

SGI Europe

Sporting Goods Intelligence

News and analysis of the international market



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Isn't sporting goods retailing an "essential" service?

That's what the Italian government has stipulated, making an exception for sporting goods stores in its most recent decree for the lockdown of retail stores that sell "non-essential" products such as food and drugs, but other European governments are following a different principle.

In Switzerland, for example, sporting goods are bundled with other consumer goods (see the following article), but exemptions are being made for ski rentals as well as the sale of flowers and home improvement items, like during a previous lockdown in Austria. Quoting one of its retail members, **Roman Oberholzer** of **Och Sport**, the Swiss sporting goods retailers' federation, **Asmas**, argued that buying safe and warm clothing and footwear for children to play in the snow is more essential than offering flowers or purchasing screws or garden gnomes.

Meanwhile, as expected, the German government has agreed with the federal states on a further extension of a lockdown for retailers that sell non-essential products until Feb. 14. How-

ever, in response to requests made by fashion and sports retailers that are heavily dependent on the sale of winter products, especially seasonal clothing and footwear, it has made further concessions in terms of financial aid, while respecting European guidelines for such subsidies.

In particular, the amounts spent for the purchase of unsold seasonal products - for example winter clothing or footwear - are now allowed for the first time to be written off as fixed costs in Germany, as long as the company did not make a profit in 2019. We feel that such a measure would be welcome in other countries, such as the U.K., where non-essential stores remain closed.

Also, the conditions set for German retailers to obtain the federal government's compensation for lost sales between November 2020 and June 2021 have been improved and extended to bigger companies, placing the upper limit for the annual turnover at €750 million, as long as they lose at least 30 percent of their sales because of the lockdown.

For example, companies that lose 90 percent of their sales in a specific month will get a subsidy amounting

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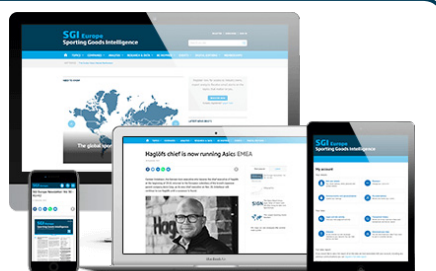
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Many of the articles in this issue have already been posted there in the past few days.

Others will follow before the next issue.



Eugenio Di Maria - Chief Editor
Tel.: +49-89 127 10822

John Horan - Publisher (American Edition)
Tel.: +1 610 459 4040
jhoran@sginews.com

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to 70 percent of store rentals, investments in digitalization and other fixed costs in that particular month.

It was also decided to extend for the third time the deadline for an insolvency filing beyond Jan. 31 until the end of April. However, the exemption will only apply to companies that have run into payment difficulties due to the coronavirus pandemic and are still waiting for government aid.

In an unusual gesture before the federal government's decision, the top executives of the three major German sporting goods retailing groups had asked members of the cabinet in an "open letter" to recognize sports such as home fitness, cycling, running and outdoor sports and the related product categories as "essential and relevant for the people's health."

While complaining about a likely drop of 70 percent in their sales in January alone because of the current Covid-related retail lockdowns, they said in their joint letter that they support the government's decision to close gyms and "non-essential" retail shops in general, but they want to be treated as retailers of essential products in the manner of food stores, pharmacies and opticians. They pointed out that the closure of sporting goods stores is limiting the population's access to certain sports that are good for their health.

The three executives are **André Weiner**, CEO of **Decathlon Germany**; **Alexander von Preen**, CEO of **Intersport Germany**; and **Hans-Hermann Deters**, CEO of **Sport 2000 Germany**.

The Euro Jan. 21 rates	
Czech Koruna	26.09
Danish Krone	7.440
Hungarian Forint	357.0
Norwegian Krone	10.23
Polish Zloty	4.535
Pound Sterling	0.886
Swedish Krona	10.06
Swiss Franc	1.077
U.S. Dollar	1.217
Brazilian Real	6.529
Canadian Dollar	1.534
Chinese Yuan	7.862
Japanese Yen	125.9
Russian Ruble	89.58

For the latest news around the Covid-19 pandemic, see our Coronavirus Ticker on www.sgieurope.com.

Retailers and trade associations in other countries have made similar observations and requests, but no government has responded positively except for the Italian one. Its position is similar to that of Spanish authorities, who have limited store closures to retail operations located inside the shopping malls.

All the stores remain open in France, where the ski facilities remain closed, but there is concern that a new lockdown will be ordered soon.

Contrasting situations for alpine skiers in Europe

In contrast with Austria, Switzerland and Spain, where most of the ski facilities are still open to the general public, with some restrictions, the Italian and French government have decided to keep them closed to help stem the coronavirus epidemic. In both countries, it is still possible to do cross-country skiing, ski touring or snowshoeing, but in Italy, like in Spain, there are some restrictions on the movement of people from one region to the other.

Cable cars and other ski facilities for alpine skiing were supposed to open again in Italy on Jan. 18, but they are going to remain closed at least until Feb. 15. In France, the government has decided to extend its ban throughout the month of February, which is the most intense period for the sector as it coincides with the traditional school holidays. It accounts for about 50 percent of the sector's overall turnover during the autumn/winter season.

In France, which offers the largest space for skiing across the Alps, the facilities have been shut down for the general public since Dec. 4, leading to a 70 percent drop in bookings in the

ski resorts for the season as compared to the same 2019/20 period.

Hotels and restaurants will remain closed, too. The country is already come under a tighter curfew, restricting the movement of people outside their homes after 6 PM, compared with a previous deadline of 8 PM. This goes also for all retail stores, which remain open the rest of the time until further notice.

In Italy, instead, sporting goods stores located outside the shopping centers have been exempted from a generalized retail lockdown for the sale of non-essential products, in contrast with the lockdown measures in other countries.

In a recent interview with the French newspaper *Ouest France*, **Rossignol's** chief executive, **Bruno Cercley**, warned about the dramatic situation that the French ski industry is facing because of the pandemic and related restrictions.

Rossignol's factory in Sallanches, Haute-Savoie, which normally produces more than one million pairs of skis per year, has halted production. "The damage is done," said Cercley, stressing that Rossignol's revenues have already dropped by 40 percent.

Ski facilities and sporting goods stores are also closed in Poland, but not in Sweden.

Meanwhile, joining Germany and Austria, the Swiss government has ordered the closure of all non-essential physical shops, starting on Monday, Jan. 18, creating a rather odd situation. The Swiss ban will last through the end of February, affecting all kinds of sports shops, many of which work a lot with winter sports. However, many Swiss ski resorts are still open, and the authorities are allowing click & collect as well as ski rentals and fitting because they are regarded as services.

Complaining about the new measures, which were announced on Jan. 14, **Peter Bruggmann**, president of the Swiss sporting goods retailers' fede-

ration, **Asmas**, said that only accessories like ski helmets or goggles could be sold over the internet. He also noted that some ski dealers were announcing big price promotions to sell as much inventory as possible before the lockdown.

Bruggmann told us that the ski season has been very tough so far anyway, in spite of the fact that most of the ski facilities have been allowed to operate, in contrast with those in France and Italy, because the lack of foreign tourists due to travel restrictions has led to a drop of more than 25 percent in the number of ski passes. While retailers have run out of products for Nordic skiing, ski touring and snowshoeing, for which no ski facilities are needed, sales and rentals of alpine skis have dropped by between 30 and 35 percent.

Hotel bookings are already 90 percent below the level of last year in Switzerland. The new retail lockdown will affect sporting goods retailers even more during the critical period of the winter school holidays in February.

The situation is similar in Austria, where the ski facilities have been working since Dec. 24. **Sport 2000** indicates that the lack of foreign tourists may lead local sporting goods retailers to lose about 40 percent of their turnover through March even if they are reopened. Their physical stores were closed by a governmental decree on Dec. 26. The ban was due to last until Jan. 25, but the government has announced that it will last until Feb. 7 at least.

Better-than-expected profits for JD Sports Fashion

In an update on its performance through the Christmas selling period, **JD Sports Fashion** said that demand has remained robust throughout the second half of 2020, including the key months of November and December, despite temporary store closures in many territories. As a result, revenues for the 22 weeks to

Jan. 2, 2021 grew by 5 percent from the year-ago period on a comparable basis, led by e-commerce.

The group anticipates that its pre-tax profit for the full year to Jan. 30, 2021 will be “significantly ahead” of analysts’ expectations, which average £295 million (€327m-\$398m), to reach at least 400 million pounds sterling (€443m-\$539m). The final results for the year are due to be published on April 13, 2021.

The favorable projection sent the company’s share price up by 12 percent in early trading, reaching a 12-month high, but it subsequently eased down to a level close to the previous closing. The forecast came after the company released better-than-expected sales figures for the first half of the year, ended Aug. 1, despite the coronavirus pandemic. It predicted then a pre-tax profit of £265 million for the year.

Looking ahead, the management expects operational restrictions from the pandemic to impact at least the first quarter of the new financial year, indicating that its stores in the U.K. are likely to stay closed until at least Easter, and that retail lockdowns in other countries are possible at any time.

JD’s current best estimate is that its pretax earnings for the next financial year, ending on Jan. 29, 2022, will be 5 to 10 percent ahead of the current year. The company noted that it is able to scale down activity in stores and scale up the digital channels “at extremely short notice.”

The U.K.-based retail group, which owns **JD Sports**, **Blacks Leisure**, **Millets**, **Go Outdoors** and the U.S.-based **Finish Line**, announced in December the acquisition of **Shoe Palace**, which describes itself as “one of the most trusted athletic footwear and apparel retail chains in the United States,” and other assets in a cash and stock deal worth over \$680 million in total. Last week, it announced the acquisition of **Wellgosh**, an independent menswear retailer based in Leicester, for an undisclosed sum.

Blue Tomato and Zumiez make experiments

Blue Tomato, the European action sports e-tailer and retailer based in Austria, which is owned by **Zumiez**, has begun renting out snowboards, splitboards, boots and bindings at two points of sale in Austria: one store in the Obertauern region and its headquarters in Schladming.

The service, called “Rent Your Ride,” will be expanded to stores in Lienz, Wörgl, Bregenz, Garmisch-Partenkirchen and other stores in Obertauern once the pandemic lockdowns are lifted. Such a service is especially welcome right now in Austria, where click-and-collect is permitted under the current retail lockdown.

The snowboard segment is often neglected in classic ski rental, yet the demand for this service is high, and the proliferation of snowboard styles has made purchasing decisions more difficult. Renting enables prospective buyers to test the equipment.

Customers can place orders online or in person and collect their gear at the shop or have anything except boots shipped in five days. They can return the gear to any Blue Tomato store in Germany or Austria, mail it back, or purchase it through the “Test & Buy” program, with the two-day rental fee counted towards the purchase price.

In addition to its very active web store, Blue Tomato has 56 shops in Europe: the bulk in Germany (26) and Austria (16), with the rest scattered between Switzerland (eight), the Netherlands (three) and Finland (three).

In the U.S., meanwhile, Zumiez has been experimenting with making its own home deliveries to create an additional touchpoint in the customer experience as well as to avoid the bottlenecks that other companies have suffered with the switch to online sales. More than one-fifth of its U.S. stores have been engaging in home deliveries to teach skateboarding tricks as part

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of the service, or proposing size exchanges while taking product returns.

Blue Tomato was hit hard by coronavirus-related store closures in Europe in the 10-week period ended Jan. 9, according to its U.S.-based parent company, **Zumiez**. However, the group's Australian action sports retail chain, **Fast Times**, performed "extremely well." In the end, the group's international sales were off by 6.7 percent in dollars and by 14.2 percent in local currencies during the period.

The group's sales in North America inched up by 0.2 percent, driven by a small increase at U.S. stores, while Canada was down. In terms of product categories, hardgoods performed best, followed by accessories. Shoes was the worst category, followed by women's and men's clothing. Overall, Zumiez' revenues declined by 0.7 percent but rose by 1.7 percent on a comparable store basis.

At a recent **ICR Conference**, Zumiez told investors that Q4 was "the most difficult quarter we have ever had." For Blue Tomato, which is a strong player for products like snowboards, the holiday shopping season coincided with stay-at-home orders and the closure of physical stores and winter sports resorts. However, Zumiez is optimistic that its European and Australian operations are on a path to profitability, partly because about half of their sales are made via e-commerce.

Zumiez is going to focus on building scale in the near term, opening stores in diverse markets for brand discovery. It will take advantage of opportunities being presented by the current real estate environment, which the management compared with the situation after the Great Recession in the U.S.

A strategic investment by Art  mis in Goat Group

Groupe Art  mis, which controls the **Kering** luxury group while remaining the biggest shareholder in **Puma**, has

made an unspecified investment in the **Goat Group**, the online auction-based sneaker reseller. The idea is to help accelerate Goat's growth, expanding its international reach and diversifying its business in the luxury sector, where its marketplace can provide pricing power for some exclusive products.

The investment follows a \$100 million Series E round of funding that closed in September, valuing the Goat Group at \$1.75 billion. It also comes two months after Art  mis doubled its stake in **Farfatch**, the biggest online marketplace for fashion products, as part of a nine-digit investment by **Richemont** and **Alibaba Group**, intended to boost its e-commerce operations in China.

Much like **StockX**, Goat defines itself above all as a prime reseller for authentic sneakers under premium labels like **Jordan** and **Yeezy**. The company, which boasts 30 million members in 170 countries, has already dipped its toe in the lucrative Chinese market with an office in Shanghai and a **WeChat app**, but Art  mis' local connections could supercharge that opportunity. China, which is also the most profitable market for the major sports brands, is expected to account for half of the world's personal luxury market by 2025.

Kering is the highly profitable owner of big luxury labels like **Gucci**, **Saint-Laurent**, **Balenciaga** and **Alexander McQueen**. Art  mis, which is the holding company of France's **Pinault** family, controls Kering and holds other major assets including the **Christie's** auction house. After Kering spun off Puma to its shareholders in 2018, Art  mis retained a stake of about 29 percent in the German sports brand, which may be reduced to 25 percent if a recently launched bond is converted into shares.

The momentum keeps going for StockX

StockX, the online reseller for sneakers and other cult products, said it recorded \$1.8 billion in gross mer-

chandise value (GMV) in 2020, which compares with about \$1.0 billion in the previous year. It concluded more than 7.5 million trades. More than 200 million people visited the marketplace, and the number of global active buyers rose by more than 90 percent. The platform's lifetime GMV is now standing at \$3.8 billion.

Some 60 percent of StockX's active sellers in 2020 made their first sale on the platform. In addition, the number of sellers located outside the U.S. more than doubled in 2020, and accounted for more than 30 percent of StockX's total GMV for the year.

In the U.K. and Germany, the online reseller reported increases of 150 percent and 245 percent, respectively, in buy-side trades between 2019 and 2020. There were 260 percent more buyers in France.

The report came a few weeks after StockX raised an additional \$275 million in a Series E funding round that values the Detroit-based company at \$2.8 billion. StockX says its sales were up by 75 percent to more than \$100 million in the third quarter, leading the company to achieve break-even results.

Along with this update, StockX also released a new report titled "StockX Snapshot: Current Culture Index," which highlights trends across the footwear, apparel, collectible, and electronics categories for 2020 and beyond.

One of the main trends of the past year was, of course, the shift to e-commerce due to the Covid-19 pandemic. Following a 75 percent year-over-year revenue increase in the third quarter, the group saw even higher growth in the fourth quarter, with a record-breaking holiday season.

Last year, the Top four sneaker brands on StockX were **Jordan**, **Nike**, **Adidas** and **Converse**. All of them had also been at the top of the ranking in 2019. **New Balance** moved up one spot to No. 5 in 2020, while **Yeezy**, **Kanye West's** independent brand, reached the No. 6 spot on the list, compared with No. 10 in the previous year, boosted by

the growing trend for comfort wear. Meanwhile, the top three silhouettes of 2019 retained their spot in 2020: the **Air Jordan 1**, the **Yeezy 350** by Adidas and **Nike's Air Force 1**.

Among the apparel brands, **Supreme** remained the best-selling streetwear brand on StockX, followed by **Cactus Jack**, which moved up two spots from No. 4 in 2019, and by **Fear of God** (No. 5 in 2019).

In 2021, StockX identified sustainable sneakers as one of the main trends, along with a rise in mid-size apparel brands such as Fear of God and Cactus Jack. It also believes that the European craze for the **Jordan 1 Mid** silhouette will make a transatlantic journey to U.S. shores in 2021.

The company started four years ago as a marketplace for sneaker collectibles. It recently expanded into streetwear, accessories and other collectibles including video games such as the newly released **Xbox Series X** and the **Playstation 5**.

Spanish buying groups seek stronger corporate identities

Base Detail Sport, one of the major Spanish buying groups in the sporting goods sectors, is asking that all of the 298 stores run by its 82 retail members should carry one of its banners – **Base**, **Base Selection** or **Wanna Sneakers** – by the end of 2021 or early in 2022. They should also follow some common guidelines in the interior design.

The group's president, **Francisco Torrejón**, said that this is part of a plan to become "totally vertical," using also common software to connect with the head office and to have a presence online as well as offline.

Out of all the affiliated stores, 98 have none of the three banners. The **Wanna Sneakers** banner, which stands for sports lifestyle footwear, has been adopted by 22 stores. The other two banners are used by 178 stores. The

Base logo, written in small letters, is generally followed by the words (in English): **Top Sport Shops**.

Meanwhile, the 20 retail members of **Giro180**, a much smaller buying group operating for the most part in northern Spain, have agreed to adopt a new common logo, **DEQUIP**, for their 35 stores. They already use the same ERP system.

Created in 2008, Giro 180 negotiates discounts for its retail members with various brands. To help improve their buying power, Giro 180 and five other relatively small Spanish buying groups struck a strategic alliance at the end of 2018, creating an umbrella organization called **G5**. The other partners are **Coas Sport Trade**, **Deportes Cronos**, **Quorum Sport** and **Tiendas Deportivas de Canarias**. They will hold a common online sales meeting from Jan. 27-31 to discuss orders for the autumn/winter 2021/22 season.

A Li Ning unit may take over Clarks for £51m

Li Ning, the famous Chinese Olympic gold-medallist-turned-businessman, is about to take control of the iconic British shoemaker **Clarks** less than a month after its shareholders agreed in principle to sell most of their shares to a Hong Kong-based private equity firm, **LionRock Capital**. Li is the non-executive chairman of Lion Rock, and his family controls directly and indirectly **Li Ning Company**, which markets the **Li-Ning** brand of sports products.

Li, the former gymnastics star who lit the Olympic flame at the 2008 **Olympic Games** in Beijing, is also the controlling shareholder of **Viva China Holdings**, a Hong Kong-based investment company, registered in the Cayman Islands. That company has agreed in principle to pay £51 million (£57.5m-\$69.7m) for 51 percent of **LionRock Partners Qile**, a company wholly-owned by LionRock Capital created to carry out an unspecified acquisition, according to a filing with the Hong Kong stock exchange. Such companies are known as special purpose vehicle (SPV). **C&J Clarks**,

the family-owned company that owns the Clarks brand, is evidently the target of the acquisition.

LionRock and the SPV will hold a majority of the outstanding equity in Clarks after LionRock completes its planned £100 million (£113m-\$136.5m) bailout deal with the Clark family. The purchase of a 51 percent stake in the SVP would in turn give Hong Kong-listed **Viva China** control of Clarks. Viva China would buy the stake in the SVP through its wholly-owned unit **Viva China Consumables**, but it has warned that the acquisition may not materialize.

The price tag for Clarks would be offset against £54 million (£61m-\$73.7m) that Viva China lent to LionRock last September to finance an acquisition, according to the filing. Clarks not commented so far.

Viva China, which is 92 percent owned by Li, describes itself as an integrated conglomerate primarily engaged in developing sports centers and coordinating competitions and events. The group is also developing new businesses in sports, health and leisure consumables, according to its website.

Clarks was hit hard by the coronavirus pandemic and related lockdowns, which saw all its 320 U.K. stores shuttered. It cut 900 jobs last May and warned of a deteriorating performance in 2020. The 195-year-old company was ultimately forced to seek financial help under a company voluntary arrangement (CVA), which was agreed on last December.

Under the CVA, none of Clarks' 320 stores will have to close, and no jobs will be lost, but landlords of 60 outlets will receive no rent at all, while the remaining 260 will move to a turnover-based arrangement.

In November, LionRock's founder and managing director, **Daniel Tseung** said the deal would help Clarks expand its global operations and "also allow growth into key emerging markets."

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Galahad Clark, a member of the Clark family who owns **Vivobarefoot**, said earlier this month that the company failed to “move fast enough into the 21st century” with an online presence. He said that the company’s fragmented family ownership meant it had lacked strategic direction under a series of external chief executives. LionRock provided “a lot of exciting opportunities,” he added. “Truth be told, it probably needed new owners, and of all the owners in the world, these look like pretty good owners,” he also said.

Dr. Martens and Birkenstock may change hands, too

Clarks is not the only big “brown shoe” brand that is facing a change of ownership these days. Reports have surfaced in the last few days about a public offering for **Dr. Martens** and a possible private equity investment in **Birkenstock**, although the latter has not been confirmed yet.

According to *Bloomberg*, members of the Birkenstock family are discussing a possible takeover of the 250-year-old brand by **CVC Partners** that would value it at \$4.8 billion including debt. No final decision has been made, and a spokesman for Birkenstock rejected the report as “speculation,” according to *Schuhkurier*.

Quoting a recent filing, the *Bloomberg* report said that Birkenstock’s net income for the financial year ended in September 2019 went up by 40 percent to €129 million, while its sales rose by 11 percent to €721.5 million.

Meanwhile, as reported in our sister publication *Shoe Intelligence*, which covers non-athletic footwear, **Dr. Martens** is planning to float on the **London Stock Exchange**. The pricing of the IPO is expected to be set at the beginning of February, depending on the market demand, but according to the *Financial Times*, it should be in a range of £3 billion (€3.4bn-\$4.0bn) and £4 billion (€4.5bn-\$5.4bn).

The company behind the iconic British boot brand expects an eventual free float of 25 percent of the capital, with the potential to list another 15 percent, depending on the demand. The private equity group **Permira**, which bought the firm in 2013 for £300 million (€333m-\$405m), would reduce its stake as part of the offering.

The company sells more than 11 million pairs of shoes and boots a year across 60 countries. It generated revenues of £672 million (€745.8m-\$907m) in the year to March 2020, generating Ebitda of £184 million (€204.2m-\$248.3m). It also sells through more than 130 own-retail stores globally as well as concessions and through wholesale customers, distributors and franchisees.

Revenues rose by 18 percent to £318.2 million (€353m-\$429.5m) in the six months to Sept. 30, while Ebitda grew by a third to £86.3 million (€95.7m-\$116.4m). Direct-to-consumer channels comprised 45 percent of revenues in 2020, up from 26 percent in 2015. This was driven by the e-commerce channel, which was highly profitable and made up 20 percent of revenues in 2020, due in part to the coronavirus pandemic, up from 7 percent in 2015.

Goldman Sachs and **Morgan Stanley** are coordinating the initial public offering, with **Barclays**, **HSBC**, **Merrill Lynch** and **RBC** acting as joint bookrunners, if the offer proceeds. **Lazard & Co** has been appointed as financial advisor.

Tecnica’s former CEO is now running Pinarello

Antonio Dus, the seasoned manager who has led **Tecnica Group** for the past five years, has become the new global CEO of **Cicli Pinarello**, with a financial stake in the iconic Italian brand of high-end bicycles, which came three years ago under the control of **L Catterton**, the private equity firm backed by **LVMH**.

Fausto Pinarello, founding partner and chairman of the company that bears his name, will step in to the role of “brand guardian,” charged with fostering the brand’s legacy in bike racing,

including its ongoing relationship with the victorious **Team INEOS**.

Dus had already announced a few weeks ago his departure from **Tecnica**, the parent company of **Tecnica** as well as **Lowa**, **Nordica**, **Blizzard**, **Rollerblade** and **Moon Boot**, after leading its successful reorganization and turnaround with the entry of a new institutional investor. Among other key roles, he previously ran **Vibram** and **Garmont International**.

His appointment at Pinarello, where he will also be responsible for operations in the U.K. and the U.S., is accompanied by the creation of a new organizational structure designed to accelerate the brand’s development.

The company is bringing in a new chief marketing officer, **Federico Sbrissa**, who previously worked with Dus at **Garmont**, **Oberalp** and **Tecnica**. He also worked for another Italian bike company, **Scapin**, as well as the **Salomon Group**. Specifically, he took care of **Dynafit** at **Oberalp** and **Arc’teryx** at **Salomon**. Sbrissa left **Tecnica** last November after nearly five years with the group, serving most recently as business unit manager for **Tecnica Outdoor** and as group strategic marketing manager.

Maurizio Bellin, a former professional cyclist who joined Pinarello last September to handle international business development, has been appointed chief operating officer. He previously served as European general manager for **FSA**.

Another member of the management team, **Andrea Greguoldo**, was appointed as supply chain director in October. He came from the **Safilo Group**, where he gained experience in managing complex subcontracting tasks.

Stefano Sacchet, who joined the company in connection with its acquisition by **L Catterton**, is confirmed as chief financial officer of Pinarello. Likewise, **Walter De Luca** remains in his position of sales director, which he has held since 2019.

Like Tecnica Group, Pinarello is located in the area of Treviso, in Italy's northeast. The company recently developed a line of e-bikes and e-mountain bikes.

Commenting on his appointment, Dus had this to say in a press release: "I envision a society in which the bicycle will play an ever-increasing role in the social fabric of outdoor sports and sustainable mobility. Pinarello has always radically innovated in the demanding world of top-level racing, and we believe that we can also make a huge contribution to this vision."

White quits as president of Salomon

Amer Sports announced the immediate departure of **Michael White** as president of **Salomon**, indicating that he has decided to "pursue other interests" and adding that it has initiated an external search for a permanent successor. We were unable to find out about his new plans by the time of going to press.

The British native, who first joined Amer in 2005 as country manager for the U.K. and Ireland, took over the helm at this French-based subsidiary of the group at the beginning of 2020 in connection with the retirement of **Jean-Marc Pambet**, who had been running Salomon since 2009. Pambet, who spent a total of 34 years with the brand, has agreed to return to the post on an interim basis until the appointment of a new president.

James Zheng, executive director and CEO of Amer Sports, said that Salomon's business "continues to be healthy" in spite of the coronavirus pandemic, and that Amer still has strong confidence in the brand's future. He also said that the change in leadership "will safeguard both short-term continuity and mid- to long-term acceleration for Salomon."

Zheng, who is also executive director and president of **Anta Sports Products**, took over as CEO of Amer last September, taking the place of **Heikki Takala** after ten years in that position. Anta is

the leading investor in the consortium that took over Amer two years ago.

White, who ran the **French Connection** brand before joining Amer, has had a successful career at the group. Notably, he became the group's general manager for the EMEA region in 2008, adding responsibility for the Americas in 2014. He was then promoted to the position of chief commercial officer in 2016.

Google says it has closed Fitbit's takeover

In a post on its blog, Google announced on Jan. 14 the closing of its acquisition of **Fitbit**, which has thus been delisted from the New York Stock Exchange. The announcement was timed to follow a deadline of Jan. 13 that the U.S. Justice Department had set for its approval of the \$2.1 billion transaction.

The U.S. anti-trust body had not raised any objections by then, but one of its officials was quoted by *The New York Times* as saying that it "continues to investigate whether Google's acquisition of Fitbit may harm competition and consumers in the United States."

As reported, the European Commission gave its approval to the takeover last month, based on numerous conditions. However, Australia's Competition & Consumer Commission said at the time that it would continue its review of the transaction, setting a March 25 deadline for its own verdict. It indicated that Google's assurances were inadequate and difficult to monitor.

It's unusual for a company to go ahead with a takeover without obtaining anti-trust approval from all the main jurisdictions. In announcing it, Google's management said that "This deal has always been about devices, not data, and we've been clear from the beginning that we will protect Fitbit users' privacy."

Fitbit's CEO, **James Park**, said in a statement that the health and wellness data collected from its 29 million users

will not be used by the new owner for ads, and that they will be kept separate from other Google ad data. He also told users that the acquisition will let the company "innovate faster, provide more choice, and make even better products to support your health and wellness needs."

Google's takeover is coming after three years of heavy losses and steadily declining sales for Fitbit, which has also been losing market share. The company had only 4.7 of the wearables market in 2019, according to IDC, coming after **Apple**, **Xiaomi**, **Samsung** and **Huawei**. Apple alone had a market share of 31.7 percent two years ago.

Pon reportedly sold stake in Accell at a profit

According to reports in various Dutch media, **Pon Holdings** sold its 20 percent stake in its big Dutch competitor, **Accell Group**, at the end of last year. At the time of writing, no official comment was available from either Pon or Accell.

Pon is well-positioned in the bicycle sector with its **Pon.Bike** division, which offers bikes under the brands **Cervélo**, **Gazelle** and **Santa Cruz**. It is also the parent company of **Derby Cycle** with its **Focus** and **Kalkhoff** brands, among others. After some divestitures, Accell is still the owner of bike brands such as **Babboe**, **Batavus**, **Ghost**, **Haibike**, **Lapierre** and **Winora**.

In 2017, Pon made an offer to raise its stake in Accell from 5 to 20 percent, but its proposal was rejected after months of negotiations. When the complete takeover failed, Pon changed its strategy: At the end of 2018, its multi-millionaire chairman, **Wijnand Pon**, quietly acquired a whopping 20 percent block of shares in Accell within ten days. For Accell, the sudden move is said to have come as a surprise.

But it is also a fact that both companies – Pon and Accell – performed extremely well before and during the Corona pandemic, raising their market

News and analysis of the international market

value. According to a report by *Quote*, a news platform of the **Hearst Netherlands Business and Finance Network**, the multi-millionaire sold his package of nearly 1.7 million Accell shares at a profit. More specifically, he acquired his Accell shares at a unit price of around €19 in 2018 and resold them for €26.15 per share.

VF reorganizes APAC operations

VF Corp. has decided to move the center of its brands' operations in the Asia-Pacific region from Hong Kong to Shanghai, where it already has some 900 office and retail employees. Some of the operations will also be transferred to Singapore and Kuala Lumpur, the capital of Malaysia. The transition will last between 12 and 18 months, starting in April.

The move to Shanghai after 25 years of operations in Asia is expected to help forge stronger and more relevant relationships with Chinese customers, said VF, supporting its transformation into a "more consumer-minded, retail-centric and hyper-digital enterprise." The management noted that VF has already built up new capabilities in digital and analytics in Asia, while striking stronger relations with major "digital titans" in the region and appointing new leaders in Shanghai as well as Tokyo.

Singapore will serve as VF's "Asia Product Supply Hub," giving the group "significant opportunities in creating a hyper-digital supply chain." The group said it will redeploy talent and resources throughout its primary sourcing countries to work more closely and efficiently with key suppliers, in order to move products around with greater speed and agility.

An additional shared services center in Kuala Lumpur will provide expanded back-end business functions for its operations in the region including digital technology, finance, human resources and logistics. Hong Kong will remain a key retail market for its brands including **Vans**, **The North Face** and **Timberland**.

Lower sales at Yue Yuen and Stella

Yue Yuen's revenues from footwear manufacturing fell by 27 percent in terms of U.S. dollars in 2020, including a drop of 16 percent in December. The group's retail subsidiary, **Pou Sheng**, improved its sales by 1 percent thanks to a strong finish of the year, with sales up by 11 percent in December. However, part of the gain at Pou Sheng came from the weakened dollar.

In terms of local renminbi, its sales were down by 6 percent for the year. Overall, Yue Yuen posted a 16 percent drop in total revenues to \$8,445.4 million in 2020. Another Chinese shoe manufacturer, **Feng Tay**, reported a drop in volume of 10.2 percent for the year to 109.9 million pairs.

Stella International continued to struggle in the fourth quarter, ending a difficult year for the Chinese footwear company. Shipment volumes for the last three months of 2020 were down by 21.7 percent from the year-ago quarter to 10.8 million pairs, while total revenues plunged by 18.9 percent to \$280.1 million, including those of its in-house brands. The management noted, however, that this was the second consecutive quarter in which it saw the decline in shipment volumes narrow compared with the previous quarter, as the customers' business began to recover, with some seeking to replenish their inventory levels after experiencing understocking ahead of the holiday season.

Quarterly revenues from manufacturing fell by 18.8 percent year-on-year to \$275.9 million due to lower demand amid the pandemic. The average selling price inched up to \$25.60 from \$24.70, driven by changes in the product mix and customer mix.

For the year ended Dec. 31 2020, revenues decreased by 26.5 percent to \$1,135.8 million, including a 27.0 percent drop in manufacturing revenues to \$1,117.1 million. The company shipped 43.4 million pairs, 26.9 percent below the level of 59.4 million in 2019, with the average selling price inching down by 0.4 percent to \$25.70.

Based on a preliminary estimate, the group expects to record a net profit within a range of \$0 million to \$5 million for the year, well below the net profit of \$95.9 million recorded in the previous year. The causes for the expected decline are mainly the significant decrease in shipment volumes and higher one-off costs incurred from severance payments and impairment of property, plant and equipment in connection with the permanent closure of factories in Mainland China, as Stella accelerated its planned migration of production capacity to Southeast Asia.

Looking at 2021, the management said it is "cautiously optimistic" about order levels for the upcoming spring and summer 2021 seasons, although it still has low visibility for the second half of the year due to the recent new Covid-driven lockdowns in many countries around the world.

As of Dec. 31 2020, Stella's financial position remained solid with sufficient cash on hand and total undrawn bank facilities of over \$180 million. The group said it will continue to work with customers as they expand into new categories, particularly ath-leisure products. Margin growth will be a key priority.

Chinese sports brands performed well in Q4

In an operational update, **Anta Sports Products** reported on a good performance for its various brands in the fourth quarter of 2020, without discussing the results of **Amer Sports**, which is indirectly owned by the major Chinese sporting goods group.

Its biggest brand, **Anta**, recorded a low single-digit increase in retail sales for the quarter, but they were down by a mid-single-digit rate for the full 2020 financial year. **Fila's** retail sales rose by between 25 and 30 percent in the quarter and by a mid-double-digit rate for the year.

The other brands in the group's portfolio – **Descente**, **Kolon Sport**, **Sprandi** and **Kingkow** – performed even bet-

ter on a combined basis, growing by between 55 and 60 percent in the latest quarter and by between 35 and 40 percent for the whole year.

Other major Chinese players in the sporting goods market also improved their results in the quarter. **China Dongxiang** said that sales at **Kappa** stores, excluding **Kappa Kids**, progressed by a rate in the low-teens, with low-single-digit growth in comparable store sales and a gain in the mid-twenties online. As of Dec. 31, 2020, the group had 1,187 stores, up by 58 from March 31, but it plans to close some underperforming units in the near future.

Xtep International said that its retail sales advanced by high-single digits in the fourth quarter, both offline and online. At **361 Degrees**, retail sales of core branded products increased by a low-single digit. The **361° Kids** Brand grew by a mid-single digit.

ISPO Munich Online will host more than 500 exhibitors

As we reported more than once last year, the 2021 edition of world's

largest trade show will also be the first to go entirely digital. The reason is, of course, the Covid-19 pandemic and its attendant restrictions on travel and gatherings.

ISPO Munich Online, as the event is being called, remains scheduled for Feb. 1-5 and will operate under the hopeful motto "Sport is stronger." If all goes according to plan, the talk of the show will be health, sustainability and creativity.

More than 500 international companies have signed on to exhibit in the virtual Expo Area. Among the biggest to display their new products and make their pitches through their respective "brandrooms" will be **Adidas Terrex**, **Gore-Tex**, **Icebreaker**, **Mammut**, **MyClimate** and **Unzer**. These brandrooms will serve to show new products and to establish communications between the companies and the show's attendees.

At the same time, ISPO will be hosting a large number of live events within the overall event – with about 80 presentations and panel discussions and more than 100 workshops and masterclasses. Many will be addressing retailers with such topics as "How does digitalization help to make retail fit for the future?" or "What is industry doing to

achieve the UN's Social Development Goals (SDGs)?" or "What socio-political relevance do sports offerings have in the pandemic?" Industry representatives, members of the German government and university researchers will be making the presentations. Most of them will be held in English, but some programs will be in German.

In another first, this year's ISPO Munich will offer digital access to end consumers, with public streams every evening. These will include screenings of films from the **European Outdoor Film Tour** and the **Freeride Film Festival**, workouts with **Blackroll**, **Peloton** and **Technogym**, and a "Sustainability & Safety Talk" with **ABS** and **PYUA**.

In addition, to "promote the feeling of an on-site industry meeting place" and spur networking, ISPO and **Messe München** are introducing a "digital invitation tool" through which exhibitors can supply customers and partners with "unlimited free tickets to the Expo Area." As **Jeanette Friedrich**, global ISPO group director, explains, this will enable exhibitors to "invite their most important contacts in a straightforward manner. Thus, we ensure that international traders and stakeholders will visit the virtual format."

News Briefs & Short Stops

Corporate

JD Sports Fashion is partnering with the U.S.-based **Authentic Brands Group (ABG)** in a possible bid for **Topshop**, the big U.K.-based chain of fashion stores, which is regarded as the most important asset of the bankrupt **Arcadia Group**, according to *Sky News*. Other bidders for this and other assets of Arcadia are said to include JD's arch-rival, **Fraser's Group**, as well as the **Booho Group** and **Next**. ABG's large and growing brand portfolio includes major fashion retailers like **Forever 21** and the **Barneys** department store operation. JD has not yet commented on the report.

Decathlon, **Lululemon** and **Puma** scored high in **Glassdoor's** latest annual Employees' Choice Awards for the best places to work in certain countries. Lululemon has come in seventh place in Canada and eighth place in the U.S. Decathlon came in sixth place in France and Puma in third place in Germany. No sports brand was mentioned among the ten best choices in the U.K., and no ratings were offered for other countries. The awards are determined by the international job recruiting site

based on anonymous feedback from employees, who complete a company review providing information about their work environment, job and employer over the past year. The awards have reached their 13th edition. In the U.S., where 100 companies were rated, **Bain & Company** claimed the top spot for 2021. **Google** came in at No. 6, while **Microsoft** was ninth, and **Facebook** 11th. The full list of all the winners is available on Glassdoor's website.

A special event – the first "Guiping China International Cultural Tourism and Casual Sportswear Festival" – was organized at Mule Town in Guiping, in China's Guangxi region, on Jan. 1, to mark the start of the development of the **Guiping Textile and Garment Industrial Park**. The industrial development involves 11 projects, ten of which involve the production of textiles and apparel, for a total investment of 10.7 billion yuan renminbi (€1.27bn-\$1.67bn). The Guiping Textile and Garment Industrial Park is expected to become China's largest production area for casual sportswear.

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The shareholders of **Polygiene**, the Swedish supplier of anti-viral solutions, have accepted a proposal to issue new shares to help finance the acquisition of **Addmaster Holdings**, its very profitable U.K.-based supplier of anti-microbial additives for hard surfaces, for SEK 374 million (€36.7m-\$44.7m) in cash and shares. Polygiene, whose sales of **Viraloff** treatments for textiles are booming because of the Covid-19 pandemic, was founded in 2004 in a spin-off from the **Perstorp Group** following the outbreak of the SARS pandemic.

Thuasne, the French specialist in medical devices, has announced the acquisition of **Knit-Rite**, a U.S. company specialized in medical textiles, and its **Therafirm** division, dedicated to compression. Founded in 1847, Thuasne is a family-owned business. The company develops and manufactures medical devices and health solutions in the fields of orthopedics, medical compression, home care and sport. Today, Thuasne has 15 subsidiaries in Europe, the U.S. and Asia, and is present in 85 countries. The acquisition of Knit-Rite and its Therafirm division reinforces its position in the U.S., which initiated with the acquisition of **Townsend Design** in 2011, and then of **QuinnMedical** in 2016. In addition, this new acquisition will allow Thuasne to open up to a new market for orthopedic prosthesis devices such as post-amputation prosthetic socks and prosthetic textile interfaces, the company said. The transaction was closed on Dec. 31, 2020.

+++ **Anta** has reportedly invested the equivalent of around \$92 million in a production base in Anyue county, in the Sichuan province, which is expected to be completed by October 2022 and to eventually employ between 3,000 and 5,000 people, according to Chinese media +++ **Dentsu** has consolidated its six subsidiaries and four businesses in the sports and entertainment business in Europe, the Americas and Asia into a new holding company, called **Dentsu Sports International** +++ **Elon Musk** has become the world's richest person, according to *Bloomberg*, surpassing **Jeff Bezos**, who had held the top spot since 2017 +++

Executive Changes

Eric Chouhmat will take over the management of Polar in Germany, Austria and Switzerland with immediate effect. He replaces **Eva Hilf**, who only took up this position in February 2020. Nothing is known about the reasons for the change. According to his LinkedIn profile, Chouhmat has already been working for Polar for more than 17 years in various positions and regions, most recently as managing director for Switzerland, after holding various senior sales positions in Sweden and Switzerland. His task will be mainly to strengthen the Finnish brand in all sales channels throughout the DACH region, focusing on topics such as intelligent training support and control for the sale of multi-sport products, with the digital community in mind.

Giro, the U.S. helmet specialist owned by **Vista Outdoor**, has hired **Josh Reid** as its new snow brand manager. Reid has a 25+ year career in the snowsports industry. He started as a prototype tester at **Burton Snowboards**, eventually having a hand

in everything from leading Burton's hardgoods testing department for boards, boots and bindings to contributing to public relations efforts, developing the catalog and drafting product texts. In 2001, Reid co-founded **Rome Snowboards** with **Paul Maravetz**. While at Rome, he played an instrumental role in the company's global creative and branding efforts while also solidifying the brand's presence in the U.S. and Europe. Reid left the company in 2018 and then worked as a business and brand development consultant. Working out of Giro's office in Park City, Utah, he will oversee all aspects of snowsports marketing communications, advertising and public relations while also boosting the brand's global brand image by overseeing creative production content, generating marketing collateral and liaising with international distributors.

Rudi Sprügel has become the supervisory board chairman of **Jako**, the German teamwear company he founded 32 years ago, and relinquished its operational control to members of his family. His daughters **Nadine** and **Yvonne Sprügel**, who have been engaged in the purchasing/product development and finance/personnel departments, respectively, are going to be the head and vice president of the executive board. Rounding out the new board are **Tobias Röschl** for marketing and sales and a company veteran, **Markus Frank**, for digitalization and logistics. Outside Germany, the company is said to be well established in the Benelux countries and gaining market share in France. More than 5,000 teamwear shops have adopted its "Click the Club" online system. Jako is expanding warehousing space, increasing automation and introducing a new merchandise management system for faster deliveries.

Taking the place of **Andre Sørensen**, who is leaving the post for family reasons, **Stine Trygg-Hauger** will take over by June 1 as the new CEO of **XXL** in Norway, the sporting goods retail chain's biggest market. Trygg Hauger, who is 38 years old, has been running the 90-store Norwegian chain of **Clas Ohlson**, an international omni-channel retailer of home improvement items based in Sweden for the past three years. She says she wants to create "customer magic" at XXL.

Lululemon has appointed **Bianca Gonzalez** as its new senior vice president of global merchandising. She spent the last 18 years at **Nike** in various roles in merchandising and category management. She was most recently vice president and general manager for the kids segment in North America. At Lululemon, Gonzalez replaces **Sun Choe**, who was recently elevated to the position of chief product officer.

Charlie Siracusa has been appointed vice president of sales for **TYR Sport**, with global responsibility for the strategic growth of the American brand of swimwear. He was most recently director of apparel for **Timberland PRO**. Prior to that, he spent 21 years at **Carhartt**. Siracusa will report to TYR's CEO, **Matthew Di Lorenzo**. Siracusa is taking over some of the former responsibilities of **Alexandre Caperonis**, who served as the company's director of international sales and distribution between November 2014 and July 2018 and as chief revenue officer until July 2019, based in New York. Caperonis subsequently moved to France in the new position of president of **TYR Europe**.

Jörg Kazubek has assumed the position of international sales director at **Protective**, the German cycling apparel brand. He looks back on more than 30 years of experience in the industry and in sales. During his 14 years at **Thaler Sports**, he worked his way up from customer services manager to assistant to the executive board and sales manager. He held this position for five and a half years before joining **Löffler** in 2012 as sales representative for Northwest Germany.

Canada Goose has appointed **Scott Cameron** as the new president for the company's Asia-Pacific division. Cameron joined Canada Goose in 2016 as chief strategy and business development officer and most recently served as president for the Greater China region. During this time, Cameron was responsible for developing and growing the brand's direct-to-consumer channels globally and successfully established Canada Goose's presence in Asia. Before joining Canada Goose, he spent eight years at **McKinsey & Co.**, most recently as principal, where he specialized in the global consumer retail space. In his new role, effective April 1, he will oversee all marketing and trade activities within the expanded APAC region, including Greater China, Japan, South Korea, Australia and New Zealand. Canada Goose also appointed **Michael D. Armstrong** to its board of directors as an independent director, effective immediately. Armstrong is currently an executive vice president, worldwide TV licensing & operations at **ViacomCBS**, one of the world's leading producers of premium entertainment content based in the U.S., where he manages relations with third-party studios and oversees the international sales teams for formats and **CBS Newspath** service.

Creating a new position, **Pentland Brands** has appointed **Sara Brennan** as its "positive business director." The group said her task will be to "accelerate its positive business strategy to deliver on its commitment to take action for people and our planet" across its portfolio of brands, which includes big names like **Berghaus** and **Speedo**. Brennan, who joined Pentland in January 2019 as head of corporate responsibility, has already played a key role in embedding sustainability across the organization. Recently, she was instrumental in ensuring that high standards of responsibility, accountability and transparency were maintained with suppliers and other partners during the Covid-19 pandemic, leading Pentland to be recognized in a special Covid edition of the **Ethical Fashion Guide**. Prior to her work at Pentland, Brennan held various roles in the area of sustainability and ethical trade in the fast-moving consumer goods sector as well as in the oil and chemicals sectors, working for companies such as the **Colart Group**, **Huntsman Corporation** and **Givaudan**.

Trisport has created the new position of chief operating officer (COO) to cope with the expansion of **Kettler**, the German home fitness brand, for which it obtained the rights for all over Europe except the U.K. at the end of 2019. The Swiss company has appointed **Christian Burgener**, 49, to fill the new role in order to build up a more efficient supply chain. Like **Kristijan Varvodic**, a 33-year-old manager who was recently named to the new position of chief financial officer, he will report to Tris-

port's CEO, **Melanie Lauer**. Burgener worked most recently as senior manager at a consulting firm, **Zellweger**, with a focus on strategy, processes, organization and digitalization.

+++ **E.Leclerc**, the French cooperative society and hypermarket chain, has promoted **Quentin Lecasble** to head of its sports purchasing department to replace **Jean-Michel Martin**, as reported by *sport-guide.com*
+++ **John Culver**, who has been leading **Starbucks'** international expansion, has joined the board of directors of **Columbia Sportswear** +++

DTC & E-Commerce

Wildberries, Russia's biggest online retailer, has just rolled out its online store in Germany (de.wildberries.eu). Germany brings the number of markets in which the company operates up to ten. Wildberries began its expansion in Europe in 2020, starting with an online store in Poland. Most recently, it also entered the Israeli market, as reported by *S&P Europe* in December. It reportedly has plans to expand into other European countries - notably France, Spain and Italy - in the nearest future.

Retail

Decathlon will be selling **Brooks** running products in its French stores starting mid-February. According to reports in *sport-guide.com*, they will be initially available in 25 Decathlon stores, mostly in the Paris/Ile de France region. Brooks products will not be available via Decathlon's e-commerce site, though. The vertical French-based sports retailer has a policy of privileging the sale of its own private brands, but local managers can choose to work with other brands in their own area.

Sportmaster, the leading sporting goods retailer in Russia, has opened a large new store of 5,000 square meters based on its **Sportmaster PRO** format— a concept focused on attracting professional athletes – in the Metropolis shopping center in downtown Moscow. It is the 14th store operating under the Sportmaster PRO banner, but only the second one that fully meets the concept's requirements, said **Irina Ismailova**, marketing communications director of Sportmaster. The company plans to expand the development program in the foreseeable future, launching new stores in this format in Moscow, Nizhniy Novgorod, Samara, Krasnodar and Tomsk. Compared with conventional stores, the new format's distinctive features are a wider product range, highly expert sales assistants and specialist services. For example, Sportmaster PRO offers athletes to prepare their gear for competitions. The list of services includes boot fitting, the application of paraffin and logos on equipment, repairs, edge sharpening, gait analysis, the selection of individual insoles, and so on. All sales assistants passed special training to deepen their knowledge of sports activities and sports products. They must have experience in specific sports to work in Sportmaster PRO stores.

News and analysis of the international market

Building up on the positive experience gained through its international online sales meeting last May, **Schöffel** has opened a “**Digital Brand Space**,” making its entire brand world a virtual experience that will be developing all year ‘round. The German sports apparel company’s retail partners can enter the digital, three-dimensional space at any time and from anywhere in the world to access information and photo and video material from the brand’s collections. The brand space was designed and developed by **Meplan**, the Munich-based exhibition booth builder that has set up its physical trade show booths for many years. **Schöffel**, which will also be one of the exhibitors at the new ISPO Munich Online fair next month, invites its retail partners to enter the Digital Brand Space like a virtual trade show booth or showroom. The offer is divided into the four focus areas of Outdoor, Bike, On-Piste/Ski & TeamWear and Off-Piste/Ski. The user can watch videos with additional information provided by the product managers or designers. Brand partners will also find additional content such as a sell-in film, a fashion show and background information on the design and technologies used in the products. They also can download the order books. **Schöffel** is already making plans to further develop the Digital Brand Space technologically in the future, adding features like the integration of avatars or a direct link to its order platform. The content is also designed to be used for other channels simultaneously, for example on the **Schöffel** website or when addressing consumers in the physical store.

+++ **Bergans of Norway** will open a new bmono-rand store in the Norwegian city of Trondheim +++

Distribution

+++ **Glacier Imports** has agreed with **Groove Armada Distribution** that it will take over its distribution in the U.K. and Ireland of **Capita** snowboards, **Union** snowboard bindings, **Coal** headwear, **DeeLuxe** snowboard boots and **Crab Grab** snowboard gloves and accessories from the autumn/winter 2021/22 season +++ **Aclima**, the Norwegian merino wool apparel specialist, has appointed the **Travel Outfitting Agency** as its distributor for Austria +++

Results & Statistics

Lululemon says it expects sales and earnings that will be at the high end of the previously forecast ranges for the fourth quarter and full financial year ending Jan. 30. The company had most recently projected sales growth in the mid-to-high teens for the quarter, with a rise in the mid-single digits in adjusted earnings per share. The management says that its investments in its core brand and **Mirror** allowed the company to “connect with guests both physically and digitally” during the latest holiday period.

Crocs’ management told investment analysts at the **ICR Conference** that it is expecting to report a sales increase of more than 12 percent for the 2020 financial year, up from a previous guidance of 5 to 7 percent. In the fourth quarter alone, the growth rate reached a level of around 55 percent, resulting

in revenues of between \$407 and \$410 million for the period. Mentioning an “exceptional” brand momentum, the company’s CEO, **Andrew Rees**, predicted that the growth rate will accelerate to between 20 and 25 percent in 2021.

Deporvillage’s tenth-anniversary year was one for the record books. In 2020 the Spanish e-tailer of sporting goods raised its annual turnover by 105 percent to an unprecedented level of €120 million, exceeding by 60 percent the company’s own projection of €75 million. The pandemic-related lockdowns were, of course, the driving force. The company’s founder and chief executive, **Xavier Pladellorens**, says that signs of a record-setting surge began to appear in the second quarter. According to its chief product officer, **Ángel Corcuera**, the company had to face the problem of meeting the unexpectedly high demand for “strategic products” such as cycling rollers, of which the company sold some 20,000 units. To keep up, **Deporvillage** expanded its workforce to more than 100 people. The company has reached more 1.5 millions customers through a website in six languages that fielded more than 1.4 million orders last year. Plans for the new year are to continue expanding. **Corcuera** says that **Deporvillage** seeks to “focus also on developing its own brands.”

In a business update, **Polygiene** said its sales for the fourth quarter soared by 41.4 percent to a record 26.9 million Swedish kronor (€2.7m-\$3.2m) in the fourth quarter of 2020. The company added that **Addmaster**, its newly acquired British subsidiary, had even stronger growth. Sales to **Polygiene** excluded, **Addmaster’s** revenues rose by as much as 69.2 percent to \$1.7 million (€1.9m-\$2.3m). As previously reported, **Polygiene** has just completed the acquisition of this global supplier of antibacterial additives for hard surfaces, for SEK 374 million (€36.9m-\$44.8m). **Polygiene’s** strong revenue growth was due largely to the success – in the context of the Covid-19 pandemic – of its **ViralOff** anti-microbial treatment, which can reduce tested viruses by 99 percent in two hours. The Swedish company’s full annual results are due to be released on Feb. 25.

Going through two Covid-related lockdowns, French specialty retailers saw their sales decline on average by 18 percent in 2020, although their online turnover jumped by 80 percent for the year, including a growth of 85 percent in December, according to their trade association, **Procos**. Shoe retailers suffered the biggest losses with sales down by 27.5 percent for the year. At the fashion stores, the rate of decline was limited to 22.7 percent. Sporting goods retailers scored the best sales performance, recording a decline of only 4.5 percent in 2020. They did even better than furniture retailers, whose sales dropped by 8 percent. Sales exploded in December by 25 percent compared to the previous year for both sports and furniture retailers. For shoe and clothing retailers, they only rose by 4.5 percent and 12.7 percent for the month, respectively. Sales were boosted during the first half of December by a postponement of the Black Friday promotions, but the second half was less dynamic. In contrast with some other countries, retailers of non-essential products were allowed to reopen on Nov. 29 and stay open through the month of

December, in spite of the coronavirus pandemic. They are generally expected to stay open through the end-of-season clearance sales, the start of which has been delayed to Jan. 20.

Stream Hatchet – the data analytics arm for streaming and gaming of the Canadian company **Engine Media** – has released its industry trend report for 2020. Like home fitness, e-sports appears to have gotten a big boost from the Covid-19 pandemic. According to Stream Hatchet's CEO, **Eduard Montserrat**, "video games and e-sports have taken a huge step in popular culture. When much of the live entertainment world went dark, streaming platforms were able to captivate audiences." In 2020, says Stream Hatchet, not only did the first-quarter start of the pandemic cause a second-quarter surge in streaming, but no drop-off ensued – despite the return to television of physical sports and other expansions of "online and on TV entertainment options." By the end of last year e-sports streaming had increased by 69 percent from 2019 and by 81 percent from 2018. Part of the story, notes Engine Media's executive chairman, **Tom Rogers**, is the streaming use of gaming platforms by traditional television networks, as these "channels with older audiences are seeking to reach interested younger viewers." But there's also the matter of American politics, which accounted for much of the traffic. The streaming platform **Twitch**, for instance, launched a politics category last February and ended up doubling its fourth-quarter "watch hours" to 5.4 billion from 2019 to 2020. Also continuing to rise was mobile gaming. As for the games themselves, **League of Legends** has supplanted the mighty **Fortnite** as the most popular videogame in live streaming, with nearly two billion hours watched.

Superdry recorded an underlying pre-tax loss of £10.2 million (£11.5m-\$13.9m) in the 26 weeks to Oct. 24, compared with a £2.3 million loss for the year-ago period. Revenues dropped by 23.4 percent to £282.7 million (£317.6m-\$384.9m), weighed down by the impact of the Covid-19 pandemic, as restrictions and lockdowns led to a 23 percent drop in the number of trading days at its own stores. Revenues from e-commerce sales progressed by 49.8 percent, but this was offset by a 44.8 percent decline in sales at the company's physical stores. With more than 70 percent of its stores currently closed, the management says it will take time to see an improvement in results. The company is focusing on its influencer-led digital marketing strategy to better target new and existing customers, which includes a partnership with the Brazilian football champion **Neymar Jr.** Sustainability is also a primary focus for Superdry, with 38 percent of autumn/winter 2020/21 revenues coming from products made using organic cotton, recyclable and other low-impact materials.

Sweaty Betty's revenues grew by around 60 percent between 2019 and 2020. With many consumers spending more time at home due to lockdowns and restrictions, the demand for British company's joggers rose by 160 percent, while sales of Italian fleeces surged by 223 percent. The women's fitness apparel brand continued its international expansion. It launched its products in five of **Nordstrom's** Canada stores and online at **Nordstrom.ca**. It now has a total of three stores in Hong Kong,

where the first one of them opened in 2019, and **Sweaty Betty** plans to expand its digital business more broadly across Asia in 2021 and beyond. Last year's progress came after revenues had risen by 27 percent to 80 million pounds sterling (£89.8m-\$108.9m) in the previous financial year, led by a growing activewear market. Thanks to new investments, the company saw online sales surge: they accounted for around 46 percent of total sales, up from around 40 percent in 2018.

Legal & Institutional

Michael Jordan has won another victory in its legal battle with **Qiaodan Sports**, a Chinese sports apparel brand based in Fujian, obtaining an award of 300,000 renminbi (£38,000-\$46,300) for "emotional" damages and RMB 50,000 for associated legal expenses. Early last year, China's Supreme People's Court had issued a final decision in an eight-year-old dispute between the two parties, overturning the verdicts of two other courts and banning Qiaodan from using the name. The name **Qiao Dan** has the same characters as Jordan in Chinese, and the company has been using a silhouette similar to that of the famous Jumpman in its logo. It had registered the name and other Jordan-related marks over a decade ago, building its sportswear business upon the basketball champion's popularity in the country. In 2016, a Chinese court ruled in Jordan's favor with regard to the marks, but allowed Qiaodan to continue to use his name written in Chinese characters. Last year's Supreme Court ruling specified that it must disclose that there is no connection with Jordan when it uses some of the related marks.

The European Commission is sounding out companies involved in the sale and distribution of consumer goods and their trade associations to provide input for the reform of a set of guidelines governing dealings between suppliers, wholesalers and retailers. First issued in 2010 and called the Vertical Block Exemption Regulation – or **VBER** for short – it will be revised and adopted by the EU in May 2022. To this end, the Commission has given all stakeholders time until March 26 to answer a rather legalistic questionnaire of 40 pages on important topics such as exceptions for dual distribution, active sales restrictions, indirect restrictions on online sales, party obligations, resale price maintenance, non-compete obligations, sustainability agreements and the impact of Covid-19. The **European Federation of the Sporting Goods Industry (FESI)** is currently working on a draft answer that would be submitted for comments and approval in early February on behalf of the industry. In the meantime, individual companies are invited to answer the questionnaire directly or to share their preliminary comments with FESI. The Commission plans to make a regulatory proposal by mid-2021.

Artnet News reports that the U.S. street artist **Futura** is suing **The North Face (TNF)** for allegedly copying the stylized swirled atom design that has for years appeared throughout his artwork in its 2019 **Futurelight** collection of apparel, subsequently expanded to various accessories. According to **Artnet**, the artist's filing, which was submitted to the California Central District Court on Jan. 12., reads: "The similarity of

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the graphic designs and the names is no coincidence: [North Face] purposefully invoked [Futura] in order to suggest an association with him.” The artist, whose real name is **Leonard McGurr**, is seeking an unspecified amount in damages and is calling for the products to be removed from the marketplace. TNF has previously collaborated with Futura, who has also had creative partnerships with **Nike**, **Uniqlo**, **LVMH**, **Comme des Garçons** and others.

Nike and its **Converse** subsidiary have filed the biggest lawsuit of the kind, accusing the 186 operators of 589 websites as well as 676 social media accounts for allegedly infringing on various trademarks and attempting to sell “falsely labeled” counterfeit products under their own brand names and that of Nike’s **Jordan** brand. The filing was made in the U.S. District Court for the Southern District of New York on Jan. 12. According to the complaint, the 589 websites are operating “a counterfeit scheme” via 42 separate networks based in China, Saudi Arabia, Bahrain and other foreign jurisdictions. Not only do the defendants copy the designs, patterns and color schemes associated with the Nike group’s products, but they also “expressly identify the counterfeit products” with the group’s brand names, says the filing. The defendants also allegedly make unauthorized use of the plaintiffs’ marks throughout the infringing websites and social media, on which these goods are advertised or offered for sale to consumers in the U.S. The plaintiffs are asking that the court orders the defendants to halt all manufacture and sale of the counterfeit products, and to deliver all existing counterfeits for destruction. The request includes the seizure of all the domain names involved and the deactivation of the social media identities being used. Nike also seeks damages for each infringing domain name.

The organizers of the **PGA Championship** have voted to move the 2022 event, which was set to take place at **President Trump’s National Golf Club** in Bedminster, New Jersey, away from that venue. The decision came four days after the Jan. 6 assault by supporters of the outgoing president on the Capitol in Washington, D.C. while the U.S. Congress was certifying the victory of President-elect **Joe Biden**. **Jim Richerson**, president of **PGA of America**, referred in a statement to its “right to terminate the agreement.” It is unclear where the tournament will be held instead.

After many years of collaboration, the **European Outdoor Group (EOG)** and **EDM Publications (EDM)**, publisher of *The Outdoor Industry Compass (OIC)* and *SGI Europe*, among other titles, will build on their existing successful relationship. Together, they want to reach bigger audiences with business information and news about the outdoor industry. Most recently, the EOG and EDM have cooperated to support the **European Outdoor Summit (EOS)**, and now they have agreed to enhance this partnership. EDM will be the official international media partner for the EOS and work closely with the EOG’s events team to promote and report on the summit. The EOG will provide EDM with regular editorial content and comments for inclusion in *The Outdoor Industry Compass* from both its own projects and those of associated organizations such as the **European Outdoor Conservation Association (EOCA)**, the

It’s Great Out There Coalition and **The Microfibre Consortium**. The material will include a regular column for the *OIC*’s monthly Executive Editions. Also included in the collaboration is the promotion of the EOG’s industry-leading **State of Trade** market research program and the recruitment of new participants for the project.

The new **Accademia Creativi Montebelluna** (Montebelluna Creative Academy) brings together designers and professionals from the footwear and sporting goods sector of the so-called Montebelluna Sportsystem industrial cluster, in Italy’s northeast. Its general aim is to safeguard and transmit the cluster’s technical know-how to the new generations. The chairman of the new group is an experienced designer of sports shoes, **Armando Cietto**, founder and CEO of the Montebelluna-based **AC Studio**, assisted by **Andrea Agostinetti** as secretary general. The mission of the new group, which currently has 15 members, is to stimulate cultural and social activities within the Montebelluna district, while encouraging training, research and development, promotional initiatives, networking and innovation across the sector. The group’s activities will revolve in particular around digitalization, 3D design, new materials, new technologies, innovation and sustainability. **Accademia Creativi Montebelluna** is headquartered at the **Museo dello Scarpone e della Scarpa Sportiva**, the museum that showcases the cultural heritage of the district. It will operate in collaboration with **CombinAzioni**. The group has already set up a series of training webinars for 2021, partly aimed at promoting synergies within the territory. It is working on an internet platform. The “Sportsystem” industrial cluster of Montebelluna includes 15 municipalities in the province of Treviso. The area hosts around 350 large and small sports and outdoor-related manufacturers and companies that employ a combined staff of nearly 5,000 people. These companies account for an estimated 65 percent of the world’s production of ski boots, 80 percent of its production of motorcycle boots and 25 percent of the production of inline skates. The main export markets are France (17.3% of sales), Germany (13.9%), the U.S. (7.5%) and Spain (7%).

The Foreign, Commonwealth and Development Office in the U.K. is seeking to separate British organizations from the extra-judicial detentions and forced labor that Uyghur Muslims and other minorities are undergoing at the hands of the ruling Chinese Communist Party in the province of Xinjiang. Citing “proof from the Chinese authorities’ own government documents,” the U.K. government will be undertaking a “review into which U.K. products can be exported to Xinjiang” and introducing “financial penalties for businesses that do not comply with the Modern Slavery Act.” It will be issuing guidelines on procurement and other matters to U.K. businesses and to public bodies to “exclude businesses complicit in human rights violations from their supply chains.” “Compliance will be mandatory for central government, non-departmental bodies and executive agencies.” Canada, which has been working with the U.K. on the issue, has made a parallel announcement to introduce seven measures. The Canadian government will ban imports produced wholly or in part by forced labor, requiring Canadian companies to submit a

Xinjiang Integrity Declaration, issuing a business advisory on Xinjiang-related entities, issuing “enhanced advice” to Canadian businesses, implementing export controls, conducting an awareness campaign for “Responsible Business Conduct linked to Xinjiang,” and conducting a study on forced labor and supply chain risks. We recently reported about the action taken by the **Fair Labor Association (FLA)** and the **Call to Action Coalition** on the issue, including the **BBC’s** report about the problem.

The U.S. government is increasing its pressure on Chinese interests and authorities to stop engaging in labor practices that violate basic human rights. The **U.S. Customs and Border Protection (CBP)** agency has issued a third Withhold Release Order (WRO) for cotton products and tomato products produced in Xinjiang, China. The order, which went into effect on Jan. 13, applies to “all products made in whole or in part using this cotton or these tomatoes, regardless of where the downstream products are produced.” The new order stems from the findings of an investigation conducted by the CBP that revealed such “forced labor indicators” in the province as “debt bondage, restriction of movement, isolation, intimidation and threats, withholding of wages, and abusive living and working conditions.” The CBP’s acting commissioner, **Mark A. Morgan**, has gone so far as to speak of the “Chinese government’s exploitation of modern slavery,” notably of the region’s Uyghur Muslims. “Imports made on the cheap by using forced labor,” he continues, “hurt American businesses that respect human rights and also expose unsuspecting consumers to unethical purchases.” Measures already taken before the latest order include an advisory issued by the U.S. government in July 2020 to “caution businesses about the reputational, financial, and legal risks of forced labor in Xinjiang” and a previous WRO from the CBP issued on Dec. 2, 2020, on cotton and cotton products produced by the **Xinjiang Production and Construction Corps**, which the CBP describes as an “economic and paramilitary organization subordinate to the **Chinese Communist Party**.” The CBP has issued two WROs since the beginning of fiscal 2021 on products originating in Xinjiang. Eight of its 13 WROs from fiscal 2020 were on goods made by forced labor in China.

The World Federation of the Sporting Goods Industry (**WFSGI**) has launched a newly designed website, www.wfsgi.org. It is more user-friendly and easier to navigate through than the former one. It also offers more features and customized solutions. Besides guiding visitors through its “working areas” to find out about its committee work, position papers, webinars and working groups, it has an integrated platform exclusively reserved for WFSGI members that provides instant access to the minutes of important meetings, recordings of live webinars, industry-specific newsletters, and personalized messages and content. The new website makes it possible to register for webinars such as one on the “new normal” in the sector, which will be conducted together with **McKinsey & Co.** on Tuesday, Jan. 26, three days before WFSGI’s virtual annual assembly.

Jochen Schaefer, the legal advisor of the World Federation of the Sporting Goods Industry (**WFSGI**) and the European Fede-

ration of the Sporting Goods Industry (**FESI**), has launched his own website under the www.sjlegalonline.de domain in English and German. Besides providing information on his background and expertise, it has a special area reserved for his clients. Schaefer, who has been contributing some interesting opinion pieces to *SGI Europe* on dealings with e-tailers and other subjects, is a specialist in the sporting goods sector. After working as general counsel of **Adidas** from 1981 to 1983, he set up his own law firm in Nuremberg and merged it with another one in 1995. He recovered his independence in 2008, setting up his current law firm in the Munich area.

Product

Under the name **Burton Polartec One World, Burton Snowboards** has collaborated with its longtime textile solutions partner **Polartec** to create a capsule collection made from recycled materials. Its launch is accompanied by a film by the same name that is also a tribute to the late founder of the company, **Jake Burton Carpenter**, who passed away recently. The One World collection uses recycled Polartec fabrics including the award-winning **Polartec Power Air**. The range includes the **Polartec Power Dry** fleece jacket, the **Insulator**, a **Polartec Alpha** jacket, the **Stash Pants** made with **Polartec Power Air**, the **Fleece-Hoodie** made with **Polartec Fleece**, a blend of cotton and polyester fleece, a long-sleeve fleece T-shirt made with **Polartec Power Grid**, as well as the **Yonder Beanie**, the **Tap Line Beanie** and a convenient **North South** 19-liter tote bag.

Kalenji, Decathlon’s brand for jogging and running, has collaborated with France’s **Centre Oscar Lambret** (Oscar Lambret Center) on the development of the **Jogkokoon+**, a sports bra specifically designed for women with breast cancer who have undergone mastectomy. Centre Oscar Lambret is the regional center for the fight against cancer of France’s Hauts-de-France region. The collaborative effort, which involved medical professionals and patients of the center, alongside Decathlon’s staff, began back in 2017, the company said. The Jogkokoon+ is made of soft fabric to limit irritation. The patients tested different fabrics and selected the one that seemed softest and most comfortable, Decathlon said. The bra is guaranteed without reinforcement, and has been certified as a medical device. The Jogkokoon+ and the Jogkokoon, which is the equivalent version without breast prosthesis, will be introduced in March. The Jogkokoon+ will exist in a black version only, and will be sold on the web at a price of €40. The Jogkokoon, in black and pink colorways, will be available both in-store and on the web at a price of €35. As part of the overall collaboration, the Decathlon Coach team and Centre Oscar Lambret have also developed a post-mastectomy workout program to help women who have undergone surgery return to sports while also limiting the risk of a relapse of the disease.

FW Apparel of France has made use of materials by **Polartec** for its autumn/winter 2020-21 collection. The alpine-style **Manifest Tour Hybrid Pants PFL** and **Hybrid Hoodie PFL** – retailing for about €200 and €370 respectively – employ a recycled material, **Polartec Alpha**, in their middle, temperature-regulating layers. According to FW’s co-founder, **Olivier**

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Gouby, this enables the wearer to engage in splitboarding or cross-country skiing at fluctuating temperatures without ever adding or subtracting layers. According to Polartec, Alpha was designed for the “stop & go” activities of American special forces. The collection also makes use of **Power Stretch Pro** and **Polartec 200** for warmth and breathability. The latter is used in FW’s **Root Pillow** for women, which doubles as a jacket, the pillow stowing into a kangaroo pouch. Headquartered in the French city of Annecy, FW specializes in snowsports and the winter outdoor market.

Footjoy, a brand of **Acushnet**, is launching a new iteration of the **HyperFlex** golf shoe that features the new **Wrapid BOA** lacing system as well as an innovative **OptiFlex** outsole, which is said to flex naturally with the wearer’s foot. A thin, semi-rigid TPU flex plate promotes multidirectional flexure and traction. The original HyperFlex shoe was launched in 2015. In addition, the golf brand has introduced a new HyperFlex glove, which features a cabretta leather palm for soft feel and perspiration resistance, as well as a vented **FiberSof** microfiber on the back of the hand for added breathability. The glove is offered in both men’s and women’s versions.

A Taiwanese start-up, **Stride**, has introduced a machine for the “space-constrained” and “motivationally challenged.” Its **Transformer** is described as a “multi-use connected fitness machine” that provides biking, running and rowing modes as well as strength cables, but takes up no more room than a treadmill. Sensors in the Transformer feed data into the accompanying app, called **Stride-360**, which offers visual goal and progress tracking, social connectivity and access to instructor- and user-created **YouTube** videos. In time, Stride will be opening the platform to other digital trackers. Stride was founded by **Joseph Prosnitz** and **Alexander Kuzmin**. It has patents pending for its **E-Motion** drive train and the Stride-360 **Android** app. The company will be manufacturing its first Transformer production sample and releasing the **iPhone** version of its app this month. It is also one of 100 Taiwanese start-ups to exhibit at this month’s virtual **Consumer Electronics Show (CES)**.

Livall has introduced its new **C20** and **BH51M Neo** products at the virtual **CES 2021** consumer electronics show. Livall C20 is a helmet for the city commuter, with a smart lighting system that switches on automatically in the dark. The C20 also features brake warning lights as well as a fall detection technology, with an emergency system, automatically triggered in an accident, which communicates GPS location data to emergency contacts. In addition to the features that can be found in the C20, the new Livall BH51M Neo allows users to hear GPS directions from a connected smartphone via built-in speakers, without taking the eyes off the road. Livall, founded in 2014 and headquartered in Shenzhen, China, released what it claimed to be the world’s first smart and safety cycling helmet in February 2015.

Impulse, a British start-up, has unveiled new smart cycling shorts that use electrical impulses and artificial intelligence (AI) to stimulate the cyclist’s muscles while moving in order to improve his or her performance. The product is set to be showcased at the upcoming **Consumer Electronics Show (CES)**

later this month, which will be held exclusively online. The shorts have been developed by **Devon Lewis**, a Ph.D. researcher in neuroscience at the University of Southampton who founded the start-up. The cycling shorts are equipped with sensors and wires that emit tiny electrical impulses to shape and stimulate the cyclist’s muscles while they are moving. An AI tool in the shorts calculates which muscles need to be stimulated. Based on the information, electrical impulses are dispatched to the cyclist’s muscles through a network of wires that are integrated in the fabric of the shorts.

Puma has launched a football boot, called the **Future Z 1.1**, with a mid-foot compression band, itself called the **Fuzionfit+**. The band combines polyester and spandex yarns, while the boot’s upper is made of a coated, knitted material. **Neymar da Silva Santos** and **Marco Reus** from the **Paris Saint-Germain** and **Borussia Dortmund** football clubs respectively, will be wearing the boot on the pitch.

Puma has introduced the **Fuse**, a new cross-training shoe designed to resist the toughest workouts. The all-new sneaker has been tried and tested by the brand’s athletes, including **Lewis Hamilton**, the company said. The Fuse features a 4mm drop and wide toe boxes to provide stability. Its **Pumagrip** rubber outsole is meant to provide all-purpose traction while a TPU heel clip offers additional support. The new Puma Fuse was launched on Jan. 7, in men’s and women’s sizing.

Icon Health and Fitness has announced that **iFit**, the patented connected fitness platform that powers its **NordicTrack**, **ProForm** and **Freemotion** equipment, is about to release the **iFit Active Pulse**, a new patent-pending technology that allows a member’s heart rate to automatically tailor the treadmill’s speed and incline. The new technology uses complex algorithms that gradually “learn” unique behavioral patterns over time in order to automatically adjust iFit’s library of workouts to the user’s individual fitness level and goals. Without this technology, a person can only manually monitor and decide to adjust their effort in order to remain in an optimal heart rate zone. Heart rate is impacted by daily variables like stress or sleep, which means that the effectiveness of a given workout also varies from one day to the next based on heart rate performance. The new iFit Active Pulse is also compatible with third-party devices from brands such as **Polar**, **Garmin**, **Wahoo** and **Whoop**. It will be available through an automatic software update in January on all iFit-enabled NordicTrack, ProForm and Freemotion treadmills. The feature will then become available for rowers, stationary bikes and ellipticals soon after. Members can connect with iFit workouts in English, Spanish, French and Mandarin Chinese, with more languages due to be added in 2021.

+++ **Decathlon** says it is working on a face mask that can be used while practicing sports +++

Marketing

Adidas has announced a “long-term partnership” with **Félix Auger-Aliassime**, the youngest tennis player in the global ran-

king of the top 25 professionals. At the age of 20, the Canadian has scored as the 21st best male tennisman. Adidas indicates that one reason for the partnership is the fact that he has set up an internet platform to encourage grassroots engagement in the game. Auger-Aliassime will start wearing Adidas' tennis shoes and apparel in the **Australian Open** next month.

Adidas has established a multi-year sponsorship deal with **G2**, the entertainment and e-sports brand. It will be supplying sports apparel, manufacturing the G2 jersey for the 2021 e-sports season and developing a joint lifestyle apparel collection. The **G2 x Adidas** jersey will contain the **Aeroready** system to keep the fabric dry and breathable and display a hologram of the face of G2's co-founder, **Carlos Rodriguez**, himself a former professional in e-sports. Through the deal G2 will be gaining "exclusive industry access" to the **Adidas World of Sports**, the group's new headquarters in Herzogenaurach. Founded in 2015, G2 has registered 25 million users throughout Europe. Among its other sponsors are **BMW**, **Mastercard**, **Twitch**, **Pringles** and **Domino's**.

Allied Sports, the entertainment and lifestyle marketing agency based in New York, has set up a team in London to expand its international operations. The team will be led by a new managing director of international, **Jeff Ehrenkranz**, who previously served as president of **Octagon's** international marketing business. Allied Sports defines its mission as facilitating "best-in-class strategic alliances that set a higher standard of audience engagement for brand marketers, rights holders, content creators and distributors" in various areas, including sports content and athlete marketing. Launched in 2019 as a strategic expansion of **Allied Global Marketing**, it says it has been helping "modern marketers make the strategic shift from Sponsor to Storyteller."

Asics has started a new research project about the "positive impact of sport on mental wellbeing" – in keeping, as its press release notes, with the source of its brand name: the Latin phrase "*anima sana in corpore sano*" (sound mind in sound body). The Japanese company will be tracking biometrics through the brain pathways of thousands of subjects around the world. The project follows a preliminary study – from Dec. 1, 2020, to Jan. 7, 2021 – with such athletes as **Beth Potter**, the British Olympic runner and European triathlon champion. In charge is **Dr. Brendon Stubbs**, who studies exercise and mental health at **King's College** in London. Initial results suggest that a "short amount of physical activity" produces an "overall emotional uplift" in "everyday athletes." They were up to 29 percent better at handling stress, 18 percent more relaxed, 28 less prone to make rash decisions or snap over disruptions, and less subject to frustration in general. They also displayed 26 percent faster brain processing, up to 21 percent better memory and up to 58 percent less cognitive stress. Everyday athletes showed greater improvement than professionals both emotionally and cognitively. Asics and some of its sponsored athletes – among them **Sara Hall**, **Deena Kastor** and **Taliyah Brooks** – are now inviting people around the world to take part. Details are available at asics.com.

Auclair, the Canadian brand of ski gloves founded in 1945, has struck a multi-year partnership with **Ski Sport Finland** and its team of professional athletes, who are often referred to as the Fearless Finns. Auclair has been a partner of the Canadian national ski teams for more than 30 years. It has partnered with the U.S. National Freestyle Team for more than ten years. It sponsors many individual skiers including **Mikael Kingsbury**, the top-class Canadian moguls champion. Auclair specializes in Nordic and freestyle skiing, but it made a return to alpine racing with the **Race Fusion** glove, which won an **ISPO Gold Award** in 2019.

Castore has announced a new partnership with **Gary Neville**, the former **Manchester United** player and current commentator for **Sky Sports**. The three-year deal will see the British sportswear brand become the technical, performance and lifestyle sportswear partner of this well-known British personality.

Decathlon has signed its first partnership with an American sports league, the **National Basketball Association (NBA)**. Through this multi-year merchandising deal, the big French-based sporting goods retailer will become the NBA's official licensee in Africa, Asia, Europe, the Middle East and Latin America. Decathlon will be developing NBA team and league-branded base layers, accessories and (in certain markets) footwear to sell under its four-year-old basketball brand, **Tarmak**. The collection will be sold exclusively at some 1,200 Decathlon stores worldwide and online at **Decathlon.com**. Early orders will open in March with the store launch to follow in April.

Hummel is going to take the place of **Under Armour** as the kit supplier of the **Southampton** football team, which plays in the **English Premier League (EPL)**, for five years, starting with the 2021/22 playing season. UA and Southampton have mutually agreed to terminate their original seven-year contract two years ahead of its expiration. Hummel had already sponsored the English team from 1987 to 1991. While UA is disinvesting from the expensive football game, the Danish sports apparel brand is reinvesting in the category. It agreed to pay a premium last year to replace **Umbro** as the sponsor of another EPL team, **Everton**, starting with the current season.

The **Lawn Tennis Association (LTA)**, the governing body for tennis in the U.K., has reached a three-year deal with **Framework Sports & Marketing**, the exclusive distributor in the country of **Slinger Bag**. Framework will be supplying the LTA with 20 of Slinger Bags' combination trolley bag and ball launchers every year. It will also grant discounts for LTA members and provide an affiliate scheme for coaches. The deal builds on Slinger Bag's sponsorship in June 2020 of the **Schroders Battle of the Brits** tournament at the LTA's National Tennis Centre. Framework is run by **Jon Ballardie**, a brother of **Mike Ballardie**, the former top executive of **Wilson** and **Prince** who runs Slinger Bag.

Le Coq Sportif has become an official sponsor of **Nongshim RedForce**, formerly known as Team Dynamics, an e-sport team that competes in **League of Legends Champions Korea**

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(LCK). The team rebranded to Nongshim RedForce for the 2021 season. The deal marks Le Coq Sportif's entry into the e-sports market. Nongshim RedForce team players will wear exclusive branded uniforms, footwear and other items by the French activewear brand during competitions.

Mizuno will be the official technical partner of **Gruppi Sportivi Fiamme Gialle** for the athletic section. "Fiamme Gialle" is the name given to athletes from the sports groups of Guardia di Finanza, Italy's law enforcement agency for financial crime and smuggling. The prestigious military sports group comprises around 300 athletes who compete in 12 disciplines. The year 2021 marks Fiamme Gialle's 100th anniversary, and the members of Fiamme Gialle's athletic section will be wearing the Mizuno Teamwear athletics line this season, featuring Fiamme Gialle's yellow-green institutional coloring as well as the Fiamme Gialle centennial logo.

Naomi Osaka will be **Louis Vuitton**'s newest brand ambassador from the world of sports. The financial terms of the agreement have not been disclosed. As part of the deal, the 23-year old tennis star and three-time Grand Slam winner will be featured in Louis Vuitton's campaign for its spring-summer 2021 fashion collection. Osaka is currently third in the world's women's singles rankings. In 2020, the Japanese player took over from **Serena Williams** as the highest-paid female athlete in the world, according to *Forbes*.

TaylorMade has extended its sponsorship deal with **Dustin Johnson**, the No. 1 player in the Official World Golf Rankings. The financial details of the multi-year extension have not been unveiled. Johnson, 36, has been with TaylorMade since turning professional 14 years ago. The American golfer has amassed 24 **PGA Tour** wins, including two major championships.

Joining the list of golf brands and organizations that support the 2021 Women's Golf Day (WGD), **Titleist** and **FootJoy** have signed up as the event's official golf ball and official footwear sponsors, respectively. The WGD is a collaborative effort by a team of golf management companies, retailers and other organizations to empower girls and women through golf. This year's event is scheduled to take place on June 1. Throughout 2021, **Acushnet**, the parent company of Titleist and FootJoy, will work with the WGD team to introduce new and innovative ways to engage and educate women about the opportunities that exist for them in golf. The first edition of the WGD was celebrated in 2016. Since then, the event has been hosted at over 900 locations in 68 countries. The partners and supporting organizations of WGD also include **Callaway Golf**, **European Tour**, **PGA of America**, **PGA Tour**, **Sky Sports**, **The Golf Channel**, and **TopGolf**, among others.

Whoop, the American "athletic performance maintenance company," and the **PGA Tour** have announced a multi-year partnership that makes Whoop the official fitness wearable of the PGA Tour and PGA Tour Champions and a sponsor of the **PGA Tour Active** program. To activate the partnership, Whoop and the Tour will implement a **Whoop Live for Charity** initiative, which will see players wear Whoop devices to hi-

ghlight the players' biometric data and heart rate throughout the season, with related real-time metrics integrated into video content. Featured players will receive a contribution of \$10,000 to the charity of their choice on behalf of Whoop and the Tour. Furthermore, Whoop will activate and create customized content within PGA Tour Active (www.pgatour.com/active), a new Tour initiative allowing fans to get an inside look into the health, fitness and lifestyles of professional golfers.

+++ **J.Lindeberg** has announced a multi-year clothing deal with **Nelly Korda**, the American professional golfer on the **Ladies Professional Golf Association (LPGA)** Tour, who will wear the apparel of the Scandinavian clothing brand on tour +++ **Ping** has extended its equipment contract with **Tyrrell Hatton**, the English professional golfer who is currently No. 9 in the official world golf ranking +++ **On Running** has signed an endorsement deal with Switzerland's fastest marathon runner, **Tadesse Abraham** +++ **Erima** has extended its seven-year-old supply contract with the **Austrian Light Athletics Federation** until 2024 +++ **Hunter Jones**, the professional surfer and filmmaker, is being sponsored by **Body Glove** +++ **Picture Organic Clothing**, also known as just **Picture**, has signed up a big mountain skier, **Jackie Paaso**, who has been involved in the **Freeride World Tour** for the past ten years +++ +++ **Fanatics** and **Atletico Madrid** have agreed a new long-term extension to their e-commerce and manufacturing deal +++ **Macron** has announced a four-year extension to its kit partnership with **Perth Glory**, the Australian football club that competes in the country's A-League +++

Trade Shows & Other Events

FIBO, the International Trade Show for Fitness, Wellness and Health, has announced a three-year extension of its partnership with **EuropeActive**, which is aimed at promoting growth across the entire ecosystem of the fitness and physical activity sector. Notably, FIBO will continue to participate in the funding of the "European Health and Fitness Market Report," an annual research project on fitness studios and their membership, along with EuropeActive and **Deloitte**. It will also continue to host the European Health & Fitness Forum (EHFF). EuropeActive, founded in 1996 and formerly known as the European Health and Fitness Association, is the non-profit association of the fitness and physical activity sector in Brussels. FIBO and EuropeActive have been collaborating on the organization of the EHFF, whose 8th edition will take place one day before FIBO, as usual. As a reminder, the 2021 edition of FIBO, originally scheduled to take place in Cologne from April 8-11, has been postponed to June 24-27, in an attempt to improve planning certainty for participants during the ongoing coronavirus crisis. EHFF 2021 will be a hybrid event, with participants joining both on-site and virtually. It will address the four areas of EuropeActive's Sectoral Manifesto - health, digital, community and standards - and discuss the data from the latest "European Health and Fitness Market Report." A special chapter will be dedicated to the impact of Covid-19 and data about the recovery. The final program and registration details for EHFF 2021 will be available in the coming weeks.

Thomas Bach, president of the **International Olympic Committee**, told *Kyodo News* on Jan. 21 that there is “no plan B” for the **Olympic Games** in Tokyo, in spite of a spike in Covid-19 cases in Japan. He said he had no reason to believe that they will not open on July 23 as planned. According to a telephone poll conducted a few days ago by *Kyodo News*, 44.8 percent of the Japanese people would like neither postponement of the Games – they were originally scheduled to take place in 2020 – while 35.3 percent are in favor of their cancellation. Meanwhile, **Kevan Gosper**, a former **International Olympic Committee (IOC)** vice-president, has suggested that the **United Nations** might get involved in deciding whether or not the Games should ultimately take place, as it is unrelated to national interests and therefore well positioned to arbitrate on the issue. As previously reported in *SGI Europe*, a senior member of the IOC, **Dick Pound**, recently claimed that prioritizing athletes for the vaccine would be the “most realistic way” to ensure that the Games can go ahead.

Not all the industry’s trade shows are being held virtually these days. Without giving any attendance figures yet, **Emerald Holding** has reported on a successful in-person edition of its **Surf Expo** show, held from Jan. 6-8 as planned in Orlando, Florida. A total of 321 exhibitors registered for the event. Strict anti-Covid protocols were enacted to ensure everybody’s safety in spite of the fact that the state of Florida reported a big surge in Covid-19 cases on Jan. 2.

The **PGA Tour** has confirmed the cancellation of the 2021 season of the PGA Tour Series in China amid uncertainty due to the Covid-19 pandemic. The organization considered that the ongoing issues with the pandemic in Asia were “too difficult to overcome.” Meanwhile, the **Mackenzie Tour** in Canada and the **PGA Tour Latinoamérica** are set to go ahead this year as planned.

The **Pro Ski Intro** days, which were supposed to be held in Vemdalen from Jan. 25-28, have been cancelled, but suppliers and buyers may have another chance to meet during the **Purchasing Days** at the end of March in the ski resort of Åre. Organized by the Swedish sports trade association, **Svenskt Sportforum**, the event would have been attended by about 30 suppliers of alpine ski equipment and about 40 retail buyers to test and order the latest products, according to *Sportfack*. The reason given for the cancellation is a series of Covid-related restrictions that have led its host to give up.

+++ The **2021 Alpine Skiing World Championships in Cortina d’Ampezzo**, Italy, which is scheduled to take place on Feb. 8-28, will be held without spectators due to coronavirus restrictions

CSR & Sustainability

Nike is investing \$500,000 in **Black Girl Ventures**, a crowdfunding platform headquartered in Washington, D.C. that describes itself as funding and scaling “tech-enabled, revenue-generating businesses (under \$1M) founded by people

who identify as Black/Brown and women.” According to its founder and chief executive, **Shelly Bell**, Black Girl Ventures will be putting the money toward its proprietary platform and “storytelling campaigns.” Nike announced similar commitments this past July to **Black Girls CODE**, the **NAACP Empowerment Programs**, the **NAACP Legal Defense and Educational Fund (LDF)** and the **Equal Justice Initiative**. This year its Black Community Commitment will be issuing \$1.75 million in grants to similar organizations in the American cities of Boston, Memphis, St. Louis, Portland, Chicago, Los Angeles and New York. As we have previously reported, the **Jordan** brand and **Michael Jordan** himself have pledged an additional \$100 million over ten years for similar causes.

VF Corp. has made single files available for download to trace the supply chain for certain products through the last four of its five tiers. Each file goes from the finished product assembly stage (tier one) back through material production, raw material processing and raw material conversion (tier four), with raw material cultivation and extraction (tier five) excluded. VF pledges to have published such maps for 100 of its brands’ products by December 2021. There are currently 46 maps online, all including both a geographical map and a “traceability disclosure list.” For details, see www.vfc.com/sustainability-and-responsibility/traceability-maps.

Obituary

Ernst Aichinger, a former vice president of the European sporting goods retailers’ federation (**FEDAS**) who contributed to the launch of the annual **European Week of Sport**, passed away on Jan. 14 at the age of 73. The Austrian business graduate was a retail member of **Sport 2000 Austria** and a board member of **VSSÖ**, the Austrian sporting goods industry federation. He is credited for contributing to the creation of a greater collaboration between **FEDAS** and **FESI**, the European sporting goods industry federation, in lobbying for greater sports participation in Brussels, notably with the introduction in 2015 of the the European Week of Sport under the motto “Be active.”

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Please contact us at UK Head Office:

Finn Carlsen finn@spobro.com

Charlotte Steadman charlotte@spobro.com
www.spobro.com



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Please contact us at the UK Head Office:

Finn Carlsen finn@ismsearch.com

Charlotte Steadman charlotte@ismsearch.com
www.ismsearch.com

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Tel. +49-89 127 10822 www.sgieurope.com

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