

SGI Europe

Sporting Goods Intelligence

News and analysis of the international market

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Europe

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EDM
PUBLICATIONS**Puma sees 2022 sales up at least 10%, headwinds from higher costs, China**

With its traditional conservative approach, **Puma** said it expects currency-adjusted sales to increase by “at least 10 percent” in all the regions in 2022, despite a very strong order book, but warned that higher freight and raw material costs would weigh on profits, while an ongoing consumer boycott in China continues to limit growth in that important, high-margin market.

Still, the company is guiding for an operating profit (Ebit) this year of €600-700 million, up from the record €557 million seen in 2021, with a corresponding improvement in net profit. The development of the gross profit and operating expense ratios will continue to be highly dependent on the degree and duration of the Chinese boycott and the negative impact of the Covid-19 pandemic on sales. Meanwhile, inflationary pressures on energy, raw material and shipping costs, as well as lingering operating inefficiencies due to Covid-19, are expected to have a “dilutive” impact on profitability.

The guidance indicates that Puma should be able to reach an Ebit margin of over 8 percent, reducing marketing and other expenses if the gross margin is under pressure. The company's CEO, **Bjorn Gulden**, said he was still “very confident” that the company would reach a 10 percent Ebit margin in the short term, perhaps even in 2023, as planned, but

admitted that there were still too many “moving parts” at play.

A new business plan will likely be presented to investors later this year. Meanwhile, the company proposes to resume its dividends after a record year, with a relatively high payout ratio of 34.8 percent.

Wholesale growing faster than DTC

In the fourth quarter of 2021, Puma's sales increased by a reported 16.2 percent to €1,767.1 million, with a growth of 14.3 percent at constant currency rates. Puma's wholesale revenues expanded by 16.5 percent at constant rates to €1,208.1 million, while the direct-to-consumer business increased by 9.7 percent to €559 million. Although sales in owned & operated retail grew by 21.5 percent in local currencies, e-commerce declined by 6.8 percent, a decrease attributed solely to the market environment in China. Western brands, including Puma, have seen sales suffer in China after indicating they wouldn't use cotton produced in the Xinjiang region due to alleged human rights abuses.

Gulden reaffirmed Puma's wish to be “the best partner” for its retail clients in terms of deliveries, financing and payments. The wholesale ratio in the total turnover has decreased from 78.6 percent in 2015 to 74.7 percent in 2021. The company is still targeting a relatively high 70 percent ratio in the longer term.

Meanwhile, Puma is gearing up to launch new store concepts after the pandemic is over. It is finalizing the

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logistics for its e-commerce, which is now embracing most of the countries in the world - after adding Argentina and Mexico last year - and it is gearing up to launch its first shopping app, starting with India. The U.S., Japan and Europe will follow before the end of this year. It is also planning to start dabbling with the metaverse before the end of the first quarter.

Puma's gross margin for the quarter inched up to 48.2 percent from 48.0 percent in the year-earlier period, driven by better sell-through and a reduction in promotional activity, partially offset by geographical and channel mix effects, negative currency impacts and higher freight rates. The operating margin narrowed to 3.7 percent from 4.2 percent.

Net earnings decreased to €7.9 million in the quarter from €24.7 million the year earlier. Operating expenses climbed from 44.0 percent to 45.0 percent of sales as Puma stepped up marketing expenses. Also, more retail stores were in operation, and sales-related distribution and warehousing costs increased because of the disruption of the supply chain.

Geographically, sales growth in the last three months of 2021 was led by the Americas, where the top line went up by 31.3 percent at constant rates to €727.3 million, with particularly strong growth in North America. The management indicated that it has been shifting inventories and resources from China to that market, adding that it has also been enjoying very strong growth in countries such as Argentina and Brazil over the past 24 months.

Puma's sales in the EMEA region rose by 14.9 percent at a constant rate to €573.3 million, driven by growth in Western Europe alongside emerging markets like Russia, South Africa and Turkey. Asked about the current situation between Russia and Ukraine, Gulden could not predict its effect on the company but noted that the two countries represent less than 5 percent of Puma's global sales.

He also noted that Puma's market share in athletic footwear has improved in major European markets, reaching

Puma - Consolidated income Quarter ended Dec. 31 (€ millions)

	2021	2020	% Change
Net sales	1,767.1	1,520.1	16.2
Cost of sales	916.1	790.6	15.9
Royalty/commissions	9.0	2.3	291.3
Other operating expenses	795.1	668.5	18.9
Operating result (EBIT)	65.0	63.3	2.7
Financial result	-19.9	-8.2	142.7
Pre-tax	45.0	55.1	-18.3
Tax	11.2	11.3	-0.9
Minority interests	-26.0	-19.1	36.1
Net income	7.9	24.7	-68.0
Euro/share (diluted)	0.05	0.16	-68.8

FY 2021 (€ millions)

	2021	2020	% Change
Net sales	6,805.4	5,234.4	30.0
Cost of sales	3,547.6	2,776.4	27.8
Royalty/commissions	23.9	16.1	48.4
Other operating expenses	2,724.6	2,264.9	20.3
Operating result (EBIT)	557.1	209.2	166.3
Financial result	-51.8	-46.8	10.7
Pre-tax	505.3	162.3	211.3
Tax	128.5	39.2	227.8
Minority interests	-67.2	-44.2	52.0
Net income	309.6	78.9	292.4
Euro/share (diluted)	2.07	0.53	290.6

Source: Puma

levels of 19.8 percent in France, 19.6 percent in Italy, 13.3 percent in Spain and 11.1 percent in Germany.

On the other hand, sales in the Asia-Pacific region declined by 5.4 percent due to the current market environment in Greater China tied to Covid-19 restrictions and geopolitical tensions, while sales in almost all other markets in the region reported double-digit growth. Excluding Greater China, sales in the region were up by 30 percent.

Gulden noted that Puma's business in China fell abruptly after a social media storm against Western brands that began on March 26. After a 40 percent increase in the first quarter, they fell by 5 percent in the second quarter, 17 percent in the third quarter, and 27 percent in the fourth quarter.

At the same time, its European sales rose by 11 percent in the first quarter, by 81 percent in the second one, by 14 percent in the third one and by 10 percent in the fourth one.

By product category, footwear sales were up 15.6 percent in local currencies to €755.0 million, while apparel saw 11.7 percent growth to €727.3 million. Sales of accessories, which include **Cobra** golf clubs, grew by 17.4 percent to €284.7 million. Performance categories such as running, training, golf, basketball and other team sports drove the sales increases, but lifestyle items went up as well.

Puma confirmed its intention to move into the outdoor sector, starting with trail running shoes and apparel. Gulden said it is also planning to launch a full line of products for the growing sport of padel tennis, including shoes, clothing and racquets.

Puma - Key sales figures

Quarter ended Dec. 31 (€ millions)

	2021	2020	% Change (€ terms)	% Currency adjusted
by Regions				
EMEA	573.3	492.1	16.5	14.9
Americas	727.3	547.5	32.8	31.3
Asia-Pacific	466.5	480.5	-2.9	-5.4
Total	1,767.1	1,520.1	16.2	14.3
by Product Segments				
Footwear	755.0	640.9	17.8	15.6
Apparel	727.3	641.1	13.4	11.7
Accessories	284.7	238.2	19.5	17.4
Total	1,767.0	1,520.2	16.2	14.3

FY 2021 (€ millions)

	2021	2020	% Change (€ terms)	% Currency adjusted
by Regions				
EMEA	2,531.7	1,982.9	27.7	28.2
Americas	2,636.9	1,775.2	48.5	53.9
Asia-Pacific	1,636.8	1,476.3	10.9	10.6
Total	6,805.4	5,234.4	30.0	31.7
by Product Segments				
Footwear	3,163.6	2,367.6	33.6	36.0
Apparel	2,517.3	1,974.1	27.5	28.6
Accessories	1,124.5	892.7	26.0	27.2
Total	6,805.4	5,234.4	30.0	31.7

Source: Puma

A 30% sales increase for the year

For the full year, sales increased by a reported 30.0 percent, or 31.7 percent at constant exchange rates, to a record €6,805.4 million, with double-digit sales across all regions and product categories. Sales were also 29.8 percent above their 2019 level at constant exchange rates. Wholesale revenues rose by 35.0 percent to €5,080.6 million at constant rates. Sales through the DTC channel increased at a lower rate of 22.8 percent to €1,724.8 million, with growth in owned & operated retail stores of 30.3 percent and e-commerce growth of 11.3 percent.

Sales in the Americas jumped by 53.9 percent in local currencies to €2,636.9 million, surpassing the €2

billion threshold for the first time. In the EMEA region, almost all countries posted double-digit growth, taking the overall increase to 28.2 percent at constant rates. Sales in the Asia-Pacific region grew by 10.6 percent, as strong growth in markets like India, Japan and Oceania more than compensated for sales woes in China, where the company's revenues grew by only 6 percent, like in 2020. Excluding China, Asia-Pacific was up by 19 percent last year.

Footwear sales rose by 36.0 percent on a currency-adjusted basis to €3,163.6 million, while apparel grew by 28.6 percent to €2,517.3 million, and accessories went up by 27.2 percent to €1,124.5 million.

The gross profit margin grew for the year to 47.9 percent from 47.0 percent in 2020, with gains in footwear

to 47.3 percent from 45.7 percent, in apparel to 48.9 percent from 48.5 percent, and in accessories to 47.1 percent from 47.0 percent.

Ebit for the year jumped to a record level of €557.1 million from €440.2 million due to the strong sales growth, the higher gross profit margin and continued operating expense controls. The Ebit margin jumped to 8.2 percent from 4.2 percent in 2020 and was also above the 8.0 percent level of 2019. The Ebitda margin inflated by 3.1 percentage points to 12.7 percent. Operating expenses went up by 20.3 percent to €2,724.6 million, but the operating expense ratio declined to 40.0 percent from 43.3 percent. Net earnings surged to €309.6 million from €78.9 million the year earlier.

Benefitting from a seller's market

Elaborating further on the current supply situation, Gulden said he felt that Puma is now "in good shape" in terms of inventories, possibly giving the brand a chance to gain market share thanks to better and faster deliveries than some of its competitors. Its total inventories were up by 26.4 percent on Dec. 31 as compared to a year earlier, although the bulk of them is still in transit. "I think that the retailers are going to take everything they can," he said because the demand is higher than the available supply.

There is still a big backlog of orders that should have been delivered in the fourth quarter, but Puma's production partners have been very cooperative. They supplied higher volumes than expected in the fourth quarter, and the productivity of the factories in China has been higher than anticipated despite the Chinese New Year. As a result, while available inventories on hand were up by only 10.5 percent at the end of 2021, the level of inventories in transit was 56.7 percent higher than a year earlier. Puma did not cancel any orders during the pandemic, but it shifted its sourcing mix lately, with Vietnam falling by three percentage points to 32 percent of the

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2021 total and China growing by a similar rate to 29 percent.

Gulden said he expected the current freight bottlenecks to continue to improve. While the normal cost of shipping a container from China to Hamburg is now in a range of about €10,000, Puma has negotiated rates of between €2,000 and €4,000, but they are going to shift to a €6,000-€8,000 range from the second half of this year.

Prices began to go up about six months ago at the retail level, and the process will inevitably continue. Gulden predicts a high single-digit increase in prices by the end of this year. Coupled with other inflationary factors, Puma is reacting to the rising costs with gradual, selected and “smart” price increases on new higher-end styles, especially in the second half and the beginning of 2023, but it doesn’t want to be the first brand in the market to do so. Asked whether he expects consumers to react negatively in a context of waning consumer confidence, he indicated that Puma and its peers are probably in a relatively good position compared with other types of products because of rising sports participation and positive trends in casualization, comfort and sports-inspired lifestyles.

Sweaty Betty delivers for Wolverine as Q4 revenues rise

Wolverine Worldwide swung to a better-than-expected annual profit and narrowed final-quarter losses, boosted by its recent acquisition of **Sweaty Betty**, the U.K.-based brand of women’s fitness apparel, and it forecast sales growth of 15-18 percent for 2022.

The Michigan-based owner of **Merrell**, **Saucony**, **Sperry**, **Keds** and other brands reported a net loss of \$14.6 million for the quarter to Jan. 1, 2022, down from a loss of \$170.7 million a year earlier, after extraordinary items.

The bottom line was hit by \$44 million in costs from legal settlements and costs associated with the \$410 million **Sweaty Betty** acquisition last August. In the same quarter

a year ago, group earnings had been weighed down by a \$222.2 million impairment charge on the **Sperry** brand. On an annual basis, **Wolverine** made a net profit of \$68.6 million versus a loss of \$136.9 million in 2020.

The group’s quarterly revenues grew by 24.7 percent to \$635.6 million, beating consensus estimates of \$629.2 million, with e-commerce rising by 58.3 percent. Excluding **Sweaty Betty**, revenues increased by 9.4 percent versus the prior year and were 8.2 percent lower than in 2019.

Wolverine’s recently appointed CEO, **Brendan Hoffman**, said the contribution from **Sweaty Betty** helped offset inventory constraints at **Merrell**, **Saucony** and other brands, which were hit by factory closures in Vietnam due to the Covid-19 pandemic, resulting in demand being unmet.

Full-year revenues went up by 34.8 percent to \$2.42 billion across the group. Excluding **Sweaty Betty**, they rose by 28.3 percent versus the prior year and 1 percent versus 2019.

The quarterly gross margin of 41.3 percent implied a gain of 1.2 percentage points year-on-year, despite higher ocean freight and air freight costs. The gross margin rose by 1.5 percentage points to 42.6 percent for the full year.

Quarterly sales at **Wolverine’s** Michigan Group (**Merrell**, **Cat**, **Wolverine**, **Chaco**, **Hush Puppies**, **Bates**, **Harley-Davidson** and **Hytest**) rose by 7.9 percent to \$322 million. The Boston Group (**Sperry**, **Saucony**, **Keds** and the **Stride Rite** licensed business) reported a 10.2 percent gain to \$218.1 million.

On a brand-by-brand basis, **Sweaty Betty** delivered \$75 million in revenues during the final quarter, ahead of expectations, with sales up more than 40 percent on a full-year pro-forma basis. **Hoffman** said more than a third of the label’s sales had come from outside the U.K. by the end of the year. The total number of active customers rose by 24 percent.

He added that after opening stores in Singapore and Ireland, **Sweaty**

Betty would expand into “several” markets, including the U.S. The brand will also unveil a range of ski and snow clothing and is entering a first-time collaboration with **Merrell** on a range of hiking shoes.

On an annual basis, revenues grew by 24 percent to \$1.29 billion at the Michigan Group and by 34 percent to \$935.8 million at the Boston Group. **Merrell** and **Saucony** both reported record annual revenues, with growth of 22 and 57 percent, respectively.

The Vietnam factory closures cost **Merrell** almost \$50 million in unmet demand, affecting the brand’s fourth-quarter revenues. **Merrell’s** lifestyle category grew by mid-single-digits during the quarter, while its work category booked a gain of nearly 30 percent. The brand’s direct-to-consumer (DTC) business was up by almost 10 percent year-on-year.

Saucony delivered growth in all geographic regions delivered, led by North America and Asia-Pacific. The brand achieved market share gains in the road running and trail running categories in the U.S. and improved its strong market share in Europe. It also gained further market share in the lifestyle category in Italy.

The **Wolverine** brand, which specializes in work footwear, saw sales rise by 28 percent for the year.

Sperry, which faced “significant” headwinds during the early part of the pandemic, recovered in 2021, delivering revenue growth of 25 percent. **Hoffman** said the group added 14 new distributors in the EMEA region, where the company saw “incredibly strong” demand for boat shoes.

On a regional basis, EMEA generated revenues in excess of 2019 pre-pandemic levels but was flat year on year due to late product deliveries and factory delays. However, **Wolverine** said it was encouraged by a strong regional order book and expected improved results as inventory levels improve and normalize.

Asia-Pacific and Latin America had annual revenue growth of 30 percent and 50 percent, respectively, being poised to reach pre-pandemic levels

in the first half of 2022. For the latest quarter, Wolverine reported a 27 percent sales increase in the region, helped by 60 percent sales growth in China through Wolverine's joint venture there with **Xtep** for Merrell and Saucony.

Fourth-quarter DTC revenues, including **Sweaty Betty**, grew by 60 percent year-on-year, building up to 35 percent of total sales. DTC e-commerce revenue grew by 58 percent in 2020 and 109 percent versus 2019. Revenues for directly operated stores were up by 68 percent versus the prior year and 45 percent against 2019.

Looking ahead to 2022, the company expects to reach record revenues of \$2.78 billion to \$2.85 billion, representing 15-18 percent growth, due to an "incredibly strong" order book for its four largest brands, which it said would provide around two-thirds of full-year sales. Organically, sales are seen rising by double digits, while **Sweaty Betty** should go up by 20 percent on a pro forma basis.

The gross margin is expected to improve by about 0.5 percentage points for the year, benefitting from **Sweaty Betty**'s higher margins and a higher proportion of DTC revenues, which should make up about 30 percent of global sales. Revenues from outside the U.S. should account for around 35 percent of the total turnover. Indicatively, the management is guiding for net earnings of more or less \$197 million.

Production in the Vietnam factories has improved to about 70 percent of pre-closure levels, but the recovery is taking longer than planned. Wolverine said, adding that the group has placed 75 percent more orders than a year ago to help meet the demand from the market.

Adidas completes divestiture of Reebok; launches new share buyback program

Adidas has formally completed the divestment of **Reebok** to **Authentic**

Brands Group (ABG) on Feb. 28, 2022. On a transitional basis, the company announced that it would continue to operate the business on behalf of ABG in several markets. Subsequently, the Reebok business will be fully transferred to ABG's operating partners through a series of local closings that will take place at a later date. These local closings are scheduled for later in 2022 and early 2023.

Under the final agreement signed in August 2021 and as a result of the formal closing of the divestment, Adidas said it has received the majority of the total purchase price of up to €2.1 billion in cash. The remaining payment consists of a consideration to be received later and of a contingent consideration.

As already announced, Adidas intends to return part of the proceeds from the Reebok divestment to its shareholders. Thus, from mid-March until the end of the third quarter of 2022, the group intends to buy back shares up to the volume of €1.5 billion. This is in addition to a current program that provides for the buyback of shares for up to €4 billion by 2025. The first tranche of the latter was launched on Jan. 10 and completed on Feb. 22, 2022. During this period, the company bought back 4,156,558 shares worth a total of €1 billion, representing an average purchase price of €240.58 per share.

ABG meanwhile launched a new collaboration with **Foot Locker**. The retail chain will expand its Reebok range and carry some exclusive products from the brand from October 2022. In addition, the new owners of Reebok appointed Milan-based luxury fashion manufacturing and distribution holding company **New Guards Group** as its operating partner for the brand in Europe.

New Guards, which is owned by U.K.-based international e-commerce company **Farfetch Limited**, will operate retail stores and e-commerce for Reebok, as well as drive wholesale distribution for the brand. It will also work closely with **Reebok Design Group (RDG)** to develop "a unified

brand language and vision." Reebok's previous creative director, **Kerby Jean-Raymond**, left the company on March 1. Apparently, this is also intended to make the brand fit for cooperation in new segments. New Guards announced it would distribute premium Reebok products also to leading fashion and specialty retailers in more than 50 countries, not only in Europe but also in North America.

Signa Sports United grows by only 10.6% as bike supply issues persist

Signa Sports United (SSU), which continues to be hampered by supply chain issues within its full-bike segment, grew first-quarter revenues by 10.6 percent to €213 million due to strong sales gains within its tennis (+43 percent) and outdoor equipment (+20 percent) segments. Excluding sales of full bikes, first-quarter revenues climbed by 15 percent year-over-year, and excluding the recent addition of **Wiggle Chain Reaction Cycles (WiggleCRC)**, the U.K.-based bike e-commerce platform, sales were up by just 3.5 percent.

The gross margin dropped by 0.3 percentage points to 37.1 percent. Adjusted Ebitda declined to a loss of €11.7 million from a profit of €9.6 million posted one year earlier on higher customer acquisition investments, logistic costs and normalized personnel expenses. After reorganization costs of €120.8 million, the group posted an operating loss of €170.1 million versus operating income of €800,000. The net quarterly result was a net loss of €165.0 million against a loss of €1.4 million. To help restore profitability, the company plans to reduce marketing expenses, which represented 9.9 percent of first-quarter net revenue.

The leading German-based sports e-tailer, which recently went public on the New York Stock Exchange, completed the acquisitions of **Wiggle CRC** in the U.K. and **Tennis Express** in the U.S. in December

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2021, but figures from the latter were not included in the quarterly results. Still, Signa says it made inroads in the U.S. tennis market during the period. It also grew in the core DACH and Southern European regions as it expanded the number of bike and outdoor stores connected to its internet platform to about 500 doors and opened flagship **Tennis Point** stores in France, Italy and Spain. Wiggle CRC, which generates approximately 40 percent of its topline in international markets, is seen as complementary to the group's former bike business.

SSU continued to engage more consumers. Active customers have risen by more than 76 percent over the last 12 months to 7.4 million. The total number of visits to its sites increased by 31.2 percent to 84.6 million over the period, leading to a jump in net orders of 62.1 percent to 2.4 million. The Average Order Value (AOV) declined by 1.3 percent due to lower bike sales.

The group's CEO, **Stephan Zoll**, called 2022 "a challenging environment to navigate," particularly as it relates to the bike supply chain due to raw material, parts, and transportation issues. He said SSU would return to organic growth in the third quarter once its bike business begins to normalize. The company has maintained its guidance for pro forma revenues in a range of €1,400 to €1,550 million for the full year ending Sept. 30.

The group's business priorities for the current fiscal year include building the foundations for a new marketplace launch by the end of the calendar year, further penetrating the U.S. market, consolidating its strong position in key European markets, and leveraging an expanded fulfillment network to better service key markets. Calling itself a "natural consolidator," SSU believes it's well-positioned for further activity in mergers and acquisitions. Near-term priorities will be focused on achieving topline synergies from WiggleCRC and expanding its portfolio of directly owned brands.

Brooks crosses the \$1 bn milestone, growing by 31% globally and by 25% in EMEA

Crossing the magic \$1 billion milestone for the first time, **Brooks Running** reported a 31 percent sales increase to \$1.11 billion in 2021. **Brooks EMEA** added that its turnover in the region grew by 25 percent in terms of local currencies, despite retail closures and other challenges, with France, Italy and Spain posting the biggest gains.

The brand achieved a 43 percent increase in France, accelerating its performance due to an increased focus on trail running. Both Italy and Spain went up by 28 percent. Brooks' sales rose at a lower pace, but still by more than 20 percent, in the DACH and Benelux countries.

Brooks EMEA reported healthy growth in all the distribution channels, including its *brooksrunning.eu* website, specialty retail and general sporting goods stores. Franchise styles like the **Ghost**, which grew by 21 percent, powered the brand's performance. The company also mentioned the **Adrenaline**, **Glycerin** and **Cascadia** lines and the introduction of the carbon-neutral **Ghost 14**. Apparel sales jumped by 35 percent, led by the **Run Visible** collection for night-time running.

In North America, Brooks' revenues rose by 33 percent to \$889.1 million, with a 149 percent jump in e-commerce, according to an article in *Footwear News*, which also said that the brand gained market share from **Nike** and **Adidas** in the women's performance category, based on data collected by the **NPD Group**. According to NPD, the running shoe market grew by 20 percent in value in 2021, and Brooks remained the leading brand in the U.S. running specialty channel, while growing its share of the adult running market by 4 percentage points to 28 percent.

Brooks's revenues have doubled since 2017. Last year's sales increase came after a jump of 27 percent in

2020, in spite of Covid-related market disruptions.

The total number of pairs sold by Brooks globally grew by 25 percent in 2021, indicating an increase in average selling prices. About 40 percent of last year's sales were generated online, evenly divided between Brooks' own websites and third-party web stores. Brooks only has three physical mono-brand stores and an outlet store in the U.S.

Quoting the company's CEO, **Jim Weber**, who is about to release a book on his journey with the formerly bankrupt company, *FN* said that Brooks has been "working really hard on adding capacity and diversifying our factory base across countries and partners" to cope with factory shutdowns in Vietnam and China. "Because of that work over the last two years, I think we're going to weather this storm really well."

The sports world reacts to the invasion of Ukraine

We've already reported on consequences taken by **Nike**, **Adidas**, **Keen**, **Haglöfs** and **Mammut** following Russia's aggression against Ukraine last week, but there's much more going on in the sports world. Here is an excerpt of the latest actions taken:

- The International Biathlon Union **IBU** excludes biathlon teams from Russia and Belarus
- Cycling's world governing body **UCI** bans Russian and Belarusian teams from all professional races and tours
- Men's tennis organization **ATP**, women's organization **WTA** and the world federation **ITF** suspend tennis federations of Russia and Belarus; players from these countries are allowed to continue participating in international tournaments
- The International Association of Athletics Federations **IAAF** excludes Russia and Belarus

- The World Rowing Federation **FISA** sanctions rowers from Russia and Belarus
- The **World Games** (July 7-17) in Birmingham, Alabama, will happen without Russian and Belarusian athletes
- The Badminton World Federation **BWF** excludes all Russian and Belarusian athletes from international tournaments
- The World Swimming Federation **Fina**: Russian and Belarusian athletes can continue to participate in international competitions, but only as “neutral” athletes
- The Volleyball World Federation **FIVB** withdraws Russia from the World Volleyball Championship (Aug. 26-Sept. 11)
- Russia and Belarus are excluded from the Ice **Hockey World Championships** May 13-29 in Finland by the world federation **IIHF**
- Russia will not play in the **European Women’s Football Championship** in England in July
- The Taekwondo World Federation **WT** revokes **Putin’s** honorary black belt
- European Handball Federation (**EHF**) excludes Russia and Belarus at the club and national team level
- **UEFA** ends cooperation with **Gazprom**; German soccer club **FC Schalke 04** also parts ways with main sponsor Gazprom
- **FIFA** and **UEFA** suspend Russian clubs and national teams from all competitions
- The International Olympic Committee **IOC** strips Putin of the **Olympic Order** award
- **IOC** for relocation or cancellation of sporting events currently scheduled in Russia or Belarus
- The **Basketball Euro-League** has temporarily suspended all Russian teams
- Ukraine’s **Elina Svitolina** is donating her prize money from the WTA Monterrey Open to the Ukrainian military after winning against Russia’s **Anastasija Potapova**
- Soccer coach **Markus Gisdol** resigns as **Lok Moscow** coach
- **Adidas**, partner of the Russian Football Federation (**RFS**)

since 2008, and **Puma**, partner of the **Russian Basketball Federation** since 2021, have suspended their contracts with the federations

In addition, the **International Paralympic Committee** has decided on March 2 that the Russian and Belarusian teams will be excluded from the Beijing Games (March 4-13, 2022).

Driving toward breakeven results, Allbirds preps a wholesale strategy

Allbirds reported positive adjusted Ebitda of \$0.4 million for the fourth quarter of 2021, compared with a loss of \$5.3 million in the corresponding period of 2020, thanks to higher revenues combined with a reduction in marketing expenses from 29.8 percent to 19.1 percent of sales. The company attributed the decrease to increased marketing efficiency in its digital channels and a greater mix of physical retail.

Revenues rose by 22.6 percent to a quarterly record of \$97.2 million, partly aided by an 80 percent boost to its inventories, and they were 43 percent higher than in the last quarter of 2019. The gross margin expanded by 0.45 percentage points to 50.2 percent due to sales of higher-margin products and a favorable channel and geographic mix, which offset higher logistics costs. After extraordinary items, the quarterly net loss widened by 11.6 percent to \$10.44 million.

In the San Francisco-based company’s first earnings call since its stock market introduction in November, company executives told analysts that “consumer demand is shifting in our favor and that (trend) will accelerate growth and profitability.” They also promised that the sustainability-focused brand would test wholesale waters in 2022 and embrace a product strategy that focuses on technical upgrades, offering fewer styles from previous seasons.

Allbirds acquired over one million new customers in 2021 and saw more than 40 percent of customers make a purchase again. But the company clearly wants to bolster its 11 percent assisted brand awareness in its home U.S. market. The wholesale distribution strategy, which will focus on placement in premium locations and be modestly accretive in 2022, will likely focus on Allbirds products for entry-level runners. Executives confirmed that the distribution plan would be “slow and methodical” and largely focused on the U.S. Still, they declined to offer any nameplates where the brand might be available this year. The company has worked with **Nordstrom** in the past on two occasions.

For the full financial year ended Dec. 31, Allbirds’ adjusted Ebitda remained negative at \$11.7 million, or a ratio of 4.2 percent of sales, but improved by 24 percent from the prior year’s loss with marketing expenses declining from 25.2 to 20.7 percent of sales. The gross margin rose by 1.45 percentage points to 52.9 percent. The net loss was up by 75 percent to \$45.4 million from a loss of \$25.9 million in 2020.

Annual revenues increased by 26.5 percent to \$277.5 million, with U.S. sales rising by 26 percent and international revenues gaining 29 percent and representing 24 percent of the total turnover. China was the brand’s largest market outside the U.S.

Digital revenues, which accounted for 80 percent of the topline at \$225 million, went up by 16 percent in 2021. Sales at the company’s growing number of physical retail stores accelerated by 112 percent to \$52 million as it increased its door count by 13 to 35 locations. New U.S. retail locations were said to be averaging \$3.5-4.5 million in gross sales.

The current 2022 outlook calls for a 28-32 percent increase in net revenues to \$355-365 million, a gross margin of more or less 53.1 percent, and negative adjusted Ebitda of between \$9 million and \$13 million, including \$8 million in public company costs. This would come after capital expenditures of more than \$25 million, partly allocated for the

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opening of 16-17 additional stores - most of them in the U.S.

To compensate for increased costs, the company has planned to implement price increases this year that will contribute 1 to 3 percentage points to its 2022 net revenue growth. The company noted that an estimated 97 percent of its products were sold at full price in 2021.

Allbirds is promising to lower the carbon footprint of its ten largest product offerings by 6 percent this year, after a 14 percent reduction of 14 percent last year in its carbon footprint per unit.

Crocs expects \$6 billion in sales in 2026

Crocs exceeded \$2.3 billion in revenues last year and expects to reach a turnover of \$6 billion in 2026, thanks to the takeover of **Heydude** and organic growth driven by its digital business.

The U.S. footwear company posted a strong fourth quarter with an increase of 42.6 percent in sales to \$586.6 million. Income from operations grew by 147.5 percent to \$160.0 million, while operating margin widened to 27.3 percent from 15.7 percent for the same period last year. Diluted earnings per share (EPS) were \$2.57 compared to \$2.69 in 2020 due to a lower tax benefit. On an adjusted basis, diluted EPS doubled to \$2.15.

Crocs reported for the whole of 2021 record revenues of \$2,313.4 million, up by 66.9 percent over 2020. Sales were fueled by the Americas, where sales totaled \$1,607 million, up by 85.9 percent on a constant currency basis. Asia Pacific posted \$350.2 million in revenues, up by 21.5 percent in local currencies, while sales in Europe, the Middle East and Africa (EMEA) surged by 41.7 percent to \$356.2 million.

"From a channel perspective, digital remains a top priority as it enables us to meet the consumers where they are. During 2021, our digital business, which combines

e-commerce and e-tail, grew 48 percent on top of 50 percent growth in 2020. Digital penetration increased on a two-year basis to 37 percent from 31 percent in 2019," commented **Andrew Rees**, the company's chief executive officer, during a conference call.

In 2021, revenues from the direct-to-consumer business increased by 64.4 percent to \$1,139.3 million, and wholesale revenues grew by 69.4 percent to \$1,174.1 million.

Full-year income from operations surged by 219 percent to \$683.1 million, while the operating margin rose 14.10 percentage points to 29.5 percent. Diluted EPS increased by 149.8 percent to \$11.39 per share and adjusted EPS more than doubled to \$8.32.

"We are excited about our sustainable growth trajectory for both the Crocs and Heydude brands and are confident in our plan to grow to \$6 billion in revenues by 2026," Rees added. In December 2021, the company entered into a definitive agreement to acquire the casual footwear brand Heydude for \$2.5 billion. The transaction is expected to close in February 2022.

For 2022, revenue growth for the Crocs brand, excluding Heydude, is expected to exceed 20 percent compared to 2021. Heydude targets \$700 to \$750 million in annual sales, including the period of time before the closing of the acquisition. Heydude's contribution to Crocs' 2022 sales is estimated at \$620 to \$670 million.

Crocs' guidance for full-year adjusted diluted EPS is \$9.70 to \$10.25.

The company also expects an increase in capital expenditures to \$170-200 million in 2022, primarily for supply chain investments to support growth, compared with \$55.9 million in 2021.

For the first quarter of 2022, Crocs forecast sales of \$605 to \$630 million, implying a growth of 31 to 37 percent compared to the first quarter of 2021. Excluding Heydude, Crocs brand revenues are seen at

\$520 to \$535 million, representing 13 to 16 percent organic growth.

Financial analysts were forecasting first-quarter sales of \$637 million. The guidance prompted a more than 6 percent decline, on the day, in Crocs' share price on concerns about a slowdown in the brand's momentum.

Foot Locker shares take hit on waning Nike product assortment

Foot Locker's share price fell by \$12.30, or 29.7 percent, on Friday after the retailer told investors that its allocation of key **Nike** products would decline this year to no more than 55 percent of its overall merchandise assortment by the fourth quarter, adding that its 2022 outlook will fall below expectations. Some reports suggest that Nike is deliberately slashing orders to its biggest longtime, global wholesale partner as sales within its own direct-to-consumer channels continue to grow significantly.

Nike will account for about 60 percent of Foot Locker's overall assortment during the present financial year, down from 70 percent in 2021 and 75 percent in 2020. But the changing dynamic between the Swoosh and the international retail behemoth should create more opportunities for other brands inside Foot Locker, including **Adidas**, **Puma**, **New Balance**, **Reebok** and **Timberland**, and new ones being tested such as **On**.

"We know that our consumer demands choice across a variety of brands and categories," Foot Locker's chairman and CEO, **Richard Johnson**, told investors. "So, we continue to work to broaden our selection, including leaning into brands where we are underpenetrated, putting a bigger focus on apparel and introducing new third-party brands as well as our own private labels."

In the fourth quarter ended Jan. 29, the company's operating income fell

by 26.7 percent to \$118 million from \$161 million despite a 6.9 percent increase in total revenues to \$2,341 million, or a growth of 8.2 percent in local currencies. Comparable store sales inched up 0.8 percent as apparel/accessories comps gained 30 percent and comparable sales of non-Swoosh products rose by more than 30 percent. The **WSS** and **Atmos** chains, which were acquired late last year, contributed revenues of \$139 million and \$49 million, respectively, for the period. The share of e-commerce declined to 21.6 percent of total sales from 27.4 percent.

Geographically, EMEA sales rose at a strong rate of 18.6 percent in the quarter, with **Foot Locker Europe** up in the high teens and **Sidestep** rising by about 70 percent year-over-year. The retailer continued introducing its **FLX** reward program across the region, adding Germany, Italy, and Spain in the fourth quarter with plans for five more countries in 2022. Also, Foot Locker introduced a new e-commerce platform in Europe. U.S. revenues dropped by 4.5 percent on a comparable store basis, while Asia-Pacific jumped by more than 20 percent.

For the full financial year, Foot Locker's operating income came in at \$860 million, up from \$303 million in 2020, on an 18.7 percent topline growth to \$8,958 million, with a 15.4 percent jump in same-store sales. The gross margin slipped by just 0.1 percentage points to 33.0 percent. The annual net income of \$892 million was up sharply from \$323 million in the prior year. On an adjusted basis, it showed an improvement to \$807 million from \$296 million on a non-GAAP basis.

The current outlook for the current fiscal year calls for an indicative adjusted non-GAAP net profit of around \$445 million, based on the company's forecast earnings per share of \$4.25-\$4.60. Despite the addition of WWS and Atmos, total revenues should be down by between 4 and 6 percent in absolute terms and by 8-10 percent on a same-store basis. The gross margin is expected to drop to between 30.1 and 30.3 percent, as the retailer does not expect

last year's favorable promotional environment and historically low markdown rates to continue. The management promised that operating expenses would moderate.

Elsewhere on the real estate front, the overall store count is forecast to shrink by around 3 percent this year, with the total square footage down by less than 2 percent. While 190 doors will be shuttered, some 100 will be opened. The planned mix includes 40 "Community" and "Power" stores, 27 WSS locations and 9 Atmos doors. Additionally, Foot Locker has taken action to reduce its overall North American lease life on stores to about three years, down from four years in 2018, in a move aimed at more real estate flexibility.

In the past year, the total number of stores within the group shrank to 2,858 from 2,998 a year earlier, despite the addition of 93 WSS stores in September and 38 Atmos stores in November, as the company folded its former Footaction chain in the U.S. Foot Locker Europe grew by two units to 626 and Sidestep by ten units to 98.

Indicating that the change in its business relationship with Nike had been in the works for a while but was cemented late last month during regular planning meetings with the company, Johnson stated:

"Our consumers are clearly saying that they want choice and that multi-brand destinations matter, ...and when 70-plus percent of your purchases are with one vendor, it doesn't leave a lot of space in your store for choice. So, that's part of what we're looking at. Really, it's an acceleration of a conversation that's been going on for a couple of years..."

Foot Locker is embarking on a brand diversification strategy that will include global programs from Adidas (**Stripe Life** and **Trefoil State of Mind**), **New Balance (574 Life Concept)** and third-party partnerships with other brands such as **Puma** and **Crocs**. A few days ago, we already reported a new deal with **Authentic Brands Group** that will

enhance Reebok's presence in the group's U.S. stores.

Meanwhile, strong same-store sales growth and new openings are forecast to propel WSS to \$1 billion in annual sales by 2024. The Japan-based Atmos chain is expected to increase its top line by nearly 50 percent to almost \$300 million over the next three years by scaling operations in existing markets and expanding internationally.

CoDi foresees slower growth in 2022, postpones 5.11 IPO

Compass Diversified (CoDi), citing supply chain and inflationary issues and lower year-over-year demand for products within its **Velocity Outdoor** business, is forecasting a temporary slowdown in its 2022 growth rate that will likely be lower than its long-term growth rate target. Also, the company, whose portfolio includes **Boa Technology** and **Marucci Sports**, has decided to postpone a planned initial public offering for its **5.11** technical gear and apparel business due to current suboptimal market conditions.

The group's fourth-quarter net income attributable to shareholders reached \$22.1 million, up sharply from \$8.4 million a year earlier, on a 27 percent improvement in total revenues to \$536.6 million. Boa, which CoDi acquired at the end of 2020, booked a 60 percent increase in adjusted Ebitda to \$14.1 million in the quarter on 55 percent higher revenues of \$45.1 million, led by athletic, outdoor and snow applications for its lacing technology.

For the full year ended Dec. 31, the group's operating income was 153 percent higher year-over-year at \$139.5 million on 35 percent revenue growth to \$1.842 billion. Annual net income attributable to shareholders came in at \$114.5 million, up from \$22.8 million, thanks mainly to a capital gain on the sale of **Liberty Safe**.

Pro forma annual sales at Marucci Sports, specializing in baseball

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equipment, rose 79 percent to \$118.2 million in 2021. The operating unit, which recently acquired Lizard Skins, a grip and bar tape specialist, posted a net income of \$10.2 million from continuing operations. Velocity Outdoor's revenues rose by 25 percent to \$270.4 million, while the unit's net income from continuing operations jumped 106 percent to \$23.0 million. At Boa, 2021 pro forma revenues turned 55 percent higher at \$165.2 million, generating a net income from continuing operations of nearly \$21.2 million. Annual sales for 5.11 rose by 10.9 percent to \$445 million, and the segment's net income from continuing operations increased by 63 percent to nearly \$20.2 million.

Sales surge in Polygiene's Q4 despite logistics and raw material supply challenges

Polygiene saw revenues in the fourth quarter rise by 51 percent to 40.2 million Swedish kronor (€3.7m) as demand for its anti-microbial products continued to be strong, but logistics challenges and raw material shortages also persisted.

In the fourth quarter, operating profit before tax totaled SEK 6.2 million (€578,120), making for an operating margin of 15.4 percent and compared to an operating loss before tax of SEK 2.4 million the year earlier. The gross margin widened to 67.8 percent from 64.9 percent the year earlier, a direct result of the postponement of the delivery of some orders in its textile segment to the current quarter due to production and transportation difficulties.

Polygiene said the postponement of these orders had led to a reduction of SEK 6.5 million (€605,874) of sales in its textile segment compared to the year earlier. Excluding orders to distributors, however, organic growth stood at more than 11 percent. At the same time, other orders in the textile segment were affected by longer factory lead times, as

factory production remained below full capacity due to raw material and energy shortages.

The company noted it had not been immune from global supply chain issues affecting all players in the polymer industry, with shortages primarily affecting certain **Biomaster** and **Scentmaster** formulations. "The consequences of orders lost and delayed has temporarily affected sales," said **Ulrika Björk**, CEO. "We expect to resolve these issues in due time, making gradual improvements, quarter by quarter."

On a geographical basis, Polygiene traced 51 percent of fourth-quarter sales to the EMEA region, 25 percent to APAC and the remaining 24 percent to the Americas.

Revenues more than doubled for the full year, to SEK 181.8 million from SEK 87.3 million. The gross margin was 63.5 percent, a figure Polygiene said was in line with expectations.

"The quarter was challenging, with many external factors impacting our business," said Björk. "However, the company's long-term goals remain intact." Polygiene announced a 2026 sales target of more than SEK 1 billion in December.

Global footwear market estimated at \$440 billion in 2026

In 2020, the global footwear market was estimated at \$384.2 billion and is expected to rise by a compound average growth rate (CAGR) of 2.3 percent to reach \$440 billion in 2026, according to **Reportlinker**, a research institute using artificial intelligence to compile reports.

Casual footwear, one of the segments analyzed in the report titled "Global Footwear Industry," is projected to grow at a CAGR of 2.6 percent to reach US\$213.3 billion by the end of 2026. Meanwhile, growth in the athletic footwear segment is seen rising by a CAGR of 1.9 percent. This segment currently accounts for a 37.6 percent share of the global footwear market.

The overall footwear market in the U.S. is estimated at \$105.8 billion in 2021. The country currently accounts for a 27.14 percent share in the global market, according to excerpts of the report released by Reportlinker.

China is forecast to reach an estimated market size of \$80.9 billion in 2026 with a CAGR of 3.6 percent. "Apart from being a lucrative market for non-athletic footwear, China is also emerging to be a strong market for athletic footwear mainly due to regulatory initiatives relating to fitness and national exercise programs, rapid pace of urbanization, increasing per-capita incomes, international sporting events organized in the country, and increasing participation in recreational sports, among other factors," it added.

Among the other main footwear markets are Japan and Canada, forecast to grow by a CAGR of 1.5 percent and 1.8 percent, respectively. Within Europe, Germany is forecast to grow at a CAGR of 1.8 percent.

Growth in footwear "has and continues to be supported by footwear increasingly being considered a fashion accessory by many, and also due to robust demand for innovative and novel footwear," according to Reportlinker. Rising adoption of comfortable and trendy footwear among consumers in various age groups is also driving demand, it added.

"Rising interest and participation in various sports and also transforming lifestyles are spurring adoption of athletic footwear, even among people who are not sports oriented. In recent years, interest in fitness and health-related activities has been on the rise among customers," it said.

The report also addressed the global outdoor/rugged footwear segment, which is expected to reach \$27 billion by 2026, thanks to a CAGR of 2.6 percent driven by the U.S., Canada, Japan, China and Europe. These markets accounted for a combined market size of \$17.4 billion in 2020 and will reach a projected \$20.8 billion by 2026.

Separately, a report published by **Allied Market Research**, called “athletic footwear market by type, end-user and distribution channel: global opportunity analysis and industry forecast, 2021–2030”, estimated the global athletic footwear market at \$109.7 billion in 2020. The market research firm forecast that the market will reach \$165.0 billion by 2030, growing at a CAGR of 4.2 percent from 2021 to 2030.

Moncler's 2021 sales surpass €2 billion

Moncler's preliminary consolidated financial results showed revenues of €2,046.1 million for the full year ended Dec. 31, 2021, marking a 44 percent increase compared to 2020 and a 28 percent increase compared to 2019, generating an adjusted gross margin of 76.6 percent. These figures include nine months of sales for the **Stone Island** brand, consolidated since April 1, 2021.

The company's net income of €411.4 million compares to €300.4 million in 2020 and €358.7 million in 2019. The operating profit (Ebit) of €603.1 million in 2021 compares with €368.8 million in 2020 and €491.8 million in 2019, representing an Ebit margin of 29.5 percent versus 25.6 percent in 2020 and 30.2 percent in 2019.

By brand, Moncler generated 28 percent higher revenues of €1.8 billion in 2021, increasing in the fourth quarter 20 percent versus 2020 and 30 percent versus 2019. Stone Island's revenues of €221.9 million accounted for 10.8 percent of total company revenues during the financial year.

Revenues in the Asia-Pacific region of €894.8 million for the year were up by 26 percent from 2020. They were driven by continued excellent performance in China and Korea. In the fourth quarter, the Chinese mainland posted almost triple-digit growth, while Japan returned to double-digit growth, as opposed to previous quarters. Moncler has been particularly active on **WeChat**

and will enter the **Tmall** platform in the third quarter of this year.

Revenues in the EMEA region for the full year reached €624.5 million, up by 25 percent from 2020, but represented a 3 percent drop compared to 2019. At country level, the growth was led in particular by the German and Nordic markets, although all the countries in the EMEA region experienced a marked improvement, the company said. Italy generated around a quarter of the revenues of the whole EMEA region. The financial report stresses that physical retail in the EMEA region recorded positive performance despite the ongoing lack of tourists, especially those who traditionally come from outside the region.

The Americas generated sales of €304.9 million in 2021, up by 43 percent from 2020, with a sharp acceleration in the fourth quarter mainly driven by the DTC channel in both the U.S. and Canada. In 2021, Asia accounted for 49.1 percent of the company's revenues, followed by EMEA at 34.2 percent and the Americas at 16.7 percent.

Overall, the DTC channel generated revenues of €1.43 billion in 2021, up by 33 percent from 2020. Sales grew at a more modest pace of 15 percent to €394.9 million in the wholesale channel. As of December 31, 2021, Moncler's network of mono-brand boutiques included 237 directly operated stores (DOS), four more than as of September 30, 2021, and 18 more than as of December 31, 2020. The brand operates 64 shop-in-shops, the same number as of Sept. 30, 2021.

This year, the company will celebrate the 70th anniversary of the Moncler brand and the 40th anniversary of Stone Island, which ended the past year with 30 single-brand shops.

Yonex jumps by 51.1%

Yonex' revenues jumped by 51.1 percent to 53.9 billion yen (€410m) in the first nine months of its financial year, including an indicated 41

percent increase to 19.2 billion yen (€150m) in the third quarter ended Dec. 31. Sales rose in the nine months by just 37.1 percent to ¥27.3 billion (€210m) in the domestic Japanese market due to Covid restrictions. A significant recovery in China was a major contributing factor, driving a 77.6 percent increase in the rest of Asia to ¥22.2 billion (€170m).

Europe turned around to a small operating profit of ¥66 million (€510,000) as sales in the region went up by 13.9 percent to ¥1.63 billion (€130m), thanks to higher sales of tennis racquets and a gradual recovery in badminton following the reopening of indoor sports facilities. North American sales jumped by 61.7 percent to ¥2.44 billion (€190m), driven by higher sales of tennis products.

Worldwide, sales of badminton products rose by 61.2 percent to ¥30.7 billion (€240m), with overseas revenues growing by 4.3 percentage points to 79.4 percent of the total. Tennis jumped by 71.9 percent to ¥8.20 billion (€63m), with overseas markets representing 45.3 percent of the total. Golf revenues increased by 56.4 percent to ¥1.14 billion (€8.8m).

The company's gross margin went up by 2.1 percentage points to 41.7 percent over the nine months, thanks to a recovery in the company's domestic manufacturing operations, leading to an improvement in the operating margin to 3.4 percent from 0.4 percent a year earlier. The bottom line soared to ¥5.08 billion (€39m) from just ¥289 million.

The good results have led Yonex to improve its guidance for the full financial year through March 31. Sales are expected to reach ¥74.5 billion (€570m), largely due to stronger than expected sales in China. Net earnings are seen growing to ¥5.6 billion (€43m), thanks in part to negative goodwill from the acquisition of the tennis ball factory of **Bridgestone Tecnifibre** in Thailand, which was renamed **Yonex Tecnifibre** on Dec. 11.

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Acushnet suffers setback in Q4, but had a solid year thanks to global golf boom

The **Titleist**, **FootJoy** and **Kjus** parent reported a fourth-quarter operating loss of \$21.9 million versus an operating profit of \$27.1 million. The reported net loss was \$26.4 million for the period ended Dec. 31. Quarterly revenues were essentially flat at \$420.6 million versus \$420.5 million. Sales in the EMEA rose 9.8 percent in constant currency to \$49.1 million and were driven by higher sales of Titleist golf clubs.

In 2021, Acushnet Holdings reported a 78.5 percent increase in annual operating income to \$259.8 million from \$145.5 million. Net income was 86 percent higher at \$178.9 million, and adjusted Ebitda rose 40.8 percent to \$328.3 million from \$233.2 million. Annual revenues increased 30.6 percent in constant currency to nearly \$2.5 billion, with all product categories posting double-digit increases. Golf ball sales increased 29.2 percent to \$667.1 million, club sales were 29.6 percent higher at \$551.5 million, and FootJoy golfwear sales rose 36.6 percent to \$580.6 million. Annual sales in the EMEA region rose 26.1 percent to \$296.0 million with strength in apparel and outerwear. Kjus, the Swiss-based golf and ski brand acquired in 2019, reported robust growth last year. The brand was particularly strong in the U.S., growing by over 50 percent.

Acushnet, which estimates golf rounds played outside the U.S. increased more than 10 percent in 2021 (versus a 5 percent jump in the U.S.), says the cost of oil, not its supply chain, is the variable with the potential biggest impact on its EMEA business this year. The company is currently forecasting 2.7 to 5.0 percent topline growth in 2021 to a range of \$2.175 to 2.225 billion with adjusted Ebitda of \$325 to 345 million (-1 to +6 percent). First-half consolidated net sales are forecast to be slightly more than 50 percent of the annual estimate. Meanwhile, first-half adjusted Ebitda should

be approximately 60 percent of the full-year estimate, down from about 80 percent in 2021.

Kjus, the Swiss-based golf and ski brand acquired in 2019, posted robust growth for the year. The brand was especially strong in the U.S. market, up over 50 percent.

Odlo buys Janus and moves its wool production to Norway

Odlo International AG, the Swiss company with Norwegian roots, has reached an agreement to acquire 100 percent of the shares in **Janus Holding AS**. Janus, founded in 1895, is Norway's largest and oldest manufacturer of wool underwear and the only remaining company producing wool products on a large scale in Norway – still at its original location on Espeland in Bergen.

Janus has sales of around NOK 250 million (€ 25 million) and a strong position in Norway but also exports significantly to Europe and China. Odlo plans to increase production on Espeland by moving its wool production from current suppliers in Portugal and China to the Janus factories.

"We are proud and excited about the opportunity to join forces with a larger European company, which will provide us with a catalyst for joint growth and development," says **Janne Vangen Solheim**, CEO of Janus Group. "We look forward to the new opportunities, people and markets we will be working with in the future, as well as the sound of several new machines. For 127 years, we have been guided by the belief that moving forward is the future – so we are now especially excited and looking forward to all that lies ahead," she adds.

Following the signing of the transaction, Janus' majority owner Janne Vangen Solheim will take on a new role as a board member of Odlo and contribute to the further development of the company. **Arne Fonneland** will continue his role as CEO of **Janusfabrikken** and remain responsible for the day-to-day

operations of Janus while becoming part of Odlo's executive team. Both will reinvest a significant amount of the sale proceeds in Odlo, continuing their ownership to ensure continuity and the best possible integration of the two companies. There will be no changes for Janus employees.

The transaction will be financed by equity from Odlo, external financing from **Sparebanken Vest** and by the owners of Janus, who will reinvest part of the purchase price in Odlo. The transaction is expected to close in the first quarter of 2022. Odlo has annual sales of approximately CHF 120 million with Ebitda of CHF 10 million.

iFit Health & Fitness raises \$355 million in capital, names co-presidents

Months after abandoning a \$650 million initial public offering due to unfavorable market conditions, **iFIT Health & Fitness**, formerly known as **Icon Health & Fitness** and parent of the **NordicTrack**, **Weider** and **ProForm** fitness brands, amongst others, has raised \$355 million in capital from **L. Catterton**, the largest global consumer-focused private equity firm.

In a related development, which the company described as planned, iFIT named CFO **Steve Barr** and **Mark Watterson**, its chief experience officer, as co-presidents of the organization headquartered in Logan, Utah. iFIT's co-founder, chairman and CEO **Scott Waterson** will now serve exclusively as chairman of the board where he will work with iFIT's advanced development team on "next-generation product innovation."

The iFIT-Catterton capital deal comes six weeks after a hedge fund, which advanced iFIT \$200 million in 2019, sued over an alleged company violation of that loan agreement. **Pamplona Capital** executives were reportedly perturbed that iFIT was preparing to hand out an equity stake in the firm to an unspecified Chinese supplier.

The maker of bikes, treadmills, ellipticals and rowing machines acquired **Sweat Group Pty Ltd.**, an Australian company with a digital fitness training platform for women, in late June 2021 for \$37.5 million in cash, up to \$70 million in deferred consideration and \$40 million in Class A common stock after the IPO. The acquisition was followed by another in July 2021 with the purchase of 29029, a producer of endurance hiking events that simulate climbing Mount Everest.

But iFIT's public offering never materialized in late 2021 as connected fitness category rival **Peloton** struggled with its business and global demand for at-home fitness products, which had risen dramatically during the pandemic, slowed.

Public filings ahead of the proposed IPO pulled back the curtain on iFIT's recent financial results. In the fiscal year ended May 31, 2021, the company generated a 104 percent year-over-year increase in total revenues to nearly \$1.75 billion but posted an operating loss of \$127,634 and a net loss of \$516,706. The NordicTrack brand (53 percent) accounted for more than half the topline followed by ProForm (27 percent), iFIT subscriptions (13 percent), Weider (6 percent) and **Freemotion** (1 percent). The shareholder deficit at fiscal year-end was \$670,159, up from a deficit of \$181,156 on May 31, 2020. In fiscal 2020, iFIT had a 21.7 percent in year-over-year revenues to nearly \$851.9 million but reported an operating loss of almost \$49.8 million and a net loss of \$98.5 million. The last year that iFIT turned a profit was in 2019 when it made nearly \$56.6 million on total revenues of \$699,965,000.

AliExpress sees global growth in demand for ski equipment thanks to Beijing Games

Retail News Asia has released new sales data from **AliExpress**, the online retail platform founded in 2010 and part of the **Alibaba Group**

that enables small businesses in China and other countries to offer international products to online shoppers. The data shows growing demand for winter sports products, which AliExpress attributes to the **2022 Beijing Winter Olympics** and the generally rising popularity of winter sports worldwide.

AliExpress saw a 60 percent year-on-year increase in sales of winter sports products in the fourth quarter of 2021, with more and more customers looking for more fashionable ski gear. Products with technical features such as heated ski gloves were particularly in demand, with sales of such gloves increasing 780-fold year-on-year in Q4 2021. However, a comparative figure for units sold in the previous year was not provided. Top-selling winter sports items on AliExpress included ski helmets, snowboard sets, ski pants, ski gloves and ski goggles. In particular, sales of ski helmets on AliExpress increased 1500 percent year-on-year in Q4 2021. AliExpress sees no slowdown in the trend and predicts that 2022 will be a milestone for its platform's winter sports equipment market.

The top five markets buying winter sports equipment on AliExpress include Russia, the U.S., South Korea, France and Spain. With AliExpress operating in over 200 countries and regions around the globe, customers in Iceland, Chile and other remote areas are gaining traction on the platform. In this regard, AliExpress points to its well-developed logistics ecosystem. The price-performance ratio of ski equipment has proved particularly advantageous for French and Spanish customers. For example, sales of ski goggles and ski gloves in Spain increased by 100 percent and 53 percent, respectively, compared to the previous year. In France, customers opt for a double-layer ski jacket, resulting in 72 percent year-on-year growth for this item. More and more customers from South Korea are buying ski gloves and double-layer ski jackets on AliExpress for their ski adventures in Asia.

AliExpress says it is committed to providing faster and more efficient cross-border delivery with its resilient cross-border e-commerce ecosystem. It consists of seven domestic selection warehouses in China, nine automated sorting centers in China, overseas warehouses, and over 80 charter flights per week. In partnership with **Cainiao Smart Logistics Network Limited**, formerly known as **China Smart Logistics Network**, a logistics company founded in 2013 by **Alibaba Group** together with eight other companies, AliExpress currently offers a 10-business-day delivery time for select cross-border orders in Spain and France, 12-business days for Brazil, and five business days for South Korea. Since 2020, AliExpress and Cainiao have also actively built overseas warehouses to improve the capacity and efficiency of cross-border logistics networks. Local shipments can be delivered within three days in Spain and France and within seven days in the rest of Europe. A network of more than 20,000 self-pickup service points has been established in Spain, France, Poland and Russia, combining AliExpress lockers operated by Cainiao with pickup points operated by local partners.

In parallel with this news, the **U.S. Trade Representative's** office (USTR) has added AliExpress as well as **WeChat (Tencent Holdings)** to the U.S. government's latest list of "notorious markets" that allegedly sell or facilitate the sale of counterfeit goods. The list includes 42 online markets and 35 physical markets that reportedly engage in or facilitate significant trademark or copyright piracy. China-based online markets **Baidu Wangpan**, **DHGate**, **Pinduoduo** and **Taobao** also remain on the list, as do nine physical markets in China suspected of manufacturing, distributing and selling counterfeit goods, the USTR office said. Alibaba said it would continue to work with government authorities to address concerns about intellectual property protection on its platforms.

News and analysis of the international market

Sri Lanka's apparel exports in January set 5-year record

Sri Lanka's January 2022 apparel exports reached the highest level for that month in the last five years. This performance demonstrates the underlying strength of the industry, which has recovered from ongoing shocks from the impact of the pandemic over the past two years. Sri Lanka's garment export revenue increased to US\$487.6 million in January 2022, surpassing the US\$452 million recorded in January 2019, before the pandemic, by 8 percent. Growth over January 2021 export revenues was 23 percent.

"Amidst significant turbulence, this strong performance is testimony to the resilience of Sri Lanka's apparel industry and augurs well for the industry's progress towards realizing its goals for 2025," said **Yohan Lawrence**, secretary general of the **Joint Apparel Association Forum (JAAF)**, Sri Lanka's umbrella apparel industry association.

The industry's vision for 2030 is to make Sri Lanka a global apparel

hub by this year; an interim goal is to increase annual export earnings from the apparel industry to \$8 billion by 2025.

"Through close cooperation between all key stakeholders, the apparel industry can further increase its already-strong contribution to the national economy, as a major generator of vital foreign exchange and high-quality employment," Lawrence added.

According to JAAF, the industry's performance in January 2022 also reflects the success of rigorous safety measures taken by the industry in close cooperation with health authorities to minimize the spread of the pandemic among workers. In addition, in line with the national vaccination campaign, 65 percent of Sri Lanka's garment sector workers have now received both doses of the vaccine and the booster shot, while 95 percent of workers have received at least both doses. Garment exporters have also been proactive in taking additional safety measures, even before the Omicron variant arrived in Sri Lanka.

"Ensuring the health and safety of the employees of the sector, through continued rigorous adherence to safety and health protocols remains our top priority," said **Saif Jafferjee**, managing director of **Lanka Garments Ltd.** "This approach has sustained the industry's resilience and reduced the negative impact of Covid-19, while also ensuring business continuity, thus protecting thousands of livelihoods and income sources."

The latest results also reflect the success of interventions such as the adoption of digital product development technologies, which have helped mitigate supply chain disruptions. Larger companies also supported smaller companies by working with them to manage the rush of export orders.

"January's impressive performance was also made possible by strong demand from buyers and the healthy pipeline of orders for upcoming months, which are grounds for optimism," Jafferjee added. "The international outlook remains challenging, however, considering growing tensions in Europe."

News Briefs & Short Stops

Corporate

Toronto-based connected fitness company **Aviron** announced \$18.5 million in Series A funding led by **Chris Carey** and **Stripes**, also an investor in the running brand **On**. Additional investment comes from **Global Founders Capital**, **Formic Ventures** and **24-Hour Fitness** founder **Mark Mastrov**. Aviron is the developer of a gaming-led, smart rowing machine that combines high-intensity interval training (HIIT) with short workouts that simultaneously burn calories and build muscle, with game-like content and psychology. In a blog post, Aviron said it will use the investment to grow its team. "We plan to double in size over the next year with an emphasis on hiring engineers and software developers to increase product development and expand our library of entertainment offerings. We'll expand our online presence in the US market, enter the retail market, and increase our inventory investment to guard against supply chain issues. Most importantly, we have a ton of new content and feature releases in the works including the addition of popular

streaming entertainment platforms like Netflix coming this quarter." In addition to the funding, the company announced that **Amy Curry-Staschke** has joined the team as chief operating officer. Her resume includes stints in strategic and product operations at **Nike**, **Lululemon** and **Burton Snowboards**.

Management consultancy **Boston Consulting Group (BCG)** expects a strong surge in growth for products and services for the so-called metaverse. "The market for augmented reality will exceed the 100 billion US dollar mark this year," said BCG partner **Tibor Mérey** in an interview with the German business magazine *Capital*. The trillion mark will be reached before 2030, Mérey predicts. Metaverse sales include revenues from hardware, software and services, including applications for augmented and virtual reality. The metaverse, the next stage of the Internet and a kind of "second life," revolves around the simulation of physical presence in virtual worlds. In the future, users will not only view the Internet on a screen but immerse themselves in it, especially with the help of virtual reality glasses. The devices will also be able to transmit users' facial expressions

and gestures. The U.S. companies **Microsoft** and **Meta**, for example, are working on simulating human proximity. According to BCG partner Mérey, however, the development of the metaverse does not only concern the large tech groups. “An increasingly large part of life will take place in the digital world – and that’s why the economy will also migrate there.” In principle, therefore, the metaverse is economically relevant for all industries, he said. In the sporting goods sector, a number of companies have already entered the metaverse – first and foremost **Nike** and **Adidas**, but most recently also **Puma**, **ABG**, **Skechers** and several others – with services and virtual products to be worn or used by the users’ avatars.

According to reports in the *Wall Street Journal* and *SGB*, Florida-based **Fanatics Inc.** has raised \$1.5 billion in a funding round that values the sports merchandise and memorabilia company at \$27 billion. Because the transaction was private, both media rely on information received by a “person with knowledge of the matter.” Investors are said to have included **Fidelity Management & Research Co.** as well as funds from **BlackRock Inc.** and **MSD Capital LP**. However, the transaction adds fuel to speculation that the company is close to an IPO. Fanatics has been adding new categories as CEO **Michael Rubin** looks to extend beyond sports merchandise into several new business lines, including trading cards and sports betting. Last fall, the company announced exclusive trading-card deals with the unions representing the players in **Major League Baseball**, the **National Basketball Association** and the **National Football League**. Earlier in 2022, the company acquired Topps trading cards for \$500 million. Fanatics’ trading card entity is valued at \$10 billion after a \$350 million round of funding last September. Its latest valuation marks a big step up since last August when it raised \$325 million at an \$18 billion valuation.

Alpargatas, which claims to be the largest footwear and apparel company in Latin America and owner, among others, of the **Havaianas** brand, reported that a fire broke out in the early morning of Feb. 21, 2022, at one of its plants in the city of Santa Rita, in the Brazilian state of Paraíba. A *YouTube* video (below) shows heavy black smoke and flames rising from the building. So far, no casualties or injuries have been recorded, and the workforce has not been affected, although initially released from duty. According to a press release, the fire supposedly had no significant impact on the plant, which currently accounts for less than 3 percent of the company’s total annual production volume.

L.A.-based sneaker subscription platform **KYX World**, founded last year, has received a second seed funding of \$3 million led by **SeventySix Capital**, valuing the company at \$16 million. The company’s backers include **Rachel Zoe Ventures** and **Crush Ventures**, as well as several celebrities and professional athletes, including NBA All-Star **DeMar DeRozan** and Super

Bowl Champion **Emmanuel Sanders**. **KYX** offers tiered subscription plans that cost between \$59 and \$299 per month, with customers paying to rent one or more pairs of sneakers and exchanging them for another pair when they lose interest. The company said it will use the funds to develop an app and expand operations to support growth.

Kathmandu Holdings Limited from New Zealand announced on March 2 that it will change its name to **KMD Brands Limited**. The new name will take effect on March 16, 2022. The NZX and ASX ticker will remain KMD. An announcement on the launch of KMD Brands, its purpose and vision, will be made on March 16, the company said. The news comes shortly after the company announced that it is looking to strengthen its **Kathmandu** brand in Europe. The group also owns U.S. footwear brand **Oboz** and Australian surf brand **Rip Curl**. Since the holding company and brand share the same name, the parent company’s renaming is certainly useful for future expansion.

Authentic Brands Group (ABG) has entered into a partnership with **David Beckham** to co-own and manage his brands and businesses, which include endorsements with **Adidas**, **Tudor**, **Maserati**, **EA Sports**, **Sands** and **Diageo**. In keeping with the deal’s terms, Beckham has become a shareholder in ABG, while ABG has become the largest shareholder in **Studio 99**, a production studio that Beckham co-founded in 2019 and that has deals with **Netflix** and **Disney+**. Beckham boasts 9 billion impressions on **Instagram**, **Facebook** and the Chinese platforms **Weibo** and **Douyin** combined. His 138 million online followers raise ABG’s total to about 420 million. **Jamie Salter**, the company’s founder, chairman and CEO, said ABG plans to scale Beckham’s brand and “expand it into new verticals” while driving its own growth in EMEA and Asia-Pacific. ABG is opening a European headquarters in London, where Beckham’s operation will be based. ABG’s entertainment portfolio includes **Muhammad Ali**, **Shaquille O’Neal** and *Sports Illustrated*. As we reported last month, ABG is in line to complete its acquisition of **Reebok** during the first quarter of 2022. There is speculation that it could transfer Beckham’s Adidas endorsement – a \$160 million lifetime deal, signed in 2003 – to the acquired brand.

Fanatics has teamed up with a celebrity cohort, which also includes **Jay-Z**, to acquire **Mitchell & Ness**, a brand merchandising company. As reported by the *New York Times*, the deal was closed on Feb. 16, and valued Mitchell & Ness at about \$250 million. Under the terms of the transaction, Fanatics will own 75 percent of the company while the remaining investors will own around 25 percent. Founded in Philadelphia in 1904, Mitchell & Ness has licensing partnerships with the **National Football League (NFL)**, **National Basketball Association (NBA)**, **Major League Baseball (MLB)**, and **Major League Soccer (MLS)**, among others. Mitchell & Ness is expected to continue to operate as a separate

News and analysis of the international market

brand and business. **Kevin Wulff**, the company's CEO, and all 132 employees will stay on as part of the deal, the *New York Times* reports. Mitchell & Ness was acquired by **Adidas** in 2007, then by **Juggernaut Capital Partners**, a private equity firm, and Mr. Wulff in 2016.

Frasers Group, the parent company of **Sports Direct**, announced today it has acquired **Studio Retail Limited** and certain other assets of **Studio Retail Group plc**. The British online retailer Studio Retail Group had filed for administration earlier this month for itself and its wholly-owned subsidiary Studio Retail Limited after failing to secure a short-term loan of \$25 million (£30m). According to a company statement, Frasers Group is providing cash and the release of Studio Retail Group from its liabilities to the lending banks under its revolving credit facilities, resulting in a cash payment from Frasers Group to the lenders of \$26.8 million (£32.1m). Frasers also agreed to act as guarantor for certain payments in relation to Studio Retail's group pension scheme. Frasers noted that the acquisition will also provide it with expertise and synergies that will be beneficial to its future business. It said it was pleased to have "rescued another business out of administration and saved approximately 1,500 jobs". Frasers Group, which is controlled by the businessman **Mike Ashley**, owned a 28.9 percent stake in Studio Retail prior to the transaction. In 2019, Ashley had already attempted a takeover of the online retailer.

Shortly after completing its acquisition of **Gameface.ai**, connected sports technology company **Slinger**, formerly **Slinger Bag**, has added the final building block to its "Watch, Play, Learn" strategy with video capture and analytics company **PlaySight Interactive**. PlaySight was founded in 2014 and is now firmly established in the U.S. team sport sector in particular. Slinger forecasts the new group of companies, which now consists of Slinger, PlaySight, Gameface and **Foundation Tennis**, to generate approximately \$35 million in revenue in the first 12 months of operations. PlaySight is set to debut a fully mobile sports broadcast platform later this year, as well as further enhancements to its existing streaming, data capture and automated production infrastructure.

+++ **Crocs** completed its previously announced acquisition of **HeyDude** on Feb. 17, 2022 +++ *Business Insider* has gotten its hands on an email sent by **Nike's** HR department to employees last week outlining the company's new "phased return" to its offices after the Covid pandemic, stepping "up a gear on May 3 – happily coinciding with our 50th anniversary! – when the flexible 3/2 hybrid work approach gets underway" +++

Executive Changes

If the ordinary general meeting of March 25 approves, **Yasuhito Hirota** will be taking charge of **Asics** as CEO on March 29. He will be retaining his other titles

– president, chief operating officer and representative director – and replacing **Motoi Oyama**, who is nearing his 11th year in the post. According to the company's terse press release, the reason for the change is "to move ahead with mid-term Plan 2023" – which Hirota helped formulate – "and increase corporate value." Oyama agrees, adding: "After becoming Chairman of the board last year, I decided that this would be the correct time to hand over the role of president to Hirota and let him oversee the practical management of the company." Oyama will remain chairman of the board. Hirota joined Asics in 2018 after 38 years with another Japanese company, **Mitsubishi**, where he was most recently executive vice president and head of regional strategy for Japan. Motoi led Asics in the U.S. and then in EMEA before taking charge of its worldwide operations. He has served as chairman of the **World Federation of the Sporting Goods Industry (WFSGI)**. He is currently its co-chairman, alongside **Ames Zheng**, president and executive director of **Anta Sports Products**.

Dan Sheridan, who has worked for **Brooks Running** for 24 years and is well respected in the running shoe industry, has been promoted to president and chief operating officer. In a separate executive promotion at Brooks Running, **Matt Dodge**, who has led the brand to record growth in the EMEA in recent years, is named vice president and managing director for Brooks International. Both positions are new, said a company spokesman. The two executives are extending their current responsibilities to accompany that company's strong growth. Sheridan's formal appointment comes days after the Seattle-based company reported a 31 percent increase in 2021 revenues to \$1.11 billion. He will work with the company's CEO, **Jim Weber**. Sheridan's role will broaden to include finance, strategic planning, legal and risk management focus besides his existing responsibilities for supply chain/operations, IT and digital functions. "Dan will provide direction and guidance across the enterprise with a specific focus on scaling Brooks' unique business model, brand, and culture around the world," commented Weber. Dodge took charge of EMEA in 2018 after working for Brooks in Seattle as associate general counsel and then as general counsel and vice president of global human relations. In that position, Dodge was credited with developing an efficient selective distribution strategy for the brand worldwide.

Elevate Outdoor Collective, formerly **K2-MDV Holdings**, has hired **Peter Stolz** as global vice president design/creative director. Stolz joins the Seattle-based group after spending the past three years at **Converse** as global senior creative director for men's and women's apparel and accessories and, before that, more than three years as deputy creative director. Other stops in his career included **Levi Strauss & Co.** and **Nike**. Under the Elevate Outdoor Collective umbrella are **K2 Skis**, **K2 Snowboards**, **Marker**, **Dalbello**, **Völkl**,

Ride Snowboards, Line Skis, BCA, Atlas Snow Shoe Co., Tubbs Snowshoes, Madshus and K2 Skates.

Max Kalbfell, a marketing specialist with a strong background in the automotive industry, has been appointed global marketing director for **Völkl Marker Dalbello Sports**. In his new position, he is responsible for the global brand presence of the **Marker, Dalbello** and **Völkl** brands. Under his marketing leadership, the three brands Völkl, Marker and Dalbello will be communicated more independently and no longer operate under the **MDV Sports** umbrella brand. This will allow each brand to maintain and strengthen its unique character in the outdoor and winter sports markets. The parent company is the Seattle-based **Elevate Outdoor Collective**, formerly **K2-MDV Holdings**. In addition to Völkl, Marker and Dalbello, the group also includes all **K2 Sports** brands. In addition to the brand strategies, Kalbfell's responsibilities also include brand experience with all associated international marketing and brand campaigns. He reports directly to **Jonathan Wiant**, president of Völkl Marker Dalbello Sports. Kalbfell most recently worked for **BMW** since 2003, including as marketing director of **Mini Germany**, sales and marketing director of **Husqvarna Motorcycles** and head of the **Mini China** team. In his last position at BMW, he was brand management director/CMO BMW for Northern Europe for nearly four years. Since December 2020, Kalbfell has been working as a free-lance brand management expert. In his new role, he succeeds **Christoph Offenberg**, who joined MDV in November 2018 as head of international marketing and left the company "at his own request."

Peloton has named former **Microsoft** veteran **Betsy Webb**, who joined the fitness company last summer, to head its Washington-based subsidiary **Precor**, part of **Peloton Commercial**. She replaces **Rob Barker**, who left the company last week after 27 years. He is reportedly focusing on his investment business and moving to Europe to invest in **Trib3**, a U.K.-based franchisor of boutique fitness studios. Peloton acquired Precor from **Amer Sports** in early 2021 for \$420 million. Over the course of Peloton's mixed start to the year, the workforce merry-go-round has already taken a few turns, as previously reported. The New York City-based company recently reported a net loss of \$439.4 million and announced plans to lay off 2,800 employees. Founder and CEO **John Foley** resigned and was replaced by former **Netflix** and **Spotify** CFO **Barry McCarthy**. The new CEO has dismissed rumors of a possible sale of Peloton amid its current somewhat bumpy ride.

According to a leaked internal memo picked up by several media outlets, **Lucy Rouse** is to head Nike's **SNKRS** business, the app through which the company's most limited-edition and coveted newest products are sold, as VP/GM **NBHD** (Nike's high-level boutique partners), **SNKRS** Launch and **S23NYC**, starting in April. Rouse would thus succeed **Ron Faris**, who, after building the

SNKRS app into an integral part of Nike's DTC business, was announced as the VP of Nike's **Virtual Studios**, a new division for the company that supports its latest push into the metaverse, in January. Rouse started at Nike in 2005 as an account executive in Australia and has been with the company for more than 16 years. Most recently, she led Nike EMEA's women's business and, before that, the sportswear business in the same regions.

Washington-based insole manufacturer **Superfeet** has announced a series of promotions and a new hire. In addition to hiring a new chief financial officer, **Cambria Schmidt**, five employees were promoted to VP level: **Matt Gooch** is now VP Product & Innovation, **Frits Kuper** VP International Sales, **Michael Lindeman** VP IT, **Brian Mastrofino** VP Sales Operations and **Annie Quammen** VP Human Resources. Schmidt, the new CFO, brings 24 years of finance experience and was most recently CFO at **Zoomget**, a medical glove e-tailer. Before that, she spent 15 years at **PMI Worldwide**, the parent company of **Stanley**, and is a board member of **Cascade Designs**. According to a press release, Superfeet aims to grow the leadership team even further with the upcoming hire of a chief operating officer.

Italian swimwear specialist **Arena** has hired **Oliver Pfaff** as sales manager for Germany and Austria. Pfaff comes to Arena with a broad range of experience: For the last three years, he was head of key account management for the eyewear brand **Marcolin**; before that, he held different management positions at consumer goods brands like **Diageo**, **Danone** and **Storck**. Arena is preparing for the brand's fiftieth anniversary in 2023 and has been led by chairman and CEO **Peter Graschi** since early 2021 after several management changes. According to a company release, Pfaff is tasked with increasing Arena's market share in the brand's core business in traditional and digital distribution channels, with the increase of brand awareness being one of the cornerstones to the planned growth.

Hermione People & Brands (HPB) has announced the appointment of **Benoît Verdier** as the new general manager of **Go Sport**, with immediate effect. He will report to **Wilhelm Hubner** and **Samuel Alimi**, respectively the president and vice-president of HPB. Verdier has more than 15 years of experience in the retail sector and had also previously worked at Go Sport. He started his career as a quality manager at **Carrefour**, where he held evolving roles. He worked for the Go Sport group from 2010 to 2013, first as supplier manager and then as group negotiations director. He later joined the **Lagardère Travel Retail** group, where he served as VP for global purchasing, duty-free negotiations director, marketing and logistics director and, most recently, GM of the duty-free network for France and Luxembourg until 2021. Go Sport, which has a network of 215 shops in France and internationally, has been part of HPB's portfolio since December 2021.

News and analysis of the international market

+++ **Crocs** has announced that former COO of **CCM Hockey**, **Pete Gilmore**, has joined its recently acquired **Hey Dude** casual footwear brand as SVP, supply chain, while **Katie Wagner**, formerly VP regional sales at **Crocs**, transitions to Hey Dude as the new VP of sales +++ *Boardsport Source* reports that **Josh Nielsen**, formerly senior director of brand global marketing at **Patagonia**, has joined **Jones Snowboards** as marketing director +++ *AFP (Agence France Presse)* has appointed **Vincent Amalvy** as director for major sports events, responsible for the promotion of the global production of content for major sporting events +++ **Kath Smith**, former GM EMEA of **The North Face** and brand director of **Reebok** Northern Europe, who joined **JD Sports Fashion**'s board in May 2019, has been appointed senior independent director and chair of the nominations committee of JD Sports +++

DTC & E-Commerce

As reported by the *Portland Business Journal*, **Nike** has temporarily halted sales through its Russian website and app, stating that the company "cannot guarantee delivery of goods to customers in Russia." The news came after major logistics companies such as UPS and FedEx announced they would temporarily suspend their services in the country. While the reference to possible delivery difficulties is not a direct position on the Russian invasion of Ukraine, it does put Nike in line with companies responding to the crisis. Most recently, for example, **Keen** donated \$55,000 to help Ukrainian refugees. **Haglöfs** and **Mammut** also wrote on *LinkedIn* that they have donated through the accounts of UNHCR and UNICEF, and they are certainly not the only ones. Outside of the sports world, tech giant **Apple** also stopped selling products in Russia this week. Apple said in a statement that it has also disabled traffic and live incidents in Apple Maps in Ukraine as a safety and precautionary measure for Ukrainian citizens. **Google** has done the same for its Maps service.

Retail & Distribution

According to *DiffusionSport*, **Avia** is returning to Europe, and specifically to Spain, after an absence of about a decade. To this end, the American brand of athletic footwear has secured a licensing and distribution deal with **Sandsock S.L.**, a firm in Barcelona. Sandsock has since presented Avia's collection for summer 2022, making it available to sporting goods and shoe stores. Sandsock's strategy, says *DiffusionSport*, is to offer a product line inspired by current trends, with formats that delve into casual and urban styles while retaining both an athletic and a retro feel. Avia is owned by the wholesale, sourcing and brand-management firm **Galaxy Universal**, which announced in October of last year, as we then reported, that it was acquiring the activewear brands of the bankrupt **Sequential Brands**

Group. Avia was among them, and Galaxy was at the time already an Avia licensee. Avia's former distributor in Spain was **Proged**, headquartered in Álava.

After almost 15 years of successful sales of the **Speedo** brand in Scandinavia, **Craft of Scandinavia AB** and Speedo have ended their distribution partnership, with Speedo announcing a new distributor for the market. Craft says the move allows it to focus fully on its own brand, which has shown strong development in recent years. With only one brand in the portfolio, the company will boost that development with both expanded distribution and new products. Craft will distribute the Speedo brand in Norway, Sweden and Denmark until the end of 2022. **MnO International AB** based out of Stockholm will take over as Speedo's in-market distributor from 2023. MnO was founded in 1997 by **Mikael Engdahl** and **Ola Hultgren** and focuses on outdoor, sports and fashion brands. Current clients include **Under Armour**, **New Era**, **2XU**, **Columbia**, **Mountain Hardwear**, **Kavu**, **Woolrich** and **Sorel**.

With a trade-in program that is offered in several **Allbirds** stores in the U.S., the shoe company takes its first steps into the pre-owned market. Within the newly launched **ReRun** program, customers can trade in their used Allbirds footwear for an in-store discount of \$20. Used shoes will be offered to start at \$59 through an e-commerce platform that is set up with the support of re-commerce specialist **Trove**. To date, the Allbirds ReRun offer is limited to the U.S. However, Trove has just closed a funding round of \$77.5 million in summer 2021 to support its planned expansion to Europe. Trove will provide Allbirds with the logistics and technology needed for its own recommerce channel. Founded by **Tim Brown** in 2014, Allbirds is a New Zealand-American company headquartered in San Francisco. More in our sister publication *Shoe Intelligence*.

The Spanish news service *Palco23* reports that the Spanish buying group **Atmósfera Sport** expects its sales to increase by 25 percent in 2022 after posting a 37 percent growth in 2021 compared to 2020. The growth in sporting goods is supported by omnichannel, digitization and international expansion. According to the report, the company is now launching in France and Portugal for the first time through the online channel and plans to open brick-and-mortar stores in Portugal soon. Atmósfera Sport is headquartered in the Valencian town of Silla.

According to a survey by the research institute Ifo, supply problems in German retail have worsened again in February. In February, 76.3 percent of overall retailers said they did not receive all the goods they ordered. A month earlier, the figure was 57.1 percent. Among retailers selling clothing, 52.6 percent said they faced delivery issues in February. The situation is particularly tight for bicycles, toys, cars, furniture and electrical household appliances: Between 90 and 96 percent

of retailers in these sectors reported supply problems. “The relief in January has not proven to be sustainable,” said **Klaus Wohlrabe**, head of surveys at the Ifo Institute. “This means that there will continue to be shortages on the shelves for the time being.”

Sport 2000 France is expected to see around 45 new store openings this year, roughly as many as in 2021, according to a report by *Sport-Guide.fr*. The plan would involve its different retail networks. Sport 2000, the eponymous banner, is expected to add 14 new stores, while **Mondovélo** is set to have 14 new stores this year. Other new openings would involve **We Are Select** (prêt à porter), which is expected to add ten stores, and **S2** with five new stores. **Espace Montagne** is set to see only one store opening this year, but a new strategic development plan for the outdoor segment is currently being finalized, *Sport-guide.fr* reports. As of Jan. 1, 2022, the overall network included 439 Sport 2000 stores, 40 Mondovélo stores, 17 We Are Select stores and 43 S2 stores.

Therabody, the digitally native specialist in wellness technology, has announced plans to open six new standalone retail locations across the U.S. in 2022. Three opened in January, including White Plains in New York state, Caesars in Las Vegas, and Santa Monica, California. Three more are expected to open soon in Brea and Stanford, California, and Troy, Michigan. The company expects to have 22 physical locations opened by July 2022. It also has several additional retail locations currently in the planning stages, which are supposed to open later in the year.

+++ Following a successful pilot phase in the Ludwigshafen store, **Decathlon Germany** will be using robots to automate inventory using RFID technology in selected stores +++ *Boardsport Source* reports that **Gotcha**, the surf brand founded in California in 1978 and now part of **Perry Ellis International**, will be back in Europe this spring through the U.K.-based companies **Estar(2018) Ltd** (for apparel) and **New Day Fury Ltd** (for hard-goods) +++ **Amazon** is closing all 66 of its brick-and-mortar bookstores, four-star locations and pop-ups in the U.S. plus two in the U.K. to focus its efforts on **Amazon Fresh**, **WholeFoods Market**, its convenience concept called **Amazon Go** and its upcoming **Amazon Style** stores +++

Results & Statistics

Under Armour's board of directors has authorized the repurchase of up to \$500 million of the company's Class C common stock, effective immediately. Repurchases under this program may be made over the next two years through various methods, including open market transactions, privately negotiated or accelerated share repurchases. The timing, method, price and size of share repurchases will be at the discretion of management and will depend on various factors. President

and CEO **Patrik Frisk** said the program is an excellent opportunity to deploy cash and increase shareholder value without compromising the financial flexibility needed to continue investing in key, higher-growth opportunities. **S&P Global Ratings** has just changed its outlook on Under Armour from stable to positive (more here). The agency currently expects the company's total revenues to increase in the low single digits, mainly due to higher sales outside North America.

From Oct. 1 to Dec. 31, 2021, the Swedish, Solna-based **Björn Borg Group's** net sales amounted to 180.6 million Swedish kronor (€16.9m), an increase of 12.6 percent. Net sales of company-owned e-commerce and e-tailer businesses amounted to SEK 63 million (€5.9m) in the fourth quarter, an increase of 9.6 percent. Gross profit margin was 53.1 percent, compared to 56.6 percent. Operating profit was SEK 10 million (€938,000), compared to SEK 6.5 million in Q4 2020, and profit after tax was SEK 11.1 million (€1.0m), compared to SEK 1.3 million. For the fiscal year ending Dec. 31, 2021, the group's net sales amounted to SEK 768.2 million (€72.0m), an increase of 8.9 percent compared with the 2020 fiscal year. Net sales of the group's own e-commerce and e-tailer companies amounted to SEK 294.6 million (€27.6m), increasing 27.2 percent. Gross profit margin for the year was 54.2 percent compared to 52.5 percent. Operating profit amounted to SEK 104.1 million (€9.8m) compared to SEK 33.7 million. Profit after tax was SEK 86 million (€8.1m) compared to SEK 18.8 million. “What gives me the most confidence going forward is that we have established ourselves at a completely new level of operating profit, 13.5 percent,” commented CEO **Henrik Bunge**. Björn Borg's products – underwear, sportswear and bags, but also shoes and eyewear – are sold in around twenty markets, of which Sweden and the Netherlands are the largest. The group operates at all levels, from branding to sales in its own Björn Borg stores. The Björn Borg shares have been listed on **Nasdaq Stockholm** since 2007.

Sumitomo Rubber's Dunlop Sports business, which includes the **Srixon**, **Cleveland** and **XXIO** brands of tennis, squash, padel and golf products, reported a 29 percent increase in operating profit to 1.44 billion yen (€11.0m) from ¥1.12 billion, on fourth-quarter sales growth of 24 percent to ¥25.33 billion (€193.5m) from ¥20.46 billion. Srixon and Cleveland benefited from the golf momentum through the end of the year, particularly in North America and South Korea, while padel equipment supported the else largely stagnant racquet sports segment. For the full year, revenue rose 44 percent to ¥101.43 billion (€774.9m) from ¥70.26 billion, and operating profit was ¥8.60 billion (€65.7m), compared with a loss of ¥741 million in 2020. The Kobe-based group expects sales at its sports division to rise to ¥105.50 billion (€806.0m) in 2022. Sumitomo Rubber recently announced that it will reinvigorate the visibility of the Dunlop brand worldwide, starting with the opening of the Japanese Golf Tour in March 2022. Most recently,

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the Srixon and XXIO brand names were primarily used to market most of the products in the group's sports business. While golf hats worn by staff and sponsored athletes had recently carried the brand name "Srixon," they will now carry the Dunlop name. Dunlop Sports has been part of Sumitomo since 1983. The group is also changing the names of its Australian, Thai and South African sports business subsidiaries from "**Srixon Sports**" to "**Dunlop Srixon Sports**" this year.

Globeride, the Japanese parent company of the **Daiwa** golf and fishing brand, reported a third-quarter net income of 2.3 billion yen (€17.6 million), 5 percent more than in the same period of the previous year. Sales increased 8 percent from ¥26.9 billion to ¥28.9 billion (€221.2m). Sales in Europe declined 9 percent to ¥2.7 billion (€20.8m) in the quarter ended Dec. 31, and also fell 6 percent to ¥2.3 billion (€17.9 million) in the Americas as higher logistics costs affected operating profit. The brand's Japanese home market, which was flat in the second quarter, grew 6 percent to ¥17.8 billion (€136.2m) in Q3, but the strongest gains came from Asia/Oceania, where sales rose 32 percent to ¥6.1 billion (€46.3m), mainly driven by growth in Australia. Gross margin decreased 60 basis points to 37.9 percent, and operating costs increased 8 percent, but still benefited slightly from higher sales. Globeride raised its full-year sales forecast by 3 percent to ¥120 billion (€916.4m) and its net profit forecast by 15 percent to ¥8.6 billion (€65.7m).

JD Sports Fashion indicated a few days ago that it expects to report pre-tax earnings of at least £900 million (€1,074m) for the financial year ended Jan. 29, up from previous guidance of £750 million given in September and £810 million on Jan. 12. On the other hand, the international U.K.-based sports and outdoor retailer said that the final results would be published after the previously scheduled date of April 12. A new timetable will be announced in due course. The new forecast follows an increase of more than 10 percent in the group's sales on a comparable basis for the 22 weeks ended Jan. 1, with equally positive performance during the Black Friday and Christmas periods. The positive performance continued into January, JD said. The company justified the delay in the release of the final annual figures with the need to give **KPMG** sufficient time to complete its global audit of the increasingly complex group and to allow JD to report the effect of the planned divestment of the **Footasylum** chain, ordered by anti-trust authorities, "with greater certainty." JD said the additional time would also enable the group to complete a review of its governance procedures and policies in light of an ongoing process to divide the current joint role of executive chairman and chief executive officer. **Peter Cowgill**, who became executive chairman in 2004, cumulates the two functions since the departure of **Barry Bown** as CEO in May 2014. Bown became executive chairman

of Footasylum in 2018 and also its CEO in June 2019, soon after JD's takeover of the British chain.

Zalando posted better-than-expected sales in 2021 but released a disappointed guidance for 2022, which prompted the company's share price to drop nearly 10 percent on the day. In the full year ended Dec. 31, the German online fashion retailer posted a 29.7 percent increase in revenues to €10.35 billion, compared with a guidance of a 29 percent increase to €10.3 billion. The company achieved an adjusted Ebit of €468.4 million, corresponding to a margin of 4.5 percent, against €420.8 million, or a 5.3 percent margin, in 2020. In 2021, the gross merchandise volume (GMV) rose by 34.1 percent to €14.3 billion. "We are in a strong position to achieve our GMV goal of more than €30 billion by 2025," the co-CEO **Robert Gentz** said in a statement. Zalando aims to "outperform the European online fashion segment in a volatile market environment" in 2022 but expects to grow at a slower pace than last year. For 2022, the company forecast a GMV between €16.6 billion and 17.6 billion, representing an increase between 16 and 23 percent. Revenues are expected to reach €11.6 billion-12.3 billion, up by 12-19 percent. The adjusted operating profit is forecast at between €430 million and €510 million. Zalando added that the outlook did not take into account potential negative effects from the war in Ukraine. **Credit Suisse** described the guidance as "modest." It noted that the range of the 2022 guidance is understandably broad. Still, it was unclear whether the reason was due to a cautious view of the macroeconomic situation or related to its business.

+++ At below 20 percent for the first time, Chinese e-commerce giant **Alibaba** has reported its slowest quarterly revenue growth since its 2014 IPO, due to a decline in sales in its core business and increased competition +++

Legal & Institutional

The **DP World Tour** has announced an expanded G4D (Golf for the Disabled) schedule and a "transformational" support package for the **European Disabled Golf Association (EDGA)**. As part of the agreement, the **2022 G4D Tour's** international schedule will feature a minimum of seven tournaments, up from five in 2021. In addition, the DP World Tour has committed, through the European Tour group's Golf for Good initiative, to a financial support package that will see EDGA move from a volunteer-led organization to a semi-professional one. The support package also includes increased commercial support and media exposure through the DP World Tour's communications and social media channels. The Golf for Disabled initiative was first launched at the 2019 Betfred British Masters at **Hillside Golf Club**. The European Tour group and EDGA committed to holding events on the same golf course and during the same tournament weeks of DP World Tour events. The 2022 G4D Tour schedule will

start at **The Belfry** in England on May 2-3. The calendar and venues of the seven events of 2022 in six different countries are available at www.europeantour.com.

The Feb. 18 proceedings of the 139th Session of the **International Olympic Committee (IOC)** in Beijing saw the election of a new vice-president and five new IOC members. **Juan Antonio Samaranch Salisachs** from Spain was elected as an IOC vice-president. His term will start on May 20, after the conclusion of the 139th IOC session. He is the only son of the former president of the IOC, **Juan Antonio Samaranch**, who was at the helm of the organization from 1980 to 2001. Additionally, for the first time in Olympic history, a **UNHCR**-recognized refugee, **Yiech Pur Biel**, was elected as an IOC member. Biel competed as a member of the IOC Refugee Olympic Team in Rio 2016 and was a team manager for the same team at the Tokyo 2020 Games. The other new IOC members include Slovak shooter and Olympic bronze medalist **Danka Barteková**, the president of the **Union Cycliste Internationale (UCI)**, **David Lappartient** from France, as well as the Olympians **Martin Fourcade** (France) and **Frida Hansdotter** (Sweden). Finally, **Nicole Hoevertsz** (Aruba) was re-elected as a member, while **Dane Poul-Erik Hoyer** informed the session that, for personal reasons, he would not be eligible for re-election. The elections on Feb. 18 bring the number of IOC members to 106.

The players on the **US Women's National Team (USWNT)** who filed a gender discrimination lawsuit against the **US Soccer Federation** have reached a settlement, ending a dispute over equal pay and working conditions that has been ongoing since 2016. In 2016, five USWNT players had initially filed a wage discrimination complaint with the **US Equal Employment Opportunity Commission**. Three years later, just months ahead of their triumph at the **2019 Women's World Cup**, a total of 28 USWNT players filed a lawsuit against the federation, accusing US Soccer of "institutionalized gender discrimination." Under the terms of the agreement, detailed in a court filing on Feb. 22, the players will receive \$22 million in direct compensation from US Soccer, which will provide an additional \$2 million for the players' post-career goals and charitable causes related to women's soccer. In addition, US Soccer has agreed to pay the men's and women's national teams equally for all friendly matches and tournaments, including the World Cup.

Product & Marketing

Insole specialist **OrthoLite** has partnered with Vietnam-based material solutions company **Cirql** for a plant-based biopolymer foam that is EVA plastic-free, recyclable, compostable and comes with an end-of-life solution. The new **OrthoLite Cirql** sole offerings have their own website and claim to be the critical solution for true circularity within the footwear industry. According to a company release, the foam alternative

to conventional plastics is free from any "forever chemicals" or microplastics and created through a zero-waste, chemical-free foaming process made from responsibly-sourced plants and biodegradable materials. The joint development involves a globally patented process, and the end product has gone through Life Cycle IVL assessment. It is also certified industrial compostable – (Din Certco), Reach-certified (EU) and USDA certified bio preferred, RSL compliant (Intertek), certified GMO-free, certified vegan and hypoallergenic. Soles from OrthoLite Cirql foam can be industrially composted and biodegrade into nutrient-rich soil compost. Additionally, the company states that Cirql foam can be depolymerized and recycled for reuse. More on our sister website, *The Outdoor Industry Compass*.

Puma has signed a cooperation agreement with the Spanish LGTBIQ+ multisport association **Panteres Grogues** in Barcelona as part of #Reform, the brand's global initiative to defend universal equality. On the occasion of the **International Day to Combat LGTBI-Phobia in Sport**, celebrated on February 19, **FC Barcelona** also signed a cooperation agreement with the association "to fight against homophobia and discrimination based on sexual orientation in sport and society, as stated in the club's recent amendment to its statutes," according to a press release from the soccer club. Barça's official technical partner is **Nike**.

Decathlon is signing more athletes from a wide range of sports, further putting its own brands in the spotlight. Following the commitment of French tennis player **Gaël Monfils** and the expanded involvement in padel sports (we reported), the company has announced additional partnerships in cycling, volleyball, athletics and trail running, partially involving the sponsorship of entire teams. The professional athletes supported are also to assist Decathlon in product development. Here are Decathlon's latest collaborations:

- Volleyball: Decathlon's **Allsix** brand supports the German pro **Ferdinand Tille**
- Athletics: French runner **Yoann Kowal** is **Kiprun's** first athletics partner
- Road cycling: The **Van Rysel** brand is the new partner of the **Cofidis** team
- Mountain bike: **Rockrider** launches its own five-person **UCI** mountain bike team
- Trailrunning: **Evadict** enters the racing scene with a ten-strong "**Evadict Women Team**" Decathlon already carries 85 of its own brands, each of which stands for one type of sport.

Accompanied by considerable media echo, **Gucci** unveiled its Adidas x Gucci ready-to-wear collection, which had been long-rumored. The eclectic blend of classic tailoring and active sports showed the German brand's trademark stripes on suits as well as feminine knitwear and the trefoil joining the Gucci logo on baseball caps. Even the traditional show-closing wedding dress sported the three stripes. Before the current

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collaboration with Gucci, Adidas has partnered with partnerships with designers **Stella McCartney**, **Rick Owens**, **Yohji Yamamoto** and **Prada**.

Skechers is getting involved in one of the fastest-growing sports in North America as the official footwear sponsor of the **US Open Pickleball Championships**, organized by **Spirit Promotions** since 2016. With no corresponding footwear in the Skechers collections until now, the brand will introduce a range of specific Skechers pickleball footwear for men and women at the event, which kicks off April 23 in Naples, Florida, and runs for 7 days. As part of its multi-year partnership with the US Open, Skechers will provide footwear to all of the tournament's volunteer captains. In addition, Skechers will have a booth at the pickleball tournament – "the biggest pickleball party in the world," according to Spirit Promotions – where fans and athletes can experience and purchase Skechers pickleball shoes as well as off-court models. Skechers' first pickleball shoe is called the **Viper Court**, a durable, lightweight design featuring a **Goodyear** rubber outsole and a shock-absorbing **Arch Fit** insole.

Irish activewear and athleisurewear brand **Gym+Coffee** has added seven new faces to its "Make Life Richer Collective." Professional football and cricket athletes **Jodie Taylor**, **Rachel Corsie**, **Carla Humphrey**, **Sandy MacIver**, **Danni Wyatt**, **Sophia Dunkley** and **Tammy Beaumont** are now official brand ambassadors of the fast-growing Irish company. Gym+Coffee currently has stores across Ireland and the U.K. and sells DTC.

The **PGA Tour** and **Nobull** have announced a new multi-year partnership that designates Nobull as the "Official Training Apparel and Footwear of the PGA Tour and PGA Tour Champions" and the umbrella sponsor of PGA Tour Active through 2027. Nobull products will be available to players at tournaments throughout the season at the Player Performance Centers, mobile fitness centers that travel to PGA Tour and PGA Tour Champions events. Nobull will also activate and create custom content within PGA Tour Active as part of the Tour's official marketing partner program. Nobull was founded in 2015 by **Marcus Wilson** and **Michael Schaeffer**, two former **Reebok** employees. The company sells footwear, apparel and accessories and has expanded its training offering into running, trail running and cycling. In 2021, Nobull replaced **Reebok** as the title sponsor of the **CrossFit Games** and the official supplier of **CrossFit** apparel.

Puma has signed a long-term agreement with Norwegian chess grandmaster **Magnus Carlsen** and with the **Meltwater Champions Chess Tour**. Through its partnership with Carlsen and the tour, Puma aims to connect the world of chess with the world of competitive sports by creating engaging content and activities for chess fans, the company said. Carlsen, a five-time world chess champion, is an avid sports fan and, according to

the brand, a great fit for Puma. At just 13 years old, he became the youngest grandmaster of his time and won his first World Chess Championship in 2013. In 2014, he became the highest-ranked player in history. Carlsen is also the founder of **Play Magnus Group**, the management company behind the Meltwater Champions Chess Tour. "Together with Magnus Carlsen and the Tour, Puma will help grow the impact of chess and bring the sport to millions of fans around the world," a press release stated. A few weeks ago, Puma launched a streetwear collection designed in collaboration with the Minecraft video game. The involvement in chess and video games and/or the metaverse represent entirely new marketing approaches for the brand from Herzogenaurach.

After a chess grandmaster and a video game, **Puma** is now supporting another professional not known at first glance for sports: Puerto Rican music artist **Myke Towers**. Towers is Puma's first official global motorsports lifestyle ambassador, tasked with connecting the worlds of music and automotive culture for the sports brand. The artist has already proven expertise in this area with his music videos and documentaries. He is reportedly going to work with Puma on content creation, marketing campaigns and other projects which fuse music, fashion and car lifestyle.

As part of its "*She Moves Us*" brand campaign aiming for women in sports, **Puma** has just signed the Finnish motor racer **Emma Kimiläinen** for its **Puma W Series** racing team. The W Series is a free-to-enter championship on F3 single-seated, mechanically identical cars that runs since October 2018, with the declared goal to get women into Formula 1 cars once. The women's only event series consists of support races at eight international Formula 1 Grand Prix races, starting in Miami in May. Puma has premiered specific flame-retardant motorsport racewear in 2021. Through the "*She Moves Us*" campaign, the company aims to empower girls and young women by sharing stories and working together to advance their rights around the world.

The **World Surf League (WSL)** and **Rip Curl** announced an extended partnership, with the Australian surf brand coming on board as the presenting partner of the MEO Pro Portugal, the third stop on the **2022 Championship Tour (CT)**, along with the Boost Mobile Gold Coast Pro and the Sydney Surf Pro Challenger Series events. The news comes just weeks after the WSL announced that the Rip Curl WSL Finals would return to Lower Trestles in California this September for the 2022 CT season. By signing on as the presenting partner of the MEO Pro Portugal, Rip Curl will continue its strong connection with the waves of Super Tubos in Peniche, a place where the brand took their iconic "Search" Event back in 2009.

+++ **Mizuno** will replace **Macron** as the official technical partner of Italy's Serie A football team **S.S. Lazio**, starting with the 2022/23 season +++ **Kappa**, a brand of **BasicNet**, has extended its technical partnership

with Italy's football club **Empoli FC** until the end of the 2027/28 season +++ **Kyle Chalmers**, 2016 Olympic freestyle champion and 2020 silver medalist, is the latest addition to the **Arena Elite** team, first until 2024, including the **Paris Olympics** +++ **MP Activewear**, a fitness apparel label founded by online sports nutrition brand **MyProtein**, a subsidiary of U.K.-based **The Hut Group**, is introducing **Polygiene**-treated products in its high-end **Velocity Ultra** running line and **Power Ultra** collection +++ The Swedish clothing company **J.Lindeberg** launched its first racket sports collection in mid-February and at the same time signed two professional tennis players, **Petra Martić** (HR) and **Mirjam Björklund** (SWE) +++ **Therabody** has launched new wireless pneumatic compression leg sleeves called **RecoveryAir JetBoots**, said to dramatically change the recovery game +++ Indian table tennis player **Manika Batra** is a new **Adidas** brand ambassador +++ **Converse** has unveiled a **Chuck 70** mule, made with recycled canvas +++ **Puma** has unveiled its first **Puma King** football shoe made entirely from non-animal materials, the **King Platinum 21 Vegan** +++ **Aquasphere** has announced that **Sam Long**, the American professional triathlete and **Ironman 70.3** World Championship silver medalist, has joined the brand's roster of athletes +++ **Marker**, the ski binding brand founded in 1952 by German ski instructor **Hannes Marker** and now a part of the **Völkl Marker Dalbello** group, is celebrating its 70th anniversary in 2022 +++ **Ecco Golf** has partnered with **J.Lindeberg** on a limited-edition range that comprises four Ecco's golf shoe models +++ Previous SUP world champion **Isabella Gomez** is **Roxy's** newest pro team member +++ **Adidas** has welcomed **Palak Kohli**, a top-level para-badminton player from Jalandhar, India, to its elite athlete roster +++ **Decathlon** is recalling two running products, the **Running Kiprun GPS 500 GPS** watch and the **Kiprun 550 GPS** heart rate monitor, over potentially overheating batteries +++

Trade Shows & Other Events

Messe München's Chinese representative has announced the dates for this year's **ISPO Shanghai**. The show serves as the leading multi-segment summer trade show for the sports industry in Asia. Originally scheduled for mid-July, the event will now take place June 16-18, 2022, at the **Shanghai New International Expo Center (SNIEC)**. The organizers have thus brought the trade show forward by about a month. Messe München Shanghai named the segments of the show as Outdoor & Camping Lifestyle, Running and Health&Fitness, Women's Sports, Winter Sports, Water Sports, Manufacturing/Suppliers & Textile/Technology, and Crossborder E-Commerce. Messe München's next winter trade show in China will be **ISPO Beijing**, Dec. 9-11, 2022.

+++ **Munich Fabric Start** has canceled the **Bluezone** denim trade show in Munich scheduled for May 3 and 4, 2022; the next event is planned for August +++

CSR & Sustainability

Pangaia, a London-based materials science company, has released its official commitment to its carbon reduction goals and its progress in adopting an earth-positive business model. The announcement was shared together with a short film that illustrates Pangaia's ethos of "high-tech naturalism." Pangaia is positioned as a "Nature-As-A-Solution" (NAAS) company, with multiple business lines that include DTC and B2B sales as well as research and development. In 2021, the company achieved carbon negative status (Scope 1, 2, 3) having offset carbon emissions produced by its product and business operations. In addition to making carbon-neutral products, Pangaia cooperates with the **Tomorrow Tree Fund** to plant, protect and restore forests around the world. Pangaia was founded in 2019, making a basic range of apparel and has since cooperated with several other companies for the development of technologies like bio-based textile dyes, sunglasses made from CO2 or digital product passports for transparency in the supply chain.

Australian surf brand **Piping Hot** and the **University of Technology Sydney (UTS)** have announced a research partnership to develop a sustainable textile made from seaweed. Starting in February 2022, scientists at the UTS Climate Change Cluster will be building a prototype fiber. Piping Hot commissioned this research to UTS as part of its commitment to defend the oceans. The brand, which offers a full range of fashion, footwear and accessories, already prioritizes using recycled materials to conserve resources, and claims that all its products are made with low-impact materials. The company is a signatory of the **United Nations Global Compact** and an official partner of the **UNESCO Intergovernmental Oceanographic Commission** initiative. Thanks to its focus on social impact and an extensive commitment to sustainability, UTS is considered the number 1 "young" university in Australia.

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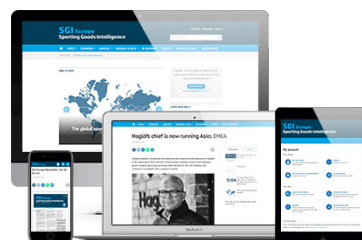
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