

A Global Look at the
Recreational Boating Market

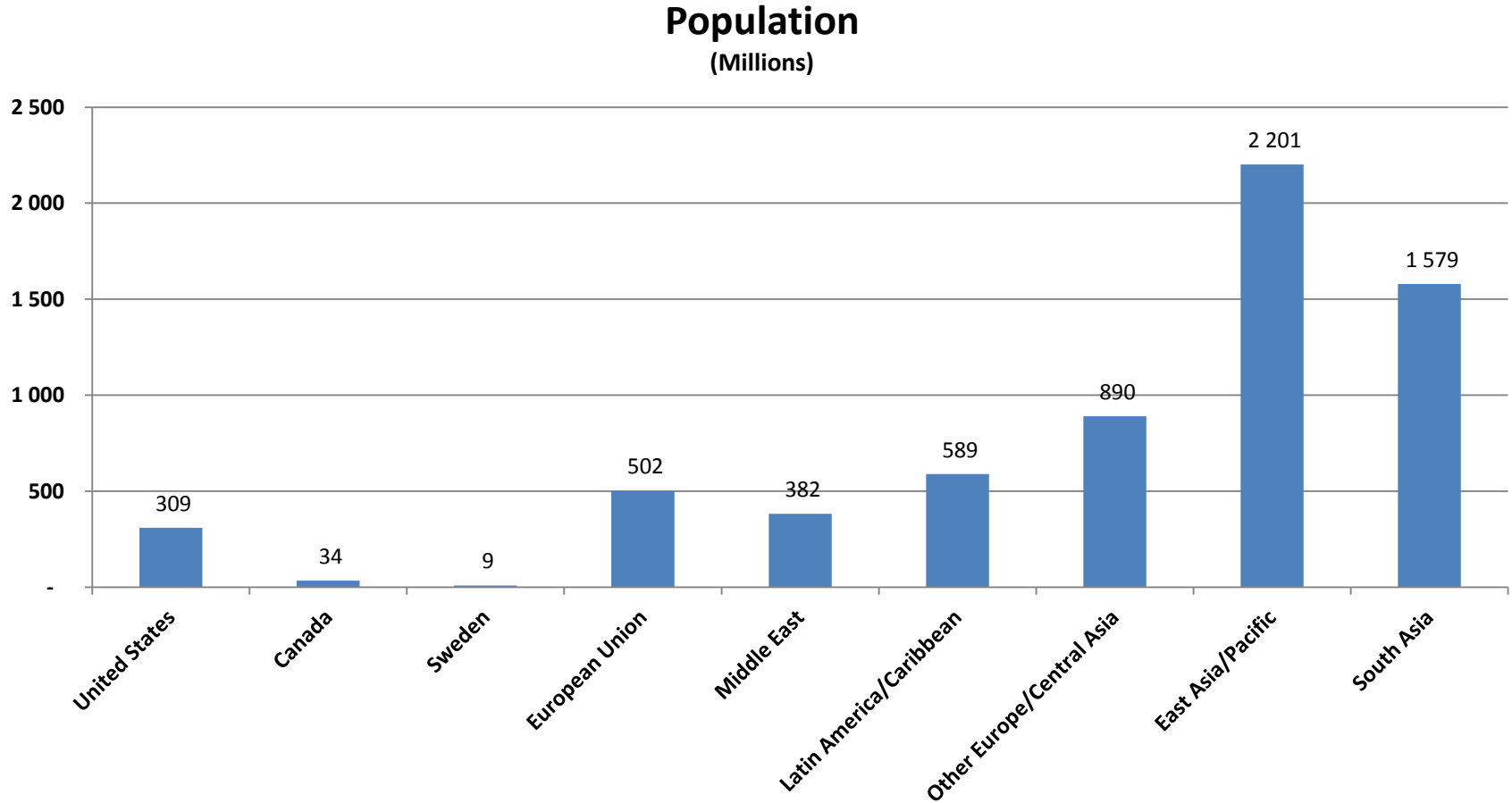
February 7, 2012

Thomas J. Dammrich

President

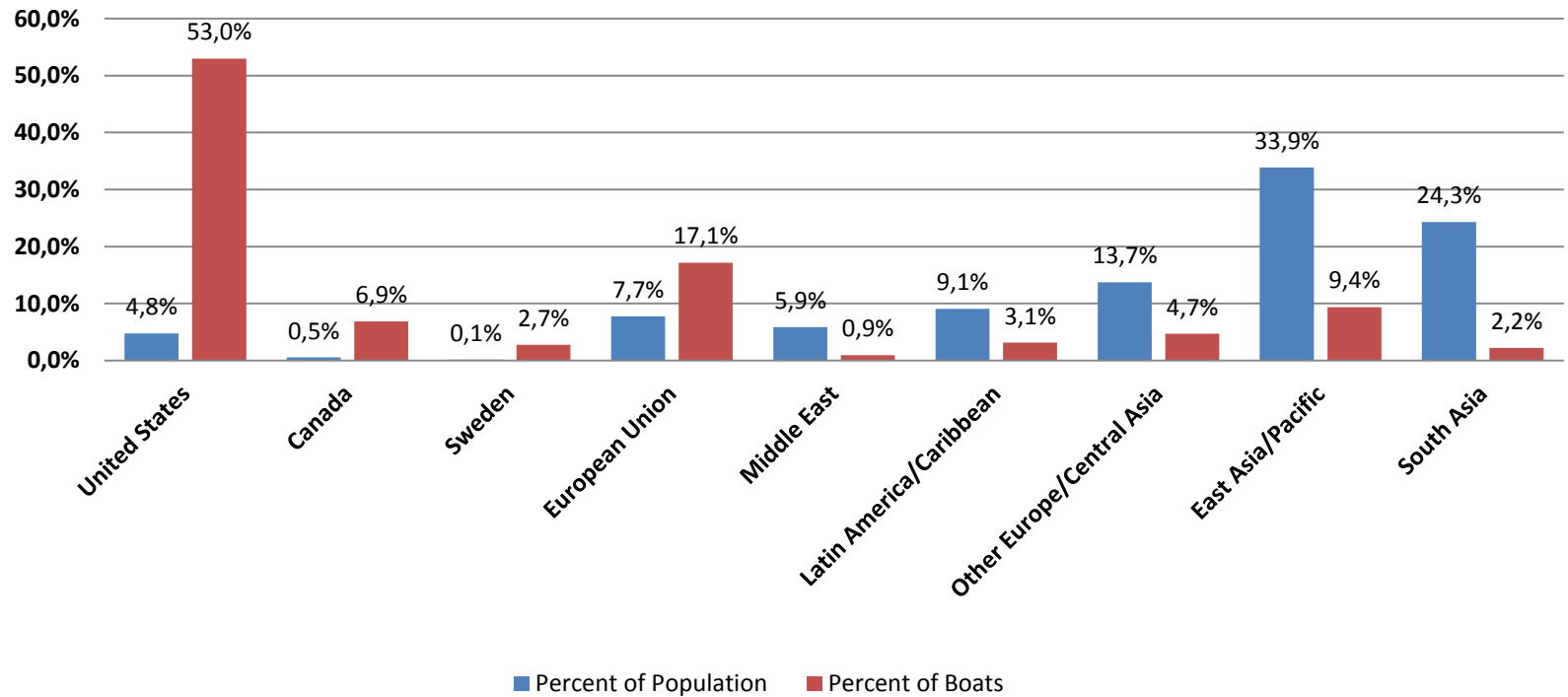
National Marine Manufacturers
Association

Population by Key Global Markets



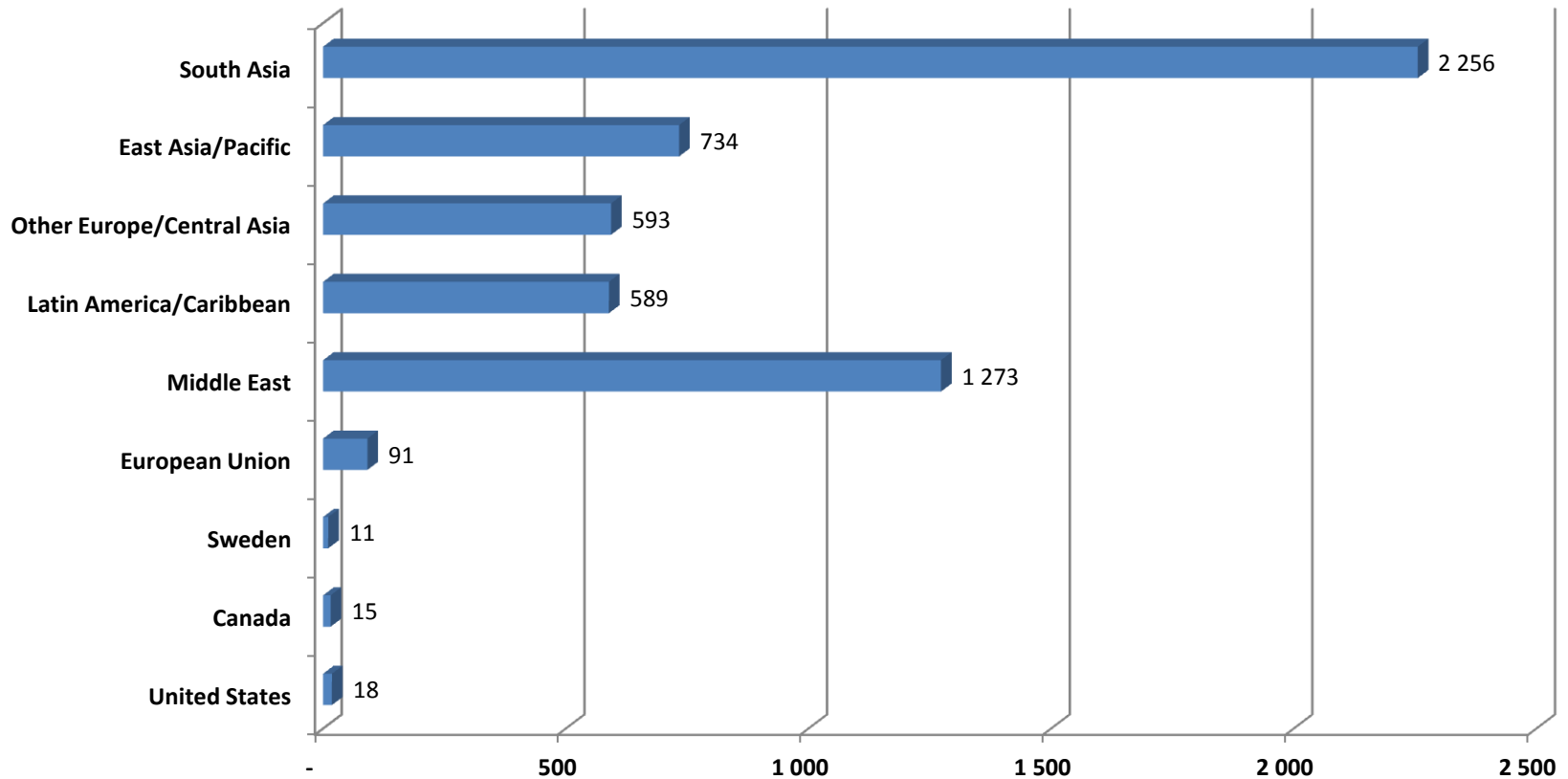
Population Share by Boat Ownership Share by Key Global Markets

Comparison of Population to Boat Ownership

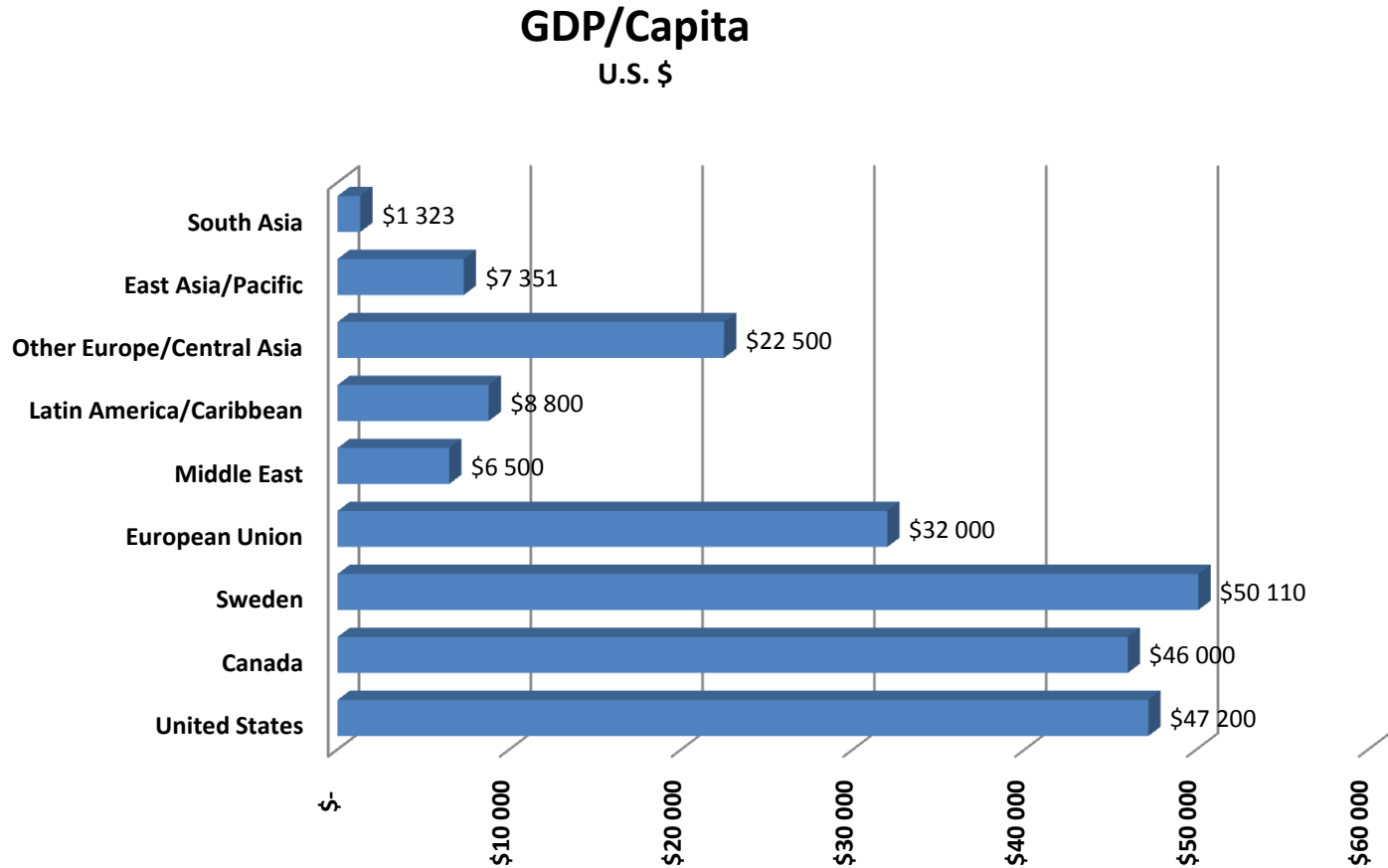


Number of People per Boat Owned by Key Global Markets

Number of People per Boat

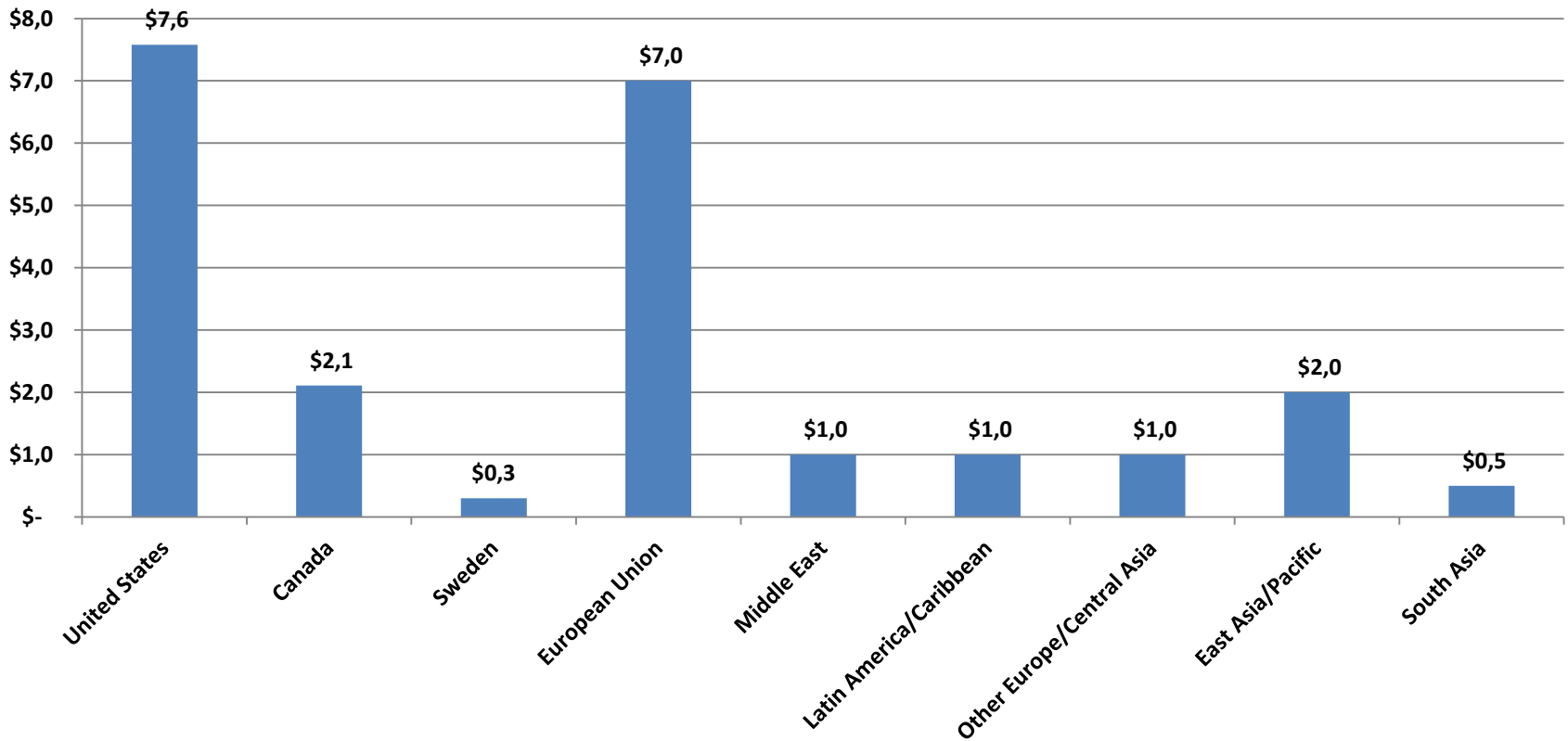


Gross Domestic Product per Capita in U.S. Dollars by key Global Markets



Estimated New Boat and Engine Sales by Key Global Markets

Estimated New Boat/Engine Sales
in U.S. \$ (Billions)



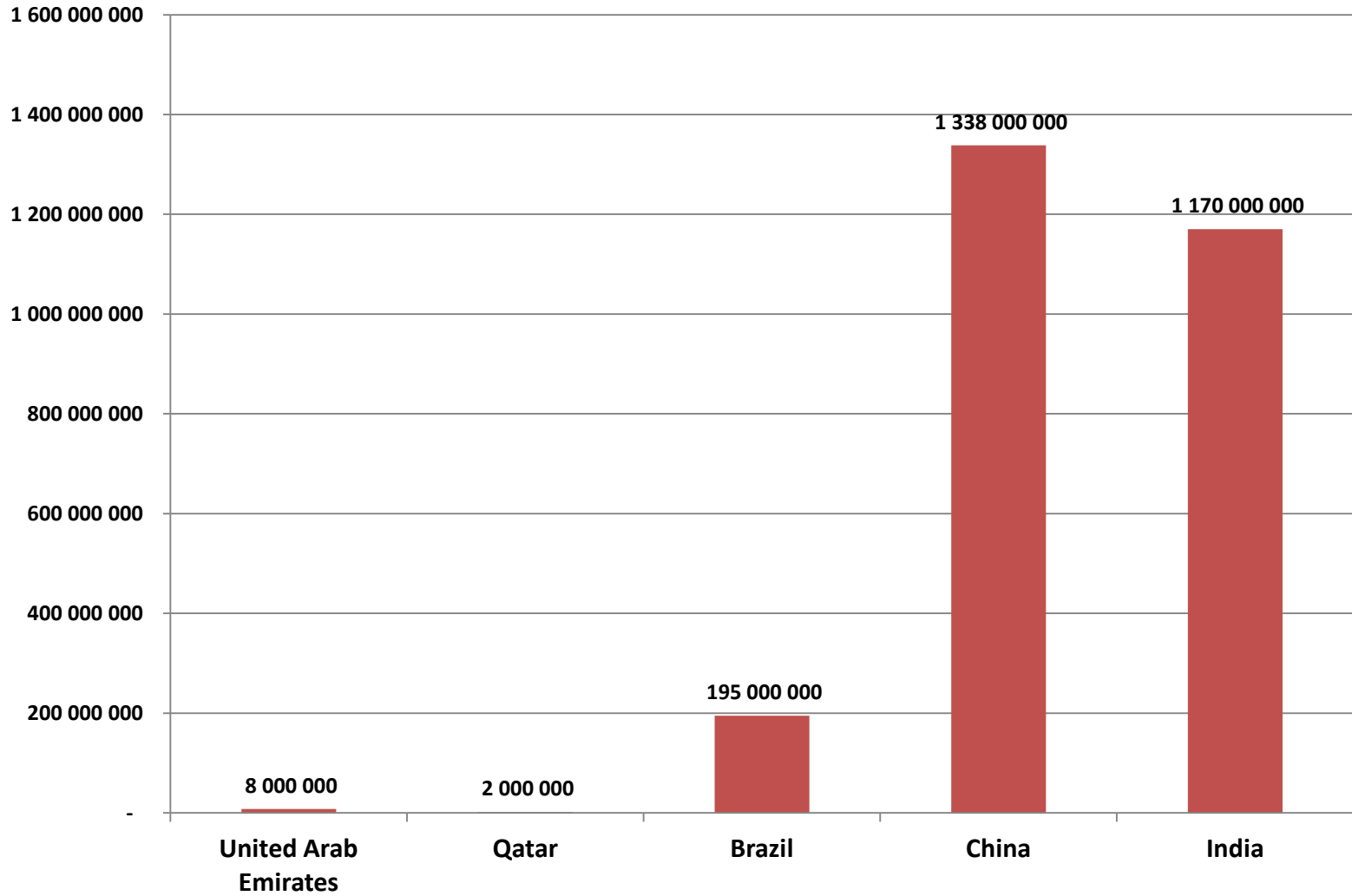
Emerging Markets for Boating

Five emerging markets with strong economic growth rates and a high ratio of income captured by the top 10% of income earners.

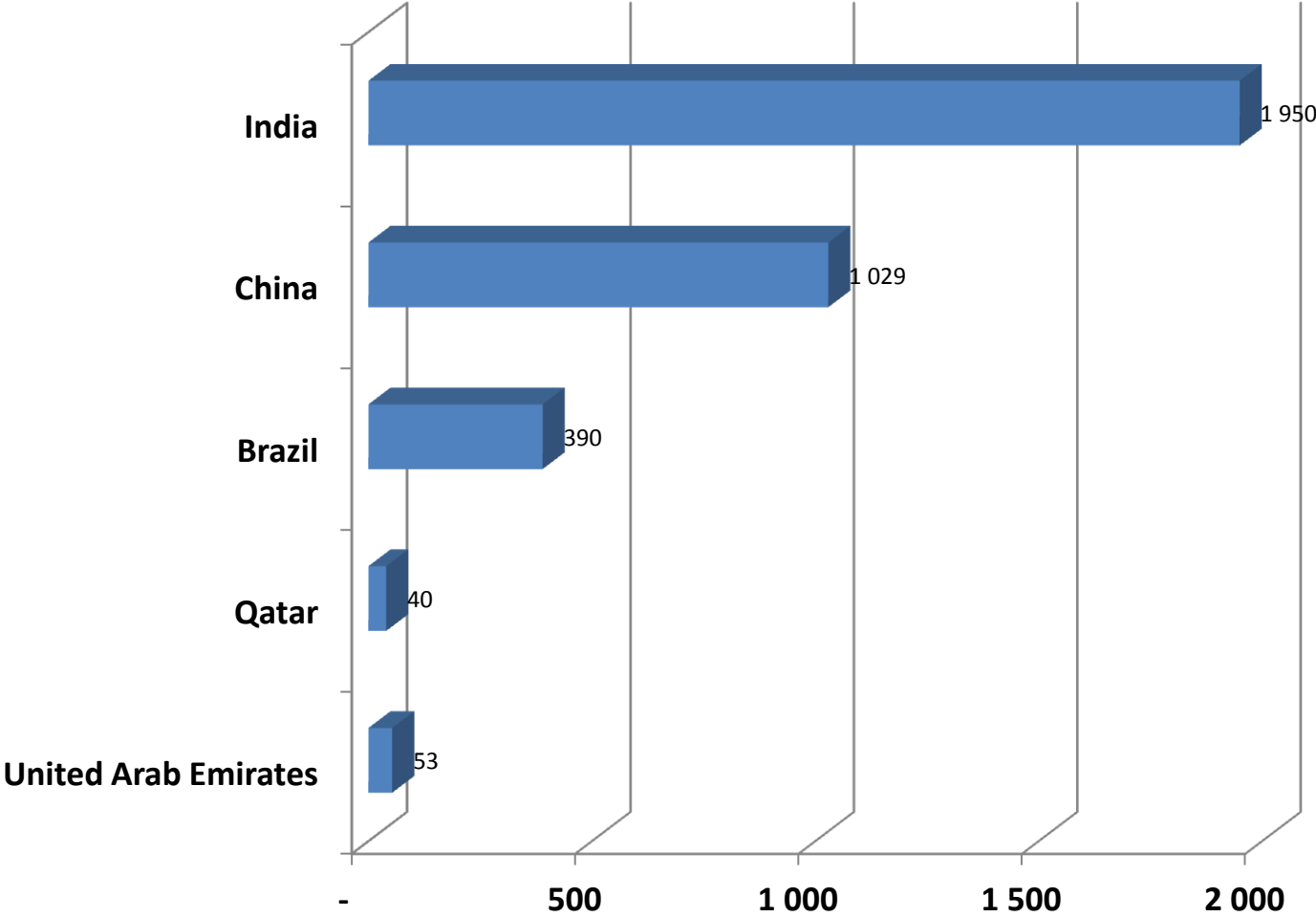
- United Arab Emirates
- Qatar
- Brazil
- China
- India

Population of Emerging Boating Markets

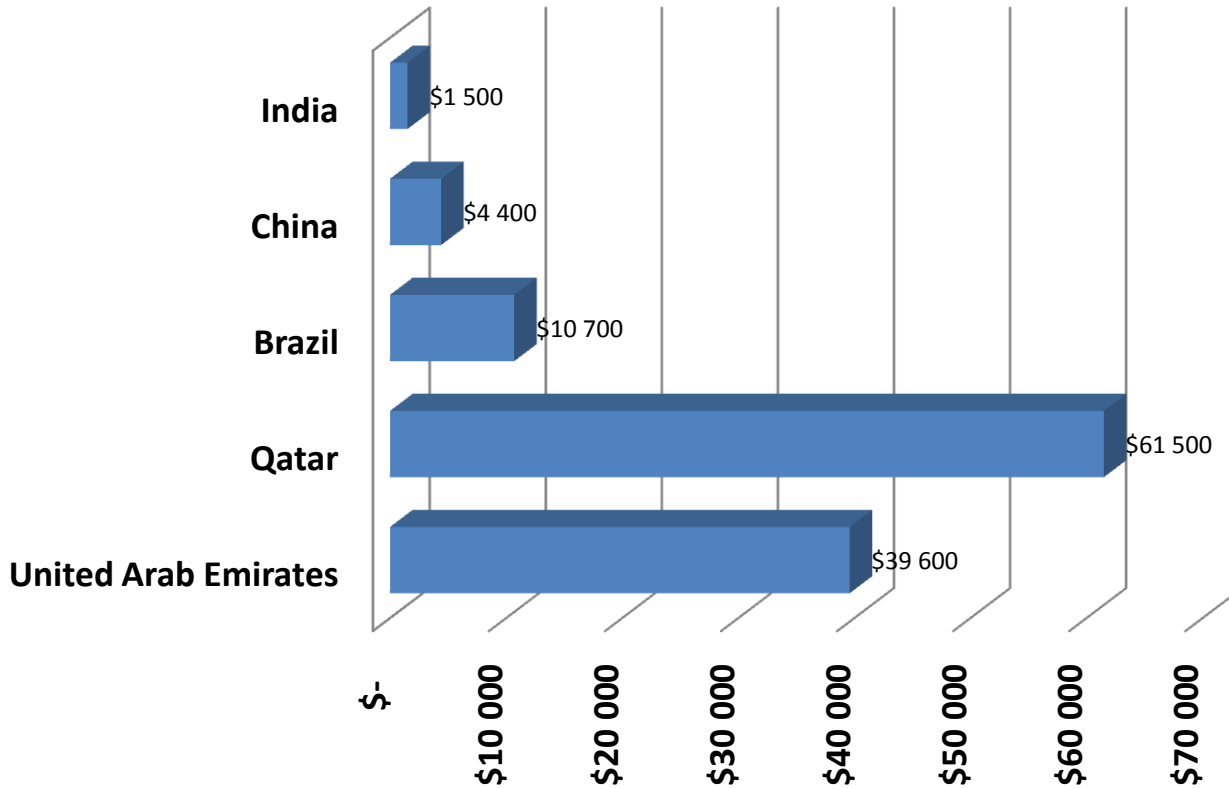
(Millions)



Number of People per Boat of Emerging Boating Markets



GDP/Capita Of Emerging Boating Markets U.S. \$

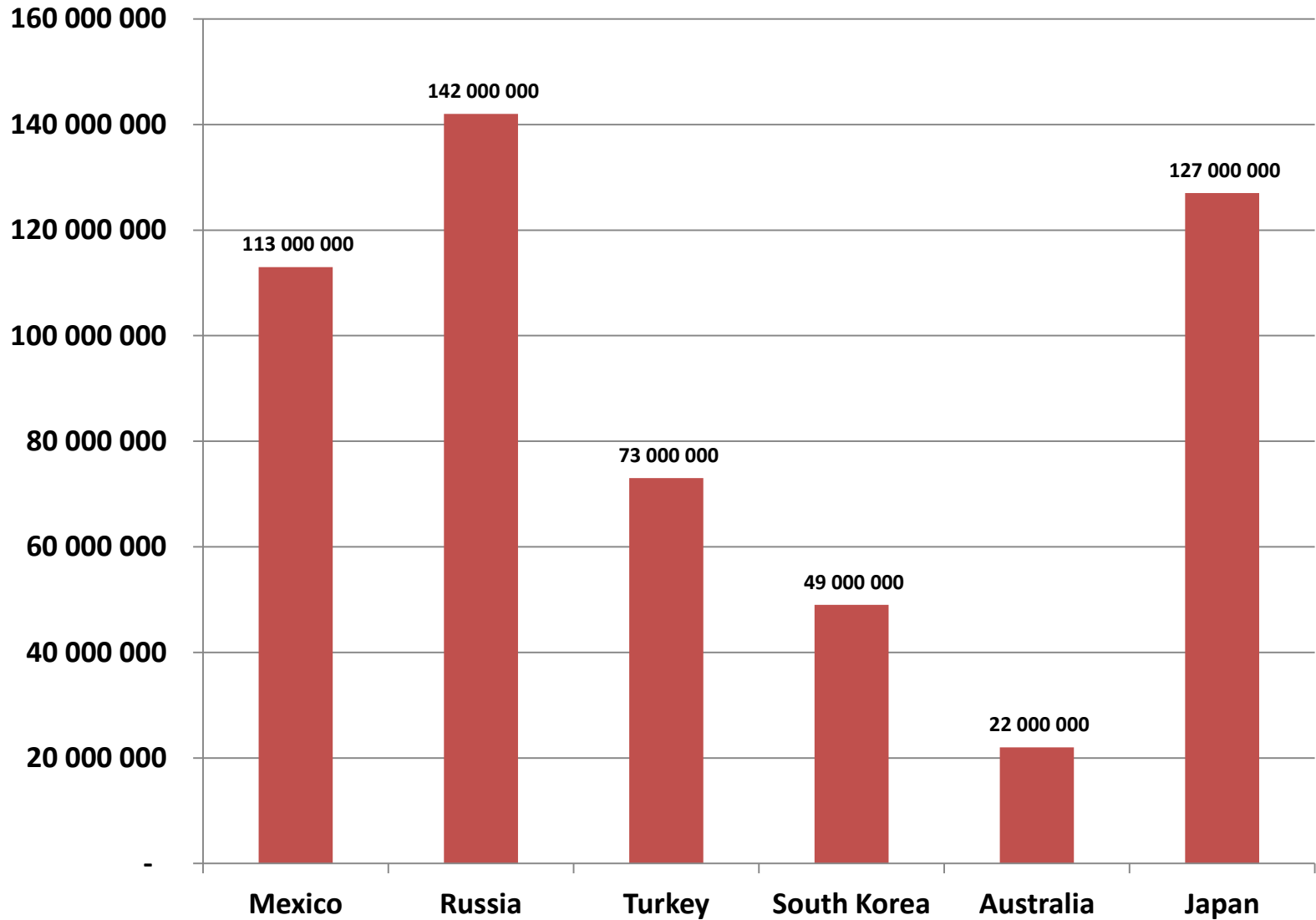


Other Potential Growth Markets for Boating

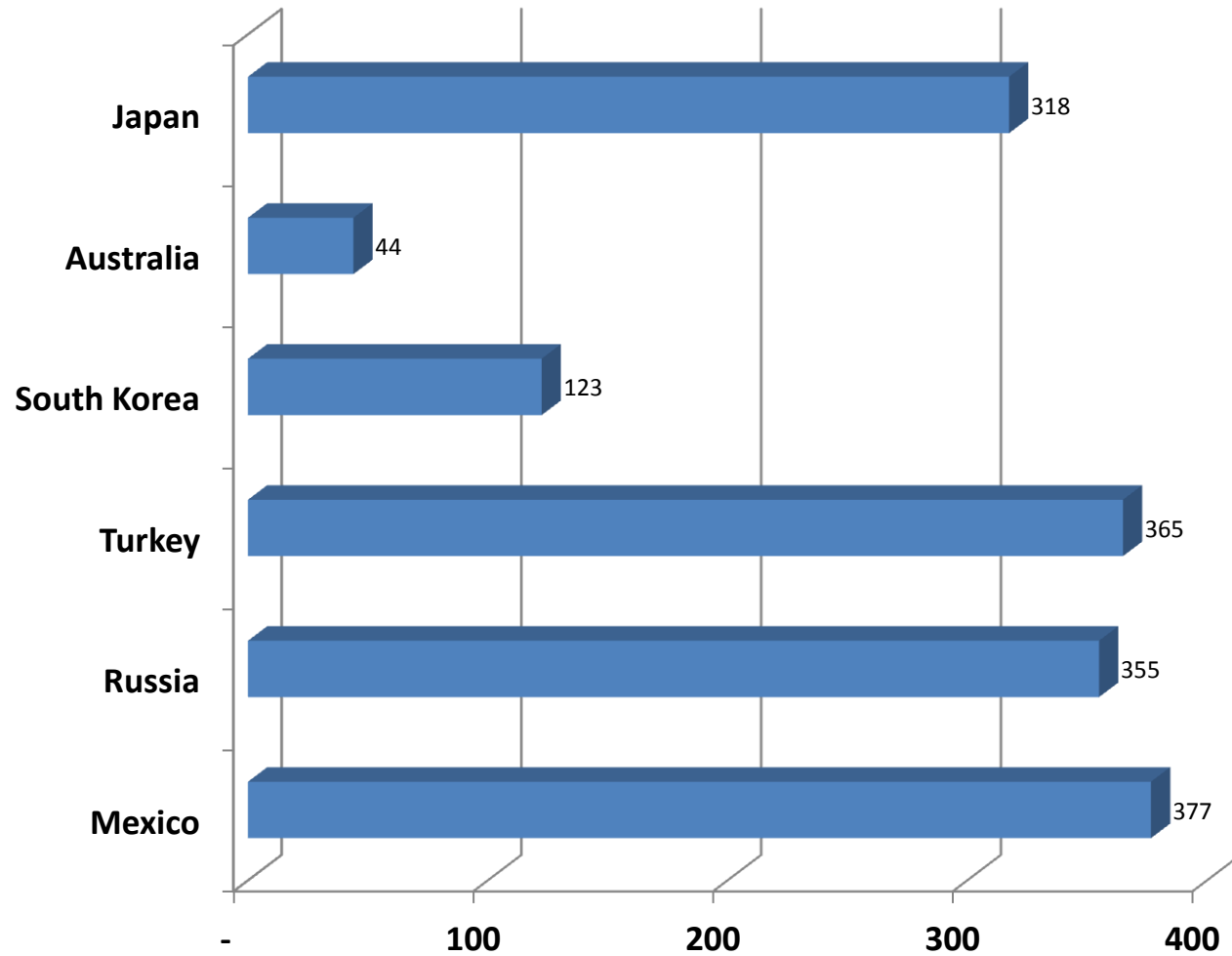
Six other markets with strong economic growth rates and a high ratio of income captured by the top 10% of income earners are potential boating markets.

- Mexico
- Russia
- Turkey
- South Korea
- Australia
- Japan

Population of Other Potential Boating Markets

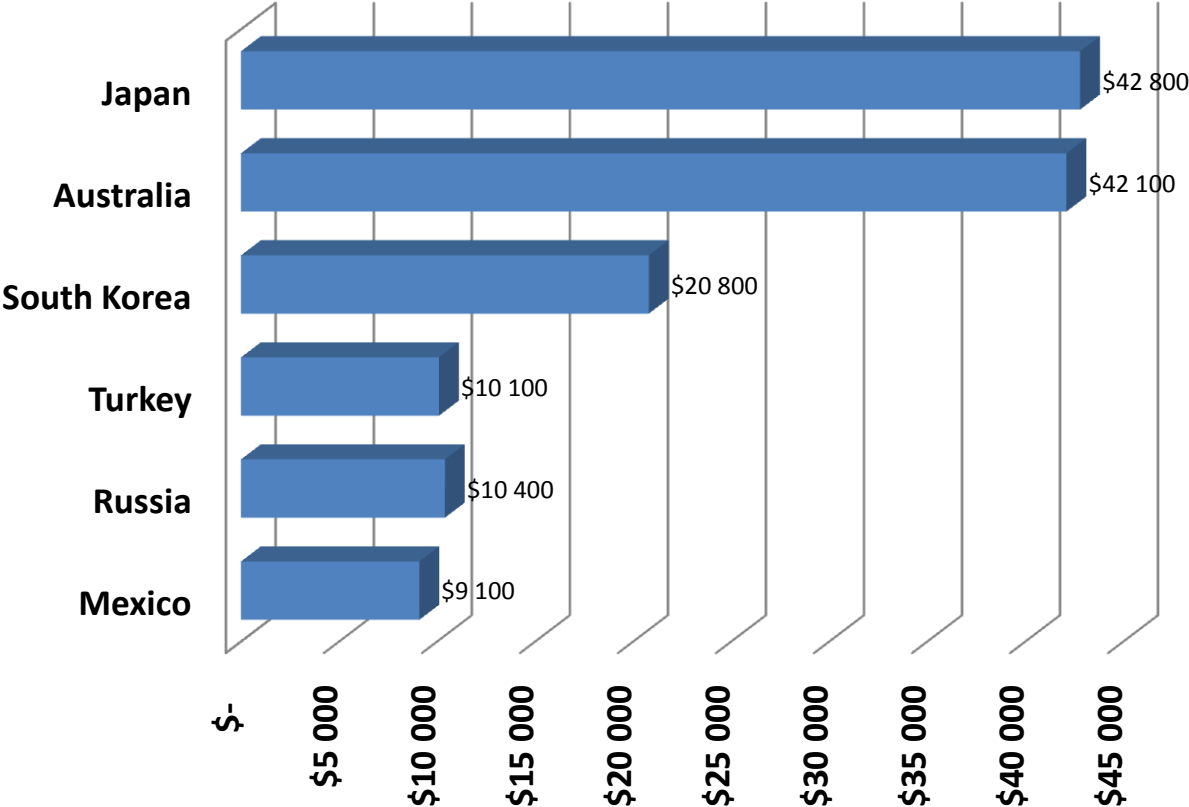


Number of People per Boat of Potential Boating Markets



GDP/Capita of Potential Boating Markets

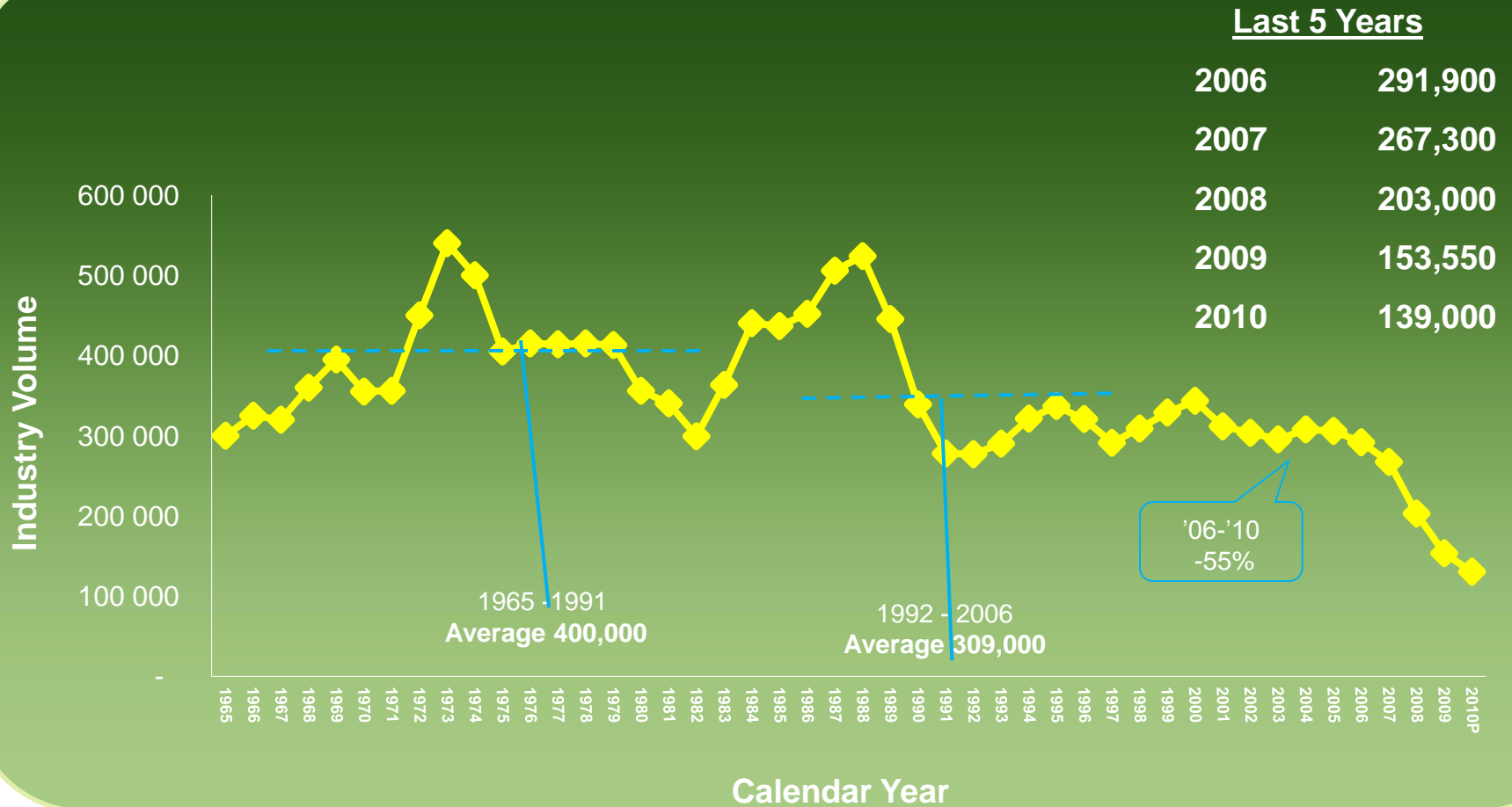
U.S. \$



Recreational Boating

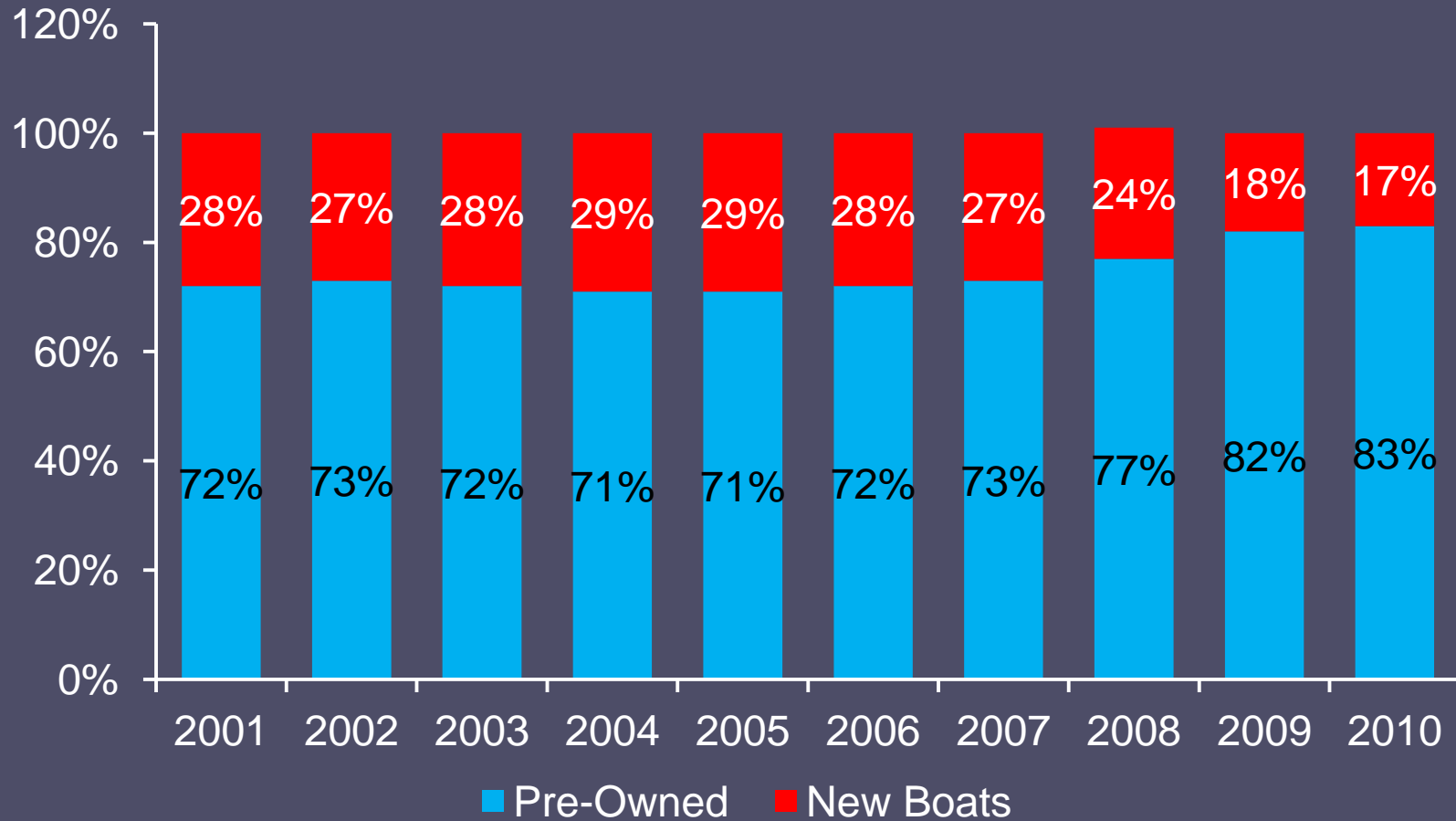
Industry Trends in the US

U.S. Industry Retail Powerboats (1965 – 2010)

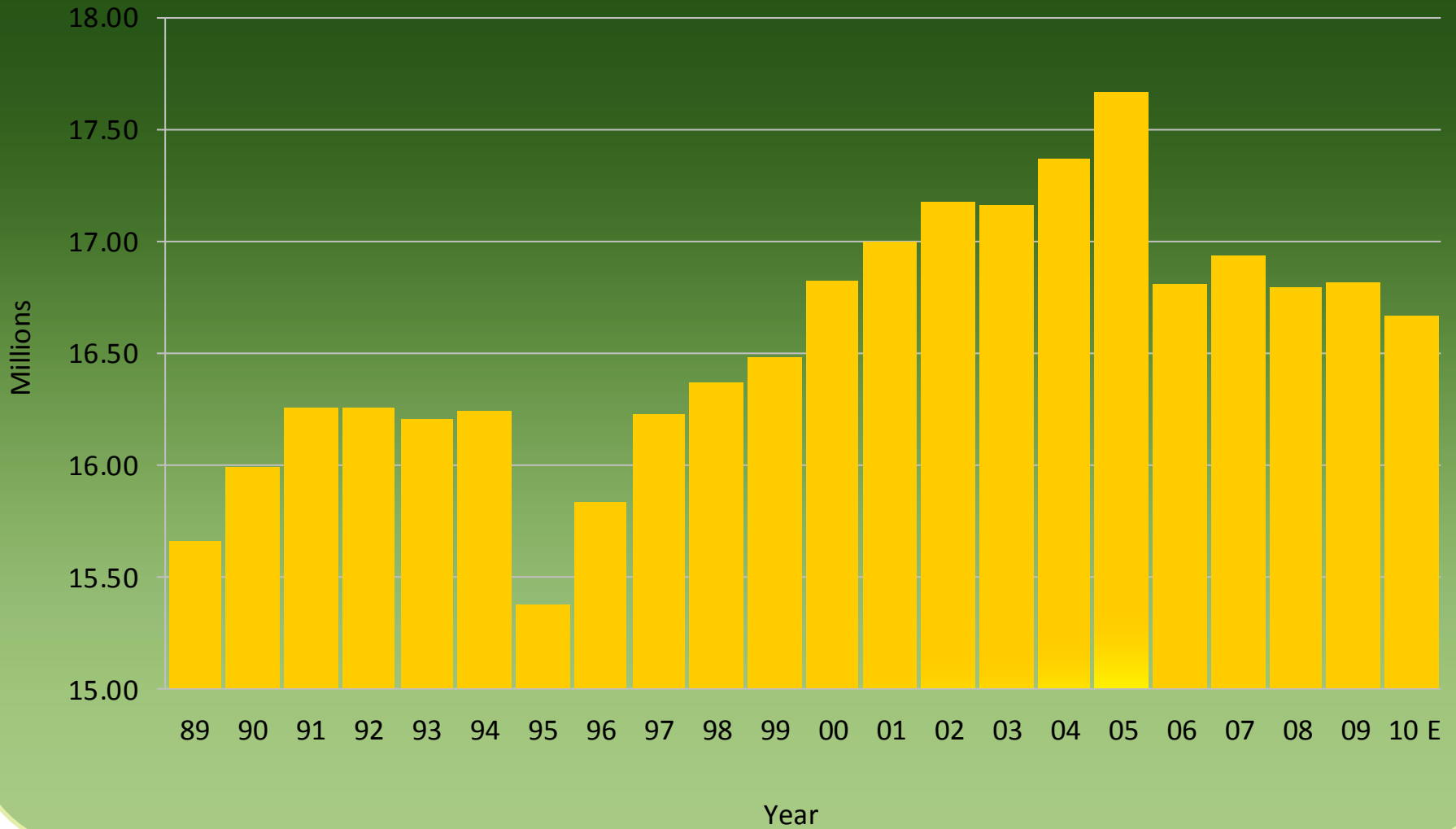


Significant Decline in Demand Bottomed in 2010

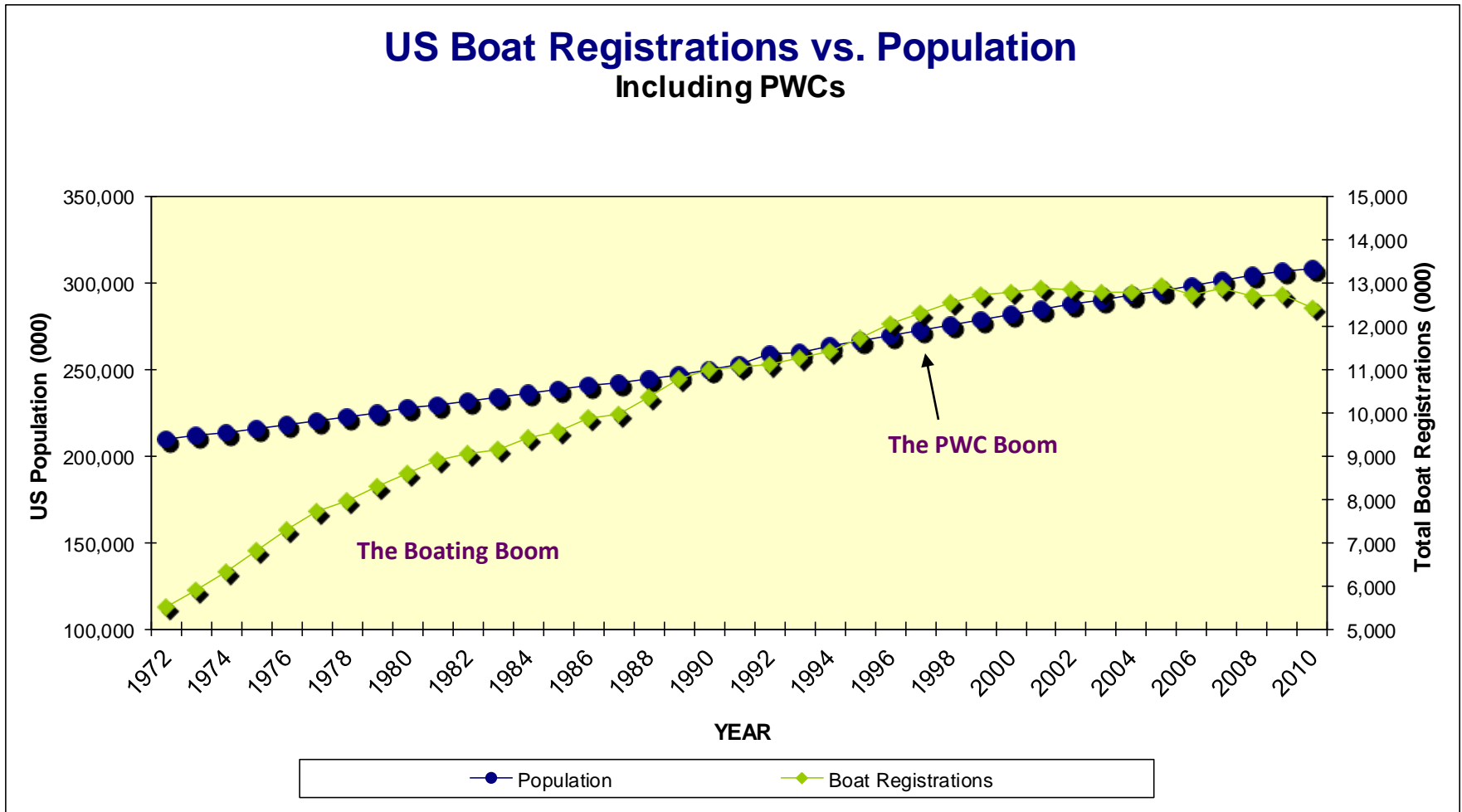
Percent of New Boat Sales to Pre-Owned Traditional Power, PWC and Sail (2001-2010)



Total Recreational Boats In Use



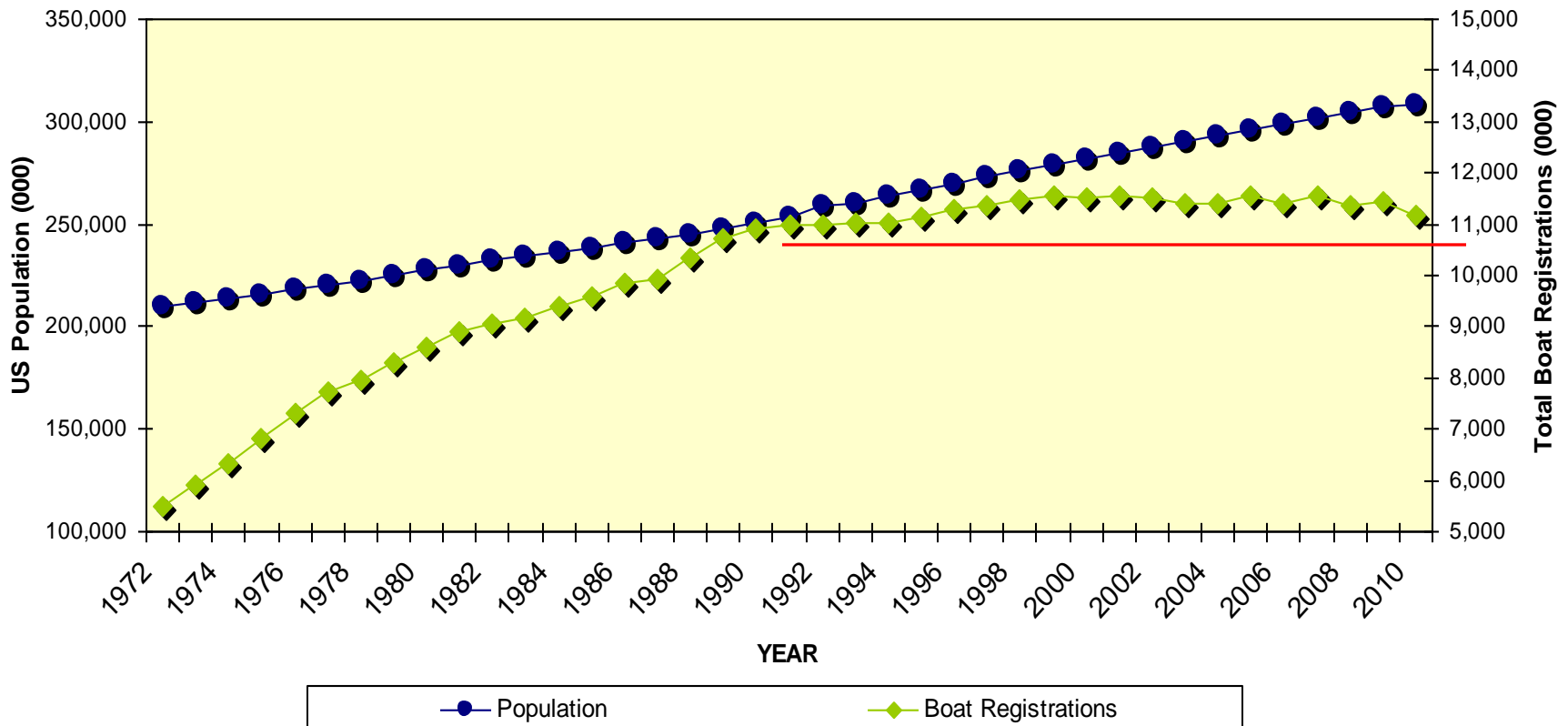
The 1970s and 1980s were very good to boating. And PWCs helped sustain this level of boat ownership through the 1990s.



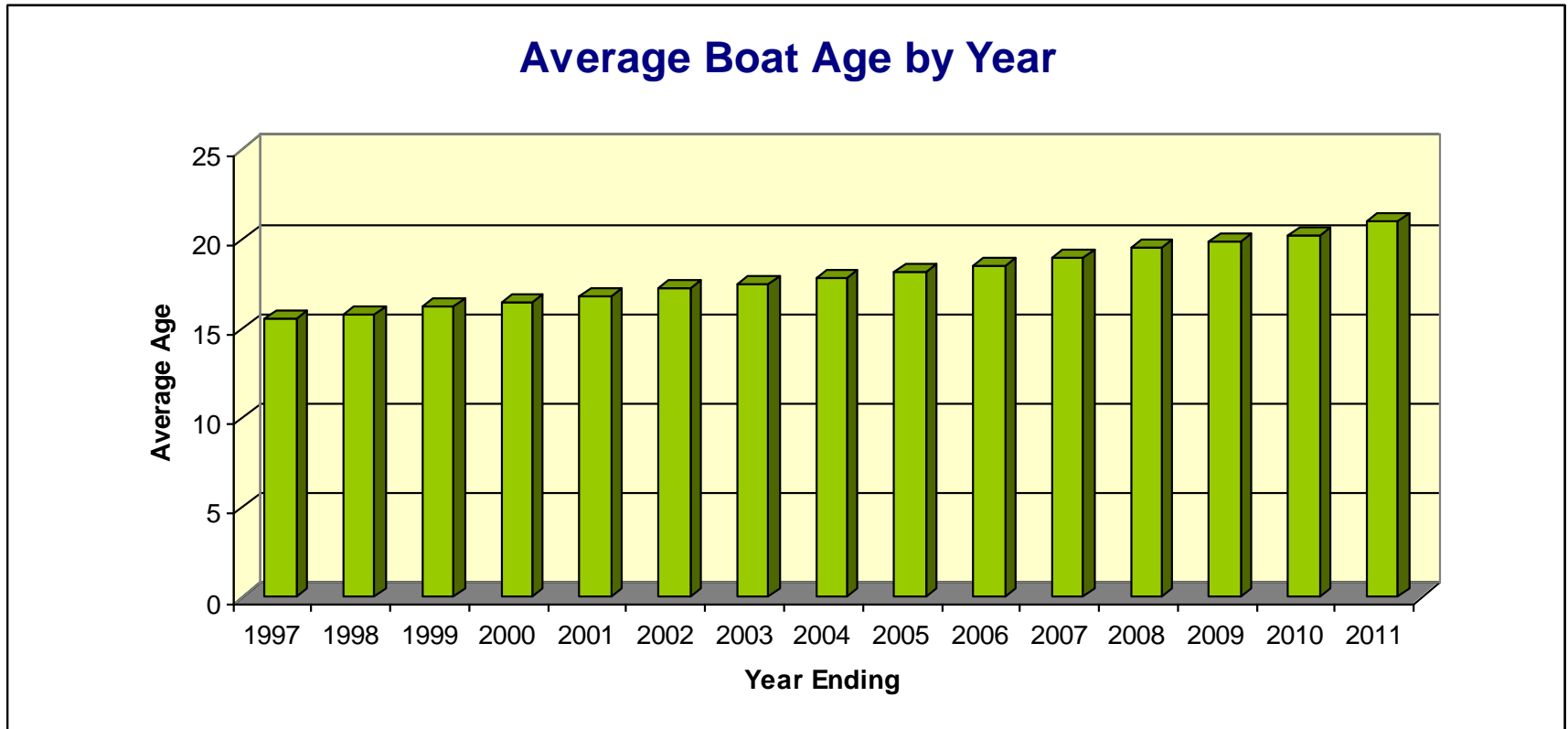
Source: Info-Link Technologies Inc.

But traditional boat ownership (non-PWC) has not kept up with the population. It has been relatively flat for the past 20 years.

US Boat Registrations vs. Population Excluding PWCs

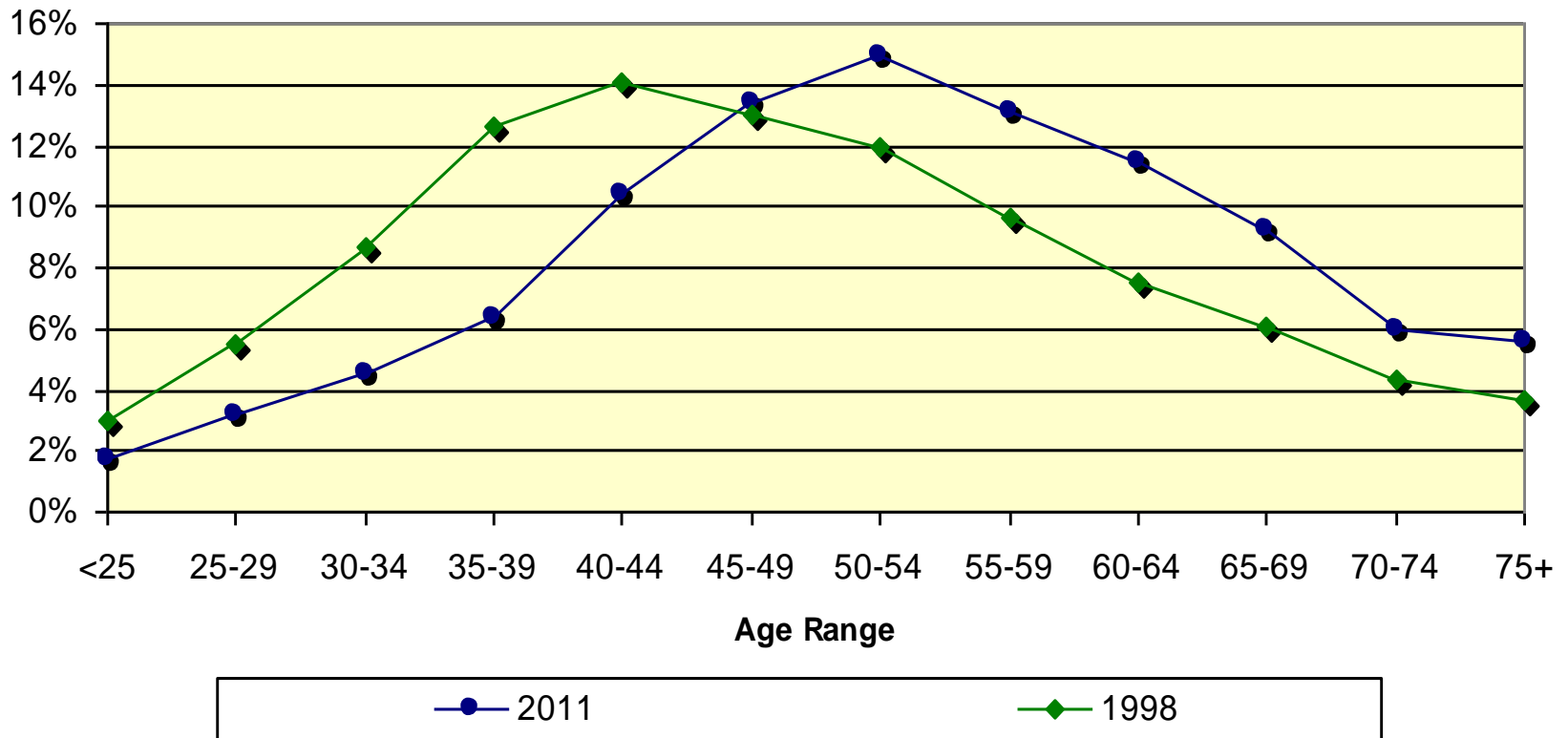


Boats have gotten older. Many of the boats built during the boom are still in use. In 1997 the average boat was 15 years old. Today the average boat is more than 20 years old, and getting older.



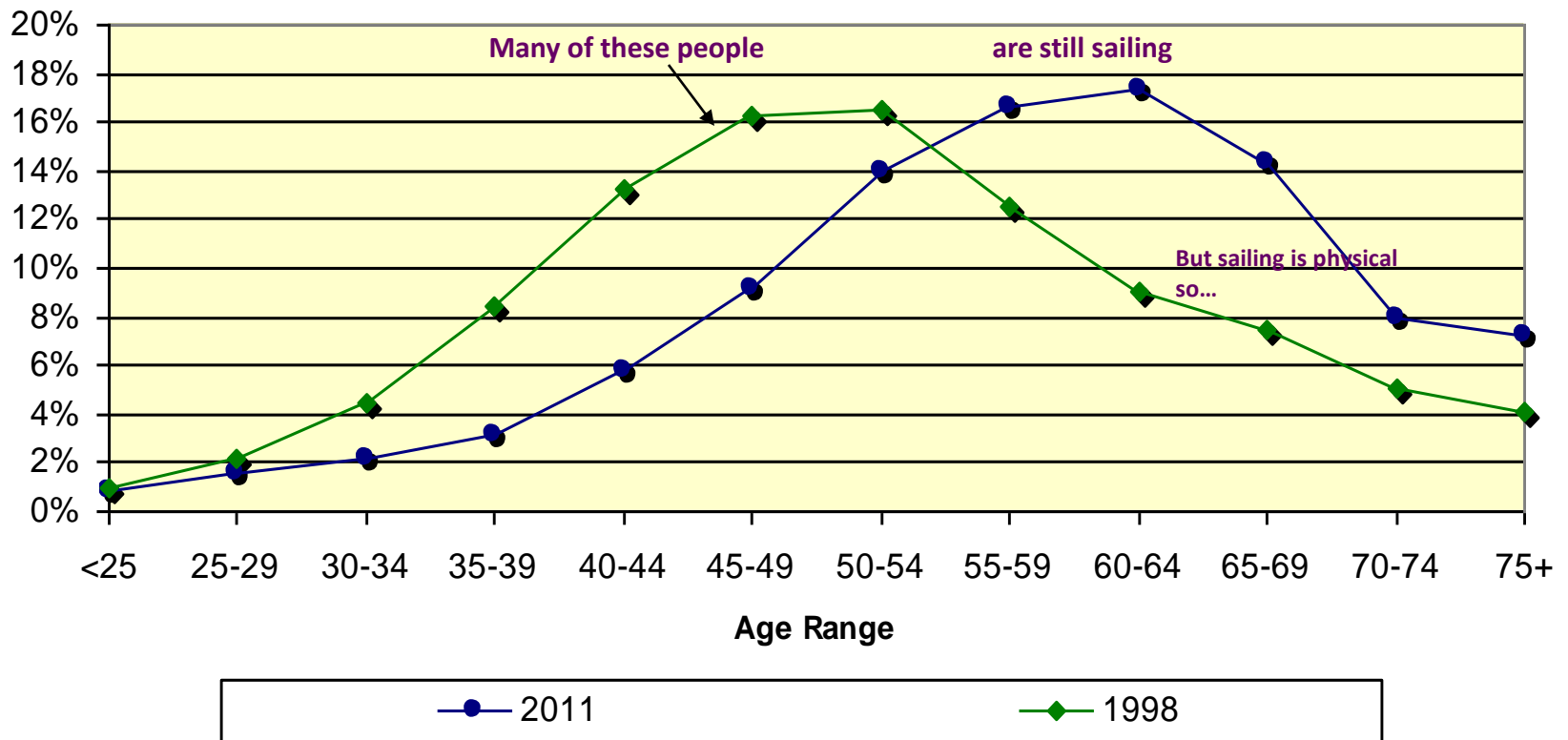
Meanwhile, boat owners have gotten older. Today there are fewer owners in their 30s and more in their 50s and 60s.

Age Distribution of Powerboat Owners
1998 vs 2011

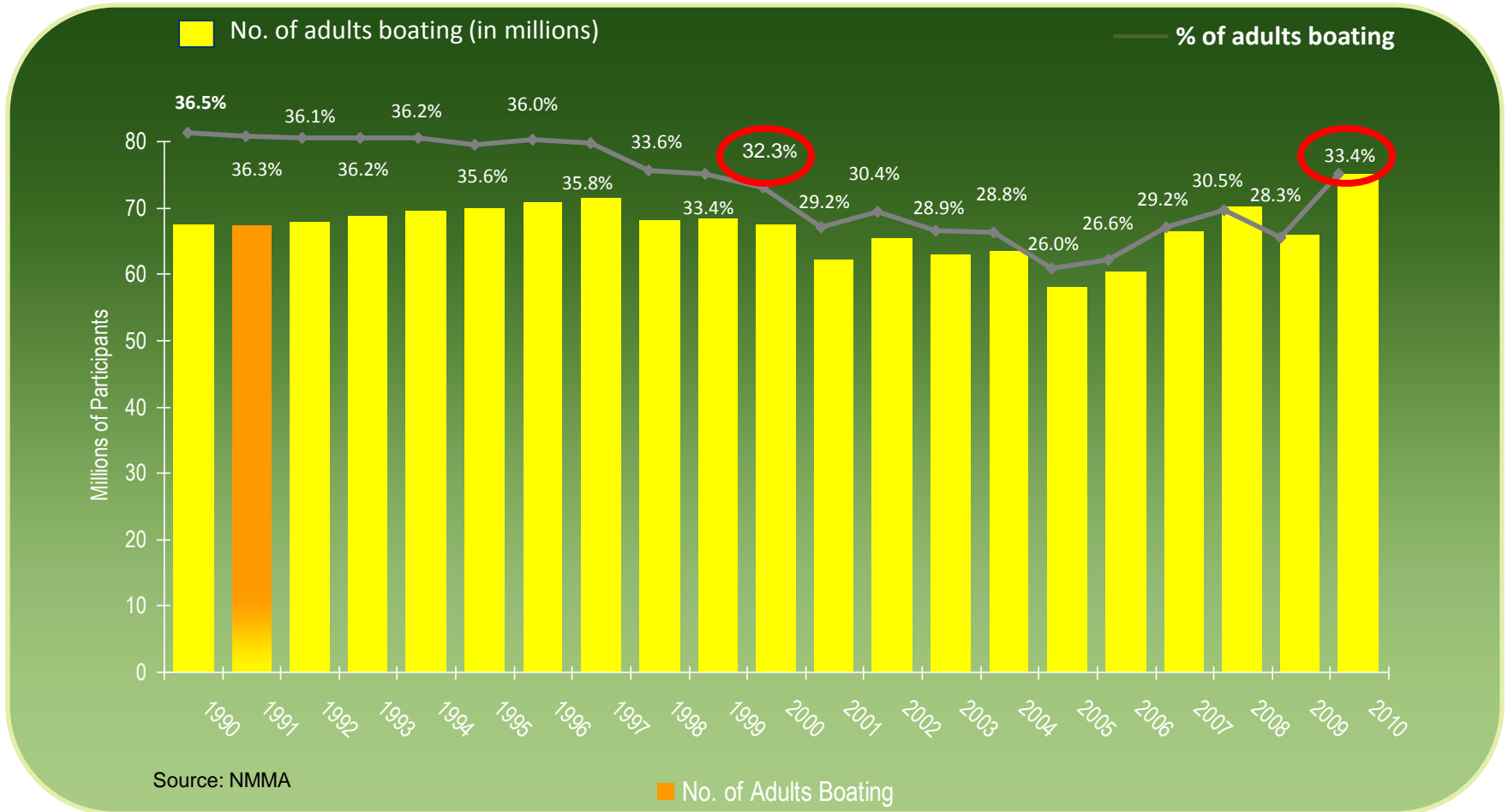


This is especially evident among sailors. They tend to be loyal to the sport but grinding winches in your 70s gets old too.

Age Distribution of Sailboat Owners 1998 vs 2011

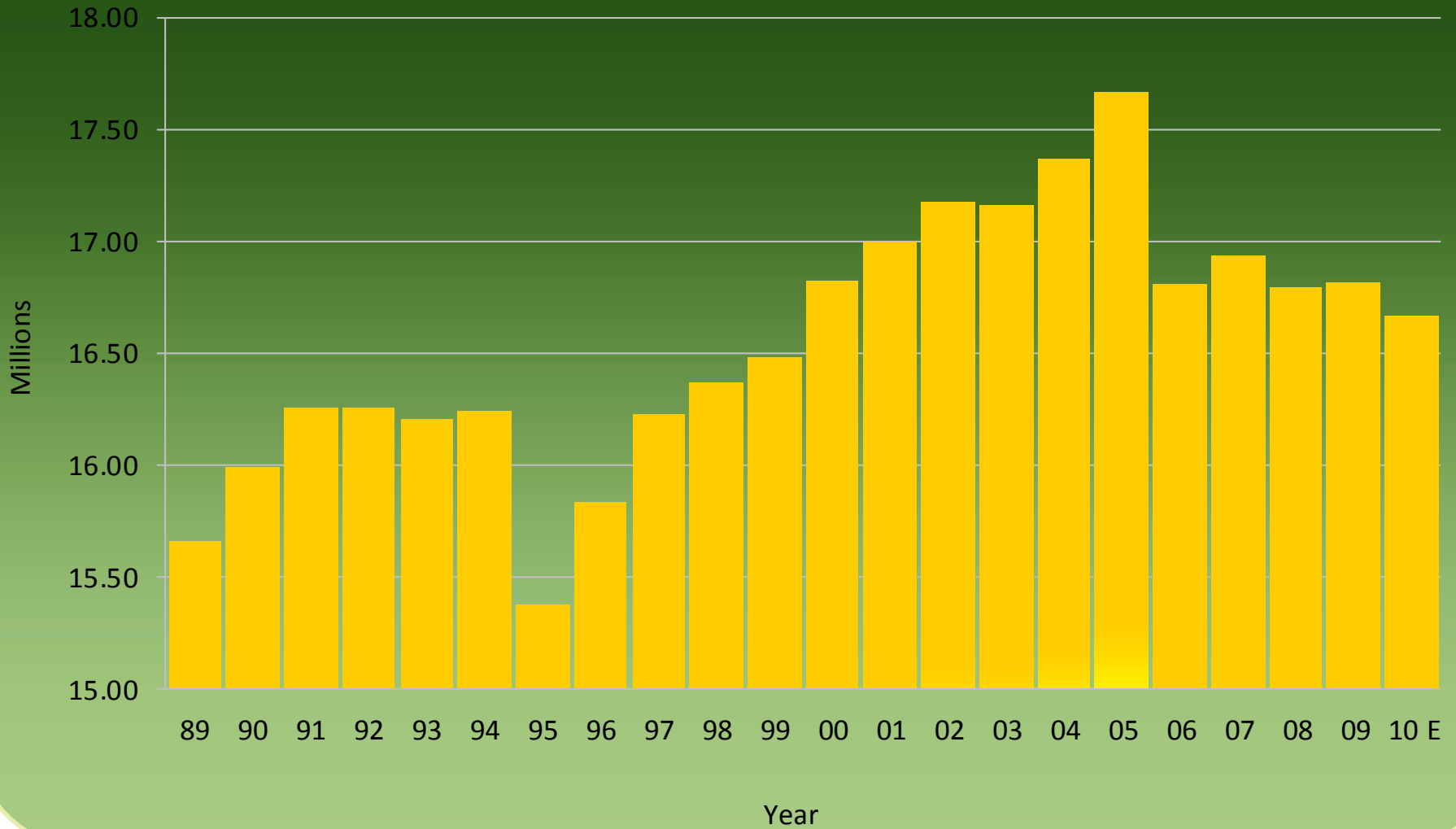


U.S. Boating Participation History (1990 – 2010)



2010 reflects highest level of participation since 2000

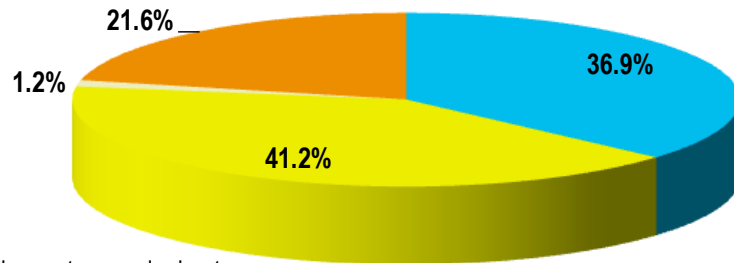
Total Recreational Boats In Use



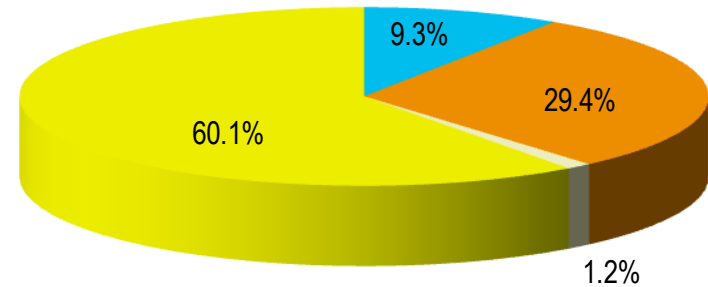
Boating Participation – Exposure to Boating as a Child Drives Adult Participation

Childhood Boating Experience

Current Participant

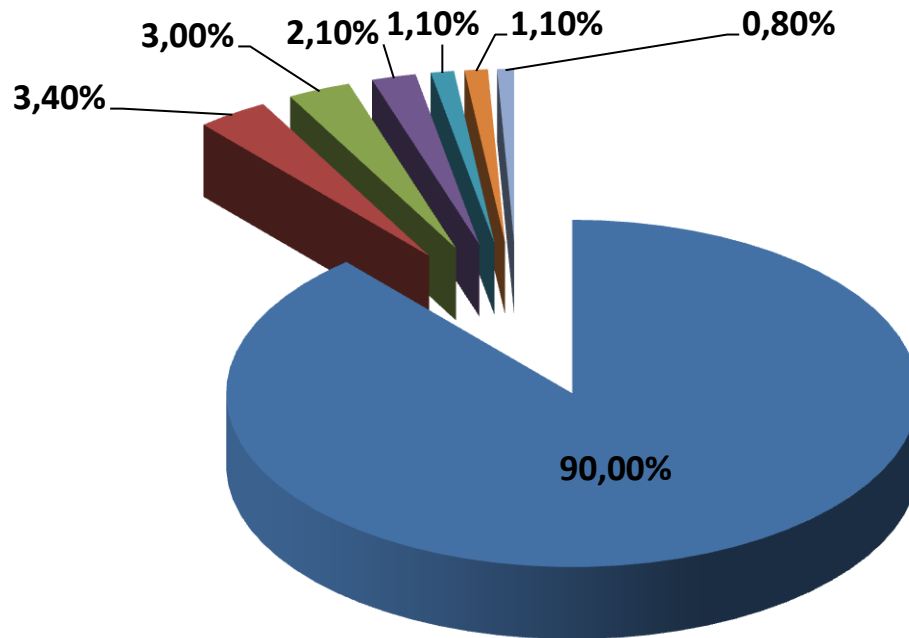


Non - Participant



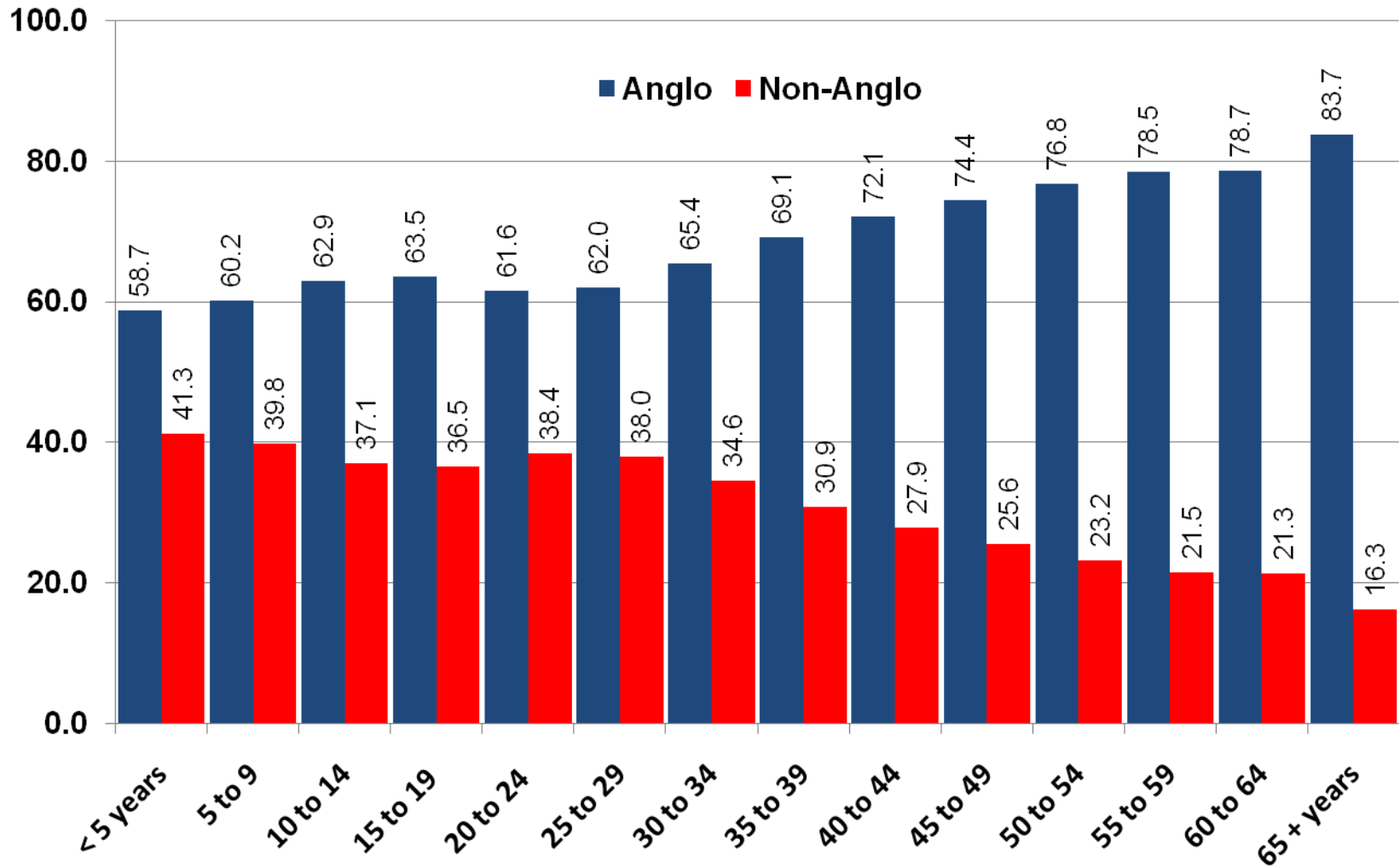
- Boated as child and parents owned a boat
- Boated as child and parents did not own a boat
- Did not boat as a child and parents owned a boat
- Did not boat as a child and parents did not own a boat

Boat Owner Demographics by Ethnicity 2010 Any Powerboat

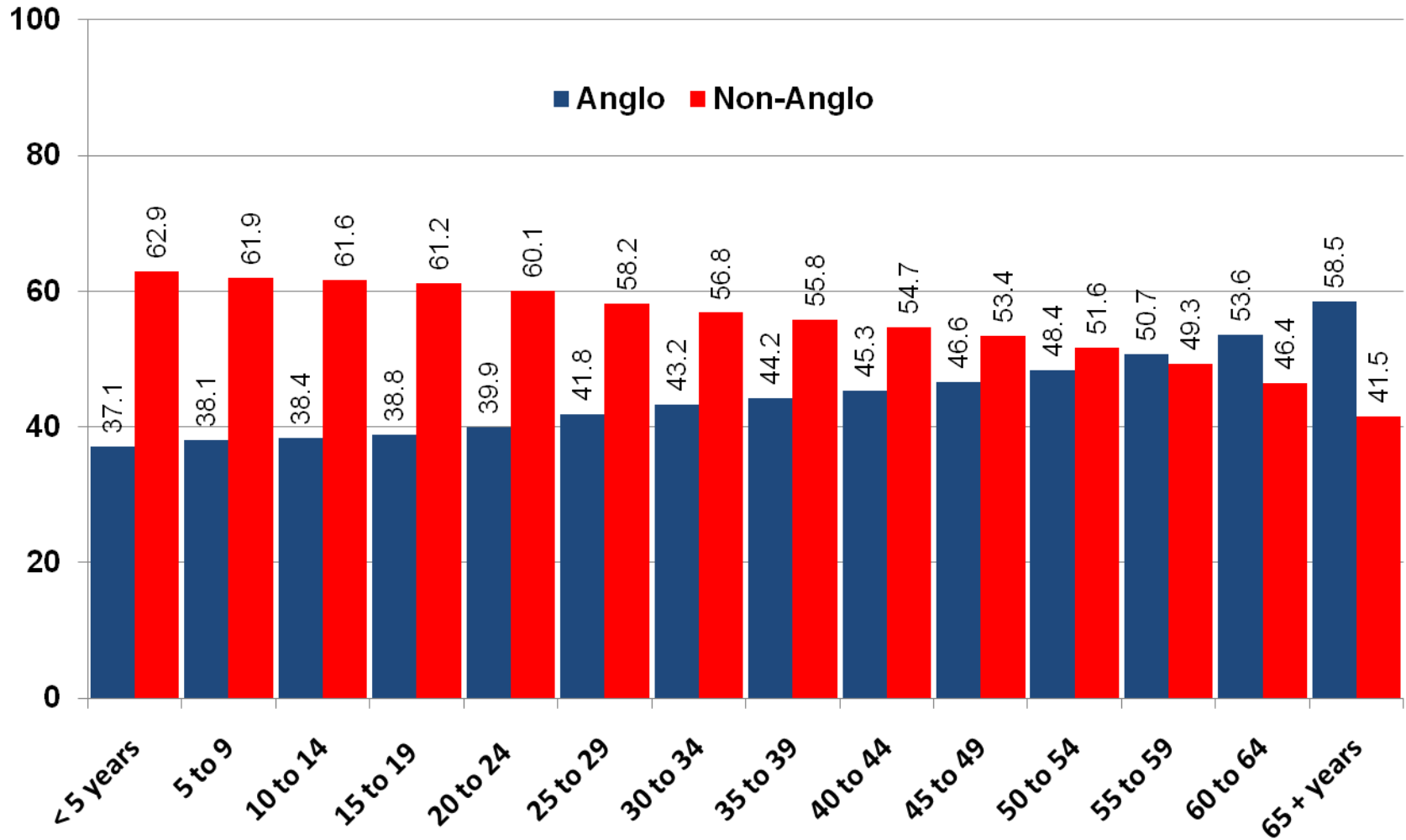


- White
- Black
- Asian or Pacific Islander
- Native American/Alaskan Native
- Mixed Racial Background
- Other Race
- Declined to Answer

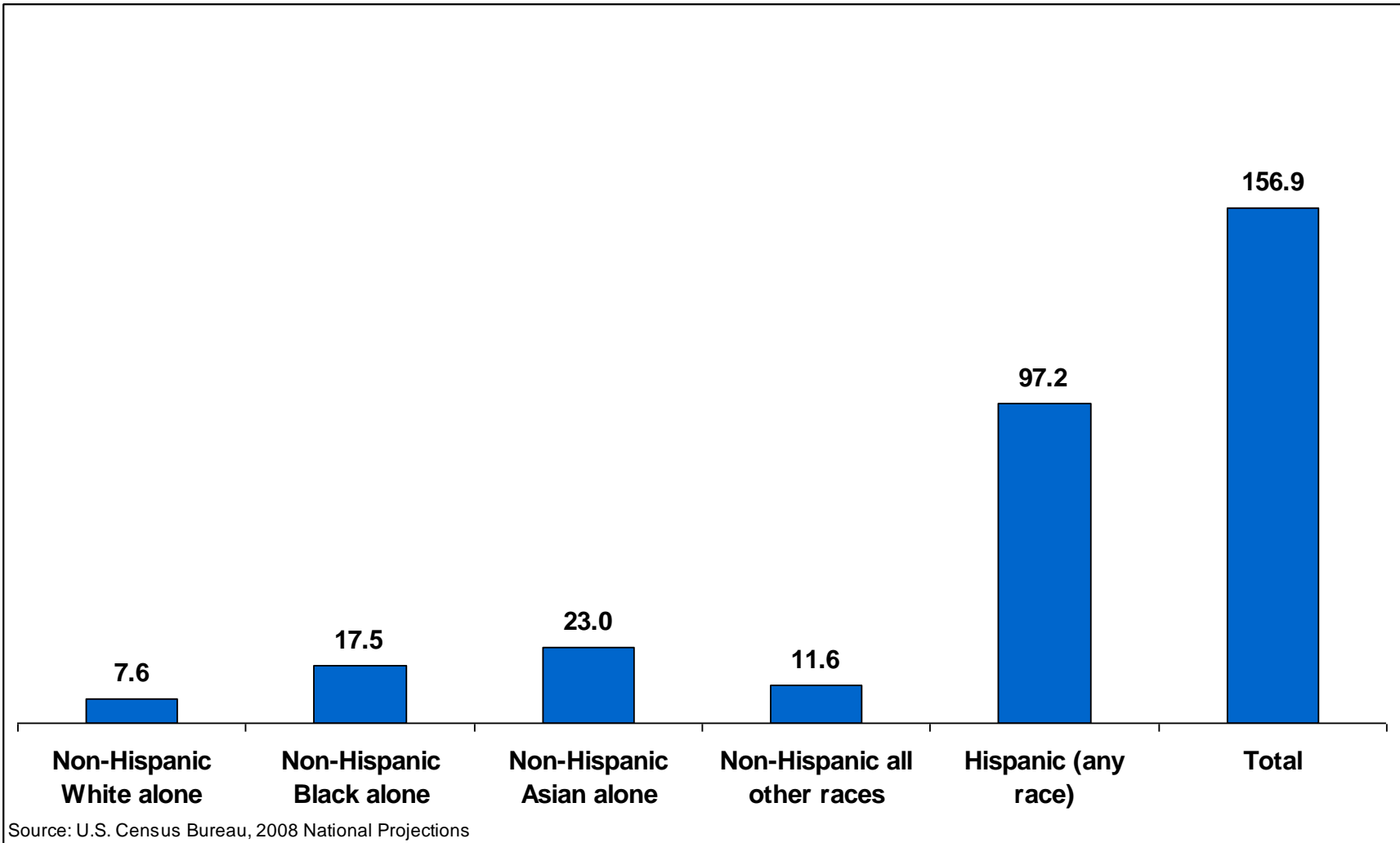
Percent of United States Population by Age Group and Ethnicity, 2000



Percent of United States Population by Age Group and Ethnicity, 2050



Numeric Change in the Projected U.S. Population by Race and Hispanic Origin: 2000 to 2050 (in millions)



Key Take Aways

- New boat sales are at historical lows
- Boats in use have started to decline after a 15 year up cycle
- Powerboat owner's average age is increasing
- Age of boats is increasing
- The primary boater demographic is shrinking as % of population
- But – participation is up and growing
- Opportunity to convert 150 million people to boating participation—must reach out to youth and minorities

So...What's Happening

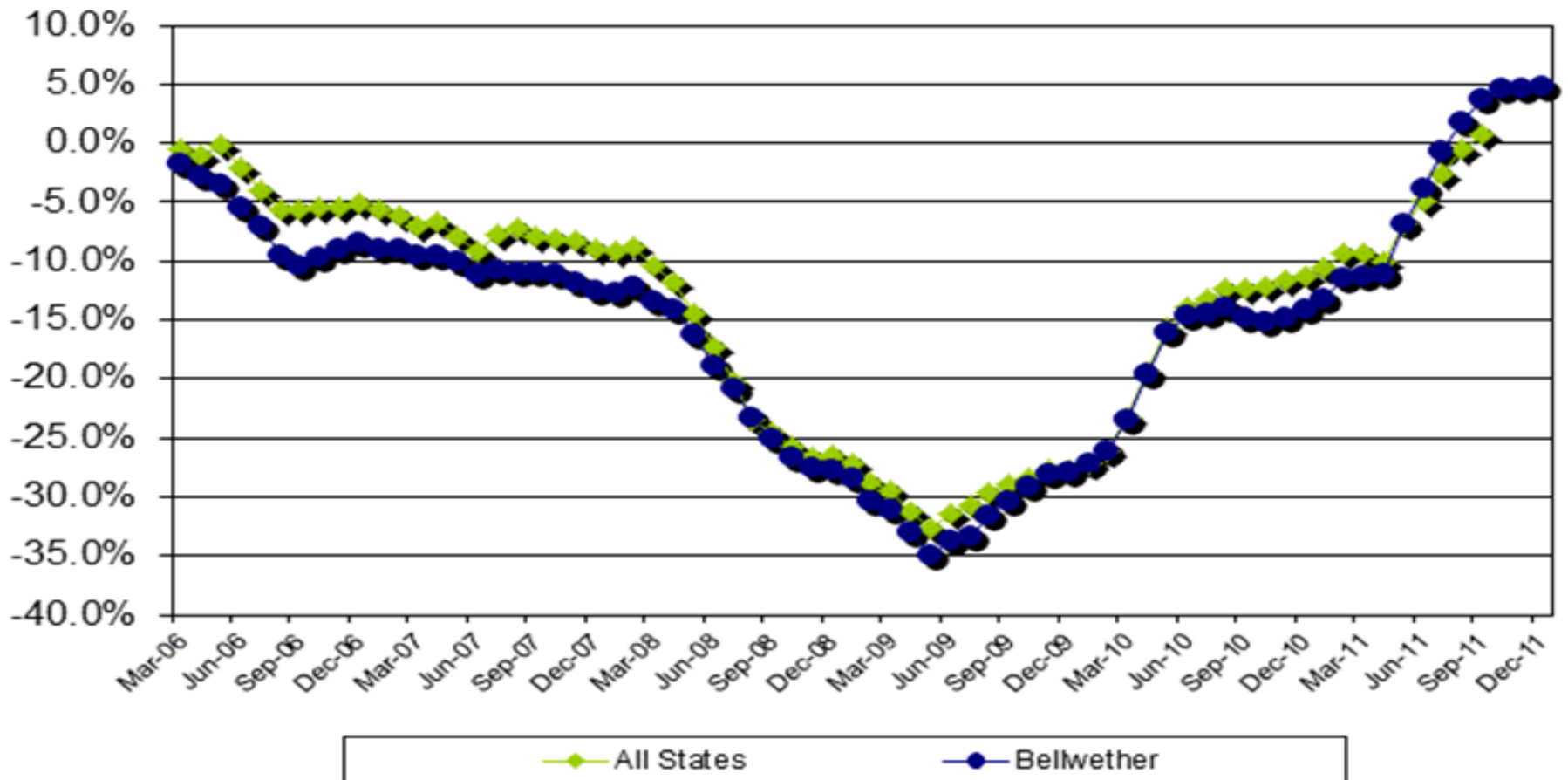
- Boating remains big business - \$30 billion



Info-Link's Bellwether

(<http://www.info-link.com/BellwetherReport.php>)

Retail Sales are Growing for the First Time in 5 Years

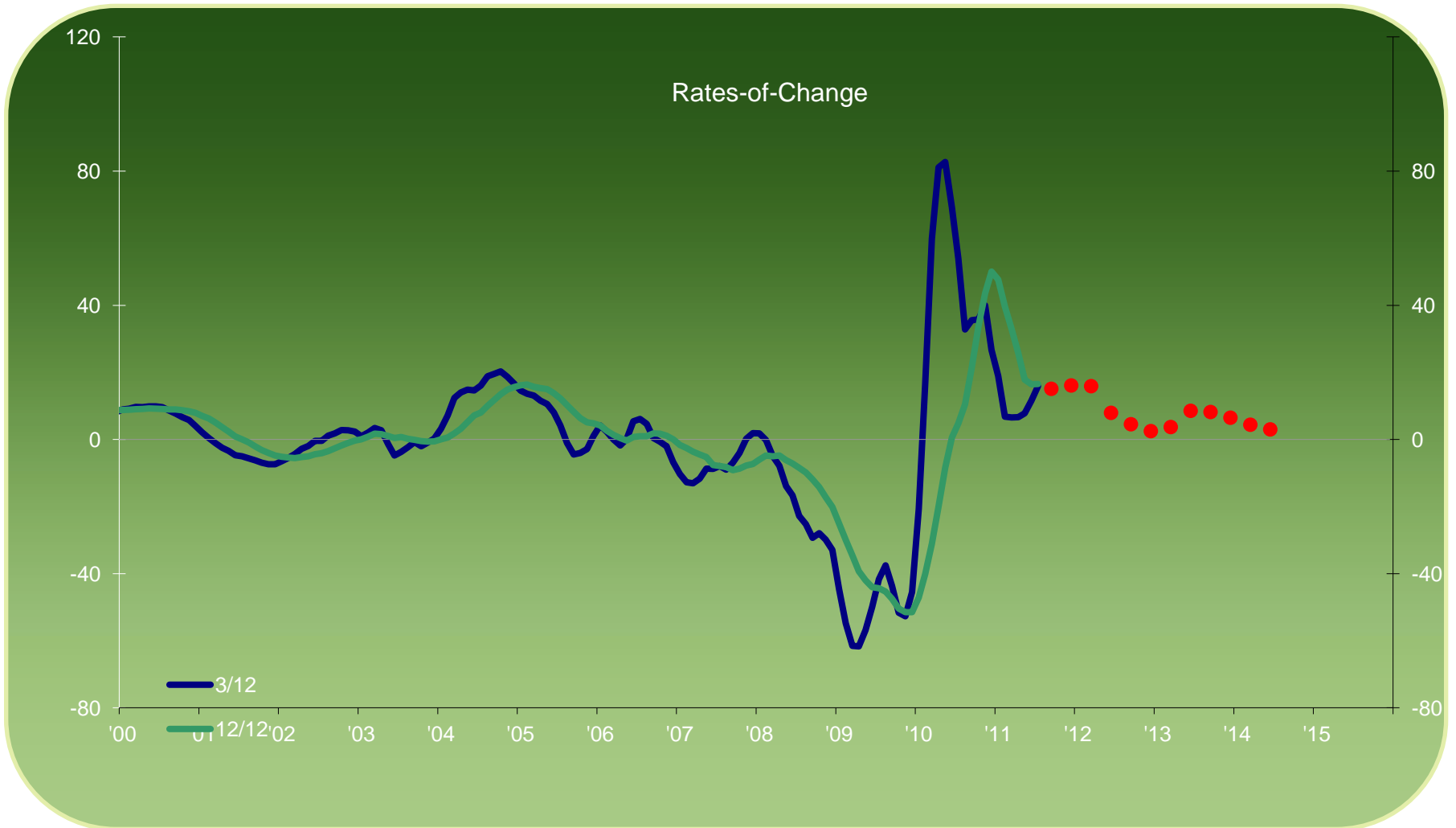


So...What's Happening

- Boating remains big business - \$30 billion
- Retail Sales are Growing for First Time in 5 Years
- Wholesale Shipments of New Boats Were Up 16% in Units and 24% in Dollars in 2011



ITR Economic Forecast of Shipments Shows Continuing Growth through 2015



So...What's Happening

- Boating remains big business - \$30 billion
- Retail Sales are Growing for First Time in 5 Years
- Wholesale Shipments of New Boats Expected to be Up 16% in Units and 18% in Dollars in 2011
- ITR Economic Forecast of Shipments Shows Continuing Growth through 2015
- Consumer Confidence, Light Vehicle Sales and Consumer Spending Improving



Thank You!

Questions

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