

Industry Update: Partnership Proves VMAR is Ready for Prime Time

The Clock Is Now Ticking On A Major Industry Breakthrough

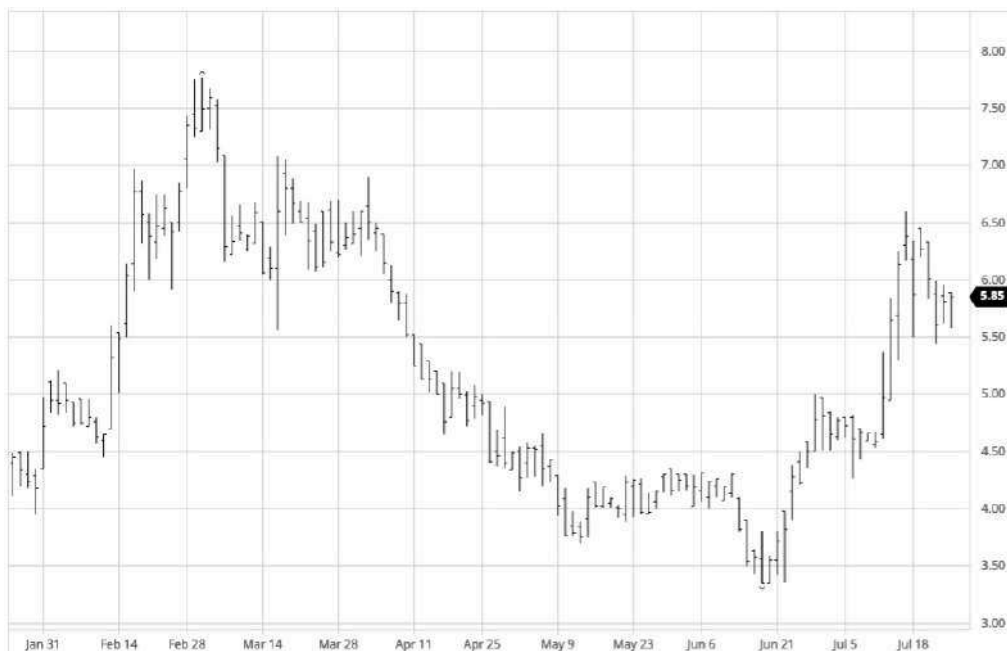


-by Bob Byrne

It's been nearly three months since I introduced you to **Vision Marine Technologies (VMAR)**. While the major stock market averages have struggled and lost ground, our investment in shares of VMAR has performed impressively well.

As I type this, the stock is trading near \$6, or more than 40% above the \$4.27 price it was trading at when I introduced you to the company on May 2.

Vision Marine Technologies (VMAR)



Source: Barchart.com

As a reminder, Vision Marine makes electric outboard powertrain systems for boats. And while most of us are still accustomed to cruising around in a traditional gas-powered boat on the weekends, I believe we're on the cusp of a significant push to electrify the recreational boating industry.

It wasn't so long ago that the thought of an electric automobile seemed oddly silly. But look around you. Every time I check my rearview mirror, a bloody Tesla is on my tail. And if your town is anything like mine, in another 12 months, Rivians will dot the landscape the way Chevy Camaros used to.

The bottom line is we, as a society, have reached the point of mass adoption of electric vehicles. And

while more people have cars than boats, hundreds of thousands, if not millions of boat owners, would love never to buy another gallon of gas.

And I believe Vision Marine is the company to help this reality come to fruition.

Back in mid-February, I was able to ride in a boat powered by Vision Marine's 180E outboard motor system while attending the Miami International Boat Show. While I've never been much of a boater, I was blown away by the smooth acceleration and the fact that there was almost zero noise coming from Vision Marine's all-electric 180E engine.

If you've ever tried to carry on a conversation while sitting toward the back of a boat traveling 30 or 40 mph, you know how difficult it can be. But it was effortless in the boat powered by this electric motor.

The Press Release Heard Round the Boating Industry

I'm updating you on them today because the company released a significant piece of news that I want you to be aware of.

On Monday, July 18, Vision Marine announced a partnership with Groupe Beneteau to integrate Vision Marine's electric outboard motors on several models across Groupe Beneteau's brand portfolio.

Unless you're an active boater (or live overseas), Groupe Beneteau probably isn't a company you're familiar with. I only know about Beneteau because of all the digging into the boating industry I did while researching Vision Marine.

But if you've ever heard of any of these popular boating brands:



Then you're familiar with the company. Groupe Beneteau oversees all these groups.

Suffice it to say, Beneteau isn't a small company.

The company employs roughly 7,600 people throughout France, the US, Poland, Italy, Portugal, and China.

With its international production capacities and global sales network, Groupe Beneteau oversees 12 brands and manufactures over 180 different boat models. Oh, and across all those brands and models...

The company sells THOUSANDS of boats each year.

The bottom line is Vision Marine, with its 50 million dollar market cap and industry-leading electric outboard motor technology just hooked a whale of a partner!

While this morning's press release didn't include any upfront order numbers or revenue estimates, here's what I know...

Based on my conversations with Vision Marine's management, I expect every 100 E-Motion 180-hp Powertrain system sold to add about \$0.25 to the company's bottom line.

That's not revenue, mind you. That is straight, 100% profit!

It'll likely be a while before either company publicly releases its initial order commitments, but that doesn't matter. Because Vision Marine's announcement accomplishes precisely what the company needs, and that's a crystal clear commitment from one of the leading boat manufacturers in the world that the E-Motion 180hp Powertrain System is ready for prime time.

An Industry Giant in the Making

While I have no idea who else is on deck when locking up more of Vision Marine's 180E supply, I want to share what the company's CEO, Alex Mongeon, said about this morning's announcement. (emphasis mine)

*"We have always held Groupe Beneteau in high esteem and acknowledge the company's long-standing mandate for leadership and excellence within the boating industry. We are honored to have the opportunity to power the Four Winns boat with our E-Motion™ 180E technology and look forward to a long-standing partnership with them. **We continue to showcase our technology and rig the E-Motion™ powertrain on numerous third-party boats to formally move towards scaled production of our E-Motion™ technology for commercial usage.**"*

That section I highlighted is VERY telling.

I read Alex's words to mean that the folks at Beneteau aren't the only ones hanging around the Vision Marine facility! My guess is that today's announcement about Groupe Beneteau will be the first of many for Vision Marine over the next 12 months.

Pounding the Table on Vision Marine

In my view, the announced partnership between Vision Marine and Groupe Beneteau is both bullish and hugely transformative.

By winning the approval of a major manufacturer like Groupe Beneteau, Vision Marine has earned a seat at the grown-ups' table. And in time, I expect this partnership to pay off in a massive way for Alex and the whole Vision Marine team.

Based on my conversations with Vision Marine's management, I expect every 100 E-Motion 180-hp Powertrain system sold to add about \$0.25 to the company's bottom line. That's not revenue, mind you. That is straight, 100% profit!

While it will be a while before we see the fruits of this partnership flow to Vision Marine's bottom line, this is the catalyst the company needs to explode to the next level.

So, if you were waiting for additional confirmation that Vision Marine was on the right track with its electric powertrains, the company just provided you with that evidence.

That's why **I'm raising our buy-up to price on Vision Marine Technologies (VMAR) shares to \$6.50.** (Just know that once this stock breaks above \$7.75, it's likely headed into double-digit territory.) And if you'd prefer to buy the stock on a dip, I'd encourage you to **watch the \$5.50 area** for that opportunity.

Disclosure: I own Vision Marine Technologies (VMAR) shares and am an advisor to the company.

