

THE National Investor



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SPECIAL ISSUE

THE ART OF FINDING STORY STOCKS IN A BEAR MARKET

The below profile/update of Vision Marine is excerpted from our Fall-Winter Special Issue on Story Stocks.

For the COMPLETE issue, e-mail Chris Temple for a FREE copy: at chris@nationalinvestor.com

ELECTRIC BOAT MAKER GARNERING MORE ATTENTION; AND BUSINESS -- VISION MARINE CORP. (NASD-VMAR)



Though it has some of the same challenges as electric cars/trucks do (supply chains, resources, trained people to repair, etc.) the nascent industry for **electric boats** has already left the starting gate. For several years now, recreational boat rental operations in many parts of the U.S. have offered battery-powered boats; most of these of the smaller/slower variety which are powered by little more than a glorified trolling motor for the most part. It's been a start: and the demand for this way of enjoying the water in a more climate-conscious fashion

But more recently, larger, performance-oriented boats and motors have started making some headway. Fairly quickly, the key players of the future are jockeying for position: *and an early leader is Quebec, Canada-domiciled Vision Marine.*

Having heard of the company a while prior, I was invited to

meet with them early this year and "kick the propeller" and such at the HUGE Miami International Boat Show (where, just above, you see the company's Bruce Nurse explaining the workings of Vision's E-Motion™ 180E big electric outboard motor.) Later, I was able to get a taste of this unit's performance and watch the sophisticated software, etc., in action also on a pontoon boat outfitted with VMAR's motor and drive system. *I was floored.* And I was further heartened after I had arrived home and picked up my own conventional bass boat from my mechanic who had serviced it. *It turns out he had some intimate familiarity with VMAR and was himself already a shareholder.*

Seeing first hand the interest in Vision's offerings in Miami (and following similar events elsewhere) undergirds the thesis that this industry is going to experience rapid growth. Indeed, at <https://investors.visionmarinetechologies.com/electric-boat-market-to-reach-16-6-billion-globally-by-2031-at-12-9-cagr-allied-market-research/>, the company on its own web site highlights research suggesting about 13% annual compounded growth in its industry, to \$16 billion-plus by 2031. And as with electric vehicles, this will come as technology improves, costs that are currently higher (than for a boat powered by conventional gas-burning engines) come down, etc. And as was very evident in Miami, there are a LOT of consumers/vacationers who want to be able to report once back home that on *their* vacation *they* were "green" in renting an electric boat. Indeed, VMAR has one revenue source here: its rental businesses which have of late been augmented in Florida; see <https://visionmarinetechologies.com/electric-boat-rental-operation-flourishing/>.



As you'll learn from some past news and other content from Vision Marine's web site (at <https://visionmarinetechologies.com/>) the company has enlisted numerous research and engineering partners to—piece by piece—perfect the company's E-Motion™ E180 outboard and system. I was fortunate to have a couple different, in-depth conversations with VMAR personnel in Miami and (bolstered somewhat by my own experiences as a boat owner over the years) understand—much as with the challenges *and opportunities* that the E.V. makers have dealt with—what improvements are necessary *and coming*.

But again—as alluded to above—I was floored by the boat I took a test drive on!

As you'll read on VMAR's news page (<https://investors.visionmarinetechologies.com/news/>) the company has been uber-busy building all manner of relationships. **Perhaps the most notable of the many of them is its deal announced in July with the big French recreational boating**

company Groupe Beneteau. VMAR will supply motors and the associated “brains” to G.B.; initially, as presently planned, under that company’s well-known Four Winns brand. Those first boats should see deliveries start by next spring; and a “back of the envelope” calculation as to what this means for an *exponential* increase in revenue to VMAR and, likely, its first meaningful net earnings ever has me licking my chops. (See <https://investors.visionmarinetechologies.com/2022/07/18/groupe-beneteau/> for more details.)

“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,” stated VMAR’s C.E.O. Alex Mongeon—who I caught up with again several weeks back—in announcing this *game-changing* news for his company. “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 in order to formally move towards scaled production of our E-Motion™ technology for commercial usage.”



A fitting exclamation point to VMAR’s ascendance and ongoing aggressiveness came in late August, when a specially-equipped catamaran shattered the previous speed record for an electric-powered boat. This effective, dramatic *and fun* endeavor was at the Lake of the Ozarks Shootout in Missouri where its craft on one run hit 104 mph, and the next day bested that by hitting 109 mph (see



https://www.lakeexpo.com/boating/shootout/watch-vision-marines-electric-boat-charges-faster-to-record-crushing-109-mph-at-shootout/article_8fe55e88-26f7-11ed-bb42-17d49711bebc.html for some *really* neat local press coverage.) *And as you’ll read, this performance also highlights the company’s progress: more than doubling the speed mark of the prior year.*

In just the last several weeks (see <https://investors.visionmarinetechologies.com/news/>) Vision has made other moves to expand its brand and businesses: from augmenting its rental footprint in both California and Florida, to a collaboration to manufacture marine batteries to—here’s a “green” one for you!—**manufacturing and selling boats made 100% from recycled materials.** Mongeon and his crew aren’t letting any grass grow under their feet!

Yet again, we have here an example of a unique, very disruptive company in its industry that represents an incredible opportunity. At a recent market cap of about \$40 million, VMAR is likely *within*

one-two years to sport sufficient earnings on its present trajectory to give it a Price-earnings ration in the low single digits. Clearly, it would not remain a \$5/share or so stock in that event.



KEY INVESTMENT HIGHLIGHTS

- ◆ **First Mover Advantage in the Rapidly Growing Global Electric Boat Propulsion Market**
Estimated \$19+ billion TAM by 2032, growing at a CAGR of 12.9%, driven by tightening emissions standards requiring a zero emissions solution over the near term.
- ◆ **Clear Path to Revenue**
Relationships with leading boat OEMs and partnership with Groupe Beneteau.
- ◆ **Asset-Light Manufacturing**
Strategic partnerships with leading component and contract manufacturers include McLaren Engineering (a wholly owned subsidiary of Linamar Corp.), Groupe Beneteau, and Octillion Power Supply.
- ◆ **Proprietary Technology Platform**
Strong Proprietary Intellectual Property Moat.
- ◆ **Superior Total Cost of Ownership (TCO) and Carbon Footprint**
Vision Marine's E-Motion™ outboard delivers significant savings and zero carbon output throughout the life of the motor, as compared to an ICE.

VISION MARINE TECHNOLOGIES (NASDAQ:VMT) - PENDING LISTING

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