

American Rebel Holdings

14:00 01 Feb 2019

American Rebel builds a patriotic brand by embracing its connection to the heartland

Most celebrities focus on representing other brands and entrepreneurs' ideas. Only a handful get into the driver's seat to become entrepreneurs in their own right.

Among this enterprising sprinkling is singer/songwriter/TV personality Andy Ross, who has transformed himself into a serial entrepreneur.

The flamboyant Nashville country music star has hosted Maximum Archery and other popular TV shows for 12 years. He is also well-known in the archery world as the founder of Ross Archery, ranked the world's fastest-growing bow manufacturing company in 2007 and 2008, according to trade magazines.

Ross is now channeling his star power to grow his current venture, American Rebel Holdings Inc (OTCMKTS:AREB), into a patriotic brand by embracing a connection with the American heartland.

Ross saw a market opportunity in the concealed carry wave with resurging interest in personal safety, particularly among females and younger populations. American Rebel's initial product offering is a stylish celeb-powered collection of concealed carry products, which were launched at the National Rifle Association's annual meeting in 2017.

Genesis in Nashville

The company is named after Ross' spirited, patriotic hit song "American Rebel" featured on his third album Time to Fight released in 2016.

"A friend of mine said, 'Andy, you know that song "American Rebel?" I said 'Yeah.' He said 'That's your brand, that's you! American Rebel — patriotic, entrepreneurial, and no nonsense!' I later said to my manager, 'How about we start a company and call it American Rebel?' That seems to be the anthem we've created," Ross told Proactive Investors.

The company is a progression of the Nashville singer's many passions, including sports and hunting. Ross supports gun rights and the Second Amendment.

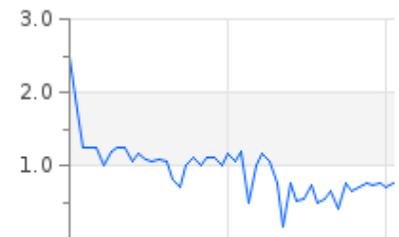
American Rebel has identified the market opportunity to design, manufacture, and market stylish coats and backpacks to hold concealed weapons. The items range in price between \$69 and \$200.

"A lot of young people, including women, would be comfortable carrying guns if they could carry them discreetly," said Ross. "I decided to design and bring to market a line of concealed carry products to give people easy access to a handgun while keeping them concealed and safe."

Price: US\$0.75

Market Cap: US\$22.35M

1 Year Share Price Graph



March 2018 September 2018 February 2019

Share Information

Code: AREB

Listing: OTC

52 week High Low
\$2.50 \$0.15

Sector: Consumer Services

Website: www.americanrebel.com

Company Synopsis:

American Rebel Holdings, Inc. engages in developing various products in the self-defense and patriotic product areas. It focuses on designing, manufacturing, and marketing concealed carry backpacks under the American Rebel brand name. The company sells its products directly to consumers on its own and other Websites, as well as sells wholesale to retailers. American Rebel Holdings, Inc.

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American Rebel's products are made for gun owners with concealed carry permits for self-defense purposes. Most Americans who carry guns will probably never use them, but they want to feel safe and prepared, surveys show.

Sales on a tear

American Rebel, which has offices in Nashville, Tennessee and Kansas City, said it smashed its November sales record on Amazon.com Inc's (NASDAQ:AMZN) website, which included record Black Friday and Cyber Monday sales.

In percentage terms, American Rebel sales for the month of December at Amazon were 77% higher than the company's November sales.

Sales nearly tripled over a nine-month period in 2018 compared with the same period a year ago, filings show.

Utilizing currently available inventory and products under development, the company reaches profitability in 2020, easily surpassing \$8.9 million in annual revenue, according to a company business plan.

American Rebel's coats and backpacks are getting traction as they are not the stock camo print and neon concealed carry product of its competitors.

The company's bestselling large pack available in six different colors features an isolated pocket for an optional ballistic panel insert and one large main compartment with many smaller compartments and pockets.

READ: American Rebel on a hot streak, nearly doubles December sales at Amazon

"Most of our competition is making products that kind of look like you are on your way to the gun range," said Ross. "If a man wears a suit and tie every day, he's not going to buy a jean jacket just because it allows him to conceal. You have to give him a sleek coat that matches his style."

Sales were evenly distributed among the company's Freedom Concealed Carry Backpacks, Men's Defender Concealed Carry Coats and Men's Cartwright Concealed Carry Coats.

American Rebel has introduced the Men's and Women's Freedom Lightweight Concealed Carry Jackets and the Women's Lightweight Freedom Concealed Carry Hoodie on its website, americanrebel.com, and will soon be adding these new products to its offerings on Amazon.

The market opportunity

In 2011, the Government Accountability Office estimated that at least eight million concealed carry permits have been issued.

PolitiFact, a fact-checking website, suggests the number has climbed into the 12 million range since then. Dr John R Lott, president of the Crime Prevention Research Center, says 12 million is a low estimate as this figure doesn't encompass people that legally carry firearms. Thirteen states have now adopted laws that allow residents to legally carry concealed weapons without permits. These "permitless" carry states tend to have lower numbers of carry permits issued annually, despite the fact that many more residents legally carry thanks to "Constitutional Carry" laws.

The concealed carry product market is currently estimated at nearly \$1 billion in annual sales, according to a company business plan.

Tapping into trade shows

The company sells its products through its website and Amazon. However, it also selects a handful of high-impact trade shows and markets tirelessly and strategically year-round.

American Rebel is a regular at trade shows like the NSSF SHOT Show in Las Vegas, the NRA Great American Outdoor Show in Harrisburg, Pennsylvania, the NBS Spring Semi-Annual Market Show and the Iowa Deer Classic.

This puts the American Rebel brand squarely in front of its target market of gun-rights supporters. A number of these events are industry-only trade shows where sports industry people gather to showcase new products and network.

"People have always responded to our brand at trade shows and we have focused our energies at replicating that response on social media and on our website," said Ross.

Diversifying into the safe business

This year, the company is expanding its business by offering large floor safes, wall safes and personal safes.

"American Rebel products keep you concealed and safe inside and outside the home," says Ross. "We've now got a safe way for our customers to properly stow their firearms at home. This is a logical expansion for us. We are offering safes that can withstand tampering, fires and keep valuables safe."

American Rebel's safes are made of strong materials and have a digital keypad to lock it. The high-tech fire and burglary-rated safes are meant to protect important personal documents, gold, valuables and firearms from theft, fire and natural disasters.

"We've filed for patents for some unique technology, fingerprint technology that is going into our safes," said Ross.

A lot of American Rebels' safes are made in the US, a rarity these days because most everything is manufactured in China.

Improving disposable incomes and rising gun purchases have spurred purchases of safes and vaults by households. The safe manufacturing industry grew by 1.2% to reach revenue of \$494 million in 2017, according to market research firm IBISWorld.

Legislation in state governments is also spurring growth as 11 states have laws concerning firearm locking devices and five of the 11 states also set standards for the design of locking devices or require them to be approved by a state agency for effectiveness.

Building a patriotic brand

The short-term plan for American Rebel is to grow its concealed carry line, which is doing brisk sales. The company is

also expanding into a nearly \$500 million market for safes and vaults.

"As the company grows, we are looking at licensing opportunities to license the brand and invite companies to be a part of our patriotic family," said Ross. "I want to see tennis shoes, wheelbarrows, tools, and certainly an American Rebel beer!"

For American Rebel, the colors of red, white and blue define every initiative and marketing campaign it launches. It is building its brand identify based on the concept of patriotism.

"We believe in the fundamentals of our Constitution and we are building a brand for like-minded people. We are building a lifestyle brand. Harley-Davidson Inc (NYSE:HOG) is a lifestyle brand. Levis Strauss & Co is a lifestyle brand," said Ross.

"One day I want little Susie to say 'Mom, what does dad want for Father's Day?' and her mom says, 'Anything from American Rebel.' We are building more than a company, we are building a lifestyle brand."

Investment Case

Clearly, Ross is riding the patriotic brand and concealed carry wave and early investors will be rewarded as American Rebel uplists.

"Our goal is to do an uplisting as soon as possible. We are OTCQB and fully reporting," said Ross. "We believe the expansion of the concealed carry line and the additional growth from our safe business will put us in a position to do an uplisting quickly."

In 2004, Ross founded and took public Digital Ally Inc (NASDAQ:DGLY), which produces and sells digital video imaging and storage products for use in law enforcement. Digital Ally also makes body-worn video camera systems, in-car video cameras and VuVault.com, a digital evidence management platform.

"We've done it before, there's a track record out there. Nasdaq-listed Digital Ally's been in business for nearly 20 years," said Ross.

Ross says he got his entrepreneurial spirit from his father, Bud Ross. When Bud was playing in rock-n-roll bands in the early 1960s he became tired of amplifiers breaking down, so he taught himself about electronics and founded Kustom Electronics in Chanute, Kansas in 1964. The company became one of the world's largest makers of sound equipment. Kustom amps were used by The Grateful Dead, Creedence Clearwater Revival, Johnny Cash and many others. In 1981, Bud Ross also founded Birdview Satellite, which made home satellite systems which became wildly popular in rural America.

"When someone tells me I'm a chip off the old block, that's the greatest compliment anyone could ever give me," said Ross.

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