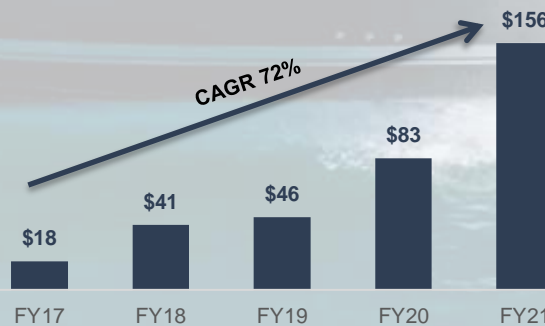
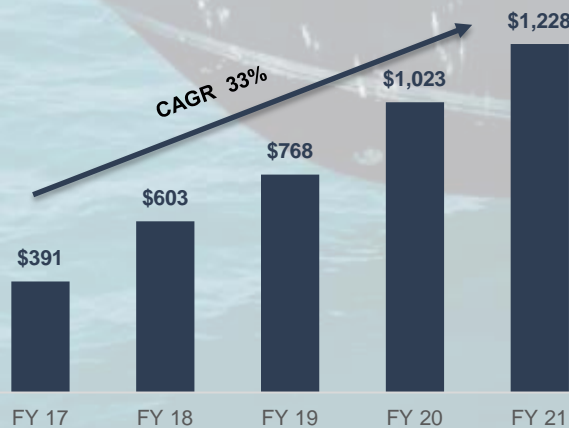


Experienced leadership team

## Strong Financial Track Record

Revenue (\$MM)

Adj. EBITDA (\$MM) <sup>1</sup>



Margin

5%      7%      6%      8%      13%

## Growing Footprint

- **75 retail locations**
- **10 distribution centers**
- **16 states**
- **Multiple Online marketplaces**



# KEY INVESTMENT HIGHLIGHTS



1

**One of the Largest Marine Retailers in Highly Fragmented Marine Industry**

2

**Proven Acquisition-Driven Growth Strategy**

3

**Diversified Product Portfolio and Revenue Streams**

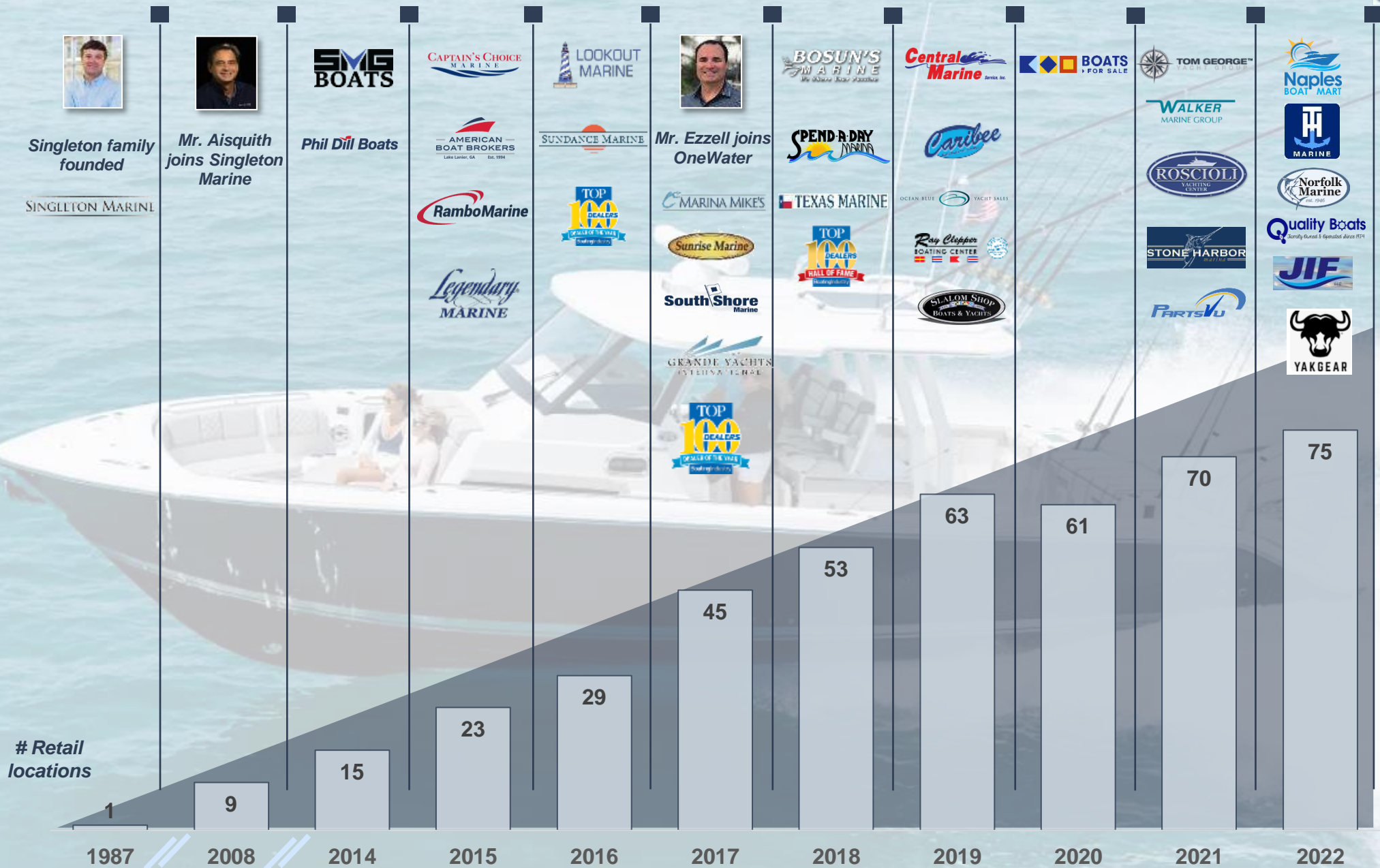
4

**Consistent Track Record of Leading Adjusted EBITDA Growth**

5

**Experienced and Entrepreneurial Management Team**

# ONEWATER'S EVOLUTION INTO A MARKET LEADER

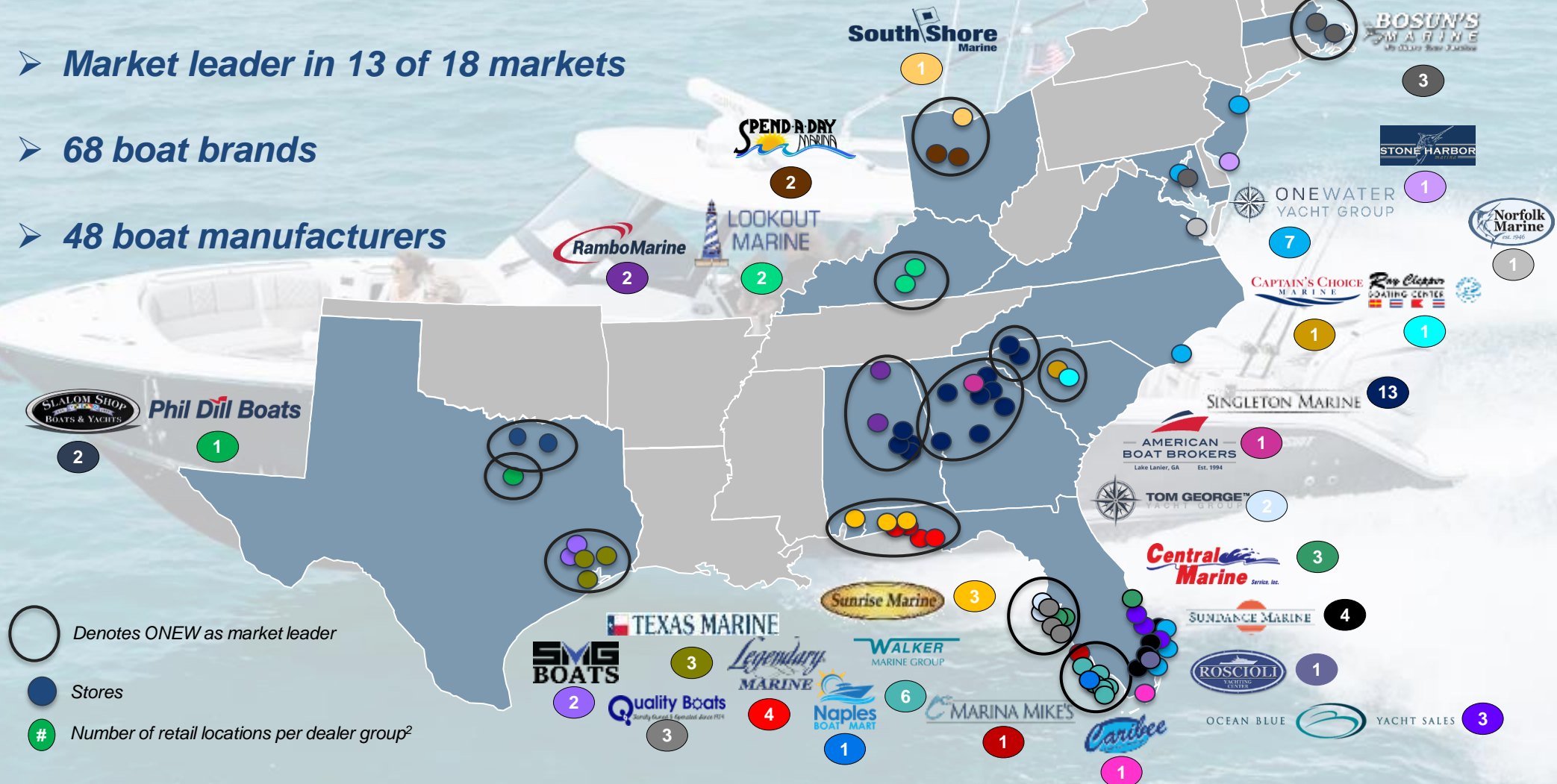


Note: Figures in bar chart represent retail locations at fiscal year end (September 30).



# STRATEGIC FOOTPRINT IN HIGHLY ATTRACTIVE MARKETS

- 75 retail locations across 12 states,
- 9 of which are top 20 boating states<sup>1</sup>
- Market leader in 13 of 18 markets
- 68 boat brands
- 48 boat manufacturers



Note: retail location count as of February 2022.

1. 2020 NMMA Recreational Boating Statistical Abstract. Top 20 states, in order, include Florida, Texas, Michigan, North Carolina, Minnesota, California, New York, Wisconsin, Georgia, South Carolina, Alabama, Louisiana, Washington, Tennessee, Illinois, Ohio, Missouri, Virginia, New Jersey and Pennsylvania.

2. Figures in circles by dealership group denote number of retail locations.

# ACQUISITION DRIVEN GROWTH STRATEGY



## Strategic Rationale / M&A Playbook



### *Attractive Purchase Multiple*

- Aim to pay < 4.0x EV/EBITDA dealerships
- Aim to pay < 5.0x-7.0x EV/EBITDA for parts and accessories businesses



### *Expanded Geography & Portfolio*

- Significant targets in attractive marine markets
- Parts & services acquisition platform becomes additional engine for growth and diversification



### *Sizable Synergies*

- Aim to double the EBITDA of an acquired dealership within 24 months



### *Financial Returns*

- Substantial ROI and increased EBITDA run rate

## Highly Fragmented Market

4,300+ dealerships nationwide

Top dealers in top markets

Geographic expansion

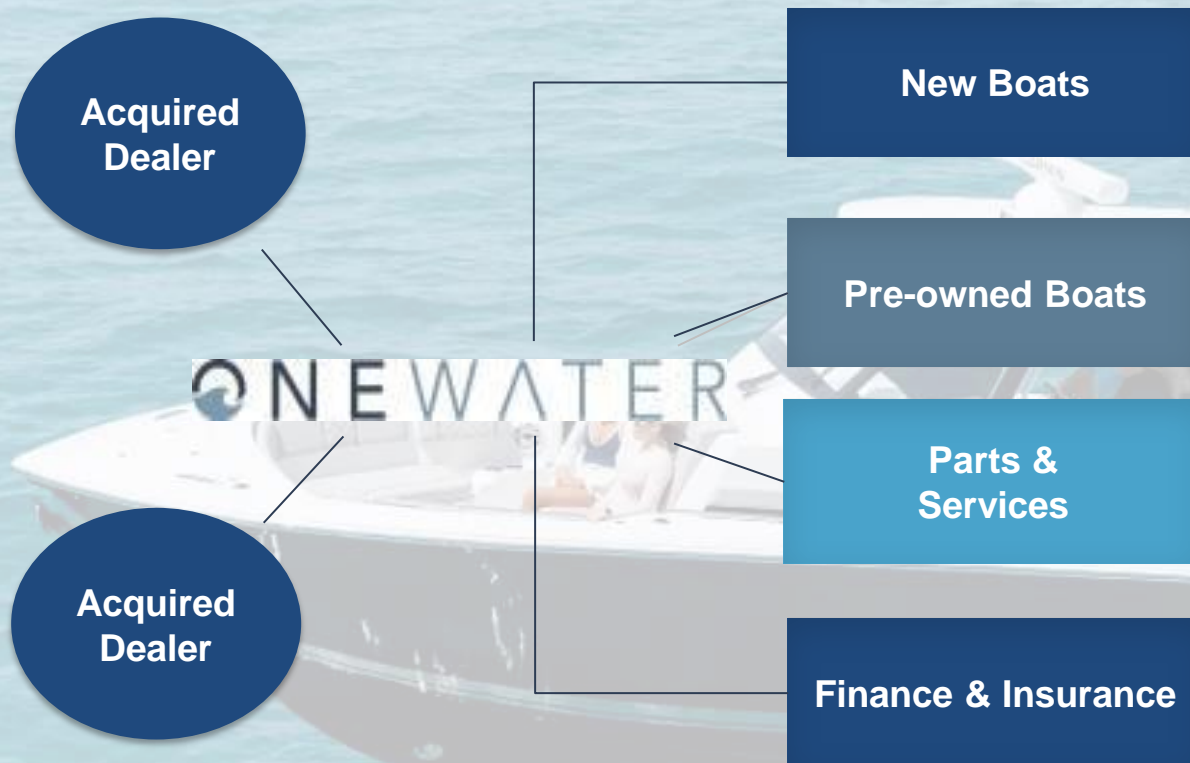
Multi-year pipeline

### Key Highlights Since IPO:

- Completed 11 acquisitions
- Added ~\$60 in annual run-rate EBITDA

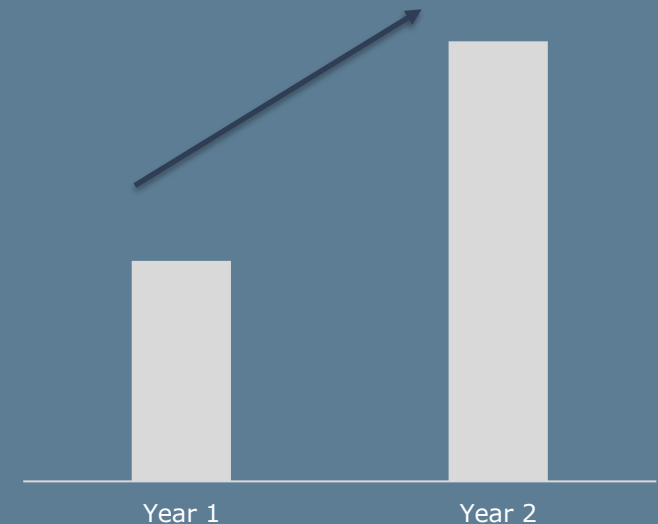


# THE POWER OF ACQUISITIONS



***Acquired dealers gain immediate access to OneWater's portfolio and resources***

## Double Acquired Adj. EBITDA within 2 Years

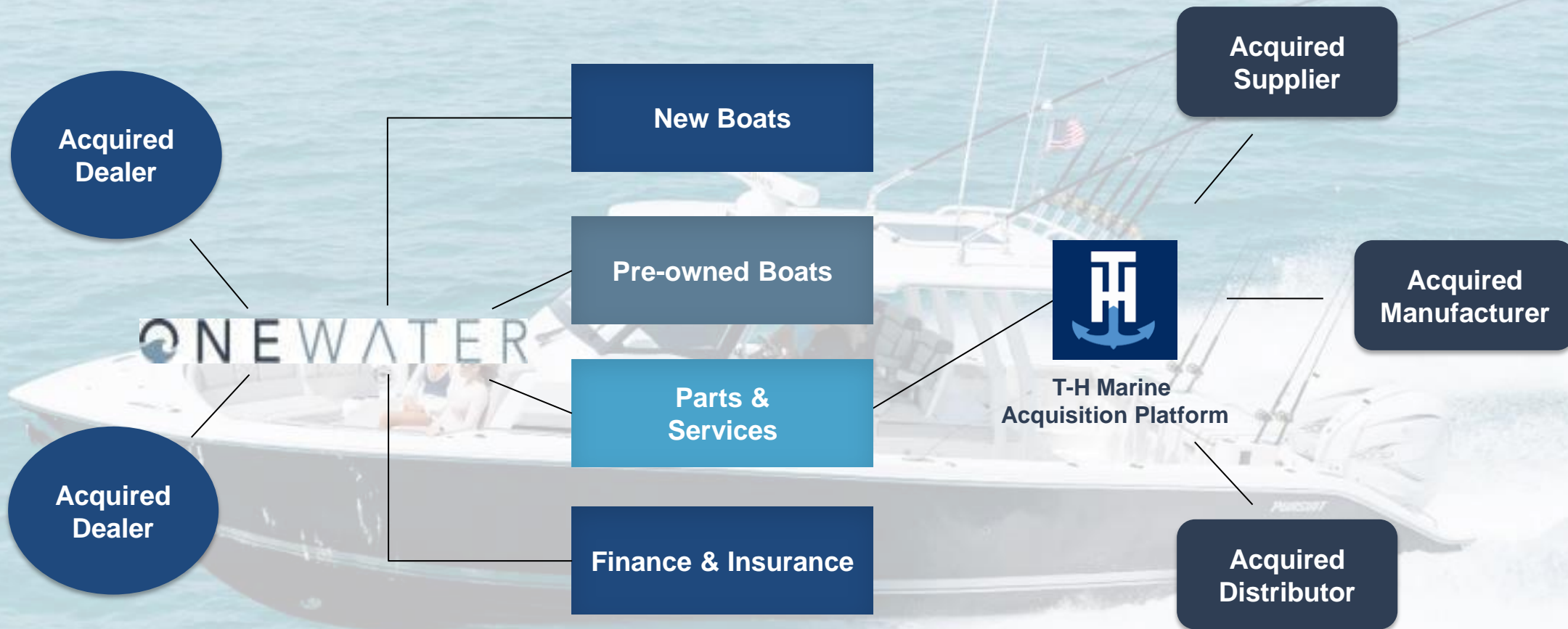


### Path to 2x Profit:

- Introduce/expand an array of F&I products to acquired dealers
- Integrate into ONEW inventory universe
- Implement/expand pre-owned trade, reconditioning and sales process
- Implement best practices in parts & services
- Leverage ONEW synergies and scale to identify immediate cost savings



# THE POWER OF ACQUISITIONS



*Separate Parts & Services acquisition engine drives further growth*

# DIVERSIFIED INCOME STREAMS ACROSS THE BOAT LIFE CYCLE

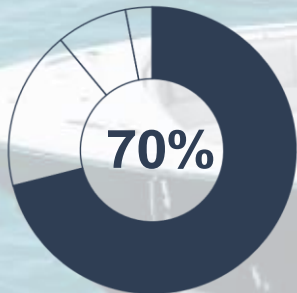


## New Boat Sales

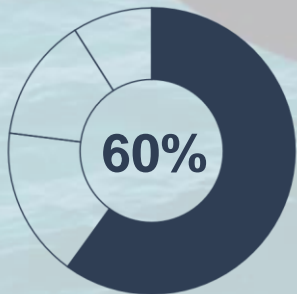


### Contribution

#### Revenue



#### Gross Profit



## Pre-Owned Boat Sales

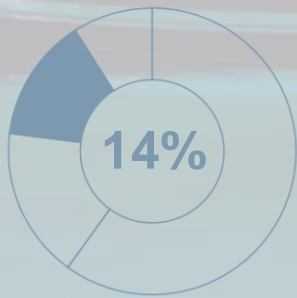


### Contribution

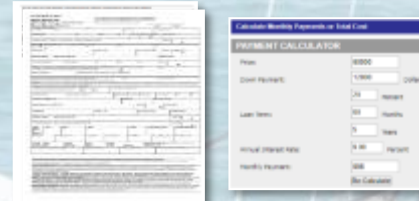
#### Revenue



#### Gross Profit



## Finance & Insurance

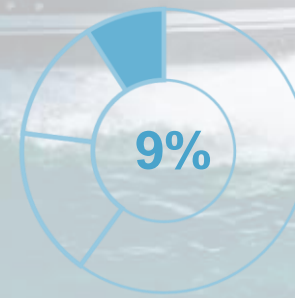


### Contribution

#### Revenue



#### Gross Profit



## Parts & Accessories

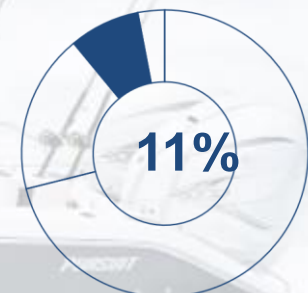


## Repair & Maint. Services

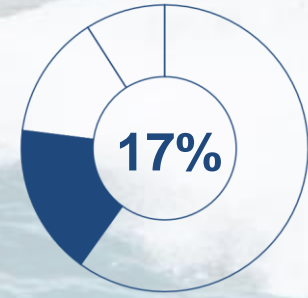


### Contribution

#### Revenue



#### Gross Profit



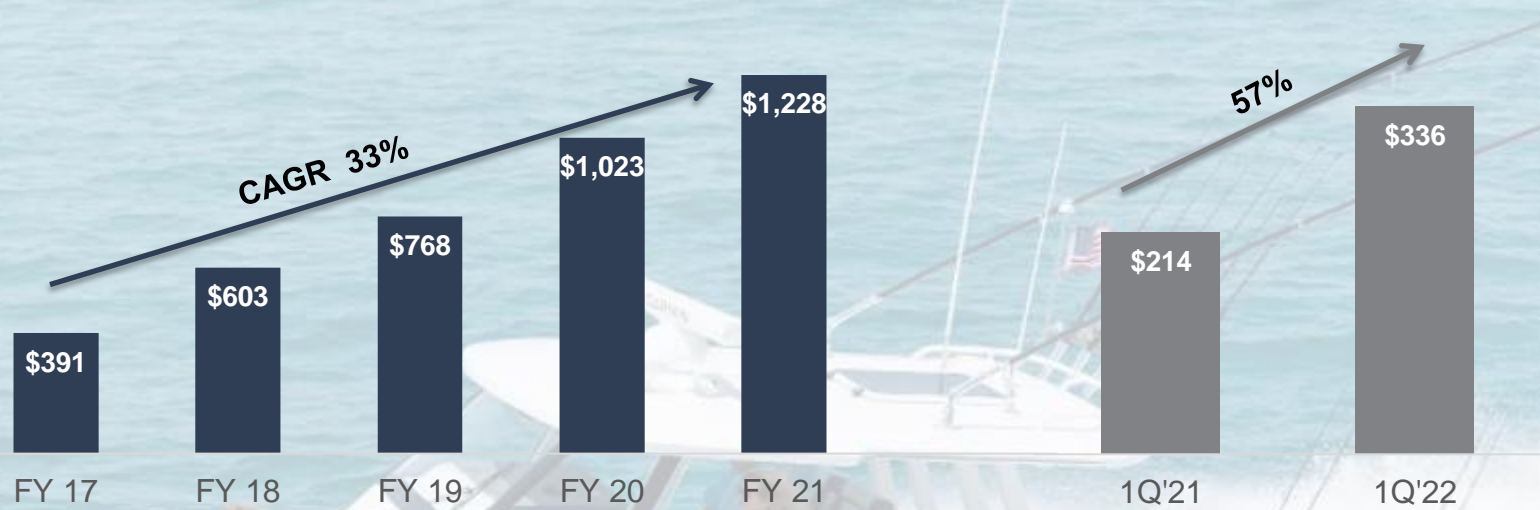
Note: Represents first quarter fiscal 2022 data.



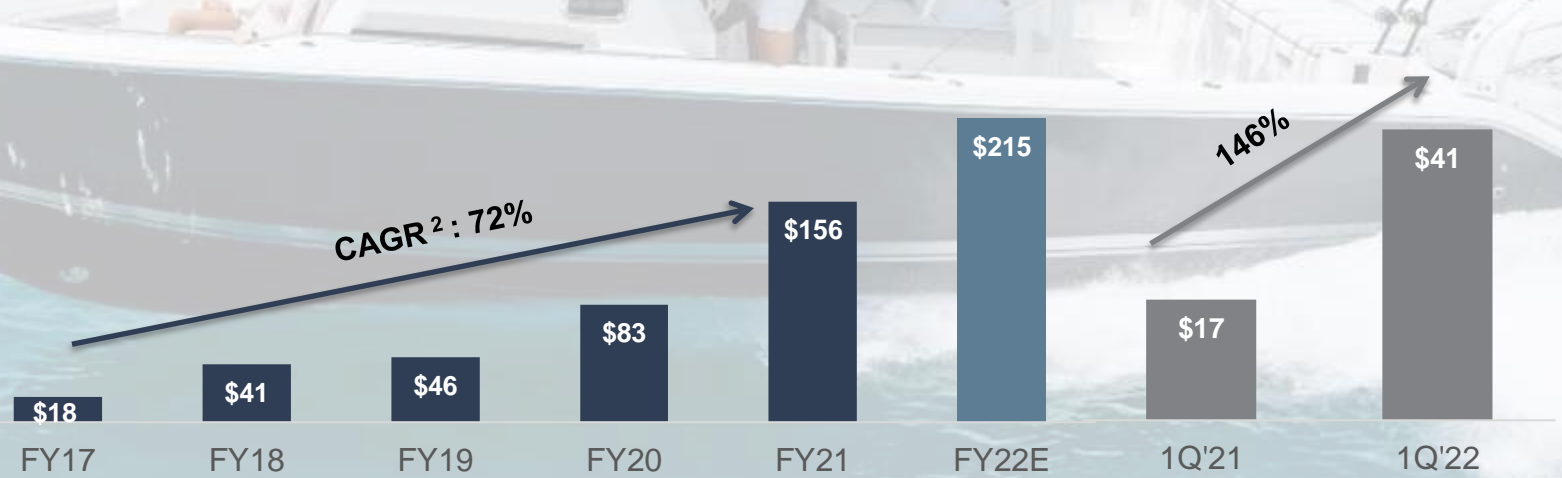
# GROWTH COMPANY WITH PROVEN TRACK RECORD



Revenue (\$MM)



Adj. EBITDA (\$MM) <sup>1</sup>

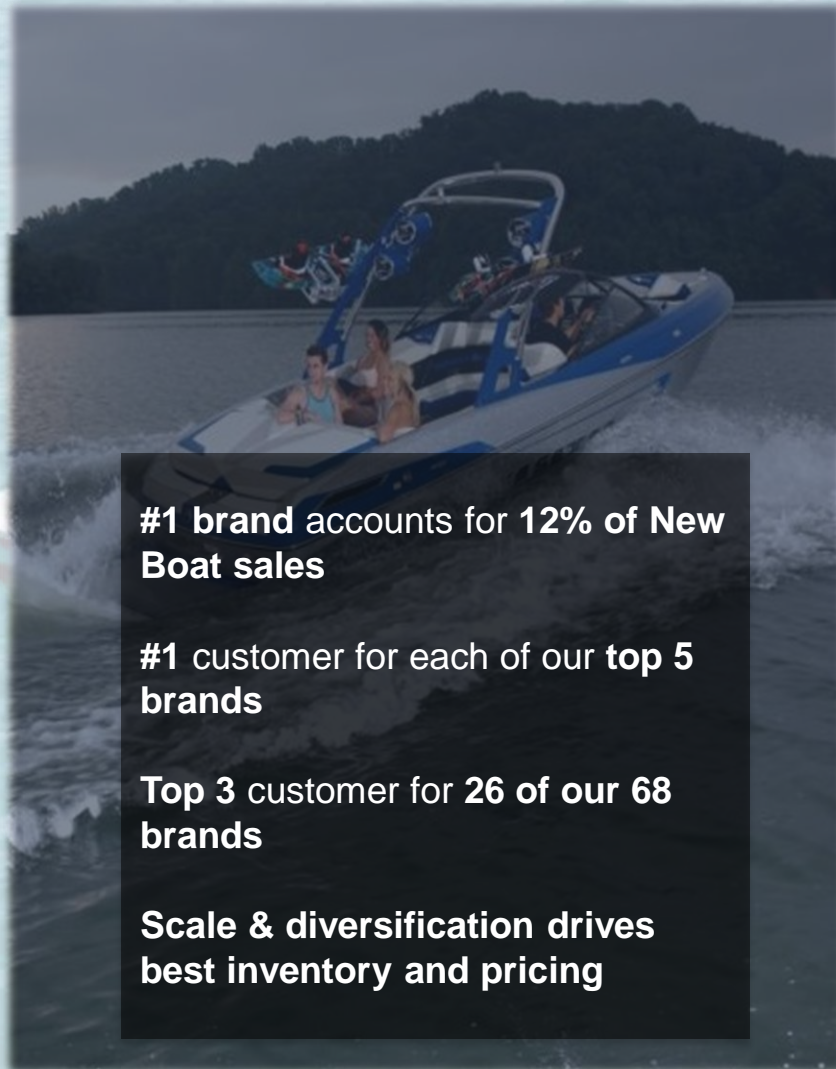


Margin	5%	7%	6%	8%	13%		8%	12%
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Note: Company has a September 30 fiscal year end.  
1. See reconciliation of non-GAAP financial measures in the appendix.  
2. FY17 – FY21

# BROAD PRODUCT PORTFOLIO

*Diversification provides flexibility to meet customer demand across all markets*

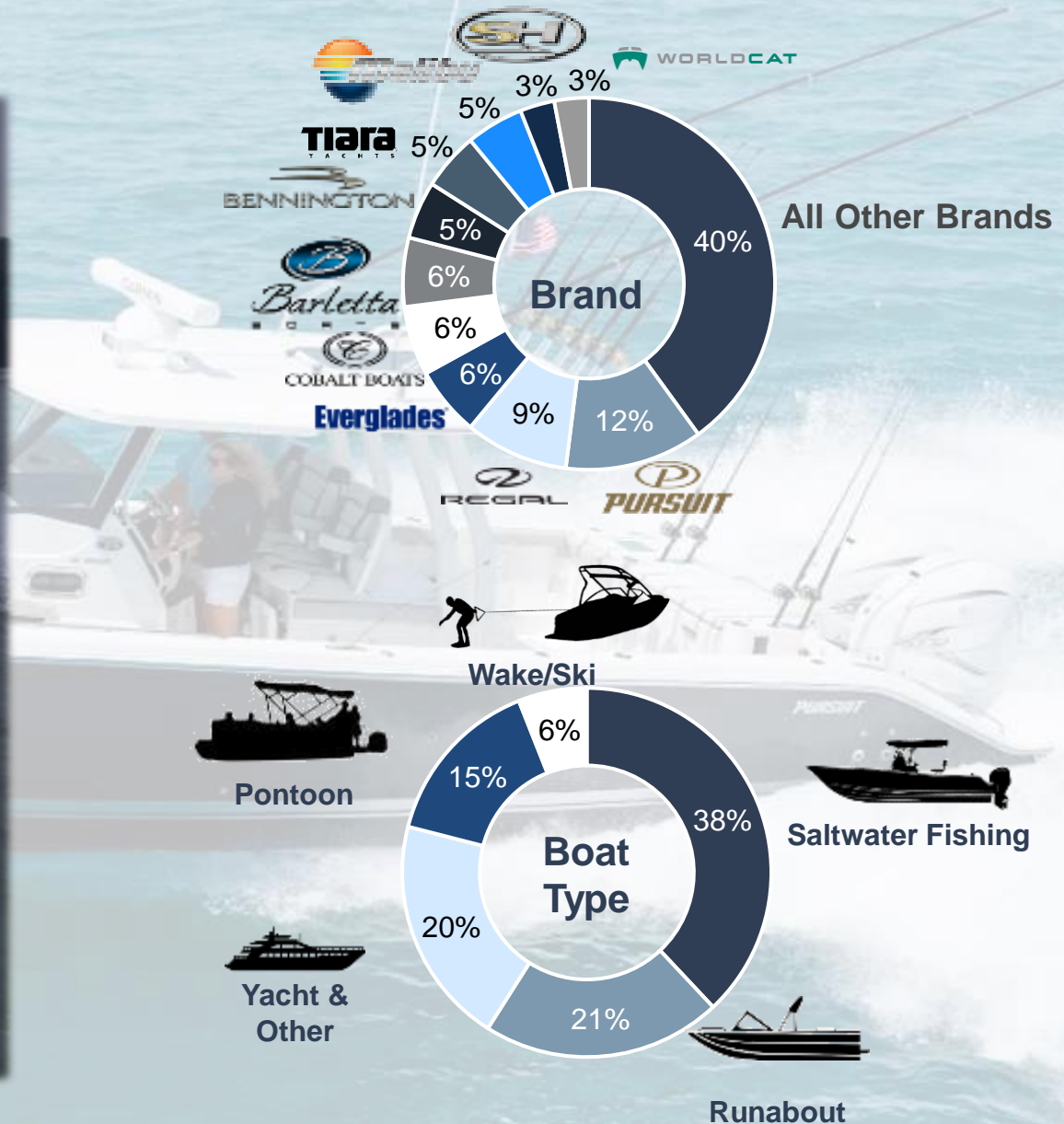


**#1 brand** accounts for **12%** of New Boat sales

**#1 customer** for each of our **top 5 brands**

**Top 3 customer** for **26 of our 68 brands**

**Scale & diversification** drives best inventory and pricing



Note: Brand and boat type pie charts reflect the fiscal year ended September 30<sup>th</sup>, 2021 New Boat revenue composition.



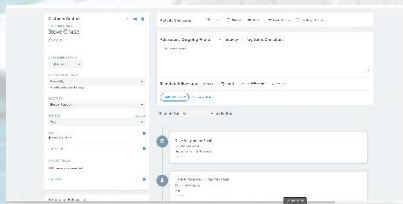
# COMPREHENSIVE VIRTUAL MARINE RETAIL PLATFORM



## Key Elements of Our Proprietary Technology Infrastructure

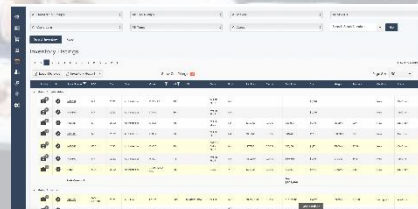
### CRM

- Internally-developed software integrated with sales processes that allows for efficient lead generation and tracking
- CRM and the integrated quoting tool can be accessed in the office or on the water, wherever business is conducted
- Supports dynamic pricing at the dealership level



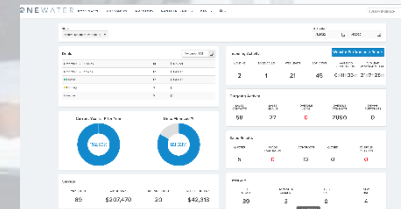
### Inventory Management

- Provides nationwide visibility of available and on order inventory
- Allows for dynamic pricing at the dealership level
- Tools help manage inventory on the ground and on order from manufacturers getting the right boats to the stores on time



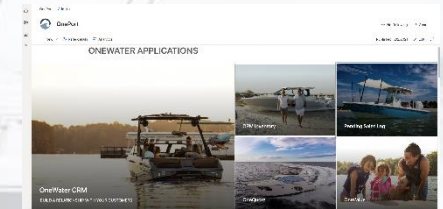
### Dashboard

- Developed for managers to monitor KPIs and other operational metrics
- Used in measuring sales performance and budget monitoring



### Online Portal

- Internally-developed intranet provides employees with information, training / certifications, best practices and other resources



*Proprietary consumer-driven platform for the entire boat life cycle*



- Innovative platform that simplifies how people buy and sell their boats, nearly 1 million boats are sold person-to-person every year
- Serves as an extension of our store footprint including new and pre-owned boats and finance & insurance services

Purchase

Ownership

Sale



# EXPERIENCED AND ENTREPRENEURIAL MANAGEMENT TEAM



HIGHLY EXPERIENCED  
MANAGEMENT TEAM



**AUSTIN SINGLETON**  
Founder & CEO  
33 yrs. Industry Exp.

SINGLETON MARINE



**ANTHONY AISQUITH**  
President & COO  
26 yrs. Industry Exp.

MARINEMax



**JACK EZZELL**  
CFO  
20 yrs. Industry Exp.

MARINEMax MASONITE



**SCOTT CUNNINGHAM, SR.**  
EVP – Florida West  
37 yrs. Industry Exp.

MARINEMax



**DAVID WITTY**  
Chief Technology Officer  
36 yrs. Industry Exp.

MARINEMax Lazydays RV  
THE RV AUTHORITY



**TIM LEEDHAM**  
VP – Northeast  
37 yrs. Industry Exp.

BOSUN'S MARINE  
We Share Your Passion



**DONALD DRUMMONDS**  
VP – Midwest Region  
22 yrs. Industry Exp.

AMERICAN  
BOAT BROKERS  
Lake Lanier, GA Est. 1994



**BRYAN BRALEY**  
VP – Yacht Division  
22 yrs. Industry Exp.

GRANDE YACHTS  
INTERNATIONAL  
A OneWorld Company



**JOEY JONES**  
VP – Florida East  
25 yrs. Industry Exp.

MARINEMax



**KYLE JOHNSON**  
Director of Finance  
36 yrs. Industry Exp.

MARINEMax citi



**ALAN GIDDENS**  
VP – Retail Operations  
42 yrs. Industry Exp.

CAPTAIN'S CHOICE  
MARINE





# FINANCIAL SUMMARY

# 1Q'22 FINANCIAL SUMMARY



(\$ in thousands)	1Q'22	1Q'21	% Change YoY	YTD'22	YTD'21
<b>Revenue</b>				<b>% Contribution</b>	
New Boat	\$236,198	\$151,828	55.6%	70.2%	70.9%
Pre-owned Boat	53,449	38,580	38.5%	15.9%	18.0%
Finance and Insurance	9,307	5,963	56.1%	2.8%	2.8%
Service, Parts and Other	37,318	17,712	110.7%	11.1%	8.3%
<b>Total Revenue</b>	<b>\$336,272</b>	<b>\$214,083</b>	<b>57.1%</b>	<b>100%</b>	<b>100%</b>
<b>Gross Profit</b>				<b>% Gross Margin</b>	
New Boat	\$60,302	\$29,296	105.8%	25.5%	19.3%
Pre-Owned Boat	14,079	8,128	73.2%	26.3%	21.1%
Finance and Insurance	9,307	5,963	56.1%	100.0%	100.0%
Service, Parts and Other	17,277	9,049	90.9%	46.3%	51.1%
<b>Total Gross Profit</b>	<b>\$100,965</b>	<b>\$52,436</b>	<b>92.5%</b>	<b>30.0%</b>	<b>24.5%</b>
SG&A	\$59,096	\$34,860	69.5%		
% Revenue	17.6%	16.3%			
Interest Expense – Floorplan	877	920	(4.7%)		
% Revenue	0.3%	0.4%			
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$40,992</b>	<b>\$16,656</b>	<b>146.1%</b>		
Margin	12.2%	7.8%			
<b>Net Income</b>	<b>\$23,486</b>	<b>\$11,775</b>	<b>99.5%</b>		

1. Please see reconciliation of this Non-GAAP Financial Measure in the appendix.

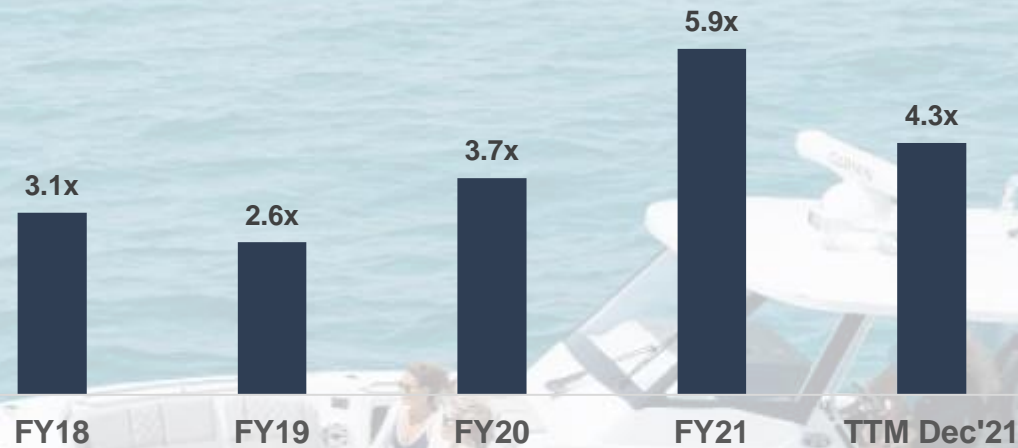


# HEALTHY INVENTORY LEVELS



*OneWater is able to maintain healthy inventory levels through proactive management*

## Inventory Turns<sup>1</sup>

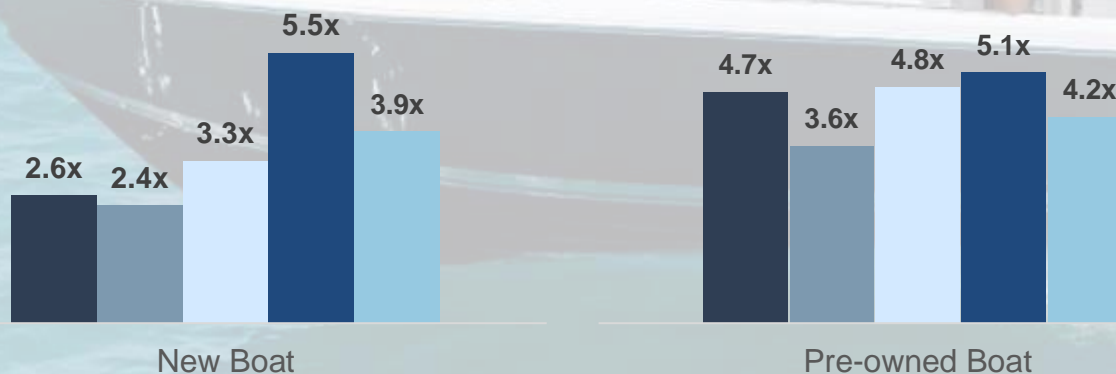


## Industry Commentary<sup>2</sup>

Industry participants have recently provided commentary on inventories, including:

- Given recent sustained demand paired with lower inventories, operating at higher inventory turns than historical average
- OEMs operating close to full capacity, supply chain constraints continue to impact inventory replenishment
- Capacity improvement projects underway for OEMs. Inventory channels could take until 2023-2024 to normalize

## Comparable Store Inventory Turns<sup>3</sup>



■ FY18 ■ FY19 ■ FY20 ■ FY21 ■ TTM Dec'21 ■ FY18 ■ FY19 ■ FY20 ■ FY21 ■ TTM Dec'21

1. Calculated as cost of goods sold for the period divided by average inventory.

2. Based on industry commentary from public filings, earnings calls and other public sources.

3. "New Boat" inventory turns are calculated as New Boat cost of goods sold for the period, subtracting contributions from mid-year acquisitions, divided by average New Boat inventory without contributions from mid-year acquisitions. "Pre-Owned Boat" inventory turns are calculated as cost of purchased or traded-in Pre-Owned Boats sold for the period, subtracting contributions from mid-year acquisitions, divided by average traded-in or Pre-Owned Boats inventory without contributions from mid-year acquisitions.

# CAPITAL STRUCTURE



(\$ in millions)	Capitalization		Rate
	12.31.2020	12.31.2021	
Refinanced Credit Facility	\$106	\$302	3%
Revolving Note Payable	-	40	3%
Commercial Vehicle Notes Payable	3	3	5%
Acquisition Notes Payable	7	7	5%
Unamortized Debt Issuance Cost	(2)	(6)	
<b>Total Debt</b>	<b>\$114</b>	<b>\$346</b>	
Cash	26	68	
<b>Net Debt</b>	<b>\$88</b>	<b>\$278</b>	
<b>TTM Adjusted EBITDA<sup>1</sup></b>	<b>\$99</b>	<b>\$180</b>	
<b>Net Debt / Adjusted EBITDA</b>	<b>0.9X</b>	<b>1.5X</b>	

Source: 10-K

1. Please see reconciliation of this Non-GAAP Financial Measure in Appendix section. Amount represents Adjusted EBITDA for the historical period and does not include a proforma estimate for the acquisitions.





# APPENDIX

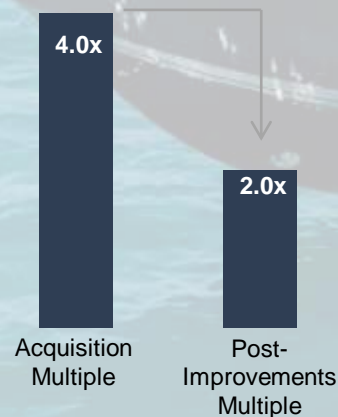
# ACCRETIVE POST-ACQUISITION STRATEGY



## Post-Acquisition Improvements<sup>1</sup>

- ✓ Implement F&I
- ✓ Introduce new brands and boat types
- ✓ Upgrade systems
- ✓ Execute on synergies and best practices
- ✓ Reduce expenses
- ✓ Free up owners to focus on selling

## Targeted Multiple Transformation



Acquired FY18

### Opportunity

- Expansion into new state establishing a Northeast presence
- Virtually no Finance & Insurance sales
- Little focus on Pre-Owned Boats
- Strong management team
- Premium brands (Pursuit, Edgewater, Regal, Cruisers)

### Improvements

- ✓ Implemented F&I
- ✓ Expanded Pre-Owned process
- ✓ Added Tiara Sport and Tiara Yacht brands
- ✓ Expanded floorplan capacity to support growth
- ✓ Implemented technologies (CRM, Inventory management, Dashboard)

## Recent Case Studies



Acquired FY18

### Opportunity

- 2 additional locations in the Ohio market
- Virtually no Finance & Insurance sales
- Little focus on Pre-Owned Boats
- Retiring owner with a rising third generation
- Quality brands (Bennington, Godfrey, Sea Ray, Tracker)

### Improvements

- ✓ Implemented F&I
- ✓ Established Pre-Owned process
- ✓ Established a strong back office to support the business
- ✓ Implemented technologies (CRM, Inventory management, Dashboard)



Acquired FY18

### Opportunity

- 3 additional locations in the Texas market
- Strong Finance & Insurance capabilities
- Good focus on Pre-Owned Boats
- Quality brands (Avalon, Chaparral, NauticStar, Shoalwater)

### Improvements

- ✓ Expanded New Boat offerings (Barletta, Chris-Craft and Everglades)
- ✓ Established Service and Parts as a business with appropriate billing process
- ✓ Expanded Pre-Owned process (with expanded floorplan)
- ✓ Established a strong back office to support the business
- ✓ Implemented technologies (CRM, Inventory management, Dashboard)

Note: These examples of past performance may not be indicative of improvements made with respect to any other current or future acquisitions.

1. These targeted improvements represent our goals and there can be no assurance that all or any of these improvements will be accomplished. See "Disclaimer – Cautionary Statement Concerning Forward-Looking Statements."



# RECONCILIATION OF ADJUSTED EBITDA



(\$ in millions)

	2021	2020	2019	2018	2017	1Q'22	1Q'21	TTM DEC'21	TTM DEC'20
Net Income (Loss)	\$116,413	48,508	37,263	1,946	(4,259)	23,486	11,775	128,124	61,350
Interest Expense – Other	4,344	8,828	6,568	3,836	2,266	1,529	924	4,949	7,899
Income Tax Expense	25,802	6,329	-	-	-	4,889	2,511	28,180	8,840
Depreciation and Amortization	5,411	3,249	2,682	1,685	1,055	1,749	963	6,197	3,452
Change in Fair Value of Warrant Liability	-	(771)	(1,336)	33,187	18,057	-	-	-	-
Loss (Gain) on Extinguishment of Debt	-	6,559	-	(209)	-	-	-	-	6,559
Change in Fair Value of Contingent Consideration	3,249	6,762	(1,674)	-	-	5,746	377	8,618	7,139
Transaction Costs	869	3,648	1,323	438	327	3,045	200	3,714	3,411
Other (Income) Expense	(248)	(24)	1,402	(60)	217	548	(94)	394	(131)
<b>Adjusted EBITDA</b>	<b>\$155,840</b>	<b>\$83,088</b>	<b>\$46,228</b>	<b>\$40,823</b>	<b>\$17,663</b>	<b>\$40,992</b>	<b>\$16,656</b>	<b>\$180,176</b>	<b>\$98,519</b>
EBITDA Margin	12.7%	8.1%	6.0%	6.8%	4.5%	12.2%	7.8%	13.3%	9.1%