

Equity Research

Robert J. Sullivan IV

American Outdoor Brands Corp.



Ticker Symbol (NASDAQ)

AOBC

Price (4/15/2018)

\$10.89

Style	Small Cap-Growth
Sector	Consumer Products
Industry	Recreational Goods
Beta	-0.02

EPS & Revenue Forecasts

FY Ended	April 2014	April 2015	April 2016	April 2017	CAGR	2018-E
Revenue (M)	626.62	551.86	722.91	903.19	9.6%	\$ 990
EBITDA (M)	171.22	123.26	195.40	257.73	10.8%	\$ 285
Net Income	89.31	49.61	93.96	127.85	9.4%	\$ 140
EPS (Basic)	1.52	0.92	1.72	2.29	10.8%	\$ 2.54
EPS (Diluted)	1.48	0.9	1.68	2.25	11.0%	\$ 2.50
Dividend per Share	-	-	-	-	-	-

Key Statistics

	Sep-17	
52-wk. Price Range (Low - High)	\$8.32 - \$24.49	Range : 194%
Average Daily Volume	1.67 M	
Shares Outstanding	54 M	
Market Value (\$U.S.)	588.1 M	
Total Enterprise Value	789.2 M	
Total Cash & ST Investments	38.2 M	
Total Assets (Book)	788.0 M	
Total Liabilities (Book)	394.9 M	
Total Equity (Book)	393.1 M	
Cash per share	\$ 0.71	
Book Value per share	\$ 7.28	
Enterprise Value per share	\$ 14.61	
Dividend and Yield	-	

Valuation Summary

	Last	High	5-Year Low	Avg.	Rel. to Industry
P/E (TTM)	4.8x			4.8x	
P/Book	1.5x			1.5x	
P/Sales	0.7x			0.7x	
EV/EBITDA	3.1x			3.1x	

Growth Summary

	YoY	2015	2016	2017	Average	Industry
Sales (growth)	-11.9%	31.0%	24.9%	14.7%		
EBITDA (growth)	-28.0%	58.5%	31.9%	20.8%		
Net Income (growth)	-44.4%	89.4%	36.1%	27.0%		
EPS basic (growth)	-39.5%	87.0%	33.1%	26.9%		

Investment Thesis

American Outdoor Brands Corporation provides exposure to the firearms and outdoor leisure segment. The segment is highly cyclical and prone to shocks from regulatory and public scrutiny. The industry has been sluggish in recent years and firearm stocks have been commensurately sold. However, AOBC has remained cash flow positive while they focus on company wide cost-reduction efforts and organic growth in their Outdoor Products and Accessories business.

Recommendation

BUY

Price Target
\$13.44

After a sizable selloff, AOBC presents an attractive risk-reward opportunity at these price levels. It is quite possible that we are near a cyclical bottom.

Market Conditions

Recently the consumer market for firearms has been marked by challenging market conditions. Lower shipments in the Firearms business were driven by a reduction in wholesaler and retailer orders versus the prior year. The next 12-18 months could deliver flattish revenues in Firearms.

Catalysts

March NICS background checks were at the highest numbers on record. Mid-term elections will be held on November 6, 2018. There is a high possibility that Democrats may regain control of the house of representatives. Gun sales typically surge when Democrats are in power because of a fear of stricter gun-control. Timing the bottom of a cyclical decline is very challenging. However, the long-term trend in gun-ownership in America has been steeply increasing.

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Company Profile

American Outdoor Brands Corporation designs, manufactures, and sells firearms worldwide. The company offers handguns, long guns, handoffs, sporting and hunting rifles, black powder firearms, and firearm-related products and accessories. It also provides reloading, gunsmithing, and gun cleaning supplies; cutting tools and accessories; flashlights, tree saws, and related trimming accessories; shooting supplies, rests, and other related accessories; apparel, vault accessories, and laser and laser sights; survival and emergency preparedness products; and field rests, knives, gun vises, hearing protection products, camping gear, and case tumblers.

The company sells its products under the Smith & Wesson, M&P, Performance Center, Thompson/Center Arms, Caldwell, Wheeler, Tipton, Frankford Arsenal, Smith & Wesson, M&P, Thompson/Center, Lockdown, Hooymann, BOG-POD, Golden Rod, Non-Typical, Crimson Trace, Imperial, Schrade, Old Timer, UST, and Key-Gear brands. In addition, the company sells parts of other brands; operates a private law enforcement training facility; offers tooling, forging, heat treating, finishing, plating, plastic injection molding, and engineering support services to third-party customers; and licenses trademarks to third parties. It serves gun enthusiasts, collectors, hunters, sportsmen, competitive shooters, individuals desiring home and personal protection, and military agencies; and law enforcement and security agencies and officers. It markets its products through dealers, retailers, in-store retail channels, and range operations; social and electronic media; in-store retail merchandising systems and strategies; and Websites and online retail stores. The company was formerly known as Smith & Wesson Holding Corporation and changed its name to American Outdoor Brands Corporation in January 2017. The

Operations

	Revenues			Gross Profit		
	2017	2016	YoY %	2017	2016	YoY %
Firearms	\$ 772,997	652,065	18.5%	\$ 314,605	\$ 293,812	7.1%
Outdoor Products & Accessories	\$ 130,191	70,843	83.8%	\$ 60,668	\$ 33,689	80.1%
Total	\$ 903,188	722,908	24.9%	\$ 375,272	\$ 293,812	27.7%

AOBC operates through two segments.

Firearms

Outdoor Products & Accessories

Acquisitions

DRP Acquisition On May 5, 2014, AOBC acquired substantially all of the net assets of TTPP for \$22.8 million, plus a \$1.0 million working capital adjustment, for a total purchase price of \$23.8 million, utilizing cash on hand. The DRP Acquisition of TTPP's custom polymer injection molding capabilities was designed to vertically integrate a key component of our manufacturing operations and provide increased flexibility within the supply chain.

BTI Acquisition On December 11, 2014, we acquired all of the issued and outstanding stock of BTI for \$130.5 million, plus a \$3.1 million working capital adjustment, for a total purchase price of \$133.6 million.

Based in Columbia, Missouri, BTI develops, produces, and delivers innovative, high-quality hunting and shooting accessories under several brands.

Bull Case

- AOBC is undervalued at current levels.
- Cash flow positive.
- Rapid revenue growth, AOBC is on track to deliver over \$1B in sales next year.
- Strong Outdoor Products & Accessories organic growth.
- No short-term debt.
- Flexible manufacturing model means AOBC can quickly ramp production.

Bear Case

- Firearm manufacturers are constantly under threat of regulatory risk and public scrutiny.
- The consumer market for firearms has been marked by 'challenging market conditions,' which could continue for the next 12-18 months.

Ten-Year Price Performance vs. S&P 500



Profitability Ratios

	2017	5-Year High	5-Year Low	Average	Industry Average
Return on Assets (%)	18.5%			18.5%	7.0%
Return of Equity (%)	36.5%			36.5%	13.1%
Return on Investment (%)	23.8%			23.8%	9.9%
Gross Margin	42.1%			42.1%	24.9%
EBITDA Margin	28.5%			28.5%	6.5%
NI Margin	14.2%			14.2%	5.7%

Liquidity Ratios

	2017	5-Year High	5-Year Low	Average	Industry Average
Current Ratio	3.1x			3.1x	2.80x
Quick Ratio	1.3x			1.3x	1.73x
Total Debt/Equity	55%			55%	66%
Total Liab/Total Assets	50%			50%	

FCF Valuation		AOBC	
4/18/18			
Current Market Price	\$11.32	Shares Outstanding (M)	54
			Millions
Firm Value	\$611.28		
FCFF Valuation Price	\$20	# Shares	54
Firm Value	\$1,097.48		
Stock Appreciation / Depreciation to Fair Value (FCFF)	79.5%		20
Fair Value (FCFF)	\$486.20		
FCFE Valuation Price	\$14	# Shares	54
Equity Value	\$735.70		
Stock Appreciation / Depreciation to Fair Value (FCFE)	20.4%		54
Fair Value (FCFE)	\$124.42		

Price Target	\$13.44
FCFE 1	\$13.62
FCFE 2	\$13.26
Average	\$13.44

WACC	2.53%	WACC Capital Structure
Capital Structure		Market Value of Equity
Debt	26%	611
Effective Tax Rate	33.17%	Total Debt
Equity	74%	211
		SUM
		822
Component Costs of Capital		Debt Structure
Cost of Equity (CAPM)	2.72%	26%
Cost of Debt	2.98%	Equity Structure
		74%

Beta	-0.02	UST 10 Y Yield
Rf	2.80%	Average Market Return
Rm	7%	
CAPM	Required Return	
r	2.72%	

Market Cap	\$11
Cost of Equity	2.72%
WACC	2.53%

Start CFO		Share Price	+
FCFF	\$92	\$20.32	
FCFF g	9%		
FCFF Valuation	\$ 1,097	\$19.87	
FCFE	\$129		
FCFE g	21.35%		
FCFE Valuation	\$ 736	\$13.62	

Start EBITDA		Share Price	+
FCFF	\$57.87	\$19.87	
FCFF g	6%		
FCFF Valuation	\$ 1,073		
FCFE	126.02		
FCFE g	0.21		
FCFE Valuation	\$ 716.25	\$13.26	

Free Cash Flow to the Firm	12 months	12 months	12 months	12 months	12 months	LTM 12 months
	Apr-30-2013	Apr-30-2014	Apr-30-2015	Apr-30-2016	Apr-30-2017	Jan-31-2018
Cash from Ops.	98.1	90.2	114.8	168.6	123.6	9.5
Net Interest Exp.	5.0	12.1	10.9	10.6	8.6	10.8
Effective Tax rate	36.4%	35.2%	36.7%	35.2%	33.2%	0.1
Interest Exp * 1-Tax	3.18	7.84	6.90	6.86	5.75	9.4
Investment in Fixed Capital	40.36	62.50	27.94	30.54	34.90	33.9
FCFF	60.92	35.55	93.77	144.88	94.42	-15.0
FCFF / (1+WACC)	59.42	34.67	91.46	141.31	92.09	-14.6
				CAGR	9%	

Free Cash Flow to Equity	12 months	12 months	12 months	12 months	12 months	LTM 12 months
	Apr-30-2013	Apr-30-2014	Apr-30-2015	Apr-30-2016	Apr-30-2017	Jan-31-2018
Free Cash Flow to the Firm	59.42	34.67	91.46	141.31	92.09	-14.6
Interest Expense * (1-Tax)	3.18	7.84	6.90	6.86	5.75	9.4
Net Borrowing	-7.05	55.88	74.40	-0.30	43.10	68.1
FCFE	49.19	82.71	158.96	134.14	129.45	44.1
FCFE / (1+r)	47.89	80.53	154.75	130.60	126.02	43.0
				CAGR	21%	

FCFF	12 months	12 months	12 months	12 months	12 months	LTM 12 months
	Apr-30-2013	Apr-30-2014	Apr-30-2015	Apr-30-2016	Apr-30-2017	Jan-31-2018
EBITDA	148.9	171.2	123.3	195.4	257.7	107.4
Effective Tax Rate %	36.4%	35.2%	36.7%	35.2%	33.2%	0.1
EBITDA*(1-T)	95	111	78	127	172	93.3
Dep & Amort	16.1	19.8	29.4	38.6	49.3	50.9
Dep*T	6	7	11	14	16	6.7
FCInv	40.36	62.50	27.94	30.54	34.90	33.9
WCInv	4	27	-29	-10	62	54.0
FCFF	45	15	69	92	59	-1.3
Discounted @ WACC	43.86	14.34	66.92	90.08	57.87	-1.3
				CAGR	6%	

Free Cash Flow to Equity	12 months	12 months	12 months	12 months	12 months	LTM 12 months
	Apr-30-2013	Apr-30-2014	Apr-30-2015	Apr-30-2016	Apr-30-2017	Jan-31-2018
Free Cash Flow to the Firm	43.86	14.34	66.92	90.08	57.87	-1.3
Interest Expense * (1-Tax)	3.18	7.84	6.90	6.86	5.75	9.4
Net Borrowing	-7.05	55.88	74.40	-0.30	43.10	68.1
FCFE	33.63	62.38	134.42	82.91	95.22	57.4
FCFE / (1+r)	32.74	60.73	130.87	80.72	92.70	55.9
				CAGR	23%	

FC Investment	11 months	12 months	12 months	12 months	12 months	LTM 12 months
	Sep-28-2013	Sep-28-2014	Sep-27-2015	Sep-25-2016	Sep-24-2017	Jan-31-2018
Capital Expenditure	-41.40	-62.60	-28.20	-30.60	-34.90	-33.90
Sale of Property, Plant, and Equipment	1.04	0.10	0.26	0.06	0.00	0.00
Investment in Fixed Capital	-40.36	-62.50	-27.94	-30.54	-34.90	-33.90
	40.36	62.499	27.936	30.539	34.9	33.9

WC Investment	11 months	12 months	12 months	12 months	12 months	LTM 12 months
	Sep-28-2013	Sep-28-2014	Sep-27-2015	Sep-25-2016	Sep-24-2017	Jan-31-2018
Change in Acc. Receivable	1.5	(9.6)	11.0	(2.3)	(40.7)	(2.9)
Change in Inventories	(7.7)	(23.7)	25.7	(0.8)	(22.2)	(29.6)
Change in Acc. Payable	2.6	6.5	(7.3)	13.0	1.2	(21.5)
Investment in Working Capital	(3.59)	(26.83)	29.35	9.95	(61.67)	(54.00)
	3.59	26.83	(29.35)	(9.95)	61.67	54.00

	Sep-29-2013	Sep-28-2014	Sep-27-2015	Sep-25-2016	Sep-24-2017	LTM 12 months
						Jan-31-2018
Total Debt Issued	1.8	101.6	175.0	105.0	100.0	125.0
Total Debt Repaid	(8.8)	(45.7)	(100.6)	(105.3)	(56.9)	(56.9)
Net Borrowings LT	-7	56	74	0	43	68
Short-term Borrowings						
Change		0	0	0	0	0
Curr. Port. of LT Debt						
Change						
Net Borrowing ST	0	0	0	0	0	0
Total Net Borrowings	-7	56	74	0	43	68

Long-Term Debt	43.6	100.0	170.9	166.6	210.7	231.7
Net Interest Exp.	5.0	12.1	10.9	10.6	8.6	10.8
Effective Tax Rate %	36.4%	35.2%	36.7%	35.2%	33.2%	13.2%
Int * (1-T)	3.18	7.84	6.90	6.86	5.75	9.38

AMERICAN OUTDOOR BRANDS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(In thousands, except per share data)

	For the Three Months Ended				For the Nine Months Ended			
	31-Jan-18		31-Jan-17		31-Jan-18		31-Jan-17	
Net sales	\$ 157,376	100%	\$ 233,523	100%	\$ 434,825	100%	\$ 674,002	100%
Cost of sales	110,459	70%	134,212	57%	296,477	68%	389,517	58%
Gross profit	46,917	30%	99,311	43%	138,348	32%	284,485	42%
Operating expenses:								
Research and development	3,148	2%	2,764	1.2%	8,680	2%	7,614	1.1%
Selling and marketing	16,142	10%	15,052	6%	43,210	10%	36,773	5%
General and administrative	21,785	14%	31,286	13%	75,826	17%	85,210	13%
Total operating expenses	41,075	26%	49,102	21%	127,716	29%	129,597	19%
Operating income	5,842	4%	50,209	22%	10,632	2%	154,888	23%
Other (expense)/income, net:								
Other (expense)/income, net	87	0.06%	-8	0.00%	1,382	0.32%	-37	-0.01%
Interest expense, net	-2,999	-2%	-1,939	-0.8%	-8,353	-2%	-6,128	-0.9%
Total other (expense)/income, net	-2,912	-2%	-1,947	-0.8%	-6,971	-2%	-6,165	-0.9%
Income from operations before income taxes	2,930	2%	48,262	21%	3,661	1%	148,723	22%
Income tax (benefit)/expense	-8,465	-5%	15,809	7%	-8,803	-2%	48,562	7%
Net income	11,395	7%	32,453	14%	12,464	3%	100,161	15%
Net income per share:								
Basic	\$ 0.21		\$ 0.58		\$ 0.23		\$ 1.78	
Diluted	\$ 0.21		\$ 0.57		\$ 0.23		\$ 1.75	
Weighted average number of common shares outstanding:								
Basic	54,122		56,342		54,024		56,208	
Diluted	54,657		57,127		54,830		57,166	

AMERICAN OUTDOOR BRANDS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value and share data)

(Unaudited)	As of:		30-Apr-17	
ASSETS	31-Jan-18		30-Apr-17	
Current assets:				
Cash and cash equivalents	\$ 38,192	5%	\$ 61,549	8%
Accounts receivable, net of allowance for doubtful accounts of \$1,131 on January 31, 2018 and \$598 on April 30, 2017	74,764	10%	108,444	14%
Inventories	162,296	21%	131,682	17%
Prepaid expenses and other current assets	7,020	0.9%	6,123	0.8%
Income tax receivable	9,150	1.2%	10,643	1.4%
Total current assets	291,422	38%	318,441	40%
Property, plant, and equipment, net	153,580	20%	149,685	19%
Intangibles, net	118,189	15%	141,317	18%
Goodwill	191,162	25%	169,017	21%
Other assets	11,068	1.4%	9,576	1.2%
Total Assets	\$ 765,421	100%	\$ 788,036	100%

	As of:			30-Apr-17		
LIABILITIES AND STOCKHOLDERS' EQUITY	31-Jan-18			30-Apr-17		
Current liabilities:						
Accounts payable	\$ 35,275	10%	5%	\$ 53,447	14%	7%
Accrued expenses	35,729	10%	5%	51,686	13%	7%
Accrued payroll and incentives	10,071	3%	1.3%	21,174	5%	3%
Accrued income taxes	164	0.05%	0.02%	726	0.18%	0.09%
Accrued profit sharing	600	0.17%	0.08%	13,004	3%	2%
Accrued warranty	5,109	1.4%	0.7%	4,908	1.2%	0.6%
Current portion of notes and loans payable	6,300	2%	0.8%	6,300	2%	0.8%
Total current liabilities	93,248	26%	12%	151,245	38%	19%
Deferred income taxes	10,945	3%	1.4%	25,620	6%	3%
Notes and loans payable, net of current portion	231,659	65%	30%	210,657	53%	27%
Other non-current liabilities	18,601	5%	2%	7,352	2%	0.9%
Total liabilities	354,453	100%	46%	394,874	100%	50%
Commitments and contingencies						
Stockholders' equity:						
Common stock, \$.001 par value, 100,000,000 shares authorized, 72,296,233 shares issued and 54,129,371 shares outstanding on January 31, 2018 and 72,017,288 shares issued and 53,850,426 shares outstanding on April 30, 2017	72	0.02%	0.01%	72	0.02%	0.01%
Additional paid-in capital	250,439	61%	33%	245,865	63%	31%
Retained earnings	381,628	93%	50%	369,164	94%	47%
Accumulated other comprehensive income	1,204	0.29%	0.16%	436	0.11%	0.06%
Treasury stock, at cost (18,166,862 shares on January 31, 2018 and April 30, 2017)	-222,375	-54%	-29%	-222,375	-57%	-28%
Total stockholders' equity	410,968	100%	54%	393,162	100%	50%
Total Liabilities & Stockholders Equity	\$ 765,421	100%	100%	\$ 788,036	100%	100%

Gun Stocks

4/15/18

Ticker	Company	Sector	Industry	Country	Price	Market Cap	P/E	Fwd P/E	PEG	P/S	P/B	P/C	P/FCF	Div.	Payout Ratio	EPS	EPS this Y	EPS past 5Y	Sales past 5Y	Outstanding	Float	Insider Own	Insider Trans	Inst Own	Float Short	Short Ratio
OLN	Olin Corporation	Basic Materials	Specialty Chemicals	USA	30.01	5.05B	45.47	11.31	2.21	0.81	1.82	23.13	22.8	2.7%	24%	0.66	152%	-18.5%	23.5%	168.31M	165.38M	0.4%	-10.1%	90%	2%	1.38
VSTO	Vista Outdoor Inc.	Consumer Cyclical	Leisure	USA	17.9	1.03B	-	19.5	-	0.44	0.83	16.21	4.02	-	-	-1.60	-298%	-34.9%	19.6%	57.31M	56.57M	0.6%	5.6%	-	16%	8.85
RGR	Sturm, Ruger & Company, Inc.	Industrial Goods	Aerospace/Defense Products & Services	USA	54.95	959.98M	19.21	-	-	1.84	4.16	15.12	21.97	1.7%	47%	2.86	-37%	-4.4%	1.2%	17.47M	16.69M	1.8%	0.0%	96%	25%	14.3
AOBC	American Outdoor Brands Corporation	Industrial Goods	Aerospace/Defense Products & Services	USA	10.89	586.75M	19.84	18.71	1.32	0.88	1.43	15.36	65.19	-	0%	0.55	34%	41.2%	17.0%	53.88M	53.08M	0.4%	-7.7%	76%	11%	3.57
Average							28.17	16.51	1.77	0.99	2.06	17.46	28.50	2.2%	23.6%	0.62	-37%	-4.2%	15.3%			1%	-3%	87%	14%	7.03

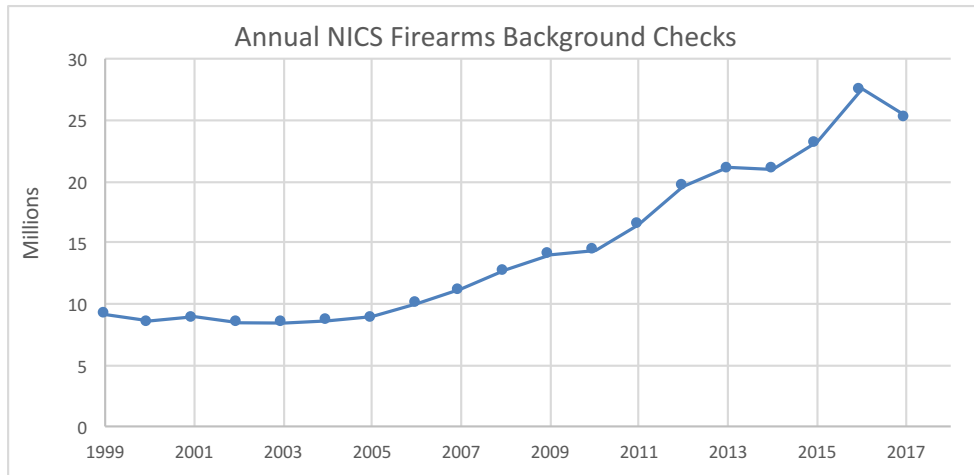
ROA	ROE	ROI	Curr R	Quick R	LTDebt /Eq	Debt/ Eq	Gross M	Oper M	Profit M	Perf Year	Perf YTD	Beta	ATR	Avg Volume	Volume	Ticker
6.1%	22.9%	5.1%	1.80	1.10	1.31	1.31	11.6%	5.3%	8.8%	-2.5%	-15.7%	1.42	0.91	2.33M	1,291,163	OLN
-1.5%	-3.5%	-9.8%	3.10	2.00	0.74	0.76	24.0%	-2.4%	-1.9%	-3.9%	22.9%	-	0.49	1.05M	417,258	VSTO
18.1%	23.0%	21.9%	3.20	2.40	0	0	29.5%	14.6%	10.0%	-4.1%	-1.6%	-0.01	1.49	295.29K	121,137	RGR
5.1%	10.1%	22.3%	3.10	1.40	0.56	0.58	34.5%	8.4%	6.0%	-48.6%	-15.2%	-0.02	0.42	1.68M	531,301	AOBC
7.0%	13.1%	9.9%	2.8	1.73	0.65	0.66	24.9%	6.5%	5.7%	-14.8%	-2.4%	0.46	0.83			

NICS Firearm Background Checks:

November 30, 1998 - March 31, 2018

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
1998											21,196	871,644	892,840
1999	591,355	696,323	753,083	646,712	576,272	569,493	589,476	703,394	808,627	945,701	1,004,333	1,253,354	9,138,123
2000	639,972	707,070	736,543	617,689	538,648	550,561	542,520	682,501	782,087	845,886	898,598	1,000,962	8,543,037
2001	640,528	675,156	729,532	594,723	543,501	540,491	539,498	707,288	864,038	1,029,691	983,186	1,062,559	8,910,191
2002	665,803	694,668	714,665	627,745	569,247	518,351	535,594	693,139	724,123	849,281	887,647	974,059	8,454,322
2003	653,751	708,281	736,864	622,832	567,436	529,334	533,289	683,517	738,371	856,863	842,932	1,008,118	8,481,588
2004	695,000	723,654	738,298	642,589	542,456	546,847	561,773	666,598	740,260	865,741	890,754	1,073,701	8,687,671
2005	685,811	743,070	768,290	658,954	557,058	555,560	561,358	687,012	791,353	852,478	927,419	1,164,582	8,952,945
2006	775,518	820,679	845,219	700,373	626,270	616,097	631,156	833,070	919,487	970,030	1,045,194	1,253,840	10,036,933
2007	894,608	914,954	975,806	840,271	803,051	792,943	757,884	917,358	944,889	1,025,123	1,079,923	1,230,525	11,177,335
2008	942,556	1,021,130	1,040,863	940,961	886,183	819,891	891,224	956,872	973,003	1,183,279	1,529,635	1,523,426	12,709,023
2009	1,213,885	1,259,078	1,345,096	1,225,980	1,023,102	968,145	966,162	1,074,757	1,093,230	1,233,982	1,223,252	1,407,155	14,033,824
2010	1,119,229	1,243,211	1,300,100	1,233,761	1,016,876	1,005,876	1,069,792	1,089,374	1,145,798	1,368,184	1,296,223	1,521,192	14,409,616
2011	1,323,336	1,473,513	1,449,724	1,351,255	1,230,953	1,168,322	1,157,041	1,310,041	1,253,752	1,340,273	1,534,414	1,862,327	16,454,951
2012	1,377,301	1,749,903	1,727,881	1,427,343	1,316,226	1,302,660	1,300,704	1,526,206	1,459,363	1,614,032	2,006,919	2,783,765	19,592,303
2013	2,495,440	2,309,393	2,209,407	1,714,433	1,435,917	1,281,351	1,283,912	1,419,088	1,401,562	1,687,599	1,813,643	2,041,528	21,093,273
2014	1,660,355	2,086,863	2,488,842	1,742,946	1,485,259	1,382,975	1,402,228	1,546,497	1,456,032	1,603,469	1,803,397	2,309,684	20,968,547
2015	1,772,794	1,859,584	2,012,488	1,711,340	1,580,980	1,529,057	1,600,832	1,745,410	1,795,102	1,976,759	2,243,030	3,314,594	23,141,970
2016	2,545,802	2,613,074	2,523,265	2,145,865	1,870,000	2,131,485	2,197,169	1,853,815	1,992,219	2,333,539	2,561,281	2,771,159	27,538,673
2017	2,043,184	2,234,817	2,433,092	2,045,564	1,942,677	1,901,768	1,742,546	1,925,146	1,967,104	2,030,391	2,382,788	2,586,138	25,235,215
2018	2,030,530	2,333,193	2,767,699										7,131,422
Avg	1,238,338	1,343,381	1,414,838	1,131,123	1,005,901	984,800	992,850	1,106,373	1,150,021	1,295,384	1,418,661	1,691,719	285,583,802

TOTAL



NOTE: These statistics represent the number of firearm background checks initiated through the NICS. They do not represent the number of firearms sold. Based on varying state laws and purchase scenarios, a one-to-one correlation cannot be made between a firearm background check and a firearm sale.

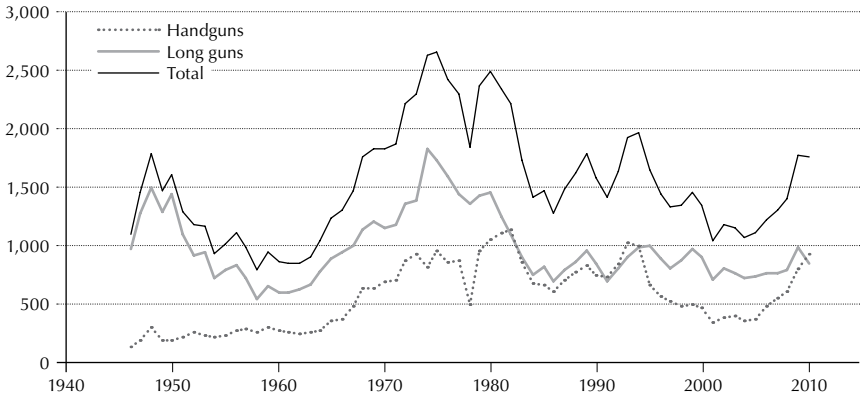
Table 7 **Top rifle makers' unit production and market share, 2010**

Firm (– subsidiary)	Units	%
Freedom Group Inc.	653,957	35.7
– Remington Arms Co. Inc.	263,934	
– Marlin Firearms Co.	253,521	
– Bushmaster Firearms International LLC	40,878	
– DPMS Firearms LLC	46,891	
– H&R 1871 LLC	48,733	
Sturm Ruger & Co. Inc.	236,616	12.9
Savage Arms Inc.	171,472	9.4
Smith & Wesson Holding Corp.	153,293	8.4
– Smith & Wesson Corp.	100,051	
– Thompson Center Arms Co. Inc.	53,242	
Henry RAC Holding Corp.	124,701	6.8
Maverick/O. F. Mossberg	66,938	3.7
– Maverick Arms Inc.	60,403	
– O. F. Mossberg & Sons Inc.	6,634	
Keystone Sporting Arms LLC	47,835	2.6
Beemiller Inc.	35,300	1.9
Sig Sauer Inc.	29,764	1.6
Rock River Arms Inc.	23,200	1.3
Springfield Inc.	20,463	1.1
Aero Precision Inc.	19,939	1.1
FN Manufacturing LLC	19,816	1.1
Stag Arms Inc.	19,545	1.1
Delaware Machinery& Tool Co. Inc.	17,149	0.9

Note: Top two HHI = 1,441; top four = 1,511; top eight = 1,582.

Source: Compiled from ATF (2010)

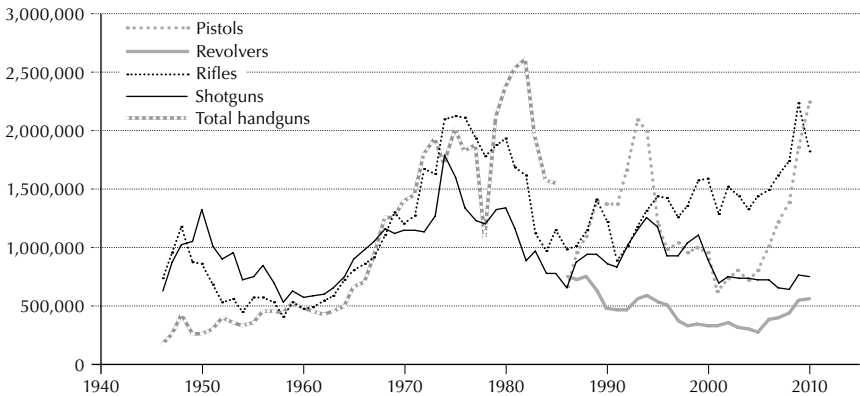
Figure A13 Total US handgun and long-gun unit production per 100,000 people, 1946–2010



Source: Compiled from ATF (1986–2010); Thurman (2001, p. 34); Violence Policy Center (1946–79)

Note: The numbers prior to 1980 are known to understate firearms production. The handguns data point for 1978 may be in error.

Figure A14 US gun unit production by weapon type, 1946–2010



Source: Compiled from ATF (1986–2010); Thurman (2001, p. 34); Violence Policy Center (1946–79)