

SGI Europe

Sporting Goods Intelligence

News and analysis of the international market

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PUBLICATIONS**Potential supply chain constraints may hamper Under Armour's progress**

The EMEA was the shining region for **Under Armour** in both the fourth quarter and the full year 2021. In the final period ended Dec. 31, the company's EMEA revenues rose by 23 percent on a currency-neutral basis to \$200.2 million, driven mostly by wholesale gains, lifting the operating margin by 1.7 percentage points to 12.1 percent. For the full year, the operating profit jumped by nearly 119 percent in the EMEA region to \$132.6 million, or 15.7 percent of sales, which increased by 40.8 percent to \$842.5 million, driven by nearly 50 percent growth in wholesale and continued momentum in DTC.

Overall, Under Armour reported an 8.9 percent revenue increase to \$1.53 billion in the final period, generating a 54 percent improvement in operating earnings to \$86.1 million. The gross margin rose by 1.3 percentage points to 50.7 percent, aided by 3.5 percentage points from better pricing and 0.9 points from lower restructuring charges, but pulled down by a negative 1.9 percentage points from higher freight expenses and other Covid-related impacts.

Higher full-price sales helped the company raise its wholesale revenues by 16 percent in the quarter after exiting about 2,500 off-price stores. DTC revenues rose by 10 percent with gains of 14 percent in the company's physical stores and 4 percent in e-commerce, which represented about 20 percent of the total turnover. The company spent an estimated \$200 million on marketing during the holiday season quarter. The bottom line for the quarter showed a net

profit of \$109.6 million, 41 percent below the level of the year-ago period, when the company booked an extraordinary gain of \$178.6 million from the sale of **MyFitnessPal**.

Full-year revenues rose by 27.0 percent to a record of \$5,683 million, leading to operating income of \$486.3 million, or a ratio of 8.56 percent of sales. North America contributed the highest operating margin at 25.5 percent, Asia-Pacific at 16.0 percent, EMEA at 15.7 percent and Latin America at 11.5 percent. Net earnings of \$360.1 million for the year compared with a net loss of \$549.2 million in 2020, which came after more than \$500 million in restructuring charges.

Wholesale and DTC went up by 36 percent and 26 percent last year, respectively, with online sales accounting for about 16 percent of total revenues. The company's annual apparel sales rose by 33.3 percent to \$3.84 billion, with the segment's fourth-quarter results driven by training and outdoor. Footwear sales improved by 35.3 percent to \$1.26 billion for the year and were 17 percent higher in the final period on strength in running and training. Sales of accessories went up by 11.5 percent to \$461.9 million but were down 27 percent in the fourth quarter due to planned lower sales of sports masks. Annual licensing revenues grew by 6.5 percent to \$112.6 million.

Pointing to a record year-end cash-on-hand total of \$1.7 billion, Under Armour's CEO, **Patrik Frisk**, said that the company remains "both confident and cautious in this operating environment." But market concerns over the brand's supply chain woes possibly lingering into the summer instead of ending sometime in the spring sent Under Armour shares down by more than 3.6

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Under Armour - Income Quarter ended Dec. 31 (\$ thousands)

	2021	2020	% change
Net revenues	1,529,205	1,403,766	8.9%
Cost of goods sold	753,272	710,144	6.1%
Selling, general and admin. expenses	675,666	585,778	15.3%
Income (loss) from operations	86,131	55,846	54.2%
Interest expense	7,595	15,008	-49.4%
Other income	24,037	178,646	-86.5%
Pre-tax	102,573	219,484	-53.3%
Tax (benefit)	(6,798)	34,690	—
Net	109,657	184,454	-40.6%

Year ended Dec. 31 (\$ thousands)

	2021	2020	% change
Net revenues	5,683,466	4,474,667	27.0%
Cost of goods sold	2,821,967	2,314,572	21.9%
Selling, general and admin. expenses	2,334,691	2,171,934	7.5%
Income (loss) from operations	486,290	(613,438)	—
Interest expense	44,300	(47,259)	—
Other income (expense)	(51,113)	168,153	—
Pre-tax	390,877	(492,544)	—
Tax (benefit)	32,072	49,387	-35.1%
Net	360,060	(549,177)	—

Source: Under Armour

Under Armour - Net revenues by Region Quarter ended Dec. 31 (\$ thousands)

	2021	2020	% change
North America	1,063,290	923,731	15.1%
EMEA	200,203	161,156	24.2%
Asia-Pacific	217,223	230,811	-5.9%
Latin America	44,045	56,252	-21.7%
Corporate other	4,444	31,816	-86.0%
Total	1,529,205	1,403,766	8.9%

Year ended Dec. 31 (\$ thousands)

	2021	2020	% change
North America	3,810,372	2,944,978	29.4%
EMEA	842,511	598,296	40.8%
Asia-Pacific	831,762	628,657	32.3%
Latin America	195,248	164,825	18.5%
Corporate other	3,573	137,911	-97.4%
Total	5,683,466	4,474,667	27.0%

Source: Under Armour

understand capacity issues and cancel purchase orders for production, subsequently terminating orders with less important clients to avoid having products being delivered late. Like some of its competitors, Under Armour intends to raise some prices this year, but the approach will be more surgical than across-the-board.

The company's CFO, **Dave Bergman**, told analysts that Under Armour will spend more on air freight during the current transition quarter and for the first two quarters of fiscal 2023 - a factor that will impact gross margins - but the issue should subside in the second half of fiscal 2023.

Under Armour has lowered the budget for its 2020 restructuring plan to a cost ranging from \$525 million to \$550 million from a previous \$525-575 million range. It has recognized \$514 million in pre-tax charges to date, only \$138 million cash-related. Any remaining charges related to the plan will be taken in the April-June 2022 period.

Entering new markets, Champion could become a \$3.2 bn brand

Champion plans to enter new regions, including several key new markets in Eastern Europe and the Middle East, contributing to a new forecast from parent company **Hanesbrands** that the brand will reach \$3.2 billion in annual sales by 2024, above the \$3.0 billion target it projected last May.

Building upon a strong performance in the year-ago period, Champion's sales increased by 10 percent globally in the fourth quarter of 2021, with a 21 percent increase in the U.S. and strong progress in Europe, the Americas and Australia, plus the addition of new partners in China. Compared to the pre-pandemic fourth quarter of 2019, Champion's sales were up by 25 percent, with gains of 33 percent in the U.S. and 15 percent elsewhere. For the full 2021 financial year, Champion's sales of around \$2 billion were 20 percent higher than in 2019.

Champion recently entered the South African market. It also opened new stores and gained space in the shops of its wholesale partners. It expanded

percent before Wall Street's opening bell the next day.

The company's present quarter, ending March 31, will be a transition period since Under Armour's new fiscal year 2023 will commence on April 1. The current outlook for the quarter now calls for operating income of \$30-35 million on a revenue increase in the mid-single digits versus prior guidance for a low-single-digit gain. The projection includes revenue headwinds related to reductions in Under Armour's SS22 wholesale order book due to supply constraints

related to ongoing pandemic impacts, which will result in about 10 percent of outstanding orders being canceled.

Longer-than-usual transit times, backlogs, and higher freight and logistics costs are predicted to continue into fiscal year 2023, but Under Armour senior executives say the company will be both cautious and agile as it has been thus far.

To protect the brand's premium DTC business and the company's top wholesale accounts, senior executives have already worked with vendors to

into new categories and added some innovative products. For example, **Champion Europe** introduced the use of natural dying derived from organic sources for a line that will be distributed more widely.

The group's management indicated that Champion is "going to get aggressive" in the women's market through its *"Be Your Own Champion"* campaign. It is also aiming for a stronger presence in the kids' segment.

Hanesbrands' total revenues grew by 4 percent to \$1.75 billion in its fourth quarter ended Jan. 1. They would have risen by 9 percent, excluding adverse currency exchange rates and the non-recurrence for its personal protective equipment program. On a comparable basis, including also the discontinuation of its European innerwear business, Hanesbrands' turnover was 14 percent higher than in the fourth quarter of 2019.

The group's net earnings for the quarter were \$60.0 million, compared to a loss of \$332.2 million in the year-ago period. Excluding a big inventory writedown, restructuring charges and other extraordinary items, the adjusted net income from continuing operations showed a gain of 5.4 percent to \$155.7 million.

Sales outside the U.S. rose by 7 percent on a comparable basis, including a Covid-related decline in Japan, but the operating margin improved by 1.4 percentage points to 19.1 percent, outperforming the 16.9 percent margin reached in the U.S.

Globally, increased transportation costs intended to ensure on-time deliveries caused the gross margin to decline by 1.95 percent to 38.4 percent on an adjusted basis. The adjusted net income for the period reached \$156 million, up from \$148 million a year ago and \$142 million two years earlier.

For the full financial year, Hanesbrands booked a net profit of \$77.2 million against a loss of \$75.7 million in 2020, but the adjusted net income from continuing operations showed a 30 percent increase to \$644.7 million. Sales grew by 11 percent to \$6.8 billion, and they are now expected to hit a level of \$8.0

billion by 2024, up from a previous forecast of \$7.4 billion.

The group's management admitted that higher prices will partly contribute to achieving its new targets, feeling that it has the pricing power to effectively offset the majority of the expected cost increases, thus helping to maintain margins.

Performance running paced Asics' gains in 2021

Driven by a 31 percent increase in annual sales of performance running shoes, **Asics** generated revenues of more than 400 billion yen for the first time in four years in 2021. And the Japanese company's annual operating income topped 20 billion yen for the first time since 2016.

Net sales for 2021 were up by 22.9 percent to 404.0 billion yen (€3.11bn-\$3.68 bn), as both China and North America posted increases of 30 percent. European revenues rose in terms of yen by 22 percent year-over-year and by 12 percent from 2019 to reach ¥106.6 million (€819.6m-\$971.0 m), with performance running accounting for more than 67 percent of the region's topline.

In terms of euros, **Asics EMEA's** consolidated revenues went up by 13.7 percent, with gains of 27 percent in Italy, 24 percent in Iberia, 19 percent in Germany, 18 percent in South Africa and 16 percent in France. Revenues from e-commerce rose by 16 percent as compared to 2020. The regional operating income improved by 121.8 percent to €83.1 million.

Asics EMEA stressed that the brand remained in the No. 1 position in both running and tennis footwear in the region, according to the **NPD Group**. In the five major European countries, its share of the performance running shoe market in the €90-plus category increased to 33 percent, the company noted.

Asics' operating profit in the performance running segment jumped worldwide by 17.7 percent to ¥42.6 billion (€340.8 mn-\$405.7 mn) last year, lifting the profit ratio to 20.5 percent, as Asics focused on high-margin styles while

copied with factory shutdowns. Annual segment sales jumped by 49.2 percent to ¥208.2 billion (€1.67 bn-\$1.98 bn), with double-digit growth in Europe, Japan, North America, and Greater China. In the fourth quarter, the segment's sales rose at a lower rate of 8.3 percent due to the suspension of some factory operations.

Asics' bottom line showed a net profit of ¥9,402 million (€70.7m-\$81.2m) for the year, compared with a net loss of ¥16.1 billion in 2020. The annual operating income of ¥21.9 billion (€168.4m-\$199.5m) compared with a loss of ¥3.95 billion in the prior year, as the gross margin rose by three percentage points to 49.5 percent.

Asics is currently forecasting further sales and operating income gains at the global level this year. It expects production disruptions to continue during the first quarter. Annual revenues are projected to rise by 3.9 percent to ¥420 billion (€3.16bn-\$3.63bn), with the expected operating income jumping by 4.8 percent to ¥23 billion (€184.0 mn-\$219.0 mn), despite ongoing high logistics costs and "continuing aggressive investment in marketing."

Among its annual projections by category, performance running sales are forecast to increase by 7 percent in 2022 to ¥223.0 billion (€1.78 bn-\$2.12 bn). Core performance sports are projected to be essentially flat at ¥41.5 billion (€332.0 mn-\$395.2 mn), despite global market share gains in tennis and indoor sports. Sales of **Onitsuka Tiger** branded products are projected to increase by 15 percent to ¥44.5 billion (€356.0 mn-\$423.8 mn). The Sports Style segment is expected to increase by 4 percent, while apparel and equipment are seen inching up jointly by 1 percent.

New CEO as Peloton's wheels are no longer spinning in place

The business of **Peloton Interactive** took a wild ride that will undoubtedly alter the leading connected fitness brand's course in the months ahead. Under fire from investors such as **Blackwells Capital**, which issued a detailed 65-page report on the

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company's metrics and shortcomings, Peloton announced numerous important changes on the same day as it reported a meager 6 percent increase in second-quarter revenues to \$1.13 billion that missed Wall Street projections by \$10 million. Saddled by heavy extraordinary charges, the overall business generated a net loss of \$439.4 million for the quarter against a profit of \$63.6 million a year earlier.

To help accomplish its much-needed turnaround, Peloton announced a slashing of its workforce by 2,800 or 31 percent; the winding down of plans for a North American manufacturing operation and a move to third-party contractors; a cut in the number of its warehouses; and a reorganization of its executive suite. The company said these moves would result in at least \$800 million in annualized expense savings and help improve its gross margin. Peloton's cost trimming will also include changes in the marketing spend, the real estate strategy and a "more tightly controlled outside services spend."

In the boardroom, **Barry McCarthy**, a former CFO for **Netflix** and **Spotify**, is taking over as CEO to replace the company founder, **John Foley**, who will transition to executive chairman. Foley's wife, **Jill**, will lose her position as head of apparel. Joining the board of directors will be **Angel Mendez**, a reputed supply chain expert who is currently executive chairman at a supply chain management firm, **LevaData**, and **Jonathan Mildenhall**, a co-founder of the **TwentyFirstCenturyBrand** and a former CMO for **Airbnb**. **William Lynch** will resign as president of Peloton and become a non-executive director. One of the current directors, **Erik Blachford**, will leave the board.

The company is currently guiding for revenues of \$3.7-3.8 billion and an adjusted Ebitda loss of \$625-675 million in the fiscal year ending June 30, compared with previous projections for an adjusted Ebitda loss of \$425-475 million on sales of \$4.4-4.8 billion. The growth in the number of subscriptions will slow down markedly, setting a year-end target of 3.0 million.

In its second quarter ended Dec. 31, Peloton's **Connected Fitness** subscriptions rose by 66 percent year-on-year

to 2.77 million, leading to 73 percent higher segment revenues of \$337.5 million, with an improvement in the gross margin of 7.6 percentage points to 67.9 percent. The number of paid digital subscriptions for those not using Peloton's **Bike** and **Treadmill** products increased by 38 percent to 862,000. Total memberships for its various workout regimens surpassed 6.6 million. Still, the actual number of workouts tumbled to a monthly average of 15.5 from 21.1 a year ago, as more users have preferred going more frequently to the gym.

Product revenues fell by 8 percent to \$796.4 million in the quarter, with the gross margin plunging to only 6.4 percent from 35.3 percent a year earlier due to price reductions, combined with rising material, parts and shipping costs.

Blackwells did not mince its words in its examination of Peloton's issues, most notably pointing out that the company's negative 76 percent return on investment was the worst of any company in the **Nasdaq 300 Index** in 2021. It also cited Peloton's failed execution on its \$431-million acquisition of **Precor** and its lagging apparel business. A slide citing a presentation made last month by **BMO Equity Research** says, "We've been discussing the fact that management has been pitching long-term excitement while selling over \$700 million in shares since September 2020." Still, the activist investor added its belief that the company's disruptive business model would be extremely attractive to technology, streaming, media, meta-verse and sportswear companies that are interested in the rapidly growing health and wellness category. As for the executive changes made by Peloton, Blackwells said, "a new competent management team will need 6-12 months to assess problems and another 1-2 years to fix them."

More details on our website.

XXL starts 2022 with a sales dip after 9.4% growth in Q4

XXL ASA said its revenues declined in January by around 20 percent to 720 million Norwegian kroner (€71.5m), after a "record-breaking" January

2021, as the Nordic sports retailer's monthly sales performance was conditioned by less favorable winter sport conditions in most of the Nordic region as well as an earlier start in moving seasonal merchandise between December and January.

The dip in sales came after XXL resumed growth in the fourth quarter of 2021. Led by gains in the Swedish market, the recovery came amid good winter conditions and improvements in the supply chain after delays in deliveries of bicycles had hit the company's results in previous quarters. Total revenues grew in the latest quarter by 6.3 percent to 2,734 million Norwegian kroner (€271.6m), with an increase on a comparable basis of 9.4 percent.

The quarterly net income fell sharply to NOK 3 million (€297,996) from NOK 13 million the year earlier, following write-downs of NOK 123 million (€12.2m) on XXL's Austrian operations and NOK 13 million (€1.3m) on two Swedish stores that are expected to close shortly. Excluding the write-downs, the company's net profit would have risen to NOK 139 million (€13.8m).

Revenues from e-commerce went up by 8.6 percent to NOK 696 million (€69.1m), representing 25.5 percent of total revenues. E-commerce is "where the growth is to come – and big – in the years to come," said **Pål Wibe**, CEO, in a conference call on the results. XXL claims to be the No. 1 site for sports and outdoor products in the Nordics, citing 150 million visits to its websites in 2021 and noting that its online turnover has been growing at an average annual rate of 34 percent since 2014.

At the same time, XXL has been striving to improve the in-store experience, for example by completing the launch of Fit Stations and the first stage of a program of installing electronic shelf labels, combined with the rollout of RFID chips. The company has signed leases for one more store in Norway and two in Sweden.

In the fourth quarter, XXL's gross margin widened by 1.7 percentage points to 42.1 percent, with the management crediting good price management as well as "disciplined and optimized" Black Week campaigns. The Ebitda

XXL - Consolidated Income

Year ended Dec. 31 (NOK millions)

	2021	2020	% Change
Norway	4,873	4,987	-2.3
Sweden	2,961	2,974	-0.4
Finland	1,744	1,950	-10.6
Denmark	20	27	-25.9
Austria	409	484	-15.5
NET REVENUES	10,006	10,423	-4.0
Cost of goods	5,923	6,519	-9.1
Personnel expense	1,886	1,863	1.2
Other operating expense	860	924	-6.9
Depreciation	810	753	7.6
Net financial expense	146	172	-15.1
Pre-tax	246	191	28.8
Tax	52	66	-21.2
NET	194	126	54.0
NOK/share (diluted)	0.77	0.57	35.1

Source: XXL

XXL - Consolidated Income

Q4 (NOK millions)

	2021	2020	% Change
Norway	1,359	1,297	4.8
Sweden	801	704	13.8
Finland	444	442	0.5
Denmark	5	6	-16.7
Austria	125	124	0.8
NET REVENUES	2,734	2,572	6.3
Cost of goods	1,583	1,532	3.3
Personnel expense	508	470	8.1
Other operating expense	240	243	-1.2
Depreciation	226	194	16.5
Net financial expense	37	76	-51.3
Pre-tax	5	57	-91.2
Tax	2	44	-95.5
NET	3	13	-76.9
NOK/share (diluted)	0.01	0.05	-80.0

Source: XXL

margin expanded to 14.7 percent from 12.7 percent, with all segments posting a positive development.

Sweden was the standout market for XXL in the fourth quarter, with sales jumping by 13.7 percent to NOK 801 million (€79.5m) and rising 18.9 percent on a comparable basis as the winter season started strongly with snow and cold weather early in December. The local Ebitda margin jumped to 15.0 percent from 11.1 percent in the year-earlier period.

Wibe said XXL had begun to take “massive market share” in Sweden towards the end of the year, benefiting from efforts carried out in the areas of category development and seasonal assortments in the country, combined with cost reduction efforts including the downsizing of stores that are considered to be too large for the market

and closing unprofitable ones. In the quarter, the market for sporting goods is estimated to have risen in Sweden by 5.9 percent, while the corresponding growth for XXL in the local currency amounted to 20.8 percent.

In Norway, XXL's quarterly revenues rose by 4.8 percent to NOK 1,359 million (€134.9m), with a growth of 5.5 percent on a comparable basis. The management highlighted strong Christmas sales, improved campaign execution and growth on a par with the overall Norwegian market after an underperformance earlier in the year. The Ebitda margin in Norway inched down to 24.2 percent from 24.6 percent the year earlier.

For its operations in Finland, XXL reported revenues of NOK 444 million (€44.1m), up by a reported 0.6 percent and by 8.1 percent on a comparable

basis, with the Ebitda margin improving to 17.1 percent from 15.1 percent.

In Austria, XXL's revenues edged up to NOK 125 million (€12.4m) from NOK 124 million in the fourth quarter of 2020, but the company reached comparable sales growth of 3.4 percent, despite a 3-week Covid lockdown before Christmas. The local Ebitda margin improved to a positive 3.5 percent from a negative 1.4 percent.

In Denmark, where XXL continues to operate solely through e-commerce, revenues fell to NOK 5 million (€496,493) from NOK 6 million and the Ebitda margin narrowed to 1.4 percent from 6.5 percent.

XXL's figures for the full year showed total revenues declining by 4.0 percent to NOK 10,006 million (€993.6m), with a drop of 2.6 percent on a comparable basis. The company indicated that sales would have been NOK 700 million higher without store closures and late bike deliveries, resulting in a small sales increase for the year excluding these negative factors. The contribution from e-commerce increased to about NOK 2.4 billion (€238.3m) from NOK 2.1 billion in 2020.

For the full year, XXL booked a net profit of NOK 330 million (€32.8m), up strongly from a net profit of NOK 126 million in 2020. The retailer's gross margin improved by 3.3 percentage points to 40.8 percent, thanks in part to healthier inventories. The Ebitda margin increased by 2.7 percentage points to 13.4 percent, with XXL reporting its best-ever Ebitda for its operations in Norway and Finland and the second-best ever in Sweden. The company turned around slightly in Austria and reported continued flat results in Denmark for the year.

Compared to the year earlier, XXL lost market share last year in Norway, Sweden and Finland, reflecting adverse impacts from supply chain problems, particularly for bikes, and an extraordinary clearance campaign that had boosted sales in the previous year. XXL's revenues in Norway for the 12-month period were off by 2.3 percent compared with an estimated rise of 5.2 percent for the market as a whole. In Sweden, XXL's sales grew by 1.7 percent versus estimated market growth

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XXL - Revenues & EBITDA margin by country

Year ended Dec. 31 (NOK millions)

	2021	2020	% Change
Norway			
Revenues	4,873	4,987	-2.3
EBITDA margin	23.7%	21.3%	2.4 pp
Sweden			
Revenues	2,961	2,974	-0.4
EBITDA margin	14.2%	10.6%	3.6 pp
Finland			
Revenues	1,744	1,950	-10.6
EBITDA margin	16.9%	13.8%	3.1 pp
Denmark			
Revenues	20	27	-25.9
EBITDA margin	5.9%	-1.3%	7.2 pp
Austria			
Revenues	409	484	-15.5
EBITDA margin	-7.7%	-1.8%	-5.9 pp
TOTAL			
Revenues	10,006	10,423	-4.0
EBITDA margin	13.4%	10.7%	2.7 pp

Source: XXL

of 5.9 percent, while in Finland, XXL saw a 6.0 percent sales decrease as compared to a 10.8 percent rise for the overall market.

On the other hand, XXL has outperformed the market in Norway and Sweden over the last two years. The market expanded by 15.8 percent in Norway between 2019 and 2021, yet XXL recorded a 17.5 percent gain over the same period. In Sweden, XXL sales have risen 12.1 percent since 2019, well above the 8.5 percent estimated gain for the market as a whole. On the other hand, in Finland, where the management says its performance is still not satisfactory, XXL's sales decreased by 4.5 percent over the two-year span, although the market as a whole grew by 9.1 percent.

JD gets fined while divesting Footasylum

JD Sports Fashion is questioning a fine of almost \$5 million (€5.9m) imposed by the British anti-trust authority for "sharing of commercially sensitive information" with **Barry Bown**, CEO of the **Footasylum** chain it acquired in May 2019. On the other hand, it confirmed that it will "continue to work constructively" with the authority on the process to divest Footasylum, in compliance with a recently confirmed order to do so, instead of appealing the authority's verdict again.

The **Competition and Markets Authority (CMA)** had first ordered the divestiture last May 19, following an anti-trust investigation, asking to stop its integration to ensure that the two companies would continue to compete against each other. In response to an appeal, it confirmed its verdict on Nov. 5.

Expanding on a recent media report, the CMA said it found that **Peter Cowgill**, executive chairman of JD, had met Bown twice on July 5 and Aug. 4 without promptly alerting the authority. According to the CMA, the two executives discussed, among other things, Footasylum's issues with inventory allocations from key brands, information about Footasylum's financial performance, and the planned closure of six of its stores. The CMA said sharing this information could potentially affect competition in the market.

The CMA went so far as to allege that some phone records were deleted before being given to the authority. While admitting that "inadvertently, it was in receipt of limited commercially sensitive information and that this was not reported to the CMA immediately," JD said it "absolutely refutes any allegation that this was due to records being deliberately deleted. In this regard, JD can also confirm that it voluntarily submitted all of its relevant devices to a third party for expert forensic analysis."

JD pointed out that there was no prohibition on the meeting of the two CEOs, that it was not required to take notes on such meetings, and that JD was required to retain the employment of key Footasylum employees. Bown had previously been the CEO of JD, and Cowgill said he had known him for over 25 years.

As recently reported, **Frasers Group**, the parent company of **Sports Direct**, is now bidding to take over Footasylum.

Kuenzi will join The Athlete's Foot after a 24% sales gain

The 550-odd stores and websites affiliated with **The Athlete's Foot (TAF)** around the world raised their sales by 24 percent to a new record of \$503 million in the past year, said the **Arklyz Group**, which acquired the chain from **Intersport International Corp.** in July, surpassing the originally set target of \$500 million. The new owner also announced the appointment of a high-caliber executive, **Martin Kuenzi**, to a new position in the supervisory board of TAF, reporting to **Param Singh**, CEO of Arklyz.

Kuenzi is leaving as chief financial officer and deputy CEO at IIC, which he joined in August 1999 after working in financial positions for various companies, including **Bally**. On the side, he became a non-executive director of **Migros** in 2020 while continuing to serve since 2011 as a board member and treasurer of the **World Federation of the Sporting Goods Industry (WFSGI)**. He plans to keep both of those positions, chairing the finance committees of both Migros and WFSGI.

Without giving a specific figure for the U.S. market, where TAF once enjoyed a major presence, Arklyz said the chain surpassed an original \$60 sales projection there in 2021, following new investments in the local team. In September, TAF hired **Matt LaFone** as U.S. president and general manager for the Americas, managing North, South, and Central American operations. TAF is in the process of relaunching online sales in the region, targeting a sales penetration of 15 to 20 percent.

TAF plans to add 50 to 100 new store locations in 2022 through strategic acquisitions and the rollout of a **Strategic African American Retail Track (STAART)** program, helping candidates from diverse backgrounds to start their own TAF stores.

Singh indicated that he is taking inspiration from **JD Sports Fashion** and **Foot Locker**, which made notable acquisitions in recent months, to expand the store fleet and consumer reach, capitalizing on “strong brand relationships” and a “loyal consumer base.”

Garmin says diversification is key to 2022 growth, but Q4 net dips

Garmin is currently forecasting 10 percent revenue growth in 2022 to \$5.5 billion, driven by new product introductions and strong market trends in at least three of its operating segments. The company reported a 14.2 percent decline in fourth-quarter net income to \$286.1 million from \$333.5 million for the period ended Dec. 25, while total revenues rose by 3.0 percent to \$1.39 billion from \$1.35 billion. The quarterly operating income was down 15.1 percent to \$315.1 million.

The results were impacted by higher freight costs and the favorable impact of foreign exchange rates. Regionally, only the EMEA posted lower sales, down 2 percent to \$528 million. Sales in the Americas (+5 percent) and APAC (+8 percent) were higher. Category-wise, aviation, auto and marine each recorded double-digit sales gains while fitness was flat and outdoor (-8 percent) was down.

The company’s president and CEO, **Cliff Pemble**, told analysts: “The nuances of individual categories are not a major concern...rather, it’s our strategic focus on diversification that brings many opportunities for growth which is the basis for our outlook for 2022.”

Annual investments will focus largely on Garmin’s Taiwanese manufacturing facilities, the ongoing renovation of its Olathe, Kansas, operation to increase workspace capacity and IT-related

projects. The Swiss-based company will seek approval to raise its quarterly cash dividend to \$0.73 per share starting in June.

In 2021, as all segments reported double-digit sales increases, net income rose by 9.1 percent to \$1.08 billion. The operating income was 15.6 percent higher at \$1.22 billion as total revenues grew 19.0 percent to approach the \$5 billion mark at \$4.98 billion. EMEA sales rose by 18 percent to nearly \$1.86 billion, and the Americas (+19 percent) and APAC (+21 percent) still had higher revenue gains. Year-end inventories were up 61.1 percent year-over-year to nearly \$1.27 billion, a factor Garmin attributed to preparation for first-quarter product launches, more indoor cycling products, the expansion of the global manufacturing footprint and the execution of its strategy to support increasingly diversified product lines. The inventory balance is forecast to rise further this year as the company carries a sufficient level of safety stock to ease increased lead times and manage its supply of raw materials. Garmin is also looking at a combination of broad price increases and resetting pricing where possible when new products are introduced.

A closer look at some key Garmin segments:

Fitness: 2021 full-year category revenues rose 16 percent to \$1.53 billion on-demand for both advanced wearables and cycling, although they were flat in the final quarter at \$470 million. Growth in advanced wearables offset lower sales of cycling products after the latter were thriving over the last two years due to pandemic-driven demand. A tough comparison will mean lower first-half sales for the segment in 2022, but the growth is forecast to return in the second half with contributions from new products and a stabilized cycling market.

Outdoor: Component constraints limiting order fulfillment on traditional handhelds and dog-related products contributed to an 8 percent drop in fourth-quarter revenues to \$378 million. Annual segment sales were up 14 percent to \$1.28 billion. There were “unusually high back orders” at year-end that were pushed into 2022. Garmin

is making sweeping changes to its **Fenix** adventure watch series.

Marine: Revenues grew by 14 percent in the final period to \$196 million and were up 33 percent for the year to \$875 million. In the fourth quarter, numerous new products were launched, including the **GMR Fantom** range and the **GPSMAP 79** marine handheld series. Pemble said enthusiasm around new marine items extends to fishing with advanced sonars in demand, also by those returning to the activity. That sales momentum is expected to continue in 2022.

Skechers sets sight on metaverse after record 2021

Skechers revealed plans to seek growth opportunities in the metaverse after posting better-than-expected results in the fourth quarter of 2021 and sales records in every quarter of the year.

Revenues in the three months ended Dec. 31 increased by 24.4 percent to \$1,648 million, topping analysts’ expectations by about \$100 million, with growth led by the robust performance of its direct-to-consumer (DTC) and international operations along with an improvement in its domestic wholesale business. On a constant currency basis, sales were up by 24.5 percent.

Net income rose to \$422.6 million from \$68.6 million the year earlier, while diluted earnings per share jumped to \$2.56 from \$0.34. Adjusted EPS came in at \$0.43, up from \$0.24 the year earlier and above an analysts’ consensus of \$0.34. The overall gross margin inched down by 0.30 percentage points to 48.6 percent, mainly as a result of higher freight costs amid supply chain constraints that have given some signs of easing but are expected to continue to be a challenge in the first half of this year.

Skechers’ growth in the fourth quarter was led by international sales, which increased by 34 percent and represented 65 percent of total sales for the quarter. Domestic sales rose by 10 percent.

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DTC sales grew by 30.3 percent to \$483.7 million, as average selling prices increased by 25 percent and e-commerce posted “double-digit” growth. DTC comparable store sales increased by 21.1 percent. DTC growth stood at 52 percent internationally, primarily driven by strong retail sales across Latin America and Europe, despite temporary closures of several stores in Austria and the Netherlands due to new Covid-19 restrictions in the period. Comparable international DTC sales were up by 35.5 percent.

Domestic DTC growth stood at 17 percent, and the channel reflected a 24 percent gain in brick-and-mortar stores and a 12 percent decrease in domestic e-commerce amid low inventory availability in certain periods of the quarter. The domestic e-commerce business was nonetheless up by 115 percent compared to the fourth quarter of 2019.

The international wholesale business grew by 30.1 percent to \$851.2 million in the fourth quarter. Skechers highlighted a 124 percent increase in its distributor business – led by the Middle East and followed by Russia, Scandinavia, India and Turkey – although management said this channel has not yet returned to its pre-pandemic levels. Subsidiary sales increased by 47 percent year over year as markets heavily impacted by the Covid-19 pandemic last year recovered, including the U.K., Spain and India. Joint ventures grew by 10 percent, led by a 9 percent increase in China and fueled by strong e-commerce demand.

Skechers’ domestic wholesale business saw revenues rise by 4.6 percent to \$313.0 million, led by growth in women’s and kids categories and reflecting an improving but still challenging supply chain situation. Management pointed to positive underlying trends with domestic wholesale partners, including strong sell-through rates and higher average selling prices and highlighted a “very strong” January for this sales channel.

In the fourth quarter, Skechers opened an additional net 128 third-party-run stores across 30 countries, including its first in Bhutan. It also opened 16 company-owned Skechers stores around the world. Global company-owned and third-party Skechers stores amounted to 4,306 at year-end. To date, in the first

quarter, Skechers has opened six stores in the U.S. and one in Italy and intends to open a further 120 to 150 company-owned locations by year-end. As of the end of January, it had closed 11 stores in the U.S. and expects to shutter another five to 10 locations, mainly in mall-based concept stores, by the end of the year.

Skechers also plans to grow online, with new e-commerce sites set to open in more markets this year, including several in Europe for the current quarter, after new e-commerce platforms were launched in the U.K., India, Germany and Austria in the last three months of 2021.

Skechers also released results for the full year, showing sales climbed by 33.7 percent to a record \$6,286 million. The gross margin expanded by 1.70 percentage points to 49.3 percent, as higher selling prices in its DTC business more than compensated for higher average costs per unit in both international and domestic wholesale channels. Net earnings were \$741.5 million against \$98.6 million the year earlier, with diluted EPS growing to \$4.73 from \$0.64 and adjusted EPS rising to \$1.49 to \$0.65.

For the first quarter of 2021, sales are anticipated to be in a range of \$1,675 million to \$1,725 million and EPS of \$0.70 to \$0.75. The gross margin is expected to decrease slightly compared to the first quarter of 2021 as freight increases offset improved pricing.

In 2022, Skechers expects sales to be in a range of \$7 billion to \$7.2 billion. The company says it is on track to reach its 2026 top-line target of \$10 billion.

Skechers also announced it is launching a \$500 million three-year share buy-back program, a move it says is a sign of confidence in the business’s long-term health and which it expects to finance through free cash flow.

BasicNet sees significant sales growth in Q4

BasicNet said it posted “significant” growth at the end of 2021, with consolidated revenues in the fourth quarter jumping by 26.5 percent from the year-earlier period to €80.0 million,

marking an improvement of over 14 percent on 2019.

BasicNet, the Italian-based parent company for brands such as **Kappa**, **K-Way**, **Superga** and **Sebago**, reported preliminary results for 2021 showing licensees’ aggregate wholesale-equivalent revenues of €257.5 million in the fourth quarter, up by 25.2 percent on the year earlier, with gains of 17.9 percent for commercial licensees and 13.1 percent for production licensees.

The group’s quarterly Ebitda widened to €10.7 million against €3.7 million in the fourth quarter of 2020 and €4.3 million in the corresponding period of 2019.

For the full year, BasicNet reported Ebitda of €44.2 million, more than double the €19.8 million level seen in 2020 and 4.0 percent higher than in 2019, driven by higher sales volumes in all geographies for the group’s direct operations despite closures at point of sales in the first quarter due to Covid restrictions and supply chain disruptions. Ebit surged to €31.7 million in 2021, more than quadruple the €7.6 million level seen in 2020 and 3.5 percent higher than in 2019.

BasicNet’s consolidated revenues for the year increased by 14.1 percent compared to the year earlier to €296.4 million, as direct sales grew by 13.0 percent to €241.6 million, bolstered by 20 percent growth in the fourth quarter. Royalties from commercial and production licenses climbed by 19.1 percent to €54.8 million.

The licensees’ aggregate wholesale-equivalent revenues for the year went up by 16.6 percent to €949.4 million, including revenues of €709.6 million by commercial licensees and €239.8 million by production licensees.

The revenues of the commercial licensees increased by 17.9 percent to €709.6 million in 2021, led by increases of 60.2 percent in the Americas and 40.5 percent in the Middle East and Africa. Europe, representing about 68 percent of all aggregate sales, saw a 17.6 percent improvement. The turnover in Asia and Oceania is still recovering from the effects of replacing a licensee, the company said. The

revenues of production licensees rose by 13.1 percent to €239.8 million.

Net debt narrowed to €61.7 million at the end of 2021 from €82.2 million the year earlier and from €78.3 million as of Dec. 31, 2019.

“The improvement in profitability and the net financial position, also when compared to 2019, allows us to pursue strategic projects to sustain growth in the medium-long term,” said **Federico Trono**, CEO.

BasicNet is scheduled to release its final results for 2021 on March 3.

Adidas extends two board mandates amid five-year growth strategy

Adidas will continue to be led by its proven six-member executive team, which will jointly pursue the five-year “*Own the Game*” strategy launched in 2020. The company, based in Herzogenaurach near Nuremberg, announced on Thursday that the contracts of **Roland Auschel** and **Brian Grevy** were extended.

Auschel, who is responsible for sales, however, is likely to remain with the company for only three more years. Adidas said his contract was extended by two years until the end of 2024. Since three or five years are usually the rule, business media like the *German Boersen-Zeitung* speculate about a planned retirement after his renewed contract. There is an age limit of 65 for Adidas board members, but Auschel will not have reached that age by 2024. The sales specialist has been with the company since 1989 and a member of the board since 2013.

At the same time, the supervisory board extended Grevy’s contract by five years until the beginning of 2028. Grevy, who returned to Adidas in early 2020, is responsible for marketing. He previously worked for the company from 1998 to 2016 before switching to Swedish apparel brand **Gant**, where he served as CEO until the end of 2018.

CEO **Kasper Rorsted**’s contract had been extended in 2020 by five years until the end of July 2026.

In addition to Rorsted, Auschel and Grevy, the executive board currently consists of **Harm Ohlmeyer** (finances), **Amanda Rajkumar** (human resources) and **Martin Shankland** (global operations).

“On behalf of the Supervisory Board, I am very pleased to announce that we have extended the appointments of both Roland and Brian. Our long-term strategy, *Own the Game*, has the consumer at its heart. Both Roland and Brian play key roles in bringing this consumer focus to life with their respective functions. We are convinced that they will continue the successful execution of our strategy together with the entire Executive Board,” commented **Thomas Rabe**, the chairman of Adidas AG’s supervisory board.

Strong results for Columbia, driven by DTC

Despite persistent supply chain disruptions that negatively impacted its wholesale revenues, **Columbia Sportswear** reported impressive fourth-quarter results on the strength of its DTC and e-com businesses and an improvement of 1.6 percentage points in the gross margin to 52.2 percent, as higher freight costs were more than offset by a better channel mix and more full-price sales. The 18.7 percent operating margin reached by the group in the quarter, which compares with 13.5 percent in the year-earlier period, was the company’s highest for any fourth quarter since 2004. Quarterly revenues rose by 23 percent to \$1.13 billion, and net income expanded by 64 percent to \$156.9 million. DTC revenues increased by 33 percent to \$625 million, representing 47 percent of the total turnover, while wholesale was up by 13 percent to \$505 million.

The group’s CEO, **Tim Boyle**, called the company’s order book for Summer and Fall 2022 “phenomenal,” claiming that the company is confident it has the right strategies in place to unlock further potential this year and despite continued logistics pressures and the

likely additional closure of Asian factories. Columbia’s current outlook for 2022 calls for 16-18 percent topline growth to a range of \$3.63-3.69 billion and an increase in net income of 1 to 7 percent to \$359-379 million. On the other hand, the gross margin and the operating margin are likely to contract to levels of around 50.0 percent and 13.0-13.5 percent, respectively. While raising demand creation spending to 6.0 percent of sales from 5.9 percent in 2011, the company is implementing mid-single-digit price hikes in the U.S. this spring and budgeting high-single and low double-digit increases on select Fall ’22 products.

In Q4, Columbia realized 28 percent constant-currency growth in Apparel/Equipment/Accessories to \$846 million and a 12 percent gain in footwear to \$284 million. The **Columbia** brand’s sales were 28 percent higher than a year ago at \$894 million, driven by a very successful global launch of the **OmniHeat Infinity** technology. **Sorel** climbed by 9 percent to \$164 million, **Mountain Hardwear** increased by 30 percent to \$38 million, and **prAna** was down by 7 percent to \$34 million, despite an 8 percent gain for the full year. Boyle said Sorel would be the company’s fastest-growing brand in 2022, with a sales increase approaching 30 percent as the label continues its pivot away from being a pure winter brand.

Regionally, the group’s quarterly sales showed a 33 percent gain in Europe in the quarter, with direct sales up in the low 30 percent range on strong DTC and wholesale results and sales to European distributors rising in the high 30 percent range on later Fall 21 shipments and higher Spring 22 orders. In the U.S., sales rose by 27 percent, as DTC revenues increased in the “low 40 percent” range, while the wholesale channel rose in the low teens on a percentage basis, impacted by supply chain disruptions despite strong market demand. In local currencies, Latin America and Asia-Pacific grew by just 8 percent, as a drop in Japan partly offset increases in the mid-teens in China and the low teens in Korea.

For the full year, the group reported 25 percent topline growth in 2021 to \$3.13 billion as DTC sales rose by 33 percent to \$1.46 billion and wholesale

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Columbia Sportswear non-GAAP revenues

Quarter ended Dec. 31, 2021 (\$ millions)

	Reported net sales	Constant- currency net sales	Reported net sales	Reported net sales % change	Constant- currency net sales % change
Geography					
U.S.	762.1	762.1	599.1	27%	27%
Latin America and Asia-Pacific	172.8	177.2	163.6	6%	8%
Europe, Middle East, Africa	113.6	114.2	85.6	33%	33%
Canada	81.2	77.1	67.4	20%	14%
Total	1,129.7	1,130.6	915.7	23%	23%
Brand					
Columbia	894.2	895.6	699.7	28%	28%
Sorel	163.4	162.8	150.0	9%	9%
Prana	34.3	34.3	36.9	-7%	-7%
Mountain Headwear	37.8	37.9	29.1	30%	30%
Total	1,129.7	1,130.6	915.7	23%	23%
Product category					
Apparel, accessories, equipment	846.1	846.8	661.4	28%	28%
Footwear	283.6	283.8	254.3	12%	12%
Total	1,129.7	1,130.6	915.7	23%	23%
Channel					
Wholesale	504.5	504.2	446.0	13%	13%
DTC	625.2	626.4	469.7	33%	33%
Total	1,129.7	1,130.6	915.7	23%	23%

12 months ended Dec. 31, 2021 (\$ millions)

	Reported net sales	Constant- currency net sales	Reported net sales	Reported net sales % change	Constant- currency net sales % change
Geography					
U.S.	2,060.3	2,060.3	1,603.8	28%	28%
Latin America and Asia-Pacific	465.5	458.0	424.5	10%	8%
Europe, Middle East, Africa	382.1	373.1	298.9	28%	25%
Canada	218.5	205.7	174.4	25%	18%
Total	3,126.4	3,097.1	2,501.6	25%	24%
Brand					
Columbia	2,557.4	2,531.0	1,996.9	28%	27%
Sorel	320.9	318.5	293.5	9%	9%
Prana	141.9	141.9	131.6	8%	8%
Mountain Headwear	106.2	105.7	79.6	33%	33%
Total	3,126.4	3,097.1	2,501.6	25%	24%
Product category					
Apparel, accessories, equipment	2,389.2	2,368.9	1,867.6	28%	27%
Footwear	737.2	728.2	634.0	16%	15%
Total	3,126.4	3,097.1	2,501.6	25%	24%
Channel					
Wholesale	1,660.4	1,640.9	1,403.3	18%	17%
DTC	1,466.0	1,456.2	1,098.3	33%	33%
Total	3,126.4	3,097.1	2,501.6	25%	24%

Source: Columbia Sportswear

improved by 18 percent to \$1.64 billion. Annual net income came in at \$354.1 million, up sharply from \$108.0 million in the prior year. Footwear sales advanced by 16 percent to \$737.2 million, performing less well than apparel and other categories.

EMEA sales grew by 25 percent in constant currencies, reaching \$373.1 million, and U.S. sales were 28 percent higher at \$2.06 billion. Mountain Headwear, which added 350 new distribution points during the year, posted an annual sales gain of 33 percent to

\$105.7 million. The Columbia brand's sales rose by 27 percent to \$2.53 billion. Sorel was up by 9 percent to \$318.5 million, and prAna rose by 8 percent to \$141.9 million.

Amer may reach a 13% Ebit margin on 20% higher sales, says S&P

Standard & Poor's Global has upgraded its ratings for Amer Sports, largely echoing the positive comments

made last month by Moody's. S&P sees Amer's growth accelerating to 20 percent in 2022 from 15 percent in 2021, followed by mid-single-digit increases in 2023 and 2024, thanks in part to investments in e-commerce and the establishment of between 40 and 50 new stores each year, mainly in China and the U.S.

It also assumes that the group's adjusted debt/Ebitda ratio declined to almost 9.0 times last year from 12.5 times in 2020, and that it will go down further to a ratio of between 7 and 8 times in 2022, in spite of increased input costs and logistical constraints. The sale of Precor helped pay down some of its debt, and the pending sale of Suunto will improve margins.

According to the agency, Amer reached an adjusted Ebitda margin of between 12.0 and 12.5 percent in 2021, compared with 11.8 percent in 2020. It also enjoyed a 15 percent increase in total revenues to €2.5 billion in the past year, with a 20 percent increase for its continuing operations, pulling its turnover up to 8 percent above pre-pandemic levels on a comparable basis.

Sales of relatively profitable footwear and apparel items – mainly under the Salomon, Arc'teryx and Peak Performance brands – accounted for about 55 percent of Amer's sales in 2021, said S&P, predicting that a more favorable product mix could help the group achieve an adjusted operating margin of close to 13 percent in 2022.

Sales in China have come to represent about 12 percent of Amer's sales, up from 4 percent two years earlier, thanks to the support of Anta Sports Products, whose share of the domestic market has risen to close to 16 percent, according to S&P.

The agency raised its rating for the group to B from B-, assuming that Amer

is getting support from the consortium controlled by Anta that took of the company in 2019. S&P also upgraded its ratings for Amer's €1.7 billion senior secured term loan B and its €315 million revolving credit facility.

Nautilus books a loss in Q3, with soft sales outside the U.S.

Nautilus recorded a 22 percent drop in revenues to \$147 million in the third quarter ended Dec. 31, despite a 63 percent rebound from the corresponding 2019 period, excluding the divested **Octane** business. The net result was a loss of \$13.5 million against a net income of \$28.9 million in the year-ago period.

Nautilus, however, remains bullish about its longer-term outlook and existing strategies. As company executives point out, its research shows that 25 percent of former gym goers do not ever intend to return, a percentage that ticked up to 29 percent in the third quarter, contributing to long-term indicators that favor at-home fitness trends.

International revenues were soft in the latest quarter. The U.K. and the European Union are the American fitness equipment company's two largest international markets, and shutdowns due to the Covid-19 pandemic hurt sell-throughs there, although the demand and unit sales were described as strong. Nautilus primarily uses a distributor model for its international segment, accounting for approximately 10 percent of its overall business. The softness outside the U.S. is forecast to continue for the remainder of the fiscal year.

The only bright spot was a sequential 25 percent increase in the number of **JRNY** connected fitness memberships, which reached 250,000 at the end of December. The platform can now track the use of cardio and strength products and off-machine exercise.

In the Direct segment, Nautilus' quarterly sales fell by 26 percent from the year-earlier period, with drops of 33 percent in cardio equipment and 14 percent in strength equipment. Lower sales of **Bowflex Home Gyms** were partially offset by good sales of **SelectTech** weights and benches. In the retail

segment, sales were off by 19 percent, but sales of strength products were up by 73 percent, in contrast with a drop of 53 percent in cardio.

The quarterly results included a big slide of 20.8 percentage points in the gross margin to just 20.3 percent of sales, with a negative impact of 18.0 percentage points from higher logistics and product costs and lower net selling prices due to industrywide discounting during a highly promotional holiday season.

The current view of the fiscal year's second half calls for total revenues of \$260-280 million, up 31-41 percent from two years ago but lower than earlier guidance. The adjusted outlook was prompted by the lower international demand and higher discounts in the U.S. and Canada.

During the pandemic, Nautilus launched a complete suite of multi-modality, connected fitness cardio products that included bikes, treadmills and revitalized **Max** trainers. Also, the company continued to invest in its **JRNY** personal trainer service, which is forecast to be adopted by 300,000 total members or more by the end of the current fiscal year. To continue ramping up the **JRNY** service, Nautilus now employs more than 250 people in software development.

Callaway sees robust growth continuing, Jack Wolfskin relaunch proceeding well

Callaway Golf predicted another year of robust topline growth in 2022, after revenues in the fourth quarter jumped by 90.0 percent to \$711.7 million, benefiting from the addition of **Topgolf** earlier in the year and "strong momentum" at **Jack Wolfskin** and **TravisMathew**. The growth for the new year is expected to be strong despite expectations of lower same-venue sales at the **Topgolf** business in the early part of it amid the spread of the Omicron Covid-19 variant.

In a conference call with analysts, **Bryan Lynch**, CFO, said that 2021 was an "outstanding and transformational year" for the company. "The **Topgolf**

business recovered more quickly and significantly than we expected, and demand for our golf equipment and apparel products remained strong and has continued so far in 2022."

Adjusted Ebitda switched to a positive \$14.3 million in the fourth quarter against a loss of \$12.5 million the year earlier, driven by a \$46 million contribution from **Topgolf**, partially offset by lower adjusted Ebitda in the golf equipment and apparel business. Callaway's net loss in the quarter narrowed to \$26.3 million from \$40.6 million the year earlier, as the adjusted loss per share fell to \$0.19 from \$0.33, better than an analysts' consensus for an adjusted loss per share of \$0.28.

Topgolf contributed \$335.8 million to Callaway's top line and \$6.1 million of segment operating income in the fourth quarter, as both walk-in-traffic and event sales exceeded expectations. Same-venue sales were 6 percent above 2019 levels in the quarter and close to 95 percent of 2019 levels for the full year.

In the last three months of 2021, revenues from golf equipment fell by 24.5 percent versus the year earlier to \$161.4 million due to a planned shift in production, increased operating expenses and an unfavorable year-on-year comparison given that Callaway launched several new products in the fourth quarter of 2020. Golf club sales declined by 24.4 percent to \$128.8 million, and golf ball sales slipped by 24.8 percent to \$32.6 million. The operating loss for the golf segment amounted to \$25.0 million compared to a profit of \$4.0 million the year earlier, due mainly to the lower revenues.

Callaway's revenues from apparel, gear and other products increased by 33.4 percent year over year in the fourth quarter to \$214.5 million, led by a 39.8 percent increase in apparel to \$153.9 million and a 19.3 percent increase in gear and other sales across the **TravisMathew**, **Jack Wolfskin** and **Callaway** brands as compared to the year earlier. The segment's operating loss narrowed to \$2.3 million from \$9.7 million in the fourth quarter of 2020.

Jack Wolfskin's sales were up by an undisclosed amount in the quarter compared with both 2020 and

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2019. “The public relaunch of the brand’s fresh new image was positively received by consumers,” said **Chip Brewer**, president and CEO. “Feedback on pre-books has been outstanding, and we are excited for the year ahead.” Brewer said he was “even more confident” now of achieving a target announced at the time of its acquisition of Jack Wolfskin in 2018 of an Ebitda of “\$50 million plus synergies.”

Brewer added that TravisMathew continued to grow at a “roaring pace” in the quarter, with its own retail comp store sales up over 67 percent versus 2020 and e-commerce sales 30 percent higher.

On a geographical basis, Q4 revenues in the U.S. surged by 176.5 percent to \$483.2 million while revenues in Europe were 23.5 percent higher at \$113.0 million, with a growth of 26 percent in local currencies. Instead, revenues in Japan declined by 12.8 percent, although they were down by a more limited 5.3 percent in constant currencies. Sales in the Rest of the World advanced by 25.6 percent to \$68.9 million.

For the full year, Callaway’s revenues increased by 97.1 percent to \$3,133.4 million while adjusted Ebitda jumped by 170 percent to \$445.4 million from 2020, thanks to the contribution of Topgolf and a resurgence in corporate events. Product revenues alone went up by 30 percent to \$2,058.7 million, including a jump in apparel of 40 percent to \$490.9 million. Sales of golf clubs grew by 26 percent to \$994.5 million, and balls were up by 20 percent to \$234.7 million.

After extraordinary items, the group posted a net profit of \$322.0 million against a loss of \$126.9 million in the prior year. Net earnings increased to \$137.9 million from \$64.4 million on an adjusted basis.

For 2022, Callaway is projecting that revenues will rise to between \$3.78 billion and \$3.82 billion, with Topgolf expected to contribute about \$1.5 billion. Positive demand fundamentals are expected to continue for golf equipment and soft-goods. Product margins will continue to be under pressure, but selective price increases will offset this. Adjusted Ebitda for the year is seen reaching \$490 million to \$515 million, assuming a \$210

million to \$220 million contribution from Topgolf.

For the first quarter, Callaway is guiding for revenues of \$1,005 million to \$1,025 million and adjusted Ebitda of \$130 to \$145 million, reflecting its assumption that Covid continues to lessen during the quarter and that the Topgolf business is approaching 2019 levels. Callaway says it will open at least ten new Topgolf venues in 2022, but the openings will be weighted towards the end of the year.

Kathmandu climbing despite Covid, supply chain impacts

Profits went up at **Kathmandu Holding** in its second quarter, ended Jan. 30, despite the global pandemic’s impact on its operations. In a preliminary trading update for its first half, the New Zealand-based parent of the **Kathmandu**, **Oboz** and **Rip Curl** brands said its results improved despite lower retail traffic, temporary store closures and staffing constraints in many locations. During the first quarter, factory shutdowns in Vietnam had affected about 50 percent of the orders place for the Oboz brand of outdoor shoes.

The group’s current view on the results for the six months ended Jan. 30, which will be formally released on March 23, calls for revenues to have gone down slightly to NZ\$405 million (€237.7m) from the year ago’s NZ\$410.7 million level. The revenues included an estimated NZ\$159.6 million for Kathmandu and Oboz, and NZ\$251.1 million from the surf segment.

The group’s wholesale revenues are estimated to have risen by 3.4 percent in the first half, with an 18.2 percent increase for Rip Curl offsetting a decline at Oboz. Same-store retail sales in the second quarter grew by 15.1 percent for Kathmandu and were up by 3.0 percent for Rip Curl, bolstered by an ongoing resurgence in surf participation. Meanwhile, the company’s online sales continued to grow year-to-date, with Rip Curl (+12.1%) and Kathmandu (+48.6%) both up by double digits.

The first-half gross margin is estimated to have declined from the year-earlier

level of 59.0 percent due to higher international freight costs and an increased clearance mix for the Kathmandu brand. The company lost 11,696 trading days in the first half due to Covid restrictions, but it still achieved higher profitability in the second quarter than in the comparable 2021 period. The company spent NZ\$14 million (€8.21m) on brand marketing and international expansion in the six-month period.

“Even though ongoing supply chain challenges remain,” commented the Kathmandu group’s CEO, **Michael Daly**, “forward wholesale demand for our products remains at record levels. In addition, the group remains well-capitalized, investing in the long-term international expansion of our global house of brands.”

Decathlon Germany reports best year in history

Decathlon Germany has reported the most successful financial year in the company’s 35-year history. Since the first German store opened in Dortmund in 1986, the sporting goods manufacturer and retailer has expanded to 84 stores, two logistics centers and four campus locations for central services with a total of 4,833 employees. As part of the “*Reshaping the Playing Field*” strategy presented in November, Decathlon is committed to transforming the company from a specialist sports retailer into an all-encompassing sports platform by 2026.

For 2021, the company reported record net sales of €700 million – a growth of +4.9 percent compared to the previous year. The outdoor, fitness and mobility segments were in particularly strong demand and accounted for the largest share of sales in the sports segments. In turn, the best growth was seen in winter sports, team sports and water sports.

Decathlon Germany opened six new brick-and-mortar stores last year in Bremen-Brinkum, Offenburg, Paderborn, Munich-Unterföhring, Rosenheim and Jena. Digitally, everything was on course for growth: the sporting goods retailer increased its online sales in Germany

by 50 percent compared to the previous year. The net sales of €700 million are thus broken down as follows: 60 percent brick-and-mortar and 40 percent to e-commerce (after returns). As a result, Decathlon Germany achieved a record EBIT of €30.9 million.

Along with its financial report, the company also emphasized its sustainability goals, which apply to Decathlon globally: by 2026, the entire product range of the group is to be converted to 100 percent **Ecodesign** products.

The company defines Ecodesign as reducing environmental impact throughout a product's lifecycle without compromising functionality. For example, to meet the criteria, an Ecodesign product must be made of more than 90 percent organic cotton, more than 50 percent spin-dyed fabric, or more than 70 percent recycled polyester. In Germany, Decathlon already offers more than 1,000 products manufactured according to the Ecodesign criteria. The share of Ecodesign sales in 2021 was reportedly 10 percent.

In addition to the steady expansion of the Ecodesign range, the retailer is also increasingly focusing on sustainable services such as repairs and **Second Use** offerings. In Germany, last year around 15,000 returned products with slight signs of use were put back on sale at a reduced price via the Second Use program. Decathlon said that as-new returned products are directly reintroduced into the product range, with a rate of 98.5 percent in 2021. Regarding repairs, a total of 11,000 products were fixed in the German stores' service points and regional workshops last year.

GoPro is back in the black, as subscriptions gain traction

The first year of **GoPro's** Direct-To-Consumer subscription strategy was a wild success by any measure for the American producer of action cameras. Revenues in 2021 grew 30 percent year-over-year to \$1.16 billion as subscriptions rose by 107 percent. The company currently has approximately 1.6 million total subscribers paying \$49.99 monthly after adding 815,000 members last year.

In 2019, GoPro generated 90 percent of its revenues in traditional retail channels, a figure that dropped to 68 percent in 2020. Last year, retail produced 65 percent of company revenues while DTC rose to 35 percent of the turnover after being nonexistent in 2019 and rising to 32 percent in 2020.

Conversely, GoPro senior executives admit that the company's destination and international travel business, which includes duty-free shops and has historically accounted for 10 percent of the annual topline, has largely been dormant since the start of the pandemic.

At \$52,626,000, the company's net income in the fourth quarter was up by 19 percent from the year-earlier period, while revenues went up by 9 percent to \$391.2 million, driven by the launch of the **Hero10 Black** in September 2021. In total, just over 1 million units were sold in the quarter. An estimated 94 percent of the cameras sold had a retail price tag of \$300 or more.

DTC sales on *GoPro.com*, including subscription revenue, increased 10 percent to \$128 million, representing 33 percent of total revenue. Within this segment, subscription revenue totaled \$16.8 million, an increase of 118 percent year-over-year. By region, sales went up by 22 percent in EMEA, by 8 percent in Asia-Pacific and by 4 percent in the Americas. The gross margin improved by 3.2 percentage points to 41.2 percent.

For the full year, GoPro's net income of \$371,171,000 compared with a loss of \$66,783,000 in the previous year. The gross margin for the full year improved by 5.8 percentage points to 41.4 percent.

The total number of units sold for the year reached 3.1 million. *GoPro.com* DTC revenue, including subscriptions, increased by 39 percent to \$392 million, representing 34 percent of total revenue. Geographically, EMEA grew by 40 percent, while Asia-Pacific rose by 31 percent and the Americas by 26 percent.

The continued push of the subscription model resulted in GoPro and **Quik** subscription revenues combined increasing by 131 percent to \$52.9 million. The number of Quik subscribers totaled 221,000 at year-end, following

the launch of the Quik editing app for non-GoPro-owners in March.

A full-year revenue forecast for 2022 was not provided, but GoPro said unit sales are forecast to grow slightly, with rising average selling prices driving revenue. Europe is rebounding from Covid, the management indicated. The gross margin is expected to be between 40 and 43 percent, growing from the continued shift to DTC and high-margin subscriptions, with higher average selling prices. *GoPro.com* subscriptions are expected to increase by a further 40 percent to 2.2 million.

Nick Woodman, founder and CEO, said that GoPro plans to expand its product line again, focusing on specialized cameras that "appeal to very different user groups" than the current Hero and Max models. The new cameras are expected to use GoPro's current technology, including the **GP2** chip introduced when the Hero10 was released. Additionally, the company is increasing its software platform to include cloud capabilities and a new subscription-based desktop application.

On Feb. 1, the U.S. **National Academy of Television Arts & Sciences** honored GoPro with a 2021 Technology & Engineering **Emmy® Award** in the category of "In Camera Sensor and Software Stabilization." The jury recognized the technology underlying the **HyperSmooth** video stabilization. This is the second Emmy for GoPro. The company was previously recognized in 2013 for its **Hero3** camera technology in the "Inexpensive Small Rugged HD Camcorder" category.

Mizuno's sales growth came to a halt in Q3

Mizuno reported record profits for the nine months ended Dec. 31, as sales growth continued to be underpinned by the strong performance of its golf and running products, particularly in EMEA and the Americas. However, the growth stopped in the third quarter, which showed a drop in sales of 2 percent to 38.8 billion yen (€290m-\$330m), as increases of 15 percent in the Americas and 32 percent in Europe were offset by declines of 8 percent in Japan and

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12 percent elsewhere, due mainly to anti-Covid measures in Japan as well as Australia, Taiwan and Southeast Asia.

By category, footwear and apparel fell by 1 percent and 18 percent, respectively, whereas equipment sales improved by 17 percent. The quarterly gross margin expanded by 1.6 percentage points to 43.2 percent, helping net earnings to inch up to ¥1,814 million (€13.7m-\$15.7m) from 1,812 million in the earlier-year quarter. The company lowered its revenue guidance for the full year, predicting sales of ¥173 billion (€1.30bn-\$1.49bn), but raised its profit forecast to ¥6.5 billion (€490m-\$560m).

In the first nine months of its financial year, the company's total revenues of ¥124.9 billion (€943.4m-\$1,073.9m) were up by 17.0 percent on the year earlier. The gross margin widened to 42.4 percent from 40.4 percent. Bringing the operating margin up to 6.5 percent compared to 1.4 percent in the corresponding period a year earlier, Mizuno's operating profit surged by 456.9 percent to ¥8.1 billion (€61.2m-\$69.7m) - a record since the company began quarterly disclosures in 2008 - driven by the increase in the top line, improved gross margins and a decline in expenses. Net earnings for the April to December period jumped by 214.7 percent to ¥6.1 billion (€46.1m-\$52.5m), also a record high.

Overseas sales rose to 36 percent of the total turnover, up from 32 percent in the previous year. Sales in the EMEA region increased by 39.6 percent to ¥14.1 billion (€106.5m-\$121.2m), while the Americas rose by 35.0 percent to ¥18.5 billion (€139.7m-\$159.1m). In Mizuno's home Japanese market, revenues rose by just 9.5 percent to ¥79.5 billion (€600.3m-\$683.5m). In the rest of Asia and Oceania, they went up by 22.3 percent to ¥12.6 billion (€95.2m-\$108.3m).

By product category, footwear sales climbed by 20.2 percent to ¥35.1 billion (€265.1m-\$301.8m) during the nine months. Sales of equipment grew by a higher rate of 37.9 percent to ¥34.2 billion (€258.2m-\$294.1m). Apparel inched up to ¥35.5 billion (€268.0m-\$305.3m) from ¥34.7 billion, and revenues from services and other product sales increased to ¥20.1 billion (€151.7m-\$172.9m) from ¥18.1 billion.

Alpargatas sold over 12m pairs of Havaianas in Europe last year

Havaianas, the brand of rubber sandals owned by **Alpargatas**, generated the equivalent of €115.4 million in revenues in Europe, the Middle East and Africa (EMEA) last year, representing a 35 percent year-over-year increase. Results were driven by the **Sparkle** flip-flop line and the **Beyond Core** category that grew 28 percent in unit volume. The direct-to-consumer channel grew its new customer base by 50 percent in the EMEA as the geography's constant-currency Ebitda increased 117 percent and the gross margin hit 71 percent.

The Brazilian parent said it is pleased with the progression of Havaianas. The label, which sold 31 million pairs outside of Brazil last year, has expanded its product portfolio by more than 30 percent over the last three years, with sandals, flats, sneakers, accessories, and apparel growing more than 200 percent over the period.

Last year, Alpargatas invested the equivalent of €100.6 million in boosting Havaianas' production volume capacity. Nonetheless, like others in the global footwear industry, it faced raw material price inflation and logistics bottlenecks in 2021. These issues continue to be challenging for the company. To date, mitigation has involved a price per pair increase via a revenue growth management (RGM) program, the implementation of cost reduction programs, and tight controls on operating expenses.

The company's annual net profitability rose by more than 445 percent in 2021 to 692.6 million Brazilian reais (€116.2m) as the topline increased nearly 26 percent to R\$3,949 million (€662.2m). The company's fiscal year operating margin rose to 15.7 percent from 9.4 percent in 2020, but gross margin slipped to 49.6 percent from 51.3 percent.

In a new development, Alpargatas has filed a secondary offering of 37.5 million new common shares and 57.5 million preferred shares to help pay for its December acquisition of 49.9 percent of **Rothy's**, a 10-year-old brand that manufactures apparel and footwear from recycled products. Based on

Alpargatas closing price on Feb. 11, the offering could reportedly raise more than €80.4 million and will be priced on Feb. 22. **Itausa SA** and **Grupo MS**, Alpargatas' controlling shareholders, will participate in the offering being managed by **Itaus BBA**, **Bank of America**, **JP Morgan**, **Bradesco BBI** and **Citigroup Brasil**.

Rothy's, founded by **Stephen Hawthornthwaite** and **Roth Martin** with a mission to transform eco-friendly materials into wardrobe staples, will shortly open its ninth U.S. retail location in Atlanta. Current brand boutiques are in Boston, Chicago, Los Angeles, New York City, San Francisco and Washington, D.C. Since its inception, **Rothy's** says it has transformed over 100 million plastic water bottles and 275,000 pounds of ocean-bound marine plastic into footwear, accessories, and bags.

Shimano finished the FY strongly, but slowing down

Shimano's consolidated revenues went up by 44.6 percent to 546.3 billion yen (€4.14bn-\$4.73bn) in the financial year ended Dec. 31, recovering from growth of only 4.1 percent in the previous year. Still, the company is guiding for an increase of only 6.1 percent in 2022. The group's operating earnings jumped by 79.3 percent to ¥148.3 billion (€1.12bn-\$1.28bn) last year, and net earnings soared by 82.7 percent to ¥115.9 billion (€880m-\$1.0bn).

Sales of bike components grew last year by 49.0 percent to ¥443.7 billion (€3.36bn-\$3.84n), generating 82.7 percent higher operating income of ¥125.1 million (€950m-\$1,080m). The company did better at scaling its output than its downstream clients in the finished bike sector, but the growth slowed down in the final quarter to 34 percent. The company noted that the strong demand in this segment began to slow down in the second half of 2021. Segment sales are seen rising by 7 percent in 2022, with the growth being slightly weighted toward the first half as Shimano works through its order backlog.

In general, the demand for mid and high-end bicycles remained high because of the spread of Covid-19, Shimano said. The demand for bikes and bike-related products remained high in the European market, backed by governmental policies in favor of the environment. Despite some signs of improvement, market inventories of complete bikes remained at low levels.

Sales of fishing tackle rose by 28.1 percent to ¥102.4 billion (€780m-\$890m) last year, generating a 62.1 percent boost in the segment's operating income to ¥23.1 billion (€180m-\$200m). The fourth quarter remained strong, with an increase of 30 percent for the period, but Shimano is guiding for growth of only 2 percent for fishing tackle in 2022. According to the company, the European market's demand started to cool off last year in some regions, but sales remained solid due to widespread vaccinations and progress in online sales.

Total net sales are seen rising by 10.8 percent across the group in the first half of this year, leading to a rise of 7.1 percent in the company's net earnings. The forecast for the full year calls for a sales increase of 6.1 percent to ¥580 billion (€4.39bn-\$5.02bn), a gain of 8.6 percent in operating profit to ¥161 million (€1.22bn-\$1.39bn) and a rise of 1.3 percent in net income to ¥117.5 billion (€890m-\$1.02bn).

Johnson Outdoors reports strong orders, sales drop due to supply chain issues in Fishing segment

Johnson Outdoors, the U.S.-based owner of several fishing, diving, camping and watercraft brands, including **Jetboil**, **Scubapro**, **Eureka** and **Old Town**, amongst others, saw sales decrease in the first quarter of its financial year as supply chain disruptions made it difficult to keep up with demand for outdoor recreation products. Total company sales in the three months to Dec. 31, 2021, declined by 7 percent to \$153.5 million, although they remained 20 percent above the pre-pandemic first quarter of 2019.

Operating profit in the first quarter fell to \$13.8 million from \$23.6 million the year earlier. The gross margin narrowed by 5.8 percentage points from the year-earlier to 39.5 percent and continues to be under pressure, primarily due to increased raw material and freight costs. Net earnings fell to \$10.9 million from \$19.8 million.

"We are seeing continued strong demand for our products as people continued to be eager to recreate outdoors, while the ongoing supply chain environment and uncertainties associated with the pandemic continue to be challenging and unpredictable," said **Helen Johnson-Leipold**, the company's CEO. Management said Johnson Outdoors has begun to implement price increases "where appropriate." However, the impact on margins in the first quarter was minimal given that many prices hikes went into effect on Jan. 1 or later. At the same time, demand continues to be robust.

The overall decline in sales was driven by the Fishing segment, where revenues fell by 15 percent to \$108.4 million, due to supply chain disruptions and component delays. Camping revenues increased by 16 percent to \$14.1 million, bolstered by solid demand across consumer product lines and, to a lesser extent, for military tents. Watercraft Recreation sales grew by 17 percent to \$14.6 million, and Diving rose by 17 percent to \$16.5 million, the latter primarily due to strong sales in the U.S., although other regions also showed some recovery.

Sports & Leisure drove New Wave's sales growth

The Swedish-based **New Wave Group**, which owns sports brands like **Craft** and **Cutter & Back** and distributes several others, saw total sales in the fourth quarter increase by 23 percent to 2,307 million Swedish kronor (€218.7m-\$249.3m), with the growth driven by the Sports & Leisure segment. At constant currency rates, sales rose by 22 percent.

New Wave's gross margin expanded to 47.8 percent in the quarter against 46.2

percent the year earlier. Operating earnings jumped by 42 percent to SEK 403.3 million (€38.2m-\$43.6m), widening the operating margin to 17.5 percent from 15.1 percent. Net profit improved to SEK 308.5 million (€29.2m-\$33.3m) from SEK 208.2 million in the year-earlier period.

In the quarter, the Sports & Leisure unit's sales jumped by 35 percent to SEK 921.1 million (€87.3m-\$99.5m), with higher sales in all geographical regions and on both retail and promo sales channels. The segment's operating profit improved to SEK 466.0 million (€44.2m-\$50.4m) from SEK 170.5 million.

Sales at New Wave's corporate segment grew by 18 percent to SEK 1,005 million (€95.2m-\$108.6m), generating an operating profit of SEK 186.6 million (€17.7m-\$20.2m) versus SEK 139.9 million.

Group sales via the promo sales channel increased by 16 percent, while retail sales improved by 36 percent.

By geographical region, group sales in the U.S. increased by 27 percent in the quarter. They rose by 23 percent in Sweden, by 17 percent in the Nordic region outside of Sweden and 21 percent in Central Europe, but they were off by 4 percent in Southern Europe.

New Wave's sales were up overall by a reported 10 percent to SEK 6,719 million (€636.9m-\$726.2m) for the full year, reflecting 13 percent growth in local currencies. The growth was here again led by Sports & Leisure, which saw a 29 percent sales increase to SEK 2,792.5 million (€264.4m-\$301.4m) for the year.

The gross margin rose to 48.1 percent from 43.2 percent in 2020, as the weight of trading operations in the corporate segment, which enjoys lower gross margins, decreased. Operating income jumped to 1,006 million (€95.4m-\$108.7m) from SEK 545.9 million. Net profit more than doubled to SEK 760.0 million (€72.1m-\$82.2m) from SEK 363.0 million the prior year.

"We are entering 2022 stronger than ever, and it is difficult not to be optimistic about the development we have had," said **Torsten Jansson**, CEO. "Sports & Leisure with Craft is at the forefront with fantastic development opportunities, and the previously challenged Gifts

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& Home Furnishing is demonstrating promising development.”

Canada Goose cuts guidance as sales disappoint

Canada Goose cut its guidance for the full year, citing lower-than-expected revenues and retail traffic in EMEA and APAC regions in the ongoing fourth quarter of its financial year due to new restrictions imposed in the wake of outbreaks of the Omicron coronavirus variant.

The company now expects to post an adjusted Ebit margin of 15.1 to 15.8 percent on total revenues of 1,090 million Canadian dollars (€751.1m-\$861.2m) to C\$1,105 million (€761.3m-\$873.2m), below previous guidance for an adjusted Ebit margin of 16.5 to 17.7 percent on sales of C\$1,125 million to C\$1,175 million. The company now sees its DTC business accounting for 68 percent of total revenues versus previous expectations of 70 percent. Its wholesale revenue growth is seen at 6 to 7 percent compared to previous guidance of mid-single-digit growth.

The more pessimistic outlook comes as Canada Goose reported results for the third quarter ended Jan. 2, which showed that total revenues grew by 23.6 percent compared to the year earlier to C\$586.1 million (€403.8m-\$463.2m). Excluding the exceptional revenues from personal protective equipment recorded in the same period a year ago, comparable sales increased by 26.5 percent.

“Canada Goose’s brand momentum and supply chain resilience drove a strong performance in our largest quarter,” said **Dani Reiss**, president and CEO. “Our digital business continued to exceed last year’s outsized gains, alongside a sharp improvement in retail productivity. We remain confident in our long-term trajectory for revenue growth and margin expansion, notwithstanding the emergence of temporary and unexpected Covid-19 disruptions in certain markets.”

In the third quarter, DTC revenues jumped to C\$445.4 million (€306.9m-\$352.0m) from C\$299.4

million, mainly due to higher existing retail sales, complemented by a 28.1 percent increase in e-commerce sales globally and retail expansion. The company highlighted a 35.1 percent increase in DTC revenues in mainland China.

Wholesale revenues declined to C\$136.7 million (€94.2m-\$108.1m) from C\$160.8 million in the third quarter of the previous fiscal year, as shipments were brought forward due to wholesale partner requests.

The overall gross margin improved to 70.6 percent from 66.8 percent the year earlier. In the DTC channel, the gross margin decreased to 77.1 percent from 77.9 percent, driven by negative contributions of 0.5 percentage points each from an increase in non-parka sales, higher duty costs and government payroll subsidies in the comparative quarter and a 0.3 point negative contribution from an unfavorable shift in geographic mix. These factors were partially offset by a favorable 1.3 percentage point impact from pricing.

The gross margin decreased to 50.2 percent from 51.5 percent in the wholesale channel. The decrease was attributed to a 1.90 percent point negative impact from government payroll subsidies in the comparative quarter and a 1.90 percent unfavorable impact from product mix due to higher sales in non-parka categories. This was partially offset by a 1.00 percent point positive impact from the company’s higher proportion of sales to wholesale partners compared to international distributors and a 1.70 point positive impact from pricing.

Deckers sees 19-20% growth for its fiscal year

Deckers Brands, the parent company of **Ugg**, **Hoka** and other brands, is currently forecasting revenues of \$3.03-3.06 billion for the full financial year ending March 31, indicating a growth of between 19 and 20 percent. It expects to book a gross margin of less than 51.5 percent for the year, leading to an indicated net income of around \$410 million.

In the seasonally important third quarter, which ended Dec. 31, the group’s net sales rose by 10.2 percent to a record

level of \$1.19 billion, with an increase of 9.7 percent on a currency-neutral basis, but net income slid by 8.8 percent to \$232.9 million, as higher shipment costs led to a drop in the gross margin of 4.7 percentage points to 52.3 percent.

Rising by 13.4 percent, DTC revenues accounted for 50 percent of the topline versus 48 percent a year earlier and 44 percent in the corresponding period of 2019. Wholesale revenues went up by 7.3 percent.

Deckers continues to see Hoka marching closer to an annual \$1 billion topline. In Q3, the brand’s revenues rose by 30.3 percent to \$185 million – nearly double the volume of two years ago – despite delivery delays that caused stock-outs in certain markets. Hoka’s global DTC sales increased by 13 percent, and the company has been testing brick-and-mortar formats for the brand in the U.S. and China before a global rollout.

Deckers is prioritizing the fulfillment of the demand for the brand’s products while extending its reach toward younger consumers, notably with its enlarged **Rincon** and **Mach** franchises. Hoka is also expanding distribution with key wholesale partners.

Ugg’s revenues rose by 7.9 percent year-over-year to \$946 million in the quarter. U.S. sales were up by high single digits, while international sales rose by 20 percent, with EMEA and China accounting for half of the growth. There were also more full-price sell-throughs. The brand continued to make gains in men’s and kids’ footwear as well as accessories and apparel. Women’s core Classic products now account for less than 40 percent of the topline. The **Neumel** was Ugg’s largest volume style in Q3.

Sales grew by 31.4 percent for **Teva**, reaching \$20.6 million in the quarter, but they fell by 13.4 percent at **Sanuk** and 16.6 percent for the group’s other brands.

Deckers’ senior management confirmed that the company continues to navigate a difficult logistics environment, forcing it to spend upwards of \$100 million in air freight during the current financial year and carry more inventories than usual. To help offset the additional costs, it has implemented price adjustments on some Hoka models for the

spring season. It plans to do the same for Ugg in the fall.

The company noted that the most significant impact of supply chain disruptions is extended transit lead times and cost pressures related to container shortages, port congestion and trucking scarcity that have caused delays and higher usage of air freight.

“The full effect and duration of disruptions and delays are not yet known, and there are no indicators signaling material improvement near-term,” the company pointed out in a statement.

Deckers stressed that some distribution centers are experiencing operational challenges that may cause further delays and cost pressures in the future. Meanwhile, some of its wholesale partners and third-party logistics providers are also experiencing capacity constraints and labor shortages, which are affecting its operations.

Slinger completes acquisition of sports AI provider Gameface

Sports technology company **Slinger** announced the completion of its

acquisition of **gameface.ai**, a provider of artificial intelligence (AI) for sports. Gameface.ai’s platform, which has been recognized by **FIFA**, **World Football Summit Asia**, and MIT’s **Sloan Sports Analytics Conference** for the accuracy of its technology, provides both technical (biomechanics) and tactical (strategy) insights through its camera-independent AI video platform, meaning it does not rely on expensive or proprietary hardware for its analysis or data collection. Instead, all of this can be done with any cell phone or camera.

Upon closing, Slinger will acquire 100 percent of the issued and outstanding shares of gameface.ai in exchange for 6,666,667 shares of Slinger’s common stock plus additional shares of Slinger’s common stock in value up to \$3.5 million in contingent (earnout) considerations. The transaction is valued at \$24 million.

With the AI market in sports expected to grow nearly 30 percent per year over the next five years and the total sports analytics market expected to reach \$5.2 billion by 2025, Slinger says it is positioned to deliver the insights and data desired by today’s consumers and demanded by media

companies, sports organizations and betting platforms. With the help of gameface.ai’s team and technology, Slinger will enhance its existing products and develop and scale new technologies for tennis and other sports. The company says it’s also focused on partnering with leading commercial video and data providers in sports.

Slinger initially launched as a brand in the global tennis market with the **Slinger Bag Tennis Ball Launcher** and accessories. As of spring 2020, the company boasts over \$250 million in retail value in international distribution agreements. Led by CEO **Mike Ballardie**, former **Prince** CEO and **Wilson** EMEA racquet sports executive, Slinger is now focused on delivering innovative game improvement technologies and equipment across all ball sports categories and intends to transform traditional global markets with a suite of connected app and SaaS services. According to its own statements, the young company wants to become a leading connected sports company, enhancing the skill and enjoyment levels of players of all ages and abilities.

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Adidas has partnered with youth-led digital media platform **Guap** to launch an educational program called “The Originals Creator Network”. The 12-month initiative aims to connect young creators with industry experts and allows them to work live on Adidas **Originals** projects. The Originals store on Carnaby Street in London will serve as a learning hub. Guap’s mission is to discover and nurture underrepresented creatives and communities.

Asics, through its subsidiary **Asics Ventures Corp.** of Kobe, Japan, has purchased a stake in Run.Edge Limited, a start-up that was spun off from **Fujitsu Limited** in June 2018 and produces applications for real-time sports video analysis. Among its applications are **Fl-ux**, **Pitchbase** and **Taguru**. Fl-ux is in use by 80 football, basketball and rugby clubs in Japan and elsewhere, Pitchbase by 14 professional baseball teams in the U.S. and Japan and Taguru for online education at universities and private tutoring firms, enabling students to take notes. Run.Edge is headquartered in Tokyo.

Seattle-based **K2-MDV Holdings**, the parent company of all **K2 Sports** and **MDV** brands, including **K2 Skis**, **K2 Snowboarding**, **Marker**, **Dalbello**, **Völkl**, **Ride Snowboards**, **Line Skis**, **Backcountry Access**, **Atlas Snow Shoe Co**, **Tubbs Snowshoes**, **Madshus** and **K2 Skates**, announced that it has rebranded itself **Elevate Outdoor Collective**, effective immediately. The company will continue to be led by president and CEO **John Colonna**. According to the group, the name provides unity on the one hand, but on the other, it ensures that each brand has the freedom to thrive independently and maintain its unique spirit in the outdoor and winter sports markets. “Representing the largest collection of industry-leading winter sports and outdoor brands from around the world, we are thrilled for the synergy that comes with integrating under Elevate Outdoor Collective,” commented Colonna, who succeeded Christoph Bronder as group president last June. “Signifying the elevation we have gained as a company over the years, and the elevated experience overall we deliver, this is another step forward in evolving our best-in-class organization focused on the consumer.” “Supporting the outstanding family of brands as they transition to their new name is truly exciting for us,” said **Joe Lawler**, chief executive officer and operating

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partner at **Kohlberg & Company**, the U.S. investment firm that acquired the group from **Newell Brands** in 2017 (except for **Marmot**, **Zoot** and **Squadra**, which either initially remained with Newell or were sold separately). “John has delivered strong growth since joining us in 2018, and, along with his talented team of leaders, we are even more excited about the future. Elevate Outdoor Collective will continue to focus on great brands for serious outdoor enthusiasts, engineered for performance and fun.”

British online retailer **Studio Retail Group**, known until mid-2019 as **Findel plc**, filed for administration – a British form of bankruptcy proceedings – for itself and **Studio Retail Limited**, its wholly-owned subsidiary, after failing to obtain a \$25 million (€30m) short-term loan. The company also suspended its shares on the **London Stock Exchange** while it begins the U.K.’s form of bankruptcy proceedings. Studio Retail’s shares tumbled in February after its second profit warning in two months on the back of higher shipping costs and transport delays. As a result of distorted stock levels, working capital was being eroded, it added. Studio asked for a short-term loan to fund the surplus stock but failed to reach an agreement with lenders. “Following detailed discussions with our U.K. lenders, the company has not been able to reach an agreement with them to provide the additional funding,” the company explained. Studio Retail sells clothes, shoes as well as home and electrical products on flexible payment terms. It has about 2.5 million customers and posted sales of \$578.6 million (€690m) and profits of \$41.7 million (€50m) last year. **Frasers Group**, which is controlled by the businessman **Mike Ashley**, owns a 28.9 percent stake in Studio Retail. In 2019, Ashley attempted a takeover of the online retailer.

Following a binding offer from **Jean-Pierre Millet** and **Inspiring Sport Capital** in December regarding the acquisition of the **Millet Mountain Group**, the French **Calida Group** has received final approval from the French Works Council and signed a definitive binding agreement to sell its outdoor division. The transaction is expected to close in the second quarter of 2022. Jean-Pierre Millet is an investor and grandson of the founder of the eponymous brand. Inspiring Sport Capital is a London and Paris-based private equity firm specializing in sports investments. The sale of its outdoor segment is a major milestone in delivering on Calida’s “*Accelerate 2026*” strategy. The proceeds of the sale of the Millet Mountain Group, about which no details were given, will thus most likely be used for acquisitions in the underwear and lingerie segments. Last week, Calida had already acquired a German underwear brand, **Erlich Textil**. More details in our sister publication, *The Outdoor Industry Compass*.

The German luxury fashion brand **Hugo Boss AG** has invested \$5 million in **HeiQ AeonIQ LLC** (a wholly-owned subsidiary of London-listed **HeiQ Plc**) and an additional \$4 million based on performance milestone agreements. Boss is the first company to acquire shares in the new continuous cellulosic yarn that is being built as a sustainable alternative to polyester and nylon fibers. HeiQ AeonIQ (Aeon: striving for eternal recyclability) yarns are made from cellulosic biopolymers. The global polyester and nylon fiber market is worth an estimated

\$135 billion, with a CAGR of >3.5 percent over the next decade (*Statista*). According to the company, for every ton of polyester and nylon substituted by HeiQ AeonIQ, up to 5 tons of CO2 can potentially be saved. Prior to the Hugo Boss equity investment, **The Lycra Company** became the exclusive distributor for HeiQ AeonIQ yarn by making a “significant” undisclosed investment and committing to develop the technology for a broad application in textiles.

The surf brand **Mistral** has been acquired by the Dutch investment company **Nederlands MerkGoed (NMG)** from Haarlem. Nothing was disclosed about the takeover price. Mistral was the first European windsurfing brand, founded in 1976. Mistral’s portfolio currently includes windsurfing equipment, SUPs and apparel. The company generated sales of €80 million last year and sold 200,000 SUP boards in Germany alone. The brand has been owned by Dutch entrepreneurs **Ado Huisman** and **Peter van Merksteijn** since 2009. Huisman told Dutch news portal *fd* that the owners have been in contact with NMG for a while. The surf brand employs about 60 people and is represented in more than ten countries on four continents. Huisman and Merksteijn have reportedly sold around 50 percent of their company shares to NMG. The investors are no strangers to the sports industry: recent investments include **Passa Sport**, **Nomad** and field hockey brand **Dita**. NMG’s website says the company is very proud of the acquisition and plans further expansion in the SUP boards, wing foiling, apparel and accessories sectors.

Withings, a French electronics company with offices in the U.S. and Hong Kong and focusing on at-home connected health, announced the acquisition of **8fit**, a global health, fitness and wellness app with more than 40 million downloads, launched in Berlin in 2014. Available in six languages, 8fit provides its users with efficient workouts, personalized meal plans and self-care guidance. These features reinforce Withings’ ongoing strategy to develop personalized programs that combine sophisticated data with actionable insights that empower users to change their behavior. The company intends to invest more than \$30 million over the next three years to accelerate the development of these personalized supports. The news follows last month’s announcement of the acquisition of **Impeto Medical**, a specialist in research and development, manufacturing and distribution of innovative medical devices for physicians. Both are part of Withings’ ongoing investment to improve health through data from innovative connected health devices combined with expert advice based on behavioral science. According to Withings, the 8fit acquisition is the first step in the company’s effort to provide value-added support to users as their expectations and behaviors shift toward an even greater need for personalized support through digital solutions such as health and well-being apps in the context of rising global health issues. Like Withings, 8fit aims to put the user’s health at the center of its personalized plans.

Executive Changes

Marlène Masure will be leaving her position as director of partnership and business development (chief commercial

officer) on the **Paris 2024 Olympic and Paralympic Games Organising Committee (COJO)** in March “to pursue a new professional opportunity.” Her role, which she had taken over in April 2019, has now been split between two new associates: **François Xavier Bonnaillie**, director of commercial affairs, will take up the role of senior director of partnership and licensing. **Damien Rajot**, formerly director of commercial operations, will be responsible for ticketing and hospitality as senior director of on-site business operations and viewer experience.

Christoph Alexander Schnell will join **Sympatex** in February as business development manager for the footwear segment. A trained shoe technician, he has designed formative projects at various companies, including **Adidas** and **Puma**. He was also involved in designing the first fire-proof footwear for Formula 1. With his developments in the work shoe segment, Schnell has also won the **German Design Award**. According to Sympatex, the experienced shoe developer and manager stands for a cooperative attitude, focused functional development and innovations in which teams learn from each other. Sympatex argues that strengthening its footwear division is based on analyses foreseeing that sales of sports footwear will increase constantly until 2028. The outdoor and running industry is on a growth course and booming like never before, pushed by long lockdown and home office hours. According to *Marketmedia24*, for example, trend scenarios expect the market to generate revenues of up to €1.669 billion or higher by 2028. For Sympatex, the market is entering a new phase in 2022 after five years of sustainability efforts. Supported by legislative processes and increasing changes in customer demands, the market volume for sustainable footwear development is rising disproportionately. Starting with close consultation for eco-design to consistent circularity, the demands on Sympatex are explicitly sustainable, innovative and disruptive for joint solution development.

On May 1, 2022, **Dominik Solleder** will become the new co-managing director of **Sport 2000 GmbH**, the Sport 2000 licensee for Germany, Switzerland and the Benelux countries, alongside **Margit Gosau**. **Hans-Hermann Deters**, in this position since 2014, will leave the company on March 31. The board of directors of the **ANWR Group** has subsequently hired Solleder, who has been a member of the management board at team sports company **Uhlsport** since 2015, where he was responsible for all sales activities of the Uhlsport, **Kempa** and **Spalding** brands. Before that, he worked for **Erima** for eight years, including 3.5 years as managing director. In his new role, he will take over the Teamsport and Outdoor division as well as the group of key account retailers from Deters. Gosau will continue to be responsible for the Running and Winter divisions, among others, as well as the multi-category formats and digitalization areas of the retail group. She has been managing director of Sport 2000 GmbH since 2019 and CEO of Sport 2000 International since 2017. In 2019, ANWR Group, whose holdings include the German branch of Sport 2000, restructured its sporting goods segment and turned the former **Sport 2000 Deutschland GmbH**

into today’s “5-country organization,” now Sport 2000 GmbH. Deters, Gosau and **Markus Hupach** were appointed as managing directors at that time. Hupach, who joined Sport 2000 after 20 years at **Asics**, stayed only two years with the company and is now CEO at a Dutch startup, **Arion**. ANWR did not fill his vacant position.

+++ **Johnson Outdoors**, the U.S.-based company with a portfolio of brands in water sports, fishing, diving and camping that includes the **Jetboil**, **Eureka**, **Ocean Kayak** and **Scubapro** brands, has appointed **Terry Troutman** as its new vice president, global operations and supply chain +++ **Supreme**, owned by **VF Corp.** since 2020, has appointed **Tremaine Emory**, founder of the **Denim Tears** brand, as its new creative director +++ **Reebok’s** global creative director, **Kerby Jean-Raymond**, is leaving his post on March 1 as the brand embarks on a new chapter with **Authentic Brands Group** +++ **USA Surfing** has appointed **Brandon Lowery** as interim CEO, replacing **Greg Cruse** +++

DTC & E-Commerce

Decathlon Spain is determined not to miss the opportunities offered by the still trendy sport of padel. The retailer has announced that it wants to position itself as “the reference for padel players.” To that end, it is heavily promoting the **D-Padel** marketplace, which was originally created by employees of the retail chain who are passionate about padel tennis and its products. The marketplace was launched last June following the introduction of **Kuikma**, Decathlon’s private padel label, in 2019, at a time when the sport was one of the fastest-growing racquet sports within the company. D-Padel.com offers padel players the ability to see at a glance the entire product line of more than 15,000 items, covering about 80 percent of what is available on the market, according to Decathlon. The marketplace features Decathlon’s own brands as well as **Adidas**, **Bullpadel**, **Head** and many others. Since its launch, the Spanish marketplace has also developed into a community where padel tennis lovers can share experiences and interact. Kuikma has just signed padel professionals **Maxi Sanchez** from Argentina and **Lucia Sainz** from Spain, equipping them with rackets, shoes and clothing of the brand. The cooperation with two of the best padel players in the world underlines how important the sport is for Decathlon.

Chinese people like to use the days around Chinese New Year to do some shopping. According to the technology company **Alibaba**, the most popular shopping products this year include items related to the Olympic Games, skiing and ice sports. During the the New Year’s holidays (Jan. 31 to Feb.4), for example, demand for ski equipment on the e-commerce marketplace **Tmall**, launched by Alibaba in 2014, rose by more than 180 percent year-on-year. The increase was even more significant for skate and hockey products with the sales volume increasing by 300 percent. Tmall serves customers in China, Hong Kong, Macau and Taiwan. It is one of the most visited websites in the world. It allows brands and retailers from China and around the world to set up their own

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e-stores. According to Alibaba, Tmall also counted more than one million Internet users in the official Tmall online store of the Olympic Games. Many product categories were sold out within a day. A particular bestseller was the mascot of the Beijing 2022 Winter Olympics, "**Bing Dwen Dwen**," a small panda bear: it was reportedly sold out within seconds. *AFP* reports that it was also quickly sold out on other platforms and in retail stores. Now, there are allegedly problems with the production and delivery of the popular mascot. The hashtag "*A Dwen for every household*" on the Chinese short message platform *Weibo* (comparable to *Twitter*) subsequently generated more than 210 million views on Sunday alone.

Retail & Distribution

Bleckmann, a leading Dutch provider of supply chain management services to the fashion and lifestyle market with customers such as **Gymshark** and **Superdry**, among many others, has opened a new fulfillment center in Lutterworth, its fourth location in the U.K. The brand new building at **Magna Park** has a floor area of 19,000 square meters and a clear height of fifteen meters, giving a floor capacity of 52,000 square meters. Increasing demand for logistics solutions in the U.K. and continental Europe is the reason for opening this new fulfillment facility, Bleckmann said in a press release. "With the opening of this new sustainable (BREEAM Excellent) distribution center, we are nearly doubling our total capacity in the logistics heart of the U.K.," commented **Mark van Onna**, Bleckmann's general manager of real estate. From this new facility, Bleckmann will serve existing and new (international) customers in their B2B and B2C channels in Europe and beyond. The building is already in operation and will be equipped with modern automation solutions in the future. In the medium term, the opening of the distribution center is expected to create up to 300 new jobs in the region.

The sporting goods retailer and manufacturer **Decathlon** is testing the expansion of sustainable services in Germany. In Munich, a pilot project has been set up in collaboration with **Glocally**, a logistics company founded in 2021 by three students at the Technical University of Munich. The company focuses on a sustainable supply chain and offers live tracking as well as delivery time windows to deliver the package exactly when it suits customers best. Customers can have their orders from the Munich-Elisenhof store delivered to their homes on the same day by electrically powered cargo bikes. The orders are delivered to more than 30 of the city's zip code areas within a few hours. If an order is placed by 3:30 pm, Decathlon and Glocally guarantee delivery by 9 p.m. at the latest on the same day. The price for CO2-friendly same-day delivery is currently €6.99 and has already been positively received by customers, Decathlon says. The drivers are employed directly by Glocally to ensure fair working conditions and market-standard pay. Glocally now delivers for both international and local companies in Munich and will expand to other cities in the DACH region over the course of the year. Decathlon also offers same-day delivery in other German cities – but (still) via usual transport services.

Gore-Tex has expanded its rental program called "**Outerwear on Demand**" in the U.S. The snowsports apparel rental service was originally launched in December 2020 and is now offered at 15 ski resorts and retail stores across the country. Gore-Tex has even developed a dedicated Outerwear On Demand collection. The apparel has numerous adaptable fit features and was designed specifically for the purpose. After the garments are returned, they are inspected, cleaned and packed into individual bags for the next customer. There is no purchase option. Gore-Tex is also considering the expansion of the program to other countries.

In a new partnership, **Decathlon UK** is joining the **Sport Tech Hub**, a program run by **London Sport** to make London "the most physically active city in the world." Through the Sport Tech Hub, London Sport aims to bring the power of technological innovation to efforts to increase physical activity in the capital city and beyond. It supports startups and innovators to create, grow and scale sports technology companies that play an essential role in solving the global problem of physical inactivity. The partnership will provide companies within Sport Tech Hub with access to industry experts from Decathlon's network through mentoring, workshops and events. In return, Sport Tech Hub will bring innovative sports technology solutions to Decathlon. Decathlon, founded in 1976 in Lille, France, expanded to the U.K. in 1999. Decathlon UK opened its first store in Surrey Quays, London, in 1999 and now operates more than 45 stores nationwide, also serving customers online and through the Decathlon mobile app.

Frasers Group has announced plans to open a new **Sports Direct** flagship in the **Arndale** shopping center in Manchester city center. Sports Direct currently occupies 2,700 square meters on the lower first floor of the shopping center. Under a new 15-year lease, Sports Direct will move into the 5,440-square-meter space, spread over five floors. 4,650 square meters are dedicated retail space. The new flagship will carry a variety of brands, including **USC**, **Evans Cycles** and **Game**. There will also be a **Belong Esports** arena. It is scheduled to open in late 2022. Manchester will be the third flagship location, joining Birmingham and London. The group's new strategy – expansion and investment into the store portfolio and flagship presence – will soon be led by new CEO Michael Murray, who is taking over from **Mike Ashley** on May 1.

Green Room, an experimental design agency based in Birmingham, has partnered with footwear and apparel brand **Hoka** to develop a new global store concept that has been launched first in China and Southeast Asia. The partnership has developed a community-focused retail concept that will be rolled out in multiple locations and formats around the world, from flagships to concept stores, shop-in-shops, pop-ups and outlets. The stores place a strong emphasis on connecting with nature – both in terms of furnishings and atmosphere. At the heart of this is a treadmill for test runs, completely surrounded by hyper-realistic digital scenery that moves around the runner, immersing him or her into the great outdoors. In addition, the stores are designed not only as a retail space but also as a hub for the local running

community, offering a variety of additional services and events. Green Room has also created a **Hoka Retail Playbook** and **Digital Playbook** for seamless global rollout in local markets to ensure that the integrity of the brand and original creative intent is maintained across all Hoka stores. The partnership between Hoka and Green Room was launched in May 2021. Hoka, now owned by California-based **Deckers Brands**, originated in the French Alps. In 2009, trail running pioneers wanted to create a shoe that made running downhill easier. Today, Hoka shoes are sold in 60 countries around the world. The company's headquarters are located in Goleta, California.

Sport 2000 reports that the seventh **Absolute Run** store opened on Feb. 4 in Germany. The owner of the store, which has been existing as "**Laufsport Andreas**" since 2006 in the city of Minden in North Rhine-Westphalia (80,000 inhabitants), is **Petra Benecke**, who has now reopened her store as "**Absolute Run - Laufsport Andreas**." The new shop offers about 220 square meters – twice as large as before the renovation. In line with the Sport 2000 concept, the focus is on personal and competent advice as well as a high level of customer service. A 20-meter running track stretches through the new store, where footwear can be tested accordingly. The consultation is supported by modern iPad analysis technology in connection with foot pressure measurement by **Currex**. With **Asics**, **Brooks**, **Currex**, **Hoka**, **Karhu**, **New Balance**, **On** and **Saucony**, Benecke sells all the relevant running brands and offers the largest range of shoes and textiles in the region, Sport 2000 says. As in the six other Absolute Run stores (Bonn, Siegen, Bremen, Augsburg, Nuremberg and Dubai), activating the running community is also an important part of the concept. In Minden, this is implemented, among other things, through an extra community area with a coffee bar and the possibility of converting the sales area into an event space for lectures. Sport 2000 is planning up to two more Absolute Run openings in 2022.

Indian online sneaker retailer **Superkicks** opened its fourth brick-and-mortar store in Guwahati in the country's north-east on Feb. 5. To test the market, which the retailer says has already been very profitable for its online business in the past, Superkicks opened an 80-square-meter pop-up store for a six-month period. Superkicks sells sneakers from many popular brands, including **Nike**, **Adidas Originals**, **Vans**, **Puma**, **Fila**, **Yeezy** and more.

+++ To ensure a good customer experience, Danish sports chain **Sportmaster** is extending its ten-year partnership with SaaS company **SameSystem** until 2024 +++ After eight years as a tenant at the Wembley Park shopping center, **Nike** has decided to increase its presence at the **London Designer Outlet** from 850 to nearly 1,500 square meters by moving into a new unit in the second quarter of the year that will incorporate the new **Nike Unite** concept, which allows locals to connect more closely with the sport +++ **Dagens Handel** reports that **SGN Sport Sweden**, which operates the **Team Sportia**, **Bike Nation** and **Sportringen** retail chains with almost 250 affiliated stores, continues to grow with the addition of six more stores to its network: **Bikestore One** in Söderhamn, **Sams Cykel och Motor** in Nybro, **Fiske och**

Uteliv in Ystad, **Nya Järnboden** in Virserum, **The Brand Studio** in Nynäshamn and a **Sportringen Outlet** (taking over **XXL's** premises) in Töcksfors +++

Results & Statistics

Nike announced that it has joined other backers in investing in the U.S. **Women's National Basketball Association (WNBA)**. The total investment by all parties is \$75 million, making it the largest capital raise to date for a women's sports organization. In addition to Nike, which has been a commercial partner of the league since its first season 25 years ago, investors include current owners in the WNBA and the **National Basketball Association (NBA)** such as **Joe and Clara Tsai**, **Ted Leonsis**, **Micky and Nick Arison** and **Bill Cameron**. Additional new investors are **Dell Technologies** (CEO **Michael Dell**); **Laurene Powell Jobs**, philanthropist and widow of **Apple** co-founder **Steve Jobs**; and former U.S. Secretary of State **Condoleezza Rice**. Nike said that through this partnership, it would work with the WNBA to grow the league by deepening WNBA storytelling to bring more visibility to WNBA athletes and inspire more girls to play basketball through additional grassroots opportunities. "Nike's investment is not only a signal of how strong the movement around women's sports is but also a sign of support for the WNBA's vision and that it's time to redefine what it means to support women's basketball," said WNBA commissioner **Cathy Engelbert**. Proceeds from the transaction will be used for brand enhancement and marketing, globalization, innovation, digitization, customer touchpoint growth, human capital and operational optimization. "WNBA players should feel the benefits of the increase in capital and capacity at the league level — now and in the future," Nike wrote in a press release.

With the start of the **Olympic Games** in Beijing, the share prices of Chinese sports companies **Anta Sports** and **Li Ning** have risen, each by almost five percent in recent days. Analysts attribute this to a positive mood among the population due to the Games. The value of one Anta Sports share was 123.700 Hong Kong dollars (€13.91) on Feb. 8. Anta Sports is the official sports apparel partner of the Olympics and Paralympics and also the official outfitter of the Chinese national team. Hong Kong fashion icon **Timmy Yip** designed the outfits, as he already did for the Tokyo Games last year. Anta Sports is the world's third-largest sports company and made a revenue of 35.5 billion yuan (€4.88bn) in 2020. The company relies on a multi-brand strategy, growing steadily and increasing its revenue sevenfold from 2013 to 2020. Li Ning's shares were priced at HK\$79.55 (€8.92) on the same day. However, the stock has been classified by analysts as a medium-risk stock since last fall and has been on a downward trend over the past six months. The company reported revenues of around HK\$16,245.2 million (€1.8bn) in 2020. Li Ning, the founder, owner and namesake of the company, was one of the most successful gymnasts in the history of sports. He won six Olympic medals (three times gold) in Los Angeles and lit the cauldron of the Olympic flame at the 2008 Summer Olympics in Beijing. **Linus Yip**, a chief strategist at **First Shanghai Securities**, said to *Reuters* that the Olympics

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are a new stimulus for China's sports brands: "Anta and Li Ning, as the industry leaders, are set to benefit from a robust prospect for the segment going forward."

According to *CMDsport*, **Bodytone International Group** appears to have equaled in 2021 its record annual sales of 2020, which amounted to €28.5 million. And the Spanish producer of fitness equipment is looking forward to an even better 2022. Speaking with *CMDsport*, one of Bodytone's two CEOs, **Joaquín Marín**, projected a rise in revenues of 25 to 30 percent for the current year, for a total of €35 to €37 million. Indeed, he believes that 2022 should be the "definitive trampoline" to bounce Bodytone into what he calls the "Champions League" of the world's top fitness brands. By comparison, revenues for 2019 – before the worst of the lockdowns spurred the home-fitness segment – were €13.3 million. The current year has nevertheless started slowly in the professional segment, because of restrictions put in place over the sixth wave of Covid infections. However, Marín says that international operators that Bodytone works with are expecting Spain to leap back into action "as soon as the news stops talking about the virus." He believes the **FIBO** trade show, in April, could be an inflection point. Bodytone was acquired in August of last year, as we then reported, by **Iberian Sports Retail Group (ISRG)**, a company that is controlled by **JD Sports Fashion** and operates **JD Sports**, **Sprinter**, **Sport Zone** and **Deporville** on the Iberian peninsula. Marín says that the integration has been "totally positive" so far. In September, Bodytone left its headquarters in Murcia to reestablish itself alongside the other banners at ISRG headquarters in Alicante. The acquisition should enable Bodytone to expedite product development. One product in the pipeline is a patented band that corrects a runner's form through biofeedback. This will be joining the third iteration of the brand's **Smart Bike**, which increases connectivity with such apps as **Bkool**, **Swift** and **Kinomap**. Bodytone's partner in R&D is the **Catholic University of San Antonio de Murcia**. ISRG operates more than 500 stores in Spain, Portugal and the Netherlands. Bodytone operates in 40 countries and does its own manufacturing.

Descente's total sales grew by 15 percent to 76,681 million yen (€589.6m-\$698.5m) in the nine-month period ended Dec. 31, 2021, with an increase of 13 percent in the third quarter, leading to an operating profit of ¥4,380 million (€33.7m-\$39.9m) against a loss of ¥2,454 million in the corresponding nine-month period of 2020. The gross margin rose to 56.6 percent from 52.9 percent. Besides its own brand, the Japanese company holds territorial licenses or trademark rights for several western brands. While lagging behind pre-pandemic levels, most of them booked increases during the period. Sales were up by 17 percent for the **Descente** brand, 7 percent for **Le Coq Sportif**, 36 percent for **Arena** and 35 percent for **Umbro**. In Japan, where total nine-month revenues reached ¥37.3 billion (€287.1m-\$340.2m), sales of the **Mizusasa Down** increased significantly year-over-year due to a cold December. The company has begun sharing inventory between stores and its in-house e-commerce department. It is aiming to achieve 50 percent of domestic revenues from the

direct-to-consumer channel by 2023. **Descente** experienced strong sales of styles inspired by the **Swiss Alpine National Ski Team** in South Korea, where total sales reached ¥36.2 billion (€278.4m-\$329.9m). Revenues from its **Enerzite** running shoes and **R-90** golf shoes remained strong. Meanwhile, sales of licensed Umbro shoes and apparel targeting teens and 20-somethings went up, partly driven by the consumer appeal of woven materials in apparel. Sales in China reached ¥3.12 billion (€24.0m-\$28.4m) for the nine months as sales from its joint venture with the **Arena** brand recovered to pre-pandemic levels.

Goldwin, the Japanese company whose brand portfolio includes territorial trademark rights or licenses for some western sports brands, is currently forecasting a 5.7 percent drop in annual operating earnings to 14 billion yen (€107.6m) for the 12 months ending March 31, 2022. Annual revenues are predicted to rise by 10.5 percent in local currencies to ¥100 billion (€768.9m). For the nine months ended Dec. 31, Goldwin's operating profit increased by 4.3 percent to ¥14,157 million (€108.8m) on a 6.6 percent gain in total revenues to ¥73.8 billion (€567.3m). Goldwin's roster of licensed brands includes **Speedo**, **Black & White Sport**, **Macpac**, **Icebreaker**, **Woolrich** and **Fischer**. The company also owns trademark rights in certain markets for **Ellesse**, **Danskin**, **Canterbury**, **The North Face** and **Helly Hansen**.

Luanvi, the Spanish sportswear manufacturer, posted revenues of €14.5 million in 2021, which represent a 25 percent increase year-on-year. The result also marks an improvement as compared to pre-pandemic levels, the company said. As reported by *CMD Sport*, the positive trend is continuing in 2022, as the company recorded a 15 percent sales increase in January as compared to the same month in 2021, according to the company's founder, **Vicente Tarancón**. The sales growth in 2022, however, is expected to be lower than last year. Based in Paterna, in Spain's Valencian Community, Luanvi was created in the early 1970s. The company takes its name from its three founders - Luis, Antonio and Vicente.

A very detailed survey conducted last fall among 284 Swiss retailers (and, for the first time, also 63 Austrian companies) by the **Institute for Marketing Management** at the **ZHAW School of Management and Law** shows that nine out of ten online stores in Switzerland and Austria have grown during the pandemic. In 2020, net sales of goods in e-commerce rose by almost 30 percent to around CHF 13 billion in Switzerland alone. Online retail volume here already accounts for more than 14 percent of the total retail trade in goods. In Austria, the online figures did not develop quite as spectacularly as in Switzerland, but with a growth of around 20 percent and an online share already approaching 10 percent, they are also exceptional. In all countries, the share of value-added by B2C online retailing is increasing in proportion to the growth in its market share. In Germany, according to a recent study by IFH Cologne, online retailing accounted for 12.7 percent of total retail value added. Sales in the DIY and gardening segments, as well as sporting goods, have grown strongly

(by more than 20 percent on the previous year) at two-thirds of online retailers since the Corona crisis, the Swiss survey shows. The global Internet platforms and online marketplaces are considered winners of the Covid crisis. In Switzerland, **Digitec Galaxus** was still able to expand its market leadership position over **Amazon** last year. This is a real exception when looking at Austria and Germany, for example, where Amazon already dominates the market. Overall, however, the major online providers are growing in size and gaining market share.

The production of sporting goods in Spain recorded a 70 percent increase in December 2021 as compared to the same month of 2020, based on provisional data from the **Spanish Statistical Office (INE)**. The performance also marks the fourth consecutive month of growth in the sector's industrial production index (IPI). In fact, data show that the past year was filled with ups and downs in Spain's sporting goods production, with a 143.1 percent IPI increase in January, for example, followed a few months later by a 35 percent drop in May, although the latter marked the worst monthly performance of the year.

+++ The consumption barometer of the **German Trade Association (HDE)** fell in February for the third month in a row (-0.42 points compared to the previous month), because of Covid infection rates and measures in Germany +++ **Amazon** has confirmed its forecasts, posting \$137.4 billion in revenue in its fiscal fourth quarter, with net income doubling to \$14.3 billion +++

Legal & Institutional

For five years, the trial surrounding the collapse of **Rana Plaza** in Bangladesh was suspended, but now it is to resume on Feb. 16. The eight-story Rana Plaza factory building collapsed on April 24, 2013, killing more than 1,100 people. It housed several textile and other companies, and clothes were made for international fashion companies such as **Primark** and **Benetton**. Shortly before the collapse, several workers reportedly refused to enter the building because of safety concerns. According to reports, factory operators forced the workers to their workstations with clubs. In 2016, a court brought murder charges against factory executives and owners. Soon after, the trial was put on hold. The reason: several defendants tried to appeal the indictment in court. According to information from *dpa* and *AFP*, these trials are now to be conducted separately. A judge has ordered the resumption of the actual trial against the remaining defendants. Chief prosecutor **Sheikh Hemayet Hossain** told the *AFP* news agency, "We want to conclude the trial as soon as possible. Too much time has already been wasted." The Rana Plaza collapse can be seen as a turning point in the textile industry. The disaster brought to light the inhumane working conditions in parts of the industry. Shortly after the disaster, many companies, together with trade unions, signed the **Accord on Fire and Building Safety** in Bangladesh. The agreement was renewed in August 2021. Many other measures followed in other countries as well. After China,

Bangladesh is the country with the largest textile production worldwide. Since the tragedy, the efforts to increase transparency in the supply chain have also increased.

The **Italian Football Federation (FIGC)** has announced plans to host the **UEFA Euro 2032**. Italy, the winner of the 2021 tournament, had considered a bid for Euro 2028, but FIGC's president **Gabriele Gravina** said a proposal to host the tournament in 2032 would allow more time to modernize stadiums across the country. Italy previously hosted the European men's championship in 1968 and 1980. In addition, the Stadio Olimpico in Rome was the venue for four matches at Euro 2020, including the tournament's opening ceremony before Italy's match against Turkey. Euro 2020, which took place in 2021 because of Covid, was held in an atypical multi-nation format.

The Portuguese government adopted new regulations (Decreto-Lei n.º 3/2022) at the end of January 2022 to label all textile products that are man-made to replace genuine leather and also established fines for companies that do not comply. The new law defines the term leather and specifies its use. Accordingly, the word "couro" – leather – may only be used for products made from animal skin, while expressions such as "vegan leather," "synthetic leather," etc., may not be used as they are technically incorrect and misleading. In the field of trade and labeling, it will no longer be possible to combine the word with prefixes, suffixes and qualifying adjectives if the material in question is not genuine leather. The leather industry is an important economic factor in the Portuguese economy, as well as in Spain and France, where there are already corresponding laws. Italy has also already introduced a regulatory instrument to protect the authenticity of leather in October 2020. The Confederation of National Associations of Tanners and Dressers of the European Community (Cotance), based in Brussels, sees the local legal initiatives as a positive impulse for the **European Commission** to revise and adapt the current regulations on textile denominations and footwear, which date back to 1992. The association also believes that the current EU regulation for textile labeling (Regulation (EU) No 1007/2011) is not clear enough regarding the topic. The paper assigns the use of the word "leather" only to products made from animal skin. However, in practice, the terms "vegan leather" or "synthetic leather" are still frequently used.

UNESCO, the **United Nations** specialized agency that focuses on promoting world peace and security through education and culture, hosted a ministerial conference on "Sports and Sustainable Development Goals in Childhood: Societal issues regarding appropriate physical activities" on Feb. 7-8. The conference, held at UNESCO headquarters in Paris, was organized by the French Ministry of Sport as part of the French Presidency of the Council of the European Union. The speakers included French former footballer and world champion **Youri Djorkaeff**, who is currently the CEO of the **FIFA Foundation**, as well as **Sarah Ourahmoune**, vice-president of the **French Olympic Committee (CNOSF)**, the former professional tennis player and world No. 1 **Justine Hénin** and **Pierre Valutier**, a former French snowboarder and two-time

News and analysis of the international market

Olympic gold champion, who is also the co-founder of the environmental organization **Tree2Forest**. Experts, decision-makers and other stakeholders discussed the role of sports in child development in terms of physical integrity, health and sustainable development education.

Product & Marketing

Dalbello, part of the **MDV** group of companies (with **Marker** and **Völkl**), is launching the **Green Menace** and **Green Gaia** for the 2022/23 winter season, two new ranges of eco-friendly ski boots built from recycled plastics as part of the brand's **Reboot** project. The material is sourced directly from Dalbello's manufacturing process. The fabric and padding of the liners are also made from 100 percent recycled materials. As previously reported by our sister publication, *The Outdoor Industry Compass*, Dalbello, a "ski-boot-only" company, has been a partner of the **Life Reskiboot** research project, co-funded by the **European Commission**, since September 2020. **Jonathan Wiant**, president of MDV Sports, defined Life Reskiboot as "the first phase for Dalbello." "Now we are expanding our brands' wide strategic and environmental vision by creating the most sustainable ski boot in the industry to date," he said. The company claims that even before 2022, nearly 20 percent of a new Dalbello ski boot was generally made from recycled material. In the future, Dalbello will extend the Reboot project to other product lines as well, creating additional green options for the consumer.

Canadian athletic apparel and accessories brand **Lululemon** is launching two bags made from **Mylo**, a material made from renewable mycelium, the root structure of mushrooms, and created by a team of scientists and materials experts at **Bolt Threads**. Lululemon first revealed its plans to make mushrooms last July, as part of the company's ongoing sustainability efforts. The two "mushroom bags" – the **Meditation and Yoga Mat Bag** and the **Barrel Duffel Bag** – will be available on lululemon.com and will also be on display in select Lululemon stores in Tokyo, Melbourne, Sydney, Beijing, Shanghai and Hong Kong. Lululemon is an original partner of the **Mylo Consortium**, a group of companies investing in the Mylo material innovation. In addition to Lululemon, this group includes **Adidas**, **Kering** and **Stella McCartney**.

Fitness equipment provider **Kettler**, whose licensing rights have been held by Swiss distributor **Trisport** since 2019, wants to get involved in the (paid) connected fitness sector. For this purpose, it just launched the new English-language **HOI by Kettler Fitness App**, which customers can test for free until May 2022. Access to the app's content will be blocked when the free period expires, after which there will be the option to continue for a fee and to cancel on a monthly basis. In the app, exercisers are assisted by six professional coaches on different types of workouts, including yoga, pilates, running, HIT, rowing and others. The workouts can be selected individually depending on the activity, duration, coach and performance level. Dubbed "**HOI by Kettler**," an innovative line of fitness equipment for home use was unveiled in the fall

of 2021 and offered a taste of how Trisport plans to modernize the traditional brand.

Asics and **Zwift** have announced a partnership on the development of inspiring running experiences to help runners achieve their goals. These experiences will include an in-game run training program, scheduled to be released in June of this year. Runners will train on the Zwift platform with avatars resembling Asics athletes. Participants will have the opportunity to earn a digital and/or physical pair of Asics shoes.

Klarna, the Swedish retail banking, payment and online shopping service, has unveiled "The Klarna All-Star Vault," an interactive activation celebrating the connection between fashion and professional basketball in its 75-year history. The promotion – Klarna's first-ever immersive sports activation – continues the shopping service's expansion in the sports industry, following the brand's recent announcement as the official shopping partner of the **Chicago Bulls** and founding partner of the **Angel City Football Club** in Los Angeles. From Feb. 18-20, a real-life pop-up at Cleveland Public Square in Cleveland, Ohio, will bring fans closer to the game with merchandise giveaways, fan experiences and access to some of basketball's most coveted sneakers during one of the sport's biggest weekends. In addition, fans around the world can digitally access the experience, which, amongst other offers, gives them the opportunity to vote on Klarna ambassador, All-Star and Chicago Bulls player **Zach LaVine**'s pre-game outfit, which will be unveiled on Sunday, Feb. 20. LaVine's stylist has put together two potential outfits for users worldwide to choose from. Both looks are also available for purchase through the Klarna app. For true basketball and sneaker fans, an exhibit of in-game worn originals from the personal archive of renowned sneaker collector **Gerard Starkey** will also be on display both on-site and on KlarnaVault.com. Styles on display include **Michael Jordan**'s 1989 **Air Jordan 4**, worn on the infamous "Shot" against Cleveland; **Air Jordan 11** "Columbia" from 1996; **Air Jordan 12** from the Bulls' 1997 title run; as well as rare originals such as the **Air Jordan 1 High** "Banned" from 1985 and the **Air Jordan 7** "Bordeaux" from 1992.

Macron is resuming its partnership with the **Northern Premier League (NPL)**. The Italian team wear brand, the NPL's first long-standing partner in 2008, will be providing apparel for all bench members, including coaches, for the next five years. In addition, the company has announced an agreement with the **Toolstation Northern Counties East League**, an English semi-professional league, as official team wear and bench wear kit partner for four years, starting from the 2022-2023 season. This agreement also sees the involvement of Macron Stores in Manchester, Wakefield and Nottingham.

+++ After **Manchester United**'s sponsorship deal with **Aon** expired last month, the British football club announced blockchain company **Tezos** as its new official training kit and technology partner, paying 33 percent more than Aon, or around €24 million annually +++ **Adidas – Double D** is the new exclusive kit supplier of the **French Boxing Federation**, in a deal that will run

until 2024 +++ **Asics** will serve as the official partner for the three largest events in the **Canada Running Series**: the **TCS Toronto Waterfront Marathon**, the **21K de Montréal** and the **Vancouver Half Marathon** +++ **Puma** and model/activist **Cara Delevingne** are launching **Exhale**, a collection of eco-conscious yoga wear made from recycled polyester and natural dyes +++ South African-born, U.S.-based golfer **Aaron Wise**, the 2018 **PGA Tour** winner and 2018 PGA Tour Rookie of the Year, has signed a multi-year deal with **Adidas** to outfit him on the course with the brand's headwear, apparel, footwear and accessories +++ Austrian company **Eisbär** has launched **Strive**, a knitted head and neckwear sports collection made from pure natural materials (100% natural yarns, 100% plastic-free) using its proprietary **3D Active Knit** process +++ With the **HS1**, **Adidas** has launched the first product under its **Terrex** outdoor label, the result of a partnership with **Spinnova** +++

Trade Shows & Other Events

The organizers of **FIBO** are committed to a return to normality in 2022. After a two-year absence, the global fitness show is to return as a physical show on April 7-10 in Cologne, Germany, with "the best possible health and safety protection for all attendees," **Koelnmesse** says. One day before the show's start (April 6), the **European Health and Wellness Forum** organized by **EuropeActive** will again take place in Koelnmesse's Congress Center North. "We have designed FIBO 2022 to actively promote current market developments and leave enough room for strong growth segments," commented event manager **Silke Frank**. In the redesigned Hall 8, visitors will find the Health, Wellness & Spa and Interior segments. Also in the planning stages are several conference forums and a program of the international "**Exercise is Medicine**" initiative. A comprehensive cross-section of exercise equipment will be displayed in Halls 6 and 7. In Hall 7, visitors will also find some visionary topics on digitalization in the **Future Forum**. Hall 9 will be entirely revamped by bringing together functional training and group fitness concepts for trainers, coaches and instructors, wellness experts, and studio operators. Hall 5.2 will be the premier joint destination for fitness professionals and consumers with everything from healthy nutrition, fashion, beauty, group fitness and new CBD products. Visitors will also find a lifestyle area, stages and joint action areas, the **Cycling Festival** and **Mixed Reality Sports**. Hall 10 is once again the FIBO Power Hall showcasing bodybuilding, weight training and performance sports. More information on FIBO 2022 at www.fibo.com.

Several outdoor companies announced Monday they would boycott the **Outdoor Retailer (OR)** trade show events if they were moved from Denver to Salt Lake City. Their reasoning is that they suspect the Utah state government has unacceptable plans for some state national monuments and public lands. The announcement came after the **Conservation Alliance** wrote in a press release that **Emerald Expositions**, the organizer of the OR shows (and others), had expressed continued interest in moving OR to Utah, despite widespread industry objections. Utah had lost the \$45 million trade show

after state lawmakers asked President **Donald Trump** in February 2017 to unlawfully reverse the designation of Bears Ears and Grand Staircase-Escalante as national monuments – against protests from the **Bears Ears Inter-Tribal Coalition** and more than 3 million Americans who filed public comments. Although those protections have since been restored under President **Joe Biden**, Utah's elected officials are allegedly once again trying to strip federal protections from these lands, while also trying to get Emerald to relocate OR from Denver back to Salt Lake City. More details in our sister publication, *The Outdoor Industry Compass*.

After three years of absence and two consecutive cancellations, due to the Covid-19 pandemic and related restrictions, **Sport Achat Hiver** will finally take place this year as a physical event at **Eurexpo** in Lyon, France, on March 7-9. Sport Achat, organized by **Sportair**, is a B2B event for industry professionals in the mountain, outdoor and winter sports markets. The organizers are expecting 200 exhibitors from 450 brands, according to *Sport-Guide.com*.

+++ Glencoe Mountain Resort in Scotland is set to host **The Mighty Coe**, a DTC snowboard and ski festival, expo and test event over the last weekend in March +++ After last year's cancellation, over Covid-19, the inaugural edition of the Swiss **Expo des Neiges** show has been confirmed for March 29-31, 2022, at the **UCI World Cycling Centre** in Aigle +++

CSR & Sustainability

Element Skateboards has announced it will donate one percent of all global hardgoods sales to **1% for the Planet**. In a press release, the brand said, "At Element, we are not climate scientists. We are skateboarders, adventurers, creatives; a community of passionate people who care. We care about our planet, our climate, our present, and our future." Element will thus "directly fund true experts and NGOs in their work to fight against deforestation and to contribute to reforestation and biodiversity." The commitment is part of Element's "**Conscious by Nature**" initiative. The brand has announced additional projects in this regard. Element Skateboards is part of Boardriders (with **Quiksilver**, **Roxy**, **Billabong**, **VonZipper**, **DC Shoes**, and **RVCA**). The brand sells clothing, footwear, accessories and skateboards for men, women, and children. It is one of the core brands in the skate market and celebrates its 30th anniversary this year. Element was also the first skate brand to release a women's clothing division (2000). Element's best-known pro-model rider is currently **Tom Schaar**. The Californian made history when he became the first skateboarder ever to land a 1080 as an 11-year-old in 2012.

+++ **Oceantee**, a sustainable golf brand founded by **Ed Sandison**, has joined **1% for the Planet**, thereby pledging to donate the equivalent of 1 percent of its gross sales through a combination of monetary, in-kind and approved promotional support directly to environmental non-profits +++

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