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Boomer Holdings (BOMH-OTC)

BOMH: Expanding Product Line While Emphasizing e-Commerce Sales Channel

Boomer Holdings is a wellness company that launched a PPE division in April 2020 and benefited from rapid sales of silver-infused reusable face masks and other PPE products during the pandemic. BOMH entered into an exclusive distributor agreement with a supplier based in Vietnam to distribute its products in the U.S. and intends to leverage this relationship in 2021 and beyond to import a growing line of products from Vietnam.

OUTLOOK

Going forward, BOMH intends to increase its focus on the e-commerce channel, as the PPE wholesale business begins to slow somewhat at this stage in the COVID-19 pandemic. BOMH expects its e-commerce division to be the primary driver of near-term revenue. The company launched boomerstore.com, which is the planned vehicle for direct-to-consumer e-commerce. Management believes the site represents a significant upgrade to its prior online retail presence and expects it to help drive double digit per annum revenue growth over the next two years.

Current Price (04/5/21) \$0.33
Valuation \$0.95

SUMMARY DATA

52-Week High \$1.07
52-Week Low \$0.25
One-Year Return (%) -58.75
Beta N/A
Average Daily Volume (sh) 95,955

Shares Outstanding (mil) 156
Market Capitalization (\$mil) \$47
Short Interest Ratio (days) N/A
Institutional Ownership (%) 0
Insider Ownership (%) 80

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates
Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS N/A
P/E using 2021 Estimate N/A
P/E using 2022 Estimate N/A

Zacks Rank N/A

Risk Level Above Avg.
Type of Stock Small-Growth
Industry Wellness
Zacks Rank in Industry N/A

ZACKS ESTIMATES

Revenue

(in millions of \$)

	Q1 (Apr)	Q2 (Jul)	Q3 (Oct)	Q4 (Jan)	Year (Jan)
2020					\$0 A
2021	1 A	10 A	29 A	29 E	\$69 E
2022	30 E	31 E	31 E	32 E	124 E

Per Share Data

	Q1 (Apr)	Q2 (Jul)	Q3 (Oct)	Q4 (Jan)	Year (Jan)
2020					-\$0.02 A
2020	-\$0.02 A	-\$0.08 A	\$0.05 A	\$0.04 E	\$0.00 E
2021	\$0.03 E	\$0.02 E	\$0.03 E	\$0.03 E	\$0.10 E

Quarters might not sum due to rounding & share counts

Disclosures on page 15

KEY POINTS

- 2020 was a transformational year for Boomer Holdings. The company entered into an exclusive distributor agreement with a supplier based in Vietnam to distribute its products in the U.S. and launched Boomer PPE.
- The company also formed wholesale distribution relationships with CVS, AETNA, Chevron Terrible Herbst, Core-Mark and others, which was a key driver of strong 2020 revenue growth.
- In one short year, Boomer Holdings grew revenue at its newly formed PPE operating unit to over \$50 million.
- Going forward, BOMH expects to build on the foundation that it established in 2020. Boomer also has increased its focus on the online sales channel, as PPE sales via the wholesale channel begin to slow somewhat at this point in the COVID-19 pandemic.
- BOMH expects its e-commerce division to be the primary driver of near-term revenue growth and has rolled out boomerstore.com, the vehicle for direct-to-consumer e-commerce. Management believes this site represents a significant interface improvement compared to the company's prior online presence and forecasts double digit revenue growth per annum over the next two years.
- In tandem with improving the online consumer interface, the company also intends to leverage its Vietnam supplier relationship to expand its product offerings in key consumer categories such as apparel, bedding and coffee. By leveraging the online e-commerce channel, Boomer expects to launch a range of new products while simultaneously minimizing inventory and overall risk.
- In turn, Boomer expects to transition from PPE as the single largest revenue driver to become a full range wellness and consumer lifestyle company offering a broad selection of merchandise designed to appeal to consumers' growing interest in health and wellness, leveraging the company's exclusive supply chain.

COMPANY HISTORY & OVERVIEW

Transition into COVID-19 Related Products

Las Vegas, Nevada-based Boomer Holdings (OTC: BOMH) is a wellness company focused on helping people overcome certain issues related to contracting contagious diseases such as COVID-19 and also focused on alleviating health issues such as poor sleep, tension and other conditions. Over the past two years, the company has launched several restructuring initiatives aimed at strengthening the management team and product portfolio, supply chain and distribution structure and boosting its competitive position and profitability. In January 2020, Boomer completed a reverse merger into a publically traded holding company. The shares trade on the OTC markets under the ticker BOMH.

PRODUCT & CHANNEL SHIFTS IN 2020-21

Expansion Into PPE...

2020 was a transformational year for BOMH. Bricks-and-mortar sales of the company's existing product line, Boomer Botanics products, were negatively impacted by the pandemic. With Boomer Botanics product sales under pressure, BOMH launched a PPE division in April 2020, expanding its health and wellness offerings to include personal protection equipment (PPE).

BOMH entered into an exclusive distributor agreement with a supplier based in Vietnam to distribute its products in the U.S. Boomer leveraged this exclusive relationship to import and launch new products such as silver-infused face masks and gaiters and other products. As a result, Boomer's product line now includes face coverings, silver infused bedding, pet products, apparel and silver-infused kitchen and bath items, among other products such as hand sanitizer, safety gloves, and face shields.

As the COVID-19 pandemic got underway, Boomer's transition into COVID-19 related products and newly-formed PPE division introduced health and wellness offerings, as noted, such as reusable face masks that are enhanced with nano-silver technology. In fact, the company has focused primarily on face coverings such as masks. Other Boomer PPE products include hand sanitizer, safety gloves, and face shields. This division has experienced strong sales growth. BOMH has indicated that wholesale face mask sales accounted for the lion's share of revenue in 2020.

Wearing masks has been one of the axioms of the mitigation processes introduced during the COVID-19 pandemic. BOMH launched a line of masks in 2020 and continues to market this product line, which has encountered strong commercial sales. While projections about the size and growth outlook of the mask market vary, most forecasts generally agree that there are strong growth prospects. Arizton Advisory market research firm forecasts an [11% CAGR](#) in mask revenue from 2019 to 2025, fueled by mitigation efforts in the face of the COVID-19 and potentially other viruses.

BOMH's PPE product offerings include a range of respiratory masks that filter out small particles, viruses, and bacteria to reduce the spread of disease. The flagship product, the *Boomer Nano-Silver Reusable Protective Cloth Face Mask*, is a top-selling consumer face mask. The PPE division products represent the majority (98%) of consolidated revenue and come primarily from two major customers that together account for just over 90% of revenue.

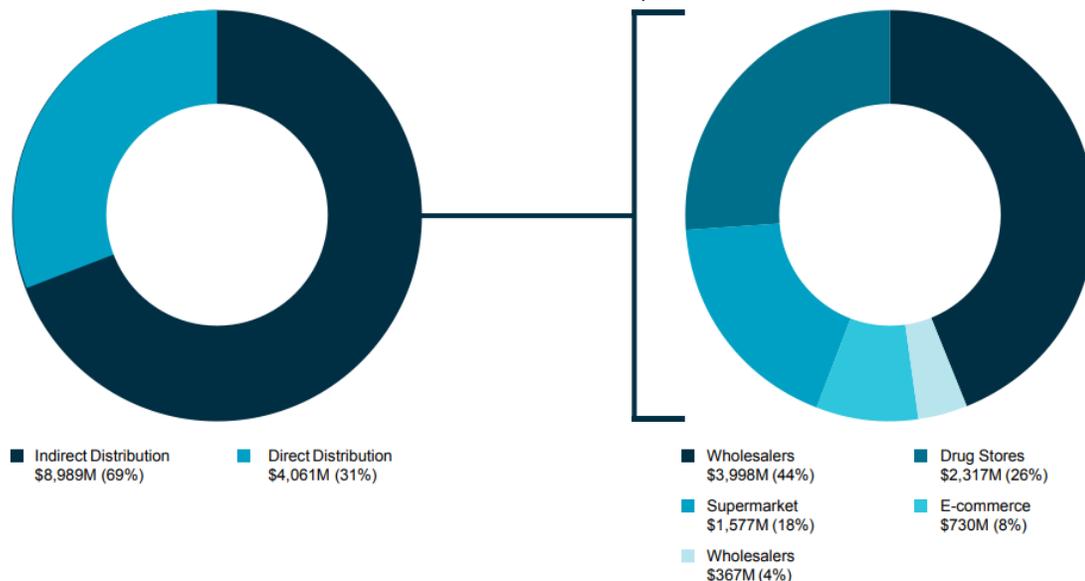
The company's silver-infused reusable protective cloth [face masks](#) leverage silver-infused technology, as noted. The company notes that filters are not necessary with the silver-infused technology, as the silver fibers work at "killing bacteria and remain useful for up to 30 washings. The material "provides a built-in filter..."

According to the Chicago Times, "silver kills germs when it oxidizes and releases silver ions, which are lethal to bacteria and yeast." Reflecting this power silver has "to fight infections" and recent advances in technology that allow manufacturers to create nano-sized silver and incorporate it into various materials, nano-silver has grown in popularity.

CVS Relationship helped drive 2020 product sales

BOMH's strategic shift also included a new focus on important sales channels for its growing PPE line. Boomer formed a sales relationship with CVS to sell its products through the CVS stores and online e-commerce presence. This proved to be a critical factor behind the strong growth the company recorded in calendar 2020. According to Boomer Naturals data, the drugstore channel represented a roughly \$2.8 billion revenue opportunity for sales of face masks and accounted for about 26% of all indirect sales to consumers. CVS operates a national retail chain and is one of the largest drug store retailers, with a footprint of nearly 10,000 locations spanning 49 states. The CVS distribution agreement represented an important milestone for Boomer and was a significant factor behind the company's strong growth in revenue in 2020, according to management.

North American Face Mask Market Distribution, 2020



Source: Company reports

In addition to CVS, Aetna signed a distribution agreement with BOMH in 2020. The company also entered into a mask distribution deal with Chevron Terrible Herbst, UNFI, an online aggregator of food and other consumer products, and also partnered with Core-Mark, which is among the largest distributors and marketers of consumer goods to North American convenience stores. Chevron Terrible Herbst operates a network of over 100 gas stations in Arizona, California, Nevada and Utah.

These wholesale distribution relationships positively impacted revenue in 2020. For instance, Aetna placed a sizable order for about 5.4 million face masks in 2020. Going forward, BOMH expects to build on the foundation that it established in 2020 and leverage these relationships in the wholesale channel. Boomer also has increased its focus on the online sales channel, as PPE sales via the wholesale channel begin to slow somewhat at this point in the COVID-19 pandemic.

Increased Focus on E-commerce

The company's wholesale distribution strategy via CVS, AETNA and others were a key driver of strong 2020 revenue growth, as noted. Going forward, however, BOMH has increased its focus on online. Specifically, the company expects its e-commerce division to be the primary driver of near-term revenue, with management forecasting 25% quarter-over-quarter growth over the next two years.

The company has launched boomerstore.com, the vehicle for direct-to-consumer e-commerce and, in management's view, a material upgrade to the prior online e-commerce site. In general, e-commerce increasingly has grown as a channel for aggregate retail sales revenue over the past several years. In 2020, as consumers sought contactless methods of making retail purchases, this shift continued. Boomer processed more than 200,000 orders in 2020 primarily through these websites:

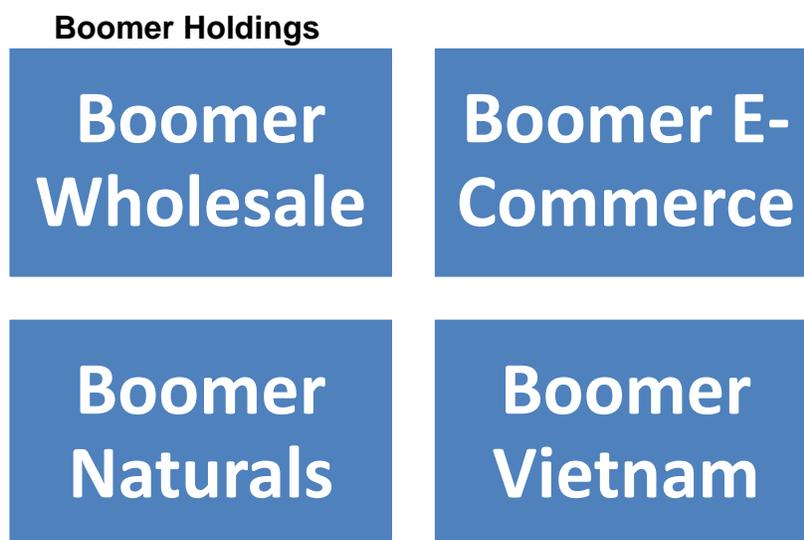
- ❖ www.boomernaturals.com
- ❖ www.boomerfacemasks.com

Although it does not yet sell its products internationally, BOMH has obtained certificates that will allow it to export products to more than 20 countries. It is also in discussions with local distributors in multiple countries. The online sales channel could also be a way for BOMH to expand its geographic reach in a cost-effective manner.

Nevertheless, the company expects to maintain an omni-channel distribution strategy, leveraging online, bricks-and-mortar, and specialty retail, among other channels. Boomer Botanical products are marketed and sold online, including at BoomerNaturals.com and other sites noted above, and BOMH operates a retail store in Las Vegas.

Boomer has also developed a product line focused on golfers and others. Reflecting an agreement with PGA, Boomer Natural products will also be available in golf pro shops as they begin to resume operation, as well as other specialty retail outlets.

The company expects to continue to benefit from its omni-channel distribution. As a result of the company's strategic shift, BOMH operates through the following divisions: Boomer Naturals, Boomer E-Commerce, Boomer Wholesale, and Boomer Vietnam. The latter division is expected to help expand the line of products imported from BOMH's supplier in Vietnam and sold domestically.



Source: Company reports

We present highlights of the company's various divisions below.

Boomer Naturals

The Boomer Naturals division sells natural botanical-based products intended to help alleviate a variety of physical and emotional health issues such as sleep disorders, fatigue and stress. The Personal Protection Equipment (PPE) unit markets mitigation products and services designed to safeguard customers, including during the COVID-19 pandemic, and to improve their quality of life and well-being.

In the Boomer Naturals division, Boomer Botanics products are produced using natural botanical ingredients. The products are designed to help alleviate symptoms associated with physical, mental, and emotional health issues, including fatigue, headaches, stomach aches and others. The full Boomer Botanics product line includes *Boomer Botanics*, *Golf Botanics*, *Pet Botanics*, *SKIN Sunscreen*, and medical-grade skin care products and *Boomer Naturals Boomer Botanics*.

Boomer Botanics is the unit's flagship product line of a product portfolio that is based on proprietary formulae. These products target the central nervous system (CNS) and are designed to restore balance to the CNS, including reinforcing and strengthening the immune system, alleviating pain and fatigue and assisting with sleep management, among other issues.

Many of the Boomer Botanics products target the endocannabinoid system (ECS). The ECS is "an emerging target of pharmacotherapy," according to [NCBI](#), as studies about the ECS's impact on health

and disease proliferate. Healthline.com notes that the ECS is key in regulating sleep cycles, mood, appetite, memory and a range of other bodily processes. Some BOMH products are subject to FDA and/or FTC regulation, as food or dietary supplements.

BOMH's Boomer Botanics product line is a natural-formulated alternative to CBD that does not contain any CBD or THC. Boomer Botanics is formulated from a proprietary blend of botanical terpenes. Boomer Botanics products combine five natural ingredients that target the ECS, all of which are on the FDA "*Generally Recognized as Safe*" list. Because Boomer Botanics products do not contain any CBD or THC, the company can market and promote its Boomer Botanics products on many venues that are not available to CBD products, although the company believes these products remain competitive with CBD products marketed as pain, anxiety, inflammation, and sleep remedies, among other capabilities. Boomer also markets products designed to improve pet health.

Boomer Naturals also intends to introduce a line of powder supplement products that it plans to sell through both the wholesale and e-Commerce channels. The product offerings in this consumer segment are planned to include: Vitamin Energy, NOXCG3 Workout, Vitamin C and formulations for calm, sleep and libido.

The company has a medical advisory board that consists of seven highly experienced veterans from the medical field who consult with Boomer on product development and advancement, among other issues.

Boomer PPE As noted, Boomer PPE sells a line of mitigation products designed to help consumers safeguard against contracting the COVID-19 and other highly infectious viruses. The product line includes face masks and coverings and hand sanitizer, safety gloves, nano-silver gaiters, single use masks, ear savers, face shields, and safety glasses, among other products. This division is discussed in further detail below.



Source: Company reports

Boomer Vietnam

BOMH partnered with Pham Van Trading (PVT). PVT is a Vietnamese trading company that has entered into an exclusive agreement with BOMH for the North American markets for the production of face masks and other products, providing that BOMH maintains a minimum of \$3 million in orders. BOMH management believes that Vietnam offers several advantages as an import market, including a stable political backdrop, relatively fast turnaround and relatively easy export protocols compared to other markets.

In 2021, BOMH intends to leverage this relationship to expand into complementary product categories. BOMH expects to cross-promote its PPE and other product lines. The company intends to expand its offerings into key consumer categories such as apparel, bedding and coffee.

Boomer plans to introduce Vietnamese premium coffee in the U.S. The company's surveys of consumers suggest that 64% are interested in instant coffee from Vietnam if it had twice the caffeine as other countries and an appealing taste. The coffee BOMH intends to import and sell offers higher levels of caffeine and a stronger flavor than many other coffees available domestically, as the Vietnamese coffee

BOMH intends to introduce consists primarily of Robusta beans that have a higher yield, more caffeine and more antioxidants than Arabica beans. Arabica coffee beans contain 1% to 1.5% caffeine. By comparison, Robusta beans contain 1.6% to 2.7% caffeine, according to the BBC.

Vietnam has become the second largest coffee producer in the world, according to the [BBC](#), as coffee production expanded by 20%-30% per annum in the 1990s. BOMH will leverage its exclusive relationship with PVT to introduce Vietnamese coffee in the U.S., which is among the world's largest export markets for coffee. According to the United States Department of Agriculture ([USDA](#)), top U.S. coffee suppliers include Brazil, which accounts for 25%, Colombia (22%), Vietnam (15%), and Honduras (6%). Vietnam has become a staple in other markets, according to BBC, which notes that roughly 25% of coffee available in the U.K. comes from Vietnam.

Boomer plans to follow the launch of Vietnamese premium coffee with the introduction of other products that leverage silver-infused technology. Management believes there are opportunities for many other categories that leverage the silver-infused technology, including apparel and bedding, among others. These new product launches will enable Boomer to expand the number of PVT offerings in its North American product line that it sells under the Boomer brand. To drive brand name recognition, the company has employed an ambitious multi-channel advertising campaign to promote its expanding product line, placing ads on TV, radio, and digital channels.

In addition, the company also expects to leverage the relationship with PVT to provide white label products for third-party companies seeking to source merchandise from Vietnam, This could create another low-risk revenue stream for Boomer, which would act as an agent generating fee revenue that is not subject to inventory risk. We note that the overall interests of Boomer and PVT appear to be aligned, as PVT is a shareholder of BOMH and BOMH insiders have close familial ties to PVT. In Vietnam, PVT has a team of about ten employees and has affiliations with several factories in the country.

Boomer e-Commerce

While growth through certain sales channels has slowed, the company intends to refocus on the e-commerce channel. The online e-commerce channel will enable the company to introduce new items as it expands its product line in a cost-effective way, thereby minimizing inventory and other risk. Management believes that this strategy will enable Boomer to transition to an integrated, wellness player with a growing product portfolio and developing pipeline of new products to address consumer wellness and leverage the company's growing brand awareness.

Boomer Wholesale

BOMH's 2020 strategic shift was anchored by a focus on a growing sales channel for PPE merchandise, with Boomer forming sales relationships with CVS, AETNA, Chevron Terrible Herbst, Core-Mark and others to sell its products, as noted. BOMH also has an affiliation with Foxwood to supply PPE to employees, representatives and customers.

The company expects that the relationships it has forged from its PPE product line might also help the company with its strategy to place planned new product lines such as the powder supplements in these outlets. BOMH also intends to grow this channel, via expected new distribution relationships, potentially with corporations, healthcare facilities and public and other venues that require masks and other Boomer PPE products.

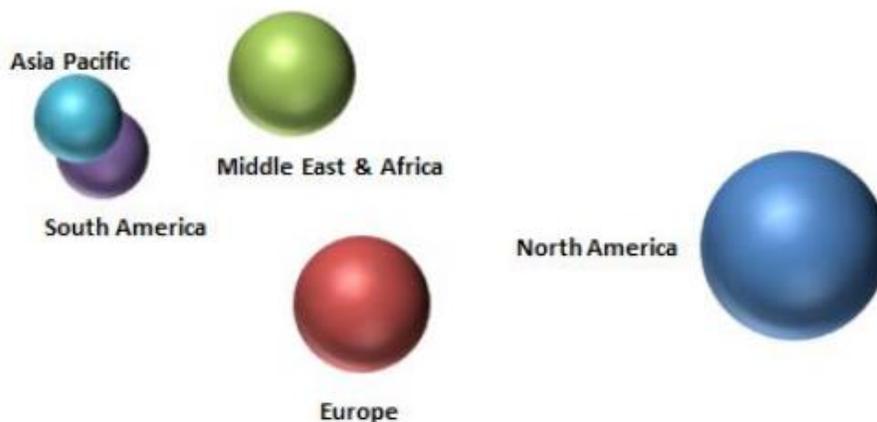
ADDRESSBLE MARKET

According to the Global Wellness Institute, the wellness economy was a \$4.5 trillion (as of 2018 data) global sector that had experienced 6.4% annual growth during the prior three year period. This growth reflects the changing ways that people view health care, according to [Forbes](#) magazine, including people taking a more proactive approach to safeguarding their health and wellness, in part reflecting the aging of the global population. This includes the over-the-counter medication market, which is valued at over \$125 billion.

As noted, BOMH has shifted its focus to the Personal Protective Equipment (PPE) market, selling masks, hand sanitizers and other PPE products online and through distribution to doctors, therapists, and wholesale brokers and retailers such as CVS. According to market research firm Markets and Markets, the PPE market was worth about \$40.06 billion in 2016, but reflecting the sharp increase in demand fueled by the pandemic, Markets and Markets expects it to grow to over \$58 billion by 2022, which represents a nearly 7% CAGR.

North America represents the largest market for PPE products, according to Markets and Markets. McKinsey puts the U.S. PPE market at roughly \$13.5 billion, with protective gloves, protective clothing, protective footwear, and respiratory protection representing the majority (roughly 80%) of market sales. McKinsey notes that factors that are expected to drive growth in demand for PPE products include, in addition to increased consumer caution about infectious disease, the anticipated post-pandemic rebound in construction and other sectors that rely on PPE equipment to keep workers safe.

PPE Market Estimated Geographic Breakdown



Source: Markets and Markets

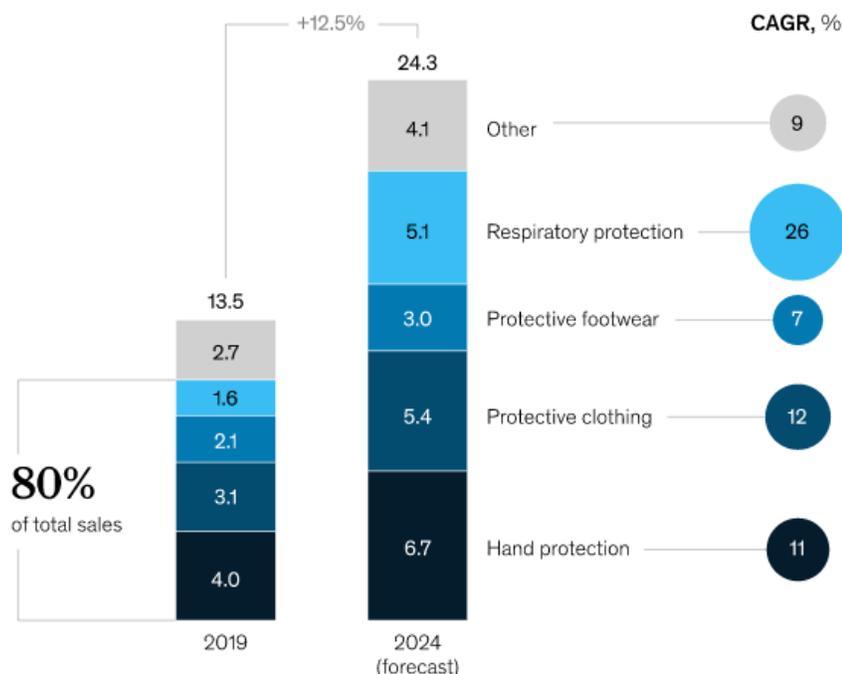
As the company maintains its transition strategy and introduces new products, other opportunities include the coffee sector, among other sizable consumer markets. According to www.ustradenumbers.com, the U.S. imported \$425 million of coffee in the month of January 2021, which equates to an annual import market valued at over \$5 billion.

PPE SALES EXPECTED TO BE SUSTAINABLE

The company expects its face masks and other PPE products to be a sustainable product line. For instance, CVS has indicated that these virus mitigation products have attained permanent placement in the cold and flu sections along with similar products.

McKinsey expects the U.S. PPE market to expand at nearly 13% per annum through 2024, driven by ongoing “heightened health and safety measures.” According to McKinsey, sales of respiratory protection will be the fastest growing segment of the PPE space.

Anticipated U.S. PPE Market Growth



Source: McKinsey & Company

Even with inoculation rates on the rise, consumer demand for face masks and other PPE products is expected to remain strong, as the risk of contracting the COVID-19 virus persists. Currently, only about 14% of people nationwide in the U.S. and less than [1%](#) globally have been fully vaccinated, according to the New York Times, with a “striking divide” from one country to another. Although higher portions of the population inoculated against COVID-19 would enable some resumption of pre-pandemic activity, health agencies and medical professionals are likely to recommend the wearing of PPE even after the inoculation rates have increased, in our view.

Moreover, some people are reluctant to get a vaccine (*vaccine hesitancy*) due to the fear of taking a relatively new vaccine and other factors. According to [NCBI](#), vaccine hesitancy stems from a number of factors, including the lack of trust in public health agencies.

In addition to offering protection against current COVID-19 strains, emerging coronavirus variants create new challenges. There are multiple structural protein parts of the SARS CoV-2 virus, including Spike (S), Membrane M, and coronavirus envelope E targets. Reflecting many of these risks, the company believes that a portion of the population is likely to wear masks on a regular basis.

The company believes the stigma of wearing masks is over and that face masks have become a permanent need for many people, even if they are no longer worn as frequently as they have been at certain periods during the pandemic. BOMH believes that the permanent placement of its PPE products in the cold and flu sections at CVS supports this view. Moreover, the results of a recent Harris survey the company commissioned also support the view that consumers intend to wear face masks even after herd immunity has been achieved, with many respondents noting a preference for PPE and other products that incorporate silver nano technology.

MANAGEMENT

CEO

Michael Quaid has been BOMH's CEO since it was formed in August 2019. He has extensive experience in the financial services sectors. He was formerly an executive at S.G. Warburg, and partner and head of risk mgmt. at Chicago-based hedge fund, KCCO. He co-founded Boomer Naturals in 2019 and is largely responsible for formulating the company's major licensing partnerships, including with PGA magazine and PVT. From January 2013 to December 2018, he was the majority owner and Managing Director of Typhoon FX trading platforms. From 1991-1995, he headed European Derivatives for S.G. Warburg & Co. in London. At earlier points in his career, he served in various financial engineering roles at Itel Corporation and was an auditor with Arthur Young & Co.

Director of Accounting and Finance

Director of Accounting and Finance Jack Vukasin has more than 30 years of experience in accounting, finance and operations. Has held roles ranging from VP of finance to comptroller and, in his various senior positions, has been instrumental in helping companies accomplish M&A transactions and reorganizations, among other initiatives.

COO

COO Giang Thi Hoang is a former marketing and public relations executive, with more than 14-years of experience. Before joining BOMH in 2019,, she worked at Vietnam Eximbank, where she had direct reporting responsibility to the company's CEO. She is responsible for BOMH's international and domestic supply chain, overseeing procurement from the company's Vietnamese supplier, as well as managing other supply contracts with domestic and international producers.

Insiders collectively own more than 80% of BOMH shares, making BOMH a controlled company.

RECENT RESULTS AND FINANCIAL OUTLOOK

BOMH attributes its strong revenue growth in recent quarters to its expanded product line. In BOMH's quarter ended October 2020, net sales advanced by \$28.6 million from only about \$0.2 million in the prior year comparable quarter, primarily reflecting increased revenue from PPE products. COGs increased by \$9.2 million from \$0.1 million. OpEx grew multifold to \$11.6 million from \$1.5 million, reflecting higher advertising and marketing related to PPE and Boomer Botanics wellness products, and expanded personnel to support the company's growing business, as well as higher external consulting and professional services. As of October 31, 2020, BOMH had notes payable of \$1.5 million and \$3.4 million of short-term debt.

Boomer expects that wholesale and e-commerce revenue could reach at least a combined \$125 million in fiscal 2022 (year-ending January 2022). Moreover, management expects that more than 90% of incremental e-commerce sales will be generated by its growing line of non-PPE products such as Vietnamese coffee and silver-infused apparel and bedding, among other merchandise.

VALUATION

The company is optimistic about its plans to leverage the relationship with its Vietnam merchandise supplier PVT and expand into complementary product lines, particularly emphasizing the e-commerce channel to attain distribution and operating efficiencies. While it is difficult to know the revenue arc for BOMH new products at this early stage of the company's strategy, the company's forecast is that revenue can reach at least \$125 million in the upcoming fiscal year, as noted, and additional revenue from the emerging Boomer Vietnam unit additive to that.

Although not directly comparable to BOMH, we believe the price-to-sales multiples of certain other public specialty wellness retailers of about 1x to 3x TTM revenue can provide a valuation benchmark. If BOMH can attain at least \$123 million in forward revenue, this would imply a market capitalization of about \$246 million at a 2x multiple, up from approximately \$47 million currently. Discounting back at 10% per annum for comparability to a TTM multiple would, in turn, imply a share price of about \$1.40.

However, in the *near-term*, we do not expect BOMH to attain the multiple that the other, more established and better known companies have. Nevertheless, as the company continues to boost awareness of the brand and the business strategy advances, if BOMH can execute its strategy successfully we would anticipate multiple expansion. In success, we therefore think we could see the shares attain a near-term 1.3x multiple of sales. Under the same methodology noted above, this would imply a valuation of about \$0.95 per share.

Any delay or failure in successful execution of the strategy could cause the share price to decline and represent a potential risk to our valuation but we believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon. In our view, BOMH shares represent an option on management's ability to continue to execute its growth strategy.

RISKS

We believe risks to BOMH achieving its goals, and to our valuation, include the following, among others.

- Among the biggest risks, in our view, is that the Boomer does not gain market share as quickly as the company expects in new product verticals, which leads to slower than anticipated revenue ramp.
- The company might not gain traction through its new sales channels as quickly as it expects.
- Pressure on PPE sales could exceed management expectations.
- The company could incur unanticipated costs associated with its product roll-out strategy and for marketing to promote its new product lines.
- Additional wholesale partnerships the company anticipates might take longer than expected to close or might not close at all.
- Competition could increase.
- The company might need to raise capital to support its strategy that might be dilutive to current shareholders.

RECENT NEWS

- Boomer published a new investor presentation in March outlining its near-term strategy.
- On January 29, 2021, the company's board elected to change the fiscal year from July 31 to January 31.
- On December 22, 2020, the company announced that it had uplisted to the OTCQB Venture Markets.
- BOMH announced 1Q 2021 results and provided a business update on December 16, 2020.

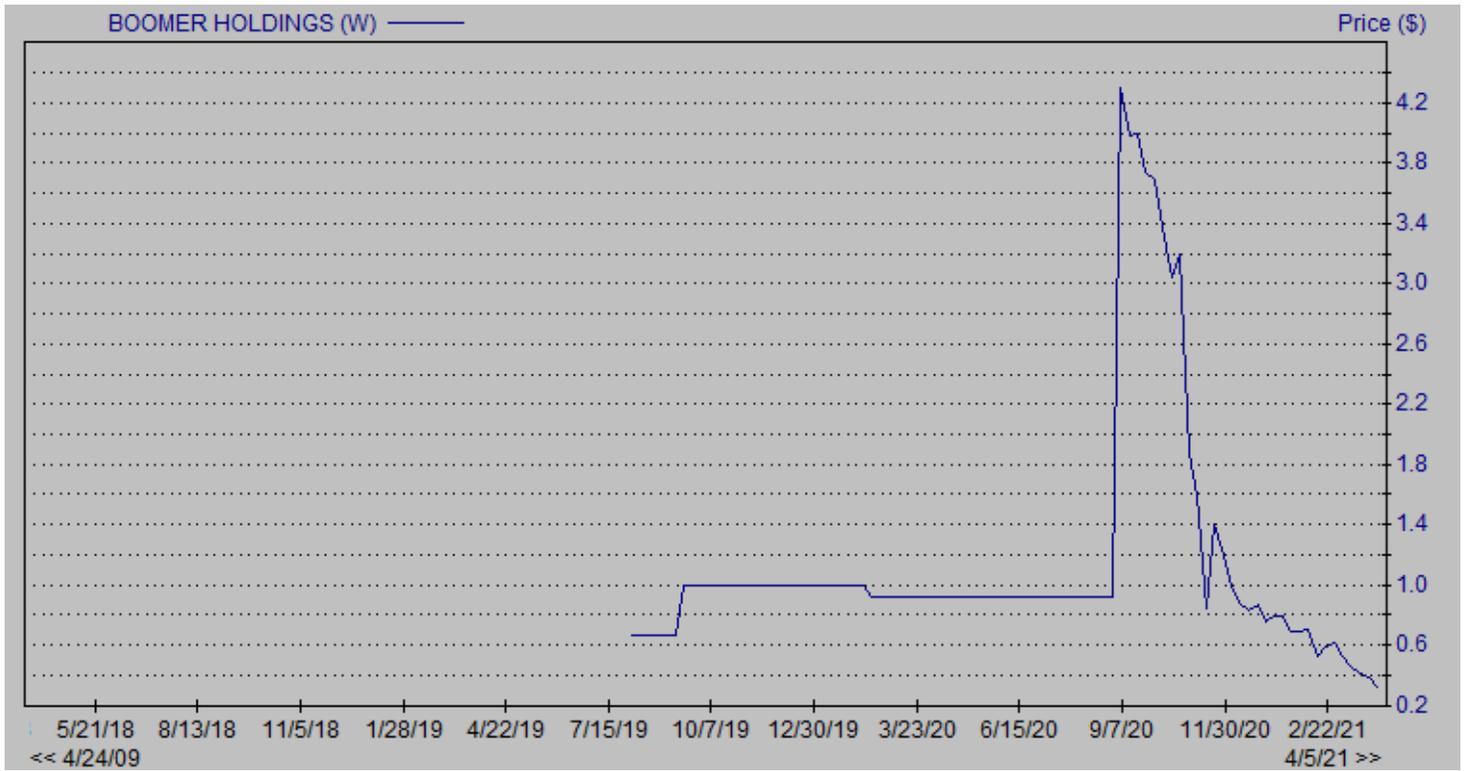
PROJECTED FINANCIALS

Boomer Holdings \$ (FY Ends January)

	Oct-19	Jan-20	Apr-20	Jul-20	Oct-20 A	Jan-21 E	FY 2021 E	Apr-21 E	Jul-21 E	Oct-21 E	Jan-22 E	FY 2022 E
Net revenue	174,144	253,419	1,249,373	9,795,635	28,844,708	29,421,602	69,311,318	30,010,034	30,610,235	31,222,440	31,846,888	123,689,597
Cost of goods sold	85,471	67,916	782,982	2,951,806	9,249,482	10,003,345	22,987,615	10,803,612	11,019,685	11,240,078	11,464,880	44,528,255
Gross profit	88,673	185,503	466,391	6,843,829	19,595,226	19,418,257	46,323,703	19,206,422	19,590,550	19,982,361	20,382,009	79,161,342
Advertising and marketing	259,085	380,568	427,743	12,765,191	6,638,805	7,966,566	27,798,305	9,559,879	10,133,472	10,336,141	10,542,864	40,572,357
General and administrative	556,090	(25,384)	552,904	2,770,786	2,285,851	2,331,568	7,941,109	2,471,462	2,520,891	2,571,309	2,622,735	10,186,398
Payroll and payroll taxes	215,079	689,105	662,656	862,546	1,497,751	1,527,706	4,550,659	1,558,260	1,589,425	1,621,214	1,653,638	6,422,537
Professional fees	292,064	675,318	582,875	424,103	1,012,471	1,032,720	3,052,169	1,053,375	1,074,442	1,095,931	1,117,850	4,341,598
R&D	12,455	4,030	539	-	-	-	539	-	-	-	-	-
D&A	4,508	3,790	11,536	8,390	8,500	8,670	37,096	8,843	9,020	9,201	9,385	36,449
Rent	121,259	76,836	144,910	281,877	167,671	171,024	765,482	174,445	177,934	181,492	185,122	718,994
Total operating expenses	1,460,540	1,804,263	2,383,163	17,112,893	11,611,049	13,038,255	44,145,360	14,826,265	15,505,185	15,815,289	16,131,595	62,278,333
Income (loss) from operations	(1,371,867)	(1,618,760)	(1,916,772)	(10,269,064)	7,984,177	6,380,003	2,178,344	4,380,157	4,085,365	4,167,073	4,250,414	16,883,009
Interest expense	(14,485)	(70,105)	(91,274)	(167,194)	(475,733)	(513,792)	(1,247,993)	(575,447)	(581,201)	(581,201)	(587,013)	(2,324,862)
Other	300	1,190	1,790	(48,537)	(11,324)	(10,758)	(68,829)	(11,618)	(11,735)	(11,735)	(11,852)	(46,940)
Total other expense, net	(14,185)	(68,915)	(89,484)	(215,731)	(487,057)	(524,549)	(1,316,821)	(587,065)	(592,936)	(592,936)	(598,865)	(2,371,802)
Pretax income (loss)	(1,386,052)	(1,687,675)	(2,006,256)	(10,484,795)	7,497,120	5,855,453	861,522	3,793,092	3,492,430	3,574,137	3,651,549	14,511,208
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	(1,386,052)	(1,687,675)	(2,006,256)	(10,484,795)	7,497,120	5,855,453	861,522	3,793,092	3,492,430	3,574,137	3,651,549	14,511,208
Earnings (loss) per share:	(\$0.01)	(\$0.01)	(\$0.02)	(\$0.08)	\$0.05	\$0.04	\$0.00	\$0.03	\$0.02	\$0.03	\$0.03	\$0.10
Avg shares outstanding	118,879,657	121,820,180	128,513,739	129,188,860	141,584,014	141,684,014	135,242,657	141,784,014	141,794,014	141,804,014	141,814,014	141,799,014
COGs % revenue	49%	27%	63%	30%	32%	34%	32%	36%	36%	36%	36%	36%
Gross margin	51%	73%	37%	70%	68%	66%	67%	64%	64%	64%	64%	64%

Source: Company reports, Zacks estimates

HISTORICAL STOCK PRICE



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