

Consumer: Leisure & Lifestyle
Company Update
Vista Outdoor Inc. | VSTO - \$37.69 - NYSE | Buy
Stock Data

52-Week Low - High	\$28.22 - \$52.69
Shares Out. (mil)	56.26
Mkt. Cap.(mil)	\$2,120.39
3-Mo. Avg. Vol.	916,948
12-Mo.Price Target	\$57.00
Cash (mil)	\$39.6
Tot. Debt (mil)	\$716.0

Revenue (\$ millions)

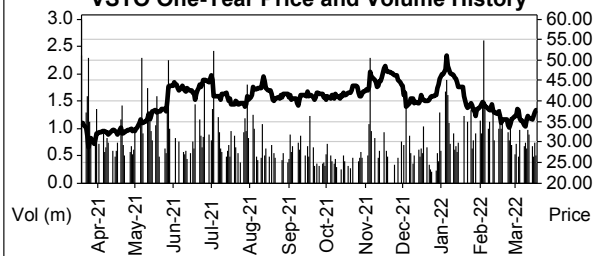
Yr Mar	—2022E—	—2023E—	—2024E—
		Curr	Curr
1Q	662.9A	741.5E	NA
2Q	778.5A	823.0E	NA
3Q	794.7A	770.8E	NA
4Q	763.7E	718.6E	NA
YEAR	2,999.7E	3,054.0E	3,001.7E

EBITDA

Yr Mar	—2022E—	—2023E—	—2024E—
		Curr	Curr
1Q	161.3A	156.4E	NA
2Q	210.8A	179.6E	NA
3Q	182.9A	150.1E	NA
4Q	171.6E	138.2E	NA
YEAR	726.6E	624.3E	528.0E

EPS \$

Yr Mar	—2022E—	—2023E—	—2024E—
		Curr	Curr
1Q	1.74A	1.64E	NA
2Q	2.41A	1.93E	NA
3Q	2.10A	1.56E	NA
4Q	1.84E	1.41E	NA
YEAR	8.10E	6.54E	5.29E

EPS is Adjusted EPS.
VSTO One-Year Price and Volume History

VSTO: ROTH Conference Takeaways

We hosted Vista CFO Sudhanshu Priyadarshi for a fireside chat at the 34th Annual ROTH Conference. Our three key takeaways: (1) the ammo demand environment remains strong, with backlog steady, while positive pricing action sustains into early-2022; (2) Vista is still maintaining discipline on production at this point in the ammo cycle with volume growth primarily coming from Remington (normalized production seemingly ~\$500mn); and (3) the recent Foresight acquisition is on track to grow 2-3x in the next two years.

- **(1) The ammo demand environment remains strong, with backlog steady, while positive pricing action sustains into early-2022.** While retail channel inventory continues to fill (in certain calibers like 9mm), management still sees a steady backlog in its ammo segment, bolstered by sustained strength in demand (we still observe lighter channel inventory in certain hunting calibers). Moreover, pricing power remains robust as management cited incremental price increases put in place earlier in 2022.
- **(2) Vista still appears to be maintaining production discipline while the ammo cycle approaches peak; volume growth appears to be coming primarily via Remington (where normalized production run rate could approach ~\$500mn).** Management emphasized a disciplined approach to production, and suggested that loaded ammo producers would struggle to fulfill higher capacity plans given a limited supply of primers (which is largely controlled by Federal/Remington/Winchester, domestically). That being said, it appears Remington would be the driver of volume growth for Vista, with management citing normalized production levels that could approach \$500mn (for reference, our F2023 forecast assumes \$375mn in sales, up from \$340mn in F2022).
- **(3) The recent Foresight acquisition is on track to grow 2-3x in the next two years.** Management noted a strong start, with Foresight generating ~\$28.6mn in revenue (\$114mn annualized run rate vs. ~\$100mn in annual revenue announced around the acquisition). While margins will likely need to drive lower as Vista reinvests in growth at Foresight, our sense is Foresight will likely remain a mid- to high-30% EBITDA margin business (slightly better than our 39%/33% outlook in F2023/F2024).

VALUATION

- We set our \$57 PT using a 5.0x multiple on our F2023 Sporting Products (pure play ammo segments) adj EBITDA estimate and a 12.0x multiple on our F2023 Outdoor Products adj EBITDA (which includes Foresight and Hunt/Shoot segment that was formerly in the Shooting Sports segment). We fully burden each segment EBITDA estimate with corporate expense of \$109mn (~56% of corporate expense assigned to Sporting Products and ~44% assigned to Outdoor Products).
- Factors that could impede shares from reaching our price target include (1) larger than expected return to indoor activities post-COVID, (2) regulatory or legislative actions curtailing gun/ammo ownership, and (3) intensifying competition in either Shooting Sports or Outdoor Products.

RISKS

- Vista faces competition from various outdoor brands, department stores, and a variety of retailers. Increased competition within the space could lead to higher marketing expenses and the loss of or inability to capture market share.
- Consumer spending continues to migrate from traditional retail channels to ecommerce. Lackluster sales through traditional channels, retail store closings and/or potential retail bankruptcies could pressure on Vista Outdoor's sales.

Vista's success is dependent upon its ability to predict consumer preferences and react appropriately. Failure to successfully anticipate, identify, and react in a timely matter to changing consumer preferences could negatively affect operations.
- Roughly 20% of the company's sales are outside of the U.S. and as such are not dollar denominated. Fluctuations in the exchange rate, particularly the euro, could negatively affect results.
- Vista relies upon lead and copper as critical components in the production of their goods. Fluctuations in the cost to source these inputs or disruptions to the supply of these materials could negatively affect operations.
- Changes in legislation or changes in fears surrounding government policies governing the manufacture, import, export, sale, and possession of ammunition may adversely affect results.
- The company supplies equipment used in numerous outdoor sporting activities that are largely weather dependent. Any unfavorable weather changes could negatively affect operating results.
- Vista's sales are skewed towards the first half of the fiscal year as well as profitability, when applicable. As such the company heavily relies upon its second half results.
- Vista relies on the efforts of senior management. The departure of key members of the management team could negatively affect results.

COMPANY DESCRIPTION

Vista Outdoor is a leading provider of products in outdoor recreation. The company has two primary segments. The shooting sports segment (~68% of F2020 sales) is comprised of an ammunition (50% of F2020 sales), and hunting and shooting unit (18% of F2020 sales). Key brands include the largest global ammo brand, Federal as well as CCI, and Speer within ammunition, and Bushnell, Primo's and Blackhawk within hunting and shooting. The outdoor products segment (~32% of F2020 sales) includes the Bell and Giro brands in the action sports category (17% of F2020 sales), along with Camelbak and CampChef within the outdoor recreation category (15% of F2020 sales). Vista sells most of its products through big-box retailers (WMT-NC, TGT-NC), specialty retailers (DKS-NC, SPWH-NC, BassPro/Cabela's, and ASO-NC). Vista also sells its products online through retailer sites (physical retailers mentioned above, plus AMZN – NC, backcountry.com, and its own direct websites in certain cases), the e-commerce channels of big-box and specialty retailers, online only e-tailers (AMZN-NC and Backcountry.com), and a growing number of DTC sites for brands. VSTO went public via a February 2015 spinoff from aerospace and defense company Alliant Techsystems (ATK) where it previously served as ATK's Sporting Group.

Vista Outdoor Inc. (\$ millions, except per share data) Fiscal Year End in March Matt Koranda ROTH Capital Partners mkoranda@roth.com 949.275.2880																
INCOME STATEMENT	F2020A Mar-20	1FQ21A Jun-20	2FQ21A Sep-20	3FQ21A Dec-20	4FQ21A Mar-21	F2021A Mar-21	1FQ22A Jun-21	2FQ22A Sep-21	3FQ22A Dec-21	4FQ22E Mar-22	F2022E Mar-22	1FQ23E Jun-22	2FQ23E Sep-22	3FQ23E Dec-22	4FQ23E Mar-23	F2023E Mar-23
Net Sales	1,324.3	479.1	575.2	574.7	596.5	2,225.5	662.9	778.5	794.7	763.7	2,999.7	741.5	823.0	770.8	718.6	3,054.0
Consensus estimates as of (03/17/22)											2,995.5	748.9	828.8	781.3	753.1	3,011.7
Cost of Goods Sold (COGS)	1,397.1	353.8	413.3	411.4	414.1	1,592.6	421.5	479.5	513.2	501.0	1,915.2	494.7	545.0	513.3	478.1	2,031.1
Gross Profit, reported	127.8	125.4	161.9	163.2	182.5	633.0	241.4	298.9	281.5	262.7	1,084.5	246.8	278.0	257.5	240.5	1,022.9
Adjustments																
Gross Profit, adjusted	129.4	125.4	161.9	163.6	182.8	633.7	241.8	298.9	282.7	262.7	1,086.1	246.8	278.0	257.5	240.5	1,022.9
Research & Development	23.0	5.0	5.4	5.5	6.7	22.5	5.9	6.4	7.5	9.0	28.8	9.0	9.0	9.0	9.0	36.0
Selling, General & Administrative	302.6	72.3	81.3	88.8	95.1	337.5	91.9	101.7	115.0	101.5	410.2	101.0	109.0	118.0	113.0	441.0
Impairment of Goodwill and Intangibles	155.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment of held for sale goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment of held for sale assets	9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating expenses, adjusted	314.2	77.3	84.3	90.3	102.0	353.9	96.2	104.6	116.3	110.5	427.6	110.0	118.0	127.0	122.0	477.0
Other Income / Expense, adjusted	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT, adjusted	(184.8)	48.0	77.6	73.3	80.7	279.7	145.6	194.3	166.4	152.2	658.5	136.8	160.0	130.5	118.5	545.9
Interest Expense, adjusted	(34.6)	(6.4)	(5.7)	(5.6)	(6.5)	(24.2)	(5.7)	(5.9)	(6.7)	(6.7)	(25.0)	(6.7)	(6.7)	(6.7)	(6.7)	(26.8)
Pre-Tax Income, adjusted	(219.4)	41.6	71.9	67.7	74.3	255.5	140.0	188.4	159.7	145.5	633.5	130.1	153.3	123.8	111.8	519.1
Income Tax Provision, adjusted	(2.5)	11.5	6.5	5.6	12.9	36.5	35.4	45.9	35.5	35.5	152.3	32.5	38.3	31.0	28.0	129.8
Net Income, reported	(386.0)	40.5	79.6	78.9	67.0	266.0	102.725	139.5	118.1	110.0	470.4	97.6	115.0	92.9	83.9	389.3
Net Income, adjusted	(216.9)	30.1	65.4	62.1	61.4	219.0	104.5	142.5	124.2	110.0	481.2	97.6	115.0	92.9	83.9	389.3
Reported EPS	(66.87)	\$0.69	\$1.34	\$1.31	\$1.11	\$4.47	\$1.71	\$2.36	\$2.00	\$1.85	\$7.89	\$1.64	\$1.93	\$1.56	\$1.40	\$6.51
Adjusted EPS	(93.75)	\$0.51	\$1.10	\$1.03	\$1.02	\$3.66	\$1.74	\$2.41	\$2.10	\$1.85	\$8.10	\$1.64	\$1.93	\$1.56	\$1.40	\$5.29
Consensus estimates as of (03/17/22)											\$7.81	\$1.69	\$1.97	\$1.60	\$1.42	\$6.46
Avg FD Common Shares	57.8	59.0	59.3	60.1	60.5	59.6	59.9	59.2	59.1	59.4	59.6	59.5	59.6	59.7	59.8	60.1
EBITDA RECONCILIATION																
Net income, reported	(386.0)	40.5	79.6	78.9	67.0	266.0	102.7	139.5	118.1	110.0	470.4	97.6	115.0	92.9	83.9	389.3
Interest	39.8	6.4	5.7	5.6	7.8	25.6	5.7	5.9	6.7	6.7	25.0	6.7	6.7	6.7	6.7	26.8
Tax	(15.9)	1.1	(10.1)	3.0	(0.8)	(6.6)	35.3	45.3	34.1	35.5	150.1	32.5	38.3	31.0	28.0	129.8
Depreciation	47.9	11.5	10.7	11.4	11.6	45.3	11.2	11.0	11.7	11.8	45.8	12.0	12.0	12.0	12.0	48.0
Amortization	20.0	5.0	4.9	4.9	5.0	19.8	5.0	5.4	7.6	7.6	25.6	7.6	7.6	7.6	7.6	30.5
EBITDA	(295.3)	64.5	90.9	103.8	90.9	350.1	159.9	207.2	178.3	171.6	717.0	156.4	179.6	150.1	138.2	624.3
Adjustments																
Restructuring and asset impairment costs, CoGS	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventory step-up expense	0.0	0.0	0.0	0.4	0.3	0.7	0.4	0.0	1.2	0.0	1.6	0.0	0.0	0.0	0.0	0.0
Contingent consideration	1.7	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Transaction costs	0.6	2.4	3.3	(0.7)	5.0	0.9	0.9	2.2	1.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0
Transition costs	0.0	0.0	0.0	0.6	0.5	1.1	0.1	0.2	0.5	0.0	0.8	0.0	0.0	0.0	0.0	0.0
Executive transition	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill and intangibles impairment	155.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Restructuring and asset impairment costs	7.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment of held for sale assets	9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss on divestiture	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted EBITDA	(116.3)	64.5	93.3	89.6	97.4	344.6	161.3	210.8	182.9	171.6	726.6	156.4	179.6	150.1	138.2	624.3
Consensus estimates as of (03/17/22)											725.1	164.9	182.3	162.8	144.0	641.3
Incremental/decremental margin	43.6%	118.1%	65.2%	55.7%	40.7%	65.9%	52.7%	57.8%	42.4%	44.4%	49.3%	-6.2%	-69.9%	137.8%	74.2%	-188.5%
SEGMENT INFORMATION							\$441.64	\$559.10	\$652.39	\$726.61						
Sales By Segment																
Shooting Sports	1,189.3	261.8	272.2	287.9	297.9	1,119.8	364.3	450.2	459.6	449.9	1,724.0	408.0	459.2	436.7	404.9	1,708.7
Outdoor Products	566.6	217.4	303.0	286.8	298.6	1,105.8	298.6	328.3	335.0	313.8	1,275.7	333.5	363.8	334.2	313.7	1,345.2
Total	1,755.9	479.1	575.2	574.7	596.5	2,225.5	662.9	778.5	794.7	763.7	2,999.7	741.5	823.0	770.8	718.6	3,054.0
PROFITABILITY RATIOS																
Gross Margin, adjusted	8.5%	26.2%	28.1%	28.5%	30.6%	28.5%	36.5%	38.4%	35.6%	34.4%	36.2%	33.3%	33.8%	33.4%	33.5%	33.5%
Consensus estimates as of (03/17/22)											36.1%	34.3%	34.2%	34.1%	33.0%	31.5%
Shooting Sports Gross Margin	17.7%	25.6%	26.8%	27.8%	30.9%	27.9%	40.9%	45.1%	38.7%	38.0%	40.7%	36.0%	37.0%	36.0%	36.0%	32.0%
Outdoor Products Gross Margin	26.4%	26.7%	29.4%	29.3%	30.5%	29.0%	31.1%	29.2%	26.2%	23.8%	27.6%	24.9%	25.1%	24.9%	24.7%	25.8%
SG&A	19.8%	15.1%	14.1%	15.4%	15.9%	15.2%	13.9%	13.1%	14.5%	13.3%	13.7%	13.6%	13.2%	15.3%	15.7%	14.4%
R&D	1.5%	1.0%	0.9%	1.0%	1.1%	1.0%	0.9%	0.8%	0.9%	1.2%	1.0%	1.2%	1.1%	1.2%	1.3%	1.2%
Operating expenses, adjusted	20.6%	16.1%	14.7%	15.7%	17.1%	15.9%	14.5%	13.4%	14.6%	14.5%	14.3%	14.8%	14.3%	16.5%	15.6%	16.5%
Operating Margin	-23.8%	10.0%	13.1%	12.0%	13.5%	12.3%	21.7%	24.5%	20.0%	19.9%	21.5%	18.5%	19.4%	16.9%	16.5%	17.9%
EBIT, adjusted	-12.1%	10.0%	13.9%	12.8%	13.5%	12.6%	22.0%	25.0%	20.9%	19.9%	22.0%	18.5%	19.4%	16.9%	16.5%	17.9%
EBT, adjusted	-14.4%	8.7%	12.5%	11.8%	12.5%	11.5%	21.1%	24.2%	20.1%	19.1%	21.1%	17.5%	18.6%	16.1%	15.6%	17.0%
Tax rate, adjusted	1.1%	27.7%	9.1%	8.2%	17.4%	14.3%	25.3%	24.4%	22.2%	24.4%	24.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Net margin, adjusted	-14.2%	6.3%	11.4%	10.8%	10.3%	9.8%	15.8%	18.3%	15.6%	14.4%	16.0%	13.2%	14.0%	12.0%	11.7%	10.6%
EBITDA, basic	-19.4%	13.5%	15.8%	18.1%	15.2%	15.7%	24.1%	26.6%	22.4%	22.5%	23.9%	21.1%	21.8%	19.5%	19.2%	20.4%
EBITDA, adjusted	-7.7%	13.5%	16.2%	15.6%	16.3%	15.5%	24.3%	27.1%	23.0%	22.5%	24.2%	21.1%	21.8%	19.5%	19.2%	20.4%
GROWTH RATES (INC STMT)																
Net sales	-26%	36%	50%	59%	40%	46%	38%	35%	38%	28%	35%	12%	6%	-3%	-6%	2%
Shooting Sports sales	-16%	22%	30%	42%	1%	-6%	39%	60%	51%	5%	54%	12%	2%	-10%	-1%	-5%
Outdoor Products sales	-13%	57%	74%	81%	126%	95%	37%	8%	17%	5%	15%	12%	11%	0%	0%	5%
COGS	-15%	-3%	17%	22%	21%	14%	19%	25%	20%	19%	20%	17%	14%	0%	-5%	1%
Gross profit, adjusted	-70%	-1144%	438%	551%	112%	2390%	85%	73%	73%	44%	71%	2%	-7%	-9%	-6%	-3%
Operating expense, adjusted	-15%	-13%	4%	30%	37%	13%	24%	29%	8%	8%	21%	14%	13%	9%	10%	4%
EBIT, adjusted	-404%	-147%	-252%	-265%	585%	-251%	203%	150%	127%	8%	135%	-6%	-18%	-22%	-22%	-17%
EBT, adjusted	-2418%	-137%	-220%	-230%	1444%	-216%	226%	162%	136%	148%	191%	-7%	-19%	-22%	-18%	-19%
Net Income, adjusted	-2771%	-127%	-207%	-221%	765%	-201%	247%	118%	100%	79%	120%	-7%	-19%	-25%	-24%	-19%
EPS, adjusted	-2782%	-126%	-204%	-217%	729%	-198%	242%	118%	103%	82%	121%	-6%	-20%	-26%	-24%	-19%
EBITDA, adjusted	-201%	-176%	-398%	-406%	242%	-395%	150%	126%	104%	76%	111%	-3%	-15%	-18%	-19%	-15%

Vista Outdoor Inc.															
(\$ millions, except per share data)															
Fiscal Year End in March															
BALANCE SHEET															
	F2020A	1FQ21A	2FQ21A	3FQ21A	4FQ21A	F2021A	1FQ22A	2FQ22A	3FQ22A	4FQ22E	F2022E	1FQ23E	2FQ23E	3FQ23E	F2023E
Cash & Equivalents	31.4	36.1	40.7	96.5	243.3	243.3	208.7	265.3	39.6	152.7	152.7	288.8	331.5	516.1	638.0
Restricted cash and equivalents	0.0	0.0	12.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts Receivable, Net	313.5	324.6	336.6	315.7	301.6	301.6	357.3	414.6	384.3	418.5	418.5	406.3	451.0	422.4	393.8
Inventories, Net	331.3	332.2	338.4	353.8	454.5	454.5	505.1	561.5	599.2	560.0	560.0	542.2	597.2	534.4	523.9
Income Tax Receivable	7.6	7.6	29.4	40.5	37.9	37.9	4.3	10.9	40.6	40.6	40.6	40.6	40.6	40.6	40.6
Assets Held for Sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Current Assets	709.0	722.1	784.8	826.6	1,064.2	1,064.2	1,120.0	1,292.6	1,102.3	1,210.4	1,210.4	1,316.5	1,458.9	1,552.0	1,634.8
Property, Plant & Equipment, Net	184.7	175.6	170.9	196.6	197.5	197.5	192.5	190.7	206.1	212.3	212.3	212.3	212.3	212.3	212.3
Goodwill	83.2	83.2	83.2	84.5	86.1	86.1	97.8	97.8	466.9	466.9	466.9	466.9	466.9	466.9	466.9
Net Intangibles	306.1	301.3	296.4	317.8	315.0	315.0	329.6	324.1	456.4	448.8	448.8	441.2	433.5	425.9	418.3
Total Noncurrent Assets	682.3	666.3	646.5	702.1	700.7	700.7	731.8	725.4	1,259.6	1,258.2	1,258.2	1,250.6	1,243.0	1,235.3	1,227.7
Total Assets	1,391.3	1,388.4	1,431.3	1,528.7	1,764.9	1,764.9	1,851.8	2,018.0	2,361.9	2,468.5	2,468.5	2,567.0	2,701.8	2,787.4	2,862.5
Current Portion of Long-Term Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts Payable	90.0	115.0	125.4	117.2	163.8	163.8	169.5	180.9	174.5	164.7	164.7	162.6	179.2	168.8	157.2
Liabilities held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Current Liabilities	246.7	269.1	319.0	328.2	370.8	370.8	364.4	355.2	417.4	407.6	407.6	405.5	422.1	411.7	400.1
Long-Term Debt	511.8	443.9	345.3	345.7	495.6	495.6	495.7	495.8	716.0	716.0	716.0	716.0	716.0	716.0	716.0
Long-Term Debt Payable to Parent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Noncurrent Liabilities	702.1	629.8	537.6	541.8	657.1	657.1	686.7	687.8	914.1	914.1	914.1	914.1	914.1	914.1	914.1
Total Liabilities	948.8	898.9	856.7	870.0	1,027.9	1,027.9	1,051.1	1,082.9	1,331.5	1,321.7	1,321.7	1,319.7	1,336.2	1,325.8	1,314.2
Total Stockholders' Equity	442.5	489.5	574.6	658.7	737.0	737.0	800.7	935.0	1,030.3	1,146.8	1,146.8	1,247.4	1,365.6	1,461.6	1,548.3
BALANCE SHEET RATIOS															
Days of Inventory	87	86	75	78	82	104	109	107	107	82	107	100	100	95	82
Days Sales Outstanding (DSOs)	75	75	53	50	67	49	49	44	44	67	51	50	50	67	47
Days Payables Outstanding (DPOs)	24	30	28	26	22	38	37	34	31	22	31	30	30	30	22
Cash Conversion Cycle	138	118	100	103	127	116	122	121	120	127	126	120	120	115	127
Equity / Assets	2 2/5	35%	40%	43%	42%	42%	43%	46%	44%	46%	46%	49%	51%	52%	54%
DuPont Analysis (ROE Deconstruction)															
Return on Sales (Profit Margin)	-25%	8%	14%	14%	11%	12%	15%	18%	15%	14%	16%	13%	14%	12%	12%
Asset Turnover (Sales / Assets)	1.1x	1.4x	1.6x	1.5x	1.4x	1.3x	1.4x	1.5x	1.3x	1.2x	1.2x	1.2x	1.2x	1.1x	1.0x
Financial Leverage (Assets / Equity)	3.1x	2.8x	2.5x	2.3x	2.4x	2.4x	2.3x	2.2x	2.3x	2.2x	2.2x	2.1x	2.0x	1.9x	1.8x
Return on Equity	-87%	33%	55%	48%	36%	36%	51%	60%	48%	36%	41%	31%	34%	25%	22%
GROWTH RATES (BAL SHT)															
Accounts Receivable	-9%	-11%	-7%	-1%	-4%	-4%	10%	23%	22%	39%	39%	14%	9%	10%	-6%
Inventories	-4%	-14%	-7%	6%	37%	37%	52%	68%	69%	23%	23%	7%	6%	-1%	-6%
Accounts Payable	-9%	-11%	13%	21%	82%	82%	47%	44%	49%	1%	1%	-4%	-1%	-3%	-5%
CASH FLOW STATEMENT															
	F2020A	1FQ21A	2FQ21A	3FQ21A	4FQ21A	F2021A	1FQ22A	2FQ22A	3FQ22A	4FQ22E	F2022E	1FQ23E	2FQ23E	3FQ23E	F2023E
Net Income	(386.0)	40.5	79.6	78.9	67.0	266.0	102.7	139.5	118.1	110.0	470.4	97.6	115.0	92.9	83.9
Depreciation	47.9	11.5	10.7	11.4	11.6	45.3	11.2	11.0	11.7	11.8	45.8	12.0	12.0	12.0	12.0
Amortization of Intangible Assets	20.0	5.0	4.9	4.9	5.0	19.8	5.0	5.4	7.6	7.6	25.6	7.6	7.6	7.6	7.6
Amortization of Deferred Financing Costs	6.1	0.4	0.4	0.4	1.8	2.9	0.3	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Impairment of held-for-sale Assets	9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment of held-for-sale goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill and Tradename Impairment	155.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Income Taxes	(4.5)	(0.1)	1.8	0.8	(12.6)	(10.1)	0.3	(0.0)	(1.6)	0.0	0.0	0.0	0.0	0.0	0.0
Loss (Gain) on Disposal of Property	(1.1)	0.2	0.1	1.6	2.7	4.5	(0.0)	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Loss on Disposition	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt refi and extinguishment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gain on sale of business	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share-based Compensation	6.8	4.4	3.1	(18.5)	0.0	(18.5)	7.0	6.8	6.8	6.5	27.0	3.0	3.3	3.1	2.9
Excess Tax Benefits from Share-Based Plans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in Operating Assets & Liabilities	(8.7)	15.5	19.9	27.5	(47.3)	15.6	(97.9)	(86.8)	(28.9)	(4.8)	(218.3)	28.0	(83.2)	81.0	27.6
CFO	(154.2)	77.4	120.5	109.5	38.1	345.4	28.8	76.4	114.3	131.1	350.5	148.1	54.7	196.5	133.9
Capital Expenditures	(23.8)	(4.5)	(5.2)	(7.9)	(12.6)	(30.2)	(6.9)	(7.6)	(10.4)	(18.0)	(42.8)	(12.0)	(12.0)	(12.0)	(12.0)
Acquisitions of Business, Net of Cash Acquired	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments for Other Intangible Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from sale of Eyewear and Firearms Business	156.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from Disposition of PP&E	0.3	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0
CFI	133.1	(4.5)	(5.2)	(66.0)	(26.4)	(102.0)	(15.4)	(7.6)	(530.0)	(18.0)	(571.3)	(12.0)	(12.0)	(12.0)	(12.0)
Borrowings on Line of Credit	410.6	9.1	34.0	30.0	0.0	73.1	0.0	0.0	300.0	0.0	300.0	0.0	0.0	0.0	0.0
Repayments on Line of Credit	(463.4)	(77.3)	(133.0)	(30.0)	0.0	(240.3)	0.0	0.0	(80.0)	0.0	(80.0)	0.0	0.0	0.0	0.0
Proceeds from Issuance of Long-Term Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net transfers to (from) Parent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments Made for Debt Issue Costs	(1.0)	0.0	0.0	0.0	0.0	0.0	(1.0)	(0.1)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Early redemption of Long-Term Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments Made on Long-Term Debt	(144.5)	0.0	0.0	0.0	(350.0)	(350.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Payments for Acquisitions	(1.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from Employee Stock Compensation Plans	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares Withheld For Payroll Taxes	(0.7)	(0.1)	(0.1)	(0.3)	(3.6)	(4.1)	(3.0)	(0.0)	(0.0)	0.0	130.1	0.0	0.0	0.0	0.0
CFE	(200.1)	(68.4)	(98.3)	(0.0)	135.1	(31.6)	(48.0)	(12.1)	190.1	0.0	0.0	0.0	0.0	0.0	0.0
Net Change in Cash	(221.5)	4.7	16.9	43.5	146.8	211.9	(34.6)	56.6	(225.7)	113.1	(90.5)	136.1	42.7	184.5	121.9
FREE CASH FLOW PER SHARE	(\$3.08)	\$1.24	\$1.94	\$1.69	\$0.42	\$5.29	\$0.37	\$1.16	\$1.76	\$1.90	\$5.16	\$2.29	\$0.72	\$3.09	\$2.04

Source: Company SEC filings and ROTH Capital Partners estimates

 Matt Koranda
 ROTH Capital Partners
 mkoranda@roth.com
 949.275.2080

Regulation Analyst Certification ("Reg AC"): The research analyst primarily responsible for the content of this report certifies the following under Reg AC: I hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Disclosures:

ROTH makes a market in shares of Vista Outdoor Inc. and as such, buys and sells from customers on a principal basis.



Each box on the Rating and Price Target History chart above represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first note written during the past three years. **Distribution Ratings/IB Services** shows the number of companies in each rating category from which Roth or an affiliate received compensation for investment banking services in the past 12 month.

Distribution of IB Services Firmwide

Rating	Count	Percent	IB Serv./Past 12 Mos. as of 03/18/22	
			Count	Percent
Buy [B]	348	82.86	234	67.24
Neutral [N]	45	10.71	24	53.33
Sell [S]	0	0.00	0	0
Under Review [UR]	27	6.43	17	62.96

Our rating system attempts to incorporate industry, company and/or overall market risk and volatility. Consequently, at any given point in time, our investment rating on a stock and its implied price movement may not correspond to the stated 12-month price target.

Ratings System Definitions - ROTH employs a rating system based on the following:

Buy: A rating, which at the time it is instituted and or reiterated, that indicates an expectation of a total return of at least 10% over the next 12 months.

Neutral: A rating, which at the time it is instituted and or reiterated, that indicates an expectation of a total return between negative 10% and 10% over the next 12 months.

Sell: A rating, which at the time it is instituted and or reiterated, that indicates an expectation that the price will depreciate by more than 10% over the next 12 months.

Under Review [UR]: A rating, which at the time it is instituted and or reiterated, indicates the temporary removal of the prior rating, price target and estimates for the security. Prior rating, price target and estimates should no longer be relied upon for UR-rated securities.

Not Covered [NC]: ROTH does not publish research or have an opinion about this security.

ROTH Capital Partners, LLC expects to receive or intends to seek compensation for investment banking or other business relationships with the covered companies mentioned in this report in the next three months. The material, information and

facts discussed in this report other than the information regarding ROTH Capital Partners, LLC and its affiliates, are from sources believed to be reliable, but are in no way guaranteed to be complete or accurate. This report should not be used as a complete analysis of the company, industry or security discussed in the report. Additional information is available upon request. This is not, however, an offer or solicitation of the securities discussed. Any opinions or estimates in this report are subject to change without notice. An investment in the stock may involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Additionally, an investment in the stock may involve a high degree of risk and may not be suitable for all investors. No part of this report may be reproduced in any form without the express written permission of ROTH. Copyright 2022. Member: FINRA/SIPC.